

HD FAR Has Further to Rise, Says Bell Potter -- Market Talk
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2345 GMT [Dow Jones]--FAR Ltd's (FAR.AU) shares have quadrupled in value since mid-August on news of two big **oil** discoveries offshore Senegal, and Bell Potter analyst Peter Arden thinks the stock has further to go. Preliminary estimates of the potential size of its latest discovery with the SNE-1 well are that it could be around 330 **million** barrels of **oil** in place, and has the potential to be a large standalone development. Arden notes that major **oil** producers Cairn **Energy** (CNE.LN) and ConocoPhillips (COP), which own 75% of the acreage, have been talking up the finds. "The references indicate that even for companies of their size, these are major **oil** discoveries that are in a major hydrocarbon province which will be very actively explored and evaluated," Bell Potter says. It rates FAR at **buy**, with a A\$0.33/share price target. FAR last traded at A\$0.13. (david.winning@wsj.com)

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18:31 EST - USD/JPY is likely to consolidate in the upcoming session, supported by persistent speculation that Prime Minister Abe might call a snap election and delay a second sales tax increase despite Chief Cabinet Secretary Suga's denial Wednesday. But USD/JPY gains are tempered by diminished investor risk appetite as US stocks closed mixed overnight. Daily chart is still positive-biased as MACD indicator bullish, slow stochastic measure stays elevated at overbought levels, 5- and 15-day moving averages advancing. Resistance is at 116.01-116.11 band (Wednesday's high-Tuesday's seven-year high); a breach would expose upside to 117.94 (Oct. 15, 2007 reaction high). Support is at 114.89 (Wednesday's low); a breach would target 114.63 (Tuesday's low), then 113.86 (Monday's low). Spot USD/JPY is at 115.54. (jerry.tan@wsj.com)

18:27 EST - There are signs in the performance manufacturing index that New Zealand's labor market continues to improve, says BNZ Economist Doug Steel. "New Zealand's labor market continues to strengthen with annual employment growth of 3.2% and the unemployment rate falling in the year to September. Today's PMI results suggest more improvement is likely in the final quarter of 2014." The BNZ-Business NZ seasonally adjusted performance of manufacturing employment index is at 57.5, the highest reading since the survey began back in 2002. Ebert says manufacturing employment has been flat over the past year, following solid gains in the year prior to that. "Indications for the year ahead look better. Today's PMI result is an encouraging sign that positive employment intentions are being acted on." (lucy.craymer@wsj.com; @lucy_craymer)

18:21 EST - Nymex crude is likely to trade with risks skewed to the downside near-term after settling down 76 cents Wednesday at \$77.18/bbl, as long as it stays below Wednesday's high of \$78.08. The daily continuation chart is mixed as the five- and 15-day moving averages are falling, the slow stochastic measure is bearish, but the MACD histogram bars are still positive. Support is at \$76.63 (Wednesday's low); a breach would target \$76.42 (Tuesday's low), then \$75.84 (three-year low hit Nov. 4), \$74.95 (Oct. 4, 2011 swing low) and \$70.76 (Aug. 25, 2010 reaction low). But a rise above \$78.08 would tilt the near-term view positive, exposing upside to \$79.85 (Monday's high), then to the middle 20-day Bollinger Band (now at \$80.20), \$80.98 (Nov. 3 high), \$81.27 (Oct. 31 high), \$82.09 (Oct. 30 high), \$82.88 (Oct. 29 reaction high) and \$83.15-\$83.26 band (Oct. 22 high-Oct. 21 high). December crude is down 25 cents at \$76.93/bbl on Globex. (jerry.tan@wsj.com)

2315 GMT [Dow Jones] The USD/JPY looks set to remain **firm** in Asia trade in a 115.30-115.80 range, says Shinji Kureda, head of FX trading **group** at Sumitomo Mitsui Banking Corp. The USD/JPY demonstrated that it is resilient enough to recover to 115 even after breaking below the line, underscoring how the pair's uptrend remains intact. But the pair's wild ups and downs in recent sessions underscores a lack consensus among investors about possible snap election and sales tax hike delay, says Kureda.

"Investor speculation in these areas mean that the USD/JPY will stay directionless." As investors await euro zone GDP Friday, the EUR/USD is tipped in a 1.2400-1.2480 range and is now at 1.2432. (hiroyuki.kachi@wsj.com)

Editor SXS

18:14 EST - Black-market peso trading has been highly volatile this week, underscoring how hard it may be for Argentina to solve its economic problems. A six-week-old crackdown on legal and illegal currency trading helped the peso **firm** 26% to 12.65 to the dollar by Monday. That diminished fears of a currency devaluation and raised hopes that officials had finally found a way to reduce the gap between the black market rate and the official rate of 8.50. The bigger that gap is, the more people expect the government to devalue the currency and the more likely companies are to raise prices. That's problematic in a country where inflation is thought to total 40% annually. But over the past 48 hours the peso has backslid nearly 8% to 13.73. It's a reminder that Argentina's broader problems can't be solved overnight. (taos.turner@wsj.com; @taos)

17:45 EST - There was comfort and concern for the Reserve Bank of Australia in the latest official wages data, suggests Carl Weinberg, chief economist at High Frequency Economics. According to the Australian Bureau of Statistics, the 3Q wage price index was 2.6% higher than a year ago, as it was in each of the last four quarters. Weinberg notes that the headline consumer price index was up 2.3% on-year in 3Q, which indicates a modest 0.3% rise in real wages. "Wage increases at this pace do not pose a threat to the 2%-3% target for yearly CPI increases, but neither do they suggest that consumer demand is about to take off and pull the economy back toward its potential growth rate," he says. (david.winning@wsj.com; @dwinningWSJ)

17:35 EST - The New Zealand 2-year interest rate swap is likely to trade in a range below 4.1% well into next year with the NZ official cash rate likely on hold until December and ultimately only rising to 4.25% by early 2016, says Bank of New Zealand strategist Kymberly Martin. The 2-year swap yield is currently at 3.95%. She adds comments from the bank Wednesday didn't change BNZ's view on the cash rate cycle. "The Bank reiterated it believes rates will need to rise further in coming years. Later in the day RBNZ Governor Wheeler was in fact quoted as saying that the neutral cash rate remains at 4.50%." (lucy.craymer@wsj.com; @lucy_craymer)

17:20 EST - The New Zealand jobs market experienced a slight swing in employers' favor in October, according to data from New Zealand's job **site**, SEEK. The SEEK Employment Index, which measures the ratio of new job ads listed on seek.co.nz to applications received for those roles, saw a dip of 0.9% in October. That signals that the number of applicants grew faster than the supply of jobs, pointing to more competitive conditions for candidates looking for their next role, says SEEK's Janet Faulding. "These results may seem puzzling off the back of strong growth reported in recent months but what we're seeing here isn't a dramatic turnaround...Overall, the outlook is still optimistic with job opportunities up almost 12% year on year." (rebecca.howard@wsj.com; @FarroHoward)

2219 GMT - Retirement village operator Ingenia Communities (INA.AU) disappointed Morgans with the volume of new home settlements, but the silver lining is that the average profit on each **sale** was much higher than its expectations. Ingenia said only three new homes have been settled in cash in FY15 so far, but the contracted and reserve sales are improving at 33 homes compared to 16 at end-June. "Although it's taking longer than expected to see momentum in Lifestyle **Park** settlements, we continue to back this management team to deliver and believe the long-term upside is significant once sales rate momentum improves," says Morgans analyst Josephine Little. "Importantly, cash profit from rent is increasing rapidly and provides the **group** with defensive annuity style income irrespective of broader market conditions." The broker rates Ingenia at add, lifts its price target by 7.3% to A\$0.59/share. INA last traded at A\$0.455. (david.winning@wsj.com; @dwinningWSJ)

17:15 EST - A federal bankruptcy judge says today he'll wait until November 24 to decide when the city of Detroit should exit its municipal bankruptcy case. Last week, Judge Steven Rhodes approved the city's restructuring plan to cut \$7B in debt. The judge also ordered parties in the case to discuss \$140M in professional fees charged to the city in closed-door mediation early next month. State officials now expect the city's exit date "will be sometime in December," a spokeswoman for Michigan Governor Rick Snyder says today. (matthew.dolan@wsj.com; @matthewsdolan)

16:56 EST - **Iron-ore** demand continues to be lackluster, even after the recent tumble in prices to a five-and-a-half-year low, according to ANZ. "Traders remain cautious with steel mills reluctant to do any more than match their forward order books," ANZ analysts write. The market could face further pressure, too, should **China's** industrial production print disappoint, they say. According to The Steel Index, **ore** with 62% **iron** content **sold** at **China's** Tianjin port fell 0.1% Wednesday, to US\$75.40/ton. (rhiannon.hoyle@wsj.com; @RhiannonHoyle)

(END) Dow Jones Newswires

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