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DJ Australian Equities Roundup -- Market Talk

1,106 words
27 April 2018
16:32
Dow Jones Institutional News
DJDN
English

0552 GMT - Growing risks in a number of areas--including consumer spending, tightening bank-lending standards and slowing Sydney and Melbourne property markets--should keep Australia's central bank on hold until 2020, contends AMP Capital chief economist Shane Oliver. That's a dovish sentiment versus many prognosticators. He also thinks a rate cut can't be ruled out. (james.glynn@wsj.com; @JamesGlynnWSJ)

0448 GMT - Nomura says guidance from Australia's central bank after Tuesday's meeting will warrant above-average attention as there is risk the RBA's description of global growth momentum and the local labor market could sound a fraction softer. Meanwhile, policymakers' comments on inflation could be more upbeat--and thus bearish for bonds--the investment bank adds. Nomura will be watching closely for clues about coming forecast revisions; it's possible the RBA could trim some GDP forecasts and tick up CPI predictions. (james.glynn@wsj.com; @JamesGlynnWSJ)

0207 GMT - Is a better mining market sparking a resurgence in dealmaking Down Under? The value of mining and metals takeover in resource-rich Australia quadrupled from 4Q last quarter to US$1.8 billion, notes deal advisor EY. "With stronger balance sheets and buoyant commodity demand, acquisitive growth will drive deal activity in Australia in 2018," predicts Paul Murphy, the firm's Asia Pacific mining transactions leader. Australia accounts for about 1/3 of global mining M&A deals by volume. Murphy thinks there will be a particular focus on "strategic investments," with activity in battery metals, in particular, seen increasing. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

0203 GMT - Expectations of extended coal-import restrictions at ports in southern China should help push up prices for the fuel, says Argonaut Securities. Limits "will lead to supply tightness in these coastal provinces and also in their neighbouring provinces," which account for about 20% of the country's coal usage, the firm notes. With the value of coal shipped from Australia to southern ports up some 4% the past week, Argonaut expects higher domestic prices as well, particularly as Chinese demand for coal rises from 2017 levels. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

0141 GMT - Senex Energy has plenty on the go to keep Credit Suisse interested in the Australian firm. While output fell sequentially, "the production numbers themselves [are] a bit of a sideshow to where this business could be positioned in 24 months," the investment bank contends. The Growler-15 horizontal well had a great outcome, the Atlas project is progressing towards an infrastructure decision and there's the "incredibly logical deal with BPT to allocate capital where it'll be most effective." Credit Suisse adds that with strong oil prices this year, earnings expectations at Senex are being bolstered. Shares are up 1.9%, erasing most of this week's decline. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

0133 GMT - An oil-price-outlook upgrade prompts Macquarie to also raise its expectations for Australia's Woodside Petroleum. The bank lifts to Neutral from Underperform and increases its target by 14% to A$31.90, after raising its 2018 Brent forecast by 20% to roughly US$70 a barrel. "Despite our concerns on the viability of expansion projects at Scarborough and Browse, current cash generation means Woodside can take more of this risk on their own balance sheet," says Macquarie. (rhiannon.hoyle@wsj.com ; @RhiannonHoyle)

0120 GMT - For Australia's Healthscope, an uncertain near-term industry outlook takes a backseat to a potential reorganization, with a takeover premium likely to remain in the shares for the time being, says Morgan Stanley. The company has received an unsolicited offer of A$2.36 per share from a consortium including BGH Capital and AustralianSuper, prompting the bank to lift its target to the same value, from A$1.67, and upgrade the stock to Equal-weight from Underweight. Still, the "near-term outlook is challenged...as the industry evolves to face increasing weakness," cautions Morgan Stanley. (rhiannon.hoyle@wsj.com ; @RhiannonHoyle)

0102 GMT - Australia's central bank could boost its inflation forecast next week as core inflation hit 2% for the first time since 2015 in 1Q. Bank of America Merrill Lynch sees the RBA boosting its year-end inflation view to 2% from 1.75%. But at adds that doesn't mean the central bank will move off its neutral guidance. (james.glynn@wsj.com; @JamesGlynnWSJ)

0038 GMT - Oceanagold remains cheap, and that's how it should be, says RBC as the miner needs to spend more at its Haile site and the company is projected to have modest cash flow in comparison to Australian peers. "Absent stronger free cash flow, we find it difficult to identify the obvious catalyst" for stocks despite strong output last quarter. Shares are down 5% today, putting the week's skid at 6.9% and Oceanagold back into negative territory for 2018. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

0022 GMT - Boral's outlook has soured some following weak results from US wallboard maker USG. The companies are JV partners, and USG said its 1Q share of equity income from the effort slid to US$9 million from $13 million a year earlier on higher paper. Deutsche Bank calls the results "disappointing" even though the start of the year is generally the slowest. Boral is up 1.8% in early Australian trading. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

2358 GMT - Newcrest's update on the Cadia mine has restored confidence in important operation's outlook, says Deutsche Bank. While F3Q production for the company was soft, output from Cadia was better than expected following the March tailings-dam spill. Deutsche boosts EPS forecasts through mid-2019 up about 5% on Cadia's rebound. Shares are up 3.8% this week, cutting the year's drop to 9.1%. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

2348 GMT - Sandfire's boost to gold-output guidance and a reduction in production-cost estimates should help cash flow this quarter, says RBC while calling F3Q "a solid result" for the miner. That as the Monty development remains well-placed to see its 1st ore by the end of 2018. RBC remains upbeat on the stock, highlighting its expectations on cash flow and saying it's "a nice avenue for investors seeking copper exposure" in Australia. Shares have jumped 14% this month, on pace for the biggest gain since January 2017. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

(END) Dow Jones Newswires

April 27, 2018 02:32 ET (06:32 GMT)

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