

The opportunity from changing regulations

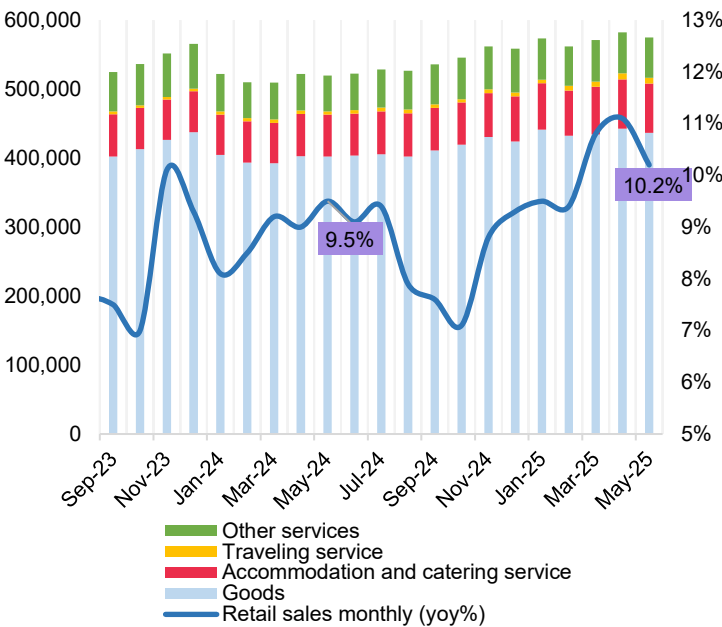
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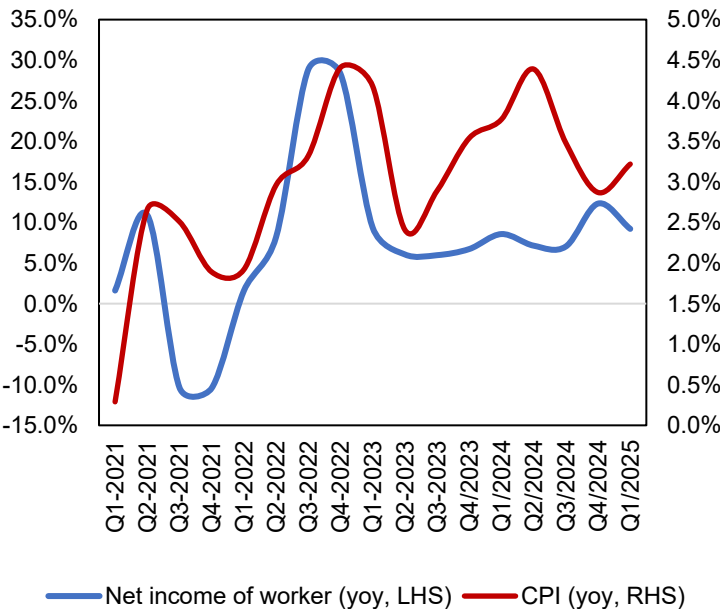
Recap 1H25: The demand increased but still in the low base

- In6M25, the retail sales may rise 9.7% yoy, better than the average of 2024 (8.6%) showing the better recovering of the domestic consumption. According to the Kantar, the FMCG total's value just increased 0.3%/1% in Vietnam Urban and Vietnam Rural, lower than the average in ASIA. We see that the consumer demand trend remains at a low base due to unfavorable economic conditions, including in: (1) CPI remaining around 3%, and (2) concerns about the negative impact of tariffs on the import-export sector in the short term.
- In 2H25-2026, we see the neutral recovery of retail sales due to the few changes to laws supporting, including in: (1) The VAT reduction 2% policy will be extended until the end of 2026 and will cover additional sectors, including transportation and logistics services, goods, and information technology services, (2) In addition to the salary increase, the expected completion of the amended Personal Income Tax Law in 2026 is likely to introduce higher family allowance to support monthly income for workers in Vietnam. Decision No. 01/2025/QĐ-TTg dated January 3, 2025, fully repeals Decision No. 78/2010/QĐ-TTg dated November 30, 2010, meaning that imported orders valued below VND 1 million will no longer be exempt from tax.

The growth of retail and goods sales in 1H25



Wage growth remains low while CPI stays high...



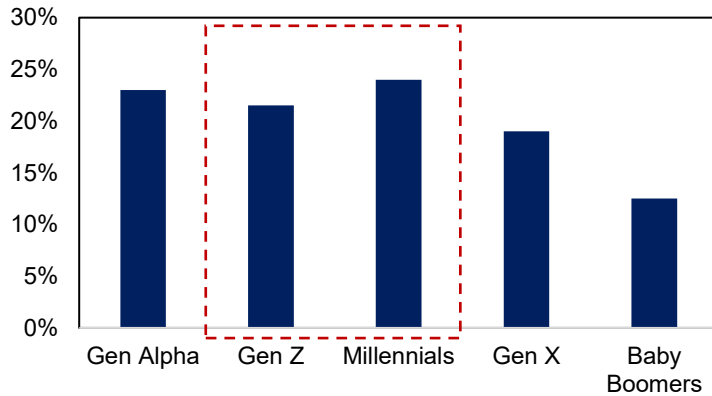
...therefore, the growth of essential consumption only increased slightly yoy

	Vienam (urban)	Vienam (rural)	Asia
FMCG total	0.3%	1.0%	2.8%
Food	0.8%	-0.3%	3.5%
Beverage	-1.9%	-2.2%	4.1%
Dairy	1.6%	2.6%	-1.5%
Home Care	0.8%	1.4%	4.5%
Personal Care	0.1%	6.3%	2.3%

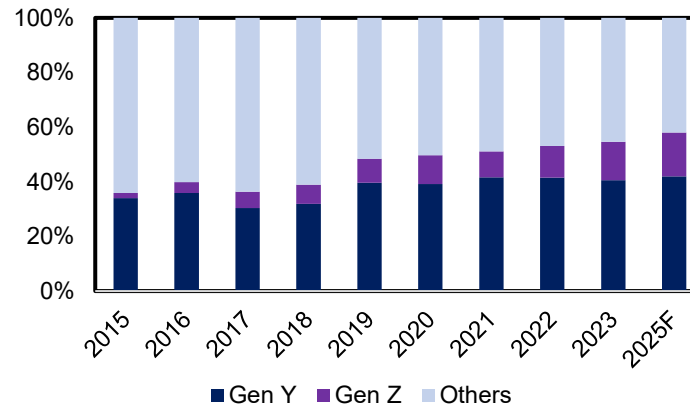
• Source: GSO, Kantar, MBS Research

Consumption: Keeping up with the new generation of consumer helping consumer businesses remain the growth of revenue

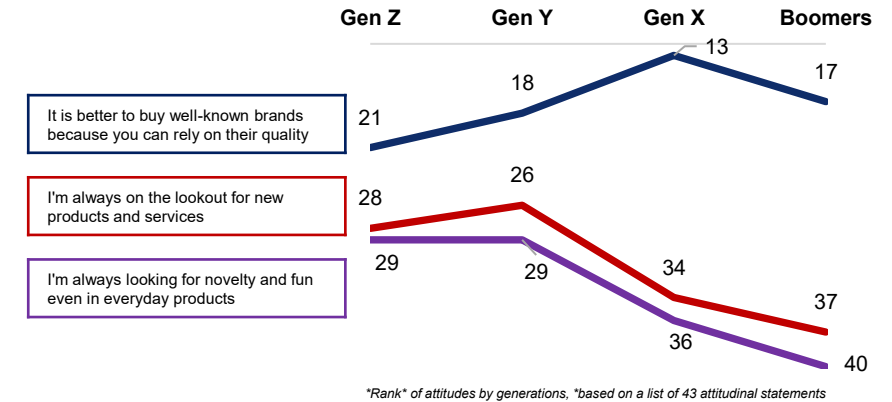
Gen Y and Gen Z make up nearly 50% of the total consumer base in Vietnam.



In the labor market, Gen Z and Gen Y are estimated to account for nearly 60% of the total in Vietnam.



Unlike previous generations, Gen Z and Gen Y exhibit rapidly changing consumer trends



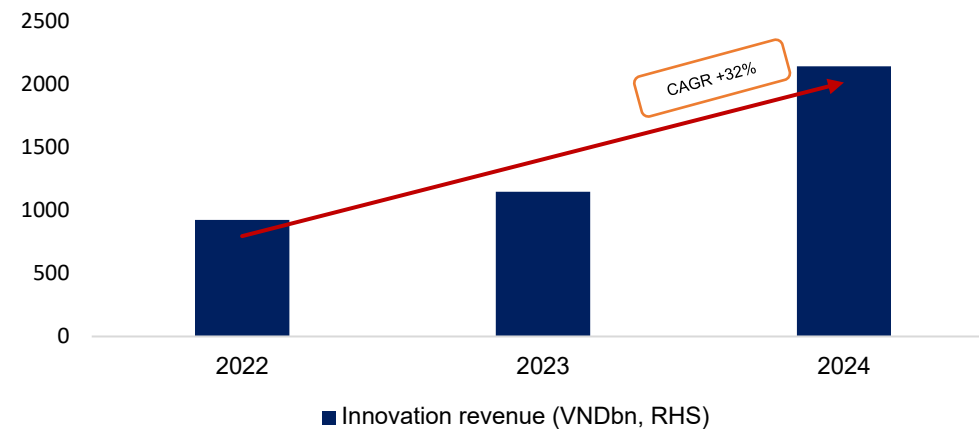
The transformation has helped VNM gain 1–1.2 pts% in market share in 2024 and reach 6% yoy in 2024, higher than the growth of market



2024: 24 new products ▲ 118% yoy

1Q25: 9 new products ▲ 350% yoy









And the innovation revenue helping MCH can reach 9% yoy, higher than the growth of market.



Premiumize

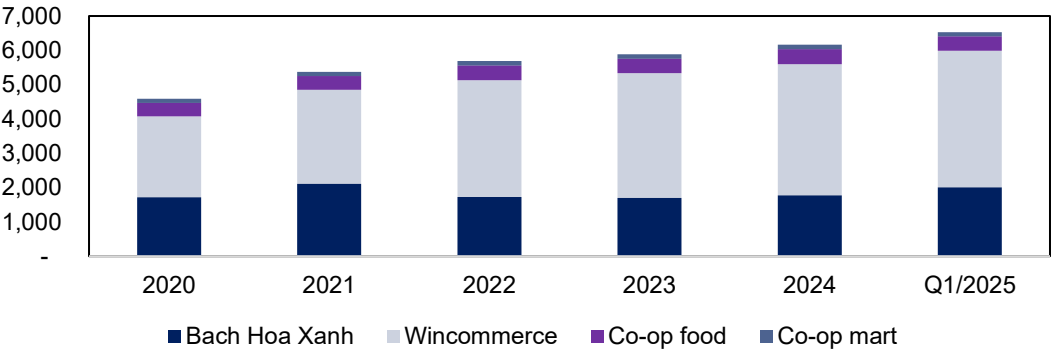
Go global

Modern retail chains: Gains driven by tax regulation reforms and the tightening of low-quality products

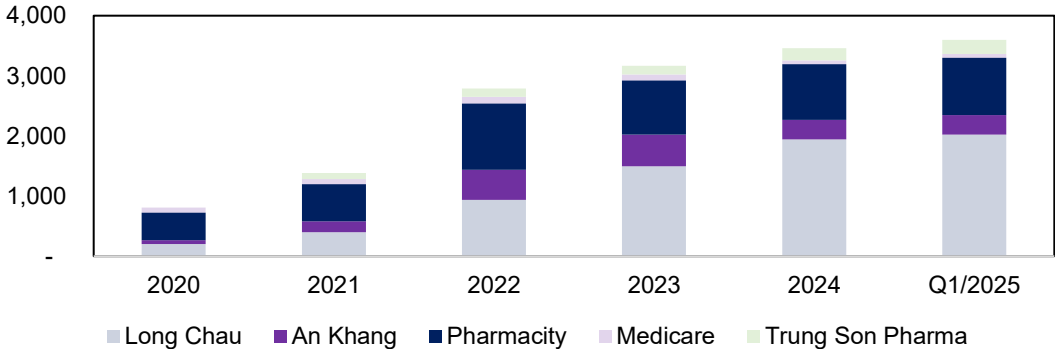
New law	Old rule	The changing					Comments	The impact to the modern retail chains							
								Grocery	Pharmaceut icial	ICT-CE	Jewelry				
ND 23/2020/N Đ-CP	Article 11. E- invoices Generated from Cash Registers	Title Article	Change 11.	E-invoices	and Generated	Clause from	Cash	Addition Registers	1. Household businesses and individual businesses, as specified in Clause 1, Article 51; with annual revenue of 1 VNDbn or more ; Clause 2, Article 90; and Clause 3, Article 91 of the Law on Tax Administration No. 38/2019/QH14, as well as enterprises engaged in the sale of goods or provision of services, including direct sales to end consumers (e.g. shopping centers, supermarkets, retail (excluding automobiles, motorcycles, and other motor vehicles), food and beverage, restaurants, hotels, passenger transport services, direct support services for road transport, arts, entertainment, recreational activities, cinemas, and other personal services in accordance with the Vietnam Standard Industrial Classification) are required to use e-invoices generated from cash registers that are electronically connected to the tax authority.	Effective from June 1, 2025, a total of 37,576 household businesses (accounting for 1% of all household businesses nationwide) are required to implement e-invoicing. This initiative aims to enhance transparency in sales transactions of household businesses with annual revenue exceeding 1 VNDbn.					
Resolution No. 68- NQ/TW (2025) on Private Sector Developme nt		7. Substantive and Effective Support for Small, Micro Enterprises and Household Businesses							Review and improve the legal framework for individual business activities; minimize disparities to the greatest extent possible; and create all favorable conditions in terms of governance structure, financial and accounting regimes to encourage household businesses to transition into formal enterprises.Promote digitalization, transparency, simplification, and ease of compliance and implementation in accounting, taxation, and insurance systems to support the transition of household businesses to enterprise models. Eliminate the lump-sum (presumptive) tax regime for household businesses no later than 2026.	Currently, 1.95 mn household businesses (out of a total of 3.2 mn) operate under the presumptive tax regime. The removal of this regime may result in additional costs for these businesses, including periodic tax calculation requirements and upfront investment in related systems.	For the consumer market, this is a suitable solution to:(1) Increase transparency in sales transactions and promote the circulation of formal domestic consumer goods, and(2) Reduce pricing pressure on modern retail chains.For the government, this initiative helps increase state budget revenues and reduce the volume of informal, undocumented goods, thereby ensuring a fair and competitive environment for domestic consumer products.				

Modern retail chains: The fragmented growth landscape in the retail scales

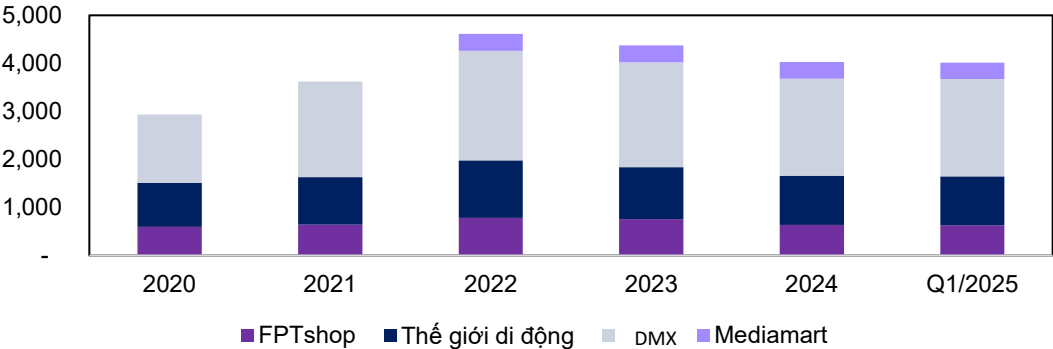
The coverage of grocery chains has increased significantly.



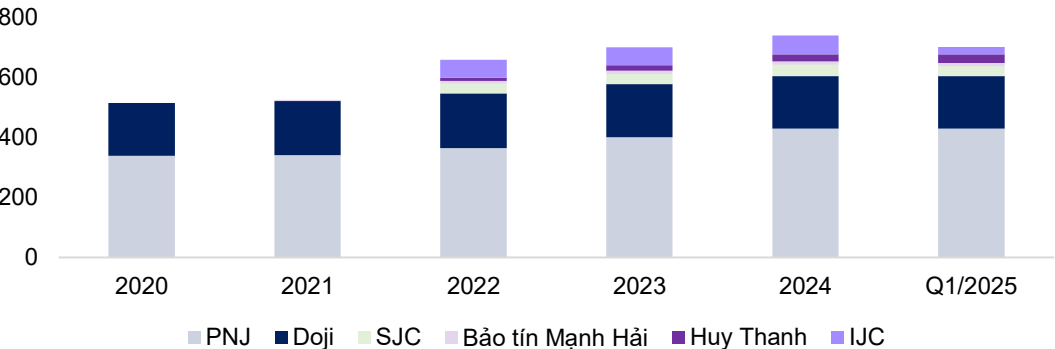
The scale of pharmacy chains is comparable, with Long Châu taking the lead.



Meanwhile, ICT-CE retail chains are gradually slowing down their rate of store closures...



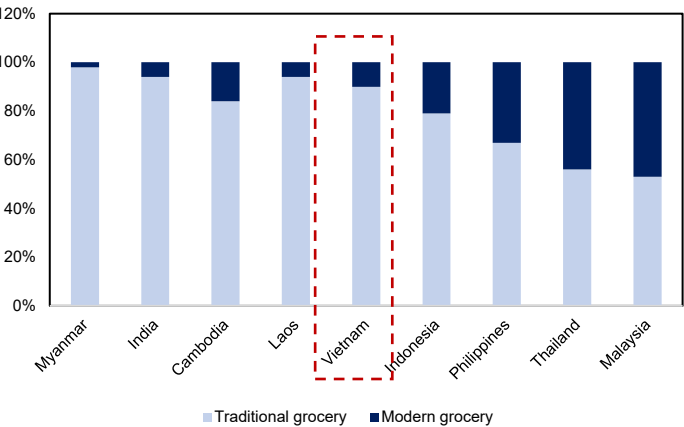
And jewelry retail chains remained flat amid fluctuations in gold prices



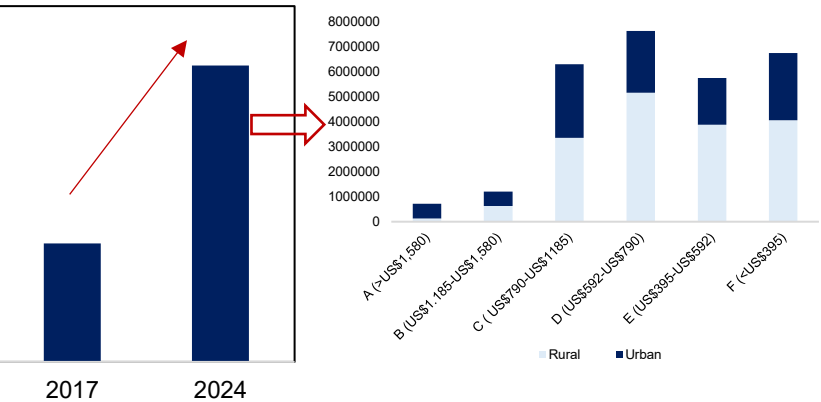
Source: Euromonitor, MWG, MSN, FRT, Pharmacy, PNJ, Doji, SJC, Huy Thanh, IJC, MBS Research

Modern retail chains: The strong expansion of grocery and pharmaceutical retail chains.

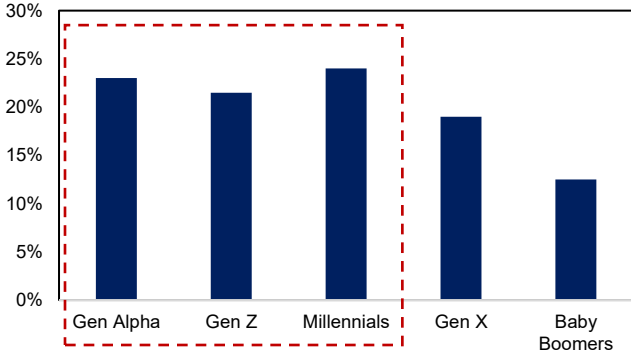
The penetration rate of grocery chains in Vietnam remains low compared to the ASEAN average.



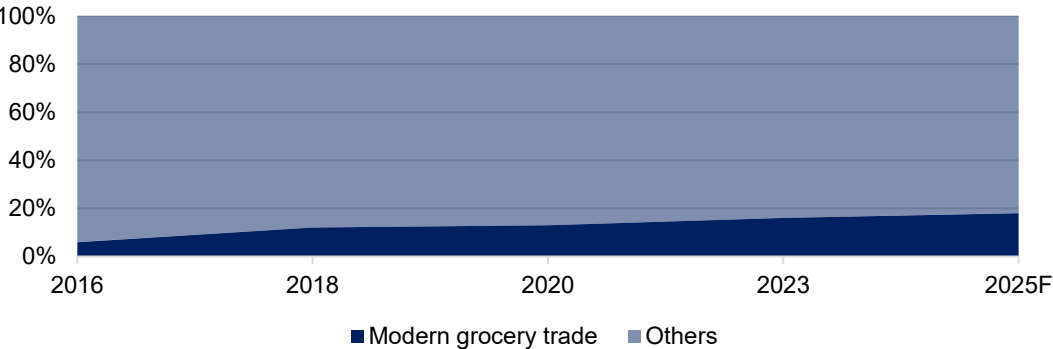
Over 56% of Vietnamese households had an annual income of over VND 180 mn in 2024.



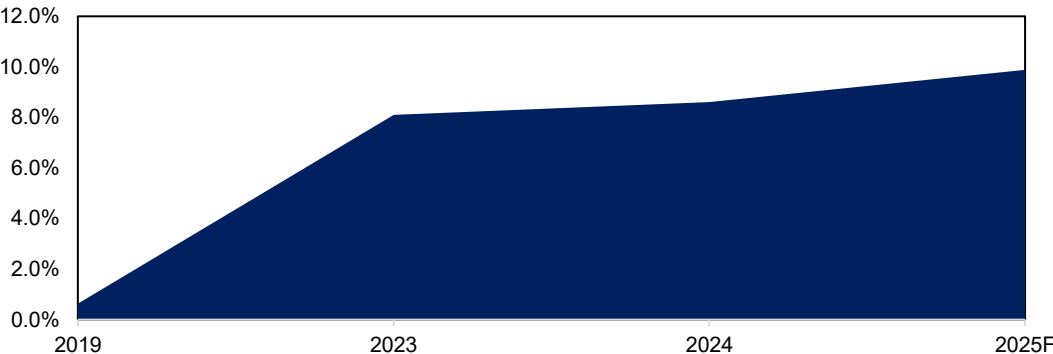
In Vietnam’s consumer structure, Gen X, Y (Millennials), and Alpha account for over 50%....



This is a supporting factor for the growth of grocery retail chains scale...



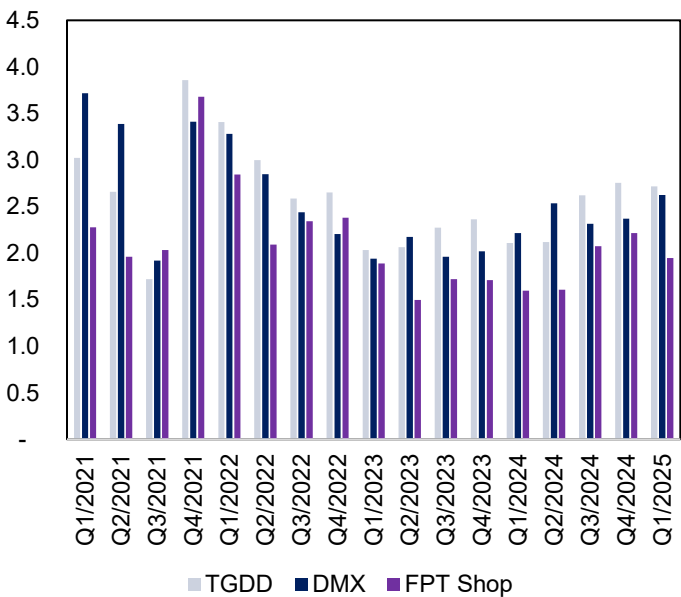
..and pharmaceutical retail chains



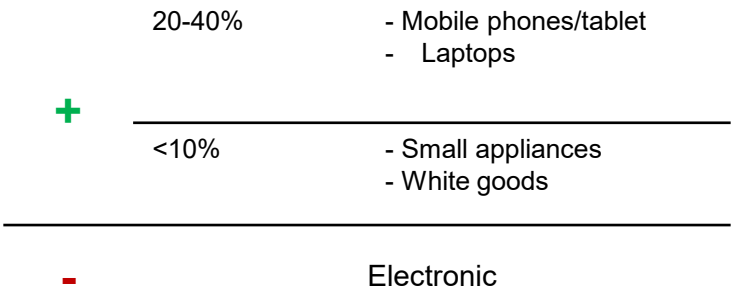
Modern retail chains: ICT-CE find the way to get the growth

- After experiencing a challenging 2023, consumer electronics categories recorded double-digit growth in 1Q2024–2025, primarily driven by improved product pricing. Among them, smartphones, tablets, and laptops posted strong double-digit growth thanks to pricing recovery potential, while other consumer electronics products saw mild growth.
- In 2025, smartphones, tablets, and laptops are expected to continue leading the growth, supported by further room for price increases, which will help improve gross profit margins. By 2026, as product prices normalize to a more reasonable base, the product replacement cycle (around 5 years, longer than the average 3–4 years) is expected to trigger stronger replacement demand, leading to more positive consumption signals.

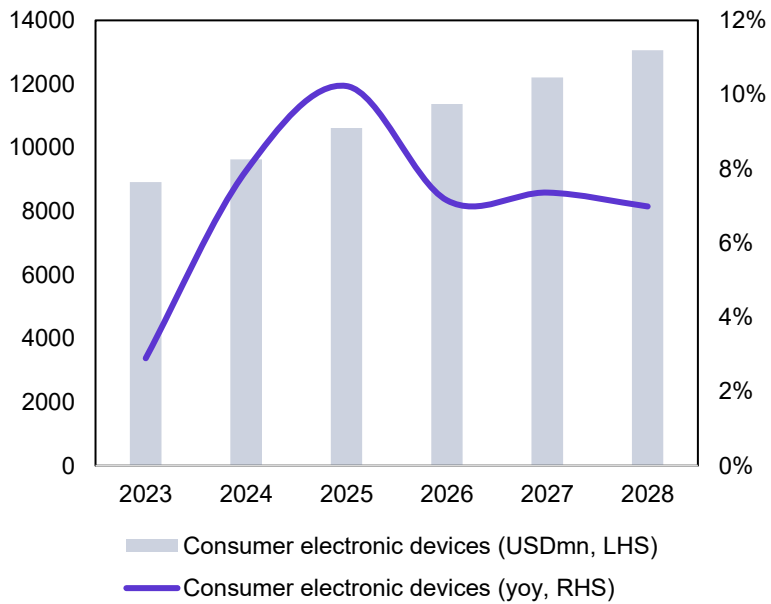
The revenues of the three chains have continued to recover strongly from the 2023 trough...



Driven by positive growth across most product categories...



The consumer electronic may rise 9% yoy



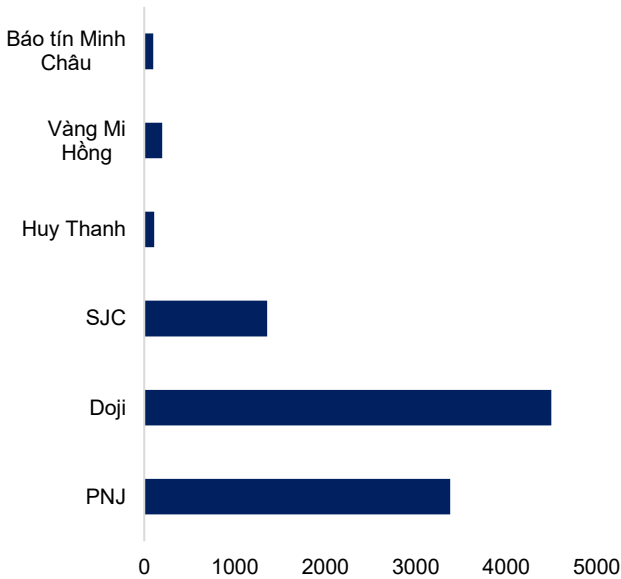
Source: MWG, FRT, BMI, MBS Research

Modern retail chains: Jewelry retail chains get ready to match the new regulation

- The draft amendment to Decree 24 has partially resolved the bottleneck in raw material supply for domestic jewelry manufacturers in Vietnam. According to the revision, eligible enterprises will be granted separate quotas for the production of (1) 24k gold and (2) gold jewelry — a new catalyst for the jewelry market after more than a decade of import restrictions imposed by the State Bank of Vietnam. In addition, removing the monopoly on gold bars will create a fairer and more competitive market, reducing the likelihood of price manipulation and large fluctuations as seen in the past, thereby laying the groundwork for the development of Vietnam’s 24k gold market.
- In Vietnam, the domestic jewelry market remains highly fragmented, with retail jewelry chains accounting for only about 5% of total market share, indicating significant growth potential for local retail jewelry chains. The introduction of gold jewelry import quotas will enable leading jewelry companies (such as PNJ and Doji) to enhance their design and manufacturing capabilities, diversify their product offerings, and attract greater domestic demand — a stepping stone toward expanding jewelry exports to international markets in the future.

New rule	Comment
<p>Addition of Clause 10, Article 4</p> <p>Payments for gold transactions with a value of VND 20 million or more must be made via the payment account of the customer and the payment account of the gold trading enterprise at a commercial bank or a foreign bank branch.</p>	<p>Enhancing transparency and tighter control over gold bullion transactions:</p> <p>The draft Decree introduces clearer regulations on payment mechanisms, mandating non-cash transactions for high-value gold deals. This aims to tighten oversight and improve traceability in the gold market.</p>
<p>Addition of Article 11a – Conditions for Issuance of Gold Bullion Production License</p> <p>Enterprises may be considered for a gold bullion production license by the State Bank of Vietnam if they meet all the following conditions:</p> <p>a) Possess a license to trade gold bullion;</p> <p>b) Have a charter capital of at least VND 1,000 billion;</p> <p>c) Have not been administratively sanctioned for violations in gold trading activities, or if sanctioned, have completed all corrective actions and complied with recommendations from competent authorities;</p> <p>d) Have internal procedures in place for gold bullion production.</p> <p>Credit institutions may be considered for a gold bullion production license by the State Bank of Vietnam if they meet all the following conditions:</p> <p>a) Possess a license to trade gold bullion;</p> <p>b) Have a charter capital of at least VND 50,000 billion;</p> <p>c) Have not been administratively sanctioned for violations in gold trading activities, or if sanctioned, have completed all corrective actions and complied with recommendations from competent authorities;</p> <p>d) Have internal procedures in place for gold bullion production.</p> <p>The State Bank of Vietnam shall stipulate procedures and documentation requirements for the issuance of gold bullion production licenses.</p>	<p>New conditions for enterprises and credit institutions eligible for gold bullion production licenses:</p> <p>Major players in Vietnam's jewelry retail sector, such as PNJ and Doji, are likely to qualify under the new criteria, potentially enabling them to obtain licenses to produce gold bullion.</p>
<p>Clause 1, Article 14 – Export and Import of Raw Gold</p> <p>Based on monetary policy objectives and gold supply–demand conditions at different times, the State Bank of Vietnam may issue raw gold import licenses to enterprises as stipulated in Clauses 4, 5, and 6 of this Article, and issue raw gold export licenses to enterprises holding a gold mining license as specified in Clause 7.</p>	<p>After over 12 years of tight control, the proposed loosening of regulations on raw gold imports is expected to benefit companies like PNJ and Doji, by providing them with additional resources to scale up their jewelry retail businesses. According to the draft, licensed enterprises will receive annual import quotas, helping to address raw gold shortages and reduce reliance on recycled materials, thereby lowering production costs.</p>
<p>Addition of Clause 1a, Article 14 – Export and Import of Raw Gold</p> <p>1a. Based on monetary policy objectives and gold supply–demand conditions at different times, the State Bank of Vietnam shall issue annual quotas and individual licenses for the export and import of gold bullion to enterprises and credit institutions as defined in Article 11a of this Decree; and import licenses for raw gold to the same entities.</p>	

Actual charter capital of major jewelry companies in Vietnam



Source: SBV, PNJ, Doji, SJC, Huy Thanh, MBS Research

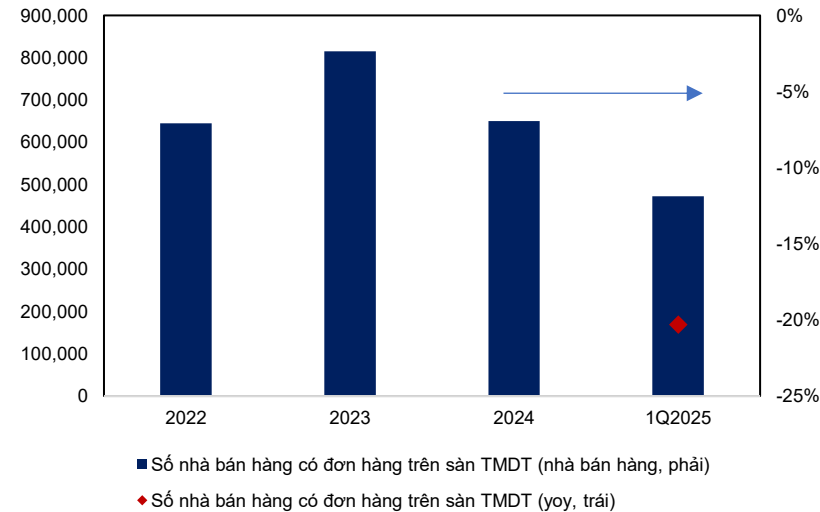
Modern retail chains: The changing regulation structure to empower listed companies

- After a period of rapid growth, with a CAGR of 14% from 2020 to 2024, the e-commerce selling environment in Vietnam has become more tightly regulated. Starting from 1/4/2025, major e-commerce platforms (Shopee, TikTok Shop, Lazada) have increased various seller fees by an average of 2–5%, raising the total participation cost to approximately 11–18% of gross revenue, not including an additional VND 3,000–4,700 per order. This has placed a significant cost burden on sellers, forcing many to raise product prices to maintain profitability. In addition, new regulatory drafts are expected to be introduced, including: (1) A revised E-commerce Law to tighten controls on counterfeit goods, and (2) Requirements for transparency in input–output invoices to protect the rights of domestic consumers and encourage the use of legitimate, locally sourced products.
- Amid shifts in Vietnamese consumer shopping behavior, we believe that modern retail chains — which already possess robust online platforms — will benefit from: (1) A reliable supply of goods with verified origins, and (2) Fast, simple, and accessible online shopping services for consumers. Moreover, major consumer goods manufacturers such as Vinamilk and Sabeco are likely to gain pricing advantages on these e-commerce platforms due to their scale and supply chain efficiency.

Shopee and TikTok Shop have imposed sharp increases in seller-related fees.

E-commerce	Old regulation	New regulation	Comments	The impact to the modern retail chains			
				Grocery	Pharmaceutical	ICT-CE	Jewelry
Shopee	Not yet regulated.	Shopee is responsible for paying an additional 1.5% on the total GMV of the successful orders.	The increased transparency of transactions on e-commerce platforms helps eliminate small-scale sellers with unclear product origins, ensuring the rights of professional retailers/modern retail chains and fostering a fairer business environment.				
TikTok shop	Fixed costs by category range from 1% - 4%	Fixed category-based costs range from 1.5% - 11%.	Shipping fees range from 1% - 7%* (subject to change, applied to Shopee Mall).				
	No infrastructure fee has been applied yet	Fixed infrastructure fee: VND 3,000/successful order.	On average, each order incurs a cost of approximately 11%–18% of total revenue, along with a fixed fee of about VND 3,000—2 to 4 percentage points higher than before the change. This creates pricing pressure, and in order to maintain profit margins, sellers are forced to raise product prices, which undermines their biggest competitive advantage over traditional retail chains.				
	Commission fees range from 1% - 5%	Commission fees range from 1% - 7.7%.					

... Presents an opportunity to filter out informal sellers and professionalize the online business environment.

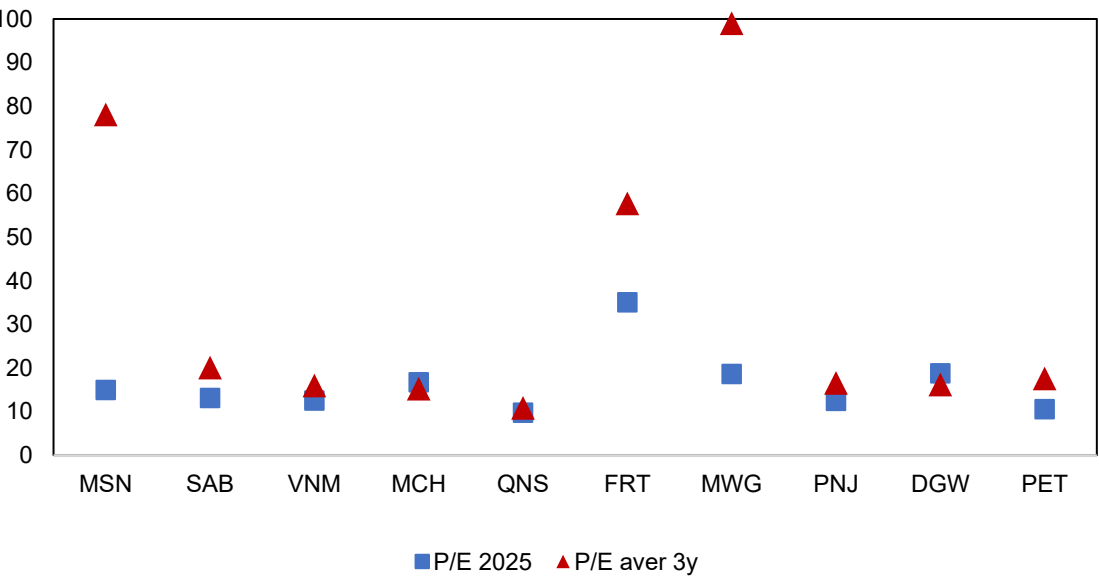


Source: Metric, Shopee, Tiktokshop, MBS Research

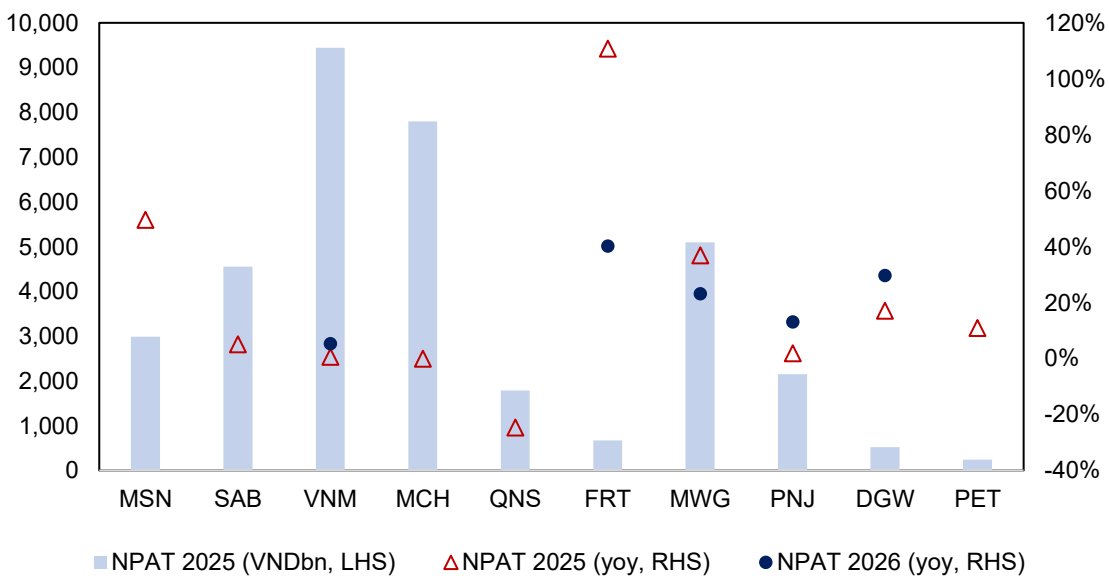
Investment Strategy: Strong growth potential at the attractive valuation

- In 2H25-26, as (1) The demand that was not affected by COVID-19, and (2) the economy faces new tariffs in the U.S., the essential consumer demand may flat yoy, making growth more challenging for consumer businesses. In this time, the ICT-CE consumer demand will get the single-digit growth from the low base, which helping the ICT-CE businesses may grow 45% yoy. After reaching the break-even point in 2024, the grocery retail chains will have entered the expansion phase, with the store opening rate estimated to reach 18% yoy. On the other hand, difficulties in the raw gold market could weigh on PNJ's demand and scale growth this year
- In this investment strategy, we selected companies with attractive valuations and an estimated growth rate of around 40% yoy, namely MWG and FRT. Looking ahead to 2026, when the draft regulation on gold imports is expected to be eased and jewelry companies gain more resources to manufacture and supply products to the market, we plan to include PNJ in our investment strategy.

The P/E of consumer and retail businesses



The NPAT growth of consumer and retail businesses



Source: MSN, SAB, VNM, MCH, QNS, FRT, MWG, PNJ, DGW, PET, MBS Research

FY24-26F key financial metrics of stock under our coverage

VNDbn	MWG			FRT			DGW			PNJ			VNM		
	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
Net Revenue	134,341	147,567	167,649	40,104	51,059	60,362	22,079	25,710	30,745	37,823	33,630	37,487	61,782	65,542	68,556
Yoy	14%	10%	14%	26%	23%	18%	17%	16%	19%	14%	-11%	11%	2%	6%	5%
Gross profit	27,499	31,727	36,715	7,669	9,778	11,637	2,055	2,402	2,900	6,672	7,069	7,862	25,590	26,551	27,758
Gross margin	20.5%	21.5%	21.9%	19.1%	19.7%	20.0%	9.3%	9.3%	9.4%	17.6%	21.0%	20.9%	41.4%	40.5%	40.5%
EBITDA	6,997	8,123	9,745	1,008	1,684	2,205	582	739	902	2,751	2,858	3,214	12,745	12,422	13,080
EBITDA margin (%)	5%	6%	6%	3%	4%	4%	3%	3%	3%	7%	9%	9%	21%	19%	19%
Net profit	3,722	5,094	6,273	318	670	939	443	544	673	2,115	2,154	2,435	9,392	9,446	9,969
yoy	2119%	36%	23%	N/A	111%	40%	25%	23%	24%	7%	2%	13%	5%	1%	6%
EPS (vnd/share)	2,545	3,481	4,287	2,180	4,602	6,452	2,023	2,406	3,100	6,255	6,372	7,202	4,520	4,771	5,170
BVPS (vnd/share)	19,232	21,490	25,277	15,559	21,218	28,510	13,733	17,626	19,757	33,297	37,478	42,464	16,865	17,053	17,592
Net cash/share	4733	8382	12409	-41,959	-46,246	-50,536	-4,913	-1,667	-3,636	-3,546	628	440	12,196	11,416	12,127
D/E	1.0	0.6	0.5	4.2	3.2	2.6	0.8	0.7	0.8	0.3	0.2	0.2	0.2	0.2	0.2
Dividend yield(%)	0.8%	0.8%	0.8%	0%	0%	0%	0.9%	2.3%	2.3%	2.1%	2.5%	2.5%	7%	5%	4%
ROAE (%)	14%	17%	18%	18%	29%	28%	15%	15%	16%	20%	18%	18%	26%	26%	28%
ROAA (%)	5%	7%	9%	2%	4%	4%	5%	5%	6%	13%	12%	13%	17%	17%	18%

Investment strategy: We prefer MWG, PNJ

Ticker	Target price (VND/share)	Recommend	Comments
MWG	81,700	ADD	For 2025F-26F, we estimate net profit to reach VND 5,094 bn and VND 6,273 bn, up 37% and 23% yoy, respectively, mainly driven by: (1) During the recovery phase, thanks to regained market share and sales promotion programs stimulating consumer purchases, the TGDĐ & DMX chains are focusing on improving revenue/store (+8%/+10% yoy) and gross margin (+2pts%/0pts%), which will help TGDĐ & DMX chains' net profit grow by 18% and 25% yoy; (2) BHX is accelerating its coverage expansion (+420 new stores), with more than 50% of new stores located in new areas, achieving average revenue per store of VND 1.8 bn/month, thereby helping BHX's net profit increase fourfold yoy.
PNJ	99,900	ADD	In 2025F-26F, we estimate net profit to grow by 2%/13% yoy, mainly due to: (1) Challenges in raw materials and weak demand may make the retail jewelry market difficult in 2025, with this trend possibly extending into 1H2026. As a result, the retail store network is projected to grow by only 4%/5% yoy. (2) Gross margin is expected to improve by 3 pts%/0 pts% yoy thanks to changes in product structure and ongoing efforts to optimize costs. Additionally, the draft Decree 24/2012/ND-CP, which is expected to be approved, will pave the way for the development of Vietnam's jewelry gold market, as companies will be allowed to import jewelry gold after more than 12 years of restriction. This creates strong growth potential for PNJ in the mid-long term. Currently, PNJ is attractively valued, trading at a 2025 P/E of 13.2x, lower than its 3-year average P/E of 16.8x, with growth potential assessed positively for both the domestic and export markets in the mid-long term.
FRT	202,400	ADD	In 2025-26F, net profit may reach VND670bn/VND939bn, +580%/67% yoy due to (1) The pharmacy chain's growth rate is projected at 21%/13% yoy, with revenue/store per month increasing by 6%/6% yoy. This is expected to drive Long Châu's net profit growth to 73%/33% in 2025–26 and (2) the ongoing recovery is also expected to support FPT Shop in returning to net profit growth.
VNM	76,100	ADD	The difficulties in domestic consumption are expected to be offset in 2H2025 when (1) the distribution system operates stably, and (2) VNM pushes the development of new product lines to become the leader of trends in Vietnam's dairy market, resulting in a significant yoy increase in its product portfolio. As a result, domestic market revenue is estimated to grow by 5% yoy, while net profit is forecasted to remain flat yoy. In 2026, the downward trend in imported raw milk prices is expected to slightly improve the gross margin by 0.5pts% yoy. Combined with an estimated 5% yoy increase in revenue, this should lead to a 6% yoy growth in net profit. Currently, VNM is trading at a 2025 P/E of 12.6, which is lower than the 3-year average P/E of 16.0, and offers an attractive dividend yield of ~6.5%. With stronger growth prospects following its brand repositioning phase in 2H2023, VNM demonstrates stable long-term potential in both the medium and long term.
DGW	49,200	HOLD	In 2025F–26F, the consumer electronics sector is expected to experience a significant recovery from the demand trough of 2023–24, driving estimated ICT-CE revenue growth of 13%/14% yoy. In addition, we observe that efforts to expand the FMCG and home appliance product portfolios, along with collaborations with new brands, will likely support growth of over 30% in these two segments during 2025F–26F. Combined with a 0.2pts% reduction in sales support expenses following an aggressive expansion phase, we estimate net profit to grow by 26%/24% in 2025F–26F.

Peer comparison

	Ticker	Current price	Market cap	RCM	PE (x)		P/B (x)		ROE (%)		ROA (%)	
		VND/share	(VNDbn)		2025	2026	2025	2026	2025	2026	2025	2026
ICT- CE retail corporation												
Mobile World Investment JSC	MWG VN	70,000	98,031	81,600	20.2	16.4	3.3	3.0	17.1%	18.3%	7.5%	9.2%
Digiworld JSC	DGW VN	43,800	9,599	49,000	18.4	14.3	2.2	1.9	15.3%	16.6%	6.2%	6.7%
Erajaya Swasembada Tbk	ERAA IJ EQUITY		13,238	N/A	6.7	5.9	0.9	0.8	13.5%	13.7%	5.3%	5.5%
Average					14.7	11.9	2.1	1.9	15.3%	16.2%	6.3%	7.1%
Jewelry retail corporation												
Phu Nhuan Jewelry JSC	PNJ VN	82,700	27,944	99,900	13.8	12.2	2.3	2.1	18.0%	18.0%	12.4%	13.1%
Chow Tai Fook Jewellery group	1929 HK EQUITY		462,277	N/A	17.3	15.5	4.7	4.4	28.3%	29.1%	10.5%	11.2%
Chow Sang Sang Holdings Intern	116 HK EQUITY		20,002	N/A	6.9	6.0	0.5	0.5	6.9%	7.6%	4.4%	4.9%
Average					12.2	11.0	2.5	2.3	17.7%	18.2%	9.1%	9.7%
Pharmacy retail corporation												
FPT Digital Retail JSC	FRT VN	152,000	25,668	165,000	41.3	29.5	8.0	6.2	23.2%	24.2%	3.7%	4.5%
Laobaixing Pharmacy Chain JSC	603883 CH EQUITY		56,160	N/A	16.3	14.2	2.0	1.9	12.5%	13.5%	4.1%	4.7%
Yifeng Pharmacy Chain Co Ltd	603939 CH EQUITY		108,108	N/A	16.6	14.3	2.4	2.2	15.3%	16.2%	6.4%	7.0%
Yixintang Pharma A Equity	002727 CH Equity		35,230	N/A	14.4	12.7	1.2	1.1	8.0%	8.9%	3.7%	4.5%
DaShenLin Pharmaceutical Group Co LTd	603233 CH Equity		68,874	N/A	15.7	13.8	2.5	2.2	15.6%	16.5%	4.4%	4.8%
Average					20.8	16.8	3.4	2.8	14.9%	15.9%	4.5%	5.1%
FMCG, dairy corporation												
CTCP Sữa Việt Nam	VNM VN	60,100	120,799	76,000	12.9	11.9	3.4	3.4	26.4%	28.4%	17.4%	18.5%
Inner Mongolia Yili Industrial Group Co Ltd	600887 CH EQUITY		635,102	N/A	15.9	14.3	3.0	2.8	19.4%	20.1%	7.2%	7.8%
China Mengniu Dairy Co Ltd	2319 HK EQUITY		210,392	N/A	11.4	10.0	1.3	1.2	11.6%	12.3%	4.9%	6.1%
Bright Dairy & Food Co Ltd	600597 CH EQUITY		42,848	N/A	19.0	17.9	1.2	1.2	5.4%	5.6%	1.4%	1.7%
Fraser & Neave Holdings Bhd	FNH MK EQUITY		64,142	N/A	18.4	17.6	2.7	2.5	15.0%	14.9%	10.2%	10.4%
Yakult Honsha Co Ltd	2267 JT EQUITY		155,376	N/A	16.2	15.7	1.3	1.3	8.1%	8.0%	5.2%	5.7%
Average					15.6	14.6	2.2	2.1	14.3%	14.9%	7.7%	8.4%

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MBS INVESTMENT RECOMMENDATION

Stock rating

Our investment recommendations are based on the expected profitability of the stock, calculated as the sum of (i) the percentage difference between target price and market price at the time of publication, and (ii) expected dividend yield. Unless otherwise stated in the report, investment recommendations have an investment horizon of 12 months.

ADD	The stock can generate a profitability of 15% or more
HOLD	The stock can generate a profitability of between -15% and 15%
REDUCE	The stock can generate a loss of 15% or more

Sector rating

POSITIVE	Industry stocks have Add recommendations on a weighted market capitalization basis
HOLD	Industry stocks have Hold recommendations on a weighted market capitalization basis
NEGATIVE	Industry stocks have Reduce recommendations on a weighted market capitalization basis

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