DOW JONES
NEWSWIRES

HD **WDS Shares Slump on New Profit Warning -- Market Talk**

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2335 GMT [Dow Jones]--WDS Ltd. (WDS.AU) shares fall 41% to A$0.17 after the Australian engineering contractor suspended its dividend and replaced its chief executive after warning that it no longer expected to make a profit in FY15. WDS said it is now likely to make a net loss of between A$11 million and A$13 million in FY15, including a A$5.4 million writedown on its mining division. The company had previously forecast an annual profit of up to A$3 million. WDS added that it won't consider paying dividends again until after the earnings outlook has been restored and stabilized. WDS said Laurie Voyer would replace Terry Chapman as CEO, with Barry Glendinning becoming chief operating officer. The company also announced plans to cut directors' pay by 25%. (david.winning@wsj.com)

TD

2308 GMT [Dow Jones] The USD/JPY will likely move in a wide range in Asia trade, given high volatility in the currency market amid speculation about an election by year-end and a delay in the sales-tax increase, says Atsushi Hirano, head of FX sales Japan at RBS. The pair may undergo "whippy moves" in a 115-117 range, after it hit a seven-year high of 116.11 overnight. "I don't think the pair will go in one direction" as some remain skeptical that a delay in tax move would be a boon to the USD/JPY. The pair may come under selling pressure if investors sell on the fact once the prime minister announces his decision. "We need to expect a considerably broad trading range" to be ready for the possibility of wide fluctuations. The USD/JPY is now at 115.96 against 115.48 in North America. (hiroyuki.kachi@wsj.com)

Editor: PAB

18:07 EST - The RBNZ risk profile for the financial sector has changed, with increased concerns regarding the dairy sector, says ANZ. "Risks in the dairy sector have increased, given the pending hit to dairy incomes." ANZ says the twice yearly financial report noted that dairy farmers have generally acted "prudently" and didn't use last season's record payout to go on a spending spree, but that "some highly indebted farmers are expected to experience negative cash flow at the reduced milk payout." It adds key to the extent of the risk is how prolonged the period of low dairy prices will be. (lucy.craymer@wsj.com; @lucy_craymer)

17:43 EST - The next significant event for NZD/USD is testimony from RBNZ Governor Wheeler in front of the New Zealand parliament's finance and expenditure committee, says ANZ senior manager FX Sam Tuck. He says he expects the governor will reiterate the headlines from this morning that the NZD is overvalued and unjustified and should be lower, though risk remains that he would say something in response to a question from a minister. Tuck adds the impact of comments around the Financial Stability Report this morning had little impact on the market as concerns about the strength of the New Zealand dollar were just a reiteration of prior comments. NZD/USD last at 0.7808. (lucy.craymer@wsj.com; @lucy_craymer)

17:31 EST - It's official: WTI will lose its crown as the most heavily weighted commodity in the widely tracked S&P GSCI next year, says S&P Dow Jones Indices. Brent crude oil's weighting will rise to 25%, from 23% this year, while WTI's weighting will fall from 25% to 24%. Natural gas is also gaining a tiny bit of prominence, but the weightings for gas oil, heating oil and gasoline are all declining. About $85B in investments tracks the index, estimates Societe Generale, and those investors will have to buy and sell contracts to rebalance their portfolios to the new weightings. (nicole.friedman@wsj.com; @NicoleFriedman)

2220 GMT - NZX-50 is trading down 0.1% at 5486.29 but will likely reverse losses over the remainder of the session as sentiment in the NZ market remains upbeat, says Forsyth Barr broker Dave Schaper. He adds that there will be focus on the property companies after DNZ Property Fund (DNZ), Kiwi Income Property Trust (KIP.NZ) and Goodman Property Trust (GMT.NZ) all released results earlier in the session in line with market expectations. He adds the slightly higher NZD/USD may weigh slightly on export companies after the pair moved back above 0.7800. (lucy.craymer@wsj.com; @lucy_craymer)

17:08 EST - For those worried about a housing bubble in Australia, Tuesday's data showing house prices averaged 9.1% more in the July-September period than a year earlier should help to calm some nerves, says Carl Weinberg, chief economist at High Frequency Economics. The trend is improving, with 3Q growth slowing from on-year increases of 10.1% and 10.8% in 2Q and 1Q, respectively. Still, Weinberg notes that house prices are rising more than three times the yearly rate of increase of consumer prices. "At least with a slowing trend evident, the Reserve Bank of Australia will not be inclined to tighten monetary conditions to prick this bubble," Weinberg says. "In the end, this report just makes it easier for the RBA to deliver its promise of steady interest rates." (david.winning@wsj.com; @dwinningWSJ)

2154 GMT - New Zealand Central Bank "clearly" continues to want a weaker NZD and took the opportunity of the release of the Financial Stability Report to "jaw-bone" the currency lower "although there is nothing new in the arguments that they present," says First NZ Capital Head of Research Chris Green. He adds while there was little in the way of new information in the report its worth noting the reassessment of the balance of risks to the NZ financial system, "with some moderation in domestic housing market concerns occurring against an increase in risk from the **dairy** sector and exposure to a potential sharper than expected weakening in the **Chinese** economy." He says set against a backdrop of heightened global growth risks and modest inflationary environment, First NZ Capital "continue to expect that any recommencement of the RBNZ's tightening cycle is very much a 2015 second half of the year story." (lucy.craymer@wsj.com; @lucy_craymer)

16:53 EST - OPEC's upcoming Nov. 27 meeting in Vienna falls on the US Thanksgiving holiday. It's a big meeting for the cartel, with the world waiting to hear if it plans to reduce output in the face of growing global crude abundance. But depending on timing the news could fall into a market black hole--trading in CME's US benchmark contract will be halted from 1 pm to 6 pm EST that day, while trading in ICE's global Brent benchmark will be halted from 1:30 pm to 8 pm EST. With Switzerland six hours ahead of New York, it's likely an announcement could come before the trading halt, but if not, the market will have to wait until everyone gets through Turkey Day. Traders could be seeking to minimize exposure ahead of the holiday to avoid the headache altogether, which could drive volatility between now and then. (christian.berthelsen@wsj.com)

16:50 EST - As expected, New Zealand's central bank left mortgage restrictions for low deposit borrowers in place, citing migration as a risk to the housing market, says ASB chief economist Nick Tuffley. "We don't see the RBNZ relaxing the restrictions until net migration is showing signs of slowing down, which is not likely to show up until the first half of next year." He says all of the Reserve Bank of New Zealand's criteria suggest relaxation of the restrictions around 2Q 2015 to 3Q 2015. Tuffley adds the retaining of the restrictions will keep a degree of tightness in place. "We continue to expect the RBNZ will remain on hold until September 2015, with only 50 bp of tightening still to come." (lucy.craymer@wsj.com; @lucy_craymer)

16:45 EST - The economists watching Canada's housing market keep interpreting the numbers on it in very different ways. The unexpected decline in housing starts in October reported Monday was considered by some a reassuring sign housing construction was settling back toward levels consistent with demographic demand. Capital Economics, which has long held a bearish view on the sector, say the reduction volatile multi-unit segment which drove the headline decline is likely to be reversed in the coming months, reigniting concerns about overbuilding in the large high-rise condominium market. Housing starts could rebound to an annual rate of more than 200K units soon. "That would put starts well above population requirements again, at a time when the stock of unsold condos coming onto the market is already elevated," CapEcon says. (don.curren@wsj.com @dbcurren)

16:19 EST - Cabot Oil & Gas (COG) is "well-positioned" to weather low oil and gas prices in 2015, CEO Dan Dinges tells participants at an industry conference in Houston at the Jefferies 2014 Global Energy Conference. Stress tests run by Cabot show if the realized price of crude is $70 a barrel, the **company** should achieve a 34% rate of return at its operations in the Eagle Ford shale of Texas. In Pennsylvania's Marcellus shale, where the **company** drills for natural gas, it has a 37% return rate if the realized price of gas is $2 per thousand cubic feet. "We'll continue the drilling," Dinges says. "I do not see a lot of change in our capital program in 2015." (erin.ailworth@wsj.com; @ailworth)

(END) Dow Jones Newswires

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