

HD **Gold** Drifts Lower in Early Asian Trade -- Market Talk

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0222 GMT [Dow Jones] **Gold** prices in early Asian trade drifted lower in view of a strengthening U.S. dollar and geopolitical concerns easing between Russia and Ukraine. Asian buyers have turned cautious as they expect the precious metal to fall further. Spot **gold** last traded at \$1,237.14/oz after opening at \$1,240/oz. (biman.mukherji@wsj.com)

Editor: MNG

TD

0219 GMT [Dow Jones] BMD CPO may open lower due to weak soyoil prices but robust September 1-10 exports are likely to spur optimism on the outlook for shipments, says Ambank in a note; it adds BMD's upside will be intact as long as BMD stays above MYR2,030/ton. Data from private cargo surveyors showed September 1-10 Malaysian palm exports rose about 40% on-month after the government scrapped a export tax for September and October. Morgan Stanley says in a note that more aggressive government policies are likely to emerge to boost demand and clear high inventories in Malaysia after end-August stockpiles jumped 22% on-month. Benchmark November BMD CPO ended 1.9% higher at MYR2,072/ton Thursday. October CBOT soyoil is up 36 cents at 31.86 cents/lb after falling overnight. (huileng.tan@wsj.com; Twitter: @huileng_tan)

Editor: MNG

0208 GMT [Dow Jones] Hong Leong IB expects Malaysia's central bank to keep interest rate steady at Thursday's monetary policy review amid a series of gloomy economic data including July's industrial production figures; "we believe Bank Negara Malaysia would have to turn their attention to the downside risk to growth instead of upside risk to inflation," says Hong Leong Economist Sia Ket Ee. July's industrial production rose 0.5% on-year. Though factory output is expected to recover "moderately" in the near term judging from growth in July's imports of intermediate goods and expanding global manufacturing PMI among others, data so far suggests a weak start for the second half GDP growth, estimated at 5.6% from 6.3% in 1H, he says. "There is no hurry to raise the overnight policy rate back to 3.50% given a not-so-favorable economic outlook amid absence of demand-driven inflation," he says. (jason.ng@wsj.com)

Editor: MNG

0203 GMT [Dow Jones] Tocom RSS3 rubber futures are higher, with **firm** gains in Shanghai lifting market sentiment after prices crashed to five-year lows this week. Tocom's upside may be limited, with psychological resistance at Y200/kg, as the exchange will be closed Monday for a public holiday in Japan, say traders. Benchmark February rubber trades Y2.7 higher at Y190.6, after moving in the Y187.2-Y191.8/kg range. (huileng.tan@wsj.com; Twitter: @huileng_tan)

Editor: MNG

0153 GMT [Dow Jones] Taiwan shares are down 0.5% at 9277.37, as investors turn cautious on tech heavyweights and watch international conflicts, says a local trader. Most tech heavyweights fall, with Hon Hai (2317.TW) down 0.2% at NT\$99.80 and TSMC (2330.TW) 0.4% lower at NT\$124.50. Investor sentiment has been hit by lower August sales for firms like Hon Hai, as well as escalating international conflicts in the Middle East. Food-related stocks are hit by a scandal involving substandard cooking oil in Taiwan, with the sector index down 0.4%. The Taiex is tipped for a 9250-9350 band for the session. (eva.dou@wsj.com)

Editor: MNG

0133 GMT [Dow Jones] Low rates, neutral sentiment and rising earnings should be enough to lift Australian equities, Deutsche Bank says. It suggests interest rates now look likely to stay lower for longer and company profits, although unlikely to grow strongly, are headed up and that the pace of earnings downgrades has stabilized. On top of that sentiment is also supportive, it says. Deutsche Bank now expects the ASX 200 to end 2014 at 5850, where it previously had targeted 5700. It also lifts its target for mid-2015 to 6200 from 5900 and looks for the index to end 2015 at 6400. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

Editor: KLH

0131 GMT [Dow Jones] One bright spot in South Korea's mixed August jobs data is the increasing employment rate of the youth population, says Hyundai Securities economist Na Jung-hyuk. "We can hardly take a strong cue from the rates constantly hovering around 3%, but the rising number of those aged between 15 and 29 [who are employed] is encouraging," says Na. The employment rate of the age bracket rose for the third straight month in August to 42%. Official data released on Friday show South Korea's seasonally adjusted jobless rate edged up to 3.5% in August from 3.4% in July, while the number of employed people in August was up 594,000 from a year earlier, compared with the previous month's 505,000. (kwanwoo.jun@wsj.com)

Editor: KLH

0129 GMT [Dow Jones] Total shareholder return for Australia's S&P/ASX 200 in the coming year is likely to be 10.8%, Macquarie forecasts. That comprises a 6% capital return and 4.9% dividend yield. Still, it adds the expected return implies a September 2015 fair-value index target of 5876, which is 2% lower than its last update in March. "While we remain positive on the equity market return outlook over the coming year, the return expectation is more modest." The ASX 200 currently is trading 0.5% lower at 5520.1. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

Editor: KLH

0126 GMT [Dow Jones] Hong Kong equities are seen extending a five day streak of losses as investor appetite for exposure to China runs low. The Hang Seng Index fell 0.2% to 24,662.64 yesterday and is on track for a similar decline in the premarket, which could deepen the longest losing streak since November. Index futures sink 0.2% ahead of the market open. Goldman Sachs warns that deteriorating economic data or "an escalation of financial risks connected to an unwind of leverage" in the Chinese economy currently tops investors' concerns alongside higher interest rates. The People's Bank of China may also release its monthly credit report today, while retail sales and fixed asset investment data are due on Saturday. "Over the weekend, we expect China's August activity data to show more evidence that growth deceleration has resumed after the brief recovery in Q2," says Societe Generale. (gregor.hunter@wsj.com; Twitter: @gregorhunter)

Editor: KLH

0121 GMT [Dow Jones] Currency traders should take profits on the USD/JPY ahead of the October 7 central bank meeting, recommends Nomura Securities chief FX strategist Yunosuke Ikeda. Bank of

Japan governor Haruhiko Kuroda remarks yesterday boosted expectations among market participants that the BOJ will announce extra monetary easing during the October 31 policy meeting. There was previously little prospect of easing. However, flagging April-June gross domestic product figures have since made this a distinct possibility. If Kuroda does not indicate easing on October 7, that may lead to "JPY buying on disappointment" about the BOJ policy stance. The USD/JPY trade will likely be supported by events coming ahead of October 7, including next week's FOMC and a portfolio reshuffle by the Government Pension Investment Fund--the world's largest public investment fund--playing out between end of September and early October. The USD/JPY is now at 107.16 against 107.10 late Thursday in New York. (hiroyuki.kachi@wsj.com)

Editor: KLH

0120 GMT [Dow Jones] Shares of department store operator Takashimaya (8233.TO) are up 0.8% at Y896 following a Nikkei report that the firm likely generated a Y12 billion operating profit for its FY1H ending August, up 8% on-year and slightly ahead of the firm's Y11.7 billion guidance. The performance was boosted by a surge in last-minute demand ahead of Japan's April 1 consumption tax hike, the paper said. "The fallout from the tax hike on retailers is still being felt, but thanks to the weaker yen, sales are being helped by foreign tourist demand," says Masayuki Otani, chief market analyst at Securities Japan. "This should help shares recover recent losses." Takashimaya stock price remains down 11% since June 24. (bradford.frischkorn@wsj.com)

Editor: MNG

0119 GMT [Dow Jones] J.P. Morgan Chase updated customers on the status of the cyber attack Thursday evening, but didn't offer much new information. The bank reiterated that the investigation is ongoing. It still isn't seeing any "unusual fraud activity" related to the matter and customers are still not liable for any unauthorized transaction on the account when the bank is alerted. "We are sorry that this happened and for any uncertainty this may cause you," the bank said in its message on Chase.com. "Your security is a top priority and we will continue to communicate with you as needed." (emily.glazer@wsj.com)

Editor: KLH

(END) Dow Jones Newswires

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