

HD Morgans Cuts Australia's Legend Corp to Hold -- Market Talk**WC** 2,956 words**PD** 18 September 2014**ET** 13:54**SN** Dow Jones Institutional News**SC** DJDN**LA** English**CY** Copyright © 2014, Dow Jones & Company, Inc.**LP**

0354 GMT [Dow Jones] Morgans cuts its recommendation on IT provider Legend Corp. (LGD.AU) to hold from add following a flat FY14 outcome, but says the stock's dividend yield is attractive enough for investors to wait for a turnaround. Challenging industry conditions in **mining** and construction have resulted in limited earnings growth. Legend posted a net profit of A\$6.7 **million** for FY14, while annual revenue slipped 2.9%. "We prefer to wait for more evidence of earnings growth before becoming more aggressive on the name," says Morgans analyst Scott Power. Morgans cuts its price target by 14% to A\$0.32. Legend last traded at A\$0.27. (david.winning@wsj.com; @dwinningWSJ)

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0342 GMT [Dow Jones] Australia's S&P/ASX 200 hit a fresh two-and-a-half month low of 5373.4, just shy of key support from the July trough at 5370.9, after an early rise caused by the September index futures expiry. The effects of higher interest rate projections from FOMC members continue to be felt, with the U.S. dollar rising and equities falling in Australia, **Hong Kong** and South Korea. AUD/USD hit a fresh 6-month low, fuelling concern about "carry" trade selling by offshore investors. The S&P/ASX 200 looks quite bearish after breaking the August low, the 200-day moving average and the uptrend line from July 2012--all in the 5420-5425 area. But short covering may see 5370.9 hold before the Scottish independence vote. Index last down 0.4% at 5386.2. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

Editor: KLH

0331 GMT [Dow Jones] Companies around the world are increasingly investing in technologies used to mine the explosion of data from sources like websites, smartphones, machines and sensors, according to research **firm** Gartner. 73% of 302 organizations polled in June said they have invested in or will invest in big data technologies over the next two years, Gartner says. That's up from 64% last year. "The most dramatic changes are in enhancing customer experience, especially in transportation, healthcare, insurance, media and communications, retail, and banking," said Gartner research director Lisa Kart. Governments, manufacturing companies, and informational technology vendors are also increasingly using such technologies, she noted. (newley.purnell@wsj.com Twitter: @newley)

Editor: KLH

0304 GMT [Dow Jones] The Malaysian ringgit weakened early Thursday as the market reacted to the possibility that U.S. interest rates could rise at a quicker-than-expected pace. But the highlight of the day is the impending policy decision by Bank Negara Malaysia. Analysts are split as to whether the Malaysian central bank will raise interest rates by another quarter percentage point as they did in July. Consumer price inflation rose 3.3% on-year according to data published on Wednesday - above analysts' forecast for a 3.2% increase--which might make it easier for the central bank to justify an inflation-fighting rate hike. A rate hike could help the ringgit to recoup losses against the broadly stronger U.S. dollar. USD/MYR is now 3.2380 from its Wednesday close of 3.2160. (ewen.chew@wsj.com)

Editor: MNG

0304 GMT [Dow Jones] Data released by the Bank of Japan Thursday show that cash and deposit holdings by Japanese firms increased 4.2% in the three months to June from a year earlier to Y229 trillion. "There's no change in firms' stance of keeping cash liquidity high at hand," says a BOJ official. Meanwhile, "companies are not fully maintaining conservative stances," the official said, referring to figures including one related to their direct investment overseas, which rose 13.6% on year. (tatsuo.ito@wsj.com)

Editor: KLH

0302 GMT [Dow Jones] Indonesia's short-term offshore borrowings is growing faster than its long-term borrowings. Bank Indonesia's data shows corporate short-term offshore borrowing grew 11.1% on-year in July, compared with 7.3% in June. Economists say the faster growth was due mostly to an increase in corporate short-term offshore borrowings for working capital. "The huge amount of short-term offshore borrowings eventually will put pressure on the current-account and the rupiah," says Bank Internasional Indonesia (BNI.JK) economist Juniman. He urges the government and Bank Indonesia to slow corporate Indonesia's offshore borrowing to avoid sliding into a similar situation seen during the 1997-98 Asian financial crisis, where huge offshore borrowing made the country's corporate sector vulnerable to external shocks. (i-made.sentana@wsj.com)

Editor JSM

0254 GMT [Dow Jones] The euro is displaying a buoyant tone against the Swiss franc in Asian trade Thursday ahead of the Swiss National Bank's interest rate decision due at 0730 GMT. The SNB is expected to maintain its floor of CHF1.20 per euro and keep interest rates unchanged. Dow Jones technical analysis shows EUR/CHF short-term technical outlook is positive as the rate-of-change momentum indicator is advancing in positive territory, the daily Moving Average Convergence/Divergence and slow stochastic indicators are bullish, while the five-day moving average is above the 15-day moving average and advancing. A rise above the 55-day moving average, now at 1.2119, would open the way up to the 100-day moving average, now at 1.2150, and then to the July 30 reaction high of 1.2177. But the EUR/CHF would jump a few centimes if the SNB unexpectedly follows the European Central Bank in cutting rates to negative. Spot EUR/CHF is at 1.2107 versus 1.2098 late Wednesday. (jerry.tan@wsj.com)

Editor: MNG

0251 GMT [Dow Jones] The USD/TWD rises to an over four-and-a-half-month high, reflecting the greenback's broad gains against most currencies after the U.S. Federal Reserve meeting, in which the Fed forecast a faster pace of rate increases in 2015 and 2016. The USD/TWD is at 30.225, off its earlier high of 30.248, but still higher than 30.134 late Wednesday. The USD/TWD is mostly pushed up by foreign investor buying, two local traders say. A trader says the pair pares some earlier gains due to exporter sales, "but the U.S. dollar is still likely to advance further if foreign investors continue to buy," he adds, and tips the pair to find initial resistance at 30.250. (fanny.liu@wsj.com)

Editor: MNG

0237 GMT [Dow Jones] A commodities forecaster with the Australian government tips **iron-ore** prices to average \$90-\$95/ton over the next five years, after falling sharply on an Aussie-led supply surge. **Iron ore** has fallen around 37% this year, to US\$84/ton. "Prices are softening as a result of a substantial supply response", which included an extra 200 **million** tons of material from Australia over the past 12 months, says Wayne Calder, executive director of the Bureau of Resources and **Energy** Economics, a research arm of Australia's Department of Industry. There is still more supply to come on, but likely at a slower rate. Bree tips another 100 **million** tons from Australia, and a similar level from Brazil, in the next couple of years. Meanwhile, "we don't see any inadequacy in demand", Calder says. Still, he acknowledges the market is likely to remain choppy. "It is a volatile commodity, and sometimes we see swings in excess of US\$30/ton through the cycle," he says. (rhiannon.hoyle@wsj.com; Twitter: @RhiannonHoyle)

Editor JSM

0230 GMT [Dow Jones] The gradual move towards U.S. monetary tightening has allowed the Australian dollar to resume its downtrend which is likely to take it down to \$US0.8000 over the next year or two, says Shane Oliver, chief economist at AMP Capital. A fall in the Australian dollar "is necessary to deal with Australia's high cost base and weakening export prices," he says. Roughly speaking each 10% fall in the Australian dollar adds about 3% to earnings. The Australian dollar is now at US\$0.8963. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

Editor: MNG

0230 GMT [Dow Jones] **China's** home prices will likely continue to slip until the first half of 2015, but **property** sales might be able to rebound toward the end of this year, thanks to local government support measures, Macquarie **Group's** Larry Hu says. "It's quite likely the government will roll out targeted rate cuts, such as lowering mortgage rates for first-time home buyers, in the last quarter," Hu says, adding that the chance of a universal rate cut is slim. **Property** investment growth is expected to drop to about 11%-12% at the end of the year from around 13%, he adds. The average price of new homes in 70 cities fell for the fourth straight month in August, declining 1.10% from July, compared with a 0.89% on-month fall in July. (liyan.qi@wsj.com)

Editor: KLH

0229 GMT [Dow Jones] Crude **oil** futures inched down in early Asian trading hours. Nymex crude fell 51 cents to \$93.91 per barrel after U.S. crude **oil** stockpiles rose suddenly in the week ending Sep. 12, while Brent crude fell 47 cents to \$98.5 per barrel on continued supply pressure. (biman.mukherji@wsj.com)

Editor: MNG

Corrections and Amplifications

This item was corrected at 07:06 GMT. The original misstated the business of Legend Corp. (LGD.AU). It is an IT provider, not an online media **company**.

18 Sep 2014 02:45 ET Correction to Morgans Cuts Australia's Legend Market Talk

"Morgans Cuts Australia's Legend Corp to Hold -- Market Talk," at 0354 GMT, misstated the business of Legend Corp. (LGD.AU). It is an IT provider, not an online media **company**.

0645 GMT [Dow Jones] The Thai government plans to propose a new law on inheritance tax to parliament first, as it is expected to face less resistance, says Deputy Prime Minister Pridiyathorn Devakula. "Many **millionaires** I spoke to are willing to pay 10% for their inheritance. Some countries collect 33% or 50% on that," Mr. Pridiyathorn says. The junta-backed government is considering restructuring the country's tax system and introducing new taxes on land ownership and inheritance. But land tax is more complicated and requires studies. (warangkana.chomchuen@wsj.com)

Editor: PAB

0633 GMT [Dow Jones] Thailand's deputy prime minister says **China** suggests restarting a bilateral meeting to further expand trade and investment between the two countries. The meeting, to be held in Beijing, will focus on Thai exports to **China**, especially of rice and rubber, says Deputy Prime Minister Pridiyathorn Devakula. Beijing also wants to discuss its investment plan in Thailand. Thai exports to **China** have grown to 12% from 2% in the past 15 years, Mr. Pridiyathorn says. "We can count on **China**," he says. The absence of criticism from **China** regarding Thailand's political situation also shows that Beijing is "a good friend," he adds. The last trade meeting was over 10 years ago, but the timing of the new meeting hasn't been decided. (warangkana.chomchuen@wsj.com)

Editor: PAB

0630 GMT [Dow Jones] The USD/JPY is gaining momentum, with speculative investors and imorters buying the dollar. The move similar to what market participants saw in the rally between last autumn and early this year, says Minoru Uchida, head of Tokyo global markets research at Bank of Tokyo-Mitsubishi UFJ. But the USD/JPY's ongoing upward momentum "could be much stronger than last year, buoyed by the USD strength across the **board**", Uchida says. In this latest rally, unfolding since mid-August, the USD/JPY has so far gained about Y7, or 7%. In comparison, during the rally last year, the USD/JPY gained about Y9 to climb above 105 through January this year. (hiroyuki.kachi@wsj.com)

Editor JSM

0630 GMT [Dow Jones] **China** doesn't need strong stimulus as long as economic growth is still within the government's targeted range, says the central bank's advisor Chen Yulu in an interview with the official Financial News. Chen says **China's** economic growth is expected to face more downward pressure in the fourth quarter, so the monetary policy mini-stimulus should continue. But mini-stimulus should not turn into strong stimulus. Chen's remark came after **China's** central bank reportedly was injecting a combined 500 **billion** yuan (\$81 **billion**) of liquidity into the country's top five banks, triggering speculation that Beijing was stepping up its efforts to bolster the cooling economy. (grace.zhu@wsj.com)

Editor: KLH

0622 GMT [Dow Jones] The U.S. dollar trades at a fresh six-year high against the yen Thursday after the Federal Reserve outlined a steeper path for interest rates. USD/JPY trades at 108.790, after touching a peak of 108.87, according to CQG. Ahead of the Scottish independence vote, the GBP/USD remains rangebound at 1.6305. Polls opened at 0600 GMT and close at 2100 GMT. (nick.cawley@wsj.com)

Editor: PAB

0616 GMT [Dow Jones] India's credit growth is likely to pick up from October onwards as industrial activity shows signs of improvement, says Upasna Bhardwaj, economist with ING Vysya Bank. The Indian banking sector's loan growth slipped below 10% for the first time in five years in the fortnight ending September 5, according to Reserve Bank of India data. "Alternative modes of finance, like corporate bond issuance, too are seeing a pick-up with more interest from foreign investors," says Bhardwaj. "Industrial activity typically picks up from late September and continues for the rest of the year." (nupur.acharya@wsj.com)

Editor: KLH

0613 GMT [Dow Jones] Shares of Hyundai Motor Co. (005380.SE) fell 9.6% to 197,000 won after the **company** said it clinched a 10.55 trillion won (\$10.19 **billion**) bid over Samsung Electronics Co. (005930.SE) for a plot of land in Seoul. Hyundai wants to build a global business center on the **site**. IBK Securities analyst Hong Jin-ho says Hyundai's bid was too high and it won't **lead** to improved earnings. "There's nothing investors can benefit from the **company's purchase** of the land. With that money, Hyundai could have built almost 10 car-manufacturing plants," he says. Hyundai Mobis (012330.SE), which owns 26% of Hyundai Motor, is off 7.9% at 257,000 won. The broader market is down 0.7%. (in-soo.nam@wsj.com)

0612 GMT [Dow Jones]--While negative rates are undoubtedly a weapon it can use to curb demand for the franc, the Swiss National Bank is unlikely to make use of it at today's review of monetary policy, according to Commerzbank. "Today's outcome will be no different from previous meetings, when the SNB has stressed the importance of defending its minimum exchange for the euro-franc," says analyst Ulrich Leuchtmann. The SNB rate decision is due at 0730 GMT. EUR/CHF was last at 1.2109. (neil.maclucas@dowjones.com)

Contact us in London. +44-20-7842-9464
markettalk@wsj.com

0601 GMT [Dow Jones] The EUR/JPY is quickly stretching its gain to hit a three-month high, driven by the GBP/JPY strength, says a senior trader at a Japanese bank. It is unclear what is causing the GBP buying but "could be tied to speculation over Scotland's independence vote," says the trader. The EUR/JPY is now at 140.01, highest since June 9, against 139.33 late Wednesday in New York. (hiroyuki.kachi@wsj.com)

Editor: MNG

0558 GMT [Dow Jones] Taiwan shares rebound for the second session, closing 0.5% higher at 9237.03; but low volumes at NT\$69.04 billion (vs. NT\$82.19 billion Wednesday) suggest the Taiex's recent downtrend is far from over. Most Apple suppliers extend gains: Hon Hai (2317.TW) adds 1.0% to NT\$102.00, TSMC (2330.TW) is up 0.4% at NT\$125.00 and Largan (3008.TW) rises 0.4% to NT\$2,360.00. First Capital says investors' nerves are soothed as the Federal Reserve shows caution about tightening too fast, lending support to equities in general. The brokerage says the next market-moving news will be the referendum in Scotland; it expects the Taiex to hover in 9014-9360 band Friday. (aries.poon@wsj.com)

Editor: MNG

0550 GMT [Dow Jones] When even Japanese auto executives start voicing uneasiness about the yen's decline, who is left to support it? After decades of pushing for a weak yen to help prop up exports, Japan's main auto lobby appears to be shifting its view as the yen hits its lowest level against the U.S. dollar in six years. "It's hard to say without reservation that yen weakness is all good," said Fumihiko Ike, head of the Japan Automobile Manufacturers Association and chairman of Honda Motor Co. at a Thursday news conference. "The auto industry generally sees the phase of yen weakening positively, but rapid moves are not desirable," he said, citing the post-Fukushima rise in energy-import costs. Indeed, having shifted much of their production overseas, auto makers see fewer benefits from a weak yen. Honda's vehicle exports from Japan fell 74% from a year earlier during the January to July period, even as its global production rose 10%. (yuka.hayashi@wsj.com)

(END) Dow Jones Newswires

September 18, 2014 02:45 ET (06:45 GMT)

IN i34531 : Semiconductors | i3302 : Computers/Consumer Electronics | ielec : Consumer Electronics | iindele : Industrial Electronics | iindstrls : Industrial Goods | itech : Technology

NS c152 : Earnings Projections | c1521 : Analyst Comments/Recommendations | ccat : Corporate/Industrial News | namt : All Market Talk | ncrx : Corrected Items | ndjmt : Dow Jones Market Talk | neqac : Equities Asset Class News | nfiac : Fixed Income Asset Class News | c15 : Performance | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter | nfcpin : FC&E Industry News Filter

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