

**G8 Education 'Walking Through the Valley of Darkness': RBC -- Market Talk**

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1905 ET -- G8 Education gets a mixed report card from RBC Capital Markets, which describes the Australian child-care-center owner as "walking through the valley of darkness." RBC predicts G8 Education's occupancy levels in 2018 to be 150-200 basis points lower than a year ago, pegging its annual ebit forecast 5% below consensus estimates. "We forecast a weak 1H18 result and await a more attractive entry point once market expectations are rebased," says RBC, explaining its sector perform call. That could come in 2019 if occupancy levels improve as expected, driven by a more favorable child-care funding regime, which is likely to benefit low- and middle-income families. RBC's maiden A\$3.00/share target compares with G8 Education's closing price of A\$2.62 on Thursday. (david.winning@wsj.com; @dwinningWSJ)

1855 ET [Dow Jones] -- The RBA's Financial Stability Review at 0130 GMT will likely show that the central bank is pleased to see that conditions in the housing market have cooled, including a slowing the pace of credit growth to investors and a drop in the share of interest only loans, says CBA. However, a cooler housing market isn't enough to bring rate rises back on the table anytime soon. In a speech on Wednesday, RBA Governor Lowe said that the RBA "does not see a strong case for a near-term adjustment in monetary policy." james.glynn@wsj.com ; @JamesGlynnWSJ

1856 ET -- Brookfield Asset Manager's appearance on Infigen Energy's share register hasn't gone unnoticed. The stock rallied 9.2% to A\$0.655 Thursday on news BAM has grabbed a roughly 9% voting stake in the energy company, a position Macquarie suggests is an opportunity to enter the booming renewable energy sector. There's no indication whether BAM will increase its stake, but Macquarie notes it isn't new to Australia with ownership in rail, ports and energy. Still, the investment bank lifts its stance on the shares to outperform and its target price 16% to A\$0.78. (robb.stewart@wsj.com; @RobbMStewart)

1954 ET [Dow Jones] Iron ore's underpinning a continued losing streak in IHS Markit's Materials Price Index. The index--which tracks commodity input costs for manufacturers, including oil, rubber and metals--fell again last week, marking its ninth decline in 10 weeks, says IHS Markit. The ferrous metals subindex was down 6.4%, it says, mainly because of a weakening iron-ore market. "Chinese iron ore port stocks are relatively high, while ore shipments to China have begun to slow--both are signs of weaker demand, which is undercutting prices," it says. (rhiannon.hoyle@wsj.com; Twitter: @RhiannonHoyle)

1953 ET [Dow Jones] Ord Minnett offers several reasons to stay bullish about Navigator Global Investments, despite a soft March quarter featuring only 1% growth in assets under management. It likes Navigator's management team and prospects of additional fund inflows from Asia and Europe. Also, more than 90% of Navigator's revenues are recurring and it had net cash of US\$36 million at end-June. "The next catalyst for this stock is the update expected in May regarding the acquisition announced in March of Mesirow Advanced Strategies," Ord Minnett says. "Navigator remains cheap from both a discounted cash flow and multiples standpoint (FY19 cash-PE of 11.4 times and dividend yield of 6.6%)." (david.winning@wsj.com; @dwinningWSJ)

1849 ET - U.S. officials discussed the future of Prudential Financial Inc. on Thursday, according to a readout of a closed-door meeting of the Financial Stability Oversight Council. The company was designated a "systemically important financial institution" subject to federal regulation in 2013. Many expect the Trump administration will remove that label as it did for American International Group Inc. Prudential says it is making the case that it never should have worn the "SIFI" tag and "will continue our active engagement." It's not clear when a final decision will occur. (Ryan.tracy@wsj.com @ryanjtracy)

1727 ET - The board of directors of PayPal awarded Chief Operating Officer Bill Ready a \$26.2M pay package for 2017, more than four times his 2016 award and above the pay package given to CEO Dan

Schulman, according to the company's proxy statement filed on Thursday. A chunk of Ready's pay was in the form of stock awards related to his promotion to operations chief in late 2016 and reflected "the level deemed necessary to retain Mr. Ready's continued service to [PayPal] in this key operational role," and "the highly competitive labor market in the Bay Area," among other considerations. Schulman's compensation package totaled \$19.2M, slightly above the \$18.9M he was awarded for 2016. (peter.rudegeair@wsj.com; @rudegeair)

1709 ET - The leader of Canada's westernmost province, British Columbia, says courts should determine what power BC has in influencing Kinder Morgan's proposed Trans Mountain pipeline expansion. Ahead of a weekend summit with Canada PM Trudeau, BC Premier John Horgan warned against any "saber rattling or provocation," from the federal and Alberta governments, which want the pipeline project--now in peril--built. Horgan said his province is preparing references to provincial and federal courts to seek what jurisdiction BC has when it comes to protecting the province's coastline in event of a crude-oil spill. Those should be allowed to proceed. BC opposition to the project prompted Kinder Morgan to issue an ultimatum that it will scrap the project by May 31 unless it has clarity on whether expansion can proceed. (paul.vieira@wsj.com, @paulvieira)

1629 ET - Electronic Arts broadens its executive-leadership team, a move the videogame-publishing giant says reflects how the industry has evolved to include new areas of business such as esports, live-streaming and digital distribution. Among the most notable changes is the elevation of Patrick Söderlund to the newly created position of chief design officer from executive vice president of world-wide studios. EA says the promotion means Söderlund will oversee the design of the company's games, marketing initiatives and technological innovations. EA, which makes popular franchises such as FIFA and Battlefield, is expected to report earnings on May 8. A spokesman said the leadership announcement is unrelated and was timed to align with the start of the company's new fiscal year. (sarah.needleman@wsj.com; @saraheneedleman)

1606 ET - The Dow Jones Industrial Average records its ninth triple digit move in the past 10 trading days, rallying sharply on some easing of worries about an imminent strike on Syria and a possible move away from protectionist trade policies in the Trump White House. Financials rise along with bond yields as traders exit safe haven bets. BlackRock gains 1.5% on strong earnings, setting the table for 1Q results from Citigroup, JPMorgan and Wells Fargo early Friday. DJIA rises 293 points to 24483, the S&P 500 adds 21 to 2663 and the Nasdaq gains 71 to 7140. (patrick.sullivan@wsj.com)

1552 ET - The Mississippi River is closed along a 10-mile stretch near New Orleans after a Singapore-flagged cargo ship hits a pier and spills diesel fuel, says the Coast Guard. The accident happened this morning, and the Coast Guard says no injuries were reported and a cause is being investigated. It didn't indicate how much may have been spilled. "The Mississippi River is closed to vessel movement from mile marker 91 to mile marker 101," it says, adding the leaky ship has reportedly been plugged up and is moored at a nearby wharf. (dan.molinski@wsj.com)

1530 ET - Hours after the House Agriculture Committee unveiled its Farm Bill, the committee's top Democrat rejected the legislation thanks to plans included to overhaul the nation's food-stamp program. The Republican-sponsored plan subjects 5M to 7M people to tougher work requirements in exchange for benefits, a proposal that angered Democrats and prompted them to abandon negotiations. "This bill attempts to change SNAP from a feeding program to a work program," said Collin Peterson (D, Minn), adding that "pursuit of partisan ideology" puts farmers at risk during a difficult period for the agricultural economy. The bill is "a dangerous and unproductive step that will only sow division and jeopardize both this and future farm bills," he said. (jesse.newman@wsj.com; @jessenewman13)

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