Macquarie
Commodities Research

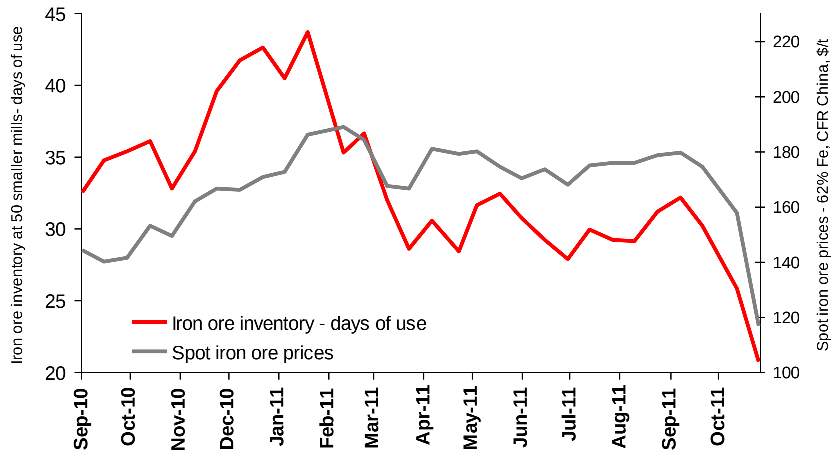
The Global Commodities Specialist

China Commodity Call

Upside in iron ore

- The depth and pace of the recent iron ore price declines have been astonishing – even during the dark days of the GFC, iron ore didn't see daily drops of as much as $10/t. However, we are firmly of the view that the current price levels are not reflective of real demand weakness or substantial oversupply but rather are a symptom of an aggressive destock of iron ore by the Chinese mills.
- **The pace of this destocking is unsustainable, and as mills normalise inventory, we believe the first $20–30/t of a recovery rally should be easy. We therefore expect iron ore to be trading above $140/t by the end of 2011.**

The fall in iron ore prices is reflecting an aggressive destock – not a collapse in real demand



Source: Mysteel, TSI, Macquarie Research

- In the very near term, iron ore can still trade lower, as steel production cuts are just getting started. However, we think production cuts are largely already priced in. Based on the current volume of inventory, the smaller mills would need to cut production by 40% before the current volume of inventory they are holding starts to look high (ie, back up to over 30 days). Cuts of this magnitude are not required.
- China swinging from destocking to just moderate restocking could potentially add 80mtpa to global iron ore demand (before even factoring steel production volumes starting to recover). This will put pricing power back in the hands of the suppliers.

GLOBAL

Shanghai Futures Exchange

		Week on week
Cash price	**RMB/t**	**% change**
Copper	59,840	8.82
Aluminium	16,465	-0.33
Zinc	15,415	6.13
Lead	15,405	3.77
Stocks	**ton**	**%change**
Copper	87,726	18.92
Aluminium	118,036	4.15
Zinc	381,795	1.73
Lead	61,197	12.86
Open interest	**Contracts**	**change**
Copper	18,850	-9876
Aluminium	31,348	-12490
Zinc	14,964	-10042
Lead	658	-752
Other prices (from SMM)		
Cash price	**RMB/t**	**% change**
Nickel	140,750	2.01
Tin	182,000	0.19
Steel prices (From Mysteel)		
Cash price	**RMB/t**	**% change**
HR coil (3mm)	4,330	2.24
CR coil (1mm)	5,250	0.00
Galvanised (1mm)	5,290	-1.21
Rebar (20mm)	4,200	0.72
Iron ore import (from TSI)		
CFR N. China port	**$/t**	**% change**
62%Fe	116.9	-18.0
58%Fe	102.9	-20.6

Exchange rate	
US$/Rmb	**6.36**

Source:LME, Comex, Nymex, SHFE, Metal Bulletin, Reuters, LBMA, Macquarie Research, TSI, October 2011

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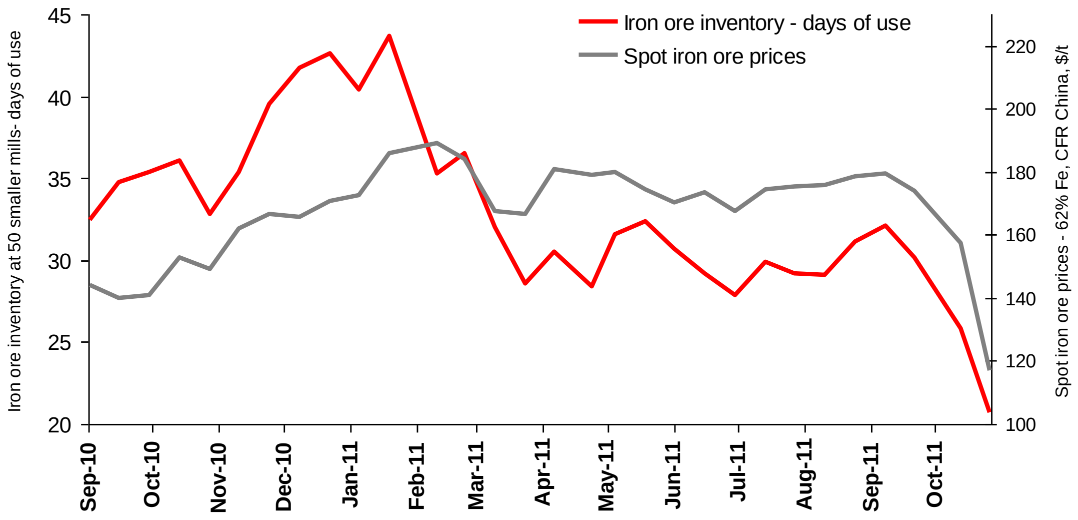
Iron ore is oversold – risks firmly to the upside by year-end

- The depth and pace of the recent iron ore price declines have been astonishing – even during the dark days of the GFC, iron ore didn't see daily drops of as much as $10/t. However, we are firmly of the view that the current price levels are not reflective of real demand weakness or substantial oversupply but rather are a symptom of an aggressive destock of iron ore by the Chinese mills. **The pace of this destocking is unsustainable, and as mills normalise inventory, we believe the first $20–30/t of a recovery rally should be easy. We therefore expect iron ore to be trading above $140/t by the end of 2011.**

Smaller mill inventory has collapsed

- A critical data point we have been watching this year has been the level of iron ore inventory held by 50 smaller mills. In the considerably milder downturns in pricing of January–March and May-July, inventory levels hitting 28 days of use provided some level of support. Since early-September, inventory levels have crashed from 33 days down to 21 days as of Friday 28 October. Note that this inventory includes what mills are holding in their own yards, at port and in transit.

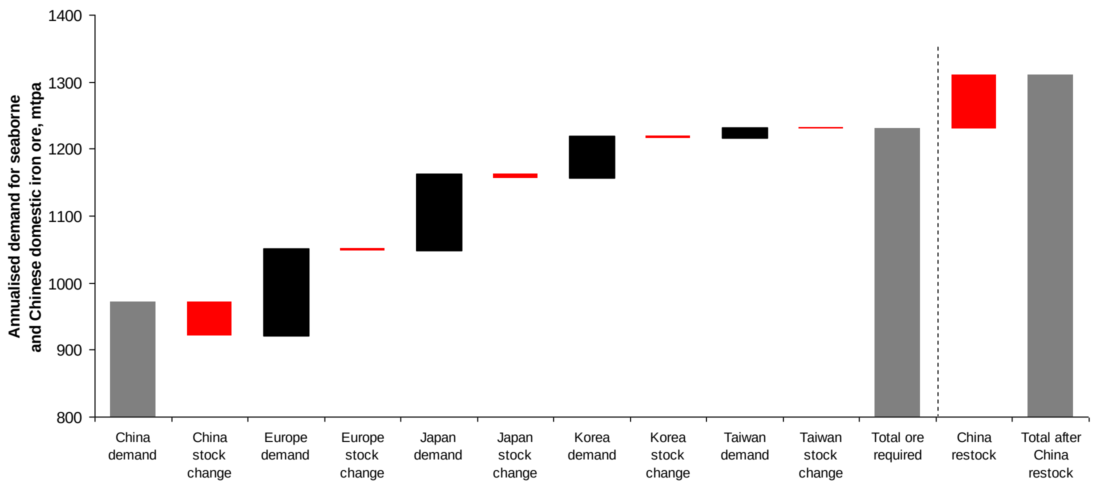
Fig 1 Iron ore inventory at mills has fallen sharply – price declines reflect destocking



Source: Mysteel, TSI, Macquarie Research, October 2011

- Clearly, with inventory falling so rapidly, iron ore prices are not reflecting a real slowdown in demand – they are reflecting the fact that mills are buying less than they need. But why are mills destocking so aggressively? We think there are two main reasons.
- The first is a bit circular: As prices fall, mills hold out of the market as is it clear that it will be cheaper to start purchasing a bit later on. The waiting causes prices to fall further. Helping this process along is the fact that demand for iron ore from other iron ore importing regions is also easing, meaning there is good availability of material from the majors in the spot market. At the recent rate of purchasing activity, this material has supplied the vast majority of demand – traders report that until recently, there were no enquiries from mills for a good ten-day stretch. This has meant there has been no one to offer resistance, as prices have fallen through cost support levels. Once purchasing activity resumes (and given the pace of inventory falls, this should be sooner rather than later) this material will not be enough, and pricing power will return to the higher cost producers. At current prices, we estimate about 150mtpa of iron ore supply is losing money.
- The chart below shows the potential difference in total apparent consumption of seaborne and Chinese domestic iron ore when China is destocking from 30 to 20 days of inventory and when China is restocking from 20 days back up to 30. The potential swing in iron ore demand is around 80mtpa. (We have assumed China and ex-China steel production run rates are also declining – any reversal here adds further potential upside).

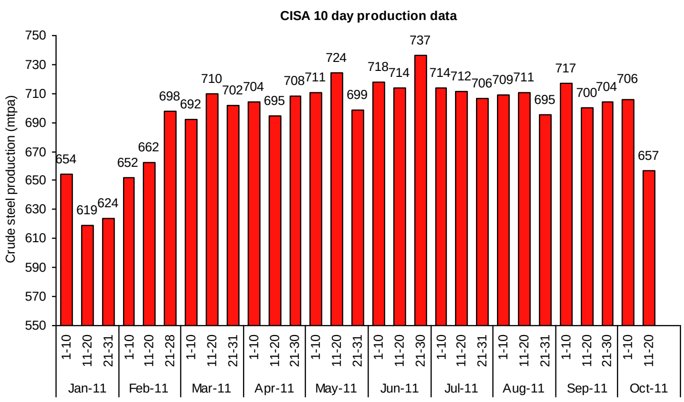
Fig 2 China moving from destocking to restocking could add 80mtpa to global iron ore demand



Source: Customs data, Macquarie Research, October 2011

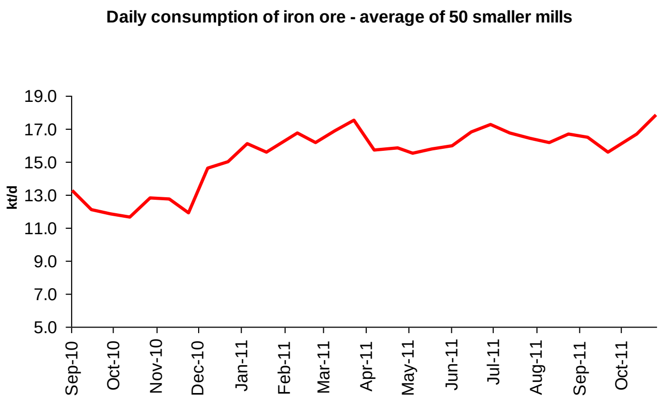
- The second reason mills are destocking so aggressively is because they are planning to cut production. Inventory has been rising at mills, and traders and prices have pulled back to a point where margins are under pressure. We have highlighted this as a hurdle that needs to be overcome before iron ore can perform, and from our conversations with mills and reports in the media it does seem that production cuts are happening. The data, however, is mixed. On the one hand, CISA data on production for the middle ten days of October indicated that production had been cut back to 657mtpa, down from 706mtpa over the first ten days (the pace of this decline feels improbable to us). Meanwhile, back-calculating the rate of ore consumption at the 50 smaller mills (we get data in both volume terms and on a days in use basis) suggests that production cuts are yet to come through.

Fig 3 High frequency CISA data says production is being cut



Source: CISA, Macquarie Research, October 2011

Fig 4 …but the smaller mills don't seem to be cutting yet



Source: Mysteel, Macquarie Research, October 2011

- Until production cuts have been fully implemented, there is still near-term downside risk to the iron ore price, as mills will not buy aggressively until they know how much ore they should be holding. Even so, given the sharp decline in inventory, we think production cuts are largely already priced in. Based on the current volume of inventory, the smaller mills would need to cut production by 40% before the current volume of inventory they are holding starts to look high (ie, back up to over 30 days). Cuts of this magnitude are not required.
- So while there is likely to still be further weakness in the price near term, on balance iron ore looks undervalued. As the steel market comes back to equilibrium and China moves from destocking to restocking, we see the price easily trading above $140/t by the end of 2011 and higher into 2012.

Fig 5 Production trade and apparent demand for China's main mining, metal and steel products ('000t unless otherwise specified)

	2010	2010	2010	2010	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2010	% chnge
Production	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**YTD**	**YTD**	**YoY**
Aluminium	1310	1291	1197	1246	1315	1315	1445	1289	1787	1560	1585	1599	1581	13476	12441	8.3
Copper	388	372	405	430	382	392	443	431	440	459	452	499	458	3955	3411	15.9
Nickel	28.7	25.9	28.6	33.7	35.5	28.6	29.5	27.8	37.0	36.5	37.3	38.9	44.7	316	242	30.4
Zinc	456	463	460	470	387	413	446	427	418	447	423	410	453	3824	3781	1.1
Lead	404	397	424	418	351	382	378	389	332	403	347	385	407	3374	2958	14.1
Alumina	2384	2255	2304	2460	2725	2587	2960	2985	3009	3100	2959	2959	2959	26243	21894	19.9
Copper concentrate	98	103	117	111	77	87	102	106	104	115	108	109	111	919	821	12.0
Zinc concentrate	315	285	352	385	214	207	302	323	360	395	353	373	389	2916	2622	11.2
Lead Concentrate	169	168	186	195	110	109	171	169	209	226	195	199	223	1611	1337	20.5
Aluminium semis	1748	1658	1939	1983	1672	1672	1767	2608	1530	2319	2133	2071	2092	17864	13836	29.1
Copper semis	842	848	952	986	596	596	1134	1077	1081	1107	979	1112	1080	8761	7315	19.8
	2010	**2010**	**2010**	**2010**	**2011**	**2011**	**2011**	**2011**	**2011**	**2011**	**2011**	**2011**	**2011**	**2011**	**2010**	**% chnge**
Net imports base me	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**YTD**	**YTD**	**Y-o-Y**
Aluminium (refined &	-37	-44	-46	-49	-16	-9	-33	-40	-45	-44	-65	-40	-35	-328	-253	29.4
Aluminium (semis)	-122	-137	-153	-141	-169	-113	-202	-201	-287	-251	-252	-225	-186	-1887	-1156	63.2
Total above (Al conte	-158	-180	-199	-189	-185	-122	-235	-241	-333	-296	-317	-266	-221	-2214	-1409	57.1
Copper (refined)	240	169	230	219	223	139	155	116	129	161	191	235	273	1622	2270	-28.5
Copper (semis)	37	32	34	30	26	23	27	25	19	21	18	29	29	217	308	-29.6
Nickel (finished, ni co	17	20	15	20	22	16	22	20	19	16	26	22	0	188	155	21.5
Zinc (refined)	28	21	20	32	30	16	32	11	22	20	14	23	0	198	207	-4.5
Lead (refined)	1	-2	0	-2	-2	-1	0	1	0	0	0	0	217	0	2	-115.7
Alumina	310	450	273	409	343	225	133	131	113	72	59	35	80	1192	3180	-62.5
Bauxite	3143	1782	2617	3127	2971	2169	3577	4138	4502	3491	3743	3852	4478	32920	22688	45.1
Aluminium scrap	169	182	202	193	221	150	256	257	337	301	305	274	232	2100	1432	46.7
Copper concentrate	684	472	553	485	571	398	451	466	466	595	453	453	672	4524	4966	-8.9
Copper scrap	409	315	399	435	365	246	387	378	399	422	432	382	418	3011	2808	7.3
Zinc concentrate	415	286	282	256	296	208	225	225	236	184	245	338	346	2304	2417	-4.7
Lead concentrate	219	184	171	130	163	90	101	135	84	89	90	141	160	1053	1122	-6.1
Nickel Concentrate	25	15	10	19	21	16	26	30	20	19	35	13	27	207	155	33.8
	2010	**2010**	**2010**	**2010**	**2011**	**2011**	**2011**	**2011**	**2011**	**2011**	**2011**	**2011**	**2011**	**2011**	**2010**	**% chnge**
Apparent demand	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**YTD**	**YTD**	**Y-o-Y**
Aluminium	1404	1331	1214	1314	1330	1105	1447	1375	1871	1666	1607	1551	1604	13555	12095	12.1
Copper (after stock ch	701	523	598	620	507	402	644	711	685	771	726	699	885	6031	5604	7.6
Nickel	45	46	43	54	58	44	51	48	56	53	63	61	70	504	397	26.9
Zinc	461	449	473	488	402	420	450	412	430	466	438	416	497	3931	3905	0.7
Lead	405	395	425	416	349	381	378	390	332	403	347	385	407	3374	2960	14.0
Aluminium semis	1626	1521	1786	1843	1503	1558	1565	2407	1243	2068	1882	1846	1906	15977	12680	26.0
Copper semis	880	880	986	1016	622	619	1161	1103	1100	1128	998	1140	1108	8978	7623	17.8

Note: Apparent demand = production plus net imports adjusted for reported (and SRB) stock changes. Annual data is for the most part the sum-of monthly data o may not incorporate revisions to annual data.

Source: CISA, CNI-A, China Metals, NBS, Ecowin, Macquarie Research, October 2011

Fig 6 Key macroeconomic and sector indicators for China's steel, coal and metals industries (YoY% change)

Growth % change year-on-year	Year 2010	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	YTD 2011
Macro-economic indicators																
GDP (Gross domestic product)	10.3%		9.6%			9.8%			9.7%			9.5%			9.1%	9.7%
Industrial production	14.4%	13.9%	13.3%	13.1%	13.3%	13.5%	-	14.9%	14.8%	13.4%	13.3%	15.1%	14.0%	13.5%	13.8%	14.1%
OECD lead indicator	16.3	12.6	12.3	12.3	12.4	12.5	12.6	12.7	12.7	12.7	12.8	12.9	12.9	12.5		12.7
PMI	53.8	51.7	53.8	54.7	55.2	53.9	52.9	52.2	53.4	52.9	52.0	50.9	50.7	50.9	51.2	51.9
Money supply growth (M2)	20.6%	19.2%	19.0%	19.3%	19.5%	19.7%	17.2%	15.7%	16.6%	15.3%	15.1%	15.9%	14.7%	13.5%	13.0%	15.2%
Consumer price index (inflation)	3.3%	3.5%	3.6%	4.4%	5.1%	4.6%	4.9%	4.9%	5.5%	5.3%	5.5%	6.4%	6.5%	6.2%	6.1%	5.7%
Ex-factory price index (PPI)	5.5%	4.3%	4.3%	5.0%	6.1%	5.9%	6.6%	7.2%	7.3%	6.8%	6.8%	7.1%	7.5%	7.3%	6.5%	7.0%
Fixed asset investment - total urban	26.2%	34.5%	23.2%	23.7%	29.1%	20.4%	24.9%	24.9%	25.1%	26.1%	26.7%	25.1%	24.5%	22.9%	24.5%	25.3%
Retail sales	23.4%	24.3%	24.0%	21.9%	22.7%	21.6%	19.9%	11.6%	17.4%	17.1%	16.9%	17.7%	17.2%	17.0%	17.7%	16.9%
Exports	31.6%	36.4%	25.1%	22.8%	34.9%	17.9%	37.7%	1.3%	35.8%	29.8%	19.3%	17.9%	20.3%	24.4%	20.4%	27.4%
Imports	38.8%	35.3%	24.4%	25.4%	37.9%	25.6%	51.4%	19.8%	27.4%	22.0%	28.4%	19.0%	23.0%	30.4%	20.9%	23.4%
Sector indicators																
Fixed asset investment in:																
Coal mining/processing	28.8%	45.1%	6.5%	46.9%	31.5%	38.3%	13.2%	13.2%	6.1%	13.1%	19.2%	33.2%	31.1%	25.5%	49.4%	26.6%
Iron ore mining	25.1%	51.8%	10.7%	32.4%	43.4%	58.2%	37.9%	37.9%	6.4%	69.0%	14.9%	20.4%	14.2%	34.5%	35.6%	25.9%
Non-ferrous mining	27.0%	15.7%	23.0%	20.6%	27.8%	23.0%	14.8%	14.8%	20.8%	33.8%	-8.9%	31.6%	23.4%	21.9%	36.1%	21.4%
Steel	9.2%	-21.1%	13.6%	13.1%	39.8%	32.8%	4.8%	4.8%	5.2%	10.3%	15.4%	5.2%	67.7%	47.8%	22.4%	18.4%
Non-ferrous melting/rolling	33.2%	34.6%	46.9%	38.9%	9.9%	25.2%	24.2%	24.2%	27.2%	14.6%	57.2%	22.4%	43.0%	47.8%	25.8%	31.8%
Metal product manufacturing	28.0%	32.2%	27.0%	14.4%	25.6%	42.9%	52.6%	52.6%	34.2%	56.4%	60.4%	18.3%	23.5%	38.8%	25.6%	37.1%
Power and thermal supply	7.1%	14.1%	-2.7%	7.4%	20.9%	2.6%	0.2%	0.2%	5.1%	2.7%	7.3%	-17.0%	-0.7%	5.0%	8.3%	0.2%
Real estate	33.3%	32.3%	34.8%	33.4%	52.1%	15.7%	37.2%	37.2%	33.1%	38.3%	39.8%	24.7%	43.1%	37.6%	30.3%	34.9%
Floor space of buildings under construction (3MMA)	20.9%	22.1%	24.3%	21.4%	25.2%	18.7%	29.5%	32.9%	32.3%	24.7%	14.1%	18.2%	20.2%	20.3%	17.2%	25.7%
Floor space of buildings sold (3MMA)	10.1%	-9.1%	-1.9%	8.1%	15.7%	13.2%	12.6%	12.1%	14.9%	5.0%	7.6%	11.6%	21.1%	19.6%	12.9%	17.7%
Power/coal indicators																
Electric power production	12.2%	11.7%	8.1%	5.9%	6.8%	2.1%	8.8%	15.4%	15.1%	10.6%	11.1%	15.7%	12.1%	10.0%	10.7%	12.1%
of which thermal	12.3%	12.9%	2.0%	-0.6%	1.1%	-1.3%	5.5%	13.7%	12.1%	9.0%	10.6%	18.8%	17.5%	14.1%	21.0%	13.4%
Production of power generating equipment	8.6%	-5.1%	-2.0%	6.2%	9.7%	8.9%	47.6%	84.9%	16.9%	8.0%	-7.7%	17.8%	5.5%	36.0%	26.1%	21.6%
Cement production	11.6%	9.7%	10.3%	10.5%	17.0%	14.1%	6.7%	12.4%	30.7%	23.3%	17.6%	20.4%	16.6%	11.8%	11.6%	17.0%
Fertilizer production	-8.1%	-27.1%	4.4%	7.1%	3.1%	6.8%	3.1%	8.9%	17.8%	6.8%	19.4%	17.7%	29.0%	24.2%		0.1%
Pig iron production	6.4%	-2.8%	-6.0%	-7.0%	4.7%	3.3%	7.9%	10.0%	1.4%	6.9%	6.1%	13.6%	18.0%	12.6%	14.0%	9.8%
Production of metal-containing products																
Copper semis	-0.2%	-5.5%	0.0%	7.6%	12.5%	-7.9%	12.0%	19.2%	18.3%	8.7%	20.1%	30.5%	17.3%	26.2%	15.8%	18.7%
Aluminium semis	23.1%	26.6%	23.1%	24.4%	24.3%	36.3%	37.3%	53.4%	46.6%	41.5%	33.0%	34.5%	28.2%	22.8%	22.7%	34.4%
Air conditioners	30.3%	27.2%	42.0%	42.2%	27.4%	-16.1%	57.9%	51.1%	40.0%	32.5%	29.5%	53.3%	42.6%	43.4%	7.2%	38.6%
Washing machines/refrigerators/freezers	21.6%	19.5%	21.4%	21.0%	23.1%	-3.2%	16.1%	9.7%	18.3%	15.9%	19.4%	25.0%	17.7%	11.2%	10.7%	16.1%
Power cables	26.7%	26.8%	25.0%	29.6%	32.0%	26.3%	7.1%	1.0%	23.1%	14.9%	28.9%	36.7%	15.3%	18.6%	10.1%	17.7%
Electric motors	27.8%	28.7%	20.6%	24.3%	30.0%	20.3%	26.2%	20.5%	7.5%	8.9%	0.3%	15.3%	8.3%	1.5%		10.0%
Electric driven tools	-6.4%	-13.6%	-12.6%	-9.3%	-14.8%	-4.6%	27.6%	9.2%	19.7%	1.7%	2.8%	15.7%	11.4%	14.6%		12.1%
Electrical instruments	17.2%	3.8%	3.5%	10.8%	43.8%	85.3%	35.1%	34.0%	27.1%	34.3%	2.3%	21.8%	6.5%	29.9%		21.8%
Computers	25.7%	6.7%	15.5%	12.0%	13.1%	22.1%	16.0%	1.6%	31.2%	38.9%	25.8%	34.4%	52.0%	61.8%		33.7%
Colour TVs	7.6%	-4.8%	-2.6%	-4.4%	8.9%	91.8%	-13.6%	-8.5%	2.9%	5.2%	4.9%	8.7%	20.7%	13.9%	7.4%	4.7%
Transport production																
Cars (sedans, MPVs, SUVs)	26.8%	6.7%	13.1%	17.9%	24.9%	18.3%	17.3%	7.2%	10.6%	3.4%	5.6%	17.6%	14.8%	17.4%	10.2%	11.6%
Trucks	25.0%	9.5%	6.8%	19.3%	15.2%	25.2%	6.0%	-1.7%	2.3%	-15.6%	-21.5%	-20.7%	-30.3%	-17.8%	-9.0%	-11.3%
Buses	18.9%	14.9%	22.0%	13.0%	17.7%	20.5%	9.2%	4.0%	21.2%	5.6%	-2.6%	-11.9%	-27.6%	2.1%	-12.5%	-1.1%
Motor cycles	1.5%	-8.3%	-25.0%	-24.4%	-20.9%	-6.2%	-14.0%	-2.3%	-8.5%	-13.5%	-8.8%	-14.2%	10.0%	23.1%	15.0%	-2.8%
Large and Medium Tractors	7.9%	-7.9%	8.6%	27.1%	-13.8%	91.1%	5.0%	5.8%	27.8%	45.0%	36.5%	27.3%	13.0%	18.5%	-0.4%	36.1%
Railway engines	32.7%	31.0%	35.8%	55.0%	50.2%	-7.3%	75.3%	34.0%	29.9%	-18.8%	10.8%	45.8%	77.7%	6.3%		47.6%
Civil Steel Boats and ships	59.9%	31.4%	47.6%	51.9%	38.6%	63.7%	37.2%	-23.1%	19.1%	36.6%	16.2%	-3.2%	64.1%	19.9%	57.6%	34.1%

Note: Some monthly numbers (especially for December) often include revisions to prior numbers and may not make sense

Source: NBS, OECD, Ecowin, Dragonomics, Macquarie Research, October 2011

Important disclosures:

Recommendation definitions

Macquarie - Australia/New Zealand
Outperform – return >3% in excess of benchmark return
Neutral – return within 3% of benchmark return
Underperform – return >3% below benchmark return

Benchmark return is determined by long term nominal GDP growth plus 12 month forward market dividend yield

Macquarie – Asia/Europe
Outperform – expected return >+10%
Neutral – expected return from -10% to +10%
Underperform – expected return <-10%

Macquarie First South - South Africa
Outperform – expected return >+10%
Neutral – expected return from -10% to +10%
Underperform – expected return <-10%

Macquarie - Canada
Outperform – return >5% in excess of benchmark return
Neutral – return within 5% of benchmark return
Underperform – return >5% below benchmark return

Macquarie - USA
Outperform (Buy) – return >5% in excess of Russell 3000 index return
Neutral (Hold) – return within 5% of Russell 3000 index return
Underperform (Sell)– return >5% below Russell 3000 index return

Volatility index definition*

This is calculated from the volatility of historical price movements.

Very high–highest risk – Stock should be expected to move up or down 60–100% in a year – investors should be aware this stock is highly speculative.

High – stock should be expected to move up or down at least 40–60% in a year – investors should be aware this stock could be speculative.

Medium – stock should be expected to move up or down at least 30–40% in a year.

Low–medium – stock should be expected to move up or down at least 25–30% in a year.

Low – stock should be expected to move up or down at least 15–25% in a year.
* Applicable to Australian/NZ/Canada stocks only

Recommendations – 12 months
Note: Quant recommendations may differ from Fundamental Analyst recommendations

Financial definitions

All "Adjusted" data items have had the following adjustments made:
Added back: goodwill amortisation, provision for catastrophe reserves, IFRS derivatives & hedging, IFRS impairments & IFRS interest expense
Excluded: non recurring items, asset revals, property revals, appraisal value uplift, preference dividends & minority interests

EPS = adjusted net profit / efpowa*
ROA = adjusted ebit / average total assets
ROA Banks/Insurance = adjusted net profit /average total assets
ROE = adjusted net profit / average shareholders funds
Gross cashflow = adjusted net profit + depreciation
*equivalent fully paid ordinary weighted average number of shares

All Reported numbers for Australian/NZ listed stocks are modelled under IFRS (International Financial Reporting Standards).

Recommendation proportions – For quarter ending 30 September 2011

	AU/NZ	Asia	RSA	USA	CA	EUR	
Outperform	57.35%	65.88%	56.94%	46.54%	74.68%	47.85%	(for US coverage by MCUSA, 11.63% of stocks covered are investment banking clients)
Neutral	31.99%	20.68%	31.94%	50.00%	23.42%	34.66%	(for US coverage by MCUSA, 9.30% of stocks covered are investment banking clients)
Underperform	10.66%	13.45%	11.11%	3.46%	1.90%	17.49%	(for US coverage by MCUSA, 0.47% of stocks covered are investment banking clients)

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