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## DOW JONES NEWSWIRES

The Trader: Stocks Rebound From Yuan Surprise -- Barron's

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Dow Jones Institutional News

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(FROM BARRON'S 8/17/15)

By Vito J. Racanelli

The surprise Chinese currency devaluation last Tuesday sucker-punched U.S. stock markets, but shares recovered and finished 0.7% higher by Friday's close. Higher volatility was exacerbated by light August volumes and skeleton crews at trading desks.

For a brief moment midweek, a "China Syndrome" fear about decelerating global growth took hold, sending stocks down 1% before investors regained their sang-froid. Some view the currency move as an admission by the Chinese government that the country's economic growth was slowing appreciably from its 7% historical trend.

There have been conflicting economic signals coming out of the Middle Kingdom for a while now so there was a strong reaction at first, notes Giri Cherukuri, head trader at Oakbrook Investments. The rebound indicates "people moved to a wait-and-see attitude," that perhaps it won't be a dramatic slowdown, he says.

Some take the quick snapback as a sign of resiliency. "It's the market telling you that nothing will get in its way," says Michael Marrale, head of research, sales, and trading at Investment Technology Group. Investors are nervous but not complacent, he adds.

Nevertheless, market breadth—a momentum indicator that looks at the number of rising stocks compared with falling ones—remains weak, and it's difficult to see the market getting out of its rut without improving breadth.

Last week, the Dow Jones Industrial Average gained 104 points, or 0.6%, to 17,477.40, while the Standard & Poor's 500 index rose 14, or 0.7%, to 2091.54. The Nasdaq Composite finished at 5048.24, flat on the week. The Russell 2000 advanced 0.5% to 1212.69.

Several U.S. economic figures were released last week, but none indicated that American gross domestic product would grow any faster than the lukewarm rate we've seen so far this year. Indeed, part of last week's rebound could be attributed to some investors hoping the devaluation and slowing global growth would give the Federal Reserve wiggle room to keep interest rates steady, instead of hiking, as many expect in September.

The stock market was primed for volatility last week, says Richard Weeks, a partner at Hightower Advisors, given the recent poor market internals, like breadth, and fewer trading participants around. The Chinese devaluation is a concern, "but [last week] nothing fundamental long-term changed for U.S. stocks," he says. The market internals are more concerning, he adds.

"I don't see the market falling apart, but it's going to flip-flop around here" for the next few weeks, Weeks says. It's a traditionally slow period for stocks and "there's no compelling reason" for people to take on risk by purchasing stocks now. "We are pretty much where we were in March, and it still feels, for the most part, like it's going nowhere." The market's next big milestone is that Fed meeting Sept. 16-17.

The Dow Jones Industrial Average's 2% drop year-to-date through Aug. 13 doesn't differ much from its performance in the same calendar period last year, when it was essentially flat. Peering under the Dow's hood, however, reveals substantial declines among the worst-acting names. That could be a predictor of the Dow's behavior for the rest of the year.

Last year, the Dow rallied 7.5% from mid-August through year end, but there is reason to think history won't repeat. If this year's big losers continue to struggle in 2015 -- which seems likely -- the Dow won't only not rally, it might head lower.

First, this year's 10 worst performers are all down more than 10% -- a steeper drop than last year's biggest losers had registered by this date. Three stocks, DuPont (ticker: DD), Chevron (CVX), and Intel (INTC), have fallen more than 20%. Eight of the 10 have or had stock prices in or near triple digits, making their drop especially injurious to the Dow, a price-weighted index.

The hefty drop in oil and commodity prices has pressured many of this year's 10 biggest Dow losers. The strong greenback has hurt others, and some are smarting from both. The dollar could stabilize from here, but few believe commodity prices can recover by year end.

Other issues could add to the potential for continued Dow volatility. Markets will soon enter the historically weak September-October period for stocks. And the Federal Reserve is expected to hike interest rates next month for the first time in about a decade.

Another hurdle: 2015 revenue expectations for most of those poor Dow performers continue to trend downward. Nicholas Colas, Convergenex's chief market strategist, says earnings and cash flow for many Dow stocks "are fine, but revenue is not."

For example, analysts now see a collective 4% drop in third-quarter revenue for the Dow-attributable mainly to commodity-related stocks-instead of a the 3% drop expected two months ago. Wall Street now expects the Dow's revenue to fall 2% in the fourth quarter, compared with prior predictions of a 1% decline.

To feel good about the Dow, you have to believe that the market will soon begin to discount a better 2016, when perhaps commodities and the dollar could stabilize.

Our conclusion is that this year's action suggests that the Dow could tread water at best, with plenty of volatility through October, possibly beyond. For the Dow to finish in the black, either the winners have to do even better or the losers have to improve. Given how badly some of these stocks are acting, it's a wonder the Dow isn't down more.

#### Owens-Illinois Glass Half Full

The rising U.S. dollar has KO'ed results at Owens-Illinois (ticker: OI), the world's largest glass-container maker. In the first six months of 2015, revenue fell to \$2.9 billion from \$3.4 billion in the year-earlier period, with 90% of the drop resulting from currency changes. Weak second-quarter volumes in Brazil-compared with unusually high beer consumption during the 2014 World Cup-also hurt.

The stock is down 40% to \$22.10, from \$35 last year. Earnings per share (EPS) estimates have contracted to \$2.08 this year from the \$3.22 expected 12 months ago. Just one Wall Street analyst out of 14 gives it a Buy rating, the lowest ratio since 2004.

A stock this disliked should interest the contrarian investor. Owens-Illinois faces other head winds, but there are big investors who think the company will be in better shape by the end of next year, which could bring a 20% to 40% rise in the shares.

Part of this mid-cap stock's drop can be attributed to industry changes. Major beer makers have consolidated and their volumes aren't growing, as consumers move more to smaller-batch craft beers. Bears note that Owens-Illinois sales have been stuck around \$7 billion annually and EPS at \$2.50 to \$2.80.

Additionally, results are complicated by nonoperating extraordinary items, such as pension contributions, a foreign non-income tax assessment, and asbestos-related costs. Annual 2014 EPS from continuing operations was 59 cents, but excluding various charges it was \$2.63, the figure that analysts and money managers use.

Asbestos costs-from lawsuits alleging exposure before 1958-have been falling steadily for years, along with the number of cases, and should continue to do so. Pension payments are stabilizing, and higher interest rates will help pension fund returns.

Beneath the surface of this battered company there are important changes that could brighten the picture by the end of 2016, avers Alexander Roepers, president of Atlantic Investment Management, which has been adding shares. Its 8% stake makes Atlantic one of company's largest holders.

Dollar woes have overwhelmed sentiment on the Perrysburg, Ohio-based firm, he says. But the May agreement to buy Mexico's Vitro S.A.B. de C.V. should add 30 to 40 cents of EPS by next year, and more later. The company still needs Mexican regulators' approval, which is expected and could be a near-term stock catalyst, he adds.

As tough a year as Owens-Illinois is having, he points out the company still expects EPS of \$2 to \$2.20 and free cash flow of \$250 million this year.

The stock looks cheap, at a price/earnings ratio of 8.5 times consensus analyst EPS of \$2.52 next year, compared with a median P/E of 10. If EPS does approach \$3 per share next year, the current P/E implies a stock price near \$30. Roepers believes the value could even be higher, \$32, if the P/E expands as investors gain confidence.

The stock's not without risk. Medium-term global industry volume growth is probably more like 1% at best, instead of the 2% previously expected. After the Vitro acquisition, Roepers estimates the company's net debt including asbestos liabilities at about \$5.5 billion at year-end 2016. He sees some \$1.45 billion in earnings before interest, taxes, depreciation and amortization (Ebitda) next year.

The net debt-to-Ebitda ratio of 3.8 times isn't low, but the glass-container business is a stable one. Roepers looks for free cash flow generation of as much as \$350 million next year, and rising beyond, which will help bring down the debt load relatively quickly.

Market expectations and valuation are low, and it won't take much good news to push up Owens-Illinois stock. The risk/reward looks favorable here.

15 Aug 2015 00:08 ET The Trader: Stocks Rebound From Yuan Surprise -- -2-

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#### Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17477.40	+104.02	+0.60
DJTransportation	8318.70	+67.85	+0.82
DJUtilities	604.29	+13.84	+2.34
DJ65Stocks	6206.26	+57.81	+0.94
DJUSMarket	526.31	+3.69	+0.71
NYSEComp.	10782.24	+19.09	+0.18
NYSEMKTComp.	2381.85	-6.11	-0.26
<b>S&amp;P500</b>	2091.54	+13.97	+0.67
S&PMidCap	1501.72	+13.56	+0.91
S&PSmallCap	706.90	+5.69	+0.81
Nasdaq	5048.24	+4.69	+0.09
ValueLine(arith.)	4645.36	+37.89	+0.82
Russell2000	1212.69	+5.79	+0.48
DJUSTSMFloat	21813.52	+146.55	+0.68

	Last Week	Week Earlier
NYSE		
Advances	1,890	1,138
Declines	1,362	2,099
Unchanged	35	49
NewHighs	164	215
NewLows	379	555
AvDailyVol(mil)	3,466.3	3,749.5
Dollar		
(Finexspotindex)	96.52	97.56
T-Bond		
(CBTnearbyfutures)	158-040	158-170
Crude Oil		
(NYMlightsweetcrude)	42.50	43.87
Inflation KR-CRB		
(FuturesPriceIndex)	197.97	198.32
Gold		
(CMXnearbyfutures)	1112.90	1094.10

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## DOW JONES NEWSWIRES

Soros Sharply Cuts Stakes in Chinese Internet Giants Alibaba, Baidu

By Austen Hufford

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Soros Fund Management LLC largely sold off its stakes in Chinese Internet giants Alibaba Group Holding Ltd. and Baidu Inc., while buying an ETF that tracks large-cap Chinese companies and another that follows companies in emerging markets.

Soros sold 4.39 million Alibaba shares, leaving the fund with 59,320 and reduced his position in Baidu to 42,800 shares from 358,650 at March 31. Over the same period, however, the fund also bought 1.9 million shares of the iShares China Large-Cap ETF, which tracks large Chinese companies, and 2 million shares of the iShares MSCI Emerging Markets ETF, which follows emerging market companies.

Soros also decreased its stake in Herbalife Ltd. by selling nearly half of its stake. Activist investor William Ackman has had a public and longstanding large short position in Herbalife, while Soros took the other side of the bet.

The fund also took a large stake in Time Warner Cable Inc., which is now its second-largest equities position after the SPDR **S&P500** ETF. The fund's stake is worth \$259 million.

Soros also increased its stake invested in Facebook Inc., boosting its holdings by 2.47 million shares. It previously held 124,114 shares.

The fund, which now only invests for George Soros, his family and his foundation, announced Aug. 4 that Chief Investment Officer Scott Bessent would exit at the end of this year to start his own hedge-fund firm.

Investors who manage more than \$100 million are required to disclose most securities holdings within a month and a half of the end of a quarter. The filings give the public a relatively fresh look at the portfolios of well-known investors. The quarterly deadline was Friday.

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\*Guggenheim **S&P500** Real Es (EWRE) Resumed Trading

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## DOW JONES NEWSWIRES

USD Gains Against Commodity Currencies On Yuan's Devaluation -- Asia Daily Forex Outlook

By Trading Central

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HONG KONG--Following are expected trading ranges and outlooks for nine major currency pairs in Asia today:

Immediate Range	Larger Range
USD/JPY 124.65-125.27	124.40-125.55
EUR/USD 1.0985-1.1115	1.0955-1.1155
AUD/USD 0.7280-0.7355	0.7260-0.7385
NZD/USD 0.6515-0.6560	0.6500-0.6580
GBP/USD 1.5550-1.5615	1.5510-1.5635
USD/CHF 0.9800-0.9905	0.9755-0.9940
USD/CAD 1.3030-1.3150	1.2990-1.3180
EUR/JPY 137.45-138.70	136.75-139.15
EUR/GBP 0.7060-0.7115	0.7035-0.7130

(Ranges are calculated using recent high and lows, information on the placement of option strikes, and technical analysis - Fibonacci levels, trendlines and moving averages.)

USD/JPY Intraday: Upside prevails. With the US dollar index currently trading at 97.173, the green back is stable after gaining against commodity and Asian currencies yesterday upon China's central bank's surprise move of devaluing the yuan by about 2%. Overnight crude oil plunged 3.3% to \$43.45 per barrel and copper was down 2.5% to \$2.339 per pound, while gold gained 0.4% to \$1,108.9 per ounce. And the **S&P500** lost 0.96% to 2,084, while the Dow Jones Industrial Average was down 1.21%, to 17,402. Meanwhile USD/JPY has surged past its previous top and stands above the 125.00 level. The ascending 20-period intraday moving average stays above the 50-period one, while the intraday RSI remains above the neutrality level of 50, calling for further advance. Upside targets are set at 125.27 and 125.55 (both last seen in early June).

If the pair breaks below the key support at 124.65, a further decline toward 124.40 and even 124.20 is expected.

EUR/USD Intraday: Upside prevails. The pair keeps trading on the upside after coming off from its overnight high of 1.1088. It is well supported by the 20- and 50-period intraday MAs (now at 1.1037 and 1.1025 respectively). The RSI stays above the neutrality level of 50 lacking downward momentum. As long as 1.0985 holds as the key support, the upside targets are set at 1.1115 (around the high of July 31) and 1.1155. Below 1.0985 look for further downside with 1.0955 & 1.092 as targets.

AUD/USD Intraday: Key resistance at 0.7355. The pair is posting a technical rebound after touching as low as 0.7279 overnight. Meanwhile the 20-period intraday MA stays below the 50-period one. The technical rebound's extent is expected to be limited considering the strong over-head resistance at 0.7355. It is likely to return to the first downside target at 0.7280 before heading further down to 0.7260. Only a break above 0.7355 could turn the pair's intraday outlook bullish with the first alternative upside target set at 0.7385.

NZD/USD Intraday: Under pressure. The pair remains capped by its key resistance at 0.6635, and seems likely to post further decline. Both the ST and intraday outlooks are negative, as the key moving averages maintain strong selling pressure. On an intraday basis, even though a technical rebound cannot be ruled out at the current stage, its extent should be limited by 0.6560. To sum up, the pair is expected to decline to test its support base around 0.6515, if breakout, look for 0.6500 and 0.6485 as our next targets. Alternatively, above 0.6560 look for a new bounce with 0.658 & 0.66 as targets.

GBP/USD Intraday: Bias remains bullish. The pair might be forming a "bullish flag" (a bullish continuation pattern). The intraday RSI stands firmly above its neutrality level at 50, and is turning up. A strong support base around 1.5550 has also been confirmed, and should limit any downward attempt. Last but not least, the process of higher highs and lows is still intact on a 30-min chart. In these perspectives, as long as 1.5550 is not broken, look for further advance to 1.5615 & 1.5635 in extension. Alternatively, below 1.555 look for further downside with 1.551 & 1.5455 as targets.

USD/CHF Intraday: Upside prevails. The pair managed to hold above its key support at 0.9800, which has been tested for several times to confirm the significance of this level. The 20- and 50-period intraday MAs are turning up, and also play as support roles. Moreover, the intraday RSI is above the neutrality level of 50, and calls for a new bounce. In which case, as long as 0.9800 holds on the downside, the pair is expected to post a new rise to challenge 0.9905 (the nearest top) in sight, if breakout, look for 0.9940 in extension. Alternative scenario, below 0.98 look for further downside with 0.9755 & 0.9715 as targets.

USD/CAD Intraday: Rebound. The pair stays above its 20-period and 50-period intraday MAs and remains on the upside. The intraday RSI is positively oriented and lacks downward momentum. Further upside is therefore expected with the next horizontal resistance and overlap set at yesterday's high at 1.3150 at first. A break above this level would call for further advance towards Aug 10 high at 1.3180 as possible. Only a break below the horizontal support at 1.3030 would open the way to further weakness towards yesterday's low at 1.2990 at first. A second alternative downside target is set at 1.2960.

EUR/JPY Intraday: Bias remains bullish. The pair has broken above its previous high at 137.45 and is looking for a higher top. Both rising 20-period and 50-period intraday MAs maintain a bullish bias. And the intraday RSI is well directed. Further upside is therefore expected with the next horizontal resistance and overlap set 138.70 at first. A break above this level would call for further advance towards 139.15. Only a break below the horizontal support at 137.45 would open the way to further weakness towards August 11's low at 136.75 at first. A second alternative downside target is set at the horizontal support and overlap at 136.25.

EUR/GBP Intraday: Upside prevails. The pair stays above its key support at 0.7060 and is moving sideways around its 20-period and 50-period intraday MAs. The intraday RSI is around 50 and lacks momentum. Thus, even though a continuation of the consolidation cannot be ruled out, its extent should be limited. Further upside is therefore expected with the next horizontal resistance and overlap set at yesterday's high at 0.7115 at first. A break above this level would call for further advance towards 0.7130. Only a break below the horizontal support at 0.7060 would open the way to further weakness towards yesterday's low at 0.7035 at first. A second alternative downside target is set at August 7's low at 0.7015.

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# DOW JONES NEWSWIRES

USD/JPY May See Further Advance -- Market Talk

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0209 GMT [Dow Jones] With the US dollar index currently trading at 97.173, the greenback is stable after gaining against commodity and Asian currencies yesterday upon China's central bank's surprise move of devaluing the yuan by about 2%. Overnight crude oil plunged 3.3% to \$43.45 per barrel and copper was down 2.5% to \$2.339 per pound, while gold gained 0.4% to \$1,108.9 per ounce. The **S&P500** lost 0.96% to 2,084, while the Dow Jones Industrial Average was down 1.21%, to 17,402. Meanwhile USD/JPY has surged past its previous top and stands above the 125.00 level. The ascending 20-period intraday moving average stays above the 50-period one, while the intraday relative strength index remains above the neutrality level of 50, calling for further advance. Upside targets are set at 125.27 and 125.55 (both last seen in early June). If the pair breaks below the key support at 124.65, a further decline toward 124.40 and even 124.20 is expected.

This content was produced exclusively for Dow Jones by Trading Central ([www.tradingcentral.com](http://www.tradingcentral.com)), a leading investment research and commentary service specializing in technical analysis. ([kenneth.howe@wsj.com](mailto:kenneth.howe@wsj.com))

Editor: KLH

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## DOW JONES NEWSWIRES

Yuan Devaluation Blasts Everything in Its Path -- Market Talk

1,733 字

2015 年 8 月 11 日 03:55

Dow Jones Institutional News

DJDN

英文

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0255 GMT [Dow Jones] A tumble in the Chinese yuan Tuesday sent other emerging market Asian currencies lower and helped push China shares up. China's yuan sank 1.4% against the U.S. dollar after the central bank devalued its tightly controlled currency through its daily fixing rate. Equity markets are going to be a lot more focused on currencies and central bank policies going forward, says Gavin Perry, managing director at Perry International Trading. "In the mainland, there's going to be a lag effect because the market is more retail driven," but the effect is greater in Hong Kong where "[investors can] see it as a positive for underlying China Inc." A weaker Chinese yuan comes as the world's second largest economy continues to sputter. The Shanghai Composite Index wavers between positive and negative, but the Hang Seng Index is up 1.2% on the central bank's move. Asian currencies fall with the South Korean won and Thai baht hit hardest.

Perry says a weaker yen now adds to the pressure of a deepening commodities rout and a stronger U.S. dollar. "It's now a compounding effect." (chao.deng@wsj.com)

Editor JSM

0253 GMT [Dow Jones] The NZD/USD The pair remains in an up-trend on an intraday basis, supported by its key level at 0.6550. A bullish cross has identified between the 20- and 50-period intraday MAs, which favors a new bounce. Moreover, the intraday RSI stands firmly above its neutrality level at 50. Further advance to challenge 0.6640 (the previous top) seems likely. A second upside target is set at 0.6675. Alternatively, below 0.6585, look for further downside with 0.655 & 0.6525 as targets. This content was produced exclusively for Dow Jones by Trading Central ([www.tradingcentral.com](http://www.tradingcentral.com)), a leading investment research and commentary service specializing in technical analysis. (kenneth.howe@wsj.com)

Editor: KLH

0252 GMT [Dow Jones] The weaker yuan would have limited impact on Chinese consumer demand for homes abroad, despite a higher price tag for cross-border purchases, after China's central bank devalued the yuan in a surprise move Tuesday. Analysts say the decision is linked to China's flagging exports data as well as the country's bid for the yuan to join IMF's Special Drawing Rights. While the yuan's strength in recent years have helped to fuel home buying sentiment abroad, Chinese consumers are compelled by other factors when deciding to buy homes overseas, including asset diversification, immigration purposes and education for their offspring, analysts say. (esther.fung@wsj.com, @estherfung)

Editor: JFN

0251 GMT [Dow Jones] Here are six things to ponder about the surprise move to devalue the yuan, according to the head of global currency strategy at CBA, Richard Grace. First, the PBOC has said it did this because it corrects some of its earlier decisions to keep the daily fix very tight. Second, if the PBOC did, for example, a +1.0% adjustment two days in a row, it would generate large market speculation they want USD/CNY much higher. Third, this would then mean the PBOC would have to be selling large amounts of US dollars to defend the daily trading band limit. Fourth, a higher USD/CNY is effectively a depreciation in the currency and an easing of monetary conditions. Fifth, the one-off move by the PBOC has generated a large USD bid in the market, pushing other currencies in the region lower. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

Editor: KLH

0244 GMT [Dow Jones] China's devaluation of the yuan was a sharper-than-expected move and provides some further policy easing, says Emma Lawson, senior currency strategist at NAB. The change in fixing arrangement is likely to allow for further depreciation in China, she adds. It is weighing on the Australian dollar, in line with regional currencies and as a regional proxy. Pressure on the Australian dollar is likely to continue in the short-term. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

Editor: KLH

0243 GMT [Dow Jones] China's move to devalue its currency may negatively affect the health of other Asian economies that are competing with China's exports, says Kenichiro Ikezawa, fund manager at Daiwa SB Investments. A weaker currency tends to boost exports. "They [Chinese authorities] have tried various steps, but are finally resorting to their main tool. Their real effective exchange rate was high. Devaluing its currency is a quick fix," he says. "This may cause considerable impacts on other Asian countries." The Korean currency is down, reflecting such potential troubles ahead, Ikezawa says. USD/KRW rises to 1172.0 from 1161.8. (kosaku.narioka@wsj.com)

Editor: KLH

0241 GMT [Dow Jones] Kyushu Electric Power (TO.9508) restarted a nuclear reactor Tuesday, signifying the return of nuclear power to Japan after a nearly two-year absence, but many other reactors in the nation are still a long way from restarting. Of the 43 operable reactors, only five have passed the main level of scrutiny. Reactors operated by Tokyo Electric Power (TO.9501) in Niigata prefecture are closer to Tokyo and likely to get particular scrutiny, in part because they suffered damage in a 2007 earthquake, and Chubu Electric Power's (9502.TO) Hamaoka plant is also likely to take extra time because of its proximity to Japan's industrial belt. (peter.landiers@wsj.com)

Editor JSM

0238 GMT [Dow Jones] The size of total social financing in China was small relative to the size of new loans in July. Total social financing was 718.8 billion yuan last month, down from 1.86 trillion yuan in June. This compares with 1.48 trillion yuan in new loans last month, up from 1.27 trillion yuan in June. The decline reflects distortions related to the government's bid to prop up the stock market, said Mizuho Securities economist Shen Jianguang, who added that the situation is starting to resemble a Chinese version of quantitative easing. "Because it's a QE style, the government is in the end dependent on asset prices," Shen said. "That's why the Chinese government is intervening. They don't want to see the stock market fall sharply, probably not only because of the confidence issue but also because they want to protect the value of their own assets." (mark.magnier@wsj.com; @MarkMagnier)

Editor: KLH

0233 GMT [Dow Jones] By devaluing the yuan, China's central bank is looking at recent poor trade data and improving the yuan pricing mechanism, says Annette Beacher, head of Asia-Pacific Research at TD Securities. This is done to put the currency in a good light ahead of the crucial vote by the International Monetary Fund on whether to include the currency in the basket of reserve currencies called special drawing rights, she says. "It is likely not coincidental that a new pricing regime is being put together now ahead of the crucial IMF SDR inclusion vote later this year," she adds. As this event has boosted the U.S. dollar and dampened local currencies, it is likely to be welcomed by regional central banks, as well as any policies that boost the outlook for Chinese growth are positive for the growth outlook more broadly, she adds. (james.glynn@wsj.com; Twitter: @JamesGlynnWSJ)

Editor JSM

0233 GMT [Dow Jones] Patients' medical records have moved from the paper format to digital and mobile platforms, and they can now be viewed or updated on mobile devices such as the iPad. One startup, drchrono Inc., is making electronic health records available on the Apple Watch so that doctors can be truly  
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hands-free as they work with patients. Though the small screen on a watch precludes doctors from doing serious data entry or medical-image viewing, the watch can alert doctors when test results come in or a patient's condition has changed, drchrono says. The company has raised \$2 million to continue selling its iPhone, iPad and Apple Watch applications. (timothy.hay@wsj.com)

Editor: KLH

0225 GMT [Dow Jones] USD/CAD Intraday: Downside prevails. The pair has accelerated to the downside after breaking below its previous support at 1.3100, which should now play a key resistance role. Both descending 20-period and 50-period intraday MAs maintain a bearish bias. And the intraday RSI is below 50 and lacks upward momentum. The first downside target is set at 1.2980. A break below this level would open the way to further weakness toward 1.2960. However, a break above the key resistance at 1.3100 would call for further upside toward 1.3150 at first and then to yesterday's high at 1.3180 in extension. Trading Central (tradingcentral.com) is a commentary service specializing in technical analysis. (jasper.moiseiwitsch@wsj.com)

Editor JSM

0225 GMT [Dow Jones] Currently trading at 97.204, the US dollar index fell overnight while US stocks were given a boost by surging commodity prices. Crude oil surged 2.5% to \$44.96 per barrel, gold was up 0.9% to \$1,104 per ounce and copper rose 2.8% to \$2.407 per pound. And the **S&P500** gained 1.3% to 2,104, while the Dow Jones Industrial Average was up 1.4% to 17,615. At the same time, the euro jumped to as high as 1.1041 on expectations that Greece and its creditors would reach a bailout agreement. Meanwhile, USD/JPY maintains its bullish bias above the key support at 124.40. The 20-period intraday moving average stays above the 50-period one, while the intraday relative strength index remains within the buying area between 50 and 70. The first upside target is set at 124.80 (around yesterday's high) and the second at 125.00. If the pair breaks below the key support at 124.40, a further decline toward 124.20 and even 124.05 is expected. This content was produced exclusively for Dow Jones by Trading Central ([www.tradingcentral.com](http://www.tradingcentral.com)), a leading investment research and commentary service specializing in technical analysis. (kenneth.howe@wsj.com)

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## DOW JONES NEWSWIRES

China Stock Market Intervention Causing Distortions -- Market Talk

1,744 字

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Dow Jones Institutional News

DJDN

英文

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0238 GMT [Dow Jones] The size of total social financing in China was small relative to the size of new loans in July. Total social financing was 718.8 billion yuan last month, down from 1.86 trillion yuan in June. This compares with 1.48 trillion yuan in new loans last month, up from 1.27 trillion yuan in June. The decline reflects distortions related to the government's bid to prop up the stock market, said Mizuho Securities economist Shen Jianguang, who added that the situation is starting to resemble a Chinese version of quantitative easing. "Because it's a QE style, the government is in the end dependent on asset prices," Shen said. "That's why the Chinese government is intervening. They don't want to see the stock market fall sharply, probably not only because of the confidence issue but also because they want to protect the value of their own assets." (mark.magnier@wsj.com; @MarkMagnier)

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Editor: KLH

0224 GMT [Dow Jones] USD/CHF Intraday: Upside prevails. Currently trading at 0.9835, the pair remains steadily on the upside. A support base at 0.979 has formed and has allowed for a temporary stabilisation. Besides, the technical indicator such as the intraday RSI favors a new rebound. As long as 0.9790 holds as the key support, the pair seems likely to challenge 0.9890 (its previous swing high) at first. Alternative scenario, below 0.9790 look for further downside with 0.9755 & 0.9715 as targets. Trading Central ([tradingcentral.com](http://tradingcentral.com)) is a commentary service specializing in technical analysis. (jasper.moiseiwitsch@wsj.com)

Editor JSM

0223 GMT [Dow Jones] GBP/USD Intraday: Turning up. The pair managed to break above its previous declining trend line, and is heading upward now. The immediate momentum is strong, as the intraday RSI is challenging its 70 resistance without displaying any reversal signal. Both the rising 20- and 50-period intraday MAs are providing support. In which case, as long as the key support at 1.5510 is not broken, expect a new rise toward 1.5635 and 1.5670 in extension. Alternatively, below 1.5510 look for further downside with 1.5455 & 1.5420 as targets. Trading Central ([tradingcentral.com](http://tradingcentral.com)) is a commentary service specializing in technical analysis. (jasper.moiseiwitsch@wsj.com)

Editor JSM

0221 GMT [Dow Jones] The USD/JPY may remain trapped in the 124-level with the pair straight jacketed in a tight range between technical chart lines, says Takuya Kanda, senior researcher at Gaitame.Com Research Institute in a morning note. The pair is well supported around the Ichimoku chart line of 124.29, but its upside is capped at around the 20-day moving average of 124.88. The pair (now at 124.76) was unable to find clear direction overnight as both USD and JPY were sold, amid buying on resource-related currencies. "After digesting closely-monitored U.S. jobs data (Friday), it seems position adjustment is kicking in everywhere ahead of the summer vacation," he says. (hiroyuki.kachi@wsj.com)

Editor: JFN

0220 GMT [Dow Jones] The central bank's effective devaluation of the yuan through a change in the daily fix in the exchange rate is linked to the nation's stalling exports and Beijing's bid to have the currency join the IMF's Special Drawing Rights, JPMorgan economist Haibin Zhu says. Zhu says the steep drop in July exports probably contributed to the surprise decision. The IMF has also said the parity rate was not entirely reflecting market movements. The PBOC says it made a nearly 2% devaluation of the yuan fix as the daily spot movements were moving away from the fix and weakening its role in guiding the market. The IMF decides this year on a possible adjustment of the SDR component currencies and the yuan could be included. (william.kazer@dowjones.com)

Editor: KLH

0219 GMT [Dow Jones] USD/PHP shot up at Tuesday's open to reach a 5-year high of 45.89 from Monday's close of 45.76 in reaction to a 2.0% move higher in USD/CNY after China's central bank abruptly devalued

the yuan - a move which has battered other Asian currencies as well. The Philippine peso is now down 2.6% for 2015. The People's Bank of China said it has modified the mechanism for determining the daily yuan benchmark rate to factor in market makers' quotes as well as previous closing levels - a move to deregulate the foreign exchange market. The peso has not moved as much as other Asian currencies such as the Singapore dollar and the South Korea won - whose central banks take a more active role in benchmarking their currencies' values to regional peers due to the impact on trade and exports which their economies are heavily reliant upon. USD/PHP is now 45.83 from its Monday close of 45.76. (ewen.chew@wsj.com)

Editor: MNG

0211 GMT [Dow Jones] The Australian dollar is down after China's central bank said it will devalue its currency, underscoring the challenges the Chinese economy is facing, says Michiyoshi Kato, senior vice president of forex sales at Mizuho Bank. The AUD is sensitive to the strength of the Chinese economy. "Chinese authorities may face criticism from U.S. counterparts, but they probably don't have other choices. Their problem is that serious," he says. The AUD/JPY falls to 91.60 from 92.61. AUD/USD falls to 0.7347 from 0.7427. (kosaku.narioka@wsj.com)

Editor: TAG

0211 GMT [Dow Jones] OCBC downgrades Hyflux (600.SG) to 'Sell' from 'Hold' and cuts its fair value estimate to S\$0.75 from S\$0.96 after it is disappointed by the water treatment firm's second quarter earnings. OCBC notes that Hyflux reported an 18% rise in revenue, but it was because it accounted for the proceeds from the sale of five water treatment plants in China. OCBC estimates that revenue was actually down 35% if the one-off items were taken out. Similarly, OCBC estimates that Hyflux would have reported a net loss but for the effect of the one-off gain from the sale. "Given the dismal showing so far, we suspect that more disappointments could be in store for the rest of the year," OCBC says. Hyflux is flat at S\$0.84, compared with a 0.1% decline in the FTSE Straits Times Index. (gaurav.raghuvanshi@wsj.com)

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# DOW JONES NEWSWIRES

Bullish Bias for USD/JPY Above 124.40 -- Market Talk

243 字

2015 年 8 月 11 日 03:25

Dow Jones Institutional News

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0225 GMT [Dow Jones] Currently trading at 97.204, the US dollar index fell overnight while US stocks were given a boost by surging commodity prices. Crude oil surged 2.5% to \$44.96 per barrel, gold was up 0.9% to \$1,104 per ounce and copper rose 2.8% to \$2.407 per pound. And the **S&P500** gained 1.3% to 2,104, while the Dow Jones Industrial Average was up 1.4% to 17,615. At the same time, the euro jumped to as high as 1.1041 on expectations that Greece and its creditors would reach a bailout agreement. Meanwhile, USD/JPY maintains its bullish bias above the key support at 124.40. The 20-period intraday moving average stays above the 50-period one, while the intraday relative strength index remains within the buying area between 50 and 70. The first upside target is set at 124.80 (around yesterday's high) and the second at 125.00. If the pair breaks below the key support at 124.40, a further decline toward 124.20 and even 124.05 is expected.

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## MARKET WEEK

Stocks --- The Trader: Dow Suffers Longest Losing Streak in Four Years

By Avi Salzman

1,954 字

2015 年 8 月 10 日

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A further slump in oil prices, a growing sense the Fed will soon raise interest rates, and a host of disappointing earnings reports made stocks fade like a slow summer sunset last week. The Dow notched its longest losing streak in four years, falling for the seventh straight day on Friday. Investors who weren't on their sailboats didn't seem particularly alarmed. The indexes are still much closer to their record highs than they are to bear market territory. And it's August after all.

"On a Friday in August, it's hard to draw conclusions about markets," says Scott Clemons, chief investment strategist at Brown Brothers Harriman. "I don't tend to read a whole lot into August trading patterns for the obvious reasons of thin markets and light participation."

Trading on Friday was influenced by the government's July jobs report, which came in roughly in line with expectations and solidified consensus expectations that the Fed will increase rates in September. The economy added 215,000 jobs and the unemployment rate stayed at 5.3%.

The Dow Jones Industrial Average fell 316 points, or 1.8%, on the week, to 17,373.38. The Standard & Poor's 500 index dropped 26 points, or 1.2%, to 2077.57. The S&P has now fallen for five of the past seven weeks, and sits 2.5% below the highs it hit in May. The Nasdaq Composite fell 85 points, or 1.7%, to 5043.54.

Disney (ticker: DIS) led the Dow lower, falling 8.9% on the week after CEO Robert Iger said its sports unit, ESPN, had lost subscribers. The news hurt shares of several media companies, including Time Warner (TWX). Energy companies also slid along with the price of West Texas oil, which was down 6.9% to \$43.87. Chevron (CVX) hit a new 52-week low, dropping 5.3% on the week.

Just a handful of Dow stocks rose on the week, although one got a big boost on Friday: American Express (AXP) rose 6.3% after Bloomberg reported that ValueAct Capital had amassed a roughly \$1 billion stake in the company's shares. The activist investor did not make its intentions clear, but has proven itself by helping steer Microsoft (MSFT) to better share performance despite taking a relatively small stake in the company.

It was one of the rare bright spots for bullish investors last week. Still, the decline in U.S. stocks has raised few alarms in part because it's been gradual, and doesn't seem tied to any fundamental flaws in the economy. The natural drift of the market now is lower, because frankly, there are few obvious catalysts to lift stocks higher. Large-company U.S. stocks fetch valuations well above their historical averages, and their earnings aren't growing. Paying more for these stocks ahead of a Fed rate increase equates to "fighting the Fed," a prospect investors look upon almost as favorably as sticking their fingers in an electrical outlet.

Clemons says Brown Brothers has gotten more conservative in recent weeks -- in fact, cash levels are higher than at any time since the summer of 2008, an inauspicious season. But he doesn't see a crash coming--he expects to put that cash to work in earnest if stocks fall 10%.

David Lafferty, chief market strategist at Natixis Global Asset Management, thinks investors will soon come to terms with the eventual Fed rate increase, and grow more bullish.

"At some point, the market will realize that the initial stages of Fed tightening are not the end of the world."

Bill Ackman's Sweet Tooth

For those who think that activist investing simply amounts to financial engineering with little economic value, an announcement last week seemed to offer a perfect case in point. Bill Ackman, the activist investor and leader of hedge fund Pershing Square Capital Management, said he'd taken a 7.5% stake in Oreo-maker Mondelez International (ticker: MDLZ). Reports citing people close to Ackman indicate that he sees the company as a possible acquisition target. (Ackman himself wasn't available for comment.)

Few companies have the financial wherewithal to swallow Mondelez's \$76 billion market cap. But the name at the top of the list of potential acquirers is Kraft Heinz.

The chatter comes just three years after Kraft and Mondelez split, spinning Kraft into a new company that operated the company's North American grocery business. Kraft has since merged with Heinz, in a deal engineered by Berkshire Hathaway (BRK.A) and Brazilian private-equity firm 3G Capital Partners. Nelson Peltz, another activist investor with a stake in Mondelez, has pushed for a merger with PepsiCo's (PEP) snacks business.

Activism, mergers, and spinoffs have a long history in the snacks industry. Back in 2007, Ackman owned Cadbury Schweppes, which made the Creme Eggs now owned -- after several spinoffs, mergers, and such -- by Mondelez. The snacks keep going round and round, ruining our teeth, and generating huge fees for investment bankers.

The Street is clearly skeptical of Ackman's plans. After opening 4.9% higher on Thursday morning on the news, Mondelez shares ended the day up just 1.1%. They fell 1.5% on Friday.

But Ackman's stake in Mondelez may make more fundamental sense than he's getting credit for. Peltz has advocated for substantial cost cuts, and Ackman reportedly shares that sentiment.

Mondelez trails its competitors considerably on profit margins, because of what Morningstar analyst Erin Lash calls a "more bloated cost structure." Mondelez's 12% operating margins last year paled in comparison to Hershey's 18% margins.

The company has already committed to a restructuring plan that is expected to cut \$1.5 billion in annual costs -- about 5% of pre-tax expenses -- by 2018. Early efforts have paid off, with margins rising to about 14% for the last three quarters. The company says it expects margins to hit 15% to 16% by next year.

But Lash thinks the company can become even more efficient. Some Mondelez factories haven't been updated in more than 60 years, but previous modernization projects have shown huge potential. "Compared with the lines being retired, this upgraded technology stands to offer [10 percentage] points of margin improvement by taking up a fraction of the floor space, running two times as fast, and necessitating just one third the human capital investment (and half as much operating costs)," wrote Lash.

She sees operating margins rising to 17% by 2019 and earnings per share hitting \$2.90 per share. Lash expects the shares to rise to \$50 from a recent \$46. The acquisition chatter also helps put a floor under the stock -- food companies tend to fetch multiples of 13 to 15 times earnings before interest, taxes, depreciation, and amortization -- if Mondelez shares slipped below \$40, an acquirer could snap it up.

Wells Fargo analyst John Baumgartner also sees an acquisition as a long shot right now, but views Ackman's purchase as validation that the company is undervalued. By "putting skin in the game," he "reinforces the potential" of the stock, says Baumgartner. Cost-cuts and efficiency gains at modernized factories can drive the stock, but Mondelez also has the ability to grow its revenue, which has barely budged in the last three years. The company can use its existing distribution networks to sell chocolate in China, or biscuits in India, for instance. Baumgartner sees shares rising to \$50 to \$52. "An investor who gets involved in Mondelez today should see benefits from revenue expansion," he says.

#### Opportunity in Apple's Woes

Apple shares (AAPL) have tumbled about 11% since its earnings report 2 1/2 weeks ago as investors anticipate a deceleration in iPhone shipments. The timing of the drop is no accident: Investors tend to get anxious during the lull between new iPhone models. In the second half of 2012, that anxiety helped sink the stock by 30%. The emergence of Chinese handset-makers has added to uncertainty about Apple's market share.

Several other stocks, of course, tend to trade in sympathy in Apple, and the recent selloff has also taken them down a peg. One of those recent laggards is Skyworks Solutions (SWKS), a wireless chipmaker that's become an increasingly important Apple supplier. The company's specialized chips allow devices made by Apple and others to connect to wireless networks. The company's chips are in especially high demand as smartphone-users upgrade to 4G technology from 3G, and they're crucial for appliances and other products that can be controlled using wireless devices -- the so-called Internet of Things.

Skyworks' stock has traded in relatively close tandem with Apple over the past couple of years, though its gains have been even more impressive -- "it's like Apple on steroids," says Peter Tuz, president and portfolio manager at Chase Investment Counsel, which holds Skyworks shares. "If Apple sneezes, Skyworks ends up with a cold."

The Massachusetts-based chipmaker is one of the fastest-growing companies in the S&P 500, posting 38% revenue growth in the most recent quarter. The stock has quintupled since the start of 2013. But its recent performance has been less stellar -- shares are down 12% in the past month despite a much better than expected third-quarter earnings report just a few weeks ago; the company issued fourth-quarter guidance that also sped past analyst estimates.

Despite its strong previous performance, the stock is arguably still undervalued. Earnings are expected to rise from \$5.26 per share this year to \$6.17 next year. At a recent \$87, shares trade at just 14.1 times next year's estimates, well below the overall market and several competitors. Analysts see earnings growing 21% in the long-term; tech stocks with similar potential tend to trade at much higher earnings multiples. "For a company with that kind of growth rate, it's very attractive right now," Tuz says, though he remains concerned about the technical backdrop. He says the stock recently broke through its 200-day moving average, so it could still see some selling pressure.

But Oppenheimer analyst Rick Shafer calls the recent pullback "an opportunity for long-term investment," as tech stocks with this kind of growth trajectory rarely trade at such low multiples. "We remain buyers, and would use recent weakness as an opportunity to build/bolster long term positions."

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17373.38	-316.48	-1.79
DJTransportation	8250.85	-141.11	-1.68
DJUtilities	590.45	+6.51	+1.11
DJ65Stocks	6148.45	-81.53	-1.31
DJUSMarket	522.62	-6.80	-1.28
NYSEComp.	10763.15	-119.13	-1.09
NYSEMKTComp.	2387.96	-31.73	-1.31
<b>S&amp;P500</b>	2077.57	-26.27	-1.25
S&PMidCap	1488.16	-14.73	-0.98
S&PSmallCap	701.21	-11.43	-1.60
Nasdaq	5043.54	-84.74	-1.65
ValueLine(arith.)	4607.47	-73.89	-1.58
Russell2000	1206.90	-31.78	-2.57
DJUSTSMFloat	21666.98	-298.03	-1.36

	Last Week	Week Earlier
NYSE		
Advances	1,138	2,102
Declines	2,099	1,135
Unchanged	49	49
NewHighs	215	182
NewLows	555	600
AvDailyVol(mil)	3,749.5	3,796.0
Dollar		
(Finexspotindex)	97.56	97.19
T-Bond		
(CBTnearbyfutures)	158-170	155-300
Crude Oil		
(NYMlightsweetcrude)	43.87	47.12
Inflation KR-CRB		
(FuturesPriceIndex)	198.32	202.57
Gold		
(CMXnearbyfutures)	1094.10	1094.90

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文件 B000000020150808eb8a0000v

 [Texas Instruments: Macquarie Ups to Buy; 'Peak Multiple' Might Mean \\$69/Sh](#)

Barron's Blogs, 2015 年 8 月 10 日 23:52, 601 字, By Tiernan Ray, (英文)

Shares of analog chip giant Texas Instruments (TXN) are up \$1.68, or over 3%, at \$52, after Macquarie Capital USA's Deepon Nag this morning raised his rating on the shares to Outperform from Neutral, and raises his price target to \$60 from ...

文件 WCBBE00020150810eb8a001up

## DOW JONES NEWSWIRES

The Trader: Dow Suffers Longest Losing Streak In Four Years -- Barron's

2,010 字

2015 年 8 月 8 日 05:07

Dow Jones Institutional News

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(FROM BARRON'S 8/10/15)

By Avi Salzman

A further slump in oil prices, a growing sense the Fed will soon raise interest rates, and a host of disappointing earnings reports made stocks fade like a slow summer sunset last week. The Dow notched its longest losing streak in four years, falling for the seventh straight day on Friday. Investors who weren't on their sailboats didn't seem particularly alarmed. The indexes are still much closer to their record highs than they are to bear market territory. And it's August after all.

"On a Friday in August, it's hard to draw conclusions about markets," says Scott Clemons, chief investment strategist at Brown Brothers Harriman. "I don't tend to read a whole lot into August trading patterns for the obvious reasons of thin markets and light participation."

Trading on Friday was influenced by the government's July jobs report, which came in roughly in line with expectations and solidified consensus expectations that the Fed will increase rates in September. The economy added 215,000 jobs and the unemployment rate stayed at 5.3%.

The Dow Jones Industrial Average fell 316 points, or 1.8%, on the week, to 17,373.38. The Standard & Poor's 500 index dropped 26 points, or 1.2%, to 2077.57. The S&P has now fallen for five of the past seven weeks, and sits 2.5% below the highs it hit in May. The Nasdaq Composite fell 85 points, or 1.7%, to 5043.54.

Disney (ticker: DIS) led the Dow lower, falling 8.9% on the week after CEO Robert Iger said its sports unit, ESPN, had lost subscribers. The news hurt shares of several media companies, including Time Warner (TWX). Energy companies also slid along with the price of West Texas oil, which was down 6.9% to \$43.87. Chevron (CVX) hit a new 52-week low, dropping 5.3% on the week.

Just a handful of Dow stocks rose on the week, although one got a big boost on Friday: American Express (AXP) rose 6.3% after Bloomberg reported that ValueAct Capital had amassed a roughly \$1 billion stake in the company's shares. The activist investor did not make its intentions clear, but has proven itself by helping steer Microsoft (MSFT) to better share performance despite taking a relatively small stake in the company.

It was one of the rare bright spots for bullish investors last week. Still, the decline in U.S. stocks has raised few alarms in part because it's been gradual, and doesn't seem tied to any fundamental flaws in the economy. The natural drift of the market now is lower, because frankly, there are few obvious catalysts to lift stocks higher. Large-company U.S. stocks fetch valuations well above their historical averages, and their earnings aren't growing. Paying more for these stocks ahead of a Fed rate increase equates to "fighting the Fed," a prospect investors look upon almost as favorably as sticking their fingers in an electrical outlet.

Clemons says Brown Brothers has gotten more conservative in recent weeks -- in fact, cash levels are higher than at any time since the summer of 2008, an inauspicious season. But he doesn't see a crash coming--he expects to put that cash to work in earnest if stocks fall 10%.

David Lafferty, chief market strategist at Natixis Global Asset Management, thinks investors will soon come to terms with the eventual Fed rate increase, and grow more bullish.

"At some point, the market will realize that the initial stages of Fed tightening are not the end of the world."

Bill Ackman's Sweet Tooth

For those who think that activist investing simply amounts to financial engineering with little economic value, an announcement last week seemed to offer a perfect case in point. Bill Ackman, the activist investor and leader of hedge fund Pershing Square Capital Management, said he'd taken a 7.5% stake in Oreo-maker

Mondelez International (ticker: MDLZ). Reports citing people close to Ackman indicate that he sees the company as a possible acquisition target. (Ackman himself wasn't available for comment.)

Few companies have the financial wherewithal to swallow Mondelez's \$76 billion market cap. But the name at the top of the list of potential acquirers is Kraft Heinz.

The chatter comes just three years after Kraft and Mondelez split, spinning Kraft into a new company that operated the company's North American grocery business. Kraft has since merged with Heinz, in a deal engineered by Berkshire Hathaway (BRK.A) and Brazilian private-equity firm 3G Capital Partners. Nelson Peltz, another activist investor with a stake in Mondelez, has pushed for a merger with PepsiCo's (PEP) snacks business.

Activism, mergers, and spinoffs have a long history in the snacks industry. Back in 2007, Ackman owned Cadbury Schweppes, which made the Creme Eggs now owned -- after several spinoffs, mergers, and such -- by Mondelez. The snacks keep going round and round, ruining our teeth, and generating huge fees for investment bankers.

The Street is clearly skeptical of Ackman's plans. After opening 4.9% higher on Thursday morning on the news, Mondelez shares ended the day up just 1.1%. They fell 1.5% on Friday.

But Ackman's stake in Mondelez may make more fundamental sense than he's getting credit for. Peltz has advocated for substantial cost cuts, and Ackman reportedly shares that sentiment.

Mondelez trails its competitors considerably on profit margins, because of what Morningstar analyst Erin Lash calls a "more bloated cost structure." Mondelez's 12% operating margins last year paled in comparison to Hershey's 18% margins.

The company has already committed to a restructuring plan that is expected to cut \$1.5 billion in annual costs -- about 5% of pre-tax expenses -- by 2018. Early efforts have paid off, with margins rising to about 14% for the last three quarters. The company says it expects margins to hit 15% to 16% by next year.

But Lash thinks the company can become even more efficient. Some Mondelez factories haven't been updated in more than 60 years, but previous modernization projects have shown huge potential. "Compared with the lines being retired, this upgraded technology stands to offer [10 percentage] points of margin improvement by taking up a fraction of the floor space, running two times as fast, and necessitating just one third the human capital investment (and half as much operating costs)," wrote Lash.

She sees operating margins rising to 17% by 2019 and earnings per share hitting \$2.90 per share. Lash expects the shares to rise to \$50 from a recent \$46. The acquisition chatter also helps put a floor under the stock -- food companies tend to fetch multiples of 13 to 15 times earnings before interest, taxes, depreciation, and amortization -- if Mondelez shares slipped below \$40, an acquirer could snap it up.

Wells Fargo analyst John Baumgartner also sees an acquisition as a long shot right now, but views Ackman's purchase as validation that the company is undervalued. By "putting skin in the game," he "reinforces the potential" of the stock, says Baumgartner. Cost-cuts and efficiency gains at modernized factories can drive the stock, but Mondelez also has the ability to grow its revenue, which has barely budged in the last three years. The company can use its existing distribution networks to sell chocolate in China, or biscuits in India, for instance. Baumgartner sees shares rising to \$50 to \$52. "An investor who gets involved in Mondelez today should see benefits from revenue expansion," he says.

#### Opportunity in Apple's Woes

Apple shares (AAPL) have tumbled about 11% since its earnings report 2 1/2 weeks ago as investors anticipate a deceleration in iPhone shipments. The timing of the drop is no accident: Investors tend to get anxious during the lull between new iPhone models. In the second half of 2012, that anxiety helped sink the stock by 30%. The emergence of Chinese handset-makers has added to uncertainty about Apple's market share.

Several other stocks, of course, tend to trade in sympathy in Apple, and the recent selloff has also taken them down a peg. One of those recent laggards is Skyworks Solutions (SWKS), a wireless chipmaker that's become an increasingly important Apple supplier. The company's specialized chips allow devices made by Apple and others to connect to wireless networks. The company's chips are in especially high demand as smartphone-users upgrade to 4G technology from 3G, and they're crucial for appliances and other products that can be controlled using wireless devices -- the so-called Internet of Things.

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8 Aug 2015 00:07 ET The Trader: Dow Suffers Longest Losing Streak In -2-

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NYSEMKTComp.	2387.96	-31.73	-1.31
<b>S&amp;P500</b>	2077.57	-26.27	-1.25
S&PMidCap	1488.16	-14.73	-0.98
S&PSmallCap	701.21	-11.43	-1.60
Nasdaq	5043.54	-84.74	-1.65
ValueLine(arith.)	4607.47	-73.89	-1.58
Russell2000	1206.90	-31.78	-2.57
DJUSTSMFloat	21666.98	-298.03	-1.36

	Last Week	Week Earlier
NYSE		
Advances	1,138	2,102
Declines	2,099	1,135
Unchanged	49	49
NewHighs	215	182
NewLows	555	600
AvDailyVol(mil)	3,749.5	3,796.0
Dollar		
(Finexspotindex)	97.56	97.19
T-Bond		
(CBTnearbyfutures)	158-170	155-300
Crude Oil		
(NYMlightsweetcrude)	43.87	47.12
Inflation KR-CRB		
(FuturesPriceIndex)	198.32	202.57
Gold		
(CMXnearbyfutures)	1094.10	1094.90

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(END) Dow Jones Newswires

August 08, 2015 00:07 ET (04:07 GMT)

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## DOW JONES NEWSWIRES

China Equity Selloff Could Spark a Chain Reaction -- Barron's Asia

By Amy Yuan Zhuang

926 字

2015 年 8 月 7 日 08:42

Dow Jones Institutional News

DJDN

英文

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The stock market is one of three alarming bubbles in the Chinese economy. A domino effect from the stock market nosedive to the larger credit and property bubbles is unlikely, but not impossible. We expect the government to do whatever it takes to prevent this happening. But Beijing has shown that it does not always have a firm grip on the market. We have revised our rate forecast to one cut of 25 basis points in H2. A stable CNY is preferred for the purpose of financial stability and SDR inclusion.

Summer this year did not start with the usual lull. The stock market plunge in mid-June has put China in harm's way. After just two weeks' respite, the Shanghai composite index fell by 8.5% on 27 July - the largest single-day drop since February 2007.

The stock market crash has little direct impact on the real economy, mainly due to the low stock market participation rate and limited wealth effect. The Chinese economy is still set for a soft landing as the property market has recovered from last year's trough. Industrial activities will likely benefit from restored confidence in the property sector. However, the economy remains vulnerable, as reflected by the unexpectedly low flash PMI reading for July.

Our biggest concerns for the Chinese economy are the credit and property bubbles. Both are large enough to trigger a hard landing. Risk of either bubble bursting has increased lately as they have become more closely linked to the stock market. A direct link between the equity and housing market was created when retail investors were granted permission to use their housing as collateral for the margin debt used in equity investment. Given the economy's heavy reliance on the housing market, this link could be risky for growth.

The link between the equity and credit bubble is through margin debt as well. It is commonly believed that most liquidity from monetary easing over the past year went to the equity market. Corporates likely played a major role here as they are the primary borrowers from the banks. The degree of corporate involvement in debt-financed equity investment is highly alarming given the pressure on corporate profits and the already high debt level (153% of GDP).

We expect the authorities to use every tool at their disposal to prevent the stock market crash spreading to the banking and property sectors. However, the latest stock market volatility has shown that the government does not always have firm grip on the economy and the market.

According to rumours, the large plunge on the 27 July was due to the regulators' secret withdrawal of the emergency measures, which have been in place since late June, to test market resilience. Regardless of the rumour's reliability, the authorities are likely aware by now that the stock market remains highly anxious. The trailing 30-day volatility in the Shanghai composite index is 62, the highest since 1997 and many times higher than S&P500 volatility of 13 and FTSE100 of 15. Therefore, the supportive measures will be kept in place for some time, including a sales ban for investors holding more than 5% of a company's stocks. Sovereign wealth funds would stand ready to inject more funds into the market.

Monetary policy will remain loose to prevent a third round of stock market crash and support growth. We expect a few more cuts to the reserve requirement ratio, which is high by historical standards. We have revised our expectation and now expect one more rate cut of 25 basis points in H2. This revision is mainly based on the expectation of renewed downward pressure on oil prices, as a result of the fragile Chinese demand and lifted sanction on Iran that could exacerbate oversupply, but also the heightened state of alert among Chinese leaders that is bound to have been the consequence of the equity drops. On the fiscal policy side, approval of new infrastructural projects is expected to speed up.

The CNY has been surprisingly stable since early June, despite indication of outflows from the equity sell-off. It was likely a result of heavy government intervention, reflected by the falling FX reserves. CNY stability is preferred at the moment because Beijing cannot handle volatility in both the stock and currency markets. In addition, the hope of being included in the IMF's SDR basket in October also requires yuan stability. In late July, the powerful State Council has recommended a widening of the CNY trading band. Although this has

sparked bearish bets against the CNY, it could be another move to liberalise the currency, another prerequisite for the SDR inclusion.

In spite of a robust property market recovery, the Chinese economy remains vulnerable. Downside risks to growth have increased in light of the recent stock market crash, which may have contagion effects on the already large property and credit bubble. Due to the rising growth concerns, the government will likely keep all supportive measures in place. More stimuli are expected, including one more rate cut of 25 basis points in H2. In the coming months, a firm CNY is preferred for the purpose of financial stability and SDR inclusion. If the CNY trading band is to be widened, the aim would be to show progress on financial reform.

Comments? E-mail us at [asiaeditors@barrons.com](mailto:asiaeditors@barrons.com)

(END) Dow Jones Newswires

August 07, 2015 03:42 ET (07:42 GMT)

文件 DJDN000020150807eb87000u5

## DOW JONES NEWSWIRES

Kors Jumps 10% As Q1, Full Year Forecast Beat Expectations -- Barron's Blog

By Teresa Rivas

464 字

2015 年 8 月 6 日 15:44

Dow Jones Institutional News

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Michael Kors ( KORS) is up more than 10% in Thursday morning trading, as its better-than expected first quarter overshadowed mixed guidance.

Kors said it earned 87 cents a share on revenue that climbed 11.2% to \$986 million. Analysts were expecting earnings per share of 75 cents on revenue of \$944.3 million.

For the current quarter, it expects to earn between 86 cents and 90 cents on revenue between \$1.06 billion and \$1.08 billion--both metrics are below analysts' forecasts of 98 cents in per-share earnings and revenue of \$1.11 billion.

However, for the full year, Kors said it will earn between \$4.40 and \$4.50 a share, well ahead of the \$4.26 consensus. It sees revenue between \$4.7 billion and \$4.8 billion, also ahead of the \$4.66 billion analyst are expecting.

Other handbag makers Coach ( COH) and Kate Spade ( KATE) reported earnings earlier this week and saw their shares climb: Coach turned in a better-than-expected fourth quarter while strong sales trends overshadowed Kate Spade's second-quarter miss.

Only a couple of analysts are weighing in so far on Kors' quarter, but both are optimistic.

Cowen & Co.'s Oliver Chen reiterated an Outperform rating and \$48 price target on the stock:

KORS likely to trade slightly up to in-line given better than feared & street 2Q on comps, margins & EPS. Impressed by +13c EPS beat on higher rev., better GM & lower SG&A. As expected, mgmt revised FY16 guidance for slightly lower top-line of -LSD reported comp (flat C/C) vs. prior flat reported (+LSD C/C), but reaffirmed FY16 EPS \$4.40-\$4.50.

Nomura's Simeon Siegel reiterated a Buy rating and \$51 price target on the stock:

This morning, KORS reported an EPS beat of \$0.87 vs. the Street at \$0.75 and (importantly) reaffirmed its FY guide. This is yet another "handbag" retailer that has posted a positive surprise this quarter. Although from our discussions, it is clear that investor appetite for the group has been decimated, we believe this week's data points may serve to begin stirring dormant interest. With shares down 47% YTD (vs. **S&P500** +2%), expectations heading into the print had grown increasingly negative, with concerns that the company would not be able to stem the downward trajectory. Although we must acknowledge EPS was down YoY, we believe the company had set an appropriately low bar as it beat our estimates on every line.

More at Barron's Stocks to Watch blog,  
<http://blogs.barrons.com/stockstowatchtoday/>  
(END) Dow Jones Newswires

August 06, 2015 10:44 ET (14:44 GMT)

文件 DJDN000020150806eb86002kw

## MARKET WEEK

Stocks --- The Trader: Stocks Stage a Rebound, Rising 1.2% on Week

By Avi Salzman

1,963 字

2015 年 8 月 3 日

Barron's

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Weak earnings results from bellwether companies such as Procter & Gamble, ExxonMobil, and Chevron couldn't topple indexes last week, as European stocks rose, and the Fed gave only halfhearted hints that it is creeping toward a rate hike. On balance, investors liked what they saw, and the major indexes rebounded from the shellacking of the previous week.

After weeks of tumult in the markets caused by meltdowns in Greece and China, trading was quieter last week.

The Fed continued to tweak its monthly statement to signal to investors that members think job growth is improving. But to many ears, the central bank's pronouncements still read like a Ouija board at a teenage slumber party.

"The Fed is essentially winging it," says Peter Boockvar, chief market analyst at the Lindsey Group. "We can parse the words, but even they may not know what they're going to do until the day they do it."

The Dow Jones Industrial Average rose 0.7%, or 122 points, to 17,690.46, while the Standard & Poor's 500 index gained 1.2%, or 24 points, to 2103.92. The Nasdaq Composite rose 0.8%, or 40 points, to 5128.28.

Traders might simply have been looking for bargains following the Dow's 2.9% slide the previous week. Some strong earnings reports also helped inspire confidence. Pfizer (ticker: PFE) jumped 5.3% on the week, to \$36.06, after beating earnings expectations and raising its guidance; a similarly strong earnings report lifted Ford (F) 3%, to \$14.83.

But energy stocks continued their slide, with a particularly punishing performance Friday. ExxonMobil's (XOM) earnings fell 52% year-over-year, and Chevron's (CVX) results included heavy charges because of low oil prices. The stocks fell 4.5% and 4.9%, respectively, on Friday. Nymex-traded crude oil fell 2.1%, or \$1.02, to \$47.12 a barrel on the week. For the month, it was down 21%.

Procter & Gamble (PG) also disappointed investors after posting a 5% drop in sales. Although the strong dollar hurt results, investors were unimpressed with the company's underlying performance. P&G ended the week down 4.5%, the worst performance in the Dow.

Nonetheless, second quarter earnings results are still "exceeding what had been feared," says Lori Heinel, chief portfolio strategist at State Street Global Advisors. "That can help fuel the market's move higher."

Second-quarter GDP rose 2.3%, slightly worse than expectations, adding to speculation that the economy is still too weak for the Fed to raise rates. Data released in the weeks ahead could add some clarity; although Janet Yellen & Co. will take a month off in August, investors are likely to stay glued to their screens. Next week, manufacturing and payrolls data could set the tone for the September meeting.

### Four Drilling Stocks Look Attractive

Since the start of July, crude-oil prices have fallen about 20%, and oil stocks have been about as popular as a bowl of Kryptonite at a Kent family picnic. The possibility for increased oil supplies from Iran and mixed data on production and rig counts have led investors to believe that the slump will be more protracted than originally expected. Several strategists are staying far away until they have more information.

"Until we see the bottom we're very underweight oil-related stocks," said Bessemer Trust strategist Joe Tanious.

Ted Harper, co-manager of the Frost Natural Resources fund (FNATX), is bucking the trend, however, and betting that oil stocks have greater rebound potential than the market currently expects. While July was "no fun," Harper says, he is getting more aggressive in buying shares of some beaten-down companies.

"We're in the process of bottoming out," he says, referring more to oil stocks than the commodity. "It is going to be a more gradual grind, barring some unforeseen geopolitical dislocation."

Harper's optimistic view is colored by recent data showing that production has fallen in the U.S., and rig counts are drifting lower over time. He also believes that Iran won't be able to ramp up production as quickly as other investors seem to think. The Street has lowered its earnings expectations for oil companies so drastically that "estimate revisions are likely to be flat to slightly higher, as opposed to another 10% to 20% down."

"Certainly there will be segments of the energy complex where you're still going to see declines," he adds, singling out deepwater drilling companies.

So, where should a cautious optimist invest? Harper thinks there is less upside in large-company names such as Chevron and ExxonMobil, and in energy exchange-traded funds that have a large weighting in those "supermajors."

"Nothing against any of those companies, but to the extent that we may be closer to an inflection point, those aren't going to be the names that perform best on the way out," he says. "It's fine to own them through the cycle because of the quality of the balance sheet. During the tough times those are fantastic. But if we are at a point where things are going to stabilize or recover, those stocks aren't going to outperform."

Instead, Harper prefers the land-drillers -- companies paid by exploration companies to drill wells, particularly in the most productive shale formations. In particular, Harper likes companies that own the most technologically sophisticated rigs that can drill more efficiently and quickly. The decline in prices has caused a shakeout in the industry that has left four companies in a commanding position.

"You've basically got four players with the most capable rigs garnering the bulk of the market share going forward," he says. "We like that market structure."

The big four are Precision Drilling (PDS), Patterson-UTI (PTEN), Nabors Industries (NBR), and Helmerich & Payne (HP). Harper expects rig counts for shale players to rise later this year, and day rates to improve early next year.

His fund has been adding shares in Patterson, a Texas-based driller, because it has continued to upgrade its rigs and add new services. "They've actually taken share during the downturn," he said.

Precision also looks attractive at these levels, he added.

#### Masonite Is a Cheap Housing Play

Downbeat housing news caused some investors to doubt the strength of the market last week. The number of pending home sales, which measures homes under contract, slipped in June. Seasonally adjusted home prices unexpectedly fell in May, according to the Case-Shiller price gauge.

But other news painted a rosier picture of the housing market. D.R. Horton (DRI), the nation's largest home builder, said orders for homes rose 22% year-over-year in the second quarter, maintaining the brisk momentum the company had seen in the first quarter. Orders are a leading indicator for builders, so the jump ought to give investors hope for the second half of the year.

The housing market has revived from its post-crash depths, but the pace of sales remains deeply depressed. Housing starts, measured when builders break ground on new projects, rose to an annual rate of 1.2 million in June, still well below the historical average of 1.5 million.

The recession played a big role in depressing construction, as young people stayed at home longer and warring spouses delayed divorce. But job growth and household formation are now returning to more normal levels, which is putting pressure on builders to increase inventory.

The home-building stocks remain good values; D.R. Horton, which Barron's has written about positively in the past, trades for 12.6 times expected 2016 earnings

Other stocks arguably could see more upside from a sustained housing rebound. While builders could be forced to pay more for land as the market heats up, suppliers have less cost pressure. Margins for companies that make manufactured products like faucets and doors rise as orders pour in because they have high fixed costs.

Masonite (DOOR) stands out among the possible beneficiaries of an increase in home construction. The Tampa-based company makes doors for residences and commercial properties, selling about three-quarters of its products in North America. A series of recent acquisitions has turned the North American industry into a duopoly, with Masonite and Jeld-Wen each controlling about 40% of the residential market, according to RBC Capital. That has allowed Masonite to raise prices four times since the start of 2013, according to FBR Capital.

Some investors think the stock is at the start of a multiyear upswing because of the accelerating housing market and Masonite's dominant market position. Jason Bernzweig, a portfolio manager at Zelman Capital, which owns Masonite shares, says the company could see profit margins double once construction returns to normal levels. Margins on adjusted earnings before interest, taxes, depreciation, and amortization (Ebitda) hit 7.5% last year, well below the 13.5% at the peak of the last cycle.

Because of the high fixed costs to operate a factory, Masonite benefits disproportionately when the market rises; that operating leverage and likely price increases mean that its incremental margins on each new door are 40%, Bernzweig estimates.

"The fundamentals of this situation support robust growth in Ebitda and cash flow as the U.S. housing and construction recovery continues," he says. Masonite expects door sales to rise at an 11% annual rate in the five years ending in 2018.

But can't anyone open a door factory? Somewhat surprisingly, there are high barriers to entering the market. Analysts estimate it takes four years and more than \$200 million to set up a factory to produce doors on a large scale. Masonite has also invested heavily in automating its production and vertically integrating the business. It controls the process from design to manufacturing, selling through retailers including Home Depot (HD) and Lowe's (LOW).

Because it is early in the recovery process, Masonite's stock doesn't look cheap on some metrics. At a recent \$68, shares trade for 26 times 2016 earnings expectations. But the company's earnings are expected to triple between this year and 2017. And on other metrics, including enterprise value to Ebitda, shares are trading below their historical average. Bullish analysts like FBR Capital's Alex Rygiel see the shares rising to \$90, about 30% above current prices.

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17689.86	+121.33	+0.69
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DJUtilities	583.94	+21.20	+3.77
DJ65Stocks	6229.98	+127.46	+2.09
DJUSMarket	529.42	+6.21	+1.19
NYSEComp.	10882.28	+160.33	+1.50
NYSEMKTComp.	2419.69	+128.27	+5.60
<b>S&amp;P500</b>	2103.84	+24.19	+1.16
S&PMidCap	1502.89	+26.15	+1.77
S&PSmallCap	712.64	+10.92	+1.56
Nasdaq	5128.28	+39.65	+0.78
ValueLine(arith.)	4681.36	+75.34	+1.64
Russell2000	1238.68	+12.69	+1.03
DJUSTSMFloat	21965.00	+260.07	+1.20

	Last Week	Week Earlier
NYSE		
Advances	2,102	645
Declines	1,135	2,610
Unchanged	49	32
NewHighs	182	245
NewLows	600	626

AvDailyVol(mil)	3,796.0	3,550.4
Dollar		
(Finexspotindex)	97.34	97.24
T-Bond		
(CBTnearbyfutures)	155-300	154-190
Crude Oil		
(NYMlightsweetcrude)	47.12	48.14
Inflation KR-CRB		
(FuturesPriceIndex)	202.57	205.04
Gold		
(CMXnearbyfutures)	1094.90	1085.60
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文件 B000000020150801eb8300014

 [Nvidia: Macquarie Ups to Buy; High-End PCs Firm, Royalties Under-Appreciated](#)

Barron's Blogs, 2015 年 8 月 3 日 17:02, 541 字, By Tiernan Ray, (英文)

Shares of graphics chip experts Nvidia (NVDA) are up 10 cents, or half a percent, at \$20.05, after Macquarie Research's Deepon Nag raised his rating on the shares to Outperform from Neutral, with a \$24 price target, in advance of the ...

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## DOW JONES NEWSWIRES

The Trader: Stocks Stage A Rebound, Rising 1.2% On Week -- Barron's

1,996 字

2015 年 8 月 1 日 05:09

Dow Jones Institutional News

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英文

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(FROM BARRON'S 8/3/15)

By Avi Salzman

Weak earnings results from bellwether companies such as Procter & Gamble, ExxonMobil, and Chevron couldn't topple indexes last week, as European stocks rose, and the Fed gave only halfhearted hints that it is creeping toward a rate hike. On balance, investors liked what they saw, and the major indexes rebounded from the shellacking of the previous week.

After weeks of tumult in the markets caused by meltdowns in Greece and China, trading was quieter last week.

The Fed continued to tweak its monthly statement to signal to investors that members think job growth is improving. But to many ears, the central bank's pronouncements still read like a Ouija board at a teenage slumber party.

"The Fed is essentially winging it," says Peter Boockvar, chief market analyst at the Lindsey Group. "We can parse the words, but even they may not know what they're going to do until the day they do it."

The Dow Jones Industrial Average rose 0.7%, or 122 points, to 17,690.46, while the Standard & Poor's 500 index gained 1.2%, or 24 points, to 2103.92. The Nasdaq Composite rose or 0.8%, or 40 points, to 5128.28.

Traders might simply have been looking for bargains following the Dow's 2.9% slide the previous week. Some strong earnings reports also helped inspire confidence. Pfizer (ticker: PFE) jumped 5.3% on the week, to \$36.06, after beating earnings expectations and raising its guidance; a similarly strong earnings report lifted Ford (F) 3%, to \$14.83.

But energy stocks continued their slide, with a particularly punishing performance Friday. ExxonMobil's (XOM) earnings fell 52% year-over-year, and Chevron's (CVX) results included heavy charges because of low oil prices. The stocks fell 4.5% and 4.9%, respectively, on Friday. Nymex-traded crude oil fell 2.1%, or \$1.02, to \$47.12 a barrel on the week. For the month, it was down 21%.

Procter & Gamble (PG) also disappointed investors after posting a 5% drop in sales. Although the strong dollar hurt results, investors were unimpressed with the company's underlying performance. P&G ended the week down 4.5%, the worst performance in the Dow.

Nonetheless, second quarter earnings results are still "exceeding what had been feared," says Lori Heinel, chief portfolio strategist at State Street Global Advisors. "That can help fuel the market's move higher."

Second-quarter GDP rose 2.3%, slightly worse than expectations, adding to speculation that the economy is still too weak for the Fed to raise rates. Data released in the weeks ahead could add some clarity; although Janet Yellen & Co. will take a month off in August, investors are likely to stay glued to their screens. Next week, manufacturing and payrolls data could set the tone for the September meeting.

### Four Drilling Stocks Look Attractive

Since the start of July, crude-oil prices have fallen about 20%, and oil stocks have been about as popular as a bowl of Kryptonite at a Kent family picnic. The possibility for increased oil supplies from Iran and mixed data on production and rig counts have led investors to believe that the slump will be more protracted than originally expected. Several strategists are staying far away until they have more information.

"Until we see the bottom we're very underweight oil-related stocks," said Bessemer Trust strategist Joe Tanious.

Ted Harper, co-manager of the Frost Natural Resources fund (FNATX), is bucking the trend, however, and betting that oil stocks have greater rebound potential than the market currently expects. While July was "no fun," Harper says, he is getting more aggressive in buying shares of some beaten-down companies.

"We're in the process of bottoming out," he says, referring more to oil stocks than the commodity. "It is going to be a more gradual grind, barring some unforeseen geopolitical dislocation."

Harper's optimistic view is colored by recent data showing that production has fallen in the U.S., and rig counts are drifting lower over time. He also believes that Iran won't be able to ramp up production as quickly as other investors seem to think. The Street has lowered its earnings expectations for oil companies so drastically that "estimate revisions are likely to be flat to slightly higher, as opposed to another 10% to 20% down."

"Certainly there will be segments of the energy complex where you're still going to see declines," he adds, singling out deepwater drilling companies.

So, where should a cautious optimist invest? Harper thinks there is less upside in large-company names such as Chevron and ExxonMobil, and in energy exchange-traded funds that have a large weighting in those "supermajors."

"Nothing against any of those companies, but to the extent that we may be closer to an inflection point, those aren't going to be the names that perform best on the way out," he says. "It's fine to own them through the cycle because of the quality of the balance sheet. During the tough times those are fantastic. But if we are at a point where things are going to stabilize or recover, those stocks aren't going to outperform."

Instead, Harper prefers the land-drillers -- companies paid by exploration companies to drill wells, particularly in the most productive shale formations. In particular, Harper likes companies that own the most technologically sophisticated rigs that can drill more efficiently and quickly. The decline in prices has caused a shakeout in the industry that has left four companies in a commanding position.

"You've basically got four players with the most capable rigs garnering the bulk of the market share going forward," he says. "We like that market structure."

The big four are Precision Drilling (PDS), Patterson-UTI (PTEN), Nabors Industries (NBR), and Helmerich & Payne (HP). Harper expects rig counts for shale players to rise later this year, and day rates to improve early next year.

His fund has been adding shares in Patterson, a Texas-based driller, because it has continued to upgrade its rigs and add new services. "They've actually taken share during the downturn," he said.

Precision also looks attractive at these levels, he added.

#### Masonite Is a Cheap Housing Play

Downbeat housing news caused some investors to doubt the strength of the market last week. The number of pending home sales, which measures homes under contract, slipped in June. Seasonally adjusted home prices unexpectedly fell in May, according to the Case-Shiller price gauge.

But other news painted a rosier picture of the housing market. D.R. Horton (DRI), the nation's largest home builder, said orders for homes rose 22% year-over-year in the second quarter, maintaining the brisk momentum the company had seen in the first quarter. Orders are a leading indicator for builders, so the jump ought to give investors hope for the second half of the year.

The housing market has revived from its post-crash depths, but the pace of sales remains deeply depressed. Housing starts, measured when builders break ground on new projects, rose to an annual rate of 1.2 million in June, still well below the historical average of 1.5 million.

The recession played a big role in depressing construction, as young people stayed at home longer and warring spouses delayed divorce. But job growth and household formation are now returning to more normal levels, which is putting pressure on builders to increase inventory.

The home-building stocks remain good values; D.R. Horton, which Barron's has written about positively in the past, trades for 12.6 times expected 2016 earnings

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1 Aug 2015 00:09 ET The Trader: Stocks Stage A Rebound, Rising 1.2% -2-

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August 01, 2015 00:09 ET (04:09 GMT)

文件 DJDN000020150801eb810004I

## MARKET WEEK

Stocks --- The Trader: Indexes Take a Beating as Earnings Disappoint

By Vito J. Racanelli

1,989 字

2015 年 7 月 27 日

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Stocks were spanked last week in a global selloff that spared few markets. U.S. major indexes lost 2% to 3%, as investors expressed their dissatisfaction with second-quarter results from several bellwether companies.

Adding fuel to the pyre, continued mixed U.S. economic data and a bearish manufacturing figure from China led to an unhappy Friday, when the broad market fell 1%. In the background, growing ever nearer, is the month of September, when some expect the Federal Reserve to begin raising interest rates. The Fed's easy-money policy has been a major factor in the six-year rally.

In particular, poor second-quarter results from United Technologies (ticker: UTX) caused a 10% drop in its shares, a major contributor to the Dow Jones Industrial Average's 3% retrenchment to 17,568.53. United Technologies was worth 80 of the 518-point drop. (More on UTX below.) Only five Dow stocks out of 30 rose on the week. Market sentiment, meanwhile, took a hit from another Dow member, Apple (AAPL). The world's largest company by market capitalization produced softer-than-expected second-quarter iPhone sales, although earnings were strong.

Last week the Standard & Poor's 500 index fell 2.2%, or 47, to 2079.65, as each of its 10 sectors declined. The Nasdaq Composite lost 2.3%, or 122, to 5088.63. The MSCI World Index dropped 2% on the week.

With Greece out of the headlines -- for now -- and worries receding about the June plunge in Chinese equities, investors turned to corporate earnings. In contrast to the previous week, they didn't like what they saw, says Mark Luschini, chief investment strategist at Janney Capital Management.

Several big names posted poor results, leading to increasing worries about the global economic landscape in general, and China in particular, says Dan Greenhaus, chief global strategist at BTIG. On Friday, preliminary data on U.S. manufacturing in July rebounded slightly, but similar data for China fell to a 15-month low. Worries about an interest-rate hike continue to nag investors, he adds.

The rogue's gallery of disappointing-profit reporters included International Business Machines (IBM), Caterpillar (CAT), 3M (MMM), American Express (AXP), and Microsoft (MSFT), all in the Dow. Amazon.com (AMZN) bucked the trend with better-than-expected profits, and the stock jumped 10% Friday.

Investors had been tolerant of weak earnings, but with the possibility of a Fed hike approaching, they are becoming less forgiving, says Luschini.

The market has been stuck in neutral. Since early February, the S&P 500 has moved inside a 90-point range between 2040 and 2130. There have been attempts to scale the index high, the last one coming as recently as last Monday, but each has failed.

### United Technologies Cheap Again

United Technologies stock fell 10% last week to \$99.31, on disappointing earnings news, but is little-changed since this column highlighted the company's attractions last Oct. 20. We argued then that the stock price discounted many head winds buffeting the company.

What seemed true last fall also seems so now: The market is giving UTX too little credit for its long-term outlook.

United Technologies shares have fallen 20% from a February high of \$124. Last week's report of lower-than-expected second-quarter earnings reignited investors' fear that slowing growth in China will darken the company's prospects. Wall Street is also worried about a potential softening in the airline industry. United Technologies' main businesses are commercial building equipment and services, including Otis

elevators, and commercial and military aerospace products and services, such as Pratt & Whitney jet engines.

It was a messy quarter in which non-operating gains and charges offset each other (excluding the recent \$9 billion sale of the company's Sikorsky Aircraft division). New-equipment orders at Otis rose 5% on a constant-currency basis, but that included a 10% drop in China. Markets for some aerospace lines were soft.

Management once again lowered its 2015 guidance for earnings per share from continuing operations (excluding Sikorsky), this time to \$6.15 to \$6.30 from a previous \$6.35 to \$6.55. The sales expectation was revised down by \$1 billion to \$57 billion to \$58 billion.

Our bullish thesis has suffered a setback, and it might take longer for things to sort out. But the shares look undervalued again at 14 times analysts' 2016 consensus EPS estimate of \$7. Although sales in the quarter fell 5% to \$16.3 billion, 80% of the decline was attributable to a stronger dollar. Negative comparisons due to currency will roll out of results in the next 12 months.

As in October, UTX is cheap compared to its history. But that hardly seemed relevant when the stock sank Tuesday, suffering its largest one-day percentage decline since the September 2001 World Trade Center terrorist attacks.

Henry Smith, chief investment officer of Haverford Trust, liked UTX in October, and the firm recently bought more stock for new accounts. "I still like the company long-term," he says. "It's in good businesses with secular growth prospects." In China, it faces the same issues as other U.S. multinationals, he says. Moreover, cash from the Sikorsky sale, equal to about \$10 per share, can be used to buy back stock or acquire fast-growing businesses.

United Technologies sports a stellar decade-long record of growth. It is a high-quality company with a diversified revenue base, and deserves a place in a long-term investor's portfolio. For the stock to head higher, China's economic deceleration must stop. That will happen, but it might take a while.

#### Regions Financial On the Mend

Bank stocks are up 6% this year, fueling a general feeling that the banks are beginning to get out from under the cloud of mistrust caused by the 2008 financial crisis.

Not so Regions Financial (RF), whose shares dropped 90% in 2009. The stock, at a recent \$10.56, is still in the penalty box for the bank's aggressive lending back then, says Jeff Bahl, a vice president at money manager Bahl & Gaynor. This large regional bank, based in Birmingham, Ala., is the third-worst performer in the KBW bank index, flat for the year. It is significantly cheaper than peers, too, trading for 88% of book value, while the group fetches 1.2 times book and higher, Bahl notes.

The discount seems too wide now that Regions' credit profile has improved markedly and operations are showing signs of life, he argues. The mainly Midwest and southern bank is undervalued and under the radar, says Bahl, whose firm has been buying shares for clients. The stock yields 2.3%.

There is some concern about the bank's energy-sector loans, about 4.4% of the total \$80 billion in loans outstanding. But second-quarter results, released last week, should put the worries to rest, he says. All of the bank's important asset-quality measures continued to improve.

Regions, whose capital is now well above many peers' and regulatory requirements, is an "aggressive capital-deployment story," says Bahl. The bank has \$1.6 billion in excess capital, which can be used either to buy back stock or make bolt-on acquisitions that could increase earnings. Since the stock is below book value, buybacks are accretive and shareholder-friendly, Bahl says.

Second-quarter results showed a number of operational improvements, too, such as a 5% rise in loans compared to the year-ago period; a 4% rise in average deposit balances; and a net interest margin of 3.16%. That fell slightly but has stabilized in the past four quarters. Management projects loan growth at 4% to 6% for 2015, higher than many banks', he adds. Funding costs could continue to fall in 2015, due to a run-off of higher-cost debt and term deposits.

With many investors still underweight bank stocks, Regions is 20% to 30% too cheap, he says. Exposure to the energy sector bears watching, but with the stock below book value and others above it, Regions offers a nice margin of safety in a market where that's tough to find, Bahl says.

#### Air Lease Shares Could Fly Higher

Like United Technologies, the aircraft-leasing company Air Lease (AL) suffers from worries about slowing economic growth. Another market concern is that low jet-fuel prices could encourage some airlines to make do with the current fleet and delay the purchase or lease of new planes.

The stock has dropped about 16% from this year's high to \$33.81. It now trades at a relatively inexpensive valuation.

While its issues shouldn't be ignored, says Chris Retzler, a portfolio manager with Needham Funds, the stock has sustainable tail winds to recommend it. Needham holds a significant stake in Air Lease.

Macroeconomic problems, not company-specific issues, have driven down the stock. Fuel costs have dropped, but airlines lease planes for five to 10 years. They tend to have a more long-term view of future oil prices, which could rise as crude eventually reverts to the mean, Retzler says.

Planes with higher fuel efficiency remain desirable. Additionally, airlines compete on the offerings of their models, and new ones have more amenities that travelers want, whether spiffier entertainment systems or better-designed seats.

Air Lease has a globally diversified customer base but, unlike United Technologies, isn't as exposed to the stronger dollar, since jets are sold and leased in dollars. Airlines continue to experience strong traffic growth and high load factors.

The Los Angeles-based lessor also has a strong order position at the two major jet makers, with 411 orders through 2024, half by 2019 and many among the most popular models. That stands the company in good stead with the airlines, because Air Lease can anticipate the changing needs of its customers, Retzler says. It currently owns 223 jets, most of them from Airbus Group (EADSY) or Boeing (BA). The lease book is 100% full this year and at 88% capacity next year, according to Morgan Stanley.

Air Lease has a \$3.5 billion market cap and an investment-grade credit rating, which should give it an edge when interest rates rise, says Retzler. The company has about \$7 billion in debt, 80% at fixed rates.

The shares trade for less than 11 times analysts' 2016 consensus estimate of \$3.30 a share in earnings, versus a historic median price/earnings multiple of 15. For an investor looking out a few years, that's an attractive discount for a company with robust long-term growth prospects.

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
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S&PMidCap	1476.74	-31.08	-2.06
S&PSmallCap	701.72	-21.63	-2.99
Nasdaq	5088.63	-121.51	-2.33
ValueLine(arith.)	4606.02	-138.72	-2.92
Russell2000	1225.99	-41.10	-3.24
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T-Bond		
(CBTnearbyfutures)	154-190	152-030
Crude Oil		
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Inflation KR-CRB		
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Gold		
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## DOW JONES NEWSWIRES

The Trader: Indexes Take A Beating As Earnings Disappoint -- Barron's

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(FROM BARRON'S 7/27/15)

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Several big names posted poor results, leading to increasing worries about the global economic landscape in general, and China in particular, says Dan Greenhaus, chief global strategist at BTIG. On Friday, preliminary data on U.S. manufacturing in July rebounded slightly, but similar data for China fell to a 15-month low. Worries about an interest-rate hike continue to nag investors, he adds.

The rogue's gallery of disappointing-profit reporters included International Business Machines (IBM), Caterpillar (CAT), 3M (MMM), American Express (AXP), and Microsoft (MSFT), all in the Dow. Amazon.com (AMZN) bucked the trend with better-than-expected profits, and the stock jumped 10% Friday.

Investors had been tolerant of weak earnings, but with the possibility of a Fed hike approaching, they are becoming less forgiving, says Luschni.

The market has been stuck in neutral. Since early February, the S&P 500 has moved inside a 90-point range between 2040 and 2130. There have been attempts to scale the index high, the last one coming as recently as last Monday, but each has failed.

### United Technologies Cheap Again

United Technologies stock fell 10% last week to \$99.31, on disappointing earnings news, but is little-changed since this column highlighted the company's attractions last Oct. 20. We argued then that the stock price discounted many head winds buffeting the company.

What seemed true last fall also seems so now: The market is giving UTX too little credit for its long-term outlook.

United Technologies shares have fallen 20% from a February high of \$124. Last week's report of lower-than-expected second-quarter earnings reignited investors' fear that slowing growth in China will darken the company's prospects. Wall Street is also worried about a potential softening in the airline industry.

United Technologies' main businesses are commercial building equipment and services, including Otis elevators, and commercial and military aerospace products and services, such as Pratt & Whitney jet engines.

It was a messy quarter in which non-operating gains and charges offset each other (excluding the recent \$9 billion sale of the company's Sikorsky Aircraft division). New-equipment orders at Otis rose 5% on a constant-currency basis, but that included a 10% drop in China. Markets for some aerospace lines were soft.

Management once again lowered its 2015 guidance for earnings per share from continuing operations (excluding Sikorsky), this time to \$6.15 to \$6.30 from a previous \$6.35 to \$6.55. The sales expectation was revised down by \$1 billion to \$57 billion to \$58 billion.

Our bullish thesis has suffered a setback, and it might take longer for things to sort out. But the shares look undervalued again at 14 times analysts' 2016 consensus EPS estimate of \$7. Although sales in the quarter fell 5% to \$16.3 billion, 80% of the decline was attributable to a stronger dollar. Negative comparisons due to currency will roll out of results in the next 12 months.

As in October, UTX is cheap compared to its history. But that hardly seemed relevant when the stock sank Tuesday, suffering its largest one-day percentage decline since the September 2001 World Trade Center terrorist attacks.

Henry Smith, chief investment officer of Haverford Trust, liked UTX in October, and the firm recently bought more stock for new accounts. "I still like the company long-term," he says. "It's in good businesses with secular growth prospects." In China, it faces the same issues as other U.S. multinationals, he says. Moreover, cash from the Sikorsky sale, equal to about \$10 per share, can be used to buy back stock or acquire fast-growing businesses.

United Technologies sports a stellar decade-long record of growth. It is a high-quality company with a diversified revenue base, and deserves a place in a long-term investor's portfolio. For the stock to head higher, China's economic deceleration must stop. That will happen, but it might take a while.

#### Regions Financial On the Mend

Bank stocks are up 6% this year, fueling a general feeling that the banks are beginning to get out from under the cloud of mistrust caused by the 2008 financial crisis.

Not so Regions Financial (RF), whose shares dropped 90% in 2009. The stock, at a recent \$10.56, is still in the penalty box for the bank's aggressive lending back then, says Jeff Bahl, a vice president at money manager Bahl & Gaynor. This large regional bank, based in Birmingham, Ala., is the third-worst performer in the KBW bank index, flat for the year. It is significantly cheaper than peers, too, trading for 88% of book value, while the group fetches 1.2 times book and higher, Bahl notes.

The discount seems too wide now that Regions' credit profile has improved markedly and operations are showing signs of life, he argues. The mainly Midwest and southern bank is undervalued and under the radar, says Bahl, whose firm has been buying shares for clients. The stock yields 2.3%.

There is some concern about the bank's energy-sector loans, about 4.4% of the total \$80 billion in loans outstanding. But second-quarter results, released last week, should put the worries to rest, he says. All of the bank's important asset-quality measures continued to improve.

Regions, whose capital is now well above many peers' and regulatory requirements, is an "aggressive capital-deployment story," says Bahl. The bank has \$1.6 billion in excess capital, which can be used either to buy back stock or make bolt-on acquisitions that could increase earnings. Since the stock is below book value, buybacks are accretive and shareholder-friendly, Bahl says.

Second-quarter results showed a number of operational improvements, too, such as a 5% rise in loans compared to the year-ago period; a 4% rise in average deposit balances; and a net interest margin of 3.16%. That fell slightly but has stabilized in the past four quarters. Management projects loan growth at 4% to 6% for 2015, higher than many banks', he adds. Funding costs could continue to fall in 2015, due to a run-off of higher-cost debt and term deposits.

With many investors still underweight bank stocks, Regions is 20% to 30% too cheap, he says. Exposure to the energy sector bears watching, but with the stock below book value and others above it, Regions offers a nice margin of safety in a market where that's tough to find, Bahl says.

Air Lease Shares Could Fly Higher

Like United Technologies, the aircraft-leasing company Air Lease (AL) suffers from worries about slowing economic growth. Another market concern is that low jet-fuel prices could encourage some airlines to make do with the current fleet and delay the purchase or lease of new planes.

The stock has dropped about 16% from this year's high to \$33.81. It now trades at a relatively inexpensive valuation.

While its issues shouldn't be ignored, says Chris Retzler, a portfolio manager with Needham Funds, the stock has sustainable tail winds to recommend it. Needham holds a significant stake in Air Lease.

Macroeconomic problems, not company-specific issues, have driven down the stock. Fuel costs have dropped, but airlines lease planes for five to 10 years. They tend to have a more long-term view of future oil prices, which could rise as crude eventually reverts to the mean, Retzler says.

Planes with higher fuel efficiency remain desirable. Additionally, airlines compete on the offerings of their models, and new ones have more amenities that travelers want, whether spiffier entertainment systems or better-designed seats.

Air Lease has a globally diversified customer base but, unlike United Technologies, isn't as exposed to the stronger dollar, since jets are sold and leased in dollars. Airlines continue to experience strong traffic growth and high load factors.

The Los Angeles-based lessor also has a strong order position at the two major jet makers, with 411 orders through 2024, half by 2019 and many among the most popular models. That stands the company in good stead with the airlines, because Air Lease can anticipate the changing needs of its customers, Retzler says. It currently owns 223 jets, most of them from Airbus Group (EADSY) or Boeing (BA). The lease book is 100% full this year and at 88% capacity next year, according to Morgan Stanley.

25 Jul 2015 00:09 ET The Trader: Indexes Take A Beating As Earnings -2-

Air Lease has a \$3.5 billion market cap and an investment-grade credit rating, which should give it an edge when interest rates rise, says Retzler. The company has about \$7 billion in debt, 80% at fixed rates.

The shares trade for less than 11 times analysts' 2016 consensus estimate of \$3.30 a share in earnings, versus a historic median price/earnings multiple of 15. For an investor looking out a few years, that's an attractive discount for a company with robust long-term growth prospects.

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17568.53	-517.92	-2.86
DJTransportation	8072.57	-221.04	-2.67
DJUtilities	562.74	-12.68	-2.20
DJ65Stocks	6102.52	-169.80	-2.71
DJUSMarket	523.20	-11.84	-2.21
NYSEComp.	10721.95	-265.22	-2.41
NYSEMKTComp.	2291.42	-82.54	-3.48
<b>S&amp;P500</b>	2079.65	-46.99	-2.21
S&PMidCap	1476.74	-31.08	-2.06
S&PSmallCap	701.72	-21.63	-2.99
Nasdaq	5088.63	-121.51	-2.33
ValueLine(arith.)	4606.02	-138.72	-2.92
Russell2000	1225.99	-41.10	-3.24
DJUSTSMFloat	21704.94	-504.51	-2.27

	Last Week	Week Earlier
NYSE		
Advances	645	1,896
Declines	2,610	1,347

Unchanged	32	39
NewHighs	245	266
NewLows	626	281
AvDailyVol(mil)	3,550.4	3,164.5
Dollar		
(Finexspotindex)	97.20	97.96
T-Bond		
(CBTnearbyfutures)	154-190	152-030
Crude Oil		
(NYMlightsweetcrude)	48.14	50.89
Inflation KR-CRB		
(FuturesPriceIndex)	205.04	214.54
Gold		
(CMXnearbyfutures)	1085.60	1131.80
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(END) Dow Jones Newswires

July 25, 2015 00:09 ET (04:09 GMT)

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# DOW JONES NEWSWIRES

Press Release: Signet Jewelers Set to Join the S&P 500; PAREXEL International, Catalent to Join the S&P MidCap 400; Others to Join S&P SmallCap 600

1,349 字

2015 年 7 月 24 日 23:11

Dow Jones Institutional News

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Signet Jewelers Set to Join the S&P 500; PAREXEL International, Catalent to Join the S&P MidCap 400; Others to Join S&P SmallCap 600

PR Newswire

NEW YORK, July 24, 2015

NEW YORK, July 24, 2015 /PRNewswire/ -- S&PDow Jones Indices will make the following changes to the **S&P500**, S&P MidCap 400 and S&P SmallCap 600 indices:

--  
S&P MidCap 400 constituent Signet Jewelers Limited (NYSE:SIG) will replace DIRECTV (NASDAQ:DTV) in the S&P 500, S&P SmallCap 600 constituent PAREXEL International Corp. (NASDAQ:PRXL) will replace Signet Jewelers in the S&P MidCap 400, and Enanta Pharmaceuticals (NASDAQ:ENTA) will replace PAREXEL International in the S&P SmallCap 600 effective after the close of trading on Tuesday, July 28. S&P 100 & 500 constituent AT&T Inc. (NYSE:T) acquired DIRECTV in a deal completed today.

-- Barnes & Noble Education Inc. (NYSE:BNEDwi) will replace A. M. Castle & Co, Inc. (NYSE:CAS) in the S&P SmallCap 600 effective after the close of trading on Friday, July 31. S&P SmallCap 600 constituent Barnes & Noble Inc. (NYSE: BKS) is spinning off Barnes & Noble Education to shareholders in a transaction expected to be completed on that date. Barnes & Noble will remain in the S&P SmallCap 600 following completion of the transaction. A.M. Castle is ranked near the bottom the S&P SmallCap 600

-- Catalent Inc. (NYSE:CTLT) will replace JDS Uniphase Corp. (NASDAQ:JDSU) in the S&P MidCap 400 and JDS Uniphase will replace Susquehanna Bancshares Inc. (NASDAQ:SUSQ) in the S&P SmallCap 600 effective after the close of trading on Friday, July 31. S&P 500 constituent BB&T Corp. (NYSE:BBT) is acquiring Susquehanna Bancshares in a transaction expected to be completed on or about that date pending final approvals. JDS Uniphase is spinning off assets that will result in the company being more representative of the small-cap market space.

-- Lumentum Holdings Inc. (NASDAQ:LITEV) will replace Comstock Resources Inc. (NYSE:CRK) in the S&P SmallCap 600 effective after the close of trading on Monday, August 3. New S&P SmallCap 600 constituent JDS Uniphase Corp. (NASDAQ: JDSU) is spinning off Lumentum Holdings to shareholders in a transaction expected to be completed on that date. Post spin-off, JDS Uniphase, which is changing its name to Viavi Solutions Inc., will remain in the S&P SmallCap 600. Comstock Resources is ranked at the bottom the S&P SmallCap 600.

Signet Jewelers Limited engages in the retail sale of jewelry and watches. Headquartered in Hamilton, Bermuda the company will be added to the S&P 500 GICS (Global Industry Classification Standard) Specialty Stores Sub-Industry index.

PAREXEL International is a biopharmaceutical outsourcing services company. Headquartered in Waltham, MA, the company will be added to the S&P MidCap 400 GICS Life Science Tools & Services Sub-Industry index.

Enanta Pharmaceuticals is a biotechnology company. Headquartered in Watertown, MA, the company will be added to the S&P SmallCap 600 GICS Biotechnology Sub-Industry index.

Barnes & Noble Education provides bookstore operation services. Headquartered in Basking Ridge, NJ, the company will be added to the S&P SmallCap 600 GICS Specialty Stores Sub-Industry index.

Catalent provides advanced delivery technologies and development solutions for drugs, biologics, and consumer health products. Headquartered in Somerset, NJ, the company will be added to the S&P MidCap 400 GICS Pharmaceuticals Sub-Industry index.

JDS Uniphase provides network and service enablement solutions. Headquartered in Milpitas, CA, the company will be added to the S&P SmallCap 600 GICS Communications Equipment Sub-Industry index.

Lumentum is a provider of optical and photonic products. Headquartered in Milpitas, California, the company will be added to the S&P SmallCap 600 GICS Communications Equipment Sub-Industry index.

Following is a summary of the changes:

#### S&P 500 INDEX -- July 28, 2015

COMPANY	GICS ECONOMIC SECTOR	GICS SUB-INDUSTRY
ADDED Signet Jewelers	Consumer Discretionary	Specialty Stores
DELETED DIRECTV	Consumer Discretionary	Cable & Satellite

#### S&P MIDCAP 400 INDEX -- July 28, 2015

COMPANY	GICS ECONOMIC SECTOR	GICS SUB-INDUSTRY
ADDED PAREXEL International	Health Care	Life Science Tools & Services
DELETED Signet Jewelers	Consumer Discretionary	Specialty Stores

#### S&P SMALLCAP 600 INDEX -- July 28, 2015

COMPANY	GICS ECONOMIC SECTOR	GICS SUB-INDUSTRY
ADDED Enanta Pharmaceuticals	Health Care	Biotechnology
DELETED PAREXEL International	Health Care	Life Science Tools & Services

#### S&P MIDCAP 400 INDEX -- July 31, 2015

COMPANY	GICS ECONOMIC SECTOR	GICS SUB-INDUSTRY
ADDED Catalent	Health Care	Pharmaceuticals
DELETED JDS Uniphase	Information Technology	Communications Equipment

#### S&P SMALLCAP 600 INDEX -- July 31, 2015

COMPANY	GICS ECONOMIC SECTOR	GICS SUB-INDUSTRY
ADDED Barnes & Noble Education	Consumer Discretionary	Specialty Stores
JDS Uniphase	Information Technology	Communications Equipment
DELETED A. M. Castle	Materials	Steel
Susquehanna Bancshares	Financials	Regional Banks

#### S&P SMALLCAP 600 INDEX -- August 3, 2015

COMPANY	GICS ECONOMIC SECTOR	GICS SUB-INDUSTRY
ADDED Lumentum Holdings	Information Technology	Communications Equipment
DELETED Comstock Resources	Energy	Oil & Gas Exploration & Production

Additions to and deletions from S&PDow Jones Indices do not in any way reflect an opinion on the investment merits of the companies involved.

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July 24, 2015 18:11 ET (22:11 GMT)

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Need to Know

News & Commentary

Oil risks becoming deeper thorn in markets' side; Critical information ahead of the U.S. market's open

Barbara Kollmeyer, MarketWatch

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1,337 字

2015 年 7 月 23 日 14:21

MarketWatch

MRKWC

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Critical information ahead of the U.S. market's open

Another day, another tech rout? Investors would be forgiven for some tech apprehension today after a really ugly day for Apple.

After suffering its worst one-day loss on Wednesday, Apple (AAPL, US) is headed for its worst week since nearly the start of the year. But on the brighter side, Jani from the [CrackedMarket blog](#) points out that while techs have been bleeding billions in market cap, the selling hasn't stretched much beyond that sector.

"If the market was overbought, this was more than enough of an excuse to break down. How contained the selling was shows owners remain confident and are supporting these prices," said Jani. Read more [here](#) on that.

Some buyers are being lured in right now. Kim Caughey Forrest, portfolio manager at Fort Pitt Capital Group, that markets are starting to get tempting for value investors like herself — the crowd who look for stocks they think the market has undervalued.

Others are still unsettled. Dana Lyons, partner at J. Lyons Fund Management, has been in a state of angst over how weak the strongest areas of this market are getting. He says if many more leaders like Apple begin to crumble, "the resulting correction could feel like a 500-pound weight to the chest of investors." Read his blog [here](#).

But commodities — that other developing thorn in investors' side — may provide a distraction from the tech turmoil. Only not a real happy one. U.S. crude settled at under \$50 a barrel for the first time since early April yesterday on rising supplies. It's still below that marker this morning, as some worry.

That brings us to our call of the day. A fine time to get into oil stocks? Maybe. And our chart of the day shows how chip makers may have seen Apple's pain coming a mile away.

Key market gauges

Gains have been disappearing and the open for Wall Street is looking most cautious after Caterpillar reported. Nasdaq (NQU5, US), Dow (YMU5, US) and S&P (ESU5, US) futures are going nowhere. Europe's Stoxx 600 (SXXP, XX) are also struggling after an initial lift on news Greece's parliament passed a second round of reforms.

Asian markets (ADOW, XX) closed mainly higher, with a 2.4% bounce and another gain for the Shanghai Composite (SHCOMP, CN). Gold(GCU5, US) is fighting to stay at the \$1,100 an ounce level, while crude (CLU5, US) is holding under \$50 a barrel.

The economy

Weekly jobless claims plunged to the lowest level since 1973, and leading indicators data is coming at 10 a.m.

The stat

United Tech and IBM and now Caterpillar are among those talking of pain in their overseas markets. Well, that whining has now been backed up by official numbers. (H/T to Wolf Richter at Wolf Street blog for digging this one up.)

“World trade shrank 1.2% in May from the previous month. The index fell to 135.1, the lowest level since July 2014, having dropped nearly every month so far this year. It’s down 4.7 points from its peak in December, the sharpest and longest decline since the financial crisis,” Richter cites from the report.

More from that report via the [Wolf Street blog here](#).

## Earnings

Biggie Caterpillar (CAT, US) after sluggish sales and a lowered outlook.

A broker lift to network-security provider Fortinet (FTNT, US) price target has sent shares soaring. That’s on the heels of an earnings beat last night..

3M (MMM, US) missed estimates, but no big reaction so far. GM (GM, US) shares rose after it reported from a year ago.

Late Wednesday, Qualcomm (QCOM, US) slipped on a weak outlook, while SanDisk (SNDK, US) rallied after earnings topped forecasts.

McDonald’s (MCD, US) is under pressure after decline in same-store sales.

See and MarketWatch’s Earnings Wall for more.

## The buzz

Cigna (CI, US) shares continued to rise Thursday after a report that rival insurer Anthem (ANTM, US) is nearing a .

Bank of America (BAC, US) has and will replace its chief financial officer.

[Wal-Mart](#) (WMT, US) has acquired full ownership of Chinese e-tailer Yihaodian.

The EU has filed an antitrust lawsuit against six U.S. film studios, saying they break EU law by restricting access to pay-TV services. Disney (DIS, US) and Warner Brothers (TWX, US) are.

Caesars Entertainment (CZR, US) shares might worth watching. They plunged Wednesday after a judge refused to block creditor lawsuits against the company. Volatility has triggered a halt to shares at least five times since Wednesday.

LeBron James is forming a with Time Warner’s (TWX, US) Warner Bros. Entertainment. That’s got a lot of “Space Jam 2” chatter going around.

Ferrari plans to

## The chart

If you’d been reading the semiconductor-stock tea leaves, then perhaps the earnings-driven rout for Apple wasn’t a big surprise. That’s the theory from Andrew Thrasher, blogging for [See It Market](#). The chip index (SOX, US) has struggled, having notched a nearly 6% quarterly loss compared with a 2.5% gain for the **S&P500**. Thrasher says he’s seen semiconductor stocks as a better barometer of market sentiment risk-taking than copper since December.

“While many great traders were pointing to the lack of breadth confirmation earlier in the week, others were pointing to the strength in tech names like Apple and Google as a sign that the skies are clearing,” said Thrasher.

But given the recent weakness for those big stocks, that may no longer be the case. And perhaps chip-stock performance was giving a hint that a downturn was coming. Read his full blog [here](#).

## The call

The Energy Select Sector SPDR fund (XLE, US) is down 10% year to date, which is slightly worse than the 7% loss for crude-oil prices themselves. Some have been talking about bargains to be had among oil stocks.

Add Credit Suisse to that crowd ( [h/t WSJ MoneyBeat](#) ). Lead analyst at Credit Suisse, Mark Lear, upgraded the oil-exploration and production sector to overweight in a July research note, saying as selling continues in this space, “risk reward is now compelling.” He says Credit Suisse may be a bit early on this call, but it believes there will “eventually be an upcycle” for oil.

Among their picks: EOG Resources (EOG, US), EP Energy (EPE, US), Parsley Energy (PE, US), Pioneer Natural Resources (PXD, US), Anadarko Petroleum (APC, US) and Devon Energy (DVN, US).

Weighing in on oil and related companies, Naeem Aslam, chief market analyst at AvaTrade, says that while rig numbers are bouncing back, recent data shows OPEC members are fighting for market share. So it's hard to see how that oil glut will disappear in the short term.

"Nonetheless, history does dictate one element, which is whenever there is such a rout in oil price and the demand picks up, energy companies are on the front end to bounce sharply back up," Aslam told MarketWatch.

Random reads

"Sharknado 3" brings out the [poet in someone](#).

Running with curves? [Yes](#).

James Franco is penning a book on pal [Lana Del Rey](#).

Sandra Bland's voicemail: "[I'm still just at a loss](#)."

Private citizens with guns are showing up [across military recruitment centers](#).

Campaign filing includes an actor's pension .

Speaking of, tough luck at NASCAR last night.

<https://twitter.com/stevesingiser/status/624051560981532672> Need to Know starts early and is updated until the opening bell, but [sign up here](#) to get it delivered once to your email box. Be sure to check the Need to Know item. The emailed version will be sent out at about 7:30 a.m. Eastern.

文件 MRKWC00020150723eb7n001b9

# DOW JONES NEWSWIRES

Nordic Stocks Seen Opening Slightly Lower -- Market Talk

186 字

2015 年 7 月 22 日 07:56

Dow Jones Institutional News

DJDN

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0656 GMT [Dow Jones]--Nordic markets are seen opening slightly lower Wednesday, with IG calling the OMXS30 down 0.4% at around 1630. "The relief rally following the Greek deal ran out of steam yesterday after **S&P500** hit the previous cycle highs from May and June on Tuesday," says Danske Bank. "It seems to have triggered some profit taking after a good run and the decline got extra fuel in afterhours trade as Apple's shipments and sales forecast disappointed." Nasdaq futures are taking a hit in Asian trading and Asian markets are also down across the board, it adds. It's another quiet day on the data front with Bank of England minutes and U.S. existing home sales later.

Earnings from Telenor, SSAB and Danske Bank are in regional focus. OMXS30 closed at 1636.42, OMXN40 at 1639.88 and OBX at 586.62. (dominic.chopping@wsj.com)

Contact us in London. +44-20-7842-9464  
markettalk@wsj.com

(END) Dow Jones Newswires

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# DOW JONES NEWSWIRES

UK Market Talk Roundup: Brokers Comments

1,326 字

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Broker comments in the UK today. Compiled by Dow Jones Newswires Markets Desk, [markets.eu@dowjones.com](mailto:markets.eu@dowjones.com)

1025 GMT German chemical association VCI raises its revenue growth outlook for 2015, citing a weaker euro as the main driver. The industry now forecasts an increase of 0.5% in revenue after previous expectations of a decline of 0.5%. But the industry's 1H figures are a mixed bag. While production picked up in 1H 2015, revenue growth has been sluggish. "The upward trend is recognizable, but it is feeble," says Marijn Dekkers, VCI president. "There's a lack of sustainable impetus from global economy." Sales grew 0.5% to EUR96.5 billion. Production is still seen rising 1.5% in 2015. The VCI expects to continue benefiting from a weaker euro and cheap oil. Prices for chemicals are however still seen about 2% below the prior year. ([heide.oberhauser@wsj.com](mailto:heide.oberhauser@wsj.com))

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[markettalk@wsj.com](mailto:markettalk@wsj.com)

0957 GMT N+1 Singer downgrades its pretax profit fiscal 2015 estimate for Restore by 5% to GBP15.8M after technical problems on a major contract resulted in cost overruns. Fiscal 2016 and 2017 forecasts are unchanged, assuming that the issues do not recur next year. The broker maintains its 330p target price and buy rating. Shares decline 3.9% to 258p. ([jana.simmons@wsj.com](mailto:jana.simmons@wsj.com))

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0952 GMT European oil exploration and production companies appear to be trading at significant discounts to their net asset values reflecting the uncertain direction of oil prices and balance sheets and the impact on projects that don't yet have final investment decision, says Credit Suisse in a note. This has created an opportunity to buy into Tullow Oil PLC and Africa Oil, which are upgraded to outperform from neutral, as key risks have already been priced in while projects still work at lower oil prices, the note adds. Tullow's target price is raised to 440p per share from 435p. Africa Oil to SEK21 from SEK20. ([Selina.williams@wsj.com](mailto:Selina.williams@wsj.com))

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0730 GMT London's FTSE 100 is 0.8% lower at 6712, following some weaker corporate earnings reports. ARM Holdings is one of the biggest decliners, down 3.9%. The computer-chip designer reported quarterly revenue rose 22% on the same quarter last year, missing forecasts. After the results, Citigroup analyst Amit Harchandani said concerns around smartphone sales would likely present a hurdle in the second half of the year. Mining stocks are also comfortably in the red, with commodity prices slipping again. At the other end of the index European budget airline easyJet PLC is the biggest riser early in the session. The group reported a 1% drop in third quarter sales but also said full-year profit would rise by up to 14%. ([josie.cox@wsj.com](mailto:josie.cox@wsj.com))

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0656 GMT [Dow Jones]--Nordic markets are seen opening slightly lower Wednesday, with IG calling the OMXS30 down 0.4% at around 1630. "The relief rally following the Greek deal ran out of steam yesterday after **S&P500** hit the previous cycle highs from May and June on Tuesday," says Danske Bank. "It seems to have triggered some profit taking after a good run and the decline got extra fuel in afterhours trade as Apple's shipments and sales forecast disappointed." Nasdaq futures are taking a hit in Asian trading and Asian

markets are also down across the board, it adds. It's another quiet day on the data front with Bank of England minutes and U.S. existing home sales later. Earnings from Telenor, SSAB and Danske Bank are in regional focus. OMXS30 closed at 1636.42, OMXN40 at 1639.88 and OBX at 586.62. (dominic.chopping@wsj.com)

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("Europe to Open Lower After U.S. Weakness -- Market Talk," at 0626 GMT, misstated that the MPC minutes would show a 9-0 vote for changes to the bank rate. They are expected to show a 9-0 vote in favor of no changes. The correct version follows:)

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(END) Dow Jones Newswires

July 22, 2015 06:25 ET (10:25 GMT)

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# DOW JONES NEWSWIRES

UK Market Talk Roundup: Brokers Comments

972 字

2015 年 7 月 22 日 08:30

Dow Jones Institutional News

DJDN

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July 22, 2015 03:30 ET (07:30 GMT)

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## MARKET WEEK

Stocks --- The Trader: Nasdaq Rallies 4% on Week, to Record High

By Vito J. Racanelli

2,064 字

2015 年 7 月 20 日

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Investors piled into equities last week and U.S. stocks rallied sharply on a bullish confluence of domestic and international factors. The major indexes rose about 2%, while tech stocks, particularly Internet-related shares, soared nearly 5%. Financials were up 3%.

The possibility of a Greek default or exit from the euro zone was laid to rest -- for now -- after the Greek government and its creditors came to an agreement last week on a three-year bailout of the debt-burdened country. Investors expressed relief, but given Greece's precarious finances, something tells us this won't be the end of the country's travails.

Further support for the stock market came from Chinese stocks, which rose 2%, continuing a rally from lows hit the previous week. At one point earlier in the month, the Shanghai Composite had tumbled about a third from its June high. The rally stanching the bleeding there and heartened investors here.

Strong second-quarter results from tech bellwethers such as Google (ticker: GOOGL), up 26%, and Netflix (NFLX), up 18%, ignited the Internet sector. The banking industry posted good news as well, with positive results from JPMorgan Chase (JPM), Bank of America (BAC), and Citigroup (C).

On the week, the Dow Jones Industrial Average jumped nearly 2%, or 326 points, to 18,086.45, while the Standard & Poor's 500 index rose 2.4%, or 50 points, to 2126.64. The Nasdaq Composite bested them both, rising 213, or 4.3%, to 5210.14, a record close.

Although U.S. economic data released last week were a mixed bag, many companies reported second-quarter results that beat expectations, albeit lowered expectations, notes Jack Ablin, chief investment officer for BMO Private Bank.

Investors took heart from the robust banking results, adds Paul Nolte, a portfolio manager at Kingsview Asset Management, and from comments to Congress by Federal Reserve Chair Janet Yellen. She repeated that the Fed would begin to raise interest rates sometime this year.

Higher interest rates would aid banks' net interest margins, and help insurance companies, which have suffered from low returns on their fixed income assets. The leading bulge-bracket banks are showing signs of finally coming out from under the black cloud of the 2008-'09 financial crisis.

From here, investors will turn their attention to the bulk of second-quarter earnings reports still to be released and the July 30 read on second quarter U.S. GDP growth, says Michael Mullaney, chief investment officer at Fiduciary Trust. They'll want to see a repeat of the first quarter, when initial expectations of a drop in S&P 500 earnings per share turned out to be overly pessimistic.

Revenue growth will be key. "We have already had the market's price/earnings expansion," says Nolte. "It is hard to see the market work higher without economic [and revenue] growth."

The lack of sales gains has been the biggest impediment to the market getting out of the rut it's been in since the end of 2015, adds Ablin.

Second-quarter earnings-reporting season will be mostly over by early August, at which point traders go to the Hamptons and things may get quiet.

P&G Must Innovate

Since briefly approaching a high of \$94 in late December, shares of consumer-products giant Procter & Gamble (PG) have fallen 13%, to \$82. Normally, that big a drop in a high-quality name would get us bargain hunting.

Not this time.

Look back further and the stock has orbited the \$80 level for most of the past 24 months, while the market has rocketed higher. The drop this year was caused by the powerful run-up in the U.S. dollar, a problem because P&G gets some 60% of its sales from overseas. But go back 60 months and the stock also significantly underperformed the Dow -- of which it is a component -- up 33% versus 73% for the index. Previously, P&G consistently beat the Dow over long periods of time.

There's a deeper problem at work than the muscular greenback: P&G's inability to move the sales needle at a company with \$83 billion in sales and 23 billion-dollar brands.

Since May 2013, CEO Alan Lafley has been cutting costs and selling off underperforming and non-core assets. The Cincinnati-based maker of superbrands like Tide detergent and Crest toothpaste is whittling down its portfolio of brands to 65 from, at one time, 180.

Earlier this month, P&G agreed to merge 43 of its beauty brands -- including Cover Girl makeup and Clairol hair products -- with Coty (COTY) for \$12.5 billion. That will help pay dividends and retire shares worth up to \$70 billion from 2016 to 2019.

But these changes might not be enough to push the stock up much. P&G remains positioned in product categories showing slow growth, hampered by a portfolio of high-priced brands sold mostly in the developed world, where consumers increasingly don't mind trading down for everyday products.

The stock has fallen, but it isn't cheap. The shares trade for 20 times fiscal 2016 consensus estimates of \$4.16 a share, significantly higher than the historical median P/E of 17. Moreover, that is rich for a company that hasn't shown sustainable growth in years.

Cost cutting and asset sales are necessary but not supportive of a high P/E over the long term. P&G must create novel products that will make consumers feel that paying up for a brand is worth it. That will grow earnings and boost investor confidence.

Cleaning house is a positive but disruptive step, taking high-level management's focus away from improving the strong brands that P&G has, says Lori Hudson, a portfolio manager at Bahl & Gaynor. "When will P&G get back to sales growth and the innovation it's been known for?" she asks.

Bahl & Gaynor holds a large P&G stake but has reduced its position in the past year.

A lack of big, successful new products has kept annual revenue locked around \$83 billion and earnings per share near \$4 for more than three years. Perhaps the biggest knock on this stock, adds Hudson, is slowing dividend growth. Many investors buy P&G for those quarterly checks, and yet payout increases have slowed from 12% a decade ago to 3% lately, she notes. The yield is 3.2%.

Near term, the dividend could sustain the stock. Short of a market correction, however, it is difficult to see P&G outperforming.

#### Wynn Resorts Is a Winner

The past 12 months have been brutal for Macau casinos. Monthly industry revenue in the special administrative region of China has dropped consecutively in that period; it is down 37% year to date. Macau casino stocks are down 50% or more, with revenue and earnings suffering similarly.

Things look bleak. Yet that's when investors should look for value. One potentially cheap stock is Wynn Resorts (WYNN), whose shares have plunged about 60%, to \$101.71, where they stood three years ago. Should results merely stop worsening -- and there is potential for revenue stabilization -- it would improve sentiment on this stock markedly. Longer term, the Macau gambling market is likely to remain the premier destination for bettors in Asia.

Blame part of the Macau gambling selloff on the Chinese government, which began clamping down last year on the number of high-roller junkets allowed to Macau from the mainland. The great majority of Macau's 31 million annual visitors are from the mainland, Hong Kong, and Taiwan. More recently, consumer sentiment probably hasn't been helped by the steep drop in the Shanghai Composite index.

Macau itself is instituting changes that dampen bettor enthusiasm, such as a likely move to a full smoking ban inside public places next January. Macau is also mulling a temporary cap on visitation from the mainland. Among institutional investors there's a sense that the authorities are not as accommodating to the industry as

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they once were. A building boom in Macau's Cotai-zone district will expand casino capacity in 2016-17, adding to uncertainty.

Wynn shares have been pummeled to the point where most of the bad news seems incorporated into the stock price, says Justin Deutsch, a portfolio manager for Weybossett Research & Management, which recently has been accumulating Wynn shares for clients.

No one can call a bottom, but traffic should stabilize and Wynn's results turn, he says. Macau is Asia's Las Vegas, the biggest and most attractive gambling market on the continent, so it is reasonable to expect that it will rebound in the long term, he adds.

Wynn, with casino operations in Macau and Las Vegas that cater especially to high rollers, had a terrible first quarter, when revenues fell 28%, to \$1.1 billion. Net income swung to a 44 cents-a-share loss from a profit of \$2.22. The company, which sports a \$10.3 billion market cap, slashed the annual dividend to \$2 per share from \$6. Analyst estimates for 2015 have cratered to \$3.54 a share from the \$9 expected 12 months ago, and for 2016, to \$4.72 from \$12.

Looking ahead two to three years, says Deutsch, Wynn could double earnings per share to \$7 or \$8. That's based on a turnaround in Macau, and additional earnings from the Wynn Palace in Cotai, which opens in 2016, and from a planned Boston casino. Though there are legal challenges, Wynn should have the Boston casino up within three years.

"The worst of the bad news is behind it," Deutsche says, noting quarterly comparisons will soon become easier and show improvement, since the downturn began last summer. Moreover, Beijing has shown signs -- albeit minor ones -- of easing travel restrictions, he says. The monthly industry-revenue data have even improved slightly, down 36% in June versus negative 49% in February.

Wynn's stock valuation, relative to both the Standard & Poor's 500 and its own history, is at the low end of the range over the past five years. One of the best-managed companies in the sector, Wynn trades at about 21.5 times 2016 earnings estimates, below a median P/E of 24. If investors sense that the company could achieve 2017 earnings of \$6 -- the consensus is for \$6.38 -- the current low P/E puts the stock at \$132, up 30%.

Wynn's second-quarter results, which will be released in a few weeks, will probably be poor. But, as noted, comparisons will likely become much easier for Wynn in the second half of 2015.

If things get worse in Macau, that would ding the stock. However, stabilization by next year seems more likely, and it won't take much good news to have a salutary effect on Wynn's beaten-down stock price. In the long term, it could pay off.

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e-mail: vito.racanelli@barrons.com

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18086.45	+326.04	+1.84
DJTransportation	8293.61	+91.96	+1.12
DJUtilities	575.42	+4.46	+0.78
DJ65Stocks	6272.32	+90.92	+1.47
DJUSMarket	535.05	+11.47	+2.19
NYSEComp.	10987.17	+133.25	+1.23
NYSEMKTComp.	2373.96	+6.70	+0.28
<b>S&amp;P500</b>	2126.64	+50.02	+2.41
S&PMidCap	1507.82	+4.09	+0.27
S&PSmallCap	723.35	+4.13	+0.57
Nasdaq	5210.14	+212.45	+4.25
ValueLine(arith.)	4744.74	+17.85	+0.38
Russell2000	1267.09	+15.07	+1.20
DJUSTSMFloat	22209.45	+468.17	+2.15

Last Week    Week Earlier

NYSE

Advances	1,896	1,526
Declines	1,347	1,717
Unchanged	39	45
NewHighs	266	113
NewLows	281	446
AvDailyVol(mil)	3,164.5	3,568.2
Dollar		
(Finexspotindex)	97.96	96.03
T-Bond		
(CBTnearbyfutures)	152-030	149-030
Crude Oil		
(NYMlightsweetcrude)	50.89	52.74
Inflation KR-CRB		
(FuturesPriceIndex)	214.54	218.25
Gold		
(CMXnearbyfutures)	1131.80	1157.70

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## DOW JONES NEWSWIRES

What to Expect from Biogen and Celgene -- Barron's Blog

By Ben Levisohn

554 字

2015 年 7 月 20 日 21:58

Dow Jones Institutional News

DJDN

英文

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Barclays' Geoff Meacham offers his thoughts on earnings season for biotech, which begins this week when Biogen ( BIIB) and Celgene ( CELG) report their second-quarter results:

Biotech 2Q earnings season kicks off this week with Celgene and Biogen reporting. The sector continues to outperform in 2015 (YTD: Nasdaq Biotech Index index: +31%; **S&P500**: +3%) driven by the combination of positive clinical events and robust M&A activity. Heading into 2Q earnings, we're bullish on Gilead Sciences ( GILD), while for 2H15 some of our favorite names include Alexion Pharmaceuticals ( ALXN) and Biogen in large cap...

Biogen. We are in-line with the Street on 2Q total revenues and \$0.01 ahead on non-GAAP EPS. We expect the focus to be on Tecfidera trends; we've modestly raised WW forecasts by \$20M, but are below consensus (Barclays: \$922M; cons: \$931M). We also expect updated data (July 22nd) from the phase 1b BIIB037 study in Alzheimer's to be a major focus, though data aren't likely to be as controversial as some have noted.

Celgene. The company pre-announced 2Q results (in conjunction with acquisition of Receptos). The focus will be on the underlying the commercial opportunity for ozanimod, current Revlimid demand trends, and ongoing biz dev efforts.

Gilead. We are bullish on 2Q total revenues (Barclays: \$7.8B vs. cons: \$7.6B) and EPS (Barclays: \$2.75 vs. cons: \$2.66). Given strong script trends we have raised our WW 2Q Harvoni sales estimate by +\$250M and are now above the Street (Barclays: \$3.6B vs. cons: \$3.4B). We expect that investors will also focus on upcoming M&A activity.

Alexion. Our Soliris sales estimate in 2Q is just ahead of the Street (Barclays: \$630M vs. cons: \$628M), while we are \$0.04 below on EPS. We expect the focus to be on Soliris commercial trends as well as updates related to the nearing Strensiq and Kanuma launches. We also anticipate more specific guidance following the closing of the Synageva acquisition during the quarter.

Stifel's Thomas Shrader thinks the good news for Biogen is still a year away:

We view Biogen as a powerhouse R&D company with a remarkable neurology pipeline that has found itself in a quiet stage for pipeline news at the same time that sales of its leading MS drug have stalled. We believe that the upcoming 6 mg/kg data for BIIB037 in AD will be in line with expectations and unlikely to move the stock. We are optimistic concerning the upcoming titration arms added to the BIIB037 trial as well as anti-LINGO for MS -- but neither are near term events. We would expect the stock to continue to trade in-line with the current sector but probably to benefit from any flight-to-quality if investors tire of the endless remarkable new approaches to combat the disease.

Shares of Biogen gained 1.1% to \$408.93 today, while Celgene rose 0.5% to \$135.23, Alexion ticked up 0.1% to \$204.46, and Gilead Sciences finished off 0.1% at \$118.20.

More at Barron's Stocks to Watch blog,  
<http://blogs.barrons.com/stockstowatchtoday/>  
(END) Dow Jones Newswires

July 20, 2015 16:58 ET (20:58 GMT)

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## DOW JONES NEWSWIRES

The Trader: Nasdaq Rallies 4% On Week, To Record High -- Barron's

2,238 字

2015 年 7 月 18 日 05:07

Dow Jones Institutional News

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(FROM BARRON'S 7/20/15)

By Vito J. Racanelli

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Strong second-quarter results from tech bellwethers such as Google (ticker: GOOGL), up 26%, and Netflix (NFLX), up 18%, ignited the Internet sector. The banking industry posted good news as well, with positive results from JPMorgan Chase (JPM), Bank of America (BAC), and Citigroup (C).

On the week, the Dow Jones Industrial Average jumped nearly 2%, or 326 points, to 18,086.45, while the Standard & Poor's 500 index rose 2.4%, or 50 points, to 2126.64. The Nasdaq Composite bested them both, rising 213, or 4.3%, to 5210.14, a record close.

Although U.S. economic data released last week were a mixed bag, many companies reported second-quarter results that beat expectations, albeit lowered expectations, notes Jack Ablin, chief investment officer for BMO Private Bank.

Investors took heart from the robust banking results, adds Paul Nolte, a portfolio manager at Kingsview Asset Management, and from comments to Congress by Federal Reserve Chair Janet Yellen. She repeated that the Fed would begin to raise interest rates sometime this year.

Higher interest rates would aid banks' net interest margins, and help insurance companies, which have suffered from low returns on their fixed income assets. The leading bulge-bracket banks are showing signs of finally coming out from under the black cloud of the 2008-'09 financial crisis.

From here, investors will turn their attention to the bulk of second-quarter earnings reports still to be released and the July 30 read on second quarter U.S. GDP growth, says Michael Mullaney, chief investment officer at Fiduciary Trust. They'll want to see a repeat of the first quarter, when initial expectations of a drop in S&P 500 earnings per share turned out to be overly pessimistic.

Revenue growth will be key. "We have already had the market's price/earnings expansion," says Nolte. "It is hard to see the market work higher without economic [and revenue] growth."

The lack of sales gains has been the biggest impediment to the market getting out of the rut it's been in since the end of 2015, adds Ablin.

Second-quarter earnings-reporting season will be mostly over by early August, at which point traders go to the Hamptons and things may get quiet.

P&G Must Innovate

Since briefly approaching a high of \$94 in late December, shares of consumer-products giant Procter & Gamble (PG) have fallen 13%, to \$82. Normally, that big a drop in a high-quality name would get us bargain hunting.

Not this time.

Look back further and the stock has orbited the \$80 level for most of the past 24 months, while the market has rocketed higher. The drop this year was caused by the powerful run-up in the U.S. dollar, a problem because P&G gets some 60% of its sales from overseas. But go back 60 months and the stock also significantly underperformed the Dow -- of which it is a component -- up 33% versus 73% for the index. Previously, P&G consistently beat the Dow over long periods of time.

There's a deeper problem at work than the muscular greenback: P&G's inability to move the sales needle at a company with \$83 billion in sales and 23 billion-dollar brands.

Since May 2013, CEO Alan Lafley has been cutting costs and selling off underperforming and non-core assets. The Cincinnati-based maker of superbrands like Tide detergent and Crest toothpaste is whittling down its portfolio of brands to 65 from, at one time, 180.

Earlier this month, P&G agreed to merge 43 of its beauty brands -- including Cover Girl makeup and Clairol hair products -- with Coty (COTY) for \$12.5 billion. That will help pay dividends and retire shares worth up to \$70 billion from 2016 to 2019.

But these changes might not be enough to push the stock up much. P&G remains positioned in product categories showing slow growth, hampered by a portfolio of high-priced brands sold mostly in the developed world, where consumers increasingly don't mind trading down for everyday products.

The stock has fallen, but it isn't cheap. The shares trade for 20 times fiscal 2016 consensus estimates of \$4.16 a share, significantly higher than the historical median P/E of 17. Moreover, that is rich for a company that hasn't shown sustainable growth in years.

Cost cutting and asset sales are necessary but not supportive of a high P/E over the long term. P&G must create novel products that will make consumers feel that paying up for a brand is worth it. That will grow earnings and boost investor confidence.

Cleaning house is a positive but disruptive step, taking high-level management's focus away from improving the strong brands that P&G has, says Lori Hudson, a portfolio manager at Bahl & Gaynor. "When will P&G get back to sales growth and the innovation it's been known for?" she asks.

Bahl & Gaynor holds a large P&G stake but has reduced its position in the past year.

A lack of big, successful new products has kept annual revenue locked around \$83 billion and earnings per share near \$4 for more than three years. Perhaps the biggest knock on this stock, adds Hudson, is slowing dividend growth. Many investors buy P&G for those quarterly checks, and yet payout increases have slowed from 12% a decade ago to 3% lately, she notes. The yield is 3.2%.

Near term, the dividend could sustain the stock. Short of a market correction, however, it is difficult to see P&G outperforming.

#### Wynn Resorts Is a Winner

The past 12 months have been brutal for Macau casinos. Monthly industry revenue in the special administrative region of China has dropped consecutively in that period; it is down 37% year to date. Macau casino stocks are down 50% or more, with revenue and earnings suffering similarly.

Things look bleak. Yet that's when investors should look for value. One potentially cheap stock is Wynn Resorts (WYNN), whose shares have plunged about 60%, to \$101.71, where they stood three years ago. Should results merely stop worsening -- and there is potential for revenue stabilization -- it would improve sentiment on this stock markedly. Longer term, the Macau gambling market is likely to remain the premier destination for bettors in Asia.

Blame part of the Macau gambling selloff on the Chinese government, which began clamping down last year on the number of high-roller junkets allowed to Macau from the mainland. The great majority of Macau's 31 million annual visitors are from the mainland, Hong Kong, and Taiwan. More recently, consumer sentiment probably hasn't been helped by the steep drop in the Shanghai Composite index.

Macau itself is instituting changes that dampen bettor enthusiasm, such as a likely move to a full smoking ban inside public places next January. Macau is also mulling a temporary cap on visitation from the mainland. Among institutional investors there's a sense that the authorities are not as accommodating to the industry as

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they once were. A building boom in Macau's Cotai-zone district will expand casino capacity in 2016-17, adding to uncertainty.

Wynn shares have been pummeled to the point where most of the bad news seems incorporated into the stock price, says Justin Deutsch, a portfolio manager for Weybossett Research & Management, which recently has been accumulating Wynn shares for clients.

No one can call a bottom, but traffic should stabilize and Wynn's results turn, he says. Macau is Asia's Las Vegas, the biggest and most attractive gambling market on the continent, so it is reasonable to expect that it will rebound in the long term, he adds.

Wynn, with casino operations in Macau and Las Vegas that cater especially to high rollers, had a terrible first quarter, when revenues fell 28%, to \$1.1 billion. Net income swung to a 44 cents-a-share loss from a profit of \$2.22. The company, which sports a \$10.3 billion market cap, slashed the annual dividend to \$2 per share from \$6. Analyst estimates for 2015 have cratered to \$3.54 a share from the \$9 expected 12 months ago, and for 2016, to \$4.72 from \$12.

Looking ahead two to three years, says Deutsch, Wynn could double earnings per share to \$7 or \$8. That's based on a turnaround in Macau, and additional earnings from the Wynn Palace in Cotai, which opens in 2016, and from a planned Boston casino. Though there are legal challenges, Wynn should have the Boston casino up within three years.

"The worst of the bad news is behind it," Deutsche says, noting quarterly comparisons will soon become easier and show improvement, since the downturn began last summer. Moreover, Beijing has shown signs -- albeit minor ones -- of easing travel restrictions, he says. The monthly industry-revenue data have even improved slightly, down 36% in June versus negative 49% in February.

18 Jul 2015 00:07 ET The Trader: Nasdaq Rallies 4% On Week, To Record -2-

Wynn's stock valuation, relative to both the Standard & Poor's 500 and its own history, is at the low end of the range over the past five years. One of the best-managed companies in the sector, Wynn trades at about 21.5 times 2016 earnings estimates, below a median P/E of 24. If investors sense that the company could achieve 2017 earnings of \$6 -- the consensus is for \$6.38 -- the current low P/E puts the stock at \$132, up 30%.

Wynn's second-quarter results, which will be released in a few weeks, will probably be poor. But, as noted, comparisons will likely become much easier for Wynn in the second half of 2015.

If things get worse in Macau, that would ding the stock. However, stabilization by next year seems more likely, and it won't take much good news to have a salutary effect on Wynn's beaten-down stock price. In the long term, it could pay off.

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e-mail: vito.racanelli@barrons.com

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18086.45	+326.04	+1.84
DJTransportation	8293.61	+91.96	+1.12
DJUtilities	575.42	+4.46	+0.78
DJ65Stocks	6272.32	+90.92	+1.47
DJUSMarket	535.05	+11.47	+2.19
NYSEComp.	10987.17	+133.25	+1.23
NYSEMKTComp.	2373.96	+6.70	+0.28
<b>S&amp;P500</b>	2126.64	+50.02	+2.41
S&PMidCap	1507.82	+4.09	+0.27
S&PSmallCap	723.35	+4.13	+0.57
Nasdaq	5210.14	+212.45	+4.25
ValueLine(arith.)	4744.74	+17.85	+0.38
Russell2000	1267.09	+15.07	+1.20
DJUSTSMFloat	22209.45	+468.17	+2.15

Last Week    Week Earlier

NYSE		
Advances	1,896	1,526
Declines	1,347	1,717
Unchanged	39	45
NewHighs	266	113
NewLows	281	446
AvDailyVol(mil)	3,164.5	3,568.2
Dollar		
(Finexspotindex)	97.96	96.03
T-Bond		
(CBTnearbyfutures)	152-030	149-030
Crude Oil		
(NYMlightsweetcrude)	50.89	52.74
Inflation KR-CRB		
(FuturesPriceIndex)	214.54	218.25
Gold		
(CMXnearbyfutures)	1131.80	1157.70
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Access Investor Kit for Procter & Gamble Co.

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July 18, 2015 00:07 ET (04:07 GMT)

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\*Carnival Corporation & Plc Increases Dividend By 20 Percent >CCL.LN

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2015 年 7 月 16 日 16:04

Dow Jones Institutional News

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16 Jul 2015 11:04 ET Press Release: Carnival Corporation & plc Increases Dividend By 20 Percent

Carnival Corporation & plc Increases Dividend By 20 Percent

PR Newswire

MIAMI, July 16, 2015

MIAMI, July 16, 2015 /PRNewswire/ -- Carnival Corporation & plc (NYSE/LSE: CCL; NYSE: CUK) has announced that it has increased its quarterly dividend to \$0.30 per share.

"We are pleased to increase dividends to our shareholders 20 percent this quarter, reflecting our strong cash flow from operations approaching \$4 billion this year," said Arnold Donald, president and CEO of Carnival Corporation & plc. "We are committed to returning value to our shareholders as we work toward our goal of providing double digit return on invested capital."

The company's board of directors approved a record date for the quarterly dividend of August 21, 2015, and a payment date of September 11, 2015.

Holders of Carnival Corporation common stock and Carnival plc ADSs will receive the dividend payable in U.S. dollars. The dividend for Carnival plc ordinary shares will be payable in U.S. dollars or sterling. In the absence of instructions or elections to the contrary, holders of Carnival plc ordinary shares will automatically receive the dividend in sterling.

Dividends payable in sterling will be converted from U.S. dollars at the exchange rate quoted by the Bank of England in London at 12 noon on September 1, 2015. Holders of Carnival plc ordinary shares wishing to receive their dividend in U.S. dollars or participate in the Carnival plc Dividend Reinvestment Plan must elect to do so by August 21, 2015.

Carnival Corporation & plc is the largest cruise company in the world, with a portfolio of 10 cruise brands in North America, Europe, Australia and Asia, comprised of Carnival Cruise Lines, Holland America Line, Princess Cruises, Seabourn, AIDA Cruises, Costa Cruises, Cunard, P&O Cruises (Australia), P&O Cruises (UK) and fathom.

Together, these brands will operate 100 ships in 2015 totaling 219,000 lower berths with eight new ships scheduled to be delivered between 2016 and 2018. Carnival Corporation & plc also operates Holland America Princess Alaska Tours, the leading tour companies in Alaska and the Canadian Yukon. Traded on both the New York and London Stock Exchanges, Carnival Corporation & plc is the only group in the world to be included in both the **S&P500** and the FTSE 100 indices.

Additional information can be found on [www.carnival.com](http://www.carnival.com), [www.hollandamerica.com](http://www.hollandamerica.com), [www.princess.com](http://www.princess.com), [www.seabourn.com](http://www.seabourn.com), [www.aida.de](http://www.aida.de), [www.costacruise.com](http://www.costacruise.com), [www.cunard.com](http://www.cunard.com), [www.pocruises.com.au](http://www.pocruises.com.au), [www.pocruises.com](http://www.pocruises.com), [www.fathom.org](http://www.fathom.org).

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July 16, 2015 11:04 ET (15:04 GMT)

文件 DJDN000020150716eb7g002b1

## MARKET WEEK

Stocks --- The Trader: Buffeted by Crises, Stocks Stagger and Recover

By Alexander Eule

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2015 年 7 月 13 日

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The stage was set for an ugly week. On Wednesday, with the stock market looking as fragile as it has in months, the New York Stock Exchange abruptly shut down, just after United Airlines grounded its planes due to a network failure. China was trying unsuccessfully to bootstrap its market, and Greece was seen as exiting the euro zone. Through it all, our colleagues at The Wall Street Journal couldn't even post the news for a time, after their Website briefly went dark.

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"We wake up the next day, and there was an answer for the NYSE -- a software upgrade. China's market is recovering a little bit. And it looks like Greece and the various European Union regulators are going to come to agreement. It'll be a welcome relief to get Greece off the front pages of every newspaper in the country."

As quickly as it came, the fear of a correction was gone, driving Friday's broad rally, in which the Dow Jones Industrial Average rose 1.2%. The Dow finished the week up 30 points, or 0.2%, to 17,760, while the Standard & Poor's 500 index finished flat at 2077. The Nasdaq Composite slipped 12 points, to 4998.

Investors' willingness to embrace tidy answers to big concerns is another sign of the bull market's durability. The economy looks good enough to keep investors happy, and there's little angst about the coming wave of second-quarter earnings announcements. Alcoa (ticker: AA) kicked off earnings season last Wednesday. The aluminum maker missed estimates, but more important financial bellwethers are on tap this week. JPMorgan Chase (JPM) and Wells Fargo (WFC) report on Tuesday, Bank of America (BAC) on Wednesday, and Goldman Sachs (GS) and Citigroup (C) on Thursday.

It is unlikely that earnings will do anything to trip up stocks, since analysts have already reduced expectations. Wall Street expects second-quarter earnings for S&P 500 companies to fall an aggregate 4.4%, according to FactSet, which would represent the first decline since the third quarter of 2012 (see story on page 31). The actual numbers usually look better by the time results are in. Over the past four years, earnings growth rates have wound up an average of 2.9 percentage points higher than the pre-announcement estimates, notes FactSet.

For now, though, the main drag on earnings is energy. Lower oil prices are forecast to drag down energy-sector earnings by 57%. For the rest of the S&P 500, currency has emerged as a popular lament. By Friday, just 5% of the S&P 500, or 24 companies, had posted second-quarter results. FactSet reports that 17 of them had already noted the strong dollar's dampening impact. Just one company -- Walgreens Boots Alliance (WBA) -- mentioned Greece.

With the Greek drama apparently on the back burner, investors can consider their next big fear. "The Fed comes out front and center now," says Laura LaRosa, director of portfolio management at Glenmede. "It makes it much more difficult for the Fed to raise rates in September if Greece and China are experiencing a lot of volatility."

### Weight Watchers Could Gain a Few

Three years ago, Weight Watchers was worth a hulking \$80 a share. Last week, the stock fell below \$4 -- not the kind of slimming down that investors had in mind.

The collapse speaks to the dangers of technology disruption, and the inherent conflicts of a private-equity controlled company. Since going public in 2001, Weight Watchers (WTW) has been majority-owned by Invus

Group, the leveraged-buyout firm that bought Weight Watchers in 1999. Invus has gorged itself, leaving skin and bones behind.

In 2012, Weight Watchers bought back \$1.5 billion of its stock, half of which came from Invus' stake. The repurchase, at \$82 a share, came near the stock's all-time high. Sure enough, Weight Watchers has been falling ever since.

Its market value is just \$225 million, a pittance for the 52-year-old company that still had 2014 sales of \$1.48 billion. The problem is that sales, like the stock, are tumbling, down 14% last year alone. There's also \$2 billion in debt, a manageable sum for a healthy Weight Watchers, but a potentially crushing one for the malnourished company.

Stockholders' concern, rightly so, is that Weight Watchers won't have the funds to pay off a substantial chunk of debt that comes due in April 2016. In June, the company paid off \$85 million of those loans, but there's more than \$200 million left. The bulk of the debt isn't due until 2020.

"We're modeling a 10% decline in sales next year for diet season," says Alex Fuhrman, an analyst with Craig-Hallum Capital Group, referring to the first quarter, when Weight Watchers signs up most of its customers for the year. "We think in that scenario they'll have enough cash to pay that debt off, but it will be close."

He adds, "If they can stabilize revenue to be flat to slightly positive, there's a lot of upside to the equity here." He rates Weight Watchers a Hold, with a \$6 price target.

To some degree, Weight Watchers is a victim of fast-moving technology, mainly the emergence of mobile apps that allow users to track calories for free. MyFitnessPal has become an industry leader with 80 million users. The company was recently bought by sports-apparel firm Under Armour (UA) for \$475 million.

The Internet and mobile phones could have been a huge opportunity for Weight Watchers. For a brief time, the Web became an excellent recruiting tool for men, who have always been reluctant to attend the traditional in-person meetings. Smartphones allowed paying customers to walk around with a Weight Watchers app that quickly calculated the "PointsPlus" value of foods.

But as with so many companies, technology turned from opportunity to peril. MyFitnessPal was not only free, but it also offered a better experience than the Weight Watchers app, turning calorie counting into a more efficient process. Weight Watchers never invested enough in technology. It easily could have acquired MyFitnessPal, instead of buying \$1.5 billion of its own stock in 2012.

Now, Weight Watchers is stuck in a vicious cycle. A shrinking user base means fewer successful clients proselytizing on Facebook and elsewhere. Any chance at recovering business means spending more on paid advertising, an expense it can't afford.

For risk-tolerant investors, though, there's still a chance at big gains. Last week, rumors swirled that an unnamed hedge fund was interested in acquiring Weight Watchers. The stock jumped 28% before giving back the gains. It's just as likely that a strategic buyer could emerge. Think of what Apple or Google could do with the Weight Watchers brand and its still-significant user base. Google bought Zagat, the restaurant-review guide, to add heft to searches, and Apple paid \$3 billion for Beats to jump-start its music streaming service.

Weight Watchers can offer valuable life-coaching on phones. The company has an enterprise value of \$2.3 billion, 90% of which is debt. A buyer could offer a 50% premium for the stock -- say, \$6 a share -- and still get the company for less than \$2.5 billion.

#### Growth Stocks in the Lead

Growth stocks handily outperformed value stocks in the first half of 2015. That was a departure from recent history: The market's valuations have prompted growth and value indexes to trade almost in lock step.

Starting with large companies, the S&P 500 Growth Index returned 2.8%, against a minus 0.45% for its value counterpart. It also held true for mid-sized and small companies, where the disparities were even greater. For instance, the Russell 2000 Growth Index returned 8.74% in the first half, compared with a mere 0.76% for the corresponding value benchmark.

"In periods of tepid economic growth, growth stocks stand out," observes Dennison T. Veru, chief investment officer at Palisade Capital Management, which manages \$5 billion of assets and specializes in small- and mid-cap stocks. Health-care and technology names, in particular, benefited from this trend.

Clearly, investors hopped on the growth train, and "the more dear growth got, the more investors were willing to pay for it," says Bill Martin, senior portfolio manager of the American Century Equity Growth fund (BEQGX), a large-stock fund that invests in both growth and value stocks.

Among the growth stocks that did very well in the first half were Amazon.com (AMZN) and Netflix (NFLX), which appreciated 40% and 92%, respectively.

Martin remains upbeat on prospects for growth stocks in the second half. His \$3.6 billion fund is tilted toward growth stocks, which he maintains are still attractively priced compared with value names, even after their recent outperformance. By his calculations, growth stocks are 10% undervalued and "still have strong footing," he says.

Martin says that in looking for companies, "quality is important, and we do tend to find more quality on the growth side."

Still, it would not be a good idea to double down on growth stocks. For one thing, as Veru noted, financial stocks typically fall into the value category. And those stocks should get a nice tailwind when the Federal Reserve finally raises interest rates, which could happen as early as the fall of 2015.

Martin concedes that an interest-rate hike, whenever that occurs, can be tricky for companies, though he observes that rate-sensitive and more cyclical companies tend to fall into the value camp. Growth stocks, he adds, "have reasonable valuations and still have room to run."

Martin's holdings include biotechnology giant Gilead (GILD), which trades at a reasonable 10.25 times the \$11.06 a share analysts expect the company to earn next year, and St. Jude Medical (STJ). The cardiovascular device maker fetches 17.25 times next year's consensus profit estimate of \$4.33 a share.

As of June 30, the Russell 1000 Growth Index fetched 19.3 times forward earnings, a 20% premium to the value index's multiple of 16. The growth benchmark has traded at a 45% premium on average since the indexes were created in 1978. That supports the argument that growth stocks, while hardly cheap, still have reasonable valuations compared with value names.

Just don't expect the same level of outperformance in the second half of the year.

-- Lawrence C. Strauss

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17760.41	+30.30	+0.17
DJTransportation	8201.65	+79.15	+0.97
DJUtilities	570.96	+9.83	+1.75
DJ65Stocks	6181.40	+39.19	+0.64
DJUSMarket	523.58	-0.21	-0.04
NYSEComp.	10853.92	-10.90	-0.10
NYSEMKTComp.	2367.26	+4.91	+0.21
<b>S&amp;P500</b>	2076.62	-0.16	-0.01
S&PMidCap	1503.73	-2.03	-0.13
S&PSmallCap	719.22	+1.67	+0.23
Nasdaq	4997.70	-11.52	-0.23
ValueLine(arith.)	4726.89	-29.10	-0.61
Russell2000	1252.02	+3.76	+0.30
DJUSTSMFloat	21741.28	-4.96	-0.02

	Last Week	Week Earlier
NYSE		
Advances	1,526	977
Declines	1,717	2,260
Unchanged	45	41
NewHighs	113	115
NewLows	446	514
AvDailyVol(mil)	3,568.2	3,567.9
Dollar		

(Finexspotindex)	96.03	95.95
T-Bond		
(CBTnearbyfutures)	149-030	149-060
Crude Oil		
(NYMlightsweetcrude)	52.74	56.93
Inflation KR-CRB		
(FuturesPriceIndex)	218.25	224.55
Gold		
(CMXnearbyfutures)	1157.70	1163.00

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## DOW JONES NEWSWIRES

The Trader: Buffeted By Crises, Stocks Stagger and Recover -- Barron's

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2015 年 7 月 11 日 05:09

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(FROM BARRON'S 7/13/15)

By Alexander Eule

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As quickly as it came, the fear of a correction was gone, driving Friday's broad rally, in which the Dow Jones Industrial Average rose 1.2%. The Dow finished the week up 30 points, or 0.2%, to 17,760, while the Standard & Poor's 500 index finished flat at 2077. The Nasdaq Composite slipped 12 points, to 4998.

Investors' willingness to embrace tidy answers to big concerns is another sign of the bull market's durability. The economy looks good enough to keep investors happy, and there's little angst about the coming wave of second-quarter earnings announcements. Alcoa (ticker: AA) kicked off earnings season last Wednesday. The aluminum maker missed estimates, but more important financial bellwethers are on tap this week. JPMorgan Chase (JPM) and Wells Fargo (WFC) report on Tuesday, Bank of America (BAC) on Wednesday, and Goldman Sachs (GS) and Citigroup (C) on Thursday.

It is unlikely that earnings will do anything to trip up stocks, since analysts have already reduced expectations. Wall Street expects second-quarter earnings for S&P 500 companies to fall an aggregate 4.4%, according to FactSet, which would represent the first decline since the third quarter of 2012 (see story on page 31). The actual numbers usually look better by the time results are in. Over the past four years, earnings growth rates have wound up an average of 2.9 percentage points higher than the pre-announcement estimates, notes FactSet.

For now, though, the main drag on earnings is energy. Lower oil prices are forecast to drag down energy-sector earnings by 57%. For the rest of the S&P 500, currency has emerged as a popular lament. By Friday, just 5% of the S&P 500, or 24 companies, had posted second-quarter results. FactSet reports that 17 of them had already noted the strong dollar's dampening impact. Just one company -- Walgreens Boots Alliance (WBA) -- mentioned Greece.

With the Greek drama apparently on the back burner, investors can consider their next big fear. "The Fed comes out front and center now," says Laura LaRosa, director of portfolio management at Glenmede. "It makes it much more difficult for the Fed to raise rates in September if Greece and China are experiencing a lot of volatility."

Weight Watchers Could Gain a Few

Three years ago, Weight Watchers was worth a hulking \$80 a share. Last week, the stock fell below \$4 -- not the kind of slimming down that investors had in mind.

The collapse speaks to the dangers of technology disruption, and the inherent conflicts of a private-equity controlled company. Since going public in 2001, Weight Watchers (WTW) has been majority-owned by Invus

Group, the leveraged-buyout firm that bought Weight Watchers in 1999. Invus has gorged itself, leaving skin and bones behind.

In 2012, Weight Watchers bought back \$1.5 billion of its stock, half of which came from Invus' stake. The repurchase, at \$82 a share, came near the stock's all-time high. Sure enough, Weight Watchers has been falling ever since.

Its market value is just \$225 million, a pittance for the 52-year-old company that still had 2014 sales of \$1.48 billion. The problem is that sales, like the stock, are tumbling, down 14% last year alone. There's also \$2 billion in debt, a manageable sum for a healthy Weight Watchers, but a potentially crushing one for the malnourished company.

Stockholders' concern, rightly so, is that Weight Watchers won't have the funds to pay off a substantial chunk of debt that comes due in April 2016. In June, the company paid off \$85 million of those loans, but there's more than \$200 million left. The bulk of the debt isn't due until 2020.

"We're modeling a 10% decline in sales next year for diet season," says Alex Fuhrman, an analyst with Craig-Hallum Capital Group, referring to the first quarter, when Weight Watchers signs up most of its customers for the year. "We think in that scenario they'll have enough cash to pay that debt off, but it will be close."

He adds, "If they can stabilize revenue to be flat to slightly positive, there's a lot of upside to the equity here." He rates Weight Watchers a Hold, with a \$6 price target.

To some degree, Weight Watchers is a victim of fast-moving technology, mainly the emergence of mobile apps that allow users to track calories for free. MyFitnessPal has become an industry leader with 80 million users. The company was recently bought by sports-apparel firm Under Armour (UA) for \$475 million.

The Internet and mobile phones could have been a huge opportunity for Weight Watchers. For a brief time, the Web became an excellent recruiting tool for men, who have always been reluctant to attend the traditional in-person meetings. Smartphones allowed paying customers to walk around with a Weight Watchers app that quickly calculated the "PointsPlus" value of foods.

But as with so many companies, technology turned from opportunity to peril. MyFitnessPal was not only free, but it also offered a better experience than the Weight Watchers app, turning calorie counting into a more efficient process. Weight Watchers never invested enough in technology. It easily could have acquired MyFitnessPal, instead of buying \$1.5 billion of its own stock in 2012.

Now, Weight Watchers is stuck in a vicious cycle. A shrinking user base means fewer successful clients proselytizing on Facebook and elsewhere. Any chance at recovering business means spending more on paid advertising, an expense it can't afford.

For risk-tolerant investors, though, there's still a chance at big gains. Last week, rumors swirled that an unnamed hedge fund was interested in acquiring Weight Watchers. The stock jumped 28% before giving back the gains. It's just as likely that a strategic buyer could emerge. Think of what Apple or Google could do with the Weight Watchers brand and its still-significant user base. Google bought Zagat, the restaurant-review guide, to add heft to searches, and Apple paid \$3 billion for Beats to jump-start its music streaming service.

Weight Watchers can offer valuable life-coaching on phones. The company has an enterprise value of \$2.3 billion, 90% of which is debt. A buyer could offer a 50% premium for the stock -- say, \$6 a share -- and still get the company for less than \$2.5 billion.

#### Growth Stocks in the Lead

Growth stocks handily outperformed value stocks in the first half of 2015. That was a departure from recent history: The market's valuations have prompted growth and value indexes to trade almost in lock step.

Starting with large companies, the S&P 500 Growth Index returned 2.8%, against a minus 0.45% for its value counterpart. It also held true for mid-sized and small companies, where the disparities were even greater. For instance, the Russell 2000 Growth Index returned 8.74% in the first half, compared with a mere 0.76% for the corresponding value benchmark.

"In periods of tepid economic growth, growth stocks stand out," observes Dennison T. Veru, chief investment officer at Palisade Capital Management, which manages \$5 billion of assets and specializes in small- and mid-cap stocks. Health-care and technology names, in particular, benefited from this trend.

Clearly, investors hopped on the growth train, and "the more dear growth got, the more investors were willing to pay for it," says Bill Martin, senior portfolio manager of the American Century Equity Growth fund (BEQGX), a large-stock fund that invests in both growth and value stocks.

Among the growth stocks that did very well in the first half were Amazon.com (AMZN) and Netflix (NFLX), which appreciated 40% and 92%, respectively.

Martin remains upbeat on prospects for growth stocks in the second half. His \$3.6 billion fund is tilted toward growth stocks, which he maintains are still attractively priced compared with value names, even after their recent outperformance. By his calculations, growth stocks are 10% undervalued and "still have strong footing," he says.

Martin says that in looking for companies, "quality is important, and we do tend to find more quality on the growth side."

Still, it would not be a good idea to double down on growth stocks. For one thing, as Veru noted, financial stocks typically fall into the value category. And those stocks should get a nice tailwind when the Federal Reserve finally raises interest rates, which could happen as early as the fall of 2015.

Martin concedes that an interest-rate hike, whenever that occurs, can be tricky for companies, though he observes that rate-sensitive and more cyclical companies tend to fall into the value camp. Growth stocks, he adds, "have reasonable valuations and still have room to run."

Martin's holdings include biotechnology giant Gilead (GILD), which trades at a reasonable 10.25 times the \$11.06 a share analysts expect the company to earn next year, and St. Jude Medical (STJ). The cardiovascular device maker fetches 17.25 times next year's consensus profit estimate of \$4.33 a share.

11 Jul 2015 00:09 ET The Trader: Buffeted By Crises, Stocks Stagger -2-

As of June 30, the Russell 1000 Growth Index fetched 19.3 times forward earnings, a 20% premium to the value index's multiple of 16. The growth benchmark has traded at a 45% premium on average since the indexes were created in 1978. That supports the argument that growth stocks, while hardly cheap, still have reasonable valuations compared with value names.

Just don't expect the same level of outperformance in the second half of the year.

-- Lawrence C. Strauss

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17760.41	+30.30	+0.17
DJTransportation	8201.65	+79.15	+0.97
DJUtilities	570.96	+9.83	+1.75
DJ65Stocks	6181.40	+39.19	+0.64
DJUSMarket	523.58	-0.21	-0.04
NYSEComp.	10853.92	-10.90	-0.10
NYSEMKTComp.	2367.26	+4.91	+0.21
<b>S&amp;P500</b>	2076.62	-0.16	-0.01
S&PMidCap	1503.73	-2.03	-0.13
S&PSmallCap	719.22	+1.67	+0.23
Nasdaq	4997.70	-11.52	-0.23
ValueLine(arith.)	4726.89	-29.10	-0.61
Russell2000	1252.02	+3.76	+0.30
DJUSTSMFloat	21741.28	-4.96	-0.02

Last Week    Week Earlier

NYSE		
Advances	1,526	977
Declines	1,717	2,260
Unchanged	45	41
NewHighs	113	115
NewLows	446	514

AvDailyVol(mil)	3,568.2	3,567.9
Dollar		
(Finexspotindex)	96.03	95.95
T-Bond		
(CBTnearbyfutures)	149-030	149-060
Crude Oil		
(NYMlightsweetcrude)	52.74	56.93
Inflation KR-CRB		
(FuturesPriceIndex)	218.25	224.55
Gold		
(CMXnearbyfutures)	1157.70	1163.00
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Home

Leaders & Laggards -- Second-Quarter 2015

By Michael Vallo

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2015 年 7 月 11 日

Barron's Online

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U.S. Stock Funds	0.19%		
CATEGORY	RETURN BEST FUND		RETURN WORST FUND
RETURN			
Large-Cap Core	0.10 J Hancock LgCp Eqty;I / JLVIX	3.36	Virtus:Quality LC Val;A / PPTAX
-2.84			
Large-Cap Growth	0.83 Edgewood Growth;Inst / EGFIX	3.68	Weitz:Value;Inv / WVALX
-1.64			
Large-Cap Value	0.31 Touchstone:Focused;Inst / TFFIX	3.11	Voya Corp Leaders / LEXCX
-3.29			
Long/Short Equity	-0.55 RBB:BP Gbl Lg/Sh;Inst / BGLSX	4.10	CBRE ClarionLng/Sh;Inst / CLSIX
-6.75			
Mid-Cap Core	-0.66 Private Cap Mgmt Value;I / VFPIX	4.63	Manning&Napier:Foc Opp;I & S
/MNFIX & MNFSX -4.74			
Mid-Cap Growth	0.63 Eventide Gilead;I / ETILX	5.13	Putnam Equity Spectrum;B / PYSOX
-4.25			
Mid-Cap Value	-0.73 Hennessy:Crnst MdCp;Inst / HIMDX	5.68	Pru Mid-Cap Value;C / NCBVX
-2.66			
Multi-Cap Core	-0.22 J Hancock II:Fdm ACC;NAV /	3.67	Janus Contrarian;C / JCNCX
-7.98			
Multi-Cap Growth	0.74 Berkshire:Focus / BFOCX	8.96	Rydex:S&P 500 Pure Gro;H /
RYAWX -2.36			
Multi-Cap Value	0.02 Hotchkis:Value Opps;I / HWAIX	3.78	Mt Lucas US Focus Eq;I / BMLEX
-4.28			

S&P 500 Index Objective	0.18 TIAA-CREF: <b>S&amp;P500</b> Idx;Ins / TISPX	0.30	Guggenheim:Cap Stew;I /
GFCIX -0.66			
Small-Cap Core	-0.06 Dreyfus Opptnstc SC / DSCVX	7.22	Invesco Sel Co;C / ATICX
-6.15			
Small-Cap Growth	2.10 Turner Sm Cap Gro;Inv / TSCEX	11.13	Baron Discovery;Inst / BDFIX
-1.69			
Small-Cap Value	-0.51 Aegis Value;I / AVALX	8.45	Bridgeway:Ultra-Sm Co / BRUSX
-6.12			

Sector Funds	-2.23%		
CATEGORY	RETURN BEST FUND		RETURN WORST FUND
RETURN			
Financial Services	3.91 Emerald:Bank&Finance;A / HSSAX	8.13	
Fidelity Adv FnSv;A / FAFDX	0.62		
Health/Biotechnology	5.09 Eventide Hlthcare & LS;I / ETIHX	11.46	Fidelity Sel Med Equip / FSMEX
-1.73			
Natural Resources	-1.40 Fidelity Sel Enrgy Ser / FSESX	2.95	MainStay:Cushing RA;A / CRZAX
-3.70			
Real Estate	-8.83 Cole Real Est Inc Str /	1.91	Voya:Real Estate;A / CLARX
-11.45			
Science & Technology	0.76 Columbia:Sel C&Info;Z / CCIZX	4.44	Fidelity Sel Comm Eq / FSDCX
-3.36			
Precious Metals Equity	0.25 Franklin Gld&Pr Mt;Adv / FGADX	4.13	Deutsche Gold&Prec;S /
SCGDY -2.46			
Utility	-3.89 MFS Utilities;I & R4/MMUIX & MMUJX	-1.96	Fidelity Adv Util;C / FUGCX
-6.55			

World Equity Funds 1.41%

CATEGORY	RETURN	RETURN BEST FUND	RETURN WORST FUND
Int'l Large-Cap Core	1.10	Principal: Intl I; Inst / PINIX	5.01 Aberdeen: Intl Eqty; A / GIGAX
-1.54			
Int'l Large-Cap Growth	1.11	Thornburg Intl Val; R6 / TGIRX	5.08 WHV Intl Equity; I /
WHVIX	-2.08		
Int'l Large-Cap Value	1.22	MassMutual Sel: Dvs I; I / MMZIX	2.44 Voya: GI Value Adv; C /
NAWCX	-0.08		
Japanese	4.17	Brown Adv WCM JpnAO; Inst / BAFJX	6.65 Fidelity Japan / FJPNX
1.75			
Latin American	1.46	T Rowe Price Int: Lat Am / PRLAX	2.10
JPMorgan: Latin Am; Sel / JLT SX	0.79		
Pacific Ex Japan	1.35	Matthews Asia: Korea; Inst / MIKOX	6.65 Aberdeen: AXJ
Equity; Inst / AAPIX	-1.97		
China Region	7.10	Matthews Asia: Ch Dv; Inv / MCDFX	14.68 GMO: Taiwan / GMOTX
-0.62			
Emerging Markets	0.78	Brown Advisory Emerging Markets Small Cap I / BAFNX	9.86 Templeton Dev
Mrkt; C / TDMTX	-3.74		
European Region	2.02	INVESCO Euro Sm Co; Y / ESMYX	5.96 Franklin Mut
European; C / TEURX	-2.45		

Mixed Equity Funds	-0.50%		
CATEGORY	RETURN	RETURN BEST FUND	RETURN WORST FUND
Convertible Securities	0.01	Allianz: GI Conv; Inst / ANNPX	1.28
Fidelity Adv Cnv Sec; C / FCCVX	-3.82		
Flexible Portfolio	-1.08	QS LM Strat Real Rtn; IS / LRRSX	1.13 Chou: Opportunity / CHOEX
-11.64			
Mixed-Asset Target 2010	-0.51	Fidelity Freedom K 2010 / FFKCX	-0.03 Wells Fargo: DJ 2010; Inv /
WFCTX	-1.36		
Mixed-Asset Target 2015	-0.57	Fidelity Freedom K 2015 / FKVFX	0.02 Wells Fargo: DJ 2015; R4 /
WFSRX	-1.45		
Mixed-Asset Target 2020	-0.54	AB 2020 Ret Strat; K / LTHKX	0.17 PIMCO: RealPath 2020; Admn
/ PFNAX	-1.51		
Mixed-Asset Target 2025	-0.46	AB 2025 Ret Strat; K / LTJKX	0.41 PIMCO: RealPath
2025; Admn / PENMX	-1.51		
Mixed-Asset Target 2030	-0.24	Fidelity Freedom K 2030 / FFKEX	0.76 PIMCO: RealPath
2030; Admn / PNLAX	-1.49		
Mixed-Asset Target Alloc Conserv	-0.90	Pioneer Mlt-Asst Inc; Y / PMFYX	0.61 Transam: Dynamic Inc; C /
IGTCX	-3.55		
Mixed-Asset Target Alloc Growth	-0.31	Invesco Eq & Income; R6 / IEIFX	1.37 Advance Cap I: Bal; Rtl /
ADBAX	-2.19		

Includes all funds over \$50 millions.

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## MARKET WEEK

Stocks --- The Trader: Stocks Fall 1.2% on Worries About Greece

By Sandra Ward

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2015 年 7 月 6 日

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Greece is the word that dominated global financial markets last week, as the country defaulted Tuesday night on a \$1.72 billion repayment to the International Monetary Fund. The Greek government initiated capital controls and closed banks, while the country's prime minister rejected the latest bailout offer from creditors. The government has called for a referendum on July 5 on whether to continue austerity measures insisted on by creditors, including the European Commission, the European Central Bank, and the International Monetary Fund.

Uncertainty about the future of the European Union and its currency led to a global selloff Monday as assets were repriced to account for the new level of risk. The Dow Jones Industrial Average fell 216 points, or 1.2% on the holiday-shortened week, to 17,730, while the Standard & Poor's 500 index gave up 24.71 points, or 1.18%, to 2076. The Nasdaq Composite slid 71.29, or 1.4%, to 5009, its second consecutive weekly decline. Markets were closed Friday in honor of Independence Day.

Tuesday's trading marked the end of the second quarter, in which the S&P 500 fell 4.78 points, snapping a nine-quarter winning streak. The Dow Industrials fell 156.61 points, or less than 1%, with all the losses coming in June. Top Dow performers in the quarter included JPMorgan Chase (ticker: JPM), Goldman Sachs (GS), Walt Disney (DIS), Microsoft (MSFT), and Nike (NKE). Bringing up the rear were Wal-Mart Stores (WMT), Travelers (TRV), DuPont (DD), Chevron (CVX), and Boeing (BA).

The Nasdaq Composite was the best-performing index in the quarter, marking a tenth straight quarterly advance, and ending up 85.98 points, or 1.75%, at 4986.87.

Bridgewater Associates, founded by one of the world's top investors, Ray Dalio, and manager of the biggest hedge fund in the world, moved to assure clients that a possible Grexit, or Greek exit from the euro zone, most likely would have little impact on financial markets. "The drama of Greece will go on and cause smaller and smaller ripples into global financial markets," the firm wrote to clients.

The same holds for China, Bridgewater said, noting that its plummeting share prices are typical of a developing market whose participants are mostly unsophisticated investors speculating on margin, and not reflective of the economy as a whole. China's Shanghai composite index continued a two-week slide and entered bear-market territory, down nearly 22% from mid-July in 2014, despite efforts of the government to prop it up by pushing through a rate cut.

Of more importance to investors would be a slowdown in Germany, a concern highlighted by Nancy Lazar, co-founder and chief economist at Cornerstone Macro, a market strategy and research firm, in a piece last week titled "It's All about Germany, Not Greece."

The Russian recession and China slowdown have weighed on Germany, the biggest driver of the euro-zone recovery, and business confidence there has fallen, raising the specter of slowing growth. Cornerstone has lowered its 2015 forecast for German gross domestic product to 1.5% from 1.8%, buttressing its view that global GDP will slow.

Supports for the German economy include strong housing data and consumer confidence, driven by low unemployment, accelerating wages, and low interest rates.

Adding to last week's turmoil, Puerto Rico's governor said the cash-strapped Commonwealth might not be able to make debt repayments. He asked for concessions from lenders, sending jitters through the municipal-bond market and rattling muni-bond insurers, as well as some hedge funds that bet big on the island territory. (See "Puerto Rico: Still Dangerous" -- Barron's July 6, 2015, for more on Puerto Rico's woes.)

All 10 sectors of the S&P 500 traded below their 50-day moving average Monday. The Chicago Board Options Exchange Volatility Index, or VIX, a measure of expected volatility in the markets based on S&P futures, exploded upward by 34% to 18.85, its highest close since early February. By Thursday, the VIX had settled down to about 16.45.

The S&P 500 has fallen 2.54% from its May 21 high. Only the financial and health-care sectors still have rising 50-day moving-average trend lines, while financials, health-care, and consumer-discretionary stocks are above their 200-day moving averages, notes Ed Yardeni of Yardeni Research.

Still, the good folks at Yardeni sounded a note of optimism. The recent upheaval is setting the stage for another relief rally in U.S. stocks, Yardeni surmises. Despite rich valuations, he and his team continue to believe the S&P 500, 400, and 600 are in a secular bull market, and that earnings gains, rather than higher multiples, will propel stocks higher. "The forward earnings of these three indexes dipped from last summer's record highs as their energy-sector earnings plunged along with oil prices," he said late last week. "In recent weeks, all three have bottomed and are gradually recovering."

Morgan Stanley strategists continue to favor U.S. equities, also, based on their view that earnings estimates are too low and the U.S. economy will strengthen in the second half. Also, they note, sentiment toward U.S. stocks remains relatively poor.

The firm is overweight financials, energy, and consumer-discretionary stocks, and underweight industrials, materials, telecoms, and staples. Its model portfolio is comprised of six companies, each with more than 50% of revenue U.S.-based, and preferred on a quantitative as well as a fundamental basis: United Technologies (UTX), Delta Air Lines (DAL), CBS (CBS), Valero Energy (VLO), Whole Foods Market (WFM), and Xerox (XRX).

The bank's least-favored U.S. stocks are ExxonMobil (XOM), Dow Chemical (DOW), Caterpillar (CAT), Baxter International (BAX), and PPG Industries (PPG).

Job growth in the U.S. came in weaker than expected in June, tempering the outlook for an interest-rate hike in September. Based on fed-funds futures contracts, traders now see a rate hike as an early-2016 event. U.S. non-farm payrolls grew by 223,000 in June, weaker than the 230,000 expected. Figures for April and May were revised downward, also. The labor-force participation rate, at 62.6%, was the lowest reading since October 1977. The unemployment rate dipped to 5.3% from an expected 5.4% because 432,000 dropped out of the labor force.

Growth in home prices, as tracked by the S&P/Case-Shiller Home Price Index, slowed in April to 4.2%, below the 4.3% recorded in March. The 20-city index gained 4.9% year-over-year, well below expectations for an advance of 5.4% as well as the 5% rise posted in March and February. Still, sales of existing homes in May were up 9.2% from the year-earlier period, and new-home sales jumped 20% to reach the highest level since 2008, according to the National Association of Realtors. Pending home sales rose by 0.9% in May, lower than the 1.2% expected but still the highest level since April 2006.

Homebuilders have been buoyed by the steady improvements in sales, as evidenced by Lennar's (LEN) strong fiscal second-quarter results as well as consolidation in the sector, notably Standard Pacific's (SPF) and Ryland Group's (RYL) planned \$5.2 billion merger announced in mid-June. Standard Pacific CEO Scott Stowell forecast "a wave of consolidation in our industry."

Since early February, shares of Beazer Homes USA (BZH) have climbed 37.5% to a recent \$19.87, with most of the gains coming in recent weeks on the heels of the merger announcement and Lennar's report. But as Gimme Credit, an independent corporate-bond research outfit, pointed out in a recent report, Beazer Homes is no Lennar.

For one thing, it is likely to report lower-than-expected results when it reports its fiscal third-quarter. Atlanta-based Beazer, which caters to entry-level buyers by offering more affordably priced houses, is losing market share at a faster pace than other peers to industry leader Lennar, and its gross profit margins are considerably lower. Moreover, its debt load is among the highest in the industry as reflected in its debt-to-capital ratio of about 80%.

Gimme Credit analyst Vicki Bryan notes that Beazer's \$1.54 billion debt is only modestly exceeded by inventory of \$1.76 billion, mostly raw land probably worth less than book value. Its available cash is down 55% year to date to \$146 million. She notes, too, that Beazer's fragile financial condition makes it not only an undesirable buyout target but also would make it difficult for the company to obtain the necessary financing to make an acquisition. While there have been improvements in the housing market and the industry is showing signs of recovery, there continue to be disturbing overall trends. Indeed, homeownership rates are still falling and rentals continue to rise, even as rental prices reach an 80-year high.

Beazer shares, trading at 10.7 times the fiscal 2016 consensus earnings estimate of \$1.86, could be headed for a fall.

Forgive investors in benefits consultant Towers Watson (TW) for wondering what hit them. When they went to bed Monday night, the shares were fetching close to \$138, slightly lower than the 52-week high of \$141 a share. When they awoke Tuesday, the shares were worth \$125, the implied value resulting from a so-called merger of equals with insurance broker Willis Group Holdings (WSH) announced that morning. The all-stock deal, valued at \$18 billion, gives Willis a 50.1% stake in the new company to be called Willis Towers Watson.

Towers Watson holders will receive 2.649 shares of Willis plus a one-time cash dividend of \$4.87 a share. The companies defended the exchange ratio, saying it was determined in May and based on a 60-day moving stock-price average at which point their stock values were more closely aligned. Since early May, Towers shares have risen dramatically while Willis' have fallen.

The new company will be based in Ireland, adding a significant tax-savings component to the deal, although it might not be enough to soften the blow. Towers' shares ended the week higher at just under \$129 a share, suggesting investors think a new bidder could disrupt this deal. Towers Watson is also said to be among the final bidders for Russell Investments, the investment arm of Frank Russell owned by the London Stock Exchange, with an asking price of \$1.5 billion.

Should Towers win the bidding for Russell, that would add even more integration risk. With the shares about flat since we wrote about them in April, and up significantly since we first highlighted Towers in 2014, we'd take profits here.

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17730.11	-216.57	-1.21
DJTransportation	8122.50	-119.97	-1.46
DJUtilities	561.13	+6.01	+1.08
DJ65Stocks	6142.21	-57.95	-0.93
DJUSMarket	523.79	-6.61	-1.25
NYSEComp.	10864.82	-175.49	-1.59
NYSEMKTComp.	2362.35	-60.95	-2.51
<b>S&amp;P500</b>	2076.78	-24.71	-1.18
S&PMidCap	1505.76	-26.86	-1.75
S&PSmallCap	717.55	-16.89	-2.30
Nasdaq	5009.21	-71.29	-1.40
ValueLine(arith.)	4755.78	-102.43	-2.11
Russell2000	1248.26	-31.54	-2.46
DJUSTSMFloat	21746.23	-287.34	-1.30

	Last Week	Week Earlier
NYSE		
Advances	977	1,262
Declines	2,260	1,992
Unchanged	41	46
NewHighs	115	312
NewLows	514	269
AvDailyVol(mil)	3,567.9	3,337.3
Dollar		
(Finexspotindex)	96.09	95.40
T-Bond		
(CBTnearbyfutures)	149-060	147-180
Crude Oil		
(NYMlightsweetcrude)	56.93	59.63
Inflation KR-CRB		
(FuturesPriceIndex)	224.55	224.88

Gold  
(CMXnearbyfutures) 1163.00 1172.90  
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文件 B000000020150704eb760000x

# DOW JONES NEWSWIRES

Industrials Retreat on Fears Over Greek Fallout -- Industrials Roundup

170 字

2015 年 7 月 6 日 21:55

Dow Jones Institutional News

DJDN

英文

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Shares of manufacturing and transportation companies fell amid concerns that the possible exit of Greece from the eurozone would lead to a financial crisis.

One report said the industrial sector and others on the stock market could see a rebound in coming weeks as earnings reports beat modest expectations. "Over the last three months, second quarter 2015 consensus estimates were cut in seven out of the ten **S&P500** sectors, led by discretionary and industrials," Morgan Stanley analysts said in a research note. "Given the steep drop in oil prices since mid-2014 and the continued strengthening of the dollar, we remain on watch for profit impacts from these macro factors. We will also continue to monitor capital spending announcements (including backlog age and size and book-to-bill ratios in the technology and industrial sectors), inventory levels, and hiring."

-By Rob Curran, rob.curran@dowjones.com

(END) Dow Jones Newswires

July 06, 2015 16:55 ET (20:55 GMT)

文件 DJDN000020150706eb76003d7

## DOW JONES NEWSWIRES

The Trader: Stocks Fall 1.2% On Worries About Greece -- Barron's

2,057 字

2015 年 7 月 4 日 05:08

Dow Jones Institutional News

DJDN

M3

英文

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(FROM BARRON'S 7/6/15)

By Sandra Ward

Greece is the word that dominated global financial markets last week, as the country defaulted Tuesday night on a \$1.72 billion repayment to the International Monetary Fund. The Greek government initiated capital controls and closed banks, while the country's prime minister rejected the latest bailout offer from creditors. The government has called for a referendum on July 5 on whether to continue austerity measures insisted on by creditors, including the European Commission, the European Central Bank, and the International Monetary Fund.

Uncertainty about the future of the European Union and its currency led to a global selloff Monday as assets were repriced to account for the new level of risk. The Dow Jones Industrial Average fell 216 points, or 1.2% on the holiday-shortened week, to 17,730, while the Standard & Poor's 500 index gave up 24.71 points, or 1.18%, to 2076. The Nasdaq Composite slid 71.29, or 1.4%, to 5009, its second consecutive weekly decline. Markets were closed Friday in honor of Independence Day.

Tuesday's trading marked the end of the second quarter, in which the S&P 500 fell 4.78 points, snapping a nine-quarter winning streak. The Dow Industrials fell 156.61 points, or less than 1%, with all the losses coming in June. Top Dow performers in the quarter included JPMorgan Chase (ticker: JPM), Goldman Sachs (GS), Walt Disney (DIS), Microsoft (MSFT), and Nike (NKE). Bringing up the rear were Wal-Mart Stores (WMT), Travelers (TRV), DuPont (DD), Chevron (CVX), and Boeing (BA).

The Nasdaq Composite was the best-performing index in the quarter, marking a tenth straight quarterly advance, and ending up 85.98 points, or 1.75%, at 4986.87.

Bridgewater Associates, founded by one of the world's top investors, Ray Dalio, and manager of the biggest hedge fund in the world, moved to assure clients that a possible Grexit, or Greek exit from the euro zone, most likely would have little impact on financial markets. "The drama of Greece will go on and cause smaller and smaller ripples into global financial markets," the firm wrote to clients.

The same holds for China, Bridgewater said, noting that its plummeting share prices are typical of a developing market whose participants are mostly unsophisticated investors speculating on margin, and not reflective of the economy as a whole. China's Shanghai composite index continued a two-week slide and entered bear-market territory, down nearly 22% from mid-July in 2014, despite efforts of the government to prop it up by pushing through a rate cut.

Of more importance to investors would be a slowdown in Germany, a concern highlighted by Nancy Lazar, co-founder and chief economist at Cornerstone Macro, a market strategy and research firm, in a piece last week titled "It's All about Germany, Not Greece."

The Russian recession and China slowdown have weighed on Germany, the biggest driver of the euro-zone recovery, and business confidence there has fallen, raising the specter of slowing growth. Cornerstone has lowered its 2015 forecast for German gross domestic product to 1.5% from 1.8%, buttressing its view that global GDP will slow.

Supports for the German economy include strong housing data and consumer confidence, driven by low unemployment, accelerating wages, and low interest rates.

Adding to last week's turmoil, Puerto Rico's governor said the cash-strapped Commonwealth might not be able to make debt repayments. He asked for concessions from lenders, sending jitters through the municipal-bond market and rattling muni-bond insurers, as well as some hedge funds that bet big on the island territory. (See "Puerto Rico: Still Dangerous" -- Barron's July 6, 2015, for more on Puerto Rico's woes.)

All 10 sectors of the S&P 500 traded below their 50-day moving average Monday. The Chicago Board Options Exchange Volatility Index, or VIX, a measure of expected volatility in the markets based on S&P futures, exploded upward by 34% to 18.85, its highest close since early February. By Thursday, the VIX had settled down to about 16.45.

The S&P 500 has fallen 2.54% from its May 21 high. Only the financial and health-care sectors still have rising 50-day moving-average trend lines, while financials, health-care, and consumer-discretionary stocks are above their 200-day moving averages, notes Ed Yardeni of Yardeni Research.

Still, the good folks at Yardeni sounded a note of optimism. The recent upheaval is setting the stage for another relief rally in U.S. stocks, Yardeni surmises. Despite rich valuations, he and his team continue to believe the S&P 500, 400, and 600 are in a secular bull market, and that earnings gains, rather than higher multiples, will propel stocks higher. "The forward earnings of these three indexes dipped from last summer's record highs as their energy-sector earnings plunged along with oil prices," he said late last week. "In recent weeks, all three have bottomed and are gradually recovering."

Morgan Stanley strategists continue to favor U.S. equities, also, based on their view that earnings estimates are too low and the U.S. economy will strengthen in the second half. Also, they note, sentiment toward U.S. stocks remains relatively poor.

The firm is overweight financials, energy, and consumer-discretionary stocks, and underweight industrials, materials, telecoms, and staples. Its model portfolio is comprised of six companies, each with more than 50% of revenue U.S.-based, and preferred on a quantitative as well as a fundamental basis: United Technologies (UTX), Delta Air Lines (DAL), CBS (CBS), Valero Energy (VLO), Whole Foods Market (WFM), and Xerox (XRX).

The bank's least-favored U.S. stocks are ExxonMobil (XOM), Dow Chemical (DOW), Caterpillar (CAT), Baxter International (BAX), and PPG Industries (PPG).

Job growth in the U.S. came in weaker than expected in June, tempering the outlook for an interest-rate hike in September. Based on fed-funds futures contracts, traders now see a rate hike as an early-2016 event. U.S. non-farm payrolls grew by 223,000 in June, weaker than the 230,000 expected. Figures for April and May were revised downward, also. The labor-force participation rate, at 62.6%, was the lowest reading since October 1977. The unemployment rate dipped to 5.3% from an expected 5.4% because 432,000 dropped out of the labor force.

Growth in home prices, as tracked by the S&P/Case-Shiller Home Price Index, slowed in April to 4.2%, below the 4.3% recorded in March. The 20-city index gained 4.9% year-over-year, well below expectations for an advance of 5.4% as well as the 5% rise posted in March and February. Still, sales of existing homes in May were up 9.2% from the year-earlier period, and new-home sales jumped 20% to reach the highest level since 2008, according to the National Association of Realtors. Pending home sales rose by 0.9% in May, lower than the 1.2% expected but still the highest level since April 2006.

Homebuilders have been buoyed by the steady improvements in sales, as evidenced by Lennar's (LEN) strong fiscal second-quarter results as well as consolidation in the sector, notably Standard Pacific's (SPF) and Ryland Group's (RYL) planned \$5.2 billion merger announced in mid-June. Standard Pacific CEO Scott Stowell forecast "a wave of consolidation in our industry."

Since early February, shares of Beazer Homes USA (BZH) have climbed 37.5% to a recent \$19.87, with most of the gains coming in recent weeks on the heels of the merger announcement and Lennar's report. But as Gimme Credit, an independent corporate-bond research outfit, pointed out in a recent report, Beazer Homes is no Lennar.

For one thing, it is likely to report lower-than-expected results when it reports its fiscal third-quarter. Atlanta-based Beazer, which caters to entry-level buyers by offering more affordably priced houses, is losing market share at a faster pace than other peers to industry leader Lennar, and its gross profit margins are considerably lower. Moreover, its debt load is among the highest in the industry as reflected in its debt-to-capital ratio of about 80%.

Gimme Credit analyst Vicki Bryan notes that Beazer's \$1.54 billion debt is only modestly exceeded by inventory of \$1.76 billion, mostly raw land probably worth less than book value. Its available cash is down 55% year to date to \$146 million. She notes, too, that Beazer's fragile financial condition makes it not only an undesirable buyout target but also would make it difficult for the company to obtain the necessary financing to make an acquisition. While there have been improvements in the housing market and the industry is showing signs of recovery, there continue to be disturbing overall trends. Indeed, homeownership rates are still falling and rentals continue to rise, even as rental prices reach an 80-year high.

Beazer shares, trading at 10.7 times the fiscal 2016 consensus earnings estimate of \$1.86, could be headed for a fall.

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4 Jul 2015 00:08 ET The Trader: Stocks Fall 1.2% On Worries About -2-

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T-Bond		
(CBTnearbyfutures)	149-060	147-180
Crude Oil		
(NYMlightsweetcrude)	56.93	59.63

Inflation KR-CRB		
(FuturesPriceIndex)	224.55	224.88
Gold		
(CMXnearbyfutures)	1163.00	1172.90
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(END) Dow Jones Newswires

July 04, 2015 00:08 ET (04:08 GMT)

文件 DJDN000020150704eb740006e

# DOW JONES NEWSWIRES

Nordic Stocks Seen Opening Just Lower -- Market Talk

153 字

2015 年 7 月 1 日 07:50

Dow Jones Institutional News

DJDN

英文

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0650 GMT [Dow Jones] Nordic markets are seen opening just lower Wednesday with IG calling the OMXS30 down 0.2% at around 1539. "Markets remained calm after Greece defaulted on an EUR1.5bn IMF loan yesterday," notes SEB. "US bond yields increased some 2bps last night while stock markets advanced slightly (DJ +0.1%, **S&P500** +0.3%). Also Asian stock markets are on a positive note this morning." An ECB non-monetary policy meeting today will be watched for comments on Greece, while on the data front, PMIs and US ISM manufacturing will be in focus. OMXS30 closed at 1541.66, OMXN40 at 1552.32 and OBX at 568.41. (dominic.chopping@wsj.com)

Contact us in London. +44-20-7842-9464  
markettalk@wsj.com

(END) Dow Jones Newswires

July 01, 2015 02:50 ET (06:50 GMT)

文件 DJDN000020150701eb71000kp

## MARKET WEEK

Stocks --- The Trader: Stocks Fall Only 0.4% as Investors Eye Greece Showing the Love

By Avi Salzman

1,820 字

2015 年 6 月 29 日

Barron's

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After a somnolent week on Wall Street, volume kicked up Friday as traders placed rapid-fire bets on stocks affected by annual changes to the Russell indexes. But the day's surge did little to lift U.S. stock indexes, which ended the week down slightly.

Stocks also rose -- and fell -- last week on news about Greece, which had only until June 30 to pay off a loan from the International Monetary Fund and was working with euro-zone leaders to unlock bailout money before the end of the weekend. Greek Prime Minister Alexis Tsipras has called a referendum for July 5 to vote on terms of the latest aid package.

The Dow rose Monday and Tuesday, fell Wednesday, rose Thursday, and fell Friday, ending the week just slightly below where it started.

The Dow Jones Industrial Average fell 69 points, or 0.4%, on the week, to 17,946.68, while the Standard & Poor's 500 index slipped 8.5 points, also 0.4%, to 2101.49. The Nasdaq Composite fell 36.5 points, or 0.7%, to 5080.51.

More than \$4 trillion in capital is benchmarked to the Russell indexes, according to Nicholas Colas at ConvergeX. Inclusion is based largely on market capitalization. When the indexes rebalanced Friday, fund managers who track them bought and sold stocks to match the new weightings. Friday's volume on the NYSE was the year's third highest.

Traders tend to play these moves too, with some buying shares earlier in the year of companies likely to be added to the Russell 2000, and selling them just before the rebalancing. It can be a lucrative trade: The stocks being added to the Russell 2000 are up 11% since May 1, according to Colas.

Friday's flurry of activity came amid a longer lull in the market. With the kickoff of second-quarter earnings season still two weeks away, investors have time to fret about Greece -- perhaps too much time. U.S. jobs and wage data are more important factors for the market than Greece, says Quincy Krosby, market strategist at Prudential Financial. But in the absence of new data points, investors are "waiting for a catalyst and hoping for a positive one."

U.S. data was mixed on the week, with personal income rising 0.5% on the month, in line with expectations, and housing showing more signs of improvement. Existing-home sales rose to the highest levels in more than five years. But a manufacturing index tracked by Markit slipped for the third month in a row, as the "strong dollar continues to weigh on manufacturing performance," the firm said.

Hospital stocks got a big lift last week after the Supreme Court upheld the Affordable Care Act, knocking down the most substantial challenge to the law. The ruling essentially ensures that hospitals will continue to see an influx of patients with new access to health care.

Tenet Healthcare (THC) soared 12% on the news, to \$57.80, and HCA Holdings (HCA) rose 9%, to \$91.84.

Absent a Greece-induced meltdown, trading could also be slow in the coming holiday-shortened week -- the markets are closed Friday ahead of Independence Day. But jobs numbers are set to be released on Thursday, which could lead to some late-week action.

## Digital Realty Trust Gets Upgraded

Traders are often skeptical of sell-side analysts, on the assumption that they're simply regurgitating conventional wisdom about stocks. But when multiple analysts suddenly change their tune about a stock, investors would be wise to listen.

Thomas Lee, managing partner at Fundstrat, tracks analysts' rating changes, and last week highlighted the stocks with the most dramatic changes in sentiment in the past two weeks. The list of most-upgraded stocks is posted nearby, along with the percent change in Buy ratings on the stocks. Lee says these lists can act as strong Buy signals, particularly when analysts start to upgrade stocks that have fallen out of favor.

"Generally, analysts upgrade stocks because of improving fundamentals or positive surprises," Lee said. "It is worth noting. If it is coming at a time when the Street has been bearish, I see it as a positive signal."

At the top of the list of stocks that analysts have started to like again is Digital Realty Trust, a real estate investment trust that mostly manages data centers. The stock received a net of four upgrades in the past two weeks (net upgrades subtract any downgrades). The stock has traded flat this year as the REIT's leasing activity slowed in the first quarter. Shares trade at a lower ratio of price to funds from operations (FFO is an earnings-equivalent for REITs) than competitors such as CoreSite Realty (COR), and offer a 5.1% dividend yield.

The potential for more rapid leasing activity in the second quarter and a report that the company could bid for privately held data-center and colocation company TELX Group helped spark the flurry of analyst upgrades this month. "Colocation" centers serve retail customers, and buying TELX would allow Digital Realty to further diversify its customer base beyond corporations. "With the specter of meaningful M&A now appearing more likely, we believe this provides the catalyst to become more positive," wrote Canaccord Genuity analyst Gregory Miller.

Analysts have also turned bearish on some stocks in recent weeks, and that too can be a buying signal in certain circumstances, Lee says. "When the consensus gets bearish, expectations couldn't get worse," he says.

These "washed-out" stocks offer the possibility of a positive surprise.

Among the most-downgraded stocks of the past two weeks are large-caps such as Williams Cos. (WMB), an energy infrastructure company, and health insurer Cigna (CI). But neither of these stocks could be considered "washed-out," particularly given their strong performance in recent weeks. Cigna is up 24% in the past month, and Williams has risen 10%.

Lee says another, smaller company on the list stands out, however. Diebold (DBD), which makes ATM machines, has weak analyst sentiment -- only two of the seven analysts who follow the stock rate it a Buy, according to FactSet. While most analysts remain skeptical or neutral, one analyst who likes the stock says it could benefit from an expected wave of bank-branch upgrades.

"We believe the firm can return to mid-single-digit-percentage top-line growth in fiscal 2017 driven by branch transformation," wrote JP Morgan analyst Paul Coster in a note this month upgrading shares to Neutral.

#### Range Resources Could See Fat Profits

Fort Worth, Texas-based Range Resources (ticker RRC), a natural-gas producer, has been beset lately by problems. As Pennsylvania's most active driller, it faces a record fine for a natural-gas well that reportedly contaminated groundwater. Natural-gas prices have also been depressed, which means that earnings are slumping.

This year Range is expected to earn 53 cents a share on revenue of \$1.8 billion, down from \$1.49 a share on \$2 billion of revenue in 2014. Earnings could fall even further, to 38 cents, in 2016. That would put Range shares, which fetched \$49 last week, down from \$87 a year ago, at 129 times earnings 2016 estimated earnings.

Ironically, that gargantuan multiple has sparked interest in the shares among some value investors. Dave Perkins, who co-manages the Weitz Value (WVALX) and Weitz Research (WRESX) funds, notes that Range is the 14th-largest natural-gas producer in the continental U.S., even though it discovered the Marcellus Shale, America's most prolific natural-gas field, a decade ago. It controls 1.6 million acres in the Appalachian basin and owns some of the lowest-cost acreage in the Marcellus, where the break-even cost on natural-gas production could range from \$2.10 to \$3.50 per million cubic feet equivalent, according to Credit Suisse.

Perkins thinks Range could be profitable at \$2.50 per mcf "in all but the most dire price environments." The company has driven production and operating costs lower by more than 40% since 2008, he notes. It has resources of between 66 trillion and 87 trillion cubic feet of gas equivalent, excluding the 400,000 acres it controls in the emerging Utica formation.

The company is getting more efficient at figuring out the best way to fracture wells, he says. He figures Range has lowered the cost of replacing existing reserves to about 54 cents per mmmcf.

Eventually, Perkins says, the price of gas has to improve. Supply has swelled in the Northeast, and transportation infrastructure has failed to keep pace. But new pipeline capacity is allowing lower-cost Marcellus gas to displace higher-cost gas across the middle states and the Southeast. With a 50% decline in rig counts in the past year, there could be an associated drop in gas production.

Demand growth, meanwhile, is coming from greater export appetite, coal-plant retirements, and new industrial plants. That might even restore gas prices to \$4 in a couple of years, from \$2.77 now. Although the short term looks bleak, analysts are more sanguine further out. They see Range's earnings rising to \$1.61 a share in 2017 on revenue of \$2.64 billion, and to \$4.39 in 2018, on revenue of \$3.07 billion.

Perkins believes the stock is worth at least \$100, with downside to \$47, or around the current price. "That's why we're really attracted to it," he says. "We see rising production, reserves, cash flow, and earnings at a pretty compelling price, without a lot of risk of permanent loss."

-- Leslie P. Norton

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## Vital Signs

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DJ65Stocks	6200.16	-74.52	-1.19
DJUSMarket	530.40	-2.53	-0.48
NYSEComp.	11040.31	+1.35	+0.01
NYSEMKTComp.	2423.29	+9.18	+0.38
<b>S&amp;P500</b>	2101.49	-8.50	-0.40
S&PMidCap	1532.62	-8.21	-0.53
S&PSmallCap	734.44	-1.91	-0.26
Nasdaq	5080.51	-36.50	-0.71
ValueLine(arith.)	4858.21	-21.30	-0.44
Russell2000	1279.80	-4.87	-0.38
DJUSTSMFloat	22033.58	-104.91	-0.47

	Last Week	Week Earlier
NYSE		
Advances	1,262	1,766
Declines	1,992	1,477
Unchanged	46	53
NewHighs	312	237
NewLows	269	241
AvDailyVol(mil)	3,337.3	3,388.4
Dollar		
(Finexspotindex)	95.40	94.07
T-Bond		
(CBTnearbyfutures)	147-180	151-290
Crude Oil		
(NYMlightsweetcrude)	59.63	59.61
Inflation KR-CRB		
(FuturesPriceIndex)	224.88	222.13
Gold		
(CMXnearbyfutures)	1172.90	1201.50

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## DOW JONES NEWSWIRES

The Trader: Stocks Fall Only 0.4% As Investors Eye Greece

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2015 年 6 月 27 日 05:09

Dow Jones Institutional News

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(FROM BARRON'S 6/29/15)

By Avi Salzman

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More than \$4 trillion in capital is benchmarked to the Russell indexes, according to Nicholas Colas at ConvergeX. Inclusion is based largely on market capitalization. When the indexes rebalanced Friday, fund managers who track them bought and sold stocks to match the new weightings. Friday's volume on the NYSE was the year's third highest.

Traders tend to play these moves too, with some buying shares earlier in the year of companies likely to be added to the Russell 2000, and selling them just before the rebalancing. It can be a lucrative trade: The stocks being added to the Russell 2000 are up 11% since May 1, according to Colas.

Friday's flurry of activity came amid a longer lull in the market. With the kickoff of second-quarter earnings season still two weeks away, investors have time to fret about Greece -- perhaps too much time. U.S. jobs and wage data are more important factors for the market than Greece, says Quincy Krosby, market strategist at Prudential Financial. But in the absence of new data points, investors are "waiting for a catalyst and hoping for a positive one."

U.S. data was mixed on the week, with personal income rising 0.5% on the month, in line with expectations, and housing showing more signs of improvement. Existing-home sales rose to the highest levels in more than five years. But a manufacturing index tracked by Markit slipped for the third month in a row, as the "strong dollar continues to weigh on manufacturing performance," the firm said.

Hospital stocks got a big lift last week after the Supreme Court upheld the Affordable Care Act, knocking down the most substantial challenge to the law. The ruling essentially ensures that hospitals will continue to see an influx of patients with new access to health care.

Tenet Healthcare (THC) soared 12% on the news, to \$57.80, and HCA Holdings (HCA) rose 9%, to \$91.84.

Absent a Greece-induced meltdown, trading could also be slow in the coming holiday-shortened week -- the markets are closed Friday ahead of Independence Day. But jobs numbers are set to be released on Thursday, which could lead to some late-week action.

Digital Realty Trust Gets Upgraded

Traders are often skeptical of sell-side analysts, on the assumption that they're simply regurgitating conventional wisdom about stocks. But when multiple analysts suddenly change their tune about a stock, investors would be wise to listen.

Thomas Lee, managing partner at Fundstrat, tracks analysts' rating changes, and last week highlighted the stocks with the most dramatic changes in sentiment in the past two weeks. The list of most-upgraded stocks is posted nearby, along with the percent change in Buy ratings on the stocks. Lee says these lists can act as strong Buy signals, particularly when analysts start to upgrade stocks that have fallen out of favor.

"Generally, analysts upgrade stocks because of improving fundamentals or positive surprises," Lee said. "It is worth noting. If it is coming at a time when the Street has been bearish, I see it as a positive signal."

At the top of the list of stocks that analysts have started to like again is Digital Realty Trust, a real estate investment trust that mostly manages data centers. The stock received a net of four upgrades in the past two weeks (net upgrades subtract any downgrades). The stock has traded flat this year as the REIT's leasing activity slowed in the first quarter. Shares trade at a lower ratio of price to funds from operations (FFO is an earnings-equivalent for REITs) than competitors such as CoreSite Realty (COR), and offer a 5.1% dividend yield.

The potential for more rapid leasing activity in the second quarter and a report that the company could bid for privately held data-center and colocation company TELX Group helped spark the flurry of analyst upgrades this month. "Colocation" centers serve retail customers, and buying TELX would allow Digital Realty to further diversify its customer base beyond corporations. "With the specter of meaningful M&A now appearing more likely, we believe this provides the catalyst to become more positive," wrote Canaccord Genuity analyst Gregory Miller.

Analysts have also turned bearish on some stocks in recent weeks, and that too can be a buying signal in certain circumstances, Lee says. "When the consensus gets bearish, expectations couldn't get worse," he says.

These "washed-out" stocks offer the possibility of a positive surprise.

Among the most-downgraded stocks of the past two weeks are large-caps such as Williams Cos. (WMB), an energy infrastructure company, and health insurer Cigna (CI). But neither of these stocks could be considered "washed-out," particularly given their strong performance in recent weeks. Cigna is up 24% in the past month, and Williams has risen 10%.

Lee says another, smaller company on the list stands out, however. Diebold (DBD), which makes ATM machines, has weak analyst sentiment -- only two of the seven analysts who follow the stock rate it a Buy, according to FactSet. While most analysts remain skeptical or neutral, one analyst who likes the stock says it could benefit from an expected wave of bank-branch upgrades.

"We believe the firm can return to mid-single-digit-percentage top-line growth in fiscal 2017 driven by branch transformation," wrote JP Morgan analyst Paul Coster in a note this month upgrading shares to Neutral.

#### Range Resources Could See Fat Profits

Fort Worth, Texas-based Range Resources (ticker RRC), a natural-gas producer, has been beset lately by problems. As Pennsylvania's most active driller, it faces a record fine for a natural-gas well that reportedly contaminated groundwater. Natural-gas prices have also been depressed, which means that earnings are slumping.

This year Range is expected to earn 53 cents a share on revenue of \$1.8 billion, down from \$1.49 a share on \$2 billion of revenue in 2014. Earnings could fall even further, to 38 cents, in 2016. That would put Range shares, which fetched \$49 last week, down from \$87 a year ago, at 129 times earnings 2016 estimated earnings.

Ironically, that gargantuan multiple has sparked interest in the shares among some value investors. Dave Perkins, who co-manages the Weitz Value (WVALX) and Weitz Research (WRESX) funds, notes that Range is the 14th-largest natural-gas producer in the continental U.S., even though it discovered the Marcellus Shale, America's most prolific natural-gas field, a decade ago. It controls 1.6 million acres in the Appalachian basin and owns some of the lowest-cost acreage in the Marcellus, where the break-even cost on natural-gas production could range from \$2.10 to \$3.50 per million cubic feet equivalent, according to Credit Suisse.

Perkins thinks Range could be profitable at \$2.50 per mcfe "in all but the most dire price environments." The company has driven production and operating costs lower by more than 40% since 2008, he notes. It has resources of between 66 trillion and 87 trillion cubic feet of gas equivalent, excluding the 400,000 acres it controls in the emerging Utica formation.

The company is getting more efficient at figuring out the best way to fracture wells, he says. He figures Range has lowered the cost of replacing existing reserves to about 54 cents per mmmcf.

Eventually, Perkins says, the price of gas has to improve. Supply has swelled in the Northeast, and transportation infrastructure has failed to keep pace. But new pipeline capacity is allowing lower-cost Marcellus gas to displace higher-cost gas across the middle states and the Southeast. With a 50% decline in rig counts in the past year, there could be an associated drop in gas production.

Demand growth, meanwhile, is coming from greater export appetite, coal-plant retirements, and new industrial plants. That might even restore gas prices to \$4 in a couple of years, from \$2.77 now. Although the short term looks bleak, analysts are more sanguine further out. They see Range's earnings rising to \$1.61 a share in 2017 on revenue of \$2.64 billion, and to \$4.39 in 2018, on revenue of \$3.07 billion.

Perkins believes the stock is worth at least \$100, with downside to \$47, or around the current price. "That's why we're really attracted to it," he says. "We see rising production, reserves, cash flow, and earnings at a pretty compelling price, without a lot of risk of permanent loss."

-- Leslie P. Norton

27 Jun 2015 00:09 ET The Trader: Stocks Fall Only 0.4% As Investors -2-

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17946.68	-69.27	-0.38
DJTransportation	8242.47	-169.41	-2.01
DJUtilities	555.12	-14.56	-2.56
DJ65Stocks	6200.16	-74.52	-1.19
DJUSMarket	530.40	-2.53	-0.48
NYSEComp.	11040.31	+1.35	+0.01
NYSEMKTComp.	2423.29	+9.18	+0.38
<b>S&amp;P500</b>	2101.49	-8.50	-0.40
S&PMidCap	1532.62	-8.21	-0.53
S&PSmallCap	734.44	-1.91	-0.26
Nasdaq	5080.51	-36.50	-0.71
ValueLine(arith.)	4858.21	-21.30	-0.44
Russell2000	1279.80	-4.87	-0.38
DJUSTSMFloat	22033.58	-104.91	-0.47

	Last Week	Week Earlier
NYSE		
Advances	1,262	1,766
Declines	1,992	1,477
Unchanged	46	53
NewHighs	312	237
NewLows	269	241
AvDailyVol(mil)	3,337.3	3,388.4
Dollar		
(Finexspotindex)	95.40	94.07
T-Bond		
(CBTnearbyfutures)	147-180	151-290
Crude Oil		
(NYMlightsweetcrude)	59.63	59.61
Inflation KR-CRB		
(FuturesPriceIndex)	224.88	222.13
Gold		
(CMXnearbyfutures)	1172.90	1201.50

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(END) Dow Jones Newswires

June 27, 2015 00:09 ET (04:09 GMT)

文件 DJDN000020150627eb6r00016

# DOW JONES NEWSWIRES

Money Flow Table For Major U.S. Indexes And Stocks

630 字

2015 年 6 月 22 日 19:19

Dow Jones Newswires Chinese (English)

RTNW

英文

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MONEY FLOW - UPTICK/DOWNTICK TRADING DOLLAR VOLUME Jun 22,2015 02:04 PM

MARKET	MONEY FLOW (in millions)			RATIO	
	TODAY	PREV DAY			
DJIA	-0.3	-545.4	1.00		
Blocks	+47.2	-483.9	1.23		
Russell 2000	+129.5	+217.3	1.06		
Blocks	+81.1	+458.7	1.47		
S & P 500	+308.4	+777.3	1.03		
Blocks	+392.5	+831.9	1.29		
DJ U.S. Total Stock Market	+167.1	+4068.1	1.01		
Blocks	+33.2	+4677.6	1.01		
ISSUE GAINERS	SYMBOL	EXCH	LAST PRICE	MONEY FLOW	RATIO
	(in millions)				
Williams Cos	WMB	NYSE	59.88	+87.1	1.17
iShares MSCI Germany ETF	EWG	ARCA	29.98	+42.9	3.35
PwrShs DB USD Bullish	UUP	ARCA	24.71	+40.2	12.01
iSh Nasdaq Biotech	IBB	NASD	382.05	+32.3	1.31
Anthem	ANTM	NYSE	172.06	+31.3	1.19
Twitter Inc.	TWTR	NYSE	35.86	+29.0	1.30
Juniper Networks	JNPR	NYSE	27.03	+26.5	3.41
Vornado Rlty Tr	VNO	NYSE	100.53	+25.8	4.35
DealerTrack Technologies	TRAK	NASD	62.80	+25.0	5.87
Merck	MRK	NYSE	58.81	+22.6	1.56
Mondelez Intl CI A	MDLZ	NASD	41.16	+22.1	3.00
ExxonMobil	XOM	NYSE	85.03	+22.0	1.27
ProShrs Ultra MSCI EAFE	EFO	ARCA	115.76	+21.5	340.21
iShares MSCI EAFE ETF	EFA	ARCA	67.32	+21.3	1.29
iShares Russell 2000 Val	IWN	ARCA	104.83	+21.2	4.60
Cigna	CI	NYSE	164.24	+20.2	1.08
Hologic	HOLX	NASD	38.22	+19.9	9.17
WisdomTree Europe	HEDJ	ARCA	63.98	+19.5	1.59
SPDR S&P Biotech	XBI	ARCA	259.25	+19.5	1.25
AbbVie Inc.	ABBV	NYSE	70.19	+17.1	1.28
ISSUE DECLINERS	SYMBOL	EXCH	LAST PRICE	MONEY FLOW	RATIO
	(in millions)				
SPDR S&P 500	SPY	ARCA	211.75	-199.7	0.82
iShares Core S&P 500 ETF	IVV	ARCA	214.20	-153.3	0.32
Comcast	CMCSA	NASD	61.08	-102.7	0.43
SPDR DJIA Tr	DIA	ARCA	180.76	-98.3	0.40
Apple	AAPL	NASD	127.25	-61.8	0.90
iShares MSCI EMU ETF	EZU	ARCA	40.35	-52.8	0.36
Amer Intl GroupAIGNYSE	62.59	-48.3	0.32		
SPDR EURO STOXX 50	FEZ	ARCA	39.65	-45.2	0.23
iShares Russell 2000 Gwth	IWO	ARCA	159.00	-43.1	0.22
Aetna	AET	NYSE	129.29	-34.2	0.78
Facebook Inc. CI A	FB	NASD	84.35	-30.8	0.91
Brandywine Realty Trust	BDN	NYSE	14.06	-29.5	0.11
Bank Of America	BAC	NYSE	17.47	-28.9	0.73

Tesla Motors	TSLA	NASD	259.55	-27.6	0.90
Kinder Morgan	KMI	NYSE	39.63	-27.3	0.64
Humana Inc	HUM	NYSE	196.22	-26.9	0.89
Adobe Systems	ADBE	NASD	81.55	-22.8	0.59
Citigroup	C	NYSE	56.97	-22.4	0.72
ProShares Ultra S&P500	SSO	ARCA	68.35	-22.2	0.55
Ambarella Inc.	AMBA	NASD	96.59	-21.7	0.96

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

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22-06-15 1819GMT

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# DOW JONES NEWSWIRES

Money Flow Table For Major U.S. Indexes And Stocks

620 字

2015 年 6 月 22 日 17:19

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MONEY FLOW - UPTICK/DOWNTICK TRADING DOLLAR VOLUME Jun 22,2015 12:04 PM

MARKET	MONEY FLOW (in millions)			RATIO	
	TODAY	PREV DAY			
DJIA	+34.6	-545.4	1.03		
Blocks	+53.2	-483.9	1.29		
Russell 2000	+143.9	+217.3	1.09		
Blocks	+72.7	+458.7	1.55		
S & P 500	+437.7	+777.3	1.06		
Blocks	+404.6	+831.9	1.36		
DJ U.S. Total Stock Market	+426.5	+4068.1	1.02		
Blocks	+92.2	+4677.6	1.03		
ISSUE GAINERS	SYMBOL	EXCH	LAST PRICE	MONEY FLOW	RATIO
(in millions)					
Williams Cos	WMB	NYSE	60.51	+74.7	1.19
Anthem	ANTM	NYSE	172.29	+44.8	1.39
iShares MSCI Germany ETF	EWG	ARCA	30.14	+42.9	4.21
PwrShs DB USD Bullish	UUP	ARCA	24.63	+40.2	15.36
Cigna	CI	NYSE	165.06	+29.3	1.15
iSh Nasdaq Biotech	IBB	NASD	382.25	+28.4	1.36
ExxonMobil	XOM	NYSE	85.38	+26.0	1.47
Juniper Networks	JNPR	NYSE	27.05	+24.8	3.87
DealerTrack Technologies	TRAK	NASD	62.80	+24.0	7.70
AbbVie Inc.	ABBV	NYSE	70.46	+22.2	1.54
ProShrs Ultra MSCI EAFE	EFO	ARCA	114.75	+21.5	1258.64
Merck	MRK	NYSE	59.03	+21.0	1.77
Twitter Inc.	TWTR	NYSE	35.61	+20.6	1.27
iShares Russell 2000 Val	IWN	ARCA	104.99	+20.2	7.29
Disney	DIS	NYSE	114.14	+20.1	1.39
WisdomTree Europe	HEDJ	ARCA	64.19	+20.0	2.08
Gilead Sciences	GILD	NASD	121.25	+18.6	1.21
SW Energy	SWN	NYSE	23.60	+15.6	3.67
Hologic	HOLX	NASD	38.36	+15.2	11.18
Regeneron Pharmaceuticals	REGN	NASD	525.35	+15.0	1.47
ISSUE DECLINERS	SYMBOL	EXCH	LAST PRICE	MONEY FLOW	RATIO
(in millions)					
SPDR S&P 500	SPY	ARCA	212.34	-188.9	0.76
iShares Core S&P 500 ETF	IVV	ARCA	214.83	-153.9	0.24
Comcast	CMCSA	NASD	60.98	-106.6	0.34
SPDR DJIA Tr	DIA	ARCA	181.31	-97.8	0.33
SPDR EURO STOXX 50	FEZ	ARCA	39.95	-45.0	0.19
Amer Intl GroupAIGNYSE	62.50	-44.9	0.25		
iShares Russell 2000 Gwth	IWO	ARCA	159.12	-42.5	0.15
Apple	AAPL	NASD	127.98	-41.9	0.90
iShares MSCI EMU ETF	EZU	ARCA	40.61	-38.5	0.41
Aetna	AET	NYSE	129.25	-27.8	0.75
Facebook Inc. CI A	FB	NASD	84.50	-27.7	0.89
Bank Of America	BAC	NYSE	17.47	-26.0	0.69
Tesla Motors	TSLA	NASD	259.45	-25.2	0.90

Adobe Systems		ADBE	NASD	81.73	-23.0	0.50
ProShares Ultra S&P500		SSO	ARCA	68.73	-21.1	0.48
Citigroup	C		NYSE	56.95	-18.9	0.70
Humana Inc		HUM	NYSE	202.66	-18.2	0.84
MetLife		MET	NYSE	57.39	-17.9	0.58
Baxter International		BAX	NYSE	70.27	-17.8	0.62
Ambarella Inc.		AMBA	NASD	99.26	-17.4	0.96

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

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## DOW JONES NEWSWIRES

The Trader: Stocks Rise On The Fed And Fall On Greece -- Barron's

2,040 字

2015 年 6 月 20 日 05:08

Dow Jones Institutional News

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(FROM BARRON'S 6/22/15)

By Vito J. Racanelli

Stocks rose last week, lifted by signals from the Federal Reserve that interest-rate increases might come more slowly than previously thought. Nevertheless, for the second week in a row, the market gave up a portion of the gains on Friday, this time over intensifying worries that Greece might default on its debt or be forced out of the euro zone.

The Fed's dovish comments on Wednesday brought the "risk on" trade back, and investors piled on Thursday into highflying, high-momentum biotechnology stocks such as Celgene (ticker: CELG), up 5%, among others. (More on the Fed below.) The Nasdaq managed to take out its previous intraday high set back in 2000, before easing back slightly.

Pessimism over a Greek bailout got the upper hand on Friday, and stock prices faded. With little in the way of big domestic news expected this week, the market's focus is likely to stay on the small nation teetering on default.

Greek Prime Minister Alexis Tsipras expressed optimism about a high-level emergency meeting on Monday to try to avert default, according to a Dow Jones Newswires report late Friday. But the European Central Bank also raised emergency lending for Greek banks two days after its previous increase, reacting to a quickening pace of deposit withdrawals, Dow Jones reported.

The Dow Jones Industrial Average gained 117 points, or 0.7%, on the week, to 18,015.95, while the Standard & Poor's 500 index rose 16, or almost 0.8%, to 2109.99. The Nasdaq Composite jumped 66, or 1.3%, to 5117.

The Fed's comments on interest rates were interpreted to mean that rates would stay "lower for longer, and that lit a fire under risk assets, like biotechs," says Anthony Valeri, an investment strategist at LPL Financial. This week, he says, "Greece will be a focus."

While a Greek default by itself isn't a threat to U.S. stocks, the reason investors fret over it, or Greece's potential exit from the euro zone, is the possibility of contagion, says Milton Ezrati, market strategist for Lord Abbett. Following a default, there could be a loss of confidence in other euro-zone nations with weak balance sheets, like Italy or Portugal, and money could start leaving banks in those countries, creating a domino effect, he adds.

The probability is that a Greek default won't be a problem, but the country's issues are coming to a head, and the negotiations are at the 11th hour.

"Something will have to be done soon," says John De Clue, a U.S. Bank strategist. If there's an "unpleasant" exit from the euro zone or the imposition of capital controls, "you will see a 'risk off' trade in stocks of a size that we haven't seen in some time."

U.S. stocks, which sell at a forward price/earnings ratio of almost 18 times, aren't cheap by historical standards, but nor are they extraordinarily expensive. While this column isn't particularly bearish on stocks, it seems the risks are asymmetric. That is, the bad things that could happen would probably send the market down further than good things would send it up.

Federal Reserve Behind the Curve

The Federal Reserve's interest-rate view finally caught up with the market last week. We're being facetious, but only a little.

In November 2014, this column noted that prices in the Treasury futures market were suggesting a federal-funds rate of 0.70% at the end of 2015. Back then, the central bank's policy-setting Federal Open Market Committee projected that the rate would be as high as 1.4% by year end. The fed-funds rate -- the overnight lending rate banks charge one another for funds maintained at the Fed -- is currently 0% to 0.25%.

Cut to last Wednesday, following the FOMC's latest meeting, when the Fed signaled there would probably be only one hike this year, instead of the two that officials previously expected. The FOMC's median fed-funds-rate expectation for the year end is now 0.63%, and the average is 0.57%. Both are closer to what the futures market, not policy makers, predicted, so chalk one up to the market's foresight.

Now what? Many economists and investors think the first hike will come in September, but the Treasury futures market continues to see a less aggressive rate environment than the Fed has forecast, both in the short and long term. The futures indicate there's a 52% chance the Fed will first lift rates in December. The probability of a September hike is just 17%.

The futures say a hike is "just a coin toss," even as late as December, says Nicolas Colas, chief market strategist at Convergenx. Some think it will come in September because the FOMC meeting that month will be followed by a regularly scheduled press conference with Chair Janet Yellen. But the Fed follows the data, not the press schedule, Colas notes.

The Fed's expectations have come down dramatically, he adds. The Fed is now looking for 1.8% to 2% growth this year in U.S. gross domestic product, down from a projection in March of 2.3% to 2.7%. For year-end 2016, the median FOMC fed-funds projection is 1.63%, but the futures market puts the rate at 1.1%.

There is a potential political component to rate hikes that the Fed doesn't acknowledge but most Fed watchers assume. Next year is an election year, and the central bank doesn't want its interest-rate hikes to be politicized. It probably will want to be well into a tightening program before the election campaign begins in earnest.

When the Fed starts to tighten, why would bond investors wait for a "gradual" rise in rates, asks Bob Eisenbeis, chief monetary economist at Cumberland Advisors. If Treasury bonds are going to be marked down steadily, many holders could "run for the exits" in advance, he says. While some money could move into stocks from fixed-income assets, he says, a disorderly rout in the bond market is likely to rattle equity markets, too, particularly in the short term.

If the global economy continues to expand, even slowly, and the road to higher interest rates is long and gradual, history suggests stocks will weather the rate hikes after some initial selling. The smart money is betting that U.S. Treasury yields will stay lower for longer, still a broadly supportive backdrop for equities.

#### Transocean Is Cheap and Appealing

The world's biggest offshore oil-drilling company, Transocean, just might be the most hated stock around. Only one brokerage analyst of the 36 covering the company has a Buy rating on the shares, according to Bloomberg. That is the Street's most bearish view of Transocean since 2000, including long periods when oil was half the price it is now. The pessimism looks misguided.

Last year, Transocean (RIG) had the dubious distinction of being the worst performer in the S&P 500 index, down 63%, due to a collapse in oil prices to \$45 a barrel from a high of \$107 12 months earlier. Crude is up lately, to \$59.61, but the shares sit at \$16.65, down another 9% this year.

The bear story is straightforward and correct, so far. Supplies of oil have risen sharply, and global demand has dropped. Day rates for offshore rigs have fallen 20% to 45% in the past 12 months, according to Rigzone Data Services. Analysts' consensus earnings-per-share estimate for 2015 has plunged to \$2.22 a share from \$6 18 months ago. Next year, analysts see a 35-cent loss, though Transocean has been profitable even in the most difficult times of the past decade.

But the monolithic gloom gets our contrarian juices going. It pays to go against the herd, and a patient investor who can withstand some short-term commodity volatility will probably be rewarded longer term by an investment in Transocean.

Bernard McGinn, CEO of McGinn Investment Management in Alexandria, Va., agrees. A stock so unloved deserves a look, he says. McGinn has had a longstanding position in Transocean, and has added shares recently.

Cheap energy prices eventually spur demand, he notes. Earlier this month, the International Energy Agency raised its forecast for 2015 world oil demand by 300,000 barrels, to 94 million barrels per day. That's not enough to boost the price of crude, but should help stabilize it -- and rig rates.

Transocean has 77 rigs and a \$19.9 billion order backlog, he says. The balance sheet is healthy, with \$2.7 billion in cash, \$3 billion in credit lines, and \$9 billion in debt. Net debt is about a third of total capital. The driller is expected to produce about \$1 billion in free cash flow next year, or 4.5 times dividend coverage, McGinn says. The dividend yield is attractive, at 3.6%.

Meanwhile, valuations are near all-time lows on a P/E and price/book value basis. The P/E is less than four times last year's \$4.94 a share, excluding extraordinary items, compared with a median P/E of 14 times historically, while the price/book is 50%.

Nor do things look quite as dire as Street analysts would have it. The company's first-quarter results were better than expected, and Transocean has reacted to tough times, as in the past, by cutting expenses and stacking rigs. The negative impact of the Macondo oil-spill disaster of 2010 also is mostly behind the company, as Transocean announced a \$212 million settlement with plaintiffs in May. That's much less than the market feared, says McGinn.

Another big drop in oil prices would hurt the stock, but it is only a matter of time before world oil demand heads higher, says McGinn. With a return to a more normal drilling environment, the stock could be in the upper \$20s per share in the next 12 to 18 months, he says. The stock's cheap multiple also means it probably would outperform the market in a broad stock market correction.

For Transocean's shares to move up, day rates don't have to soar. They just have to beat the market's pessimistic expectations. The odds of that seem favorable.

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e-mail: vito.racanelli@barrons.com

20 Jun 2015 00:09 ET The Trader: Stocks Rise On The Fed And Fall On -2-

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18015.95	+117.11	+0.65
DJTransportation	8411.88	-4.92	-0.06
DJUtilities	569.68	+9.15	+1.63
DJ65Stocks	6274.68	+37.34	+0.60
DJUSMarket	532.93	+4.07	+0.77
NYSEComp.	11038.97	+29.05	+0.26
NYSEMKTComp.	2414.12	+50.38	+2.13
<b>S&amp;P500</b>	2109.99	+15.88	+0.76
S&PMidCap	1540.83	+9.94	+0.65
S&PSmallCap	736.35	+10.40	+1.43
Nasdaq	5117.00	+65.90	+1.30
ValueLine(arith.)	4879.51	+35.46	+0.73
Russell2000	1284.66	+19.64	+1.55
DJUSTSMFloat	22138.49	+180.14	+0.82

	Last Week	Week Earlier
NYSE		
Advances	1,766	1,442
Declines	1,477	1,801
Unchanged	53	39
NewHighs	237	212
NewLows	241	292
AvDailyVol(mil)	3,388.4	3,010.0
Dollar		
(Finexspotindex)	94.09	94.97
T-Bond		
(CBTnearbyfutures)	151-290	150-150
Crude Oil		
(NYMlightsweetcrude)	59.61	59.96
Inflation KR-CRB		

(FuturesPriceIndex)	222.13	223.53
Gold		
(CMXnearbyfutures)	1201.50	1178.80
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Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=CH0048265513](http://www.companyspotlight.com/partner?cp_code=P479&isin=CH0048265513)

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June 20, 2015 00:09 ET (04:09 GMT)

文件 DJDN000020150620eb6k00072

# DOW JONES NEWSWIRES

\*Direxion **S&P500** Bull 1.25 (LLSP) Resumed Trading

23 字

2015 年 6 月 19 日 16:03

Dow Jones Institutional News

DJDN

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June 19, 2015 11:03 ET (15:03 GMT)

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# DOW JONES NEWSWIRES

\*Direxion **S&P500** Bull 1.25 (LLSP) Halt: Single-Stock Circuit Breaker

26 字

2015 年 6 月 19 日 15:57

Dow Jones Institutional News

DJDN

英文

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June 19, 2015 10:57 ET (14:57 GMT)

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## Top Stories

### Bernstein Predicts Bull Market for U.S. Bank Stocks

By Giles Turner

514 字

2015 年 6 月 16 日 14:52

Dow Jones Top News & Commentary

DJCOMM

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U.S. bank stocks have been on a tear over the past few months, thanks to a spell of rising bond yields. Analysts at Bernstein say the party could continue.

So far this year, the KBW Bank Index has outperformed the S&P 500 by around 460 basis points. The outperformance has occurred only since late April, when U.S. Treasury yields began to rise off the back of positive economic data.

In a note published Tuesday, Bernstein looked at nine large-cap U.S. banks; Bank of America Corp., BB&T Corp., Citigroup Inc., J.P. Morgan Chase & Co., PNC Financial Services Group Inc., Regions Financial Corp., SunTrust Banks Inc., U.S. Bankcorp, and Wells Fargo & Co.

Bernstein's two best picks are Citi and J.P. Morgan, thanks to a combination of low valuations, trading exposure and dividend yields. However, the note predicts a bull market across the large cap sector, resting on three key points:

-- Rising rates are beneficial for bank stocks.

While investors wait for the Federal Reserve to increase rates, they have spent much of their time wondering how the market will react. For Bernstein, this doesn't matter.

If the market sells off, banks will hold up well "given market expectations regarding their asset sensitivity." If a bank is asset sensitive, a rise in rates benefits its assets more than it impacts its liabilities.

And if the market rises -- as investors take a rate increase as a sign of a healthy economy -- banks are a good play on an improving economy.

-- Unlike rival sectors, profit margins at banks not at their peak

Banks are still trailing their average profitability levels. Over the first quarter of 2015, their return on assets reached 1.05%, below a pre-2008 average of 1.34%.

In comparison the net profit margin -- the percentage of revenue after costs - of the S&P 500 is at 8.5%, just down from an all-time high of 9%.

While Bernstein admits that banks are no longer the profit engines of the past, thanks to regulation and compliance, there is still some headroom for profit margins to improve .

-- Bank valuations are in line with historical averages, unlike S&P 500

Large-cap bank stocks are trading at 12.4x forward earnings, compared to an historical median of 12.2x. However the **S&P500** is trading at 17.6x forward earnings, which Bernstein points out is a significant 10-12% premium to its long-term median. If banks become more profitable thanks to rising rates, then the market might recognize that banks are undervalued.

Bernstein admits there are risks. Rates may not rise, and banks may not be as asset sensitive as they believe they are. However, the note concludes that: "Overall we think there is a credible case for the large-cap banks to outperform over the near- to intermediate-term as the interest rate environment normalizes and the broader market reacts to higher rates."

文件 DJCOMM1120150616eb6g00ct9

## MARKET WEEK

Stocks --- The Trader: Stocks End Losing Streak -- Just Barely

By Vito J. Racanelli

2,015 字

2015 年 6 月 15 日

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Macy's (ticker: M) finished Friday near a high at just below \$70 per share. Some investors are reportedly pushing it to return billions to shareholders by leveraging up or by introducing a real estate investment trust (REIT) for its extensive property assets, such as was done recently by Hudson's Bay (HBAYF) with its Saks' Fifth Avenue holdings. Although its financial condition differs, Sears Holdings (SHLD) last week launched a rights offering for a REIT it has created.

A Macy's spokesman said only that the retailer "talks with a wide variety of shareholders about maximizing shareholder value," including the potential of its extensive real estate assets, roughly half of which are unencumbered.

Various REIT structures probably have been proposed to Macy's, and the retailer is said to be open to ways of using its real estate to create value. However, a large-scale REIT deal or significantly leveraging up on debt to buy back stock seems unlikely right now. While some of Macy's less valuable properties might work in a REIT, the company has been selling its underperforming properties outright.

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Cleveland-based OM Group (OMG) agreed earlier this month to sell itself to funds managed by affiliates of savvy deal maker Apollo Global Management (APO) for \$34 a share, 28% above OM's closing price before the deal's announcement. That looks like a generous premium, but several institutional investors say OM's board and its chairman and CEO, Joseph Scaminace, gave away the store.

The company is a small maker of specialty chemicals, batteries, and magnetic materials (the latter business called VAC Holding). OM serves the automotive, industrial, aerospace, defense, and medical industries.

The stock, at \$34.11, is little changed from 10 years ago; shares last peaked above \$65 in 2008. Critics argue that after a decade of poor performance under Scaminace, OM is being sold at the trough of the company's business cycle. Europe, which is showing early signs of an economic recovery, accounts for 60% of sales.

OM has doubled its losses in each year since 2011, while revenue has fallen steadily since 2012. The company lost \$5.54 a share last year. With better management, strategy, capital allocation, and execution, the shares could be worth 33% to 75% more than current levels, critical investors assert.

Scaminace has had a "10-year adventure that has resulted in zero shareholder return," says Jeffrey Bronchick, a money manager at value shop Cove Street Capital, which began buying shares late last year. He says the company is worth \$45 a share.

"There is \$25 of value truncated by this deal," says Andrew M. Wallach, co-CEO of SpringOwl Asset Management, which owns about 100,000 OM shares, and intends to vote against the deal.

If OM were operated as well as its more highly valued peers, " . . . within a couple of years it could be \$60 per share or higher," Wallach says.

As part of the deal, Apollo is selling the electronic and photomask portion of the specialty-chemicals business, with \$28 million in annual earnings before interest, taxes, depreciation, and amortization, or Ebitda, to Platform Specialty Products (PAH) for \$365 million. Using undemanding price/earnings ratios, Bronchick values the remaining OM chemicals business at \$204 million and the batteries division at \$355 million.

Subtracting these three values from the \$1.03 billion purchase price leaves an implicit valuation of \$106 million for OM Group's remaining VAC magnetics business. In other words, Apollo effectively is paying just 1.7 times VAC's Ebitda for a unit that generated \$495 million in sales in 2014, almost half the company's total sales of \$1.07 billion. VAC's Ebitda, at \$62 million, represented 40% of the year's total.

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There was no conference call to discuss the deal, and the potential compensation granted to OM Group managers as a result of the deal isn't known because the proxy hasn't been published, Bronchick adds.

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The change was announced in February when M/A-Com reported \$114.8 million in sales for the quarter ended Jan. 2. The net effect was a one-time increase of \$15.1 million in sales. Without this accounting change, M/A-Com would have missed Wall Street's sales expectations of about \$114 million by a wide margin.

In the six months ended April 3, the company reported sales of \$239.8 million and a loss from continuing operations of \$13.8 million, or 28 cents per share, compared with \$192 million in sales and a loss from continuing operations of \$26.4 million, or 57 cents, in the year-earlier period. But the revenue accounting change boosted sales by \$18.8 million and reduced the loss by \$8.8 million, or 18 cents. Again, without the one-time change, the most recent loss would have been comparable to last year's instead of less, and the sales growth would have been 15%, not 25%.

Shares of M/A-Com, which traded Friday at \$40.51, just below a 52-week high, might have been hit hard if the market thought the company missed expectations. More important, the one-time boost to future quarterly results from this change will be exhausted in early 2016, as the company's results lap the new accounting

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According to Sam McBride, an analyst at New Constructs, an independent accounting-research outfit, the "sell-in" method raises the possibility of channel stuffing. For example, a company pushing to meet sales targets at quarter-end could overload distributor channels during the quarter with more inventory than they could possibly sell. The quarterly results will show the company is selling more, but it is possible that big returns, and associated costs, will follow.

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M/A-Com didn't return a call for comment.

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	Last Week	Week Earlier
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Declines	1,801	1,911
Unchanged	39	38
NewHighs	212	189
NewLows	292	228
AvDailyVol(mil)	3,010.0	3,090.5
Dollar		
(Finexspotindex)	94.91	96.35
T-Bond		

(CBTnearbyfutures)	150-150	149-230
Crude Oil		
(NYMlightsweetcrude)	59.96	59.13
Inflation KR-CRB		
(FuturesPriceIndex)	223.53	222.53
Gold		
(CMXnearbyfutures)	1178.80	1167.80
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文件 B000000020150613eb6f0000y

## DOW JONES NEWSWIRES

The Trader: Stocks End Losing Streak -- Just Barely -- Barron's

2,088 字

2015 年 6 月 13 日 05:07

Dow Jones Institutional News

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(FROM BARRON'S 6/15/15)

By Vito J. Racanelli

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13 Jun 2015 00:07 ET The Trader: Stocks End Losing Streak -- Just -2-

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Crude Oil		
(NYMlightsweetcrude)	59.96	59.13
Inflation KR-CRB		
(FuturesPriceIndex)	223.53	222.53
Gold		
(CMXnearbyfutures)	1178.80	1167.80
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(END) Dow Jones Newswires

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Barrons Asia  
Why Bernstein Likes These 21 Quality Picks

By Bernstein  
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A preference for quality companies in developing markets is a common and understandable bias. For at least the last six years, it has also been a successful approach to outperforming the MSCI Asia ex-Japan. We identify 21 stocks that meet our quantitative definition of quality (good management, sustainably competitive advantages and execution; as measured through debt, cash flow, return on invested capital (ROIC) and transparent reporting). This group has outperformed the MSCI Asia ex-Japan over each of the last five years. We also identify other names where ROIC is low but rising and our other quality metrics (debt, transparency, and cash flow) are satisfied. One caveat: 2015 is off to a weak start for the group.

We define quality based on four characteristics: balance sheet strength, execution ability, management quality and sustainable competitive advantages. We evaluate all four using quantitative proxies: net debt to assets below 30%; free cash flow positive; non-operating income or loss of less than 20% of operating income; and ROIC materially higher than the cost of capital. We use free cash flow as a measure of execution capabilities. We use non-operating income as a measure of transparency and therefore management integrity (we argue that a quality management team will report the basis upon which they make money). ROIC reflects sustainable competitive advantage. Low debt reflects prudence.

Of the 682 companies in the MSCI Asia ex-Japan, 21 stocks satisfy our "quality" metrics consistently since 2009. Those companies are: TSMC, Largan, China Medical System, Unilever Indonesia, Asian Paints, CSL, Shenzhou International, Tata Consultancy, Divi's Lab, Singapore Exchange; HCL Technologies; Haier Electronics; PT Telekomunikasi Indonesia; DiGi.Com; Formosa International Hotels; ITC; Advanced Info Service; NAVER; Berjaya Sports Toto; Woolworths; and BEC World.

The stocks all look expensive on an EV/EBITDA, price-to-earnings (PE) and price-to-book (P/B) basis... and they keep on outperforming. An equal-weighted portfolio would have outperformed the MSCI Asia ex-Japan by ~15,000 basis points over the last five years and – more importantly – by 2,000 basis points in each of the last four years.

The equal weighted portfolio is up 2% year-to-date but is underperforming the MSCI Asia ex-Japan by 2%. Largan and HCL doubled in 2014 and 2013 respectively. In addition, we identify a group of seven stocks within the MSCI Asia ex-Japan that satisfy all of our requirements other than ROIC, but where ROIC is rising over both of the last two years. This group is: Sands China, Novatek, Ramsay Health Care, Sinopharm, Zhen Ding Technology, Techtronic Industries and China Oilfield Services.

The best explanation for the high and sustained ROIC in some fairly prosaic industries (paint, whiteware, supermarkets) is that competitive advantages in Asia – once established – are hard to replicate.

Running the same criteria on the **S&P500**, we found a group of 81 stocks. That group also outperformed against the benchmark each year over the last five years. However, the U.S. group contained companies with real differentiators or competitive advantages: Apple, Google, Nike, Mastercard, and a number of pharmaceutical companies. Arguably, the Asian companies simply reflect local operational frictions and inefficiencies that these companies continue to successfully exploit, achieving higher ROICs as a result.

Regardless, and more to the point, the stocks have continued to outperform.

Asia Quality Name Summary Table

#	Ticker	Name	Mkt Cap (\$ M)	Quality Criteria (Most Recent FY)				YTD Price Perf.	Type
				Net Debt /Asset <30%	FCF>0 (USD M)	Non-operating income <20% revenue	ROIC >15%		
1	2313 HK	Shenzhou Intl	6,351	-7%	113		11%	16%	38% Quality
2	3008 TT	Largan	14,056	-45%	464		3%	44%	36% Quality
3	UNVR IJ	Unilever Indonesia	23,982	3%	399		0%	91%	30% Quality
4	1169 HK	Haier	8,234	-33%	255		17%	21%	24% Quality
5	HCLT IS	HCL Tech	20,381	-28%	965		16%	31%	16% Quality
6	CSL AT	CSL	32,304	20%	774		4%	29%	5% Quality
7	DIVI IS	Divi's Lab	3,712	-18%	53		5%	24%	4% Quality
8	SGX SP	Singapore Exchange	6,406	-46%	217		4%	34%	4% Quality
9	APNT IS	Asian Paints	11,358	-11%	122		6%	25%	1% Quality
10	TCS IS	Tata Consultancy	78,736	-26%	2858		18%	31%	1% Quality
11	TLKM IJ	PT Telkom	21,460	1%	832		8%	21%	0% Quality
12	2330 TT	TSMC	116,863	-12%	4265		3%	23%	-1% Quality
13	867 HK	China Medical System	3,907	1%	105		3%	26%	-5% Quality
14	BST MK	Berjaya Sports	1,187	11%	88		17%	26%	-5% Quality
15	ADVANC TB	Advanced Info	20,702	17%	868		1%	54%	-6% Quality
16	DIGI MK	DiGi.com	11,865	12%	482		1%	120%	-7% Quality
17	WOW AT	Woolworths	26,318	14%	1260		2%	18%	-11% Quality
18	2707 TT	FIH	1,054	8%	23		8%	20%	-17% Quality
19	ITC IS	ITC	38,064	-30%	776		13%	28%	-17% Quality
20	035420 KP	NAVER	16,588	-30%	454		10%	20%	-21% Quality
21	BEC TB	BEC World	2,183	-18%	197		6%	48%	-27% Quality
22	1099 HK	Sinopharm	13,491	22%	239		5%	9%	38% Potential
23	4958 TT	Zhen Ding Tech	2,706	13%	308		7%	12%	29% Potential
24	669 HK	Technonic Industries	6,285	6%	25		2%	12%	6% Potential
25	RHC AT	Ramsay Health Care	9,333	26%	244		11%	10%	6% Potential
26	2883 HK	China Oilfield Services	17,320	23%	285		5%	11%	4% Potential
27	3034 TT	Novatek	3,085	-30%	180		5%	21%	-12% Potential
28	1928 HK	Sands China	31,325	6%	291		1%	27%	-21% Potential

Source: Bloomberg as of June 5, 2015, Bernstein analysis

## Quality Group of 21

TSMC ([2330.TT](#))

Taiwan Semiconductor Manufacturing Company Limited ("TSMC") is the world's largest dedicated independent semiconductor foundry.

Largan Precision ([3008.TT](#))

Largan Precision is a specialized optical lens maker based in Taiwan. Roughly 50% of its revenue comes from Apple, and over 80% of its revenues come from mobile phone lens. The company currently owns and operates four factories in Taiwan, two in China.

China Medical System ([867.HK](#))

China Medical System Holdings Limited ("CMS") is a pharmaceutical services provider based in China, focusing on marketing, promotion and sales of prescription drugs to hospitals.

Unilever Indonesia Tbk PT ([UNVR.ID](#))

Unilever Indonesia is primarily engaged in manufacturing, marketing and distributing fast moving consumer goods (FMCG). Unilever Indonesia is 85% held by its parent via Unilever Indonesia Holdings; the free float is 15%.

Asian Paints ([APNT.IN](#))

Asian Paints is India's largest and Asia's third largest paint company. It is also the 13th largest coating company in the world. It manufactures paints for decorative and industrial use.

CSL Limited ([CSL.AU](#))

CSL Limited is an Australian-based biopharmaceutical company that researches, develops, manufactures and markets biotherapies.

Shenzhou International ([2313.HK](#))

Shenzhou International Group Holdings Limited ("Shenzhou International") is the largest vertically integrated knitwear manufacturer in China.

Divi's Lab ([DIVI.IN](#))

Established in 1990, Divi's Laboratories Limited ("Divi's Lab") is an India-based generic drugs manufacturer.

Singapore Exchange ([SGX.SG](#))

Singapore Exchange Limited is a Singapore-based company engaged in operating the integrated securities exchange and derivatives exchange in Singapore and related clearing houses.

HCL Technologies ([HCLT.IN](#))

HCL is the fourth largest Indian IT firm with a strong presence in the U.S. and Europe.

Tata Consultancy Services ([TCS.IN](#))

Tata Consultancy Services is the largest India-based IT services company by revenue and market capitalization.

Haier Electronics ([1169.HK](#))

Haier Electronics is a Chinese white goods manufacturer. It is majority-owned (58.4%) by its immediate parent Qingdao Haier (600690.SH).

PT Telekomunikasi Indonesia ([TLKM.ID](#))

PT Telekomunikasi Indonesia ("PT Telkom") is the largest telecommunications services company in Indonesia with over 50% share in mobile revenues.

DiGi.Com Berhad ([DIGI.MY](#))

DiGi Telecommunications ("DiGi.com") is one of the top three mobile service companies in Malaysia.

FIH Regent Group ([2707.TT](#))

Formosa International Hotels Corporation ("FIH") owns the international luxury hotel brand Regent, the lifestyle hotel brand Silks Place, and the affordable business hotel chain Just Sleep.

ITC ([ITC.IN](#))

ITC is the largest cigarettes manufacturer in India with 80% market share and also has interests in FMCG, hotels, paperboard and specialty papers, packaging, agri-business and IT businesses.

Advanced Info Service ([ADVANC.TH](#))

Advanced Info Service ("AIS") is the largest mobile operator in Thailand with 44.3 million subscribers and 97% nationwide coverage.

NAVER ([035420.KR](#))

NAVER Corporation is a Korea-based internet content service operator. The company mainly engages in the search engine and social network service businesses.

Berjaya Sports Toto Berhad ([BST.MY](#))

Berjaya Sports is a holding company with subsidiaries principally engaged in the operations of Toto betting, health and fitness centers, a hotel business; leasing of on-line lottery equipment and provision of software support; the manufacture and distribution of computerized lottery and voting systems, and property investment and development.

Woolworths ([WOW.AU](#))

Woolworths Limited is a major Australian company with extensive retail interest in Australia and New Zealand.

BEC World ([BEC.TH](#))

BEC World Public Company Limited ("BEC World") is a Thailand-based media company. It was formed in 1995 by the Maleenont family to combine interests in broadcasting and media. Its principal activities involve television and radio production and broadcasting.

"Potential" Group of 7

Sands China ([1928.HK](#))

Sands China Ltd. ("Sands China") is engaged in the development and operation of resorts in Macao and is a subsidiary of Las Vegas Sands Group.

Novatek ([3034.TT](#))

Novatek is a Taiwanese fabless chip design company specializing in display driver ICs

Ramsay Health Care ([RHC.AU](#))

Ramsay Health Care is a private hospital group operating 212 hospitals and day surgery facilities in the UK, Australia, France, Indonesia and Malaysia.

Sinopharm Group ([1099.HK](#))

Sinopharm Group, the largest medical and healthcare group in China, is 57% owned by the SOE China National Pharmaceutical Group Corporation

Zhen Ding Technology ([4958.TT](#))

Zhen Ding Technology Holding Limited is a printed circuit boards (PCB) manufacturer based in Taiwan.

Techtronic Industries ([669.HK](#))

Techtronic Industries is a Hong Kong based company engaged in the manufacturing and trading of electrical and electronic products.

China Oilfield Services ([2883.HK](#))

China Oilfield Services Limited (COSL) is an integrated oilfield service solution provider in the offshore China market.

The companies mentioned in Hot Research are subjects of research reports issued recently by investment firms. Their opinions in no way represent those of Barrons.com or Dow Jones & Company, Inc. Share prices at the time the report was issued and the date of the report are in parentheses.

To be considered for this feature, please send material to [asiaresearch@barrons.com](mailto:asiaresearch@barrons.com)

Comments: E-mail [asia.editors@barrons.com](mailto:asia.editors@barrons.com)

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## MARKET WEEK

Stocks --- The Trader: Dow Falls 1% on Fears of a Fed Rate Hike

By Avi Salzman

2,005 字

2015 年 6 月 8 日

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Good news, right?

Well, stock investors aren't quite that predictable. The major U.S. stock indexes traded slightly lower for the week despite positive economic data -- or perhaps because of it. Investors had been enjoying the so-so economic growth that persisted through much of this recovery. A week of unequivocally good news, on the other hand, increases the likelihood of higher interest rates in the future. "Investors think that the ideal scenario is for growth to be just sluggish enough for the Fed to stay on hold forever," says Jim O'Sullivan, chief U.S. economist at High Frequency Economics.

Also weighing on investors' minds are the uncertain prospects for keeping Greece in the euro zone. Last week the country delayed some payments to creditors, and Greek leaders scrambled to come to a deal before they run out of money.

The Dow Jones Industrial Average dropped 161 points, or 0.9%, on the week, to 17,849.46, its third consecutive weekly decline. The Standard & Poor's 500 index fell 15 points, or 0.7%, to 2092.83. The Nasdaq Composite was essentially flat, ending at 5068.46. The yield on 10-year Treasury notes jumped 0.305 percentage point on the week, to 2.402%, the largest gain since June 2013, in anticipation of rising interest rates.

Recent economic data are simply too strong for investors, or the Fed, to ignore. The U.S. economy added some 280,000 jobs in May, and average hourly wages rose 0.3%, above expectations for 0.2% growth. Cars sold at an annualized rate of 17.8 million in May, also well ahead of expectations, and the ISM manufacturing index likewise showed surprising strength.

Average hourly wages are growing at the fastest rate in five years, says Deutsche Bank economist Torsten Slok. Slok tried to explain to equity investors that this is good news. Really, it is! "For equities it is positive because higher wages means higher household income, which means more demand in the economy and ultimately higher top-line growth for corporate America," he says. "This is what we have been waiting for since 2009. In other words, the virtuous cycle has begun."

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"There's nothing in the next week or two that will say the economy is weakening," says Brad McMillan, chief investment officer at Commonwealth Financial.

## Stock-Buyback Concerns

Corporate America has been on a spending spree since the financial crisis, paying ever-larger sums to shareholders via dividends and share repurchases. Cash returns to investors could hit \$1 trillion this year, nearly equal to all of the operating earnings produced by S&P 500 companies, according to Yardeni Research.

While buybacks have the salutary effect of lifting earnings per share, and thus propelling stock prices, a growing chorus of critics has called the practice wasteful, if not a dangerous substitute for business

investment. As Laurence Fink, the CEO of BlackRock (BLK), the nation's largest money manager, wrote in April, in a letter sent to every S&P 500 CEO, "with interest rates approaching zero, returning excessive amounts of capital to investors -- who will enjoy comparatively meager benefits from it in this environment -- sends a discouraging message about a company's ability to use its resources wisely and develop a coherent plan to create value over the long term."

When companies borrow to fund buybacks, a trend encouraged by near-zero interest rates, the long-term ramifications could be even more painful. "You're basically robbing your future [through underinvestment], and you're going to have a lower growth rate because of all this debt," says Mark McComsey, chief investment officer of BHEM Asset Management, in Beverly Hills, Calif.

Yet, with the S&P 500 trading near its highest price/earnings ratio in 40 years excluding the dot-com bubble, companies in the index are set to buy back \$604 billion of shares this year, Goldman Sachs estimates. That's up 18% from last year's buyback expenditures, and a 313% increase from 2009. Corporate spending on research and development, in contrast, has risen less than 50% in the past six years.

Companies have shown terrible market timing when repurchasing shares. They spent 34% of their cash outlays on buybacks in 2007, just as the market topped, and only 13% in 2009, when stocks bottomed, Goldman notes.

This year, Goldman thinks buybacks will account for 28%, and that could continue to rise, with companies set to authorize an additional \$900 billion in buybacks.

The high level of buybacks doesn't appear to endanger company balance sheets in the near term. Excluding financials and other companies that must hold certain cash levels, S&P 500 companies have cash on their balance sheets equal to twice their net income, according to S&P companies have cash on their balance sheets equal to twice their net income, according to Dow Jones Indices senior analyst Howard Silverblatt. "The rule of thumb is, if you've got a year's worth you've got plenty," he says.

But aggressive buybacks could make it harder for firms to grow in the future.

Wendy's (WEN) said last week it will buy back \$1.4 billion of shares, more than a third of its \$4.1 billion market capitalization, by the end of 2016. "The result will be an increase in earnings per share, but how much will net income rise?" asks Silverblatt.

Wendy's shares rose 3% on the news, but some remain skeptical.

Wedbush analyst Nick Setyan downgraded the stock to Neutral from Outperform, writing that he doesn't see "any fundamental catalysts to drive upside."

#### A Boon for Cell-Tower Stocks

Shares of Dish Network (DISH) and T-Mobile (TMUS) both popped Thursday on news that the companies are considering a merger. But the deal's real winners could be the three cellular-tower companies that transmit the bulk of the country's wireless data. SBA Communications (SBAC), American Tower (AMT), and Crown Castle International (CCI) were up 2% to 3% on the deal news Thursday. Shares could have a lot more upside, especially if a Dish/T-Mobile deal happens.

Dish controls a huge swath of wireless spectrum, which for now has gone unused. Those airwaves are the primary rationale for any deal. T-Mobile would help Dish light up, or monetize, its spectrum, and T-Mobile would get a broader and better network.

In the near term, Crown Castle is the most obvious beneficiary of a deal, according to New Street Research. American Tower is the largest of the tower companies, but Crown Castle does more business with T-Mobile; its equipment hangs on some 15,000 Crown Castle sites, versus 8,000 for American Tower, and 5,000 for SBA.

The tower business is essentially a high-tech real-estate play; the wireless carriers sign long-term leases with the towers for the right to hang antennas that cover the country with spectrum. Because local governments are stingy with permits for new towers, there isn't a lot of new tower space. Instead, the existing players just squeeze more and more antennas on their existing properties.

The rental revenue also enables the towers to take advantage of favorable tax treatment. Both American Tower and Crown Castle have converted to real estate investment trusts, American Tower in 2012 and Crown Castle in 2014. The stocks yield 1.9% and 4%, respectively. SBA has held out, first planning to exhaust its \$1.3 billion of net operating losses.

"The towers are one of the best businesses in the world, because they have 10-year contracts with carriers," says Spencer Kurn, who covers the tower companies for New Street. "And the market pays a very high multiple for that level of certainty and the high cash-flow generation that these assets produce."

The one knock on the tower stocks was the possibility that two of the Big Four wireless companies would merge, combining equipment and thereby lowering their rent to the tower companies. The tower stocks treaded water early in 2014 as T-Mobile and Sprint (S) considered a deal. "Absent a huge technological shift away from macro cellular networks, it was the worst thing that could happen to the cellular tower companies," Kurn says.

T-Mobile and Sprint scuttled a merger because of regulatory opposition, but tower investors feared discussions might revive with a new presidential administration. A Dish tie-up would make a T-Mobile/Sprint deal far less likely, erasing the primary bear case for the tower stocks. (For a different take on the proposed T-Mobile/Dish deal, see page 18.)

The union of Dish and T-Mobile will require a regulatory blessing, which analysts seem to think it will get. In a note to clients last week, Raymond James analyst Ric Prentiss wrote: "We believe a DISH/TMUS merger would receive government approval since it does not involve industry consolidation (e.g., failed AT&T/T-Mobile or Sprint/T-Mobile deals) or combined media-asset ownership/significant broadband reach (failed Comcast/Time Warner cable deal)."

With the M&A threat removed, the tower stocks could see a prolonged period of gains. Kurn is bullish on the entire sector but favors SBA, the smallest of the three players, whose shares he thinks could reach \$142 in the next 12 months, up 21%.

SBA has been more disciplined than competitors in structuring contracts, Kurn says. American Tower and Crown Castle both signed so-called master-lease agreements with the wireless carriers, giving them the right to hang more equipment at no added cost. SBA has eschewed "all you can eat" plans, opting for one-off deals that require carriers to pay each time they add equipment.

It was a prescient decision, Kurn says, because the carriers underestimated how much demand they would have on their networks. And that takes us right back to why T-Mobile and Dish are talking about a deal. Everyone is trying to solve the wireless capacity crunch. The tower industry holds the key.

-- Alexander Eule

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17849.46	-161.22	-0.90
DJTransportation	8509.64	+209.89	+2.53
DJUtilities	562.95	-24.03	-4.09
DJ65Stocks	6251.71	-27.47	-0.44
DJUSMarket	528.52	-3.00	-0.56
NYSEComp.	10979.33	-76.97	-0.70
NYSEMKTComp.	2350.58	-78.89	-3.25
<b>S&amp;P500</b>	2092.83	-14.56	-0.69
S&PMidCap	1526.62	+1.95	+0.13
S&PSmallCap	722.12	+9.24	+1.30
Nasdaq	5068.46	-1.57	-0.03
ValueLine(arith.)	4842.66	+16.30	+0.34
Russell2000	1261.01	+14.47	+1.16
DJUSTSMFloat	21943.25	-99.76	-0.45

	Last Week	Week Earlier
NYSE		
Advances	1,329	965
Declines	1,911	2,259
Unchanged	38	49
NewHighs	189	148
NewLows	228	132
AvDailyVol(mil)	3,090.5	3,277.0

Dollar		
(Finexspotindex)	96.35	96.89
T-Bond		
(CBTnearbyfutures)	149-230	157-060
Crude Oil		
(NYMlightsweetcrude)	59.13	60.30
Inflation KR-CRB		
(FuturesPriceIndex)	222.53	223.18
Gold		
(CMXnearbyfutures)	1167.80	1189.40

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# DOW JONES NEWSWIRES

The Trader: Dow Falls 1% On Fears Of A Fed Rate Hike -- Barron's

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Dow Jones Institutional News

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(FROM BARRON'S 6/8/15)

By Avi Salzman

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Wedbush analyst Nick Setyan downgraded the stock to Neutral from Outperform, writing that he doesn't see "any fundamental catalysts to drive upside."

#### A Boon for Cell-Tower Stocks

Shares of Dish Network (DISH) and T-Mobile (TMUS) both popped Thursday on news that the companies are considering a merger. But the deal's real winners could be the three cellular-tower companies that transmit the bulk of the country's wireless data. SBA Communications (SBAC), American Tower (AMT), and Crown Castle International (CCI) were up 2% to 3% on the deal news Thursday. Shares could have a lot more upside, especially if a Dish/T-Mobile deal happens.

Dish controls a huge swath of wireless spectrum, which for now has gone unused. Those airwaves are the primary rationale for any deal. T-Mobile would help Dish light up, or monetize, its spectrum, and T-Mobile would get a broader and better network.

In the near term, Crown Castle is the most obvious beneficiary of a deal, according to New Street Research. American Tower is the largest of the tower companies, but Crown Castle does more business with T-Mobile; its equipment hangs on some 15,000 Crown Castle sites, versus 8,000 for American Tower, and 5,000 for SBA.

The tower business is essentially a high-tech real-estate play; the wireless carriers sign long-term leases with the towers for the right to hang antennas that cover the country with spectrum. Because local governments are stingy with permits for new towers, there isn't a lot of new tower space. Instead, the existing players just squeeze more and more antennas on their existing properties.

The rental revenue also enables the towers to take advantage of favorable tax treatment. Both American Tower and Crown Castle have converted to real estate investment trusts, American Tower in 2012 and Crown Castle in 2014. The stocks yield 1.9% and 4%, respectively. SBA has held out, first planning to exhaust its \$1.3 billion of net operating losses.

"The towers are one of the best businesses in the world, because they have 10-year contracts with carriers," says Spencer Kurn, who covers the tower companies for New Street. "And the market pays a very high multiple for that level of certainty and the high cash-flow generation that these assets produce."

The one knock on the tower stocks was the possibility that two of the Big Four wireless companies would merge, combining equipment and thereby lowering their rent to the tower companies. The tower stocks treaded water early in 2014 as T-Mobile and Sprint (S) considered a deal. "Absent a huge technological shift away from macro cellular networks, it was the worst thing that could happen to the cellular tower companies," Kurn says.

T-Mobile and Sprint scuttled a merger because of regulatory opposition, but tower investors feared discussions might revive with a new presidential administration. A Dish tie-up would make a T-Mobile/Sprint deal far less likely, erasing the primary bear case for the tower stocks. (For a different take on the proposed T-Mobile/Dish deal, see page 18.)

The union of Dish and T-Mobile will require a regulatory blessing, which analysts seem to think it will get. In a note to clients last week, Raymond James analyst Ric Prentiss wrote: "We believe a DISH/TMUS merger would receive government approval since it does not involve industry consolidation (e.g., failed AT&T/T-Mobile or Sprint/T-Mobile deals) or combined media-asset ownership/significant broadband reach (failed Comcast/Time Warner cable deal)."

With the M&A threat removed, the tower stocks could see a prolonged period of gains. Kurn is bullish on the entire sector but favors SBA, the smallest of the three players, whose shares he thinks could reach \$142 in the next 12 months, up 21%.

6 Jun 2015 00:10 ET The Trader: Dow Falls 1% On Fears Of A Fed Rate -2-

SBA has been more disciplined than competitors in structuring contracts, Kurn says. American Tower and Crown Castle both signed so-called master-lease agreements with the wireless carriers, giving them the right to hang more equipment at no added cost. SBA has eschewed "all you can eat" plans, opting for one-off deals that require carriers to pay each time they add equipment.

It was a prescient decision, Kurn says, because the carriers underestimated how much demand they would have on their networks. And that takes us right back to why T-Mobile and Dish are talking about a deal. Everyone is trying to solve the wireless capacity crunch. The tower industry holds the key.

-- Alexander Eule

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17849.46	-161.22	-0.90
DJTransportation	8509.64	+209.89	+2.53
DJUtilities	562.95	-24.03	-4.09
DJ65Stocks	6251.71	-27.47	-0.44
DJUSMarket	528.52	-3.00	-0.56
NYSEComp.	10979.33	-76.97	-0.70
NYSEMKTComp.	2350.58	-78.89	-3.25
<b>S&amp;P500</b>	2092.83	-14.56	-0.69
S&PMidCap	1526.62	+1.95	+0.13
S&PSmallCap	722.12	+9.24	+1.30
Nasdaq	5068.46	-1.57	-0.03
ValueLine(arith.)	4842.66	+16.30	+0.34
Russell2000	1261.01	+14.47	+1.16
DJUSTSMFloat	21943.25	-99.76	-0.45

	Last Week	Week Earlier
NYSE		
Advances	1,329	965
Declines	1,911	2,259
Unchanged	38	49
NewHighs	189	148

NewLows	228	132
AvDailyVol(mil)	3,090.5	3,277.0
Dollar		
(Finexspotindex)	96.35	96.89
T-Bond		
(CBTnearbyfutures)	149-230	157-060
Crude Oil		
(NYMlightsweetcrude)	59.13	60.30
Inflation KR-CRB		
(FuturesPriceIndex)	222.53	223.18
Gold		
(CMXnearbyfutures)	1167.80	1189.40
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Access Investor Kit for American Tower Corp.

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Access Investor Kit for DISH Network Corp.

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(END) Dow Jones Newswires

June 06, 2015 00:10 ET (04:10 GMT)

文件 DJDN000020150608eb660020u

## DOW JONES NEWSWIRES

Why Caterpillar Can Gain 25% -- Barron's Blog

By Ben Levisohn

300 字

2015 年 6 月 3 日 15:26

Dow Jones Institutional News

DJDN

英文

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Caterpillar ( CAT) has been a sure way to lose money during the past year. Now Societe Generale's Henry Kirn and team argue that the beaten-down equipment manufacturer can gain 25%. They explain why:

Over the last three years, the shares have underperformed materially (down 8% vs up 58% for the **S&P500**, with 25% underperformance vs. **S&P500** over the past year) as mining demand fell off in 2012/2013, then the decline in oil & gas demand became evident in Q4 2014. While these headwinds are unlikely to reverse quickly, we see an H2 15 run rate of c. \$4.00 of annual earnings power as a reasonable baseline for Caterpillar in the mini-trough from mid-2015 to mid-2016. Oil & gas sales are likely to decline further in 2016, but signs of recovery in other key end markets could be a catalyst for Caterpillar. In such a scenario, H2 16 and 2017 could improve as the mining aftermarket begins to normalise and we start to see some replacement of a worn-out fleet, inventory destocking headwinds subside and margins benefit from internal initiatives, even if direct oil & gas demand (c.10-15% of sales) slips further. Factors supporting our positive stance that indicate Caterpillar could outperform on signs of recovery include a valuation below previous downturn norms and the negative sell-side consensus.

Kirn also initiated Caterpillar with a Buy rating.

Shares of Caterpillar have gained 1% to \$87 at 10:22 a.m. today, leaving 26% to Societe Generale's \$110 price target.

More at Barron's Stocks to Watch blog,  
<http://blogs.barrons.com/stockstowatchtoday/>

(END) Dow Jones Newswires

June 03, 2015 10:26 ET (14:26 GMT)

文件 DJDN000020150603eb630028y

 [Why Caterpillar Can Gain 25%](#)

Barron's Blogs, 2015 年 6 月 3 日 15:26, 274 字, By Ben Levisohn, (英文)

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文件 WCBBE00020150603eb630018h

## MARKET WEEK

Stocks --- The Trader: Investor Ambivalence Sends Dow Down 1.2%

By Avi Salzman

1,961 字

2015 年 6 月 1 日

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No single factor caused the slump, and even the "bad" news could have been a head fake. Reports indicate that Greece's talks with creditors aren't going well, adding to concerns that Greece could exit the euro zone. Chinese stocks plunged on Thursday as brokers tightened margin requirements. Manufacturing activity in Chicago was much weaker than expected. And the government said first quarter GDP fell 0.7% -- the data was backward-looking and widely expected, but it didn't help brighten the mood.

All in all, it wasn't much to hang a trader's fedora on.

"There's just a lot of indecision," says Keith Lerner, chief market strategist at SunTrust Private Wealth Management. "There's not much going on that would push the market out of its trading range."

That's plenty evident from trading patterns and investor surveys. May was the slowest month for trading this year. A poll from the American Association of Individual Investors showed that 47.9% of investors were neutral on the market, down from 49.8% last week, which was the highest neutral rating since 2003. Historically, about 31% of investors are neutral on the market, on average.

Forget the battling bulls and bears -- this market is full of cattle.

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The Dow dropped 221 points, or 1.2%, last week, to 18,010.68. The Standard & Poor's 500 fell 19 points, or 0.9%, to 2107.39. The Nasdaq Composite index fell 19 points, 0.4%, to 5070.03. The Dow Transportation Average fell 2.2%, which some consider a bad omen for the market.

The drop still measures as barely a blip in the bull market, which has tired but is still plodding forward. Even after the largest one-week selloff in more than a month, the major indexes are still one decent rally away from eclipsing all-time highs. The S&P 500 rose 1.05% in May and the Dow was up 0.95%.

Next week, investors will have to weigh another jobs report, and the numbers could impact the timing of an interest rate hike. Few expect a rate hike in June, but the Federal Reserve could act as soon as September, which could keep the market on edge past Labor Day.

## D.R. Horton's Curb Appeal

Given the job market's resurgence in the past year, it's remarkable that housing has taken so long to rebound. Even eight years after the bust, the rate of new construction remains nearly 30% below its long-term average.

But data released last week offers some hope, and should eventually lift all sorts of stocks related to home building. After trading flat for the past few months, the builders themselves could begin to pay off for investors.

Housing starts jumped 20% month-over-month in April and building permits rose 10%, both hitting their highest levels in seven years. New homes sales eclipsed 500,000 for the third time in four months, and are running 24% above last year's sales. Meanwhile, inventories remain depressed, with just 203,000 homes available, a decline from the start of the year.

The supply-demand imbalance has pushed prices higher: The median price of a new home rose 8.3% on a year-over-year basis to \$297,300, which is "about \$40,000 more expensive than at the peak of the U.S. housing market in 2007," notes Canaccord Genuity strategist Martin Roberge. "How can that be? Supply, supply, supply! Thus, while U.S. home builders [as measured by the SPDR S&P Homebuilders ETF (ticker: XHB)] are being tossed around through market volatility, investors should stick to the big picture and buy price dips."

Household formation has also rebounded in the last two quarters, to 1.5 million in the first quarter year-over-year and 1.7 million in the fourth quarter of 2014, up from an average 550,000 a year in the lull after the housing bust.

All this should exert considerable upward pressure on the housing market in the quarters ahead. Roberge expects home builders to expand their margins as they maintain pricing power.

The home builders could profit most directly from the supply-demand imbalance. The stocks are volatile, so they're not for everyone, but they appear to be set up for more gains. Fundstrat strategist Thomas Lee thinks "it's still early cycle for home builders, meaning they're going to rise as housing starts recover."

"We see housing starts reaching 2 million [from last month's 1.1 million] in three to four years, which means builders could rise by 150% in that time frame."

Texas-based builder D.R. Horton (DHI), which Barron's featured last year ("D.R. Horton: Built to Prosper", Aug. 4, 2014) remains a particularly attractive choice, given its wide range of price points and below-average valuation. Horton is the largest builder in the U.S. by number of homes sold and is expanding aggressively, forecasting a sales increase of 22% to 30% this fiscal year ending Sept. 30.

The company has been expanding its "Express" line of homes that cost less than \$200,000, serving customers that most other builders avoid. Express homes made up 18% of closings in the most recent quarter, up from 6% the year before. Some investors worry that lower margins for Express homes will hurt the company's overall gross profit margin, which could slip to 20% this year, from 22% in 2014. But analysts still expect D.R. Horton's average selling prices to rise this year, after they jumped 11% last year.

Targeting first-time buyers could give D.R. Horton a dominant position in a growing segment of the market. "[W]e believe the market is in the early stages of a return of the first-time buyer, and we see DHI as enjoying first mover advantage on this front," wrote Susquehanna Financial Group analyst Jack Micenko in a March upgrade note.

D.R. Horton has also kept its balance sheet relatively conservative with a lower debt-to-total capital rate than most competitors. Shares trade at 12.7 times forward earnings expectations, below competitors like Lennar (LEN) at 13.9 and KB Home (KBH), at 13.5.

#### Riding the Railcars

Companies that manufacture freight railroad cars have profited handsomely off of the surge in U.S. oil production over the past five years. Oil drillers used railroads to ship the commodity throughout the country, and received deliveries of fracking sand by rail, too. Industry leader Trinity Industries (TRN) shipped 30,255 railcars last year, up from 4,750 in 2010.

But investors now fear that the oil-driven boom is over. Railcar orders fell 57% between the fourth quarter to the first, and industry backlog -- the number of railcars that have been ordered but not yet delivered -- was down 3%, after hitting record levels in the fourth quarter.

The fear is not unwarranted. The railcar business is highly cyclical, and periods of rapid activity are often followed by much slower production. Once the order backlog declines, the stocks tend to follow closely behind.

But the counterargument -- that the railcar boom still has a ways to go -- is persuasive. The stocks of companies that make railcars are now trading at very attractive valuations, and haven't had such clear earnings visibility in many years. Trinity trades at 7 times forward earnings; Greenbrier (GBX) trades at 9.5 times; and American Railcar Industries (ARII) at 9.9 times.

At current production rates, which are the highest since 1999, the current backlog for the entire industry should last for seven quarters, according to Susquehanna Financial analyst Bascome Majors. Trinity's railcar backlog at the end of last year was worth \$7.2 billion, nearly equal to the company's entire enterprise value.

Several catalysts could sustain the trends, and defy analyst expectations for slowing earnings growth.

Following a series of oil-car explosions, the U.S. and Canada have released new standards for railcars carrying highly flammable material. The changes could affect almost 155,000 railcars. Majors says that "only a fraction of those are likely to be replaced prematurely."

But the Street may be underestimating the opportunity from tank car replacements and retrofits. Ryan Thibodeaux, president and portfolio manager at Goodwood Capital Management, says that the dropoff in new tank car orders in the first quarter had a lot to do with companies taking a wait-and-see approach before the regulations were announced. He expects much more robust orders in the second half of the year, and sustainable demand for several more years. In just the next three years, railcar owners and lessors could be forced to replace or retrofit as many as 80,000 cars, with full replacements costing about \$150,000 each, he argues. He sees a revenue opportunity worth as much as \$8 billion to \$10 billion.

The Street has also underestimated the benefits to rail companies from a boom in chemical production, which has expanded rapidly in the past few years as companies take advantage of cheap natural gas, Thibodeaux says. "All of the new chemical and plastics capacity on the Gulf Coast will add production that will have to be shipped," he says. "The industry backlog will remain elevated longer than analysts think."

Goodwood owns shares in both Trinity and Greenbrier. While Trinity is cheaper, the company lost a False Claims Act lawsuit over its highway guardrails and could be liable for as much as \$709 million in civil penalties. It's also facing a Department of Justice investigation into the guardrails. Eric Marshall, a portfolio manager at Hodges Capital, which owns 2 million shares of Trinity, says his company has studied the suit extensively. "It's muddled things up for investors, but we don't think these guys did anything wrong," he says. "It's created an opportunity to buy Trinity at a multiple that's well below its historical norm."

For investors who want better guardrails for their investment, Greenbrier also trades below its historical range and could benefit from similar trends.

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18010.68	-221.34	-1.21
DJTransportation	8299.75	-182.56	-2.15
DJUtilities	586.98	-1.15	-0.20
DJ65Stocks	6279.18	-84.04	-1.32
DJUSMarket	531.51	-4.69	-0.88
NYSEComp.	11056.30	-141.38	-1.26
NYSEMKTComp.	2429.47	-31.33	-1.27
<b>S&amp;P500</b>	2107.39	-18.67	-0.88
S&PMidCap	1524.67	-16.89	-1.10
S&PSmallCap	712.88	-5.28	-0.74
Nasdaq	5070.03	-19.34	-0.38
ValueLine(arith.)	4826.36	-55.07	-1.13
Russell2000	1246.53	-5.69	-0.45
DJUSTSMFloat	22043.01	-187.19	-0.84

	Last Week	Week Earlier
NYSE		
Advances	965	1,496
Declines	2,259	1,731
Unchanged	49	50
NewHighs	148	265
NewLows	132	110
AvDailyVol(mil)	3,277.0	2,946.7
Dollar		
(Finexspotindex)	96.89	96.14
T-Bond		
(CBTnearbyfutures)	157-060	153-250
Crude Oil		

(NYMlightsweetcrude)	60.30	59.72
Inflation KR-CRB		
(FuturesPriceIndex)	223.18	225.56
Gold		
(CMXnearbyfutures)	1189.40	1204.30

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文件 B000000020150530eb6100010

# DOW JONES NEWSWIRES

Will The ChiNext Bubble Derail China's Bull Run? -- Barron's Blog

By Shuli Ren

512 字

2015 年 6 月 1 日 04:31

Dow Jones Institutional News

DJDN

英文

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China's Nasdaq-style ChiNext board in Shenzhen is raising eyebrows.

The ChiNext Price Index has returned over 200% and 150% in the last one year and year-to-date, and is now valued at 117 times historical earnings. Even on a future earnings basis, ChiNext is expensive trading at 60 times. ChiNext's two largest constituents, Easy Money Information (3000059.China) and Leshi TV (300104.China) are now both valued at 300 times historical earnings and 200 times forward earnings.

In a morning note, Goldman Sachs likened ChiNext to the notorious dotcom bubble in the late 1990's:

NASDAQ significantly outperformed the **S&P500** in the US, and the absolute valuation of and relative valuations between small and large (or tech vs. non tech) in the US were comparable to where ChiNext is today: i.e., small caps are being priced at +100X trailing P/E and c.60X forward P/E, and small caps are about 3X to 5X more expensive than large caps on forward and trailing P/E, using earnings-based valuation metrics as a guide.

Obvious concerns over valuation aside - ChiNext's rise is beyond anyone's imagination - Goldman is now worried Beijing will start to clamp down on speculative trading on the ChiNext board. After all, a lot of small investors are in the game. Retail ownership of ChiNext is at 75%, well above Shanghai and Shenzhen main board's 47% and 63%. Average holding period there is only 17 days.

If ChiNext's bubble bursts, will it drag the rest of China's stock markets with it?

Goldman thinks ChiNext's impact on the broader market is small.

First, ChiNext is small. Its total market cap is only 10% of Shanghai's market. In March 2000, Nasdaq was 60% of NYSE.

Second, ChiNext is in a different hemisphere. The return correlation between ChiNext and CSI 300 is lower than 30%, so we are unlikely to see the "contagion" purely from a statistical viewpoint.

Third, overall, the A-share market is not that expensive yet. It is trading at 17 times forward earnings and 23 times without banks. "Our dividend discount model (DDM) also suggests that China A is fairly priced, but not excessively valued relative to our long-term growth projections," wrote analyst Kinger Lau and team.

By the way, what bubble burst? The ChiNext price index jumped another 4.2% this morning.

Last week, the Shanghai Composite Index dived 6.5% in one day. But ChiNext barely felt it. For the week, the iShares China Large Cap ETF ( FXI) and the iShares MSCI China ETF ( MCHI) fell 5% and 4.7% respectively, while the Deutsche X-Trackers Harvest CSI 300 China A-shares Fund ( ASHR) dropped 4.1%. The Market Vectors China AMC SME ChiNext ETF ( CNXT) dropped 1.4% only.

More at Barron's Asia Stocks to Watch blog,  
<http://blogs.barrons.com/asiastocks/>  
(END) Dow Jones Newswires

May 31, 2015 23:31 ET (03:31 GMT)

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## DOW JONES NEWSWIRES

The Trader: Investor Ambivalence Sends Dow Down 1.2% -- Barron's

2,048 字

2015 年 5 月 30 日 05:09

Dow Jones Institutional News

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(FROM BARRON'S 6/1/15)

By Avi Salzman

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But investors now fear that the oil-driven boom is over. Railcar orders fell 57% between the fourth quarter to the first, and industry backlog -- the number of railcars that have been ordered but not yet delivered -- was down 3%, after hitting record levels in the fourth quarter.

The fear is not unwarranted. The railcar business is highly cyclical, and periods of rapid activity are often followed by much slower production. Once the order backlog declines, the stocks tend to follow closely behind.

But the counterargument -- that the railcar boom still has a ways to go -- is persuasive. The stocks of companies that make railcars are now trading at very attractive valuations, and haven't had such clear earnings visibility in many years. Trinity trades at 7 times forward earnings; Greenbrier (GBX) trades at 9.5 times; and American Railcar Industries (ARII) at 9.9 times.

At current production rates, which are the highest since 1999, the current backlog for the entire industry should last for seven quarters, according to Susquehanna Financial analyst Bascome Majors. Trinity's railcar backlog at the end of last year was worth \$7.2 billion, nearly equal to the company's entire enterprise value.

Several catalysts could sustain the trends, and defy analyst expectations for slowing earnings growth.

Following a series of oil-car explosions, the U.S. and Canada have released new standards for railcars carrying highly flammable material. The changes could affect almost 155,000 railcars. Majors says that "only a fraction of those are likely to be replaced prematurely."

But the Street may be underestimating the opportunity from tank car replacements and retrofits. Ryan Thibodeaux, president and portfolio manager at Goodwood Capital Management, says that the dropoff in new tank car orders in the first quarter had a lot to do with companies taking a wait-and-see approach before the regulations were announced. He expects much more robust orders in the second half of the year, and sustainable demand for several more years. In just the next three years, railcar owners and lessors could be forced to replace or retrofit as many as 80,000 cars, with full replacements costing about \$150,000 each, he argues. He sees a revenue opportunity worth as much as \$8 billion to \$10 billion.

The Street has also underestimated the benefits to rail companies from a boom in chemical production, which has expanded rapidly in the past few years as companies take advantage of cheap natural gas, Thibodeaux says. "All of the new chemical and plastics capacity on the Gulf Coast will add production that will have to be shipped," he says. "The industry backlog will remain elevated longer than analysts think."

Goodwood owns shares in both Trinity and Greenbrier. While Trinity is cheaper, the company lost a False Claims Act lawsuit over its highway guardrails and could be liable for as much as \$709 million in civil penalties. It's also facing a Department of Justice investigation into the guardrails. Eric Marshall, a portfolio manager at Hodges Capital, which owns 2 million shares of Trinity, says his company has studied the suit extensively. "It's muddled things up for investors, but we don't think these guys did anything wrong," he says. "It's created an opportunity to buy Trinity at a multiple that's well below its historical norm."

30 May 2015 00:10 ET The Trader: Investor Ambivalence Sends Dow Down -2-

For investors who want better guardrails for their investment, Greenbrier also trades below its historical range and could benefit from similar trends.

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18010.68	-221.34	-1.21
DJTransportation	8299.75	-182.56	-2.15
DJUtilities	586.98	-1.15	-0.20
DJ65Stocks	6279.18	-84.04	-1.32
DJUSMarket	531.51	-4.69	-0.88
NYSEComp.	11056.30	-141.38	-1.26
NYSEMKTComp.	2429.47	-31.33	-1.27
<b>S&amp;P500</b>	2107.39	-18.67	-0.88
S&PMidCap	1524.67	-16.89	-1.10
S&PSmallCap	712.88	-5.28	-0.74
Nasdaq	5070.03	-19.34	-0.38
ValueLine(arith.)	4826.36	-55.07	-1.13
Russell2000	1246.53	-5.69	-0.45
DJUSTSMFloat	22043.01	-187.19	-0.84

	Last Week	Week Earlier
NYSE		
Advances	965	1,496
Declines	2,259	1,731
Unchanged	49	50
NewHighs	148	265
NewLows	132	110
AvDailyVol(mil)	3,277.0	2,946.7
Dollar		
(Finexspotindex)	96.89	96.14
T-Bond		

(CBTnearbyfutures)	157-060	153-250
Crude Oil		
(NYMlightsweetcrude)	60.30	59.72
Inflation KR-CRB		
(FuturesPriceIndex)	223.18	225.56
Gold		
(CMXnearbyfutures)	1189.40	1204.30
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Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=US02916P1030](http://www.companyspotlight.com/partner?cp_code=P479&isin=US02916P1030)

Access Investor Kit for D.R. Horton, Inc.

Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=US23331A1097](http://www.companyspotlight.com/partner?cp_code=P479&isin=US23331A1097)

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(END) Dow Jones Newswires

May 30, 2015 00:10 ET (04:10 GMT)

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## MARKET WEEK

Stocks --- The Trader: Dow Stalls in Slow Pre-Holiday Trading

By Vito J. Racanelli

2,063 字

2015 年 5 月 25 日

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"Investors are a fickle bunch," says Thomas Stringfellow, president of Frost Investment Advisors in San Antonio, "and they breathed a collective sigh of relief" when Yellen reaffirmed the market's expectations of a fall hike. Like the Fed chair, Stringfellow thinks the economy will improve later this year. Consequently, he thinks the airline stocks "are getting interesting again." (More on this below.)

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What the Dow Theory bears are ignoring, notes Michael Purves, chief global strategist at Weeden, is a longer historical perspective. He adds that the transportation sector has outperformed for five years. Such a divergence a few years earlier in this bull rally would have been concerning, but "we are seeing a little mean reversion here," he adds.

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Things have changed in the past decade. The airline profit renaissance has been attributed to managements across the board exhibiting more discipline, keeping capacity increases in line with actual demand, adding baggage fees, removing free food, and avoiding those decimating fare wars.

Yet the main reason the industry has been doing so well derives from its current oligopolistic structure, thanks to bankruptcies and mergers that followed those terrible times. The number of major U.S. carriers dropped to four from eight to 10 in the past decade. In any industry, if there are just three or four rivals holding most of the market, the urge to compete on price is much diminished. In the air-travel business, this has boosted profits for carriers but has cost consumers.

That's not going to change soon, despite the fact that one of the big four, Southwest Airlines (LUV) is raising capacity a little more than expected. And a small discount carrier, Spirit Airlines (SAVE) is expected to increase it a lot, emboldened by substantial jet fuel savings. U.S. air-travel demand is rising about 2% to 3%, roughly in line with the U.S. gross domestic product, but domestic capacity in 2016 could rise by mid-single digit percentages.

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"The industry's capacity discipline is being tested, but once airline managements begin to see that too much capacity growth is not the right long-term decision for their shareholders, they should pull back," says Kristopher Kelley, an airline analyst at Janus Capital Group, which owned a stake in United Continental Holdings (UAL) as of April 30.

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While all seven Wall Street analysts who cover the stock have a Buy rating on Air Methods -- a potential contrarian signal -- there are skeptics who think the big price hikes of the past will come to an end relatively soon. A quarter of the shares outstanding are sold short, according to Bloomberg.

The gross billing growth isn't sustainable, says Jonathan Hanlon, founder of Research 360, an independent research outfit with no position in the stock. Investors assume it will continue, but at the current rate, a patient air-transport gross bill would rise to \$61,000 in two years and \$90,000 in five. That's difficult to accept when medical cost containment is a government and corporate priority.

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volume but 80% of revenue, he notes. A private insurer pays an average \$30,000 per transport, compared to \$6,500 for Medicare patients -- 33% of transport volume -- and \$2,000 for Medicaid patients -- 23% of volume. Self-pay generates another 12%.

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<b>S&amp;P500</b>	2126.06	+3.33	+0.16
S&PMidCap	1541.56	+10.28	+0.67
S&PSmallCap	718.16	+3.08	+0.43
Nasdaq	5089.36	+41.07	+0.81
ValueLine(arith.)	4881.43	+7.12	+0.15
Russell2000	1252.22	+8.28	+0.67
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NYSE		
Advances	1,496	1,883
Declines	1,731	1,323
Unchanged	50	58
NewHighs	265	198
NewLows	110	118
AvDailyVol(mil)	2,946.7	3,141.1
Dollar		
(Finexspotindex)	96.01	93.23

T-Bond		
(CBTnearbyfutures)	153-250	155-190
Crude Oil		
(NYMlightsweetcrude)	59.72	59.69
Inflation KR-CRB		
(FuturesPriceIndex)	225.56	231.46
Gold		
(CMXnearbyfutures)	1204.30	1225.50
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# DOW JONES NEWSWIRES

The Trader: Dow Stalls In Slow Pre-Holiday Trading -- Barron's

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2015 年 5 月 23 日 05:08

Dow Jones Institutional News

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(FROM BARRON'S 5/25/15)

By Vito J. Racanelli

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23 May 2015 00:08 ET The Trader: Dow Stalls In Slow Pre-Holiday -2-

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T-Bond		
(CBTnearbyfutures)	153-250	155-190
Crude Oil		
(NYMlightsweetcrude)	59.72	59.69
Inflation KR-CRB		
(FuturesPriceIndex)	225.56	231.46
Gold		
(CMXnearbyfutures)	1204.30	1225.50

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May 23, 2015 00:08 ET (04:08 GMT)

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## MARKET WEEK

Stocks --- The Trader: S&P 500 Hits New Record, Up 0.3% on Week

By Vito J. Racanelli

1,863 字

2015 年 5 月 18 日

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Undeterred by another round of soft economic data released last week, investors sent the Standard & Poor's 500 index to an all-time high. This year's new highs, however, have been modestly above previous records, unlike last year's sharp moves.

Chalk that up to perverse circumstance. In normal times, investors want a growing economy and rising corporate earnings. Today, however, that otherwise rosy scenario almost certainly would mean higher interest rates. Good news would be bad news.

Rates eventually will rise, but the market consensus is that the Federal Open Market Committee, the Fed's policy-making arm, won't raise interest rates at its next meeting, scheduled for June 16-17. That helps explain why the market has been scratching its way higher. A September hike remains an open question. While jobless claims last week were decent, the latest figures on U.S. retail sales, consumer sentiment, and industrial production were all weaker than expected.

"There's nothing out there that's changing the market narrative," says Michael Matousek, head trader at U.S. Global Investors.

The market range has gotten even tighter in recent weeks, like a spring coiling. "If you get a little trading volume, it could be the start of the next leg higher," he says.

The Dow Jones Industrial Average gained 82 points, or 0.5%, on the week, to 18,272.56, and the Standard & Poor's 500 index rose 7 or 0.3%, to 2122.73. The Nasdaq added 45, or 0.9%, to 5048.29.

Last week's action says "the Fed hike is off the table for June, and perhaps even for September," says Adam Sarhan, CEO of Sarhan Capital. "The Fed has said its action is data- dependent, and the data [are] weak."

Sarhan says that a catalyst to propel the market out of its range trading could be the growing conviction that a September rate hike won't happen.

Following a weak first quarter, the economy hasn't shown much verve, notes Anwiti Bahuguna, a senior portfolio manager at Columbia Threadneedle Investments. There's no reason for the Fed to tighten, she says.

Expectations for earnings growth haven't improved in the current quarter, and consumers haven't stepped up their spending, so that doesn't bode well for second-quarter growth, Bahuguna says, adding, "It might be a rocky period."

Significant sales gains, and thus profit growth, probably won't be seen until the fourth quarter. Meanwhile, summer is a traditionally weak season for stocks, with lower trading activity. What's to get excited about? For the time being, it's low rates.

### Ralph Lauren Offers a Deal

At \$1,500 to \$2,000 and up, Ralph Lauren's classic men's sport coats are expensive. The company's stock isn't, having fallen 30% since December, to \$133.11.

Ralph Lauren (ticker: RL) faces near-term challenges including a strong dollar, but none seen insurmountable or even unique. Wall Street's overly gloomy outlook seems to discount a worst-case scenario, giving little credit to the company for its track record of steadily improving results in the past decade. With a stable dollar from here and a small pickup in results, the stock could provide a total return of 15% to 20% over the next 12 to 18 months.

The dollar is a big head wind for the maker of high-end men's and women's apparel, which runs 466 stores and has 536 concession shops worldwide. The global economy is challenging, and consumer spending is restrained. Ralph Lauren also is investing heavily to expand, as it sees long-term growth opportunities around the world. Capital expenditures are expected to be \$400 million to \$500 million in the fiscal year ending March 2016, compared to \$390 million in fiscal 2015.

Ralph Lauren gave disappointing guidance Wednesday for 2016 when it reported results for the fourth quarter ended March 28. Lauren expects mid-single-digit revenue growth in fiscal 2016, but a negative impact of 4.5 percentage points from current exchange rates, while operating profit margin will be hurt by 1.8 to 2.3 percentage points for the same reason. This pain will be particularly acute in the current quarter.

Lauren reported fiscal 2015 net income of \$702 million, or \$7.88 per diluted share, but adjusted for currency effects, EPS was \$8.19. In fiscal 2014, net income was \$776 million, or \$8.43 a share.

Sales rose 2% in fiscal 2015, and 4% on a constant-currency basis. Similarly, retail comparable-store sales fell 1% last year but rose 1% adjusted for currency.

A good portion of Lauren's problem derives from the greenback, which will fall out of comparisons within 12 months, says Daniel Morgan, a portfolio manager with Synovus Trust, where the stock remains on the Buy list. The company is seeing strong wholesale growth in North America and healthy retail sales growth due to expansion in global e-commerce and the contribution from new store openings, he adds.

Lauren continues to expand its international presence and product array, which will pinch profits in the short term. But it will boost the top line in the longer term by helping the company further penetrate growth markets such as China and India, Morgan adds.

Shares trade at about 18.6 times current-fiscal-year expected earnings of \$7.16 a share. That's not dirt cheap, but is below its average of 20 over the past five years. And they're the cheapest they've been in some time relative to the market's P/E, now 17.7.

Lauren's market capitalization is essentially unchanged from four years ago, in the aftermath of the financial crisis, even though the company is more financially fit and geographically diverse, and generating much more in annual sales and earnings, Morgan notes.

Wall Street doesn't like the stock, and consensus earnings estimates most likely will drop more, but the long-term investor "has to be willing to take a step back," Morgan says. "This is a great company that has gone through good times and bad."

The stock's weakness is a chance to buy a high-quality global brand name with growth potential and a strong balance sheet, including more than \$9 per share in net cash. Don't look for things to change immediately, but results could show sustainable improvement later in the fiscal year. So could the shares.

#### How Windstream Could Win

Windstream Holdings (WIN) provides network communications, such as broadband Internet services, phone, and digital TV services, to businesses and residences. Based in Little Rock, Ark., it operates in 48 states, mostly in rural areas in the East and Midwest. On April 24, it spun off 80% of Communications Sales & Leasing (CSL), a real-estate investment trust. Based on CSL's \$4.1 billion market capitalization, Windstream's remaining 19.5% stake is almost equal to its entire market cap.

CSL owns, operates, and leases telecommunications assets, such as copper and fiber-optic lines, which were formerly owned by Windstream, its only customer.

As a tax-advantaged REIT, CSL is able to pass on most of its earnings to its shareholders in the form of dividends. It offers an attractive 8.7% yield on its \$27.53 share price. The spinoff was done to capture the much higher valuations awarded to REITs than telecom operations.

Since the spinoff, Windstream shares have dropped from a high of \$13 to \$8.61, giving the company a market value of \$868 million. Windstream's remaining stake in CSL is worth about \$800 million.

Stripping out the value of CSL would leave Windstream's remaining operations with an implicit value of just \$68 million, says William Mitchell, portfolio manager of the Spinoff & Reorg fund. Windstream could generate \$5 billion in sales this year, and about \$940 million in pro forma earnings before interest, taxes, depreciation, and amortization. That implies the Ebitda of the remaining operations are 14 times greater than the value of the operations themselves, says Mitchell, whose fund owns Windstream and is short CSL.

In a recent report using peer comparison valuations, Spin-Off Research, a specialist in sizing up such assets, put a \$12 price target on Windstream.

How can this carrier seemingly be so mispriced? Mitchell says both parent and spinoff aren't well-known names on Wall Street and operate in a small segment of an industry not particularly popular with investors. Moreover, before the spinoff, many Windstream shareholders were probably high-yield-seeking investors. Following the spinoff, they probably kept CSL, with its generous yield, but sold Windstream, which was yielding 1.1%, not including dividends from its remaining CSL stake.

Is the nation's largest rural carrier, with annual revenue of more than \$5 billion, really going to have a market value of just \$68 million? Probably not, Mitchells says.

Windstream has its problems, and operates in a challenging industry. Revenue continues to decline. Operating margins are expected to contract from 37% last year to 34% or so this year, and possibly less in the future. Windstream has debt of \$5.25 billion, some of which it intends to pay down through the sale of its remaining CSL stake, compared to \$856 million in shareholders' equity, pro forma. Mitchell notes that long-term debt doesn't mature until 2019, "giving it plenty of breathing space" to put its business on a better footing.

Windstream is a short-term buy, not a long-term investment, and vigilance is required. Institutional investors might consider buying Windstream and shorting CSI to focus on the investment in Windstream alone, although individual investors might not be so intrepid on the short side.

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#### Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18272.56	+81.45	+0.45
DJTransportation	8680.78	-86.11	-0.98
DJUtilities	585.74	+1.91	+0.33
DJ65Stocks	6409.46	+0.69	+0.01
DJUSMarket	534.98	+2.00	+0.38
NYSEComp.	11228.36	+31.86	+0.28
NYSEMKTComp.	2482.95	+2.56	+0.10
<b>S&amp;P500</b>	2122.73	+6.63	+0.31
S&PMidCap	1531.28	+12.51	+0.82
S&PSmallCap	715.08	+4.70	+0.66
Nasdaq	5048.29	+44.74	+0.89
ValueLine(arith.)	4874.31	+29.75	+0.61
Russell2000	1243.95	+9.02	+0.73
DJUSTSMFloat	22174.33	+87.45	+0.40

	Last Week	Week Earlier
NYSE		
Advances	1,883	1,379
Declines	1,323	1,851
Unchanged	58	39
NewHighs	198	162
NewLows	118	153
AvDailyVol(mil)	3,141.1	3,521.7
Dollar		
(Finexspotindex)	93.23	94.82
T-Bond		
(CBTnearbyfutures)	155-190	156-070
Crude Oil		
(NYMlightsweetcrude)	59.69	59.39
Inflation KR-CRB		
(FuturesPriceIndex)	231.46	229.16
Gold		
(CMXnearbyfutures)	1225.50	1189.10

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## DOW JONES NEWSWIRES

Dow Industrials, S&P 500 Hit New Highs, But Nasdaq, Small Caps Get the Big Gains -- Barron's Blog

By Ben Levisohn

657 字

2015 年 5 月 19 日 00:26

Dow Jones Institutional News

DJDN

英文

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The S&P 500 and the Dow Jones Industrial Average might have hit new highs today, but it was the Nasdaq Composite and the small-company Russell 2000 that had the big gains.

The S&P 500 gained 0.3% to 2,129.20, its ninth record close of the year, while the Dow Jones Industrial Average ticked up 0.1% to 18,298.88, its fifth record high. The Nasdaq Composite, however, climbed 9.6% to 5,078.44, while the Russell 2000 jumped 1.1% to 1,257.52.

Morgan Stanley's Adam Parker and team make the case for stocks heading even higher:

So why are we still bullish given the overall sentiment is rooted in some real concerns? There are three simple points. Firstly, we think the bottom-up earnings estimates are too low. They embed just over \$119 in EPS for 2015, and we forecast a top-down outlook of \$124 for **S&P500** earnings. While it is unusual for bottom-up numbers to be too pessimistic (it has happened only 6 times in the 39-year history of the forward earnings estimates), we think we have already seen the trough in numbers, given the upward revisions in six of ten sectors during the recent earnings season and a bar that was too dramatically lowered earlier in the year. We would not be surprised to see higher numbers in consumer, healthcare, financials, and energy, among other sectors. Secondly, we think the US economy will improve. While the US and global economies have been more tepid than our team had expected, Ellen Zentner, our Chief US Economist, is forecasting an improving economy in the second half of the year, in part fueled by modest dis-savings from an increasingly confident consumer. Thirdly, we think sentiment about US equities is relatively low compared to other regions (like Europe, Japan, or China A-Shares) and they clearly remain quite attractive on a valuation basis vs. nearly every government bond around the world.

Nuveen's Bob Doll urges investors to be patient:

The bull market celebrated its sixth birthday in March and is starting to show its age. Since it began, this bull market has been fueled by both rising corporate earnings and increasing valuations. Compared to where we were six years ago, valuations are now higher, and with the Fed poised to begin a rate hike cycle, it would be hard to argue that valuations will drive the next leg of the bull market. That leaves earnings, but as we indicated earlier, the corporate earnings outlook is a bit troubled.

This is not to say that we have a pessimistic outlook toward equities; rather, we think now is a time for patience. We expect the economy will improve over the coming months, which should allow for an earnings rebound. Since the end of the Great Recession, equity markets have soared ahead of a lagging economy. For years we have been more confident about the direction of the equity market than the direction of the economy. But that is no longer the case. Now we believe the economy will begin to lead the equity markets, and the U.S. economy appears to be operating on more cylinders than it has for some time

If only those cylinders weren't backfiring as often as they seem to be.

More at Barron's Stocks to Watch blog,  
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 [Dow Industrials, S&P 500 Hit New Highs, But Nasdaq, Small Caps Get the Big Gains](#)

Barron's Blogs, 2015 年 5 月 19 日 00:26, 584 字, By Ben Levisohn, (英文)

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# DOW JONES NEWSWIRES

Stocks Ex-Dividend May 20

1,415 字

2015 年 5 月 18 日 22:03

Dow Jones Institutional News

DJDN

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Company	Symbol	Yield(%)	Amount
3M	MMM	2.5	1.025
Aberdeen Asia-Pacific	FAX	7.7	0.035
Aberdeen Global	FCO	8.9	0.07
Amer Cap Senior Floating	ACSF	8.8	0.097
Ares Management L.P.	ARES	5.1	0.25
Barrett Business Svcs	BBSI	2.4	0.22
Bluerock Res Growth REIT	BRG	8.5	0.09667
Cablevision Sys	CVC	2.9	0.15
Carnival	CCL	2.1	0.25
Carnival ADS	CUK	2.0	0.25
CBREClarionGlbRIEstIncm	IGR	6.2	0.045
CIFC	CIFC	5.0	0.10
ClearBridge Amer Engy	CBA	7.5	0.305
ClearBridge Engy MLP Fd	CEM	6.4	0.42
Clearbridge Engy MLP Opp	EMO	6.6	0.365
Clearbridge Engy MLP TR	CTR	6.6	0.345
Cogent Comms Hldgs	CCOI	3.9	0.09
Cogent Comms Hldgs	CCOI	3.9	0.33
ConocoPhillips	COP	4.4	0.73
Core-Mark Holding	CORE	0.9	0.13
Deutsche Bk Contng Cap Tr	DXB	6.1	0.40938
Diebold Inc	DBD	3.3	0.2875
Direxion 7-10y Trea Bull	SYTL	...	2:1 Split
Direxion Brazil Bull 3X	BRZU	...	1:10 Reverse Split
Direxion China Bear 3X	YANG	...	1:10 Reverse Split
Direxion Daily MC Bull 2x	MDLL	...	4:1 Split
Direxion Daily Mid Bll 3x	MIDU	...	4:1 Split
Direxion Daily Mid Br 3x	MIDZ	...	1:4 Reverse Split
Direxion Daily SC Bull 2X	SMLL	...	4:1 Split
Direxion DailyTch Bear 3x	TECS	...	1:4 Reverse Split
Direxion DailyTch Bull 3x	TECL	...	4:1 Split
Direxion Dly India 3 Bull	INDL	...	4:1 Split
Direxion Dly Retail BI 3x	RETL	...	4:1 Split
Direxion Dly SCOND 3 Bear	SOXS	...	1:4 Reverse Split
Direxion Dly SCOND 3 BL	SOXL	...	4:1 Split
Direxion Dy LatAm Bull 3X	LBJ	...	1:4 Reverse Split
Direxion S&P 500 Bull 2X	SPUU	...	4:1 Split
Direxn Daily Finl Bull 3x	FAS	...	4:1 Split
DXN Dly NatGas 3X BI	GASL	...	1:10 Reverse Split
DXN DLY RSSA BEAR 3X	RUSS	...	1:4 Reverse Split
DXN HEALTHCR BULL 3X	CURE	...	4:1 Split
Eatn Vnc MI Muni	MIW	5.7	0.06575
Eatn Vnc NJ Muni	EMJ	5.7	0.0625
Eatn Vnc NY Muni	NYH	5.7	0.05725
Eatn Vnc OH Muni	EIO	5.5	0.0585
Eatn Vnc PA Muni	EIP	6.1	0.06442
Eaton Vance BuyWrite Opp	ETV	8.7	0.1108

Eaton Vance CA Mun Bd	EVM	5.7	0.057
Eaton Vance Eqty Inco Fd	EOI	7.5	0.0864
Eaton Vance Eqty Inco II	EOS	7.3	0.0875
Eaton Vance Floating-Rate Incm Plus Fd	EFF	6.7	0.095
Eaton Vance Mun Bd Fd	EIM	6.1	0.06384
Eaton Vance Mun Bd Fd II	EIV	5.9	0.06146
Eaton Vance Mun Incm 2028	ETX	4.9	0.07083
Eaton Vance Tax-Mng Div	ETY	8.7	0.0843
Eaton Vance Tax-Mngd Opp	ETW	9.7	0.0973
Eaton Vnce NY	ENX	5.7	0.05983
Eaton Vnce CA2	EIA	5.6	0.06092
Eaton Vnce Ins MA	MAB	5.4	0.06333
EatonVance TxAdv Opport	ETO	8.7	0.18
EatonVnc SrFltRate	EFR	6.5	0.078
Embotelladora	AKO/A	3.6	0.1469
Embotelladora B	AKO/B	3.1	0.16159
Equifax Inc	EFX	1.2	0.29
Etn Vnc Short Dur Fd	EVG	7.4	0.09
Etn Vnc Tax Mgd Buy-Write	ETB	8.1	0.108
EtnVnc TaxAdvDiv	EVT	6.7	0.1158
EtnVncFltRte IncoTr	EFT	6.2	0.075
EtnVncRskMngd	ETJ	10.2	0.093
EtnVncTxAdvGblDiv	ETG	7.0	0.1025
EtnVncTxMngGIDvEqInc	EXG	9.6	0.0813
EV National Municipal Opp	EOT	5.0	0.08583
Evolving Systems	EVOL	5.1	0.11
Exelis Inc.	XLS	1.7	0.1033
Fed Premier Intermediate	FPT	5.3	0.0555
Federated Premier	FMN	6.0	0.0735
First Clover Leaf Fnl	FCLF	2.7	0.06
Flir Systems	FLIR	1.4	0.11
Griffon	GFF	1.0	0.04
Harris Corp	HRS	2.4	0.47
Hawaiian Elec	HE	4.0	0.31
Healthcare Services Group	HCSG	2.3	0.1775
Heartland Fincl USA	HTLF	1.1	0.10
Hecla Mining	HL	0.3	0.0025
HSBC HldgsHSBC		4.1	0.50
Inteliquent Inc.	IQNT	3.3	0.15
Kite Realty Grp Tr Pfd. A	KRGpA	7.8	0.51563
Legg Mason BW Gbl Incm	BWG	9.7	0.13
LeMaitre Vascular	LMAT	1.6	0.04
LMP Corp Loan Fd	TLI	7.7	0.0725
LMP Real Estate Inco Fd	RIT	5.7	0.06
Marriott Intl	MAR	1.2	0.25
Mattel Inc	MAT	5.8	0.38
Monarch Fincl Hldgs	MNRK	2.8	0.09
MS Income Secs	ICB	3.0	0.045
Nature's Sunshine	NATR	3.1	0.10
NexPoint Credit Strat Fd	NHF	9.1	0.06
Nu Skin Enterprises	NUS	2.7	0.35
Ocean Rig UDW	ORIG	8.5	0.19
Pan American Silver	PAAS	1.9	0.05
Park Natl	PRK	4.5	0.94
Pengrowth Energy	PGH	6.6	0.01649
Pitney Bowes Nts 2043	PBIpB	6.2	0.41875
ProSh Large Cap Core Plus	CSM	...	2:1 Split
ProSh Ult Bloombg Nat Gas	BOIL	...	1:4 Reverse Split
ProSh Ultra Bloomberg Com	UCD	...	1:4 Reverse Split
ProShares Ultra Dow30	DDM	...	2:1 Split
ProShares Ultra Finls	UYG	...	2:1 Split
ProShares Ultra Hlth Care	RXL	...	2:1 Split
ProShares Ultra QQQ	QLD	...	2:1 Split
ProShares Ultra <b>S&amp;P500</b>	SSO	...	2:1 Split
ProShares Ultra SC600	SAA	...	2:1 Split
ProShares Ultra Tech	ROM	...	2:1 Split

ProShares UltraPro Dow 30	UDOW	...	2:1 Split
ProShares UltraVIXST	UVXY	...	1:5 Reverse Split
ProShrs Short Russell2000	RWM	...	1:4 Reverse Split
ProShrs UltraPro S&P 500	UPRO	...	2:1 Split
ProShrsUltraYen	YCL	...	1:4 Reverse Split
ProShs Ult Nsdq Biotech	BIB	...	1:5 Reverse Split
ProShs UltraShort Hlth Cr	RXD	...	1:4 Reverse Split
ProShs UltraSht Cnsmr Svs	SCC	...	1:4 Reverse Split
ProShs UltrShrt Real Es	SRS	...	1:4 Reverse Split
ProShsUIProMidCap400	UMDD	...	2:1 Split
PS Ult Bloomberg Crude	UCO	...	1:5 Reverse Split
Putnam High Income Sec	PCF	4.5	0.0309
Putnam Mas Inco	PIM	6.4	0.026
Putnam Muni Opportunities	PMO	5.9	0.0595
Putnam Premier	PPT	6.0	0.026
Putnam Tr	PMM	6.0	0.0363
Rentech Nitrogen Ptrs LP	RNF	9.3	0.36
Robert Half Intl	RHI	1.4	0.20
RR Media	RRM	4.0	0.07
Schweitzer-Maudit Intl	SWM	3.6	0.38
Source Capital	SOR	4.6	0.85
South State Corp.	SSB	1.3	0.24
Spok Holdings Inc.	SPOK	2.8	0.125
Tiptree Financial Cl A	TIPT	1.5	0.025
Tortoise Energy	TYG	5.8	0.645
Tortoise Engy Ind Fd	NDP	8.4	0.4375
Tortoise MLP Fund	NTG	6.7	0.4225
Tortoise P&Engy Infrstr	TPZ	5.9	0.1375
Tortoise Pipeline & Engy	TTP	6.2	0.45
United Insurance Holdings	UIHC	1.2	0.05
Utd Community Bancorp	UCBA	1.9	0.06
Vermilion Energy	VET	4.8	0.17845
West Asst HY Def Opp Fd	HYI	8.0	0.11
Western Asset Income Fd	PAI	5.1	0.0575
Western Asset Invt	IGI	5.8	0.10
Western Asset Mtg Opp	DMO	8.8	0.18
Western Asset Mun Tr Fund	MTT	4.4	0.084
Western Asset Premier	WEA	7.8	0.09
Wstrn Asset Emerg Mkts	ESD	8.5	0.115
Wstrn Asset Gl Def Opp Fd	GDO	7.7	0.1135
Wstrn Asset Gbl Hi Inco	EH1	10.4	0.09625
Wstrn Asset Gbl Ptrns	GDF	9.0	0.0725
Wstrn Asset High Inco II	HIX	10.2	0.069
Wstrn Asset Intermed Muni	SBI	4.8	0.04
Wstrn Asset Mngd High Inc	MHY	7.9	0.0345
Wstrn Asset Mngd Muni	MMU	5.6	0.065
Wstrn Asset Muni Hi Inco	MHF	4.5	0.029
Wstrn Asset Muni Ptrns Fd	MNP	5.7	0.0725
Wstrn Asset Opp Fd	HIO	7.9	0.0355
Wstrn Asset Var Rate Fd	GFY	5.3	0.0725

18 May 2015 17:03 ET Stocks Ex-Dividend May 20 -2-

Wstrn Asset Worldwide Inc SBW 8.3 0.08

Source: SIX Financial Information

(END) Dow Jones Newswires

May 18, 2015 17:03 ET (21:03 GMT)

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# DOW JONES NEWSWIRES

US ETF/Notes Ex-Dividend May 20

378 字

2015 年 5 月 18 日 22:02

Dow Jones Institutional News

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Company	Symbol	Yield(%)	Amount
Direxion 7-10y Trea Bull	SYTL	...	2:1 Split
Direxion Brazil Bull 3X	BRZU	...	1:10 Reverse Split
Direxion China Bear 3X	YANG	...	1:10 Reverse Split
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Direxion Daily Mid Bll 3x	MIDU	...	4:1 Split
Direxion Daily Mid Br 3x	MIDZ	...	1:4 Reverse Split
Direxion Daily SC Bull 2X	SMLL	...	4:1 Split
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Direxion Dly India 3 Bull	INDL	...	4:1 Split
Direxion Dly Retail BI 3x	RETL	...	4:1 Split
Direxion Dly SCOND 3 Bear	SOXS	...	1:4 Reverse Split
Direxion Dly SCOND 3 BL	SOXL	...	4:1 Split
Direxion Dy LatAm Bull 3X	LBJ	...	1:4 Reverse Split
Direxion S&P 500 Bull 2X	SPUU	...	4:1 Split
Direxn Daily Finl Bull 3x	FAS	...	4:1 Split
DXN Dly NatGas 3X BI	GASL	...	1:10 Reverse Split
DXN DLY RSSA BEAR 3X	RUSS	...	1:4 Reverse Split
DXN HEALTHCR BULL 3X	CURE	...	4:1 Split
ProSh Large Cap Core Plus	CSM	...	2:1 Split
ProSh Ult Bloombg Nat Gas	BOIL	...	1:4 Reverse Split
ProSh Ultra Bloomberg Com	UCD	...	1:4 Reverse Split
ProShares Ultra Dow30	DDM	...	2:1 Split
ProShares Ultra Finls	UYG	...	2:1 Split
ProShares Ultra Hlth Care	RXL	...	2:1 Split
ProShares Ultra QQQ	QLD	...	2:1 Split
ProShares Ultra <b>S&amp;P500</b>	SSO	...	2:1 Split
ProShares Ultra SC600	SAA	...	2:1 Split
ProShares Ultra Tech	ROM	...	2:1 Split
ProShares UltraPro Dow 30	UDOW	...	2:1 Split
ProSharesUltVIXST	UVXY	...	1:5 Reverse Split
ProShrs Short Russell2000	RWM	...	1:4 Reverse Split
ProShrs UltraPro S&P 500	UPRO	...	2:1 Split
ProShrsUltraYen	YCL	...	1:4 Reverse Split
ProShs Ult Nsdq Biotech	BIB	...	1:5 Reverse Split
ProShs UltraShort Hlth Cr	RXD	...	1:4 Reverse Split
ProShs UltraSht Cnsmr Svs	SCC	...	1:4 Reverse Split
ProShs UltrShrt Real Es	SRS	...	1:4 Reverse Split
ProShsUIProMidCap400	UMDD	...	2:1 Split
PS Ult Bloomberg Crude	UCO	...	1:5 Reverse Split

Source: SIX Financial Information

-0-

5-18-15 17:00EST

(END) Dow Jones Newswires

May 18, 2015 17:02 ET (21:02 GMT)

文件 DJDN000020150518eb5i003hu

## DOW JONES NEWSWIRES

The Trader: S&P 500 Hits New Record, Up 0.3% On Week -- Barron's

1,923 字

2015 年 5 月 16 日 05:04

Dow Jones Institutional News

DJDN

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(FROM BARRON'S 5/18/15)

By Vito J. Racanelli

Undeterred by another round of soft economic data released last week, investors sent the Standard & Poor's 500 index to an all-time high. This year's new highs, however, have been modestly above previous records, unlike last year's sharp moves.

Chalk that up to perverse circumstance. In normal times, investors want a growing economy and rising corporate earnings. Today, however, that otherwise rosy scenario almost certainly would mean higher interest rates. Good news would be bad news.

Rates eventually will rise, but the market consensus is that the Federal Open Market Committee, the Fed's policy-making arm, won't raise interest rates at its next meeting, scheduled for June 16-17. That helps explain why the market has been scratching its way higher. A September hike remains an open question. While jobless claims last week were decent, the latest figures on U.S. retail sales, consumer sentiment, and industrial production were all weaker than expected.

"There's nothing out there that's changing the market narrative," says Michael Matousek, head trader at U.S. Global Investors.

The market range has gotten even tighter in recent weeks, like a spring coiling. "If you get a little trading volume, it could be the start of the next leg higher," he says.

The Dow Jones Industrial Average gained 82 points, or 0.5%, on the week, to 18,272.56, and the Standard & Poor's 500 index rose 7 or 0.3%, to 2122.73. The Nasdaq added 45, or 0.9%, to 5048.29.

Last week's action says "the Fed hike is off the table for June, and perhaps even for September," says Adam Sarhan, CEO of Sarhan Capital. "The Fed has said its action is data- dependent, and the data [are] weak."

Sarhan says that a catalyst to propel the market out of its range trading could be the growing conviction that a September rate hike won't happen.

Following a weak first quarter, the economy hasn't shown much verve, notes Anwiti Bahuguna, a senior portfolio manager at Columbia Threadneedle Investments. There's no reason for the Fed to tighten, she says.

Expectations for earnings growth haven't improved in the current quarter, and consumers haven't stepped up their spending, so that doesn't bode well for second-quarter growth, Bahuguna says, adding, "It might be a rocky period."

Significant sales gains, and thus profit growth, probably won't be seen until the fourth quarter. Meanwhile, summer is a traditionally weak season for stocks, with lower trading activity. What's to get excited about? For the time being, it's low rates.

### Ralph Lauren Offers a Deal

At \$1,500 to \$2,000 and up, Ralph Lauren's classic men's sport coats are expensive. The company's stock isn't, having fallen 30% since December, to \$133.11.

Ralph Lauren (ticker: RL) faces near-term challenges including a strong dollar, but none seen insurmountable or even unique. Wall Street's overly gloomy outlook seems to discount a worst-case scenario, giving little credit to the company for its track record of steadily improving results in the past decade. With a stable dollar from here and a small pickup in results, the stock could provide a total return of 15% to 20% over the next 12 to 18 months.

The dollar is a big head wind for the maker of high-end men's and women's apparel, which runs 466 stores and has 536 concession shops worldwide. The global economy is challenging, and consumer spending is restrained. Ralph Lauren also is investing heavily to expand, as it sees long-term growth opportunities around the world. Capital expenditures are expected to be \$400 million to \$500 million in the fiscal year ending March 2016, compared to \$390 million in fiscal 2015.

Ralph Lauren gave disappointing guidance Wednesday for 2016 when it reported results for the fourth quarter ended March 28. Lauren expects mid-single-digit revenue growth in fiscal 2016, but a negative impact of 4.5 percentage points from current exchange rates, while operating profit margin will be hurt by 1.8 to 2.3 percentage points for the same reason. This pain will be particularly acute in the current quarter.

Lauren reported fiscal 2015 net income of \$702 million, or \$7.88 per diluted share, but adjusted for currency effects, EPS was \$8.19. In fiscal 2014, net income was \$776 million, or \$8.43 a share.

Sales rose 2% in fiscal 2015, and 4% on a constant-currency basis. Similarly, retail comparable-store sales fell 1% last year but rose 1% adjusted for currency.

A good portion of Lauren's problem derives from the greenback, which will fall out of comparisons within 12 months, says Daniel Morgan, a portfolio manager with Synovus Trust, where the stock remains on the Buy list. The company is seeing strong wholesale growth in North America and healthy retail sales growth due to expansion in global e-commerce and the contribution from new store openings, he adds.

Lauren continues to expand its international presence and product array, which will pinch profits in the short term. But it will boost the top line in the longer term by helping the company further penetrate growth markets such as China and India, Morgan adds.

Shares trade at about 18.6 times current-fiscal-year expected earnings of \$7.16 a share. That's not dirt cheap, but is below its average of 20 over the past five years. And they're the cheapest they've been in some time relative to the market's P/E, now 17.7.

Lauren's market capitalization is essentially unchanged from four years ago, in the aftermath of the financial crisis, even though the company is more financially fit and geographically diverse, and generating much more in annual sales and earnings, Morgan notes (see the table on page M4).

Wall Street doesn't like the stock, and consensus earnings estimates most likely will drop more, but the long-term investor "has to be willing to take a step back," Morgan says. "This is a great company that has gone through good times and bad."

The stock's weakness is a chance to buy a high-quality global brand name with growth potential and a strong balance sheet, including more than \$9 per share in net cash. Don't look for things to change immediately, but results could show sustainable improvement later in the fiscal year. So could the shares.

#### How Windstream Could Win

Windstream Holdings (WIN) provides network communications, such as broadband Internet services, phone, and digital TV services, to businesses and residences. Based in Little Rock, Ark., it operates in 48 states, mostly in rural areas in the East and Midwest. On April 24, it spun off 80% of Communications Sales & Leasing (CSL), a real-estate investment trust. Based on CSL's \$4.1 billion market capitalization, Windstream's remaining 19.5% stake is almost equal to its entire market cap.

CSL owns, operates, and leases telecommunications assets, such as copper and fiber-optic lines, which were formerly owned by Windstream, its only customer.

As a tax-advantaged REIT, CSL is able to pass on most of its earnings to its shareholders in the form of dividends. It offers an attractive 8.7% yield on its \$27.53 share price. The spinoff was done to capture the much higher valuations awarded to REITs than telecom operations.

Since the spinoff, Windstream shares have dropped from a high of \$13 to \$8.61, giving the company a market value of \$868 million. Windstream's remaining stake in CSL is worth about \$800 million.

Stripping out the value of CSL would leave Windstream's remaining operations with an implicit value of just \$68 million, says William Mitchell, portfolio manager of the Spinoff & Reorg fund. Windstream could generate \$5 billion in sales this year, and about \$940 million in pro forma earnings before interest, taxes, depreciation, and amortization. That implies the Ebitda of the remaining operations are 14 times greater than the value of the operations themselves, says Mitchell, whose fund owns Windstream and is short CSL.

In a recent report using peer comparison valuations, Spin-Off Research, a specialist in sizing up such assets, put a \$12 price target on Windstream.

How can this carrier seemingly be so mispriced? Mitchell says both parent and spinoff aren't well-known names on Wall Street and operate in a small segment of an industry not particularly popular with investors. Moreover, before the spinoff, many Windstream shareholders were probably high-yield-seeking investors. Following the spinoff, they probably kept CSL, with its generous yield, but sold Windstream, which was yielding 1.1%, not including dividends from its remaining CSL stake.

Is the nation's largest rural carrier, with annual revenue of more than \$5 billion, really going to have a market value of just \$68 million? Probably not, Mitchells says.

Windstream has its problems, and operates in a challenging industry. Revenue continues to decline. Operating margins are expected to contract from 37% last year to 34% or so this year, and possibly less in the future. Windstream has debt of \$5.25 billion, some of which it intends to pay down through the sale of its remaining CSL stake, compared to \$856 million in shareholders' equity, pro forma. Mitchell notes that long-term debt doesn't mature until 2019, "giving it plenty of breathing space" to put its business on a better footing.

Windstream is a short-term buy, not a long-term investment, and vigilance is required. Institutional investors might consider buying Windstream and shorting CSI to focus on the investment in Windstream alone, although individual investors might not be so intrepid on the short side.

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e-mail: vito.racanelli@barrons.com

16 May 2015 00:05 ET The Trader: S&P 500 Hits New Record, Up 0.3% On -2-

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18272.56	+81.45	+0.45
DJTransportation	8680.78	-86.11	-0.98
DJUtilities	585.74	+1.91	+0.33
DJ65Stocks	6409.46	+0.69	+0.01
DJUSMarket	534.98	+2.00	+0.38
NYSEComp.	11228.36	+31.86	+0.28
NYSEMKTComp.	2482.95	+2.56	+0.10
<b>S&amp;P500</b>	2122.73	+6.63	+0.31
S&PMidCap	1531.28	+12.51	+0.82
S&PSmallCap	715.08	+4.70	+0.66
Nasdaq	5048.29	+44.74	+0.89
ValueLine(arith.)	4874.31	+29.75	+0.61
Russell2000	1243.95	+9.02	+0.73
DJUSTSMFloat	22174.33	+87.45	+0.40

	Last Week	Week Earlier
NYSE		
Advances	1,883	1,379
Declines	1,323	1,851
Unchanged	58	39
NewHighs	198	162
NewLows	118	153
AvDailyVol(mil)	3,141.1	3,521.7
Dollar		
(Finexspotindex)	93.23	94.82
T-Bond		
(CBTnearbyfutures)	155-190	156-070
Crude Oil		
(NYMlightsweetcrude)	59.69	59.39
Inflation KR-CRB		
(FuturesPriceIndex)	231.46	229.16
Gold		
(CMXnearbyfutures)	1225.50	1189.10

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Access Investor Kit for Ralph Lauren Corp.

Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=US7512121010](http://www.companyspotlight.com/partner?cp_code=P479&isin=US7512121010)

(END) Dow Jones Newswires

May 16, 2015 00:05 ET (04:05 GMT)

文件 DJDN000020150516eb5g0001m



## MARKET WEEK

Stock Splits/Dividends

504 字

2015 年 5 月 15 日

Barron's

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		Record		Ex-Div Payment			
Company Name-Ticker Symbol (Exchange)		Amount	Date	Date	Date		
EMC Ins Group-EMCI ( Nasdaq)	3-for-2	6-16	6-24	6-23			
IDEXX Laboratories-IDXX (Nasdaq)	2-for-1	5-18	6-16	6-15			
Insys Therapeutics-INSY (Nasdaq)	2-for-1	5-26	6-08	6-05			
ProSh Large Cap Core Plus-CSM (NYSE ARCA )	2-for-1	5-18	5-20	5-19			
ProShares Ultra Dow30-DDM (NYSE ARCA )	2-for-1	5-18	5-20	5-19			
ProShares Ultra Finls-UYG (NYSE ARCA )	2-for-1	5-18	5-20	5-19			
ProShares Ultra Hlth Care-RXL (NYSE ARCA )	2-for-1	5-18	5-20	5-19			
ProShares Ultra QQQ-QLD (NYSE ARCA )	2-for-1	5-18	5-20	5-19			
ProShares Ultra <b>S&amp;P500</b> -SSO (NYSE ARCA )	2-for-1	5-18	5-20	5-19			
ProShares Ultra SC600-SAA (NYSE ARCA )	2-for-1	5-18	5-20	5-19			
ProShares Ultra Tech-ROM (NYSE ARCA )	2-for-1	5-18	5-20	5-19			
ProShares UltraPro Dow 30-UDOW (NYSE ARCA )	2-for-1	5-18	5-20	5-19			
ProShrs UltraPro S&P 500-UPRO (NYSE ARCA )	2-for-1	5-18	5-20	5-19			
ProShs Ult Nsdq Biotech-BIB (Nasdaq)	2-for-1	5-18	5-20	5-19			
ProShsUIProMidCap400-UMDD (NYSE ARCA )	2-for-1	5-18	5-20	5-19			
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(END)

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Company Name-Ticker Symbol (Exchange)		Amount	Date	Date	Date			
EMC Ins Group-EMCI ( Nasdaq)	3-for-2	6-16	6-24	6-23				
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ProShares Ultra QQQ-QLD (NYSE ARCA )	2-for-1	5-18	5-20	5-19				
ProShares Ultra <b>S&amp;P500</b> -SSO (NYSE ARCA )	2-for-1	5-18	5-20	5-19				
ProShares Ultra SC600-SAA (NYSE ARCA )	2-for-1	5-18	5-20	5-19				
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## DOW JONES NEWSWIRES

David Tepper's Appaloosa Management Boosts ETF Investments, GM Stake

By Juliet Chung

310 字

2015 年 5 月 15 日 22:07

Dow Jones Institutional News

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David Tepper's Appaloosa Management LP added to its stock exposure in the first quarter, adding to its investments in exchange-traded funds while also increasing its position in General Motors Co., where it has been a longtime shareholder.

The Short Hills, New Jersey-based hedge fund's biggest new position in the first quarter was in the PowerShares QQQ ETF, a stake that was worth \$413 million as of March 31, according to a quarterly securities filing. Appaloosa in the period also ramped up its exposure to the SPDR **S&P500** ETF, with its stake worth \$934 million at the end of March. ETFs are investment baskets that mimic benchmarks like the S&P 500-stock index.

Appaloosa's bullishness on stocks was reflected in Mr. Tepper's comments at an investment conference in New York last week, where he spoke about his expectation that stocks could rally.

Appaloosa's GM stake of 18.3 million shares was worth \$687 million at the end of the first quarter, the filing said. Appaloosa was among a group of hedge funds that had been pushing for representation on the Detroit auto maker's board, but GM quelled that potential proxy fight in March by unveiling a massive share buyback and other measures.

The hedge fund took new positions in Micron Technology Inc. and JetBlue Airways Corp., worth \$96 million and \$91 million, respectively, while exiting American Airlines Group Inc.

Access Investor Kit for General Motors Co.

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Access Investor Kit for JetBlue Airways Corp.

Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=US4771431016](http://www.companyspotlight.com/partner?cp_code=P479&isin=US4771431016)

Access Investor Kit for Micron Technology, Inc.

Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=US5951121038](http://www.companyspotlight.com/partner?cp_code=P479&isin=US5951121038)

(END) Dow Jones Newswires

May 15, 2015 17:07 ET (21:07 GMT)

文件 DJDN000020150515eb5f00493

Top Stories

David Tepper's Appaloosa Management Boosts ETF Investments, GM Stake

By Juliet Chung

255 字

2015 年 5 月 15 日 22:15

Dow Jones Top Global Market Stories

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Top Stories

David Tepper's Appaloosa Management Boosts ETF Investments, GM Stake

By Juliet Chung

255 字

2015 年 5 月 15 日 22:15

Dow Jones Top North American Equities Stories

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## DOW JONES NEWSWIRES

'Work Ahead of Us,' Bank of America's Moynihan Says - Market Talk

1,640 字

2015 年 5 月 15 日 03:47

Dow Jones Institutional News

DJDN

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2247 EDT - Bank of America Corp. (BAC) shares are up a slim 10% since Brian Moynihan took over as CEO at the start of 2010. Yet he sounds more confident than ever in his ability to finish the bank's turnaround, according to a page-one article in The Wall Street Journal. "We have work ahead of us, there's no question. But [we're] driving the thing in the right direction," he says in an interview. (@chris\_rexrode; Christina.Rexrode@wsj.com)

0016 GMT - Bell Potter pencils in higher profit for SurfStitch (SRF.AU) over the next three fiscal years, cementing its buy call on the stock. The broker upgrades its FY15 EPS outlook by 30%, because of a lower forecast for depreciation. It also lifts its FY16 and FY17 earnings expectations by 13% and 9%, respectively. Those upgrades reflect a reduced need to spend on marketing as a result of the recent acquisition of two content websites and some reduced depreciation, which offset the dilution from a A\$37.5 million capital raising. "We understand the websites generate very little earnings currently but in the medium term we believe content has the potential to be a meaningful contributor," analyst Sam Byrnes says. SRF last traded at A\$1.65, below Bell Potter's A\$2.00/share price target. (david.winning@wsj.com; @dwinningWSJ)

0012 GMT [Dow Jones] Monadelphous (MND.AU) has been largely unloved by investors as they wait to see just how badly spending cuts by major mining companies affect Australian engineering contractors. However, Monadelphous's stock broke above minor resistance of A\$10.41 on Wednesday, and Morgans technical analyst Violeta Todorova says this points to higher prices over the next few weeks. "The potential upside price target is A\$12.00, however this level could be exceeded," she says. In the medium term, Morgans rates the stock at hold. MND last traded at A\$10.32. (david.winning@wsj.com; @dwinningWSJ)

0006 GMT [Dow Jones] Morningstar has raised its fair value target for Australian biotech company Sirtex Medical by 15% to A\$23 per share to account for better-than-expected results in clinical trials of the firm's liver cancer treatments. Sirtex's earnings prospects have increased by 49% to A\$67 million in the fiscal year 2016, Morningstar says. However, the analysts point out that the stock--trading at A\$27 ahead of trading start Friday--looked overvalued, as investors had a more aggressive outlook on the success of Sirtex's therapies. Morningstar retains a Hold rating on the stock. (vera.sprothen@wsj.com)

2358 GMT [Dow Jones] USD/JPY likely to consolidate with risks skewed to the upside Friday after hitting nine-day low 118.88 on Thursday. Pair supported by reduced safe-haven appeal of yen amid positive risk sentiment (S&P 500 finished up 1.08% at record closing high 2,121.10 overnight) on fewer-than-expected 264,000 U.S. jobless claim in week ended May 9 (versus forecast 273,000); signs of stability in bond markets after recent selloff. But USD/JPY gains tempered by lower U.S. Treasury yields (2-year fell 3.2 bps to 0.544% overnight). Data focus Friday on 1315 GMT U.S. April industrial production (forecast -0.1% on-month) & capacity utilization (forecast 78.3%); 1400 GMT University of Michigan May preliminary consumer sentiment index (forecast 95.5). Daily chart still negative-biased as MACD and stochastics in bearish mode; five-day moving average falling below 15-day moving average. Resistance at 119.34 (Thursday's high); breach would expose upside to 120.10 (Wednesday's high). Support at 118.88 (Thursday's low); breach would target 118.50 (April 30 low). Spot USD/JPY is at 119.20. (jerry.tan@wsj.com)

2357 GMT - Independence Group's (IGO.AU) purchase of a 5.1% stake in smaller Australian rival Gold Road Resources (GOR.AU) goes some way to answering the question of what the company will do next, UBS says. "However, it doesn't guarantee Independence will look to make a takeover for the entire company," says analyst Jo Battershill. "Subsequently, we would not rule out further potential M&A to acquire an additional development project or producing asset." Gold Road owns the Gruyere deposit in Western Australia, targeting an open pit producing 5 million tons of gold-bearing ore a year. A mine would cost A\$360 million to build. UBS rates Independence at neutral with a A\$5.90/share price target. IGO last traded at A\$5.75. (david.winning@wsj.com; @dwinningWSJ)

19:51 EDT - Private-equity firm Propel Equity Partners just acquired toy maker Buzz Bee Toys to bolster its toy brands platform, Alex Brands. Buzz Bee offers products such as dart launchers, water blasters, flying toys, basketball hoops and pogo sticks. P-E firms world-wide have been showing a penchant for toy

companies. In April, Hong Kong-based investment firm PAG Asia Capital agreed to buy Young Toys, a South Korean toy maker, for around \$200 million from Asia-focused P-E fund Headland Capital Partners. Chicago firm Winona Capital Management in March invested in Fat Brain Toys, an educational toy and games retailer. French firm Ardian in 2014 acquired toy manufacturer Schleich from European investor HgCapital. (chitra.vemuri@wsj.com)

2347 GMT [Dow Jones] The 18% drop in medical-devices maker ResMed's (RMD.AU) shares presents an opportunity to buy, says Shaw Stockbroking private wealth adviser Matt Felsman. The stock fell sharply on news a trial found its ASV sleep-apnea treatment may increase the risk of death among a specific group of heart-failure patients. Felsman says while the result clearly isn't good, it's also not terribly significant to RMD's existing sales or the strategic direction of the company. The study specifically focused on the ASV treatment and symptomatic chronic heart failure patients, and the potential benefit had the trial been successful was yet to be factored into RMD earnings expectations, Felsman says. With RMD's valuation now well below that of its ASX-listed peers and the shares down about 32% from an April 17 high, it's a chance to buy, he says. RMD was last at A\$6.73. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2350 GMT - The failure of Sirtex Medical's (SRX.AU) Sirflox colorectal cancer treatment to meet the primary target in a key study was unequivocal, with no systemic benefit for patients shown in the active arm of the trial. That, says Bell Potter, is likely to lead many to question the benefit of subjecting patients to a treatment in the absence of a proven survival benefit. Still, the secondary objective of the study holds out more promise as a treatment for liver cancer. And that makes ongoing trials crucial for proving the treatment has an overall survival benefit, although that isn't expected to be reported until 2017, Bell Potter says. It shifts to a sell recommendation from a hold stance based on valuation, leaving its target price at A\$19.36. SRX was last at A\$27. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

2344 GMT [Dow Jones] The Australian dollar retreated from a nearly five-month high overnight but remains above US\$0.80 early Friday, as Australia's record-low interest rate continues to attract investors in a low-yield environment globally. Emma Lawson, senior currency strategist at NAB in Sydney, says a speech of Bank of Japan Governor Haruhiko Kuroda Friday might contain hints that further monetary easing in Japan was needed--which could weigh on the yen and support the Aussie dollar. "More monetary easing in the rest of the G10 continues to highlight the 2% official rates remaining in Australia. That's why the AUD remains at levels seen before [Australia's central bank] eased twice this year," says Lawson. (vera.sprothen@wsj.com)

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(END) Dow Jones Newswires

May 14, 2015 22:47 ET (02:47 GMT)

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## DOW JONES NEWSWIRES

Westfield Clears Path for Potential U.S. Listing: UBS -- Market Talk

162 字

2015 年 5 月 15 日 00:40

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May 14, 2015 19:40 ET (23:40 GMT)

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## DOW JONES NEWSWIRES

USD/JPY Biased Up Amid Positive Risk Sentiment -- Market Talk

1,688 字

2015 年 5 月 15 日 00:58

Dow Jones Institutional News

DJDN

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2358 GMT [Dow Jones] USD/JPY likely to consolidate with risks skewed to the upside Friday after hitting nine-day low 118.88 on Thursday. Pair supported by reduced safe-haven appeal of yen amid positive risk sentiment (S&P 500 finished up 1.08% at record closing high 2,121.10 overnight) on fewer-than-expected 264,000 U.S. jobless claim in week ended May 9 (versus forecast 273,000); signs of stability in bond markets after recent selloff. But USD/JPY gains tempered by lower U.S. Treasury yields (2-year fell 3.2 bps to 0.544% overnight). Data focus Friday on 1315 GMT U.S. April industrial production (forecast -0.1% on-month) & capacity utilization (forecast 78.3%); 1400 GMT University of Michigan May preliminary consumer sentiment index (forecast 95.5). Daily chart still negative-biased as MACD and stochastics in bearish mode; five-day moving average falling below 15-day moving average. Resistance at 119.34 (Thursday's high); breach would expose upside to 120.10 (Wednesday's high).

Support at 118.88 (Thursday's low); breach would target 118.50 (April 30 low). Spot USD/JPY is at 119.20. (jerry.tan@wsj.com)

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文件 DJDN000020150514eb5e004z1

## DOW JONES NEWSWIRES

Don't Bank on Independence Bid for Gold Road, Says UBS -- Market Talk

1,602 字

2015 年 5 月 15 日 00:57

Dow Jones Institutional News

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文件 DJDN000020150514eb5e004yz

## DOW JONES NEWSWIRES

Sirtex Downgraded to Sell by Bell Potter -- Market Talk

1,563 字

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1827 EDT [Dow Jones] -- Teen retailer Abercrombie & Fitch is keeping a key player even though he is past mandatory retirement age. According to the company's corporate governance guidelines, Executive Chairman Arthur C. Martinez should step down because he is 75 years old. But those guidelines also let the board seek the re-election of an older member like him whose service is in the company's best interests. Directors gave that reason to justify Mr. Martinez's renomination, according to Abercrombie's latest proxy statement, released Thursday, Mr. Martinez and three other executives are jointly handling CEO duties until the board can find a successor for former leader Mike Jeffries. Jeffries abruptly left in December. (joann.lublin@wsj.com)

2232 GMT [DOW JONES] The Brazilian Development Bank, or BNDES, slowed lending to companies in the first quarter of this year, as it implemented a "moderation" policy that will likely continue this year as the government tries to improve its fiscal side. The BNDES lent BRL33.3B (\$10.95 billion) in the first quarter, down 24% from the year-ago period. In recent years, Brazil's government led a controversial expansion of the development bank in an effort to fuel economic growth. The strategy attracted criticism, including from the country's recently appointed finance minister, because the loan program focused on large companies who took advantage of lower interest rates. (rogerio.jelmayer@wsj.com)

(END) Dow Jones Newswires

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## DOW JONES NEWSWIRES

### FedEx Loses Motion to Dismiss DOJ Case

1,537 字

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[Dow Jones] FedEx lost a motion to dismiss a DOJ case related to its alleged role in transporting illegal prescription drugs Thursday using the "common carrier" defense. However, it won the right to subpoena certain communications records, something it deemed "vital" to its defense. "The communications will demonstrate what FedEx did: the company repeatedly cooperated with law enforcement's efforts to combat rogue Internet pharmacies, including aiding law enforcement investigations of some of the very entities with whom FedEx is alleged to have conspired," FedEx argued in a court filing. The case is viewed as a key test of how much responsibility carriers bear for packages they transport. The DOJ has said the company could face a fine as high as \$1.6 billion in the case of a loss. (Laura.Stevens@WSJ.com)

2338 GMT [Dow Jones] Westfield (WFD.AU) recorded robust specialty 1Q sales growth and solid progress on its development pipeline, says UBS, which keeps its A\$10.0/share price target and neutral call on the mall landlord, which last traded at A\$9.33. Westfield says it will decide within 12 months on a potential alternative listing location and New York is chief among its options. "A potential listing in the U.S. would only make sense if included in the **S&P500** in our view, and soon the criteria will be met with four consecutive quarters of positive reported earnings," UBS says. To be sure, a listing won't necessarily add much value for shareholders, at least not immediately, given Westfield's current market valuation relative to U.S. peers, it adds. (Ross.Kelly@wsj.com)

2336 GMT [Dow Jones] Australian gold miner Evolution Mining (EVN.AU) looks oversold to Jack Lowenstein and Chad Slater, joint chief investment officers at Morpheus Asset Management in Sydney. While "a lot of the speculative froth has been washed out of the sector" amid a fall in U.S. dollar gold prices, Evolution was dumped despite the firm accounting for revenue and costs in Australian dollars, they say. Evolution, trading at just seven times forward earnings looked cheap even after rallying more than 20% in recent weeks. "We especially like Evolution because of the quality of its management--not something you can say about most gold mining companies, where the record of value destroying investment decisions is sadly legend," the investors say. The stock stood at about A\$0.13 before trading started Friday. (vera.sprothen@wsj.com)

18:59 EDT [Dow Jones] Paycom Software, a provider of cloud-based human resources and payroll management software, said funds affiliated with Welsh Carson Anderson & Stowe are offering 8 million shares of its common stock in a secondary offering. Upon completion of the offering, Welsh Carson would reduce its stake to 20.4% from 29.1%, according to a Securities and Exchange Commission filing. Paycom offers talent acquisition, time and labor management, payroll, talent management and HR management services to businesses. Private-equity firm Welsh Carson acquired a majority stake in the company in 2007 for about \$56 million. Shares of Paycom closed at \$39.24 Thursday, up 2.9%. (chitra.vemuri@wsj.com)

1850 EDT [Dow Jones] Oil and natural gas company Jones Energy Inc. (JONE) priced a secondary offering of 5 million shares of its Class A common stock owned by affiliates of private-equity firm Metalmark Capital at \$10 a share. The offering's prospectus said entities affiliated with Metalmark will hold stakes adding up to 49.4% of Jones's Class A shares following the offering. Before the offering, these affiliates held stakes adding up to 75.3%, according to the filing. Metalmark backed Jones Energy's \$289 million acquisition of bankrupt Crusader Energy Group in 2010. Jones Energy raised equity capital from Metalmark to fund that transaction. Shares of Jones Energy were down \$1.54 a share, or 13.57%, at \$9.81 at close of trading Thursday. (chitra.vemuri@wsj.com)

2244 GMT [DOW JONES] President Obama said Thursday his administration conditionally approved a plan by Royal Dutch Shell to drill in the Arctic Ocean because it met federal standards, reiterating earlier comments made by administration officials. Environmentalists and some congressional Democrats criticized Mr. Obama for what they said was doublespeak when it comes to his commitment to addressing climate change while also greenlighting a fossil-fuel project. Giving a nod to that criticism, in nearly the same breath the president also said cutting carbon emissions would eventually require transitioning away from fossil fuels. (Amy.harder@wsj.com, @AmyAHarder)

18:45 EDT [Dow Jones] Credit Suisse cuts its price target on Australian electricity and natural gas distributor AusNet Services (AST.AU) to A\$1.55 from A\$1.60, disappointed with its distribution forecast. AusNet's annual Ebitda of A\$1.05 billion was a little below consensus, while its guidance for 2% growth in distributions in FY16 to 8.53 Australian cents per share was below Credit Suisse's 4% forecast. Despite having relatively low debt levels, pressure on earnings from lower regulated rates it can charge customers could constrain the balance sheet, Credit Suisse says, while maintaining a neutral stance. AST was last at A\$1.46. (Ross.Kelly@wsj.com)

2244 GMT [Dow Jones] Canaccord Genuity has become more confident about Northern Star Resources Ltd.'s (NST.AU) output in fiscal-year 2016 following a two-day visit to the gold miner's Western Australia operations. "We have revised FY16 production to 586,000 troy ounces from 601,000 ounces, pulling back assumed production from Kundana slightly," analyst Tim McCormack says. The broker also expects Northern Star's Jundee mine to continue operating for longer, now forecasting a mine life of 3.5 years. In coming months, a key catalyst would be an update on exploration success in Northern Star's Kalgoorlie assets given the amount of drilling taking place there at the moment, McCormack says. Canaccord Genuity rates Northern Star at hold, lifts its price target by 2.4% to 2.15 Australian dollars/share (\$1.74/share). NST last traded at A\$2.16. (david.winning@wsj.com; @dwinningWSJ)

1827 EDT [Dow Jones] -- Teen retailer Abercrombie & Fitch is keeping a key player even though he is past mandatory retirement age. According to the company's corporate governance guidelines, Executive Chairman Arthur C. Martinez should step down because he is 75 years old. But those guidelines also let the board seek the re-election of an older member like him whose service is in the company's best interests. Directors gave that reason to justify Mr. Martinez's renomination, according to Abercrombie's latest proxy statement, released Thursday, Mr. Martinez and three other executives are jointly handling CEO duties until the board can find a successor for former leader Mike Jeffries. Jeffries abruptly left in December. (joann.lublin@wsj.com)

2232 GMT [DOW JONES] The Brazilian Development Bank, or BNDES, slowed lending to companies in the first quarter of this year, as it implemented a "moderation" policy that will likely continue this year as the government tries to improve its fiscal side. The BNDES lent BRL33.3B (\$10.95 billion) in the first quarter, down 24% from the year-ago period. In recent years, Brazil's government led a controversial expansion of the development bank in an effort to fuel economic growth. The strategy attracted criticism, including from the country's recently appointed finance minister, because the loan program focused on large companies who took advantage of lower interest rates. (rogerio.jelmayer@wsj.com)

18:33 EDT - King Digital says it expects gross bookings of \$490 million to \$520 million in the second quarter. Tero Kuittinen at media consultancy Magid Associates says he believes the soft guidance is linked to the "problematic recent weakening" of "Candy Crush Soda Saga" and "Farm Heroes." "Candy Crush Soda Saga" has slipped to No. 7 in the U.S. App store, according to app industry research firm App Annie. "Soda Saga has a strong start and beat early expectations--but it is starting to look as though it is not aging well," Mr. Kuittinen says, noting stiffer competition from games that imitate "Candy Crush."

22:30 GMT [Dow Jones] Credit Suisse says a key positive from Evolution Mining's (EVN.AU) latest assessment of its gold reserves is the potential for a larger open pit at its Mt Carlton mine near Townsville in Queensland state. The broker says investors should overlook a marginal reduction in the gold-ore reserve at Mt Carlton to 625,000 troy ounces from 705,000 oz over the past year. Instead, the key takeaway from the latest reserves assessment is a higher gold grade at 4.4 grams/ton, compared to a previous estimate of 3.0 grams/ton. That implies better cash flow from the mine in future, Credit Suisse says. The broker rates Evolution Mining at outperform with a A\$1.10/share price target. EVN last traded at A\$1.22. (david.winning@wsj.com; @dwinningWSJ)

(END) Dow Jones Newswires

May 14, 2015 19:43 ET (23:43 GMT)

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## MARKET WEEK

Stocks --- The Trader: Friday's Rally Sends Dow Up 1% for the Week

By Vito J. Racanelli

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Despite the rally, the market was again unable to break out of a tight range that began last November. Investors aren't enthusiastic enough about macroeconomic data to send shares to new highs. The Standard & Poor's 500 index rose 0.4%, or 8 points to close at 2116.10, just below the previous high, 2117.69. The Nasdaq finished flat, at 5003.55.

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Those numbers were warm enough to assuage slowdown fears caused by a rise of just 0.2% in first-quarter gross domestic product, reported late last month, says Daniel Morris, global investment strategist at TIAA-CREF. Yet they weren't hot enough to spark worries that the Federal Reserve will raise interest rates sooner than September, marking the first rate hike in nine years.

There is strong resistance at the 2120 level on the S&P 500, says Yousef Abbasi, a market strategist at JonesTrading Institutional Services. "Investors don't want to pay more than the market's price/earnings ratio of 18 times, when the U.S. economy might grow in the range of 1% to 2% in the first half," he says.

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Brian Lazorishak, a portfolio manager at Chase Investment Counsel, is looking for a correction near-term, although perhaps not a 10% drop. "Valuations aren't cheap; we've gone years without a real correction, and the May-October period is historically a weak period for equities," he says.

Even a 5% pullback might be good for the bull, as it would "suck out some optimism and bring in enough pessimism" to set up the market for a rally in the back half of 2015, he says.

With about 90% of S&P 500 index companies having reported first quarter earnings, the blended growth rate is 0.1%, better than expectations of negative 4.7% on March 31, according to FactSet's John Butters. EPS growth is 7.7% without the energy sector. With results mostly out of the way, investors can focus on unsettling headlines likely to be coming out of Greece and Russia in coming weeks.

### JNJ's Portfolio Rx

It's unusual, but Johnson & Johnson shares (ticker: JNJ) and the broad market have gone their separate ways. In the past 11 months, J&J stock is down slightly, compared to an 10% rise in the Dow Jones Industrial Average -- of which J&J is a member -- and a 23% jump in the health-care sector. Friday, the stock jumped \$1.81 to \$101.47, but shares are off 7% from a high of \$109.49.

The strong dollar and worries about the health-care giant's pharmaceuticals growth can be blamed for the weakness, but long-term investors interested in a high-quality name with both income and price-gain potential might take a second look. As the clouds dissipate, J&J could deliver a double-digit annual total return.

One issue has been the muscular greenback. J&J gets more than half its sales overseas, and the rising dollar had a negative impact of nearly 5% in the fourth quarter, and another 7% in the recently reported first quarter,

causing sales declines in both periods -- yet another unusual thing. Sales comparisons will likely be pressured for another quarter or two.

The more important concern is Remicade, J&J's autoimmune medication that, at \$6.9 billion last year, made up 9% of total sales of \$74.3 billion. Its future growth could be dented by new competition and adverse U.S. patent rulings. It recently went off patent in a number of European countries.

Celltrion (068270.Korea) is attempting to introduce its CT-P13 biosimilar in the U.S., and J&J has filed a lawsuit alleging infringement on its Remicade patents. Additionally, a Remicade patent is being challenged by recent decisions from the U.S. Patent & Trade Office, though appeals are ongoing.

The Remicade battles shouldn't be ignored, but a long-term investor has the luxury of viewing the headwinds facing a giant like J&J in a wider context. This is a healthcare firm with unrivaled product and geographic diversity; a bulletproof balance sheet; a culture of capital discipline; a strong pipeline of medicines; and a stable consumer business made up of powerful brands such as Tylenol. Moreover, the Remicade issues will probably take some time to play out.

J&J isn't overly reliant on any single product, notes Darren Pollock, a portfolio manager at Cheviot Value Management. It has been a consistent performer over decades, "a profits machine," he says. Cheviot has added lately to a longstanding J&J stake. Underlying trends remain strong. Adjusted for the dollar, sales in the most recent two quarters were up a healthy 3% to 4%, he points out. Deleterious currency effects should roll out of comparisons in the next 12 months.

In recent years, J&J has changed its pharma approach and become more nimble, adds Jack Oliver, managing partner at RBO Investment Management, which has also added J&J shares lately. The company is more amenable to partnering on products, instead of taking on the entire development, cost, and risk, he says.

J&J's valuation, at a P/E ratio of 16.5 times this year's midpoint guidance of \$6.12, is roughly in line with its historical average. However, relative to the market, the shares trade near the bottom of their long-term range.

There should be no discount, says Pollock. J&J has more consistent cash flow, better operating metrics, a higher dividend yield, and a stronger balance sheet than most companies in the market. During the past 20 years, J&J's valuation carried an average premium to the market of 20%, he says. Pollack looks for a \$120 stock at some point in the next three years, which, combined with a 3% dividend yield, would be close to a double-digit annual total return.

"J&J is a tough company to bet against," says RBO's Oliver. "If you have reasonable expectations in an aging bull market, then J&J stock works."

The risk is that Remicade biosimilars will be available in the U.S. this year, but it is more likely that challenges to the drug will be held up in courts for another 12 to 18 months. Remicade goes off patent in 2018. In the meanwhile, J&J continues to develop its drug pipeline, about which investors will learn more on May 20, when the company will give a pharma-division outlook.

J&J stock won't shoot the lights out, but it should outperform in a downturn and provide a stable but steady rise in a bull market. What's wrong with that?

#### How Special Is Whole Foods?

Whole Foods Markets (WFM) laid an organic egg last week when it reported results for the fiscal second quarter ended April 12. Earnings per share of 44 cents topped expectations. Sales of \$3.6 billion came in a bit light, but investors focused their ire on the 3.6% rise in same-store sales growth, much lower than anticipated and a continuation of a sustained decline from the 6%-to-7% levels two years ago.

There was other news -- like the plan for a smaller, cheaper sister brand -- but despair that comp-sales growth won't turn up soon dropped the stock 12% to \$42.59.

Whole Foods is the dominant provider of organic and natural foods in the U.S. It is well run, profitable, and growing in a category that is expanding, supported by millennial demographics. But success doesn't go unnoticed, and competition has increased in the past two years, from traditional grocers like Kroger (KR), newer entrants such as Sprouts Farmers Market (SFM), and even Wal-Mart Stores (WMT).

Whole Foods, known for its generally higher prices, responded last year with limited price cuts and a loyalty program, the hallmarks of more traditional grocers. Last week it announced it would open a sister brand next year of smaller stores with cheaper prices, to reach low-density population areas that can't be served by the typical larger Whole Foods store.

Whole Foods, to its credit, recognizes the competitive landscape has intensified and that future growth will be harder to come by. "Whole Foods is doing as much as it can to re-accelerate the comps," says Alton Stump, a skeptical Longbow Research analyst, "but there's too much competition coming from too many places."

The opportunity for a traditional grocer to grab market share by devoting more shelf space to natural foods is too attractive to ignore. The category potentially is worth about a quarter of the \$400 billion in annual sales by traditional grocers, according to Stump. Since traditional grocers and mass-market clubs are such a big part of the overall food retail pie, a small shelf increase by them to natural and organic foods inflicts an outsize hurt on the specialty retailers.

Whole Foods, with 417 outlets, maintains there is room for 1,200 of its large-format stores, but the sister-brand plan suggests that either 1,200 is overly optimistic or that it will take much longer to get there than previously thought.

Whole Foods trades at 25 times consensus estimates of \$1.73 for the fiscal year ending September, a big discount to its median 30 P/E. Traditional grocers sell at P/Es of 11 to 16 times. Whole Foods can probably grow sales from 8% to 10% and EPS from 10% to 15% in the next couple of years. Gross profit margins have held up at about 35%, but comp-sales growth weakness is likely the rest of this calendar year.

The new format will require management time and investment dollars that could crimp profit growth. Details on the smaller brand won't be released until late summer. Some see the stock drop as a buying opportunity, but short of an unlikely turnaround in comps, it is difficult to see Whole Foods stock outperforming the broad market in the near-term.

Longer term, if the popularity of natural foods is becoming more mainstream, then shouldn't the P/Es of specialty-foods retailers reflect that, and drop toward traditional grocers' P/Es?

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18191.11	+167.05	+0.93
DJTransportation	8766.89	+29.89	+0.34
DJUtilities	583.83	-6.19	-1.05
DJ65Stocks	6408.77	+28.35	+0.44
DJUSMarket	532.97	+1.83	+0.34
NYSEComp.	11196.51	+56.15	+0.50
NYSEMKTCComp.	2480.39	-10.75	-0.43
<b>S&amp;P500</b>	2116.10	+7.81	+0.37
S&PMidCap	1518.77	+5.26	+0.35
S&PSmallCap	710.38	+3.05	+0.43
Nasdaq	5003.55	-1.84	-0.04
ValueLine(arith.)	4844.56	+5.69	+0.12
Russell2000	1234.93	+6.82	+0.56
DJUSTSMFloat	22086.87	+79.02	+0.36

	Last Week	Week Earlier
NYSE		
Advances	1,379	1,046
Declines	1,851	2,180
Unchanged	39	48
NewHighs	162	220
NewLows	153	91
AvDailyVol(mil)	3,521.7	3,747.3
Dollar		
(Finexspotindex)	94.79	95.21
T-Bond		
(CBTnearbyfutures)	156-070	157-200
Crude Oil		

(NYMlightsweetcrude)	59.39	59.15
Inflation KR-CRB		
(FuturesPriceIndex)	229.16	227.95
Gold		
(CMXnearbyfutures)	1189.10	1174.50
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## DOW JONES NEWSWIRES

The Trader: Friday's Rally Sends Dow Up 1% For The Week -- Barron's

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Dow Jones Institutional News

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(FROM BARRON'S 5/11/15)

By Vito J. Racanelli

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9 May 2015 00:09 ET The Trader: Friday's Rally Sends Dow Up 1% For -2-

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DJ65Stocks	6408.77	+28.35	+0.44
DJUSMarket	532.97	+1.83	+0.34
NYSEComp.	11196.51	+56.15	+0.50
NYSEMKTComp.	2480.39	-10.75	-0.43
<b>S&amp;P500</b>	2116.10	+7.81	+0.37
S&PMidCap	1518.77	+5.26	+0.35
S&PSmallCap	710.38	+3.05	+0.43
Nasdaq	5003.55	-1.84	-0.04
ValueLine(arith.)	4844.56	+5.69	+0.12
Russell2000	1234.93	+6.82	+0.56
DJUSTSMFloat	22086.87	+79.02	+0.36

	Last Week	Week Earlier
NYSE		
Advances	1,379	1,046
Declines	1,851	2,180
Unchanged	39	48
NewHighs	162	220
NewLows	153	91
AvDailyVol(mil)	3,521.7	3,747.3
Dollar		

(Finexspotindex)	94.79	95.21
T-Bond		
(CBTnearbyfutures)	156-070	157-200
Crude Oil		
(NYMlightsweetcrude)	59.39	59.15
Inflation KR-CRB		
(FuturesPriceIndex)	229.16	227.95
Gold		
(CMXnearbyfutures)	1189.10	1174.50

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(END) Dow Jones Newswires

May 09, 2015 00:09 ET (04:09 GMT)

文件 DJDN000020150509eb590001d

## DOW JONES NEWSWIRES

Sure, the Biotech Sector is Getting Hammered. Here's How to Take Advantage. -- Barron's Blog

By Ben Levisohn

423 字

2015 年 5 月 5 日 19:32

Dow Jones Institutional News

DJDN

英文

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Deutsche Bank's Robyn Karnauskas warns that the biotech sector will likely remain weak but thinks AbbVie ( ABBV) and BioMarin ( BMRN)--which have been outperforming--and Celgene ( CELG) and Alexion Pharmaceuticals ( ALXN)--which have underperformed--could be worth a look. She explains why:

Despite recent weakness in the sector we see AbbVie and BioMarin outperforming near-term and would buy Celgene/Alexion on any weakness for 2H15 upside. The NYSE Arca Biotech Index, or BTK, and the Nasdaq Biotechnology Index, or NBI, have both underperformed the broader markets in last 2 weeks with down 5% and 4% respectively vs. **S&P500** being flat during that period. Alexion and Celgene are both -- 7%, while AbbVie has outperformed, +4%. We note that Biotech is typically weak in the summer, especially post-strength w/ minimal catalysts. We see continued weakness coming out of 1Q15 for many of our large caps because of focus more on "pipeline" vs. earnings, & lack of catalysts until 2H15.

AbbVie could continue to outperform near-term with key readouts in '15; \$15-25/sh upside over time...Most important - Analyst day likely 3Q15 where color on operating margins, possible margin guidance, company view of their pipeline, and how to think about Biosimilars...

BioMarin: Potential for some volatility, but only 3/5 pipeline readouts need to work in '15. Takeout valuation could be \$194-217/sh if 111, DMD, and hemophilia are positive...

Celgene: May not be strong in the immediate near-term, however we see Revlimid growth into '16 and upside as patent overhang could be removed. Blockbuster lymphoma data opportunity comes early '16.

Alexion: Works later in the yr as we get more color on the pipe that is not in current valuations, every \$1B in pipe sales post-'18 is \$38/sh to our DCF.

Shares of AbbVie have dropped 1.2% to \$63.88 at 2:30 p.m. today, while BioMarin has fallen 2% to \$113.96, Alexion Pharmaceuticals has declined 1.6% to \$168.58, and Celgene is off 2.2% at \$107.45.

More at Barron's Stocks to Watch blog,  
<http://blogs.barrons.com/stockstowatchtoday/>  
Access Investor Kit for Alexion Pharmaceuticals, Inc.

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Access Investor Kit for Celgene Corp.

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(END) Dow Jones Newswires

May 05, 2015 14:32 ET (18:32 GMT)

文件 DJDN000020150505eb55003eg

# DOW JONES NEWSWIRES

Dividends Reported May 05

1,205 字

2015 年 5 月 5 日 22:09

Dow Jones Institutional News

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英文

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Company	Symbol	Yld Per	Amount	Payable Record
Increased		New	Old	
Agree Realty	ADC	6.1 Q	.465	.45 Jul 14 Jun 30
Bank Mutual	BKMU	2.8 Q	.05	.04 May 29 May 15
Enterprise Fincl Services	EFSC	1.2 Q	.06	.0525 Jun 30 Jun 15
First Merchants	FRME	2.0 Q	.11	.08 Jun 19 Jun 05
Intercontinental Exchange	ICE	1.3 Q	.75	.65 Jun 30 Jun 16
Macquarie Infrastructure	MIC	5.0 Q	1.07	1.02 May 19 May 14
MKS Instruments	MKSI	1.9 Q	.17	.165 Jun 12 Jun 01
SB Financial Group Inc.	SBFG	1.8 Q	.05	.045 May 29 May 15
Sturm Ruger	RGR	2.3 Q	.32	.17 May 29 May 15
Western Refining Logistic	WNRL	4.5 Q	.3475	.3325 May 26 May 15
Initial				
Calamos Dyn Conv & Incm	CCD		.167	Jun 15 Jun 10
Great Ajax	AJX		.18	May 29 May 15
Regular				
A-Mark Precious Metals	AMRK	1.9 Q	.05	May 25 May 14
Amer Intl Group	AIG	0.9 Q	.125	Jun 25 Jun 11
BG Staffing	BGSF	8.5 Q	.25	May 25 May 11
Bio-Techne	TECH	1.3 Q	.32	May 29 May 15
Bloomin' Brands Inc.	BLMN	1.1 Q	.06	May 27 May 15
Boardwalk Pipeline	BWP	2.4 Q	.1	May 21 May 14
C N A Fincl	CNA	2.5 Q	.25	Jun 03 May 18
Cablevision Sys	CVC	2.9 Q	.15	Jun 12 May 22
CatchMark Timber Trust	CTT	4.2 Q	.125	Jun 15 May 29
Cincinnati Fincl	CINF	3.6 Q	.46	Jul 15 Jun 17
Cognex	CGNX	0.6 Q	.07	Jun 19 Jun 05
Consumers Engy \$4.50 pfd.	CMSpB	4.5 Q	1.125	Jul 01 Jun 01
Eli Lilly	LLY	2.8 Q	.5	Jun 10 May 18
Ellington Financial	EFC	13.0 Q	.65	Jun 15 Jun 01
Estee Lauder	EL	1.1 Q	.24	Jun 15 May 29
Evolution Petroleum Ser A	EPMpA	8.0 M	.1771	Jun 01 May 15
First Bus Fincl Services	FBIZ	2.0 Q	.22	May 29 May 15
GAIN Capital Holdings	GCAP	2.1 Q	.05	Jun 23 Jun 12
Gastar Exploration Pfd A	GSTpA	9.3 M	.1797	Jun 01 May 15
Gastar Exploration Pfd B	GSTpB	10.8 M	.224	Jun 01 May 15
Genie Energy	GNE	1.9 Q	.06	May 22 May 15
La-Z-Boy	LZB	1.2 Q	.08	Jun 10 May 28
Linn Energy LLC	LINE	9.2 M	.1042	May 14 May 11
Olympic Steel	ZEUS	0.5 Q	.02	Jun 15 Jun 01
Rouse Properties	RSE	4.2 Q	.18	Jul 31 Jul 15
South Jersey Indus	SJI	2.0 Q	.2513	Jul 02 Jun 10
STAG Industrial	STAG	6.3 M	.1125	Aug 17 Jul 31
STAG Industrial	STAG	6.3 M	.1125	Sep 15 Aug 31
STAG Industrial	STAG	6.3 M	.1125	Oct 15 Sep 30
Starwood Property Trust	STWD	7.9 Q	.48	Jul 15 Jun 30

Sunstone Hotel Investors	SHO	1.3	Q	.05	Jul 15	Jun 30
Tractor Supply Co	TSCO	0.7	Q	.16	Jun 02	May 18
Trinity Industries	TRN	1.4	Q	.1	Jul 31	Jul 15
Universal Health CI B	UHS	0.3	Q	.1	Jun 15	Jun 01
Vectren Corp	VVC	3.6	Q	.38	Jun 01	May 15
WSFS Financial Corp.	WSFS	0.8	Q	.15	May 29	May 15

#### Funds, Investment Cos.

Amer Cap Senior Floating	ACSF	8.8	M	.097	Jun 02	May 22
Amer Cap Senior Floating	ACSF	8.8	M	.097	Jul 02	Jun 19
Amer Cap Senior Floating	ACSF	8.8	M	.097	Aug 04	Jul 24
Brkfld Mortgage Opp Incm	BOI	9.3	M	.1271	May 28	May 14
Brookfield Hi Incm Fd	HHY	10.1	M	.075	May 28	May 14
Brookfield TR Fund	HTR	9.7	M	.19	May 28	May 14
BrookfieldGblLstdInfrInc	INF	7.2	M	.1167	May 28	May 14
Calamos Dyn Conv & Incm	CCD	8.0	M	.167	Jul 15	Jul 10
Calamos Dyn Conv & Incm	CCD	8.0	M	.167	Aug 14	Aug 11
DE Enhncd Gbl Div Inco	DEX	7.7	M	.075	May 29	May 15
Delaware Grp Div & Income	DDF	6.2	M	.0525	May 29	May 15
Delaware Invest Colo	VCF	4.9	M	.0575	May 29	May 15
Delaware Invest Minn	VMM	4.6	M	.0525	May 29	May 15
Delaware Invest Ntl Muni	VFL	6.0	M	.065	May 29	May 15
Dreyfus Mun Bd Infr Fd	DMB	6.1	M	.0625	Jun 01	May 18
Flaherty & Crumrine	PFD	7.0	M	.09	May 29	May 21
Flaherty & Crumrine Dyn	DFP	8.1	M	.16	May 29	May 21
Flaherty & Crumrine Pfd	FFC	8.0	M	.136	May 29	May 21
Flaherty & Crumrine Pfd	PFO	7.2	M	.073	May 29	May 21
Flaherty & Crumrine TR Fd	FLC	8.0	M	.136	May 29	May 21
Goldman Sachs MLP Energy	GER	8.5	Q	.33	May 26	May 18
Goldman Sachs MLP Inc Opp	GMZ	7.4	Q	.34	May 26	May 18
NexPoint Credit Strat Fd	NHF	9.2	M	.06	May 29	May 22
PennantPark Floatg Rt Cap	PFLT	8.0	M	.095	Jun 01	May 20

#### Foreign

Brookfield Infrastructure	BIP	4.8	Q	.53	Jun 30	May 29
Goldcorp	GG	3.2	M	.05	May 22	May 14
Industrias Bachoco	IBA	2.1	S	.584	May 26	May 13
Santander Fin FR Sers 6	SANpB	4.6	Q	.26	Jun 05	May 15
Teva Pharmaceutical ADS	TEVA	2.2	S	.34	Jun 04	May 19
Transocean Partners	RIGP	9.4	Q	.3625	May 27	May 15
Westpac Banking	WBK	5.4	S	.7287	Jul 13	May 14

#### Stock Dividends and Splits

Pct

ProSh Large Cap Core Plus	CSM	2:1 Split	May 19	May 18
ProSh Ult Bloombg Nat Gas	BOIL	1:4 Reverse Split		
ProSh Ultra Bloomberg Com	UCD	1:4 Reverse Split		
ProShares Ultra Dow30	DDM	2:1 Split	May 19	May 18
ProShares Ultra Finls	UYG	2:1 Split	May 19	May 18
ProShares Ultra Hlth Care	RXL	2:1 Split	May 19	May 18
ProShares Ultra QQQ	QLD	2:1 Split	May 19	May 18
ProShares Ultra <b>S&amp;P500</b>	SSO	2:1 Split	May 19	May 18
ProShares Ultra SC600	SAA	2:1 Split	May 19	May 18
ProShares Ultra Tech	ROM	2:1 Split	May 19	May 18
ProShares UltraPro Dow 30	UDOW	2:1 Split	May 19	May 18
ProSharesUltVIXST	UVXY	1:5 Reverse Split		
ProShrs Short Russell2000	RWM	1:4 Reverse Split		
ProShrs UltraPro S&P 500	UPRO	2:1 Split	May 19	May 18
ProShrsUltraYen	YCL	1:4 Reverse Split		
ProShs UltraShort Hlth Cr	RXD	1:4 Reverse Split		
ProShs UltraSht Cnsmr Svs	SCC	1:4 Reverse Split		
ProShs UltrShrt Real Es	SRS	1:4 Reverse Split		
ProShsUIProMidCap400	UMDD	2:1 Split	May 19	May 18
PS Ult Bloomberg Crude	UCO	1:5 Reverse Split		

Source: Six Telekurs

(END) Dow Jones Newswires

May 05, 2015 17:09 ET (21:09 GMT)

文件 DJDN000020150505eb55004et

 [Sure, the Biotech Sector is Getting Hammered. Here's How to Take Advantage.](#)

Barron's Blogs, 2015 年 5 月 5 日 19:32, 364 字, By Ben Levisohn, (英文)

Deutsche Bank's Robyn Karnauskas warns that the biotech sector will likely remain weak but thinks AbbVie (ABBV) and BioMarin (BMRN)--which have been outperforming--and Celgene (CELG) and Alexion Pharmaceuticals (ALXN)--which have ...

文件 WCBBE00020150505eb55002be

## MARKET WEEK

Stocks --- The Trader: Social Media Stumbles, and Market Falls

By Vito J. Racanelli

2,101 字

2015 年 5 月 4 日

Barron's

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M3

英文

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The stock market lost its mo' last week. The major indexes fell as previously strong social-media stocks plunged and surprised investors, who hammered the rest of the market. A rally Friday took the edge off a retreat that had reached 2% at one point. Nasdaq and small-cap stocks fell 2% to 3%.

Investors also didn't like a much worse-than-expected report out Wednesday on first-quarter U.S. gross domestic product. GDP was up 0.2% in the period, compared to a consensus projection of 1%. But the heavy damage to stocks was caused by quarterly profit reports from Twitter (ticker: TWTR) and LinkedIn (LNKD). Twitter, down 11%, missed sales expectations, while LinkedIn, off 20%, lowered guidance for the rest of 2015.

With the market hitting all-time highs the previous week on strong earnings from "old tech" stocks such as Microsoft (MSFT), investors weren't primed for disappointment.

The Dow Jones Industrial Average lost 56 points, or 0.3%, on the week, to 18,024.26, and the Standard & Poor's 500 index gave back 9, or 0.4%, to 2108.29. The Nasdaq fell 1.7%, or 87, to 5005.39 while the small-cap Russell 2000 index fell 3.1% to 1228.10.

The social-media companies' struggle to monetize traffic starkly contrasted with the previous week's set of good earnings from traditional tech concerns, says Peter Kenny, chief market strategist at Clearpool Group. Disappointment in U.S. growth also played a part. People can blame the strong dollar or a weak energy sector, "but the first-quarter GDP was far worse than expected," he says.

When the Federal Reserve blamed the quarter's softness on "transitory factors," investor hopes evaporated that the central bank might delay a rate hike, says Joe Saluzzi, co-head of trading for Themis Trading.

According to Zacks, profits are up 4.7% for the 361 companies in the S&P 500 that have reported first-quarter results so far, but revenue is down 4.1%. Saluzzi expects a continuation of the range trading seen since last November, with the S&P 500 stuck inside 2050 to 2125. "You need something to pull it out, and it won't be earnings," he says, because investors know some earnings-per-share growth comes from heavy corporate share buybacks.

It remains to be seen what the crumbling of high-valuation stocks means for the rest of the market. "When you see frothy names weak, it tends to spill over [in the broad market]," says Michael Yoshikami, CEO of Destination Wealth Management, who is also looking for a continuation of choppy and range-bound trading in the near-term.

Monday will see McDonald's (MCD) announcement of a turnaround plan. Leaks have been few on the proposal. Hedgeye analyst Howard Penney says speculation about the creation of a real-estate investment trust structure or a leveraging up could miss the mark. Instead, the world's biggest restaurant chain might sell off some company-owned outlets overseas and shrink the menu. Mickey D's needs to get "hotter, fresher, and faster."

## Emerson's Allure

Investors have been barraged with bullish headlines about social-media stocks that turned out to be overvalued. This column has a penchant for companies making less-sexy stuff, doing it well for decades, making good money at it, and hiking dividends regularly.

For example, there's Emerson Electric (ticker: EMR), a 125-year-old maker of motors, compressors, control valves, and power-generation and industrial-process equipment, including the software and systems to run them. That's just the short list.

Emerson's stock hasn't done well lately. At \$59.33, it is 13% below a high of \$69 set last year. Since then, the market is up 11%. The concerns, however, appear short-term oriented, and probably will fade in another year or two. If the global economy perks up just a bit, it could do wonders for market sentiment toward Emerson, and the stock could approach the old highs.

Three things have hurt the stock. One-third of sales comes from the energy industry, which is suffering from the oil-price collapse. Some 54% of revenue comes from outside the U.S. and Canada, and the stronger dollar has taken a bite. And Emerson depends on global economic growth, something that's sluggish right now.

After years of averaging 7% revenue growth, Emerson's annual sales have stalled at \$24.5 billion in the past couple of years. EPS estimates have been dropping since July, to \$3.66 for fiscal 2015, which ends in September, and \$3.82 for fiscal 2016.

For an investor willing to peer through the clouds a year or more out, however, this is a high-quality stock that could offer a 25% return, says Channing Smith, a managing director at Capital Advisors, which has bought its shares recently for clients.

Only 12% of total sales is to upstream oil and gas, the sector most hurt by lower crude prices. Another 22% goes to midstream and downstream companies, such as gas-pipeline firms and refiners, which are much less affected, he points out.

The dollar pain, too, isn't quite as bad as it looks. The greenback seems to be stabilizing, so the effect on sales could roll out of quarterly comparisons in the next fiscal year. Emerson puts the hit from foreign exchange at about \$1 billion worth of sales. Sales will be reduced by another \$600 million due to a divestiture in January. Together that's 6% of revenue. Emerson is guiding to 3% to 5% underlying sales growth.

Smith says the St. Louis-based company sources 84% of its materials in the same markets where its products are sold, so the currency is a tail wind on some costs. Long-term trends are more important for Emerson, and there are indicators that economic growth, even in Europe, shows signs of embryonic improvement, if from a low base.

Emerson calls 2015 a transition year, and targets sales of \$31 billion to \$33 billion in 2019, a 25%-to-35% rise. A bit more than half will come via organic growth and the rest from acquisitions. It's targeting EPS of \$5.50 to \$6 then, up from \$3.75 in fiscal 2014. Over that period, it plans \$7 billion in dividends and \$6 billion in share buybacks -- about a third of its \$40.6 billion market value -- from estimated free cash flow of \$22 billion.

Shorter term, the company projects a 9% rise in its annual dividend, to \$1.88, in the current fiscal year, and sports a strong balance sheet. The dividend yield is 3.2%.

Emerson has challenges, but nothing it hasn't seen before. In a market near all-time highs, "this is a high-quality stock with a lot of negative news already in the price," the money manager says.

Currently, Emerson trades at 15.5 times fiscal 2016 EPS, compared with a median price/earnings ratio of 17.4 times, and near the low end of its range relative to the S&P 500's P/E. If the valuation just moves toward the median, the stock could near the old high. Expectations are low, and any glimmer of hope will get the stock re-rated upward, says Smith, who thinks the shares could reach \$75 to \$80 in a couple of years.

Stay tuned, as Emerson reports its second fiscal quarter on Tuesday.

Mr. Levy's Tacos

Levy Acquisition (TACO) doesn't sound like a Mexican-themed quick-service restaurant, but if all goes according to plan it will be one next month. Levy is a publicly traded special-purpose acquisition company, sometimes called a SPAC, and it's buying Del Taco, a closely held regional chain with 546 eateries, most in the western U.S. The merged entity will keep the Del Taco name.

This is effectively an under-the-radar initial public offering of a restaurant chain, and Levy shares trade at a big discount to restaurant stocks. The stock could be re-rated higher after the deal is completed. Levy stock, at \$14.62, could rise as high as \$19 or so, about 30%, in the next 12 months.

Del Taco has been around for 50 years, and Larry Levy, the prime mover behind the acquisition, is a recognized Chicago-based businessman with decades of experience in restaurants and food services.

Ben Axler, founder of the Spruce Point Value fund, says Levy will help expand Del Taco to a national chain. Top Del Taco managers will stay on and will invest alongside the Levy-led group, according to regulatory filings. Spruce Point owns a significant stake in Levy Acquisition.

After the deal closes, Wall Street research coverage should begin, and a new investor base will come in. The Levy-led investors are refinancing much of Del Taco's high-coupon debt and plan to introduce a spruced-up restaurant prototype, among other things. Axler thinks Del Taco -- the second-biggest Mexican chain in the U.S. after Taco Bell, a YUM! Brands (YUM) division with 10 times as many units -- has room to double its store count.

Del Taco's average check is \$6.50, at the low end of the industry. The 304 company-owned stores have shown 10 consecutive quarters of positive same-store sales growth. Revenue and earnings before interest, taxes, depreciation and amortization have grown around 5% to 7% in the last couple of years.

There have been net losses, however, due to Del Taco's high interest costs. In 2014, Del Taco posted a \$9.3 million loss, worse than the \$6.5 million loss in 2013. In both cases, annual interest payments were more than \$30 million. Those costs, however, will be coming down. The Levy-led \$155 million recapitalization should reduce debt from about \$325 million to \$191 million, retiring, for example, \$111 million of 13% coupon notes and saving about \$13 million annually.

In 2014, Del Taco posted Ebitda of \$41.5 million, but when unusual one-time charges, such as debt modification and merger costs, and the closing of underperforming restaurants, are added back, Ebitda was \$59 million. Axler estimates adjusted Ebitda of \$63 million this year, rising to \$70 million to \$75 million in 2017.

At Del Taco's peers, the ratio of enterprise value, or market cap plus net debt, to Ebitda is 15.5 times. Levy's current EV is about \$518 million, and using Del Taco's 2014 Ebitda, its EV/Ebitda ratio would be 12.5 times, a discount to rivals.

Applying an industry multiple to Del Taco's estimated \$63 million adjusted Ebitda in 2015, when many of the one-time charges presumably won't repeat, would put Levy's pro-forma EV at about \$977 million. Back out the debt and cash, and Levy's market cap would be \$777 million, or over \$19 per share, based on about 40 million shares that will be outstanding once the merger closes.

The main caveat is a possibility that the deal unravels, but there appears to be a majority of shareholders who want it done. Once Wall Street recognizes it as a quick-serve restaurant chain, the process of re-rating could begin.

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e-mail: vito.racanelli@barrons.com

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18024.06	-56.08	-0.31
DJTransportation	8737.00	-143.17	-1.61
DJUtilities	590.02	-7.79	-1.30
DJ65Stocks	6380.42	-54.80	-0.85
DJUSMarket	531.14	-3.52	-0.66
NYSEComp.	11140.37	-52.56	-0.47
NYSEMKTComp.	2491.14	-49.90	-1.96
<b>S&amp;P500</b>	2108.29	-9.40	-0.44
S&PMidCap	1513.51	-20.33	-1.33
S&PSmallCap	707.33	-17.75	-2.45
Nasdaq	5005.39	-86.69	-1.70
ValueLine(arith.)	4838.87	-69.04	-1.41
Russell2000	1228.11	-39.43	-3.11
DJUSTSMFloat	22007.85	-175.93	-0.79

## Last Week Week Earlier

NYSE		
Advances	1,046	2,215
Declines	2,180	1,009
Unchanged	48	42

NewHighs	220	266
NewLows	91	42
AvDailyVol(mil)	3,747.3	3,291.4
Dollar		
(Finexspotindex)	95.21	96.86
T-Bond		
(CBTnearbyfutures)	157-200	162-180
Crude Oil		
(NYMlightsweetcrude)	59.15	57.15
Inflation KR-CRB		
(FuturesPriceIndex)	227.95	224.05
Gold		
(CMXnearbyfutures)	1174.50	1175.20

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文件 B000000020150502eb5400012

## DOW JONES NEWSWIRES

Nordic Stocks Seen Opening Just Higher -- Market Talk

170 字

2015 年 5 月 4 日 07:57

Dow Jones Institutional News

DJDN

英文

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0657 GMT Nordic markets are seen opening slightly higher Monday with IG calling the OMXS30 up 0.1% at around 1630. "While large parts of Europe were closed for May Day celebrations on Friday, markets were open in the United States where **S&P500** closed 1.1% higher and interest rates continued to rise," says SEB. "Negotiations between Greece and the lenders continued during the weekend. The talks are in an intensive phase but there are no signs that the break-through is near." Stock markets in Asia are higher this morning despite the HSBC PMI figure for China declining compared to the preliminary estimate, SEB adds. Manufacturing PMIs and US factory orders are in focus today. OMXS30 closed at 1628.04, OMXN40 at 1599.98 and OBX at 578.04. (dominic.chopping@wsj.com)

Contact us in London. +44-20-7842-9464  
markettalk@wsj.com

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May 04, 2015 02:57 ET (06:57 GMT)

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## DOW JONES NEWSWIRES

The Trader: Social Media Stumbles, And Market Falls -- Barron's

2,185 字

2015 年 5 月 2 日 05:09

Dow Jones Institutional News

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(FROM BARRON'S 5/4/15)

By Vito J. Racanelli

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When the Federal Reserve blamed the quarter's softness on "transitory factors," investor hopes evaporated that the central bank might delay a rate hike, says Joe Saluzzi, co-head of trading for Themis Trading.

According to Zacks, profits are up 4.7% for the 361 companies in the S&P 500 that have reported first-quarter results so far, but revenue is down 4.1%. Saluzzi expects a continuation of the range trading seen since last November, with the S&P 500 stuck inside 2050 to 2125. "You need something to pull it out, and it won't be earnings," he says, because investors know some earnings-per-share growth comes from heavy corporate share buybacks.

It remains to be seen what the crumbling of high-valuation stocks means for the rest of the market. "When you see frothy names weak, it tends to spill over [in the broad market]," says Michael Yoshikami, CEO of Destination Wealth Management, who is also looking for a continuation of choppy and range-bound trading in the near-term.

Monday will see McDonald's (MCD) announcement of a turnaround plan. Leaks have been few on the proposal. Hedgeye analyst Howard Penney says speculation about the creation of a real-estate investment trust structure or a leveraging up could miss the mark. Instead, the world's biggest restaurant chain might sell off some company-owned outlets overseas and shrink the menu. Mickey D's needs to get "hotter, fresher, and faster."

Emerson's Allure

Investors have been barraged with bullish headlines about social-media stocks that turned out to be overvalued. This column has a penchant for companies making less-sexy stuff, doing it well for decades, making good money at it, and hiking dividends regularly.

For example, there's Emerson Electric (ticker: EMR), a 125-year-old maker of motors, compressors, control valves, and power-generation and industrial-process equipment, including the software and systems to run them. That's just the short list.

Emerson's stock hasn't done well lately. At \$59.33, it is 13% below a high of \$69 set last year. Since then, the market is up 11%. The concerns, however, appear short-term oriented, and probably will fade in another year or two. If the global economy perks up just a bit, it could do wonders for market sentiment toward Emerson, and the stock could approach the old highs.

Three things have hurt the stock. One-third of sales comes from the energy industry, which is suffering from the oil-price collapse. Some 54% of revenue comes from outside the U.S. and Canada, and the stronger dollar has taken a bite. And Emerson depends on global economic growth, something that's sluggish right now.

After years of averaging 7% revenue growth, Emerson's annual sales have stalled at \$24.5 billion in the past couple of years. EPS estimates have been dropping since July, to \$3.66 for fiscal 2015, which ends in September, and \$3.82 for fiscal 2016.

For an investor willing to peer through the clouds a year or more out, however, this is a high-quality stock that could offer a 25% return, says Channing Smith, a managing director at Capital Advisors, which has bought its shares recently for clients.

Only 12% of total sales is to upstream oil and gas, the sector most hurt by lower crude prices. Another 22% goes to midstream and downstream companies, such as gas-pipeline firms and refiners, which are much less affected, he points out.

The dollar pain, too, isn't quite as bad as it looks. The greenback seems to be stabilizing, so the effect on sales could roll out of quarterly comparisons in the next fiscal year. Emerson puts the hit from foreign exchange at about \$1 billion worth of sales. Sales will be reduced by another \$600 million due to a divestiture in January. Together that's 6% of revenue. Emerson is guiding to 3% to 5% underlying sales growth.

Smith says the St. Louis-based company sources 84% of its materials in the same markets where its products are sold, so the currency is a tail wind on some costs. Long-term trends are more important for Emerson, and there are indicators that economic growth, even in Europe, shows signs of embryonic improvement, if from a low base.

Emerson calls 2015 a transition year, and targets sales of \$31 billion to \$33 billion in 2019, a 25%-to-35% rise. A bit more than half will come via organic growth and the rest from acquisitions. It's targeting EPS of \$5.50 to \$6 then, up from \$3.75 in fiscal 2014. Over that period, it plans \$7 billion in dividends and \$6 billion in share buybacks -- about a third of its \$40.6 billion market value -- from estimated free cash flow of \$22 billion.

Shorter term, the company projects a 9% rise in its annual dividend, to \$1.88, in the current fiscal year, and sports a strong balance sheet. The dividend yield is 3.2%.

Emerson has challenges, but nothing it hasn't seen before. In a market near all-time highs, "this is a high-quality stock with a lot of negative news already in the price," the money manager says.

Currently, Emerson trades at 15.5 times fiscal 2016 EPS, compared with a median price/earnings ratio of 17.4 times, and near the low end of its range relative to the S&P 500's P/E. If the valuation just moves toward the median, the stock could near the old high. Expectations are low, and any glimmer of hope will get the stock re-rated upward, says Smith, who thinks the shares could reach \$75 to \$80 in a couple of years.

Stay tuned, as Emerson reports its second fiscal quarter on Tuesday.

Mr. Levy's Tacos

Levy Acquisition (TACO) doesn't sound like a Mexican-themed quick-service restaurant, but if all goes according to plan it will be one next month. Levy is a publicly traded special-purpose acquisition company, sometimes called a SPAC, and it's buying Del Taco, a closely held regional chain with 546 eateries, most in the western U.S. The merged entity will keep the Del Taco name.

This is effectively an under-the-radar initial public offering of a restaurant chain, and Levy shares trade at a big discount to restaurant stocks. The stock could be re-rated higher after the deal is completed. Levy stock, at \$14.62, could rise as high as \$19 or so, about 30%, in the next 12 months.

Del Taco has been around for 50 years, and Larry Levy, the prime mover behind the acquisition, is a recognized Chicago-based businessman with decades of experience in restaurants and food services.

Ben Axler, founder of the Spruce Point Value fund, says Levy will help expand Del Taco to a national chain. Top Del Taco managers will stay on and will invest alongside the Levy-led group, according to regulatory filings. Spruce Point owns a significant stake in Levy Acquisition.

After the deal closes, Wall Street research coverage should begin, and a new investor base will come in. The Levy-led investors are refinancing much of Del Taco's high-coupon debt and plan to introduce a spruced-up restaurant prototype, among other things. Axler thinks Del Taco -- the second-biggest Mexican chain in the U.S. after Taco Bell, a YUM! Brands (YUM) division with 10 times as many units -- has room to double its store count.

Del Taco's average check is \$6.50, at the low end of the industry. The 304 company-owned stores have shown 10 consecutive quarters of positive same-store sales growth. Revenue and earnings before interest, taxes, depreciation and amortization have grown around 5% to 7% in the last couple of years.

There have been net losses, however, due to Del Taco's high interest costs. In 2014, Del Taco posted a \$9.3 million loss, worse than the \$6.5 million loss in 2013. In both cases, annual interest payments were more than \$30 million. Those costs, however, will be coming down. The Levy-led \$155 million recapitalization should reduce debt from about \$325 million to \$191 million, retiring, for example, \$111 million of 13% coupon notes and saving about \$13 million annually.

In 2014, Del Taco posted Ebitda of \$41.5 million, but when unusual one-time charges, such as debt modification and merger costs, and the closing of underperforming restaurants, are added back, Ebitda was \$59 million. Axler estimates adjusted Ebitda of \$63 million this year, rising to \$70 million to \$75 million in 2017.

At Del Taco's peers, the ratio of enterprise value, or market cap plus net debt, to Ebitda is 15.5 times. Levy's current EV is about \$518 million, and using Del Taco's 2014 Ebitda, its EV/Ebitda ratio would be 12.5 times, a discount to rivals.

2 May 2015 00:09 ET The Trader: Social Media Stumbles, And Market -2-

Applying an industry multiple to Del Taco's estimated \$63 million adjusted Ebitda in 2015, when many of the one-time charges presumably won't repeat, would put Levy's pro-forma EV at about \$977 million. Back out the debt and cash, and Levy's market cap would be \$777 million, or over \$19 per share, based on about 40 million shares that will be outstanding once the merger closes.

The main caveat is a possibility that the deal unravels, but there appears to be a majority of shareholders who want it done. Once Wall Street recognizes it as a quick-serve restaurant chain, the process of re-rating could begin.

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# Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18024.06	-56.08	-0.31
DJTransportation	8737.00	-143.17	-1.61
DJUtilities	590.02	-7.79	-1.30
DJ65Stocks	6380.42	-54.80	-0.85
DJUSMarket	531.14	-3.52	-0.66
NYSEComp.	11140.37	-52.56	-0.47
NYSEMKTComp.	2491.14	-49.90	-1.96
<b>S&amp;P500</b>	2108.29	-9.40	-0.44
S&PMidCap	1513.51	-20.33	-1.33
S&PSmallCap	707.33	-17.75	-2.45
Nasdaq	5005.39	-86.69	-1.70
ValueLine(arith.)	4838.87	-69.04	-1.41
Russell2000	1228.11	-39.43	-3.11
DJUSTSMFloat	22007.85	-175.93	-0.79

Last Week Week Earlier

NYSE		
Advances	1,046	2,215
Declines	2,180	1,009
Unchanged	48	42
NewHighs	220	266
NewLows	91	42
AvDailyVol(mil)	3,747.3	3,291.4
Dollar		
(Finexspotindex)	95.21	96.86
T-Bond		
(CBTnearbyfutures)	157-200	162-180
Crude Oil		
(NYMlightsweetcrude)	59.15	57.15
Inflation KR-CRB		
(FuturesPriceIndex)	227.95	224.05
Gold		
(CMXnearbyfutures)	1174.50	1175.20
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May 02, 2015 00:09 ET (04:09 GMT)

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# DOW JONES NEWSWIRES

\*ProShares Announces ETF Share Splits >CSM.P

1,413 字

2015 年 5 月 1 日 21:05

Dow Jones Institutional News

DJDN

英文

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1 May 2015 16:05 ET Press Release: ProShares Announces ETF Share Splits

## ProShares Announces ETF Share Splits

BETHESDA, Md.--(BUSINESS WIRE)--May 01, 2015--

ProShares, a premier provider of alternative ETFs, announced today forward and reverse share splits on 21 of its ETFs. The splits will not change the value of a shareholder's investment.

### Forward Splits

Twelve ETFs will forward split shares 2-for-1:

Ticker	ProShares ETF	Split Ratio
CSM	Large Cap Core Plus	2:1
SAA	Ultra SmallCap600	2:1
UMDD	UltraPro MidCap400	2:1
SSO	Ultra S&P500	2:1
UPRO	UltraPro S&P500	2:1
DDM	Ultra Dow30	2:1
UDOW	UltraPro Dow30	2:1
RXL	Ultra Health Care	2:1
QLD	Ultra QQQ	2:1
UYG	Ultra Financials	2:1
ROM	Ultra Technology	2:1
BIB	Ultra Nasdaq Biotechnology	2:1

All splits will apply to shareholders of record as of the close of the markets on May 18, 2015, payable after the close of the markets on May 19, 2015. The funds will trade at their post-split price on May 20, 2015. The ticker symbol and CUSIP numbers for the funds will not change.

The splits will decrease the price per share of each fund with a proportionate increase in the number of shares outstanding. For example, for the 2-for-1 splits, every pre-split share will result in the receipt of two post-split shares, which will be priced at half the net asset value ("NAV") of a pre-split share.

### Illustration of a Forward Split

The following table shows the effect of a hypothetical 2-for-1 split:

Period	# of Shares Owned	Hypothetical NAV	Value of Shares
Pre-Split	100	\$100.00	\$10,000.00
Post-Split	200	\$50.00	\$10,000.00

### Reverse Splits

Nine ETFs will reverse split shares at the following split ratios:

Ticker	ProShares ETF	Split Ratio	Old CUSIP	New CUSIP
SRS	UltraShort Real Estate	1:4	74348A871	74348A244
SCC	UltraShort Consumer Services	1:4	74348A616	74348A236
RXD	UltraShort Health Care	1:4	74347B102	74348A228
RWM	Short Russell2000	1:4	74347R826	74348A210
BOIL	Ultra Bloomberg Natural Gas	1:4	74347W122	74347W296
UCD	Ultra Bloomberg Commodity	1:4	74347W106	74347W288
YCL	Ultra Yen	1:4	74347W866	74347W270
UVXY	Ultra VIX Short-Term Futures	1:5	74347W346	74347W312
UCO	Ultra Bloomberg Crude Oil	1:5	74347W650	74347W320

All reverse splits will be effective at the market open on May 20, 2015, when the funds will begin trading at their post-split price. The ticker symbol for the funds will not change. All funds undergoing a reverse split will be issued a new CUSIP number, listed above.

The reverse splits will increase the price per share of each fund with a proportionate decrease in the number of shares outstanding. For example, for a 1-for-4 reverse split, every four pre-split shares will result in the receipt of one post-split share, which will be priced four times higher than the NAV of a pre-split share.

### Illustration of a Reverse Split

The following table shows the effect of a hypothetical 1-for-4 reverse split:

Period	# of Shares Owned	Hypothetical NAV	Value of Shares
Pre-Split	1,000	\$10.00	\$10,000.00
Post-Split	250	\$40.00	\$10,000.00

#### Fractional Shares from Reverse Splits

For shareholders who hold quantities of shares that are not an exact multiple of the reverse split ratio (for example, not a multiple of 4 for a 1-to-4 reverse split), the reverse split will result in the creation of a fractional share. Post-reverse split fractional shares will be redeemed for cash and sent to your broker of record. This redemption may cause some shareholders to realize gains or losses, which could be a taxable event for those shareholders.

#### About ProShares

ProShares offers the nation's largest lineup of alternative ETFs. We help investors to go beyond the limitations of conventional investing and face today's market challenges. ProShares helps investors build better portfolios by providing access to alternative investments delivered with the liquidity, transparency and cost effectiveness of ETFs. Our wide array of alternative ETFs can help you reduce volatility, manage risk and enhance returns.

ProShares has the largest lineup of alternative ETFs in the United States according to Strategic Insight, based on analysis of all the known alternative ETF providers (as defined by Strategic Insight) by their number of funds and assets (as of 1/31/2015).

Geared (Short or Ultra) ProShares ETFs seek returns that are either 3x, 2x, -1x, -2x or -3x the return of an index or other benchmark (target) for a single day, as measured from one NAV calculation to the next. Due to the compounding of daily returns, ProShares' returns over periods other than one day will likely differ in amount and possibly direction from the target return for the same period. These effects may be more pronounced in funds with larger or inverse multiples and in funds with volatile benchmarks. Investors should monitor their ProShares holdings consistent with their strategies, as frequently as daily. For more on correlation, leverage and other risks, please read the prospectus.

Investing involves risk, including the possible loss of principal. ProShares ETFs are generally non-diversified and each entails certain risks, which may include risk associated with the use of derivatives (swap agreements, futures contracts and similar instruments), imperfect benchmark correlation, leverage and market price variance, all of which can increase volatility and decrease performance. Short positions lose value as security prices increase. Leverage can increase market exposure and magnify investment risk. Narrowly focused investments and investments in smaller companies typically exhibit higher volatility. There are additional risks related to commodity investments due to large institutional purchases or sales, and natural and technological factors such as severe weather, unusual climate change, and development and depletions of alternative resources. There are additional risks due to debt levels in the underlying countries, inflation and interest rates, investment activity, and global political and economic concerns. Certain derivative instruments will subject the fund to counterparty risk and credit risk, which could result in significant losses for the fund. Please see their summary and full prospectuses for a more complete description of risks. There is no guarantee any ProShares ETF will achieve its investment objective.

Investing in ETFs involves a substantial risk of loss. BOIL, UCD, YCL, UVXY and UCO are not investment companies regulated under the Investment Company Act of 1940 and are not afforded its protections. Please read the prospectus carefully before investing. These ETFs generate a K-1 tax form. UVXY invests in futures. VIX futures are among the most volatile futures contracts. A fund's exposure to its index may subject that fund to greater volatility than investments in traditional securities, which may adversely affect an investor's investment in that fund. VIX futures indexes are mean reverting; funds benchmarked to them should not be expected to appreciate over extended periods. Due to defined time periods and other features, VIX futures indexes and funds benchmarked to them can be expected to perform differently than the VIX. These ETFs are not suitable for all investors.

1 May 2015 16:05 ET Press Release: ProShares Announces ETF Share -2-

Carefully consider the investment objectives, risks, charges and expenses of ProShares before investing. This and other information can be found in their summary and full prospectuses. Read them carefully before investing.

This information must be accompanied or preceded by a current ProShares Trust II prospectus ([http://www.proshares.com/funds/trust\\_ii\\_prospectuses.html](http://www.proshares.com/funds/trust_ii_prospectuses.html)). ProShares Trust II (issuer) has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at [sec.gov](http://sec.gov). Alternatively, the issuer will arrange to send you the prospectus if you request it by calling toll-free 866.776.5125 or visiting [ProShares.com](http://ProShares.com).

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May 01, 2015 16:05 ET (20:05 GMT)

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## DOW JONES NEWSWIRES

### Coca-Cola Shareholders Back Pay Packages for Executives -- Update

By Mike Esterl

951 字

2015 年 4 月 29 日 23:12

Dow Jones Institutional News

DJDN

英文

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ATLANTA-- Coca-Cola Co. shareholders backed a controversial executive pay package Wednesday and nearly approved a "proxy access" proposal that would have made it easier for investors to nominate directors.

But billionaire investor Warren Buffett generated the most buzz at the beverage giant's annual shareholder meeting by singing Coke's praises while strumming a ukulele.

In a closely watched vote, 80.4% of votes cast by shareholders were in favor of last year's compensation package for Chief Executive Muhtar Kent and other senior Coke managers. That was down from 90.9% at Coke last year. The average vote result at U.S. companies this year is about 92%, according to proxy adviser Institutional Shareholder Services Inc.

While such "say on pay" votes aren't binding, they serve as a barometer for shareholder sentiment on company performance and management pay in particular.

ISS, the proxy adviser, had recommended investors cast advisory votes against 2014 compensation packages for Coke executives. The firm, whose opinions can help sway some investors, cited "concern that pay opportunities are misaligned with company performance." It calculated Mr. Kent's pay package to be the highest among peer companies each of the last three years, even though Coke's shareholder returns lagged behind the **S&P500** stock index over the same period.

Coke's board of directors scrambled to modify the compensation plan last year after it was called "excessive" by Mr. Buffett, whose Berkshire Hathaway Inc. is Coke's largest shareholder, with a 9% stake. Last autumn the board said it would issue fewer shares to management overall and replace equity awards for lower-level executives with cash bonuses, a change Mr. Buffett praised.

In a statement after Wednesday's vote, Coke said the result "reflects support for the enhancements made in the past year." The company enjoys "strong support from our shareowners, including a number of our largest, for the company's compensation plans."

But David Winters, CEO of Wintergreen Advisers, which had 2.5 million Coke shares, or about 0.06% of Coke's shares outstanding, saw it differently. The result "should pressure the Coca-Cola board to not only reform pay practices but to move faster on fixing Coca-Cola's business," he said in a statement. Mr. Winters has been campaigning against Coke pay since early last year.

Mr. Kent's total pay package last year was valued at \$25.2 million, up from \$20.4 million. The increase was fueled by pension benefits, which rose to \$7.1 million from \$2.2 million.

Mr. Kent has warned Coke likely will miss growth targets for a third straight year, hurt by slowing soda sales in many parts of the world. The company has promised to cut \$3 billion in costs by 2019 to boost profits.

A shareholder proposal to make it easier for large investors to nominate directors almost secured a majority with 40.6% of votes cast in favor.

The proxy access proposal would have required Coke to include shareholder-nominated board candidates in proxy materials ahead of votes. To nominate a director under the proposal, a shareholder would need to have owned at least 3% of Coke's stock for at least three years.

Coke directors had recommended shareholders vote against the proposal, saying more deliberation was needed about the best way to increase proxy access. "It is important that we strike an appropriate balance between ensuring this important right is actually useable by shareowners, while minimizing the potential for abuse and disruption," the board argued in Coke's proxy materials.

More than a dozen major U.S. companies, including General Electric Co. and Bank of America Corp., have agreed in recent months to support letting shareholders nominate their own directors for corporate ballots. The concessions follow rising pressure to give investors greater influence over companies' strategy and finances.

Average support for 10 proxy access proposals tracked by ISS was 50.8% of votes cast. Four of the proposals passed and another three received more than 45% support, according to the proxy adviser.

Mr. Buffett, of Berkshire Hathaway, took to the stage during the company's meeting and argued Coke continues to be a great investment.

"As long as you can bring a smile to people's faces, it's a great business," said Mr. Buffett, seated next to Mr. Kent. Both men wore Coke-red ties. Another key for success is to continue to make Coke "extremely convenient to buy" and to keep prices reasonable, he added.

Mr. Buffett told the audience that a quarter of the calories he's consumed over the past 30 years came from Coca-Cola. "I've gotta tell you, I feel healthy," he said, adding that he drinks regular Coca-Cola at his office and Cherry Coke at home.

The legendary investor also appeared in a video playing a ukulele and singing "I'd like to buy the world a Coke," trying to stay on key with the company's famous 1971 jingle.

"Of course I could buy the world a Coke, but I'm not sure my shareholders would go for that," added Mr. Buffett before putting down the ukulele and drinking a Coke.

Write to Mike Esterl at [mike.esterl@wsj.com](mailto:mike.esterl@wsj.com)

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April 29, 2015 18:12 ET (22:12 GMT)

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## DOW JONES NEWSWIRES

Nordic Stocks Seen Opening Slightly Higher -- Market Talk

195 字

2015 年 4 月 29 日 07:33

Dow Jones Institutional News

DJDN

英文

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0633 GMT [Dow Jones]--Nordic markets are seen opening slightly higher Wednesday with IG calling the OMXS30 up 0.4% at around 1686. "Global stock markets are trading more or less flat ahead of today's FOMC meeting," says Danske Bank. "Hence, in yesterday's US trading **S&P500** and Dow Jones were slightly up and Nasdaq dropped a tad," it adds. "Overall we do not expect major changes in the [FOMC] statement and hence it should still keep in play a rate hike later in 2015." Ahead of the FOMC meeting the first estimate for 1Q GDP growth will be released in the U.S. with Danske expecting GDP growth to have eased markedly to just 0.8% on the quarter.

In the Nordics, the Swedish Riksbank announces its policy decision this morning while in Germany, April inflation figures are released. OMXS30 closed at 1679.52, OMXN40 at 1653.49 and OBX at 583.55.  
(dominic.chopping@wsj.com)

Contact us in London. +44-20-7842-9464  
markettalk@wsj.com

(END) Dow Jones Newswires

April 29, 2015 02:33 ET (06:33 GMT)

文件 DJDN000020150429eb4t000k3

Top Stories

Coca-Cola Shareholders Back Pay Packages for Executives

By MIKE ESTERL

887 字

2015 年 4 月 29 日 22:29

Dow Jones Top North American Equities Stories

DJTNAE

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The proxy access proposal would have required Coke to include shareholder-nominated board candidates in proxy materials ahead of votes. To nominate a director under the proposal, a shareholder would need to have owned at least 3% of Coke's stock for at least three years.

Coke directors had recommended shareholders vote against the proposal, saying more deliberation was needed about the best way to increase proxy access. "It is important that we strike an appropriate balance between ensuring this important right is actually useable by shareowners, while minimizing the potential for abuse and disruption," the board argued in Coke's proxy materials.

More than a dozen major U.S. companies, including General Electric Co. and Bank of America Corp., have agreed in recent months to support letting shareholders nominate their own directors for corporate ballots. The concessions follow rising pressure to give investors greater influence over companies' strategy and finances.

Average support for 10 proxy access proposals tracked by ISS was 50.8% of votes cast. Four of the proposals passed and another three received more than 45% support, according to the proxy adviser.

Mr. Buffett, of Berkshire Hathaway, took to the stage during the company's meeting and argued Coke continues to be a great investment.

"As long as you can bring a smile to people's faces, it's a great business," said Mr. Buffett, seated next to Mr. Kent. Both men wore Coke-red ties. Another key for success is to continue to make Coke "extremely convenient to buy" and to keep prices reasonable, he added.

Mr. Buffett told the audience that a quarter of the calories he's consumed over the past 30 years came from Coca-Cola. "I've gotta tell you, I feel healthy," he said, adding that he drinks regular Coca-Cola at his office and Cherry Coke at home.

The legendary investor also appeared in a video playing a ukulele and singing "I'd like to buy the world a Coke," trying to stay on key with the company's famous 1971 jingle.

"Of course I could buy the world a Coke, but I'm not sure my shareholders would go for that," added Mr. Buffett before putting down the ukulele and drinking a Coke.

Write to Mike Esterl at [mike.esterl@wsj.com](mailto:mike.esterl@wsj.com)

文件 DJTNAE1120150429eb4t000cm



## News & Commentary

Coca-Cola shareholders back pay packages for executives; Buffett singing and playing the ukelele at annual meeting

Mike Esterl

261 字

2015 年 4 月 29 日 22:34

MarketWatch

MRKWC

英文

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Buffett singing and playing the ukelele at annual meeting

ATLANTA—Coca-Cola Co. shareholders backed a controversial executive pay package Wednesday and nearly approved a “proxy access” proposal that would have made it easier for investors to nominate directors.

But billionaire investor Warren Buffett generated the most buzz at the beverage giant’s annual shareholder meeting by singing Coke’s praises while strumming a ukulele.

In a closely watched vote, 80.4% of votes cast by shareholders were in favor of last year’s compensation package for Chief Executive Muhtar Kent and other senior Coke managers. That was down from 90.9% at Coke (KO, US) last year. The average vote result at U.S. companies this year is about 92%, according to proxy adviser Institutional Shareholder Services Inc.

While such “say on pay” votes aren’t binding, they serve as a barometer for shareholder sentiment on company performance and management pay in particular.

ISS, the proxy adviser, had recommended investors cast advisory votes against 2014 compensation packages for Coke executives. The firm, whose opinions can help sway some investors, cited “concern that pay opportunities are misaligned with company performance.” It calculated Kent’s pay package to be the highest among peer companies each of the last three years, even though Coke’s shareholder returns lagged behind the **S&P500** stock index (SPX, US) over the same period.

An expanded version of this report appears on WSJ.com

文件 MRKWC00020150429eb4t005bp

## MARKET WEEK

Stocks --- The Trader: Stocks Climb 2% as Nasdaq Tops 15-Year Record

By Vito J. Racanelli

1,811 字

2015 年 4 月 27 日

Barron's

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The tech sector jumped 4%, helped by better-than-expected first-quarter results from heavyweights such as Microsoft (ticker: MSFT), Google (GOOGL), and even Amazon.com (AMZN), which reported a loss but matched analysts' projections. Shares of all three rose sharply.

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Sluggish economic growth, weak earnings, a rising dollar, and the prospect of higher interest rates have kept U.S. stocks in a trading range since November. But the Nasdaq's move to new highs, along with similar gains globally, "makes it hard to argue against the resiliency of the market," says Ryan Larson, head of equity trading at RBC Global Asset Management.

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For last week's rally to continue, investors will have to "look past distractions" in coming weeks, says David Kelly, chief global strategist for JPMorgan Asset Management. For example, the preliminary read on U.S. first-quarter gross domestic product growth will be issued Wednesday, with a consensus expectation of a 1% rise. While it will likely show government spending down about 3% in the quarter, he says, private-sector GDP probably rose 1.8%. Weakness caused by lower energy prices and the strong dollar will fade, he says.

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Bears on athenahealth say that future growth won't justify investors' high expectations, and that the stock could drop to as low as \$80. Analysts' consensus earnings-per-share estimates have come down for the past 12 months, and more cuts could be ahead.

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Trainer notes that competitor Allscripts Healthcare Solutions (MDRX) has triple athenahealth's users. In the bigger inpatient market, entrenched rivals such as Cerner (CERN) and Epic Software Solutions will be difficult to dislodge, given their size and the cost of changing systems. Winning such business won't come cheap.

With roughly 30,000 doctors of the nation's 675,000 remaining to serve, athenahealth is "running out of fish in the small-practice pond," says RBC Capital Markets analyst David Francis, who rates the stock Underperform.

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Additionally, Wall Street has gone along with athenahealth's flattering adjustments to generally accepted accounting principles (GAAP) in calculating earnings. The company strips out stock-compensation expense and amortization of intangible assets, among other costs. The practice is common at tech companies, but when such expenses are added back to 2014 results, GAAP earnings per share swung to an eight-cent loss.

An athenahealth spokeswoman says pessimistic views don't take into account that athenahealth will be targeting business in a soon-to-begin replacement cycle for these services, and that the company's retention rate is 97%. Industry statistics show that 27% of ambulatory providers with electronic health records are now looking to replace their EHR systems. And 50% of large hospitals are looking to replace their systems by 2016. Athenahealth's sales-growth rate guidance for 2015 is a healthy 22%, the spokeswoman adds.

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World Wrestling Entertainment (WWE) fans are rarely disappointed, but the company's shareholders are another story. The stock, which peaked just above \$31 in March 2014, lately has been bouncing around \$14.50. It could be headed even lower if subscriber growth for WWE's digital entertainment network falls short of the market's still-high expectations.

WWE announced on March 30 that the network's subscriber ranks had just about doubled, to 1.3 million, in the prior 12 months. Launched with great fanfare in February 2014, the Internet-based network offers subscribers an all-you-can-eat menu of new and old wrestling events for \$9.99 a month. WrestleMania 31, the latest version of the company's annual wrestling extravaganza, held March 29, was the most-viewed WrestleMania in history, which would seem to bode well for the network.

Yet WWE's stock fell 15% on the news, as discerning readers of the company's press release quickly realized that the latest subscriber boost came mainly from a free one-month promotion in February that contributed 200,000 new subs. WWE crowed that 154,000 subs were retained, but that was only after the company scrapped a six-month commitment requirement.

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WWE has said the network "has the potential to drive significant economic returns." But it also noted last month that there could be seasonality in the "quarterly-adoption curve." Translation: There could be churn. In other words, viewers could sign up for just one month to get WrestleMania 31 for \$9.99, something that used to cost fans \$45 on televised pay-per-view.

WWE said in 2013 that it could "double or triple" 2012's \$63.2 million in operating income before depreciation and amortization, or OIBDA, by 2015. Yet OIBDA fell to \$30.4 million in 2013 and was a negative \$15.5 million last year.

Investors will get a first look at 2015 on Thursday, when WWE reports first-quarter results. A year ago, analysts expected WWE to earn \$1.53 a share this year, but the latest estimate is only 25 cents. Based on the stock's current price, WWE trades for 58 times earnings.

There is nothing wrong with the product. TV ratings remain strong, and revenue from other divisions, such as live entertainment, could be made to grow. Total revenue rose 7% last year, to \$543 million.

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New subscription growth appears to be driven by free promotions and the annual WrestleMania event, says Emmanuel Lemelson, chief investment officer of Lemelson Capital Management. The retention of these subs is unclear. After the initial jump, subscriptions hardly changed until the November free promo, he points out. "WWE never seems to achieve what they say they will," says Lemelson, who has been both long and short the stock in the past. He holds one share now.

George Barrios, chief strategy and financial officer of WWE, says investors need to look at a "long arc of time" in considering subscriptions, and that the company expects three million to four million global subs long-term. He says the network hasn't been around long enough to get "a cadence" for sign-up trends.

WWE now gives a range of estimated OIBDA based on average paid subscribers. It estimates \$45 million to \$65 million in OIBDA for one million subs to \$210 million to \$230 million for 2.5 million subs. Average paid subs in 2014's fourth quarter were 567,000, up from 406,000 in the second quarter.

It looks like the company has a long way to go to achieve its targets. If it encounters problems, the stock could fall plenty more.

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#### Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18080.14	+253.84	+1.42
DJTransportation	8880.17	+232.67	+2.69
DJUtilities	597.81	+14.53	+2.49
DJ65Stocks	6435.22	+123.90	+1.96
DJUSMarket	534.66	+8.87	+1.69
NYSEComp.	11192.94	+134.48	+1.22
NYSEMKTComp.	2541.03	+23.78	+0.94
<b>S&amp;P500</b>	2117.69	+36.51	+1.75
S&PMidCap	1533.84	+18.04	+1.19
S&PSmallCap	725.08	+10.51	+1.47
Nasdaq	5092.08	+160.27	+3.25
ValueLine(arith.)	4907.91	+57.38	+1.18
Russell2000	1267.54	+15.68	+1.25
DJUSTSMFloat	22183.78	+361.03	+1.65

	Last Week	Week Earlier
NYSE		
Advances	2,215	1,285
Declines	1,009	1,942
Unchanged	42	47
NewHighs	266	258
NewLows	42	34
AvDailyVol(mil)	3,291.4	3,429.7
Dollar		
(Finexspotindex)	96.86	97.45
T-Bond		
(CBTnearbyfutures)	162-180	165-150
Crude Oil		
(NYMlightsweetcrude)	57.15	55.74
Inflation KR-CRB		
(FuturesPriceIndex)	224.05	223.94
Gold		
(CMXnearbyfutures)	1175.20	1202.90

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文件 B000000020150425eb4r00010

## DOW JONES NEWSWIRES

Morgan Stanley : 'We are Full of Bull' -- Barron's Blog

By Ben Levisohn

542 字

2015 年 4 月 27 日 17:00

Dow Jones Institutional News

DJDN

英文

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In a report titled We are Full of Bull, Morgan Stanley 's Adam Parker and team explain why they still like U.S. stocks:

The consensus is firmly that we will be choppy and end the year up mid-single digits -- at best. Investors highlight an abundant array of risks, from geopolitical, including Russia and Greece, to a US economic slowdown, to a misstep by the Fed, to a strong dollar as their chief current concerns. We like US stocks, right here right now. Why? Firstly, we expect a 2014 economic replay. We think the economy in the US will accelerate in the 2nd and 3rd quarters as a number of temporary and tactical issues that impacted Q1 abate. Secondly, we think the bottom-up consensus earnings expectations are too low. This has happened only 6 times in the last 39 years, and never before mid-cycle. While the sample size isn't statistically significant, the multiple typically has expanded when the bottom-up numbers have risen. Our top-down forecast is \$124 in 2015 EPS for the **S&P500**, vs. the bottom-up expectations of \$119. Thirdly, we don't see sentiment on US equities as ebullient and we like the fact that net hedge fund exposures in the US appear to be exactly in line with 5-year averages, and sentiment about other equity regions is clearly more positive than for the US. That's a good set-up for meaningful appreciation.

The wild card, Parker says, is market valuation, something that is difficult--if not impossible--to predict. He explains:

The unforecastable variable, as always, is the price-to-earnings ratio for the **S&P500**, which is way more important than earnings in gauging the market level. And knowing that we are one standard deviation above the long-term average on price-to-forward earnings, at 17 and change, has ZERO predictive value for the multiple in the next couple of years. Moreover, it is hard to argue that the US equity market is in a bubble when the valuations of government bond yields, select corporate bond yields and other asset classes (Hong Kong, London, New York, Silicon Valley, and South Beach homes, to name a few) are clearly more stretched. Not to mention the valuation of men's ties and women's purses, which have inflated at 20% per annum for a decade. So, yes, it is possible that 17x can turn into 20x over the next few years, and perhaps equally possible that it reverts back to 15x, which is closer to the consensus view. A multiple of 20x forward isn't our base case forecast, but we wouldn't be surprised if it happens before cycle end. Maybe we are being a shade romantic, but we think we might be contrarian bulls.

The S&P 500 has ticked up 0.1% to 2,119.51 at 11:54 a.m. today.

More at Barron's Stocks to Watch blog,  
<http://blogs.barrons.com/stockstowatchtoday/>  
Access Investor Kit for Morgan Stanley

Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=US6174464486](http://www.companyspotlight.com/partner?cp_code=P479&isin=US6174464486)

(END) Dow Jones Newswires

April 27, 2015 12:00 ET (16:00 GMT)

文件 DJDN000020150427eb4r002md

 [Morgan Stanley: 'We are Full of Bull'](#)

Barron's Blogs, 2015 年 4 月 27 日 17:00, 504 字, By Ben Levisohn, (英文)

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文件 WCBBE00020150427eb4r001rx

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## DOW JONES NEWSWIRES

The Trader: Stocks Climb 2% As Nasdaq Tops 15-Year Record -- Barron's

1,948 字

2015 年 4 月 25 日 05:08

Dow Jones Institutional News

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(FROM BARRON'S 4/27/15)

By Vito J. Racanelli

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The tech sector jumped 4%, helped by better-than-expected first-quarter results from heavyweights such as Microsoft (ticker: MSFT), Google (GOOGL), and even Amazon.com (AMZN), which reported a loss but matched analysts' projections. Shares of all three rose sharply.

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25 Apr 2015 00:08 ET The Trader: Stocks Climb 2% As Nasdaq Tops -2-

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18080.14	+253.84	+1.42
DJTransportation	8880.17	+232.67	+2.69
DJUtilities	597.81	+14.53	+2.49
DJ65Stocks	6435.22	+123.90	+1.96
DJUSMarket	534.66	+8.87	+1.69
NYSEComp.	11192.94	+134.48	+1.22
NYSEMKTComp.	2541.03	+23.78	+0.94
<b>S&amp;P500</b>	2117.69	+36.51	+1.75
S&PMidCap	1533.84	+18.04	+1.19
S&PSmallCap	725.08	+10.51	+1.47
Nasdaq	5092.08	+160.27	+3.25
ValueLine(arith.)	4907.91	+57.38	+1.18
Russell2000	1267.54	+15.68	+1.25
DJUSTSMFloat	22183.78	+361.03	+1.65

	Last Week	Week Earlier
NYSE		
Advances	2,215	1,285
Declines	1,009	1,942
Unchanged	42	47
NewHighs	266	258
NewLows	42	34
AvDailyVol(mil)	3,291.4	3,429.7
Dollar		
(Finexspotindex)	96.86	97.45
T-Bond		
(CBTnearbyfutures)	162-180	165-150
Crude Oil		
(NYMlightsweetcrude)	57.15	55.74
Inflation KR-CRB		
(FuturesPriceIndex)	224.05	223.94
Gold		
(CMXnearbyfutures)	1175.20	1202.90

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Access Investor Kit for Amazon.com, Inc.

Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=US0231351067](http://www.companyspotlight.com/partner?cp_code=P479&isin=US0231351067)

Access Investor Kit for athenahealth, Inc.

Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=US04685W1036](http://www.companyspotlight.com/partner?cp_code=P479&isin=US04685W1036)

Access Investor Kit for Cerner Corp.

Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=US1567821046](http://www.companyspotlight.com/partner?cp_code=P479&isin=US1567821046)

Access Investor Kit for Google, Inc.

Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=US38259P5089](http://www.companyspotlight.com/partner?cp_code=P479&isin=US38259P5089)

Access Investor Kit for Google, Inc.

Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=US38259P7069](http://www.companyspotlight.com/partner?cp_code=P479&isin=US38259P7069)

(END) Dow Jones Newswires

April 25, 2015 00:08 ET (04:08 GMT)

文件 DJDN000020150425eb4p00019

## DOW JONES NEWSWIRES

Starbucks: That Caffeinated Feeling -- Barron's Blog

By Ben Levisohn

583 字

2015 年 4 月 24 日 16:14

Dow Jones Institutional News

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Shares of Starbucks (SBUX) are percolating after the coffee seller reported stronger-than-expected sales and offered third-quarter guidance that could be above analyst forecasts. It also said same-store sales rose 7% globally. Wells Fargo's Bonnie Herzog is excited by the results:

Starbucks reported Q2 diluted adj EPS of \$0.33 (+18% growth), in line with estimates. Solid performance was driven by impressive 7% global same-store sales (SSS) growth (3% from traffic) with strong results across all regions and an exceptional qtr for Channel Development. Results were all the more impressive given both topline and earnings growth were negatively impacted by 2 points from unfavorable FX. Starbucks continues to successfully balance and execute on its many initiatives, particularly food, which added 2 points to SSS with growth in every day part, platform and region; and tea and beverage innovation each added 1 point to SSS and also helped drive incremental food attachment. Mobile order & pay (MOP) continues to be one of Starbucks' most exciting digital initiatives and is expanding nationwide this year. Despite Starbucks' significant investments in FY2015, most notably across its digital ecosystem and in its employees, we believe Starbucks is poised to deliver strong results through innovation and its vast international opportunity, setting the stage for further incremental growth in FY2016 and beyond. We believe Starbucks is positioned for impressive results and reiterate our Outperform rating. We raise our FY2015E EPS by \$0.02 to \$1.58 and raise our valuation range by \$5 to \$59-61, reflecting the MOP rollout which is occurring even faster than we anticipated.

JPMorgan's John Ivankoe and team worry that the good news might already reflected in Starbucks shares:

Starbucks reported a strong quarter with \$0.33 at the high end of \$0.32-0.33 guidance and in-line with our estimate. Headline comps in the Americas were 7%, ahead of our 6% estimate. Starbucks has been a long-term core Overweight for us, and we continue to see a number of drivers to global store, margin, and comp expansion, in addition to an already established and growing CPG business allowing 15-20% earnings growth to continue for several years. That said, the stock has also run up 20% YTD (and another 5% after-market yesterday) vs. the S&P which is up 3% suggesting the pace of stock appreciation may slow. Nevertheless we are cognizant of both the market multiple expansion and Starbucks historical growth multiples. With strong visibility to continued earnings growth now aided by likely favorable coffee/dairy price tailwinds in F16, we are comfortable using a 26.5x multiple on C16E EPS of \$1.95 for a Dec-15 price target of \$52. This target multiple is relative to the stock's historical 22.5x average since 2007, and is near the historical 8x Starbucks premium to the **S&P500**.

Shares of Starbucks have gained 4.2% to \$51.52 at 11:11 a.m. today.

More at Barron's Stocks to Watch blog,  
<http://blogs.barrons.com/stockstowatchtoday/>  
Access Investor Kit for JPMorgan Chase & Co.

Visit [http://www.companyspotlight.com/partner?cp\\_code=P479&isin=US46625H1005](http://www.companyspotlight.com/partner?cp_code=P479&isin=US46625H1005)

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(END) Dow Jones Newswires

April 24, 2015 11:14 ET (15:14 GMT)

文件 DJDN000020150424eb4o002pj

 [Starbucks: That Caffeinated Feeling](#)

Barron's Blogs, 2015 年 4 月 24 日 16:14, 508 字, By Ben Levisohn, (英文)

Shares of Starbucks (SBUX) are percolating after the coffee seller reported stronger-than-expected sales and offered third-quarter guidance that could be above analyst forecasts. It also said same-store sales rose 7% globally. Wells Fargo's ...

文件 WCBBE00020150424eb4o0015p

## DOW JONES NEWSWIRES

Nikkei Seen Trading in 20100-20300 Range -- Market Talk

221 字

2015 年 4 月 24 日 00:43

Dow Jones Institutional News

DJDN

英文

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2343 GMT [Dow Jones] Japan stocks are likely to trade in a narrow range Friday, as investors move to consolidate profits after three straight winning sessions, including Wednesday's decisive push by the Nikkei through the 20000 mark. Overnight, U.S. bourses scored modest gains, with the Nasdaq Composite setting a new, all-time closing record and IBM's (IBM) shares surging. General Motors (GM) closed sharply lower, however, after a quarterly earnings miss. "The high Japan/U.S. relative share price ratio, especially between the Topix and **S&P500**, should continue to guide Japan market movements," says Barclays chief Japan equity strategist Hajime Kitano, indicating high correlation between U.S.

and Japan stock movements recently, especially financials such as brokerages and banks. "This is irrespective of considerations of further central bank policy directives, as long as dollar-yen levels remain essentially stable." He puts the index range for the session at 20100 to 20300.

Nikkei 225 June futures ended yesterday's Chicago trading down 85 points at 20165 vs their close earlier yesterday in Osaka at 20170. In the cash market, the Nikkei closed up 0.3% at 20187.65 Thursday. (bradford.frischkorn@wsj.com)

Editor: PJK

(END) Dow Jones Newswires

April 23, 2015 19:43 ET (23:43 GMT)

文件 DJDN000020150424eb4n0004d

# DOW JONES NEWSWIRES

Money Flow Table For Major U.S. Indexes And Stocks

662 字

2015 年 4 月 21 日 20:20

Dow Jones Newswires Chinese (English)

RTNW

英文

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MONEY FLOW - UPTICK/DOWNTICK TRADING DOLLAR VOLUME Apr 21,2015 03:05 PM

MARKET	MONEY FLOW (in millions)			RATIO	
	TODAY	PREV DAY			
DJIA	+266.3	+987.9	1.08		
Blocks	+326.8	+1012.8	1.82		
Russell 2000	+119.7	+2277.8	1.04		
Blocks	+42.7	+2197.3	1.14		
S & P 500	+838.5	+191.6	1.05		
Blocks	+864.1	+115.8	1.43		
DJ U.S. Total Stock Market	+197.7	+3114.7	1.01		
Blocks	+117.5	+2834.8	1.02		
ISSUE GAINERS	SYMBOL	EXCH	LAST PRICE	MONEY FLOW	RATIO
	(in millions)				
General Electric	GE	NYSE	26.62	+370.7	3.28
Freeport-McMoRan Inc.	FCX	NYSE	20.23	+126.3	4.75
Vanguard FTSE Emerg Mkt	VWO	ARCA	43.78	+71.0	2.67
Vanguard FTSE DevMkts	VEA	ARCA	41.42	+63.8	3.85
Vanguard Total Stock Mkt	VTI	ARCA	108.96	+57.2	2.77
Mondelez Intl CI A	MDLZ	NASD	36.51	+46.8	1.80
Vanguard Small-Cap	VB	ARCA	123.08	+42.5	6.00
Johnson & Johnson	JNJ	NYSE	100.32	+41.3	1.75
Pentair PLC	PNR	NYSE	61.93	+41.0	1.86
Viacom B	VIAB	NASD	70.42	+39.7	4.83
Vanguard Mid-Cap	VO	ARCA	130.27	+37.9	4.66
iShares MSCI EAFE SC	SCZ	ARCA	51.41	+34.3	10.90
iSh Core MSCI EAFE ETF	IEFA	ARCA	60.72	+31.4	4.53
iShares MSCI Emg Markets	EEM	ARCA	42.96	+31.4	1.50
iShares China Large-Cap	FXI	ARCA	51.52	+30.6	1.64
CDK Global	CDK	NASD	47.79	+29.7	5.86
McDonald's	MCD	NYSE	94.99	+28.9	1.47
Vanguard REIT	VNQ	ARCA	82.13	+26.6	1.86
iSh iBoxx \$ Invt Gr Cp Bd	LQD	ARCA	121.96	+25.7	1.66
CSX	CSX	NYSE	35.05	+25.6	1.29
ISSUE DECLINERS	SYMBOL	EXCH	LAST PRICE	MONEY FLOW	RATIO
	(in millions)				
Vanguard Short-Term Bond	BSV	ARCA	80.50	-290.0	0.05
Apple	AAPL	NASD	127.03	-114.9	0.84
Vanguard ShTm Infltn-Prot	VTIP	NASD	48.71	-104.0	0.01
iShares MSCI ACWI ETF	ACWI	NASD	61.95	-101.0	0.07
Sht Term Intl Treas	BWZ	ARCA	30.43	-98.3	0.00
Mylan	MYL	NASD	73.61	-81.2	0.82
SPDR S&P O&G Exp & Prd	XOP	ARCA	52.97	-72.0	0.39
Vanguard Total Intl Bd	BNDX	NASD	53.99	-66.7	0.06
iShares TIPS Bond ETF	TIP	ARCA	114.73	-66.3	0.13
iShares Floating Rate Bd	FLOT	ARCA	50.63	-65.5	0.06
IBMIBM	NYSE	164.46	-57.2	0.81	
Teva Pharmaceutical ADS	TEVA	NYSE	64.52	-54.4	0.82
Select Sector SPDR-Ind	XLI	ARCA	56.36	-46.3	0.34

SPDR S&P 500	SPY	ARCA	209.67	-45.9	0.96
Vanguard Shrt-Trm Crp Bnd	VCSH	NASD	80.27	-44.6	0.19
PwrShrs QQQ Tr Series 1	QQQ	NASD	108.18	-43.3	0.77
SPDR Barclays Intl Trea	BWX	ARCA	53.21	-42.7	0.05
Starwood Hotels	HOT	NYSE	83.85	-39.2	0.41
Facebook Inc. Cl A	FB	NASD	83.78	-38.6	0.91
Vanguard <b>S&amp;P500</b>	VOO	ARCA	192.18	-35.5	0.40

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

(END) Dow Jones Newswires

21-04-15 1920GMT

文件 RTNW000020150421eb4l000fx

## MARKET WEEK

Stocks --- The Trader: Soft Earnings and Jitters Produce a Selloff

By Vito J. Racanelli

1,783 字

2015 年 4 月 20 日

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If only the week had ended Thursday. Instead, stocks dropped sharply, the major indexes giving up at least 1% last week, with most of the selling on Friday. Equities remain stuck in a rut -- albeit at high levels -- first hit last November, and last year's momentum seems a faraway thing.

As the market again neared all-time highs, a confluence of factors caused investors to take profits. The market turned jittery over moves by China to rein in its hot stock market, by lifting restrictions on short selling and raising margin requirements, says Douglas Cote, chief market strategist at Voya Investment management.

A selloff in Europe earlier Friday, as the outlook for a Greek debt pact worsened, compounded anxiety on this side of the Atlantic, Cote adds. The brinkmanship between Greece and its creditors continues, as the two groups meet over the weekend, but prospects for an immediate deal look dim. The debt-mired nation has a major IMF bill to pay May 11, and investors should look for more thrills and spills as the market frets in coming weeks over a potential Greek debt default and "Grexit," an exit from the euro zone.

As for first quarter earnings, while expectations are low, the first major examples of Corporate America's profits from the likes of General Electric (ticker: GE) and American Express (AXP) weren't particularly impressive.

Last week, the Dow Jones Industrial Average dropped 231 points, or 1.3%, to 17,826.30, while the Standard & Poor's 500 index gave up 1%, or 21 points, to 2081.18. The Nasdaq Composite lost 64, or 1.3%, to 4931.81.

The market's been hurt by an "underlying drip feed of soft U.S. economic data," says E. William Stone, chief investment strategist at PNC Wealth Management. Earnings expectations are sufficiently low, he says, yet there's a question of how much the macroeconomic picture will bleed in.

The heart of earnings season begins this week and will run for about three weeks. Given weak U.S. macroeconomic data for the first quarter, "chances are good that earnings will be weaker even than expected," says Tim Ghriskey, chief investment officer of Solaris Asset Management.

Guidance for the second quarter and rest of the year is more important, but here too, for the same reasons, it's unlikely CEOs will stick their necks out to forecast a rebound. "First quarter expectations have been brought down, but they still might be above the reality," worries Ghriskey, who projects a weak earnings environment, punctuated by more disappointments.

Friday, the Labor Department said the March consumer price index rose a seasonally adjusted 0.2% from February, a little higher than forecast.

### IBM Prospects Not So Cloudy

IBM has been out of favor for a while. This Dow stock is the index's worst performer for the three-and-a-half years ended March 2015, down 8% versus the Dow's 63% rise. It closed Friday at \$160.67, down from a high of \$215 two years ago. After hitting \$107 billion in 2011, revenue declined to \$93 billion last year, and double-digit earnings per share growth stems mainly from prodigious share buybacks. Investors have tired of IBM's financial engineering.

The firm is viewed by some as a technology dinosaur, bringing to mind an era of giant computers using reel-to-reel data tapes. IBM supposedly has missed the cloud revolution. But the reality is not so gloomy.

Expectations and sentiment for the Armonk, N.Y.-based tech giant seem so low now that it's time to take a second look. A small fundamental improvement could ignite a nice stock rise. Like a supertanker, IBM (ticker: IBM) takes a while to change direction but there's identifiable change coming.

For example, IBM is pruning businesses to get rid of poor performers. Last year, it sold three units that produced \$7 billion in sales but lost about \$500 million.

One bullish IBM convert, Lloyd Khaner, who runs Khaner Capital Management, says that while IBM has been slow to the cloud party, it's not too late. By virtue of its size and efforts, "IBM will eventually be a major player in the cloud." Many investors might not realize that IBM spent \$2.2 billion in cloud investments last year and plans to pump \$4 billion more this year.

In 2014, IBM's cloud business grew 60% to \$7 billion. The company, which expects to operate 46 cloud centers by the end of this year, projects the cloud industry opportunity at \$400 billion by 2018.

IBM should get its fair share of that business, adds Martin Leclerc, a money manager at Barrack Yard Advisors. The company has a wide moat and few rivals are trusted to supply technology and services to the world's global banks, oil, retail, and health-care firms, he says. A vote of confidence came last year from Apple (AAPL), which chose IBM to help it penetrate the mobile enterprise applications business.

When sales from big data and analytics, mobile, social, and security software is added to the cloud revenue, the total was \$25 billion last year, growing by a healthy 16%. Those areas are 27% of total sales, double the proportion five years ago. IBM expects these business combined to grow to \$40 billion by 2018, or 40% of sales.

For all the dinosaur talk, hardware sales of \$10 billion last year -- down 23% -- still were only about 11% of the total. Khaner says a new server cycle should be starting, and that's not priced into the stock. These cycles typically run about three years and bring along lots of add-on software and services revenue. At year end, IBM's service revenue backlog was \$128 billion.

Both money managers acknowledge IBM is in transition but the stock trades at just 10 times consensus analyst estimates of \$16.43 a share of earnings next year. After 2015, IBM guidance is for low single-digit percentage sales growth and mid-single-digit percent EPS growth, helped along by 2% to 3% in share buybacks.

IBM's low price/earnings multiple is appealing, LeClerc says, when viewed against a broad stock market at valuation levels exceeded only a few times in history.

Khaner views the Street's earnings estimates as too low. He thinks EPS could come in at \$17.88 next year and, if IBM begins to surprise, eventually the P/E could move to 12 times. He says downside is about 10%, but if things improve as he expects the shares could be worth \$195 in the intermediate term to as much as \$260 in 2018.

In the meantime, IBM's 2.7% dividend yield beats the 10-year Treasury yield. Barrack has had a longstanding IBM position and has been adding lately. "I'm betting IBM isn't always going to be mired in transition," LeClerc says.

IBM reports first-quarter results Monday, but change will still take some time to bloom. IBM is never going to grow like a cloud tech company, but it doesn't have to for its stock to rise. It just needs to grow a little faster than the market's low expectations, something that seems unchallenging.

#### Avoid the Crowd

Last week we took Wall Street analysts to task for their poor aggregate long-term record on Sell-rated stocks. As it turns out, the buy-side can give out contrarian signals, according to a recent report from Savita Subramanian, Bank of America Merrill Lynch's equity and quantitative strategist. When stocks are at extreme sentiment levels, she says, it pays to go against the crowd.

Employing a rolling list of 10 stocks in the S&P 500 index that were most hated last year by large-cap fund managers, she found that an equal-weighted portfolio of these names rose 29.3%, topping the S&P 500's 11.4% rise, while the 10 most loved stocks fell 2.3%. The list is updated quarterly, and the hated stocks outperformed for all five quarters ended March, 2015.

The best-loved stocks had the greatest overweighting, compared to their benchmark's rating, by large-cap fund managers. Conversely, the most unloved stocks were those most heavily underweighted.

Active managers have had a bad time of it, with only one out of five outperforming last year. But what's also driving this performance divergence, she adds, is the heavy outflows of money from actively-managed to

passively managed funds, such as exchange-traded and index funds. Investor flows into passive funds were about 15 times those going into actively managed funds.

That has pressured active managers, who have large overweights in the most loved stocks, to shave down their holdings, and, hence, sell some darlings. Conversely, hated stocks saw newfound buying interest from passive funds, which must match the weighting of their relevant benchmarks.

Subramanian provided a set of new hated and loved stocks for 2015 as of the end of the first quarter. Since flows continue to move against active managers and into passive funds, the strategy should work again this year. Active managers are still underperforming, though not nearly as badly as last year.

We'll add that this is a portfolio approach and cherry-picking single stocks isn't advisable. Still, bucking the crowd is a time-tested way to beat the market long term.

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17826.30	-231.35	-1.28
DJTransportation	8647.50	-120.33	-1.37
DJUtilities	583.28	-8.12	-1.37
DJ65Stocks	6311.32	-84.59	-1.32
DJUSMarket	525.80	-5.39	-1.01
NYSEComp.	11058.45	-54.23	-0.49
NYSEMKTCComp.	2517.25	+47.50	+1.92
<b>S&amp;P500</b>	2081.18	-20.88	-0.99
S&PMidCap	1515.80	-19.16	-1.25
S&PSmallCap	714.57	-8.22	-1.14
Nasdaq	4931.81	-64.16	-1.28
ValueLine(arith.)	4850.53	-43.28	-0.88
Russell2000	1251.86	-12.92	-1.02
DJUSTSMFloat	21822.75	-220.10	-1.00

	Last Week	Week Earlier
NYSE		
Advances	1,285	2,072
Declines	1,942	1,155
Unchanged	47	48
NewHighs	258	335
NewLows	34	32
AvDailyVol(mil)	3,429.7	3,154.9
Dollar		
(Finexspotindex)	97.45	99.35
T-Bond		
(CBTnearbyfutures)	165-150	163-160
Crude Oil		
(NYMlightsweetcrude)	55.74	51.64
Inflation KR-CRB		
(FuturesPriceIndex)	223.94	217.12
Gold		
(CMXnearbyfutures)	1202.90	1204.60

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## DOW JONES NEWSWIRES

Tokyo Shares Stage Minor Loss as Global Bourses, Dollar Fall

By Brad Frischkorn

655 字

2015 年 4 月 20 日 07:59

Dow Jones Institutional News

DJDN

英文

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TOKYO--Tokyo stocks staged a modest fall Monday, as profit-taking following steep falls in U.S., European, and other Asian bourses took a toll on investor sentiment as well as the dollar.

Japan shares did not appear to be overly perturbed over China's surprise weekend cut in banks' reserve requirement, but traders did speculate openly about possible Bank of Japan dip-buying.

The Nikkei Stock Average fell 0.1% at 19,634.49 following Friday's 1.2% decline. It has now lost ground in five of the past seven sessions. Total losses over the span total just 1.5%, however.

Stocks lost ground likely abruptly at the open after both U.S. and European bourses took sharp losses on Friday in the wake of high valuations, and intensifying Greek default fears.

On Monday, Shanghai and Hong Kong led regional stock markets largely lower.

China's surprise one-percentage-point cut in banks' reserve requirement was interpreted negatively as illustrating heightened government concern over the nation's decelerating economic growth, which is now projected to fall to 7% on-year--the slowest pace in six years.

"Despite all the hype about China and Greece, stock markets had been running 'hot' lately, and almost looking for a reason to pull back," said Nicholas Smith, equity strategist at CLSA. "As for Japan, the consolidation is only healthy for the market, and should help to pave the way for the Nikkei's eventual push through the 20,000 mark."

On a valuation basis, the broader market (as reflected in the Topix), with its price-to-earnings multiple of just 14.1 times (vs 15.7 times for the U.S. **S&P500**) is far more reasonably priced, he added.

"Japan stocks are not immune from the global market gyrations than have pushed up volatility levels in recent sessions, but price support from the Bank of Japan, as well as dip-buying by pension funds, have helped stem the losses to a large degree," said Eiji Kinouchi, chief technical analyst at Daiwa Institute of Research.

The Nikkei's ability to hold above its 25-day moving average--now just under 19600--will be one barometer by which to judge if further downside is in store for the market, he said. The index has held mostly above the 25DMA since mid-January.

The dollar ended the stock trading session at Y118.57, down from Y119.01 Friday, while the euro was at Y127.90, down from Y128.09. A stronger yen is generally bad for major Japanese exporters, who cannot price their goods more affordably overseas.

Among major market movers, SoftBank dropped 1.1%, while Honda Motor lost 1.2%. Real estate developers were hit by profit-taking as a group as the yen ticked higher, with Mitsui Fudosan losing 1.7% and Mitsubishi Estate dropping 2.8%.

Panasonic bucked the negative market trend, rising 2.0% following a Nikkei business daily report that the firm's net profit likely soared 70% to about 200 billion yen for the year ended March 31, helped by successful structural reforms and strong sales of auto and housing-related products.

Barclays also raised its target price to 1,630 yen from 1,500 yen while keeping its equal-weight rating, citing conservative company guidance.

Machinery maker Okuma added 5.1% after a Mitsubishi UFJ Morgan Stanley Securities upgraded to overweight from underweight and 71% target price to Y1,470, citing energy saving investments and substantial capex in industrial machinery systems at the company.

Retailer United Arrows shed 1.3% following a J.P. Morgan Securities Japan downgrade to neutral from overweight on valuations concerns. Shares remain up nearly 15% and up 96% since end-2012.

Write to Brad Frischkorn at [bradford.frischkorn@wsj.com](mailto:bradford.frischkorn@wsj.com)

(END) Dow Jones Newswires

April 20, 2015 02:59 ET (06:59 GMT)

文件 DJDN000020150420eb4k000jn

## DOW JONES NEWSWIRES

Nikkei Turns Positive After Early Fall on Dip-Buying -- Market Talk

1,676 字

2015 年 4 月 20 日 03:09

Dow Jones Institutional News

DJDN

英文

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0209 GMT [Dow Jones] The Nikkei rises into positive territory, now up 0.1% at 19678.59 after an initial fall under 19500 for the first time since April 6 after both U.S. and European bourses took sharp losses on Friday and the dollar weakened a tad (now Y118.93). "Despite all the hype about China and Greece, stock markets had been running 'hot' lately, and almost looking for a reason to pull back," says Nicholas Smith, equity strategist at CLSA. "As for Japan, the consolidation is only healthy for the market, and should help to pave the way for the Nikkei's eventual push through the 20,000 mark." On a valuation basis, the broader market (as reflected in the Topix), with its price-to-earnings multiple of just 14.1 times (vs 15.7 times for the U.S. **S&P500**) is far more reasonably priced, he adds. Topix remains down fractionally at 1588.28. (bradford.frischkorn@wsj.com)

Editor: KLH

0208 GMT [Dow Jones] The Australian dollar rallied to a one-month high against the U.S. dollar thanks to improving commodities prices and the 1 percentage point cut to reserve requirement ratios by the People's Bank of China over the weekend to revive its flagging economy. "The prospects of firmer commodity prices, stimulatory measures announced by China's central bank, and the likelihood of the U.S. Federal Reserve to raise interest rates this summer diminishing has given the Aussie some muscle," said Stephen Innes, Senior Trader at OANDA Asia Pacific. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

Editor JSM

0204 GMT [Dow Jones] Taiwan shares are down 0.2% at 9556.20, reflecting Friday's losses on Wall Street, says Yong-cheng International Securities Investment Consultant analyst William Chen. "But the market is likely to pare losses if China stocks keep rising following China's sharp cut in its banks' reserve ratio requirement Sunday," he says. The outlook of the Taiex on a technical basis turned bearish after the index fell below several near-term supports, so the index will likely try to defend its major support at its 60-day-moving-average of around 9525, he adds. Hon Hai Precision (2317.TW) is down 0.2% at NT\$92.10, Taiwan Semiconductor Manufacturing Co. (2330.TW) is flat at NT\$142.50, but HTC (2498.TW) is up 1.2% at NT\$130.50. Financials are mixed, with Cathay Financial (2882.TW) down 0.4% at NT\$50.40 but Fubon Financial (2881.TW) is up 0.7% at NT\$57.20. (fanny.liu@wsj.com)

Editor: KLH

0204 GMT [Dow Jones] Chinese stocks are turning higher after a roller-coaster ride in the first 20 minutes of trade, as investors weigh Beijing's aggressive credit easing and what that says about the state of the economy. The benchmark Shanghai Composite Index is now up 0.2% at 4297.22, after falling slightly over 1% shortly after the open. While banks are the biggest gainers following yesterday's surprise cut in reserve requirements for lenders, many other sectors are laggards due to the gloomy outlook for the world's second-largest economy. A healthy, technical correction remains warranted for an index that has doubled in just 12 months, analysts say. (hong.shen@wsj.com)

Editor JSM

0155 GMT [Dow Jones] New Zealand's first-quarter headline and non-tradable inflation (so-called domestic inflation that does not track price changes in internationally traded goods) came in above the Reserve Bank's

March monetary policy statement expectations, but core inflation remained benign, says ANZ in a note. It adds that inflation looks set to remain low over 2015 but uncertainty remains about pressures beyond that as there is mixed signals and avid debate regarding whether the country is in "a period of structurally low inflation or simply experiencing an unusual confluence of shocks." ANZ says at the margin core figures add more weight to the structural thesis. (lucy.craymer@wsj.com; Twitter: @lucy\_craymer)

Editor JSM

0143 GMT [Dow Jones] RBC Capital continues to expect the Reserve Bank of New Zealand to cut the cash rate by 50 bps over the coming year, says RBC economist Michael Turner in a note. "Evidence remains clear enough in our view that money overall is and has been too tight, and that the RBNZ will rectify this over the course of this year via 50bps of easing." Turner adds that RBNZ Deputy Gov. Spencer's guidance that rate hikes were an inappropriate response to housing market pressures suggests "more regulation is in store", which should give the RBNZ flexibility on the cash rate. (lucy.craymer@wsj.com; Twitter: @lucy\_craymer)

Editor: KLH

0142 GMT [Dow Jones] Forget the crackdown on margin financing--Sunday's reserve requirement ratio cut from the People's Bank of China (PBOC) shows official support for the stock market rally is intact, says HSBC, advising clients to rotate into financial stocks. "The magnitude of the easing is more aggressive than we had expected," the bank says. "A 100 basis point RRR cut only happened once during 2008 financial crisis," HSBC adds. "However, this move is not a total surprise as China's latest macro data surprised on the downside. The move clearly aims at neutralizing the negative impact of the CSRC's [China Securities Regulatory Commission] new rules to restrict margin financing and encourage stock lending." Buy on the dips, "if any", HSBC adds. The Hang Seng Index is down 0.6%, while H-shares tumble as the Shanghai Composite sinks 0.8%; the Hang Seng China Enterprises Index falls 0.9%. (gregor.hunter@wsj.com; Twitter: @gregorhunter)

Editor JSM

0139 GMT [Dow Jones] Crude-oil prices rose in early Asian trade Monday after a surprise rate cut by China over the weekend. Last week, Brent was unable to break above \$65/bbl as participants took profits ahead of the weekend, ANZ says. "U.S. rig counts fell again for the nineteenth straight week and a smaller-than-expected rise in U.S. crude inventories is supporting the argument that U.S. shale output will start to decline soon," the bank says. Nymex WTI crude is up 60 cents at \$56.34/bbl, Brent crude is up 59 cents at \$64.04/bbl. (eric.yep@wsj.com)

Editor: MNG

0118 GMT [Dow Jones] Chinese house price data released Saturday shows Beijing's efforts to stabilize the property market are working, says ING. Newbuild house prices rose month-on-month in 12 cities during March out of 70 surveyed by the National Bureau of Statistics, up from two in February. "Micro policy easing--the lifting of municipal- or provincial-level house purchase restrictions--and macro policy easing--the RRR [reserve requirement ratio] and policy interest rate cuts--are bearing fruit," says ING. "We expect policy loosening to be felt first in home sales, then in home prices and finally in housing starts. We expect to see positive year-over-year increases in new home price indexes in tier 1 cities by year-end." (gregor.hunter@wsj.com; Twitter: @gregorhunter)

Editor JSM

0118 GMT [Dow Jones] New Zealand's 1Q CPI makes life difficult for the Reserve Bank of New Zealand with core inflation particularly showing weakness, says ASB Senior Economist Jane Turner. "That leaves the RBNZ with the ongoing tensions of low current inflation but the prospect of inflation pressures picking up steam as trend growth remains firm." Statistics New Zealand says that the 1Q consumer price index rose just 0.1% on the year vs expectations of a 0.2% rise. In 1Q the index fell 0.3% on quarter vs expectations of a 0.2% fall. Turner says for now the consumer price index sidelines cash rate moves but the result itself won't

make the RBNZ more dovish. "We still see the risk of the RBNZ cutting rates this year, with the NZD's strength the most pressing issue." (lucy.craymer@wsj.com; Twitter: @lucy\_craymer)

Editor: KLH

0112 GMT [Dow Jones] USD/KRW has opened lower and likely continues in the same direction - implying a stronger South Korea won versus the greenback - after the risk-boosting stimulus measures announced by China on Sunday. The safe haven U.S. dollar is broadly down in Asia in reaction to China's sharp cut in its banks' reserve ratio requirement that seeks to promote more lending and thereby economic growth. The USD/KRW daily Bollinger downtrend channel now caps the pair at 1,088 and likely presses the dollar toward the 1,080 round-figure trading barrier - which if breached could trigger stoploss related selling. In the background, the yield on the benchmark U.S. 10-year Treasury remains depressed, thus adding to pressure on the greenback. USD/KRW is now 1,083.0 versus its Friday close of 1,083.7. (ewen.chew@wsj.com)

Editor: MNG

0111 GMT [Dow Jones] USD/TWD has fallen back into the daily Bollinger downtrend channel, which now caps at 31.230, and may be on its way to the round-figure trading barrier at 31.000 next. The safe-haven U.S. dollar is broadly lower after China's Sunday announcement of monetary liquidity-boosting measures, which has sparked a surge in risk appetite globally. Aside from pro-risk sentiment building over the weekend, the U.S. dollar index fell for a fourth consecutive session Friday, thus adding to bearish USD/Asia pressure. The price difference between the benchmark 1-month USD/TWD nondeliverable forward contract in the offshore market versus that of the spot contract has gone deeper into discount, suggesting that the speculative community is now more negative on the U.S. dollar. USD/TWD closed Friday at 31.162. (ewen.chew@wsj.com)

Editor: KLH  
(END) Dow Jones Newswires

April 19, 2015 22:09 ET (02:09 GMT)

文件 DJDN000020150420eb4k00078

# DOW JONES NEWSWIRES

Nikkei Turns Positive After Early Fall on Dip-Buying -- Market Talk

190 字

2015 年 4 月 20 日 03:09

Dow Jones Institutional News

DJDN

英文

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0209 GMT [Dow Jones] The Nikkei rises into positive territory, now up 0.1% at 19678.59 after an initial fall under 19500 for the first time since April 6 after both U.S. and European bourses took sharp losses on Friday and the dollar weakened a tad (now Y118.93). "Despite all the hype about China and Greece, stock markets had been running 'hot' lately, and almost looking for a reason to pull back," says Nicholas Smith, equity strategist at CLSA. "As for Japan, the consolidation is only healthy for the market, and should help to pave the way for the Nikkei's eventual push through the 20,000 mark." On a valuation basis, the broader market (as reflected in the Topix), with its price-to-earnings multiple of just 14.1 times (vs 15.7 times for the U.S. **S&P500**) is far more reasonably priced, he adds. Topix remains down fractionally at 1588.28. (bradford.frischkorn@wsj.com)

Editor: KLH

(END) Dow Jones Newswires

April 19, 2015 22:09 ET (02:09 GMT)

文件 DJDN000020150420eb4k0004f

## DOW JONES NEWSWIRES

The Trader: Soft Earnings And Jitters Produce A Selloff -- Barron's

1,887 字

2015 年 4 月 18 日 05:08

Dow Jones Institutional News

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(FROM BARRON'S 4/20/15)

By Vito J. Racanelli

If only the week had ended Thursday. Instead, stocks dropped sharply, the major indexes giving up at least 1% last week, with most of the selling on Friday. Equities remain stuck in a rut -- albeit at high levels -- first hit last November, and last year's momentum seems a faraway thing.

As the market again neared all-time highs, a confluence of factors caused investors to take profits. The market turned jittery over moves by China to rein in its hot stock market, by lifting restrictions on short selling and raising margin requirements, says Douglas Cote, chief market strategist at Voya Investment management.

A selloff in Europe earlier Friday, as the outlook for a Greek debt pact worsened, compounded anxiety on this side of the Atlantic, Cote adds. The brinkmanship between Greece and its creditors continues, as the two groups meet over the weekend, but prospects for an immediate deal look dim. The debt-mired nation has a major IMF bill to pay May 11, and investors should look for more thrills and spills as the market frets in coming weeks over a potential Greek debt default and "Grexit," an exit from the euro zone.

As for first quarter earnings, while expectations are low, the first major examples of Corporate America's profits from the likes of General Electric (ticker: GE) and American Express (AXP) weren't particularly impressive.

Last week, the Dow Jones Industrial Average dropped 231 points, or 1.3%, to 17,826.30, while the Standard & Poor's 500 index gave up 1%, or 21 points, to 2081.18. The Nasdaq Composite lost 64, or 1.3%, to 4931.81.

The market's been hurt by an "underlying drip feed of soft U.S. economic data," says E. William Stone, chief investment strategist at PNC Wealth Management. Earnings expectations are sufficiently low, he says, yet there's a question of how much the macroeconomic picture will bleed in.

The heart of earnings season begins this week and will run for about three weeks. Given weak U.S. macroeconomic data for the first quarter, "chances are good that earnings will be weaker even than expected," says Tim Ghriskey, chief investment officer of Solaris Asset Management.

Guidance for the second quarter and rest of the year is more important, but here too, for the same reasons, it's unlikely CEOs will stick their necks out to forecast a rebound. "First quarter expectations have been brought down, but they still might be above the reality," worries Ghriskey, who projects a weak earnings environment, punctuated by more disappointments.

Friday, the Labor Department said the March consumer price index rose a seasonally adjusted 0.2% from February, a little higher than forecast.

### IBM Prospects Not So Cloudy

IBM has been out of favor for a while. This Dow stock is the index's worst performer for the three-and-a-half years ended March 2015, down 8% versus the Dow's 63% rise. It closed Friday at \$160.67, down from a high of \$215 two years ago. After hitting \$107 billion in 2011, revenue declined to \$93 billion last year, and double-digit earnings per share growth stems mainly from prodigious share buybacks. Investors have tired of IBM's financial engineering.

The firm is viewed by some as a technology dinosaur, bringing to mind an era of giant computers using reel-to-reel data tapes. IBM supposedly has missed the cloud revolution. But the reality is not so gloomy.

Expectations and sentiment for the Armonk, N.Y.-based tech giant seem so low now that it's time to take a second look. A small fundamental improvement could ignite a nice stock rise. Like a supertanker, IBM (ticker: IBM) takes a while to change direction but there's identifiable change coming.

For example, IBM is pruning businesses to get rid of poor performers. Last year, it sold three units that produced \$7 billion in sales but lost about \$500 million.

One bullish IBM convert, Lloyd Khaner, who runs Khaner Capital Management, says that while IBM has been slow to the cloud party, it's not too late. By virtue of its size and efforts, "IBM will eventually be a major player in the cloud." Many investors might not realize that IBM spent \$2.2 billion in cloud investments last year and plans to pump \$4 billion more this year.

In 2014, IBM's cloud business grew 60% to \$7 billion. The company, which expects to operate 46 cloud centers by the end of this year, projects the cloud industry opportunity at \$400 billion by 2018.

IBM should get its fair share of that business, adds Martin Leclerc, a money manager at Barrack Yard Advisors. The company has a wide moat and few rivals are trusted to supply technology and services to the world's global banks, oil, retail, and health-care firms, he says. A vote of confidence came last year from Apple (AAPL), which chose IBM to help it penetrate the mobile enterprise applications business.

When sales from big data and analytics, mobile, social, and security software is added to the cloud revenue, the total was \$25 billion last year, growing by a healthy 16%. Those areas are 27% of total sales, double the proportion five years ago. IBM expects these business combined to grow to \$40 billion by 2018, or 40% of sales.

For all the dinosaur talk, hardware sales of \$10 billion last year -- down 23% -- still were only about 11% of the total. Khaner says a new server cycle should be starting, and that's not priced into the stock. These cycles typically run about three years and bring along lots of add-on software and services revenue. At year end, IBM's service revenue backlog was \$128 billion.

Both money managers acknowledge IBM is in transition but the stock trades at just 10 times consensus analyst estimates of \$16.43 a share of earnings next year. After 2015, IBM guidance is for low single-digit percentage sales growth and mid-single-digit percent EPS growth, helped along by 2% to 3% in share buybacks.

IBM's low price/earnings multiple is appealing, LeClerc says, when viewed against a broad stock market at valuation levels exceeded only a few times in history.

Khaner views the Street's earnings estimates as too low. He thinks EPS could come in at \$17.88 next year and, if IBM begins to surprise, eventually the P/E could move to 12 times. He says downside is about 10%, but if things improve as he expects the shares could be worth \$195 in the intermediate term to as much as \$260 in 2018.

In the meantime, IBM's 2.7% dividend yield beats the 10-year Treasury yield. Barrack has had a longstanding IBM position and has been adding lately. "I'm betting IBM isn't always going to be mired in transition," LeClerc says.

IBM reports first-quarter results Monday, but change will still take some time to bloom. IBM is never going to grow like a cloud tech company, but it doesn't have to for its stock to rise. It just needs to grow a little faster than the market's low expectations, something that seems unchallenging.

#### Avoid the Crowd

Last week we took Wall Street analysts to task for their poor aggregate long-term record on Sell-rated stocks. As it turns out, the buy-side can give out contrarian signals, according to a recent report from Savita Subramanian, Bank of America Merrill Lynch's equity and quantitative strategist. When stocks are at extreme sentiment levels, she says, it pays to go against the crowd.

Employing a rolling list of 10 stocks in the S&P 500 index that were most hated last year by large-cap fund managers, she found that an equal-weighted portfolio of these names rose 29.3%, topping the S&P 500's 11.4% rise, while the 10 most loved stocks fell 2.3%. The list is updated quarterly, and the hated stocks outperformed for all five quarters ended March, 2015.

The best-loved stocks had the greatest overweighting, compared to their benchmark's rating, by large-cap fund managers. Conversely, the most unloved stocks were those most heavily underweighted.

Active managers have had a bad time of it, with only one out of five outperforming last year. But what's also driving this performance divergence, she adds, is the heavy outflows of money from actively-managed to

passively managed funds, such as exchange-traded and index funds. Investor flows into passive funds were about 15 times those going into actively managed funds.

That has pressured active managers, who have large overweights in the most loved stocks, to shave down their holdings, and, hence, sell some darlings. Conversely, hated stocks saw newfound buying interest from passive funds, which must match the weighting of their relevant benchmarks.

Subramanian provided a set of new hated and loved stocks for 2015 as of the end of the first quarter. Since flows continue to move against active managers and into passive funds, the strategy should work again this year. Active managers are still underperforming, though not nearly as badly as last year.

We'll add that this is a portfolio approach and cherry-picking single stocks isn't advisable. Still, bucking the crowd is a time-tested way to beat the market long term.

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e-mail: vito.racanelli@barrons.com

18 Apr 2015 00:08 ET The Trader: Soft Earnings And Jitters Produce A -2-

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#### Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17826.30	-231.35	-1.28
DJTransportation	8647.50	-120.33	-1.37
DJUtilities	583.28	-8.12	-1.37
DJ65Stocks	6311.32	-84.59	-1.32
DJUSMarket	525.80	-5.39	-1.01
NYSEComp.	11058.45	-54.23	-0.49
NYSEMKTComp.	2517.25	+47.50	+1.92
<b>S&amp;P500</b>	2081.18	-20.88	-0.99
S&PMidCap	1515.80	-19.16	-1.25
S&PSmallCap	714.57	-8.22	-1.14
Nasdaq	4931.81	-64.16	-1.28
ValueLine(arith.)	4850.53	-43.28	-0.88
Russell2000	1251.86	-12.92	-1.02
DJUSTSMFloat	21822.75	-220.10	-1.00

	Last Week	Week Earlier
NYSE		
Advances	1,285	2,072
Declines	1,942	1,155
Unchanged	47	48
NewHighs	258	335
NewLows	34	32
AvDailyVol(mil)	3,429.7	3,154.9
Dollar		
(Finexspotindex)	97.45	99.35
T-Bond		
(CBTnearbyfutures)	165-150	163-160
Crude Oil		
(NYMlightsweetcrude)	55.74	51.64
Inflation KR-CRB		
(FuturesPriceIndex)	223.94	217.12
Gold		
(CMXnearbyfutures)	1202.90	1204.60

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(END) Dow Jones Newswires

April 18, 2015 00:08 ET (04:08 GMT)

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## MARKET WEEK

Stocks --- The Trader: Stocks Keep Rising, as Bad News Turns Good

By Vito J. Racanelli

1,883 字

2015 年 4 月 13 日

Barron's

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Stocks jumped a second consecutive week in quiet trading, with the major indexes up nearly 2% and again approaching all-time highs. The move came partly on a lagged reaction to the news on payrolls the previous Friday, April 3, when markets were closed for Good Friday. Reawakened animal spirits also buoyed investors, after some major deal announcements, which lifted the industrials sector 3.3%.

Markets returned to seeing bad news as good news since the much weaker than expected March payrolls suggested interest rates will remain lower for longer. That was countered Thursday, however, by weekly jobless claims, which fell to a 15-year low. Energy stocks rose 3%, helped along by higher crude prices.

Last week, the Dow Jones Industrial Average rose 294 to 18057.65, while the Standard & Poor's 500 index gained 35 to 2102.06. For both it was a 1.7% rise. The Nasdaq Composite gained 109 points or 2.2% to 4995.98.

"We didn't get to trade on it, and the Good Friday payrolls had a 'sloper' effect on stocks this week," says Kim Forrest, a senior equity analyst at Fort Pitt Capital Group. It's sloppy because everyone thought it was bad news last week, but when it comes to keeping interest rates low, bad news remains good news, she adds.

Corporate action, such as General Electric's (ticker: GE) divestment plans, was a "bright light," she adds, particularly Friday. That's when GE said it would sell or spin off most of its GE Capital finance unit and return up to \$90 billion to shareholders. (For more on GE, see "Time to Sell General Electric" -- Barron's April 13, 2015) The stock rose 11% to \$28.51. And Wednesday, the weakened energy industry saw oil major Royal Dutch Shell (RDSA) announce a \$70 billion deal to buy gas giant BG Group (BRGYY).

In normal times, the jobless claims number would push the Federal Reserve to move on rates, says Wedbush Equity Management portfolio manager Stephen Massocca.

But the Fed is hemmed in by incredibly low interest rates in the rest of the world, he notes, which are driving flows to Treasuries and keeping yields low. We are in a world where German 10-year Bunds yield 0.15%. The way things stand, the market is now looking for the first rate hike in December or possibly 2016, he says.

But the uncertainty occasioned by the Fed guessing game is weighing on investors, adds Bernie McGinn, CEO of McGinn Investment Management. "We spend two weeks jacked up [about lower rates] and then one week not." At some point investors are going to want to take a break from stocks, says McGinn, who's looking for a real correction, down 20%, in the summer or later.

Before that, however, investors will have to go through the first-quarter earnings season, now under way. And they will be watching the March U.S. consumer-price index, out this Friday.

## Rating the Analysts

Many brokerage analysts know their industries backward and forward. A few are even good stock pickers. As a group, however, the data suggest they aren't. Collectively, their ratings typically reflect what the stock price already discounts. When measured over long periods, their aggregated views are a poor guide for investors (see accompanying table in Barron's -- April 13, 2015).

Bespoke Investment Group looked at the simple price returns since 2002 of the stocks rated most lowly by Wall Street analysts, and those held in highest regard. On average in the past 13 years, the most-hated stocks rose an average of 13% annually, nicely outperforming both the best-loved stocks, up 9.5%, and the S&P 500 index, up 6.5%.

The universe was S&P 500 index companies covered by at least 10 analysts. On Dec. 31 of each year, Bespoke used stocks in the bottom 10% of the analyst-ratings scores created by Bloomberg. For a particular stock, a score of one, for example, meant every analyst covering it gave it the worst possible rating that the brokerage used. Effectively, the worst-rated stocks are those with the highest percentage of Sell ratings from the analysts.

A Bloomberg score of five meant every analyst following the company gave the stock the broker's best rating. In the table, the highest-rated-stocks column refers to those 10% of companies with the most Buy ratings from the analysts.

There are two striking conclusions, says Bespoke analyst George Pearkes. The outperformance by Sell-rated stocks over time suggests that when most of Wall Street is down on a stock, all the bad news is probably priced in, he says: "It's a good contrarian signal."

The market cycle also seems to be at work, he adds. The best-rated stocks outperformed and the worst-rated underperformed in 2007, a bull-market top. The bull helped the Buy rated stocks. On the other hand, hated stocks do better during bear markets and the initial phases of a new bull market, such as 2002-03 and 2009-10.

Lest critics say the period measured is too short, we'll add that years ago Barron's published a similar study of ratings done by Charles Schwab for the years 1994-2004 ("The Schwab Advantage," Nov. 27, 2006). Low-rated stocks also beat the best-rated equities in that study.

While the average annual price return of the Buy stocks outperformed the market, the Wall Street crowd can be a useful contrarian indicator long-term. Investors ought to take the Street's pulse before buying or selling. If every analyst has a Buy rating, who's left to purchase the shares? Likewise, when every analyst rates a stock Sell, who's left to sell?

#### Grainger's Allure

Speaking of stocks unloved by Wall Street, there's W.W. Grainger (GWW). A majority of analysts don't have a Buy rating on the stock of this global distributor of maintenance, repair, and operating supplies. The shares have fallen 14% from an all-time high to Friday's \$234.71, a level essentially unchanged from two years ago. The market is up 22% in that same period.

The stock is down mainly because the Street believes the distribution sector suffers in low inflationary climate, when it's tougher to raise prices or achieve fatter gross margins. A strong dollar isn't helping, either.

Macroeconomic headwinds, however, matter less for long-term investors looking for a high-quality, dominant business at an attractive price, says Michael Kon, an analyst at money manager Golub Group. Golub has been buying Grainger shares lately, and Kon believes the out-of-favor stock is 10% to 20% undervalued by the market.

Lake Forest, Ill.-based Grainger isn't a name the average Joe might recognize, but it is the biggest supplier by sales of material-handling and safety equipment; lighting and electrical products; and power tools and plumbing needs, among many others. These are products that airlines, retailers, contractors, truckers, and manufacturers, just to name a few groups, use on an ongoing basis.

Indeed, 60% of sales are recurring, says Kon, making the company resilient to downturns. In the past decade, average annual sales growth has been about 7%, and EPS increases, 15%. In 2014, Grainger reported sales rose to \$9.9 billion from \$9.4 billion, and earnings per share hit \$11.45 per fully diluted share, up from \$11.13 the prior year.

While Grainger has a presence in Europe, Asia, and Latin America, 78% of sales come from the U.S. and another 11%, from Canada. E-commerce accounts for about 36% of total U.S. sales. Kon says the company has so far been able to beat off the threat from Amazon.com's (AMZN) Supplier.com.

There are limitations to an online-only delivery platform, says Kon. Grainger has 19 distribution centers; 377 branch outlets where customers can pick up items; and 51 call centers. Last year, Grainger made sales to 1.2 million customers, and no single customer exceeded 3% of sales.

Yet the North American market remains highly fragmented, and Grainger, with just a 6% market share, has lots of room to grab more share from smaller regional players. In particular, recent customer behavior suggests that subscale distributors aren't capable of delivering, he says. Almost 80% of Grainger's customers are large companies that purchase at least \$100,000 annually.

Many customers want to consolidate suppliers to those with a broad array of offerings, and streamline the purchase process, while still requiring technical support and inventory management. Bigger suppliers such as Grainger better serve these needs.

Grainger's revenue has risen 5% in each of the past two years, below the long-term average. But the company has some interesting growth possibilities that could act as catalysts in the future, Kon says. MonotaRO.com (3064.Japan), the company's 52%-owned fast-growing online platform in Japan for small and medium-size customers, was replicated in the U.S. in 2011 as Zoro.com. Last year, it was launched in Canada and Germany.

In a year or two, this small but fast-growing channel could have more impact on the bottom line and be meaningful to investors, adds Kon. He values the stock at \$255 on a discounted-cash-flow analysis using what he terms modest 8% EPS growth, given the company's history. If that bumps up to 10% -- still much lower than the company's history -- then the stock is worth close to \$290, he says.

On Thursday Grainger will report first- quarter earnings, so the market will get an up-to-date read on gross margins and revenue growth. Even if the first quarter is soft, its strong balance sheet, a 1.8% dividend yield, and potential for long-term growth look appealing.

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#### Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18057.65	+294.41	+1.66
DJTransportation	8767.83	+162.52	+1.89
DJUtilities	591.40	+1.53	+0.26
DJ65Stocks	6395.91	+94.63	+1.50
DJUSMarket	531.18	+8.36	+1.60
NYSEComp.	11112.69	+159.53	+1.46
NYSEMKTComp.	2469.75	+40.13	+1.65
<b>S&amp;P500</b>	2102.06	+35.10	+1.70
S&PMidCap	1534.96	+11.02	+0.72
S&PSmallCap	722.79	+1.52	+0.21
Nasdaq	4995.98	+109.04	+2.23
ValueLine(arith.)	4893.81	+57.08	+1.18
Russell2000	1264.77	+9.12	+0.73
DJUSTSMFloat	22042.85	+337.24	+1.55

	Last Week	Week Earlier
NYSE		
Advances	2,072	2,145
Declines	1,155	1,070
Unchanged	48	56
NewHighs	335	261
NewLows	32	57
AvDailyVol(mil)	3,154.9	3,203.5
Dollar		
(Finexspotindex)	99.34	96.74
T-Bond		
(CBTnearbyfutures)	163-160	164-180
Crude Oil		
(NYMlightsweetcrude)	51.64	49.14
Inflation KR-CRB		
(FuturesPriceIndex)	217.12	216.09
Gold		
(CMXnearbyfutures)	1204.60	1200.90

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## DOW JONES NEWSWIRES

China Rally To Continue: Beijing Allows Investors Up To 20 Stock Accounts -- Barron's Blog

By Shuli Ren

718 字

2015 年 4 月 13 日 02:03

Dow Jones Institutional News

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To foster competition among brokerages, Beijing said over the weekend that Chinese investors will no longer be restricted to only one stock account in China's A-Share market and each can have up to 20 stock accounts, starting today, reported party mouthpiece Xinhua News Agency.

Writing for Barron's magazine, I argued last weekend that Hong Kong-listed Chinese stocks are in a bull market and the rally is likely to continue: "Hong Kong Shares Headed Higher".

ReOrient Group's strategist Uwe Parpart had a punchy note out over the weekend, arguing that the Hong Kong rally can continue, as well.

Parpart gave three reasons. First, compared to S&P 500, the Hang Seng China Enterprises Index is dirt cheap:

The **S&P500** currently trades at a price-to-earnings ratio of 18.6 and a price/cash flow ratio of 11.45. The Shanghai Composite Index's price-to-earnings is 19.85, its price/cash flow 9.32. The Hang Seng Index pe is 11.48, price/cash flow 8.04. The HSCEI (HSI China Enterprises) pe is 9.96, price/cash flow 4.28. So, what's cheap, what's expensive? What's risky, what less so? The S&P and SHCOMP are roughly at a par, with a more comfortable price/cash flow ratio for the SHCOMP. But then when it comes to Hong Kong and Hong Kong's China Enterprises, it's clearly no longer a close call.

Second, many of China's largest publicly listed companies are listed in Shanghai and Hong Kong, and their Hong Kong shares are a lot cheaper. As long as the Shanghai stock market stays firm, Hong Kong will play catch-up, sooner or later, when money flows from the north:

Most H-shares (except for banks) continue to trade at a substantial discount to the equivalent Shanghai A-shares. We fully expect the H-share/A-share convergence rally to continue and full utilization of the southbound through-train quota as realized for the first time last week is likely to become common place.

Third, the Shanghai stock market is likely to stay firm, because Beijing has switched to a cyclical growth mode:

What speaks for continuation is the same combination of REFLATION + REFORM we have flagged as the main index driver since last November. The March CPI number of 1.4% y-o-y (unchanged from Feb) was marginally higher than we had expected. But PPI again came in a very low -4.5% y-o-y. There's no inflation in the system and no reason why the PBOC should not continue cutting both its benchmark rates and banks' RRRs. Interbank liquidity has improved since it spiked in mid-Feb, but Chinese real rates remain too high and we expect another 25bps in rate cuts and at least 50bps in RRR cuts this quarter.

In the last two months, the Shanghai stock market was very liquidity-driven, with over 100,000 new trading accounts opened every day. (See my April 6 column "Shanghai's Stock Market Has Room to Run, ".) Market participants were worried that Beijing may start to rein in the stock bull. But its new regulation over the weekend is a nod that the bull can have its run.

Last week, the Hang Seng China Enterprises Index rose 10.5%, the Hang Seng Index gained 7.9% and the Shanghai Composite Index advanced 4.4%. The iShares China Large-Cap ETF ( FXI) and the iShares MSCI China ETF ( MCHI) jumped a stunning 11.2% and 11%. Helped by China, the iShares MSCI Emerging Markets ETF ( EEM) and the Vanguard FTSE Emerging Markets ETF ( VWO) rose 3% and 4.1%. the Deutsche X-trackers Harvest CSI 300 China A-Shares Fund ( ASHR) rose 6.3%.

More at Barron's Asia Stocks to Watch blog,

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(END) Dow Jones Newswires

April 12, 2015 21:03 ET (01:03 GMT)

文件 DJDN000020150413eb4d0006c

 [China Rally To Continue: Beijing Allows Investors Up To 20 Stock Accounts](#)

Barron's Blogs, 2015 年 4 月 13 日 02:03, 654 字, By Shuli Ren, (英文)

To foster competition among brokerages, Beijing said over the weekend that Chinese investors will no longer be restricted to only one stock account in China's A-Share market and each can have up to 20 stock accounts, starting today, ...

文件 WCBBE00020150413eb4d0002t

## DOW JONES NEWSWIRES

The Trader: Stocks Keep Rising, As Bad News Turns Good -- Barron's

2,064 字

2015 年 4 月 11 日 05:08

Dow Jones Institutional News

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(FROM BARRON'S 4/13/15)

By Vito J. Racanelli

Stocks jumped a second consecutive week in quiet trading, with the major indexes up nearly 2% and again approaching all-time highs. The move came partly on a lagged reaction to the news on payrolls the previous Friday, April 3, when markets were closed for Good Friday. Reawakened animal spirits also buoyed investors, after some major deal announcements, which lifted the industrials sector 3.3%.

Markets returned to seeing bad news as good news since the much weaker than expected March payrolls suggested interest rates will remain lower for longer. That was countered Thursday, however, by weekly jobless claims, which fell to a 15-year low. Energy stocks rose 3%, helped along by higher crude prices.

Last week, the Dow Jones Industrial Average rose 294 to 18057.65, while the Standard & Poor's 500 index gained 35 to 2102.06. For both it was a 1.7% rise. The Nasdaq Composite gained 109 points or 2.2% to 4995.98.

"We didn't get to trade on it, and the Good Friday payrolls had a 'slopover' effect on stocks this week," says Kim Forrest, a senior equity analyst at Fort Pitt Capital Group. It's sloppy because everyone thought it was bad news last week, but when it comes to keeping interest rates low, bad news remains good news, she adds.

Corporate action, such as General Electric's (ticker: GE) divestment plans, was a "bright light," she adds, particularly Friday. That's when GE said it would sell or spin off most of its GE Capital finance unit and return up to \$90 billion to shareholders. (For more on GE, see "Time to Sell General Electric" -- Barron's April 13, 2015) The stock rose 11% to \$28.51. And Wednesday, the weakened energy industry saw oil major Royal Dutch Shell (RDSA) announce a \$70 billion deal to buy gas giant BG Group (BRGYY).

In normal times, the jobless claims number would push the Federal Reserve to move on rates, says Wedbush Equity Management portfolio manager Stephen Massocca.

But the Fed is hemmed in by incredibly low interest rates in the rest of the world, he notes, which are driving flows to Treasuries and keeping yields low. We are in a world where German 10-year Bunds yield 0.15%. The way things stand, the market is now looking for the first rate hike in December or possibly 2016, he says.

But the uncertainty occasioned by the Fed guessing game is weighing on investors, adds Bernie McGinn, CEO of McGinn Investment Management. "We spend two weeks jacked up [about lower rates] and then one week not." At some point investors are going to want to take a break from stocks, says McGinn, who's looking for a real correction, down 20%, in the summer or later.

Before that, however, investors will have to go through the first-quarter earnings season, now under way. And they will be watching the March U.S. consumer-price index, out this Friday.

### Rating the Analysts

Many brokerage analysts know their industries backward and forward. A few are even good stock pickers. As a group, however, the data suggest they aren't. Collectively, their ratings typically reflect what the stock price already discounts. When measured over long periods, their aggregated views are a poor guide for investors (see accompanying table in Barron's -- April 13, 2015).

Bespoke Investment Group looked at the simple price returns since 2002 of the stocks rated most lowly by Wall Street analysts, and those held in highest regard. On average in the past 13 years, the most-hated stocks rose an average of 13% annually, nicely outperforming both the best-loved stocks, up 9.5%, and the S&P 500 index, up 6.5%.

The universe was S&P 500 index companies covered by at least 10 analysts. On Dec. 31 of each year, Bespoke used stocks in the bottom 10% of the analyst-ratings scores created by Bloomberg. For a particular stock, a score of one, for example, meant every analyst covering it gave it the worst possible rating that the brokerage used. Effectively, the worst-rated stocks are those with the highest percentage of Sell ratings from the analysts.

A Bloomberg score of five meant every analyst following the company gave the stock the broker's best rating. In the table, the highest-rated-stocks column refers to those 10% of companies with the most Buy ratings from the analysts.

There are two striking conclusions, says Bespoke analyst George Pearkes. The outperformance by Sell-rated stocks over time suggests that when most of Wall Street is down on a stock, all the bad news is probably priced in, he says: "It's a good contrarian signal."

The market cycle also seems to be at work, he adds. The best-rated stocks outperformed and the worst-rated underperformed in 2007, a bull-market top. The bull helped the Buy rated stocks. On the other hand, hated stocks do better during bear markets and the initial phases of a new bull market, such as 2002-03 and 2009-10.

Lest critics say the period measured is too short, we'll add that years ago Barron's published a similar study of ratings done by Charles Schwab for the years 1994-2004 ("The Schwab Advantage," Nov. 27, 2006). Low-rated stocks also beat the best-rated equities in that study.

While the average annual price return of the Buy stocks outperformed the market, the Wall Street crowd can be a useful contrarian indicator long-term. Investors ought to take the Street's pulse before buying or selling. If every analyst has a Buy rating, who's left to purchase the shares? Likewise, when every analyst rates a stock Sell, who's left to sell?

#### Grainger's Allure

Speaking of stocks unloved by Wall Street, there's W.W. Grainger (GWW). A majority of analysts don't have a Buy rating on the stock of this global distributor of maintenance, repair, and operating supplies. The shares have fallen 14% from an all-time high to Friday's \$234.71, a level essentially unchanged from two years ago. The market is up 22% in that same period.

The stock is down mainly because the Street believes the distribution sector suffers in low inflationary climate, when it's tougher to raise prices or achieve fatter gross margins. A strong dollar isn't helping, either.

Macroeconomic headwinds, however, matter less for long-term investors looking for a high-quality, dominant business at an attractive price, says Michael Kon, an analyst at money manager Golub Group. Golub has been buying Grainger shares lately, and Kon believes the out-of-favor stock is 10% to 20% undervalued by the market.

Lake Forest, Ill.-based Grainger isn't a name the average Joe might recognize, but it is the biggest supplier by sales of material-handling and safety equipment; lighting and electrical products; and power tools and plumbing needs, among many others. These are products that airlines, retailers, contractors, truckers, and manufacturers, just to name a few groups, use on an ongoing basis.

Indeed, 60% of sales are recurring, says Kon, making the company resilient to downturns. In the past decade, average annual sales growth has been about 7%, and EPS increases, 15%. In 2014, Grainger reported sales rose to \$9.9 billion from \$9.4 billion, and earnings per share hit \$11.45 per fully diluted share, up from \$11.13 the prior year.

While Grainger has a presence in Europe, Asia, and Latin America, 78% of sales come from the U.S. and another 11%, from Canada. E-commerce accounts for about 36% of total U.S. sales. Kon says the company has so far been able to beat off the threat from Amazon.com's (AMZN) Supplier.com.

There are limitations to an online-only delivery platform, says Kon. Grainger has 19 distribution centers; 377 branch outlets where customers can pick up items; and 51 call centers. Last year, Grainger made sales to 1.2 million customers, and no single customer exceeded 3% of sales.

Yet the North American market remains highly fragmented, and Grainger, with just a 6% market share, has lots of room to grab more share from smaller regional players. In particular, recent customer behavior suggests that subscale distributors aren't capable of delivering, he says. Almost 80% of Grainger's customers are large companies that purchase at least \$100,000 annually.

Many customers want to consolidate suppliers to those with a broad array of offerings, and streamline the purchase process, while still requiring technical support and inventory management. Bigger suppliers such as Grainger better serve these needs.

Grainger's revenue has risen 5% in each of the past two years, below the long-term average. But the company has some interesting growth possibilities that could act as catalysts in the future, Kon says. MonotaRO.com (3064.Japan), the company's 52%-owned fast-growing online platform in Japan for small and medium-size customers, was replicated in the U.S. in 2011 as Zoro.com. Last year, it was launched in Canada and Germany.

In a year or two, this small but fast-growing channel could have more impact on the bottom line and be meaningful to investors, adds Kon. He values the stock at \$255 on a discounted-cash-flow analysis using what he terms modest 8% EPS growth, given the company's history. If that bumps up to 10% -- still much lower than the company's history -- then the stock is worth close to \$290, he says.

On Thursday Grainger will report first- quarter earnings, so the market will get an up-to-date read on gross margins and revenue growth. Even if the first quarter is soft, its strong balance sheet, a 1.8% dividend yield, and potential for long-term growth look appealing.

11 Apr 2015 00:08 ET The Trader: Stocks Keep Rising, As Bad News Turns -2-

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## Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	18057.65	+294.41	+1.66
DJTransportation	8767.83	+162.52	+1.89
DJUtilities	591.40	+1.53	+0.26
DJ65Stocks	6395.91	+94.63	+1.50
DJUSMarket	531.18	+8.36	+1.60
NYSEComp.	11112.69	+159.53	+1.46
NYSEMKTComp.	2469.75	+40.13	+1.65
<b>S&amp;P500</b>	2102.06	+35.10	+1.70
S&PMidCap	1534.96	+11.02	+0.72
S&PSmallCap	722.79	+1.52	+0.21
Nasdaq	4995.98	+109.04	+2.23
ValueLine(arith.)	4893.81	+57.08	+1.18
Russell2000	1264.77	+9.12	+0.73
DJUSTSMFloat	22042.85	+337.24	+1.55

	Last Week	Week Earlier
NYSE		
Advances	2,072	2,145
Declines	1,155	1,070
Unchanged	48	56
NewHighs	335	261
NewLows	32	57
AvDailyVol(mil)	3,154.9	3,203.5
Dollar		
(Finexspotindex)	99.34	96.74
T-Bond		
(CBTnearbyfutures)	163-160	164-180
Crude Oil		
(NYMlightsweetcrude)	51.64	49.14
Inflation KR-CRB		
(FuturesPriceIndex)	217.12	216.09
Gold		
(CMXnearbyfutures)	1204.60	1200.90

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