

HD MARKET EXPECTED TO CLOSE A TOUCH HIGHER

BY Jenny Prabhu

WC 1,994 words

PD 18 June 2014

SN OzEquities News Bites

SC NBOZEN

LA English

CY Copyright 2014 News Bites Pty Ltd. All rights reserved.

LP

AUSTRALIAN **COMPANY** NEWS BITES

OZEQUITIES NEWS BITES

TD

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

Markets were higher in Europe, the UK and US.

On the NYSE where 3231 issues traded there were 1,931 issues higher, 1,190 down and 110 unchanged. On Nasdaq where 2762 issues traded there were 1,810 issues higher, 847 down and 105 unchanged.

Metals were higher, crude fell a touch, **gold** was down a touch. The \$A is at 93.39US c, down about 15 points from last evening.

"May get back what it lost yesterday, up about 10"

"Maree" said, "With the RBA likely to keep rates low for a long time, there may be incentive for investors to get back into stocks. I expect the market may get back what it lost yesterday, up about 10 points on the day. But there is no real momentum driving the market either way.

"The \$A came under a little bit of pressure after the RBA minutes on a bit of unwinding while investors flocked into the kiwi instead - which has gained about 3c vs the \$A over the last week.

"However so long as the yield differential between ourselves and the likes of the US, ECB and Japan continues, we will continue to attract overseas funds until such time as our economy is perceived to have weakened further".

The S&P/ASX200 closed down 11.6 points to 5400.7 last evening.

June 18. Good morning.

*Russian President Putin and his Ukrainian counterpart Poroshenko have entered into discussions about a possible ceasefire in eastern Ukraine, Handelsblatt reported.

*A major pipeline in Ukraine carrying gas from Russia to the rest of Europe has been hit by a blast. Flames could be seen erupting from the Urengoy-Pomary-Uzhgorod Pipeline in central Ukraine. No one was reported injured by the explosion. It is not clear what caused the blast. European and Russian companies said gas exports to the EU were not affected.

***China** says it wants to back major UK infrastructure projects and signs 14bn pounds in trade deals on the first full day of a visit by its leader. The **Chinese** Premier met the Queen last night, our time.

*Markets rose after the fighting in Iraq was seen as far from the **oil** facilities that are deep in the south of the country.

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. **Alumina** fell 2c on 215,000 shares, Amcor rose 2c on 37,000 shares, RIO rose 21p on 2.4m shares, BHP rose 18c on 4.4m shares, News was up 16c on 400,000 shares, Westpac gained 1c on 72,000 shares, Telstra rose 1c on 130,000 shares. Resmed rose 1c on 6.78m shares.

PSivida rose 14c on 40,000 shares, Prana rose 2c on 11.2m shares.:

In London Anglo American was steady at 1,422p on 5.9m shares, Aquarius rose 0.75p to 24p on 853,860 shares, BskyB rose 1.5p to 864p on 2.4m shares, BHP fell 12.5p to 1,852.50 on 8.4m shares, Henderson fell 3.22p to 235.68p on 2.1m shares, RIO rose 24p to 3,049p on 3.99m shares.

Trading points:

Our Darvas System related Special Report is on UXC Ltd today, posted separately.

Changes in substantials reported June 16 and 17 inc to follow shortly.

Ex div: FPH ex div.

Overseas

The DJIA closed up 27.48 points to 16,808.49 points.

S&P 500 rose 4.21 points to 1,941.99 points.

NASDAQ gained 16.12 points to 4,337.23 points.

US 10yr bond yields rose 5 points to 2.65%

The US\$ rose 30 points to 102.14 Yen.

The Euro fell 26 points to 1.3546US c.

The Yuan was up 50 points to 6.2295/\$US1.

FTSE 100 closed up 12.13 points to 6,766.77. European markets closed higher.

The NikkeiDow last evening closed up 42.68 points to 14,975.97.

Shanghai SE Comp IX closed down 19.28 points to 2,066.70 points.

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 \$15 to \$6,705/gained \$65 to \$A7180. Stockpiles fell 1,050 tonnes to 161,200 tonnes.

Aluminium was down \$2 to \$1,852/rose \$11 to \$A1983. Stockpiles fell 8,550 tonnes to 5,109,600 tonnes.

Nickel rose \$470 to \$19,120/gained \$639 to \$A20,473. Stockpiles rose 60 tonnes to 286,728 tonnes.

Zinc rose \$21 to \$2,124/gained \$38 to \$A2274. Stockpiles fell 2,700 tonnes to 680,650 tonnes.

Lead rose \$13 to \$2,119/gained \$29 to \$A2269. Stockpiles rose 1,775 tonnes to 192,875 tonnes.

Tin was up \$100 to \$22,550/rose \$271 to \$A24,146. Stockpiles fell 20 tonnes to 10,880 tonnes.

Iron Ore rose 30c to \$89.30/gained 97c to \$A95.62.

Steel was unchanged at \$400/410.

Cobalt was unchanged at \$30,000/31,000 and Molybdenum at \$32,000/33,000.

WTI crude fell 54c to \$106.36/rose 20c to \$A113.89.

Brent Crude fell 7c to \$113.38/gained 75c to \$A121.40.

Spot **gold** fell \$1 to \$1,271/rose \$8.20 to \$A1361. Spot silver rose 7cto \$19.72/gained 22c to \$A21.12. Spot platinum rose \$5 to \$1,440/rose \$16 to \$A1542. Spot palladium was up \$7 to \$818/rose \$13 to \$A876.

Spot **uranium** fell 25cto \$28.25/fell 6c to \$A30.25.

Overseas eco news

In US eco news, the Bureau of Labor Statistics reported CPI for May was up 0.4% from April vs up 0.2% expected and up 2.1% annually. The core inflation which excludes food and **energy** rose 0.3% from last month and 2% annually, also beating expectations.

This led to expectations that the FOMC report due out tomorrow will be more hawkish in tone (vs earlier expectations of a further cut in the amount of tapering).

*The Labor Department reported the inflation adjusted average weekly earnings fell 0.1% in May from April, so that the CPI has outpaced an increase in workers' pay. The average workweek held steady.

*US housing starts fell 65% in May for a seasonally adjusted annual pace of 1,001 **million**, the Commerce Department reported vs a 3.7% fall expected. The decline was broad based across all regions.

*Permits for new construction fell 6.5% in May to a 991,000 annual pace. The slowest in four months.

*German ZEW economic sentiment and ZEW economic sentiment came in below expectations at 29.8 and 58.4 respectively.

*In the UK the CPI fell to 1.5% in May compared with 1.8% in April, according to the Office for National Statistics. It is the sixth consecutive month that inflation has been below the Bank of England's 2% target.

The ONS said the price of food and non-alcoholic beverages fell by 0.6% year-on-year in May, the sharpest fall in a decade.

The rate of inflation, as measured by the Retail Prices Index (RPI) fell to 2.4% in May from 2.5% in April.

However average earnings rose 0.7% in the three months to April, below the rise in the CPI. Easter falling in May this year would have had an impact.

*The Office for National Statistics reported UK house prices rose 9.9% in the 12 months to April to reach a new high of 260,000 pounds.

Overseas **equity** news

*In the US of the Dow 30 there were 15 stocks higher and 15 down.

Goldman Sachs led the way higher, gaining \$2.37 or 1.43% to \$168.22 followed by Home Depot and American Express.

Johnson & Johnson led the way down, falling 52c or 0.51% to \$101.93 followed by Exxon and Du Pont.

*Tesla rose more than 3% last night following recent gains - up over 54% for the year - after New Jersey's lawmakers passed a bill to again allow Tesla to sell its electric cars directly to customers in the state following the recent decision by the state's **M/V** Commission to bar direct sales.

Separately, Elon Musk's green **energy company** SolarCity announced it has acquired **solar** panel manufacturer Silevo for \$200 **million** in stock plus up to 4150 **million** should the **company** hit certain output milestones. SolarCity shares rose more than 17.5%.

Charles Schwab, TD Ameritrade and E*Trade Financial shares rose after a US Senate hearing on high frequency trading. Senator Carl Levin was heavily critical of conflicts of interests among retail brokers who receive rebates from some HDFT friendly exchanges to route their orders there. Apparently the market thought the online brokerages came out okay from the hearing, CNNMoney reported.

Netflix rose more than 3% after an upgrade by Morgan Stanley to "overweight". Amazon closed down slightly while AT&T rose a bit after Amazon was said to be giving AT&T exclusive access to its new smartphone.

Edwards Lifesciences Corp rose 4.6% after the FDA approved the next generation Sapien XT heart valve for severe symptomatic aortic stenosis the **company** announced. The valve will be available immediately in the US.

Boston Scientific fell 2.4% after Medtronic announced the **purchase** of Covidien Plc for \$43 **billion**. Boston Scientific was earlier thought to be a takeover target for Medtronic.

DR Horton shares fell 0.9% after US housing starts fell.

*In Europe, national benchmark indexes rose in 13 of the 17 western European markets that were open. Iceland was closed on holiday. Rheinmetall rose 2.5% to Euro 50.92 after a broker's upgraded for the German automotive and defense equipment supplier. Maersk fell 5.3% to Dkr13,290 after the **Chinese** Ministry of Commerce said on its website that the proposed P3 vessel pooling accord which also included Mediterranean Shipping Co and CMA CGM SA would curb competition on the busiest Asia-Europe routes, Bloomberg reported.

Subsea 7 SA, based in Luxembourg but headquartered in London fell 2.2% on broker downgrades.

Lufthansa fell another 2.05% to Euro 15.80 and was the biggest loser on the DAX. Deutsche Bank fell 0.47% to Euro 27.30. Lanxess led the index, up 1.16% to Euro 50.55. Deutsche Borse was also higher.

*In the UK Shire led the FTSE 100 higher amid expectations that the **firm** could become a bid target. Shire's share price was up 3.5% to 3,660P after it emerged that the **firm** had taken on investment bank Citi to advise it on defence strategies.

Whitbread rose 2.18% to 4,259P after the Costa Coffee and Premier Inn chain said sales rose 12.7% in the 13 weeks to 29 May.

Crest Nicholson delivered one of the biggest rises in the FTSE 250 index after the housebuilder announced a better-than-expected rise in first-half earnings. Crest shares closed 3.69% ahead.

Ashtead Group fell 6.3% to 831.5p after the UK building equipment retail **company** posted full year revenue of 1.6 **billion** pounds in line with expectations but reported net debt of 1.15 **billion** pounds as of April 30 vs 1.01 **billion** pounds a year earlier.

In other news

*First Quantum Minerals (the owner of the Ravensthorpe nickel-cobalt mine in Western Australia) among other assets worldwide, has agreed to **purchase** Lumina **Copper** Corp for \$C470 **million**, the two companies said in a joint release last night, FastMarkets reported. Lumina owns the Taca Taca **copper** deposit in northwest Argentina.

NS c1522 : Share Price Movement/Disruptions | m11 : Equity Markets | nanl : Analyses | c15 : Performance | ccat : Corporate/Industrial News | mcat : Commodity/Financial Market News | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter | nfcpin : FC&E Industry News Filter

RE austr : Australia | uk : United Kingdom | apacz : Asia Pacific | ausnz : Australia/Oceania | eecz : European Union Countries | eurz : Europe | weurz : Western Europe

PUB News Bites Pty Ltd

AN Document NBOZEN0020140617ea6i0008d