An Analysis of the Level of Qualitative Efficiency for the Equity Research Reports in the Italian Financial Market

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Abstract

Corporate reports issued by various financial intermediaries play a major role in investment decisions. For this reason, it is particularly interesting to understand the accuracy of the forecasts, by carrying out an empirical analysis of the "equity research" system in Italy, identifying structural features, degree of reliability and incidence in the market. The choice of the analysis of the efficiency level information on the Italian market proposes to assess the interest of equity research of a niche market (339 listed companies in 2017) but with characteristics of potential growth such as having been acquired by LSEGroup in 2007, the 6th stock-exchange group at international level for the number of listed companies and the 4th for capitalization.

The analysis was carried out on the reports issued on companies belonging to the Ftse Mib stock index during a period of 5 years.

It aims to analyse the composition of the equity research system in Italy as well as the analysts' ability to properly evaluate the stocks' fair price, so as to test their degree of reliability and detect possible anomalies in recommendations to the investors.

Keywords: financial intermediaries, equity research, forecasts efficiency, Italian market

JEL Codes: G11, G14, G17, G24

1. Introduction

A large number of corporate reports on the economic forecasts of listed companies are issued every year by main merchant banks, brokerage firms and *equity research* experts in all countries having financial markets. (Johnson 2006) In practice, reports play a major role in providing a considerable information flow to the market, reducing, at the same time, the costs of data collection usually incurred by investors; thus, they represent some sort of "operative trend-setters" aimed at spurring a proactive attitude in terms of buy and sell orders. Reports may be defined as a "filtering" information system, in the form of an evaluative approach to the system of information that the so-called "well-informed investors" *outline* for the "common" investor.

For this reason, the forecasts contained in these "institutional" researches exert a remarkable incidence, both on the creation of market expectations on corporate financial performances, and on investment decisions, affecting also the quotation of the stocks examined, according to the efficient markets' theory distinguishing from professional investor, investor with derivatives information and non-informed investor (Fama, 1970).

In this analysis, another interesting element is the fact that, despite the large number of studies on the impact of *reports* on quotations and traded volumes published in the last years, only limited academic attention has surprisingly been paid, specifically in recent years, to the accuracy of forecasts in corporate reports, and in particular to the analysts' ability to release reliable *target prices*. Only in recent times has increasing academic interest been devoted to these issues, as if the process of evaluation of information at the institutional or, more generally, professional level had nothing to do with the reliability of the final result (Asquith, 2005; Belcredi, 2003; Brav-Leahvy, 2003; Cervellati-Della Bina-Pattitoni, 2008).

This is an unusual situation, and it may be deemed specular opposite if we consider *target prices* as elements that can be perceived directly, and that provide an immediate measurement of the variation in stock price expected by analysts; as such, they can be seen as factors that can strongly influence investment decisions

(Bonini-Zanetti-Bianchini-Salvi, 2010).

It is well known that intermediation in market information dynamics is an activity that derives, physiologically we may say, from a natural state termed "information asymmetry", that is to say from the chronic gap of knowledge existing between issuing companies and investors, and from the-rational-impossibility for the latter to fill in this gap personally (even in a compulsory disclosure system binding the former) (Fusconi, 2010).

It goes without saying that financial analysts play a leading role in the intermediation of these information dynamics between intermediaries (well-informed investors), since they find themselves involved in the collection and study of corporate economic and financial data compared to relative sectors of reference markets and stock price trends. This results in the formulation of articulated suggestions about business performance and risk prospects, in the form of operationally synthetic, and easily graspable, evaluations (such as "buy", "hold", "sell", often followed by target prices) with respect to the financial tools under consideration. It is evident that in the perspective of market efficiency, production of this information must be judged in a positive way (even if it mostly derives from data and news collected by the issuer, or in any case available), insofar as it contributes to more accurate stock pricing and, consequently, to a reduction of adverse selection situations for companies, as well as an increase in consumer confidence (Bradshaw-Brown, 2006).

Furthermore, market reactions taking place after the issuing of reports-especially those containing a revision of recommendations or target prices-implicitly confirm the reliability and confidence that investors put in analysts' forecasts. This is because they integrate the information framework upon which investment evaluations are based, and/or they even replace the evaluation process by directly "using" the suggestion shown in the report. As a matter of fact, the substitution/duplication effect can typically be found in the behaviour of those subjects who can decode the market, such as private investors collecting and using "institutional" information to orient their investments. The results of the analyses below will show whether the market tendency towards duplication (on the basis of the results conveyed by the reports) is able to achieve objectives aimed at the optimization of investments-even if it is indirect, since it provokes a duplication and therefore a physiological delay in performing and thus if, also from this perspective, the researchers are accurate and suitable to represent that "filter" of informative evaluation attributed *a priori* to professional operators (De Vincentis, 2010).

The following empirical analysis, instead, can be suitable to verify *a posteriori* two different incidence rates in the market. The first one evaluates the possibility that research attains its market objectives, that is to say whether it has any effects on stock price. The second one, undoubtedly less immediate, aims at verifying if this activity can also produce derived information, that is, a type of information that can directly spur a substitution effect between research and underlying *asset*, since investors tend to follow instructions passively-also in a *time-saving* logic and independently from other factors, a fact which testifies to the decoding nature of the market which is increasingly vulnerable to unforeseen and un-codified events (Wormack, 1996).

2. Sample and Descriptive Statistics. The Formulation of the Sample of the General Data and the Information Contained in the "Reports"

The analysis considers corporate studies issued by financial intermediaries from October 1st, 2012 to December 31st, 2016 on the 40 securities belonging to the Ftse Mib Italian stock index as at December 1st, 2016. The choice of the analysis of the efficiency level information on the Italian market proposes to assess the interest of equity research of a niche market (339 listed companies in 2017) but with characteristics of potential growth such as having been acquired by LSEGroup in 2007, the 6th stock-exchange group at international level for the number of listed companies and the 4th for capitalization.

The data collection and classification of corporate studies was carried out considering data from reports on each security examined issued by the various financial intermediaries and published on Bloomberg.

The sample was there formed by 11322 corporate reports, issued by 93 research firms (Note 1), over the 5 years considered.

A first general analysis of the system features can be based on the summary statements contained in the reports, that is the types of information provided by the market analysts.

This analysis is contained in *Table 1* and underlines that 11322 corporate reports, representing 100% of the sample, include an explicit recommendation (Note 2), while 10290 (90.9%) reports (Note 3) include an explicit recommendation as well as a target price.

Table 1. Reports total breakdown per recommendations/target price

	Reports	Recommendations	Target price
N°	11322	11190	10290
%	100%	98.8%	90.9%

The high number of statements containing recommendations and target prices suggests that, as a result of their analysis, the analysts adopt a "fixed" position, by formulating a suggestion on the equity future performance and expressing a target price referred to the same performance.

The analysts' tendency to formulate just the recommendations or express also explicit target prices in the corporate reports they produce can also be analysed by disaggregating data by years and months.

The tables below show the general data breakdown by year [*Table 2 (Panel A)*, *Table 2 (Panel B)*].

Table 2 (Panel A). Reports total breakdown per recommendation/target price by year (absolute value)

	Reports	Recommendations	Target price
2016	2593	2576	2379
2015	2451	2428	2241
2014	2273	2245	2036
2013	2006	1977	1813
2012	1999	1964	1821
Total	11322	11190	10290

Table 2 (Panel B). Reports total breakdown per recommendation/target price by year (% value)

	Reports	Recommendations	Target price
2016	100%	99.3%	91.7%
2015	100%	99.1%	91.4%
2014	100%	98.8%	89.6%
2013	100%	98.5%	90.4%
2012	100%	98.2%	91.1%
Total	100%	98.8%	90.9%

The overall interpretation of the figures and the percentages shown in the table confirms the presence of an average prudential component but even if the number of reports containing "only" a recommendation exceeds the number of reports with an explicit target price for all the years the gap is not relevant.

This can be also observed by considering the data breakdown of the type of information contained in the reports by month (*Table 3* in the appendix).

This tendency may also indicate that analysts decide to adopt a certain type of behaviour, and provide accurate information inputs.

A typical feature of the recommendation is "to implicitly contain a temporal projection within which the advice is expressed, so it has longer incidence times even in terms of reliability judgment. The target price, on the other hand, exploits the rate of absorption of market prices and is more susceptible to the perception of variability, even on behalf of the investor using the suggestions of the report"(Fandella, 2012).

From Tables 4 *(Panel A)*, *(Panel B)* and *(Panel C)* in the appendix, showing the details on the number of reports by equity and on the type of information delivered, as well as the aggregated data by industry class; it is possible to see for each company the type of information input mainly provided by the financial intermediaries forming the equity research system.

From the analysis of Table 4 *(Panel B)* and *(Panel C)*, it emerges that the highest degree of explicit information can be found in reports on Financials (3631), Consumer Discretionary (1978), Energy (1781), Industrials (1172) and Utilities (1055) with high level of rating (in order 98.6%, 99.5%, 98.7% and 99.5%), while for Telecommunication Services that percentage falls to 93.3% with only 579 reports.

To better understand the performance analysis in the reports, it could be useful to give a look at the performance of the Ftse Mib stock index during the period examined by this study.

In the first half of 2012, the index recorded a number of downturns, particularly in May and July. In July, the downturn brought the index to lose 20% to 12362.51 points.

Starting from September 2012, the Ftse Mib saw a general bullish trend. Its value passed from *12362.51 points* in July 2012 *(down 20%)* to *22502.97 points* in June 2014 *(up 43%)*.

This does not mean, however, that there have not been declines in the index value over this period of time, including those recorded in March 2013, July 2013 and the most recent one in August 2014, which saw the value of the index fall to 19130.65 points (21.34%).

In the second half of 2014 the market lost 20% to 18078.97.

Starting from January 2015, the index saw a huge increase. Its value reached 24030.54 in April and 24031.19 in July 2015 (up more than 30%). After that, the Ftse Mib experienced a significant downturn (down 37.15% to 15103.58 in June 2016).

Only at the end of 2016 the value of the index rebounds to more than 19300 points with a 28% gain.

This situation would lead to create the expectation that the distribution of the analysts' recommendations is probably biased by the different market trends.

Referring to the report performance analysis, no matter what the index's performance was, this should not have affected the target price reliability level.

In effect, if brokers' ability to make predictions about the future performance of equity securities is recognised as better than the average, given that they use more in-depth and accurate information, it is reasonable to expect a fairly high forecasting accuracy, regardless of market performance.
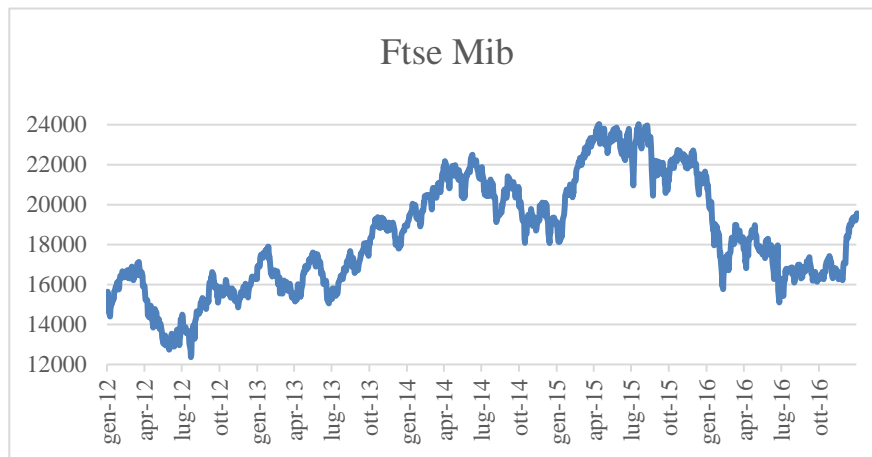

Figure 1. Ftse mib index performance-January 2012-December 2016

Source: Bloomberg

3. The Analysis

3.1 The Recommendations Distribution

The rating systems used by the different brokers are not homogeneous. In order to identify categories to reclassify ratings, a 3-value scale was adopted, as shown in Table 5.

Table 5. Reclassification of recommendations, listed by decreasing degree of positivity

Positive recommendations	Neutral Recommendations	Negative recommendations
Buy	Hold	Underweight
Selected list	Neutral	Underperform
Outperform		Reduce
Overweight		Sell

On a sample of 11190 corporate reports containing an explicit recommendation, 40.7% consisted of positive recommendations, 42.2% of neutral recommendations and 17.1.6% of negative recommendations (Table 6 Panel A).

Table 6 (Panel A). Recommendations breakdown by type of operational "suggestions". (Absolute and percentage values on reports with recommendations)

	Recommendations	Positive	Neutral	Negative
N °	11190	4555	4726	1909
%	100%	40.7%	42.2%	17.1%

Recommendations distribution shows that the analysts are clearly inclined to give positive operational "suggestions". Only 17.1% of the issued recommendations are negative.

For a more complete analysis, the table under consideration should be analysed along with Table 6 *(Panel B)*, which is included in the appendix, which specifically recalls the data on the recommendations collected for each basket title, detailing the positive, neutral and negative recommendations, and along with Table 6 *(Panel C)*, also included in the appendix, which provides details of the distribution of recommendations for each sector class represented within the Ftse Mib index.

The first results confirm the above-mentioned analysis of Table 6 that is the widespread optimism in the reports, also confirmed by the distribution of the recommendations by company and by sector class. In particular, it is not possible to ignore the percentages of positive ratings that characterise the Industrial sector class, for which positive recommendations account for 53.4% of the total of issued reports as opposed to a negligible 11.7% of negative recommendations. High percentages can also be seen in the sector of Telecommunication Services (48.5%) with only 10.0% of negative recommendations.

Interpreting these data, two considerations that may explain analysts' widespread optimism should be taken into account: first, starting from January 2012, after the significant downturns recorded from 2009 to 2011, the Ftse Mib began to experience a general bullish trend till mid-2014, although index downturn periods continue to be present. After that period the index entered in a more volatile environment with robust upward trends followed by strong losses; second, a recommendation typically encapsulates a predictive meaning in itself. According to this perspective, it is possible to interpret the propensity of analysts to make positive operational recommendation as a suggestion to understand the circumstances under which certain equities are over weighted, since the circumstances may be merely systemic and not closely related to the performance potential of the equity itself.

3.2 The Comparison between the Value of the Average Recommendation and Equity Index Performance

This comparison aims to verify whether there is a relation between the past performance of the Ftse Mib equity index and the average of the issued recommendations.

For this purpose, a "monthly average recommendation" was calculated for each of the 60 months of the period under consideration, and its trend was compared with that of the equity index.

Should such a relation be confirmed, there would be an increase in positive recommendations and optimistic target prices in the bullish market phases, and a greater presence of negative recommendations when the market is going through bearish phases.

However, this behaviour should not be adopted by a financial analyst who should seek to find the fair price of a stock and therefore advise on an effective strategy rather than a strategy that adapts to the market trends.

The recommendations issued in the same month were taken into account to calculate the "monthly average recommendation", so positive recommendations were "weighed" with value (+1), neutral recommendations with value (0) and negative recommendations with value (-1).

As for the index performance, the study took into account the nominal values on the Italian index on the first quotation day of the month.

The comparison was then done with a one-month shift, that is the value of the index, and thus its subsequent variations, and was compared to the average recommendation calculated in the following month, in order to allow the observation of the possible relations between the past performance of the index and the average of the recommendations issued. Table 7, in the appendix, shows the relative values.

The Fihure below-Figure 2 shows the two performances.
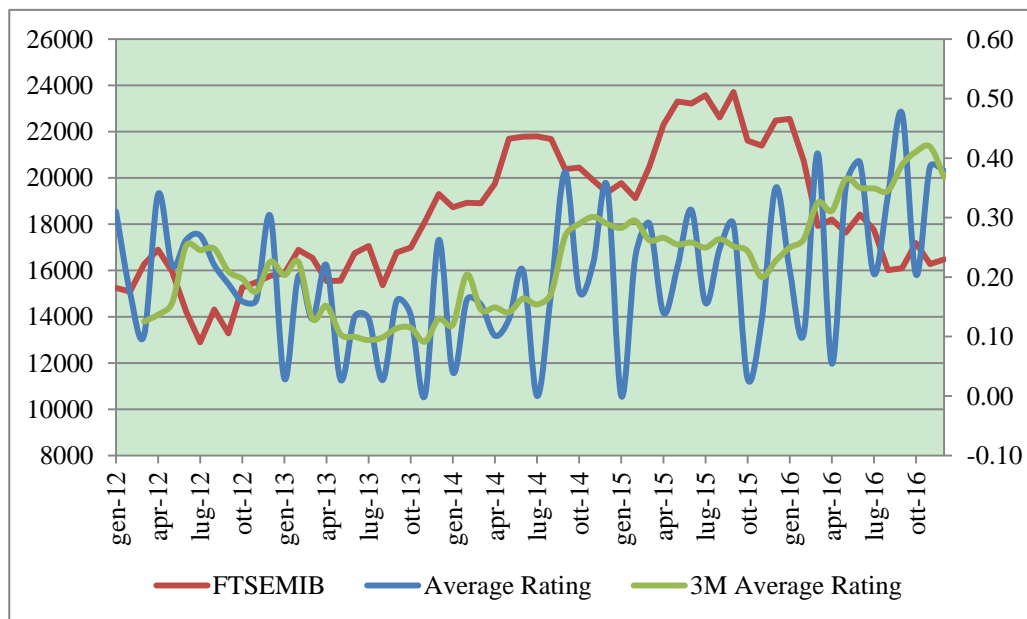
Figure 2. Comparison Ftse Mib index-Average rating performance

From the proposed Figure, it is possible to find a similarity in the trend of the two curves especially between the index and 3 months moving average of the mean rating. Although they are characterised by different volatility, both experience a rising trend during the bullish market phases and are decreasing during the bearish market phases.

This phenomenon is confirmed also by the analysis of the comparison made between the monthly average recommendation and the equity index performance, Table 7 in the appendix.

In fact, it can be noted that, considering a certain temporal lag, the average recommendation tends to mimic the index pattern.

The analyst's recommendations and target prices are therefore influenced by the past performance of the index, while it would be desirable, as stated above, that a financial analyst focused on identifying the fair price of a stock in order to suggest an effective strategy rather than a strategy that adapts to market trends.

3.3 "Target price" Reliability

The analysis of target price reliability undoubtedly plays a major role in verifying the quality of information inputs provided by financial intermediaries and making up the equity research system.

This analysis is also important as it allows the measurement of the degree of reliability of the target price forecasts, formulated by analysts, in an instant manner, precisely because of the comparison between estimated prices and market performance.

If it were not possible to evaluate the actual accuracy of the estimated target prices, the analysts themselves would be less inclined to produce accurate analyses since reputational risk would be very limited if not absent.

3.3.1 Some Notes on the Methodology

The first methodological choice to be clarified concerns the time horizon within which to evaluate the achievement

of the target price, since most reports do not contain specifications of the time horizon within which the forecasts should occur.

A choice commonly made is to adopt a 12 month time horizon, a shared choice adopted in the research on which the analysis contained in this paper is based and carried on.

The present analysis has therefore estimated a target price as correct when, at any time within 12 months from the date of the release of the report, the stock price equalled the price indicated by the analyst. For this purpose, during the analysis, for each figure, only the "end of days" prices and the "intraday" deviations were not taken into account in the given period.

In the case of two or more recommendations issued by the same intermediary at a shorter distance than that of the chosen time horizon, it was decided to verify the goodness of the report up to its "natural expiration date" so that it would not end its validity at the time a new one was released.

The analysis of reports containing an indication of the target price reveals that, as shown in Table 8, within 12 months after the issue, the target price was hit in 56.0% of the cases.

The same type of analysis aiming to measure the accuracy of the target price was then conducted by admitting a margin of 5% in order to assess whether there was a significant increase in the reliability by introducing a certain degree of tolerance in the evaluation.

With this method, the correct target prices were 65.8% of the sample.

Table 8. Accuracy of the target prices

	Reached target price	+/- 5% reached target price	Total target price
N °	5766	6775	10290
% on the Total	56.0%	65.8%	100%

The figures show that the ability to issue reliable target prices is just sufficient, and suggest that the result may be rather attributed to the randomness of market performance.

The result improves, only recognising 5% discretion.

This means that even though intermediaries are recognised to have an ability in forecasting the future performance of equity securities superior to the average, taking into account that they have more in-depth and accurate information, they do not excel in the obtained results, highlighting limits on the methods of analysis used in the context of equity research.

Table 9 in the appendix shows the reliability level specifically recorded for all the 40 equities of the Ftse Mib index: only for Brembo, Terna and Buzzi Unicem the levels of reached target price are more than 80% (89.2%, 84.0% and 82.2%).

On the other hand, Table 10, reported here below, enables to underline the comparison on the accuracy of the target price between the five equities that received the highest number of reports and the five least analysed stocks in the equity research.

This is due to the fact that, according to some theses expounded in the literature (Bonini-Zanetti-Bianchini-Salvi, 2010) , there should be some kind of competition between the studies issued by the various analysts on the higher capitalisation securities, since this is the kind of equities which are more frequently present in the client portfolios, and therefore the object of more reports.

Competition between analysts should, in theory, lead to an increase in the quality of the reports and, consequently, to greater reliability of the target price.

Table 10. Comparison on the accuracy of the target price between the 5 equities with the highest number of target price forecasts and the five equities with the lowest number of target price forecasts

Equity	Target Price	Reached TP		+/- 5% Reached TP	
	N°	N°	%	N°	%
1 UNICREDIT SPA	567	0	0.0%	0	0.0%
2 ENI SPA	553	276	49.9%	386	69.8%
3 INTESA SA NPAOLO	535	316	59.1%	372	69.5%
4 ASSICURAZIONI GENERALI	496	285	57.5%	369	74.4%
5 TELECOM ITALIA SAP	485	254	52.4%	304	62.7%
36 FINECOBA NK SPA	62	34	54.8%	46	74.2%
37 FERRA RI NV	57	34	59.6%	39	68.4%
38 POSTE ITALIANE SPA	47	3	6.4%	11	23.4%
39 BANCA MEDIOLANUM SPA	22	11	50.0%	18	81.8%
40 ITALGAS SAP	16	2	12.5%	4	25.0%

However, in the analysis, there is no evidence that the equities object of more reports enjoy more accurate forecasts. Indeed, the results obtained on the five equities subject to a more intense research activity show a very low level of reliability in target prices.

In particular, above all for Unicredit, but also for Eni and Telecom, accuracy percentages are lower than the average. The remaining equity, Intesa SanPaolo and Assicurazioni Generali, though characterised by a higher percentage of accuracy than the average, does not achieve a significant result in terms of precision, approaching it only if we consider the 5% discretionary range.

Very similar results can be appreciated also from the interpretation of data referred to the 5 equities with a much smaller number of reports.

3.4 The Ratio between "Target Price" and Current Price

For all reports with an explicit price indication, the present study has calculated the ratio between the target price and the current price of the security, that is the price recorded at the time the report was issued (*TP/P ratio*) (Note 4)

This ratio is an indicator of the percentage deviation between the target price and the current price, so it is possible to identify the expected average variation of the securities under study.

Under normal conditions, with a sufficiently large sample and with uniformly distributed recommendations, among positives, neutrals and negatives, the expectation would be that this average value tended to zero.

However, in the sample being analysed, a larger majority of positive recommendations was repeatedly found, which is why it is reasonable to assume that this relation assumes a positive value.

The average *TP/P ratio* obtained is equal to 10.9% as shown in Table 11 reported here below.

This percentage shows that, on average, registered target prices, regardless of the type of recommendation they relate to, whether positive, neutral or negative, included an upside margin of about 10% of the stock within the considered time horizon of 12 months.

In order to find out more clearly the determinants of this result, the TP/P ratio was calculated for each of the three types of recommendations considered: positive, neural and negative as shown in Table 11.

Table 11. TP/P ratio for the three recommendation categories

	N°	%	Average TP/P ratio
Positive	4555	40.7%	23.01%
Neutral	4726	42.2%	7.2%
Negative	1909	17.1%	-11.1%
Total	11190	100%	10.9%

With reference to the total number of corporate reports containing an explicit recommendation, the distribution and the percentages of the specific weight for each type of recommendation are reported: positive 40.7%; Neutral 42.2%; Negative 17.1%.

Table 12, contained in the appendix, presents the average TP/P ratio values calculated for the 40 securities belonging to the Ftse Mib stock index.

Once again, the figures show a positive asymmetry. In a normal situation, similar figures would be expected in absolute terms for positive and negative recommendations, and a zero-point value for neutral recommendations.

The situation presented by the data is different, as target prices are characterised by a high, perhaps excessive, optimism with expected average growth rates, within twelve months, of 10.9 % medium and of 23% with rating Buy.

This percentage does not reflect a common growth scenario. Very optimistic forecasts also characterise neutral recommendations.

The result on the 11190 corporate reports covered by this analysis is therefore determined not only by the prevalence of positive recommendations, but also by the presence of ambitious target prices.

They are countered by a much smaller number of negative recommendations, containing target prices which foresee a much lower contraction than the optimistic average growth rates expected. This asymmetry is confirmed also by the displaced values expressed by the ratios with reference to the maximum, minimum and average values, summarised in Table 13, for each of the categories of recommendations.

Table 13. Maximum, minimum and average values of the TP/P ratio for each recommendation category

	Positive	Neutral	Negative
Maximum TP/P ratio	209%	142%	113%
Minimum TP/P ratio	-48%	-57%	-79%
Average TP/P ratio	23%	7%	-11%

From table 14 in the appendix, which shows the degree of reliability of the target price and TP/P ratio on the basis of the industry, it emerges that the equities which on average have more optimistic target prices were those belonging to the Telecommunication Services, Financial, Industrials and Materials.

It has been already underlined above (Table 6 - *Panel C*- in the appendix) that the Industrials, Telecommunication Services and Materials sector received the highest percentage of positive recommendations among the industries represented within the Ftse Mib stock market.

3.5 Analysis on the Market of Informative "Brokers"

The purpose of this latter analysis is to single out the information on the quality of equity research for each brokerage house that has issued reports on the 40 companies of the Ftse Mib stock index over the considered period.

In this way, it should be possible to develop a kind of "quality index" for each brokerage house.

Table 15 in the appendix, lists the intermediaries (93) that have been active in equity research during the examined period. The table enables to distinguish the nationality of the brokers, classified as Italian (I) - 9 - or Foreigner (F)-84, the overall number of the reports and what type of information they contain: recommendation, target price, both, the expected target price and the actual target price confirming the forecast without and with the use of the 5% discretion interval.

The first peculiarity emerging after quickly browsing through the data, is that corporate reports are released by a large number of brokers, but the large number of reports are concentrated on a small number of brokers. This might indicate that a kind of specialization is created within Equity Research, dictated by the fact that a higher productivity should consequently also result in a certain degree of market recognition, both among competitors as well as investors. However, this hypothesis should be verified.

It is particularly useful to estimate the forecasts accuracy, to analyse the data on the reliability of the target prices issued by each financial intermediary. Target price reliability, in fact, is not disclosed in any way, unlike the percentages on the composition of the issued recommendations that are disclosed by the Brokers themselves.

As stated earlier, if it was not possible to estimate the actual target price accuracy on behalf of the investors, whether they are actual or only potential clients, then the analysts themselves would be less inclined to produce accurate analyses as the reputational risk would be very limited if not absent.

The results obtained with regard to the reliability degree of the forecasts provided by financial intermediaries also allow to understand whether it is possible to apply the economies of scale theory to equity research.

If this was possible, a high level of forecast accuracy should be observed for brokers producing the largest number of corporate reports.

Data in Table 15 show higher percentages of reached target prices for brokers issuing more reports than the least prolific ones, even if they are still unsatisfactory.

In addition, by observing table 16, it emerges that the 5 intermediaries that produced the largest number of corporate reports containing a target price reach percentages of forecasts accuracy which are over the average. The only exceptions are represented by Banca IMI, which however reveal to be able to deliver reliable target prices in the 5% discretion interval. This means that a sharp curve of learning is highlighted.

Table 16. Data on the accuracy of target prices expressed by the five top brokers for the number of issued reports

Equity	Target Price	Reached TP		+/- 5% Reached TP	
	N °	N °	%	N °	%
Equita SIM SpA	623	397	63.7%	458	73.5%
Banca Akros (ESN)	611	362	59.2%	398	65.1%
Mediobanca SpA	598	320	53.5%	377	63.0%
Kepler Cheuvreux	562	336	59.8%	397	70.6%
Banca IMI	536	292	54.5%	361	67.4%

For the sake of completeness, the above considerations at aggregate level have been repeated also with reference to the activity of each single intermediary, confirming both the widespread optimism about the market trends and the relative intermediaries ability to formulate accurate recommendations and target prices. This information is contained in table 17, which is reported in the appendix.

One last element to consider in the informative brokers market analysis is the analysts' origin, whether they are Italian or Foreigner, in order to understand whether the activity on the home market may or may not be an important component for developing the ability to produce more selective analyses and more accurate predictions.

Only 9 brokers out of 93 which were active in research during the period observed were Italian.

Looking at the data in Table 18, reported here below, it can be noticed that activity in the home market is quite irrelevant to the ability to produce more accurate predictions.

Table 18. National and international brokers data on the accuracy of the Target Price

Nationality	Brokers	Reports		Target Price	Reached TP		+/-5% Reached TP	
	N °	N °	%	N °	N °	%	N °	%
Italian	9	2961	26.2%	2795	1633	58.4%	1887	67.5%
Foreigner	84	8361	73.8%	7495	4137	55.2%	4892	65.3%
Total	93	11322	100%	10290	5770	56.1%	6779	65.9%

4. Concluding Remarks

The analysis presented in this paper was intended to explain both the composition of the Italian equity research system and the ability of analysts to properly assess the fair value of the equities under study, in order to test their reliability degree and detect possible anomalies in the recommendations for the investors.

The original of the complete analysis about the equity research carried out on the reports issued on companies belonging to the FtseMib stock index during a period of 5 years, has ended up highlighting a highly fragmented context which is hard to measure in terms of quality.

Even if financial intermediaries' ability to make forecasts on equities' future performance has been recognized as

superior to the average, also thanks to more in-depth and accurate information they have access to, it has surely emerged that they do not excel in the reached results, highlighting the limits of the methods of analysis used in the field of equity research.

In any way, some remarkable consideration can underline the peculiarity of the Italian equity research system.

First at all, the high number of the reports (11322 in 5 years, with an annual increase every year (Note 5) seems to confirm that the average of analysts' forecasts is to be considered key in building the so-called "market consensus forecast", no matter how they are collected or their degree of reliability. As may be expected, this factor plays an important role in relation to the price of listed securities, since it affects its trend and determines a status of trading hegemony. If analysts improve their forecasts on the future performance of a given company, the price of its stock often takes advantage of positive consequences, adapting to new expectations. In fact, these indicators come from subjects that are institutionally informed and that, from a professional point of view, are in charge of the process of informative evaluation; their analyses are thus recognized by the market to contain results expressing actual reference values. And in our results the analysis present more than 40% positive recommendations and only 17.1% suggest negative valuations.

A second interesting consideration, remarks that these recommendations can be generally classified in three macro categories (buy, neutral and sell, as already explained), although the evaluations used are actually much more articulated (as shown in table 5). The terminology adopted for the indications as well as the number of judgments in the scale of values are different for every broker. This makes it more difficult to compare recommendations issued by different intermediaries, as was be shown by empirical evidence examined in this paper. In several highly frequent cases, some reports were issued by more than a broker on the same day and, though containing the same target price, they included significantly different recommendations, introducing therefore an aspect of evaluative "opacity" in communication to the market.

So, in the light of the above, if, on the one hand, it would be desirable for all companies to use an evaluation scale and a shared rating system-in view of information rationalization-aimed at better judgment transparency for customers, on the other the question arises about the interpretative aim of differentiation on the part of "proponent" intermediaries. A possible interpretation may attach not only a peculiar stylistic value to this differentiation in terms, but also the distinctive character typical of a variable aimed at distinguishing, and therefore drawing the attention to, a specific report-broker, that is to say a sort of "identification mark" offered to the market.

The nature and the level of the "identification mark" of the activity of financial analysts, because of its *physiologically* public nature (to the extent that it could be defined a "public good" in terms of the information produced) (Anolli-Banfi-Presti-Rescigno, 2007), however are implicitly affected by problems related to its remuneration. To begin with, this limit can be seen in its immediate form, that is to say when to the result of the analysis does not correspond any order execution, and therefore no immediate operating profit is achieved by the "author" of the evaluation taking advantage of related market investment/disinvestment (obviously, this is also publicly and officially prohibited by the regulation itself) (Bonini-Zanetti-Bianchini-Salvi, 2010). Furthermore, the same limit can also be found in the actual and substantial impossibility to prevent those who have not paid for the research from accessing the results: when report information becomes public (and it wants to be public)-thus when all market actors can access it-the duplication effect becomes in fact a self-produced consequence, with a higher level of "precision" (conformity to suggestions), the more the analyses are considered to be reliable (Fusconi, 1999).

On the other hand, it must be remembered that, being the uptake rate (and therefore the ability to adapt one's values to all available information promptly) an intrinsic characteristic to measure the degree of efficiency of financial tools markets, it makes also the product of analysts' activity rapidly obsolete after its first commercialization, making it, in turn, even more difficult to find a sufficient demand to support an efficient supply level.

As can easily be imagined, the *non self-supporting* feature of research described above and, therefore, the need for subsidy through more profitable business have inevitably influenced (potentially still nowadays) the ways in which analysts' activity is undertaken and distributed on the market, and have consequently undermined its "natural" autonomy and freedom from pressures on evaluations. Only a limited number of analysts do work without an employment or association relationship with other professional operators (and can thus be termed "independent"), and make a profit from directly selling the results of their studies to customers, private or institutional investors, as shown in table 17.

Part of the research is developed on behalf of institutional investors, who, thanks to their portfolios, can recover the costs incurred through the immediate use of "first-hand" information (namely, information that has not been incorporated in the prices of securities yet) on the secondary market. Single investors and other market operators who do not purchase this financial advice directly (because of their limited size or else) can only rely on the

investment recommendations issued by the research departments of the most structured financial intermediaries, so as to exploit the marginal effects of public information that are still "available" after its absorption in the price, through the duplication of operational orders, and in any case hoping that the issuer be reliable, as already mentioned above.

In the activity of sell-side analysts, especially those belonging to polyfunctional intermediaries, judgments characterized by excessive optimism or repeatedly optimistic recommendations (as it is believed that the ability to attract, and therefore move, market interests can be pursued also by resorting more frequently to advertisements containing converging, if not explicitly repetitive, indications, aimed at urging investors to take an effective position in the market) can be explained as incentives aimed at (1) finding or retaining important customers managed by the investment banking activity, in order to obtain a higher economic return from trading commissions, or at (2) "correcting"-by making it positive - the value of the same intermediary's property portfolio.

The reaction of share prices to recommendations and target prices in corporate reports can in effect trigger a conflict of interest for the intermediary, between equity research activity and proprietary trading activity, as concerted actions between these units could result in large capital gains for merchant banks.

It is, however, true that, if the regulatory authority considers the presence of Chinese walls a sufficient condition, the conflictive relationship is not completely implicit (CESR, 2002); or rather, it seems to be implicitly accepted by the legislative body through the imposition of criteria in structural organization (Chinese walls), transparency, clarity and accuracy in informative communication.

But even accepting the hypothesis of all these possible conflicts of interest, the "ability" is not so evident in the market: the results in table 18 underline that equity research reached Target Price only for 58% of the Italian intermediaries reports and for 55.2% in case of Foreign intermediaries studies. With these results we can accept to supports the so-called "no-conflict hypothesis" (De Vincentiis, 2010), according to which analysts' forecast errors are due to the intrinsic difficulty of this activity, rather than to existing conflicts of interest, although researches show excessive optimism.

The analyst's recommendations and target prices are therefore influenced by the past performance of the index, while it would be desirable, as stated above, that a financial analyst focused on identifying the fire price of a stock in order to suggest an effective strategy rather than a strategy that adapts to markets trends.

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Appendix

Table 3. Reports total breakdown per recommendation/target price by month (absolute and percentage value)

Months	Years	Reports	Recomandations		Target Price	
			N°	%	N°	%
12	2016	349	346	99,1%	322	92,3%
11	2016	268	267	99,6%	249	92,9%
10	2016	49	49	100,0%	45	91,8%
9	2016	346	345	99,7%	324	93,6%
8	2016	167	166	99,4%	148	88,6%
7	2016	117	117	100,0%	110	94,0%
6	2016	373	369	98,9%	341	91,4%
5	2016	211	210	99,5%	193	91,5%
4	2016	55	55	100,0%	44	80,0%
3	2016	460	456	99,1%	425	92,4%
2	2016	146	144	98,6%	130	89,0%
1	2016	52	52	100,0%	48	92,3%
12	2015	299	297	99,3%	278	93,0%
11	2015	229	228	99,6%	214	93,4%
10	2015	72	69	95,8%	62	86,1%
9	2015	325	323	99,4%	308	94,8%
8	2015	154	154	100,0%	139	90,3%
7	2015	116	115	99,1%	106	91,4%
6	2015	312	307	98,4%	294	94,2%
5	2015	263	263	100,0%	229	87,1%
4	2015	51	50	98,0%	41	80,4%
3	2015	452	448	99,1%	413	91,4%
2	2015	144	141	97,9%	129	89,6%
1	2015	34	33	97,1%	28	82,4%
12	2014	324	318	98,1%	295	91,0%
11	2014	216	215	99,5%	193	89,4%
10	2014	51	51	100,0%	43	84,3%
9	2014	310	305	98,4%	289	93,2%
8	2014	183	183	100,0%	158	86,3%
7	2014	59	59	100,0%	56	94,9%
6	2014	260	256	98,5%	238	91,5%
5	2014	225	224	99,6%	200	88,9%
4	2014	69	69	100,0%	50	72,5%
3	2014	414	410	99,0%	368	88,9%
2	2014	106	105	99,1%	102	96,2%
1	2014	56	50	89,3%	44	78,6%
12	2013	222	217	97,7%	203	91,4%
11	2013	226	225	99,6%	206	91,2%
10	2013	66	66	100,0%	53	80,3%
9	2013	260	256	98,5%	239	91,9%
8	2013	151	149	98,7%	141	93,4%
7	2013	69	69	100,0%	64	92,8%
6	2013	250	248	99,2%	212	84,8%
5	2013	184	183	99,5%	177	96,2%
4	2013	47	41	87,2%	39	83,0%
3	2013	359	355	98,9%	337	93,9%
2	2013	100	99	99,0%	95	95,0%
1	2013	72	69	95,8%	47	65,3%
12	2012	209	205	98,1%	201	96,2%
11	2012	198	198	100,0%	179	90,4%
10	2012	45	44	97,8%	42	93,3%
9	2012	269	265	98,5%	244	90,7%
8	2012	171	168	98,2%	154	90,1%
7	2012	64	63	98,4%	62	96,9%
6	2012	223	217	97,3%	204	91,5%
5	2012	208	205	98,6%	192	92,3%
4	2012	58	56	96,6%	48	82,8%
3	2012	431	422	97,9%	384	89,1%
2	2012	92	92	100,0%	89	96,7%
1	2012	31	29	93,5%	22	71,0%
Total		11322	11190	98,8%	10290	90,9%

Table 4 (Panel A). Detail of the number of reports by equity and relative information

Name	Number of Report	Not Rated N°	Not Rated %	Rated N°	Rated %
ENI SPA	627	15	2,40%	612	97,60%
ENEL SPA	528	3	0,60%	525	99,40%
INTESA SANPAOLO	584	0	0,00%	584	100,00%
UNICREDIT SPA	631	2	0,30%	629	99,70%
ASSICURAZIONI GENERALI	562	6	1,10%	556	98,90%
ATLANTIA SPA	351	3	0,90%	348	99,10%
FIAT CHRYSLER AUTOMOBILES NV	222	1	0,50%	221	99,50%
SNAM SPA	391	1	0,30%	390	99,70%
TELECOM ITALIA SPA	579	39	6,70%	540	93,30%
FERRARI NV	62	0	0,00%	62	100,00%
CNH INDUSTRIAL NV	229	2	0,90%	227	99,10%
STMICROELECTRONICS NV	346	0	0,00%	346	100,00%
LUXOTTICA GROUP SPA	377	1	0,30%	376	99,70%
TERNA SPA	332	0	0,00%	332	100,00%
TENARIS SA	269	0	0,00%	269	100,00%
EXOR NV	78	1	1,30%	77	98,70%
LEONARDO SPA	275	1	0,40%	274	99,60%
PRYSMIAN SPA	317	0	0,00%	317	100,00%
MEDIOBANCA SPA	215	0	0,00%	215	100,00%
BANCO BPM SPA	312	6	1,90%	306	98,10%
MONCLER SPA	188	0	0,00%	188	100,00%
RECORDATI SPA	130	0	0,00%	130	100,00%
UBI BANCA SPA	330	0	0,00%	330	100,00%
DAVIDE CAMPARI-MILANO SPA	327	0	0,00%	327	100,00%
POSTE ITALIANE SPA	48	0	0,00%	48	100,00%
FINECOBANK SPA	65	0	0,00%	65	100,00%
BPER BANCA	180	0	0,00%	180	100,00%
SAIPEM SPA	494	7	1,40%	487	98,60%
UNIPOLSAI ASSICURAZIONI SPA	144	13	9,00%	131	91,00%
A2A SPA	179	1	0,60%	178	99,40%
ITALGAS SPA	16	0	0,00%	16	100,00%
AZIMUT HOLDING SPA	152	3	2,00%	149	98,00%
UNIPOL GRUPPO FINANZIARIO SP	149	10	6,70%	139	93,30%
BREMBO SPA	180	0	0,00%	180	100,00%
SALVATORE FERRAGAMO SPA	357	0	0,00%	357	100,00%
BANCA MEDIOLANUM SPA	28	0	0,00%	28	100,00%
BUZZI UNICEM SPA	323	0	0,00%	323	100,00%
BANCA GENERALI SPA	153	9	5,90%	144	94,10%
YOOX NET-A-PORTER GROUP	173	2	1,20%	171	98,80%
MEDIASET SPA	419	6	1,40%	413	98,60%
Total	11322	132	1,20%	11190	98,80%

This table reports data concerning the number of reports issued in the period under analysis by equity as well as the relative recommendations and explicit target prices.

Table 4 (Panel B). Detail on the number of reports by sector and relative information

Sector	Number of Report	Not Rated N°	Not Rated %	Rated N°	Rated %
Consumer Discretionary	1978	10	0,50%	1968	99,50%
Consumer Staples	327	0	0,00%	327	100,00%
Energy	1781	23	1,30%	1758	98,70%
Financials	3631	50	1,40%	3581	98,60%
Health Care	130	0	0,00%	130	100,00%
Industrials	1172	6	0,50%	1166	99,50%
Information Technology	346	0	0,00%	346	100,00%
Materials	323	0	0,00%	323	100,00%
Telecommunication Services	579	39	6,70%	540	93,30%
Utilities	1055	4	0,40%	1051	99,60%
Total	11322	132	1,20%	11190	98,80%

Table 4 (Panel C). Detail of the number of report by industry and relative information

Sector	Industry	Number of Report	Not Rated		Rated	
			N°	%	N°	%
Consumer Discretionary	Automobiles	284	1	0,40%	283	99,60%
Consumer Discretionary	Textiles, Apparel & Luxury Goo	922	1	0,10%	921	99,90%
Consumer Discretionary	Auto Components	180	0	0,00%	180	100,00%
Consumer Discretionary	Internet & Direct Marketing Re	173	2	1,20%	171	98,80%
Consumer Discretionary	Media	419	6	1,40%	413	98,60%
Consumer Staples	Beverages	327	0	0,00%	327	100,00%
Energy	Oil, Gas & Consumable Fuels	1018	16	1,60%	1002	98,40%
Energy	Energy Equipment & Services	763	7	0,90%	756	99,10%
Financials	Banks	2317	8	0,30%	2309	99,70%
Financials	Insurance	903	29	3,20%	874	96,80%
Financials	Diversified Financial Services	106	1	0,90%	105	99,10%
Financials	Capital Markets	305	12	3,90%	293	96,10%
Health Care	Pharmaceuticals	130	0	0,00%	130	100,00%
Industrials	Transportation Infrastructure	351	3	0,90%	348	99,10%
Industrials	Machinery	229	2	0,90%	227	99,10%
Industrials	Aerospace & Defense	275	1	0,40%	274	99,60%
Industrials	Electrical Equipment	317	0	0,00%	317	100,00%
Information Technology	Semiconductors & Semiconductor	346	0	0,00%	346	100,00%
Materials	Construction Materials	323	0	0,00%	323	100,00%
Telecommunication Services	Diversified Telecommunication	579	39	6,70%	540	93,30%
Utilities	Electric Utilities	860	3	0,30%	857	99,70%
Utilities	Multi-Utilities	179	1	0,60%	178	99,40%
Utilities	Gas Utilities	16	0	0,00%	16	100,00%
	Total	11322	132	1,20%	11190	98,80%

This table reports data concerning the number of reports issued in the period under analysis by industry an as well as the relative recommendations and explicit target prices

Table 6 (Panel B). Detail of recommendations by equity

Name	Number of Report	Not Rated N°	Not Rated %	Rated N°	Rated %	BUY N°	BUY %	NEUTRAL N°	NEUTRAL %	SELL N°	SELL %
ENI SPA	627	15	2,40%	612	97,60%	248	40,50%	259	42,30%	105	17,20%
ENEL SPA	528	3	0,60%	525	99,40%	252	48,00%	215	41,00%	58	11,00%
INTESA SANPAOLO	584	0	0,00%	584	100,00%	264	45,20%	221	37,80%	99	17,00%
UNICREDIT SPA	631	2	0,30%	629	99,70%	233	37,00%	263	41,80%	133	21,10%
ASSICURAZIONI GENERALI	562	6	1,10%	556	98,90%	159	28,60%	242	43,50%	155	27,90%
ATLANTIA SPA	351	3	0,90%	348	99,10%	232	66,70%	93	26,70%	23	6,60%
FIAT CHRYSLER AUTOMOBILES NV	222	1	0,50%	221	99,50%	104	47,10%	69	31,20%	48	21,70%
SNAM SPA	391	1	0,30%	390	99,70%	179	45,90%	182	46,70%	29	7,40%
TELECOM ITALIA SPA	579	39	6,70%	540	93,30%	262	48,50%	224	41,50%	54	10,00%
FERRARI NV	62	0	0,00%	62	100,00%	35	56,50%	11	17,70%	16	25,80%
CNH INDUSTRIAL NV	229	2	0,90%	227	99,10%	67	29,50%	114	50,20%	46	20,30%
STMICROELECTRONICS NV	346	0	0,00%	346	100,00%	65	18,80%	190	54,90%	91	26,30%
LUXOTTICA GROUP SPA	377	1	0,30%	376	99,70%	140	37,20%	169	44,90%	67	17,80%
TERNA SPA	332	0	0,00%	332	100,00%	104	31,30%	161	48,50%	67	20,20%
TENARIS SA	269	0	0,00%	269	100,00%	72	26,80%	108	40,10%	89	33,10%
EXOR NV	78	1	1,30%	77	98,70%	23	29,90%	51	66,20%	3	3,90%
LEONARDO SPA	275	1	0,40%	274	99,60%	118	43,10%	102	37,20%	54	19,70%
PRYSMIAN SPA	317	0	0,00%	317	100,00%	206	65,00%	97	30,60%	14	4,40%
MEDIOBANCA SPA	215	0	0,00%	215	100,00%	117	54,40%	88	40,90%	10	4,70%
BANCO BPM SPA	312	6	1,90%	306	98,10%	89	29,10%	157	51,30%	60	19,60%
MONCLER SPA	188	0	0,00%	188	100,00%	125	66,50%	53	28,20%	10	5,30%
RECORDATI SPA	130	0	0,00%	130	100,00%	56	43,10%	69	53,10%	5	3,80%
UBI BANCA SPA	330	0	0,00%	330	100,00%	102	30,90%	169	51,20%	59	17,90%
DAVIDE CAMPARI-MILANO SPA	327	0	0,00%	327	100,00%	73	22,30%	173	52,90%	81	24,80%
POSTE ITALIANE SPA	48	0	0,00%	48	100,00%	29	60,40%	18	37,50%	1	2,10%
FINECOBANK SPA	65	0	0,00%	65	100,00%	34	52,30%	25	38,50%	6	9,20%
BPER BANCA	180	0	0,00%	180	100,00%	93	51,70%	75	41,70%	12	6,70%
SAIPEM SPA	494	7	1,40%	487	98,60%	124	25,50%	235	48,30%	128	26,30%
UNIPOLSAI ASSICURAZIONI SPA	144	13	9,00%	131	91,00%	54	41,20%	55	42,00%	22	16,80%
A2A SPA	179	1	0,60%	178	99,40%	91	51,10%	66	37,10%	21	11,80%
ITALGAS SPA	16	0	0,00%	16	100,00%	12	75,00%	4	25,00%	0	0,00%
AZIMUT HOLDING SPA	152	3	2,00%	149	98,00%	76	51,00%	52	34,90%	21	14,10%
UNIPOL GRUPPO FINANZIARIO SP	149	10	6,70%	139	93,30%	93	66,90%	26	18,70%	20	14,40%
BREMBO SPA	180	0	0,00%	180	100,00%	96	53,30%	70	38,90%	14	7,80%
SALVATORE FERRAGAMO SPA	357	0	0,00%	357	100,00%	94	26,30%	217	60,80%	46	12,90%
BANCA MEDIOLANUM SPA	28	0	0,00%	28	100,00%	16	57,10%	10	35,70%	2	7,10%
BUZZI UNICEM SPA	323	0	0,00%	323	100,00%	143	44,30%	115	35,60%	65	20,10%
BANCA GENERALI SPA	153	9	5,90%	144	94,10%	73	50,70%	62	43,10%	9	6,30%
YOOX NET-A-PORTER GROUP	173	2	1,20%	171	98,80%	93	54,40%	51	29,80%	27	15,80%
MEDIASET SPA	419	6	1,40%	413	98,60%	109	26,40%	165	40,00%	139	33,70%
Total	11322	132	1,20%	11190	98,80%	4555	40,70%	4726	42,20%	1909	17,10%

Table 6 (Panel C). Detail of recommendations by sector

Sector	Number of Report	Not Rated N°	Not Rated %	Rated N°	Rated %	BUY N°	BUY %	NEUTRAL N°	NEUTRAL %	SELL N°	SELL %
Consumer Discretionary	1978	10	0,50%	1968	99,50%	796	40,40%	805	40,90%	367	18,60%
Consumer Staples	327	0	0,00%	327	100,00%	73	22,30%	173	52,90%	81	24,80%
Energy	1781	23	1,30%	1758	98,70%	623	35,40%	784	44,60%	351	20,00%
Financials	3631	50	1,40%	3581	98,60%	1455	40,60%	1514	42,30%	612	17,10%
Health Care	130	0	0,00%	130	100,00%	56	43,10%	69	53,10%	5	3,80%
Industrials	1172	6	0,50%	1166	99,50%	623	53,40%	406	34,80%	137	11,70%
Information Technology	346	0	0,00%	346	100,00%	65	18,80%	190	54,90%	91	26,30%
Materials	323	0	0,00%	323	100,00%	143	44,30%	115	35,60%	65	20,10%
Telecommunication Services	579	39	6,70%	540	93,30%	262	48,50%	224	41,50%	54	10,00%
Utilities	1055	4	0,40%	1051	99,60%	459	43,70%	446	42,40%	146	13,90%
Total	11322	132	1,20%	11190	98,80%	4555	40,70%	4726	42,20%	1909	17,10%

Table 7. Average recommendation on a monthly basis and market performance

Year	Rating	BUY	NEUTRAL	SELL	Average Rating	Index data	FTSEMIB
2012	29	12	14	3	0,310344828	01/12/2011	15244,62
2012	92	33	42	17	0,173913043	02/01/2012	15089,74
2012	422	146	173	103	0,101895735	01/02/2012	16264,55
2012	56	26	23	7	0,339285714	01/03/2012	16830,6
2012	205	76	98	31	0,219512195	01/04/2012	15980,07
2012	217	97	80	40	0,262672811	01/05/2012	14592,34
2012	63	28	24	11	0,26984127	01/06/2012	12739,98
2012	168	65	75	28	0,220238095	01/07/2012	14274,37
2012	265	114	87	64	0,188679245	01/08/2012	13928,59
2012	44	18	15	11	0,159090909	01/09/2012	15100,48
2012	198	75	80	43	0,161616162	01/10/2012	15523,1
2012	205	98	71	36	0,302439024	01/11/2012	15806,73
2013	69	21	29	19	0,028985507	01/12/2012	15808,24
2013	99	34	51	14	0,202020202	01/01/2013	16273,38
2013	355	125	151	79	0,129577465	01/02/2013	17318,94
2013	41	14	22	5	0,219512195	01/03/2013	15675,37
2013	183	45	98	40	0,027322404	01/04/2013	15338,72
2013	248	88	105	55	0,133064516	01/05/2013	16767,66
2013	69	23	32	14	0,130434783	01/06/2013	17214,08
2013	149	41	71	37	0,026845638	01/07/2013	15459,57
2013	256	97	103	56	0,16015625	01/08/2013	16818,97
2013	66	21	33	12	0,136363636	01/09/2013	16682,21
2013	225	53	119	53	0	01/10/2013	17977,06
2013	217	100	74	43	0,262672811	01/11/2013	19164,26
2014	50	13	26	11	0,04	01/12/2013	19021,48
2014	105	35	52	18	0,161904762	01/01/2014	18967,71
2014	410	157	159	94	0,153658537	01/02/2014	19418,34
2014	69	18	40	11	0,101449275	01/03/2014	20442,41
2014	224	78	97	49	0,129464286	01/04/2014	21915,41
2014	256	104	102	50	0,2109375	01/05/2014	21783,38
2014	59	14	31	14	0	01/06/2014	21629,71
2014	183	65	85	33	0,174863388	01/07/2014	21563,43
2014	305	152	116	37	0,37704918	01/08/2014	20362,41
2014	51	18	24	9	0,176470588	01/09/2014	20345,85
2014	215	80	103	32	0,223255814	01/10/2014	20706,31
2014	318	160	110	48	0,352201258	01/11/2014	19783,99
2015	33	7	19	7	0	01/12/2014	19686,45
2015	141	54	66	21	0,234042553	01/01/2015	19011,96
2015	448	200	178	70	0,290178571	01/02/2015	20503,38
2015	50	13	31	6	0,14	01/03/2015	22337,79
2015	263	94	132	37	0,216730038	01/04/2015	23358,99
2015	307	138	127	42	0,312703583	01/05/2015	23045,52
2015	115	38	57	20	0,156521739	01/06/2015	23435,67
2015	154	57	78	19	0,246753247	01/07/2015	22943,64
2015	323	145	126	52	0,287925697	01/08/2015	23538,03
2015	69	18	35	16	0,028985507	01/09/2015	21451,37
2015	228	70	117	41	0,127192982	01/10/2015	21142,86
2015	297	145	111	41	0,35016835	01/11/2015	22442,51
2016	52	19	25	8	0,211538462	01/12/2015	22581,33
2016	144	49	61	34	0,104166667	01/01/2016	21418,37
2016	456	230	182	44	0,407894737	01/02/2016	18485,95
2016	55	19	20	16	0,054545455	01/03/2016	18011,91
2016	210	99	86	25	0,352380952	01/04/2016	17776,84
2016	369	181	152	36	0,39295393	01/05/2016	18600,56
2016	117	46	49	22	0,205128205	01/06/2016	17810,85
2016	166	78	66	22	0,337349398	01/07/2016	16295,78
2016	345	192	125	28	0,475362319	01/08/2016	16554,83
2016	49	17	25	7	0,204081633	01/09/2016	16923,28
2016	267	127	116	24	0,38576779	01/10/2016	16401
2016	346	175	127	44	0,378612717	01/11/2016	16898,28
Total	11190	4555	4726	1909			

Table 9. Target Price reliability

Name	Target Price		Reached TP		+/- 5% Reached TP		Average
	N°	%	N°	%	N°	%	TP/P
ENI SPA	553	88,20%	276	49,90%	386	69,80%	10,30%
ENEL SPA	477	90,30%	250	52,40%	302	63,30%	10,90%
INTESA SANPAOLO	535	91,60%	316	59,10%	372	69,50%	12,90%
UNICREDIT SPA	567	89,90%	0	0,00%	0	0,00%	16,00%
ASSICURAZIONI GENERALI	496	88,30%	285	57,50%	369	74,40%	7,80%
ATLANTIA SPA	317	90,30%	190	59,90%	219	69,10%	14,50%
FIAT CHRYSLER AUTOMOBILES NV	194	87,40%	112	57,70%	128	66,00%	16,30%
SNAM SPA	372	95,10%	164	44,10%	232	62,40%	6,10%
TELECOM ITALIA SPA	485	83,80%	254	52,40%	304	62,70%	18,70%
FERRARI NV	57	91,90%	34	59,60%	39	68,40%	8,30%
CNH INDUSTRIAL NV	210	91,70%	124	59,00%	150	71,40%	8,30%
STMICROELECTRONICS NV	324	93,60%	237	73,10%	267	82,40%	2,40%
LUXOTTICA GROUP SPA	339	89,90%	233	68,70%	271	79,90%	3,10%
TERNA SPA	318	95,80%	267	84,00%	300	94,30%	3,30%
TENARIS SA	228	84,80%	156	68,40%	179	78,50%	2,70%
EXOR NV	74	94,90%	51	68,90%	61	82,40%	8,60%
LEONARDO SPA	252	91,60%	167	66,30%	190	75,40%	11,50%
PRYSMIAN SPA	301	95,00%	231	76,70%	266	88,40%	13,90%
MEDIOBANCA SPA	197	91,60%	153	77,70%	163	82,70%	18,00%
BANCO BPM SPA	288	92,30%	178	61,80%	180	62,50%	17,10%
MONCLER SPA	180	95,70%	72	40,00%	108	60,00%	19,30%
RECORDATI SPA	123	94,60%	94	76,40%	106	86,20%	7,30%
UBI BANCA SPA	310	93,90%	199	64,20%	229	73,90%	14,60%
DAVIDE CAMPARI-MILANO SPA	304	93,00%	0	0,00%	0	0,00%	-0,10%
POSTE ITALIANE SPA	47	97,90%	3	6,40%	11	23,40%	19,80%
FINECOBANK SPA	62	95,40%	34	54,80%	46	74,20%	8,70%
BPER BANCA	164	91,10%	106	64,60%	120	73,20%	23,60%
SAIPEM SPA	454	91,90%	160	35,20%	166	36,60%	8,50%
UNIPOLSAI ASSICURAZIONI SPA	118	81,90%	71	60,20%	87	73,70%	8,10%
A2A SPA	160	89,40%	105	65,60%	121	75,60%	14,30%
ITALGAS SPA	16	100,00%	2	12,50%	4	25,00%	20,40%
AZIMUT HOLDING SPA	136	89,50%	94	69,10%	100	73,50%	16,90%
UNIPOL GRUPPO FINANZIARIO SP	125	83,90%	62	49,60%	70	56,00%	24,90%
BREMBO SPA	166	92,20%	148	89,20%	156	94,00%	7,70%
SALVATORE FERRAGAMO SPA	344	96,40%	235	68,30%	278	80,80%	7,50%
BANCA MEDIOLANUM SPA	22	78,60%	11	50,00%	18	81,80%	14,60%
BUZZI UNICEM SPA	292	90,40%	240	82,20%	263	90,10%	11,70%
BANCA GENERALI SPA	132	86,30%	96	72,70%	114	86,40%	10,70%
YOOX NET-A-PORTER GROUP	154	89,00%	90	58,40%	99	64,30%	19,70%
MEDIASET SPA	397	94,70%	270	68,00%	305	76,80%	2,90%
Total	10290	90,90%	5770	56,10%	6779	65,90%	10,90%

Table 12. Target price/Price ratio

Name	Average	BUY		NEUTRAL		SELL	
	TP/P	N°TP	TP/P Medio	N°TP	TP/P Medio	N°TP	TP/P Medio
ENI SPA	10,30%	237	19,80%	225	5,80%	91	-3,20%
ENEL SPA	10,90%	238	18,60%	184	6,20%	55	-6,80%
INTESA SANPAOLO	12,90%	248	24,70%	194	11,40%	93	-15,40%
UNICREDIT SPA	16,00%	216	34,80%	225	13,00%	126	-10,80%
ASSICURAZIONI GENERALI	7,80%	147	23,40%	206	7,30%	143	-7,60%
ATLANTIA SPA	14,50%	227	17,40%	84	7,60%	6	-0,60%
FIAT CHRYSLER AUTOMOBILES NV	16,30%	93	33,90%	59	15,00%	41	-23,30%
SNAM SPA	6,10%	178	11,60%	171	1,60%	23	-2,30%
TELECOM ITALIA SPA	18,70%	241	31,40%	194	10,70%	50	-11,20%
FERRARI NV	8,30%	33	20,00%	8	9,80%	16	-15,00%
CNH INDUSTRIAL NV	8,30%	57	27,70%	111	8,10%	42	-16,60%
STMICROELECTRONICS NV	2,40%	61	24,20%	176	2,90%	87	-13,90%
LUXOTTICA GROUP SPA	3,10%	140	12,50%	144	-0,30%	55	-11,80%
TERNA SPA	3,30%	101	11,40%	157	1,30%	60	-5,30%
TENARIS SA	2,70%	56	21,50%	93	3,20%	79	-11,20%
EXOR NV	8,60%	22	22,10%	51	3,20%	1	-13,10%
LEONARDO SPA	11,50%	109	30,30%	94	5,70%	49	-19,10%
PRYSMIAN SPA	13,90%	202	17,20%	94	7,60%	5	-0,40%
MEDIOBANCA SPA	18,00%	102	27,10%	86	9,40%	9	-2,50%
BANCO BPM SPA	17,10%	85	37,20%	152	14,70%	51	-9,20%
MONCLER SPA	19,30%	124	24,10%	48	11,70%	8	-10,20%
RECORDATI SPA	7,30%	49	16,60%	69	0,80%	5	7,20%
UBI BANCA SPA	14,60%	96	28,80%	163	13,70%	51	-9,50%
DAVIDE CAMPARI-MILANO SPA	-0,10%	73	13,50%	156	-1,20%	75	-11,30%
POSTE ITALIANE SPA	19,80%	29	25,50%	18	10,60%	0	
FINECOBANK SPA	8,70%	34	16,40%	24	0,20%	4	-5,90%
BPER BANCA	23,60%	83	34,70%	72	14,70%	9	-6,90%
SAIPEM SPA	8,50%	118	26,10%	223	9,20%	113	-11,10%
UNIPOLSAI ASSICURAZIONI SPA	8,10%	50	18,20%	51	4,00%	17	-9,60%
A2A SPA	14,30%	84	20,70%	59	11,10%	17	-5,90%
ITALGAS SPA	20,40%	12	21,80%	4	16,20%	0	
AZIMUT HOLDING SPA	16,90%	75	24,40%	48	12,80%	13	-11,70%
UNIPOL GRUPPO FINANZIARIO SP	24,90%	86	30,60%	22	26,30%	17	-6,10%
BREMBO SPA	7,70%	91	14,10%	68	1,30%	7	-12,60%
SALVATORE FERRAGAMO SPA	7,50%	93	16,60%	212	6,40%	39	-8,00%
BANCA MEDIOLANUM SPA	14,60%	14	12,70%	8	17,80%	0	
BUZZI UNICEM SPA	11,70%	138	23,30%	106	5,60%	48	-8,50%
BANCA GENERALI SPA	10,70%	72	17,60%	58	3,20%	2	-16,20%
YOOX NET-A-PORTER GROUP	19,70%	90	27,10%	48	18,80%	16	-18,60%
MEDIASET SPA	2,90%	109	28,70%	165	2,60%	123	-19,60%
Total	10,90%	4313	23,00%	4330	7,20%	1646	-11,10%

Table 14. Target price reliability and TP/P ratio on sector basis

Name	Target Price		Reached TP		+/- 5% Reached TP		Average
	N°	%	N°	%	N°	%	TP/P
Consumer Discretionary	1831	92,60%	1194	65,20%	1384	75,60%	8,80%
Consumer Staples	304	93,00%	0	0,00%	0	0,00%	-0,10%
Energy	1607	90,20%	756	47,00%	963	59,90%	7,80%
Financials	3273	90,10%	1659	50,70%	1940	59,30%	14,30%
Health Care	123	94,60%	94	76,40%	106	86,20%	7,30%
Industrials	1080	92,20%	712	65,90%	825	76,40%	12,40%
Information Technology	324	93,60%	237	73,10%	267	82,40%	2,40%
Materials	292	90,40%	240	82,20%	263	90,10%	11,70%
Telecommunication Services	485	83,80%	254	52,40%	304	62,70%	18,70%
Utilities	971	92,00%	624	64,30%	727	74,90%	9,10%
Total	10290	90,90%	5770	56,10%	6779	65,90%	10,90%

Table 15. Issuing Brokers (F=Foreign; I=Italian): details on the reports, target price reliability

Broker	Nationality	Total Reports	Total Recomandations	Not Rated	Target Price	Reached TP		+/- 5% Reached TP	
						N°	%	N°	%
ABN Amro Bank N.V.	F	7	7	0	7	2	28,60%	2	28,60%
Ahorro Corporacion Financiera SA	F	2	2	0	2	1	50,00%	1	50,00%
Allaria Ledesma y Cia	F	6	6	0	5	2	40,00%	2	40,00%
AlphaValue	F	362	362	0	344	182	52,90%	227	66,00%
Aurel BGC	F	19	19	0	19	11	57,90%	14	73,70%
Baader-Helvea	F	18	18	0	18	16	88,90%	16	88,90%
Banca Akros(ESN)	I	633	612	21	611	362	59,20%	398	65,10%
Banca Aletti	I	69	69	0	69	48	69,60%	53	76,80%
Banca IMI	I	573	557	16	536	292	54,50%	361	67,40%
Banca Profilo	I	4	4	0	4	4	100,00%	4	100,00%
Banco Sabadell	F	43	43	0	37	12	32,40%	18	48,60%
Bank am Bellevue	F	10	10	0	9	3	33,30%	3	33,30%
Bankhaus Lampe	F	13	13	0	13	5	38,50%	9	69,20%
Barclays	F	339	339	0	339	178	52,50%	212	62,50%
BBVA	F	9	9	0	8	0	0,00%	0	0,00%
Berenberg	F	216	216	0	215	111	51,60%	128	59,50%
Bernstein	F	160	160	0	160	51	31,90%	67	41,90%
BMO Capital Markets	F	10	10	0	10	10	100,00%	10	100,00%
Bryan Garnier & Cie	F	62	62	0	62	32	51,60%	42	67,70%
CA Cheuvreux	F	96	96	0	96	71	74,00%	78	81,30%
Canaccord Genuity	F	38	38	0	37	25	67,60%	25	67,60%
Cantor Fitzgerald	F	7	7	0	7	5	71,40%	7	100,00%
Cenkos Securities Ltd	F	1	1	0	0	0		0	
Centrobanca	I	49	49	0	49	35	71,40%	39	79,60%
Churchill Research	F	1	0	1	1	0	0,00%	0	0,00%
CM Research	F	3	3	0	3	1	33,30%	2	66,70%
Commerzbank	F	9	9	0	9	4	44,40%	4	44,40%
Credit Suisse	F	285	282	3	282	151	53,50%	183	64,90%
Davy	F	13	13	0	0	0		0	
Day by Day	F	142	142	0	63	36	57,10%	44	69,80%
DNB Markets	F	13	13	0	13	6	46,20%	6	46,20%
DZ Bank AG	F	21	21	0	21	5	23,80%	6	28,60%
Equita SIM SpA	I	623	623	0	623	397	63,70%	458	73,50%
Erste Group	F	5	5	0	0	0		0	
EVA Dimensions	F	395	395	0	0	0		0	
Evercore ISI	F	40	40	0	40	18	45,00%	21	52,50%
Exane BNP Paribas	F	499	499	0	499	310	62,10%	352	70,50%
Fidentiis Equities	F	170	170	0	162	71	43,80%	93	57,40%
Freedom Finance	F	2	2	0	2	1	50,00%	1	50,00%
Gabelli & Co	F	1	1	0	0	0		0	
Goldman Sachs	F	495	481	14	481	240	49,90%	288	59,90%
Grupo Santander	F	107	107	0	106	32	30,20%	46	43,40%
Haitong	F	49	49	0	48	30	62,50%	36	75,00%
Hamburger Sparkasse	F	41	41	0	0	0		0	
Hammer Partners SA	F	143	143	0	136	67	49,30%	76	55,90%
HSBC	F	260	260	0	260	172	66,20%	192	73,80%
ICBPI	I	390	339	51	304	174	57,20%	196	64,50%
Independent Research GmbH	F	120	120	0	120	67	55,80%	84	70,00%
ING Bank	F	20	20	0	20	13	65,00%	14	70,00%
Insight Investment Research LLP	F	13	13	0	13	3	23,10%	5	38,50%
Intermonte Securities SpA	I	1	1	0	1	1	100,00%	1	100,00%
Investec	F	28	28	0	28	16	57,10%	17	60,70%
J.P. Morgan	F	349	349	0	349	194	55,60%	232	66,50%
Jefferies	F	125	125	0	125	83	66,40%	95	76,00%
Keefe, Bruyette & Woods	F	142	142	0	141	75	53,20%	85	60,30%
Kempen & Co	F	4	4	0	4	2	50,00%	3	75,00%
Kepler Cheuvreux	F	564	562	2	562	336	59,80%	397	70,60%
KeyBanc Capital Markets	F	1	1	0	1	0	0,00%	0	0,00%
Landesbank Baden-Wuerttemberg	F	109	109	0	109	53	48,60%	74	67,90%
Liberum	F	65	65	0	58	33	56,90%	36	62,10%

Macquarie	F	156	156	0	156	83	53,20%	99	63,50%
MainFirst Bank AG	F	213	213	0	213	120	56,30%	150	70,40%
Makor Capital	F	11	11	0	1	1	100,00%	1	100,00%
Mediobanca SpA	I	619	601	18	598	320	53,50%	377	63,00%
Mirabaud Securities	F	24	24	0	22	18	81,80%	21	95,50%
Morgan Stanley	F	332	327	5	327	202	61,80%	226	69,10%
Morningstar, Inc	F	130	130	0	0	0		0	
N+1 Singer Ltd	F	9	9	0	9	8	88,90%	9	100,00%
National Bank AG	F	22	22	0	19	12	63,20%	14	73,70%
Natixis	F	271	271	0	271	161	59,40%	187	69,00%
New Street Research	F	16	16	0	16	13	81,30%	14	87,50%
Nomura	F	255	255	0	255	165	64,70%	182	71,40%
Nord/LB	F	8	8	0	3	1	33,30%	1	33,30%
Oddo & Cie	F	154	154	0	151	86	57,00%	102	67,50%
Piper Jaffray	F	13	13	0	13	6	46,20%	9	69,20%
Raymond James	F	91	91	0	69	25	36,20%	34	49,30%
RBC Capital Markets	F	158	158	0	158	70	44,30%	88	55,70%
Redburn	F	70	70	0	0	0		0	
S&P Capital IQ	F	105	105	0	105	52	49,50%	60	57,10%
Seaport Global Securities	F	11	11	0	11	10	90,90%	11	100,00%
SEB Equities	F	7	7	0	7	5	71,40%	5	71,40%
Silvia Quandt Research	F	3	3	0	3	3	100,00%	3	100,00%
Societe Generale	F	322	321	1	321	153	47,70%	186	57,90%
Spin-Off Research	F	9	9	0	9	9	100,00%	9	100,00%
Stifel	F	4	4	0	2	2	100,00%	2	100,00%
UBS	F	284	284	0	284	179	63,00%	206	72,50%
Value Investment Principals	F	1	1	0	1	0	0,00%	0	0,00%
VTB Capital	F	7	7	0	7	5	71,40%	7	100,00%
WestLB Equity Markets	F	5	5	0	1	1	100,00%	1	100,00%
WhiteSand Research LLC	F	1	1	0	1	0	0,00%	0	0,00%
Whitman Howard	F	2	2	0	2	0	0,00%	0	0,00%
William Blair & Co	F	14	14	0	14	11	78,60%	12	85,70%
Williams Financial Group	F	1	1	0	0	0		0	
Total		11322	11190	132	10290	5770	56,10%	6779	65,90%

Table 17. Intermediaries and breakdown of the number of reports for recommendation category

Broker	Nationality	Total Reports	Total Recomandations	Not Rated	BUY		NEUTRAL		SELL		Average Rating
					N°	%	N°	%	N°	%	
ABN Amro Bank N.V.	F	7	7	0	1	14,30%	6	85,70%	0	0,00%	0,14
Ahorro Corporacion Financiera SA	F	2	2	0	1	50,00%	0	0,00%	1	50,00%	0
Allaria Ledesma y Cia	F	6	6	0	2	33,30%	3	50,00%	1	16,70%	0,17
AlphaValue	F	362	362	0	254	70,20%	0	0,00%	108	29,80%	0,4
Aurel BGC	F	19	19	0	5	26,30%	10	52,60%	4	21,10%	0,05
Baader-Helvea	F	18	18	0	8	44,40%	10	55,60%	0	0,00%	0,44
Banca Akros(ESN)	I	633	612	21	345	56,40%	241	39,40%	26	4,20%	0,52
Banca Aletti	I	69	69	0	35	50,70%	22	31,90%	12	17,40%	0,33
Banca IMI	I	573	557	16	320	57,50%	209	37,50%	28	5,00%	0,52
Banca Profilo	I	4	4	0	0	0,00%	4	100,00%	0	0,00%	0
Banco Sabadell	F	43	43	0	30	69,80%	0	0,00%	13	30,20%	0,4
Bank am Bellevue	F	10	10	0	6	60,00%	4	40,00%	0	0,00%	0,6
Bankhaus Lampe	F	13	13	0	6	46,20%	7	53,80%	0	0,00%	0,46
Barclays	F	339	339	0	134	39,50%	139	41,00%	66	19,50%	0,2
BBVA	F	9	9	0	9	100,00%	0	0,00%	0	0,00%	1
Berenberg	F	216	216	0	77	35,60%	84	38,90%	55	25,50%	0,1
Bernstein	F	160	160	0	71	44,40%	42	26,30%	47	29,40%	0,15
BMO Capital Markets	F	10	10	0	0	0,00%	9	90,00%	1	10,00%	-0,1
Bryan Garnier & Cie	F	62	62	0	34	54,80%	26	41,90%	2	3,20%	0,52
CA Cheuvreux	F	96	96	0	44	45,80%	0	0,00%	52	54,20%	-0,08
Canaccord Genuity	F	38	38	0	4	10,50%	22	57,90%	12	31,60%	-0,21
Cantor Fitzgerald	F	7	7	0	7	100,00%	0	0,00%	0	0,00%	1
Cenkos Securities Ltd	F	1	1	0	0	0,00%	1	100,00%	0	0,00%	0
Centrobanca	I	49	49	0	23	46,90%	20	40,80%	6	12,20%	0,35
Churchill Research	F	1	0	1	0	0,00%	0	0,00%	0	0,00%	0
CM Research	F	3	3	0	2	66,70%	0	0,00%	1	33,30%	0,33
Commerzbank	F	9	9	0	0	0,00%	0	0,00%	9	100,00%	-1
Credit Suisse	F	285	282	3	89	31,60%	116	41,10%	77	27,30%	0,04

Davy	F	13	13	0	3	23,10%	3	23,10%	7	53,80%	-0,31
Day by Day	F	142	142	0	47	33,10%	79	55,60%	16	11,30%	0,22
DNB Markets	F	13	13	0	1	7,70%	5	38,50%	7	53,80%	-0,46
DZ Bank AG	F	21	21	0	7	33,30%	0	0,00%	14	66,70%	-0,33
Equita SIM SpA	I	623	623	0	290	46,50%	314	50,40%	19	3,00%	0,43
Erste Group	F	5	5	0	0	0,00%	4	80,00%	1	20,00%	-0,2
EVA Dimensions	F	395	395	0	117	29,60%	108	27,30%	170	43,00%	-0,13
Evercore ISI	F	40	40	0	14	35,00%	14	35,00%	12	30,00%	0,05
Exane BNP Paribas	F	499	499	0	163	32,70%	197	39,50%	139	27,90%	0,05
Fidentiis Equities	F	170	170	0	78	45,90%	66	38,80%	26	15,30%	0,31
Freedom Finance	F	2	2	0	2	100,00%	0	0,00%	0	0,00%	1
Gabelli & Co	F	1	1	0	1	100,00%	0	0,00%	0	0,00%	1
Goldman Sachs	F	495	481	14	18	3,70%	390	81,10%	73	15,20%	-0,11
Grupo Santander	F	107	107	0	55	51,40%	27	25,20%	25	23,40%	0,28
Haitong	F	49	49	0	27	55,10%	20	40,80%	2	4,10%	0,51
Hamburger Sparkasse	F	41	41	0	9	22,00%	27	65,90%	5	12,20%	0,1
Hammer Partners SA	F	143	143	0	99	69,20%	14	9,80%	30	21,00%	0,48
HSBC	F	260	260	0	102	39,20%	119	45,80%	39	15,00%	0,24
ICBPI	I	390	339	51	157	46,30%	123	36,30%	59	17,40%	0,29
Independent Research GmbH	F	120	120	0	14	11,70%	72	60,00%	34	28,30%	-0,17
ING Bank	F	20	20	0	3	15,00%	14	70,00%	3	15,00%	0
Insight Investment Research LLP	F	13	13	0	13	100,00%	0	0,00%	0	0,00%	1
Intermonte Securities SpA	I	1	1	0	0	0,00%	1	100,00%	0	0,00%	0
Investec	F	28	28	0	11	39,30%	11	39,30%	6	21,40%	0,18
J.P. Morgan	F	349	349	0	130	37,20%	174	49,90%	45	12,90%	0,24
Jefferies	F	125	125	0	56	44,80%	60	48,00%	9	7,20%	0,38
Keefe, Bruyette & Woods	F	142	142	0	39	27,50%	72	50,70%	31	21,80%	0,06
Kempen & Co	F	4	4	0	2	50,00%	2	50,00%	0	0,00%	0,5
Kepler Cheuvreux	F	564	562	2	256	45,60%	242	43,10%	64	11,40%	0,34
KeyBanc Capital Markets	F	1	1	0	1	100,00%	0	0,00%	0	0,00%	1
Landesbank Baden-Wuerttemberg	F	109	109	0	29	26,60%	43	39,40%	37	33,90%	-0,07
Liberum	F	65	65	0	7	10,80%	52	80,00%	6	9,20%	0,02
Macquarie	F	156	156	0	74	47,40%	40	25,60%	42	26,90%	0,21
MainFirst Bank AG	F	213	213	0	114	53,50%	44	20,70%	55	25,80%	0,28
Makor Capital	F	11	11	0	10	90,90%	1	9,10%	0	0,00%	0,91
Mediobanca SpA	I	619	601	18	330	54,90%	237	39,40%	34	5,70%	0,49
Mirabaud Securities	F	24	24	0	6	25,00%	18	75,00%	0	0,00%	0,25
Morgan Stanley	F	332	327	5	105	32,10%	211	64,50%	11	3,40%	0,29
Morningstar, Inc	F	130	130	0	37	28,50%	86	66,20%	7	5,40%	0,23
N+1 Singer Ltd	F	9	9	0	4	44,40%	5	55,60%	0	0,00%	0,44
National Bank AG	F	22	22	0	5	22,70%	14	63,60%	3	13,60%	0,09
Natixis	F	271	271	0	80	29,50%	155	57,20%	36	13,30%	0,16
New Street Research	F	16	16	0	5	31,30%	7	43,80%	4	25,00%	0,06
Nomura	F	255	255	0	70	27,50%	108	42,40%	77	30,20%	-0,03
Nord/LB	F	8	8	0	2	25,00%	5	62,50%	1	12,50%	0,13
Oddo & Cie	F	154	154	0	48	31,20%	63	40,90%	43	27,90%	0,03
Piper Jaffray	F	13	13	0	0	0,00%	12	92,30%	1	7,70%	-0,08
Raymond James	F	91	91	0	59	64,80%	20	22,00%	12	13,20%	0,52
RBC Capital Markets	F	158	158	0	61	38,60%	74	46,80%	23	14,60%	0,24
Redburn	F	70	70	0	20	28,60%	29	41,40%	21	30,00%	-0,01
S&P Capital IQ	F	105	105	0	29	27,60%	43	41,00%	33	31,40%	-0,04
Seaport Global Securities	F	11	11	0	0	0,00%	9	81,80%	2	18,20%	-0,18
SEB Equities	F	7	7	0	0	0,00%	7	100,00%	0	0,00%	0
Silvia Quandt Research	F	3	3	0	0	0,00%	2	66,70%	1	33,30%	-0,33
Societe Generale	F	322	321	1	123	38,30%	130	40,50%	68	21,20%	0,17
Spin-Off Research	F	9	9	0	6	66,70%	3	33,30%	0	0,00%	0,67
Stifel	F	4	4	0	1	25,00%	3	75,00%	0	0,00%	0,25
UBS	F	284	284	0	104	36,60%	146	51,40%	34	12,00%	0,25
Value Investment Principals	F	1	1	0	1	100,00%	0	0,00%	0	0,00%	1
VTB Capital	F	7	7	0	0	0,00%	7	100,00%	0	0,00%	0
WestLB Equity Markets	F	5	5	0	0	0,00%	4	80,00%	1	20,00%	-0,2
WhiteSand Research LLC	F	1	1	0	1	100,00%	0	0,00%	0	0,00%	1
Whitman Howard	F	2	2	0	1	50,00%	1	50,00%	0	0,00%	0,5
William Blair & Co	F	14	14	0	1	7,10%	13	92,90%	0	0,00%	0,07
Williams Financial Group	F	1	1	0	0	0,00%	1	100,00%	0	0,00%	0
Total		11322	11190	132	4555		4726		1909		

Notes

Note 1. Detailed broker data are shown in Table 17 in the appendix

Note 2. Recommendations are operational suggestions on the best behavior to adopt in relation to the financial tool in question. Once the target price is established, it is usually followed by a recommendation which varies according to the rating system adopted by the intermediary.

Note 3. Target prices are a prediction of the market value that, according to analysts, can be reached by the securities under consideration in the future. Even if the target price can get close to the fair value estimated through evaluation models, it may not coincide with it, since in defining the target price some elements can interfere and alter its value. Enterprise value can be defined through different models that analysts use singularly or jointly, depending on different variables, such as type of company, its assets, stock markets status, etc. Target price forecasts are referred to a medium-term time horizon, usually 12 months, although not all analysts specify this important aspect explicitly

Note 4. The *TP/ P ratio* is the index calculated in this way: $TP/P = \frac{target\ price}{price} - 1$

Note 5. The number of reports increases every year, even not in a regular progression: +0.3% from 2013/2012; +13.3% from 2014/2013; +7.8% from 2015/2015 and +5.8% from 2016/2015.