

AU Small Finance Bank | BUY

Strong growth continues; slippages uptick warrants watch

AU SFB reported a healthy Q2FY27, with PAT growing 53% YoY (+2% JMFe), driven by in-line NII growth of 32% YoY and a 25% YoY decline in provisions. Deposit growth was solid at 29% YoY/8% QoQ despite marginal FCNR(B) mobilisation led by 11% QoQ growth in CASA deposits. Loan growth was also strong at 28% YoY/7% QoQ driven by commercial banking and wheels alongside a pickup in unsecured segments. Reported NIM eased ~9bps QoQ to 5.8%, which management attributed to higher average investments and an extra day count. Asset quality held stable: Gross/net slippages rose 24/18bps QoQ on seasonal tractor billing but improved 70/42bps YoY, and GNPA improved 11bps QoQ while NNPA rose 5bps QoQ as PCR fell 440bps following the alignment of write-off policies. Management reiterated cross cycle credit cost of 90–100bps and remains watchful for any emerging stress. AU SFB continues to deliver industry-leading growth with credit cost comfortably within guidance; however, we think the NIM trajectory in a rising-rate environment and the bank's high reliance on insurance income (14% of PBT versus ~5% for our banks coverage), amid the RBI's consultation paper, are key variables to monitor. We forecast an average RoA/RoE of 1.7%/17% over FY27–29E and maintain BUY with a revised TP of INR 1,110 (INR 1,165 earlier), valuing the bank at 3.0x FY28E P/BV (3.1x FY28E P/BV earlier).

- **Growth broad-based; deposit momentum strong:** Advances grew 28% YoY/7% QoQ led by commercial banking (+8% QoQ) and retail assets (+5% QoQ), with wheels up 6% QoQ. Retail growth was also supported by pickup in MFI, credit cards and personal loans. Gold loans grew only 4% QoQ while mortgages remain the laggard at 12% YoY/2% QoQ. Deposit grew a solid 29% YoY/8% QoQ despite minimal FCNR mobilisation, led by strong CASA growth (11% QoQ). We build in average loan/deposit growth of ~22% over FY27–29E.
- **In-line operating performance:** NII grew 32% YoY, in line with our estimates. Reported NIM eased ~9bps QoQ which management attributed to higher average investments and an extra day count. Non-interest income grew only 8% YoY despite core fees rising 16% YoY. Opex rose 26% YoY/7% QoQ on continued investments in distribution, manpower and branding. Provisions fell 25% YoY supported by stable/improving asset quality across segments, while a 440bps QoQ fall in PCR indicates lower provisioning intensity. This led to PAT growth of 53% YoY (+2% JMFe).
- **Asset quality stable; higher slippages on account of seasonality:** Gross/net slippage ratio rose 24/18bps QoQ driven by half-yearly tractor billing (tractors are 12–13% of the wheels book) and related seasonality but improved 70/42bps YoY. GNPA improved 11bps QoQ but NNPA rose 5bps QoQ to 0.81% as PCR fell 440bps to 59.7% which management attributed this to aligning write-off policies across unsecured and 2W portfolios. Management saw no stress through September but remains watchful and reiterated cross cycle credit cost of 90–100bps.
- **JMF view and valuation:** AU SFB delivered another quarter of ~25%+ balance sheet growth with improving profitability. Its deposit franchise is clearly scaling, with CASA gaining traction without FCNR support. With credit cost comfortably within guidance, the key variables to watch now are the NIM trajectory in a rising-rate environment and the bank's high exposure to insurance income (~14% of PBT versus ~5% for our banks' coverage) amid the RBI's consultation paper. We forecast an average RoA/RoE of 1.7%/17% over FY27–29E and maintain BUY with a revised TP of INR 1,110 (INR 1,165 earlier), valuing the bank at 3.0x FY28E P/BV (3.1x FY28E P/BV earlier).



Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	INR1,110
Upside/(Downside)	19.0%
Previous Price Target	INR1,165
Change	-4.7%

Key Data – AUBANK IN

Current Market Price	INR933
Market cap (bn)	INR701.3/US\$7.4
Free Float (%)	73.4
Shares in issue (mn)	751.8
Diluted share (mn)	751.8
3-mon avg daily val (mn)	INR1,819.4/US\$19.2
52-week range	INR1,145/832
Sensex/Nifty	73,124/22,600
INR/US\$	94.9

Price Performance

%	1M	6M	12M
Absolute	-6.7	-12.5	8.4
Relative*	-5.7	-8.2	24.9

*To the NSE Nifty 50

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Financial Summary

	(INR mn)				
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Profit	21,059	26,412	34,691	44,081	55,646
Net Profit (YoY) (%)	9.0	25.4	31.3	27.1	26.2
PPOP (YoY) (%)	45.6	11.1	26.3	28.4	25.1
Loan (YoY) (%)	25.2	25.4	24.0	21.1	20.4
Deposit (YoY) (%)	27.2	22.8	25.5	20.7	19.9
ROA (%)	1.5	1.5	1.6	1.7	1.7
ROE (%)	13.1	14.2	16.0	17.3	18.4
EPS (INR)	28.3	35.3	46.4	58.9	74.4
EPS (YoY) (%)	8.7	24.8	31.3	27.1	26.2
P/E (x)	33.0	26.4	20.1	15.8	12.5
BV (INR)	230.6	266.9	311.4	368.0	439.4
BV (YoY) (%)	14.2	15.8	16.7	18.2	19.4
P/BV (x)	4.0	3.5	3.0	2.5	2.1

Source: Company data, JM Financial. Note: Valuations as of October 23, 2026

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

- Expects deposit growth to remain at or above loan growth, targeting ~25% YoY deposit growth.
- Reiterated through-the-cycle credit cost guidance of 90–100bps; H1FY27 credit costs of ~74bps provide headroom for potential normalisation.
- Expects the cost-to-assets ratio to improve YoY in FY27, supported by operating leverage and productivity gains.

Growth

- Strong CASA mobilisation: Current account balances grew 55% YoY and savings account balances 23%; new premium CASA account acquisition increased 45% YoY.
- Commercial banking remains a key growth engine, supported by expansion across commercial and institutional banking segments.
- Continued expansion of the distribution network, with 45 new deposit branches and 100+ asset centres added during the quarter.
- Gold-loan AI-based origination is scaling, with over 2,500 loans disbursed across 40 branches through the agentic AI loan-origination system.

Margins

- Remains focused on strengthening the liability franchise despite a competitive deposit environment and tight system liquidity.
- Maintains a term-deposit pricing premium of 80–100bps versus peers to support deposit mobilisation.
- Loan spreads broadly stable, with a 9bps decline in loan yields largely offset by a 7bps decline in cost of funds.
- Operating expenses rose 26% YoY, reflecting higher disbursement volumes and continued investments in distribution, technology and branding; expects cost-to-assets to improve over the full year.

Asset quality

- MFI collection efficiency remained healthy at 99.6%, with 99% of the portfolio covered under the CGFMU guarantee scheme.
- Cautioned against comparing Q1 and Q2 slippages sequentially, given tractor-billing seasonality linked to crop cycles.
- No material stress has emerged in the data so far; remains comfortable with the quality of the secured portfolio.

Others

- AI-led productivity: Lead platforms and voice AI contributed to 5% of Q2 disbursements, delivering ~50% operating cost savings on the relevant automated customer-coverage journey.
- AI-based scorecard underwriting enabled over INR 5bn of unsecured disbursements during the quarter.
- Scaling agentic AI applications beyond gold loans to mortgages and commercial loans, while redesigning five priority back-office and control functions around AI-native workflows.
- Received SEBI approval to provide UPI sponsorship services under the ASBA framework, strengthening its capital-markets and transaction-banking proposition.
- ICRA upgraded the bank's credit-rating outlook to Positive from Stable, while reaffirming its long-term rating at AA.
- Strengthened senior leadership, including appointments to lead commercial and institutional banking and the risk function.

Key trends: Q2FY27

Exhibit 1: Result summary

(INR bn)	2QFY26	1QFY27	2QFY27	YoY (%)	QoQ (%)	2QFY27E	A/E (%)
Interest Income	45.1	53.0	56.1	24%	6%	55.4	1%
Interest Expenses	23.7	26.1	27.9	18%	7%	27.6	1%
Net Interest Income	21.4	27.0	28.2	32%	5%	27.8	2%
Total non-Interest income	7.1	6.9	7.7	8%	12%	7.8	-1%
Core Fee Income	6.3	6.8	7.4	16%	8%	7.5	-2%
Total Income	28.6	33.8	35.9	26%	6%	35.6	1%
Core Income	27.8	33.8	35.6	28%	5%	35.3	1%
Opex	16.5	19.5	20.8	26%	7%	20.7	1%
Operating Profit	12.1	14.4	15.1	25%	5%	14.9	2%
Core Operating Profit	11.3	14.3	14.8	31%	4%	14.6	1%
Provisions	4.8	3.7	3.6	-25%	-3%	3.8	-5%
PBT	7.3	10.6	11.5	58%	8%	11.1	4%
Tax	1.7	2.7	3.0	77%	11%	2.7	9%
PAT	5.6	8.0	8.6	53%	8%	8.4	2%
NIM calc (%)	5.1%	5.5%	5.4%	34 bps	(7) bps	5.5%	(7) bps
Loan (INR bn)	1,157	1,386	1,485	28%	7%	1,483	0%
Deposit (INR bn)	1,325	1,577	1,705	29%	8%	1,705	0%
Credit-deposit ratio (%)	87%	88%	87%	(20) bps	(73) bps	87%	14 bps
Gross NPA (INR bn)	28.4	29.5	29.9	5%	1%	29.8	0%
Net NPA (INRbn)	10.2	10.6	12.1	19%	14%	10.7	12%
Credit cost (%)	1.7%	1.1%	1.00%	(70) bps	(9) bps	1.1%	(5) bps
PCR %	64%	64%	60%	(451) bps	(439) bps	64%	(433) bps
Gross Slippages (INR bn)	9.1	8.0	9.1	0%	14%	7.5	21%
Net Slippages (INR bn)	5.2	4.3	5.1	-2%	18%	3.3	54%
Gross slippages ratio (%)	3.3%	2.4%	2.6%	(70) bps	24 bps	2.2%	45 bps
Net slippages ratio (%)	1.9%	1.3%	1.5%	(42) bps	18 bps	1.0%	52 bps
ROAA (%)	1.4%	1.6%	1.7%	30 bps	4 bps	1.6%	3 bps
ROAE (%)	12.4%	15.6%	16.1%	365 bps	49 bps	15.8%	31 bps

Source: Company, JM Financial

Exhibit 1: Gross advances composition

Total Loan Portfolio Composition (INR bn)	2QFY26	1QFY27	2QFY27	YoY (%)	QoQ (%)
Retail Assets	921.0	1,071.2	1,123.6	22%	5%
- Wheels	406.3	486.2	517.5	27%	6%
- Mortgage-Backed loans	397.6	433.2	443.6	12%	2%
- Gold Loans	23.5	45.5	47.4	102%	4%
- Microfinance	64.6	74.9	79.3	23%	6%
- Credit cards	22.6	22.5	24.0	6%	7%
- Personal Loans	6.5	9.0	11.8	81%	31%
Commercial Banking	254.5	327.9	353.6	39%	8%
Business Banking	159.1	187.3	199.1	25%	6%
Renewables	16.8	30.5	36.2	116%	NA
EEFI	41.1	57.8	62.5	52%	8%
Real Estate Group (REG)	37.5	52.3	55.8	49%	7%
- Others	53.3	43.5	60.6	14%	39%
- SME (rundown)	-	-	-	NA	NA
Total Loan Portfolio	1,228.8	1,442.5	1,537.7	25%	7%

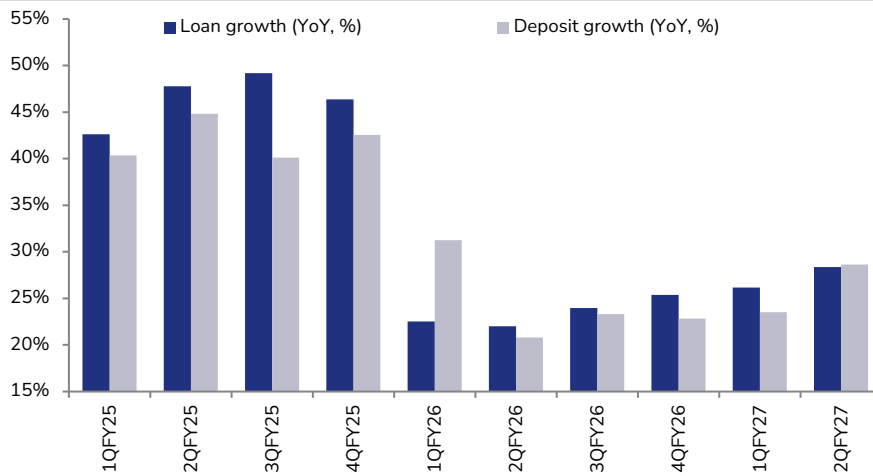
AUM mix (%)	2QFY26	1QFY27	2QFY27	YoY (%)	QoQ (%)
Retail Assets	75.0%	74.3%	73.1%	(189) bps	(119) bps
- Wheels	33.1%	33.7%	33.7%	59 bps	(5) bps
- Mortgage-Backed loans	32.4%	30.0%	28.8%	(351) bps	(118) bps
- Gold Loans	1.9%	3.2%	3.1%	117 bps	(7) bps
- Microfinance	5.3%	5.2%	5.2%	(10) bps	(3) bps
- Credit cards	1.8%	1.6%	1.6%	(28) bps	0 bps
- Personal Loans	0.5%	0.6%	0.8%	24 bps	14 bps
Commercial Banking	20.7%	22.7%	23.0%	228 bps	26 bps
Business Banking	12.9%	13.0%	12.9%	0 bps	(4) bps
Agri Banking	0.0%	0.0%	NA	NA	NA
Renewables	1.4%	NA	2.4%	99 bps	NA
EEFI	3.3%	4.0%	4.1%	72 bps	6 bps
Real Estate Group (REG)	3.1%	3.6%	3.6%	58 bps	0 bps
- Others	4.3%	3.0%	3.9%	(40) bps	93 bps
- SME (rundown)	0.0%	0.0%	0.0%	0 bps	0 bps
Total Loan Portfolio	100.0%	100.0%	100.0%		

Source: Company, JM Financial

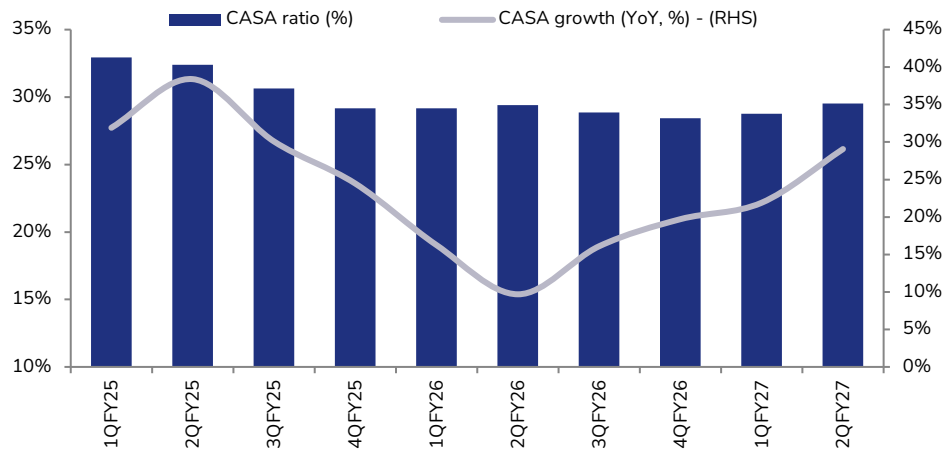
Exhibit 2: Deposit composition

Deposits Composition (INR bn)	2QFY26	1QFY27	2QFY27	YoY (%)	QoQ (%)
Current	75.6	85.0	116.9	55%	38%
Saving	314.0	369.0	386.0	23%	5%
CASA	389.6	454.0	502.9	29%	11%
Time Deposits	882.4	1,060.0	1,141.0	29%	8%
Total Deposits (ex-CDs)	1,272.0	1,514.0	1,643.9	29%	9%
Certificate of Deposits	53.0	64.0	60.0	13%	-6%
Total Deposits	1,325.0	1,578.0	1,703.9	29%	8%
Deposit Mix (%)					
Current	5.9%	5.6%	7.1%	117 bps	150 bps
Saving	24.7%	24.4%	23.5%	(121) bps	(89) bps
CASA	30.6%	30.0%	30.6%	(4) bps	60 bps
Time Deposits	69.4%	70.0%	69.4%	4 bps	(60) bps
Total Deposits (ex-CDs)	100.0%	100.0%	100.0%	0 bps	0 bps

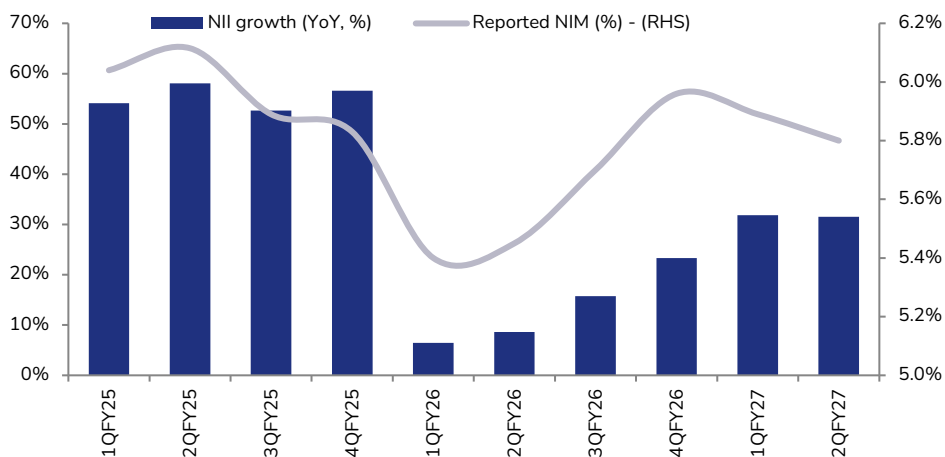
Source: Company, JM Financial

Exhibit 3: Loan and deposit growth (YoY %)

Source: Company, JM Financial

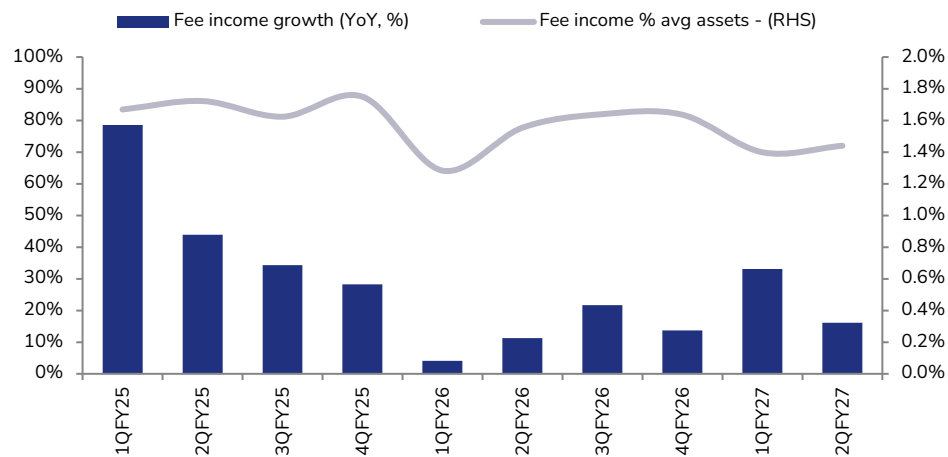
Exhibit 4: CASA trends

Source: Company, JM Financial

Exhibit 5: NII and NIM trends

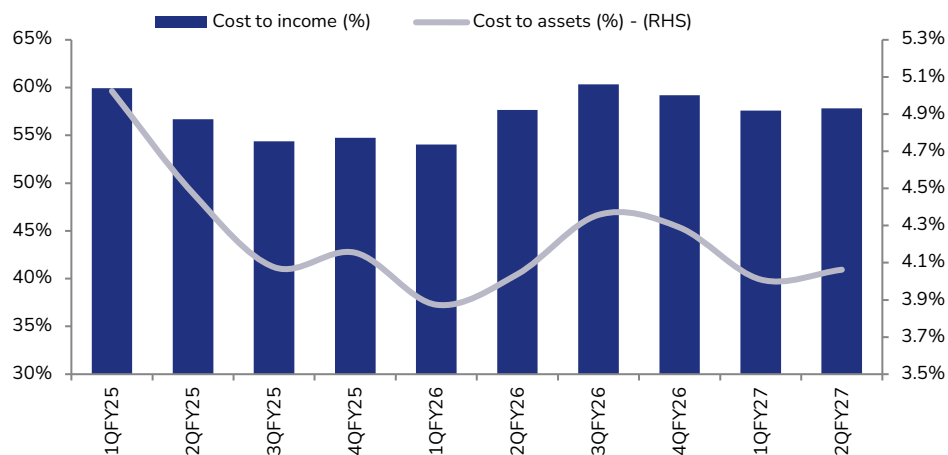
Source: Company, JM Financial

Exhibit 6: Fee income trends



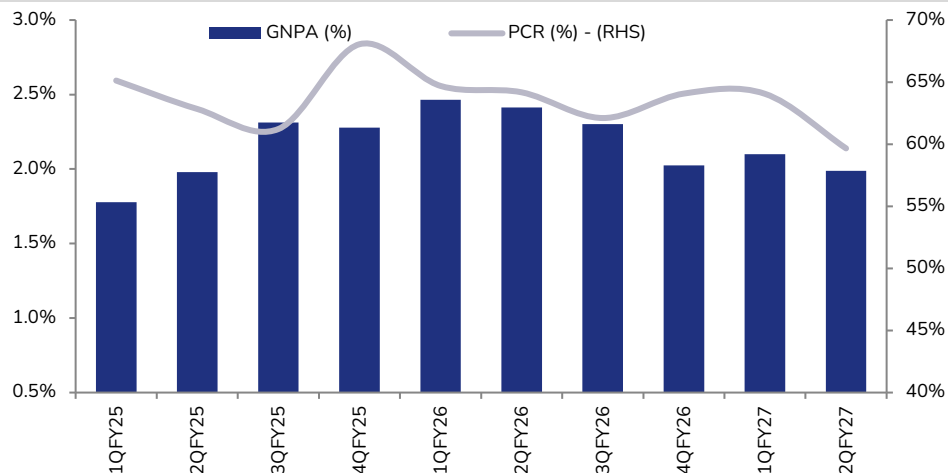
Source: Company, JM Financial, Note: Fee income % of avg assets is annualized.

Exhibit 7: Cost ratios trends



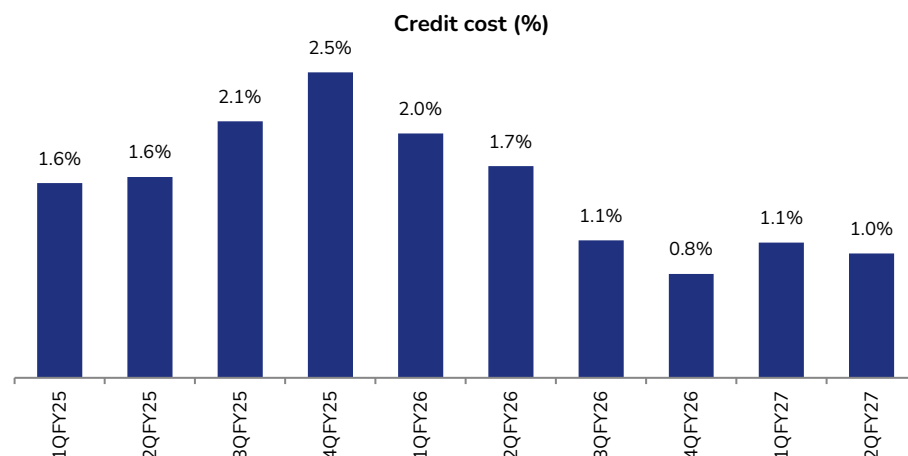
Source: Company, JM Financial, Note: Cost to assets is annualized.

Exhibit 8: Asset quality trends



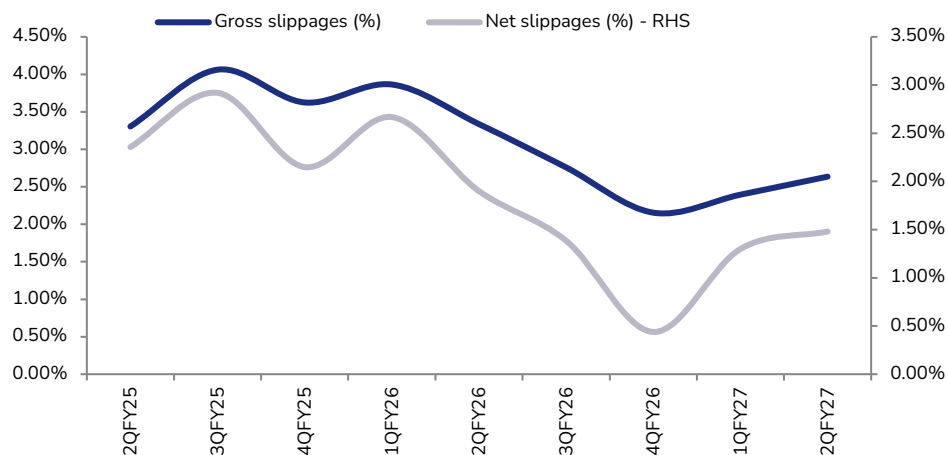
Source: Company, JM Financial

Exhibit 9: Credit cost trend



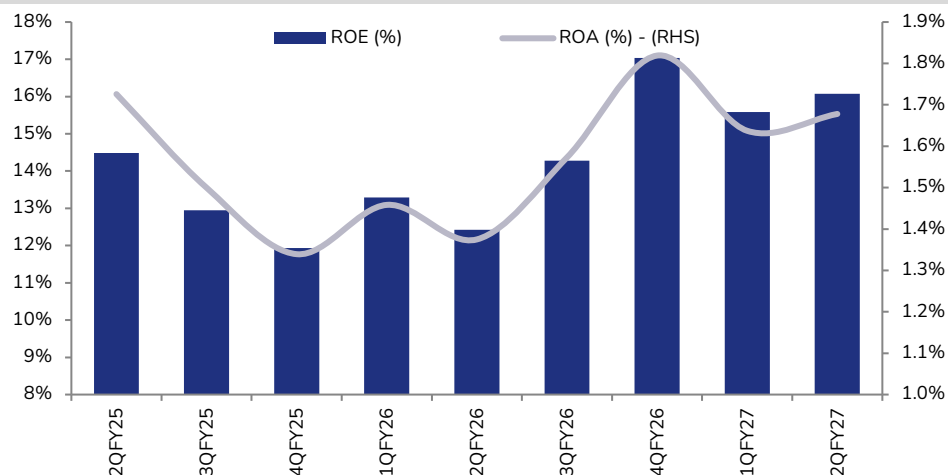
Source: Company, JM Financial, Note: Credit cost is annualized

Exhibit 10: Trends in slippages



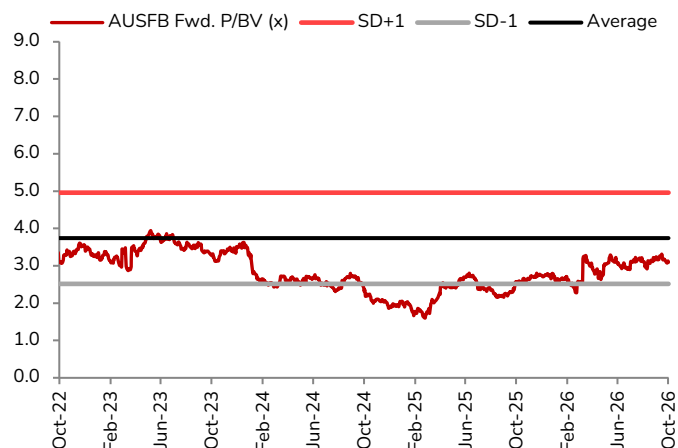
Source: Company, JM Financial, Note: gross/net slippages are annualized

Exhibit 11: Returns metrics trends



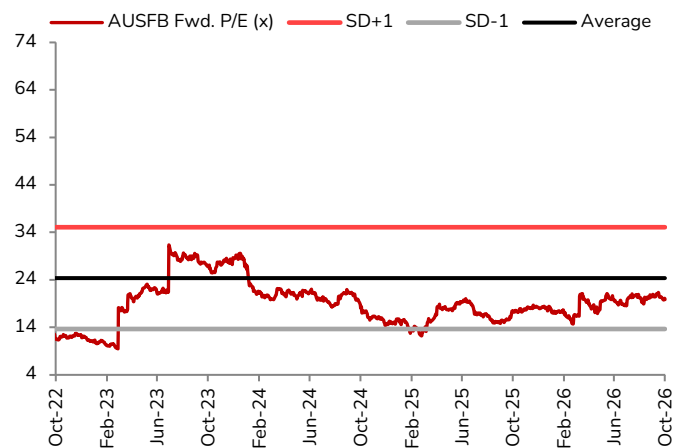
Source: Company, JM Financial

Exhibit 12: One-year forward P/B



Source: Company, JM Financial

Exhibit 13: One-year forward P/E



Source: Company, JM Financial

Changes in estimates

Exhibit 14: Old estimates versus new estimates (standalone)

	New estimates		Old estimates		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Recommendation	BUY		BUY			
Target price (INR)	1,110		1,165		-4.7%	
Assumptions						
YoY loan growth	24.0%	21.1%	21.4%	20.6%	258 bps	42 bps
Net interest margins (calculated)	5.58%	5.60%	5.65%	5.50%	(7) bps	10 bps
Fee income to asset	1.48%	1.40%	1.51%	1.51%	(3) bps	(11) bps
Cost to assets	4.01%	3.86%	4.05%	3.93%	(5) bps	(7) bps
Credit cost	1.19%	1.28%	1.07%	1.18%	11 bps	11 bps
Outputs (INR bn)						
Loans	1,665	2,016	1,631	1,967	2%	2%
Deposits	1,916	2,312	1,897	2,222	1%	4%
Assets	2,366	2,887	2,318	2,839	2%	2%
NII	116.8	143.8	117.0	138.6	0%	4%
Other income	33.3	40.1	33.0	42.1	1%	-5%
Opex	85.8	101.3	85.8	101.3	0%	0%
Operating profit	64.3	82.6	64.2	79.4	0%	4%
Provisions	17.8	23.6	16.0	21.1	12%	12%
Net Profit	34.7	44.1	36.4	43.9	-5%	0%
EPS (INR)	46.4	58.9	48.7	58.7	-4.7%	0.3%
Tax rate (%)	25%	25%	25%	25%	80 bps	70 bps
ROA (%)	1.6%	1.7%	1.7%	1.7%	(10) bps	(3) bps
ROE (%)	16.0%	17.3%	16.8%	17.2%	(73) bps	16 bps

Source: Company, JM Financial

AU Bank - Financial Tables (Standalone)

Income Statement (INR mn)					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Interest Income	80,116	91,127	116,837	143,769	176,025
Profit on Investments	2,293	3,927	500	2,000	3,000
Exchange Income	364	701	-	-	-
Fee & Other Income	22,219	24,978	31,721	36,797	43,052
Non-Interest Income	25,263	29,779	33,289	40,100	47,642
Total Income	105,379	120,906	150,126	183,868	223,667
Operating Expenses	59,572	70,019	85,839	101,314	120,418
Pre-provisioning Profits	45,807	50,888	64,287	82,554	103,248
Loan-Loss Provisions	-	-	-	-	-
Provisions on Investments	-	-	-	-	-
Others Provisions	116	147	-	-	-
Total Provisions	17,926	16,147	17,847	23,623	28,856
PBT	27,881	34,740	46,441	58,931	74,393
Tax	6,821	8,328	11,749	14,851	18,747
PAT (Pre-Extraordinaries)	21,059	26,412	34,691	44,081	55,646
Extra ordinaries (Net of Tax)	-	-	-	-	-
Reported Profits	21,059	26,412	34,691	44,081	55,646
Dividend paid	745	748	1,388	1,763	2,226
Retained Profits	20,315	25,664	33,303	42,317	53,420

Source: Company, JM Financial

Key Ratios					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Growth (YoY) (%)					
Deposits	27.2	22.8	25.5	20.7	19.9
Advances	25.2	25.4	24.0	21.1	20.4
Total Assets	19.0	21.5	23.4	22.0	21.3
NII	17.7	13.7	28.2	23.1	22.4
Non-interest Income	20.9	17.9	11.8	20.5	18.8
Operating Expenses	3.6	17.5	22.6	18.0	18.9
Operating Profits	45.6	11.1	26.3	28.4	25.1
Core Operating profit	50.2	8.5	34.1	26.4	24.5
Provisions	195.9	-9.9	10.5	32.4	22.2
Reported PAT	9.0	25.4	31.3	27.1	26.2
Yields / Margins (%)					
Interest Spread	4.69	4.60	4.93	4.94	4.91
NIM	5.65	5.33	5.58	5.60	5.63
Profitability (%)					
Non-IR to Income	24.0	24.6	22.2	21.8	21.3
Cost to Income	56.5	57.9	57.2	55.1	53.8
ROA	1.45	1.51	1.62	1.68	1.74
ROE	13.1	14.2	16.0	17.3	18.4
Asset Quality (%)					
Slippages	4.70	3.81	2.45	2.55	2.55
Gross NPA	2.28	2.03	1.71	1.79	1.71
Net NPAs	0.74	0.74	0.66	0.69	0.66
Provision Coverage	68.1	64.1	62.0	62.0	62.0
Specific LLP	1.86	1.34	1.19	1.28	1.30
Net NPAs / Networth	4.6	5.0	4.7	5.0	4.8
Capital Adequacy (%)					
Tier I	0.2	0.2	0.2	0.2	0.2
CAR	0.2	0.2	0.2	0.2	0.2

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Equity Capital	7,445	7,483	7,483	7,483	7,483
Reserves & Surplus	164,218	192,253	225,556	267,873	321,293
Networth	171,663	199,735	233,039	275,356	328,776
Deposits	1,242,686	1,526,612	1,915,528	2,311,546	2,772,608
Borrowings	116,599	138,715	166,568	201,004	241,096
Other Liabilities	47,509	52,912	51,265	99,394	159,468
Total - Liabilities	1,578,457	1,917,975	2,366,399	2,887,300	3,501,949
Investments	378,475	447,937	525,461	637,092	766,816
Net Advances	1,070,925	1,342,756	1,665,372	2,016,107	2,427,803
Cash & Equivalents	94,664	85,234	122,608	169,891	230,045
Fixed Assets	9,125	14,364	17,929	21,737	26,164
Other Assets	25,268	27,684	35,031	42,473	51,121
Total - Assets	1,578,457	1,917,975	2,366,399	2,887,300	3,501,949

Source: Company, JM Financial

DuPont Analysis					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
NII / Assets	5.52	5.21	5.45	5.47	5.51
Other Income / Assets	1.74	1.70	1.55	1.53	1.49
Total Income / Assets	7.26	6.92	7.01	7.00	7.00
Cost / Assets	4.10	4.01	4.01	3.86	3.77
PPP / Assets	3.15	2.91	3.00	3.14	3.23
Provisions / Assets	1.23	0.92	0.83	0.90	0.90
PBT / Assets	1.92	1.99	2.17	2.24	2.33
Tax rate	24.5	24.0	25.3	25.2	25.2
ROA	1.45	1.51	1.62	1.68	1.74
RoRWAs	2.67	2.56	2.67	2.77	2.87
Leverage	9.0	9.4	9.9	10.3	10.6
ROE	13.1	14.2	16.0	17.3	18.4

Source: Company, JM Financial

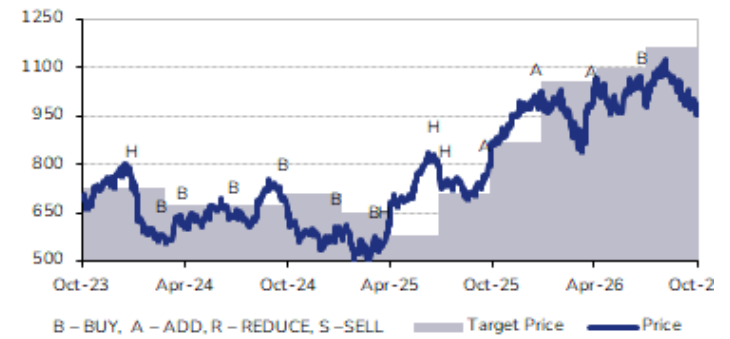
Valuations					
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Shares in Issue (mn)	744.5	748.3	748.3	748.3	748.3
EPS (INR)	28.3	35.3	46.4	58.9	74.4
EPS (YoY) (%)	8.7	24.8	31.3	27.1	26.2
PER (x)	33.0	26.4	20.1	15.8	12.5
BV (INR)	230.6	266.9	311.4	368.0	439.4
BV (YoY) (%)	14.2	15.8	16.7	18.2	19.4
ABV (INR)	-	-	-	-	-
ABV (YoY) (%)	-	-	-	-	-
P/BV (x)	4.05	3.49	3.00	2.54	2.12
P/ABV (x)	-	-	-	-	-
DPS (INR)	1.0	1.0	1.9	2.4	3.0
Div. yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

AU Bank – Recommendation history table

Date	Recommendation	Target Price	% Change
25-Jul-26	Buy	1,165	5.9
28-Apr-26	Add	1,100	3.8
20-Jan-26	Add	1,060	21.8
19-Oct-25	Add	870	22.5
8-Aug-25	Hold	710	0.0
21-Jul-25	Hold	710	22.4
23-Apr-25	Hold	580	-10.8
3-Apr-25	Buy	650	0.0
26-Jan-25	Buy	650	-8.5
23-Oct-24	Buy	710	5.2
26-Jul-24	Buy	675	0.0
25-Apr-24	Buy	675	0.0
19-Mar-24	Buy	675	-6.9
29-Jan-24	Hold	725	0.0
23-Jul-23	Hold	725	0.0
26-Apr-23	Hold	725	3.6
19-Jan-23	Hold	700	7.7
20-Oct-22	Hold	650	0.0
20-Jul-22	Hold	650	-8.8
26-Apr-22	Hold	713	

AU Bank – 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.
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REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

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