

Equities

25 July 2011 | 8 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. The Idols list has no new additions this week while Jupiter Telecommunications and Sumitomo Heavy Industries 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 Mitsubishi Heavy Industries is the sole new entrant to this portfolio while there are no deletions. Please see Figure 3 for the complete list.

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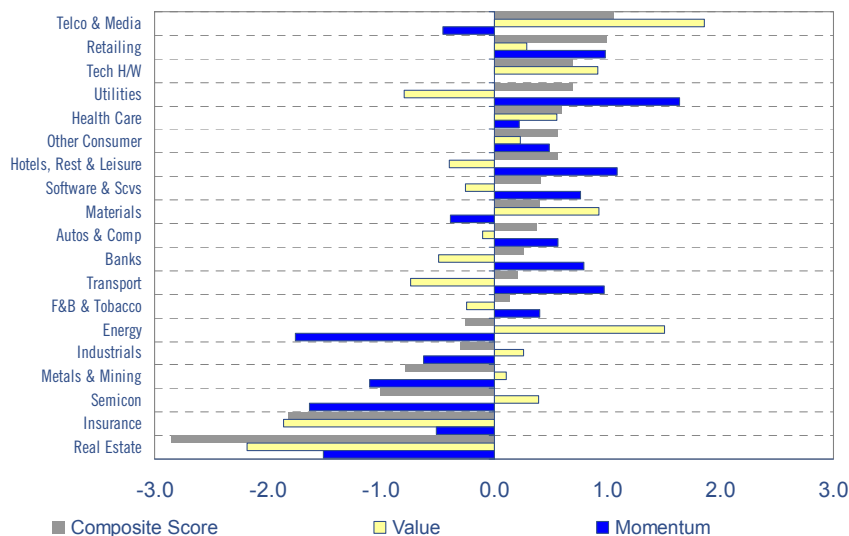
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Figure 1. Radar Sector Ranks (as of 25-Jul-2011)



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.

See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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Japanese Idols and Double Troubles

Figure 2. Japan Idols 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
7453 JT	Ryohin Keikaku Co	Consumer Discretionary	1M	1,250.62	8.49	4,090	234,100	5-Apr-11	A
4151 JT	Kyowa Hakko Kirin Co	Health Care	1M	2,667.89	12.09	839	1,799,000	18-Apr-11	A
3405 JT	Kuraray Co	Materials	1M	4,943.59	23.88	1,215	963,900	9-May-11	A
8227 JT	Shimamura Co	Consumer Discretionary	1L	2,306.29	8.89	8,040	84,800	9-May-11	A
8219 JO	Aoyama Trading Co	Consumer Discretionary	1M	1,017.19	3.34	1,443	290,400	23-May-11	A
7251 JT	Keihin Corp	Consumer Discretionary	1H	888.61	8.82	1,746	311,400	30-May-11	A
9432 JT	Nippon Telegraph & Telephone	Telecommunication Services	1H	24,001.71	86.07	3,895	1,737,311	6-Jun-11	A
7459 JT	Medipal Hlds Corp	Health Care	1M	1,756.07	5.72	763	380,600	13-Jun-11	A
7832 JT	Namco Bandai Hlds	Consumer Discretionary	2M	2,637.47	8.10	991	824,400	13-Jun-11	A
7248 JT	Calsonic Kansei Corp	Consumer Discretionary	1H	928.57	19.84	507	3,874,000	13-Jun-11	A
7451 JT	Mitsubishi Shokuhin	Consumer Staples	1M	513.73	0.30	1,948	26,900	20-Jun-11	A
6995 JT	Tokai Rika Co	Consumer Discretionary	1H	1,007.11	4.78	1,586	440,800	20-Jun-11	A
3593 JT	Hogy Medical Co	Health Care	2M	524.74	1.75	3,525	36,400	20-Jun-11	A
6470 JT	Taiho Kogyo Co	Consumer Discretionary	1H	147.37	0.31	785	7,400	27-Jun-11	A
5481 JT	Sanyo Special Steel Co	Materials	2H	756.03	4.44	505	252,000	27-Jun-11	A
6762 JT	Tdk Corp	Information Technology	1H	6,601.52	75.10	4,340	1,418,645	27-Jun-11	A
9831 JT	Yamada Denki Co	Consumer Discretionary	1M	7,529.69	63.51	6,720	979,870	4-Jul-11	A
9697 JT	Capcom Co	Information Technology	1H	1,120.24	19.13	1,965	1,982,000	4-Jul-11	A
5101 JT	Yokohama Rubber Co	Consumer Discretionary	2H	1,437.31	8.58	487	1,226,000	4-Jul-11	A
7262 JT	Daihatsu Motor Co	Consumer Discretionary	2M	3,192.92	26.73	1,349	680,000	4-Jul-11	A
3116 JT	Toyota Boshoku Corp	Consumer Discretionary	2H	1,103.03	8.96	1,347	559,900	4-Jul-11	A
6923 JT	Stanley Electric Co	Consumer Discretionary	2H	2,597.69	10.84	1,372	285,400	4-Jul-11	A
4681 JT	Resorttrust Inc	Consumer Discretionary	NR	444.18	1.40	1,092	123,900	4-Jul-11	A
5110 JT	Sumitomo Rubber Industries	Consumer Discretionary	1H	2,264.85	14.05	1,033	699,900	4-Jul-11	A
4530 JT	Hisamitsu Pharmaceutical Co	Health Care	2M	3,264.23	6.25	3,485	82,500	4-Jul-11	A
6501 JT	Hitachi	Information Technology	2H	27,574.87	188.86	478	22,735,000	4-Jul-11	A
2875 JT	Toyo Suisan Kaisha	Consumer Staples	2M	2,276.56	13.83	1,865	661,000	4-Jul-11	A
5108 JT	Bridgestone Corp	Consumer Discretionary	1H	15,577.55	72.12	1,988	2,684,400	4-Jul-11	A
4527 JO	Rohto Pharmaceutical Co	Health Care	1M	1,148.94	2.80	933	206,000	4-Jul-11	A
9613 JT	Ntt Data Corp	Information Technology	2M	4,646.95	26.32	283,300	11,627	4-Jul-11	A
2651 JT	Lawson Inc	Consumer Staples	1M	3,282.84	22.66	4,280	453,200	4-Jul-11	A
7741 JT	Hoya Corp	Information Technology	1M	10,398.66	41.06	1,873	1,501,500	4-Jul-11	A
7447 JT	Nagaileben Co	Health Care	1H	368.22	0.27	2,429	11,700	19-Jul-11	A
7230 JT	Nissin Kogyo Co	Consumer Discretionary	1H	687.20	2.72	1,473	122,000	19-Jul-11	A
4732 JT	Uss Co	Consumer Discretionary	2M	2,049.06	5.35	6,390	24,400	19-Jul-11	A
7259 JT	Aisin Seiki Co	Consumer Discretionary	1H	6,752.83	34.16	3,090	449,100	19-Jul-11	A
3337 JT	Circle K Sunkus Co	Consumer Staples	1M	727.37	2.97	1,325	148,800	19-Jul-11	A

Additions

Deletions (Stocks no longer in Attractive Quadrant)

4817 JQ	Jupiter Telecommunications	Consumer Discretionary	1M	3,029.41	4.30	90,500	1,954	4-Jul-11	C
6302 JT	Sumitomo Heavy Industries	Industrials	1H	4,073.58	51.06	562	2,613,000	4-Jul-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 22 Jul 2011; NR indicates Not Rated.

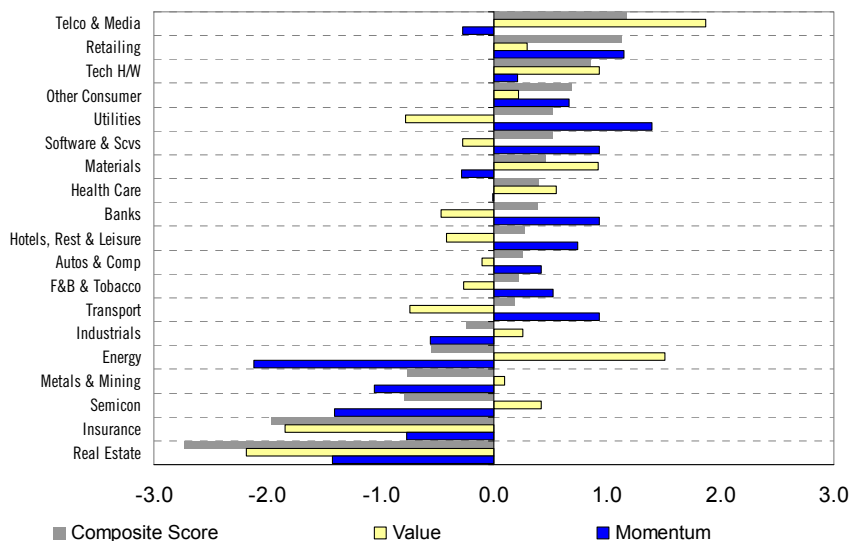
Figure 3. Japan Double Trouble Portfolio

BB Ticker	Name	Sector	CIRA Rating	Market Cap (US\$ Mils.)	60D AvgT'Over (USD Mils.)	Last Price (¥)	Last Volume	Entry Date	JP Radar Quadrant
6326 JT	Kubota Corp	Industrials	2M	9,551.02	47.46	735	3,115,000	15-Mar-11	U
9747 JT	Asatsu-Dk	Consumer Discretionary	3L	859.33	2.31	2,199	53,500	11-Apr-11	U
6506 JT	Yaskawa Electric Corp	Information Technology	2M	2,653.74	24.40	915	2,614,000	13-Jun-11	U
6767 JT	Mitsumi Electric Co	Information Technology	2H	921.27	13.60	825	1,366,000	4-Jul-11	U
6963 JO	Rohm Co	Information Technology	2H	5,483.06	15.49	4,665	425,400	4-Jul-11	U
8976 JT	Daiwa Office Investment Corp	Financials	2L	855.83	1.82	267,900	570	4-Jul-11	U
8957 JT	Tokyu Reit Inc	Financials	2L	971.16	2.11	520,000	720	4-Jul-11	U
8601 JT	Daiwa Securities Gp	Financials	2H	7,925.84	36.85	355	17,322,000	19-Jul-11	U
Additions									
7011 JT	Mitsubishi Heavy Industries	Industrials	2M	16,145.98	95.91	375	25,003,000	25-Jul-11	U
Deletions (Stocks no longer in Unattractive Quadrant)									

Definition of Double Troubles: Stocks in the extreme corner of our Unattractive quadrant that are rated Sell or Hold by our fundamental analysts (at 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.

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Figure 4. Radar Sector Ranks (as of 19-Jul-2011)



Source: Citi Investment Research and Analysis.

Appendix A-1

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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%			
Citi Investment Research & Analysis Quantitative Decision Tree Model Coverage	48%	0%	52%			
% of companies in each rating category that are investment banking clients	53%	0%	43%			

Citi Investment Research & Analysis Asia Quantitative Radar Screen Model Coverage	20%	60%	20%
% of companies in each rating category that are investment banking clients	26%	23%	19%
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