

HD VivaGel Approval a Turning Point for Starpharma, Says Morgans -- Market Talk
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2341 GMT [Dow Jones] Regulatory approval in Australia for Starpharma Holdings Ltd.'s (SPL.AU) VivaGel-coated condoms validates the technology and markets the **company's** transition to a commercial entity from a research and development **firm**, says Morgans. The certification for the condoms, which Starpharma says will support certain regulatory processes in other markets, is critical for commercial success and revenue generation near and medium-term, Morgans says. Still, it adds that, while the product differs from rivals, it may take time to build the **brand** awareness that will drive strong demand. It has an add recommendation and A\$1.40/share (\$1.31) target. SPL last traded at A\$0.70. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

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2339 GMT [Dow Jones]--The Nikkei is likely to rise as geopolitical concerns over Eastern Europe and the Near East have eased somewhat. Nikkei 225 September futures ended Chicago trading at 15275 Monday, compared to Friday's Osaka close at 15210. Tokyo markets were off Monday for a national holiday. "Both U.S. stocks and CME futures were up with Friday's and Monday's trading combined. We are going to see relatively solid trading today," says Eiji Kinouchi, senior strategist at Daiwa Securities. He says, though, Dai-ichi Life Insurance Co.'s (8750.TO) new shares that will become available for trading on Thursday could worsen the market conditions if the share prices fall below the offering price of Y1,401. Dai-ichi shares fell 0.9% to Y1,413 on Friday. The Nikkei dropped 1.0% to 15215.71 on Friday. (kosaku.narioka@wsj.com)

2327 GMT [Dow Jones] Credit Suisse cuts Australand Property **Group** (ALZ.AU) to Neutral from Outperform as it doesn't expect a counterbid from Stockland Australia (SGP.AU), leaving Frasers Centrepont Ltd.'s (TQ5.SG) A\$4.48 (\$4.20) cash bid likely to succeed. "Frasers' \$4.48 cash bid is above our takeover net asset value of \$4.40 and implies an FY16 PE ratio of 12 times on peak cycle earnings," the broker says. Target price is A\$4.48. ALZ last A\$4.49. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

2323 GMT [Dow Jones] Credit Suisse analyst Peter Wilson assumes coverage of APA **Group** (APA.AU), lifting the price target to A\$6.35 a share from A\$6.25 after the **company** enters agreements with AngloGold (AU) to transport gas to two mines. Mr. Wilson says the supply deal should offer a small incremental bump-up in earnings, the order of A\$5 **million** in Ebitda in fiscal 2016 and A\$10 **million** in FY17. Still, with the shares trading at a premium to the valuation, Credit Suisse retains its underperform stance. APA last traded at A\$7.15. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2322 GMT [Dow Jones] J.P. Morgan bumps up its price target on Australand Property **Group** (ALZ.AU) to A\$4.50/share (\$4.22) from A\$4.47 after the **company's** first-half operating profit came in 1.5% ahead of the broker's forecast. It sticks with a neutral recommendation. J.P. Morgan notes ALZ's residential Ebit was below its estimate, although earnings for the division appear to be skewed to the second half, while industrial activity for the **company** remains subdued even though ALZ says enquiry levels from logistics providers and large retailers has improved. ALZ last traded at A\$4.49. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2317 GMT [Dow Jones] Tabcorp (TAH.AU) remains vulnerable to competition from corporate bookmakers, says CIMB, which keeps a "reduce" recommendation on the Australian wagering **company**. "We expect FY15 to be a difficult year for Tabcorp as it struggles to adapt to the market shifting away from its strong position of retail and tote towards the online fixed-odds world, where it faces sophisticated

competition," the broker says. Its price target of A\$2.70 is substantially below Tabcorp's last trade of A\$3.47. (Ross.Kelly@wsj.com)

2310 GMT [Dow Jones]--The USD/JPY will likely remain in a tight range in directionless Asia trade, says Osao Iizuka, head of spot FX trading at Sumitomo Mitsui Trust Bank. The market "still lacks momentum," as depicted in the USD/JPY's inability to break below 101 despite risk aversion mode caused by geopolitical tensions in eastern Ukraine and Gaza, says Mr. Iizuka, who tips the pair will likely trade in 101.10-101.70 range. The pair won't likely show a clear direction without a further worsening in geopolitical instability, he says. The pair is at 101.40 against 101.39 in New York late Monday. The EUR/USD is tipped in a 1.3500-1.3570 range. It is at 1.3525. (hiroyuki.kachi@wsj.com)

2247 GMT [Dow Jones] The a2 **Milk Company** Ltd. (ATM.NZ) jumped 9.8% to NZ\$0.67 (\$0.58) after the **company** said it has been approved to resume shipments of its Platinum infant formula to **China**. As of May 1, under new rules, makers of infant formula must be registered with **Chinese** regulators to be able to export their products to the country. The rules also require any **company** exporting baby formula to have control over the entire manufacturing process. A2 **Milk** says it is confident it has the systems in place to fulfil the ongoing criteria of **China**'s regulatory agencies relating to the production, importation and distribution of the infant formula. "It's exciting stuff for them" and the market has taken it positively with the stock opening up nearly 10%, says Macquarie Equities Investment Advisor Brad Gordon. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

6:44 p.m. EDT -- Plans by BRICS countries to create a Contingent Reserve Arrangement, also dubbed a "mini IMF," to provide mutual liquidity support in time of crisis "may have limited practical value," UBS notes. The move is rather seen as "more symbolic by moving away from U.S./IMF influence in the new world order." In contrast, plans to set up a new development bank to support infrastructure projects could be potentially positive in the medium-term, as it expands the credit markets, UBS adds. (santiago.perez@wsj.com; @perezenmexico)

2241 GMT [Dow Jones] Verizon Communications Inc. (VZ) has already answered two of the big questions heading into its 2Q earnings call. The carrier said two weeks ago it added more than 1.4 **million** of the lucrative postpaid subscribers, more than doubling consensus estimates. Verizon CEO Lowell McAdam also made clear he isn't interested in making a big **acquisition**, such as buying Dish Network Corp. (DISH) or a content **company**. Less clear, however, is what exactly Verizon's video strategy looks like. The carrier has said it is working on a service to deliver video over the Internet, but little else. Analysts will be paying close attention Tuesday during Verizon's early-morning call for any sign of an emerging strategy. The **company** releases results at 6:30 a.m. EDT and a call with analysts is scheduled an hour later. (ryan.knutson@wsj.com; Twitter: @ryan_knutson)

2232 GMT -- Asian **equity** markets are likely to remain subdued because of ongoing geopolitical tensions, a weak **lead** from the U.S. and ahead of the HSBC's **China** flash manufacturing PMI on Thursday. The PMI data "will be the biggest news for the region" over the week, says Macquarie Equities Investment Advisor Brad Gordon. "The trend for the PMI in **China** has been pretty positive for **China** over the past three or four months," so any upside will be well received, he says. In New Zealand, the a2 **Milk** Co. (ATM.NZ) is up 9.8% at 67 New Zealand cents after the **company** say it has received approval from regulatory agencies in **China** to resume shipments of its Platinum infant formula. Otherwise, Mr. Gordon expects the market to remain subdued ahead of reporting season. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

2234 GMT [Dow Jones] J.P. Morgan adds Macquarie **Group** Ltd. (MQG.AU) and Asciano Ltd. (AIO.AU), while removing Fortescue Metals **Group** Ltd. (FMG.AU) and Ramsay Health Care Ltd. (RHC.AU) to its model Australian quantitative portfolio. JPM analyst Berowne Hlavaty says the recent value rally continues while the large stable "expensive defensives" stocks suffer. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

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