

Asian Drivers: Country Focus

What Works and What Matters: 1Q07 Review

- **What Correction?** — Markets were choppy during the first quarter, but with the benefit of hindsight, performance was not that bad. After a weak start, the MSCI regional aggregate was up a fairly healthy 4% by the third week of February... only for markets to then sell off sharply (falling 9%) before finally recovering strongly in March to leave the region up about 3% on the quarter.
- **Breadth Good** — 61% of stocks are up for the year and the median stock has returned 4.4%. Breadth has been similar in both the large- and small-cap space, but small-caps have generally done better; 4.8% median returns for the EMI vs. 3.1% in the PMI.
- **Small-cap Growth in Favor** — In the quarter, small-cap growth was the best-performing portion of the market, outperforming the worst-performing segment, Large-cap Value, by 2.8%.
- **Defensive Core plus a Barbell Offense** — Analysing the winner vs. loser portfolio leads us to conclude that investors generally remain cautious, adopting a defensive, large-cap, low-beta stance. However, they also appear to be simultaneously hedging this defensive tilt by running the other side of the "bar-bell" – spicing up their portfolio with a sprinkling of exciting small-cap names.
- **Value Still Struggles** — Pure valuation strategies continue to disappoint. However, we believe valuation factors will likely perform better in 2007 than they did in 2006, and the mid-quarter resurgence of their usefulness reinforces our belief that incorporating a valuation overlay makes the investment process more robust.

Paul Chanin¹

+65-6432-1153
paul.chanin@citigroup.com

Nachiket Garde, CFA¹
nachiket.garde@citigroup.com

George Varghese¹
george.k.varghese@citigroup.com

See Appendix A-1 for Analyst Certification and important disclosures.

Citigroup Research is a division of Citigroup Global Markets Inc. (the "Firm"), which does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the Firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Non-US research analysts who have prepared this report are not registered/qualified as research analysts with the NYSE and/or NASD. Customers of the Firm in the United States can receive independent, third-party research on the company or companies covered in this report, at no cost to them, where such research is available. Customers can access this independent research at <http://www.smithbarney.com> (for retail clients) or <http://www.citigroupgeo.com> (for institutional clients) or can call (866) 836-9542 to request a copy of this research.

¹Citigroup Global Markets Singapore PTE LIMITED

<http://deadpresident.blogspot.com>

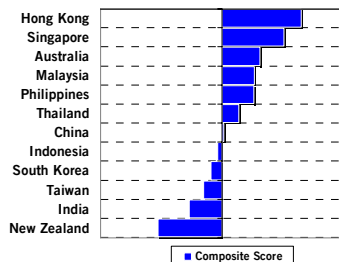
Contents

Regional Overview	3
Review of Markets – Trading Costs	6
Review of Markets – Breadth and Returns	8
Review of Markets – Style and Size	9
Korea	12
Taiwan	14
Hong Kong	16
China	18
Thailand	20
Singapore	22
Malaysia	24
India	26
Australia	28
Sensitivity to Rising Oil Prices	30
Sensitivity to Higher Commodities Prices (ex. Energy)	31
US Credit Spread Sensitivity – Widening Credit Spreads	32
Sensitivity to Rising Emerging Market Yields	33
Sensitivity to Asian Interest Rates – Rising Short Rates	34
Sensitivity to US\$/AFX – Asian Currency Strengthening	35
Macro Monitor – Underlying Factor Histories	36
APPENDIX – 1: Factor Definitions	38
APPENDIX – 2: Methodology	41
Appendix A-1	45

<http://deadpresident.blogspot.com>

Regional Overview

Figure 1. Radar Composite-Model Country Ranks



Source: Citigroup Investment Research

Momentum rebounds – Having struggled a bit in February – particularly during the end-of-the-month correction – price momentum factors continued well through March, as they did through 1Q07 and most of 2006.

Radar still performing – But the Radar model process continues to add significant value with the Radar composite-indicator being the best-performing strategy over the quarter and a top-three strategy again in March.

Value struggles – Despite pure valuation strategies continuing to disappoint, we believe valuation factors will still likely begin to perform better in 2007 – and for all the same reasons we've highlighted before; notably, rising volatility. Moreover, the resurgence of value during the brief mid-quarter correction reinforces our belief that including a significant valuation overlay in any holistic investment process makes the whole process more robust, especially because in Asia Value and both momentum and growth are not mutually exclusive attributes.

Figure 2. Performance Spread between High (Top 20%) and Low (Bottom 20%) Factor Portfolios Regionally - Rank in Brackets

	Returns						IRs			
	1m	3m	6m	1y	2y	5y	1y	2y	5y	
Valuations										
Dividend Yield	-1.1 (24)	2.9 (10)	0.0 (18)	9.4 (9)	1.2 (20)	16.9 (7)	1.3 (11)	0.1 (20)	1.4 (9)	
Price/Cash Flow	-2.6 (27)	1.1 (20)	1.2 (16)	12.2 (8)	-0.3 (22)	15.2 (8)	1.7 (9)	0.0 (22)	1.6 (8)	
Trailing PE	0.2 (17)	3.5 (9)	-0.1 (19)	9.3 (11)	6.2 (10)	19.4 (6)	1.4 (10)	1.0 (10)	1.8 (5)	
F'Cast PE (12m F'rd)	-0.6 (20)	1.5 (19)	-0.4 (20)	1.7 (21)	-0.1 (21)	13.1 (10)	0.3 (21)	0.0 (21)	1.3 (10)	
Price/Sales	-1.3 (25)	1.5 (18)	1.5 (14)	3.0 (18)	-3.7 (26)	7.5 (15)	0.4 (19)	-0.5 (26)	0.8 (15)	
Price/Book	-1.5 (26)	0.4 (22)	1.9 (11)	8.9 (12)	-4.1 (27)	10.2 (13)	1.0 (15)	-0.5 (27)	0.9 (14)	
Profitability										
Reported ROE	1.7 (9)	2.3 (13)	-3.2 (25)	0.6 (24)	5.9 (11)	5.2 (17)	0.1 (24)	0.7 (12)	0.5 (18)	
Forecast ROE	0.5 (13)	-0.6 (23)	-1.0 (22)	-3.6 (26)	3.6 (15)	1.1 (24)	-0.7 (27)	0.7 (14)	0.1 (24)	
Net Margin (Trailing)	0.7 (12)	2.0 (15)	-3.3 (26)	2.5 (20)	3.8 (14)	4.4 (18)	0.3 (20)	0.5 (16)	0.4 (19)	
Net Margin (F'Cast)	0.8 (11)	-1.2 (25)	1.7 (13)	4.9 (15)	5.3 (12)	0.5 (25)	1.0 (13)	0.8 (11)	0.1 (25)	
Earnings Certainty & Quality										
Cash flow to Earnings	-0.4 (18)	2.0 (16)	2.2 (9)	6.5 (13)	1.8 (18)	4.1 (19)	2.6 (5)	0.5 (15)	0.7 (16)	
Earnings Estimate Variability (Hist)	-0.5 (19)	-1.3 (26)	-0.6 (21)	1.3 (22)	-1.7 (25)	-3.0 (26)	0.2 (22)	-0.3 (24)	-0.4 (26)	
Earnings Estimate Dispersion FY1	0.4 (15)	2.4 (11)	1.4 (15)	4.0 (16)	1.9 (17)	1.8 (22)	0.7 (16)	0.3 (18)	0.2 (23)	
Earnings Growth										
Historical EPS Growth	-0.8 (22)	-1.1 (24)	-1.7 (23)	-0.4 (25)	2.0 (16)	1.6 (23)	-0.1 (25)	0.4 (17)	0.3 (22)	
1Y EPS Growth	1.6 (10)	2.1 (14)	1.7 (12)	5.4 (14)	8.0 (9)	8.6 (14)	1.0 (14)	1.4 (9)	1.2 (11)	
Earnings Revisions Ratio	2.2 (6)	8.4 (5)	17.3 (4)	23.9 (2)	24.6 (6)	22.4 (5)	3.2 (3)	3.8 (3)	3.6 (2)	
PEG Ratio	0.3 (16)	2.3 (12)	2.0 (10)	2.8 (19)	-1.1 (23)	2.2 (21)	0.6 (18)	-0.3 (23)	0.3 (21)	
Long Term PEG Ratio	-0.6 (21)	0.7 (21)	0.3 (17)	0.7 (23)	4.3 (13)	3.0 (20)	0.2 (23)	0.7 (13)	0.4 (20)	
Price Momentum										
% Price Change (1M)	1.9 (7)	5.1 (6)	11.6 (8)	14.1 (7)	17.1 (8)	6.2 (16)	2.4 (6)	2.6 (7)	0.6 (17)	
% Price Change (3M)	2.8 (5)	3.8 (8)	12.2 (7)	9.4 (10)	19.9 (7)	12.0 (12)	1.3 (12)	1.9 (8)	1.0 (13)	
% Price Change (6M)	3.7 (1)	4.4 (7)	15.6 (6)	16.1 (6)	32.0 (4)	12.9 (11)	2.2 (8)	3.5 (5)	1.0 (12)	
% Price Change (12M)	3.6 (2)	9.4 (4)	21.9 (2)	20.3 (4)	36.0 (1)	23.7 (3)	2.6 (4)	3.6 (4)	1.9 (4)	
First 11 of Last 12M	3.0 (4)	10.2 (2)	21.6 (3)	19.4 (5)	33.4 (3)	23.3 (4)	2.3 (7)	3.2 (6)	1.8 (6)	
260D Trading Value	0.5 (14)	-3.3 (27)	-4.6 (27)	-5.4 (27)	1.4 (19)	-6.0 (27)	-0.7 (26)	0.2 (19)	-0.5 (27)	
Radar										
Composite Score	1.9 (8)	9.7 (3)	16.5 (5)	22.8 (3)	25.1 (5)	30.9 (1)	5.1 (1)	5.5 (1)	4.6 (1)	
Relative Valuation Score	-1.0 (23)	1.6 (17)	-2.1 (24)	3.3 (17)	-1.7 (24)	13.8 (9)	0.7 (17)	-0.3 (25)	1.6 (7)	
Composite Momentum Score	3.5 (3)	10.9 (1)	22.6 (1)	27.4 (1)	35.4 (2)	27.2 (2)	4.4 (2)	4.7 (2)	2.9 (3)	

Source: FactSet, I/B/E/S, WorldScope, Citigroup Investment Research

<http://deadpresident.blogspot.com>

"Perfect Foresight": A Review of 1Q07 vs. 4Q06

Asian investors endured a bumpy ride in the first quarter of 2007. After a weak start, the regional aggregate was up a fairly healthy 4% by the third week of February... only for markets to then sell-off sharply (falling 9%) before finally recovering strongly in March. This left the market up about 3% on the quarter.

We believe that by analyzing the risk attributes of a "Perfect Foresight" portfolio of winners vs. losers, we shed light not only on the factor exposures that were driving these returns, but also aggregate investor sentiment. In aggregate our risk-model explains 85% of total variance for this portfolio over the year and 83% in 4Q07.

Stock selection still fairly unimportant

The first point is that this analysis suggests stock selection, surprisingly, is still relatively unimportant. Over the past quarter of 2006, pure stock selection explained only about 20% of the "Perfect Foresight" performance; this has fallen to only 16% in the first quarter of the year.

Much more important was getting the country/sector allocation right. Equally crucially was having the correct macro tilt.

Country still dominates sector allocation, but less so

Throughout 2006, having an appropriate country mix was more important than getting the sector exposure correct; a finding consistent with the regression-based analysis we have done¹. While still true, the relative importance of the country-selection appears to have diminished and the relative importance of sector allocation has increased.

Country, not sector allocation, remains crucial

Generally, the country-tilt rewarded so far in 2007 is similar to that, which was rewarded at the end of 2006 – the only exception being Hong Kong, which suffered from being a liquid China-proxy during the sell-off. The positive Australia; Malaysia; Singapore/ Negative Taiwan; Hong Kong; India; Korea tilt seems to be consistent with continuing market skepticism and a desire to maintain something of a defensive bias.

Defensive Country and Sector Tilts

Sector-wise, we continue to see a bias away from the traditional driver of Asian Growth (Technology) and towards the Materials space.

Macro and Style Factors – Investors behaving cautiously; Reluctant bulls?

However, the correct macro exposure was important. Markets generally continued to reward names that should benefit from a weaker dollar and would not be adversely affected by rising interest rates. This is fairly consistent with continuing risk-aversion (deterioration of US business conditions and positive beta to rising EM yields and widening US credit spreads) – itself not to surprising given the prevailing market conditions.

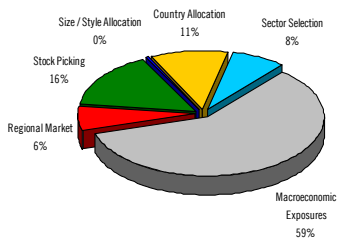
The macro factors that rewarded suggest investors stayed relatively cautious

We also see an increasing bias towards small-caps, which is also surprising as this can tend to be a higher-risk, less-liquid strategy. This leads us to conclude that investors, while remaining cautious (a trait we saw emerge in the last quarter of 2006 despite a strong market environment), may be increasingly hedging by taking a defensive, large-cap, low-beta stance while simultaneously looking to hedge this defensiveness by running the other side of the "bar-bell" – i.e., spicing up their portfolio with a sprinkling of exciting small-cap names.

¹ Refer to "Country vs. Sector Effects" – published on September 13, 2006.

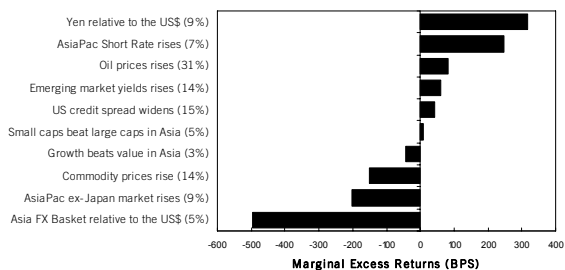
<http://deadpresident.blogspot.com>

Figure 3. "Perfect Foresight" –1Q07: Importance of Tactical Allocation



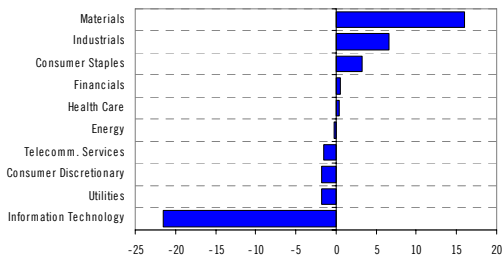
Source: Citigroup Investment Research

Figure 5. "Perfect Foresight" –1Q07: How Macro Factors Favored



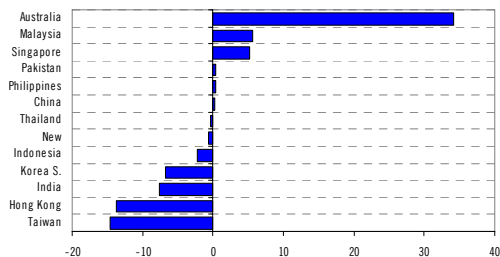
Source: Citigroup Investment Research

Figure 7. Winners vs. Losers– Net Sector Exposures: 1Q07 (%)



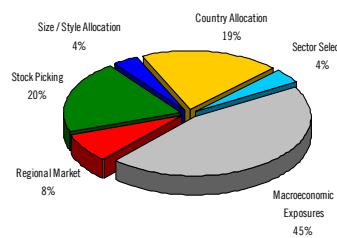
Source: Citigroup Investment Research

Figure 9. Winners vs. Losers Portfolio – Net Country Exposures: 1Q07 (%)



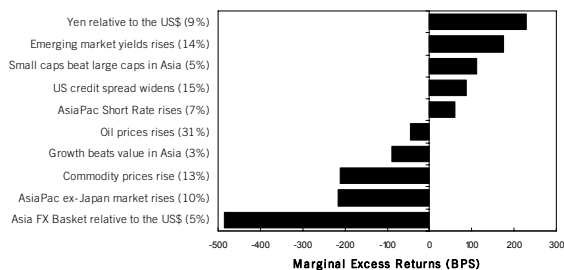
Source: Citigroup Investment Research

Figure 4. "Perfect Foresight" – 4Q06: Importance of Tactical Allocation



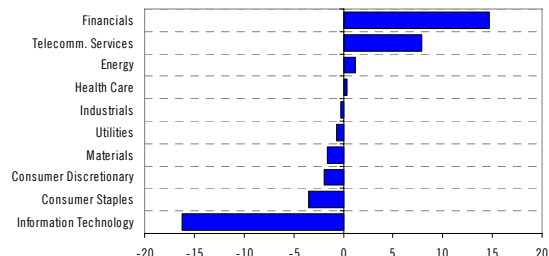
Source: Citigroup Investment Research

Figure 6. "Perfect Foresight" – 4Q06: How Macro Factors Favored



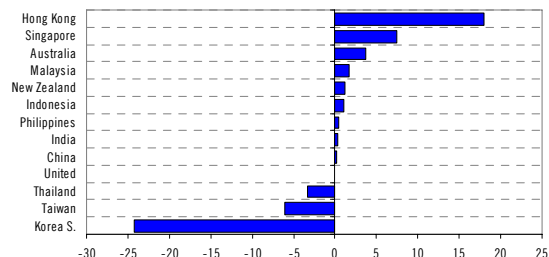
Source: Citigroup Investment Research

Figure 8. Winners vs. Losers Portfolio – Net Sector Exposures: 4Q06 (%)



Source: Citigroup Investment Research

Figure 10. Winners vs. Losers Portfolio – Net Country Exposures: 4Q06 (%)



Source: Citigroup Investment Research

<http://deadpresident.blogspot.com>

Review of Markets – Trading Costs

Transaction Costs: Direct plus indirect costs

Managing execution costs is a crucial part of the investment management process. These costs are a sum of the obvious direct costs (commissions, charges taxes etc) and the less obvious – but often larger – indirect component.

This indirect component includes the bid/offer spread as well as the less obvious market impact, opportunity and timing costs. These elements are less visible and harder to measure, and they tend to rise as trade sizes increase. They are also dependent on how the trade is implemented².

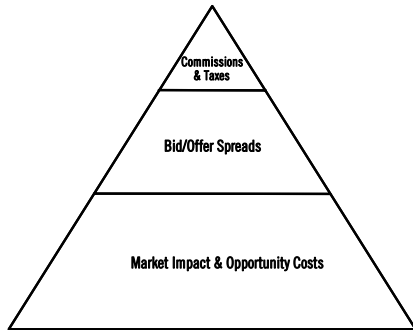
Strategy scalability issues

In any region – but especially one that encompasses large developed markets as well as smaller, less liquid emerging markets – understanding this component of cost becomes essential, as the manner in which these costs can rise as trade-size increases can significantly alter the viability of different strategies as a portfolio size changes.

Using the BECS framework we introduced last October, we have again reviewed the indicative costs of trading various sizes of portfolio across Asia. Trading costs across the board — spread and impact costs — are continuing to fall fractionally; the indicative aggregate total trade cost of executing a US\$500m regional benchmark order fell 8bp to 54bps during the quarter.

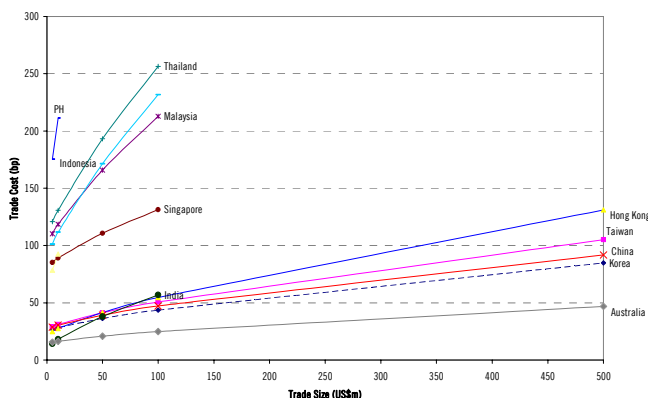
South East Asia remains significantly more costly to trade than North Asia and is significantly less liquid. This means that costs rise rapidly as the trade size increases, which in turn means getting meaningful participation in the smaller markets for all but the smallest investors would remain difficult. It is also worth noting that while Singapore has developed-market status, it is generally neither as liquid nor as cheap to trade as the north Asian markets; this appears indicative that costs rose over the quarter in both Malaysia and Singapore.

Figure 11. The Transaction Cost Pyramid



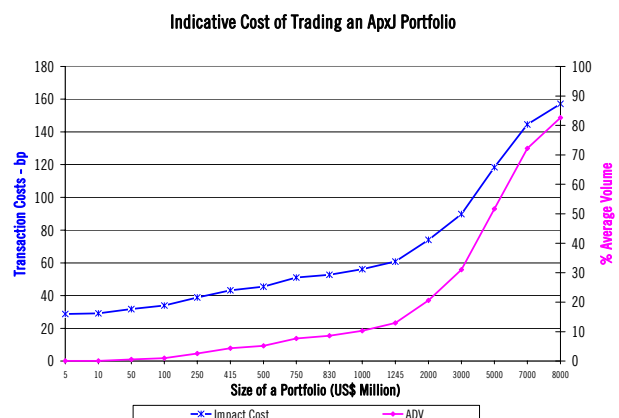
Source: Citigroup Investment Research

Figure 12. Indicative Trading Costs – Selected Asian Countries



Source: Citigroup Investment Research

Figure 13. Indicative Cost of Trading a Broad MSCI Portfolio



Source: Citigroup Investment Research

² This analysis is conducted using the BECS pre-trade impact cost model. BECS – Best Execution Consulting Services – is an independent company, wholly owned by Citigroup which offers a customizable, confidential pre-and-post trade analytics to clients. For a more detailed look at these issue, and a fuller description of the BECS service, please refer to: “Achieving Best Execution – Capturing the Full Value of Investment Ideas”: 14 September 2006 by Chris Montague and Paul Chanin. Contact your Citigroup representative for details.

19 April 2007

<http://deadpresident.blogspot.com>

Figure 14. Indicative costs of trading different sized MSCI-diversified Portfolios – Apr 2007

	US\$5m Trade			US\$10m Trade			US\$50m Trade			US\$100m Trade			US\$500m Trade		
	Impact	Total	% ADV	Impact	Total	% ADV	Impact	Total	% ADV	Impact	Total	% ADV	Impact	Total	% ADV
Korea (15%)	8.8	26.8	0.3	10.3	28.3	0.6	18.3	36.3	2.8	25.6	43.6	5.5	66.8	84.8	27.5
Taiwan (12%)	9.9	29.2	0.5	11.8	31.1	0.9	22.0	41.3	4.6	31.4	50.7	9.2	85.8	105.1	45.9
Hong Kong (9%)	9.8	25.0	0.7	12.4	27.6	1.3	26.3	41.5	6.7	39.4	54.6	13.3	115.8	131.0	66.6
China (12%)	9.5	28.7	0.2	11.2	30.4	0.5	20.0	39.2	2.3	28.0	47.2	4.5	72.5	91.7	22.6
Malaysia (3%)	38.1	110.2	2.8	46.5	118.6	5.7	93.7	165.8	28.4	140.7	212.8	56.8	-	-	-
Singapore (6%)	26.6	85.2	0.9	30.6	89.2	1.9	52.1	110.7	9.4	72.7	131.3	18.8	195.6	254.2	94.0
Thailand (1%)	42.4	120.8	5.3	52.4	130.8	10.6	114.8	193.2	53.3	178.0	256.4	106.7	-	-	-
Philippines (1%)	85.5	175.5	13.9	121.4	211.4	27.7	-	-	-	-	-	-	-	-	-
Indonesia (2%)	38.2	101.2	4.4	48.6	111.6	8.8	108.4	171.4	43.8	168.7	231.7	87.6	-	-	-
India (6%)	8.9	14.3	0.7	12.7	18.1	1.5	32.6	38.0	7.4	51.5	56.9	14.8	162.9	168.3	73.8
Australia (32%)	5.2	15.6	0.2	6.1	16.5	0.3	10.5	20.9	1.7	14.5	24.9	3.4	36.4	46.8	17.2
New Zealand (1%)	36.3	78.5	11.3	50.4	92.6	22.5	-	-	-	-	-	-	-	-	-
MSCI APX	7.9	28.7	0.1	8.4	29.2	0.1	10.9	31.7	0.5	13.1	33.9	1.0	24.6	45.4	5.2

Figure 15. Indicative costs of trading different sized MSCI-diversified Portfolios - Jan 2007

	US\$5m Trade			US\$10m Trade			US\$50m Trade			US\$100m Trade			US\$500m Trade		
	Impact	Total	% ADV	Impact	Total	% ADV	Impact	Total	% ADV	Impact	Total	% ADV	Impact	Total	% ADV
Korea (15%)	8.8	29.9	0.4	10.1	31.2	0.7	16.8	37.9	3.5	23.0	44.1	7.1	57.9	79.0	35.4
Taiwan (13%)	10.7	31.8	0.7	12.9	34.0	1.3	24.6	45.7	6.5	35.5	56.6	13.1	99.3	120.4	65.3
Hong Kong (10%)	10.1	31.1	0.7	12.1	33.1	1.4	22.9	43.9	7.2	33.2	54.2	14.4	94.2	115.2	71.8
China (12%)	10.5	32.0	0.2	12.0	33.5	0.4	19.5	41.0	2.1	26.4	47.9	4.2	65.9	87.4	20.9
Malaysia (3%)	31.9	100.8	3.8	38.0	106.9	7.6	73.4	142.3	38.0	109.2	178.1	76.0	-	-	-
Singapore (5%)	25.1	83.7	1.2	28.1	86.7	2.4	44.5	103.1	11.8	60.3	118.9	23.7	-	-	-
Thailand (1%)	43.7	128.5	4.8	53.9	138.7	9.6	114.0	198.8	48.2	175.4	260.2	96.4	-	-	-
Philippines (1%)	63.6	150.6	17.4	86.3	173.3	34.9	-	-	-	-	-	-	-	-	-
Indonesia (2%)	44.0	116.3	7.2	56.8	129.1	14.4	133.0	205.3	72.1	-	-	-	-	-	-
India (7%)	12.3	43.3	1.0	14.8	45.8	1.9	28.8	59.8	9.7	42.2	73.2	19.4	-	-	-
Australia (30%)	7.1	37.2	0.3	8.0	38.1	0.5	12.9	43.0	2.6	17.4	47.5	5.1	42.5	72.6	25.7
New Zealand (1%)	34.8	80.6	15.2	47.7	93.5	30.3	-	-	-	-	-	-	-	-	-
MSCI APX	9.2	37.9	0.1	9.7	38.4	0.1	12.0	40.7	0.6	14.0	42.7	1.2	24.8	53.5	6.0

Figure 16. Changes in Indicative Costs: Apr 2007 – Jan 2007

	US\$5m Trade			US\$10m Trade			US\$50m Trade			US\$100m Trade			US\$500m Trade		
	Impact	Total	% ADV	Impact	Total	% ADV	Impact	Total	% ADV	Impact	Total	% ADV	Impact	Total	% ADV
Korea (15%)	0.0	-3.1	-0.1	0.2	-2.9	-0.1	1.5	-1.6	-0.7	2.6	-0.5	-1.6	8.9	5.8	-7.9
Taiwan (13%)	-0.8	-2.6	-0.2	-1.1	-2.9	-0.4	-2.6	-4.4	-1.9	-4.1	-5.9	-3.9	-13.5	-15.3	-19.4
Hong Kong (10%)	-0.3	-6.1	0.0	0.3	-5.5	-0.1	3.4	-2.4	-0.5	6.2	0.4	-1.1	21.6	15.8	-5.2
China (10%)	-1.0	-3.3	0.0	-0.8	-3.1	0.1	0.5	-1.8	0.2	1.6	-0.7	0.3	6.6	4.3	1.7
Malaysia (3%)	6.2	9.4	-1.0	8.5	11.7	-1.9	20.3	23.5	-9.6	31.5	34.7	-19.2	-	-	-
Singapore (5%)	1.5	1.5	-0.3	2.5	2.5	-0.5	7.6	7.6	-2.4	12.4	12.4	-4.9	-	-	-
Thailand (2%)	-1.3	-7.7	0.5	-1.5	-7.9	1.0	0.8	-5.6	5.1	2.6	-3.8	10.3	-	-	-
Philippines (1%)	21.9	24.9	-3.5	35.1	38.1	-7.2	-	-	-	-	-	-	-	-	-
Indonesia (2%)	-5.8	-15.1	-2.8	-8.2	-17.5	-5.6	-24.6	-33.9	-28.3	-	-	-	-	-	-
India (7%)	-3.4	-29.0	-0.3	-2.1	-27.7	-0.4	3.8	-21.8	-2.3	9.3	-16.3	-4.6	162.9	168.3	73.8
Australia (30%)	-1.9	-21.6	-0.1	-1.9	-21.6	-0.2	-2.4	-22.1	-0.9	-2.9	-22.6	-1.7	-6.1	-25.8	-8.5
New Zealand (1%)	1.5	-2.1	-3.9	2.7	-0.9	-7.8	-	-	-	-	-	-	-	-	-
MSCI APX	-1.3	-9.2	0.0	-1.3	-9.2	0.0	-1.1	-9.0	-0.1	-0.9	-8.8	-0.2	-0.2	-8.1	-0.8

Source: Factset; MSCI; Citigroup; BECS

http://deadpresident.blogspot.com

Review of Markets – Breadth and Returns

Despite the mid-quarter roller-coaster ride, breadth has been positive in Asia during the first quarter — 61% of stocks are up for the year and the median stock has returned 4.4%. Breadth has been similar in both the large and small-cap space, but small-caps have generally posted larger gains: 4.8% median returns for the EMI vs. 3.1% in the PMI.

The Advance/Decline ratio has been positive in all but four markets: the exceptions being Korea, Taiwan, Indonesia and, most notably, India, where more than two-thirds of all large-cap names were down on the quarter. However, performance in March has been much stronger.

Consistent with the picture apparent from looking at market Breadth, we see that small-caps have generally out-performed large caps. Interestingly, however, we also saw Growth outperforming Value – the opposite of the 2006 experience.

Figure 17. Breadth and Median Returns for Asia Pacific Markets — Mar 2007

	Asia	Australia	China	Hong Kong	India	Indonesia	Malaysia	New Zealand	Philippines	Singapore	South Korea	Taiwan	Thailand
Broad Market (BMI)Advances (%)	64	42	67	53	60	62	85	78	69	81	68	50	29
Declines (%)	36	58	33	47	40	38	15	22	31	19	32	50	71
Median Rets (%)	2.5	4.7	2.8	0.3	1.9	1.8	5.3	4.3	1.9	5.4	4.1	-0.1	-2.8
Large Cap (PMI)Advances (%)	64	90	75	60	61	75	93	64	80	90	57	35	38
Declines (%)	36	10	25	40	39	25	7	36	20	10	43	65	62
Median Rets (%)	2.3	5.4	5.7	1.9	3.3	5.3	6.7	1.5	2.1	3.8	1.8	-2.2	-1.4
Small Cap (EMI)Advances (%)	64	77	63	51	60	55	80	86	63	78	71	55	23
Declines (%)	36	23	37	49	40	45	20	14	38	22	29	45	77
Median Rets (%)	2.6	4.6	2.0	0.2	1.4	0.1	5.1	4.3	1.2	5.6	4.8	1.1	-3.6

Source: Citigroup Investment Research

Figure 18. Breadth and Median Returns for Asia Pacific Markets — Last Qtr (1Q07)

	Asia	Australia	China	Hong Kong	India	Indonesia	Malaysia	New Zealand	Philippines	Singapore	South Korea	Taiwan	Thailand
Broad Market (BMI)Advances (%)	61	72	76	68	37	38	94	58	81	83	44	48	61
Declines (%)	39	28	24	32	63	62	6	42	19	17	56	52	39
Median Rets (%)	4.4	6.9	15.5	5.9	-5.2	-3.3	19.3	3.0	15.5	12.7	-2.5	-0.4	2.3
Large Cap (PMI)Advances (%)	60	81	70	65	29	31	98	57	70	83	45	34	83
Declines (%)	40	19	30	35	71	69	2	43	30	17	55	66	17
Median Rets (%)	3.1	7.9	5.9	3.8	-5.4	-3.6	17.8	1.2	4.2	10.4	-2.0	-4.5	6.5
Small Cap (EMI)Advances (%)	61	70	79	69	40	41	91	59	88	83	44	53	47
Declines (%)	39	30	21	31	60	59	9	41	13	17	56	47	53
Median Rets (%)	4.8	6.5	19.3	6.9	-5.2	-2.9	20.1	4.9	26.5	13.4	-2.6	1.5	-0.9

Source: Citigroup Investment Research

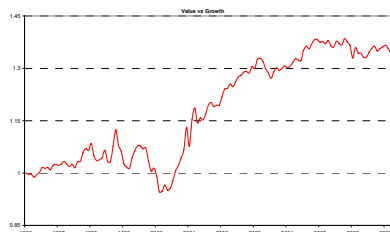
Figure 19. Breadth and Median Returns for Asia Pacific Markets — Past 12 Months

	Asia	Australia	China	Hong Kong	India	Indonesia	Malaysia	New Zealand	Philippines	Singapore	South Korea	Taiwan	Thailand
Broad Market (BMI)Advances (%)	78	91	88	71	60	82	97	100	96	84	61	79	67
Declines (%)	22	9	12	29	40	18	3	0	4	16	39	21	33
Median Rets (%)	27.0	36.3	66.2	16.6	5.2	33.9	55.0	42.7	69.6	40.9	9.1	29.2	8.8
Large Cap (PMI)Advances (%)	81	100	94	93	53	88	100	100	90	97	65	70	76
Declines (%)	19	0	6	8	47	13	0	0	10	3	35	30	24
Median Rets (%)	26.6	43.7	68.1	19.9	3.8	36.6	48.1	24.3	56.8	46.9	11.6	15.4	12.9
Small Cap (EMI)Advances (%)	77	88	85	66	63	79	95	100	100	81	60	82	60
Declines (%)	23	12	15	34	37	21	5	0	0	19	40	18	40
Median Rets (%)	27.2	35.2	65.5	15.0	5.4	33.3	57.5	43.5	83.6	34.7	8.4	34.4	4.0

Source: Citigroup Investment Research

Review of Markets – Style and Size

Figure 20. Value vs. Growth (Developed AP ex J)



Source: Citigroup Investment Research

Size and Style rotation is still an important part of the overall investment decision; in the first quarter of 2007, we saw small-caps generally out-perform large caps and, interestingly, Growth names tended to outperform their Value counterparts – although our Style analysis suggests neither Growth nor Value factors did particularly well in differentiating stocks.

This general theme persisted in March with small-cap growth being the best-performing portion of the market and large-cap value doing the worse. Overall, this is a surprise to us, especially as the "Perfect Foresight" analysis suggests that while style tilts were fairly unimportant, there was a continuing bias to value that one would generally think of as being consistent with taking a more defensive stance.

This apparent contradiction may again point to investors increasingly playing a split bar-bell strategy – ie, a defensive core holding with peripheral small-cap satellite holdings.

Figure 21. Performance of S&P Citigroup Size and Style Indices — Last Month - Mar 2007

<i>Large-Caps Growth</i> 4.8	<i>Growth</i> 5.0	<i>Small-Caps Growth</i> 5.7
<i>Large-Caps</i> 4.2	Dev Asia Pac ex Japan 4.5	<i>Small-Caps</i> 5.6
<i>Large-Caps Value</i> 3.6	<i>Value</i> 4.1	<i>Small-Caps Value</i> 5.4

Source: S&P Citigroup and Datastream

Over the quarter, small-cap growth was the best-performing portion of the market, out-performing the worst-performing segment, large-cap Value, by 2.8%. This is somewhat surprising to us, as the risk-analysis would suggest that investors were generally risk-averse

Figure 22. Performance of S&P Citigroup Size and Style Indices — Last Qtr - 1Q07

<i>Large-Caps Growth</i> 6.6	<i>Growth</i> 6.9	<i>Small-Caps Growth</i> 8.1
<i>Large-Caps</i> 6.0	Dev Asia Pac ex Japan 6.4	<i>Small-Caps</i> 7.8
<i>Large-Caps Value</i> 5.3	<i>Value</i> 5.8	<i>Small-Caps Value</i> 7.4

Source: S&P Citigroup and Datastream

Figure 23. Performance of S&P Citigroup Size and Style Indices — Past 12 Months

<i>Large-Caps Growth</i> 24.6	<i>Growth</i> 27.0	<i>Small-Caps Growth</i> 35.3
<i>Large-Caps</i> 26.6	Dev Asia Pac ex Japan 28.4	<i>Small-Caps</i> 34.4
<i>Large-Caps Value</i> 28.7	<i>Value</i> 29.8	<i>Small-Caps Value</i> 33.5

Source: S&P Citigroup and Datastream

Figure 24. Selected Large-cap Names at Top/Bottom of Factor Sensitivity (✓= Positive Exposure to Factor; ✗= Negative Exposure to Factor)

Country	Name	Sedol	Sector	Market Cap	Radar Quadrant	Dividend Yield	Price Cash Flow	Trailing PE	F'cast PE	Price Sales	Price Book	ROE	ERR	Price Mom (1M)	Price Mom (12M)	First 11 of Last 12M
Australia	BHP Billiton	614469	Metals & Mining	84,410	A						✗	✓	✓	✓		
	NAB	662460	Banks	53,244	A		✗									
	C'wealth Bank	621503	Banks	52,381	A	✓										
	Aust & NZ Banking	606558	Banks	44,254	C											
	Westpac	607614	Banks	39,393	A	✓	✗						✓			
	Westfield Australia	B01BTX	Real Estate	29,491	A	✓		✓						✗	✗	
	Woolworths	698123	Other Consumer	26,446	G				✗	✓	✗	✓	✓			
	QBE Ins	671574	Insurance & Other Financials	20,860	A											
	Rio Tinto	622010	Metals & Mining	18,192	C							✓				
	Macquarie Bank	655135	Insurance & Other Financials	16,976	A								✓			
	Brambles Ind	B1FJOC	Industrials	16,916	G				✗		✗	✓	✓			
	Coles Myer	620990	Other Consumer	15,686	U				✗	✓	✗	✓	✗			
	Rinker	659938	Materials	13,107	C							✓	✗			
	CSL	618549	Health Care	12,166	G		✗	✗	✗		✗	✗				
	Wesfarmers	694883	Industrials	11,559	C	✓							✓	✓		
	Foster's	634926	Food Beverage & Tobacco	11,224	A								✓			
	Toll	669374	Transportation	10,476	G				✗				✗			
	Macquarie Infra	645694	Transportation	7,086	A	✓	✗	✓		✗		✗				
	Aristocrat Leisure	625398	Hotels Restaurants & Leisure	6,197	G		✗		✗	✗	✗	✓				
	Tattersall'S	B0CRCP	Hotels Restaurants & Leisure	5,264	G				✗		✗	✓	✓	✓		
Harvey Norman	617350	Retailing	4,036	G								✓				
Sonic H'Care	682112	Health Care	3,572	G												
Cochlear	621179	Health Care	2,872	G			✗	✗	✗	✗	✗	✓		✓		
China	China Mobile	607355	Telecoms & Media	45,654	G								✗		✓	✓
	Petrochina	622657	Energy	25,039	C							✓	✗			
	China Life Ins	671897	Insurance & Other Financials	21,376	G	✗		✗	✗	✗	✗				✓	✓
	China Const Bank	B0LMTQ	Banks	19,164	G	✗										
	Ind&Comm Bank of China	B1G1QD	Banks	16,680	G						✗					
	CNOOC	B00G0S	Energy	14,752	C			✓					✓			
Hong Kong	Hutchison Whampoa	644806	Industrials	20,513	A		✓		✓		✓					
	Cheung Kong	619027	Real Estate	18,456	A				✓	✗	✓		✓			
	Sun Hung Kai Props	685992	Real Estate	16,036	A					✗			✗			
	CLP	609701	Utilities	12,627	A								✓			
	Esprit	632164	Retailing	12,218	G						✗			✓		
	HK & China Gas	643655	Utilities	7,574	C					✗		✓	✓			
	Li & Fung	628625	Retailing	6,641	U		✗		✗		✗	✓	✗			✓

Country	Name	Sedol	Sector	Market Cap	Radar Quadrant	Dividend Yield	Price Cash Flow	Trailing PE	F'cast PE	Price Sales	Price Book	ROE	ERR	Price Mom (1M)	Price Mom (12M)	First 11 of Last 12M
India	Reliance	609962	Energy	21,554	G										✓	✓
	Infosys Tech	620512	Software & Services	20,855	U	x	x		x	x	x	✓				
	Bharti Tele-Ventures	644232	Telecoms & Media	16,270	G	x	x	x	x	x	x	✓			✓	✓
	ICICI Bank	610036	Banks	8,587	G											
	Oil & Natural Gas Corp	613936	Energy	6,829	A				✓				✓	✓		
	Tata Consultancy Svcs	B01NPJ	Software & Services	4,533	G		x		x	x	x	✓				
Indonesia	Telekomunikasi Indonesia	B02ZK7	Telecoms & Media	7,097	A						x	✓		✓		
	Bank Central Asia	B01C1P	Banks	3,332	C											
	Astra Int	629171	Automobiles & Components	2,921	C								x	x		
	Bank Rakyat Indonesia	670909	Banks	2,868	C							✓				
Malaysia	Genting	B1VXJL	Hotels Restaurants & Leisure	5,621	G								x	✓	✓	
	IOI Corp	646451	Food Beverage & Tobacco	4,809	G								✓	✓	✓	
	Maxis Comms	653052	Telecoms & Media	4,593	A							✓	✓			
	Malayan Banking	655632	Banks	4,304	A	✓	x									
	Tenaga Nasional	690461	Utilities	3,438	A										x	
Philippines	PLDT	668566	Telecoms & Media	3,948	C						x	✓	x	✓		
Singapore	UOB	691678	Banks	18,429	A								✓			
	OCBC	B0F9V2	Banks	15,798	A											
	DBS	617520	Banks	15,318	A											
	Singtel	B02PY2	Telecoms & Media	13,218	C											
	Capitaland	630930	Real Estate	8,743	G				x	x			✓	✓	✓	
	Singapore Airlines	681173	Transportation	5,938	A									✓		
South Korea	Samsung Elec	677172	Semicon	76,811	C								x		x	
	POSCO	669323	Metals & Mining	32,901	A		✓						✓	✓		
	Kookmin Bank	641936	Banks	30,183	A				✓							
	Shinhan Financial	639750	Banks	18,688	A								x			
	Hyundai Motor	645105	Automobiles & Components	12,199	C				✓	✓	✓			x	x	x
	Hynix Semi Inc	645026	Semicon	11,703	C	x			✓	✓			x			
	KEPCO	649573	Utilities	10,245	C				✓	✓	✓		x	x		
	KT&G Corp	617507	Food Beverage & Tobacco	9,640	U								✓			
	Shinsegae	680504	Other Consumer	7,622	U	x							x			
	Hyundai Mobis	644954	Automobiles & Components	5,560	C				✓	✓			x			
Taiwan	TSMC	688910	Semicon	44,396	C					x		✓				
	Hon Hai	643856	Tech Hardware & Equipment	28,357	U						x		x			
	Mediatek Inc	637248	Semicon	11,119	U					x	x	✓				
	Nan Ya Plastics	662158	Materials	10,104	A	✓			✓					✓		
	Formosa Plastics	634854	Materials	9,422	A	✓										
	Asustek	605104	Tech Hardware & Equipment	7,218	C			✓			✓		x	x		

Source: Citigroup Investment Research

<http://deadpresident.blogspot.com>

Korea

Bottom-up view – Contrarian

Korea remains in the Contrarian quadrant and ranks only 9th in the aggregate country ranking. However, while momentum is still poor, it has started to improve and Relative value remains good.

Scenario Analysis – Growth Dependent

A High-Beta Market — Risk analysis using the Citigroup Risk Attribute model (RAM) re-iterates our view that Korea is a high-beta market, which is likely to perform in an environment where the broad markets rise.

Dependent on growth — We continue to see a significant negative exposure to rising oil and commodity prices, both of which traditionally tend to be a drag on export-oriented economies such as Korea.

What's Working — Momentum and Value

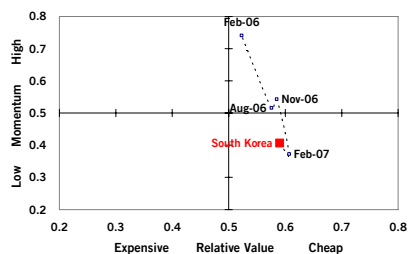
Price Momentum — Although valuation strategies have generally out-performed the other groups over the long-run in Korea, momentum is no laggard as last month again proved with long-term price momentum measures taking 3 of the top-5 slots in March.

Valuation — Forecast P/Es, Price Cash Flows and Price sales all remain useful factors to watch on the valuation front. While following price cash flow was the single most useful measure in the first quarter of the year, all three of these valuation measures were top-5 in the quarter.

However, growth factors are important; our historical EPS measure has been successful this year, although we caution that the long-term track record of pure-growth bases strategies in Korea has been poor.

Radar does well — The Radar composite value model continues to be highly relevant in the Korean space in both the short and the long term; it has been the best factor to follow over the past 5 years and is again a top-5 factor so far this year.

Figure 25. Radar Chart



Source: Citigroup Investment Research

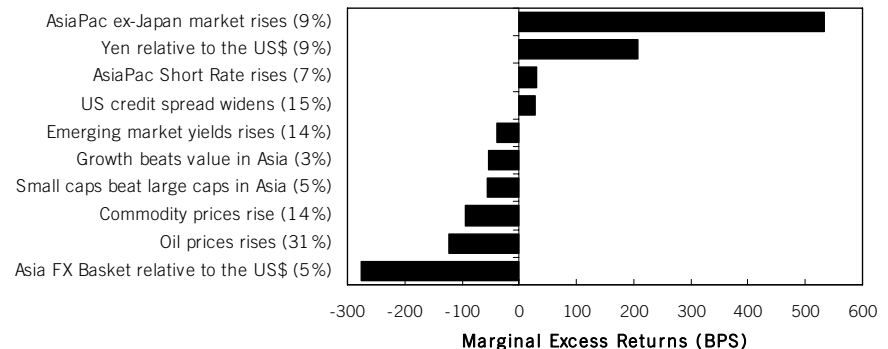
Figure 26. Top Ranked Companies by Factor (Market Cap > 1B)

F'Cast PE (12m F'rd)				% Price Change (12M)				Price/Cash Flow			
Name	Sedol	MCap	Value	Name	Sedol	MCap	Value	Name	Sedol	MCap	Value
Korea Zinc	649542	1,073	5.7	STX Shipbuilding	B130MM	1,036	132.5	Dongbu Ins	615593	1,071	1.9
LG Card	652336	1,100	5.8	Hyundai Heavy Ind	644662	8,502	121.7	LG Card	652336	1,100	3.6
INI Steel Co	646185	1,928	6.2	Doosan Corp	666111	1,229	111.0	Orion Corp	689684	1,003	4.5
STX Shipbuilding	B130MM	1,036	6.2	Hyundai Mipo Dockyard	645106	2,173	107.5	POSCO	669323	32,901	5.2
Ind Bank Of Korea	646297	3,435	7.2	Doosan Heavy Ind Const	629467	3,106	89.4	Korean Reinsurance	B01T14	1,169	5.6
Dongkuk Steel Mill	627611	1,306	7.3	Samsung Eng	676523	2,039	78.7	Samsung Fire & Marine	615525	7,362	5.9
Hynix Semi Inc	645026	11,703	7.4	LG Household & H'Care	634445	1,271	70.6	LG Telecom	629090	1,546	6.2
Hyundai Mobis	644954	5,560	8.0	Hanarotelecom Inc	613481	1,058	63.9	Woongjin Coway	617340	1,312	6.2
GS Corp	B01RJV	1,772	8.1	POSCO	669323	32,901	57.7	LG Philips Lcd	B01VZN	3,655	7.0
SK Corp	698837	11,231	8.3	Hanjin Shipping	649707	2,726	54.8	Pusan Bank	607555	2,183	7.1

Source: Citigroup Investment Research

<http://deadpresident.blogspot.com>

Figure 27. Scenario Analysis – South Korea vs. Region ex Japan



Source: Citigroup Investment Research

Figure 28. Performance Spread between High (Top 20%) and Low (Bottom 20%) Factor Portfolios Regionally - Rank in Brackets

	Returns						IRs			
	1m	3m	6m	1y	2y	5y	1y	2y	5y	
Valuations										
Dividend Yield	-1.0 (19)	2.3 (18)	13.0 (7)	15.8 (13)	5.8 (11)	17.2 (12)	1.6 (6)	0.4 (12)	1.1 (12)	
Price/Cash Flow	0.0 (13)	13.2 (1)	26.2 (1)	51.1 (1)	16.9 (9)	22.0 (9)	5.8 (1)	1.1 (9)	1.3 (9)	
Trailing PE	-1.4 (21)	4.3 (14)	15.6 (4)	30.3 (4)	4.1 (15)	25.0 (8)	3.8 (2)	0.3 (15)	1.3 (8)	
F'Cast PE (12m F'rd)	2.1 (7)	9.9 (3)	21.9 (2)	16.8 (11)	-7.8 (22)	21.6 (10)	1.2 (12)	-0.5 (22)	1.1 (10)	
Price/Sales	-3.0 (25)	8.5 (5)	14.8 (5)	41.4 (2)	20.2 (7)	31.5 (3)	3.3 (4)	1.5 (7)	1.8 (5)	
Price/Book	0.2 (12)	3.0 (17)	11.3 (11)	13.7 (15)	19.0 (8)	28.5 (6)	1.3 (11)	1.8 (4)	2.2 (4)	
Profitability										
Reported ROE	-1.0 (18)	-0.1 (20)	7.3 (17)	14.0 (14)	-10.4 (24)	-11.5 (25)	1.1 (14)	-0.7 (23)	-0.6 (24)	
Forecast ROE	3.6 (2)	6.9 (7)	8.3 (16)	4.4 (19)	-8.0 (23)	-3.6 (21)	0.5 (19)	-0.8 (24)	-0.3 (22)	
Net Margin (Trailing)	-3.8 (26)	-4.8 (25)	-3.2 (22)	-8.6 (25)	-12.3 (26)	-13.9 (26)	-0.7 (25)	-1.2 (26)	-0.9 (26)	
Net Margin (F'Cast)	-1.5 (22)	-10.6 (27)	-6.1 (26)	-15.4 (27)	-12.5 (27)	-21.2 (27)	-1.4 (27)	-1.2 (27)	-1.7 (27)	
Earnings Certainty & Quality										
Cash flow to Earnings	-6.5 (27)	-6.1 (26)	-5.3 (25)	0.1 (20)	4.8 (14)	14.0 (13)	0.0 (20)	0.4 (11)	1.1 (13)	
Earnings Estimate Variability (Hist)	-1.8 (23)	-2.5 (22)	-9.3 (27)	-11.3 (26)	-11.8 (25)	-3.8 (22)	-1.2 (26)	-1.0 (25)	-0.1 (20)	
Earnings Estimate Dispersion FY1	-2.3 (24)	-3.4 (23)	-4.8 (24)	-5.0 (23)	2.0 (16)	-0.2 (19)	-0.5 (23)	0.2 (16)	0.0 (19)	
Earnings Growth										
Historical EPS Growth	6.2 (1)	11.0 (2)	10.7 (14)	7.1 (18)	-7.1 (21)	-2.4 (20)	0.6 (18)	-0.5 (21)	-0.1 (21)	
1Y EPS Growth	-0.1 (15)	4.3 (13)	10.8 (13)	19.7 (6)	7.7 (10)	9.0 (16)	1.2 (13)	0.5 (10)	0.5 (16)	
Earnings Revisions Ratio	-1.1 (20)	4.2 (15)	10.6 (15)	16.5 (12)	27.7 (4)	30.5 (4)	1.5 (7)	2.6 (3)	2.4 (3)	
PEG Ratio	0.7 (9)	4.5 (12)	3.2 (19)	7.9 (17)	-0.9 (18)	2.9 (17)	1.3 (10)	-0.1 (19)	0.2 (17)	
Long Term PEG Ratio	1.5 (8)	7.6 (6)	11.2 (12)	17.6 (7)	5.3 (12)	12.3 (15)	1.3 (9)	0.4 (13)	0.8 (14)	
Price Momentum										
% Price Change (1M)	2.2 (6)	-1.0 (21)	0.2 (20)	-5.8 (24)	-0.5 (17)	-8.6 (23)	-0.5 (24)	0.0 (17)	-0.5 (23)	
% Price Change (3M)	0.0 (14)	-3.5 (24)	-0.5 (21)	-0.7 (21)	5.0 (13)	2.1 (18)	0.0 (21)	0.4 (14)	0.1 (18)	
% Price Change (6M)	2.2 (5)	1.9 (19)	6.0 (18)	13.4 (16)	28.7 (3)	13.4 (14)	0.9 (17)	1.8 (5)	0.7 (15)	
% Price Change (12M)	2.8 (3)	3.6 (16)	12.0 (9)	16.8 (10)	24.2 (6)	25.6 (7)	0.9 (16)	1.4 (8)	1.3 (7)	
First 11 of Last 12M	2.7 (4)	5.5 (10)	13.1 (6)	16.8 (9)	27.5 (5)	29.1 (5)	1.0 (15)	1.6 (6)	1.5 (6)	
260D Trading Value	-0.9 (17)	5.2 (11)	-3.9 (23)	-1.1 (22)	-1.2 (19)	-9.0 (24)	-0.1 (22)	-0.1 (18)	-0.7 (25)	
Radar										
Composite Score	0.6 (10)	9.9 (4)	21.5 (3)	32.9 (3)	33.4 (2)	42.9 (1)	3.4 (3)	2.7 (2)	2.7 (1)	
Relative Valuation Score	-0.3 (16)	6.0 (9)	11.8 (10)	17.3 (8)	-2.9 (20)	17.5 (11)	1.4 (8)	-0.2 (20)	1.1 (11)	
Composite Momentum Score	0.5 (11)	6.2 (8)	12.5 (8)	26.4 (5)	35.7 (1)	38.0 (2)	1.9 (5)	2.8 (1)	2.6 (2)	

Source: FactSet, I/B/E/S, WorldScope, Citigroup Investment Research

<http://deadpresident.blogspot.com>

Taiwan

Bottom-up view – Unattractive

The Radar View – Taiwan ranks poorly in our overall ranking model; it falls into our Unattractive quadrant, and is still one of the bottom-three markets on the composite ranking.

Scenario Analysis — Poised for Growth

Stronger global growth — Negative exposure to rising rates, rising oil prices, and widening US credit spreads suggests Taiwan is likely to outperform the region if global growth is robust. Again, our economist's relative positive economic outlook still seems to be positive for Taiwan.

Growth not value — More generally, we would also expect to see Taiwan outperform if Growth outperforms Value regionally.

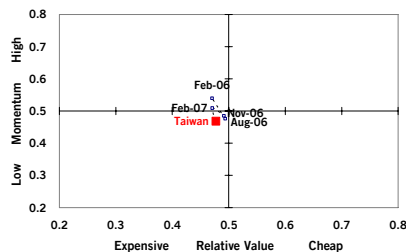
What's Working — Valuations and Revisions

Value back in favor — Valuation factors have a good track-record of helping investors differentiate between stocks in Taiwan and the more tangible measures of value (notably trailing dividend yields and trailing earnings) are continuing to prove useful this year.

Price momentum — However, Price Momentum strategies, which have had a mixed record in Taiwan, are adding value, with both measures of long-term price momentum making it into the top-10 for the first quarter.

Other Factors — Profitability-based measures, however, are proving the real surprise. While the long-term usefulness of following such factors remains much in doubt, so far this year they are proving to be the real stand-out factors to watch.

Figure 29. Radar Chart



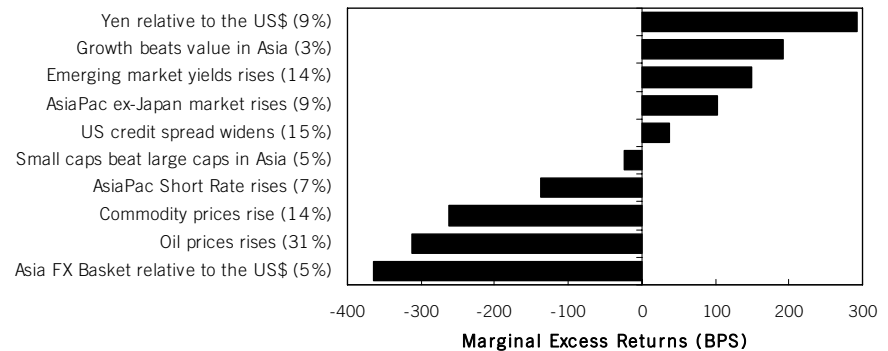
Source: Citigroup Investment Research

Figure 30. Top Ranked Companies by Factor (Market Cap > 1B)

% Price Change (12M)				Forecast ROE				Dividend Yield			
Name	Sedol	MCap	Value	Name	Sedol	MCap	Value	Name	Sedol	MCap	Value
Pixart Imaging Inc	667336	1,132	219.7	High Tech Comp Corp	651053	6,726	1.1	China Steel Corp	619095	9,366	10.1
Realtek Semi Corp	605142	1,701	110.3	Foxconn Tech	680177	5,709	0.9	Far Eastone Telecoms	642185	2,156	8.2
Foxconn Tech	680177	5,709	109.1	Catcher Tech	618666	2,785	0.8	Formosa Chems & Fibre Corp	634871	6,201	8.2
D-Link Corp	625487	1,165	86.6	Largan Precision	645166	1,352	0.7	Taiwan Mobile	629049	2,493	7.3
Siliconware Precision Ind	680887	4,668	60.9	Tripod Tech Corp	630572	1,501	0.6	Mega Financial Co	644406	4,517	7.2
Uni-President Ent Corp	670039	2,820	60.1	Powertech Tech Inc	659967	1,590	0.5	Hotai Motor	641716	1,148	6.7
Pou Chen Corp	669615	2,003	59.9	Novatek Microelectronics	634633	1,956	0.5	Chunghwa Telecom	628784	7,491	6.7
Far Eastern Int Bank	632845	1,004	54.9	Hon Hai	643856	28,357	0.4	Formosa Plastics	634854	9,422	6.5
Inventec Corp	645993	1,516	51.7	Mediatek Inc	637248	11,119	0.4	Formosa P'Chem Corp	671871	4,383	6.5
Asia Cement Corp	605633	1,589	51.6	Everlight Elec	609492	1,123	0.3	Nan Ya Plastics	662158	10,104	6.0

Source: Citigroup Investment Research

Figure 31. Scenario Analysis – Taiwan vs. Region ex Japan



Source: Citigroup Investment Research

Figure 32. Performance Spread between High (Top 20%) and Low (Bottom 20%) Factor Portfolios Regionally - Rank in Brackets

	Returns					IRs			
	1m	3m	6m	1y	2y	5y	1y	2y	5y
Valuations									
Dividend Yield	2.1 (11)	8.3 (6)	-0.7 (19)	2.1 (16)	6.1 (12)	13.7 (5)	0.1 (18)	0.4 (14)	0.8 (6)
Price/Cash Flow	-3.8 (26)	-8.4 (26)	-6.2 (22)	-1.8 (22)	-12.4 (26)	12.4 (7)	-0.2 (24)	-1.3 (27)	0.9 (4)
Trailing PE	2.1 (10)	8.2 (7)	3.1 (14)	11.8 (6)	3.4 (16)	10.3 (8)	0.8 (9)	0.3 (16)	0.6 (11)
F'Cast PE (12m F'rd)	4.2 (6)	6.5 (11)	10.0 (7)	3.5 (15)	1.0 (19)	6.0 (16)	0.4 (12)	0.1 (19)	0.5 (14)
Price/Sales	-1.9 (23)	-7.0 (25)	7.8 (9)	2.1 (17)	-10.1 (24)	5.6 (17)	0.2 (17)	-0.8 (25)	0.3 (17)
Price/Book	-6.4 (27)	-16.0 (27)	0.9 (18)	5.8 (11)	-14.7 (27)	9.0 (11)	0.2 (15)	-0.7 (23)	0.3 (16)
Profitability									
Reported ROE	4.0 (7)	9.9 (2)	-4.2 (21)	-3.8 (24)	7.8 (11)	-1.1 (21)	-0.2 (23)	0.5 (13)	-0.1 (21)
Forecast ROE	5.7 (2)	13.4 (1)	4.2 (13)	-0.3 (19)	14.1 (7)	-4.0 (24)	0.0 (19)	0.8 (7)	-0.2 (22)
Net Margin (Trailing)	2.1 (12)	8.3 (5)	-7.7 (24)	-1.2 (20)	8.3 (10)	4.5 (18)	-0.1 (20)	0.6 (9)	0.2 (18)
Net Margin (F'Cast)	1.6 (15)	9.2 (3)	1.6 (17)	-2.0 (23)	8.6 (9)	-3.0 (22)	-0.1 (22)	0.7 (8)	-0.2 (23)
Earnings Certainty & Quality									
Cash flow to Earnings	-1.3 (20)	0.5 (19)	-0.8 (20)	7.4 (8)	1.8 (18)	6.3 (15)	1.0 (7)	0.2 (17)	0.6 (9)
Earnings Estimate Variability (Hist)	3.4 (8)	3.4 (17)	2.6 (16)	4.4 (12)	2.7 (17)	2.3 (19)	0.4 (11)	0.2 (18)	0.1 (19)
Earnings Estimate Dispersion FY1	4.3 (4)	4.5 (15)	4.9 (12)	1.3 (18)	3.9 (15)	-0.1 (20)	0.2 (16)	0.5 (12)	0.0 (20)
Earnings Growth									
Historical EPS Growth	-3.6 (25)	-5.0 (24)	-14.0 (26)	-13.8 (25)	-6.8 (22)	-3.8 (23)	-1.2 (25)	-0.5 (22)	-0.3 (24)
1Y EPS Growth	1.9 (13)	3.4 (16)	-7.2 (23)	-1.3 (21)	4.9 (14)	8.5 (12)	-0.1 (21)	0.5 (11)	0.7 (7)
Earnings Revisions Ratio	-1.5 (21)	4.6 (14)	15.4 (1)	24.1 (1)	32.7 (1)	20.3 (3)	2.0 (2)	1.8 (4)	1.2 (3)
PEG Ratio	-0.5 (19)	1.6 (18)	5.9 (10)	7.2 (9)	-3.7 (20)	-6.0 (26)	1.2 (5)	-0.5 (21)	-0.7 (26)
Long Term PEG Ratio	-1.8 (22)	-1.6 (22)	-10.9 (25)	-16.8 (26)	-11.0 (25)	-5.1 (25)	-1.6 (26)	-1.1 (26)	-0.4 (25)
Price Momentum									
% Price Change (1M)	4.3 (5)	5.0 (13)	15.1 (2)	16.1 (4)	5.7 (13)	10.3 (9)	1.1 (6)	0.4 (15)	0.6 (12)
% Price Change (3M)	6.8 (1)	0.5 (20)	5.2 (11)	4.4 (13)	9.7 (8)	10.1 (10)	0.3 (13)	0.5 (10)	0.5 (13)
% Price Change (6M)	4.5 (3)	6.3 (12)	11.1 (5)	19.7 (2)	30.6 (3)	7.9 (13)	2.1 (1)	1.9 (3)	0.4 (15)
% Price Change (12M)	2.4 (9)	6.9 (9)	10.4 (6)	9.1 (7)	21.8 (4)	15.1 (4)	0.8 (10)	1.4 (5)	0.8 (5)
First 11 of Last 12M	1.4 (16)	7.6 (8)	7.9 (8)	3.6 (14)	21.5 (5)	12.6 (6)	0.3 (14)	1.3 (6)	0.7 (8)
260D Trading Value	-2.5 (24)	-2.9 (23)	-14.8 (27)	-27.2 (27)	-5.4 (21)	-16.6 (27)	-1.8 (27)	-0.3 (20)	-0.9 (27)
Radar									
Composite Score	1.2 (17)	6.6 (10)	12.2 (4)	12.6 (5)	18.1 (6)	25.2 (1)	1.3 (4)	2.0 (2)	2.1 (1)
Relative Valuation Score	-0.4 (18)	-1.5 (21)	2.9 (15)	6.6 (10)	-8.2 (23)	7.0 (14)	1.0 (8)	-0.8 (24)	0.6 (10)
Composite Momentum Score	1.6 (14)	8.4 (4)	14.5 (3)	19.2 (3)	32.5 (2)	23.6 (2)	2.0 (3)	2.3 (1)	1.4 (2)

Source: FactSet, I/B/E/S, WorldScope, Citigroup Investment Research

<http://deadpresident.blogspot.com>

Hong Kong

Bottom-up view – Attractive

Hong Kong moves back to the top of our regional ranking. Both the Value and Momentum legs of the Radar process are supportive and both worked well last month and the overall process continues to perform well; the Attractive/Unattractive quadrant spread has now been positive every month since January 2006.

Scenario Analysis — Defensive

Risk aversion — A positive exposure to widening US credit spreads and rising emerging market yields – both factors that tend to act as proxies for risk aversion – and a negative exposure to the regional market factor suggest Hong Kong will outperform in an environment where risk tolerance is decreasing. Given our view on volatility, this market is likely to continue to do well in 2007.

Interest-rate sensitive — However, we also note that as befits a market with significant exposure to financials (and property stocks in particular), Hong Kong will likely under-perform if Asian interest rates rise.

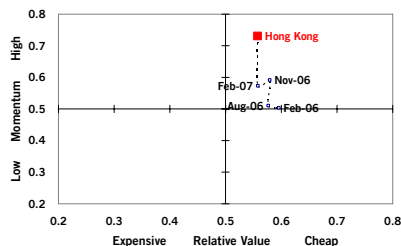
What's Working — Persistence of Price Momentum

Long-run momentum measures — Over the long-run, Momentum has been key to unlocking value in Hong Kong and most Momentum strategies have had a good long-term track record. However, while momentum rebounded strongly in March, taking the first quarter of 2007 as a whole shows all these strategies disappointed. All the common measures destroyed value.

However, it is the 12-month price momentum strategies that have had the strongest track record. These also performed the least badly this year.

Valuation — Valuation strategies, which have tended to perform poorly in Hong Kong over the past two years, rebounded in the first quarter. Three of the top-5 strategies we watch were variants on value: Trailing and Forecast P/E's and Price/Book. Consistent with this is the strong performance of the Radar Value model over the quarter, which has helped make up for the poor performance of the Radar momentum model over the same period.

Figure 33. Radar Chart



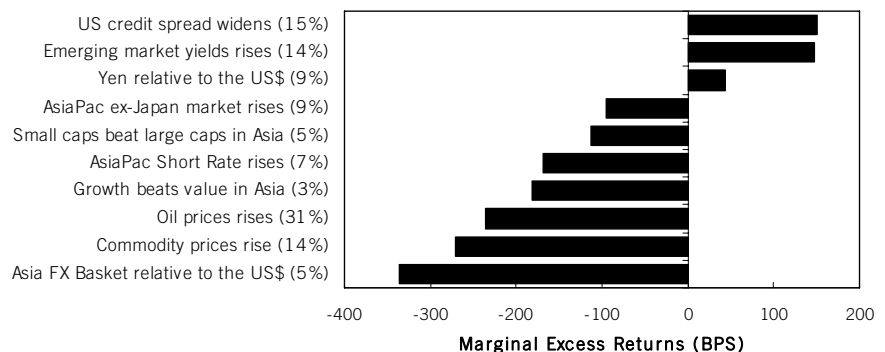
Source: Citigroup Investment Research

Figure 34. Top Ranked Companies by Factor (Market Cap > 1B)

% Price Change (12M)				Price/Book				F'Cast PE (12m F'rd)			
Name	Sedol	MCap	Value	Name	Sedol	MCap	Value	Name	Sedol	MCap	Value
Orient Overseas Int	665911	1,871	176.6	Great Eagle	638740	1,203	0.6	Kowloon Motor Bus	608116	1,469	5.2
CDC Corp Cl A	G2022L10	(blank)	105.5	Hysan Dev	644962	1,689	0.8	Pacific Basin Shipping	B01RQM	1,336	8.2
Citic Int Financial	648449	1,104	94.8	Wheelock & Co	698148	1,854	0.9	Guoco	639036	1,596	8.9
Pacific Basin Shipping	B01RQM	1,336	87.4	Wharf	643557	4,545	0.9	Hutchison Whampoa	644806	20,513	9.6
Hengan Int	613623	1,898	86.2	Guoco	639036	1,596	1.0	Cheung Kong	619027	18,456	9.6
First Pacific	633987	1,088	66.7	HK & Shanghai Hotels	643638	1,127	1.0	Techtronic Ind	B0190C	1,209	9.7
HK Aircraft Eng	643526	1,017	65.7	Henderson Land	642053	4,789	1.1	Hopson Development	611624	1,319	9.8
Foxconn Int	B05MBB	5,750	63.9	Cheung Kong	619027	18,456	1.1	Vtech	692856	1,048	10.0
HK Exchanges & Clearing	626735	10,393	62.7	Hutchison Whampoa	644806	20,513	1.2	Kingboard Chem	649131	2,418	10.5
Bank Of East Asia	607564	9,021	62.0	Swire Pacific	686774	10,442	1.2	Hongkong Electric	643532	6,695	12.1

Source: Citigroup Investment Research

Figure 35. Scenario Analysis – Hong Kong vs. Region ex Japan



Source: Citigroup Investment Research

Figure 36. Performance Spread between High (Top 20%) and Low (Bottom 20%) Factor Portfolios Regionally - Rank in Brackets

	Returns					IRs			
	1m	3m	6m	1y	2y	5y	1y	2y	5y
Valuations									
Dividend Yield	2.0 (12)	1.3 (13)	-14.1 (27)	-2.5 (21)	-10.3 (22)	5.7 (18)	-0.2 (21)	-0.7 (22)	0.3 (19)
Price/Cash Flow	3.2 (6)	5.4 (8)	-0.2 (15)	2.5 (18)	-10.8 (23)	7.4 (14)	0.3 (18)	-0.9 (23)	0.5 (16)
Trailing PE	1.5 (15)	8.7 (4)	-1.1 (18)	4.0 (17)	6.2 (16)	16.9 (7)	0.3 (17)	0.6 (17)	1.1 (7)
F'Cast PE (12m F'rd)	-0.2 (22)	12.3 (1)	2.8 (10)	-10.1 (26)	-14.2 (26)	10.4 (12)	-0.8 (26)	-1.2 (24)	0.7 (12)
Price/Sales	1.1 (18)	7.2 (6)	0.9 (13)	-6.4 (25)	-11.7 (24)	5.9 (17)	-0.7 (25)	-1.2 (25)	0.4 (18)
Price/Book	1.2 (16)	10.4 (3)	4.5 (5)	-3.8 (22)	-1.6 (19)	15.6 (8)	-0.4 (22)	-0.1 (19)	1.0 (10)
Profitability									
Reported ROE	1.9 (13)	-0.6 (15)	-4.4 (23)	9.2 (13)	8.7 (14)	-2.3 (21)	1.0 (11)	1.2 (12)	-0.1 (21)
Forecast ROE	1.1 (17)	0.3 (14)	1.0 (12)	0.7 (20)	-1.9 (20)	-5.8 (24)	0.1 (19)	-0.3 (20)	-0.4 (23)
Net Margin (Trailing)	0.8 (19)	-2.0 (19)	-3.9 (22)	4.5 (16)	12.1 (10)	-0.3 (20)	0.4 (16)	0.9 (14)	0.0 (20)
Net Margin (F'Cast)	1.6 (14)	-1.8 (18)	-1.3 (19)	8.2 (14)	5.8 (17)	-4.7 (23)	0.9 (12)	0.7 (16)	-0.4 (24)
Earnings Certainty & Quality									
Cash flow to Earnings	-0.2 (23)	-2.7 (21)	-11.2 (26)	-5.1 (24)	-14.4 (27)	-3.9 (22)	-0.5 (24)	-1.3 (26)	-0.3 (22)
Earnings Estimate Variability (Hist)	-1.8 (27)	-2.1 (20)	-5.5 (24)	-15.5 (27)	-14.2 (25)	-14.7 (27)	-2.6 (27)	-1.8 (27)	-1.5 (27)
Earnings Estimate Dispersion FY1	-0.5 (25)	2.8 (12)	-1.6 (20)	-4.8 (23)	1.7 (18)	-7.0 (26)	-0.5 (23)	0.2 (18)	-0.5 (26)
Earnings Growth									
Historical EPS Growth	2.6 (8)	5.9 (7)	11.9 (2)	13.9 (7)	9.2 (11)	5.5 (19)	3.1 (2)	1.8 (9)	0.5 (15)
1Y EPS Growth	2.4 (9)	5.2 (9)	4.0 (8)	12.5 (10)	17.7 (8)	7.7 (13)	1.9 (8)	2.3 (4)	0.6 (13)
Earnings Revisions Ratio	2.8 (7)	-7.1 (25)	-0.5 (16)	6.2 (15)	14.3 (9)	11.9 (10)	0.6 (15)	1.6 (10)	1.0 (8)
PEG Ratio	2.2 (10)	4.3 (11)	9.1 (3)	9.5 (11)	8.5 (15)	10.5 (11)	2.1 (6)	1.2 (11)	1.0 (9)
Long Term PEG Ratio	-0.6 (26)	7.5 (5)	17.8 (1)	13.7 (9)	8.8 (13)	7.0 (15)	1.7 (9)	0.9 (13)	0.5 (17)
Price Momentum									
% Price Change (1M)	-0.5 (24)	-1.0 (16)	3.2 (9)	21.9 (6)	25.7 (5)	14.3 (9)	2.0 (7)	2.3 (2)	1.0 (11)
% Price Change (3M)	0.4 (20)	-12.6 (27)	-5.7 (25)	13.8 (8)	30.2 (2)	24.3 (6)	0.8 (13)	1.8 (8)	1.4 (5)
% Price Change (6M)	3.6 (4)	-6.8 (24)	4.0 (7)	26.9 (2)	32.7 (1)	27.8 (2)	1.7 (10)	2.2 (5)	1.7 (3)
% Price Change (12M)	3.8 (3)	-5.2 (22)	-1.1 (17)	31.0 (1)	30.1 (3)	28.5 (1)	2.2 (4)	2.0 (6)	1.5 (4)
First 11 of Last 12M	3.4 (5)	-6.4 (23)	0.6 (14)	26.9 (3)	24.3 (6)	24.8 (4)	2.1 (5)	1.9 (7)	1.4 (6)
260D Trading Value	-0.1 (21)	-10.6 (26)	-2.7 (21)	9.4 (12)	9.1 (12)	-6.0 (25)	0.8 (14)	0.8 (15)	-0.5 (25)
Radar									
Composite Score	3.9 (2)	4.7 (10)	7.9 (4)	22.1 (5)	18.5 (7)	24.4 (5)	4.0 (1)	2.6 (1)	2.3 (1)
Relative Valuation Score	2.0 (11)	10.8 (2)	2.1 (11)	1.0 (19)	-2.4 (21)	6.5 (16)	0.1 (20)	-0.3 (21)	0.6 (14)
Composite Momentum Score	4.4 (1)	-1.2 (17)	4.2 (6)	26.6 (4)	28.4 (4)	26.2 (3)	2.2 (3)	2.3 (3)	2.0 (2)

Source: FactSet, I/B/E/S, WorldScope, Citigroup Investment Research

<http://deadpresident.blogspot.com>

China

Bottom-up view – Glamour

Still Attractive: China has been in the Glamour quadrant since mid-2006, with strong momentum but relatively expensive valuations, and nothing much appears to be changing. It now ranks in the bottom half of the regional country ranking and is looking increasingly vulnerable from a valuation perspective.

Scenario Analysis — High-Beta Tilt

Market sensitivity – The largest sensitivity of Chinese equities is to the regional equity market; if the equity market were to rise by one standard deviation (9%), we would expect the Chinese market to outperform by almost 300 basis points.

Rate sensitive — Equally important is a liberal funding environment. Chinese equities are likely to under-perform meaningfully if Asian rates rise significantly.

US credit spreads – Poor economic growth in the key US export market and a resulting widening of the US credit spread would also likely have a negative impact on the Chinese equity market. So, again, a relatively benign outcome here is likely to be beneficial.

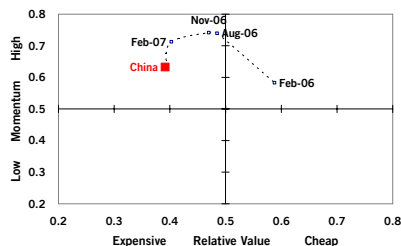
What's Working — Value and Momentum

Momentum — Momentum-support for China remains strong and momentum strategies staged a come-back in March, taking four of the top-5 spots. However, they have struggled of late, delivering negative returns over the quarter, due largely to the poor performance of many of the high-momentum names during the pull-back. This demonstrates the vulnerability of momentum strategies in high-Glamour markets during correction phases.

Valuations — In contrast, the tangible valuation metrics (notably Price/Revenue; Price/Book; Price/Cash Flow) did well over the quarter delivering double-digit returns and taking the top-three spots for the quarter. However, the continuing usefulness of analyst earnings revisions in China is also striking; this is one of the few measures that deliver positive returns month-in, month out.

Radar – This demonstrates why we believe one should always consider both Value and Momentum. We continue to believe in the Radar process. Radar continues to perform strongly in China and the Radar composite factor is another factor that has consistently delivered solid returns.

Figure 37. Radar Chart



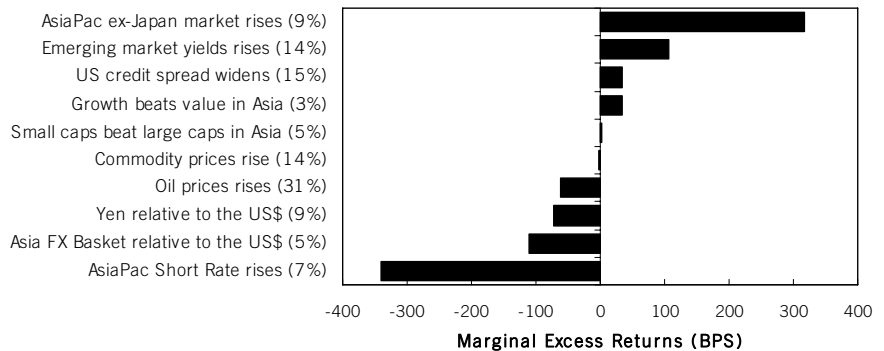
Source: Citigroup Investment Research

Figure 38. Top Ranked Companies by Factor (Market Cap > 1B)

Price/Cash Flow				Long Term PEG Ratio				Earnings Revisions Ratio			
Name	Sedol	MCap	Value	Name	Sedol	MCap	Value	Name	Sedol	MCap	Value
Semi Manf Int Corp	674347	2,277	3.4	Shimao Property Holdings	B16YNS	2,110	0.0	BYD	653665	738	76.0
China Shipping	B018L7	706	3.7	Greentown China Hldgs	B17N9P	710	0.1	China Intl Marine Cont 'B	619135	1,607	64.3
China Telecom Corp	655933	6,821	3.9	Agile Property Holdings	B0PR2F	1,542	0.3	China Infra Machinery	B0MSW5	520	50.0
Weiqiao Textile	668459	598	4.9	Yanlord Land Group	B17KMY	747	0.5	Li Ning	B01JCK	1,342	48.5
Huadian Power Int Corp	614278	513	5.3	China Res Land	619376	1,378	0.5	Ports Design	B03XK9	778	43.5
Datang Int Power Gen	608071	1,355	5.5	Angang New Steel	601564	1,544	0.5	Yantai Changyu Pioneer Wine 'B	604364	864	38.9
China Unicom	626383	4,155	5.6	Shenzhen Inv	653526	723	0.5	China Oilfield Svcs	656099	1,234	37.9
Aluminum Corp Of China	642539	4,083	5.6	TPV Tech	617957	732	0.5	Aluminum Corp Of China	642539	4,083	35.7
TPV Tech	617957	732	5.7	China Power Int Dev	B02ZKQ	780	0.6	Bank of China	B15456	10,978	33.3
Ping An Ins Of China	B01FLR	6,495	5.9	China Res Power	671156	1,640	0.6	People'S Food	633633	597	33.3

Source: Citigroup Investment Research

Figure 39. Scenario Analysis – China vs. Region ex Japan



Source: Citigroup Investment Research

Figure 40. Performance Spread between High (Top 20%) and Low (Bottom 20%) Factor Portfolios Regionally - Rank in Brackets

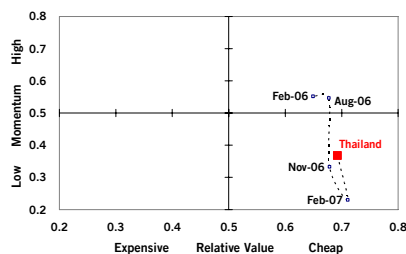
	Returns					IRs			
	1m	3m	6m	1y	2y	5y	1y	2y	5y
Valuations									
Dividend Yield	0.3 (11)	4.8 (7)	2.2 (16)	8.7 (12)	9.9 (11)	32.0 (4)	1.0 (8)	0.8 (11)	2.1 (2)
Price/Cash Flow	-1.0 (20)	12.4 (3)	7.6 (10)	31.6 (1)	7.7 (14)	25.5 (10)	2.2 (4)	0.6 (13)	1.3 (7)
Trailing PE	-1.5 (23)	-9.4 (20)	-2.4 (21)	1.1 (16)	17.3 (7)	35.5 (2)	0.1 (15)	1.4 (5)	1.8 (4)
F'Cast PE (12m F'rd)	-1.4 (22)	0.3 (12)	-0.4 (18)	-2.6 (20)	5.5 (16)	25.9 (9)	-0.2 (20)	0.4 (15)	1.3 (8)
Price/Sales	0.8 (10)	23.8 (1)	16.9 (6)	20.3 (6)	11.9 (10)	13.4 (16)	1.1 (6)	0.7 (12)	0.8 (15)
Price/Book	-2.3 (26)	13.1 (2)	-2.9 (22)	3.3 (14)	-4.6 (25)	20.1 (11)	0.2 (14)	-0.3 (23)	0.9 (12)
Profitability									
Reported ROE	-0.3 (13)	-13.3 (23)	-4.8 (23)	-6.0 (21)	8.1 (13)	16.2 (12)	-0.3 (21)	0.5 (14)	1.1 (11)
Forecast ROE	-0.2 (12)	-10.5 (22)	1.2 (17)	-7.1 (22)	4.1 (17)	5.0 (23)	-0.4 (22)	0.2 (18)	0.3 (23)
Net Margin (Trailing)	-2.5 (27)	-21.0 (27)	-17.2 (27)	-16.1 (25)	-6.4 (26)	10.2 (19)	-0.9 (25)	-0.4 (25)	0.7 (17)
Net Margin (F'Cast)	-1.6 (25)	-15.9 (24)	-10.1 (24)	-11.6 (24)	-1.9 (22)	0.0 (25)	-0.7 (24)	-0.1 (22)	0.0 (25)
Earnings Certainty & Quality									
Cash flow to Earnings	-0.5 (16)	6.6 (5)	-0.5 (19)	17.2 (7)	-4.5 (24)	-0.7 (26)	1.0 (9)	-0.3 (24)	-0.1 (26)
Earnings Estimate Variability (Hist)	-0.7 (18)	-8.1 (17)	-11.0 (25)	-0.6 (18)	-7.2 (27)	-11.1 (27)	0.0 (18)	-0.6 (27)	-0.8 (27)
Earnings Estimate Dispersion FY1	-0.3 (14)	5.2 (6)	3.9 (15)	6.6 (13)	14.4 (8)	3.4 (24)	0.5 (12)	1.3 (6)	0.2 (24)
Earnings Growth									
Historical EPS Growth	-0.6 (17)	-18.3 (26)	-11.8 (26)	-18.3 (27)	-0.8 (21)	8.2 (22)	-1.2 (27)	-0.1 (21)	0.6 (19)
1Y EPS Growth	-1.6 (24)	-8.9 (18)	6.8 (11)	10.5 (8)	13.8 (9)	12.0 (18)	0.7 (10)	0.8 (10)	0.8 (14)
Earnings Revisions Ratio	2.0 (9)	3.0 (9)	17.5 (5)	30.6 (2)	34.4 (3)	30.9 (6)	3.4 (1)	3.0 (2)	2.1 (3)
PEG Ratio	-1.1 (21)	1.8 (10)	10.9 (8)	9.7 (11)	-3.9 (23)	9.4 (20)	1.1 (7)	-0.4 (26)	0.5 (21)
Long Term PEG Ratio	6.8 (2)	10.4 (4)	18.8 (3)	27.9 (4)	25.8 (4)	15.0 (15)	2.3 (3)	2.2 (4)	0.8 (13)
Price Momentum									
% Price Change (1M)	-0.5 (15)	-1.7 (14)	7.6 (9)	-1.7 (19)	3.9 (18)	8.9 (21)	-0.1 (19)	0.2 (17)	0.5 (22)
% Price Change (3M)	2.6 (8)	-10.1 (21)	4.0 (14)	-8.8 (23)	6.2 (15)	12.7 (17)	-0.5 (23)	0.3 (16)	0.6 (20)
% Price Change (6M)	4.8 (5)	-9.0 (19)	4.2 (13)	-16.9 (26)	3.6 (19)	15.7 (13)	-0.9 (26)	0.2 (19)	0.6 (18)
% Price Change (12M)	7.2 (1)	-4.9 (15)	18.9 (2)	10.3 (9)	20.1 (6)	31.2 (5)	0.5 (13)	0.9 (9)	1.2 (10)
First 11 of Last 12M	6.2 (3)	-5.8 (16)	16.8 (7)	10.1 (10)	21.9 (5)	28.5 (7)	0.5 (11)	1.1 (7)	1.2 (9)
260D Trading Value	5.4 (4)	-16.2 (25)	4.3 (12)	1.9 (15)	1.5 (20)	15.4 (14)	0.1 (16)	0.1 (20)	0.7 (16)
Radar									
Composite Score	3.5 (6)	3.3 (8)	17.8 (4)	24.2 (5)	39.6 (1)	49.6 (1)	2.0 (5)	2.8 (3)	2.4 (1)
Relative Valuation Score	-0.9 (19)	-0.2 (13)	-1.2 (20)	0.2 (17)	9.5 (12)	28.0 (8)	0.0 (17)	0.9 (8)	1.5 (6)
Composite Momentum Score	2.9 (7)	0.5 (11)	21.7 (1)	29.3 (3)	36.8 (2)	32.7 (3)	2.5 (2)	3.1 (1)	1.8 (5)

Source: FactSet, I/B/E/S, WorldScope, Citigroup Investment Research

<http://deadpresident.blogspot.com>

Thailand

Figure 41. Radar Chart



Source: Citigroup Investment Research

Contrarian — Thailand remains in the Contrarian quadrant but momentum has been improving (albeit only becoming "less bad"); this sees Thailand climb into the middle of the country ranking where it now ranks above China. Thailand may have been in the news for the wrong reasons, but it remains the cheapest market based on our value metric.

Scenario analysis — Risk averse

Risk aversion — With positive exposure to both widening US credit spreads and rising emerging market yields, Thailand will likely out-perform if external market conditions deteriorate. This may help explain the relative improvement in Momentum during this turbulent first quarter.

Small-cap exposure — Given the market mix, it's not surprising that a RAM analysis of the Thai market suggests it should also do well if small-caps do well.

Value, not growth — Similarly, we see negative exposure to growth.

What's working — Momentum and Value

Systematic Investing rewarded — Historically, and maybe surprisingly, Thailand has tended to reward disciplined systematic investing strategies. We believe that continues to be the case, with most strategies having delivered positive returns.

Price momentum — Long-term price momentum strategies have frequently proved useful over the longer term in Thailand. But while they again did well in March and have delivered positive returns over the quarter, they have tended to lag more fundamental strategies this year.

Valuations — Valuation strategies have staged something of a comeback this year: 5 of the top-10 strategies being valuation variants. Again, the tangible value metrics (trailing Dividend Yield and P/E's as well as Cash Flows) have all performed well – as have the measure of earnings quality: Cash Flow to Earnings.

Radar works — The apparent tendency of value and momentum strategies to perform at different times has also been seen in the continued consistent performance of the Radar combination model — up 9% over 1Q07 and up almost 30% p.a over the past 5 years.

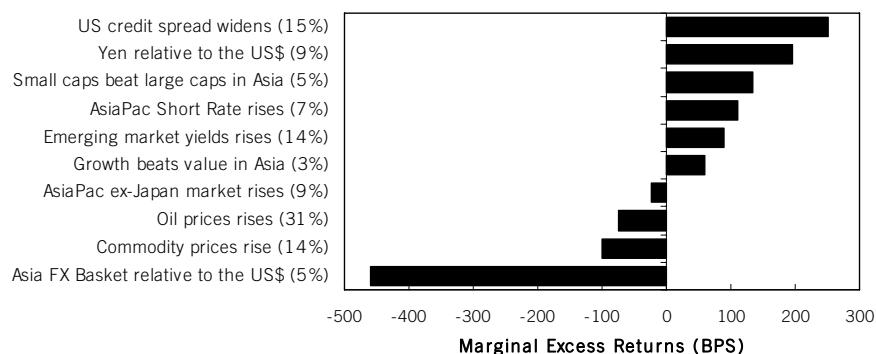
Figure 42. Top Ranked Companies by Factor (Market Cap > 1B)

Dividend Yield				Trailing PE				First 11 of Last 12M			
Name	Sedol	MCap	Value	Name	Sedol	MCap	Value	Name	Sedol	MCap	Value
Precious Shipping	669452	326	18.3	PTT Chem	B0T9JT	605	5.2	Precious Shipping	669452	326	82.5
Advanced Info Service	641256	2,146	9.4	Rayong Refinery	B115VS	708	6.0	BEC World	672832	540	68.3
Siam Cement	660991	2,022	6.4	Precious Shipping	669452	326	6.1	Aromatics Thailand	604766	287	65.7
Thai Oil	B0300P	1,364	6.0	PTT	642038	4,999	6.1	Advance Agro	600797	289	50.0
National Finance	662555	263	5.7	Aromatics Thailand	604766	287	6.5	Central Pattana	B013L9	441	36.2
Rayong Refinery	B115VS	708	5.6	Thai Oil	B0300P	1,364	7.2	Minor Int	B018C0	358	36.2
Hana Microelectronics	B019VT	457	5.3	Thai Airways Int	688885	637	8.1	Elec Gen	630463	660	26.8
Aromatics Thailand	604766	287	5.2	Glow Energy	B07439	413	8.4	Banpu	607484	621	25.5
Siam City Cement	680637	478	5.2	Elec Gen	630463	660	8.6	Airports Of Thailand	674118	710	25.4
Charoen Pokphand Foods	641086	400	5.2	Siam City Bank	612584	266	8.7	Big C Supercenter	677772	281	16.8

Source: Citigroup Investment Research

<http://deadpresident.blogspot.com>

Figure 43. Scenario Analysis – Thailand vs. Region ex Japan



Source: Citigroup Investment Research

Figure 44. Performance Spread between High (Top 20%) and Low (Bottom 20%) Factor Portfolios Regionally - Rank in Brackets

	Returns					IRs			
	1m	3m	6m	1y	2y	5y	1y	2y	5y
Valuations									
Dividend Yield	1.4 (12)	9.3 (3)	16.8 (4)	77.3 (1)	31.7 (4)	23.6 (5)	4.9 (2)	1.6 (8)	1.2 (6)
Price/Cash Flow	1.2 (13)	8.2 (6)	7.3 (9)	21.2 (14)	1.8 (18)	6.6 (17)	1.5 (13)	0.1 (18)	0.4 (16)
Trailing PE	3.8 (3)	13.6 (1)	18.1 (2)	54.3 (2)	19.3 (9)	24.1 (4)	5.1 (1)	1.1 (10)	1.3 (4)
F'Cast PE (12m F'rd)	2.6 (8)	8.4 (5)	9.3 (7)	27.8 (8)	1.6 (19)	15.5 (10)	1.7 (8)	0.1 (19)	0.8 (10)
Price/Sales	-0.3 (21)	2.3 (18)	10.3 (6)	0.2 (24)	0.7 (20)	7.2 (16)	0.0 (24)	0.0 (20)	0.5 (15)
Price/Book	2.8 (7)	5.9 (9)	3.3 (16)	-13.8 (26)	-11.7 (26)	5.2 (18)	-0.9 (25)	-0.8 (26)	0.3 (17)
Profitability									
Reported ROE	2.9 (5)	7.7 (7)	2.3 (17)	32.4 (5)	12.9 (11)	12.9 (13)	2.3 (5)	0.8 (12)	0.8 (9)
Forecast ROE	2.9 (6)	1.4 (21)	7.7 (8)	28.4 (7)	11.0 (14)	10.3 (14)	1.7 (7)	0.7 (13)	0.6 (14)
Net Margin (Trailing)	0.3 (18)	2.9 (17)	-4.5 (24)	18.8 (15)	4.8 (17)	4.4 (20)	1.4 (17)	0.3 (17)	0.3 (20)
Net Margin (F'Cast)	0.2 (20)	3.7 (15)	0.2 (20)	18.3 (16)	8.4 (15)	1.2 (22)	1.4 (15)	0.6 (15)	0.1 (22)
Earnings Certainty & Quality									
Cash flow to Earnings	4.6 (1)	5.7 (11)	18.9 (1)	35.0 (4)	17.7 (10)	17.1 (8)	2.3 (4)	1.4 (9)	1.3 (5)
Earnings Estimate Variability (Hist)	-3.8 (27)	-9.6 (27)	-11.7 (26)	6.6 (21)	11.7 (13)	-10.1 (27)	0.4 (21)	0.6 (14)	-0.5 (27)
Earnings Estimate Dispersion FY1	-2.6 (26)	-5.3 (26)	-6.1 (25)	-12.6 (25)	-0.7 (21)	2.6 (21)	-1.8 (26)	-0.1 (21)	0.1 (21)
Earnings Growth									
Historical EPS Growth	2.2 (9)	4.7 (13)	4.7 (14)	8.5 (19)	7.1 (16)	-0.1 (23)	0.9 (19)	0.5 (16)	0.0 (23)
1Y EPS Growth	0.7 (16)	2.1 (19)	0.5 (19)	4.8 (22)	-8.8 (25)	4.7 (19)	0.3 (22)	-0.6 (24)	0.3 (19)
Earnings Revisions Ratio	1.0 (15)	6.0 (8)	7.0 (12)	21.7 (13)	28.5 (6)	30.4 (2)	1.7 (10)	2.4 (3)	1.5 (2)
PEG Ratio	-1.3 (24)	-2.6 (24)	-0.5 (22)	0.2 (23)	-6.9 (24)	-1.3 (24)	0.0 (23)	-0.8 (25)	-0.1 (24)
Long Term PEG Ratio	0.6 (17)	9.8 (2)	4.7 (15)	13.1 (18)	-2.0 (22)	-3.9 (26)	1.4 (16)	-0.2 (22)	-0.2 (26)
Price Momentum									
% Price Change (1M)	-1.1 (22)	-5.0 (25)	0.0 (21)	7.9 (20)	12.7 (12)	7.4 (15)	0.7 (20)	0.9 (11)	0.3 (18)
% Price Change (3M)	1.2 (14)	-2.6 (23)	-3.4 (23)	22.6 (12)	22.2 (8)	16.0 (9)	1.6 (12)	1.6 (6)	0.8 (11)
% Price Change (6M)	0.2 (19)	1.9 (20)	7.0 (11)	27.8 (9)	39.2 (2)	14.0 (11)	2.3 (6)	2.3 (4)	0.7 (12)
% Price Change (12M)	3.4 (4)	3.5 (16)	7.3 (10)	25.4 (10)	30.7 (5)	18.7 (7)	1.7 (11)	1.7 (5)	0.9 (8)
First 11 of Last 12M	3.9 (2)	4.0 (14)	6.9 (13)	22.8 (11)	26.3 (7)	21.0 (6)	1.4 (14)	1.6 (7)	1.0 (7)
260D Trading Value	-1.2 (23)	1.2 (22)	-14.6 (27)	-25.1 (27)	-20.3 (27)	-2.2 (25)	-1.9 (27)	-1.3 (27)	-0.1 (25)
Radar									
Composite Score	1.5 (11)	9.1 (4)	17.2 (3)	38.5 (3)	37.2 (3)	29.7 (3)	2.6 (3)	2.4 (2)	1.4 (3)
Relative Valuation Score	-1.4 (25)	5.2 (12)	2.2 (18)	15.2 (17)	-3.9 (23)	13.0 (12)	1.3 (18)	-0.2 (23)	0.7 (13)
Composite Momentum Score	1.7 (10)	5.8 (10)	13.4 (5)	28.8 (6)	40.6 (1)	42.1 (1)	1.7 (9)	2.4 (1)	2.0 (1)

Source: FactSet, I/B/E/S, WorldScope, Citigroup Investment Research

<http://deadpresident.blogspot.com>

Singapore

Bottom-up view – Attractive

Singapore ranks second on the ranking this month as an improvement in relative value that sees it move back out of the Glamour quadrant. Both earnings revisions and long-term price momentum appear positive for Singapore equities.

Scenario analysis — Defensive

Outperforming in a falling market — With both a positive exposure to widening credit spreads and a negative beta to the regional market, Singapore is most likely to benefit from a falling market environment as a quality play amid turbulence in emerging markets. This is again consistent with the market's observable behavior this quarter.

Value, not growth — Singapore will likely underperform the region if growth does well; while not notably “cheap” as a market, it also does not appear that exposed to traditional Asian Growth.

What's working — Earnings growth and long-term momentum

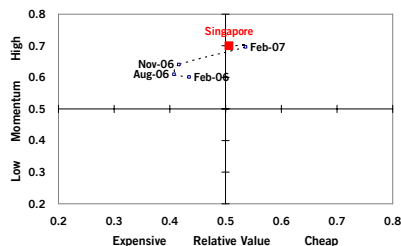
Valuations — The performance of valuation factors continues to be poor with most common value strategies losing money over the month, the quarter and the year. The exception continues to be Price/Book, which delivered 4.4% this quarter.

Profitability and Growth — Following profitability (particularly margins) remains useful; both trailing and forecast margins were top-10 strategies in March and in the first quarter. Most notably, however, is the importance of GARP-style strategies; 9.5% return in March and 21.4% return over the quarter saw the long-term PEG measure as the best single strategy over 6 and 12 months.

Momentum — Momentum strategies continue to do well in Singapore: the long-term price momentum measures have consistently been top-five strategies in this market.

Radar — Singapore has not been the best market for Radar but the returns (especially when the component legs are used in our preferred intersection context) continue to be around 22% p.a.

Figure 45. Radar Chart



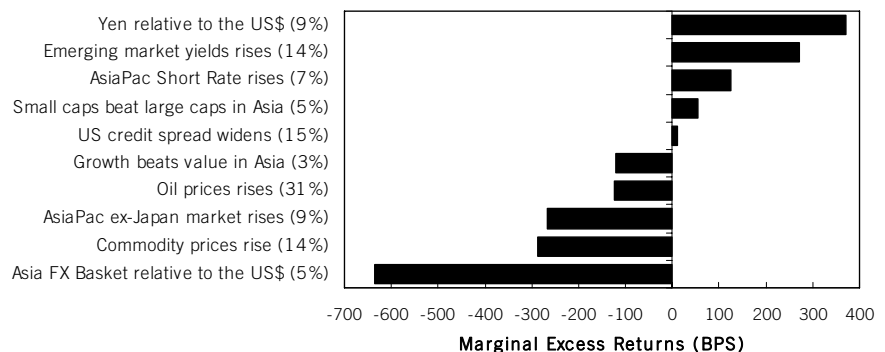
Source: Citigroup Investment Research

Figure 46. Top Ranked Companies by Factor (Market Cap > 1B)

Net Margin (F'Cast)				PEG Ratio				First 11 of Last 12M			
Name	Sedol	MCap	Value	Name	Sedol	MCap	Value	Name	Sedol	MCap	Value
CDL Hospitality Trust	B192HG	557	1.6	Labroy Marine	623499	529	0.5	Golden Agri-Resources	616447	1,127	148.2
Macquarie Int Infra Fund	B07NLK	825	1.6	Guocoland	678673	695	0.6	Ezra Holdings	667442	671	131.6
Ezra Holdings	667442	671	0.8	United Test & Assembly Center	673105	898	0.6	Cosco Corp Singapore	B0WCDT	1,924	120.3
Great Eastern	623500	1,182	0.8	Ezra Holdings	667442	671	0.8	Genting Int	636679	1,131	98.7
Singapore Land	681129	794	0.7	Hotel Props	644018	544	0.8	United Ind Corp	691653	1,292	92.8
Raffles Education Corp	B1G2XT	810	0.7	Cosco Corp Singapore	B0WCDT	1,924	0.8	Raffles Education Corp	B1G2XT	810	90.4
Suntec Reit	B04PZ7	1,642	0.7	Unisteel Tech	621477	507	0.9	Hotel Props	644018	544	81.9
Guocoland	678673	695	0.7	Sembcorp Marine	620513	1,292	0.9	Wheelock Props Singapore	656452	628	81.6
Capitacommercial Tst	B011YD	1,508	0.6	Hyflux	632005	595	0.9	Asia Food & Props	601845	503	77.9
Singapore Exchange	630386	3,471	0.6	Chartered Semi Manf	618091	966	1.0	Keppel Land	685346	2,115	74.8

Source: Citigroup Investment Research

Figure 47. Scenario Analysis – Singapore vs. Region ex Japan



Source: Citigroup Investment Research

Figure 48. Performance Spread between High (Top 20%) and Low (Bottom 20%) Factor Portfolios Regionally - Rank in Brackets

	Returns					IRs				
	1m	3m	6m	1y	2y	5y	1y	2y	5y	
Valuations										
Dividend Yield	-4.3 (25)	-4.1 (22)	-12.9 (20)	-5.3 (17)	-7.0 (18)	10.5 (11)	-0.5 (18)	-0.6 (18)	0.6 (11)	
Price/Cash Flow	-1.6 (21)	-2.8 (20)	-20.3 (24)	-19.7 (24)	-15.7 (25)	-1.0 (17)	-1.7 (24)	-1.4 (24)	-0.1 (17)	
Trailing PE	-0.2 (18)	1.4 (17)	-17.0 (22)	-12.0 (20)	-10.3 (21)	0.8 (16)	-0.9 (19)	-0.9 (20)	0.0 (16)	
F'Cast PE (12m F'rd)	-4.4 (26)	-11.4 (26)	-27.2 (27)	-28.9 (27)	-26.6 (27)	-4.0 (23)	-2.8 (27)	-2.1 (27)	-0.3 (22)	
Price/Sales	0.1 (17)	-6.5 (24)	-19.3 (23)	-21.6 (25)	-14.1 (23)	-1.9 (19)	-2.0 (25)	-1.1 (22)	-0.2 (18)	
Price/Book	-1.4 (20)	4.4 (12)	8.0 (11)	9.9 (10)	6.2 (12)	15.1 (8)	1.1 (10)	0.6 (12)	1.3 (5)	
Profitability										
Reported ROE	1.4 (14)	4.0 (14)	-11.7 (19)	-6.7 (18)	-7.5 (19)	-3.5 (22)	-0.5 (17)	-0.6 (19)	-0.2 (21)	
Forecast ROE	-2.4 (22)	-9.2 (25)	-21.7 (25)	-24.9 (26)	-17.8 (26)	-8.9 (26)	-2.1 (26)	-1.5 (26)	-0.7 (26)	
Net Margin (Trailing)	4.6 (8)	11.1 (9)	19.1 (8)	30.6 (7)	13.0 (10)	8.1 (13)	2.6 (8)	0.9 (10)	0.5 (14)	
Net Margin (F'Cast)	4.4 (9)	11.3 (8)	25.6 (5)	40.1 (3)	22.5 (6)	13.9 (9)	4.0 (3)	1.9 (6)	0.9 (10)	
Earnings Certainty & Quality										
Cash flow to Earnings	-3.3 (23)	-3.9 (21)	-8.8 (17)	-14.4 (21)	-9.7 (20)	-5.4 (24)	-1.4 (20)	-1.1 (21)	-0.5 (24)	
Earnings Estimate Variability (Hist)	-5.4 (27)	-4.9 (23)	-1.6 (15)	2.6 (15)	-2.1 (15)	-2.4 (20)	0.3 (15)	-0.2 (15)	-0.2 (20)	
Earnings Estimate Dispersion FY1	-3.6 (24)	-12.4 (27)	-25.5 (26)	-19.1 (23)	-14.5 (24)	-6.8 (25)	-1.5 (22)	-1.2 (23)	-0.5 (25)	
Earnings Growth										
Historical EPS Growth	2.6 (12)	3.0 (15)	-9.4 (18)	-11.5 (19)	-4.5 (17)	-3.0 (21)	-1.4 (21)	-0.4 (17)	-0.3 (23)	
1Y EPS Growth	8.3 (2)	18.1 (3)	20.8 (7)	32.6 (6)	25.8 (5)	12.9 (10)	2.8 (6)	2.5 (4)	1.0 (9)	
Earnings Revisions Ratio	2.9 (11)	8.3 (10)	14.9 (10)	7.8 (11)	8.5 (11)	16.4 (7)	0.8 (11)	0.8 (11)	1.3 (4)	
PEG Ratio	9.5 (1)	21.4 (1)	34.5 (1)	35.1 (5)	16.2 (8)	5.6 (14)	3.0 (5)	1.6 (8)	0.6 (12)	
Long Term PEG Ratio	1.2 (15)	4.2 (13)	-2.6 (16)	4.7 (12)	-2.7 (16)	1.9 (15)	0.4 (12)	-0.2 (16)	0.1 (15)	
Price Momentum										
% Price Change (1M)	6.8 (5)	2.0 (16)	7.0 (12)	3.1 (13)	13.5 (9)	9.0 (12)	0.3 (13)	1.1 (9)	0.5 (13)	
% Price Change (3M)	6.1 (6)	15.1 (6)	23.0 (6)	25.3 (8)	27.4 (4)	18.2 (5)	2.5 (9)	2.5 (5)	1.1 (7)	
% Price Change (6M)	6.0 (7)	19.1 (2)	29.8 (4)	36.1 (4)	32.8 (3)	20.5 (2)	3.2 (4)	3.2 (2)	1.1 (8)	
% Price Change (12M)	7.1 (4)	16.9 (5)	30.5 (3)	41.7 (2)	38.9 (2)	20.3 (3)	4.1 (2)	3.6 (1)	1.2 (6)	
First 11 of Last 12M	7.2 (3)	18.0 (4)	31.4 (2)	49.0 (1)	40.3 (1)	23.6 (1)	4.4 (1)	3.2 (3)	1.4 (3)	
260D Trading Value	1.1 (16)	0.6 (18)	3.5 (13)	2.8 (14)	-0.4 (14)	-11.7 (27)	0.3 (14)	0.0 (14)	-0.9 (27)	
Radar										
Composite Score	2.0 (13)	6.5 (11)	1.1 (14)	-1.8 (16)	3.5 (13)	17.1 (6)	-0.2 (16)	0.4 (13)	1.5 (2)	
Relative Valuation Score	-0.3 (19)	-0.7 (19)	-16.3 (21)	-15.6 (22)	-13.4 (22)	-1.9 (18)	-1.6 (23)	-1.4 (25)	-0.2 (19)	
Composite Momentum Score	4.3 (10)	14.5 (7)	17.7 (9)	23.2 (9)	18.3 (7)	19.1 (4)	2.7 (7)	1.8 (7)	1.5 (1)	

Source: FactSet, I/B/E/S, WorldScope, Citigroup Investment Research

<http://deadpresident.blogspot.com>

Malaysia

Bottom-up view – Glamour

Malaysia remains in the Glamour quadrant and falls to fourth on the composite ranking. Malaysian equities offer strong composite momentum – largely a reflection of good long-term price momentum – but are also still held back by what appear to be expensive valuations.

Scenario analysis — Defensive

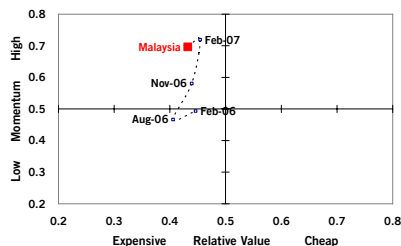
Weaker growth — Positive exposure to rising EM rates and widening US credit spreads indicates that Malaysia is most likely to outperform the region in a declining growth environment where risk tolerance falls — i.e. the environment is traditionally most challenging for Asia generally. This suggests that Malaysia is most likely to outperform in a falling market environment.

What's working — Momentum and PEG

Valuation unhelpful — Valuation strategies continued to perform poorly in Malaysia, delivering only modest if not negative returns in March and over the quarter. However, despite disappointing in March, Price/Book (which did well in 2006 – delivering 26.4%) has continued to prove useful in 2007. Over the quarter as a whole, a simple P/B strategy has delivered 16%, a top-5 showing.

Momentum matters — All the other top-5 strategies in the quarter were again momentum strategies. The long-term performance consistency of both a short 3m-momentum strategy and the variants on longer-term 12m momentum have been impressive.

Figure 49. Radar Chart



Source: Citigroup Investment Research

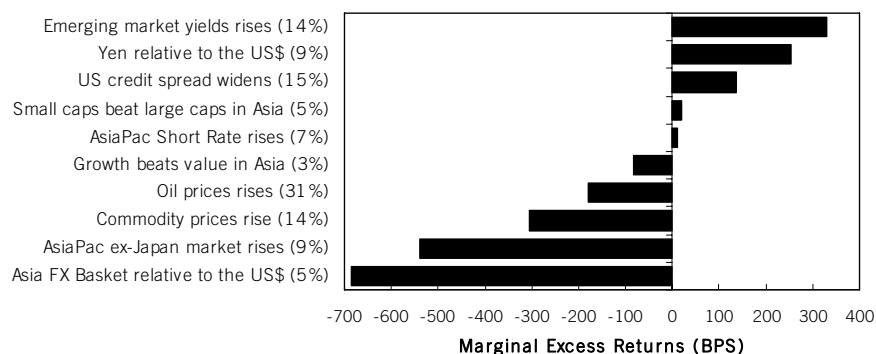
Figure 50. Top Ranked Companies by Factor (Market Cap > 1B)

% Price Change (12M)				% Price Change (3M)				F'Cast PE (12m F'rd)			
Name	Sedol	MCap	Value	Name	Sedol	MCap	Value	Name	Sedol	MCap	Value
UEM World	671074	1,006	481.8	UEM World	671074	1,006	156.0	Sarawak Ent Corp	628643	740	10.3
KNM Group	B02JY4	544	239.0	Gamuda	635988	1,047	56.9	Tanjong	B0B8SB	1,249	11.8
PPB Oil Palms	670343	627	132.1	Sp Setia	686877	985	51.0	Malakoff	655592	1,057	12.3
Digicom	608624	1,492	121.3	UMW	691082	552	40.3	Malaysian Airline System	655668	1,709	13.6
IGB Corp	645527	647	118.3	RHB Capital	624467	748	39.8	UEM World	671074	1,006	13.7
Gamuda	635988	1,047	112.8	IGB Corp	645527	647	39.4	YTL Power Int	B01GQS	743	13.7
Sp Setia	686877	985	104.8	Bursa Malaysia	B06FV3	1,314	37.9	Bumiputra-Commerce	607574	2,730	13.9
Kumpulan Guthrie	649893	758	101.2	Magnum Corp	655400	852	37.0	Hong Leong Bank	643689	777	14.2
RHB Capital	624467	748	96.7	Kuala Lumpur Kepong	649744	1,440	33.3	Bursa Malaysia	B06FV3	1,314	14.2
Kuala Lumpur Kepong	649744	1,440	91.5	KNM Group	B02JY4	544	28.4	Tenaga Nasional	690461	3,438	14.3

Source: Citigroup Investment Research

<http://deadpresident.blogspot.com>

Figure 51. Scenario Analysis – Malaysia vs. Region ex Japan



Source: Citigroup Investment Research

Figure 52. Performance Spread between High (Top 20%) and Low (Bottom 20%) Factor Portfolios Regionally - Rank in Brackets

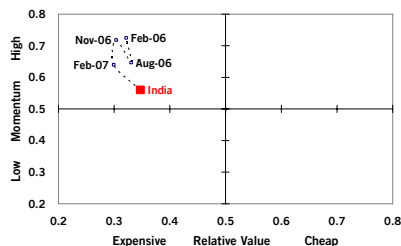
	Returns					IRs			
	1m	3m	6m	1y	2y	5y	1y	2y	5y
Valuations									
Dividend Yield	-0.4 (16)	-8.2 (26)	-18.1 (26)	-23.6 (27)	4.7 (15)	17.6 (6)	-1.7 (26)	0.3 (19)	1.0 (11)
Price/Cash Flow	-4.7 (26)	1.3 (17)	-0.3 (17)	3.3 (16)	5.0 (12)	7.7 (14)	0.2 (17)	0.4 (17)	0.7 (15)
Trailing PE	-2.8 (23)	6.8 (12)	7.5 (13)	16.2 (10)	13.4 (9)	16.2 (7)	1.1 (12)	1.0 (9)	1.4 (5)
F'Cast PE (12m F'rd)	1.7 (11)	12.8 (9)	16.3 (9)	15.0 (11)	4.9 (13)	13.9 (9)	1.1 (11)	0.4 (15)	1.3 (6)
Price/Sales	1.3 (12)	7.0 (11)	10.8 (11)	13.0 (12)	4.7 (14)	1.2 (24)	1.6 (10)	0.5 (11)	0.2 (24)
Price/Book	-0.8 (18)	16.2 (5)	23.0 (7)	24.1 (8)	9.0 (10)	5.1 (17)	1.6 (9)	0.5 (10)	0.3 (21)
Profitability									
Reported ROE	-3.6 (24)	-12.0 (27)	-19.4 (27)	-17.6 (26)	-6.0 (25)	2.8 (22)	-1.9 (27)	-0.4 (24)	0.2 (22)
Forecast ROE	0.7 (14)	-5.9 (24)	-9.8 (25)	-10.1 (24)	-6.5 (26)	4.1 (19)	-1.1 (23)	-0.6 (25)	0.4 (19)
Net Margin (Trailing)	-3.9 (25)	-2.2 (20)	-7.7 (22)	-5.0 (20)	3.1 (17)	8.7 (12)	-0.6 (20)	0.3 (18)	0.8 (14)
Net Margin (F'Cast)	2.0 (9)	-0.8 (19)	-3.8 (20)	-6.6 (22)	2.4 (20)	4.9 (18)	-1.2 (24)	0.4 (14)	0.6 (17)
Earnings Certainty & Quality									
Cash flow to Earnings	-1.4 (21)	-3.2 (22)	-5.9 (21)	-2.2 (18)	-0.2 (21)	3.9 (20)	-0.5 (18)	0.0 (21)	0.5 (18)
Earnings Estimate Variability (Hist)	0.9 (13)	-7.4 (25)	-9.5 (24)	-14.9 (25)	-1.4 (23)	-3.4 (26)	-1.7 (25)	-0.2 (23)	-0.4 (26)
Earnings Estimate Dispersion FY1	2.4 (8)	-4.1 (23)	-7.7 (23)	-3.6 (19)	3.0 (18)	7.2 (15)	-0.5 (19)	0.4 (16)	0.8 (12)
Earnings Growth									
Historical EPS Growth	-1.0 (20)	5.8 (14)	6.0 (14)	8.5 (14)	5.0 (11)	3.6 (21)	0.7 (14)	0.5 (12)	0.4 (20)
1Y EPS Growth	-0.7 (17)	5.5 (15)	2.3 (15)	6.5 (15)	-0.9 (22)	5.1 (16)	1.1 (13)	-0.1 (22)	0.6 (16)
Earnings Revisions Ratio	3.1 (7)	8.9 (10)	12.0 (10)	22.5 (9)	16.9 (8)	12.8 (10)	2.1 (8)	1.8 (8)	1.5 (4)
PEG Ratio	-1.0 (19)	0.4 (18)	-2.4 (18)	-9.1 (23)	-7.6 (27)	-5.0 (27)	-1.1 (22)	-0.9 (27)	-0.6 (27)
Long Term PEG Ratio	-2.1 (22)	-3.0 (21)	-2.8 (19)	-5.3 (21)	-5.0 (24)	-2.2 (25)	-0.7 (21)	-0.7 (26)	-0.3 (25)
Price Momentum									
% Price Change (1M)	1.9 (10)	13.4 (8)	16.5 (8)	24.5 (7)	28.9 (6)	11.7 (11)	2.2 (7)	2.3 (6)	1.0 (10)
% Price Change (3M)	6.0 (2)	24.8 (1)	36.1 (3)	53.1 (3)	45.2 (2)	26.4 (1)	4.0 (5)	2.7 (1)	1.8 (2)
% Price Change (6M)	7.2 (1)	18.4 (4)	24.4 (6)	36.3 (6)	31.8 (5)	14.9 (8)	3.9 (6)	2.0 (7)	1.0 (9)
% Price Change (12M)	3.6 (6)	20.5 (3)	41.2 (2)	67.8 (1)	47.2 (1)	19.1 (4)	6.1 (1)	2.7 (2)	1.1 (8)
First 11 of Last 12M	5.8 (3)	23.5 (2)	42.2 (1)	62.5 (2)	41.5 (3)	18.8 (5)	5.7 (2)	2.5 (3)	1.2 (7)
260D Trading Value	4.3 (5)	3.0 (16)	1.6 (16)	3.2 (17)	3.5 (16)	1.7 (23)	0.4 (16)	0.5 (13)	0.2 (23)
Radar									
Composite Score	-0.1 (15)	15.7 (6)	30.6 (4)	43.6 (5)	28.4 (7)	20.9 (3)	4.3 (4)	2.5 (4)	2.2 (1)
Relative Valuation Score	-4.7 (27)	6.8 (13)	9.4 (12)	8.6 (13)	2.7 (19)	7.7 (13)	0.5 (15)	0.2 (20)	0.8 (13)
Composite Momentum Score	4.5 (4)	15.3 (7)	24.5 (5)	45.0 (4)	32.6 (4)	21.5 (2)	4.7 (3)	2.4 (5)	1.8 (3)

Source: FactSet, I/B/E/S, WorldScope, Citigroup Investment Research

<http://deadpresident.blogspot.com>

India

Figure 53. Radar Chart



Source: Citigroup Investment Research

Bottom-up view – Glamour

India remains in the second-to-last spot on the Radar composite model while remaining in the Glamour quadrant. It continues to edge closer to Unattractive, however; it now ranks above only New Zealand on the ranking.

Scenario analysis — Still a Value play

Value stocks are favored over growth — India appears to benefit from outperformance of value stocks against growth stocks across the region. Although at odds with the general desire of investors to participate in the India growth story, it seems consistent with the idea that growth in an Asian context remains with North Asian Tech.

What's working — Confusion rules

Neither Momentum nor Value — In January we commented on the swing back to momentum and away from value. Since then we have seen the switch reverse and then reverse again. Neither set of factors are really helping investors consistently differentiate between the Indian names.

Longer term, we still believe valuations, which have a good long-term track record in India, will do better. But for now we think investors should closely watch Margins, Analysts Earnings Revisions and Analysts Earnings Dispersion – all of which have proved to be helpful.

We believe that the current usefulness of such quality-and-uncertainty based metrics reflects increased investor unease as to the sustainability of aggregate Indian valuations – especially when seen in the context of a period when value-and-momentum based strategies are struggling to demonstrate dominance. This apparent conflict is part of the reason why we believe Valuation-based investing will soon be coming back in favor in India.

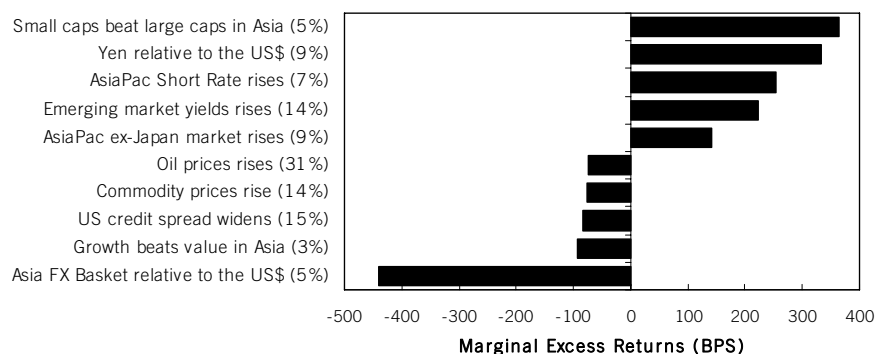
Figure 54. Top Ranked Companies by Factor (Market Cap > 1B)

Net Margin (F'Cast)				Earnings Estimate Dispersion FY1				Earnings Revisions Ratio			
Name	Sedol	MCap	Value	Name	Sedol	MCap	Value	Name	Sedol	MCap	Value
Unitech	B17MRV	1,726	10.2	Unitech	B17MRV	1,726	0.3	Sun Pharma Ind	658248	1,345	23.7
Hindustan Zinc	613972	1,332	1.1	Indian Oil Corp	625376	952	0.3	Maruti Udyog	663371	1,291	15.4
Indiabulls Financial Svcs	B02L7L	1,000	1.0	GMR Infrastructure	B192HJ	570	0.3	Hindalco Ind	B0GWF4	837	15.4
Reliance Capital	610108	1,275	1.0	Indian Hotels	B1FRT6	780	0.2	Dr Reddy's Laboratories	641095	1,372	12.8
Financial Tech India	625752	913	0.7	Aditya Birla Nuvo	610042	504	0.2	Reliance Energy	609985	1,140	12.5
Infra Dev Finance	B0C5QR	519	0.5	Mahanagar Telephone Nigam	611780	512	0.2	Reliance	609962	21,554	11.1
Sun Pharma Ind	658248	1,345	0.5	Hindustan Zinc	613972	1,332	0.2	Glaxosmithkline Pharma	611798	524	6.7
Bharti Tele-Ventures	644232	16,270	0.5	State Bank Of India	610079	2,396	0.2	I-Flex Solutions	652844	670	6.1
Infosys Tech	620512	20,855	0.5	Tata Power	612433	811	0.2	Larsen & Toubro	B0166K	2,496	6.1
Gujarat Ambuja Cements	B09QQ1	1,490	0.4	Dr Reddy's Laboratories	641095	1,372	0.2	Bharti Tele-Ventures	644232	16,270	2.4

Source: Citigroup Investment Research

<http://deadpresident.blogspot.com>

Figure 55. Scenario Analysis – India vs. Region ex Japan



Source: Citigroup Investment Research

Figure 56. Performance Spread between High (Top 20%) and Low (Bottom 20%) Factor Portfolios Regionally - Rank in Brackets

	Returns					IRs			
	1m	3m	6m	1y	2y	5y	1y	2y	5y
Valuations									
Dividend Yield	-1.6 (23)	-3.6 (19)	-17.4 (26)	-20.4 (27)	-12.8 (24)	3.4 (17)	-1.5 (26)	-1.1 (26)	0.2 (17)
Price/Cash Flow	-0.6 (19)	1.3 (11)	-8.1 (20)	-2.8 (19)	-14.2 (26)	9.5 (11)	-0.2 (19)	-1.0 (24)	0.5 (11)
Trailing PE	0.0 (16)	-0.2 (13)	-6.2 (19)	3.1 (13)	-12.9 (25)	4.5 (16)	0.2 (13)	-0.8 (23)	0.2 (16)
F'Cast PE (12m F'rd)	-0.5 (18)	-6.7 (26)	-11.8 (23)	2.3 (15)	-9.9 (21)	15.3 (7)	0.1 (14)	-0.6 (21)	0.8 (6)
Price/Sales	-3.9 (27)	-5.4 (23)	-22.3 (27)	-19.8 (26)	-19.0 (27)	11.2 (10)	-1.1 (25)	-1.1 (27)	0.5 (12)
Price/Book	-1.0 (21)	-2.2 (17)	-14.5 (25)	-4.0 (21)	-11.2 (22)	14.1 (8)	-0.2 (21)	-0.6 (22)	0.6 (9)
Profitability									
Reported ROE	1.3 (10)	1.3 (10)	6.0 (13)	1.1 (16)	0.2 (15)	-15.1 (27)	0.1 (16)	0.0 (15)	-0.8 (27)
Forecast ROE	0.0 (17)	-0.3 (14)	13.0 (8)	8.5 (9)	10.2 (10)	-8.3 (25)	0.6 (9)	0.7 (8)	-0.5 (25)
Net Margin (Trailing)	5.4 (1)	9.4 (1)	18.4 (2)	22.5 (3)	17.2 (3)	-5.9 (23)	1.8 (2)	1.4 (2)	-0.3 (22)
Net Margin (F'Cast)	3.7 (2)	3.7 (6)	14.8 (5)	19.2 (4)	11.1 (8)	-5.7 (22)	1.7 (3)	1.0 (5)	-0.4 (23)
Earnings Certainty & Quality									
Cash flow to Earnings	-1.9 (24)	-1.2 (15)	-9.2 (21)	-7.6 (24)	-11.6 (23)	-2.3 (20)	-0.6 (24)	-1.1 (25)	-0.2 (20)
Earnings Estimate Variability (Hist)	-2.5 (26)	-2.8 (18)	-13.2 (24)	-14.7 (25)	-5.9 (19)	-1.7 (19)	-1.8 (27)	-0.5 (19)	-0.1 (19)
Earnings Estimate Dispersion FY1	1.5 (7)	7.6 (2)	10.1 (10)	8.6 (8)	11.8 (6)	0.8 (18)	1.3 (5)	1.3 (3)	0.1 (18)
Earnings Growth									
Historical EPS Growth	-0.6 (20)	-0.1 (12)	7.1 (12)	11.4 (7)	1.5 (13)	-11.4 (26)	0.8 (7)	0.1 (13)	-0.7 (26)
1Y EPS Growth	0.7 (13)	-4.1 (20)	13.0 (7)	22.7 (2)	20.1 (1)	6.6 (15)	1.6 (4)	1.5 (1)	0.4 (14)
Earnings Revisions Ratio	1.1 (11)	4.6 (5)	17.0 (3)	6.8 (11)	8.1 (11)	25.3 (3)	0.4 (11)	0.5 (11)	1.7 (2)
PEG Ratio	-2.4 (25)	-5.8 (24)	-9.6 (22)	-4.2 (22)	-3.2 (18)	9.4 (12)	-0.4 (22)	-0.2 (17)	0.6 (10)
Long Term PEG Ratio	-1.0 (22)	-4.8 (21)	1.0 (16)	32.2 (1)	12.1 (5)	20.4 (4)	2.5 (1)	0.8 (7)	1.3 (4)
Price Momentum									
% Price Change (1M)	1.7 (3)	5.3 (3)	2.3 (15)	-2.8 (20)	-3.0 (17)	-4.2 (21)	-0.2 (20)	-0.2 (18)	-0.3 (21)
% Price Change (3M)	1.7 (4)	3.0 (7)	3.7 (14)	-6.5 (23)	1.1 (14)	6.8 (14)	-0.5 (23)	0.1 (14)	0.3 (15)
% Price Change (6M)	1.3 (9)	-2.2 (16)	16.1 (4)	2.5 (14)	11.5 (7)	8.2 (13)	0.1 (15)	0.6 (9)	0.4 (13)
% Price Change (12M)	1.1 (12)	-5.0 (22)	12.7 (9)	-1.3 (18)	10.8 (9)	12.1 (9)	-0.1 (18)	0.6 (10)	0.7 (8)
First 11 of Last 12M	0.2 (15)	-6.3 (25)	9.5 (11)	5.4 (12)	16.4 (4)	19.2 (5)	0.3 (12)	1.0 (6)	1.1 (5)
260D Trading Value	1.7 (6)	-10.0 (27)	-2.5 (17)	0.7 (17)	-2.1 (16)	-7.0 (24)	0.0 (17)	-0.2 (16)	-0.4 (24)
Radar									
Composite Score	1.7 (5)	5.1 (4)	14.0 (6)	14.4 (5)	5.9 (12)	27.1 (2)	1.2 (6)	0.4 (12)	1.4 (3)
Relative Valuation Score	0.3 (14)	2.0 (8)	-3.7 (18)	7.6 (10)	-9.9 (20)	16.3 (6)	0.5 (10)	-0.6 (20)	0.7 (7)
Composite Momentum Score	1.4 (8)	1.8 (9)	21.9 (1)	12.2 (6)	18.7 (2)	29.9 (1)	0.6 (8)	1.2 (4)	1.7 (1)

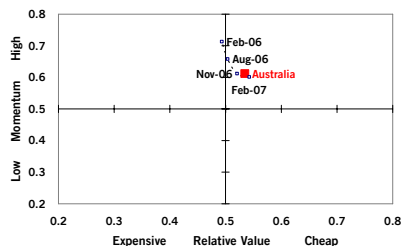
Source: FactSet, I/B/E/S, WorldScope, Citigroup Investment Research

Australia

Bottom-up view – Attractive

Our third-ranked market, Australia continues to offer both attractive relative value and strong momentum characteristics. In this respect, Australia appears to be the most balanced of our top markets.

Figure 57. Radar Chart



Source: Citigroup Investment Research

Scenario analysis — Australia to outperform if Asia struggles

No solace for commodity bulls — Although Australia is a commodity-heavy market, rising commodity prices are unlikely to see Australia outperforming the Asia-ex-Japan region meaningfully, that also means that one can be relatively sanguine about the prospect of the further softening of commodity prices.

Weaker global growth — This is likely a further indicator that Australia will do better relative to the rest of the region in an environment where Asia struggles, one where growth is slow and commodity prices soft.

Hence, we see a positive exposure to rising rates (Asian and Emerging Market) and a negative exposure to the broad-market factor.

What's working — Momentum key

Price momentum — Price Momentum – especially long-term price momentum – has had a strong track record in Australia, and all the longer-term measures have continued to deliver strong returns. Over the first quarter, medium and long-term price momentum took the top three spots, all returning around 10.5%.

Value not in favor — By contrast, valuation strategies continue to struggle – as they did last year.

Radar works — Despite this (and largely due to a strong performance from its momentum-leg) the Radar process continues to do well: especially when used in an intersection-context. Accordingly our favored measure of performance, the return spread between stocks in the Attractive and Unattractive quadrants was again positive last month (up 1.7%) while the rolling twelve-month performance on this measure is 37%.

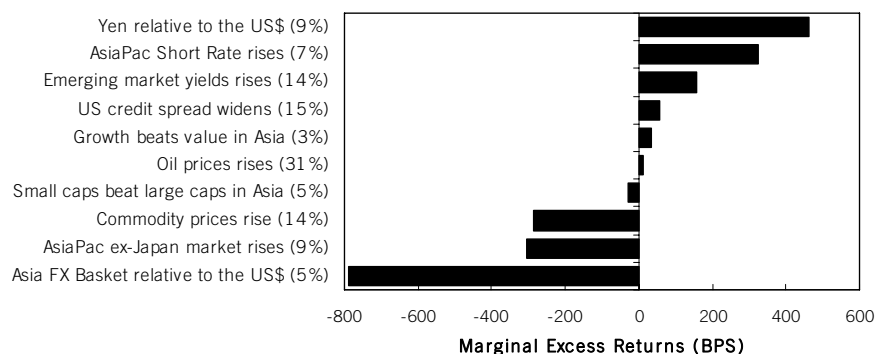
Figure 58. Top Ranked Companies by Factor (Market Cap > 1B)

Earnings Revisions Ratio			% Price Change (6M)			Price/Cash Flow					
Name	Sedol	MCap	Value	Name	Sedol	MCap	Value	Name	Sedol	MCap	Value
Macquarie Bank	655135	16,976	100.0	Silex Systems	611173	1,182	177.2	Santos	677670	4,906	3.8
Incitec Pivot	667304	2,016	78.9	Fortescue Metals	608625	2,287	143.3	Oxiana	639782	3,144	5.6
Babcock & Brown	B02WTT	4,822	75.0	Energy Res Of Australia	631771	1,456	122.4	Qantas Airways	671034	4,125	5.7
Nufarm	633533	1,202	41.2	Paladin Res	666846	3,938	104.8	Pacific Brands	B00G29	1,246	6.1
Dyno Nobel	B11781	1,524	40.0	Incitec Pivot	667304	2,016	91.3	Zinifex	B00G2C	6,207	6.6
Record Invs	634166	1,558	40.0	Minara Res	603185	1,376	81.1	AMP	670995	15,737	6.7
Australian Stock Exchange	612922	6,072	38.1	Leighton	651122	3,533	73.3	Amcor	606660	5,519	6.9
Lihir Gold	651859	3,711	38.1	West Australian N'paper	694943	2,246	72.3	Macquarie Commsinfra	654186	1,737	7.2
David Jones	625646	1,642	36.8	Jubilee Mines NI	647966	1,524	71.8	Telstra Corp	608728	9,369	7.6
Alumina	695498	6,899	36.4	Worleyparsons	656247	3,381	66.6	Minara Res	603185	1,376	8.5

Source: Citigroup Investment Research

<http://deadpresident.blogspot.com>

Figure 59. Scenario Analysis – Australia vs. Region ex Japan



Source: Citigroup Investment Research

Figure 60. Performance Spread between High (Top 20%) and Low (Bottom 20%) Factor Portfolios Regionally - Rank in Brackets

	Returns						IRs			
	1m	3m	6m	1y	2y	5y	1y	2y	5y	
Valuations										
Dividend Yield	-2.4 (23)	1.9 (16)	-2.8 (23)	9.7 (14)	-6.2 (25)	3.8 (13)	0.7 (17)	-0.4 (24)	0.3 (15)	
Price/Cash Flow	-0.2 (15)	5.3 (11)	7.1 (11)	15.3 (8)	4.2 (14)	8.7 (10)	1.9 (8)	0.5 (13)	1.1 (9)	
Trailing PE	-3.2 (26)	-0.6 (19)	-0.9 (20)	11.4 (11)	-0.6 (21)	4.3 (12)	1.2 (13)	-0.1 (21)	0.5 (12)	
F'Cast PE (12m F'rd)	0.2 (9)	0.5 (17)	5.4 (13)	8.4 (16)	4.9 (11)	9.6 (9)	1.0 (14)	0.6 (12)	1.2 (8)	
Price/Sales	0.4 (7)	4.4 (13)	2.2 (16)	2.2 (20)	-5.6 (24)	0.6 (21)	0.3 (20)	-0.5 (25)	0.1 (21)	
Price/Book	-2.8 (25)	-9.0 (26)	-16.7 (27)	-11.2 (27)	-11.0 (27)	2.1 (17)	-1.0 (26)	-1.1 (27)	0.2 (16)	
Profitability										
Reported ROE	-0.2 (13)	5.7 (10)	8.2 (9)	30.1 (3)	9.4 (8)	3.6 (14)	4.1 (2)	1.1 (8)	0.4 (13)	
Forecast ROE	0.7 (5)	6.2 (7)	10.3 (7)	7.1 (17)	8.0 (9)	0.4 (22)	0.7 (18)	0.7 (9)	0.0 (23)	
Net Margin (Trailing)	-2.3 (22)	-1.8 (24)	-2.3 (22)	9.9 (13)	4.9 (12)	2.5 (15)	1.0 (15)	0.6 (11)	0.3 (14)	
Net Margin (F'Cast)	-3.7 (27)	-9.6 (27)	-9.5 (26)	-6.1 (24)	4.1 (15)	1.2 (19)	-0.7 (24)	0.4 (18)	0.1 (19)	
Earnings Certainty & Quality										
Cash flow to Earnings	2.7 (2)	6.8 (5)	9.4 (8)	5.6 (18)	2.8 (18)	0.3 (23)	0.8 (16)	0.4 (17)	0.0 (22)	
Earnings Estimate Variability (Hist)	-0.2 (14)	0.0 (18)	-0.8 (19)	1.3 (22)	-1.1 (22)	-2.4 (25)	0.2 (21)	-0.1 (22)	-0.3 (26)	
Earnings Estimate Dispersion FY1	-0.3 (16)	4.9 (12)	1.4 (17)	-6.1 (25)	-6.9 (26)	-3.1 (26)	-0.7 (25)	-0.8 (26)	-0.3 (25)	
Earnings Growth										
Historical EPS Growth	-2.6 (24)	-1.0 (22)	3.1 (14)	11.9 (10)	3.0 (17)	-5.4 (27)	2.2 (5)	0.4 (16)	-0.8 (27)	
1Y EPS Growth	0.1 (11)	3.0 (15)	2.6 (15)	1.3 (21)	-2.3 (23)	1.0 (20)	0.1 (22)	-0.3 (23)	0.1 (20)	
Earnings Revisions Ratio	2.9 (1)	5.8 (9)	7.3 (10)	10.1 (12)	13.5 (7)	9.9 (7)	1.2 (12)	1.7 (7)	1.1 (10)	
PEG Ratio	1.3 (3)	-0.9 (21)	-1.3 (21)	-3.8 (23)	-0.5 (20)	1.3 (18)	-0.5 (23)	-0.1 (20)	0.2 (18)	
Long Term PEG Ratio	-1.1 (20)	-2.1 (25)	-3.0 (24)	-6.8 (26)	0.7 (19)	2.1 (16)	-2.0 (27)	0.1 (19)	0.2 (17)	
Price Momentum										
% Price Change (1M)	-0.3 (17)	3.3 (14)	5.8 (12)	9.1 (15)	4.3 (13)	5.8 (11)	1.7 (10)	0.5 (15)	0.7 (11)	
% Price Change (3M)	0.4 (6)	6.4 (6)	17.0 (4)	34.9 (1)	31.8 (3)	18.9 (6)	4.8 (1)	3.1 (1)	1.8 (2)	
% Price Change (6M)	-0.8 (18)	10.9 (1)	22.5 (1)	34.8 (2)	35.8 (1)	19.1 (5)	3.2 (4)	2.5 (3)	1.5 (6)	
% Price Change (12M)	0.1 (10)	10.8 (2)	19.8 (2)	25.8 (5)	30.1 (4)	22.6 (2)	2.1 (7)	2.2 (6)	1.6 (5)	
First 11 of Last 12M	0.4 (8)	10.6 (3)	17.4 (3)	21.7 (7)	31.8 (2)	23.6 (1)	1.9 (9)	2.4 (5)	1.7 (4)	
260D Trading Value	1.1 (4)	-0.8 (20)	-0.8 (18)	2.7 (19)	4.1 (16)	-0.4 (24)	0.3 (19)	0.5 (14)	-0.1 (24)	
Radar										
Composite Score	-1.0 (19)	5.9 (8)	14.0 (5)	29.6 (4)	22.7 (6)	19.3 (3)	3.9 (3)	3.0 (2)	2.0 (1)	
Relative Valuation Score	-1.2 (21)	-1.3 (23)	-3.2 (25)	13.6 (9)	5.6 (10)	9.8 (8)	1.5 (11)	0.7 (10)	1.2 (7)	
Composite Momentum Score	0.1 (12)	9.3 (4)	13.9 (6)	23.7 (6)	25.0 (5)	19.3 (4)	2.1 (6)	2.4 (4)	1.7 (3)	

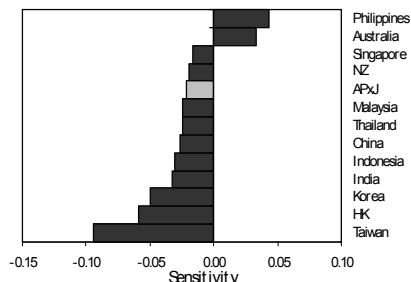
Source: FactSet, I/B/E/S, WorldScope, Citigroup Investment Research

<http://deadpresident.blogspot.com>

Sensitivity to Rising Oil Prices

Country perspective

Figure 61. Country Sensitivity

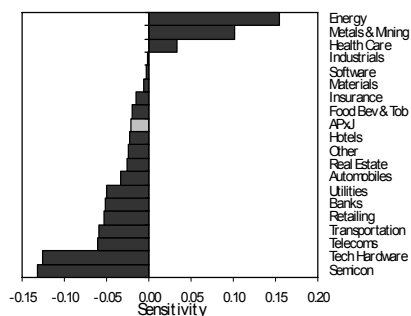


An environment in which oil prices rise is generally consistent with one in which Australia and the Philippines do well, largely reflecting the importance of the energy names in these countries' respective indices.

On the negative side, Korea, Hong Kong and Taiwan will likely see the largest negative impact.

Source: Citigroup Investment Research

Figure 62. Sector Sensitivity



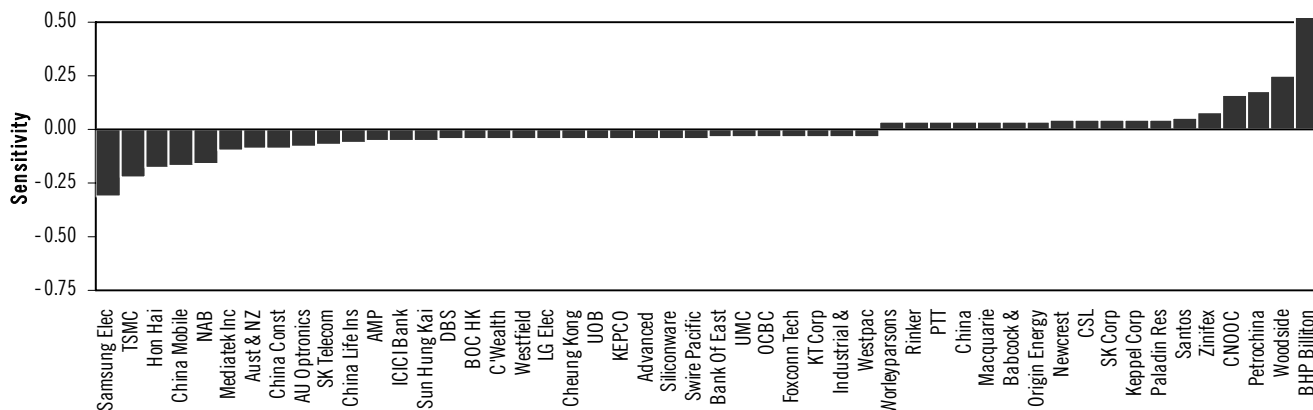
Sector perspective

In absolute terms, only the Energy and Mining sectors are likely to benefit directly from higher oil prices.

Similarly, the Transportation, Autos and Technology sectors (notably Tech Hardware and Semiconductors) will likely see a direct negative impact largely because we believe higher oil prices tend to act as a drag on global growth and these sectors are among the most leveraged plays on global growth in Asia.

Source: Citigroup Investment Research

Figure 63. Top 50 Macro Sensitivity Contributors in the Region



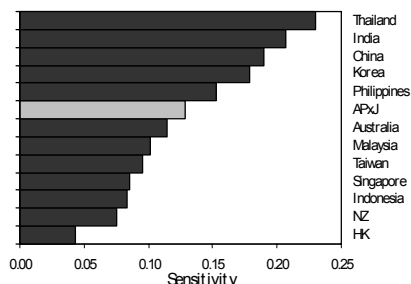
Source: Citigroup Investment Research

<http://deadpresident.blogspot.com>

Sensitivity to Higher Commodities Prices (ex. Energy)

Country perspective

Figure 64. Country Sensitivity

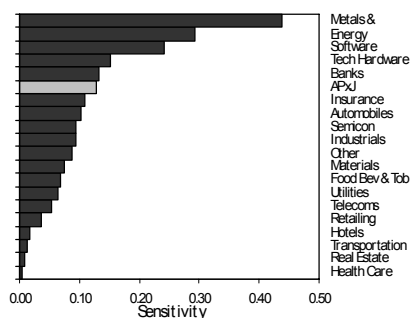


It is perhaps a surprise to see the North-Asian export markets of Korea, China, Thailand and Taiwan flagged as being more likely to benefit from higher commodity prices than the more resource-rich countries of Australia, New Zealand and Indonesia. However, we believe this reflects the way in which the underlying driver of higher commodity prices tends to be strong global growth.

Robust demand for the products manufactured in North Asian countries far outstrips any negative impact brought by higher commodity input prices.

Source: Citigroup Investment Research

Figure 65. Sector Sensitivity



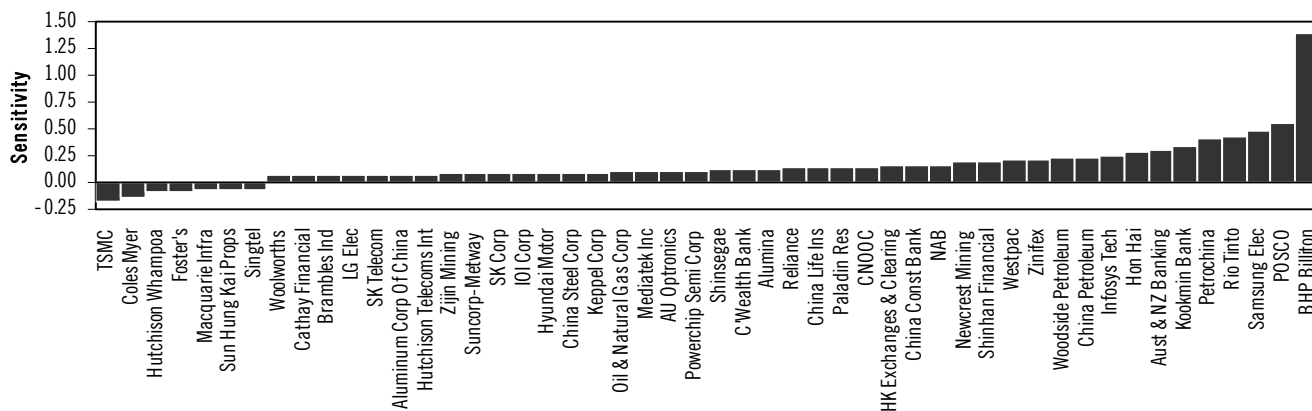
Sector perspective

The sector picture confirms this interpretation of primary vs. secondary effects; while mining and similarly involved sectors should benefit from stronger commodity prices, the big beneficiaries are likely the key export sectors of Tech Hardware, Automobiles and Semiconductors.

Generally, we think that all of Asia should do well if commodity prices stay strong.

Source: Citigroup Investment Research

Figure 66. Top 50 Macro Sensitivity Contributors in the Region



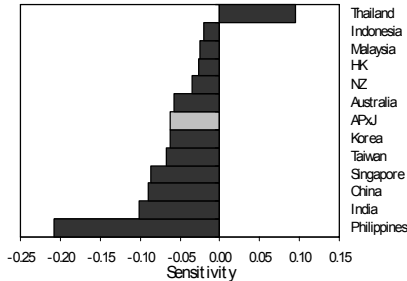
Source: Citigroup Investment Research

<http://deadpresident.blogspot.com>

US Credit Spread Sensitivity – Widening Credit Spreads

Country perspective

Figure 67. Country Sensitivity

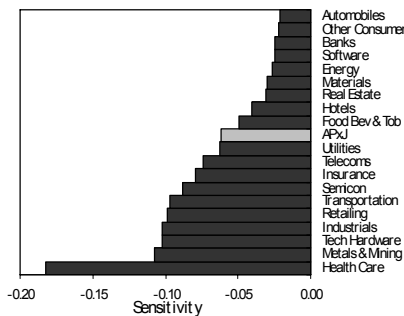


Widening US credit spreads are indicative of both deteriorating business conditions in North America and elsewhere, and decreasing global risk-tolerance. Neither effect is positive for equities anywhere in Asia, in our view.

However, more importantly, we again see an interplay between these primary effects and the secondary effects. The largest negative impact appears to affect those markets that are most leveraged into the global economy, notably Taiwan, Korea and Singapore.

Source: Citigroup Investment Research

Figure 68. Sector Sensitivity

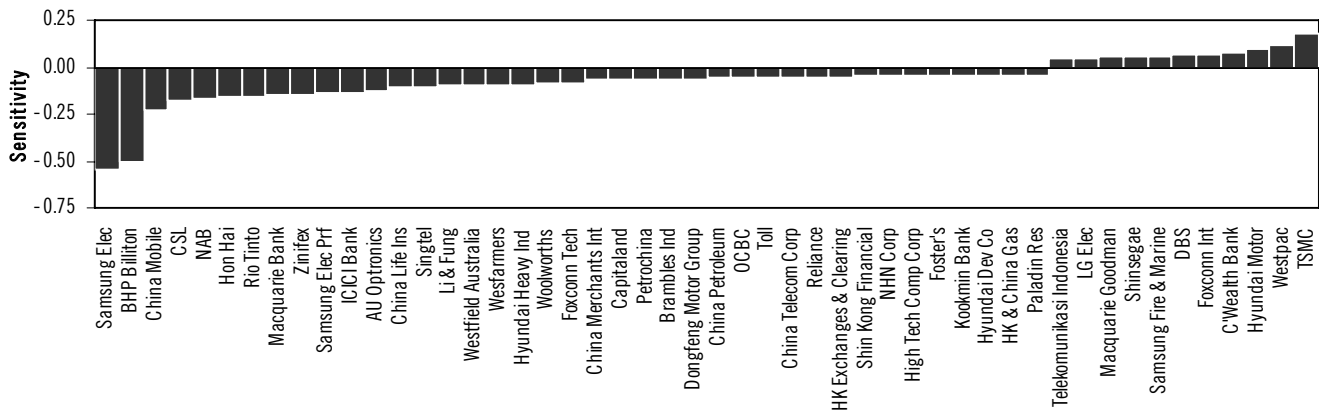


Sector perspective

The sector picture is similarly negative across the board but the biggest impact will likely be felt in the most economically sensitive sectors: Semiconductors and Tech among the export industries; Mining from the resources sectors; and Retailing among the consumer-sensitive stocks.

Source: Citigroup Investment Research

Figure 69. Top 50 Macro Sensitivity Contributors in the Region



Source: Citigroup Investment Research

<http://deadpresident.blogspot.com>

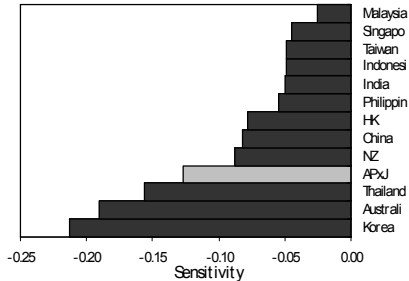
Sensitivity to Rising Emerging Market Yields

Country perspective

Rising emerging market yields reflect increasing risk aversion and would suggest an environment in which emerging-market investing falls out of favor. This would also likely be an environment in which global demand weakens.

Against this backdrop, Asia would likely struggle – the biggest losers being Korea, Australia and Thailand. In contrast, Malaysia and Singapore appear to offer a relative safe-haven in such an environment.

Figure 70. Country Sensitivity

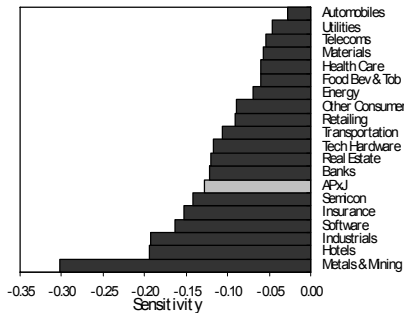


Source: Citigroup Investment Research

Sector perspective

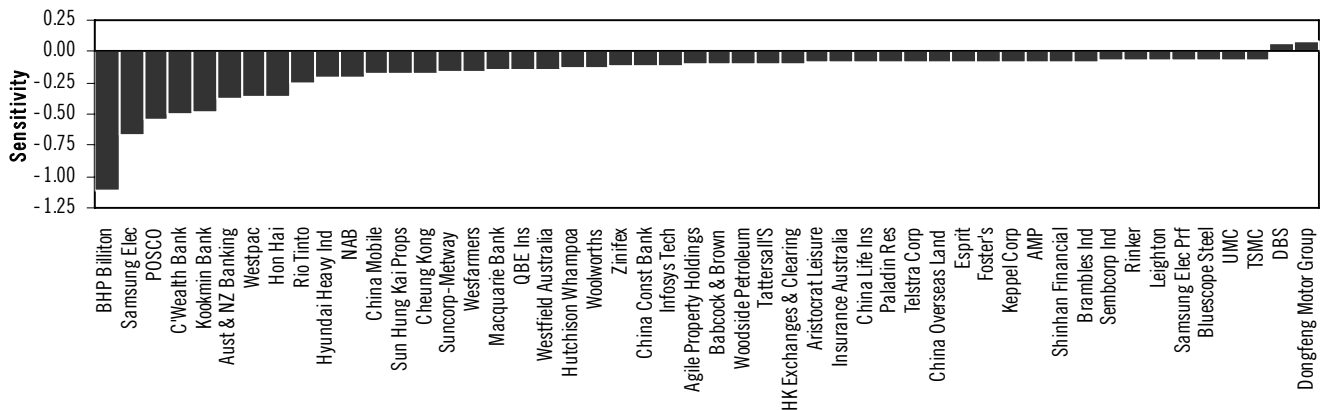
This same analysis suggests that the losers at the sector level would be sectors with the most representation in Emerging Asia and those that are most leveraged into global demand. Metals & Mining, Industrials, Semiconductors and Insurance (directly impacted by perceptions of risk-tolerance) appear most vulnerable.

Figure 71. Sector Sensitivity



Source: Citigroup Investment Research

Figure 72. Top 50 Macro Sensitivity Contributors in the Region



Source: Citigroup Investment Research

<http://deadpresident.blogspot.com>

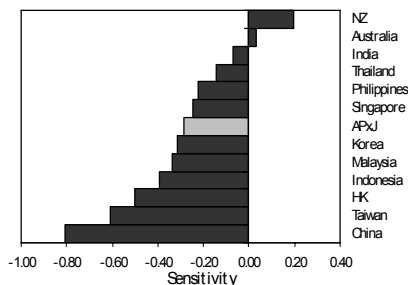
Sensitivity to Asian Interest Rates – Rising Short Rates

Country perspective

Rising interest rates are rarely a positive for equities: funding costs rise, discounting factors from a valuation perspective become more challenging, and it is often also associated with rising inflation and slowing global growth.

Again, we see the biggest negative impact of higher rates among the export-oriented markets of China, Taiwan and Hong Kong. Australia, New Zealand, Thailand, India and Thailand would appear to offer a relatively defensive hiding place, although not necessarily in absolute terms.

Figure 73. Country Sensitivity

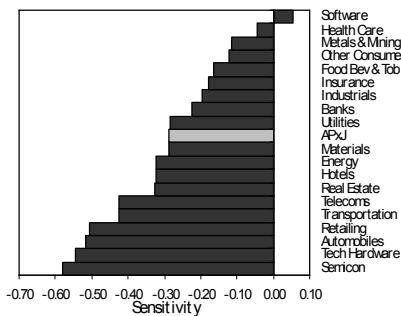


Source: Citigroup Investment Research

Sector perspective

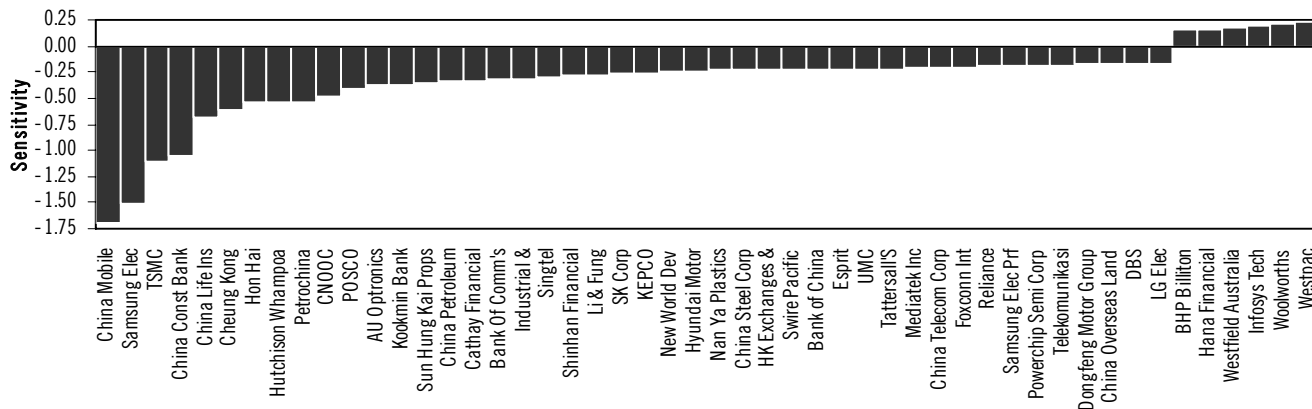
In addition to the classic interest-rate sensitive sectors (Retail and Real Estate), we see the largest negative sensitivity among the growth-exposed export sectors of Technology Hardware and Semiconductors.

Figure 74. Sector Sensitivity



Source: Citigroup Investment Research

Figure 75. Top 50 Macro Sensitivity Contributors in the Region



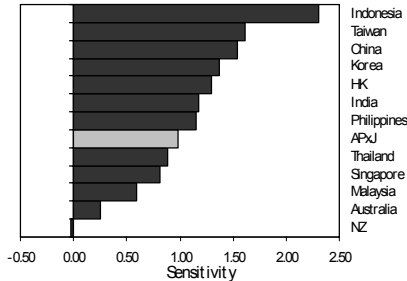
Source: Citigroup Investment Research

<http://deadpresident.blogspot.com>

Sensitivity to US\$/AFX – Asian Currency Strengthening

Country perspective

Figure 76. Country Sensitivity



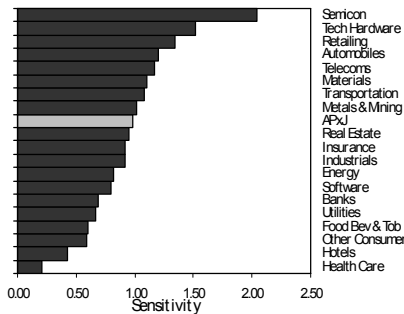
Source: Citigroup Investment Research

We generally find that Asia would benefit from strong currencies. Possibly surprisingly we would expect some of the largest benefit to be seen in the North Asian markets.

While this may seem counter-intuitive given the reliance of these markets on exports, and the direct effect stronger local currencies will have on export margins, the more important theme appears to be that rising Asian currencies are more likely in an environment where corporate profits are growing and the economies are doing well.

In effect, the importance of the export-sectors in these markets is now so great that when they do well the markets and real domestic economies also tend to do well. The flip-side is that the more domestically-driven markets under perform – albeit possibly in a rising market.

Figure 77. Sector Sensitivity

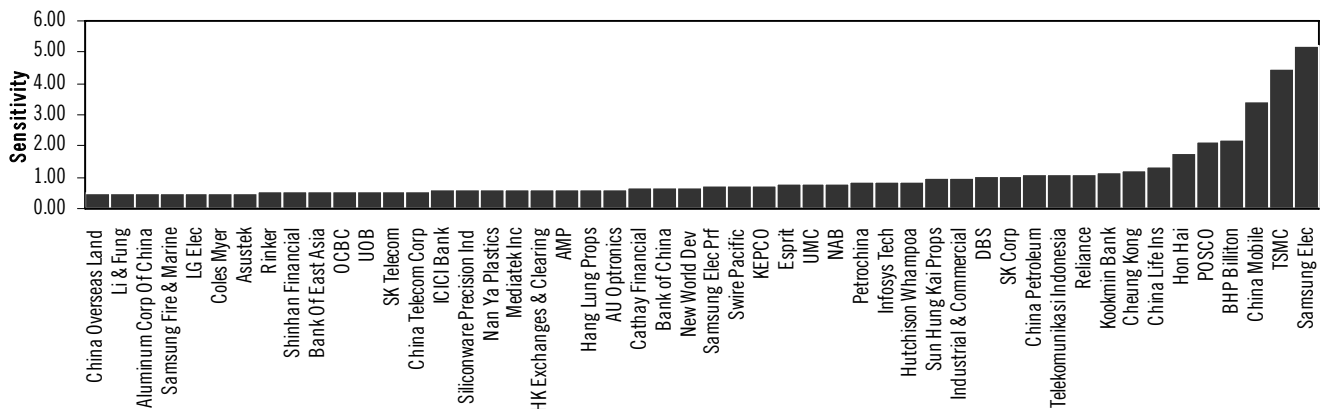


Source: Citigroup Investment Research

Sector perspective

The same picture is seen when we look at the sectors; the semiconductor and tech hardware sectors appear the most likely to benefit in a weak USD/strong Asian FX environment. At the other end of the spectrum are the predominately domestic Health Care, Hotels and Banks sectors.

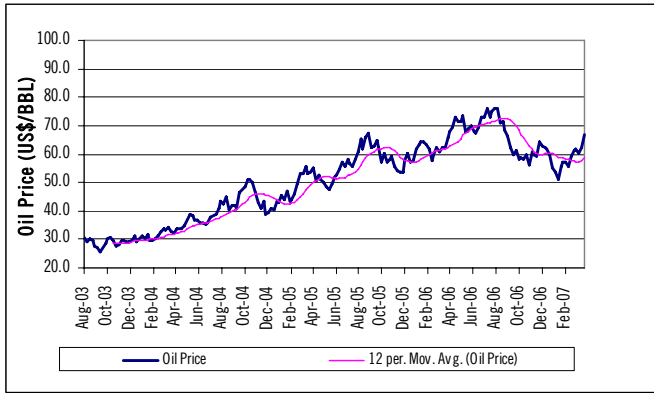
Figure 78. Top 50 Macro Sensitivity Contributors in the Region



Source: Citigroup Investment Research

<http://deadpresident.blogspot.com>
Macro Monitor – Underlying Factor Histories

Figure 79. Oil Price (Brent Oil)



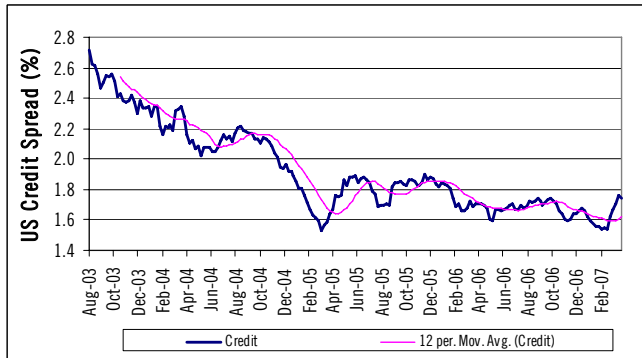
Source: Citigroup Investment Research

Figure 80. Commodity Prices (GSCI ex Energy)



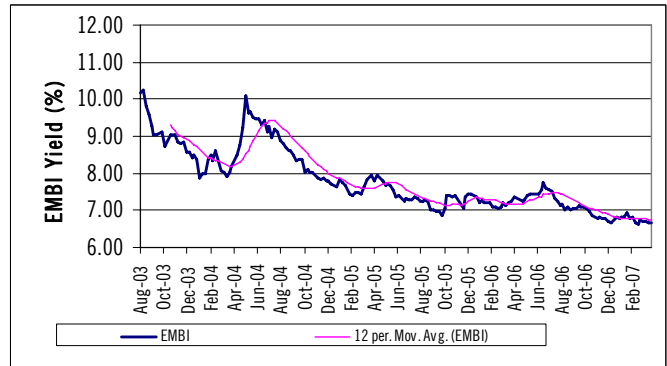
Source: Citigroup Investment Research

Figure 81. US Credit Spread



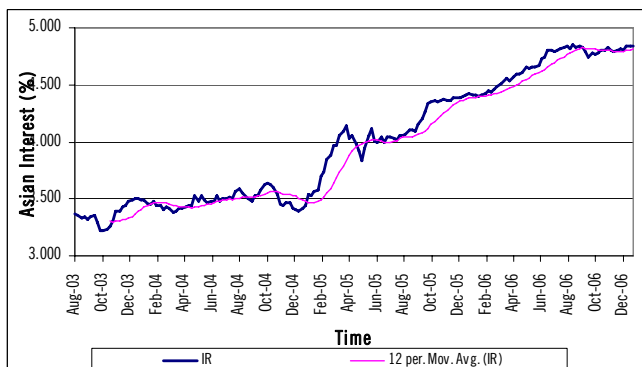
Source: Citigroup Investment Research

Figure 82. Emerging Market Bond Yields



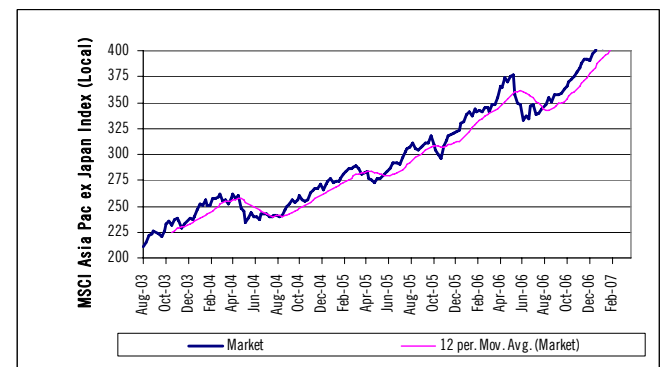
Source: Citigroup Investment Research

Figure 83. Asian Interest Rates (Short rates)



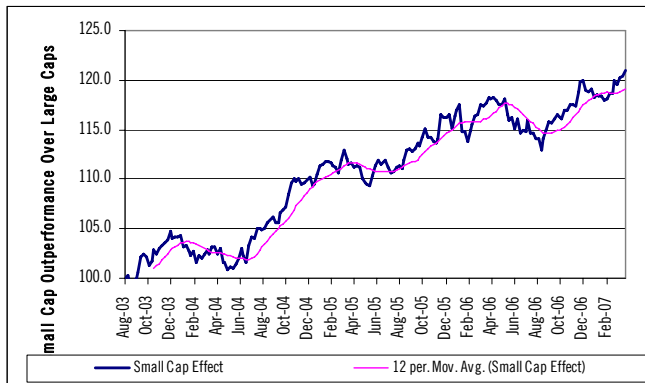
Source: Citigroup Investment Research

Figure 84. MSCI Asia Pacific ex Japan Index (Local)



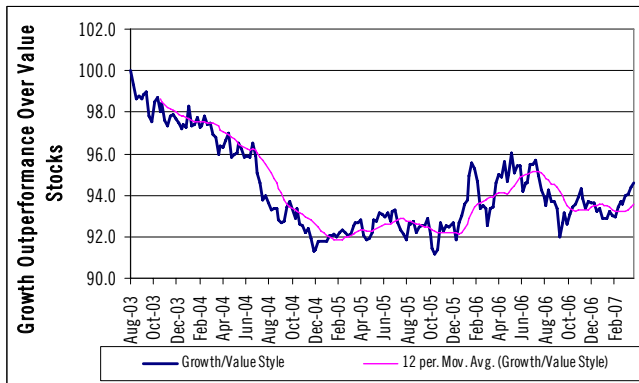
Source: Citigroup Investment Research

Figure 85. Small Cap Effect



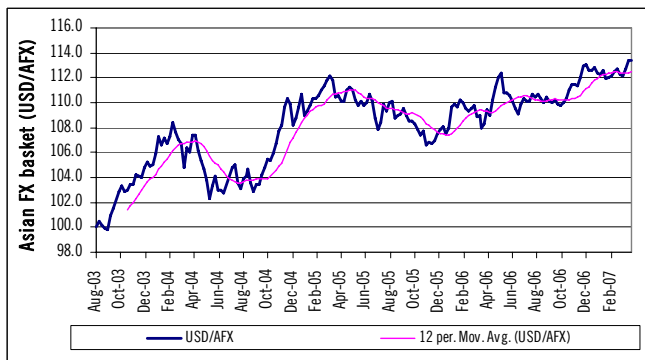
Source: Citigroup Investment Research

Figure 86. Growth/Value Style Effects



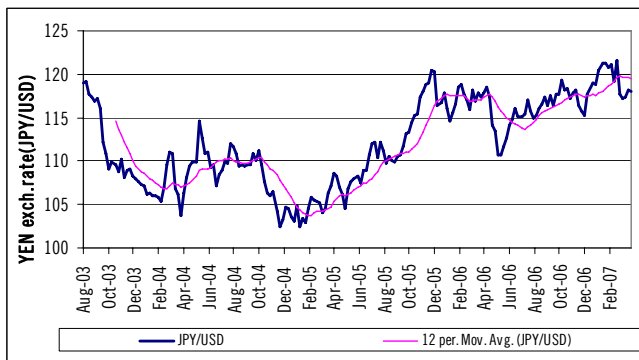
Source: Citigroup Investment Research

Figure 87. Asian Currency basket (USD/AFX)



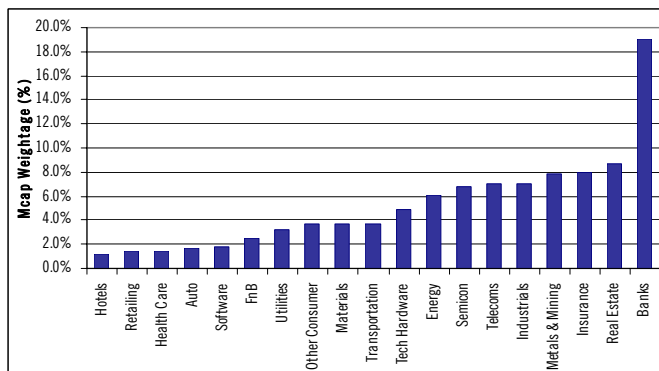
Source: Citigroup Investment Research

Figure 88. Yen Exchange Rate



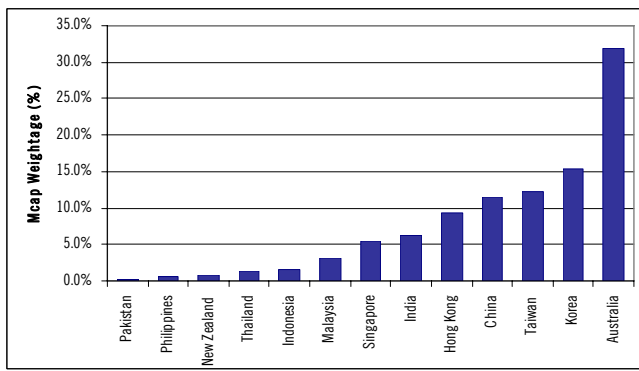
Source: Citigroup Investment Research

Figure 89. Market Cap Distribution Across Asian Sectors



Source: Citigroup Investment Research, MSCI

Figure 90. Market Cap Distribution Across Asian Countries



Source: Citigroup Investment Research, MSCI

APPENDIX – 1: Factor Definitions

Valuations

- 1. Dividend Yield**
Percentage of annual dividend rate to current price
Source: WorldScope
- 2. Price/Cash Flow**
Ratio of current price to cash earnings per share of the company
Source: WorldScope
- 3. Trailing P/E**
Ratio of current price to the latest 12 months earnings per share
Source: WorldScope
- 4. Forecast P/E (12m Forward)**
Ratio of price to the time-weighted average of I/B/E/S FY1 & FY2 mean earnings per share estimates
Source: WorldScope, I/B/E/S
- 5. Price/Sales**
Ratio of current price to net sales (gross sales and other operating revenue less discounts, returns and allowances for non financials; total operating revenue for financials)
Source: WorldScope
- 6. Price/Book**
Ratio of current price to book value per share
Source: WorldScope

Profitability

- 7. Reported ROE** Percentage of net income before preferred dividends less preferred dividend requirements to last year's common equity
Source: WorldScope
- 8. Forecast ROE**
Percentage of I/B/E/S 12-month forward mean EPS estimate to book value per share
Source: WorldScope, I/B/E/S
- 9. Net Margin (Trailing)**
Net income before preferred dividends to net sales
Source: WorldScope
- 10. Net Margin (Forecast)**
Ratio of I/B/E/S 12-month forward mean EPS estimate divided by net sales per share
Source: WorldScope, I/B/E/S

Earnings certainty and quality

- 11. Cash Flow to Earnings**
Ratio of cash flow (sum of net income and all non-cash charges or credits) per share to earnings per share
Source: WorldScope
- 12. Earnings Estimate Variability (Historical)**
The mean absolute percentage difference between actual reported earnings per share and a five-year historical EPS growth trend line, expressed as a percentage of trend line earnings per share.
Source: I/B/E/S

<http://deadpresident.blogspot.com>

13. Earnings Estimate Dispersion FY1

Ratio of the standard deviation of I/B/E/S FY1 earnings per share estimates to the mean estimate

Source: I/B/E/S

Earnings growth

14. Historical EPS Growth

The slope of a trend line fitted through the last five years' reported earnings per share. Uses quarterly data if available.

Source: WorldScope

15. 1Y EPS Growth

Percentage change of current earnings per share over the previous year's earnings per share. Preference stock is included in the share base where it participates with the common/ordinary shares in the profits of the company.

Source: WorldScope

16. Earnings Revision Ratio

Difference between number of up and down estimates divided by the total number of estimates, for FY1 and FY2 combined.

Source: I/B/E/S

17. PEG Ratio

Ratio of current price to last 12 months earnings per share divided by the two year forecast compounded annualized growth rate in IBES mean estimates

Source: WorldScope, I/B/E/S

18. Long Term PEG Ratio

Ratio of price to latest 12-months EPS to the I/B/E/S long-term growth estimate

Source: WorldScope, I/B/E/S

Price Momentum

19. % Price Change (1M)

One-month percentage change in closing price in local currency

Source: Price/Exshare

20. % Price Change (3M)

Three-month percentage change in closing price in local currency

Source: Price/Exshare

21. % Price Change (6M)

Six-month percentage change in closing price in local currency

Source: Price/Exshare

22. % Price Change (12M)

Twelve-month percentage change in closing price in local currency

Source: Price/Exshare

23. First 11 of Last 12M

Percentage change in closing price in local currency over the eleven months prior to the recent month

Source: Price/Exshare

24. 260d Trading Value

Average daily trading value in US\$ over the last 260 trading days

Source: Price/Exshare

Macroeconomic factors

25. Oil Price

Brent Crude Oil FOB US\$/BBL

Source: Datastream

26. Commodity Prices (ex. Energy)

GSCI Non-Energy Total Return in US\$

Source: Datastream

27. US Credit Spread

Spread between Moody's BAA corporate bond yields and US 10 Yr Treasury Bond yields in US\$

Source: Datastream

28. Emerging Market Yields

Yields associated with JPM EMBI Index in US\$

Source: JPM

29. Asian Interest Rates

Market-Cap weighted Asian Short-term (3Month) Inter Bank rates

Source: Datastream

30. Asian Currency Basket

A Proxy factor for Asian currency (AFX / US\$) derived by taking the spread of the returns on the MSCI Asia Pacific Free Ex-Japan Index in US dollar terms over the return on the same index in local currency.

Source: Datastream

31. Yen Exchange Rate (JPY / US\$)

Source: Datastream

32. Asian Growth Value Effect

Performance of Growth Stocks over Value stocks in Asia Pacific ex Japan region.

Source: Datastream

33. Asian Small Cap Effect

Performance of Small-Cap Stocks over Large-Cap stocks in Asia Pacific ex Japan region.

Source: Datastream

34. Asian Equity Market Effect

Performance of MSCI Asia Pacific ex Japan Index

Source: Datastream

35. Local Market Effect

Performance of Individual Country equity market performance. Proxy for local country market is taken as the respective MSCI Country Index.

Source: Factset, MSCI

36. Sector Effect

Performance of Individual Sector performance. Proxy for sector is taken as the respective MSCI Asia Pacific Ex Japan Sector Index.

Source: Factset, MSCI

<http://deadpresident.blogspot.com>

APPENDIX – 2: Methodology

Style performance

The style performance is generated by back-testing the factors on the constituents of S&P/Citigroup Broad Market Index (BMI) Asia-Pacific Ex Japan equity index since 1995.

The process of back-testing any factor involves first ranking the stocks in the universe based on the attractiveness of the factor using month-end factor values. The universe is then split into five equal baskets of stocks based on the attractiveness score. We then calculate the subsequent month's equally weighted average total return in US dollars for all stocks within each quintile.

The performance spread is calculated as the difference in returns between the attractive and unattractive quintiles. We repeat this process for each month to generate a time-series of return spreads.

The return spreads presented in the report are compound returns for 1, 3, and 6 month cases and annualized compound returns for the 1, 2 and 5 year cases. The information ratio (IR) is the ratio of the annualized spread return over the annualized equally weighted volatility.

APRAM

The Macro sensitivity and Macro scenario analysis presented are based on our Asia Pacific Risk Attribute Model (APRAM). The APRAM model is estimated on three years of weekly data for all stocks in the Asia Pacific Ex Japan universe. The sensitivities are re-estimated quarterly using a rolling window approach. Stocks that have less than 52 weeks of data are assigned the appropriate sector index betas as a proxy.

Macro sensitivity analysis

To construct sector/country sensitivity we use a market-cap weighted average of the constituent stock betas as calculated using APRAM. The top 50 contributors to country/sector sensitivity is determined by ranking stocks on its sensitivity to the macro factor which is the individual stock betas multiplied by its market cap weight. A positive beta implies that the sector portfolio is likely to outperform the benchmark for an increase in the factor. A negative beta indicates it will underperform.

Macro scenario analysis

The scenario analysis presented for each sector shows the performance (marginal excess returns) of the sector-in-focus relative to the Asia Pacific region for a 1-std deviation move in the underlying macro factor.

Changes in one factor are usually accompanied by changes in other factors. A marginal contribution to return for each factor explicitly accounts for the correlation between the factors and their impact on the portfolio return. We define the marginal return from a factor as the expected impact on the Country/Sector portfolio for a one standard deviation move (increase) in the value of a factor. The measure is constructed in terms of standard deviations so we can compare the effects of the different factors on the same scale.

“Perfect-Foresight” Portfolio Construction

The constituents of MSCI Asia Pacific ex-Japan index as of end-Dec-2006 (End-Sept-2006) are sorted in descending order of the total returns in US\$ and quintiled till End-Mar-2007 for 1Q07 (4Q06) analysis.

<http://deadpresident.blogspot.com>

The "Perfect Foresight" winner (loser) portfolio was constructed by assigning 2x index weight to stocks in the top Quintile 1 (bottom Quintile 5) and 1.5 x index weights to stocks in the Quintile 2 (Quintile 4) and as is index weights to stocks in the top (bottom) half of Quintile 3 and excluded the remaining stocks. The stocks in this constructed portfolio are reweighted to sum up to 100%. (Subject to a maximum weight of 10% - this constraint wasn't triggered).

Risk Analysis is done on the Winner Portfolio tracked against Loser Portfolio thereby exposing the risks that were for (against) the winners (losers).

<http://deadpresident.blogspot.com>

<http://deadpresident.blogspot.com>

<http://deadpresident.blogspot.com>

Appendix A-1

Analyst Certification

I, Paul Chanin, research analyst and the author of this report, hereby certify that all of the views expressed in this research report accurately reflect my personal views about any and all of the subject issuer(s) or securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

IMPORTANT DISCLOSURES

Hyundai Motor (005380.KS)

Ratings and Target Price History - Fundamental Research

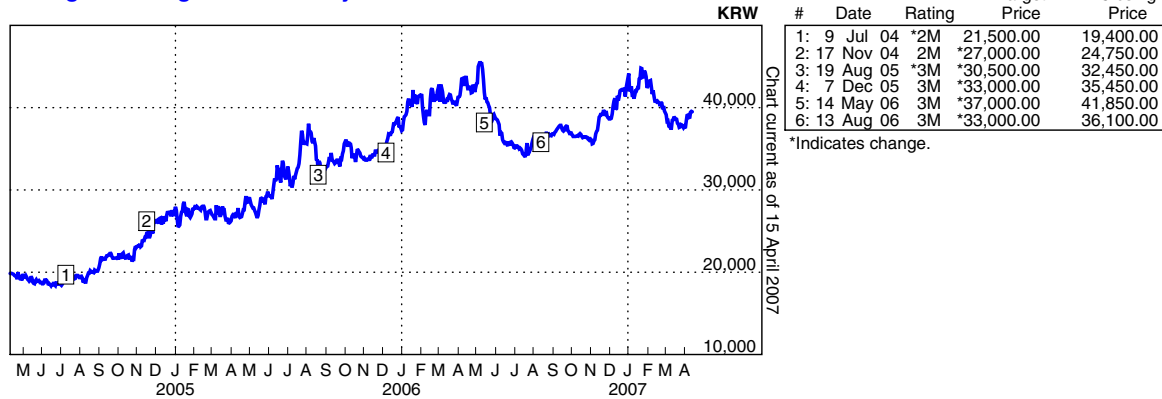
Analyst: Sokje Lee (covered since March 22 2007)



— Covered
 Not covered

KEPCO (015760.KS)

Ratings and Target Price History - Fundamental Research

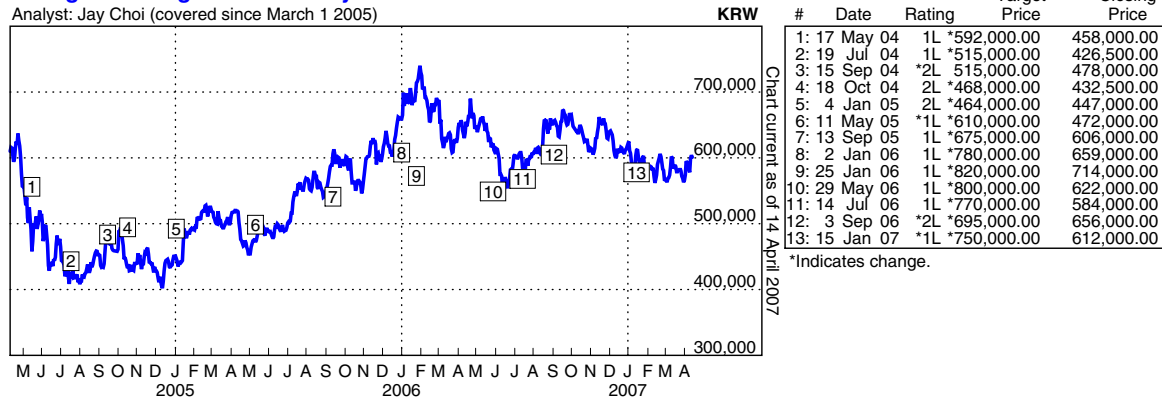


— Covered
 Not covered

Samsung Electronics (005930.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Jay Choi (covered since March 1 2005)



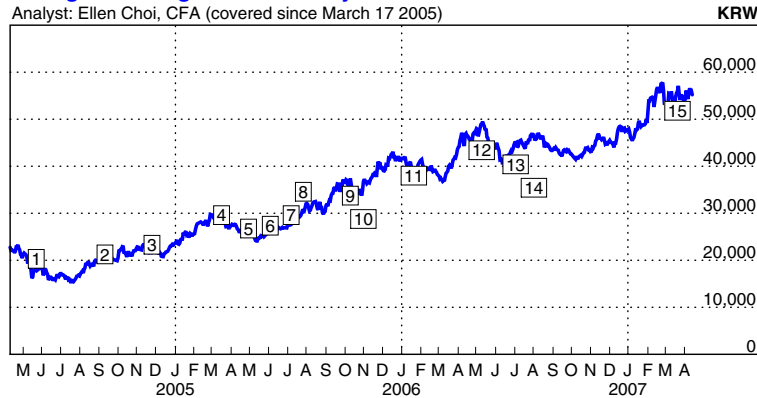
— Covered
 Not covered

<http://deadpresident.blogspot.com>

Shinhan Financial (055550.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Ellen Choi, CFA (covered since March 17 2005)



#	Date	Rating	Target Price	Closing Price
1:	24 May 04	1M	*25,000.00	18,350.00
2:	10 Sep 04	1M	*26,000.00	20,150.00
3:	25 Nov 04	*1L	26,000.00	22,600.00
4:	17 Mar 05	*2L	*32,200.00	27,900.00
5:	29 Apr 05	*2M	*30,000.00	25,750.00
6:	3 Jun 05	2M	*28,750.00	25,950.00
7:	7 Jul 05	2M	*30,300.00	27,600.00
8:	27 Jul 05	2M	*33,600.00	30,650.00
9:	11 Oct 05	2M	*39,000.00	37,400.00
10:	1 Nov 05	*2L	39,000.00	36,700.00
11:	20 Jan 06	2L	*41,500.00	38,500.00
12:	10 May 06	2L	*50,400.00	48,950.00
13:	4 Jul 06	*1L	*54,800.00	45,000.00
14:	2 Aug 06	1L	*55,000.00	46,550.00
15:	21 Mar 07	*2L	*61,000.00	56,000.00

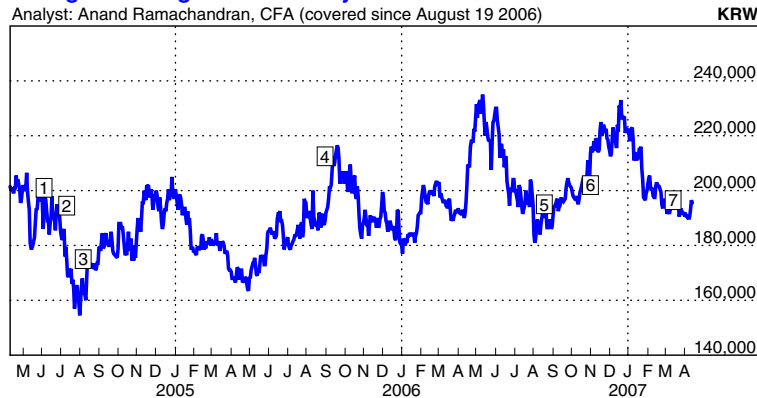
*Indicates change.

— Covered
 Not covered

SK Telecom (017670.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Anand Ramachandran, CFA (covered since August 19 2006)



#	Date	Rating	Target Price	Closing Price
1:	4 Jun 04	*1L	*290,000.00	192,500.00
2:	12 Jul 04	1L	*260,000.00	175,000.00
3:	6 Aug 04	*1H	*210,000.00	163,500.00
4:	31 Aug 05	*1M	*220,000.00	189,000.00
5:	18 Aug 06	*3M	*180,000.00	195,000.00
6:	1 Nov 06	3M	*205,000.00	213,500.00
7:	14 Mar 07	*2M	*210,000.00	195,500.00

*Indicates change.

— Covered
 Not covered

Samsung Fire & Marine (000810.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Stan Lee (covered since October 31 2006)



#	Date	Rating	Target Price	Closing Price
1:	22 Apr 04	1M	*97,200.00	82,100.00
2:	1 Jun 04	*2M	*84,200.00	76,500.00
3:	12 Aug 04	2M	*77,800.00	67,500.00
4:	16 May 05	*1L	*83,700.00	69,200.00
5:	30 Jun 05	1L	*95,000.00	83,900.00
6:	16 Aug 05	1L	*101,400.00	85,300.00
7:	30 Sep 05	1L	*123,400.00	108,000.00
8:	19 Apr 06	1L	*153,700.00	132,500.00
9:	10 May 06	1L	153,700.00	145,000.00
10:	30 Oct 06	1L	*186,900.00	141,000.00
11:	8 Nov 06	1L	*170,700.00	148,000.00
12:	18 Jan 07	1L	*176,800.00	154,500.00
13:	21 Mar 07	*2L	176,800.00	163,500.00
14:	18 Apr 07	2L	*186,000.00	171,000.00

*Indicates change.

— Covered
 Not covered

<http://deadpresident.blogspot.com>

Shinsegae (004170.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Ally Park (covered since June 1 2004)



#	Date	Rating	Target Price	Closing Price
1:	31 May 04	1M	*350,000.00	263,500.00
2:	22 Feb 05	*1L	*370,000.00	302,500.00
3:	19 May 05	1L	*450,000.00	320,500.00
4:	1 Apr 06	*2L	*456,000.00	450,000.00
5:	8 Nov 06	2L	*560,000.00	534,000.00

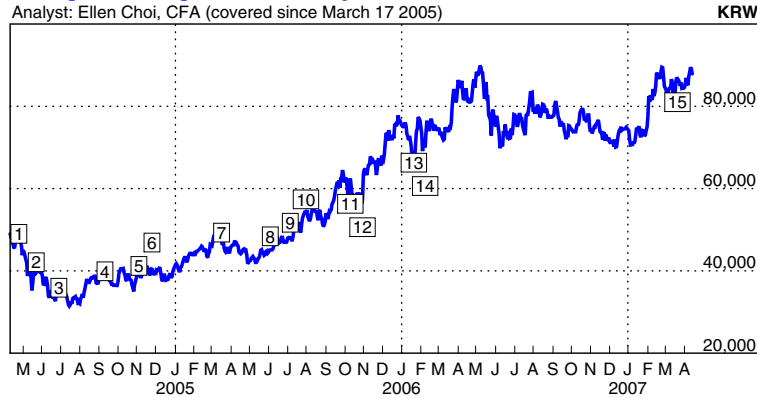
*Indicates change.

— Covered
 Not covered

Kookmin Bank (060000.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Ellen Choi, CFA (covered since March 17 2005)



#	Date	Rating	Target Price	Closing Price
1:	26 Apr 04	1M	60,000.00	48,000.00
2:	24 May 04	1M	*49,000.00	40,500.00
3:	29 Jun 04	1M	*47,500.00	35,850.00
4:	10 Sep 04	1M	*51,500.00	38,600.00
5:	4 Nov 04	1M	*49,000.00	39,150.00
6:	25 Nov 04	1M	*47,500.00	40,650.00
7:	17 Mar 05	*2L	*52,700.00	47,200.00
8:	3 Jun 05	2L	*49,200.00	45,100.00
9:	6 Jul 05	2L	*51,400.00	48,050.00
10:	31 Jul 05	2L	*59,200.00	54,100.00
11:	11 Oct 05	2L	*66,500.00	62,500.00
12:	31 Oct 05	*1L	*70,000.00	57,300.00
13:	20 Jan 06	1L	*80,000.00	66,300.00
14:	8 Feb 06	1L	*82,000.00	70,000.00
15:	21 Mar 07	*2L	*93,000.00	86,700.00

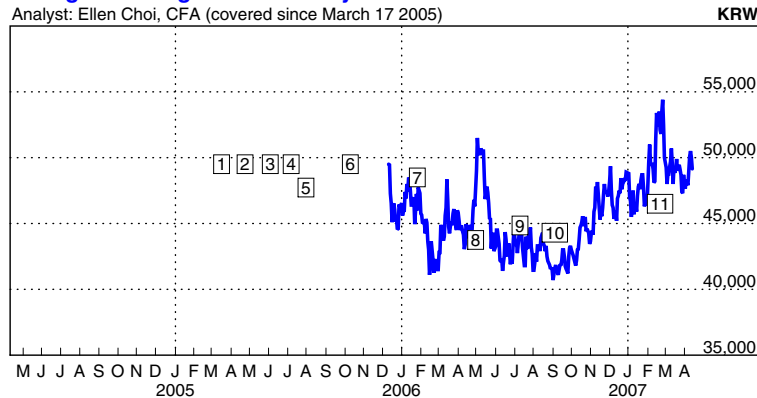
*Indicates change.

— Covered
 Not covered

Hana Financial Group (086790.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Ellen Choi, CFA (covered since March 17 2005)



#	Date	Rating	Target Price	Closing Price
1:	17 Mar 05	*1L	*32,376.24	NA
2:	24 Apr 05	1L	*32,772.28	NA
3:	3 Jun 05	1L	*31,386.14	NA
4:	7 Jul 05	1L	*32,574.26	NA
5:	31 Jul 05	1L	*38,118.81	NA
6:	11 Oct 05	1L	*48,514.85	NA
7:	26 Jan 06	1L	*52,000.00	46,000.00
8:	1 May 06	1L	*54,000.00	NA
9:	11 Jul 06	1L	*55,000.00	44,600.00
10:	5 Sep 06	1L	*54,000.00	41,600.00
11:	21 Feb 07	1L	*59,500.00	52,100.00

*Indicates change.

— Covered
 Not covered

<http://deadpresident.blogspot.com>

Hynix (000660.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Jay Choi (covered since January 2 2006)



#	Date	Rating	Target Price	Closing Price
1:	30 Apr 04	*2S	14,600.00	11,900.00
2:	30 Jul 04	*3S	*10,500.00	9,000.00
3:	2 Jan 06	*1M	*45,000.00	37,600.00
4:	25 Jan 06	1M	*47,000.00	34,000.00
5:	5 Mar 06	1M	*50,000.00	31,000.00
6:	11 Apr 06	1M	*47,000.00	29,700.00
7:	24 Sep 06	*2M	*41,000.00	36,950.00
8:	31 Jan 07	2M	*37,000.00	31,250.00
9:	14 Mar 07	*1M	*41,000.00	31,900.00

*Indicates change.

— Covered
 Not covered

Hyundai Development (012630.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Brian Cho (covered since October 16 2006)



#	Date	Rating	Target Price	Closing Price
1:	12 Jul 05	*3M	*23,500.00	23,450.00
2:	3 Aug 05	3M	*29,000.00	31,000.00
3:	19 Oct 06	*3H	*38,400.00	42,600.00
4:	20 Nov 06	3H	*47,000.00	52,800.00

*Indicates change.

— Covered
 Not covered

Hyundai Mobis (012330.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Sokje Lee (covered since March 22 2007)



#	Date	Rating	Target Price	Closing Price
1:	21 May 04	*3M	*41,000.00	47,400.00
2:	10 Aug 05	3M	*68,000.00	79,000.00
3:	3 Nov 05	3M	*82,000.00	88,200.00
4:	7 May 06	*2M	*90,000.00	82,100.00
5:	26 Sep 06	Coverage suspended		
6:	22 Mar 07	*1L	*134,000.00	76,800.00

*Indicates change.

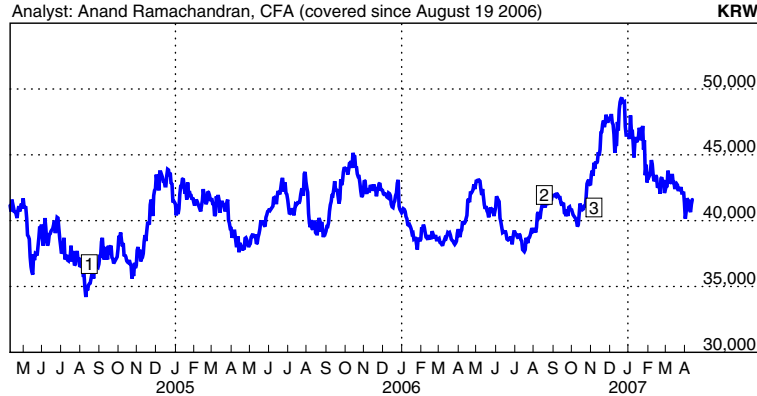
— Covered
 Not covered

<http://deadpresident.blogspot.com>

KT Corp. (030200.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Anand Ramachandran, CFA (covered since August 19 2006)



#	Date	Rating	Target Price	Closing Price
1:	17 Aug 04	2M	*39,000.00	35,200.00
2:	18 Aug 06	*2L	*40,500.00	41,300.00
3:	7 Nov 06	2L	*45,000.00	44,400.00

*Indicates change.

Chart current as of 14 April 2007

— Covered
 Not covered

KT&G (033780.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Ally Park (covered since June 1 2004)



#	Date	Rating	Target Price	Closing Price
1:	31 May 04	1L	25,000.00	26,200.00
2:	31 May 04	1L	*30,000.00	26,200.00
3:	2 Aug 04	1L	*31,000.00	28,100.00
4:	25 Nov 04	1L	*35,000.00	32,800.00
5:	31 Jan 05	*2L	*33,000.00	31,500.00
6:	27 Apr 05	2L	*36,000.00	35,000.00
7:	28 Jul 05	2L	*43,000.00	42,550.00
8:	25 Jan 06	2L	*50,000.00	45,900.00
9:	31 Mar 06	2L	*58,000.00	54,800.00
10:	24 Jan 07	2L	*62,000.00	56,800.00

*Indicates change.

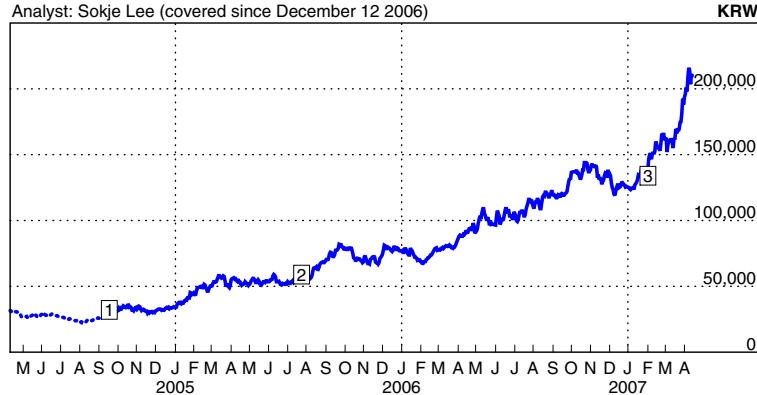
Chart current as of 14 April 2007

— Covered
 Not covered

Hyundai Heavy Industries (009540.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Sokje Lee (covered since December 12 2006)



#	Date	Rating	Target Price	Closing Price
1:	17 Sep 04	2M	32,500.00	28,750.00
2:	25 Jul 05	*3M	32,500.00	55,900.00
3:	1 Feb 07	*1L	*235,000.00	139,500.00

*Indicates change.

Chart current as of 14 April 2007

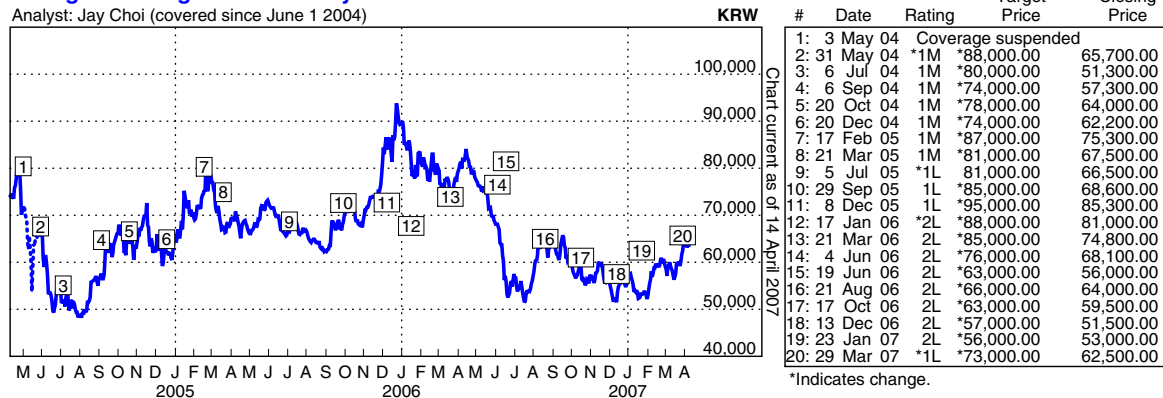
— Covered
 Not covered

<http://deadpresident.blogspot.com>

LGE (066570.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Jay Choi (covered since June 1 2004)



— Covered
 Not covered

NHN (035420.KQ)

Ratings and Target Price History - Fundamental Research

Analyst: Charles Uhm (covered since December 7 2006)



— Covered
 Not covered

Customers of the Firm in the United States can receive independent, third-party research on the company or companies covered in this report, at no cost to them, where such research is available. Customers can access this independent research at <http://www.smithbarney.com> (for retail clients) or <http://www.citigroupgeo.com> (for institutional clients) or can call (866) 836-9542 to request a copy of this research.

A director of Li & Fung Group, serves as a director on Citigroup's International Advisory Board.

A director of Reliance Industries serves as a director on Citigroup's International Advisory Board.

An employee of Citigroup Global Markets is a trustee for the Occupational Retirement Scheme for employees of Cheung Kong (Holdings) Limited and its affiliates.

CGM Korea is acting as a treasury stock agent for NHN Corp for the period from 30 Jan 07 to 29 Apr 07.

Citigroup Global Markets Inc. is an advisor to Spirit Finance Corp in its proposed acquisition by Macquarie Bank Limited, Kaupthing Bank hf. and other equity participants.

Citigroup Inc. is acting as exclusive advisor to Sembcorp Industries in Toll Holdings proposed acquisition of its stake in Sembcorp Logistics.

Citigroup acted as financial adviser to Toll Holdings in its acquisition of Patrick Corp.

Citigroup is acting as Financial Adviser to Suncorp-Metway Limited on the announced proposed acquisition of all the ordinary shares of Promina Group Limited.

Citigroup Global Markets Inc. or its affiliates beneficially owns 1% or more of any class of common equity securities of Agile Property Holdings, Alumina Ltd, ALUMINUM CORP. OF CHINA LTD., ASE, Asustek, AU Optronics, Babcock & Brown Ltd, Bank of China, Bank of Communications, Bank of East Asia, Bharti Airtel, BHP Billiton Ltd, Brambles Ltd, CapitaLand, China Construction Bank, China Life Insurance, China Mobile, CHINA STEEL CORP., China Telecom, CNOOC, Coles Group Ltd, CSL Ltd, Foster's Group Ltd, Hana Financial Group, Hon Hai Precision, Hong Kong & China Gas, Hutchison Whampoa, Hynix, Hyundai Development, Hyundai Mobis, Hyundai Motor, Industrial and Commercial Bank of China, Infosys Technologies, Insurance Australia Group Ltd, IOI, Macquarie Infrastructure Group, Newcrest Mining Ltd, Origin Energy Ltd, PALADIN RESOURCES LTD., PetroChina, Powerchip, QBE Insurance Group Ltd, Samsung Electronics, Santos Ltd, SHIN KONG FINANCIAL HOLDING CO. LTD., Shinhan Financial, Sinopec, SK Telecom, Sonic Healthcare Ltd, SPIL, Sun Hung Kai Properties, Suncorp-Metway Ltd, Swire, Tata Consultancy Services, Tattersalls Limited, Telstra Corporation Ltd, Toll Holdings Ltd, UMC, Woodside Petroleum Ltd, Woolworths Limited and Zinifex Ltd. This position reflects information available as of the prior business day.

Within the past 12 months, Citigroup Global Markets Inc. or its affiliates has acted as manager or co-manager of an offering of securities of ANZ Banking Group Ltd, Babcock & Brown Ltd, BHP Billiton Ltd, China Construction Bank, CHINA STEEL CORP., Commonwealth Bank of Aust. Ltd, Dongfeng Motor, Esprit, FORMOSA PLASTICS CORP., HTIL, Hyundai Motor, ICICI Bank, IOI, Kookmin Bank, KT Corp., Li & Fung, Macquarie Bank Ltd, National Australia Bank Ltd, Origin Energy Ltd, PLDT, POSCO, QBE

<http://deadpresident.blogspot.com>

Insurance Group Ltd, Reliance Industries, Shinhan Financial, Sun Hung Kai Properties, Suncorp-Metway Ltd, Telstra Corporation Ltd, Toll Holdings Ltd, Westfield Group, Westpac Banking Corporation and Woolworths Limited.

Citigroup Global Markets Inc. or its affiliates has received compensation for investment banking services provided within the past 12 months from ALUMINUM CORP. OF CHINA LTD., ANZ Banking Group Ltd, Astra International, AU Optronics, Babcock & Brown Ltd, Bank of China, Bank of East Asia, Bank Rakyat Indonesia (Persero), BHP Billiton Ltd, BOC Hong Kong, Brambles Ltd, CapitaLand, Cheung Kong, China Construction Bank, China Life Insurance, China Merchants Holdings, China Mobile, China Overseas Land & Investment, China Telecom, CNOOC, Commonwealth Bank of Aust. Ltd, Dongfeng Motor, Esprit, FORMOSA PLASTICS CORP., Foster's Group Ltd, Genting, Hang Lung Properties, Hong Kong & China Gas, HTIL, Hutchison Whampoa, Hynix, Hyundai Development, Hyundai Motor, ICICI Bank, Industrial and Commercial Bank of China, IOI, KEPCO, Kookmin Bank, KT Corp., Leighton Holdings Ltd, Li & Fung, Macquarie Bank Ltd, Macquarie Infrastructure Group, NAN YA PLASTICS CORP., National Australia Bank Ltd, Oil & Natural Gas, Origin Energy Ltd, PetroChina, POSCO, PT Telkom, PTT, QBE Insurance Group Ltd, Reliance Industries, SembCorp Industries, Shinhan Financial, Singapore Airlines, SingTel, Sinopec, Sun Hung Kai Properties, Suncorp-Metway Ltd, Tata Consultancy Services, Telstra Corporation Ltd, Toll Holdings Ltd, UMC, Westfield Group, Westpac Banking Corporation, Woodside Petroleum Ltd and Woolworths Limited.

Citigroup Global Markets Inc. or its affiliates expects to receive or intends to seek, within the next three months, compensation for investment banking services from ALUMINUM CORP. OF CHINA LTD., ANZ Banking Group Ltd, Babcock & Brown Ltd, Bank of China, BOC Hong Kong, China Construction Bank, China Life Insurance, China Merchants Holdings, China Mobile, China Overseas Land & Investment, China Telecom, CNOOC, Commonwealth Bank of Aust. Ltd, Industrial and Commercial Bank of China, Leighton Holdings Ltd, Li & Fung, Macquarie Bank Ltd, Macquarie Infrastructure Group, PetroChina, SembCorp Industries, Sinopec, Suncorp-Metway Ltd and Tata Consultancy Services.

Citigroup Global Markets Inc. or an affiliate received compensation for products and services other than investment banking services from ALUMINUM CORP. OF CHINA LTD., AMP Ltd, ANZ Banking Group Ltd, ASE, Astra International, Asustek, AU Optronics, Babcock & Brown Ltd, Bank Central Asia, Bank of China, Bank of Communications, Bank of East Asia, Bank Rakyat Indonesia (Persero), Bharti Airtel, BHP Billiton Ltd, Bluescope Steel Ltd, BOC Hong Kong, Brambles Ltd, CapitaLand, Cathay FHC, Cheung Kong, China Construction Bank, China Life Insurance, China Merchants Holdings, China Mobile, China Overseas Land & Investment, CHINA STEEL CORP., China Telecom, CLP Holdings, CNOOC, Coles Group Ltd, Commonwealth Bank of Aust. Ltd, CSL Ltd, DBS Group, Esprit, FORMOSA PLASTICS CORP., Foster's Group Ltd, Foxconn International Holdings, Foxconn Technology, Genting, Hana Financial Group, Hang Lung Properties, High Tech Computer, Hon Hai Precision, Hong Kong & China Gas, Hong Kong Exchanges & Clearing, HTIL, Hutchison Whampoa, Hynix, Hyundai Development, Hyundai Heavy Industries, Hyundai Mobis, Hyundai Motor, ICICI Bank, Industrial and Commercial Bank of China, Infosys Technologies, Insurance Australia Group Ltd, IOI, KEPCO, Keppel, Kookmin Bank, KT Corp., KT&G, Leighton Holdings Ltd, LGE, Li & Fung, Macquarie Bank Ltd, Macquarie Infrastructure Group, Maxis, MayBank, Mediatek, NAN YA PLASTICS CORP., National Australia Bank Ltd, New World Development, Newcrest Mining Ltd, OCBC, Oil & Natural Gas, Origin Energy Ltd, PALADIN RESOURCES LTD., PetroChina, PLDT, POSCO, PT Telkom, PTT, QBE Insurance Group Ltd, Reliance Industries, Rio Tinto Ltd, Samsung Electronics, Samsung Fire & Marine, Santos Ltd, SembCorp Industries, SHIN KONG FINANCIAL HOLDING CO. LTD., Shinhan Financial, Shinsegae, Singapore Airlines, SingTel, Sinopec, SK CORP., SK Telecom, Sonic Healthcare Ltd, SPIL, Sun Hung Kai Properties, Suncorp-Metway Ltd, Swire, Tata Consultancy Services, Telstra Corporation Ltd, Tenaga, Toll Holdings Ltd, TSMC, UMC, UOB, WESFARMERS LTD., Westfield Group, Westpac Banking Corporation, Woodside Petroleum Ltd, Woolworths Limited and Zinifex Ltd in the past 12 months.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following company(ies) as investment banking client(s): ALUMINUM CORP. OF CHINA LTD., ANZ Banking Group Ltd, Astra International, AU Optronics, Babcock & Brown Ltd, Bank of China, Bank of East Asia, Bank Rakyat Indonesia (Persero), BHP Billiton Ltd, BOC Hong Kong, Brambles Ltd, CapitaLand, Cheung Kong, China Construction Bank, China Life Insurance, China Merchants Holdings, China Mobile, China Overseas Land & Investment, China Telecom, CNOOC, Commonwealth Bank of Aust. Ltd, Dongfeng Motor, Esprit, FORMOSA PLASTICS CORP., Foster's Group Ltd, Genting, Hang Lung Properties, Hong Kong & China Gas, HTIL, Hutchison Whampoa, Hynix, Hyundai Development, Hyundai Motor, ICICI Bank, Industrial and Commercial Bank of China, IOI, KEPCO, Kookmin Bank, KT Corp., Leighton Holdings Ltd, Li & Fung, Macquarie Bank Ltd, Macquarie Infrastructure Group, NAN YA PLASTICS CORP., National Australia Bank Ltd, Oil & Natural Gas, Origin Energy Ltd, PetroChina, POSCO, PT Telkom, PTT, QBE Insurance Group Ltd, Reliance Industries, Santos Ltd, SembCorp Industries, Shinhan Financial, Singapore Airlines, SingTel, Sinopec, SK Telecom, Sun Hung Kai Properties, Suncorp-Metway Ltd, Tata Consultancy Services, Telstra Corporation Ltd, Toll Holdings Ltd, UMC, Westfield Group, Westpac Banking Corporation, Woodside Petroleum Ltd and Woolworths Limited.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following company(ies) as clients, and the services provided were non-investment-banking, securities-related: ALUMINUM CORP. OF CHINA LTD., AMP Ltd, ANZ Banking Group Ltd, ASE, Astra International, Asustek, AU Optronics, Babcock & Brown Ltd, Bank Central Asia, Bank of China, Bank of Communications, Bank of East Asia, Bank Rakyat Indonesia (Persero), Bharti Airtel, BHP Billiton Ltd, Bluescope Steel Ltd, BOC Hong Kong, Brambles Ltd, CapitaLand, Cathay FHC, Cheung Kong, China Construction Bank, China Life Insurance, China Merchants Holdings, China Mobile, China Overseas Land & Investment, CHINA STEEL CORP., China Telecom, CLP Holdings, CNOOC, Coles Group Ltd, Commonwealth Bank of Aust. Ltd, CSL Ltd, DBS Group, Esprit, FORMOSA PLASTICS CORP., Foster's Group Ltd, Foxconn International Holdings, Genting, Hana Financial Group, High Tech Computer, Hon Hai Precision, Hong Kong & China Gas, Hong Kong Exchanges & Clearing, HTIL, Hutchison Whampoa, Hynix, Hyundai Heavy Industries, Hyundai Mobis, Hyundai Motor, ICICI Bank, Industrial and Commercial Bank of China, Infosys Technologies, Insurance Australia Group Ltd, IOI, KEPCO, Keppel, Kookmin Bank, KT Corp., KT&G, Leighton Holdings Ltd, LGE, Li & Fung, Macquarie Bank Ltd, Macquarie Infrastructure Group, Maxis, MayBank, Mediatek, NAN YA PLASTICS CORP., National Australia Bank Ltd, New World Development, Newcrest Mining Ltd, OCBC, Oil & Natural Gas, Origin Energy Ltd, PALADIN RESOURCES LTD., PetroChina, PLDT, POSCO, PT Telkom, PTT, QBE Insurance Group Ltd, Reliance Industries, Rio Tinto Ltd, Samsung Electronics, Samsung Fire & Marine, Santos Ltd, SembCorp Industries, SHIN KONG FINANCIAL HOLDING CO. LTD., Shinhan Financial, Shinsegae, Singapore Airlines, SingTel, Sinopec, SK CORP., SK Telecom, Sonic Healthcare Ltd, SPIL, Sun Hung Kai Properties, Suncorp-Metway Ltd, Swire, Tata Consultancy Services, Telstra Corporation Ltd, Tenaga, Toll Holdings Ltd, TSMC, UMC, UOB, WESFARMERS LTD., Westfield Group, Westpac Banking Corporation, Woodside Petroleum Ltd and Woolworths Limited.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following company(ies) as clients, and the services provided were non-investment-banking, non-securities-related: ALUMINUM CORP. OF CHINA LTD., AMP Ltd, ANZ Banking Group Ltd, ASE, Astra International, Asustek, AU Optronics, Babcock & Brown Ltd, Bank Central Asia, Bank of China, Bank of Communications, Bank of East Asia, Bank Rakyat Indonesia (Persero), Bharti Airtel, BHP Billiton Ltd, Bluescope Steel Ltd, BOC Hong Kong, Brambles Ltd, CapitaLand, Cathay FHC, Cheung Kong, China Construction Bank, China Life Insurance, China Merchants Holdings, China Mobile, China Overseas Land & Investment, CHINA STEEL CORP., China Telecom, CLP Holdings, CNOOC, Coles Group Ltd, Commonwealth Bank of Aust. Ltd, CSL Ltd, DBS Group, Esprit, FORMOSA PLASTICS CORP., Foster's Group Ltd, Foxconn International Holdings, Foxconn Technology, Genting, Hana Financial Group, Hang Lung Properties, High Tech Computer, Hon Hai Precision, Hong Kong & China Gas, Hong Kong Exchanges & Clearing, HTIL, Hutchison Whampoa, Hynix, Hyundai Development, Hyundai Heavy Industries, Hyundai Mobis, Hyundai Motor, ICICI Bank, Industrial and Commercial Bank of China, Infosys Technologies, Insurance Australia Group Ltd, IOI, KEPCO, Keppel, Kookmin Bank, KT Corp., KT&G, Leighton Holdings Ltd, LGE, Li & Fung, Macquarie Bank Ltd, Macquarie Infrastructure Group, Maxis, MayBank, Mediatek, NAN YA PLASTICS CORP., National Australia Bank Ltd, New World Development, Newcrest Mining Ltd, OCBC, Oil & Natural Gas, Origin Energy Ltd, PetroChina, PLDT, POSCO, PT Telkom, PTT, QBE Insurance Group Ltd, Reliance Industries, Rio Tinto Ltd, Samsung Electronics, Samsung Fire & Marine, Santos Ltd, SembCorp Industries, SHIN KONG

19 April 2007

<http://deadpresident.blogspot.com>

FINANCIAL HOLDING CO. LTD., Shinhan Financial, Shinsegae, Singapore Airlines, SingTel, Sinopec, SK CORP., SK Telecom, Sonic Healthcare Ltd, SPIL, Sun Hung Kai Properties, Suncorp-Metway Ltd, Swire, Tata Consultancy Services, Telstra Corporation Ltd, Tenaga, Toll Holdings Ltd, TSMC, UMC, UOB, WESFARMERS LTD., Westfield Group, Westpac Banking Corporation, Woodside Petroleum Ltd, Woolworths Limited and Zinifex Ltd.

Citigroup Global Markets Inc. or an affiliate received compensation in the past 12 months from AMP Ltd, ANZ Banking Group Ltd, Babcock & Brown Ltd, Commonwealth Bank of Aust. Ltd, Esprit, Insurance Australia Group Ltd, Li & Fung, Macquarie Bank Ltd, QBE Insurance Group Ltd, Shinhan Financial, SK Telecom, Suncorp-Metway Ltd, Telstra Corporation Ltd, Toll Holdings Ltd and Westpac Banking Corporation.

Analysts' compensation is determined based upon activities and services intended to benefit the investor clients of Citigroup Global Markets Inc. and its affiliates ("the Firm"). Like all Firm employees, analysts receive compensation that is impacted by overall firm profitability, which includes revenues from, among other business units, the Private Client Division, Institutional Sales and Trading, and Investment Banking.

The Firm is a market maker in the publicly traded equity securities of ALUMINUM CORP. OF CHINA LTD., AU Optronics, Bank of East Asia, BHP Billiton Ltd, Cheung Kong, China Life Insurance, China Mobile, CLP Holdings, CNOOC, DBS Group, Foster's Group Ltd, Hang Lung Properties, Hong Kong & China Gas, Hutchison Whampoa, ICICI Bank, Infosys Technologies, KEPCO, Keppel, Kookmin Bank, KT Corp., New World Development, Newcrest Mining Ltd, PetroChina, PLDT, POSCO, PT Telkom, Rio Tinto Ltd, SingTel, Sinopec, SK Telecom, SPIL, Sun Hung Kai Properties, Swire, TSMC, UMC, UOB and Westfield Group.

For important disclosures (including copies of historical disclosures) regarding the companies that are the subject of this Citigroup Investment Research product ("the Product"), please contact Citigroup Investment Research, 388 Greenwich Street, 29th Floor, New York, NY, 10013, Attention: Legal/Compliance. In addition, the same important disclosures, with the exception of the Valuation and Risk assessments and historical disclosures, are contained on the Firm's disclosure website at www.citigroupgeo.com. Private Client Division clients should refer to www.smithbarney.com/research. Valuation and Risk assessments can be found in the text of the most recent research note/report regarding the subject company. Historical disclosures (for up to the past three years) will be provided upon request.

Citigroup Investment Research Ratings Distribution

Data current as of 31 March 2007

	Buy	Hold	Sell
Citigroup Investment Research Global Fundamental Coverage (3215)	45%	40%	15%
<i>% of companies in each rating category that are investment banking clients</i>	45%	42%	32%
Banks -- Australia/New Zealand (8)	50%	50%	0%
<i>% of companies in each rating category that are investment banking clients</i>	100%	25%	0%
Beverages -- Australia/New Zealand (1)	0%	0%	100%
<i>% of companies in each rating category that are investment banking clients</i>	0%	0%	100%
Biotechnology -- Australia/New Zealand (1)	100%	0%	0%
<i>% of companies in each rating category that are investment banking clients</i>	0%	0%	0%
China -- Asia Pacific (88)	72%	15%	14%
<i>% of companies in each rating category that are investment banking clients</i>	44%	46%	42%
Diversified and Speciality Finance -- Australia/New Zealand (7)	43%	57%	0%
<i>% of companies in each rating category that are investment banking clients</i>	67%	25%	0%
Engineering/Construction -- Australia/New Zealand (3)	33%	67%	0%
<i>% of companies in each rating category that are investment banking clients</i>	100%	0%	0%
Exploration & Production -- Australia/New Zealand (4)	75%	25%	0%
<i>% of companies in each rating category that are investment banking clients</i>	33%	0%	0%
Gaming -- Australia/New Zealand (5)	0%	100%	0%
<i>% of companies in each rating category that are investment banking clients</i>	0%	0%	0%
Health Care Services -- Australia/New Zealand (2)	50%	50%	0%
<i>% of companies in each rating category that are investment banking clients</i>	0%	0%	0%
Hong Kong -- Asia Pacific (99)	58%	13%	29%
<i>% of companies in each rating category that are investment banking clients</i>	42%	38%	38%
India -- Asia Pacific (130)	58%	14%	28%
<i>% of companies in each rating category that are investment banking clients</i>	42%	50%	42%
Indonesia -- Asia Pacific (22)	50%	9%	41%
<i>% of companies in each rating category that are investment banking clients</i>	64%	100%	22%
Infrastructure -- Australia/New Zealand (8)	13%	88%	0%
<i>% of companies in each rating category that are investment banking clients</i>	100%	57%	0%
Insurance--All -- Australia/New Zealand (5)	20%	80%	0%
<i>% of companies in each rating category that are investment banking clients</i>	100%	25%	0%
Malaysia -- Asia Pacific (40)	68%	5%	28%
<i>% of companies in each rating category that are investment banking clients</i>	22%	0%	18%
Metals & Mining -- Australia/New Zealand (7)	71%	14%	14%
<i>% of companies in each rating category that are investment banking clients</i>	20%	0%	0%
Metals--Steel -- Australia/New Zealand (4)	0%	75%	25%
<i>% of companies in each rating category that are investment banking clients</i>	0%	0%	0%
Mining--Diversified -- Australia/New Zealand (4)	75%	25%	0%
<i>% of companies in each rating category that are investment banking clients</i>	33%	0%	0%
Non-Ferrous Metals -- Australia/New Zealand (2)	50%	50%	0%
<i>% of companies in each rating category that are investment banking clients</i>	0%	0%	0%
Oilfield Equipment & Services -- Australia/New Zealand (1)	0%	100%	0%

<http://deadpresident.blogspot.com>

<i>% of companies in each rating category that are investment banking clients</i>	0%	0%	0%
Philippines -- Asia Pacific (2)	50%	50%	0%
<i>% of companies in each rating category that are investment banking clients</i>	0%	0%	0%
Precious Metals -- Australia/New Zealand (2)	50%	50%	0%
<i>% of companies in each rating category that are investment banking clients</i>	0%	0%	0%
Real Estate Investment Trusts -- Australia/New Zealand (22)	23%	64%	14%
<i>% of companies in each rating category that are investment banking clients</i>	80%	29%	33%
Retailing--Broadlines -- Australia/New Zealand (4)	0%	75%	25%
<i>% of companies in each rating category that are investment banking clients</i>	0%	0%	0%
Retailing--Supermarkets -- Australia/New Zealand (2)	50%	50%	0%
<i>% of companies in each rating category that are investment banking clients</i>	0%	100%	0%
Singapore -- Asia Pacific (48)	50%	17%	33%
<i>% of companies in each rating category that are investment banking clients</i>	54%	25%	19%
South Korea -- Asia Pacific (75)	48%	27%	25%
<i>% of companies in each rating category that are investment banking clients</i>	14%	25%	5%
Taiwan -- Asia Pacific (91)	66%	20%	14%
<i>% of companies in each rating category that are investment banking clients</i>	17%	6%	23%
Telecommunications Services -- Australia/New Zealand (4)	25%	75%	0%
<i>% of companies in each rating category that are investment banking clients</i>	0%	100%	0%
Thailand -- Asia Pacific (41)	49%	20%	32%
<i>% of companies in each rating category that are investment banking clients</i>	20%	25%	23%
Transportation--General -- Australia/New Zealand (2)	50%	50%	0%
<i>% of companies in each rating category that are investment banking clients</i>	0%	0%	0%
Utilities -- Australia/New Zealand (12)	50%	25%	25%
<i>% of companies in each rating category that are investment banking clients</i>	67%	0%	33%
Citigroup Investment Research Quantitative World Radar Screen Model Coverage (6249)	32%	40%	28%
<i>% of companies in each rating category that are investment banking clients</i>	30%	25%	23%
Citigroup Investment Research Quantitative Decision Tree Model Coverage (330)	48%	0%	52%
<i>% of companies in each rating category that are investment banking clients</i>	47%	0%	50%
Citigroup Investment Research Quantitative European Value & Momentum Screen (602)	30%	41%	30%
<i>% of companies in each rating category that are investment banking clients</i>	51%	40%	35%
Citigroup Investment Research Asia Quantitative Radar Screen Model Coverage (1861)	20%	60%	20%
<i>% of companies in each rating category that are investment banking clients</i>	23%	19%	17%
Citigroup Investment Research Quant Emerging Markets Radar Screen Model Coverage (1252)	20%	60%	20%
<i>% of companies in each rating category that are investment banking clients</i>	27%	26%	31%
Citigroup Investment Research Australia Quantitative Top 100 Model Coverage (99)	29%	40%	30%
<i>% of companies in each rating category that are investment banking clients</i>	41%	43%	40%
Citigroup Investment Research Australia Quantitative Bottom 200 Model Coverage (168)	30%	40%	30%
<i>% of companies in each rating category that are investment banking clients</i>	8%	10%	6%
Citigroup Investment Research Australia Quantitative Scoring Stocks Model Coverage (10)	50%	0%	50%
<i>% of companies in each rating category that are investment banking clients</i>	40%	0%	20%

Guide to Fundamental Research Investment Ratings:

Citigroup Investment Research's stock recommendations include a risk rating and an investment rating.

Risk ratings, which take into account both price volatility and fundamental criteria, are: Low (L), Medium (M), High (H), and Speculative (S).

Investment ratings are a function of Citigroup Investment Research's expectation of total return (forecast price appreciation and dividend yield within the next 12 months) and risk rating.

For securities in developed markets (US, UK, Europe, Japan, and Australia/New Zealand), investment ratings are: Buy (1) (expected total return of 10% or more for Low-Risk stocks, 15% or more for Medium-Risk stocks, 20% or more for High-Risk stocks, and 35% or more for Speculative stocks); Hold (2) (0%-10% for Low-Risk stocks, 0%-15% for Medium-Risk stocks, 0%-20% for High-Risk stocks, and 0%-35% for Speculative stocks); and Sell (3) (negative total return).

For securities in emerging markets (Asia Pacific, Emerging Europe/Middle East/Africa, and Latin America), investment ratings are: Buy (1) (expected total return of 15% or more for Low-Risk stocks, 20% or more for Medium-Risk stocks, 30% or more for High-Risk stocks, and 40% or more for Speculative stocks); Hold (2) (5%-15% for Low-Risk stocks, 10%-20% for Medium-Risk stocks, 15%-30% for High-Risk stocks, and 20%-40% for Speculative stocks); and Sell (3) (5% or less for Low-Risk stocks, 10% or less for Medium-Risk stocks, 15% or less for High-Risk stocks, and 20% or less for Speculative stocks).

Investment ratings are determined by the ranges described above at the time of initiation of coverage, a change in investment and/or risk rating, or a change in target price (subject to limited management discretion). At other times, the expected total returns may fall outside of these ranges because of market price movements and/or other short-term volatility or trading patterns. Such interim deviations from specified ranges will be permitted but will become subject to review by Research Management. Your decision to buy or sell a security should be based upon your personal investment objectives and should be made only after evaluating the stock's expected performance and risk.

Guide to Corporate Bond Research Credit Opinions and Investment Ratings:

Citigroup Investment Research's corporate bond research issuer publications include a fundamental credit opinion of Improving, Stable or Deteriorating and a complementary risk rating of Low (L), Medium (M), High (H) or Speculative (S) regarding the credit risk of the company featured in the report. The fundamental credit opinion reflects the CIR analyst's opinion of the direction of credit fundamentals of the issuer without respect to securities market vagaries. The fundamental credit opinion

<http://deadpresident.blogspot.com>

is not geared to, but should be viewed in the context of debt ratings issued by major public debt ratings companies such as Moody's Investors Service, Standard and Poor's, and Fitch Ratings.

CBR risk ratings are approximately equivalent to the following matrix:

Low Risk -- Triple A to Low Double A

Low to Medium Risk -- High Single A through High Triple B

Medium to High Risk -- Mid Triple B through High Double B

High to Speculative Risk -- Mid Double B and Below

The risk rating element illustrates the analyst's opinion of the relative likelihood of loss of principal when a fixed-income security issued by a company is held to maturity, based upon both fundamental and market risk factors. Certain reports published by Citigroup Investment Research will also include investment ratings on specific issues of companies under coverage which have been assigned fundamental credit opinions and risk ratings. Investment ratings are a function of Citigroup Investment Research's expectations for total return, relative return (to publicly available Citigroup bond indices performance), and risk rating. These investment ratings are: Buy/Overweight -- the bond is expected to outperform the relevant Citigroup bond market sector index (Broad Investment Grade, High Yield Market or Emerging Market), performances of which are updated monthly and can be viewed at <http://www.sd.ny.ssb.com/> using the "Indexes" tab; Hold/Neutral Weight -- the bond is expected to perform in line with the relevant Citigroup bond market sector index; or Sell/Underweight -- the bond is expected to underperform the relevant sector of the Citigroup indexes.

Guide to Quantitative Research Investment Ratings:

Citigroup Investment Research Quantitative Research World Radar Screen recommendations are based on a globally consistent framework to measure relative value and momentum for a large number of stocks across global developed and emerging markets. Relative value and momentum rankings are equally weighted to produce a global attractiveness score for each stock. The scores are then ranked and put into deciles. A stock with a decile rating of 1 denotes an attractiveness score in the top 10% of the universe (most attractive). A stock with a decile rating of 10 denotes an attractiveness score in the bottom 10% of the universe (least attractive).

Citigroup Investment Research Quantitative Decision Tree model recommendations are based on a predetermined set of factors to rate the relative attractiveness of stocks. These factors are detailed in the text of the report. Each month, the Decision Tree model forecasts whether stocks are attractive or unattractive relative to other stocks in the same sector (based on the Russell 1000 sector classifications).

Citigroup Investment Research Quantitative European Value & Momentum Screen recommendations are based on a European consistent framework to measure relative value and momentum for a large number of stocks across the European Market. Relative value and momentum rankings are equally weighted to produce a European attractiveness score for each stock. The scores are then ranked and put into deciles. A stock with a decile rating of 1 denotes an attractiveness score in the top 10% of the universe (most attractive). A stock with a decile rating of 10 denotes an attractiveness score in the bottom 10% of the universe (least attractive).

Citigroup Investment Research Asia Quantitative Radar Screen and Emerging Markets Radar Screen model recommendations are based on a regionally consistent framework to measure relative value and momentum for a large number of stocks across regional developed and emerging markets. Relative value and momentum rankings are equally weighted to produce a global attractiveness score for each stock. The scores are then ranked and put into quintiles. A stock with a quintile rating of 1 denotes an attractiveness score in the top 20% of the universe (most attractive). A stock with a quintile rating of 5 denotes an attractiveness score in the bottom 20% of the universe (least attractive).

Citigroup Investment Research Quantitative Australian Stock Selection Screen rankings are based on a consistent framework to measure relative value and earnings momentum for a large number of stocks across the Australian market. Relative value and earnings momentum rankings are weighted to produce a rank within a relevant universe for each stock. The rankings are then put into deciles. A stock with a decile rating of 1 denotes an attractiveness score in the top 10% of the universe (most attractive). A stock with a decile rating of 10 denotes an attractiveness score in the bottom 10% of the universe (least attractive).

Citigroup Investment Research Quantitative Research Australian Scoring Stocks model recommendations are based on a predetermined set of factors to rate the relative attractiveness of stocks. These factors are detailed in the text of the report. Each month, the Australian Scoring Stocks model calculates whether stocks are attractive or unattractive relative to other stocks in the same universe (the S&P/ASX 100) and records the 5 most attractive buys and 5 most attractive sells on the basis of the criteria described in the report.

For purposes of NASD/NYSE ratings-distribution-disclosure rules, a Citigroup Investment Research Quantitative World Radar Screen and European Value & Momentum Screen recommendation of (1), (2) or (3) most closely corresponds to a buy recommendation; a recommendation from this product group of (4), (5), (6) or (7) most closely corresponds to a hold recommendation; and a recommendation of (8), (9) or (10) most closely corresponds to a sell recommendation.

For purposes of NASD/NYSE ratings distribution disclosure rules, a Citigroup Investment Research Asia Quantitative Radar Screen or Quantitative Emerging Markets Radar Screen recommendation of (1) most closely corresponds to a buy recommendation; a Citigroup Investment Research Asia Quantitative Radar Screen or Quantitative Emerging Markets Radar Screen recommendation of (2), (3), (4) most closely corresponds to a hold recommendation; and a recommendation of (5) most closely corresponds to a sell recommendation.

For purposes of NASD/NYSE ratings-distribution-disclosure rules, a Citigroup Investment Research Quantitative Research Decision Tree model recommendation of "attractive" most closely corresponds to a buy recommendation. All other stocks in the sector are considered to be "unattractive" which most closely corresponds to a sell recommendation.

Recommendations are based on the relative attractiveness of a stock, they can not be directly equated to buy, hold and sell categories. Accordingly, your decision to buy or sell a security should be based on your personal investment objectives and only after evaluating the stock's expected relative performance.

For purposes of NASD/NYSE ratings-distribution-disclosure rules, a Citigroup Investment Research Quantitative Australian Stock Selection Screen model ranking in the top third of the universe most closely corresponds, subject to market conditions, to a buy recommendation. A ranking in the bottom third of the universe, subject to market conditions, most closely corresponds to a sell recommendation. All other stocks in the universe correspond to a hold recommendation. However, because Citigroup Investment Research Quantitative Australian Stock Selection Screen model rankings are based on the relative attractiveness of a stock as compared to other stocks in the same universe, they can not be directly equated to buy, hold and sell categories. Accordingly, your decision to buy or sell a security should be based on your personal investment objectives and only after evaluating the stock's expected absolute performance.

For purposes of NASD/NYSE ratings-distribution-disclosure rules, membership of the Citigroup Investment Research Quantitative Australian Scoring Stocks Model buy portfolio most closely corresponds to a buy recommendation; membership of the Citigroup Investment Research Quantitative Australian Scoring Stocks Model sell portfolio most closely corresponds to a sell recommendation. However, because Citigroup Investment Research Quantitative Australian Scoring Stocks Model recommendations are based on the relative attractiveness of a stock, they can not be directly equated to buy, hold and sell categories. Accordingly, your decision to buy or sell a security should be based on your personal investment objectives and only after evaluating the stock's expected absolute performance.

<http://deadpresident.blogspot.com>

OTHER DISCLOSURES

Within the past 5 years, Citigroup Global Markets Inc. or its affiliates has acted as manager or co manager of an offering of equity securities of AMP Ltd, ANZ Banking Group Ltd, AU Optronics, Babcock & Brown Ltd, Bluescope Steel Ltd, CapitaLand, China Construction Bank, CHINA STEEL CORP., Commonwealth Bank of Aust. Ltd, Dongfeng Motor, Esprit, FORMOSA PLASTICS CORP., Genting, HTIL, Hutchison Whampoa, Hynix, Infosys Technologies, IOI, Kookmin Bank, KT Corp., LGE, Li & Fung, Macquarie Bank Ltd, Maxis, Origin Energy Ltd, POSCO, Reliance Industries, Shinhan Financial, Sun Hung Kai Properties, Suncorp-Metway Ltd, Telstra Corporation Ltd, Toll Holdings Ltd, UMC, Westpac Banking Corporation and Zinifex Ltd.

Within the past 5 years, Citigroup Global Markets Inc. or its affiliates has acted as manager or co manager of an offering of fixed income securities of AMP Ltd, ANZ Banking Group Ltd, Astra International, AU Optronics, Bank of East Asia, BHP Billiton Ltd, CapitaLand, CHINA STEEL CORP., CLP Holdings, Commonwealth Bank of Aust. Ltd, DBS Group, FORMOSA PLASTICS CORP., Foster's Group Ltd, Genting, Hutchison Whampoa, Hynix, Hyundai Motor, ICICI Bank, IOI, Keppel, Kookmin Bank, KT Corp., LGE, Macquarie Bank Ltd, MayBank, National Australia Bank Ltd, OCBC, Origin Energy Ltd, PLDT, POSCO, QBE Insurance Group Ltd, Reliance Industries, Santos Ltd, Shinhan Financial, Singapore Airlines, SK Telecom, Suncorp-Metway Ltd, UMC, UOB, Westfield Group, Westpac Banking Corporation and Woolworths Limited.

Citigroup Global Markets Inc. and/or its affiliates has a significant financial interest in relation to AMP Ltd, ANZ Banking Group Ltd, Bank of China, BHP Billiton Ltd, China Construction Bank, China Life Insurance, China Mobile, CLP Holdings, CNOOC, Coles Group Ltd, Commonwealth Bank of Aust. Ltd, DBS Group, Foster's Group Ltd, Hana Financial Group, Hutchison Whampoa, Hynix, Hyundai Mobis, ICICI Bank, KEPCO, Kookmin Bank, KT Corp., KT&G, LGE, Macquarie Bank Ltd, National Australia Bank Ltd, Origin Energy Ltd, POSCO, QBE Insurance Group Ltd, Reliance Industries, Rio Tinto Ltd, Samsung Electronics, Santos Ltd, Shinhan Financial, Shinsegae, Singapore Airlines, SingTel, SK CORP., SK Telecom, Sonic Healthcare Ltd, Sun Hung Kai Properties, Suncorp-Metway Ltd, Swire, Telstra Corporation Ltd, Toll Holdings Ltd, UOB, WESFARMERS LTD., Westfield Group and Westpac Banking Corporation. (For an explanation of the determination of significant financial interest, please refer to the policy for managing conflicts of interest which can be found at www.citigroupgeo.com.)

Citigroup Global Markets Inc. or its affiliates beneficially owns 2% or more of any class of common equity securities of ALUMINUM CORP. OF CHINA LTD., Bank of Communications, BHP Billiton Ltd, CapitaLand, China Mobile, Coles Group Ltd, Foster's Group Ltd, Hong Kong & China Gas, Insurance Australia Group Ltd, IOI, Origin Energy Ltd, PALADIN RESOURCES LTD., Swire, Tattersalls Limited and Telstra Corporation Ltd.

Citigroup Global Markets Inc. or its affiliates beneficially owns 5% or more of any class of common equity securities of Alumina Ltd, ASE, Asustek, Babcock & Brown Ltd, Bank of China, Brambles Ltd, China Life Insurance, CHINA STEEL CORP., China Telecom, CNOOC, CSL Ltd, Hana Financial Group, Hon Hai Precision, Hyundai Development, Industrial and Commercial Bank of China, Infosys Technologies, PetroChina, Powerchip, QBE Insurance Group Ltd, Samsung Electronics, Santos Ltd, SHIN KONG FINANCIAL HOLDING CO. LTD., Sinopec, SK Telecom, Sonic Healthcare Ltd, SPIL, Suncorp-Metway Ltd, Tata Consultancy Services, Toll Holdings Ltd, UMC, Woodside Petroleum Ltd and Zinifex Ltd.

Citigroup Global Markets Inc. or its affiliates holds a long position in any class of common equity securities of Agile Property Holdings, Alumina Ltd, ALUMINUM CORP. OF CHINA LTD., ANZ Banking Group Ltd, ASE, Astra International, Asustek, AU Optronics, Bank Central Asia, Bank of China, Bank of Communications, Bank of East Asia, Bank Rakyat Indonesia (Persero), Bharti Airtel, Bluescope Steel Ltd, BOC Hong Kong, Cathay FHC, Cheung Kong, China Construction Bank, China Life Insurance, China Merchants Holdings, China Mobile, China Overseas Land & Investment, CHINA STEEL CORP., China Telecom, CLP Holdings, CNOOC, Commonwealth Bank of Aust. Ltd, DBS Group, Dongfeng Motor, Esprit, FORMOSA PLASTICS CORP., Foxconn International Holdings, Foxconn Technology, Genting, Hana Financial Group, Hang Lung Properties, High Tech Computer, Hon Hai Precision, Hong Kong & China Gas, Hong Kong Exchanges & Clearing, HTIL, Hutchison Whampoa, Hynix, Hyundai Development, Hyundai Heavy Industries, Hyundai Mobis, Hyundai Motor, ICICI Bank, Industrial and Commercial Bank of China, Infosys Technologies, IOI, KEPCO, Keppel, Kookmin Bank, KT Corp., KT&G, LGE, Li & Fung, Macquarie Goodman Group, Maxis, MayBank, Mediatek, NAN YA PLASTICS CORP., New World Development, Newcrest Mining Ltd, OCBC, Oil & Natural Gas, PALADIN RESOURCES LTD., PetroChina, PLDT, PT Telkom, PTT, Reliance Industries, Rio Tinto Ltd, Samsung Fire & Marine, Santos Ltd, Shinhan Financial, Shinsegae, Singapore Airlines, Sinopec, SK CORP., SK Telecom, SPIL, Sun Hung Kai Properties, Suncorp-Metway Ltd, Swire, Tata Consultancy Services, Tenaga, Toll Holdings Ltd, TSMC, UMC, UOB, Westfield Group, Westpac Banking Corporation, ZIJIN MINING GROUP CO. LTD. and Zinifex Ltd.

For securities recommended in the Product in which the Firm is not a market maker, the Firm is a liquidity provider in the issuers' financial instruments and may act as principal in connection with such transactions. The Firm is a regular issuer of traded financial instruments linked to securities that may have been recommended in the Product. The Firm regularly trades in the securities of the subject company(ies) discussed in the Product. The Firm may engage in securities transactions in a manner inconsistent with the Product and, with respect to securities covered by the Product, will buy or sell from customers on a principal basis.

Securities recommended, offered, or sold by the Firm: (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations of any insured depository institution (including Citibank); and (iii) are subject to investment risks, including the possible loss of the principal amount invested. Although information has been obtained from and is based upon sources that the Firm believes to be reliable, we do not guarantee its accuracy and it may be incomplete and condensed. Note, however, that the Firm has taken all reasonable steps to determine the accuracy and completeness of the disclosures made in the Important Disclosures section of the Product. The Firm's research department has received assistance from the subject company(ies) referred to in this Product including, but not limited to, discussions with management of the subject company(ies). Firm policy prohibits research analysts from sending draft research to subject companies. However, it should be presumed that the author of the Product has had discussions with the subject company to ensure factual accuracy prior to publication. All opinions, projections and estimates constitute the judgment of the author as of the date of the Product and these, plus any other information contained in the Product, are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice. Notwithstanding other departments within the Firm advising the companies discussed in this Product, information obtained in such role is not used in the preparation of the Product. Although Citigroup Investment Research does not set a predetermined frequency for publication, if the Product is a fundamental research report, it is the intention of Citigroup Investment Research to provide research coverage of the/those issuer(s) mentioned therein, including in response to news affecting this issuer, subject to applicable quiet periods and capacity constraints. The Product is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Any decision to purchase securities mentioned in the Product must take into account existing public information on such security or any registered prospectus.

Investing in non-U.S. securities, including ADRs, may entail certain risks. The securities of non-U.S. issuers may not be registered with, nor be subject to the reporting requirements of the U.S. Securities and Exchange Commission. There may be limited information available on foreign securities. Foreign companies are generally not subject to uniform audit and reporting standards, practices and requirements comparable to those in the U.S. Securities of some foreign companies may be less liquid and their prices more volatile than securities of comparable U.S. companies. In addition, exchange rate movements may have an adverse effect on the value of an investment in a foreign stock and its corresponding dividend payment for U.S. investors. Net dividends to ADR investors are estimated, using withholding tax rates conventions, deemed accurate, but investors are urged to consult their tax advisor for exact dividend computations. Investors who have received the Product from the Firm may be prohibited in certain states or other jurisdictions from purchasing securities mentioned in the Product from the Firm. Please ask your Financial Consultant for additional details.

<http://deadpresident.blogspot.com>

Citigroup Global Markets Inc. takes responsibility for the Product in the United States. Any orders by US investors resulting from the information contained in the Product may be placed only through Citigroup Global Markets Inc.

The Citigroup legal entity that takes responsibility for the production of the Product is the legal entity which the first named author is employed by. The Product is made available in Australia to wholesale clients through Citigroup Global Markets Australia Pty Ltd. (ABN 64 003 114 832 and AFSL No. 240992) and to retail clients through Citigroup Wealth Advisors Pty Ltd. (ABN 19 009 145 555 and AFSL No. 240813), Participants of the ASX Group and regulated by the Australian Securities & Investments Commission. Citigroup Centre, 2 Park Street, Sydney, NSW 2000. The Product is made available in Australia to Private Banking wholesale clients through Citigroup Pty Limited (ABN 88 004 325 080 and AFSL 238098). Citigroup Pty Limited provides all financial product advice to Australian Private Banking wholesale clients through bankers and relationship managers. If there is any doubt about the suitability of investments held in Citigroup Private Bank accounts, investors should contact the Citigroup Private Bank in Australia. Citigroup companies may compensate affiliates and their representatives for providing products and services to clients. If the Product is being made available in certain provinces of Canada by Citigroup Global Markets (Canada) Inc. ("CGM Canada"), CGM Canada has approved the Product. Citigroup Place, 123 Front Street West, Suite 1100, Toronto, Ontario M5J 2M3. The Product may not be distributed to private clients in Germany. The Product is distributed in Germany by Citigroup Global Markets Deutschland AG & Co. KGaA, which is regulated by Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin). Frankfurt am Main, Reuterweg 16, 60323 Frankfurt am Main. If the Product is made available in Hong Kong by, or on behalf of, Citigroup Global Markets Asia Ltd., it is attributable to Citigroup Global Markets Asia Ltd., Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong. Citigroup Global Markets Asia Ltd. is regulated by Hong Kong Securities and Futures Commission. If the Product is made available in Hong Kong by The Citigroup Private Bank to its clients, it is attributable to Citibank N.A., Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong. The Citigroup Private Bank and Citibank N.A. is regulated by the Hong Kong Monetary Authority. The Product is made available in India by Citigroup Global Markets India Private Limited, which is regulated by Securities and Exchange Board of India. Bakhtawar, Nariman Point, Mumbai 400-021. If the Product was prepared by Citigroup Investment Research and distributed in Japan by Nikko Citigroup Ltd., it is being so distributed under license. Nikko Citigroup Limited is regulated by Financial Services Agency, Securities and Exchange Surveillance Commission, Japan Securities Dealers Association, Tokyo Stock Exchange and Osaka Securities Exchange. Akasaka Park Building, 2-20, Akasaka 5-chome, Minato-ku, Tokyo 107-6122. The Product is made available in Korea by Citigroup Global Markets Korea Securities Ltd., which is regulated by Financial Supervisory Commission and the Financial Supervisory Service. Hungkuk Life Insurance Building, 226 Shinmunno 1-GA, Jongno-Gu, Seoul, 110-061. The Product is made available in Malaysia by Citigroup Global Markets Malaysia Sdn Bhd, which is regulated by Malaysia Securities Commission. Menara Citibank, 165 Jalan Ampang, Kuala Lumpur, 50450. The Product is made available in Mexico by Acciones y Valores Banamex, S.A. De C. V., Casa de Bolsa, which is regulated by Comision Nacional Bancaria y de Valores. Reforma 398, Col. Juarez, 06600 Mexico, D.F. In New Zealand the Product is made available through Citigroup Global Markets New Zealand Ltd., a Participant of the New Zealand Exchange Limited and regulated by the New Zealand Securities Commission. Level 19, Mobile on the Park, 157 Lambton Quay, Wellington. The Product is made available in Poland by Dom Maklerski Banku Handlowego SA an indirect subsidiary of Citigroup Inc., which is regulated by Komisja Papierów Wartościowych i Giełd. Bank Handlowy w Warszawie S.A. ul. Senatorska 16, 00-923 Warszawa. The Product is made available in the Russian Federation through ZAO Citibank, which is licensed to carry out banking activities in the Russian Federation in accordance with the general banking license issued by the Central Bank of the Russian Federation and brokerage activities in accordance with the license issued by the Federal Service for Financial Markets. Neither the Product nor any information contained in the Product shall be considered as advertising the securities mentioned in this report within the territory of the Russian Federation or outside the Russian Federation. The Product does not constitute an appraisal within the meaning of the Federal Law of the Russian Federation of 29 July 1998 No. 135-FZ (as amended) On Appraisal Activities in the Russian Federation. 8-10 Gashka Street, 125047 Moscow. The Product is made available in Singapore through Citigroup Global Markets Singapore Pte. Ltd., a Capital Markets Services Licence holder, and regulated by Monetary Authority of Singapore. 1 Temasek Avenue, #39-02 Millenia Tower, Singapore 039192. The Product is made available by The Citigroup Private Bank in Singapore through Citibank, N.A., Singapore branch, a licensed bank in Singapore that is regulated by Monetary Authority of Singapore. Citigroup Global Markets (Pty) Ltd. is incorporated in the Republic of South Africa (company registration number 2000/025866/07) and its registered office is at 145 West Street, Sandton, 2196, Saxonwold. Citigroup Global Markets (Pty) Ltd. is regulated by JSE Securities Exchange South Africa, South African Reserve Bank and the Financial Services Board. The investments and services contained herein are not available to private customers in South Africa. The Product is made available in Taiwan through Citigroup Global Markets Inc. (Taipei Branch), which is regulated by Securities & Futures Bureau. No portion of the report may be reproduced or quoted in Taiwan by the press or any other person. No. 8 Manhattan Building, Hsin Yi Road, Section 5, Taipei 100, Taiwan. The Product is made available in Thailand through Citicorp Securities (Thailand) Ltd., which is regulated by the Securities and Exchange Commission of Thailand. 18/F, 22/F and 29/F, 82 North Sathorn Road, Silom, Bangrak, Bangkok 10500, Thailand. The Product is made available in United Kingdom by Citigroup Global Markets Limited, which is authorised and regulated by Financial Services Authority. This material may relate to investments or services of a person outside of the UK or to other matters which are not regulated by the FSA and further details as to where this may be the case are available upon request in respect of this material. Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB. The Product is made available in United States by Citigroup Global Markets Inc, which is regulated by NASD, NYSE and the US Securities and Exchange Commission. 388 Greenwich Street, New York, NY 10013. Unless specified to the contrary, within EU Member States, the Product is made available by Citigroup Global Markets Limited, which is regulated by Financial Services Authority. Many European regulators require that a firm must establish, implement and make available a policy for managing conflicts of interest arising as a result of publication or distribution of investment research. The policy applicable to Citigroup Investment Research's Products can be found at www.citigroupgeo.com. Compensation of equity research analysts is determined by equity research management and Citigroup's senior management and is not linked to specific transactions or recommendations. The Product may have been distributed simultaneously, in multiple formats, to the Firm's worldwide institutional and retail customers. The Product is not to be construed as providing investment services in any jurisdiction where the provision of such services would be illegal. Subject to the nature and contents of the Product, the investments described therein are subject to fluctuations in price and/or value and investors may get back less than originally invested. Certain high-volatility investments can be subject to sudden and large falls in value that could equal or exceed the amount invested. Certain investments contained in the Product may have tax implications for private customers whereby levels and basis of taxation may be subject to change. If in doubt, investors should seek advice from a tax adviser. Advice in the Product has been prepared without taking account of the objectives, financial situation or needs of any particular investor. Accordingly, investors should, before acting on the advice, consider the appropriateness of the advice, having regard to their objectives, financial situation and needs.

© 2007 Citigroup Global Markets Inc. Citigroup Investment Research is a division and service mark of Citigroup Global Markets Inc. and its affiliates and is used and registered throughout the world. Citigroup and the Umbrella Device are trademarks and service marks of Citigroup or its affiliates and are used and registered throughout the world. Nikko is a registered trademark of Nikko Cordial Corporation. All rights reserved. Any unauthorized use, duplication, redistribution or disclosure is prohibited by law and will result in prosecution. The information contained in the Product is intended solely for the recipient and may not be further distributed by the recipient. The Firm accepts no liability whatsoever for the actions of third parties. The Product may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the Product refers to website material of the Firm, the Firm has not reviewed the linked site. Equally, except to the extent to which the Product refers to website material of the Firm, the Firm takes no responsibility for, and makes no representations or warranties whatsoever as to, the data and information contained therein. Such address or hyperlink (including addresses or hyperlinks to website material of the Firm) is provided solely for your convenience and information and the content of the linked site does not in anyway form part of this document. Accessing such website or following such link through the Product or the website of the Firm shall be at your own risk and the Firm shall have no liability arising out of, or in connection with, any such referenced website.

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST