

HD **Telstra Outperform Rating Retained: Credit Suisse -- Market Talk**

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0405 GMT [Dow Jones] Credit Suisse is maintaining its Outperform rating and A\$5.70 target on Telstra (TLS.AU) after the **company** announced the **sale** of a 70% **stake** in Sensis to Platinum **Equity** for A\$454 **million** (US\$408.6 **million**). The broker says Telstra has recognized the need for a further major restructuring, which will be easier to carry out under a different ownership structure. It adds that there could be upside to Telstra's remaining 30% **stake** if earnings can be stabilized under the new structure. Credit Suisse also notes that the **sale** adds to the pot available for acquisitions or capital management. TLS last flat at A\$5.26. (david.rogers@wsj.com)

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0355 GMT [Dow Jones] Barclays says nickel looks undervalued with the long-awaited Indonesian **ore** export ban coming into force this past weekend, as even though government officials left room for major exceptions following last-minute meetings, it would not prevent a significant drop in **ore** exports. The Southeast Asian nation is a key supplier of feedstock used to produce nickel, aluminum and **copper**, and "if the ban remains in place for long, it will create a supply shock," the house says. High nickel stocks will be "a finite buffer...it looks as though the market will be unable to source Indonesian nickel **ore** or bauxite after Jan. 12 as the ban goes ahead in full force--for now, at least." There is a serious risk that the supply of nickel pig **iron** by Indonesia to **China** will begin to contract in the second half of this year, with the quality of **China**'s stockpiles [in preparation for the ban] unknown, as well as the size of the cushion, it adds. LME three-month nickel is up 0.9% at \$13,975/ton, the highest level so far this year. (yue.li@wsj.com)

0302 GMT [Dow Jones] Most currencies in Asia emerging markets rose against the U.S. dollar on Monday as the fall in U.S. Treasury yields on Friday's disappointing U.S. December nonfarm payrolls reduced concerns over capital outflows. The Indonesian rupiah is likely to be the main winner on Monday given changes to the mineral-**ore** export ban made on Sunday, Credit Agricole CIB says. Regulations were significantly diluted to allow a three-year extension for low-level concentrate exports. Most Indonesian **ore** exports meet the requirements--except for nickel and bauxites, the bank says. The Thailand baht should underperform given the gradual escalation of the political crisis in Thailand, the bank says. "We expect the blockade of Bangkok to have an increasingly negative impact as the month progresses and the THB should remain under pressure." The spot USD/IDR was recently at 12020--down from 12155 late Friday. The USD/THB is at 33.01--up from 32.96 late Friday. (jerry.tan@wsj.com)

0235 GMT [Dow Jones] Indonesia's benchmark JSX stock index rises 1.6% early Monday to 4322.7, followed closely by the Philippines PSEi, which is 1.4% higher at 5927.8. The markets **lead** a positive morning in Southeast Asia with sentiment buoyed by poor jobs data late Friday in the U.S. An official measure of employment in the U.S. found that only 74,000 jobs were added in December, below a revised 241,000 in November. The data is likely to support a more cautious approach at the U.S. Federal Reserve to reductions in its bond-buying program, a policy that has propelled markets in Southeast Asia in recent years. Indonesia's banks perform strongly, with PT Bank Negara Indonesia (BBNI.JK) up 2.1% and PT Bank Mandiri (BMRI.JK) gaining 5.1%. In Manila, Metropolitan Bank & Trust Co. (MBT.PH) gains 3.6%, while retail mall operator SM Prime Holdings (SMPH.PH) is up 2.8%. (jake.watts@wsj.com)

0226 GMT [Dow Jones] **Gold** edges higher in early Asian trading with a weaker-than-expected U.S. nonfarm payrolls data helping to ease fears of further tapering of the monthly bond buying program by the Federal Reserve. "Investor perception is that further tapering could be delayed as a result of the data," **Chintan** Karnani, a director at Insignia Consultants, says in a report. While he says that the direction for **gold** and silver is "bullish", prices have to convincingly break above \$1,254/oz for another big upward move. He expects physical demand from **China** to remain robust ahead of the country's New Year celebrations. Spot **gold** is at \$1,251.10/oz, up \$2.50, and silver is at \$20.24/oz, up 7 cents from its previous close. (arpan.mukherjee@wsj.com)

0200 GMT [Dow Jones] **China** yuan hit a new high as the central bank set the yuan fixing at the strongest level historically, after the U.S. published a disappointing December jobs report. The USD/CNY pair is at 6.0466 after hitting 6.0443, the strongest level for the yuan under the current system, vs. 6.0521 Friday close. The central parity is set at 6.0950 vs. 6.1008 Friday. "Though the dollar fell broadly, I'm surprised to see the yuan rise so quickly in the morning after the central bank asked banks to cancel all the 6.0500 level trades Friday," says a Shanghai-based foreign bank trader. He says the pair has support at around 6.0450. Offshore, one-year USD/CNY NDFs are down at 6.1000/6.1050 from 6.1126/6.1163 late Friday. (wynne.wang@dowjones.com)

0142 GMT [Dow Jones] Crude-**oil** futures are steady in early Asian trade Monday, with financial markets digesting Friday's disappointing U.S. jobs report that weighed on the U.S. dollar and boosted **oil** prices. Nymex WTI crude gained \$1.06 on Friday but ended \$1.24 lower from a week earlier, while Brent crude gained 36 cents last week. ABN Amro says the weakness in the labour market report is weather-related and fundamental strength in the economy will re-assert itself before long, boosting investor sentiment, risky assets and the dollar. Meanwhile, a sum of \$550 **million** has been unblocked for Iran, its first installment under a six-month landmark nuclear deal with the West that is making progress. Money managers slashed bets on higher crude **oil** prices to the lowest level in more than a month, according to CFTC data for the week ended January 7. Nymex crude is flat at \$92.72/bbl, Brent crude is up 9 cents at \$107.34/bbl. (eric.yep@wsj.com)

2025 GMT [Dow Jones] The USD/JPY is likely to consolidate between 103.80 and 104.20 Monday after a kneejerk move lower on weaker-than-expected non farm payrolls data Friday, says Stuart Ive, senior client advisor at OM Financial. "Retail sales out of the U.S. will be the focus of the week...The market expectation on that is on a headline figure of around 0.2% and if it comes in significantly higher we will see the U.S. dollar start retracing some of that loss." The pair is at 103.90 vs 104.10 late Friday in New York. (lucy.craymer@wsj.com)

(END) Dow Jones Newswires

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