

JPMQ: Pairs Trade Model

Pair Trade Close Alert (AGN US / BMY US)

- A quick note to flag that our Pairs Model is now closing the Long **Allergan Inc.** / Short **Bristol Myers Squibb Co.** (AGN US / BMY US) initiated on 19th December.
- The trade generated a Long / Short **profit of 6.5%** and was open for 21 trading days.
- If you have any questions about the model or would like to have a custom pair monitored, please contact your J.P. Morgan Sales representative or email (quant_strategy@jpmorgan.com)

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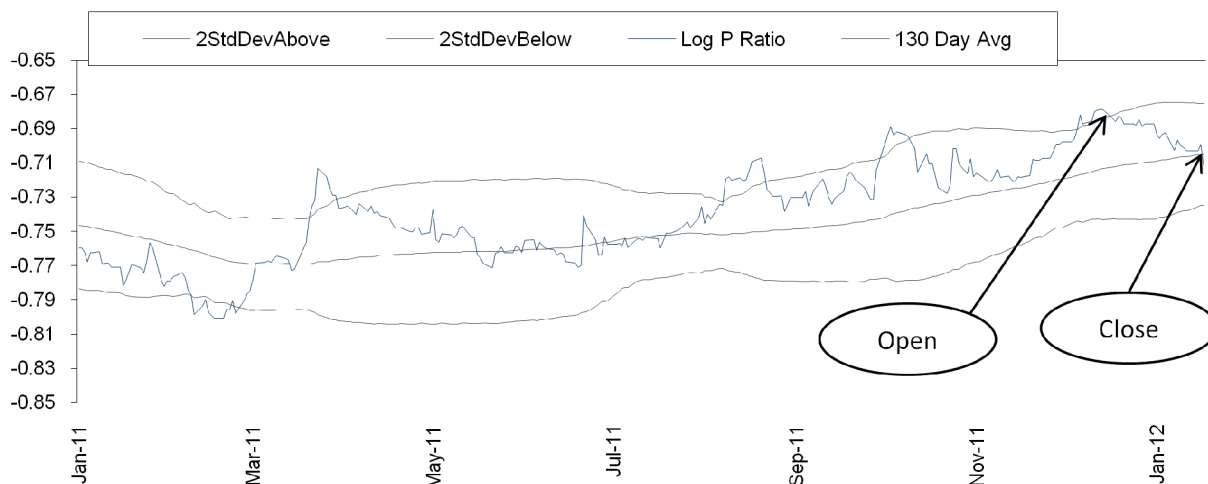
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Figure 1: Recent Price Movement: Allergan Inc. / Bristol Myers Squibb Co.



Source: J.P. Morgan Quant

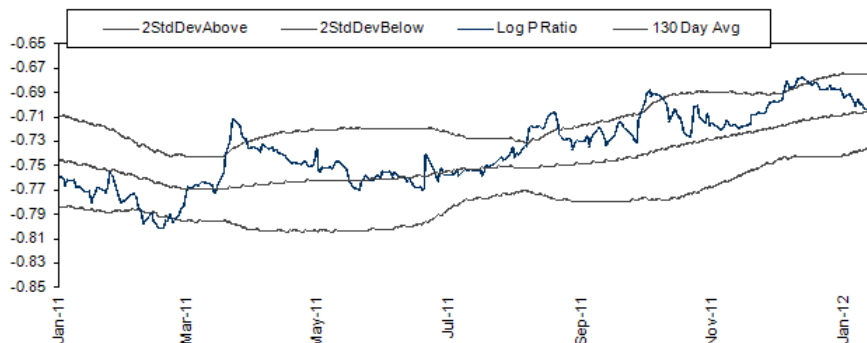
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LONG AGN US / SHORT BMY US

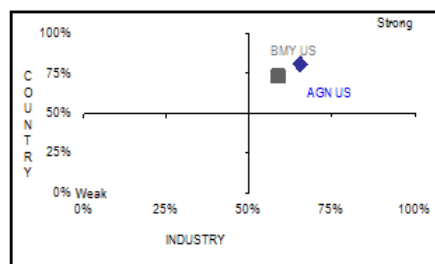
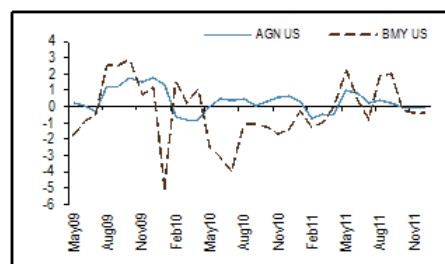
Pairs Analysis	AGN US	vs.	BMY US
Company Name	ALLERGAN INC.		BRISTOL-MYERS SQUIBB CO.
GIC Sector	HEALTH CARE		HEALTH CARE
GIC Industry	PHARMACEUTICALS		PHARMACEUTICALS
SEDOL	2017213		2126335
Market Cap (\$USDm)	\$ 26,981		\$ 60,108
Approx Daily \$USD	\$ 154		\$ 405

PROFILE GENERATED: [19-Jan-12]



Q-Score Switch Support Profile	AGN US	BMY US	Support?
Valuations (Score %)	27%	20%	YES
> P/E Vs Market (12mth fwd EPS)	26%	39%	NO
> P/E Vs Sector (12mth fwd EPS)	29%	42%	NO
> EPS Growth (forecast)	53%	12%	YES
Momentum (Score %)	82%	92%	NO
> 12 Month Price Momentum	84%	90%	NO
> 1 Month Price Reversion	45%	73%	NO
Quality drivers (Score %)	75%	84%	NO
> Return On Equity (forecast)	65%	81%	NO
> Earnings Risk (Variation in Cons.)	90%	76%	YES
Earnings drivers (Score %)	70%	41%	YES
> Earnings Mom. 3mth Risk Adj	53%	50%	YES
> Change in Recoms	83%	66%	YES
> Net Revisions FY2 EPS	40%	28%	YES
Composite Q-Score (Score %)	66%	59%	YES

Historical 3 Month Earnings Momentum Profile & Q-Score Charts



Automated Pair Trigger History

Long	Short	Start	End	Return	Quant Support	Summary Statistics	
AGN US	BMY US	19-Dec-11	19-Jan-12	6.5%	Y	Average	4.3%
AGN US	BMY US	24-Aug-11	16-Nov-11	-1.2%	N	Median	5.8%
AGN US	BMY US	01-Apr-11	18-May-11	6.9%	Y	Min	-1%
BMY US	AGN US	24-Feb-11	04-Mar-11	5.2%	N	Max	7%
						Hit Rate	75%
						Std Dev	4%
						Avg Days	32
						Max Days	61
						Min Days	7
						t-Stat	2.32

Companies Recommended in This Report (all prices in this report as of market close on 19 January 2012)

Allergan (AGN/\$87.16/Neutral), Bristol-Myers Squibb Company (BMY/\$32.71/Neutral)

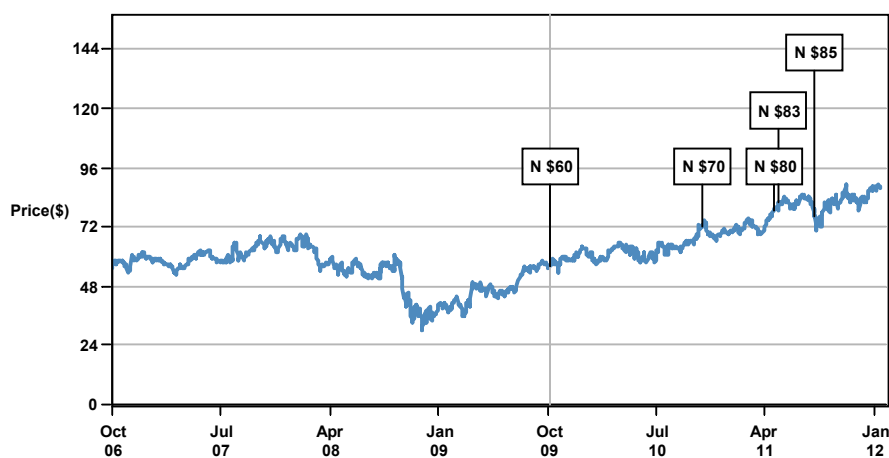
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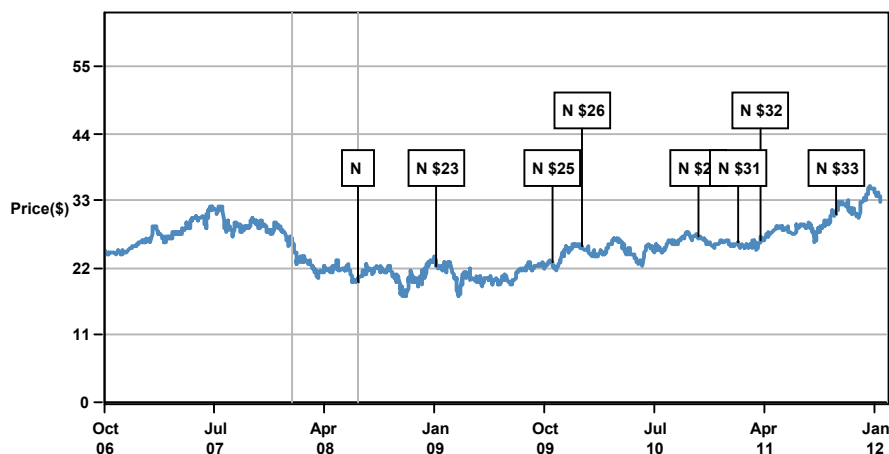
Allergan (AGN) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
06-Oct-09	N	55.91	60.00
25-Oct-10	N	71.80	70.00
25-Apr-11	N	78.22	80.00
05-May-11	N	81.54	83.00
03-Aug-11	N	75.76	85.00

Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends.
Initiated coverage Oct 06, 2009.

Bristol-Myers Squibb Company (BMY) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
24-Jun-08	N	19.70	--
06-Jan-09	N	22.35	23.00
19-Oct-09	N	22.97	25.00
05-Jan-10	N	25.63	26.00
18-Oct-10	N	27.33	27.00
27-Jan-11	N	26.35	31.00
25-Mar-11	N	26.43	32.00
26-Sep-11	N	30.94	33.00

Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends.
Break in coverage Jun 24, 2008 - Jan 06, 2009.

The chart(s) show J.P. Morgan's continuing coverage of the stocks; the current analysts may or may not have covered it over the entire period.

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