DOW JONES NEWSWIRES

HD **Number of New Australian Business Startups Rise 23% in 2Q Vs 1Q -- Market Talk**

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[Dow Jones] The number of new Australian business startups jumped 23% in the second quarter of 2014 from the first quarter in a sign that confidence about trading conditions may be strengthening, said Dun and Bradstreet. On the back of record low borrowing costs and expectations of stronger growth, Dun & Bradstreet's review found that 62,160 enterprises commenced **operations** during the second quarter of this year, up from 50,539 in the three months previous and 57,504 in 2013. Business failures declined 11% from the previous quarter. (james.glynn@wsj.com)

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2352 GMT [Dow Jones]--AGL **Energy** (AGK.AU) faces more community and environmentalist opposition to proposed **coal**-seam-gas drilling in Australia's New South Wales state, potentially delaying a key project and weakening profits, says Credit Suisse. AGL wants to make a final investment decision on its Gloucester development in the second half of 2015, but Credit Suisse has only attributed A$88 **million** in value to the project out of a A$347.5 **million** book value, due to delay risks. AGL's retail arm could also be exposed to campaigns by activists that trigger customer losses, the broker says, keeping a "neutral" recommendation and A$15.60 price target on the stock vs. its latest trade of A$14.67. (Ross.Kelly@wsj.com)

2349 GMT [Dow Jones] Navitas (NVT.AU) needs to deliver on its U.S. growth strategy, says UBS, after the education provider's earnings from Australia were hit by the loss of a key contract with Macquarie University. UBS notes the market has been attracted by the **company**'s growth prospects. "To date, Navitas' foray into the U.S. has underwhelmed and perfect execution is now required. In the short term, we believe the second wave of growth has passed and the U.S. is needed to create a third." The broker has cut its price target on the stock to A$4.95 from A$5.20 after the **company** reported a 31% annual net profit fall yesterday. (rebecca.thurlow@wsj.com; @beckthurlow)

[Dow Jones] **Uranium** prices will likely be in the doldrums for longer, as Japan continues to delay restarting reactors that would eat into the current glut in supply of the nuclear fuel, says J.P. Morgan analyst Mark Busuttil. "Pricing stability is now in the hands of the producers and their willingness to curtail supply," he says. J.P. Morgan cuts its **uranium** spot price forecasts by 22% to US$31/lb in 2014, by 40% to US$30/lb in 2015, and by 33% to US$40/lb in 2016. Still, Busuttil thinks the longer-term prospects are bright as no new **uranium** projects are in development, and prices should eventually recover to US$75/lb. (david.winning@wsj.com; @dwinningWSJ)

xxxx GMT [Dow Jones]--Nymex crude is likely to consolidate with a bearish bias near term, after hitting an eight-session low of $100.90/bbl Monday before settling down 42 cents at $101.67/bbl, Dow Jones technical analysis shows. The daily continuation chart is negative-biased as the MACD and slow stochastic indicators are bearish, while the five-day moving average is falling below the declining 15-day moving average. A drop below $100.90 support would expose the downside to the 200-day moving average (now at $99.89), then to $99.01 (July 15 reaction low), $98.91 (May 5 low), $98.74 (May 1 swing low), and $98.25 (March 21 reaction low). But a rise above $102.10 (Monday's high) would temper the negative near-term view, targeting $102.53 (Friday's high), then $103.34 (Wednesday's high), $$103.45 (July 22 high), $104.99 (July 21 reaction high) and $105.53 (July 2 high). September crude is down 19 cents at $101.48/bbl on Globex. (jerry.tan@wsj.com)

2337 GMT [Dow Jones]--The Nikkei is likely to rise as caution over April-June earnings eases, says Hiroichi Nishi, general manager of **equity** at SMBC Nikko Securities. Previously, investors were worried Japan's sales tax hike in April could weigh on results. "Excessive concerns are receding," he says, adding the Nikkei may trade in a 15500-15650 range. The index ended up 0.5% at 15529.40 on Monday. Nikkei 225 September futures ended Chicago trading at 15565 Monday, compared with an earlier close in Osaka at 15510. (kosaku.narioka@wsj.com)

2333 GMT [Dow Jones] USD/JPY has been changing hands in extremely tight 101.07-102.27 range (Y1.20) so far in July, reinforcing the possibility the pair moves in the narrowest-ever range on a monthly basis since mid-1970s, says Daisaku Ueno, chief FX strategist at Mitsubishi UFJ Morgan Stanley. "It is hard to find any appropriate adjectives to describe the stalemate that remains pervasive in USD/JPY trade," he says. Record-tight range on a monthly basis (Y1.34) was registered in December 2011. In July, the USD/JPY hit as low as 101.07 on July 10, when the JPY was bought on risk aversion stemming from recent troubles at a Portuguese bank; The pair hit 102.27 on July 3 after solid U.S. June jobs data. One-month implied volatility hit record low 4.305% on July 17. (hiroyuki.kachi@wsj.com)

2331 GMT [Dow Jones]--UBS cuts Leighton (LEI.AU) to Sell from Neutral on valuation, as the stock is trading on a 23% premium to the broker's A$18 valuation and price target, which is unchanged despite an underlying first-half profit of A$319 **million** versus A$298 **million** expected. "We believe that Leighton's cashflow weakness and generally high level of receivables continues to remain a key issue," the broker says. "With management commenting that the elevated level of receivables are 'likely to remain until the current domestic LNG projects are completed and final agreements negotiated', we do not see a quick turnaround in this situation and believe it will continue to be a source of potential risk to earnings and asset values." LEI last A$22.10. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

2330 GMT [Dow Jones] Australian consumer confidence continues to stage a strong recovery, rising 2.4% in the week ending July 27 from a week earlier, completely erasing a sharp plunge seen after the government announced its budget in mid-May. ANZ's Chief Economist, Warren Hogan, said the "sticker shock" from the budget has proved temporary with improving house prices and job market likely lifting the mood of consumers. Consumer confidence has now moved into line with business confidence, which was far less affected by the budget. "ANZ's base case remains that consumer-spending growth will remain moderate this year, before improving next year as the non-**mining** recovery gathers momentum," Mr. Hogan said. (james.glynn@wsj.com)

2326 GMT [Dow Jones]--Credit Suisse lifts its price target on Challenger (CGF.AU) to A$9.35 from A$7.50, saying CGF stands to benefit from any regulatory changes favoring annuities. "While CGF's valuation gap to financial peers has closed, we see it as inexpensive given the growth options." Keeps Outperform rating. Notes recent reports by Treasury and the Financial System Inquiry have highlighted weaknesses in Australia's retirement income system; both viewed annuities as a possible solution. "We expect the market to grow considerably over the medium term. As the leading annuities provider in Australia, CGF is well positioned to capitalise on this opportunity with a strong brand and distribution capability," the broker says. CGF shares last traded at A$8.18.(rebecca.thurlow@wsj.com; @beckthurlow)

2312 GMT [Dow Jones] J.P. Morgan keeps its Underweight rating on National Australia Bank Ltd. (NAB.AU), saying that a runoff of U.K. noncore commercial real-estate loans will not be material. "Our recent research highlights that NAB's U.K. CRE portfolio explains a mere 7 basis points of an 80 basis points deficit in risk-adjusted margins relative to peers," the broker says. "Further, to the extent that any capital released from the sell-down becomes available at the Group level as opposed to being retained to support residual assets, NAB is still facing a A$1.97 **billion** ($1.85 **billion**) Core Tier 1 headwind from the removal of gearing in the Wealth subsidiaries." Target price rises to A$35.51 ($33.36) from A$35.35. NAB last A$34.69. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

2307 GMT [Dow Jones] Private-**equity** firms are chomping down on dental-services deals. Toronto **firm** Imperial Capital Group and OPTrust Private Markets Group, an arm of Canadian pension fund OPSEU Pension Trust, invested C$121 **million** in Toronto's Dental Corp. of Canada Holdings Inc., which provides administrative services for dentists. "We've looked at the dental industry ever since we started health care," said Imperial Partner Justin MacCormack, noting the sector's fragmentation, demand for its services and opportunities for organic growth among reasons for the **firm**'s investment in Dental Corp. "Being in our backyard, that's a plus as well," he said. Other P-E firms are investing in the space. **China**'s Citic Capital Partners earlier this month bought dental laboratory DDS Lab, and Huron Capital Partners launched dental support organization Spring & Sprout Dental Holdings LLC in June. (braden.kelner@wsj.com)

To contact the Market Talk Editors,
Kevin Kingsbury, 212 416-2354, kevin.kingsbury@wsj.com
Cynthia Lin, 212 416-4403, Cynthia.lin@wsj.com
John Shipman, 212 416-2181, john.shipman@wsj.com

Patrick Sullivan, 212 416-2326, Patrick.sullivan@wsj.com

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