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HD **Aussie Gold Miners Surge as Spot Tests Key Downtrend Line -- Market Talk**

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0132 GMT [Dow Jones] Spot gold may be a long way from the heady days of late 2011 when it peaked at a record US$1,920.80. It's still in a major downtrend, after falling to US$1,180.26 last year. But that isn't stopping Aussie gold miners from surging Friday after spot gold jumps 3.4% to a two-month high of US$1,321.43 overnight as the market digests the Federal Reserve's lower-for-longer interest-rate mantra. Gold hit the daily downtrend line drawn from the Oct. 2012 peak, at US$1,320, last night, and weekly charts are already showing a slight break of the line. A clear break of the downtrend line would warn of a potential change in trend. Any further strength could cause a pop to the US$1,380-US$1,430 area on a technical view. Newcrest (NCM.AU), Resolute Mining (RSG.AU) and Evolution (EVN.AU) rise 4.7%-6.1%. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

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0126 GMT [Dow Jones] If there was an underlying message from Santos (STO.AU) and GDF Suez (GSZ.FR) delaying their Bonaparte gas-export project, Macquarie thinks it's this: floating liquefied natural gas isn't the industry's savior. The broker expects at least 100 million tons a year of LNG-equivalent supply from U.S. exports and Russian pipelines by 2025--little of which was in consensus forecasts three years ago. "This alone represents 50% of demand growth over the period, to say nothing of East Africa, Canada or improving prospects for shale gas production in LNG consuming countries," Macquarie says. With too many projects targeting finite demand, Macquarie believes LNG prices will ultimately drift down to the marginal cost of supply. "And Australia is simply not the marginal producer," it says. (david.winning@wsj.com; @dwinningWSJ)

0115 GMT [Dow Jones] It's difficult to foresee that the USD/JPY will "break outside the current range to show a clear trend at least for near term," says Junya Tanase, chief foreign exchange strategist at J.P. Morgan. The Nikkei index finally managed to step out of its range on Thursday, hitting the highest level since January 29. But that didn't lead to yen selling, underscoring the weaker correlation between the Nikkei index and the USD/JPY, says Mr. Tanase. Meanwhile, the yen remains directionless in terms of effective exchange rate, now in the middle of its range since late January, he says. The USD/JPY pair is now at 101.88 against 101.94 in late New York Thursday. Nikkei index is now up 0.1%. (hiroyuki.kachi@wsj.com)

0108 GMT [Dow Jones] There are five unusual characteristics to the economic outlook in Australia that will complicate policy choices for the Reserve Bank of Australia, says Citigroup Chief Economist Paul Brennan. Economic growth is robust but is not translating into strong income growth; domestic demand growth is much weaker than growth in production; the upswing in housing activity isn't translating into strong consumer spending; despite weak consumer sentiment, businesses remain confident; the combination of low interest rates and a relatively high Australian dollar is unusual. (james.glynn@wsj.com)

0105 GMT [Dow Jones] Gold is under pressure in early Asian trading on profit-taking after prices rose 3.4% in the spot market overnight. That gain came as investors moved back into the market following the U.S. Federal Reserve's outlook for continued low interest rates. Prices rocketed past the psychologically important $1,300/oz-level, breathing new life into the market and luring momentum-chasing funds in as buyers, brokers say. Escalating violence in Iraq and renewed concerns about Russia massing troops near Ukraine's border could provide a floor for gold prices. Gold is seen as a safe-haven asset during times of geopolitical and economic uncertainty. Spot gold is at $1,315.90/oz, down $4.40 from its previous close. (arpan.mukherjee@wsj.com; Twitter: @ArpanMukherjee)

0104 GMT [Dow Jones] Hong Kong equities are seen moving higher in early trading as traders position for HSBC's preliminary China manufacturing PMI data for June, due Monday. Société Générale expects a third successive increase in the gauge from 49.4 to 49.7, "which will add to the existing evidence that the series of selective policy easing measures are bearing fruit - notwithstanding weakness in the property market." ING says that "greater comfort with the China growth outlook will make emerging market equities the top-performing asset class until markets begin to reprice for the Fed's lift-off from the zero lower bound." The Hang Seng Index fell for a fourth straight day Thursday, down 0.1% to 23167.73. Index futures rise 0.6% ahead of the market open. (gregor.hunter@wsj.com; Twitter: @gregorhunter)

0044 GMT [Dow Jones] The dollar/yen pair displays a weaker tone in early Asian trade Friday amid soft Tokyo stocks. The currency pair falls as low as 101.88 on the Electronic Broking Services trading platform from its Thursday late New York level of 101.94. The Japan Nikkei Stock Average is recently down 0.04% at 15354.6. However, the USD/JPY downside is limited before the regular 0100 GMT settlement in Tokyo due to bids from Japan importers. Short-term support for the dollar/yen pair is eyed at 101.74. Spot USD/JPY is last at 101.91. (jerry.tan@wsj.com)

0006 GMT [Dow Jones] Offshore accounts at five foreign brokerages place net buy orders for 2.5 million Japanese shares overnight, according to traders. The yen-value basis of the figures is unknown, however. Buy orders total 7.6 million shares, with sell orders amounting to 5.1 million shares. (bradford.frischkorn@wsj.com)

17:25 EDT - CME hog futures have been one of the fastest-climbing commodities this year, closing Thursday at a fresh record at $1.2805 a pound, stoked by concerns about a deadly swine virus. Since the announcement Monday that a vaccine-maker in Iowa received a license for a product that could slow the disease spread, futures have fallen sharply, only to jump to new peaks as traders debate market implications. "A vaccine that works will result in more pork on the market and a lot lower prices, but one that doesn't won't," says Ron Plain, agricultural economist at the University of Missouri. "It all depends on how effective it is." (kelsey.gee@wsj.com; @kelseykgee)

17:23 EDT - The Canadian government will announce Friday reforms to a temporary foreign-worker program that has been criticized for alleged abuses which led Ottawa to prohibit fast-food restaurants from hiring such workers two months ago. According to a government statement, there will be a technical briefing at noon Friday, and a press conference by Employment Minister Jason Kenny and Citizenship and Immigration Minister Chris Alexander at around 1:30pm. (nirmala.menon@wsj.com; @NirmalaMenon)

17:22 EDT - BMO Capital Markets says it may be early to sound the all-clear signal on Canadian household debt/income ratios, but other metrics are improving rapidly. Net worth to income has soared to a record high of more than 726%, and debt to assets is steadily sliding to well below 19%, meaning Canadians have well over $5 of assets for every $1 of debt. Finally, homeowner equity is at its highest level in years at nearly 70%, BMO says. "True, all of these metrics would take a hit if home prices went into reverse," it says. But BMO says it's worth reinforcing the point that debt buildup has also helped bolster the other side of the household balance sheet in recent years. (don.curren@wsj.com; @dbcurren)

17:14 EDT - Air New Zealand (AIR.NZ) has opportunities for profit advancement, particularly if the macro environment remains supportive, says Forsyth Barr analyst Andrew Bowley. However, "this is already reflected in market expectations," he says. As a result, Forsyth Barr lowers its rating to neutral from outperform, following strong share price performance over the past two years. Its 12-month target price is NZ$2.40. The stock closed Thursday at NZ$2.275. (rebecca.howard@wsj.com; @FarroHoward)

(END) Dow Jones Newswires

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