

Consumer Finance

Consumer Finance Tidbits: Issue 24-06

Price Objective Change

High income spending trends a positive from Amex

In our latest spending trend report, we noted that February spend growth had rebounded in part due to leap day (see the report, [Credit card spending rebounds in February 13 March 2024](#)), according to BAC aggregated credit and debit card data. High earners, those making more than \$125K, had slightly stronger spending growth than the broader data set (2.4% y/y versus 2.2% y/y). Notably, the Bank of America Institute finds that spending among households at the highest end of the income distribution has accelerated more quickly. Total card spending for the three-month moving average, ending in February, was over twice as fast for households with incomes over \$600K than for those making over \$125K. The cohort is emblematic of an Amex cardholder, and we believe that the data is constructive for American Express' billings growth. See the latest Bank of America Institute Consumer Checkpoint ([No underlying leaps in February](#)) for more, and see BofA Global Research economists' report, [BofA on USA](#), for methodology, limitations, and disclaimers related to BAC aggregated credit and debit card data.

Building the mosaic: sector news

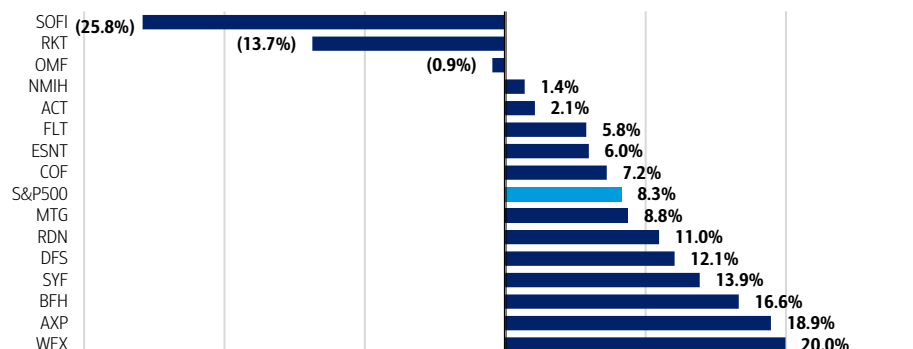
Late fee rule hits Federal Registry: The late fee rule was published in the Federal Registry on March 15, 2024. Based on our conversations with industry experts (including former CFPB), this was faster than what they had expected. The late fee rule would go into effect on May 14, 2024, barring a successful preliminary injunction, which (from our conversations) is expected.

American Airlines negotiates card programs: American Airlines announced that it is in discussion with existing partners, Citi and Barclays, to renegotiate its co-branded credit card programs. The company is looking to increase its revenue contribution from cards. Such moves are likely to put upward pressure on co-brand partner payments over the longer term as brands seek to extract higher economics from card partners.

BNPL adoption growth tempers: The Bank of America Institute finds (based on BAC internal data) that just under 9% of BAC deposit customers used BNPL in January. Usage is up 0.6pp from the prior year, which is lower than the 1.2pp y/y increase observed in January 2023.

Exhibit 1: Card issuers outperform YTD

Coverage universe stock performance year to date



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Timestamp: 18 March 2024 06:00AM EDT

18 March 2024

Equity
United States
Consumer Finance

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PO and estimate changes

See inside for changes to our PO (to \$8 from \$7) and estimates for Rocket Companies

Abbreviations

Amex: American Express

BAC: Bank of America

BNPL: Buy Now, Pay Later

CFPB: Consumer Finance Protection Bureau

K: thousand

PO: price objective

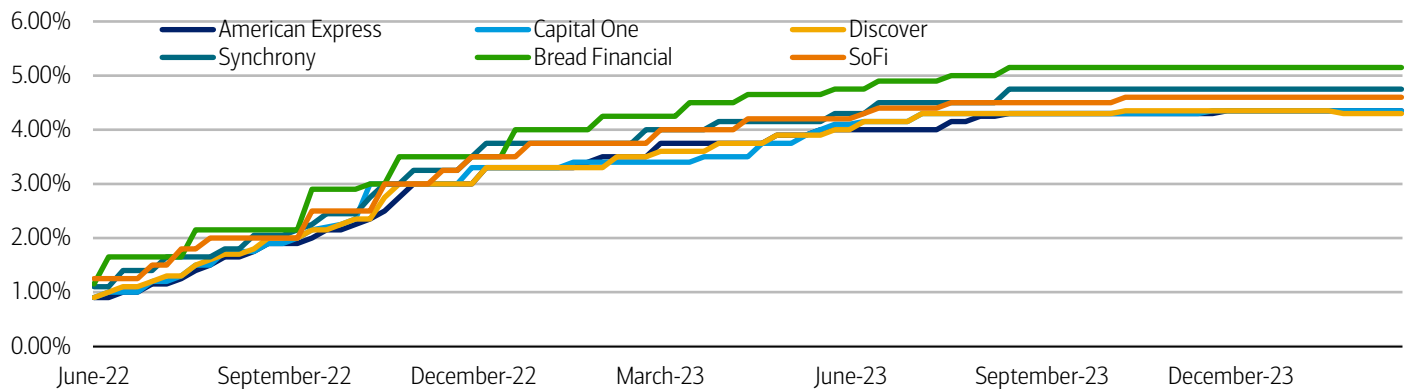
Source: Bloomberg

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Exhibit 2: Deposit pricing has been relatively stable over the last five months

Online savings account interest rates

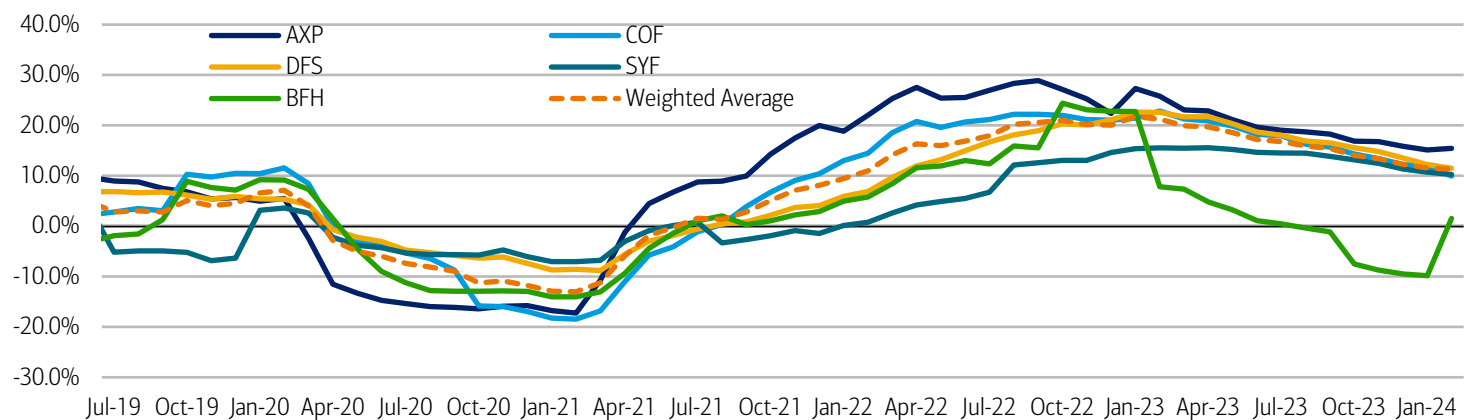


Source: Company websites

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Exhibit 3: Loan growth remains strong but has begun to slow on a y/y basis; BFH is down y/y

y/y loan growth

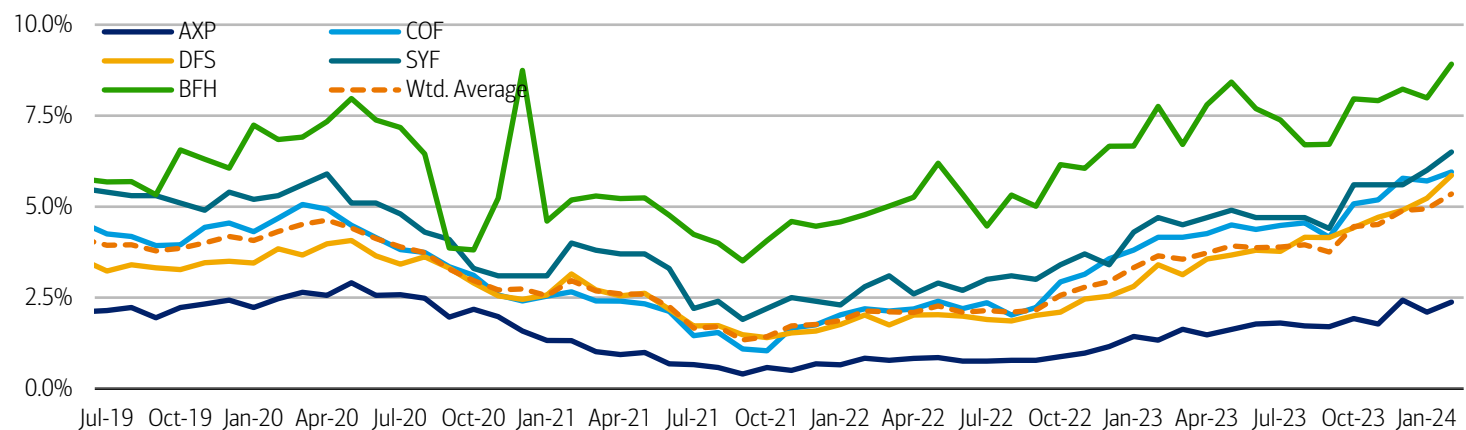


Source: BofA Global Research estimates, company reports. AXP = American Express, BFH = Bread Financial, COF = Capital One, DFS = Discover, SYF = Synchrony.

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Exhibit 4: Net charge-off rates are climbing, AXP remains below pre-pandemic levels

Net charge-off rates on domestic card loans



Source: BofA Global Research estimates, company reports

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Estimate and PO changes

Underperform-rated Rocket Companies (RKT): We tweak our 2024/2025 estimates for RKT to \$0.39/\$0.46 from \$0.38/\$0.45 as we account for 10-K data. We increase our PO to \$8 (from \$7), now based on a 20x multiple to 2024e EPS (from 19x prior) as the mortgage backdrop becomes slightly more constructive. We think that there could be meaningful EPS upside potential for RKT if the mortgage refinance environment turns more favorable.

Consumer finance dashboard

In aggregate, consumer finance metrics remain solid by most measures (Exhibit 5). The unemployment rate is currently strong but weakened 20bps m/m in February, which was worse than Bloomberg consensus (3.8% estimate). Fed officials and BofA Global Research economists still expect a soft landing with a benign unemployment outlook – our economists expect unemployment to peak at 4.1% in 2025. Adjusted retail and food sales and credit card balances are up on a y/y basis as consumers continue to spend amid higher inflation. That said, inflation has been moderating, which has helped drive consumer confidence up on a y/y basis, but consumer confidence did fall sequentially in February.

Exhibit 5: Consumer finance dashboard

Key metrics for employment, income, spending, and lending are mixed

Item	Most recent	Reading	YoY Change	MoM Change
Employment				
Unemployment Rate	2/29/2024	3.9%	+30bps	+20bps
Initial Jobless Claims	3/8/2024	209	-5.4%	-0.9%
Continuing Jobless Claims	3/1/2024	1,811	8.8%	0.4%
Non-Farm Payrolls (000s)	2/29/2024	157,808	1.8%	0.2%
Income				
Average Hourly earnings (y/y change)	2/29/2024	4.30%	-40bps	-10bps
Personal Income	1/31/2024	23,615	+480bps	+100bps
New Bankruptcy Cases - Nonbusiness filings	12/31/2023	109,377	19.0%	NA
Spending and lending				
Adj. Retail and Food Service Sales	2/29/2024	701	+150bps	+60bps
Consumer Confidence	2/29/2024	77	14.9%	-2.7%
Revolving credit balances (\$B)	2/28/2024	1,042	9.8%	-0.5%
Rates				
30-year Mortgage rate	3/14/2024	7.09%	-0bps	-2bps
30-year Mortgage rate - MBS coupon spread	3/15/2024	1.12%	+6bps	-16bps

Source: BofA Global Research, Bloomberg, Census Bureau, Federal Reserve, Labor Department, Administrative office of US Courts

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Our EPS forecasts versus consensus

Exhibit 6 and 7 highlight BofA Global Research forecasts versus consensus for the current quarter and 2024. In 1Q24, for card issuers, we are above on a lower reserve rate. For WEX and FleetCor (FLT), we are below on lower revenue contribution from fuel. For mortgage insurers, we are mostly lower due to reserve release assumptions. And we are mostly in line for RKT.

Exhibit 6: 1Q24 forecasts

BofA Global Research versus consensus

Ticker	BofAe Current Q	Bloomberg Current Q	BofA-Bb
Credit Card Issuers			
AXP	\$3.00	\$2.98	\$0.02
COF	\$3.58	\$3.29	\$0.29
DFS	\$2.94	\$3.06	(\$0.13)
SYF	\$1.64	\$1.47	\$0.17
BFH	\$3.48	\$3.32	\$0.16
Mortgage Insurers			
ACT	\$0.94	\$0.96	(\$0.02)
ESNT	\$1.54	\$1.60	(\$0.06)
MTG	\$0.63	\$0.61	\$0.03
NMIH	\$0.98	\$0.99	(\$0.01)
RDN	\$0.75	\$0.86	(\$0.11)
Fleet Cards			
FLT	\$4.10	\$4.10	(\$0.00)
WEX	\$3.45	\$3.47	(\$0.02)
Other			
OMF	\$1.64	\$1.44	\$0.21
SOFI	\$0.00	\$0.01	(\$0.01)
Mortgage Originators			
RKT	\$0.02	\$0.01	\$0.01

Source: BofA Global Research estimates, Bloomberg

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Exhibit 7: 2024 forecasts

BofA Global Research versus consensus

Ticker	BofAe 2024	Bloomberg 2024	BofA-Bb
Credit Card Issuers			
AXP	\$13.01	\$12.86	\$0.15
COF	\$13.75	\$13.97	(\$0.22)
DFS	\$10.61	\$11.02	(\$0.41)
SYF	\$5.55	\$5.55	\$0.00
BFH	\$8.20	\$7.07	\$1.13
Mortgage Insurers			
ACT	\$3.86	\$3.79	\$0.07
ESNT	\$6.52	\$6.61	(\$0.09)
MTG	\$2.47	\$2.47	\$0.01
NMIH	\$4.17	\$4.11	\$0.06
RDN	\$3.08	\$3.42	(\$0.34)
Fleet Cards			
FLT	\$19.30	\$19.39	(\$0.09)
WEX	\$16.24	\$16.23	\$0.01
Other			
OMF	\$6.15	\$5.88	\$0.27
SOFI	\$0.06	\$0.07	(\$0.01)
Mortgage Originators			
RKT	\$0.39	\$0.32	\$0.07

Source: BofA Global Research estimates, Bloomberg

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Exhibit 8: Relative valuation

Comp sheet

Ticker	Rating	3/15/2024 Stock Price	PO	QRQ	Upside / Downside	Div. yield	BofAe P/E 2024	BofAe P/E 2025	'23-'25 Rev CAGR	'23-'25 EPS CAGR	Current P/BV	Current P/TBV	2024 ROE
Credit card issuers													
AXP	Buy	\$218.01	\$247.00	B-1-7	13.3%	1.2%	16.8x	14.6x	10%	16%	5.6x	N/A	31%
COF	Buy	\$136.23	\$152.00	B-1-7	11.6%	1.9%	9.9x	8.5x	5%	13%	0.9x	1.4x	9%
DFS	No Rating	\$120.49		-6-	N/A	2.4%	11.4x	10.1x	3%	3%	2.0x	2.1x	16%
SYF	Neutral	\$41.83	\$43.00	B-2-7	2.8%	2.4%	7.5x	6.9x	2%	8%	1.3x	1.5x	19%
BFH	Neutral	\$36.83	\$40.00	C-2-7	8.6%	2.3%	4.5x	3.4x	-4%	-13%	0.6x	0.8x	13%
Mortgage Insurers													
ACT	Buy	\$29.22	\$35.00	B-1-7	19.8%	3.9%	7.6x	7.4x	3%	-2%	1.0x	1.0x	13%
ESNT	Buy	\$55.33	\$60.00	B-1-7	8.4%	2.0%	8.5x	7.6x	11%	6%	1.2x	1.2x	13%
MTG	Buy	\$20.98	\$22.50	B-1-7	7.2%	2.2%	8.5x	8.2x	2%	1%	1.1x	1.1x	13%
NMIH	Buy	\$30.00	\$38.00	B-1-9	26.7%	0.0%	7.2x	6.6x	10%	9%	1.3x	1.3x	16%
RDN	Underperform	\$31.20	\$28.00	B-3-7	-10.3%	3.1%	10.1x	10.0x	3%	-10%	1.1x	1.1x	14%
Fleet Cards													
FLT	Buy	\$295.09	\$326.00	B-1-9	10.5%	0.0%	15.3x	13.1x	8%	15%	6.4x	N/A	42%
WEX	Buy	\$234.15	\$267.00	B-1-9	14.0%	0.0%	14.4x	12.7x	7%	11%	5.4x	N/A	23%
Other													
OMF	Buy	\$48.34	\$51.00	C-1-7	5.5%	8.3%	7.9x	6.2x	7%	20%	1.8x	3.9x	23%
SOFI	Neutral	\$7.03	\$9.50	C-2-9	35.2%	0.0%	119.2x	16.2x	22%	N/A	1.3x	2.0x	0%
Mortgage Originators													
RKT	Underperform	\$12.28	\$8.00	C-3-9	-34.8%	0.0%	32.3x	27.3x	21%	N/A	2.9x	3.4x	8%

Source: BofA Global Research estimates, Bloomberg

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Price objective basis & risk

American Express Company (AXP)



Our \$247 price objective is based on a 16.5x multiple to our 2025 EPS forecast. The 16.5x PE multiple is on the higher end of the historical range (12-18x) for AXP, which we think is appropriate given the growth outlook and strong operating momentum it is experiencing.

Downside risks to our PO are weaker-than-expected macroeconomic conditions, softer consumer and business spending, weaker loan growth, increasing competition, weaker US consumer credit performance, disruptions in capital markets, or an increasing regulatory burden.

Bread Financial Holdings Inc (BFH)

Our \$40 PO is based on a 0.9x multiple to current book value. We believe more investors are looking at BFH through a book value lens given potential profitability challenges if the CFPB's late fee rule was to come into effect. We view a book value of <1.0 as appropriate in such a backdrop.

Downside risks to our price objective are: an economic downturn, which could lead to elevated loan loss rates, increased defaults, higher credit costs and slower loan growth. Deteriorating economic conditions would likely hurt investor sentiment and drive valuations lower. Loss of retail partners also poses a risk to growth and the earnings outlook.

Capital One Financial (COF)

Our \$152 PO is based on a 9.5x PE multiple to our 2025 EPS forecast. A 9.5x PE multiple is in the middle of the historical range (7-12x) which we think is appropriate given the more optimistic macro outlook and strong loan growth, partially offset by rising credit costs.

Downside risks are: slower than expected revolving credit growth, faltering economic recovery and rising loan losses, which could drive earnings below our estimates, and result in valuation compression. Cybersecurity and regulations are also risks.

Discover Financial (DFS)

We have removed the investment opinion on the company's stock. Investors should no longer rely on our previous opinion or price objective.

Enact Holdings (ACT)

Our \$35 PO is based on a 9x PE multiple to our 2024 EPS forecast. A 9x PE multiple is at the high-end of the historical range for mortgage insurers (6x-11x) and reflects the current favorable backdrop for housing credit, as well as, ACT's strong book value growth, and the more resilient business model.

Downside risks to our price objective are an economic downturn, which could lead to elevated defaults on mortgages and fewer mortgage originations, increased competitive pressures and price competition from private and / or government competitors. Changes to the regulatory environment could also impact future returns. Genworth's large concentrated ownership stake limits float and could be a risk.

Essent Group (ESNT)

Our \$60 PO is based on a 9x PE multiple to our 2024 EPS forecast. A 9x PE is at the high end of recent range for mortgage insurers (6-11x forward PE) and reflects ESNT's cost discipline, lower tax rate, strong capital position, and the favorable housing backdrop.

Downside risks to our price objective are an economic downturn, which could lead to elevated defaults on mortgages and fewer mortgage originations, increased competitive pressures and price competition from private and / or government competitors. Changes

to the regulatory environment could also impact future returns. Successful M&A integration could also be a risk.

FleetCor Technologies Inc. (FLT)

We calculate our price objective of \$326 based on a 14.5x multiple to our 2025 non-GAAP EPS estimate. Our PE multiple is approximately a 20% discount to the S&P, which we view as warranted given fuel exposure and potential for idiosyncratic risks, slightly offset by FleetCor's strong fundamentals and upside potential from capital deployment.

Downside risks to our price objective are 1) weakening macro environment reduces demand for trucking/fuel, 2) increased competition, and 3) large fluctuations in fuel prices/foreign exchanges rates.

MGIC Investment Corp. (MTG)

Our \$22.50 PO is based on an 9x PE multiple to our 2024 EPS forecast. A 9x PE multiple is at the high-end of the historical range for mortgage insurers (6x-11x) and reflects the current favorable backdrop for housing credit, as well as, MTG's strong book value growth and capital return potential.

Downside risks to our price objective are an economic downturn, which could lead to elevated defaults on mortgages and fewer mortgage originations, increased competitive pressures and price competition from private and / or government competitors. Changes to the regulatory environment could also impact future returns.

NMI Holdings (NMIH)

Our \$38 price objective is based on a 9x P/E multiple to our 2024 EPS forecast. A 9x multiple is at the higher end of the range for MI companies (6-11x) reflecting the favorable housing credit backdrop.

Downside risks to our price objective are an economic downturn, a weaker housing credit backdrop, increased competitive intensity, and regulatory changes.

OneMain Holdings, Inc. (OMF)

Our \$51 price objective is based on a 6.5x multiple of our 2025 EPS forecast. The 6.5x PE multiple is in the middle of the historical range (4-8x), which is an approximate 20% discount to peers trading at 8x. We think that this valuation is justified given OMF's subprime exposure heading into a weakening macro environment.

Downside risks to our price objective are deterioration in credit, execution risk on the credit card portfolio, macroeconomic risk, regulatory risk, and a dividend cut.

Radian Group Inc (RDN)

Our \$28 PO is based on an 9x PE multiple to our 2024 EPS forecast. A 9x PE multiple is in line with the recent range for mortgage insurance (MI) stocks (6-11x) and reflects the solid operating backdrop for mortgage insurance, somewhat offset by execution risk from the homegenius segment.

Upside risks to our price objective are stronger than expected economic growth, fewer loan delinquencies and strong housing credit performance which could lead to elevated new business written and fewer mortgage defaults. Execution in the homegenius segment could also be better than forecast and lead to higher / faster profit growth.

Downside risks to our price objective are an economic downturn, which could lead to elevated defaults on mortgages and fewer mortgage originations, increased competitive pressures and price competition from private and / or government competitors. Changes to the regulatory environment could also impact future returns. Successful M&A integration could also be a risk.

Rocket Companies, Inc. (RKT)

Our \$8 PO is based on a 20x PE multiple to our 2024 EPS forecast. A 20x PE multiple is slightly above mortgage comps currently trading at 19x, which we think is warranted by RKT's superior technology and brand, somewhat offset by a smaller refinance market.

Downside risks to our PO are: 1) lower-than-forecast origination volumes or gain-on-sale margins, 2) macroeconomic risk from a weaker-than-expected recovery or a downturn in the housing market, 3) regulatory changes, 4) execution risk, and 5) complex ownership structure and limited float.

Upside risks to our PO are: higher-than-forecast mortgage origination volumes or gain-on-sale margins, a stronger-than-expected housing market backdrop, and faster market share gains than expected. There is also risk RKT utilizes its strong balance sheet for M&A, dividends, and buybacks, which could improve sentiment and valuation for the shares.

SoFi Technologies Inc (SOFI)

Our \$9.50 price objective is based on a sum-of-the-parts of 2x current tangible book value and 6x on Technology segment's 2024 net revenue. 2x TBV reflects SOFI's faster growth and 6x to Technology net revenue is in-line with its closest peer.

Risks are dependence on volatile gain-on-sale (GoS) margins, execution risk, consumer credit / recession risk, customer concentration risk and regulation / consumer data privacy concerns.

Synchrony Financial (SYF)

Our \$43 PO is based on a 7x P/E multiple on 2025E EPS. Our multiple is on the low end of the typical trading range for SYF (6-12x), which we think is appropriate given the relatively uncertain macro backdrop and rising credit costs, execution risk on late fee mitigants, somewhat balanced by the potential for high capital returns.

Downside risks to our price objective are an economic downturn, which could lead to elevated loan loss rates, increased defaults, higher credit costs and slower loan growth. Deteriorating economic conditions would likely hurt investor sentiment and drive valuations lower. Loss of retail partners also poses a risk to growth and earnings outlook.

Upside risks are: Consumer balance sheets continue to hold strength and credit metrics remain strong. Increased visibility in peak loss rates shifts investor sentiment. Federal reserve achieves a soft landing. Outsized capital return.

WEX Inc. (WEX)

We calculate our price objective of \$267 based on 14.5x our 2025 non-GAAP EPS estimate. Our PE multiple is a 20% discount to the S&P, which we view as warranted given fuel exposure and potential for business cyclicalities slightly offset by WEX's strong fundamentals and favorable long-term trends.

Downside risks to our price objective are 1) weakening macro environment reduces demand for trucking/fuel, 2) increased competition, 3) large fluctuations in fuel prices/foreign exchange rates, 4) travel volumes remain muted.

Analyst Certification

I, Mihir Bhatia, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.



US - Payments, Processors, Specialty Finance and IT services Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Accenture Plc	ACN	ACN US	Jason Kupferberg
	American Express Company	AXP	AXP US	Mihir Bhatia
	Block Inc	SQ	SQ US	Jason Kupferberg
	Capital One Financial	COF	COF US	Mihir Bhatia
	Enact Holdings	ACT	ACT US	Mihir Bhatia
	Essent Group	ESNT	ESNT US	Mihir Bhatia
	Fidelity National Information Services	FIS	FIS US	Jason Kupferberg
	Fiserv Inc	FI	FI US	Jason Kupferberg
	FleetCor Technologies Inc.	FLT	FLT US	Mihir Bhatia
	Flywire	FLYW	FLYW US	Jason Kupferberg
	Global Payments Inc	GPN	GPN US	Jason Kupferberg
	Jack Henry & Associates	JKHY	JKHY US	Jason Kupferberg
	Marqeta	MQ	MQ US	Cassie Chan
	Mastercard Inc	MA	MA US	Jason Kupferberg
	MGIC Investment Corp.	MTG	MTG US	Mihir Bhatia
	NMI Holdings	NMIH	NMIH US	Mihir Bhatia
	Nuvei	NVEI	NVEI US	Jason Kupferberg
	Nuvei	YNVEI	NVEI CN	Jason Kupferberg
	OneMain Holdings, Inc.	OMF	OMF US	Mihir Bhatia
	Shift4 Payments, Inc	FOUR	FOUR US	Jason Kupferberg
	Telus International	TIXT	TIXT US	Cassie Chan
	Telus International	YTIXT	TIXT CN	Cassie Chan
	Visa Inc.	V	V US	Jason Kupferberg
	WEX Inc.	WEX	WEX US	Mihir Bhatia
NEUTRAL				
	ADP	ADP	ADP US	Jason Kupferberg
	Affirm Holdings	AFRM	AFRM US	Jason Kupferberg
	Bread Financial Holdings Inc	BFH	BFH US	Mihir Bhatia
	DLocal	DLO	DLO US	Jason Kupferberg
	Globant SA	GLOB	GLOB US	Jason Kupferberg
	PayPal Holdings Inc	PYPL	PYPL US	Jason Kupferberg
	SoFi Technologies Inc	SOFI	SOFI US	Mihir Bhatia
	Synchrony Financial	SYF	SYF US	Mihir Bhatia
	Thoughtworks	TWKS	TWKS US	Jason Kupferberg
	Toast	TOST	TOST US	Jason Kupferberg
	TTEC Holdings	TTEC	TTEC US	Cassie Chan
UNDERPERFORM				
	CGI Inc.	GIB	GIB US	Jason Kupferberg
	CGI Inc.	YGIBA	GIB/A CN	Jason Kupferberg
	Cognizant Technology Solutions	CTSH	CTSH US	Jason Kupferberg
	Coinbase	COIN	COIN US	Jason Kupferberg
	DXC Technology	DXC	DXC US	Jason Kupferberg
	EPAM Systems	EPAM	EPAM US	Jason Kupferberg
	Paychex	PAYX	PAYX US	Jason Kupferberg
	Radian Group Inc	RDN	RDN US	Mihir Bhatia
	Rocket Companies, Inc.	RKT	RKT US	Mihir Bhatia
	TaskUs	TASK	TASK US	Cassie Chan
	Western Union	WU	WU US	Jason Kupferberg

Disclosures

Important Disclosures

Equity Investment Rating Distribution: Financial Services Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	156	53.79%	Buy	94	60.26%
Hold	72	24.83%	Hold	48	66.67%
Sell	62	21.38%	Sell	35	56.45%

Equity Investment Rating Distribution: Technology Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	215	53.09%	Buy	111	51.63%
Hold	97	23.95%	Hold	45	46.39%
Sell	93	22.96%	Sell	24	25.81%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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