

HD JPMorgan Sees Southern Cross Changing for the Better -- Market Talk**WC** 1,471 words**PD** 31 October 2014**ET** 09:00**SN** Dow Jones Institutional News**SC** DJDN**LA** English**CY** Copyright © 2014, Dow Jones & Company, Inc.**LP**

18:00 EDT - Recent talent changes at Southern Cross Media (SXL.AU) are positive but investors should note there's a lag-time between increased ratings and revenue, says JPMorgan. The broker likes the return of comedy duo Hamish and Andy to Drive from July 2015, as they bring a strong track record of performance and advertiser support. Still, it may take time to re-build their strong brand and the ratings pickup will only take place in FY16. JPM also thinks installing a new breakfast team at Today FM makes sense, given the steep drop in ratings share since Kyle & Jackie O left the station. SXL last at A\$0.92, below JPMorgan's A\$1.08/share price target. (david.winning@wsj.com; @dwinningWSJ)

TD

17:56 EDT - Macquarie's (MQG.AU) half-year results overall look strong, says Omkar Joshi, investment analyst at Watermark Funds Management. Profit was ahead of consensus expectations at A\$678M, which Joshi says was largely driven by large performance fees and stronger interest income. That was partially offset by weaker trading income. He says the market-facing divisions--securities, capital, and fixed-income, currencies and commodities--all came in about 24% lower than consensus expectations. MQG has guided the market to expect its FY15 result to be "slightly up" on FY14, and Joshi notes that the market currently has 9% growth penciled in, which looks significantly higher than guidance. (robb.stewart@wsj.com; @RobbMStewart)

17:50 EDT - As part of Starbucks's (SBUX) planned nationwide rollout next year of mobile ordering and payment, the coffee chain is planning to offer food and beverage delivery in certain markets during 2H 2015. The ability to order and pay ahead for coffee and food marks SBUX's latest effort to protect its brick-and-mortar sales amid an environment of increasing online shopping. "Imagine the ability to create a standing order of Starbucks delivered hot to your desk daily," SBUX CEO Howard Schultz tells investors on this evening's earnings call. "That's our version of e-commerce on steroids." (julie.jargon@wsj.com)

17:49 EDT - Kansas City Fed President Esther George owes San Francisco Fed President John Williams a selection of barbecue sauces from her region and a gift from Kansas City's Negro Leagues Baseball Museum after coming down on the losing end of a World Series bet. The San Francisco Giants beat the Kansas City Royals in the series Wednesday night. A Kansas City Fed spokesman confirmed a wager between the two Fed officials. Had he lost, Mr. Williams would have owed Ms. George a selection of wines from his district. "We congratulate San Francisco and Kansas City on an exciting series," the spokesman said. (jon.hilsenrath@wsj.com)

17:43 EDT - Shares of Boot Barn Holdings (BOOT) rose 9% to close trading at \$17.45 after the Freeman Spogli-backed retail chain specializing in Western-style apparel priced its IPO of 5M shares at \$16 each, raising \$90M. BOOT priced its IPO on the high end of its \$14-\$16 estimated range. Los Angeles P-E **firm** Freeman Spogli acquired Boot Barn in 2011 from another California P-E **firm** Marwit Capital. Assuming the full exercise of the underwriters' option, Freeman Spogli is expected to reduce its BOOT **stake** to 69.1% from 89.1% after the IPO. (chitra.vemuri@wsj.com)

The Fed's Term Asset-Backed Securities Loan Facility closed for new loan extensions in 2010 and the portfolio peaked at \$48.19B in loans on the Fed's balance sheet. "US Fed Closes Chapter on Another Crisis-Era Program -- Market Talk," at 4:45 pm EDT, incorrectly states that the TALF portfolio peaked at \$857M in January 2013.

17:40 EDT - A survey of TD Ameritrade's largest registered investment advisory firms that use its services showed that 72% of those advisers, who manage more than \$1B in client assets, expect further industry consolidation in the coming year, while 10% said they expect a "significant" bump ahead. But two-thirds of respondents would rather buy than sell, saying they don't expect to sell or **merge** at any time in the future. The biggest driver behind consolidation appears to be a smooth succession, with more than half of those surveyed indicating that they want their firms better positioned for a leadership change. (michael.wursthorn@wsj.com; @4BetterOrWurst)

17:24 EDT - Origin **Energy** (ORG.AU) deals a blow to sentiment around its Australia Pacific LNG venture with ConocoPhillips (COP) in Queensland state by telling investors on a tour of the site that non-operated capex has exceeded its expectations, says JPMorgan. "While we were reassured by the **company** that the increase did not exceed the materiality threshold, we expect that sentiment will be impacted nonetheless," bank says, which rates Origin at overweight with a A\$16.00/share price target. Still, capex for the remainder of fiscal 2015 is likely in line with JPMorgan's forecast of around A\$3B. "On the key issue of schedule and timing of first LNG, the **company** remains firmly of the view that current guidance of 'mid-2015' is achievable," the broker says. ORG last traded at A\$14.23. (david.winning@wsj.com; @dwinningWSJ)

17:18 EDT - Bearish cattle futures traders often argue that as livestock and beef prices climb to new record highs, consumers will be more inclined to swap burgers and steaks for less expensive proteins. As U.S. live-cattle futures climb to new peaks again Thursday, settling at \$1.7050 a pound, one analyst calls bull. Mark Schultz, chief analyst of brokerage Northstar Commodity, says even if some consumers shift from beef to pork and poultry, demand from many food shoppers is more inelastic. He counts himself in the latter category, adding, "I had chicken last night and today I'm thinking, I can't give up beef to stick with this" every night. (Kelsey.Gee@wsj.com; @kelseykgee)

17:13 EDT - The number of small US firms anticipating higher profits hit a 30-month high this month, according to a survey of 816 businesses with less than \$20M in annual revenue. The October WSJ/Vistage small-business profit-growth index rose to 153.0, from 152.0 in September and 139.0 a year ago, with 61% of respondents expecting profitability to improve in the year ahead, up from 60% in September. Another 75% are expecting revenue gains, down from 77%, but holding steady from the start of the year. The results "suggest that small firms are more confident about their own financial prospects" than in the broader economy, says University of Michigan researcher Richard Curtin. (angus.loten@wsj.com)

17:10 EDT - Moody's is cautious on the future performance fees of alternative managers like KKR, Apollo (APO), Oaktree (OAK), Carlyle (CG) and Blackstone (BX) because the "combination of loose credit and high valuations typically result in lower returns." The ratings **firm** says the median enterprise value paid by private-**equity** firms for companies larger than \$250M was 14.3 times Ebitda, citing PitchBook data. "Pressures to deploy record dry powder over the next 4 to 5 years could potentially force hundreds of **billions** of dollars to be invested at expensive multiples," observes Moody's, which adds that the risk will likely be exacerbated as leading PE firms would be competing for deals during the same period. Global private-**equity** "dry powder" topped \$1.1 trillion in 2Q, according to Preqin. Private-**equity** managers are incentivized to deploy funds by the end of a pre-set investment period to maximize fees, Moody's says. (Gillian.Tan@wsj.com; @GillianTan)

17:07 EDT - Expedia's (EXPE) initial pop is deflating after hours as executives detail aggressive marketing efforts that could pressure profitability for years. Prices have been low at discount booking site Hotwire.com and **China's** eLong, CEO Dara Khosrowshahi says during the analysts' call, while the online travel agent's flagship brand is spending heavily to reward members of its loyalty program. "We're building a loyal base of longtime customers, and we're paying for it upfront," he says. The same goes for promotions aimed at gaining share relatively young markets, like **China**. EXPE up 1.9% at \$82.25 after hours. (andrew.fitzgerald@wsj.com; @drewfitzgerald)

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

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