

**Global Equities Roundup: Market Talk**

1,253 words

18 April 2018

10:38

Dow Jones Institutional News

DJDN

English

Copyright © 2018, Dow Jones & Company, Inc.

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

2037 ET - Credit Suisse doubts whether Australian-listed Domino's can get to 1,000 stores there after looking at the company's network in Victoria state. It's the least penetrated for the company, making it crucial to hitting that store count. But the investment bank notes significant competition is already in the Melbourne area, suggesting the region "may not be suffering from undersupply of pizza options." Domino's has some 650 stores in Australia. Shares are down 1.2% at A\$39.25, putting the week's slide at 4.9%, as Credit Suisse's stock target falls 12% to A\$42.47. Domino's has skidded 16% this year. (mike.cherney@wsj.com; @Mike_Cherney)

2029 ET - An in-line first quarter production update from Woodside Petroleum does nothing for RBC's bearish view on the stock. Output, sales and sales revenue were each within 2% of the investment bank's forecasts, though prices realized by Woodside were strong as oil strengthened. Yet a lack of medium-term growth remains a worry for RBC, which currently doesn't pencil in contributions from the Browse or Scarborough gas projects since a final investment decision remains 3-4 years away. Shares are up 1.1% as the wider energy sector advances with oil's overnight gains. (robb.stewart@wsj.com; @RobbMStewart)

2027 ET - Asian stocks have followed overnight gains overseas in starting higher, with fresh Trump statements pointing to further easing of tensions on the Korean Peninsula. The Kospi leads with a 1.1% gain as index heavyweight Samsung is up double that. Japan's Nikkei is 0.7% higher as power producers and real estate are strong. Down Under, benchmarks in Australia and New Zealand are lagging with gains of 0.2% or less. (suryatapa.bhattacharya@wsj.com; @SuryatapaB)

2019 ET - Based on typical asset-manager multiples, Commonwealth Bank's Colonial First business could be worth as much as A\$4 billion (US\$3.1 billion), Morningstar estimates. Commonwealth Bank plans to list the business before end-2018, and Morningstar agrees with bank that the unit's longer-term growth opportunities are best served under independent public ownership. Shares ease 0.4%, more than wiping out yesterday's modest rise. (robb.stewart@wsj.com; @RobbMStewart)

1949 ET - Japanese stocks are poised to open with solidly gains, with Nikkei futures starting this morning with a 110-point advance to 21935 on SGX. European and US stocks did well overnight, and the Nikkei itself is working a 3-day winning streak. Meanwhile, the yen continues to mark time, remaining around Y107/dollar for example. Currency traders are still "waiting for the next headline," says Oanda's Stephen Innes, as Abe and Trump hold a 2-day summit. (suryatapa.bhattacharya@wsj.com; @SuryatapaB)

1932 ET - Vocus selling is New Zealand operations, a move which could fetch A\$328-438 million (\$255-340 million). That would allow the telecom firm to cut its net debt/Ebitda ratio to 2.6 from 3.1, says Macquarie. It adds that if a deal ultimately doesn't happen, Vocus is liable to sell upwards of A\$200 million in stock. The investment bank remains bearish on the stock amid Vocus' ongoing uncertainty. Shares have slumped 23% this year, putting Vocus' market cap at A\$1.4 billion. (robb.stewart@wsj.com; @RobbMStewart)

1914 ET -- Morningstar says it is watching closely the fallout from Australia's Royal Commission into financial-industry misconduct as AMP comes under the inquiry's scrutiny. The research firm believes it is increasingly likely AMP will face further compensation payments and fines, though, it says it is of more concern if the commission determines the root cause of these issues is the vertically integrated model that AMP, IOOF and the big four banks employ. For now, Morningstar maintains a A\$5.50 fair-value estimate on

AMP, more than 20% ahead of yesterday's close with another 4.8% slide so far this week.
(robb.stewart@wsj.com; @RobbMStewart)

1910 ET -- EUR/USD has eased toward 1.2340 following the disappointing ZEW survey of Eurozone economic growth expectations. The ZEW expectations survey fell in April to its lowest level since November 2012, suggesting deteriorating analyst sentiment regarding the eurozone outlook, says CBA. Nevertheless, CBA anticipates EUR/USD will lift over the medium term, reflecting the European Central Bank's monetary policy normalization process, improving eurozone growth and inflation dynamics and the region's large current account surplus (3.5% of GDP). (james.glynn@wsj.com; @JamesGlynnWSJ)

1908 ET -- Morningstar says it is concerned by weakness in Village Roadshow's movie-theater unit in its 3Q trading update, especially given struggles at the company's theme park and film distribution businesses. The latter two aren't a surprise: theme-park attendance has been subdued following a deadly accident at Dreamworld in 2016 and the recent Commonwealth Games siphoned away traffic. Film distribution also has been underperforming for years. Morningstar says upcoming Avengers, Deadpool and Star Wars films will hopefully revive movie-theater earnings in the coming months. "The popularity of these films will ultimately determine the magnitude of the fall in earnings," Morningstar says. (mike.cherney@wsj.com; @Mike_Cherney)

1858 ET -- Online lender LendingClub Corp. said in a securities filing on Tuesday that CEO Scott Sanborn was awarded a \$6.8 million pay package for 2017, a decrease of around 40% from his 2016 compensation. Part of the decline was due to the fact that Sanborn didn't receive a cash bonus for 2017 because LendingClub's share price was volatile and below expectations, the company said. Sanborn's 2016 pay package also reflected awards he received related his promotion to CEO that year. LendingClub's finance, risk and operations chiefs also received lower compensation packages for 2017 compared with 2016. (peter.rudegear@wsj.com; @rudegear)

1825 EDT [Dow Jones] -- Farm-state senators want a national security review for the latest purchase of a US agriculture company by a foreign-based entity. Brazil's Marfrig Global Foods this month agreed to buy a majority stake in National Beef, the fourth-largest cattle processor in the US, raising eyebrows among US lawmakers who noted last year's corruption probe into Brazil's meat safety system -- which they say included some shipments from Marfrig. Senators including Chuck Grassley (R., Iowa) and Sherrod Brown (D., Ohio) want the Committee on Foreign Investment in the US to probe the National Beef deal, which follows China National Chemical Corp.'s purchase last year of pesticide maker Syngenta, and the 2013 purchase of Smithfield Foods by China's WH Group. (jacob.bunge@wsj.com; @jacobbunge)

1826 ET -- S&P Global Ratings now expects limited downside risk for the ratings of top gold producers. It puts that down to balance-sheet repair and likely continued fiscal discipline. S&P recently took three positive rating actions in the gold sector, including upgrading Barrick Gold Corp. to BBB from BBB-. "These rating actions returned each company to a position not seen for more than two years and are consistent with our positive bias for the gold sector," says analyst Jarrett Bilous. (rhiannon.hoyle@wsj.com; Twitter: @RhiannonHoyle)

(END) Dow Jones Newswires

April 17, 2018 20:38 ET (00:38 GMT)

Document DJDN000020180418ee4i0005z