

22 November 2018

United States

## EQUITIES

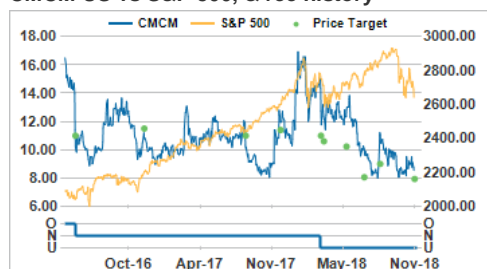
CMCM US Underperform  
Price (at 04:34, 21 Nov 2018 GMT) US\$8.54

Valuation	US\$	7.50-8.00
- PER		
12-month target	US\$	7.94
12-month TSR	%	-7.0
GICS sector	Software & Services	
Market cap	US\$m	1,220
30-day avg turnover	US\$m	4.7
Number shares on issue	m	142.9

## Investment fundamentals

Year end 31 Dec		2017A	2018E	2019E	2020E
Revenue	m	4,974.8	5,005.7	5,446.9	5,551.0
EBIT	m	719.3	534.3	644.0	858.5
Reported profit	m	1,348.2	1,053.5	704.9	885.9
Adjusted profit	m	1,621.6	640.7	792.7	975.4
EPS adj	Rmb	11.33	4.43	5.43	6.62
EPS adj growth	%	402.5	-60.9	22.6	22.0
PER adj	x	5.2	13.4	10.9	8.9
Total DPS	Rmb	0.00	0.00	0.00	0.00
Total div yield	%	0.0	0.0	0.0	0.0
ROE	%	41.5	12.9	14.0	14.2
EV/EBITDA	x	9.1	48.9	10.6	8.3
Net debt/equity	%	-9.4	-6.9	-15.6	-25.2
P/BV	x	1.7	1.6	1.4	1.1

## CMCM US vs S&amp;P 500, &amp; rec history



Note: Recommendation timeline - if not a continuous line, then there was no Macquarie coverage at the time or there was an embargo period.

Source: FactSet, Macquarie Research, November 2018  
(all figures in Rmb unless noted, TP in USD)

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## Cheetah Mobile (CMCM US)

### Blurry outlook amid macro uncertainty

## Key points

- ▶ CMCM 3Q18 sales beat, while earnings missed our estimate on high opex.
- ▶ Weak 4Q18 guidance reflects a tighter budget among Chinese advertisers.
- ▶ We are lowering 2018E/2019E adj net profit 9%/1% and our TP 12% to US\$7.94 and maintaining an Underperform rating

## Event

- Cheetah's 3Q18 sales saw resumed growth thanks to strong mobile game and domestic mobile utility businesses, while an opex hike drove an earnings miss vs our estimate. With ongoing high opex and lacklustre guidance amid macro uncertainty, we are lowering 2018E/2019E adj net profit 9%/1% and our TP 12% to US\$7.94. We are retaining an Underperform rating.

## Impact

- **3Q revenue beats, while earnings miss our estimate.** Sales for 3Q18 grew 13% YoY/23% QoQ to Rmb1.35bn, 1%/3% above our/BBG estimates on stronger mobile game and domestic mobile utility businesses. Thanks to a better sales mix, the GM of 72% (+5ppts YoY/+4ppts QoQ) came in 2ppts above both our/BBG estimates. Non-GAAP OPM, however, dropped 1ppt YoY and 2ppt QoQ to 10.7%, missing our estimate by 2ppt on promotional events for the mobile utility and mobile game businesses. Non-GAAP net income grew 20% YoY (down 8% QoQ) to Rmb193m, 2% below our estimate 5% above the BBG estimate (one estimate only).
- **Mobile game and domestic mobile utility the drivers, while S&M also jumped.** Thanks to new game launches and the company's efforts in game monetization, mobile game sales jumped 78% YoY (106% QoQ) to an all-time high level. This was mainly driven by Bricks n Balls, the casual game launched in early-2018, with more monetization starting 3Q. In-app purchases contributed 31% of mobile game sales in 3Q18 vs 24% in 3Q17. Other flagship titles, eg, Dancing Line and Rolling Sky, also saw sales growth on YoY and QoQ bases thanks to innovative ads format and increasing eCPM. Domestic mobile utility sales also grew 54% YoY (+18% QoQ) thanks to increasing mobile traffic and eCPM, which also offset the decline in overseas mobile utility sales and PC utility revenue.
- **4Q18 guidance reflects tighter ad budgets amid macro uncertainty.** The company guided to 4Q18 revenue of RMB1,390m-1,450m, or 0-3% YoY growth. The soft guidance reflects the reduction in ad budgets amid macro uncertainty in China. The company is seeing mobile game sales remaining solid, and we expect mobile game sales doubling YoY in 4Q18.

## Earnings and target price revision

- We are lowering 2018E/2019E adj net profit 9%/1% and lowering our target price, based on an unchanged 0.7x PEG, to US\$7.94 from US\$9.00.

## Price catalyst

- 12-month price target: US\$7.94 based on a PER methodology.
- Catalyst: 4Q18 results, game performance.

## Action and recommendation

- We are maintaining an Underperform rating.

Fig 1 3Q18 results review

(RMB mn)	3Q17	2Q18	3Q18	QoQ	YoY	MQ	diff	BBG	diff
Total revenue	1,195	1,103	1,352	23%	13%	1,339	1%	1,307	3%
Utility products and related services	825	756	836	11%	1%	832	0%		
Mobile entertainment	362	333	498	50%	37%	483	3%		
COGS	400	351	382	9%	-4%	406	-6%		
Gross profit	795	752	970	29%	22%	933	4%	911	7%
Operating expense	672	625	852	36%	27%	791	8%		
R&D	175	155	175	13%	0%	162	9%		
S&M	409	370	568	54%	39%	509	12%		
G&A	89	100	108	8%	22%	120	-10%		
Operating income	123	127	118	-7%	-4%	142	-17%		
Non-GAAP operating income	144	142	145	2%	0%	168	-14%		
GAAP net income	140	197	167	-15%	20%	171	-3%	155	8%
Non-GAAP net income	161	211	193	-8%	20%	197	-2%	184	5%
GPM	67%	68%	72%	361 bps	522 bps	70%	211 bps	70%	
Non-GAAP OPM	12.1%	12.8%	10.7%	(213 bps)	(136 bps)	12.5%	(183 bps)	0.0%	
Non-GAAP NPM	13.5%	19.1%	14.3%	(484 bps)	82 bps	14.7%	(43 bps)	14.0%	

Source: Bloomberg, Macquarie Research, November 2018

Fig 2 Estimate revisions

New estimates (RMB mn)				
	4Q18E	2018E	2019E	2020E
Net revenues	1,405	5,006	5,447	5,551
Gross profit	1,001	3,478	3,754	3,822
Adjusted operating profit	115	534	644	859
Adjusted net profit	157	641	793	975
Adjusted diluted EPS (RMB)	1.09	4.43	5.43	6.62
Adjusted NPM	11%	13%	15%	18%
Old estimates (RMB mn)				
	4Q18E	2018E	2019E	2020E
Net revenues	1,480	5,068	5,781	5,917
Gross profit	1,033	3,471	3,950	4,046
Adjusted operating profit	188	631	807	1,040
Adjusted net profit	215	703	804	1,003
Adjusted diluted EPS (RMB)	1.47	4.82	5.48	6.77
Adjusted NPM	15%	14%	14%	17%
Estimates revision				
	4Q18E	2018E	2019E	2020E
Net revenues	-5%	-1%	-6%	-6%
Gross profit	-3%	0%	-5%	-6%
Adjusted operating profit	-39%	-15%	-20%	-17%
Adjusted net profit	-27%	-9%	-1%	-3%
Adjusted diluted EPS (RMB)	-26%	-8%	-1%	-2%
Adjusted NPM	(334 bps)	(106 bps)	64 bps	62 bps

Source: Company data, Macquarie Research, November 2018

Fig 3 Ratios

YE 31 December		2015	2016	2017	2018E	2019E	2020E	17-18E	18E-19E	18E-21E
<b>Per ADR</b>										
EPADS, basic	(USD)	0.20	-0.08	1.49	1.14	0.72	0.92	-24%	-36%	-4%
EPADS, diluted	(USD)	0.19	-0.08	1.45	1.10	0.70	0.90	-24%	-36%	-4%
EPADS, non-GAAP diluted	(USD)	0.53	0.33	0.62	0.67	0.79	0.99	9%	18%	17%
BVADS, diluted	(USD)	3.07	3.06	4.63	5.45	6.28	7.68	18%	15%	18%
Net cash per ADR	(USD)	2.04	1.86	3.95	2.66	3.62	5.18	-33%	36%	37%
Avg. ADR, basic	(mn)	138	139	139	141	142	143	1%	1%	1%
Avg. ADR, diluted	(mn)	143	142	143	145	146	147	2%	1%	1%
<b>Value</b>										
EV/Revenue	X	1.6 x	1.4 x	1.2 x	1.2 x	1.2 x	1.1 x	--	--	--
EV/EBITDA	X	21.5 x	114.9 x	10.1 x	10.7 x	9.1 x	6.7 x	--	--	--
EV/FCF	X	4.3 x	101.4 x	15.5 x	9.7 x	8.9 x	5.7 x	--	--	--
Price/ Sales	X	2.2 x	1.9 x	1.6 x	1.6 x	1.5 x	1.5 x	--	--	--
Price/ Book	X	2.8 x	2.8 x	1.8 x	1.6 x	1.4 x	1.1 x	--	--	--
P/E (basic)	X	43.1 x	-102.2 x	5.7 x	7.5 x	11.8 x	9.3 x	--	--	--
Non-GAAP P/E (diluted)	X	16.1 x	26.2 x	13.8 x	12.7 x	10.8 x	8.6 x	--	--	--
Non-GAAP P/E (diluted), ex cash	X	12.3 x	20.5 x	7.4 x	8.8 x	6.2 x	3.4 x	--	--	--
<b>Profit &amp; loss</b>										
Net revenue	(USD mn)	569	657	764	760	795	829	-1%	5%	5%
EBITDA	(USD mn)	43	8	92	87	102	139	-5%	17%	26%
Operating profit	(USD mn)	21	-14	68	69	81	115	1%	17%	29%
Pretax profit	(USD mn)	36	-10	220	178	102	136	-19%	-43%	-1%
Adjusted Net income	(USD mn)	76	46	88	97	116	146	10%	19%	18%
<b>Profitability</b>										
Gross margin	%	75%	66%	64%	69%	69%	69%	526 bps	(55 bps)	(62 bps)
EBITDA margin	%	8%	1%	12%	12%	13%	17%	(52 bps)	130 bps	837 bps
Operating margin	%	4%	-2%	9%	9%	10%	14%	17 bps	108 bps	781 bps
Adjusted net margin	%	13%	7%	12%	13%	15%	18%	126 bps	175 bps	526 bps
<b>Cash Flow</b>										
Operating Cash Flow	(USD mn)	146	57	95	47	162	220	-50%	241%	71%
Free Cash Flow :	(USD mn)	219	9	60	96	105	162	59%	10%	27%
+EBIT*(1-t)	(USD mn)	15	(12)	66	59	69	98	-10%	17%	29%
+SBC	(USD mn)	49	44	11	12	13	13			
+D&A	(USD mn)	23	22	23	18	21	24	-23%	15%	13%
+Capex & Investments	(USD mn)	(24)	(23)	(24)	(24)	(23)	(23)	-1%	-4%	-1%
+Change in NWC	(USD mn)	156	(23)	(16)	31	25	51	-288%	-17%	20%
<b>Yield</b>										
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0 bps	0 bps	0 bps
FCF yield	%	17.8%	0.8%	4.9%	7.7%	8.4%	12.9%	279 bps	68 bps	780 bps
Earnings yield	%	2.3%	-1.0%	17.4%	13.3%	8.5%	10.8%	(410 bps)	(481 bps)	(154 bps)
<b>Balance sheet</b>										
Net debt (cash)	(USD mn)	(293)	(264)	(563)	(385)	(529)	(762)	-32%	37%	38%
Net debt/ equity	(USD mn)	cash	cash	cash	cash	cash	cash	--	--	--
Shareholders' equity	(USD mn)	441	434	660	789	917	1,131	20%	16%	19%
<b>Efficiency</b>										
ROE (average)	%	19%	11%	16%	14%	14%	14%	(222 bps)	31 bps	(60 bps)
ROA (average)	%	12%	6%	9%	8%	9%	9%	(57 bps)	71 bps	29 bps
ROIC (average)	%	5%	-3%	10%	8%	9%	11%	(173 bps)	69 bps	316 bps

\*based on 10.80 share price; Source: Company data, Macquarie Research, November 2018

Fig 4 Financials

YE December	2015	2016	2017	2018E	2019E	2020E	17-18E	18E-19E	18E-21E
<b>Consolidated income statement (RMB mn)</b>									
Revenue	3,684	4,565	4,975	5,006	5,447	5,551	1%	9%	6%
Gross profit	2,749	3,021	3,195	3,478	3,754	3,822	9%	8%	5%
GP margin	75%	66%	64%	69%	69%	69%	526 bps	(55 bps)	(62 bps)
SG&A (inc.SBC)	2,930	3,424	2,822	3,098	3,286	3,143	10%	6%	1%
Operating profit	135	(97)	446	457	556	769	3%	22%	106%
OP margin	4%	-2%	9%	9%	10%	14%	17 bps	108 bps	781 bps
Adjusted net income	492	321	574	641	793	975	12%	24%	19%
GAAP net income	177	(81)	1,348	1,053	705	886	-22%	-33%	-3%
EBITDA	281	56	598	576	698	929	-4%	11%	20%
EBITDA margin	8%	1%	12%	12%	13%	17%	(52 bps)	130 bps	837 bps
<b>Consolidated balance sheet (RMB mn)</b>									
<b>Current assets</b>	<b>3,042</b>	<b>3,172</b>	<b>5,397</b>	<b>5,811</b>	<b>7,198</b>	<b>8,886</b>	<b>8%</b>	<b>24%</b>	<b>23%</b>
Cash and cash equivalents	1,965	1,579	2,408	2,673	3,765	5,250	11%	41%	37%
Short-term investments	29	361	1,396	1,535	1,689	1,858	10%	10%	10%
Accounts receivables	621	601	621	625	680	693	1%	9%	6%
Prepayments and other current assets	359	571	918	924	1,005	1,025	1%	9%	6%
Due from related parties	64	44	54	54	59	60	1%	9%	6%
Deferred tax assets	4	16	-	-	-	-	--	--	--
<b>Non-current assets</b>	<b>1,901</b>	<b>2,369</b>	<b>2,052</b>	<b>2,245</b>	<b>2,414</b>	<b>2,566</b>	<b>9%</b>	<b>8%</b>	<b>6%</b>
<b>Total asset</b>	<b>4,943</b>	<b>5,541</b>	<b>7,449</b>	<b>8,056</b>	<b>9,613</b>	<b>11,452</b>	<b>8%</b>	<b>19%</b>	<b>19%</b>
<b>Current liabilities</b>	<b>1,709</b>	<b>2,066</b>	<b>2,166</b>	<b>2,517</b>	<b>2,985</b>	<b>3,527</b>	<b>16%</b>	<b>19%</b>	<b>19%</b>
Accounts payable	137	195	165	141	156	160	-14%	11%	6%
Accrued expenses and other current liabilities	1,428	1,739	1,869	2,243	2,691	3,229	20%	20%	20%
Redemption right liabilities	0	-	-	-	-	-	--	--	--
Deferred revenue	54	49	-	-	-	-	--	--	--
Due to related parties	63	71	82	82	82	82	0%	0%	0%
<b>Total non-current liabilities</b>	<b>186</b>	<b>274</b>	<b>128</b>	<b>128</b>	<b>133</b>	<b>134</b>	<b>0%</b>	<b>4%</b>	<b>3%</b>
<b>Bank loans</b>	<b>11</b>	<b>119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
Deferred tax liabilities	99	112	73	73	73	73	0%	0%	0%
Other liabilities	74	36	55	55	60	61	1%	9%	6%
<b>Total liabilities</b>	<b>1,895</b>	<b>2,340</b>	<b>2,294</b>	<b>2,645</b>	<b>3,118</b>	<b>3,662</b>	<b>15%</b>	<b>18%</b>	<b>18%</b>
<b>Total shareholders' equity</b>	<b>2,912</b>	<b>3,012</b>	<b>4,293</b>	<b>5,198</b>	<b>6,282</b>	<b>7,577</b>	<b>21%</b>	<b>21%</b>	<b>20%</b>
<b>Non-controlling interests</b>	<b>136</b>	<b>189</b>	<b>213</b>	<b>213</b>	<b>213</b>	<b>213</b>	<b>8%</b>	<b>19%</b>	<b>19%</b>
Total liabilities, mezzanine equity and equity	4,943	5,541	7,449	8,056	9,613	11,452	8%	19%	19%
<b>Consolidated cash flow statement (RMB mn)</b>									
<b>Operating cash flow</b>	<b>1,065</b>	<b>(63)</b>	<b>1,210</b>	<b>312</b>	<b>1,108</b>	<b>1,476</b>	<b>-50%</b>	<b>255%</b>	<b>72%</b>
Net income (loss)	492	321	574	641	793	975	12%	24%	19%
Depreciation and Amortisation	147	154	153	119	142	160	-22%	19%	13%
Change in net working capital	1,011	(160)	(1,296)	201	173	340	-291%	-14%	21%
<b>Investing cash flow</b>	<b>(871)</b>	<b>(721)</b>	<b>(177)</b>	<b>(312)</b>	<b>(312)</b>	<b>(312)</b>	<b>105%</b>	<b>0%</b>	<b>0%</b>
Capex	(157)	(157)	(157)	(157)	(157)	(157)	0%	0%	0%
Purchase of intangible assets	(155)	(486)	155	(155)	(155)	(155)	-200%	0%	0%
Others	(559)	(79)	(176)	-	-	-	-	-	-
<b>Financing cash flow</b>	<b>678</b>	<b>398</b>	<b>(204)</b>	<b>265</b>	<b>296</b>	<b>321</b>	<b>-48%</b>	<b>12%</b>	<b>10%</b>
Capital	589	310	(58)	264	291	320	-557%	10%	10%
Debt increase (decrease)	89	88	(146)	0	5	1	-100%	1329%	128%
<b>Net change in cash</b>	<b>872</b>	<b>(387)</b>	<b>829</b>	<b>265</b>	<b>1,092</b>	<b>1,485</b>	<b>-73%</b>	<b>312%</b>	<b>84%</b>
Effect of exchange rate changes on cash and cash equivalents									
Net increase in cash and cash equivalents	872	(387)	829	265	1,092	1,485	-71%	312%	84%
Cash and cash equivalents at the beginning of the year	1,093	1,965	1,579	2,407	2,673	3,765	71%	11%	30%
<b>Cash and cash equivalents at the end of the year</b>	<b>1,965</b>	<b>1,579</b>	<b>2,408</b>	<b>2,673</b>	<b>3,765</b>	<b>5,250</b>	<b>11%</b>	<b>41%</b>	<b>37%</b>

Source: Company data, Macquarie Research, November 2018

## Macquarie Quant View

The Quant View page below has been derived from models that are developed and maintained by Sales and Trading personnel at Macquarie. The models are not a product of the Macquarie Research Department.

The quant model currently holds a strong negative view on Cheetah Mobile. The strongest style exposure is Earnings Momentum, indicating this stock has received earnings upgrades and is well liked by sell side analysts. The weakest style exposure is Price Momentum, indicating this stock has had weak medium to long term returns which often persist into the future.

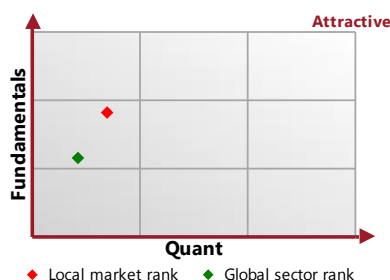
### 538/625

Global rank in  
Software & Services

% of BUY recommendations 20% (1/5)

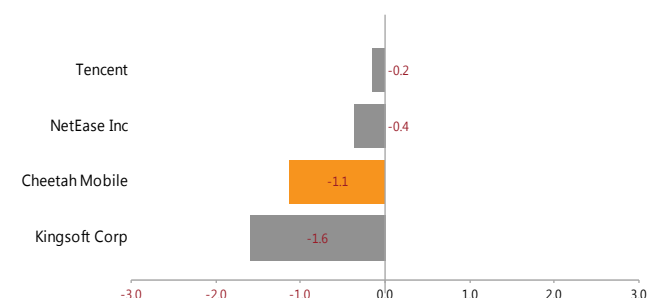
Number of Price Target downgrades 0

Number of Price Target upgrades 0



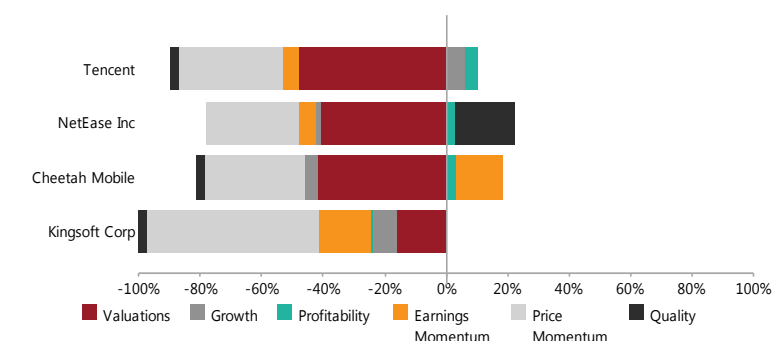
## Macquarie Alpha Model ranking

A list of comparable companies and their Macquarie Alpha model score (higher is better).



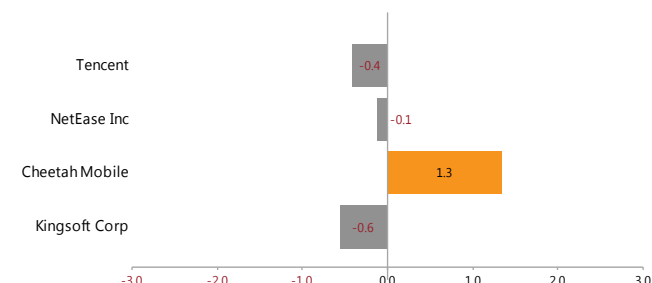
## Factors driving the Alpha Model

For the comparable firms this chart shows the key underlying styles and their contribution to the current overall Alpha score.



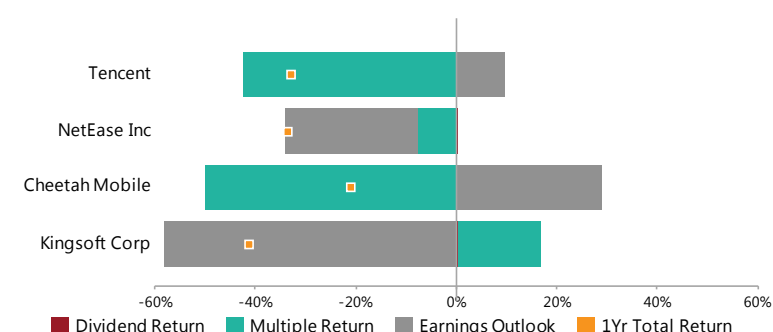
## Macquarie Earnings Sentiment Indicator

The Macquarie Sentiment Indicator is an enhanced earnings revisions signal that favours analysts who have more timely and higher conviction revisions. Current score shown below.



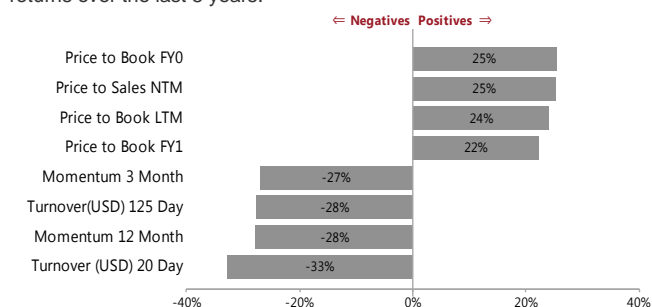
## Drivers of Stock Return

Breakdown of 1 year total return (local currency) into returns from dividends, changes in forward earnings estimates and the resulting change in earnings multiple.



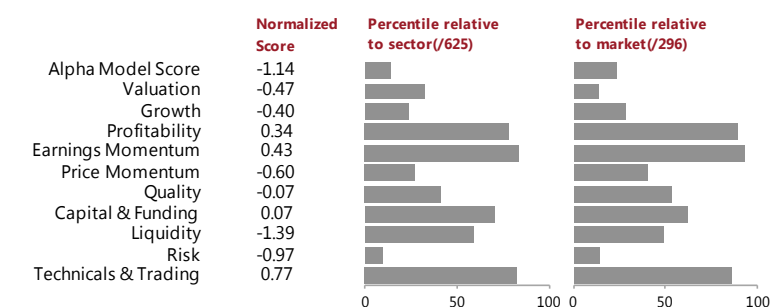
## What drove this Company in the last 5 years

Which factor score has had the greatest correlation with the company's returns over the last 5 years.



## How it looks on the Alpha model

A more granular view of the underlying style scores that drive the alpha (higher is better) and the percentile rank relative to the sector and market.



Source (all charts): FactSet, Thomson Reuters, and Macquarie Quant. For more details on the Macquarie Alpha model or for more customised analysis and screens, please contact the Macquarie Global Quantitative/Custom Products Group ([cpq@macquarie.com](mailto:cpq@macquarie.com))

## 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, which is currently around 9%.

## Macquarie – Asia/Europe

Outperform – expected return >+10%  
 Neutral – expected return from -10% to +10%  
 Underperform – expected return <-10%

## Mazi Macquarie – 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 Asia/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 / epowa\*

**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

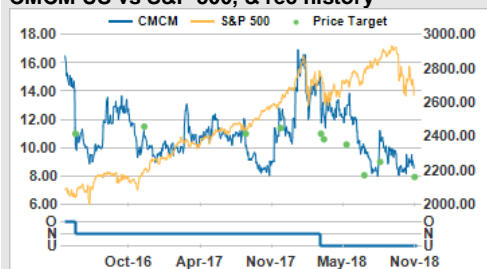
\*equivalent fully paid ordinary weighted average number of shares

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

## Recommendation proportions – For quarter ending 30 September 2018

	AU/NZ	Asia	RSA	USA	CA	EUR	
Outperform	51.56%	59.51%	45.05%	46.88%	67.86%	46.70%	(for global coverage by Macquarie, 3.70% of stocks followed are investment banking clients)
Neutral	33.20%	28.92%	37.36%	47.70%	25.00%	42.73%	(for global coverage by Macquarie, 2.04% of stocks followed are investment banking clients)
Underperform	15.23%	11.57%	17.58%	5.42%	7.14%	10.57%	(for global coverage by Macquarie, 0.47% of stocks followed are investment banking clients)

## CMCM US vs S&amp;P 500, &amp; rec history



(all figures in USD currency unless noted)

Note: Recommendation timeline – if not a continuous line, then there was no Macquarie coverage at the time or there was an embargo period.

Source: FactSet, Macquarie Research, November 2018

## 12-month target price methodology

CMCM US: US\$7.94 based on a PER methodology

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Date	Stock Code (BBG code)	Recommendation	Target Price
21-Aug-2018	CMCM US	Underperform	US\$9.00
09-Jul-2018	CMCM US	Underperform	US\$8.06
22-May-2018	CMCM US	Underperform	US\$10.23
22-Mar-2018	CMCM US	Underperform	US\$10.60
14-Mar-2018	CMCM US	Underperform	US\$11.00
25-Nov-2017	CMCM US	Neutral	US\$11.40
23-Aug-2017	CMCM US	Neutral	US\$11.00
22-Nov-2016	CMCM US	Neutral	US\$11.50
20-May-2016	CMCM US	Neutral	US\$11.00

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