

**HD Strong 3Q Fundraising in Asia Signals Stellar 2014 -- Market Talk****WC** 1,598 words**PD** 22 October 2014**ET** 03:56**SN** Dow Jones Institutional News**SC** DJDN**LA** English**CY** Copyright © 2014, Dow Jones & Company, Inc.**LP**

12:56 EDT - Asian fund managers predominantly in the buyout, growth, venture capital and secondary sectors raised \$15.31B in 3Q, pushing the total amount raised for the first nine months to on par with the whole of 2013, according to data from Dow Jones LP Source. In total, fund managers raised \$46.46B as of 3Q, already equal to the amount raised for all of 2013. Asia's regional megafunds have dominated fundraising as cautious investors allocate large sums of capital into top-performing managers with a history of distributions. Carlyle Group (CG) closed a \$3.9B Asian buyout vehicle in September, and Morgan Stanley's (MS) Asian private-equity arm in July raised \$1.7B for a fourth fund to invest across the region. (sonja.cheung@wsj.com; @SonjaCheung)

**TD**

12:47 EDT - Novelis, a unit of India's Hindalco Industries, says it's officially opened the first plant in **China** "dedicated to the production of heat-treated aluminum automotive sheet." As governments exact higher fuel efficiency standards from automakers, aluminum's market share in the automotive industry is growing fast. Since 2011, Novelis, which operates in 11 countries, has invested over \$550M to triple its automotive sheet capacity to 900,000 metric tons by 2015. The new facility in Changzhou has an annual capacity of 120,000 tons a year and will deliver "high-quality automotive sheet for use in lightweight vehicle structures and body panels such as hoods, doors, fenders and lift gates" to customers in Asia. (john.miller@wsj.com)

12:39 EDT - Falling nearly 20% within a month, Illumina (ILMN) completes the reversal of the downdraft in the wake of the gene-sequencing **company's** 3Q beat-and-raise. Janney upgrades ILMN to buy and hikes its fair-value estimate to \$192 from \$165 as the **company** has expanded its "core customer base from traditional academic and government institutions into clinical and applied markets...This reality expands the **company's** moat, improves long-term growth visibility and extends ILMN's ability to maintain industry-leading growth rates." While Cantor Fitzgerald says 3Q was "another blowout quarter," the investment bank is "less certain about capacity utilization and sustainability of the customer base over time." It also points out how year-over-year comps will toughen in 2015. ILMN climbs 8.8% to \$179, putting the year's pop at 62%. (kevin.kingsbury@wsj.com; @kevinkingsbury)

12:28 EDT - The period of unusually low volatility that began a couple of years ago has finally come to an end, says BlackRock's Russ Koesterich. But while investor sentiment has clearly shifted, economic fundamentals remain relatively stable. "This suggests the recent sell-off in stocks could present opportunities for long-term investors," he says. BlackRock favor large- and mega-cap stocks which have held better in the last few weeks, providing a bit of cushion from the volatility. "With the recent sell-off having made them more attractively valued, we suggest investors continue to emphasize larger capitalizations, particularly with more volatility likely on the horizon." (chiara.albanese@wsj.com @chiaraalbanese)

12:25 EDT - The past week's 15% rebound in Ocwen (OCN) shares is getting washed away as New York's top banking regulator accuses the mortgage servicer of backdating correspondence with borrowers in financial straits, a move which could have allowed OCN to avoid making mortgage modifications. The **company** has been under more than its share of regulatory scrutiny of late--which has led to shares hitting a series of fresh 2-year lows. Another one has occurred in the wake of the latest headlines, with OCN down 12% at \$23.13. It's swooned 58% this year. (kevin.kingsbury@wsj.com; @kevinkingsbury)

12:20 EDT - Gulf Capital and NBK Capital closes two of the largest private-equity funds focused on the Middle East since the global financial crisis rocked major hubs like Dubai, and since the Arab Spring swept through the region. Fundraising and investment in the region have been fairly muted since the global financial crisis, according to data from the Emerging Markets and Private Equity Association. In 2008, a dozen and a half funds raised \$3.35B for investment there. In the subsequent five years, fundraising totals failed to exceed \$800M. With their new funds, Gulf Capital and NBK have collected \$1.06B, nearly as much as the \$1.14B raised through the entire Middle East and North Africa region in 2012 and 2013. (hillary.canada@wsj.com; @H\_Canada)

12:18 EDT - The Federal Energy Regulatory Commission fined Edison International's (EIX) utility \$650,000 as part of a settlement stemming from a probe into the utility's involvement in a September 2011 blackout that left five million people in Arizona, southern California and Baja California, Mexico in the dark. EIX's plans for separating its system from a major transmission line in the event of a problem were inadequate, the regulator found. FERC earlier this year fined the Imperial Irrigation District \$12M and Pinnacle West's (PNW) Arizona utility agreed to pay \$3.25M as part of settlements with FERC to resolve a federal investigation into the utilities' roles in the blackout. EIX flat at \$59.82. (cassandra.sweet@wsj.com)

12:09 EDT - The Fed bought \$1.536B in Treasuries today as part of its monthly bond-buying stimulus program, which is expected to end this month. If it does, that leaves two more daily operations: one this Thursday targeting \$1.36B-\$1.65B and the last one on Monday targeting \$0.85B-\$1.05B in long-dated bonds. While it's been a long time coming, Nomura still thinks financial markets will undergo a "reset process" when active QE is officially over, which likely means higher volatility. "The Fed would love to transition away from being the driver of markets to a strong economy justifying valuations...however we think fundamentals won't fill QE shoes the same way." DJIA up 164, 10-yr yielding just under 2.21%. (cynthia.lin@wsj.com; @cynthialin\_dj)

11:55 EDT - Google (GOOGL) is rolling out new changes to its all-important search algorithm to demote sites which feature pirated content, but some copyright owners still wonder why the company isn't doing more. For instance, in some searches with the keyword "mp3" appended to the name of an artist or song, sites like mp3skull.com can appear first. GOOGL's transparency report shows it has received more than 3M requests from copyright owners to take down web pages from mp3skull, but data from analytics site Alexa show GOOGL is still a top source driving traffic there. Even so, the overall percentage of traffic to mp3skull.com coming from search engines has already dropped significantly the past few months, according to Alexa, from nearly 50% over the summer to closer to 30% recently. (rolfe.winkler@wsj.com; @rolfewinkler)

11:55 EDT - Brazil's presidential race is still a statistical tie, but polls, analysts and investors say the momentum belongs to President Dilma Rousseff. Brazil's Ibovespa stock index is down almost 2.6% in afternoon trading. The incumbent has been stumping hard in big cities in the nation's southeast, picking off voters in the stronghold of challenger Aécio Neves, according to the latest Datafolha poll. And thanks to her campaign's effective attack ads, Neves' rejection rate (40% of voters) is higher than Rousseff's (39%) for the first time in the campaign. Rousseff's "chances of re-election are higher than they were two weeks ago," says economist Pedro Paulo Silveira of financial services firm TOV Corretora. (marla.dickerson@wsj.com)

11:55 EDT - Hedge funds were recently caught "wrong-footed in several markets at the same time," says Societe Generale. No surprise there, as WSJ reported as much today. But SocGen provides more color for the pain, spelling out their aggregate positions by asset class. As of Oct. 14, hedge funds were bullish on oil, and stocks in the US, Japan and emerging markets. They were bearish on small-cap US stocks, volatility and Treasuries. They had to unwind some of those trades during the declines, meaning "their performance will not benefit when markets turn around," SocGen says. (alexandra.scaggs@wsj.com; @alexandrascaggs)

11:47 EDT - Coke's (KO) disappointing 3Q results and downbeat outlook prompt the stock to suffer its worst performance in 6 years. Among those taking a hit is Warren Buffett. Berkshire Hathaway (BRKB) has long been the soda company's largest shareholder, and today's 6% stock drop means BRKB's 400M-share, or 9%, stake is worth \$1B less than at Monday's close. It's the second day in a row a major BRKB holding has taken a hit, with IBM skidding 7.1% yesterday after its own 3Q report. It's off another 3.3% Tuesday as the broader market continues to rebound. The duo is pulling 55 points from the Dow industrials, which nonetheless is up 164. After being flat yesterday, BRKB is up 1.1 today. (steven.russolillo@wsj.com; @srussolillo)

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

(END) Dow Jones Newswires

October 21, 2014 12:56 ET (16:56 GMT)

**IN** i8150211 : Unit Trusts/Mutual Funds | i8150203 : Private Equity | i81502 : Trusts/Funds/Financial Vehicles | ialtin : Alternative Investments | ifinal : Financial Services | iinv : Investing/Securities

**NS** mcat : Commodity/Financial Market News | namt : All Market Talk | ndjmt : Dow Jones Market Talk | neqac : Equities Asset Class News | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter

**RE** austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

**PUB** Dow Jones & Company, Inc.

**AN** Document DJDN000020141021eaal002qu