

Sinopec Corp - H

Profitability collapse; FY15 capex cut >10%; payout increased to 50%

Sinopec 4Q14 results were well below market expectations and are likely to be taken negatively by the market. The company has already issued a profit warning for 1Q15 (guiding breakeven) and we expect downward pressure on profitability should oil prices and the refining environment in China not recover from 2Q. Sinopec seems to be managing its costs in some areas, but the ability to further cost optimize as well as prioritize high return projects and maintain cash returns to shareholders is likely to be a challenge, in our view.

- **First ever quarterly loss:** Reported net loss of Rmb5.3bn in 4Q14 was well below markets estimates (consensus at Rmb17.6bn,) mainly driven by weakness across all segments, especially refining, even adjusting for inventory losses. ROCE was 6.1% (vs 8.4% in FY13); net debt to equity c50% (vs 48% FY13).
- **Capex down 12% in FY15:** Capex at cRmb155bn in FY14, slightly below its target of cRmb162bn and FY15 guidance at cRmb136bn, down 12% y/y (JPMe at Rmb143bn) mainly reflects cuts in both upstream and downstream spending.
- **Dividend in line, payout at c50%:** 2H14 dividends proposed at Rmb0.11/sh (cons at Rmb0.11/sh) and FY14 payout was c50% vs c40% in FY13.
- **Production to grow c3% driven by gas; declining reserve life:** Production target for FY15 is 348mn bl oil (down 4% y/y) and natural gas at 886bcf (up 24% y/y). Upstream opex was down c4% y/y, no guidance on opex reduction.
- **Reducing EPS on average by 9% pa FY15/17, cutting PT to HK\$5.70:** We cut our EPS to reflect the FY14 results, lower volume and capex guidance, and we have subsequently reduced our Dec-15 PT for Sinopec-H to HK\$5.70 (from HK\$6.0).

Neutral

0386.HK, 386 HK

Price: HK\$6.20

▼ **Price Target: HK\$5.70**

Previous: HK\$6.00

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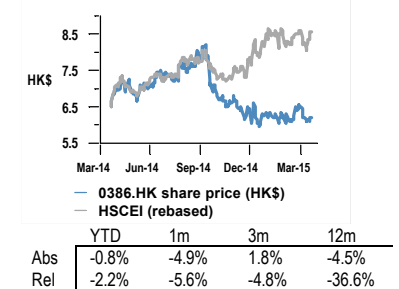
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Price Performance



Sinopec Corp - H (Reuters: 0386.HK, Bloomberg: 386 HK)

Rmb in mn, year-end Dec	FY12A	FY13A	FY14A	FY15E	FY16E
Revenue (Rmb mn)	2,786,049	2,880,311	2,825,914	1,666,541	1,929,585
Net Profit (Rmb mn)	63,883	66,132	46,466	27,658	41,502
EPS (Rmb)	0.74	0.57	0.39	0.23	0.35
DPS (Rmb)	0.30	0.24	0.20	0.12	0.18
Revenue Growth (%)	11.2%	3.4%	(1.9%)	(41.0%)	15.8%
EPS Growth (%)	(13.0%)	(23.0%)	(30.8%)	(40.5%)	50.1%
ROCE	9.7%	8.4%	6.1%	3.8%	4.9%
ROE	13.0%	11.4%	8.8%	4.4%	6.2%
P/E	6.7	8.7	12.6	21.2	14.1
P/BV	0.8	1.0	1.0	0.9	0.9
EV/EBITDA	5.9	5.7	6.3	8.0	7.2
Dividend Yield	6.0%	4.8%	4.0%	2.4%	3.6%

Source: Company data, Bloomberg, J.P. Morgan estimates.

Company Data

Shares O/S (mn)	25,513
Total Market Cap(A+H) (HK\$ mn)	924,032
Total Market Cap(A+H) - USD (\$ mn)	119,112
Price (HK\$)	6.20
Date Of Price	20 Mar 15
Free Float(%)	
3M - Avg daily vol (mn)	109.01
3M - Avg daily val (HK\$ mn)	681.22
3M - Avg daily val (\$ mn)	87.8
HSCEI	1,2156.40
Exchange Rate	7.76
Price Target End Date	31-Dec-15

See page 9 for analyst certification and important disclosures, including non-US analyst disclosures.

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<p>Key catalyst for the stock price: 1) Parent asset injections of upstream E&P assets 2) Updates on outside investments to retail</p>	<p>Upside risks to our view: Upside drivers include increases in global crude pricing. Additionally, we see improving returns, driven by a re-positioning towards the upstream segment via asset injections</p>	<p>Downside risks to our view: Risks are lower oil product demand and margins, a collapse in chemicals profitability from weaker margins and less-than-expected incremental refining margin upside from fuel spec reform</p>
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Key financial metrics	FY14A	FY15E	FY16E	FY17E
Revenues (LC)	2,825,914	1,666,541	1,929,585	2,182,796
Revenue growth (%)	(2%)	(41%)	16%	13%
EBITDA (LC)	163,584	134,158	156,962	182,780
EBITDA margin (%)	6%	8%	8%	8%
Tax rate (%)	27%	25%	25%	25%
Net profit (LC)	46,466	27,658	41,502	55,714
EPS (LC)	0.393	0.234	0.351	0.471
EPS growth (%)	(31%)	(40%)	50%	34%
DPS (LC)	0.200	0.119	0.179	0.240
Operating cash flow (LC mn)	148,347	108,295	103,776	121,556
Free cash flow (LC mn)	(5,500)	(25,368)	(23,008)	1,677
Interest cover (X)	17.3	13.0	11.9	11.0
Net margin (%)	2%	2%	2%	3%
Sales/assets (X)	2.0	1.2	1.3	1.4
Debt/equity (%)	51%	53%	58%	62%
Net debt/equity (%)	50%	52%	57%	61%
ROE (%)	9%	4%	6%	8%

Key model assumptions	FY14	FY15E	FY16E	FY17E
Oil Price Assumption	99	49	57	65
Total Oil and Gas Production (000 boe/d)	1,315	1,358	1,374	1,391

Source: Bloomberg, J.P. Morgan estimates.

Sensitivity analysis	EBITDA		EPS	
Sensitivity to	FY15E	FY16E	FY15E	FY16E
Impact of each +US\$5/bbl	5%	5%	3%	3%

Source: Bloomberg, Company and J.P. Morgan estimates.

Valuation and price target basis
We have a Dec 2015 PT of HK\$5.70 for Sinopec-H, and an N rating. We value the stock based on DCF of the different segments, with a WACC of 10.5%.

Price Target Breakdown (Sinopec-H)	
Growth rate	3%
Discount rate	10.5%
NPV for cash flows	153,124
NPV of terminal value	732,755
Total Value	885,879
Net Debt	294,359
Minorities	52,823
Equity value	538,697
Equity Value per Share (RMB/share)	4.6
Price Target (HK\$/share)	5.7

Source: Bloomberg, Company and J.P. Morgan estimates.

JPMe vs. consensus, change in estimates		
EPS	FY15E	FY16E
JPMe old	0.26	0.40
JPMe new	0.23	0.35
% chg	(12%)	(13%)
Consensus	0.28	0.45

Source: Bloomberg, Company and J.P. Morgan estimates.

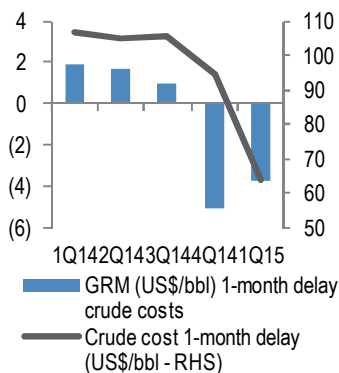
Asia Oil & Gas coverage comparative metrics

Company name	JPM Rating	JPM PT (LC)	CMP LC	Upside to PT (%)	Market Cap (\$bn)	P/E(x)		P/B(x)		EV/EBITDA(x)		YTD Perf (%)
						15Y	16Y	15Y	16Y	15Y	16Y	
PETROCHINA-H	N	8.20	8.37	(2.0)	327.7	23.1	15.2	1.0	0.9	10.6	8.3	(2.7)
SINOPEC CORP-H	N	5.70	6.20	(8.1)	119.1	21.2	14.1	0.9	0.9	8.0	7.2	(0.8)
CNOOC	UW	9.00	10.54	(14.6)	60.7	19.6	11.9	1.2	1.3	4.9	4.1	1.0
SINOPEC SHANG-H	UW	1.50	2.56	(41.4)	7.6	29.3	17.1	1.2	1.1	14.6	11.5	12.8
CHINA OILFIELD-H	UW	10.60	11.94	(11.2)	12.5	12.2	11.5	1.0	0.9	10.8	10.2	(11.3)
INPEX CORP	OW	1,560	1,311	19.0	16.0	22.1	17.9	0.7	0.7	5.0	3.8	(2.6)
OIL & NATURAL GA	UW	300	311	(3.6)	42.8	12.6	9.9	1.4	1.3	6.0	4.9	(9.5)
CAIRN INDIA	N	235	225	4.3	6.8	5.7	11.2	0.7	0.6	2.7	4.5	(5.7)
PTT PCL	N	330	322	2.5	28.2	11.6	10.6	1.2	1.1	5.9	5.9	(0.6)
PTT EXPL & PROD	UW	95	107	(10.8)	13.0	16.9	16.7	1.0	1.0	3.7	3.9	(4.9)

Company name	JPM Rating	JPM PT (LC)	CMP LC	Upside to PT (%)	Market Cap (\$bn)	P/E(x)		P/B(x)		EV/EBITDA(x)		YTD LC
						15Y	16Y	15Y	16Y	Rating	PT (LC)	
PETROCHINA CO-A	UW	6.50	11.68	(44.3)	327.6	37.0	21.5	1.8	1.7	10.6	8.3	8.0
CHINA PETROLEU-A	UW	4.60	6.41	(28.2)	119.1	27.5	18.3	1.2	1.1	8.0	7.2	(1.2)
SINOPEC SHANG-A	UW	1.20	5.50	(78.2)	7.6	40.7	34.4	3.2	3.0	14.6	11.5	27.0
CHINA OILFIELD-A	UW	8.50	20.28	(58.1)	12.5	18.0	16.8	2.0	1.8	10.8	10.2	(2.4)

Source: J.P. Morgan estimates, Bloomberg

Figure 1: China theoretical GRMs



Source: J.P. Morgan estimates.

Key points

- Upstream profitability collapse; opex down slightly:** Upstream was 44% below our expectations, which reflects lower realization on oil pricing and overseas volumes and no significant impairments. Lifting costs were up 0.5% y/y and overall upstream opex down 4% y/y.
- Lower oil production; offset by natural gas:** FY15 oil production guidance is c448mn bl (down c4% y/y) with overseas output at 48ml (down c4% y/y). Natural gas production is set to grow by 24%. On a combined BOE basis, production volumes are set to rise c3%.
- Reserve life at 8.7 years:** Sinopec's proven reserves were c4,172mboe (down 1% y/y, FY13 proven reserves were c4,217mboe) with oil at 3,048mb (down almost 3% y/y) and natural gas at 6,741bcf (up c3% y/y). Proven reserve life continues to fall (9.5 years at end FY13 and now 8.7 years). It is not clear whether Fuling shale gas reserves are included in the reserve booking. We note that the company significantly reduced the amount of dry exploration wells (187 wells vs 352 wells in FY13), while productive wells were largely unchanged. In contrast, development productive wells fell from 3,964 wells (vs 4,513 wells last year).
- Capex down 12% in FY15:** Capex at cRmb155bn in FY14, slightly below its target of cRmb162bn and guidance for 2015 at cRmb136bn, down 12% y/y, see chart below.
- Large refining losses, but chemicals beat:** Refining was well below our forecast reflecting lower margins and volumes and inventory losses (possibly >Rmb10bn although not disclosed) while chemicals were slightly ahead of our estimates.
- 2015 outlook - shifting to energy and materials focus:** Sinopec's outlook statement acknowledges a "difficult operating environment" although aims to "deepen reform" and seems to focus on quality and efficiency as well as unconventional and clean energy strategy. Interestingly, the company wants to shift China's industry structure from "petroleum and chemicals to energy and materials" which we believe either suggests consolidation with domestic energy names or a shift toward clean coal commercialisation.
- Major projects focused on natural gas; refining projects removed?** Fuling shale gas project capacity guidance is 2.5bcm/yr this year (although the company re-iterated its 5bcm/yr phase I and overall capacity target of 10bcm/yr). Guangxi and Tianjin LNG project (both 3mtpa regas, expected to completed 2015 and 2016 respectively) are included in the major projects list, but Guangdong refining/petrochemical plant (15mtpa refinery, 800ktpa, start-up 2017) looks like it has been shelved.

Table 1: Sinopec 4Q14 earnings

RMB m	4Q13A	3Q14A	4Q14A	4Q14E	Change q/q	Change y/y	vs JPMe
Operating profit:							
Exploration & Production	8,049	13,485	5,309	9,518	(34%)	(61%)	(44%)
Refining	1,943	1,347	(13,056)	(4,973)	NM	NM	163%
Marketing	8,109	7,645	3,010	5,530	(63%)	(61%)	(46%)
Chemicals	927	452	1,335	(128)	44%	195%	NM
Other & Corporate	(531)	1,167	525	(1,615)	(199%)	NM	(133%)
Total operating profit	18,497	24,096	(2,877)	8,333	NM	NM	NM
Net financing charge/other	638	2,042	(3,516)	(167)			
Pretax Profit	19,135	26,138	(6,393)	8,166	NM	NM	NM
Taxation	(4,555)	(5,716)	53	(1,991)			
Tax rate, %	24%	22%	1%	24%			
Minorities	(748)	(1,167)	1,008	(1,682)			
Adjusted net income	13,832	19,255	(5,332)	4,492	NM	NM	NM

Source: Company data, J.P. Morgan estimates. % change is relative to 4Q14A.

Table 2: Sinopec 4Q14 operational statistics

	4Q13	3Q14	4Q14	y/y	q/q
Exploration and Production					
Oil and gas production (mm BOE)	112	120	123	10%	2%
Crude oil production (mm bbl)	83	91	92	11%	1%
Domestic (mm bbl)	79	78	78	(0%)	0%
Oversea (mm bbl)	4	13	14	225%	7%
Natural gas production (bcf)	174	176	186	7%	5%
Refining (mn ton)					
Refinery throughput	68	60	60	(13%)	(1%)
Gasoline, diesel and kerosene production	42	37	37	(11%)	(0%)
Gasoline	16	13	13	(17%)	(1%)
Diesel	20	19	19	(5%)	(0%)
Kerosene	6	5	5	(16%)	0%
Marketing and Distribution (mn ton)					
Total sales of refined oil products	52	50	33	(37%)	(35%)
Chemicals (mn ton)					
Ethylene	2,956	2,774	2,841	(4%)	2%
Synthetic resins	3,770	3,783	3,891	3%	3%
Synthetic rubbers	257	242	214	(17%)	(12%)
Synthetic fibers	400	340	329	(18%)	(3%)

Source: Company data. % change is relative to 4Q14.

Table 3: Sinopec FY14 capex spending

	1Q14	2Q14	3Q14	4Q14	FY14	FY14 Util %
Exploration and Production	4.2	16.6	16.5	43.0	80.2	91%
Refining	2.1	4.5	4.4	16.9	28.0	110%
Chemicals	3.8	0.9	4.7	6.4	15.9	89%
Marketing and Distribution	2.6	3.2	3.8	17.3	27.0	112%
Other & Corporate	0.4	1.0	0.7	1.6	3.6	56%
Total	13.1	26.1	30.2	85.3	154.6	96%

Source: Company data.

Table 4: Sinopec FY14 capex spending

	FY14 Guidance	FY14 Actual	FY15 Guidance	FY15 vs FY14A
Exploration and Production	87.9	80.2	68.2	(15.0%)
Refining	25.5	28.0	24.0	(14.2%)
Chemicals	17.9	15.9	15.1	(4.7%)
Marketing and Distribution	24.1	27.0	22.6	(16.3%)
Other & Corporate	6.5	3.6	6.0	64.5%
Total	161.6	154.6	135.9	(12.1%)

Source: Company data.

Adjusting FY15/17 EPS by average 9%; new Dec-15 PT of HK\$5.7

We have adjusted our FY15/17 EPS forecast by an average of 9% to reflect FY14 earnings and lower-than-expected profitability in upstream, refining and marketing, only offset marginally by better-than-forecast chemicals profitability.

We update our Dec-15 PT for Sinopec-H to HK\$5.70 from HK\$6.00, based on DCF of the different segments, with a WACC of 10.5%.

Table 5: Sinopec EPS revisions

	New	Old	Cons	Change (%)	Vs. cons (%)
15Y	0.23	0.26	0.28	(11.5%)	(15.6%)
16Y	0.35	0.40	0.45	(12.5%)	(21.3%)
17Y	0.47	0.48	0.63	(2.8%)	(25.2%)

Source: J.P. Morgan estimates, Company data. % change is reference to New estimates.

Investment Thesis, Valuation and Risks

Sinopec Corp - H *(Neutral; Price Target: HK\$5.70)*

Investment Thesis

Sinopec is the second-largest oil company in China. It is integrated with E&P, R&M and chemicals. In 2014, crude production was c1.0mn BOPD and natural gas 0.33mn BOEPD, refining throughout was 4.7mn BOPD, with ethylene production of 10.7mn tonnes. Sinopec has SEC proven reserves of 4.2bn BOE (c70% is crude). Our Neutral view of Sinopec-H based on the following:

- **Headwinds from the global oil market; downstream challenged** – With crude oil markets pressured, we believe that the oil-focused Sinopec will be in a period of lacklustre returns; additionally, the downstream segment looks to be burdened in 1H15 (1Q15 theoretical China GRMs beginning in negative territory; chemicals look on track to continue to be a loss-making business).
- **Lack of positive catalysts in the medium term** – Post announcing its USD17.5bn marketing stake sale, we see the pace of reform at Sinopec slowing down as the company digests the stake sale (focus on IPO) and previous purchases (international E&P assets, Yanbu refinery); additionally, we have increasingly limited visibility on use of the proceeds of the stake sale in the medium term.

Valuation

Our Dec-15 PT of HK\$5.7 is based on our DCF valuation of the different segments, using a WACC of 10.5% and a terminal growth rate of 3%.

Risks to Rating and Price Target

Upside and downside risks to our rating and price target include: lower/higher domestic oil product demand; a collapse/improvement in chemicals profitability from weaker/higher margins; and lower-/higher-than-expected incremental refining margins upside from fuel spec reform.

Sinopec Corp - H: Summary of Financials

Income Statement						Cash flow statement					
Rmb in millions, year end Dec	FY13	FY14	FY15E	FY16E	FY17E	Rmb in millions, year end Dec	FY13	FY14	FY15E	FY16E	FY17E
Revenues	2,880,311	2,825,914	1,666,541	1,929,585	2,182,796	EBIT	96,785	73,487	48,904	69,438	91,483
% change Y/Y	3.4%	(1.9%)	(41.0%)	15.8%	13.1%	Depr. & amortization	81,265	90,097	85,254	87,524	91,297
EBITDA	178,050	163,584	134,158	156,962	182,780	Change in working capital	(4,453)	12,656	(10,265)	(29,810)	(30,512)
% change Y/Y	5.3%	(8.1%)	(18.0%)	17.0%	16.4%	Taxes	(24,763)	(17,571)	(10,831)	(15,711)	(19,978)
EBIT	96,785	73,487	48,904	69,438	91,483	Cash flow from operations	151,893	148,347	108,295	103,776	121,556
% change Y/Y	(1.9%)	(24.1%)	(33.5%)	42.0%	31.7%	Capex	(189,863)	(160,927)	(141,458)	(136,701)	(132,389)
EBIT Margin	3.4%	2.6%	2.9%	3.6%	4.2%	Disposal/(purchase)	1,550	0	0	0	0
Net Interest	(9,034)	(9,439)	(10,324)	(13,223)	(16,570)	Net Interest	(9,034)	(9,439)	(10,324)	(13,223)	(16,570)
Earnings before tax	95,052	65,504	44,210	62,845	81,543	Other	6,925	0	0	0	0
% change Y/Y	4.9%	(31.1%)	(32.5%)	42.2%	29.8%	Free cash flow	(31,414)	(5,500)	(25,368)	(23,008)	1,677
Tax	(24,763)	(17,571)	(10,831)	(15,711)	(19,978)	Equity raised/(repaid)	0	0	0	0	0
as % of EBT	26.1%	26.8%	24.5%	25.0%	24.5%	Debt raised/(repaid)	31,362	19,620	45,000	55,000	40,000
Net income (reported)	66,132	46,466	27,658	41,502	55,714	Other	28,133	0	0	0	0
% change Y/Y	3.5%	(29.7%)	(40.5%)	50.1%	34.2%	Dividends paid	(27,976)	(23,656)	(14,081)	(21,129)	(28,364)
Shares outstanding	116,565	118,280	118,280	118,280	118,280	Beginning cash	10,456	15,046	9,355	7,112	8,057
EPS (reported)	0.57	0.39	0.23	0.35	0.47	Ending cash	15,046	9,355	7,112	8,057	8,860
% change Y/Y	(23.0%)	(30.8%)	(40.5%)	50.1%	34.2%	DPS	0.24	0.20	0.12	0.18	0.24
Balance sheet						Ratio Analysis					
Rmb in millions, year end Dec	FY13	FY14	FY15E	FY16E	FY17E	Rmb in millions, year end Dec	FY13	FY14	FY15E	FY16E	FY17E
Cash and cash equivalents	15,046	9,355	7,112	8,057	8,860	EBITDA margin	6.2%	5.8%	8.1%	8.1%	8.4%
Accounts receivable	68,466	90,831	53,566	62,021	70,160	EBIT margin	3.4%	2.6%	2.9%	3.6%	4.2%
Inventories	221,906	188,223	111,002	128,522	145,387	Net margin	2.1%	1.8%	1.7%	2.2%	2.6%
Others	67,537	70,990	41,865	48,473	54,834	Sales per share growth	(23.1%)	(3.3%)	(41.0%)	15.8%	13.1%
Current assets	373,010	360,144	214,290	247,818	279,986	Sales growth	3.4%	(1.9%)	(41.0%)	15.8%	13.1%
LT investments	0	0	0	0	0	Net profit growth	3.5%	(29.7%)	(40.5%)	50.1%	34.2%
Net fixed assets	830,225	881,152	979,406	1,023,025	1,058,282	EPS growth	(28.5%)	(17.7%)	(46.0%)	50.1%	34.2%
Total Assets	1,382,916	1,451,368	1,423,076	1,522,339	1,624,630	Interest coverage (x)	19.7	17.3	13.0	11.9	11.0
Liabilities						Net debt to equity	47.4%	49.6%	51.6%	57.1%	61.3%
Short-term loans	163,870	178,148	238,148	318,148	373,148	Sales/assets	2.2	2.0	1.2	1.3	1.4
Payables	202,724	198,366	132,220	140,834	154,560	Assets/equity	2.5	2.4	2.3	2.2	2.3
Others	205,228	227,743	153,691	163,335	198,679	ROE	11.4%	8.8%	4.4%	6.2%	8.2%
Total current liabilities	571,822	604,257	524,060	622,317	726,386	ROCE	8.4%	6.1%	3.8%	4.9%	6.1%
Long-term debt	145,590	150,932	135,932	110,932	95,932						
Other liabilities	43,878	50,602	50,602	50,602	50,602						
Total Liabilities	761,290	805,791	710,594	783,851	872,920						
Shareholder's equity	568,803	593,041	654,226	674,600	681,971						
BVPS (Rmb)	4.88	5.01	5.53	5.70	5.77						

Source: Company reports and J.P. Morgan estimates.

JPM Q-Profile

China Petroleum & Chemical Corporation Class H (CHINA / Energy)

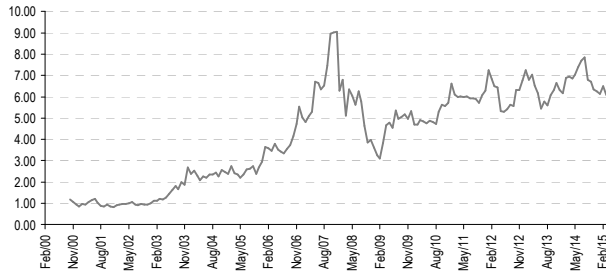
As Of: 13-Mar-2015

Global Equity Quantitative Analysis

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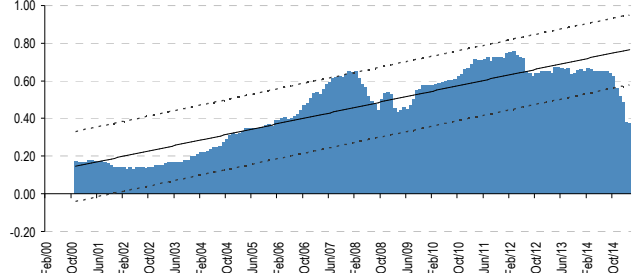
Local Share Price

Current: **6.09**



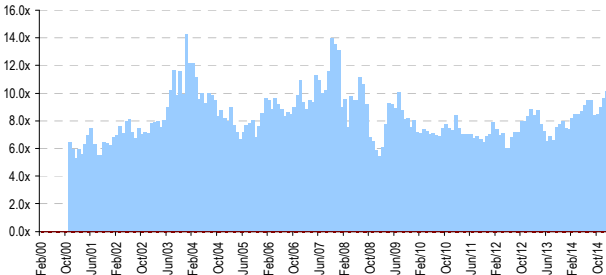
12 Mth Forward EPS

Current: **0.37**



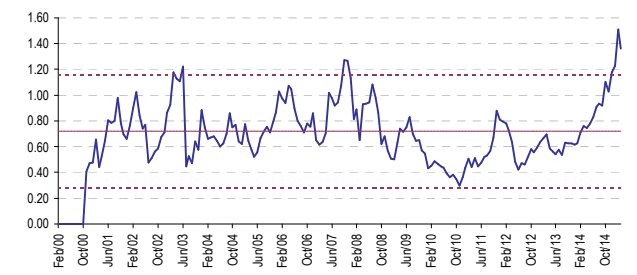
PE (1Yr Forward)

Current: **13.1x**



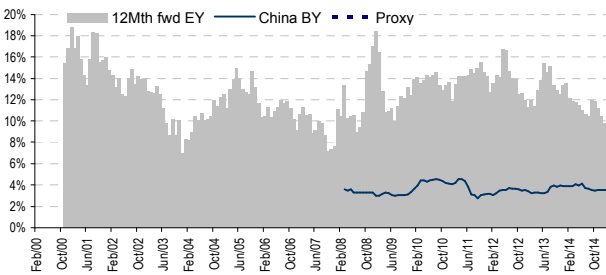
P/E Relative to China Index

Current: **1.36**



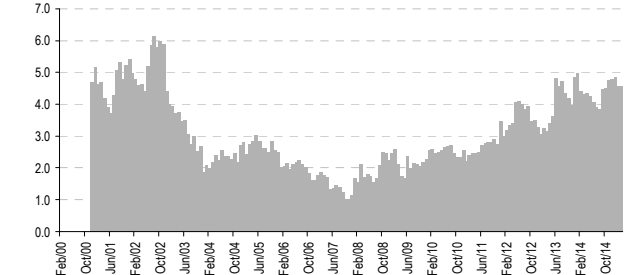
Earnings Yield (& Local Bond Yield)

Current: **8%**



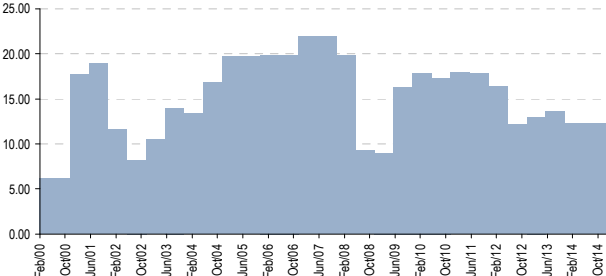
Dividend Yield (Trailing)

Current: **4.57**



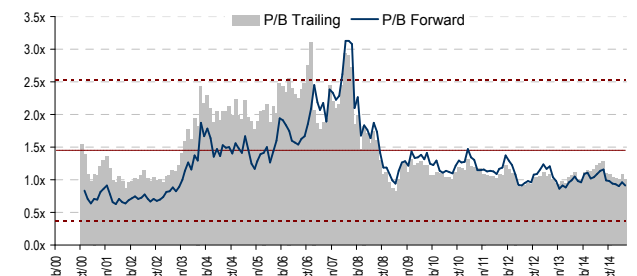
ROE (Trailing)

Current: **12.25**



Price/Book (Value)

Current: **1.0x**



Summary

China Petroleum & Chemical Corporation		TICKER		386 HK	As Of:		13-Mar-15				
CHINA					Local Price:		6.09				
Energy					EPS:		0.37				
	Latest	Min	Max	Median	Average	2 S.D.+	2 S.D. -	% to Min	% to Max	% to Med	% to Avg
12mth Forward PE	13.14x										
P/BV (Trailing)	1.01	0.82	3.11	1.18	1.45	2.53	0.38	-18%	209%	17%	44%
Dividend Yield (Trailing)	4.57x	0.00	6.14	2.71	3.06	5.53	0.59	-100%	35%	-41%	-33%
ROE (Trailing)	12.25	6.19	21.94	16.29	15.09	23.91	6.27	-49%	79%	33%	23%

Source: Bloomberg, Reuters Global Fundamentals, IBES CONSENSUS, JPMorgan Quantitative & Derivative Strategy

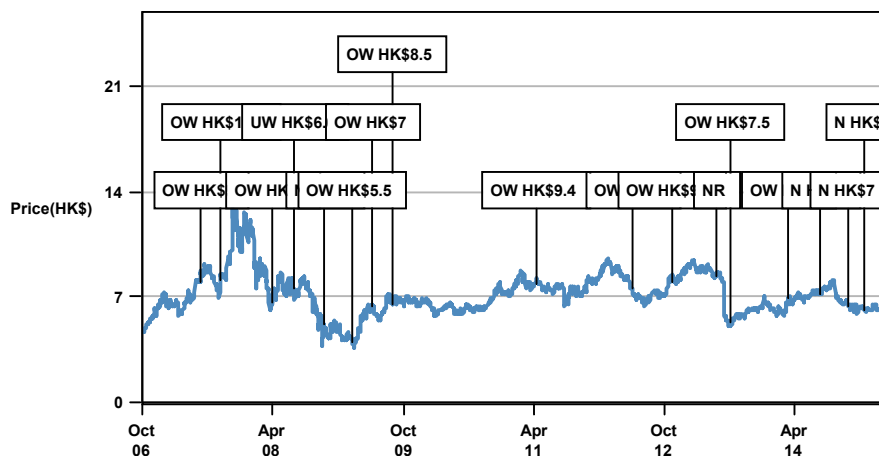
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Sinopec Corp - H (0386.HK, 386 HK) Price Chart



Date	Rating	Share Price (HK\$)	Price Target (HK\$)
31-May-07	OW	7.95	9.00
27-Aug-07	OW	8.16	11.80
31-Mar-08	OW	6.66	8.00
27-Jun-08	UW	7.59	6.60
30-Oct-08	N	5.15	6.00
27-Feb-09	OW	4.05	5.50
19-May-09	OW	6.37	7.00
18-Aug-09	OW	6.59	8.50
06-Apr-11	OW	7.89	9.40
13-May-12	OW	7.63	9.00
29-Oct-12	OW	8.02	9.50
06-May-13	NR	8.37	--
02-Jul-13	OW	5.33	7.50
03-Mar-14	OW	6.89	8.00
11-Jul-14	N	7.24	8.00
09-Nov-14	N	6.45	7.00
18-Jan-15	N	6.19	6.00

Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends.
Break in coverage May 06, 2013 - Jul 02, 2013.

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IB clients*	56%	49%	33%
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