DOW JONES NEWSWIRES

HD **U.S. Dollar Strength Running Ahead Of Bond, Equities, ANZ Says -- Market Talk**

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2331 GMT [Dow Jones]--Currency markets were happy to take profit on U.S. dollar longs, despite strength the U.S. 3Q GDP overnight, says ANZ in a strategy note. The strength in growth was attributed to rising U.S. defence spending thus looked-through by markets. The trend for U.S. dollar remains relatively strong, but currency markets are running well ahead of bond and **equity** markets, ANZ adds. Expect U.S. data to continue to support USD ahead of the weekend. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

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2328 GMT [Dow Jones] The USD/JPY may wobble in midmorning on flows related to **commercial** trade settlement ahead of the end-of-month book closing, but then get a boost on hopes for more-aggressive investment approach by the GPIF, says a Japanese bank senior dealer. "Basically, the JPY will likely weaken against its major rivals," says the dealer. Nikkei reports GPIF will likely increase the portion allotted to foreign **bonds** and stocks to a combined 40%, higher than about 30% previously expected. A shift in the GPIF's assets toward more foreign assets could help support a higher USD/JPY. The pair is now at 109.37. (hiroyuki.kachi@wsj.com)

2319 GMT [Dow Jones]--The composition of ANZ Banking's (ANZ.AU) full-year result was broadly in line with expectations, but with earnings and the dividend modestly beating the market's forecasts it should be well received, Credit Suisse suggests. In the opening minutes of trading, ANZ's shares are up 0.7% at A$33.48, in line with its peers. The brokerage says in the plus column, ANZ's **equity** Tier 1 capital ratio improved strongly and there was a sizable improvement in asset quality, but on the other side there was a further decline in ANZ's international & institutional banking margin and negative sequential "jaws," industry speak for the difference between income and costs. It has an outperform stance and A$37.50/share target. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2320 GMT [Dow Jones] National Australia Bank's (NAB.AU) accelerated efforts to exit underperforming assets prompt Bell Potter to lift its target to A$37.40/share from A$36.50, with a **buy** recommendation maintained. It notes the target isn't demanding for a "turnaround" stock and 12.2 times expected FY16 earnings and 1.6 times book value. NAB's FY14 cash profit was in line with the bank's earlier guidance, held back as expected by A$1.5 **billion** in U.K. charges and write-downs. NAB is up 0.7% at A$34.87. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2310 GMT [Dow Jones]--Investors are likely to adopt a wait-and-see approach to AMP's (AMP.AU) planned **acquisition** of a **stake** in **China** Life Pensions Co., UBS says. The brokerage says it was somewhat surprised by the deal, given AMP's Asian expansion has so far been targeted toward investment management via AMP Capital. UBS says it accepts AMP's comments that this is a relatively small investment and the risk of further capital drawdowns appears low. But Australian insurers have to date experienced limited success in achieving their return-on-invested-capital aspirations over expected time frames in **China**. AMP has agreed to **buy** a 19.99% **stake** in CLPC, the largest pension **firm** in **China** by assets under management. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2308 GMT [Dow Jones]--Two key drivers of tradables inflation in Australia have been moving recently. The Australian dollar has fallen 6% since early September, while prices of Brent and WTI are down over 20% since the June highs, and Tapis crude is down over 30%. Ben Jarman, economist at JPMorgan said the **oil** price plunge is bigger than the Aussie dollar fall in an absolute sense, though empirical rules of thumb would suggest that the two influences should have roughly offsetting effects on inflation. Jarman said the netting out of the two effects is inflation negative and the RBA could revise lower its forecasts at a quarterly statement on Friday. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

2305 GMT [Dow Jones]--Coca-Cola Amatil (CCL.AU) has secured a significant premium from Coca-Cola (KO) for a 29.4% **stake** in its Indonesian business, says UBS. But that begs the question: If it is such a good deal, why did Coca-Cola Amatil not go it alone and debt-fund capex? Coke is paying US$500 **million** for its **stake** in Coca-Cola Amatil's Indonesian business. That implies an enterprise value of A$1.6 **billion** for the combined Indonesia and Papua New Guinea division versus UBS's valuation of A$1.26 **billion**. The challenge now is that Coke will want increased volume and market share, while Coca-Cola Amatil needs improved earnings and return on capital. That's not easy given rising wages and transport costs, and the depreciating Indonesian rupiah. "Frankly, (it) raises the prospect in our minds that Indonesia might be worth more to someone else than is currently being recognised in the Coca-Cola Amatil share price," UBS says. UBS rates Coca-Cola Amatil at neutral with a A$9.20/share price target. CCL last traded at A$9.07. (david.winning@wsj.com; @dwinningWSJ)

2301 GMT [Dow Jones] The New Zealand Debt Management Office has appointed its joint **lead** managers of the syndicate as it works toward the launch of the a new 2035 inflation-linked bond later this year. It says New Zealand branch of Deutsche Bank AG, **Hong Kong** and Shanghai Banking Corp., the Australian branch of UBS AG and Westpac Banking Corp. would be the joint **lead** managers of the launch. The office adds it plans to issue by way of syndication up to NZ$1.5 **billion** of the new 20-year bond "subject to market conditions." (lucy.craymer@wsj.com;Twitter: @lucy_craymer)

2257 GMT [Dow Jones]--Google Inc. (GOOGL) is facing more pressure to pay publishers in Europe when the Internet giant shows summaries of stories in its news search results. Spain's parliament approved new intellectual **property** laws that allow news publishers to charge aggregators like Google each time they display news content in search results, starting Jan. 1, according to the Associated Press. Google told the AP it was disappointed with the outcome. There's a similar law in Germany and earlier this month Google said it would stop posting snippets from several large German newspapers, rather than pay for the right to post them. (alistair.barr@wsj.com)

2255 GMT [Dow Jones]--Food makers Kraft (KRFT) and Kellogg (K) are turning their attention from cash-strapped consumers to a bigger problem: The rapidly changing tastes of consumers that is causing grocery sales to shift to more fresh and prepared foods from canned and packaged food. "Views on health and wellness are evolving, and that's impacting the business more than economic pressure," Kellogg Chief Executive John Bryant said in an interview on Thursday. Sales at Kellogg's most important segment, U.S. morning foods, fell 4.8% to $841 **million**, while U.S. snacks sales fell 4.2% to $849 **million**. (annie.gasparro@wsj.com)

[Dow Jones] 22:50 GMT UBS lifts its 12-month target price on Freightways (FRE.NZ) to NZ$5.80 from NZ$5.30 but retains its neutral rating. It notes its 1Q result was positive and "shows the strong operating leverage FRE can exhibit, with adjusted revenue increasing 10% for both Express Packaging and Information Management." UBS also lifted its growth assumptions for the remainder of FY15 for Freightways. It now expects Ebitda to reach NZ$96.5 **million** versus a prior view of NZ$90.3 **million** and says net profit will increase to NZ$50.9 **million** versus its prior forecast of NZ$46.5 **million**. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

2250 GMT [Dow Jones] Messy. That's how Macquarie sums up ANZ Banking's (ANZ.AU) earnings. It finds the bank's second-half headline cash profit of A$3.6 **billion** was ahead of expectations. But adjust that for the reinvestment of proceeds from ANZ Trustees, which it says should be a "business as usual cost," and the result was in line with Macquarie's forecast. The brokerage adds there were some worrying signs in the numbers, with international and institutional banking margins dropping 9 basis points in the half and New Zealand assets falling and impairments there ticking up. "Overall the cycle appears to be against ANZ in Asia, New Zealand and potentially in Australia, where a resurgent NAB (NAB.AU) is likely to make their life hard." Macquarie has an underweight stance, A$31.32/share target. ANZ last traded at A$33.26. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

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