

**HD ASX Activity Levels Softer So Far in Fiscal 2015 -- Market Talk****WC** 1,532 words**PD** 23 September 2014**ET** 10:53**SN** Dow Jones Institutional News**SC** DJDN**LA** English**CY** Copyright © 2014, Dow Jones & Company, Inc.**LP**

0053 GMT [Dow Jones] Activity levels on Australia's main securities exchange have been softer in the early part of fiscal 2015 despite the continued surge in raised capital, ASX (ASX.AU) CEO Elmer Funke Kupper says. Low and stable domestic interest rates as well as low levels of market volatility have kept activity levels subdued, he tells the bourse's annual general meeting. Still, he says A\$10.1 billion has been raised in the first two months of the fiscal year, up 11% on last year, with 23 IPOs compared with 12 a year ago. Total cash market average daily value traded was A\$3.9 billion, in line with last year, he adds. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

Editor: KLH

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0052 GMT [Dow Jones] Australian equities are down for a second day running as worries over the pace of economic growth in China, the country's biggest trading partner, weigh on the currency and prices for iron ore and other commodities. The S&P/ASX 200 is down 0.3% at 5347.1 in early trading, with the materials subindex 1.1% lower. Iron-ore producers continue their fall after the steelmaking ingredient fell to a fresh five-year low below US\$80/ton, with BHP Billiton (BHP.AU) down 1.7%, Rio Tinto (RIO.AU) 1.2% lower and Fortescue (FMG.AU) off 2.2%. The big banks also are adding to the previous day's fall, with Westpac Banking (WBC.AU) 0.7% lower and Commonwealth Bank (CBA.AU) off 0.2%. Market focus is on today's HSBC Flash Manufacturing PMI for China, with ANZ Bank forecasting a decline to 49.8 in September, which would mark a return to contraction territory for the first time since May. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

Editor: MNG

0051 GMT [Dow Jones] The Reserve Bank of Australia's wish to achieve a weaker local currency to assist economic recovery is becoming more of a reality with the Australian dollar breaking below US\$0.8900 overnight, says Tom Williams, senior currency strategist at GoMarkets. Commodity markets began to slide following comments from China's finance minister which suggested that his government will not be rushing to announce fresh stimulus. The Aussie dollar currently trades around US\$0.8878. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

Editor: KLH

0048 GMT [Dow Jones] The New Zealand dollar slipped to a three-day low of 88.09 against the yen Tuesday, extending Monday's retreat from a two-month high of 89.03, as concerns over China's economy crimped investors' risk appetite. The Kiwi's fall came ahead of the release of the HSBC flash China September manufacturing PMI data due at 0145 GMT. Many analysts expect the PMI to fall below 50, signaling contraction. Dow Jones technical analysis shows the NZD/JPY daily price chart is tilting negative as a bearish outside-day-range pattern was completed Monday, and the slow stochastic measure has turned bearish at overbought levels. Further downside in the NZD/JPY cross may encounter support at the 55-day moving average, now at 0.8751 and roughly coinciding with the uptrend

line that runs from the Aug. 8 swing low of 85.71. Spot NZD/JPY is at 88.11 versus 88.37 late Monday. (jerry.tan@wsj.com)

Editor: MNG

0036 GMT [Dow Jones] Minneapolis Fed President Narayana Kocherlakota is full of suggestions for how to enhance the central bank's communications, which have become increasingly important to monetary policy with official interest rates at effectively zero since December 2008. One way to be more transparent, he says, would be "to describe more clearly how the mandated goals of maximum employment and price stability are linked with financial stability considerations." Does this mean a three dimensional dot plot is on the way? (pedro.dacosta@wsj.com)

Editor: KLH

2359 GMT [Dow Jones] Front-month Nymex November crude is likely to trade with risks skewed to the downside near-term after settling down 78 cents Monday at \$90.87/bbl, Dow Jones technical analysis shows. The daily continuation chart is tilting negative as the slow stochastic measure is bearish, the positive MACD histogram bars are contracting, while the five and 15-day moving averages are falling. Support is at \$90.41 (Monday's low); a breach would target \$90.11 (May 1, 2013 reaction low), then the psychological \$90.00 line, \$87.55 (April 22, 2013 low) and \$85.61 (April 18, 2013 swing low). But a rise above \$91.92 (Monday's high) would temper the negative near-term view, exposing the upside to \$93.22 (Friday's high), then to the middle 20-day Bollinger Band (now at \$93.34), \$94.82 (Thursday's high), \$95.06 (Wednesday's high) and \$95.19 (Sept. 16 reaction high). November crude is up 12 cents at \$90.99/bbl on Globex. (jerry.tan@wsj.com)

2355 GMT [Dow Jones] New Zealand's rural sentiment is at its lowest level since September 2012, with 37% of farmers having a negative outlook of the rural economy in the next 12 months, compared with 24% with that view in the previous survey, according to the latest quarterly Rabobank Rural Confidence Survey. "Falling **dairy** commodity prices are the overwhelming factor at play here. At the time of the survey being taken, the global DairyTrade auction prices fell 6%, taking them down 45% from their February peak," says Rabobank New Zealand CEO Ben Russell. The latest survey found almost half of **dairy** farmers surveyed--47%--expect the performance of their own farm **business** to worsen in the coming 12 months, up from 30% in the previous quarter. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

7:29 pm ET [Dow Jones] If Allergan (AGN) lands Salix Pharmaceuticals (SLXP) it would make it harder for Valeant (VRX) to **buy** AGN. But expect more fireworks. For one, bet Bill Ackman would likely keep fighting AGN's **board** of directors and attempt to remove a majority at December meeting. Plus, Ackman's lawyers have hinted in open court they may sue to stop any alternative AGN deal, or a delay to allow a vote. A majority of shareholders at Darden sought a vote on DRI's **sale** of Red Lobster and when DRI ignored, activist launched fight for entire **board** and **sale** had enflamed tensions. (david.benoit@wsj.com; @DaveCBenoit)

2237 GMT [Dow Jones]--A cloud has cleared over Bank of Queensland (BOQ.AU) after the bank settled proceedings brought against it by the securities regulator and a class action on behalf of borrowers advised by Storm Financial, J.P. Morgan says. It notes it follows similar moves by BOQ's peers in late 2012 and early 2013. The brokerage views the roughly A\$22.1 **million** from the settlement as immaterial from a capital perspective, and the bank has said it won't have a bearing on its fiscal 2014 final dividend. J.P. Morgan has a neutral recommendation and trims its target to A\$12.08/share from A\$12.15. BOQ last traded at A\$12.06. (robb.stewart@wsj.com)

18:27 EDT - With the long-end of the Australian bond market on track for its worst month since June 2013, JPMorgan remains underweight bond-sensitive sectors of the **equity** market including telecoms, utilities and real estate investment trusts, says Paul Brunner, Australian **equity** strategist. "The latter may also be unsettled by the recent volatility of the Aussie dollar," he says, adding trusts may additionally have less support from retail investors thanks to a lack of franking credits. (robb.stewart@wsj.com; @RobbMStewart)

17:48 EDT - Mexico's antitrust authority hopes to be closely involved with the development of the new airport hub in Mexico City, says Alejandra Palacios, head of the country's competition commission. Depending on how the slots and fuel are **sold**, the new airport could make Mexican air travel more competitive, she says. Mexico's current air hub, the Benito Juarez airport, is operating near full capacity,

pushing up the cost of airfare. The new facility is expected to cost at least \$9.2B and take several years to build. (amy.guthrie@wsj.com)

17:25 EDT - Stocks of frozen pork grew during August across many products tracked by the USDA, according to a cold storage report today, including hams, butt and picnics. One major exception was the inventory of pork bellies, which are largely used to make bacon and have fallen an average of 12.5M pounds between the end of July and August over the last 5 years, says Bob Brown, a private industry analyst in Edmond, Okla. Instead, belly stocks were drawn down nearly 20M pounds, or 29% over the course of the month, to 45.6M pounds, suggesting a much larger slab of bacon moved out of meat cases in recent weeks than analysts expected. (kelsey.gee@wsj.com; @kelseykgee)

(END) Dow Jones Newswires

September 22, 2014 20:53 ET (00:53 GMT)

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