

**HD Oil Search Stands Out Due to PNG LNG Potential, CS Says -- Market Talk**

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2340 GMT [Dow Jones]--There are no better dollars spent in **oil** and gas than on debottlenecking, says Credit Suisse, as it lifts its price target for **Oil Search** (OSH.AU) by 12% to A\$10.90/share. **Oil Search** is a major investor in the ExxonMobil-led (XOM) PNG LNG project in Papua New Guinea, which began exporting liquefied natural gas earlier this year. "With many LNG projects around the world running well above nameplate capacity, we increase production at PNG LNG from 6.9 **million** tons/year to 7.6 **million** tons/year from 2016 onwards," Credit Suisse says. **Oil Search** is the "clear pick" among Australian **oil** and gas producers, despite exploration risk in its recently acquired Elk and Antelope gas assets in Papua New Guinea, the broker says. It rates the stock at outperform. OSH last traded at A\$9.19. (david.winning@wsj.com; @dwinningWSJ)

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7:40 p.m. EDT [Dow Jones] The Mexican unit of Wal-Mart Stores (WMT) says that four of its outlets in and around Los Cabos were damaged by Hurricane Odile, and subsequently looted. The retailer is investigating reports that the looting has gone well beyond theft of essentials like food to include equipment such as scales that Wal-Mart de Mexico (WALMEX.MX) will need in order to reopen the stores, according to a spokesman. Four other **company** stores on the Baja Peninsula are open and serving customers, albeit while running on backup emergency power generators. (Amy.guthrie@wsj.com)

2336 GMT [Dow Jones]--**Iron-ore** prices have pulled back again, falling 1.4% to US\$83/ton. ANZ analysts say **Chinese** demand remains lackluster. "**Chinese** steel mill restocking has been confined to small parcels this week and recent stimulus measures haven't yet markedly improved sentiment," they write in a note. (rhiannon.hoyle@wsj.com; Twitter: @RhiannonHoyle)

2312 GMT [Dow Jones] Argentine industrial production fell 6.1% on year in August, led lower by plummeting output of cars and other vehicles, says Orlando J Ferreres & Asociados, a consulting **firm**. So far this year, output is down 3.3% from the first eight months of 2013. Lower Brazilian demand for Argentine-made cars has pummeled the auto industry, and with Brazil's economy in recession, there are no indications demand will pick up any time soon. The same is true of domestic demand, which has fallen amid a homegrown recession and annual inflation estimated around 40%. If the economic problems drag into next year, it could help opposition candidates in the 2015 congressional and presidential elections. (taos.turner@wsj.com; @taos)

2252 GMT [Dow Jones] Asian markets are likely to move higher on the day, following the U.S. **lead**, but given the result of the Scottish vote will likely be announced while Asia is trading, "it will be interesting to see how investors react," says Hamilton Hindin Greene broker Grant Williamson. He says Asian markets may also see some selling as investors look to free up money to buy Alibaba after Alibaba Group's (BABA) IPO priced at \$68 a share, the high end of its recently raised range. The NZX-50 has opened up 0.2% or 9 points at 5162.919 in very light trading as investors await Saturday's general election in New Zealand. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

6:47 p.m. EDT [Dow Jones]--Many food makers are facing capacity issues at their factories, as consumer demand is lagging. General Mills (GIS) told about 600 factory workers today that they would be closing their two plants in the next year and a half. The workers make cereal, yogurt and other foods, for which GIS yesterday reported sales volume declines in the U.S. in the latest quarter. Kellogg (K) and ConAgra (CAG) have similar problems and are undergoing major business overhauls. But analysts worry

that cutting costs and acquiring growth companies will only mask the underlying problems, and that better innovation and revitalizing old brands is necessary. (annie.gasparro@wsj.com)

18:23 EDT - Even at the top of the range, Alibaba (BABA) is still a relative bargain, at least next to its closest comparables. At \$68 a share, Alibaba is valued at about 26 times its projected next-year earnings, taking into account potential issuance of stock from options grants and using the consensus underwriting bank projection of \$6.8B in 2015 net income, adjusted for one-time items. Rival **Chinese** Internet **company** Tencent (HK:0700) usually trades at around 30x, and Facebook (FB) closer to 40x. Some analysts think BABA should get Tencent's multiple, which means BABA came out at a 15% discount -- right where IPO bankers like to price deals. But maybe the market thinks BABA should get a handicap for its complex structure and governance fears. Post-IPO stocks sometimes trade below their full potential because traders fear future issuance. (@telisdemos; telis.demos@wsj.com)

18:21 EDT - The Centers for Medicare and Medicaid Services says the average premium for Medicare Advantage plans submitted by health plans for next year would increase by \$2.94 to \$33.90 a month. The agency says it estimates that the actual average will go up by \$1.30 as beneficiaries opt for lower-cost plans. CMS also says 61% of Medicare Advantage enrollees won't see any premium increase. Managed-care investors closely monitor trends in Medicare Advantage pricing and enrollment, as the private version of the federal program is a key driver of insurance-industry results. (anna.mathews@wsj.com)

18:16 EDT - Negative economic news about **China** hasn't deterred Shoreline Capital Management. In fact, the P-E shop focused on distressed investing in the Middle Kingdom is on the success track, having collected more than half of the \$500M target for its newest fund. Shoreline's co-founder, Ben Fanger, anticipates wrapping up the vehicle by year-end amid ample opportunities as **Chinese** banks unload bad loans at steep haircuts and cash-crunched businesses seek capital. "Because it is a buyer's market, it doesn't hurt to wait until prices fall further and borrowers become more stressed," Fanger says. (shasha.dai@wsj.com; @ShashaDai1)

18:04 EDT - A slate of more than \$8B worth of stock that could potentially be sold tomorrow by Alibaba insiders, in addition to the \$21.8B the **company** and insiders already sold at \$68 a share, could actually be the key to stable trading tomorrow, market sources are saying. With Alibaba pricing the deal within expectations rather than above, it likely slashes the number of buyers who will opt to flip the stock immediately Friday. That means the un-locked-up inside sellers may be called upon to help generate enough volume to keep BABA from being highly volatile. Low volatility will be key to making sure BABA doesn't quickly give back whatever bounce it gets on Friday. (@telisdemos; telis.demos@wsj.com)

17:57 EDT - Exxon Mobil (XOM) and Linn **Energy** (LINE) played a round of Let's Make a Deal. The two companies agreed to swap acreage positions, with Linn giving some 17,800 net acres in the booming Permian Basin in west Texas and New Mexico in exchange for some of Exxon's acreage in California's South Belridge Field. Though Permian is one of the hottest **oil**-producing regions in the US, master limited partnerships like Linn typically prefer staid, mature **oil** fields. Though production from these fields is typically on the decline, their stable output allows MLPs to reliably cover the cash distributions they've promised to shareholders without laying out massive capital expenditures. (alison.sider@wsj.com)

17:51 EDT - Yahoo (YHOO) trading volume picks up dramatically after hours as Alibaba (BABA) prices its IPO at the high end of expectations. YHOO up a fraction in late trading, though it's off its off-hours highs seen before the IPO priced. Some analysts say YHOO's significant **stake** in BABA accounts for much of YHOO's value. Nearly two hours after the close, 1M shares had traded in YHOO, more volume than some S&P 500 components typically see in a full day. (matthew.jarzemsky@wsj.com)

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