

Malaysia

HOLD (previously REDUCE)

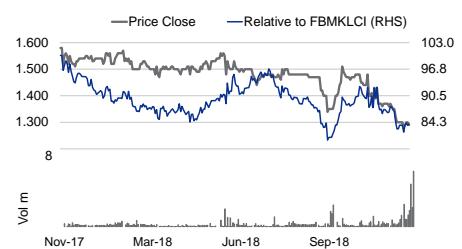
Consensus ratings*: Buy 0 Hold 3 Sell 4

Current price:	RM1.29
Target price:	RM1.34
Previous target:	RM1.05
Up/downside:	3.7%
CGS-CIMB / Consensus:	4.1%
Reuters:	SEM.KL
Bloomberg:	SEM MK
Market cap:	US\$348.1m
	RM1,456m
Average daily turnover:	US\$0.18m
	RM0.84m
Current shares o/s:	1,233m
Free float:	49.0%

*Source: Bloomberg

Key changes in this note

- FY18-20F EPS raised by 12.6-13.7%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-5.8	-9.2	-18.4
Relative (%)	-5.4	-1.5	-16.2

Major shareholders	% held
Berjaya Retail	51.0
Genesis Investment	6.8
Smallcap world fund	6.2

Analyst(s)

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7-Eleven Malaysia Holdings Berhad

9M18: Improving prospects

- 9M18 net profit was above expectations, at 82% of full-year estimates.
- 3Q18 net profit rose 27.6% qoq, thanks to: i) a more profitable product mix, ii) lower depreciation charges and tax rate, and iii) higher other operating gain.
- Upgrade to Hold with a higher TP of RM1.34 (24x CY20F P/E). We raise our FY18-21F EPS by 12.6-13.7%.

9M18 net profit above expectations; up 13.3% yoy

7-Eleven recorded higher sales of RM1.7bn (+1.3% yoy) in 9M18, while core net earnings jumped 13.3% yoy to RM38.8m. This was above our and Bloomberg consensus expectations, making up 82% of respective full-year forecasts. The stronger-than-expected earnings were due to higher-than-expected other operating income and higher-than-expected profit margin owing to a more lucrative product mix.

3Q18 net profit improved by 27.6% qoq

3Q18 revenue registered 2% qoq growth, thanks to: i) an increase in store count (+18), ii) improved merchandise mix especially in fresh food and beverage products and iii) higher average spend per customer. 3Q18 EBITDA margins also improved 0.3% pt qoq to 6.8%, owing to a more profitable product mix. This led to a 27.6% qoq jump in 3Q18 net profit, which was further aided by lower depreciation charges (-8.2% qoq), an increase in other operating income (+21% qoq) and a lower tax rate in 3Q18 (-3.9% pts qoq).

3 key strategies to improve profitability

Going forward, we expect 7-Eleven's margins to improve further, via three key strategies. First, it will focus on ramping up sales of its own-brand products (7-Eleven brand) which generate higher margins and offer better product flexibility. Also, it aims to grow revenue contribution from its fresh food products, which we estimate to be less than 5% of total 9M18 revenue. It will also continue to rationalise its existing stock keeping units (SKUs) to prevent any product overlaps and to have sufficient space to cater for more products.

Raise FY18-20F EPS by 12.6-13.7%

Given the stronger-than-expected 9M18 results, we increase our FY18-20F by 12.6-13.7%. This is to mainly to account for: i) a more profitable product mix, and ii) higher other operating income.

Upgrade to Hold with a higher TP of RM1.34

With our forecast upgrade and as we roll over our valuation to end-2019F, our TP rises to RM1.34. We value its business at 24x CY20 P/E, in line with regional peer average. We also upgrade the stock to a Hold. Although we think the worst is over, we believe the current valuation has priced in the company's better prospects. Downside/upside risk: weaker/higher-than-expected SSSG.

Financial Summary

	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Revenue (RMm)	2,103	2,187	2,257	2,384	2,512
Operating EBITDA (RMm)	124.2	135.6	138.8	151.3	165.7
Net Profit (RMm)	52.18	50.11	53.95	60.75	68.77
Core EPS (RM)	0.042	0.041	0.044	0.049	0.056
Core EPS Growth	(9.2%)	(4.0%)	7.7%	12.6%	13.2%
FD Core P/E (x)	30.49	31.75	29.49	26.19	23.13
DPS (RM)	0.047	0.029	0.033	0.037	0.042
Dividend Yield	3.64%	2.24%	2.54%	2.86%	3.24%
EV/EBITDA (x)	13.34	12.59	11.81	10.61	9.45
P/FCFE (x)	11.61	21.72	18.99	20.07	17.37
Net Gearing	188%	157%	103%	23%	(33%)
P/BV (x)	45.21	21.49	34.04	25.69	20.11
ROE	50%	92%	89%	112%	98%
% Change In Core EPS Estimates			12.6%	12.9%	13.7%
CIMB/consensus EPS (x)			1.02	1.01	1.03

SOURCES: CIMB RESEARCH, COMPANY REPORTS

Figure 1: Results Comparison

FYE Dec (RM m)	3Q FY18	3Q FY17	yoy % chg	qoq % chg	3QFY18 cum	3QFY17 cum	yoy % chg	Prev. FY18F	Comments
Revenue	568.5	563.1	1.0	2.0	1,661.8	1,640.9	1.3	2,313.3	Sales increased thanks to higher store openings and improved product mix
Operating costs	(529.6)	(527.3)	0.4	1.6	(1,557.0)	(1,548.8)	0.5	(2,203.7)	
EBITDA	38.9	35.8	8.6	7.2	104.8	92.10	13.8	109.7	
EBITDA margin (%)	6.8	6.4	0.5	0.3	6.3	5.6	0.7	4.7	Higher margin product mix
Depn & amort.	(14.1)	(14.0)	0.8	-8.2	(44.6)	(41.5)	7.3	(36.2)	
Interest expense	(2.6)	(2.6)	-1.6	0.2	(7.5)	(6.6)	13.0	(8.4)	Net borrowings of RM97.3m as at end-3Q18
Interest & invt inc	0.0	0.0	nm	nm	0.0	0.0	0.0	2.5	
Associates' contrib	0.0	0.0	nm	nm	0.0	0.0	nm	0.0	
Exceptionals	0.0	0.0	nm	nm	0.0	0.0	nm	0.0	
Pretax profit	22.2	19.2	15.6	21.1	52.7	43.9	20.0	67.5	
Tax	(5.4)	(3.1)	75.1	4.6	(13.9)	(9.7)	43.6	(19.6)	
Tax rate (%)	24.5	16.2	8.3	-3.9	26.4	22.0	4.3	-0.3	Certain expenses that are non-tax deductible in 3Q18
Minority interests	0.0	0.0	nm	nm	0.0	0.0	nm	0.0	
Net profit	16.8	16.1	4.1	27.6	38.8	34.3	13.3	47.6	Above expectations at 82% of our full-year forecast
Core net profit	16.8	16.1	4.1	27.6	38.8	34.3	13.3	47.6	
EPS (sen)	1.5	1.4	4.1	27.6	3.5	3.1	13.3	3.9	
Core EPS (sen)	1.5	1.4	4.1	27.6	3.5	3.1	13.3	3.9	Based on shares outstanding of 1233.4m

SOURCES: CIMB, COMPANY REPORTS

Figure 2: Earnings revision

RM m	2017A	2018F			2019F			2020F		
		Old	New	chg	Old	New	chg	Old	New	chg
Revenue	2187	2313	2,257	-2%	2,474	2,384	-4%	2,636	2,512	-5%
EBITDA	136	110	139	27%	120	151	26%	132	166	25%
Core pretax profit	70	67	75	11%	76	84	11%	85	96	12%
Core net profit	50	48	54	13%	54	61	13%	60	69	14%
Core EPS	4	4	4	13%	4	5	13%	5	6	14%

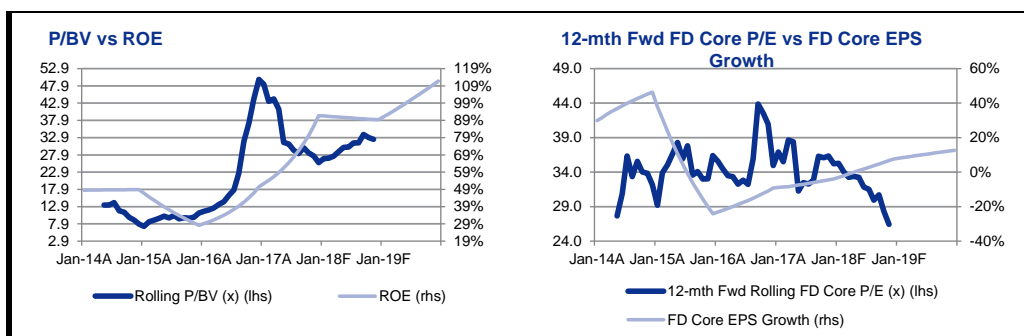
SOURCES: CIMB, COMPANY REPORTS

Figure 3: Sector Comparisons (CIMB's Malaysia consumer sector coverage)

Company	Bloomberg Ticker	Recom.	Share price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
						CY18	CY19		CY18	CY19	CY18	CY19	CY18	CY19	CY18	CY19
Fraser & Neave Holdings	FNH MK	Hold	33.32	36.90	2,921	16.0	18.5	8.0%	5.0	4.6	18.0%	17.5%	21.1	18.9	1.8%	1.9%
Nestle (Malaysia)	NESZ MK	Reduce	149.40	97.40	8,373	50.7	47.1	11.5%	55.6	54.3	20.7%	21.1%	32.5	29.5	1.9%	2.1%
MSM Malaysia Holdings	MSM MK	Reduce	2.72	2.77	457	39.5	63.6	na	1.0	1.0	2.5%	1.5%	22.6	16.5	1.3%	0.8%
QL Resources	QLG MK	Reduce	7.06	6.50	2,738	50.7	44.2	13.3%	6.1	5.6	12.8%	13.4%	27.6	25.3	0.7%	0.8%
7-Eleven Malaysia Holding	SEM MK	Hold	1.29	1.34	348	29.5	26.2	12.1%	34.0	25.7	90.8%	111.8%	11.6	10.6	2.6%	2.9%
Mynews Holdings Berhad	MNHB MK	Hold	1.50	1.46	245	35.0	27.3	24.1%	3.8	3.4	11.3%	13.3%	23.1	17.4	0.7%	0.8%
Bonia Corporation	BON MK	Hold	0.27	0.28	51	14.0	12.2	-2.3%	0.5	0.5	20.7%	21.1%	3.7	2.7	4.7%	4.8%
Berjaya Food Berhad	BFD MK	Hold	1.37	1.44	119	24.5	20.9	17.6%	1.3	1.3	5.2%	6.1%	9.7	7.9	2.9%	3.4%
British American Tobacco	CCK MK	Hold	37.70	32.77	2,573	26.0	24.2	1.6%	27.4	26.8	108.1%	112.2%	19.4	18.2	3.8%	4.1%
Carlsberg Brewery (M)	CAB MK	Hold	19.72	20.20	1,450	23.8	22.5	10.1%	20.2	20.2	83.4%	89.8%	14.9	14.1	4.1%	4.5%
Heineken Malaysia Bhd	HEIM MK	Hold	19.96	20.50	1,441	21.5	20.6	9.2%	16.7	16.7	76.6%	81.1%	12.9	12.2	4.6%	4.9%
CCK Consolidated Holdings	CCK MK	Add	0.48	0.98	72	10.6	9.6	7.3%	1.1	1.0	10.7%	10.7%	5.1	4.6	3.5%	3.4%
Lee Swee Kiat Group	LSKG MK	Add	0.94	1.57	36	15.2	11.7	39.5%	2.9	2.5	20.7%	22.7%	10.2	7.8	2.7%	3.4%
Only World Group Holdings	OWG MK	Hold	0.50	0.65	33	23.8	20.0	23.9%	0.8	0.8	3.5%	3.9%	7.9	7.3	0.0%	0.0%
Power Root Bhd	PWRT MK	Add	1.37	2.24	130	19.8	13.8	37.4%	2.5	2.4	12.9%	18.2%	14.4	10.2	5.7%	6.2%
Weighted Average						37.5	35.5	9.9%	30.3	29.4	38.7%	40.5%	24.9	22.6	2.3%	2.5%
Simple Average						26.7	25.5	15.2%	11.9	11.1	33.2%	36.3%	15.8	13.5	2.7%	2.9%

SOURCES: CIMB, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(RMm)	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Total Net Revenues	2,103	2,187	2,257	2,384	2,512
Gross Profit	647	691	732	774	816
Operating EBITDA	124	136	139	151	166
Depreciation And Amortisation	(51)	(56)	(58)	(62)	(67)
Operating EBIT	73	80	81	89	99
Financial Income/(Expense)	(1)	(8)	(6)	(5)	(4)
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Non-Operating Income/(Expense)	(2)	(1)	0	0	0
Profit Before Tax (pre-EI)	71	70	75	84	96
Exceptional Items					
Pre-tax Profit	71	70	75	84	96
Taxation	(19)	(20)	(21)	(24)	(27)
Exceptional Income - post-tax					
Profit After Tax	52	50	54	61	69
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	52	50	54	61	69
Recurring Net Profit	52	50	54	61	69
Fully Diluted Recurring Net Profit	52	50	54	61	69

Cash Flow

(RMm)	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
EBITDA	124.2	135.6	138.8	151.3	165.7
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(25.9)	(71.4)	26.6	11.1	11.2
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(3.3)	6.0	0.0	0.0	0.0
Net Interest (Paid)/Received	(2.6)	(9.2)	(8.4)	(8.0)	(7.8)
Tax Paid	(19.3)	(11.5)	(21.0)	(23.6)	(26.7)
Cashflow From Operations	73.1	49.5	136.0	130.9	142.3
Capex	(65.7)	(44.8)	(55.0)	(55.0)	(55.0)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(9.1)	(1.8)	2.8	3.4	4.2
Cash Flow From Investing	(74.8)	(46.5)	(52.2)	(51.6)	(50.8)
Debt Raised/(repaid)	138.7	70.3	0.0	0.0	0.0
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased					
Dividends Paid	(55.5)	(52.2)	(40.5)	(45.6)	(51.6)
Preferred Dividends					
Other Financing Cashflow	0.0	0.0	0.0	0.0	0.0
Cash Flow From Financing	83.2	18.1	(40.5)	(45.6)	(51.6)
Total Cash Generated	81.5	21.1	43.3	33.7	40.0
Free Cashflow To Equity	137.0	73.3	83.8	79.3	91.6
Free Cashflow To Firm	0.9	12.2	92.2	87.3	99.4

SOURCES: CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(RMm)	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Total Cash And Equivalents	49.5	69.6	138.0	171.8	211.8
Total Debtors	92.0	113.5	106.0	112.0	118.0
Inventories	263.9	218.9	246.0	259.8	273.7
Total Other Current Assets	13.3	3.7	3.7	3.7	3.7
Total Current Assets	418.7	405.8	493.8	547.3	607.3
Fixed Assets	318.8	350.4	281.3	273.9	262.3
Total Investments	0.2	0.4	0.4	0.4	0.4
Intangible Assets	35.8	35.3	35.3	35.3	35.3
Total Other Non-Current Assets	0.0	0.0	0.0	0.0	0.0
Total Non-current Assets	354.8	386.1	317.0	309.6	298.0
Short-term Debt	90.5	143.6	143.6	143.6	143.6
Current Portion of Long-Term Debt					
Total Creditors	599.7	504.7	551.0	581.9	613.1
Other Current Liabilities	0.2	0.3	0.3	0.3	0.3
Total Current Liabilities	690.3	648.6	694.9	725.8	757.0
Total Long-term Debt	25.2	42.4	42.4	42.4	42.4
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0.0	0.0	0.0	0.0	0.0
Total Non-current Liabilities	25.2	42.4	42.4	42.4	42.4
Total Provisions	22.8	26.8	26.8	26.8	26.8
Total Liabilities	738.3	717.9	764.1	795.0	826.2
Shareholders' Equity	35.2	74.0	46.7	61.9	79.1
Minority Interests					
Total Equity	35.2	74.0	46.7	61.9	79.1

Key Ratios

	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Revenue Growth	4.84%	3.98%	3.17%	5.64%	5.38%
Operating EBITDA Growth	0.84%	9.17%	2.33%	9.07%	9.47%
Operating EBITDA Margin	5.90%	6.20%	6.15%	6.35%	6.59%
Net Cash Per Share (RM)	(0.054)	(0.094)	(0.039)	(0.012)	0.021
BVPS (RM)	0.029	0.060	0.038	0.050	0.064
Gross Interest Cover	28.34	8.64	9.62	11.12	12.68
Effective Tax Rate	26.3%	28.9%	28.0%	28.0%	28.0%
Net Dividend Payout Ratio	111%	71%	75%	75%	75%
Accounts Receivables Days	17.21	17.15	17.76	16.69	16.76
Inventory Days	55.86	58.91	55.67	57.35	57.57
Accounts Payables Days	109.6	103.8	98.6	101.1	101.5
ROIC (%)	91.3%	48.2%	27.9%	55.1%	72.5%
ROCE (%)	43.0%	36.1%	31.3%	35.6%	37.4%
Return On Average Assets	6.96%	7.20%	7.26%	7.70%	8.11%

Key Drivers

	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
ASP (% chg, main prod./serv.)	N/A	N/A	N/A	N/A	N/A
Unit sales grth (% , main prod./serv.)	-4.1%	-1.3%	-3.5%	-0.7%	-0.5%
No. of POS (main prod/serv)	2,122	2,225	2,375	2,525	2,675
SSS grth (% , main prod/serv)	-5.8%	-4.7%	-2.1%	-1.0%	-0.9%
ASP (% chg, 2ndary prod./serv.)	N/A	N/A	N/A	N/A	N/A
Unit sales grth (% ,2ndary prod/serv)	N/A	N/A	N/A	N/A	N/A
No. of POS (2ndary prod/serv)	N/A	N/A	N/A	N/A	N/A
SSS grth (% , 2ndary prod/serv)	N/A	N/A	N/A	N/A	N/A

SOURCES: CIMB RESEARCH, COMPANY REPORTS

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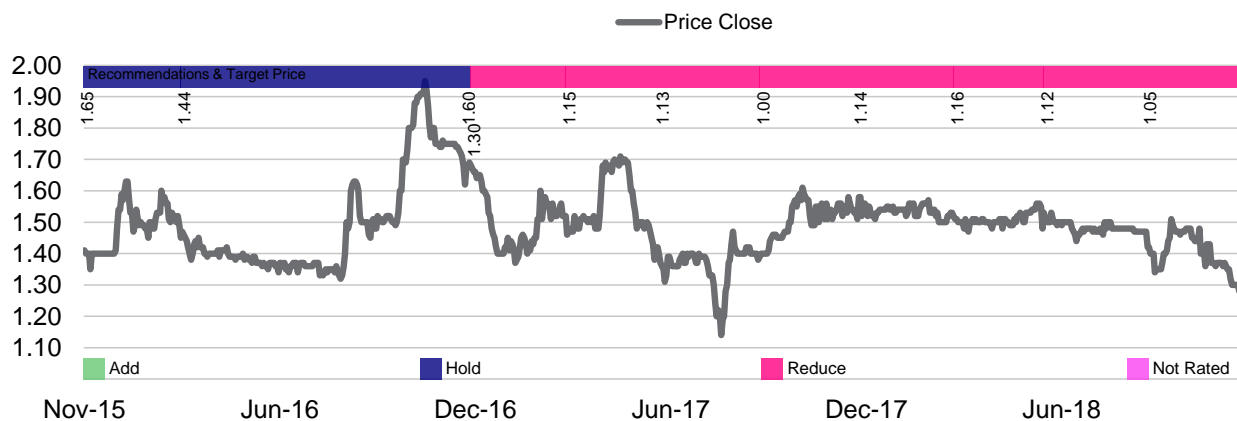
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7-Eleven Malaysia Holdings Berhad (SEM MK)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2017, Anti-Corruption 2017

AAV – Very Good, n/a, **ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AMATA** – Very Good, n/a, **ANAN** – Excellent, n/a, **AOT** – Excellent, Declared, **AP** – Excellent, Declared, **ASK** – Very Good, Declared, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Declared, **BCP** - Excellent, Certified, **BCPG** – Very Good, n/a, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – not available, n/a, **BH** - Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Declared, **BLA** – Very Good, Certified, **BPP** – Good, n/a, **BR** - Good, Declared, **BTS** - Excellent, Certified, **CBG** – Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Very Good, Declared, **CPALL** – not available, Declared, **CPF** – Excellent, Declared, **CPN** - Excellent, Certified, **DELTA** - Excellent, n/a, **DEMCO** – Excellent, Certified, **DIF** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Very Good, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **GFPT** - Excellent, Declared, **GGC** – not available, Declared, **GLOBAL** – Very Good, Declared, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Declared, **GRAMMY** - Excellent, n/a, **GUNKUL** – Excellent, Declared, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **ICHI** – Excellent, n/a, **III** – not available, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JAS** – not available, Declared, **JASIF** – not available, n/a, **JUBILE** – Good, Declared, **KAMART** – not available, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KGI** – Very Good, Certified, **KKP** – Excellent, Certified, **KSL** – Very Good, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, n/a, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Very Good, Declared, **MALEE** – Very Good, n/a, **MBKET** – Very Good, Certified, **MC** – Very Good, Declared, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTLS** – Very Good, Declared, **NYT** – Excellent, n/a, **OISHI** – Very Good, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PSH** – Excellent, Certified, **PSL** - Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **SAMART** - Excellent, n/a, **SAPPE** - Good, n/a, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCBLIF** – not available, n/a, **SCC** – Excellent, Certified, **SCN** – Very Good, Declared, **SCCC** - Excellent, Declared, **SIM** - Excellent, n/a, **SIRI** – Very Good, Declared, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Declared, **STA** – Very Good, Declared, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **TASCO** – Very Good, n/a, **TCAP** – Excellent, Certified, **THAI** – Very Good, n/a, **THANI** – Very Good, Certified, **THCOM** – Excellent, Certified, **THRE** – Very Good, Certified, **THREL** – Excellent, Certified, **TICON** – Very Good, Declared, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TK** – Very Good, n/a, **TKN** – Very Good, Declared, **TMB** - Excellent, Certified, **TNR** – Good, n/a, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – not available, n/a, **TRUE** – Excellent, Declared, **TTW** – Very Good, n/a, **TU** – Excellent, Declared, **TVO** – Excellent, Declared, **UNIQ** – not available, Declared, **VGI** – Excellent, Declared, **WHA** – not available, Declared, **WHART** – not available, n/a, **WORK** – not available, n/a.

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of October 28, 2016) are categorized into:

- Companies that have declared their intention to join CAC, and
- Companies certified by CAC

Recommendation Framework

Stock Ratings

- Definition:
- Add** The stock's total return is expected to exceed 10% over the next 12 months.
 - Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
 - Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

- Definition:
- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
 - Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
 - Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

- Definition:
- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.

Neutral
Underweight

A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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