

HD **China Acquisition** a Big Win for AMP, Bell Potter Says -- Market Talk

WC 1,573 words

PD 31 October 2014

ET 10:51

SN Dow Jones Institutional News

SC DJDN

LA English

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2350 GMT [Dow Jones]--AMP (AMP.AU) has a rare opportunity to gain exposure to **China's** rapidly growing financial market with its deal to **buy** a 20% **stake** in **China** Life Pension Co., Bell Potter says. "This is a large strategic win for AMP." The **buy** supports Bell Potter's **buy** recommendation and A\$7/share target. CLPC has been growing at over 40% a year compounded and is expected to break-even in two years, Bell Potter says, adding there are no material changes to its estimates for AMP for the next three years. The **buy** will be funded from surplus capital. AMP is trading up 1.2% at A\$5.81. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

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2348 GMT [Dow Jones]--OpenStack, the open-source cloud software developed as an alternative to proprietary cloud software from companies like Google Inc. and Amazon Web Services Inc., is gaining corporate customers. Mirantis Inc., which is commercializing OpenStack, raised \$100 **million** in Series **B** funding this month, and Cloudscaling **Group** Inc., an OpenStack supporter, was acquired by EMC Corp. In September, Cisco Systems Inc. and Hewlett-Packard Co. made OpenStack-related acquisitions. The latest OpenStack-related funding goes to SwiftStack Inc., which raised \$16 **million** for open source storage software. That software runs across data centers on commodity hardware, which helps customers who have lots of unstructured data sitting in Web and mobile applications. (deborah.gage@wsj.com)

2341 GMT [Dow Jones]--Australia has lifted the last of its sanctions on Fiji following successful democratic elections last month, says Julie Bishop, Australia's minister for foreign affairs, said in a statement ahead of a visit to Fiji. "I look forward to meeting Prime Minister Bainimarama and other members of Fiji's Cabinet and Parliament and to reaffirming Australia's undertaking to building a more dynamic, mutually beneficial relations with Fiji." Ms. Bishops adds Australia has also invited Fiji to join a program that would allow its people to visit Australia to undertake seasonal work. Furthermore, it has committed A\$16 **million** to a four-year initiative to support economic governance and public-sector linkages in Fiji and A\$8.8 **million** to a private-sector-development initiative to support Fiji's tourism and horticulture sectors. (lucy.craymer@wsj.com; Twitter: @lucy_craymer)

2331 GMT [Dow Jones]--Currency markets were happy to take profit on U.S. dollar longs, despite strength the U.S. 3Q GDP overnight, says ANZ in a strategy note. The strength in growth was attributed to rising U.S. defence spending thus looked-through by markets. The trend for U.S. dollar remains relatively strong, but currency markets are running well ahead of bond and **equity** markets, ANZ adds. Expect U.S. data to continue to support USD ahead of the weekend. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

2328 GMT [Dow Jones] The USD/JPY may wobble in midmorning on flows related to **commercial** trade settlement ahead of the end-of-month book closing, but then get a boost on hopes for more-aggressive investment approach by the GPIF, says a Japanese bank senior dealer. "Basically, the JPY will likely weaken against its major rivals," says the dealer. Nikkei reports GPIF will likely increase the portion allotted to foreign **bonds** and stocks to a combined 40%, higher than about 30% previously expected. A shift in the GPIF's assets toward more foreign assets could help support a higher USD/JPY. The pair is now at 109.37. (hiroyuki.kachi@wsj.com)

2319 GMT [Dow Jones]--The composition of ANZ Banking's (ANZ.AU) full-year result was broadly in line with expectations, but with earnings and the dividend modestly beating the market's forecasts it should be well received, Credit Suisse suggests. In the opening minutes of trading, ANZ's shares are up 0.7% at

A\$33.48, in line with its peers. The brokerage says in the plus column, ANZ's **equity** Tier 1 capital ratio improved strongly and there was a sizable improvement in asset quality, but on the other side there was a further decline in ANZ's international & institutional banking margin and negative sequential "jaws," industry speak for the difference between income and costs. It has an outperform stance and A\$37.50/share target. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2320 GMT [Dow Jones] National Australia Bank's (NAB.AU) accelerated efforts to exit underperforming assets prompt Bell Potter to lift its target to A\$37.40/share from A\$36.50, with a **buy** recommendation maintained. It notes the target isn't demanding for a "turnaround" stock and 12.2 times expected FY16 earnings and 1.6 times book value. NAB's FY14 cash profit was in line with the bank's earlier guidance, held back as expected by A\$1.5 **billion** in U.K. charges and write-downs. NAB is up 0.7% at A\$34.87. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2310 GMT [Dow Jones]--Investors are likely to adopt a wait-and-see approach to AMP's (AMP.AU) planned **acquisition** of a **stake** in **China** Life Pensions Co., UBS says. The brokerage says it was somewhat surprised by the deal, given AMP's Asian expansion has so far been targeted toward investment management via AMP Capital. UBS says it accepts AMP's comments that this is a relatively small investment and the risk of further capital drawdowns appears low. But Australian insurers have to date experienced limited success in achieving their return-on-invested-capital aspirations over expected time frames in **China**. AMP has agreed to **buy** a 19.99% **stake** in CLPC, the largest pension **firm** in **China** by assets under management. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2308 GMT [Dow Jones]--Two key drivers of tradables inflation in Australia have been moving recently. The Australian dollar has fallen 6% since early September, while prices of Brent and WTI are down over 20% since the June highs, and Tapis crude is down over 30%. Ben Jarman, economist at JPMorgan said the **oil** price plunge is bigger than the Aussie dollar fall in an absolute sense, though empirical rules of thumb would suggest that the two influences should have roughly offsetting effects on inflation. Jarman said the netting out of the two effects is inflation negative and the RBA could revise lower its forecasts at a quarterly statement on Friday. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

2305 GMT [Dow Jones]--Coca-Cola Amatil (CCL.AU) has secured a significant premium from Coca-Cola (KO) for a 29.4% **stake** in its Indonesian business, says UBS. But that begs the question: If it is such a good deal, why did Coca-Cola Amatil not go it alone and debt-fund capex? Coke is paying US\$500 **million** for its **stake** in Coca-Cola Amatil's Indonesian business. That implies an enterprise value of A\$1.6 **billion** for the combined Indonesia and Papua New Guinea division versus UBS's valuation of A\$1.26 **billion**. The challenge now is that Coke will want increased volume and market share, while Coca-Cola Amatil needs improved earnings and return on capital. That's not easy given rising wages and transport costs, and the depreciating Indonesian rupiah. "Frankly, (it) raises the prospect in our minds that Indonesia might be worth more to someone else than is currently being recognised in the Coca-Cola Amatil share price," UBS says. UBS rates Coca-Cola Amatil at neutral with a A\$9.20/share price target. CCL last traded at A\$9.07. (david.winning@wsj.com; @dwinningWSJ)

2301 GMT [Dow Jones] The New Zealand Debt Management Office has appointed its joint **lead** managers of the syndicate as it works toward the launch of the a new 2035 inflation-linked bond later this year. It says New Zealand branch of Deutsche Bank AG, **Hong Kong** and Shanghai Banking Corp., the Australian branch of UBS AG and Westpac Banking Corp. would be the joint **lead** managers of the launch. The office adds it plans to issue by way of syndication up to NZ\$1.5 **billion** of the new 20-year bond "subject to market conditions." (lucy.craymer@wsj.com; Twitter: @lucy_craymer)

2257 GMT [Dow Jones]--Google Inc. (GOOGL) is facing more pressure to pay publishers in Europe when the Internet giant shows summaries of stories in its news search results. Spain's parliament approved new intellectual **property** laws that allow news publishers to charge aggregators like Google each time they display news content in search results, starting Jan. 1, according to the Associated Press. Google told the AP it was disappointed with the outcome. There's a similar law in Germany and earlier this month Google said it would stop posting snippets from several large German newspapers, rather than pay for the right to post them. (alistair.barr@wsj.com)

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October 30, 2014 19:51 ET (23:51 GMT)

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