

HD Chevron Likely to Stick With Beach, Says UBS -- Market Talk**WC** 1,541 words**PD** 14 October 2014**ET** 10:25**SN** Dow Jones Institutional News**SC** DJDN**LA** English**CY** Copyright © 2014, Dow Jones & Company, Inc.**LP**

2325 GMT [Dow Jones]--UBS analyst Nik Burns expects Chevron (CVX) will take part to a second phase of exploration for unconventional gas in the Nappamerri Trough in central Australia with Beach Energy (BPT.AU). Concerns around Chevron's ongoing commitment contributed to Beach Energy falling 16% in the three months through September, making it the worst-performing stock among Australia's major energy companies. Beach Energy says Chevron must decide whether to move to Stage 2 in the Nappamerri Trough in Queensland state by March 31, which would trigger payments of US\$77 million in cash and US\$41 million to cover Beach Energy's own exploration costs. UBS rates Beach Energy at neutral, with a A\$1.45/share price target. BPT last traded at A\$1.30. (david.winning@wsj.com; @dwinningWSJ)

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11:21 GMT [Dow Jones] Network executives have now had a few days to let a small error at measurement firm Nielsen sink in. The upshot? The reissued ratings ticked down slightly for ABC but increased slightly for the other big broadcasters. NBC's "The Voice," for example, saw its season premiere grow from a rating of 3.9 to 4.1 in the crucial 18- to 49-year-old demographic, a person familiar with the matter said. Importantly, Nielsen discovered and corrected its error before the scheduled release of "C3" commercial ratings, which factor in live viewing plus three days of digital recording and form the basis for advertising deals. The error therefore won't impact networks' bottom line, but will erode confidence in Nielsen at a time when networks are already perturbed at the measurement firm, arguing its figures understate networks' digital audience across mobile devices and tablets. steven.perlberg@wsj.com

2322 GMT [Dow Jones] New Zealand's milk season is off to a strong start despite lower prices. In the June to September period, milk collection was up 4.5% on the year, dairy giant Fonterra says. Milk collection was up 3.9% in September versus the same month a year earlier. "Despite some unsettled weather, favourable pasture growth in the North Island has helped maintain early season volumes above last year's levels," Fonterra says. Volumes are approaching peak collection for the season, which is forecast for mid-October 2014. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

2322 GMT [Dow Jones]--Sentiment in the iron-ore market is vastly more bullish after strong Chinese import data and robust demand from the world's No. 2 economy post-Golden Week holidays. But analysts caution the jump could be little more than a dead-cat bounce without more strong indicators to back it up. "Further supportive Chinese data will be needed to sustain the overnight rally in iron ore as yesterday's support from import figures is unlikely to linger," analysts at ANZ write in a note. Iron-ore prices rose 4% Monday, to US\$83.10/ton. (rhiannon.hoyle@wsj.com; Twitter: @RhiannonHoyle)

2320 GMT [Dow Jones] The spot price for iron ore may well have bottomed for the year and could edge back up to \$95/ton, which make it opportune to buy or short-cover leveraged Australian iron-ore equities, suggests Bell Potter Securities executive director Charlie Aitken. "Don't worry about analyst valuations or any of that. They meant nothing on the way down and will mean nothing on the way back up," he says. "This is about spot iron ore bottoming and iron-ore equities following the spot price as leveraged derivatives of that spot price." Still, if investors are looking for stocks to sell, Aitken says they should consider the energy sector as oil prices continue to fall sharply. Overall, he shifts his tactically bearish stance on Australian equities to neutral. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2320 GMT [Dow Jones]--Morningstar remains upbeat about James Hardie's (JHX.AU) medium-term earnings outlook and an improving operating environment, particularly as the U.S. housing market

improves. A key driver for the **company** is its cost advantage, which is underpinned by a commitment to research and development that has delivered a number of patents on its leading products. The investment-research **firm** expects the building materials **company** will file patent applications in the next few years, extending its market leadership. "Competitors will be forced to spend more money on manufacturing and material to compete effectively, which we do not envisage," analyst Tim Mann says. Morningstar has a reduce recommendation and A\$12/share fair-value estimate. JHX last traded at A\$11.28. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2319 GMT [Dow Jones] UBS lifts James Hardie Industries PLC (JHX.AU) from Sell to Neutral, citing recent Australian dollar weakness and a positive outlook for the U.S. housing industry. The broker estimates that every 1 cent move in the currency has added 0.8% to the **company's** Australian dollar earnings, and says further falls are possible. UBS says U.S. housing starts are expected to grow by 15% in the next two years. "Longer term, the millennials should boost starts as this age **group** moves out of home." Lifts target price to A\$12.25 (\$10.63) from A\$11.85. The stock last traded at A\$11.28. (rebecca.thurlow@wsj.com; @beckthurlow)

2318 GMT [Dow Jones]--Growthpoint Properties Australia (GOZ.AU) has limited headroom for acquisitions, says UBS, which rates the stock at neutral. "We estimate Growthpoint Properties has capacity to **acquire** around A\$150 **million** additional assets before exceeding the maximum target gearing of 45%," UBS says. If Growthpoint Properties spends A\$100 **million** on acquisitions, UBS thinks earnings would increase by around 1.3% in FY15 and 2.5% in FY16. That assumes a 7.4% yield and 4.5% incremental debt cost. UBS lifts Growthpoint Properties's price target by 4.9% to A\$2.59/share. GOZ last traded at A\$2.65. (david.winning@wsj.com; @dwinningWSJ)

2235 GMT [Dow Jones] -- Australia's central bank said Tuesday a sharp decline in the Australian dollar since early September will do some good for the economy, but the currency remains fundamentally overvalued and needs to go lower. Guy Debelle, assistant governor (financial markets) at the Reserve Bank of Australia, said a lower currency was needed to help the economy rebalance as a decadelong mining investment boom fades and commodity prices tumble. "Australia's terms of trade has continued to decline and some key commodity prices for Australia, most notably the iron ore price, have declined considerably. On that basis, the Australian dollar is still higher than most conventional estimates of fundamentals would indicate," Mr. Debelle said. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

2233 GMT [Dow Jones] UBS downgrades SAI Global (SAI.AU) to neutral after the compliance-services provider ends discussions with potential acquires for all or parts of the **company**. "In our opinion the process over the past four months has highlighted a number of issues, none of which are positive for the stock in our view," the broker says. These include the long absence of a CEO and slow progress appointing a new one, earnings risk from the renegotiation of a major contract, and the removal of a historical takeover premium priced into the stock. UBS slashes its price target on SAI to A\$3.87 from A\$5.35. The stock was last at A\$3.66. (Ross.Kelly@wsj.com)

18:16 EDT - Boeing (BA) is feeling the sting of whistleblowers. The **company** is paying a \$23M to settle allegations that it overcharged on its maintenance work for the U.S. Air Force. The four former employees who brought a false claims suit against the government will reap a \$3.9M reward. For two of the whistleblowers, the settlement marks the second time they are cashing in on Boeing allegations. In 2009, two of the whistleblowers were awarded \$2.6M for a separate suit against Boeing. (joel.schectman@wsj.com; @joel_schectman)

18:10 EDT - Mark the date now, says Fiat Chrysler Automobiles CEO Sergio Marchionne. On June 24, 2015, the **company** will unveil an all-new Alfa Romeo sedan, its first mass-market car to lead the **brand's** revival in the U.S. and globally. Mr. Marchionne says the **company** has been working "quietly" on the midsize car for last two years and its debut will kick off a barrage of new Alfa Romeo models set to arrive in the next three years. Fiat Chrysler hopes to boost Alfa's global sales five-fold to over 500,000 by 2018. But as of now, it only sell a small, two-seater roadster with production limited to a couple thousand a year. (christina.rogers@wsj.com)

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