

HD Pressure on Australian Dollar to Build, Capital Economics Says -- Market Talk**WC** 1,472 words**PD** 12 September 2014**ET** 08:39**SN** Dow Jones Institutional News**SC** DJDN**LA** English**CY** Copyright © 2014, Dow Jones & Company, Inc.**LP**

2237 GMT [Dow Jones] -- Pressure on the Australian dollar is likely to continue to build, putting its status as the only G-10 currency that is stronger against the U.S. this year at risk, says Capital Economics. It is forecasting the currency to end 2014 at US\$0.87, and finish 2015 at US\$0.85, compared with a current level of around US\$0.91. "A key reason why we expect the exchange rate to decline is the relative prospects for monetary policy in the U.S. and Australia," Capital Economics says. The U.S. Federal Reserve is likely to tighten a little more aggressively than most envisage as a strengthening labor market puts upward pressure on wage inflation. In Australia, the central bank is set to keep interest rates at 2.5% into 2016, it says. (david.winning@wsj.com; @dwinningWSJ)

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10:37 GMT [Dow Jones] New Zealand Prime Minister John Key's National Party has lost some ground ahead of the Sept. 20 general election, according to the latest ONE News Colmar Brunton Poll. If elections were held now, Mr. Key's National Party would win 46% of the vote, down four percentage points compared with the prior poll, while Labour would win 25%, down one percentage point. According to the poll, the National Party would need to form a coalition to govern. The Green Party would win 14%, up three percentage points. Mr. Key remains the preferred prime minister, with 46% support versus Labour Leader David Cunliffe, who has 14% support. The poll was taken Sept. 6-10. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

18:25 EDT - Indonesian President-elect Joko Widodo plans to develop poor villages in the first three months of his term in part by giving fishermen, farmers and others access to capital and building diesel fuel stations that will help the government better distribute subsidized fuel, his team says. Hasto Kristiyanto, a member of Widodo's transition team says the new administration will pay for the anti-poverty efforts in 1,000 villages by reallocating the budget and using CSR programs. He adds that the administration plans to disburse cash aid for students up to grade 12. Widodo assumes office in October with a budget that allocates **billions** of dollars to fuel subsidies, and has suggested he would cut subsidies to make room for welfare spending. (linda.silaen@wsj.com)

18:22 EDT - Asian markets are likely to be mixed, tracking the US, where investors eyed tensions in Iraq and Ukraine as well as the recent rise in long-term interest rates. In New Zealand the NZX-50 is down 0.2% at 5250.356. The Warehouse (WHS.NZ) is down 0.3% at NZ\$3.08 after reporting a sharp drop in its net profit, though volume is light as the result was "as expected and within the range forecast by analysts," says Forsyth Barr broker Dave Schaper. Investors will be watching for earnings reports from other retailers, he says. (rebecca.howard@wsj.com; @FarroHoward)

18:03 EDT - Mobile apps are failing to protect privacy, a new intergovernmental report finds. The report, based on a review of 1,211 different apps, was conducted by the Global Privacy Enforcement Network, a coalition of privacy officials from 19 countries, including the Federal Trade Commission. Thirty percent of apps provided consumers with no privacy information of any kind. Another 31% asked for access to a user's personal data, such as their microphone, camera, device ID, location, contacts, calendar and call logs, without explaining to the user why or whether this information was necessary for the app to function. Forty three percent didn't tailor their privacy disclosures to a tiny screen. (elizabeth.dwoskin@wsj.com; @lizzadwoskin)

18:00 EDT - A bankruptcy judge approves Momentive Performance Materials' plan to exit Chapter 11. Judge Robert Drain signs off on the Apollo Global Management-backed silicones producers' plan after a contentious confirmation trial that saw bondholders attempt to switch their votes to "yes" after they had

rejected the restructuring plan. Under the proposal, senior bondholders were to be repaid in full with cash had they voted to accept the plan. But since they overwhelmingly rejected the plan earlier this year, the bondholders are getting repaid with replacement notes. The bondholders were looking to collect so-called make-whole payments, which they claimed Momentive should be forced to pay for refinancing their **bonds**. The bondholders are expected to appeal, but today Judge Drain says he wouldn't delay implementing the plan pending that appeal. (patrick.fitzgerald@wsj.com; @PatFitzgerald23)

17:48 EDT - **China**'s dominance in the cotton market faded today as the USDA forecast India's production would outpace **China**'s for the first time since at least the mid-1960s. Indian growers will likely reap 30M bales this season, compared with **China**'s 29.5M, federal forecasters say in a monthly report. In addition to its own lower production, **China** may be finding that it may not need as much US cotton either. **China** cancelled 105,900 bales of US upland cotton, bringing net sales cancellations in the week ended Sept. 4 to 34,200 bales, the largest since June 2012, according to USDA. (leslie.josephs@wsj.com; @lesliejosephs)

17:38 EDT - The resignation of Continental Resources (CLR) President and COO Rick Bott today is a "slight negative" for the major Bakken **oil** producer's stock price outlook, says RBC Capital Markets. **Firm** says the executive's departure was unexpected and unusual coming the week before an annual presentation with institutional investors scheduled for Sept. 18. Continental says Bott, who joined the **company** when named president and COO in 2012, stepped down to "pursue other opportunities" and won't be replaced immediately. His departure comes one day after Continental underwent a two-for-one stock split. Share closed at \$75.79 and inactive after hours. (chester.dawson@wsj.com; DeleverTheFirm)

17:33 EDT - Kroger's (KR) better-than-expected earnings growth leaves BMO Capital Markets thinking that the competitive threat from Wal-Mart (WMT) will be less of an issue for KR than it's been in the past several years. KR's store brands made up more than a quarter of its grocery sales in the latest quarters, and its natural foods department logged double-digit same-store sales growth, helping boost margins and leading KR to raise its expectations for the year. "We believe Kroger could continue to benefit from a less cautious consumer as the economic backdrop continues to improve," BMO adds. KR closed 0.6% higher at \$52.17. (annie.gasparro@wsj.com)

17:29 EDT - Chile's central bank lowered its monetary policy rate again today as it looks to give a boost to the country's sluggish economy. The central bank cut the rate by 25 bp to 3.25%, while saying that future stimulus will depend on the evolution of domestic and external macroeconomic conditions, and inflation. It said that annual inflation will likely be around 3% in the medium term, but will still be higher than that by the end of the year. In August, 12-month inflation was at 4.5%. (ryan.dube@wsj.com)

17:24 EDT - UK investment **firm** Pamplona Capital Management made a bet on Nabors Industries (NBR) a little over two years ago, acquiring a 9.3% **stake** in the **oil**-field services **company**. At the time, Pamplona said it was attracted to the **oil**-field services sector. The deal also reflected Pamplona's "positive view of growth potential" of NBR, it said. That bet has paid off handsomely, as Pamplona sold its remaining 8.5% interest in NBR, more than doubling its money. NBR's stock has risen some 60% since Pamplona's investment in August 2012. (shasha.dai@wsj.com; @ShashaDai1)

17:17 EDT - XPO Logistics (XPO) jumps more than 3% to an all-time high after hours, as the **company** said it secured a \$700M investment from Canadian pension funds and a Singaporean sovereign-wealth fund. The **company** is targeting annual revenue of \$9B by 2017, a 20% uplift on its previous estimate of \$7.5M. XPO is also targeting annual Ebitda in 2017 of \$575M, a 35% jump on its previous estimate of \$425M. (Gillian.Tan@wsj.com; @GillianTan)

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