



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

March 1, 2011

Cenovus Promising High Growth in Deep Oil Sands

<i>Symbol</i>	CVE	<i>Ebitda Next Twelve Months ending 3/31/12 (US\$mm)</i>	3,600
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	20
<i>Price (US\$/sh)</i>	38.91	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	2/28/11	<i>Adjusted Reserves/Production NTM</i>	21.0
<i>Shares (mm)</i>	753	<i>EV/Ebitda</i>	10.3
<i>Market Capitalization (US\$mm)</i>	29,300	<i>PV/Ebitda</i>	12.4
<i>Debt (US\$mm)</i>	7,300	<i>Probable Reserves (%)</i>	31
<i>Enterprise Value (EV) (US\$mm)</i>	36,600	<i>Natural Gas and Oil Ebitda (US\$/mcfe)</i>	39.52
<i>Present Value (PV) (US\$mm)</i>	44,200	<i>Present Value Proven and Probable Reserves(US\$/boe)</i>	18.39
<i>Net Present Value (US\$/share)</i>	49	<i>Present Value Proven and Probable Reserves(US\$/mcfe)</i>	3.07
<i>Debt/Present Value</i>	0.17	<i>Earnings Next Twelve Months (US\$/sh)</i>	1.36
<i>McDep Ratio - EV/PV</i>	0.83	<i>Price/Earnings Next Twelve Months</i>	29
<i>Dividend Yield (%/year)</i>	2.1	<i>Indicated Annual Dividend (US\$/sh)</i>	0.82
Note: Estimated cash flow and earnings tied to one-year futures prices for oil and natural gas.			
Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.			
Estimated present value presumes a long-term price for oil of US\$100 a barrel and natural gas, \$8 a million btu.			

Summary and Recommendation

The stock of buy-recommended **Cenovus Energy (CVE)** has appreciated some 30% along the way to perhaps 400% by 2020 on the basis of its concentrated representation in the high growth potential of Canada's deep oil sands. A positive trend in oil price combined with successful operations for the past two quarters lends credibility to the ambitious plans management presented to investors last year (see *Meter Reader* June 22, 2010). Production at Foster Creek and Christina Lake in a joint venture with **ConocoPhillips (COP)** is expected to multiply from current levels and to be magnified in emerging areas, possibly with international partners (see map on page 2). Most of the expected five-fold growth in deep oil sands for Cenovus is firmly indicated (see chart [SAGD](#) on page 3). Temporary dislocations in transporting rising industry oil volumes from Alberta and North Dakota are depressing crude oil price in interior markets compared to rising global crude oil price. Cenovus recoups about two-thirds of the opportunity loss through higher margins in U.S. refining operations in its joint venture with COP (see chart [Integration Strategy](#) on page 3). As a result, crude oil production supplied less cash flow and refining more cash flow in fourth quarter operations disclosed on February 18 (see [Next Twelve Months Operating and Financial Estimates](#) on page 4). The energy growth prospects in Cenovus are available at a McDep Ratio of 0.83 that is well within buy range and stock price is in an uptrend (see [Tables 1-4](#) on pages 5-8). Crude oil price is also in an uptrend with the current quote of \$100 a barrel for the next six years above the rising 40-week average of \$89 (see chart [Six-Year and One-Year Natural Gas and Oil Futures](#) on page 10).

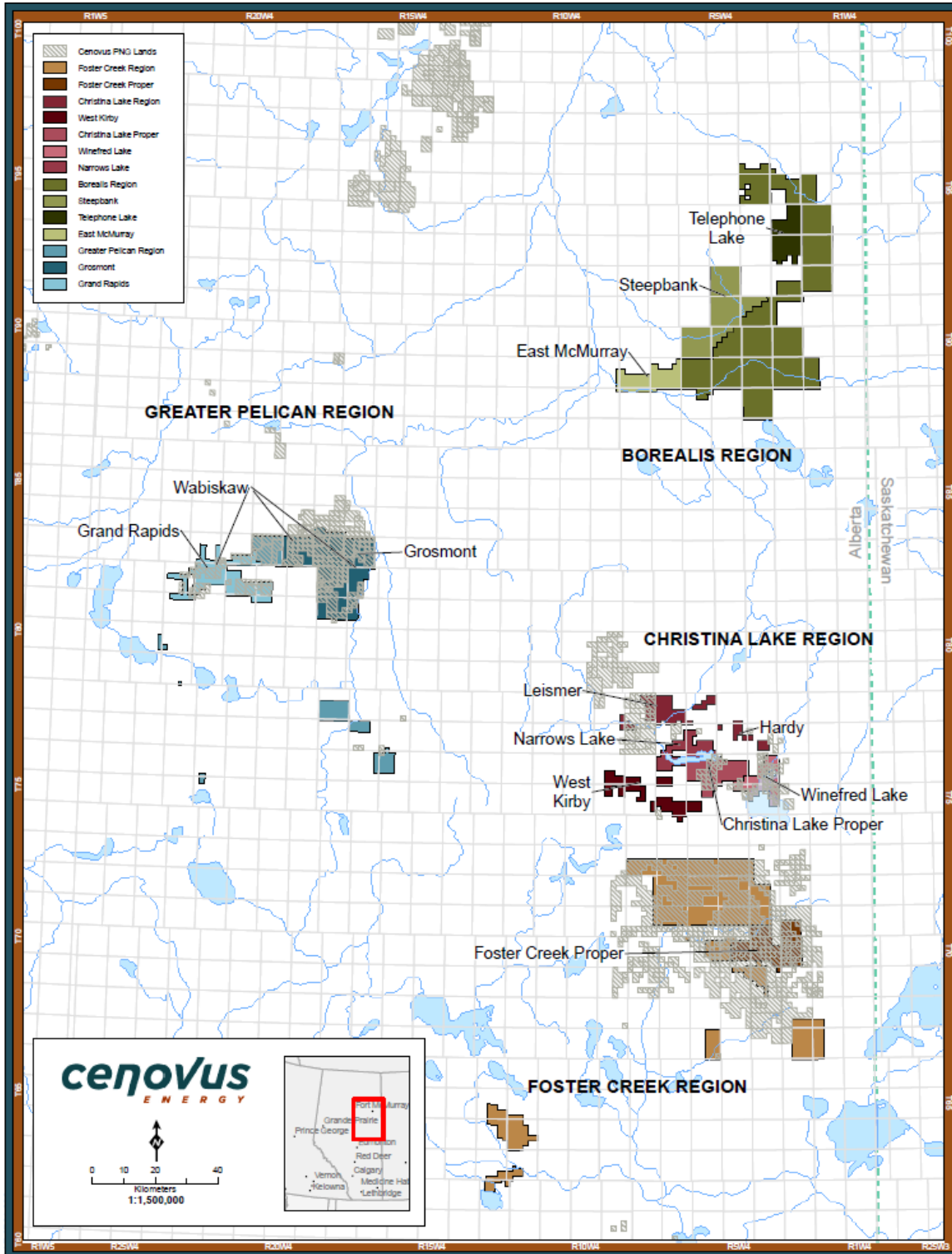
Kurt H. Wulff, CFA



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

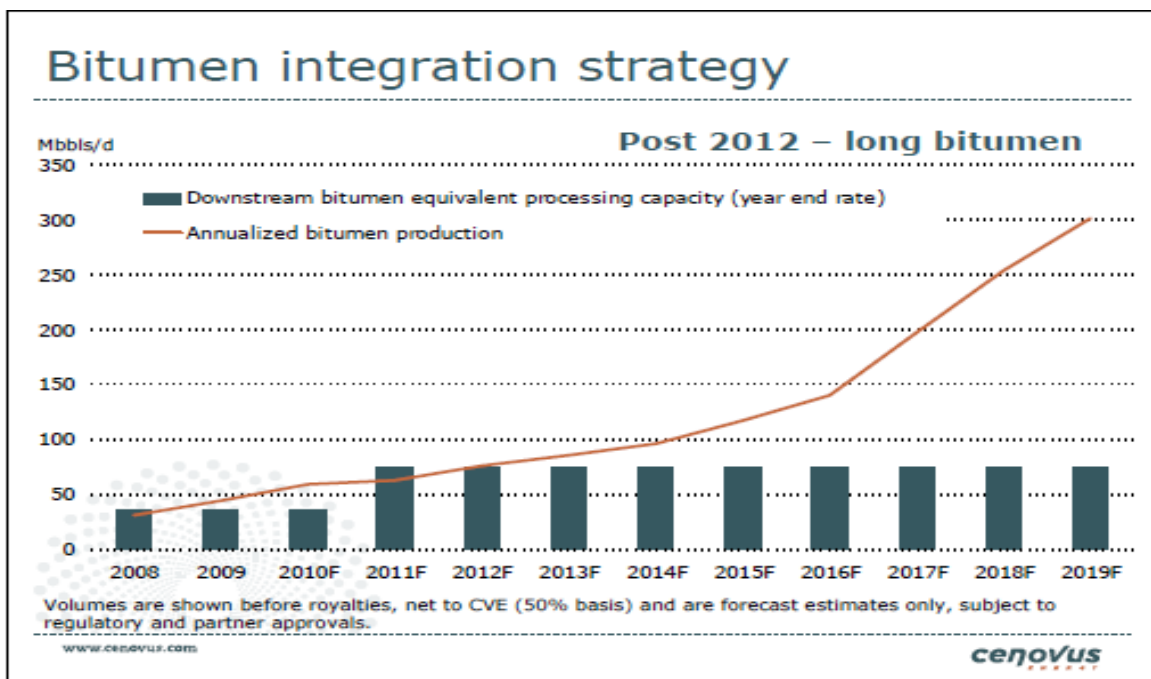
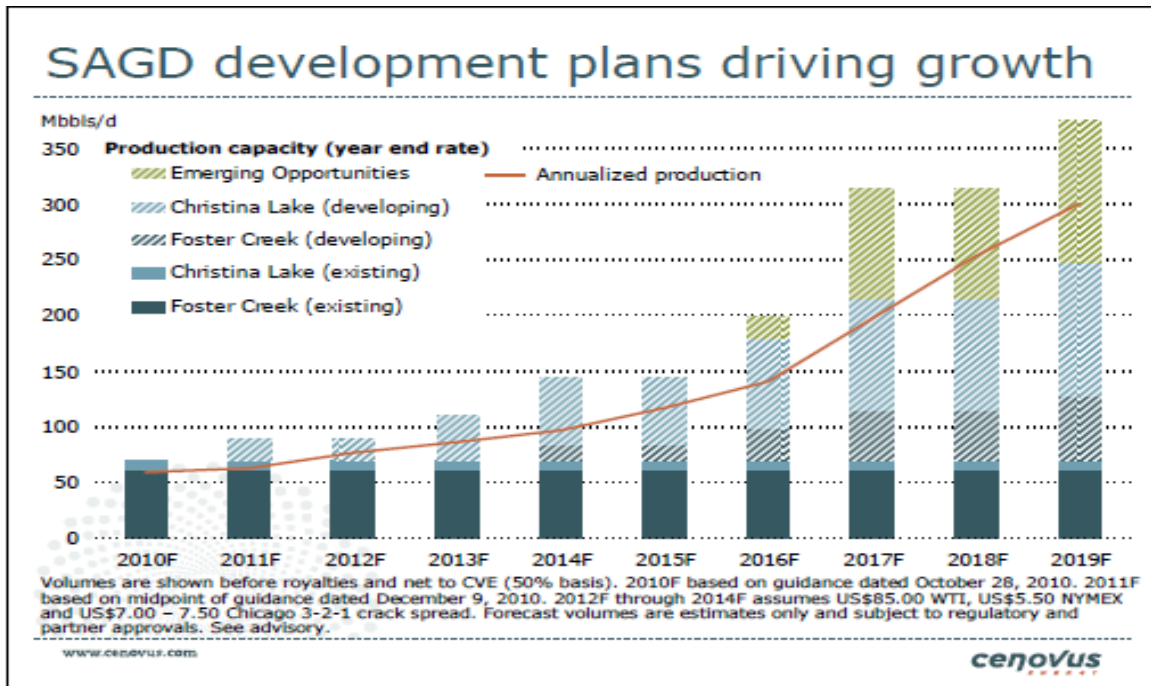
March 1, 2011





Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks
March 1, 2011





Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

March 1, 2011

Cenovus Energy Inc.										
Next Twelve Months Operating and Financial Estimates										
(Canadian Dollars)										
										Next Twelve Months
	Q3	Q4	Year	Q1E	Q2E	Q3E	Q4E	Year	Q1E	
	9/30/10	12/31/10	2010	3/31/11	6/30/11	9/30/11	12/31/11	2011E	3/31/12	3/31/12
Volume										
Natural Gas (bcf)	68	63	269	62	63	63	63	251	63	252
Natural Gas (mmcf)	738	688	738	688	688	688	688	688	688	688
Days	92	92	365	90	91	92	92	365	91	366
Oil (mmb)	11.8	12.0	47	11.7	11.8	12.0	12.0	47	12.3	48
Oil (mmbd)	128	130	129	130	130	130	130	130	135	131
Total (mmb)	23	23	92	22	22	23	23	89	23	90
Total (mmbd)	251	245	252	245	245	245	245	245	250	246
Price										
Henry Hub (US\$/mmbtu)	4.38	3.80	4.40	4.11	4.11	4.26	4.54	4.25	4.22	4.28
Currency (US\$/C\$)	0.96	0.99	0.97	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Henry Hub (C\$/mmbtu)	4.55	3.85	4.53	3.99	3.99	4.14	4.41	4.13	4.10	4.16
Differential	0.87	0.30	0.31	0.31	0.31	0.32	0.34	0.44	0.32	0.44
Company (\$/mcf)	3.68	3.55	4.08	3.69	3.68	3.82	4.07	3.82	3.79	3.84
WTI Cushing (US\$/bbl)	76.08	85.10	79.43	92.06	98.54	100.58	101.29	98.12	100.17	100.14
WTI Cushing (C\$/bbl)	79.05	86.13	81.76	89.43	95.72	97.71	98.40	95.31	97.31	97.28
Differential	18.25	23.38	16.46	24.28	25.98	26.52	26.71	28.65	26.41	29.26
Company (\$/bbl)	60.80	62.75	62.97	65.15	69.74	71.19	71.69	69.46	70.89	70.88
Total (\$/bbl)	41.83	43.32	44.21	44.98	47.42	48.56	49.53	47.64	48.77	48.57
Revenue (\$mm)										
Natural Gas	250	225	1,100	228	231	242	257	958	237	967
Oil	716	750	2,968	762	825	851	857	3,296	871	3,405
Royalties	(107)	(108)	(449)	(110)	(110)	(114)	(116)	(449)	(115)	(454)
Other	2,256	2,305	9,354	2,131	2,131	2,131	2,131	8,524	2,131	8,524
Total	3,115	3,172	12,973	3,012	3,077	3,110	3,130	12,329	3,124	12,441
Expense (\$mm)										
Natural Gas and Oil	697	680	2,942	687	738	764	779	2,968	774	3,056
Other	(32)	125	63	100	100	100	100	400	100	400
Total	665	805	3,005	787	838	864	879	3,368	874	3,456
Deprec., Deplet., & Amort	333	363	1,345	363	363	363	363	1,452	363	1,452
Hedging and other	10	153	155	50	50	50	50	200	50	200
Interest	79	69	279	69	69	69	69	276	69	276
Ebt (\$mm)										
Income tax	85	77	429	107	125	134	139	504	137	535
Net Income (\$mm)										
Per share (\$)	0.21	0.19	1.06	0.26	0.31	0.33	0.34	1.24	0.34	1.32
Shares (millions)										
Ebitda Margin (NG&Oil)	81%	78%	81%	78%	78%	78%	78%	78%	78%	78%
Tax rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

March 1, 2011

Table 2								
McDep Large Cap Energy Portfolio								
Net Present Value and McDep Ratio								
			Price (US\$/sh)	Shares	Market Cap (US\$mm)	Net Present Value (US\$/sh)	Debt/ Present Value	McDep Ratio
	Symbol/Rating		28-Feb 2011	(mm)				
	B = Buy, CB (see below)							
U.S. Integrated								
Exxon Mobil Corporation	XOM	B	85.53	5,031	430,000	107.00	0.11	0.82
Marathon Oil Corporation	MRO	B	49.60	713	35,360	68.00	0.19	0.78
Chevron Corporation	CVX	B	103.75	2,009	208,000	146.00	0.06	0.73
ConocoPhillips	COP	B	77.87	1,414	110,000	119.00	0.19	0.72
	<i>Total or Median</i>				783,000		0.15	0.75
Europe								
BG Group plc	BRGXF		24.35	3,407	83,000	25.00	0.13	0.98
Royal Dutch Shell plc	RDS-A	B	72.25	3,074	222,000	96.00	0.19	0.80
Statoil ASA (33%)	STO	B	26.39	1,050	27,700	44.00	0.22	0.69
BP plc	BP		48.47	3,168	154,000	93.00	0.24	0.63
Total S.A.	TOT	B	61.30	2,248	138,000	111.00	0.13	0.61
	<i>Total or Median</i>				625,000		0.19	0.69
Brazil/Russia/Australia/China								
CNOOC Limited (34%)	CEO		228.34	152	34,800	220.00	0.04	1.04
Woodside Petroleum Ltd.	WOPEY	B	44.00	774	34,100	49.00	0.14	0.91
PetroChina Company Ltd (14%)	PTR	B	136.33	256	34,900	210.00	0.11	0.69
Petrobras	PBR	B	39.83	6,544	260,700	62.00	0.12	0.69
Gazprom (50%)	OGZPY	B	29.32	2,875	84,300	56.00	0.10	0.57
Lukoil Oil Company	LUKOY	B	71.19	814	58,000	150.00	0.06	0.50
	<i>Total or Median</i>				507,000		0.11	0.69
U.S. Independent								
Chesapeake Energy Corp.	CHK		35.61	746	26,600	33.00	0.40	1.05
Anadarko Petroleum Corp.	APC		81.83	498	40,800	78.00	0.35	1.03
Southwestern Energy Company	SWN		39.48	349	13,800	42.00	0.09	0.95
EOG Resources, Inc.	EOG	B	112.31	251	28,200	130.00	0.15	0.88
Occidental Petroleum Corp.	OXY	B	101.97	814	83,000	123.00	0.05	0.84
Devon Energy Corporation	DVN	B	91.44	434	39,700	112.00	0.08	0.83
	<i>Total or Median</i>				232,100		0.12	0.91
Canada								
Penn West Exploration	PWE		28.90	440	12,500	31.00	0.22	0.94
Imperial Oil Limited (30%)	IMO	B	51.94	256	13,300	62.00	0.07	0.85
Cenovus Energy Inc.	CVE	B	38.91	753	29,300	49.00	0.17	0.83
Canadian Natural Resources Limited	CNQ	B	50.30	1,089	54,800	67.00	0.13	0.78
Suncor Energy	SU	B	47.02	1,575	74,100	64.00	0.14	0.77
EnCana Corporation	ECA	B	32.54	736	23,900	51.00	0.21	0.71
Canadian Oil Sands Limited	COSWF	B	31.36	484	15,200	52.00	0.06	0.63
	<i>Total or Median</i>				223,000		0.14	0.78
CB=Contrarian Buy, Stock Price may in downtrend compared to 200-day average.								
McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses								
Estimated present value presumes a long-term price for oil of US\$100 a barrel and natural gas, \$8 a million btu.								



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

March 1, 2011

Table 3									
McDep Large Cap Energy Portfolio									
Value Multiples and Distribution Yield									
			Price (US\$/sh)	Adjustd Resrvs/ Prod	PV/ Ebitda	EV/ Ebitda	Divd or Distrib		
	Symbol/Rating		28-Feb 2011	NTM	NTM	NTM	NTM (%)		
B = Buy, CB (see below)									
U.S. Integrated									
	Exxon Mobil Corporation	XOM	B	85.53	12.5	7.2	5.9	10	2.1
	ConocoPhillips	COP	B	77.87	10.5	7.5	5.4	11	3.4
	Marathon Oil Corporation	MRO	B	49.60	8.6	6.2	4.8	10	2.0
	Chevron Corporation	CVX	B	103.75	9.0	6.3	4.6	9	2.8
	<i>Total or Median</i>				9.7	6.7	5.1	10	2.4
Europe									
	BG Group plc	BRGXF		24.35	13.8	8.9	8.7	16	0.9
	Royal Dutch Shell plc	RDS-A	B	72.25	8.4	6.4	5.2	9	4.7
	BP plc	BP		48.47	10.4	7.3	4.6	6	3.5
	Statoil ASA (33%)	STO	B	26.39	6.7	6.1	4.2	8	4.2
	Total S.A.	TOT	B	61.30	9.4	6.8	4.1	9	5.1
	<i>Total or Median</i>				9.4	6.8	4.6	9	4.2
Brazil/Russia/Australia/China									
	Woodside Petroleum Ltd.	WOPEY	B	44.00	15.1	10.7	9.7	16	2.4
	Petrobras	PBR	B	39.83	13.3	10.7	7.3	13	3.0
	CNOOC Limited (34%)	CEO		228.34	5.6	5.2	5.4	10	2.4
	PetroChina Company Ltd (14%)	PTR	B	136.33	13.4	7.5	5.1	9	1.5
	Gazprom (50%)	OGZPY	B	29.32	30.2	7.1	4.1	5	1.1
	Lukoil Oil Company	LUKOY	B	71.19	15.9	7.3	3.7	6	2.5
	<i>Total or Median</i>				14.2	7.4	5.3	9	2.4
U.S. Independent									
	Chesapeake Energy Corp.	CHK		35.61	12.3	12.3	12.9	25	0.8
	Southwestern Energy Company	SWN		39.48	8.3	12.1	11.5	25	-
	Anadarko Petroleum Corp.	APC		81.83	8.8	8.3	8.6		0.4
	Devon Energy Corporation	DVN	B	91.44	10.9	9.7	8.0	16	0.7
	EOG Resources, Inc.	EOG	B	112.31	8.7	8.0	7.0	25	0.6
	Occidental Petroleum Corp.	OXY	B	101.97	10.9	8.0	6.7	13	1.8
	<i>Total or Median</i>				9.8	9.0	8.3	25	0.6
Canada									
	Cenovus Energy Inc.	CVE	B	38.91	21.0	12.4	10.3	29	2.1
	EnCana Corporation	ECA	B	32.54	12.5	14.3	10.2	30	2.5
	Imperial Oil Limited (30%)	IMO	B	51.94	21.0	11.6	9.8	16	0.9
	Penn West Exploration	PWE		28.90	8.8	10.2	9.6	39	3.8
	Canadian Natural Resources Limited	CNQ	B	50.30	18.1	11.3	8.9	22	0.6
	Suncor Energy	SU	B	47.02	21.1	10.3	7.9	17	0.9
	Canadian Oil Sands Limited	COSWF	B	31.36	29.0	12.0	7.5	13	2.6
	<i>Total or Median</i>				21.0	11.6	9.6	22	2.1
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.									
EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended March 31, 2012; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses									



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

March 1, 2011

Table 4								
McDep Large Cap Energy Portfolio								
Rank by Enterprise Value to 200 Day Average								
			Price	Enterprise Value/				
	Symbol		(\$/sh)	28-Feb	52Wk	52Wk	50 Day	200 Day
		Ratin.	2011	High	Low	Avg.	Avg.	McDep
								Ratio
U.S. Integrated								
Marathon Oil Corporation	MRO	B	49.60	0.99	1.46	1.12	1.28	0.78
Exxon Mobil Corporation	XOM	B	85.53	0.97	1.43	1.07	1.23	0.82
Chevron Corporation	CVX	B	103.75	1.00	1.48	1.09	1.23	0.73
ConocoPhillips	COP	B	77.87	0.98	1.39	1.08	1.21	0.72
	<i>Median</i>			<i>0.98</i>	<i>1.45</i>	<i>1.09</i>	<i>1.23</i>	<i>0.75</i>
Europe								
BG Group plc	BRGXF		121.74	0.98	1.59	1.10	1.26	0.98
Statoil ASA (33%)	STO	B	26.39	0.99	1.26	1.06	1.14	0.69
Royal Dutch Shell plc	RDS-A	B	72.25	0.98	1.32	1.04	1.14	0.80
Total S.A.	TOT	B	61.30	1.00	1.31	1.06	1.14	0.61
BP plc	BP		48.47	0.86	1.39	1.03	1.11	0.63
	<i>Median</i>			<i>0.98</i>	<i>1.36</i>	<i>1.06</i>	<i>1.14</i>	<i>0.72</i>
Brazil/Russia/Australia/China								
Gazprom (50%)	OGZPY	B	29.32	0.99	1.46	1.08	1.23	0.57
Lukoil Oil Company	LUKOY	B	71.19	1.00	1.50	1.13	1.22	0.50
CNOOC Limited (34%)	CEO		228.34	0.91	1.51	0.99	1.15	1.04
PetroChina Company Ltd (14%)	PTR	B	136.33	0.95	1.30	1.02	1.10	0.69
Petrobras	PBR	B	39.83	0.86	1.22	1.07	1.10	0.69
Woodside Petroleum Ltd.	WOPEY	B	44.00	0.95	1.27	1.02	1.07	0.91
	<i>Median</i>			<i>0.95</i>	<i>1.38</i>	<i>1.05</i>	<i>1.13</i>	<i>0.69</i>
U.S. Independent								
Chesapeake Energy Corp.	CHK		35.61	0.99	1.39	1.15	1.27	1.05
Devon Energy Corporation	DVN	B	91.44	1.00	1.49	1.09	1.27	0.83
Anadarko Petroleum Corp.	APC		81.83	0.99	1.62	1.05	1.22	1.03
Occidental Petroleum Corp.	OXY	B	101.97	0.95	1.38	1.03	1.18	0.84
EOG Resources, Inc.	EOG	B	112.31	0.98	1.25	1.10	1.12	0.88
Southwestern Energy Company	SWN		48.85	0.88	1.26	1.04	1.06	0.95
	<i>Median</i>			<i>0.99</i>	<i>1.38</i>	<i>1.07</i>	<i>1.20</i>	<i>0.91</i>
Canada								
Imperial Oil Limited (30%)	IMO	B	51.94	0.99	1.41	1.18	1.29	0.85
Suncor Energy	SU	B	47.02	0.99	1.51	1.14	1.28	0.77
Canadian Natural Resources	CNQ	B	50.30	1.00	1.51	1.12	1.26	0.78
Cenovus Energy Inc.	CVE	B	38.91	0.99	1.45	1.12	1.24	0.83
Penn West Exploration	PWE		81.83	0.99	1.51	1.08	1.22	0.94
Canadian Oil Sands Limited	COSWF	B	30.93	0.96	1.34	1.14	1.17	0.63
EnCana Corporation	ECA	B	32.54	0.94	1.16	1.04	1.05	0.71
	<i>Median</i>			<i>0.99</i>	<i>1.45</i>	<i>1.12</i>	<i>1.24</i>	<i>0.78</i>
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.								



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

March 1, 2011

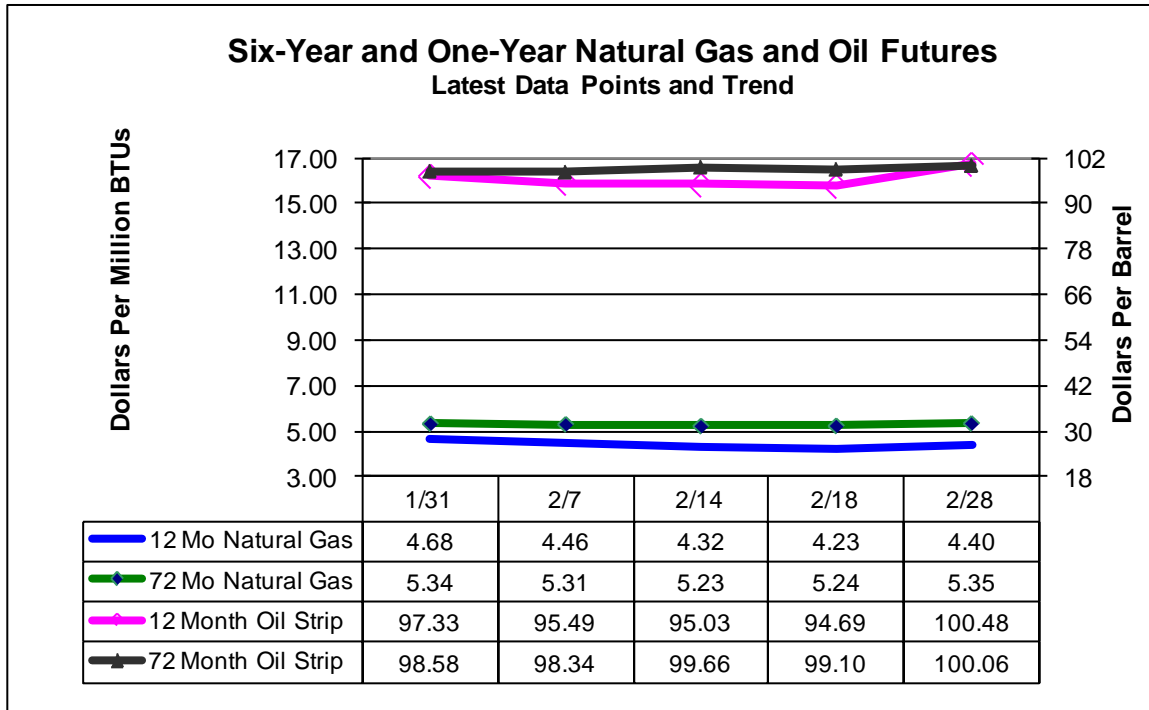
Index of Recent Research			
Stock Ideas			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
25-Feb	DMLP	Dorchester Minerals, L.P.	Profitable Production amid Unstable Politics (ISCW)
23-Feb	WOPEY	Woodside Petroleum Ltd.	Double LNG Late 2011
22-Feb	OGZPY	Gazprom	Nearer Accord on Natural Gas to China (Meter Reader)
18-Feb	PEYUF	Peyto Exploration	Raise NPV to \$24 a Share from \$20 (Income and Small Cap)
16-Feb	XEC	Cimarex Energy	Raise NPV to \$120 on Oil Reserves
17-Jan	BIREF	Birchcliff Energy Ltd.	China Buys Natural Gas in Canada (Income and Small Cap)
10-Feb	ECA	Encana	\$C5.4 Billion Joint Venture Highlights Undervaluation
4-Feb	HK	Petrohawk	Raise NPV to \$24 a Share from \$20 (Income and Small Cap)
1-Feb	COP	ConocoPhillips	Rising Trends (Meter Reader)
1-Feb	CVX	Chevron Corporation	Rising Trends (Meter Reader)
1-Feb	XOM	ExxonMobil	Rising Trends (Meter Reader)
28-Jan	COSWF	Canadian Oil Sands Limited	Ethical Oil for Generations
26-Jan	OXY	Occidental Petroleum	Growing U.S. Oil Production
18-Jan	MRO	Marathon Oil	Refining/Marketing Spinoff May Boost Value 27% (MR)
11-Jan	IMO	Imperial Oil	Accelerating Growth (Meter Reader)
7-Jan	WLL	Whiting Petroleum	Raise NPV to \$150 on North Dakota Oil (ISCW)
4-Jan	PBR	Petrobras	Restore Buy on Oil Growth (Meter Reader)
21-Dec	CHK	Chesapeake Energy	Carl Icahn Owns 5.8% (Meter Reader)
3-Dec	RRC	Range Resources	New Buy - Selling Pressure Exhausted (I and Small Cap Wkly)
26-Nov	SBR	Sabine Royalty Trust	Raise NPV on Proven Performance (Income and SC Weekly)
22-Nov	SJT	San Juan Basin Royalty Trust	Distribution Yield 5.8%, Not 4.6%
19-Nov	VNR	Vanguard Natural Resources	Vanguard to Manage High-Income Encore (Income and SCW)
19-Nov	ENP	Encore Energy Partners	Vanguard to Manage High-Income Encore (Income and SCW)
9-Nov	SU	Suncor Energy	Breakout from a Long Stock Price Base (Meter Reader)
9-Nov	DVN	Devon Energy Corporation	Breakout from a Long Stock Price Base (Meter Reader)
4-Nov	EOG	EOG Resources	Buy on Stock Price Drop
28-Oct	PTR	PetroChina	Raise NPV to \$170 from \$150 on Natural Gas and Downstream
For historical research by stock, go to mcdep.com , click on Stock Ideas , click on stock by name.			
Meter Reader			
22-Feb	OGZPY	Gazprom	Nearer Accord on Natural Gas to China
15-Feb	TOT STO RDS	Total, Statoil, Royal Dutch	Euro Oils Pay High Dividends from Global Profits
8-Feb	OGZPY STO	Gazprom, Statoil	International Natural Gas Price Action
1-Feb	XOM CVX COP	ExxonMobil, Chevron, ConocoPh	Rising Trends for XOM, CVX, and COP
For earlier editions, go to mcdep.com , click on Meter Reader .			
Income and Small Cap Weekly			
25-Feb	DMLP	Dorchester Minerals, L.P.	Profitable Production amid Unstable Politics
18-Feb	PEYUF	Peyto Exploration	Raise NPV to \$24 a Share from \$20
11-Feb	BIREF	Birchcliff Energy	China Buys Natural Gas in Canada
4-Feb	HK	Petrohawk	Raise NPV to \$24 a Share from \$20
For earlier editions, go to mcdep.com , click on Energy Income .			



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

March 1, 2011



Disclaimer: This analysis was prepared by Kurt Wulff, Manager of McDep LLC. The firm used sources and data believed to be reliable, but makes no representation as to their accuracy or completeness. This analysis is intended for informational purposes and is not a solicitation to buy or sell a security. Past performance is no guarantee of future results.

McDep or its employees may take positions in stocks the firm covers for research purposes. No trades in a subject stock shall be made within a week before or after a change in recommendation.

Certification: I, Kurt H. Wulff, certify that the views expressed in this research analysis accurately reflect my personal views about the subject securities and issuers. No part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research analysis.

Research Methodology/Ratings Description: McDep LLC is an independent research originator focused on oil and gas stocks exclusively. The firm applies the forty years of experience of its analyst to estimate a present value of the oil and gas resources and other businesses of covered companies. That value is compared with a company's stock market capitalization and debt. Stocks with low market cap and debt relative to present value tend to outperform stocks with high market cap and debt relative to present value. Buy recommendations are expected to deliver a total return better than 7% per year above inflation. Hold recommendations assume the attributes of the underlying business are reflected in the current price of the stock. Sell recommendations are expected to deliver a total return less than inflation.