

**HD J.P. Morgan Raises AP Eagers FY14 Dividend Forecast -- Market Talk****WC** 1,348 words**PD** 16 October 2014**ET** 09:25**SN** Dow Jones Institutional News**SC** DJDN**LA** English**CY** Copyright © 2014, Dow Jones & Company, Inc.**LP**

2225 GMT - J.P. Morgan increases its full-year dividend forecast for AP Eagers (APE.AU) by 12.5%, after the Australian car dealership said it expects FY14 pretax profit of between A\$100 **million** and A\$104 **million**. AP Eagers's guidance includes a A\$3 **million** gain on the **sale** of property and a A\$6 **million** profit on the **sale** of its 20.65% **stake** in MTAI Insurance. "While AP Eagers does not have a stated dividend policy, historically it has distributed 60-65% of reported net profit after tax, weighted to the final dividend," J.P. Morgan says. It now has penciled in a A\$0.27/share dividend, up from its earlier expectations of a A\$0.24 payout. J.P. Morgan rates AP Eagers at neutral and lifts its price target by 1.4% to A\$5.63/share. APE last traded at A\$5.42. (david.winning@wsj.com; @dwinningWSJ)

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2224 GMT [Dow Jones]--Trading updates by Australian media companies at their upcoming annual meetings may **lead** to consensus downgrades, says J.P. Morgan, after the latest advertising revenue data showed bookings remain subdued in the first half of the financial year to date. The Standard Media Index shows the underlying 1H15 advertising market is down by low single digits in percentage terms, although September recorded the strongest growth in calendar 2014 to date, notes J.P. Morgan. "September's increase may be explained by uncertainty created around last year's federal election; we await October's data as well as commentary at upcoming AGMs to determine underlying ad market conditions. If September's momentum is not maintained for the rest of 1H15, consensus risk remains in traditional media." (rebecca.thurlow@wsj.com; @beckthurlow)

2224 GMT [Dow Jones] Asian stock markets are likely to be weighed by offshore leads after the Dow Jones Industrial Average finished a wild night sharply lower, says Forsyth Barr broker Dave Schaper in Nelson, New Zealand. While stocks fared better Wednesday after **Chinese** inflation data gave investors hope for fresh stimulus in the world's second-largest economy "it won't be enough in the face of the fall overnight," he says. In New Zealand the NZX-50 is down 0.8% at 5122.90. Air New Zealand (AIR.NZ) is down 2.5% at NZ\$1.765 while Fletcher Building (FBU.NZ) is down 1.4% at NZ\$8.57. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

18:22 EDT - Digital is the name of the game at regional banks, which are reporting 3Q earnings. Some 47% of Pittsburgh-based PNC Financial's (PNC) clients are predominantly non-branch customers, executives say today. Some 36% of deposits are now non-teller, which means they are conducted via the ATM or through the mobile phone application. The bank is hoping to get that number upwards of 50%, CEO William Demchak says. The bank is "playing a little bit of catch-up" against some of the bigger banks in that space, even if it's ahead of smaller competitors, he says. (julie.steinberg@wsj.com)

18:20 EDT - Growth in true automobile consumer loans has been slowing at PNC Financial (PNC), CFO Robert Reilly says during a 3Q earnings call with analysts today. It's an example of "maybe where we're backing off a little bit because of credit quality," he says. The auto growth has been in the 1% range for 3Q, he says, and he expects it to remain there. (julie.steinberg@wsj.com)

18:12 EDT - Private **equity** is finding ways to increase its presence in the industrial manufacturing sector. New York **firm** Uni-World Capital takes a majority **stake** in Drake Manufacturing Services, a maker of gear grinders and rack and thread milling machines. Drake's senior management will also be significant **equity** owners. M&A deals in the industrial manufacturing sector surged to \$60.1B in value in 2Q 2014, and the number of transactions of \$50M or more increased by 72% from the prior quarter, according to data from PricewaterhouseCoopers. While strategic investors were active during 2Q and

represented 65% of transactions, financial sponsors also increased activity and were involved in numerous mega-deals, according to PwC. (lillian.rizzo@wsj.com)

18:09 EDT - Mobile banking continues to be a focus for Cleveland lender KeyCorp (KEY), executives say today. Dennis Devine, co-president of Key Community Bank, consumer & small business, says there's been a 30% year-over-year increase in the number of customers using the bank's mobile application. The bank is investing more into digital as clients make clear their preferences to have mobile options for banking. "There's no doubt it's the most explosive source of client activity in our business over the past year," Devine says. "We expect that to continue." (julie.steinberg@wsj.com)

18:07 EDT - Cleveland-based lender KeyCorp (KEY) has closed 30 of its branches year-to-date, CEO Beth Mooney says in an interview today after the bank reported 3Q earnings. Over the past two years, the bank has shed between 80 to 90 of its branches as it seeks to retool its branch network, Mooney says. Other regional lenders have also rejiggered their branch strategy as the industry adapts to client preferences. (julie.steinberg@wsj.com)

18:05 EDT - Mergers and **acquisition** activity is up at Cleveland-based lender KeyCorp (KEY), executives say today during a 3Q earnings release call with analysts. The business is up 70% year-over-year, corporate bank head Christopher Gorman says. Part of the reason is due to "the availability of financing vehicles such as the high-yield market," he says. Recent inflows into the high-yield market are driving transactions at the bank, he says. (julie.steinberg@wsj.com)

17:59 EDT - With the 10-year Treasury hitting 2%, executives at Ohio lender KeyCorp (KEY) says the bank wouldn't be affected too heavily because the bank's loans typically have an average life of just three years, says CFO Don Kimble on an earnings call. The long end of the curve "doesn't have as much of an impact" and shouldn't be meaningful away from what their guidance would suggest, he says. Another bank executive says there will be a "significant pick-up" in transactions in which Key acts as agent, not principal, such as longer-term fixed deals. (julie.steinberg@wsj.com)

17:55 EDT - Sears Holdings (SHLD) and Amazon.com (AMZN) both pulled men's rings featuring a Nazi swastika from their websites after a social media outcry. Sears apologized, saying the item was posted for **sale** by one of its independent third-party vendors in violation of its product guidelines. Amazon has not issued any public statements about the ring. Showcasing rings with swastikas is definitely not a good thing for their respective brands, says Jennifer Vickery, a social media communications expert. "Do they really need a lesson in both branding and the holocaust simultaneously?" she asks. (ben.dipietro@wsj.com; bendipietro1)

17:43 EDT - Building out its private bank is a priority for KeyCorp (KEY), Chief Executive Beth Mooney says in an interview today. The Cleveland-based lender has been adding products to its platform, moved to open architecture and created a Delaware trust capacity, she says. "It's an area that we see as growth." As well, Key has hired people to fill specialized roles in investment management, she adds. Competitor PNC Financial (PNC) has been similarly investing in its wealth and asset management businesses. (julie.steinberg@wsj.com)

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