



MERCURY FOREIGN DESK JUNE EDITION

Mercury Foreign Desk was launched to bring attention to the benefits of investing overseas which include exposure to different economies, foreign currencies, and investment opportunities that are unavailable in the domestic market. We opine that the recent fear in global equity markets could present opportunities to buy into good companies at more reasonable valuations. However, we think that investors should still take a cautious approach and put money to work gradually as the weakness in global equity markets could persist for a significant period of time.

The following are highlights of foreign stocks that we have issued reports on:

First Republic Bank

Target Price: USD178.02

Price as at 17 June 2022: USD136.30

Bloomberg: FRC:US | Reuters: FRC.N | Stock Code: FRC

Please click here to read our latest report on FRB:

<https://bit.ly/3xKnVKY>

Company Overview

First Republic Bank (FRB) is a California-chartered commercial bank and trust company headquartered in San Francisco with deposits insured by the FDIC. FRB offer private banking, private business banking and private wealth management, including investment, trust and brokerage services.

Investment Merits

- Strong focus on high net worth clientele
- Commendable growth in deposits; CAGR of 21% in total deposits from 31 December 2016 through 31 March 2022
- Conservative loan portfolio with loan-to-value ratio of 58% for single family residential real estate in 1Q22
- Non-performing assets to total assets of only 0.08% as at 31 March 2022

EOG Resources Inc.

Target Price: USD124.67

Price as at 17 June 2022: USD111.67

Bloomberg: EOG:US | Reuters: : EOG.N | Stock Code: EOG:NYSE

Please click here to read our latest report on EOG:

<https://bit.ly/39kdch5>

Company Overview

EOG Resources, Inc. is one of the largest crude oil and natural gas exploration and production companies in the United States. EOG produced 828.9 thousand barrels of oil equivalents per day in FY21. Crude oil and condensate made up 53.7% of production and 95.3% of production is based in the US.

Investment Merits

- Strong free cash flow driven by high crude oil, NGL and natural gas prices
- Premium drilling inventory
- Committed to returning capital to shareholders; potential to return over USD4.8 bn to shareholders in 2022 at WTI USD95

Polaris Inc.

Target Price: USD158.71

Price as at 17 June 2022: USD97.54

Bloomberg: PII:US | Reuters: : PII.N | Stock Code: NYSE: PII

Please click here to read our latest report on Polaris:

<https://bit.ly/3zzApGD>

Company Overview

Polaris Inc. is engaged in the manufacturing of powersports vehicles namely snowmobiles, off-road vehicles (ORV), motorcycles, boats, and parts, garments & accessories. The Group's portfolio of brands include Polaris Snowmobiles, Indian Motorcycle, RZR off-road vehicles, and Bennington boats.

Investment Merits

- Strong portfolio of brands provide pricing power
- Potential for introduction of more electric recreational vehicles to attract more customers

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