BARRON'S

MARKET WEEK
Stocks --- The Trader: Fed Inaction Lifts Stock 1% in Raucous Week

By Vito J. Racanelli
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2013 年 9 月 23 日
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QE3 sailed on last week instead of slowing down, as most investors expected, and in its wake the market celebrated by pushing the major indexes to new highs on Wednesday. Stocks finished up about 1% on the week, though off the record levels.

Many expected the Federal Reserve to begin tapering its $85 billion monthly bond-buying stimulus program, known as quantitative easing, but the central bank surprised investors by leaving it on hold. As the news came out on Wednesday, shares reversed course and bounded from negative territory to record highs.

The Dow Jones Industrial Average finished the week up 0.5%, or 75 points, to 15,451.09. That's 1.4% below Wednesday's record close of 15,676.94. The Standard &Poor's 500 index gained 22 points, or 1.3%, to 1709.91, also down slightly from the new high of 1725.52. The tech-heavy Nasdaq Composite index gained 1.4%, or 52.5, to 3774.73.

From here, says John Praveen, chief investment strategist at Prudential International Investment Advisers, all eyes will turn to Washington. Democrats and Republicans are just beginning a battle over both the Federal government's budget for the soon-to-begin fiscal year and the government's debt-ceiling authority.

Praveen doesn't see a taper until December, but adds that investors should expect volatility in coming weeks as politicians take their negotiations to the brink: a budget resolution by Oct. 1 and a debt-ceiling increase by about mid-October.

While many market participants believe such deals somehow will be struck, the "existential threat of a miscalculation" on the budget and debt ceiling shouldn't be ignored, adds David Kelly, chief global strategist at JPMorgan Funds Management. If the government negotiations do conclude successfully, then it's possible, Kelly adds, that a taper could come at the next Federal Open Market Committee meeting on Oct. 29-30.

Then again, maybe not. Since the administration still must propose a new candidate to head the Fed, the FOMC could decide to defer big decisions until the arrival of the new chairman next February.

In any event, the plateau hit last week wasn't a high if inflation is factored in. According to Barron's crack Economics Editor Gene Epstein, the S&P 500 index would have to reach about 2085 to top the March 24, 2000, high of 1527.46. (The 2007 high adjusted for inflation didn't top 2000.)

In terms of the bull-market life cycle, there's a point -- perhaps midway -- when the bears throw in the towel. In recent weeks, two or three previously skeptical strategists at well-known institutions hiked their S&P 500 index year-end targets to 1800-1850.

In all the excitement, few are looking seriously at the implication that the Fed's lack of tapering suggests it believes the U.S. economy is not as robust as it should be.

Shares of Canadian Pacific Railway (ticker: CP) have moved, well, like a runaway freight train. Over the past two years, the stock has risen a blistering 175% to Friday's close of US$126.69, more than double the railroad group's rise and triple the U.S. market's bull move in the same period.

Railroads are enjoying a renaissance, but the engine of CP's rise is its restructuring. And much of the credit for that goes to veteran Canadian railroad man E. Hunter Harrison, who joined the CP board of directors in mid-2012 and became CEO in February of this year.

With rail lines across the Great White North and parts of the U.S. Midwest, too, CP has effected structural efficiencies and cut thousands of jobs. That led to a record second quarter, with a 9% revenue rise to 1.5

billion Canadian dollars, and earnings of C$252 million or C$1.43 per share, compared with C$103 million and 60 Canadian cents in the second quarter of 2012.

At quarter's end, CP's operating ratio -- an industry profitability measure where the lower the number the more efficient the railroad -- had dropped to 71.9 from 81 in early 2012, an impressive improvement in 15 months. The average for rails is about 70. The media have taken to calling Harrison's management crew a "dream team."

"All aboard," right? Not quite. The headlines are an anecdotal example of the exuberance that has replaced realism in the market's view of the company's future. At this level, shareholders might want to resist what looks like a stock priced for perfection and set up for a disproportionate fall on even a minor future disappointment.

Like investors, RBC Capital Markets analyst Walter Spracklin is impressed by the strides CP has made. The share price, however, is getting ahead of itself, says the analyst, who has an Underperform rating on the stock. For example, CP's valuation, at a price-to-earnings ratio of about 21 times 2014 earnings-per-share estimates of C$6.18, is much higher than P/Es of 14-16 for peers.

One might attribute the high P/E to CP's moving toward its 2016 goals, such as its operating ratio target of 63-67 and 4%-7% revenue growth. However, Spracklin adds that at about US$130, the stock would imply 8% revenue growth and an operating ratio of 62, both above the company's targets.

That difference might seem small, but it's sizable in a capital-intensive industry like the rails. Most of the low-hanging fruit has been picked, and efficiency gains from here are likely to be slower than those seen so far and slower than the pace discounted by the stock price.

The biggest risk is on the revenue side, says the RBC analyst. The stock price implies that the market's revenue expectations assume meaningful market-share gains in addition to organic growth, he says.

There might be disappointments there. For example, CPs' contract with Orient Overseas Container Line, a large intermodal transportation unit of Orient Overseas International (OROVF), won't be renewed at the end of 2013, he adds.

Volumes, too, are trending downward of late. According to recently released industry data for the week ended on Sept. 14, CP's carloads were down 1.9% on the same week a year earlier and off 2.6% in the quarter to date versus the same year-earlier period. The previous week's data was negative 2% and negative 2.7%, respectively. Those figures compare with mostly positive numbers at its major competitors in the same periods, and to a 2% CP first-half carloads increase.

A CP spokesman noted in an e-mail that the company is "roughly 12-18 months ahead of [restructuring] plan," including 4,100 job cuts out of 4,500 scheduled by 2016. In the first half of 2013, fuel efficiency improved 8% compared with a targeted 1%-2% per year. Carloads, are "not necessarily indicative of revenue growth," as the company managed 9% revenue growth in the first half, when carloads rose 2%.

Perhaps, but at the current quote, the risk is to the downside if there's a hiccup. It has already happened once. Despite a record second quarter, CP missed guidance and the stock dropped 7% in a matter of days. The stock has recovered that loss but remains down from highs near US$140.

Newfield Exploration (NFX), a mid-cap energy exploration-and-production firm, has seen its stock plunge over 40% since November 2011, to $26.83. In recent years, the Woodlands, Texas-based firm's debt and leverage rose as it spent to acquire production properties in the U.S and Asia. But sharply falling energy prices, particularly natural gas in 2011-12, meant that Newfield's internally generated funds alone weren't enough to fund its E&P activities in the past couple of years. In 2012, cash flow was a negative $611 million.

In 2012, Newfield reported a loss of $1.2 billion or $8.80 per share, due to a $1.5 billionnoncash asset write-down, caused in turn mainly by the crash in gas prices to decade lows in 2012. The company posted revenue of $2.6 billion last year, up from $2.4 billion in 2011, when net earnings were $539 million and EPS $3.01.

Consequently, management began a transformation earlier this year to bring leverage down substantially, move the company toward higher-value oil and liquids and away from natural gas, and significantly improve free cash flow and earnings by 2014.

Newfield is perceived by the market as a gas company with international exposure, but that's changing, says Jonathan Raleigh, a portfolio manager with Longbow Capital Partners, which has been buying shares in recent months.

The company's proposed sale of its Chinese and Malaysian assets has attracted lots of interest, he says, and should fetch about $1.5 billion. That would go a long way to cutting down debt, he adds, currently about $3.3 billion. The ratio of debt to annual earnings before interest, taxes, depreciation, and amortization should drop to more comfortable 1.4 times by the end of next year from 2.4 times currently, he estimates.

Just as important, Newfield has high return on capital assets in North America, and cash flows from these domestic assets, where oil and liquids production is expected to grow sharply, will eventually supplant and surpass the Ebitda lost from the Asian asset sales, he adds.

For example, the company expects its four biggest U.S. plays, in North Dakota, Utah, Texas, and Oklahoma, to about double its production to 100,000 barrels of oil equivalent per day in 2015 from 58,000 BOE per day in the second quarter this year. Including all domestic properties and adjusted for the exiting Asian wells, Raleigh estimates total Newfield production will jump 19%, to 127,000 BOE per day, next year and 11%, to 143,000, in 2015.

Oil and liquids will also become a substantially greater part of Newfield's production. Prices of natural gas, which is more difficult to transport, have been crushed by the glut of shale gas found in North America. Investors put more value on oil, a global commodity. "Oily" production, as a percentage of the total, is expected to increase to 54% and possibly higher in 2015 from about one-third last year.

E&P companies are more often valued on price-to-Ebitda than price-to-earnings. Mid-cap E&P peer shares trade at an enterprise value/Ebitda ratio of about 5.5 times to six times. Longbow estimates that Newfield will produce $1.44 billion in Ebitda next year, and Raleigh uses a five times EV/Ebitda ratio to come to about $37 per share in fair value.

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DJ65Stocks	5257.85	+70.32	+1.36
DJUSMarket	431.78	+5.57	+1.31
NYSEComp.	9769.73	+134.65	+1.40
NYSEMKTComp.	2377.33	+29.59	+1.26
S&P500	1709.91	+21.92	+1.30
S&PMidCap	1245.40	+16.00	+1.30
S&PSmallCap	605.28	+9.91	+1.66
Nasdaq	3774.73	+52.54	+1.41
ValueLine(arith.)	4026.21	+68.39	+1.73
Russell2000	1072.83	+18.85	+1.79
DJUSTSMFloat	17956.96	+237.85	+1.34

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Unchanged	50	39
NewHighs	515	364
NewLows	101	158
AvDailyVol(mil)	3,640.6	3,089.3
Dollar		
(Finexspotindex)	80.43	81.45
T-Bond		
(CBTnearbyfutures)	125-095	124-215

Crude Oil		
(NYMlightsweetcrude)	104.67	108.21
Inflation KR-CRB		
(FuturesPriceIndex)	287.44	291.02
Gold		
(CMXnearbyfutures)	1332.50	1308.40

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Sealed Air Plunges 5% as Barclays Says Estimates Too High, Valuation Rich -- Barron's Blog

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英文

(This story has been posted on Barron's Online's Stocks to Watch blog at http://blogs.barrons.com/stockstowatchtoday/)

By Ben Levisohn

The air is leaking out of this high flying stock.

Sealed Air (SEE) has plunged today after Barclays downgraded the food safety and packaging company to Neutral from Buy following Friday's investor day. Barclays' Scott Gaffner explains why:

The recent change in management accompanied by positive rhetoric and an overwhelming shift in sentiment has propelled SEE shares higher by 65% year-to-date versus the S&P500 up 20%. However, following Sealed Air's analyst day, we believe headwinds related to volume and input costs are likely to persist through the balance of 2013 and into 2014, leading to reduced 2014 street estimates, and ultimately leaving current valuation relatively rich. Based on these key factors, we believe the stock is likely to remain range bound for the next twelve months and we are lowering our rating to EW and reducing our price target to $30 from $35. We remain positive on the longer-term thesis out to 2016, but expect the stock to take a breather over the next 12 months.

Macquarie's Al Kabili and Danny Moran call management's targets "realistic and prudent." They write:

One of the big questions bullish investors were asking us is if we viewed management as being too conservative. Our view is that management's targets are realistic and prudent. We believe one key factor is that management is factoring that there will be some volume loss as the company works on improving margins/pricing. Furthermore, management also seems to imply that margin/pricing improvement will be gradual, as opposed to a more pronounced step change. We're not surprised by either, and believe the 2016 bar is set appropriately versus some of the more bullish expectations on the Street. Notably, even a 3-year mid-single digit EBITDA CAGR far exceeds anything SEE has been able to organically grow over the last decade, and not a "slam dunk" in our view.

Sealed Air has dropped 5.4% to $27.02, while Owens-Illinois (OI) has dropped 1.2% to $30.15, Bemis (BMS) has decline 0.2% to $39.51, Ball (BLL) has gained 0.1% to $45.83 and MeadWestvaco (MWV) has gained 0.2% to $38.40.

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Sealed Air Plunges 5% as Barclays Says Estimates Too High, Valuation Rich
Barron's Blogs, 2013 年 9 月 23 日 18:42, 387 字, By Ben Levisohn, (英文)
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21 Sep 2013 00:07 EDT DJ The Trader: Fed Inaction Lifts Stock 1% In -2-

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NYSEMKTComp.	2377.33	+29.59	+1.26
S&P500	1709.91	+21.92	+1.30
S&PMidCap	1245.40	+16.00	+1.30
S&PSmallCap	605.28	+9.91	+1.66
Nasdaq	3774.73	+52.54	+1.41
ValueLine(arith.)	4026.21	+68.39	+1.73
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(Finexspotindex)	80.43	81.45

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S&P500	1709.91	+21.92	+1.30
S&PMidCap	1245.40	+16.00	+1.30
S&PSmallCap	605.28	+9.91	+1.66
Nasdaq	3774.73	+52.54	+1.41
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(END) Dow Jones Newswires

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DOW JONES
NEWSWIRES

DJ CME S&P Stock Index Volume and Open Interest - Sep 19

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Dow Jones Newswires
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英文

For previous business day. Open Interest subject to revision. Source: CME Group
NOTE: Total volume includes Globex and RTH.

	Total Volume	Open Interest	Change
E-MINI S&P 500 FUTURES			
SEP13	666,723	897,529	-264,310
DEC13	2,330,607	2,466,887	+294,387
MAR14	902	3,419	+579
JUN14	23	444	+4
SEP14	1	7	+1
TOTAL	2,998,256	3,368,286	+30661
S&P 400 MIDCAP FUTURES			
SEP13	1,079	1,843	+208
DEC13	55	190	-31
TOTAL	1,134	2,033	+177
E-MINI S&P 400 MIDCAP FUTURES			
SEP13	5,506	16,703	-3,815
DEC13	19,920	103,030	+2,530
TOTAL	25,426	119,733	-1285
NIKKEI 225 (YEN) STOCK FUTURES			
OCT13	0	38	-1
NOV13	0	8	-1
DEC13	45,642	69,243	+9,379
MAR14	0	300	UNCH
JUN14	0	60	UNCH
TOTAL	45,642	69,649	+9377
NIKKEI 225 ($) STOCK FUTURES			
DEC13	21,936	62,745	+6,094
MAR14	4	5	+2
TOTAL	21,940	62,750	+6096
S&P500 GROWTH FUTURES			
SEP13	0	7	UNCH
DEC13	0	36	UNCH
TOTAL	0	43	UNCH
S&P 500 FUTURES			
SEP13	39,241	121,100	-1,434
DEC13	32,616	150,178	+23,230
MAR14	322	991	+318
JUN14	0	2	UNCH
TOTAL	72,179	272,271	+22114
S&P 500 VALUE INDEX FUTURES			
SEP13	0	8	UNCH
DEC13	0	32	UNCH
TOTAL	0	40	UNCH

Write to Valena Henderson at csstat@dowjones.com

(END) Dow Jones Newswires

September 19, 2013 09:44 ET (13:44 GMT)

文件 DJDN000020130919e99j002uj

DOW JONES
NEWSWIRES

CME S&P Stock Index Volume and Open Interest - Sep 19

285 字
2013 年 9 月 19 日 14:44
Dow Jones Commodities Service
DJCS
英文

For previous business day. Open Interest subject to revision. Source:
CME Group
NOTE: Total volume includes Globex and RTH.

	Total Volume	Open Interest	Change
E-MINI S&P 500 FUTURES			
SEP13	666,723	897,529	-264,310
DEC13	2,330,607	2,466,887	+294,387
MAR14	902	3,419	+579
JUN14	23	444	+4
SEP14	1	7	+1
TOTAL	2,998,256	3,368,286	+30661
S&P 400 MIDCAP FUTURES			
SEP13	1,079	1,843	+208
DEC13	55	190	-31
TOTAL	1,134	2,033	+177
E-MINI S&P 400 MIDCAP FUTURES			
SEP13	5,506	16,703	-3,815
DEC13	19,920	103,030	+2,530
TOTAL	25,426	119,733	-1285
NIKKEI 225 (YEN) STOCK FUTURES			
OCT13	0	38	-1
NOV13	0	8	-1
DEC13	45,642	69,243	+9,379
MAR14	0	300	UNCH
JUN14	0	60	UNCH
TOTAL	45,642	69,649	+9377
NIKKEI 225 ($) STOCK FUTURES			
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[09-19-13 0944ET]

70516 81489
文件 DJCS000020130919e99j0005c

DOW JONES
NEWSWIRES

DJ Nikkei Likely To Rise; 14,550-14,750 Range Eyed

356 字
2013 年 9 月 19 日 00:24
Dow Jones Institutional News
DJDN
英文

2323 GMT [Dow Jones] The Nikkei is likely to rise after the U.S. Fed decided to stand pat on its current monetary policy, which pushed the DJIA and S&P500 to fresh all-time closing highs. The dollar, however, dropped sharply against the yen and is now Y98.28. Fed Chairman Ben Bernanke said the Fed's easy money policy will stay in place while reassessing if its basic outlook for the economy is confirmed. "The Fed's decision struck as a mild surprise, as many had come to expect at least a modicum of tapering," says Tachibana Securities market advisor Kenichi Hirano. "The net effect on Japan shares will be double-edged; on the one hand, additional short-term enthusiasm for equities generally will be a plus, but the dollar's weakness will naturally work to undermine confidence, at least short-term. After Wednesday's runup, many players will no doubt use this opportunity to take profits." He puts the Nikkei's range for the session at 14,550 to 14,750.

Nikkei 225 December futures ended yesterday's Chicago trading up 320 points at 14,720 vs. their close earlier yesterday in Osaka at 14,430. In the cash market, the Nikkei closed 1.4% higher at 14,505.36 Wednesday. (bradford.frischkorn@wsj.com)

Contact us in Singapore. 65 64154 140; MarketTalk@dowjones.com

Corrections & Amplifications

This item was corrected at 19:55 ET (23:55 GMT) to reflect that the Nikkei is likely to rise to a range at 14,550-14,750. The original incorrectly stated the range as 14,550-15,750 in the headline.

18 Sep 2013 19:52 EDT DJ Correction to Nikkei Market Comment Item

2352 GMT [Dow Jones] "Nikkei Likely To Rise; 14,550-15,750 Range Eyed," at 2323GMT, misstated the range in the headline. It should be 14,550-14,750. (bradford.frischkorn@wsj.com)

Contact us in Singapore. 65 64154 140; MarketTalk@dowjones.com

(END) Dow Jones Newswires

September 18, 2013 19:52 ET (23:52 GMT)

文件 DJDN000020130918e99i006lr

BARRON'S

MARKET WEEK
Stocks --- The Trader: Stocks Rally Higher as Syria Concerns Fade

By Vito J. Racanelli
2,041 字
2013 年 9 月 16 日
Barron's
B
M3
英文

The stock market jumped sharply last week, making up for a lack of trading volume with enthusiastic price bidding. The likelihood of an attack on Syria faded, and investors turned festive, sending share prices up 2% to 3%. Stocks completed a rare seven-consecutive-day win streak last Wednesday.

A few weeks ago, a U.S. missile attack on Syria seemed imminent, but that's on hold after Moscow-brokered talks began last Thursday on a plan for Syria to surrender its chemical weapons. With U.S. sabers sheathed for now, investors are calmer, but the ups and downs in these talks will probably lend some unwelcome volatility in the next few weeks.

To some extent, last week's big rally was also a function of the growing acceptance of a bullish view that the Federal Reserve will not remove as much bond-buying stimulus as it signaled back in June. The Fed's $85 billion in monthly bond buying has been a major factor in the stock market's rally over the past two years by keeping interest rates artificially low.

The Dow Jones Industrial Average climbed 454 points, or 3%, to 15,376.06. It's down 2% from record highs set last month. The Standard & Poor's 500 index gained 33 points, or 2%, to 1687.99. That's about 1% below the all-time high of 1709.67 hit on Aug. 2. The tech heavy Nasdaq Composite index gained 1.7%, or 62, to 3722.18.

"I'm getting a sense that the market believes the Fed tapering will be lighter than previously thought," says Joseph Amato, president of fund manager Neuberger Berman. The Fed's policy-setting committee meets Sept. 17-18, and that "will clearly be the driver of near-term market sentiment," he says.

In general, the tapering consensus appears to be coalescing around an expectation that the Fed will indicate a $10 billion to $20 billion reduction in bond buying. That would be much less than the $40 billion curtailment that the Fed signaled last June. If the Fed meets market expectations, that will probably send stocks higher, Amato adds.

Brian Reynolds, chief market strategist at floor broker Rosenblatt Securities, agrees. Such an outcome would likely push the S&P 500 index through the 1700 level, where it has met some resistance in the run-up of the past two weeks.

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He calls scenarios where the Fed delays any tapering or where it follows through on the larger $40 billion reduction "low probability outcomes." In the former case, the market would probably bolt higher, but in the latter case, there would likely be a "big selloff."

Separately, as this column noted last week, Tanzanian Royalty Exploration (ticker: TRX) will be tossed out of the NYSE Arca Gold Miners index, effective on Sept. 23. Look for an announcement on Monday. Exchange-traded funds that mimic the index can be expected to start selling their shares when the change is finalized.

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The rookies all have shares that are priced much higher than those of the companies booted, so the newcomers will exert a stronger influence on the Dow. That's because the Dow is a price-weighted measure, unlike the Standard & Poor's 500 index, which is capitalization-weighted. For example, Goldman, with its $164 stock price, will have five times as much influence as Microsoft (MSFT), at $33, although the software maker's market capitalization is more than three times larger.

According to Bespoke Investment Group, a 10% gain in the three stocks removed -- with the 27 others unchanged -- would add just 34.5 points to the Dow. The same gain in the new three would mean a 262-point rise, says Bespoke's Paul Hickey.

The Dow has been criticized for its methodology, composition, and small sample size, but as Hickey says, it's hard to argue with success. The industrials are up 1,759% since 1980 versus 1,497% for the S&P 500.

Shares of VeriFone Systems (PAY), which closed on Friday at $22.59, have done poorly in a bull-market year. Although the stock is up lately from lows of about $16, it is down almost 50% from a high of $36 earlier this year, and much more from last year's high of $54.

The San Jose-based maker of credit- and debit-card payment terminals and software used by retailers has only itself to blame, as it missed earnings expectations in the first half of fiscal 2013 (ending in October). Unfortunately, its most recent problems became apparent after Barron's penned a bullish item on the stock late last year ("The End of Cash," Dec. 31).

VeriFone still appears undervalued, and the issues that laid the company low this year eventually will be fixed, probably by the second half of 2014. The company remains the dominant player in an effective duopoly with France's Ingenico (ING. France). Cash still dominates global transactions, but it's slowly giving way to electronic payments. As that trend accelerates, VeriFone will benefit.

The long-term story is intact, says Peter Andersen, a portfolio manager at Congress Asset Management. VeriFone has a 75% market share among the top 200 U.S. retailers. Swipe your card for a purchase here, and even in many other places in the world, and chances are you're using VeriFone's systems.

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By emphasizing the higher-margin service end of the business, VeriFone took its eye off the equally important hardware part, and also underinvested in research and development, he says.

Results for the fiscal third quarter, ended July, were substantially below the year-earlier period, as the company worked off the effects of past problems under Bergeron. Revenue fell to $418 million from $493 million in the comparable year-ago quarter, while earnings per share dropped to 24 cents from 75 cents. However, both beat analysts' expectations.

Also in the plus column, VeriFone is deleveraging its balance sheet and reducing interest costs, having paid down $160 million in debt during the quarter. And it could have new products ready for next year. Net debt is about $810 million, and the market capitalization, $2.2 billion.

Chairman Richard McGinn, who stepped in as interim CEO, is steering the improvements while VeriFone searches for a new CEO. The appointment of a new chief could spark the stock, says Andersen, a long-time holder who added shares after the third-quarter news.

By most traditional metrics, VeriFone trades below its 10-year averages, and substantially lower in some cases. The shares fetch 15.6 times this year's consensus earnings estimate of $1.44 a share, versus a historical average of 18 times.

In the second half of 2014, as the turnaround is established and double-digit earnings growth returns, the stock could move toward a price/earnings multiple of 18 to 22, and the shares could approach $30, Anderson says. "You'll see earnings growth at a more rapid clip," closer to the old VeriFone, he maintains.

Insiders also seem encouraged, and have been accumulating shares lately. Presumably, they too like the prospects for a dominant player in an expanding sandbox.

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A couple of things happened on the way to pension Armageddon to alter that bleak situation. The pension gap has shrunk materially since, and some companies might even see benefits to earnings through lower-than-expected contributions. This has come about as interest rates and stock prices have risen, a possibility that we noted could narrow the pension-fund gaps.

Bondholders have taken it on the chin this year, due to sharply rising bond yields and interest rates, but that has been found money, literally, for pension plans. (Bond prices move inversely to yields.)

The artificially low interest rates of recent years hurt returns because pension plans typically use the interest rate on high-quality bonds as a reference rate for the plans' own discount rates. Higher plan discount rates, in turn, increase the expected rate of return on the assets in the plan. As a result, the sponsor, or company, has to set aside less now for future pension obligations since the expected asset return is higher.

Additionally, higher stock prices -- up a whopping 33% since 2011 -- raised the value of equity assets in the plans and lowered the funding deficit.

Since many pension plans have fixed-income assets, the decline in the bond market has somewhat restrained the funding-gap improvement. "But the key is the shrinking-obligation side" -- that is, rising discount rates -- says David Zion, an analyst at the ISI Group. That has improved things markedly.

Zion says the funded status of defined- benefit pension plans of companies in the S&P 500 has improved by $203 billion, to an 86% funded level, since January 2012. He estimates pension costs for the S&P will fall by 37%, to $34 billion next year from $54 billion in 2013. That drop, he adds, could even boost S&P 500 aggregate earnings by about 1% in 2014 and have a stronger impact on the index's earnings growth rate.

Among companies, Zion identifies United States Steel (X) as potentially getting the biggest proportional tail wind. An estimated drop in pension costs of 58 cents per share is about 60% of the total consensus profit expected for U.S. Steel next year.

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Vital Signs

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DJ65Stocks	5187.53	+124.11	+2.45
DJUSMarket	426.21	+8.56	+2.05
NYSEComp.	9635.07	+195.38	+2.07
NYSEMKTComp.	2347.74	+38.18	+1.65
S&P500	1687.99	+32.82	+1.98
S&PMidCap	1229.40	+30.71	+2.56
S&PSmallCap	595.37	+14.00	+2.41
Nasdaq	3722.18	+62.17	+1.70
ValueLine(arith.)	3957.82	+85.66	+2.21
Russell2000	1053.98	+24.43	+2.37
DJUSTSMFloat	17719.10	+358.95	+2.07

	Last Week	Week Earlier
NYSE		
Advances	2,132	1,939
Declines	1,058	1,240
Unchanged	39	42
NewHighs	364	170
NewLows	158	135
AvDailyVol(mil)	3,089.3	3,211.5
Dollar (Finexspotindex)	81.45	82.15

T-Bond (CBTnearbyfutures)	124-215	124-025
Crude Oil (NYMlightsweetcrude)	108.21	110.53
Inflation KR-CRB (FuturesPriceIndex)	291.02	293.34
Gold (CMXnearbyfutures)	1308.40	1386.70

5035

文件 B000000020130914e99g0001g

DJ The Trader: Stocks Rally Higher As Syria Concerns Fade -- Barron's

2,075 字
2013 年 9 月 14 日 05:10
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 9/16/13)
By Vito J. Racanelli

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14 Sep 2013 00:11 EDT DJ The Trader: Stocks Rally Higher As Syria Concerns -2-

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Vital Signs

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NYSEMKTComp.	2347.74	+38.18	+1.65
S&P500	1687.99	+32.82	+1.98
S&PMidCap	1229.40	+30.71	+2.56
S&PSmallCap	595.37	+14.00	+2.41
Nasdaq	3722.18	+62.17	+1.70
ValueLine(arith.)	3957.82	+85.66	+2.21
Russell2000	1053.98	+24.43	+2.37
DJUSTSMFloat	17719.10	+358.95	+2.07

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(END) Dow Jones Newswires

September 14, 2013 00:11 ET (04:11 GMT)

文件 DJDN000020130914e99e0008s

Dow Addition Lifts Visa 3%: What Now?
Barron's Blogs, 2013 年 9 月 10 日 18:58, 335 字, By Ben Levisohn, (英文)
My colleague Andrew Bary has made his thoughts known on the new additions to the Dow Jones Industrial Average--he finds them lacking.But regardless of the merits, Alcoa (AA), Hewlett-Packard (HPQ) and Bank of America (BAC) are being booted ...
文件 WCBBE00020130910e99a001md

DOW JONES
NEWSWIRES

DJ CHART ProShares UltraShort S&P500 ST: gap

167 字
2013 年 9 月 10 日 17:55
Dow Jones Institutional News
DJDN
英文

(TRADING Central) PARIS -- Click here to see our chart:
http://www.tradingcentral.com/chart/SDSUSD130910185409.gif

Our pivot point stands at 37.9.

Our preference: under pressure below 37.9.

Alternative scenario: the upside breakout of 37.9 would call for 39.2 and 39.9.

Comment: the RSI is below its neutrality area at 50. The MACD is positive and below its signal line. The MACD must penetrate its zero line to expect further downside. Moreover, the stock is trading under both its 20 and 50 day MA (respectively at 38.03 and 37.63). ProShares UltraShort S&P500 is currently trading near its 52 week low at 35.85 reached on 02/08/13.

Supports and resistances:

39.2 *

37.9 **

37.4

36.769 last

35

34.2 **

33.5 *

(END) Dow Jones Newswires

September 10, 2013 12:55 ET (16:55 GMT)

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Dow's 0.8% Rise Ends Four-Week Losing Streak

By Vito J. Racanelli
1,973 字
2013 年 9 月 9 日
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Equities took the high road and finished in positive territory last week. Stock prices advanced on economic data that, for the most part, suggested the domestic economy continues to expand, if modestly.

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The Dow Jones Industrial Average picked up 0.8%, or 112 points, to finish at 14,922.50, snapping a four-week losing streak. The S&P 500 gained 1.4%, or 22 points, to 1655.17. The tech-heavy Nasdaq Composite rose 2%, or 70, to 3660.

The Labor Department said Friday that August nonfarm payrolls had increased by a lower-than-expected 169,000. The unemployment rate inched down to 7.3% from 7.4%, but that came on a drop in the participation rate. It's not particularly indicative of a robust labor market, and it's likely the last piece of important data that will be considered at the Fed's Sept. 17-18 Open Market Committee meeting.

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While Friday's jobs news wasn't particularly exciting, on balance last week's figures were consistent with an expanding economy. Particularly encouraging: the latest numbers on jobless benefits, private payrolls, and car sales.

Even though bond yields have risen to around 3%, fixed-income securities still aren't an attractive alternative to stocks, Wilson adds, particularly when many expect yields to go higher still, which would push down bond prices.

Chris Zook, chief investment officer of CAZ Investments, concurs on bonds. The question, he adds, is whether the economy is strong enough to withstand a less accommodative stance from the Fed.

This is particularly noteworthy, he says, when the market's per-share earnings growth is just 6% and yet its price/earnings ratio is near 17 times. Zook, who's expecting a bigger stock pullback than what we've seen so far, warns that tapering and the budget and debt-ceiling debates this month and next will make for interesting times.

McDonald's stock has been stuck in low gear since 2011, when global same-store sales growth peaked at 5.6%, a powerful number considering that Mickey D's has more than 34,000 restaurants 'round the world.

Since then, the story's been different. Comps have worsened appreciably, and the stock is down 4% in a bull market up 32% in the same period. That's in pointed contrast to the nine years through 2011, when McDonald's (ticker: MCD) was a world beater, up more than 500% and topping the market by a factor of 10.

In 2012, earnings grew just 2%, to $5.37 a share, a far cry from the mid-teens double-digit average gains seen in the previous decade. The stock, which closed Friday at $96.26, has effectively orbited between $90 and $100 since things began to go south.

What now?

Veteran restaurant-industry analyst Howard Penney, at Hedgeye Risk Management, says that a decline in McDonald's underlying U.S. core business, which produces more than 40% of the company's operating income, had been masked -- until last year -- by the rollout of an upgraded McDonald's McCafe line of beverages.

Specifically, he says, McCafe products such as espresso coffees, cappuccinos, lattes, iced and hot mochas, frappes and smoothies, began testing in 2009. The ultimate foray into espresso drinks, which ramped up in 2010-2011, did raise store counts and sales for a while, he adds. And relatively higher beverage operating margins also helped boost EPS.

He maintains, however, that McCafe coffee and other beverages accounted for all of the fast-food giant's U.S. same-store growth in 2010-2011, and now that the initial coffee growth spurt has been lapped, McDonald's comps are suffering because the core business is weak. Same-store growth has slid steadily since 2011, and though it is showing signs of stabilization this year, the numbers are way off even 2012's weaker 3.1% comps growth. (See the table above.)

Penney isn't a fan of McCafes. The espresso machines cost around $15,000, are relatively complicated to run, and "serve only a handful of espresso drinks per day," he says. So, it's not clear that franchisees will want to keep these machines as they come up for replacement in the next few years.

The analyst adds that "absent almost prohibitive investment, McDonald's will likely never become a beverage destination over a sustained period of time. The DNA of the company lends itself to executing on food."

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Analysts' profit estimates -- $5.60 a share for this year, 4% above 2012's level, and $6.10 next year -- have been dropping steadily since last October. At a price/earnings ratio of 17 times forward EPS, McDonald's stock is around the middle of its historical range, neither cheap nor expensive. Still, that's a pretty rich multiple for a company that's growing profits at a low single-digit pace. The stock is unlikely to move higher until the comps do and could keep sliding unless they improve.

McDonald's declined to comment ahead of its August comps report, due out on Sept. 10.

Tanzanian Royalty Exploration is a Canadian small-cap exploring Tanzania for gold. Barron's has written about the stock's persistent overvaluation, but a scheduled index change potentially could hit the shares (TRX) near-term.

Friday, TRE closed at $3.58, for a market value of US$361 million. The company is a component of the NYSE Arca Gold Miners index, but probably not for much longer. After the close this coming Friday, Sept. 13, the index will be rebalanced -- effective Sept. 23 -- with the minimum market value needed for inclusion raised to $750 million from $100 million. That would presumably remove TRE. And that would force investors and exchange-traded funds that base their portfolios on the index to sell the stock.

One large TRE holder is Van Eck Securities, sponsor of the Market Vectors Gold Miners ETF (GDX). This exchange-traded fund will likely have to dump roughly seven million shares in fairly short order. For a stock that trades about 500,000 shares per day, that's likely to be painful.

The more important question continues to be why TRE has a higher market value than rivals with assets as good or better, which we noted in a skeptical piece on TRE four years ago ("All that Glitters Is Not Gold," April 13, 2009).

As we wrote then, CEO James E. Sinclair is a widely quoted bull on the yellow metal. Dubbed Mr. Gold, he earned his fame by correctly calling the metal's rise in the 1980s. But in 2009, as now, TRE had no economically viable gold reserves, as defined by North American regulators. Since publication of our story, TRE's stock has slumped 12%, while the stock market has nearly doubled and gold is fetching $1,387 an ounce, much higher than the $881 when our article was published, though down from its all-time high above $1,900.

Let's compare TRE's value to peers.

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Compared with proven reserves, such resources do less to bolster confidence that there's actually economically viable metal in the ground and are consequently awarded significantly lower value. They also are less likely to attract external financing for mining operations.

Endeavor Mining (EDV.Canada), which has assets in West Africa, has a market value of C$326 million. Like TRE, Endeavor isn't profitable, but it has hundreds of millions in revenue, C$150 million in cash, and produces more than 300,000 ounces of gold a year. It has 2.1 million ounces in reserves, as well as nine million ounces of gold resources classified as measured, indicated, or inferred.

Like TRE, East Africa Metals (EAM.Canada), prospects in Tanzania and has no mines. With C$24 million, it has more cash than TRE and roughly comparable resources, about one million gold ounces classified as indicated and inferred. But EAM's market value of C$8.4 million is just 2% of TRE's. Unlike TRE, it trades at a big discount to its cash and gets a negative valuation for its gold resources.

TRE didn't respond to a request for comment. Gold's price has been going against TRE bulls. The coming NYSE Arca Gold Miner's index rebalancing won't help.

Vital Signs

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DJTransportation	6371.11	+121.23	+1.94
DJUtilities	473.37	-4.50	-0.94
DJ65Stocks	5063.42	+41.81	+0.83
DJUSMarket	417.65	+5.77	+1.40
NYSEComp.	9439.69	+169.03	+1.82
NYSEMKTComp.	2309.56	+34.46	+1.51
S&P500	1655.17	+22.20	+1.36
S&PMidCap	1198.69	+14.82	+1.25
S&PSmallCap	581.37	+8.55	+1.49
Nasdaq	3660.01	+70.14	+1.95
ValueLine(arith.)	3872.16	+71.62	+1.88
Russell2000	1029.55	+18.65	+1.85
DJUSTSMFloat	17360.15	+244.80	+1.43

	Last Week	Week Earlier
NYSE		
Advances	1,939	822
Declines	1,240	2,368
Unchanged	42	44
NewHighs	170	133
NewLows	135	176
AvDailyVol(mil)	3,211.5	2,702.4
Dollar		
(Finexspotindex)	82.15	82.09
T-Bond		
(CBTnearbyfutures)	124-025	125-110
Crude Oil		
(NYMlightsweetcrude)	110.53	107.65
Inflation KR-CRB		
(FuturesPriceIndex)	293.34	291.16
Gold		
(CMXnearbyfutures)	1386.70	1396.10

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文件 B000000020130907e9990000v

Barron's: The Trader: Dow's 0.8% Rise Ends Four-Week Losing Streak

2,007 字
2013 年 9 月 7 日 05:07
Dow Jones Institutional News
DJDN
M3
英文

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7 Sep 2013 00:07 EDT Barron's: The Trader: Dow's 0.8% Rise Ends -2-

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NYSEMKTComp.	2309.56	+34.46	+1.51
S&P500	1655.17	+22.20	+1.36
S&PMidCap	1198.69	+14.82	+1.25
S&PSmallCap	581.37	+8.55	+1.49
Nasdaq	3660.01	+70.14	+1.95
ValueLine(arith.)	3872.16	+71.62	+1.88
Russell2000	1029.55	+18.65	+1.85
DJUSTSMFloat	17360.15	+244.80	+1.43

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NewHighs	170	133
NewLows	135	176
AvDailyVol(mil)	3,211.5	2,702.4
Dollar		
(Finexspotindex)	82.15	82.09
T-Bond		
(CBTnearbyfutures)	124-025	125-110
Crude Oil		
(NYMlightsweetcrude)	110.53	107.65
Inflation KR-CRB		
(FuturesPriceIndex)	293.34	291.16
Gold		

(CMXnearbyfutures)	1386.70	1396.10

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(END) Dow Jones Newswires

September 07, 2013 00:07 ET (04:07 GMT)

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DOW JONES NEWSWIRES

Barron's Blog:Biotech: Favor Large Over Small, Gilead Over Celgene, UBS Says

367 字
2013 年 9 月 3 日 20:17
Dow Jones Institutional News
DJDN
英文

(This story has been posted on Barron's Online's Stocks to Watch blog at http://blogs.barrons.com/stockstowatchtoday/)

By Ben Levisohn

Biotech stocks are hot. Real hot. Smoking.

General stock-market weakness may weigh on the sector, however, which means investors should seek out the relative safety of large-cap biotechs, according to UBS.

Analysts Matthew Roden and Matthew Harrison explain:

Yesterday, the UBS Global Equity Strategy team downgraded the US to Neutral relative to Europe (which was upgraded to Overweight), highlighting near term headline risks that included potential fiscal drag into 2014 (secondary to budget and debt ceiling debates), potential changes to monetary policy, and geopolitical risks. However, our strategy team maintains a bullish view on equities in general. Under these conditions, we favor large cap biotech over smid biotechs, considering positioning in the S&P500 (still only 2%), a premium to the market that is on the lower bound of normal, and a solid catalyst path and growth outlook. In our view, potential market headline risks suggest the smid biotech group may see somewhat greater risk to performance (especially given relative outperformance YTD), although the solid fundamental markets outlook suggests this may be a buying opportunity looking into 2014...

We are prioritizing stocks under coverage that have [1] value-creating catalysts in 2013e, [2] upside to 2014-15 consensus estimates, and attractive valuations.

While we lean positive on the large cap names across the board, including Neutral-rated names [Biogen (BIIB)] and [Celgene (CELG)], we single out [Gilead Sciences (GILD)] as our favourite into YE13e and into 2014. Among mid caps, we favor...[Medivation (MDVN).]

Gilead has gained 0.5% to $60.58 today, while Celgene has risen 1.5% to $142.13 and Biogen has advanced 3.8% to $221.1. Medivation is up 1.9% to $57.60. Biogen and Regeneron (REGN), which has gained 6% to $256.71, are two of the three-best performers in the S&P 500 today.

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(END) Dow Jones Newswires

September 03, 2013 15:17 ET (19:17 GMT)

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Biotech: Favor Large Over Small, Gilead Over Celgene, UBS Says
Barron's Blogs, 2013 年 9 月 3 日 20:17, 323 字, By Ben Levisohn, (英文)
Biotech stocks are hot. Real hot. Smoking.General stock-market weakness may weigh on the sector, however, which means investors should seek out the relative safety of large-cap biotechs, according to UBS.
文件 WCBBE00020130903e993002e5

BARRON'S

MARKET WEEK
Stocks --- The Trader: War Talk Sends Dow Stocks 1.3% Lower

By Ben Levisohn
2,061 字
2013 年 9 月 2 日
Barron's
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M3
英文

Last week, investors found the one thing that could take their attention off the Federal Reserve -- the possibility of war.

In recent weeks, the market has been dominated by the debate over whether -- and when -- the Fed would begin scaling back its bond purchases. Then Secretary of State John Kerry took to the podium Tuesday to make the case for airstrikes against Syria, and markets turned a mid-day gain into a loss. The selling carried on through the end of the week, with a brief respite Thursday. When it finally ended, stocks had dropped for the third week this month.

The Dow Jones Industrial Average finished down 1.3%, at 14,810.31, while the S&P 500 dropped 1.8% to 1,632.97. The Nasdaq Composite declined 1.9%, to 3,589.87, and the small-cap Russell 2000 fell 2.6%, to 1,010.90.

There was something familiar about the stock market's downturn. In 1950, the S&P 500 dropped 5.8% in the month before U.S. troops landed in Korea in response to the North's invasion of the South. Two months later, the index had gained back 4.2%. More recently, the benchmark index slid 4.8% in the month before airstrikes on Libya began in 2011. Two months later, it had climbed 5%. The lesson, explains Ned Davis Research market strategist Ed Clissold: "Once the crisis is past, the market prices in the bad news and moves higher."

That might not be the case this time. Not because there's a significant risk that an airstrike will become the equivalent of the assassination of Archduke Ferdinand and spur a Great War. No, it's because the markets are still waiting for the Fed to make up its mind about tapering. "The recent focus on geopolitical risk reminds us that monetary policy is not the only potential disrupter of the financial peace," notes Michael Gavin, head of asset-allocation research at Barclays. But, he says: "It seems likely that the normalization of monetary policy in the U.S. will be the most significant driver of global asset markets in the coming two to five years."

Economic data released last week suggest that the Fed is nearing go-time. Second-quarter annualized gross domestic product growth, for one, was revised higher, to 2.5% from 1.7%, while the number of Americans filing for first-time jobless benefits fell to 331,000. The latter could indicate that the unemployment rate's decline will continue when the data are released Friday. That was enough for Terry Sandven, chief equity strategist at U.S. Bank Wealth Management. "The Fed has been transparent and well-telegraphed," he says "Tapering will begin in September." The meeting, however, doesn't finish until Sept. 18, which gives investors a lot of time to consider what the Fed may or may not do. It also comes during a month that has historically been difficult for stocks -- since 1950, only 44% of Septembers have finished in positive territory, says Strategas Research Partners' Chris Verrone.

After a dreary August, don' get your hopes up for a much better September.

If any sector should have benefitted from the turmoil in the Middle East, it was the energy stocks, especially with oil prices rising 1.1%, to $107.69 a barrel. Instead, the SPDR S&P Energy Select Sector ETF (XLE) fell 0.2%, even if it was the top- performing S&P 500 sector ETF.

Why the disconnect between energy stocks and oil? Raymond James analyst Pavel Molchanov says that just as stocks fall ahead of an attack only to rise once it begins, oil tends to get a boost before the onset of hostilities, but drop once the action starts. Because investors know this, they rarely give the stocks the benefit of the doubt. This time, the situation is compounded by the fact that Syria produces a negligible amount of oil. "It's just a fear trade" lifting oil higher, Molchanov says. "And investors think the price will fall in the future."

The futures market is already predicting such a scenario -- while oil futures expiring in October are changing hands at $107.69 a barrel, those expiring in August 2014 are going for $96.10.

One oil company that might be worth a look: Apache. The independent energy producer has gained 9.2% this year, trailing not only the S&P 500's 15% gain, but most of the other exploration and production companies in the benchmark as well.

The muted performance has been a result, in part, of its exposure to the chaos in Egypt. But Thursday, Apache (APA) turned what had been a weakness into a strength when it announced that it was selling one-third of its business in Egypt to China's Sinopec for $3.1 billion.

RBC's Leo Mariani notes that the price tag values Apache's Egyptian assets at $9.3 billion, about twice the $4.6 billion he had placed on them, and boosts the company's net asset value about 4%. And even discounting that amount because China is, well, different from other investors, would still make the company worth about $99 a share, Mariani explains.

That's still 16% below Apache's closing price Friday, even after the stock surged 7.4%, to $85.68.

In a jittery market, a small change in an analyst's outlook can have a big effect on a stock -- maybe too big.

Take Tyson Foods (TSN). Last Monday, Bank of America (TSN). Last Monday, Merrill Lynch downgraded the poultry producer's shares to Neutral from Buy. In making the cut, Merrill's Ryan Oksenhendler cited signs of an increase in chicken production, which could materialize during the spring of 2014. As a result, he cut his 2014 profit estimate to $2.70 from $2.80, and lowered his price target to $32 from $33.

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We should also note that Tyson's business has become far less volatile than it once was. In the past, sales would soar one year, only to plummet the next. Now, they're expected to be far more consistent. Its profits grew at a 3.1% clip in 2012, and they're forecast to grow 3.5% this year and next.

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NYSEComp.	9270.66	-204.16	-2.15
NYSEMKTComp.	2275.10	-54.13	-2.32
S&P500	1632.97	-30.53	-1.84
S&PMidCap	1183.87	-33.56	-2.76
S&PSmallCap	572.82	-15.71	-2.67
Nasdaq	3589.87	-67.92	-1.86
ValueLine(arith.)	3800.54	-97.08	-2.49
Russell2000	1010.90	-27.34	-2.63
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NewHighs	133	122
NewLows	176	647
AvDailyVol(mil)	2,702.4	2,739.4
Dollar		
(Finexspotindex)	82.09	81.36
T-Bond		
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DOW JONES
NEWSWIRES

Barron's: The Trader: War Talk Sends Dow Stocks 1.3% Lower

2,094 字
2013 年 8 月 31 日 05:08
Dow Jones Institutional News
DJDN
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(FROM BARRON'S 9/2/13)
By Ben Levisohn
Last week, investors found the one thing that could take their attention off the Federal Reserve -- the possibility of war.

In recent weeks, the market has been dominated by the debate over whether -- and when -- the Fed would begin scaling back its bond purchases. Then Secretary of State John Kerry took to the podium Tuesday to make the case for airstrikes against Syria, and markets turned a mid-day gain into a loss. The selling carried on through the end of the week, with a brief respite Thursday. When it finally ended, stocks had dropped for the third week this month.

The Dow Jones Industrial Average finished down 1.3%, at 14,810.31, while the S&P 500 dropped 1.8% to 1,632.97. The Nasdaq Composite declined 1.9%, to 3,589.87, and the small-cap Russell 2000 fell 2.6%, to 1,010.90.

There was something familiar about the stock market's downturn. In 1950, the S&P 500 dropped 5.8% in the month before U.S. troops landed in Korea in response to the North's invasion of the South. Two months later, the index had gained back 4.2%. More recently, the benchmark index slid 4.8% in the month before airstrikes on Libya began in 2011. Two months later, it had climbed 5%. The lesson, explains Ned Davis Research market strategist Ed Clissold: "Once the crisis is past, the market prices in the bad news and moves higher."

That might not be the case this time. Not because there's a significant risk that an airstrike will become the equivalent of the assassination of Archduke Ferdinand and spur a Great War. No, it's because the markets are still waiting for the Fed to make up its mind about tapering. "The recent focus on geopolitical risk reminds us that monetary policy is not the only potential disrupter of the financial peace," notes Michael Gavin, head of asset-allocation research at Barclays. But, he says: "It seems likely that the normalization of monetary policy in the U.S. will be the most significant driver of global asset markets in the coming two to five years."

Economic data released last week suggest that the Fed is nearing go-time. Second-quarter annualized gross domestic product growth, for one, was revised higher, to 2.5% from 1.7%, while the number of Americans filing for first-time jobless benefits fell to 331,000. The latter could indicate that the unemployment rate's decline will continue when the data are released Friday. That was enough for Terry Sandven, chief equity strategist at U.S. Bank Wealth Management. "The Fed has been transparent and well-telegraphed," he says "Tapering will begin in September." The meeting, however, doesn't finish until Sept. 18, which gives investors a lot of time to consider what the Fed may or may not do. It also comes during a month that has historically been difficult for stocks -- since 1950, only 44% of Septembers have finished in positive territory, says Strategas Research Partners' Chris Verrone.

After a dreary August, don' get your hopes up for a much better September.

If any sector should have benefitted from the turmoil in the Middle East, it was the energy stocks, especially with oil prices rising 1.1%, to $107.69 a barrel. Instead, the SPDR S&P Energy Select Sector ETF (XLE) fell 0.2%, even if it was the top- performing S&P 500 sector ETF.

Why the disconnect between energy stocks and oil? Raymond James analyst Pavel Molchanov says that just as stocks fall ahead of an attack only to rise once it begins, oil tends to get a boost before the onset of hostilities, but drop once the action starts. Because investors know this, they rarely give the stocks the benefit of the doubt. This time, the situation is compounded by the fact that Syria produces a negligible amount of oil. "It's just a fear trade" lifting oil higher, Molchanov says. "And investors think the price will fall in the future."

The futures market is already predicting such a scenario -- while oil futures expiring in October are changing hands at $107.69 a barrel, those expiring in August 2014 are going for $96.10.

One oil company that might be worth a look: Apache. The independent energy producer has gained 9.2% this year, trailing not only the S&P 500's 15% gain, but most of the other exploration and production companies in the benchmark as well.

The muted performance has been a result, in part, of its exposure to the chaos in Egypt. But Thursday, Apache (APA) turned what had been a weakness into a strength when it announced that it was selling one-third of its business in Egypt to China's Sinopec for $3.1 billion.

RBC's Leo Mariani notes that the price tag values Apache's Egyptian assets at $9.3 billion, about twice the $4.6 billion he had placed on them, and boosts the company's net asset value about 4%. And even discounting that amount because China is, well, different from other investors, would still make the company worth about $99 a share, Mariani explains.

That's still 16% below Apache's closing price Friday, even after the stock surged 7.4%, to $85.68.

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31 Aug 2013 00:08 EDT Barron's: The Trader: War Talk Sends Dow Stocks -2-

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(END) Dow Jones Newswires

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MARKET WEEK
Stocks --- The Trader: Trading Glitches Only Postpone Market Gains

By Vito J. Racanelli
1,870 字
2013 年 8 月 26 日
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Stocks finished the week generally mixed in light trading, with mega-caps lagging the market. Traders mostly shrugged off a technical glitch at the Nasdaq, which halted that exchange for three hours Thursday.

The market traded down Wednesday ahead of the release of the minutes from the U.S. Federal Reserve's July policy-setting meeting, and middling rallies on Thursday and Friday weren't enough to overcome the earlier losses among the big caps.

With few macroeconomic data releases and little new in the way of policy hints out of the Fed, investors switched their focus mainly to corporate news from companies like Microsoft (ticker: MSFT) and retailer Abercrombie & Fitch (ANF).

The Dow Jones Industrial Average managed to climb back above 15,000 Friday, to close at 15,010.51, down 71 points, or 0.5%, on the week. The S&P 500 index inched up eight points, or 0.5%, to 1663.50. The Nasdaq Composite index gained 1.5%, or 55 points, to 3657.79. The small-cap Russell 2000 index jumped 14 points, or 1.4%, to 1038.24.

The market's negative reaction to the Fed minutes was surprising, says Liz Ann Sonders, chief investment strategist at Charles Schwab, because it wasn't particularly "new news." However, the drops are more understandable in light of high bullish sentiment among investors coming into the week.

As a contrary short-term indicator, she says sentiment remains "too frothy," even if it has cooled. The Schwab strategist is cautious about the near term and expects more of a pullback and volatility. "I'd like to see a further reversal of sentiment" before getting more positive, she adds.

Investors might be obliging. Last week, individuals pulled $12.3 billion out of equity exchange-traded funds, the first outflow in eight weeks and the largest in five years, according to a report Friday from Bank of AmericaMerrill Lynch chief investment strategist Michael Hartnett.

Next week might be quiet, but in September there are going to be headwinds in the form of a Fed policy meeting on the 17th and 18th, in a month when many expect the central bank to begin tapering its quantitative easing, notes Jack Ablin, chief investment officer of BMO Private Bank.

Then there are critical German elections on the 22nd, and the ninth month has historically been a tough period for stocks, he notes.

Microsoft said Friday that CEO Steve Ballmer has decided to retire within the next 12 months. The stock jumped 7% on the news to $34.75.

Abercrombie, whose shares plunged 20% to $38.68, shocked investors Thursday when it said profit fell 33% in the fiscal second quarter and U.S. same-store sales dropped 11%.

Let's enjoy August while we can.

Breaking up continues to be good business for Corporate America and its shareholders. We're talking about spinoffs, a topic that we addressed here last December.

In terms of deals and dollar volumes, this year's spinoff total should top that of 2012, turning in a fourth consecutive annual rise. There's a good chance it will surpass the peak year of 2007, when 34 were completed.

Through mid-August, 22 spinoffs were effected, with a market value of $124 billion, according to Joe Cornell, head of Spin-Off Advisors in the Windy City. That compares to 15 transactions in the same period last year when dollar volume was about half this year's.

What's more interesting for investors is that both stock market prices and research studies suggest that spinoffs work, bringing a more efficient allocation of capital and a higher combined stock value to the two resulting companies.

Typically, a spinoff is done when one or more corporate divisions don't fit strategically and operationally with others, and management thinks the firm's market value doesn't fully reflect all of its businesses. The expectation is that the total value of parent and spinoff will be higher than that of the pre-split company. It's also a tax-efficient way of giving shareholders separate shares -- depending on the method used -- of the new company, often a pure play stock. These splits sometimes simplify the companies' finances and operations, making it easier for analysts and investors to understand them.

The biggest so far this year came early, when Abbott Laboratories (ABT) spun off its traditional pharma business into a new company, AbbVie (ABBV). As of Thursday, the combined value of the two was $122 billion, up about $20 billion -- a nearly 20% rise that tops the market's 17% jump, even though the shares of Abbott have underperformed this year. Abbott is comprised of diagnostics, medical devices, nutritionals, and branded generic drugs.

"It's all about focus," says Cornell. In a conglomerate structure, management is trying to allocate capital among a number of potentially disparate businesses "and it's difficult to have the skill sets to do that well."

Post spinoff, "managers get religion" and go from empire building to focusing on shareholder value, he adds. "Fundamentally, something changes [in the spun-off businesses] when the managers are on their own." Two to three years down the road, costs come down, operating performance improves, and that gets reflected in the stock price, Cornell says. Portfolio managers like pure-play investments and are willing to pay higher valuations for them.

Because a spun-off company isn't known as well at first, says Bill Mitchell, publisher of spinoffprofiles.com, "you can more often find decent spinoffs selling at attractive prices compared to what you might find in the general market."

In addition, the recent increase in shareholder activism has also contributed to the market-beating returns. For example, the Guggenheim Spin-Off exchange traded fund (CSD) has outperformed the broad market for years. This ETF seeks to mimic the Clear Spin-Off Index, which is comprised of about 40 U.S. stocks of companies that were spun off within the past two years. Measured from the market's low in March 2009, the fund is up about 300%, more than double the market return.

The caveat, says Mitchell, is that spinoffs underperformed during the market's crash in 2008-2009. Moreover, the secret is getting out. As spinoff stocks gain in popularity, investors have been piling in right after the corporate spinoff announcement but before the split is completed, arbitraging away some of the post-spin gains.

Nevertheless, spins seem to work well in a bull market, and the ETF offers a simpler and less risky way to invest in them.

At Friday's close of $77.07, shares of mid-cap medical-devices company Teleflex (TFX) have fallen roughly 12% from a high of $87 in April. Part of that drop can be attributed to the delivery of disappointing second-quarter results.

On July 31, the company lowered its 2013 sales growth guidance to 10%-12% from 11% -13%. While that's not much of a change, investors' ardor has weakened, as the company hasn't yet managed to match its 5% organic sales growth target this year. Organic sales growth was a negative 1.5% in the first half of 2013, as fewer people went to doctors and hospitals, after growing 5% last year.

Nevertheless, second-quarter sales in general grew robustly, at about a 10% clip, to $420 million, thanks to revenue from acquisitions and new products. Gross profit margins rose and operating margins were stable. And management stuck to its guidance of $4.70-$4.90 in earnings per share this year. In the quarter, EPS rose to $1.27, including various accounting changes, from $1.23 in the year-earlier period.

For a number of reasons, the Limerick, Pa.-based mid-cap, with a $3.2 billion valuation, probably deserves a second look.

Teleflex, says Marshall Kaplan, who runs Fundamental Equity Advisors for Morgan Stanley, offers exposure to a relatively defensive sector within health care; better-than-average growth potential; strong free cash flow; and an undemanding valuation compared with both its history and the market.

Teleflex makes numerous single-use disposables, like rubber gloves, catheters, sutures, and endotrachial tubes, among other products in critical, surgical and cardiac care. "These are low-cost but high-value items, medical 'gotta haves,' " points out Kaplan, who's been buying shares recently for new accounts.

The firm is also moving into infection control and prevention, and it sells widely, 140 countries in all. A bit less than half of sales come from the Americas, and roughly one-third derive from emerging markets.

Kaplan expects that Teleflex can return to meeting its organic growth target through continued 1%-2% pricing increases, new products, and through the increasing use of direct sales rather than third-party distributors.

Revenue growth, he says, will also come as Teleflex continues "bolt-on" acquisitions, such as last October's purchase of LMA International, a provider of laryngeal masks, whose products are used in anesthesia and emergency care and lung surgery. LMA had a big positive impact in the second quarter.

And while the company has been hurt in the first half by "lower utilization" trends -- that means fewer hospital and doctor visits -- a reacceleration of the U.S. economy could reverse that.

After the stock drop, the valuation is more attractive, says Kaplan. The stock trades at about 15 times consensus estimates of about $5.40 next year, a price-to-earnings ratio equal to its average of the last 10 years and about a third below highs.

Teleflex isn't going to be a rocket ride but as the company improves execution on its plan, showing defensive and predictable growth, the stock should respond, he says.

The shares could reach their old high over the next 12 months, which, with a 1.7% dividend yield, would deliver a 15% total return.

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DOW JONES
NEWSWIRES

DJ CHART ProShares Short S&P500 ST: short term technical rebound towards 28.7 before a new drop

169 字
2013 年 8 月 26 日 15:48
Dow Jones Institutional News
DJDN
英文

(TRADING Central) PARIS -- Click here to see our chart:
http://www.tradingcentral.com/chart/SHUSD130826164719.gif

Our pivot point is at 28.7.

Our preference: short term technical rebound towards 28.7 before a new drop.

Alternative scenario: above 28.7, look for 29.1 and 29.3.

Comment: the RSI is above 50. The MACD is positive and above its signal line. The configuration is positive. Moreover, the stock is trading above its 20 day MA (28.19) but under its 50 day MA (28.58). ProShares Short S&P500 is currently trading near its 52 week low at 27.72 reached on 02/08/13.

Supports and resistances:

29.1 *

28.7 **

28.6

28.35 last

27.9

27.7 **

27.4 *

(END) Dow Jones Newswires

August 26, 2013 10:48 ET (14:48 GMT)

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DOW JONES
NEWSWIRES

Barron's: The Trader: Trading Glitches Only Postpone Market Gains

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(FROM BARRON'S 8/26/13)
By Vito J. Racanelli

Stocks finished the week generally mixed in light trading, with mega-caps lagging the market. Traders mostly shrugged off a technical glitch at the Nasdaq, which halted that exchange for three hours Thursday.

The market traded down Wednesday ahead of the release of the minutes from the U.S. Federal Reserve's July policy-setting meeting, and middling rallies on Thursday and Friday weren't enough to overcome the earlier losses among the big caps.

With few macroeconomic data releases and little new in the way of policy hints out of the Fed, investors switched their focus mainly to corporate news from companies like Microsoft (ticker: MSFT) and retailer Abercrombie & Fitch (ANF).

The Dow Jones Industrial Average managed to climb back above 15,000 Friday, to close at 15,010.51, down 71 points, or 0.5%, on the week. The S&P 500 index inched up eight points, or 0.5%, to 1663.50. The Nasdaq Composite index gained 1.5%, or 55 points, to 3657.79. The small-cap Russell 2000 index jumped 14 points, or 1.4%, to 1038.24.

The market's negative reaction to the Fed minutes was surprising, says Liz Ann Sonders, chief investment strategist at Charles Schwab, because it wasn't particularly "new news." However, the drops are more understandable in light of high bullish sentiment among investors coming into the week.

As a contrary short-term indicator, she says sentiment remains "too frothy," even if it has cooled. The Schwab strategist is cautious about the near term and expects more of a pullback and volatility. "I'd like to see a further reversal of sentiment" before getting more positive, she adds.

Investors might be obliging. Last week, individuals pulled $12.3 billion out of equity exchange-traded funds, the first outflow in eight weeks and the largest in five years, according to a report Friday from Bank of AmericaMerrill Lynch chief investment strategist Michael Hartnett.

Next week might be quiet, but in September there are going to be headwinds in the form of a Fed policy meeting on the 17th and 18th, in a month when many expect the central bank to begin tapering its quantitative easing, notes Jack Ablin, chief investment officer of BMO Private Bank.

Then there are critical German elections on the 22nd, and the ninth month has historically been a tough period for stocks, he notes.

Microsoft said Friday that CEO Steve Ballmer has decided to retire within the next 12 months. The stock jumped 7% on the news to $34.75.

Abercrombie, whose shares plunged 20% to $38.68, shocked investors Thursday when it said profit fell 33% in the fiscal second quarter and U.S. same-store sales dropped 11%.

Let's enjoy August while we can.

Breaking up continues to be good business for Corporate America and its shareholders. We're talking about spinoffs, a topic that we addressed here last December.

In terms of deals and dollar volumes, this year's spinoff total should top that of 2012, turning in a fourth consecutive annual rise. There's a good chance it will surpass the peak year of 2007, when 34 were completed.

Through mid-August, 22 spinoffs were effected, with a market value of $124 billion, according to Joe Cornell, head of Spin-Off Advisors in the Windy City. That compares to 15 transactions in the same period last year when dollar volume was about half this year's.

What's more interesting for investors is that both stock market prices and research studies suggest that spinoffs work, bringing a more efficient allocation of capital and a higher combined stock value to the two resulting companies.

Typically, a spinoff is done when one or more corporate divisions don't fit strategically and operationally with others, and management thinks the firm's market value doesn't fully reflect all of its businesses. The expectation is that the total value of parent and spinoff will be higher than that of the pre-split company. It's also a tax-efficient way of giving shareholders separate shares -- depending on the method used -- of the new company, often a pure play stock. These splits sometimes simplify the companies' finances and operations, making it easier for analysts and investors to understand them.

The biggest so far this year came early, when Abbott Laboratories (ABT) spun off its traditional pharma business into a new company, AbbVie (ABBV). As of Thursday, the combined value of the two was $122 billion, up about $20 billion -- a nearly 20% rise that tops the market's 17% jump, even though the shares of Abbott have underperformed this year. Abbott is comprised of diagnostics, medical devices, nutritionals, and branded generic drugs.

"It's all about focus," says Cornell. In a conglomerate structure, management is trying to allocate capital among a number of potentially disparate businesses "and it's difficult to have the skill sets to do that well."

Post spinoff, "managers get religion" and go from empire building to focusing on shareholder value, he adds. "Fundamentally, something changes [in the spun-off businesses] when the managers are on their own." Two to three years down the road, costs come down, operating performance improves, and that gets reflected in the stock price, Cornell says. Portfolio managers like pure-play investments and are willing to pay higher valuations for them.

Because a spun-off company isn't known as well at first, says Bill Mitchell, publisher of spinoffprofiles.com, "you can more often find decent spinoffs selling at attractive prices compared to what you might find in the general market."

In addition, the recent increase in shareholder activism has also contributed to the market-beating returns. For example, the Guggenheim Spin-Off exchange traded fund (CSD) has outperformed the broad market for years. This ETF seeks to mimic the Clear Spin-Off Index, which is comprised of about 40 U.S. stocks of companies that were spun off within the past two years. Measured from the market's low in March 2009, the fund is up about 300%, more than double the market return.

The caveat, says Mitchell, is that spinoffs underperformed during the market's crash in 2008-2009. Moreover, the secret is getting out. As spinoff stocks gain in popularity, investors have been piling in right after the corporate spinoff announcement but before the split is completed, arbitraging away some of the post-spin gains.

Nevertheless, spins seem to work well in a bull market, and the ETF offers a simpler and less risky way to invest in them.

At Friday's close of $77.07, shares of mid-cap medical-devices company Teleflex (TFX) have fallen roughly 12% from a high of $87 in April. Part of that drop can be attributed to the delivery of disappointing second-quarter results.

On July 31, the company lowered its 2013 sales growth guidance to 10%-12% from 11% -13%. While that's not much of a change, investors' ardor has weakened, as the company hasn't yet managed to match its 5% organic sales growth target this year. Organic sales growth was a negative 1.5% in the first half of 2013, as fewer people went to doctors and hospitals, after growing 5% last year.

Nevertheless, second-quarter sales in general grew robustly, at about a 10% clip, to $420 million, thanks to revenue from acquisitions and new products. Gross profit margins rose and operating margins were stable. And management stuck to its guidance of $4.70-$4.90 in earnings per share this year. In the quarter, EPS rose to $1.27, including various accounting changes, from $1.23 in the year-earlier period.

For a number of reasons, the Limerick, Pa.-based mid-cap, with a $3.2 billion valuation, probably deserves a second look.

Teleflex, says Marshall Kaplan, who runs Fundamental Equity Advisors for Morgan Stanley, offers exposure to a relatively defensive sector within health care; better-than-average growth potential; strong free cash flow; and an undemanding valuation compared with both its history and the market.

Teleflex makes numerous single-use disposables, like rubber gloves, catheters, sutures, and endotrachial tubes, among other products in critical, surgical and cardiac care. "These are low-cost but high-value items, medical 'gotta haves,' " points out Kaplan, who's been buying shares recently for new accounts.

The firm is also moving into infection control and prevention, and it sells widely, 140 countries in all. A bit less than half of sales come from the Americas, and roughly one-third derive from emerging markets.

Kaplan expects that Teleflex can return to meeting its organic growth target through continued 1%-2% pricing increases, new products, and through the increasing use of direct sales rather than third-party distributors.

Revenue growth, he says, will also come as Teleflex continues "bolt-on" acquisitions, such as last October's purchase of LMA International, a provider of laryngeal masks, whose products are used in anesthesia and emergency care and lung surgery. LMA had a big positive impact in the second quarter.

And while the company has been hurt in the first half by "lower utilization" trends -- that means fewer hospital and doctor visits -- a reacceleration of the U.S. economy could reverse that.

After the stock drop, the valuation is more attractive, says Kaplan. The stock trades at about 15 times consensus estimates of about $5.40 next year, a price-to-earnings ratio equal to its average of the last 10 years and about a third below highs.

Teleflex isn't going to be a rocket ride but as the company improves execution on its plan, showing defensive and predictable growth, the stock should respond, he says.

The shares could reach their old high over the next 12 months, which, with a 1.7% dividend yield, would deliver a 15% total return.

24 Aug 2013 00:09 EDT Barron's: The Trader: Trading Glitches Only -2-

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Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	15010.51	-70.96	-0.47
DJTransportation	6479.85	+105.58	+1.66
DJUtilities	482.94	+1.26	+0.26
DJ65Stocks	5123.13	+15.97	+0.31
DJUSMarket	419.83	+2.46	+0.59
NYSEComp.	9474.82	+9.23	+0.10
NYSEMKTComp.	2329.23	-12.35	-0.53
S&P500	1663.50	+7.67	+0.46
S&PMidCap	1217.43	+11.73	+0.97
S&PSmallCap	588.53	+8.29	+1.43
Nasdaq	3657.79	+55.01	+1.53
ValueLine(arith.)	3897.62	+33.89	+0.88
Russell2000	1038.24	+13.94	+1.36
DJUSTSMFloat	17450.09	+109.19	+0.63

	Last Week	Week Earlier
NYSE		
Advances	1,922	633
Declines	1,272	2,582
Unchanged	46	23
NewHighs	122	232
NewLows	647	544
AvDailyVol(mil)	2,739.4	3,025.0
Dollar (Finexspotindex)	81.36	81.26
T-Bond (CBTnearbyfutures)	124-275	124-315
Crude Oil (NYMlightsweetcrude)	106.42	107.46

Inflation KR-CRB		
(FuturesPriceIndex)	290.79	292.49
Gold		
(CMXnearbyfutures)	1395.70	1371.70

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Blocks	-24.4	+305.1	0.90
S & P 500	-178.4	-11.8	0.98
Blocks	-202.1	+27.0	0.84
DJ U.S. Total Stock Market	-190.5	-359.2	0.99
Blocks	-446.3	+82.8	0.85

ISSUE GAINERS	SYMBOL	EXCH	LAST PRICE	MONEY FLOW (in millions)	RATIO
VanguardS&P500	VOO	ARCA	75.94	+89.6	12.24
iShares High Dividend ETF	HDV	ARCA	66.70	+29.7	9.08
DaVita Hlthcr Partners	DVA	NYSE	112.43	+26.4	3.52
Mkt Vectors Wide Moat	MOAT	ARCA	25.83	+26.2	38.49
Hologic	HOLX	NASD	22.80	+25.6	6.81
iShares MSCI EAFE ETF	EFA	ARCA	61.17	+24.9	1.67
Google	GOOG	NASD	866.58	+19.3	1.07
WisdomTree Japan Hdg Eqty	DXJ	ARCA	44.84	+18.6	1.84
Ford Motor	F	NYSE	16.29	+17.4	1.21
iShares U.S. Real Estate	IYR	ARCA	62.47	+17.3	1.18
PIMCO 1-5 Yr US TIPS Idx	STPZ	ARCA	52.81	+15.3	16.76
ProShares Short S&P500	SH	ARCA	28.56	+14.7	2.05
Vanguard High Div Yld	VYM	ARCA	57.36	+14.6	3.19
BlackRock Inc	BLK	NYSE	266.98	+14.1	1.32
Bristol-Myers	BMY	NYSE	41.77	+13.5	1.47
ExxonMobil	XOM	NYSE	87.31	+13.5	1.14
Citigroup Cap XIII TruPS	CpN	NYSE	27.20	+13.4	25.36
Tiffany & Co	TIF	NYSE	81.14	+13.0	1.94
Select Sector SPDR-Util	XLU	ARCA	37.60	+12.8	1.36
iSh Intl Treasury Bd	ISHG	NASD	94.33	+12.7	41.00

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Apple	AAPL	NASD	502.96	-95.2	0.94
Vanguard Extended Mkt	VXF	ARCA	73.69	-77.4	0.06
Wynn Resorts	WYNN	NASD	140.17	-65.5	0.28
SPDR S&P 500	SPY	ARCA	165.84	-64.4	0.93
VanguardFTSE Emerg Mkt	VWO	ARCA	38.52	-34.7	0.52
iSh S&P Totl US Stk Mkt	ITOT	ARCA	75.93	-34.7	0.03
Sel Sec SPDR-Hlth Cr	XLV	ARCA	49.70	-31.9	0.29
Bank Of America	BAC	NYSE	14.33	-30.6	0.85
iShares MSCI Japan ETF	EWJ	ARCA	11.22	-26.2	0.38
21st Century Fox Cl A	FOXA	NASD	31.89	-25.7	0.57
JPMorgan ChaseJPMNYSE			52.18	-22.2	0.82
NRG Energy	NRG	NYSE	26.41	-22.0	0.18

iSh iBoxx $ Invt Gr Cp Bd	LQD	ARCA	111.61	-20.6	0.58
IBMIBMNYSE	184.91	-20.0	0.83		
Range Resources	RRC	NYSE	76.91	-18.0	0.46
CME Group Inc.	CMENASD	72.43	-18.0	0.53	
3M	MMM	NYSE	115.53	-16.8	0.64
iSh 7-10Y Treasury Bond	IEF	ARCA	100.20	-16.0	0.44
Zillow Cl A	Z	NASD	80.48	-15.9	0.83

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Google	GOOG	NASD	866.58	+19.3	1.07
WisdomTree Japan Hdg Eqty	DXJ	ARCA	44.84	+18.6	1.84
Ford Motor	F	NYSE	16.29	+17.4	1.21
iShares U.S. Real Estate	IYR	ARCA	62.47	+17.3	1.18
PIMCO 1-5 Yr US TIPS Idx	STPZ	ARCA	52.81	+15.3	16.76
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Bristol-Myers	BMY	NYSE	41.77	+13.5	1.47
ExxonMobil	XOM	NYSE	87.31	+13.5	1.14
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Citigroup Cap XIII TruPS	CpN	NYSE	27.20	+13.4	25.36
Tiffany & Co	TIF	NYSE	81.14	+13.0	1.94
Select Sector SPDR-Util	XLU	ARCA	37.60	+12.8	1.36
iSh Intl Treasury Bd	ISHG	NASD	94.33	+12.7	41.00

ISSUE DECLINERS	SYMBOL	EXCH	LAST PRICE	MONEY FLOW (in millions)	RATIO
iShares Core S&P 500 ETF	IVV	ARCA	166.70	-151.2	0.29
Apple	AAPL	NASD	502.96	-95.2	0.94
Vanguard Extended Mkt	VXF	ARCA	73.69	-77.4	0.06
Wynn Resorts	WYNN	NASD	140.17	-65.5	0.28
SPDR S&P 500	SPY	ARCA	165.84	-64.4	0.93
Vanguard FTSE Emerg Mkt	VWO	ARCA	38.52	-34.7	0.52
iSh S&P Totl US Stk Mkt	ITOT	ARCA	75.93	-34.7	0.03
Sel Sec SPDR-Hlth Cr	XLV	ARCA	49.70	-31.9	0.29
Bank Of America	BAC	NYSE	14.33	-30.6	0.85
iShares MSCI Japan ETF	EWJ	ARCA	11.22	-26.2	0.38
21st Century Fox Cl A	FOXA	NASD	31.89	-25.7	0.57

JPMorgan Chase	JPM	NYSE	52.18	-22.2	0.82
NRG Energy	NRG	NYSE	26.41	-22.0	0.18
iSh iBoxx $ Invt Gr Cp Bd	LQD	ARCA	111.61	-20.6	0.58
IBM	IBM	NYSE	184.91	-20.0	0.83
Range Resources	RRC	NYSE	76.91	-18.0	0.46
CME Group Inc.	CME	NASD	72.43	-18.0	0.53
3M	MMM	NYSE	115.53	-16.8	0.64
iSh 7-10Y Treasury Bond	IEF	ARCA	100.20	-16.0	0.44
Zillow Cl A	Z	NASD	80.48	-15.9	0.83

Moneyflow figures are the dollar value of composite uptick trades minus the dollar value of downtick trades. The up/down ratio reflects the value of uptick trades relative to the value of downtick trades.

Source: WSJ Market Data Group

[08-20-13 1520ET]

文件 DJ00000020130820e98k000e8

BARRON'S

MARKET WEEK
Stocks --- The Trader: Stocks Slide on Fed Speculation, Weak Retail

By Avi Salzman
1,964 字
2013 年 8 月 19 日
Barron's
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"The notion of the Fed starting to taper after the September meeting is becoming pretty well founded," he said.

Retailers had a particularly tough week. In addition to Wal-Mart, Macy's (M) and Kohl's (KSS) both released disappointing earnings reports. Wal-Mart's same-store sales and traffic fell in the quarter even as analysts had expected sales to rise. Brian Sozzi of Belus Capital Advisors called the retail sector "a landmine" this earnings season.

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Anyone who has flown coach in the past few years is well aware of how unfriendly the skies have become -- packed airplanes, extra charges for nearly everything, and rules that sometimes mean parents pay extra just to sit next to their own kids (some metrics, like on-time service, have improved). The American deal would further reduce the number of major U.S. airlines, from nine in 2005, to four. That would mean higher fares and fewer flights to choose from, the government claims.

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One reason for the broad selloff might be that the complaint was particularly comprehensive. Previous airline mergers like the United-Continental deal passed regulatory muster after the companies made compromises like relinquishing airport slots. But this suit is wide-ranging; the government claims the industry's structure is now almost inherently anti-competitive -- there's no real incentive to lower fares or expand routes when companies can make an unspoken agreement to keep making money.

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If the merger does not go through -- and that's still a very big if -- an independent American Airlines could unsettle the marketplace: "We have long considered a stand-alone, growth-oriented AMR as a threat to widespread industry capacity discipline," Baker argues. American originally planned to add service on 115 routes if it emerged from bankruptcy as an independent company, the government says. The company declined to comment.

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DJUtilities	481.68	-21.36	-4.25
DJ65Stocks	5107.16	-125.18	-2.39
DJUSMarket	417.36	-9.30	-2.18
NYSEComp.	9465.59	-156.52	-1.63
NYSEMKTComp.	2341.58	+4.91	+0.21
S&P500	1655.83	-35.59	-2.10
S&PMidCap	1205.70	-32.00	-2.59
S&PSmallCap	580.24	-11.83	-2.00
Nasdaq	3602.78	-57.33	-1.57
ValueLine(arith.)	3863.73	-80.50	-2.04
Russell2000	1024.30	-24.10	-2.30
DJUSTSMFloat	17340.90	-385.67	-2.18

	Last Week	Week Earlier
NYSE		
Advances	633	1,074
Declines	2,582	2,109
Unchanged	23	56
NewHighs	232	383
NewLows	544	327
AvDailyVol(mil)	3,025.0	2,945.6
Dollar		
(Finexspotindex)	81.26	81.13
T-Bond		
(CBTnearbyfutures)	124-315	126-260
Crude Oil		
(NYMlightsweetcrude)	107.46	105.97
Inflation KR-CRB		
(FuturesPriceIndex)	292.49	285.38
Gold		

(CMXnearbyfutures)	1371.70	1312.90

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文件 B000000020130817e98j00011

DOW JONES
NEWSWIRES

Barron's: The Trader: Stocks Slide On Fed Speculation, Weak Retail

2,005 字
2013 年 8 月 17 日 05:08
Dow Jones Newswires
DJDN
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(FROM BARRON'S 8/19/13)
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17 Aug 2013 00:08 EDT Barron's: The Trader: Stocks Slide On Fed -2-

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Dollar		
(Finexspotindex)	81.26	81.13
T-Bond		
(CBTnearbyfutures)	124-315	126-260
Crude Oil		
(NYMlightsweetcrude)	107.46	105.97
Inflation KR-CRB		

(FuturesPriceIndex)	292.49	285.38
Gold		
(CMXnearbyfutures)	1371.70	1312.90

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(END) Dow Jones Newswires

August 17, 2013 00:08 ET (04:08 GMT)

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DOW JONES
NEWSWIRES

DJ CHART ProShares UltraShort S&P500 ST: above its upper Bollinger band

176 字
2013 年 8 月 16 日 15:52
Dow Jones Institutional News
DJDN
英文

(TRADING Central) PARIS -- Click here to see our chart:
http://www.tradingcentral.com/chart/SDSUSD130816165055.gif

Our pivot point is at 37.

Our preference: short term rebound.

Alternative scenario: below 37, expect 36.1 and 35.6.

Comment: the RSI is above 50. The MACD is above its signal line and negative. The MACD must break above its zero level to trigger further gains. Moreover, the stock is trading above its 20 day MA (36.66) but under its 50 day MA (38.34). Finally, ProShares UltraShort S&P500 is trading above its upper Bollinger band (standing at 37.67). ProShares UltraShort S&P500 is currently trading near its 52 week low at 35.85 reached on 02/08/13.

Supports and resistances:

40.3 *

39.7 **

39.2

37.782 last

37.4

37 **

36.1 *

(END) Dow Jones Newswires

August 16, 2013 10:52 ET (14:52 GMT)

文件 DJDN000020130816e98g003n2

DOW JONES
NEWSWIRES

DJ GAMCO Asset Mgmt Inc. 2Q 13F: Hldgs As Of Jun 30

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2013 年 8 月 15 日 15:01
Dow Jones Institutional News
DJDN
英文

DJ CFA SOURCE: SEC 13F-HR
FILER: GAMCO Asset Management Inc.
QUARTER ENDED: 06/30/2013
SEC RECEIVED: 08/02/2013

The following sets forth up to 200 of the largest holdings of GAMCO Asset Management Inc. as of June 30, according to a Form 13F filed with the Securities and Exchange Commission.

As of June 30, GAMCO Asset Management Inc. held 852 positions valued at $15,128,934,909.

Up to 200 of the largest holdings of GAMCO Asset Management Inc. are listed below in order of dollar value as of June 30.

Company Name	Value	Holdings	Change
DIRECTV COM	$295,731,029	4,797,713	(138,526)
AMERICAN EXPRESS CO COM	$263,866,392	3,529,513	(145,042)
VIACOM INC COM	$235,439,691	3,440,089	(9,153)
NATIONAL FUEL GAS CO (NJ) COM	$217,914,658	3,760,391	(50,862)
CRANE CO COM	$213,566,624	3,564,196	(96,286)
GENUINE PARTS CO COM	$209,698,518	2,686,032	(26,071)
HONEYWELL INTERNATIONAL INC C	$200,564,459	2,527,911	(128,331)
PRECISION CASTPARTS CORP COM	$198,928,126	880,174	(32,770)
CABLEVISION SYSTEMS CORP CL A	$193,825,606	11,523,520	1,072,716
WELLS FARGO & CO COM	$191,076,468	4,629,912	(87,450)
RYMAN HOSPITALITY PROPERTIES	$185,041,477	4,743,437	(88,762)
MADISON SQUARE GARDEN CO CL A	$175,544,656	2,962,779	(73,254)
FLOWSERVE CORP COM	$171,711,509	3,179,254	(99,068)
BANK OF NEW YORK MELLON CORP	$171,315,908	6,107,519	14,723
GATX CORP COM	$168,513,004	3,552,878	(33,615)
LEGG MASON INC COM	$164,698,824	5,311,152	196,203
BEAM INC COM	$159,237,069	2,523,167	1,184
AMC NETWORKS INC CL A	$157,297,916	2,407,744	(209,037)
DISH NETWORK CORP CL A	$156,888,042	3,689,747	(151,561)
TIME WARNER INC COM	$146,168,960	2,528,000	(86,158)
AMETEK INC COM	$145,596,896	3,442,007	(128,072)
GENERAL MILLS INC COM	$134,207,046	2,765,445	(76,691)
US CELLULAR CORP COM	$132,812,590	3,619,858	(106,946)
TWENTY FIRST CENTURY FOX INC	$132,581,215	4,069,405	(120,847)
WEATHERFORD INTERNATIONAL LTD	$128,574,158	9,384,975	625,090
TELEPHONE & DATA SYSTEMS INC	$126,180,984	5,118,904	(149,658)
ENERGIZER HOLDINGS INC COM	$123,729,418	1,231,016	(61,666)
COCA COLA CO COM	$119,431,255	2,977,593	(135,848)
DR PEPPER SNAPPLE GROUP INC C	$117,320,009	2,554,322	(11,937)
DIEBOLD INC COM	$115,275,018	3,421,639	(84,865)
DEERE & CO COM	$115,222,819	1,418,127	(66,875)
CBS CORP CL A	$114,156,047	2,338,784	(65,515)

LIBERTY MEDIA CORP CL A	$104,257,185	822,477	(30,159)
KAMAN CORP CL A	$104,116,424	3,012,628	238,025
CIRCOR INTERNATIONAL INC COM	$102,433,312	2,014,025	11,430
STATE STREET CORP COM	$102,134,184	1,566,235	(79,378)
MONDELEZ INTERNATIONAL INC CL	$99,486,193	3,487,073	44,116
NORTHERN TRUST CORP COM	$98,821,172	1,706,756	(81,209)
XYLEM INC COM	$97,521,049	3,619,935	326,984
OREILLY AUTOMOTIVE INC COM	$97,272,372	863,722	(24,857)
LIFE TECHNOLOGIES CORP COM	$97,052,480	1,311,520	1,271,624
CURTISS WRIGHT CORP COM	$94,284,642	2,544,108	(59,300)
RPC INC COM	$93,041,353	6,737,245	72,500
CVS CAREMARK CORP COM	$91,802,890	1,605,507	(28,155)
TREDEGAR CORP COM	$91,218,475	3,549,357	168,840
FORTUNE BRANDS HOME & SECURITY	$90,797,844	2,343,775	(150,145)
WATTS WATER TECHNOLOGIES INC	$88,792,042	1,958,360	(665)
ROLLINS INC COM	$87,904,237	3,393,986	(71,236)
CNH GLOBAL NV COM	$86,259,655	2,070,563	55,985
SCRIPPS NETWORKS INTERACTIVE	$86,086,085	1,289,486	(69,872)
GENCORP INC COM	$85,229,684	5,241,678	(64,900)
ASCENT CAPITAL GROUP INC CL A	$85,094,192	1,089,973	(41,261)
HILLSHIRE BRANDS CO COM	$83,787,737	2,532,882	105,546
REPUBLIC SERVICES INC COM	$82,105,544	2,419,138	57,893
DIAGEO PLC ADR	$78,898,806	686,375	(12,830)
DONALDSON CO INC COM	$76,651,598	2,149,512	(55,000)
DANA HOLDING CORP COM	$74,598,121	3,873,215	43,220
GRACO INC COM	$74,343,557	1,176,136	203,986
GRIFFON CORP COM	$73,626,311	6,544,561	143,199
IDEX CORP COM	$72,954,737	1,355,784	(33,150)
PNC FINANCIAL SERVICES GROUP	$72,577,786	995,307	26,994
INTERNATIONAL FLAVORS & FRAGRA	$70,499,704	937,995	(18,500)
JPMORGAN CHASE & CO INC COM	$70,392,826	1,333,450	(101,331)
CHURCHILL DOWNS INC COM	$70,187,933	890,145	(20,600)
BRINKS CO COM	$70,170,689	2,750,713	182,295
SOUTHWEST GAS CORP COM	$68,404,079	1,461,938	(12,199)
ECOLAB INC COM	$67,693,252	794,615	(44,590)
PNM RESOURCES INC COM	$66,950,559	3,017,150	(43,600)
EL PASO ELECTRIC CO COM	$65,759,014	1,862,334	(21,400)
NEWMONT MINING CORP COM	$65,245,626	2,178,485	53,365
TYCO INTERNATIONAL LTD COM	$63,988,669	1,941,993	33,837
SNYDERS LANCE INC COM	$62,447,197	2,198,071	85,204
CHEMED CORP COM	$62,282,774	859,903	82,583
BROWN FORMAN CORP CL A COM	$61,449,083	908,204	(43,994)
BECTON DICKINSON & CO COM	$60,919,306	616,405	(42,390)
KELLOGG CO COM	$60,362,069	939,780	(11,970)
PATTERSON COMPANIES INC COM	$59,675,712	1,587,120	33,451
FERRO CORP COM	$59,560,346	8,569,834	219,700
MEDIA GENERAL INC CL A	$59,484,812	5,393,002	(82,826)
INTERMEC COM	$58,069,644	5,907,390	(499,244)
HOME DEPOT INC COM	$57,376,606	740,630	(25,710)
SENSIENT TECHNOLOGIES CORP CO	$56,819,637	1,403,994	(71,705)
PEP BOYS MANNY MOE & JACK COM	$56,785,274	4,903,737	51,500
LIBERTY GLOBAL PLC CL A	$56,644,181	770,774	6,855
MYERS INDUSTRIES INC COM	$56,050,177	3,734,189	42,900
BOEING CO COM	$55,907,142	545,755	(221,568)
PEPSICO INC COM	$55,184,204	674,706	9,674
GRUPO TELEVISA SAB ADR PC A/B	$54,482,193	2,193,325	(83,564)
MUELLER INDUSTRIES INC COM	$53,158,263	1,054,100	318,560
JANUS CAPITAL GROUP INC COM	$53,114,816	6,241,459	(31,341)
BORGWARNER INC COM	$52,480,426	609,175	(26,700)
LIBERTY INTERACTIVE CORP INT	$52,323,451	2,273,944	54,636
LAS VEGAS SANDS CORP COM	$51,321,828	969,617	(56,920)
NCR CORP COM	$49,890,447	1,512,290	(35,600)
AUTONATION INC COM	$49,686,713	1,145,119	(26,500)
COHEN & STEERS INC COM	$49,418,439	1,454,339	62,495
TENNECO INC COM	$48,354,965	1,067,910	5,290
CHEESECAKE FACTORY INC COM	$47,676,182	1,138,128	(4,500)

WASTE MANAGEMENT INC COM $45,351,125 1,124,501 31,300
ZEP INC COM $45,108,377 2,849,550 (4,729)
DISCOVERY COMMUNICATIONS INC $44,801,131 580,025 (28,318)
GREIF INC CL A NON-VTG $44,089,688 837,093 (29,200)
BIGLARI HOLDINGS INC COM $43,620,595 106,288 (72)
CTS CORP COM $43,545,059 3,192,453 (176)
COMCAST CORP CL A SPECIAL NVT $42,431,429 1,069,610 7,855
WESTAR ENERGY INC COM $42,383,179 1,326,132 (61,975)
TOOTSIE ROLL INDUSTRIES INC C $42,080,375 1,324,115 (24,270)
ROCKWELL AUTOMATION INC COM $41,510,139 499,280 (25,460)
GENERAL ELECTRIC CO COM $41,090,639 1,771,912 194,414
GRAFTECH INTERNATIONAL LTD CO $40,608,859 5,578,140 211,810
CINCINNATI BELL INC COM $40,555,159 13,253,320 (517,939)
EATON CORP PLC COM $39,563,064 601,171 (90,280)
ARCHER DANIELS MIDLAND CO COM $38,490,800 1,135,087 (73,215)
CLARCOR INC COM $38,336,550 734,276 (32,700)
DISCOVERY COMMUNICATIONS INC $38,040,532 545,212 (24,229)
OCEANEERING INTERNATIONAL INC $37,811,140 523,700 (9,200)
MORGAN STANLEY COM $37,684,741 1,542,560 120,880
POST HOLDINGS INC COM $37,213,426 852,346 (47,110)
SALLY BEAUTY HOLDINGS INC COM $37,060,937 1,191,670 (9,100)
ITT CORP COM $36,269,000 1,233,220 (7,240)
BRISTOL MYERS SQUIBB CO COM $35,958,691 804,625 (147,370)
COVIDIEN PLC COM $35,888,301 571,106 17,672
NV ENERGY INC COM $35,487,942 1,512,700 1,512,700 *
ADT CORP COM $35,482,520 890,402 106,942
15 Aug 2013 10:01 EDT DJ GAMCO Asset Mgmt Inc. 2Q 13F: Hldgs As Of Jun 30 -2-

JOURNAL COMMUNICATIONS INC CL $35,185,174 4,697,620 (17,000)
MACYS INC COM $34,907,712 727,244 (62,110)

JOHNSON & JOHNSON COM $34,868,089 406,104 (57,564)
BOYD GAMING CORP COM $34,688,175 3,069,750 (348,850)
NORTHEAST UTILITIES COM $34,503,757 821,127 (32,078)
LAYNE CHRISTENSEN CO COM $34,276,378 1,756,862 208,500
AARONS INC COM $33,940,725 1,211,736 16,500
MATERION CORP COM $33,740,595 1,245,500 (18,800)
BOULDER BRANDS INC COM $33,678,762 2,794,918 82,559
WESTWOOD HOLDINGS GROUP INC C $33,563,440 782,000 (12,830)
INGLES MARKETS INC CL A $33,342,650 1,320,501 4,514
PARK OHIO HOLDINGS CORP COM $33,069,112 1,002,702 (20,100)
HALLIBURTON CO COM $32,802,058 786,243 (44,943)
CAMPBELL SOUP CO COM $32,706,195 730,212 (110,776)
LIBERTY GLOBAL PLC CL C $32,491,204 478,586 20,148
CBS CORP CL B $31,886,111 652,468 (13,470)
BLACK HILLS CORP COM $31,699,200 650,240 (15,645)
CASEYS GENERAL STORES INC COM $31,514,636 523,847 (5,000)
FLOWERS FOODS INC COM $31,374,747 1,422,891 (58,097)
FREEPORT MCMORAN COPPER CL B $31,033,999 1,124,013 (239,640)
DELL INC COM $30,824,856 2,313,310 121,900
CONSOL ENERGY INC COM $30,748,392 1,134,627 256
PFIZER INC COM $29,474,587 1,052,288 (101,486)
GRIFFIN LAND & NURSERIES INC $29,208,844 1,024,153 2,220
NEXTERA ENERGY INC COM $29,093,249 357,060 (12,821)
VIACOM INC CL B $28,976,562 425,938 21,243
JOHNSON CONTROLS INC COM $27,566,210 770,221 58,875
EXELIS INC COM $27,354,465 1,983,645 (55,640)
FORD MOTOR CO COM $27,093,245 1,751,341 (161,200)
ROGERS COMMUNICATIONS INC CL $26,667,525 680,294 4,421
CHURCH & DWIGHT INC COM $26,063,836 422,360 (5,600)
UNITEDHEALTH GROUP INC COM $25,522,991 389,783 (712)
TEXTRON INC COM $24,875,145 954,900 (25,000)
ZIMMER HOLDINGS INC COM $24,666,651 329,152 (9,200)
TYLER TECHNOLOGIES INC COM $24,566,264 358,370 (2,400)
ROWAN COS LTD ORD A $24,475,888 718,400 (27,000)

M&T BANK CORP COM	$24,453,806	218,826	(15,900)
KRAFT FOODS GROUP INC COM	$23,562,334	421,735	(423,728)
BOSTON SCIENTIFIC CORP COM	$23,541,211	2,539,505	(228,500)
TEXAS INDUSTRIES INC COM	$22,938,725	352,145	(5,750)
TENNANT CO COM	$22,824,470	472,850	0
WADDELL & REED FINANCIAL INC	$22,395,975	514,850	(85,400)
TWENTY FIRST CENTURY FOX INC	$22,359,872	681,288	147,824
AVON PRODUCTS INC COM	$22,117,251	1,051,700	(101,200)
HENRY SCHEIN INC COM	$21,982,000	229,601	(1,300)
TEXAS INSTRUMENTS INCORPORATED	$21,672,309	621,874	(111,154)
YAHOO INC COM	$21,580,136	858,740	41,640
MODINE MANUFACTURING CO COM	$21,577,336	1,983,211	(185,850)
ECHOSTAR CORP COM	$21,502,326	549,791	17,288
LENNAR CORP CL B	$21,433,309	756,025	238,400
VERIZON COMMUNICATIONS INC CO	$21,318,839	423,497	(15,540)
FOMENTO ECON MEX (FEMSA) ADR	$20,952,214	203,045	(6,130)
GREAT PLAINS ENERGY INC COM	$20,923,837	928,298	(45,926)
W R BERKLEY CORP COM	$20,847,834	510,226	2,551
AMPCO PITTSBURGH CORP COM	$20,802,829	1,108,302	(14,000)
LIVE NATION ENTERTAINMENT INC	$20,577,196	1,327,561	(45,973)
CHEVRON CORP COM	$20,540,155	173,569	(14,311)
STARZ INC CL A	$19,902,487	900,565	(28,444)
BOSTON BEER INC CL A	$19,128,744	112,100	(4,300)
CLEAR CHANNEL OUTDOOR HLDGS C	$18,922,820	2,536,571	(2,300)
GORMAN RUPP CO COM	$18,896,658	593,488	17,874
MEAD JOHNSON NUTRITION CO COM	$18,661,200	235,532	(2,370)
INTERPUBLIC GROUP OF COS COM	$18,613,815	1,279,300	(35,000)
CORNING INC COM	$18,587,952	1,306,251	17,400
PROCTER & GAMBLE CO COM	$18,530,646	240,689	(18,400)
AMERICAN INTERNATIONAL GROUP	$18,424,223	412,175	(29,600)
TWIN DISC INC COM	$18,248,905	769,996	46,133
CITIGROUP INC COM	$18,209,412	379,600	48,000
LIBERTY INTERACTIVE VENTURES	$17,946,546	211,111	7,592
NORTHWESTERN CORP COM	$17,767,470	445,300	4,900
PINNACLE ENTERTAINMENT INC CO	$17,071,593	867,900	175,000
VODAFONE GROUP PLC ADR	$17,022,588	592,193	70,315
BAXTER INTERNATIONAL INC COM	$16,967,687	244,950	(57,700)
T ROWE PRICE GROUP INC COM	$16,806,720	229,600	70,000
ALCOA INC COM	$16,762,639	2,143,560	(180,300)
BUCKEYE TECHNOLOGIES INC COM	$16,674,371	450,172	450,172 *

* New holding 13F data provided by: FactSet Research Systems Inc.; Please send questions to lionsharesinfo@factset.com.

15 Aug 2013 10:01 EDT DJ GAMCO Asset Mgmt Inc. 2Q 13F: Largest Eliminations

DJ CFA SOURCE: SEC 13F-HR
FILER: GAMCO Asset Management Inc.
QUARTER ENDED: 06/30/2013
SEC RECEIVED: 08/02/2013

Up to 200 of the largest eliminated positions of GAMCO Asset Management Inc. are listed below, ordered by the number of shares sold during the three months ended June 30.

Company Name	Ticker	Change
HECLA MINING CO COM	HL	(97,589)
AETNA INC COM	AET	(51,942)
CALGON CARBON CORP COM	CCC	(26,000)
MARSH & MCLENNAN COS INC COM	MMC	(25,000)
TELENAV INC COM	TNAV	(15,000)
CAMECO CORP COM	CCJ	(11,500)

GAMCO GLOBAL GOLD NAT RES & IN	GGN	(11,166)
CERES INC COM	CERE	(10,300)
ASML HOLDING NV NY SH	ASML	(9,662)
DRIL-QUIP INC COM	DRQ	(6,700)
OGE ENERGY CORP COM	OGE	(6,600)
UNILEVER NV NY SH	UN	(6,000)
VARIAN MEDICAL SYSTEMS INC CO	VAR	(5,275)
PDC ENERGY INC COM	PDCE	(4,300)
LAMAR ADVERTISING CO CL A	LAMR	(4,200)
BUNGE LTD COM	BG	(4,200)
MGE ENERGY INC COM	MGEE	(4,150)
KINDER MORGAN ENERGY PARTNERS	KMP	(3,240)
PULSE ELECTRONICS CORP COM	PULS	(2,000)
MARKEL CORP COM	MKL	(522)

13F data provided by: FactSet Research Systems Inc.; Please send questions to lionsharesinfo@factset.com.

15 Aug 2013 10:01 EDT DJ GAMCO Asset Mgmt Inc. 2Q 13F: Largest Purchases

DJ CFA SOURCE: SEC 13F-HR
FILER: GAMCO Asset Management Inc.
QUARTER ENDED: 06/30/2013
SEC RECEIVED: 08/02/2013

Up to 200 of the largest purchases of GAMCO Asset Management Inc. are listed below, ordered by the number of shares bought during the three months ended June 30.

Company Name	Value	Holdings	Change
NV ENERGY INC COM	$35,487,942	1,512,700	1,512,700
LIFE TECHNOLOGIES CORP COM	$97,052,480	1,311,520	1,271,624
CABLEVISION SYSTEMS CORP CL A	$193,825,606	11,523,520	1,072,716
NEWS CORP CL A	$15,514,603	1,017,351	1,017,351
CYPRESS SEMICONDUCTOR CORP CO	$16,567,013	1,543,990	777,000
WEATHERFORD INTERNATIONAL LTD	$128,574,158	9,384,975	625,090
BUCKEYE TECHNOLOGIES INC COM	$16,674,371	450,172	450,172
MARINE PRODUCTS CORP COM	$14,276,603	1,780,125	363,594
VANGUARD HEALTH SYSTEMS INC C	$6,850,422	330,300	330,300
XYLEM INC COM	$97,521,049	3,619,935	326,984
MUELLER INDUSTRIES INC COM	$53,158,263	1,054,100	318,560
IXIA COM	$9,266,240	503,600	313,293
AMERISTAR CASINOS INC COM	$9,411,820	358,000	308,000
CST BRANDS INC COM	$9,458,670	307,000	307,000
FEDERAL SIGNAL CORP COM	$6,418,125	733,500	294,726
BELO CORP CL A	$8,787,830	629,952	244,800
LENNAR CORP CL B	$21,433,309	756,025	238,400
KAMAN CORP CL A	$104,116,424	3,012,628	238,025
SMITHFIELD FOODS INC COM	$7,617,224	232,587	232,587
FERRO CORP COM	$59,560,346	8,569,834	219,700
GRAFTECH INTERNATIONAL LTD CO	$40,608,859	5,578,140	211,810
LAYNE CHRISTENSEN CO COM	$34,276,378	1,756,862	208,500
GRACO INC COM	$74,343,557	1,176,136	203,986
PEABODY ENERGY CORP COM	$4,348,080	297,000	197,500
LEGG MASON INC COM	$164,698,824	5,311,152	196,203

GENERAL ELECTRIC CO COM	$41,090,639	1,771,912	194,414
FLUSHING FINANCIAL CORP COM	$9,288,509	564,651	186,400
BRINKS CO COM	$70,170,689	2,750,713	182,295
PINNACLE ENTERTAINMENT INC CO	$17,071,593	867,900	175,000
NEWS CORP CL B	$2,619,552	170,322	170,322
TREDEGAR CORP COM	$91,218,475	3,549,357	168,840
ACCO BRANDS CORP COM	$5,004,169	786,819	161,925
STERLING BANCORP COM	$9,193,756	791,201	156,422
NII HOLDINGS INC COM	$15,221,896	2,285,570	153,300
TWENTY FIRST CENTURY FOX INC	$22,359,872	681,288	147,824
GRIFFON CORP COM	$73,626,311	6,544,561	143,199
COTY INC CL A	$2,388,020	139,000	139,000
BLUCORA INC COM	$5,117,967	276,050	128,000
DELL INC COM	$30,824,856	2,313,310	121,900
MORGAN STANLEY COM	$37,684,741	1,542,560	120,880
EARTHLINK INC COM	$7,234,961	1,165,050	118,500
GENTIVA HEALTH SERVICES INC C	$9,249,852	928,700	109,800
ASTEC INDUSTRIES INC COM	$12,416,409	362,100	108,363
ADT CORP COM	$35,482,520	890,402	106,942
LA Z BOY INC COM	$6,516,805	321,500	106,500
HILLSHIRE BRANDS CO COM	$83,787,737	2,532,882	105,546
WAUSAU PAPER CORP COM	$3,021,000	265,000	101,900
CONAGRA FOODS INC COM	$11,989,862	343,254	100,373
MODUSLINK GLOBAL SOLUTIONS INC	$1,058,940	333,000	100,000
BMC SOFTWARE INC COM	$4,431,766	98,200	98,200
SNYDERS LANCE INC COM	$62,447,197	2,198,071	85,204
BLYTH INC COM	$2,042,348	146,300	83,213
HUDSON CITY BANCORP INC COM	$2,603,360	283,745	83,100
CHEMED CORP COM	$62,282,774	859,903	82,583
BOULDER BRANDS INC COM	$33,678,762	2,794,918	82,559
CHEMTURA CORP COM	$14,768,575	727,516	78,000
RPC INC COM	$93,041,353	6,737,245	72,500
FALCONSTOR SOFTWARE INC COM	$763,090	557,000	72,000
MALLINCKRODT PLC COM	$3,243,157	71,388	71,388
VODAFONE GROUP PLC ADR	$17,022,588	592,193	70,315
T ROWE PRICE GROUP INC COM	$16,806,720	229,600	70,000
OUTERWALL INC COM	$13,778,064	234,800	68,590
PROGRESSIVE WASTE SOLUTIONS LT	$6,878,898	319,800	68,200
OWENS & MINOR INC COM	$6,963,195	205,829	64,579
COHEN & STEERS INC COM	$49,418,439	1,454,339	62,495
TEJON RANCH CO COM	$9,419,022	330,608	61,500
FIRSTMERIT CORP COM	$1,730,592	86,400	59,763
JOHNSON CONTROLS INC COM	$27,566,210	770,221	58,875
REPUBLIC SERVICES INC COM	$82,105,544	2,419,138	57,893
GABELLI GLOBAL UTILITY & INC T	$4,305,574	228,655	57,164
CNH GLOBAL NV COM	$86,259,655	2,070,563	55,985
WMS INDUSTRIES INC COM	$2,096,922	82,200	55,900
ELAN CORP PLC ADR	$789,012	55,800	55,800
WHITEWAVE FOODS CO CL B	$842,110	55,402	55,402
BASSETT FURNITURE INDUSTRIES	$1,506,410	97,000	55,000
DOMINION DIAMOND CORP COM	$777,150	55,000	55,000
STEC INC COM	$369,600	55,000	55,000
MAKO SURGICAL CORP COM	$3,611,385	299,700	54,800
LIBERTY INTERACTIVE CORP INT	$52,323,451	2,273,944	54,636
ZOETIS INC CL A	$1,679,180	54,360	54,360
NEWMONT MINING CORP COM	$65,245,626	2,178,485	53,365
COOPER TIRE & RUBBER CO COM	$1,764,644	53,200	53,200
PEP BOYS MANNY MOE & JACK COM	$56,785,274	4,903,737	51,500
BLACKHAWK NETWORK HOLDINGS INC	$1,183,200	51,000	51,000
LORAL SPACE & COMMUNICATIONS	$12,557,713	209,365	49,705
BED BATH & BEYOND INC COM	$12,112,939	170,725	49,700
CITIGROUP INC COM	$18,209,412	379,600	48,000
EXACTECH INC COM	$13,616,341	689,435	47,427
MARKET LEADER INC COM	$502,900	47,000	47,000
TWIN DISC INC COM	$18,248,905	769,996	46,133
LYDALL INC (DEL) COM	$2,709,658	185,593	46,079

LSI CORP COM	$328,440	46,000	46,000
ST JOE CO COM	$8,602,946	408,691	45,974
DIAMOND FOODS INC COM	$6,702,250	323,000	45,000
HESS CORP COM	$13,371,471	201,105	44,500
MONDELEZ INTERNATIONAL INC CL	$99,486,193	3,487,073	44,116
DANA HOLDING CORP COM	$74,598,121	3,873,215	43,220
IRIDIUM COMMUNICATIONS INC CO	$333,680	43,000	43,000
MYERS INDUSTRIES INC COM	$56,050,177	3,734,189	42,900
YAHOO INC COM	$21,580,136	858,740	41,640
ANADARKO PETROLEUM CORP COM	$15,716,597	182,900	41,100
WHITEWAVE FOODS CO CL A	$661,343	40,698	40,698
MUELLER WATER PRODUCTS INC CL	$3,360,333	486,300	38,000
TALISMAN ENERGY INC COM	$1,513,332	132,400	37,000
UNILEVER PLC ADR	$9,318,669	230,375	34,235
TYCO INTERNATIONAL LTD COM	$63,988,669	1,941,993	33,837
PATTERSON COMPANIES INC COM	$59,675,712	1,587,120	33,451
BLOUNT INTERNATIONAL INC COM	$390,060	33,000	33,000
KENNAMETAL INC COM	$6,630,223	170,750	32,450
DOLE FOOD CO INC COM	$408,000	32,000	32,000
WASTE MANAGEMENT INC COM	$45,351,125	1,124,501	31,300
MINERALS TECHNOLOGIES INC COM	$7,275,840	176,000	30,000
DOLAN CO COM	$48,900	30,000	30,000
PENNEY J C INC COM	$3,996,720	234,000	28,900
INTELSAT SA COM	$574,000	28,700	28,700
ZEBRA TECHNOLOGIES CORP CL A	$15,796,956	363,650	28,435
PNC FINANCIAL SERVICES GROUP	$72,577,786	995,307	26,994
HARTFORD FINANCIAL SERVICES GR	$788,460	25,500	25,500
SEALED AIR CORP COM	$6,489,851	270,975	24,230
RIVERBED TECHNOLOGY INC COM	$793,560	51,000	24,000
REALD INC COM	$8,113,778	583,725	23,070
DEAN FOODS CO COM	$1,526,046	152,300	21,500
VIACOM INC CL B	$28,976,562	425,938	21,243
PRIVATEBANCORP INC COM	$445,725	21,000	21,000
PRIMUS TELECOMMUNICATIONS GRP	$597,000	50,000	21,000
LGL GROUP INC COM	$968,654	148,339	20,600
H&R BLOCK INC COM	$10,142,625	365,500	20,300
LIBERTY GLOBAL PLC CL C	$32,491,204	478,586	20,148
SWS GROUP INC COM	$2,806,205	514,900	20,000

15 Aug 2013 10:01 EDT DJ GAMCO Asset Mgmt Inc. 2Q 13F: Largest Purchases -2-

PROSHARES SHORT S&P500	$1,484,500	50,000	19,000
MCDERMOTT INTERNATIONAL INC C	$147,240	18,000	18,000
GORMAN RUPP CO COM	$18,896,658	593,488	17,874
COVIDIEN PLC COM	$35,888,301	571,106	17,672
CORNING INC COM	$18,587,952	1,306,251	17,400
ECHOSTAR CORP COM	$21,502,326	549,791	17,288
DENBURY RESOURCES INC COM	$292,708	16,900	16,900
AARONS INC COM	$33,940,725	1,211,736	16,500
WARNER CHILCOTT PLC CL A	$328,499	16,500	16,500
GREAT LAKES DREDGE & DOCK CORP	$330,004	42,200	16,000
PARK ELECTROCHEMICAL CORP COM	$15,455,237	643,700	16,000
STEINWAY MUSICAL INSTRUMENTS	$472,152	15,516	15,516
EDGEWATER TECHNOLOGY INC COM	$4,370,573	1,025,956	15,418
WORLD WRESTLING ENTERTAINMENT	$993,369	96,350	15,200
NUVASIVE INC COM	$1,504,753	60,700	15,000
BANK OF NEW YORK MELLON CORP	$171,315,908	6,107,519	14,723
ORBCOMM INC COM	$60,615	13,500	13,500
LENDER PROCESSING SERVICES INC	$433,490	13,400	13,400
UNUM GROUP COM	$381,810	13,000	13,000
GENERAL MOTORS CO COM	$5,126,076	153,890	12,650
REDWOOD TRUST INC COM	$204,000	12,000	12,000
KAYDON CORP COM	$2,755,000	100,000	12,000
PANDORA MEDIA INC COM	$1,087,440	59,100	11,900
CIRCOR INTERNATIONAL INC COM	$102,433,312	2,014,025	11,430

SILVER WHEATON CORP COM	$218,730	11,120	11,120
CLIFFS NATURAL RESOURCES INC	$178,750	11,000	11,000
GLOBAL BRASS & COPPER HLDGS IN	$145,640	11,000	11,000
GRAY TELEVISION INC COM	$8,062,020	1,119,725	10,500
FAMOUS DAVES AMERICA INC COM	$876,158	56,200	10,500
DARLING INTERNATIONAL INC COM	$428,807	22,980	10,000
BEL FUSE INC CL A COM	$3,348,800	239,200	10,000
TITAN MACHINERY INC COM	$196,300	10,000	10,000
PEPSICO INC COM	$55,184,204	674,706	9,674
EASTERN CO COM	$792,000	49,500	9,500
EXPRESS SCRIPTS HOLDING CO CO	$3,233,324	52,370	9,266
BE AEROSPACE INC COM	$558,889	8,860	8,860
HAYNES INTERNATIONAL INC COM	$4,616,056	96,429	8,619
CANTERBURY PARK HOLDING CORP	$4,267,400	434,120	8,055
MKS INSTRUMENTS INC COM	$212,320	8,000	8,000
WALGREEN CO COM	$9,182,506	207,749	7,890
COMCAST CORP CL A SPECIAL NVT	$42,431,429	1,069,610	7,855
DST SYSTEMS INC COM	$757,828	11,600	7,700
LIBERTY INTERACTIVE VENTURES	$17,946,546	211,111	7,592
APACHE CORP COM	$1,202,961	14,350	7,550
E W SCRIPPS CO CL A	$8,400,736	539,200	7,500
BIO REFERENCE LABS INC COM	$1,558,250	54,200	7,400
OCCIDENTAL PETROLEUM CORP COM	$10,866,072	121,776	7,284
LOEWS CORP COM	$846,131	19,057	7,057
AON PLC CL A	$450,450	7,000	7,000
HAIN CELESTIAL GROUP INC COM	$15,209,090	233,950	6,950
LIBERTY GLOBAL PLC CL A	$56,644,181	770,774	6,855
GNC HOLDINGS INC CL A	$503,994	11,400	6,000
BCE INC COM	$5,385,926	131,300	6,000
LS STARRETT CO CL A	$2,599,539	254,358	5,900
PROVIDENCE & WORCESTER RAILROA	$2,689,289	169,993	5,601
INGERSOLL RAND PLC ORD	$815,034	14,680	5,500
TENNECO INC COM	$48,354,965	1,067,910	5,290
COMCAST CORP CL A	$9,621,747	230,461	5,162
ICU MEDICAL INC COM	$1,969,616	27,333	5,000
MOLYCORP INC COM	$745,860	120,300	5,000
CROWN MEDIA HOLDINGS INC CL A	$686,660	278,000	5,000
UNIVERSAL TECHNICAL INSTITUTE	$4,880,925	472,500	5,000
NORTHWESTERN CORP COM	$17,767,470	445,300	4,900
GENTEX CORP COM	$2,996,500	130,000	4,800
INGLES MARKETS INC CL A	$33,342,650	1,320,501	4,514
OFFICIAL PAYMENTS HOLDINGS INC	$219,474	32,040	4,500
SANOFI AVENTIS ADR	$231,795	4,500	4,500
CUBIC CORP COM	$216,450	4,500	4,500
ROGERS COMMUNICATIONS INC CL	$26,667,525	680,294	4,421
PHILLIPS 66 COM	$5,045,288	85,644	4,256
READING INTERNATIONAL INC CL	$120,840	19,000	4,000

15 Aug 2013 10:01 EDT DJ GAMCO Asset Mgmt Inc. 2Q 13F: Largest Sales

DJ CFA SOURCE: SEC 13F-HR
FILER: GAMCO Asset Management Inc.
QUARTER ENDED: 06/30/2013
SEC RECEIVED: 08/02/2013

Up to 200 of the largest sales of GAMCO Asset Management Inc. are listed below, ordered by the number of shares sold during the three months ended June 30.

Company Name	Value	Holdings	Change

CINCINNATI BELL INC COM	$40,555,159	13,253,320	(517,939)
INTERMEC COM	$58,069,644	5,907,390	(499,244)
KRAFT FOODS GROUP INC COM	$23,562,334	421,735	(423,728)
BOYD GAMING CORP COM	$34,688,175	3,069,750	(348,850)
HUNTSMAN CORP COM	$9,830,132	593,607	(244,493)
FREEPORT MCMORAN COPPER CL B	$31,033,999	1,124,013	(239,640)
BOSTON SCIENTIFIC CORP COM	$23,541,211	2,539,505	(228,500)
BOEING CO COM	$55,907,142	545,755	(221,568)
AMC NETWORKS INC CL A	$157,297,916	2,407,744	(209,037)
MODINE MANUFACTURING CO COM	$21,577,336	1,983,211	(185,850)
ALCOA INC COM	$16,762,639	2,143,560	(180,300)
FORD MOTOR CO COM	$27,093,245	1,751,341	(161,200)
STANDARD MOTOR PRODUCTS INC C	$7,643,466	222,582	(154,608)
BARNES & NOBLE INC COM	$1,677,396	105,100	(153,225)
DISH NETWORK CORP CL A	$156,888,042	3,689,747	(151,561)
FORTUNE BRANDS HOME & SECURITY	$90,797,844	2,343,775	(150,145)
TELEPHONE & DATA SYSTEMS INC	$126,180,984	5,118,904	(149,658)
BRISTOL MYERS SQUIBB CO COM	$35,958,691	804,625	(147,370)
AMERICAN EXPRESS CO COM	$263,866,392	3,529,513	(145,042)
DIRECTV COM	$295,731,029	4,797,713	(138,526)
COCA COLA CO COM	$119,431,255	2,977,593	(135,848)
HONEYWELL INTERNATIONAL INC C	$200,564,459	2,527,911	(128,331)
AMETEK INC COM	$145,596,896	3,442,007	(128,072)
TWENTY FIRST CENTURY FOX INC	$132,581,215	4,069,405	(120,847)
TEXAS INSTRUMENTS INCORPORATED	$21,672,309	621,874	(111,154)
CAMPBELL SOUP CO COM	$32,706,195	730,212	(110,776)
US CELLULAR CORP COM	$132,812,590	3,619,858	(106,946)
PFIZER INC COM	$29,474,587	1,052,288	(101,486)
JPMORGAN CHASE & CO INC COM	$70,392,826	1,333,450	(101,331)
AVON PRODUCTS INC COM	$22,117,251	1,051,700	(101,200)
T MOBILE US INC COM	$2,503,329	100,900	(99,500)
FLOWSERVE CORP COM	$171,711,509	3,179,254	(99,068)
SLM CORP COM	$11,263,122	492,700	(97,100)
CRANE CO COM	$213,566,624	3,564,196	(96,286)
ELECTRONIC ARTS INC COM	$6,260,177	272,300	(93,600)
EATON CORP PLC COM	$39,563,064	601,171	(90,280)
RYMAN HOSPITALITY PROPERTIES	$185,041,477	4,743,437	(88,762)
WELLS FARGO & CO COM	$191,076,468	4,629,912	(87,450)
TIME WARNER INC COM	$146,168,960	2,528,000	(86,158)
EMERSON ELECTRIC CO COM	$1,388,916	25,466	(85,490)
WADDELL & REED FINANCIAL INC	$22,395,975	514,850	(85,400)
DIEBOLD INC COM	$115,275,018	3,421,639	(84,865)
GRUPO TELEVISA SAB ADR PC A/B	$54,482,193	2,193,325	(83,564)
MEDIA GENERAL INC CL A	$59,484,812	5,393,002	(82,826)
NORTHERN TRUST CORP COM	$98,821,172	1,706,756	(81,209)
INTERNATIONAL GAME TECHNOLOGY	$12,352,483	739,227	(80,100)
STATE STREET CORP COM	$102,134,184	1,566,235	(79,378)
GENERAL MILLS INC COM	$134,207,046	2,765,445	(76,691)
MADISON SQUARE GARDEN CO CL A	$175,544,656	2,962,779	(73,254)
ARCHER DANIELS MIDLAND CO COM	$38,490,800	1,135,087	(73,215)
SAFEWAY INC COM	$2,589,587	109,450	(72,300)
SENSIENT TECHNOLOGIES CORP CO	$56,819,637	1,403,994	(71,705)
ROLLINS INC COM	$87,904,237	3,393,986	(71,236)
SCRIPPS NETWORKS INTERACTIVE	$86,086,085	1,289,486	(69,872)
MICROSOFT CORP COM	$11,766,027	340,600	(69,823)
INTEL CORP COM	$2,718,000	112,175	(68,500)
DEERE & CO COM	$115,222,819	1,418,127	(66,875)
CBS CORP CL A	$114,156,047	2,338,784	(65,515)
GENCORP INC COM	$85,229,684	5,241,678	(64,900)
MACYS INC COM	$34,907,712	727,244	(62,110)
WESTAR ENERGY INC COM	$42,383,179	1,326,132	(61,975)
ENERGIZER HOLDINGS INC COM	$123,729,418	1,231,016	(61,666)
LOUISIANA PACIFIC CORP COM	$13,185,285	891,500	(60,000)
CURTISS WRIGHT CORP COM	$94,284,642	2,544,108	(59,300)
FLOWERS FOODS INC COM	$31,374,747	1,422,891	(58,097)

BAXTER INTERNATIONAL INC COM	$16,967,687	244,950	(57,700)
JOHNSON & JOHNSON COM	$34,868,089	406,104	(57,564)
LAS VEGAS SANDS CORP COM	$51,321,828	969,617	(56,920)
AT&T INC COM	$5,110,096	144,353	(56,401)
EXELIS INC COM	$27,354,465	1,983,645	(55,640)
DONALDSON CO INC COM	$76,651,598	2,149,512	(55,000)
PAIN THERAPEUTICS INC COM	$651,950	295,000	(55,000)
NATIONAL FUEL GAS CO (NJ) COM	$217,914,658	3,760,391	(50,862)
TAKE TWO INTERACTIVE SOFTWARE	$9,467,926	632,460	(50,100)
POST HOLDINGS INC COM	$37,213,426	852,346	(47,110)
LIVE NATION ENTERTAINMENT INC	$20,577,196	1,327,561	(45,973)
GREAT PLAINS ENERGY INC COM	$20,923,837	928,298	(45,926)
ALLIANCEBERNSTEIN HOLDING LP	$11,789,325	566,250	(45,650)
BIG 5 SPORTING GOODS CORP COM	$6,271,115	285,700	(45,300)
HALLIBURTON CO COM	$32,802,058	786,243	(44,943)
ECOLAB INC COM	$67,693,252	794,615	(44,590)
BROWN FORMAN CORP CL A COM	$61,449,083	908,204	(43,994)
PNM RESOURCES INC COM	$66,950,559	3,017,150	(43,600)
SL INDUSTRIES INC COM	$12,595,452	502,211	(43,259)
BECTON DICKINSON & CO COM	$60,919,306	616,405	(42,390)
ASCENT CAPITAL GROUP INC CL A	$85,094,192	1,089,973	(41,261)
LIN MEDIA LLC CL A	$0	1,689,215	(40,436)
NCR CORP COM	$49,890,447	1,512,290	(35,600)
KINDER MORGAN INC COM CL P	$8,963,953	234,966	(35,050)
CHARLES SCHWAB CORP COM	$4,458,300	210,000	(35,000)
INTERPUBLIC GROUP OF COS COM	$18,613,815	1,279,300	(35,000)
TRINITY INDUSTRIES INC COM	$5,764,693	149,966	(34,600)
PENN NATIONAL GAMING INC COM	$2,540,160	48,000	(34,000)
GATX CORP COM	$168,513,004	3,552,878	(33,615)
HANDY & HARMAN HOLDINGS LTD C	$9,295,633	519,890	(33,500)
MONSANTO CO COM	$10,592,348	107,210	(33,250)
IDEX CORP COM	$72,954,737	1,355,784	(33,150)
PRECISION CASTPARTS CORP COM	$198,928,126	880,174	(32,770)
CLARCOR INC COM	$38,336,550	734,276	(32,700)
NORTHEAST UTILITIES COM	$34,503,757	821,127	(32,078)
JANUS CAPITAL GROUP INC COM	$53,114,816	6,241,459	(31,341)
AES CORP COM	$10,089,585	841,500	(31,000)
MERCK & CO INC COM	$8,828,426	190,063	(30,701)
LIBERTY MEDIA CORP CL A	$104,257,185	822,477	(30,159)
AMERICAN INTERNATIONAL GROUP	$18,424,223	412,175	(29,600)
CONSTELLATION BRANDS INC CL A	$1,448,936	27,800	(29,500)
GREIF INC CL A NON-VTG	$44,089,688	837,093	(29,200)
STARZ INC CL A	$19,902,487	900,565	(28,444)
DISCOVERY COMMUNICATIONS INC	$44,801,131	580,025	(28,318)
EBAY INC COM	$12,550,168	242,656	(28,240)
DEVON ENERGY CORP COM	$10,609,460	204,500	(28,200)
CVS CAREMARK CORP COM	$91,802,890	1,605,507	(28,155)
BEST BUY INC COM	$1,188,855	43,500	(27,900)
EXXON MOBIL CORP COM	$9,774,063	108,180	(27,450)
GREATBATCH INC COM	$9,414,009	287,100	(27,000)
ROWAN COS LTD ORD A	$24,475,888	718,400	(27,000)
LIFEWAY FOODS INC COM	$4,946,124	284,915	(26,885)
BORGWARNER INC COM	$52,480,426	609,175	(26,700)
AUTONATION INC COM	$49,686,713	1,145,119	(26,500)
GENUINE PARTS CO COM	$209,698,518	2,686,032	(26,071)
HOME DEPOT INC COM	$57,376,606	740,630	(25,710)
ROCHESTER MEDICAL CORP COM	$7,519,812	510,510	(25,610)
ROCKWELL AUTOMATION INC COM	$41,510,139	499,280	(25,460)
TEXTRON INC COM	$24,875,145	954,900	(25,000)
ANGIODYNAMICS INC COM	$1,635,600	145,000	(25,000)
OREILLY AUTOMOTIVE INC COM	$97,272,372	863,722	(24,857)

15 Aug 2013 10:01 EDT DJ GAMCO Asset Mgmt Inc. 2Q 13F: Largest Sales -2-

TOOTSIE ROLL INDUSTRIES INC C	$42,080,375	1,324,115	(24,270)
DISCOVERY COMMUNICATIONS INC	$38,040,532	545,212	(24,229)
BP PLC ADR	$5,279,067	126,475	(24,000)

ACTAVIS INC COM	$3,092,390	24,500	(23,500)
HEWLETT PACKARD CO COM	$260,400	10,500	(23,000)
GREENBRIER COMPANIES INC COM	$8,943,790	367,000	(23,000)
TIVO INC COM	$5,580,250	505,000	(22,800)
EL PASO ELECTRIC CO COM	$65,759,014	1,862,334	(21,400)
ABB LTD ADR	$1,490,208	68,800	(21,000)
OMNOVA SOLUTIONS INC COM	$11,808,943	1,474,275	(20,850)
CHURCHILL DOWNS INC COM	$70,187,933	890,145	(20,600)
HAWAIIAN ELECTRIC INDUSTRIES	$1,424,953	56,300	(20,500)
PARK OHIO HOLDINGS CORP COM	$33,069,112	1,002,702	(20,100)
TRACTOR SUPPLY CO COM	$15,810,206	134,500	(19,500)
MATERION CORP COM	$33,740,595	1,245,500	(18,800)
TIME WARNER CABLE INC COM	$11,889,136	105,700	(18,712)
INTERNATIONAL FLAVORS & FRAGRA	$70,499,704	937,995	(18,500)
PROCTER & GAMBLE CO COM	$18,530,646	240,689	(18,400)
CISCO SYSTEMS INC COM	$2,878,831	118,300	(18,000)
JOURNAL COMMUNICATIONS INC CL	$35,185,174	4,697,620	(17,000)
M&T BANK CORP COM	$24,453,806	218,826	(15,900)
BLACK HILLS CORP COM	$31,699,200	650,240	(15,645)
ARBITRON INC COM	$8,876,595	191,100	(15,600)
VERIZON COMMUNICATIONS INC CO	$21,318,839	423,497	(15,540)
ELI LILLY & CO COM	$6,238,240	127,000	(15,500)
HARMAN INTL INDS COM	$10,747,860	198,300	(14,700)
CHEVRON CORP COM	$20,540,155	173,569	(14,311)
AMPCO PITTSBURGH CORP COM	$20,802,829	1,108,302	(14,000)
CBS CORP CL B	$31,886,111	652,468	(13,470)
INGREDION INC COM	$15,364,923	234,150	(13,350)
MCGRATH RENTCORP COM	$2,432,192	71,200	(13,300)
ENDO HEALTH SOLUTIONS INC COM	$1,594,847	43,350	(13,200)
PENTAIR LTD COM	$3,435,670	59,554	(13,139)
WESTWOOD HOLDINGS GROUP INC C	$33,563,440	782,000	(12,830)
DIAGEO PLC ADR	$78,898,806	686,375	(12,830)
NEXTERA ENERGY INC COM	$29,093,249	357,060	(12,821)
BELDEN INC COM	$2,246,850	45,000	(12,700)
DU PONT E I DE NEMOURS & CO C	$2,911,125	55,450	(12,350)
SOUTHWEST GAS CORP COM	$68,404,079	1,461,938	(12,199)
QUALCOMM INC COM	$3,231,661	52,900	(12,030)
KELLOGG CO COM	$60,362,069	939,780	(11,970)
DR PEPPER SNAPPLE GROUP INC C	$117,320,009	2,554,322	(11,937)
BON-TON STORES INC COM	$10,225,325	566,500	(11,500)
WUXI PHARMATECH (CAYMAN) INC	$2,459,100	117,100	(11,500)
GOLD FIELDS LTD ADR	$454,598	86,590	(11,300)
ELDORADO GOLD CORP COM	$514,238	83,210	(11,200)
CORINTHIAN COLLEGES INC COM	$1,206,240	538,500	(11,000)
ALLERGAN INC COM	$10,691,235	126,914	(10,816)
MCGRAW HILL FINANCIAL INC COM	$5,445,326	102,375	(10,400)
CAMBIUM LEARNING GROUP INC CO	$257,040	204,000	(10,000)
CASELLA WASTE SYSTEMS INC CL	$776,149	180,081	(10,000)
CENTURY ALUMINUM CO COM	$696,000	75,000	(10,000)
CYNOSURE INC CL A	$2,123,943	81,753	(9,821)
ZIMMER HOLDINGS INC COM	$24,666,651	329,152	(9,200)
OCEANEERING INTERNATIONAL INC	$37,811,140	523,700	(9,200)
VIACOM INC COM	$235,439,691	3,440,089	(9,153)
SALLY BEAUTY HOLDINGS INC COM	$37,060,937	1,191,670	(9,100)
YAMANA GOLD INC COM	$616,448	64,821	(8,600)
CONOCOPHILLIPS COM	$7,388,986	122,132	(8,220)
ILLUMINA INC COM	$1,833,580	24,500	(8,200)
FIRSTENERGY CORP COM	$7,731,807	207,065	(8,142)
TW TELECOM INC COM	$551,544	19,600	(8,100)
ROFIN SINAR TECHNOLOGIES INC	$5,052,844	202,600	(8,000)
DOVER MOTORSPORTS INC COM	$1,876,841	868,908	(8,000)
ALLIED NEVADA GOLD CORP COM	$219,769	33,915	(8,000)
RUSH ENTERPRISES INC CL B	$13,056,184	606,700	(8,000)
INNOVATIVE SOLUTIONS & SUPPORT	$563,200	88,000	(8,000)
BARNES GROUP INC COM	$704,465	23,490	(7,600)
SINCLAIR BROADCAST GROUP INC	$8,439,969	287,367	(7,600)

1 800 FLOWERS COM INC CL A	$3,868,750	625,000	(7,525)
TE CONNECTIVITY LTD COM REG	$3,344,093	73,432	(7,450)
ENERGY TRANSFER PARTNERS LP U	$293,486	5,807	(7,417)
NORTHROP GRUMMAN CORP COM	$359,186	4,338	(7,400)
AURICO GOLD INC COM	$662,055	151,500	(7,243)

(MORE TO FOLLOW) Dow Jones Newswires

August 15, 2013 10:01 ET (14:01 GMT)

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Blue Chips Slide 1.5% on Week

By Sandra Ward
1,975 字
2013 年 8 月 12 日
Barron's
B
M3
英文

Obviously, the bulls went to the beach last week, leaving the markets in the grip of the bears.

Wall Street turned in its worst week since late June amid extremely light trading, dropping on four of five days, as investors' preoccupation with all that could go wrong come autumn dominated the action.

The Dow Jones Industrial Average dropped 232.85 points, or 1.5%, on the week, to close at 15,425.51, ending a six-week winning streak. The Standard & Poor's 500 fell 18.25 points, or 1.7%, ending at 1691.42. The Nasdaq lost 29.48 points, or 0.8%, finishing at 3660.11.

From concerns stoked by two Federal Reserve regional presidents suggesting that the nation's central bank would move sooner than expected to rein in its longtime efforts to stimulate the economy, to worries about another round of possible budget cuts under the so-called sequester as fiscal year 2014 looms, to a dismal outlook for back-to-school retail sales, investors grew more uneasy with the stock market's recent record-setting levels.

Adding to the fretfulness, August's claim to fame among traders is that it historically has been the worst-performing month since 1987, with the weakest results occurring in its first nine trading days, according to Stock Trader's Almanac editor-in-chief Jeffrey Hirsch. On average, the Dow has declined 1% in August, while the S&P 500 has slid 0.8%.

Despite last week's weakness, the S&P 500 rose 0.34% in the first nine trading days of August, defying the historical seasonality and reflecting the strength underpinning the market. In the past 21 years, there have been 11 positive starts in August; all but three preceded full-month gains.

The broad market averages wobbled early in the week before rebounding slightly Thursday, getting a lift from trade data from China that suggested its economy could be stabilizing after two quarters of declining growth. The data sparked a rally in materials stocks, such as Cliff's Natural Resources (CLF) and Newmont Mining (NEM), as China is the biggest consumer of raw materials.

How sustainable the demand from China is remains uncertain. Chinese exports jumped 2% in July from the previous month's total, but are still well below their January 2013 peak.

By Friday, jitters set in again, and investors chose to overlook the fact that of the 446 companies in the S&P 500 that reported quarterly results, 68% exceeded expectations, slightly more than the 67% of the past four quarters, according to Thomson Reuters.

Stop the kvetching already. There are plenty of reasons for optimism, as the good folks at Cornerstone Macro, a policy and investment-strategy firm started by star economist Nancy Lazar, formerly of Institutional Strategy & Investment Group, are quick to point out. They note that lower inflation, a strong dollar, and a smaller budget deficit have improved the profile of the U.S. economy, and that has translated into an expanding market multiple, which they estimate accounts for 15%, or 200 points, of the S&P's rise this year. China's goal of maintaining economic growth in the range of 7% to 7.5% -- relatively modest by its standards -- also will keep a lid on inflationary pressure, as commodity prices are kept in check.

"This is the early innings of a world of non-inflationary growth and P/E-driven markets," Cornerstone analysts told clients early last week. "It's a world that hasn't existed since the 1990s, and it will take time for investors to find comfort in it."

Despite record highs and gains of almost 19% this year, animal spirits remain subdued among investors. But there is more life left to this four-year-old bull market, as evidence mounts that global growth is re-accelerating, especially in the developed markets of the U.S., the U.K., and even the euro zone, which is showing signs of stabilization, according to Ed Yardeni, president and chief investment officer of Yardeni Research. Purchasing managers' indexes around the world are registering the strongest levels in more than two years, and global economic growth surged to a 16-month high in July, he notes, providing support for his forecast of relatively modest revenue growth of 5% for the S&P 500 next year. Recoveries in the auto and housing sectors continue to be drivers.

"This is a very broad bull market," Yardeni observes. "And the market is telling us that it may be time to transition from the theme of buying "stay home" stocks -- consumer staples, telecoms, utilities and regional banks -- to the "go global" stocks, cyclicals, and industrials and energy stocks."

More intriguing is Yardeni's view that conditions are in place that could trigger a boom in capital spending, something that's been missing since the expansion began four years ago, despite the gains in profits and cash flow, and that could add a few more years to this bull market and lead capital-goods stocks higher. In the past two business cycles, forward earnings and capital spending hit record highs at the same time. In contrast, in this cycle, forward earnings have been rising steadily since early 2011, while capital spending is stuck at the previous cycle's peak.

Strong readings in the purchasing managers index may compel businesses to start spending, as might a shortage of qualified workers, those with advanced degrees and work experience. Jobless claims for the four weeks ended Aug. 3 declined to 335,500, on average, the lowest level since November 2007 but the overall unemployment rate remains about 7.4%. Still, the jobless rate for workers with college degrees is just 3.8%, a number that suggests corporations might have to invest more in technology and software to meet their business demands.

Offering up its take on the U.S. economy last week in its daily missive to its influential clients around the world, Bridgewater Associates, the Westport, Conn., investment-management firm founded by investing legend Ray Dalio -- and the manager of the biggest hedge fund in the world -- pointed to encouraging signs for the U.S. economy as seen through the prism of the U.S. stock market, "one of the most complete discounting machines in existence." By this measure, "the economy is growing at a moderate pace that is fast enough to bring the unemployment rate steadily lower, while inflation pressures are falling. Consumer demand is the strongest element of growth, foreign demand is weak, the government is a net drag, and business spending is lagging, reflecting these combined influences. Liquidity is flowing freely, and credit conditions are improving."

Growth in the developed countries, relative to emerging markets, is the strongest in 15 years, observed the firm, adding that the U.S., in particular, seems most likely to power higher, even as the Fed pulls back on its stimulus. Without disclosing details, Bridgewater noted that it is positioned for sooner-than-expected tightening in the U.S. and a stronger dollar. It's also shorting the debt and currency of the emerging markets considered most vulnerable.

A steady parade of disappointing news last week from a host of fashion retailers spooked the retailing sector, as well as the broader markets, suggesting the critical back-to-school sales period could be a bust and that pressure on middle-class consumers could be intensifying.

Weak traffic and promotional activity were among the reasons cited by the likes of American Eagle Outfitters (AEO) and Aeropostale (ARO) in issuing warnings about their second-quarter performance, and by companies such as Ralph Lauren (RL) and Gap (GPS), whose reported results came in well below expectations.

All eyes will be on Wal-Mart Stores (WMT) when it reports its second-quarter results Thursday, to see if it is benefiting from the misfortunes of others in this challenging environment. Wal-Mart is the top back-to-school pick of Deborah Weinswig, a Citigroup Investment Research analyst, who likes its defensive position. Weinswig Friday reiterated her price target of $89 a share. Wal-Mart finished the week at $76.90.

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The company (LINE), which is structured like a master limited partnership, had its third straight quarter of flattish energy production, despite heavy capital expenditures. Linn's distributable cash flow of 65 cents per unit failed to cover its distribution -- the MLP equivalent of a dividend -- of 72.5 cents. That marks the third quarter in a row that Linn didn't cover the distribution.

Barron's has written critically on Linn several times this year, including articles in February and May ("Twilight of a Market Darling," May 6) when the units traded in the mid- to high $30s.

We've taken issue with Linn's accounting, particularly the way it calculates distributable cash flow -- excluding the cost of derivatives used to hedge its energy production, as well as much of its capital expenditures. A key

financial measure for MLP investors, DCF isn't governed by generally accepted accounting principles, so Linn's methods, while aggressive, are legal.

Factor in derivative expenses and Linn's distributable cash flow would fall to about 43 cents per unit; include capital expenditures and DCF would be negative.

Asked about the distribution outlook on its earnings conference call, Linn CEO Mark Ellis said the company won't comment on the 2014 distribution until it concludes a financial review later this year.

Oppenheimer analyst Bernard Colson last week began coverage of Linn with an Underperform rating and a $23 price target. He wrote that Linn had "another weak quarter" and that its planned merger with Berry Petroleum (BRY) is "in jeopardy." That deal, which was scheduled to have closed around June 30, is on hold now amid an accounting inquiry of Linn by the Securities and Exchange Commission that Linn disclosed in early July. Linn said it is "committed" to the Berry deal, but Berry's commitment is unclear.

Linn's equity market value now is about $5.9 billion and it has $6.2 billion of debt. Colson wrote that Linn's debt is "too high for an E&P MLP" and that the company may need to issue equity to shore up its capital structure.

Linn's book value is $18 a share. The stock is worth no more than that.

-- Andrew Bary

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Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	15425.51	-232.85	-1.49
DJTransportation	6479.63	-172.06	-2.59
DJUtilities	503.04	-5.43	-1.07
DJ65Stocks	5232.34	-93.54	-1.76
DJUSMarket	426.66	-4.56	-1.06
NYSEComp.	9622.11	-67.96	-0.70
NYSEMKTComp.	2336.67	-26.67	-1.13
S&P500	1691.42	-18.25	-1.07
S&PMidCap	1237.70	-16.06	-1.28
S&PSmallCap	592.07	-3.61	-0.61
Nasdaq	3660.11	-29.48	-0.80
ValueLine(arith.)	3944.23	-39.83	-1.00
Russell2000	1048.40	-11.46	-1.08
DJUSTSMFloat	17726.57	-189.87	-1.06

	Last Week	Week Earlier
NYSE		
Advances	1,074	1,603
Declines	2,109	1,587
Unchanged	56	46
NewHighs	383	563
NewLows	327	194
AvDailyVol(mil)	2,945.6	3,344.6
Dollar		
(Finexspotindex)	81.13	81.91
T-Bond		
(CBTnearbyfutures)	126-260	126-185
Crude Oil		
(NYMlightsweetcrude)	105.97	106.94
Inflation KR-CRB		

(FuturesPriceIndex)	285.38	283.77
Gold		
(CMXnearbyfutures)	1312.90	1310.60

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DOW JONES
NEWSWIRES

DJ CHART ProShares Short S&P500 ST: short term rebound towards 28.9

162 字
2013 年 8 月 12 日 15:51
Dow Jones Institutional News
DJDN
英文

(TRADING Central) PARIS -- Click here to see our chart:
http://www.tradingcentral.com/chart/SHUSD130812165040.gif

27.7 is our pivot point.

Our preference: short term rebound towards 28.9.

Alternative scenario: the downside breakout of 27.7 would call for 27.3 and 27.1.

Comment: the RSI is below 50. The MACD is above its signal line and negative. The configuration is mixed. Moreover, the stock is trading above its 20 day MA (28.01) but under its 50 day MA (28.75). ProShares Short S&P500 is currently trading near its 52 week low at 27.72 reached on 02/08/13.

Supports and resistances:

29.1 *

28.9 **

28.6

28.0262 last

27.8

27.7 **

27.3 *

(END) Dow Jones Newswires

August 12, 2013 10:51 ET (14:51 GMT)

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BARRON'S

Fund of Information
Going With the Flows

By Beverly Goodman
1,161 字
2013 年 8 月 12 日
Barron's
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英文

Almost two years ago, I wrote my first column for Barron's, "Fund Investors Aren't So Dumb, After All." In it, I talked about how investors tended to choose better-performing funds than they were often given credit for -- the funds with the most assets performed in line with or even ahead of their relevant benchmark and the category as a whole. I also noted that some of the criticisms of fund investors were fair -- notably that they tend to be lagging indicators.

Which brings us to this year's fund flows. The S&P 500 is up more than 18% for the year; the Barclay's Aggregate has lost 3.4%. So why is it that taxable bond funds have taken in $62 billion in new money this year, while U.S. equity funds have taken in just $26 billion? Flows, courtesy of Morningstar, are through July.

Investors certainly aren't chasing returns -- though for once, maybe they should be. Stocks have had a very strong four years, while bonds face some pretty well-publicized head winds. A closer look provides some clues to this behavior: Half of the money that came into bond funds did so in January. When Federal Reserve Chairman Ben Bernanke reiterated at the end of May that the government's bond-buying program might wind down soon, that month's $18 billion in bond-fund inflows swung to $44 billion in outflows for June.

The flows within the fixed-income world are also pretty interesting. Morningstar breaks its taxable-bond category into 14 subcategories. Money is exiting intermediate-term bonds in droves, more than $52 billion. The inflows have been heading straight for bank loan funds, which took in $39 billion this year, and nontraditional bond funds, which took in more than $35 billion. "Investors are shifting out of core bonds funds and looking for more defensive plays in the face of rising interest rates," says Morningstar analyst Michael Rawson.

Pimco embodies this perfectly. Pimco Total Return (ticker: PTTAX) was the biggest loser, with $15 billion in outflows this year. But the Pimco Unconstrained Bond fund (PUBAX) was second-biggest beneficiary, pulling in $11 billion. "People aren't unhappy with Pimco, or lost faith in Bill Gross," Rawson says. "It's just that there's a better alternative within the same family."

It's still puzzling why investors haven't been more drawn to stocks. Thanks to the market's performance over the past four years, total assets in U.S. equity funds are at record levels, $5.3 trillion -- even higher than their peak of $4.3 trillion in 2007. Even so, of the 25 funds that took in the most money this year, only six were equity funds -- and just one, the Vanguard Total Stock Market Index fund (VITSX) was fully invested in U.S. stocks, and it's worth noting that it is a staple in 401(k) plans and included in Vanguard's asset allocation funds. On the international side, Oakmark International (OAKIX), run by David Herro, who has been appropriately lauded in Barron's on more than one occasion, took in $6 billion in new money, increasing its assets by nearly 50%, to $19.5 billion.

Investors are increasingly going international, though perhaps with more gusto than warranted by the MSCI EAFE index, up 10% for the year. International stock funds took in $86 billion, the bulk of the new money so far this year. The biggest-winning fund, however, was an international stock fund -- the $96 billion Vanguard Total International Stock Index fund (VGTSX), which took in nearly $13 billion.

"Investors are still cautious after the financial crisis," Rawson says. "It's seared in their memories. From 1995 through 2009, flows followed performance. That relationship has broken down." Perhaps a little repair is in order.

Scoreboard: Short on Value

-- Diversified U.S. stock funds lost 0.59% in the week ended Thursday, according to Lipper, slightly behind the S&P 500's 0.48% loss. Value funds in each size class did the worst; large-cap value funds lost 0.65%; mid-cap value funds lost 1.09%, and small-cap value lost 1.05%.

	One Week	Year-to-Date
U.S. STOCK FUNDS	-0.59%	19.94%
U.S. BOND FUNDS	0.29	-0.69
TOP SECTOR / Commodities Base Metals Funds	2.36	-13.05
BOTTOM SECTOR / India Region Funds	-3.18	-21.06

THE WEEK'S TOP 10

Fund Investment Objective	One Week	Year-to-Date
VelShs 3x Inv Crude ETN DSB	13.36%	-35.15%
VelShs TM 3x Inv Brnt Cr DSB	9.51	-6.81
ProShs II UlS DJ- UBS CrO CMS	8.74	-22.65
ProFunds UltSh Japan Inv DSB	7.89	-49.05
VelShs 3x Inv Nat Gas DSB	7.83	-14.48
ProShares Ult MSCI MexCI DL	7.82	-2.34
Glbl X FTSE Greece 20 European Region	7.61	2.75
Direxion Semicnd Bear 3X DSB	7.40	-55.60
Mrkt Vctrs Poland Emerging Markets	5.85	0.23
ProShs II Ult Yen SFI	5.85	-21.00

THE WEEK'S BOTTOM 10

Fund Investment Objective	One Week	Year-to-Date
VelShs 3x Long Crude ETN DL	-12.14%	25.33%
Direxion India Bull 3X DL	-9.29	-40.34
VelShs TM 3x Lng Brnt Cr DL	-8.90	-8.07
ProShs II Ult DJ-UBS CrO CMS	-8.22	17.31

VelShs 3x Long Nat Gas
DL -8.07 -35.64

FctrShs Oil Bl S&P500 Br
DL -8.06 -30.71

ProFunds UltraJapan Inv
DL -7.82 52.32

ProShares UlS MSCI MexCI
DSB -7.68 -10.68

Direxion Semicnd Bull 3X
DL -7.12 80.46

Direxion Gold M Bear 3X
DSB -5.71 151.51

THE LARGEST 10

Fund	Net Assets (billions)	Investment Objective	3-Year* Return	1-Week Return	YTD Return
PIMCO Tot Rtn Inst	$164.056	Intmd Inv Grade	4.38%	0.89%	-2.22%
SPDR S&P 500 ETF	154.099	S&P 500 Funds	17.00	-0.48	20.45
Vanguard T StMk Idx Inv	93.900	Multi Cap Core	17.45	-0.58	21.19
Vanguard Instl Indx Inst	80.848	S&P 500 Funds	17.10	-0.49	20.52
Vanguard T StMk Idx Adm	75.997	Multi Cap Core	17.59	-0.56	21.29
Vanguard 500 Index Adm	73.046	S&P 500 Funds	17.10	-0.48	20.52
Fidelity Contrafund	67.133	Large Cap Growth	16.50	-0.33	18.68
American Funds Inc A	63.968	MTAM	12.40	0.05	11.20
American Funds Gro A	63.958	Large Cap Growth	15.40	-0.58	19.36
American Funds CIB A	62.838	MTAG	10.22	0.21	8.97

*Annualized. Through Thursday.

Source: Lipper

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文件 B000000020130810e98c0000x

DOW JONES
NEWSWIRES

Barron's: The Trader: Blue Chips Slide 1.5% On Week

2,010 字
2013 年 8 月 10 日 09:50
Dow Jones Chinese Newswires English Content
RTNW
英文

(FROM BARRON'S 8/12/13)

By Sandra Ward

Obviously, the bulls went to the beach last week, leaving the markets in the grip of the bears.

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Barron's: The Trader: Blue Chips Slide 1.5% On Week -2-

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DJUSMarket	426.66	-4.56	-1.06
NYSEComp.	9622.11	-67.96	-0.70
NYSEMKTComp.	2336.67	-26.67	-1.13
S&P500	1691.42	-18.25	-1.07
S&PMidCap	1237.70	-16.06	-1.28
S&PSmallCap	592.07	-3.61	-0.61
Nasdaq	3660.11	-29.48	-0.80
ValueLine(arith.)	3944.23	-39.83	-1.00
Russell2000	1048.40	-11.46	-1.08
DJUSTSMFloat	17726.57	-189.87	-1.06

	Last Week	Week Earlier
NYSE		
Advances	1,074	1,603
Declines	2,109	1,587
Unchanged	56	46
NewHighs	383	563
NewLows	327	194
AvDailyVol(mil)	2,945.6	3,344.6
Dollar		
(Finexspotindex)	81.13	81.91
T-Bond		
(CBTnearbyfutures)	126-260	126-185
Crude Oil		
(NYMlightsweetcrude)	105.97	106.94
Inflation KR-CRB		

(FuturesPriceIndex)	285.38	283.77
Gold		
(CMXnearbyfutures)	1312.90	1310.60

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10-08-13 0850GMT

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NEWSWIRES

Barron's: The Trader: Blue Chips Slide 1.5% On Week

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(FROM BARRON'S 8/12/13)
By Sandra Ward

Obviously, the bulls went to the beach last week, leaving the markets in the grip of the bears.

Wall Street turned in its worst week since late June amid extremely light trading, dropping on four of five days, as investors' preoccupation with all that could go wrong come autumn dominated the action.

The Dow Jones Industrial Average dropped 232.85 points, or 1.5%, on the week, to close at 15,425.51, ending a six-week winning streak. The Standard & Poor's 500 fell 18.25 points, or 1.7%, ending at 1691.42. The Nasdaq lost 29.48 points, or 0.8%, finishing at 3660.11.

From concerns stoked by two Federal Reserve regional presidents suggesting that the nation's central bank would move sooner than expected to rein in its longtime efforts to stimulate the economy, to worries about another round of possible budget cuts under the so-called sequester as fiscal year 2014 looms, to a dismal outlook for back-to-school retail sales, investors grew more uneasy with the stock market's recent record-setting levels.

Adding to the fretfulness, August's claim to fame among traders is that it historically has been the worst-performing month since 1987, with the weakest results occurring in its first nine trading days, according to Stock Trader's Almanac editor-in-chief Jeffrey Hirsch. On average, the Dow has declined 1% in August, while the S&P 500 has slid 0.8%.

Despite last week's weakness, the S&P 500 rose 0.34% in the first nine trading days of August, defying the historical seasonality and reflecting the strength underpinning the market. In the past 21 years, there have been 11 positive starts in August; all but three preceded full-month gains.

The broad market averages wobbled early in the week before rebounding slightly Thursday, getting a lift from trade data from China that suggested its economy could be stabilizing after two quarters of declining growth. The data sparked a rally in materials stocks, such as Cliff's Natural Resources (CLF) and Newmont Mining (NEM), as China is the biggest consumer of raw materials.

How sustainable the demand from China is remains uncertain. Chinese exports jumped 2% in July from the previous month's total, but are still well below their January 2013 peak.

By Friday, jitters set in again, and investors chose to overlook the fact that of the 446 companies in the S&P 500 that reported quarterly results, 68% exceeded expectations, slightly more than the 67% of the past four quarters, according to Thomson Reuters.

Stop the kvetching already. There are plenty of reasons for optimism, as the good folks at Cornerstone Macro, a policy and investment-strategy firm started by star economist Nancy Lazar, formerly of Institutional Strategy & Investment Group, are quick to point out. They note that lower inflation, a strong dollar, and a smaller budget deficit have improved the profile of the U.S. economy, and that has translated into an expanding market multiple, which they estimate accounts for 15%, or 200 points, of the S&P's rise this year. China's goal of maintaining economic growth in the range of 7% to 7.5% -- relatively modest by its standards -- also will keep a lid on inflationary pressure, as commodity prices are kept in check.

"This is the early innings of a world of non-inflationary growth and P/E-driven markets," Cornerstone analysts told clients early last week. "It's a world that hasn't existed since the 1990s, and it will take time for investors to find comfort in it."

Despite record highs and gains of almost 19% this year, animal spirits remain subdued among investors. But there is more life left to this four-year-old bull market, as evidence mounts that global growth is re-accelerating, especially in the developed markets of the U.S., the U.K., and even the euro zone, which is showing signs of stabilization, according to Ed Yardeni, president and chief investment officer of Yardeni Research. Purchasing managers' indexes around the world are registering the strongest levels in more than two years, and global economic growth surged to a 16-month high in July, he notes, providing support for his forecast of relatively modest revenue growth of 5% for the S&P 500 next year. Recoveries in the auto and housing sectors continue to be drivers.

"This is a very broad bull market," Yardeni observes. "And the market is telling us that it may be time to transition from the theme of buying "stay home" stocks -- consumer staples, telecoms, utilities and regional banks -- to the "go global" stocks, cyclicals, and industrials and energy stocks."

More intriguing is Yardeni's view that conditions are in place that could trigger a boom in capital spending, something that's been missing since the expansion began four years ago, despite the gains in profits and cash flow, and that could add a few more years to this bull market and lead capital-goods stocks higher. In the past two business cycles, forward earnings and capital spending hit record highs at the same time. In contrast, in this cycle, forward earnings have been rising steadily since early 2011, while capital spending is stuck at the previous cycle's peak.

Strong readings in the purchasing managers index may compel businesses to start spending, as might a shortage of qualified workers, those with advanced degrees and work experience. Jobless claims for the four weeks ended Aug. 3 declined to 335,500, on average, the lowest level since November 2007 but the overall unemployment rate remains about 7.4%. Still, the jobless rate for workers with college degrees is just 3.8%, a number that suggests corporations might have to invest more in technology and software to meet their business demands.

Offering up its take on the U.S. economy last week in its daily missive to its influential clients around the world, Bridgewater Associates, the Westport, Conn., investment-management firm founded by investing legend Ray Dalio -- and the manager of the biggest hedge fund in the world -- pointed to encouraging signs for the U.S. economy as seen through the prism of the U.S. stock market, "one of the most complete discounting machines in existence." By this measure, "the economy is growing at a moderate pace that is fast enough to bring the unemployment rate steadily lower, while inflation pressures are falling. Consumer demand is the strongest element of growth, foreign demand is weak, the government is a net drag, and business spending is lagging, reflecting these combined influences. Liquidity is flowing freely, and credit conditions are improving."

Growth in the developed countries, relative to emerging markets, is the strongest in 15 years, observed the firm, adding that the U.S., in particular, seems most likely to power higher, even as the Fed pulls back on its stimulus. Without disclosing details, Bridgewater noted that it is positioned for sooner-than-expected tightening in the U.S. and a stronger dollar. It's also shorting the debt and currency of the emerging markets considered most vulnerable.

A steady parade of disappointing news last week from a host of fashion retailers spooked the retailing sector, as well as the broader markets, suggesting the critical back-to-school sales period could be a bust and that pressure on middle-class consumers could be intensifying.

Weak traffic and promotional activity were among the reasons cited by the likes of American Eagle Outfitters (AEO) and Aeropostale (ARO) in issuing warnings about their second-quarter performance, and by companies such as Ralph Lauren (RL) and Gap (GPS), whose reported results came in well below expectations.

All eyes will be on Wal-Mart Stores (WMT) when it reports its second-quarter results Thursday, to see if it is benefiting from the misfortunes of others in this challenging environment. Wal-Mart is the top back-to-school pick of Deborah Weinswig, a Citigroup Investment Research analyst, who likes its defensive position. Weinswig Friday reiterated her price target of $89 a share. Wal-Mart finished the week at $76.90.

Linn Energy's disappointing second-quarter profit report Thursday called into question the security of the company's distribution and led to a 7% drop in its share price last week to $24.99.

The company (LINE), which is structured like a master limited partnership, had its third straight quarter of flattish energy production, despite heavy capital expenditures. Linn's distributable cash flow of 65 cents per unit failed to cover its distribution -- the MLP equivalent of a dividend -- of 72.5 cents. That marks the third quarter in a row that Linn didn't cover the distribution.

Barron's has written critically on Linn several times this year, including articles in February and May ("Twilight of a Market Darling," May 6) when the units traded in the mid- to high $30s.

We've taken issue with Linn's accounting, particularly the way it calculates distributable cash flow -- excluding the cost of derivatives used to hedge its energy production, as well as much of its capital expenditures. A key

financial measure for MLP investors, DCF isn't governed by generally accepted accounting principles, so Linn's methods, while aggressive, are legal.

Factor in derivative expenses and Linn's distributable cash flow would fall to about 43 cents per unit; include capital expenditures and DCF would be negative.

Asked about the distribution outlook on its earnings conference call, Linn CEO Mark Ellis said the company won't comment on the 2014 distribution until it concludes a financial review later this year.

10 Aug 2013 00:09 EDT Barron's: The Trader: Blue Chips Slide 1.5% On -2-

Oppenheimer analyst Bernard Colson last week began coverage of Linn with an Underperform rating and a $23 price target. He wrote that Linn had "another weak quarter" and that its planned merger with Berry Petroleum (BRY) is "in jeopardy." That deal, which was scheduled to have closed around June 30, is on hold now amid an accounting inquiry of Linn by the Securities and Exchange Commission that Linn disclosed in early July. Linn said it is "committed" to the Berry deal, but Berry's commitment is unclear.

Linn's equity market value now is about $5.9 billion and it has $6.2 billion of debt. Colson wrote that Linn's debt is "too high for an E&P MLP" and that the company may need to issue equity to shore up its capital structure.

Linn's book value is $18 a share. The stock is worth no more than that.

-- Andrew Bary

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Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	15425.51	-232.85	-1.49
DJTransportation	6479.63	-172.06	-2.59
DJUtilities	503.04	-5.43	-1.07
DJ65Stocks	5232.34	-93.54	-1.76
DJUSMarket	426.66	-4.56	-1.06
NYSEComp.	9622.11	-67.96	-0.70
NYSEMKTComp.	2336.67	-26.67	-1.13
S&P500	1691.42	-18.25	-1.07
S&PMidCap	1237.70	-16.06	-1.28
S&PSmallCap	592.07	-3.61	-0.61
Nasdaq	3660.11	-29.48	-0.80
ValueLine(arith.)	3944.23	-39.83	-1.00
Russell2000	1048.40	-11.46	-1.08
DJUSTSMFloat	17726.57	-189.87	-1.06

	Last Week	Week Earlier
NYSE		
Advances	1,074	1,603
Declines	2,109	1,587
Unchanged	56	46
NewHighs	383	563
NewLows	327	194
AvDailyVol(mil)	2,945.6	3,344.6
Dollar		
(Finexspotindex)	81.13	81.91
T-Bond		
(CBTnearbyfutures)	126-260	126-185
Crude Oil		

(NYMlightsweetcrude)	105.97	106.94
Inflation KR-CRB		
(FuturesPriceIndex)	285.38	283.77
Gold		
(CMXnearbyfutures)	1312.90	1310.60

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Barron's: Fund Of Information: Going With The Flows

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(FROM BARRON'S 8/12/13)
By Beverly Goodman
Almost two years ago, I wrote my first column for Barron's, "Fund Investors Aren't So Dumb, After All." In it, I talked about how investors tended to choose better-performing funds than they were often given credit for -- the funds with the most assets performed in line with or even ahead of their relevant benchmark and the category as a whole. I also noted that some of the criticisms of fund investors were fair -- notably that they tend to be lagging indicators.

Which brings us to this year's fund flows. The S&P 500 is up more than 18% for the year; the Barclay's Aggregate has lost 3.4%. So why is it that taxable bond funds have taken in $62 billion in new money this year, while U.S. equity funds have taken in just $26 billion? Flows, courtesy of Morningstar, are through July.

Investors certainly aren't chasing returns -- though for once, maybe they should be. Stocks have had a very strong four years, while bonds face some pretty well-publicized head winds. A closer look provides some clues to this behavior: Half of the money that came into bond funds did so in January. When Federal Reserve Chairman Ben Bernanke reiterated at the end of May that the government's bond-buying program might wind down soon, that month's $18 billion in bond-fund inflows swung to $44 billion in outflows for June.

The flows within the fixed-income world are also pretty interesting. Morningstar breaks its taxable-bond category into 14 subcategories. Money is exiting intermediate-term bonds in droves, more than $52 billion. The inflows have been heading straight for bank loan funds, which took in $39 billion this year, and nontraditional bond funds, which took in more than $35 billion. "Investors are shifting out of core bonds funds and looking for more defensive plays in the face of rising interest rates," says Morningstar analyst Michael Rawson.

Pimco embodies this perfectly. Pimco Total Return (ticker: PTTAX) was the biggest loser, with $15 billion in outflows this year. But the Pimco Unconstrained Bond fund (PUBAX) was second-biggest beneficiary, pulling in $11 billion. "People aren't unhappy with Pimco, or lost faith in Bill Gross," Rawson says. "It's just that there's a better alternative within the same family."

It's still puzzling why investors haven't been more drawn to stocks. Thanks to the market's performance over the past four years, total assets in U.S. equity funds are at record levels, $5.3 trillion -- even higher than their peak of $4.3 trillion in 2007. Even so, of the 25 funds that took in the most money this year, only six were equity funds -- and just one, the Vanguard Total Stock Market Index fund (VITSX) was fully invested in U.S. stocks, and it's worth noting that it is a staple in 401(k) plans and included in Vanguard's asset allocation funds. On the international side, Oakmark International (OAKIX), run by David Herro, who has been appropriately lauded in Barron's on more than one occasion, took in $6 billion in new money, increasing its assets by nearly 50%, to $19.5 billion.

Investors are increasingly going international, though perhaps with more gusto than warranted by the MSCI EAFE index, up 10% for the year. International stock funds took in $86 billion, the bulk of the new money so far this year. The biggest-winning fund, however, was an international stock fund -- the $96 billion Vanguard Total International Stock Index fund (VGTSX), which took in nearly $13 billion.

"Investors are still cautious after the financial crisis," Rawson says. "It's seared in their memories. From 1995 through 2009, flows followed performance. That relationship has broken down." Perhaps a little repair is in order.

Scoreboard: Short on Value

-- Diversified U.S. stock funds lost 0.59% in the week ended Thursday, according to Lipper, slightly behind the S&P 500's 0.48% loss. Value funds in each size class did the worst; large-cap value funds lost 0.65%; mid-cap value funds lost 1.09%, and small-cap value lost 1.05%.

	One Week	Year-to-Date
U.S. STOCK FUNDS	-0.59%	19.94%
U.S. BOND FUNDS	0.29	-0.69
TOP SECTOR / Commodities Base Metals Funds	2.36	-13.05
BOTTOM SECTOR / India Region Funds	-3.18	-21.06

THE WEEK'S TOP 10

Fund Investment Objective	One Week	Year-to-Date
VelShs 3x Inv Crude ETN DSB	13.36%	-35.15%
VelShs TM 3x Inv Brnt Cr DSB	9.51	-6.81
ProShs II UlS DJ-UBS CrO CMS	8.74	-22.65
ProFunds UltSh Japan Inv DSB	7.89	-49.05
VelShs 3x Inv Nat Gas DSB	7.83	-14.48
ProShares Ult MSCI MexCI DL	7.82	-2.34
Glbl X FTSE Greece 20 European Region	7.61	2.75
Direxion Semicnd Bear 3X DSB	7.40	-55.60
Mrkt Vctrs Poland Emerging Markets	5.85	0.23
ProShs II Ult Yen SFI	5.85	-21.00

THE WEEK'S BOTTOM 10

Fund Investment Objective	One Week	Year-to-Date
VelShs 3x Long Crude ETN DL	-12.14%	25.33%
Direxion India Bull 3X DL	-9.29	-40.34
VelShs TM 3x Lng Brnt Cr DL	-8.90	-8.07
ProShs II Ult DJ-UBS CrO CMS	-8.22	17.31

VelShs 3x Long Nat Gas	DL	-8.07	-35.64
FctrShs Oil Bl S&P500 Br	DL	-8.06	-30.71
ProFunds UltraJapan Inv	DL	-7.82	52.32
ProShares UlS MSCI MexCI	DSB	-7.68	-10.68
Direxion Semicnd Bull 3X	DL	-7.12	80.46
Direxion Gold M Bear 3X	DSB	-5.71	151.51

THE LARGEST 10

Fund	Net Assets (billions)	Investment Objective	3-Year* Return	1-Week Return	YTD Return
PIMCO Tot Rtn Inst	$164.056	Intmd Inv Grade	4.38%	0.89%	-2.22%
SPDR S&P 500 ETF	154.099	S&P 500 Funds	17.00	-0.48	20.45
Vanguard T StMk Idx Inv	93.900	Multi Cap Core	17.45	-0.58	21.19
Vanguard Instl Indx Inst	80.848	S&P 500 Funds	17.10	-0.49	20.52
Vanguard T StMk Idx Adm	75.997	Multi Cap Core	17.59	-0.56	21.29
Vanguard 500 Index Adm	73.046	S&P 500 Funds	17.10	-0.48	20.52
Fidelity Contrafund	67.133	Large Cap Growth	16.50	-0.33	18.68
American Funds Inc A	63.968	MTAM	12.40	0.05	11.20
American Funds Gro A	63.958	Large Cap Growth	15.40	-0.58	19.36
American Funds CIB A	62.838	MTAG	10.22	0.21	8.97

*Annualized. Through Thursday.

Source: Lipper

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NewLows	327	194
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Dollar		
(Finexspotindex)	81.13	81.91
T-Bond		
(CBTnearbyfutures)	126-260	126-185
Crude Oil		
(NYMlightsweetcrude)	105.97	106.94
Inflation KR-CRB		
(FuturesPriceIndex)	285.38	283.77
Gold		
(CMXnearbyfutures)	1312.90	1310.60

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*DJ Institutional Shareholder Services Recommends Office Depot Hldrs Vote The GOLD Proxy Card To Elect Starboard Nominees At Upcoming Annual Meeting

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9 Aug 2013 09:07 EDT PRESS RELEASE: Institutional Shareholder Services (ISS) Recommends Office Depot Shareholders Vote the GOLD Proxy Card to Elect Starboard Nominees at Upcoming Annual Meeting

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ISS Concludes that "Under the Current Board, as Starboard Has Demonstrated, the Company Has Persistently Underperformed, Failed at Managing a Clean CEO Search Process, and Been Unresponsive to Governance Concerns"

Starboard Has "Demonstrated a Compelling Case For Change at Office Depot's Board is Warranted Whether Or Not the Merger with OfficeMax Closes"

Recommends Office Depot Shareholders Vote on the GOLD Proxy Card to Elect Starboard Nominees Cynthia Jamison, Jeffrey Smith and Joseph S. Vassalluzzo at Upcoming Annual Meeting

Starboard Urges All Shareholders to Vote the GOLD Proxy Card to Support the Election of All Four Starboard Nominees -- Cynthia Jamison, Robert Nardelli, Jeffrey Smith and Joseph S. Vassalluzzo

PR Newswire

NEW YORK, Aug. 9, 2013

NEW YORK, Aug. 9, 2013 /PRNewswire/ -- Starboard Value LP (together with its affiliates, "Starboard"), the largest shareholder of Office Depot, Inc. (NYSE: ODP) ("Office Depot" or the "Company") with approximately 14.6% of the outstanding common stock of the Company, announced today that Institutional Shareholder Services (ISS), a leading independent proxy voting advisory firm, has recommended that Office Depot shareholders vote on Starboard's GOLD proxy card to elect three of Starboard's highly qualified nominees, Cynthia Jamison, Jeffrey Smith and Joseph S. Vassalluzzo. ISS recommended that Office Depot shareholders "DO NOT VOTE" on the Company's white proxy card.

Starboard urges all Office Depot shareholders to follow ISS' recommendation for change on the Office Depot Board. Vote the GOLD proxy card TODAY to elect all four of Starboard's highly qualified nominees, Cynthia Jamison, Robert Nardelli, Jeffrey Smith and Joseph S. Vassalluzzo,

In reaching its conclusion, ISS performed a detailed analysis of both sides' positions in the election contest and, in particular, carefully considered, among other things, the Company's declining total shareholder return, "abysmal" operating performance, troubling 2010 CEO search process and current CEO search process, unresponsiveness to governance concerns, as well as the strong experience and qualifications of Starboard's nominees. ISS concluded that shareholders should vote on the GOLD proxy card saying:

"Hence, Office Depot is at a critical juncture -- the merger with OfficeMax, if consummated, could mark the beginning of a true turnaround for the company. However, for that turnaround to be successful, Office Depot needs the right leadership. Under the current board, as Starboard has demonstrated, the company has persistently underperformed, failed at managing a clean CEO search process, and been unresponsive to governance concerns shareholders have underscored through their low voting support for various ballot items over the past several years. For these reasons, it appears the dissidents have made a compelling case that a change at the board level is warranted."

"As such, the board could benefit from the skill sets of Joseph Vassalluzzo, Cynthia Jamison, and Jeffrey Smith -- which together offer relevant operating experience, substantial governance experience, and significant shareholder perspective."

Excerpts from ISS' Analysis & Recommendation

On Concluding that Change is Warranted on the Office Depot Board:

"The Company's performance has been poor for years -- both relative to peers Staples and OfficeMax and on an absolute basis. The board's weakness extends beyond failure to oversee improvements in shareholder value and operating performance and into fundamental governance issues like committee representation and executive compensation. Lastly, the board has been overshadowed by doubts about its ability to run an effective and truly independent CEO search, a matter still highly relevant to the company today."

On Office Depot's Declining Total Shareholder Return:

Looking at 3-year and 5-year total shareholder return starting in March 2010 and 2008, respectively -- the 3- and 5- year periods prior to Starboard's announcing its intention to nominate directors -- affords a more balanced view. While the returns of each of the three major office supply store competitors were negative, Office Depot experienced an even greater decline than either peer. Over the 3-year period, Office Depot lost 50.8% of value, compared to OfficeMax and Staples losing 30.9% and 39.1%, respectively, and the broader market, measured by the S&P500, gaining 42.7%. Over the 5-year period, Office Depot lost 64.1% of value, as compared to OfficeMax and Staples losing 37.1% and 31.8%, respectively, and the broader market, measured by the S&P500, gaining 34.3%."

On the Flawed 2010 CEO Search Process and Current CEO Search Process:

"In 2010, the board thought it appropriate that Austrian serve on the CEO selection committee and, in effect, help select himself. In 2013, the board agreed to leave the CEO issue unsettled until after the deal is consummated. If shareholders regard hiring and firing the CEO as one of a board's most important roles, they may understandably be frustrated that the ODP board, faced with a transformational transaction, does not appear to agree."

On Confirming the Governance Problems at Office Depot Raised by Starboard:

"Starboard raises several governance concerns at Office Depot including issues related to compensation and board structure. There appears to be some merit to these concerns:

-- In 2010, ISS recommended that shareholders vote against 2 incumbent nominees, Rubin and Svider, for standing as affiliated outsiders on the Corporate Governance & Nominating and Compensation committees, respectively. In 2010, Rubin received 18.8% and Svider received 21.6% WITHHOLD votes. These directors continued to serve on said committees.

-- In 2011, ISS recommended that shareholders vote against the same 2 incumbent nominees, Rubin and Svider, for standing as affiliated outsiders on the Corporate Governance & Nominating and Compensation committees, respectively. Rubin received 30.2% and Svider received 37.1% WITHHOLD votes. The directors continued to serve on said committees.

-- In 2011, ISS recommended that shareholders vote AGAINST the company's say-on-pay proposal due to severance and retention agreements and lack of alignment between executives' pay and performance. The proposal garnered only 66.8% approval.

-- In 2012, ISS recommended that shareholders vote against the same 2 incumbent nominees, Rubin and Svider, for standing as affiliated outsiders on the Corporate Governance & Nominating committee. Rubin received 21.8% and Svider received 31.6% WITHHOLD votes. The directors continued to serve on said committees (Rubin, however, resigned from the board in July 2012 when he left
BC Partners).

-- In 2012, ISS supported the company's say-on-pay proposal, but expressed a cautious view due to higher-than-median CEO pay (and a former president's severance arrangement) given it was Austrian's first full year as CEO."

On Why Office Depot is Now at a Critical Juncture:

"However, when it came to deciding the terms of the deal, it appears that OfficeMax had the stronger hand: Office Depot wanted a Cash/Stock deal, OfficeMax wanted a merger-of-equals structure; Office Depot wanted to select a CEO in advance of closing the deal, OfficeMax wanted to wait until after the fact. On these two points, OfficeMax was the clear victor....As a result, shareholders are left in somewhat of a quandary. Merging with OfficeMax seems better than the alternative of standing-SHY--alone, which has yielded abysmal results. There is clear synergy value, and, with greater scale, perhaps the 2 companies, together, can compete more effectively with the likes of Staples. On the other hand, shareholders don't know the details of the combined company -- what is the strategy, where is the corporate headquarters, and, most importantly, who will be in charge?"

"The merger with OfficeMax, if consummated, will mark the beginning of a new era for the company. It will not erase a past which, according to one independent analyst at BB&T, was filled with 'strategic and financial blunders...including frequent earnings misses and continued financial underperformance to Staples and OfficeMax; multiple earnings restatements, numerous allegations of overcharging in the government delivery business; and a Regulation FD Violation.'"

"The past also includes an allegedly flawed CEO search process in 2010, and the previously---noted governance concerns related to compensation and board structure which shareholders, via their votes, repeatedly aired to a seemingly unresponsive board."

On the Strong Qualifications of the Starboard Nominees ISS is Supporting:

Joseph S. Vassalluzzo

"Joseph Vassalluzzo, having held senior positions at Staples from 1989-2005, could bring significant experience and insight to the board. While at Staples, he had worldwide responsibility for all of Staples' real estate activities, including the development and management of all retail stores, distribution, office and warehouse centers, all engineering, construction and design activities, and facilities management. Vassalluzzo was also responsible for the legal department's activities and negotiated the majority of Staples M&A transactions.

In addition, Vassalluzzo also has significant public board experience, having served on the iParty board until its sale in 2013, and currently serves on the Federal Realty Investment Trust and LifeTime Fitness boards. Throughout his tenure on the Federal Realty Investment Trust and LifeTime Fitness boards, those companies have seen significant growth and share price appreciation."

Cynthia Jamison

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Cynthia Jamison has excellent operating experience, having served as CFO at COSI and ISCO throughout their turnarounds, and substantial board experience, including serving on the Tractor Supply Company and B&G Foods boards since 2002 and 2004, respectively. At Tractor Supply, Jamison is Lead Director, chairs the Governance Committee, and serves on the Audit. She also helped oversee a CEO succession in 2012. At B&G Foods, she chairs the Audit Committee. Given the governance concerns at Office Depot, Jamison's board experience appears highly relevant."

Jeffrey C. Smith

"As co-founder and CEO of Starboard, which owns nearly 15% of shares, Jeffrey Smith would add significant shareholder perspective to the board. Smith also has extensive public company board experience, including current service on the boards of Regis Corporation and Quantum Corporation. Starboard has publicly promoted several potentially value-creating ideas for Office Depot, and has also publicly supported the merger with OfficeMax, which suggests that as a director not only would he would work to help set that combined company on a path to success, but that he would also continue to push for improvements in the company's operating performance, whether or not the OfficeMax merger ultimately receives regulatory clearance to close."

Jeffrey C. Smith, Managing Member, Chief Executive Officer and Chief Investment Officer of Starboard Value, stated, "ISS' strong showing of support for our nominees provides significant validation that changes to the composition of the Board of Office Depot are required at this critical juncture. If elected, Cynthia Jamison, Robert Nardelli, Joe Vassalluzzo and I are firmly committed to working seamlessly and constructively with the full Board and within the parameters of the ongoing Merger integration process so that the implementation of the OfficeMax Merger can be as successful as possible. If for any reason the OfficeMax Merger is not completed, we will work constructively with the other Board members to achieve the best possible success for Office Depot as a stand-alone company, while representing the best interests of all shareholders."

Concluded Smith, "We greatly appreciate the strong support from ISS for the election of three of Starboard's nominees on the GOLD proxy card. We urge all of our fellow shareholders to vote their GOLD proxy card today to elect our highly-qualified director nominees to the Board of Office Depot."

About Starboard Value LP

Starboard Value LP is a New York-based investment adviser with a focused and differentiated fundamental approach to investing in publicly traded U.S. small cap companies. Starboard invests in deeply undervalued small cap companies and actively engages with management teams and boards of directors to identify and execute on opportunities to unlock value for the benefit of all shareholders.

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9 Aug 2013 09:11 EDT *DJ ISS Recommends Office Depot Holders Elect Starboard Nominees Cynthia Jamison, Jeffrey Smith and Joseph S. Vassalluzzo

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Dow Jones Newswires

MARKET TALK: US Stocks Set To Open Lower

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Dow Jones Global Equities News
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0952 GMT [Dow Jones] US stocks are set to open modestly lower Wednesday amid lingering fears that the Federal Reserve may start tapering asset purchases as early as September, says Ishaq Siddiqi, market strategist at ETX Capital. He calls the DJIA off 61 points at 15457.74 and the S&P500 off seven points at 1690.37. "Fed-speak Tuesday left markets feeling uneasy about the tapering process as two FOMC members, Evans and Lockhart, indicated that the uptick in US economic conditions may warrant a reduction in asset purchases," he says. Adds that with US macro indicators showing solid upswings this week- the ISM services and trade deficit figure both beat estimates - the case for tapering in September is building. Dow and S&P 500 front month futures contract trade down 0.3% at 15420.00 and 1688.30, respectively. (michele.maatouk@dowjones.com)

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DOW JONES
NEWSWIRES

DJ MARKET TALK: US Stocks Set To Open Lower

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Dow Hits New High -- Up 20% for the Year

By Vito J. Racanelli
2,136 字
2013 年 8 月 5 日
Barron's
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M3
英文

The Goldilocks economy is back. Soft job news Friday wasn't enough to dent another big week for equities, with the major indexes setting new highs Friday -- again. The continuing excitement has come on generally "just good enough" data from the U.S. economy, from second-quarter corporate earnings, and even from the jobs arena.

In many cases, bullish data -- such as Thursday's lower jobless-benefit filings -- came with ancillary figures or revisions that undercut the trend, like Friday's weaker-than-expected hiring data. Yet the combination didn't set off investor fears the reports would sway the Federal Reserve Board to speed up an eventual withdrawal of monetary stimulus.

In general the economic figures "were nothing great, but nothing too bad," says Dan Morgan, a portfolio manager at Synovus Trust.

The Dow Jones Industrial Average rose almost 100 points to 15,658.36, up 0.6%, a new high and up 19.5% this year. The S&P 500 index gained 18, or 1%, to finish at 1709.67, also a record high, the 25th this year, when it is up 20%. The tech heavy Nasdaq Composite index jumped 2%, or 76 points, to 3689.59.

In the way of technical indicators, the market shows strong underpinnings: The number of stocks making new 52-week highs remains firm, those over their 50-day moving average hover around 80%, and breadth is strong.

It does seem as if the Goldilocks economy is back, says Stephen Massocca, a managing director at Wedbush Equity Management. Older readers remember that the 1995-1996 stock rally came amid U.S. domestic-product growth that was neither too fast to set off inflation fears nor too slow to ignite earnings-growth worry. "It's a bumbling, stumbling recovery," Massocca says of today's U.S. economy.

Investors are again wrestling with whether they want a stronger economy or not. Slower growth means the Fed's punch bowl remains available but that corporate earnings increases, now a tepid 4%, could ease even more. Faster economic expansion would help profits -- and therefore stocks -- but investors fear the early withdrawal of central-bank stimulus, a big propellent of this year's hefty gains.

Friday, the Labor Department said the economy created 162,000 jobs in July, weaker than expected. The unemployment rate fell to 7.4% from 7.5%, the lowest since late 2008.

James McDonald, chief investment strategist at Northern Trust, says Friday's new-hire data "was a win for the interest-rate doves." But the fact remains that the Fed has changed its bias toward withdrawing the stimulus.

At some point, the market will have to deal with the removal of training wheels.

Turmoil in the global potash patch last week was bad news for the cartel of companies mining the stuff, but good news for farmers around the world. They'll pay less for fertilizer, of which potash is a principal component.

Patient investors with a long-term horizon can also pay less, with what might prove a good entry point for Potash Corp. of Saskatchewan (ticker: POT), the giant Canadian producer. At Friday's close of $28.91, it was off 22% for the week, and shares are down by a third from the 2013 high of $44.

The market's headlong exit followed news July 30 of a pricing agreement bust-up between a large Russian producer, Uralkali (URKA.Russia), and Belarus's Belaruskali. With the Russians said to be intent on raising volume, some believe potash prices could drop 25% to $300 per metric ton by year end. There are fears it could fall further.

That would eat into Potash earnings. Last week, the consensus 2013 profit per-share estimate fell from $2.80 to $2.46. That matches the low end of Potash's guidance, released with second-quarter earnings the week before last, when the firm missed quarterly EPS estimates. It lowered 2013 guidance to $2.45 to $2.70 per share, from $2.75 to $3.25.

Keith Goddard, CEO of Capital Advisors, a shareholder who didn't sell on the news, advises not to look for an immediate rebound as the potash world sorts out this big change. However, Potash is a low-cost producer, and can earn $2 per share with $300 potash, he adds. That's what happened in 2010, when the stock was over $30 most of the year.

It can make $2.20 to $2.50 a share in the current environment, Goddard says. Because it's a commodity producer, Potash's results have been up and down over the years, but it sports a good balance sheet and has managed to be profitable in good times and bad. With an annual dividend of $1.40, the stock yields 4.8%.

More importantly, the long-term Potash investment thesis still holds: Diets are improving around the world and moving toward protein, particularly in India and China. Combine that with lots of underutilized farm acreage and lower fertilizer prices, and the demand should continue to grow nicely.

It's a good bet that two or three years out, potash pricing will have recovered as demand grows and supply doesn't. Many believe, for example, that Australia's BHP Billiton (BHP) will delay construction of its planned $14 billion Jansen mine project in Canada. There are high barriers to entry and lower prices will drive out marginal producers, leading to stabilization and then improvement in pricing. It's a cycle, and it's happened before.

Potash stock is below long-term median price-to-earnings values for both forward and trailing EPS, though still above all-time lows. It trades at 11.7 times the $2.46 estimate, though, as noted, that could go down some more. Every $100 change in the average annual price of potash is worth about 70 cents of earnings per share, according to Morgan Stanley.

The firm recently announced a $2 billion share-repurchase plan, which should help support the stock price. And Potash also sells phosphate and nitrogen products, less affected by the potash changes, and roughly 40% of gross margin.

There are wild cards, both negative and positive. Should BHP go ahead with its new mine or many producers try to make up lost revenue with higher volumes, prices could drop some more. On the upside, some think Uralkali's move was just a gambit and the cartel could form anew.

If commodity markets stabilize, Potash stock, with its nearly 5% yield, could show a 30% total return over the next two to three years.

At Friday's close of $7.33, Just Energy Group (JE), a Canadian retailer of gas and electricity both at home and in some American states, boasts a sizable yield of 11%. Paid monthly, it's attractive to income-seeking individual investors. However, it's generally wise to be wary of a double-digit yield. While it could mean the stock is undervalued, more often it suggests the payout is unsustainable, a legitimate worry for shareholders of Just Energy, which has a market cap of C$1.04 billion (US$1 billion).

The March-end 2013 fiscal-year financials show Just Energy's cash generation didn't cover the dividend, and it's increasingly constrained by a levered balance sheet. A further dividend reduction -- it was cut in February -- might be necessary unless the firm suddenly starts to generate cash much faster than it has for the last two years. Last February, management reduced the payout to 84 Canadian cents from C$1.24, breaking a promise made last year to maintain it until at least May 2013.

Base Ebitda in fiscal 2013 fell to C$163.1 million, down from C$193.3 million in 2012 and C$223.7 million in fiscal 2011. The dividend payout ratio on the Ebitda, the portion that goes to pay the dividend, soared to 109% in fiscal 2013 from 91% fiscal '12 and 76% in the previous fiscal year. Cash flow from continuing operations fell to C$100 million from C$147 million, and balance-sheet cash was C$38.5 million versus C$53.2 million at fiscal 2012 year end.

Yet Just Energy needs C$121 million to fund the annual dividend on its 144 million shares, and also has about C$162 million in financing coming due over the next 12 months, according to analyst Kevin Chu of Accountability Research, an independent Canadian equity-research outfit with a Sell rating on the stock. Together that's C$283 million.

Things look tight given coming demands on its liquidity, the $38.5 million cash plus about C$260 million available from its $370 million bank-credit facility -- which expires in December and must be renegotiated.

Chu estimates the fiscal 2014 estimate payout ratio would be 139% of free cash flow. Dipping into bank credit to pay dividends might not sit well with investors.

Bullish investors are swayed by net income of C$529.7 million, or $3.68 per share in fiscal 2013, a swing from a loss of C$126.6 million, or 93 cents in 2012. Sales rose 9% from 2012 to C$2.88 billion, but were flat on fiscal 2011. Looks good, but that came courtesy of a big noncash mark-up in the fair value of derivative instruments to the tune of C$719.6 million. In the previous fiscal year, that was a negative C$96.2 million. A loss in fiscal 2013 would have been likely without that gain.

The company says in its financials that these swings in paper value make results volatile and "don't impact the long-term financial performance." It doesn't reflect on Just Energy's day-to-day business. The Toronto-based firm is mainly a middle man in a highly competitive industry with many rivals, and some have an advantage with their own generating capacity, which Just Energy doesn't.

While there was a 10% growth in customers to 4.6 million in fiscal 2013, the company's fiscal 2014 base Ebitda guidance of C$220 million, a 35% jump, seems aggressive in light of its customer growth and low natural-gas prices. Just Energy is leveraged, too, with C$966 million in long-term debt, and a ratio of debt to Ebidta just below six times -- high compared with peers.

Just Energy challenged our dividend concerns. CFO Beth Summers says the fiscal 2014 guidance of C$220 million base Ebitda means that the payout ratio would be under 100%. The company is entering only one new market, down from 10 last year, she adds, so the 35% Ebitda rise will come from less spending on customers, whose payments come in years after the marketing expenditure to obtain them; from less infrastructure spending; and from the fact that the last fiscal year was hurt by weather issues. "We are in all the markets we want to be in and it's a matter of continuing to grow in those markets." The company is "comfortable" with the dividend, she says.

Just Energy reports fiscal first-quarter results Aug. 8, and investors should be looking for revenue growth, not just lower expenses. The dividend clock is ticking. At the moment, Just Energy shares seem just-plain expensive.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	15658.36	+99.53	+0.64
DJTransportation	6651.69	+178.77	+2.76
DJUtilities	508.47	+4.06	+0.80
DJ65Stocks	5325.88	+69.23	+1.32
DJUSMarket	431.22	+5.16	+1.21
NYSEComp.	9690.07	+69.94	+0.73
NYSEMKTComp.	2363.33	+9.85	+0.42
S&P500	1709.67	+18.02	+1.07
S&PMidCap	1253.76	+25.49	+2.08
S&PSmallCap	595.68	+7.01	+1.19
Nasdaq	3689.59	+76.42	+2.12
ValueLine(arith.)	3984.06	+64.64	+1.65
Russell2000	1059.86	+11.35	+1.08
DJUSTSMFloat	17916.44	+212.37	+1.20

	Last Week	Week Earlier
NYSE		
Advances	1,603	1,424
Declines	1,587	1,757
Unchanged	46	49
NewHighs	563	552
NewLows	194	170
AvDailyVol(mil)	3,344.6	3,017.6
Dollar		
(Finexspotindex)	81.91	81.66
T-Bond		
(CBTnearbyfutures)	126-185	126-220

Crude Oil		
(NYMlightsweetcrude)	106.94	104.70
Inflation KR-CRB		
(FuturesPriceIndex)	283.77	284.46
Gold		
(CMXnearbyfutures)	1310.60	1321.70

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DOW JONES
NEWSWIRES

DJ MARKT USA/Needham hält Verschnaufpause bei Viacom für nötig

157 字
2013 年 8 月 5 日 13:01
Dow Jones Nachrichten auf Deutsch
RTDJGE
英文

Nach kräftigen Kursgewinnen und zwei Jahren mit Buy-Rating hält Needham bei Viacom eine Verschnaufpause für nötig. Die Bank hat die Aktie des Medienkonzerns auf Hold zurückgestuft. Aus Sicht der Investmentbank sind alle entscheidenden Faktoren wie ausgeweitete Aktienrückkäufe, die Bewertung von Nickelodeon und das dortige Wachstum bereits eingepreist. Am Freitag hatten Viacom-Papiere 6,5 Prozent auf 79,17 Dollar gewonnen, seit Mitte Juni ist dies ein Plus von 21 Prozent und damit das Dreifache des S&P500-Anstiegs. Seit Jahresbeginn hat Viacom sogar 50 Prozent zugelegt.

Anders die Meinung bei J.P. Morgan. Die Bank hat das Kursziel um 10 auf 90 Dollar erhöht und sieht die Aktie im Vergleich zu Medienkonkurrenten mit einem beträchtlichen Abschlag bewertet. Das sei nicht gerechtfertigt angesichts der guten Aussichten.

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DJG/DJN/smh/raz

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DOW JONES
NEWSWIRES

DJ VS VANDAAG: Wall Street opent vlak

408 字
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Dow Jones Dutch Newswire
RTDJDU
英文

AMSTERDAM (Dow Jones)--Wall Street zal maandag naar verwachting vrijwel vlak openen, in afwachting van macro-data en speeches van diverse Fed-functionarissen.

De futures van de Dow Jones Industrial Average (DJIA) noteren omstreeks 14.50 uur 16 punten lager, de S&P 500 futures staan 2,50 punten lager en de Nasdaq 100 futures stijgen 0,50 punten.

Beleggers maken maandag een pas op de plaats nadat zowel de Dow Jones Industrial Average als de S&P500 index vrijdag op recordhoogten sloten, de Treasury leningen stegen en de dollar verloor ten opzichte van andere belangrijke valuta, nadat het Amerikaans banenrapport voor juli lager uitkwam dan verwacht.

Op macro-economisch vlak staat maandag slechts de Amerikaanse inkoopmanagersindex voor de dienstensector voor juli op de agenda, waarbij gerekend wordt op een stijging van de index tot 53,3 van 52,2 een maand eerder.

Daarnaast gaat de aandacht uit naar een reeks speeches gedurende de handelsweek van een aantal Fed-functionarissen, waaronder Dallas Fed president Richard Fisher op maandag en Chicago Fed-voorzitter Charles Evans dinsdag.

Qua bedrijfsnieuws kan Apple onder andere rekenen op de aandacht van de beleggers, nadat de regering Obama zaterdag zijn veto uitsprak over het verbod van een Amerikaanse handelsorganisatie tegen de verkoop van sommige iPhones en iPads, waarbij Washington redeneert dat concurrent Samsung daarmee onrechtmatig in het voordeel gesteld wordt. Apple wint voorbeurs 0,7%.

Facebook noteert voorbeurs 0,9% hoger, waarmee het concern de opwaartse trend van vrijdag voortzet, nadat het aandeel voor het eerst in bijna vijftien maanden boven zijn uitgifteprijs van $38,00 per aandeel sloot.

HSBC, dat tevens in New York is genoteerd, noteert voorbeurs 5,5% lager. Hoewel het Britse concern over zijn eerste halfjaar een stijging van de nettowinst rapporteerde met 23%, vanwege de resultaten van zijn driejarig besparingsprogramma, liet chief executive Stuart Gulliver waarschuwende woorden horen over de Chinese economische groei.

Berkshire Hathaway wint 0,5%, nadat het concern vrijdag laat een stijging van de nettowinst rapporteerde met 46%.

Tyson Foods rapporteerde voorbeurs over zijn fiscale derde kwartaal een nettowinst van $249 miljoen, ofwel $0,69 per aandeel, versus $76 miljoen, ofwel $0,22 per aandeel, een jaar eerder. De omzet steeg 5,7% tot $8,73 miljoen. Het aandeel wint 0,2%.

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(END) Dow Jones Newswires

05-08-13 1315GMT

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DOW JONES
NEWSWIRES

DJ CHART ProShares Short S&P500 ST: the RSI is oversold

194 字
2013 年 8 月 5 日 17:48
Dow Jones Institutional News
DJDN
英文

(TRADING Central) PARIS -- Click here to see our chart:
http://www.tradingcentral.com/chart/SHUSD130805184640.gif

Our pivot point stands at 28.3.

Our preference: the downside prevails as long as 28.3 is resistance.

Alternative scenario: the upside breakout of 28.3 would call for 28.8 and 29.2.

Comment: the RSI is trading below 30. This could mean that either the stock is in a lasting downtrend or just oversold and that therefore a rebound could shape (look for bullish divergence in this case). The MACD is below its signal line and negative. The configuration is negative. Moreover, the stock is trading under both its 20 and 50 day MA (respectively at 28.14 and 28.84). ProShares Short S&P500 is currently trading near its 52 week low at 27.72 reached on 02/08/13.

Supports and resistances:

28.8 *

28.3 **

28

27.75 last

27.1

26.7 **

26.4 *

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August 05, 2013 12:48 ET (16:48 GMT)

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DOW JONES
NEWSWIRES

Barron's: The Trader: Dow Hits New High -- Up 20% For The Year

2,161 字
2013 年 8 月 3 日 05:07
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 8/5/13)
By Vito J. Racanelli
The Goldilocks economy is back. Soft job news Friday wasn't enough to dent another big week for equities, with the major indexes setting new highs Friday -- again. The continuing excitement has come on generally "just good enough" data from the U.S. economy, from second-quarter corporate earnings, and even from the jobs arena.

In many cases, bullish data -- such as Thursday's lower jobless-benefit filings -- came with ancillary figures or revisions that undercut the trend, like Friday's weaker-than-expected hiring data. Yet the combination didn't set off investor fears the reports would sway the Federal Reserve Board to speed up an eventual withdrawal of monetary stimulus.

In general the economic figures "were nothing great, but nothing too bad," says Dan Morgan, a portfolio manager at Synovus Trust.

The Dow Jones Industrial Average rose almost 100 points to 15,658.36, up 0.6%, a new high and up 19.5% this year. The S&P 500 index gained 18, or 1%, to finish at 1709.67, also a record high, the 25th this year, when it is up 20%. The tech heavy Nasdaq Composite index jumped 2%, or 76 points, to 3689.59.

In the way of technical indicators, the market shows strong underpinnings: The number of stocks making new 52-week highs remains firm, those over their 50-day moving average hover around 80%, and breadth is strong.

It does seem as if the Goldilocks economy is back, says Stephen Massocca, a managing director at Wedbush Equity Management. Older readers remember that the 1995-1996 stock rally came amid U.S. domestic-product growth that was neither too fast to set off inflation fears nor too slow to ignite earnings-growth worry. "It's a bumbling, stumbling recovery," Massocca says of today's U.S. economy.

Investors are again wrestling with whether they want a stronger economy or not. Slower growth means the Fed's punch bowl remains available but that corporate earnings increases, now a tepid 4%, could ease even more. Faster economic expansion would help profits -- and therefore stocks -- but investors fear the early withdrawal of central-bank stimulus, a big propellent of this year's hefty gains.

Friday, the Labor Department said the economy created 162,000 jobs in July, weaker than expected. The unemployment rate fell to 7.4% from 7.5%, the lowest since late 2008.

James McDonald, chief investment strategist at Northern Trust, says Friday's new-hire data "was a win for the interest-rate doves." But the fact remains that the Fed has changed its bias toward withdrawing the stimulus.

At some point, the market will have to deal with the removal of training wheels.

Turmoil in the global potash patch last week was bad news for the cartel of companies mining the stuff, but good news for farmers around the world. They'll pay less for fertilizer, of which potash is a principal component.

Patient investors with a long-term horizon can also pay less, with what might prove a good entry point for Potash Corp. of Saskatchewan (ticker: POT), the giant Canadian producer. At Friday's close of $28.91, it was off 22% for the week, and shares are down by a third from the 2013 high of $44.

The market's headlong exit followed news July 30 of a pricing agreement bust-up between a large Russian producer, Uralkali (URKA.Russia), and Belarus's Belaruskali. With the Russians said to be intent on raising volume, some believe potash prices could drop 25% to $300 per metric ton by year end. There are fears it could fall further.

That would eat into Potash earnings. Last week, the consensus 2013 profit per-share estimate fell from $2.80 to $2.46. That matches the low end of Potash's guidance, released with second-quarter earnings the week before last, when the firm missed quarterly EPS estimates. It lowered 2013 guidance to $2.45 to $2.70 per share, from $2.75 to $3.25.

Keith Goddard, CEO of Capital Advisors, a shareholder who didn't sell on the news, advises not to look for an immediate rebound as the potash world sorts out this big change. However, Potash is a low-cost producer, and can earn $2 per share with $300 potash, he adds. That's what happened in 2010, when the stock was over $30 most of the year.

It can make $2.20 to $2.50 a share in the current environment, Goddard says. Because it's a commodity producer, Potash's results have been up and down over the years, but it sports a good balance sheet and has managed to be profitable in good times and bad. With an annual dividend of $1.40, the stock yields 4.8%.

More importantly, the long-term Potash investment thesis still holds: Diets are improving around the world and moving toward protein, particularly in India and China. Combine that with lots of underutilized farm acreage and lower fertilizer prices, and the demand should continue to grow nicely.

It's a good bet that two or three years out, potash pricing will have recovered as demand grows and supply doesn't. Many believe, for example, that Australia's BHP Billiton (BHP) will delay construction of its planned $14 billion Jansen mine project in Canada. There are high barriers to entry and lower prices will drive out marginal producers, leading to stabilization and then improvement in pricing. It's a cycle, and it's happened before.

Potash stock is below long-term median price-to-earnings values for both forward and trailing EPS, though still above all-time lows. It trades at 11.7 times the $2.46 estimate, though, as noted, that could go down some more. Every $100 change in the average annual price of potash is worth about 70 cents of earnings per share, according to Morgan Stanley.

The firm recently announced a $2 billion share-repurchase plan, which should help support the stock price. And Potash also sells phosphate and nitrogen products, less affected by the potash changes, and roughly 40% of gross margin.

There are wild cards, both negative and positive. Should BHP go ahead with its new mine or many producers try to make up lost revenue with higher volumes, prices could drop some more. On the upside, some think Uralkali's move was just a gambit and the cartel could form anew.

If commodity markets stabilize, Potash stock, with its nearly 5% yield, could show a 30% total return over the next two to three years.

At Friday's close of $7.33, Just Energy Group (JE), a Canadian retailer of gas and electricity both at home and in some American states, boasts a sizable yield of 11%. Paid monthly, it's attractive to income-seeking individual investors. However, it's generally wise to be wary of a double-digit yield. While it could mean the stock is undervalued, more often it suggests the payout is unsustainable, a legitimate worry for shareholders of Just Energy, which has a market cap of C$1.04 billion (US$1 billion).

The March-end 2013 fiscal-year financials show Just Energy's cash generation didn't cover the dividend, and it's increasingly constrained by a levered balance sheet. A further dividend reduction -- it was cut in February -- might be necessary unless the firm suddenly starts to generate cash much faster than it has for the last two years. Last February, management reduced the payout to 84 Canadian cents from C$1.24, breaking a promise made last year to maintain it until at least May 2013.

Base Ebitda in fiscal 2013 fell to C$163.1 million, down from C$193.3 million in 2012 and C$223.7 million in fiscal 2011. The dividend payout ratio on the Ebitda, the portion that goes to pay the dividend, soared to 109% in fiscal 2013 from 91% fiscal '12 and 76% in the previous fiscal year. Cash flow from continuing operations fell to C$100 million from C$147 million, and balance-sheet cash was C$38.5 million versus C$53.2 million at fiscal 2012 year end.

Yet Just Energy needs C$121 million to fund the annual dividend on its 144 million shares, and also has about C$162 million in financing coming due over the next 12 months, according to analyst Kevin Chu of Accountability Research, an independent Canadian equity-research outfit with a Sell rating on the stock. Together that's C$283 million.

Things look tight given coming demands on its liquidity, the $38.5 million cash plus about C$260 million available from its $370 million bank-credit facility -- which expires in December and must be renegotiated.

Chu estimates the fiscal 2014 estimate payout ratio would be 139% of free cash flow. Dipping into bank credit to pay dividends might not sit well with investors.

Bullish investors are swayed by net income of C$529.7 million, or $3.68 per share in fiscal 2013, a swing from a loss of C$126.6 million, or 93 cents in 2012. Sales rose 9% from 2012 to C$2.88 billion, but were flat on fiscal 2011. Looks good, but that came courtesy of a big noncash mark-up in the fair value of derivative instruments to the tune of C$719.6 million. In the previous fiscal year, that was a negative C$96.2 million. A loss in fiscal 2013 would have been likely without that gain.

The company says in its financials that these swings in paper value make results volatile and "don't impact the long-term financial performance." It doesn't reflect on Just Energy's day-to-day business. The Toronto-based firm is mainly a middle man in a highly competitive industry with many rivals, and some have an advantage with their own generating capacity, which Just Energy doesn't.

While there was a 10% growth in customers to 4.6 million in fiscal 2013, the company's fiscal 2014 base Ebitda guidance of C$220 million, a 35% jump, seems aggressive in light of its customer growth and low natural-gas prices. Just Energy is leveraged, too, with C$966 million in long-term debt, and a ratio of debt to Ebidta just below six times -- high compared with peers.

3 Aug 2013 00:07 EDT Barron's: The Trader: Dow Hits New High -- Up 20% -2-

Just Energy challenged our dividend concerns. CFO Beth Summers says the fiscal 2014 guidance of C$220 million base Ebitda means that the payout ratio would be under 100%. The company is entering only one new market, down from 10 last year, she adds, so the 35% Ebitda rise will come from less spending on customers, whose payments come in years after the marketing expenditure to obtain them; from less infrastructure spending; and from the fact that the last fiscal year was hurt by weather issues. "We are in all the markets we want to be in and it's a matter of continuing to grow in those markets." The company is "comfortable" with the dividend, she says.

Just Energy reports fiscal first-quarter results Aug. 8, and investors should be looking for revenue growth, not just lower expenses. The dividend clock is ticking. At the moment, Just Energy shares seem just-plain expensive.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	15658.36	+99.53	+0.64
DJTransportation	6651.69	+178.77	+2.76
DJUtilities	508.47	+4.06	+0.80
DJ65Stocks	5325.88	+69.23	+1.32
DJUSMarket	431.22	+5.16	+1.21
NYSEComp.	9690.07	+69.94	+0.73
NYSEMKTComp.	2363.33	+9.85	+0.42
S&P500	1709.67	+18.02	+1.07
S&PMidCap	1253.76	+25.49	+2.08
S&PSmallCap	595.68	+7.01	+1.19
Nasdaq	3689.59	+76.42	+2.12
ValueLine(arith.)	3984.06	+64.64	+1.65
Russell2000	1059.86	+11.35	+1.08
DJUSTSMFloat	17916.44	+212.37	+1.20

	Last Week	Week Earlier
NYSE		
Advances	1,603	1,424
Declines	1,587	1,757
Unchanged	46	49
NewHighs	563	552
NewLows	194	170
AvDailyVol(mil)	3,344.6	3,017.6
Dollar		
(Finexspotindex)	81.91	81.66
T-Bond		
(CBTnearbyfutures)	126-185	126-220

Crude Oil		
(NYMlightsweetcrude)	106.94	104.70
Inflation KR-CRB		
(FuturesPriceIndex)	283.77	284.46
Gold		
(CMXnearbyfutures)	1310.60	1321.70

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J.J. Zhang's Winner Take All
News & Commentary
The hidden pitfalls of being tempted by leverage; Commentary: Long-term results of leveraged ETFs can be skewed

J.J. Zhang
markettechreports@gmail.com; J.J. Zhang is chemical engineer and amateur financial adviser who was the winner in MarketWatch's second annual World's Next Great Investing Columnist contest. He runs the blog MarketTech Reports. You can follow him on Twitter @MarketTechRpts.
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MarketWatch
MRKWC
英文

J.J. Zhang is a chemical engineer and amateur financial adviser who was the winner in MarketWatch's second annual World's Next Great Investing Columnist contest. He runs the blog MarketTech Reports. You can follow him on Twitter @MarketTechRpts .

A common question for many investors is how to generate higher returns with the limited capital they possess. With the common belief that the market always goes up in the long term, the question of leverage naturally arise. After all, if over a 30-year time frame the market always goes up, why not leverage it?

There are several ways leverage takes form such as with options or trading on margin but the downside risk to those are generally well known. With margin trading, investors know about the potential for margin calls and also the interest they pay. With options, investors know about time premiums and the high chances of ending out of the money or being on the losing side of a rally.

However, what's a bit less obvious is leveraged ETFs. While leveraged ETFs have attracted significant regulatory scrutiny, which led to a moratorium on new entrants, several older funds are still available, a list of which can be found at ETF Database.

The two most popular leveraged ETFs are the ProShares UltraShort S&P 500 , which promises to deliver double the inverse daily performance of the S&P 500 and the ProShares Ultra S&P500 , which promises double the daily performance.

For many people, they may look like a great deal. If the stock market always go up over the long term, what could go wrong? In reality however, there are hazards inherent with leveraged ETFs beyond the typical equity-market risk that are not apparent to the average investor.

First, how do they work? In general, leveraged ETFs promise to deliver a multiple of the underlying indices' daily return (note the term daily). For the ProShares S&P 500 leveraged ETFs, these outsized return are accomplished using derivatives, mainly index swaps and futures, in addition to holding common stock.

As ETF Database explains:

For example, a 2x long S&P 500 ETF may use a combination of equities, futures and swaps to essentially double its exposure. A fund with $100 million in assets might invest $80 million in the underlying assets of the underlying benchmark, leaving $20 million in cash. A portion of this cash could be used to purchase S&P 500 futures contracts — exchange-traded derivatives that provided exposure to a benchmark without direct ownership. A futures contract is essentially a standardized contract between two parties that agree to buy (and sell) an underlying index at a future date at the market price.

In addition, a leveraged ETF may enter into an index swap agreement with a counterparty to increase its exposure to the underlying index. Swaps are customized agreements between two counterparties to exchange two sets of cash flows over a specified period of time. In an equity index swap, one party generally pays cash equal to the total return on the underlying index, while the other pays a floating interest rate.

High expenses

One effect of this derivative usage, and the constant derivative rebalancing, is a high expense ratio. SSO has an expense ratio of 0.91% and its short twin SDS is at 0.89%, much higher than the S&P 500 ETF of 0.09%. Such a high expense alone makes it poorly suitable as a long-term investment.

The high expense may be forgiven if its leveraged performance truly sings. However, long-term leveraged performance is a somewhat mixed bag.

From a daily performance standpoint, SSO and SDS generally do a good job meeting their goals of 2x long and inverse returns vs. the S&P 500. Over a 60-trading-day period, the 2x long ETF SSO averaged a daily performance that was 1.97x the S&P 500. The 2x inverse ETF SDS averaged a daily performance of -1.99x SPY, quite close to the promised goals.

Perhaps the biggest hidden nuance with leveraged ETFs is that doubled daily returns don't lead to doubled long-term returns. The math is relatively simple, if you're starting with $100, a 10% gain on Day 1 results in $110. A 10% drop the next day ends you at $99 due to the higher starting base on the second day. Double the daily performance however and you'll end up at $120 on the first day and $96 on the second, 3% lower than the non-doubled benchmark.

For super leveraged 3x ETFs, the effects are even more amplified with results of $130 and $91, an 8% drop vs. the benchmark.

On the flip side, if the benchmark gains consistently, the higher daily starting base also juices the performance a bit. Using a hypothetical situation of three consecutive daily gains at 10% each, the benchmark would increase to $133 at the end while a 2x ETF would be up to $173 and a 3x ETF would be up to $220, much higher than the $166 and $199 that would represent a perfect doubling or tripling.

Tracking error

This long-term tracking error does show up in real-life performance. While the S&P 500 is up approximately 19.5% for the year, the 2x ETF is up 40.3% and the 3x ETF up 64.5% while the 2x inverse ETF is down 31.8% and the 3x inverse is down 44.3% — none of them a perfect multiple.

While the daily movements in the examples are exaggerated, the same effect will happen at normal market changes at a lesser degree. Extreme volatility can wreak havoc on leveraged ETF long-term returns. In many cases, particularly for the 3x inverse ETFs, even if the underlying index moves in the anticipated direction, you might still end up with a loss.

The nuanced and volatile returns for leveraged ETFs dictate the need for constant monitoring of their performance, something few retail investors can or should do. It also reinforces the fact that these should be short-term vehicles with a slight speculative streak as opposed to reliable and predictable long-term investments.

There are hazards inherent with leveraged ETFs beyond the typical equity-market risk that are not apparent to the average investor.|103

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DOW JONES
NEWSWIRES

DJ HEARD ON THE STREET: Daily Digest

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2013 年 7 月 30 日 16:52
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英文

HEARD ON THE STREET: Barclays Aims to Fill Expensive Hole

By Andrew Peaple

By finally forcing Barclays (BARC.LN) into a GBP5.8 billion rights issue, the Bank of England has won a hard-fought victory. It may also have done the British bank a favor.

The one-share-for-four capital raising forms the core of plans by Barclays to improve its leverage ratio - a measure of the amount of borrowed money a bank uses that is based on its total assets to 3% by the end of June 2014 from 2.2% now. That translates into a GBP12.8 billion gap, which Barclays hopes to fill via the fully underwritten rights issue, along with raising GBP2 billion worth of contingent capital and adding a year more of retained earnings. The bank will also reduce assets by GBP65 billion to GBP80 billion, reducing the capital gap by a further GBP2 billion to GBP2.5 billion.

Both the leverage-ratio hole and the rights issue were larger than investors expected: Barclays shares slumped nearly 7% to GBP2.88 on Tuesday, just above its theoretical price post the rights issue. But after years of wrangling between Barclays and U.K. regulators - which cost former Barclays chief Robert Diamond his job - the two sides are at last on the same page. The BOE endorsed Barclays' plan on Tuesday.

In theory that means the regulatory goalposts shouldn't shift again for Barclays, at least domestically, lifting one major uncertainty for investors. Compare that with the situation faced by Deutsche Bank (DBK.XE).

On Tuesday the German bank said while reporting results that its leverage ratio under European rules was now 3%: but it doesn't yet know whether that is the final minimum regulators will require or what deadline it will eventually face. Deutsche plans to reduce its asset base by EUR250 billion to guard against further regulatory changes.

Still, the questions aren't over at Barclays. The bank doesn't now expect to achieve its 2015 target of generating a return above its cost of equity until 2016, meaning it will be destroying value for another two and a half years.

The 17% fall in Barclays' first-half adjusted profit before tax shows the earnings accretion it needs to meet its capital plan isn't a given. And other U.K. regulators are still on Barclays' case. It made an extra GBP2 billion provision in the first half to cover potential misselling fines.

Moreover, there's little wiggle room in Barclays capital-raising plans, which will still leave it leveraged at a rate of 33 times equity. So while the bank is finally dancing to the U.K. regulator's tune, it can't afford to miss a single beat.

HEARD ON THE STREET: Turning on to European Stocks

By Richard Barley

Some corners are sharp and others are long, winding curves. Unpopular European stocks appear to be traversing the latter. Even that could make them tempting, though.

Amid Europe's persistent relapses into crisis, the region's stocks have lagged their U.S. peers severely. While the S&P500 has vaulted past its pre-crisis high, the Stoxx Europe 600, at 299.6, is still 25% below its 2007 peak. This year U.S. stocks are up 18.5%; Europe's, just 7.1%.

That fits with the economic orthodoxy that while the U.S. is recovering, the euro zone is stuck in near-permanent recession, with stocks buoyed by easy monetary policies rather than growth.

The euro-zone economy may be emerging from recession, though, and the sovereign debt crisis is in remission. Economic data have put in a show of strength recently. Markit's flash euro-zone purchasing managers' index for July rose above 50, hinting at growth for the first time since January 2012. The European Commission's economic sentiment indicator is at a 15-month high with industrial, services, retail and consumer confidence all improving. Even the crisis-hit Spanish economy appears to bottoming out. And Europe's monetary policy is set to stay extraordinarily loose and could loosen further.

To benefit from all this, though, investors need a rebound in European earnings, as stock valuations aren't obviously cheap at 12.6 times the next 12 months' earnings, versus 14.5 for the S&P500, according to FactSet. Since the start of 2012, U.S. forward earnings have risen 9% while in the euro-zone they are down 6%, Legal & General Investment Management notes. This growth gap largely explains European stocks' lackluster performance since then.

Although a slow recovery restrains revenue growth, relatively high operating leverage at European companies, which often have higher fixed-cost bases, could mean a strong rebound in profits. A euro-zone PMI above 50 has been consistent in recent years with median growth in earnings before interest, taxes, depreciation and amortization of 9%, Credit Suisse notes.

European stocks are certainly unloved. Based on mutual and exchange-traded fund data to July 10, investors have pulled $0.5 billion from European equities while pumping $71.2 billion into U.S. stocks, according to Société Générale.

Such unpopularity often makes for good buying opportunities, although the risk of value traps still lurks in Europe. Its economy has seen several false dawns, and political risk remains rife. Bank deleveraging there has a long way to go. The third quarter is turning into a vital test of global economic growth, with the U.S. needing to rebound from a limp second quarter and China looking vulnerable.

But if global growth is resilient, then Europe's stocks have more ground to make up than most. The Stoxx Europe 600 could rise to 340 over 12 months, a gain of 13%, Goldman Sachs thinks, while it expects the U.S. market to gain only 8%. European equity investors might yet get their day in the sun.

HEARD ON THE STREET: India's No Shopper's Paradise

By Abheek Bhattacharya

Asia's consumers are on the rise. But banking on the region's shoppers is still fraught with risk.

Take India. Whereas its giant neighbor China is struggling to engineer a shift in the economy toward more consumption, Indians are already spending. Consumption makes up about 70% of gross domestic product in India compared to just about 45% in China. That makes India seem one of the best consumer bets in the region. In the past year, Unilever and GlaxoSmithKline spent more than $4 billion to up their stakes in their Indian subsidiaries, for example.

In recent years, Indian demand has been juiced by government welfare spending including subsidies for fuel, fertilizer, food, power and rail travel. That led consumer-goods sales to grow 1.4 times as fast as nominal GDP in 2008 and 2009, compared with an average of just 0.94 times since 2000, says ICICI Securities.

However, India's consumption is slowing down. In the year ended March, the lowest level of GDP growth in a decade dragged consumption growth down to 3.9%, half the rate of the previous year and the lowest rate of consumption growth since 2005. Spending will likely be subdued this year too, since New Delhi has recently cut subsidies for fuel and power and reduced rail tariffs to improve public finances and encourage investment.

High nominal interest rates are another risk for the consumer sector. India's central bank, which is juggling concerns over inflation, growth and volatility in India's currency, kept rates on hold Tuesday. HSBC says the central bank won't likely cut rates for at least three months.

There are signs that consumers are feeling the pinch. At Hindustan Unilever, India's largest fast-moving consumer-goods company, sales expanded at 7% between April and June the slowest pace in three years. The Indian units of Nestle and Colgate-Palmolive also saw tepid revenue growth in the latest quarter. Auto sales fell 9% year-on-year in June, the eighth straight month of decline.

So far, Indian shares don't reflect the potential downsides. Nomura notes that shares in Indian fast-moving consumer goods companies are trading at about 35 times forecast earnings for the next twelve months, their richest valuations in more than a decade.

The long-term rise of Asia's shoppers is undeniable. But it's a trend that's hard to put a price on.

HEARD ON THE STREET: Mad Men Need Friends to Keep the Pace

By John Jannarone

Madison Avenue is famous for setting trends. Now, two of its biggest players are racing to catch up with the times.

Advertising giants Omnicom Group and Publicis Groupe surprised the media world with an agreement to enter a merger of equals. A key motivation for the deal: form a larger company with more knowledge and power to purchase digital media controlled by Silicon Valley hotshots like Google and Facebook.

The deal, which doesn't involve either company paying a premium, is worth the effort. The companies expect annual cost savings of $500 million.

The big risk: the merged company loses clients because of a perceived conflict of interest. Omnicom, for instance, represents PepsiCo while Publicis has Coca-Cola as a client.

But as media-holding companies comprised of several agencies each, Omnicom and Publicis are accustomed to managing competing clients. Barclays estimates the merged company would need to lose 19% of its client revenue to wipe out the deal's cost savings. That looks unlikely.

The more difficult question is what the merged company can do to remain relevant in a world of Internet advertising, particularly mobile. While the amount of mobile ad dollars remains small, it is likely to rise. People spend an increasing amount of time on mobile devices, but marketers spend a small fraction of budgets on mobile compared with old media like print. The same shift occurred in desktop advertising over the past decade or so.

30 Jul 2013 11:52 EDT DJ HEARD ON THE STREET: Daily Digest -2-

Unfortunately, many of those ads are sold directly to advertisers. That means a combined Publicis-Omnicom will gain limited leverage from its additional scale. Brian Wieser of Pivotal Research Group predicts the new company's media purchases account for less than 10% of ad revenue for either Google or Facebook. In other cases like AOL Inc. or Yahoo, however, the percentage could be higher, he says.

So the real advantage for Publicis-Omnicom may be knowledge. With more data, the company will be able to purchase advertisements in a more informed way. Scale also can help it invest in technology to analyze digital ads and purchase them more effectively.

Yet that throws it into a world filled with technology startups that have spent years trying to find an edge in the way advertisements are bought and sold. Even with more dollars going to digital media, it isn't clear there will be enough to satisfy everyone.

In terms of digital prowess, Publicis probably leads. It generates about 33% of revenue from digital products, compared with 20% for Omnicom, according to Claudio Aspesi of Sanford C. Bernstein.

While both companies needed the deal, Omnicom shareholders are the real winners in this campaign.

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DOW JONES
NEWSWIRES

DJ HEARD ON THE STREET: Turning on to European Stocks

By Richard Barley
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(END) Dow Jones Newswires

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Dow Jones Newswires

HEARD ON THE STREET: Daily Digest

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By Andrew Peaple

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Both the leverage-ratio hole and the rights issue were larger than investors expected: Barclays shares slumped nearly 7% to GBP2.88 on Tuesday, just above its theoretical price post the rights issue. But after years of wrangling between Barclays and U.K. regulators - which cost former Barclays chief Robert Diamond his job - the two sides are at last on the same page. The BOE endorsed Barclays' plan on Tuesday.

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On Tuesday the German bank said while reporting results that its leverage ratio under European rules was now 3%: but it doesn't yet know whether that is the final minimum regulators will require or what deadline it will eventually face. Deutsche plans to reduce its asset base by EUR250 billion to guard against further regulatory changes.

Still, the questions aren't over at Barclays. The bank doesn't now expect to achieve its 2015 target of generating a return above its cost of equity until 2016, meaning it will be destroying value for another two and a half years.

The 17% fall in Barclays' first-half adjusted profit before tax shows the earnings accretion it needs to meet its capital plan isn't a given. And other U.K. regulators are still on Barclays' case. It made an extra GBP2 billion provision in the first half to cover potential misselling fines.

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Take India. Whereas its giant neighbor China is struggling to engineer a shift in the economy toward more consumption, Indians are already spending. Consumption makes up about 70% of gross domestic product in India compared to just about 45% in China. That makes India seem one of the best consumer bets in the region. In the past year, Unilever and GlaxoSmithKline spent more than $4 billion to up their stakes in their Indian subsidiaries, for example.

In recent years, Indian demand has been juiced by government welfare spending including subsidies for fuel, fertilizer, food, power and rail travel. That led consumer-goods sales to grow 1.4 times as fast as nominal GDP in 2008 and 2009, compared with an average of just 0.94 times since 2000, says ICICI Securities.

However, India's consumption is slowing down. In the year ended March, the lowest level of GDP growth in a decade dragged consumption growth down to 3.9%, half the rate of the previous year and the lowest rate of consumption growth since 2005. Spending will likely be subdued this year too, since New Delhi has recently cut subsidies for fuel and power and reduced rail tariffs to improve public finances and encourage investment.

High nominal interest rates are another risk for the consumer sector. India's central bank, which is juggling concerns over inflation, growth and volatility in India's currency, kept rates on hold Tuesday. HSBC says the central bank won't likely cut rates for at least three months.

There are signs that consumers are feeling the pinch. At Hindustan Unilever, India's largest fast-moving consumer-goods company, sales expanded at 7% between April and June the slowest pace in three years. The Indian units of Nestle and Colgate-Palmolive also saw tepid revenue growth in the latest quarter. Auto sales fell 9% year-on-year in June, the eighth straight month of decline.

So far, Indian shares don't reflect the potential downsides. Nomura notes that shares in Indian fast-moving consumer goods companies are trading at about 35 times forecast earnings for the next twelve months, their richest valuations in more than a decade.

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NEWSWIRES
DOW JONES

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Turning on to European Stocks

By Richard Barley
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2013 年 7 月 31 日 00:23
Dow Jones Top Global Market Stories
DJTGMS
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BARRON'S

MARKET WEEK
Stocks The Trader: A Bit of a Breather: Dow, S&P Finish Flat

By Vito J. Racanelli
1,892 字
2013 年 7 月 29 日
Barron's
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The stock market finished little changed last week on a dearth of directional news other than earnings reports. Technology stocks rose, but investors mainly marked time in anticipation of next week, which is laden with potentially market-moving news: A Federal Open Market Committee (FOMC) meeting, the release of second-quarter gross domestic product (GDP) figures, and July nonfarm payroll data.

There were plenty of second-quarter earnings results last week, some good and some less so, but none moved the broad market. In general, says Kate Warne, investment strategist at Edward Jones, S&P 500 company earnings "came in at a reasonable rate . . . nothing so good to drive the market higher, and nothing so worrisome to change the view that it is a solid but unspectacular second quarter."

According to Zacks Investment Research, for the 240 S&P 500 companies that reported results as of Thursday, earnings are up 4.1% and revenue 3.8%.

The Dow Jones Industrial Average staged a 150-point intraday comeback Friday, finishing at 15,558.83, up 0.1% on the week, and inches from an all-time high set last Monday. It's up 18.6% this year. The Standard & Poor's 500 index, however, fell marginally, down less than a point, to 1691.65. The tech-heavy Nasdaq Composite index bucked the tide and rose 26 points, or 0.7%, to 3613.16.

Next week's data could go a long way in determining what the market does in August, when many participants are on vacation.

So far the market has generally seemed relieved at the pace of earnings, Warne says, adding that next week's data and FOMC meeting have the potential to set up a weak August. She's expecting second-quarter GDP to show "a little less than 1% growth." That, combined with a possible revision of first-quarter GDP to less than 2%, suggests investor sentiment about the U.S. economy could turn gloomy quickly. Throw in a Fed potentially talking up a tapering of its bond buying, and it isn't a particularly auspicious backdrop for stock prices during a typically quiet month like August.

"We are vulnerable to a meaningful decline," concurs Jeffrey Saut, chief investment strategist for Raymond James. It's a traditionally weak point in the calendar, and he thinks there could be a short-term 10% or so decline in the period leading up to mid-August.

"You've got the second-in-command on the trading desk and the orders left are: 'Don't be a hero. Follow the market's lead, whether it sells or buys,' " Saut says.

Angie's List (ANGI) shares took a 10% hit last week, closing at $24.47, after the Indianapolis-based company posted disappointing second-quarter results on Wednesday. The figures revealed cracks in the Street's bullish growth story for this $1.4 billion firm. Its stock could drop further as the gap between reality and hope widens.

Through its Website, Angie's List provides subscribers with "quality" and non-anonymous consumer-based reviews of local professionals in home, health care, and automotive services, among other categories. More than 70% of its revenue now comes from service-provider advertising, and the rest from subscribers, who pay from $20 to $60 per year, depending on their location, payment method, and various discounts.

Even after last week's drop, the stock is up 170% from lows of $9 in 2012, to the market's 20% rise in the same period. Investor enthusiasm derives from the strong growth in membership and advertising-revenue gains. From 2008 to 2012, revenue rose 50% annually. Paid membership is 2.16 million, up from 333,000 in 2008. Participating service providers have swelled to 42,452 from 8,000 over that same period. Bulls have extrapolated those high growth rates many years forward.

Angie's stock fetches a sky-high 76 times analysts' consensus estimates of 36.5 cents in earnings per share (EPS) next year. The high short interest -- 25% of the share float -- suggests that some investors don't believe profits are to be had that soon.

In the second quarter, revenue jumped 62% to $59.2 million from $36.5 million, and the loss narrowed to $14.3 million, or 25 cents per share, from $23.4 million or 41 cents per share. Angie's executives noted during the conference call that there was about $3 million more in cash at the end of the first half compared with year end. In 2012, Angie's burned through $46 million in cash. CEO Bill Oesterle expects Angie's would be "at least cash-neutral" this year.

A closer look at the quarter shows that the company slashed its marketing budget in a seasonally heavy spending period. Marketing spend rose just 1% compared with a 12% rise in the first quarter, and a 50% rise in the year-earlier quarter.

Marketing is key to attracting subscribers and service providers. It rose an average 50% in the past four years. Looking ahead, Angie's pegged third-quarter marketing at $28.1 million to $29.1 million, an 8% to 11% rise, compared with a 39% rise in the third quarter of 2012.

But what about membership growth? Can Angie's List -- a company that's supposed to be accelerating membership and service-provider growth -- afford to materially cut down on marketing?

Angie's List has been in operation in its current form for more than 10 years, and in the last five years, which covers much of its history as a publicly traded company, it has only red ink.

For a stock as highly valued as Angie's List, a more rational view should take into account the sharp deceleration seen in some important company metrics over the last four quarters.

Paid-membership growth remains strong at 51%, but the rate of increase has dropped steadily from 74%. The increase in gross paid membership -- arguably a much more important future indicator -- has dropped to a merely pedestrian 14% growth from 50%. The biggest tail-off in the first half of 2013 coincided with the reduction in marketing spend growth. Should that be surprising?

Meanwhile, service-provider participation growth has slowed to 42% in the most recent quarter, from 52% a year earlier. Most revenue comes from them now, but these folks buy ads primarily to get access to a fast-rising membership and might dial it back in the face of lower member growth.

Oesterle disputes the short view. In an interview with Barron's, Oesterle didn't suggest that the big drop in marketing spend growth would be permanent, but "certainly for this year we are moderating the rate of growth in marketing." He concurred that "if we aren't scaling marketing [spend] dramatically," it could affect membership growth.

In reference to the decelerations seen, he reiterated, however, that the absolute growth remains strong. "Last year the shorts said we couldn't have both cash flow and membership growth . . . but we are demonstrating that now," he said. "If things go on as they are, we will be self-funding next year and potentially under a larger sales-and-marketing budget."

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The shares trade at 36 times trailing EPS. (There are no forward consensus estimates.) On this and other metrics, like enterprise value to earnings before interest, taxes depreciation, and amortization (Ebitda), Nathan's is valued like a much faster-growing Chipotle Mexican Grill (CMG), which has five times as many restaurants and, arguably, a concept with a more robust appeal.

A closer look at the results shows that much of the big EPS growth seen in fiscal 2013 came from nonoperating or difficult-to-sustain factors, such as a 9% lower share count from stock buybacks, and sizable expense reductions, especially from the temporary closure of one of five company-owned units due to damage from Hurricane Sandy. Cost of sales, the biggest single expense line by far, went up 7% -- almost as much as revenue -- yet it was much lower than the 20% run rate of the past two years.

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DJUtilities	504.41	-1.81	-0.36
DJ65Stocks	5256.65	-28.81	-0.55
DJUSMarket	426.06	-0.15	-0.03
NYSEComp.	9620.13	+1.62	+0.02
NYSEMKTComp.	2353.49	-0.38	-0.02
S&P500	1691.65	-0.44	-0.03
S&PMidCap	1228.27	-5.98	-0.48
S&PSmallCap	588.67	-1.58	-0.27
Nasdaq	3613.16	+25.55	+0.71
ValueLine(arith.)	3919.42	-8.08	-0.21
Russell2000	1048.51	-1.97	-0.19
DJUSTSMFloat	17704.07	-6.76	-0.04

	Last Week	Week Earlier
NYSE		
Advances	1,424	2,029
Declines	1,757	1,141
Unchanged	49	49
NewHighs	552	586
NewLows	170	61
AvDailyVol(mil)	3,017.6	3,086.3
Dollar (Finexspotindex)	81.66	82.61
T-Bond (CBTnearbyfutures)	126-220	127-030
Crude Oil (NYMlightsweetcrude)	104.70	108.05
Inflation KR-CRB (FuturesPriceIndex)	284.46	290.92
Gold (CMXnearbyfutures)	1321.70	1293.30

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Barron's: The Trader: A Bit Of A Breather: Dow, S&P Finish Flat

1,951 字
2013 年 7 月 27 日 05:07
Dow Jones Institutional News
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英文

(FROM BARRON'S 7/29/13)
By Vito J. Racanelli
The stock market finished little changed last week on a dearth of directional news other than earnings reports. Technology stocks rose, but investors mainly marked time in anticipation of next week, which is laden with potentially market-moving news: A Federal Open Market Committee (FOMC) meeting, the release of second-quarter gross domestic product (GDP) figures, and July nonfarm payroll data.

There were plenty of second-quarter earnings results last week, some good and some less so, but none moved the broad market. In general, says Kate Warne, investment strategist at Edward Jones, S&P 500 company earnings "came in at a reasonable rate . . . nothing so good to drive the market higher, and nothing so worrisome to change the view that it is a solid but unspectacular second quarter."

According to Zacks Investment Research, for the 240 S&P 500 companies that reported results as of Thursday, earnings are up 4.1% and revenue 3.8%.

The Dow Jones Industrial Average staged a 150-point intraday comeback Friday, finishing at 15,558.83, up 0.1% on the week, and inches from an all-time high set last Monday. It's up 18.6% this year. The Standard & Poor's 500 index, however, fell marginally, down less than a point, to 1691.65. The tech-heavy Nasdaq Composite index bucked the tide and rose 26 points, or 0.7%, to 3613.16.

Next week's data could go a long way in determining what the market does in August, when many participants are on vacation.

So far the market has generally seemed relieved at the pace of earnings, Warne says, adding that next week's data and FOMC meeting have the potential to set up a weak August. She's expecting second-quarter GDP to show "a little less than 1% growth." That, combined with a possible revision of first-quarter GDP to less than 2%, suggests investor sentiment about the U.S. economy could turn gloomy quickly. Throw in a Fed potentially talking up a tapering of its bond buying, and it isn't a particularly auspicious backdrop for stock prices during a typically quiet month like August.

"We are vulnerable to a meaningful decline," concurs Jeffrey Saut, chief investment strategist for Raymond James. It's a traditionally weak point in the calendar, and he thinks there could be a short-term 10% or so decline in the period leading up to mid-August.

"You've got the second-in-command on the trading desk and the orders left are: 'Don't be a hero. Follow the market's lead, whether it sells or buys,' " Saut says.

Angie's List (ANGI) shares took a 10% hit last week, closing at $24.47, after the Indianapolis-based company posted disappointing second-quarter results on Wednesday. The figures revealed cracks in the Street's bullish growth story for this $1.4 billion firm. Its stock could drop further as the gap between reality and hope widens.

Through its Website, Angie's List provides subscribers with "quality" and non-anonymous consumer-based reviews of local professionals in home, health care, and automotive services, among other categories. More than 70% of its revenue now comes from service-provider advertising, and the rest from subscribers, who pay from $20 to $60 per year, depending on their location, payment method, and various discounts.

Even after last week's drop, the stock is up 170% from lows of $9 in 2012, to the market's 20% rise in the same period. Investor enthusiasm derives from the strong growth in membership and advertising-revenue gains. From 2008 to 2012, revenue rose 50% annually. Paid membership is 2.16 million, up from 333,000 in 2008. Participating service providers have swelled to 42,452 from 8,000 over that same period. Bulls have extrapolated those high growth rates many years forward.

Angie's stock fetches a sky-high 76 times analysts' consensus estimates of 36.5 cents in earnings per share (EPS) next year. The high short interest -- 25% of the share float -- suggests that some investors don't believe profits are to be had that soon.

In the second quarter, revenue jumped 62% to $59.2 million from $36.5 million, and the loss narrowed to $14.3 million, or 25 cents per share, from $23.4 million or 41 cents per share. Angie's executives noted during the conference call that there was about $3 million more in cash at the end of the first half compared with year end. In 2012, Angie's burned through $46 million in cash. CEO Bill Oesterle expects Angie's would be "at least cash-neutral" this year.

A closer look at the quarter shows that the company slashed its marketing budget in a seasonally heavy spending period. Marketing spend rose just 1% compared with a 12% rise in the first quarter, and a 50% rise in the year-earlier quarter.

Marketing is key to attracting subscribers and service providers. It rose an average 50% in the past four years. Looking ahead, Angie's pegged third-quarter marketing at $28.1 million to $29.1 million, an 8% to 11% rise, compared with a 39% rise in the third quarter of 2012.

But what about membership growth? Can Angie's List -- a company that's supposed to be accelerating membership and service-provider growth -- afford to materially cut down on marketing?

Angie's List has been in operation in its current form for more than 10 years, and in the last five years, which covers much of its history as a publicly traded company, it has only red ink.

For a stock as highly valued as Angie's List, a more rational view should take into account the sharp deceleration seen in some important company metrics over the last four quarters.

Paid-membership growth remains strong at 51%, but the rate of increase has dropped steadily from 74%. The increase in gross paid membership -- arguably a much more important future indicator -- has dropped to a merely pedestrian 14% growth from 50%. The biggest tail-off in the first half of 2013 coincided with the reduction in marketing spend growth. Should that be surprising?

Meanwhile, service-provider participation growth has slowed to 42% in the most recent quarter, from 52% a year earlier. Most revenue comes from them now, but these folks buy ads primarily to get access to a fast-rising membership and might dial it back in the face of lower member growth.

Oesterle disputes the short view. In an interview with Barron's, Oesterle didn't suggest that the big drop in marketing spend growth would be permanent, but "certainly for this year we are moderating the rate of growth in marketing." He concurred that "if we aren't scaling marketing [spend] dramatically," it could affect membership growth.

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27 Jul 2013 00:07 EDT Barron's: The Trader: A Bit Of A Breather: Dow, -2-

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NEWSWIRES

DJ 뉴욕 증시, 소폭 하락 마감

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英文

[다우존스] 24일(현지시간) 뉴욕 증시는 엇갈린 실적 소식들에 하락 마감했다.

또한 주택 지표가 호조를 보였지만 이로 인해 연준이 양적완화를 조기 축소할 것이라는 우려가 다시 불거진 점도 시장에 부담이 됐다.

다우지수는 59포인트(0.3%) 하락한 15519에 거래를 마쳤다. S&P500지수는 8포인트(0.5%) 하락한 1684에, 그리고 나스닥 지수는 2포인트(0.1%) 내린 3578에 장을 마감했다.

다우지수의 경우, 전일(23일) 22포인트(0.1%) 오르며 종가 기준 사상 최고치에서 마감했고 S&P 500지수는 0.2% 내리며 나흘 연속 상승행진을 접은 바 있다.

투자자들과 트레이더들은 최근 지수들이 연이어 사상 최고치를 기록한 후, 증시 투자자들은 자신의 보유분을 덜어낼 기회를 찾고 있었다고 설명했다.

(END) Dow Jones Newswires

24-07-13 2218GMT

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DOW JONES
NEWSWIRES

PRESS RELEASE: Ipsos - First-half 2013

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2013 年 7 月 24 日 19:30
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Ipsos - First-half 2013

At a turning point

Sales and margins pick up

Paris, 24 July 2013. We have kept our word. After five quarters marked by the Ipsos/Synovate combination and its impact on the new entity's business, Ipsos swung back into organic growth in second-quarter 2013.

Revenues rose in the second quarter by 0.4% at constant scope and exchange rates after a 2.7% decline in the first quarter. Another encouraging sign is that Ipsos sales rose strongly between 1 January and 30 June 2013, up by about 2.5%, foreshadowing stronger revenue momentum in the quarters ahead.

First-half 2013 revenues amounted to 803.7 million euros, down 4% compared to the same period in 2012, mainly due to a negative currency effect of 2.2%. Changes in the scope of consolidation also had an impact of 0.8%, notably due to the partial withdrawal from peripheral markets such as Greece and Portugal, and the disposal of a loss-making film script testing business based in Los Angeles to its management team. At constant scope and exchange rates, Ipsos' revenues declined 0.95% in the first half.

By region, sales improved on a quarterly basis, especially in Europe, the Middle East and Africa (-3.1% in the first quarter; -1.0% in the first half) and in the Americas (-1% in the first quarter; +0.8% in the first half), which swung into growth thanks to progress in North and South America.

Business remains sluggish in the Asia-Pacific region, with a 5% decline reported in the first quarter alone, which reflected the snags encountered in the sometime challenging Ipsos/Synovate integration process. This is the region where our size doubled thanks to the combination with Synovate. Business will rebound a little later in the year thanks to markets where things have already picked up - namely Southeast Asia and Japan - and especially to a catching up effect in countries where things are not going well, like India, China and to a lesser extent, South Korea.

By business line, progress can be seen virtually across the board when comparing first-half results with those of the first quarter alone. The turnaround is very clear for Ipsos Marketing, our biggest business line, which swung from a negative 3.5% in the first quarter to almost break-even. This is also the case for Ipsos MediaCT, the business line dedicated to measuring media performance and the effects of platform/content convergence, which grew 3% in the first half after 1.5% in the first quarter alone.

Lastly, in Opinion & Social Research, the going is still tough (-7.5% in the first half), but this is still an improvement over the 8% decline reported in the first quarter alone. Moreover, things are going to get a lot better based on the large-scale contracts won in several major countries in the last weeks of the period, not only from national institutions, where funding is becoming more scarce, but also from public and private international institutions, which are still awash in cash!

Performance by region and business line

Consolidated revenues by region (in millions of euros)	1st half 2013	1st half 2012	Change 2013/2012	Organic growth
Europe, Middle East and Africa	359.5	371.0	-3.1%	-1.0%
Americas	314.9	323.1	-2.5%	+0.8%
Asia Pacific	129.3	142.9	-9.5%	-5.0%
First-half revenues	803.7	837.0	-4.0%	-0.95%

Consolidated revenues by business line (in millions of euros)	1st half 2013	1st half 2012	Change 2013/2012	Organic growth
Advertising Research	131.6	136.5	-3.6%	-1.0%
Marketing Research	420.2	427.6	-1.7%	-0.45%
Media Research	79.2	86.4	-8.4%	+3.0%
Opinion & Social Research	70.0	80.6	-13.2%	-7.5%
Customer Relationship / Management Research	102.7	105.8	-3.0%	-1.5%
First-half revenues	803.7	837.0	-4.0%	-0.95%

Disagreement between Ipsos and Aegis

Concerning the sale and purchase agreement for Synovate signed on 26 July 2011, which gave Ipsos control of the entity on 12 October 2011 for an enterprise value of 525 million pounds sterling on a cash free/debt free basis, and with a minimum working capital requirement for Synovate, Ipsos and Aegis disagree on the application of contractual post-closing adjustments to the initial acquisition price to take into account the actual level of cash, debt and related items as well as on the actual level of working capital requirement at the date of 30 September 2011 compared to the minimum level defined in the contract.

On the basis of the Synovate completion accounts prepared by Ipsos at 30 September 2011, the adjustment to the initial acquisition price stood at a receivable of 111.9 million pounds sterling from Aegis Group Plc, which was reported under Other non-recurring financial income of the consolidated balance sheet at 31 December 2012. Aegis Group plc had contested the contractual adjustments to the reference value.

In accordance with the terms of the acquisition agreement, an independent expert was appointed on 17 July 2012 to resolve the dispute and made requests for information from the parties concerned.

The expert's report was received by both parties on 12 July 2013, and on 19 July 2013, Aegis paid Ipsos a total of 15.4 million euros. Ipsos disagrees with this calculation and some of the expertise positions.

Nonetheless, taking a conservative approach, Ipsos made a provision in the first half covering the amount of receivables reported on its financial statement at 31 December 2012 to bring the figure in line with the amount paid by Aegis.

After various write backs of provisions, the net impact on the 2013 income statement is 73.2 million euros. This accounting adjustment was reported on the income statement in compliance with IFRS, because the final allocation of the acquisition price must be completed within 12 months of taking control, and does not have an impact on Ipsos' real financial situation.

Moreover, since October 2011, Ipsos has notified Aegis of a number of claims in terms of requests or guarantees for compensation that Aegis had agreed to under the Synovate sale and purchase agreement.

To date, Ipsos has filed suit against Aegis in London concerning certain guarantees, tax liabilities and obligations due to the non-respect of the acquisition contract.

Ipsos is not a company that thrives on litigation. We simply want to make sure the company's rights and interests are respected.

These legal procedures reflect events that took place two years ago. They do not call into question the pertinence of the Synovate acquisition nor our very positive appreciation of "The Better Ipsos", combination, achieved by the teams of Ipsos and Synovate over the past 18 months.

Consolidated income statement

To provide our shareholders with more pertinent and exact information and to highlight Ipsos' performance before taking into account the book entries pertaining to the Aegis receivable provision, we have added a "Restated" column to the tables of the income statement and consolidated balance sheet.

The financial situation and net cash position was not affected by these book entries at 30 June 2013. Cash increased by 15.4 million euros on 19 July 2013 following a payment by Aegis.

(In millions of euros)	H1 2013 Restated	H1 2013	H1 2012	Change Restated H1 2013 / H1 2012
Revenue	803.7	803.7	837.0	-4.0%
Gross profit	512.0	512.0	530.4	-3.5%
Gross margin	63.7%	63.7%	63.4%	-
Operating profit	49.0	49.0	48.2	+1.6%
Operating margin	6.1%	6.1%	5.8%	+30pb
Exceptional, non-recurring items	-10.8	-84.0	-13.3	-
Finance charge	-12.8	-12.8	-11.0	-
Tax	-5.4.0	-5.4	-5.1	-
Net profit (attributable to the Group)	13.0	-60.2	12.6	+3.1%
Adjusted net profit* (attributable to the Group)	31.3	31.3	29.8	+5.2%

* Adjusted net profit is calculated before non-cash items linked to IFRS 2 (share-based payments), amortisation of acquisition-related intangible assets (client relationships), deferred tax liabilities related to goodwill on which amortization is tax-deductible in certain countries and the impact net of tax of other non-recurring income and expenses.

Profitability

The Group's operating profit continued to rise to 49 million euros, with an operating margin of 6.1%, a 30 basis point improvement compared to first-half 2012.

The improvement in gross profit, which is calculated by deducting external direct variable costs attributable to contracts from revenues, is still one of the keys to the improvement in profitability, as the positive effects of the combination plan began to be felt in the second half of 2012. The gross margin improved to 63.7% from 63.4% in the previous period. This 30 basis point improvement can be attributed to the implementation of an in-sourcing policy for Synovate's production capacities and a strong ability to maintain prices in all countries.

As to operating costs, the positive effects of the combination plan are

reflected notably in the 7.4% decline in general operating expenses. They were partially offset by an increase in variable share-based compensation, which rose from 2.9 million euros to 5.5 million euros, in part because Synovate's management was included in free share attribution plans and in part due to the launch of the Ipsos Partnership Fund 2020 programme in September 2012.

Below operating profit, the amortisation of intangibles identified on acquisitions concerns a portion of goodwill allocated to client relationships during the 12-month period following the acquisition date. In compliance with IFRS, amortisation charges are recognised in the income statement over several years. This charge amounted to 2.4 million euros in first-half 2013, compared to 2.2 million euros in the previous period.

The restated balance of other non-recurring and non-operating income and expenses was (10.8) million euros compared to (13.3) million euros in first-half 2012. It includes exceptional items not related to operations and includes acquisition costs as well as combination-related costs. Other non-recurring and non-operating income and expenses also incorporates the impact of the provision on the Aegis receivable, which amounted to 73.2 million euros, net of the write back of various provisions.

Finance costs amounted to 12.8 million euros in the first half, compared to 11 million euros for the same period in 2012.

Tax. The effective tax rate on the IFRS income statement was 26%, compared to 25% as at 30 June 2012, due to a new 3% tax on dividends in France. As in the past, this includes a deferred tax liability of 2.8 million euros, cancelling out the tax saving achieved through the tax deductibility of goodwill amortisation in certain countries, even though this deferred tax charge would fall due only if the activities concerned were sold, and which is restated accordingly in adjusted net profit.

Adjusted net profit attributable to the Group, the pertinent indicator, came to 31.3 million euros, up 5.2% compared to first-half 2012. Restated net profit attributable to the Group was up 3.1% to 13 million euros. The reported net loss attributable to the Group was (60.2) million euros after integrating the net impact of provisions on the Aegis receivable .

Financial structure

Free cash flow amounted to 59.3 million euros, up 14.5% compared to first-half 2012.

Cash flows provided by operations became positive again at 6.9 million euros compared to a deficit of 35.5 million euros at 30 June 2012, despite the seasonal increase in working capital requirements. This marks a veritable turning point after the Synovate operation.

Working capital requirements peaked as usual at 30 June due to the large number of projects underway, but also due to disbursements, which are traditionally concentrated in the first half, including bonuses and remaining tax payments. Structurally, it is increasing slightly due to the development of our activities in emerging markets.

As to investments, Ipsos invested a total of 3.5 million euros in the first half as part of its acquisition programme, including the buyout of minority interests in emerging countries, Morocco and in the French overseas departments.

Ipsos also invested 4 million euros in its share buyback programme to limit the impact of dilution on its free share attribution plans.

Shareholders' equity now stands at 877.7 million euros on a restated basis and at 804.5 million euros after taking into account the provision on the Aegis receivable.

Net debt came to 634 million euros at 30 June 2013, down significantly from 680.2 million euros at 30 June 2012. Gearing is 78.8%, similar to the level at 30 June 2012. Restated gearing is 72.2%.

Cash and equivalent at the close of first-half 2013 amounted to 98.1 million euros, which is a comfortable liquidity position for Ipsos, which also has available credit lines of about 75 million euros.

2013 outlook

There is no point in hiding from it: in a nutshell, the situation is tense.

1. First, on the macroeconomic front. Economic growth is slowing, in Europe of course but also in emerging-market countries. Countries and regions are now more interdependent in the second phase of the crisis that began in 2008, more so than they were in 2009, which in retrospect was a benign period during which governments were able to act as though they still had some financial leeway.

2. Second, on the corporate front. During the current phase of globalisation, when companies need to look for "new" consumers/customers in new markets, there are winners and, consequently, losers. The problem is that today's winners are not necessarily those who will win tomorrow, though today's losers are unlikely to become tomorrow's winners. Customers are smarter, more interconnected, sometimes keen to buy but sometimes willing to abstain. In the current transitional phase, everyone understands what we are losing: stability, the certainty of a predictable tomorrow, the confidence that comes from ready-made solutions. At a time when customers are seeing their individual needs taken more into account and are being offered a broader range of options, marketing itself is suffering and being questioned. Companies need to continue to spend money to develop, promote and defend their products, services, brands, ideas and ideals.

But how much should they spend? Where? What should they be saying? To which audience? Do audiences still exist? And how can all this be measured?It is hard to answer all these questions with accuracy and certainty. Obviously, uncertainty brings with it instability, as shown by the average time spent in their jobs by heads of marketing at S&P500 companies. It was already low in 2010, just 19 months. The figure is now 18 months.

3. It is therefore unsurprising that the situation is challenging for the market research industry. There is limited growth, probably less than 3% in 2012 and 2013. Things are better in certain English-speaking markets, and worse elsewhere. However, during this transitional phase that we described some time ago as a new renaissance, at a time when content is defined more than ever by the medium, during this period of imbalances, disruption and participatory uprising, the need for information is immense. The unpredictability of behaviour makes the job of research companies difficult. It sometimes puts us in a precarious position. Clearly, no research company anticipated the recent social unrest in Brazil or Turkey, or correctly predicted how badly the European car market would perform, or forecast the collapse in the global PC market. But who did? Even if research companies provide an imperfect service, we all know that they can still help clients to choose the right ideas, the right means and the right measures, based on the wide variety of information that research agencies produce and/or analyse, and the extent of their knowledge relating to people, markets, brands, territories, cultures and movements in opinion. Research companies are objective, skilled and - for the largest among them - powerful enough to meet the need for reliable, relevant and usable information required by their thousands of clients.Ipsos believes that the industry's average performance does not reflect its potential. In other words, there is still plenty of demand from clients willing and able to pay. It is our services that must change and adjust to the needs of our clients.

Starting today, we need to move faster , reducing or even eliminating the period between the time when information is collected and the time it becomes available. We must act as an integrator of various sources of data, providing the right balance between the global and the local. What we say needs to be simpler, without being simplistic, closer to our clients' new requirements, for example as regards everything that happens at retail outlets and across different platforms. We must also be more vocal. Sometimes, the high level of technical complexity makes research companies reluctant to communicate. We see representatives of other parts of the marketing services sector hogging the media limelight, speaking about topics like "Big Data" and social media. This is a shame, since our expertise, and the tools and protocols we use, put us in a good position to inform our clients, on such topics.

Ipsos is in a proactive mood. We are currently working on five complementary approaches.

-- We are building our positions in key markets: the USA, the UK, Germany and Japan of course, but also the BRIC countries, the Next 11 and our Hubs (Singapore, Panama and Nairobi...), in which our clients are setting up management and marketing teams.

-- Our relationships with our clients. Our programmes are in place, and results in the first half of 2013 are encouraging. Ipsos Global PartneRing, which features 16 major Ipsos clients, generated revenue growth of 7% in the first six months of 2013, as opposed to our overall revenue growth of 2.5%.

-- The strength of our teams. This is fundamental. As demand shifts towards aggregating information rather than analysing each piece of it, and bringing it closer to the decision-making process, the required staff profiles change and become more diverse. The need for training increases. This is why, for example, the number of connections to our E-Learning centre rose by a factor of 2.5 in the first half of 2013.

-- We are driving forward our specialisations, supported by the increased

efficiency of our operational platforms, which are already partly shared and installed in offshore centres. The constant aim is to enhance the service, through better access to respondents; to become quicker, to the point of developing real-time solutions with no time gap between receiving information and disseminating it; and to become more streamlined. Looking ahead, our various business lines have started to roll out their new offerings, making more systematic use of available technology - particularly mobile technology - which tells us who our clients' clients are and what they are doing, sometimes without us even asking them.

-- Finally, Ipsos is continuing to develop new services, gradually developing our position as an important provider of "consumer insight services". This includes using social networks as a primary source of information, making more systematic use of protocols inspired by neuroscience, and constantly strengthening our analytical capabilities. Overall, the revenue generated by these new services rose by 70% year-on-year. They still account for only 2.7% of Ipsos' total revenue, but this should exceed 5% next year.

According to our information, it is very likely that Ipsos' revenue will show a significant increase in the second half of 2013. Overall, Ipsos should resume organic growth despite the uncertain macroeconomic situation and constrained market, with our performance gradually improving each quarter.

Our operating margin, before non-recurring items, will be in line with our previously stated forecast of around 11%, 100 basis points higher than in 2012.

A presentation of Ipsos' activities and results for the first half of 2013

and a complete set of consolidated financial statements

will be available on the
www.ipsos.com website on 25 July.

Annexes

Ipsos est coté sur l'Eurolist de NYSE-Euronext.
La société qui fait partie du SBF 120 et
de l'indice Mid-60 est également éligible
au SRD.
Code Isin FR0000073298, Reuters ISOS.PA, Bloomberg
IPS:FP
www.ipsos.com

Consolidated income statement

First half to 30 June 2013

In thousands of euros	30 June 2013 Restated (*)	30 June 2013	30 June 2012	31 December 2012
Revenue	803,777	803,777	836,964	1,789,521
Direct costs	(291,752)	(291,752)	(306,584)	(642,342)
Gross profit	512,025	512,025	530,380	1,147,179
Payroll - excluding share based payments	(349,841)	(349,841)	(362,158)	(730,780)
Payroll - share based payments	(5,462)	(5,462)	(2,871)	(8,396)
General operating expenses	(109,678)	(109,678)	(118,390)	(229,874)
Other operating income and expense	1,967	1,967	1,276	318
Operating margin	49,011	49,011	48,237	178,448
Amortisation of intangibles identified on acquisitions	(2,394)	(2,394)	(2,179)	(4,920)
Other non operating income and expense	(10,801)	(83,956)	(13,335)	(36,638)
Income from associates	(4)	(4)	(37)	(14)
Operating profit	35,811	(37,344)	32,686	136,876
Finance costs	(12,790)	(12,790)	(10,977)	(23,895)
Other financial income and expense	(2,327)	(2,327)	(1,244)	(3,738)
Profit before tax	20,694	(52,461)	20,465	109,243
Income tax - excluding deferred tax on goodwill	(2,600)	(2,600)	(2,043)	(21,451)
Income tax - deferred tax on goodwill	(2,780)	(2,780)	(3,074)	(5,823)
Income tax	(5,380)	(5,380)	(5,117)	(27,274)
Net profit	15,314	(57,841)	15,348	81,969
Attributable to the Group	12,996	(60,159)	12,607	74,070
Attributable to Minority interests	2,318	2,318	2,741	7,899

Earnings per share (in euros)

- Basic	0.29	(1.33)	0.28	1.64
Earnings per share (in euros) - Diluted	0.28	(1.33)	0.28	1.62
Adjusted net profit (**)	33,824	33,824	32,806	126,755
Attributable to the Group	31,336	31,336	29,781	118,463
Attributable to Minority interests	2,488	2,488	3,025	8,292
Adjusted earnings per share (in euros) - Basic	0.69	0.69	0.66	2.62
Adjusted earnings per share (in euros) - Diluted	0.68	0.68	0.66	2.59

(*) Restated of the depreciation on the receivable from Aegis Group Plc for a net impact of 73.2 million euros.

(**) Adjusted net profit is calculated before non-cash items linked to IFRS 2 (share-based payments), amortisation of acquisition-related intangible assets (client relationships), deferred tax liabilities related to goodwill on which amortization is tax-deductible in certain countries and the impact net of tax of other non-recurring income and expenses.

Consolidated balance sheet

First half to 30 June 2013

In thousands of euros	30 June 2013 Restated (*)	30 June 2013	31 December 2012
ASSETS			
Goodwill	1,177,605	1,177,605	1,199,024
Intangible assets (*)	86,438	89,727	90,450
Property, plant and equipment	43,245	43,245	47,442
Interests in associates	474	474	478
Other non-current financial assets (*)	132,903	24,594	154,077
Deferred tax assets	46,683	46,683	38,812
Total non-current assets	1,487,348	1,382,328	1,530,283
Trade receivables	555,129	555,129	606,643
Current income tax	21,465	21,465	16,307
Other current assets	80,226	80,226	56,416
Derivative financial instruments	3,217	3,217	7,968
Cash and cash equivalents	98,132	98,132	132,254
Total current assets	758,169	758,169	819,587
TOTAL ASSETS	2,245,516	2,140,496	2,349,870

In thousands of euros	30 June 2013 restated (*)	30 June 2013	31 December 2012

LIABILITIES

Share capital	11,334	11,334	11,332
Share premium	540,201	540,201	540,017
Own shares	(1,052)	(1,052)	(983)
Currency translation differences	(25,079)	(25,079)	4,171
Other reserves (*)	340,410	267,255	359,396
Shareholders' equity - attributable to the Group	865,814	792,659	913,933
Minority interests	11,909	11,909	11,556
Total shareholders' equity	877,723	804,568	925,489
Borrowings and other long-term financial liabilities	525,612	525,612	675,855
Non-current provisions (*)	26,635	19,104	25,103
Retirement benefit obligations (*)	23,245	20,267	22,912
Deferred tax liabilities	105,719	105,719	101,979
Other non-current liabilities (*)	91,761	77,033	89,742
Total non-current liabilities	772,972	747,735	915,590
Trade payables (*)	217,427	210,799	259,349
Short-term portion of borrowings and other financial liabilities	209,768	209,768	87,844
Current income tax liabilities	5,593	5,593	10,042
Current provisions	5,958	5,958	6,171
Other current liabilities	156,074	156,074	145,384
Total current liabilities	594,821	588,193	508,791

TOTAL LIABILITIES	2,245,516	2,140,496	2,349,870

(*) Restated of the depreciation on the receivable from Aegis Group Plc for a net impact of 73.2 million euros.

Consolidated cash flow statement

First half to 30 June 2013

In thousands of euros	30 June 2013	30 June 2012	31 December 2012
OPERATING ACTIVITIES			
NET PROFIT	(57,841)	15,348	81,969
Adjustements to reconcile net profit to cash flow			
Amortisation and depreciation of fixed assets	13,389	14,631	29,075
Net profit of equity associated companies - net of dividends received	4	37	14
Losses/(gains) on asset disposals	133	448	776
Movement in provisions	79,360	(1,392)	(3,799)
Share-based payment expense	4,955	2,871	7,246
Other non cash income/(expenses)	(488)	3,154	183
Acquisitions costs of consolidated companies	1,665	659	3,022
Finance costs	12,790	10,977	23,895
Income tax expense	5,380	5,117	27,274
OPERATING CASH FLOW BEFORE WORKING CAPITAL. FINANCING AND TAX PAID	59,347	51,849	169,655
Change in working capital requirement	(24,968)	(59,318)	(66,275)
Interest paid	(12,695)	(11,774)	(23,814)
Income tax paid	(14,739)	(16,289)	(28,110)
CASH FLOW FROM OPERATING ACTIVITIES	6,945	(35,532)	51,456
INVESTMENT ACTIVITIES			
Acquisitions of property, plant, equipment and intangible assets	(8,728)	(14,581)	(26,219)
Proceeds from disposals of property, plant, equipment and intangible assets	122	45	251

Acquisition of financial assets	(1,484)	(2,096)	(2,430)
Acquisition of consolidated companies and business goodwill	(1,465)	(12,342)	(15,888)
CASH FLOW FROM INVESTMENT ACTIVITIES	(11,555)	(28,974)	(44,286)
FINANCING ACTIVITIES			
Increase/(decrease) in capital	186	1,633	1,633
Increase/(decrease) in long-term borrowings	(4,050)	(6,739)	(6,146)
Increase/(decrease) in bank overdrafts and short-term debt	(24,886)	(11,775)	9,361
(Purchase)/proceeds of own shares	3,997	3,641	1,112
Acquisition of minority interests	(1,997)	(9,199)	(12,484)
Dividends paid to parent-company shareholders	-	-	(28,549)
Dividends paid to minority shareholders of consolidated companies	(124)	(78)	(1,280)
CASH FLOW FROM FINANCING ACTIVITIES	(26,874)	(22,517)	(36,353)
NET CASH FLOW	(31,483)	(87,022)	(29,184)
Impact of foreign exchange rate movements	(2,640)	1,727	235
CASH AT BEGINNING OF PERIOD	132,254	161,203	161,203
CASH AT END OF PERIOD	98,132	75,908	132,254

Consolidated statement of changes in shareholder's equity

First half to 30 June 2013

Other Currency
Share Share Own consolidated translation
In thousand euros capital Premium shares reserves difference
Shareholders' equity

Attributable
to the Minority
Group interests

Total
1st January 2012 11,311 538,405 (1,019) 321,994 7,735
878,426 12,437 890,863
- Change in capital 21 1,612 - - - 1,633
0 1,633
- Dividends paid - - - (28,477) - (28,477)
(204) (28,681)
- Change in scope of consolidation - - - - - -
2,001 2,001
- Impact of share buy-out commitments - - - - - -
(3,900) (3,900)
- Delivery of free shares related to 2010 plan - - 6,675 (6,675) -
- - -
- Other movements on own shares - - (6,167) 108 -
(6,059) 2 (6,057)
- Share-based payments taken directly to equity - - - 2,871 -
2,871 - 2,871
- Other movements - - - (78) - (78)
142 64
Transactions with the shareholders 21 1 612 508 (32,251) -
(30 110) (1 958) (32,069)
- Net profit - - - 12,607 - 12,607
2,740 15,347
- Other elements of the Comprehensive income - - - - -
- - -
Hedges of net investments in a foreign subsidiary - - - - 1,667
1,667 - 1, 667
Deferred tax on hedges of net investments in a foreign
subsidiary - - - - (245) (245) -
(245)

Currency translation differences - - - - 17,430
17,430 471 17, 902
Actuarial gains and losses (367) (367)
(367)
- Total of the other elements composing the Comprehensive
income - - - (367) 18,852 18,485
471 18,957
Comprehensive income - - - 12,240 18,852
31,092 3 211 34,304
30 June 2012 11,332 540,017 (511) 301,983 26,587
879,408 13 690 893,098

1st January 2013 11,332 540,017 (983) 359,397 4,170
913,933 11,556 925,489
- Change in capital 2 184 - - - 186
- 186
- Dividends paid - - - (28,987) - (28,987)
(127) (29,113)
- Change in scope of consolidation - - - - - -
(1,444) (1,444)
- Impact of share buy-out commitments - - - - - -
- -
- Delivery of free shares related to 2011 plan - - 4,012 (4,012) -
- - -
- Other movements on own shares - - (4,079) 29 -
(4,050) - (4,050)
- Share-based payments taken directly to equity - - - 4,955 -
4,955 - 4,955
- Other movements - - (2) (1,439) - (1,441)
169 (1,272)
Transactions with the shareholders 2 184 (70) (29,453) -
(29,336) (1,402) (30 738)
- Net profit - - - (60,159) - (60,159)
2,318 (57,841)
- Other elements of the Comprehensive income - - - - -
- - -
Hedges of net investments in a foreign subsidiary - - - - (14, 235)
(14,235) - (14,235)
Deferred tax on hedges of net investments in a foreign
subsidiary - - - - 2, 841 2, 841 -
2,841
Currency translation differences - - - - (17, 839)
(17,839) (563) (18,402)

Other changes - - - (2,544) - (2,544)
- (2,544)
- Total of the other elements composing the Comprehensive
income - - - (2,545) (29,233) (31,777)
(563) (32,340)
Comprehensive income - - - (62,704) (29,233)
(91,937) 1,755 (90,182)
30 June 2013 11,334 540,201 (1,052) 267,239 (25,064)
792,659 11,909 804,568

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Ipsos: 2013 First half results

http://hugin.info/143536/R/1718598/571753.pdf

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MARKET WEEK
Stocks --- The Trader: Bernanke Soothes Markets to New Highs

By Vito J. Racanelli
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2013 年 7 月 22 日
Barron's
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英文

Stock prices climbed to another record close last week, fueled mainly by reassuring monetary policy talk from the Federal Reserve Chairman Ben Bernanke. Strong money-center bank quarterly earnings reports lent a hand.

Weaker than expected results from big technology names like Google (GOOG) and Microsoft (MSFT) weren't enough to stop the bull last week. Breadth, the ratio of advancing stocks to retreating stocks, continues to be strong and is suggestive of more gains ahead.

Even as we head into the thick of the earnings season over the next two to three weeks, investors are likely to remain focused on more macroeconomic issues, such as global interest rates and the health of China's economy, says Jeffrey Kleintop, chief market strategist at LPL Financial.

On the week, the Dow closed at 15,543.74, up 79 points, or 0.5%, and a few points below the record high set Thursday. The S&P 500 index did set a new record, 1,692.09, up 0.71%, or 12 points last week. The technology-heavy Nasdaq Composite index fell 13 points, or 0.35%, to 3587.61. This bull market is 1593 days old and -- according to the traditional definition of a bull market, a 20% or more gain without a 20% decline -- now is the fifth longest in history, according to Bespoke Investment Group.

Bernanke told Congress Thursday that it was "too early to make judgment" on whether the central bank can begin to withdraw its monetary stimulus. That appeared to appease those worried about higher interest rates.

Though still in the early stages of the earnings period, it's already shaping up as a repeat of the last couple of quarters: soft revenue and modest earnings growth, some winners and some losers, says LPL's Kleintop. "With the market still focused on the macro," Kleintop adds, "and no Fed comments expected ahead of its next meeting July 30 and 31," volatility will probably be low for the next couple of weeks.

Breadth shows no sign of retreat. Advances have outnumbered declining stocks for 14 of the last 17 days, a surge that has led to durable market advances in the past, according to a report from Wellington Shields.

Among financials, Morgan Stanley's (MS) results beat analyst estimates and its stock rose 6%. Citigroup (C), subject of a favorable cover story in Barron's last week, also topped estimates and its shares rose 3%.

Meanwhile, Google's second-quarter profit grew 16% but missed expectations, and the stock fell 3% on the week to $896.60. Microsoft dropped 12%, to $31.40, after its results fell short and included a $900 million charge for its struggling Surface tablet computer.

One source of the market's strength is ETF money flow, according to Nicolas Colas, chief market strategist at Convergex. In the first 12 trading days of July, investors have added $24.4 billion to U.S. equity ETFs, four times the run rate in the first half. "There's real money going to work here," he adds.

The wisdom of crowdsis pretty good for guessing the weight of an ox or how many jelly beans are in a jar. But it often pays to go against the crowd on Wall Street. Sometimes that means selling a much-loved stock or buying a hated one.

Professional investors are taught this rule, but often enough it's ignored or rationalized away. One of the most notable recent examples was the flameout in Apple's (AAPL) share price over the past year, down 40% from highs. At its high of $700 last year, Apple's market cap had approached nearly 5% of the U.S. S&P 500 index's total. Some 90% of the more than 60 analysts who covered the iPad maker had a Buy rating on it last fall. Everyone at that time wondered how such a great company could sell at such a seemingly low valuation. But, as this column pointed out last January, there was no one left to purchase more stock since everyone had bought their fill. Years before, a similar denouement visited both General Electric (GE) and IBM (IBM) when their market caps reached around 5% of the S&P total.

There are a few ways to keep an eye on Street sentiment. One is to watch the brokerage sell-side analyst ratings consensus on a stock, and another is to keep an eye on quarterly institutional buying and selling. Recent studies by Vadim Zlotnikov, chief market strategist at Bernstein Research, found a number of what he termed "idiosyncratic" crowd signals. His work suggests that uniform views by sell-side analysts and unidirectional heavy institutional activity, among other factors, can provide useful contrarian signals for stock returns.

In other words, if a high enough percentage of analysts following a stock have Buy ratings, the stock performance tends to be weak for the next 12 months. For example, of the 1,500 largest companies by market cap from 2000 to mid-2012, those with the most Buy ratings underperformed the universe by an average of 5.8%. Those with the fewest Buys outperformed by 3.3%. Similarly, those stocks that institutional investors were buying heavily also showed underperformance in the subsequent 12 months (see table above left).

Excessive optimism is a sign of crowding, Zlotnikov says. Lockheed Martin (LMT) is a good example. Institutions are persistently selling the shares and analysts are negative, a contrarian Buy signal. The stock, meantime, is up 31% compared with the market's 23% rise over the past 12 months. Now before you go out and buy or sell on these signals, you should understand that they don't work in isolation and should be used with more traditional valuation metrics.

Still, when everyone loves a stock, the investor should ask, who's left to buy it? Conversely, if everyone hates it, who's left to sell?

Speaking of popularstocks, the market's love affair with Shutterstock (SSTK) implies a nearly picture-perfect future for this New York-based digital-imagery firm. From their $17 initial public offering last October, shares have rocketed over 220% to Friday's close of $55.65, a market capitalization of nearly $2 billion. That easily tops the market's 18% bull run over the same period.

Shutterstock is one of the largest purveyors of digital images, such as photos and video. Companies as well as individuals can pay for and download licensed images from its library of over 23 million to use in brochures, corporate communications, Websites, and videos, for an average cost of $2.23 each.

The company says commercial digital-imagery demand has risen significantly as technological advances have reduced the cost and effort to create, license and use images. In other words, many folks are taking pictures with all sorts of new devices, and many more are downloading them for various reasons.

Shutterstock has 750,000 customers in 150 countries. It cites a consultant study that says the total market for commercial imagery will grow 18% to $13 billion in 2016 from $11 billion in 2011, or about 4% a year.

Shutterstock's revenue and earnings appear to be growing even faster, at a 40% clip or better for the last two years, to $170 million in sales in 2012. Last year, net income jumped to $47.5 million, or $1.79 per share, from $21.8 million, or 64 cents in 2011.

But the market's affection overlooks numerous imperfections, factors that could hurt a stock trading at nosebleed valuations: over 70 times analyst consensus earnings estimates of 77 cents a share this year and over 50 times the $1.02 estimate for next year.

If you have noticed that EPS is expected to drop this year, it's mainly due to a one-time tax benefit of $25.17 million recorded in 2012. It also means that net income isn't growing as fast it looks at first blush. Once that benefit is backed out of income, what remains is a company whose income before taxes has grown about 6% in aggregate since 2008, dropping in two of those five years.

Much of that results from total operating expenses that have gone up even faster than revenue, an average of more than 50% for the last three years. Consequently, margins of earnings before interest, taxes, depreciation and amortization (Ebitda) have fallen over the past few years. Building an online seller of digital imagery isn't cheap.

Shutterstock likes to point to what it calls "adjusted" Ebidta of $35 million last year, up over 30% from 2011. But in its adjusted Ebitda, Shutterstock adds back some $10.4 million in noncash executive compensation. That pay, in turn, is up five times from 2011.

Bulls point to the first quarter's results, where net income jumped to $5.6 million from $2.8 million in the same period of 2012. There was no tax benefit there, they note.

However, sales and marketing expenses fell in the first quarter of 2013, even though they've been rising sharply, an average 60% in the past three years. The company noted that advertising will increase for the remainder of 2013 and beyond. If sales and marketing had grown at their customary pace or even half the annual average, little or no first-quarter income growth would have occurred.

There are other worries. Shutterstock's business doesn't have particularly high barriers to entry. And Jonathan Oringer, the founder, chairman, and CEO, still owns 55% of the shares outstanding, with the float only about 19% of the total 33.5 million shares. So there is an artificial scarcity of stock, which has helped juice the rise. That should be remedied as insiders sell.

Research from Stifel, Nicolaus, one of the IPO's underwriters, says the valuation on its 2014 Ebitda estimate of $68 million "doesn't leave much room for any metrics to decelerate or flatten, which inevitably happens."

Shutterstock declined comment.

If you examine regulatory filings, you get a picture of Shutterstock's future that's not nearly as rosy as the market's forward valuations suggest -- that is, 50 times earnings and 27 times annual Ebitda. The market needs to focus on Shutterstock's fundamentals.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	15543.74	+79.44	+0.51
DJTransportation	6586.57	+149.64	+2.32
DJUtilities	506.22	+8.19	+1.64
DJ65Stocks	5285.46	+65.88	+1.26
DJUSMarket	426.21	+3.15	+0.74
NYSEComp.	9618.50	+119.99	+1.26
NYSEMKTComp.	2353.87	+23.80	+1.02
S&P500	1692.09	+11.90	+0.71
S&PMidCap	1234.25	+13.01	+1.07
S&PSmallCap	590.25	+6.36	+1.09
Nasdaq	3587.61	-12.47	-0.35
ValueLine(arith.)	3927.50	+44.56	+1.15
Russell2000	1050.48	+13.96	+1.35
DJUSTSMFloat	17710.83	+135.77	+0.77

	Last Week	Week Earlier
NYSE		
Advances	2,029	2,523
Declines	1,141	645
Unchanged	49	45
NewHighs	586	551
NewLows	61	119
AvDailyVol(mil)	3,086.3	3,158.5
Dollar (Finexspotindex)	82.62	82.99
T-Bond (CBTnearbyfutures)	127-030	126-030
Crude Oil (NYMlightsweetcrude)	108.05	105.95
Inflation KR-CRB (FuturesPriceIndex)	290.92	286.66
Gold (CMXnearbyfutures)	1293.30	1277.80

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文件 B000000020130720e97m00015

DOW JONES
NEWSWIRES

Barron's: The Trader: Bernanke Soothes Markets To New Highs

2,078 字
2013 年 7 月 20 日 05:07
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 7/22/13)
By Vito J. Racanelli

Stock prices climbed to another record close last week, fueled mainly by reassuring monetary policy talk from the Federal Reserve Chairman Ben Bernanke. Strong money-center bank quarterly earnings reports lent a hand.

Weaker than expected results from big technology names like Google (GOOG) and Microsoft (MSFT) weren't enough to stop the bull last week. Breadth, the ratio of advancing stocks to retreating stocks, continues to be strong and is suggestive of more gains ahead.

Even as we head into the thick of the earnings season over the next two to three weeks, investors are likely to remain focused on more macroeconomic issues, such as global interest rates and the health of China's economy, says Jeffrey Kleintop, chief market strategist at LPL Financial.

On the week, the Dow closed at 15,543.74, up 79 points, or 0.5%, and a few points below the record high set Thursday. The S&P 500 index did set a new record, 1,692.09, up 0.71%, or 12 points last week. The technology-heavy Nasdaq Composite index fell 13 points, or 0.35%, to 3587.61. This bull market is 1593 days old and -- according to the traditional definition of a bull market, a 20% or more gain without a 20% decline -- now is the fifth longest in history, according to Bespoke Investment Group.

Bernanke told Congress Thursday that it was "too early to make judgment" on whether the central bank can begin to withdraw its monetary stimulus. That appeared to appease those worried about higher interest rates.

Though still in the early stages of the earnings period, it's already shaping up as a repeat of the last couple of quarters: soft revenue and modest earnings growth, some winners and some losers, says LPL's Kleintop. "With the market still focused on the macro," Kleintop adds, "and no Fed comments expected ahead of its next meeting July 30 and 31," volatility will probably be low for the next couple of weeks.

Breadth shows no sign of retreat. Advances have outnumbered declining stocks for 14 of the last 17 days, a surge that has led to durable market advances in the past, according to a report from Wellington Shields.

Among financials, Morgan Stanley's (MS) results beat analyst estimates and its stock rose 6%. Citigroup (C), subject of a favorable cover story in Barron's last week, also topped estimates and its shares rose 3%.

Meanwhile, Google's second-quarter profit grew 16% but missed expectations, and the stock fell 3% on the week to $896.60. Microsoft dropped 12%, to $31.40, after its results fell short and included a $900 million charge for its struggling Surface tablet computer.

One source of the market's strength is ETF money flow, according to Nicolas Colas, chief market strategist at Convergex. In the first 12 trading days of July, investors have added $24.4 billion to U.S. equity ETFs, four times the run rate in the first half. "There's real money going to work here," he adds.

The wisdom of crowdsis pretty good for guessing the weight of an ox or how many jelly beans are in a jar. But it often pays to go against the crowd on Wall Street. Sometimes that means selling a much-loved stock or buying a hated one.

Professional investors are taught this rule, but often enough it's ignored or rationalized away. One of the most notable recent examples was the flameout in Apple's (AAPL) share price over the past year, down 40% from highs. At its high of $700 last year, Apple's market cap had approached nearly 5% of the U.S. S&P 500 index's total. Some 90% of the more than 60 analysts who covered the iPad maker had a Buy rating on it last fall. Everyone at that time wondered how such a great company could sell at such a seemingly low valuation. But, as this column pointed out last January, there was no one left to purchase more stock since everyone had bought their fill. Years before, a similar denouement visited both General Electric (GE) and IBM (IBM) when their market caps reached around 5% of the S&P total.

There are a few ways to keep an eye on Street sentiment. One is to watch the brokerage sell-side analyst ratings consensus on a stock, and another is to keep an eye on quarterly institutional buying and selling. Recent studies by Vadim Zlotnikov, chief market strategist at Bernstein Research, found a number of what he termed "idiosyncratic" crowd signals. His work suggests that uniform views by sell-side analysts and unidirectional heavy institutional activity, among other factors, can provide useful contrarian signals for stock returns.

In other words, if a high enough percentage of analysts following a stock have Buy ratings, the stock performance tends to be weak for the next 12 months. For example, of the 1,500 largest companies by market cap from 2000 to mid-2012, those with the most Buy ratings underperformed the universe by an average of 5.8%. Those with the fewest Buys outperformed by 3.3%. Similarly, those stocks that institutional investors were buying heavily also showed underperformance in the subsequent 12 months (see table above left).

Excessive optimism is a sign of crowding, Zlotnikov says. Lockheed Martin (LMT) is a good example. Institutions are persistently selling the shares and analysts are negative, a contrarian Buy signal. The stock, meantime, is up 31% compared with the market's 23% rise over the past 12 months. Now before you go out and buy or sell on these signals, you should understand that they don't work in isolation and should be used with more traditional valuation metrics.

Still, when everyone loves a stock, the investor should ask, who's left to buy it? Conversely, if everyone hates it, who's left to sell?

Speaking of popularstocks, the market's love affair with Shutterstock (SSTK) implies a nearly picture-perfect future for this New York-based digital-imagery firm. From their $17 initial public offering last October, shares have rocketed over 220% to Friday's close of $55.65, a market capitalization of nearly $2 billion. That easily tops the market's 18% bull run over the same period.

Shutterstock is one of the largest purveyors of digital images, such as photos and video. Companies as well as individuals can pay for and download licensed images from its library of over 23 million to use in brochures, corporate communications, Websites, and videos, for an average cost of $2.23 each.

The company says commercial digital-imagery demand has risen significantly as technological advances have reduced the cost and effort to create, license and use images. In other words, many folks are taking pictures with all sorts of new devices, and many more are downloading them for various reasons.

Shutterstock has 750,000 customers in 150 countries. It cites a consultant study that says the total market for commercial imagery will grow 18% to $13 billion in 2016 from $11 billion in 2011, or about 4% a year.

Shutterstock's revenue and earnings appear to be growing even faster, at a 40% clip or better for the last two years, to $170 million in sales in 2012. Last year, net income jumped to $47.5 million, or $1.79 per share, from $21.8 million, or 64 cents in 2011.

But the market's affection overlooks numerous imperfections, factors that could hurt a stock trading at nosebleed valuations: over 70 times analyst consensus earnings estimates of 77 cents a share this year and over 50 times the $1.02 estimate for next year.

If you have noticed that EPS is expected to drop this year, it's mainly due to a one-time tax benefit of $25.17 million recorded in 2012. It also means that net income isn't growing as fast it looks at first blush. Once that benefit is backed out of income, what remains is a company whose income before taxes has grown about 6% in aggregate since 2008, dropping in two of those five years.

Much of that results from total operating expenses that have gone up even faster than revenue, an average of more than 50% for the last three years. Consequently, margins of earnings before interest, taxes, depreciation and amortization (Ebitda) have fallen over the past few years. Building an online seller of digital imagery isn't cheap.

Shutterstock likes to point to what it calls "adjusted" Ebidta of $35 million last year, up over 30% from 2011. But in its adjusted Ebitda, Shutterstock adds back some $10.4 million in noncash executive compensation. That pay, in turn, is up five times from 2011.

Bulls point to the first quarter's results, where net income jumped to $5.6 million from $2.8 million in the same period of 2012. There was no tax benefit there, they note.

However, sales and marketing expenses fell in the first quarter of 2013, even though they've been rising sharply, an average 60% in the past three years. The company noted that advertising will increase for the remainder of 2013 and beyond. If sales and marketing had grown at their customary pace or even half the annual average, little or no first-quarter income growth would have occurred.

There are other worries. Shutterstock's business doesn't have particularly high barriers to entry. And Jonathan Oringer, the founder, chairman, and CEO, still owns 55% of the shares outstanding, with the float only about 19% of the total 33.5 million shares. So there is an artificial scarcity of stock, which has helped juice the rise. That should be remedied as insiders sell.

Research from Stifel, Nicolaus, one of the IPO's underwriters, says the valuation on its 2014 Ebitda estimate of $68 million "doesn't leave much room for any metrics to decelerate or flatten, which inevitably happens."

Shutterstock declined comment.

If you examine regulatory filings, you get a picture of Shutterstock's future that's not nearly as rosy as the market's forward valuations suggest -- that is, 50 times earnings and 27 times annual Ebitda. The market needs to focus on Shutterstock's fundamentals.

20 Jul 2013 00:07 EDT Barron's: The Trader: Bernanke Soothes Markets To -2-

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Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	15543.74	+79.44	+0.51
DJTransportation	6586.57	+149.64	+2.32
DJUtilities	506.22	+8.19	+1.64
DJ65Stocks	5285.46	+65.88	+1.26
DJUSMarket	426.21	+3.15	+0.74
NYSEComp.	9618.50	+119.99	+1.26
NYSEMKTComp.	2353.87	+23.80	+1.02
S&P500	1692.09	+11.90	+0.71
S&PMidCap	1234.25	+13.01	+1.07
S&PSmallCap	590.25	+6.36	+1.09
Nasdaq	3587.61	-12.47	-0.35
ValueLine(arith.)	3927.50	+44.56	+1.15
Russell2000	1050.48	+13.96	+1.35
DJUSTSMFloat	17710.83	+135.77	+0.77

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(END) Dow Jones Newswires

July 20, 2013 00:07 ET (04:07 GMT)

文件 DJDN000020130720e97k000bc

DOW JONES
NEWSWIRES

DJ CHART ProShares UltraShort S&P500 ST: the RSI is oversold

191 字
2013 年 7 月 19 日 16:03
Dow Jones Newswires
DJDN
英文

(TRADING Central) PARIS -- Click here to see our chart: http://www.tradingcentral.com/chart/SDSUSD130719170201.gif

Our pivot point stands at 38.4.

Our preference: the downside prevails as long as 38.4 is resistance.

Alternative scenario: above 38.4, look for 40.3 and 41.4.

Comment: the RSI is trading below 30. This could mean that either the stock is in a lasting downtrend or just oversold and that therefore a rebound could shape (look for bullish divergence in this case). The MACD is negative and below its signal line. The configuration is negative. Moreover, the stock is trading under both its 20 and 50 day MA (respectively at 39.25 and 39.44). ProShares UltraShort S&P500 is currently trading near its 52 week low at 36.6 reached on 18/07/13.

Supports and resistances:

40.3 *

38.4 **

37.7

36.851 last

34.7

33.6 **

32.5 *

(END) Dow Jones Newswires

July 19, 2013 11:03 ET (15:03 GMT)

文件 DJDN000020130719e97j003pn

DOW JONES
NEWSWIRES

DJ NORDIC MORNING BRIEFING: ZEW Survey and Earnings in Focus

By Niclas Rolander
1,323 字
2013 年 7 月 16 日 03:28
Dow Jones Institutional News
DJDN
英文

TODAY'S CALENDAR - All times GMT
Nordic Macro

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However, Germany's Dekabank said in a weekly note that after the recent weeks' "emotional rollercoaster" on financial markets, business expectations in the ZEW survey are likely to have improved only marginally. The bank expects the business expectations index at 38.8.

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OMXN40 1,144.50 +0.72 +0.1%
OMXS30 1,215.23 +4.50 +0.4%
OBX 456.48 +2.48 +0.6%
OMXC20 539.11 -1.51 -0.3%

OMXH25 2,356.72   -7.53   -0.3%

Brent $109.14   +0.05   +0.1%

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Write to Niclas Rolander at niclas.rolander@dowjones.com; Twitter: @WSJNordics

(Johannes Ledel contributed to this report.)

(END) Dow Jones Newswires

July 15, 2013 22:28 ET (02:28 GMT)

文件 DJDN000020130716e97g000dx

Dow Jones Newswires

NORDIC MORNING BRIEFING: ZEW Survey and Earnings in Focus

By Niclas Rolander
1,317 字
2013 年 7 月 16 日 03:28
Dow Jones Emerging Markets Report
EM
英文

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(Johannes Ledel contributed to this report.) [16-07-13 0228GMT]

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文件 EM00000020130716e97g00002

Dow Jones Newswires

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N/A Yahoo 2Q (after US mkt close)

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The company is expected to post sales of SEK15.86 billion, but the main focus will be on SKF's outlook for the coming quarters. SKF's bearings and seals are essential components in a wide range of equipment, from dishwashers to trains and mining equipment, so the company's outlook is an indicator for other engineering companies and European industry at large.

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OMXN40 1,144.50 +0.72 +0.1%
OMXS30 1,215.23 +4.50 +0.4%
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OMXC20 539.11 -1.51 -0.3%

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(Johannes Ledel contributed to this report.) [16-07-13 0228GMT]

77791

文件 DJI0000020130716e97g0001h

Dow Jones Newswires

NORDIC MORNING BRIEFING: ZEW Survey and Earnings in Focus

By Niclas Rolander
1,317 字
2013 年 7 月 16 日 03:28
Dow Jones Global FX & Fixed Income News
CM
英文

TODAY'S CALENDAR - All times GMT
Nordic Macro

0730 Sweden Riksbank minutes

Other Macro

0900 Euro zone HICP, June
0900 Euro zone
Trade balance, May
0900 Germany ZEW survey, Jul
1230 US CPI, Jun
1315 US Industrial Prod, Jun
1400 US
NAHB housing market index, Jul

Nordic Equities

0500 Swedbank 2Q
0500 Gjensidige 2Q
0600 SKF 2Q
0600
Eniro 2Q
0600 Evry 2Q
1200 Castellum 2Q

Other Equities

1130 Goldman Sachs 2Q
N/A Johnson & Johnson
N/A Coca Cola 2Q
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(Johannes Ledel contributed to this report.) [07-15-13 2228ET]

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文件 CM00000020130716e97g0000g

Dow Jones Newswires

HEARD ON THE STREET: Daily Digest

2,447 字
2013 年 7 月 16 日 17:04
Dow Jones Global Equities News
DJI
英文

HEARD ON THE STREET: Telecom Italia Hangs Up Again

By Renee Schultes

Telecom Italia (TI) is making a habit of running into dead ends.

In the past eight months, three attempts to tackle its EUR28.8 billion ($37.8 billion) in net debt - more than three times its stock market value - have come to naught. The latest: Telecom Italia's board has shelved a proposed spin-off its fixed line network, which could have paved the way for a capital injection from state-backed lender Cassa Depositi e Prestiti. Investors under the illusion Telecom Italia is close to getting out of its cul-de-sac should think again.

Telecom Italia's problems aren't for the faint-hearted. Sure, it plans to pare net debt by year-end to EUR27 billion and has funds to meet bond repayments for three years. But that means little if earnings continue to slide. Four operators are battling it out in Italy's shrinking wireless market. And anemic growth in broadband internet isn't enough to offset falling revenues from landline calls. Earnings before interest, taxes, depreciation and amortization could fall 9% in the June quarter, risking a credit downgrade to junk, notes Bernstein Research.

The Italian operator may need more drastic action. That could mean the telecoms equivalent of a good bank/bad bank split, dividing the Italian fixed-line network and interests in Brazil and Argentina from the Italian retail services business, says Bernstein. That might help resolve Telecom Italia's ownership, with CdP buying controlling shareholder Telco's 22.4% stake in the more attractive assets. If the "good bank" assumed more debt, the retail business could attract a higher valuation than the 3.1 times forecast 2014 Ebitda Telecom Italia commands.

In practice, that looks challenging. It isn't clear all shareholders in Telco would welcome that outcome: Italy's Mediobanca (MB.MI) and insurer Generali (G.MI) would like to sell non-core investments but Spain's Telefonica (TEF) may see the separation of a network from its service company as a worrying precedent.

Moreover, Telecom Italia isn't willing to give up control of its network. And Italy's regulator has said that more favorable regulatory treatment, which could help justify the spin-off, will come only if the operator loosens its grip on the asset.

Telecom Italia's shares have already fallen by a third in the past year. If stalemate persists, they may have nowhere to go but down.

HEARD ON THE STREET: Rupee Requires Forward Thinking

By
Abheek Bhattacharya

India's central bank is scrambling to stop hot money leaving the country.

The rupee has fallen about 8% in the past three months, making it one of the worst performing currencies in Asia. In part, that's because emerging-market currencies are under pressure since the U.S. Federal Reserve indicated plans to scale back bond purchases. The rupee has suffered more than others partly because India's been loosening rates too.

In an effort to stem the tide, the Reserve Bank of India has moved to tighten rupee liquidity, by limiting overnight borrowing, and curtail trading in currency derivatives, for example.

The measures came after India's currency hit all time lows against the dollar recently. There was an immediate impact, with the rupee climbing to its highest level against the U.S. dollar in two weeks on Tuesday.

In the longer term, though, India must take a different tack to reduce its currency volatility, by attracting more foreign direct investment. On average, foreign direct investment has shrunk 1% year-on-year between April 2009 and March 2013. Even as the central bank tried to stem rupee outflows this week, a major foreign investor was bailing out. South Korean steel giant Posco (005490.SE, PKX) announced it is no longer pursuing plans to build a $5.3 billion plant in southern India because of difficulties in securing mining rights and acquiring land.

Indeed, large foreign investors looking to put money into India face a host of problems including cumbersome red tape and problematic land acquisition rules. Property titles in India aren't clear-cut, and there are difficult regulations that specify how land must be used, restrict ownership and influence the selling price.

There are also curbs on foreign investment in some sectors though the government has promised a policy announcement in this area later in July.

In the near term, the Fed's policies are likely to be a major factor in the strength of the rupee. The RBI may have few tools to stem outflows once the Fed's tapering begins in earnest. India's policymakers must think further ahead though. Encouraging major foreign investors to stick around will lessen rupee volatility in the long term.

HEARD ON THE STREET: Opportunity Knocks for European Corporate Bonds

By Richard Barley

Is it safe to go back in the bond-market water? Global debt markets have been in a funk since U.S. Federal Reserve Chairman Ben Bernanke first hinted that the central bank's bond-purchase program could be wound down. But the rise in yields has created opportunities. In particular, European corporate debt looks interesting given the very different economic outlook and a dovish central bank.

Corporate bonds were hit hard in the turmoil and haven't really bounced back. While the S&P500 and Dow Jones Industrial Average have vaulted to new record highs, corporate bonds have only retraced part of the sell-off. U.S. high-yield bonds, for instance, now yield 6.2% according to Barclays indexes, versus 5.2% on May 22, when Mr. Bernanke first roiled markets with his comments. Euro-denominated investment-grade bonds yield 1.5 percentage points more than German Bunds, up from 1.2 points; European high-yield bonds yield 6.5%, up from 5.7%.

U.S. bonds look vulnerable to a further sell-off, particularly if the U.S. economy continues to recover. Corporate bonds have been an unhappy half-way house this year in the U.S.: investment-grade bonds have lost money, down 2.8%, while the 2.9% gain chalked up by high-yield bonds is paltry compared with the 18% rise for the S&P500.

Europe is a different matter, however. The European Central Bank sounds increasingly dovish, saying this month that rates are set to remain at present or lower levels for an extended period. That has led U.S. and European government bonds to diverge: 10-year German Bunds now yield 1.55%, nearly a full percentage point less than their U.S. peers. Euro-denominated investment-grade corporate bonds have held their head above water, up 0.9%, while high-yield debt is up 3.3%.

True, bonds are underperforming stocks: the Europe Stoxx 600 index is up 5.8% this year. But the economic outlook in Europe is far murkier than in the U.S., making stocks a riskier bet and boosting the allure of bonds. European companies are still in cautious, cash-hoarding mode - a boon for bond investors - in contrast to U.S. peers that have become far more shareholder-friendly.

Structurally, the supply of corporate debt isn't keeping up with demand, particularly as European banks have all but ceased issuing bonds. And European corporate bonds benefit from having a relatively short average maturity, which means bond prices are less sensitive to swings in interest rates and are more likely to be affected by local central bank policy; long-dated bonds are more exposed to moves in U.S. Treasury yields, a building block for bond pricing globally.

Europe has plenty of problems still, but a tightening central bank is not among them. With the first-round effects of the prospective end of Fed largesse mostly priced in, investors might want to dip their toes back into Europe's corporate debt market.

HEARD ON THE STREET: Baidu Searches for Mobile Solution

By Aaron Back

Under threat from mobile Internet, China's search engine leader has gone hunting for an app store.

Baidu Inc. (BIDU, K3SD.SG) dominates search in China, but fast-growing mobile Internet could eat away at its business. The company's own research shows China's mobile Internet users access the web via applications, or apps, 88% of the time, compared with only 12% for traditional Web browsers.

In response, Baidu has signed a preliminary agreement to pay $1.9 billion for 91 Wireless Websoft, which operates two mobile app stores in China. Strategically, the move makes sense.

While Apple and Google's app stores dominate in some other markets, most Internet users in China buy from third-party app stores. Among them, 91 Wireless is the leader the company has distributed more apps than other Chinese rivals for the past two years, according to iResearch data cited by Baidu. Importantly, the app store business also has relationships with 93,000 mobile app developers, notes HSBC.

Baidu has made earlier attempts to get mobile. In 2011, the company released its own version of Google's Android operating system, but the reception has been underwhelming. Last year, Baidu launched a mobile Web browser, though it is currently in third place by number of accounts, according to Analysys International. The company also has a fast-growing stand-alone search app.

But the search giant says it is still two years away from turning mobile potential into profit that's comparable with its traditional desktop model. Its main rivals in China already operate significant mobile platforms. Sina Corp.'s (SINA) micro-blogging service Weibo and Tencent Holdings's (0700.HK) mobile messaging app WeChat don't make much money either, but they are wildly popular. Earlier this year, China's other Internet heavyweight Alibaba Group paid $800 million for a stake in Weibo.

Baidu's potential deal value's the app store business at 40 times 2012 revenue. It would be Baidu's largest bet on mobile to date. But with mobile set to dominate China's Internet business, the country's search giant has little choice but to join the fray.

HEARD ON THE STREET: Leaping in T-Mobile's Way

By Miriam Gottfried

[16-07-13 1604GMT]

Could a giant like AT&T (T) be threatened by an upstart like T-Mobile U.S. (TMUS)? AT&T's purchase of Leap Wireless International (LEAP) suggests it is already playing defense.

AT&T has agreed to purchase prepaid carrier Leap for $1.2 billion in cash, or $15 a share, plus the assumption of $2.8 billion in net debt. Leap shareholders will also receive the net proceeds on the sale of a spectrum block, which Leap bought for $204 million last August.

Leap shares opened Monday at $17.23, more than double Friday's close.

For AT&T, valued at $261 billion including net debt, Leap is a blip on the radar. It has about five million subscribers and wireless spectrum covering mostly second-tier markets, and AT&T says Leap will provide entry to prepaid wireless.

But a closer look at Leap's spectrum suggests the deal may be more of a jab at T-Mobile than a boost to AT&T. More than 60% of Leap's spectrum resides in a band where T-Mobile has a major presence and AT&T, only a smattering of licenses, according to Moffett Research. Buying Leap thus keeps its highly complementary spectrum out of T-Mobile's hands.

And AT&T may have a growing reason to do so. T-Mobile Chief Executive John Legere said last week that his company's "porting ratio" against AT&T customers switching to T-Mobile from AT&T over those doing the reverse had shot up to 1.75 from 0.59 in the first quarter as a result of new contract-free service plans announced in March.

A desire to lock up Leap could explain why AT&T is paying more than eight times 2013 earnings before interest, tax, depreciation and amortization. Leap's Ebitda is forecast to fall 7% in 2014 as its subscriber base shrinks. By comparison, AT&T trades at 6.3 times 2013 Ebitda. And while the price tag may be small relative

to AT&T's size, it could strain further its already stretched ability to fund dividend growth out of operating cash flow, according to BTIG Research.

In AT&T taking this leap, hobbling T-Mobile seems the primary goal.

HEARD ON THE STREET: A Citi Wall Thicker Than J.P. Morgan's

By David Reilly

It isn't often Citigroup gets a chance to show up J.P. Morgan Chase. On Monday, it did just that.

Discussing second-quarter results, Citi said its leverage ratio under newly proposed rules would have been about 4.9%, just shy of a 5% minimum. That beat the 4.7% J.P. Morgan disclosed Friday.

Perhaps more important, Citi gave an idea of what the ratio would be for its bank subsidiary, which will face a 6% minimum. Although it didn't give a second-quarter figure, Citi said this would have been about 6% at the end of March.

J.P. Morgan, by contrast, said its bank subsidiary's ratio would have been below that of the bank overall. While it didn't give a specific figure, this implied it would have fallen far short of 6%.

How short, and so how big a capital hole it will have to fill by 2018, isn't clear. In a report last week, analysts at Keefe, Bruyette & Woods pegged it at about $48 billion.

First-quarter filings with bank regulators for both firms' bank subsidiaries highlight the disparity. Under existing rules, Citi's bank unit had a leverage ratio of 9.4%; the firm as a whole was at 7.8%. J.P. Morgan's leverage ratio of 6.3% at its bank subsidiary, though, was a percentage point below the firm's ratio of 7.3%.

The irony is that Citi, given its near-death experience in the financial crisis, has had to build capital at a quicker clip, especially within its bank subsidiary. In the first quarter of 2007, Citi's bank had half of the capital it does today.

Citi still can't match J.P. Morgan's consistent earnings power, and its stock trades at an about 25% discount on a multiple of price-to-tangible book value. When it comes to its bank subsidiary, though, Citi can claim to have a stronger fortress. [16-07-13 1604GMT]

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Dow Jones Newswires

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638 字
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Dow Jones Global Equities News
DJI
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(Richard Barley is a writer for Heard on the Street. He has covered the European corporate credit market in one form or another since 1998. He can be reached at +44-20-7842-9406 or by email: richard.barley@dowjones.com; follow him on Twitter at @RichardBarley1)

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HEARD ON THE STREET: Telecom Italia Hangs Up Again

By Renee Schultes

Telecom Italia (TI) is making a habit of running into dead ends.

In the past eight months, three attempts to tackle its EUR28.8 billion ($37.8 billion) in net debt - more than three times its stock market value - have come to naught. The latest: Telecom Italia's board has shelved a proposed spin-off its fixed line network, which could have paved the way for a capital injection from state-backed lender Cassa Depositi e Prestiti. Investors under the illusion Telecom Italia is close to getting out of its cul-de-sac should think again.

Telecom Italia's problems aren't for the faint-hearted. Sure, it plans to pare net debt by year-end to EUR27 billion and has funds to meet bond repayments for three years. But that means little if earnings continue to slide. Four operators are battling it out in Italy's shrinking wireless market. And anemic growth in broadband internet isn't enough to offset falling revenues from landline calls. Earnings before interest, taxes, depreciation and amortization could fall 9% in the June quarter, risking a credit downgrade to junk, notes Bernstein Research.

The Italian operator may need more drastic action. That could mean the telecoms equivalent of a good bank/bad bank split, dividing the Italian fixed-line network and interests in Brazil and Argentina from the Italian retail services business, says Bernstein. That might help resolve Telecom Italia's ownership, with CdP buying controlling shareholder Telco's 22.4% stake in the more attractive assets. If the "good bank" assumed more debt, the retail business could attract a higher valuation than the 3.1 times forecast 2014 Ebitda Telecom Italia commands.

In practice, that looks challenging. It isn't clear all shareholders in Telco would welcome that outcome: Italy's Mediobanca (MB.MI) and insurer Generali (G.MI) would like to sell non-core investments but Spain's Telefonica (TEF) may see the separation of a network from its service company as a worrying precedent.

Moreover, Telecom Italia isn't willing to give up control of its network. And Italy's regulator has said that more favorable regulatory treatment, which could help justify the spin-off, will come only if the operator loosens its grip on the asset.

Telecom Italia's shares have already fallen by a third in the past year. If stalemate persists, they may have nowhere to go but down.

HEARD ON THE STREET: Rupee Requires Forward Thinking

By Abheek Bhattacharya

India's central bank is scrambling to stop hot money leaving the country.

The rupee has fallen about 8% in the past three months, making it one of the worst performing currencies in Asia. In part, that's because emerging-market currencies are under pressure since the U.S. Federal Reserve indicated plans to scale back bond purchases. The rupee has suffered more than others partly because India's been loosening rates too.

In an effort to stem the tide, the Reserve Bank of India has moved to tighten rupee liquidity, by limiting overnight borrowing, and curtail trading in currency derivatives, for example.

The measures came after India's currency hit all time lows against the dollar recently. There was an immediate impact, with the rupee climbing to its highest level against the U.S. dollar in two weeks on Tuesday.

In the longer term, though, India must take a different tack to reduce its currency volatility, by attracting more foreign direct investment. On average, foreign direct investment has shrunk 1% year-on-year between April 2009 and March 2013. Even as the central bank tried to stem rupee outflows this week, a major foreign investor was bailing out. South Korean steel giant Posco (005490.SE, PKX) announced it is no longer pursuing plans to build a $5.3 billion plant in southern India because of difficulties in securing mining rights and acquiring land.

Indeed, large foreign investors looking to put money into India face a host of problems including cumbersome red tape and problematic land acquisition rules. Property titles in India aren't clear-cut, and there are difficult regulations that specify how land must be used, restrict ownership and influence the selling price.

There are also curbs on foreign investment in some sectors though the government has promised a policy announcement in this area later in July.

In the near term, the Fed's policies are likely to be a major factor in the strength of the rupee. The RBI may have few tools to stem outflows once the Fed's tapering begins in earnest. India's policymakers must think further ahead though. Encouraging major foreign investors to stick around will lessen rupee volatility in the long term.

HEARD ON THE STREET: Opportunity Knocks for European Corporate Bonds

By Richard Barley

Is it safe to go back in the bond-market water? Global debt markets have been in a funk since U.S. Federal Reserve Chairman Ben Bernanke first hinted that the central bank's bond-purchase program could be wound down. But the rise in yields has created opportunities. In particular, European corporate debt looks interesting given the very different economic outlook and a dovish central bank.

Corporate bonds were hit hard in the turmoil and haven't really bounced back. While the S&P500 and Dow Jones Industrial Average have vaulted to new record highs, corporate bonds have only retraced part of the sell-off. U.S. high-yield bonds, for instance, now yield 6.2% according to Barclays indexes, versus 5.2% on May 22, when Mr. Bernanke first roiled markets with his comments. Euro-denominated investment-grade bonds yield 1.5 percentage points more than German Bunds, up from 1.2 points; European high-yield bonds yield 6.5%, up from 5.7%.

U.S. bonds look vulnerable to a further sell-off, particularly if the U.S. economy continues to recover. Corporate bonds have been an unhappy half-way house this year in the U.S.: investment-grade bonds have lost money, down 2.8%, while the 2.9% gain chalked up by high-yield bonds is paltry compared with the 18% rise for the S&P500.

Europe is a different matter, however. The European Central Bank sounds increasingly dovish, saying this month that rates are set to remain at present or lower levels for an extended period. That has led U.S. and European government bonds to diverge: 10-year German Bunds now yield 1.55%, nearly a full percentage point less than their U.S. peers. Euro-denominated investment-grade corporate bonds have held their head above water, up 0.9%, while high-yield debt is up 3.3%.

True, bonds are underperforming stocks: the Europe Stoxx 600 index is up 5.8% this year. But the economic outlook in Europe is far murkier than in the U.S., making stocks a riskier bet and boosting the allure of bonds. European companies are still in cautious, cash-hoarding mode - a boon for bond investors - in contrast to U.S. peers that have become far more shareholder-friendly.

Structurally, the supply of corporate debt isn't keeping up with demand, particularly as European banks have all but ceased issuing bonds. And European corporate bonds benefit from having a relatively short average maturity, which means bond prices are less sensitive to swings in interest rates and are more likely to be affected by local central bank policy; long-dated bonds are more exposed to moves in U.S. Treasury yields, a building block for bond pricing globally.

Europe has plenty of problems still, but a tightening central bank is not among them. With the first-round effects of the prospective end of Fed largesse mostly priced in, investors might want to dip their toes back into Europe's corporate debt market.

HEARD ON THE STREET: Baidu Searches for Mobile Solution

By Aaron Back

Under threat from mobile Internet, China's search engine leader has gone hunting for an app store.

Baidu Inc. (BIDU, K3SD.SG) dominates search in China, but fast-growing mobile Internet could eat away at its business. The company's own research shows China's mobile Internet users access the web via applications, or apps, 88% of the time, compared with only 12% for traditional Web browsers.

In response, Baidu has signed a preliminary agreement to pay $1.9 billion for 91 Wireless Websoft, which operates two mobile app stores in China. Strategically, the move makes sense.

While Apple and Google's app stores dominate in some other markets, most Internet users in China buy from third-party app stores. Among them, 91 Wireless is the leader the company has distributed more apps than other Chinese rivals for the past two years, according to iResearch data cited by Baidu. Importantly, the app store business also has relationships with 93,000 mobile app developers, notes HSBC.

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But the search giant says it is still two years away from turning mobile potential into profit that's comparable with its traditional desktop model. Its main rivals in China already operate significant mobile platforms. Sina Corp.'s (SINA) micro-blogging service Weibo and Tencent Holdings's (0700.HK) mobile messaging app WeChat don't make much money either, but they are wildly popular. Earlier this year, China's other Internet heavyweight Alibaba Group paid $800 million for a stake in Weibo.

Baidu's potential deal value's the app store business at 40 times 2012 revenue. It would be Baidu's largest bet on mobile to date. But with mobile set to dominate China's Internet business, the country's search giant has little choice but to join the fray.

HEARD ON THE STREET: Leaping in T-Mobile's Way

By Miriam Gottfried

16 Jul 2013 12:04 EDT DJ HEARD ON THE STREET: Daily Digest -2-

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AT&T has agreed to purchase prepaid carrier Leap for $1.2 billion in cash, or $15 a share, plus the assumption of $2.8 billion in net debt. Leap shareholders will also receive the net proceeds on the sale of a spectrum block, which Leap bought for $204 million last August.

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But a closer look at Leap's spectrum suggests the deal may be more of a jab at T-Mobile than a boost to AT&T. More than 60% of Leap's spectrum resides in a band where T-Mobile has a major presence and AT&T, only a smattering of licenses, according to Moffett Research. Buying Leap thus keeps its highly complementary spectrum out of T-Mobile's hands.

And AT&T may have a growing reason to do so. T-Mobile Chief Executive John Legere said last week that his company's "porting ratio" against AT&T customers switching to T-Mobile from AT&T over those doing the reverse had shot up to 1.75 from 0.59 in the first quarter as a result of new contract-free service plans announced in March.

A desire to lock up Leap could explain why AT&T is paying more than eight times 2013 earnings before interest, tax, depreciation and amortization. Leap's Ebitda is forecast to fall 7% in 2014 as its subscriber base shrinks. By comparison, AT&T trades at 6.3 times 2013 Ebitda. And while the price tag may be small relative

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In AT&T taking this leap, hobbling T-Mobile seems the primary goal.

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Perhaps more important, Citi gave an idea of what the ratio would be for its bank subsidiary, which will face a 6% minimum. Although it didn't give a second-quarter figure, Citi said this would have been about 6% at the end of March.

J.P. Morgan, by contrast, said its bank subsidiary's ratio would have been below that of the bank overall. While it didn't give a specific figure, this implied it would have fallen far short of 6%.

How short, and so how big a capital hole it will have to fill by 2018, isn't clear. In a report last week, analysts at Keefe, Bruyette & Woods pegged it at about $48 billion.

First-quarter filings with bank regulators for both firms' bank subsidiaries highlight the disparity. Under existing rules, Citi's bank unit had a leverage ratio of 9.4%; the firm as a whole was at 7.8%. J.P. Morgan's leverage ratio of 6.3% at its bank subsidiary, though, was a percentage point below the firm's ratio of 7.3%.

The irony is that Citi, given its near-death experience in the financial crisis, has had to build capital at a quicker clip, especially within its bank subsidiary. In the first quarter of 2007, Citi's bank had half of the capital it does today.

Citi still can't match J.P. Morgan's consistent earnings power, and its stock trades at an about 25% discount on a multiple of price-to-tangible book value. When it comes to its bank subsidiary, though, Citi can claim to have a stronger fortress.

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In an effort to stem the tide, the Reserve Bank of India has moved to tighten rupee liquidity, by limiting overnight borrowing, and curtail trading in currency derivatives, for example.

The measures came after India's currency hit all time lows against the dollar recently. There was an immediate impact, with the rupee climbing to its highest level against the U.S. dollar in two weeks on Tuesday.

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[07-16-13 1204ET]

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Dow Jones Newswires

NORDIC MORNING BRIEFING: ZEW Survey and Earnings in Focus

By Niclas Rolander
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TODAY'S CALENDAR - All times GMT
Nordic Macro

0730 Sweden Riksbank minutes

Other Macro

0900 Euro zone HICP, June
0900 Euro zone
Trade balance, May
0900 Germany ZEW survey, Jul
1230 US CPI, Jun
1315 US Industrial Prod, Jun
1400 US
NAHB housing market index, Jul

Nordic Equities

0500 Swedbank 2Q
0500 Gjensidige 2Q
0600 SKF 2Q
0600
Eniro 2Q
0600 Evry 2Q
1200 Castellum 2Q

Other Equities

1130 Goldman Sachs 2Q
N/A Johnson & Johnson
N/A Coca Cola 2Q
N/A Yahoo 2Q (after US mkt close)

IN FOCUS:
On Tuesday, a slew of earnings reports and a closely watched indicator of business sentiment in Germany will keep investors in the Nordic region busy.

The German ZEW survey, due at 0900 GMT, is expected to show that the economic outlook improved slightly in the Nordic region's largest trading partner.

The economic expectations component indicator of the survey has remained above the long-term average since the start of this year, and economists polled by Dow Jones Newswires expect the indicator to climb to 40 from a previous reading of 38.5.

However, Germany's Dekabank said in a weekly note that after the recent weeks' "emotional rollercoaster" on financial markets, business expectations in the ZEW survey are likely to have improved only marginally. The bank expects the business expectations index at 38.8.

On the earnings agenda, ball-bearings maker SKF AB (SKF-B.SK) kicks off earnings season for Nordic industrials when it announces its second-quarter results at 0600 GMT.

The company is expected to post sales of SEK15.86 billion, but the main focus will be on SKF's outlook for the coming quarters. SKF's bearings and seals are essential components in a wide range of equipment, from dishwashers to trains and mining equipment, so the company's outlook is an indicator for other engineering companies and European industry at large.

Also on Tuesday's earnings agenda are second-quarter results from Swedbank, is expected to have been weighed by around SEK1.9 billion in writedowns relating to the bank's exit from Ukraine. However, rising net interest income is expected to have compensated for the effect of the writedowns, somewhat. Focus will be on cost development, interest income and capitalization.

The U.S. reporting season have started on a positive note. After 26 S&P500 companies reported so far, 65% have beaten analysts' expectations, JP Morgan said.

FOREX:

EUR/NOK
Latest 0150 GMT 7.9253-380
Previous 2150 GMT 7.9142-251
%Chg +0.15

EUR/SEK
Latest 0150 GMT 8.7160-238
Previous 2150 GMT 8.7165-278
%Chg -0.03

USD/NOK
Latest 0150 GMT 6.0671-760
Previous 2150 GMT 6.0588-661
%Chg +0.15

USD/SEK
Latest 0150 GMT 6.6723-74
Previous 2150 GMT 6.6732-807
%Chg -0.03

NORDIC CURRENCIES:
The Swedish Riksbank's minutes will be closely watched at their release Tuesday at 0730 GMT. At the July 2 meeting, the bank's monetary policy board opted to keep the policy rate unchanged at 1%, but two governors, Karolina Ekholm and Martin Floden, were in favor of a 25 basis point cut.

The minutes are expected to show that the discussion on inflation targeting versus financial stability continued, as the majority argues that a lower rate, though it would bring inflation closer to the 2% target, would create a dangerous situation by boosting already high levels of household borrowing.

In a weekly note, Nordea said this will be the most important part of the minutes - "how far can inflation/unemployment diverge from targets without a focus shift back to the inflation target."

Most of the rate setters' positions on this issue are well known, and focus will be on statements from the two new members of the board, Mr. Floden and Cecilia Skingsley, who voted with the majority.

The majority board members' statements will also be scrutinized to see if any of them considered a cut or a lowering of the rate path.

STOCK INDEXES:

OMXN40 1,144.50 +0.72 +0.1%
OMXS30 1,215.23 +4.50 +0.4%
OBX 456.48 +2.48 +0.6%
OMXC20 539.11 -1.51 -0.3%

OMXH25 2,356.72 -7.53 -0.3%

Brent $109.14 +0.05 +0.1%

NORDIC MARKETS:
As earnings season swings into full gear, investors' focus is on company's outlook. Equities have gained on the hope that demand will pick up in the second half of 2013 and "now we're in the second half and you'd like to see that it actually improves," Nordea strategist Mattias Eriksson said.

Demand outlook will be the key focus when SKF reports second-quarter earnings Tuesday, kicking off earnings season for the industrial sector. Mr. Eriksson noted that SKF shares have been doing well recently, indicating the market may have hopes of a positive report.

After SEB posted higher-than-expected profits Monday the turn has come to Swedbank, which will report a significant on-year drop in the second-quarter net profit as around SEK1.9 billion in write-downs relating to the bank's exit from Ukraine will weigh on the bank's earnings.

On the macro end speculation about Fed tapering of QE measures in the US remains a hot topic and Tuesday investors will get another piece of the puzzle in the form of US industrial production data, coming in at 1315 GMT.

ENERGY:
Crude-oil futures were rangebound in Asian trade Tuesday, after settling higher in overnight floor trade, as investors weigh economic data from the U.S. and oil supply fundamentals. Nymex oil futures are supported by the likelihood of another draw in U.S. oil inventories in data later this week; markets will be focused on the API Weekly Statistical Bulletin due later Tuesday, and the EIA Weekly Petroleum Status Report due Wednesday. OPEC could be forced to reduce its oil production by half a million barrels a day when it meets in December, the first cut in five years, as non-OPEC oil supply continues to rise, Gulf delegates within the group said. Tighter supply will be bullish for oil prices. While relatively weak demand leaves global market amply supplied in the second half of the year, short-term supply risks remain, Goldman Sachs said in a note. Nymex crude was up 14 cents at $106.46/bbl, Brent was up 5 cents at $109.14/bbl. (e

NEWS ROUNDUP:
SWEDEN: Skandinaviska Enskilda Banken AB (SEB-A.SK) Monday reported a stronger-than-expected rise in second-quarter net profit, helped by growing net interest and commission income, and said activity among its customers is picking up as Sweden's economy is rebounding somewhat.

SWEDEN: Fashion retailer Hennes & Mauritz AB (HM-B.SK) said sales at stores open for at least a year rose 3% on the year in June.

SWEDEN: Food reatiler Axfood AB (AXFO.SK) said its second-quarter net profit rose to SEK246 million from SEK228 million in 2Q 2012, and said it aims to achieve the same level of operating profit as last year.

SWEDEN: Building materials supplier Byggmax AB (BMAX.SK) reported rising second-quarter net profit from a year earlier, helped by growing sales, but cautioned that market conditions remain uncertain though Sweden is showing signs of increasing stability.

SWEDEN: offshore drilling firm Seadrill Ltd. (SDRL.OS) said it had ordered four new deep-water drillships targeted for use in areas such as the Gulf of Mexico, Brazil and West and East Africa.

The drillships are expected to cost below $600 million each.

Write to Niclas Rolander at niclas.rolander@dowjones.com; Twitter: @WSJNordics

(Johannes Ledel contributed to this report.) [07-15-13 2228ET]

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Another Week, Another Record for Dow, S&P

By Avi Salzman
1,900 字
2013 年 7 月 15 日
Barron's
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Rate-sensitive stocks rallied on Bernanke's assurances, with home builders spiking. "Reits [real-estate investment trusts], mortgage reits, utilities, and precious metals received a new reflationary bid after a nine-month correction," he noted.

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So, has the day of the dividend passed? Certainly, payout-rich stocks are getting a more thorough once-over. "A high yield does not always equal a safe yield," said Bank of America equity strategist Savita Subramanian at a conference last month. Subramanian warned that the highest-yielding names in the S&P 500 looked risky, and that investors should consider names with the ability to increase dividends, even if their stock prices are more volatile.

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For the past few years, returns on those assets have been starved by low short-term rates. The yield on Schwab's interest-earning assets fell to 1.5% in the first quarter from 6.12% in 2007, according to a report last week from RW Baird analyst Christopher Shutler. Schwab has lately had to waive fees on customers' money-market fund assets to keep them from earning negative returns.

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DJ65Stocks	5219.58	+132.28	+2.60
DJUSMarket	423.06	+12.23	+2.98
NYSEComp.	9498.51	+284.33	+3.09
NYSEMKTComp.	2330.07	+55.66	+2.45
S&P500	1680.19	+48.30	+2.96
S&PMidCap	1221.24	+35.13	+2.96
S&PSmallCap	583.89	+15.74	+2.77
Nasdaq	3600.08	+120.70	+3.47
ValueLine(arith.)	3882.94	+124.00	+3.30
Russell2000	1036.52	+31.13	+3.10
DJUSTSMFloat	17575.06	+508.63	+2.98

	Last Week	Week Earlier
NYSE		
Advances	2,523	1,657
Declines	645	1,513
Unchanged	45	38
NewHighs	551	295
NewLows	119	111
AvDailyVol(mil)	3,158.5	2,728.2
Dollar		
(Finexspotindex)	82.99	84.44
T-Bond		
(CBTnearbyfutures)	126-030	124-210
Crude Oil		
(NYMlightsweetcrude)	105.95	103.22
Inflation KR-CRB		
(FuturesPriceIndex)	286.66	280.72
Gold		
(CMXnearbyfutures)	1277.80	1212.90

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NEWSWIRES

Barron's: The Trader: Another Week, Another Record For Dow, S&P

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(FROM BARRON'S 7/15/13)
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NYSEMKTComp.	2330.07	+55.66	+2.45
S&P500	1680.19	+48.30	+2.96
S&PMidCap	1221.24	+35.13	+2.96
S&PSmallCap	583.89	+15.74	+2.77
Nasdaq	3600.08	+120.70	+3.47
ValueLine(arith.)	3882.94	+124.00	+3.30
Russell2000	1036.52	+31.13	+3.10
DJUSTSMFloat	17575.06	+508.63	+2.98

	Last Week	Week Earlier
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Declines	645	1,513
Unchanged	45	38
NewHighs	551	295
NewLows	119	111
AvDailyVol(mil)	3,158.5	2,728.2
Dollar		
(Finexspotindex)	82.99	84.44
T-Bond		
(CBTnearbyfutures)	126-030	124-210
Crude Oil		
(NYMlightsweetcrude)	105.95	103.22
Inflation KR-CRB		
(FuturesPriceIndex)	286.66	280.72

Gold
(CMXnearbyfutures) 1277.80 1212.90

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(END) Dow Jones Newswires

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Dow Jones Newswires

WSJ Blog:At-a-Glance: Reactions To Fed Chairman Bernanke's speech

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2013 年 7 月 12 日 03:48
Dow Jones Chinese Financial Wire
DJCFWE
英文

(This story has been posted on The Wall Street Journal Online's MoneyBeat blog at http://blogs.wsj.com/moneybeat/)

By Chiara Albanese

Federal Reserve Chairman Ben Bernanke sought to reassure markets on Wednesday that highly accommodative monetary policy is set to remain in place for the foreseeable future.

Speaking at a conference, just a few hours after minutes of the Fed's June policy meeting showed officials deeply divided over when to start unwinding the bond-buying program, Bernanke reiterated that until economic data form a strong case for a pullback from stimulus, policy is not set to change.

Game changer? Or just a repeat of earlier statements?

Below is a rundown of reactions from a few analysts and investors:

UBS, currencies analyst Geoffrey Yu: "The price action overnight suggests the market was overly positioned investing in the dollar and waiting for confirmation of tapering. The truth is that Bernanke did not offer much new in terms of economic conditions. We maintain our positive outlook on the dollar and expectations that the Fed will decide on quantitative easing during their September meeting, but in the short term we would expect foreign exchange markets to follow yields in a range-bound environment."

JP Morgan asset management, global market strategist Dan Morris: "Market angst over the tapering of quantitative easing in the U.S. is overdone. Quantitative easing certainly helped, but the real reason why stocks have performed over the last years is earnings. Markets will now have to adapt and stabilize in this new environment. However it will happen, tapering will take a few years to be completed. The growth outlook is positive and improving in the U.S. and we are convinced it is going to continue. Recovery in the housing market is going to drive recovery for a long time."

Societe Generale, macro strategist Kit Juckes: "Did the Fed Chairman really say anything radical last night? What I heard from Bernanke was that tapering isn't tightening (Wow!), that policy will remain very accommodative for a very long time, and that higher yields could alter taper-timing. I don't see that as a radical but it has put a ceiling above yields for now, and markets can revert to data-watching mode."

Barclays, U.S. economist Michael Gapen: "Although Chairman Bernanke took on a dovish tone, we see them [his remarks] as consistent with our view that the Fed will reduce the pace of purchases at its September meeting from $85 billion per month to $70 billion. Based on our forecast for the unemployment rate, we expect that purchases will cease in March 2014. We interpret many of the chairman's dovish statements as an attempt to prevent markets from pricing in an earlier onset of policy rate tightening, not about whether the committee expects tapering later this year."

Citigroup, currencies analyst Valentin Marinov: "The price action in the euro against the dollar overnight was a painful reminder to the European Central Bank that it may have to try harder if it wants to compete in the global currency wars. Despite Fed's cautiousness last night, the U.S. growth story is still the most compelling in G4. The U.S. cyclical leadership will continue to support the dollar. We think that it would take significant deterioration in U.S. data to see Fed actually backing away from Quantitative Easing tapering and exit."

Commerzbank, currencies analyst Lutz Karpowitz, "In all the confusion it is even more important to keep a cool head. Of course the timing of the tapering plays a role for the euro/dollar rate in the short term, but one thing should also be clear: for the tapering not to happen the U.S. economy would have to lose a lot of momentum, while for an extension of the purchases it would have to collapse. Nothing has changed regarding the so called big picture overnight. I have my doubts whether the enormous dollar weakness will be sustainable in the end."

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FOMC chairman was more concerned about the dollar level than the 10-year bond rate. The move up in the euro and down against the yen is important as that correlation to equities seems obvious. There are only two things to worry about today--the dollar-to-S&P500 correlation and the U.S. financial conditions. The fear of a larger correction in U.S. equities remains."

RBC, currencies strategist Elsa Lignos: "We agree with a broad consensus that [the dollar selloff] is a correction rather than a major reassessment of future Fed policy. The 200-300 point reaction in most dollar pairs is testament to thin liquidity and positioning that is extremely leveraged to Fed policy expectations. Bernanke's answers were certainly more balanced than his post-FOMC press conference but are unlikely to push rate expectations back further from here."

(Clare Connaghan and Jessica Mead contributed to this item)

For continuously updated news from The Wall Street Journal, see WSJ.com at http://wsj.com.

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文件 DJCFWE0020130713e97c000fp

WSJ Blog:At-a-Glance: Reactions To Fed Chairman Bernanke's speech

890 字
2013 年 7 月 11 日 15:51
Dow Jones News Service
DJ
英文

(This story has been posted on The Wall Street Journal Online's MoneyBeat blog at http://blogs.wsj.com/moneybeat/)

By Chiara Albanese

Federal Reserve Chairman Ben Bernanke sought to reassure markets on Wednesday that highly accommodative monetary policy is set to remain in place for the foreseeable future.

Speaking at a conference, just a few hours after minutes of the Fed's June policy meeting showed officials deeply divided over when to start unwinding the bond-buying program, Bernanke reiterated that until economic data form a strong case for a pullback from stimulus, policy is not set to change.

Game changer? Or just a repeat of earlier statements?

Below is a rundown of reactions from a few analysts and investors:

UBS, Geoffrey Yu, currencies analyst : "The price action overnight suggests the market was overly positioned investing in the dollar and waiting for confirmation of tapering. The truth is that Bernanke did not offer much new in terms of economic conditions. We maintain our positive outlook on the dollar and expectations that the Fed will decide on quantitative easing during their September meeting, but in the short term we would expect foreign exchange markets to follow yields in a range-bound environment."

J.P. Morgan Asset Management, Dan Morris, global market strategist: "Market angst over the tapering of quantitative easing in the U.S. is overdone. Quantitative easing certainly helped, but the real reason why stocks have performed over the last years is earnings. Markets will now have to adapt and stabilize in this new environment. However it will happen, tapering will take a few years to be completed. The growth outlook is positive and improving in the U.S. and we are convinced it is going to continue. Recovery in the housing market is going to drive recovery for a long time."

Societe Generale, Kit Juckes, macro strategist: "Did the Fed Chairman really say anything radical last night? What I heard from Bernanke was that tapering isn't tightening (Wow!), that policy will remain very accommodative for a very long time, and that higher yields could alter taper-timing. I don't see that as a radical but it has put a ceiling above yields for now, and markets can revert to data-watching mode."

Barclays, Michael Gapen, U.S. economist: "Although Chairman Bernanke took on a dovish tone, we see them [his remarks] as consistent with our view that the Fed will reduce the pace of purchases at its September meeting from $85 billion per month to $70 billion. Based on our forecast for the unemployment rate, we expect that purchases will cease in March 2014. We interpret many of the chairman's dovish statements as an attempt to prevent markets from pricing in an earlier onset of policy rate tightening, not about whether the committee expects tapering later this year."

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[07-11-13 1051ET]

文件 DJ00000020130711e97b0007j

BARRON'S

MARKET WEEK
Stocks --- The Trader: Heat Rises: Dow, S&P Up 1.5% on the Week

By Avi Salzman
1,812 字
2013 年 7 月 8 日
Barron's
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The second half of the year has begun, and so far it's a lot like the first half.

For the week the Dow rose 226.24 points, or 1.52%, to 15,135.84. The Standard & Poor's 500 added 25.61 points, or 1.59%, to close at 1631.89, and the Nasdaq Composite gained 76.13 points, or 2.24%, to close at 3479.38.

Bond yields and Treasury notes are still on the rise, with the 10-year yield climbing 0.23 percentage point on the week to 2.72%.

The Labor Department said Friday that the economy added 195,000 jobs in June, and it revised its May and April employment estimates upward by a total of 70,000 jobs. Nonfarm payrolls have now risen by an average of 202,000 jobs per month this year. The market initially hesitated on the news. Job growth appears to be consistent and relatively robust, which means the Fed has another excuse to slow down its asset-buying program. But after that initial hiccup, stocks rose in the afternoon, and the Dow ended the day 147 points higher.

Strategists and investors we talked to this week, however, remained uneasy. As the Fed takes the economy's training wheels off, there may be considerable wobbles ahead.

"The economy is pretty clearly creating enough jobs for the Fed to begin to taper," said John Canally, investment strategist at LPL Financial. "I'm not so clear that will lead to a stronger economy. The job market might just be playing catch-up. You might get a situation where the Fed is tapering, but GDP growth is still below their forecast."

While the economy may be improving somewhat, corporate earnings aren't likely to rise much in the second half of the year, says Chuck Severson, manager of the Baird Midcap fund. Second-quarter earnings season unofficially kicks off in the coming week, with Alcoa (ticker: AA) reporting Monday.

"An acceleration in earnings growth seems to be baked into stocks," Severson said. "But I don't see a whole lot of reasons why the economy is going to accelerate. I'm a little worried that as we go through earnings season this year that managements are going to temper expectations."

Investors are also keeping a close eye on the price of oil, which spiked on unrest in Egypt. As the Egyptian military ousted President Mohammed Morsi in a coup, Nymex crude futures rose 6.9% to $103.22 on the week.

The combination of rising stock prices and rising interest rates is good news for some companies -- in particular, corporations with large pension liabilities.

Companies have seen their estimated pension liabilities climb significantly in the past few years. As interest rates fall, so does the discount rate -- the measure used to determine how much a pension needs today to ensure future payments. The lower the discount rate, the more money a pension needs -- and the more likely it is to find itself underfunded.

After the housing bubble burst, rates fell -- and so did the stocks held by corporate pension funds, sending pension assets down and widening the underfunded gap. While the pensions of corporate America in aggregate were fully funded in 2007, they were only 75% funded by 2008, says Karen Franceries, a pension expert at JP Morgan Asset Management. Pension liabilities weighed heavily on the balance sheets of companies in several sectors, including autos, airlines and steelmakers, putting them at risk of bankruptcy and forcing them to restructure or divert money from other purposes.

But with interest rates rising, those liabilities will fall, taking some pressure off of balance sheets. (This boon is somewhat mitigated by the recent decline in the value of bonds, which are a big allocation in many pensions.) The funding status for corporate America has increased by at least 8% since the start of the year, according to Franceries. As of the end of May, she estimates pensions were 86% funded. "The funding status has improved tremendously," said Franceries. "It's really a positive windfall."

Companies in numerous industries could see benefits from the changes. Among the corporations whose liabilities equal or exceed their market value (as shown in the accompanying table) are AK Steel (AKS), J.C. Penney (JCP), and Boeing (BA). Just how much those companies have benefited is difficult to determine until they publish their next annual reports.

In the absence of strong economic growth to boost stocks, investors are looking for organic growth opportunities, companies whose concept is so exciting they can grow even in a moribund economy.

Enter Noodles & Co. (NDLS), whose shares more than doubled on June 28, their first day of trading.

The restaurant chain, based in Broomfield, Colo., offers pasta and noodle dishes from many nations. Noodles is a "fast casual" chain, which occupies the niche between fast food and casual dining -- it's considered higher quality than the Burger Kings of the world, but not quite as formal as casual chains like Darden Restaurants' (DRI) Olive Garden. The two biggest restaurants that fit that classification, Chipotle Mexican Grill (CMG) and Panera Bread (PNRA), are market darlings. Traditional casual restaurants, meanwhile, are in a long-term slump. Their traffic is down 18% since peaking in 2007, says John Gordon of Pacific Management Consulting Group, which advises restaurant companies and investors.

Noodles is already being compared with Chipotle, and for good reason. CEO Kevin Reddy is a former Chipotle executive, and the concept is relatively similar. (Chipotle also used the same lead underwriters and saw its stock double on its first trading day.) The 343 Noodles & Co. restaurants (52 are run by franchisees) serve a wide array of pasta dishes, such as macaroni and cheese and Japanese pan noodles. The dishes are made on the spot, and delivered to customers' tables on china. Most entrees cost less than $8 and people tend to spend about $8 at the chain per visit, according to the company's prospectus. The company's restaurants are now located mainly in the Midwest and Southwest -- 50 are in Colorado and 35 are in Wisconsin. Keeping with the Midwestern theme, Noodles & Co. claims that its employees are friendlier than the surly folks who work for their competitors: "We believe our genuine, nice people separate us from our competitors."

But investors expecting Chipotle-like growth from Noodles & Co. need to use their noodles. On a variety of metrics, Noodles comes up short.

When Chipotle went public in 2006, it was expanding its same-store sales at a blistering pace) -- comparative-store sales rose 10.2% in the year before the IPO. Noodles reported 5.4% comparable-store growth in 2012, and 2.2% in the first quarter. In 2005, Chipotle's restaurants were pulling in $1.44 million each after being open for a year. Noodles' company-owned restaurants, meanwhile, average sales of $1.18 million. Chipotle also grew faster: It had 401 restaurants at the start of 2005, opened 80 that year, 94 in 2006 and 125 in 2007, a 20%-plus growth rate. Noodles opened 45 restaurants last year (a 15% growth rate), and plans to open between 38 and 42 this year, about a 12% rise. The company has set a target of 2,500 restaurants, a number Gordon generously calls "unproven."

Chipotle made $1.43 in 2005, and offered shares at $22 each, a trailing price/earnings ratio of 15.4 times. Noodles has made 20 cents in the past four quarters, according to its (partially unaudited) income statement and sold shares at $18 each, or 90 times. At its recent price of $45 per share, the multiple is over 200.

Noodles raised about $100.4 million in the IPO, assuming the overallotment is exercised. Most of the proceeds will be used to pay off debt.

According to Gordon's calculations, Noodles does have higher restaurant-level margins than Chipotle did when it went public -- 20.3% versus 18.2% -- but its business model could affect margin growth. At Noodles, employees check on customers during the meal, which makes the chain more akin to casual-dining restaurants. While that may help increase average tickets ("would you like dessert?") it could depress margins. Chipotle's restaurant-level margin has risen since the IPO, and was 26.3% in the first quarter of this year.

"There is no doubt that Noodles' stock is further ahead than what the fundamentals would indicate," says Gordon.

This doesn't mean Noodles won't eventually become a solid investment. It doesn't have to be Chipotle to reward investors handsomely (the Mexican-food chain's stock is up more than 15-fold from its offering price). The company, though not its investors, would arguably be better served if the stock came back to earth. That would put less pressure on management to achieve unrealistic Wall Street targets.

If Noodles eventually finds the right growth formula, it could satiate investors' appetites. But until the company starts producing results that rival its mac n' cheese, investors would be wise to keep the stock off their plates.

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DJUSMarket	410.83	+6.82	+1.69
NYSEComp.	9214.18	+101.48	+1.11
NYSEMKTComp.	2274.41	+28.68	+1.28
S&P500	1631.89	+25.61	+1.59
S&PMidCap	1186.11	+25.29	+2.18
S&PSmallCap	568.15	+17.63	+3.20
Nasdaq	3479.38	+76.13	+2.24
ValueLine(arith.)	3758.94	+78.01	+2.12
Russell2000	1005.39	+27.91	+2.86
DJUSTSMFloat	17066.43	+295.12	+1.76

	Last Week	Week Earlier
NYSE		
Advances	1,657	2,308
Declines	1,513	875
Unchanged	38	45
NewHighs	295	168
NewLows	111	681
AvDailyVol(mil)	2,728.2	3,892.9
Dollar (Finexspotindex)	83.23	83.14
T-Bond (CBTnearbyfutures)	124-210	126-180
Crude Oil (NYMlightsweetcrude)	103.22	96.56
Inflation KR-CRB (FuturesPriceIndex)	280.72	275.62
Gold (CMXnearbyfutures)	1212.90	1223.80

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文件 B000000020130706e9780000y

DOW JONES
NEWSWIRES

Barron's: The Trader: Heat Rises: Dow, S&P Up 1.5% On The Week

1,846 字
2013 年 7 月 6 日 05:07
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 7/8/13)
By Avi Salzman
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6 Jul 2013 00:07 EDT Barron's: The Trader: Heat Rises: Dow, S&P Up -2-

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T-Bond		
(CBTnearbyfutures)	124-210	126-180
Crude Oil		
(NYMlightsweetcrude)	103.22	96.56
Inflation KR-CRB		
(FuturesPriceIndex)	280.72	275.62
Gold		
(CMXnearbyfutures)	1212.90	1223.80

(END) Dow Jones Newswires

July 06, 2013 00:07 ET (04:07 GMT)

文件 DJDN000020130706e976000h0

DOW JONES
NEWSWIRES

DJ CHART ProShares Short S&P500 ST: look for a drop towards 28.6 before a bounce

173 字
2013 年 7 月 5 日 16:20
Dow Jones Newswires
DJDN
英文

(TRADING Central) PARIS -- Click here to see our chart:
http://www.tradingcentral.com/chart/SHUSD130705172004.gif

Our pivot point is at 28.6.

Our preference: look for a drop towards 28.6 before a bounce.

Alternative scenario: the downside breakout of 28.6 would call for 27.8 and 27.3.

Comment: the RSI is above 50. The MACD is below its signal line and positive. The stock could retrace in the short term. Moreover, the share stands below its 20 and 50 day MA (respectively at 29.43 and 29.36). ProShares Short S&P500 is currently trading near its 52 week low at 28.3 reached on 22/05/13.

Supports and resistances:

31.3 *

30.8 **

30.3

29.29 last

28.9

28.6 **

27.8 *

(END) Dow Jones Newswires

July 05, 2013 11:20 ET (15:20 GMT)

文件 DJDN000020130705e975003l3

DOW JONES
NEWSWIRES

DJ CHART ProShares UltraShort S&P500 ST: under pressure below 42

133 字
2013 年 7 月 5 日 16:27
Dow Jones Newswires
DJDN
英文

(TRADING Central) PARIS -- Click here to see our chart:
http://www.tradingcentral.com/chart/SDSUSD130705172516.gif

Our pivot point is at 42.

Our preference: under pressure below 42.

Alternative scenario: the upside breakout of 42 would call for 44.1 and 45.3.

Comment: the RSI is below 50. The MACD is below its signal line and positive. The configuration is negative. Moreover, the share stands below its 20 and 50 day MA (respectively at 40.43 and 40.28).

Supports and resistances:

44.1 *

42 **

41.2

40.04 last

37.3

36.1 **

34.9 *

(END) Dow Jones Newswires

July 05, 2013 11:27 ET (15:27 GMT)

文件 DJDN000020130705e975003j7

BARRON'S

MARKET WEEK
Stocks --- The Trader: About-Face for Stocks Lifts Dow 0.7% on Week

By Avi Salzman
2,120 字
2013 年 7 月 1 日
Barron's
B
M3
英文

Quit gnashing your teeth every time a member of the Fed board speaks. It's time to sit back, relax and reminisce.

The Dow is up 13.78% this year, the index's best first-half showing since 1999. The quarter that ended on Friday wasn't a blockbuster like the one that preceded it, but the 2.27% gain was solid.

Of course, memories don't pay dividends. The gnashing of teeth will begin again in earnest on Monday.

Few strategists expect the market to repeat its first-half feats in the second half of the year. There's simply too much uncertainty about the actions of central banks, and the Federal Reserve in particular. And yet, most strategists still prefer U.S. stocks to almost any alternative -- bonds are plunging, gold is tarnished, emerging markets are no longer emerging.

Despite the recent rise in volatility and dip in stock prices, the bull market in U.S. equities is far from over, says Henry Smith, the chief investment officer at Haverford Trust.

"I think this week is kind of a reconfirmation that the bull is in full force," he said. "What we saw in the preceding three weeks was just a temporary dislocation due to a shift in Fed policy."

For the week, the Dow rose 110.2 points, or 0.74%, to end the week at 14,909.60. The Standard & Poor's 500 was up 13.85 points, or 0.87% ,to 1,606.28. The Nasdaq Composite rose 46 points, or 1.37%, to 3,403.25.

Data released last week was mixed: housing and consumer confidence data released Tuesday was strong, but first quarter GDP released Wednesday was revised down to 1.8% from 2.4%. The market ended higher on both days, Smith noted: "You had the market rise on bad news and you had the market rise on good news. That's a bull market."

On Friday, the Dow fell 114.89 points as volume rose, but the trading spike was probably caused by index funds trading stocks as the major indexes were reshuffled, notes Ryan Larson, who leads equity trading at RBC Global Asset Management.

Going forward, stocks could be held back by the uncertainty over the timing of the Fed's exit from its asset-buying program. Larson thinks the recent drop in U.S. stocks has stabilized, but he expects the S&P 500 to bounce around for the summer in a range from 1500 to 1650 as investors await word from the Fed.

In the trading week ahead, which will be interrupted by the July Fourth holiday, stocks could move on decisions by the European Central Bank and Bank of England. Larson doesn't expect many changes in their rate policies. But he does expect stocks to be held back in the next few months by concerns about changes in central back policies. He says, "The uncertainty does put a cap on these moves."

It was less than two years ago that California looked like it might go the way of Greece. Now the state is sitting on a budget surplus. Whether it was luck, smart policies, or fuzzy math, California's newfound wealth is a surprising change of fortune.

California isn't the only Western state feeling the glow; the West has been outperforming the rest of the country on a variety of metrics in recent months. In a report last week, Goldman Sachs analyst Michael Kelter noted that Western states have accounted for 46% of private sector job growth this year despite accounting for just 32% of population. And in a survey of 2,000 people that Goldman conducted, 32% of Westerners said the value of their homes was rising, versus just 23% of people in the rest of the country. (Kelter includes 14 states in his definition of the West.) The trend doesn't hold up across all metrics: personal-income stats released Friday showed weakness in California and other Western states during the first quarter. But the West has experienced a nice boost from the housing and employment rebounds.

There's no perfect way to play the "Go West Young Man" trend with stocks. But some companies could see an added benefit from the sunny mindset among consumers. Cheesecake Factory (ticker: CAKE), for instance, is based in Calabasas Hills, Calif., and generates 42% of its sales in Western states. The stock has outperformed the market this year, rising 28%, but its price/earnings ratio of 18 times is still below that of its competitors, including BJ's Restaurants (BJRI).

Cheesecake Factory (a full-service restaurant despite its dessert-inspired name) had 174 outlets in the U.S. as of the end of the first quarter. Cheesecake's kitchens operate with a kind of military efficiency, pumping out fresh-cooked entrees without the blandness of your average Chili's. They even change their menu twice a year to keep things fresh. A meal at one of the chain's restaurants isn't extravagant -- appetizers go for $10, entrees for $15 to $20 -- but it does tend to attract higher-income customers, compared with other casual-dining chains. Those consumers are more likely to have benefited from improvements in the stock market and housing prices this year.

Beyond the strength of its consumer base, there are other reasons why investors should be sweet on Cheesecake. The company has begun expanding overseas, opening three restaurants with a partner in the Middle East and planning more there and in Latin America. Management says the overseas restaurants are generating higher volumes than the U.S. locations, and Cheesecake Factory has development agreements to open 34 more international eateries. As more details about those restaurants come in, it could help the stock.

Operating profit margins had been trending downward in the past few years, but they've been on the rebound as management has refocused on making the restaurants more efficient. Margins rose to 8.2% in 2012 from 7.7% in 2011. They still have considerable room to grow before Cheesecake Factory achieves the 11% margins it recorded in 2005.

Cheesecake Factory should get some help in that quest; commodity prices for restaurants are expected to drop next year, giving the company its first commodity tailwind since 2009, says Sterne Agee analyst Lynne Collier. "The setup is pretty favorable for next year," he says. "You'll continue to see gradually improving same-store sales numbers and then you've got that commodity tailwind."

The company has just $5 million in net debt and generates more than $100 million a year in free cash flow. Chief Financial Officer Doug Benn pledged this month to return "substantially all of our free cash flow to investors, either in the form of share repurchases or dividend." Last year, the company initiated its first dividend; the stock yields 1.1%. If Cheesecake Factory follows through with its shareholder-friendly plan, investors can have their cake and eat it too.

Interest rates have been rising rapidly since Ben Bernanke mentioned in late May that the Fed's asset-buying could come to an end this year. In a month, long-term mortgage rates jumped to 4.5% from about 3.7%. There's ample reason to believe that rates will continue to rise. In that case, regional banks could be some of the biggest winners.

"The regional banks have held up much better during this setback," says Keith Lerner, senior market strategist at SunTrust Bank. "We think the economy will be able to stand on its own two feet and that the housing recovery has more legs.

"A better way to play that trend is through the regional banks as opposed to some of the more obvious plays, like homebuilders or other housing-related stocks."

Banks large and small would tend to benefit as interest rates rise, because they can lend out deposits at higher rates.

Some banks benefit even more from the rise in rates, because they lend money at variable rates. Zions Bancorp (ZION), a regional bank headquartered in Salt Lake City, is more sensitive than most. Zions, with assets of $54.2 billion, focuses on making commercial loans, which tend to have variable rates. The bank has been held back by low interest rates. Its interest income fell 7.5% to $2 billion last year. But when interest rates rise and the loans reprice, Zions should get a big boost. As much as 56% of its loans should reset in the next year, versus 44% for its peers, notes Morgan Stanley analyst Ken Zerbe. Just a one-percentage-point increase in the fed-funds rate would boost Zions' EPS by 38%, Zerbe estimates, a factor that he says isn't factored into the stock price.

Zions' shares, like those of other regional banks, have performed well this year, rising 35%. But they still trade at 15.6 times forward earnings and 1.1 times book value, not particularly expensive on a historical basis. Earnings are expected to rise 85% this year to $1.79 and another 7.2% next year to $1.92.

The rise in interest rates could have a downside for Zions: the bank has been taking advantage of low rates to refinance some of the higher-cost debt it took on during the financial crisis. Its balance sheet has improved considerably, but it's still a work in progress. Although the Fed "objected to certain proposed capital actions" earlier this year, Zions was healthy enough to raise its dividend to four cents per share from a penny. Gimme Credit analyst Kathleen Shanley says Zions' recovery remains on track, and its net charge-offs have declined to "a scant 0.19%." Its Tier 1 Common ratio of 10.1% is in line with peers.

The timing of the rise in interest rates could determine just how high Zions flies. If the bank can finish refinancing before rates rise substantially, the bank could benefit on both sides. Or as investor-relations director James Abbott said: "It's the best of both worlds."

It may be time for university endowments to go back to school.

U.S. stocks have beaten most asset classes in the past year as the S&P 500 has returned 21%. That's of limited benefit to major university endowments, many of which have a slim allocation to U.S. stocks and considerable exposure to so-called alternatives, including hedge funds and commodities, as well as emerging-market stocks. These asset classes generally have had single-digit returns at best in the past 12 months.

Endowments, which typically end their fiscal years on June 30, may have just concluded a second straight year of inferior relative performance to both the S&P 500 and a 60/40 blend of stocks and bonds, which has returned about 12% in the past year.

During the year ended June 2012, many big endowments, including those at Harvard, Yale and Princeton, had zero to 5% returns, versus about 6.7% for a 60/40 mix of stocks and bonds. Simpler has been better in recent years. That could prompt endowments to reconsider the so-called Yale investing model that involves a high-fee diversified strategy.

-- Andrew Bary

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	14909.60	+110.20	+0.74
DJTransportation	6173.86	+63.43	+1.04
DJUtilities	485.90	+14.13	+3.00
DJ65Stocks	5034.66	+60.54	+1.22
DJUSMarket	404.01	+4.23	+1.06
NYSEComp.	9112.70	+94.15	+1.04
NYSEMKTComp.	2245.73	+6.78	+0.30
S&P500	1606.28	+13.85	+0.87
S&PMidCap	1160.82	+23.63	+2.08
S&PSmallCap	550.52	+7.25	+1.33
Nasdaq	3403.25	+46.00	+1.37
ValueLine(arith.)	3680.93	+57.03	+1.57
Russell2000	977.48	+13.80	+1.43
DJUSTSMFloat	16771.31	+178.11	+1.07

	Last Week	Week Earlier
NYSE		
Advances	2,308	567
Declines	875	2,624
Unchanged	45	31
NewHighs	168	280
NewLows	681	465
AvDailyVol(mil)	3,892.9	4,004.4
Dollar		
(Finexspotindex)	83.14	82.32
T-Bond		
(CBTnearbyfutures)	126-180	126-085
Crude Oil		

(NYMlightsweetcrude)	96.56	93.69
Inflation KR-CRB		
(FuturesPriceIndex)	275.62	278.08
Gold		
(CMXnearbyfutures)	1223.80	1291.60

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Fund of Information
MUTUAL FUNDS
Load Funds Cost More Than You Think

By Jack Hough
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2013 年 7 月 1 日
Barron's
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Most investors already know to avoid load funds, but new research adds some surprising reasons as to why.

The load, or sales charge (which goes to the broker or advisor selling you the fund), is generally thought to be bad news because it comes right off the top. On a $100,000 investment, a 4% up-front charge means only $96,000 gets put to work. After 20 years of 6% returns, that leaves an investor who pays the load with about $12,800 less than one who doesn't.

But remarkably, that may not be the most important reason to avoid loads. New research suggests no-load, or direct-sold, funds compare better on risk, manager talent and -- most important -- returns, even after adjusting for differences in fees. A broker's help may cost not only a load but also a percent a year in lost returns. On that same $100,000, that drives the 20-year costs to about $66,000.

The research offers a bit of vindication for active fund managers at direct-sold funds. Study after study has shown that active fund managers generate worse returns, on average, than funds that passively track market indexes. The underperformance -- detailed recently by Eugene Fama at the University of Chicago and Kenneth French at Dartmouth in a paper published in 2010 in the Journal of Finance -- is more or less attributable to their higher fees. The financial press regularly writes about the appeal of indexing, and the market share of index funds has been rising, though it stood at just over 17% for stock funds at the end of last year.

Investors might be wasting less money than it seems, however. It turns out that active managers whose funds are sold directly do about as well as the indexes. Ones whose funds are sold through brokers underperform by more than the amount of their added fees.

Broker-sold funds come with the broker's advice in putting together a portfolio of funds, paid for through a load, and the fund manager's expertise, paid for through the annual expense ratio. Direct-sold funds offer unbundled money management; investors can pick their own funds or use a fee-based advisor. Most fund families offer one type of fund or the other; some offer both. Index funds can come in either type, direct-sold or broker-sold.

Because direct-sold and broker-sold funds represent different services, to truly zero in on fund manager performance, we would have to strip out the advice component of broker-sold funds. A pair of finance professors, Jonathan Reuter at Boston College and Diane Del Guercio at the University of Oregon, have cleverly done just that by confining comparisons to each sales channel. They pitted broker-sold active funds against broker-sold index funds, and direct-sold active funds against direct-sold index funds. In doing so, they canceled out the effect of loads.

Their results, slated for publication in the Journal of Finance, are revealing. Direct-sold funds have only their returns to recommend them. As a result, they focus keenly on management. They specialize on a narrower range of investment styles within their fund families. They hire managers from better colleges (ones with high math SAT scores). They're less likely to hire outside sub-advisors for funds, which studies suggest don't perform as well as in-house managers. Managers of direct-sold funds are more likely to stray from their benchmarks than to hug them closely with their picks -- a good sign for returns (see "Is Your Fund Manager Active Enough," Jan. 14, 2013). And they're more likely to add value with their trades each quarter.

Mutual fund buyers have long been chastised for chasing returns. But Reuter and del Guercio found that investors who buy direct tend to chase something called alpha, or extra return without extra volatility. Those who bought through brokers simply chased raw returns, regardless of volatility. That fits neatly with another finding: Broker-sold funds were more volatile than no-load funds.

The most important finding, however, relates to returns. Among broker-sold funds, active funds underperformed index funds by more than a percentage point a year. Among direct-sold ones, active funds didn't underperform at all. That's not quite a raving endorsement. "I'm still invested in index funds," says Reuter. But if the average manager at direct-sold funds keeps up with the indexes and the average one at broker-sold funds falls well behind, investors who want to take a crack at finding better-than-average managers should buy direct. A small sample of good bets: Vanguard Primecap (VPMAX), T. Rowe Price Equity Income (PRFDX), Dodge & Cox International Stock (DODFX) and Fidelity Total Bond (FTBFX).

There are many reasons to dislike the antiquated model of brokers being paid by the funds they recommend. The fund fees are too high. The incentives are greatest for funds that pay the most. And the whole thing seems contrary to Wall Street's supposed goal of helping clients preserve and amass as much money as possible.

Now add to those reasons another: Even looking past the fees, the merchandise just isn't as good.

Scoreboard: Small Stocks Surge

-- Diversified U.S. stock funds gained 1.49% in the week ended Thursday, reports Lipper, as the broad market advanced 1.61%. Small-cap growth funds gained 1.98%; equity income funds were up 1.82%. Among the big funds, Dodge & Cox International was up 1.67%.

	One Week	Year-to-Date
U.S. STOCK FUNDS	1.49%	13.10%
U.S. BOND FUNDS	-0.31	-1.40
TOP SECTOR / Real Estate Funds	5.52	5.28
BOTTOM SECTOR / Precious Metals Equity Funds	-6.70	-49.55

THE WEEK'S TOP 10

Fund	Investment Objective	One Week	Year-to-Date
VelShs 3x Inv Nat Gas	DSB	26.39%	-29.09%
Direxion Gold M Bear 3X	DSB	20.72	392.09
VelShs 3x Invrs Silver	CMS	20.68	228.03
Direxion RE Bull 3X	DL	19.34	16.74
VelShs 3x Inverse Gold	CMS	18.48	127.79
ProShares Ult MSCI MexCI	DL	18.10	-19.94
ProShs II UlS DJ-UBS NG	DSB	17.46	-14.14
Direxion Latin Bull 3X	DL	17.22	-41.54
ProShs II UlS Silver	CMS	17.04	121.19
Direxion EmgMk Bull 3X	DL	15.60	-36.85

THE WEEK'S BOTTOM 10

Fund Investment Objective	One Week	Year-to-Date
VelShs 3x Long Nat Gas DL	-23.35%	-14.79%
Direxion Gold M Bull 3X DL	-22.17	-91.26
VelShs 3x Long Silver CMS	-19.36	-81.13
Direxion RE Bear 3X DSB	-17.16	-24.89
VelShs 3x Long Gold CMS	-16.88	-66.15
ProShares UlS MSCI MexCI DSB	-16.44	12.02
ProShs II Ult DJ-UBS NG DL	-16.08	-6.81
ProShs II Ult Silver CMS	-15.85	-64.32
Direxion EmgMk Bear 3X DSB	-15.02	35.63
FctrShs Gld Bl S&P500 Br DL	-13.74	-64.65

THE LARGEST 10

Fund	Net Assets (billions)	Investment Objective	3-Year* Return	1-Week Return	YTD Return
PIMCO Tot Rtn Inst	$178.282	Intmd Inv Grade	4.85%	-0.24%	-3.03%
SPDR S&P 500 ETF	138.507	S&P 500 Funds	NA	NA	NA
Vanguard T StMk Idx Inv	94.014	Multi Cap Core	17.10	1.72	14.48
Vanguard Instl Indx Inst	79.014	S&P 500 Funds	16.95	1.61	14.29
Vanguard T StMk Idx Adm	71.789	Multi Cap Core	17.23	1.73	14.55
Vanguard 500 Index Adm	70.047	S&P 500 Funds	16.94	1.61	14.29
Fidelity Contrafund	65.459	Large Cap Growth	15.30	1.63	11.75
American Funds Inc A	62.932	MTAM	13.03	1.38	7.59

American Funds Gro A					
	61.936	Large Cap Growth	14.65	1.48	12.05
American Funds CIB A					
	61.909	MTAG	11.09	1.64	5.21

*Annualized. Through Thursday.

Source: Lipper

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NEWSWIRES
DOW JONES

Analysis
Emerging Markets Losing Their Attraction

By CHRIS DIETERICH
778 字
2013 年 7 月 1 日 20:39
Dow Jones Top North American Equities Stories
DJTNAE
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Long a popular destination for investors lured by strong economic growth, emerging markets are losing their attraction.

At the start of the year, investors had expected a friendly backdrop for emerging-markets stocks, thanks to strong economic growth, a pickup in global trade and a flood of easy money from the Federal Reserve and other central banks.

Instead, China is no longer growing at breakneck speed, Turkey and Brazil have been hit by political unrest and expectations are rising that the Fed will pull back its easing efforts in the coming months.

In emerging markets, "performance has been below what many, including we, might have expected," said Michael Gavin, head of asset allocation research at Barclays. "I don't see any rapid turnaround."

The MSCI Emerging Markets Index has slumped 13% so far in 2013, with most of those losses occurring in May and June.

Meanwhile, the Standard & Poor's 500-stock index is up 13% on the year.

Emerging markets haven't underperformed the U.S. stock market by this wide a margin since 1998, when the effects of the Asian crisis the previous year were still being felt in financial markets.

Investors have yanked $22.7 billion out of emerging-market stock funds in the five weeks ended Wednesday, according to data provider EPFR Global. Emerging-market bond-fund managers saw outflows of $5.6 billion in the latest week, a record since at least 2004, when EPFR first starting tracking weekly flows.

Recent outflows leave just over $1 trillion in emerging-market stock funds, and come just after the total assets hit a record $1.09 trillion in May.

Some $181 billion has flowed into emerging-market stock funds since the start of 2009, a period that saw outflows of nearly $200 billion from U.S. stocks.

Back in December, a survey of money managers at top investment firms by Russell Investments found more bullishness surrounding emerging-market stocks than any other class of stocks or bonds. Some 165 respondents gauged their performance expectations for 13 assets on scale of one to seven. Fully two-thirds of managers were optimistic on emerging-market stocks.

Now, some are growing disillusioned and are paring back those wagers.

Greg Peterson, director of investment research at Ballentine Partners LLC, an independent wealth-management firm that oversees about $4 billion, said money managers at his firm debated over "whether we bite the bullet and make the call that we got it wrong."

Last week, at an investment policy meeting, his firm moved to cut the proportion of emerging-markets it holds in its stock portfolio to 17% from 20%, he said.

"In the short term, we're thinking that there is a good chance of weakness," he said.

A lower growth outlook in key markets has prompted T. Rowe Price Group, which manages $617 billion, to temper its enthusiasm. The firm has been paring back its emerging-markets stock positions over the past six months, said Charles Shriver, a vice president and portfolio manager, though the firm maintains a long-term bullish view.

"Emerging markets should benefit from the continuing evolution of a developing consumer class," Mr. Shriver said. "We feel that's still intact, but recognize that it takes time to develop. It's not a linear path."

Brazil's Bovespa index is down 22% this year, while China's Shanghai Composite is down 13%. Since May 31, when an Istanbul rally erupted into violence, the Turkey ISE National 100 Index--among the emerging markets' brightest stars--has fallen 13%.

"For any of us who actually manage money and sit down to face client questions eyeball to eyeball, there's a certain amount of apprehension about the short-term performance," said Timothy Leach, chief investment officer at U.S. Bank Wealth Management, which manages around $110 billion in assets.

"We're continuing to stick to our guns," he said. "If we liked emerging markets six months ago, we've got to like them even more now from a valuation perspective."

The MSCI Emerging Markets Index has a price-to-earnings ratio of 10.7, its lowest of the year, and well below the 15.7 for the S&P500.

Other investors aren't as sanguine. Jeff Knight, portfolio manager and head of asset allocation at Columbia Management, a mutual fund firm that manages around $341 billion, said his firm hasn't sold its emerging-markets stocks, but is allowing their weight to diminish as prices sink.

"We're kind of in no-man's land," Mr. Knight said.

Write to Chris Dieterich at chris.dieterich@wsj.com

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DOW JONES
NEWSWIRES

DJ Exchange Traded Funds Top 10 Volume Leaders

174 字
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Dow Jones Newswires
DJDN
英文

STOCK (Symbol)		LAST	NET CHG	% CHG	VOL 100s
SPDR S&P 500	SPY	161.36	0.94	0.59	125,463,678
iShares MSCI Emg Markets	EEM	38.62	0.12	0.31	61,273,750
Select Sector SPDR-Finl	XLF	19.51	0.07	0.33	55,816,711
iShares Russell 2000 ETF	IWM	98.58	1.58	1.63	36,568,883
DXN DLY GLDMNR 3x BL	NUGT	6.18	0.32	5.46	35,839,420
Mkt Vectors Gold Miners	GDX	24.89	0.40	1.63	31,318,745
iShares MSCI Japan ETF	EWJ	11.36	0.14	1.25	27,640,790
ProShares Ultra S&P500	SSO	77.59	0.86	1.12	27,339,993
PwrShrs QQQ Tr Series 1	QQQ	71.71	0.44	0.62	24,199,881
Sel Sec SPDR-Hlth Cr	XLV	47.74	0.13	0.27	23,890,349

(END) Dow Jones Newswires

July 01, 2013 17:33 ET (21:33 GMT)

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Exchange Traded Funds Top 10 Volume Leaders

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Mkt Vectors Gold Miners	GDX	24.89	0.40	1.63	31,318,745
iShares MSCI Japan ETF	EWJ	11.36	0.14	1.25	27,640,790
ProShares Ultra S&P500	SSO	77.59	0.86	1.12	27,339,993
PwrShrs QQQ Tr Series 1	QQQ	71.71	0.44	0.62	24,199,881
Sel Sec SPDR-Hlth Cr	XLV	47.74	0.13	0.27	23,890,349

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DOW JONES
NEWSWIRES

Barron's: The Trader: About-Face For Stocks Lifts Dow 0.7% On Week

2,153 字
2013 年 6 月 29 日 05:07
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 7/1/13)
By Avi Salzman

Quit gnashing your teeth every time a member of the Fed board speaks. It's time to sit back, relax and reminisce.

The Dow is up 13.78% this year, the index's best first-half showing since 1999. The quarter that ended on Friday wasn't a blockbuster like the one that preceded it, but the 2.27% gain was solid.

Of course, memories don't pay dividends. The gnashing of teeth will begin again in earnest on Monday.

Few strategists expect the market to repeat its first-half feats in the second half of the year. There's simply too much uncertainty about the actions of central banks, and the Federal Reserve in particular. And yet, most strategists still prefer U.S. stocks to almost any alternative -- bonds are plunging, gold is tarnished, emerging markets are no longer emerging.

Despite the recent rise in volatility and dip in stock prices, the bull market in U.S. equities is far from over, says Henry Smith, the chief investment officer at Haverford Trust.

"I think this week is kind of a reconfirmation that the bull is in full force," he said. "What we saw in the preceding three weeks was just a temporary dislocation due to a shift in Fed policy."

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California isn't the only Western state feeling the glow; the West has been outperforming the rest of the country on a variety of metrics in recent months. In a report last week, Goldman Sachs analyst Michael Kelter noted that Western states have accounted for 46% of private sector job growth this year despite accounting for just 32% of population. And in a survey of 2,000 people that Goldman conducted, 32% of Westerners said the value of their homes was rising, versus just 23% of people in the rest of the country. (Kelter includes 14 states in his definition of the West.) The trend doesn't hold up across all metrics: personal-income stats released Friday showed weakness in California and other Western states during the first quarter. But the West has experienced a nice boost from the housing and employment rebounds.

There's no perfect way to play the "Go West Young Man" trend with stocks. But some companies could see an added benefit from the sunny mindset among consumers. Cheesecake Factory (ticker: CAKE), for instance, is based in Calabasas Hills, Calif., and generates 42% of its sales in Western states. The stock has outperformed the market this year, rising 28%, but its price/earnings ratio of 18 times is still below that of its competitors, including BJ's Restaurants (BJRI).

Cheesecake Factory (a full-service restaurant despite its dessert-inspired name) had 174 outlets in the U.S. as of the end of the first quarter. Cheesecake's kitchens operate with a kind of military efficiency, pumping out fresh-cooked entrees without the blandness of your average Chili's. They even change their menu twice a year to keep things fresh. A meal at one of the chain's restaurants isn't extravagant -- appetizers go for $10, entrees for $15 to $20 -- but it does tend to attract higher-income customers, compared with other casual-dining chains. Those consumers are more likely to have benefited from improvements in the stock market and housing prices this year.

Beyond the strength of its consumer base, there are other reasons why investors should be sweet on Cheesecake. The company has begun expanding overseas, opening three restaurants with a partner in the Middle East and planning more there and in Latin America. Management says the overseas restaurants are generating higher volumes than the U.S. locations, and Cheesecake Factory has development agreements to open 34 more international eateries. As more details about those restaurants come in, it could help the stock.

Operating profit margins had been trending downward in the past few years, but they've been on the rebound as management has refocused on making the restaurants more efficient. Margins rose to 8.2% in 2012 from 7.7% in 2011. They still have considerable room to grow before Cheesecake Factory achieves the 11% margins it recorded in 2005.

Cheesecake Factory should get some help in that quest; commodity prices for restaurants are expected to drop next year, giving the company its first commodity tailwind since 2009, says Sterne Agee analyst Lynne Collier. "The setup is pretty favorable for next year," he says. "You'll continue to see gradually improving same-store sales numbers and then you've got that commodity tailwind."

The company has just $5 million in net debt and generates more than $100 million a year in free cash flow. Chief Financial Officer Doug Benn pledged this month to return "substantially all of our free cash flow to investors, either in the form of share repurchases or dividend." Last year, the company initiated its first dividend; the stock yields 1.1%. If Cheesecake Factory follows through with its shareholder-friendly plan, investors can have their cake and eat it too.

Interest rates have been rising rapidly since Ben Bernanke mentioned in late May that the Fed's asset-buying could come to an end this year. In a month, long-term mortgage rates jumped to 4.5% from about 3.7%. There's ample reason to believe that rates will continue to rise. In that case, regional banks could be some of the biggest winners.

"The regional banks have held up much better during this setback," says Keith Lerner, senior market strategist at SunTrust Bank. "We think the economy will be able to stand on its own two feet and that the housing recovery has more legs.

"A better way to play that trend is through the regional banks as opposed to some of the more obvious plays, like homebuilders or other housing-related stocks."

Banks large and small would tend to benefit as interest rates rise, because they can lend out deposits at higher rates.

Some banks benefit even more from the rise in rates, because they lend money at variable rates. Zions Bancorp (ZION), a regional bank headquartered in Salt Lake City, is more sensitive than most. Zions, with assets of $54.2 billion, focuses on making commercial loans, which tend to have variable rates. The bank has been held back by low interest rates. Its interest income fell 7.5% to $2 billion last year. But when interest rates rise and the loans reprice, Zions should get a big boost. As much as 56% of its loans should reset in the next year, versus 44% for its peers, notes Morgan Stanley analyst Ken Zerbe. Just a one-percentage-point increase in the fed-funds rate would boost Zions' EPS by 38%, Zerbe estimates, a factor that he says isn't factored into the stock price.

Zions' shares, like those of other regional banks, have performed well this year, rising 35%. But they still trade at 15.6 times forward earnings and 1.1 times book value, not particularly expensive on a historical basis. Earnings are expected to rise 85% this year to $1.79 and another 7.2% next year to $1.92.

The rise in interest rates could have a downside for Zions: the bank has been taking advantage of low rates to refinance some of the higher-cost debt it took on during the financial crisis. Its balance sheet has improved considerably, but it's still a work in progress. Although the Fed "objected to certain proposed capital actions" earlier this year, Zions was healthy enough to raise its dividend to four cents per share from a penny. Gimme Credit analyst Kathleen Shanley says Zions' recovery remains on track, and its net charge-offs have declined to "a scant 0.19%." Its Tier 1 Common ratio of 10.1% is in line with peers.

The timing of the rise in interest rates could determine just how high Zions flies. If the bank can finish refinancing before rates rise substantially, the bank could benefit on both sides. Or as investor-relations director James Abbott said: "It's the best of both worlds."

It may be time for university endowments to go back to school.

U.S. stocks have beaten most asset classes in the past year as the S&P 500 has returned 21%. That's of limited benefit to major university endowments, many of which have a slim allocation to U.S. stocks and considerable exposure to so-called alternatives, including hedge funds and commodities, as well as emerging-market stocks. These asset classes generally have had single-digit returns at best in the past 12 months.

29 Jun 2013 00:08 EDT Barron's: The Trader: About-Face For Stocks Lifts -2-

Endowments, which typically end their fiscal years on June 30, may have just concluded a second straight year of inferior relative performance to both the S&P 500 and a 60/40 blend of stocks and bonds, which has returned about 12% in the past year.

During the year ended June 2012, many big endowments, including those at Harvard, Yale and Princeton, had zero to 5% returns, versus about 6.7% for a 60/40 mix of stocks and bonds. Simpler has been better in recent years. That could prompt endowments to reconsider the so-called Yale investing model that involves a high-fee diversified strategy.

-- Andrew Bary

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	14909.60	+110.20	+0.74
DJTransportation	6173.86	+63.43	+1.04
DJUtilities	485.90	+14.13	+3.00
DJ65Stocks	5034.66	+60.54	+1.22
DJUSMarket	404.01	+4.23	+1.06
NYSEComp.	9112.70	+94.15	+1.04
NYSEMKTComp.	2245.73	+6.78	+0.30
S&P500	1606.28	+13.85	+0.87
S&PMidCap	1160.82	+23.63	+2.08
S&PSmallCap	550.52	+7.25	+1.33
Nasdaq	3403.25	+46.00	+1.37
ValueLine(arith.)	3680.93	+57.03	+1.57
Russell2000	977.48	+13.80	+1.43
DJUSTSMFloat	16771.31	+178.11	+1.07

	Last Week	Week Earlier
NYSE		
Advances	2,308	567
Declines	875	2,624
Unchanged	45	31
NewHighs	168	280
NewLows	681	465
AvDailyVol(mil)	3,892.9	4,004.4
Dollar		
(Finexspotindex)	83.14	82.32
T-Bond		

(CBTnearbyfutures)	126-180	126-085
Crude Oil		
(NYMlightsweetcrude)	96.56	93.69
Inflation KR-CRB		
(FuturesPriceIndex)	275.62	278.08
Gold		
(CMXnearbyfutures)	1223.80	1291.60

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(END) Dow Jones Newswires

June 29, 2013 00:08 ET (04:08 GMT)

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PRESS RELEASE: HARMAN Doubles Annual Dividend

551 字
2013 年 6 月 26 日 13:30
Dow Jones Institutional News
DJDN
英文

HARMAN Doubles Annual Dividend

STAMFORD, Conn.--(BUSINESS WIRE)--June 26, 2013--
HARMAN International Industries, Incorporated (NYSE:HAR), the leading global audio and infotainment group, today announced that its board of directors has adopted an annual cash dividend policy pursuant to which the Company will increase its annual cash dividend to $1.20 per share, to be paid quarterly at the rate of $0.30 per share. The higher rate represents a 100 percent increase over the prior quarterly rate of $0.15 per share. The increased dividend will go into effect for the new fiscal year, which starts July 1, 2013, and the first quarterly payment will be in September 2013.

"Our company's performance and our strategy for continued growth and cash generation gives us the confidence to substantially increase our dividend and move our payout ratio and yield solidly in line with the S&P500," said Dinesh C. Paliwal, the Company's Chairman, President, and Chief Executive Officer. "Besides investing in R&D and growth initiatives, and buying back company stock, this dividend increase is another example of HARMAN's commitment to returning value to our shareholders as we continue to build the longer term value of our company."

About HARMAN

HARMAN designs, manufactures, and markets a wide range of audio, lighting and infotainment solutions for the automotive, consumer, and professional markets. It is a recognized world leader across its customer segments with premium brands including AKG(R), Harman Kardon(R), Infinity(R), JBL(R), Lexicon(R), and Mark Levinson(R) and leading-edge connectivity, safety and audio technologies. The company is admired by audiophiles across multiple generations and supports leading professional entertainers and the venues where they perform. More than 25 million automobiles on the road today are equipped with Harman audio and infotainment systems. Harman has a workforce of about 14,300 people across the Americas, Europe, and Asia and reported sales of $4.4 billion for the fiscal year ended June 30, 2012. The company's shares are traded on the New York Stock Exchange under the symbol NYSE:HAR. Please visit www.harman.com.

HAR-C

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Vice President, Investor Relations

sandra.rowland@harman.com

26 Jun 2013 08:30 EDT *DJ HARMAN Doubles Annual Div >HAR

26 Jun 2013 08:31 EDT *DJ Harman International Raises Quarterly Dividend to 30c From 15c >HAR

26 Jun 2013 08:31 EDT *DJ Harman International: Div Boost Effective With New Fiscal Year

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DOW JONES
NEWSWIRES

*DJ EX DIVIDEND JUN 25 BMO S&P500 IDX US UN US FUNDS 0.078

29 字
2013 年 6 月 25 日 14:15
Dow Jones Newswires
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June 25, 2013 09:15 ET (13:15 GMT)

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Stocks Sink 2.1% on Fed Pronouncement

By Vito J. Racanelli
2,058 字
2013 年 6 月 24 日
Barron's
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英文

What is the value of a Fed chairman's words? We found out when stock prices sank 2.1% last week, mostly on remarks by Federal Reserve Board Chairman Ben Bernanke about a potential beginning of the end of the Fed's monetary-easing policy.

It's said that talk is cheap, but not if it comes from the Fed chairman's mouth, even one who is expected to finish his tenure in January. The market's drop following his comments Wednesday slashed roughly $500 billion from the U.S. market's total capitalization. Throw in drops in the rest of the world, and the total is much higher.

That's just a back-of-the-envelope and unscientific assessment. One month ago, John Williams, head of the Fed's San Francisco branch, said something similar to that which Chairman Bernanke said last week, namely that the Fed could reduce its $85 billion per month bond-buying stimulus program later this year.

The result this time, however, was high anxiety, unlike the market's rise in the wake of Williams' comments. What's perhaps doubly interesting is that in both cases, and indeed all year, investors knew that interest rates will have to go up.

Until recently, it wasn't a big issue, but now that Bernanke has spoken, it is. Look for more market volatility, if perhaps more moderate, as investors try to second-guess how the Fed will react to the nation's economic progress or lack thereof. More below on whether investors should really worry about higher interest rates.

On the week, the Dow Jones Industrial Average closed Friday at 14,799.40, down 271 points, or 1.8%, while the S&P 500 lost 2.1%, or 34, to end at 1592.43. The Dow is off 4% and the S&P 500 4.6% from all-time highs reached last month. The technology-heavy Nasdaq Composite index fell 66 points, or 1.9%, to 3357.25. U.S. Treasuries fell sharply.

The market sometimes hears what it wants to hear, says Jim Russell, senior equity strategist at US Bank Wealth Management. The chairman was clear that a tapering of the stimulus program would be data-dependent, which provides a safety net for capital markets, he adds, but investors chose not to hear that.

Sentiment has turned cautious and investors need to be sensitive to that change, says Tim Ghriskey, chief investment officer at Solaris Asset Management.

The market has come to terms with the idea that eventually the Fed's bond buying is going to slow down and go to zero, and that the fed-funds rate will have to rise. "It's inevitable but the market is having to get used to it," says Ghriskey. "The Fed is trying to get everyone used to it."

Investors take for granted that rising interest rates are bad, bad, bad for stocks. It's been generally recognized for some time now that the Federal Reserve has kept rates unsustainably low. Rates must go up, a nagging realization behind the market's mini-swoon of recent weeks. It's only a matter of when and how fast.

Traditional rate fear is easy to understand -- higher rates increase corporate debt expenses and lower consumer spending, among other things. That's bad for profit growth, and kryptonite for stock prices.

Not so fast. As with many phenomena, context is king. For example, what level are rates rising from, how fast, and how high is inflation during the rise in rates?

The relationship between rising rates and market returns isn't as straightforward as your grandfather's warnings might have it. If rising rates always hurt, it'd be a simple matter to sell equities, go to Florida, and wait for the next easing cycle to begin.

"Changes in interest rates are of great concern to all investors, but their impact on overall equity-market returns historically has not been predictable with even a modest level of accuracy," says Vadim Zlotnikov, the chief market strategist for Bernstein Research.

Sounds like fighting words.

Zlotnikov says his statistical study of episodes of rate increases during the past 40 years show a "slight but inconclusive" negative correlation with concurrent market returns, and an "even weaker" relationship to market returns after a rate increase.

If that data isn't enough, Zlotnikov adds that U.S. market returns and rates going back to 1871 also suggest that rising rates won't necessarily cause the grizzly bear mauling that many fear.

In that 140-year period, Zlotnikov found that in an environment where real interest rates were below average and rose 130 basis points (or 1.3%) or less, the stock market return was an average 11.1%, and 4.7% in real terms.

In scenarios where interest-rate increases were sharp and quick, adds Zlotnikov, the market return was 5.6%, but negative 2.3% in real terms. Much of that can be explained by higher inflation.

So yes, when rates rise sharply and unexpectedly -- remember the Fed's surprise in February 1994 when the market fell 10%? -- or when inflation is elevated, then stocks will react negatively. Otherwise, they're relatively sanguine.

Anything can happen, but the scenario of sharp rate increases amid high inflation has little in common with current conditions. If anything, the economic situation more resembles a backdrop of gradual rate rises amid low inflation.

That the market often ignores higher rates, defying conventional expectations, can be seen in this bull market. According to data from Bespoke Investment Group, during the six periods of rising rates since March 9, 2009, the Standard & Poor's 500 showed an average gain of 21%, and a decline of 3.4% during five phases of falling rates.

Lower bond rates meant slowing economic growth to equity investors, so stocks fell. Some believe slowly rising interest rates will signal faster U.S. gross domestic product growth. The question of how the stock market will fare as the Fed empties the punch bowl and reels in its easy money policy is a difficult one. The answer is easy: It all depends.

Weight Watchers International (ticker: WTW), which closed Friday at $43.29, is one of a sad but small bunch of stocks that have fallen sharply during the past 12 months while the broad market roared ahead. Shares of the well-known provider of weight-control programs have dropped more than 25% from January highs of $60 and almost 50% since hitting $82 15 months ago.

Much of this can be blamed on an ill-timed, debt-financed move last year to buy back its stock at premiums higher than both the trading price and book value. In the spring of 2012, Weight Watchers bought back 25% of its shares outstanding at $82 per share, adding $1.5 billion in debt.

It now has $2.4 billion in debt, 80% of which isn't due until 2018 or later. Still, at about 4.4 times its annual earnings before interest, taxes, depreciation, and amortization (Ebitda) of $550 million, that's sizable leverage. WW's market cap is $2.4 billion.

Such poor capital allocation -- including a similar $1 billion debt-financed buyback done in 2007 -- has been one focus of investor ire, notes Mark Boyar, chairman of Boyar Intrinsic Value Research.

Artal Group, a European venture capital firm, bought WW in 1999 for $735 million and took it public in 2001. Thanks to WW's strong and steady free-cash-flow generation, Artal -- whose stake has been shaved down to 51.4% -- has turned the Woodbury, N.Y.-based company into a piggy bank, from which Artal takes out a chunk of coin every once in a while in the form of share sales. Much of the cash spent in the buybacks went to Artal, which, over the years, has taken home billions of dollars in the process.

Weight Watchers has had some operational problems, too, and during 2012 management had to cut its full-year outlook twice. Last year, the company reported flat revenue of $1.8 billion. Net income fell to $257 million from $304 million, though EPS rose on a lower share count, to $4.16 from $4.11. Fiscal uncertainty last year and Weight Watchers' delayed remodeling of its retail and meeting centers also contributed to a growth slowdown. Clouds still remain, and the consensus EPS estimate this year is for a drop to $3.74.

Despite near-term challenges, says Boyar, WW has an attractive operating model with meaningful long-term growth opportunities. His firm has bought shares recently.

There are long-term reasons to play this stock now that it is much cheaper. America's growing obesity problems are known, he says, and it's a chronic problem that only seems to be getting worse. More than 33% of U.S. adults and 17% of children are obese, according to the U.S. Heart Association. The link between obesity and heart disease, diabetes, and other chronic conditions is well-known.

Though the company's traditional meetings business and products business, about two-thirds of revenue, have faced recent head winds, there are factors in addition to demographics that could improve things, he says. The retail-center remodelings -- where tests show a 15% enrollment increase -- are about 80% complete after delays. Also, the corporate-account business has been small, but should grow as companies look for inexpensive ways of saving on long-term health-care costs.

WW has generated a significant amount of free cash flow, some $300 million over the past three years, or a 12% yield, thanks to its subscription-based and asset-light business model, Boyar says.

First-quarter results weren't great -- revenue fell 3% -- but WW's Internet business continues to growth fast, about 27% annually over the past five years. Though a quarter of total revenue, the Internet represents over half of operating income thanks to 50% margins, triple WW's conventional margins.

WW also sports a decent track record, managing double-digit earnings-per-share growth over the past decade, albeit choppy and helped by a lower share count.

Nevertheless, it has a strong brand and will be an important health-care player. There are currently about one million Weight Watchers members, who attend more than 40,000 company meetings around the world, and it's a proven weight-loss program, Boyar says. And there's a huge market remaining globally.

After a 50% drop, the stock trades at a price/earnings ratio of 11.5 times the 2013 EPS estimate, at or near historical lows, so the downside seems contained. Boyar says that once the company is back on track the shares are worth $65, almost a 50% rise.

The operational issues have hurt, but they are either fixable or behind the company, he adds. The big price drop seems to discount most if not all the bad news, so any amount of good news should send the stock higher.

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e-mail: vito.racanelli@barrons.com

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	14799.40	-270.78	-1.80
DJTransportation	6110.43	-199.05	-3.15
DJUtilities	471.77	-13.56	-2.79
DJ65Stocks	4974.12	-121.52	-2.38
DJUSMarket	399.78	-9.10	-2.23
NYSEComp.	9018.55	-245.14	-2.65
NYSEMKTComp.	2238.95	-98.27	-4.20
S&P500	1592.43	-34.30	-2.11
S&PMidCap	1137.19	-34.94	-2.98
S&PSmallCap	543.27	-7.71	-1.40
Nasdaq	3357.25	-66.31	-1.94
ValueLine(arith.)	3623.90	-81.41	-2.20
Russell2000	963.68	-17.70	-1.80
DJUSTSMFloat	16593.20	-370.94	-2.19

	Last Week	Week Earlier
NYSE		
Advances	567	944
Declines	2,624	2,243
Unchanged	31	44
NewHighs	280	221
NewLows	465	549

AvDailyVol(mil)	4,004.4	3,123.0
Dollar		
(Finexspotindex)	82.32	80.67
T-Bond		
(CBTnearbyfutures)	126-085	130-200
Crude Oil		
(NYMlightsweetcrude)	93.69	97.85
Inflation KR-CRB		
(FuturesPriceIndex)	278.08	286.18
Gold		
(CMXnearbyfutures)	1291.60	1387.30

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DOW JONES
NEWSWIRES

DJ CHART ProShares Short S&P500 ST: above its upper Bollinger band

156 字
2013 年 6 月 24 日 15:27
Dow Jones Newswires
DJDN
英文

(TRADING Central) PARIS -- Click here to see our chart:
http://www.tradingcentral.com/chart/SHUSD130624162527.gif

29.6 is our pivot point.

Our preference: the upside prevails as long as 29.6 is support.

Alternative scenario: below 29.6, expect 28.9 and 28.6.

Comment: the RSI is above its neutrality area at 50. The MACD is positive and above its signal line. The configuration is positive. Moreover, the stock is above its 20 and 50 day MA (respectively at 29.28 and 29.55). Finally, ProShares Short S&P500 has crossed above its upper daily Bollinger band (30.1).

Supports and resistances:

32 *

31.6 **

31.2

30.3301 last

29.9

29.6 **

28.9 *

(END) Dow Jones Newswires

June 24, 2013 10:27 ET (14:27 GMT)

文件 DJDN000020130624e96o003pk

DOW JONES
NEWSWIRES

Barron's: The Trader: Stocks Sink 2.1% On Fed Pronouncement

2,117 字
2013 年 6 月 22 日 05:07
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 6/24/13)
By Vito J. Racanelli
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Weight Watchers International (ticker: WTW), which closed Friday at $43.29, is one of a sad but small bunch of stocks that have fallen sharply during the past 12 months while the broad market roared ahead. Shares of the well-known provider of weight-control programs have dropped more than 25% from January highs of $60 and almost 50% since hitting $82 15 months ago.

Much of this can be blamed on an ill-timed, debt-financed move last year to buy back its stock at premiums higher than both the trading price and book value. In the spring of 2012, Weight Watchers bought back 25% of its shares outstanding at $82 per share, adding $1.5 billion in debt.

It now has $2.4 billion in debt, 80% of which isn't due until 2018 or later. Still, at about 4.4 times its annual earnings before interest, taxes, depreciation, and amortization (Ebitda) of $550 million, that's sizable leverage. WW's market cap is $2.4 billion.

Such poor capital allocation -- including a similar $1 billion debt-financed buyback done in 2007 -- has been one focus of investor ire, notes Mark Boyar, chairman of Boyar Intrinsic Value Research.

Artal Group, a European venture capital firm, bought WW in 1999 for $735 million and took it public in 2001. Thanks to WW's strong and steady free-cash-flow generation, Artal -- whose stake has been shaved down to 51.4% -- has turned the Woodbury, N.Y.-based company into a piggy bank, from which Artal takes out a chunk of coin every once in a while in the form of share sales. Much of the cash spent in the buybacks went to Artal, which, over the years, has taken home billions of dollars in the process.

Weight Watchers has had some operational problems, too, and during 2012 management had to cut its full-year outlook twice. Last year, the company reported flat revenue of $1.8 billion. Net income fell to $257 million from $304 million, though EPS rose on a lower share count, to $4.16 from $4.11. Fiscal uncertainty last year and Weight Watchers' delayed remodeling of its retail and meeting centers also contributed to a growth slowdown. Clouds still remain, and the consensus EPS estimate this year is for a drop to $3.74.

Despite near-term challenges, says Boyar, WW has an attractive operating model with meaningful long-term growth opportunities. His firm has bought shares recently.

There are long-term reasons to play this stock now that it is much cheaper. America's growing obesity problems are known, he says, and it's a chronic problem that only seems to be getting worse. More than 33% of U.S. adults and 17% of children are obese, according to the U.S. Heart Association. The link between obesity and heart disease, diabetes, and other chronic conditions is well-known.

Though the company's traditional meetings business and products business, about two-thirds of revenue, have faced recent head winds, there are factors in addition to demographics that could improve things, he says. The retail-center remodelings -- where tests show a 15% enrollment increase -- are about 80% complete after delays. Also, the corporate-account business has been small, but should grow as companies look for inexpensive ways of saving on long-term health-care costs.

WW has generated a significant amount of free cash flow, some $300 million over the past three years, or a 12% yield, thanks to its subscription-based and asset-light business model, Boyar says.

First-quarter results weren't great -- revenue fell 3% -- but WW's Internet business continues to growth fast, about 27% annually over the past five years. Though a quarter of total revenue, the Internet represents over half of operating income thanks to 50% margins, triple WW's conventional margins.

WW also sports a decent track record, managing double-digit earnings-per-share growth over the past decade, albeit choppy and helped by a lower share count.

Nevertheless, it has a strong brand and will be an important health-care player. There are currently about one million Weight Watchers members, who attend more than 40,000 company meetings around the world, and it's a proven weight-loss program, Boyar says. And there's a huge market remaining globally.

22 Jun 2013 00:07 EDT Barron's: The Trader: Stocks Sink 2.1% On Fed -2-

After a 50% drop, the stock trades at a price/earnings ratio of 11.5 times the 2013 EPS estimate, at or near historical lows, so the downside seems contained. Boyar says that once the company is back on track the shares are worth $65, almost a 50% rise.

The operational issues have hurt, but they are either fixable or behind the company, he adds. The big price drop seems to discount most if not all the bad news, so any amount of good news should send the stock higher.

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e-mail: vito.racanelli@barrons.com

Vital Signs

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DJTransportation	6110.43	-199.05	-3.15
DJUtilities	471.77	-13.56	-2.79
DJ65Stocks	4974.12	-121.52	-2.38
DJUSMarket	399.78	-9.10	-2.23
NYSEComp.	9018.55	-245.14	-2.65
NYSEMKTComp.	2238.95	-98.27	-4.20
S&P500	1592.43	-34.30	-2.11
S&PMidCap	1137.19	-34.94	-2.98
S&PSmallCap	543.27	-7.71	-1.40
Nasdaq	3357.25	-66.31	-1.94
ValueLine(arith.)	3623.90	-81.41	-2.20
Russell2000	963.68	-17.70	-1.80
DJUSTSMFloat	16593.20	-370.94	-2.19

	Last Week	Week Earlier
NYSE		
Advances	567	944
Declines	2,624	2,243
Unchanged	31	44
NewHighs	280	221
NewLows	465	549
AvDailyVol(mil)	4,004.4	3,123.0
Dollar		
(Finexspotindex)	82.32	80.67
T-Bond		
(CBTnearbyfutures)	126-085	130-200
Crude Oil		
(NYMlightsweetcrude)	93.69	97.85
Inflation KR-CRB		
(FuturesPriceIndex)	278.08	286.18
Gold		
(CMXnearbyfutures)	1291.60	1387.30

(END) Dow Jones Newswires

June 22, 2013 00:07 ET (04:07 GMT)

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Europe's a Sea of Red Right Now

WSJ Blogs, 2013 年 6 月 20 日 12:45, 390 字, By Peter Nurse, (英文)

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NEWSWIRES

WSJ Blog:Europe's a Sea of Red Right Now

440 字
2013 年 6 月 20 日 12:45
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(This story has been posted on The Wall Street Journal Online's MoneyBeat blog at http://blogs.wsj.com/moneybeat/)

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So by now we all know that markets are starting to digest the bitter pill that Fed QE is really going away. Maybe not now, but potentially by the middle of 2014.

The selling has hit every asset class across Asia and Europe.

So just before the U.S. markets open, here's a quick look at how Europe's faring. You can read all about Asia's ugly session here.

At 1115 GMT, Germany's DAX index sank 2.4% to 7999.70, falling below the 8000 level for the first time since the beginning of May. France's CAC-40 index fell 2.4% to 3745.58, while the FTSE 100 index in the U.K. dropped 2.3% to 6206.24, earlier falling below 6200 for the first time since December last year. Losses were also steep outside of Europe's core, with Spain's IBEX index down 2.2% at 7923.6, Italy's FTSE Mib off 1.9% at 15,747.12, and Greece's ATHEX Composite index off 2.7% at 892.53.

The extent of this selloff has amply demonstrated the market's dependence on the artificial stimulus of quantitative easing when it comes to support for risk assets.

After all it was only in late May, that the DAX, the benchmark equity index for the euro zone's economic powerhouse, posted an all-time intraday high of 8557.86. Similarly, the FTSE 100 had been very close to breaking above its record high of 6950.6, hit at the height of the dot.com boom at the end of 1999.

That optimism has been swept away, and further losses loom.

Attention is now focused on the U.S. market open, with investors expected to extend Wednesday's losses -- the action on the futures contracts suggest the DJIA is set to slide 86 points at the open while the S&P500 should open around 12 points lower.

Going forward, as Deutsche Bank pointed out, in a note to subscribers, the Fed has just made the market even more sensitive to data than it was previously. "We now think this will be a difficult few weeks for risk, especially if the data is on the stronger side," the German Bank added.

For continuously updated news from The Wall Street Journal, see WSJ.com at http://wsj.com.

(END) Dow Jones Newswires

June 20, 2013 07:45 ET (11:45 GMT)

文件 DJDN000020130620e96k00283

BARRON'S

MARKET WEEK
Stocks --- The Trader: Stocks Drop for Third Week Out of Four

By Avi Salzman
2,059 字
2013 年 6 月 17 日
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Investors continue to seek clarification from the Fed, which hinted that it might curtail its $85 billion-per-month asset-buying program later this year as the economy picks up. A change in that plan would be relatively small in terms of absolute dollars -- the Fed might cut its purchases of securities by $10 billion or $20 billion per month. But even the suggestion of a reduction has rippled across global markets. Bonds in emerging economies have tumbled since early May, and the International Monetary Fund warned the U.S. central bank on Friday that the way it communicates its intentions could disrupt economies in far-off places.

With all that in mind, Ben Bernanke will sit before a lectern next Wednesday and answer questions from the press following a meeting of the FOMC. Traders will likely remain on edge Monday and Tuesday.

"The market has become a drug addict and the Fed is the dealer," says Ed Yardeni, president of Yardeni Research. "Everybody's going through the shock of withdrawal."

Investors aren't fleeing the markets en masse yet -- bond and equity funds saw inflows in May, according to ICI. But retail money-market funds have risen by $20 billion in the past two weeks, including $11 billion in the week ended June 12. That's the largest jump since Jan. 2.

Cash earns you "bupkis," while U.S. stocks are still attractive, Yardeni notes. "Staying home is good advice for equity investors."

U.S. conglomerates with foreign exposure might be the best bet, says Bank of America's head equity strategist Savita Subramanian. Stocks with high foreign exposure are trading almost at parity with domestic-focused stocks in their price to sales ratio, a rare phenomenon. (In 2009, multinationals were more than twice as expensive as U.S.-centric names.) That's partially because "the housing recovery is the No. 1 theme investors have been buying into" and expectations for U.S. investments have been revised higher as the rest of the world has been revised lower. If history serves, the momentum could shift back toward multinationals.

One multinational that has struggled lately is Molson Coors (TAP), the Denver-based beer behemoth. Molson's shares have slid 2.9% in the past month, and they now trade at 12.1 times projected earnings, below the average of 16 times for other beer companies.

The valuation gap makes sense -- Molson simply isn't growing as fast as its rivals. In developed markets, consumers are choosing liquor over beer, causing volumes to fall. And within the beer market, craft brewers have been drawing more drinkers in recent years, allowing companies like Boston Beer (SAM) to grab more market share from its largest rivals.

Most of the beer market in the U.S. is controlled by two players: Anheuser-Busch InBev and MillerCoors, which together control about 77% of the market. MillerCoors is a joint venture between Molson Coors and

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But craft brewers, which make up 12.3% of beer revenue, according to research firm IBISWorld, have been growing in popularity. Boston Beer is one of the few ways to invest directly in the trend, and shares have more than quadrupled in the past four years. They recently got another spurt of momentum, rising 10% in the past month.

Last week, the catalyst was a note from Goldman Sachs analyst Judy Hong upgrading shares to Neutral from Sell. Boston Beer lately has had great success in the burgeoning cider market with its Angry Orchard cider taking at least 40% market share, Hong notes. And the company plans to start selling its beer in cans, which could boost volume. Investors were so keen to buy the stock after the Goldman note that it zoomed past Hong's target price of $162 and ended the week at $165.82. Boston Beer trades at about 32 times forward earnings expectations, a big premium to its historic multiple of 22 times.

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Yet the company's rebound plan of cost-cutting and expanding into emerging markets seems sound. Last year, Molson Coors bought Czech-Republic-based brewer StarBev for $3.4 billion, giving it more exposure in Central and Eastern Europe. The sale price valued the company at about 10.8 times Ebitda (earnings before interest, taxes, depreciation, and amortization), in line or below the price of other recent beer deals. The company expects sales outside its three core markets to rise in coming years, eventually representing a mid-teens percentage of sales from the current low single digits.

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Molson Coors still has to pay down debt from the Starbev deal, and that could keep it from raising its dividend for the next year or so. But it is generating considerable free cash flow --an expected $700 million this year --and analysts see more dividend raises in the not-too-distant future. The dividend now yields 2.6%.

The stock trades at a 13% discount to its usual valuation relative to the S&P 500 Consumer Staples Index, notes Stifel Nicolaus analyst Mark Swartzberg. There is so little positive news now priced into the stock, that continued growth in Europe or an uptick in the U.S. could make the stock take off. For investors, that could be refreshing.

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DJTransportation	6309.48	-34.31	-0.54
DJUtilities	485.33	-1.56	-0.32
DJ65Stocks	5095.64	-42.69	-0.83
DJUSMarket	408.88	-3.96	-0.96
NYSEComp.	9263.69	-91.72	-0.98
NYSEMKTComp.	2337.22	-25.40	-1.08
S&P500	1626.73	-16.65	-1.01
S&PMidCap	1172.13	-9.13	-0.77
S&PSmallCap	550.98	-3.13	-0.56
Nasdaq	3423.56	-45.66	-1.32
ValueLine(arith.)	3705.31	-26.20	-0.70
Russell2000	981.38	-6.24	-0.63
DJUSTSMFloat	16964.13	-160.80	-0.94

	Last Week	Week Earlier
NYSE		
Advances	944	1,447
Declines	2,243	1,717
Unchanged	44	53
NewHighs	221	203
NewLows	549	343
AvDailyVol(mil)	3,123.0	3,566.8
Dollar (Finexspotindex)	80.62	81.67
T-Bond (CBTnearbyfutures)	130-200	130-045
Crude Oil (NYMlightsweetcrude)	97.85	96.03
Inflation KR-CRB (FuturesPriceIndex)	286.18	287.67
Gold (CMXnearbyfutures)	1387.30	1383.00

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DOW JONES
NEWSWIRES

Barron's: The Trader: Stocks Drop For Third Week Out Of Four

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2013 年 6 月 15 日 05:07
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 6/17/13)
By Avi Salzman
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15 Jun 2013 00:07 EDT Barron's: The Trader: Stocks Drop For Third Week -2-

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DJ65Stocks	5095.64	-42.69	-0.83
DJUSMarket	408.88	-3.96	-0.96
NYSEComp.	9263.69	-91.72	-0.98
NYSEMKTComp.	2337.22	-25.40	-1.08
S&P500	1626.73	-16.65	-1.01
S&PMidCap	1172.13	-9.13	-0.77
S&PSmallCap	550.98	-3.13	-0.56
Nasdaq	3423.56	-45.66	-1.32
ValueLine(arith.)	3705.31	-26.20	-0.70
Russell2000	981.38	-6.24	-0.63
DJUSTSMFloat	16964.13	-160.80	-0.94

	Last Week	Week Earlier
NYSE		
Advances	944	1,447
Declines	2,243	1,717
Unchanged	44	53
NewHighs	221	203
NewLows	549	343
AvDailyVol(mil)	3,123.0	3,566.8
Dollar		
(Finexspotindex)	80.62	81.67
T-Bond		
(CBTnearbyfutures)	130-200	130-045
Crude Oil		
(NYMlightsweetcrude)	97.85	96.03
Inflation KR-CRB		
(FuturesPriceIndex)	286.18	287.67
Gold		

(CMXnearbyfutures)	1387.30	1383.00

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(END) Dow Jones Newswires

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DOW JONES
NEWSWIRES

WSJ Blog:Charting Hedge Funds' Long Term Gains

280 字
2013 年 6 月 12 日 11:12
Dow Jones Institutional News
DJDN
英文

(This story has been posted on The Wall Street Journal Online's MoneyBeat blog at http://blogs.wsj.com/moneybeat/)

By Harriet Agnew

A popular refrain in recent years has been how hedge fund performance continues to trail equity indices: the average hedge fund has underperformed the S&P500 index for the past four years and is lagging it by two thirds in the first five months of this year.

Over a longer period, however, a different picture emerges, according to a chart compiled by J.P. Morgan's prime brokerage division.

During the 16 years from 1997 through 2012, hedge funds delivered superior cumulative returns to domestic and international equities, commodities and fixed income by substantial margins.

J.P. Morgan's report uses Hedge Fund Research's HFRI Composite index, which tracks hedge fund returns net of fees. Over the 16-year period, hedge funds posted annualized returns of 8.24%, compared with 6.24% for bonds and 6.08% for the S&P500 Index.

Despite this positive long-term picture, hedge funds have underperformed equities since 2009, albeit with lower volatility, steadier compound rates and higher Sharpe ratios -- a measure of risk-adjusted returns. According to the J.P. Morgan report, there are fears that the hedge fund industry has changed fundamentally as a result of stricter oversight, more regulation and increased conservatism among managers.

Harriet Agnew is hedge funds reporter for Financial News in London and tweets at @HarrietAgnew

For continuously updated news from The Wall Street Journal, see WSJ.com at http://wsj.com .

(END) Dow Jones Newswires

June 12, 2013 06:12 ET (10:12 GMT)

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Charting Hedge Funds' Long Term Gains
WSJ Blogs, 2013 年 6 月 12 日 11:12, 232 字, By Harriet Agnew, (英文)
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DOW JONES
NEWSWIRES

Barron's Blog:This Morning: WWDC Approacheth, Cheers for FB, INTC, Slowing Samsung

855 字
2013 年 6 月 10 日 16:57
Dow Jones Institutional News
DJDN
英文

(This story has been posted on Barron's Online's Tech Trader Daily blog at http://blogs.barrons.com/techtraderdaily/)

By Tiernan Ray

Here are some things going on this morning in your world of tech:

Shares of Apple (AAPL) are up $4.95, or 1%, at $446.76, in advance of this morning's keynote session at the company's annual Worldwide Developer Conference in San Francisco. A few analysts have been making some last-minute observations before the show.

You can follow the keynote, starting at 1 pm Eastern time, via a webcast on Apple's site.

Brian White of Topeka Capital Markets, who has a Buy rating on Apple shares, and an $888 price target, writes that while he is not expecting any major new hardware introductions, "there are some long shots that are possible but still unlikely to be announced today."

"For example, our recent trip to Taiwan made it very clear to us that the ' iPhone mini' (a.k.a., lower-priced iPhone) is imminent with production already started in the supply chain and accessories popping up at trade shows; To us, it appears as if the "iPhone mini" is ready or very close to being ready for introduction."

Piper Jaffray's Gene Munster, writing about the rumored introduction today of a streaming music service, writes, "We believe the company has a golden chance to gain measurable market share quickly given Apple currently has over 500m active iTunes accounts compared to Spotify which is approaching 30 million users with about 7-8m paid and Pandora with 70 million active users and 2.5m paid as of April 2013."

Raymond James's Tavis McCourt writes that a survey he commissioned from SurveyMonkey in late May of 340 college students showed that "Looking ahead to their next smartphone purchase, 51% of respondents expected to purchase an iPhone, well above the 43% who responded as current owners." From the results, McCourt concludes that Apple's share gains are "likely to continue among college age" consumers.

Bernstein Research's Toni Sacconaghi, who has an Overweight ratings on the shares, and a $600 price target, writes that Apple can preserve its premium smartphone pricing on the iPhone, citing premia maintained over time on the Mac computer line.

Shares of Facebook (FB) are up 98 cents, or 4%, at $24.27, after Stifel Nicolaus's Jordan Rohan raised his rating on the shares to a Buy from Hold, calling the stock "one of the most compelling investments in the Internet" group given substantial investor fears about monetization. Rohan sees several "catalysts" for the stock to go higher, including "inclusion of FB in the S&P500 Index, where it would be the 59th largest company by market cap today," improved "platform monetization from broader rollout of FBX and video ads, and some mention of Instagram monetization," and "mean reversion trade as the shares have vastly underperformed the market YTD."

Shares of Intel (INTC) are up 34 cents, or 1.4%, at $24.94, as yet another bear comes around to an improved point of view on the company's prospects in mobile devices. Jefferies & Co.'s Mark Lipacis, who has a Hold rating on Intel shares, raises his price target to $27 from $24, pondering whether there is a "Wintel Resurrection" underway, by which he means the shift in tactics by Intel of just following the price curve of Moore's Law in chips to rather offering more low-priced "Atom" processors for tablets and smartphones.

Analysts continue to ponder the prospect of slowing sales at Samsung Electronics (005930KS), a topic of some discussion last week. J.P. Morgan chip analyst Christopher Danely, citing work by his colleague JJ Park on Samsung, cuts his rating on shares of analog chip maker Maxim Integrated Products (MXIM) to Neutral from Overweight, writing "Samsung appears to be experiencing a shortfall in its business and Samsung is Maxim's largest customer at 20%+ of revenue."

"Our Overweight thesis was based on Samsung continuing to gain share in smartphones and this appears to be reversing as J.P. Morgan's Samsung analyst JJ Park lowered estimates on Samsung cell phones due to a share shift to low-end smartphones and subsidy cut in the domestic market."

Shares of Dell (DELL) are down 2 cents at $13.47 after Reuters's Nadia Damouni this morning reported that Carl Icahn, who is in a bidding war with CEO Michael Dell, proposing to recapitalize the company rare then let Dell take it private, is preparing a short list of the candidates he would have replace Dell, citing two unnamed sources. Damouni does not mention what candidates, if any, are on such a list at this time. Dell shareholders are scheduled to have a special meeting on July 18th to vote on Michael Dell's leveraged buyout proposal, which the board of directors has endorsed.

For continuously updated news from Barron's, see Barrons.com at http://barrons.com .

(END) Dow Jones Newswires

June 10, 2013 11:57 ET (15:57 GMT)

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BARRON'S

MARKET WEEK

Stocks --- The Trader: Stocks Bounce 1.4% Friday on Decent Jobs Data

By Avi Salzman
2,007 字
2013 年 6 月 10 日
Barron's
B
M3
英文

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If central banks have created a fairy tale, what happens when the story ends and we have to face reality? "There has been a hot housing market, tight credit spreads, record margin debt, low volatility, leveraged fixed-income investments, new stock-market highs. Now CDOs [collateralized debt obligations] are making a comeback," wrote Michael O'Rourke, chief market strategist at Jones Trading, in a note earlier in the week. "The Fed has done a fantastic job of recreating 2007. The only thing missing is jobs."

One company that didn't join the Friday festivities was Iron Mountain (IRM), the document-storage specialist. It fell 16% to $28.95 on the day. The company revealed late on Thursday that the IRS was "tentatively adverse" to Iron Mountain's application to reorganize as a real-estate investment trust, questioning whether its storage structures in fact constitute "real estate." Becoming a REIT would save the company quite a bit on taxes while forcing it to pay out most of its earnings to investors as dividends.

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With bear-market fears cooling on Friday, investors need to find new places to put their money. One sector left behind in this year's rally is energy, even though commodities prices have mostly remained buoyant.

Among energy stocks, some investors are turning to oil-service issues, many of which have trailed the market this year. That's because oil explorers have been relatively frugal about investing in new and expanded projects. The rig count in the U.S. has stayed flat year to date, and analysts don't see a lot of growth for the rest of 2013.

"If you look at energy capex [capital expenditures] in the past few years, it has been more or less flat," said Christian Andreach, co-head of global equities at Manning & Napier, in a recent interview. "In order to meet growing demand from emerging markets and elsewhere, you're going to need to continue to invest in finding reserves. As you see energy capex tick up in response to that pickup in oil prices, a lot of that capex should find its way into the driller space."

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"The earnings power is good, but they've just been somehow underperforming, and we're trying to get to the bottom of that," he said. "If they do that and deploy cash to pay down debt and buy back shares, the stock could go back to $80, based on $5.50 in earnings two years from now."

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Dollar General remains a Wall Street darling; more than two-thirds of the analysts who cover it rate it Buy or Overweight, according to FactSet. The company's management is considered strong, and its stores are more profitable than competitors' stores on a sales-per-square-foot basis. Investors still believe in Dollar General's growth prospects: The stock recovered more than half of Tuesday's losses through the rest of the week, to close at $51.09. It trades at 14.7 times forward earnings, in line with Family Dollar (FDO) but ahead of Wal-Mart.

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"It's a bad sign," said Mark Miller, an analyst at William Blair who rates Dollar General's shares at Market Perform. "It was up a lot last quarter, too. If your inventory per store is up 14%, and your same-store sales are up 3%, you're out of balance there."

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DOW JONES
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Barron's: The Trader: Stocks Bounce 1.4% Friday On Decent Jobs Data

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8 Jun 2013 00:08 EDT Barron's: The Trader: Stocks Bounce 1.4% Friday -2-

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(Finexspotindex)	81.69	83.38
T-Bond		
(CBTnearbyfutures)	130-045	130-080
Crude Oil		
(NYMlightsweetcrude)	96.03	91.97
Inflation KR-CRB		

(FuturesPriceIndex) 287.67 281.85
Gold
(CMXnearbyfutures) 1383.00 1392.60

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A Patient Pursuit

By Sarah Max
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As a boy growing up in Texas, J. Luther King Jr. hunted for arrowheads on his family's farm. "It's a rush to pick up something that's been lying there on the ground for hundreds of years," says King, whose downtown Fort Worth, Texas, office features artwork made from arrowheads he has found or collected over the years. "I don't do it much anymore, but when I'm out, I can't help but look at the ground."

For King, 73, that compulsion to see what others overlook has, for decades, been focused on the stock market. More than just the figurehead of Luther King Capital Management, the firm he started in 1979, King goes into the office on weekends, makes company visits, and works closely with his nearly 20-person research team.

While most of its $12.5 billion in assets under management are held in separate accounts, the firm runs eight of its own mutual funds, including the $244 million LKCM Equity Institutional fund (ticker: LKEQX). Over the past five years, it has averaged annual returns of about 6.9%, better than 92% of its large-growth peers.

Although King launched the fund in late 1995 to serve institutional clients with smaller portfolios, the no-load fund is available to retail investors with a $2,000 minimum. (The word "institutional" in its name is a bit of a misnomer.) Still, the firm hasn't gone out of its way to market the fund. "Some years ago, it started to get noticed because of results," says King, whose fund tends to hold up better than its peers in turbulent markets. "Now, as it gets larger, it's attracting more interest."

After graduating from college and serving in the U.S. Air Force Reserve, King planned to save for law school when a job in the credit department of a regional bank sent him on a lifelong detour into finance. That experience became "the North Star guiding my investment philosophy," he says. "It taught me the danger of excessive leverage and sloppy accounting."

To be sure, if there's one common theme with the 80 to 90 holdings in the LKCM Equity fund, it's a bias toward financially sound companies that are among the leaders in their respective niches. "Some people would say we're very Buffett-like," he says, referring to Warren Buffett's taste for keeping it simple, buying on bad news -- he's currently keeping 9% of his portfolio in cash for when fear takes hold. "I think the market will be higher at the end of the year, but I'm willing to hold that cash because I think we might get a dip," he says. Turnover has averaged just 23% in the last five years.

King and his team combine top-down views on individual sectors -- for example, the portfolio was recently overweight industrials and underweight financials -- with bottom-up analysis that emphasizes the return on equity and cash flow, as well as the stability and predictability of those numbers. Though the fund sits in the large-cap space, it tends to punch below its weight with a weighted-average market cap of $84 billion and the flexibility to invest in companies of all sizes.

King and his team meet with more than 1,000 companies a year and are prolific in their research. "This isn't just three guys and a Bloomberg machine managing a fund," says King, adding that he prefers to spend money on research than on marketing; if performance is strong, he figures, word will get out.

Within most sectors he follows a hub-and-spoke approach, mixing companies that provide stability with those that provide growth. Take energy. One of the top holdings, $403 billion ExxonMobil (XOM) "is not where we'll make the most money," says King, who has owned the stock in varying degrees since the 1990s. Yet, what it lacks in growth potential it makes up for in lower volatility, reasonable price, and consistent dividends.

Total Returns*

	1-Yr	5-Yr	10-Yr
LKEQX	27.82%	6.90%	8.05%
S&P500	28.03%	5.08%	7.14%

Top-10 Holdings	Ticker	% Of Portfolio**
Cabot Oil & Gas	COG	2.48%
ExxonMobil	XOM	2.2
IBM	IBM	2.09
Google	GOOG	1.94
Range Resources	RRC	1.9
Jarden	JAH	1.89
Wells Fargo	WFC	1.81
Kirby	KEX	1.69
Kimberly-Clark	KMB	1.63
Apple	AAPL	1.62
Total:		19.25%

Meanwhile, the fund's largest holding, $15 billion Cabot Oil & Gas (COG), has helped fuel superior returns. "Cabot is a Marcellus gas play," says King, referring to the massive underground shale formation stretching from upstate New York to West Virginia, and as far west as Ohio. "They have an advantage of a huge acreage position." The market has taken note. The fund bought Cabot in 2011 at $19; the stock is now trading at $70.

Likewise, in the health-care sector, where he's overweight, King mixes market leaders such as Johnson & Johnson (JNJ), Pfizer (PFE), and Abbott Laboratories (ABT) with names he thinks have potential to outperform. For example, he recently scooped up $146 billion Merck (MRK), which he considers the cheapest Big Pharma. Merck is trading at 13 times 2014 earnings, versus more than 16 for the group. Current valuations, he says, are justified given the company's recent history of "mediocre returns," but King doesn't think that will be the case for long. "A number of the big pharmaceutical companies have done things in the past year or two to enhance shareholder value beyond just research and development of new drugs," he notes. Merck has begun to follow suit by increasing its dividend and repurchasing shares.

The industrial space is a little more nuanced, ranging from $71 billion Union Pacific (UNP) to $4 billion Kirby (KEX), a leading domestic barge operator that King has owned since 2006. "They have a utilization rate approaching 90%, and there's not a lot of new barge supply coming on," King says of one of his favorite holdings. "That gives them a lot of pricing flexibility in an improving economy."

King likes the "razor-blade effect" of another industrial, $7 billion Pall (PLL), a maker of filtration, separation, and purification products used in an array of industries, including aerospace and winemaking. "It's not just about selling a new system," he says; 80% of Pall's business comes from filters and replacements.

"It's a hodgepodge," he says of his industrial holdings. "But the bet there is that the economy will continue to grow." That growth may come slowly, he adds, and so be it.

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