

**HD Macquarie Cautious on Kingsgate, Beadell's Debt -- Market Talk**
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**LP**

23:49 [Dow Jones] Macquarie says investors should be cautious about Australian **gold** producers carrying a lot of debt, singling out Kingsgate Consolidated (KCN.AU) and Beadell Resources (BDR.AU) as two companies with high costs and gearing. "The rapid decline in **gold** prices has put the focus back on cash flow break-even points and balance sheet strength," the broker says, noting that of most of Australian **gold** producers have average all-in cash costs above A\$1,000/oz. "With margins in some decline, we remain cautious on **gold** producers carrying elevated levels of debt," Macquarie says. The broker's preferred Australian **gold** producers are Regis Resources (RRL.AU), Northern Star Resources (NST.AU), Evolution **Mining** (EVN.AU) and Saracen Mineral Holdings (SAR.AU). (david.winning@wsj.com; @dwinningWSJ)

**TD**

2348 GMT [Dow Jones] Nymex crude is likely to trade in a lower range near-term after hitting a one-week high of \$79.85/bbl on Monday but settling down \$1.25 at \$77.40/bbl, Dow Jones technical analysis shows. The daily continuation chart is negative-biased as a bearish outside-day-range pattern was completed Monday, the five- and 15-day moving averages are falling, while the slow stochastic indicator is reverting to bearish mode. Support is at \$77.13-\$77.12 (Monday's low-Thursday's low); a breach would target \$76.46 (Wednesday's low, near the lower 20-day two-standard deviation Bollinger Band), the \$75.84/bbl (Nov. 4 three-year low), \$74.95 (Oct. 4, 2011 swing low) and \$70.76 (Aug. 25, 2010 reaction low). But a rise above the \$79.85 resistance would temper the negative near-term view, exposing upside to the middle 20-day Bollinger Band (now at \$80.41), then to \$80.98 (Nov. 3 high), \$81.27 (Oct. 31 high), \$82.09 (Oct. 30 high), \$82.88 (Oct. 29 reaction high) and \$83.15-\$83.26 band (Oct. 22 high-Oct. 21 high). December crude is down 19 cents at \$77.21/bbl on Globex. (jerry.tan@wsj.com)

2348 GMT [Dow Jones] Asset quality within Suncorp (SUN.AU) continues to improve, says Bell Potter, noting SUN's 1Q bad and doubtful debts charge fell from A\$49 **million** in the 4Q to a better-than-expected A\$20 **million**. The broker says SUN has the capacity to sustain a yearly 15 cents/share special dividend over the next 2-3 years if underlying trends and benign weather patterns prevail. Bell Potter keeps its A\$15.00/share price target on the stock, but with shares recently trading at A\$14.95 after a strong rally, the broker cuts its rating to Hold from Buy. "The revised rating still adequately reflects SUN's status as a classic 'Cash' story where capital returns--all else being equal--should continue to feature in the medium term," says Bell Potter analyst TS Lim in a research note. (rebecca.thurlow@wsj.com; @beckthurlow)

0046 GMT [Dow Jones] The window for new Australian LNG projects has slammed shut, as cheaper competing natural gas supplies loom from Russia and the U.S., says Macquarie. That's bad news for Woodside Petroleum Ltd. (WPL.AU), which wants to decide whether to develop the Browse natural gas resource offshore northwestern Australia with partners including Royal Dutch Shell PLC (RDSA, RDSA.LN) late next year. "Australian projects are being pushed up the cost curve at an alarming rate," says the broker, while noting around 80 **million** tons per annum of U.S.-produced LNG is slated to flow into global markets, with costs there assisted by low shale gas prices. Russia is also working hard to put its momentous export deal with **China** into action, with pipeline supplies expected by 2025. Macquarie rates Woodside at underperform, but likes **Oil** Search Ltd. (OSH.AU) because it operates in Papua New Guinea, where costs are more competitive. (Ross.Kelly@wsj.com)

17:57 EST - Wayfair (W) shares fall as much as 7.5% in after-hours trading, marking a poor showing in its first earnings report after going public in October. The online home goods retailer reported \$336.2M in 3Q sales, above analysts \$309M expectations, but a net loss of 71c/share, which compares with Street's

forecast of 38c/share loss. The **company** is a test case for e-commerce players who hope to compete with Amazon (AMZN) by carving out a niche that AMZN doesn't yet serve well. Shares down 4.3% after hours at \$26.90. (greg.bensinger@wsj.com; @gregbensinger)

17:50 EST - Warren Buffett's Berkshire Hathaway (BRKA BRKB) has at least \$25B of excess cash to use for acquisitions, Barclays estimates. In a research note today that follows BRKB's 3Q results last week, Barclays says BRKB's \$56B of cash was significantly above the \$20B Mr. Buffett has said he likes to keep as a margin of safety. Even accounting for several pending deals, including a \$2.9B **acquisition** of Canadian power transmission **company** AltaLink and a \$3B preferred stock investment as part of Burger King's (BKW) deal for Tim Hortons (THI), BRKB has a huge leftover cash pile. What's more, Mr. Buffett can always issue debt or sell stocks from the **company's** \$119B stock portfolio if he wants to snare an especially gigantic "elephant" -- his term for double-digit-**billion**-dollar deals. (anupreeta.das@wsj.com)

17:34 EST - Peer to peer lender Social Finance Inc., often referred to as SoFi, which specializes in student loans, has raised over \$303M in its latest round of private-student loan securitizations that the **firm** completed on Monday. The notes are backed by private student loans the **firm** recently refinanced. The loans are being repaid by graduate borrowers, most of whom have high credit scores and are employed. Morgan Stanley and Goldman Sachs led the transaction, which also involved Barclays and Deutsche Bank selling the notes to retail and institutional investors. This marks the lender's third and largest round of private-student loan securitizations since December 2013. It raised \$151M then and another \$251M in July. (annamaria.andriotis@wsj.com)

17:27 EST - Anadarko Petroleum (APC) will keep total executive compensation flat compared with 2013, the **company** says. APC's shares, which are up 16% so far this year, had risen more than 40% before the recent fall in **oil** prices. At Anadarko's annual meeting in May, 61.5% of votes cast approved of the **company's** pay practices, a relatively low level of support. (daniel.gilbert@wsj.com; @WSJGilbert)

17:22 EST - Caesars Entertainment (CZR) says it has "commenced formal discussions with several groups of creditors" to improve the financial condition of its Caesars Entertainment Operating unit, the owner of 44 gaming and resort properties. Cash at the unit fell to \$1.48B as of Sept. 30, from \$2.15B at the end of July. The **company** says more discussion of CEO's capital structure will come in its 10-Q, due later this week. Minutes after CZR's earnings conference call wrapped up, shares are down 7.2% at \$10.70. (matthew.jarzemsky@wsj.com)

2220 GMT - Incitec Pivot (IPL.AU) has some good and bad news for investors in its FY result, with an unexpected swag of writedowns blighting an underlying performance that's easily beat market expectations. A 21% rise in underlying profit -- which strips out nonrecurring items -- to A\$356.3 **million** compared to Deutsche Bank's estimate of A\$303.2 **million**, which the broker says compared to the analysts' consensus estimate of A\$309 **million**. On the other hand, Deutsche Bank said in a preview note Monday it didn't expect any one-off nasties. Incitec has revealed impairment and restructure charges of A\$109.2 **million** at businesses and facilities in Turkey, **China** and the U.S. combining to drag down its bottom line net profit by 33% to A\$247.1 **million**. (ross.kelly@wsj.com)

17:04 EST - Shaygan Kheradpir started as CEO of Juniper Networks (JNPR) on January 1. Today, he's out of a job after what the **company** said was a board review of his leadership and a difference of opinions. It's a dramatic turn for the former Barclays (BCS) and Verizon (VZ) executive. Within his first month on the job, he faced two activists when Elliott Management and Jana announced stakes. They pushed cost cuts and changes to business structure. Kheradpir earned praise for pledging to be an "agent of change" and soon settled with Elliott. JNPR launched a buyback and cost savings program. JNPR, down 4.7% YTD, slips 1.6% to \$21.15 after hours. (david.benoit@wsj.com; @DaveCBenoit)

16:55 EST - Technological innovation as applied in **energy** production is far from over, even as such technologies as hydraulic fracking and horizontal drilling have helped the advance of the shale boom, says investment boutique Cascadia Capital. The **firm** just opened a Houston office because "it became quite apparent over the last two years that we need to be in the **energy** epicenter of Houston," says managing director Jamie Boyd. Cascadia is also looking at ways to adapt technology from other sectors to help enhance **oil** and gas drilling, well completion, reservoir monitoring and other applications. "You've just begun to see the effect of technology," says Bob Schwartz, a former engineer hired by Cascadia to **lead** the Houston office. "We are scratching the surface." (shasha.dai@wsj.com; @ShashaDai1)

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(END) Dow Jones Newswires

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**CO** bdllrs : Beadell Resources Ltd | kincol : Kingsgate Consolidated Ltd

**IN** i22472 : Precious Metals | imet : Mining/Quarrying | i22 : Primary Metals | i224 : Non-ferrous Metals |  
ibasicm : Basic Materials/Resources | i211 : Metal Ore Mining | i232 : Mineral Mining Support Activities

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