

HD Macquarie Atlas Roads's Sleeper to Awaken -- Market Talk
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2359 GMT [Dow Jones] The sleeper in Macquarie Atlas Roads **Group's** (MQA.AU) portfolio could be about to wake up, says Macquarie. Macquarie Atlas bought the Dulles Greenway tollroad in the U.S. state of Virginia in 2005, but traffic growth quickly disappointed. "In the past Greenway has been seen as little more than an option, however in the last 15 months with growth returning to the corridor, we expect Greenway should be out of 3-year lock up in 2016 and return to dividend paying from 2018," says Macquarie, which values Greenway at A\$0.70/share (\$0.65). Unless alternative routes are again widened, Greenway will capture network growth from Loudon County. "Thus we see upside to our 2.5% traffic growth forecast over the next 5 years and 1.0% thereafter," Macquarie says. A 1% lift in FY15 traffic expectations adds A\$0.07 to the broker's valuation, while a 1% lift over five years adds A\$0.28.

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Macquarie rates MQA at outperform with a A\$3.48 price target, offering 11% upside to its last trade of A\$3.14. (david.winning@wsj.com; @dwinningWSJ)

23:59 GMT [Dow Jones] Offshore accounts at five foreign brokerages place net sell orders for 900,000 Japanese shares overnight, according to traders. The premarket selling may be negative for the market at the open, although the yen value basis of the figures is unknown. Sell orders total 6.2 **million** shares, with **buy** orders amounting to 5.3 **million** shares. (bradford.frischkorn@wsj.com)

23:50 GMT [Dow Jones] Credit Suisse keeps its Underperform rating on Crown Resorts(CWN.AU) and trims its target price 5.2% to A\$15.45 after lowering its Melco Crown (MPEL) valuation to US\$35.75 from US\$40.00 on lower VIP growth assumptions. It expects normalized EBITDA of A\$744.4 **million**, 3% less than the consensus. CWN last A\$14.75. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

23:46 GMT [Dow Jones] Cardinal Health (CAH) reached a deal to become the new primary supply of **brand**-name and generic drugs to Fred's (FRED), which operates about 360 in-store pharmacies, as well as EIRIS Health Services, a new specialty pharmacy division in the U.S. This is an incremental win for Cardinal, since pharmacy sales last year were about \$731 **million**, according to Leerink analyst David Larsen. But this is also an incremental loss for AmeriSource Bergen (ABC), which had previously supplied Fred's, he notes.(ed.silverman@wsj.com)

2345 GMT [Dow Jones]--The ANZ Truckometer indexes--which use traffic volume data from around the country--suggest slower pace of growth in 2Q but robust for the remainder of the year, says ANZ senior economist Sharon Zollner. "While the foot may be easing off the accelerator, there are no signs of an economy going into a panicked skid." The seasonally adjusted heavy traffic index was down 2.6% on month and the light traffic index was flat. The heavy traffic index primarily covers trucks and tends to be contemporaneous with GDP growth, while the light traffic index covers mainly cars and vans and gives a six-month lead on GDP growth. "Together they suggest quarterly GDP growth in 2Q may slow compared to recent strong outturns, but that momentum will remain solid over the rest of the year," Zollner adds.(lucy.craymer@wsj.com; Twitter: @lucy_craymer)

2345 GMT [Dow Jones] Iron-ore prices are easing, with an oversupply of the bulk commodity continuing to weigh on the market, according to ANZ analysts. Demand in **China** for imported lump--a type of iron ore that resembles small rocks--is strong, though, due to low domestic supplies, they say. "Market reports suggest demand for lower-grade lump is particularly strong with some trades running out of cargoes to sell," the analysts write in a note. Still, steel mills remain constrained by tight credit conditions,

they say, which should keep a cap on iron-ore prices. The Steel Index price for 62% Fe ore fell 0.4% Monday to \$95.30/ton. (rhiannon.hoyle@wsj.com; Twitter: @RhiannonHoyle)

2338 GMT [Dow Jones]--Bendigo & Adelaide Bank's (BEN.AU) provisioning looks too thin, argues UBS. The brokerage says a collective provision balance of A\$43 million to protect a A\$53.11 billion loan book is just too low. "As a result any deterioration in asset quality will fall straight to the [profit and loss]. Leverage cuts both ways." Still, it says BEN delivered a solid result for fiscal 2014. It retains a neutral stance and lifts its price target to A\$12.10/share from A\$11.20. BEN shares ended Monday at A\$12.46. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2331 GMT [Dow Jones]--Dry conditions in northern North Island and continued land use change in South Island led N.Z. sheep numbers to fall 3.2% over the 2013-2014 season to 29.8 million, while beef cattle numbers rose 1.6% to 3.76 million, says industry group Beef + Lamb following a survey. It adds that the increase in beef cattle numbers reflects good feed conditions and improved returns, which led farmers to hold on to older cattle. While, B+LNZ Economic Service Chief Economist Andrew Burt says strong mutton prices, driven by rising demand from North Asia, encouraged a high level of cull ewe processing for the second year in a row. The service estimates the dairy herd increased 0.7% in the year to 30 June 2014, reflecting increasing numbers in the South Island. (lucy.craymer@wsj.com; Twitter: @lucy_craymer)

2331 GMT [Dow Jones] Shares in Australia's Buru Energy Ltd. (BRU.AU) may have been savaged in recent months, but J.P. Morgan isn't giving up hope. It has dropped its price target on the company's shares to A\$1.74 (\$1.61) from A\$2.36, which is still well above their most recent trade of 69.5 Australian cents. Buru owns conventional and unconventional oil and gas plays in Australia's remote Canning Basin and J.P. Morgan reckons it has enough funding to cover crucial drilling and flow testing slated for the next 18 months. "We think the Canning Basin is one of the most prospective basins in Australia and Buru offers a pure play on both the oil and tight wet gas plays in the Canning," the broker says. (Ross.Kelly@wsj.com)

2330 GMT [Dow Jones] Australian consumer confidence retreated sharply in the week ending Aug. 10 following news unemployment had risen to its highest level in 12 years in July. The ANZ Bank-Roy Morgan Research's measure of consumer confidence declined for a second consecutive week, falling a sharp 5.7%, to 108.5, in the week ending Aug. 10. Unemployment jumped to 6.4% in July from 6.0% in June, according to government data last week. "Consumer confidence recently appears to be more sensitive than usual to economic news, said the ANZ Bank's chief economist, Warren Hogan. Household perception about economic conditions in a year's time fell 9.1% over the week. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

2326 GMT [Dow Jones] Could bauxite pricing go the way of bulk commodities? Possibly, if Rio Tinto's (RIO) Chief Financial Officer Chris Lynch has his way. Mr. Lynch said he would like to improve disclosure for bauxite and alumina where revenue is currently combined, according to J.P.Morgan analysts who attended a forum hosted by the executive. "No single pricing mechanism exists for bauxite, however the company would like to see it evolve the way coal and iron ore have into a more liquid market," said J.P.Morgan, which rates Rio Tinto at overweight with a A\$80.00 price target. RIO last traded at A\$66.75. (david.winning@wsj.com; @dwinningWSJ)

2323 GMT [Dow Jones] Rio Tinto Ltd. (RIO.AU) has largely shied away from major investments outside of iron ore during the ongoing downturn in commodity prices, but J.P. Morgan thinks it will approve the \$2 billion South of Embley bauxite project in Australia this year. The project will reinforce the company as the dominant seaborne bauxite shipper to China, which is hunting for new supply in the wake of Indonesia's ore export ban. "Our analysis of the South of Embley Bauxite Project highlights an attractive 16% internal rate of return at \$45/ton free-on-board bauxite," says the broker, which rates Rio Tinto at overweight with a A\$80.00 (\$17.20) price target. RIO last traded at A\$66.75. (david.winning@wsj.com; @dwinningWSJ)

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(END) Dow Jones Newswires

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