

**Basic Materials Roundup: Market Talk**

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The latest Market Talks covering Basic Materials. Published exclusively on Dow Jones Newswires at 4:20 ET, 12:20 ET and 16:50 ET.

1416 ET - Chile's new market-friendly government says it will look to create an environment to make the nation the world's biggest lithium producer, after Australia overtook it last year. Deputy Secretary of Mining Pablo Terrazas says Chile has the "conviction that we should take every opportunity that our natural resources present to us to become a developed country," pointing to potential to develop lithium. "The commitment of this government is to set the necessary conditions so we can exploit this natural resource." Terrazas says Chile has the biggest lithium reserves, but it is the second biggest producer after Australia. Chile is the world's biggest copper producer by far. (ryan.dube@wsj.com; @duberyan)

1129 ET - Canada's government announces new measures to crack down on cheap imports of steel and aluminum, less than a week before a US tariff exemption is set to expire. The Canadian government said it would boost funding for the country's border services agency, resulting in the hiring of 40 additional officers to investigate trade-related complaints. It will also require more steel and aluminum products to be marked with their country of origin before they can be imported to Canada, a measure aimed at preventing exporters from skirting trade rules by routing their products through a third country. Several other measures will come into effect now after they were first announced by the government in March. The announcement comes as negotiators enter an intensive stage in Nafta negotiations and ahead of the May 1 expiry of Canada's temporary exemption from U.S. steel and aluminum tariffs. (kim.mackrael@wsj.com; @kimmackrael)

0951 ET - KAZ Minerals produced a good operational result in the first quarter, analysts at BMO Capital Markets say. The investment bank notes that the increase in production was driven by higher grades of copper, which the company expects to balance out over the year. As a result, BMO Capital Markets says it may have to trim its estimates for 2Q and 4Q to stay in line with guidance. KAZ Minerals shares at are up 1.3% at 920 pence. (oliver.griffin@dowjones.com; @OliGGriffin)

0733 ET - News of Germany's expected aluminum and steel tariff increases comes during an otherwise bearish week for aluminum prices. According to Bloomberg, Rusal's largest offtake partner Glencore is close to resuming sales of Rusal-branded metal after the U.S. Office of Foreign Assets Control extended the deadline to wind down existing business to Oct. 23. "From our own meetings with traders and producers at this week's CRU World Aluminium Conference, we also heard that many traders into Europe would indeed be continuing their existing Rusal contracts until the new October deadline," ING strategists said in a note. (david.hodari@wsj.com; @Davidhodari)

0719 ET - Base-metals prices are down even as a senior German official said the country expects the U.S. will soon hit the European Union with steel and aluminum tariffs. Aluminum prices have slumped more than 11% so far this week, as the U.S. Treasury Department extended a deadline for investors to exit their dealings with sanctioned Russian aluminum giant United Co. Rusal. The softer tone from Washington on the Rusal sanctions eased the pressure on European aluminum prices, but that was stalled by comments from Germany indicating the country expects the U.S. government to introduce higher steel and aluminum tariffs on May 1. (david.hodari@wsj.com; @davidhodari)

0524 ET - N+1 Singer says investors could be reassured by chemical company Elementis's positive 1Q update following mixed reports from peers over the past few days. Elementis said it made a good start to 2018 and backed its full-year guidance, while rival Akzo Nobel reported a 3% decline in volume. As Elementis reports earnings in U.S. dollars, the company avoids the recent currency headwinds facing most U.K.-listed peers, the broker says. Elementis shares are up 4% at 293.80 pence. (maryam.cockar@dowjones.com)

0438 ET - Wacker Chemie beat consensus comfortably on the bottom line, benefiting from lower depreciation and amortization, interest costs and taxes, Baader Helvea says. The consensus beat came despite sales and Ebitda that were broadly in line with consensus, according to Baader, which says unexpected strength in silicones helped offset currency headwinds and higher raw-material prices hitting the polymers unit. Baader says it continues to see upside potential for Wacker's guidance over the year, and reiterates its buy rating. Shares are up 3.4% at EUR148.60. (alberto.delclaux@dowjones.com)

0348 ET - Clariant is on track for a cyclical recovery in 2018, and Wednesday's precipitous share drop presents a good opportunity for investors, says Baader Helvea. The bank says the selloff was motivated by profit-taking after shares rose sharply in the first weeks of April, and also by concerns of weaker-than-expected margins. Baader Helvea says, however, one-time effects drove the lower profitability, and margins should begin to strengthen in the second quarter. The bank retains its buy rating and CHF33.50 target price on the stock. Clariant trades 1.1% higher at CHF23.49.

(nathan.allen@dowjones.com)

0324 ET - Covestro's first-quarter results suggest the company may be losing momentum, despite posting record Ebitda of EUR1.06 billion, says Baader Helvea. Earnings for the quarter are 6% ahead of consensus, but Covestro has repeated its guidance that full-year results will be around the same level as 2017, implying a slowdown in the second half, Baader Helvea says. The bank notes that the strong performance from Covestro's polycarbonate unit was partly due to structural reasons, but was also helped by a short-term boost from China that is unlikely to be repeated. Covestro trades 2.6% down at EUR75.76. (nathan.allen@dowjones.com)

0323 ET - Mongolian companies need a strong market to get their dollar bonds sold. Mongolyn Alt, one of the 2 issuers planning to sell such debt, has pulled its 5-year offering in a sign of waning demand for junk-rated credit. The coal miner's bonds, provisionally rated in highly speculative territory by Fitch, couldn't attract enough investors even at 12%. Meanwhile, Mongolian Mortgage--rated the same as the country at B3--has gone silent after meeting investors who weren't satisfied with the 8% yield it was offering, according to a source familiar with the situation. (manju.dalal@wsj.com; @manjudalalsg)

0232 ET - A retreat by the major banks countered gains elsewhere, pulling Australia's stock benchmark lower for the 1st time this week. After a holiday yesterday, the S&P/ASX 200 fell 0.2% to 5910.8 following solid early gains. Westpac skidded 3.6% after UBS raised questions about the health of the lender's mortgage book. Meanwhile, regional player Bank of Queensland shed 4.9% as it traded ex-dividend. Several big mining stocks eased as well, but the energy sector perked up as oil is rising again. Elsewhere, hospital operator Healthscope jumped 15% following a takeover bid. (robb.stewart@wsj.com; @RobbMStewart)

0204 ET - Clariant is still overvalued, despite a "harsh" market reaction to Wednesday's first-quarter earnings statement, which drove its shares down 7.4%, says Bernstein. Clariant's stock rose steadily through 2017 as it held merger talks with a series of suitors, before dropping sharply in January after SABIC bought a 25% stake, reducing the likelihood of a hostile takeover. However, Bernstein says the company's valuation is still higher than its peers and its share price could fall a further 21%. The bank maintains its underperform rating and CHF19.80 target price. Clariant closed Wednesday at CHF23.23. (nathan.allen@dowjones.com)

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