



**For Immediate Release
Citigroup Inc. (NYSE: C)
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CITI PRIVATE BANK IDENTIFIES 2011 INVESTMENT THEMES

Opportunities Exist Despite Uneven Global Growth

Hong Kong – Citi Private Bank (CPB) announced today its investment themes for 2011 that offer opportunities to clients despite expected uneven recovery of the global economy. Geographically, emerging markets will likely continue to lead the way while Europe struggles with peripheral debt issues. Inflation rates will also be closely monitored, with divergent outcomes expected in the developed and emerging economies. The seven themes identified by Citi Private Bank strategists are:

1. A World Divided

Different parts of the world will recover at varying pace in 2011, encouraging outflows from the developed world into emerging markets (EM) assets, including equities. CPB strategists expect to continue to witness EM consumerism and the use of local brands along with the re-positioning of global brands. In this environment, investment grade and high-yield bonds in the United States are favoured. In EM, CPB strategists prefer North Asian equities and local currency bonds. Consumer-oriented equities and companies that export to the EM world are also favoured. Investors seeking income and yield in 2011 may focus on equity dividend strategies and selective credit markets.

2. European Strains to Continue

European peripheral debt problems are likely to increase. Problems of insolvency are not solved by liquidity measures and contagion is likely to spread to other nations in the region. CPB strategists favour investing in core European equities, especially Germany and long-dated core European government bonds, and warn against peripheral European equities and debt along with European high-yield and credit (financials in particular).

3. Inflation and Disinflation

Disinflation will continue in the developed world. In EM, overheating will see cost-push (mainly food) and asset-price inflation, creating broad-based price pressures. Commodity plays offer an opportunity. CPB strategists prefer industrials, materials and technology sectors globally. As an EM inflation play, investing in Brazil and

Russia is favoured for exposure to commodities. Copper, iron-ore and gold also carry potential.

4. Foreign Exchange Hedging

Trend weakness in the US dollar is likely to continue, while tighter monetary policies among central banks in the emerging world suggest local currencies are likely to continue to appreciate and offer carry trade opportunities. CPB strategists like the Brazilian real, Korean won, Singapore dollar, Chinese renminbi and Indian rupee against the US dollar.

5. Distressed Opportunities

The combination of declining values, near-term debt maturities and tight debt capital markets is expected to create decent buying opportunities in the US real estate market and selective UK commercial real estate markets.

6. Hedge Funds

An expected uptick in volatility in 2011 in all risk markets suggests the type of sideways-trading in which hedge funds become especially attractive. However, manager selection and strategy selection plays a crucial role to success. Stock picking may prove fruitful this year with continued correlation breakdowns in several sectors and markets. CPB strategists favour global macro, equity long-short, merger arbitrage and credit.

7. Japan May Be A Potential Outperformer

Stabilizing fundamentals, particularly in the housing sector, and historically cheap valuations may encourage investors to perceive Japan increasingly as an upstream, leveraged play on emerging Asian growth. As such, the “sell Japan, buy Asia” trade may reverse among global equity managers, who remain underweight. CPB strategists favour investing in Japanese equities.

Citi Private Bank is one of the largest wealth managers in the Asia Pacific, serving more than 6,000 private banking clients, including half of Asia's (ex-Japan) billionaires. It provides be-spoke private banking services to high net worth individuals and families with a minimum net worth of USD 25 million.

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