

http://pull.db-gmresearch.com/cgi-bin/pull/DocPull/10496-D6FF/89936366/The_House_18oct2013.pdf

- Abenomics will lead to higher operational leverage and an improved domestic economy
- BoJ will ease further as needed; DB expects USD/JPY FX to reach 120 by 2015
- Strong macroeconomic data and increase in overseas asset purchases by the Japanese
- GPIF panel report (a third arrow initiative) strongly positive for Japanese risk assets
http://www.cas.go.jp/jp/seisaku/koutekisikin_unyourisk/pdf/e_final_report.pdf

Yen weakening will likely continue to be a theme, benefiting exporters.

Toyota:

<https://ger.gm.cib.intranet.db.com/ger/document/pdf/0900b8c0877259ad.pdf>
7203 JP
Buy
Current price 6170
Target price (11m) 8000
Upside 29%

Panasonic

<https://ger.gm.cib.intranet.db.com/ger/document/pdf/0900b8c08795101a.pdf>
(6752 JP
Buy
Current price 1158
Target price (12m) 1300
Upside 12%

Omron

6645 JP
Not rated at DB
Current price 4105
Target price (12m) 4426 (Bloomberg avg. Not covered by DB)
Upside 8%

Kawasaki Kisen:

<http://gm.db.com/ger/document/ShowPdf.eqsr?productIDMore=0900b8c087790d17>
9107 JP
Buy
Current price 236
Target price (12m) 280
Upside 18%

Reflation is the other major theme, which should be positive for retailers and banks, where DB Research is bullish Rakuten and Resona respectively.

Rakuten:

<https://ger.gm.cib.intranet.db.com/ger/document/pdf/0900b8c087a30eda.pdf>
4755 JP
Buy
Current price 1531
Target price (12m) 1710
Upside 12%

Resona:

<https://ger.gm.cib.intranet.db.com/ger/document/pdf/0900b8c0879ce3f0.pdf>
8308 JP
Buy
Current price 512
Target price (12m) 650
Upside 27%

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