

India

ADD (no change)

Consensus ratings*: Buy 25 Hold 11 Sell 7

Current price:	Rs8,607
Target price:	Rs10,400
Previous target:	Rs10,590
Up/downside:	20.8%
InCred Research / Consensus:	12.1%
Reuters:	BAJA.NS
Bloomberg:	BJAUT IN
Market cap:	US\$28,085m
	Rs2,403,570m
Average daily turnover:	US\$43.7m
	Rs3739.5m
Current shares o/s:	279.3m
Free float:	45.0%

*Source: Bloomberg

Key changes in this note

- FY26-27F sales cut by 2-3%.
- FY26-27F EBITDA cut by 1-4%.
- FY26-27F EPS cut by 2-5%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	7.2	8.9	(4.0)
Relative (%)	5.9	(2.1)	(12.9)

Major shareholders	% held
Bajaj Family	55.0
LIC	5.0
SBI Mutual Fund	1.2

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Bajaj Auto**New EV launches to strengthen dominance**

- 4Q EPS growth of 6% yoy to Rs73.4 was in line with expectation, aided by strong ASP (+5% qoq) and steady EBITDA margin.
- Aggressive new launches in ICE and EV segments to drive market share recovery, but slow 2W industry demand recovery leads to our 2-5% EPS cut.
- With forward P/E valuation close to +1SD above the mean level, we maintain ADD rating as the stock price recovers from concerns over KTM bailout plan.

In-line standalone 4Q performance; KTM hits consolidated results

Bajaj Auto's 4QFY25 EBITDA rose by 6% yoy to Rs24.5bn, which was 2% above our estimate and in line with the Bloomberg consensus estimate, aided by better gross margin. EPS in 4Q rose by 6% yoy to Rs73.4, in line with our estimate. Dividend per share of Rs210 for FY25 was marginally better than our estimate. However, Bajaj Auto has recognized a net loss of Rs3.35bn in the consolidated results relating to its investment in an associate entity, Pierer Bajaj, leading to an 18% yoy dip in net profit to Rs18bn. The turnaround in Bajaj Auto Credit to lead to a profit in FY25 where the investment stands at Rs24bn so far.

EV division's EBITDA breakeven visibility improves

Management indicated that Bajaj Auto (BAL) has emerged as the largest 2& 3-wheeler electric vehicle or EV maker, posting Rs55bn in sales in FY25. BAL's new E3W launched under the GoGo brand in Mar 2025 helped it to emerge as the leader in this segment, overtaking Mahindra & Mahindra. It has plans to expand into the E-rickshaw segment in Jul 2025F, having an addressable market size of 40,000 units per month. In E2W, BAL sustains its leadership position with the launch of new variants and expects cost reduction benefits to lead to EBITDA breakeven in the coming quarters.

EPS cut by 2-5% for FY26F-27F

BAL expects the domestic motorcycle industry to grow 5-6% in FY26F, led by the 125cc+ segment. With six Pulsar variant launches & concentrated marketing efforts for Freedom CNG bike, BAL plans to regain lost market share in the 125cc segment. Exports may sustain their double-digit growth, as seen in 2HFY25. Building in a slow domestic demand recovery, we cut sales volume by 4-5% for FY26F-27F. Short-term EBITDA margin pressure from new emission norms, Indian rupee or INR depreciation & lower other income due to KTM buyout costs leads to a 5% EPS cut for FY26F, but limit it to 2% for FY27F.

Maintain ADD rating with a lower target price of Rs10,400

We feel the KTM bailout concerns are priced in, as management plans to take control of its operations and come up with a turnaround plan. With the one-year forward P/E valuation close to +1SD above the 10-year mean level, we maintain ADD rating on BAL with a marginally lower SOTP-based target price of Rs10,400 (Rs10,590 earlier). We value Bajaj Auto Credit at 1.2x P/BV and PMAG at CMP for its majority holding at Rs127 per share. Downside risks: Global slowdown hurting export volume and rising currency volatility.

Financial Summary	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue (Rsm)	445,922	500,103	585,538	663,898	736,664
Operating EBITDA (Rsm)	87,300	100,988	117,666	134,927	150,862
Net Profit (Rsm)	73,859	79,402	96,495	110,163	123,212
Core EPS (Rs)	264.5	291.9	345.5	394.5	441.2
Core EPS Growth	31.2%	10.4%	18.4%	14.2%	11.8%
FD Core P/E (x)	32.54	30.27	24.91	21.82	19.51
DPS (Rs)	160.0	210.0	240.0	220.0	230.0
Dividend Yield	1.86%	2.44%	2.79%	3.25%	3.60%
EV/EBITDA (x)	24.68	20.85	17.55	15.06	13.30
P/FCFE (x)	24.91	36.11	37.43	27.73	32.34
Net Gearing	(91.8%)	(79.5%)	(73.2%)	(73.2%)	(69.9%)
P/BV (x)	9.67	7.48	6.85	6.28	5.73
ROE	29.4%	28.6%	28.7%	30.0%	30.7%
% Change In Core EPS Estimates			(4.77%)	(2.26%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

New EV launches to strengthen dominance

Management conference-call highlights ►

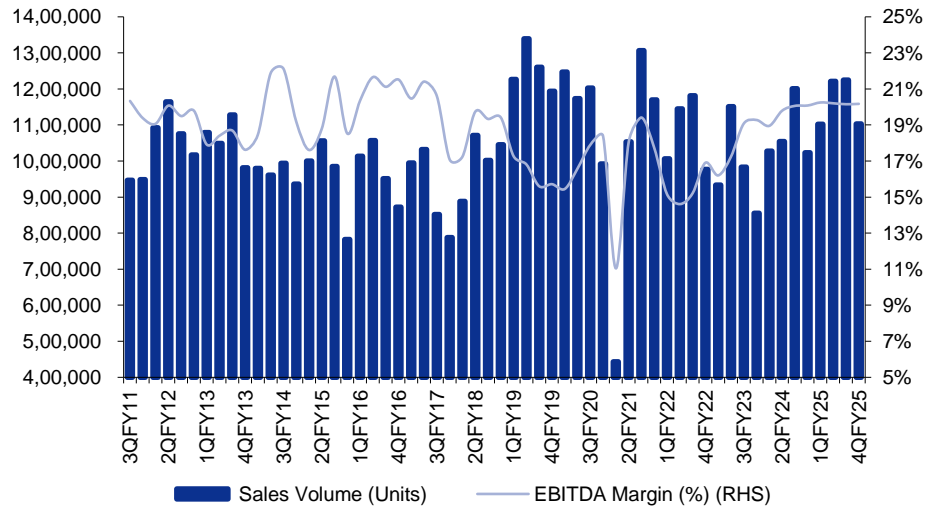
- **FY26 industry outlook:** Bajaj Auto (BAL) expects the domestic motorcycle industry to grow by 5-6% in FY26F, led by the 125cc+ segment, with the company aiming to outpace this growth through new product launches and market share gains. BAL expects 15-20% quarterly export growth in FY26F, driven by strong competitive positions in Latin America, South Asia, and the resumption of KTM bike exports in 2QFY26F.
- **Domestic motorcycle market:** The domestic motorcycle industry saw a 2% yoy decline in 4QFY25, but in FY25 overall it grew by 6% yoy, driven by the 125cc+ segment due to a 12% growth in this segment, where BAL holds a 24% market share, down from 26% in FY24.
- **Export business:** Exports grew by 20% in 4QFY25 on the back of growth in premium brands - Dominar and Pulsar. Latin America became the largest emerging market for motorcycles, with BAL's exports growing by over 18% in 4Q, and its Brazil plant's capacity to expand from 20,000 units to 50,000 units annually by Dec 2025F. Export revenue in 4QFY25 stood at Rs470m.
- **Launches in FY25:** Six new Pulsar variants were launched in 4Q, and the Freedom CNG-motorcycle achieved 10-11% market penetration in high CNG pump-density states like Kerala and Delhi.
- **Pro biking:** KTM and Triumph brands together hit ~100,000 units in sales in FY25, up 12% yoy, with Triumph doubling domestic volume to 11,000 units in 4Q.
- **Electric vehicle portfolio:** BAL's electric two- and three-wheeler business revenue stood at Rs55bn in FY25. The portfolio turned marginally profitable in FY25, driven by improved Chetak unit economics and E3W scaling, nearing EBITDA breakeven with the production-linked incentive or PLI scheme.
- **Chetak's electric vehicle:** BAL held a 25% market share in 4QFY25 in EV2W, driven by the newly launched 35 Series platform, expanded network of 310 experience centres and 3,000+ sales points.
- **Three-wheeler business:** BAL held a 75% market share in the ICE segment and doubled its market share in electric auto-rickshaws from 17% to 33% in FY25. The industry grew by 60% in FY25, with BAL holding a 33% market share in 4QFY25, contributing 20% to the total 3W segment revenue.
- **E-rickshaw (e-rik):** BAL plans to launch a lithium-ion-based e-rickshaw under the new GoGo brand by Jul 2025F, targeting monthly sales of 40,000 units.
- **Spare parts business:** The spare parts business recorded a revenue of Rs15.66bn in 4QFY25, with an 18% growth in FY25.
- **Capex and cash flow:** FY25 investments included Rs21bn in Bajaj Auto Credit, Rs7bn capex (60% for EVs), and Rs22bn in dividend payment, with free cash flow at Rs65bn and surplus cash at Rs170bn.
- **Commodity and currency outlook:** 4Q saw flattish raw material costs, but 1QFY26F may face commodity inflation and currency headwinds, potentially impacting margins by around 1%.
- **Concerns over rare-earth magnets:** Potential disruption in rare-earth magnet supplies from China could impact EV production by Jul 2025F, pending completion of a new certification process.
- **KTM restructuring:** BAL intends to acquire a controlling stake in Pierer Bajaj AG (PBAG) for EUR50.65m, subject to regulatory approvals, to execute a comprehensive turnaround plan for KTM. Suspended KTM bike exports (<1% of revenue) are expected to resume in 2QFY26F, potentially restoring their earlier 5-6% contribution to total exports.
- **Bajaj Auto Credit (BACL):** The company turned PAT positive in 3QFY25, achieving profitability in FY25, with disbursements topping Rs100bn.

Figure 1: Quarterly results comparison

Y/E Mar (Rs m)	4QFY25	4QFY24	yoy % chg	3QFY25	qoq % chg	FY25	FY24	yoy % chg	Comments
Revenue	1,21,480	1,14,847	5.8	1,28,069	(5.1)	5,00,103	4,45,922	12.2	3% above our estimate.
Raw material costs	84,882	80,702	5.2	91,327	(7.1)	3,53,374	3,17,434	11.3	
RM costs as a % of revenue	69.9	70.3	(39.5)	71.3	(143.7)	70.7	71.2	(52.6)	113bp below our estimate.
EBITDA	24,506	23,063	6.3	25,807	(5.0)	1,00,988	87,300	15.7	2% above our estimate.
EBITDA margin (%)	20.2	20.1	9.2	20.2	2.2	20.2	19.6	61.6	12bp below our estimate.
Depreciation & amortization	1,111	906	22.7	997	11.5	4,001	3,498	14.4	11% above our estimate.
EBIT	23,395	22,157	5.6	24,811	(5.7)	96,987	83,801	15.7	
Interest expenses	168	228	(26.2)	143	17.5	677	535	26.6	
Other income	3,808	3,487	9.2	3,347	13.8	14,209	14,025	1.3	5% below our estimate.
Pre-tax profit	27,034	25,416	6.4	28,015	(3.5)	1,10,519	97,291	13.6	1% above our estimate.
Tax	6,541	6,056	8.0	6,927	(5.6)	26,892	23,432	14.8	
Tax rate (%)	24	24	37	25	(53)	24	24	25	
Normalized net profit	20,493	19,360	5.9	21,087	(2.8)	83,627	73,859	13.2	In line with our estimate.
Exceptional items	-	-	nm	-	nm	-	-	nm	
Other comprehensive income	-	-	nm	-	na	(2,113)	-	nm	
Reported net profit	20,493	19,360	5.9	21,087	(2.8)	81,514	73,859	10.4	
Normalized EPS (Rs)	73.4	69.3	5.8	75.5	(2.8)	299.5	264.6	13.2	
Volume (nos.)	11,02,934	10,22,867	7.8	12,24,472	(9.9)	46,33,816	43,37,541	6.8	
Net realization (Rs)	1,10,142	1,12,279	(1.9)	1,04,591	5.3	1,07,925	1,02,805	5.0	3% above our estimate.
EBITDA/vehicle	22,219	22,547	(1.5)	21,076	5.4	21,794	20,127	8.3	

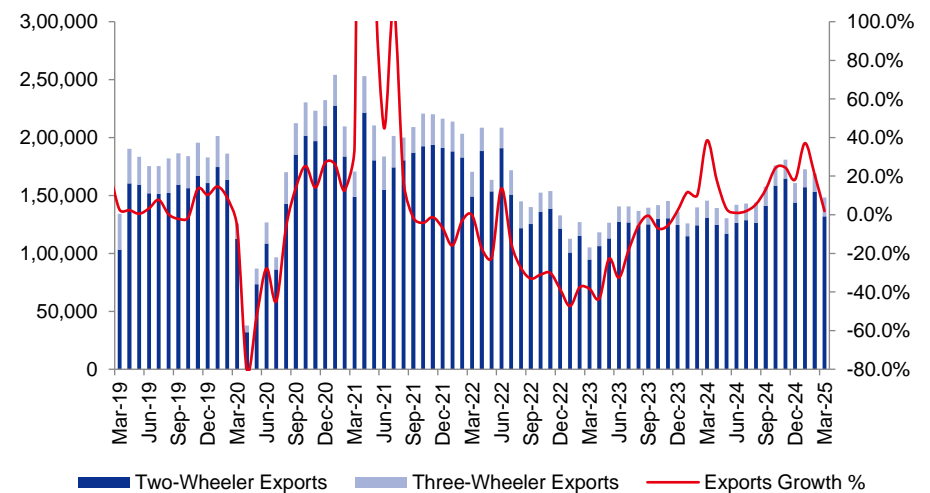
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: The EBITDA margin sustains near its peak level



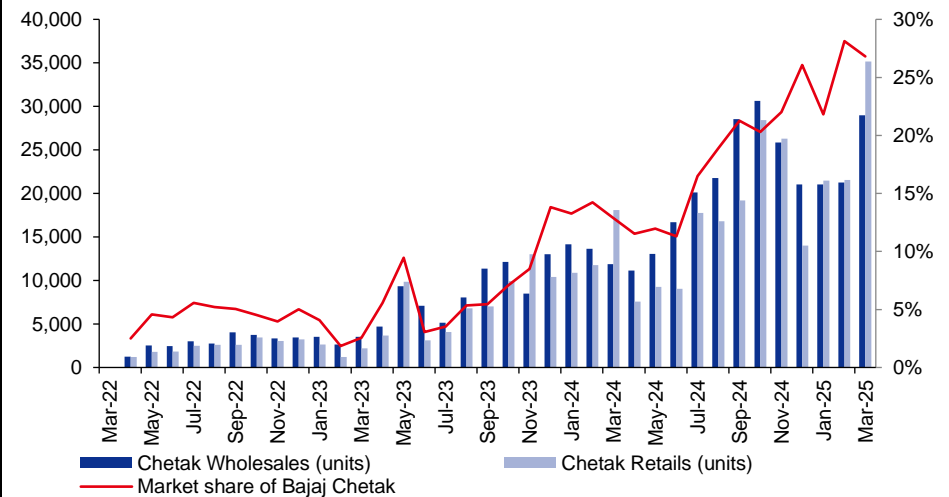
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Export volume witnesses a sequential decline



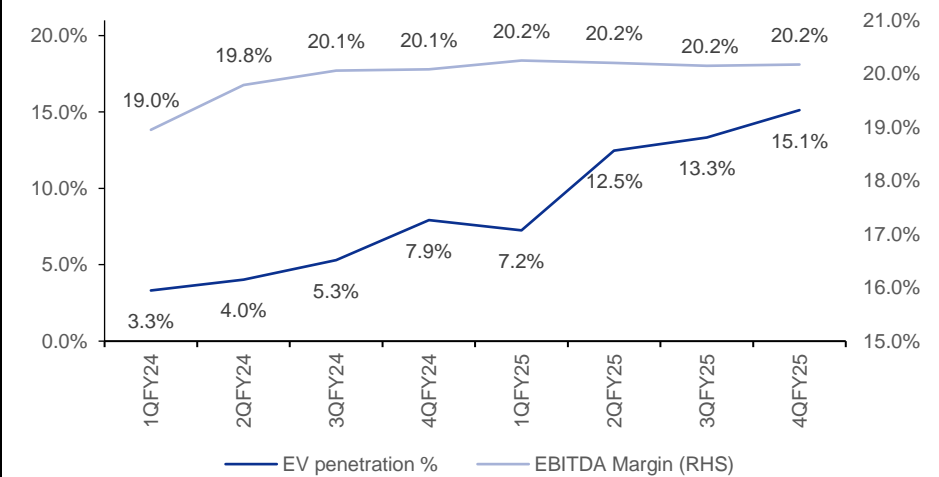
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Bajaj Auto's E2W continues its market share uptrend



SOURCE: VAHAN, INCRED RESEARCH, COMPANY REPORTS

Figure 5: Bajaj Auto maintains its EBITDA margin amidst a surge in EV penetration



SOURCE: VAHAN, INCRED RESEARCH, COMPANY REPORTS

Figure 6: Product mix improves with a better 3W and premium 2W mix

	4QFY25	4QFY24	% yoy	3QFY25	% qoq	FY25	FY24	% yoy
CT100	12,105	15,664	-23%	16,676	-27%	64,301	84,611	-24%
Platina	78,879	93,283	-15%	1,31,851	-40%	4,38,740	5,02,486	-13%
Pulsar Family	2,98,387	3,62,514	-18%	2,91,872	2%	13,25,816	14,10,974	-6%
Avenger	4,244	4,930	-14%	3,675	15%	18,031	22,702	-21%
KTM / Dominar / Husqvarna	20,516	18,800	9%	17,332	18%	72,903	78,275	-7%
Freedom 125	3,766	-	0%	40,177	0%	74,730	-	na
Chetak	71,268	39,703	80%	77,524	-8%	2,60,033	1,15,702	125%
Triumph	11,531	5,912	95%	8,698	33%	36,545	22,443	63%
2W domestic	5,00,696	5,40,806	-7%	5,87,805	-15%	22,91,099	22,37,193	2%
2W export	4,42,467	3,69,936	20%	4,66,766	-5%	16,74,060	14,77,338	13%
Total 2W	9,43,163	9,10,742	4%	10,54,571	-11%	39,65,159	37,14,531	7%
3W domestic (including Qute)	1,25,627	96,129	31%	1,05,655	19%	4,79,316	4,63,413	3%
3W export (including Qute)	65,237	12,692	414%	26,161	149%	1,82,799	1,54,694	18%
Total 3W	1,90,864	1,08,821	75%	1,31,816	45%	6,62,115	6,18,107	7%

SOURCE: SIAM, INCRED RESEARCH, COMPANY REPORTS

Figure 7: Key assumptions

Volume Break-Up	FY22A	FY23A	FY24A	FY25A	FY26F	FY27F	FY28F
(Number of vehicles)							
Domestic motorcycles	16,32,897	17,69,570	21,21,417	20,30,941	22,30,821	23,52,332	25,05,705
Growth (%)	-9.8%	8.4%	19.9%	-4.3%	9.8%	5.4%	6.5%
Export motorcycles	21,95,772	16,36,956	14,77,338	16,74,060	18,83,318	21,28,149	24,04,808
Growth (%)	22.2%	-25.4%	-9.8%	13.3%	12.5%	13.0%	13.0%
Chetak.ev	8,187	31,440	1,15,776	2,60,158	3,84,000	5,16,000	6,00,000
Growth (%)	0.0%	284.0%	268.2%	124.7%	47.6%	34.4%	16.3%
Total 2-wheelers	38,36,856	34,37,966	37,14,531	39,65,159	44,98,138	49,96,481	55,10,513
Growth (%)	6.4%	-10.4%	8.0%	6.7%	13.4%	11.1%	10.3%
3-wheelers	4,71,577	4,85,018	6,23,010	6,68,657	7,23,592	7,79,103	8,06,923
Growth (%)	28.5%	2.9%	28.5%	7.3%	8.2%	7.7%	3.6%
Total vehicles	43,08,433	39,22,984	43,37,541	46,33,816	52,21,731	57,75,583	63,17,435
Growth (%)	8.4%	-8.9%	10.6%	6.8%	12.7%	10.6%	9.4%

Per vehicle assumptions

In Rs.	FY22A	FY23A	FY24A	FY25A	FY26F	FY27F	FY28F
Net ASP/vehicle	76,601	92,857	1,02,805	1,07,925	1,12,135	1,14,949	1,16,608
Growth (%)	9.7%	21.2%	10.7%	5.0%	3.9%	2.5%	1.4%
Contribution/vehicle	20,131	26,441	29,622	31,665	32,295	33,335	33,700
Growth (%)	-1.6%	31.3%	12.0%	6.9%	2.0%	3.2%	1.1%
EBITDA/vehicle	11,877	16,694	20,127	21,794	22,534	23,362	23,880
Growth (%)	-4.3%	40.6%	20.6%	8.3%	3.4%	3.7%	2.2%
EBITDA margin (%)	15.5%	18.0%	19.6%	20.2%	20.1%	20.3%	20.5%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: EPS revision summary

Rs m	FY26F Old	New	FY27F Old	New
Sales volume	54,33,164	52,21,731	60,82,257	57,75,583
Change		-3.9%		-5.0%
Net sales	5,99,842	5,85,538	6,85,070	6,63,898
Change		-2.4%		-3.1%
EBITDA	1,22,283	1,17,666	1,36,392	1,34,927
Change		-3.8%		-1.1%
PBT	1,33,635	1,27,302	1,48,653	1,45,334
Change		-4.7%		-2.2%
EPS (Rs)	362.8	345.5	403.6	394.5
Change		-4.8%		-2.3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Sum-of-the-parts or SOTP-based target price

	1-year forward
EPS (Rs.) (1-year forward)	408.2
P/E (x)	25.0
Value (Rs.)	10,205
Value of stake in PMAG post 20% holding discount	127
Value of stake in BACL post 20% holding discount	69
Target price (Rs)	10,400

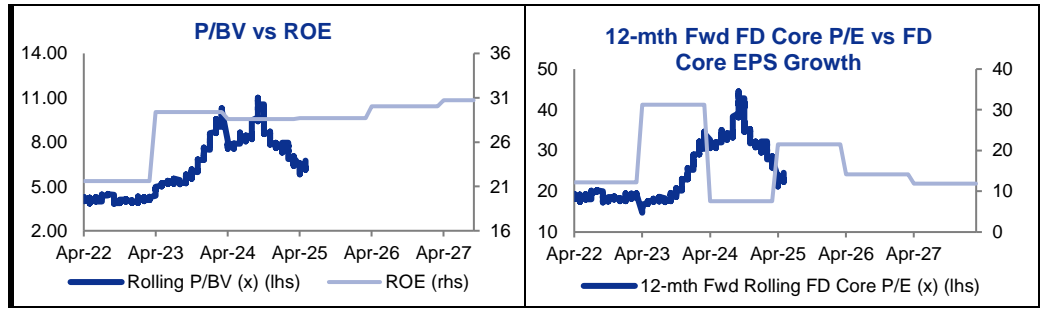
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Forward P/E valuation at +1SD above the 10-year mean level



SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Net Revenues	445,922	500,103	585,538	663,898	736,664
Gross Profit	113,588	131,431	151,603	173,570	191,795
Operating EBITDA	87,300	100,988	117,666	134,927	150,862
Depreciation And Amortisation	(3,498)	(4,001)	(4,500)	(5,000)	(5,400)
Operating EBIT	83,801	96,987	113,166	129,927	145,462
Financial Income/(Expense)	(535)	(677)	(500)	(400)	(300)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	14,025	14,209	14,636	15,807	17,387
Profit Before Tax (pre-EI)	97,291	110,519	127,302	145,334	162,549
Exceptional Items					
Pre-tax Profit	97,291	110,519	127,302	145,334	162,549
Taxation	(23,432)	(29,005)	(30,807)	(35,171)	(39,337)
Exceptional Income - post-tax		(2,113)			
Profit After Tax	73,859	79,402	96,495	110,163	123,212
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	73,859	79,402	96,495	110,163	123,212
Recurring Net Profit	73,859	81,514	96,495	110,163	123,212
Fully Diluted Recurring Net Profit	73,859	81,514	96,495	110,163	123,212

Cash Flow

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
EBITDA	87,300	100,988	117,666	134,927	150,862
Cash Flow from Invt. & Assoc.					
Change In Working Capital	8,923	2,349	(1,020)	6,214	(5,282)
(Incr)/Decr in Total Provisions	17,579	(29,167)	11,969	(1,700)	(4,000)
Other Non-Cash (Income)/Expense	1,618	6,161			
Other Operating Cashflow		(2,113)			
Net Interest (Paid)/Received	13,490	13,532	14,136	15,407	17,087
Tax Paid	(22,836)	(25,590)	(30,807)	(35,171)	(39,337)
Cashflow From Operations	106,073	66,160	111,944	119,677	119,330
Capex	(7,781)	(7,530)	(4,487)	(8,000)	(8,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(1,811)	7,915	(43,160)	(25,000)	(37,000)
Cash Flow From Investing	(9,592)	385	(47,647)	(33,000)	(45,000)
Debt Raised/(repaid)	16	18	(76)		
Proceeds From Issue Of Shares	(38)	1			
Shares Repurchased	(49,282)				
Dividends Paid	(44,669)	(58,645)	(67,022)	(78,193)	(86,571)
Preferred Dividends					
Other Financing Cashflow					
Cash Flow From Financing	(93,973)	(58,626)	(67,099)	(78,193)	(86,571)
Total Cash Generated	2,509	7,919	(2,802)	8,484	(12,241)
Free Cashflow To Equity	96,498	66,563	64,221	86,677	74,330
Free Cashflow To Firm	97,016	67,222	64,797	87,077	74,630

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Cash And Equivalents	229,407	256,968	258,167	281,651	294,410
Total Debtors	21,224	22,826	28,876	30,921	38,347
Inventories	16,956	19,579	22,459	27,283	30,274
Total Other Current Assets	21,774	47,106	27,000	30,000	34,000
Total Current Assets	289,361	346,479	336,502	369,856	397,031
Fixed Assets	26,760	31,277	35,777	38,777	41,377
Total Investments	20,884	42,020	81,180	91,180	103,180
Intangible Assets					
Total Other Non-Current Assets					
Total Non-current Assets	47,645	73,296	116,956	129,956	144,556
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	56,102	62,676	70,585	83,669	88,803
Other Current Liabilities	29,581	25,122	17,000	18,000	18,000
Total Current Liabilities	85,683	87,798	87,585	101,669	106,803
Total Long-term Debt	1,258	1,276	1,200	1,200	1,200
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	1,258	1,276	1,200	1,200	1,200
Total Provisions	6,960	13,745	13,730	14,030	14,030
Total Liabilities	93,902	102,820	102,516	116,900	122,034
Shareholders Equity	248,605	321,469	350,942	382,912	419,554
Minority Interests					
Total Equity	248,605	321,469	350,942	382,912	419,554

Key Ratios

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue Growth	22.4%	12.2%	17.1%	13.4%	11.0%
Operating EBITDA Growth	33.3%	15.7%	16.5%	14.7%	11.8%
Operating EBITDA Margin	19.6%	20.2%	20.1%	20.3%	20.5%
Net Cash Per Share (Rs)	816.98	915.61	920.17	1,004.26	1,049.95
BVPS (Rs)	890.23	1,151.15	1,256.69	1,371.17	1,502.38
Gross Interest Cover	156.64	143.22	226.33	324.82	484.87
Effective Tax Rate	24.1%	26.2%	24.2%	24.2%	24.2%
Net Dividend Payout Ratio	60.5%	71.9%	69.5%	71.0%	70.3%
Accounts Receivables Days	15.96	16.08	16.11	16.44	17.16
Inventory Days	16.99	18.09	17.68	18.51	19.28
Accounts Payables Days	53.18	58.80	56.05	57.41	57.77
ROIC (%)	264.6%	7,244.1%	264.1%	377.2%	442.5%
ROCE (%)	38.1%	37.8%	36.7%	38.4%	39.4%
Return On Average Assets	23.1%	21.7%	22.2%	23.2%	23.7%

Key Drivers

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
ASP (% chg, main prod./serv.)	10.7%	5.0%	3.9%	(100.0%)	(100.0%)
Unit sales grth (% , main prod./serv.)	10.6%	6.8%	12.7%	(86.1%)	(86.5%)

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.