

Today At A Glance

Company	Ticker	Rating	PT chg	Curr. Q (e) chg	Curr. Y (e) chg	Next Y (e) chg	Est. Type
Mellanox Technologies	MLNX	H to B	\$37.00 to \$50.00	-	\$0.95 to \$0.76	\$1.85 to \$2.00	EPS
Infineon Tech.	IFX GR	B	€10.00 to €10.44	-	-	€0.47 to €0.52	EPS
Ixia	XXIA	B	\$18.00 to \$14.00	\$0.16 to \$0.05	\$1.00 to \$0.54	-	EPS
Masco	MAS	B	\$25.00 to \$26.00	\$0.29 to \$0.28	\$1.04 to \$1.01	\$1.38 to \$1.34	EPS
Sinopharm	1099 HK	B	HK\$28.00 to HK\$31.00	-	-	-	
STMicroelectronics	STM FP	H	€6.49 to €6.92	\$0.03 to \$0.17	\$0.26 to \$0.39	\$0.55 to \$0.62	EPS
URS Corp.	URS	H	\$44.00 to \$58.50	-	-	-	
USG	USG	B	\$36.00 to \$33.00	\$0.48 to \$0.43	\$1.80 to \$1.64	\$2.82 to \$2.63	EPS
Albemarle	ALB	B	-	\$1.04 to \$1.10	-	-	EPS
ams AG	AMS SW	B	-	CHF1.71 to CHF1.69	CHF8.39 to CHF8.29	-	EPS
ARM Holdings	ARM LN	B	-	-	23.60p to 22.66p	35.36p to 32.58p	EPS Non-GAAP
Comerica	CMA	H	-	-	\$3.02 to \$3.07	\$3.25 to \$3.30	EPS
Commerce Bancshares	CBSH	H	-	\$0.72 to \$0.71	\$2.84 to \$2.80	\$3.00 to \$2.95	EPS
Dialog Semiconductor	DLG GR	B	-	-	\$2.44 to \$2.58	-	EPS
JPMorgan Chase	JPM	B	-	-	\$5.15 to \$5.37	\$5.80 to \$5.85	EPS
Michael Page	MPI LN	H	-	-	24.10p to 23.60p	34.10p to 32.40p	EPS
Nortek	NTK	H	-	\$1.48 to \$1.45	\$2.94 to \$2.90	\$4.79 to \$4.73	EPS
OraSure Tech.	OSUR	B	-	(\$0.09) to \$0.01	(\$0.22) to (\$0.12)	-	EPS
Smurfit Kappa	SKG ID	B	-	-	EUc178.80 to EUc166.70	EUc199.60 to EUc184.60	EPS
ADTRAN	ADTN	U	-	-	-	-	
Alliant Techsystems	ATK	H	-	-	-	-	
Antero	AR	B	-	-	-	-	
ASML Hldng	ASML NA	B	-	-	-	-	
Boston Private Financial	BPFH	B	-	-	-	-	
British American Tobacco	BATS LN	B	-	-	-	-	
British American Tobacco	BTI	B	-	-	-	-	
Casino	CO FP	H	-	-	-	-	
China Intl Marine Cont.	2039 HK	B	-	-	-	-	
Frank's International	FI	H	-	-	-	-	
Imperial Tobacco	IMT LN	H	-	-	-	-	
Jain Irrigation Systems	JJ IN	U	-	-	-	-	
Owens Corning	OC	B	-	-	-	-	
Ping An Insurance	2318 HK	B	-	-	-	-	
Radius Health	RDUS	B	-	-	-	-	
Repligen Corporation	RGEN	B	-	-	-	-	
Seventy Seven Energy	SSE	H	-	-	-	-	
T-Mobile US	TMUS	H	-	-	-	-	

Focus Calls

Tobacco>>

US consolidation arrives

Key Takeaway

The Reynolds/Lorillard deal finally materialises, in a part cash/part paper deal. From a UK perspective, IMT ends up with more than we thought, not least blu, for a lower price than we thought. Meanwhile, BATS looks to have chosen to play its consolidation hand long. We remain comfortable with our long BATS/neutral IMT position on a 12 month view, but the on-the-day reaction to some sweetly opportunist dealmaking by IMT feels churlish to us.

Martin Deboo
+44 (0) 20 7029 8670
mdeboo@jefferies.com

Smurfit Kappa Group plc (ISE: SKG ID, €15.50 , BUY) >>

Recipe for a Re-rating

Key Takeaway

Following a 10% one month decline on macro concerns & DS Smith read-across, SKG trades on 10.3x 2014 PE with 11.6% FCF yield, the cheapest valuation of any major European packaging group. Post recently announced peer testliner increases, we expect reaffirmed SKG 2014 guidance at July 30 Q2 results as a first re-rating step, with possible UK listing and accretive M&A and/or share buyback as subsequent positive re-rating catalysts.

Justin Jordan
+44 (0) 20 7029 8976
justin.jordan@jefferies.com

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	€24.00	-	EUc178.80 ▼ EUc166.70	EUc199.60 ▼ EUc184.60	EPS	Europe

Comm. Equipment>>

A Focus on M&A and Margins

Key Takeaway

The JunQ reporting season is set to get underway this week. Here we look at some of the expectations for the EU Telco equipment firms we cover. This time, we see investors focused mainly on a mix of emerging secular themes (including M&A rationale) and margin progression (for 2Q as well as in guidance). We maintain our Buy rating on Nokia and Hold on Ericsson as before.

Lee Simpson
44 (0) 207 029 8695
lsimpson@jefferies.com

Semiconductors>>

Risk of Market Complacency

Key Takeaway

The JunQ reporting season is set to get underway this week. Here we look at some of the expectations for the EU semis firms we cover. All in, we see a growing risk to share price momentum over the summer although we have made no recommendation changes this time given general business strength. Elsewhere we expect sector consolidation to continue to be in focus.

Lee Simpson
44 (0) 207 029 8695
lsimpson@jefferies.com

All Research

Business Services - Business & Employment Svcs

Michael Page (LSE: MPI LN, 438.00p , HOLD) ►►

Kean Marden
+44 (0) 20 7029 8038
kean.marden@jefferies.com

In-line Q2 Trading Echoes Peers

Key Takeaway

Q2 trading was in line with expectations as strong UK and Asian contributions offset Europe and Brazil. With the group yet to fire on all cylinders the upswing is uncertain and upgrades are required for a 25x FY14E PE multiple stock to outperform. We trim EPS by 2% and reiterate our Hold rating.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	500.00p	-	24.10p ▼ 23.60p	34.10p ▼ 32.40p	EPS	Global

Conglomerates - Conglomerates

China Intl Marine Containers (HKSE: 2039 HK, HK\$15.84 , BUY) ►►

Leon Liao
852 3743 8021
lliao@jefferies.com

Positive profit Alert, reiterate Buy

Key Takeaway

CIMC issued a positive profit alert yesterday and expects the 1H earnings to increase by 50%-100%. We expect the earnings are contributed from 1) strong earnings on container box due to low material costs; 2) offshore turnaround which stopped dragging earnings; 3) steady tank business and 4) withholding tax write back. Qianhan land plan should be the major catalyst which might roll out in 2H. Reiterate Buy.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	HK\$20.50	-	-	-	EPS	Asia

Consumer - Cosmetics, Household & Personal Care

Cosmetics, Household & Personal Care►►

Kevin Grundy, CPA
(212) 336-7091
kgrundy@jefferies.com

Nielsen Results for the Four Weeks Ended 7/5 – HPC Sales Trends Remain Weak

Key Takeaway

HPC sales growth in US tracked channels increased +0.4% YoY during the 4-wks ended 7/5, flat sequentially vs. the prior 12 weeks. Four-week sales trends on a two-year stacked basis of +0.9% were modestly better than muted +0.5% growth in the prior 12-weeks. Most notable among our coverage: (i) CHD's trends were surprisingly strong; (ii) ENR's fundamentals remain pressured; and (iii) PBH's mid-single-digit % sales declines persisted.

Consumer - Food & Beverages

Food & Beverages►►

Kevin Grundy, CPA
(212) 336-7091
kgrundy@jefferies.com

Nielsen Results for the 4 Weeks Ended 7/5 - CSDs Trends Remain Weak

Key Takeaway

We estimate LRB sales in US tracked channels declined modestly (-0.3%) YoY during the 4-weeks ended 7/5, down sequentially from flat trends in the prior 12-weeks ended 6/7. Key takeaways for our coverage were as follows: (1) CSD trends remains weak, although in-line sequentially; (2) higher pricing elasticity in CSDs pressured volumes; (3) The major co.'s are holding/gaining share in CSDs at private label's expense; and (4) energy drink demand remains strong.

Consumer - Food Retailers**Casino (PSE: CO FP, €94.32 , HOLD) ►►**

Jefferies European Retail Team
JefferiesRetailEurope@jefferies.com

Tougher from Here**Key Takeaway**

The combination of some improvements in French LFLs and good international progress have shaped Casino's Q2 sales, albeit largely as expected. From here, the main risks are linked both to a tightening French pricing environment (and a normalised comp structure), together with political changes following the October Brazilian elections. This likely neatly offsets the valuation arbitrage of the upcoming CNova process.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	€79.00	-	€5.30	€5.98	EPS	Europe

Consumer - Tobacco**British American Tobacco (LSE: BATS LN, 3,532.00p , BUY) ►►**

Martin Deboo
+44 (0) 20 7029 8670
mdeboo@jefferies.com

US consolidation arrives**Key Takeaway**

The Reynolds/Lorillard deal finally materialises, in a part cash/part paper deal. From a UK perspective, IMT ends up with more than we thought, not least blu, for a lower price than we thought. Meanwhile, BATS looks to have chosen to play its consolidation hand long. We remain comfortable with our long BATS/neutral IMT position on a 12 month view, but the on-the-day reaction to some sweetly opportunist dealmaking by IMT feels churlish to us.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	3,900.00p	-	223.10p	242.80p	EPS	Europe

British American Tobacco (NYSE: BTI, \$122.92 , BUY) ►►

Martin Deboo
+44 (0) 20 7029 8670
mdeboo@jefferies.com

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Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$133.00	-	-	-		Europe

Imperial Tobacco (LSE: IMT LN, 2,638.00p , HOLD) ►►

Martin Deboo
+44 (0) 20 7029 8670
mdeboo@jefferies.com

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Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	2,700.00p	-	205.80p	217.40p	EPS	Europe

Energy - Oil & Gas Exploration & Production

Antero Resources Corporation (NASDAQ: AR, \$60.33 , BUY) >>

Subash Chandra, CFA
(212) 284-2271
schandra@jefferies.com

Utica Bookings Set to Kick Already Impressive Reserve Growth Up a Notch

Key Takeaway

AR released their mid-year reserve update. Mid-year PV10 of \$0.93/mcfe is slightly below our ~\$1/mcfe estimate for the full-year '14. AR has grown PV10 to \$8.5bn from \$6bn at year-end. However, less than 600 bcfe of Utica resource has been booked as proved reserves so far. AR estimates Utica 3P resource of 6.4 tcfe. We forecast year-end PV10 of approximately \$12bn.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$75.00	-	-	-	EPS	Americas

Energy - Oil Services & Equipment

Frank's International N.V. (NYSE: FI, \$23.11 , HOLD) >>

Brad Handler
(212) 336-7249
brad.handler@jefferies.com

Growth Waves Likely Take Time to Catch; Initiate at Hold and \$25 PT

Key Takeaway

FI is well positioned in core deepwater markets, is building capability in other areas and can benefit from continued efficiency measures. However, nearer-term, deepwater spending plans appear more subdued, competitive pressures seem more likely than not to be relevant and capex investment to position for growth weighs on our DCF-based valuation. Initiate at Hold and \$25 PT.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	\$25.00	\$0.30	\$1.30	\$1.45	EPS	Americas

Energy - Oil Services & Equipment

Seventy Seven Energy, Inc. (NYSE: SSE, \$25.23 , HOLD) >>

Brad Handler
(212) 336-7249
brad.handler@jefferies.com

Growth Potential, but Debt Bridles; Initiate with Hold and \$27 PT

Key Takeaway

This newly trading U.S. focused Small Cap service company has significant margin and frac utilization potential. Chesapeake exposure (80% of 2014E revenues) presents limited risk near-term, in our view, and we expect customer diversification longer term. However, 85% net debt to cap limits expansion opportunity and we look for more visibility on earnings upside to get more aggressive with shares. Initiate with a Hold rating.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	\$27.00	\$0.13	\$0.60	\$2.00	EPS	Americas

Equity Strategy - India

India>>

Piyush Nahar
+91 22 4224 6113
pnahar@jefferies.com

Raining Worries

Key Takeaway

A third of the monsoon season is gone and it hasn't gone well. Rains of the first 45 days tells a horrid story for those days and for the rest of the season. We note that probability of a monsoon failure (rains <90% of long term average) has increased significantly to 80%-100%, given what we already know. The impact on agricultural, GDP growth, fiscal situation, power sector and consumer demand is likely to be meaningful but unquantifiable at this stage.

Financials - Banks

Banks>>

Easy Infrastructure Financing & More Restructuring Forbearance

Nilanjan Karfa
+91 22 4224 6118
nkarfa@jefferies.com

Key Takeaway

As highlighted in our [earlier note](#), the RBI has delivered on the proposal of raising long term resources to fund infrastructure loans, added affordable housing to the list and made sweeping changes on restructuring of loans and structuring of loan repayment schedules. CRR/SLR and PSL (Priority Sector Lending) has been eased indirectly. Banks and some Infra-financiers benefit, Housing-financiers lose out. Top picks AXSB, ICICIBC, SBIN, HDFCB.

Financials - Banks/Large-Cap

JPMorgan Chase & Co. (NYSE: JPM, \$58.27 , BUY) >>

Ken Usdin
(212) 284-2444
kusdin@jefferies.com

Better Cost Outlook Adds a Nickel to '15 EPS

Key Takeaway

2Q results were solid, highlighted by strong loan growth, decent fees (ex. trading), better credit quality, and good expense mgmt. We increase our '15 EPS estimate by a nickel to \$5.85 largely due to a better cost outlook. We continue to like the stock at current levels, and we see a path for meaningful improvement in fundamentals in '15 as trading comps get easier, environmental-related costs decline, and growth initiatives further season.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$65.00	\$1.27	\$5.15 ▲ \$5.37	\$5.80 ▲ \$5.85	EPS	Americas

Financials - Insurance

Ping An Insurance (Group) Company of China, Ltd. (HKSE: 2318 HK, HK\$59.50 , BUY) >>

Baron Nie, CFA, AIAA
+852 3743 8747
baron.nie@jefferies.com

Capital Plan Announced for Ping An Bank, Increasing Visibility

Key Takeaway

Ping An Bank (000001 CH; NC), a subsidiary of Ping An Group (59% ownership), today proposed to issue ordinary shares up to RMB10bn and preferred shares up to RMB 20bn via private placements. As the parent company, Ping An Group will subscribe to 45%-50% of the ordinary shares offering. And Ping An Asset Management intends to subscribe to 50-60% of the preferred shares offering. PAB indicates that the raised capital will be sufficient for the next 2-3 years.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	HK\$85.00	-	-	-	EPS	Asia

Financials - Regional Banks

Boston Private Financial Holdings, Inc. (NASDAQ: BPFH, \$13.27 , BUY) ►►

Casey Haire
(212) 707-6418
chaire@jefferies.com

2Q First Look: Bank Growth Disappoints, Delivers Core Miss

Key Takeaway

BPFH reported \$0.25/share vs. \$0.20 consensus, but core is closer to \$0.18-\$0.19 ex. specials. GAAP results were inflated by nonaccrual reversals and a clean-up sale of SoCal CRE loans. Ex. specials, top line increased slightly thanks to decent wealth mgmt. growth, but core banking disappointed. Despite soft top-line, the balance sheet looks stronger with TCE/RWA up 50bp to 10.6% post the loan sale, which could open the door for capital mgmt. opportunities.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$14.50	-	-	-	EPS	Americas

Financials - Regional Banks

Comerica Incorporated (NYSE: CMA, \$51.87 , HOLD) ►►

Ken Usdin
(212) 284-2444
kusdin@jefferies.com

Strong Loan Growth, But Only Modest Revisions

Key Takeaway

2Q results were strong, highlighted by outsized loan growth, NIM expansion, higher fee income, and lower costs. While mgmt. guided higher for average loan growth in '14, expectations for net interest income remained the same. We increase our '14 EPS est. to \$3.07 (from \$3.02) and our 2015 EPS est. to \$3.30 (from \$3.25). CMA is well-positioned for loan growth and higher rates, but the stock reasonably accounts for future EPS normalization.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	\$48.00	\$0.77	\$3.02 ▲ \$3.07	\$3.25 ▲ \$3.30	EPS	Americas

Financials - Regional Banks

Commerce Bancshares, Inc. (NASDAQ: CBSH, \$46.18 , HOLD) ►►

Emlen Harmon, CFA
(212) 336-7475
eharmon@jefferies.com

Business Investment Drags on Estimates by a Nickel

Key Takeaway

Our estimates come down a nickel on 2Q14 earnings, as growth in the company's card and trust businesses is generating slightly higher expenses than expected. Still, the company continues to slowly push earnings power forward, with solid loan and fee growth offsetting the effects of spread compression.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	\$47.00	\$0.72 ▼ \$0.71	\$2.84 ▼ \$2.80	\$3.00 ▼ \$2.95	EPS	Americas

Financials - Trust Banks

Trust Banks►►

Ken Usdin
(212) 284-2444
kusdin@jefferies.com

JPM Readthroughs: 2Q14 Servicing Fees up 12% Q-Q and up 5% Y-Y

Key Takeaway

JPM's Securities Services unit grew revenues 5% Y-Y and 12% Q-Q, which is inline with the historical average increase (up 10% Q-Q on average since 2010). JPM tends to post stronger results in 2Q than the trust banks; our forecasts call for a mid-single digit Q-Q increase for all three. Decent AUC growth bodes well for core fundamentals, though it does not change our expectation for an inline to slightly soft quarter for the trust banks in general.

Healthcare - Biotechnology**Radius Health, Inc. (NASDAQ: RDUS, \$12.14 , BUY) ►►**

Eun K. Yang, Ph.D.
(212) 284-2264
eyang@jefferies.com

Initiating with Buy: Potential New Option for Osteoporosis**Key Takeaway**

Ahead of Ph3 data in 12/14, we view highly likely Ph3 success for abaloparatide-SC in osteoporosis (achieving primary endpoint of new vertebral fracture reduction vs. placebo) and potential for better efficacy in some measures vs. Forteo (~\$1.25B in 2013 sales), not factored in current share price. At current modest valuation (EV of ~\$300M), we see limited downside risks and meaningful potential upside.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$17.00	(\$0.54)	(\$2.41)	(\$1.44)	EPS	Americas

Healthcare - Life Sciences & Diagnostic Tools**Repligen Corporation (NASDAQ: RGEN, \$23.37 , BUY) ►►**

Brandon Couillard
(212) 284-2462
bcouillard@jefferies.com

New CFO Adds High Caliber Talent**Key Takeaway**

RGEN's addition of former TMO executive Jon Snodgres as CFO fills a key position that had been vacant for nearly a year. Coupled with the recent addition of COO Tony Hunt, we view the new CFO as yet another hire that strengthens the overall management team and better positions RGEN to expand its global presence. We will host a meeting & facility tour for investors with management of RGEN (including new COO & CFO) at its HQ in Waltham, MA on August 21.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$22.00	-	-	-	EPS	Americas

Healthcare - Life Sciences & Diagnostic Tools**OraSure Technologies, Inc. (NASDAQ: OSUR, \$8.38 , BUY) ►►**

Brandon Couillard
(212) 284-2462
bcouillard@jefferies.com

OTC HIV Retail Monitor: Volumes Steady**Key Takeaway**

Nielsen data indicates retail unit volume sell-through for OSUR's OTC HIV test increased sequentially in early-July (+1% vs. June). The latest data suggest a 2Q14 revenue run-rate for the test essentially in line with our forecasts. Our focus remains on incremental HCV catalysts in 2H14 post the ABBV deal & profitability inflection in 2015. Maintain Buy / \$10 PT.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$10.00	(\$0.09) ▲ \$0.01	(\$0.22) ▲ (\$0.12)	\$0.00	EPS	Americas

Healthcare - Pharmaceuticals

Sinopharm (HKSE: 1099 HK, HK\$23.25 , BUY) ►►

Jessica Li, Ph.D.
+852 3743 8010
jessica.li@jefferies.com

Central SOE Pilot Reforms to Unleash Significant Potential; Raise TP to HK\$31

Key Takeaway

Sinopharm is the only healthcare CSOE chosen for the pilot mixed-ownership reforms, which would help unleash its significant potential. We anticipate the adoption of stock incentive plans, better corporate governance and more effective supervision, leading to improving productivity, efficiency and faster pace of consolidation. We see upside to our earnings growth projection. Maintain Buy and raise TP to HK\$31 from HK\$28.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	▲ HK\$28.00 to HK\$31.00	-	RMB 1.31	RMB 1.56	EPS	Asia

Industrials - Aerospace & Defense Electronics

Aerospace & Defense Electronics►►

Howard A. Rubel
(212) 284-2126
hrubel@jefferies.com

The Jet Set: No Air Pockets

Key Takeaway

The Jefferies monthly business jet survey aims to provide insights into used jet inventory, pricing, and aircraft utilization to predict new delivery demand. Our July 2014 survey indicates an 11% YoY decline in the total number of used aircraft for sale encompassing all business jet categories.

Industrials - Aerospace & Defense Electronics

Alliant Techsystems Inc. (NYSE: ATK, \$134.86 , HOLD) ►►

Howard A. Rubel
(212) 284-2126
hrubel@jefferies.com

Hunting Bear In the Backwoods of Pennsylvania

Key Takeaway

We went on a road trip without any bullets and we didn't come back with any. However, we did have a chance to speak to firearms, ammunition, and hunting gear retailers. Although there continues to be short-term demand uncertainties, the stock market appears to be pricing in a bear case scenario for ATK. Long-term we remain HOLD, but could see some short-term bounce in the shares.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	\$147.00	\$2.90	\$10.42	\$11.35	EPS	Americas

Industrials - Agribusiness

Jain Irrigation Systems Limited (BSE BO: JI IN, INR106.00 , UNDERPERFORM) ►►

Arya Sen
+91 22 4224 6122
asen@jefferies.com

Policy Takes A Backward Step

Key Takeaway

Contrary to expectation of a major policy boost for MIS, government policy has in fact taken a backward step with central government reducing its subsidy share in MIS to 25% of cost of installation from 40% earlier. The budget too did not deliver on expectation of a change in subsidy disbursement mechanism, and central allocation, though up 21% YoY, has been reduced from the interim budget.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
UNDERPERFORM	INR90.00	-	INR6.50	-	EPS	Asia

Industrials - Building Products

Masco Corporation (NYSE: MAS, \$21.13 , BUY) ►►

Philip Ng, CFA
(212) 336-7369
png@jefferies.com

2Q14 Earnings Preview

Key Takeaway

Demand during 2Q was likely a letdown, and the recovery in 3Q could be more gradual than anticipated. We are generally cautious heading into earnings, but the risk is more manageable than we thought, with the Street cutting estimates and expectations appearing reasonable. Our preference would be OC and MAS, which should see better downside protection and have good leverage to the housing recovery.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	▲\$25.00 to \$26.00	\$0.29 ▼ \$0.28	\$1.04 ▼ \$1.01	\$1.38 ▼ \$1.34	EPS	Americas

Nortek, Inc. (NYSE: NTK, \$86.97 , HOLD) ►►

Philip Ng, CFA
(212) 336-7369
png@jefferies.com

2Q14 Earnings Preview

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Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	\$82.00	\$1.48 ▼ \$1.45	\$2.94 ▼ \$2.90	\$4.79 ▼ \$4.73	EPS	Americas

Owens Corning (NYSE: OC, \$36.95 , BUY) ►►

Philip Ng, CFA
(212) 336-7369
png@jefferies.com

2Q14 Earnings Preview

Key Takeaway

Demand during 2Q was likely a letdown, and the recovery in 3Q could be more gradual than anticipated. We are generally cautious heading into earnings, but the risk is more manageable than we thought, with the Street cutting estimates and expectations appearing reasonable. Our preference would be OC and MAS, which should see better downside protection and have good leverage to the housing recovery.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$49.00	\$0.49	\$1.97	\$2.97	EPS	Americas

USG Corporation (NYSE: USG, \$27.82 , BUY) ►►

Philip Ng, CFA
(212) 336-7369
png@jefferies.com

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Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	▼\$36.00 to \$33.00	\$0.48 ▼ \$0.43	\$1.80 ▼ \$1.64	\$2.82 ▼ \$2.63	EPS	Americas

Industrials - Chemicals

Albemarle Corporation (NYSE: ALB, \$72.62, BUY) ►►

Laurence Alexander, CFA
(212) 284-2553
lalexander@jefferies.com

Rockwood Improves Structural Thesis, In Line With Bridge To \$7.30 In 2018E

Key Takeaway

The Rockwood acquisition effectively shifts the Albemarle investment debate in 2H14-2015 from bromine prospects to deal integration and lithium demand prospects. Deal economics imply a slightly better M&A contribution than we forecasted in our "stretch case" of \$7.30 EPS in 2018E.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	\$85.00	\$1.04 ▲ \$1.10	\$4.40	\$4.90	EPS	Americas

Industrials - Engineering & Construction

URS Corporation (NYSE: URS, \$58.40, HOLD) ►►

Luke Folta, CFA
(212) 284-2044
lfolta@jefferies.com

AECOM Acquisition of URS a Win for Both; Highly Accretive and a Fair Price

Key Takeaway

We see AECOM's acquisition of URS as a win for both parties, with AECOM likely to benefit from +33% cash EPS accretion in CY-2015 and URS receiving a fair price at 8.2x CY-2015E EBITDA. While we do not completely rule it out, we do not currently expect another bidder to emerge and expect the deal will likely close on schedule (by YE2014). We raise our TP to the approximate offer value per URS share of \$58.50.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	▲ \$44.00 to \$58.50	\$0.76	\$3.20	\$3.45	EPS	Americas

Industrials - Paper & Packaging

Smurfit Kappa Group plc (ISE: SKG ID, €15.50, BUY) ►►

Justin Jordan
+44 (0) 20 7029 8976
justin.jordan@jefferies.com

Recipe for a Re-rating

Key Takeaway

Following a 10% one month decline on macro concerns & DS Smith read-across, SKG trades on 10.3x 2014 PE with 11.6% FCF yield, the cheapest valuation of any major European packaging group. Post recently announced peer testliner increases, we expect reaffirmed SKG 2014 guidance at July 30 Q2 results as a first re-rating step, with possible UK listing and accretive M&A and/or share buyback as subsequent positive re-rating catalysts.

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	€24.00	-	EUc178.80 ▼ EUc166.70	EUc199.60 ▼ EUc184.60	EPS	Europe

Natural Resources - Metals & Mining

Metals & Mining►►

Anand Agarwal, CFA
+91 22 4224 6112
anand.agarwal@jefferies.com

Q1FY15 Preview: Improvement on the Back of Volume Growth

Key Takeaway

Steel companies are expected to report improved YoY results helped by strong volume growth and better realizations. NMDC would benefit from a 16% YoY offtake growth while earnings for Coal India would remain under pressure due to its inability to grow volumes (4% YoY growth).

Property - China Property

China Property>>

It's Difficult to See Through the Smoky Screen

Key Takeaway

We see lower tension to depress the sector because of increased policy support. Bank easing for mortgages is also reflected in June new lending. But, we are not totally comfortable yet due to uncertainties at the interim. Even SOE developers issued profit warnings. CHFS came up with a conclusion that vacancy and oversupply is substantial in China housing. We prefer low risk on stock picking for now; COLI, CR Land & Vanke.

Venant Chiang
+852 3743 8013
venant.chiang@jefferies.com

Property - Japan Property

Japan Property>>

Healthy First Month Contract Ratio (76.6%) for June Condo Sales

Key Takeaway

June condo data for Greater Tokyo was released by the Real Estate Economic Institute (REEI) today, 15 July, at 1pm. The overall market remains strong with a healthy first month contract ratio, although we have seen a marginal YoY decline in price.

Chang Han Joo
+813 5251 6155
cjoo@jefferies.com

Special Situations - Telecom Services

T-Mobile US (NYSE: TMUS, \$32.10 , HOLD) >>

Deal Seems Closer...Back Up Plan In Place

Key Takeaway

WSJ and Bloomberg articles suggest that S and TMUS continue to push towards a transaction announcement, now speculated for August. While much of the commentary is similar to past rumblings, the articles expand on the possibility of a joint spectrum bidding venture. We see the venture as a potential first step to a network sharing agreement, allowing for the realization of network synergies, should the larger transaction not gain regulatory approval.

Mike McCormack, CFA
(212) 284-2516
mmccormack@jefferies.com

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
HOLD	\$30.00	-	-	-	EPS	Americas

Technology - Comm. Equipment

Ixia (NASDAQ: XXIA, \$10.90 , BUY) >>

Updating Numbers...2015 Consensus EPS Looks Too Low

Key Takeaway

We're updating our estimates post Ixia's restatement of select quarterly 2013 financials, release of Q3'13 and full-year 2013 financials, and Q1'14 guidance. Our confidence in the story is somewhat shaken but we nonetheless believe Street CY15 estimates are too low, and believe our estimates could also prove conservative. Maintain Buy.

James Kisner, CFA
(713) 308-4509
jkisner@jefferies.com

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	▼ \$18.00 to \$14.00	\$0.16 ▼ \$0.05	\$1.00 ▼ \$0.54	\$0.78	EPS	Americas

Technology - Comm. Equipment

Comm. Equipment ▶▶

A Focus on M&A and Margins

Key Takeaway

The JunQ reporting season is set to get underway this week. Here we look at some of the expectations for the EU Telco equipment firms we cover. This time, we see investors focused mainly on a mix of emerging secular themes (including M&A rationale) and margin progression (for 2Q as well as in guidance). We maintain our Buy rating on Nokia and Hold on Ericsson as before.

Lee Simpson
44 (0) 207 029 8695
lsimpson@jefferies.com

Technology - Data Networking & Wireline Equip.

ADTRAN, Inc. (NASDAQ: ADTN, \$22.64 , UNDERPERFORM) ▶▶

Initial Impressions ... In-Line Sales + Better EPS... DT Must Have Been Strong

Key Takeaway

Adtran reported an "in-line / in-line" quarter. Top line results were a touch better than Street consensus. Non-GAAP EPS of \$0.30 equaled our (and Street consensus) estimate of \$0.30. Roughly \$0.02 of the EPS result came from a lower-than-expected tax rate and sharecount.

George C. Notter
(415) 229-1522
gnotter@jefferies.com

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
UNDERPERFORM	\$19.00	-	-	-	EPS	Americas

Technology - Data Networking & Wireline Equip.

Mellanox Technologies, Ltd. (NASDAQ: MLNX, \$35.77 , BUY) ▶▶

Giddy About Grantley: Upgrading to Buy

Key Takeaway

We're upgrading MLNX to Buy as our checks suggest the high-performance Interconnect specialist is likely to benefit from an upgrade cycle driven by the launch of Intel's Grantley server platform. While we think light Q3 guidance is likely, we believe confidence in the shares remains quite low into the print and on balance would be owners.

James Kisner, CFA
(713) 308-4509
jkisner@jefferies.com

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	▲ \$37.00 to \$50.00	\$0.09	\$0.95 ▼ \$0.76	\$1.85 ▲ \$2.00	EPS	Americas

Technology - Semiconductors

ams AG (SWX: AMS SW, CHF143.00 , BUY) ▶▶

Risk of Market Complacency

Key Takeaway

The JunQ reporting season is set to get underway this week. Here we look at some of the expectations for the EU semis firms we cover. All in, we see a growing risk to share price momentum over the summer although we have made no recommendation changes this time given general business strength. Elsewhere we expect sector consolidation to continue to be in focus.

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44 (0) 207 029 8695
lsimpson@jefferies.com

Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	CHF146.00	CHF1.71 ▼ CHF1.69	CHF8.39 ▼ CHF8.29	CHF10.48	EPS	Europe

ARM Holdings plc (LSE: ARM LN, 833.50p , BUY) >>

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Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	1,140.00p	-	23.60p ▼ 22.66p	35.36p ▼ 32.58p	EPS Non-GAAP	Europe

ASML Holding NV (NXT AM: ASML NA, €66.96 , BUY) >>

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Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	€75.00	€0.78	€2.87	€3.55	EPS	Europe

Dialog Semiconductor plc (FSE: DLG GR, €23.55 , BUY) >>

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Rating	Price target	Curr. Q (e)	Current year (e)	Next year (e)	Est. type	Region
BUY	€25.00	-	\$2.44 ▲ \$2.58	-	EPS	Europe

Infineon Technologies (FSE: IFX GR, €8.80 , BUY) >>

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BUY	▲€10.00 to €10.44	€0.12	€0.41	€0.47 ▲ €0.52	EPS	Europe

STMicroelectronics N.V. (PSE: STM FP, €6.46 , HOLD) ►►

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HOLD	▲ €6.49 to €6.92	\$0.03 ▲ \$0.17	\$0.26 ▲ \$0.39	\$0.55 ▲ \$0.62	EPS	Europe

Technology - Semiconductors**ams AG (SWX: AMS SW, CHF143.00 , BUY) ►►**

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Themes & Tactics - US Insights

US Insights►►

Jefferies Equity Research
(888) JEFFERIES
rdepartm@jefferies.com

Forward Looking Research Reports: Which Are Generating the Most Interest?

Key Takeaway

We present the most read Jefferies Franchise Notes from the last two months.

Jefferies Events For further details please call your Jefferies contact

Conferences

Title	Dates	Location
Jefferies Boston Healthcare Summit	8/6/2014	Boston
Jefferies Global Industrials Conference	8/11/2014 - 8/14/2014	New York

ASEAN Urbanization & Demography Corporate Access Day- Hong Kong	8/26/2014	Admiralty
Jefferies Semiconductors, Hardware & Communications Infrastructure Summit	8/27/2014	Chicago
Jefferies Mid-Atlantic Corporate Access Day	9/5/2014	Baltimore
Jefferies Global Healthcare Conference in London	11/19/2014 - 11/20/2014	London

Company Marketing

Title	Dates	Location
Aerospace and Defence Wine Tasting Evening at Berry Brothers	7/16/2014	London
Rightside Group (subsidiary of Demand Media Inc, DMD)	7/17/2014 - 7/24/2014	Boston, Los Angeles, Mid-Atlantic, New York, San Francisco
OPG Power Ventures PLC (OPG LN)	7/17/2014	Chicago
Ess Dee Aluminium Ltd (EDA IN)	7/17/2014 - 7/18/2014	Hong Kong, Singapore
Man Yue Technology Holdings Ltd (894 HK)	7/18/2014	Singapore
Ess Dee Aluminium Ltd (EDA IN)	7/21/2014 - 7/23/2014	Boston, Chicago, New York
Nektar Therapeutics (NKTR)	7/22/2014 - 7/23/2014	Mid-Atlantic, New York
Horizon Pharma Inc (HZNP)	7/23/2014 - 7/24/2014	San Diego, San Francisco
Lipocine, Inc. (LPCN)	7/23/2014	New York
Premier Foods PLC (PFD LN)	7/23/2014 - 7/25/2014	London
BB&T Corp. (BBT)	7/24/2014 - 7/25/2014	Baltimore, Morristown, Philadelphia, Princeton
Ess Dee Aluminium Ltd (EDA IN)	7/24/2014 - 7/25/2014	London
Unibail-Rodamco SE (UL FP)	7/28/2014 - 7/30/2014	Boston, Dallas, New York
GlycoMimetics Inc (GLYC)	7/28/2014 - 7/29/2014	Mid-Atlantic
Mattress Firm Holding Corp (MFRM) Group Meeting at Las Vegas Market Show	7/28/2014	Las Vegas
Spectris PLC (SXS LN)	7/29/2014	Edinburgh
Pace PLC (PIC LN)	7/29/2014 - 8/5/2014	Edinburgh, London

Analyst Marketing

Title	Dates	Location
Peter Ward	7/16/2014	Toronto
Takaki Nakanishi	7/17/2014 - 7/25/2014	Tokyo
Omar Fall	7/17/2014 - 7/18/2014	Frankfurt, Zurich
Bradley "Brad" Handler	7/17/2014	New Jersey
Luke Folta	7/17/2014	New Jersey
Christopher Sighinolfi	7/18/2014	New Jersey
Laurence Alexander	7/18/2014	London
Venant Chiang	7/18/2014 - 8/20/2014	Hong Kong
Omar Fall	7/21/2014 - 7/23/2014	Austin, Los Angeles, San Francisco, Santa Fe
Chehan Perera & Vince Ng	7/21/2014 - 7/25/2014	Boston, Midwest, New York, West Coast
Chang Han Joo	7/21/2014 - 7/25/2014	Amsterdam, Copenhagen, London, Paris, Rotterdam, Stockholm, The Hague, Zeist
Nilesh Jasani - Head of Research for Asia Pacific	7/21/2014 - 7/22/2014	London
Mike Betts	7/22/2014	London
Hiroko Sato	7/22/2014	Tokyo
Justin Jordan	7/23/2014	Frankfurt
Dan Dolev	7/24/2014	Boston
Avin Sony- Energy, Petrochemical and Industrial- Asia Plus (Jefferies Thailand co-branded alliance partner)	7/24/2014 - 7/29/2014	Hong Kong, Singapore
John Janedis	7/25/2014	Kansas City
Makarim Salman	7/28/2014 - 8/1/2014	Copenhagen, Edinburgh, London, Stockholm, Zurich
Mike Prew, Robert Duncan	7/29/2014 - 8/1/2014	Boston, Chicago, New York, Toronto

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Company Specific Disclosures

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Buy - Describes stocks that we expect to provide a total return (price appreciation plus yield) of 15% or more within a 12-month period.

Hold - Describes stocks that we expect to provide a total return (price appreciation plus yield) of plus 15% or minus 10% within a 12-month period.

Underperform - Describes stocks that we expect to provide a total negative return (price appreciation plus yield) of 10% or more within a 12-month period.

The expected total return (price appreciation plus yield) for Buy rated stocks with an average stock price consistently below \$10 is 20% or more within a 12-month period as these companies are typically more volatile than the overall stock market. For Hold rated stocks with an average stock price consistently below \$10, the expected total return (price appreciation plus yield) is plus or minus 20% within a 12-month period. For Underperform rated stocks with an average stock price consistently below \$10, the expected total return (price appreciation plus yield) is minus 20% within a 12-month period.

NR - The investment rating and price target have been temporarily suspended. Such suspensions are in compliance with applicable regulations and/or Jefferies policies.

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NC - Not covered. Jefferies does not cover this company.

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Jefferies Franchise Picks include stock selections from among the best stock ideas from our equity analysts over a 12 month period. Stock selection is based on fundamental analysis and may take into account other factors such as analyst conviction, differentiated analysis, a favorable risk/reward ratio and investment themes that Jefferies analysts are recommending. Jefferies Franchise Picks will include only Buy rated stocks and the number can vary depending on analyst recommendations for inclusion. Stocks will be added as new opportunities arise and removed when the reason for inclusion changes, the stock has met its desired return, if it is no longer rated Buy and/or if it underperforms the S&P by 15% or more since inclusion. Franchise Picks are not intended to represent a recommended portfolio of stocks and is not sector based, but we may note where we believe a Pick falls within an investment style such as growth or value.

Risk which may impede the achievement of our Price Target

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Distribution of Ratings

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY	958	51.59%	250	26.10%
HOLD	751	40.44%	119	15.85%
UNDERPERFORM	148	7.97%	8	5.41%

Other Important Disclosures

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