1. Cheng Geng - Asia's Best Analyst: China, Real Estate

Courtesy of the analyst

Reading China's property market was tougher than usual in 2012 due to uncertainty over how effective the government would be in curbing stubbornly rising prices. Chen Geng, a Shanghai-based analyst at Phillip Securities, figured the best way to take the market's temperature was to get up close and personal.

"Sometimes when I was out on road trips with friends, we'd stop by a showroom and I'd talk to the agents and look at the quality of the apartments, which would give an idea of what sales will be like," said Mr. Chen, adding that he also chased local news reports of overnight queues in property showrooms.

Mr. Chen's top pick of 2012—a buy onShimao Property Holdings Ltd.0813.HK +0.71% in April—came as developers were struggling to adapt to a series of government cooling measures, and investors and analysts had turned bearish, fearing the popping of a bubble.

At that time, Hong Kong-listed Shimao was still known primarily for high-end apartments, and analysts expected the government's tightening measures— which targeted speculation and investment demand—to take a bite out of its earnings. But Mr. Chen noticed that Shimao reported surprisingly strong first-quarter sales.

"It caught my attention, and I realized its strategy was very flexible, pushing out homes quickly, even at a lower profit margin, to ensure a consistent cash flow," he said.

Mr. Chen kept his buy rating on Shimao, which went on to report a 58% increase in sales during the first half of the year, outpacing most of its peers. Its shares gained 81% from April through the end of the year, while Chinese developers rose an average 22% during the period.

"Other developers were slower in their response, but Shimao was quick in cutting prices and targeted genuine home buyers in the first half of the year. They were focused on shrinking inventory," he said.

Moving forward, Mr. Chen will be on the lookout for restructuring moves by small and medium-sized players, and keeping an eye on government policy, which is always key in China.

"The latest property tightening measures are more targeted at curbing speculation, and the tax on second homes would guide demand to new homes. If there is too much exuberance in the new home market, there could be tightening in that portion of the market too," he said.

—Esther Fung

2.Preeyanun Tripetchchuporn- Asia's Best Analyst: Retail

Courtesy of the analyst

Consumer-related stocks performed well across Southeast Asia in 2012, and in Thailand they received an extra jolt of energy as the economy rebounded sharply from 2011, when debilitating floods slashed growth to just 1% and rocked global manufacturers.

At Phillip Securities, Preeyanun Tripetchchuporn rode that rebound by recommending buys on a range of consumer stocks, from wholesalers to the operator of Thailand's ubiquitous 7-Eleven convenience stores.

Investors also gained confidence in Thailand as political stability improved. Prime Minister Yingluck Shinawatra, sister of ousted former Prime MinisterThaksin Shinawatra, followed up her 2011 landslide election victory by improving her populist-leaning government's relationship with the conservative armed forces who overthrew Mr. Thaksin in 2006. Ms. Yingluck's government also introduced a higher minimum wage to increase consumer spending, and trimmed corporate taxes to 20% from 23%.

One of Ms. Preeyanun's best picks was a buy call in late August on discount-store operator Siam Makro PCL,MAKRO.TH +0.26% a version of the member-card warehouse stores found in the U.S. and elsewhere; its stock price rose 92% during the period.

Ms. Preeyanun repeatedly switched her recommendations on CP All PCL,CPALL.TH +1.72% the operator of Thailand's 7-Eleven stores, through the year, with four buy calls, three holds and a sell. The company recovered from the 2011 floods, resulting in a net return of 80%—53% of which Ms. Preeyanun captured. The stock also fell 4% while she had a sell call on it.

"I upgraded CP All shares to buy from trading sell after we viewed 7-Eleven as a strong brand with a strong competitive advantage over its rivals in terms of convenience store numbers, management systems and integrated related supporting businesses such as CPRAM [CP group's ready-to-eat meals business]," Ms. Preeyanun said. "There remains plenty of room for the convenience store business in Thailand to grow, especially in provincial markets."

In retrospect, Ms. Preeyanun said she should have been more aggressive in recommending shares of Robinson Department Store PCL, ROBINS.TH +1.24%which delivered her a net gain of 58% over the course of the survey period. "I was too conservative on its business expansion plan, which led me to forecast lower profit growth than I should have."

Going forward, Ms. Preeyanun expects she will alter recommendations more frequently to respond to the rapid changes in the retail sector and demand from clients. In all, she made eight changes to her recommendation on CP All in 2012—and expects to continue in this vein.

"Analysts must stay up-to-date on the latest trends and respond quickly to any changes," she said. And as Thailand's urbanization accelerates—half the country's people now live in cities—retail's business cycles are changing, she said, giving analysts plenty more to think about.

—Wilawan Watcharasakwet

2. Jing Zhang

Age: 34

Company: Phillip Securities

Winner in: Automobiles & Parts

Country/Region: Hong Kong

What was your single best call during 2012 and why?

Great Wall Motor Co. because the stock price never dropped below my target price during the period.

What was your single worst call during 2012 and why?

Dongfeng Motor Group Co. The company was dealt a big blow by the unexpected territorial spat between China and Japan in late August, which led to an up to 35% drop in its stock price since May 14 of my recommendation. Dongfeng Motor, China's second-largest car maker by production, counts Japan's Nissan Motor Co. and Honda Motor Co. among its foreign partners.

What trends do you foresee in the market this year?

I'm cautiously optimistic about the car market this year. China's new leadership is expected to place a priority on maintaining stability, which means they will refrain from rolling out aggressive measures, such as limiting car purchases, to combat air pollution. As such, with solid demand, an annual growth rate of around 10% is likely this year. With regard to segments, SUVs are expected to maintain strong growth this year, but small and economic cars will continue to suffer from the toughest competition. In addition, high-end sedan makers will likely offer bigger discounts than before to attract Chinese consumers; the heavy-duty truck segment is likely to have a recovery after years of declines but a sharp rise is unlikely as China seems unlikely to start another round of investment boom as it did in the post-2008 financial crisis.

3. Bryan Go

Age: 29

Company: Phillip Securities

Winner in: Real Estate

Country/Region: Singapore

What was your single best call during 2012 and why?

CapitaMalls Asia. It has a good business model and strong track record in retail mall business, but the market was overly worried about the potential negative impact from a hard landing in China's economy.

What was your single worst call during 2012 and why?

I don't think there is any in the year. I did not recommend Buy on SC Global during the year although the price recovered substantially due to privatization, I believe my concerns on its operating condition were valid. I do not recommend buy solely on its depressed value. Business continuity is equally important.

What trends do you foresee in the market this year?

I think the trend is on value companies, whom investors may have neglected previously when chasing the growth companies.

Referance – Wall Street Journal:
http://graphicsweb.wsj.com/documents/BestOnTheStreet2013_Asia/