

# RBI MPC Preview

Refer to important disclosures at the end of this report

## Doves are here to stay

- The upcoming policy will see MPC re-emphasizing its commitment to keeping policy accommodative for the foreseeable future and maintaining ample liquidity. However, there will likely be some re-assessment of the growth outlook even as the RBI may not rush to reduce its FY22 growth forecast of 10.5% dramatically amid the second wave of Covid-19 and series of local lockdowns. The MPC is likely to maintain that growth needs consistent firm traction and that the continued policy support is crucial for a durable growth revival.
- While the Q4FY21 inflation forecast may be revised down a tad, the risks of increasing input costs and commodity prices, seasonal or new supply disruption-led upside in food prices and better pricing power could prod MPC to relook at its FY22 inflation forecast. However, local lockdowns, if persist, could impact services demand negatively, put downward pressure on Q1FY22 core inflation and act as a balancing factor to emerging upside risks to inflation.
- On the yield curve management, the RBI will again assuage markets and continue to ensure that no premature tightening of financial conditions would happen and that the uptick in yields is managed smoothly. We expect the RBI to become more accountable and action oriented as we move into FY22. The RBI will continue to strive fixing the skewed yield curve and maintain its preference for curve flattening. We expect net OMO purchases to the tune of Rs 4.5-5tn in FY22 amid elevated supply, some natural normalization of liquidity in FY22 and shifting out of banks SLR demand.

### Assessing the incipient growth risks...

The last MPC policy in February focused largely on the tussle between markets and the RBI on elevated yields, emphasizing on its commitment to keeping policy accommodative for the foreseeable future and maintaining ample liquidity. While there has been some easing of tension in the bond markets in recent days (admittedly more owing to cancellation the last bond auction than the RBI's verbal interventions), the evolving macro situation probably needs more focus. The sense of growth comfort seen in the last policy amid improving capacity utilization and reviving consumer confidence would likely be reassessed in the upcoming policy. While we do not expect the MPC to revise down its FY22 growth forecast of 10.5% (Emkay: 10.5%), we reckon the policy tone in growth will be concerning amid the new wave of Covid and localized lockdown, which if takes a broad-based shape, could dent their Q1FY22 forecast of 26.2%. We note that Maharashtra, which has seen a stricter localized lockdown, contributes the most to national GDP (14% share). Lead indicators are also pointing to mild sequential moderation in activity. While it is too early to gauge the impact of the second wave on macro variables, we believe that the impact is unlikely to be of the same magnitude as last year as (1) a segment of the economy has already adapted to the new post-Covid normal, (2) the vaccination drive continues its traction, (3) revenue spending trends much better, (4) financial conditions are more stable, and (5) global growth, led by US, will have spillovers.

### ...while keeping an eye on evolving inflation risks

We expect the MPC to lower the Q4FY21 inflation forecast by 20-30bps, but the risks of 1) increasing input costs, 2) higher commodity prices, 3) seasonal upside in food prices and possible re-emergence of food supply disruptions due to localized lockdowns, and 4) better pricing power could prod MPC to relook at its FY22 inflation forecast. However, local lockdowns, if persist, could impact services demand negatively, put downward pressure on Q1FY22 core inflation and act as a balancing factor to emerging upside risks to inflation. Thus, there may not be much tinkering with inflation forecasts but reaffirmation of evolving both upside and downside risks.

### Liquidity management and smooth yield curve evolution to remain policy focus

In the upcoming policy, the RBI will continue to assuage markets on managing liquidity and the heavy Gsec borrowing schedule ahead. Consistent verbal interventions, however, have had a limited market impact so far. Thus, the RBI may continue to ensure that no premature tightening of financial conditions happens and that the uptick in yields is managed smoothly. We expect the RBI to get more accountable and action oriented as we move into FY22. We think the liquidity management will be calibrated well to ensure that the accommodative stance is maintained, money market skewness is tackled and pressure on the longer end of the curve is managed well. With elevated borrowings, policy rates likely having bottomed out and increasing global yields, the appetite for a duration risk on G-Sec will likely fade. Thus, RBI support in the form of vigorous OMOs/OT will be required to maintain the demand-supply balance and manage pressure on the longer end of the curve. Amid some natural normalization of liquidity in FY22 (CRR reversal, halving of BoP surplus to USD50bn, increasing CIC) and shifting out of banks SLR demand will mean that net OMO purchases could reach close to Rs4.5-5tn in FY22. The RBI will continue to strive fixing the skewed yield curve and maintain its preference for curve flattening. After all, a lower welfare cost of public debt may be needed when public funds are used for investments addressing growing economic externalities.

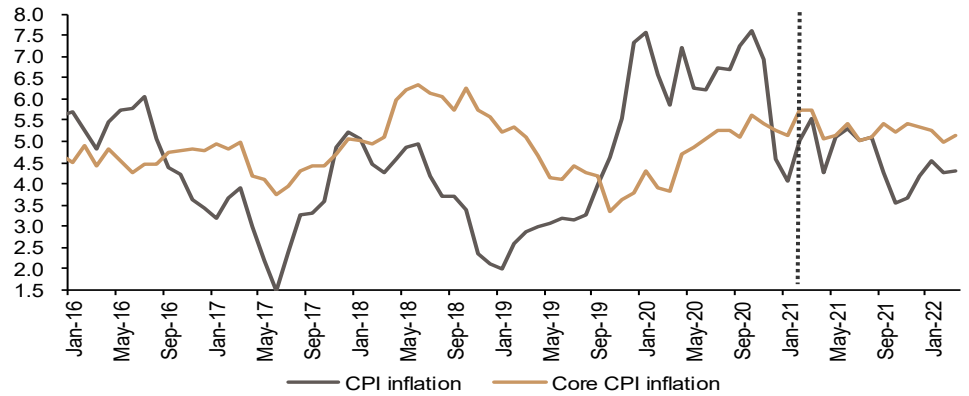
Please see our model portfolio (Emkay Alpha Portfolio): [Nifty \(page 3\)](#)

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

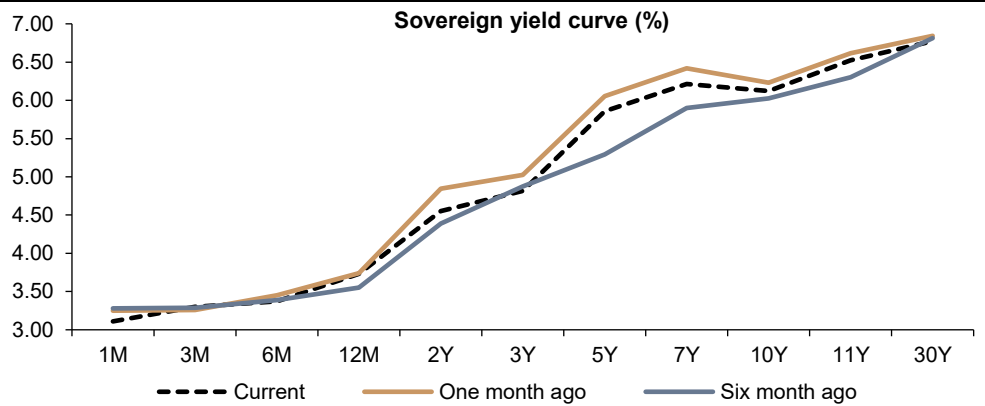
**Madhavi Arora**  
madhavi.arora@emkayglobal.com  
+91 22 6612 1341

### Key highlights:

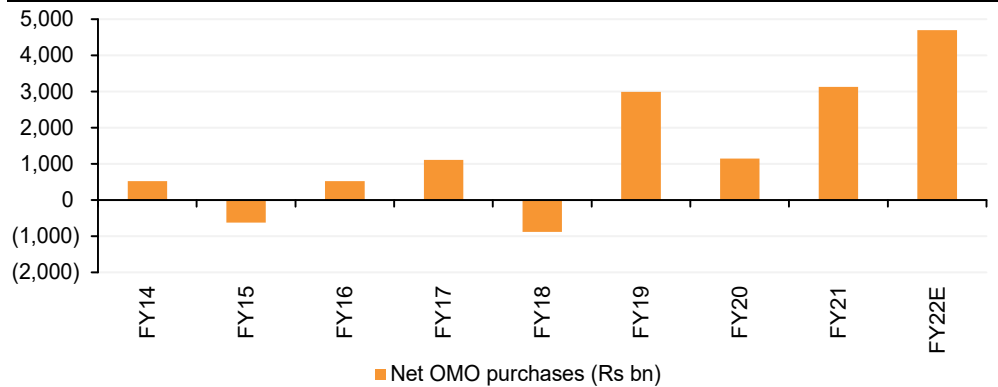
- MPC likely to sound concerned on the growth outlook and reassess its near-term growth forecast.
- Q4FY21 inflation forecast may be revised down by 20-30 bps but FY22 inflation outlook may remain worrisome.
- On the yield curve management, the RBI will again assuage markets of its presence as a balancing force
- RBI to get more accountable and action oriented in FY22 with OMOs worth Rs 4.5-5tn likely.

**Exhibit 1: CPI inflation likely to remain comfortably above 4% in FY22**

Source: MOSPI, Emkay Research estimates

**Exhibit 2: Yield curve still remains elevated despite RBI's constant verbal intervention**

Source: Bloomberg, Emkay Research

**Exhibit 3: We expect RBI to conduct OMOs worth Rs 4.5-5tn in FY22**

Source: Bloomberg, Emkay Research

## Emkay Alpha Portfolio – Nifty

### EAP-Nifty (25 stocks)

| Company Name                           | Nifty Weight | Nifty EAP Weight | OW/UW (%) | OW/UW (bps) |
|--|--------------|------------------|-----------|-------------|
| <b>Agri Input &amp; Chemicals</b>      | 0.56         | 0.00             | -100%     | -56         |
| UPL                                    | 0.56         | 0.00             | -100%     | -56         |
| <b>Auto &amp; Auto Ancillaries</b>     | 5.40         | 9.38             | 74%       | 398         |
| Bajaj Auto                             | 0.75         | 1.98             | 164%      | 123         |
| Eicher Motors                          | 0.57         | 1.61             | 182%      | 104         |
| Hero Motocorp                          | 0.60         | 0.60             | 1%        | 1           |
| Mahindra & Mahindra                    | 1.20         | 0.00             | -100%     | -120        |
| Maruti Suzuki India                    | 1.44         | 2.69             | 88%       | 126         |
| Tata Motors                            | 0.85         | 2.50             | 193%      | 164         |
| <b>BFSI-Banks</b>                      | 26.43        | 34.46            | 30%       | 803         |
| Axis Bank                              | 2.76         | 5.67             | 105%      | 291         |
| Bandhan Bank                           | 0.00         | 2.03             | NA        | 203         |
| HDFC Bank                              | 10.24        | 9.4              | -8%       | -85         |
| ICICI Bank                             | 6.34         | 7.37             | 16%       | 103         |
| Indusind Bank                          | 0.85         | 4.03             | 376%      | 319         |
| Kotak Mahindra Bank                    | 4.05         | 0.00             | -100%     | -405        |
| State Bank of India                    | 2.20         | 5.97             | 171%      | 377         |
| <b>BFSI-Insurance</b>                  | 1.45         | 2.08             | 43%       | 63          |
| HDFC Life                              | 0.91         | 0.00             | -100%     | -91         |
| SBI Life                               | 0.54         | 2.08             | 284%      | 154         |
| <b>BFSI-NBFCs</b>                      | 10.15        | 9.32             | -8%       | -83         |
| Bajaj Finserv                          | 0.92         | 0.00             | -100%     | -92         |
| Bajaj Finance                          | 2.15         | 0.00             | -100%     | -215        |
| Cholamandalam Investment               | 0.00         | 2.17             | NA        | 217         |
| HDFC                                   | 7.08         | 7.15             | 1%        | 7           |
| <b>Cement &amp; Building Materials</b> | 2.72         | 5.50             | 103%      | 279         |
| Grasim Industries                      | 0.87         | 1.48             | 70%       | 61          |
| Shree Cements                          | 0.62         | 1.71             | 176%      | 109         |
| Ultratech Cement                       | 1.22         | 2.31             | 89%       | 109         |
| <b>Consumer Goods &amp; Retail</b>     | 11.49        | 6.98             | -39%      | -451        |
| Asian Paints                           | 1.80         | 1.82             | 1%        | 2           |
| Britannia Industries                   | 0.67         | 0.00             | -100%     | -67         |
| Hindustan Unilever                     | 3.42         | 0.00             | -100%     | -342        |
| ITC                                    | 3.01         | 1.97             | -34%      | -103        |
| Nestle India                           | 0.96         | 0.00             | -100%     | -96         |
| Tata Consumer                          | 0.60         | 0.00             | -100%     | -60         |
| Titan Company                          | 1.02         | 2.12             | 107%      | 110         |
| United Breweries                       | 0.00         | 1.06             | NA        | 106         |
| <b>Engineering &amp; Capital Goods</b> | 2.70         | 2.24             | -17%      | -46         |
| Larsen & Toubro                        | 2.70         | 2.24             | -17%      | -46         |
| <b>Information Technology</b>          | 16.77        | 13.15            | -22%      | -362        |
| HCL Tech                               | 1.68         | 3.21             | 91%       | 154         |
| Infosys                                | 7.98         | 7.44             | -7%       | -54         |
| TCS                                    | 5.18         | 0.00             | -100%     | -518        |
| Tech Mahindra                          | 0.97         | 2.50             | 158%      | 153         |
| Wipro                                  | 0.96         | 0.00             | -100%     | -96         |
| <b>Metals &amp; Mining</b>             | 2.86         | 3.67             | 29%       | 81          |
| Coal India                             | 0.43         | 0.65             | 51%       | 22          |
| Hindalco                               | 0.75         | 1.48             | 97%       | 73          |
| JSW Steel                              | 0.71         | 0.00             | -100%     | -71         |
| Tata Steel                             | 0.96         | 1.54             | 60%       | 58          |
| <b>Oil &amp; Gas</b>                   | 11.78        | 4.68             | -60%      | -709        |
| BPCL                                   | 0.63         | 1.98             | 215%      | 135         |
| GAIL                                   | 0.00         | 0.40             | NA        | 40          |
| Indian Oil                             | 0.37         | 0.00             | -100%     | -37         |
| ONGC                                   | 0.59         | 0.59             | 1%        | 1           |
| Reliance Industries                    | 10.19        | 1.71             | -83%      | -848        |
| <b>Pharmaceuticals</b>                 | 3.26         | 3.86             | 18%       | 60          |
| Cadila Healthcare                      | 0.00         | 1.03             | NA        | 103         |
| Cipla                                  | 0.65         | 0.66             | 1%        | 1           |
| Divi's Lab                             | 0.73         | 0.00             | -100%     | -73         |
| Dr. Reddy's Lab                        | 0.86         | 1.64             | 91%       | 78          |
| Sun Pharma                             | 1.02         | 0.53             | -48%      | -49         |
| <b>Ports &amp; Logistics</b>           | 0.81         | 0.00             | -100%     | -81         |
| Adani Ports                            | 0.81         | 0.00             | -100%     | -81         |
| <b>Power</b>                           | 1.67         | 1.70             | 2%        | 4           |
| NTPC                                   | 0.80         | 0.82             | 3%        | 3           |
| Power Grid Corporation                 | 0.87         | 0.88             | 1%        | 1           |
| <b>Telecommunications</b>              | 1.97         | 2.96             | 51%       | 100         |
| <b>Cash</b>                            |              | <b>0.00</b>      |           |             |
| <b>Nifty</b>                           | <b>100.0</b> | <b>100.00</b>    |           |             |

Source: Emkay Research; Note: \*We have internally capped single stock exposure to 10% in our EAP

**Sector portfolio NAV**

|             | Base     |          |      |       |       | Latest    |
|-------------|----------|----------|------|-------|-------|-----------|
|             | 1-Apr-19 | 1-Apr-20 |      |       |       | 31-Mar-21 |
| EAP - Nifty | 100.0    | 69.7     | 91.3 | 112.1 | 122.7 | 121.0     |
| Nifty50     | 100.0    | 70.7     | 96.4 | 119.4 | 126.5 | 125.9     |

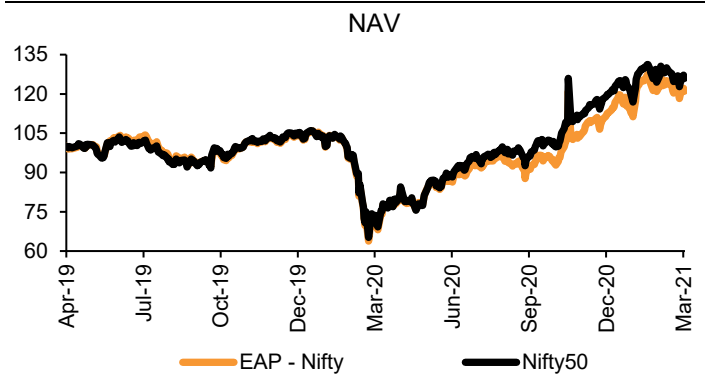
\*Performance measurement base date 1<sup>st</sup> April 2019

Source: Emkay Research

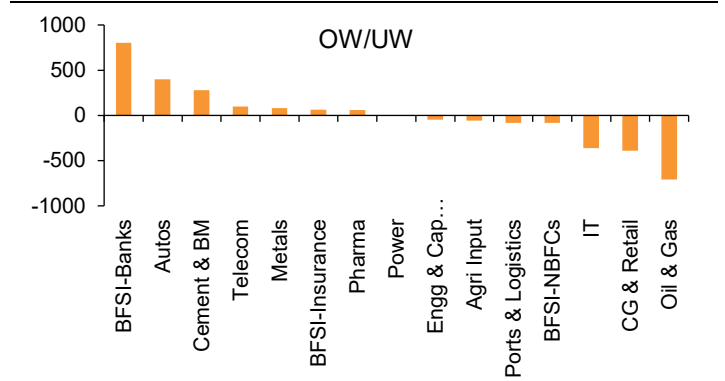
**Price Performance (%)**

|             | 1m    | 3m   | 6m    | 12m   |
|-------------|-------|------|-------|-------|
| EAP - Nifty | -1.4% | 7.9% | 32.6% | 73.6% |
| Nifty50     | -0.5% | 5.4% | 30.6% | 78.0% |

Source: Emkay Research

**NAV chart**

Source: Emkay Research

**Sector OW/UW**

Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

## Emkay Rating Distribution

| Ratings     | Expected Return within the next 12-18 months. |
|-------------|---|
| <b>BUY</b>  | Over 15%                                      |
| <b>HOLD</b> | Between -5% to 15%                            |
| <b>SELL</b> | Below -5%                                     |

Completed Date: 05 Apr 2021 22:39:30 (SGT)

Dissemination Date: 05 Apr 2021 22:40:30 (SGT)

Sources for all charts and tables are Emkay Research unless otherwise specified.

### GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX). EGFSL along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management, insurance broking and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. [www.emkayglobal.com](http://www.emkayglobal.com)

EGFSL is registered as Research Analyst with SEBI bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years, except that NSE had disabled EGFSL from trading on October 05, October 08 and October 09, 2012 for a manifest error resulting into a bonafide erroneous trade on October 05, 2012. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject EGFSL or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

- This publication has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research publication relating to any issuer.

- Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets

**Disclaimer for U.S. persons only:** This research report is a product of Emkay Global Financial Services Limited (Emkay), which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors.

**ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)**

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associate<sup>1</sup> does not serve as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests<sup>2</sup> in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

<sup>1</sup> An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

<sup>2</sup> Financial interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

**COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):**

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

1. EGFSL, its subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of April 5, 2021
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Research Report
- Disclosure of previous investment recommendation produced:**
3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have any material conflict of interest in the securities recommended in this report as of April 5, 2021.
5. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the April 5, 2021
6. EGFSL, its subsidiaries and/or other affiliates and Research Analyst have not received any compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
7. EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst have not received any compensation or other benefits from securities recommended in this report (subject company) or third party in connection with the research report.
8. Securities recommended in this report (Subject Company) has not been client of EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst during twelve months preceding the April 5, 2021

**RESTRICTIONS ON DISTRIBUTION**

|                                      |  |
|--------------------------------------|--|
| General                              | This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.   |
| Australia                            | This report is not for distribution into Australia.  |
| Hong Kong                            | This report is not for distribution into Hong Kong.  |
| Indonesia                            | This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.   |
| Malaysia                             | This report is not for distribution into Malaysia.   |
| Singapore                            | This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 16800306E) or DBSVS (Company Regn. No. 1860024G) both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an agreement under Regulation 32C of the financial Advisers Regulations. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.   |
| Thailand                             | This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.  |
| United Kingdom                       | This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom.<br>In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.  |
| Dubai International Financial Centre | This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6 <sup>th</sup> Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.   |
| United Arab Emirates                 | This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent. |
| United States                        | DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.   |
| Other jurisdictions                  | In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.  |

**Emkay Global Financial Services Ltd.**

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: [www.emkayglobal.com](http://www.emkayglobal.com)