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Weekly Investment Notes

14/11

14 November 2019

Key/New investment ideas

- **Fixed Income**

  We suggest Enel's UN Sustainable Development Goal-linked bonds.

  We highlight a basket of new issues, and provide an update on Lombard Odier's fixed income positioning.

- **Equities**

  We offer our view on Chinese internet giants Alibaba, Tencent and Baidu.

  We initiate coverage of the world's largest clinical research sub-contractor, IQVIA Holding.

- **Currencies**

  We suggest selling puts to take advantage of gold's recent correction.

- **Real Estate**

  In the current low yield environment, we highlight the Lombard Odier Gateway – European Core Real Estate fund.

Also featured - Highlights on

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The global economy – bottoming out?

Weekly publication of Lombard Odier Investment Solutions - Advisory

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Market Update

This past week

Hong Kong protest

Hong Kong stocks extended their weekly decline to more than 5%. Violent clashes between protesters and police previously limited to weekends spilled onto the streets of the city's central financial district, darkening investor sentiment. Tensions were inflamed in the Chinese territory after police shot a 21-year-old student and a man was set on fire following run-ins with protesters on 11 November. Anti-government protesters blocked roads and multiple metro lines were suspended for a third day, a day after a stand-off with police at one of the city's leading universities marked a sharp upsurge of violence in the protests.

Trump's New York Economic Club speech

In his address to the New York Economic Club, US President Donald Trump reiterated that a deal with China was "close", but warned that his administration is prepared to substantially raise tariffs again if no agreement is reached. While expectations for a "phase one" deal have continued to build in recent weeks, the status of existing and planned tariffs, as well as the signing venue, have been mentioned as lingering sticking points in negotiations.

Mixed European and US data

Euro area industrial production came out slightly less worse than expected (+0.1%; estimated -0.2% month-on-month and -1.7% year-on-year, estimated -2.3%). In Europe, Germany's third quarter (Q3) gross domestic product (GDP) growth came 1bn slightly above expectations (+0.1%; estimated -0.1% quarter-on-quarter), avoiding a recession, while French unemployment ticked higher in Q3 to 8.6% (market estimates were for 8.4%).

In the US, October's consumer price index (CPI) reading was mixed. The headline figure was a touch above expectations at 0.4% month-on-month and 1.8% year-on-year (YoY). The core figure was broadly in line with estimates, at 0.2% and 2.3% YoY There was no clear sign of a tariff impact in the numbers and nothing major in the accompanying release.

Slowdown in China and Japan

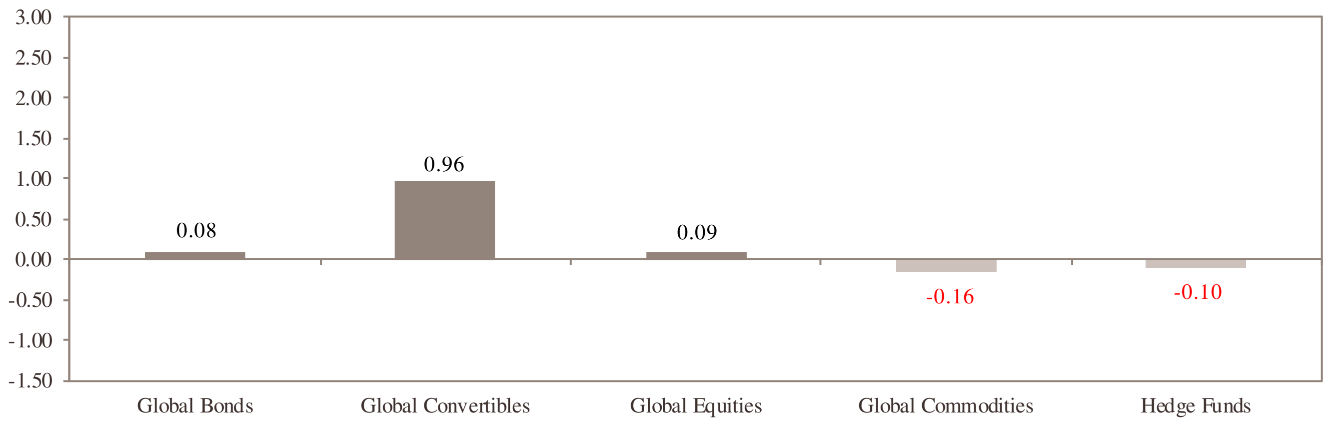
China's economy slowed further in October, signaling policy makers' piecemeal stimulus is failing to boost output and investment amid ongoing trade tensions with the US and subdued domestic demand. Industrial production rose 4.7% YoY, (estimated at 5.4%). Retail sales expanded 7.2% (estimated 7.8%).

Japan Q3 GDP grew 0.1%, versus an expected 0.2%. Annualized GDP grew 0.2% versus an expected 0.9%. The economy slowed sharply in the third quarter. Exports continued to fall amid trade tensions and a shopping splurge before a sales tax increase ran down stockpiles of goods.

European versus US valuations

November is bringing gains for many equity indices, but Europe's index is still trading at a near-record valuation discount versus its US equivalent. However, while the S&P 500 has soared 23% this year, the biggest contributors have been concentrated in names that are heavily skewed toward the technology sector. By contrast, the 20% rally in the Stoxx Europe 600 is spread across many different sectors.

Weekly performance (in USD)



Source: Bloomberg, 5 rolling days, as at 14 November 2019.

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Perspectives

Increasing optimism over the US-China trade dispute, along with action from central banks, is pushing stock markets to new highs. Even the inverted US Treasury yield curve, probably the strongest argument from the economic bears to predict a recession, has reverted to a normal pattern. Up until now, we believe these positive developments were caused by exogenous and political "one-offs" such as Brexit news and tariff easing, and we were still missing an indication that the "real economy" had reached a bottom.

More hopefully, in our view, recent macro-economic data seem to indicate a scenario where a recession is avoided and the worst of the economic slowdown is behind us. For example, the October JPM Global Manufacturing index rose for the third straight time since July. That said, we are not calling victory too soon. We are still not seeing a broad recovery, rather a lacklustre outlook that suggests **that the end of the economic cycle is not close**. We would call this phase a "**recession-less slowdown.**"

In the context of global economy that is bottoming out, some regions are faring better than others. In emerging markets for instance, we anticipate economic conditions strengthening next year after a wave of central bank rate cuts in 2019 (from Brazil and Mexico to South Korea and India). Even China should continue to grow at a sustainable rate of 6% in 2020. In the US and Europe, the monetary and credit environment remains relatively sound, with job markets at healthy levels and economic support provided by consumer spending. We note that Europe's equity benchmark valuation still lags its US peer by a near-record discount. That said, we don't recommend overweighting Europe at the expense of the US market, since the latter is among the most insulated from a full-blown trade war (more services/domestic-oriented). Indeed, as we have said in previous editions, **caution is still needed since there is no agreement yet to remove existing tarrifs**. Remember that on 8 November, President Trump told reporters "I haven't agreed to anything."

In this week's **fixed income** section, we note that the primary market has been very active, which is unusual at this time of year. We highlight emblematic issuers such as **Cemex** and **Abbvie**. We also focus on bonds from Enel linked to the **UN's Sustainable Development Goals** (SDGs). **In equities,** we review the **lessons from the third quarter (Q3) earnings season**. We highlight **Chinese internet giants** Alibaba and Tencent and present life sciences outsourcing company IQVIA –that links the themes of big data and healthcare. In currencies, we propose a tactical idea to benefit from **gold's recent price dip**. Lastly, we present an idea to invest in **Europe's core real estate market**.

Economic calendar

2019	US	Europe	Asia/Other
15/11/2019	Empire Manufacturing, Retail Sales, Industrial Prod,	Trade Balance (EU), CPI (EU),	Industrial Prod (JP), Capacity Utilization (JP), GDP (HK), Trade Balance (IN)
18/11/2019	NAHB Housing Market Index,	Total sight deposits (CHF)	Housing loans (JP)
19/11/2019	Building Permits, Housing Starts,	Swiss watch export (CH), EU27 New car registration,	
20/11/2019	FOMC Minutes	Unit Labor cost (UK)	Trade Balance (JP)
21/11/2019	Initial Jobless Claims, Leading Index, Existing Home Sales	Industry & Construction output (CH), Business confidence (FR), OECD Eco outlook	CPI (HK)
22/11/2019	Markit PMIs, University of Michigan Sentiment indicators	GDP (GE), Private Consumption (GE), Capital Spending (GE),	CPI (JP)

Source: Bloomberg, as at 14 November 2019.

Earnings release

2019	North America	Europe
15/11/2019		
18/11/2019		
19/11/2019	Home Depot	Alcon
20/11/2019		
21/11/2019		
22/11/2019		

Source: Bloomberg, as at 14 November 2019.

Fixed Income
Outlook

Portfolio Considerations

Sovereign

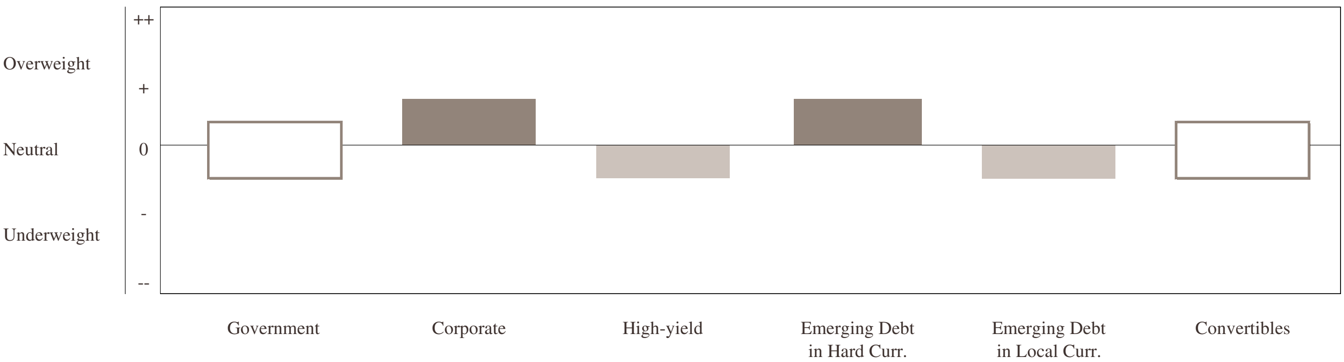
Core yields traded sideways throughout the week and started to move lower on 13 November, mainly due to optimism on trade talks fading away and the recent rise in yields being seen as "overdone." The US 10-year Treasury bond was yielding 1.83% at the time of writing (-5bps week-on-week) while its European equivalent is now trading at -0.33% (-6bps week-on-week).

Credit

Credit markets have been resilient despite issuance volumes and are moving in line with core rates, with the "higher beta" names (lower-rated names that embed higher risks) and sectors outperforming. In the primary market, a flurry of new issues were announced. Most deals were highly oversubscribed but investor demand is yet to be satisfied. On the emerging market front, Latin America and Asia underperformed. Political risk remain elevated across many Latin American countries.

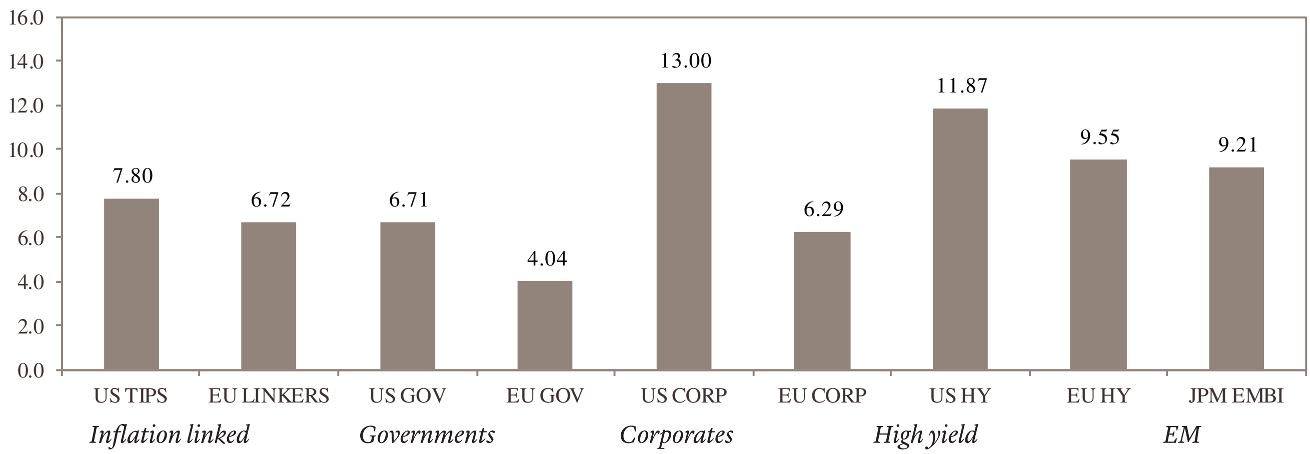
Turning to investment ideas, we suggest Enel's Sustainable Development Goal-linked bonds and recommend selected new issues in various currencies. We also provide an update on Lombard Odier's general positioning within fixed income.

Credit preferences



Source: Lombard Odier, as at 14 November 2019.

Total return of bond indices YTD



Source: Lombard Odier, as at 14 November 2019.

Past performance is not a reliable indicator of future performance.

Fixed Income
Investment ideas

Enel's Sustainable Development Goal-linked bonds

Where do we (and the bond market) stand?

Environmental, social and governance (ESG) issues are now high on the agenda of large companies and the investor community. Many investors want their portfolios to achieve a positive social and environmental impact, by adressing key global issues, without sacrificing investment returns or reducing ESG-related risk mitigation. Fixed income is emerging as a crucial component in global ESG efforts.

The ESG bond market has been one of the fastest-growing segments of the debt market, although it still represents a small percentage of global bonds issued on the primary market (green, social and sustainability bonds are estimated to account for less than 2% of global fixed-income issuance). "Green bonds" (those intended to finance the "green transition" through environmentally friendly investments) have been the bedrock of the ESG debt market since their introduction more than a decade ago. Now we are seeing the emergence of "social impact bonds" (that finance non-environmental projects which benefit society) and "transition bonds" (those that focus on the issuer's behaviour).

How does it work?

Italian energy company Enel's bonds replicate a common model from the loan market, with a link between pricing and ESG outcomes. In its case, however, interest rates are tied to measurable Key Performance Indicators (KPIs).

Auditor **Ernst & Young will perform a one-time review of the KPI's at the end of 2021** as part of their annual audit. If the objectives have not been achieved, there will be an increase in the coupon by 25bps. The achievement of the target will be certified by a "specific assurance report" issued by the auditor.

So, unlike a green bond, the funds raised with this issuance are not connected to a specific use of proceeds, but rather to the company's own progress.

How is the bond linked to the UN SDGs?

Enel's efforts to enhance renewable energy capacity allows it to address several environmental and social goals.

The bond is **linked to two of the UN's Sustainable Development Goals (SDGs):**

- SDG7 on ensuring clean and affordable energy for all, and
- SDG13 on taking urgent action to combat climate change

The bond is also **linked to Enel's Science-Based Target to cut its greenhouse gas emissions** by 70% by 2030 compared to 2017, **including a goal to reach 125g of CO2 per kWh of energy generated**.

Why is Enel issuing this kind of bond?

This SDG-linked bonds aims to provide **transparency for investors on the evolution of Enel's entire business model**. By addressing the energy transition process, rather than focusing on specific projects, the company aims to finance, and allows investors to hold it accountable for this strategy via the **coupon "step-up."**

In other words, Enel has put environmental progress at the heart of its business and is backing this promise with its own cost of capital.

Enel bonds

Please contact your relationship manager to find out about the risks and characteristics of the investment

ISIN	Name	CPN	Maturity	Call	Currency	S&P	Moody's	Fitch	Min piece	ASK	YTW	Z-Spread
USD Bonds KPI: renewable capacity target												
USN30707AM05	Enel Finance Intl NV	2.65	10.09.2024	-	USD	BBB+	Baa2	A-	200,000	100.46	2.55	94
EUR Bonds KPI: renewable capacity target												
XS2066706818	Enel Finance Intl NV	0	17.06.2024	17.05.2024	EUR	BBB+	Baa2	A-	100,000	99.21	0.17	42
XS2066706909	Enel Finance Intl NV	0.375	17.06.2027	17.03.2027	EUR	BBB+	Baa2	A-	100,000	99.80	0.40	48
EUR Bonds KPI: 2030 CO2 emissions target (below 125g/kWh)												
XS2066706735	Enel Finance Intl NV	1.125	17.10.2034	17.07.2034	EUR	BBB+	Baa2	A-	100,000	101.08	1.05	76

Source: Bloomberg, as at 14 November 2019.

Past performance is not a reliable indicator of future performance.

Fixed Income
Investment ideas

Selecting some recent liquid new issues

It is becoming harder to source liquidity in high-demand names. Investors are constantly searching for yield, while current market conditions require additional selectivity on the issuer's credit profile.

Having said that, we unexpectedly experienced a flurry of new issues over the past week in several currencies, which have seen heavy investor demand. Below we highlight some of these new issues, which we believe have enough liquidity, solid fundamentals and offer relative value.

Latest new issues
Please contact your relationship manager to find out about the risks and characteristics of the investment

ISIN	Name	CPN	Maturity	Call	Currency	S&P	Moody's	Fitch	Min piece	ASK	YTW	Z-Spread
EUR												
XS2075185228	Harley-Davidson Finl SER	0.9	19.11.2024	19.08.2024	EUR	BBB+	Baa1	A	100,000	100.78	0.73	97
XS2080317832	Ball Corp	0.875	15.03.2024	-	EUR	BB+	-	-	100,000	99.95	0.89	115
XS2081474046	Faurecia	2.375	15.06.2027	15.06.2023	EUR	BB+	Ba1	-	100,000	99.95	2.40	247
USD												
USP2253TJN02	Cemex Sab DE CV	5.45	19.11.2029	19.11.2024	USD	BB	-	BB	200,000	100.25	5.41	374
USU0029QAL06	Abbvie Inc	2.15	19.11.2021	-	USD	-	-	-	2,000	100.16	2.07	43
USU0029QAN61	Abbvie Inc	2.3	21.11.2022	-	USD	-	-	-	2,000	100.12	2.26	65
CHF												
CH0461238930	Migros Bank	0.25	10.12.2027	-	CHF	-	-	-	5,000	101.60	0.05	37
CH0508785737	Santan Consumer Finance	0.15	10.12.2024	-	CHF	-	-	Ae	5,000	100.45	0.06	58
CH0508785745	Temenos AG	1.5	28.11.2025	-	CHF	-	-	-	5,000	100.44	1.42	189

Source: Bloomberg, as at 14 November 2019.

Below we give an update on our fixed income positioning.

Sovereign

Keeping a neutral duration at this stage seems appropriate to us. In the US, we favour a defensive "barbell" strategy (half the portfolio containing long-term and half short-term bonds) that favours 1-3 year and 7-10 year US maturities, and we have a similar defensive barbell positioning in Europe and Switzerland.

We see US 10-year US Treasury yields oscillating around 1.75% under our core scenario and the upside for 10-year Bund yields capped by European Central Bank (ECB) policy.

Credit

In the current market conditions, we believe quality and diversification are the most important elements for credit investors. Strong credit metrics should help investors deal with potential uncertainties and rising volatility. We remain cautious on US high yield (HY) while increasing our EUR BBB-BB exposure, as the ECB's new corporate purchasing programme offers strong support.

- We prefer EUR investment grade (IG) to US IG, as quantitative easing should benefit EUR bonds the most
- US HY looks more vulnerable to increased volatility on global markets, in our view
- We see the BBB & BB segments as the sweet spot. We prefer to go down the capital structure in fundamentally solid companies (e.g. financial subordinated bonds and hybrids) rather than moving down the credit spectrum

Emerging markets

Liquidity injections by the US Federal Reserve (Fed) and lower rates are supportive for risk sentiment and credit. We are constructive on emerging market (EM) corporate debt into year-end, despite slowing economies and social unrest in several countries.

We move to marketweight for EM local markets after a meaningful turn in sentiment and improved prospects for fundamentals. However, rate-cutting cycles are very advanced across EM, so we believe most of the positive rate impact is now priced in and further cuts could have a negative currency impact.

We prefer EM corporates to EM sovereigns because of the solid fundamentals of companies and the attractive carry their bonds offer versus sovereigns in the current "hunt-for-yield" environment.

Past performance is not a reliable indicator of future performance.

Click here : [Go back to cover page]

Equities
Outlook

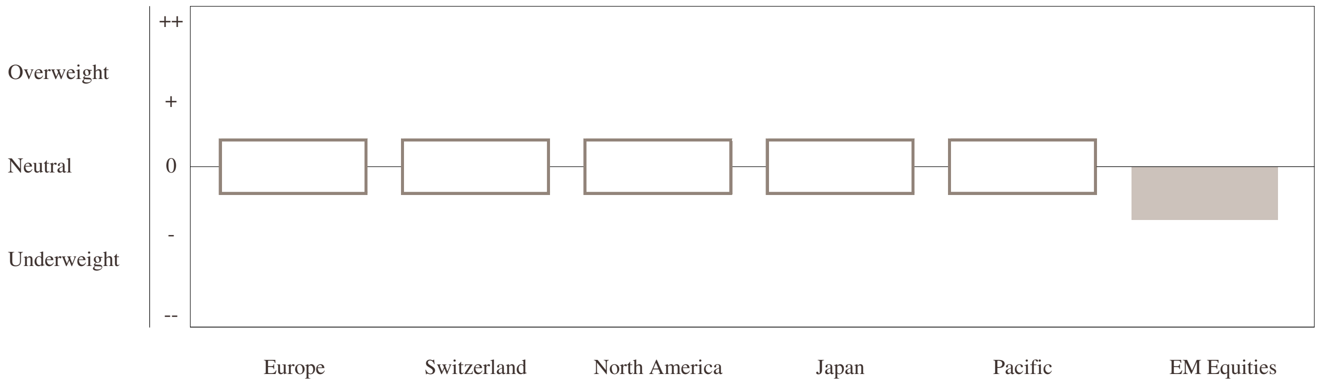
Don't fight the trend

The trade outlook appears to be improving, or at least not deteriorating further. There appears to be little appetite for the US and China to up the ante against a weak global economic backdrop. We have been of the opinion for some time that the trade uncertainty was the major impediment to the next leg-up for equities. Whilst we do not expect a comprehensive US-China trade deal in the near term, the tone of the rhetoric has become more conciliatory of late. The third quarter earnings season has also been significantly better than anticipated. Consensus still expects earnings to accelerate from here in the coming four quarters. For Q3, earning beats were more rewarded by the market than average and misses not as severely punished. Earnings guidance for 2020 has held up well on the whole. That said, we believe sell side analysts are likely to lower their earnings expectations for 2020 over the remaining two months of the year. Valuations have moved higher over the past month and are looking stretched to us in some sectors, including technology, consumer discretionary, real estate and utilities. Nevertheless, the environment of loose monetary policy provides some support to these valuation levels. As such, and as we enter a traditional strong season for equities, we think that investors might want to chase the rising market.

Purchasing Managers Indices (PMIs) in emerging market (EM) regions appear to be bottoming out, as they are in developed markets. A USD weakening and a catch-up in commodities would provide more support to EM markets. Turning to invidual stocks, on page 9 we offer an update on Chinese internet giants Alibaba and Tencent.

In terms of sectors, we continue adding to positions in healthcare and have just initiated on the world's largest clinical research sub-contractor, IQVIA Holding, which we believe has a 25% upside potential, based on our target price.

Regional preferences



Source: Lombard Odier, as at 14 November 2019.

Major market performances

Index	Value	5 days	1 month	3 months	YTD
S&P 500	3,094.04	0.56	4.31	8.92	23.42
Euro Stoxx 50	3,699.02	-0.21	4.01	12.48	23.24
SMI	10,279.60	-0.46	3.16	6.76	21.95
CAC 40	5,910.85	0.34	4.75	12.56	24.95
FTSE 100	7,339.96	-0.90	1.75	2.69	9.09
Nikkei 225	23,141.55	-0.81	6.16	12.04	15.62
Shanghai SE Comp.	2,909.87	-2.31	-3.26	3.59	16.68
MSCI Em Ma BRIC	314.23	-2.81	2.53	7.31	10.74
Hang Seng	26,323.69	-5.47	-0.75	4.04	1.85
Bovespa	106,060.00	-2.12	1.69	5.79	20.68
Sensex	40,221.48	-0.61	5.25	7.80	11.51
Russia	2,937.85	-2.35	8.91	11.41	23.99

Source: Bloomberg, as at 14 November 2019.

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Equities
Highlight: Q3 Earnings Conclusions

The third quarter (Q3) earnings season is coming to its end, with more than 85% of companies having reported in the US, Europe and Japan. Overall, Q3 earnings have been stronger than consensus expectations. It is interesting to note that revenue growth remained relatively strong this quarter both in the US and in Europe. The proportion of companies raising guidance has been above average, and in line with the previous quarter. (NB we are using compiled data from JP Morgan as a source - see table opposite).

In the US, 89% of S&P 500 companies have reported Q3 earnings and 65% beat earnings per share (EPS) estimates, surprising positively by 5%. EPS growth is flat on a year-on-year (YoY) basis this quarter. The energy and materials sectors delivered particularly poor results, reporting double digit negative EPS growth (-38% and -20%). Overall, earnings growth is coming in better for defensive sectors (utilities +10%, healthcare +9% and staples +2%). However, most sectors are delivering positive earnings surprises. On the revenues side, 69% of companies beat estimates. Overall growth is running at +4% YoY, with five of the 11 sectors showing positive growth.

In Europe, 85% of Stoxx600 companies have reported Q3 earnings and 60% beat EPS estimates, surprising positively by 2%. Overall EPS growth is negative at -1% YoY, with energy and materials down by double digits (-25% and -24%). Here as well, defensive sectors did well, with utilities reporting 37% EPS growth, and healthcare +15%. Overall, six sectors out of 11 reported positive EPS growth. On the topline, 61% of companies beat revenue estimates, with growth of +2% YoY. Energy (-11%), materials (-3%) and real estate (-14%) were weak this quarter.

In Japan, 85% of Topix companies have reported fiscal year 2020 Q2 results, with 55% beating EPS estimates. Overall EPS growth is down -2% YoY, with relatively large discrepancies among sectors. 50% of Topix companies beat sales estimates, delivering +1% YoY growth. Only five out of 11 reporting sectors are recording positive growth.

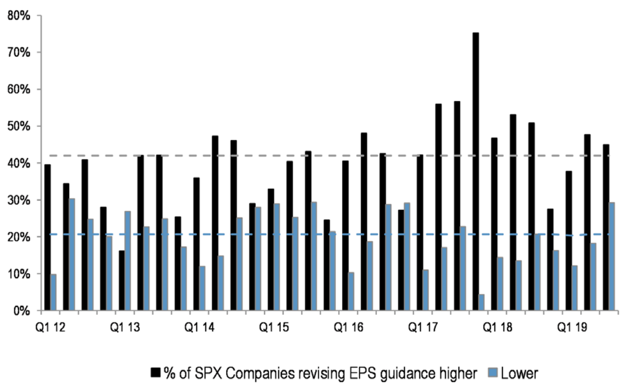
Positive corporate guidance is a notable aspect of this Q3 earnings season. The proportion of US companies revising EPS guidance higher this quarter has remained above average (see chart).

Q3'19 Earnings snapshot

	SPX 500	EuroStoxx600	Topix
% co reported	89%	85%	85%
% co beating EPS	65%	60%	55%
EPS growth % YoY	0%	-1%	-2%
EPS growth % ex Financial and Real Estate	-1%	-1%	-2%
EPS growth % ex Energy	3%	5%	-1%
% co beating Sales	69%	61%	50%
Sales growth % YoY	4%	2%	1%

Source: Bloomberg/JP Morgan, as at 12 November 2019.

% of S&P500 companies guiding EPS higher/lower



Source: Bloomberg/JP Morgan, as at 08 November 2019.

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Equities
Highlight: China's Internet Giants

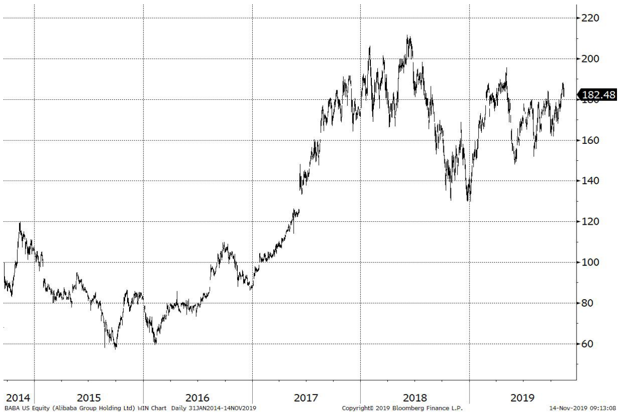
China's internet giants had different fortunes in 2019. Alibaba's stock soared 33%, supported by solid consumer spending in e-commerce. Although highly resilient, Tencent (+3% year-to-date) suffered from government restrictions in new game approvals and a slowdown in online advertising. Shares of Baidu slumped 25% on soft demand and fierce competition in China's online advertising business.

Alibaba (R – PT USD 230) reported strong Q3 earnings on 1 November, with total revenues +40% YoY, and about 2% above consensus. Good cost control contributed to the strong earnings before interest, tax, depreciation and amortisation (EBITDA) number that accelerated further in Q3 to +39% YoY, beating consensus estimates by about 7.5%. Alibaba demonstrated once again that it could buck the trend of a Chinese slowdown, outgrowing overall retail sales growth by almost three times. It confirmed fiscal year (FY) 2020 revenue guidance of more than 500 bn renminbi (RMB). Cloud computing revenue (8% of revenues), grew 64% YoY, which was very strong on a high base. Alibaba has launched a USD 11.5 bn initial public offering (IPO) in Hong Kong to enhance access to Chinese investors and will issue 500 mn new shares as a result. Singles' Day (11 November) sales hit USD 38 bn and broke past records. We believe the company will continue to deliver strong earnings. We keep our USD 230 target price, based on 30x estimated 2020 earnings.

Tencent (R – PT HKD 416) reported slightly below consensus Q3 revenues on 13 November. Smartphone game revenues rose 25% YoY although Peacekeeper Elite is still in the early stages of revenue recognition. Total advertising sales rose 13% YoY, with media ads negatively affected by a challenging macro environment. Fintech and Services gained 36% YoY with Cloud revenue up a strong 80%. Tencent proactively implemented a Healthy Gameplay Sytem in 2017, and we believe recent regulations that limit younger players' game play will have limited additional impact. The outlook for monetisation of games has turned more positive in the second half (H2) and for 2020. We think these results should help dismiss short-term market concerns and, with an expected mobile games revenue acceleration and a stabilisation in advertisements, earnings growth should resume. We maintain our positive view in Q4 and into 2020.

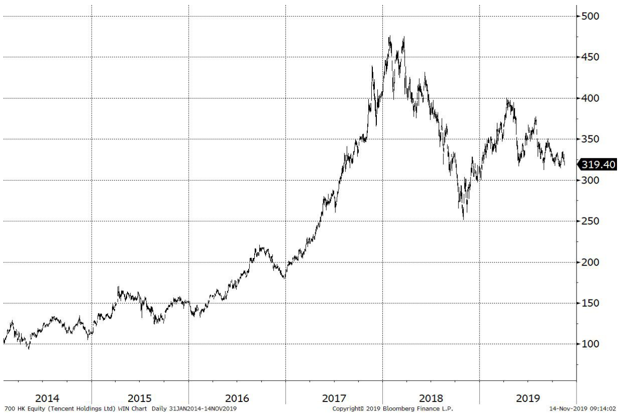
Baidu (not rated): Baidu bulls will need to set their sights for a bit of a longer time horizon. The company is investing heavily in new, high-tech-driven businesses such as artificial intelligence, cloud infrastructure, and autonomous driving, and appears to be well-positioned for the next stage of growth. However, Q3 revenue came in 2% above consensus and net profit beat by 56% on a much better cost control. Operating margins improved on lower-than-expected traffic acquisition costs and expenses. As a result we are becoming more constructive on Baidu's outlook going into 2020.
The stock gained 13.5% on the day of earnings release.

Alibaba



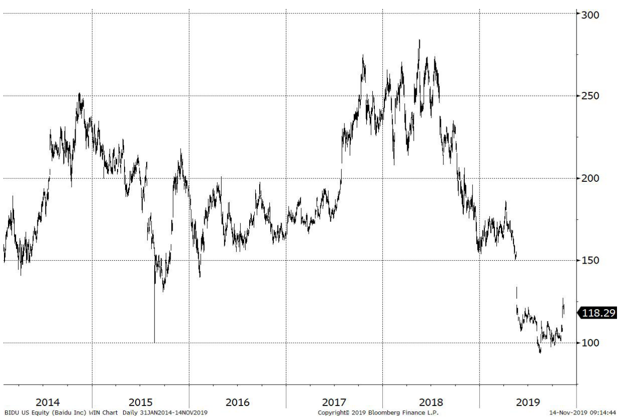
Source: Bloomberg, as at 14 November 2019.

Tencent



Source: Bloomberg, as at 14 November 2019.

Baidu



Source: Bloomberg, as at 14 November 2019.

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Equities
Investment Ideas

IQVIA (R – PT USD 180): Disruptor in Human Data Sciences

IQVIA (IQV) is the **world's largest contract research organisation** (CRO), providing advanced analytics, technology solutions and contract research services to the life sciences industry.

The **CRO market is growing at mid-single digit rates** with robust biotech research and development (R&D) spending (emerging biopharmas are becoming larger drivers of demand in the industry), an increase in outsourcing, and share price gains for larger players with broad therapeutic/geographic exposure.

Powered by its "CORE – IQV" **unique trials platform, which integrates data, advanced analytics**, transformative technology, and domain expertise - the company delivers solutions enabling life sciences companies to reduce clinical trial times, increase enrollment speed, optimise dosages, improve engagement and develop precise strategies, among other benefits.

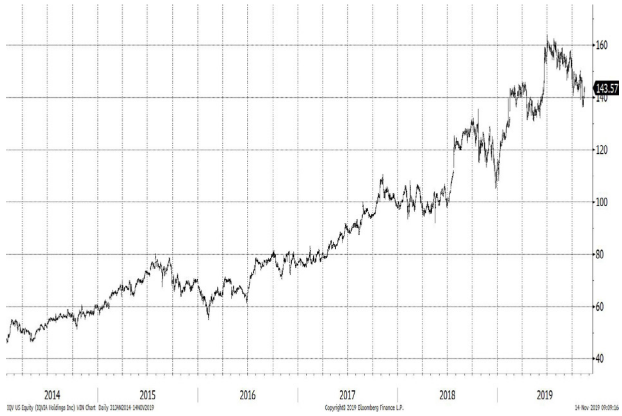
An **illustrative success story is Bavencio**, a drug indicated to treat metastatic Merkel cell carcinoma. The drug showed a 33% overall response rate in the single-arm JAVELIN trial (88 patients), but regulators in both the US and EU wanted data from outside the trial to establish benefits versus other treatment methods, without the cost of an additional study arm. Pulling together data from electronic health records in the US and patient registries in the EU, IQV showed that baseline response rates were 29% and 10% in the US and EU, respectively. This data suggested the superiority of Bavencio and resulted in drug approvals in both the US and EU.

We anticipate continued sales growth acceleration to 7.2% at a 2018-2022 estimated compound annual growth rate (CAGR), as well as 240 bps of operating **margin expansion**, thanks to a better product mix, cost efficiencies, and operating leverage. Combined with some deleveraging, and a share buyback, we believe this should translate into a 16% EPS CAGR.

IQV is trading at what we believe is an **attractive valuation** of 19.5x 2020 EPS estimates and at a historical low of 1.2x on a price/earnings (P/E)-to-growth basis.

We suggest buying IQVIA shares. Our price target (PT) offers an upside potential of 25%. **We would finance this position by selling Expedia** (also a growth stock), which has now been removed from our Research List.

IQVIA



Source: Bloomberg as of 14 November 2019.

Past performance is not a reliable indicator of future performance.

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Currencies
Outlook

Portfolio Considerations

US-China trade deal optimism weighed on gold

After a nearly 14.00% appreciation since the beginning of June 2019, the yellow metal (gold) has seen a small correction since the beginning of November. Indeed, month-to-date, gold has lost about 3.50%, mainly on a fading geopolitical premium, due to positive news from the US-China trade talks. This pushed speculative players to reduce their long positions and as we are nearing year-end, short-term investors have secured some profit. Technical support levels were broken first at USD 1,501, while the break below USD 1,478 triggered further selling orders.

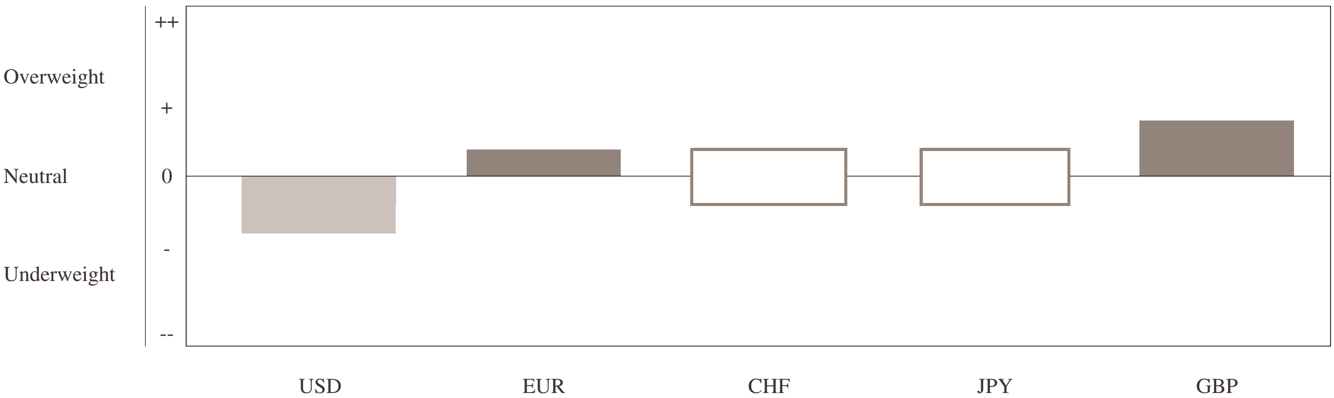
Although the decline seen on 12 November below USD 1,450 caught many investors by surprise, interest in owning gold remains elevated among market participants.

We see the recent price consolidation as healthy, after strong physical demand from central banks during the third quarter, and the highest level of quarterly inflows into gold-backed exchange-traded funds (ETFs) since Q1 2016.

Even though recent optimism regarding a trade agreement between the US and China has taken off some of gold's trade premium, we believe the yellow metal remains an attractive hedge and portfolio diversifier over the medium to long term.

Indeed, we remain constructive on gold. We believe ongoing geopolitical tensions, concerns of a slowdown in economic growth, lower interest rates and the high level of negative-yielding debt should continue to support the yellow metal in the months ahead.

Currencies preferences



Source: Lombard Odier, as at 14 November 2019.

FX performance

	Price	5 days	1 month	3 months	YTD
EURUSD	1.101	-0.36	-0.15	-1.16	-3.99
EURCHF	1.087	-1.11	-1.12	0.28	-3.39
EURJPY	119.6	-0.92	0.09	1.41	-4.92
EURGBP	0.858	-0.48	-1.93	-7.13	-4.58
GBPUSD	1.284	0.15	1.81	6.43	0.64
USDJPY	108.7	-0.56	0.25	2.61	-0.93
AUDUSD	0.680	-1.45	0.34	0.74	-3.56
USDCHF	0.988	-0.75	-0.97	1.48	0.56
GBPCHF	1.268	-0.59	0.83	8.02	1.23

Source: Lombard Odier, as at 14 November 2019.

Past performance is not a reliable indicator of future performance.

Currencies
Investment idea

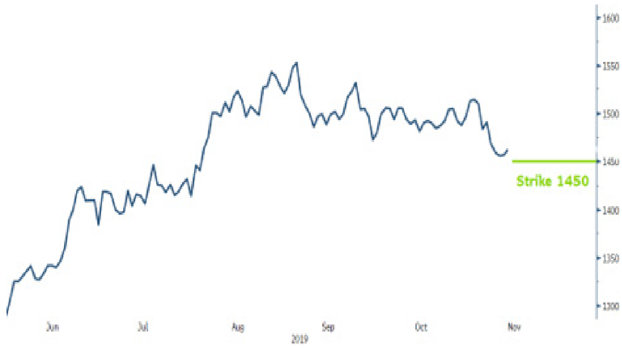
Sell puts to take advantage of recent gold correction

As mentioned in the previous section, gold has fallen 3.50% since the beginning of November. While we acknowledge that the triggers for the latest dip are justifiable and even healthy, as speculative positions have fallen, we would like to take advantage of the recent pullback to implement a bullish view in client portfolios not yet invested in gold (XAU).

We have selected three different ways to implement this view, depending on clients' individual portfolios and risk appetite.

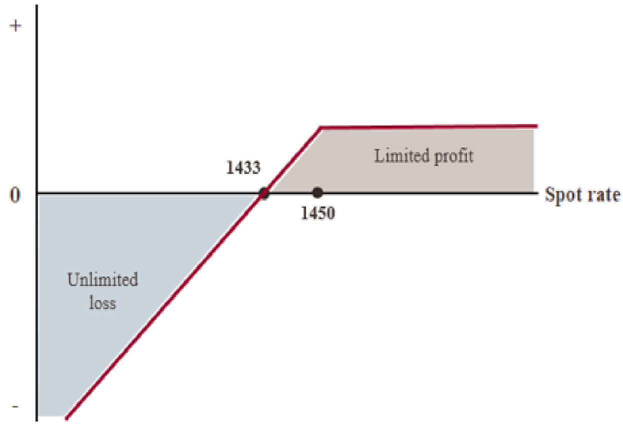
1. For investors willing to cash-in some premium with the risk of buying gold at USD1,450 at maturity:
   - Sell a Put XAU/USD, with a 3-month maturity and a strike level at USD1,450, which would pay a premium of USD17.
2. For investors who believe there will be a quick appreciation of gold towards USD 1,490:
   - Sell a Put XAU/USD, with a 3-month maturity and a strike level at USD1,450 and an American knock-out barrier at USD1,490, which would pay a premium of USD10.
3. For investors with USD cash holdings who would convert them at maturity into XAU in a worst-case scenario (Dual Currency Investment)
   - Investment in USD that can be converted into XAU at 3-month maturity, and a strike price of USD1,450, with an annual coupon of 5.50%.

XAU/USD spot rate



Source: Lombard Odier, Bloomberg, as at 14 November 2019.

XAU/USD Payout at maturity (solution 1)



Source: Lombard Odier, as at 14 November 2019.

November Forecasts (3-12M)

Currency Pairs	Spot	4Q19 Forecast	1Q20 Forecast	2Q20 Forecast	3Q20 Forecast
EUR/USD	1.1005	1.12	1.13	1.15	1.17
USD/CHF	0.9890	0.98	0.97	0.96	0.94
EUR/CHF	1.0885	1.10	1.10	1.10	1.10
USD/JPY	108.75	106	106	107	107
EUR/JPY	119.65	119	120	123	125
GBP/USD	1.2835	1.30	1.32	1.34	1.35
EUR/GBP	0.8575	0.86	0.86	0.86	0.87
USD/CNY	7.0200	7.10	7.05	7.00	6.95
AUD/USD	0.6800	0.68	0.69	0.70	0.70
NZD/USD	0.6400	0.63	0.63	0.63	0.63
USD/CAD	1.3260	1.32	1.30	1.29	1.28
XAU/USD	1465	–	–	–	1450[1]
Oil (Brent/USD)	62.80	–	–	–	60[1]

[1] 12 months forecast.

Important information: The investments featured here refer to transactions considered "packaged retail investment products" or "PRIIPs" under European laws. A Key Information Document (KID) providing a comprehensive understanding of the PRIIP's nature, characteristics and risks is not available at this stage because the key terms of the transaction have not yet been defined. A KID will be available from your Relationship Manager upon definition of the transaction's terms.

Past performance is not a reliable indicator of future performance.

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Currencies

FX and Precious Metals Trades mentioned in other WIN editions

Date of WIN issue	View	Trades	Instrument	Expiry of Trade	Initial price	Target	Status	Current price	Performance
3-May-18	**Tactical**	**Basket BRL-IDR-CNH**	**Structured product 100% Cap. Guar.**	**24-May-21**	**100%**	**>100**	**Open**	**99.10%**	**-0.9000%**
25-Apr-19	**Tactical**	**Bullish NOK/CHF**	**Long Seagull NOK/CHF**	**25-Oct-19**	**0.00%**	**5.00%**	**Closed**	**-6.10%**	**-6.10%**
2-May-19	**Tactical**	**Bullish EUR/USD**	**Long Call EUR/USD 1.1560**	**4-Nov-19**	**1.00%**	**-**	**Closed**	**0.00%**	**-1.00%**
2-May-19	**Tactical**	**Bearish USD/CHF**	**Long Put USD/CHF 0.9850**	**4-Nov-19**	**1.00%**	**-**	**Closed**	**0.00%**	**-1.00%**
6-Jun-19	Tactical	Bullish EUR/CHF	Long Forward + Strategy	9-Sep-19	0.00%	2.50%	Closed	-1.96%	-1.96%
14-June-19	Tactical	Bullish AUD/USD	Short Put AUD/USD with AKO	13-Sep-19	0.70%	0.00%	Closed	0.00%	0.70%
21-Jun-19	**Tactical**	**Neutral XAU/USD**	**Short Strangle on XAUUSD**	**19-Sep-19**	**20.00**	**0.00**	**Closed**	**31.00**	**-0.73%**
27-Jun-19	Tactical	Neutral EUR/USD	Long Fwd European KO EUR/USD	29-Aug-19	0.00%	1.75%	Closed	0.00%	0.00%
4-Jul-19	Tactical	Bullish XAU/USD	Long Fwd European KO XAU/USD	2-Aug-19	0.00%	0.00%	Closed	0.000	0.00%
11-Jul-19	**Tactical**	**Basket BRL-RUB-IDR**	**Structured product 100% Cap. Guar.**	**19-Jan-21**	**100.00%**	**>100**	**Open**	**98.22%**	**-1.7800%**
18-Jul-19	**Tactical**	**Neutral EUR/USD**	**Short Straddle EUR/USD with EKI**	**18-Oct-19**	**1.00%**	**0.00%**	**Closed**	**0.00%**	**1.00%**
26-Jul-19	**Tactical**	**Bullish EUR/CHF**	**Long Call EUR/CHF**	**28-Oct-19**	**0.50%**	**0.00%**	**Closed**	**-0.04%**	**-0.46%**
8-Aug-19	Tactical	Neutral XAU/USD	Short Call KO XAU/USD	11-Sep-19	0.72%	0.00%	Closed	0.00%	0.72%
15-Aug-19	Tactical	Bearish EUR/NOK	Short Call EUR/NOK 10.10	17-Sep-19	0.50%	0.00%	Closed	-0.02%	0.48%
22-Aug-19	**Tactical**	**Bearish USD/CHF**	**Dual Currency Investment**	**22-Sep-19**	**0.41%**	**0.00%**	**Closed**	**0.40%**	**0.01%**
30-Aug-19	**Tactical**	**Neutral EUR/GBP**	**Short Put EUR/GBP**	**1-Oct-19**	**0.85%**	**0.00%**	**Closed**	**0.89%**	**0.04%**
12-Sep-19	**Tactical**	**Bearish USD/JPY**	**Short Call USD/JPY with AKO**	**14-Nov-19**	**0.50%**	**0.00%**	**Closed**	**-0.27%**	**0.50%**
19-Sep-19	**Tactical**	**Neutral XAU/USD**	**Pivot XAU/USD**	**20-Dec-19**	**0.00%**	**4.60%**	**Open**	**0.30%**	**0.30%**
19-Sep-19	**Tactical**	**Bearish USD/JPY**	**Short Forward Capped USD/JPY**	**5-Dec-19**	**0.25%**	**2.80%**	**Open**	**-0.54%**	**-0.79%**
11-Oct-19	**Tactical**	**Bullish GBP/USD**	**Long Seagull GBP/USD**	**9-Jan-20**	**0.00%**	**3.20%**	**Closed**	**1.77%**	**1.77%**
18-Oct-19	**Strategic**	**Bullish GBP/USD**	**Long Foward Plus Capped**	**17-Jan-20**	**0.00%**	**5.20%**	**Open**	**0.56%**	**0.56%**
25-Oct-19	**Strategic**	**Bullish AUD/CHF**	**Forward**	**28-Jan-20**	**0.00%**	**0.7000**	**Open**	**-0.74%**	**-0.74%**
31-Oct-19	**Tactical**	**Neutral EUR/USD**	**Short Straddle EUR/USD with EKI**	**28-Nov-19**	**0.50%**	**0.00%**	**Open**	**-1.30%**	**-0.80%**
7-Nov-19	**Tactical**	**Bearish USD/CNH**	**Forward**	**10-Feb-20**	**7.0170**	**6.8500**	**Open**	**7.0454**	**-0.40%**

	Total	Winners	Losers	Flat	Currently open
Number of recommendations (since June 2016)	137	80	48	9	8

Source: Lombard Odier, as 14 November 2019.

Important information: the investments featured here refer to transactions considered "packaged retail investment products" or "PRIIPs" under European laws. A Key Information Document (KID) providing a comprehensive understanding of the PRIIP's nature, characteristics and risks is available from your Relationship Manager upon request.

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Fund idea – Real Estate

Lombard Odier Gateway – European Core Real Estate

This Fund is only registered for public offering in certain jurisdictions

We believe the European core real estate market looks attractive. We therefore launched the LO Gateway – European Core Real Estate fund, that invests in what we consider to be two "best of breed" European products.

The first one totals 80% of the portfolio and is a direct property strategy managed by AXA Investment Managers - Real Asset. It currently invests in a diversified portfolio of over 100 assets, which are almost fully let (occupancy rate of 96% at the portfolio level) with an appealing Weighted Average Lease Term of six years. The portfolio is also diversified in terms of sectors (offices, major retail centres, logistics and residential properties) and countries. As an example, the First Tower in Paris La Défense is part of the portfolio, which exhibits a quite reasonable leverage (in our view) of 35%.

The remaining 20% of the portfolio acts as a liquidity buffer. This strategy trades on a daily basis and invests in equities and bonds issued by European property companies in order to mimic the returns stream of the direct European property market. As a result, the LO Gateway – European Core Real Estate fund should offer a quarterly liquidity in normal market conditions, but may be subject to 'gates' when this liquidity is not available in case of market stress.

Core real estate investments require a long investment horizon to amortise the transaction costs inherent to the asset class. The LO Gateway – European Core Real Estate fund reflects these costs through a progressively decreasing exit fee.

Since 2017, direct property investments in France have been subject to the French real estate tax. The Impôt sur la Fortune Immobilière – IFI – applies to real estate investments held by French residents and to French properties held by non-French residents. However, the impact of the latter is significantly diluted throught holding LO Gateway – European Core Real Estate shares, thanks to the optimised ownership structure of properties put in place by AXA.

Contrary to direct property investments, that require large amounts of capital to gain exposure to the asset class and to build a balanced and diversified portfolio, the LO Gateway – European Core Real Estate fund has a low minimum investment of EUR 125,000 or other currency equivalent. Investors can access the product not only in EUR but also in Swiss franc (CHF), USD and sterling (GBP) fully-hedged share classes.

We believe this innovative fund is an opportunity for private clients to gain access to a strategy designed for institutional investors and to earn an expected stable annual net yield of 3% in EUR for a 5% to 6% total return, based on a 3% portfolio allocation for accounts larger than EUR 5mn.

Source: Lombard Odier and AXA Investment Managers – Real Asset, as at 30 September 2019.

Fund facts

Domicile	Luxembourg/SIF
Fund inception date	15 November 2019
Registered in	BE, CH, FR, IT, LU, UK
Management fee	0.40% M-shares
Distribution fee	N/A

Risk and reward profile

1	2	**3**	4	5	6	7

Low **High**

For more details about risk, see related section "Risk Factors Annex" of the prospectus.

Representatives and paying agents**

Swiss representative: Lombard Odier Asset Management (Switzerland) SA 6, avenue des Morgines 1213 Petit-Lancy Switzerland

Swiss paying agent: Bank Lombard Odier & Co Ltd 11, rue de la Corraterie 1204 Geneva Switzerland

** Please consult the Official Documents for other representatives and paying agents.

For professional/qualified/well-informed investors only or investors in the UK qualifying under the NMPI regime exceptions. Switzerland: the fund is registered with FINMA for distribution to qualified investors. A Prospectus for Swiss investors is available from your relationship manager upon request.
Past performance is not a reliable indicator of future performance.

Important information – Any acquisition may only be made on the basis of the official documents of the Fund, each in their final form (articles of association, prospectus, KIID, subscription form, annual and semi-annual reports - the Offering Documents). For a comprehensive understanding of the Fund's characteristics and risks, please refer the Offering Documents available on www.loim.com and, upon request, free of charge at the Fund's registered office.

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Glossary

Alpha
Alpha represents the performance of a portfolio relative to a benchmark, it is often considered to represent the value that a portfolio manager adds to or subtracts from a fund's return. In other words, alpha is the return on an investment that is not a result of general movement in the greater market. As such, an alpha of 0 would indicate that the portfolio or fund is tracking perfectly with the benchmark index and that the manager has not added or lost any value. (Investopedia)

Amount (Amt)
Amount of a bond issue, expressed in millions of units of the currency.

"Barbell"
A "barbell" bond investment strategy allocates the entire portfolio to short-term and long-term bonds in order to reduce the portfolio's sensitivity to an increase in interest rates. The investor therefore benefits from higher income from long-term bonds, while their exposure to short-term instruments provides security and flexibility.

BOE
Bank of England

BoJ
Bank of Japan

Balance of trade
Difference between the value of a country's exports and its imports of goods and services.

Ccy
Currency

Coupon (Cpn)
Paid interest in percent. The letter "s" indicates it is paid semi-annually.

Current account balance (current account)
Net balance of a country's trade with third countries, integrating the value of exports of goods and services less that of imports and the balance of capital transfers.

Days
Number of accrued days.

Deflation
Environment in which consumer prices generally fall. The opposite situation (inflation) is far more common.

EBITDA
Earnings before interest, taxes, depreciation and amortisation

ECB
European Central Bank

EM
Emerging market(s)

EMBI
Emerging Market Bond Index, as defined by JP Morgan

EPS
Earnings per share

Equity long/short managers
Managers, primarily of hedge funds, who use an equity long-short strategy, which involves taking long positions in stocks that are expected to increase in value and short positions in stocks that are expected to decrease in value.
(BarclayHedge)

Event-driven
Event risk is the risk that the ability of an issuer to make interest and principal payments will change because of rare, discontinuous, and very large, unanticipated changes in the market environment such as (1) a natural or industrial accident or some regulatory change or (2) a takeover, or corporate restructuring. *(Investopedia)*

Expected outperformance
The security is expected to do better than its peers in terms of total return in a 12-month time horizon.

Expected underperformance
The security is expected to do worse than its peers in terms of total return in a 12-month time horizon.

FCF
Free cash flow

Federal Reserve
US central bank, commonly known as "the Fed".

FINMA
Swiss Financial Market Supervisory Authority.

FOMC
Federal Open Market Committee

FRN
Floating-rate note. pas de point

GDP
Gross Domestic Product (total wealth produced by a country)

Govt spread
Yield spread versus government bonds

High-yield
Bond rated below investment-grade. These bonds have a higher risk of default or other adverse credit events, but typically pay higher yields than better-quality bonds in order to make them attractive to investors.

Issuer
Entity that placed the relevant bond on the market.

Issue date (Iss)
Day, month and year of the issue of a bond.

Inflation linked bonds (ILBs)
Primarily issued by sovereign governments such as US and UK, ILBs are indexed to inflation so that the principal and interest payments rise and fall with the rate of inflation. Inflation can significantly erode investors' purchasing power, and ILBs can potentially provide protection from inflation's effects. ILBs may also offer additional benefits in a broader portfolio context.

IP
Industrial production

ISIN
International Securities Identification Number Uniquely identifies a security.

Key rate
Overnight rate of interest, set by the central bank.

LIBOR London interbank offered rate
Series of money market reference rates for different currencies produced by the British Bankers' Association, reflecting the average rate at which a sample of large banks based in London lend to other large banks without the loan being guaranteed by securities.

Glossary

Liquidity risk managers
Liquidity risk is the risk that arises from the difficulty of selling an asset in a timely manner. It can be thought of as the difference between the "true value" of the asset and the likely price, less commissions. *(Investopedia)*

Lower Tier 2 included
A debt that is subordinated to senior debt buts ranks ahead of Upper Tier 2 and Tier 1 capital.

Maturity
Redemption date of the issue.

MoM
Month on month

M. Dur
Modified duration expresses the measurable change in the value of a security in response to a change in interest rates.

Name
Name of issuer

NAV
Net Asset Value, or book value

ND/EBITDA
Net debt to EBITDA ratio.

A measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. The net debt to EBITDA ratio is a debt ratio that shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant. If a company has more cash than debt, the ratio can be negative.

NFPs
Nonfarm Payrolls

Non-IG
Non-investment-grade issuers, which therefore have a rating of BB+ or below.

ParCurve
Bench-mark yield curve

PBOC
People's Bank of China

PMI
Purchasing Managers Index

PPE
"Propriété par étages"
(condominium ownership)

Price
Indicative closing price.

Price target
A projected price level as stated by an investment analyst or advisor. A price that, if achieved, would result in a trader recognising a good outcome for his or her investment. The price at which the trader would like to exit his or her position.

Option spread
An option spread strategy involves buying and selling the same number of options on the same underlying security with different strike prices.

QoQ
Quarter-on-quarter

Quantitative easing
An unconventional monetary policyin which a central bank purchases government securities or other securities from the market in order to lower interest rates and increase the money supply. Quantitative easing increases the money supply by flooding financial institutions with capital in an effort to promote increased lending and liquidity. Quantitative easing is considered when short-term interest rates are at or approaching zero, and does not involve the printing of new banknotes

R
Recommended positioning or issuer

Rating
Composite rating (Fitch, Moody's and Standard & Poors)

ROE
Return on equity

Sec. no.
ISIN identification number

Front, short, intermediary, long, very long segments
Maturities of respectively 1-3 years, 3-5 years, 5-7 years, 7-10 years, 10+ years

Seagull
A seagull is an option strategy which involves a purchase of a call spread and the sale of a put option, or inversely.

Settl
Settlement date at subscription.

SNB
Swiss National Bank.

Soft comm.
Soft commodities

SPI
Swiss Performance Index

Swap
Spread between the yield of the bond and the yield from the appropriate swap curve.

Systematic macro managers
Fund managers who adjust a portfolio's long- and short-term positions on a particular security according to price trends. Systematic managers decide to allow a security to remain part of the portfolio as long as the price of that security remains above a predetermined level. *(Investopedia)*

TER
Total Expense Ratio

Underlined/Red: Avoid
This indicates a security which has a significant probability of default in a 12-month (no's') horizon.

Tapering
Gradual reduction of the Fed's asset purchase programme.

VIX Index
Chicago Board Options Exchange (CBOE) Volatility Index. It measures the stock market's expectation of 30-day volatility.

Yield (YTM) Yield to maturity
The total return anticipated on a bond if the bond is held until the end of its lifetime.

Yield curve
Graphical representation of the reference interest rates for each maturity. The difference between the yields on long-and short-term maturities indicates the steepness of the curve.

YoY
Year on year

General Risks

Market Risk: During its lifetime, the performance of the Product depends on the general global economic situation along with the political and economic factors in the specific countries. In particular, any changes in market prices (e.g., interest rates, stock prices, foreign exchange rates or commodity prices) can have a negative effect on the valuation of the Product. Investing in this Product represents a potential loss similar to a direct investment in the Underlying Assets and could thus result in a total loss of the invested capital. If the Underlying Assets' performance on Maturity Date is higher than 100% plus the Coupon, the investor will suffer from an opportunity loss (direct investment in the Underlying Assets).
Credit Risk: This product is a type of debt instrument, which is a loan to the Issuer. It bears the risk of default of the Issuer and, if any, of the Guarantor. The credit risk of the Issuer and, if any, of the Guarantor may change during the term of the product. The Issuer and, if any, the Guarantor are rated either by Moody's, Standard & Poor's and/or Fitch. Please refer to the rating of these agencies to assess the credit risk of the Issuer and, if any, of the Guarantor. This product represents direct unsecured and unsubordinated obligations of the Issuer.
Currency Risk: If an investment is denominated in a currency other than the investor's base currency, changes in the rate of exchange may have an adverse effect on value, price or income.

The Lombard Odier Equity Research rating system

Financial Rating

The financial rating and price target are derived from an analytical process conducted by the Equity Research Department of Bank Lombard Odier & Co Ltd. This process is based primarily on company fundamentals, and secondarily on valuation and momentum indicators.
The process results in the financial rating, which indicates the expected performance of a security over 12-18 months relative to the benchmark of its sector. Four ratings are possible:

- Research List - Focus ("**RF**"): A stock that is the analyst's best pick within his/her universe, over 12-18 months.
- Research List ("**R**"): A stock expected to post a performance over 12-18 months above that of its sector benchmark.
- Swiss Conviction List ("**SCL**"): Denotes a supplementary list of Swiss stocks that are recommended by the department's Equity team.
- Not Rated ("**NR**"): A stock that is not one of our preferred picks within the sector.

For each stock rated **RF**, **R** or **SCL** we issue a 12-month price target.

Thematic exposure

The Equity Research Department has identified nine investment themes that represent a significant long-term market opportunity (>USD 100 bn) and an incremental growth opportunity.

- (++)/(+): Indicates that a stock is very positively/moderately impacted by a particular investment theme.
- (-)/(--): Indicates that a stock is negatively/very negatively impacted by an investment theme.
- (): Impact on the stock by this investment theme is neutral or not relevant.

Extra-financial "ESG" Rating

Since 1998, Lombard Odier has also produced extra-financial ratings for companies according to socially responsible investment criteria. Each company is rated in the following "ESG" categories:

- Environmental: group-wide policy, international certifications, product innovation.
- Social: service quality, health & safety, training, ethics, community involvement.
- Governance: structure, independence, voting rights, compensation, controversy management.

The ratings (A: best quartile; D: worst) follow a proprietary methodology implemented in 2014. These ratings are partly based on our main information provider, Sustainalytics.

Bond rating system (source Bloomberg Composite)

AAA: A bond rated "AAA" has the highest rating assigned by Bloomberg Composite. The issuer's capacity to meet its financial commitment on the bond is EXTREMELY STRONG/**AA**: A bond rated "AA" differs from the highest rated bonds only to a small degree. The issuer's capacity to meet its financial commitment on the bond is VERY STRONG./**A**: A bond rated "A" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than bonds in higher rated categories. However, the issuer's capacity to meet its financial commitment on the bond is still STRONG./**BBB**: A bond rated "BBB" exhibits ADEQUATE protection parameters. However, adverse economic conditions or changing circumstances are more likely to undermine the issuer's capacity to meet its financial commitment on the bond./**BB+ to CCC**: From and including BB+ to CCC, the bond is vulnerable to non-payment. In the event of adverse business, financial, or economic conditions, the issuer is not likely to have the capacity to meet its financial commitment on the bond./**Plus (+) or minus (-)**: The ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories. Source: Bloomberg Composite

Important information

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