

## Seminario AIR

# “Approccio metodologico, regolamentazione ed evoluzione del rapporto emittenti-agenzie di rating”

Milan, 14th October, 2015



# Agenda

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- ✓ La valutazione del rischio di credito delle aziende: Il Business Risk Profile
- ✓ Case Study: The Alcoholic Beverage Sector
- ✓ Emittente e agenzie di rating a confronto: come si è evoluta nel tempo la relazione
- ✓ La regolamentazione delle agenzie di rating in Europa

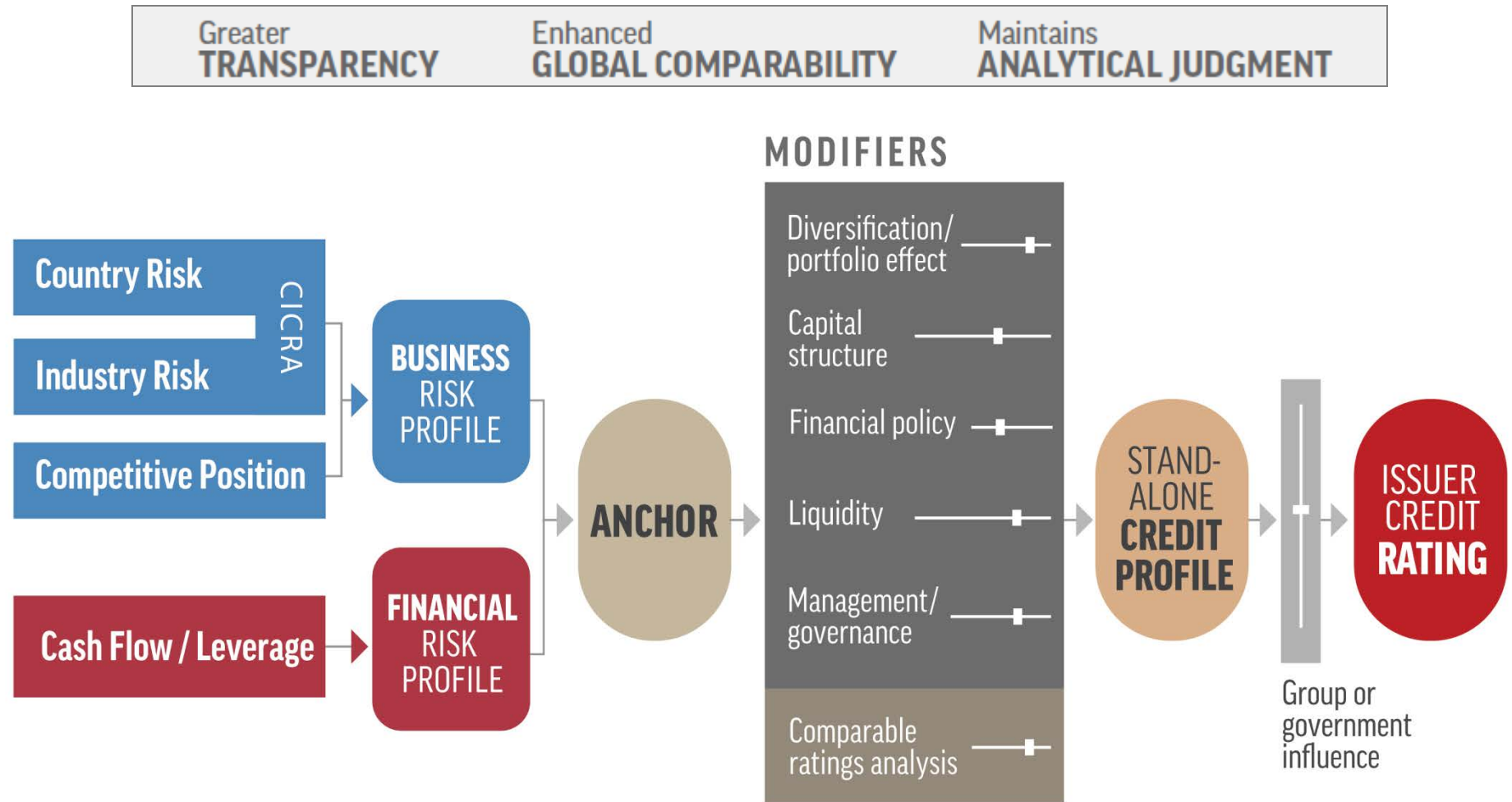
# La valutazione del rischio di credito delle aziende: il business risk profile

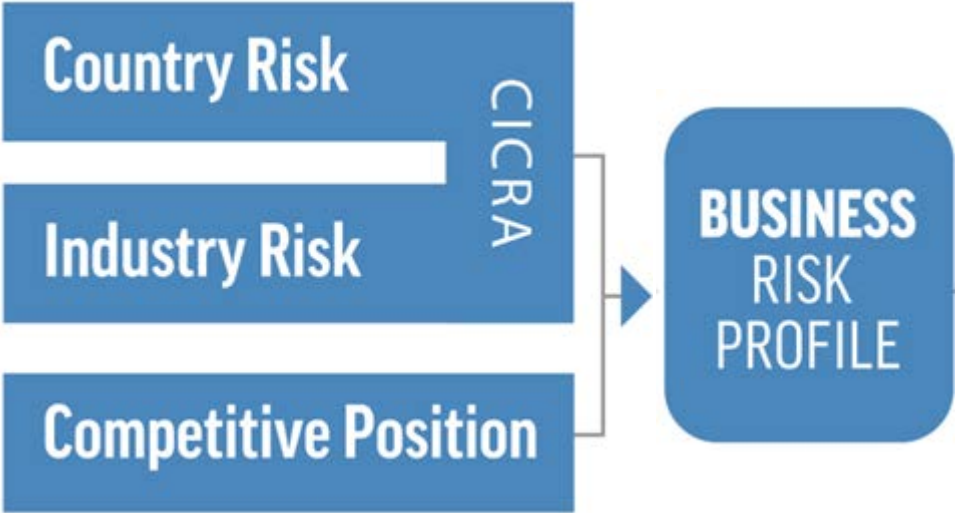
## Case Study: The Alcoholic Beverage Sector

**Barbara Castellano**  
Director Corporate Ratings Europe



# The Corporate Ratings Criteria Framework





# CICRA – Country Risk

Business Risk  
Profile

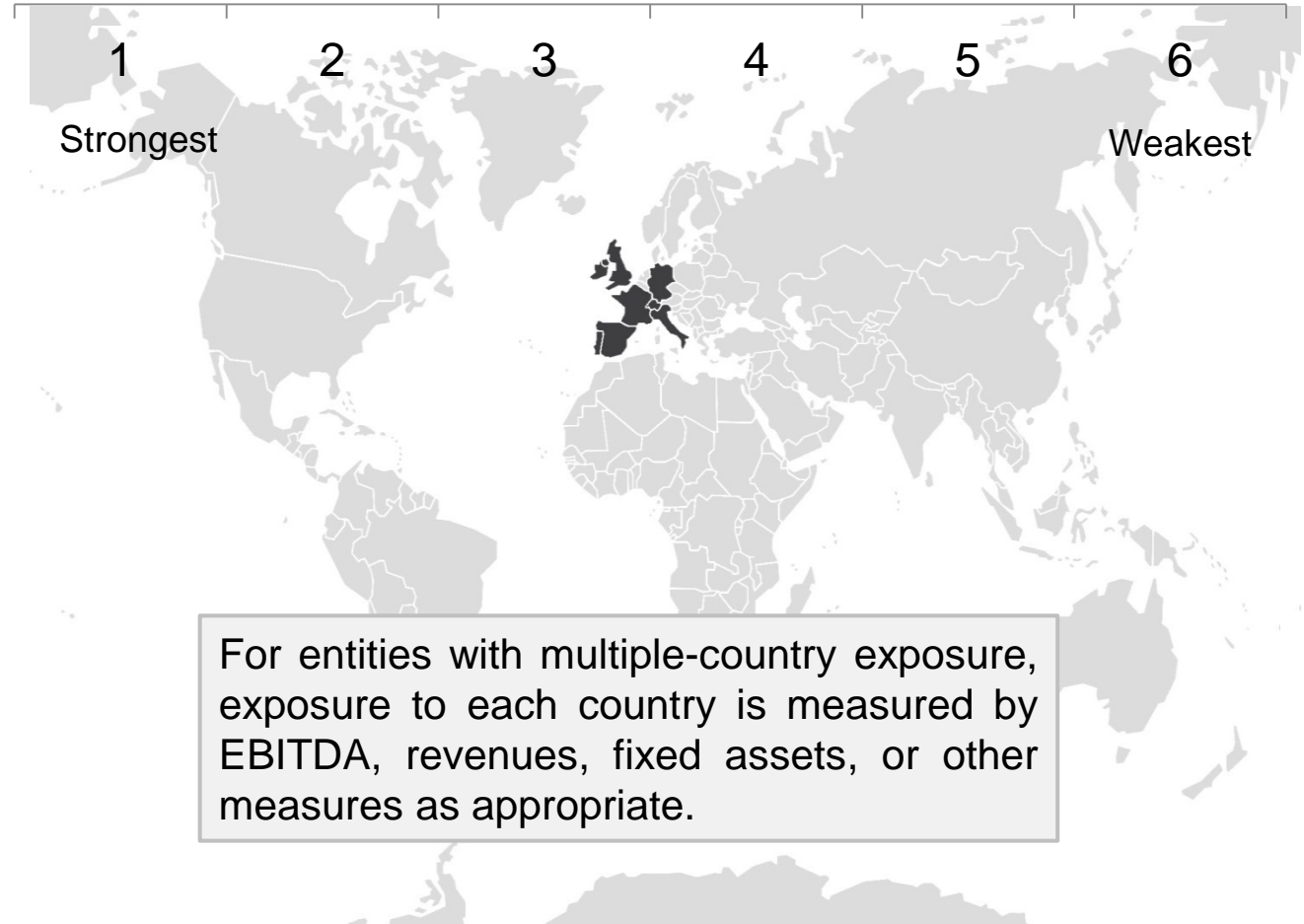
Financial Risk  
Profile

Anchor

Modifiers

Group  
Methodology

## Country Risk



# Country Risk – Score Determination

Business Risk Profile

Financial Risk Profile

Anchor

Modifiers

Group Methodology

## Country Risk Score Assessment

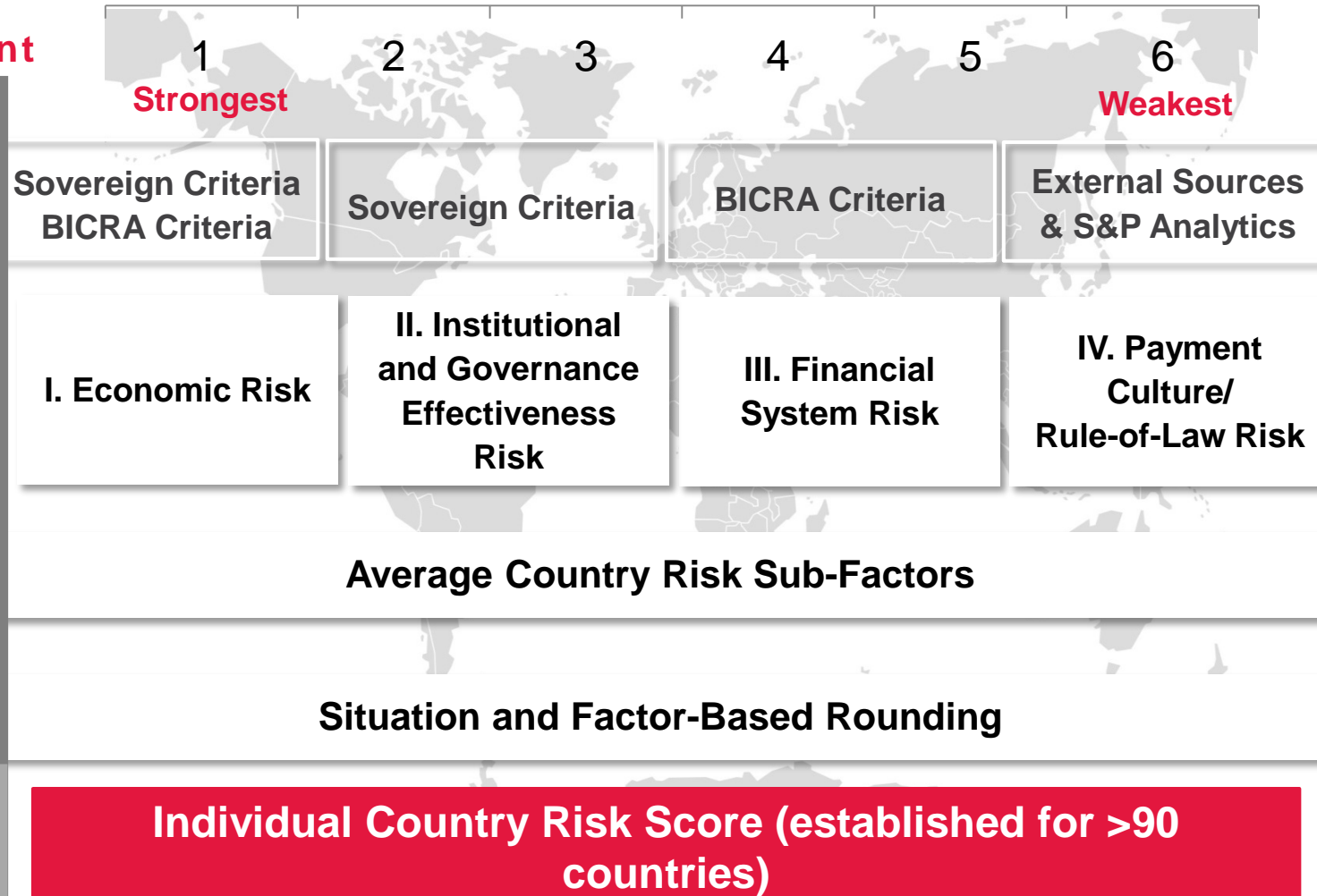
1. Sources

2. Country Risk sub-factors (1-6)

3. Preliminary Country Risk assessment

4. Rounding

Final Country Risk assessment



# CICRA – Industry Risk

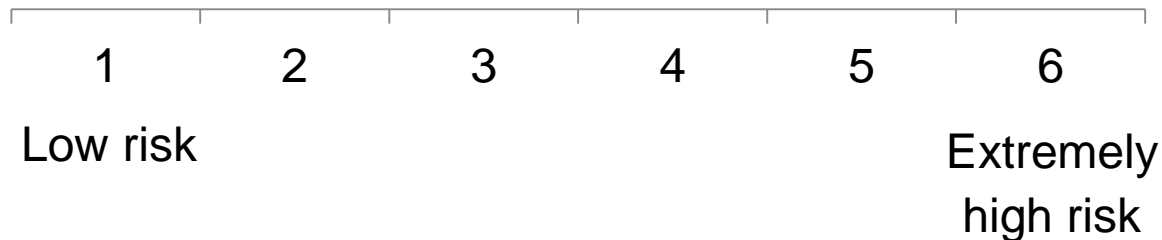
Business Risk  
Profile

Financial Risk  
Profile

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Methodology



**Incorporates 2 key components**

- Industry cyclicality
- Industry competitive risk and growth environment

Industry Risk scores for 38 industries have been established

# Competitive Position

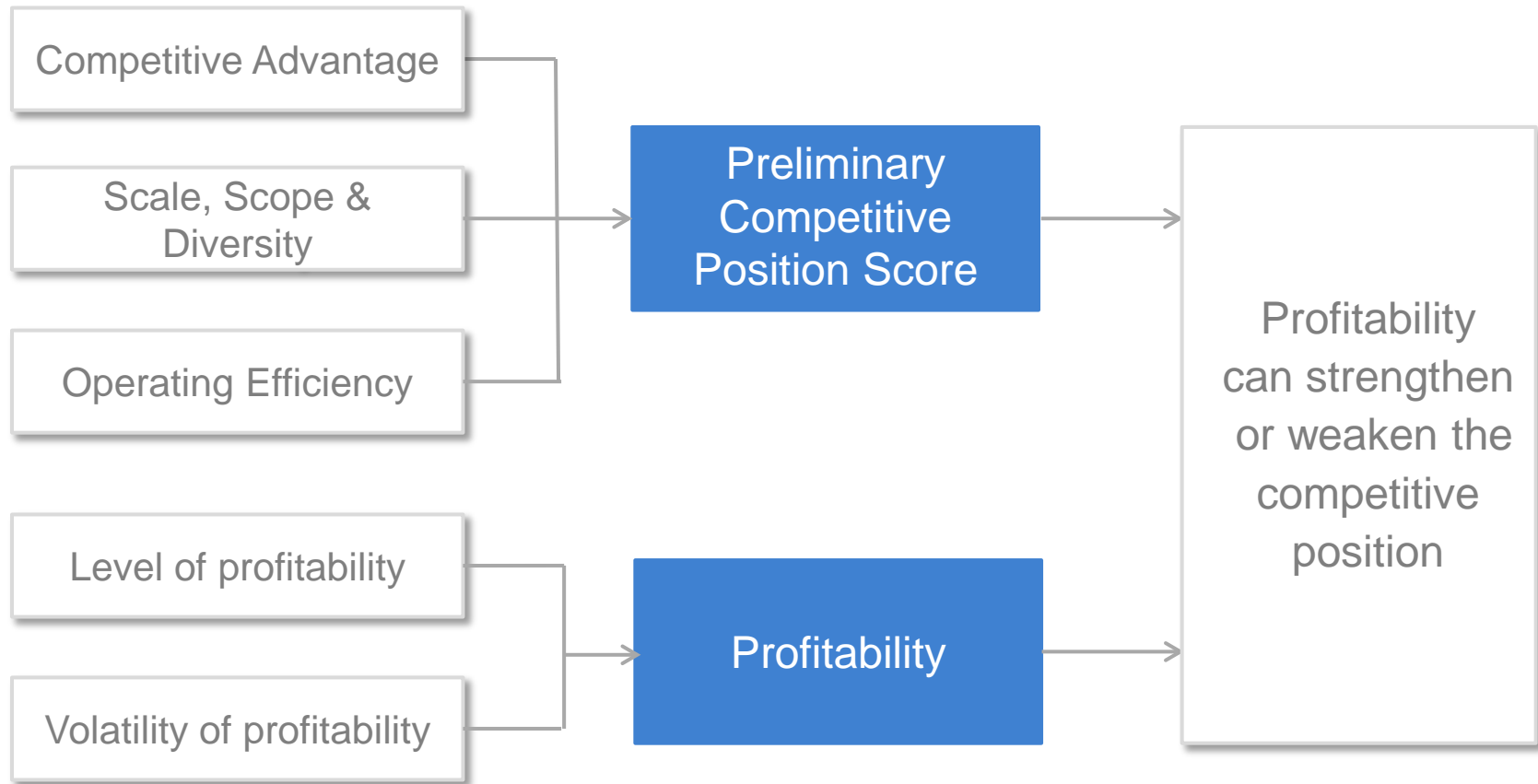
Business Risk  
Profile

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# Competitive Position Group Profile

[Business Risk  
Profile](#)
[Financial Risk  
Profile](#)
[Anchor](#)
[Modifiers](#)
[Group  
Methodology](#)

Component	Services and Product Focus	Product Focus/Scale Driven	Capital or Asset Focus	Commodity Focus/Cost Driven	Commodity Focus/Scale Driven	National Industries & Utilities
Competitive Advantage	45%	35%	30%	15%	10%	60%
Scale, Scope and Diversity	30%	50%	30%	35%	55%	20%
Operating Efficiency	25%	15%	40%	50%	35%	20%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# Financial Risk Profile

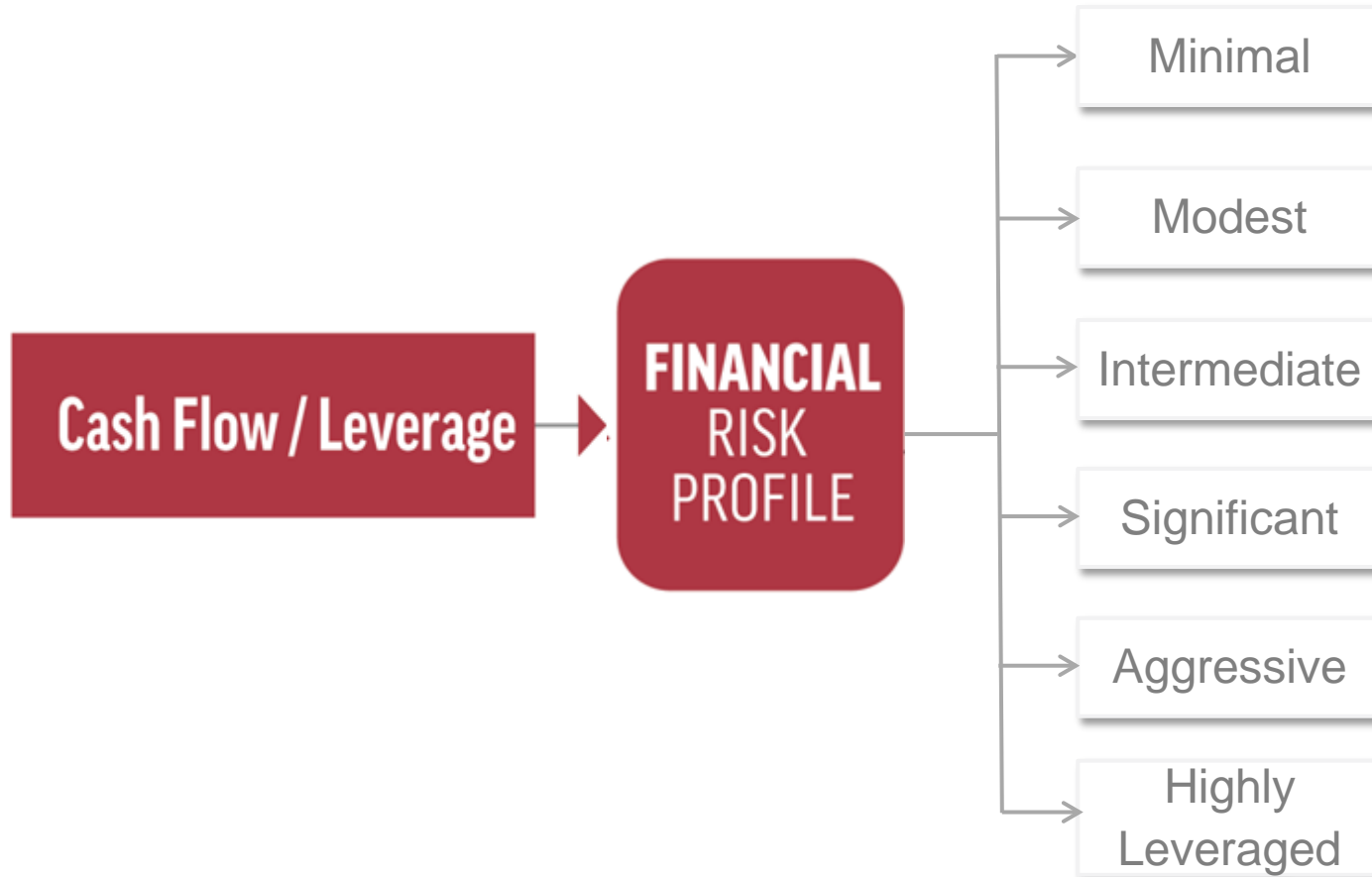
Business Risk  
Profile

Financial Risk  
Profile

Anchor

Modifiers

Group  
Methodology



## Core Ratios

FFO/Debt  
Debt/EBITDA

## Supplemental Ratios

If preliminary score is **Intermediate** or **stronger**:

- CFO/Debt
  - FOCF/Debt
  - DCF/Debt
- } Greater importance when preliminary assessment is minimal to intermediate

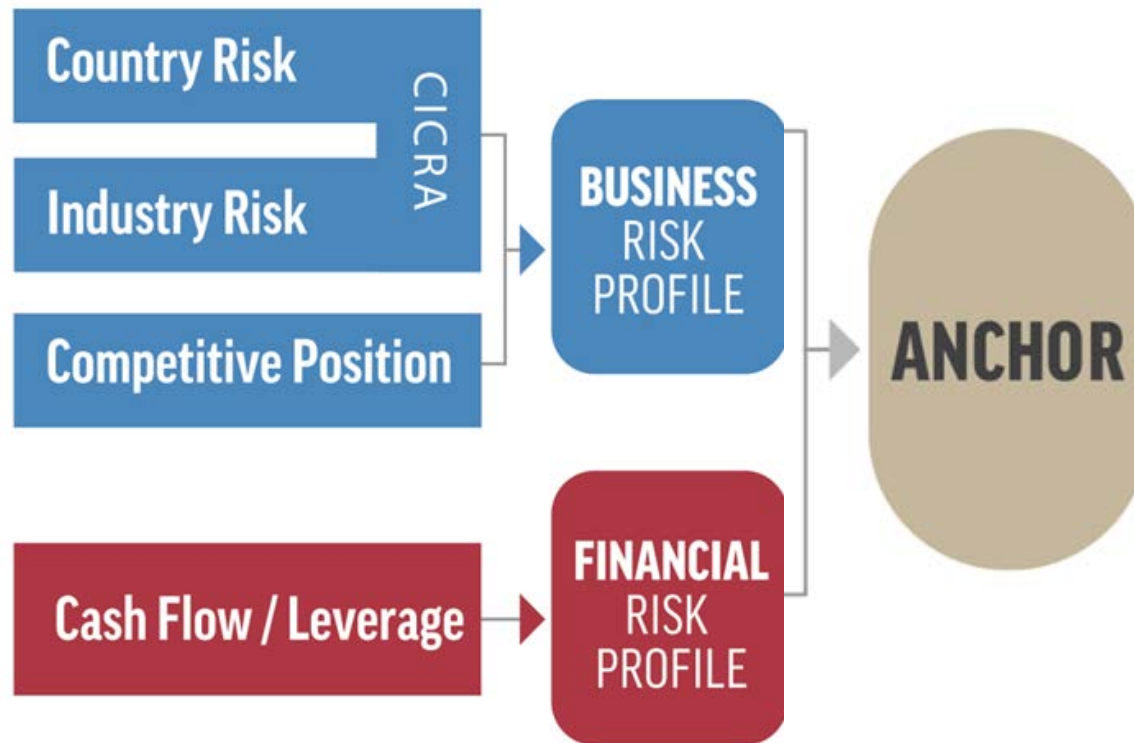
If preliminary score is **Significant** or **weaker**:

- EBITDA/Interest
  - (FFO + Interest)/Cash Interest
- } Greater importance when preliminary assessment is significant to highly leveraged

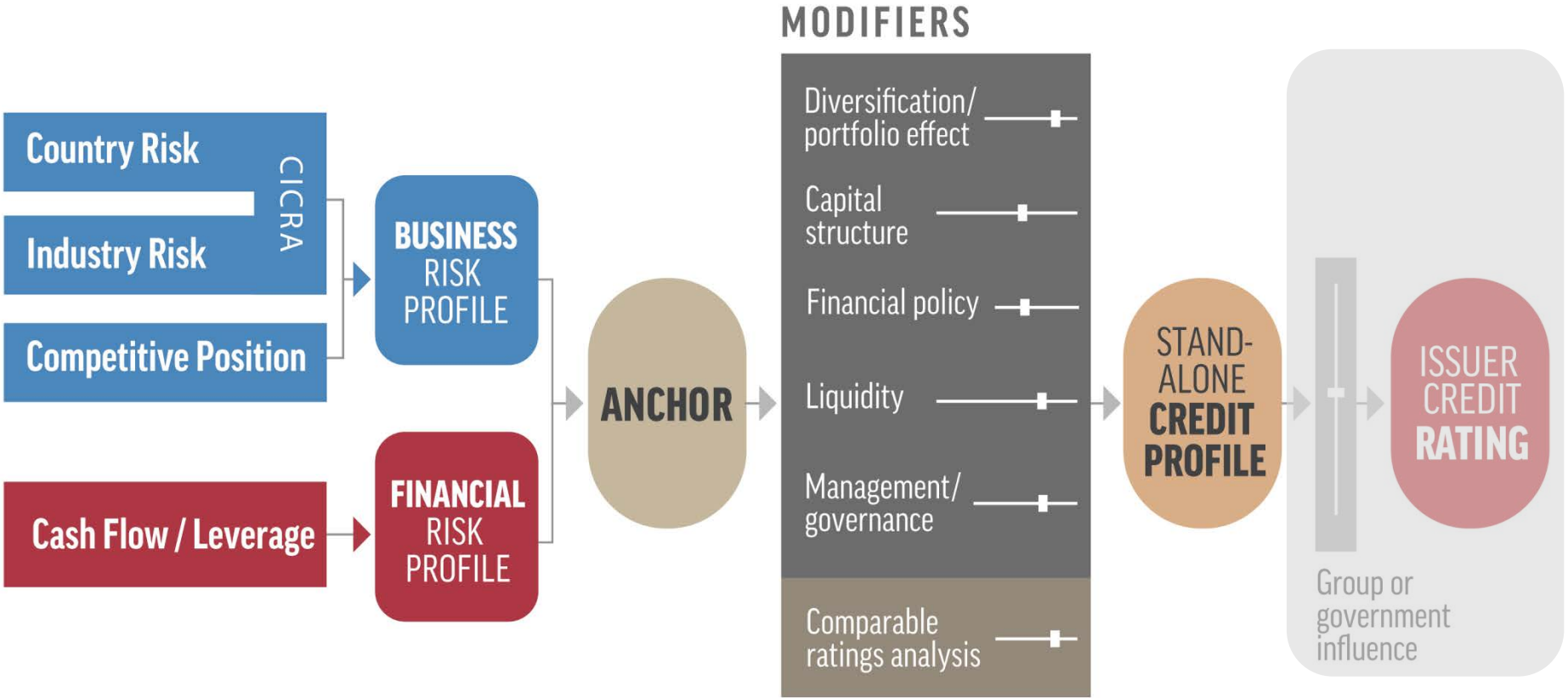
*Industry Key Credit Factor commentaries may identify additional supplemental ratio(s)*

Assessment of supplemental ratios may either **CONFIRM** or **ADJUST** the preliminary score

**The business risk profile and the financial risk profile  
combine to determine the issuer's anchor**



	Financial Risk Profile					
Business Risk Profile	1 (minimal)	2 (modest)	3 (intermediate)	4 (significant)	5 (aggressive)	6 (highly leveraged)
1 (excellent)	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
2 (strong)	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
3 (satisfactory)	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
4 (fair)	bbb/bbb-	bbb-	bb+	bb	bb-	b
5 (weak)	bb+	bb+	bb	bb-	b+	b/b-
6 (vulnerable)	bb-	bb-	bb-/b+	b+	b	b-



# Modifying The Anchor

Business Risk  
Profile

Financial Risk  
Profile

Anchor

Modifiers

Group  
Methodology

## MODIFIERS

Diversification/  
portfolio effect



Capital  
structure



Financial policy



Liquidity



Management/  
governance



Comparable  
ratings analysis



**Specific score and descriptors**  
are used for these modifiers to  
determine the number of notches  
to apply to the anchor

Rating modifier categories  
**may raise or lower a company's  
anchor score by 1 or more  
notches** – or have no  
effect, in some cases

An issuer's **anchor cannot  
be lowered below 'b-'**  
using one or more  
of these categories

# Modifying The Anchor

Business Risk  
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## MODIFIERS

Diversification/  
portfolio effect



Moderate	+1
Significant	+2

Capital  
structure



Financial policy



Liquidity



Management/  
governance



Comparable  
ratings analysis



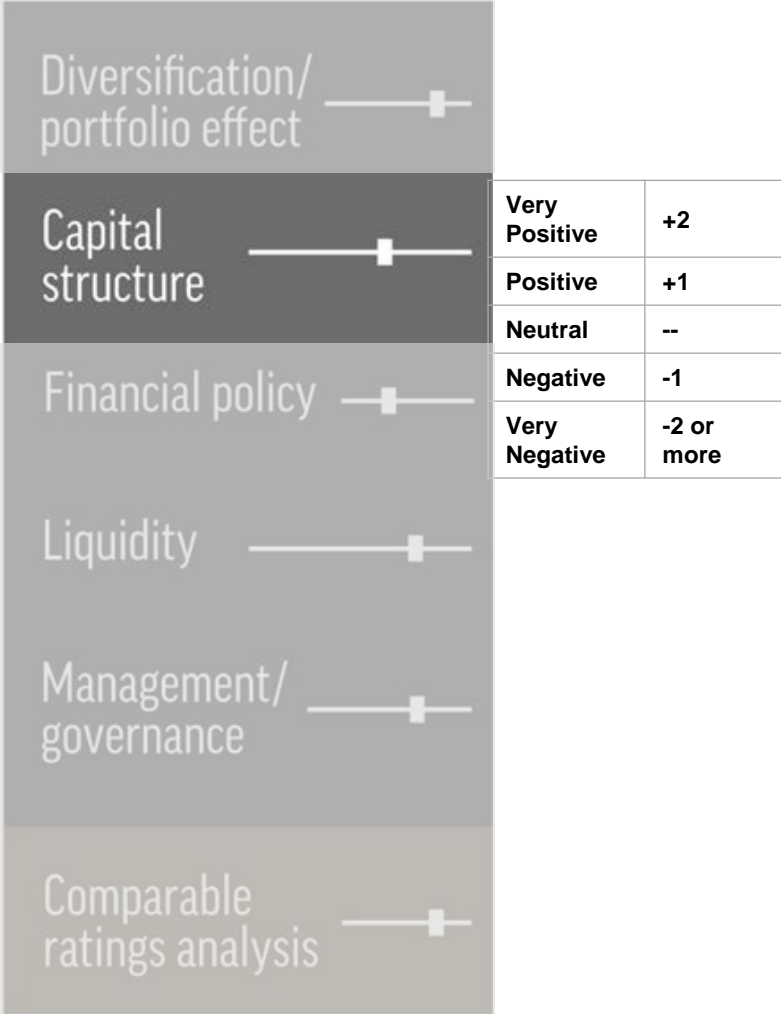
Applies to **conglomerates**

- **>2** distinct business segments
- Each segment contributing **>10%** of earnings
- The largest segment contributing **<50%** of earnings

Conglomerates' distinct industry structure exposure provide a partial hedge against volatility if they are not highly correlated, and could result in a rating uplift

- A conglomerate with moderate diversification could enhance the Anchor by **up to 1 notch**
- A conglomerate with significant diversification could enhance the Anchor by **up to 2 notches**

## MODIFIERS



**Quality of Capital Structure is a modifier category.** The Capital Structure could adjust the Anchor upward or downward, depending upon the individual sub-factor scores.

Tier I Risk Sub-Factors	Tier II Risk Sub-Factor	Stand-Alone Sub-Factor
Currency Risk of Debt	Interest Rate Risk of Debt	Investments
Debt Maturity Profile		

## MODIFIERS

Diversification/  
portfolio effect

Capital  
structure

Financial policy

Liquidity

Management/  
governance

Comparable  
ratings analysis

**Financial Policy adjustment** is a measure of risks outside of our base case assumptions for cash flow/leverage, capital structure and liquidity

**Financial Sponsor Control (>40% ownership):**

FS-4

FS-5

FS-6

FS-6-

FRP 4

FRP 5

FRP 6

**Not Controlled by Financial Sponsor:**

**Financial Policy Framework**

Supportive/  
Non-supportive

**Positive**

**Financial Discipline**

Positive, Neutral,  
Negative

**Neutral**

**Negative**

## MODIFIERS

Diversification/  
portfolio effect



Capital  
structure



Financial policy



Liquidity



Management/  
governance



Comparable  
ratings analysis



**Liquidity is an independent characteristic of a company** measured on an absolute basis, and the assessment is not relative to industry peers or other companies in the same rating category

### Liquidity descriptors:

Exceptional

Strong

Adequate

Less than adequate ICR < BBB-

Weak ICR < B

## MODIFIERS

Diversification/  
portfolio effect

Capital  
structure

Financial policy

Liquidity

Management/  
governance

Comparable  
ratings analysis

Management			Governance	
Positive	Neutral	Negative	Neutral	Negative
1. Strategic planning process			1. Board effectiveness	
2. Consistency of strategy with organizational capabilities and marketplace conditions			2. Entrepreneurial or controlling ownership	
3. Ability to track, adjust, and control execution strategy			3. Management culture	
4. Comprehensiveness of enterprise-wide risk management standards and tolerances			4. Regulatory, tax or legal infractions	
5. Standards for operational performance			5. Communication of messages	
6. Management's operational effectiveness			6. Internal controls	
7. Management's expertise and experience			7. Financial reporting and transparency	
8. Management's depth and breadth				

# Comparable Ratings Analysis

Business Risk  
Profile

Financial Risk  
Profile

Anchor

Modifiers

Group  
Methodology

## MODIFIERS

Diversification/  
portfolio effect



Capital  
structure



Financial policy



Liquidity



Management/  
governance



Comparable  
ratings analysis



### **Sub-factors/ modifying factors**

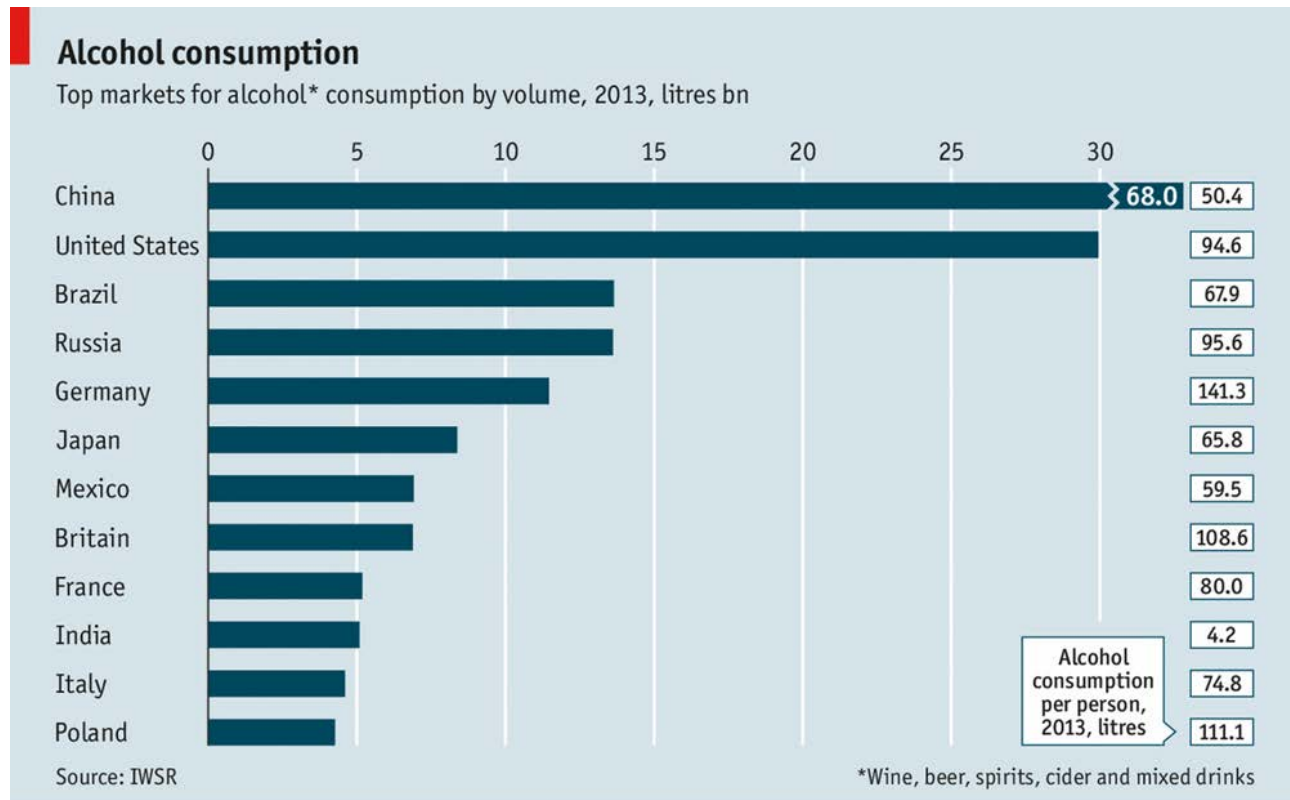
are considered midpoints within a possible range, and each of these sub-factors can be at the upper- or lower-end, or at the midpoint of such a range

A positive or negative assessment  
is therefore likely to be **common**,  
rather than exceptional

A company's rating may be changed  
**by one notch in either direction**  
in this comparable ratings analysis

## Case Study: European Beverage Companies



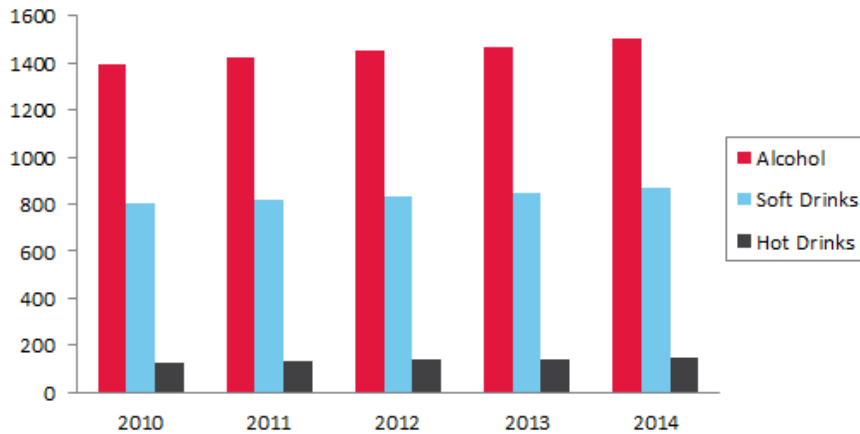


Source: IWSR, The Economist.

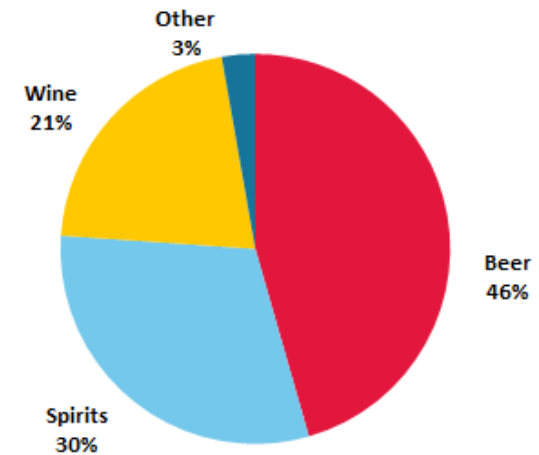
# Industry Overview

(2/2)

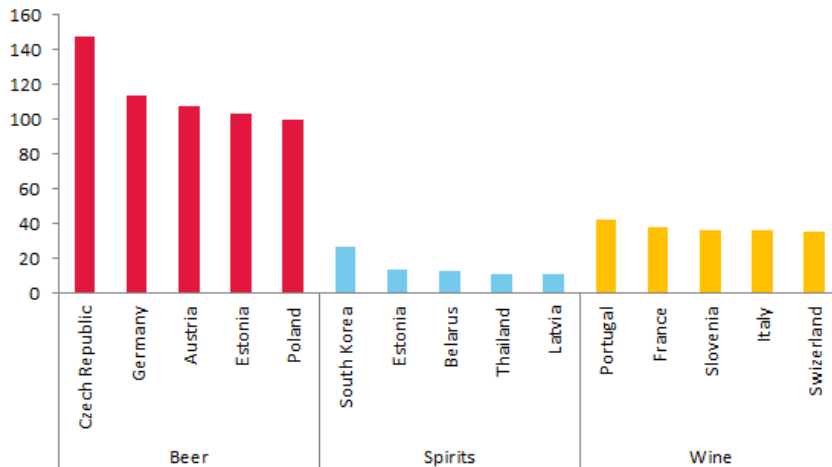
Beverage - Global Market Value 2010-2014, US\$ bln



Alcohol - Market Value split by categories, 2014



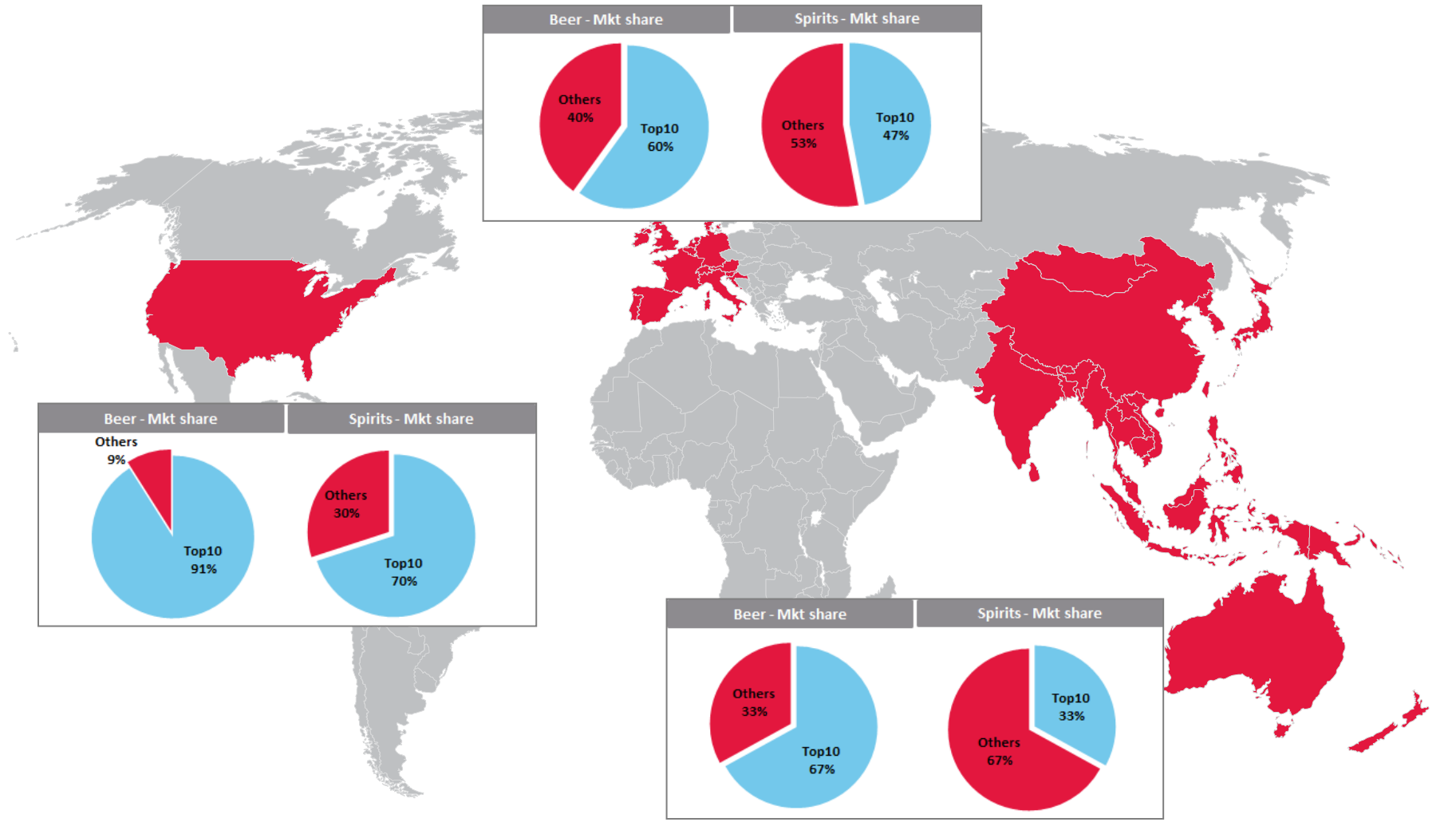
Alcohol - Consumption per capital (Top5)



- Alcohol represents about 60% in value of the total beverage market
- CAGR growth in the last 5 years has been in the low-single digit category
- Sound growth potential coming from emerging markets (Africa, India)

Source: Euromonitor International, Bloomberg.

# Industry Market Share by Volume



Source: Euromonitor International, Bloomberg.

# Key Industry Takeaways

We do not envisage industry fundamental changes in the medium term. We anticipate **low-single digit growth** for the alcohol industry as whole.







The global alcoholic beverage market is **concentrated**. In 2010-2014 Top ten companies' market share moved from 59% to 66% in the beer segment, and from 16% to 29% in the spirits one.

The role of **emerging markets** will be key. Growth drivers are: *i)* rising income, *ii)* urbanization, *iii)* young and rising population. The consumption per person is still relatively low and the «customer base» is huge.
















The **Chinese anti-extravagance campaign** hit mainly premium-spirits and wine segments. Spirits companies are repositioning their product offer in China.

# S&P – PEER ANALYSIS
















# Peer Analysis – Matrix

		Financial risk profile					
Business Risk Profile		Minimal	Modest	Intermediate	Significant	Aggressive	Highly Lev.
	Excellent						
	Strong			 			
	Satisfactory						
	Fair						
	Weak						
	Vulnerable						

# Peer Analysis – Portfolio Diversity And Size (1/2)

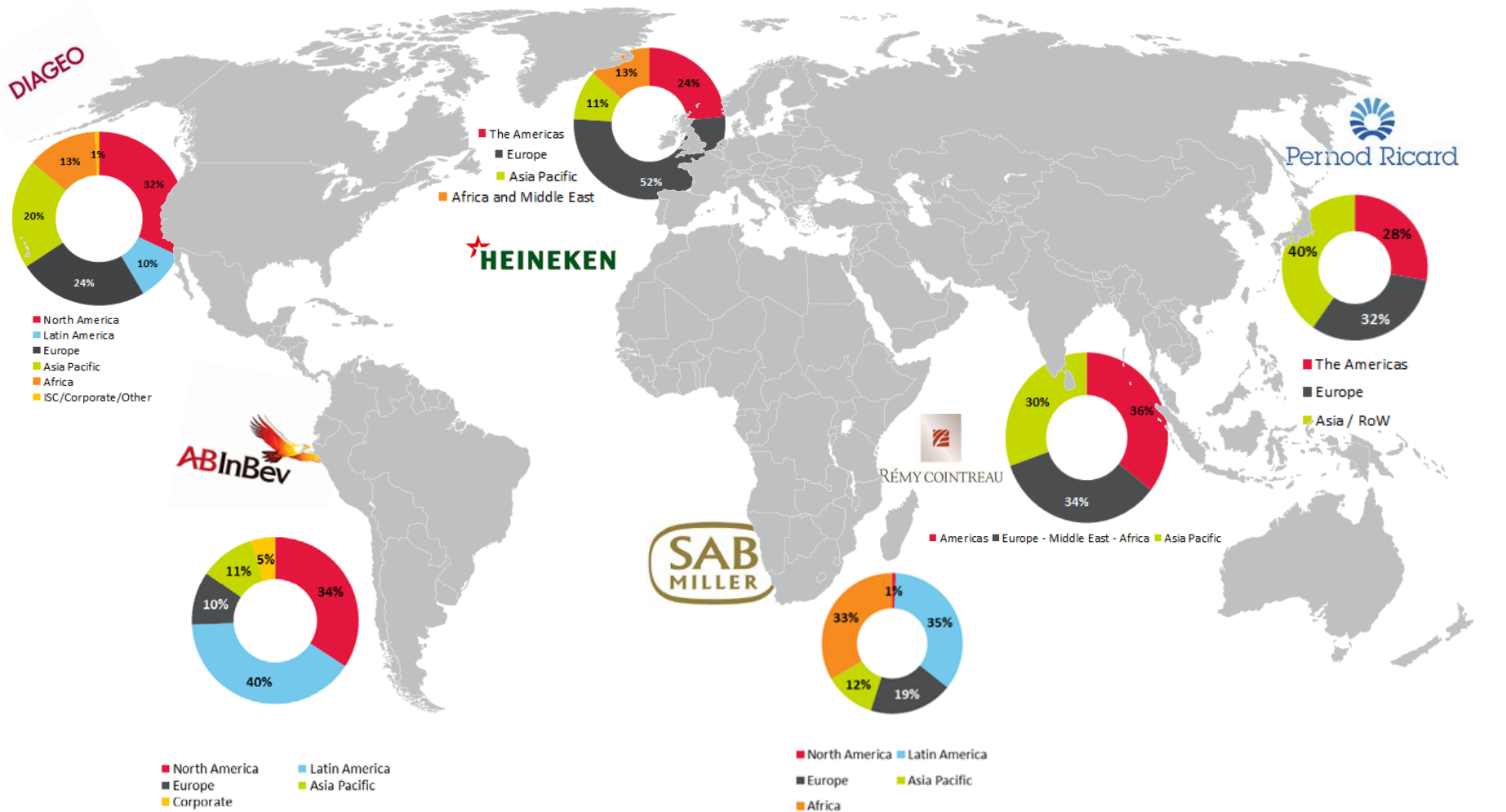
			
<b>Reported Revenues</b> €million	38.886,7	15.393,6	19.257,6
<b>Reported EBITDA</b> €million	15.279,3	5.567,6	4.217,6
<b>Reported Debt</b> €million	42.240,5	11.678,8	11.765,0
<b>Main Brands</b>	   	   	   
<b>Selling &amp; Marketing Expense / Total Revenues</b>	24,5%	14,7%	N.A.

# Peer Analysis – Portfolio Diversity And Size (2/2)

			
Reported Revenues €million	15.197,7	8.558,0	965,1
Reported EBITDA €million	4.549,6	2.460,0	175,1
Reported Debt €million	13.827,3	9.510,0	540,7
Main Brands	   	   	   
Selling & Marketing Expense / Total Revenues	15,0%	19,0%	22,7%*

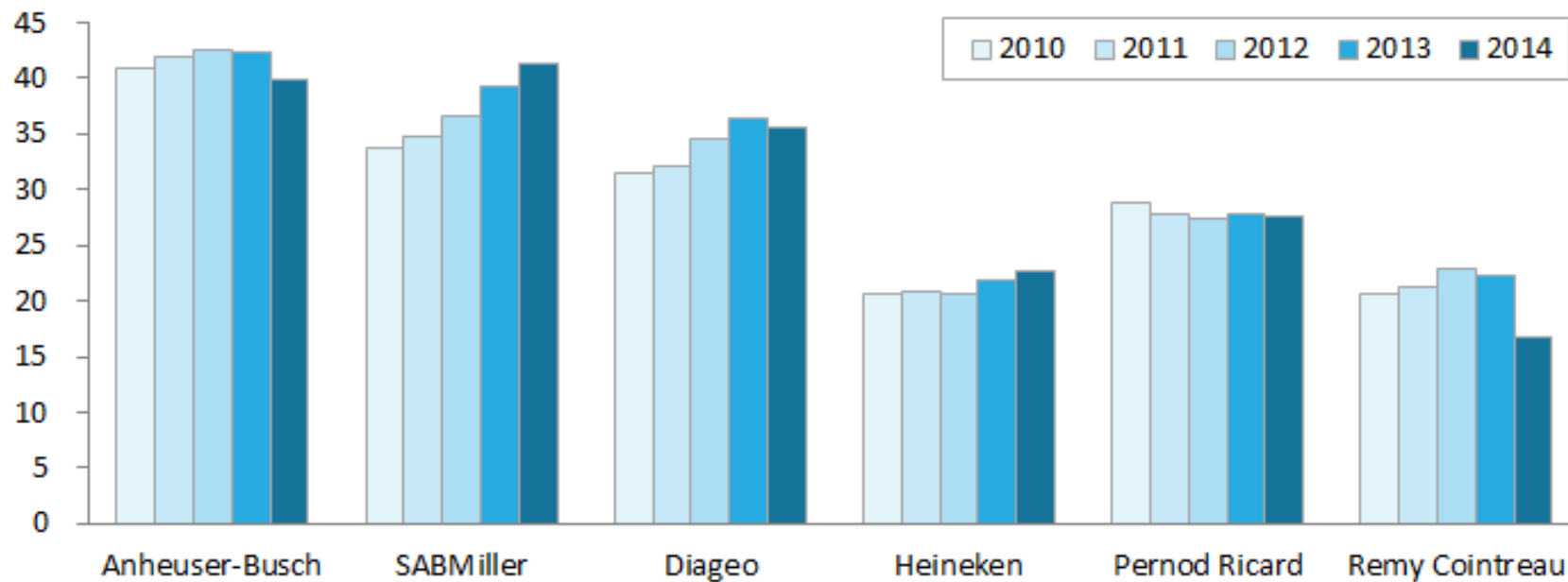
\*It includes only Advertising expense

# Peer Analysis – Geographic Diversification



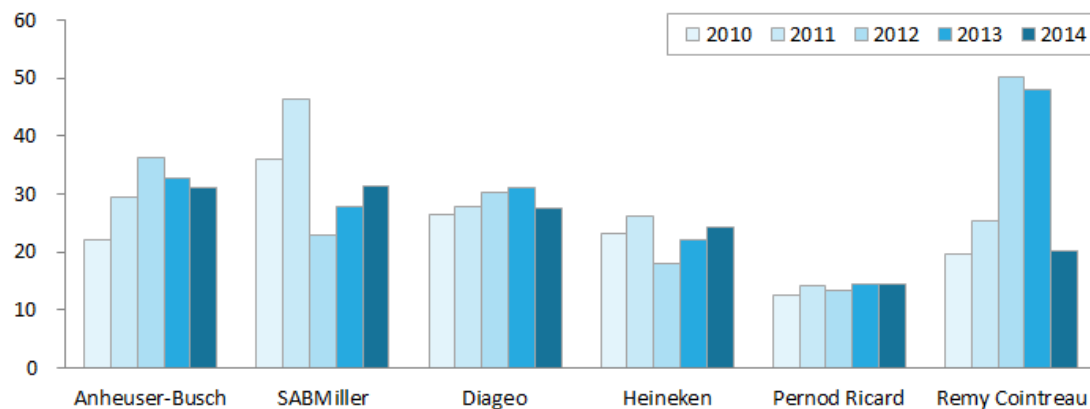
# Peer Analysis - Profitability

S&P Adjusted EBITDA margin, % (2010-2014)

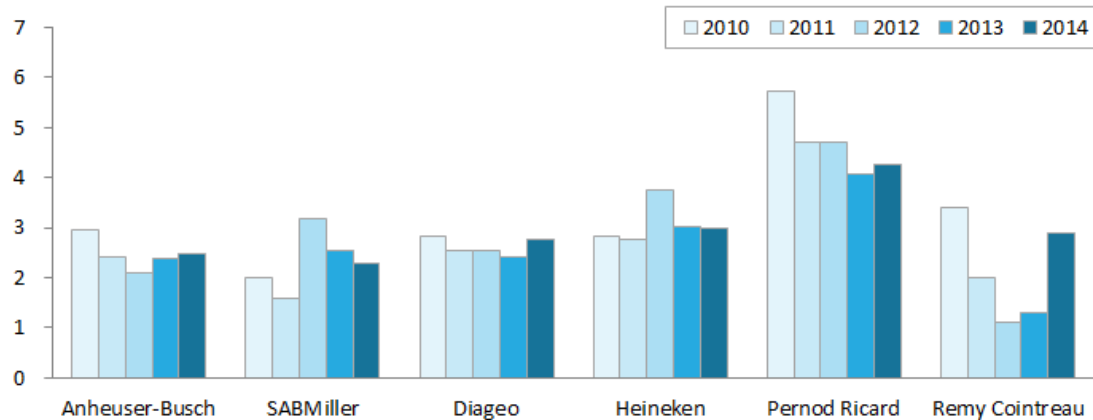


# Key Credit Metrics – Core Debt Ratios

S&P Adjusted FFO on Debt, % (2010-2014)

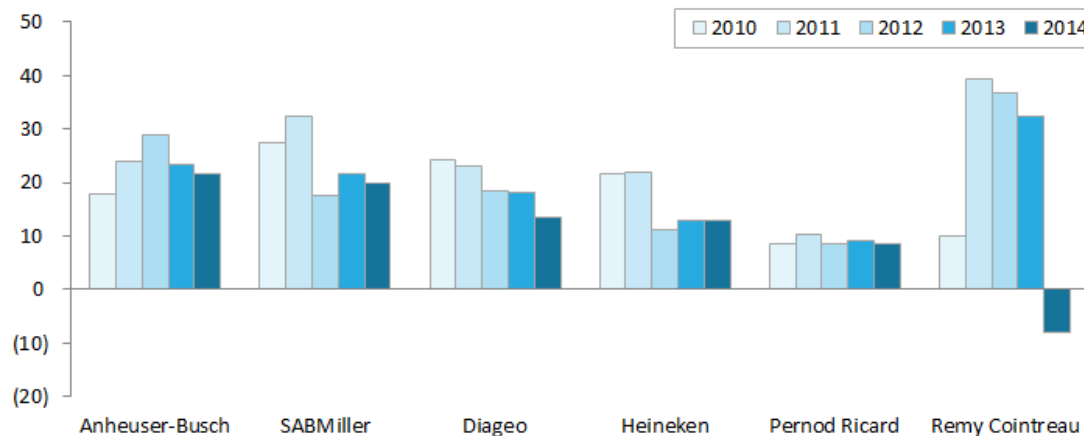


S&P Adjusted Debt on EBITDA (2010-2014)

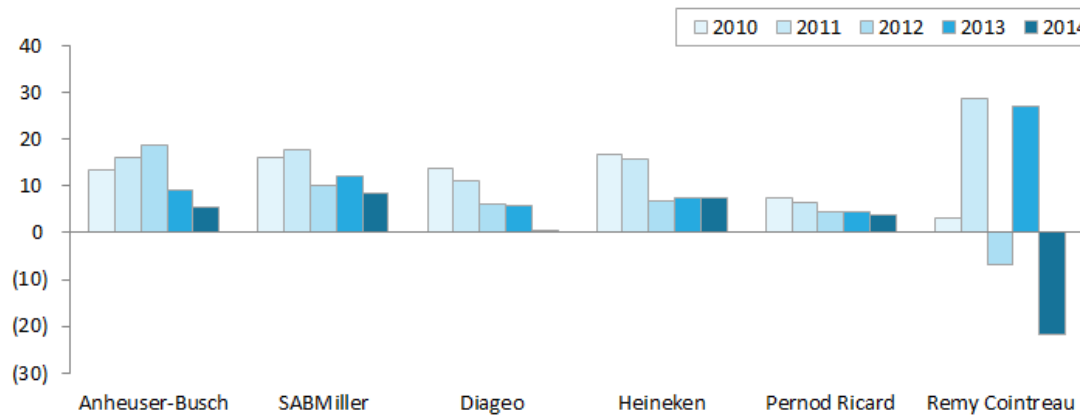


# Key Credit Metrics – Supplemental Ratios

S&P Adjusted FOCF on Debt, % (2010-2014)



S&P Adjusted DCF on Debt, % (2010-2014)



# Key Rating Scores

## Peer Table

	Anheuser-Busch InBev	SABMiller PLC	Diageo PLC	Heineken NV	Pernod Ricard SA	Remy Cointreau SA
<b>Business Risk Profile</b>	<b>Excellent</b>	<b>Strong</b>	<b>Excellent</b>	<b>Strong</b>	<b>Strong</b>	<b>Fair</b>
Country Risk	Intermediate	Intermediate	Intermediate	Intermediate	Intermediate	Intermediate
Industry Risk	Low	Low	Low	Low	Low	Low
Competitive Position	Excellent	Strong	Excellent	Strong	Strong	Fair
<b>Financial Risk Profile</b>	<b>Intermediate</b>	<b>Intermediate</b>	<b>Significant</b>	<b>Intermediate</b>	<b>Aggressive</b>	<b>Intermediate</b>
<b>Anchor</b>	<b>a</b>	<b>a-</b>	<b>a-</b>	<b>bbb+</b>	<b>bb+</b>	<b>bb+</b>
Diversification / Portfolio Effect	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
Capital Structure	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
Liquidity	Adequate	Adequate	Adequate	Adequate	Adequate	Adequate
Financial Policy	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
Management / Governance	Strong	Satisfactory	Strong	Satisfactory	Strong	Fair
Comparable Ratings Analysis	Neutral	Neutral	Neutral	Neutral	<b>Positive (+1 notch)</b>	Neutral
<b>Issuer Credit Rating</b>	<b>A/Stable/A-1</b>	<b>A-/Stable/A-2</b>	<b>A-/Stable/A-2</b>	<b>BBB+/Stable/ A-2</b>	<b>BBB- /Stable/A-3</b>	<b>BB+/Stable/B</b>

# S&P – COMPANY SNAPSHOT

## Business Profile

Excellent



## Financial Profile

Intermediate



### Key Strengths

- The world's largest brewing company, benefiting from geographic diversity and economies of scale
- Industry-leading margins and market shares
- Strong and diverse brand portfolio

### Key Weaknesses

- Exposure to relatively volatile commodity prices and to changes in excise taxes and duties.
- Brewing industry is mature and competitive.

### Credit Watch Negative

- The stable outlook reflects our view that the group should maintain credit metrics commensurate with an "intermediate" financial profile, including an adjusted debt-to-EBITDA ratio of 2x-3x.
- **Downside.** If AB InBev's credit metrics were no longer commensurate with an "intermediate" financial risk profile, including adjusted debt to EBITDA of above 3x on a sustainable basis. We believe that a weakening of the credit metrics due to a deterioration of the operations is unlikely. We believe that it would most likely happen if AB InBev decided to increase its spending on returns to shareholders or acquisitions.
- **Upside.** If AB InBev reached and then maintained an adjusted debt-to-EBITDA ratio of close to 2.0x, accompanied by a commitment to keep debt leverage lower than in the past.

## Business Profile

Strong



## Financial Profile

Intermediate



## Key Strengths

- Strong leading position in various international beer markets
- Well-balance geographical presence, with only 17% of sales from mature European market
- Strong pricing power and margins

## Key Weaknesses

- Brewing industry is mature and competitive.
- Volatile commodity prices, with raw materials (commodities) account for about 25-30% of group's cost base

## Stable Outlook

- The stable outlook reflects our view that SABMiller will likely maintain a Standard & Poor's adjusted FFO to debt ratio in excess of 30%, and debt to EBITDA in the range of 2-3x, which are commensurate with our "intermediate" financial risk profile. This reflects the group's solid market position, notably in fast-growing emerging markets.
- **Downside.** We could lower our ratings on SABMiller if its adjusted FFO to debt fell below 30% and debt to EBITDA exceeded 3.0x on a sustainable basis. This could stem from large debt-financed acquisitions or increased shareholder remuneration.
- **Upside.** rating upside is unlikely at this stage, reflecting the group's financial policy of not ruling out any sizable debt financed acquisition. We would consider an upgrade if the group achieved credit metrics in line with a "modest" financial risk profile.

## Key Strengths

- Market leader in the branded spirits industry, with a share of more than 25% in the premium segment
- Strong brand equity based on a solide and diverse portfolio of well-recognized brands
- Broad geographical diversification with a fairly well-balance spread of sales
- Stronger profitability than many of its peers and solid EBITDA margin around 35%

## Key Weaknesses

- Free operating cash flow (FOCF) largely absorbed by shareholder distribution

## Business Profile

Excellent



## Financial Profile

Significant



## Stable Outlook

- The stable outlook reflects our expectation that Diageo will maintain FFO to debt at the upper end of 20%-30% and adjusted debt to EBITDA at the lower end of 3x–4x.
- **Downside.** If Diageo's operating performance weakened and its cash flow generation deteriorated, or if a large debt-financed acquisition resulted in a substantial increase in leverage, such that FFO to debt fell to around 20% and debt to EBITDA increased to more than 4x. We could also lower the ratings if Diageo's market positions weakened in the developed markets of Europe and North America, and if operating margins were to weaken.
- **Upside.** if Diageo sustains stronger cash flow generation such that FFO to debt comfortably exceeds 30% and debt to EBITDA is lower than 3x.

## Key Strengths

- Strong leading positions in various international beer markets based on a solid and varied portfolio of highly recognized brands
- Successful innovations, generating €1.5 billion, or 7.7% of revenues in 2014
- Conservative financial policy - commitment to reduce debt within two years following large acquisitions

## Key Weaknesses

- Lower operating margins than peers partly because of large wholesale operations across Europe
- A track record of sizable acquisitions affecting credit ratios, the most recent being the €5.3 billion acquisition of Asia Pacific Brewers (APB) completed in November 2012

## Business Profile

Strong



## Financial Profile

Intermediate



## Stable Outlook

- The stable outlook reflects our view of the predictability of the group's operations and cash flow generation, and its proven ability to reduce debt following large acquisitions. We believe that adjusted debt to EBITDA will fall to about 2.5x in 2015, from 3.0x in 2014. We view adjusted debt to EBITDA of 2x-3x to be commensurate with the current 'BBB+' ratings.
- **Downside.** If the credit metrics deviate negatively from our expectations or if operating performance deteriorates significantly or if a change of financial policy were to result in weaker credit ratios.
- **Upside.** Solid operating performance and stronger profitability, such that EBITDA margins are more in line with peers. We could also consider an upgrade if Heineken was to achieve a ratio of adjusted debt to EBITDA of less than 2x on a sustainable basis.

## Key Strengths

- No. 2 global position in the cash-generative spirits industry
- Excellent brand and geographical diversity
- Significant exposure to fast-growing emerging markets

## Key Weaknesses

- Exposure to foreign currency volatility
- High amount of financial debt

## Business Profile

Strong



## Financial Profile

Aggressive



## Stable Outlook

- The stable outlook reflects our view that Pernod Ricard's key financial ratio- debt to EBITDA- will likely be about 4.2x in 2014/15 and about 4x on a five-year basis (including two historical and three forecast years). The ranges we consider commensurate with the current financial risk profile are a 4.0x-4.5x debt-to-EBITDA ratio and FFO to adjusted debt of 15%-20%.
- **Downside.** Generous shareholder remuneration and new large acquisitions that push debt up and beyond the indicated target range. We could also consider a negative rating action in the event of unexpected adverse operating developments--such as a sharp contraction of sales in China or significant worsening demand in Europe. If such developments resulted in a sizable shortfall in sales and the operating margin and, consequently, reduced cash generation.
- **Upside.** If Pernod Ricard deleverages and reduces its debt to EBITDA to about 3.5x on a sustainable basis, and if FFO to debt improves to the 20%-30% range.

## Key Strengths

- Group's leading position globally in the cognac industry
- Geographical diversification (40% of sales in Americas, 31% in EMEA and 29% in Asia Pacific in fiscal 2014)

## Key Weaknesses

- Limited product diversification with cognac representing about 53% of sales and 83% of reported operating profit in the fiscal 2014
- Financial metrics in the lower end of the «intermediate» category

## Business Profile

Fair



## Financial Profile

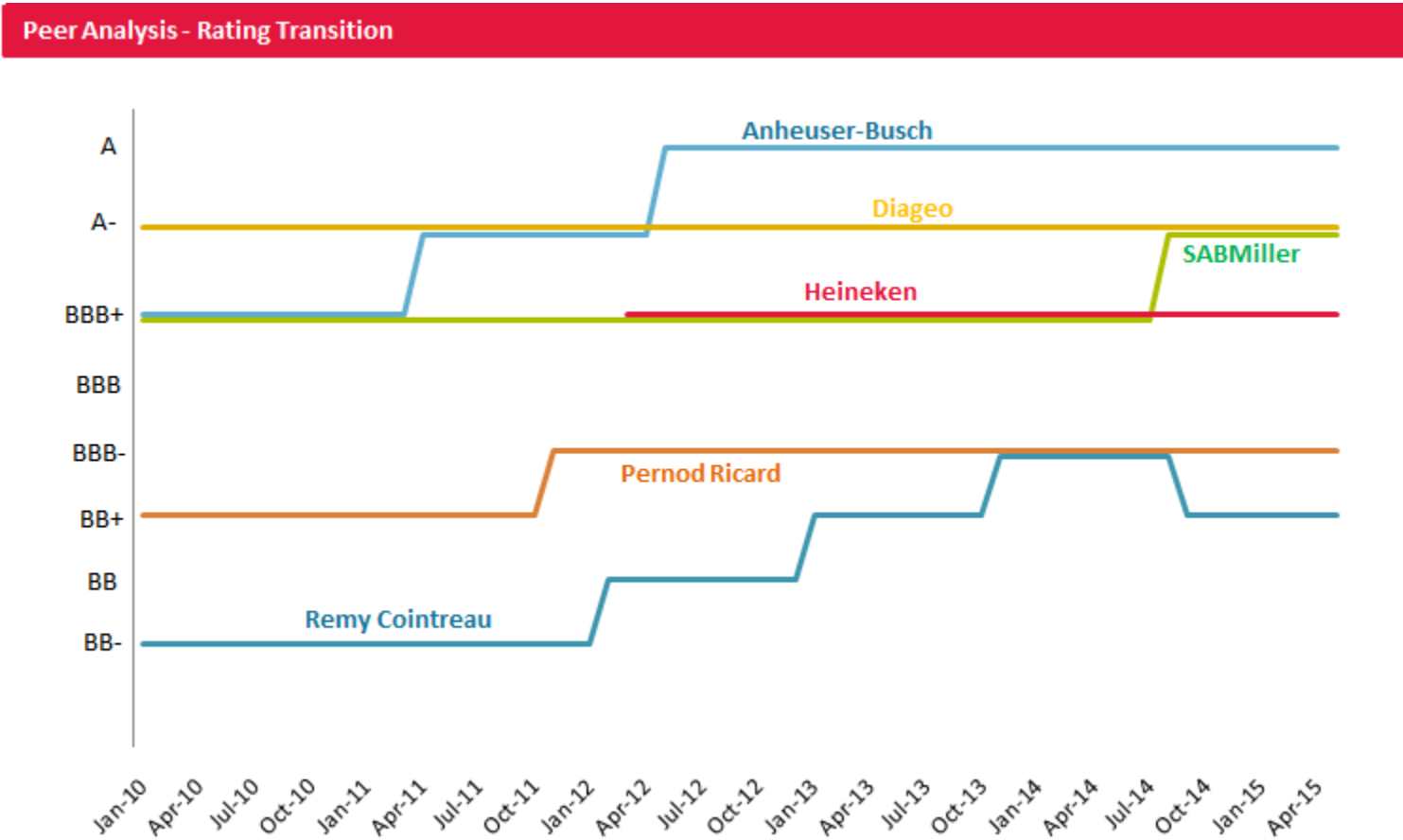
Intermediate



## Stable Outlook

- The stable outlook reflects our view that Rémy Cointreau's ratio adjusted debt to EBITDA-- will likely exceed 3x in fiscal 2015 due to the continued effect of destocking in China and the sluggishness in some European markets. This compares with the 2x-3x range that we consider to be commensurate with our current financial risk profile assessment. According to our base-case scenario, this ratio will likely improve from fiscal 2016 to within our range thanks to the end of the destocking in China and strengthening demand in Europe.
- **Downside.** In the event of further unexpected adverse operating developments, such as a fresh contraction in sales in China or tougher competition in Europe. Such developments could result in a new sizable shortfall in sales and earnings, and consequently reduce Rémy Cointreau's ability to achieve the ratings-commensurate metrics indicated above.
- **Upside.** We could consider an upgrade only if we thought that the group could maintain its debt to EBITDA below 2x on a sustainable basis. We see it as remote at this stage.

# Rating Trends



# “Emittenti e agenzie di rating a confronto: come si è evoluta nel tempo la relazione ”

**Roberto Peronaglio**

Head of Investor Relations, Banca Popolare di Milano

**Francesca Sacchi**

Associate Director, Financial Institutions



# La regolamentazione delle agenzie di rating in Europa

**Paola Valentini**

Associate Director, Communications & Market Outreach



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# First round of ratings regulation in Europe: CRA 1

**Regulation 1060 was introduced in 2009 and came into effect in September 2010:**

- Regulatory supervision of policies and processes to manage potential conflict of interest (restrictions on analyst investments; analyst rotation; ban on consulting/advising)
  - Overseeing independence of ratings (supervisory board; compliance function;; audit trail etc)
  - Promoting transparency (disclosure of methodologies/models/assumptions; ESMA website showing ratings performance;)
- 
- **ESMA (European Securities & Market Authority) took over supervision in July 2011: regular “thematic” inspections and public reports**
  - **Major ratings agencies registered September 2011**

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# Main CRA3 Provisions That Impact Issuers

- Ratings, outlooks and related information are defined as “inside information” under the Market Abuse Directive 2003/6/EC, until disclosed to the market
- Credit rating agencies to notify rated entities at least a full working day before publication of credit ratings and rating outlooks
- Specific requirements for ratings on sovereigns and their debt where the primary rating analyst is located in a European office (or a branch of a European office), including the establishment of an annual calendar of rating announcements from 2014
- Originators of re-securitisations required to rotate credit rating agencies
- Requirement to routinely consult the market about new and materially changed criteria (which is our existing practice) and to publish market participants’ responses, unless confidentiality is requested

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# Ratings Designated As “Inside Information”

Ratings, outlooks and related information are defined as “inside information” under the Market Abuse Directive 2003/6/EC, until disclosed to the market.

- S&P is required to maintain a list of persons (“insiders”) with access to ratings information and to communicate, in advance of ratings being released, only to individuals on this list
- The list of persons outside S&P to whom a rating can be communicated in advance of being released must be identified by each rated entity for that purpose
- Issuers only need to identify the people to whom S&P can communicate ratings information in advance of release
- Issuers do not need to notify rating agencies of the people they subsequently share this information with internally

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# Ratings Designated As “Inside Information”

Ratings, outlooks and related information are defined as “inside information” under the Market Abuse Directive 2003/6/EC, until disclosed to the market.

- S&P cannot communicate ratings information, in advance of ratings being released, to anyone who is not on our insider list
- Issuers should advise us in writing of any additions or changes to persons they identify to us as “insiders”. We will contact our clients periodically to request them to confirm or update the list of such persons

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# One Full Working Day Pre-Publication Notice To Issuers

Credit rating agencies to notify rated entities at least a full working day before publication of credit ratings and rating outlooks.

- This is a change to the previous 12 hours pre-publication notice
- We consider a “full working day” to be 9am – 5pm, Monday to Friday (or Sunday to Thursday, depending on the location of the primary contact at the issuer)
- We will calculate the ‘full working day’ based on the location of the primary contact at the issuer, taking into account the relevant working days and national holidays in each location
- Local or regional holidays are not included in the working day calculation

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# Specific Requirements Introduced For Sovereign Ratings

**Specific requirements introduced for ratings on sovereigns and their debt, where the primary rating analyst is located in a European office (or a branch of a European office), including:**

- **A new definition of “sovereign” which includes:**
  - States, or a regional or local authority of a State
  - Special purpose vehicles of a State or of a regional or local authority, and
  - International financial institutions established by two or more States for the purpose of mobilising funding and providing financial assistance to members, e.g. EFSF
- **Sovereign ratings to be reviewed at least every six months**
- **Publication of a detailed research report on [www.standardandpoors.com](http://www.standardandpoors.com)**
  - Reports should explain all the assumptions, parameters, limits and uncertainties and any other information taken into account in determining that sovereign rating or rating outlook
- **Publication of rating actions outside market hours**
  - after the close of European markets and at least one hour before their opening

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# Specific Requirements For Sovereign Ratings cont....

From 2014, additional requirements to:

- **Publish an annual calendar with pre-determined dates for the publication of solicited and unsolicited sovereign ratings and outlooks**
  - Calendar to be published on [www.standardandpoors.com](http://www.standardandpoors.com) and provided to ESMA
  - Calendar to provide at least two publication dates for each sovereign
  - Deviation from the calendar is only permitted in exceptional circumstances, to meet regulatory obligations, and where accompanied by a detailed explanation
- **Publication of rating actions on Fridays and still outside market hours**

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