



## India

## ADD (no change)

Consensus ratings\*: Buy 42 Hold 8 Sell 0

Current price: Rs1,207  
 Target price: ▲ Rs1,430  
 Previous target: Rs1,285  
 Up/downside: 18.5%  
 InCred Research / Consensus: 10.9%

Reuters: AXBK.NS  
 Bloomberg: AXSB IN  
 Market cap: US\$43,852m  
 Rs3,739,218m  
 Average daily turnover: US\$112.1m  
 Rs9558.8m  
 Current shares o/s: 1,355.6m  
 Free float: 91.8%

\*Source: Bloomberg

## Key changes in this note

- We revisit our estimates to build margin factoring in ~50bp repo rate cut.
- We cut the risk-free rate by 25bp.
- We introduce FY28F estimates.

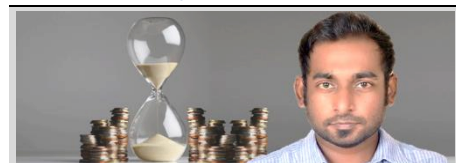


Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	10.0	27.3	13.5
Relative (%)	7.5	21.5	5.8

Major shareholders	% held
LIC	8.2
ICICI Pru AMC	5.6
HDFC AMC	5.1

## Research Analyst(s)



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## Axis Bank

## Mixed quarter; valuation remains attractive

- Key positives in 4Q were improvement in margin & lower net retail slippage. Elevated credit cost guidance & retail deposit (per LCR) growth was a let-down.
- Axis Bank is well-placed to deliver volume growth in an easing interest rate environment. We expect loan growth at 12%/14% in FY26F/27F, respectively.
- We raise the target price to Rs1,430 (19% upside) as we cut the risk-free rate by 25bp. The stock appears attractive at 1.5x FY27F core BV.

## PAT beat on lower provisioning; core PPOp miss due to higher opex

Axis Bank's 4QFY25 PAT at Rs71bn (flat YoY; 1.8% annualized RoA) beat our estimate by 4%, mainly owing to lower credit costs (53bp vs. our estimate of 73bp). This was helped by reversal of the provision on sale of assets to NARCL (~30bp). Core PPOp missed estimate (+10% YoY; 4% below our estimate), owing to higher other opex (8% YoY; 13% QoQ) as the bank bought PSL certificates worth Rs5.9bn. Excluding this, other opex was broadly in line with expectations and the growth in overall costs was contained at +2% QoQ (broadly flat YoY). Adjusted for PSL income of Rs1.7bn, core fee growth was healthy at 9% YoY (+13% QoQ). Margin improved by 4bp QoQ to 3.97% aiding NII growth of 2% (+6% YoY) while average balance sheet growth was muted QoQ (+8% YoY). On a period-end basis, deposits grew by 10% YoY and were up 7% QoQ partly owing to seasonality. On an average basis, deposits grew by 3% YoY (+1% QoQ). Net slippage was lower QoQ (Rs20bn vs. Rs35bn). Average LCR was broadly steady QoQ at 118%. Retail deposits (per LCR) grew by 1% QoQ (+7% YoY).

## Expect volume growth to improve over the next few years

Axis Bank posted lower growth over the past quarters, given unfavourable liquidity conditions, and striving to source quality deposits at optimal cost. During this period, the bank focused on delivering profitable growth, which helped improve the CET-ratio to 14.7% (13.7% last year). Management is now comfortable with the current capital level for future growth. Management indicated that the bank is well-positioned for delivering growth and profitability if the liquidity situation remains comfortable. Also, it stated that the bank is running a tightly matched balance sheet on the duration of interest rate-resets. The bank will try to protect the margin cushion over and above its through-the-cycle level of 3.8%.

## Reiterate ADD rating; valuation remains attractive versus peers

We believe Axis Bank is well-placed to post volume growth in an easing interest cycle. Credit costs will remain elevated in FY26F (vs. FY25) owing to stringent norms on certain asset classifications. We raise the target price to Rs1,430 (Rs1,285 earlier) as we cut the risk-free rate by 25bp. We revisit our earnings estimates to build in ~50bp rate cut. We expect RoA of 1.6%/1.7% for FY26F/27F and RoE of ~14-15% for the same period. Stock currently trades at 1.5x F27F core BV while we assign a multiple of 1.8x FY27F core BV. We have assigned SOTP value of Rs75/share for subsidiaries. Downside risks: Lower-than-expected deposit growth, delay in operating leverage, & deterioration in asset quality.

Financial Summary	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Net Interest Income (Rsm)	498,346	543,478	583,825	676,517	771,893
Total Non-Interest Income (Rsm)	225,019	252,571	266,639	304,984	349,082
Operating Revenue (Rsm)	723,364	796,049	850,463	981,501	1,120,975
Total Provision Charges (Rsm)	(40,631)	(77,584)	(85,725)	(92,409)	(99,994)
Net Profit (Rsm)	248,614	263,735	272,663	329,516	387,400
Core EPS (Rs)	40.27	42.57	44.02	53.19	62.54
Core EPS Growth	12%	6%	3%	21%	18%
FD Core P/E (x)	29.97	28.35	27.42	22.69	19.30
DPS (Rs)	1.00	1.00	3.00	3.00	3.00
Dividend Yield	0.08%	0.08%	0.25%	0.25%	0.25%
BVPS (Rs)	244.7	290.1	333.6	385.3	446.4
P/BV (x)	4.93	4.16	3.62	3.13	2.70
ROE	18.0%	15.9%	14.1%	14.8%	15.0%
% Change In Core EPS Estimates					
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly earnings summary

Rs m	4QFY24	3QFY25	4QFY25	YoY (%)	QoQ (%)
<b>Net Interest Income</b>	<b>130,890</b>	<b>136,059</b>	<b>138,105</b>	<b>6%</b>	<b>2%</b>
Other Income	67,658	59,722	67,795	0%	14%
--Core Fee	56,370	54,550	63,380	12%	16%
--Treasury Income	10,210	3,680	1,730	-83%	-53%
--Misc. Income	1,078	1,492	2,685	149%	80%
<b>Total income</b>	<b>198,548</b>	<b>195,781</b>	<b>205,901</b>	<b>4%</b>	<b>5%</b>
--Core Revenue	187,260	190,609	201,485	8%	6%
<b>Operating Expenses</b>	<b>93,191</b>	<b>90,442</b>	<b>98,377</b>	<b>6%</b>	<b>9%</b>
--Staff Expenses	29,235	29,846	29,615	1%	-1%
--Other Operating Expenses	63,956	60,596	68,762	8%	13%
<b>Operating Profit</b>	<b>105,357</b>	<b>105,339</b>	<b>107,524</b>	<b>2%</b>	<b>2%</b>
--Core PPOP	94,069	100,167	103,109	10%	3%
<b>Provisions</b>	<b>11,853</b>	<b>21,556</b>	<b>13,594</b>	<b>15%</b>	<b>-37%</b>
<b>PBT</b>	<b>93,504</b>	<b>83,782</b>	<b>93,930</b>	<b>0%</b>	<b>12%</b>
Tax	22,207	20,745	22,755	2%	10%
<b>PAT</b>	<b>71,297</b>	<b>63,038</b>	<b>71,175</b>	<b>0%</b>	<b>13%</b>
EPS	23	20	23		
Advances	9,650,684	10,145,641	10,408,113	8%	3%
Deposits	10,686,414	10,958,828	11,729,520	10%	7%
LD Ratio	90%	93%	89%		
CASA Ratio	43%	39%	41%		
Margins (%)	4.06	3.93	3.97	-0.09	0.04
Overall Provisions (in bp)	50	86	53		
---Credit Costs (in bp)	50	86	84		
-----NPA provisions	35	87	84		
GNPA	151,271	158,503	144,901	-4%	-9%
GNPA Ratio (%)	1.43%	1.46%	1.28%		
NNPA	32,475	37,748	36,855	13%	-2%
NNPA Ratio (%)	0.31	0.35	0.33		
PCR	118,797	120,755	108,047	-9%	-11%
PCR Ratio (%)	79%	76%	75%		
Slippage	34,710	54,320	48,050	38%	-12%
--% of trailing loans	1.8%	2.3%	2.0%		
CET-1 Ratio (%)	13.7%	14.6%	14.7%		
RoA	2.0%	1.6%	1.8%		
RoE	20.4%	15.4%	17.0%		

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Our revised earnings estimates

Rs bn	New Estimates				Old Estimates		Change	
	FY25	FY26F	FY27F	FY28F	FY26F	FY27F	FY26F	FY27F
Net Interest Income	543	584	677	772	596	692	-2%	-2%
--Growth YoY	9%	7%	16%	14%	10%	16%		
Non-Interest Income	253	267	305	349	271	311	-2%	-2%
--Growth YoY	12%	6%	14%	14%	8%	14%		
Total Income	796	850	982	1,121	868	1,003	-2%	-2%
--Growth YoY	10%	7%	15%	14%	9%	16%		
Opex	375	400	449	503	423	480	-5%	-7%
--Growth YoY	6%	7%	12%	12%	14%	14%		
PPOP	421	450	533	618	445	523	1%	2%
--Growth YoY	13%	7%	18%	16%	5%	18%		
Provision	78	86	92	100	91	97	-5%	-5%
--as a % of Avg. Loans	77	78	74	70	80	75		
PBT	343	365	441	518	354	426	3%	4%
Tax	80	92	111	131	89	107	-3%	-3%
PAT	264	273	330	387	265	318	3%	4%
--Growth YoY	6%	3%	21%	18%	1%	20%		
Advances	10,408	11,657	13,289	15,150	12,047	13,734	-3%	-3%
--Growth YoY	8%	12%	14%	14%	14%	14%		
Deposits	11,730	13,372	15,244	17,378	13,157	14,999	2%	2%
--Growth YoY	10%	14%	14%	14%	14%	14%		
Book Value	580	667	771	893	661	761	1%	1%
--Growth YoY	19%	15%	15%	16%	14%	15%		
EPS	85	88	106	125	86	103	3%	3%
--Growth YoY	6%	3%	21%	18%	1%	20%		

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Key highlights

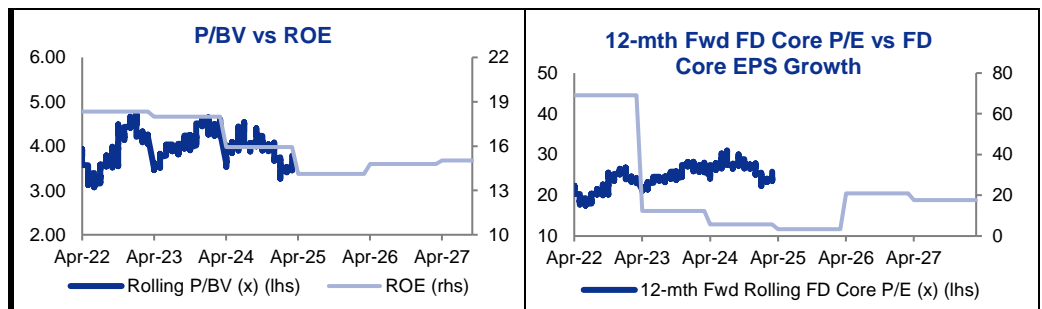
- Gross slippage moderated QoQ to Rs48bn (2% annualized) vs. Rs54bn last quarter. Net slippage stood at Rs20bn vs. Rs35bn last quarter. Recovery & upgrades were higher QoQ (Rs28bn vs. Rs19bn). Write-offs increased QoQ (Rs34bn vs. Rs31bn). GNPA's declined by 9% QoQ to Rs145bn. The GNPA ratio moderated by 18bp QoQ to 1.28%. The PCR ratio remains healthy at ~75%. The net NPA ratio moderated by 2bp QoQ to 74.6%.
- Margin improvement of 4bp QoQ was led by improvement in asset quality (~2 bp) and improvement in asset spread (~2bp – o/w 1bp was interest on IT refund).
- Credit costs could be elevated in FY26F vs. FY25 as the bank becomes more stringent towards certain asset classifications. This would lead to marginally higher credit costs in FY26F vs. FY25. That said, the bank remains most conservative (vs. peers) in provisioning for unsecured loans (i.e. 100% coverage at 91 days past due).
- On unsecured asset quality, the bank noted that the trend in new sourcing has been stabilizing and showing improvement for the unsecured segment (personal loans and credit cards). As regards the overall portfolio, stabilization was witnessed in the credit card portfolio while for the personal loan portfolio, it may take slightly longer to stabilize.
- On rate transmission, Axis Bank stated that most banks have reduced their retail deposit rates by 20-25bp. Bulk deposit rates have fallen much sharper by 60-70bp. Moreover, it stated that MCLR is a calculated benchmark. With the recent savings account deposit and term deposit rate cuts, MCLR rates will also come off, in line with blended funding costs. The bank resets its MCLR rate once every month.
- Rural infrastructure development bonds (as a % of total assets) fell to 0.9% as of the Mar 2025 quarter-end vs. 1.5% last year.

Figure 3: Financial summary

Axis Bank					Per Share Data and Valuations				
Profit and Loss Statement					Rs (Year end March)				
	FY25	FY26F	FY27F	FY28F		FY25	FY26F	FY27F	FY28F
Rs Min (Year end March)					Reported EPS	85.3	88.0	106.4	125.1
Interest Income	1,226,770	1,353,431	1,531,660	1,737,887	Book Value	580.3	667.3	770.7	892.7
Interest Expense	683,292	769,607	855,143	965,994	Book Value (Core)	570.8	657.8	761.2	883.3
Net Interest Income	543,478	583,825	676,517	771,893	Core PPOP/Share	127.1	141.8	168.5	195.9
---Core Fee Income	225,050	255,639	293,984	338,082	DPS	1.0	3.0	3.0	3.0
---Capital Gains	20,580	6,000	6,000	6,000	Valuations				
---Miscellaneous Inc.	6,941	5,000	5,000	5,000	PE (Headline)	14.2	13.8	11.4	9.7
Total Non Interest Income	252,571	266,639	304,984	349,082	PE (Core)	13.4	12.9	10.7	9.1
Total Operating Income	796,049	850,463	981,501	1,120,975	Price to Book (Headline)	2.1	1.8	1.6	1.4
---Employee Exp	121,928	128,024	138,266	149,328	Price to Book (Core)	2.0	1.7	1.5	1.3
---Other Expenses	253,072	272,190	310,297	353,738	Price to Core PPOP (Headline)	9.5	8.6	7.2	6.2
Total Operating Expenses	375,000	400,215	448,563	503,066	Price to Core PPOP (Core)	9.0	1.7	1.5	1.3
Operating Profit	421,049	450,249	532,938	617,909	Dividend Yield	0.1%	0.2%	0.2%	0.2%
---Prov. For Investment Dep.	-8,000	0	0	0	Ratio Analysis				
---Loan Loss Provisions	83,460	97,604	98,697	105,483	Rs Min (Year end March)	FY25	FY26F	FY27F	FY28F
Total provisions	77,584	85,725	92,409	99,994	Spread Analysis				
Profit Before Tax	343,466	364,523	440,529	517,914	Average yield on assets	8.3%	8.3%	8.3%	8.3%
Provision for Tax	79,731	91,860	111,013	130,514	Cost of earning assets	4.6%	4.7%	4.6%	4.6%
Net Profit	263,735	272,663	329,516	387,400	Net Interest Margin (Reported)	4.0%	3.9%	4.0%	4.0%
Balance Sheet Data					Growth Ratios				
	FY25	FY26F	FY27F	FY28F					
Rs Min (Year end March)					Net Interest Income	9%	7%	16%	14%
Shareholders' equity	1,797,251	2,066,817	2,387,041	2,765,149	Non Interest Income	12%	6%	14%	14%
Deposits	11,729,520	13,371,653	15,243,684	17,377,800	Operating expenses	6%	7%	12%	12%
Borrowings	1,581,496	1,644,756	1,768,112	1,900,721	Core PPOP	13%	12%	19%	16%
Other Liabilities & Prov.	991,032	1,091,758	1,203,661	1,328,037	Net Profit	6%	3%	21%	18%
Total Liabilities	16,099,299	18,174,983	20,602,498	23,371,707	EPS	6%	3%	21%	18%
Cash & Balances with RBI	736,384	750,820	850,590	963,926	Deposits	10%	14%	14%	14%
Balances with Banks	260,937	375,410	425,295	481,963	Advances	8%	12%	14%	14%
Investments	3,961,418	4,552,498	5,075,952	5,674,254	Total Assets	9%	13%	13%	13%
Advances	10,408,113	11,657,087	13,289,079	15,149,550	Profitability Ratios				
Fixed Assets	62,917	69,209	76,130	83,743	Return On Equity	15.9%	14.2%	14.9%	15.1%
Other Assets	669,530	769,959	885,453	1,018,271	Return On Assets	1.7%	1.6%	1.7%	1.8%
Total Assets	16,099,299	18,174,983	20,602,498	23,371,707	Efficiency Ratios				
Earning Assets	15,366,852	17,335,815	19,640,916	22,269,693	Cost Income Ratio	47.1%	47.1%	45.7%	44.9%
Average Interest Earning Assets	14,738,676	16,351,334	18,488,366	20,955,304	Expenses/Avg Assets	2.5%	2.4%	2.3%	2.3%
Average Loans	10,029,399	11,032,600	12,473,083	14,219,314	Capital Ratios				
Avg Equity / Avg Assets (%)	10.7%	11.3%	11.5%	11.7%	CET 1 Ratio	14.7%	15.0%	15.4%	15.8%
Asset Quality					Tier 1 Ratio	15.1%	15.4%	15.7%	16.1%
Credit costs	85	78	74	70	Tier 2 Ratio	2.0%	1.9%	1.7%	1.6%
Gross NPL	144,880	214,880	305,880	419,980	Capital Adequacy Ratio	17.1%	17.2%	17.4%	17.7%
Net NPL	36,855	49,250	86,553	140,171	Source: Company data, InCred Research				
Reserve Coverage	108,026	165,630	219,327	279,809	E=InCred Research Estimates				
Gross NPL Ratio	1.4%	1.8%	2.3%	2.7%					
Net NPL Ratio	0.4%	0.4%	0.7%	0.9%					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS



### Profit & Loss

(Rsm)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Net Interest Income	498,346	543,478	583,825	676,517	771,893
<b>Total Non-Interest Income</b>	<b>225,019</b>	<b>252,571</b>	<b>266,639</b>	<b>304,984</b>	<b>349,082</b>
Operating Revenue	723,364	796,049	850,463	981,501	1,120,975
<b>Total Non-Interest Expenses</b>	<b>(352,133)</b>	<b>(375,000)</b>	<b>(400,215)</b>	<b>(448,563)</b>	<b>(503,066)</b>
Pre-provision Operating Profit	371,232	421,049	450,249	532,938	617,909
<b>Total Provision Charges</b>	<b>(40,631)</b>	<b>(77,584)</b>	<b>(85,725)</b>	<b>(92,409)</b>	<b>(99,994)</b>
Operating Profit After Provisions	330,601	343,466	364,523	440,529	517,914
<b>Pretax Income/(Loss) from Assoc.</b>					
Operating EBIT (incl Associates)	330,601	343,466	364,523	440,529	517,914
<b>Non-Operating Income/(Expense)</b>					
Profit Before Tax (pre-EI)	330,601	343,466	364,523	440,529	517,914
<b>Exceptional Items</b>					
Pre-tax Profit	330,601	343,466	364,523	440,529	517,914
Taxation	(81,986)	(79,731)	(91,860)	(111,013)	(130,514)
Consolidation Adjustments & Others					
<b>Exceptional Income - post-tax</b>					
Profit After Tax	248,614	263,735	272,663	329,516	387,400
Minority Interests					
Pref. & Special Div					
<b>FX And Other Adj.</b>					
Net Profit	248,614	263,735	272,663	329,516	387,400
Recurring Net Profit					

### Balance Sheet Employment

(Rsm)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Gross Loans/Cust Deposits					
Avg Loans/Avg Deposits	89.8%	89.5%	87.9%	87.2%	87.2%
Avg Liquid Assets/Avg Assets	94.9%	95.5%	95.4%	95.4%	95.3%
<b>Avg Liquid Assets/Avg IEAs</b>	<b>109.1%</b>	<b>107.8%</b>	<b>106.9%</b>	<b>106.9%</b>	<b>106.9%</b>
Net Cust Loans/Assets					
<b>Net Cust Loans/Broad Deposits</b>					
Equity & Provns/Gross Cust Loans					
Asset Risk Weighting					
<b>Provision Charge/Avg Cust Loans</b>	<b>0.45%</b>	<b>0.77%</b>	<b>0.78%</b>	<b>0.74%</b>	<b>0.70%</b>
<b>Provision Charge/Avg Assets</b>	<b>0.29%</b>	<b>0.50%</b>	<b>0.50%</b>	<b>0.48%</b>	<b>0.45%</b>
Total Write Offs/Average Assets					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS...cont'd

### Balance Sheet

(Rsm)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
<b>Total Gross Loans</b>	<b>9,650,684</b>	<b>10,408,113</b>	<b>11,657,087</b>	<b>13,289,079</b>	<b>15,149,550</b>
Liquid Assets & Invst. (Current)	3,315,273	3,961,418	4,552,498	5,075,952	5,674,254
Other Int. Earning Assets					
Total Gross Int. Earning Assets	12,965,956	14,369,531	16,209,585	18,365,030	20,823,804
<b>Total Provisions/Loan Loss Reserve</b>					
Total Net Interest Earning Assets	12,965,956	14,369,531	16,209,585	18,365,030	20,823,804
Intangible Assets					
<b>Other Non-Interest Earning Assets</b>	<b>604,740</b>	<b>669,530</b>	<b>769,959</b>	<b>885,453</b>	<b>1,018,271</b>
<b>Total Non-Interest Earning Assets</b>	<b>661,586</b>	<b>732,447</b>	<b>839,168</b>	<b>961,583</b>	<b>1,102,014</b>
Cash And Marketable Securities	1,144,544	997,321	1,126,231	1,275,885	1,445,889
<b>Long-term Investments</b>					
Total Assets	14,772,086	16,099,299	18,174,984	20,602,498	23,371,706
Customer Interest-Bearing Liabilities	10,686,414	11,729,520	13,371,653	15,243,684	17,377,800
Bank Deposits					
Interest Bearing Liabilities: Others					
Total Interest-Bearing Liabilities	12,406,941	13,311,016	15,016,409	17,011,796	19,278,520
Banks Liabilities Under Acceptances					
Total Non-Interest Bearing Liabilities	854,529	991,032	1,091,758	1,203,661	1,328,037
Total Liabilities	13,261,470	14,302,048	16,108,166	18,215,458	20,606,558
Shareholders Equity	1,510,616	1,797,251	2,066,817	2,387,041	2,765,149
<b>Minority Interests</b>					
Total Equity	1,510,616	1,797,251	2,066,817	2,387,041	2,765,149

### Key Ratios

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Income Growth	16.0%	9.1%	7.4%	15.9%	14.1%
Operating Profit Growth	15.0%	13.4%	6.9%	18.4%	15.9%
Pretax Profit Growth	12%	4%	6%	21%	18%
Net Interest To Total Income	68.9%	68.3%	68.6%	68.9%	68.9%
Cost Of Funds	5.06%	5.31%	5.43%	5.34%	5.32%
Return On Interest Earning Assets	9.0%	9.0%	8.9%	8.9%	8.9%
Net Interest Spread	3.93%	3.66%	3.42%	3.52%	3.55%
Net Interest Margin (Avg Deposits)	4.94%	4.85%	4.65%	4.73%	4.73%
Net Interest Margin (Avg RWA)					
Provisions to Pre Prov. Operating Profit	11%	18%	19%	17%	16%
Interest Return On Average Assets	3.57%	3.52%	3.41%	3.49%	3.51%
Effective Tax Rate	24.8%	23.2%	25.2%	25.2%	25.2%
Net Dividend Payout Ratio	1.2%	1.2%	3.4%	2.8%	2.4%
Return On Average Assets	1.78%	1.71%	1.59%	1.70%	1.76%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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