COMPANY UPDATE

BCPG (BCPG TB)

THAILAND / SET / ENERGY & UTILITIES

Globlex Securities Co., Ltd.

5 August 2025

Bullish until AI growth cycle ends

- We think market still deeply underestimates BCPG as an AI winner
- Until the U.S. AI growth cycle ends, BCPG's growth will carry on
- Maintain BUY and a TP of THB12.0; Strong BUY on AI play theme

PJM's capacity payment upside vs U.S. price cap downside

We believe BCPG is now emerging as one of the most attractive "growth stocks" with compelling net profit growth outlook to ride on the U.S., if not global AI industry upcycle that we think will last at least for 3-5 years. The only risk for this will be the price cap by the U.S. government at USD329/MWh for 2026/27. But if the price cap's collateral damages in the form of the smaller-than-expected new power plant supplies to serve the fast-growing demand for AI data center, we think eventually the U.S. government may have to let the capacity payment prices go up in order to achieve the energy security.

1.8x net profit jump from 2024 to 2027E

With the now-secured capacity payments at USD329/MWh-day for 2026/27 (Jun-26 to May-27) and USD269.92/MWh-day for 2025/2026 (Jun-25 to May-26), we forecast BCPG's equity income contributions from PJM to increase from THB0.9b in 2024 to THB1.6b in 2025, THB2.0b in 2026, and THB2.1b in 2027. This will propel BCPG's net profit growth to surge to THB3.2b by 2027.

What factors to drive PJM's capacity payment and tariff?

Key factors influencing PJM's capacity prices, including 1) Increased demand. Projected growth in data centers, particularly those supporting artificial intelligence, is driving a surge in electricity demand; 2) Supply concerns: A tightening supply of generation resources is contributing to the price increases, with some stakeholders expressing concern about the pace of renewable energy project interconnection; 3) Market reforms: PJM is implementing reforms to its capacity market, including adjustments to the VRR demand curve and changes to the "must-offer" requirement for certain resources; 4) Recent plant closures: The closure of fossil fuel plants is also cited as a factor contributing to the tighter capacity market; 5) Potential for higher customer Bills: Increased capacity costs are expected to translate to higher electricity bills for both residential and commercial customers.

3Q25E could surprise on significant earnings upsides

Our analysis indicated that the windfall benefits of the spikes in PJM's capacity payments already auctioned in June 2024 to be applied for June 2025-May 2026, will be BCPG's supercycle for net profit growth that will double or even triple from its 2024 net profit of THB1.8b to THB4.3b-THB5.2b by 2030E, considering that the tight power supply will likely last at least until 2028E-30E when a number of new nuclear power plants Small Modular Reactor (SMR) will be on stream.

BCPG is now joining the club of "Thai winner on AI" bandwagon

We maintain BUY and a TP of THB12, backed by BCPG's solid model, strong AI-driven demand, and unique position as the only SET stock with a clear edge in innovation and high-margin, AI-led growth.

ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	**12.00**
VS. BB Consensus TP (%)	+39.0%
Share Price (THB)	6.50
Upside/Downside	+84.6%

Share Data

Market Cap (THB m)	19,472.44
Par (THB)	5.00
Free Float (%)	42.11
Issued shares (m shares)	2,996

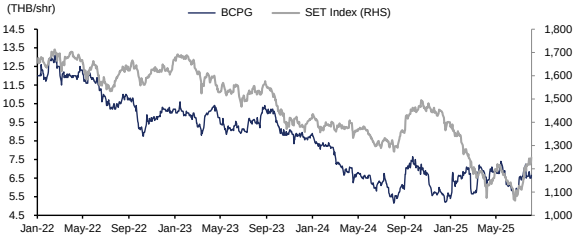
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	4,323	3,351	4,443	5,699
Net profit	1,819	1,979	2,904	3,211
Core net profit	1,123	1,979	2,904	3,211
vs Consensus (%)		31.9	34.4	30.1
Net profit growth (%)	64.8	8.8	46.7	10.6
Core net profit growth (%)	28.6	76.3	46.7	10.6
EPS (THB)	0.61	0.66	0.97	1.07
Core EPS (THB)	0.37	0.66	0.97	1.07
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.28	0.26	0.39	0.43
P/E (x)	9.14	9.84	6.71	6.07
P/BV (x)	0.54	0.61	0.58	0.55
ROE (%)	5.05	4.07	5.96	6.60
Dividend yield (%)	3.72	6.34	8.87	9.26

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(0.76)	(5.80)	(5.11)	17.12
Market	(9.60)	(8.13)	0.42	33.39
12M High/Low (THB)				7.80 / 5.05



Major Shareholders (%) as of 6 Mar 2025

Bangchak Corporation Public Company Limited	57.81

Company Profile

The Company's business is to generate and sell electricity from clean energy as well as investing in companies that generate and sell electricity from clean energy.

Source: SETSMART, SET

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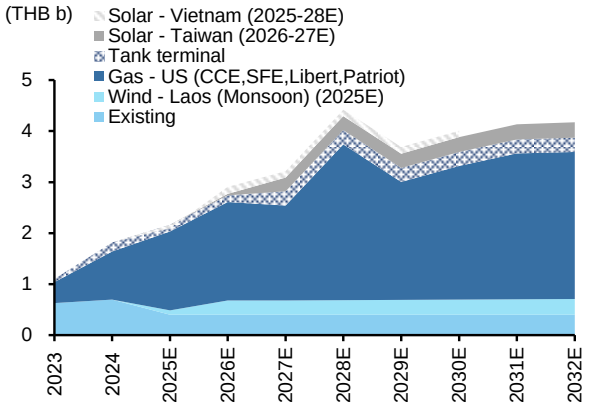
Bullish until AI growth cycle ends

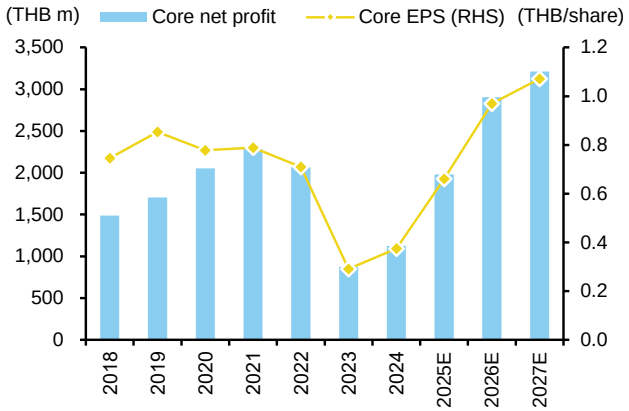
We believe BCPG is now emerging as one of the most attractive "growth stocks" with compelling net profit growth outlook to ride on the U.S., if not global AI industry upcycle that we think will last at least for 3-5 years.

Exhibit 1: BCPG's net profit breakdown by projects



Sources: BCPG; Globlex Research

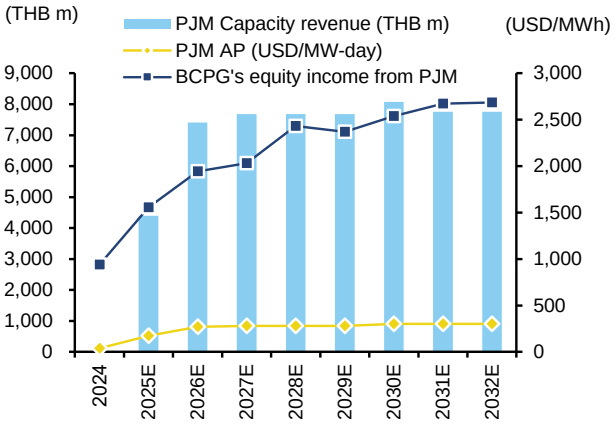
Exhibit 2: Core net profit vs core EPS



Sources: BCPG; Globlex Research

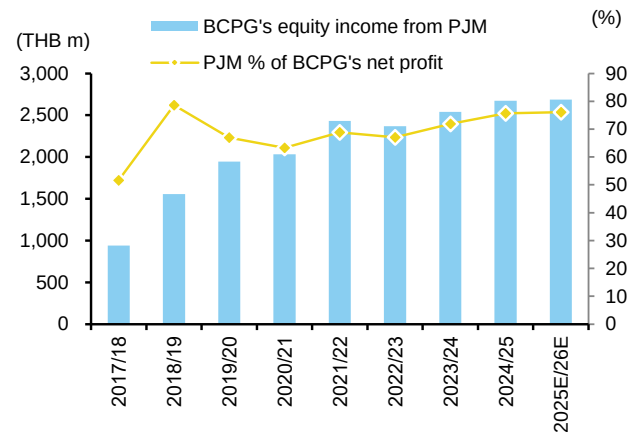
1.8x net profit jump from 2024 to 2027E. With the now-secured capacity payments at USD329/MWh-day for 2026/27 (June 2026-May 2027) and USD269.92/MWh-day for 2025/2026 (June 2025-May 2026), we forecast BCPG's equity income contributions from PJM to increase from THB0.9b in 2024 to THB1.6b in 2025, THB2.0b in 2026, and THB2.1b in 2027. This will propel BCPG's net profit growth to surge to THB3.2b by 2027.

Exhibit 3: BCPG's equity income from PJM



Sources: BCPG; U.S. Congress; Globlex Research

Exhibit 4: BCPG's equity income from PJM (%)



Sources: BCPG; U.S. Congress; Globlex Research

Key factors influencing PJM's capacity prices

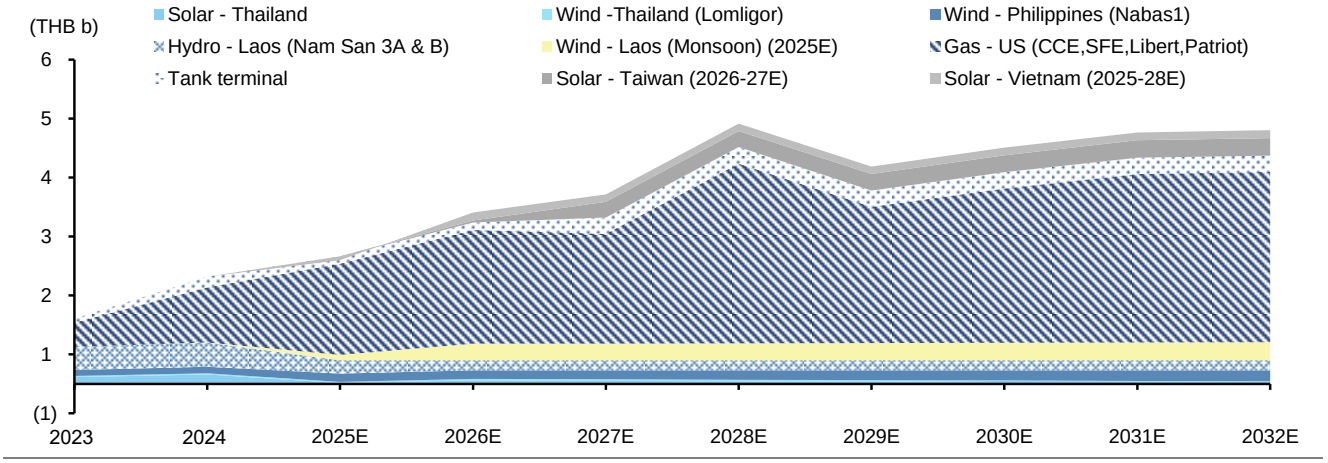
1) Increased demand. Projected growth in data centers, particularly those supporting artificial intelligence, is driving a surge in electricity demand.
2) Supply concerns: A tightening supply of generation resources is contributing to the price increases, with some stakeholders expressing concern about the pace of renewable energy project interconnection.
3) Market reforms: PJM is implementing reforms to its capacity market, including adjustments to the VRR demand curve and changes to the "must-offer" requirement for certain resources.
4) Recent plant closures: The closure of fossil fuel plants is also cited as a factor contributing to the tighter capacity market.
5) Potential for higher customer Bills: Increased capacity costs are expected to translate to higher electricity bills for both residential and commercial customers.

Exhibit 5: BCPG's power plants in the U.S.

BCPG (CCGT)	Acquisition date	Acquisition cost (THB b)	Equity capacity (MW)	Capacity (MW)	BCPG's stake (%)	AP-BCPG CCE/SFE (%)	BCPG's net stake (%)
Carroll County Energy LLC (CCE)	20-Feb-23	1.6	61	700	49	17.8	8.8
South Field Energy LLC (SFE)	20-Feb-23	2.4	90	1,182	49	15.6	7.6
Hamilton Liberty LLC	13-Jul-23	4.5	212	848	25	100	25.0
Hamilton Patriot LLC	13-Jul-23	4.5	214	857	25	100	25.0
Total		**13.0**	**578**	**1,882**	**72**	**233**	**30.7**

Sources: BCPG

Exhibit 6: Net profit breakdown by projects

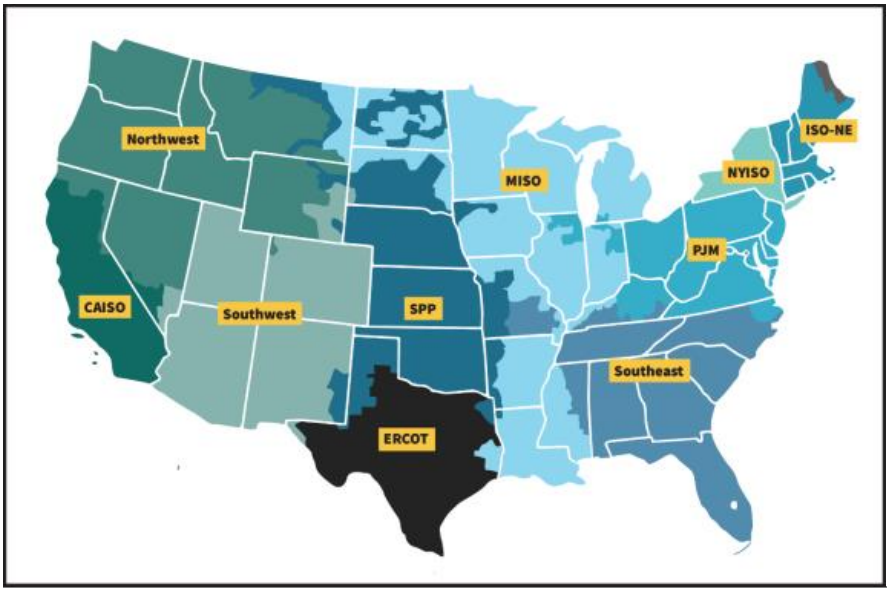


Sources: BCPG; Globlex Research

AI growth = PJM tariff surge

PJM is US' largest electric grid operator, managing the electricity transmission system for more than 65m people in all or part of 13 states—Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia—and the District of Columbia.

Exhibit 7: 13 states of U.S.



Sources: Federal Energy Regulatory Commission (FERC), "RTOs and ISOs

PJM operates several markets that play a large role in setting electricity rates for consumers in the PJM region. One of these markets—PJM's capacity market—saw its July 2024 auction clear at USD269.92/megawatt-day (MW-day) in most parts of PJM, a nearly 10-fold increase from the previous auction.

Capacity payment – the mirror of how tight the power supply is

What Is a Capacity Market?

Capacity markets are used in some parts of the country to provide resource adequacy, a term used by grid planners and policy makers to refer to the long-term ability of electricity supply to meet demand. Capacity markets create price signals to investors to identify where and how much capacity is needed to meet future demand. High-capacity prices encourage development of new capacity, and low-capacity prices encourage capacity retirement. Stated another way, the price signals from capacity markets influence market entry and exit for power plants.

IRP approach vs Capacity market. Not all areas of the country use capacity markets for resource adequacy planning. Another approach is utility integrated resource plans (IRPs). IRP processes are common in states that rely on regulated vertically integrated utilities, as opposed to restructured states. Under an IRP approach, resource adequacy is overseen by utility regulators who estimate future electricity needs and make plans to ensure sufficient power plants are available to meet those needs. Some utilities use a combination of IRPs and capacity markets for resource adequacy, pursuant to state laws and regulations.

Resource adequacy comes down to a matter of either planning for the future properly and having accurate expectations for what the demand is going to be down the road, and administratively determining it and then building it. This usually happens in vertically integrated utilities or states that have vertically integrated utilities through the Integrated Resource Plan.

Capacity auctions affect future electricity rates, so the impacts of the July 2024 auction weren't felt until 2025. Some states are experiencing electricity rate increases of up to 20% from 2024 to 2025.

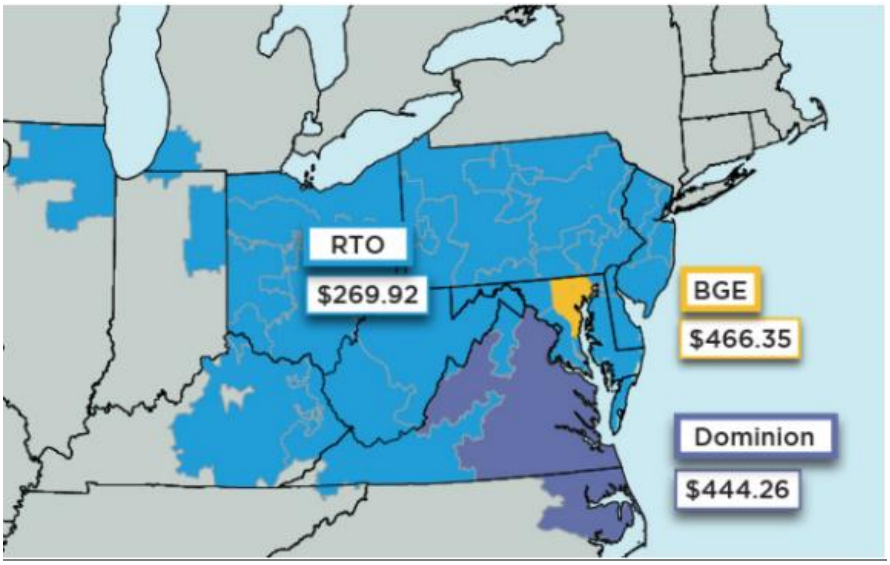
Capacity markets aim to ensure the long-term ability of electricity supply to meet demand (resource adequacy) by creating price signals indicating where and how much capacity is needed in future years. Buyers in capacity markets are distribution utilities such as Dominion Energy and Pepco, securing electricity supply for their customers.

Sellers in capacity markets are the owners of electricity generators (such as BCPG) that wish to sell electricity in the delivery year. Capacity clearing prices primarily reflect the expected balance of supply and demand for electricity in the coming years.

Higher PJM capacity prices seen in the July 2024 auction are generally agreed to have been caused by the confluence of three factors. These three factors are **decreasing supply, increasing demand, and capacity market design changes implemented in July 2024.**

Many of those market design changes were in response to the emergency conditions PJM experienced during Winter Storm Elliott in 2022. Since July 2024, PJM requested—and the Federal Energy Regulatory Commission (FERC) approved—several changes to the capacity market design, aimed in large part at lowering future capacity prices.

Exhibit 8: July 2024 PJM Capacity Market Clearing Prices (USD/megawatt-day)



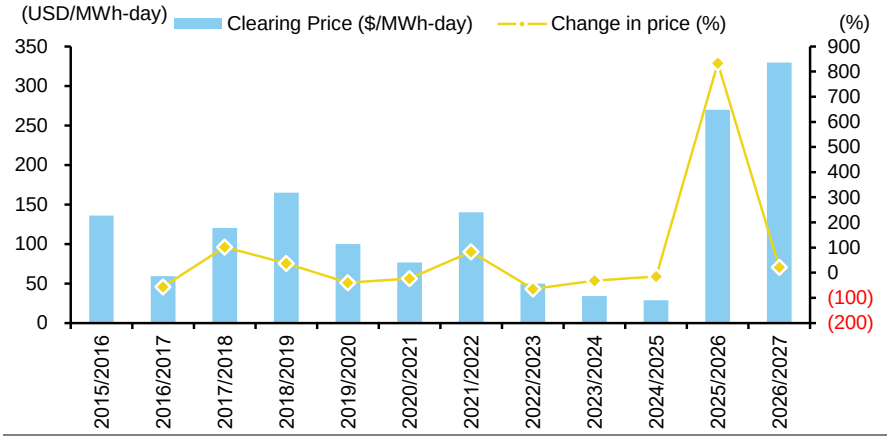
Sources: PJM, "PJM Capacity Auction Procures Sufficient Reserves to Meet RTO Reliability Requirement," press release, July 30, 2024

PJM's capacity auction in July 2025 hit record-high at USD329.17/MWh-day

PJM's capacity market is projected to see significant price increases, particularly for the 2025/2026 and 2026/2027 delivery years, due to a combination of factors including increased demand and proposed changes to market rules. The 2026/2027 auction reached a record high of $329.17/MW-day, a 22% increase from the previous year.

PJM proposed and FERC approved a change in parameters of the VRR demand curve, lowering the price cap. A further reform (pending at FERC), negotiated with PA governor Josh Shapiro, would impose a price cap and price floor for the 2026/27 and 2027/28 auctions.

Exhibit 9: PJM's capacity payment (clearing price) and changes



Sources: PJM, 2025/2026 Base Residual Auction Report, July 30, 2024

Notes: The delivery year runs from 1 June to 31 May. Clearing prices represent PJM-wide prices. Prices in some subregions may have differed from these prices. Prices have not been adjusted to account for inflation.

PJM will consider Reliability Must-Run (RMR) units as capacity suppliers starting with the 2026/27 BRA, and extended the capacity market "must-offer" obligation to the previously exempt intermittent and storage resource classes.

Beyond the next auction, continued peak load growth will quickly outpace net new capacity, likely leading to shortfalls as early as the 2027/28 BRA without further intervention. Further reforms are likely, with stakeholder processes aimed at modifying the capacity market demand curve and ELCC accreditation already underway.

Changes to PJM's Capacity Market Since July 2024

Despite multiple attempts by PJM to implement changes to future capacity auctions, the final auctioned capacity payment for 2026/27 tunes out to be much higher than that in 2024/25, which will be applied during 1 June 2025- 31 May 2026. RMR, intermittent, and storage generators will be required to participate in PJM's capacity market.27

- For the next two capacity auctions, PJM will use a lower CONE assumption (CONE stands for Cost of New Entry or simply replacement cost).
- For the next two capacity auctions, PJM will further lower the price cap in the market to approximately $325/MW-day and add a price floor of $175/MW-day.

The price cap and price floor (together sometimes referred to as a price collar) arose from a settlement agreement between PJM and Pennsylvania.

Electricity Supply

The spikes in PJM's July 2024 and July 2025 capacity auction results reflect the tight power supply, leading to U.S. Congressers to believe that the U.S. will need more electricity supply in the coming years to meet expected increasing demand from AI, manufacturing, and other parts of the economy. In light of these national and PJM-specific concerns, factors that influence electricity supply and the pace of new power plant construction then need to be considered are:

How high the market prices, including capacity prices? High capacity prices, in regions that use capacity markets, send a signal to investors that more generators are needed in the region. As a result, generator owners might invest more capital in maintaining existing generators and building new ones. Efforts to modify future PJM capacity market rules to lower prices could counteract this investment signal, potentially slowing the development of new capacity in the region.

How fast the permitting processes will be? Pursuant to the Federal Power Act, most authority for siting and permitting new power plants resides in the states. One key step in power plant development is the Certificate of Public Convenience and Necessity (CPCN), issued by a state agency and giving project developers permission to construct. Each state has its own laws and regulations governing the CPCN issuance.

Power plants built on federal lands require approval from a federal agency before they may proceed to construction. In contrast to some regions of the country, PJM states do not have much onshore federal land, so the role of the federal government in promoting more electricity supply in the region may be limited.41 Offshore wind, however, is an energy source being developed in federally controlled waters off several PJM states. The Trump Administration has taken steps to temporarily cease certain leasing and permitting activities related to offshore wind, raising some doubts about future development of offshore wind in the PJM region and elsewhere.43 Two offshore wind projects in federal waters are generating electricity.

The timeline for permitting and developing new power plants in the PJM region (whether fueled by offshore wind or other energy sources) may be of interest to Congress as part of broader interest in permitting reform, which Congress has been debating for several years.

Notwithstanding the Federal Power Act's jurisdictional framework giving states the primary role in permitting power plant development, some federal agency actions, as discussed below, affect electricity supply in PJM and elsewhere. These actions affect both the pace of development of new supply and the pace of retirement of existing supply. Congress now examines how agency actions in place at the time affected PJM's July 2024 capacity auction, and what changes could be implemented to address PJM's declining electricity supply.

On May 2, 2025, PJM announced it had selected 51 RRI projects. The selected projects represent 7,756MW of natural gas combined cycle capacity, 2,275 MW of battery capacity, 1,383 MW of nuclear capacity, 365 MW of natural gas combustion turbine capacity, and 14 MW of coal capacity. As of May 2025, PJM intended to complete the interconnection study process for RRI in ate 2026, and it expected 90% of the RRI projects to come online by 2030.

3Q25 will be the beginning of BCPG's growth supercycle in 2H25E-2030E

Our analysis indicated that the windfall benefits of the spikes in PJM's capacity payments already auctioned in June 2024 to be applied for June 2025-May 2026, will be BCPG's supercycle for net profit growth that will double or even triple from its 2024 net profit of THB1.8b to THB4.3b-THB5.2b by 2030E, considering that the tight power supply will likely last at least until 2028E-30E when a number of new nuclear power plants Small Modular Reactor (SMR) will be on stream.

Until then, the U.S. power supply is projected to tighten more and more and there is no panacea for the undersupply situation currently faced by the U.S. merchant electricity industry.

The only risk for this will be the price cap by the U.S. government at USD329/MWh for 2026/27. But if the price cap's collateral damages in the form of the smaller-than-expected new power plant supplies to serve the fast growing demand for AI data center, we think eventually the U.S. government may have to let the capacity payment prices go up in order to achieve the energy security.

Balance sheet (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Current assets					
Cash & ST investment	9,790	7,346	9,836	8,752	3,386
Account receivable	2,006	1,593	1,660	1,660	1,660
Inventories	0	0	0	0	0
Others	539	789	611	811	1,040
Non-current assets					
Net fixed assets	23,011	15,818	24,087	32,255	40,390
Others	38,894	36,446	36,446	36,446	36,446
Total Assets	**74,240**	**61,992**	**72,640**	**79,925**	**82,922**
Current liabilities					
Account payable	1,708	969	1,002	1,316	2,259
ST borrowing	9,646	1,975	2,172	2,389	2,628
Others	457	210	163	216	277
Long-term liabilities					
Long-term debts	30,423	26,429	35,844	40,611	40,372
Others	2,393	1,483	1,483	1,483	1,483
Total liabilities	**44,628**	**31,066**	**40,664**	**46,015**	**47,019**
Paid-up capital	14,979	14,979	14,979	14,979	14,979
Retained earnings	6,963	8,040	9,084	11,012	12,999
Others	7,617	7,692	7,692	7,692	7,692
Minority interest	53	215	221	227	233
Shareholders' equity	**29,612**	**30,926**	**31,976**	**33,909**	**35,903**

Profit & loss (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Revenue	**5,031**	**4,323**	**3,351**	**4,443**	**5,699**
Cost of goods sold	(750)	(727)	(752)	(988)	(1,695)
Gross profit	**4,281**	**3,596**	**2,599**	**3,455**	**4,004**
Operating expenses	(588)	(672)	(670)	(666)	(855)
Operating profit	**3,693**	**2,923**	**1,929**	**2,789**	**3,149**
EBIT	**1,654**	**463**	**198**	**957**	**1,283**
Depreciation	(1,808)	(1,764)	(1,731)	(1,832)	(1,865)
EBITDA	**3,462**	**2,227**	**1,929**	**2,789**	**3,149**
Non-operating income	**574**	**1,608**	**247**	**447**	**425**
Other incomes	64	418	100	250	250
Other non-op income	509	1,190	147	197	175
Non-operating expense	**(1,268)**	**(1,529)**	**(1,461)**	**(1,782)**	**(1,892)**
Interest expense	(1,268)	(1,529)	(1,461)	(1,782)	(1,892)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	252	1,014	2,872	3,245	3,378
Pre-tax Profit	**1,211**	**1,556**	**1,855**	**2,867**	**3,195**
Extraordinary items	231	697	0	0	0
Current taxation	(336)	(433)	130	43	22
Minorities	(2)	(0)	(6)	(6)	(6)
Net Profit	**1,104**	**1,819**	**1,979**	**2,904**	**3,211**
Core net profit	**873**	**1,123**	**1,979**	**2,904**	**3,211**
EPS (THB)	**0.37**	**0.61**	**0.66**	**0.97**	**1.07**
Core EPS (THB)	**0.29**	**0.37**	**0.66**	**0.97**	**1.07**

Key ratios					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Growth (%YoY)					
Sales	(6.9)	(14.1)	(22.5)	32.6	28.3
Operating profit	(9.7)	(20.8)	(34.0)	44.6	12.9
EBITDA	(1.9)	(35.7)	(13.4)	44.6	12.9
Net profit	(46.5)	64.8	8.8	46.7	10.6
Core net profit	(57.7)	28.6	76.3	46.7	10.6
EPS	(48.1)	64.8	8.8	46.7	10.6
Core EPS	(59.0)	28.6	76.3	46.7	10.6
Profitability (%)					
Gross margin	85.1	83.2	77.6	77.8	70.3
Operation margin	73.4	67.6	57.6	62.8	55.3
EBITDA margin	68.8	51.5	57.6	62.8	55.3
Net margin	21.9	42.1	59.1	65.3	56.3
ROE	3.0	3.7	6.3	8.9	9.3
ROA	2.6	3.2	2.6	1.3	1.4
Stability					
Interest bearing debt/equity (x)	1.4	0.9	1.2	1.3	1.2
Net debt/equity (x)	1.0	0.7	0.9	1.0	1.1
Interest coverage (x)	1.3	0.3	0.1	0.5	0.7
Interest & ST debt coverage (x)	0.2	0.1	0.1	0.2	0.3
Cash flow interest coverage (x)	0.1	0.1	0.2	0.2	0.2
Current ratio (x)	1.0	3.1	3.6	2.9	1.2
Quick ratio (x)	1.0	2.8	3.4	2.7	1.0
Net debt (THB m)	30,279	21,058	28,181	34,248	39,614
Activity					
Asset turnover (X)	0.1	0.1	0.0	0.1	0.1
Days receivables	136.7	151.9	177.2	136.4	106.3
Days inventory	0.0	0.0	0.0	0.0	0.0
Days payable	586.2	672.0	478.3	428.2	384.8
Cash cycle days	(449.5)	(520.1)	(301.1)	(291.9)	(278.5)

Cash flow (THB m)					
Year ending Dec	**2023**	**2024**	**2025E**	**2026E**	**2027E**
Operating cash flow	**4,406**	**3,773**	**6,679**	**8,149**	**9,229**
Net profit	1,104	1,819	1,979	2,904	3,211
Depre.& amortization	1,808	1,764	1,731	1,832	1,865
Change in working capital	1,242	(824)	96	168	775
Others	252	1,014	2,872	3,245	3,378
Investment cash flow	**(29,063)**	**9,037**	**(7,128)**	**(6,755)**	**(6,622)**
Net CAPEX	(7,805)	5,429	(10,000)	(10,000)	(10,000)
Change in LT investment	(305)	3,035	2,872	3,245	3,378
Change in other assets	(20,953)	572	0	0	0
Free cash flow	**(24,657)**	**12,810**	**(449)**	**1,394**	**2,607**
Financing cash flow	**14,114**	**(15,255)**	**2,939**	**(2,477)**	**(7,973)**
Change in share capital	0	0	0	0	0
Net change in debt	15,650	(11,665)	9,613	4,984	0
Dividend paid	(749)	(839)	(935)	(977)	(1,223)
Others	(788)	(2,750)	(5,738)	(6,485)	(6,750)
Net cash flow	**(10,543)**	**(2,444)**	**2,490**	**(1,083)**	**(5,366)**

Per share (THB)					
EPS	0.37	0.61	0.66	0.97	1.07
Core EPS	0.29	0.37	0.66	0.97	1.07
CFPS	0.90	0.96	1.24	1.58	1.70
BVPS	9.87	10.25	10.60	11.24	11.91
Sales/share	1.68	1.44	1.12	1.48	1.90
EBITDA/share	1.16	0.74	0.64	0.93	1.05
DPS	0.25	0.28	0.26	0.39	0.43
Valuation					
P/E (x)	23.88	9.14	9.84	6.71	6.07
P/BV (x)	0.89	0.54	0.61	0.58	0.55
Dividend yield (%)	2.84	5.05	4.07	5.96	6.60
Divdend payout ratio (%)	67.84	46.10	40.00	40.00	40.00

GENERAL DISCLAIMER

Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.
* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.