HD **Papillon Investors Short-Changed by B2Gold Deal, UBS Says -- Market Talk**

WC 1,472 words

PD 11 June 2014

ET 09:03

SN Dow Jones Institutional News

SC DJDN

LA English

LP

2302 GMT [Dow Jones] Investors in West Africa-focused gold miner Papillon Resources (PIR.AU) appear short-changed by B2Gold's recent all-share offer, according to UBS analyst Jo Battershill. Terms of the deal, which has been recommended by Papillon directors, involve B2Gold offering 0.661 of its shares for each Papillon share. But B2Gold's stock has tumbled since June 4, when the offer was disclosed, meaning the implied offer price now stands at A$1.61 per Papillon share. "In our view, the original B2Gold proposal values Papillion at net present value, but offers no control premium or exploration upside," Battershill says. UBS, which thinks there is a little chance of a competing bid, cut its rating on Papillon to neutral from buy, with a A$1.70 price target. "Should Papillon go, quality high-margin Australian equity plays are few and far between." UBS's preferred low-cost producer remains Alacer Gold (AQG.AU). PIR last traded at A$1.59. (david.winning@wsj.com; @dwinningWSJ)

TD

2301 GMT [Dow Jones]--Bell Potter cuts Super Retail Group (SUL.AU) to Hold from Buy, while slashing its target price 26% to A$9.03 after reviewing its earnings in light of difficult market conditions due to negative effects of the Federal Budget on consumer sentiment. "We remain of the view that Super Retail Group offers attractive medium-term growth prospects lead by a well-regarded management team and with the backing of sound operating metrics," the broker says. "However, we believe a more cautious stance at the moment is appropriate until the significant near-term volatility in Super Retail Group's target consumer market abates." SUL last A$8.46. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

2253 GMT [Dow Jones] Credit Suisse reiterates its underperform rating on Pacific Brands (PBG.AU), while slashing its target 17% to A$0.50 after Tuesday's profit warning. The broker now expects FY15 revenue to be 20% below consensus. It notes material foreign exchange headwinds and expects excess inventories to add pressure to margins and working capital. A potential takeover of David Jones by Woolworths South Africa may lead to a reduction in Pacific Brands clothing in favor of private labels, and workwear is likely to remain a drag on profitability, the broker says. PBG last A$0.51. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

UBS trims its earnings forecasts for Boart Longyear (BLY.AU) after competitor Major Drilling (MDI.T) posted a 33% decline in revenue in the fiscal fourth quarter and swung to a loss. "The timing of a cyclical rebound in mining/minerals exploration remains difficult to predict and visibility remains low," UBS says. It now expects a FY14 loss of US$104.6 million from US$98 million previously, and a FY15 loss of US$81.1 million from US$75.3 million. The price target falls to A$0.20/share from A$33, and UBS retains a sell recommendation. BLY closed Tuesday at A$0.245. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

17:08 EDT - Exelon (EXC) is selling 50M shares to finance its acquisition of fellow utility Pepco Holdings, a stake valued at $1.86B as of Tuesday's close. A deal that size would mark one of the largest U.S.-listed follow-on stock offerings in recent years. It's already been an active 18 months for stock offerings, and this deal shows how the recent M&A frenzy may add more fuel to the fire. EXC is also selling $1B in units that combine a contract to buy stock in the next three years and a stake in some EXC bonds. Deal pricing after Wednesday's close. (matthew.jarzemsky@dowjones.com)

17:05 EDT - United Natural Foods (UNFI) fiscal 3Q results match expectations as the natural foods distributor narrows its full-year revenue and earnings guidance on the low and high ends. Sales climb 13.8% in 3Q as consumers seeks out healthier food options says CEO Steven Spinner. Annie's (BNNY) issued downbeat guidance last month citing inventory cutbacks at UNFI, its biggest customer. UNFI slips 3.6% to $66 after hours, extending the 9% loss YTD. (patrick.sullivan@wsj.com)

16:59 EDT - Retail sales of farm equipment in the U.S. and Canada continue to shrink as the pullback in machinery demand from moderating crop prices and the elimination of generous federal tax breaks for equipment investments gains momentum. Sales of farm tractors overall slipped 2.3% in May from a year ago, says the Association of Equipment Manufacturers. But sales of high-horsepower, two-wheel-drive tractor models fell 16% against a tough year-ago sales comparison, while sales of four-wheel-drive tractors used mostly on large farms dropped 14%. Sales of harvesting combines were off 24%, driven by a 51% drop in sales in Canada. Equipment makers Deere (DE), CNH Industrial (CNHI) and Agco (AGCO) all closed lower. (robert.tita@wsj.com)

16:56 EDT - If you can sell L'Oreal luxury cosmetics in the U.S. and Vuitton bags in Taiwan and Europe, then you can sell high-priced French cognac in **China**. That seems to be the hope for Remy Cointreau, following the appointment today of new CEO Valerie Chapoulaud-Floquet. Remy shares rose 4.6% in France ahead of the news. Ms. Chapoulaud-Floquet will fill a vacancy created five months ago when she takes over in September. Her first challenge: austerity measures in **China** that have sapped sales of high-end cognac there--a key reason that Fitch downgraded Remy's credit rating on Tuesday. (marcelo.prince@wsj.com)

16:28 EDT - American International Group (AIG) names Peter Hancock as CEO replacing Robert Benmosche who guided the insurer out of the government's control following its decline during the financial crisis. Hancock currently serves as CEO of AIG Property Casualty. Hancock beat out Jay Wintrob, whose performance running AIG's life-insurance and retirement business has stood out recently. Hancock's appointment is effective September 1, while Benmosche will assume an advisory role. He had said he planned to step down early next year, in part to spend more time with his family at a residence in Croatia. AIG shares slip 0.5% to $54.75 after hours. (patrick.sullivan@wsj.com)

16:20 EDT - Barclays says it's taking profit on its long euro-zone periphery 10-year debt positions. The new ECB stimulus measures have given Spain and Italy **bonds** major boosts, but those markets are looking "less attractive" compared to their corresponding **equity** markets. Any hint of weaker individual growth could bring focus back to those nations' debt sustainability and widen out their yield spreads against German bunds, Barclays warns. While economic growth issues also challenge earnings growth, **firm** sees ECB easing having the power to support further gains in equities that still look cheap relative to how German stocks have performed. (cynthia.lin@wsj.com; @cynthialin_dj)

16:20 EDT - The EIA raises its forecast for average gasoline prices in the busy April-to-September summer-driving season by a penny to $3.62/gallon, four cents above last year. Prices peaked last month at an average $3.67/gallon, the agency says, and will fall to just $3.54/gallon in September. For the year, EIA raises its average price forecast to $3.50/gallon--one cent below last year's average--but lowers the 2015 forecast to $3.38/gallon. Remember, averages can hide regional differences: Prices are higher on the West Coast and lower on the Gulf. (nicole.friedman@wsj.com; @NicoleFriedman)

16:13 EDT - Despite a meager gain, Dow Industrials reach another all-time closing high, it's 10th so far this year, though the S&P 500 misses out on a fresh high by less than half a point. Major indexes still end at session highs with stocks performing their routine final-minutes run-up. Trading activity remains lackluster and DJIA wanders within a 50-point range. Four of 10 S&P sectors -- consumer staples, healthcare, tech and materials -- end slightly higher. DJIA gains 2.82 to 16945.92, and Nasdaq Comp advances 1.75 to 4338.00. S&P 500 ends 0.48 lower at 1950.79. (john.shipman@dowjones.com)

```
To contact the Market Talk Editors,
Kevin Kingsbury, 212 416-2354, kevin.kingsbury@wsj.com
Cynthia Lin, 212 416-4403, Cynthia.lin@wsj.com
John Shipman, 212 416-2181, john.shipman@wsj.com
Patrick Sullivan, 212 416-2326, Patrick.sullivan@wsj.com
```

(END) Dow Jones Newswires

June 10, 2014 19:03 ET (23:03 GMT)

CO btwogd : B2Gold Corp.

IN i22472 : Precious Metals | i211 : Metal Ore Mining | igoldm : Gold Ore Mining | i22 : Primary Metals | i224 : Non-ferrous Metals | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

NS c181 : Acquisitions/Mergers/Takeovers | ccat : Corporate/Industrial News | namt : All Market Talk | ncmac : Commodities Asset Class News | ndjmt : Dow Jones Market Talk | neqac : Equities Asset Class News | c18 : Ownership Changes | cactio : Corporate Actions | ncat : Content Types | nfact : Factiva Filters | nfcpin : FC&E Industry News Filter

RE austr : Australia | cabc : British Columbia | cana : Canada | apacz : Asia Pacific | ausnz : Australia/Oceania | namz : North America

PUB Dow Jones & Company, Inc.

AN Document DJDN000020140610ea6a0041s

