DOW JONES NEWSWIRES

HD **S&P/ASX 200 Vulnerable to Increased Geopolitical Risk**

WC 1,502 words

PD 18 July 2014

ET 09:05

SN Dow Jones Institutional News

SC DJDN

LA English

LP

2305 GMT [Dow Jones]--Australia's S&P/ASX 200 is vulnerable to geopolitical risk stemming after a Malaysia Airlines jet was shot down near the Russia-Ukraine boarder, and Israel invaded Gaza. Both factors contributed to a 1.2% fall in the S&P 500 despite generally strong U.S. economic and earnings reports. Underscoring concern about a potential slide in equities, the S&P 500 VIX volatility index surged 32% to 14.54, its biggest rise this year. The risk of wider conflict will dominate before the weekend and **equity** markets are particularly vulnerable after recent gains. The S&P/ASX 200 formed a bearish "shooting star" pattern on daily candlestick charts yesterday, after an unsustained break above the top of the 5358.9-5554.5 range of the past three months. Qantas (QAN.AU) may **lead** sharp falls in cyclicals, while high-yield stocks may actually outperform after US. 10-year bond yields fell 8 basis points to 2.45%.

TD

Gold and **energy** stocks should outperform after spot **gold** rose 1.5% and Nymex crude **oil** jumped 1.9%. Index last 5522.4. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

18:52 EDT - Things are looking up at Mexican corn-flour and tortilla maker Gruma, which plans to pay out 649 **million** pesos ($50 **million**) in dividends, or 1.50 pesos per share, in November. "This is positive news and triggers once again a potential short-term catalyst in the stock price," says Barclays, noting it is the first time the **company** will pay dividends since 2007. "We had believed this would not be realized until 2015, once the **company** reduced its leverage." Gruma shares slipped 0.2% on the Mexican exchange to 152.76 pesos. (anthony.harrup@wsj.com)

18:20 EDT - Advertisers aren't happy with Microsoft's (MSFT) decision to shutter its Xbox Entertainment Studio, the **company**'s big bet on original video content. The **company** had been pitching the studio's shows in production to advertisers in recent months. Now advertisers feel jerked around, and may question everything CEO Satya Nadella tells them going forward. That's not great news for MSFT's ad division, which has always felt like the smallest of fish in a big software pond. But considering Mr. Nadella just announced he's firing 18,000 people, a few irked advertisers are probably not his biggest concern at the moment. (mike.shields@wsj.com)

18:15 EDT - Two female tech entrepreneurs have decided to team up. Care.com (CRCM), online marketplace for childcare professions led by Sheila Lirio Marcelo, has acquired subscription commerce service Citrus Lane for up to $48.6M in cash and stock. The deal, announced by Marcelo and Citrus Lane founder Mauria Finley at a lunch briefing today with journalists in San Francisco, will add a new commerce component to Care.com's business. One of several fledgling tech startups to ship boxes of handpicked goods to customers for a monthly fee, Citrus Lane generated sales of $6M in 2013 and expects to double that this year. (douglas.macmillan@wsj.com)

18:09 EDT - Tyson Foods (TSN) executives vowed to hang onto the meatpacker's investment-grade credit rating as they pursued a $7.7B deal for Ball Park hot dog maker Hillshire (HSH), and TSN has, but at a relatively low level, according to S&P. Ratings agency assigns "BBB" rating, its second-lowest investment-grade rating, to TSN's $2.5B in loans associated with HSH deal, and S&P places ratings on watch with "negative implications" as analysts for the agency review impact of the deal. S&P says TSN could improve its standing by issuing **equity** to help fund the **purchase**, something the **company** has said it may do; TSN closed down 17c at $39.06. (jacob.bunge@wsj.com; @jacobbunge)

18:06 EDT - Alibaba has been in a near-constant state of dealmaking this year, even as it's prepared for its giant IPO. That's one factor in the decision to push back the IPO until after Labor Day, according to people familiar with the matter. Deals included a streaming video partnership with Lions Gate (LGF) and stakes in US e-commerce firms, a **Chinese** web browser and a soccer team. Though none are expected to be material, they held the attention of senior managers and added some time to the prospectus writing process, people familiar said. The upside is the **company** will have more to talk about during the Sept. roadshow. (telis.demos@wsj.com; @telisdemos)

18:00 EDT - Sysco (SYY), the nation's largest food distributor on the verge of buying up its biggest competition, settled with the state of California for $19.4M, after the state alleged food safety violations, claiming SYY was storing raw meat and other perishables in unrefrigerated sheds until it was picked up for distribution to customers. The settlement comes as SYY hopes to calm any nerves the FTC may have about its merger, which would give it a combined market share of about 25%. FTC asked SYY and US Foods for more information to conduct an investigation in February, but it hasn't made a determination yet. SYY expects FTC to approve the merger by 3Q. (annie.gasparro@wsj.com)

17:52 EDT - Grumblings from Washington D.C. about ending the tax inversion craze could make some companies think twice about such deals, says Stryker (SYK) CEO Kevin Lobo. But companies considering strategic deals that just happen to result in a better tax rate probably won't see an impact from the proposed legislation, Lobo said. "The ones that are strategic, and the financial piece is really icing, I think those will continue to be pursued." Lobo said in June that SYK had been evaluating a bid for UK-based Smith & Nephew (SNN), which analysts said made strategic sense. (joseph.walker@wsj.com)

17:47 EDT - Three leading proxy-advisory firms have now recommended that Aspen (AHL) shareholders vote against proposals from Endurance (ENH) in its hostile-takeover attempt. "We now handicap the probability of a potential transaction to be below 50%," Janney says. The **firm** upgraded ENH shares to buy, noting they've been underperforming Bermuda peers, "partially because of the potential book value dilution from the proposed **acquisition** of AHL." Barclays also sees takeover as unlikely: "ENH could raise the takeover price or increase the cash component, but our sense is this is unlikely because there would be greater book value dilution." (leslie.scism@wsj.com)

17:44 EDT - When it reports 2Q earnings on July 29, Twitter (TWTR) is expected to unveil as many as four new metrics it hopes will show its reach beyond its 255M monthly active users, according to people familiar with the matter. The new metrics will likely quantify TWTR's logged out audience, these people said. The additional disclosures come as TWTR tries to calm investor concerns about its user growth rates, which have in recent quarters showed signs of stalling. TWTR's user base remains just one-fifth the size of Facebook (FB). Yet, the new metrics will not help TWTR much unless it can show how it plans to monetize its nonusers. (yoree.koh@wsj.com)

17:41 EDT - Amazon.com's (AMZN) forthcoming subscription e-book service--Kindle Unlimited--could grow to $1B in annual revenue within five years from $300M next year, says Piper Jaffray. The service, costing $9.99 per month, was leaked by AMZN inadvertently on its website this week before AMZN took it down. AMZN will have to attract some of the bigger name publishers for the service to really gain traction--the books advertised weren't from the largest publishing houses. As well, AMZN faces competitive pressure from several startups that could undercut the retailer. (greg.bensinger@wsj.com)

17:35 EDT - The Securities and Exchange Commission has made considerable progress implementing the Dodd-Frank Act, but has more work to do to, SEC Chair Mary Jo White says Thursday. With Dodd-Frank set to mark its fourth anniversary on Monday, White cited some of the progress the SEC has made with the law, including passing rules to restrict the proprietary activities of financial institutions and boosting controls on broker-dealers that hold customer assets. Critics of the law say it has focused on the wrong causes of the 2008 recession that prompted its passage and has slowed the economic recovery. (ben.dipietro@wsj.com; @bendipietro1)

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July 17, 2014 19:05 ET (23:05 GMT)

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AN Document DJDN000020140717ea7h004ft