

Today At A Glance

Company	Ticker	Rating	PT chg	Curr. Q (e) chg	Curr. Y (e) chg	Next Y (e) chg	Est. Type
Sinofert Holdings Ltd.	297 HK	H to U	HK\$1.45 to HK\$1.50	-	RMB 0.09 to RMB 0.11	-	EPS
Ashok Leyland	AL IN	B	INR31.00 to INR30.20	-	INR3.19 to INR3.14	INR3.83 to INR3.79	EPS
Housing Development & Infrastructure	HDIL IN	H	INR75.00 to INR89.00	-	-	-	
Spreadtrum Comms	SPRD US	H	\$19.00 to \$20.00	-	\$2.06 to \$1.98	\$2.24 to \$2.21	EPS
Sun Pharmaceutical Industries	SUNP IN	B	INR770.00 to INR800.00	-	INR33.20 to INR33.50	-	EPS
Coal India Limited	COAL IN	H	-	-	INR28.60 to INR27.10	-	EPS
Nippon Steel & Sumitomo Metal	5401 JP	H	-	-	-	-	
Resona Holdings	8308 JP	B	-	-	-	-	
SMC Corp.	6273 JP	B	-	-	-	-	
Tencent Holdings	700 HK	B	-	-	-	-	

Asia Research

Global▶▶

HK: The Unintended Consequences of QE

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Key Takeaway

Outside of the US, nowhere more than HK eagerly awaited the US Presidential election results this week. With Federal Reserve Chairman, Ben Bernanke securely in the seat until the end of his tenure, monetary conditions in HK are set to be looser for much longer than any time since the HK peg was adopted.

Global▶▶

Global Asset Fundflow Tracker — Trends & Trading Opportunities

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Key Takeaway

All asset classes experienced net inflows for the week while global bond funds extended their winning streak to 49 weeks (the total amount of net injection surpassed US\$250bn). Commodity funds saw net inflows for the past three weeks. Money market funds saw a sizable amount of inflow that wiped out their unwindings in the previous two weeks. Global equity funds saw a mild net inflow for the week.

Sinofert Holdings Ltd. (HKSE: 297 HK, HK\$1.65 , UNDERPERFORM)

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Speculation is Irrational; Downgrade to Underperform

Key Takeaway

Sinofert has risen ~15% since early Oct (vs. HSI +3.5%), even as fertilizer prices fell. We believe market speculation that China will loosen fertilizer export restrictions in 2013 is irrational, as a self-sufficient and low-priced fertilizer supply in China will be a precondition for any type of loosening. We believe Sinofert's ambitious strategy of upstream acquisition will dilute shareholders' interest before margin improvement.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
UNDERPERFORM	▲HK\$1.45 to HK\$1.50	-	RMB 0.09 ▲ RMB 0.11	-	EPS	Asia

Tencent Holdings Ltd. (HKSE: 700 HK, HK\$267.00 , BUY) ▶▶Cynthia Meng
852 3743 8033
cmeng@jefferies.com**3Q12 Preview**

Key Takeaway

Tencent will report 3Q12 results on Nov 14th. We expect revenue of RMB11.9bn, +59% YoY, 2.9% above consensus, earnings of RMB3.8bn, +36% YoY, 6.6% above consensus. Our channel checks indicate ads are tracking well, with strong growth in FMCG, auto and medical. Tencent's core games are still top-2 in China; LOL and Yulong are gaining popularity; web games maintain No.1 market share by revenue. Maintain Buy, PT at HKD330, 24% upside.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	HK\$330.00	-	HK\$9.80	HK\$12.53	EPS	Asia

Spreadtrum Communications Inc. (NASDAQ: SPRD US, \$21.33 , HOLD) ▶▶Ken Hui
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Key Takeaway

While we remain positive on Spreadtrum's smartphone shipments, competition and R&D spending continue to pressure margins. Maintain Hold with a new PT of US\$20 (from US\$19).

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	▲\$19.00 to \$20.00	-	\$2.06 ▼ \$1.98	\$2.24 ▼ \$2.21	EPS	Asia

Ashok Leyland (BSE BO: AL IN, INR25.70 , BUY) ▶▶Govindarajan Chellappa
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Key Takeaway

AL's 2Q13 results beat our expectations by a wide margin and across all parameters. While some gains are transitory, 2Q results address our core concern on working capital management. We maintain our stance that AL is the best way to play the recovery in CV cycle and find it cheap at 8x FY14E.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	▼INR31.00 to INR30.20	-	INR3.19 ▼ INR3.14	INR3.83 ▼ INR3.79	EPS	Asia

Coal India Limited (NSEI: COAL IN, INR346.60 , HOLD) ▶▶Anand Agarwal, CFA
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Key Takeaway

CIL's PAT at Rs30.8bn was 14% below estimates on lower e-auction realization and higher wage cost. While the 7.4% offtake growth achieved in H1FY13 is higher than our FY13 estimate of 6% growth, we remain cautious given the all-time high rake loading of 196rakes/day required in H2FY13 to achieve our volume estimate. Maintain Hold

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	INR350.00	-	INR28.60 ▼ INR27.10	-	EPS	Asia

Housing Development & Infrastructure Ltd (NSEI: HDIL IN, INR104.35 , HOLD) >>

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H2FY13 holds the key

Key Takeaway

HDIL reported slightly better results with PAT at Rs1.4bn (12% ahead of Jef est). Management commentary was positive on the back of the easing of the approval process and improving liquidity scenario. For Q2FY13 however, net debt remained unchanged QoQ and both customer collections and construction spend remained muted. Maintain Hold.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	▲ INR75.00 to INR89.00	-	INR21.60	INR24.00	EPS	Asia

Sun Pharmaceutical Industries Ltd (NSEI: SUNP IN, INR694.20 , BUY) >>

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2QFY13: Strong quarter; DUSA: a medium term positive

Key Takeaway

Sun reported another strong quarter with margins 180bps and adjusted PAT 12% ahead of expectations. Sun has announced the acquisition of DUSA, an innovator US dermatology company for USD230mn. The acquisition is, in our view, a positive for Sun and provides entry into the lucrative dermatological device segment. We retain our Buy rating with revised TP of Rs 800.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	▲ INR770.00 to INR800.00	-	INR33.20 ▲ INR33.50	-	EPS	Asia

Resona Holdings (TSE: 8308 JP, ¥326 , BUY) >>

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1H Results – The Party Was Already Pooped

Key Takeaway

Resona reported 1H earnings at 15:30 and held a conference call at 17:30-18:30 JST. The fun was taken out of a blowout party due to the company revising up on 31 October. Earnings were supported by bond gains and a reversal of credit costs. As it pre-announced, Resona upgraded its NP forecast for FY3/13 to ¥230bn from ¥140bn (JEF: ¥152bn). We maintain our Buy rating on Resona.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	¥360	-	¥43.78	¥55.39	EPS	Asia

Nippon Steel & Sumitomo Metal Corporation (TSE: 5401 JP, ¥168 , HOLD) >>

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1H FY3/13 Earnings & Results Meeting: Nothing New Under The Sun

Key Takeaway

NSSMC announced 1H earnings today during market hours. The results were already previewed and are no surprise. However, the low tone at the analyst meeting regarding sector fundamentals, lack of concrete plans for merger synergies and asset restructuring were slightly disappointing. We don't think the company might be interested in large acquisitions; the main focus will be NSSMC's mid-term plan and merger of listed group companies.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	¥145	-	-	-	EPS	Asia

SMC Corp. (TSE: 6273 JP, ¥12,300 , BUY) ▶▶

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Full Year Guidance Revised but Conservative

Key Takeaway

SMC announced 1H results today at 15:00 after market close, and revised down full year guidance. 1H results were largely in line with guidance, with OP ¥42.9bn (-21% YoY). OP margin was slightly higher than guidance by 0.3% point at 26.5%. Despite misses on top line, SMC maintained solid margin in 1H. Full year guidance OP was revised down to ¥80bn (-9% YoY) from ¥91bn reflecting weak machine tool, IC and auto demand toward 2H.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	¥15,600	-	-	-	EPS	Asia

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Conferences

Title	Dates	Location
Jefferies 2012 Global Healthcare Conference in London	11/14/2012 - 11/15/2012	London
Jefferies 2012 Global Energy Conference	11/28/2012 - 11/29/2012	Houston
Jefferies 2nd Annual Colorado Winter Consumer Summit	1/21/2013 - 1/23/2013	Vail

Company Marketing

Title	Dates	Location
Lattice Semiconductor Corp (LSCC)	11/12/2012	Boston
Medivation (MDVN)	11/12/2012 - 11/15/2012	Edinburgh, Geneva, Glasgow, London, Zurich
Fenner PLC (FENR LN)	11/12/2012	Edinburgh, London
Severfield-Rowen PLC (SFR LN)	11/12/2012 - 11/14/2012	London
Hang Lung Properties (101 HK)	11/12/2012 - 11/15/2012	Boston, New York, San Francisco
bluebird bio	11/12/2012 - 11/13/2012	Frankfurt, Geneva, Zurich
Dairy Crest Group PLC (DCG LN)	11/12/2012 - 11/16/2012	London
XPO Logistics, Inc. (XPO)	11/13/2012 - 11/14/2012	Dallas, Ft. Worth, Houston
HeidelbergCement (HEI GR)	11/13/2012 - 11/14/2012	Los Angeles, Newport Beach, San Francisco
Barnes Group Inc. (B)	11/13/2012	Mid-Atlantic
London Mining PLC (LOND LN)	11/13/2012 - 11/14/2012	London
Koppers (KOP)	11/13/2012 - 11/14/2012	Connecticut, Mid-Atlantic
ANSYS Inc (ANSS)	11/13/2012 - 11/14/2012	Atlanta
Chugai Pharmaceutical Co Ltd (4519 JP)	11/14/2012 - 11/16/2012	Edinburgh, London
Snyders-Lance Inc. (LNCE)	11/14/2012 - 11/16/2012	Denver, Los Angeles, San Francisco
Manchester United Plc (MANU)	11/14/2012 - 11/16/2012	Boston, New York
United Drug PLC (UDG LN)	11/14/2012 - 11/20/2012	London
Medical Properties Trust Inc (MPW)	11/14/2012	London
Incyte Corp Ltd (INCY)	11/14/2012 - 11/16/2012	London
2012 Global Healthcare Conference Management and Investor Dinner	11/14/2012	London
Henry Schein (HSIC)	11/15/2012	London
Pace PLC (PIC LN)	11/15/2012 - 11/16/2012	Edinburgh, London
CenturyLink Inc (CTL)	11/15/2012 - 11/16/2012	Philadelphia, Princeton, Wilmington
Koninklijke DSM NV (DSM NA)	11/16/2012	Chicago
Exelis Inc (XLS)	11/19/2012 - 11/20/2012	Dallas, Houston, Kansas City
Babcock International Group PLC (BAB LN)	11/20/2012 - 12/12/2012	Edinburgh, Frankfurt
Paragon Group of Cos PLC (PAG LN)	11/21/2012 - 12/6/2012	London
Intermediate Capital Group PLC (ICP LN)	11/23/2012	Edinburgh, London
Optos PLC (OPTS LN)	11/23/2012 - 11/28/2012	Edinburgh, London

Analyst Marketing

Title	Dates	Location
Mike Betts	11/12/2012 - 11/14/2012	Los Angeles, San Diego, San Francisco
Naomi Kumagai	11/12/2012 - 11/22/2012	Edinburgh, Frankfurt, Geneva, London, Paris, Stockholm
Group Lunch with Jefferies Global Head of Market Data Peter Esler	11/12/2012	New York
Peter Nesvold	11/13/2012	Boston
Luke Folta	11/13/2012 - 11/15/2012	Los Angeles, Portland, OR, San Diego, San Francisco, Seattle
Thomas Seitz	11/13/2012 - 11/14/2012	Connecticut, New York
Subash Chandra, Biju Perincheril	11/13/2012 - 11/16/2012	Frankfurt, London
Corey Davis	11/13/2012	London
Brandon Couillard	11/13/2012	London
Financials Research Idea Dinner (NY)	11/13/2012	New York
Laurence Alexander	11/15/2012	Austin, Houston
Christie Ju	11/15/2012 - 11/16/2012	San Francisco
Raj "Raj" Denhoy	11/16/2012	London
James Grzinic	11/16/2012	Edinburgh
Aaron Schwartz	11/19/2012 - 11/20/2012	Dallas, Houston
Stephen "Steve" Volkmann	11/19/2012 - 11/20/2012	Kansas City, Milwaukee
Omotayo "Tayo" Okusanya	11/19/2012 - 11/20/2012	Boston, Connecticut
Brendan Warn - Integrated Oil	11/19/2012	Singapore
Anand Agarwal - Real Estate	11/19/2012 - 11/23/2012	Hong Kong, Singapore
Yoshihiro Azuma - Japanese Electronics & Precision & SPE	11/20/2012 - 11/21/2012	Hong Kong
Jeffrey Holford	11/20/2012	Geneva
Sandy Morris, Sonal Sagar	11/21/2012	Edinburgh
Yoshihiro Azuma - Japanese Electronics & Precision & SPE	11/22/2012	Singapore

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Iain Reid owns shares of BG Group common stock.

Iain Reid owns shares of BG Group common stock.

Timothy O'Shea owns shares of Google Inc. Common Stock.

Christopher Radom owns shares of Johnson & Johnson common stock.

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6. All stocks are inserted at the last closing price and removed at the last closing price. There are no changes to the conviction list during the month.
7. Performance is calculated in US dollars on an equally weighted basis and is compared to MSCI World AC US\$.
8. The conviction list is published once a month whilst global equity markets are closed.
9. Transaction fees are not included.
10. All corporate actions are taken into account.

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Distribution of Ratings

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY	742	46.99%	115	15.50%
HOLD	716	45.35%	82	11.45%
UNDERPERFORM	121	7.66%	0	0.00%

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