

HD AUD Under Pressure Ahead of Australia Policy Statement -- Market Talk**WC** 1,418 words**PD** 8 August 2014**ET** 06:27**SN** Dow Jones Institutional News**SC** DJDN**LA** English**CY** Copyright © 2014, Dow Jones & Company, Inc.**LP**

16:27 EDT - AUD/USD remains under pressure after a weaker-than-expected Australian Jobs data released Thursday. Focus now turns to the RBA's monetary policy statement and home loans data, says Westpac currency strategist Imre Speizer. "The RBA is expected to remain on hold until August 2015, but markets will start pricing in the tightening cycle by late 2014." Speizer adds that **China's** trade balance may also drive the pair during the session. Pair last at 0.9277. Westpac expects it to be capped at 0.9300 in the short-term. (lucy.craymer@wsj.com; @lucy_craymer)

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16:25 EDT - Prospect of broader exports of ultralight **oil** known as condensate has had the **energy** industry buzzing all summer. Producers like the idea of fetching higher prices for their output overseas, while refiners have worried about losing a source of cheap **oil**. Condensate is generally thought of as very light **oil**, which means it clocks in high on the industry's API Gravity scale, but not everyone agrees on where to draw the line between condensate and crude. "Right now there's a big question about what is defined as condensate," Plains All American (PAA) COO Harry Pefanis told analysts during a conference call today. He added that the Delaware Basin in the Permian formation could produce up to 200K **b/d** of condensate once production ramps up. (alison.sider@wsj.com)

16:21 EDT - Mexican restaurant operator Alsea's (ALSEA.MX) incursion into Spain will pose only a "minimal distraction" for the **company**, CEO Fabian Gosselin assures analysts who question whether Alsea is over-extending with too many brands in too many markets. The Spanish target's management will stay on, allowing the business to function largely independently, Gosselin says, emphasizing that Grupo Zena was a good match for Alsea given its handling of familiar brands like Burger King and Dominos. Alsea shares down 1.1% at MXN43.57. (amy.guthrie@wsj.com)

16:19 EDT - Zoetis (ZTS), largest maker of animal drugs and vaccines by sales, appears open to considering a so-called "tax inversion" transaction with a non-US **company** to lower its tax rate. Asked about this on Tuesday's 2Q earnings call, ZTS CEO Juan Ramon Alaix responded: "So in terms of **M&A**, also this tax inversion opportunity, we will continue exploring any opportunity that will provide a reduction in terms of effective tax rate -- something that definitely we will see the opportunities that exist in the market -- and we will decide based on these opportunities," according to a transcript. JPMorgan notes that a tax inversion would be a "clear opportunity," given ZTS's current effective tax rate of about 29%. (peter.loftus@wsj.com)

16:16 EDT - Advent International is revisiting an old flame. The private-**equity firm** is buying half of the **stake** that Lululemon Athletica's (LULU) founder Chip Wilson owns. Mr. Wilson has been criticizing the athletic apparel maker publicly in recent months. Advent is no stranger to the yoga pant maker. The **firm** was a minority LULU investor in 2005 when the Canadian **company** had just over 30 stores. When Advent cashed out, it proved a big win for the **firm**. LULU closed 2.4% lower at \$39.03. (dana.mattioli@wsj.com; @DanaMattioli)

16:15 EDT - A reinterpretation of the US ban on **oil** exports has many companies wondering how the government's policy applies to them. Last week a tanker of unrefined ultralight **oil** known as condensate left Texas for South Korea, and more cargos are in the works. Plains All American Pipeline (PAA) has equipment in Gardendale, Tex. that can stabilize and distill 80k barrels a day of condensate, with plans to expand that capacity to 120k barrels a day. **Company** executives tell analysts they're confident the operation's condensate output would meet the government's new processing standards, but there's

enough uncertainty to warrant caution. "The only thing that might get in our way is political arbitrariness," CEO Greg Armstrong says. (alison.sider@wsj.com)

16:13 EDT - Another rocky day for US stocks, major indexes log further declines with the Dow Industrials sliding for the ninth time in the last 12 sessions. An early rally offered some hope that bulls could possibly begin to turn around the recent bad patch, but once again they're unable to gain any **firm** traction. Strong day for the 10-yr Treasury, yield falls about six basis points, suggesting investors prefer safety amid geopolitical concerns with Russia over the Ukraine situation. Consumer staples and health-care sectors **lead** markets lower, DJIA falls 75.07 to 16368.27, lowest close since late April. Nasdaq Comp down 20.08 to 4334.97, and S&P 500 ends 10.67 lower at 1909.57. (john.shipman@wsj.com)

15:58 EDT - The raw material of "Shrinky Dinks," a popular children's toy that contracts when baked is suddenly hot stuff for robot engineers. Researchers at Harvard University and MIT said today they used sheets of the special polystyrene plastic made for the toy kits to make an innovative self-folding robot. When heated, the plastic folds along lines of a design etched on its surface, assembling the device without human intervention, they say. The researchers envision a range of manufacturing applications for their self-folding designs, from on-demand custom toys to self-assembling satellites -- and therefore a wider potential market for such heat-shrink plastics. (lee.hotz@wsj.com)

15:52 EDT - SAP is hiring more Millennials and cozying up to startups in an effort to be "more like Google," and make its software more user-friendly. It's a logical bet given the rise of Millennial employees in the workforce, many of whom grew up digital and demand well-designed apps that are both functional and easy to use. For SAP, the move is part of a larger push to simplify its offerings and fend off nimbler startups. The **company** has been around for a long time, and "every year we get a lot older," says Pat Bakey, global general manager for SAP Retail. (steven.norton@wsj.com)

15:46 EDT - The ancient art of paper-folding is inspiring new flexible construction materials, researchers say. Cornell University researchers who've been experimenting with the geometry of origami say they've discovered a way to structurally alter materials on cue by manipulating the way they're folded. A common zigzag pattern called the Miura fold, often used to pack **solar** arrays more efficiently, can be tuned to make a material rigid or flexible, shifting back and forth in response to pressure, they say. The pattern can be readily etched on metal, paper or plastic. While still experimental, it's a way to give many ordinary materials mechanical properties they don't normally have, certain to interest the construction industry and aerospace designers. (lee.hotz@wsj.com)

15:41 EDT - Treasury prices making a steady rise in late trading, pushing the 10-year yield down nearly 6 bps. Eyes are on the 2.40% mark, below which traders say sellers will back away and let yields fall, opening the door to 2.35%. The last time the 10-year Treasury yielded less than 2.40% was in June 2013. The note up 16/32 today, last yielding 2.419%. (cynthia.lin@wsj.com; @cynthialin_dj)

15:39 EDT - Laredo Petroleum's (LPI) 2Q miss-and-cut has shares extending their recent slide, but bull Topeka Capital remains resolute. It notes the **company's** recent land acquisitions and that horizontal-well performance remaining strong. The investment bank sees "today's selloff as a long-term opportunity to gain exposure to a core Wolfcamp player" which holds some 145K acres. But SunTrust notes the \$203M of acquisitions "is a departure from recent strategy," though it doesn't mind the move. LPI is down 8.9% at \$23.95, putting the quarter's slide at 23%. (kevin.kingsbury@wsj.com; @kevinkingsbury)

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