

HD Aristocrat's High Earnings Multiple Not Justified, BBY Says -- Market Talk**WC** 1,396 words**PD** 28 May 2014**ET** 09:59**SN** Dow Jones Institutional News**SC** DJDN**LA** English**CY** Copyright © 2014, Dow Jones & Company, Inc.**LP**

2359 GMT [Dow Jones] Aristocrat's (ALL.AU) price-to-earnings ratio of 24 times expected earnings per share is hard to justify, says BBY analyst Moira Daw. She reiterates her underperform rating on the slot-machine maker after its first-half results. First-half net profit after tax rose 9.2% on year to A\$57.4 **million**, in line with market expectations, mostly due to a lower Australian dollar and tax rate. Revenue rose 7.6% but fell 2.2% in constant-currency terms. BBY's recent price target was A\$4.30/share. ALL last A\$5.17. (david.rogers@wsj.com; Twitter: @DRWSJ)

TD

2358 GMT [Dow Jones] Mitsui Fudosan (8801.TO) is set to fall following the **firm's** announcement after the Tuesday TSE close that it would raise up to Y325 **billion** via a share offering. The deal is the biggest such offering in Japan this year and the first for Mitsui Fudosan in more than three decades. Mitsui Fudosan said it plans to use the proceeds from its offering to invest in office buildings and retail facilities in Japan as well as Olympics-related projects ahead of the 2020 Tokyo games. Pre-market bid/ask levels are at Y3,110/Y3,111 vs Tuesday's close at Y3,340 as investors factor in share base dilution. Mitsui Fudosan said it would issue up to 100 **million** new shares for the offer. (bradford.frischkorn@wsj.com)

2354 GMT [Dow Jones] Base metals are likely to remain supported after upbeat U.S. economic data overnight and hopes of stimulus from the **Chinese** government bolstered the demand outlook. Data Tuesday showed an improvement in U.S. consumer confidence in May and a 0.8% rise in U.S. durable goods orders in April, bucking calls for a 0.7% drop. Analysts say expectations of a pickup in **business** activity are turning many investors bullish towards industrial metals including **copper**. However, a stronger USD could limit further gains as commodities priced in USD appear costlier to holders of other currencies. LME 3-month **copper** ended up 0.1% Tuesday at \$6,933/ton--its highest price since March 7--and aluminum closed 0.8% higher at \$1,828/ton. (arpan.mukherjee@wsj.com; Twitter: @ArpanMukherjee)

2314 GMT [Dow Jones] Tower's rating was increased to outperform from neutral by Credit Suisse following the release of a 1H14 result that beat the investment bank's forecasts. Credit Suisse says that the 1H14 result demonstrated a continuation of gross written premium growth of 5%; a stabilization of reinsurance expenses; improving underlying claim ratio and a solid excess capital position; "Tower has simplified and cleaned up its **business** and is now in a position to capitalize on growth opportunities in a consolidating market." (lucy.craymer@wsj.com; Twitter: @lucy_craymer)

17:59 EDT - On the face of it, the decline in Fonterra's 2014-15 payout versus the season just ending "is a drag on the economy over the coming year," says ANZ Bank rural economist Con Williams. However, "that dynamic is exaggerated; the coming year's payout will still be the 4th highest on record," he says. Fonterra is forecasting it will pay its 10,500 farmers NZ\$7 per kilogram of **milk** solids in the season starting June 1, versus a revised NZ\$8.40 in the season just ended. While NZ\$8.40 has been revised down--taking some NZ\$395M out of the economy--"it only takes a little bit of cream off the top of an otherwise stellar season," says Williams. (rebecca.howard@wsj.com; @FarroHoward)

17:47 EDT - NZD/USD gets a lift from news that Fonterra Co-operative **Group** forecast it will pay its 10,500 farmer shareholders NZ\$7.0 per kilogram of **milk** solids in the season that starts June 1. While the opening forecast is sharply lower than this season's revised forecast of NZ\$8.40, ANZ Bank says "it's at the high end" of what the market was expecting. NZD/USD last at 0.8563, from 0.8541 prior to the announcement. (rebecca.howard@wsj.com; @FarroHoward)

17:37 EDT - AUD/USD support of 0.9210 is holding for the time being, but if it breaks below that level AUD will be vulnerable, says Westpac currency strategist Imre Speizer. He says the Westpac Leading index for April and 1Q construction work done will be local drivers of the currency while the Westpac-MNI **China** Consumer Sentiment for May is also a must watch. The pair is at 0.9260, unchanged from late Tuesday in Sydney. Speizer adds the downward correction being seen in the pair could run as far as 0.9000 during the weeks ahead as weak consumer sentiment a major drag. (lucy.craymer@wsj.com; @lucy_craymer)

16:20 EDT - Bank of America gets a little bolder with its bearish stance against the euro, lowering its recommended stop to \$1.3745, just above the EUR/USD's 100-day moving average of 1.3739. Pair down 0.1% at \$1.3633. **Firm**'s initial target is \$1.3479, then \$1.3295. Technicals suggest a break below that paves the way to \$1.3104. The bearish momentum comes as investors await the highly anticipated ECB meeting next week, widely expected to bring at least some form of policy easing. (cynthia.lin@wsj.com; @cynthialin_dj)

Call us at (212) 416-2181 or john.shipman@dowjones.com

15:32 EDT - S&P 500 hits another intraday record, but **equity** markets in emerging-market economies may offer better value. Russ Koesterich, BlackRock's global chief investment strategist, notes how EM stocks have withstood the recent geopolitical risks, which "supports the notion that, although they can be volatile, EM equities offer some relative value in a world in which many asset classes are priced for perfection." The PE ratio for developed countries has risen nearly 40% over the past two years, while EMs are up 20%, he says. "While EMs are not cheap per se, they offer relative value to developed markets, which helps explain why they have outperformed developed markets by roughly 4% so far in May," he says. (min.zeng@wsj.com; @minzengwsj)

15:08 EDT - Ratings **firm** Fitch expects the credit profile of Peruvian corporates it follows to remain relatively stable during 2014. "Liquidity positions remain robust and refinancing risk is low. Downgrades are expected to be rare in 2014," Fitch says. "The benefits from the positive **business** environment are already incorporated in the current ratings, as a result there should not be a material number of rating upgrades," it adds. Peru's economy is expected to expand by about 5% this year. (robert.kozak@wsj.com)

14:56 EDT - National Bank Financial says corporate **bonds** in Canada have generated total returns well above comparable federal or provincial **bonds**. "Obviously this is a reflection of more than the higher yield to maturity of corporate **bonds**," it says, also pointing to shrinking spreads. "Although the economy has support from accommodative monetary policies and we expect it to grow at a decent pace out to the forecast horizon, we do not want to become complacent about the outperformance potential of corporate **bonds**," NBF says. If spreads tighten too much, NBF says it would rebalance its asset mix, reducing the corporate overweight in favor of provincials. (don.curren@wsj.com; @dbcurren)

14:49 EDT - Investors are bracing for Thursday's revisions to 1Q GDP. Consensus view calls for a 0.6% contraction in the economy versus 0.1% gain first estimated by the Commerce Department. Joseph LaVorgna of Deutsche Bank says not to worry. Not only do other data, including nonfarm payrolls, argue that the economy did in fact expand last quarter, but he also has noticed "a tendency for the economy to register its softest performance of the year in Q1," despite seasonal adjustments. In five of the last seven years, he writes, 1Q posted the slowest growth. DB thinks the economy is now powering ahead at a blistering 4.2% rate this quarter. (kathleen.madigan@wsj.com)

(END) Dow Jones Newswires

May 27, 2014 19:59 ET (23:59 GMT)

IN i97912 : Gambling Industries | ilea : Leisure/Arts/Hospitality

NS mcopp : Copper Markets | c151 : Earnings | ccat : Corporate/Industrial News | namt : All Market Talk | ndjmt : Dow Jones Market Talk | neqac : Equities Asset Class News | ntab : Tables | c15 : Performance | m14 : Commodity Markets | m142 : Metals Markets | mcat : Commodity/Financial Market News | mnonfr : Non-ferrous Metals | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter | nfcpin : FC&E Industry News Filter | niwe : IWE Filter

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB Dow Jones & Company, Inc.

AN Document DJDN000020140527ea5r004c0