

**HD USD/JPY Likely to Trade in 118.20-119.30 Range -- Market Talk**

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11:11 GMT [Dow Jones] The USD/JPY will likely move in a 118.20-119.30 range in Asia trade, says Mizuho Securities FX strategist Kenji Yoshii. The pair "will likely remain **firm**" on expectation for upbeat reading of the U.S. economic data later this week, including jobs data scheduled on Friday. And for now, investors will monitor closely November ISM manufacturing report and speech by the Fed's Stanley Fischer later today. The USD/JPY is now at 118.86 against 118.67 late Friday in New York. Ahead of the ECB meeting later this week, the EUR/USD is tipped in a 1.2400-1.2470 range and is now at 1.2446.

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2308 GMT [Dow Jones] J.P. Morgan slashes its price target on caravan and accommodation manufacturer Fleetwood Corp (FWD.AU) as a downturn in the resources market takes its toll. The broker cuts the target to A\$1.51 a share from A\$2.00, noting a pickup in the education market has so far failed to offset the decline in resources **business**. "Given the transition in FWD's customer base from Resources to Education is ongoing, forecasting a bottoming of margins and eventual recovery can be difficult. While we appreciate the operating leverage in the **business** is significant, with the outlook remaining mixed, we see downside risk to near-term consensus earnings estimates," the broker says. Keeps an Underweight rating on the stock which last traded at A\$1.25. (rebecca.thurlow@wsj.com; @beckthurlow)

Forget about a Christmas rally, says Charlie Aitken, executive director at Bell Potter Securities. His view is that the ASX 200 remains in a 5100-5450 range that is likely to become more entrenched as commodity price falls **lead** to cuts in GDP and **company** earnings forecasts for fiscal 2015. Aitken also says AUD is quickly heading to US\$0.80 and will hit his US\$0.75 target by mid-2015. Still, Aitken says he anticipates increased speculation the Australian central bank will cut rates in 2015, which will support **equity** dividend yield. His top nonbank yield recommendations are Telstra (TLS.AU), Insurance Australia Group (IAG.AU), AMP (AMP.AU), Transurban (TCL.AU) and Wesfarmers. Among the banks, he suggests buying ANZ (ANZ.AU) and NAB (NAB.AU). Aitken also likes Qantas (QAN.AU) as it approaches his A\$2/share target. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2307 GMT [Dow Jones] Comments by RBNZ Governor Graeme Wheeler "reinforce a degree of comfort in presenting an extended pause in their tightening cycle at their upcoming Dec. 11 monetary policy statement," says Chris Green, First NZ Capital Director, Economics and Strategy. He says the "Future Challenges" section refers to a "combination of weaker than anticipated domestic inflationary pressures -- involving a reassessment of the NZ's historic growth and inflation dynamic -- together with an increased awareness regarding the potential implications and feed-back loops of global factors -- both international growth prospects and policy actions." Green says these factors largely explain the recent softening in the RBNZ's tightening bias. FNZC expects the OCR to remain on hold at 3.5% until Dec. 2015. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

2304 GMT [Dow Jones] Australian Prime Minister Tony Abbott has said he hopes the government will make an announcement on the appointment of the new Treasury Secretary in coming days. The government has dragged its feet on making a decision, even as the integrity of its budget has been eroded by the blocking of key revenue and spending measures in the Senate, and a sharp decline in commodity prices in 2015, including a 50% fall in the price of **iron ore**, the country's biggest export. Outgoing Treasury Secretary Martin Parkinson warned last week that the country's living standard could

fall unless hard decisions are made to repair the budget. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

2256 GMT [Dow Jones] Bell Potter upgrades Technology One (TNE.AU) to hold from sell, maintaining the software **company** still has a bright future and that it had only been advising punters to avoid the stock on valuation grounds. Technology One offers software to businesses for purposes such as financing and payroll. Like most companies it's facing a deteriorating economic outlook in Australia as the country's long **mining** boom fades. "While we now see the stock as more fairly valued around the current share price, we do not see any clear catalysts in the short term to move the share price upwards," Bell Potter says, keeping its price target at A\$3.00/share. TNE last at A\$2.99. (Ross.Kelly@wsj.com)

2154 GMT [Dow Jones] The NZD/USD continues to be **sold** on rallies and is maintaining a downward bias, says NZForex Senior FX Dealer Mitch McIntyre. "The kiwi is likely to remain range-bound in week ahead, with a focus on off-shore events for impetus." He adds the decline in commodity prices, economic and monetary divergence favoring the U.S., and the slow-down in **China** remain the dominant themes in the market. "Keep a close eye on **oil** prices, with the decline last week the most severe since the financial crisis of 2008." The pair is at 0.7822. McIntyre adds the pair remains in a relatively tight range of 0.7800 to 0.8000. (lucy.craymer@wsj.com; Twitter: @lucy\_craymer)

2252 GMT [Dow Jones] As many as 10,000 insurance claims could follow in the wake of last week's storm in Brisbane, one of the biggest storms in years, Bell Potter says. Suncorp (SUN.AU) on Friday said it had already received about 2,600 motor and home claims, although the cost would be limited to a maximum A\$250 **million** thanks to reinsurance cover. "The overall picture remains very manageable," Bell Potter says, adding the impact for Insurance Australia **Group** (IAG.AU) and QBE (QBE.AU) will be much lower given their smaller footprint in Queensland state. It has a hold recommendation for SUN and a A\$15/share target. SUN last traded at A\$14.34. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2248 GMT [Dow Jones] A 4.4% fall in New Zealand's 3Q goods terms of trade was in line with market expectations "with the volume splits suggesting a negative contribution to 3Q GDP," says ANZ Senior Economist Mark Smith. He says a continued weakness in **dairy** commodity export prices suggest further falls are in prospect, although the terms of trade are expected to settle at still elevated levels. "A benign import price environment is expected to contribute to low inflation and keep pending OCR increases parked until the end of next year," adds Smith. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

2232 GMT [Dow Jones] Australia's **equity** market is likely to continue falling Monday as resources stocks remain under pressure. IG forecasts an opening fall for the ASX 200 of 23 points to about 5290, a strong technical support level it suggests could be broken Monday. The spot **iron-ore** price rose 0.1% to US\$69.80/ton, which could offer some respite for **mining** shares, but Friday's 1.7% drop in BHP Billiton's (BHP.AU) U.S. ADR suggests it could fall further Down Under. IG market strategist Evan Lucas says that with bear markets for **oil** and **iron ore**, it isn't hard to understand the selling in BHP. He adds **energy** stocks such as Santos (STO.AU) and **Oil** Search (OSH.AU) could be hit again after falling sharply Friday. The ASX 200 ended Friday down 1.6% at 5313. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2230 GMT [Dow Jones] Australia's manufacturing sector is finally feeling lucky as the falling Australian dollar, tumbling **energy** costs and low interest rates have underpinned a small expansion in the sector in November. The Australian Industry **Group** Australian Performance of Manufacturing Index rose by 0.7 points to 50.1 in November from October. The reading above 50 points indicates expansion, albeit small. The reading compares with a 48.1 points average over the last dismal 12 months for the sector. "While the improvement in manufacturing activity in November is slight, it and the lift in new orders are welcome signs of the resilience of the sector in the face of still-testing conditions," said AIGroup Chief Executive, Innes Willox. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

2220 GMT [Dow Jones] The Australian dollar has gapped lower in early Asia trading Monday after a Swiss national referendum to compel the country's central bank to hold at least 20% of its assets in **gold** failed. **Gold** has opened lower, dragging the Aussie, a commodity currency, down with it, said David deGaris, senior economist at NAB. After closing Friday just above US\$0.8500, the Aussie has initially tested US\$0.8450 before recovering 10-20 pips. **Copper** prices were also down 3.2% on the LME. Australian dollar now US\$0.8478. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

(END) Dow Jones Newswires

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