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# Pan-Asia Equity Strategy

## Consensus Too Bearish on Singapore; Move to Overweight

- Equities

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- **Within ASEAN Singapore offers highest return to mean valuations; in Asia it ranks 3rd** — Total returns from Singapore would be 12.6% p.a if it takes 3 years to mean-revert based on 20-year average P/BV. That would 4x higher than the total return for the next best market in ASEAN. Nor is a return to 1.9x P/BV a big ask. No other market in ASEAN is currently trading below 2x book; the Philippines is on a 100% premium on P/BV for a 30% higher ROE. In terms of implied earnings growth to perpetuity, the Singapore's market is pricing in zero growth and over 50% of market cap is priced for the same outcome. Only HK has a higher %age of stocks.

- **Earnings expectations much more realistic in Singapore than elsewhere** — Consensus earnings growth forecasts of 16% for the region in 2012 seem too high in light of the global growth outlook  Earnings in Asia-ex are always most actively revised in August and September. It won't be different this year. However, earnings forecasts for Singapore are the 2nd lowest in the region, ditto for top line growth, and unlike elsewhere analysts are expecting margins to contract again in 2012. Analysts' expectations for Singapore are low, as are market expectations. Hard to find a better combination.

- **Singapore increasingly a play on Asia, not the US or EU** — Singapore is widely perceived to be more of a play on developed markets than on Asia. In 2000, Singapore's exports were 43% to the US/EU and 44% to Asia. As of 2011, the US/EU accounted for a mere 25% compared with 54% for Asia-ex. "Others", many of which are emerging markets, account for a further 21%. Singapore is the cheapest way to play ASEAN.

- **Taiwan loses out as we reduce telecoms and petrochems** — In our Model Portfolio, we are funding the increase in Singapore by reducing our overweight in Taiwan, exiting both Taiwan Mobile (previously a 1% weight) and Formosa Plastics (2.1%). In terms of Singapore, we already owned OCBC and Sembcorp and today we add Noble Group and Wilmar. We are now 160 bps overweight Singapore.

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

# Consensus Too Bearish on Singapore; Move to Overweight

**The consensus continues to take money out of Singapore; we beg to differ.**

In the latest month, May, investors continued to take money out of Singapore and shift it into China. We remain underweight − albeit marginally − on the Chinese market. In terms of Singapore, we have been underweight but have highlighted that from a value perspective it is a stand-out market. Matrix, our quant model, has picked Singapore for a while. Today, we are upping our weighting in Singapore from underweight to overweight.

**Mean reversion over 3 years implies 12.6% total return p.a for SG, 4x more than the next best market in ASEAN.**

Within ASEAN Singapore is the most attractively valued market, in our view, especially based on a risk-reward. Even a return to mean valuations, which is 1.9x P/BV for Singapore, would still leave the market trading at a discount to valuations prevailing in ASEAN. Mean reversion would imply a 12.6% total return p.a for Singapore, if it takes 3 years to mean-revert. During this time, we assume no increase in book value or dividends. Based on the same calculations, returns in Indonesia and the Philippines would be negative. At current P/BV valuations, only HK and Korea are cheaper than Singapore.

**Implied EPS growth to perpetuity is negative; 50% of market cap trades on same basis, only HK has a higher %age.**

The implied earnings growth to perpetuity for Singapore is negative in nominal terms, and over 50% of market cap trades with zero to negative implied EPS growth to perpetuity. Only Hong Kong has a slightly higher number. There are none in the Philippines or Indonesia.

Relative to interest rates, Singapore has 84% of companies with a dividend yield exceeding the local bond yield. Singapore equities look attractive on an absolute basis, relative to their own historical valuations and relative to the local fixed income market.

**Consensus EPS will get revised lower region-wide. But analysts are already expecting further margin declines for Singapore and no top line growth.**

A fear − one of many at present − is that earnings need to get revised down. Yes, they will region wide. This will happen in August and September post the release of the mid year numbers, as always happens. In the case of Singapore, earnings expectations are among the lowest in the region: expectations are for no increase in the top line and margins are expected to decline again. Only HK has equally realistic expectations. Margins are expected to expand in all other markets.

**Singapore is not a US/EU play: only 25% of trade goes there vs 54% to Asia-ex.**

Finally, a misconception. Namely, Singapore is a proxy for US/EU growth. Sure, it is an open economy. But whereas in 2000 43% of exports went to the US/EU, that number fell to 25% as of end 2011. The %age of trade to Asia-ex has risen from 44% to 54% now. The portion of “others” has expanded from 13% to 21%, and plenty of the “others” are emerging markets. In our view, this makes Singapore a great value way to play ASEAN in particular but also the rest of the region. And as we have argued repeatedly, value outperforms in Asia-ex.

**Overweight in Singapore is funded by cutting weight of Taiwan.**

Our move to an overweight in Singapore is funded by taking money out of Taiwan with the exiting of both Taiwan Mobile (previously a 1% weight) and Formosa Plastics (2.1%). Even so, we remain a small overweight on Taiwan based on our holdings in TSMC, Quanta, ASE, and Taishin FHC.

### When the consensus is selling, why are we buying?

The first reason is that valuations are significantly stacked in favour of an investor in Singapore. We can look at this in a whole manner of ways.

The first makes the rather simplistic assumption, though one which is statistically proven in markets, that valuations are mean reverting. Investors overpay for equities and then underpay. Like it or not, equities spend very little time at mean valuations.

**If it takes Singapore 3 years to get back to mean valuations, the total return would be 12.6% p.a. vs 3.1% for Malaysia (the next best market in ASEAN).**

Based on mean reversion, we've looked at what an investor's total return would be if various markets in the region moved back to mean valuations over the next 3 years, or even 5 years. In the spirit of the current mood, we've assumed no growth in book value for any of the markets during either the 3 year or 5 year period, nor any growth in dividends.

Even with these conservative assumptions, Singapore stacks up well (see Figure 1). Assuming a return to mean valuations over the next 3 years, the compound total return for Singapore would be 12.6% p.a., and recall that assumes no book value growth and no growth in divis over the period. Should the current bear market last 5 years from here, the compound total return would still be 8.4% p.a.

**Figure 1. Market PB and total return if valuations mean-revert**

| | P/BV (x) | | | | Annualized total return | | |
|---|---|---|---|---|---|---|---|
| | 27-Jun-12 | Historical average | Historical Std. Dev. | Current Div Yld | Back to Avg. PB in 3yrs | Back to Avg. PB in 5yrs | Back to Avg. PB+1sd in 5yrs |
| Asia ex Jp | 1.5 | 1.8 | 0.44 | 2.9% | 7.5% | 5.4% | 9.6% |
| Australia | 1.6 | 1.7 | 0.57 | 5.2% | 6.9% | 5.8% | 10.8% |
| China | 1.5 | 1.9 | 0.86 | 3.3% | 11.5% | 7.7% | 15.1% |
| HK | 1.2 | 1.7 | 0.51 | 3.2% | 13.7% | 8.9% | 14.2% |
| India | 2.6 | 3.2 | 1.16 | 1.4% | 8.1% | 5.3% | 11.6% |
| Indonesia | 3.4 | 2.9 | 1.11 | 2.8% | -2.2% | -0.2% | 5.7% |
| Korea | 1.2 | 1.4 | 0.44 | 1.3% | 6.5% | 4.3% | 9.8% |
| Malaysia | 2.2 | 2.2 | 0.68 | 3.0% | 3.1% | 3.0% | 8.0% |
| New Zealand | 1.5 | 1.8 | 0.60 | 6.0% | 12.0% | 8.8% | 14.1% |
| Philippines | 2.9 | 2.4 | 0.90 | 2.3% | -4.1% | -1.5% | 4.3% |
| **Singapore** | **1.4** | **1.9** | **0.46** | **3.5%** | **12.6%** | **8.4%** | **12.8%** |
| Taiwan | 1.7 | 3.1 | 2.23 | 4.8% | 26.1% | 16.0% | 28.0% |
| Thailand | 2.2 | 2.1 | 0.74 | 3.2% | 2.0% | 2.4% | 7.8% |
| Japan | 0.9 | 2.2 | 0.92 | 2.7% | 33.8% | 19.6% | 27.9% |

Source: MSCI, Citi Investment Research and Analysis

Compare that to the other markets in ASEAN, where total returns over three years would be negative 4.1% p.a for Philippines, negative 2.2% for Indonesia and just 2.0% for Thailand. The best total return of the group would come from Malaysia, at 3.1%. In other words, Singapore would do 4 times better than the next best return market in ASEAN.

**Even based on a 5-year return to mean, 8.4% p.a for Singapore beats all Asia-ex markets bar HK and Taiwan.**

Even compared to the region as a whole, Singapore stacks up favourably. Three markets imply better returns than Singapore. The highest returns would be achieved in Japan, where a return to mean implies a 33.8% return over 3 years. We've yet to believe anyone who sees this happening anytime soon. BTW, all it assumes is that the market moves to 2.2x P/BV, ie the same multiple at which both Thailand and Malaysia are currently trading. After Japan we have Taiwan, but to get a 26.1% total return would assume a return to 3.1x P/BV, which again few envisage. That only leaves Hong Kong, with an implied total return over the next 3 years of 13.7% p.a. Singapore with 12.6% p.a is next.

The biggest pushback we get from this analysis is the argument that Singapore is not part of the GEMS universe and thus its equity market will de-rate. Given that Singapore Inc trades on 1.4x P/BV and there are no other markets in ASEAN which trade on P/BV with a 1 in front of it, the market has already de-rated. A return to mean P/BV (1.9x) would still leave Singapore on a cheaper P/BV than the other markets in ASEAN. Nor has Singapore's EPS growth since 2000, at 14.8% p.a in US$ terms, been pedestrian. The US has shown 6.9% trend growth, Europe 8.8% and the region as a whole stands at 11.5%.

## Valuations done another way.

**The implied EPS growth to perpetuity in Singapore is negative and 50% of market cap trades the same way.**

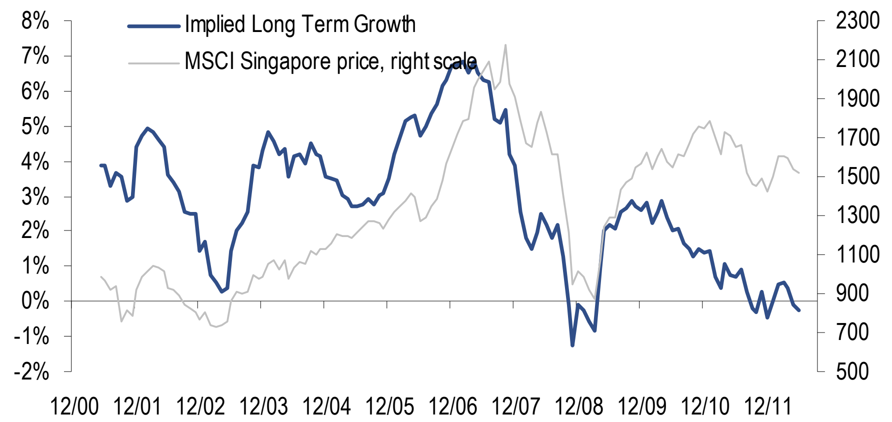
Implied earnings growth rates to perpetuity tell an interesting story. Three markets in Asia-ex have an implied earnings growth rate to perpetuity that is negative: China at -1.9%, Korea at -1.6% and then Singapore at -0.3% (see Figure 2). No other market in ASEAN has a negative growth rate to perpetuity. Thailand comes closest at 0.4%, Malaysia stands at 1.2%, but then you have the likes of Indonesia at 5% and the Philippines at 7%. Sure, population sizes are different, as are demographics, and both of these will have an impact, but zero growth in earnings in nominal terms for Singapore to perpetuity looks a little on the bearish side. Figure 3 gives us an idea of where implied earnings growth rates have been over time and at present; we are at the low end of the range.

**Figure 2. Implied long-term earnings growth rates by market**

| | | EPS | | | Cost of | Implied |
|---|---|---|---|---|---|---|
| **27 Jun 12** | **Price** | **LTM** | **NTM** | **STM** | **Equity** | **Growth** |
| Asia ex Japan | 469.3 | 40.3 | 45.9 | 51.5 | 11% | 0.3% |
| China | 52.9 | 5.9 | 6.5 | 7.2 | 12% | -1.9% |
| Hong Kong | 7,442.1 | 572.4 | 564.3 | 629.5 | 9% | 0.8% |
| India | 355.6 | 25.0 | 28.6 | 32.3 | 14% | 5.2% |
| Indonesia | 812.9 | 58.9 | 66.8 | 76.8 | 14% | 5.2% |
| Korea | 361.1 | 35.4 | 44.4 | 49.4 | 12% | -1.6% |
| Malaysia | 449.8 | 29.6 | 32.2 | 35.1 | 9% | 1.2% |
| Philippines | 419.5 | 23.4 | 26.3 | 29.2 | 14% | 7.4% |
| **Singapore** | **511.5** | **38.3** | **41.4** | **45.7** | **9%** | **-0.3%** |
| Taiwan | 243.5 | 15.0 | 18.3 | 21.5 | 9% | 0.7% |
| Thailand | 355.9 | 28.2 | 34.4 | 38.6 | 11% | 0.4% |

Source: MSCI, IBES, Citi Investment Research and Analysis

**Figure 3. Singapore has priced in negative earnings growth**




Source: IBES, MSCI, Citi Investment Research and Analysis

If we look at it from the point of view of what %age of market cap trades with zero to negative implied earnings growth, Singapore is 2nd from the top with 52% of market cap (see Figure 4). In some of the smaller markets in ASEAN there are no stocks which have zero or negative EPS growth implied to perpetuity. Region wide, only Hong Kong has a higher %age.

**Figure 4. % of stocks that have zero or negative implied growth**

| Country | Percentage of Market Cap with Implied Negative or Zero Growth |
|---|---|
| Hong Kong | 59.67% |
| Singapore | 52.20% |
| China | 48.58% |
| South Korea | 32.25% |
| Malaysia | 24.21% |
| Thailand | 21.99% |
| Australia | 15.64% |
| Taiwan | 11.74% |
| India | 5.98% |
| Indonesia | 0.00% |
| New Zealand | 0.00% |
| Philippines | 0.00% |

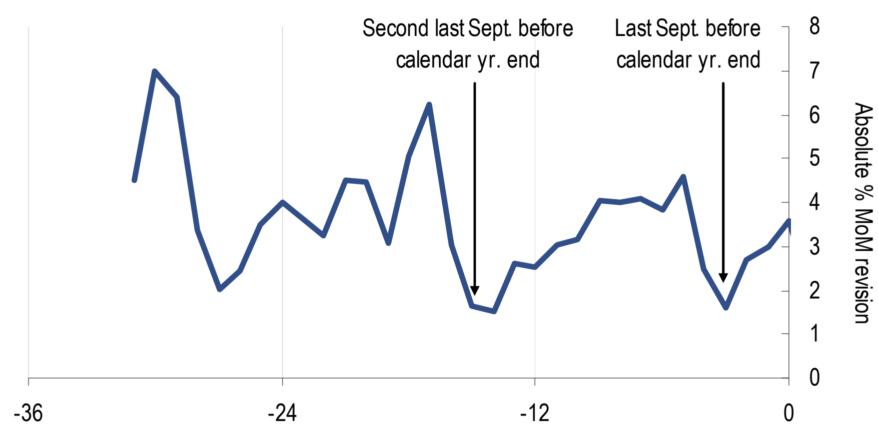
Source: Citi Investment Research and Analysis

## EPS revision risk lower in Singapore than elsewhere

**The most active period for earnings revisions is August and September. Singapore should fare better as margins expectation (contraction) and top-line (flat) are the most realistic in the region.**

We also get heavy EPS revisions during the August and September period, see Figure 5, and as we've highlighted 2012 will be no different. 16% EPS growth is just too high for Asia-ex given the headwinds of the global economy. With only 8% topline growth, it is hard to see 16% bottom line growth in the absence of significant cost-cutting, which as yet isn't happening. Falling commodity costs alone won't give us 16% EPS growth.

**Figure 5. Heaviest revision period in August and September**




Source: IBES Aggregate, Citi Investment Research and Analysis

**Figure 6. Where optimistic expectations lie on earnings growth**

| | Sales % Growth | | Net Inc % Growth | | Implied Mgn Expansion | |
|---|---|---|---|---|---|---|
| | 2011 | 2012E | 2011 | 2012E | 2011 | 2012E |
| Asia ex | 23.0% | 7.8% | 1.9% | 11.8% | -17.1% | 3.7% |
| Australia | 17.1% | 5.7% | -6.2% | 24.2% | -19.9% | 17.5% |
| Japan | 10.6% | 5.0% | -9.1% | 43.7% | -17.8% | 36.9% |
| China | 30.0% | 8.1% | 7.1% | 12.7% | -17.6% | 4.3% |
| Hong Kong | 25.1% | 11.2% | 18.2% | 2.2% | -5.5% | -8.1% |
| India | 16.7% | 0.1% | -1.2% | -0.1% | -15.4% | -0.2% |
| Indonesia | 28.7% | 8.2% | 24.5% | 13.2% | -3.3% | 4.6% |
| South Korea | 18.0% | 7.6% | -6.3% | 30.3% | -20.6% | 21.1% |
| Malaysia | 17.0% | 4.8% | -1.1% | 15.9% | -15.5% | 10.6% |
| Philippines | 12.4% | 10.9% | -3.4% | 15.5% | -14.1% | 4.2% |
| **Singapore** | **24.6%** | **2.8%** | **0.1%** | **-0.9%** | **-19.6%** | **-3.6%** |
| Taiwan | 11.4% | 13.1% | -29.9% | 27.7% | -37.1% | 13.0% |
| Thailand | 33.9% | 10.2% | 13.2% | 11.6% | -15.4% | 1.3% |

Source: Citi Investment Research and Analysis estimate

Where this gets interesting is looking at what will drive the EPS growth in 2012 (see Figure 6). For Singapore expectations of top-line growth in 2012 are for a mere 2.8%, the lowest in Asia -x aside from India at 0.1%. Net income growth for Singapore is expected to be -1% for 2012, the lowest growth forecast in Asia-ex. BTW, that follows from zero EPS growth in 2011. As to the impact on margins, aside from an 8.1% decline in Hong Kong, Singapore is forecast to have the biggest contraction in margins in Asia-ex in 2012. And as with earnings, this follows on from last year's 19.6% decline in margins. Expectations are low, as we saw from the valuations, but in addition analysts are being very realistic and so vs other markets the earnings (negative) shock should be much less.

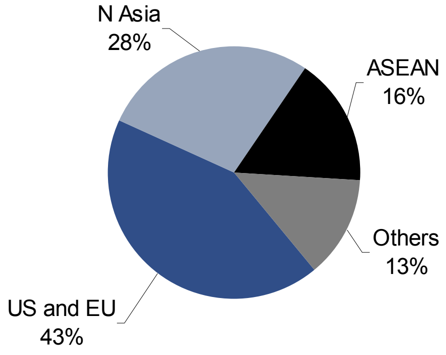
What investors have effectively done is to assume that the current low earnings growth forecasts are stretched out to perpetuity. This isn't a reasonable proposition given that increasingly you are not buying a purely Singaporean earnings stream.

### Export destinations for Singapore Inc less & less G3 and more G20

**In 2000 43% of exports went to the US/EU. As of 2011 that is down to 25%, with 54% going to Asia-ex.**

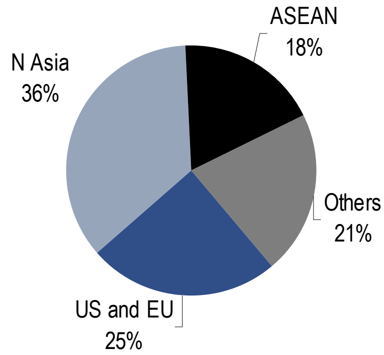
Aside from the supposed basis that Singapore means banks, real estate and cyclicals, the other main pushback against a pro-Singapore stance is: "Well, Singapore is an open economy so given the world where it is..." True, Singapore is an open economy and if we are wrong and the world goes into a recession Singapore and the rest of the region will be in trouble, but given implied expectations and absolute valuations a fair amount of those fears are in the price.

**Figure 7. Exports by final destination for Singapore in 2000**




Source: CEIC, Citi Investment Research and Analysis

**Figure 8. Exports by final destination for Singapore in 2011**




Source: CEIC, Citi Investment Research and Analysis

Figure 7 highlights exports by final destination for Singapore in 2000. 43% went to the US and Europe. North Asia and ASEAN made up 44%. Effectively, equal amounts of trade went to US/EU as did intra regionally. 13% of the remaining exports went to "others".

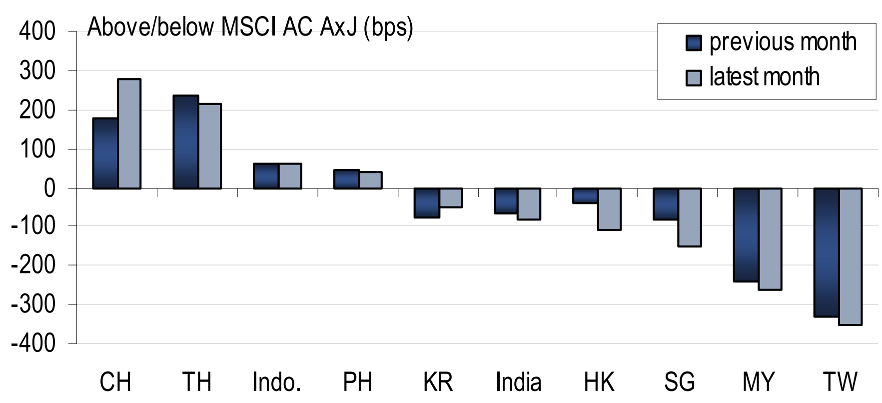
Fast forward to today and what do we have? The US and EU account for a mere 25% of Singapore exports (see Figure 8). Asia now accounts for 54%, ie 1.2 times more vs back in 2000. "Others", which comprise many emerging markets, now account for 21%, a 61% increase. No, we are not making an argument for de-coupling but as per the data things have changed over the last 11 years. Singapore's reliance on the US/EU as export destinations has fallen substantially, and emerging markets have taken over the slack − not a bad trade-off in the current environment.

## Consensus is already underweight Singapore

**Consensus is already underweight Singapore, and over the last month has further increased the underweight. Expectations are low.**

The consensus does not like the Singapore story. In fact, over the last month, investors have liked it even less (see Figure 9). Singapore is now the 3rd biggest underweight among investors in Asia-ex, behind only Malaysia and Taiwan. The favourite markets remain mostly in ASEAN, the exception being China. Top consensus overweights after China are Thailand, Indonesia and then the Philippines.

**Figure 9. Consensus is Underweight SG in Asia-ex portfolio**



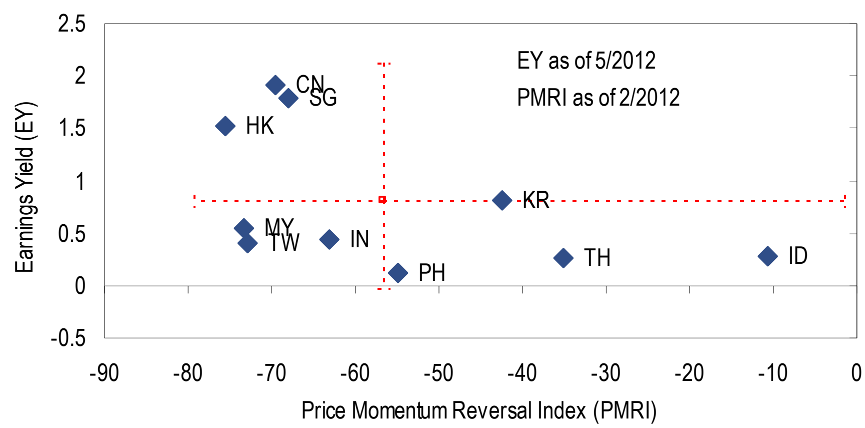

Source: EPFR Global, MSCI, Citi Investment Research and Analysis

**"Black box" picks Singapore on the basis of value and price momentum.**

## Matrix model also picks Singapore

Our "black box" matrix model is a simple 2 factor model: EY (earnings yield) as a valuation backbone and then a price momentum reversal index (we have taken the 60-day linear price trend less 200-day linear price trend). Based on the model, Singapore ranks highly on both the valuation angle and on the price momentum reversal angle (see Figure 10). Indeed, Singapore is the only market that currently gets a tick both on value and price momentum.

**Figure 10. Value and momentum rankings by markets**




Source: Citi Investment Research and Analysis

## Taiwan loses out; still overweight but marginally so

To fund our increased Model Portfolio weight in Singapore, we reduce our exposure to Taiwan, with the removal of Taiwan Mobile (3045.TW; NT$96.20; 2) and Formosa Plastic (1301.TW; NT$77.50; 2). This still leaves us as an overweight in Taiwan, based on our holdings in technology and the banks (the only domestic play).

From a sector point of view, we are reducing telecoms which falls into the "quality bucket", being both expensive and well held. Based on the relative performance of quality vs risk, we see better risk-reward in slowly shifting assets toward the risk side of the market, where there is both value and a high degree of scepticism.

## Singapore: adding commodity exposure, now overweight

For Singapore, our Model Portfolio already owned Sembcorp Marine and OCBC. Today, we are adding Noble Group and Wilmar (both at 1.5% weights). Our MP now has a 6.9% weight in Singapore vs the benchmark weight of 5.3%.

**Figure 11. Asia Pacific Model Portfolio**

| Name | Price 27 Jun 12 | YTD Perf (%) | Ticker | Analyst's Rating | MSCI Wght (%) | Portfolio Wght (%) | FY12E PE (x) | FY12E EPS Gwth (%) | FY12E Div Yield (%) | FY12E P/BV (x) | FY12E ROE (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Australia/New Zealand (-646 bps Underweight)** | | | | | **25.2** | **18.7** | | | | | |
| Aust & NZ Banking | 21.5 | 4.9 | ANZ.AX | 2 | | 7.0 | 9.8 | 5.6 | 6.9 | 1.5 | 14.8 |
| Westfield Group | 9.5 | 21.8 | WDC.AX | 1 | | 4.9 | 14.8 | -0.9 | 5.3 | 1.3 | 8.6 |
| Tabcorp Hld | 2.9 | 5.9 | TAH.AX | 1 | | 1.9 | 5.9 | 7.4 | 8.4 | 1.4 | 24.1 |
| Rio Trinto | 55.1 | -8.7 | RIO.AX | 1 | | 2.9 | 8.3 | -19.4 | 3.1 | 1.4 | 16.7 |
| Santos Ltd | 11.0 | -9.8 | STO.AX | 1 | | 1.9 | 13.9 | 55.8 | 2.7 | 1.1 | 7.9 |
| **China (-38 bps Underweight)** | | | | | **18.3** | **17.9** | | | | | |
| China Construction Bank | 5.2 | -3.5 | 0939.HK | 1 | | 2.5 | 5.9 | 7.2 | 5.9 | 1.1 | 19.4 |
| China Mobile | 83.8 | 10.3 | 0941.HK | 1 | | 2.0 | 10.5 | 5.7 | 4.2 | 1.9 | 18.3 |
| China Overseas Land & Inv | 17.9 | 38.2 | 0688.HK | 1 | | 2.0 | 9.5 | 23.4 | 2.6 | 1.7 | 18.2 |
| CNOOC | 14.6 | 7.7 | 0883.HK | 1 | | 5.0 | 6.5 | 17.4 | 5.5 | 1.6 | 25.2 |
| China Oilfield Services | 10.9 | -11.4 | 2883.HK | 1 | | 2.0 | 8.9 | 11.6 | 2.3 | 1.3 | 14.2 |
| Industrial & Commercial Bank of China | 4.3 | -7.8 | 1398.HK | 2 | | 3.0 | 5.6 | 6.7 | 6.2 | 1.1 | 19.8 |
| Shimao Property | 11.5 | 73.8 | 0813.HK | 1 | | 1.4 | 7.1 | 2.2 | 3.5 | 1.0 | 13.4 |
| **Hong Kong (+792 bps Overweight)** | | | | | **8.6** | **16.5** | | | | | |
| BOC Hong Kong | 23.8 | 29.1 | 2388.HK | 1 | | 4.0 | 12.4 | -1.3 | 5.2 | 1.8 | 14.7 |
| HSBC | 5.7 | 16.7 | HSBA.L | 1 | | 2.0 | 9.8 | 0.3 | 4.6 | 1.0 | 10.1 |
| New World Development | 9.0 | 43.8 | 0017.HK | 1 | | 4.0 | 8.9 | -9.7 | 4.2 | 0.4 | 4.9 |
| Swire Pacific | 88.9 | 8.5 | 0019.HK | 1 | | 4.0 | 14.7 | 4.5 | 3.9 | 0.6 | 4.4 |
| Wharf | 41.9 | 19.4 | 0004.HK | 1 | | 2.5 | 13.4 | 16.1 | 2.9 | 0.5 | 3.9 |
| **India (-232 bps Underweight)** | | | | | **6.4** | **4.1** | | | | | |
| Mahindra & Mahindra | 692.2 | 1.3 | MAHM.BO | 2 | | 0.7 | 15.3 | 4.3 | 2.3 | 2.9 | 18.7 |
| State Bank of India | 2,113.4 | 30.5 | SBI.BO | 1 | | 1.4 | 9.7 | 20.0 | 1.7 | 1.5 | 15.2 |
| Wipro | 399.6 | 0.2 | WIPR.BO | 1 | | 2.0 | 14.5 | 21.5 | 2.0 | 2.9 | 20.2 |
| **Indonesia (-157 bps Underweight)** | | | | | **2.7** | **1.1** | | | | | |
| PT Telkom | 8,000.0 | 13.5 | TLKM.JK | 1 | | 1.1 | 12.4 | 7.3 | 4.4 | 3.0 | 24.5 |
| **Korea (+418 bps Overweight)** | | | | | **15.7** | **19.9** | | | | | |
| KB Financial | 36,100.0 | -0.6 | 105560.KS | 1 | | 4.1 | 6.2 | -4.7 | 2.6 | 0.6 | 9.2 |
| Hyundai Heavy Industries | 256,500.0 | -0.2 | 009540.KS | 1H | | 1.6 | 5.7 | -8.7 | 1.9 | 0.9 | 16.0 |
| Doosan | 129,000.0 | -9.8 | 000150.KS | 1 | | 1.6 | 7.3 | 22.7 | 2.3 | 1.1 | 15.5 |
| Samsung Elec | 1,167,000.0 | 10.3 | 005930.KS | 1 | | 6.1 | 7.1 | 80.3 | 0.9 | 1.4 | 20.0 |
| Shinhan Financial | 38,450.0 | -3.3 | 055550.KS | 1 | | 3.2 | 6.7 | -10.0 | 2.4 | 0.7 | 10.4 |
| Hyundai Motor | 231,000.0 | 8.5 | 005380.KS | 1 | | 3.3 | 5.7 | 16.0 | 1.0 | 1.1 | 19.5 |
| **Malaysia (-229 bps Underweight)** | | | | | **3.6** | **1.3** | | | | | |
| Maybank | 8.7 | 1.3 | MBBM.KL | 1 | | 1.3 | 13.0 | 6.4 | 8.2 | 1.9 | 14.8 |
| **Philippines (-93 bps Underweight)** | | | | | **0.9** | **0.0** | | | | | |
| **Singapore (+161 bps Overweight)** | | | | | **5.3** | **6.9** | | | | | |
| OCBC | 8.7 | 11.5 | OCBC.SI | 1 | | 2.0 | 11.3 | 16.0 | 4.0 | 1.4 | 12.0 |
| SembCorp Marine | 4.6 | 19.6 | SCMN.SI | 1 | | 1.9 | 16.3 | -16.5 | 3.3 | 3.5 | 21.4 |
| Noble Group Ltd | 1.1 | -2.2 | NOBG.SI | 1 | | 1.5 | 9.5 | 37.3 | 2.7 | 1.1 | 12.0 |
| Wilmar International Ltd. | 3.5 | -29.2 | WLIL.SI | 2 | | 1.5 | 10.7 | 3.5 | 2.1 | 1.2 | 11.3 |
| **Taiwan (+149 bps Overweight)** | | | | | **11.0** | **12.5** | | | | | |
| Quanta Computer | 79.0 | 24.0 | 2382.TW | 1 | | 2.1 | 11.0 | 19.7 | 6.4 | 2.3 | 21.2 |
| Taishin FHC | 11.3 | 7.6 | 2887.TW | 1 | | 2.1 | 9.5 | 4.5 | 2.1 | 0.9 | 9.4 |
| ASE | 24.3 | -6.2 | 2311.TW | 1 | | 2.1 | 11.5 | 3.5 | 3.9 | 1.4 | 12.6 |
| TSMC | 79.3 | 4.6 | 2330.TW | 1 | | 6.1 | 12.6 | 21.7 | 3.8 | 2.9 | 22.8 |
| **Thailand (-123 bps Underweight)** | | | | | **2.2** | **1.0** | | | | | |
| Kasikornbank | 164.0 | 31.7 | KBANf.BK | 1 | | 1.0 | 11.8 | 37.2 | 2.5 | 2.2 | 18.7 |
| *Total/Average* | | | | | *100.0* | *100.0* | *8.9* | *8.9* | *3.9* | *1.1* | *12.7* |

Source: Citi Investment Research and Analysis

# OCBC (OCBC.SI)

| | |
|---|---|
| **Buy** | **1** |
| Price (10 May 12) | S$8.93 |
| Target price | S$10.03 |
| Expected share price return | 12.3% |
| Expected dividend yield | 3.9% |
| **Expected total return** | **16.2%** |
| Market Cap | S$30,729M |
| | US$24,568M |

**Price Performance**
**(RIC: OCBC.SI, BB: OCBC SP)**


Published on 11 May 2012

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Ivan K Lim
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## 1Q12 Briefing: Strong All-Round Result

- **Buy, Target price S$10.03:** OCBC remains our top pick among the Singapore banks. Despite a better-than-expected 1Q result we maintain our 14% above-consensus 2012E net profit forecast of S$2.68bn, mindful that some of the strong trading and insurance non-par fund profit performance may not repeat should market conditions become less benign. Despite a slower start to the year, OCBC maintained guidance of low teens loan growth for 2012 and that the current NIMs of 1.86% could be maintained despite some pressures regionally. Mgmt reiterated that it saw now signs of systemic asset quality concerns despite a small uptick in NPLs (NPL ratio still 1.0%, coverage 120%). Our S$10.03 target is based on 1.56x 2012E P/B vs 12.4% ROE, 13x PER.

- **Commentary:** Mgmt guiding low teens growth for 2012. Flat qoq loan volumes was due to lower USD and non-SGD loans, mgmt citing in particular less China demand for USD trade loans. Offsetting this, opportunities arose in that European banks have scaled back in the region, plus intra Asia trade remains robust. NIMs likely to stabilize around the current 1.86% of 1Q12, improvement of corporate loan spreads partly offset by lower net interbank spreads and some NIM pressure for Malaysia and Indonesia. Despite a further qoq rise in NPLs, mgmt remained of the view that there is no systemic deterioration of the loan book. For Indonesia, mgmt hopes that any changes in foreign ownership rules would not be applied retroactively, and that there might be differentiation between bank versus non-bank foreign owners.

- **1Q12 core profit S$790m +33%qoq:** 1Q NII S$951m, +3%qoq: Loans S$135bn flat qoq, +21%yoy. Deposits S$158bn +2%qoq, +25%yoy, CASA ratio 46%. NIM 186bps (4Q: 185bps), loan-deposit spread 2.01% +9bps qoq, LDR 85%. Non-II S$790m +38%qoq: fees S$274m (+7%qoq), rent/divds S$47m, insurance S$253m (+198%qoq), other income S$216m +5%qoq. Costs S$625m (+1%qoq). Core PPOP S$1,116m, +27%qoq. Provisions S$96m, 29bps of net loans, SPs S$51m. NPLs S$1,369m, +17%qoq, NPL ratio 1.0%, coverage 120%. NPAs S$1.51bn +5%qoq. Tier-1 ratio 14.7%, core tier-11.6%, CAR 16.1%. 1Q12 ROE 14.7%. BV/shr S$6.32, EPS S$0.90.

**Statistical Abstract**

| Year to 31 Dec | Net Profit (S$M) | Diluted EPS (S$) | EPS growth (%) | P/E (x) | P/B (x) | ROE (%) | Yield (%) |
|---|---|---|---|---|---|---|---|
| 2010A | 2,253 | 0.68 | 13.3 | 13.2 | 1.6 | 12.3 | 3.4 |
| 2011A | 2,280 | 0.66 | -1.8 | 13.5 | 1.5 | 11.4 | 3.4 |
| 2012E | 2,680 | 0.77 | 16.0 | 11.6 | 1.4 | 12.4 | 3.9 |
| 2013E | 2,700 | 0.78 | 0.8 | 11.5 | 1.3 | 11.7 | 3.9 |
| 2014E | 2,850 | 0.82 | 5.6 | 10.9 | 1.2 | 11.6 | 4.0 |

Source: Powered by dataCentral

# Noble Group (NOBG.SI)

| | |
|---|---|
| **Buy** | **1** |
| Price (13 Jun 12) | S$1.15 |
| Target price | S$1.68 |
| Expected share price return | 46.1% |
| Expected dividend yield | 2.5% |
| **Expected total return** | **48.6%** |
| Market Cap | S$7,397M |
| | US$5,772M |

**Price Performance**
**(RIC: NOBG.SI, BB: NOBL SP)**


Published on 13 June 2012

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## Court Approval Obtained for Gloucester Coal's Merger

- **Approval from the court – Australia's court has today approved the merger of Gloucester Coal, following the 4 June approval from its shareholders -** Last week, 99.98% of Gloucester Coal (64.5%-owned by Noble) shareholders had voted in favour of the scheme of arrangement for the proposed merger of Gloucester and Yancoal Australia. Noble will thus end up owning 13% of the merged entity. Gloucester shareholders have also voted in favour of the Capital Reduction Resolution which will pay a A$0.44 per share special dividend and a A$2.71 per share capital return (expected before 3 Jan 2012). This is approximately US$416m in total; *source: Noble FY11 MD&A*). Assuming this cash is received at the end 1Q12 it would have increased Noble's reported end-1Q12 cash position by approximately 37% to US$1.6bn and reduce Noble's end-1Q12 adjusted net gearing ratio (ex marketable inventories) of 48% by about 9% points.

- **Beyond the merger**— Post the merger, we will also watch for the possible return of A$338m in inter-company loans, which is part of an A$400m debt facility from Noble to Gloucester granted in July 2011 (*source; Gloucester's 2012 Half Yearly Report*). According to the merger document, the merged entity would be Australia's largest listed pure-play coal firm (based on saleable production) with significant reserves of 701Mt and a diversified base with seven operating mines across New South Wales and Queensland. The company targets pro forma CY2011 saleable production of 12.8Mt to rise to 25-30Mt by CY2016.

- **Valuation at near GFC levels—**Noble's valuation band is now near to Global Financial Crisis's (GFC) low, due to the difficult market conditions and challenges across the trading sector. Sentiment has also been impacted by the rise in Noble's CDS since April (its CDS has been falling since early 2012 till end March). Despite these challenges, we would highlight that Noble's group gross margin per ton has been improving last two quarters — this key operating metric has continued to recover to US$8.7/t in 1Q12, continuing on the trend from 4Q11 where it had registered a small recovery to US$5.5/t (vs US$4.1/t in Q311, US$9.2/t in Q211, US$9.1/t Q111). Note that the low margin in 3Q-4Q11 was well within the range of US$5.8-4.5 which it had posted during the GFC period in 4Q08-1Q09.

# SembCorp Marine (SCMN.SI)

| | |
|---|---|
| **Buy** | **1** |
| Price (09 May 12) | S$4.79 |
| Target price | S$6.10 |
| Expected share price return | 27.3% |
| Expected dividend yield | 3.1% |
| **Expected total return** | **30.5%** |
| Market Cap | S$10,003M |
| | US$8,019M |

**Price Performance**
**(RIC: SCMN.SI, BB: SMM SP)**


Published on 9 May 2012

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## 1Q12 Miss on Weaker-than-Expected Margins and Revenue

- **Maintaining our FY12 Ests** — We expect some downside volatility to SMM's share price in light of the weaker-than-expected set of 1Q12 results. However, we remain upbeat on SMM given its strong ytd order win momentum (~50% of our full-year est) and expectations that our full-year operating margins est of 14% is achievable.
- **1Q12 Results** — 1Q12 PATMI of S$113mn (-51% QoQ; -25% YoY) was about 10% below our est., and approximately 25% below consensus. The weaker-than-expected set of results were largely underpinned by lower margins (1Q12 operating margin: 12.8% vs est. 14-15%), due to recognition of lower-priced new jack-up designs (e.g. Pacific Class 400 jackup for Atwood/ Safin; F&G JU2000E jackups for Seadrill/ Noble) vs recognition of six high-value repeat semisub designs in 1Q11. Group turnover of S$943mn (-6% QoQ; +14% YoY) was also ~10% below Street expectations.
- **Margin Outlook** — Mgmt maintains its full-year operating margin target of ~15%, despite the disappointing first qtr performance. Factors expected to contribute to margin enhancement in coming qtrs include - 1) Productivity gains from repeat designs (seven Pacific Class 400 jack-ups on order since design launched in '10); 2) Release of risk contingencies towards completion of projects (assuming no significant execution issues); and 3) Recognition of higher value contracts (e.g. price of latest Pacific Class 400 jack-up to Perisai in May 12, >14% higher than unit awarded by Atwood in Oct 10); equipment cost estimated to have increased by single digits over the same period.
- **Order Win Prospects** — SMM secured ~S$3bn in new order wins ytd and holds a S$7.4bn order backlog as of 9 May 12. The sector outlook remains robust and financing constraints do not appear to be a hindrance to SMM's customers; we are maintaining our full-year ex-Petrobras order win est of S$6bn for FY12-13E, which remains at the top end of Street projections. We also expect drillship contracts with Sete Brasil to conclude by year-end, which would add an additional S$5bn to order wins and extend earnings visibility beyond 2014.

**Statistical Abstract**

| Year to 31 Dec | Net Profit (S$M) | Diluted EPS (S$) | EPS growth (%) | P/E (x) | P/B (x) | ROE (%) | Yield (%) |
|---|---|---|---|---|---|---|---|
| 2010A | 808 | 0.39 | 14.9 | 12.3 | 3.8 | 36.0 | 7.5 |
| 2011A | 699 | 0.34 | -13.6 | 14.3 | 4.1 | 27.9 | 5.2 |
| 2012E | 583 | 0.28 | -16.5 | 17.1 | 3.7 | 22.7 | 3.1 |
| 2013E | 646 | 0.31 | 10.9 | 15.4 | 3.3 | 22.4 | 3.3 |
| 2014E | 722 | 0.35 | 11.7 | 13.8 | 2.9 | 22.4 | 3.8 |

Source: Powered by dataCentral

# Wilmar International (WLIL.SI)

| **Neutral** | **2** |
|---|---|
| Price (09 May 12) | S$4.70 |
| Target price | S$5.30 |
| Expected share price return | 12.8% |
| Expected dividend yield | 1.3% |
| **Expected total return** | **14.1%** |
| Market Cap | S$30,091M |
| | US$24,013M |

**Price Performance**
**(RIC: WLIL.SI, BB: WIL SP)**


Published on 10 May 2012

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## 1Q12 – Poor Margins in Oilseeds Again

- **Another weak quarter** — Wilmar published 1Q12 NPAT of US$256m, -34% YoY. This accounts for only 17% of our full year estimates and would be seen as a below expectations quarter. One key non-operating item was a US$46m gain from investments. The miss for the quarter would likely lead to a ~10% reduction in consensus estimates for the quarter.

- **Where was the key weakness?** — Very poor margins for oilseeds crushing at a record low –US$12/t, which gave oilseeds a pre tax loss for the quarter of -US$53m vs US$192m in pre tax profits 1Q11. Investors will likely worry most about the worsening trend in margins, which now has run for two quarters sequentially and have worsened vs the US$0/t it recorded in 4Q11. Amidst high speculative interest in soybeans and volatile soybean prices, investors could well factor in expectations that its weak spell in oilseeds could run into 2Q12 as well. Contributions from the associates line (fertilizers, shipping) was also weak at only US$22m, -60% YoY. There was also larger costs in maintenance at its sugar division, which led to US$58m pre tax loss for the division (this is mostly seasonal though).

- **Some silvers of performance** — There was a notable recovery in margins at its palm merchandising unit, with margins rising to US$46/t (post the disappointing US$20/t it recorded for 4Q11) as it maximized its utilization of its Indonesian-based processing assets and benefitted from the revised tax structure. Together with 20% in volume growth, the division has US$235m in pre tax profits (+53% YoY, +116% QoQ) and contributed to 60% of Wilmar's profit pool 1Q12. It also recorded strong performance in its consumer division, +37% YoY in pre tax profits attributed to good margins at US$42/t and volumes growing 7% YoY. Its plantations division was also credible, with pre tax profits of US$99m, + 21% YoY (FFB production +12% YoY)

- **Cash cycle stable, liquidity remains strong** — Wilmar had a cash conversion cycle of 88 days, which is similar to the 87 days it had for 1Q11. Wilmar continued to have adjusted net gearing of 0.53x, slightly higher than the 0.47x at end FY11. Liquidity remains strong, with US$11b in credit facilities (mostly in trade finance lines) and cash of US$1.4b available to fund growth and M&A opportunities.

# Appendix A-1

## Analyst Certification

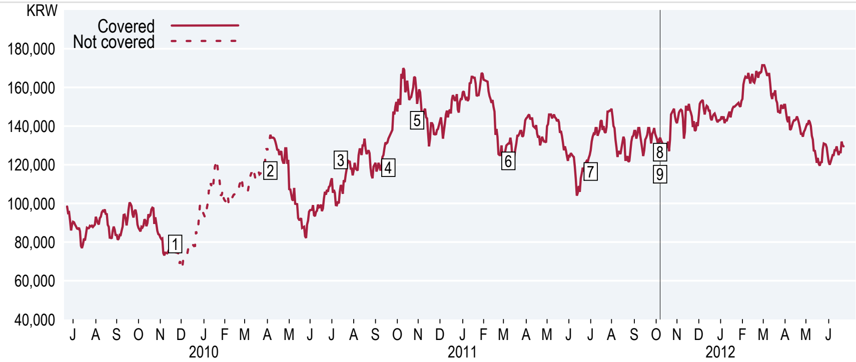
**The research analyst(s) primarily responsible for the preparation and content of this research report are named in bold text in the author block at the front of the product except for those sections where an analyst's name appears in bold alongside content which is attributable to that analyst. Each of these analyst(s) certify, with respect to the section(s) of the report for which they are responsible, that the views expressed therein accurately reflect their personal views about each issuer and security referenced and were prepared in an independent manner, including with respect to Citigroup Global Markets Inc and its affiliates. No part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst in this report.**

## IMPORTANT DISCLOSURES

### Doosan (000150.KS)

**Ratings and Target Price History**
**Fundamental Research**

Analyst: Ethan Kim
Covered since August 11 2011




| | Date | Rating | Target Price | Closing Price |
|---|---|---|---|---|
| 1 | 23-Nov-09 | Coverage terminated | | |
| 2 | 6-Apr-10 | 1M | 162,000.00 | 135,500.00 |
| 3 | 14-Jul-10 | 1M | *155,000.00 | 109,500.00 |
| 4 | 19-Sep-10 | 1M | *162,000.00 | 131,500.00 |
| 5 | 29-Oct-10 | 1M | *199,000.00 | 151,500.00 |
| 6 | 8-Mar-11 | 1M | *185,000.00 | 131,000.00 |
| 7 | 1-Jul-11 | 1M | *175,000.00 | 127,500.00 |
| 8 | 7-Oct-11 | Stock rating system changed | | |
| 9 | 7-Oct-11 | *1 | 175,000.00 | 134,000.00 |

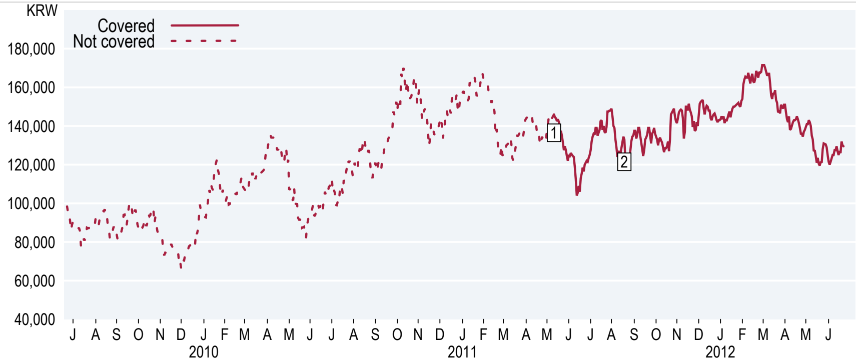
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

### Doosan (000150.KS)

**Ratings and Target Price History**
**Best Ideas Research**
**Relative Call (3 Month)**

Analyst: Ethan Kim
Covered since August 11 2011




| | Date | Rating | Target Price | Closing Price |
|---|---|---|---|---|
| 1 | 11-May-11 | *ADD MP | - | 146,000.00 |
| 2 | 18-Aug-11 | *REM MP | - | 133,000.00 |

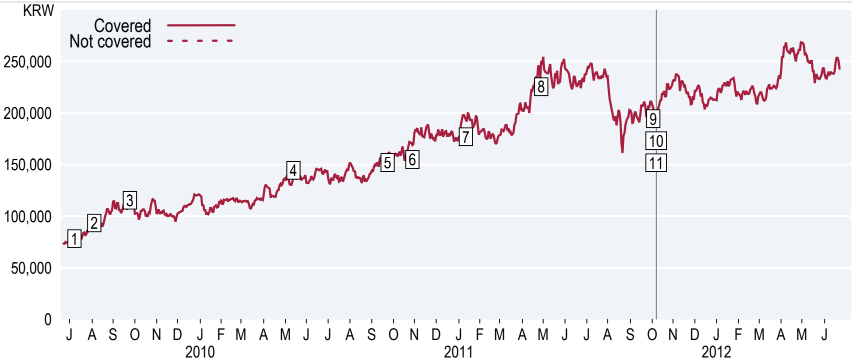
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

## Hyundai Motor (005380.KS)

### Ratings and Target Price History
### Fundamental Research

Analyst: Ethan Kim



| | Date | Rating | Target Price | Closing Price |
|---|---|---|---|---|
| 1 | 8-Jul-09 | 1M | *91,500.00 | 78,200.00 |
| 2 | 5-Aug-09 | 1M | *120,000.00 | 92,400.01 |
| 3 | 24-Sep-09 | 1M | *160,000.00 | 110,500.00 |
| 4 | 13-May-10 | 1M | *175,000.00 | 141,500.00 |
| 5 | 23-Sep-10 | 1M | *200,000.00 | 155,500.00 |
| 6 | 28-Oct-10 | 1M | *215,000.00 | 169,000.00 |
| 7 | 12-Jan-11 | 1M | *250,000.00 | 193,500.00 |
| 8 | 28-Apr-11 | 1M | *310,000.00 | 250,500.02 |
| 9 | 4-Oct-11 | 1M | *320,000.00 | 205,000.00 |
| 10 | 7-Oct-11 | Stock rating system changed | | |
| 11 | 7-Oct-11 | *1 | 320,000.00 | 200,000.00 |

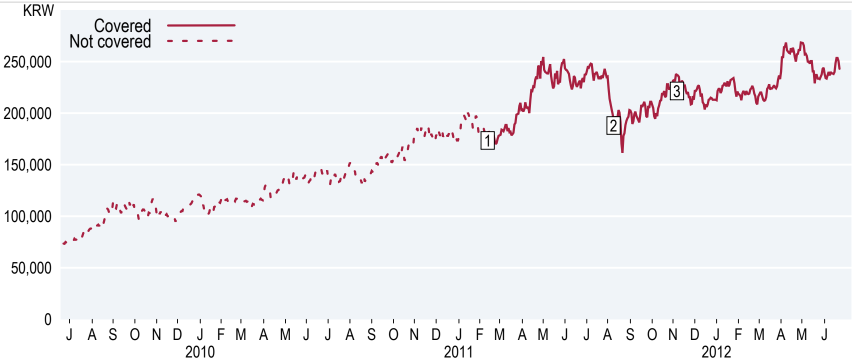
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

## Hyundai Motor (005380.KS)

### Ratings and Target Price History
### Best Ideas Research
### Relative Call (3 Month)

Analyst: Ethan Kim



| | Date | Rating | Target Price | Closing Price |
|---|---|---|---|---|
| 1 | 11-Feb-11 | *ADD MP | - | 175,500.00 |
| 2 | 9-Aug-11 | *REM MP | - | 194,000.00 |
| 3 | 7-Nov-11 | *ADD MP | - | 237,000.00 |

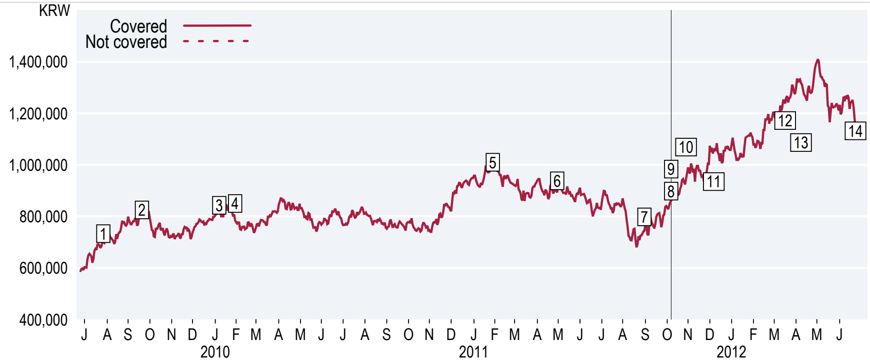
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

## Samsung Electronics (005930.KS)

### Ratings and Target Price History
### Fundamental Research

Analyst: Henry H Kim, CFA



| | Date | Rating | Target Price | Closing Price |
|---|---|---|---|---|
| 1 | 28-Jul-09 | 1L | *900,000.00 | 700,000.00 |
| 2 | 21-Sep-09 | 1L | *1,030,000.00 | 798,000.00 |
| 3 | 7-Jan-10 | 1L | *1,100,000.00 | 813,000.00 |
| 4 | 29-Jan-10 | 1L | *1,160,000.00 | 784,000.00 |
| 5 | 28-Jan-11 | 1L | *1,200,000.00 | 1,010,000.00 |
| 6 | 29-Apr-11 | 1L | *1,250,000.00 | 893,000.00 |
| 7 | 31-Aug-11 | 1L | *1,200,000.00 | 744,000.00 |
| 8 | 7-Oct-11 | Stock rating system changed | | |
| 9 | 7-Oct-11 | *1 | 1,200,000.00 | 860,000.00 |
| 10 | 28-Oct-11 | 1 | *1,300,000.00 | 945,000.00 |
| 11 | 7-Dec-11 | 1 | *1,400,000.00 | 1,056,000.00 |
| 12 | 16-Mar-12 | 1 | *1,800,000.00 | 1,238,000.00 |
| 13 | 9-Apr-12 | 1 | *1,900,000.00 | 1,317,000.00 |
| 14 | 25-Jun-12 | 1 | *1,970,000.00 | 1,132,000.00 |

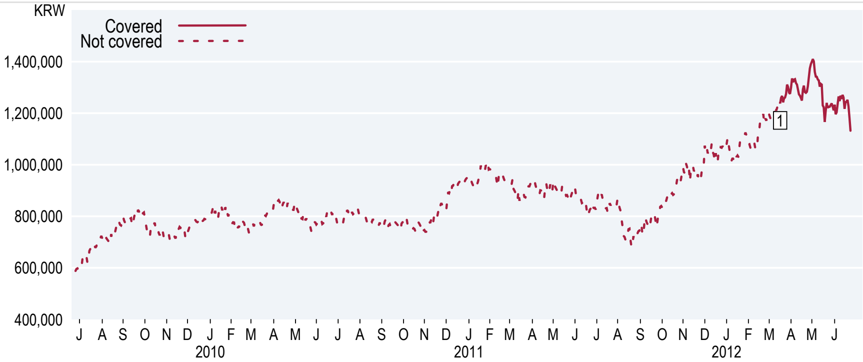
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

## Samsung Electronics (005930.KS)

**Ratings and Target Price History**
**Best Ideas Research**
**Relative Call (3 Month)**

Analyst: Henry H Kim, CFA




| | Date | Rating | Target Price | Closing Price |
|---|---|---|---|---|
| 1 | 16-Mar-12 | *ADD MP | - | 1,238,000.00 |

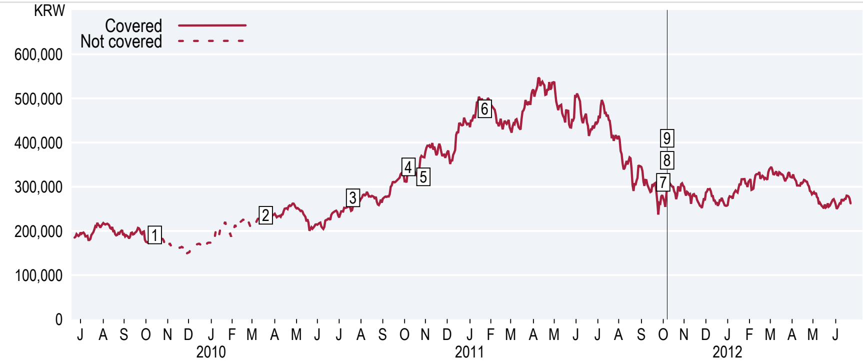
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

## Hyundai Heavy Industries (009540.KS)

**Ratings and Target Price History**
**Fundamental Research**

Analyst: Ethan Kim
Covered since March 19 2010




| | Date | Rating | Target Price | Closing Price |
|---|---|---|---|---|
| 1 | 14-Oct-09 | Coverage terminated | | |
| 2 | 19-Mar-10 | 1M | *300,000.00 | 232,000.00 |
| 3 | 21-Jul-10 | 1M | *315,000.00 | 256,500.00 |
| 4 | 7-Oct-10 | 1M | *430,000.00 | 345,000.00 |
| 5 | 28-Oct-10 | 1M | *462,000.00 | 367,000.00 |
| 6 | 24-Jan-11 | 1M | *615,000.00 | 476,500.00 |
| 7 | 2-Oct-11 | 1M | *436,000.00 | 281,000.00 |
| 8 | 7-Oct-11 | Stock rating system changed | | |
| 9 | 7-Oct-11 | *1H | 436,000.00 | 302,000.00 |

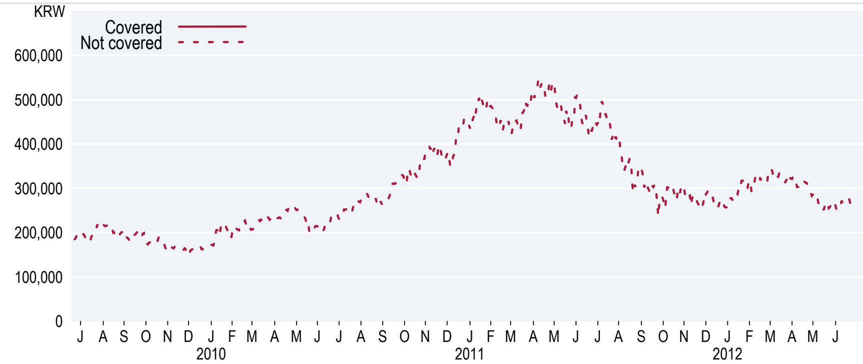
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

## Hyundai Heavy Industries (009540.KS)

**Ratings and Target Price History**
**Best Ideas Research**
**Relative Call (3 Month)**

Analyst: Ethan Kim
Covered since March 19 2010



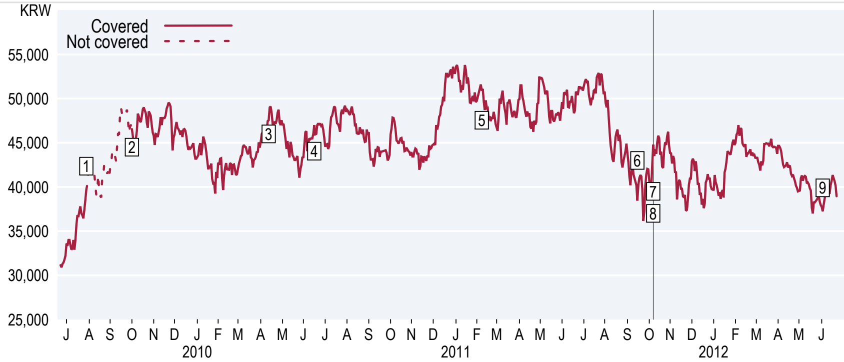

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

## Shinhan Financial Group (055550.KS)

### Ratings and Target Price History
### Fundamental Research

Analyst: Jinsang Kim
Covered since October 1 2009




| | Date | Rating | Target Price | Closing Price |
|---|---|---|---|---|
| 1 | 29-Jul-09 | Coverage terminated | | |
| 2 | 1-Oct-09 | *1L | *55,000.00 | 46,550.00 |
| 3 | 13-Apr-10 | 1L | *57,000.00 | 47,550.00 |
| 4 | 16-Jun-10 | 1L | *55,700.00 | 47,000.00 |
| 5 | 8-Feb-11 | 1L | *60,000.00 | 50,900.00 |
| 6 | 15-Sep-11 | 1L | *54,000.00 | 38,450.00 |
| 7 | 7-Oct-11 | Stock rating system changed | | |
| 8 | 7-Oct-11 | *1 | 54,000.00 | 44,800.00 |
| 9 | 4-Jun-12 | 1 | *51,000.00 | 37,250.00 |

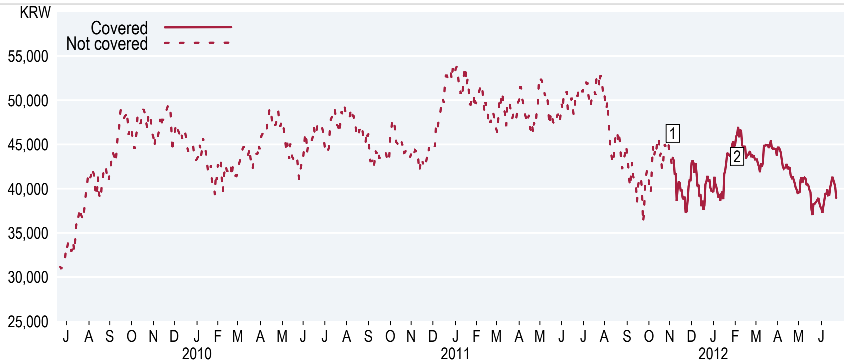
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

## Shinhan Financial Group (055550.KS)

### Ratings and Target Price History
### Best Ideas Research
### Relative Call (3 Month)

Analyst: Jinsang Kim
Covered since October 1 2009




| | Date | Rating | Target Price | Closing Price |
|---|---|---|---|---|
| 1 | 4-Nov-11 | *ADD MP | - | 43,500.00 |
| 2 | 3-Feb-12 | *REM MP | - | 46,150.00 |

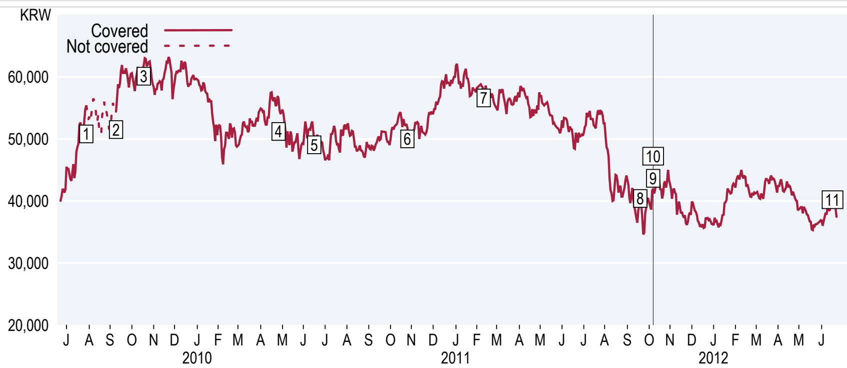
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

## KB Financial Group (105560.KS)

### Ratings and Target Price History
### Fundamental Research

Analyst: Jinsang Kim
Covered since September 9 2009

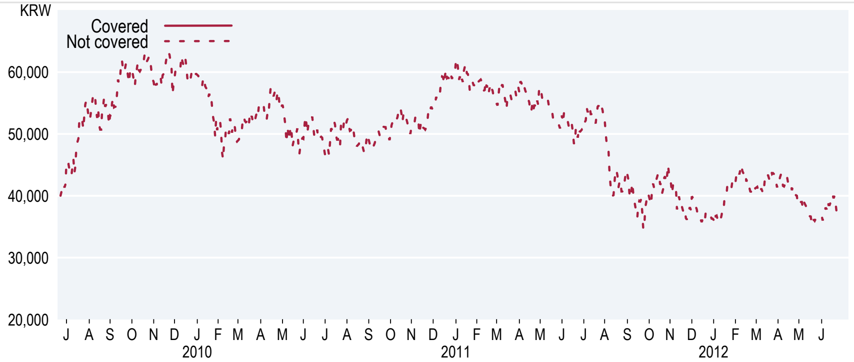



| | Date | Rating | Target Price | Closing Price |
|---|---|---|---|---|
| 1 | 29-Jul-09 | Coverage terminated | | |
| 2 | 9-Sep-09 | *1L | *64,000.00 | 54,400.00 |
| 3 | 19-Oct-09 | 1L | *71,000.00 | 61,900.00 |
| 4 | 27-Apr-10 | 1L | *69,000.00 | 56,500.00 |
| 5 | 16-Jun-10 | 1L | *63,000.00 | 49,750.00 |
| 6 | 26-Oct-10 | 1L | *65,000.00 | 51,800.00 |
| 7 | 10-Feb-11 | 1L | *67,000.00 | 57,000.00 |
| 8 | 20-Sep-11 | 1L | *57,000.00 | 39,100.00 |
| 9 | 7-Oct-11 | Stock rating system changed | | |
| 10 | 7-Oct-11 | *1 | 57,000.00 | 41,950.00 |
| 11 | 18-Jun-12 | 1 | *55,000.00 | 40,200.00 |

* Indicates change

Rating/target price changes above reflect Eastern Standard Time

**KB Financial Group (105560.KS)**
**Ratings and Target Price History**
**Best Ideas Research**
**Relative Call (3 Month)**
Analyst: Jinsang Kim
Covered since September 9 2009

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Rating/target price changes above reflect Eastern Standard Time

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|---|---|---|---|---|---|---|
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