

**Global Equities Roundup: Market Talk**

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

2037 ET - Should Germany's Knauf be successful in taking over USG, Macquarie says that would create an untenable position for USG's JV with Australia's Boral because it would leave the firm partnering with one of its main rivals in markets including Australia, China and India. The investment bank thinks Boral would buy out USG's 50% stake, worth more than US\$1 billion. Doing so would bring "additional balance and structural growth potential in Asian markets to Boral's portfolio," adds Macquarie. Boral is up 0.8% this morning but down 11% for April. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

2032 ET - For the market concerns stoked by the ongoing judicial probe of potential misconduct in Australia's financial industry, Citi focuses on operations. It says loan losses at the country's major banks remain low and will support dividend growth and valuations. The firm concedes evidence presented to the inquiry has looked worse than feared, highlighting weak lending standards across the industry. But while they will continue to be tightened, Citi doesn't expect a housing-market credit crunch to result. So with the prospect of higher dividends, the bank says stock prices look increasingly attractive. (robb.stewart@wsj.com; @RobbMStewart)

2023 ET - While DBS' 1Q earnings jumped 21%, that came despite a downtick in asset quality at Singapore's largest bank. Its bad-debt ratio rose to 1.6% from 1.4% a year ago, underscoring the lingering pain from the sector's oil-patch exposure, particularly still-ailing offshore and marine companies. Rising crude prices hasn't yet resulted in noted improvement to oil firms' capital spending, but better times are seen ahead. And DBS notes the bad-debt rate was 1.7% in 4Q. Shares have jumped 9.1% this month, hitting fresh record highs last week. (saurabh.chaturvedi@wsj.com; @journosaurabh)

2018 ET - Korean stocks have jumped further at the open while Down Under is logging more-muted moves in a holiday-impacted week across Asia. May 1 is Labour Day in much of the region. Meanwhile, Japan markets are closed today in observance of Showa Day. The Kospi is up 0.5%, putting it on pace for a 3rd-straight gain after rising in 8 of the prior 11 weeks to get 4% below late January's record high. Steelmakers are popping, with heavyweight Posco up nearly 4%. Australia's S&P/ASX 200 has started with a 0.2% gain after having already climbed in 8 of the past 10 trading days. New Zealand's NZX 50 is essentially flat after being down as much as 0.3% some 2 hours ago. (kevin.kingsbury@wsj.com; @kevinkingsbury)

2005 ET - OceanaGold is down 18% the past year and on an enterprise-value/Ebitda basis is trading less than half of peers at 4.3, says Citi. While some—including RBC—say it's properly cheap, the bull doesn't agree. "The shares continue to trade at an egregious discount to peers and fair value." While Citi admits the Aussie miner's latest results was a little softer, the investment bank adds OceanaGold was still very profitable. Shares slid 4.4% last week, their first drop in a month, all but erasing the year's gain. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

1947 ET - A better outlook for oil is a better outlook for BHP Billiton. The miner giant, which also has a big energy unit, gets its earnings forecasts through mid-2019 raised 4-7% by Macquarie amid the investment bank's boosted oil-price assumptions as crude has been at 3 1/2-year highs this month. It also sees the oil rally making BHP's free cash flow through June 2019 roughly US\$1 billion higher than what was anticipated. In addition, Macquarie lifts its price target on BHP's Australian stock by 3% to A\$36.10, London-listed share 4% to GBP17.80 and Johannesburg stock 9% to ZAR310. BHP has jumped 10% this month to A\$31.11. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

1936 ET - Declining foot traffic and sales at shopping centers is a "medium-term risk that is underappreciated" for Australian electronics retailer JB Hi-Fi, contends Credit Suisse. It estimated that at least 21% of JB's stores are in shopping centers where customers or sales are falling. In this age of ecommerce, "long lease durations are likely to result in...less-profitable stores and increasing rates of store closure--even for retailers such as JB Hi-Fi that have relatively strong businesses." Credit Suisse has been bearish on the stock, which fell 11% in 2017 after 2 years of strong gains and has risen 2.4% in 2018. (mike.cherney@wsj.com; @Mike_Cherney)

1922 ET [Dow Jones] The resolution of New Hope Corp.'s dispute with MACH Energy around Mt Pleasant should be the last hurdle before New Hope can buy partner Wesfarmers' 40% stake in Bengalla, says Macquarie. "Given that in March Wesfarmers talked about future earnings as 'ex-resources,' and last week highlighted the company would stop reporting quarterly production, we believe this implies a transaction is likely to happen soon," says the bank. It is logical for New Hope, which also owns 40%, to pursue a majority stake, according to Macquarie, which thinks management could pay more than A\$1 billion and still have the transaction be accretive to earnings. (rhiannon.hoyle@wsj.com; Twitter: @RhiannonHoyle)

1919 ET [Dow Jones] Will the clearing of the deck at AMP be enough to halt the share rout? The stock fell another 6.5% last week on top of the 10% drop the week prior to levels last surfered in 2012 as the financial services firm has been caught in the spotlight of the ongoing judicial inquiry into Australia's financial sector. Now, less than two weeks after he was named acting CEO with the immediate resignation of Craig Meller, Mike Wilkins will fill in as executive chairman after Catherine Brenner stepped down from the role. Wilkins says action will be taken to address allegations raised by the inquiry and a priority is being put on remediating customers. "We have significant work to do to rebuild their trust." (robb.stewart@wsj.com; @RobbMStewart)

1902 ET [Dow Jones] Macquarie says there are five shopping centers that Scentre Group could consider selling or finding a joint-venture partner for, and that such a move would help "alleviate the market's concerns" about debt levels and "bring group gearing in line with its peers." Macquarie says centers at Burwood, Chatswood, Chermside, Garden City and Fountain Gate are the most likely candidates. Those centers are relatively high quality and are above the portfolio average in terms of specialty sales, but Macquarie says there's limited upside from here. The investment bank retains its outperform recommendation on Scentre, saying an on-market share buyback is attractive and that there's "limited P&L impact from potential divestments." (mike.cherney@wsj.com; @Mike_Cherney)

1853 ET [Dow Jones] Morgans sees positives and negatives for Sydney Airport in a recent so-called airport monitoring report from the Australian Competition and Consumer Commission. On the plus side, the ACCC says it supports a possible review of the operating regulations that apply to the airport, such as curfews and aircraft movement caps. Relaxing those might allow Sydney Airport to handle more flights. However, the ACCC also said that another government body -- the Productivity Commission -- is also expected to look into the major airports. Morgans says the downside risk there is "implementation of heavy handed economic regulation." Still, Morgans leaves its "add" recommendation on Sydney Airport unchanged. (mike.cherney@wsj.com; @Mike_Cherney)

1848 ET [Dow Jones] Sandfire Resources has watched its market value rise another 18% already in 2018, after a 23% rally last year. But Morgans wonders: does this strength overlook emerging risks? It attributes the gains to a healthy free cash flow yield, but worries the end of Sandfire's Degussa operation in 2022 may force the company into M&A in "less desirable projects, commodities or jurisdictions." The broker also sees more risk for investors as the company advances its Black Butte project. Morgans downgrades to Reduce from Hold, although--after recent gains--lifts its target to A\$7.02 from A\$6.80. The stock last traded at A\$8.16. (rhiannon.hoyle@wsj.com; Twitter: @RhiannonHoyle)

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