

Strategy In-Depth

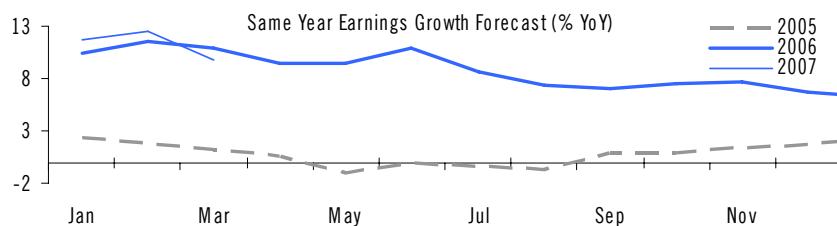
16 April 2007 | 24 pages

The Asia Investigator

Upward EPS Revisions Combined with Value = Outperformance

- **Asia: Earnings growth for 2007E down to 9.7%, third year of single-digit growth** — The downward trend in Asian consensus forecasts is sadly not yet over. Just four months ago, earnings expectations stood at 12.6%, vs. 9.7% today. In 2005, aggregate earnings growth by IBES stood at 1.9%, and 7.5% in 2006. Stock market profit shares in GDP have been falling for three years which has left EBIT margins at a 16-year low. **Page 6**
- **Fun with flows: Resumption of inflows to Asian funds faster than before** — Inflows to all Asia-dedicated equity funds edged higher to US\$392m. Average weekly inflow for the past three weeks was US\$581mn, -21% YoY but 13% more than the amount taken in per week prior to the spring market corrections. Back in July 2006 when inflows resumed subsequent to the May/June sell-off, it was just US\$28m per week. The fact that regional markets recovered quicker than before has helped foreigners regain investment confidence in Asia. **Page 13**
- **Sentiment Indicators** — Following regional market recoveries, we see most of our risk-love indicators ticking up again. Those with major advancement include Taiwan and Singapore, whereas rises in Hong Kong and Malaysia risk-love indicators are with lesser magnitude. At the opposite, India risk-love has fallen to 0.1SD below average for the first time in seventeen months. **Page 14**

Analysts Tend to Start with a High Earnings Number in January and Then Revise It Down



Source: IBES Aggregate, Citigroup Investment Research

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

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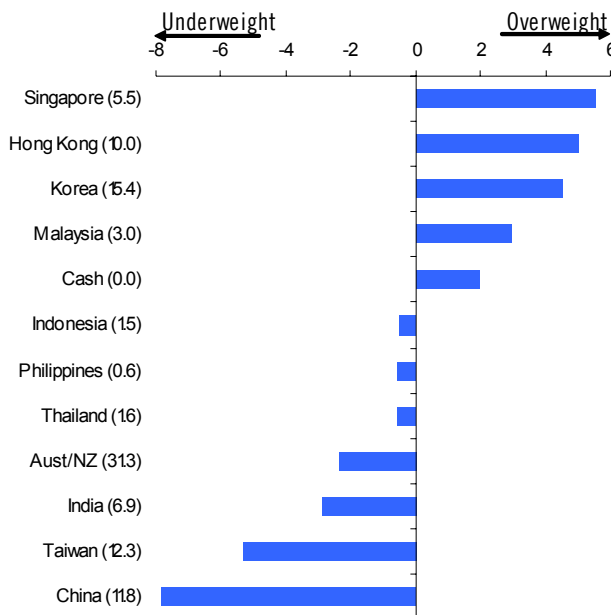
Asia Pacific Strategy Overview

FRESH MONEY IDEAS

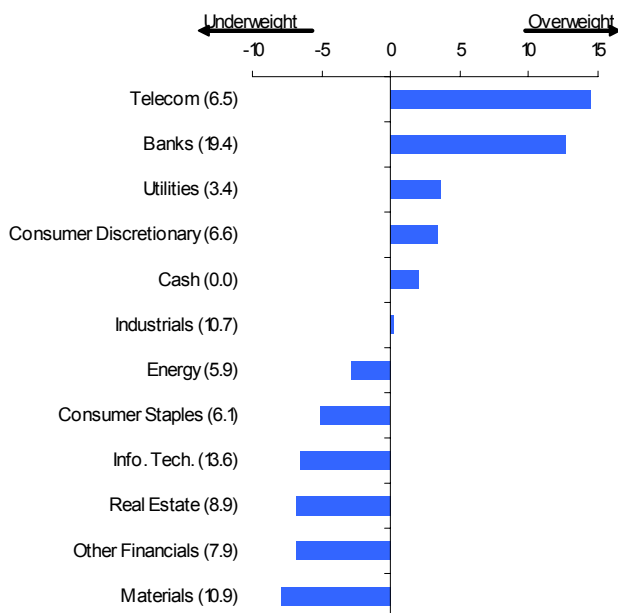
	Bloomberg code	Rating	Price 13-Apr-07	Target Price	ETR (%)
Buy					
Hyundai Mobis	012330 KS	1L	₩80,800.00	₩134,000.00	67.7
Noble Group	NOBL SP	1H	\$1.55	\$2.28	48.6
Xingda Intl	1899 HK	1M	HK\$4.58	HK\$6.00	32.9
Ping An	2318 HK	1L	HK\$43.60	HK\$50.56	17.0
Wharf Holdings	4 HK	1L	HK\$28.75	HK\$31.00	10.6
Sell					
Cathay Pacific	293 HK	3L	HK\$20.55	HK\$19.00	-3.6
Cosco Corp	COS SP	3L	\$2.93	\$2.58	-10.2
CapitalLand	CAPL SP	3L	\$8.15	\$7.00	-13.1
Giordano Intl	709 HK	3L	HK\$3.95	HK\$3.00	-17.4
Sino Land	83 HK	3L	HK\$17.22	HK\$10.68	-35.7

Source: Company Reports and Citigroup Investment Research estimates

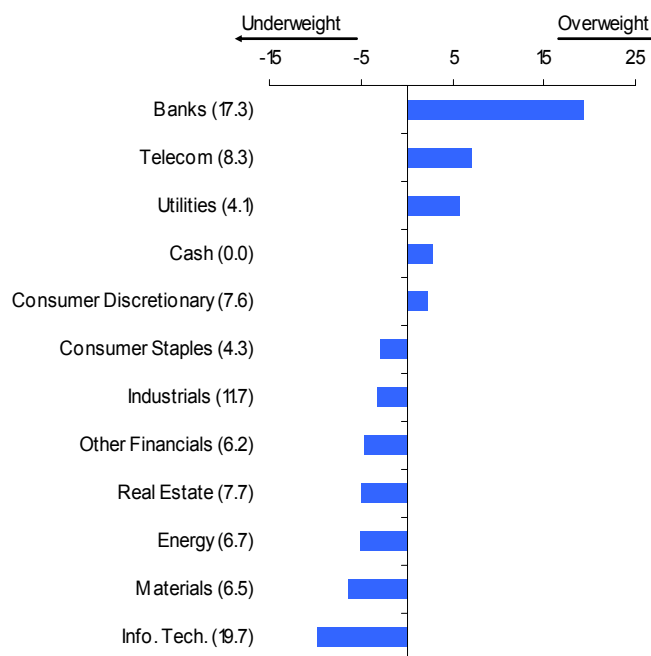
Model Portfolio (Asia/Pacific ex-Japan ex-Pakistan) Percentage Weighting Over / Under MSCI Benchmark*



Model Portfolio (Asia/Pacific ex-Japan ex-Pakistan) Percentage Weighting Over / Under MSCI Benchmark*



Model Portfolio (Asia ex-Japan ex-Pakistan) Percentage Weighting Over / Under MSCI Benchmark*



* Numbers in brackets show neutral weights within MSCI AC Asia Pacific ex Japan and Pakistan US\$ Index as at 9 Feb 2007

Consumer Staples includes food & staples retailing, food beverage & tobacco, household products, health care equipment & services, and pharmaceutical & biotechnology.

Industrials include capital goods, commercial services & supplies and transportation.

Information Technology includes technology hardware & equipment, semiconductors and semiconductor equipment, software & services.

Other Financials include diversified financials and insurance

Source: MSCI, Citigroup Investment Research estimates

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Asia Pacific Market Intelligence

Country

As of 13/4/2006	Mkt Cap USD bil	P/E (X)			EPS Growth (%)			Yield (%) 2007E	PBV (X)	ROE (%)			US\$ Performance		
		2006	2007E	2008E	2006	2007E	2008E			2006	2007E	2008E	1W	1M	YTD
Asia Pacific ex Japan	2555.5	16.5	14.8	13.6	9.7	10.2	11.5	3.1	2.6	15.1	15.5	15.4	1.7	7.5	7.5
Asia ex Japan	1709.1	16.2	14.4	13.1	7.5	9.7	13.4	2.8	2.4	13.4	14.4	14.4	1.4	6.2	4.5
Australia	825.1	18.1	16.2	15.2	22.6	13.7	7.0	3.8	3.1	19.7	18.6	18.2	2.4	10.3	14.3
China	295.4	18.4	16.8	14.5	17.0	9.8	15.6	2.2	3.3	17.2	15.6	16.1	2.1	10.0	2.3
Hong Kong	235.9	17.6	14.5	16.9	11.2	-5.3	10.0	3.5	2.0	10.8	12.3	10.0	-0.6	3.9	2.7
India	158.0	19.0	17.3	15.0	22.7	15.6	17.0	1.5	4.9	25.1	20.5	20.4	5.3	7.2	0.9
Indonesia	41.1	17.9	13.8	11.8	21.4	24.0	17.8	3.0	4.3	24.9	25.2	25.5	2.5	10.3	4.4
Korea	396.2	12.7	11.7	10.4	-4.1	7.1	12.6	1.9	1.8	12.6	13.6	13.8	2.1	6.0	6.6
Malaysia	78.6	14.3	17.4	15.5	15.2	13.1	11.8	3.2	2.5	17.1	13.5	14.1	2.5	11.8	24.2
New Zealand	21.3	15.7	15.6	15.3	-2.4	0.2	2.2	4.7	3.0	22.1	19.2	18.6	1.5	5.7	4.4
Philippines	13.6	17.3	16.7	14.6	15.9	5.3	15.2	2.6	2.8	15.5	14.5	15.2	-2.2	2.0	10.0
Singapore	141.2	18.4	18.0	16.2	26.9	2.6	10.6	3.0	2.4	12.6	12.4	12.8	0.7	8.3	15.2
Taiwan	306.2	18.9	13.7	11.9	11.7	26.6	14.1	3.9	2.2	11.6	14.6	15.6	-0.2	2.9	-1.8
Thailand	36.8	10.3	10.3	9.2	-19.2	1.1	11.6	4.4	1.9	16.1	16.5	16.8	-0.1	-2.1	6.5

Source: BES Aggregate, MSCI, FactSet, Citigroup Investment Research estimates

*MSCI Asia Free Ex Japan universe does not cover Australia and New Zealand.

Sector

As of 13/4/2006	Mkt Cap USD bil	P/E (X)			EPS Growth (%)			Yield (%) 2007E	PBV (X)	ROE (%)			US\$ Performance		
		2006	2007E	2008E	2006	2007E	2008E			2006	2007E	2008E	1W	1M	YTD
Energy	152.3	12.2	11.9	11.3	3.7	0.5	7.2	3.0	2.9	21.1	19.1	17.8	1.6	9.0	3.6
Materials	295.2	11.9	10.8	10.6	13.8	11.1	3.5	3.0	3.0	24.7	23.5	20.9	1.4	10.7	16.3
Capital Goods	163.5	18.5	14.5	14.6	38.2	2.6	22.8	2.3	2.4	11.9	15.0	13.3	2.7	12.8	14.4
Comm Serv & Supplies	20.5	24.4	23.1	20.1	35.0	-1.5	15.0	2.1	5.7	27.7	28.3	28.4	1.8	6.5	9.9
Transportation	96.8	16.7	15.7	15.6	-11.4	13.9	-5.1	3.4	2.0	11.0	11.2	10.6	1.7	8.6	16.9
Auto & Components	40.4	13.6	11.7	9.8	-30.1	18.5	17.2	2.1	1.6	10.5	12.4	13.2	0.2	0.4	-4.3
Consumer Durables	27.3	19.0	14.6	11.0	-17.2	27.8	38.4	2.9	2.1	12.3	13.9	16.7	0.1	6.4	4.4
Consumer Services	37.9	12.2	19.9	17.6	17.4	9.0	13.3	3.2	3.1	27.7	14.6	15.4	1.3	8.6	11.8
Media	21.5	20.5	19.6	17.3	15.3	2.0	13.8	4.1	3.2	14.6	14.2	15.8	0.5	7.5	6.4
Retailing	36.0	22.4	19.7	17.2	5.6	14.0	17.0	2.7	4.1	19.0	17.8	18.2	-0.9	6.2	8.6
Food & Staples Retailing	56.7	27.1	23.5	20.4	14.5	15.4	17.3	2.3	5.9	22.4	23.1	23.4	3.7	10.7	21.4
Food Bev & Tobacco	63.1	19.0	17.2	15.2	17.3	9.3	13.3	3.1	3.0	15.2	15.4	16.2	2.9	11.7	9.9
Household Products	8.9	27.1	20.6	19.1	-4.8	42.5	15.6	2.4	6.3	19.1	28.7	33.9	5.1	12.3	-3.0
Health Care Equip & Serv	12.8	27.1	24.2	20.9	56.4	7.0	15.9	2.7	4.8	17.9	17.7	19.1	3.1	12.3	9.2
Pharma Biotech & Life Sciences	23.6	29.5	22.7	18.6	37.2	28.0	21.3	1.2	6.1	22.8	20.7	21.7	1.7	10.3	15.6
Banks	485.5	17.5	14.3	13.0	11.6	16.6	10.4	3.7	2.6	14.8	16.5	16.7	2.0	6.6	7.0
Diversified Financials	82.7	21.7	18.5	16.5	8.0	12.6	7.6	2.8	3.0	13.6	14.7	15.2	3.8	11.5	12.7
Insurance	125.1	22.0	19.1	17.4	14.2	15.5	11.6	2.8	3.8	15.5	16.8	17.0	4.1	9.7	2.1
Real Estate	222.3	19.7	17.8	17.6	0.9	-2.1	12.9	3.5	1.6	7.7	8.4	8.1	0.0	5.6	8.1
Software & Services	45.2	30.5	23.4	19.2	55.3	33.4	25.7	0.9	11.1	30.0	31.2	29.6	4.3	4.6	4.1
Technology Hardware & Equip	121.9	23.3	16.0	12.1	12.5	43.7	32.2	2.3	2.4	10.7	13.3	15.8	0.6	3.8	-4.6
Semi & Semi Equipment	174.1	12.9	13.5	11.7	24.8	-0.7	13.5	2.4	2.5	16.8	15.8	16.3	1.2	1.5	0.3
Telecom	158.5	15.6	15.1	13.5	3.2	6.9	11.6	4.5	3.1	20.1	17.7	18.3	1.5	6.1	2.8
Utilities	83.5	15.3	14.2	13.2	5.5	5.5	7.6	3.4	1.7	10.4	10.8	11.0	0.9	6.7	5.6

Note: The above data are compiled based on the MSCI Asia Pacific Free-ex-Japan universe of stocks. The market capitalization for the countries, sectors and the region are free-float adjusted. Also the P/E and EPS Growth are taken from IBES Aggregate estimates for MSCI country, sector and regional indices. P/BV represents 12-months trailing P/BV calculated by MSCI for MSCI country, sector and regional indices. ROE is calculated as trailing P/BV divided by forward P/E estimates for respective fiscal year. With the exception of Australia and New Zealand whose fiscal year ends in June, (ie, 2005E refers to June 2005E), fiscal year for all countries, sectors and the region ends in December. NM = Not Meaningful; NA = Not Available.

Source: IBES Aggregate, MSCI, FactSet, Citigroup Investment Research estimates

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Asia Pacific Model Portfolio by Country

Name	Price 13 Apr 07	YTD Perf (%)	Ticker	Analyst's Rating	MSCI Wght (%)	Portfolio Wght (%)	FY07E PE (x)	FY07E EPS Gwth (%)	FY07E Div Yield (%)	FY07E P/BV (x)	FY07E ROE (%)	Up/Downside to Target (%)
Australia/New Zealand (-234 bps Underweight)					31.3	29.0						
Aust & NZ Banking	30.3	7.5	ANZ.AX	1L		6.0	14.5	10.8	4.6	2.7	18.5	4.0
Brambles	13.6	6.0	BXB.AX	NR		5.0	28.6	-7.9	1.2	9.7	33.8	NA
Rio Tinto Ltd	82.2	10.6	RIO.AX	1M		3.0	11.1	13.5	1.9	3.4	31.2	14.4
Tabcorp Hld	17.0	0.8	TAH.AX	2M		3.0	16.7	-2.7	5.3	2.6	15.8	-1.7
Telecom NZ	4.7	-2.5	TEL.NZ	2M		5.0	11.6	-2.9	7.0	8.0	68.5	8.6
Telstra	4.8	16.2	TLS.AX	2M		5.0	16.9	-1.3	5.8	4.7	27.9	-11.6
Woodside Pet	39.8	4.4	WPL.AX	1M		2.0	17.3	9.9	3.5	4.2	24.6	7.5
China (-783 bps Underweight)					11.8	4.0						
China Netcom	21.0	0.5	0906.HK	2L		1.0	12.3	5.6	2.8	1.7	13.5	8.4
China Tel	4.0	-5.6	0728.HK	1L		2.0	14.3	1.8	2.6	1.5	10.2	19.4
CNOOC	6.9	-6.6	0883.HK	1L		1.0	11.8	-20.2	2.6	2.4	20.4	16.4
Hong Kong (+503 bps Overweight)					10.0	15.0						
Cathay Pacific	20.6	7.1	0293.HK	3L		2.0	17.1	8.7	2.3	1.7	10.2	-7.5
Guoco	109.0	13.5	0053.HK	1L		1.0	12.6	-46.8	3.7	0.9	7.3	3.7
Hong Kong & China Gas	17.8	1.8	0003.HK	1L		3.0	12.4	35.2	2.0	3.7	29.8	12.2
Henderson Land	47.2	8.5	0012.HK	1L		2.0	16.0	-7.8	2.3	1.0	6.2	17.3
HSBC	140.7	-1.3	0005.HK	2M		6.0	11.6	4.1	5.1	1.8	15.5	8.7
Li and Fung	25.8	6.4	0494.HK	1L		1.0	31.6	20.7	2.5	10.7	33.7	20.4
India (-288 bps Underweight)					6.9	4.0						
Bharti Airtel	781.1	24.2	BRTI.BO	1L		1.0	24.5	45.9	0.6	8.3	33.7	22.9
State Bank of India	999.3	-19.8	SBI.BO	1L		1.0	10.5	17.4	1.6	1.5	14.4	23.6
Wipro	567.7	-6.1	WIPR.BO	1L		2.0	22.7	28.2	1.8	7.1	31.3	28.6
Indonesia (-52 bps Underweight)					1.5	1.0						
PT Telkom	10,400.0	3.0	TLKM.JK	1L		1.0	16.7	12.7	3.3	5.9	35.2	15.4
Korea (+455 bps Overweight)					15.4	20.0						
KEPCO	39,500.0	-6.8	015760.KS	NR		3.0	9.9	22.8	3.0	0.6	5.6	NA
Kookmin Bank	87,900.0	17.4	060000.KS	2L		5.0	9.9	20.5	3.8	1.8	18.1	5.8
Samsung Elec	601,000.0	-2.0	005930.KS	1L		5.0	10.9	2.2	0.9	1.8	16.0	24.8
Shinhan Financial	55,200.0	16.2	055550.KS	2L		4.0	11.7	1.1	1.8	1.4	11.6	10.5
Shinsegae	565,000.0	-2.6	004170.KS	2L		3.0	19.2	18.2	0.2	3.2	16.5	-0.9
Malaysia (+297 bps Overweight)					3.0	6.0						
DiGi.com	18.5	21.7	DSOM.KL	2L		2.0	15.5	11.0	6.4	6.9	44.5	8.1
IJM Corp	9.0	22.4	IJMS.KL	1L		1.0	21.2	15.3	2.1	1.8	8.6	-3.9
Public Bank	9.2	18.7	PUBM.KL	3L		1.0	17.0	5.1	5.4	3.3	19.6	-17.1
TA Enterprise	2.0	145.3	TAES.KL	1L		1.0	16.2	56.7	4.5	1.3	8.0	41.0
Tenaga	12.0	10.1	TENA.KL	1L		1.0	15.2	80.5	3.3	2.3	15.1	14.2
Philippines (-57 bps Underweight)					0.6	0.0						
Singapore (+552 bps Overweight)					5.5	11.0						
ComfortDelGro	2.1	30.4	CMDG.SI	1L		2.0	18.3	14.6	3.6	2.8	15.5	8.1
DBS	22.3	-1.3	DBSM.SI	3L		3.0	15.0	8.1	2.9	1.7	11.3	3.1
Parkway	4.0	28.0	PARM.SI	3L		1.0	35.3	30.1	2.7	6.4	18.0	-24.4
StarHub	3.0	14.1	STAR.SI	1L		2.0	15.1	43.5	5.0	35.4	234.0	10.0
SPH	4.5	6.1	SPRM.SI	1L		3.0	16.0	24.0	5.5	4.0	25.1	17.8
Taiwan (-535 bps Underweight)					12.3	7.0						
Chinatrust	25.8	-5.5	2891.TW	3L		2.0	13.1	253.3	-	1.9	14.2	1.0
Taishin	16.7	-12.8	2887.TW	1L		3.0	20.0	202.2	-	1.1	5.6	20.1
Taiwan Mobile	37.2	9.9	3045.TW	2L		2.0	12.9	-11.7	7.0	2.0	15.7	-11.2
Thailand (-58 bps Underweight)					1.6	1.0						
Thai Airways	46.8	5.6	THAI.BK	1M		1.0	10.0	-12.0	3.1	1.1	11.2	28.3
Cash (+200 bps Overweight)					0.0	2.0						
Total					100.0	100.0	14.4	16.5	3.3	2.2	15.2	

Neutral weight as of Feb 9, 2007

Source: Citigroup Investment Research estimates, IBES.

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Asia Pacific Model Portfolio by Sector

Name	Price 13 Apr 07	YTD Perf (%)	Country	MSCI Wght (%)	Portfolio Wght (%)	FY07E PE (x)	FY07E EPS Gwth (%)	FY07E Div Yield (%)	FY07E P/BV (x)	FY07E ROE (%)	Up/Downside to Target (%)
Banks (+1162 bps Overweight)				19.4	31.0						
Aust & NZ Banking	30.3	7.5	AU		6.0	14.5	10.8	4.6	2.7	18.5	4.0
Chinatrust	25.8	-5.5	TW		2.0	13.1	253.3	0.0	1.9	14.2	1.0
DBS	22.3	-1.3	SG		3.0	15.0	8.1	2.9	1.7	11.3	3.1
HSBC	140.7	-1.3	GB		6.0	11.6	4.1	5.1	1.8	15.5	8.7
Kookmin Bank	87,900.0	17.4	KR		5.0	9.9	20.5	3.8	1.8	18.1	5.8
Public Bank	9.2	18.7	MY		1.0	17.0	5.1	5.4	3.3	19.6	-17.1
Shinhan Financial	55,200.0	16.2	KR		4.0	11.7	1.1	1.8	1.4	11.6	10.5
State Bank of India	999.3	-19.8	IN		1.0	10.5	17.4	1.6	1.5	14.4	23.6
Taishin	16.7	-12.8	TW		3.0	20.0	202.2	0.0	1.1	5.6	20.1
Consumer Discre. (+337 bps Overweight)				6.6	10.0						
Li and Fung	25.8	6.4	HK		1.0	31.6	20.7	2.5	10.7	33.7	20.4
Shinsegae	565,000.0	-2.6	KR		3.0	19.2	18.2	0.2	3.2	16.5	-0.9
SPH	4.5	6.1	SG		3.0	16.0	24.0	5.5	4.0	25.1	17.8
Tabcorp Hld	17.0	0.8	AU		3.0	16.7	-2.7	5.3	2.6	15.8	-1.7
Consumer Staples (-512 bps Underweight)				6.1	1.0						
Parkway	4.0	28.0	SG		1.0	35.3	30.1	2.7	6.4	18.0	-24.4
Energy (-290 bps Underweight)				5.9	3.0						
CNOOC	6.9	-6.6	HK		1.0	11.8	-20.2	2.6	2.4	20.4	16.4
Woodside Pet	39.8	4.4	AU		2.0	17.3	9.9	3.5	4.2	24.6	7.5
Financials , Others (-588 bps Underweight)				7.9	2.0						
Guoco	109.0	13.5	HK		1.0	12.6	-46.8	3.7	0.9	7.3	3.7
TA Enterprise	2.0	145.3	MY		1.0	16.2	56.7	4.5	1.3	8.0	41.0
Industrials (+26 bps Overweight)				10.7	11.0						
Brambles	13.6	6.0	AU		5.0	28.6	-7.9	1.2	9.7	33.8	NA
Cathay Pacific	20.6	7.1	HK		2.0	17.1	8.7	2.3	1.7	10.2	-7.5
ComfortDelGro	2.1	30.4	SG		2.0	18.3	14.6	3.6	2.8	15.5	8.1
IJM Corp	9.0	22.4	MY		1.0	21.2	15.3	2.1	1.8	8.6	-3.9
Thai Airways	46.8	5.6	TH		1.0	10.0	-12.0	3.1	1.1	11.2	28.3
Information Technology (-665 bps Underweight)				13.6	7.0						
Samsung Elec	601,000.0	-2.0	KR		5.0	10.9	2.2	0.9	1.8	16.0	24.8
Wipro	567.7	-6.1	IN		2.0	22.7	28.2	1.8	7.1	31.3	28.6
Materials (-793 bps Underweight)				10.9	3.0						
Rio Tinto Ltd	82.2	10.6	AU		3.0	11.1	13.5	1.9	3.4	31.2	14.4
Real Estate (-687 bps Underweight)				8.9	2.0						
Henderson Land	47.2	8.5	HK		2.0	16.0	-7.8	2.3	1.0	6.2	17.3
Telecommunications (+1445 bps Overweight)				6.5	21.0						
Bharti Airtel	781.1	24.2	IN		1.0	24.5	45.9	0.6	8.3	33.7	22.9
China Netcom	21.0	0.5	HK		1.0	12.3	5.6	2.8	1.7	13.5	8.4
China Tel	4.0	-5.6	CN		2.0	14.3	1.8	2.6	1.5	10.2	19.4
DiGi.com	18.5	21.7	MY		2.0	15.5	11.0	6.4	6.9	44.5	8.1
PT Telkom	10,400.0	3.0	ID		1.0	16.7	12.7	3.3	5.9	35.2	15.4
StarHub	3.0	14.1	SG		2.0	15.1	43.5	5.0	35.4	234.0	10.0
Taiwan Mobile	37.2	9.9	TW		2.0	12.9	-11.7	7.0	2.0	15.7	-11.2
Telecom NZ	4.7	-2.5	NZ		5.0	11.6	-2.9	7.0	8.0	68.5	8.6
Telstra	4.8	16.2	AU		5.0	16.9	-1.3	5.8	4.7	27.9	-11.6
Utilities (+365 bps Overweight)				3.4	7.0						
Hong Kong & China Gas	17.8	1.8	HK		3.0	12.4	35.2	2.0	3.7	29.8	12.2
KEPCO	39,500.0	-6.8	KR		3.0	9.9	22.8	3.0	0.6	5.6	NA
Tenaga	12.0	10.1	MY		1.0	15.2	80.5	3.3	2.3	15.1	14.2
Cash (+200 bps Overweight)				0.0	2.0						
Total				100.0	100.0	14.4	16.5	3.3	2.2	15.2	

Neutral weight as of Feb 9, 2007

Source: Citigroup Investment Research estimates, IBES.

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Asia ex Strategy

Upward EPS Revisions Combined with Value = Outperformance

- **Earnings growth for 2007E down to 9.7%, third year of single-digit growth** — The downward trend in Asian consensus forecasts is sadly not yet over. Just four months ago, earnings expectations stood at 12.6%, vs. 9.7% today. In 2005, aggregate earnings growth by IBES stood at 1.9%, and 7.5% in 2006. Stock market profit shares in GDP have been falling for three years which has left EBIT margins at a 16-year low.
- **Thai, Korean, India and Malaysia go lower; HK, China and Singapore higher** — Still no joy from EPS revisions in Thailand, nor earnings growth (just +1.1%), nor Korea where revisions remain on the downside for a second year. In India, more analysts are now taking numbers lower than higher. Singapore remains a bright spot with a third year of upward revisions.
- **Consumers, energy and TMT suffer; real estate, banks and industrials don't** — Energy revisions remain stuck in the doldrums, while the sharpest reversal has come from the consumer across the region. Tech earnings revisions have also begun to decline. The most consistent upward revisions have come in the real estate sector with upward revisions since 2003.
- **Cheap stocks with upward revisions the way to go** — Buying cheap stocks on the basis of P/CE and P/BV with upward revisions to earnings has given investors 24.8% p.a since 2000, while expensive stocks with poor revisions declined by 2.6% p.a. Top stocks to own and to disown are listed in this report.
- **Biggest overweights remain Singapore, Malaysia and Hong Kong. Underweights are China, India, Taiwan.**

The Asian EPS forecast story

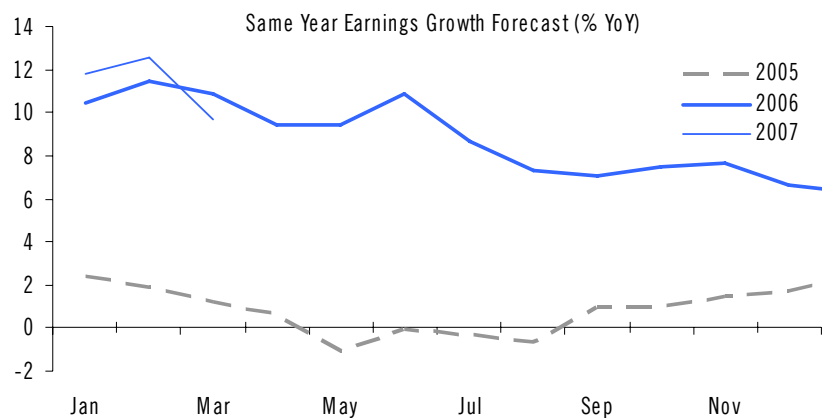
Earnings revisions by themselves are a good way to outperform. After all, who wants to own shares in companies where earnings are being constantly revised lower, unless one is short those companies. As with many things market wise, rather than take daily/weekly revisions, we tend to look at these on the basis of monthly revisions. Trading on the basis of daily or weekly revisions makes sense if one can trade at zero cost, but otherwise, the tendency is to make the broker rich but the fund owners poor! Below, a few points regarding earnings revisions and how to get the most out of them.

Start in January with a high number and turn it into a small number

In Asia ex, analysts spend most of their time revising down earnings rather than leaving them unchanged or even revising up earnings. The story is simple, start with a high number in January and then spend 12 months turning it into a smaller number (see Figure 1). The only times this has not been the case was in coming out of the '98/'99 Asian slowdown (analysts proved to be too bearish) and then again in 2004 on the back of the 2003 SARS slowdown. One of the driving factors behind earnings revisions has been the year-on-year change in US import prices from Asia ex. These have been a very good leading indicator of where earnings revisions for the region go. Simply, falling export prices leads to negative earnings revisions and rising export prices leads to positive earnings revisions.

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Figure 1. Analysts Tend to Start with a High Earnings Number in January and Then Revise It Down



Source: IBES Aggregate, Citigroup Investment Research

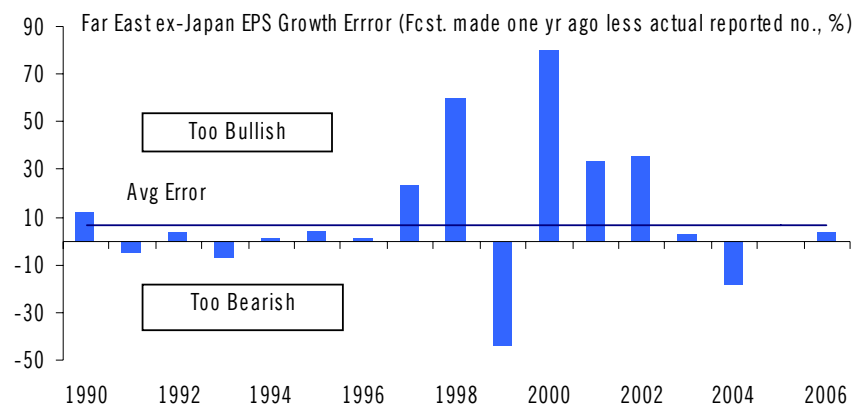
The good news is that export prices lead. Export prices are now down 0.11% on a year-on-year basis. So unless we get a significant deterioration in the pricing component, earnings revisions should remain quite muted. Investors need to note that the performance of US import prices are strongly determined by US import growth, and the latter has been declining as of late. This clearly bodes poorly for the export sector and plays to the strength of the domestic economy, hence our overweight on banks, consumers, telecoms and selected utilities. Underweight the broad exporters.

The numbers may be wrong, but at least I was bullish

Next, equity analysts are born optimists. Which figures – few investors buy equities for lower earnings growth, and markets go up more often than they go down! Figure 2 highlights that since 1990, on average analysts have been too bullish by 6.8%. The accuracy of forecasts post 2000 has sadly worsened compared to the period of 1990 to 1997. This is in part explained by the rise in operational leverage (fixed to variable cost ratios) of the Asian equity markets since 2000. Higher operational leverage basically brings in more volatility to earnings forecasts, as a small change in the top-line leads to a disproportionate change to the bottom line, which is what analysts forecast.

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Figure 2. On Average, Analysts Have Been too Bullish by 6.8% Since 1990



Source: IBES Aggregates, Citigroup Investment Research

Among analysts, the greatest optimists are found amongst the Indian, Korean and Taiwanese analysts. Indian, Korean and Taiwanese analysts have had a tendency of being too bullish 70% of the time since 1990. At the other end of the spectrum, we have Chinese and Malaysian analysts – if there is a glass at all, it certainly is half empty rather than half full.

Best to revise earnings lower when clients are on holidays

Finally, seasonality is an important driver of Asian markets and earnings revisions. In Asia ex, there is a strong seasonal pattern to earnings revisions (see Figure 1). Little occurs on the earnings front in the early part of the year. Why? Analysts are waiting for the prior-year results and Q1 statements from the corporate prior to making a change in earnings forecasts. Once this data is released, the revisions begin and numbers are fine-tuned for the remainder of the year. This is especially the case when we have export price deflation. In terms of revisions, the July-September timeframe is one where revisions occur in earnest. Those with a cynical predisposition would argue that one may as well fall on one's sword while the fund managers are away on holiday rather than admit to being wrong. While there must be something in this, the truth is much more likely to be that, come half way through the year, it is increasingly clear that the company will not meet the analysts number, hence one may as well downgrade.

The current state of play: 9.7% earnings growth for '07E. Single digit hat trick

The good news is that the IBES aggregates for the MSCI Asia AC ex Japan for 2007 is higher than both the 2006 and 2005 actuals. The bad news is that yet again, the EPS growth forecast for the region is down to single-digit growth levels. The IBES data shows EPS growth rates of just 1.9% for 2005, 7.5% for 2006, and for 2007 the expectations are now 9.7%. The surprise is that while our nominal GDP growth rates have been far in excess of those available in Europe or the USA, EPS growth has lagged over the last two years (see Figure 3). This has largely been driven by poor terms of trade (hence the margin squeeze with Asian margins at 16-year lows) and the skew inherent in Asian equity markets, i.e. a greater percentage of exporters in the index than the real economy and less domestic exposure in the index vs. the real economy.

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Figure 3. Asia EPS growth has lagged Europe and the USA over the past two years

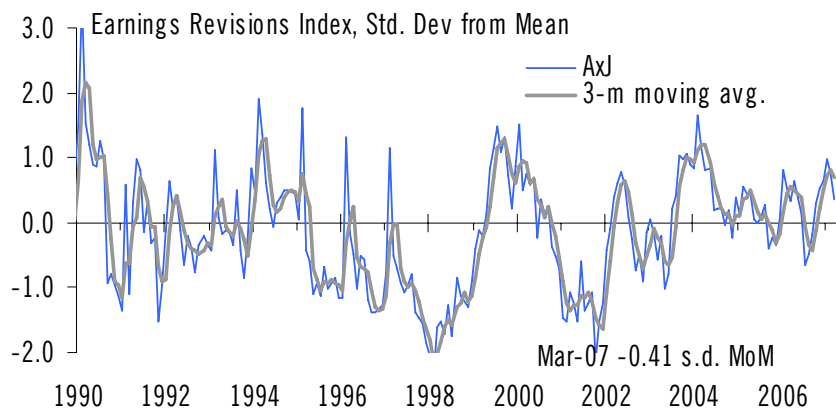
	GDP Growth (%)		EPS Growth (%)	
	2005	2006	2005	2006
Asia ex Japan	7.8	8.4	1.9	7.5
United States	3.2	3.0	14.3	16.0
Europe	1.5	2.3	15.4	14.4

Source: IBES Aggregates, Citigroup Investment Research

India, Malaysia, Thailand and Korea see biggest downward revisions

As per Figure 4, the EPS revisions for the region ex Australia and New Zealand (up minus down over total) have begun to roll over again after having hit plus 1 standard deviations to the upside. Hence the slowdown in earnings growth to 9.7% from prior 12.6% growth for 2007E. The downturn in earnings expectations has been fairly uniform around the region, but the worst revisions have come from India, Malaysia, Thailand (still) and Korea where EPS revisions remain well and truly in the doldrums. Interestingly Thailand (underweight) shows no sign of upward revisions to earnings on a sustainable basis. Earnings growth for this year is still stuck at just above 1% post a 19% decline in earnings in 2006. While we would agree that this is a cheap market, it is hard to see an immediate catalyst is for the market to move higher in the absence of an improving earnings/economic/political outlook. Lower interest rates will certainly help, but the backdrop for growth is a declining one. The market also continues to be a favorite amongst the foreign investor base (see Elaine Chu's *Fun with Flows* report dated 30th March) with foreign inflows of US\$1.2 bn year-to-date vs. total inflows in to the emerging Asian universe of US\$6.5 bn. The Taiwan market has also witnessed downward earnings revisions vs. the levels at the start of year, though we are still seeing more upward than downward revisions.

Figure 4. EPS Revisions for Asia ex Have Begun to Roll Over



Source: IBES Aggregates, Citigroup Investment Research

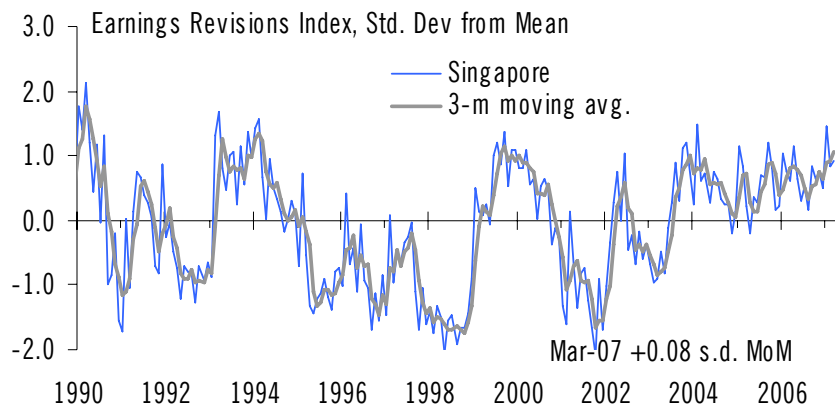
Hong Kong, Singapore and China all saw upward revisions to earnings

The one worth highlighting among these three is actually Singapore (see Figure 5). Since 2004, the Singapore market has seen more upward revisions to earnings than downward revisions. This has lent ample support to the equity market, which remains a double overweight for us within an Asian context. Malaysia is the other double overweight. The one area of weakness for Singapore

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is valuations on the basis of P/BV – the market has seldom been more expensive than it is now, which is a source of concern to us. The latest peak in earnings revisions touched the usual area of resistance with some 1.4 standard deviations above mean revisions, and we should expect some moderation in the positive revisions going forward. One of the driving forces for these upward revisions has been the real estate sector in both Singapore and Hong Kong, and for China industrials have also benefited from these upward revisions.

Figure 5. Since '04, Singapore Has Seen More Upward Revisions to Earnings than Downward Revisions

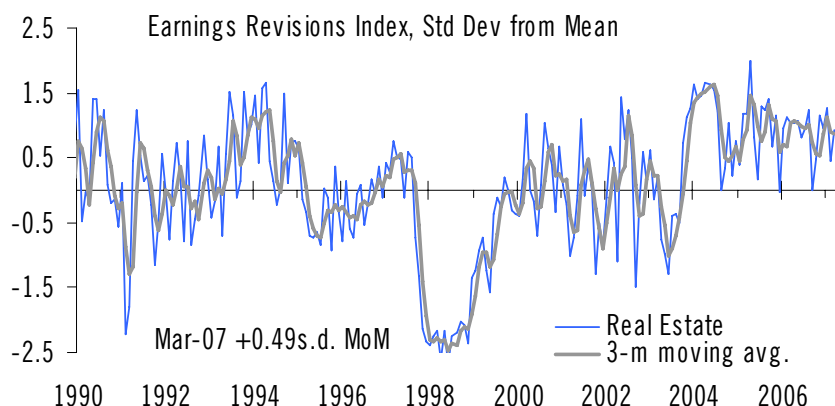


Source: IBES Aggregates, Citigroup Investment Research

Industrials, banks, real estate and media all seeing upward revisions

The most consistent of these four sectors has been real estate. Post-SARS revisions to real estate earnings have been but one way, up, and this for the longest time since 1990 (see Figure 6). Region wide, the earnings growth has been a mere 0.9% in 2006 and expected to be -2.1% in 2007. For banks, the revision ratio has continued to be positive which has lent the sector support. The same is true for the industrial sector. One word of caution; the industrial revisions are now at above 1.5 standard deviations above the mean, an area from which they have historically rolled over.

Figure 6. Post-SARS Revisions to Real Estate Earnings Have Been but One Way – Up



Source: IBES Aggregates, Citigroup Investment Research

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Consumers, energy, telecoms and tech all continue to suffer

The worst among these is the energy sector (read oil). Since the tail end of last year, revisions to earnings have been just one way: down; and the latest reading is no exception. As the price of oil has come off, so analysts have taken their numbers lower. For the sector as whole on a pan-Asian basis, the earnings growth forecast now stands at just 0.5% for 2007, well below the regional growth average of 9.7%.

Consumers have seen the sharpest decline in earnings forecasts this month and the ratio is now just above zero (equal up vs. down revisions). The other sector which has seen a market change in earnings revisions is tech, where numbers have also been taken lower. For tech hardware the numbers remain healthy at 44% growth, while on the semi side IBES forecasts are down to -0.7% for this year.

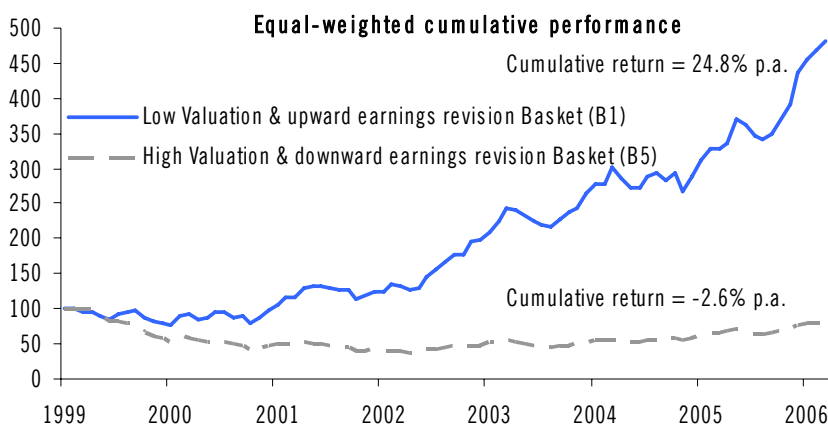
Avoid expensive stocks with poor earnings revisions

Earnings revisions do not get treated symmetrically by investors, especially when one undertakes a valuation overlay. A cheap stock with poor earnings revisions is highly unlikely to do well, but an expensive stock with poor earnings revisions is more likely than not to get a real beating. Also, as Paul Chanin – who heads our Asian quant team – has highlighted in the past revisions don't get treated equally. For instance, a stock with upward revisions in Korea may flat line while in the case of China the stock may pop.

Hoover up cheap stocks with positive earnings revisions.

Attractively valued stocks with upward revisions to earnings have been a winner in Asia since 2000 (see Figure 7). Stock with a cheap composite score on both P/BV and P/CE and which have also enjoyed upward revisions to earnings have given investors a composite return of 24.8% p.a since 2000. On the other hand, stocks which have been expensive on the composite score and had poor EPS revisions have lost 2.6% p.a over the same timeframe. The spread between the two is not only positive but the maximum drawdown among the best performers vs. worst is also the lowest of the five quintiles at 9.4% as is the single worst month at -6.9%. The message is very clear: buy cheap stocks with positive revisions and to avoid like the plague expensive stocks with poor revisions.

Figure 7. Attractively Valued Stocks with Upward Revisions to Earnings Have Been a Winner in Asia



Source: Citigroup Investment Research

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For our value basket, we have chosen a combination of both P/BV and P/CE as the value component. Why P/BV and P/CE? Both of these have shown greater stability as ratios over time than the simple P/E or dividend yield ratio. Both valuation ratio's were ranked in to percentile groups and combined on an equal weighted basis, i.e. if the stock is cheap on P/BV but expensive on P/CE, it would sit in the middle of the combined ranking. All based on equal-weighted median returns.

Stocks to Own

Figure 8. Stocks with Low P/BV and P/CE and Favorable Earnings Revisions

	Bloomberg Ticker	Country	Price (Local Curr) 6-Apr-2007	Rating
Wistron Corp	3231 TT	Taiwan	49.25	1M
Citic Pacific	267 HK	Hong Kong	29.80	1L
Kingboard Chem	148 HK	Hong Kong	33.35	1L
Jardine Strategic	JS SP	Hong Kong	13.60	1L
Walsin Lihwa Corp	1605 TT	Taiwan	17.60	1L
Daelim Ind	000210 KS	Korea	96000.00	1M
China Petroleum	386 HK	China	6.90	1L
Starhub	STH SP	Singapore	2.84	1L
Siliconware Precision Ind	2325 TT	Taiwan	63.90	1L
Tanjong	TJN MK	Malaysia	15.80	1L
Digicom	DIGI MK	Malaysia	19.00	1L
Vtech	303 HK	Hong Kong	56.35	1L
Huaneng Power Int Inc	902 HK	China	7.56	1L
Telekomunikasi Indonesia	TLKM IJ	Indonesia	10100.00	1L
Guoco	53 HK	Hong Kong	112.10	1L
BHP Billiton	BHP AU	Australia	30.33	1M
Siam Cement	SCC TB	Thailand	248.00	1L
Acer Inc	2353 TT	Taiwan	66.00	1L
Quanta Comp Inc	2382 TT	Taiwan	50.70	1M
Datang Int Power Gen	991 HK	China	8.65	1L

Source: Citigroup Investment Research estimates

Stocks to Disown

Figure 9. Stocks with High P/BV and P/CE and Poor Earnings Revisions

	Bloomberg Ticker	Country	Price (Local Curr) 6-Apr-2007	Rating
Advanced Semi	2311 TT	Taiwan	39.6	2L
LG Household & H'Care	051900 KS	Korea	122000	3L
I-Flex Solutions	IFLEX IN	India	2111.95	3M
KT Corp	030200 KS	Korea	41550	2L
Jaiprakash Associates	JPA IN	India	512.05	2L
Hanarotelecom Inc	033630 KS	Korea	9290	3M
Melco Int Dev	200 HK	Hong Kong	15.14	2M
Mediatek Inc	2454 TT	Taiwan	385	2L
China Merchants Int	144 HK	China	37.45	3L
SK Telecom	017670 KS	Korea	191000	2M
KT Freetel	032390 KS	Korea	27200	3M
Hyundai Dev Co	012630 KS	Korea	54100	3H
Kia Motors Corp	000270 KS	Korea	12950	2L
Tingyi	322 HK	China	7.76	3L
Shinsegae	004170 KS	Korea	564000	2L
Via Tech Inc	2388 TT	Taiwan	35.6	3M
HDFC Bank	HDFCB IN	India	943.25	2L
Hero Honda Motors	HH IN	India	632.45	3L
Citic Res	1205 HK	China	3.9	2M
Kalbe Farma	KLBF IJ	Indonesia	1240	3L

Source: Citigroup Investment Research estimates

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Fun With Flows

Resumption of Inflows to Asian Funds Faster Than Before

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- **Inflows to all Asia-dedicated equity funds edged higher to US\$392m —**
Average weekly inflow for the past three weeks was US\$581mn, -21% YoY but 13% more than the amount taken in per week prior to the spring market corrections. Back in July 2006 when inflows resumed subsequent to the May/June sell-off, it was just US\$28m per week. The fact that regional markets recovered quicker than before has helped foreigners regain investment confidence in Asia.
- **India country funds the biggest beneficiary from resumed inflows to Asia —**
Total inflows to offshore India funds reached US\$322m for the past three weeks, nearly twice the intake by Singapore funds in the second place. Nevertheless, YTD net redemptions from India funds remain the largest among the ten country funds we watch.
- **Singapore and Malaysia funds top picks of the year —** These two best-performing markets in Asia YTD report the largest inflows among all country funds. New money to Singapore funds is up 4.6x year-on-year while inflows to Malaysia funds increase three times.
- **Foreign net purchases in emerging Asia rose to US\$2.3b last week —**
Noticeably, net buying of Korean equities has been picking up three weeks in a row to reach a 12-month high of US\$991m. On an annualized basis, foreigners have become net buyers in Korea for the first time in three years.

Figure 1. Weekly flows to country funds

US\$m	4/11/2007	Past 4-wk Total	YTW Total	Same period in '06
China	-5.3	197.8	-428.2	2,983.7
Hong Kong	8.7	-38.1	-234.7	480.8
India	64.8	272.5	-617.0	1,947.2
Indonesia	-0.3	-2.0	-15.2	36.1
Korea (South)	4.2	-13.3	13.5	563.6
Malaysia	44.5	44.3	336.2	104.3
Philippines	0.03	7.8	9.3	4.2
Singapore	70.3	191.4	712.2	154.6
Taiwan	5.4	-2.0	264.5	673.2
Thailand	-3.3	-17.4	-151.2	172.5

Source: EmergingPortfolio.com Fund Research, Citigroup Investment Research

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Sentiment Indicators

Asia Pacific

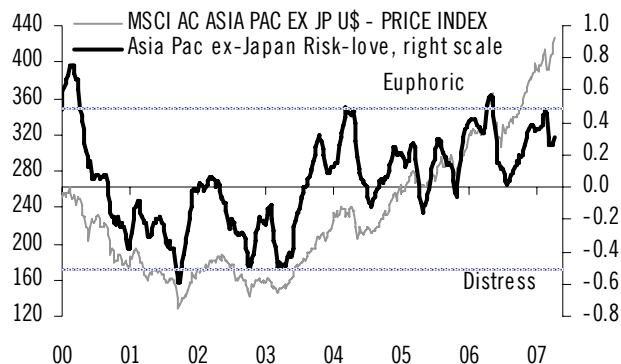
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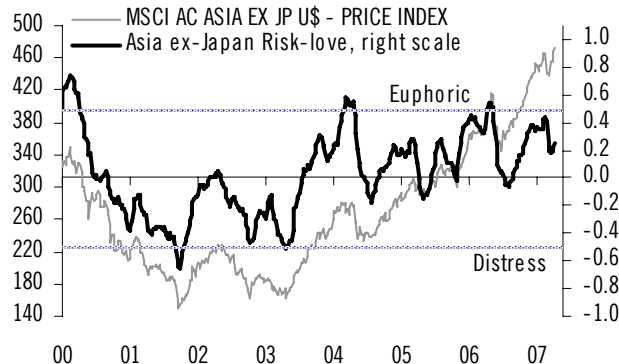
Following regional market recoveries, we see most of our risk-love indicators ticking up again. Those with major advancement include Taiwan and Singapore, whereas rises in Hong Kong and Malaysia risk-love indicators are with lesser magnitude. At the opposite, India risk-love has fallen to 0.1SD below average for the first time in seventeen months.

Figure 1. Asia Pac (incl. Australia) ex-Japan Risk-Love Indicator



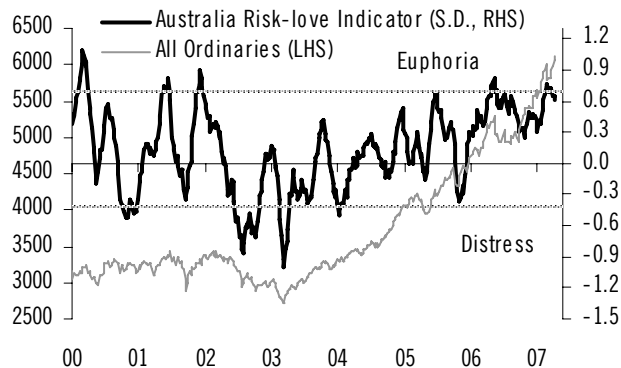
Source: CEIC, Datastream, Citigroup Investment Research

Figure 2. Asia ex-Japan Risk-Love Indicator



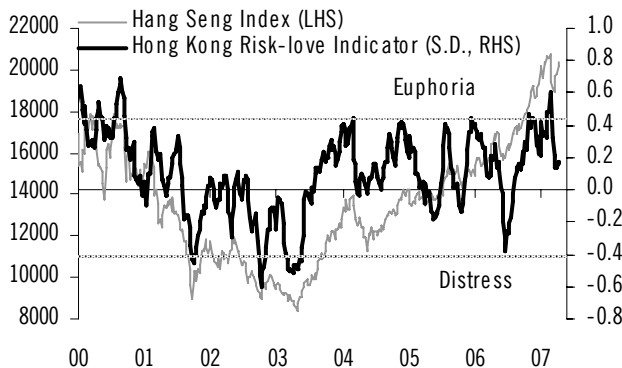
Source: CEIC, Datastream, Citigroup Investment Research

Figure 3. Australia Risk-Love Indicator



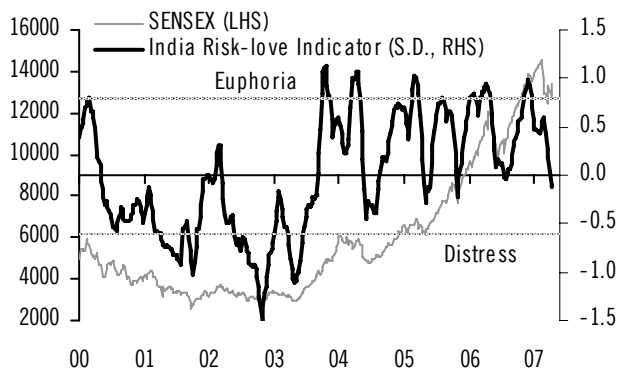
Source: CEIC, Datastream, Citigroup Investment Research

Figure 4. Hong Kong Risk-Love Indicator



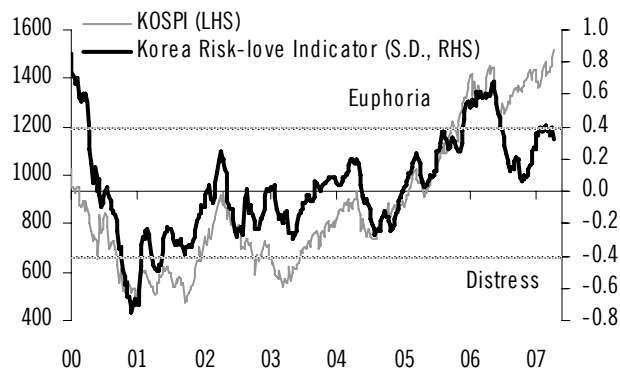
Source: CEIC, Datastream, Citigroup Investment Research

Figure 5. India Risk-Love Indicator



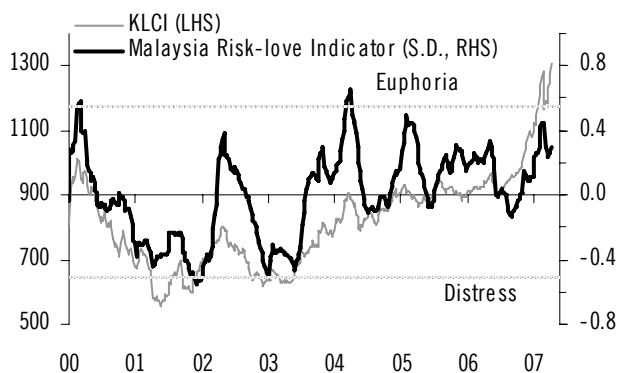
Source: CEIC, Datastream, Citigroup Investment Research

Figure 6. Korea Risk-Love Indicator



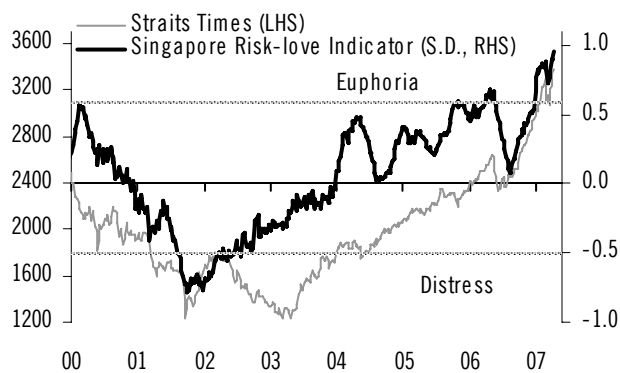
Source: CEIC, Datastream, Citigroup Investment Research

Figure 7. Malaysia Risk-Love Indicator



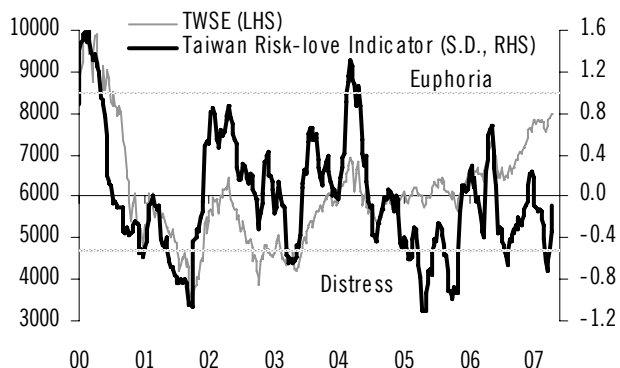
Source: CEIC, Datastream, Citigroup Investment Research

Figure 8. Singapore Risk-Love Indicator



Source: CEIC, Datastream, Citigroup Investment Research

Figure 9. Taiwan Risk-Love Indicator



Source: CEIC, Datastream, Citigroup Investment Research

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Appendix A-1

Analyst Certification

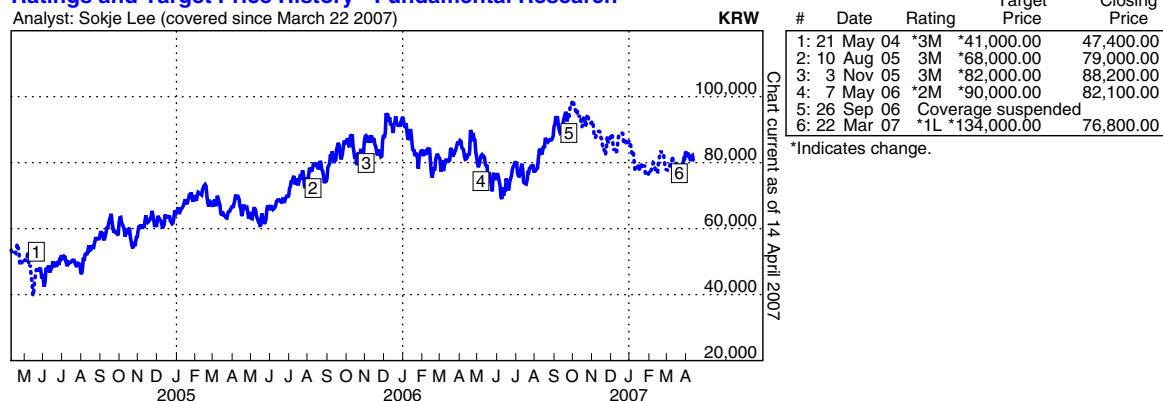
I, Markus Rosgen, research analyst and the author of this report, hereby certify that all of the views expressed in this research report accurately reflect my personal views about any and all of the subject issuer(s) or securities. I also certify that no part of my compensation was, is, or will be directly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

IMPORTANT DISCLOSURES

Hyundai Mobis (012330.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

Kookmin Bank (060000.KS)

Ratings and Target Price History - Fundamental Research

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



— Covered
 Not covered

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Samsung Electronics (005930.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Jay Choi (covered since March 1 2005)



#	Date	Rating	Target Price	Closing Price
1:	17 May 04	1L	*592,000.00	458,000.00
2:	19 Jul 04	1L	*515,000.00	426,500.00
3:	15 Sep 04	*2L	515,000.00	478,000.00
4:	18 Oct 04	2L	*468,000.00	432,500.00
5:	4 Jan 05	2L	*464,000.00	447,000.00
6:	11 May 05	*1L	*610,000.00	472,000.00
7:	13 Sep 05	1L	*675,000.00	606,000.00
8:	2 Jan 06	1L	*780,000.00	659,000.00
9:	25 Jan 06	1L	*820,000.00	714,000.00
10:	29 May 06	1L	*800,000.00	622,000.00
11:	14 Jul 06	1L	*770,000.00	584,000.00
12:	3 Sep 06	*2L	*695,000.00	656,000.00
13:	15 Jan 07	*1L	*750,000.00	612,000.00

*Indicates change.

— Covered
 Not covered

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

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

16 April 2007

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Daelim Industrial (000210.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	1M	75,000.00	56,300.00
2:	15 Oct 06	*2M	*69,000.00	64,400.00
3:	7 Dec 06	*1M	*93,600.00	79,500.00

*Indicates change.

— Covered
 Not covered

LG Household & Healthcare (051900.KS)**Ratings and Target Price History - Fundamental Research**

Analyst: Ally Park (covered since June 1 2004)



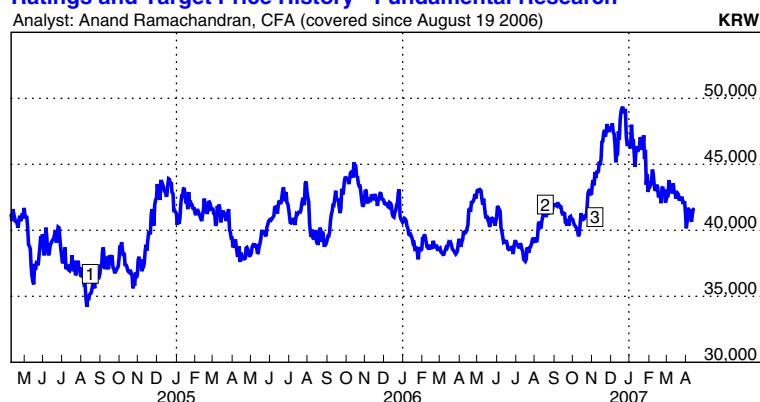
#	Date	Rating	Target Price	Closing Price
1:	31 May 04	*2L	33,000.00	30,400.00
2:	22 Feb 05	*1L	*36,000.00	32,150.00
3:	25 Apr 05	1L	*43,000.00	33,500.00
4:	21 Jul 05	1L	*54,000.00	46,900.00
5:	3 Nov 05	1L	*70,000.00	55,500.00
6:	31 Mar 06	1L	*78,000.00	68,000.00
7:	19 Jul 06	1L	*92,000.00	74,000.00
8:	12 Feb 07	*3L	*97,000.00	120,000.00

*Indicates change.

— Covered
 Not covered

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.

— Covered
 Not covered

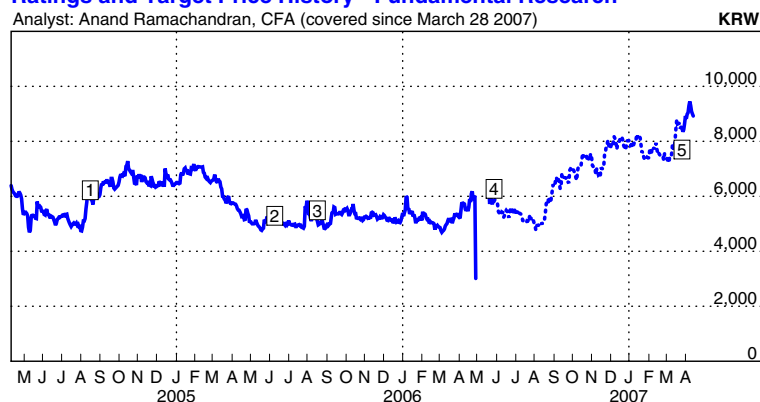
16 April 2007

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Hanarotelecom (033630.KQ)

Ratings and Target Price History - Fundamental Research

Analyst: Anand Ramachandran, CFA (covered since March 28 2007)



#	Date	Rating	Target Price	Closing Price
1:	17 Aug 04	2H	*7,000.00	6,050.00
2:	9 Jun 05	2H	*6,000.00	5,150.00
3:	17 Aug 05	*3H	*4,200.00	5,090.00
4:	29 May 06	Coverage suspended		
5:	27 Mar 07	*3M	*8,000.00	8,500.00

*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

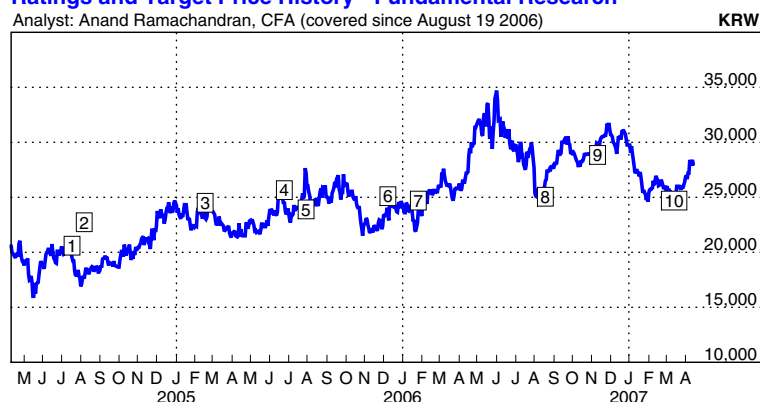
*Indicates change.

— Covered
 Not covered

KT Freetel (032390.KS)

Ratings and Target Price History - Fundamental Research

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



#	Date	Rating	Target Price	Closing Price
1:	19 Jul 04	2L	*21,500.00	19,500.00
2:	6 Aug 04	2L	*19,500.00	17,600.00
3:	17 Feb 05	*3L	19,500.00	23,100.00
4:	24 Jun 05	*2L	*26,000.00	24,600.00
5:	29 Jul 05	2L	*27,500.00	27,200.00
6:	8 Dec 05	*2M	*26,000.00	23,450.00
7:	26 Jan 06	2M	*27,000.00	23,900.00
8:	18 Aug 06	*3M	*26,000.00	26,500.00
9:	10 Nov 06	3M	*25,000.00	29,900.00
10:	14 Mar 07	3M	*23,000.00	24,700.00

*Indicates change.

— Covered
 Not covered

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Hyundai Development (012630.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Brian Cho (covered since October 16 2006)



— Covered
 Not covered

Kia Motors (000270.KS)

Ratings and Target Price History - Fundamental Research

Analyst: Sokje Lee (covered since March 22 2007)



— Covered
 Not covered

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A member of Adrian Blundell-Wignall's team holds a long position in the shares of Telstra Corporation Ltd.

A member of Jit Soon Lim, CFA's team holds a long position in the shares of Singapore Press.

A member of Markus Rosgen's team holds a long position in the shares of HSBC.

A member of Jit Soon Lim, CFA's household holds a long position in the shares of DBS Group.

A member of Ratnesh Kumar's household holds a long position in the shares of State Bank of India.

A household member of a member of Jit Soon Lim, CFA's team holds a long position in the shares of Public Bank and Singapore Press.

A household member of a member of Markus Rosgen's team holds a long position in the shares of China Telecom, Hong Kong & China Gas and HSBC.

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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%
China -- Asia Pacific (88)	72%	15%	14%
<i>% of companies in each rating category that are investment banking clients</i>	44%	46%	42%
Exploration & Production -- Australia/New Zealand (4)	75%	25%	0%

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<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%
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%
Malaysia -- Asia Pacific (40)	68%	5%	28%
<i>% of companies in each rating category that are investment banking clients</i>	22%	0%	18%
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%
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%
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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.

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