

**HD** **UGL Should Reconsider Size of Special Dividend, Says CIMB -- Market Talk**

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**LP**

If investors aren't concerned about UGL Ltd.'s (UGL.AU) debt position then they should be, says CIMB, which cuts its price target on the stock by 34% to A\$4.07/share. UGL's troubles with a fixed-price contract to build a power station to support the Ichthys natural-gas project in Australia has prompted CIMB to question whether the **company** should go ahead with a planned A\$3.00/share special dividend. "To us, prudence would dictate a smaller capital return until these issues are better understood and a subsequent additional capital return considered with more data," CIMB says. The broker retains a reduce call on the stock. UGL last traded at A\$5.02. (david.winning@wsj.com; @dwinningWSJ)

**TD**

The positive momentum in key U.S. indicators such as employment and PMI bodes well for Australian glove maker Ansell (ANN.AU), especially given its increased exposure to the U.S. following the completion of its \$615 **million acquisition** of Barriersafe Solutions International in January, Deutsche Bank says. It notes that the average PMI across Ansell's key markets recently has remained above 50, signaling an expansion in activity, with the U.S. being the biggest driver. Good news was provided by U.S. auto sales rising 6% sequentially, putting that sector on track for its highest rate since 2007. "While butadiene prices are down 2% in the past six months, latex prices have seen a slight increase in October, albeit still down 30% in the past six months," says Deutsche analyst David Low. "This should continue to provide a tailwind for Ansell." The broker retains a buy call and A\$24.55/share price target. ANN last traded at A\$20.64. (david.winning@wsj.com; @dwinningWSJ)

2341 GMT [Dow Jones] -- Offshore accounts at six foreign brokerages place net buy orders for 3.6 **million** Japanese shares overnight, according to traders. The net buying may be positive for the market at the open, although the yen value basis of the figures is unknown. Buy orders total 12.6 **million** shares, with sell orders amounting to 9.0 **million** shares. (bradford.frischkorn@wsj.com)

2324 GMT [Dow Jones] Japan stocks are likely to trade in a tight range Friday, as investors await more news and reports on the status of the government's apparent stance to dissolve the lower house and go call snap elections some time around mid December--ostensibly with the goal of putting off next year's planned consumption tax hike. Such hopes have buoyed stocks and helped to weaken the yen this week, sending the Nikkei to a fresh seven-year high. "Both the stock and currency markets are sensitive to election-related information; the real key will be Monday's third quarter GDP data, which will essentially make or break the case for putting off the tax hike," says Takashi Matsumoto, a director at Okasan Securities. "If the data come in as expected, however, and long-term foreign investors become interested in Japan equities again, a Nikkei year-end finish above 18000 becomes possible, if not likely." He puts the Nikkei's expected range for the session at 17300 to 17500. Nikkei 225 December futures ended yesterday's Chicago trading up 155 points at 17410 vs their close earlier yesterday in Osaka at 17420. In the cash market, the Nikkei added 1.1% to end at 17392.79 Thursday. (bradford.frischkorn@wsj.com)

Editor SXS

18:07 EST - The USD/JPY has largely factored in the prospect of a snap election and delay of consumption tax increase in Japan, says a senior dealer at major European bank in Tokyo. The risk now is Monday's gross domestic data. Japanese stocks have risen because investors see a delay as positive to the economy, but if growth figures are disappointing, stocks could fall on concerns over the fundamental strength of the economy, he says. USD/JPY's upside is likely capped around

116.05-116.10 during Tokyo trading hours, he says. The downside could extend below 115.50, he says. Pair last at 115.78. (kosaku.narioka@wsj.com)

17:45 EST - Drivers will likely pay the lowest gas prices on Thanksgiving in five years, says AAA spokesman Michael Green. Prices at the pump have fallen nearly 80 cents from their 2014 peak to \$2.92 a gallon today, and the still-dropping price of crude **oil** suggests that retail gasoline prices have further to slide. AAA expects the national average to fall another 10 cents a gallon by Thanksgiving, which is typically a strong time of year for fuel demand as drivers travel to visit friends and family. In 2009, the gas price averaged \$2.63 a gallon on Thanksgiving, AAA says. (nicole.friedman@wsj.com; @NicoleFriedman)

16:58 EST - The US dollar has "remained ascendant over the past month" and "even for the pessimists who note the US economic recovery has been anaemic relative to history, it is the 'least bad' option amongst the major economies," says BNZ FX strategist Raiko Shareef. As a result, **firm** now sees NZD/USD at 0.7000 at end-2015 from a prior view of 0.7300, "with a base of 0.65 in mid-2017 in mind." In the short-term, importers hoping for NZD/USD opportunities above 0.80 may be disappointed, while exporters may soon be rewarded for their patience with dips toward 0.75, he says. Pair last at 0.7884. (rebecca.howard@wsj.com; @FarroHoward)

2158 GMT - **Chinese** steel output is increasing once again after the end of an economic summit in Beijing, during which steelmakers were forced to curtail production to ensure cleaner air, analysts say. That's a positive sign for **iron ore**, a crucial ingredient in steel that trades at five-and-a-half-year lows. "According to steel mills and traders in **China**, mills ramped up steel output in the provinces of Shandong and Hebei on Wednesday following the conclusion of the Asia Pacific Economic Cooperation conference," says Commonwealth Bank of Australia analyst Lachlan Shaw. According to The Steel Index, **iron-ore** prices rose 0.1% Thursday to US\$75.50/ton. (rhiannon.hoyle@wsj.com; Twitter: @RhiannonHoyle)

16:55 GMT - New Zealand is in the midst of a rather "bamboozling phase" of its economic history, says BNZ economist Doug Steel. "Labour market participation is high and unemployment is declining to levels normally associated with elevated wage pressure; the housing market remains buoyant; and the NZD is falling." He adds that growth seems to be above potential and is resulting in a run-down of spare capacity and while under normal circumstances this would see inflation "there's absolutely no sign of such. So, for now at least, nirvana it is." However, Steel says the rate of growth in the New Zealand economy is expected to slow over coming years, "although confidence and activity indicators remain upbeat with some even increasing over the past month." (lucy.craymer@wsj.com; @lucy\_craymer)

2142 GMT - Ramsay Health Care's (RHC.AU) signing of a non-binding term sheet for a joint venture in **China** is incrementally positive, says JPMorgan. The deal is being negotiated by Ramsay Sime Darby--the **company's** existing Asian partnership with Malaysia's Sime Darby Bhd. "We are encouraged by the partnership between Ramsay Sime Darby, which already has a presence in Asia, and **Chinese** operator Jinxin," the broker says. The JV with Jinxin will cover five hospitals based in the central **Chinese** city of Chengdu. "We had always maintained that, given the complexities of operating within the **Chinese** market, we viewed a partnership with a local hospital operator as the best course of action," JPMorgan says. Broker rates Ramsay Health Care at neutral, with a A\$52.52/share price target. RHC last traded at A\$52.80. (david.winning@wsj.com; @dwinningWSJ)

2139 GMT - AUD/GBP stronger as the GBP is the weakest major currency as the BOE report continues to bite, says ANZ. "GBP is now at its lowest level in more than a year. Seems that the UK's proximity to Europe means it will not be immune to catching an economic snuffle from its gravely ill neighbour." It adds that the GBP is likely to continue to decline and this will keep the AUD and NZD bid in the interim. The AUD/GBP is at 0.5547. ANZ sees the pair trading in a short term range of 0.5500 to 0.5590. (lucy.craymer@wsj.com; @lucy\_craymer)

2135 GMT - Continued weakness in commodity prices means the AUD/USD has been unable to break higher, and the "technical picture continues to point to downside risks," ANZ says in a morning note. However, that slightly softer-than-anticipated data from **China** had little impact on the AUD as buying in the crosses provided some support, the **firm** adds. The pair is at 0.8715. ANZ expects pair to trade in a short-term 0.8650-0.8800 range. ANZ adds US retail sales data will be important Friday. "A strong number is needed to stabilize the USD in the near term." (lucy.craymer@wsj.com; @lucy\_craymer)

(END) Dow Jones Newswires

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CO uncont : UGL Ltd.

**IN** i502 : Heavy Construction | iindstrls : Industrial Goods | iconst : Construction | icre : Real Estate/Construction

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