HD **Orica Chemicals' Unit Sale Won't Unlock Big Value, JPM Says -- Market Talk**

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2241 GMT [DOW JONES] The rationale behind Orica's (ARI.AU) decision to seek a separation of its chemicals unit is sound given the limited overlap with its other divisions, but J.P. Morgan analyst Stuart Jackson considers it unlikely to unlock significant shareholder value. Orica said Wednesday it wants to sell or list its chemicals business, which supplies industries including agriculture, and generates annual revenue of about A$1.2 billion. "We estimate Chemicals has an enterprise value of A$613 million on a passive investment basis," Jackson says. "Separation is unlikely to unlock hidden value given the Mining Services business is unlikely to re-rate and Chemicals should trade at a discount to the broader Orica company." J.P. Morgan rates Orica at neutral, with a A$24.50 price target. ORI last traded at A$20.67. (david.winning@wsj.com; @dwinningWSJ)

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2238 GMT [Dow Jones] Corporate Travel Management Ltd.'s (CTD.AU) acquisition of Houston-based Avia Travel for A$4.1 million ($3.8 million) is pretty small, but it does bring exposure to the growing oil and gas and marine industries, says J.P. Morgan. It also further expands CTD's global business, opening the door to more global deals with multinational corporations, it says. The brokerage adds the price, at 5.5 times 2013 net profit, is reasonable and compares with previous U.S. acquisitions, including USTravel, Travelcorp and R&A Travel. J.P. Morgan anticipates CTD will be able to continue extracting revenue and cost synergies for its acquisition. It lifts its price target to A$7.40/share ($6.90) from A$7.30 and remains overweight. CTD last traded at A$6.41. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

18:25 EDT - Credit Suisse cuts Adelaide Brighton (ABC.AU) to underperform from neutral as it sees potential price-to-earnings waning due to its expectation of no more special dividends and a peak in the global search for yield. "We believe the macro outlook, particularly in South Australia and Western Australia, is unlikely to provide any near-term relief and with the stock trading above our revised $3.55 target price, we see better value elsewhere," the broker says. ABC last A$3.58. (david.rogers@wsj.com; @DavidRogersWSJ)

18:16 EDT - Some investors are reacting favorably to the prospect of a $16B-plus Bank of America (BAC) mortgage settlement. "I think this is a positive" for the bank, says Mike Frazier, president of Bedell Frazier Investment Counselling, a firm in Walnut Creek, Calif., with $400M in assets under management that owns Bank of America shares worth $4.5M. Frazier says while he had expected Bank of America to pay equal to or less than what JPMorgan (JPM) had paid, he is still contemplating adding to his position. The bank can move forward, he says, because it "unhitched the big trailer." (julie.steinberg@wsj.com)

18:12 EDT - Big power generator Dynegy (DYN) says it thinks profit margins and sales will rise as power plants are shuttered to satisfy environmental rules. Dynegy reports a utilization rate of 76% for its coal segment in 1H this year versus 72% a year earlier. Its utilization rates for gas-fired generating plants were 34% for units in the western portion of the PJM marketplace (mid-Atlantic and parts of Midwest), 46% in California and 52% in New York and New England. Retirements might could help survivors with surplus capacity, particularly if there's an uptick in energy demand. Dynegy slightly raises its projection of earnings, before certain deductions. (rebecca.smith@wsj.com)

18:07 EDT - Mexican domestic sales of cars and light trucks rose by 11% in July from the same month last year, despite a survey this week indicating a drop in consumer confidence. Noting that sales since January are up only 1.3 %, the auto dealers trade association says unsustainable discounts and easy financing underlie the July bump. More than 80% of the nearly 1.86M cars and light trucks produced in

Mexico so far this year have been exported, most of them to the US and Canada. (dudley.althaus@wsj.com)

17:51 EDT - Morgan Stanley has joined the club of private-label RMBS issuers this year with a prime jumbo deal, according to Fitch. Like most nonagency deals before it, the $256.5M issue is backed by loans to borrowers with ultra-high credit scores. The **firm** has recently ramped up its team for the market, which has grown only in fits and starts since the financial crisis. But banks, the SFIG industry group and the US Treasury have stepped up efforts to encourage the private deals, which could eventually take some mortgage risk off the government's shoulders and also help loosen still-tight credit standards. (albert.yoon@wsj.com)

17:34 EDT - Brazil's lower house of congress approves a measure that would let the government raise the proportion of ethanol in its gasoline to 25.7%, from the current upper limit of 25%, taking the country a big step closer to boosting demand for the sugar-based fuel. Brazilian ethanol producers have been clamoring for a higher amount of the fuel in the gasoline mix. Brazil's upper house of congress has until the last week of September to approve the measure, which must then be signed into law by President Dilma Rousseff. (jeffrey.lewis@wsj.com)

17:34 EDT - Time Warner (TWX) CEO Jeff Bewkes said on an earnings call this morning that the **company**'s Warner Bros. movie studio has "ambitious plans" to use its catalog of DC Comics super heroes to help fuel growth after rejecting a takeover offer by 21st Century Fox (FOX). A few hours later, Warner Bros. showed what "ambitious" means, as it revealed plans to release two DC-based movies every year between 2016 and 2020. That's a step up from Warner's output to date of one DC film most years, and none in 2014 or 2015. Warner is trying to catch up to the success of rival Marvel Studios, owned by Disney (DIS), on the big screen, including this week's hit "Guardians of the Galaxy." (ben.fritz@wsj.com; @benfritz)

17:27 EDT - Chrysler CEO Sergio Marchionne says he expects a "relatively quick resolution" to an anti-trust investigation in **China** into whether car makers are engaging in monopolistic practices. Chrysler, along with several other foreign-owned car makers, have become targets of the regulatory investigation. "Hopefully in the next 14 days we'll be in a position to provide a definitive answer on the exposure Chrysler has," he says, noting that any impact on earnings won't be significant. In an effort to appease **Chinese** regulators, Chrysler recently cut prices on spare parts. The move came as a top **Chinese** official said that investigations by local authorities into Chrysler and Audi were close to an end. (christina.rogers@wsj.com)

17:26 EDT - Zulily (ZU) plans to build a third fulfilment center in early 2015 as the flash-sales website's rapid sales growth is forcing it to add more capacity to handle increased order volume, CEO Darrell Cavens says on the **company**'s earnings call. The new warehouse will be on the East Coast as existing facilities are in Nevada and Ohio. ZU's business model sees vendors ship merchandise in bulk to its fulfilment centers, where ZU workers sort items into individual orders and then ship packages out to customers. ZU is also accelerating investments to automate processing at its existing facilities, which will pressure margins in the coming months, CFO Marc Stolzman says. (serena.ng@wsj.com)

17:20 EDT - Thoratec (THOR) shares plunge 27% to $23.75 after hours, after slashing 2014 guidance amid continued safety concerns about its HeartMate line of heart implants, which also led to 2Q miss of analysts' sales estimates. For 2014, THOR now expects $455M-$470M in revenue, down from previous $520M-$535M guidance. Safety risks are "the most significant factor" pressuring growth, THOR CEO says on conference call. THOR says new clinical trials will help it alleviate safety concerns, but market is worried growth could be years away. Through the close, THOR was down 11% YTD, and Wells Fargo downgraded the stock last week to market perform, down from market outperform previously, citing ominous signs in third-party sales data. (joseph.walker@wsj.com)

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