

**HD AUD/USD Flat After Recovering from Risk -- Market Talk**

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0614 GMT [Dow Jones] AUD/USD has consolidated near US\$0.9400 Monday after remaining supported on dips caused by U.S. dollar strength and geopolitical risk last week. Trading has been quiet owing to a public holiday in Japan. After recovering from jitters about the U.S. interest rate outlook, as well as risk aversion associated with the downing of Malaysian Airlines flight MH17 and Israel's invasion of Gaza last week, the Aussie dollar appears to be marking time ahead of key events this week. Reserve Bank of Australia Governor Glenn Stevens has a speech on Tuesday and domestic 2Q CPI data are due Wednesday. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

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0552 GMT [Dow Jones] The NZD/USD rises slightly over the session but markets remain quiet ahead of significant events later in the week, says ANZ Senior FX Strategist Sam Tuck. The pair is at 0.8709 vs. 0.8702 early this morning. He adds much of the focus locally is on the RBNZ meeting Thursday, although the NZD could be lower Tuesday following a speech by RBNZ Deputy Governor Grant Spencer that may cover macro prudential tools. The currency could also move down if RBA Governor Glenn Stevens, speaking Tuesday, talks the AUD lower. Tuck puts support at 0.8640 to 0.8660 with resistance coming at 0.8720 to 0.8750. (lucy.craymer@wsj.com; Twitter: @lucy\_craymer)

0539 GMT [Dow Jones] The NZX-50 closes slightly higher, up 0.4% at 5126.90 as the market holds up even as a geopolitical tensions continue to cause concern, says Craigs Investment Partners broker Alexandra Dalzell. She adds Air New Zealand (AIR.NZ), up 4.6% at NZ\$2.04, has rallied after coming under pressure following the Malaysia Airlines MH17 crash last week. Ryman (RYM.NZ) ended down 0.7% at NZ\$8.35 after news it was going to invest a further NZ\$120 million in a new village in Auckland. Dalzell says geopolitical factors are likely to be the main driver of the market over the coming week. (lucy.craymer@wsj.com; Twitter: @lucy\_craymer)

0525 GMT [Dow Jones] Reliance Industries (500325.BY) is up 2.6% at INR1,002.25 after its net profit rises 13.7% to 59.57 billion rupees in the April-June quarter. "Results beats our estimate mainly on the back of lower interest and depreciation cost," says Emkay Research in a note. The brokerage maintains its accumulate rating on the stock with a target price of INR1,046 on the back of expected improvement in the company's business profile in the next two years, potential upsides from positive developments in exploration & production segment and attractive valuations. However, it remains cautious about the company's refining and petrochemical margins in the near term, due to new capacity and weakening demand. (debiprasad.nayak@wsj.com)

0459 GMT [Dow Jones] USD/INR retreats slightly as risk aversion tapers off, but is still within the daily Bollinger uptrend channel that could lead to more weakness for the Indian rupee in the near term. The U.S. dollar has subsided in Asia Monday as the market takes a wait-and-see approach toward the Russia-Ukraine crisis that has escalated a notch due to the Malaysian Airlines crash. The situation between Russia and western powers calling for a fair investigation into the crash has undergone a catalytic reaction which could worsen quickly. Fears of stronger sanctions against Russia--which might have a knock-on effect on global economic growth--may keep the safe haven U.S. dollar buoyant in the near term. USD/INR is now 60.21 from its Friday close of 60.28. (ewen.chew@wsj.com)

0451 GMT [Dow Jones] The Intercontinental Exchange Dollar Index hits a three-day low of 80.420 in thin Asian trade Monday as it enters a consolidation phase after reaching a one-month high of 80.687 on Friday. Liquidity is low in Asia Monday as financial markets in Japan are shut for a public holiday. Dow Jones technical analysis shows the Dollar Index's short-term technical outlook is tilting less positive: the five- and 15-day moving averages are advancing but the daily slow stochastic measure has turned bearish at the overbought level. The current Dollar Index corrective retreat may encounter support at 80.359--the previous cap set on July 7--and then at the 200-day moving average, coming in now at 80.268. The spot Dollar Index was recently at 80.436 versus 80.524 in late New York trade Friday. (jerry.tan@wsj.com)

0443 GMT [Dow Jones] Korean gambling shares face downside risks because there is a "supply tsunami" in casino resorts both in the country and Asia, CLSA says. It says there will be at least six integrated resorts in Korea by 2020 while other Asian countries are also getting more. "Even though demand for casinos in **China** should grow strongly the upcoming supply tsunami could compete for the limited **Chinese** demand," it says. "It will be hard for Korea to become a major gambling destination for them in the way that Macau has done...It will struggle to achieve a "gambling cluster" effect plus circumventing controls on getting cash out of **China** will be harder in Korea." (jacky.wong@wsj.com; Twitter: @jackycwong)

0440 GMT [Dow Jones] Shares of Malaysian Airline System Bhd. (MAS) recouped 2.5% to trade around RM0.20 from RM0.195 earlier, possibly fueled by growing speculation that the national air carrier might be bailed out by the government. The state investment **firm** Khazanah Nasional may be considering a **purchase** of the remaining 31% **stake** that it doesn't already own. A decision could be announced as early as August. Three straight years of losses due to operating inefficiencies and two major air crashes in five months have MAS shares on the brink. Already down 35% this year, the **company** needs fresh capital by 2015 to stay afloat, said Hong Leong Investment Bank. MAS is worth approximately \$1.05 **billion** based on Friday's closing share price. (ewen.chew@wsj.com)

0430 GMT [Dow Jones] **Hong Kong** equities flatline as investors fret about the geopolitical repercussions from the shooting down of flight MH17 over Ukraine. The Malaysia Airlines incident "may affect global market sentiment and **lead** to near-term volatility including the **Hong Kong/China** markets," says Haitong Securities. There are few signs of conviction among investors positioning ahead of HSBC's **China** flash manufacturing PMI on Thursday, which may show expansion in the mainland's private sector for a second consecutive month. The Hang Seng Index is flat at 23,457.16, while H-shares stagnate. The Hang Seng **China** Enterprises Index slips 0.3% to 10,414.64. Casino stocks **lead**, with Sand **China** (1928.HK) up 2.8% to HK\$55.75 to snap a three-day streak of losses. (gregor.hunter@wsj.com; Twitter: @gregorhunter)

0429 GMT [Dow Jones] HSBC upgrades its **China** 2014 GDP forecast to 7.5% from 7.4%, while also lifting its 3Q year-on-year GDP forecast to 7.4% from 7.3%. "Policy support was instrumental in bringing about an earlier and stronger recovery," HSBC economists say. "Bank lending picked up strongly in June, topping RMB1trillion compared with RMB870bn in May. Meanwhile, fiscal spending accelerated in May and June, growing nearly 25% in both months, up from an average of 8% from January to April. As a result, infrastructure investment and related manufacturing investment accelerated." They add that the forcefulness of the pick-up poses some upside risks to their revised GDP forecasts. "More importantly, the degree of easing bias at local and central level suggests that there will be more to come over the next few months. We think policies, particularly fiscal policy, will likely be more supportive in 2H as it is traditionally the spending season." (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

0427 GMT [Dow Jones] Shares of Multi Commodity Exchange of India Ltd. (534091.BY) rises 4.2% to INR818.90 after Kotak Mahindra Bank (500247.BY) agrees to buy 15% **stake** from the exchange's founder Financial Technologies (526881.BY) for INR4.59 **billion**. Last December, the commodity market regulator asked Financial Technologies to pare its **stake** to 2% from 26% in the Multi Commodity Exchange, saying there was evidence of misconduct in controlling the activities of its subsidiary **company** National Spot Exchange Ltd. Financial Technologies says it will continue with its divestment process to sell the balance 5% **stake** in the commodity exchange. Analysts say the **stake sale** will remove the uncertainty over the functioning of MCX. Kotak Mahindra Bank is up 1.9% to INR952.90, while Financial Technologies gains 6.3% to INR284.05. (debiprasad.nayak@wsj.com)

0335 GMT [Dow Jones] The U.S. job market has been on a roll this year, with nonfarm payrolls climbing by more than 200,000 for five consecutive months. That's backed up by a new survey from the National Association for Business Economics, with 36% of members saying their firms have increased employment in the last three months. That's up from 28% in April. Looking forward, 37% say they expect their **firm's** payroll to grow in the next three months. (ben.leubsdorf@wsj.com)

(END) Dow Jones Newswires

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