

HD Asia Morning Read: Li & Feng's Retail Reading, SoftBank Acquisitive? -- Barron's Blog

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China:

The world's largest sourcing and logistics **firm** Li & Feng (0494.HK), whose earnings is an indicator of the retail sectors in US and Europe, said that its first-half revenue rose only 3% from a year ago, and warned that brands it worked with were "delaying order decisions until they get better indications about consumer confidence." Retail sector growth in the developed countries remain tepid.

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China's fifth largest bank Bank of Communications (3328.HK), which HSBC (HSBC) has a 19% **stake** in, said its first-half net profit rose only 6% from a year ago, the slowest pace since 2009. The bank also said it wanted to be **China's** first listed bank to offer stock incentives to employees to push for more operational efficiency. It is a delicate walk between profitability and systemic risk.

Japan:

SoftBank (9984.T) may well not be done with acquisitions just yet, even after it scrapped a merger between Sprint (S) and T-Mobile (TMUS). The **company** is seeking to raise \$4 **billion** from bond sales. Bloomberg reports:

Yahoo would fit that category, said Atlantis Investment Research Corp. Taking a **stake** in messaging service Line Corp. is another option for the Tokyo-based mobile-phone operator, according to Thornburg Investment Management Inc. Already the biggest shareholder in Alibaba Group Holding Ltd., SoftBank could team up with the e-commerce **company**, or buy a movie maker or news service, said SMBC Nikko Securities Inc. Abelian Research said the \$85 **billion company** may even consider tucking Dish into its fold to better compete with the likes of AT&T Inc.

Korea's Naver Corp. (035420.KS) owns Line. At the open, SoftBank gained 0.7%. Mobile gaming **company** Gungho (3765.T), which SoftBank has a **stake** in, jumped 5.6%.

Two weeks ago, SoftBank posted a 68% drop in second-quarter profit but it was mostly due to temporary mark-to-market accounting on its **stake** in Alibaba Group (BABA), which will be reversed once Alibaba goes public.

Indonesia:

Indonesia's Constitutional Court upheld President-elect Joko Widodo's electoral win. But Widodo still does not have a majority in the Parliament.

Australia:

Australia's largest banks posted record earnings as they benefited from low benchmark interest rates (at 2.5%), but are bracing for slower growth.

Australian **energy firm** Santos Ltd. (STO.AX) raised its dividend for the first time in four years, after its net profit slipped 24% from an Indonesian asset write-down. Santos rose 3.6% at the open.

More at Barron's Asia Stocks to Watch blog,
<http://blogs.barrons.com/asiastocks/>

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