

**HD Credit Suisse Raises 12-Month Target on Chorus, Retains Outperform -- Market Talk**

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**LP**

2341 GMT [Dow Jones] Credit Suisse raises its 12-month target price on Chorus Ltd. (CNU.NZ) to NZ\$2.19 (\$1.84) from NZ\$2.11 on a higher earnings track and lower debt after its FY14 result. It notes the key risk remains the outcome of the Commerce Commission's final pricing principle review. "Unfortunately, this process is long and means a time delay until the next key reference date, being the release of the draft determination on Dec 1." It says the "lack of near term catalyst and resulting uncertainty" means CNU will likely trade sideways for a period. However, it continues to believe "CNU remains fundamentally undervalued at present" and retains its Outperform rating. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

**TD**

2341 GMT [Dow Jones]--The city of Detroit today claimed some progress after hitting the pause button on its campaign to shut off water to thousands of delinquent residential accounts in this cash-poor city to try to boost its finances during municipal bankruptcy. More than 25,000 customers are enrolled in a water payment plan, up from 17,000 a month ago when the moratorium on shut-offs first began a month ago, the city says. But the shut-offs will now resume, likely to bring the international spotlight back to the city struggling to exit its municipal bankruptcy case going to trial in September. (Matthew.dolan@wsj.com, @matthewsdolan)

2337 GMT [Dow Jones] Australia's S&P/ASX 200 may continue to be restrained by **iron ore** price weakness despite a further strength in offshore equities due to European stimulus bets and U.S. takeover activity. Europe's Stoxx 50 jumped 2.2% as a weak German IFO business survey fueled speculation of quantitative easing, and the S&P 500 gained 0.5%. But spot **iron ore** fell 1% to a 2-month low of \$89.20 after a 2% fall on Friday. With **iron ore** nearing a 24-month low amid doubts about **China's** economy, the resources sector is likely to underperform. At the same time, the market may be supported by cum-dividend support for Telstra Corp. (TLS.AU), Woodside Petroleum Ltd. (WPL.AU), QBE Insurance Group Ltd. (QBE.AU) and Santos Ltd. (STO.AU). And Commonwealth Bank of Australia (CBA.AU) may find support from its dividend reinvestment program starting today. Index last 5634.9. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

2335 GMT [Dow Jones]--Credit Suisse downgrades Beach **Energy** (BPT.AU) to Neutral after annual net profit fell 34%. Lowers price target to A\$1.80/share from A\$1.90 after lowering Cooper Basin valuation. The broker says Beach's result confirms what Santos (STO.AU) first told the market on Friday--"capex to sustain production in the Cooper Basin is far greater than we had thought." Adds while drilling is still economic at the broker's long term gas price forecasts, "Beach would quite clearly be better off spending the capex in the Western Flank." Notes Beach confirmed no assets are sacred. "With no need for the gas to fuel its own LNG project, Beach might be able to sell its **stake** in the JV. Obvious suitors would be existing partners Santos or Origin, with the latter having already signed an off-take agreement for gas." (rebecca.thurlow@wsj.com; @beckthurlow)

2330 GMT [Dow Jones] Australian consumer confidence rose in the week ending Aug. 24, overcoming recent weak economic data, including a rise in unemployment to a 12-year high in July. The ANZ-Roy Morgan Australian Consumer Confidence index rose 0.9% to 113.5 from the prior week. The rise in the index was driven almost entirely by an 11.1% rise in household perceptions about their financial situation compared with a year ago, it said. This is an encouraging sign for consumer spending in coming months, said Warren Hogan, ANZ's chief economist. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

2325 GMT [Dow Jones] Early signs of an economic rebound in Michigan appears to be holding, a new bank report says today. Comerica Bank's Michigan Economic Activity Index released today shows improvement for the state in June, climbing 3.7 percentage points from May to a level of 127.8. The index reported last month that a six-month slide ended in May, thanks in part to a resurgent auto industry. "Payroll job growth in Michigan increased in May, June and July, breaking out of an ominous stall pattern that extended through the end of 2013 into early 2014," says Robert Dye, chief economist at Comerica. (Matthew.dolan@wsj.com, @matthewsdolan)

2314 GMT [Dow Jones]--Caltex Australia's (CTX.AU) FY14 result represented a cracking outcome, with Credit Suisse struggling to see any information that would have made a bear happy. Caltex reported a net profit on a replacement-cost basis rose 1% to A\$173 million Australian dollars (US\$161 million). That was at the top end of the company's guidance of A\$155 million-to-A\$175 million given in June. Credit Suisse notes that the tempting thing for investors would be to bank profits, given Caltex shares have risen 37% since the start of January. "Yet, having upgraded net profit after tax by 7%, 5% and 13% in FY14, FY15 and FY16, the stock still looks relatively cheap in an expensive market," the broker says. It rates Caltex at outperform, lifts its price target by 30% to A\$31.04. CTX last traded at A\$27.45. (david.winning@wsj.com; @dwinningWSJ)

2311 GMT [Dow Jones] The USD/JPY will likely move in a 103.90-104.30 range in Asia trade, says Shinji Kureda, head of the FX trading group at Sumitomo Mitsui Banking Corp. The market sentiment "is not as bad" as depicted in the S&P 500 closing at an all-time high overnight and the USD/JPY could gain momentum if U.S. Treasury yields go up a bit more, says Mr. Kureda. But U.S. long-term bond yields, which so far have stubbornly refused to go up, will likely turn up eventually after a certain time lag, so, "regarding the USD/JPY, it seems all right to continue buying on dips." The pair is at 104.05 against 104.05 in New York late Monday. The EUR/USD is tipped in a 1.3170-1.3210 range. It is at 1.3187. (hiroyuki.kachi@wsj.com)

2306 GMT [Dow Jones] Japan stocks are likely to weaken a tad Monday, after the dollar gave back some of the ground gained since the Friday economic policymakers' summit in Jackson Hole, Wyoming. USD/JPY is now at 104.02 after rising to as high as 104.27 Monday. Overnight U.S. indexes were positive, with the S&P500 crossing the 2000 mark intraday for the first time. "The dollar fell and futures are trading below yesterday's finish, leaving the market ripe for profit-taking," says Hiroichi Nishi, general manager of equities at SMBC Nikko Securities. "The floor should stay firm, though, as strong sell incentives as well as market volume remain weak." Monday's Topix trading volume came to just 1.56 billion shares--the third lowest tally of the year. Nikkei 225 September futures ended yesterday's Chicago trading up 45 points at 15595 vs. their close earlier yesterday in Osaka at 15620. In the cash market, the Nikkei closed up 0.5% at 15613.25 Monday for its 10th winning session in the last 11 days. (bradford.frischkorn@wsj.com)

2303 GMT [Dow Jones]--BlueScope Steel Ltd.'s (BSL.AU) 13% share-price dive was more severe than its disappointing FY14 report warranted, according J.P. Morgan. "While the weaker-than-expected result justified an adverse share price response, we believe the reaction is overdone," analyst Keith Chau says. The bank has cut its net profit estimates for FY15-17 by an average 19%, but still keeps an overweight rating. "We remain of the view that earnings growth should be achieved in FY15--albeit off a lower base--principally through continued domestic volume growth, widening spreads, restructuring of Global Building Solutions, and lower corporate costs," Chau says. The bank cuts its target to A\$6.00 from A\$6.80. BSL last traded at A\$5.32. (rhiannon.hoyle@wsj.com; Twitter: @RhiannonHoyle)

2300 GMT [Dow Jones] Western Areas (WSA.AU) delivered a surprise by declaring a final dividend of A\$0.04/share, double consensus expectations in the market, but it hasn't shaken J.P. Morgan's faith in its neutral call and A\$5.25 price target. "The dividend represents a payout ratio of 30% on underlying earnings and, in our opinion, signals the board's willingness to ramp up the dividend in light of the company's improving financial strength and more constructive outlook for nickel," J.P.Morgan says. The broker has increased its FY15 dividend forecast to A\$0.13/share, putting Western Areas on a yield of 3%. Still, J.P. Morgan says consensus earnings are factoring in significant near-term nickel price rises at a time of slack demand and ample supply. It worries that the nickel price will be static over FY15. WSA last traded at A\$4.93. (david.winning@wsj.com; @dwinningWSJ)

2258 GMT [Dow Jones] Beach Energy Ltd. (BPT.AU) is most likely to sell small international assets, says J.P. Morgan, after the oil and gas company said it's reviewing its asset portfolio, although the broker adds that "nothing is sacred." "We believe investors should like this as one of the push backs on this name is the potential to spend free cash flow on expansive offshore programs," the bank says. Lifts price target to A\$1.38 (\$1.29) from A\$1.34 but keeps Underweight rating after Beach's full year earnings included large impairments and weak reserves replacements (rebecca.thurlow@wsj.com; @beckthurlow)

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