

**Global Equities Roundup: Market Talk**

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The latest Market Talks covering Equities. Published exclusively on Dow Jones Newswires throughout the day.

0622 GMT - Miners pushed Australian stocks to a 2nd-straight weekly gain, as rising prices continued to buoying shares. After 2-straight drops, the S&P/ASX 200 rose 0.2% to 5829.1 as the index moved in a relatively tight 23.7-point range while remaining higher throughout the day. Markets elsewhere turned negative as the day progressed. The index rose 0.7% for the week, the most since late February. The materials sector rose for a 6th-straight day, with Rio Tinto climbing 2% despite another relatively flat day for Chinese iron-ore futures. But most of the major banks fell again; CBA edged up 0.1%.  
(robb.stewart@wsj.com; @RobbMStewart)

0554 GMT - Sa Sa's sharp sales growth picking up in March topped Citi's expectations, due mainly Hong Kong retail doing well thanks to strong mainland visit levels. The quarter's same-store sales in Hong Kong and Macau jumped 15% from a year earlier, versus a combined 11% increase for January and February. It says more stout growth looms with this year's expected openings of the Hong Kong-Zhuhai-Macau bridge and the high-speed railway connecting with Shenzhen and Guangzhou. Shares hit fresh 3-year highs today and are up 6.9%, putting 2018's surge at 54%. (john.wu@wsj.com)

0549 GMT - Taiwan stocks squeezed out Friday gain after early strength eroded late morning. As a number of markets in the region have gone up and down today, the Taiex finished up 0.1% at 10965.39, putting the week's gain at 1.3%. Smartphone-lens maker Largan jumped 4.9% today, putting the week's bounce at 8.6%. Daiwa says Taiwan's economic recovery and decent corporate earnings provide solid ground for investment opportunities. But it sees the Taiex ranging from 10300-11500 in 2H. (chester.yung@wsj.com; @chester\_yung)

0518 GMT - After lagging yesterday, New Zealand stocks maintained gains throughout today's trading--though they finished at session lows. The NZX 50 closed up 0.1% at 8414.77 resulting in a 0.3% advance for the week. Single-handedly pushing the index up today was Fletcher Building, spiking 8.6% on market chatter that Aussie conglomerate Wesfarmers has bought some 3-4% of the building-products firm, whose stock has repeatedly been hitting 6-year lows of late. But a2 Milk capped a tough week with a 3.4% drop. (kevin.kingsbury@wsj.com; @kevinkingsbury)

2256 GMT -- Brookfield Asset Manager's appearance on Infigen Energy's share register hasn't gone unnoticed. The stock rallied 9.2% to A\$0.655 Thursday on news BAM has grabbed a roughly 9% voting stake in the energy company, a position Macquarie suggests is an opportunity to enter the booming renewable energy sector. There's no indication whether BAM will increase its stake, but Macquarie notes it isn't new to Australia with ownership in rail, ports and energy. Still, the investment bank lifts its stance on the shares to outperform and its target price 16% to A\$0.78. (robb.stewart@wsj.com; @RobbMStewart) 2353 GMT -- Ord Minnett offers several reasons to stay bullish about Navigator Global Investments, despite a soft March quarter featuring only 1% growth in assets under management. It likes Navigator's management team and prospects of additional fund inflows from Asia and Europe. Also, more than 90% of Navigator's revenues are recurring and it had net cash of US\$36 million at end-June. "The next catalyst for this stock is the update expected in May regarding the acquisition announced in March of Mesirow Advanced Strategies," Ord Minnett says. "Navigator remains cheap from both a discounted cash flow and multiples standpoint (FY19 cash-PE of 11.4 times and dividend yield of 6.6%)." (david.winning@wsj.com; @dwinningWSJ)

0339 GMT -- Australia's banks face less interest-rate risk than their international peers, the country's central bank argues. For the system as a whole, liabilities due to mature in one month exceed assets that will mature

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in that time by over A\$1 trillion. However, the RBA says it's repricing maturity that matters here. Unlike in many other countries, Aussie banks have more assets that can be repriced within one month than they do liabilities. That's primarily because about 80% of domestic housing loans are priced using variable interest rates that can move with short-term interest rates, and most Aussie business loans are priced at a fixed premium to the 3-month bank bill swap rate, the RBA says in its latest Financial Stability Review. (robb.stewart@wsj.com; @RobbMStewart) 0201 GMT -- Australian media companies may be an unlikely beneficiary of the judicial inquiry into misconduct by Aussie banks. Morgan Stanley remains cautious on traditional media stocks, but sees the inquiry as a surprise catalyst that could add up to A\$250 million in ad revenue and lift earnings per share by 5-15% for Internet, outdoor advertising and TV companies. Anecdotaly, Morgan Stanley sees a rise in brand-build ad campaigns by banks, which typically are top ad spenders anyway. It believes a rise in ad spend in Jan-Feb can be entirely attributed to the banks, though for now it's watching to see how things pan out before changing its earnings estimates. (robb.stewart@wsj.com; @RobbMStewart) 0046 GMT -- Intensifying wholesale funding pressures are yet another margin risk for Australia's banks. Morgan Stanley says a quarter percentage point rise in the spread between the bank bill swap rate and overnight indexed swap rate in the past 6 weeks is small for now but aligns with its view that margins will fall in 2H. Increasing term deposit pricing could present a further risk, if that too is driven up by higher short-term wholesale costs, it adds. (robb.stewart@wsj.com; @RobbMStewart) 0025 GMT -- Morgans takes a knife to its target on Aurizon Holdings, cutting its forecast more than 5% to A\$4.55/share because of an assumed delay in the latest network access undertaking and an early closure of the Cliffs iron-ore mine. That still gives the stock room to rise--but just a little. Aurizon is trading at A\$4.37/share. "While at current share prices we see valuation support, at this stage we find it difficult to get bullish on the stock given the downward direction to earnings," says Morgans. (rhiannon.hoyle@wsj.com; @RhiannonHoyle) 0020 GMT -- While some were soothed Investment Management's update, UBS flags rising risks to medium-term market expectations on fund flows and performance fees. The investment bank says there's been an increasingly mixed performance across BT's London-based Jo Hambro arm, with the first F1H fund outflows since BT bought the business in 2012. UBS adds that Jo Hambro's flow prospects--at least for now--appear reliant on ongoing growth in the US. That said, with shares down 16% this year, the bank says potential risks have been incorporated in BT's stock. (robb.stewart@wsj.com; @RobbMStewart) 0013 GMT -- A big jump in the resource estimate for Oil Search's P'nyang gas field in Papua New Guinea is just part of the positive news flow expected the rest of this year, says Citi, though that's balanced by near-term risk. In the plus column is possible government approval for the LNG expansion work there proposed by Oil Search and its partners, a final engineering design plan and investment in P'nyang by partner Santos. Still, Citi notes the impact of February's big earthquake could be greater than investors are anticipating and there remains uncertainty around LNG growth in growth. So it's still at sell on the stock, which has fallen 2.8% this year--in line with the S&P/ASX 200's energy sector. (robb.stewart@wsj.com; @RobbMStewart) 0005 GMT -- UBS is back among the bulls on Charter Hall Long WALE, saying it likes the property owner's asset mix--especially its lack of exposure to retail at a time when the Australian consumer is in a funk and Amazon is ramping its online offering there. The REIT trades at a 7% yield, higher than peers, and payouts are seen rising some 3% annually the next 3 years. UBS also flags the potential for medium-term EPS-forecasts upgrades from releasing activity and acquisitions. Charter Hall Long WALE is up 0.5% just after the opening bell, cutting the year's drop to 5.3%. (david.winning@wsj.com; @dwinningWSJ) 0001 GMT -- Insurance Australia's recent update reinforces Morningstar's confidence that the firm can deliver on ambitious targets and generate stronger earnings and dividend growth the next 5 years than rival Suncorp. The research firm anticipates 10% compound EPS growth the coming 3 years happening, though it adds investors need to appreciate that general insurance remains a risky sector due to volatility in claims and investment returns. Morningstar's valuation rises 4% to A\$7.30; IAG closed yesterday at A\$7.57. (robb.stewart@wsj.com; @RobbMStewart) 2359 GMT -- Amid an uptick of global M&A activity in the retail-real-estate segment, Citi doesn't see much value at present in Australia's Vicinity Centres pursuing a breakup. The investment bank estimates that Vicinity spinning off its lower-quality malls could boost the company's equity price by 4%, not much considering Vicinity trades at an 18% discount to net tangible assets. What would help, says Citi, is if either of the entities after a breakup adopted a new strategy. It points to DDR, with the spinoff at that US REIT planning to sell assets and return capital to shareholders. Citi says Vicinity could undertake divestitures without a spinoff and still reap many benefits. It's down 12% this year. (david.winning@wsj.com; @dwinningWSJ) 2354 GMT -- Cimic's top ranks are upbeat about demand from the infrastructure and mining sectors. In prepared remarks for the contractor's annual meeting, Executive Chairman Marcelino Fernandez Verdes said Australia's "positive economic prospects will sustain demand for infrastructure spending" and that growth outside of Australia is positive as well, particularly in transport-related infrastructure throughout Asia. "Our mining business is continuing to forecast strong growth as well," adds CEO Michael Wright, who says "Australian export volumes in major commodities are expected to continue to grow and

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there are mining and processing opportunities in several states." The comments come as Cimic shares have skidded 16% this year. (rhiannon.hoyle@wsj.com; @RhiannonHoyle) 2347 GMT -- Frontier Digital Ventures has slid 21% from late January's high, making the Aussie firm's stock look attractive on a technical basis to Morgans. Shares are near key support levels, it says, the moving-average convergence/divergence indicator

reaching oversold territory. Frontier closed yesterday at A\$0.64, and Morgan sees a rebound to A\$0.75 and possibly beyond looming. (david.winning@wsj.com; @dwinningWSJ) 2344 GMT -- BT Investment has cleared the 1st of 3 stock catalysts anticipated by Bell Potter with a solid quarterly update, including a A\$900 million (\$700 million) rise in funds under management despite unfavorable market conditions. Up next is the coming F1H report and anticipated sale by Westpac of its remaining 10% stake in BT. After that, Bell Potter expects shares to push higher. They hit a fresh 15-month low yesterday and are down 29% from May's high. (robb.stewart@wsj.com; @RobbMStewart) 2334 GMT -- After shares spiked in February amid its F1H report, Corporate Travel Management has reversed most of that gain, falling 17% from the high. Morgans says technical charts suggest it's about to turn a corner as the stock is nearing its long-term uptrend line, which currently sits at A\$21. Shares finished yesterday at A\$21.84, and "the relative-strength index and the moving-average convergence/divergence indicators are approaching oversold territory." Morgan says its "ideal entry point is around A\$20.50," but "given the proximity to oversold momentum levels and its long-term uptrend line, we are comfortable to start accumulating." Morgans thinks the stock could get back to A\$24. (david.winning@wsj.com; @dwinningWSJ) 2327 GMT -- Technical analysts at Morgans say Qantas shares won't go much higher from here and that active managers might want to consider trimming their positions. Morgans previously recommended investors buy when shares were trading at A\$5.58, with a view that shares could rise to as high as A\$6.15. Shares hit near there in recent days and now Morgans says there's a "small bearish divergence" that suggests "the near term upside from here might be limited," with key resistance at A\$6.53. Qantas shares closed Thursday at A\$6.04. (mike.cherney@wsj.com; @Mike\_Cherney) 2305 GMT -- G8 Education gets a mixed report card from RBC Capital Markets, which describes the Australian child-care-center owner as "walking through the valley of darkness." RBC predicts G8 Education's occupancy levels in 2018 to be 150-200 basis points lower than a year ago, pegging its annual ebit forecast 5% below consensus estimates. "We forecast a weak 1H18 result and await a more attractive entry point once market expectations are rebased," says RBC, explaining its sector perform call. That could come in 2019 if occupancy levels improve as expected, driven by a more favorable child-care funding regime, which is likely to benefit low- and middle-income families. RBC's maiden A\$3.00/share target compares with G8 Education's closing price of A\$2.62 on Thursday. (david.winning@wsj.com; @dwinningWSJ)

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