

Equities

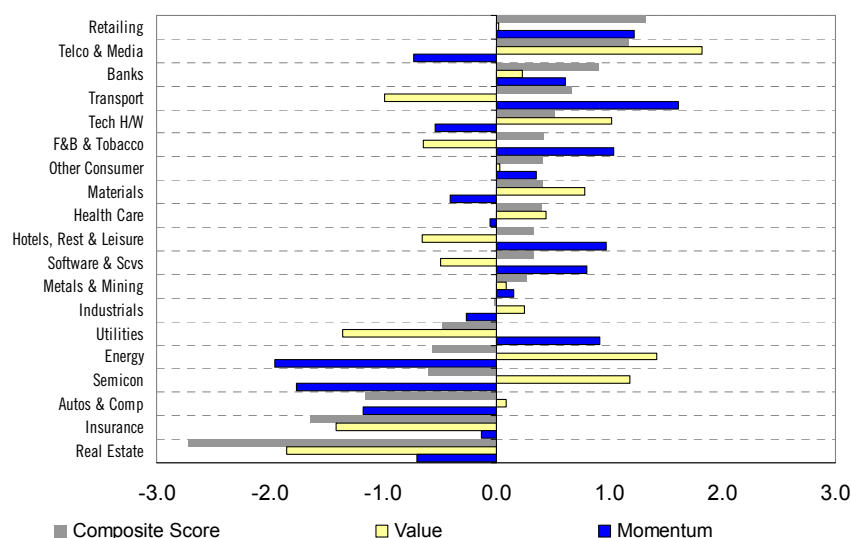
22 August 2011 | 9 pages

Stars Align

Update to the Quant Focus Lists

- **Japanese Idols and Double Troubles** — In "Stars Align", we highlight stocks for which the quant model offers a strong view (positive or negative) that is in agreement with the rating of our fundamental analyst (at the time of inclusion in the portfolio).
- **Changes to Japanese Idols** — Japanese Idols are stocks that rank in the extreme corner of our Attractive quadrant and are rated Buy or Hold by our fundamental analysts. This week, Lawson Inc is the sole new entrant while Tokai Rika and Nissan Motor drop out. Please see Figure 2 for the complete list.
- **Changes to Double Troubles** — Stocks that rank in the extreme corner of our Unattractive quadrant and are rated Sell or Hold by our fundamental analysts form our Double Troubles portfolio. This week we have no new additions while Asatsu-Dk is the sole deletion from this list. Please see Figure 3 for the complete list.
- **Sector Ranks** — Retailing moves to the top followed by Telco & Media, Banks and Transportation. Real Estate, Insurance, Autos and Semiconductors comprise the bottom four ranks.

Figure 1. Radar Sector Ranks (as of 22-Aug-2011)



The Sector Rankings are calculated by aggregating the Composite Scores from our Radar Model on a market cap weighted basis.
Source: Citi Investment Research and Analysis.

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Japanese Idols and Double Troubles

Figure 2. Japan Idols Portfolio

BB			CIRA	Market Cap	60D AvgT'Over	Last	Last	Entry	JP Radar
Ticker	Name	Sector	Rating	(US\$ Mils.)	(USD Mils.)	Price (¥)	Volume	Date	Quadrant
7453 JT	Ryohin Keikaku Co	Consumer Discretionary	1M	1,266.37	9.59	4,030	153,900	5-Apr-11	A
3405 JT	Kuraray Co	Materials	1M	4,524.27	24.22	1,082	1,685,400	9-May-11	A
8227 JT	Shimamura Co	Consumer Discretionary	1L	2,199.14	10.44	7,460	127,800	9-May-11	A
8219 JO	Aoyama Trading Co	Consumer Discretionary	1M	898.08	3.56	1,238	162,600	23-May-11	A
7251 JT	Keihin Corp	Consumer Discretionary	1H	708.70	8.05	1,355	583,900	30-May-11	A
7459 JT	Medipal Hlds Corp	Health Care	1M	1,641.46	5.54	694	614,000	13-Jun-11	A
7248 JT	Calsonic Kansei Corp	Consumer Discretionary	1H	818.75	23.97	435	5,055,000	13-Jun-11	A
7451 JT	Mitsubishi Shokuhin	Consumer Staples	1M	487.83	0.40	1,800	12,500	13-Jun-11	A
3593 JT	Hogy Medical Co	Health Care	2M	507.90	1.66	3,320	21,200	20-Jun-11	A
9831 JT	Yamada Denki Co	Consumer Discretionary	1M	6,114.45	67.20	5,310	1,341,820	27-Jun-11	A
9697 JT	Capcom Co	Information Technology	1H	1,245.57	27.68	2,126	777,600	4-Jul-11	A
5101 JT	Yokohama Rubber Co	Consumer Discretionary	2H	1,258.71	8.97	415	1,732,000	4-Jul-11	A
3116 JT	Toyota Boshoku Corp	Consumer Discretionary	2H	910.54	8.65	1,082	712,600	4-Jul-11	A
6923 JT	Stanley Electric Co	Consumer Discretionary	2H	2,068.34	11.72	1,063	1,048,200	4-Jul-11	A
4681 JT	Resortrust Inc	Consumer Discretionary	NR	507.05	1.75	1,213	135,800	4-Jul-11	A
5110 JT	Sumitomo Rubber Industries	Consumer Discretionary	1H	2,054.90	16.96	912	1,363,100	4-Jul-11	A
4530 JT	Hisamitsu Pharmaceutical Co	Health Care	2M	3,113.92	6.16	3,235	137,500	4-Jul-11	A
2875 JT	Toyo Suisan Kaisha	Consumer Staples	1M	2,473.79	18.19	1,972	823,000	4-Jul-11	A
5108 JT	Bridgestone Corp	Consumer Discretionary	1H	13,222.43	83.73	1,642	4,426,098	4-Jul-11	A
4527 JO	Rohto Pharmaceutical Co	Health Care	1M	1,199.68	3.20	950	337,000	4-Jul-11	A
7741 JT	Hoya Corp	Information Technology	1M	9,128.82	41.26	1,600	2,093,700	4-Jul-11	A
7230 JT	Nissin Kogyo Co	Consumer Discretionary	1H	556.63	2.86	1,161	136,700	4-Jul-11	A
4732 JT	Uss Co	Consumer Discretionary	1M	2,165.08	6.05	6,570	87,820	19-Jul-11	A
8331 JT	Chiba Bank/The	Financials	1M	4,510.27	24.19	464	3,693,000	1-Aug-11	A
4817 JQ	Jupiter Telecommunications	Consumer Discretionary	1M	3,016.93	4.58	87,700	1,920	1-Aug-11	A
9477 JT	Kadokawa Gp Hlds Inc	Consumer Discretionary	2H	531.39	3.79	2,720	97,300	8-Aug-11	A
5471 JT	Daido Steel Co	Materials	2H	1,708.20	7.90	447	1,490,000	8-Aug-11	A
7606 JT	United Arrows	Consumer Discretionary	1M	361.25	4.86	1,440	129,800	8-Aug-11	A
8306 JT	Mitsubishi Ufj Financial Gro	Financials	1H	65,330.66	253.58	352	51,916,099	8-Aug-11	A
8308 JT	Resona Hlds	Financials	1H	8,208.07	58.39	337	20,581,500	8-Aug-11	A
4205 JT	Zeon Corp	Materials	2H	1,639.73	14.88	695	2,497,000	8-Aug-11	A
6460 JT	Sega Sammy Hlds Inc	Consumer Discretionary	1H	3,895.52	28.37	1,627	1,658,200	8-Aug-11	A
4569 JT	Kyorin Co	Health Care	1H	985.46	3.44	1,580	135,000	8-Aug-11	A
1878 JT	Daito Trust Construct Co	Financials	1M	7,147.01	36.55	6,760	699,200	8-Aug-11	A
4208 JT	Ube Industries	Materials	1M	2,889.39	26.24	237	4,453,000	8-Aug-11	A
8333 JT	Joyo Bank/The	Financials	1M	2,540.51	4.79	307	896,000	15-Aug-11	A
4114 JT	Nippon Shokubai Co	Materials	1M	1,730.07	15.40	953	1,617,000	15-Aug-11	A
7240 JT	Nok Corp	Consumer Discretionary	2H	1,543.47	12.63	1,230	747,300	15-Aug-11	A
3407 JT	Asahi Kasei Corp	Materials	1M	7,951.38	39.48	504	7,726,000	15-Aug-11	A
3337 JT	Circle K Sunkus Co	Consumer Staples	1M	702.37	3.34	1,245	206,400	15-Aug-11	A
Additions									
2651 JT	Lawson Inc	Consumer Staples	1M	3,428.87	25.20	4,350	585,700	22-Aug-11	A
Deletions (Stocks no longer in Attractive Quadrant)									
6995 JT	Tokai Rika Co	Consumer Discretionary	1H	825.51	4.84	1,265	217,400	20-Jun-11	C
7201 JT	Nissan Motor Co	Consumer Discretionary	1M	18,491.55	179.86	653	28,864,297	8-Aug-11	C

Definition of Idols: Stocks in the extreme corner of our Attractive quadrant that are rated Buy or Hold by our fundamental analysts at the time of inclusion in the portfolio. A stock's exit from the group is determined solely by our quant model, not our fundamental analysis. Non-rated stocks shown were rated at the original time of inclusion in the portfolio. Source: Citi Investment Research and Analysis; Stock prices as of 19 Aug 2011; NA indicates Not Available.

Figure 3. Japan Double Trouble Portfolio

BB Ticker	Name	Sector	CIRA Rating	Market Cap (US\$ Mils.)	60D AvgT'Over (USD Mils.)	Last Price (¥)	Last Volume	Entry Date	JP Radar Quadrant
6767 JT	Mitsumi Electric Co	Information Technology	2H	649.54	13.44	566	1,511,900	4-Jul-11	U
8976 JT	Daiwa Office Investment Corp	Financials	1L	798.09	1.77	243,100	470	4-Jul-11	U
8957 JT	Tokyu Reit Inc	Financials	2L	882.88	2.66	460,000	528	4-Jul-11	U
7011 JT	Mitsubishi Heavy Industries	Industrials	2M	13,849.46	107.40	313	28,254,000	25-Jul-11	U
6723 JT	Renesas Electronics Corp	Information Technology	2H	288.20	5.95	508	803,300	1-Aug-11	U

Additions

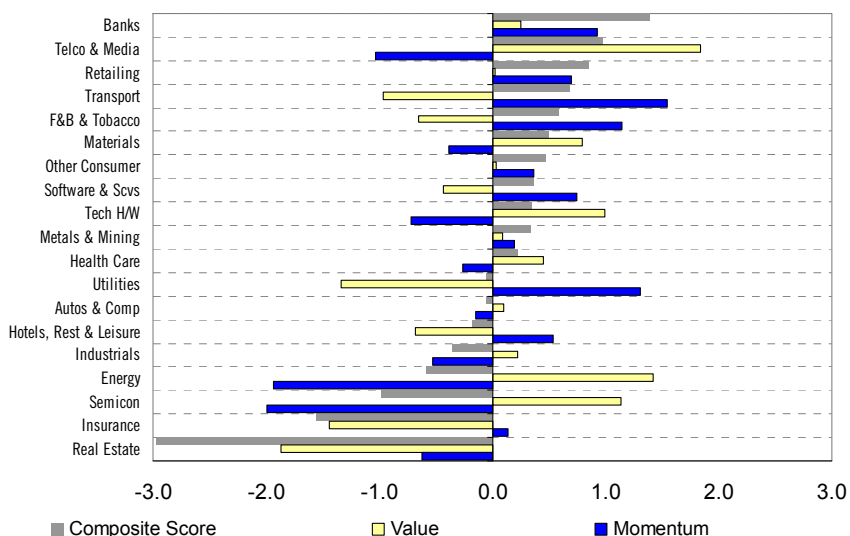
Deletions (Stocks no longer in Unattractive Quadrant)

9747 JT	Asatsu-Dk	Consumer Discretionary	3L	810.82	2.81	2,019	76,900	11-Apr-11	G
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Source: Citi Investment Research and Analysis; Stock prices as of 19 Aug 2011; NA indicates Not Available.

Figure 4. Radar Sector Ranks (as of 15-Aug-2011)



Source: Citi Investment Research and Analysis.

Appendix A-1

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% of companies in each rating category that are investment banking clients	45%	41%	42%	50%	42%	44%
Citi Investment Research & Analysis Quantitative World Radar Screen Model Coverage	30%	40%	30%			
% of companies in each rating category that are investment banking clients	26%	21%	20%			
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% of companies in each rating category that are investment banking clients	53%	0%	43%			

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