

HD JPMorgan: Alumina Better Placed to Restart Dividends -- Market Talk

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17:50 EDT - **Alumina** (AWC.AU) is in a better position to restart dividend payments following the **sale** by Alcoa World **Alumina**, a JV with Alcoa (AA), of its 55% interest in the Jamalco bauxite and refining assets to Singapore's Noble (N21.SG), JPMorgan says. While Jamalco's **sale** price of US\$140M was below JPMorgan's net present value of US\$183M, proceeds will help **Alumina** bring its debt down. "We believe the top down story is positive on **Alumina** based on increasing tightness in aluminum, **alumina**, and bauxite markets, along with AUD weakness," says JPMorgan analyst Lyndon Fagan. However, the stock is already factoring in US\$370/ton **alumina** at spot AUD, and that's pushed it close to JPMorgan's A\$1.70/share price target. AWC last traded at A\$1.59. (david.winning@wsj.com; @dwinningWSJ)

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17:49 EDT - Ebola-themed drug stocks are real wild cards at the moment. Infected patients have received a mix of experimental drugs, but none has been tested in large clinical trials in people infected with the disease. That will change in the coming weeks as different trials get underway. Chimerix (CMRX) said today it plans to begin a trial of its antiviral, brincidofovir, "immediately" in Ebola-infected patients. The drug has shown potential activity against the Ebola virus in test-tube evaluations. It's also been tested in human clinical trials to treat other viruses, including cytomegalovirus and adenovirus. CMRX closed 10% higher at \$35.40. (jeanne.whalen@wsj.com)

17:47 EDT - CSL Ltd. (CSL.AU) CEO Paul Perreault says the **company** is exploring whether it can develop a blood-plasma-based product to treat Ebola infection, at the request of the Bill & Melinda Gates Foundation. The idea would be to collect plasma donated by people who have recovered from Ebola and develop it into a "hyper-immune" serum that can be transfused into infected patients. The plasma from recovered patients typically has antibodies that doctors think can help fight the virus. Perreault says it's technically possible, but the logistics of collecting plasma from people in Africa could be difficult. The **company**, a leader in making immunoglobulin products that treat diseases including immune disorder, is still exploring the idea. (peter.loftus@wsj.com)

17:46 EDT - Goldman Sachs (GS) added more staff in 3Q than it has in years. Headcount grew 3% over the quarter, reaching 33,500, according to results out today. That's significant because 3Q is when new hires recruited from colleges and business schools typically get added onto the payroll. The last time GS added that many employees in 3Q was 2010, as the **firm** recovered from the financial crisis. A year later, however, the **company** reported a loss for the quarter and shed almost all of its increased headcount. Shares closed 2.6% lower at \$172.58. (john.carney@wsj.com, @carney)

17:36 EDT - Barclays says it's time to stop the bloodletting from MLPs. With falling **oil** prices prompting fears that US **oil** production will slow down, many investors fled from the corporate partnerships that typically own pipelines and other **energy** infrastructure. But Barclays says at the \$80 per barrel level, prices are plenty high enough to keep the **oil** flowing. They also note that low prices could encourage **M&A** activity among midstream companies. Investors seem to agree: The Alerian MLP Index (AMZ) rose 4.6% today, though it's still down 6% from a month ago. (alison.sider@wsj.com)

17:33 EDT - It's good to be Google (GOOGL). It is also expensive. The Web search giant reports a 20% jump in revenue for 3Q on year, but earnings came in well below analysts' estimates, with signs that the **company's** already-high level of spending seems to be headed higher. Google's quarterly operating expenses topped \$6B for the first time, and were about 37% of total revenue, from 34% in 3Q last year. New hires added 6% to the workforce in Google's core business, which excludes Motorola, compared to 2Q. GOOGL down after hours, but rising costs shouldn't come as a surprise to investors. Google has

been signaling its intentions to invest heavily in the face of more competition from Microsoft (MSFT), Apple (AAPL) and Amazon.com (AMZN), among others. For now, the quarterly reminder of the bill is still jarring. (dan.gallagher@wsj.com)

17:31 EDT - HSBC is bullish platinum, despite recent sharp drops in both of the PGMs. Here's why: Industrial users such as automakers, the single largest source of demand for platinum, are likely to view the current discounted prices as an attractive time to buy. The bank also expects jewelry consumption to grow ahead of the holiday season, especially in **China**. Finally, a five-month-long South African miners' strike that came to an end in late June has made supplies of the metals scarce. Platinum closed at \$1251.90 a troy ounce, down 17% from its highs of the year. (ira.iosebashvili@wsj.com)

17:24 EDT - Stryker (SYK) has missed its internal expectations for selling new surgical robot systems, **company** says. SYK, best known for hip and knee implants, got into the robot business with its \$1.65B **acquisition** of MAKO Surgical Corp. last year. Reaping synergies between robots and implants "has proven more challenging than we anticipated," says Katherine Owen, vice president for strategy, on SYK's 3Q earnings call. SYK was "over optimistic" about how quickly it could integrate MAKO's capital equipment sales force with SYK's implant sales team, Ms. Owen says. "We are confident that the market for robots is improving as we have a strong pipeline of deals we are working on," she says. SYK shares flat after-hours. (joseph.walker@wsj.com)

17:12 EDT - Advanced Micro Devices (AMD) expects revenue in the current quarter to decline about 13% from the third period results, which the chip maker issued this afternoon. That's a lot worse than expected on the Street, where analysts tracked by Thomson Reuters had projected a slight sequential increase. Besides weakness and market share losses in PC chips to Intel (INTC), AMD may be fearing the impact of new graphics chips from Nvidia (NVDA), says Joanne Feeney, who tracks AMD for ABR Investment Strategy. AMD off 5.3% to \$2.50 after hours. (don.clark@wsj.com)

17:09 EDT - Investors withdrew \$549M from junk bond funds in the week ended Oct. 15, after ploughing \$1.28B into them the prior week, says fund tracker Lipper. The market has been whipsawed along with the drubbing stocks and commodities have received from fears about global growth. Selling has continued as fund managers look to raise cash to meet redemptions. The risk premium investors were demanding to own US junk-rated corporate **bonds** rose to 5.08 percentage point above comparable Treasuries Wednesday, according to Bank of America Merrill Lynch index, from 4.66 points at the start of the week and 3.97 points in mid-September. (katy.burne@wsj.com)

17:05 EDT - Southwestern **Energy's** (SWN) **purchase** of 413,000 acres in West Virginia and southwest Pennsylvania from Chesapeake **Energy** (CHK) is contingent on an okay from Norway's Statoil (STO). The international **oil** and gas **company**, which entered into a joint venture in the Marcellus shale with CHK in 2008, said it holds an interest in the acreage being bought and is reviewing the \$5.4B transaction. SWN CEO Steve Mueller acknowledged during a conference call that the deal needs the consent of a co-owner, but didn't name STO. SWN fell 10% to close at \$31.97. (erin.ailworth@wsj.com; @ailworth)

16:55 EDT - The drop in the price of Mexico's **oil** exports is not a concern for public finances in the short-term but could weaken the economy down the road, says Banco Ve Por Mas. Short-term risks are mitigated by the government's **oil** hedges along with a revision of the 2015 exchange rate to project more peso income from **oil** sales, it says. "The principle risk for Mexico in the medium- and long-term comes from the heavy dependence on **oil** for public finances," which represents about a third of the federal budget. "This could potentially deteriorate the macroeconomic fundamentals of the country, which have been distinctive of Mexico in periods of volatility and have allowed it to better handle itself than other economies," the bank says. (laurence.iliff@wsj.com)

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