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Further decline in petrochemical prices

- **Gain in Saudi propane and butane prices reversed:** Saudi propane and butane declined 19.8% MoM and 35.0% MoM, respectively. The PP-propane spread expanded to USD 607 per ton from USD 576 per ton last month, while the PP-butane spread increased to USD 558 per ton from USD 456 per ton.
- **Naphtha prices high despite fall in crude:** Naphtha prices increased marginally (up 1.1% MoM) despite decline in crude prices (down 2.1% MoM).
- **Decline in PP and PE prices continue:** PP prices declined 4.7% MoM to USD 1,005 per ton due to fall in feedstock propylene prices (down 5.9% MoM). HDPE, LDPE, and LLDPE prices fell 2.6% MoM, 0.8% MoM, and 0.9% MoM, respectively.
- **Polystyrene prices dragged down by feedstock:** Polystyrene prices fell 4.9% MoM to USD 1,255 per ton due to a fall in styrene prices (down 6.6% MoM) to USD 1,070 per ton. PVC prices fell 8.4% MoM (two months in a row) to USD 870 per ton.
- **Decline in MEG despite gain in ethylene:** MEG prices fell 7.9% MoM to USD 695 per ton despite ethylene prices increasing (up 5.9% MoM). Methanol prices fell sharply by 28.0% MoM to USD 360 per ton.
- **Marginal fall in titanium dioxide prices:** Prices of weighted average titanium dioxide fell 0.2% MoM to USD 2,602 per ton in April.
- **Decline in urea prices; ammonia prices strengthen:** Urea prices declined for the third time in a row (down 7.0% MoM) to USD 200 per ton, while ammonia prices rose 5.9% MoM to USD 360 per ton. DAP prices were down 5.2% MoM to USD 365 per ton.

Concerns over global supply glut re-emerge

- **KSA and Russia signal extension of production cuts:** Brent crude slipped to USD 48.16 per barrel (nearly six-month low) in early May on concerns over the re-emergence of global supply gut. This was the first time oil prices declined sharply since OPEC agreed to cut output in November. The decline was led by EIA reporting US crude oil inventory declining only 900,000 barrels as against market expectation of 2.3mn barrels. However, hopes of recovery persist, as Saudi Arabia and Russia signaled they could extend production cuts to 2018.
- **Decline in crude oil prices in April:** Brent and WTI declined 2.1% MoM and 2.5% MoM, respectively, in April. The spread between Brent and WTI expanded to about USD 2.40 per barrel in April from USD 2.23 per barrel in March. Brent and WTI closed at USD 51.7 per barrel and USD 49.3 per barrel, respectively. Meanwhile, Henry Hub natural gas prices rose 2.7% MoM to USD 3.28 per mmbtu.
- **EIA increases US oil production target by 0.1 mbpd for 2017 and 2018:** In EIA's short-term energy outlook report for May, the US oil production target has been forecast to average to 9.3 mbpd in 2017 and 10.0 mbpd for 2018.
- **OPEC's oil production decreases 18 kbpd in April 2017:** According to the Monthly Oil Market Report (MOMR), OPEC's oil production decreased to 31.73 mbpd in April. OECD commercial inventories were up 276 mn barrels from the latest five-year average, with a forward cover of 64.8 days. Refinery margins strengthened in Asia supported by firm regional demand, amid tightening sentiment fueled by the peak of regional maintenance season.
- **Rising rig count:** In the week ended May 12, the US rotary rig count raised 8 WoW to 885. The number of rigs increased about 4.7% MoM in May (11.0% MoM rise In April). The rig count was up 117.9%YoY. Of the total number of rigs, 712 were used to drill for oil and 172 for natural gas.

Table 1: Petchem Prices - April 2017

Name	Price (USD pet ton)	MoM %	YTD %
Naphtha	455	1.1%	-6.2%
Saudi Propane	385	-19.8%	1.3%
Saudi Butane	390	-35.0%	-7.1%
Ethylene	1165	5.9%	6.9%
Propylene-Asia	795	-5.9%	-5.4%
HDPE	1130	-2.6%	-2.6%
LDPE	1220	-0.8%	-6.2%
LLDPE	1120	-0.9%	-3.4%
PP-Asia	1005	-4.7%	-6.5%
Styrene-Asia	1070	-6.6%	-10.8%
Polystyrene	1255	-4.9%	-4.9%
TiO^2 *	2602	-0.2%	4.1%
PVC-Asia	870	-8.4%	-4.4%
MEG	695	-7.9%	-19.2%
Methanol	360	-28.0%	2.9%
DAP-Gulf	365	-5.2%	12.3%
Urea-Gulf	200	-7.0%	-18.4%
Ammonia-Gulf	360	5.9%	75.6%
MTBE-Asia	640	11.3%	-7.2%
EDC	320	-12.3%	4.9%
Butyl-A	1000	-21.3%	-27.0%
BPA	1270	-5.9%	-6.2%
PX-Asia	795	-3.6%	1.3%
EVA	1455	-3.0%	-7.1%

Source: Argaam, Reuter Eikon, AlJazira Capital Research
* Weighted average

Table 2: Economic Calendar

Date	Country	Event
10-May to 25-May	KSA	Unemployment Rate (Saudis)
18-May	KSA	Crude Oil Data Published: JODI
20-May to 05-June	KSA	Non-Oil Exports YoY
22-May to 25-May	KSA	CPI YoY
25-May to 31-May	KSA	Current Account Balance
26-May	US	GDP Annualized QoQ
28-May	KSA	M1, M2, M3 Money Supply YoY
28-May	KSA	SAMA Net Foreign Assets SAR
02-Jun	US	Trade Balance
02-Jun	US	Unemployment Rate
05-Jun	KSA	Emirates NBD Saudi Arabia PMI
06-Jun	US	EIA Short-term Energy Outlook
June 06,13,20,27	US	Weekly Petroleum Status Report
13-Jun		OPEC Monthly Oil Market Report
14-Jun		IEA Oil Market Report

Source: Bloomberg, IEA, EIA, OPEC

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Key comments from international energy agencies

IEA (Oil Market Report Published on 13 April)

- Global oil demand is expected to increase 1.3 mbpd in 2017 (down 0.1 mbpd from the previous month's estimate). The decline in projections could be ascribed to subdued gains in Russia and India, and weaker momentum in OECD countries.
- OPEC's oil production fell 365 kbpd to 31.68 mbpd in March due to losses in Nigeria, Libya (both exempted from supply cut), and Saudi Arabia.
- Global oil supplies declined 755 kbpd in March due to lower production from OPEC and non-OPEC members, and improved compliance with regard to the output reduction deal.
- OECD's commercial inventories stocks fell moderately in February. According to the IEA, OECD stocks gained 38.5 mb (425 kbpd) in 1Q2017, primarily led by a large build-up in January.
- Demand for refinery crude is expected to increase 3.5 mbpd between March and July.

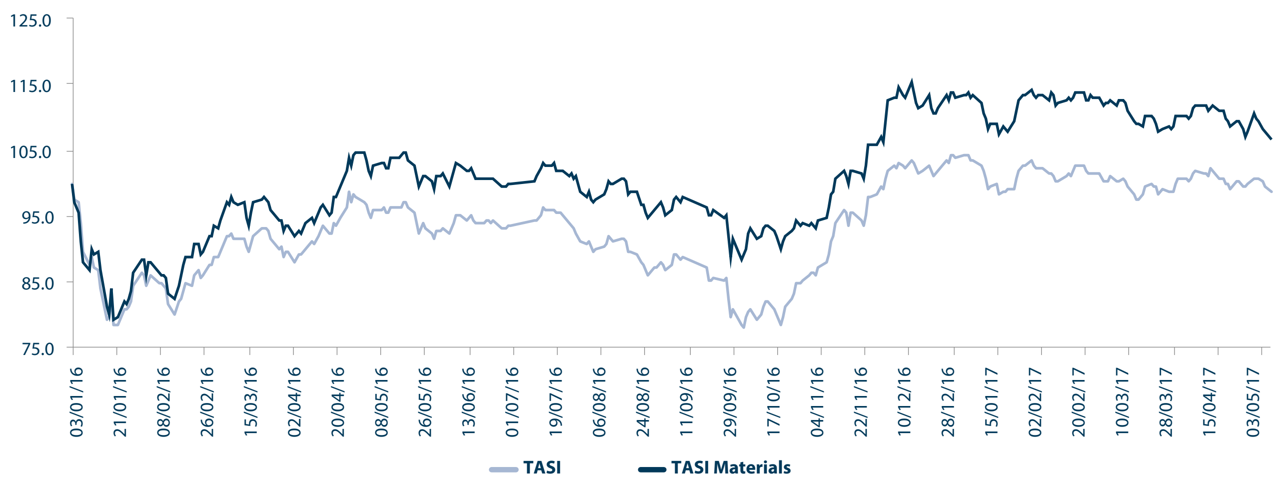
OPEC (Monthly Oil Market Report Published on 11 May)

- Global oil demand averaged 95.12 mbpd in 2016 and is expected to increase to 96.38 mbpd in 2017.
- Oil consumption growth for 2016 stood at 1.44 mbpd (down 60 kbpd from the previous month's estimate) and is projected to rise by around 1.27 mbpd in 2017 (same as previous month's estimate).
- In April, OPEC's oil production decreased 18 kbpd to 31.73 mbpd (according to secondary sources).
- Non-OPEC supplies in 2016 were revised to a decline of 0.71 mbpd to average 57.3 mbpd (down 20 kbpd from the previous month's estimate), but increase 0.95 mbpd to 58.3 mbpd in 2017 (up 370 kbpd from the previous month's estimate).
- OECD's oil and oil product inventories fell in March to 3,013 mn barrels.
- OECD commercial inventories were 276 mn barrels higher than the latest five-year average, with a forward cover of 64.8 days (up by 4.8 days from previous five-year average).
- Demand for OPEC crude averaged 31.8 mbpd in 2016 (up about 2.0 mbpd from 2015) and is projected to average 31.9 mbpd in 2017.

EIA (Short-Term Energy Outlook Published on 11 May)

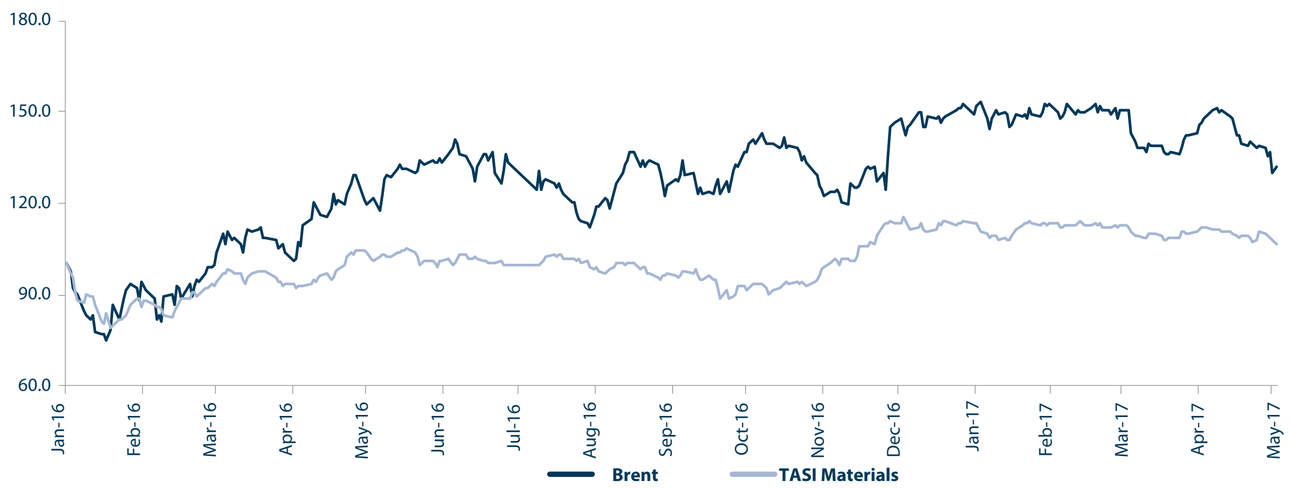
- Brent prices are projected to average USD 53 per barrel in 2017 (down USD 1 from the previous month's estimates) and USD 57 per barrel in 2018.
- WTI oil prices are expected to average USD 2 per barrel lower than Brent in 2017 and 2018.
- US crude production averaged 8.9 mbpd in 2016.
- US crude production is projected to average 9.3 mbpd in 2017 and 10.0 mbpd in 2018 (up 0.1 mbpd from the previous month's estimates for both 2017 and 2018).
- As on April 28, 2017, US natural gas inventories stood at 2,256 bn cubic feet (up 10.0% MoM).
- Global consumption of petroleum and other liquid fuels is expected to rise 1.6 mbpd in 2017 (up 0.1 mbpd from the previous month's estimates) and 1.6 mbpd in 2018.
- Non-OPEC production is anticipated to increase 0.9 mbpd in 2017 (0.3 mbpd higher than the previous month's estimate) and 1.1 mbpd in 2018 (down 0.1 mbpd from the previous month's estimate).
- On average, OPEC members produced 32.5 mbpd of crude oil in 2016. Crude oil production is not expected to increase in 2017 (down 0.1 mbpd from the previous month's estimate), but it is projected to gain 0.7 mbpd in 2018 (up 0.1 mbpd from the previous month's estimate).
- OPEC's unplanned oil supply disruptions averaged 1.9 mbpd in April (1.8 mbpd in March).
- OECD inventories are projected to rise to 3.03 bn barrels by the end of 2017 and increase to 3.11 bn barrels by the end of 2018.

Figure 1: TASI versus Materials sector



Source: Reuter Eikon, AlJazira Capital Research

Figure 2: Materials sector versus Oil (Brent)



Source: Reuter Eikon, AlJazira Capital Research

Table 3: World Oil Demand and Supply

(mbpd)	2016				2017E				2015	2016	2017E	2018E
World Crude Oil & Liq. Fuels Supply	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**				
OPEC Supp.	38.30	38.72	39.11	39.56	38.83	39.07	39.83	39.99	38.30	38.92	39.43	40.22
Non-OPEC Suppl.	58.48	57.62	57.91	58.66	58.19	58.73	59.50	59.71	57.48	58.17	59.04	60.18
Total World Supply	**96.78**	**96.34**	**97.02**	**98.22**	**97.02**	**97.80**	**99.33**	**99.70**	**95.78**	**97.09**	**98.47**	**100.40**
World Crude Oil & Liq. Fuels Cons.												
OECD Consumption.	46.70	46.03	47.30	47.39	46.79	46.53	47.66	47.62	46.41	46.86	47.15	47.45
Non-OECD Consumption.	48.80	50.10	50.32	50.28	49.91	51.38	51.69	51.58	47.66	49.88	51.15	52.48
Total World Cons.	**95.50**	**96.13**	**97.62**	**97.67**	**96.70**	**97.91**	**99.35**	**99.20**	**94.07**	**96.74**	**98.30**	**99.93**
OECD Inventory (mn bbls)	2,997	3,036	3,043	2,967	3,033	3,044	3,043	3,033	2,967	2,967	3,033	3,109
OPEC Surplus Crude Oil Prod. Cap.	1.62	1.26	0.97	1.03	2.21	2.18	1.49	1.42	1.60	1.22	1.82	1.21

Source: EIA STEO March 2016, EIA STEO May 2017, AlJazira Capital Research

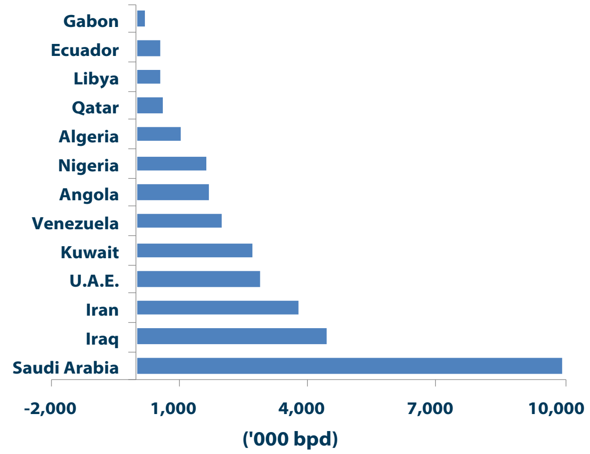
- The gap between crude supply and consumption is expected to expand to 0.50 mbpd by 4Q2017 from 0.32 mbpd in 1Q 2017.
- Crude inventories are anticipated to stabilize in 2017, ending the year at 3,033 mn barrels.
- OPEC's surplus production capacity is expected to contract to 1.42 mbpd by 4Q2017 from 2.21 mbpd in 1Q2017.

Table 4: OPEC monthly oil production

Prod. ('000bpd)	Cap.	Jan	Feb	Mar	Apr	% MoM Chg.
Algeria	1,150	1,040	1,040	1,040	1,040	0.0%
Angola	1,870	1,670	1,690	1,630	1,660	1.8%
Ecuador	555	530	535	530	530	0.0%
Gabon	220	195	180	180	200	11.1%
Iran	4,000	3,800	3,780	3,785	3,760	-0.7%
Iraq	4,700	4,490	4,440	4,430	4,410	-0.5%
Kuwait	3,000	2,710	2,710	2,705	2,700	-0.2%
Libya	780	690	700	620	550	-11.3%
Nigeria	2,200	1,640	1,680	1,550	1,600	3.2%
Qatar	780	615	620	610	615	0.8%
Saudi Arabia	11,500	9,870	9,940	9,940	9,950	0.1%
U.A.E.	3,150	2,950	2,950	2,915	2,900	-0.5%
Venezuela	2,500	2,030	2,030	2,000	1,980	-1.0%
Total OPEC	**36,405**	**32,230**	**32,295**	**31,935**	**31,895**	**-0.1%**

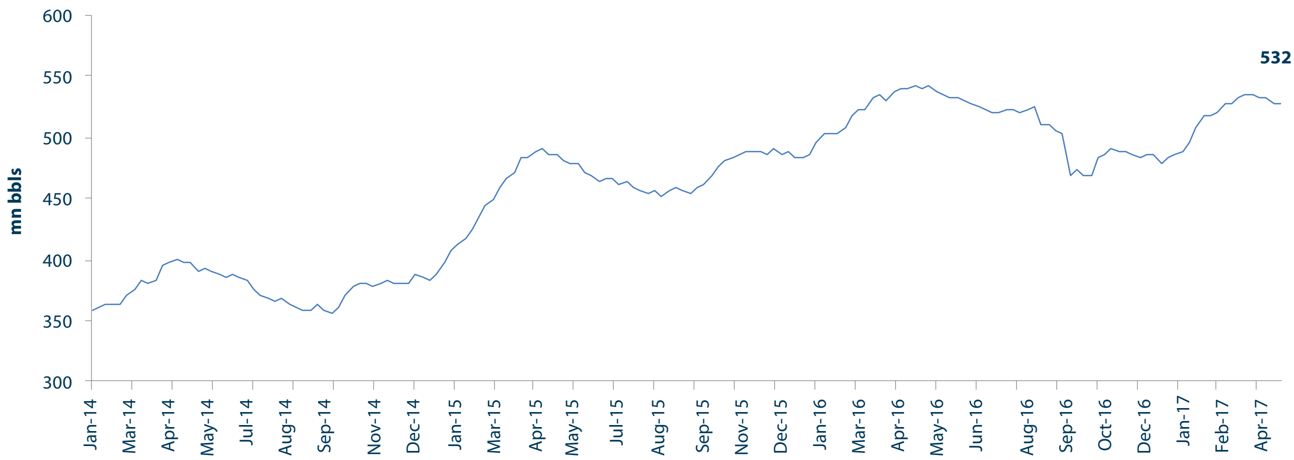
Source: Bloomberg

Figure 3: OPEC April Oil Production



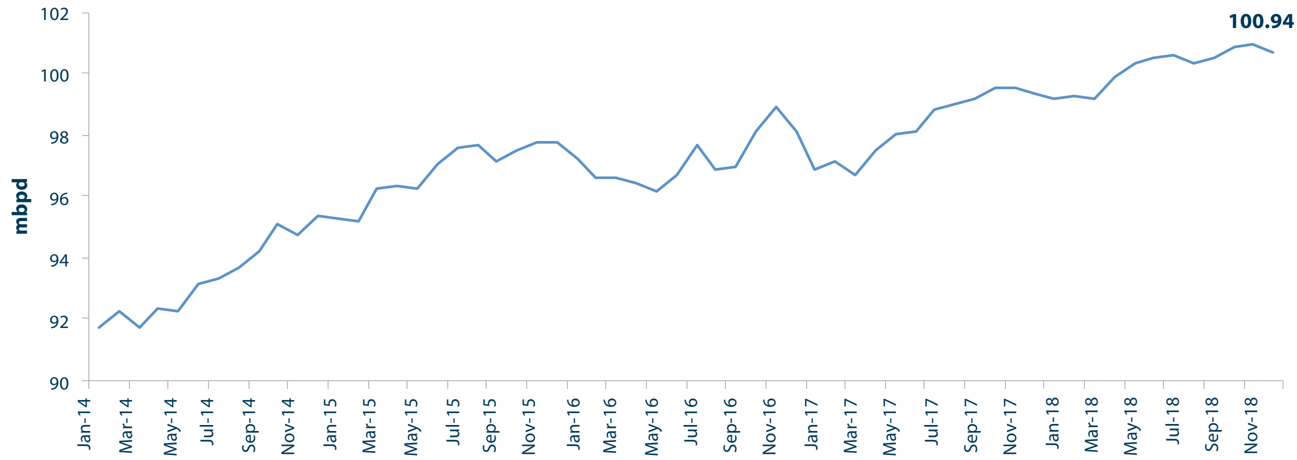
Source: Bloomberg

Figure 4: US Weekly Oil Inventories



Source: US EIA, AlJazira Capital Research

Figure 5: World Oil Production and Forecast



Source: Bloomberg

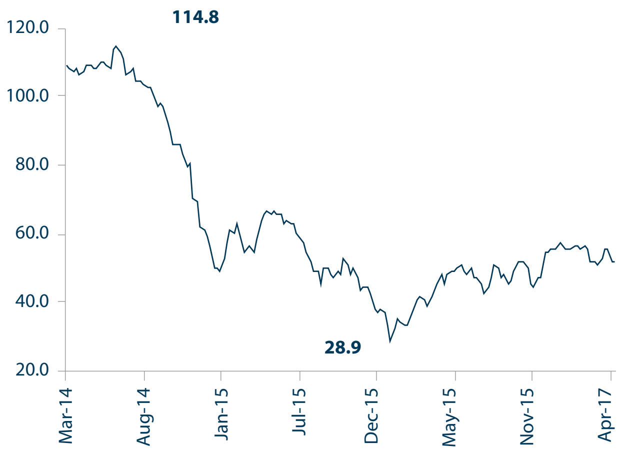
Corporate announcements

Name of company	Date	Announcement
Alujain Corporation	May 02, 2017	Alujain Corporation resumed operations on May 2 at its propylene and polypropylene plants (owned by its subsidiary, National Petrochemical Industrial Co. (NATPET)); the plants are expected to start operating at full capacity within the next eight days.
Nama Chemicals Co.	May 08, 2017	Nama Chemicals extended a lease contract worth SAR 20.7mn per year for an office building owned by its subsidiary Nama Investment Co. by three years (April 21, 2018, to April 20, 2021). The building is located in Jubail Industrial City.
Saudi Basic Industries Corp. (SABIC)	April 10, 2017	SAMAC Poly Methyl Methacrylate Plant, the joint venture between SABIC and Mitsubishi Rayon Co. is expected to be commissioned in 2Q2017. Commercial operations are expected to begin six months after the commissioning. The other plant would produce poly methyl methacrylate (PMMA) and has an annual capacity of 40,000 metric tons.
Saudi Basic Industries Corp. (SABIC)	April 19, 2017	SABIC and ExxonMobil plan to set up a petrochemical joint-venture (JV) project in the county of San Patricio, Texas. The project would include establishing a 1.8 mta ethylene production unit to supply ethylene to other units.
Saudi Basic Industries Corp. (SABIC)	May 03, 2017	SABIC's chief executive stated the company is evaluating potential investments worth USD 6bn in the petrochemical, specialty chemical, and fertilizer segments. SABIC plans to conclude its first deal by 4Q2017. The company is seeking these acquisitions in North America, China, and Africa.
Sahara Petrochemical Co.	April 09, 2017	The company decided to extend the maintenance period of Al Waha Petrochemical Co. and Sahara and Maaden Petrochemical Co. (SAMAPCO) due to additional technical issues. The company did not disclose the duration of the extension. On March 7, Sahara had announced that it plans to shut down the Al Waha plant for 32.5 days and subsidiary SAMAPCO's caustic soda and EDC unit for 25 days due to scheduled maintenance.
Sahara Petrochemical Co.	April 18, 2017	The company announced it has completed maintenance at its subsidiaries Al-Waha's propylene and polypropylene plant, and Sahara and Maaden Petrochemical Co. (SAMAPCO)'s caustic soda and EDC unit. The financial impact of the shutdown would be reflected in the 1Q2017 and 2Q2017 results.
Saudi Industrial Investment Group	April 02, 2017	Saudi Industrial Investment Group (SIIG) ceased operations at its Saudi Chevron Phillips plant for a 35-day scheduled maintenance from April 1, 2017. The company expects the relevant financial impact to reflect in the 2Q2017 results.
Saudi International Petrochemical Co. (Sipchem)	April 12, 2017	Sipchem resumed operations at its subsidiary, International Diol Company (IDC), following a technical glitch. The financial impact of the temporary halt, projected at SAR 6mn, is expected to reflect in the 2Q2017 results.
Yanbu National Petrochemical Co.	March 29, 2017	The company plans to close its ethylene glycol plant for 21 days due to scheduled maintenance from April 21, 2017. In addition, the company plans to halt production at its olefins plant for 10 days, starting May 1. The financial impact of the shutdown is estimated at SAR 110mn based on average prices and is expected to reflect in the 2Q2017 and 3Q2017 results.

Source: Tadawul, AlJazira Capital Research

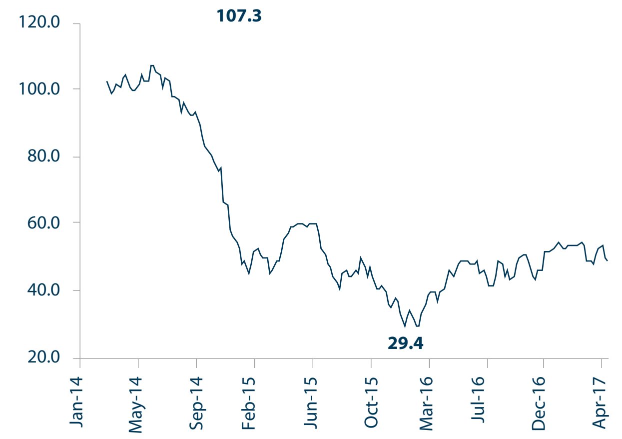
Oil and gas price trends

Figure 6: Brent Crude (USD per Barrel)



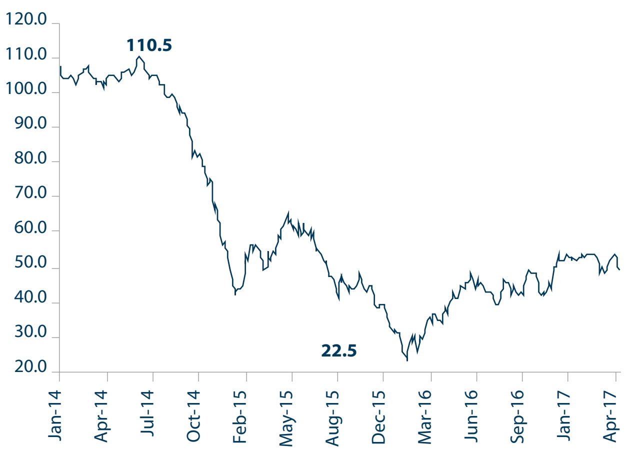
Source: Reuter Eikon, AlJazira Capital Research

Figure 7: WTI Crude (USD per Barrel)



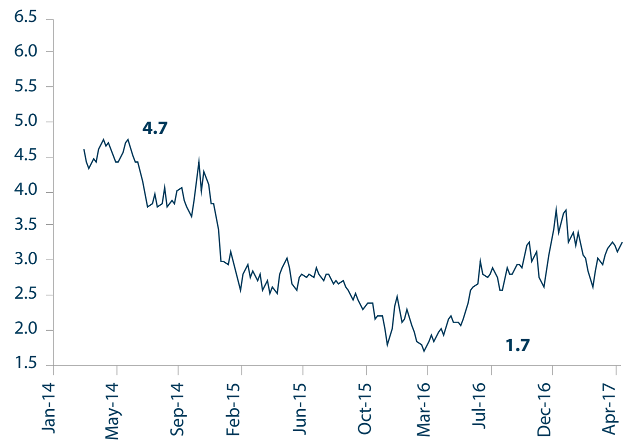
Source: Reuter Eikon, AlJazira Capital Research

Figure 8: OPEC Reference Basket



Source: Reuter Eikon, AlJazira Capital Research

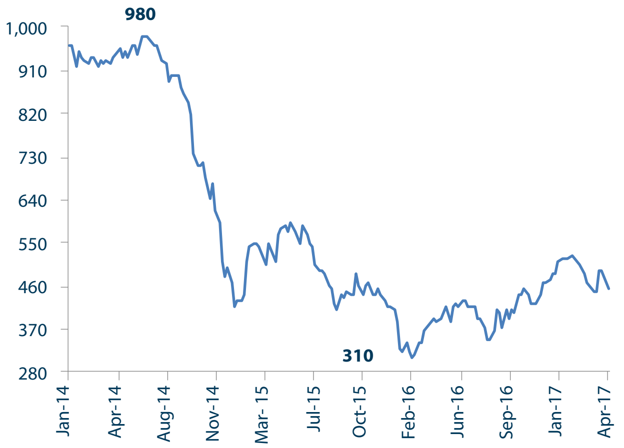
Figure 9: Henry Hub Natural Gas (USD per mmbtu)



Source: Reuter Eikon, AlJazira Capital Research

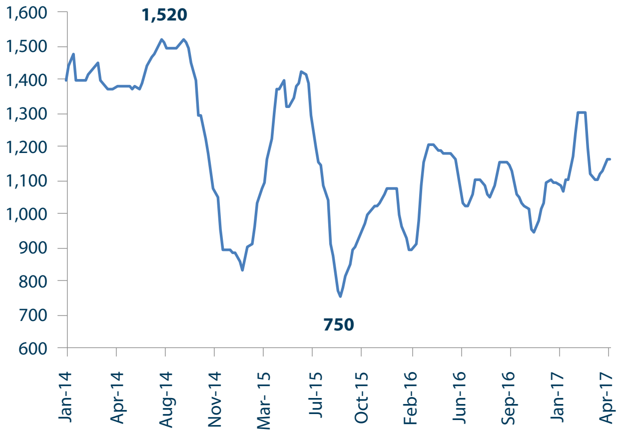
Petchem price trends

Figure 10: Naphtha (USD per Ton)



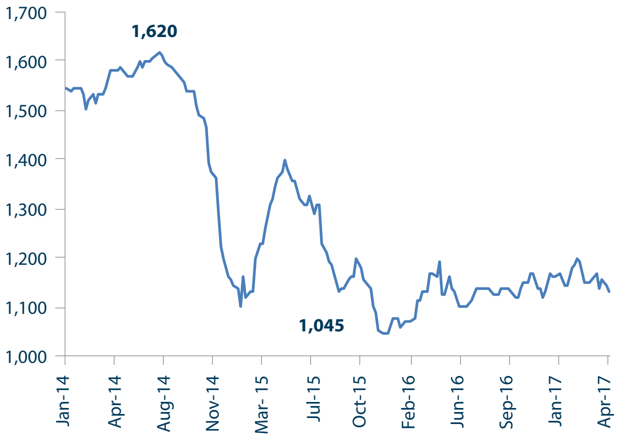
Source: Argaam, AlJazira Capital Research

Figure 11: Ethylene (USD per Ton)



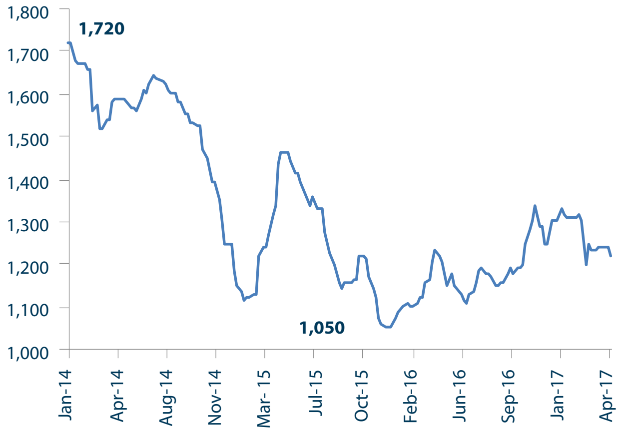
Source: Argaam, AlJazira Capital Research

Figure 12: HDPE (USD per Ton)



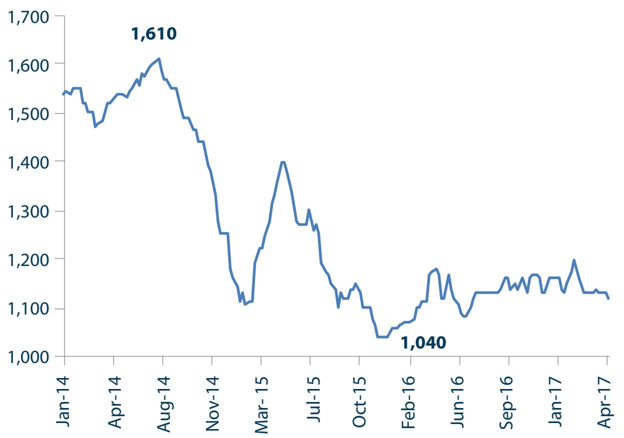
Source: Argaam, AlJazira Capital Research

Figure 13: LDPE (USD per Ton)



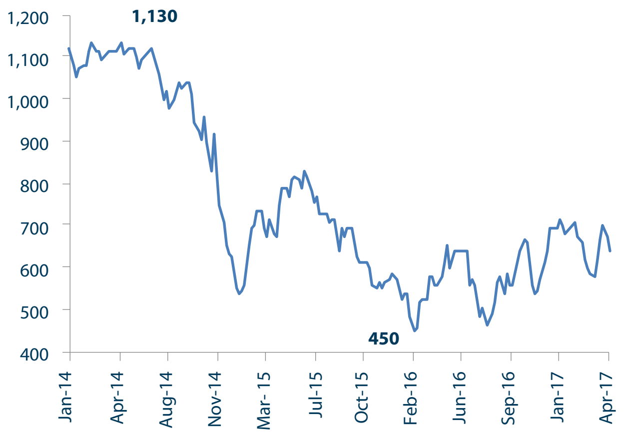
Source: Argaam, AlJazira Capital Research

Figure 14: LLDPE (USD per Ton)



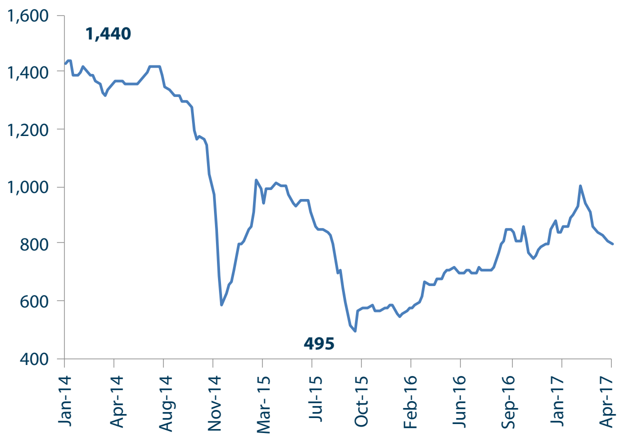
Source: Argaam, AlJazira Capital Research

Figure 15: MTBE (USD per Ton)



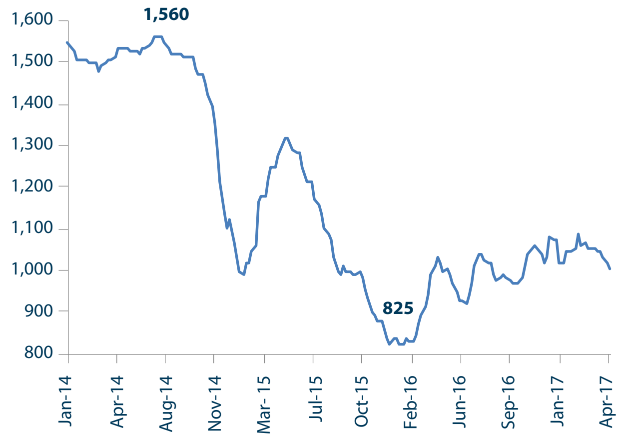
Source: Argaam, AlJazira Capital Research

Figure 16: Propylene (USD per Ton)



Source: Argaam, AlJazira Capital Research

Figure 17: Polypropylene (USD per Ton)

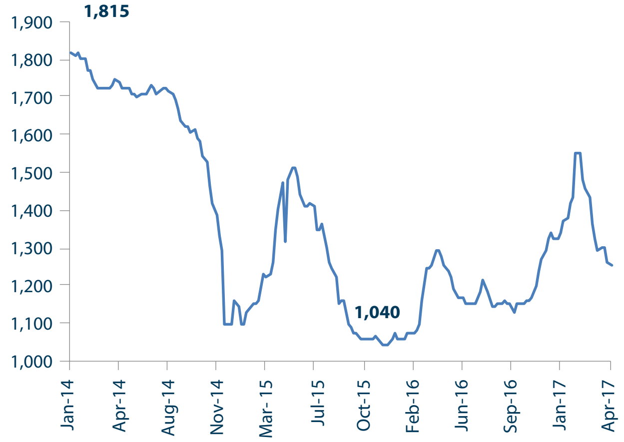


Source: Argaam, AlJazira Capital Research

Figure 18: Styrene (USD per Ton)

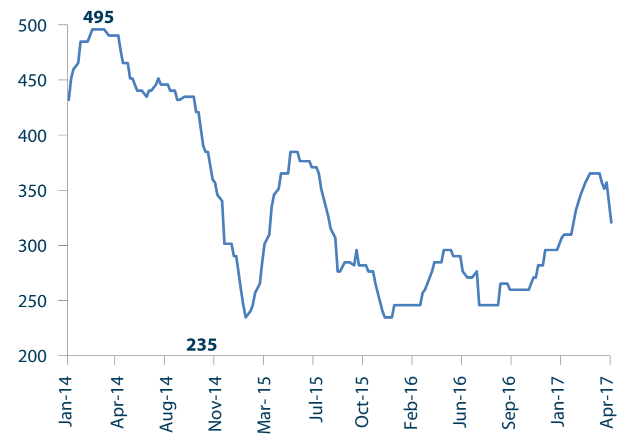
Source: Argaam, AlJazira Capital Research

Figure 19: Polystyrene (USD per Ton)



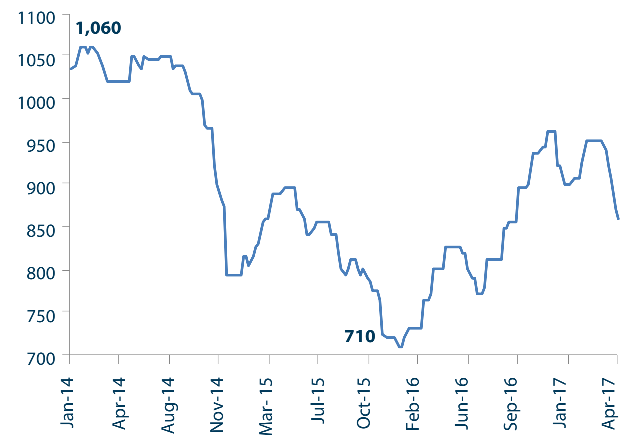
Source: Argaam, AlJazira Capital Research

Figure 20: EDC (USD per Ton)



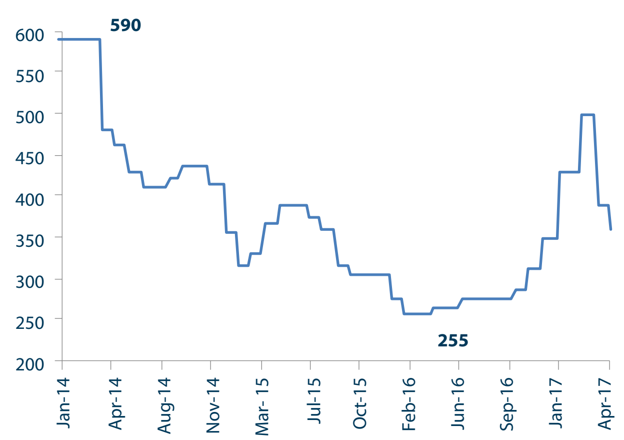
Source: Reuter Eikon, AlJazira Capital Research

Figure 21: PVC (USD per Ton)



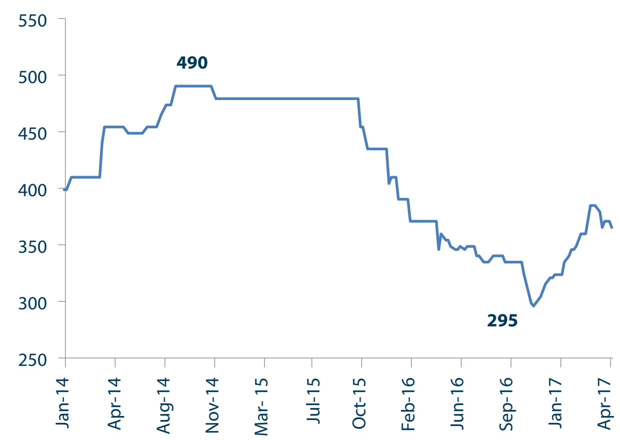
Source: Reuter Eikon, AlJazira Capital Research

Figure 22: Methanol (USD per Ton)



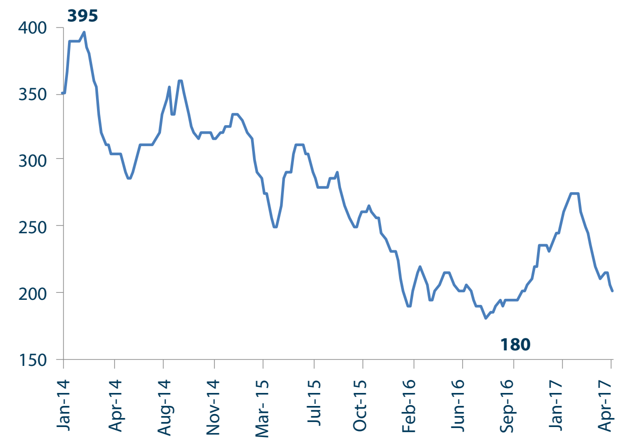
Source: Argaam, AlJazira Capital Research

Figure 23: DAP (USD per Ton)



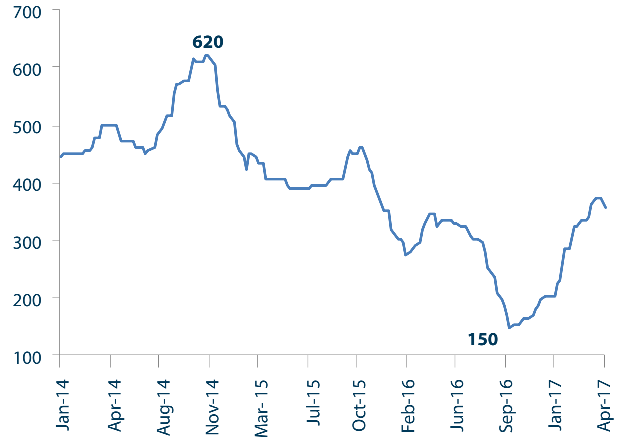
Source: Argaam, AlJazira Capital Research

Figure 24: Urea (USD per Ton)



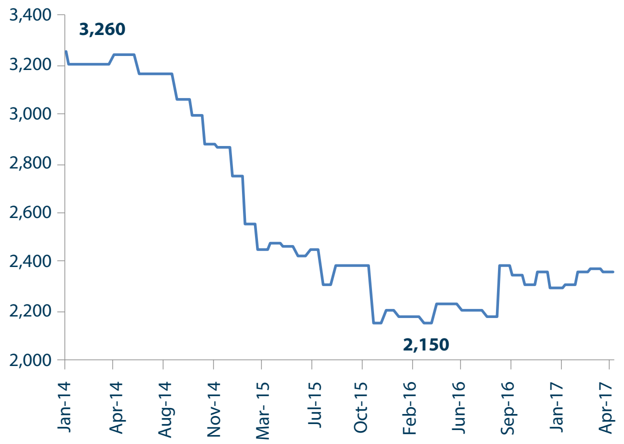
Source: Argaam, AlJazira Capital Research

Figure 25: Ammonia (USD per Ton)



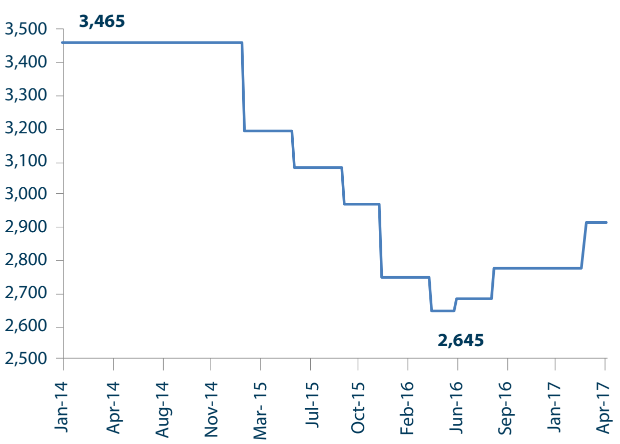
Source: Argaam, AlJazira Capital Research

Figure 26: TiO² Europe



Source: Argaam, AlJazira Capital Research

Figure 27: TiO² America

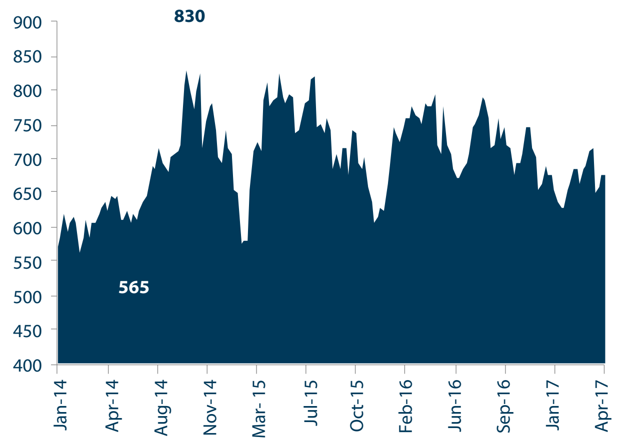


Source: Argaam, AlJazira Capital Research

Petchem Spreads

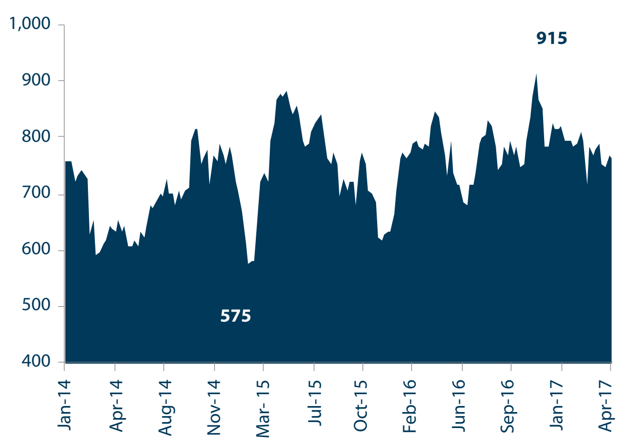
- Naphtha prices averaged USD 472 per ton in April, up from USD 465 per ton in March, whereas those of polypropylene declined to USD 1,028 per ton in April from USD 1,056 per ton in March.
- The HDPE-naphtha, LLDPE-naphtha, and PP-naphtha spreads contracted to USD 675 per ton, USD 658 per ton, and USD 556 per ton, respectively. LDPE-naphtha spread expanded to USD 764 per ton in April from USD 763 per ton in March.
- The PP-propane spread expanded to USD 607 per ton from USD 576 per ton last month, whereas the PP-butane spread expanded to USD 558 per ton from USD 456 per ton.
- The HDPE-ethylene spread contracted to USD 12 per ton in April, while the LLDPE-ethylene spread contracted on MoM basis and turned negative, averaging USD 5 per ton. The LDPE-ethylene spread expanded on MoM basis to USD 101 per ton.
- The PVC-EDC spread contracted to USD 544 per ton from USD 585 per ton.

Figure 28: HDPE-Naphtha



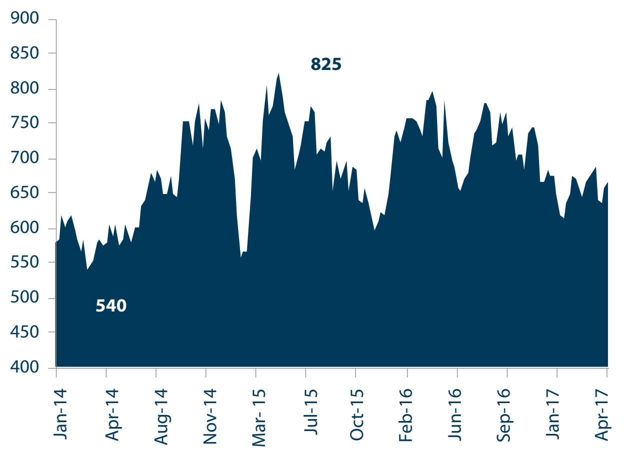
Source: Argaam, AlJazira Capital Research

Figure 29: LDPE-Naphtha



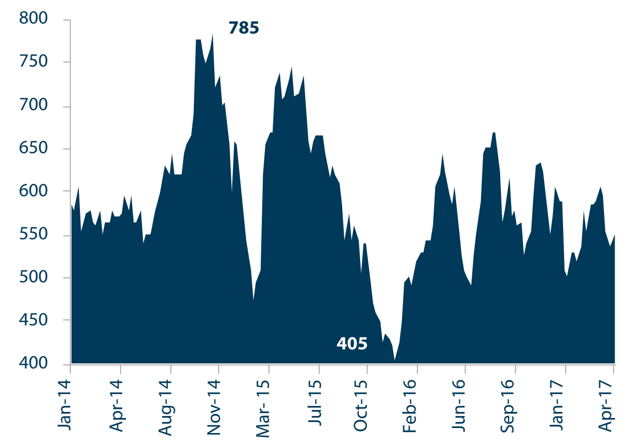
Source: Argaam, AlJazira Capital Research

Figure 30: LLDPE-Naphtha



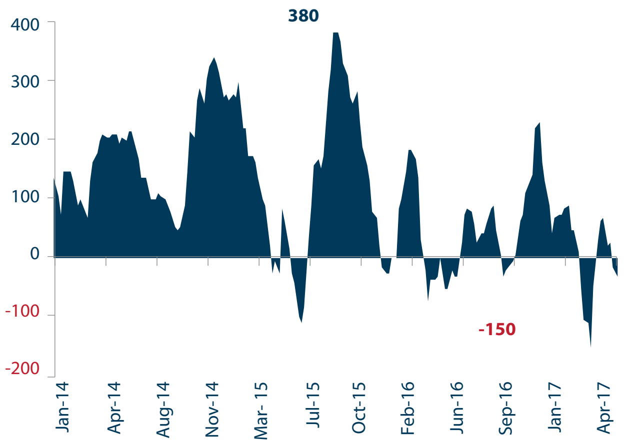
Source: Argaam, AlJazira Capital Research

Figure 31: PP-Naphtha



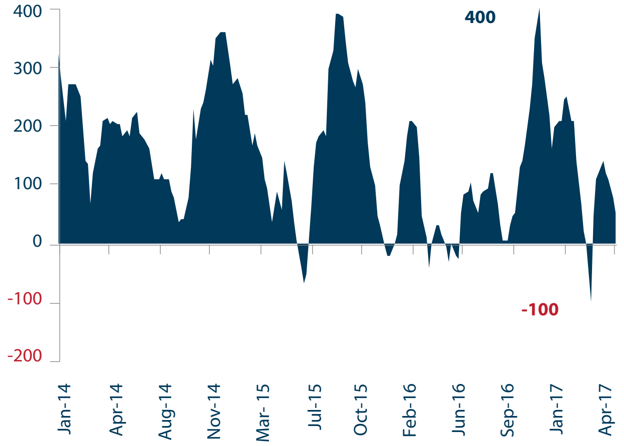
Source: Argaam, AlJazira Capital Research

Figure 32: HDPE-Ethylene



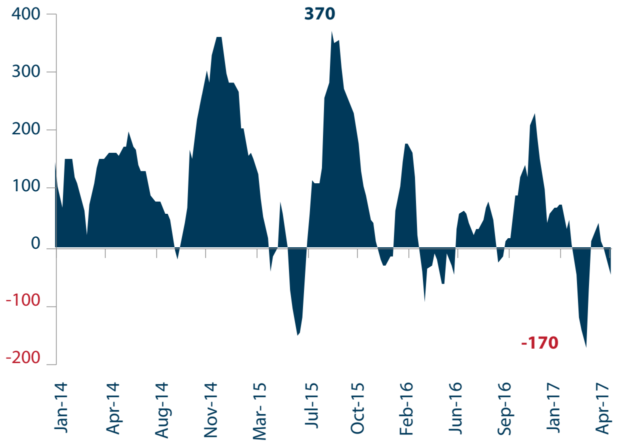
Source: Argaam, AlJazira Capital Research

Figure 33: LDPE-Ethylene



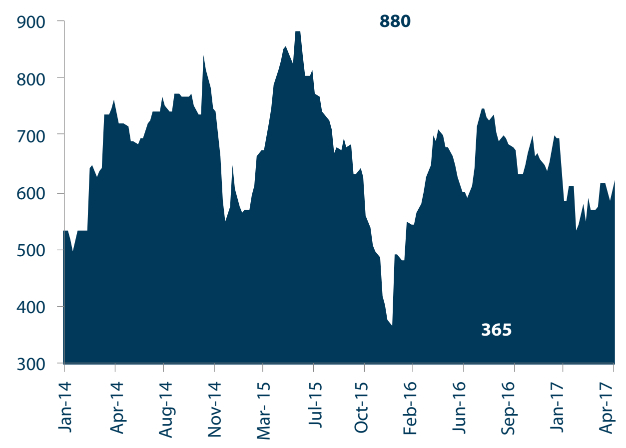
Source: Argaam, AlJazira Capital Research

Figure 34: LLDPE-Ethylene



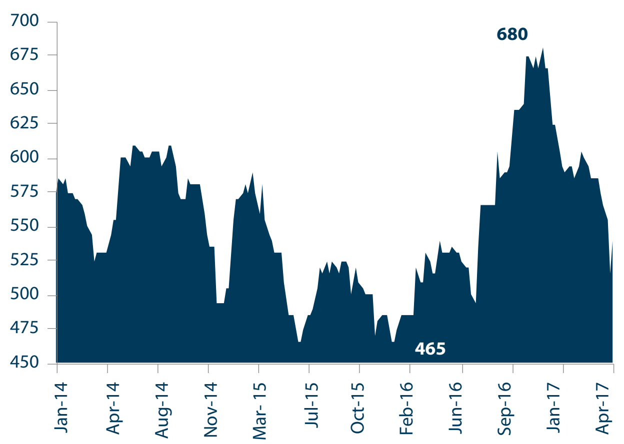
Source: Argaam, AlJazira Capital Research

Figure 35: PP-Propane (Saudi)



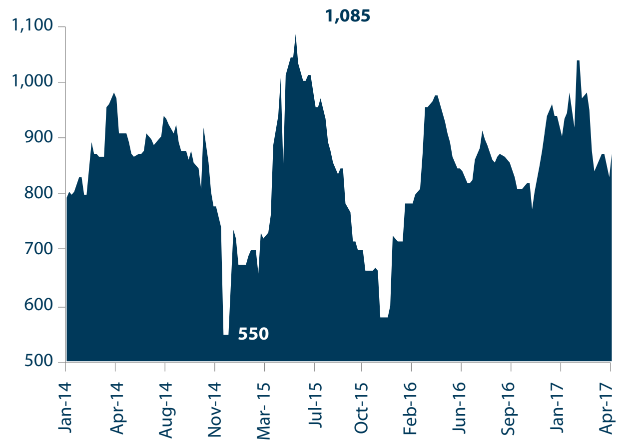
Source: Argaam, AlJazira Capital Research

Figure 36: PVC-EDC



Source: Argaam, AlJazira Capital Research

Figure 37: Polystyrene-Propane



Source: Argaam, AlJazira Capital Research

Table 5: Petchem Price Performance

Name	Price * (USD per ton)	MoM % Chg.	QoQ % Chg.	YoY % Chg.	YTD % Chg.
Naphtha	455	1.1%	-11.7%	12.3%	-6.2%
Saudi Propane	385	-19.8%	-11.5%	20.3%	1.3%
Saudi Butane	390	-35.0%	-21.2%	11.4%	-7.1%
Ethylene	1165	5.9%	5.9%	-1.3%	6.9%
Propylene-Asia	795	-5.9%	-10.7%	13.6%	-5.4%
HDPE	1130	-2.6%	-1.3%	0.4%	-2.6%
LDPE	1220	-0.8%	-6.9%	3.8%	-6.2%
LLDPE	1120	-0.9%	-2.6%	0.0%	-3.4%
PP-Asia	1005	-4.7%	-3.8%	0.5%	-6.5%
Styrene-Asia	1070	-6.6%	-23.3%	-0.5%	-10.8%
Polystyrene-Asia	1255	-4.9%	-11.3%	0.4%	-4.9%
TiO2	2602	-0.2%	3.8%	10.3%	4.1%
PVC-Asia	870	-8.4%	-5.4%	6.1%	-4.4%
MEG	695	-7.9%	-26.8%	3.7%	-19.2%
Methanol	360	-28.0%	-16.3%	35.8%	2.9%
DAP-Gulf	365	-5.2%	5.8%	2.8%	12.3%
Urea-Gulf	200	-7.0%	-27.3%	-7.0%	-18.4%
Ammonia-Gulf	360	5.9%	26.3%	10.8%	75.6%
MTBE-Asia	640	11.3%	-7.2%	4.9%	-7.2%
EDC	320	-12.3%	3.2%	8.5%	4.9%
Butyl-A	1000	-21.3%	-30.8%	5.3%	-27.0%
BPA	1270	-5.9%	1.6%	27.0%	13.4%
PX-Asia	795	-3.6%	-10.7%	1.3%	-4.8%
EVA	1455	-3.0%	-2.0%	-	-0.7%

Source: Argaam, AlJazira Capital Research *Weighted average
Note: : *Prices as of April 30, 2017

Table 6: Petrochemical Products by Saudi Petrochemical Companies

Company	Finished Products
SABIC	Polyethylene, polypropylene, poly styrene, ethylene glycol (MEG), methyl tert-butyl ether (MTBE), benzene, urea, ammonia, PVC, and PTA
SAFCO	Urea, ammonia
YANSAB	Polyethylene, polypropylene, MEG, MTBE, and benzene
Tasnee	Polyethylene, polypropylene, and propylene (TiO2)
Saudi Kayan	Polyethylene, polypropylene, MEG, polycarbonate, and bisphenol A
Petro Rabigh	Polyethylene, polypropylene, propylene oxide, and refined petroleum products
Petrochem	Polyethylene, polypropylene, and polystyrene
Sahara Petrochemicals	Polyethylene, polypropylene
Saudi Group	Styrene, benzene, cyclohexene, and propylene
Sipchem	Methanol, butanol, acetic acid, and vinyl acetate monomer
Advanced	Polypropylene
Alujain	Polypropylene
CHEMANOL	Formaldehyde – improvers concrete
NAMA	Epoxy resin, hydrochloric acid, liquid caustic soda, and soda granule
MAADEN	Ammonia and DAP

Source: Argaam Plus

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RATING TERMINOLOGY

1. Overweight: This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. Underweight: This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. Neutral: The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. Suspension of rating or rating on hold (SR/RH): This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

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