

Ahnlab - 053800

We wrote a report on the co. late July 2012 when the stock was trading at 117,000 KRW. www.snvaluation.com/resources/ahnlab.pdf. With the immense media coverage given to the co's founder, Ahn Chul Soo, the co's stock also benefitted from the exposure and rallied over the summer, from 40,000 KRW level before the rumorville hit the press. However, after the Democratic United Party nominated a different presidential candidate on Sept 17, the stock took a nose dive and is now trading at all time lows at 30,000 KRW. We called a short based on fundamental valuation and the trade fell into play, but the trade could have easily reversed if Mr. Ahn had garnered enough support. This trade confirms the irrational nature of the market when in front of an appealing short-term gain.

December 19th is Election Day in Korea and many experts anticipate a record voter turnout. Saenuri, or the majority, conservative party, is liken to the Republican Party in the States, and the DUP is the equivalent to the Democratic Party. Voters are split based on economic, social status, more so than the social issues which split the voters in the State. Another key item is the Saenuri candidate, Ms. Keun Hee Park, who is the daughter of the former president of Korea during the '60s. The older generation thinks fondly of the late president since the economy expanded rapidly during his tenure with massive public projects, which laid down the infrastructure for the country. However, the opposition party label Ms. Park's father as a dictator, who suppressed free speech and controlled the country with an iron fist. Along with the historic background and the growing social class division, the election is anticipated to result in a neck and neck finish.