



Lodging - US RevPAR +4.1% Y/Y Last Week; Clean comp ex-hurricane impact

Group (+3.0%) helped lift Up Upscale to its best result in five weeks (+2.3%)

What's Incremental To Our View

Overall U.S. RevPAR was +4.1% Y/Y for the week ending 3/3/2018, per STR, up from the prior week's result of +2.0%. (2-year stacked RevPAR was +7.7% vs. +8.2% in the prior week.) Independent hotels (about 1/3rd of the data set) were +4.3% y/y. Midscale (+4.8%) was the strongest chain scale for branded hotels; Upper Upscale was the weakest chain scale at +2.3%. Economy (+4.0%) performed similarly to the overall US hotel industry average. Within Upper Upscale & Luxury class hotels, Group (+3.0% vs. -1.1% prior week) was stronger than Transient (+2.7% vs. +1.9% prior week).

Overall takeaways from last week's results:

- This was a relatively clean comp week ex-hurricane impacted markets (see below for detail).
- While Upper Upscale continues to have the weakest performance among the chain scales, a relatively decent Group result (+3.0%) helped lift the RevPAR of Upper Upscale to +2.3%, its best absolute result in five weeks.

For the month of February, we estimate that full-service branded domestic hotels (the typical Hilton [HLT, \$78.94, Buy], Hyatt [H, \$76.35, Hold], or Marriott [MAR, \$137.61, Hold] hotel) will finish at approximately +2.0-2.5% (our prior estimate was +2-3%). We estimate that the overall industry will finish approximately +3.5% (our prior estimate was +3-4%) driven in part by strength in the Luxury and Economy chain scales. Please note that reported monthly results include hotels that are not in the weekly data set.

RevPAR details:

- **Midscale was the strongest chain scale. Upper Midscale underperformed by 10 bps:** Luxury RevPAR (+4.1%), Upper Upscale (+2.3%), Upscale (+3.0%), Upper Midscale (+4.7%), Midscale (+4.8%), and Economy (+4.0%). Independent hotels (+4.3%) slightly outperformed headline U.S. RevPAR.
- **Within Upper Upscale & Luxury class hotels, Group was stronger than Transient:** Transient segment (individual business and leisure travelers) RevPAR was +2.7% (vs. +1.9% last week) and Group segment RevPAR was +3.0% (vs. -1.1% last week).
- **Boston (+8.8%) was the strongest of the top 5 markets:** Chicago (-1.4%), LA (+6.5%), NYC (+0.4%), and D.C. (+3.2%).

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What's Inside

Weekly STR results and analysis

- **Other relevant markets:**

- **San Francisco was down:** RevPAR was -19.3% vs. -7.6% last week. We anticipate weak y/y results in San Francisco for 1Q due to the renovations at the Moscone Center (comps get easier starting in 2Q).
- **Texas results were up:** Dallas RevPAR was +6.9% (vs. +1.9% last week). Houston RevPAR was +15.8% (vs. +21.3% last week).
- **Hurricane-impacted markets in FL had mixed results:** Miami (+18.4% vs. +18.7% last week); Orlando (+1.9% vs. -5.2% last week).

The lodging and leisure stocks:

- **Based on our last several months of RevPAR data analytics observations, we are less cautious on the hotel REITS then we were at the same time last year, though to be clear not overly bullish (however, due to some unique self-help drivers, we have a Buy rating on PK).** Given recent forward-looking demand and pricing trends, we continue to have higher confidence that numbers will not need to be cut in 2018 and that dividends will be paid (though we're not expecting dividend raises of any size this year). **LHO is the exception here as they saw a demand shock due to renovations and issues with their Kimpton hotels.** We see the major issue/challenge for the hotel owners in 2018 as cost containment. **In an environment of property-level operating costs of 3%+ vs. flat to 2% RevPAR growth,** this does not bode well for margin expansion for hotel owners (outside of PK, which has some unique self-help drivers). A second strike against the hotel REITs at this moment is that the growth in RevPAR is primarily driven by the leisure segment as opposed to the corporate segment, the latter being the bread and butter customer for the hotel REITs. Within the hotel REITs, PK is one of our favorite names.
- **For the C-Corps, it's all good until it isn't.** While most C-corps trade at expensive multiples by historical standards (not the case for the hotel REITs as the gap between hotel REITs and C-Corps is as wide as it has ever been), we note that historically asset-light C-Corp multiples can potentially get "wacky" (we note Four Seasons and Choice Hotels in the prior cycle, for example) and can stay expensive up to the point where a management team potentially delivers unexpected bad news (then look out below!). Based on our data research and industry conversations (private hotel owners), we are not anticipating such unexpected bad news (the "all good until it isn't" part) in April/May earnings releases as it relates to 1Q results and forward expectations.

Not For Investment Purposes

Weekly RevPAR Summary

	YoY % change in RevPAR													
	U.S.	Upper Luxury		Upscale	Upper Midscale		Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
1/6/2018	9.6%	25.0%	11.8%	11.7%	10.1%	9.9%	9.8%	2.5%	34.0%	24.4%	14.5%	13.8%	1.9%	
1/13/2018	5.5%	6.2%	0.8%	0.2%	0.8%	1.0%	4.4%	16.5%	-1.6%	-4.2%	-2.4%	-10.6%	-3.6%	
1/20/2018	-3.2%	-7.2%	-7.1%	-2.3%	-0.1%	1.2%	2.9%	-4.9%	4.8%	0.7%	4.3%	6.2%	-64.1%	
1/27/2018	4.5%	6.1%	3.3%	1.2%	1.2%	2.8%	5.4%	8.5%	10.1%	0.6%	2.5%	44.7%	-13.4%	
2/3/2018	3.6%	5.3%	2.2%	2.5%	4.4%	3.7%	4.5%	3.1%	7.2%	3.8%	-1.3%	11.1%	-0.7%	
2/10/2018	2.6%	5.0%	0.7%	0.9%	2.3%	3.5%	4.9%	2.9%	1.6%	0.2%	-5.4%	-1.2%	-7.4%	
2/17/2018	4.4%	9.5%	1.8%	2.5%	1.9%	3.7%	5.8%	6.5%	4.2%	-4.0%	17.6%	10.0%	2.9%	
2/24/2018	2.0%	5.9%	-0.2%	0.7%	1.6%	2.5%	3.6%	1.9%	2.9%	-0.3%	4.7%	6.2%	-3.0%	
3/3/2018	4.1%	4.1%	2.3%	3.0%	4.7%	4.8%	4.0%	4.3%	0.4%	8.8%	6.5%	-1.4%	3.2%	

Clean comp; Strong demand from hurricane-impacted markets

Midscale and Upper Midscale led the industry

Boston and LA led the Top 5 markets

1Q15	8.0%	6.3%	6.0%	7.0%	8.5%	8.8%	9.2%	8.9%	-4.3%	13.8%	7.7%	11.4%	6.3%
2Q15	6.5%	5.5%	5.4%	5.9%	6.3%	6.6%	6.7%	7.1%	-1.8%	7.1%	7.4%	11.0%	11.7%
3Q15	5.9%	4.4%	4.0%	5.7%	5.7%	6.4%	6.1%	6.8%	0.6%	7.1%	11.1%	5.1%	0.3%
4Q15	4.8%	2.7%	3.8%	4.2%	4.9%	3.7%	4.4%	5.9%	-2.0%	5.3%	8.3%	1.4%	2.1%
1Q16	2.7%	1.6%	1.9%	2.2%	2.0%	0.0%	1.8%	4.0%	-1.2%	-3.0%	16.6%	-4.8%	3.1%
2Q16	3.5%	0.8%	2.9%	3.1%	3.2%	3.0%	3.0%	4.2%	-4.5%	1.5%	11.1%	-1.0%	3.5%
3Q16	3.3%	1.5%	2.5%	2.0%	1.8%	2.5%	3.0%	5.1%	-2.5%	-0.5%	9.3%	1.2%	5.5%
4Q16	3.2%	1.9%	0.6%	1.2%	2.2%	3.9%	4.4%	5.1%	0.9%	-1.6%	6.9%	3.3%	8.0%
1Q17	3.4%	2.1%	3.0%	1.0%	2.4%	3.5%	2.6%	5.2%	-1.3%	-1.1%	-2.5%	1.5%	16.1%
2Q17	2.7%	2.3%	0.6%	0.6%	1.2%	2.4%	3.7%	5.1%	0.2%	4.4%	3.6%	0.8%	0.8%
3Q17	1.9%	0.5%	-0.7%	0.7%	1.8%	3.5%	2.9%	3.1%	-0.9%	-0.2%	-1.2%	-5.0%	-0.6%
4Q17	4.2%	4.5%	3.2%	3.8%	3.9%	3.7%	3.7%	4.1%	0.8%	3.7%	4.2%	-2.5%	2.2%

YoY % change in ADR													
	U.S.	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy	Inde- pendent	New York	Boston	LA	Chicago	DC
1/6/2018	5.8%	15.9%	6.9%	6.8%	4.8%	5.7%	5.9%	1.5%	23.8%	7.4%	10.6%	5.1%	-1.9%
1/13/2018	5.4%	7.0%	2.5%	1.5%	1.4%	2.2%	3.8%	13.8%	-2.1%	-2.7%	2.8%	-3.8%	-2.5%
1/20/2018	-1.7%	-6.1%	-3.7%	-0.9%	0.1%	1.6%	2.2%	-1.5%	-0.1%	0.0%	5.9%	3.0%	-54.4%
1/27/2018	3.9%	2.3%	2.5%	2.3%	2.3%	3.3%	4.6%	6.3%	4.2%	-0.9%	3.4%	17.1%	-2.9%
2/3/2018	2.2%	2.7%	0.6%	1.1%	2.2%	3.0%	4.1%	2.1%	1.8%	-0.9%	2.5%	2.1%	-1.7%
2/10/2018	2.8%	3.7%	2.4%	1.8%	2.2%	3.4%	4.1%	3.3%	-0.1%	-1.6%	-1.6%	-0.9%	-3.4%
2/17/2018	3.2%	4.7%	0.8%	1.7%	1.7%	3.8%	4.8%	4.5%	0.6%	-2.5%	15.0%	2.3%	1.0%
2/24/2018	1.9%	3.6%	0.7%	0.8%	1.2%	2.4%	3.4%	2.5%	0.7%	-1.6%	2.8%	1.8%	-2.5%
3/3/2018	2.3%	2.4%	0.8%	1.3%	1.8%	3.0%	3.8%	3.1%	0.0%	0.5%	5.4%	-1.8%	-3.2%

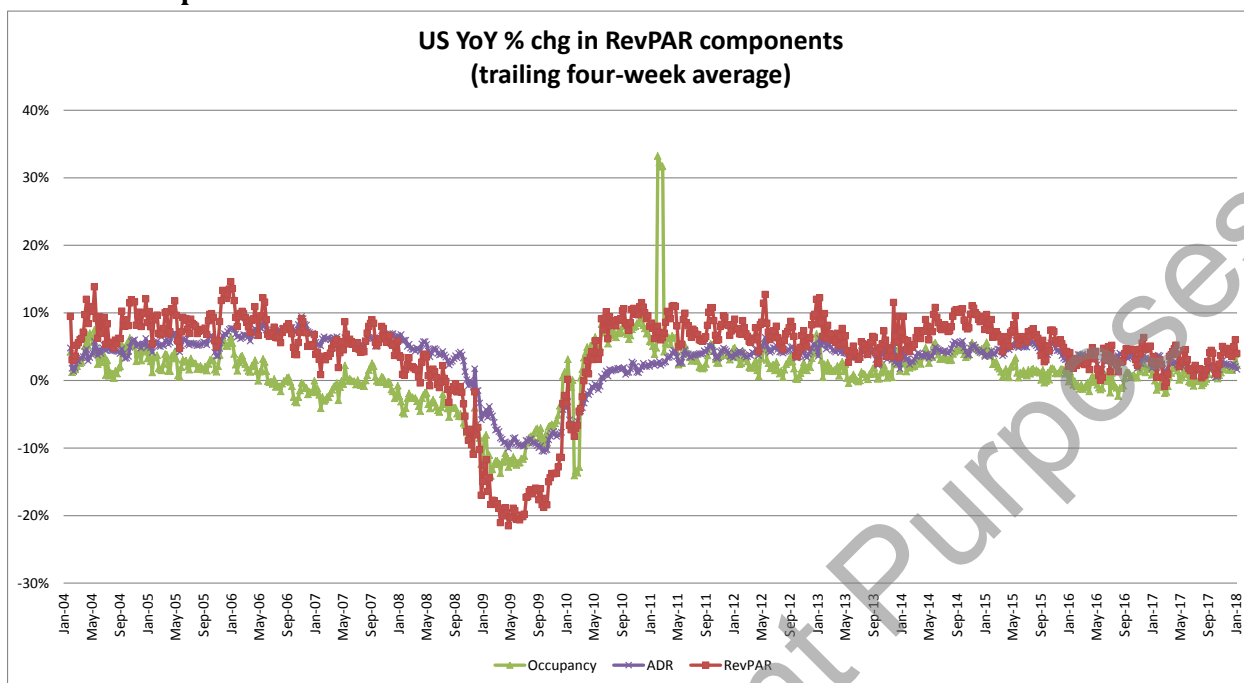
1Q15	4.7%	5.8%	4.7%	5.2%	4.7%	4.7%	5.5%	4.7%	-4.1%	7.3%	6.5%	7.1%	1.7%
2Q15	4.8%	4.9%	4.8%	5.3%	4.6%	4.3%	5.4%	4.6%	-1.5%	6.8%	7.1%	9.2%	7.9%
3Q15	4.5%	3.7%	3.6%	5.2%	4.4%	4.6%	5.0%	4.6%	0.3%	7.4%	9.6%	5.3%	-0.1%
4Q15	3.6%	2.3%	3.0%	3.9%	3.5%	3.0%	4.2%	3.8%	-2.3%	3.9%	6.1%	2.3%	1.0%
1Q16	3.2%	1.9%	2.7%	3.2%	2.6%	1.7%	3.3%	3.7%	-3.1%	1.4%	11.3%	-1.9%	1.1%
2Q16	2.9%	1.5%	2.2%	2.9%	2.8%	2.7%	3.4%	3.0%	-3.1%	3.3%	9.4%	0.3%	2.1%
3Q16	3.4%	1.5%	2.5%	2.7%	2.4%	3.1%	3.6%	4.4%	-2.7%	2.3%	7.5%	1.9%	3.5%
4Q16	2.6%	2.1%	1.4%	2.2%	2.0%	2.2%	3.2%	3.8%	-1.2%	1.3%	5.8%	3.9%	4.1%
1Q17	2.5%	2.3%	2.4%	1.3%	1.6%	1.8%	2.4%	3.5%	-2.2%	0.0%	-0.2%	1.7%	13.6%
2Q17	2.2%	2.2%	1.2%	1.7%	1.5%	2.1%	2.3%	3.5%	-1.5%	4.1%	2.8%	1.5%	2.0%
3Q17	1.4%	1.4%	0.2%	0.8%	1.2%	1.9%	2.4%	2.2%	-2.0%	0.8%	1.8%	-2.4%	0.0%
4Q17	2.4%	2.2%	1.9%	1.8%	1.8%	2.5%	3.4%	2.1%	-0.2%	0.8%	4.6%	-2.0%	2.4%

YoY % change in Occupancy													
	U.S.	Upper		Upper		Inde- pendent		New					
		Luxury	Upscale	Upscale	Midscale	Midscale	Economy	York	Boston	LA	Chicago	DC	
1/6/2018	3.6%	7.8%	4.6%	4.6%	5.0%	4.0%	3.7%	1.0%	8.2%	15.8%	3.6%	8.3%	3.9%
1/13/2018	0.2%	-0.7%	-1.7%	-1.3%	-0.6%	-1.2%	0.6%	2.3%	0.5%	-1.5%	-5.0%	-7.1%	-1.1%
1/20/2018	-1.5%	-1.1%	-3.6%	-1.4%	-0.2%	-0.4%	0.7%	-3.5%	4.8%	0.7%	-1.5%	3.1%	-21.2%
1/27/2018	0.6%	3.8%	0.8%	-1.1%	-1.1%	-0.5%	0.8%	2.1%	5.7%	1.6%	-0.9%	23.6%	-10.8%
2/3/2018	1.4%	2.5%	1.6%	1.4%	2.2%	0.6%	0.4%	0.9%	5.3%	4.7%	-3.7%	8.8%	1.0%
2/10/2018	-0.2%	1.2%	-1.7%	-0.9%	0.0%	0.0%	0.7%	-0.3%	1.8%	1.9%	-3.9%	-0.3%	-4.2%
2/17/2018	1.2%	4.6%	1.0%	0.8%	0.2%	-0.1%	0.9%	1.9%	3.6%	-1.5%	2.3%	7.5%	1.9%
2/24/2018	0.0%	2.3%	-0.8%	-0.1%	0.4%	0.2%	0.2%	-0.6%	2.2%	1.3%	1.8%	4.3%	-0.5%
3/3/2018	1.7%	1.7%	1.5%	1.7%	2.9%	1.7%	0.1%	1.2%	0.4%	8.3%	1.1%	0.4%	6.7%

1Q15	3.1%	0.5%	1.3%	1.7%	3.6%	3.9%	3.5%	4.0%	-0.2%	6.1%	1.1%	4.0%	4.6%
2Q15	1.6%	0.6%	0.5%	0.6%	1.7%	2.2%	1.3%	2.3%	-0.3%	0.3%	0.3%	1.7%	3.5%
3Q15	1.4%	0.6%	0.4%	0.5%	1.3%	1.8%	1.0%	2.1%	0.2%	-0.3%	1.3%	-0.1%	0.4%
4Q15	1.2%	0.4%	0.8%	0.2%	1.3%	0.6%	0.2%	2.1%	0.3%	1.4%	2.0%	-0.9%	1.1%
1Q16	-0.5%	-0.3%	-0.8%	-0.9%	-0.6%	-1.7%	-1.5%	0.3%	2.0%	-4.3%	4.7%	-3.0%	2.0%
2Q16	0.6%	-0.7%	0.7%	0.2%	0.4%	0.5%	-0.4%	1.2%	-1.4%	-1.7%	1.5%	-1.4%	1.3%
3Q16	0.0%	0.0%	-0.1%	-0.6%	-0.6%	-0.6%	0.7%	0.3%	0.3%	-2.8%	1.7%	-0.7%	1.9%
4Q16	0.6%	-0.2%	-0.8%	-1.0%	0.2%	1.7%	1.2%	1.2%	2.2%	-2.8%	1.0%	-0.5%	3.7%
1Q17	0.9%	-0.2%	0.6%	-0.3%	0.7%	1.6%	0.2%	1.6%	1.0%	-1.1%	-2.4%	-0.2%	2.2%
2Q17	0.5%	0.1%	-0.6%	-1.1%	-0.3%	0.4%	1.4%	1.6%	1.7%	0.3%	0.8%	-0.7%	-1.2%
3Q17	0.5%	-0.9%	-0.9%	-0.1%	0.6%	1.6%	0.5%	0.9%	1.1%	-1.0%	-2.9%	-2.7%	-0.5%
4Q17	1.8%	2.2%	1.3%	2.0%	2.1%	1.2%	0.3%	2.0%	1.0%	2.8%	-0.3%	-0.5%	-0.2%

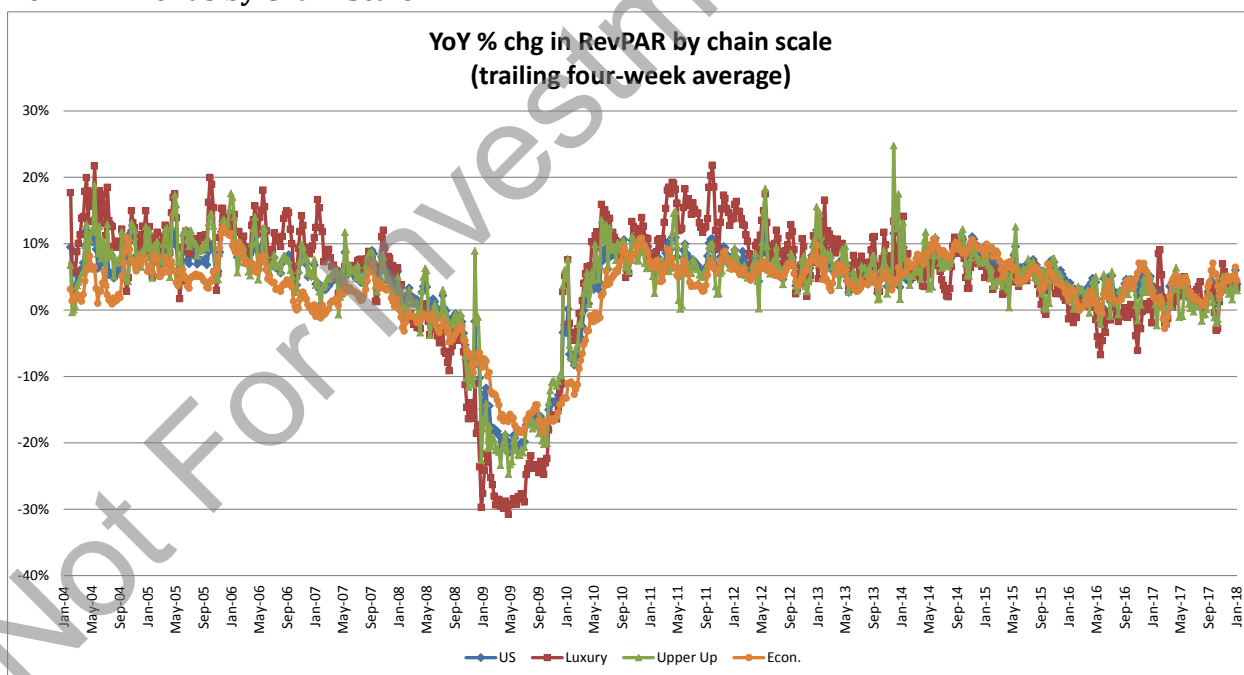
Source: STR data, STRH research

RevPAR Component Trends



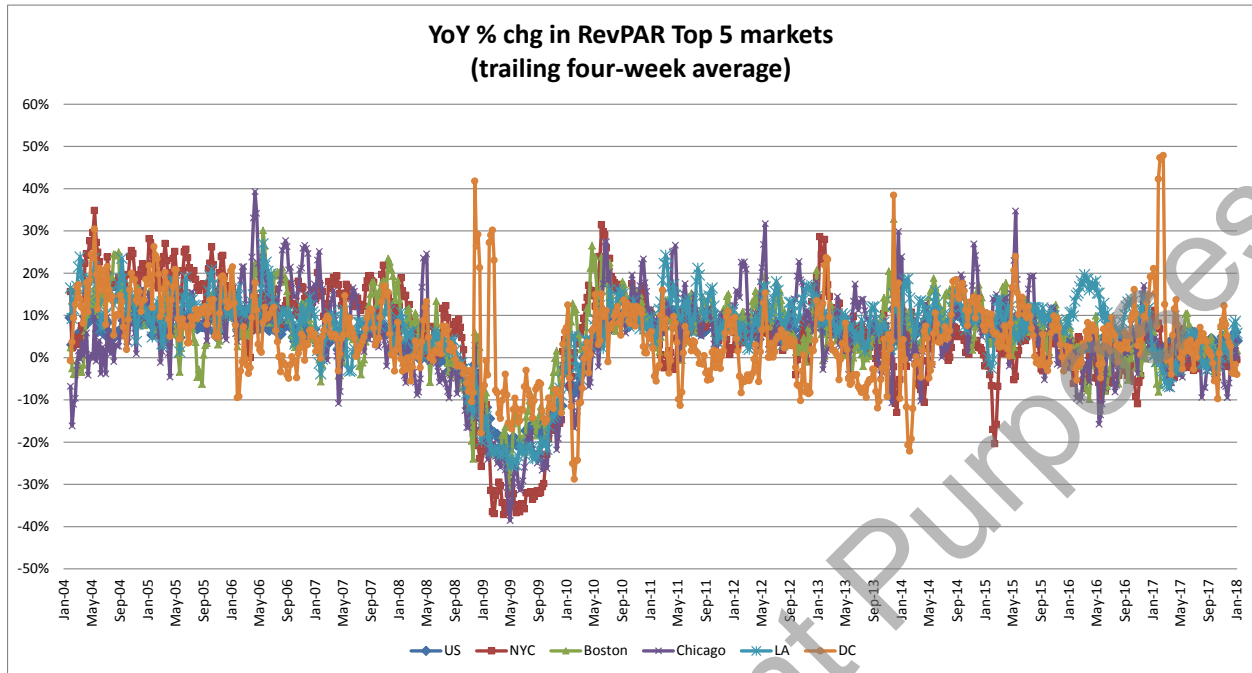
Source: STR data, STRH research

RevPAR Trends by Chain Scale



Source: STR data, STRH research

RevPAR Trends by Market



Source: STR data, STRH research

Price Target/Risks Summary

Lodging	TKR	Price 3/6/18	Rating	PT*	% upside down- side	2018E EBITDA (\$M)	Target EV/EBITDA Multiple	Risks
Chesapeake Lodging Trust	CHSP	\$26.32	Hold	\$26	-1%	\$181	12.0X	Upside risk: improvement in NY and Chicago markets Downside risk: softening of RevPAR trends in Boston or SF. Slowdown in real estate lending.
Choice Hotels	CHH	\$80.55	Hold	\$82	2%	\$326	14.0X	Upside risk: conservative guidance. Downside risk: big catalyst of special dividend already baked into the stock.
DiamondRock Hospitality	DRH	\$10.38	Hold	\$11	6%	\$252	11.5X	Upside risk: specific markets (esp. NYC) perform better than expected. Downside risk: company unable to locate properties to buy.
Host Hotels & Resorts	HST	\$18.20	Hold	\$20	10%	\$1,496	12.5X	Upside risk: the company increases dividends by more than expected; NYC outperforms or is sold down at attractive multiples Downside risk: Group underperforms. NYC hotels underperform and asset sales do not happen.
Hyatt Hotels	H	\$76.35	Hold	\$80	5%	\$752	12.9X	Upside risk: Transient and group trends outperform expectations Downside risk: ongoing misexecution and volatility.
Bluegreen Vacations Corporation	BXG	\$19.24	Buy	\$19	-1%	\$184	7.9X	Downside risk: 3rd party induced defaults, worsen. Middle market customers underperform.
Hilton Grand Vacations	HGV	\$45.45	Buy	\$50	10%	\$425	12.0X	Downside risk: Disruption in a major market (HGV more concentrated than peers), issues with Japanese customer (HGV more exposed than peers), difficulty sourcing additional fee-for-service inventory deals
Hilton	HLT	\$78.94	Buy	\$92	17%	\$2,062	14.6X	Downside risk: overhang from remaining big sponsor ownership, slowing pipeline
InterContinental Hotels	IHG	\$63.18	Hold	\$66	4%	\$921	13.5X	Upside risk: further acceleration in returning capital to shareholders. Downside risk: trends continue to worsen in Greater China
ILG	ILG	\$34.14	Buy	\$34	0%	\$366	11.1X	Downside risk: membership base erosion as churn outstrips new timeshare sales
LaSalle Hotel Properties	LHO	\$25.39	Hold	\$24	-5%	\$295	12.5X	Upside risk: ability to increase dividend. Downside risk: heavy D.C. exposure.
Marriott International	MAR	\$137.61	Hold	\$128	-7%	\$3,125	14.8X	Upside Risk: Significant U.S macroeconomic improvement results in large recovery in transient corporate demand (and consequential >400 bps RevPAR improvement). Owned assets sell for premium prices relative to MAR expectations. Downside Risk: 2017 or 2018 is a recession year in the US. Geopolitical and policy risks negatively impact lodging demand.
Marriott Vacations	VAC	\$145.98	Hold	\$141	-3%	\$299	11.1X	Upside risk: Mix shift not an issue for margins, quicker execution/upside of buyback program; Downside risk: inability to achieve development margin targets, inability to close asset sales or asset sales are done at lesser values than expected
Park Hotels & Resorts	PK	\$26.15	Buy	\$32	22%	\$732	12.6X	Downside risk: Significant supply growth and macroeconomic challenges/shocks.
RLJ Lodging Trust	RLJ	\$19.50	Hold	\$21	8%	\$554	11.5X	Upside risk: RevPAR reaccelerates due to macroeconomic improvements, leading to estimate revisions and multiple expansion. Downside risk: Significant supply growth, struggle to source deals/lower leverage, macroeconomic challenges/demand shocks.
Ryman Hospitality Properties	RHP	\$71.72	Hold	\$60	-16%	\$390	12.3X	Upside risk: recovering group demand better than expected, better margin recovery. Downside risk: booking issues stickier than expected.
Sunstone Hotel Investors	SHO	\$14.49	Hold	\$15	4%	\$320	12.0X	Upside risk: Recovery of corporate demand in SHO's markets. Above average group bookings in Orlando and Boston Park Plaza post-meeting space expansions. Downside risk: Weaker than expected demand trends following capital investment projects.
Wyndham Worldwide Corp	WYN	\$117.61	Buy	\$131	11%	\$1,348	10.2X	Downside risk: the timeshare business is especially vulnerable to economic softness.

* All of our Lodging price targets (ex-PK) are derived by applying a target EV/EBITDA multiple to our estimate for 2018 EBITDA

Source: FactSet, STRH research

LHO: Valuation and Risks

Our price target of \$24 for LHO is derived by applying a 12.5X target EV/EBITDA multiple (a premium to the industry given most of the portfolio is unbranded and therefore unencumbered by franchise/management contracts) to our estimate for 2019 EBITDA.

Upside risk: ability to increase dividend. Downside risk: heavy D.C. exposure.

PK: Valuation and Risks

Our \$32 price target is based on an 12.5x multiple on our 2019 EBITDA estimate. This multiple is in-line with portfolio quality.

Downside risk: Significant supply growth and macroeconomic challenges/shocks. Press reports (FT, Bloomberg, others) have indicated possible financial difficulties at HNA, a 25% holder of PK shares. If HNA should have to liquidate PK we believe this would create near-term pressure on the shares.

Companies Mentioned in This Note

Bluegreen Vacations Corporation (BXG, \$19.24, Buy, C. Patrick Scholes)
Choice Hotels International, Inc. (CHH, \$80.55, Hold, C. Patrick Scholes)
Chesapeake Lodging Trust (CHSP, \$26.32, Hold, C. Patrick Scholes)
DiamondRock Hospitality Company (DRH, \$10.38, Hold, C. Patrick Scholes)
Hyatt Hotels Corporation (H, \$76.35, Hold, C. Patrick Scholes)
Hilton Grand Vacations Inc. (HGV, \$45.45, Buy, Bradford Dalinka)
Hilton Worldwide Holdings Inc. (HLT, \$78.94, Buy, C. Patrick Scholes)
Host Hotels & Resorts, Inc. (HST, \$18.20, Hold, C. Patrick Scholes)
InterContinental Hotels Group PLC (IHG, \$63.18, Hold, C. Patrick Scholes)
ILG, Inc. (ILG, \$34.14, Buy, C. Patrick Scholes)
LaSalle Hotel Properties (LHO, \$25.39, Hold, C. Patrick Scholes)
Marriott International, Inc. (MAR, \$137.61, Hold, C. Patrick Scholes)
Park Hotels & Resorts Inc. (PK, \$26.15, Buy, C. Patrick Scholes)
Ryman Hospitality Properties, Inc. (RHP, \$71.72, Hold, C. Patrick Scholes)
RLJ Lodging Trust (RLJ, \$19.50, Hold, C. Patrick Scholes)
Sunstone Hotel Investors, Inc. (SHO, \$14.49, Hold, C. Patrick Scholes)
Marriott Vacations Worldwide Corporation (VAC, \$145.98, Hold, C. Patrick Scholes)
Wyndham Worldwide Corporation (WYN, \$117.61, Buy, C. Patrick Scholes)
Four Seasons (private)

Analyst Certification

I, C. Patrick Scholes, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

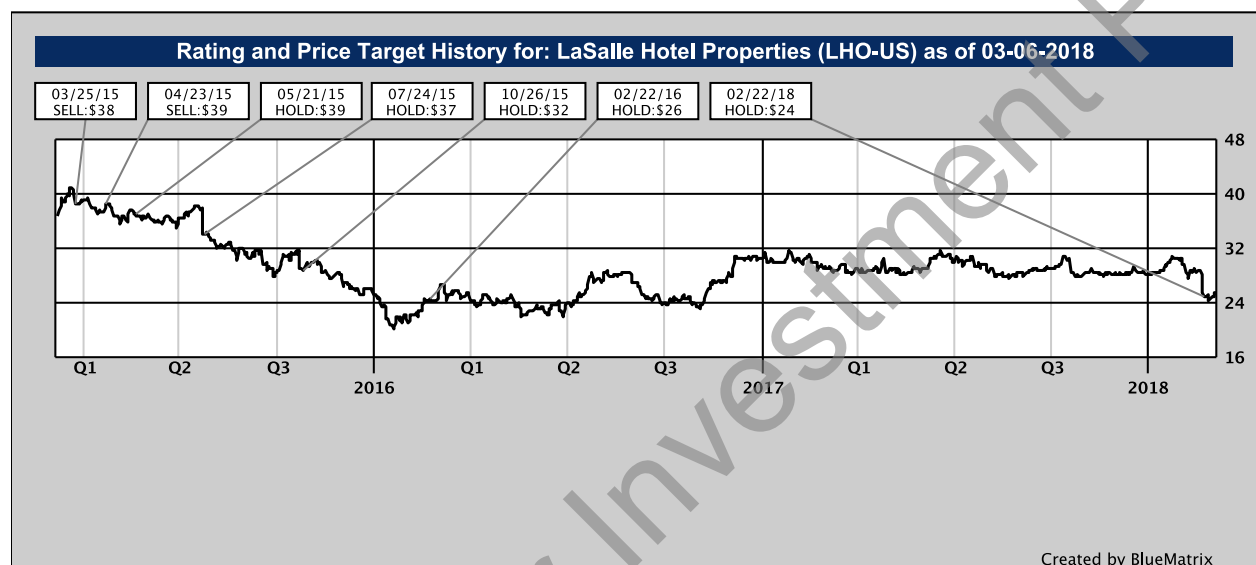
I, Bradford Dalinka, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

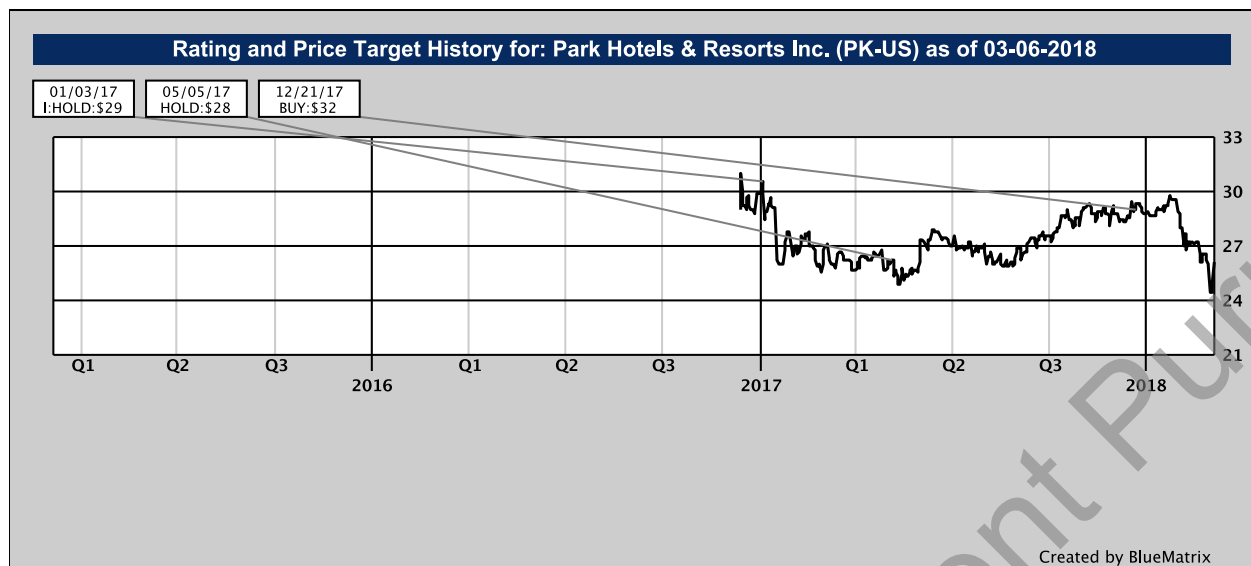
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Hold (H) – the stock's total return is expected to perform in line with the S&P 500 or relevant benchmark over the next 12-18 months (unless otherwise indicated)

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H = Hold
S = Sell
D = Drop Coverage
CS = Coverage Suspended
NR = Not Rated
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T = Transfer Coverage

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3 designations based on total returns* within a 12-month period**

- Buy – total return $\geq$ 15% (10% for low-Beta securities)***
- Reduce – total return $\leq$ negative 10% (5% for low Beta securities)
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- NR – NOT RATED, STRH does not provide equity research coverage
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*Total return (price appreciation + dividends); **Price targets are within a 12-month period, unless otherwise noted; ***Low Beta defined as securities with an average Beta of 0.8 or less, using Bloomberg's 5-year average

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Coverage Universe			Investment Banking Clients Past 12 Months		
Rating	Count	Percent	Rating	Count	Percent
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