HD **Active Display Group Acquisition Positive for STW Communicationsm -- CS: Market Talk**

WC 1,509 words

PD 27 June 2014

ET 08:43

SN Dow Jones Institutional News

SC DJDN

LA English

LP

2243 GMT [Dow Jones] Credit Suisse upgrades STW Communications (STW.AU) to Outperform from Neutral following its **acquisition** of Active Display Group and maintenance of FY14 earnings guidance. As Australia's largest provider of retail marketing solutions, with a number of bluechip clients, Active Display Group should strengthen STW's position in the brand/in-store sector of the advertising market in Australia and offshore, the broker says. It estimates STW is trading on a forward PE ratio of nine times, with a 7% dividend yield. Target price rises to A$1.60 from A$1.55. STW last A$1.40. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

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2240 GMT -- Midsize companies are suddenly doing worse on say-on-pay executive compensation votes. Some 5% failed the advisory shareholder votes so far this year, up from 2% in last year's proxy season, according to a study by Broadridge Financial Solutions and PricewaterhouseCoopers LLP on Thursday. By comparison, just 0.3% of large-cap companies failed to get majority support on the votes this year. The increase in failures comes even as midcap stock indexes have outperformed large-cap stock indexes this year. Institutional investors also hold a larger percentage of midcap stocks than large-cap stocks, which should have helped midcap companies, Broadridge said. Large companies may be outspending smaller firms on outreach to shareholders, which could boost their vote tallies. (emily.chasan@wsj.com)

2241 GMT [Dow Jones]--Credit Suisse cuts Amcom Telecommunications (AMC.AU) to Underperform from Neutral on slower take-up of Cisco/Cloud computing technology, and EPS dilution after AMM's A$40 **million** capital raising. "With FY14 all but complete, it has been a slow start in AMM's first year of selling the CISCO HCS product," the broker says. "We have downgraded forecasts to reflect our view the Cisco and Cloud platforms will take much longer to become meaningfully profitable." Downgrades to Cisco HCS and Cloud account for half of its 9%-10% EPS forecast downgrades for FY15-FY16, with the balance being dilution from the capital raising. Target price falls 13% to A$1.87. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

18:30 EDT - The FDA has finally given Ranbaxy Laboratories permission to sell the first generic version of the Diovan high blood pressure medicine. The move comes roughly two years after Ranbaxy was eligible to sell a low-cost generic, but was prevented from doing so by ongoing quality-control problems at its plants in India. Ranbaxy is operating under a consent decree and the FDA has banned imports of products made at those plants. The generic Diovan, however, will be made by a Ranbaxy subsidiary in the US called Ohm Laboratories. The brand-name drug is a big seller for Novartis (NVS), generating $8.3B last year, and the delay was estimated to cost US consumers **millions** of dollars each of the past two years. (ed.silverman@wsj.com)

18:10 EDT - Luxury brands may be facing headwinds in **China**, but there appears to be an appetite among **Chinese** consumers for the affordable fashion long a staple in the West. Some 300M people are expected to enter the **Chinese** middle class by 2020, according to government statistics cited by Morgan Stanley analyst Kimberly Greenberger and that's good news for Gap (GPS), which is making a big push in the country. Greenberger estimates that Gap's sales in **China** could hit $1B in three years, making it the **company**'s second biggest market behind the US. (suzanne.kapner@wsj.com)

18:01 EDT - With Eaton (ETN) reaching settlements with two auto-parts companies, attention will turn to the sustainability of its low tax rate, says Morgan Stanley analyst Nigel Coe. Eaton, which moved to Ireland last year as part of its **acquisition** of Cooper Industries, had a 3% effective tax rate in 1Q, compared with 5% for the same period a year earlier. Morgan Stanley thinks a recent spate of inversions suggests that ETN's tax rate can be sustained in the double-digits for the foreseeable future, and raises its price target for Eaton to $90. ETN flat today at $76.97. (kate.linebaugh@wsj.com)

17:51 EDT - Ad technology firm Rocket Fuel (FUEL) CEO George John says advertisers are getting more interested in automated ad buying, but that doesn't mean they're ditching their ad agencies as a result. In an interview with WSJ, John says advertisers know it's critical to understand automated buying and are partnering more closely with their agencies to embrace the technological approach. He also notes ad agencies are "very rational" and know how to reallocate money in budgets if a media buy is effective. Though FUEL's stock is down 52% year-to-date, it's made gains in recent weeks. (nathalie.tadena@wsj.com)

17:48 EDT - Wireless subscriber growth naturally began to slow when penetration topped 100% a few years ago. But UBS predicts the total number of contract customer additions in 2Q will more than double from last year as carriers aggressively push tablet sales to existing phone subscribers. T-Mobile US (TMUS) gives away a gigabyte of free data to tablet customers while other carriers push aggressive discounts, and some customers even leave the store with a free tablet. The success masks handset declines. Verizon (VZ), for instance, lost handset subscribers while still netting positive additions due to tablets. But tablets bring in less revenue, and once most customers have them carriers will need to find a new device to boost their numbers. (ryan.knutson@wsj.com)

17:45 EDT - When a small bond deal was announced Thursday, the debt grade came from an unfamiliar name: HR Ratings. The issuance of $31M in education-revenue bonds were given a BBB-, representing the first-ever US rating for HR Ratings, a Mexico City-based firm. In November 2012, HR Ratings became the 10th credit-rating company to register with the Securities and Exchange Commission. Despite SEC efforts to increase rating-world competition, the biggest three firms--Standard & Poor's, Moody's and Fitch--still dominate market share. Only a few new players have emerged. HR Ratings says it's the first Latin American ratings firm to issue a debt grade in the US. (timothy.martin@wsj.com; @timothywmartin)

17:41 EDT - Mizuho says Mark Templeton's decision to remain as CEO of Citrix (CTXS) should be a near-term positive for the company as it looks to stabilize after a series of missteps. Templeton had taken a leave of absence last year following the death of his son and in January announced his intention to retire next year. Mizuho does see a risk in losing key employees who may have been passed over in its search for a replacement CEO and expects investor reaction to be mixed. Firm says Templeton should help CTXS refocus on the XenApp business, which is critical in its competition with VMware. (patrick.sullivan@wsj.com)

17:39 EDT - Commodity markets holding an upbeat tone in Q2, but as correlations between individual markets fade, Barclays is picking winners and losers for the next three months. The bank says buy near-dated crude oil futures, as positive roll-yield means the contract pays you to hold it, and worries about political upheaval in the Middle East lend support to prices. Gold, which has risen on geopolitical worries and recent dovishness from the Fed, is unlikely to sustain the gains, the bank says. And as the US economy continues to improve, prices are likely to return to fundamentals, so sell gold short, it says. (tatyana.shumsky@wsj.com)

17:12 EDT - The National Center for Employee Ownership, which provides information on employee-stock-ownership plans (ESOPs), overestimated the number that exist and as a result incorrectly claimed that the plans were increasing. The nonprofit group stands to benefit from the plans gaining favor, as its members include companies with ESOPs and firms that pitch services to these companies. But in its latest newsletter, the group said in fact, there were only 6,941 ESOPs in 2011 (the most recent figures available), 22% fewer than there were in 2002. The group's executive director said it overestimated the number of companies it believed had ESOPs but that didn't properly identify themselves as such to the Labor Department. The decline coincides with increased government scrutiny. Labor Department has filed 28 suits tied to ESOPs since October 2009, double the total in the previous six years. (sarah.needleman@wsj.com)

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(END) Dow Jones Newswires

June 26, 2014 18:43 ET (22:43 GMT)

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