

HD MARKET MAY CLOSE MILDLY HIGHER

BY Jenny Prabhu

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The S&P/ASX200 is likely to close mildly higher today.

Markets fell slightly in Europe, were down in the UK and mixed in a narrow range in the US.

On the NYSE where 3237 issues traded there were 1,529 issues higher, 1,576 down and 132 unchanged. On Nasdaq where 2774 issues traded there were 1,163 issues higher, 1,503 down and 108 unchanged.

Metals were higher, crude fell, **gold** was barely changed. The \$A is at 94.19US c, down about 20 points from last evening.

"Bernborough" said, "I expect the market to trade quietly, I'll call us up marginally, about 7 points. Everyone's very happy to hold the market together where it is, they are happy with bonuses etc and are happy to keep it bubbling slightly higher. Most instos have ruled off their books.

"We'll start afresh next week".

The S&P/ASX200 closed up 33.8 points to 5453.3 last evening.

June 24. Good morning.

*Ukraine

A pro-Russia separatist leader in eastern Ukraine, Alexander Borodai, says his forces will join a government ceasefire until 27 June.

*Iraq

Visiting US Secretary of State John Kerry vows "intense and sustained" support for Iraq, as Sunni rebels increase gains in the north and west.

Aussie stocks

All dollars in this section are Aussie dollars - the rises and falls are against the previous close.

Aussie stocks in ADR form were mostly higher. AWC was steady on 67,000 shares, Amcor rose 3c on 16,000 shares, RIO rose 20p on 2m shares, BHP rose 32c on 3.3m shares, News fell 29c on 440,000 shares, Westpac rose 12c on 77,000 shares.

Telstra was steady on 200,000 shares, ResMed fell 2c on 6.6m shares.

PSivida rose 10c on 121,000 shares, Prana was up 0.5c on 5.7m shares. pn6

In London Anglo American rose 14p to 1,470.5p on 3.9m shares, Aquarius fell 0.25p to 25.5p on 269,691 shares, BskyB fell 1p to 890.5p on 2.9m shares, BHP rose 36.5p to 1,938p on 8.2m shares, Henderson fell 1.3p to 236.10p on 738,985 shares. RIO rose 490.5p to 3,127p on 4.5m shares.

Trading points:

*APD: J/v new \$120 mln retail property fund

APN Property Group Ltd announced the establishment of a new direct, unlisted \$120 million retail property fund, the Newmark APN Auburn Property Fund in conjunction with Newmark Property Group. APN Funds Management Ltd will be the trustee of the Fund. (Jun 23)

*BYI: NPAT down 15/20% on pcg, div unchanged, strong balance sheet, no debt

Beyond International Ltd advised for the 2014 financial year, as a result of changes to the production cycle of Mythbusters, the deferral of projects expected to commence in June, the non renewal of projects that occurred in full year 2013 and a number of one off restructuring costs, Beyond expects NPAT for 2014 to be approximately 15/20% below that achieved in 2013.

Previous seasons of Mythbusters had a production cycle typically of 30 episodes produced across 18 months. The latest season has changed to 13 episodes across 12 months. Also due to budgetary constraints at several client broadcasters, production projects have been deferred.

Guidance for 2015

NPAT for 2015 is forecast to be 5% to 10% higher than 2014 provided current market conditions continue.

The Beyond balance sheet remains strong and debt free. Dividends are expected to remain at current levels. (Jun 23)

Overseas

The DJIA closed down 9.82 points to 16,937.26.

S&P 500 fell 0.26 to 1,962.61.

NASDAQ rose 64 to 4,368.68.

US 10yr bond yields rose 2 points to 2.63%

The US\$ fell 12 points to 101.94 Yen.

The Euro rose 4 points to 1.3602US c.

The Yuan fell 7 points to 6.2255/\$US 1.

FTSE 100 rose fell 24.64 points to 6,800.56. European markets closed lower.

The NikkeiDow last evening closed up 19.86 points to 15,369.28.

Shanghai SE Comp IX closed down 2.3 points to 2024.37.

Commodities

All dollars in this section are US dollars

In dollars per tonne for three month metal, (LME stockpiles are on a closing basis) - valued against yesterday morning's price, measured over 24 hours.

Copper rose \$65 to \$6,885/gained \$44 to \$A7310, the highest level for three weeks. Stockpiles fell 850 tonnes to 158,575 tonnes.

FastMarkets reported the global refined **copper** market registered a deficit of 205,000 tonnes in the first three months of this year vs an oversupply of 206,000 in the first quarter of 2013, the International **Copper** Study Group reported. Total refined production, primary and secondary in the Jan/March period was 5,328 million tonnes with consumption put at 5,553 million tonnes, it reported last night. Global refined production rose 5% due to **China** where output was up 13% followed by the DRC, India, Japan and the US. Output in Chile fell 3%.

*Meanwhile the Indonesian government is reported to be preparing to cut the export tax for **copper** concentrate below 10% vs 25% currently to reflect the commitment shown by Freeport-McMoRan and Newmont to build a smelter in the country. However miners remain sceptical. FastMarkets reported October is seen by market players as a credible restart date for export with at least 200,000 tonnes and up to 350,000 tonnes to flood the market in the 4th quarter.

Aluminium rose \$4 to \$1,890/fell \$3 to \$A2007. Stockpiles fell 6,850 tonnes to 5,077,275 tonnes.

Nickel rose \$25 to \$18,425/fell \$40 to \$A19,562. Stockpiles fell 708 tonnes to 304,602 tonnes.

Zinc was up \$7 to \$2,184/was steady at \$A2319. Stockpiles fell 2,950 tonnes to 673,325 tonnes.

Lead gained \$47 to \$2,177/rose \$42 to \$A2311. Stockpiles were unchanged at 192,575 tonnes.

Tin fell \$50 to \$22,525/fell \$135 to \$A23,914. Stockpiles were steady at 10,845 tonnes.

Iron Ore rose \$1.30 to \$93.40/gained \$1.05 to \$A99.16.

Steel billet was unchanged at \$400/410.

Cobalt was quoted at \$30,000/30,500.

Molybdenum was quoted at \$30,000/32,000.

*FastMarkets reported while Mercuria **Energy** Group has agreed to buy the US bank's physical commodities business for \$3.5 **billion**, the physical metal traders team is looking for a new home and want to stay together. They include Ivan Petev in Singapore, Weiming Jin in Shanghai and Jonathan Bercholle and William Gayner in London. Veteran aluminium trader Sam Hainsworth is believed to be considering retirement. More than 50 potential suitors have made approaches, with KKR, Macquarie, Brazilian bank BTG Pactual and Blackstone Group alongside Mercuria being considered.

WTI crude fell 66c to \$106.17/fell \$1.09 to \$A112.72.

Brent Crude fell 69c to \$114.12/fell \$1.15 to \$A121.16.

Spot **gold** rose \$2 to \$1,317/fell \$2.64 to \$A1398. Spot silver rose 1c to 420.87/fell 6c to \$A22.16. Spot platinum fell \$2 to \$1,455/fell \$7 to \$A1545. Spot palladium was steady at \$822/fell \$3 to \$A873.

*The price of platinum and palladium fell as the strike was declared over.

Overseas eco news

In US eco news, the June flash PMI came in at 57.5 vs 56.1 expected.

*Existing home sales rose 4.9% in May to a seasonally adjusted annual rate of 4.89 **million** homes, the National Association of Realtors reported. However May sales were down 5% from the previous May. The median **sale** price for a home in May was up 5.1% from a year earlier to \$213,400, the slowest annual gain since March 2012.

*Eurozone composite, manufacturing and services PMI still in growth, but lower

*Eurozone flash PMI composite output index was at 52.8 in June vs 53.5 in May, a six month low.

*Flash Eurozone service PMI activity index was at 52.8 in June vs 53.2 in May, a 3 month low.

*Flash Eurozone Mfr PMI was at 51.9 vs 52.2 in May, a 7 month low.

*Flash Eurozone Mfr PMI output index was 52.8 in June vs 54.3 in May, a 9 month low.

However the measure of new orders rose to the highest level since May 2011, driven by the service sector, signalling likely expansion.

*The German composite PMI for June came in at 54.2 against a prior reading of 55.6.

The German manufacturing purchasing managers index rose to 52.4 vs 52.3 in May and vs 52.5 expected. The preliminary services purchasing managers index weakened to a 3 month low of 54.8, down from 56 in May and vs 55.7 expected.

*The composite PMI reading in France came in at 48.0 against a prior reading of 49.3.

Overseas **equity** news

*In the US of the Dow 30 there were 14 issues higher, 1 steady and 15 down.

JPMorgan Chase rose 64c or 1.11% to \$58.19 followed by Microsoft and Verizon.

Pfizer fell furthest shedding 33c or 1.11% to \$29.45 followed by General Electric and Boeing.

AT&T was steady at \$35.39.

Oracle rose 0.7% after announcing plans to buy Micros Systems for \$68 a share, for about \$5.3 **billion**.

Lululemon Athletica rose 2.8% as former chairman Wilson is said to be working with Goldman Sachs to influence the **company's operations** and may launch a proxy battle, MarketWatch reported.

Restaurant chain Buffalo Wild Wings shares rose 5.6% with traffic at its restaurants up sharply during the World Cup with many locations packed during big matches. Integrys **Energy** rose 12% after Wisconsin **Energy** Corp agreed to acquire Integrys in a cash and stock deal worth about \$5.71 **billion**.

Central Garden & Pet Co rose 7.2% after Philip Falcone's Harbinger Group made a \$10 per share cash offer.

FMC Corp fell 4.4% after lowering second quarter and full year outlook for earnings.

*In Europe national benchmark indexes fell in 14 of the 18 western European markets.

Alstom fell 4.1% to Euro 26.85 after Bouygues SA agreed to sell up to 20% to the French government, meeting a condition set by the government to back the General Electric deal. Bouygues fell 2% to Euro 31.64. Siemens, that had also made an offer fell 1.7% to Euro 98.57.

OC Oerlikon fell 1.9% to Swiss fr 13 after CEO said the maker of textile machinery plans further acquisitions and plans to expand into North America.

Sulzer fell 1.9% to Swiss fr 127.70.

Retailer DA rose 2.9% to Euro 6.75 after Carrefour announced it will buy back DIA's French business for Euro 600 **million**, less than three years after Carrefour had spun it off.

*In the UK, BBC News and Bloomberg reported shares in housebuilders and airlines led the market lower.

Barratt Developments fell 9.8p to 350.80p and Persimmon was down 14p at £12.16 as speculation grew that rates will rise before the end of the year.

The Bank of England is also expected this week to announce measures to cool the housing market.

Airline shares were down on fears of higher fuel costs with **oil** prices being sent higher by the situation in Iraq.

Easyjet fell 29p to £14.23 while British Airways owner IAG slipped 4.7p to 379.9p.

Mining shares were among the top risers following signs of a recovery in **China's** manufacturing sector.

A survey indicated that **China's** manufacturing activity had picked up for the first time this year in June.

Among the miners, Rio Tinto rose 49.5p to £31.27 and BHP Billiton climbed 36.5p to £19.38. Lonmin was up 4.5% to 259.6p.

In the FTSE 250, shares in **energy** services **firm** Kentz jumped by £2.26, or 32%, to £929p after Canadian **firm** SNC-Lavalin Group said it would buy the **company** for about £1.164bn.

Shares in online fashion retailer Asos dropped sharply at first, before recovering to stand 63p higher at £28.15.

Over the weekend, the **company's** main distribution centre was hit by a fire and Asos was forced to suspend its website. However, trading has now restarted and analysts do not expect any long-term disruption.

In other news

*Investing in infrastructure for new **coal** projects bad long term investment decision

The Fin Review reports Citigroup's former head of **equity** research Tim Buckley, now with the US based pro-renewable **energy** group Institute for **Energy** Economics and Financial Analysis, is seeking to convince superannuation funds, lenders and governments that funding infrastructure for **coal** projects would be a bad long term investment.

He told the Fin Review that BHP's decision to top investing in new **coal** projects and Rio Tinto's \$US1 **billion sale** of its Clermont mine in Queensland are evidence that top miners recognise the way the world is heading.

***China** signs business deals in Greece, sees Greece as a gateway to Europe

BBC News reports **China** and Greece have signed business deals worth about \$5bn (£2.9bn) during **Chinese** Premier Li Keqiang's visit.

Deals signed covered areas including exports and shipbuilding. **China** also showed an interest in buying railways and building an airport in Crete.

Mr Li has been in Greece as part of a tour of European countries. It is his first visit there since he took office in 2013.

"**China** attaches great importance to Greece's unique geographic advantage of being a gateway to Europe," the two countries said earlier in a joint statement.

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