Airports Corporation of Vietnam (ACV – Upcom)

Seizing the Opportunities for Growth

- **The largest operator and manager of 22 commercial airports in Vietnam**
- **Urgent expansion plans to meet the fast rising air travel demand**
- **Core operations achieved robust growth in 2016**
- **Bright outlook to improve efficiency and growth in the long-run**

Outlook and Valuation

Airport Corporation of Vietnam (ACV-Upcom) operates 22 commercial airports across Vietnam. The firm's business growth has been driven by the rise of incomes in Vietnam, increasingly affordable air travel expenses, and Vietnam's deeper global economic integration. As Vietnam's economy is still in its emerging state, we expect air traveler volume to continue growing at 15-20% in the coming years. Expansion at major airports (Tan Son Nhat, NoiBai, Da Nang and Phu Quoc) will add 23% passenger capacity between 2016-2018 and relieve the current state of under capacity. Since fixed costs make up the majority of airport operations, ACV's recent increased service charges proposal would have a positive impact on the firm's earnings if approved.

ACV's growth prospects and profitability have room to improve thanks to (1) the rise of Vietnam's middle class (2) relatively unexploited non-aeronautical services yielding high profit margins in relative to regional peers and (3) more effective fund raising and better expansion project execution after ACV had its IPO. Moreover, mega LongThanh International Airport Project is another major development in the future.

We believe that the current share price largely reflects investor's short-term expectations regarding ACV's earnings results. However, ACV is well positioned to strongly benefit from explosive growth in air travelers in the coming years. We recommend investors to **BUY** ACV's stock, and have set a **2-year target price** of **67,000 VND/share (36% upside potential)**.

Key Financials

Y/E Dec (VND B)	FY2015	FY2016E	FY2017F	FY2018F
Net Revenue	10,871	13,484	15,680	18,374
% change	3%	24%	16%	17%
PAT	1,647	3,573	4,942	6,247
% change	-37%	117%	38%	26%
PAT margin (%)	15	26	32	34
ROA (%)	4	8	10	12
ROE (%)	9	16	18	21
EPS (VND)	964	1,641	2,203	2,785
Adjusted EPS (VND)	734	1,593	2,203	2,785
Book value (VND)	11,022	11,932	13,219	13,976
Cash dividend (VND)		500	1.000	1.000
P/E forward (x)		29	22	17
P/B forward (x)		4	4	3

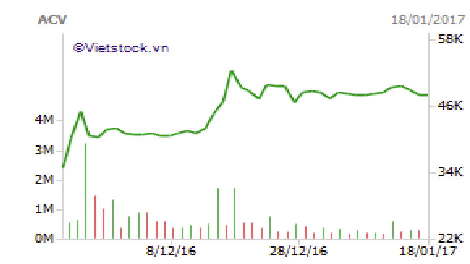
Sources: ACV , RongViet Research estimated

BUY

CMP (VND)	49,000
Target Price (VND)	67,000
Investment Period	**Long-term**

Stock Info

Sector	Industrial transportation
Market Cap (VND B)	106,681
Current Shares O/S	2,177,173,236
Beta	0.8
Free float (%)	4.6
52 Week High	51,900
52 Week Low	34,700
Avg. Daily Volume (20 sessions)	390,480



Source: Vietstock

Performance (%)

	3M	1Y	3Y
ACV	35		
Industrial transportation	-8	20	117
VN30 Index	5	7	13
VN Index	-2	16	33

Major Shareholders (%)

Ministry of Transportation	95.4
Foreigner Investor Room (%)	45.7

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Large Advantage in Operating 22 Commercial Airports in Vietnam

Airports Corporation of Vietnam (ACV-UPcom) officially began operating as a joint stock firm in early April 2016 with VND21.8 billion of chartered capital. Formerly a wholly state-owned corporation, ACV is currently regarded as a monopoly player in the Vietnamese airport business. Apart from 22 commercial airports under its arm, ACV currently has two subsidiaries (after reducing its stake at Saigon Ground Services JSC-SGN to 48%) and five associates working in the same industry (Appendix). Vietnam's Ministry of Transportation still holds a 95.4% stake in ACV and plans to reduce this to 75% after ACV completing private issues to strategic shareholders in 2017.

ACV generates income from (1) aeronautical services, (2) non-aeronautical services and (3) retail sales at airport terminals. More than 80% of its revenue each year is derived from aeronautical activities. Air travel activities in Vietnam are expected to see strong growth thanks to higher income of Vietnamese people, rapid expansion of low cost carriers (LCCs) and the effects of Vietnam's bilateral FTA pushing up trade.

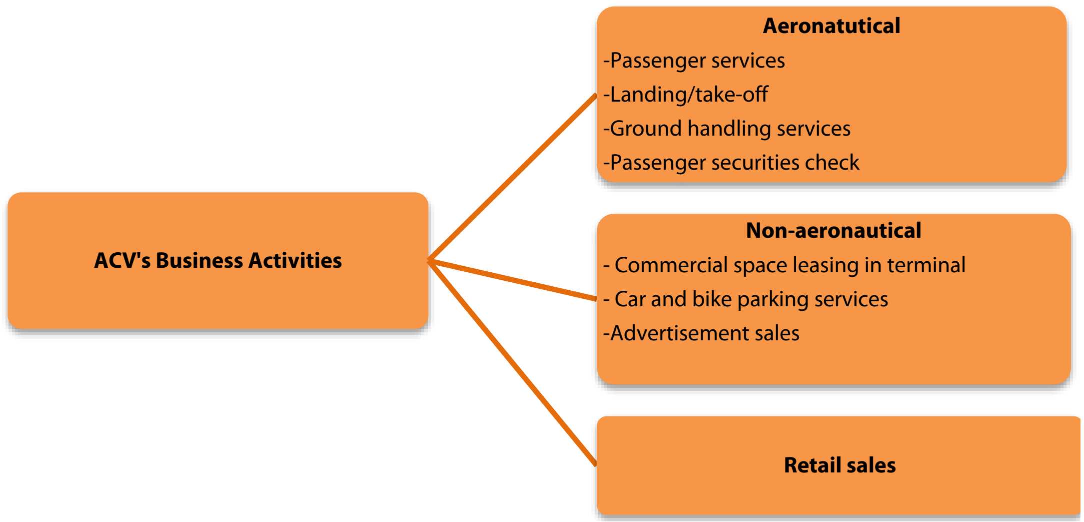
Chart 1: Airport Value Chain

Area	FRONT	TERMINAL	APRON & RUNWAYS
Activities	1.Taxi/Bus services	1.Passenger services	1.Landing/take off services
	2.Parking lot	2.Securities check services	2.Ground handling (Ramping services)
	3.Outlet leasing area	3.Ground handling (Check-in, baggage, ticketing, air-bridge)	3.Aircraft parking services
		4.Commerical space/check-in counter leasing	4.Aircraft taxi, refuelling
		5. Advertising sales	
		6.Restaurant and Duty free	
Drivers of growth	**Growth directly driven by:**	**Growth directly driven by:**	**Growth directly driven by:**
	Vehicle and passenger volume: (1), (2), (3)	Passenger volume: (1), (2), (3), (6)	Number of flights: (1), (2), (4)
	Airport expansion (3)	Number of airlines: (3) and (4)	Number of aircrafts: (3)
		Expansion of terminal floor space: (4), (5), (6)	
	Services charges	**Services charges**	**Services charges**
	ACV discretion: (4), (5), (6)	Stipulated under MOF Decision No.1992: (1), (2) and (3)- only for B classed airports	Stipulated under MOF Decision No.1992: (1), (3), (4) and (2)- only for B classed airports
		ACV discretion: (4), (5), (6)	

Source: RongViet Research compiled

Since the government's budget has been constrained and air travel demand has been rising rapidly, the IPO of ACV facilitates the firm's incoming fund raising activities for expansion plans in an effective way. Currently, all aeronautical services at airports delivered by ACV have to abide by the services fees framework according to Decision No.1992 dated 15/08/2014 from the Ministry of Finance. Since the government is encouraging more participation of social private funding in Vietnam's airport expansion projects in the future, we could expect a bottleneck regarding controlled aeronautical services fees being gradually removed and for the industry to reflect actual market demand. If so, ACV will benefit the most since it manages key airports at economic centres such as Tan Son Nhat (HCMC), Noi Bai (Ha Noi) and tourist attraction destinations like Da Nang, Cam Ranh (Nha trang) and Phu Quoc.

Chart 2: ACV's Business Activities

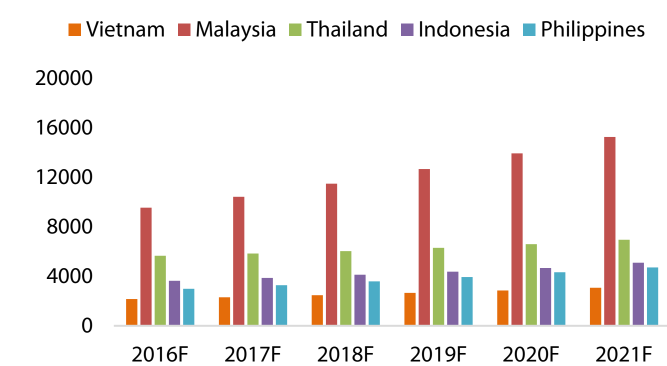


Source: ACV, RongViet Research compiled

Urgent Need for Expansion to Meet the Rising Air Travel Demand

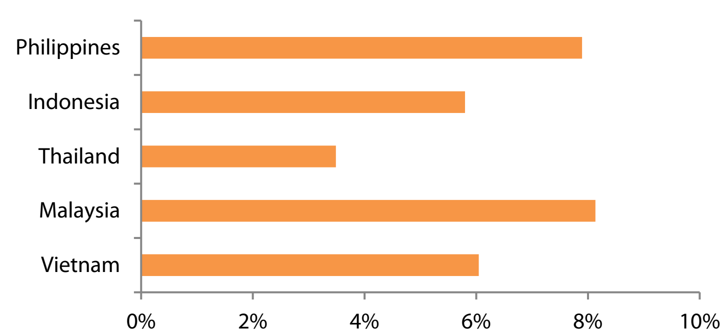
ACV has seen robust performance over the past years with revenue and EBITDA recording CAGR of 17% and 28%, respectively. **Rising air travel demand**, which led to strong growth in airport passenger volume (average growth of 16% annually), has been the main driver. Domestic passengers, making up 2/3 of total passengers, is expected to maintain a positive growth rate going forward as higher income will lead to greater air travel demand due to its convenience. In fact, IMF statistics show that Vietnam will have one of the fastest GPD per capita growth rates in ASEAN at 6% annually during 2016-2021. On a relative basis, Vietnam GDP per capita is only equal to 1/5 and 1/3 of Malaysia and Thailand's GDP per capita, respectively. This displays how there is ample room for the growth of income in Vietnam, and that the prospects for growth in air travel are also very strong.

Chart 3: GDP per capita (thousand USD)



Source: RongViet Research compiled

Chart 4: CAGR of GDP per capita expected in 2016-2021

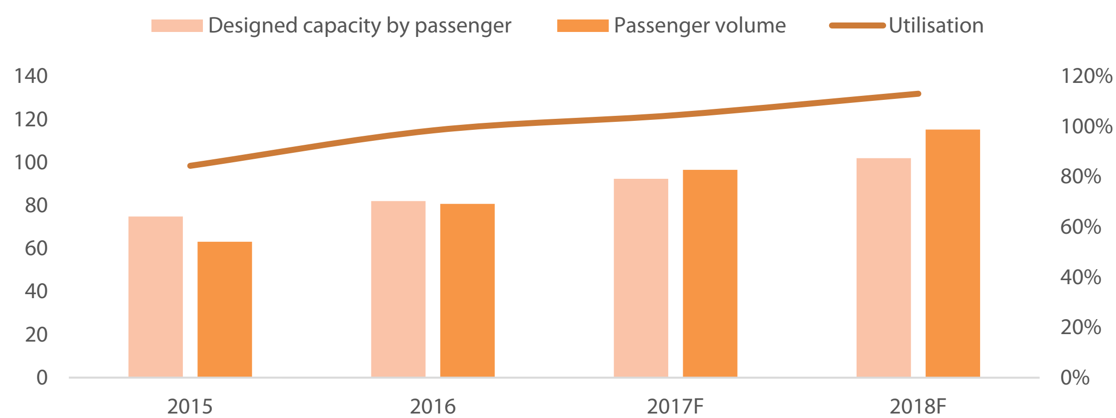


Source: RongViet Research compiled

The rise of demand has been driven by **rapid expansion of low cost carriers (LCCs)** and the initiative to make flying more affordable for the population. ACV's three main airlines clients (contributing ½ of the firm's revenue) including Vietnam Airlines, Jetstar and Vietjet Air, all have plans for fleet expansion. In particular, Vietnam Airlines plans to expand its fleet capacity by 7% from 2015-2020. More impressive, Vietjet Air expects to have a fleet of 78 aircrafts at the end of 2018 from 42 in 2016 (1 aircraft receipt/month on average). Despite facing fiercer competition, ASEAN airline's fleet expansion is expected to continue at 9-10%/year according to CAPA.

As a result, Vietnam's aviation infrastructure faces a huge task of expansion to meet the fast rising demand. IATA forecasts that Vietnam's aviation sector will grow by 7.3%/year in 2015-2030, higher than the regional average of 5.7% and global average of 2.3%. In fact, ACV's average utilization rate in terms of passenger volume is now above 90%. Major airports such as Tan Son Nhat, Noi Bai, Da Nag and Cam Ranh are running at 130% of its designed capacity. ACV put into operation the first phase of TSN Terminal expansion project and a new international terminal at Cat Bi airport, which will increase ACV's whole capacity to 82 million passengers (up 10% YoY). The firm plans to be able to serve 132 million passengers/year in 2020, equivalent to the expansion rate of 12% annually.

Chart 5: ACV's terminal utilization rate (%)



Source: RongViet Research compiled

These expansion projects will require approximately VND17,000 billion during 2016-2018. Of this amount, ACV's capital outlay will be VND8,000-10,000 billion dedicated for terminal, apron, and auto parking projects. We are confident that ACV will have no issues in financing these mid-term projects given its strong financial position and solid operating cash flow at nearly VND9,000 billion reach year.

Table 1: ACV's Capex plan

	2016F	2017F	2018F	2019F	2020F
Capex (billion VND)	2,980	4,360	3,270	2,900	3,000
Terminal capacity (mil passenger/year)	82	94	101	114	132

Source: RongViet Research estimations

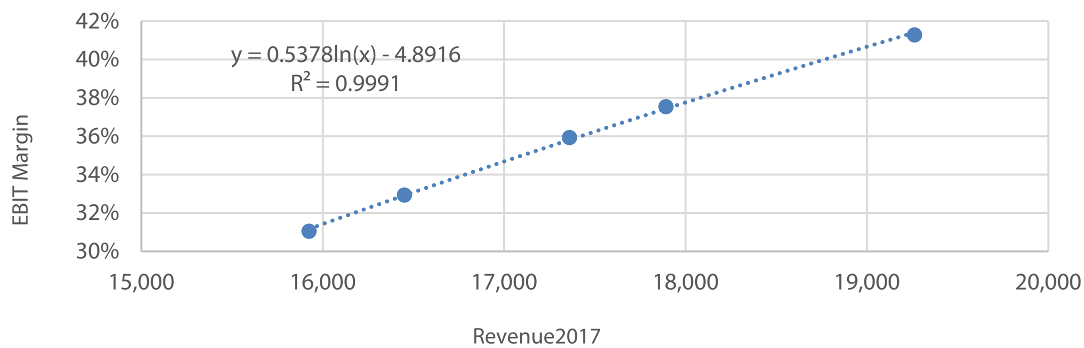
Core Operations to Record Strong Earnings Growth in 2016

At the time we issued this report, ACV has announced key operation indicators. In particular, the firm recorded (1) 28% YoY growth in passenger volume to 80.7 million, (2) landing/take-off activity jumped 25% to 562 thousand and (3) freight volume grew 6.3% YoY. At the same time, the Japanese Yen's strength receded against the VND toward the end of 2016, which led to a small forex loss of VND653 billion (based on the estimated Yen denominated debt of VND14,700 billion on 31/12/2016). Therefore, ACV (mother firm)'s 2016 revenue and EBIT are estimated to grow by 24%YoY and 76%YoY.

Apart from the benefits of the growing disposable income of the domestic population and rapid expansion strategy of Vietjet Air, the growth of Chinese tourists is another significant factor that is driving Vietnam's aviation growth story as well. According to Vietnam's Tourism Board, international tourists grew by 26% YoY in 2016, which is believed to be driven primarily by Chinese tourists; Chinese tourists make up 27% of total tourists and rose by over 50% YoY in 2016. On the other hand, domestic tourist saw stable growth of 8.8%YoY, rising to 62 million tourists.

As the operation of airports consists mainly of fixed costs (nearly 85%), ACV expects to have high EBIT volatility driven by its revenue growth. We computed ACV's operating leverage ratio in 2016 of nearly 3x. In other words, if ACV increased its revenue by 10%, EBIT would grow by 30% accordingly. In addition, we also derived the break-even utilization rate to be 61% equivalent to 50 million passengers/year. From that point, every 1 million passenger increment could add VND120-130 billion to EBIT of the firm.

Chart 6: Operating Leverage



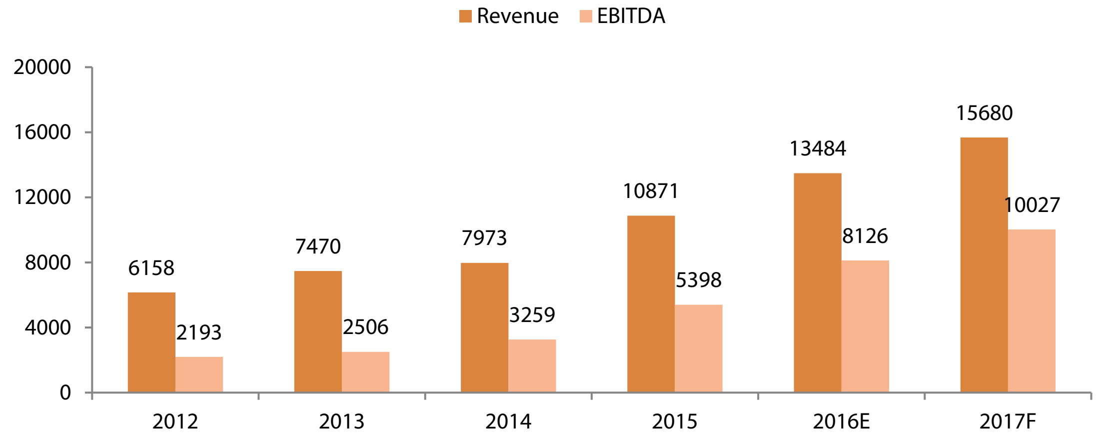
Source: RongViet Research estimated

Earnings Results Forecast

(*) Under its IPO plan, ACV would return "flying area related assets" (runways) having the remaining value of VND1,900 billion VND to the Ministry of Transportation (MOT) and lease back these assets with a fee. There are two issues to take note of as a result of this. (1) ACV would reduce its annual depreciation costs by VND190-200 billion after returning these assets. (2) ACV no-longer has to make provisions for periodic large maintenance of these assets (maximum annual provision allowed is VND995 billion/year according to Decision 17779 MOF dated 24 Dec 2012). The maintenance expense provisions that ACV would have for assets out of flying areas including aircraft apron, terminal and auto parking lots, is estimated to be VND425 billion/year. As a final decision regarding the renting fee of assets in flying zone hasn't been reached, we will exclude the amount of large expense provisions for these assets in our valuation model (~on average 800 billion VND/year).

In the base case, our 2017 and 2018 earnings forecast are based upon (1) 19% growth in passenger volume, (2) 15% growth in landing and take-off times and (3) 7% growth in freight handled. Based on these assumptions, 2017 revenue and EBIT of ACV (mother firm) is estimated to reach VND15,680 billion (+16%YoY) and VND5,313 billion (+29% YoY).

Chart 7: ACV (mother)'s Earnings Estimates in Base Case (billion VND)



Source: RongViet Research estimated

In the most positive case, we project 25% annual growth in passenger volume for FY2017 and FY2018. We think that passenger volume growth is likely restricted by the airport's capacity to service the landing/take off activities of aircrafts. Therefore, we tried to estimate the largest passenger volume that ACV's major airports (TSN, Noi Bai and Da Nang contributing 78% passengers of total system) could receive by projecting the most positive number of landing/take-off times these 3 airports could handle (or the maximum landing/take off times in a year). The results have shown that TSN, Noi Bai and Da Nang are able to service up to 50.8, 35.5 and 14.5 million passengers each year, respectively. If passenger volume continues the high growth rate of 25-28% experienced in 2016, the aforementioned 3 airports would reach the calculated maximum volume at the end of 2018. If so, 2017 revenue and EBIT of ACV (mother firm) would grow by 21% YoY and 45% YoY.

Regarding VND/JPY forex developments, we predicted that the JPY will lose 4.7% versus VND in 2017 from the prediction of 2 exchange rates: (125 JPY/USD) and (23,200VND/USD). It is therefore highly likely that ACV could record some "unrealized forex gains in 2017 of around VND680 billion (estimated 2017 debt amount of VND14,800 billion). As a result, ACV (mother firm)'s PBT in 2017 could grow 54% YoY in the base case and 68% YoY in our most positive case. If excluding these FX factors, 2017 PBT would only grow by 38%YoY and 52% YoY for the respective cases.

Table 2: Earnings Forecast (Excluding VND/JPY impact)

	Base case			Most positive case		
	Revenue	EBIT	PBT	Revenue	EBIT	PBT
FY2017	15.680	5.313	6.182	16.392	5.955	6.839
FY2018	18.374	6.946	7.815	19.890	8.315	9.199

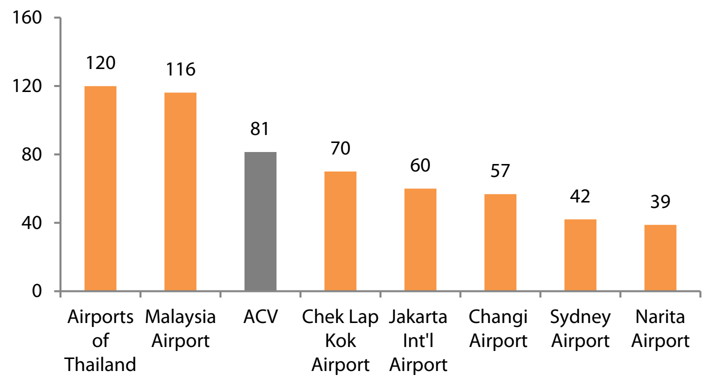
Source: RongViet Research estimated

ACV is also awaiting a decision from the Ministry of Finance for a new services fee proposal. The proposal includes various upward revisions of services charges. For example, a 40% rise in passenger services charge at A classed airport (TSN, Noi Bai and Da Nang). If this is approved, ACV's 2017 PBT would see significant growth of 75%YoY in the base case and 92%YoY in the most positive case (excluding FX factor).

Long-term Business Growth and Efficiency have Abundant Room to Improve

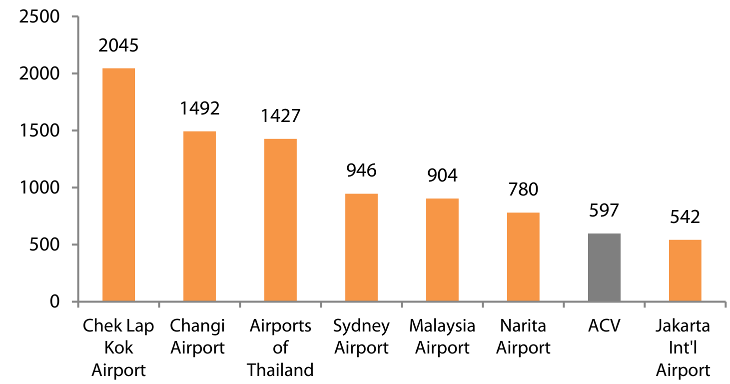
ACV recorded nearly 81 million passengers in 2016 making it one of the largest Asian airports by annual passenger volume. The firm could catch up with its neighbors Thailand and Malaysia in five years if the volume of passenger growth sustains at 15-20% annually. ACV's revenue (trailing 12M to 3Q2016) was only 40% and 60% of the respective number from AOT (Thailand's airport managing company) and Malaysia BHD (Malaysian airports managing company) despite the volume not significantly lagging behind.

Chart 8: Passenger Volume 2016E (million)



Source: RongViet Research compiled

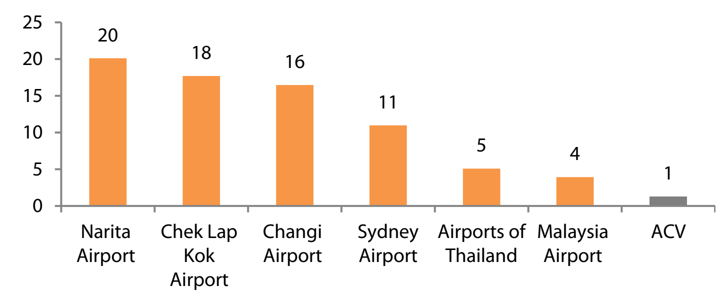
Chart 9: 2015 Revenue (million USD)



Source: RongViet Research compiled

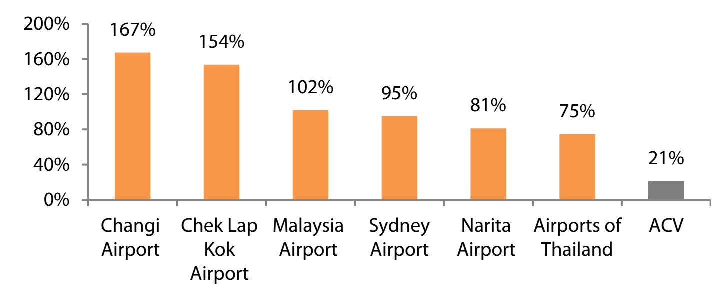
One of the reasons comes from the modest proportion of international passengers in Vietnam, which is around 30% compared to 58% in Thailand and 48% in Malaysia. In addition, fees charged for international passengers, which is 3-6 times higher than domestic ones, is another driver for this as well. In the long-run, developing and increasing the contribution of non-aeronautical revenue (including commercial services) is the key to ACV's bottom-line improvement. In fact, our computed numbers show that non-aeronautical revenue (including commercial services) per passenger in Vietnam is only 1 USD, far below the regional average of 10-12USD and neighboring Thailand and Malaysia's average of 4-5USD.

Chart 10: Non-aeronautical Income per passenger (USD)



Source: RongViet Research compiled

Chart 11: Non-aeronautical/Aeronautical income



Source: RongViet Research compiled

Concerns

The total amount to be paid back to MOT (including retained earnings and forex gain/loss and excluding returning assets in the flying zone to MOT) is up to VND2,700 billion as of the end of 3Q2016. ACV made suggestions in its initial IPO plan to keep this amount to finance expansion projects and balance the proportion of government ownership when issuing to a strategic partner. However, the firm has to await a final decision.

Regarding the leasing fee of assets in the flying zone, we think that the leasing fee could factor in the periodic maintenance of these assets as one of the components, but at the extent decided by MOT.

Stock valuation

We use the combined method of DCF and relative multiple EV/EBITDA valution to derive ACV's stock price. The multiple of EV/EBITDA used is 10x which we think is appropriate after considering ACV's scale and position.

Table 3: Reletive valuation multiples

No.	Company	Market Cap (million USD)	Revenue (million USD)	P/E	P/B	EV/EBITDA
1	Airports of Thailand	15579	1440	28.7	4.6	17.4
2	ADP Group	10492	3230	25.7	2.5	11.7
3	Sydney Airport	9852	944	43.9	12.2	22.4
5	Copenhagen Airport	6479	650	36.8	16.5	16.7
6	Frankfurt Airport	5411	2879	20.5	1.5	9.2
7	Auckland Int'l Airport	5377	366	29.6	2.0	22.3
8	Beijing Capital Int'l Airport	4164	1334	16.8	1.5	8.7
Average				**27.6**	**5.4**	**15.5**

Source: Bloomberg, RongViet Research compiled

Table 4: ACV Stock Valuation

Method	Proportion	Base case	Most positive case
FCFF	50%	67,700	76.900
EV/EBITDA	50%	58,500	66.000
Total		**63,100VND**	**71,500VND**

Source: RongViet Research estimated

Outlook and Valuation:

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Appendices

Table 1: ACV's Airports

STT	Airport	Locality	Designed passenger capacity	Passenger volume 2016	Utilization
1	Tan Son Nhat	HCMC	26,000,000	32,386,120	125%
2	Noi Bai	Ha Noi	25,000,000	21,538,750	86%
3	Da Nang	Da Nang	6,000,000	8,805,820	147%
4	Phu Quoc	Kien Giang	2,650,000	2,127,150	80%
5	Can tho	Can tho	3,000,000	577,736	19%
6	Phu Bai	Hue	1,500,000	1,452,000	97%
7	Cam Ranh	Khanh Hoa	2,500,000	3,948,104	158%
8	Vinh	Nghe An	2,000,000	1,650,967	83%
9	Cat Bi	Hai Phong	4,000,000	2,110,080	53%
10	Lien Khuong	Lam Dong	2,000,000	1,250,118	63%
11	Buon Ma Thuot	Dak Lak	1,000,000	981,018	98%
12	Rach Gia	Kien Giang	200,000	49,192	25%
13	Ca Mau	Ca Mau	200,000	39,722	20%
14	Con Dao	BR-VT	400,000	278,015	70%
15	Tuy Hoa	Phu Yen	550,000	289,915	53%
16	Dien Bien	Dien Bien	300,000	84,266	28%
17	Dong Hoi	Quang Binh	500,000	339,784	68%
18	Chu Lai	Quang Nam	500,000	309,098	62%
19	Pleiku	Gia Lai	1,000,000	306,618	31%
20	Phu Cat	Binh Dinh	1,500,000	857,115	57%
21	Tho Xuan	Thanh Hoa	1,200,000	684,856	57%
22	Na San	Son La	Suspended		
Total			82,000,000	80,066,443	98%

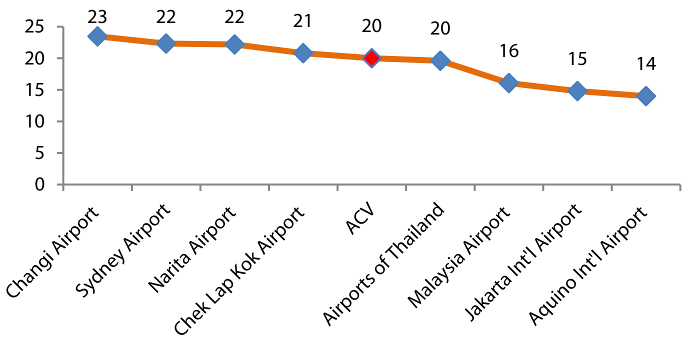
Source: ACV

Table 2: ACV's Subsidiaries and Associates

Company	ACV's capital (billion VND)	ACV stake	Voting Right	Business Areas
Subsidiaries				
SASCO JSC	671	51%	51%	Commercial retail
NAFSC	60	60%	60%	Fuel services
Associates				
SAGS JSC		48,02%	48,02%	Ground handling services
SAAM	15	51%	50%	Aircraft maintenance
SATCO	5	29,53%	29,53%	Bottled drink water
SATSCO	13	30%	30%	Passenger road transport
HGS	30	20%	20%	Ground handling services
ACSV	50	20%	20%	Warehousing

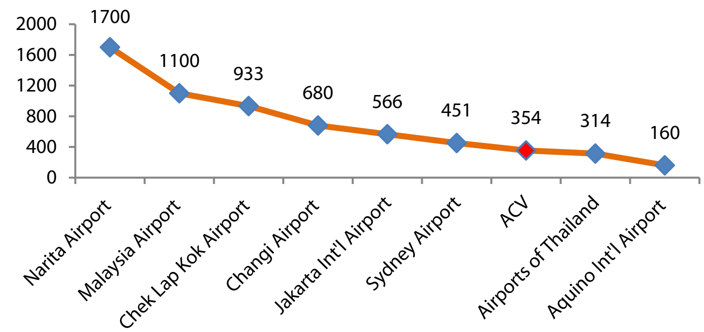
Source: ACV

Chart 12: Passenger Services Charges (USD/person)



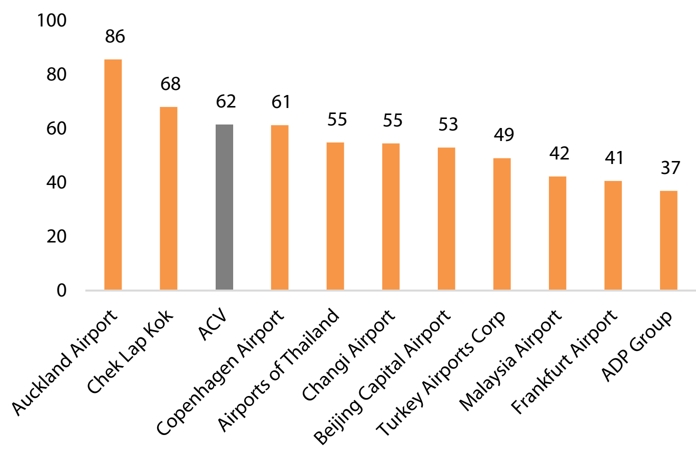
Source: RongViet Research compiled

Chart 13: Landing/take-off fees (MTOW~80tons) (USD/time)



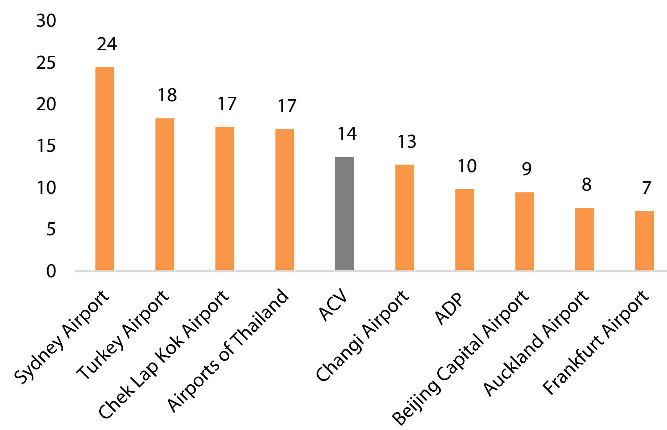
Source: RongViet Research compiled

Chart 14: EBITDA Comparison (%)



Source: RongViet Research compiled

Chart 15: ROE 2015 (%)



Source: RongViet Research compiled

VND Billion

INCOME STATEMENT	2015	2016E	2017F	2018F
Revenue	**10,871**	**13,484**	**15,680**	**18,374**
COGS	8,302	8,042	8,830	9,626
Gross profit	**2,569**	**5,442**	**6,850**	**8,747**
Selling Expense	31	243	282	331
G&A Expense	654	1,079	1,254	1,470
Finance Income	896	1,120	1,005	996
Finance Expense	752	771	135	127
Other profits	44	-	-	-
PBT	**2,071**	**4,471**	**6,182**	**7,816**
Prov. of Tax	424	894	1,236	1,563
Minority's Interest	-	-	-	-
PAT to Equity Shareholder	**1,647**	**3,573**	**4,942**	**6,247**
EBIT	1,884	4,121	5,313	6,947
EBITDA	5,674	8,126	10,027	12,368

FINANCIAL RATIO	2015	2016E	2017F	2018F
Growth				
Revenue	3%	24%	16%	17%
EBITDA	1%	43%	23%	23%
EBIT	39%	119%	29%	31%
PAT	-37%	117%	38%	26%
Total Assets	28%	1%	6%	6%
Equity	-39%	-2%	38%	14%
Profitability				
Gross profit/Revenue	24%	40%	44%	48%
EBITDA/ Revenue	52%	60%	64%	67%
EBIT/ Revenue	17%	31%	34%	38%
Net margin	15%	26%	32%	34%
ROA	4%	8%	10%	12%
ROIC	4%	9%	11%	14%
ROE	9%	19%	19%	21%
Efficiency				
Receivable Turnover	3	4	4	4
Inventory Turnover	15	18	18	18
Payable Turnover	6	8	11	11
Liquidity				
Current	12	18	23	22
Quick	11	18	22	22
Solvency				
Total Debt/Equity	65%	70%	57%	52%
Current Debt/Equity	1%	1%	1%	1%
Long-term Debt/ Equity	64%	70%	56%	51%

VND Billion

BALANCE SHEET	2015	2016E	2017F	2018F
Cash and equivalents	3,879	6,811	8,867	13,211
Short-term investment	12,683	11,102	11,485	11,757
Receivables	3,264	4,045	4,704	5,512
Inventories	450	482	530	578
Other current assets	278	255	255	255
Tangible Fixed Assets	22,316	22,210	21,854	19,705
Intangible Fixed Assets	-	4	10	10
Long-term Investment	1,033	2,435	2,435	2,435
Other long-term assets	429	142	143	143
Total Asset	**44,796**	**47,628**	**50,427**	**53,747**
Payables	980	800	890	845
Other current liabilities	137	195	285	292
Current Debt	13,119	14,653	15,204	15,061
Long-term Debt	6,557	5,454	4,133	3,691
Other long-term liabilities	542	549	546	547
Total Liability	**21,336**	**21,651**	**21,057**	**20,436**
Owner's Equity				
Capital	17,093	21,786	22,530	22,530
Retained Earnings	1,747	4,119	6,670	10,487
Funds & Reverses		143	341	590
Total Equity	**18,841**	**25,977**	**29,370**	**33,311**
Minority's Interest				
TOTAL RESOURCES	**44,796**	**47,628**	**50,427**	**53,747**

CASH FLOW STATEMENT	2015	2016E	2017F	2018F
Profit before tax	***2,071***	***4,471***	***6,182***	***7,816***
-Depreciation	3,515	4,005	4,713	5,421
-Adjustments	(103)	1,104	(364)	-
+/- Working capital	(1,154)	(2,065)	(2,053)	(2,664)
Net Operating CFs	**4,329**	**7,516**	**8,479**	**10,573**
+/- Fixed Asset	(2,011)	(2,771)	(4,336)	(3,271)
+/- Deposit, equity investment	(1,613)	(1,763)	(1,700)	(1,700)
Interest, dividend, cash profit received	832	1,117	1,005	996
Net Investing CFs	**(2,791)**	**(3,417)**	**(5,032)**	**(3,975)**
+/- Capital	-	-	758	-
+/- Debt	479	-	-	-
Dividend paid & other	(1,346)	(1,089)	(2,243)	(2,243)
Net Financing CFs	**(867)**	**(1,089)**	**(1,485)**	**(2,243)**
+/- cash & equivalents	671	3,010	1,962	4,355
Beginning cash & equivalents	**3,206**	**3,877**	**6,811**	**8,867**
Ending cash & equivalents	**3,877**	**6,811**	**8,867**	**13,211**

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Ratings / Return Potential	BUY	ACCUMULATE	NEUTRAL	REDUCE	SELL
Intermediate- term (up to 6 months)	>20%	10% to 20%	-5% to10%	-15% to- 5%	<-15%
Long-term (over 6 months)	>30%	15% to 30%	-10% to 15%	-15% to -10%	<-15%

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