DOW JONES NEWSWIRES

HD **Cover-More Comments Bode Well for Flight Centre, DB Says -- Market Talk**

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2358 GMT [Dow Jones] Upbeat commentary from Cover-More (CVO.AU) bodes well for Flight Centre (FLT.AU), says Deutsche Bank. At its annual meeting yesterday, Cover-More reported its Australian travel insurance **business** has returned to growth after "federal budget related instability" in its fourth quarter. Cover-More CEO Peter Edwards said sales continued to grow at double-digit rates in the first quarter with recent currency volatility "not demonstrating any discernible adverse trends". "We believe that Cover-More's performance should be reasonably well correlated with Flight Centre's booking volumes," said Deutsche Bank analyst Michael Simotas, noting Flight Centre is Cover-More's largest distribution partner. "Given Cover-More's heavy reliance on Flight Centre, we take comfort from this update given it implies that Flight Centre has seen relatively healthy customer volumes," Mr. Simotas said in a research report. (rebecca.thurlow@wsj.com; @beckthurlow)

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2318 GMT [Dow Jones] The USD/JPY will likely trade in a 106.50-107.50 range in Asia trade, says Junichi Ishikawa, market analyst at IG Securities. The pair is now at 107.25. The USD was again bought overnight against the EUR and others, limiting its downside. Japanese importers and others will likely move to **buy** the USD for regular settlement for **commercial** trade, giving support to the USD/JPY. But investors are staying cautious ahead of the release of the U.S. Treasury's semiannual currency report, due as early as later Wednesday. The report is sometimes an occasion for the U.S. to scold its international peers and contains cues for the future of exchange rates. The EUR/USD will likely remain steady and is tipped in a 1.2600-1.2750 range. It is now at 1.2644. (hiroyuki.kachi@wsj.com)

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Editor: PAB
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2307 GMT [Dow Jones] Nine Entertainment (NEC.AU) enjoyed a strong TV ratings performance in September, capturing 40.5% of the national audience that month, compared to Seven's (SWM.AU) 38.3% and Ten's (TEN.AU) 21.2%. That's Nine's best ratings performance in the last eight years, says UBS, which keeps **buy** recommendation on Nine and Seven, and a sell call on Ten, which is expected on Thursday to reveal another steep annual loss. The broker still expects a FY15 TV ad market recover to be weighted to 2H. (Ross.Kelly@wsj.com)

2249 GMT [Dow Jones]--J.P. Morgan stays underweight on underwear retailer Pacific Brands (PBG.AU), and drops its price target to A$0.41 from A$0.49, as the fast-weakening Australian dollar pushes up import costs and squeezes its margins. Pacific Brands, which also shops shoes and sheets, recently **sold** its workwear division, although J.P. Morgan reckons it could have more difficulty selling other assets as desired due to profit pressures. "We would await a lower share price and/or evidence of Ebit stabilization before getting more constructive," it says. PBG was last at A$0.445. (Ross.Kelly@wsj.com)

2245 GMT [Dow Jones] **Milk** price futures, lower volumes on offer and the potential return of **Chinese** buyers--who were on holiday at the last auction--"all hint at some price support at this GlobalDairyTrade auction," says ASB Economist Nathan Penny. Whole **milk** powder prices fell 10% in the last auction held Oct. 1 and are down more than 50% since a February peak. The latest GDT auction will take place overnight Wednesday. New Zealand **dairy** giant Fonterra has lowered its payout to its farmer shareholders due to the lower **milk** price, stripping **billions** out of the economy. ASB Bank is tipping Fonterra to pay its 10,500 farmer shareholders NZ$5.30 a kilogram of **milk** solids in the current season, which began June 1 "based on recovering prices as we head into 2015," says Penny. The forecast is in line with the latest one given by Fonterra. (rebecca.howard@wsj.com; @FarroHoward)

17:07 EDT - North American energy companies have hedged 79% of their aggregate 4Q oil production, says Citigroup in an analysis of 57 high-yield companies, but just 42% of their output for next year and 17% in 2016. Hedging allows companies to lock in prices ahead of time. If US oil prices average $80/barrel next year, the companies will make $2.4B on their hedges, Citi says, and they'll make $3.5B if prices average $75 next year. In comparison, the same 57 companies have hedged 72% of their total natural-gas production for 4Q, 37% for 2015 and 11% for 2016. (nicole.friedman@wsj.com; @NicoleFriedman)

16:53 EDT - A dip in the National Australia Bank**business** confidence survey in September is still supporting the NZD/AUD and attempts to move the pair lower have been reversed, says ANZ. **Firm** says the main focus is now on **Chinese** inflation data, with CPI and PPI each expected to moderate. It adds **Chinese** credit growth data will also grab attention "given the slowdown in the **property** market." NZD/AUD last at 0.8998. ANZ expects the pair to trade in a short-term range of 0.8960 to 0.9040. (lucy.craymer@wsj.com; @lucy_craymer)

16:25 GMT - At the long end of New Zealand yield curve, medium-term risks remained skewed toward rising yields, says Harbour Asset Management Head of Fixed Interest & Economics Christian Hawkesby. While the market takes comfort from the U.S. Fed's pledge to keep interest rates near zero, "there is a danger that long-term interest rates start to pre-empt this move." He adds at the short-end of the NZ yield curve stability is expected with local economic growth moderating and inflation still well below the target so it is expected the "the RBNZ has time to reflect and observe the impact of the rise in the OCR to 3.50% and the recent fall in the NZ dollar." (lucy.craymer@wsj.com; @lucy_craymer)

16:14 EDT - The Canadian dollar appears headed for more weakness, now that the greenback has risen to the highest level against the loonie since July 2009, and pierced the psychologically important C$1.1300 resistance level. Traders says that opens up a move for the pair to test C$1.1500. TD Securities had predicted the pair would get to that level through 1Q 2015, but now says it may come sooner. "An earlier arrival at that point--and an extension beyond it looks a strong possibility at the current juncture," TD says. USD/CAD up nearly 1% at 1.1306. (nirmala.menon@wsj.com; @NirmalaMenon)

16:04 EDT - Low sugar prices this year and a drop in production in **China**, the No. 2 sugar consumer after India, will help fuel an uptick in its imports of the sweetener this year, the USDA says. **China**'s 2014-15 sugar imports will likely reach 3.8M metric tons, 15% higher than the USDA previously forecast. **China** may not always get such a sweet deal, though. Raw-sugar futures are up 25% since hitting a 5 1/2-year settlement low of 13.50c/lb last month. (leslie.josephs@wsj.com; @lesliejosephs)

16:01 EDT - The NZD slips overnight, once again taking its cues from its peers, says BNZ Raiko Shareef. "The NZD has simply traded in line with the AUD over the past 24 hours. The latter has had mixed fortunes, with some enthusiasm around a bounce in iron ore prices offset by a risk-negative sentiment globally." NZD/USD last at 0.7833 from 0.7893 late last session. Shareef adds focus is on the GlobalDairyTrade auction overnight. "Following the last auction's 7.3% fall, another sharp drop would be an opportunity for NZD bears to re-test the 0.7700 level." Shareef puts initial support at 0.7800 with resistance at 0.7950. (lucy.craymer@wsj.com; @lucy_craymer)

14:58 EDT - Now that USD/CAD has broken through year-to-date peak of C$1.1280 and spiked to the highest level since July 2009, pair is gearing up to test the psychologically important C$1.1300 level. "The market is going to pay very, very close attention to defending the C$1.13 level," says Bipan Rai, director of foreign exchange strategy at CIBC World Markets. If that breaks, it would open up the next key level of C$1.1500, probably in the medium term. The Canadian dollar is taking its cue from the greenback for now amid lack of domestic data. Canadian inflation data due Friday could be key. (nirmala.menoN@wsj.com, @NirmalaMenon)

(END) Dow Jones Newswires

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