
From: Tazia Smith [REDACTED]
Sent: 5/22/2014 9:30:41 AM
To: [REDACTED]
CC: Paul Morris [REDACTED]
Subject: Fw: China Gas Holdings (384.HK) - consider tactical long-equity position [C]
Attachments: pic17497.gif; pic05549.gif; pic16859.gif; pic05893.gif; pic07125.gif; pic03113.gif; pic23509.gif; pic29703.gif; pic06719.gif

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Rich -

FYI only, Russia/China did sign what is arguably the biggest energy deal of the decade yesterday. and 384.HK (highlighted this as an investment last month) rallied 6%. See below.

<http://www.reuters.com/article/2014/05/21/us-china-russia-gas-idUSBREA4K07K20140521>

Catalyst: Potential for Putin/China pipeline agreement May 20-21st. Been talked about for 10yrs but now could come to fruition, would be one of the most major announcements in global energy over the last 10yrs
Bottoms Up: Chinese gas distributors (like MLPs) benefit from volumes running through their pipes. They are SUPPLY constrained, plenty of demand. Pushback on the group/bear case has been that they wouldn't be able to pass through higher costs to end consumer, a real risk that weighed on the stocks and sent them down meaningfully in the last couple weeks...creates an entry point. High probability that the deal is signed (HF places ~75% likelihood) = meaningful upside for gas distributors. If deal is not signed, base case is status quo (stocks are NOT pricing in a deal being signed)
China Gas: just upgraded by CS
Morgan Stanley: commenting on the set up
China Gas CFO former banker, full disclosure around its 280 cities that it owns the distribution licenses for, very communicative to the Street (aka VISIBILITY)

as of 5/16/14

China Gas Holdings 10 day Price History
(Embedded image moved to file: pic17497.gif)

----- Forwarded by Tazia Smith/db/[REDACTED] on 05/22/2014 09:25 AM -----

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Cc: Paul Morris, Nav Gupta/db/[REDACTED], Vinit Sahni/db/[REDACTED], [REDACTED], Vahe Stepanian/db/[REDACTED]
Date: 04/16/2014 11:46 AM
Subject: China Gas Holdings (384.HK) - consider tactical long-equity position [C]

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