

HD Deutsche Takes Adelaide Brighton Off Sell List -- Market Talk

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23:21 GMT [Dow Jones] Deutsche Bank upgrades building materials supplier Adelaide Brighton (ABC.AU) to hold from sell, citing recent share price underperformance. But investors should remain wary as Deutsche continues to have concerns around the potential for more contract losses. The broker says Adelaide Brighton is trading on a multiple of 13.3 times earnings--broadly in line with its historical 12-month ratio of 12.9 times. "Upside risks include better pricing outcomes for lime and cement and a faster-than-expected improvement in the **mining** and engineering sectors in Western Australia," Deutsche says.

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"Downside risks include weaker pricing outcomes (driven by competition and weaker Australian construction demand)." ABC last traded at A\$3.24, below Deutsche's A\$3.34 price target. (david.winning@wsj.com; @dwinningWSJ)

23:01 GMT [Dow Jones] Australia's **coal** industry, battered by a prolonged market slump, is preparing to take another knock after **China's** finance ministry said it would impose tariffs not seen in a decade on imports of certain types of **coal**. "We expect the tariff will add downward pressure to Australian **coal** volumes and prices," says Commonwealth Bank of Australia analyst Lachlan Shaw. After years of slashing costs and axing workers, **coal** miners only recently started to talk about a possible light at the end of the tunnel on hopes a supply glut was starting to be absorbed. "With around 25% of Australia's **coal** exports going to **China**, the move will likely add more margin pressure on Australian **coal** producers," he says. But Shaw points out these tariffs are "an attempt to save the domestic **Chinese coal** industry," which has also been unprofitable. (rhiannon.hoyle@wsj.com; Twitter: @RhiannonHoyle)

18:30 EDT - Passenger traffic at Los Cabos airport, which was damaged by Hurricane Odile, fell 42% in September with domestic traffic down 29% and international traffic 49% lower. Airport operator Grupo Aeroportuario del Pacifico, or GAP, says the impact in 4Q will depend on the rate at which the resort recovers. Thousands of tourists were airlifted out after Odile hit Sept. 14-15, but **commercial operations** at the airport didn't resume until Oct. 3. Overall passenger traffic at the **group's** 12 airports fell 3.3% last month, but was up 9% in the first nine months of the year. GAP shares have recovered most of the ground lost since the storm, closing up 0.1% Thursday at 92.16 pesos (\$6.86). (anthony.harrup@wsj.com)

18:27 EDT - Alibaba (BABA) has put \$50M into a startup that turns smartphones and tablets into remote controls with an app. Peel Technologies makes a free app that works on newer Android devices with infrared. The app works with controls on 3,500 brands of TVs and 600 set-top boxes. Peel Co-founder and Chief Executive Thiru Arunachalam said although the immediate focus is on TV viewing -- the **company** counts Showtime, Sundance, National Geographic and HBO among its customers -- he's building toward the goal of controlling everything in the home, such as lights, drapes, fans, locks, cameras and garage door openers. The move is the latest of a series of venture investments by the **Chinese** mega-conglomerate Alibaba as it continues to expand beyond ecommerce. (lizette.chapman@wsj.com)

18:23 EDT - A new crop of startups uses software to mine data in the **millions** of pictures uploaded every day on social sharing sites including Instagram, Flickr, Tumblr, and Pinterest. Privacy advocates say the image-**mining** industry is unregulated and could **lead** to predatory marketing tactics. (elizabeth.dwoskin@wsj.com)

18:17 EDT - The government changed its mind about what it wants from Jesse Litvak, the former Jefferies bond trader who was convicted in March of securities fraud for misleading clients on the price of **bonds**. In a filing, the government said it's withdrawing its request for restitution to be paid to privately-funded victims of the fraud. The restitution would've been in addition to the two-year prison sentence and \$1.75M fine, both of which Mr. Litvak is appealing. In the filing, the government said there was little precedent to award restitution in this instance and that certain clients were being made whole by Jefferies. (julie.steinberg@wsj.com ; @JBSteins)

18:07 EDT - Efforts to rein in legal costs appear to be paying off for big companies, according to new survey data from HBR Consulting. Last year total corporate legal spending increased by just 2% compared to 2012 -- slower than the previous year, when it was up 3%, and a downshift from 2011, when legal spending jumped 5%. Companies are also spending more on in-house legal **operations**, and pressing law firms to offer more alternative fee arrangements and use lower-cost legal outsourcing firms for some tasks. "We are seeing a big focus on efficiency, cost management and trying to do more with less," said Lauren Chung, a senior director in HBR's law department consulting practice. That's bad news for law firms who haven't adjusted their business models accordingly. (jennifer.smith@wsj.com)

18:02 EDT - It's been a rough market for IPOs recently, and Thursday MOL Global (MOLG) found itself caught in the crosshairs. The Malaysian provider of online payment services **sold** fewer shares than it originally planned and priced those shares at the low end of its proposed range. Even at the lower price the stock couldn't hold up in trading, falling 35%. According to Dealogic it's the worst one-day performance for a US-listed IPO over \$50M in nearly 20 years. The prior record holder is Physio-Control Holding Corp, whose shares fell 73% on their first day of trading in December 1995. (corrie.driebusch@wsj.com)

17:54 EDT - Puerto Rico is expected to place up to \$1.2B in short-term notes with large banks Friday, according to a person familiar with the commonwealth's financing plans. The tax- and revenue-anticipation notes mature in June 2015 and carry an interest rate of 7.75%, according to the Electronic Municipal Market Access website. The placement marks Puerto Rico's first debt **sale** since passing a June law that allows public agencies to restructure their finances. (aaron.kuriloff@wsj.com)

17:48 EDT - Apple (AAPL) supplier GT Advanced Technologies (GTAT) is exiting the business of manufacturing sapphire after a disastrous effort to produce material for smartphone screens, new court papers say. Orders signed by a bankruptcy judge today allow GTAT to keep secret the details of its problems with AAPL, which was supposed to use GTAT-made sapphire in its new smartphones. The iPhone 6 rolled out with Corning's (GLW) Gorilla glass instead, and GTAT filed for Chapter 11 protection in New Hampshire, giving only a sketchy explanation of its financial situation. At a closed hearing, Judge Henry Boroff sealed supplemental papers, leaving trade creditors, owed \$145M, and bondholders, owed about \$434M, to wonder what went wrong. (peg.brickley@wsj.com)

17:29 EDT - Investors plow record amounts into weekly reporting taxable bond funds and investment-grade corporate bond funds in the week ending Wednesday, according to fund tracker Lipper. Taxable bond funds including ETFs saw a \$12.7B net inflow, and investment-grade corporate bond funds including ETFs saw net inflows of \$6.9B. Lipper says a "considerable amount" of the flows is money coming out of Bill Gross' former fund, the Pimco Total Return fund, which reports its number to Lipper monthly, not weekly. (mike.cherney@wsj.com)

17:29 EDT - The evolution of Latin American economies toward more services is opening opportunities for **hotel** development, says Paulo Pena, Wyndham **Hotel Group's** president and managing director for Latin America and the Caribbean. Wyndham aims to open 120 hotels in Latin America and the Caribbean between now and 2022, essentially doubling its presence in the region. Top markets for growth are Colombia, Brazil, Mexico and Peru -- countries that together account for 70% of the population and 75% of GDP in Latin America. (amy.guthrie@wsj.com)

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