DOW JONES NEWSWIRES

Global Equities Roundup: Market Talk

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

0552 GMT - Higher oil prices are leading to more capital-allocation choices--capital spending, dividends, acquisitions--for China's 3 majors, says Goldman Sachs. While the trio is boosting gas-field spending, the investment bank sees Sinopec having an 8.4% dividend yield this year and CNOOC clocking in at 5% and PetroChina at 3.5%. (john.wu@wsj.com)

0549 GMT - Foreign investors ramped up their buying of Malaysian stocks last week as the country's benchmark topped 2014's record high. Net inflows were MYR582 million ($149.6 million), the most in 3 months and a 3rd-straight week of buying, according to MIDF Research. Most of the buying was on Thursday, when a net MYR430 million occurred, the strongest day in 13 months. Heavy inflows were also seen in other Asian emerging markets as oil prices hit 3 1/2-year highs. Thursday was when the FBM KLCI topped the 2014 peak.(yantoultra.ngui@wsj.com; @yantoultra)

0532 GMT - Fresh 2018 lows for Tencent, which is now 17% below late January's record high and closer to bear-market territory. China's biggest tech company by market cap has fallen steadily following last month's 4Q report and the global tech rout, which got new legs last week amid news on ZTE and Taiwan Semiconductor. While the decline of the past 3 months nearly matches the 3-month, 18% slide seen in late 2016, analysts' views haven't budged. The average price target among 45 analysts who cover Tencent is $525.20, according to FactSet. Down 1.6% today at $394, now marks the biggest-ever spread between shares' actual price and the Street's targets, according to the financial-data firm. (steven.russolillo@wsj.com; @srussolillo)

0518 GMT - Steady afternoon selling left New Zealand stocks at session lows before an end-of-session jumped erased half of the decline. As equities in the region generally started the week lower, the NZX 50 fell as 0.2% to 8303.62. A2 Milk slid 3.1% and Air New Zealand last a further 1.2%. (kevin.kingsbury@wsj.com; @kevinkingsbury)

0505 GMT - Myer popped to session highs on word of retail veteran John King being named CEO of the struggling Aussie department-store operator. He led British chain House of Fraser from 2006 until its 2014 buyout. Investors may be betting on a white knight riding to the rescue of Myer, which is unprofitable at present amid sliding sales and now faces the likes of Amazon. The company, though, has long been viewed as a possible takeover target. Shares are up 4.2%, nearly erasing April's drop. But Myer has slumped 44% this year, setting a series of record lows in the process. (rachel.pannett@wsj.com; @rachelpannett) 0139 GMT - Telstra's mobile division is arguably its best business, and certainly its most profitable. But Morgan Stanley says the business is also increasingly an area of key risk because of heightened competition and the looming threat of a new mobile operator in Australia. For an idea of just how bad it could be, Morgan Stanley looks to France. There, Orange is finally logging growth some 6 1/2 years after Iliad launched a 4th mobile network. Morgan Stanley's stock target falls 12% on Telstra to A$3. Shares are at fresh 6 1/2-year lows today in dropping 0.3% to A$3.07. They've dropped 15% in 2018. (robb.stewart@wsj.com; @RobbMStewart) 0119 GMT - Morgans reckons its hard not to see longer-term value in AMP, though it concedes there's risk to its bullish view on the stock. It notes last week's 10% slump in the shares left AMP trading on an attractive forward P/E of 11.5, with potential upside from current levels at A$4.26 to reach Morgans scaled-back target of A$4.94. However, Morgans also notes regulatory risk has risen significantly post the royal commission-inquiry in Australia and early departure of the CEO, with execution by a new management team the key to AMP realizing value. (robb.stewart@wsj.com; @RobbMStewart) 0040 GMT - Last week may have

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marked a near-term peak for NextDC's shares, with further near-term weakness likely in a pull back on a rally that took price beyond Morgans Fianancial's A$6.90 upside target. Morgan's financial analysis suggests the shares could slip toward A$6.30, with charts suggesting a breather for the shares in the months ahead. The tech firm's stock is now down 1% at A$6.66, narrowing the year-to-date gain to 11%. (robb.stewart@wsj.com; @RobbMStewart) 0017 GMT - Asian stocks are little changed in early trading as they shrug off the Friday pullback in US stocks, where tech names were again week. Benchmarks in New Zealand and Australia are both up 0.3% while Japan's Nikkei and Korea's Kospi are within 0.1% of Friday's finishing levels. Japanese equities are getting helped by fresh declines in the yen as earnings season arrives. For their part, S&P 500 futures are up 0.2%. (suryatapa.bhattacharya@wsj.com) 0014 GMT - Technical analysis suggest near-term upside for South32's shares is likely to be limited, given the proximity to resistance at A$4.02 and overbought momentum indicators, Morgans Financial says. A rally the last few days has lifted the stock past Morgans initial target of A$3.90; its down 0.1% this morning to A$3.925, leaving April's advance to date at 22%. (robb.stewart@wsj.com; @RobbMStewart) 0006 GMT - Though Morgans continue to favor Alumina longer-term, its technical analysis suggests clients consider trimming positions in the Aussie firm with shares going through Morgan's A$2.50 upside target amid the stock's 20% pop this month on aluminum's price surge. Shares look to have reached overbought territory, it adds. Alumina is flat in the opening minutes at A$2.83. (robb.stewart@wsj.com; @RobbMStewart) 1952 ET - Following the greenback's best week in 2 months, AxiTrader is looking at what levels it might need to reach versus some other currencies to send the Aussie dollar skidding versus the US dollar. Potential triggers include $1.2150 versus the euro and Y108.50; they're respectively at $1.2275 and Y107.85. The firm also flags the New Zealand dollar falling below US$0.7140; it's right around US$0.72. A break of at least one of those should set the stage for the Aussie breaching US$0.7650, says AxiTrader, and testing the trendline support form 2016's low which right now stands at US$0.7615. The Aussie is at US$0.7665. (james.glynn@wsj.com; @JamesGlynnWSJ) 1929 ET - Morgan Stanley's indicator of Australian housing dropped to a new low of -0.9 in 1Q, suggesting the recent decline in prices will likely continue throughout 2018. All categories of the indicator remain at subdued levels, but credit supply was the main driver of the move downward, the investment bank says, as regulatory scrutiny continues to tighten the market. With home prices nationally down some 1.5% from their peak late last year, Morgan Stanley contends it's clear the housing market has turned. (james.glynn@wsj.com; @JamesGlynnWSJ) 2323 GMT -- Credit Suisse adds its voice to concerns about Aristocrat Leisure's digital strategy. The company recently bought game developers Big Fish and Plarium, and some analysts have wondered whether those acquisitions will pay off, given regulatory worries in the U.S. about social-casino games and the possibility of staff turnover at the developers. Credit Suisse says its surveys show that F1H revenue is up about 10% combined for the Heart of Vegas and Cashman apps, but that "uncertainty prevails over the potential of Aristocrat's digital division." Credit Suisse looks to the May 1 investor day for more details from the company. (mike.cherney@wsj.com; @Mike_Cherney) 2313 GMT -- Last week was a disaster for AMP, with shareholders suffering a 10% drop in the firm's market value and a heritage brand suffering considerable damage, Morningstar notes, after AMP apologized for misconduct and failures in the wake of a judicial inquiry into the wider financial industry. The research firm expects to drop its stewardship rating on the stock and anticipates further changes at AMP after the immediate departure of its CEO, including a likely restructuring of its wealth-management business and a replacement of senior management. "Despite the proactive action, we are unconvinced AMP can recover quickly from this fiasco." (robb.stewart@wsj.com; @RobbMStewart) 2307 GMT -- An earlier Easter holiday this year gave Sydney Airport's 1Q passenger numbers a one-time boost, but Morningstar says it is nonetheless encouraged to see that international travellers from China and the U.S. continue to drive growth. That supports the research firm's forecast for retail spending per passenger to rise 3% annually. Overall, Morningstar says it expects passenger growth to slow slightly from the 4% increase seen in 1Q, but it says Sydney Airport shares are still "slightly undervalued." (mike.cherney@wsj.com; @Mike_Cherney) 2306 GMT -- Equity investors ought to stay the course, Macquarie suggests. The Australian market was at its worst, down 6% from its recent year-to-date high, but has subsequently bounced. That could be read as a relatively stable performance, despite narrow drivers from strong gains in energy and materials and a jump in healthcare stocks, or as a warning sign that without the contributions of health and commodities there's little support for the market. Macquarie's view runs between those takes, noting that the worst performing sectors have been bond-proxy and interest-rate sensitive including banks, utilities and REITs--which is unsurprising given fears of rising bond yields. "The market has not collapsed and neither have earnings, despite poor breadth." (robb.stewart@wsj.com; @RobbMStewart) 2234 GMT -- AUD/USD will take its lead this week from 1Q CPI data on Tuesday. CBA, which has a consensus view of a 0.5% rise on-quarter, says there is some downside risk to its forecast, which stems from ongoing soft wages growth across the economy. If this risk materializes, AUD will come under short term downside pressure against most major currencies. Still, high commodity prices and soft import prices is providing AUD with solid support for now, CBA adds. (james.glynn@wsj.com ; @JamesGlynnWSJ) 2148 GMT -- A

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resurgence in U.S. bond yields is potentially the most important driver of FX markets in the coming week or longer, says Amp GFX. The rise may be a more pervasive trend likely to influence other markets, rather than be influenced by them, it adds. The USD's reaction to higher U.S. yields has hardly been straightforward in

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the last year, but it did strengthen broadly in-line with higher yields in the last week. USD/JPY may initially benefit from higher U.S. yields, but soft equity performance may also limit those gains, Amp GFX says. (james.glynn@wsj.com)

0505 GMT - Myer popped to session highs on word of retail veteran John King being named CEO of the struggling Aussie department-store operator. He led British chain House of Fraser from 2006 until its 2014 buyout. Investors may be betting on a white knight riding to the rescue of Myer, which is unprofitable at present amid sliding sales and now faces the likes of Amazon. The company, though, has long been viewed as a possible takeover target. Shares are up 4.2%, nearly erasing April's drop. But Myer has slumped 44% this year, setting a series of record lows in the process. (rachel.pannett@wsj.com; @rachelpannett)

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