

# FIRST LIGHT

## RESEARCH

### BOB Economics Research | Weekly Wrap

Risk-off drives markets lower

### BOB Economics Research | Wholesale Inflation

Lower fuel prices drives sharp reduction in WPI inflation

### BOB Economics Research | Trade

Exports recover faster than imports

### Sun Pharma | Target: Rs 470 | -3% | REDUCE

Ilumya out-licensed to Hikma for MENA region

### Logistics | Monthly Tracker

Another abysmal month but signs of recovery visible

## SUMMARY

### India Economics: Weekly Wrap

Global yields closed lower after US FOMC painted a dismal picture of recovery for the US economy in CY20. Risk-off sentiment resulted in 2% gain for JPY in the week. Equity markets were also lower in the week led by Dax, FTSE and Dow. Lockdown resulted in India's Industrial production declining by 55% in Apr'20. However, as restrictions were eased in May'20, food inflation did start to inch lower. We believe the sharp reduction in growth implies RBI will follow up with another rate cut in next policy meeting.

[Click here for the full report.](#)

## TOP PICKS

### LARGE-CAP IDEAS

Company	Rating	Target
<a href="#">Bajaj Finance</a>	Buy	3,000
<a href="#">Cipla</a>	Buy	690
<a href="#">GAIL</a>	Buy	140
<a href="#">Petronet LNG</a>	Buy	330
<a href="#">Eicher Motors</a>	Add	18,100

### MID-CAP IDEAS

Company	Rating	Target
<a href="#">Alkem Labs</a>	Buy	2,950
<a href="#">Chola Investment</a>	Buy	200
<a href="#">Laurus Labs</a>	Buy	630
<a href="#">Transport Corp</a>	Buy	240
<a href="#">Mahanagar Gas</a>	Sell	710

Source: BOBCAPS Research

## DAILY MACRO INDICATORS

Indicator	Current	2D (%)	1M (%)	12M (%)
US 10Y yield (%)	0.71	4bps	(4bps)	(143bps)
India 10Y yield (%)	5.99	0bps	(18bps)	(102bps)
USD/INR	75.85	(0.1)	(0.1)	(9.0)
Brent Crude (US\$/bbl)	25,606	1.9	3.7	(3.7)
Dow	2,920	0	0.9	0.3
Shanghai	33,781	0.7	6.3	(15.6)
Sensex	38.73	0.5	30.1	(37.1)
India FII (US\$ mn)	11 Jun	MTD	CYTD	FYTD
FII-D	15.7	(290.9)	(14,346.2)	(4,586.7)
FII-E	113.2	2,864.5	(2,050.0)	4,553.0

Source: Bank of Baroda Economics Research

## BOBCAPS Research

research@bobcaps.in



## India Economics: Wholesale Inflation

Headline WPI fell by 3.2% in May'20 led by 19.8% drop in fuel inflation. Within fuel group, minerals index declined by 37.4% compared in-line with international prices. Food inflation also moderated to 2.3% in May'20 from 3.6% in Apr'20. Core inflation contracted at the fastest pace in 5 months in May'20 with manufactured products inflation at (-) 0.4%. We do foresee retail inflation reducing in the coming months led by food inflation which is already showing signs of softening. This will open up room for RBI to cut rates further.

[Click here for the full report.](#)

## India Economics: Trade

India's trade deficit narrowed sharply to US\$ 3.2bn in May'20 from US\$ 6.8bn in Apr'20. The MoM improvement was driven by a sharp recovery in exports from a decline of 60.3% in Apr'20 to a reduction of 36.5% in May'20. Imports declined by 51% in May'20 (58.6% in Apr'20). Non-oil-non-gold imports recovered a bit. Given low international oil prices and muted domestic demand, we expect India to report a current account surplus. Thus we believe INR is likely to see an appreciating bias in coming months.

[Click here for the full report.](#)

## Sun Pharma

Sun Pharma (SUNP) and Hikma today entered into an exclusive licensing and distribution agreement for Ilumya for the MENA region. Ilumya (Tildrakizumab) is a key specialty drug for SUNP already approved in the US and EU (with partner Almirall) and used for the treatment of plaque psoriasis. SUNP will receive upfront payment from Hikma and be entitled to milestone payments on achievement of certain sales targets. We believe the deal has limited immediate implications for the company given low upfront/milestone payments in view of the minuscule market size. Long-term value add depends on the scale of biologic adoption. We maintain REDUCE on SUNP with a Mar'21 target price of Rs 470.

[Click here for the full report.](#)

## Logistics: Monthly Tracker

After unprecedented declines in April, key trade indicators slumped yet again in May – major port traffic nosedived 23% YoY (-21% in Apr) and container rail volumes dropped 19% YoY (-14% in Apr). Some parameters did signal an uptick in logistics activity – e-way bill collection tripled MoM and trucking utilisation gained traction (30-35% vs. <10% in Apr). Easing of restrictions should lead to a spurt in transport activity as domestic supply chain gaps are filled, but full-fledged recovery is likely to remain elusive till the pandemic is reasonably contained.

[Click here](#) for the full report.

## WEEKLY WRAP

15 June 2020

**Risk-off drives markets lower**

**Global yields closed lower after US FOMC painted a dismal picture of recovery for the US economy in CY20. Risk-off sentiment resulted in 2% gain for JPY in the week. Equity markets were also lower in the week led by Dax, FTSE and Dow. Lockdown resulted in India's Industrial production declining by 55% in Apr'20. However, as restrictions were eased in May'20, food inflation did start to inch lower. We believe the sharp reduction in growth implies RBI will follow up with another rate cut in next policy meeting.**

Sameer Narang | Jahnavi

chief.economist@bankofbaroda.com

**Markets**

- **Bonds:** Global long-end yields closed lower led by US as markets fear second wave after most world economies have opened up. FOMC also painted a dismal growth picture for US in CY20 with sharp contraction of 6.5%. Oil prices too fell by 8.4% (US\$ 39/bbl). India's 10Y yield fell by 3bps (6.01%) in-line with global yields. System liquidity surplus was higher at Rs 4tn as on 12 June 2020 compared with Rs 3.8tn in the previous week.
- **Currency:** Risk-off was visible in global markets with JPY and DXY gaining 2% and 0.4% respectively. Fears of a second wave led to decline in EM currencies. AUD fell by 1.5% on the back of rising tensions with China. GBP too depreciated by 1% as UK's GDP growth contracted by most on record. INR too closed lower by 0.4% despite FPI inflow of US\$ 200mn.
- **Equity:** Global indices ended the week sharply lower as US Fed painted a grim picture on US economic outlook. Markets also fear second wave which will delay economic recovery further. The fall was led by Dax (7%) followed by FTSE (5.8%) and Dow (5.6%). Sensex (1.5%) too ended lower led by subdued global cues.
- **Upcoming key events:** In current week, markets will track US industrial production, housing starts and retail sales. Germany's Zew expectation index will also be released. Central bank decisions are awaited for UK, Japan and Taiwan. India's trade data will be released. But markets will also look at spread of COVID-19 in the country.



## WHOLESALE INFLATION

15 June 2020

### Lower fuel prices drives sharp reduction in WPI inflation

Headline WPI fell by 3.2% in May'20 led by 19.8% drop in fuel inflation. Within fuel group, minerals index declined by 37.4% compared in-line with international prices. Food inflation also moderated to 2.3% in May'20 from 3.6% in Apr'20. Core inflation contracted at the fastest pace in 5 months in May'20 with manufactured products inflation at (-) 0.4%. We do foresee retail inflation reducing in the coming months led by food inflation which is already showing signs of softening. This will open up room for RBI to cut rates further.

Sameer Narang

Jahnavi | Sonal Badhan

[chief.economist@bankofbaroda.com](mailto:chief.economist@bankofbaroda.com)

**Food inflation eases:** Food inflation moderated to 2.3% in May'20 from 3.6% in Apr'20. The decline was led by vegetable prices which contracted at a 17-month low of 12.5% in May'20 compared with an increase of 2.2% in Apr'20. Onion inflation decelerated to 6.3% in May'20 from 73.5% in Apr'20. Cereal inflation too edged down to 2% in May'20 with prices of both paddy (1.2% in May'20 from 1.4% in Apr'20) and wheat (6% in May'20 from 7.3% in Apr'20) increasing at a slower pace. Even milk prices increased by 5.4% in May'20 compared with an increase of 5.9% in Apr'20. On the other hand, prices of fruits as well as protein based items such as, eggs, meat and fish accelerated.

**Fuel inflation drops further:** Fuel and power inflation contracted by 19.8% in May'20 from decline of 10.1% in Apr'20, as mineral oil price index fell by 37.4% compared with 21.5% drop in Apr'20. Within the mineral oils index, the decline was led by ATF, Naphtha and kerosene. Coal prices remained steady for the 5th consecutive month in May'20, while electricity price index increased by only 2.9% versus 6.2% in Apr'20. We expect headline fuel inflation to remain muted as international oil prices are still 35% lower on a YoY basis.

**Deflation in core lingers on:** Core inflation contracted by 1.3% in May'20 versus a decline of 0.8% in Mar'20 (Apr'20 data unavailable). Manufactured inflation also declined by 0.4% compared with an increase of 0.3% seen in Mar'20. Amongst major commodities, prices of basic metals, textiles, chemical products, and electronic items saw the maximum decline. This is in line with global trend wherein international commodity prices declined by 11.7% in May'20 compared with a decrease of 16.3% in Apr'20. In Jun'20 (MTD), commodity prices have contracted at a similar pace of 11.4% YoY so far.



## TRADE

15 June 2020

**Exports recover faster than imports**

India's trade deficit narrowed sharply to US\$ 3.2bn in May'20 from US\$ 6.8bn in Apr'20. The MoM improvement was driven by a sharp recovery in exports from a decline of 60.3% in Apr'20 to a reduction of 36.5% in May'20. Imports declined by 51% in May'20 (58.6% in Apr'20). Non-oil-non-gold imports recovered a bit. Given low international oil prices and muted domestic demand, we expect India to report a current account surplus. Thus we believe INR is likely to see an appreciating bias in coming months.

Sameer Narang

Aditi Gupta | Sonal Badhan

chief.economist@bankofbaroda.com

**Exports seen recovering:** India's exports contracted by 36.5% in May'20 from a decline of 60.3% in Apr'20. This was led by sharp increase in pharma exports at 17.3% in May'20 versus 0.3% in Apr'20. Apart from oil, the pace of decline in other export categories was lower led by organic chemicals (12.7% versus 41.9%), engineering goods (24.2% versus 64.8%) and gems and jewelry (68.8% versus 98.7%). Oil exports were lower by 68.5% compared with 66.2% decline in Apr'20. With global demand gradually improving, exports will show recovery in the coming months.

**Non-oil-non-gold imports show some recovery:** Imports contracted by 51.1% in May'20 from a decline of 58.6% in Apr'20. Oil imports declined by 71.9% in May'20 compared with 59% fall in Apr'20. Gold imports declined by 98.4% versus a fall of 99.9% in Apr'20. Non-oil-non-gold imports continued to contract, although, pace of decline is now at 33.8% compared with 52.2% in Apr'20. Decline in non-oil-non-gold imports was driven by pearls and precious metals (77.1%) and electronics (40.3%). Capital goods imports recovered marginally to decline by 33.6% versus a decline of 54.2% in Apr'20, as industrial activity restarted.

**External balance favourable:** India's trade deficit narrowed to its lowest since Mar'09 at US\$ 3.2bn compared with US\$ 6.8bn in Apr'20. Trade deficit has narrowed for the 4th straight month this year led by lower imports. Non-oil-non-gold imports may see moderate recovery as lockdown restrictions are lifted. Even so, recovery will be gradual. Oil prices are also likely to remain subdued due to weak global demand. This should keep trade deficit in check and also offset the decline in remittances and services exports, leading to a current account surplus in FY21. We thus see INR reverting back to 73/\$ - 74/\$ level in FY21.

**KEY HIGHLIGHTS**

- Exports contract by 36.5% in May'20 versus 60.3% in Apr'20.
- Imports also decline by 51.1% compared with 58.6% in Apr'20.
- Trade deficit narrows to US\$ 3.2bn, likely to remain subdued in FY21.



**REDUCE**

TP: Rs 470 | ▼ 3%

**SUN PHARMA**

Pharmaceuticals

15 June 2020

## Ilumya out-licensed to Hikma for MENA region

**Event:** Sun Pharma (SUNP) and Hikma (market cap: US\$ 7.4bn) today entered into an exclusive licensing and distribution agreement for Ilumya – an innovative biologic product – for the Middle East & North Africa (MENA) region. To recap, Ilumya (Tildrakizumab) is a key specialty drug for SUNP and is already approved in the US and EU (with partner Almirall). The drug is used for treatment of adults with moderate-to-severe plaque psoriasis.

**Deal terms:** (1) SUNP will receive upfront payment from Hikma and be entitled to milestone payments on achievement of certain sales targets. The quantum has not been disclosed. (2) Hikma will be responsible for registration and commercialisation of the product in all MENA markets and SUNP will manage product supply. Key markets include the UAE, Lebanon, Qatar, Saudi Arabia, Kuwait, Bahrain, Egypt, Algeria, Jordan, Iraq, Morocco and Oman. (3) The agreement is for 15 years from first sale, with auto-renewal periods of 2 years.

**MENA a small market...:** As per IQVIA, pharma sales in the MENA region for 2019 totalled ~US\$ 26bn (~2% of global pharma market), growing at 8% p.a. The region has a relatively lower penetration of biologics due to lower purchasing power and a tender-based market structure (20-70% institutional mix depending on the region).

**...but Hikma a good choice of partner:** Hikma is the fifth largest pharma company in the MENA region by revenue (US\$ 725mn, 33% of its total sales in 2019). It has over 40 years of manufacturing and marketing presence across 18 markets and a proven track record on several in-licensed products. Based on management interaction, we understand that Hikma has healthy dermatology brands in this market and an established field force which can give it a decent head start.

**Our view:** We believe the deal has limited immediate implications for SUNP given low upfront/milestone payments in view of the minuscule market size. Long-term value add depends on the scale of biologic adoption. We maintain REDUCE on SUNP with a Mar'21 target price of Rs 470, based on a 12x FY22E EV/EBITDA multiple (20x implied P/E).

Key stock overhangs include (1) below-expected Ilumya ramp-up, (2) anti-trust liability/adverse US Dept. of Justice ruling on generic price fixing, (3) SEBI-ordered forensic audit for 2016-18 financials, and (4) a Rs 40.6bn contingent tax liability not provided for. These would constrain valuations in our view.

**Vivek Kumar**

research@bobcaps.in

Ticker/Price	SUNP IN/Rs 486
Market cap	US\$ 15.3bn
Shares o/s	2,399mn
3M ADV	US\$ 86.0mn
52wk high/low	Rs 513/Rs 312
Promoter/FPI/DII	54%/17%/16%

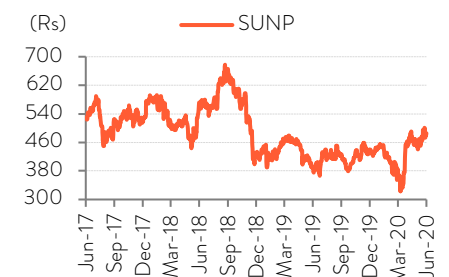
Source: NSE

### KEY FINANCIALS

Y/E 31 Mar	FY20P	FY21E	FY22E
Total revenue (Rs mn)	323,880	359,378	401,176
EBITDA (Rs mn)	69,823	77,825	86,281
Adj. net profit (Rs mn)	40,453	49,485	55,981
Adj. EPS (Rs)	16.9	20.6	23.3
Adj. EPS growth (%)	10.9	22.3	13.1
Adj. ROAE (%)	8.7	9.8	10.2
Adj. P/E (x)	28.8	23.6	20.8
EV/EBITDA (x)	15.8	14.0	12.2

Source: Company, BOBCAPS Research

### STOCK PERFORMANCE



Source: NSE

[Click here for our last detailed report](#)


## Another abysmal month but signs of recovery visible

After unprecedented declines in April, key trade indicators slumped yet again in May – major port traffic nosedived 23% YoY (–21% in Apr) and container rail volumes dropped 19% YoY (–14% in Apr). Some parameters did signal an uptick in logistics activity – e-way bill collection tripled MoM and trucking utilisation gained traction (30-35% vs. <10% in Apr). Easing of restrictions should lead to a spurt in transport activity as domestic supply chain gaps are filled, but full-fledged recovery is likely to remain elusive till the pandemic is reasonably contained.

Sayan Das Sharma  
 research@bobcaps.in

**Major port volumes sink:** After a record fall in April (–21% YoY), cargo traffic at major ports fell by a steeper 23% YoY in May as domestic and global trade remained weak. Traffic fell MoM as well, by 4% on a low base. All ports barring Mormugao (+35% YoY) and New Mangalore (+26%) reported steep volume drops – Ennore (–62% YoY), Chennai (–50%), Cochin (–46%), and Mumbai (–35%). Among commodities, only iron ore posted growth (+38% YoY). Container volumes shrank by 36% YoY (in TEU, –37% in Apr) as the major ports of JNPT (–39%) and Chennai (–50%) reported steep declines.

**Container rail traffic plunges:** Container cargo carried by rail fell by a sharp 19% YoY in May (–14% in Apr) as EXIM/domestic volumes crashed 18%/28% YoY. Lower volumes and an 11% drop in lead distance saw container NTKM decline 28% YoY (–23% in Apr). Indian Railways' overall freight volumes declined at a slower 21% YoY vs. a 35% fall in April.

**EXIM share moderates sequentially:** Though EXIM container rail volumes in tonnage terms declined at a slower pace YoY than container traffic at major ports (–18% YoY vs. –34% YoY in tonnage terms), sequentially growth was lower (+0.6% MoM vs. +2.3% MoM). This implies that rail may have conceded some of the market share gained in April to road in May. Rail's EXIM share may be further eroded in the coming months as truck supply gradually increases.

**Some early signs of recovery:** E-way bill collection rose to Rs 26mn in May vs. Rs 8.6mn in April, signaling a pick-up in transportation activity on the ground. Industry sources estimate that trucking activity has increased to 30-35% of pre-Covid levels in May and expect it to reach 65-70% in June. Merchandise non-oil, non-gold EXIM trade also fell by a slower 29% YoY vs. a 53% drop in April. We expect logistics activity to improve gradually in coming months, though normalcy will return only once the pandemic is reasonably contained.

### RECOMMENDATION SNAPSHOT

Ticker	Rating
AGLL IN	ADD
CCRI IN	ADD
MAHLOG IN	BUY
TCIEXP IN	BUY
TRPC IN	BUY
VRL IN	BUY





## Disclaimer

### Recommendations and Absolute returns (%) over 12 months

**BUY** – Expected return >+15%

**ADD** – Expected return from >+5% to +15%

**REDUCE** – Expected return from -5% to +5%

**SELL** – Expected return <-5%

**Note:** Recommendation structure changed with effect from 1 January 2018 (Hold rating discontinued and replaced by Add / Reduce)

### Rating distribution

As of 31 May 2020, out of 92 rated stocks in the BOB Capital Markets Limited (BOBCAPS) coverage universe, 55 have BUY ratings, 20 have ADD ratings, 9 are rated REDUCE, 7 are rated SELL and 1 is UNDER REVIEW. None of these companies have been investment banking clients in the last 12 months.

### Analyst certification

Each of the analysts mentioned in this research report certify, with respect to the sections of the report for which they are responsible, that (1) all of the views expressed in this report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOBCAPS.

### Important disclosures

This product is a compilation of previously published research notes. To view the complete report along with the associated Analyst certifications and Company-specific disclosures, please click on the hyperlink accompanying each excerpt.

### General disclaimers

BOBCAPS is engaged in the business of Institutional Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS has obtained registration as a Research Entity under SEBI (Research Analysts) Regulations, 2014, having registration No.: INH000000040 valid till 03 February 2020. BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have “long” or “short” positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may act as market makers or assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

In the US, this material is only for Qualified Institutional Buyers as defined under rule 144(a) of the Securities Act, 1933. No part of this document may be distributed in Canada or used by private customers in the United Kingdom.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS’s prior written consent.

#### **Other disclosures**

BOBCAPS does not have any financial interest in the subject company. BOBCAPS does not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS is not engaged in any market making activities for the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS’s associates may have financial interest in the subject company. BOBCAPS’s associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.