

HD Westpac Asset Quality Continues to Improve, J.P. Morgan Says -- Market Talk**WC** 1,296 words**PD** 21 August 2014**ET** 09:00**SN** Dow Jones Institutional News**SC** DJDN**LA** English**CY** Copyright © 2014, Dow Jones & Company, Inc.**LP**

2300 GMT [Dow Jones]--Westpac Banking's (WBC.AU) third-quarter capital update indicates its asset-quality metrics continue to improve and domestic housing-credit growth has returned to the levels of the wider financial system, says J.P. Morgan. On the back of that, the brokerage is nudging up its fiscal 2014 earnings forecast by slightly less than 1% to just under A\$7.6 **billion**--which still leaves it modestly below consensus. It remains overweight and raised its price target to A\$35.38/share from A\$34.99. WBC last traded at A\$34.88. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

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2249 GMT [Dow Jones] Bell Potter executive director Charlie Aitken upgrades Fortescue (FMG.AU) to a High Conviction Buy from Buy. "Fortescue now meets all my criteria of being value, having underperformed, being heavily shorted (15.8% of free float), dividend growth, earnings upgrades, a U.S. dollar earner, **China** facing yet with clear catalysts for re-rating," Mr. Aitken says. Target price is A\$5.77. FMG last A\$4.55. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

10:42 GMT [Dow Jones] Total job advertising fell a seasonally adjusted 2.7% in July, "unwinding much of June's lift. Momentum has cooled in recent months," according to the ANZ monthly job ads survey. Nationwide Internet job advertising fell 1.9% in July while newspaper job advertising fell 8.0% in July. The "level of job advertising is consistent with continuing but more modest employment growth. We expect the unemployment rate to edge under 5.5% by year's end," says ANZ Economist Sharon Zollner. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

2240 GMT [Dow Jones] Argentina's economy shrank 2.3% in July from the same month a year ago, says Orlando J Ferreres & Asociados, a leading consulting **firm**. In the first seven months of the year, the economy contracted 1.1% from the same period in 2013. OJF's estimate is more pessimistic than that presented by Argentina's Economy Ministry, whose data are questioned by economists. The ministry said economic activity was unchanged in June, for instance, while OJF said it had shrunk 0.6%. The ministry won't publish its July data until next month. Whatever the case, most economists expect the economy to shrink sharply in 2014. (taos.turner@wsj.com; @taos)

2235 GMT [Dow Jones] Woodside Petroleum (WPL.AU) may be paying out 80% of its profits as dividends, but RBC Capital Markets poses a question: are capex options emerging? The broker says the outlook has changed since Woodside's 2Q update. Notably, the Browse LNG project offshore Western Australia state continues to edge closer to a decision on whether to start early design work, possibly around the end of 2H 2014, while new options have emerged in Canada at Grassy Point and Kitimat where Apache (APA) and a number of other **oil** companies are actively seeking buyers for some assets. "We suggest it's possible Woodside could reenter a significant capex draw phase from end 2015," RBC says. The broker rates Woodside at underperform with a A\$43.00 price target. WPL last traded at A\$43.38. (david.winning@wsj.com; @dwinningWSJ)

18:33 EDT - Google Capital, the growth **equity** investment arm of Google (GOOGL), led a \$100M investment in San Francisco-based services marketplace startup Thumbtack, done at a valuation around \$800M. The deal is the latest move by the search giant to connect with interesting technologies through targeted investment vehicles. Google Capital, formed last year, has made a half-dozen investments so far across a variety of industries. Another Google investment arm, Google Ventures, backs earlier-stage startups. (lizette.chapman@wsj.com)

18:30 EDT - JPMorgan stays Overweight on Brambles (BXB.AU) as sales improve on the back of stronger global economic growth. "We believe the strategy to drive increased asset utilization, thereby increasing operating cash-flows to reinvest in growth opportunities and its focus on improving its Return on Capital Employed to 20% by FY19 is sound," the broker says. "In the short term, though, this may **lead** to some margin compression." Target rises to A\$9.77 from A\$9.41. BXB last A\$9.33. (david.rogers@wsj.com; @DavidRogersWSJ)

18:28 EDT - H-P (HPQ) gives investors a little mystery to stew over. On its earnings conference call Wednesday, HPQ says its ability to do share buybacks was limited in the quarter ended July 31 "due to material non-public information." An HPQ spokeswoman declined to say whether that was a reference to an **acquisition** the **company** was trying to do, or some other event that legally restricted HPQ from stock repurchases. (shira.Ovide@wsj.com; @ShiraOvide)

18:14 EDT - Boston private-**equity firm** Bain Capital takes a 50% **stake** in TOMS Shoes, a **company** that sells shoes, eyewear, sunglasses and coffee. TOMS' founder, Blake Mycoskie, will continue to own 50% of the **company**. Founded in 2006, TOMS is known for its charitable program, "One for One," which donates a pair of shoes or a pair of eyeglasses for every pair bought, or provides one week of clean water to a person in need for every bag of coffee purchased. P-E firms continue to seek opportunities in the retail and consumer sector. There have been 28 sponsor-backed deals in apparel and accessories this year, valued at approximately \$1.5B, Dealogic reports. Bain already owns Gymboree and Canada Goose. (lillian.rizzo@wsj.com)

18:01 EDT - H-P (HPQ) says they're trying to take advantage of an ownership transition at rival IBM (IBM). HPQ CEO Meg Whitman says her **company** "moved aggressively to take advantage of the uncertainty customers feel" about Lenovo's pending **acquisition** of IBM's mass-market server business. HPQ's division that includes computer servers posted a 2% revenue increase for the quarter ended July 31. HPQ shares ended down 1% to \$35.12. (shira.ovid@wsj.com; @ShiraOvide)

17:58 EDT - The outfit that manages the electric grid for much of the East and parts of the Midwest, PJM Interconnection, wants to beef up regional electricity supplies. It's proposing that electricity generators capable of running a minimum of 16 hours a day for at least three days be eligible for special "capacity" payments. They'd need to demonstrate they have fuel supplies locked down. PJM says it's worried because up to 22 percent of its generating capacity was unavailable last winter amid weather-related problems, including fuel shortages. The proposal is good news for power companies that have been complaining about low prices for electricity. (rebecca.smith@wsj.com)

17:54 EDT - With the Dow and S&P both closing slightly higher, expect a reasonably positive start to **equity** markets in Asian, says Craigs Investment Partners broker Andrew Cathie in Wellington. He adds locally strong results from bellwether stocks Fletcher Building (FBU.NZ) and Freightways (FRE.NZ) should also provide support for the market. He says a further softening of the NZD could support Fisher & Paykel Healthcare (FPH.NZ), which increased its guidance for fiscal 2014. The NZX-50 ended up 0.5% or 26 points to 5140.338. (lucy.craymer@wsj.com; @lucy_craymer)

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