

HD **Nikkei Down 0.2%; Sony Falls After Profit Warning, NKSJ Rises -- Market Talk**

WC 1,869 words

PD 2 May 2014

ET 13:21

SN Dow Jones Institutional News

SC DJDN

LA English

CY Copyright © 2014, Dow Jones & Company, Inc.

LP

Contact us in Singapore. 65 64154 140; MarketTalk@dowjones.com

TD

0321 GMT [Dow Jones] The Nikkei is down 0.2% at 14,451.65 midday on light, pre-holiday volume on pace to rival 2014 lows. "There are very few trading incentives, except some technical trades on individual shares that have seen some extreme moves of late," says an **equity** trading director at a European brokerage. He notes Inpex's (1605.TO) 2.4% pullback to Y1,487 after the prior day's identical 2.4% rise. "There is no 'real' (long-term investment) money in the market, and that's why we've been seeing such knee-jerk reactions in some stocks. Without any Bank of Japan easing or some other macro-reason for investors to bet on the Nikkei, we could continue to simply churn like this through May." Sony (6758.TO) is now off just 1.5% at Y1,783, recouping some of its early losses after the **company** issued a profit warning after the Thursday market close. NKSJ Holdings (8630.TO) also cut its current FY guidance, but its shares remain up 0.5% at Y2,667. Alps Electric (6770.TO) is up 1.1% after gaining 14% over the prior two sessions. (bradford.frischkorn@wsj.com)

0320 GMT [Dow Jones] Australia's north eastern state of Queensland recorded a 20.8% jump in new home sales in the first quarter of 2013 from the prior quarter, sending a strong signal that recovery in housing construction is widening quickly beyond the larger capitals of Sydney and Melbourne. Nationally, new home sales rose 5.8% in the same period, the Housing Industry Authority said. Housing construction is expected to be a key engine room of economic growth for Australia as it battles a slowdown in **mining** investment over coming years. The data will support the central bank's contention that the economy is starting to look a little more solid, supporting its neutral policy bias. (james.glynn@wsj.com)

0318 GMT [Dow Jones] First quarter results for Malaysia's largest banks justify a positive outlook for the sector, says Affin Investment Bank, but there are near-term risks to loan growth. Affin reiterates its overweight position on the banks, "premised on stable economic fundamentals and the ability of Malaysian banks to withstand industry headwinds." It picks Malayan Banking Bhd. (1155.KU), Alliance Financial Group Bhd. (2488.KU) and Hong Leong Bank Bhd. (5819.KU) as favorites. Diving into the statistics, Affin likes the robust growth in loan applications, both from the business and household segments, but warns of liquidity trending lower and central bank cooling measures. Stock prices however, have yet to reflect investor enthusiasm. Maybank trades down 0.3% early Friday, with Hong Leong 0.9% lower and Alliance Financial flat. (jake.watts@wsj.com; @jmwatts_)

0310 GMT [Dow Jones] Taiwan HSBC April PMI expands at the slowest rate in 7 months, pointing to lingering caution among manufacturers over the still-uneven global recovery, despite a steady pickup in new orders led by developed economies. April PMI is at 52.3, marginally below the long-run average of 52.4; new orders accelerate but the pace of job growth is the slowest in almost a year. "The slowdown in Mainland **China**, the very weak U.S. Q1 GDP release, and subdued price pressures suggests to us that there is still a significant degree of spare capacity, which will persist," HSBC economist, John Zhu says. Taiwan mainly exports electronic components and petrochemical products. It reported a 3% growth of 1Q GDP Wednesday, the best in over a year, as both exports and domestic demand improved. (aries.poon@wsj.com)

0256 GMT [Dow Jones] The Singapore dollar is likely to rise versus the Thai baht in the near term, the daily SGD/THB chart suggests. Technical analysis reveals SGD/THB entered the bullish Bollinger uptrend channel on April 30. The Bollinger channel is a statistics-based technical analysis tool that charts a likely path of future price movement by extrapolating from the amplitude of recent fluctuations. The base of the channel supports the Singapore dollar at THB25.80; one Singapore dollar currently buys THB25.84. Entry into the Bollinger uptrend channel is a bullish signal that could motivate speculators to bet on further upside, possibly toward the round-figure trading barrier at 26.00. Fundamentally, the prolonged political stalemate in Thailand is dampening investor sentiment and thereby the baht. The Singapore dollar as a regional safe haven currency is likely to hold its value better even if risk aversion arises in the near future due to geopolitical instability. SGD/THB is now 25.84 from its last close of 25.80. (ewen.chew@wsj.com)

0232 GMT [Dow Jones] **Hong Kong**-listed shipping stocks are rising on the back of planned rate hikes and improved market sentiment. Member carriers in the Transpacific Stabilization Agreement, an industry group of 15 major container shipping lines that operate between Asia and North America, are seeking to charge a peak season surcharge of US\$400 per 40-foot-equivalent unit for all shipments to the U.S. from mid-June, on top of an up to a US\$400 general rate increase from May 15. "Transpacific container lines continue to experience a surge in eastbound bookings that began in January and is expected to continue into the second half of 2014," the trade group says. **China** Cosco (1919.HK) is up 2% while Orient Overseas (0316.HK) advances 0.9%. (joanne.chiu@wsj.com)

0231 GMT [Dow Jones] Indonesia inflation eased further in April, showing Bank Indonesia is on track to prevent prices increase from getting out of control after introducing a dose of hard medicine last year, including rate hikes and curbs in commercial bank lending growth. The consumer price index rose 7.25% in April from a year earlier, easing from 7.32% in March, as harvest season helped boost food supply, the official Statistics Agency said Friday. From a month earlier, prices fell 0.02%, compared with a 0.08% increase in March, as food prices fell 1.1%. But inflation is still well above Bank Indonesia's year-end target range of 3.5% and 5.5% for this year, meaning the central bank will unlikely start to reverse its stance this year, economists say. (i-made.sentana@wsj.com)

0230 GMT [Dow Jones] Southeast Asian markets open mixed, with most markets returning after the Labor Day holiday on Thursday. The Philippines PSEi leads, up 0.5%, followed by Indonesia's JSX with a 0.3% gain. Singapore's FTSE Straits Times Index loses 0.3% and Malaysia's KLCI is 0.1% lower. Sentiment is little changed by official manufacturing data from **China**, which Thursday showed a slight pickup in factory activity. Also in the minds of traders is a U.S. nonfarm payrolls report for April, due during the U.S. session. As expected, the U.S. Federal Reserve took no action Wednesday, leaving trading in Asia with no further cues. "Dad used to say, if you don't know what's going on it's best to keep quiet. Seems to work for the Fed.," DBS jokes. (jake.watts@wsj.com; jmwatts_)

0222 GMT [Dow Jones] The rupiah is still the best-performing Asian currency this year, up 5.5% against the U.S. unit, despite having slipped substantially from its 2014 high of IDR11,245 recorded in March. The rupiah, now trading at 11,530 to the dollar, fell sharply end-April as the prospect of a coalition government damped investors' appetite for Indonesian assets. The presidential elections July 1 will provide more clarity for Indonesia's political future. Currently, USD/IDR has dropped out of the Bollinger uptrend channel, indicating the rupiah may stop sliding against the dollar for now. But a possible upside surprise in the U.S. nonfarm payrolls data due later could reinstate U.S. dollar bullishness. The USD/IDR is at 11,530 from its last close of 11,558. (ewen.chew@wsj.com)

0216 GMT [Dow Jones] The prospect of increased income tax in the Australian Federal Budget on May 13 is "just another reason to maintain a tactically bearish stance" on Australian equities, according to Charlie Aitken, Bell Potter's managing director. "Let's hope I am reading this political risk wrongly, but be very assured if the 'debt levy' becomes reality in the upcoming Federal Budget it clearly has the potential to trigger a correction in Australian equities," he says. "Even the thought of it has triggered a mini-correction in banks and retailers." It has been suggested that a levy will be introduced on high-income earners to speed the process of reducing Australia's budget deficit. Australia's benchmark S&P/ASX 200 is flat at 5445.0 but has fallen as much as 2.2% after hitting a six-year high on Tuesday. (david.rogers@wsj.com; Twitter: @DRWSJ)

0213 GMT [Dow Jones] USD/TWD is slightly lower, weighed by foreign fund inflows, says a local trader. The pair is at 30.174, lower than 30.180 traded before the local central bank's suspected intervention Wednesday, which lifted it to 30.258 at the close of onshore trading session, traders say. A trader says trading volume is thin as many market participants refrain from trading actively ahead of the U.S. jobs data due later in the global day; "the greenback is unlikely to fall below NT\$30.150 as importers' buying turns more active around that level," the trader says, and tips the pair to stay in a 30.150-30.200 band for the session. The Taiex is up 0.8%. Taiwan's financial markets were closed Thursday for the Labor Day holiday. (fanny.liu@wsj.com)

1 May 2014 23:21 ET Nikkei Down 0.2%; Sony Falls After Profit -2-

0211 GMT [Dow Jones] Crude-oil futures are slightly lower in early Asian trade after settling lower for two consecutive sessions in floor trade. "Upside in the U.S. benchmark continues to be capped by high inventory levels, particularly along the gulf coast. Inventories in the region rose to 215.3 million barrels last week, the highest level since the early 90's," ANZ says. Investors will be tracking the U.S. payrolls report due later in the day for the state of the world's largest economy. Markets are also digesting economic data from the U.S. and China after the May Day holiday. "Events in eastern Ukraine and related tensions over Russian supplies remain of great interest to the market but the market may have reached the point where it will take an actual disruption to Russian export flows to drive a renewed cycle of buying," Citi Futures says. Nymex WTI is down 7 cents at \$99.35/bbl, Brent crude is down 11 cents at \$107.65/bbl. (eric.yep@wsj.com)

(END) Dow Jones Newswires

May 01, 2014 23:21 ET (03:21 GMT)

CO snyco : Sony Corporation

IN i342 : Electrical Components/Equipment | i3454 : Electronic Consumer Goods | i82 : Insurance | i82001 : Full-line Insurance | iindstrls : Industrial Goods | imed : Media/Entertainment | i3302 : Computers/Electronics | ielec : Consumer Electronics | ifinal : Financial Services | iindele : Industrial Electronics | itech : Technology

NS cprofi : Profit Warnings | e1121 : Home Sales/Housing Affordability | epmi : Purchasing Managers Index | ccat : Corporate/Industrial News | ecat : Economic News | namt : All Market Talk | ncmac : Commodities Asset Class News | ndjmt : Dow Jones Market Talk | neqac : Equities Asset Class News | nfiac : Fixed Income Asset Class News | nfxacb : Forex Asset Class Basic News | nfxacp : Forex Asset Class Premium News | nsmcm : Stock Market Commentary | c151 : Earnings | c15 : Performance | c152 : Earnings Projections | e11 : Economic Performance/Indicators | e1111 : Industrial Production | ereal : Real Estate Markets | ncat : Content Types | nfact : Factiva Filters | nfcpin : FC&E Industry News Filter

RE austr : Australia | singp : Singapore | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | seasiaz : Southeast Asia

PUB Dow Jones & Company, Inc.

AN Document DJDN000020140502ea52000ef