

**Global Equities Roundup: Market Talk**

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

2113 ET - Intellectual property firm IPH has offered fresh balm to its beleaguered investors with plans for a A\$40 million share buyback, sending its shares up 5.2% to a near 3-month high. IPH will take on more debt to boost returns for shareholders, and says it won't alter its dividend policy. It comes as Bell Potter took the absence of a trading update in recent management presentations as good news with regard to FY18 consensus expectations. The bull currently expects IPH to report FY18 ebitda of A\$72.1 million. Still, IPH's stock remains well below year-ago levels, having been hurt by a poorly received 1H result in February. (david.winning@wsj.com; @dwinningWSJ)

2112 ET - Malaysian equities fall further at the open, building on yesterday's underperformance, in the last trading before markets are closed Wednesday for the election. The FBM KLCI remains at 1-month lows in falling 0.2% to 1824, with palm-oil planter Kuala Lumpur Kepong down 2.2% and gas-station operator Petronas Dagangan off 1.5%. But fiber-optic producer Opcom, led by one of the sons of Malaysia's opposition leader, jumps a further 8% as some appear to be betting on an opposition win. (yantoultra.ngui@wsj.com; @yantoultra)

2109 ET - Online real-estate classifieds company REA's A\$130 million (\$98 million) deal to Hometrack Australia sends Morgan's stock target on REA up 16% to A\$87.66 as the purchase would give REA a market-data and valuation service. Chief rival Domain has such an operation. "We would expect that REA will have an agent-oriented service within 6-9 months," says Morgans, which is also impressed by REA's growth in paid depth-ad volumes. Premiere ad volumes last week were up 44%, highlighting the continuing leap in premium properties being offered for sale. REA, 62%-owned by Dow Jones publisher News Corp, is down 0.7% at A\$82.34, cutting the month's gain to 1.8%. (david.winning@wsj.com; @dwinningWSJ)

2047 ET - Morgans has become more optimistic about Carsales.com's Korean foray even though it won't ever be as lucrative as its Australian arm. The investment bank thinks Encar, which Carsales fully acquired in mid-January, could become a A\$100 million (\$75 million) revenue business within 5 years. "The Encar business is deeply entrenched in its local market and, for the time being, has no competitors of significance," Morgans notes. After drilling down into the Korean automotive marketplace, Morgans lifts its price target on Carsales by 9.5% to A\$16.76. After yesterday's 3.3% slide, shares are up 1.5% this morning at A\$14.49. (david.winning@wsj.com; @dwinningWSJ)

2039 ET - Property-casualty solvency margins and shareholder equity at Chinese insurer PICC remain quite vulnerable to market volatility, says research firm Silver Point, and its investment in 2nd-tier Huaxia Bank suggests greater vulnerability. The earnings contribution from Huaxia, included for the first time in PICC's results, was the sole reason for the firm's 1Q profit beat, says Silver Point, as well as most of the insurer's gross-yield growth. (john.wu@wsj.com)

2036 ET - A fresh jump for Aussie hospital operator Healthscope as NorthWest Healthcare buys a 10% stake and says it and Vital Healthcare are interested in Healthscope's portfolio of 45 hospitals, concentrated in cities around Australia. NorthWest adds the pair would join forces on any move to buy the real estate. Interest has emerged after a group of investors last month pitched a bid worth about A\$4.1 billion (\$3.1 billion) for Healthscope. Shares are up a further 4.2% today after popping 26% in April, their best-ever month. The stock has logged 3-straight yearly drops. (robb.stewart@wsj.com; @RobbMStewart)

2033 ET - Asian stocks are largely higher, with Korea's Kospi leading the way with a 0.5% after yesterday's holiday there. Asian stocks rose broadly to start the week, and Samsung is 1.5% higher. The Nikkei, which lagged yesterday following a 4-day weekend, is up 0.1% with gains in fishery and agriculture products and metals and declines in electronics-parts stocks. The market is awaiting Trump's decision Tuesday on the Iran nuclear deal. Down Under, the S&P/ASX 200 in Australia is up a further 0.4% while New Zealand's benchmark is essentially flat. (kosaku.narioka@wsj.com)

2016 ET - As HSBC's 1Q costs were a noted miss on increased technology and growth-related spending, Goldman Sachs says the bank's capital position was also modestly weaker than expected, perhaps explaining the firm's smaller-than-anticipated buyback plans. While the planned \$2 billion of purchases would further weigh on capital ratios a bit, they could be "fundamentally supported" by a closing in the decade-wide gap between Hibor and Libor. (john.wu@wsj.com)

2011 ET - Ord Minnett goes from bear to bull on Platinum Asset Management after funds under management hit A\$28 billion (\$21.1 billion) in April, a 2 1/2-year high. The broker was expecting softness in response to Kerr Neilson quitting as CEO in February. "With more-than-20% total shareholder return on offer, net inflows sustained and the stock trading at the bottom end of its P/E range," now's the time to buy, it adds even while trimming its stock target 2.1% to A\$6.50. Shares have sunk 21% this year to A\$6.06, even with today's early 8.2% jump. (david.winning@wsj.com; @dwinningWSJ)

2008 ET - Deutsche Bank now pegs the cost of Clean Teq's Sunrise cobalt-nickel project at A\$1.45 billion after the miner says the refinery would be bigger than previously thought. Clean Teq last week said the project would produce 7,000 tons of cobalt a year and 25,000 tons of nickel, up from prior expectations of 4,000 tons and 21,000 tons. Still, Clean Teq didn't lift its construction cost estimate from A\$1.05 billion. "We assume higher waste movement is required and have built in an additional A\$100 million in capex," Deutsche says. (david.winning@wsj.com; @dwinningWSJ)

2007 ET - BHP thinks it's increasingly likely the price gap between high- and low-grade iron ore will remain above historic levels. "We have observed that steel mills across [Australia] have been actively upgrading their production facilities...designed to produce high-quality steel products," notes BHP Chief Commercial Officer Arnoud Balhuizen. At the same time, China's focus on environmental reform has included far-more-stringent sulfur-oxide and nitrogen-oxide standards, which also points to greater long-term demand for high-quality raw materials, he adds. As such, Balhuizen says that should provide support for widened price differentials. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

2005 ET - Provided credit conditions remain benign, Macquarie sees scope for Westpac to pay a special dividend, though not this fiscal year. That's another tick for a sector that has underperformed the broader market for some time, after ANZ says it will consider an additional A\$1 billion-A\$1.5 billion share buyback after finalizing a reinsurance deal with Zurich. For Westpac, Macquarie notes that model changes mean Westpac's approach to capital is now more aligned with that of its peers and any hit from implementing regulatory capital rules is likely to be diminished, potentially freeing it up for a special payout in fiscal 2019. It remains bullish on the stock, which it says is trading on an 11.5 price-earnings multiple against a peer-average 12.3. (robb.stewart@wsj.com; @RobbMStewart)

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