

HD PNC Financial Sees Growth in C&I Loans -- Market Talk
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Commercial and industrial loans are an area of growth for Pittsburgh bank PNC Financial, Chief Executive William Demchak said on a third-quarter earnings call on Wednesday. He said the bank is growing C&I at a pace "faster than all of our peers, largely through winning new clients, a big part of that coming from the Southeast." While spreads have declined in C&I, he said, "they're still appreciably higher than they were in the tight periods in 2006-2007." **Commercial** lending grew 8% from last year to \$124.1 **billion**. (julie.steinberg@wsj.com; @JBSteins)

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22:29 GMT [Dow Jones] The Australian dollar has once again bounced from levels close to its 2014 lows around US\$0.8650, and now trades well within its recent ranges, says ANZ in a note to clients. With a quiet domestic calendar the U.S. Dollar will drive it in Asia session, but the question is how long the Aussie dollar can remain sheltered from the broader risk aversion in markets, it adds. The Aussie is currently trading at US\$0.8813. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

2229 GMT [Dow Jones] Continental Resources CEO Harold Hamm on Wednesday sought to allay market concerns about what dropping **oil** prices could do to the U.S. **oil** boom. "This is not a boom, this is a renaissance," said Mr. Hamm in an interview. He said **oil** prices, which have been near the \$85 a barrel mark the last couple of days, have bottomed out and that his **company** has no plans to curb its **operations**. He didn't rule it out for some point in the future, but he declined to describe the circumstances under which that would occur. (Amy.Harder@wsj.com, @AmyAHarder)

2228 GMT [Dow Jones] The view from the middle isn't very pretty, according to new research out from the research division of payroll **company** ADP. Of 750 owners and executives of midsize companies polled by ADP, just 15% were confident that the economy will improve in the next 12 months. The cost of health care, the implementation of the Affordable Care Act and the level of government regulations are what weigh most heavily on the minds of respondents. However, more than half are optimistic that their own industry will improve over the next 12 months. (hillary.canada@wsj.com; @H_Canada)

2226 GMT [Dow Jones]--National Australia Bank's (NAB.AU) exit from Great Western Bank (GWB) should in time provide about a 30-basis-points lift in its Common **Equity** Tier 1 capital ratio, which would partially offset capital headwinds facing Australia's big banks, J.P. Morgan says. It estimates the IPO price, which was below NAB's earlier expectations, equates to about 1.4 times net tangible assets--in line with recent U.S. Midwest bank deals. Still, it only represents about 0.75 times book value, the brokerage says. It has an underweight stance on NAB and A\$35.09/share target. NAB last traded at A\$32.54. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

18:25 EDT - California's controversial and much-delayed \$68B high-speed rail project got partially back on track Wednesday. The state's Supreme Court denied a petition from opponents to review a lower court ruling that had allowed it to proceed despite questions about its means of funding. The court's action appears to at least partially clear the way for the Los Angeles-to-San Francisco rail system, a pet project of Gov. Jerry Brown, to go forward with construction. The project has received funding commitments from the federal government, and plans to use state bond money and proceeds from the state's cap-and-trade market on carbon emissions to leverage construction costs. (michael.gray@wsj.com)

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)

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)

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