

Canara Bank | BUY

Another strong quarter, NIM surprises positively

Canara Bank (CBK) delivered another healthy quarter with PAT up 8% YoY (+4% versus JMFe) as strong NII and lower credit costs offset weak treasury income. NII growth was healthy at 20% YoY/8% QoQ (+5% versus JMFe) with reported NIM up 3bps QoQ to 2.55% as yields rose faster than CoF. Loan growth remained strong at 20% YoY/6.5% QoQ led by overseas advances, while domestic advances grew 17% YoY/4.8% QoQ was broad-based across retail, MSME and agriculture. Deposit rose 13% YoY/5% QoQ supported by FCNR-B mobilisation of ~USD 5.8bn. Lagged deposit growth pushed global C/D ratio to 80.2% (+485bps YoY). Asset quality remained benign with gross/net slippage ratios broadly flat QoQ, GNPA/NNPA improving 24bps/7bps QoQ to 1.33%/0.30% and calculated credit cost easing to 0.54%. Management retained their FY27 growth guidance, but expects to exceed it. We are upgrading CBK to BUY with a TP of INR 150 (from INR 142) on cheap valuations and improving fundamentals. The stock has been flat over the past year despite ~14% BV growth; insurance fee income is only ~2% of FY26 PBT (versus 5% for our coverage), so the IRDAI paper is a smaller risk here. We raise FY27E/28E EPS by 6%/5%, expect RoA/RoE of ~1%/17.6% over FY27–29E and value the core bank at 0.9x FY28E ABV (unchanged).

- **Broad-based loan growth overseas advances the key driver:** Advances grew 20.4%YoY/6.5% QoQ, aided by a 58% YoY/28% QoQ jump in overseas advances. Domestic advances growth of 17% YoY/4.8% QoQ was broad-based, led by agriculture (+14% YoY/10.2%QoQ), MSME (+15% YoY/5.2%QoQ) and retail (+32% YoY/3.3% QoQ). Deposit grew 13% YoY/5% QoQ supported by mobilisation of ~USD 5.8bn (INR 550bn) in FCNR(B) deposits. Lagged deposit growth pushed global C/D ratio to 80.2% (+485bps YoY). Management chose not to raise FY27 guidance, but expects to beat it. We build in loan/deposit growth of 16%/14% over FY26–29.
- **NII beat and benign provisions offset the treasury drag:** Operating profit growth was tepid at 2% YoY/1% QoQ as strong NII growth (20% YoY/8% QoQ, +5% JMFe) was offset by a sharp drop in profit on sale of investments (-87% YoY, due to yields hardening) and muted fee growth. Opex grew only 5% YoY (-4% JMFe). PAT rose 8% YoY (+4% JMFe) aided by a 24% YoY decline in provisions. Reported NIMs increased marginally by 3bps QoQ to 2.55% as yields rose faster than CoF. Rise in yields was aided by better yields on gold loans, partially offset by lower yields on loans extended against FCNR(B) deposits, which carry a thinner spread. The bank expects to sustain NIM around 2.5–2.6%.
- **Asset quality continues to be benign:** Gross/net slippage ratios were broadly flat QoQ at 0.58%/0.23%, GNPA/NNPA improved 24bps/7bps QoQ and calculated credit cost eased to 0.54% (-13bps QoQ). Total SMA on exposures ≥INR 50mn fell to 0.51% (versus 0.58% in Q1FY27) with SMA-2 at 0.21% (0.27% in Q1FY27). Management raised one-time ECL estimate to INR 120–150bn, including HTM mark-to-market, and plans to phase it over about two years.
- **JMF view and valuation:** CBK offers good growth momentum, steady margins and improving asset quality. It is also well-placed among peers on the IRDAI paper's impact on insurance fee income with insurance contributing only 2.2% of PBT (versus 5.1% for our coverage). The stock has been flat over the past year despite a ~14% increase in BV. Given cheap valuations and improving fundamentals, we upgrade Canara to BUY with a TP of INR 150 (INR 142 earlier). We raise FY27E/28E EPS by 6%/5% and expect RoA/RoE of ~1%/17.6% over FY27–29E with the ECL transition the key swing factor. We value the core bank at 0.9x FY28E ABV (unchanged).

Financial Summary					(INR mn)
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Profit	170,267	192,051	203,112	233,497	269,285
Net Profit (YoY) (%)	17.0	12.8	5.8	15.0	15.3
PPOP (YoY) (%)	6.7	5.2	5.8	19.0	15.7
Loan (YoY) (%)	12.6	16.3	19.0	16.0	14.0
Deposit (YoY) (%)	9.0	9.7	14.0	14.0	13.0
ROA (%)	1.1	1.1	1.0	1.0	1.0
ROE (%)	19.9	19.2	17.6	17.6	17.6
EPS (INR)	18.8	21.2	22.4	25.7	29.7
EPS (YoY) (%)	17.0	12.8	5.8	15.0	15.3
P/E (x)	6.6	5.9	5.6	4.8	4.2
BV (INR)	103.0	117.9	135.9	156.5	180.3
BV (YoY) (%)	20.0	14.5	15.2	15.2	15.2
P/BV (x)	1.2	1.1	0.9	0.8	0.7

Source: Company data, JM Financial. Note: Valuations as of October 14, 2026



Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	ADD
Current Price Target (12M)	150
Upside/(Downside)	20.0%
Previous Price Target	142
Change	5.6%

Key Data – CBK IN

Current Market Price	INR125
Market cap (bn)	INR1,131.7/US\$11.9
Free Float (%)	31.8
Shares in issue (mn)	9,070.7
Diluted share (mn)	9,070.7
3-mon avg daily val (mn)	INR2,106.2/US\$22.2
52-week range	INR163/117
Sensex/Nifty	72,782/22,623
INR/US\$	95.2

Price Performance

%	1M	6M	12M
Absolute	0.6	-10.1	-0.4
Relative*	3.4	-5.1	12.3

*To the NSE Nifty 50

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JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Q2FY27 conference call takeaways

Guidance

- Management reiterated that they prefer outperforming existing guidance rather than formally revising it and have already exceeded almost all FY27 guidance parameters except CASA.
- On NIM outlook, the bank expects to sustain NIM around 2.55%; 53% of the loan book is already repriced and further repricing plus strong retail margins should help maintain current levels.
- Regarding ECL one-time impact, management currently estimates a provision requirement of about INR 120–150bn, including HTM mark-to-market, depending on yield levels at the time of transition.
- They indicated this one-time ECL impact would likely be phased over about two years (regulatory leeway is up to five years) so as not to materially dent RoA, credit cost or capital ratios.
- On steady-state post-ECL, management believes overall profitability metrics (RoA, credit cost) should remain broadly intact as higher provisions would be offset by improving asset quality and lower slippages.

Growth

- Within RAM, RAM advances grew ~21.03% YoY; retail alone grew 31.61%, housing loans up ~17.35% and vehicle loans up ~25.50%.
- MSME advances rose ~15.49%, reflecting broad-based growth across segments.
- Agriculture book is about INR 3.04tn, of which gold-agriculture is ~INR 1.74tn and core agriculture is INR 1.29–1.30tn. Core agriculture grew close to 9% and overall agriculture saw strong sequential growth.
- Total gold loans stand at INR 2.82tn, split between agriculture (~INR 1.74tn) and non-agriculture retail (~INR 1.08tn) with strong traction across both.
- The bank has a large corporate pipeline of INR 470–500bn, mainly in green energy, battery storage, power evacuation, data centres and some HAM/infrastructure projects, supporting visibility for future growth.
- For the festive quarter, management sees very strong demand for retail lending products and given Canara's brand strength in Karnataka, Tamil Nadu, Kerala and other southern states, they expect a good quarter with sustained broad-based growth.

Margins

- Incremental yield on corporate loans is about 7.72% and gold loan yields have improved from ~8.96% to ~9.10% QoQ, with potential for further upside as rates harden.
- Retail lending is particularly lucrative – management highlighted retail margins around 8.65% (earnings yield), helping to support overall NIM.
- The bank mobilised ~USD 5.8bn of FCNR(B) deposits (around INR 550bn), largely replacing higher-cost bulk deposits; FCNRB was raised at roughly 100bps lower cost than prevailing bulk rates, reducing overall deposit cost.
- Bulk deposits and CDs were consciously kept flat QoQ (~INR 4.37–4.38tn) while deploying FCNRB, thereby lowering the cost of deposits and saving on CRR/SLR costs, since FCNRB does not attract these statutory requirements.
- The FCNR(B) leverage book of about USD 3.2bn carries a spread of only 40–50bps, which slightly moderates NIM, but management expects this to be compensated by robust NII growth and strong core lending yields.

Asset quality

- Gross NPA has improved to 1.33%, already better than the full-year guidance of 1.50%; net NPA is ~0.30%, versus guidance of ~0.40%.
- PCR has been strengthened by about 100bps YoY and now stands at a very high 95.34%, giving strong loss-absorption capacity.
- Credit cost is significantly below guidance, against a guided 0.75%; the bank is running at around 0.47%, supported by lower slippages and better recoveries.
- Slippages for the quarter were INR 18.44bn, with segment-wise contributions of ~INR 6.87bn (agriculture), INR 0.13bn (corporate), INR 0.40bn (gold), INR 7.77bn (MSME) and ~INR 3.27bn (retail), showing no unusual concentration.
- On a full-year basis, annualised slippage ratio is only ~0.58%, improved by ~18 bps, reflecting better underwriting and recovery.
- SMA (stress) indicators remain very benign – for exposures of INR 50 mn and above, total SMA (0/1/2) is just 0.51% of the book (~INR 70bn), with SMA-2 only 0.21% (~INR 28.38bn). For all ticket sizes, aggregate SMA (0/1/2) is 2.42% (~INR 333.40bn), with SMA-2 ~0.90%, SMA-1 ~0.53% and SMA-0 ~0.99%.
- Management explicitly stated that they do not perceive any stress in the book, even including SMA-0, and slippages are consistently lower than recoveries.
- Exposure to drought-affected areas (mainly parts of Maharashtra and Karnataka) is limited to about INR 130–140bn. These loans may see restructuring/dispensation (moratorium, rescheduling, additional support) through SLBC, but overall impact on asset quality is expected to be modest.

Others

- About 80% of the investment book is in HTM, ~15% in AFS and ~4% in HFT/other, limiting P&L volatility; AFS MTM flows into reserves, while only the small HFT portion hits profit and loss.
- Estimated AFS loss for the quarter is ~INR 13bn, adjusted through AFS reserves, not the P&L.
- The bank expects to sell Canara Bank Factors, where the total bank investment was ~INR 140mn and expected realisation is about 4x that amount, unlocking value.
- Management expects limited near-term MDR/UPI revenue, given caps and current modest penetration of their PSP platform; today they mostly bear switching/usage charges to other networks.

Exhibit 1: Q2FY27 result snapshot

(INR bn)	Q2FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)	Q2FY27E	A/E (%)
Net Interest Income	91	102	110	20%	8%	105	5%
Non-interest income	71	67	58	-18%	-14%	65	-11%
Total Income	162	169	168	4%	-1%	170	-1%
Opex	76	83	80	5%	-3%	83	-4%
Operating Profit	86	86	88	2%	1%	86	2%
Provisions	24	21	18	-24%	-14%	20	-12%
PBT	62	66	70	12%	6%	66	6%
Tax	15	17	18	23%	6%	16	13%
PAT	48	49	52	8%	7%	50	4%
Yield on Advances (%)	8.4%	7.9%	8.1%	(27) bps	21 bps		
CoF (%)	5.6%	5.2%	5.3%	(27) bps	11 bps	5.3%	7 bps
NIM (Calc. %)	2.14%	2.21%	2.26%	13 bps	5 bps	2.2%	10 bps
NIM (Reported %)	2.50%	2.52%	2.55%	5 bps	3 bps		
Loan (INR bn)	11,301	12,777	13,608	20.4%	6.5%	13,570	0.3%
Deposit (INR bn)	15,003	16,117	16,973	13%	5%	16,972	0%
C/D ratio	75.3%	79.3%	80.2%	485 bps	90 bps	80.0%	22 bps
Gross slippage (%)	0.76%	0.58%	0.58%	(18) bps	0 bps	0.64%	(6) bps
Net Slippage (%)	0.36%	0.21%	0.23%	(13) bps	2 bps	0.38%	(15) bps
GNPA (%)	2.35%	1.57%	1.33%	(102) bps	(24) bps	1.37%	(4) bps
NNPA (%)	0.54%	0.36%	0.30%	(24) bps	(7) bps	0.32%	(2) bps
PCR	77.4%	77.14%	77.85%	46 bps	71 bps	77.00%	85 bps
Credit cost (%)	0.85%	0.67%	0.54%	(31) bps	(13) bps	0.61%	(7) bps
ROA (%)	1.09%	1.02%	1.05%	(5) bps	3 bps	1.01%	3 bps
ROE (%)	18.0%	16.7%	17.1%	(86) bps	38 bps	16.4%	65 bps

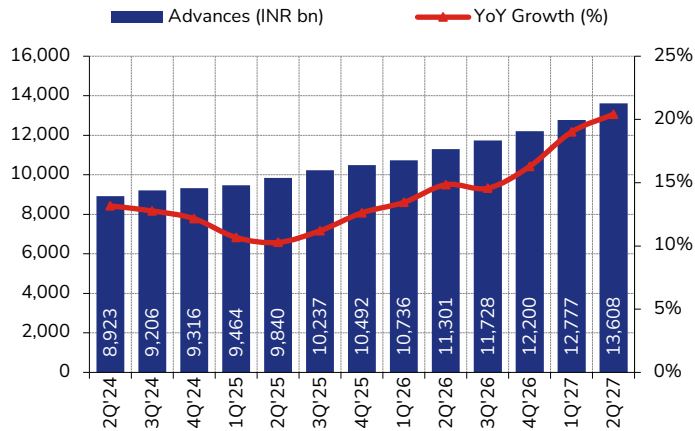
Source: Company, JM Financial

Exhibit 2: Loan book mix

Loan Book Composition (INR bn)	Q2FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)
Infrastructure Advances	1,451	1,253	1,316	-9.3%	5.0%
MSME	1,538	1,688	1,776	15.5%	5.2%
Retail	2,512	3,199	3,306	31.6%	3.3%
Agriculture	2,662	2,760	3,041	14.3%	10.2%
Others	3,348	4,034	4,311	28.8%	6.9%
Total Gross advances	11,510	12,934	13,751	19.5%	6.3%
Infrastructure Advances	13%	10%	10%	-3.0%	-0.1%
MSME	13%	13%	13%	-0.4%	-0.1%
Retail	22%	25%	24%	2.2%	-0.7%
Agriculture	23%	21%	22%	-1.0%	0.8%
Others	29%	31%	31%	2.3%	0.2%
Total	100%	100%	100%		

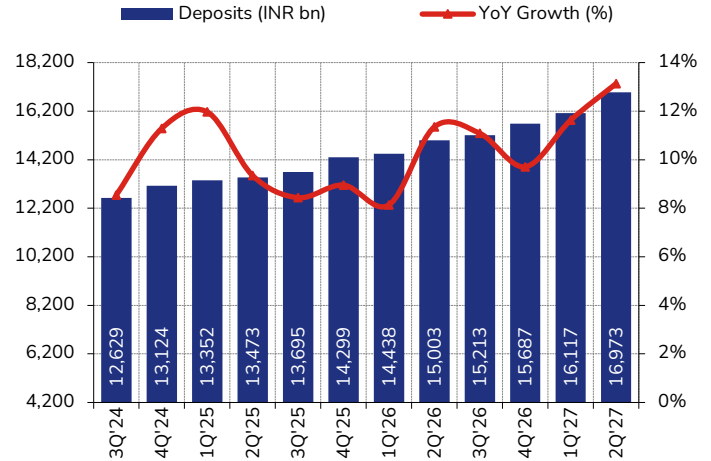
Source: Company, JM Financial

Exhibit 3: Trends in advances



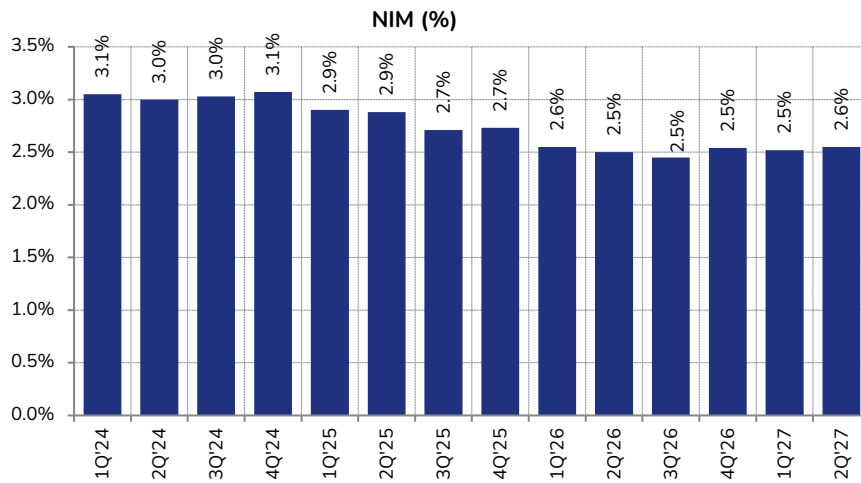
Source: Company, JM Financial

Exhibit 4: Trends in deposits



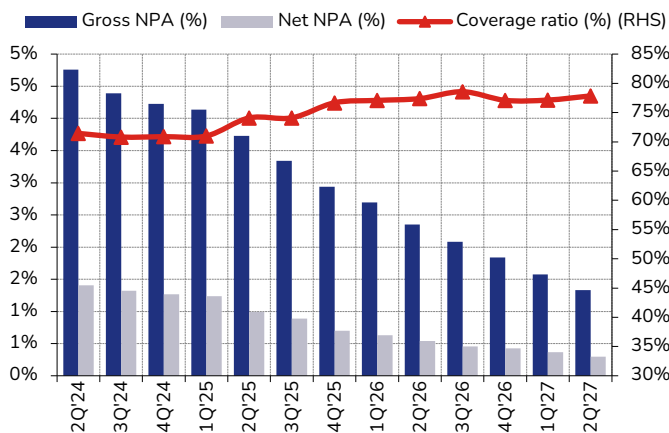
Source: Company, JM Financial

Exhibit 5: Trends in reported NIMs



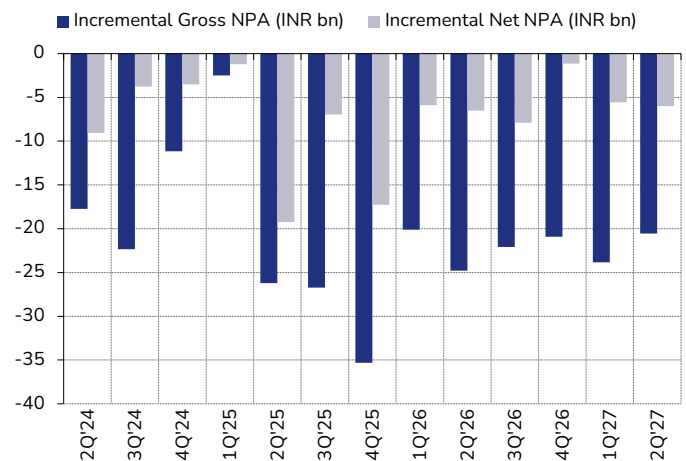
Source: Company, JM Financial

Exhibit 6: Trends in asset quality



Source: Company, JM Financial

Exhibit 7: Trends in incremental GNPA/NNPA



Source: Company, JM Financial

Valuation and 12M TP

The SotP valuation is summarised below:

Exhibit 8: SotP valuation

Canara Bank SOTP	Holding (%)	Valuation Methodology	Value per Share	Contribution to TP
Canara Bank - Parent	100%	0.9x fwd FY28E ABV	140	94%
Canfin Homes	30%	Based on market cap	3	2%
Canara HSBC Life	37%	Based on market cap	5	3%
Canara Robeco AMC	38%	Based on JM TP	3	2%
Less: Cost of investments			-2	-1%
Total (INR)			150	100%

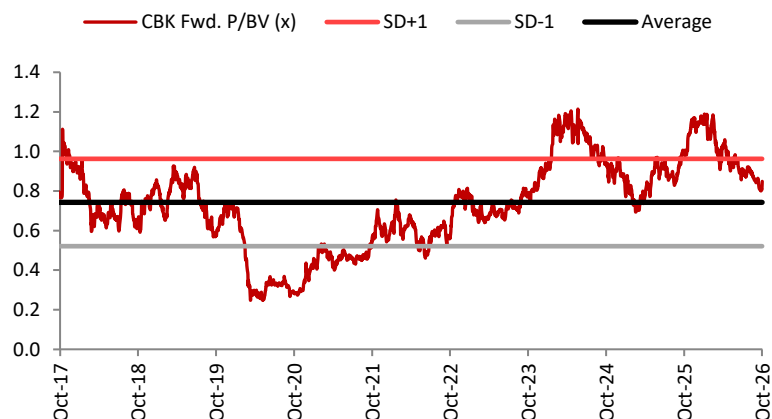
Source: Company, JM Financial

Exhibit 9: Changes in estimates

Old vs. New Estimates	FY27E, Old	FY27E, New	Change	YoY	FY28E, Old	FY28E, New	Change	YoY
Income Statement (INR mn)								
Net Interest Income	4,27,990	4,45,289	4.0%	19.6%	4,93,324	5,31,347	7.7%	19.3%
Non-Interest Income	2,48,017	2,37,143	-4.4%	-11.6%	2,64,697	2,51,241	-5.1%	5.9%
Total Income	6,76,007	6,82,432	1.0%	6.5%	7,58,021	7,82,589	3.2%	14.7%
Operating Expenses	3,36,728	3,32,941	-1.1%	7.3%	3,63,398	3,66,859	1.0%	10.2%
Pre-provisioning Profits	3,39,279	3,49,491	3.0%	5.8%	3,94,623	4,15,729	5.3%	19.0%
Reported Profits	1,91,266	2,03,112	6.2%	5.8%	2,21,960	2,33,497	5.2%	15.0%
Balance Sheet (INR bn)								
Deposits	17,412	17,883	2.7%	14.0%	19,502	20,387	4.5%	14.0%
Net Advances	13,847	14,518	4.8%	19.0%	15,647	16,841	7.6%	16.0%
Total Assets	21,188	21,560	1.8%	14.9%	24,083	24,855	3.2%	15.3%
Key Ratios (%)								
NIM (%)	2.19%	2.26%	0.07%	0.11%	2.23%	2.31%	0.08%	0.06%
ROA (%)	0.96%	1.01%	0.05%	-0.07%	0.98%	1.01%	0.03%	0.00%
ROE (%)	16.7%	17.6%	1.0%	-1.52%	16.9%	17.6%	0.7%	-0.04%
EPS (INR.)	21.1	22.4	6.2%	5.8%	24.5	25.7	5.2%	15.0%
BV (INR.)	134.8	135.9	0.8%	15.2%	154.4	156.5	1.3%	15.2%

Source: Company, JM Financial

Exhibit 10: One year forward P/B valuation band



Source: Company, JM Financial

CBK - Financial Tables (Standalone)

Income Statement (INR mn)					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Interest Income	370,720	372,287	445,289	531,348	623,113
Profit on Investments	26,657	53,207	10,000	9,000	10,000
Exchange Income	8,285	14,713	16,920	19,459	22,377
Fee & Other Income	20,521	21,388	21,388	22,886	24,716
Non-Interest Income	224,528	268,380	237,143	251,241	273,208
Total Income	595,248	640,667	682,432	782,589	896,321
Operating Expenses	281,345	310,297	332,941	366,859	415,189
Pre-provisioning Profits	313,903	330,370	349,491	415,729	481,132
Loan-Loss Provisions	-	-	-	-	-
Provisions on Investments	-12,189	-1,580	1,000	-	-
Others Provisions	599	9,512	11,500	1,500	1,500
Total Provisions	87,635	81,119	78,675	104,400	122,086
PBT	226,267	249,251	270,816	311,329	359,046
Tax	56,000	57,200	67,704	77,832	89,762
PAT (Pre-Extraordinaries)	170,267	192,051	203,112	233,497	269,285
Extra ordinaries (Net of Tax)	-	-	-	-	-
Reported Profits	170,267	192,051	203,112	233,497	269,285
Dividend paid	36,283	38,097	40,291	46,318	53,417
Retained Profits	133,985	153,954	162,821	187,179	215,867

Source: Company, JM Financial

Key Ratios					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Growth (YoY) (%)					
Deposits	9.0	9.7	14.0	14.0	13.0
Advances	12.6	16.3	19.0	16.0	14.0
Total Assets	13.2	11.8	14.9	15.3	14.7
NII	1.4	0.4	19.6	19.3	17.3
Non-interest Income	18.4	19.5	-11.6	5.9	8.7
Operating Expenses	7.7	10.3	7.3	10.2	13.2
Operating Profits	6.7	5.2	5.8	19.0	15.7
Core Operating profit	-9.5	-17.0	53.6	37.3	23.3
Provisions	-9.7	-7.4	-3.0	32.7	16.9
Reported PAT	17.0	12.8	5.8	15.0	15.3
Yields / Margins (%)					
Interest Spread	3.13	2.82	2.83	2.83	13.70
NIM	2.73	2.44	2.53	2.59	2.63
Profitability (%)					
Non-IR to Income	37.7	41.9	34.7	32.1	30.5
Cost to Income	47.3	48.4	48.8	46.9	46.3
ROA	1.08	1.08	1.01	1.01	1.01
ROE	19.9	19.2	17.6	17.6	17.6
Asset Quality (%)					
Slippages	0.93	0.68	0.67	0.80	0.80
Gross NPA	2.94	1.84	1.08	1.13	1.17
Net NPAs	0.69	0.43	0.25	0.26	0.27
Provision Coverage	77.0	77.1	77.0	77.0	77.0
Specific LLP	0.88	0.71	0.59	0.67	0.68
Net NPAs / Networth	7.8	4.9	2.9	3.1	3.2
Capital Adequacy (%)					
Tier I	14.4	14.6	14.5	14.3	14.2
CAR	16.3	17.0	16.6	16.2	15.9

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Equity Capital	18,141	18,141	18,141	18,141	18,141
Reserves & Surplus	916,361	1,051,445	1,214,266	1,401,445	1,617,312
Networth	934,503	1,069,587	1,232,408	1,419,586	1,635,453
Deposits	14,298,622	15,686,782	17,882,930	20,386,542	23,036,792
Borrowings	1,166,861	1,552,877	2,054,696	2,581,418	3,264,363
Other Liabilities	382,372	458,535	389,754	467,705	561,246
Total - Liabilities	16,782,358	18,767,780	21,559,788	24,855,250	28,497,854
Investments	3,821,794	4,034,146	4,425,665	5,290,232	6,066,520
Net Advances	10,491,550	12,200,175	14,518,208	16,841,122	19,198,878
Cash & Equivalents	-	-	-	-	-
Fixed Assets	37,653	41,465	48,372	55,766	63,938
Other Assets	377,959	428,961	363,174	37,387	120,496
Total - Assets	16,782,358	18,767,780	21,559,788	24,855,250	28,497,854

Source: Company, JM Financial

Dupont Analysis					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
NII / Assets	2.35	2.09	2.21	2.29	2.34
Other Income / Assets	1.42	1.51	1.18	1.08	1.02
Total Income / Assets	3.77	3.60	3.38	3.37	3.36
Cost / Assets	1.78	1.75	1.65	1.58	1.56
PPP / Assets	1.99	1.86	1.73	1.79	1.80
Provisions / Assets	0.55	0.46	0.39	0.45	0.46
PBT / Assets	1.43	1.40	1.34	1.34	1.35
Tax rate	24.7	22.9	25.0	25.0	25.0
ROA	1.08	1.08	1.01	1.01	1.01
RoRWAs	2.42	2.45	2.28	2.28	2.29
Leverage	18.5	17.7	17.5	17.5	17.5
ROE	19.9	19.2	17.6	17.6	17.6

Source: Company, JM Financial

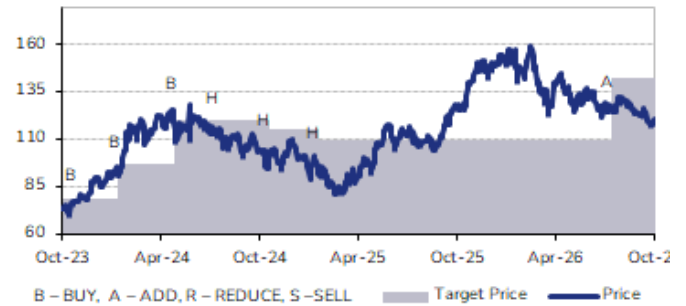
Valuations					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Shares in Issue (mn)	9,070.7	9,070.7	9,070.7	9,070.7	9,070.7
EPS (INR)	18.8	21.2	22.4	25.7	29.7
EPS (YoY) (%)	17.0	12.8	5.8	15.0	15.3
PER (x)	6.6	5.9	5.6	4.8	4.2
BV (INR)	103.0	117.9	135.9	156.5	180.3
BV (YoY) (%)	20.0	14.5	15.2	15.2	15.2
ABV (INR)	101.3	116.4	134.4	155.0	-
ABV (YoY) (%)	19.6	14.9	15.4	15.4	-100.0
P/BV (x)	1.21	1.06	0.92	0.80	0.69
P/ABV (x)	1.23	1.07	0.93	0.80	-
DPS (INR)	4.0	4.2	4.4	5.1	5.9
Div. yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

CBK – Recommendation history table

Date	Recommendation	Target Price	% Change
28-Jul-26	ADD	142	29.1
28-Jan-25	HOLD	110	-4.3
29-Oct-24	HOLD	115	-4.2
26-Jul-24	HOLD	120	0.0
8-May-24	BUY	120	23.7
24-Jan-24	BUY	97	22.8
27-Oct-23	BUY	79	0.0
24-Jul-23	BUY	79	6.5
8-May-23	BUY	74	4.5
24-Jan-23	BUY	71	26.8
20-Oct-22	BUY	56	5.7
26-Jul-22	BUY	53	-11.7
7-May-22	BUY	60	0.0
27-Jan-22	BUY	60	13.2
27-Oct-21	BUY	53	17.8
11-Oct-21	BUY	45	32.4
31-Jan-21	HOLD	34	

CBK – Recommendation history chart



APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

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