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MARKET WEEK

Stocks --- The Trader: GOP Debt Proposal Lifts Dow to Five-Year High

By Vito J. Racanelli
1,910 字
2013 年 1 月 21 日
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Three weeks into 2013 and Wall Street's celebratory mood continues unabated, as the Dow Jones Industrial Average finished at a new five-year high, and the broad market rose 1%.

The rally was undeterred by poorly acting technology and financial sectors, which, in turn, were hurt by less than stellar fourth-quarter earnings reports. Stocks received a boost from a Republican proposal to increase the debt ceiling temporarily.

The market managed to push through a previous intraday high set last September, a bullish technical sign that increases the potential in coming weeks for another leg up from investors who fear being left behind after the 4% rise this year.

Last week, the Dow rose 1.2%, or 161 points, to 13,649.70, the highest close since December 10, 2007 and just 4% from its all-time high. The Dow is off to its best yearly start since 1997.

The Standard and Poor's 500 index gained 14, or 1%, to 1485.98, and is 5% below its all-time highs of 1565, reached in 2007. The tech-heavy Nasdaq Composite added nine points, or 0.3%, closing at 3134.70.

The market remains focused on what is and isn't coming out of Washington, says Cameron Hinds, a regional chief investment officer at Wells Fargo Private Bank. The end-of-week boost was prompted by talk of a bill from Republicans to push the debt ceiling deadline to about mid-April, he says.

That would be a short-term answer, and "ultimately volatility is going to pick up as we get closer to the [late February] deadlines for the debt ceiling and federal budgetary spending reductions, Hinds adds..

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With the market at highs, investors should beware the potential for a D.C.-based quick and nasty pullback, though that could come from much higher levels, given the strength of positive investor sentiment.

The market continues to defy the skeptics, and its technical patterns remain strongly bullish, says Andre Jude Bakhos, director of market analytics at Lek Securities. Those investors who dread getting in at a market top might soon overcome fears of growing underperformance, he adds.

After the terrible fourth quarter for Apple's stock, there's plenty of chatter about how cheap it looks. At Friday's close of $500, Apple is down 28% from its high of $702, hit on Sept. 19, and is -- hard to believe -- the third-worst performer in the S&P 500 since that day. Apple's market cap is now $480 billion, down from $626 billion.

Meanwhile, without any help from its biggest stock, the S&P 500 has rallied beyond its own Sept. 14 high. Had Apple's shares merely remained flat, the broad market could be approaching all-time highs, according to Bespoke Investment Group.

Money managers are befuddled. Why does Apple, with its unrivaled combination of earnings and brand power, trade significantly below the market multiple? It changes hands at a price-to-earnings ratio of 10.3 times consensus expectations of $48.55 per share in September-ending fiscal 2013. More importantly, the P/E multiple has been low for a while: 10 to 15 times throughout 2012.

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Cohen looked at the moves of highly popular mega-caps over the past two decades and found that when a company's stock-market capitalization neared 5% of the S&P 500 index's total market value, it typically marked a percentage high that wasn't subsequently regained. (See chart above.) This happened regardless of the industry, the expected rate of earnings growth, and where the company was in its cycle, he says.

For example, both General Electric (GE) and ExxonMobil (XOM) neared the 5% level in the third quarter of 2000 and the first quarter of 2009, respectively, before dropping back. IBM got as high as 6% at the end of 1985. That preceded a long down period in terms of its percentage of the S&P's market value.

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That giant size might be to blame. Apple's inability to get its P/E above 15 last year was a case of a stock done in by its huge popularity, Cohen argues. At $700, Apple's market value was almost 5% of the S&P 500's.

Investors, particularly professionals, diversify their portfolios, and few are willing to commit more than 6%-7% of their portfolios to one stock, Cohen says. Not everyone can own Apple, and at a certain point, "there was nobody left to buy the stock" who didn't already have a full position, he adds.

Moreover, Cohen maintains, Apple's hitting $700 probably had little to do with P/E. Given its unrivaled popularity, he argues, the stock could have reached that level even if Apple had earned "only" $30 a share in fiscal 2012, instead of the $44.15 it did. An EPS of $30 would have awarded the shares a P/E of 23 times. "No one would have balked" at that, he says, because plenty of lesser technology companies sport much higher multiples. Apple is expected to report its fiscal first-quarter results Wednesday.

What about the future? Apple remains cheap. It has no debt, and 25% of its market value is cash -- about $121 billion at the end of fiscal 2012. The P/E is 10. The company still makes great products. Hard to argue that it's anything but cheap. But in the near term, investors who were overweight Apple could still be unwinding their holdings, regardless of the low P/E.

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According to Cohen, the way to get the stock moving is via a large special dividend, something that Apple easily could afford. The low P/E shows that investors aren't giving it much credit for the cash it holds anyway, so the company might as well return it to shareholders, he contends. Cohen thinks Apple could easily part with $80 billion, or $85 per share, without hurting its share price. "As an Apple shareholder, if you give me cash, I might hold on to the stock, knowing that now Apple will be more aggressive in deploying cash to shareholders. On the other hand, if you are not returning cash to shareholders, why should the market give you credit for it?"

A good question for Apple, which didn't respond to a request for comment.

Another company -- albeit much smaller at a $1.5 billion market value -- whose stock might also become a victim of its own success is Lumber Liquidators (LL), which sells hardwood flooring, laminates, and accessories through about 280 stores, mostly in the U.S.

It's hard to argue with the company's results over the past 12 months under new CEO Rob Lynch. But we're going to try.

Under his tutelage, in late 2011, Lumber Liquidators purchased Sequoia, one of its major product suppliers in Asia. It was a savvy move and paid off as the savings flowed to the bottom line in 2012. That and other cost-cutting moves helped operating margins jump to an estimated 9% last year from 6.2% in 2011, estimates Stifel Nicolaus.

Same-store comparable sales gains soared to about 8% to 10% from 2% over the same periods. Last year, in quarter after quarter, the Toano, Va.-based firm topped analysts' EPS estimates by significant amounts. The Street expects earnings per share of $1.61 in 2012 and $2.02 this year, up from 93 cents in 2011.

With the U.S. housing market in recovery mode, investors have poured in, and the stock has quadrupled, to $56 from a low of $14 in August 2011, crushing the 18% rise in the broad market.

At this point, however, investors should ask if too much is baked into the stock price. By the second quarter of this year at the latest, the company will soon be lapping the big gross margin gains, about 1% to 1.5%, from the Sequoia acquisition. And those unusually high comp-store sales increases -- 12% in some quarters of 2012 -- are going to be tough to beat in 2013. Lumber Liquidators will have a hard time soundly surpassing EPS expectations, but the stock's lofty price indicates that investors have come to view beating them as normal.

Meanwhile, by almost any metric, Lumber Liquidators valuation is high and appears to be stretched. It trades at a P/E ratio of 28 times, roughly double its long-term earnings growth rate.

Nor is Lumber Liquidators as exposed to the home-building market as some think. Demand for the stock has been boosted by its inclusion in the S&P Homebuilding ETF (XHB), but just 10% of sales comes from new-home construction, with the rest mostly from remodeling.

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DJ65Stocks	4652.32	+65.92	+1.44
DJUSMarket	373.74	+3.72	+1.01
NYSEComp.	8792.63	+80.23	+0.92
NYSEMKTComp.	2391.44	-10.28	-0.43
S&P500	1485.98	+13.93	+0.95
S&PMidCap	1073.93	+16.02	+1.51
S&PSmallCap	500.06	+8.00	+1.63
Nasdaq	3134.71	+9.07	+0.29
ValueLine(arith.)	3332.53	+46.64	+1.42
Russell2000	892.80	+12.03	+1.37
DJUSTSM	15632.70	+152.56	+0.99

	Last Week	Week Earlier
NYSE		
Advances	2,197	1,937
Declines	968	1,208
Unchanged	40	60
NewHighs	660	578
NewLows	18	16
AvDailyVol(mil)	3,330.9	3,551.8
Dollar (Finexspotindex)	80.03	79.56
T-Bond (CBTnearbyfutures)	132-045	131-290
Crude Oil (NYMlightsweetcrude)	95.56	93.56
Inflation KR-CRB (FuturesPriceIndex)	301.20	296.66
Gold (CMXnearbyfutures)	1686.60	1660.00

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2013 年 1 月 19 日 05:07
Dow Jones Institutional News
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19 Jan 2013 00:07 EDT Barron's: The Trader: GOP Debt Proposal Lifts Dow -2-

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S&PSmallCap	500.06	+8.00	+1.63
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NewLows	18	16
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Dollar (Finexspotindex)	80.03	79.56
T-Bond (CBTnearbyfutures)	132-045	131-290
Crude Oil (NYMlightsweetcrude)	95.56	93.56
Inflation KR-CRB (FuturesPriceIndex)	301.20	296.66
Gold (CMXnearbyfutures)	1686.60	1660.00

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Buzz-No Our Take
Should Private Equity Fear CalPERS?

Michael Weir
Dow Jones Banking Intelligence
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2013 年 1 月 16 日 17:49
Dow Jones Top News & Commentary
DJCOMM
英文

CalPERS has undershot its projected returns for calendar 2012 by 117 basis points. The pension fund's managers say their alternative investments are the root of the problem.

KEY POINTS:

--California's $248 billion public employee pension fund has announced returns of 13.26% in calendar year 2012.

--That result undershot benchmark expectations of 14.43%.

--CIO John Dear said CalPERS' $45 billion private equity holdings, including venture capital and buyour firms, have returned less than a passive investment in the S&P500.

--This could lead to a portfolio reshuffle away from private equity.

THE STORY:

Southern California Public Radio: "CalPERS Strikes Fear In The Hearts Of Private Equity" (Jan. 16)

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NEWSWIRES
DOW JONES

Heard on the Street
Great Rotation May Turn Slowly

By RICHARD BARLEY
524 字
2013 年 1 月 15 日 11:31
Dow Jones Top North American Equities Stories
DJTNAE
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It's already being hailed as the start of the long-anticipated "Great Rotation". U.S. equity funds saw inflows of $19 billion last week, the highest since June 2008, according to Bank of America Merrill Lynch. In Japan, foreign investors in December bought a net Y1.5 trillion of equities and sold bonds for the first time in eight months to the tune of Y1.1 trillion, says Nomura. But even if this is the end of a 30-year bull market that has seen bond yields fall to record lows, the switch is unlikely to be smooth.

Certainly stocks have a lot of ground to make up: In 2011 and 2012, investors put just over $1 trillion into global bond funds, while pulling a net $9 billion from equities funds, JP Morgan says. So far this year, the winners are those who stuck with stocks. Major indexes such as the S&P500, Japan's TOPIX and the Stoxx Europe 600 are up, while long-dated government bonds are suffering: U.S. Treasurys maturing in more than 25 years are down 2%, according to Barclays indexes.

Even so, we've been here before: 2010, 2011 and 2012 all saw an optimistic start before crisis fears reasserted themselves. Take the S&P500 in 2012: by April 2, it was up 12.8%, but in the following two months it fell 10%. For now, money isn't leaving global bond funds, JP Morgan says. Corporate bonds are seeing hefty demand, suggesting a continued search for yield. Investors may fear large reversals in stocks more than relatively small losses in bonds; big declines in the bond market seem unlikely, especially with central banks keen to keep yields low. After big gains for stocks since mid-2012, and with the U.S. debt ceiling and Italian elections looming, cautious investors may yet hang back from equities.

Longer-term, demographics will weigh: with the baby-boomer generation moving toward retirement, they are more likely to hold bonds than equities. Uncertainty remains about future growth rates, especially in the absence of the leverage the fuelled pre-crisis returns.

But even if equities look a far better bet than expensive bonds, the test is whether increasingly radical central bank policy succeeds in driving real, sustainable growth, or results in inflation. The former could see the great rotation get underway in earnest; the latter could spark more market chaos.

TALK BACK: We invite readers to send us comments on this or other financial news topics. Please email us at . Readers should include their full names, work or home addresses and telephone numbers for verification purposes. We reserve the right to edit and publish your comments along with your name; we reserve the right not to publish reader comments.

(Richard Barley is a writer for Heard on the Street. He has covered the European bond market in one form or another since 1998. He can be reached at +44-20-7842-9406 or by email: richard.barley@dowjones.com; follow him on Twitter at @RichardBarley1)

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MARKET WEEK
Stocks --- The Trader: Stocks, Up 3.2% in 2013, Again Hit a 5-Year High

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Don't look now, but with last week's gains the U.S. stock market is already up 3.2% in just the first eight trading days of 2013, about a quarter of last year's entire price-only rise of 13.4%. For the second week in a row, stocks hit a five-year high.

In recent weeks, hedge funds and individuals -- both unenthusiastic participants in the 2012 equity rally -- have shifted money out of fixed-income investments and into stocks, pushing up shares sharply.

Small-cap stocks, in which individual investors often are active, again outperformed last week. The first fourth-quarter earnings reports released -- though just a handful -- were good enough to boost stocks, or at least not sidetrack the rally.

Last week, the Dow Jones Industrial Average rose 53 points, or 0.4% to 13,1488.43, while the S&P 500 gained 6, or 0.4%, to 1472.05, and hit a five-year closing high of 1472.12 Thursday. It's just 6% below its all-time high of 1565, set in 2007. The Nasdaq Composite added 24 points, or 0.8%, to end at 3125.63. And the Russell 2000 index finished at 880.77, up 0.2%, and near an all-time high.

Among the sectors that rallied, notes Stephen Massocca, a portfolio manager at Wedbush Equity Management, were the high-yielding master limited partnerships (MLPs) and real-estate investment trusts (REITs) that are preferred by individual investors. A bit more than two dozen S&P 500 companies reported fourth-quarter results, and a lack of bad numbers helped support the market, he says. In addition, the recent increase in money flows into mutual funds in instructive, he says. According to EPFR Global, which tracks fund flows, in early January actively managed U.S. equity funds posted their biggest inflow in over a decade.

At the same time, "we've been seeing hedge-fund flows coming back in," adds David Abuaf, chief investment officer of Hefty Wealth Partners. His anecdotal report is supported by data from Carpenter Analytix, which tracks hedge funds. Founder Robin Carpenter writes that the funds, which built equity positions through 2012, now have historically high levels of stocks. They've cut their fixed-income positions.

The broader narrative, adds Peter Kenny, managing director of institutional sales at Knight Capital Americas, is that investors are getting more comfortable with the economic picture and what that means for equities.

"It's a grand party," but there's some risk, and the biggest hurdle remains ahead in late February when the government must address the debt ceiling and potential spending sequestrations. Carpenter adds that historically high hedge-fund equity levels often precede downdrafts. Shorter-term, stocks face the technical challenge of overcoming the old intraday high of 1474, reached in September. Should they fail to burst through, a pause in the rally wouldn't be out of the question. A push through would bring in more investors.

This week will see more fourth-quarter reports, with the major money-center banks up next. Friday, Wells Fargo (ticker: WFC) kicked things off with a rise in earnings and loans, but its net interest margin, an important banking metric, again narrowed. Overall, S&P 500 companies are expected to report flattish revenue and earnings for the quarter.

After four tough years, Alcoa's stock (ticker: AA) is beginning to look washed out. It's the second-worst performer in the Dow Jones Industrial Average since the end of 2008, down 19%.

At Friday's close of $8.94, Alcoa' remains a few dollars above its bear-market lows of $5.22, set in March 2009, when investors feared the world was ending. Among Dow stocks, it's a forgotten name.

The giant aluminum producer reported decent fourth-quarter results last week, swinging to a profit of $64 million, or six cents a share, from a loss of $34 million, or three cents, a year earlier. Because of a 12% drop in aluminum prices, however, 2012 earnings fell to $191 million, or 18 cents a share, from $611 million, or 55 cents. Sales dropped to $23.7 billion from $25 billion.

Wall Street analysts are tepid, at best, on Alcoa. Even so, they project earnings rising in a cyclical recovery, to 64 cents a share this year. Alcoa is well-run and doing a good job of making the necessary cost cuts. More will probably have to be made, but the balance sheet is in good health, with a 35% debt-to-capital ratio.

In Alcoa's favor, long-term, the global economy shows steady signs of a sustainable rise in growth, particularly in the emerging markets. That likely won't translate into higher aluminum prices overnight, but the long-term trend is what's important for this stock.

Similarly, the North American and Asian auto markets, which use tons of aluminum, are doing well, and the U.S. housing industry probably is in the early innings of a rebound. European demand is flat on its back -- so low, in fact, that even muddling along would seem an improvement.

The aluminum industry historically has had a tough time cutting capacity, but it has consolidated over the past decade to fewer players. Alcoa cut some 531,000 metric tons (584,100 U.S. tons) of smelting capacity last year, while still producing about 5.2 million tons, up from 5.04 million in 2011.

Global industry production was 47.3 million tons last year, up 2.9%, according to the Harbor Aluminum Intelligence Unit, a consultant. Production and, especially, capacity still must fall further, with 2012 consumption at 46 million tons, but Alcoa's competitors seem to recognize that.

The knock on Alcoa remains aluminum's price. Because of oversupply, few expect it to increase meaningfully anytime soon. China, the metal's biggest producer and consumer, continues to overproduce at prices that are uneconomic, in order to keep employment up.

This will be the seventh consecutive year of aluminum surplus, says Harbor Aluminum analyst Jesus Villegas. even though demand will accelerate. On the London Metals Exchange, aluminum trades at about $2,000-$2,100 per metric ton, down from $3,300 in the glory days before the 2008-2009 financial crisis.

Villegas expects a steady, gradual rise in prices however. In fact, the "risk [for consumers] of much higher aluminum prices" in 2013's second half is increasing, he warns. "Queues for physical delivery [to auto makers] have begun to lengthen significantly," and premiums for delivery of the metal from LME warehouse stocks are rising, Villegas notes. He sees higher prices on the LME in 2014-2016. That bodes well for Alcoa, long-term. The company says demand will grow about 7% this year; others see a 5% increase.

Alcoa's stock trades at 42 times the metal producer's trailing earnings of 21 cents a share, far above its median price/earnings ratio of 18 for the past 10 years but below its high of 54. Ironically, with highly cyclical materials companies like Alcoa, the time to buy is typically when P/Es are at or near highs, which often signal trough earnings. When aluminum's price moves, Alcoa's stock does as well, and it tends to exaggerate the changes in the underlying commodity.

Apart from price, another caveat is that Alcoa might be ejected from the Dow industrials the next time the price-weighted average is updated. That would be a temporary public-relations setback.

At this price, however, Alcoa's negatives mostly seem discounted. Investors with a horizon of two to three years could get a pleasant surprise.

In 2012, it paid to invest in spinoffs. The Bloomberg U.S. Spun-off Companies Index of 20 names with a market value of at least $1 billion rose 44% last year.

Monday, trading is expected to begin in two new companies spun off after the close Friday from the entertainment conglomerate Liberty Media (LMCA), 40% controlled by its chairman, John C. Malone, through his super-voting B Class Liberty common stock .

The pre-split Liberty A shares ended at a 52-week high of $123 Friday. But Joe Cornell, head of Spin-Off Advisors and a veteran of the field, says the sum value of the two new companies could be 10%-20% higher: $135 now and potentially as much as $145 down the road. Much of the gain, he posits, would come from the spinoff's Starz (STRZA) component, an entertainment company that provides premium subscription video programming to cable operators and other distributors.

Cornell thinks Starz could fetch $18.50 eventually, about 30% above the implied closing price Friday of $14TK. Typically, a spinoff is done when one or more of a company's disparate divisions isn't fully reflected in the conglomerate's value. Starz offers 17 premium channels, including Starz and Encore, whose subscriptions are increasing at annual rates of 8.5% and 2.8%, respectively.

Starz will become a pure-play entertainment company and should be valued like its peers, Cornell argues. His value per share is derived from using a multiple of seven on Starz's enterprise value, or stock-market cap plus net debt, to estimated Ebitda, or earnings before interest, taxes, depreciation, and amortization. That's conservative, compared with the 9.4 times average of the company's peers, which are larger.

The caveats are that Starz will become more leveraged after the split, and that competition from new entertainment platforms and services could hurt subscriber growth.

The second spinoff, temporarily dubbed Liberty Spinco (LMCAD), will contain all the other businesses of the old Liberty Media, such as the Atlanta Braves baseball team; TruePosition, which provides technology for wireless-devices location services; a 49.8% stake in Sirius XM Radio (SIRI); 25% of Live Nation Entertainment (LYV); plus small stakes in numerous well-known media and communications companies.

Cornell values the Spinco portion at $116.50. That's about 8% higher than Friday's $108 close of Spinco's new shares, which traded last week on a when-issued basis. Starz didn't trade when issued last week, but by implication -- subtracting the Spinco price from the old Liberty Media price -- the market values it at about $14.

While this isn't part of the fundamental investment theme, "a lot of investors believe that Starz could eventually end up inside a much bigger entertainment company with deep pockets," Cornell says.

Regardless of how it plays out, he adds, "the sum of the parts is usually greater six months down the road, compared to the pre-spin price."

Just to confuse things further, on Jan. 22, Liberty Spinco's name will revert to Liberty Media and its A shares will begin trading under the old symbol of LMCA.

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Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13488.43	+53.22	+0.40
DJTransportation	5572.62	+38.56	+0.70
DJUtilities	458.96	-5.66	-1.22
DJ65Stocks	4586.40	+8.80	+0.19
DJUSMarket	370.02	+1.45	+0.39
NYSEComp.	8712.40	+44.72	+0.52
NYSEMKTComp.	2401.72	+13.05	+0.55
S&P500	1472.05	+5.58	+0.38
S&PMidCap	1057.91	+1.84	+0.17
S&PSmallCap	492.06	-0.56	-0.11
Nasdaq	3125.63	+23.98	+0.77
ValueLine(arith.)	3285.89	+8.34	+0.25
Russell2000	880.77	+1.62	+0.18
DJUSTSM	15480.14	+69.09	+0.45

	Last Week	Week Earlier
NYSE		
Advances	1,937	3,011
Declines	1,208	188
Unchanged	60	16
NewHighs	578	589
NewLows	16	41
AvDailyVol(mil)	3,551.8	3,621.5
Dollar		
(Finexspotindex)	79.55	80.50
T-Bond		
(CBTnearbyfutures)	131-290	131-165

Crude Oil		
(NYMlightsweetcrude)	93.56	93.09
Inflation KR-CRB		
(FuturesPriceIndex)	296.66	294.13
Gold		
(CMXnearbyfutures)	1660.00	1648.10

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DJ HEARD ON THE STREET: Daily Digest

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HEARD ON THE STREET: Great Rotation May Turn Slowly

By Richard Barley

It's already being hailed as the start of the long-anticipated "Great Rotation". U.S. equity funds saw inflows of $19 billion last week, the highest since June 2008, according to Bank of AmericaMerrill Lynch. In Japan, foreign investors in December bought a net Y1.5 trillion of equities and sold bonds for the first time in eight months to the tune of Y1.1 trillion, says Nomura. But even if this is the end of a 30-year bull market that has seen bond yields fall to record lows, the switch is unlikely to be smooth.

Certainly stocks have a lot of ground to make up: In 2011 and 2012, investors put just over $1 trillion into global bond funds, while pulling a net $9 billion from equities funds, JP Morgan says. So far this year, the winners are those who stuck with stocks. Major indexes such as the S&P500, Japan's TOPIX and the Stoxx Europe 600 are up, while long-dated government bonds are suffering: U.S. Treasurys maturing in more than 25 years are down 2%, according to Barclays indexes.

Even so, we've been here before: 2010, 2011 and 2012 all saw an optimistic start before crisis fears reasserted themselves. Take the S&P500 in 2012: by April 2, it was up 12.8%, but in the following two months it fell 10%. For now, money isn't leaving global bond funds, JP Morgan says. Corporate bonds are seeing hefty demand, suggesting a continued search for yield. Investors may fear large reversals in stocks more than relatively small losses in bonds; big declines in the bond market seem unlikely, especially with central banks keen to keep yields low. After big gains for stocks since mid-2012, and with the U.S. debt ceiling and Italian elections looming, cautious investors may yet hang back from equities.

Longer-term, demographics will weigh: with the baby-boomer generation moving toward retirement, they are more likely to hold bonds than equities. Uncertainty remains about future growth rates, especially in the absence of the leverage the fuelled pre-crisis returns.

But even if equities look a far better bet than expensive bonds, the test is whether increasingly radical central bank policy succeeds in driving real, sustainable growth, or results in inflation. The former could see the great rotation get underway in earnest; the latter could spark more market chaos.

HEARD ON THE STREET: Diamonds Are Swatch's Best Friend

By Renee Schultes

Harry Winston knew how to spot a diamond in the rough. Does Swatch?

The Swiss watchmaker is using a chunk of its cash pile to pay $750 million for Harry Winston Diamond Corporation's jewellery and watch-making business, founded in 1932 by the famous American known as the 'King of Diamonds'. But Swatch, whose shares rose 4% on the deal, has grounds for optimism.

The deal gives Swatch an underdeveloped luxury watch brand - watches account for 25% of Harry Winston's sales - to sit alongside its successful brands like Breuget and Blancpain. It also opens a rare door into luxury jewellery, where global sales will grow by more than a third by 2017, forecasts Euromonitor. And Harry Winston and Swatch plan to set up a joint venture for polishing diamonds, securing the Swiss watchmaker's access to a transparent diamond source.

But can Swatch justify paying so much? Swatch's agreed offer values the business on a full 27 times earnings before interest and taxes for the year to January 2013, roughly in line with LVMH's takeover of

Italian jeweller Bulgari in 2011. Cost synergies are likely to be negligible, although Harry Winston might benefit from Swatch's greater negotiating power in areas like marketing and sourcing sites for new stores. Instead, Swatch's challenge is to improve Harry Winston's poor profitability, where rapid expansion has loaded on higher staffing and inventory costs. Harry Winston's watch manufacturing facilities in Switzerland are running at less than half capacity, says Citigroup.

Swatch reckons it might do even better than the low to mid teens operating profit margin Harry Winston is targeting by 2016, up from 4.7% in the year ended January 2012. Swatch CEO Nick Hayek has done a good job delivering on sales promises, even in recent years when expectations have been badly shaken by the economic downturn. That should give investors confidence to trust him when he says Harry Winston can more than double its sales to CHF1 billion over the next four to five years and improve operating profit to CHF200 to CHF250 million. Assuming margins reach 20% - Swatch's are 24% - the deal's multiple falls to 12 times earnings before interest and taxes, notes Barclays.

Swatch could still prove it has a jeweller's eye for diamonds.

HEARD ON THE STREET: Failed UPS Delivery Leaves TNT in Lurch

By Andrew Peaple

Returned to sender. United Parcel Services has abandoned its plan to buy TNT Express for $6.8 billion, thanks to objections from the European Commission's competition authorities. The EC was demanding concessions including selling assets to build up another freight rival, making an already expensive-looking deal unviable: UPS will now pay a EUR200 million break fee to TNT. That is small comfort for the Dutch company, whose shares plunged 43% on Monday. Unless TNT can quickly find a convincing new strategy, there could be more falls to come.

The EC's deal rejection might seem short-sighted: Europe's sluggish economy is in need of inward investment. But the regulator was worried the deal would reduce the number of major companies offering both air and ground parcel deliveries in Europe from four to three - DHL, UPS/TNT and FedEx. UPS had agreed this month to sell some assets to help build up a potential fourth rival, France's DPD. Even so, the EC remained unconvinced DPD would have the capacity to be a major competitor.

Cutting its losses after nine months of negotiation seems sensible for UPS. Its EUR9.5 per share offer was already a near-50% premium to TNT's pre-deal share price: UPS shares rose 1.2% in early trading. The real problems lie with TNT. Led by interim chief executive Bernard Bot, the company has delayed plans to cut costs and find partners for its ailing Brazilian and Chinese businesses, pending the UPS tie-up. Its operating income fell by 26% in the first nine months of 2012. Lower prices have put pressure on its European business, where it makes two-thirds of its revenue.

An alternative bidder seems unlikely. FedEx is going through its own cost saving programme and may not want to run the EC competition gauntlet. That leaves more potential downside for TNT. Analysts have been slow to update earnings forecasts for TNT given little company guidance: its earnings per share could be EUR0.18 in 2013 compared with current consensus at EUR0.32, RBC Capital Markets says. At a 14 times earnings multiple, in line with its peers, that would value TNT at around EUR2.50, a further 47% fall. That's not the kind of parcel investors like to find on their doormats.

HEARD ON THE STREET: No Dawn for China's Solar

By Tom Orlik

China's government has chosen a smog drenched winter to focus on the solar sector.

With air pollution hitting dangerous levels in Beijing, the government's promise to boost the renewable energy sector comes not a moment too soon. China's top decision makers have committed to clamp down on redundant supply in solar manufacturing and boost demand by installing ten gigawatts of new capacity in 2013, up from four gigawatts in 2012.

That will help address the problem of excess supply in the solar sector and turn around the fortunes of distressed manufacturers. Terry Wang, chief financial officer at Trina Solar (TSL), says the firm is targeting profitability in the second half of the year, ending a trail of losses that started in 2011.

Investors seem to agree. Solar stocks have traded up strongly. Trina, LDK Solar (LDK), and Yingli Green Energy Holding Co. (YGE) are all up more than 100% from end-2012 troughs. That's lifted LDK's shares above the $1 threshold that is required to maintain a listing on the New York Stock Exchange.

That share price rise is from a very low base, but it still might be a few degrees too many. China is shifting policy in the right direction, but not by enough to solve the fundamental problems of overcapacity and debt.

An additional ten gigawatts of installed capacity from China is significant. But with the starting point a global supply glut, the impact could be limited, says Aaron Chew, solar analyst at Maxim Group. Fiscal austerity in Europe's got the lights going out government subsidies there, so overall global demand may be little changed.

High debt levels for many firms are another persistent problem. Yingli, for example, has net debt of about $1.9 billion. Interest expenses of $137 million in the 12 months to September 2012 contributed to a net loss of $881 million. Morningstar Equity Research says that restructuring of industry debt is inevitable, with the prospect of new equity issuance that would dilute existing shareholders.

Investors have enjoyed the warmth of a strong run up in solar stocks in the last two months. But those who stay out in the sun too long could easily get burned.

HEARD ON THE STREET: Australia Says Too Much on Pay

By Robb M. Stewart

When it comes to reporting on executive pay, less can often be more.

Australia's government is considering new rules that would force companies to disclose the actual take-home pay of their senior executives.

Draft legislation calls for companies to report three categories of remuneration: Past pay including amounts granted in past years and paid during the current year; present pay for amounts granted and paid during the current year; and future for amounts granted but not yet paid.

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The change could leave investors more befuddled than ever. The new disclosure will be in addition to not instead of existing reporting regulations on executive pay that require compensation to be given the fair-value accounting treatment. The result will be two sets of data on a single executive's pay.

Australia's new rules are part of a worldwide trend that has sought to curb excessive pay for executives since the global financial crisis. The move would be the biggest change on executive pay Down Under since 2011, when legislators introduced a "two strikes" rule that can force directors to stand for re-election if at least 25% of shareholder votes are against their remuneration at two successive annual shareholder meetings. That's quite a high bar, but it may encourage corporate compensation committees to think twice before agreeing to sweet pay deals.

The government has asked for comments on the latest proposals by mid-March. Unsurprisingly, some Australian businesses say they are not too pleased. BHP Billiton, the biggest company on the Australian stock exchange by market capitalization, is calling for the government to follow the U.K., which last year drafted regulations that will result in a single figure for executive pay. Telecommunications company Telstra Corp. says it supports a simplified remuneration report that focuses on the amount an executive actually realizes during the year, while any necessary theoretical accounting valuations can be added to explanatory notes.

Essentially, the approach of business here is right. Calling for "plain English" in annual reports isn't new, and better disclosure on executive pay is a laudable target. But more reporting is not necessarily better for investors.

HEARD ON THE STREET: Answer to Amazon's Low Margins May Be Found in the Cloud

By Miriam Gottfried

At Amazon.com, a cloudy outlook wouldn't actually be a bad thing.

Amazon Web Services, the division that supplies cloud-based computing and storage to other companies, is one of the Internet retail company's fastest-expanding businesses.

Amazon doesn't break out results for AWS, but Macquarie estimates the segment had $2.1 billion of revenue last year and will make $3.8 billion in 2013, an 81% increase. In comparison, the consensus is for Amazon's retail revenue to rise 25% to $73.6 billion.

Admittedly, AWS is expanding off a small base. But there appears to be plenty of potential: Macquarie estimates the market for AWS will reach $38 billion by 2015.

Users include Netflix, AirBnb, Spotify and Pinterest. AWS is useful to companies lacking the resources to build their own infrastructure or those wanting to test and develop new products without intensive upfront investment. Industries processing large amounts of data, such as pharmaceuticals, are another source of clients. And government agencies have signed on.

Revenue at AWS could reach $15 billion to $20 billion by the end of the decade, according to Sanford C. Bernstein. But achieving that requires substantial investment. Despite the division's small revenue contribution, Bernstein estimates AWS accounted for 39% of Amazon's $2.7 billion in capital expenditures in 2012. Amazon's overall return on invested capital fell from 17.7% in 2010 to 7.6% in 2011, a large part of which the research firm attributed to the extra dollars being plowed into AWS.

Experience suggests the heady growth at AWS will start to slow once it reaches a certain scale, allowing investment to fall and operating margins to rise. The question is what that scale is.

Amazon says cloud computing is still in an early phase and views its adoption as a decades-long process. Chief Executive Jeff Bezos has said AWS can be at least as big as the company's retail business. The timing for that is vague, though, and with good reason given retail makes an estimated $20 of revenue for every dollar AWS makes.

To realize its ambition, Amazon plans to borrow from its retail strategy and combat rising competition from companies like Google and Rackspace Hosting largely on price. Amazon has cut prices 23 times since it rolled out AWS in 2006. It expects prices to continue to drop as technology evolves. Curiously, Amazon can afford to undercut competitors because of something often seen as a weakness: the company's already razor-thin operating margin. This was just 1.8% in 2011, compared with 32.2% for Google and 12% for Rackspace.

Bernstein estimates operating margins at AWS could exceed 25% in the long term. All else being equal, therefore, expanding this business would raise Amazon's overall margin. On that basis, investors should applaud the company's efforts.

Over time, even those higher estimated margins for AWS could come under pressure, but there is clearly room to cut prices and raise the company average. And when it comes to waging a price war, there are few companies as experienced as Amazon.

HEARD ON THE STREET: Bragging Banks Keep Mum on This Number

By
David Reilly

My fortress is stronger than yours.

Ever since J.P. Morgan Chase started referring to its "fortress" balance sheet, other banking giants have sought to portray themselves in a similarly strong light. The latest front in this bragging battle has been estimates of Tier 1 common capital under new Basel III capital rules.

As big banks roll out fourth-quarter results in the coming week, investors can expect to hear more chest-thumping on this front. Besides being the main gauge of bank strength, this ratio also will figure in the Federal Reserve's consideration of requests by big banks to return capital.

Banks have been far quieter, though, about another important measure of their financial strength: leverage ratios under the new Basel rules. Those have received far less attention than the Tier 1 common ratio or new liquidity rules, which central banks recently eased.

Yet given all the criticism of the Basel rules, in large part due to the emphasis many of its gauges place on risk-weighted measures of assets, the leverage ratio should be getting far more attention and disclosure. That is because it is based on total assets, not an adjusted measure of them.

And the difference between the risk-weighted and unadjusted measure of assets can be telling. Risk-weighted assets were equal to just 67% of total assets at U.S. banks at the end of the third quarter, according to Federal Deposit Insurance Corp. data. That is down from about 75% before the crisis.

The gap is even wider at the biggest banks. At the big four J.P. Morgan, Bank of America, Citigroup and Wells Fargo risk-weighted assets averaged 60% of total assets at the end of the third quarter. The lower risk-weighted assets are, the higher capital ratios appear, meaning banks need to hold less equity. Moreover, calculations of risk-weighted assets are in many cases dependent on models devised by banks themselves.

Granted, this year investors might start to get a glimpse of what leverage ratios look like under the new Basel rules, but not in the U.S. Banks in the U.K., for example, are supposed to begin disclosing these as they report final 2012 results. In its November Financial Stability Report, the Bank of England said this will "represent an important first step in helping to reduce investors' uncertainty about firms' resilience, given market concerns about inconsistencies in risk-weighted asset calculations."

Although European banks generally have far lower levels of risk-weighted assets to total assets, it is still too bad U.S. banks aren't being pressed by regulators to follow suit. None of the big U.S. banks so far have chosen to disclose estimates of their leverage ratios under the new Basel rules.

Until banks do so, it will be easy for investors to assume they are playing coy because the figures might not be as flattering as their Tier 1 common ratios, which in most cases are now close to or have met minimum thresholds. That is especially the case because the biggest U.S. banks are likely to see their assets rise under the new Basel leverage-ratio rules.

Unlike banks that report under international accounting rules, U.S. banks show the "net" value of their derivative assets and liabilities on the face of the balance sheet. Under the Basel leverage rules, though, some of these will be included in their assets.

That will potentially make them look more levered. This could call into question claims about how thick their fortress walls actually are, even as they look to return "excess" capital to shareholders.

And while the banks' leverage ratios are likely to be comfortably above the 3% minimum called for by the Basel rules, some banking observers have called on regulators to raise this to an 8% threshold.

So, the sooner U.S. banks start showing this measure the better, given questions about the risk weighting of assets. With banks still trying to water down new regulations, it is easy for investors to forget that questions over bank capital, and just how thick it is, are far from resolved.

HEARD ON THE STREET: Wells Fargo Drives Its Horses Harder

By
David Reilly
Superlow interest rates aren't sucking Wells dry. But the risk remains that they are steadily eroding the ground beneath bank earnings.

Overall, Wells Fargo did well in the fourth quarter, notching up a 12th consecutive period of earnings-per-share growth. The bank, the largest in the U.S. by market value, said Friday that it earned 91 cents a share versus 73 cents a year earlier. Loans also rose from the previous quarter, and Wells said the fiscal-cliff debate may have caused businesses to borrow more, not less.

Yet Wells said its net-interest margin, or the difference between what a bank makes by borrowing money and lending or investing it, again declined on a quarter-over-quarter basis, by 0.10 percentage point, to 3.56%. While that was less than the surprise 0.25-percentage-point decline seen in the third quarter, it still unsettled investors.

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The falloff came as deposits continued to swell. While the cost of this funding declined to just 0.16 percentage point, from 0.22 percentage point a year earlier, there is clearly less room for maneuver. So even as deposits continue flowing in, Wells sees the amount it earns on assets decline at a faster pace as loans and securities mature and are replaced with lower-yielding ones.

Indeed, Wells showed that of more than a dozen categories of earning assets, the yield generated by all but two declined over the course of 2012. Moreover, those two, "real-estate construction" and "other," represent less than 2% of total earning assets and both showed a decline in outstanding balances.

Granted, as Wells Chief Executive John Stumpf said on the bank's earnings call, the increase in deposits is a positive development for the long term. And even after recent falls, the bank's net-interest margin is still way above that of peers such as Bank of America. In addition, net-interest income was roughly flat compared with the third quarter, at about $10.6 billion, reflecting the bank's ability to keep increasing loans.

Yet this income was lower than noninterest income, the first time that has occurred in at least three years. Noninterest income comes from such things as charges on deposit accounts, fees on investment activities, commissions and gains on mortgage originations. The latter is where banks, and Wells in particular, see an offsetting benefit of low rates.

Mortgage origination and sales income rose to $2.8 billion, up 55% year on year. That speaks to the continued wave of mortgage originations in the quarter, at $125 billion. But it also reflects the margin Wells makes on this activity, which rose to 2.56% from 2.21% the previous quarter. That is more than double typical levels.

What's more, Wells said its mortgage income would have been $340 million higher if it hadn't kept $9.7 billion in mortgages that it otherwise would have packaged into securities and sold to investors. It kept a similar amount in the third quarter, showing the lengths to which Wells and other banks are going to bolster net-interest margins.

And it isn't clear for how long the refinance wave, and such margins, can last. While still strong, Wells's mortgage-origination pipeline at the end of 2012 was $81 billion, marking a second-consecutive quarterly decline.

Amid this balancing act, Wells continues to outpace rivals: Its return on assets of 1.46% in the fourth quarter remains well above its peer-group average of about 1%. But with its valuation already at a hefty premium to peers, investors have to hope that the Federal Reserve changes course on rates before the mortgage bonanza fizzles.

(END) Dow Jones Newswires

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Emerging Markets Have Room to Run, J.P.Morgan Says
Barron's Blogs, 2013 年 1 月 14 日 20:24, 384 字, By Ben Levisohn, (英文)
Worried that the rally in emerging markets may be on its last leg? Don't be, says J.P.Morgan Asset Management institutional strategist Michael Hood.
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Dow Jones Newswires

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Certainly stocks have a lot of ground to make up: In 2011 and 2012, investors put just over $1 trillion into global bond funds, while pulling a net $9 billion from equities funds, JP Morgan says. So far this year, the winners are those who stuck with stocks. Major indexes such as the S&P500, Japan's TOPIX and the Stoxx Europe 600 are up, while long-dated government bonds are suffering: U.S. Treasurys maturing in more than 25 years are down 2%, according to Barclays indexes.

Even so, we've been here before: 2010, 2011 and 2012 all saw an optimistic start before crisis fears reasserted themselves. Take the S&P500 in 2012: by April 2, it was up 12.8%, but in the following two months it fell 10%. For now, money isn't leaving global bond funds, JP Morgan says. Corporate bonds are seeing hefty demand, suggesting a continued search for yield. Investors may fear large reversals in stocks more than relatively small losses in bonds; big declines in the bond market seem unlikely, especially with central banks keen to keep yields low. After big gains for stocks since mid-2012, and with the U.S. debt ceiling and Italian elections looming, cautious investors may yet hang back from equities.

Longer-term, demographics will weigh: with the baby-boomer generation moving toward retirement, they are more likely to hold bonds than equities. Uncertainty remains about future growth rates, especially in the absence of the leverage the fuelled pre-crisis returns.

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By Andrew Peaple

Returned to sender. United Parcel Services has abandoned its plan to buy TNT Express for $6.8 billion, thanks to objections from the European Commission's competition authorities. The EC was demanding concessions including selling assets to build up another freight rival, making an already expensive-looking deal unviable: UPS will now pay a EUR200 million break fee to TNT. That is small comfort for the Dutch company, whose shares plunged 43% on Monday. Unless TNT can quickly find a convincing new strategy, there could be more falls to come.

The EC's deal rejection might seem short-sighted: Europe's sluggish economy is in need of inward investment. But the regulator was worried the deal would reduce the number of major companies offering both air and ground parcel deliveries in Europe from four to three - DHL, UPS/TNT and FedEx. UPS had agreed this month to sell some assets to help build up a potential fourth rival, France's DPD. Even so, the EC remained unconvinced DPD would have the capacity to be a major competitor.

Cutting its losses after nine months of negotiation seems sensible for UPS. Its EUR9.5 per share offer was already a near-50% premium to TNT's pre-deal share price: UPS shares rose 1.2% in early trading. The real problems lie with TNT. Led by interim chief executive Bernard Bot, the company has delayed plans to cut costs and find partners for its ailing Brazilian and Chinese businesses, pending the UPS tie-up. Its operating income fell by 26% in the first nine months of 2012. Lower prices have put pressure on its European business, where it makes two-thirds of its revenue.

An alternative bidder seems unlikely. FedEx is going through its own cost saving programme and may not want to run the EC competition gauntlet. That leaves more potential downside for TNT. Analysts have been slow to update earnings forecasts for TNT given little company guidance: its earnings per share could be EUR0.18 in 2013 compared with current consensus at EUR0.32, RBC Capital Markets says. At a 14 times earnings multiple, in line with its peers, that would value TNT at around EUR2.50, a further 47% fall. That's not the kind of parcel investors like to find on their doormats.

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China's government has chosen a smog drenched winter to focus on the solar sector.

With air pollution hitting dangerous levels in Beijing, the government's promise to boost the renewable energy sector comes not a moment too soon. China's top decision makers have committed to clamp down on redundant supply in solar manufacturing and boost demand by installing ten gigawatts of new capacity in 2013, up from four gigawatts in 2012.

That will help address the problem of excess supply in the solar sector and turn around the fortunes of distressed manufacturers. Terry Wang, chief financial officer at Trina Solar (TSL), says the firm is targeting profitability in the second half of the year, ending a trail of losses that started in 2011.

Investors seem to agree. Solar stocks have traded up strongly. Trina, LDK Solar (LDK), and Yingli Green Energy Holding Co. (YGE) are all up more than 100% from end-2012 troughs. That's lifted LDK's shares above the $1 threshold that is required to maintain a listing on the New York Stock Exchange.

That share price rise is from a very low base, but it still might be a few degrees too many. China is shifting policy in the right direction, but not by enough to solve the fundamental problems of overcapacity and debt.

An additional ten gigawatts of installed capacity from China is significant. But with the starting point a global supply glut, the impact could be limited, says Aaron Chew, solar analyst at Maxim Group. Fiscal austerity in Europe's got the lights going out government subsidies there, so overall global demand may be little changed.

High debt levels for many firms are another persistent problem. Yingli, for example, has net debt of about $1.9 billion. Interest expenses of $137 million in the 12 months to September 2012 contributed to a net loss of $881 million. Morningstar Equity Research says that restructuring of industry debt is inevitable, with the prospect of new equity issuance that would dilute existing shareholders.

Investors have enjoyed the warmth of a strong run up in solar stocks in the last two months. But those who stay out in the sun too long could easily get burned.

HEARD ON THE STREET: Australia Says Too Much on Pay

By Robb M. Stewart

When it comes to reporting on executive pay, less can often be more.

Australia's government is considering new rules that would force companies to disclose the actual take-home pay of their senior executives.

Draft legislation calls for companies to report three categories of remuneration: Past pay including amounts granted in past years and paid during the current year; present pay for amounts granted and paid during the current year; and future for amounts granted but not yet paid.

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The change could leave investors more befuddled than ever. The new disclosure will be in addition to not instead of existing reporting regulations on executive pay that require compensation to be given the fair-value accounting treatment. The result will be two sets of data on a single executive's pay.

Australia's new rules are part of a worldwide trend that has sought to curb excessive pay for executives since the global financial crisis. The move would be the biggest change on executive pay Down Under since 2011, when legislators introduced a "two strikes" rule that can force directors to stand for re-election if at least 25% of shareholder votes are against their remuneration at two successive annual shareholder meetings. That's quite a high bar, but it may encourage corporate compensation committees to think twice before agreeing to sweet pay deals.

The government has asked for comments on the latest proposals by mid-March. Unsurprisingly, some Australian businesses say they are not too pleased. BHP Billiton, the biggest company on the Australian stock exchange by market capitalization, is calling for the government to follow the U.K., which last year drafted regulations that will result in a single figure for executive pay. Telecommunications company Telstra Corp. says it supports a simplified remuneration report that focuses on the amount an executive actually realizes during the year, while any necessary theoretical accounting valuations can be added to explanatory notes.

Essentially, the approach of business here is right. Calling for "plain English" in annual reports isn't new, and better disclosure on executive pay is a laudable target. But more reporting is not necessarily better for investors.

HEARD ON THE STREET: Answer to Amazon's Low Margins May Be Found in the Cloud

By Miriam Gottfried

At Amazon.com, a cloudy outlook wouldn't actually be a bad thing.

Amazon Web Services, the division that supplies cloud-based computing and storage to other companies, is one of the Internet retail company's fastest-expanding businesses.

Amazon doesn't break out results for AWS, but Macquarie estimates the segment had $2.1 billion of revenue last year and will make $3.8 billion in 2013, an 81% increase. In comparison, the consensus is for Amazon's retail revenue to rise 25% to $73.6 billion.

Admittedly, AWS is expanding off a small base. But there appears to be plenty of potential: Macquarie estimates the market for AWS will reach $38 billion by 2015.

Users include Netflix, AirBnb, Spotify and Pinterest. AWS is useful to companies lacking the resources to build their own infrastructure or those wanting to test and develop new products without intensive upfront investment. Industries processing large amounts of data, such as pharmaceuticals, are another source of clients. And government agencies have signed on.

Revenue at AWS could reach $15 billion to $20 billion by the end of the decade, according to Sanford C. Bernstein. But achieving that requires substantial investment. Despite the division's small revenue contribution, Bernstein estimates AWS accounted for 39% of Amazon's $2.7 billion in capital expenditures in 2012. Amazon's overall return on invested capital fell from 17.7% in 2010 to 7.6% in 2011, a large part of which the research firm attributed to the extra dollars being plowed into AWS.

Experience suggests the heady growth at AWS will start to slow once it reaches a certain scale, allowing investment to fall and operating margins to rise. The question is what that scale is.

Amazon says cloud computing is still in an early phase and views its adoption as a decades-long process. Chief Executive Jeff Bezos has said AWS can be at least as big as the company's retail business. The timing for that is vague, though, and with good reason given retail makes an estimated $20 of revenue for every dollar AWS makes.

To realize its ambition, Amazon plans to borrow from its retail strategy and combat rising competition from companies like Google and Rackspace Hosting largely on price. Amazon has cut prices 23 times since it rolled out AWS in 2006. It expects prices to continue to drop as technology evolves. Curiously, Amazon can afford to undercut competitors because of something often seen as a weakness: the company's already razor-thin operating margin. This was just 1.8% in 2011, compared with 32.2% for Google and 12% for Rackspace.

Bernstein estimates operating margins at AWS could exceed 25% in the long term. All else being equal, therefore, expanding this business would raise Amazon's overall margin. On that basis, investors should applaud the company's efforts.

Over time, even those higher estimated margins for AWS could come under pressure, but there is clearly room to cut prices and raise the company average. And when it comes to waging a price war, there are few companies as experienced as Amazon.

HEARD ON THE STREET: Bragging Banks Keep Mum on This Number

By
David Reilly

My fortress is stronger than yours.

Ever since J.P. Morgan Chase started referring to its "fortress" balance sheet, other banking giants have sought to portray themselves in a similarly strong light. The latest front in this bragging battle has been estimates of Tier 1 common capital under new Basel III capital rules.

As big banks roll out fourth-quarter results in the coming week, investors can expect to hear more chest-thumping on this front. Besides being the main gauge of bank strength, this ratio also will figure in the Federal Reserve's consideration of requests by big banks to return capital.

Banks have been far quieter, though, about another important measure of their financial strength: leverage ratios under the new Basel rules. Those have received far less attention than the Tier 1 common ratio or new liquidity rules, which central banks recently eased.

Yet given all the criticism of the Basel rules, in large part due to the emphasis many of its gauges place on risk-weighted measures of assets, the leverage ratio should be getting far more attention and disclosure. That is because it is based on total assets, not an adjusted measure of them.

And the difference between the risk-weighted and unadjusted measure of assets can be telling. Risk-weighted assets were equal to just 67% of total assets at U.S. banks at the end of the third quarter, according to Federal Deposit Insurance Corp. data. That is down from about 75% before the crisis.

The gap is even wider at the biggest banks. At the big four J.P. Morgan, Bank of America, Citigroup and Wells Fargo risk-weighted assets averaged 60% of total assets at the end of the third quarter. The lower risk-weighted assets are, the higher capital ratios appear, meaning banks need to hold less equity. Moreover, calculations of risk-weighted assets are in many cases dependent on models devised by banks themselves.

Granted, this year investors might start to get a glimpse of what leverage ratios look like under the new Basel rules, but not in the U.S. Banks in the U.K., for example, are supposed to begin disclosing these as they report final 2012 results. In its November Financial Stability Report, the Bank of England said this will "represent an important first step in helping to reduce investors' uncertainty about firms' resilience, given market concerns about inconsistencies in risk-weighted asset calculations."

Although European banks generally have far lower levels of risk-weighted assets to total assets, it is still too bad U.S. banks aren't being pressed by regulators to follow suit. None of the big U.S. banks so far have chosen to disclose estimates of their leverage ratios under the new Basel rules.

Until banks do so, it will be easy for investors to assume they are playing coy because the figures might not be as flattering as their Tier 1 common ratios, which in most cases are now close to or have met minimum thresholds. That is especially the case because the biggest U.S. banks are likely to see their assets rise under the new Basel leverage-ratio rules.

Unlike banks that report under international accounting rules, U.S. banks show the "net" value of their derivative assets and liabilities on the face of the balance sheet. Under the Basel leverage rules, though, some of these will be included in their assets.

That will potentially make them look more levered. This could call into question claims about how thick their fortress walls actually are, even as they look to return "excess" capital to shareholders.

And while the banks' leverage ratios are likely to be comfortably above the 3% minimum called for by the Basel rules, some banking observers have called on regulators to raise this to an 8% threshold.

So, the sooner U.S. banks start showing this measure the better, given questions about the risk weighting of assets. With banks still trying to water down new regulations, it is easy for investors to forget that questions over bank capital, and just how thick it is, are far from resolved.

HEARD ON THE STREET: Wells Fargo Drives Its Horses Harder

By
David Reilly

Superlow interest rates aren't sucking Wells dry. But the risk remains that they are steadily eroding the ground beneath bank earnings.

Overall, Wells Fargo did well in the fourth quarter, notching up a 12th consecutive period of earnings-per-share growth. The bank, the largest in the U.S. by market value, said Friday that it earned 91 cents a share versus 73 cents a year earlier. Loans also rose from the previous quarter, and Wells said the fiscal-cliff debate may have caused businesses to borrow more, not less.

Yet Wells said its net-interest margin, or the difference between what a bank makes by borrowing money and lending or investing it, again declined on a quarter-over-quarter basis, by 0.10 percentage point, to 3.56%. While that was less than the surprise 0.25-percentage-point decline seen in the third quarter, it still unsettled investors.

The falloff came as deposits continued to swell. While the cost of this funding declined to just 0.16 percentage point, from 0.22 percentage point a year earlier, there is clearly less room for maneuver. So even as deposits continue flowing in, Wells sees the amount it earns on assets decline at a faster pace as loans and securities mature and are replaced with lower-yielding ones.

Indeed, Wells showed that of more than a dozen categories of earning assets, the yield generated by all but two declined over the course of 2012. Moreover, those two, "real-estate construction" and "other," represent less than 2% of total earning assets and both showed a decline in outstanding balances.

Granted, as Wells Chief Executive John Stumpf said on the bank's earnings call, the increase in deposits is a positive development for the long term. And even after recent falls, the bank's net-interest margin is still way above that of peers such as Bank of America. In addition, net-interest income was roughly flat compared with the third quarter, at about $10.6 billion, reflecting the bank's ability to keep increasing loans.

Yet this income was lower than noninterest income, the first time that has occurred in at least three years. Noninterest income comes from such things as charges on deposit accounts, fees on investment activities, commissions and gains on mortgage originations. The latter is where banks, and Wells in particular, see an offsetting benefit of low rates.

Mortgage origination and sales income rose to $2.8 billion, up 55% year on year. That speaks to the continued wave of mortgage originations in the quarter, at $125 billion. But it also reflects the margin Wells makes on this activity, which rose to 2.56% from 2.21% the previous quarter. That is more than double typical levels.

What's more, Wells said its mortgage income would have been $340 million higher if it hadn't kept $9.7 billion in mortgages that it otherwise would have packaged into securities and sold to investors. It kept a similar amount in the third quarter, showing the lengths to which Wells and other banks are going to bolster net-interest margins.

And it isn't clear for how long the refinance wave, and such margins, can last. While still strong, Wells's mortgage-origination pipeline at the end of 2012 was $81 billion, marking a second-consecutive quarterly decline.

Amid this balancing act, Wells continues to outpace rivals: Its return on assets of 1.46% in the fourth quarter remains well above its peer-group average of about 1%. But with its valuation already at a hefty premium to peers, investors have to hope that the Federal Reserve changes course on rates before the mortgage bonanza fizzles.

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HEARD ON THE STREET: Great Rotation May Turn Slowly

By Richard Barley

It's already being hailed as the start of the long-anticipated "Great Rotation". U.S. equity funds saw inflows of $19 billion last week, the highest since June 2008, according to Bank of AmericaMerrill Lynch. In Japan, foreign investors in December bought a net Y1.5 trillion of equities and sold bonds for the first time in eight months to the tune of Y1.1 trillion, says Nomura. But even if this is the end of a 30-year bull market that has seen bond yields fall to record lows, the switch is unlikely to be smooth.

Certainly stocks have a lot of ground to make up: In 2011 and 2012, investors put just over $1 trillion into global bond funds, while pulling a net $9 billion from equities funds, JP Morgan says. So far this year, the winners are those who stuck with stocks. Major indexes such as the S&P500, Japan's TOPIX and the Stoxx Europe 600 are up, while long-dated government bonds are suffering: U.S. Treasurys maturing in more than 25 years are down 2%, according to Barclays indexes.

Even so, we've been here before: 2010, 2011 and 2012 all saw an optimistic start before crisis fears reasserted themselves. Take the S&P500 in 2012: by April 2, it was up 12.8%, but in the following two months it fell 10%. For now, money isn't leaving global bond funds, JP Morgan says. Corporate bonds are seeing hefty demand, suggesting a continued search for yield. Investors may fear large reversals in stocks more than relatively small losses in bonds; big declines in the bond market seem unlikely, especially with central banks keen to keep yields low. After big gains for stocks since mid-2012, and with the U.S. debt ceiling and Italian elections looming, cautious investors may yet hang back from equities.

Longer-term, demographics will weigh: with the baby-boomer generation moving toward retirement, they are more likely to hold bonds than equities. Uncertainty remains about future growth rates, especially in the absence of the leverage the fuelled pre-crisis returns.

But even if equities look a far better bet than expensive bonds, the test is whether increasingly radical central bank policy succeeds in driving real, sustainable growth, or results in inflation. The former could see the great rotation get underway in earnest; the latter could spark more market chaos.

HEARD ON THE STREET: Diamonds Are Swatch's Best Friend

By Renee Schultes

Harry Winston knew how to spot a diamond in the rough. Does Swatch?

The Swiss watchmaker is using a chunk of its cash pile to pay $750 million for Harry Winston Diamond Corporation's jewellery and watch-making business, founded in 1932 by the famous American known as the 'King of Diamonds'. But Swatch, whose shares rose 4% on the deal, has grounds for optimism.

The deal gives Swatch an underdeveloped luxury watch brand - watches account for 25% of Harry Winston's sales - to sit alongside its successful brands like Breuget and Blancpain. It also opens a rare door into luxury jewellery, where global sales will grow by more than a third by 2017, forecasts Euromonitor. And Harry Winston and Swatch plan to set up a joint venture for polishing diamonds, securing the Swiss watchmaker's access to a transparent diamond source.

But can Swatch justify paying so much? Swatch's agreed offer values the business on a full 27 times earnings before interest and taxes for the year to January 2013, roughly in line with LVMH's takeover of Italian jeweller Bulgari in 2011. Cost synergies are likely to be negligible, although Harry Winston might benefit from Swatch's greater negotiating power in areas like marketing and sourcing sites for new stores. Instead, Swatch's challenge is to improve Harry Winston's poor profitability, where rapid expansion has loaded on higher staffing and inventory costs. Harry Winston's watch manufacturing facilities in Switzerland are running at less than half capacity, says Citigroup.

Swatch reckons it might do even better than the low to mid teens operating profit margin Harry Winston is targeting by 2016, up from 4.7% in the year ended January 2012. Swatch CEO Nick Hayek has done a good job delivering on sales promises, even in recent years when expectations have been badly shaken by the economic downturn. That should give investors confidence to trust him when he says Harry Winston can more than double its sales to CHF1 billion over the next four to five years and improve operating profit to CHF200 to CHF250 million. Assuming margins reach 20% - Swatch's are 24% - the deal's multiple falls to 12 times earnings before interest and taxes, notes Barclays.

Swatch could still prove it has a jeweller's eye for diamonds.

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David Reilly

Superlow interest rates aren't sucking Wells dry. But the risk remains that they are steadily eroding the ground beneath bank earnings.

Overall, Wells Fargo did well in the fourth quarter, notching up a 12th consecutive period of earnings-per-share growth. The bank, the largest in the U.S. by market value, said Friday that it earned 91 cents a share versus 73 cents a year earlier. Loans also rose from the previous quarter, and Wells said the fiscal-cliff debate may have caused businesses to borrow more, not less.

Yet Wells said its net-interest margin, or the difference between what a bank makes by borrowing money and lending or investing it, again declined on a quarter-over-quarter basis, by 0.10 percentage point, to 3.56%. While that was less than the surprise 0.25-percentage-point decline seen in the third quarter, it still unsettled investors.

The falloff came as deposits continued to swell. While the cost of this funding declined to just 0.16 percentage point, from 0.22 percentage point a year earlier, there is clearly less room for maneuver. So even as deposits continue flowing in, Wells sees the amount it earns on assets decline at a faster pace as loans and securities mature and are replaced with lower-yielding ones.

Indeed, Wells showed that of more than a dozen categories of earning assets, the yield generated by all but two declined over the course of 2012. Moreover, those two, "real-estate construction" and "other," represent less than 2% of total earning assets and both showed a decline in outstanding balances.

Granted, as Wells Chief Executive John Stumpf said on the bank's earnings call, the increase in deposits is a positive development for the long term. And even after recent falls, the bank's net-interest margin is still way above that of peers such as Bank of America. In addition, net-interest income was roughly flat compared with the third quarter, at about $10.6 billion, reflecting the bank's ability to keep increasing loans.

Yet this income was lower than noninterest income, the first time that has occurred in at least three years. Noninterest income comes from such things as charges on deposit accounts, fees on investment activities, commissions and gains on mortgage originations. The latter is where banks, and Wells in particular, see an offsetting benefit of low rates.

Mortgage origination and sales income rose to $2.8 billion, up 55% year on year. That speaks to the continued wave of mortgage originations in the quarter, at $125 billion. But it also reflects the margin Wells makes on this activity, which rose to 2.56% from 2.21% the previous quarter. That is more than double typical levels.

What's more, Wells said its mortgage income would have been $340 million higher if it hadn't kept $9.7 billion in mortgages that it otherwise would have packaged into securities and sold to investors. It kept a similar amount in the third quarter, showing the lengths to which Wells and other banks are going to bolster net-interest margins.

And it isn't clear for how long the refinance wave, and such margins, can last. While still strong, Wells's mortgage-origination pipeline at the end of 2012 was $81 billion, marking a second-consecutive quarterly decline.

Amid this balancing act, Wells continues to outpace rivals: Its return on assets of 1.46% in the fourth quarter remains well above its peer-group average of about 1%. But with its valuation already at a hefty premium to peers, investors have to hope that the Federal Reserve changes course on rates before the mortgage bonanza fizzles.

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Home
Leaders & Laggards -- Fourth-Quarter 2012

By Bill Alpert
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2013 年 1 月 12 日
Barron's Online
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CATEGORY RETURN BEST FUND RETURN WORST FUND RETURN
Large-Cap Core 0.41 Hartfd:Cap Appr;Y/HCAYX 6.60 Guggenhm Russell Tp50 MC -3.20
Large-Cap Growth -0.91 Federated Kauf LC;Inst/KLCIX 5.86 Rydex:NASDAQ-100;Inv/RYOCX
-4.82
Large-Cap Value 1.27 Columbia:Select LCV;I/CLVIX 4.77 Hennessy:Total Rtn;Inv/HDOGX -2.89
Long/Short Equity 0.37 RBB:RBP L/S Rs;Inst/BPIRX 3.54 Forester:Value;N/FVALX -4.44
Mid-Cap Core 3.26
Longleaf Partners SC/LLSCX 10.32 Brandywine Advisors MCG/BWAFX -3.72
Mid-Cap Growth 0.87 Baron Focused Gro;Inst/BFGIX 5.78 Tocqueville:Opportunity/TOPPX -3.14
Mid-Cap Value 4.03 LM CM Opportunity;I/LMNOX 12.00 Transam:Sm/Md Cap V;C/IIVLX 1.70
Multi-Cap Core 1.75 Janus Contrarian;D/JACNX 9.25 BlackRock:LC Gro;C/MCLHX -2.71
Multi-Cap Growth -0.13 CGM Tr:Focus Fund/CGMFX 7.64 Dynamic US Growth;I/DWUGX
-9.35
Multi-Cap Value 2.45 Guggenhm S&P500 Pure Val 8.34 Copley Fund/COPLX -2.42
S&P 500 Index Objective -0.50 Mutual Amer Inst:Eq Idx/MAEQX -0.33 Swan Defined Risk;I/SDRIX
-1.98
Small-Cap Core 2.86 SouthernSun Sm Cap;Inv/SSSFX 8.25 WellsFargo:S/MC Val;Inv/SMMVX
-5.22
Small-Cap Growth -0.12 Scout Small Cap/UMBHX 5.39 TCW:Sm Cap Growth;N/TGSNX
-7.97
Small-Cap Value 3.93 RBB:Schneider Sm Cap Val/SCMVX 10.25 Aston:RR Indep Val;N & I /ARIVX
0.18

CATEGORY RETURN BEST FUND RETURN WORST FUND RETURN
Financial Services 3.19 iShares:Dow US Fnl Svc 6.86 iShares:Dow Rgnl Bnks -3.57
Health/Biotechnology -1.96 Guggenhm
S&P500 Eq W HC 1.53 SPDR S&P Pharm -5.97
Natural Resources -1.45 First Tr:ISE Water 6.73 First Tr:ISE-Rev NtGas -9.89
Real Estate 2.27 REMS RE Val-Opp;Inst/HLRRX 3.98 iShares:FTSE NAREIT M+CI -5.83
Science & Technology -1.36 Fidelity Sel Comm Eqp/FSDCX 5.56 DWS Technology;S/KTCSX
-7.16
Precious Metals Equity -12.50 iShares:MSCI Gl Sel M&MP 10.51 Mrkt Vctrs:Jr Gld Miners -16.62
Utility -0.63 MFS Utilities;R4 & I /MMUJX 1.80 Amer Cent:Utilities;Inv/BULIX -4.79

CATEGORY RETURN BEST FUND RETURN WORST FUND
RETURN
Int'l Large-Cap Core 7.00 MassMutual Sel:Ovseas;Z/MOSZX 9.87 Optimum:Intl;Inst/OIIEX 4.76
Int'l Large-Cap Growth 5.83
Natixis:Hans Intl;A/NEFDX 9.89 iShares:MSCI Canada 0.62
Int'l Large-Cap Value 7.41 AllianBer Intl Value;Adv/ABIYX 9.24 Delaware Pld:Lbr Intl Eq/DELPX 2.85
Japanese 4.74 WisdomTree:Jpn Hdgd Eq 15.18 Fidelity Japan Sm Co/FJSCX -0.45
Latin American 4.59 Glbl X InterBolsa Col 20 7.49 iShares:MSCI Chile 0.14
Pacific Ex Japan 5.96 WisdomTree:Aus Dividend 8.46 iShares:MSCI Singapore 2.94
China Region 11.09 Guggenhm China SC ETF/XHAOX 19.61 GMO:Taiwan/GMOTX
-0.16
Emerging Markets 6.11 iShares:MSCI Turkey 17.53 Calamos:Evolv Wld Gr;I/CNWIX 0.54
European Region 7.84 iShares:MSCI Austria 16.69 Glbl X FTSE Norwy 30 ETF 2.22

CATEGORY RETURN BEST FUND RETURN WORST FUND
RETURN

Convertible Securities 1.79 Fidelity Convertible/FCVSX 5.77 Calamos:Conv;C/CCVCX 0.11
Flexible Portfolio 0.81 Putnam Cap Spectrum;Y/PVSYX 6.63 Innovator Matrix Inc;A/IMIFX -4.53
Global Flexible Port 1.71 Thornburg Gl Opps;I/THOIX 5.45 Evercore Wlth MM O;Inv/EWMOX -9.82
Mixed-Asset Target 2010 1.04 TIAA-CREF:Lfcy 2010;Inst/TCTIX 1.76 WellsFargo:DJ 2010;Adm/WFLGX 0.03
Mixed-Asset Target 2020 1.54 Hartfd:Trgt Ret 2020;R4/HTWSX 2.82 Fidelity Adv Fr 2020;C/FDCFX 0.54
Mixed-Asset Target 2025 1.74 JPMorgan:SR 2025;Inst/JNSIX 2.99 Fidelity Adv Fr 2025;C/FCTWX 0.61
Mixed-Asset Target 2030 1.92 Hartfd:Trgt Ret 2030;R4/HTHSX 3.30 Fidelity Adv Fr 2030;C/FCFEX 0.63
Mixed-Asset Target Alloc Consv 0.99 Lord Abbett Dvsfd In;F/LIGFX 3.11 Hussman Inv:Strat TR/HSTRX -0.91
Mixed-Asset Target Alloc Growth 1.44 Villere Balanced Fund/VILLX 6.18 SunAmerica:Foc Multi;C/FMATX -1.25

Includes all funds over $50 millions.

Source: Lipper

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DOW JONES
NEWSWIRES

DJ MARKET TALK: S&P/ASX 200 Faces Mining Sector Downgrades, China CPI

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Dow Jones Institutional News
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2301 GMT [Dow Jones] Australia's S&P/ASX 200 may be restrained Friday by mining sector downgrades from Macquarie, although it may manage a slight opening gain after positive sentiment stemming from China's stronger-than-expected trade data reverberated around the world. China's December inflation data could affect the market when released at 0130 GMT, with the market expecting CPI to rise 2.4% on the year, accelerating from a 2% rise in November. Spot iron ore was one of the few commodities that didn't benefit from China's trade data Thursday. That, combined with Macquarie's (MQG.AU) downgrades of BHP (BHP.AU), Rio Tinto (RIO.AU) and OZ Minerals (OZL.AU), could draw further profit-taking in the mining sector. That said, energy producers and gold miners may get a boost after Nymex crude rose 0.8% to US$93.82 and spot gold climbed 1% to US$1,674.16. Financials could benefit from U.S.

peer strength which saw BofA rise 3.1%.

Overall, unless China's CPI is lower than forecast, in which case analysts may expect more stimulus, the market may be cautious before the weekend. While the S&P500 rose 0.8% to a 5-year closing high, it faces resistance from the September 2012 peak at 1474.5. The S&P/ASX 200 closed Thursday up 0.3% at 4723. (david.rogers1@wsj.com)

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

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Tax Deal Sends S&P 500 to a Five-Year High

By Vito J. Racanelli
2,074 字
2013 年 1 月 7 日
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That raucous roar heard over Wall Street last week wasn't joyous New Year's Eve revelers. It was the stock market launching itself skyward.

U.S. politicians again managed to put off some difficult decisions, but, as 2012 closed, they made enough on tax issues to send stocks up by 4%-5% in one of the best market weeks in a long time. Small stocks outperformed their big-cap counterparts, and "risk on" replaced "fiscal cliff" as the market's watchwords.

The fiscalcliff can now be put in the dust bin of history, but there's plenty more politicians must accomplish over the next two months on the U.S. debt ceiling and on potential automatic government spending cuts. But let's not worry about that until February.

Last week, the Dow Jones Industrial Average soared 497 points, or 3.8%, to 13,435.21, while the Standard & Poor's 500 stock index jumped 64, or 4.6%, to 1466.47, a five-year high. Just one S&P industry group out of 133, managed health care, fell last week, losing 1.2%.

The Nasdaq Composite gained 141.35 points, or 4.8%, to 3101.66. The Russell 2000 index of small-caps hit an all-time record close of 879.15, up 47 points, or 5.7% last week.

Though the proximate cause for the big rally was Washington, "it was more than that," says James McDonald, CIO at Northern Trust. Manufacturing surveys in the U.S. and many emerging-market countries suggest that the recent global economic momentum is continuing to gather steam, he says. U.S. employment data released last week were also supportive of additional economic growth, he says.

The only down note of the week was Thursday's release of Federal Reserve minutes from the December policy meeting. They suggested some members of the Fed were in favor of slowing or ending its Treasury bond-buying programs.

"For the first time in a while, the stock market is discovering the Fed might take away some of the interest-rate stimulus," says Peter Jankovskis, co-CIO at Oakbrook Investments.

Rising interest rates might become a problem for equities down the road, but the market's near-term horizon, at least until late February, seems pretty clear. Fourth-quarter earnings reports will soon come out, but they appear unlikely to change the market's direction.

By March, those difficult debt-ceiling and spending-cut negotiations will be in full swing and more decisions will have to be made. "It could get stormy as we get closer," adds Jankovskis.

The world is swimming in data and every year the pool expands. Around the globe, each time someone makes a mobile phone call, downloads a movie, or buys a product online, among many other computer-aided activities, somebody somewhere stores that data.

Studies suggest this trend is long-lived and will grow exponentially in the next decade. In one of the latest, released last month by research outfit International Data Corporation and sponsored by EMC (ticker: EMC), the "digital universe" -- including each electronically stored piece of data -- will double about every two years from now until 2020.

By then, IDC wrote, there will be more than 5,000 gigabytes for every man, woman, and child in the world. One GB equals 1,024 megabytes and can store roughly 230 songs in MP3 format or 600 photos. Just as a century ago, the new automobile owner couldn't expect the future would bring cigarette lighters and GPS displays in every car and truck, no one now really knows where the digital data highway will lead. It's relatively certain, though, that more and more data will be used and stored.

This should put into perspective the short-term head winds buffeting the stock of that same EMC, the giant provider of enterprise storage systems hardware and software. After hitting a high of $30 in late March, its shares have significantly underperformed the stock market, down 15% while the market is up 4% over the same period. Friday the stock closed at $24.33.

What's ailing the stock are continuing worries that storage capacity is getting commoditized, with industry sales growth slowing to middle single-digit percentages last year. Investors also fear that federal-government spending cuts will affect storage needs inordinately and, specifically, that EMC might miss fourth-quarter earnings estimates on Jan. 29.

Analysts are expecting non-GAAP 2012 full-year earnings of $1.68 per share from EMC, which the company reaffirmed in it third-quarter earnings report. In the first nine months, EMC revenue rose 9% to $15.7 billion and diluted EPS gained 11% to 82 cents. In 2011, EMC's EPS was $1.37.

Despite those issues, investors should take a closer look at the long-term data trends, says Channing Smith, the co-portfolio manager of the Capital Advisors Growth Fund, which recently added to its stake in EMC. The explosion of storage over the next decade will be attractive to an industry leader like EMC. That rise should stand up in most any economic environment, he adds.

While storage growth has slowed, Smith says, the company, through recent acquisitions, is moving into higher-margin areas like business intelligence and analysis. In any event, through the use of mobile devices, video, and electronic record keeping, storage demand will still remain strong.

It's a blue-chip company with a solid balance sheet, and a track record of steady and robust EPS and revenue growth in nine out of the past 10 years. EMC also owns a 79% stake in VMWare (VMW), a fast growing maker of virtualization software that makes more efficient use of storage capacity.

The shares are cheap, Smith says, noting that the stock trades at less than 13 times consensus expectations of $1.92 per share this year.

On both a price/earnings valuation and the ratio of enterprise value (market value plus net debt) to earnings before interest, taxes, depreciation, and amortization, EMC stock is near 15-year lows. Back out the roughly $5 per share in cash (which includes VMWare cash) on the balance sheet at third quarter's end, and the P/E is more like 10 times, far below its historical median.

Now that the U.S. government has addressed the fiscal cliff, there might be a catalyst in the way of improved capital spending in the second half of 2013, Smith says. He believes EMC shares can rally back to $30, or 20% higher, this year and possibly more depending on second-half capital spending.

Waiting for the fourth-quarter results might be a more conservative way to play EMC, in case an even cheaper price presents itself, but the stock looks attractive even at the current level.

Barron's Jacqueline Doherty writes: Transocean (RIG) rallied last week on news the company had successfully capped much of the uncertainty surrounding its liability from the 2010 explosion of the Deepwater Horizon, a rig it leased to BP (BP).

Transocean (RIG) agreed to pay $1.4 billion to settle with the Justice Department any civil and criminal claims related to the Gulf of Mexico explosion at BP's Macondo field, which resulted in the nation's largest offshore oil spill. Transocean shares, which climbed 6.4% on the news and 17% on the week to $51.82, have more room to appreciate as the taint of litigation fades, and if its rigs can fetch higher prices as their contracts are renewed.

The DOJ settlement, much of which can be paid over three years, means investors now have more visibility into Transocean's cash flow, and the stock's discount to the company's net asset value should shrink, notes Jerry Furciniti, a portfolio manager at QCI Asset Management, who was bullish on the shares last month when they changed hands at $46.20 ("Ready to Rise From the Depths," Dec. 3, 2012).

If the world economy grows modestly, he believes the shares could trade up to $75 by the end of this year, or roughly 12 times the $6.19 of earnings per share analysts expect in 2014.

Transocean still faces civil claims, but its BP contract includes indemnification for pollution resulting from below the water's surface. Transocean has a $2 billion reserve for legal matters related to the Deepwater explosion.

The news on Transocean, with its poorly performing stock in recent years, leads us to other underdog stocks. These are the shares of companies so hated and with expectations so low that it wouldn't take much in the way of good news to get a nice return.

With 2012 now behind us, analyst Lawrence Balter, who runs Oracle Investment Research -- that's right, Oracle -- a boutique firm on Fox Island, Wash., has put together his list of potential 2013 underdog stocks that could surprise investors.

These stocks have done poorly for more than a year -- for some, as much as five years.

There are times when there is so much pessimism that the share price gets away from the stock's normal relationship with expected earnings growth, he says. "In these cases, there are a lot of negatives around, and investors just leave the stocks," he adds.

For each of the five following stocks, investors must ask why the stock is behaving so poorly. Balter did and studied whether the profits-- both past and expected-- rose or will rise faster than the share price, and the answer is "Yes."

Oil giant BP, which was at the center of the Macondo tragedy, has "tremendous" earnings power and is one of the cheapest names in the oil-majors group, he says. It trades at 7.7 times 2013 consensus estimates. "There's a lot of dead weight and baggage, but it's behind the stock now," Balter adds. BP closed at $43.66 Friday.

Copper miner Freeport McMoran (FCX) made a controversial acquisition of oil and gas company Plains Exploration (PXP) last year. The stock fell 16% but is now down only 9%, at $35.49. At about four times cash flow, it is "clearly undervalued" and worth about $50, he says.

Rare-earth miner Molycorp (MCP) was a disaster in 2012, something this column suggested would happen in late 2011. The stock plunged 67% last year. Now, however, at $10.30, the stock discounts all the bad news and then some, according Balter. It's ramping up production at a new Mountain Pass, Calif., mine and China -- the world's biggest producer of these metals, like molybendum and titanium -- is closing down some mines. Balter puts a $50 price target on Molycorp.

On his list of ugly underdogs, the analyst also has names like oil-service company Weatherford (WFT) and potash and nitrogen producer Potash (POT). While Balter says these stocks represent good value individually, a portfolio approach would probably be a less risky.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13435.21	+497.10	+3.84
DJTransportation	5534.06	+313.08	+6.00
DJUtilities	464.62	+17.92	+4.01
DJ65Stocks	4577.60	+197.57	+4.51
DJUSMarket	368.57	+16.55	+4.70
NYSEComp.	8667.68	+351.51	+4.23
NYSEMKTComp.	2388.67	+64.61	+2.78
S&P500	1466.47	+64.04	+4.57
S&PMidCap	1056.07	+51.74	+5.15
S&PSmallCap	492.62	+25.21	+5.39
Nasdaq	3101.66	+141.34	+4.77
ValueLine(arith.)	3277.55	+171.14	+5.51
Russell2000	879.15	+47.05	+5.65
DJUSTSM	15411.05	+702.89	+4.78

	Last Week	Week Earlier
NYSE		
Advances	3,011	778
Declines	188	2,373
Unchanged	16	53
NewHighs	589	152
NewLows	41	73
AvDailyVol(mil)	3,621.5	2,182.9
Dollar		
(Finexspotindex)	80.50	79.68

T-Bond		
(CBTnearbyfutures)	131-165	132-305
Crude Oil		
(NYMlightsweetcrude)	93.09	90.80
Inflation KR-CRB		
(FuturesPriceIndex)	294.13	294.78
Gold		
(CMXnearbyfutures)	1648.10	1654.90

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DOW JONES
NEWSWIRES

DJ ASIAN MORNING BRIEFING: U.S. Stocks Rise After Jobs, ISM Data; S&P500 At 5-Yr High

2,591 字
2013 年 1 月 6 日 22:02
Dow Jones Institutional News
DJDN
英文

DJIA	13435.21	+43.85	+0.33%
Nasdaq	3101.66	+1.09	+0.04%
S&P 500	1466.47	+7.10	+0.49%
FTSE 100	6089.84	+42.50	+0.70%
Xetra DAX	7776.37	+19.93	+0.26%

2Y Tsy	99 23/32	flat	0.271%	flat
5Y Tsy	99 21/32	-2/32	0.817%	+1.1BP
10Y Tsy	97 14/32	-3/32	1.911%	+1.2BP

USD/JPY	88.13-20	+0.00%
Range	88.13-88.20	
EUR/USD	1.3067-70	+0.00%
Range	1.3067-1.3070	
AUD/USD	1.0477-86	+0.00%
Range	1.0486-+0.85	

Comex Gold	$1,648.90	-$25.70
Comex Gold Range	$1,626.00-$1,664.50	
Nymex Crude (NY)	$93.09	+$0.17

U.S. SUMMARY & ASIAN OUTLOOK:
STOCKS:
Stocks ended the first week of the new year with a bang, with the S&P 500 notching a five-year high and the Dow securing its biggest weekly gain since December 2011.

The Dow Jones Industrial Average added 43.85 points, or 0.3%, to 13435.21 after December job growth roughly met economists' estimates and a reading on nonmanufacturing economic activity was surprisingly strong. That capped its biggest weekly point gain--despite a holiday-shortened week--in more than a year, thanks to a 308-point rally Wednesday.

The Standard & Poor's 500-stock index rose 7.10 points, or 0.5%, to 1466.47, for its highest close since December 2007. Financial shares led gains across nine of the index's 10 sectors. The technology group lagged behind as Apple slumped 2.8% and Microsoft fell 1.9%.

The tech-oriented Nasdaq Composite Index rose just 1.09 points, or less than 0.1%, to 3101.66.

"So far, so good this year," said Peter Jankovskis, co-chief investment officer at Oakbrook Investments LLC. "The major story of the week was averting of at least the tax side of the 'fiscal cliff,' backed by economic data that, for the most part, has been better than expected. Fingers crossed, the quiet rise will continue, but there is still some potential for choppy water in the months ahead."

The U.S. added 155,000 jobs last month, the Labor Department reported, just shy of the 160,000 new payrolls forecast by economists in a survey. The department revised its reading on November job growth higher.

The unemployment rate was unchanged from November's upwardly revised 7.8%, compared with economists' median projection for 7.7%.

The U.S. nonmanufacturing sector unexpectedly expanded in December, according to data released by the Institute for Supply Management.

U.S. factory orders were roughly flat in November, reflecting lower oil prices.

In corporate news, Eli Lilly gained 3.7% after giving a 2013 earnings forecast that topped analysts' estimates.

Avon Products rose 3.2% after Bank of America-Merrill Lynch analysts raised their rating on the stock to "buy" from "neutral."

Radiation and oncology company Accuray tumbled 20% after it said it will shed about 13% of its workforce and indicated fiscal second-quarter revenue would be well below analyst forecasts.

Asian markets ended mostly lower Friday, weighed down after minutes released by the Federal Reserve on Thursday showed "several" officials thought the central bank could slow down its program of bond purchased well before the end of 2013.

However, Japanese stocks jumped to their highest level since March 2011 as the market got its first chance to react to the U.S. budget resolution.

Stocks in Mainland China were also playing catch-up, coming back online after the holidays, though the market failed to match Japan's strong gains.

"The recent data shows that the Chinese economy is still humming along, and this could contribute to a further rise in the index. But we'd have to wait till after the Lunar New Year (in February) to see if there are more sustainable drivers for the stock market," said Zhang Gang, an analyst at Central China Securities.

Hong Kong shares succumbed to profit-taking Friday, but analysts expect the general uptrend to continue.

The pullback was just "a healthy technical correction," said KGI Asia chief operating officer Ben Kwong. "The two drivers for the Hong Kong market's uptrend--the China recovery story and abundant liquidity--remain intact."

U.S. crude oil futures ended modestly higher Friday ahead of a major pipeline expansion which analysts said will lead to still-higher prices for the benchmark contract.

Comex gold futures retreated as investors worried that the Federal Reserve may cut short the easy-money policies that helped drive prices of the precious metal to record highs.

Base metals were lower at the close of London Metal Exchange trading Friday, with some of the complex relinquishing all of the week's gains amid concerns over the longevity of the Fed's stimulus program.

FOREX:
The euro is slightly higher in early trading Monday as rising U.S. bond yields and Fed rhetoric continue to provide support for the greenback, Mike Jones, Wellington-based Bank of New Zealand currency strategist, said.

"While low liquidity has spurred often skittish trading in currency markets of late, conditions should begin to normalise over the next week or so as traders return from holiday," he said.

In the coming week, markets will be watching the European Central Bank and Bank of England meetings Thursday, with the focus on "any dovish rhetoric from the ECB, given recent hints a rate cut could be in the offing" and for comments from a number of Fed members, Mr. Jones said.

The euro is at $1.3076 early in Asia, from $1.3070 late in New York Friday and $1.3048 late Thursday.

As of Jan. 1, speculators in the futures market were net long the euro for the first time since August 2011, government data showed Friday, thanks partly to fading concerns about Greece's financing and other debt issues that have plagued euro-zone countries.

Friday, the dollar jumped above 88 yen for the first time since July 2010, extending its rally from Thursday on prospects for an earlier-than-expected end to the Federal Reserve's easing program.

A modest U.S. jobs report Friday failed to significantly dent the dollar's strength against the yen. The U.S. economy added 155,000 jobs in December, with the unemployment rate steady at 7.8%. Economists polled had expected a 160,000 rise and a 7.7% unemployment rate.

The dollar dipped against the yen after the report but recovered by the end of the New York session to Y88.16, up 1% from Y87.25 late Thursday.

"People were initially disappointed by the jobs print, but they realized later that it's actually solid data all around," given the uncertainty in December surrounding the resolution of the so-called U.S. "fiscal cliff," said Sebastien Galy, currency strategist at Societe Generale in New York.

The Wall Street Journal Dollar Index, which measures the greenback against a basket of currencies, rose to its highest level since August. It ended the session at 71.063, from 70.941 late Thursday.

While Friday's jobs number was "reasonably good," the U.S. labor market hasn't improved substantially enough since September for the Fed to halt its bond-buying program, Federal Reserve Bank of St. Louis President James Bullard said on CNBC.

The unemployment rate would need to drop to around 7% before the Fed would consider "removing accommodation on the balance-sheet side of policy," Mr. Bullard added.

The yen, which has already weakened 11% against the dollar since early November, is also plagued by its own problems. Investors have been heavily selling the yen on expectations that Japan's new government, led by Shinzo Abe and the Liberal Democratic Party, will follow through on its promises for more aggressive monetary easing.

The Australian dollar edged up against the greenback to $1.0481 from $1.0467 late Thursday. The U.K. pound dropped to a three-week low, ending the session at $1.6069 from $1.6107.

BONDS:
A disappointing jobs report Friday diluted the week-long price slide in Treasury bonds, but the world's go-to safe-haven market still suffered the biggest weekly selloff in nearly four months.

The benchmark 10-year Treasury note fell 3/32 in price in late Friday in New York, yielding 1.911%. The yield touched the highest level in nine months earlier Friday and rose by 20 basis points for the week, the most since Sept. 14, 2012.

Two other important safe-harbor markets--German bunds and the U.K. gilts--also took a beating this week. For now, higher yields and lower bond prices reflect brewing optimism that the global economy could pick up steam this year aided partly by generous monetary stimuli from the world's major central banks, including from the U.S., euro zone and Japan, according to some traders and investors.

"Markets are trading like this is the beginning of the end of lower interest rates," said Andrew Brenner, head of international fixed income at National Alliance Capital Markets in New York. "There is a recognition that the economies of the world are improving. If there is no crisis why are we still at crisis rates?"

Friday, after hitting as high as 1.974%, the 10-year note's yield's ascent toward the 2% mark--a level it last traded at in April 2012--stalled after the latest jobs report trailed investors' expectations slightly.

U.S. nonfarm payrolls added 155,000 jobs, a tad below 160,000 forecast by economists. The unemployment rate was 7.8% versus 7.7% expected by economists.

Thomas Roth, executive director in the U.S. government bond trading group at Mitsubishi UFJ Securities (USA) Inc. in New York, argues that "the jobs number is not enough to convince the Fed that the economy and the employment situation are improving dramatically." That means the talk of the Fed to stop being a buyer on bonds is premature, he said.

Yet some traders bet more selling to come.

"We are seeing a breakdown in the bond market," said Scott Graham, head of the U.S. government trading desk at BMO Capital Markets in Chicago.

Mr. Graham says $66 billion new Treasury notes and bonds in three-year, 10-year and 30-year maturities in the coming week could push yields up further. Should the rise in yields accelerate, he says the 10-year yield could rise to as high as 2.06%, but he won't be a buyer until the yield hits that point.

6 Jan 2013 17:02 EDT DJ ASIAN MORNING BRIEFING: U.S. Stocks Rise After -2-

Japanese government bond yields hit multi-month highs Friday as investors discounted a weaker yen and higher U.S. interest rates.

"During the New Year holidays, the spread between U.S. and Japanese yields widened and the yen weakened, so today yields were pulled up on the back of those developments," said Shogo Fujita, chief Japan bond strategist at Bank of AmericaMerrill Lynch.

"But there was little liquidity in the market, so it's necessary to see how things play out when players come back" in the coming week, he said.

While Mr. Fujita sees the 10-year yield staying in a 0.8%-0.9% range for the next week, he said it could climb as high as 1% if the yen weakens to Y100 to the dollar and the Nikkei hits 12,000.

Still, some strategists and asset managers expect yield rises going forward to be moderated by investor demand for higher rates, even amid domestic fiscal concerns as the new administration prepares a supplementary budget.

"There won't be too much space for yield rises," in the first quarter of 2013, said Mitsubishi UFJ Morgan Stanley Securities chief fixed-income strategist Jun Ishii.

He said expectations for Bank of Japan easing and "continuing substantial dip-buying demand as bond investors scramble to fulfill portfolio needs before the end of the fiscal year" in March would keep the market anchored.

China government bonds ended slightly higher Sunday due to ample liquidity at the beginning of the year. Liquidity typically improves with the start of a new year as corporates' demand for cash weakens. "The government bond market is likely to be boosted by further buying interests after market players return from holiday," a Shanghai-based trader said.

The interbank bond market was open Saturday and Sunday after financial markets in China were closed Tuesday to Thursday for a public holiday.

Among the data due Monday in Asia, Taiwan inflation likely eased slightly in December to 1.40% on the year from 1.59% in the previous month, according to a Dow Jones survey of 11 economists. The same poll also shows Taiwan's December WPI, a gauge of production costs, will likely decline 3.58% from the year-earlier period, after a 3.87% fall in November.

Elsewhere, Japan releases auto sales data for December.

TOP HEADLINES:
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Bullard Says Job Market Too Weak To Halt Bond Buying
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Monetary Policy Thresholds Positive Step, Plosser Says
Hulu CEO Says He Will Depart In First Quarter
China PBOC to Drain Net CNY20 Billion From Market This Week
China to Target Bigger Fiscal Deficit in 2013 - State Researcher
Lenovo Aims for the Gamer Set With High-End PC
Government to Help Small Firms Venture Abroad -Nikkei
DoCoMo,
KDDI to Bring Smartphone Content to TVs - Nikkei
Four Dismissed for North China Chemical Leak - Xinhua

SCHEDULE OF MAIN EVENTS (times in GMT):

2350	Japan	Dec Monetary base
0030	Taiwan	Dec Price Indexes (CPI / WPI)
0500	Japan	Nov Steel Imports & Exports Statistics
0500	Japan	Dec Auto sales
0800	Taiwan	Dec Merchandise trade
0800	UK	Dec Halifax House Price Index
0815	Hong Kong	Dec Foreign Exchange Reserves
0900	Singapore	Dec Official Foreign Reserves
0900	UK	Dec UK monthly car registrations figures
1000	EU	Nov PPI
1500	US	Dec Employment Trends Index
1830	EU	ECB President Mario Draghi at WELT-Wirtschaftsgipfel event
N/A	Indonesia	Dec International Reserves
N/A	Cambodia	Cambodia victory over genocide day
N/A	Philippines	Dec Gross International Reserves

Write to Helen Ozolins at helen.ozolins@dowjones.com

(END) Dow Jones Newswires

January 06, 2013 17:02 ET (22:02 GMT)

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Dow Jones Newswires

ASIAN MORNING BRIEFING: U.S. Stocks Rise After Jobs, ISM Data; S&P500 At 5-Yr High

2,578 字
2013 年 1 月 6 日 22:02
Dow Jones Global Equities News
DJI
英文

DJIA	13435.21	+43.85	+0.33%
Nasdaq	3101.66	+1.09	+0.04%
S&P 500	1466.47	+7.10	+0.49%
FTSE 100	6089.84	+42.50	+0.70%
Xetra DAX	7776.37	+19.93	+0.26%

2Y Tsy	99 23/32	flat	0.271%	flat
5Y Tsy	99 21/32	-2/32	0.817%	+1.1BP
10Y Tsy	97 14/32	-3/32	1.911%	+1.2BP

USD/JPY	88.13-20	+0.00%
Range	88.13-88.20	
EUR/USD	1.3067-70	+0.00%
Range	1.3067-1.3070	
AUD/USD	1.0477-86	+0.00%
Range	1.0486-+0.85	

Comex Gold	$1,648.90	-$25.70
Comex Gold Range	$1,626.00-$1,664.50	
Nymex Crude (NY)	$93.09	+$0.17

U.S. SUMMARY & ASIAN OUTLOOK:
STOCKS:
Stocks ended the first week of the new year with a bang, with the S&P 500 notching a five-year high and the Dow securing its biggest weekly gain since December 2011.

The Dow Jones Industrial Average added 43.85 points, or 0.3%, to 13435.21 after December job growth roughly met economists' estimates and a reading on nonmanufacturing economic activity was surprisingly strong. That capped its biggest weekly point gain--despite a holiday-shortened week--in more than a year, thanks to a 308-point rally Wednesday.

The Standard & Poor's 500-stock index rose 7.10 points, or 0.5%, to 1466.47, for its highest close since December 2007. Financial shares led gains across nine of the index's 10 sectors. The technology group lagged behind as Apple slumped 2.8% and Microsoft fell 1.9%.

The tech-oriented Nasdaq Composite Index rose just 1.09 points, or less than 0.1%, to 3101.66.

"So far, so good this year," said Peter Jankovskis, co-chief investment officer at Oakbrook Investments LLC. "The major story of the week was averting of at least the tax side of the 'fiscal cliff,' backed by economic data that, for the most part, has been better than expected. Fingers crossed, the quiet rise will continue, but there is still some potential for choppy water in the months ahead."

The U.S. added 155,000 jobs last month, the Labor Department reported, just shy of the 160,000 new payrolls forecast by economists in a survey. The department revised its reading on November job growth higher.

The unemployment rate was unchanged from November's upwardly revised 7.8%, compared with economists' median projection for 7.7%.

The U.S. nonmanufacturing sector unexpectedly expanded in December, according to data released by the Institute for Supply Management.

U.S. factory orders were roughly flat in November, reflecting lower oil prices.

In corporate news, Eli Lilly gained 3.7% after giving a 2013 earnings forecast that topped analysts' estimates.

Avon Products rose 3.2% after Bank of America-Merrill Lynch analysts raised their rating on the stock to "buy" from "neutral."

Radiation and oncology company Accuray tumbled 20% after it said it will shed about 13% of its workforce and indicated fiscal second-quarter revenue would be well below analyst forecasts.

Asian markets ended mostly lower Friday, weighed down after minutes released by the Federal Reserve on Thursday showed "several" officials thought the central bank could slow down its program of bond purchased well before the end of 2013.

However, Japanese stocks jumped to their highest level since March 2011 as the market got its first chance to react to the U.S. budget resolution.

Stocks in Mainland China were also playing catch-up, coming back online after the holidays, though the market failed to match Japan's strong gains.

"The recent data shows that the Chinese economy is still humming along, and this could contribute to a further rise in the index. But we'd have to wait till after the Lunar New Year (in February) to see if there are more sustainable drivers for the stock market," said Zhang Gang, an analyst at Central China Securities.

Hong Kong shares succumbed to profit-taking Friday, but analysts expect the general uptrend to continue.

The pullback was just "a healthy technical correction," said KGI Asia chief operating officer Ben Kwong. "The two drivers for the Hong Kong market's uptrend--the China recovery story and abundant liquidity--remain intact."

U.S. crude oil futures ended modestly higher Friday ahead of a major pipeline expansion which analysts said will lead to still-higher prices for the benchmark contract.

Comex gold futures retreated as investors worried that the Federal Reserve may cut short the easy-money policies that helped drive prices of the precious metal to record highs.

Base metals were lower at the close of London Metal Exchange trading Friday, with some of the complex relinquishing all of the week's gains amid concerns over the longevity of the Fed's stimulus program.

FOREX:
The euro is slightly higher in early trading Monday as rising U.S. bond yields and Fed rhetoric continue to provide support for the greenback, Mike Jones, Wellington-based Bank of New Zealand currency strategist, said.

"While low liquidity has spurred often skittish trading in currency markets of late, conditions should begin to normalise over the next week or so as traders return from holiday," he said.

In the coming week, markets will be watching the European Central Bank and Bank of England meetings Thursday, with the focus on "any dovish rhetoric from the ECB, given recent hints a rate cut could be in the offing" and for comments from a number of Fed members, Mr. Jones said.

The euro is at $1.3076 early in Asia, from $1.3070 late in New York Friday and $1.3048 late Thursday.

As of Jan. 1, speculators in the futures market were net long the euro for the first time since August 2011, government data showed Friday, thanks partly to fading concerns about Greece's financing and other debt issues that have plagued euro-zone countries.

Friday, the dollar jumped above 88 yen for the first time since July 2010, extending its rally from Thursday on prospects for an earlier-than-expected end to the Federal Reserve's easing program.

A modest U.S. jobs report Friday failed to significantly dent the dollar's strength against the yen. The U.S. economy added 155,000 jobs in December, with the unemployment rate steady at 7.8%. Economists polled had expected a 160,000 rise and a 7.7% unemployment rate.

The dollar dipped against the yen after the report but recovered by the end of the New York session to Y88.16, up 1% from Y87.25 late Thursday.

"People were initially disappointed by the jobs print, but they realized later that it's actually solid data all around," given the uncertainty in December surrounding the resolution of the so-called U.S. "fiscal cliff," said Sebastien Galy, currency strategist at Societe Generale in New York.

The Wall Street Journal Dollar Index, which measures the greenback against a basket of currencies, rose to its highest level since August. It ended the session at 71.063, from 70.941 late Thursday.

While Friday's jobs number was "reasonably good," the U.S. labor market hasn't improved substantially enough since September for the Fed to halt its bond-buying program, Federal Reserve Bank of St. Louis President James Bullard said on CNBC.

The unemployment rate would need to drop to around 7% before the Fed would consider "removing accommodation on the balance-sheet side of policy," Mr. Bullard added.

The yen, which has already weakened 11% against the dollar since early November, is also plagued by its own problems. Investors have been heavily selling the yen on expectations that Japan's new government, led by Shinzo Abe and the Liberal Democratic Party, will follow through on its promises for more aggressive monetary easing.

The Australian dollar edged up against the greenback to $1.0481 from $1.0467 late Thursday. The U.K. pound dropped to a three-week low, ending the session at $1.6069 from $1.6107.

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UK PM:Britain Faces Tough Year Ahead, Needs Low Interest Rates
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SCHEDULE OF MAIN EVENTS (times in GMT):
2350 Japan Dec Monetary base
0030 Taiwan Dec Price Indexes (CPI / WPI)
0500 Japan Nov Steel Imports & Exports Statistics
0500 Japan Dec Auto sales

0800	Taiwan	Dec Merchandise trade
0800	UK	Dec Halifax House Price Index
0815	Hong Kong	Dec Foreign Exchange Reserves
0900	Singapore	Dec Official Foreign Reserves
0900	UK	Dec UK monthly car registrations figures
1000	EU	Nov PPI
1500	US	Dec Employment Trends Index
1830	EU	ECB President Mario Draghi at WELT-Wirtschaftsgipfel event
N/A	Indonesia	Dec International Reserves
N/A	Cambodia	Cambodia victory over genocide day
N/A	Philippines	Dec Gross International Reserves

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Dow Jones Newswires

DJ ASIAN MORNING BRIEFING: U.S. Stocks Rise After Jobs, ISM Data; S&P500 At 5-Yr High

28 字
2013 年 1 月 6 日 23:23
Dow Jones Chinese Financial Wire
DJCFWE
英文

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文件 DJCFWE0020130108e916001kc

Barron's(1/7) The Trader: Tax Deal Sends S&P 500 To A Five-Year High

2,103 字
2013 年 1 月 5 日 05:06
Dow Jones Institutional News
DJDN
M3
英文

(From BARRON'S)
By Vito J. Racanelli
That raucous roar heard over Wall Street last week wasn't joyous New Year's Eve revelers. It was the stock market launching itself skyward.

U.S. politicians again managed to put off some difficult decisions, but, as 2012 closed, they made enough on tax issues to send stocks up by 4%-5% in one of the best market weeks in a long time. Small stocks outperformed their big-cap counterparts, and "risk on" replaced "fiscal cliff" as the market's watchwords.

The fiscalcliff can now be put in the dust bin of history, but there's plenty more politicians must accomplish over the next two months on the U.S. debt ceiling and on potential automatic government spending cuts. But let's not worry about that until February.

Last week, the Dow Jones Industrial Average soared 497 points, or 3.8%, to 13,435.21, while the Standard & Poor's 500 stock index jumped 64, or 4.6%, to 1466.47, a five-year high. Just one S&P industry group out of 133, managed health care, fell last week, losing 1.2%.

The Nasdaq Composite gained 141.35 points, or 4.8%, to 3101.66. The Russell 2000 index of small-caps hit an all-time record close of 879.15, up 47 points, or 5.7% last week.

Though the proximate cause for the big rally was Washington, "it was more than that," says James McDonald, CIO at Northern Trust. Manufacturing surveys in the U.S. and many emerging-market countries suggest that the recent global economic momentum is continuing to gather steam, he says. U.S. employment data released last week were also supportive of additional economic growth, he says.

The only down note of the week was Thursday's release of Federal Reserve minutes from the December policy meeting. They suggested some members of the Fed were in favor of slowing or ending its Treasury bond-buying programs.

"For the first time in a while, the stock market is discovering the Fed might take away some of the interest-rate stimulus," says Peter Jankovskis, co-CIO at Oakbrook Investments.

Rising interest rates might become a problem for equities down the road, but the market's near-term horizon, at least until late February, seems pretty clear. Fourth-quarter earnings reports will soon come out, but they appear unlikely to change the market's direction.

By March, those difficult debt-ceiling and spending-cut negotiations will be in full swing and more decisions will have to be made. "It could get stormy as we get closer," adds Jankovskis.

The world is swimming in data and every year the pool expands. Around the globe, each time someone makes a mobile phone call, downloads a movie, or buys a product online, among many other computer-aided activities, somebody somewhere stores that data.

Studies suggest this trend is long-lived and will grow exponentially in the next decade. In one of the latest, released last month by research outfit International Data Corporation and sponsored by EMC (ticker: EMC), the "digital universe" -- including each electronically stored piece of data -- will double about every two years from now until 2020.

By then, IDC wrote, there will be more than 5,000 gigabytes for every man, woman, and child in the world. One GB equals 1,024 megabytes and can store roughly 230 songs in MP3 format or 600 photos. Just as a century ago, the new automobile owner couldn't expect the future would bring cigarette lighters and GPS displays in every car and truck, no one now really knows where the digital data highway will lead. It's relatively certain, though, that more and more data will be used and stored.

This should put into perspective the short-term head winds buffeting the stock of that same EMC, the giant provider of enterprise storage systems hardware and software. After hitting a high of $30 in late March, its shares have significantly underperformed the stock market, down 15% while the market is up 4% over the same period. Friday the stock closed at $24.33.

What's ailing the stock are continuing worries that storage capacity is getting commoditized, with industry sales growth slowing to middle single-digit percentages last year. Investors also fear that federal-government spending cuts will affect storage needs inordinately and, specifically, that EMC might miss fourth-quarter earnings estimates on Jan. 29.

Analysts are expecting non-GAAP 2012 full-year earnings of $1.68 per share from EMC, which the company reaffirmed in it third-quarter earnings report. In the first nine months, EMC revenue rose 9% to $15.7 billion and diluted EPS gained 11% to 82 cents. In 2011, EMC's EPS was $1.37.

Despite those issues, investors should take a closer look at the long-term data trends, says Channing Smith, the co-portfolio manager of the Capital Advisors Growth Fund, which recently added to its stake in EMC. The explosion of storage over the next decade will be attractive to an industry leader like EMC. That rise should stand up in most any economic environment, he adds.

While storage growth has slowed, Smith says, the company, through recent acquisitions, is moving into higher-margin areas like business intelligence and analysis. In any event, through the use of mobile devices, video, and electronic record keeping, storage demand will still remain strong.

It's a blue-chip company with a solid balance sheet, and a track record of steady and robust EPS and revenue growth in nine out of the past 10 years. EMC also owns a 79% stake in VMWare (VMW), a fast growing maker of virtualization software that makes more efficient use of storage capacity.

The shares are cheap, Smith says, noting that the stock trades at less than 13 times consensus expectations of $1.92 per share this year.

On both a price/earnings valuation and the ratio of enterprise value (market value plus net debt) to earnings before interest, taxes, depreciation, and amortization, EMC stock is near 15-year lows. Back out the roughly $5 per share in cash (which includes VMWare cash) on the balance sheet at third quarter's end, and the P/E is more like 10 times, far below its historical median.

Now that the U.S. government has addressed the fiscal cliff, there might be a catalyst in the way of improved capital spending in the second half of 2013, Smith says. He believes EMC shares can rally back to $30, or 20% higher, this year and possibly more depending on second-half capital spending.

Waiting for the fourth-quarter results might be a more conservative way to play EMC, in case an even cheaper price presents itself, but the stock looks attractive even at the current level.

Barron's Jacqueline Doherty writes: Transocean (RIG) rallied last week on news the company had successfully capped much of the uncertainty surrounding its liability from the 2010 explosion of the Deepwater Horizon, a rig it leased to BP (BP).

Transocean (RIG) agreed to pay $1.4 billion to settle with the Justice Department any civil and criminal claims related to the Gulf of Mexico explosion at BP's Macondo field, which resulted in the nation's largest offshore oil spill. Transocean shares, which climbed 6.4% on the news and 17% on the week to $51.82, have more room to appreciate as the taint of litigation fades, and if its rigs can fetch higher prices as their contracts are renewed.

The DOJ settlement, much of which can be paid over three years, means investors now have more visibility into Transocean's cash flow, and the stock's discount to the company's net asset value should shrink, notes Jerry Furciniti, a portfolio manager at QCI Asset Management, who was bullish on the shares last month when they changed hands at $46.20 ("Ready to Rise From the Depths," Dec. 3, 2012).

If the world economy grows modestly, he believes the shares could trade up to $75 by the end of this year, or roughly 12 times the $6.19 of earnings per share analysts expect in 2014.

Transocean still faces civil claims, but its BP contract includes indemnification for pollution resulting from below the water's surface. Transocean has a $2 billion reserve for legal matters related to the Deepwater explosion.

The news on Transocean, with its poorly performing stock in recent years, leads us to other underdog stocks. These are the shares of companies so hated and with expectations so low that it wouldn't take much in the way of good news to get a nice return.

With 2012 now behind us, analyst Lawrence Balter, who runs Oracle Investment Research -- that's right, Oracle -- a boutique firm on Fox Island, Wash., has put together his list of potential 2013 underdog stocks that could surprise investors.

These stocks have done poorly for more than a year -- for some, as much as five years.

There are times when there is so much pessimism that the share price gets away from the stock's normal relationship with expected earnings growth, he says. "In these cases, there are a lot of negatives around, and investors just leave the stocks," he adds.

For each of the five following stocks, investors must ask why the stock is behaving so poorly. Balter did and studied whether the profits-- both past and expected-- rose or will rise faster than the share price, and the answer is "Yes."

Oil giant BP, which was at the center of the Macondo tragedy, has "tremendous" earnings power and is one of the cheapest names in the oil-majors group, he says. It trades at 7.7 times 2013 consensus estimates. "There's a lot of dead weight and baggage, but it's behind the stock now," Balter adds. BP closed at $43.66 Friday.

Copper miner Freeport McMoran (FCX) made a controversial acquisition of oil and gas company Plains Exploration (PXP) last year. The stock fell 16% but is now down only 9%, at $35.49. At about four times cash flow, it is "clearly undervalued" and worth about $50, he says.

5 Jan 2013 00:06 EDT Barron's(1/7) The Trader: Tax Deal Sends S&P 500 -2-

Rare-earth miner Molycorp (MCP) was a disaster in 2012, something this column suggested would happen in late 2011. The stock plunged 67% last year. Now, however, at $10.30, the stock discounts all the bad news and then some, according Balter. It's ramping up production at a new Mountain Pass, Calif., mine and China -- the world's biggest producer of these metals, like molybendum and titanium -- is closing down some mines. Balter puts a $50 price target on Molycorp.

On his list of ugly underdogs, the analyst also has names like oil-service company Weatherford (WFT) and potash and nitrogen producer Potash (POT). While Balter says these stocks represent good value individually, a portfolio approach would probably be a less risky.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13435.21	+497.10	+3.84
DJTransportation	5534.06	+313.08	+6.00
DJUtilities	464.62	+17.92	+4.01
DJ65Stocks	4577.60	+197.57	+4.51
DJUSMarket	368.57	+16.55	+4.70
NYSEComp.	8667.68	+351.51	+4.23
NYSEMKTComp.	2388.67	+64.61	+2.78
S&P500	1466.47	+64.04	+4.57
S&PMidCap	1056.07	+51.74	+5.15
S&PSmallCap	492.62	+25.21	+5.39
Nasdaq	3101.66	+141.34	+4.77
ValueLine(arith.)	3277.55	+171.14	+5.51
Russell2000	879.15	+47.05	+5.65
DJUSTSM	15411.05	+702.89	+4.78

	Last Week	Week Earlier
NYSE		
Advances	3,011	778
Declines	188	2,373
Unchanged	16	53

NewHighs	589	152
NewLows	41	73
AvDailyVol(mil)	3,621.5	2,182.9
Dollar		
(Finexspotindex)	80.50	79.68
T-Bond		
(CBTnearbyfutures)	131-165	132-305
Crude Oil		
(NYMlightsweetcrude)	93.09	90.80
Inflation KR-CRB		
(FuturesPriceIndex)	294.13	294.78
Gold		
(CMXnearbyfutures)	1648.10	1654.90

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(END) Dow Jones Newswires

January 05, 2013 00:06 ET (05:06 GMT)

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Stocks Shed 1.9% on Week on D.C. Deal Doubts

By Avi Salzman
1,732 字
2012 年 12 月 31 日
Barron's
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英文

Stocks recorded their worst week since early November, with the Dow falling 158 points Friday on news that Democrats and Republicans were still at odds over a deal to cut the deficit.

Television cameras hovered over the White House late Friday as President Obama huddled with the four top congressional leaders in a last-ditch attempt to stall $500 billion in tax hikes and $110 billion in spending cuts. As word leaked out of the meeting that things weren't going well,stocks plunged, and the cameras panned first over the sad faces in the NYSE trading pit, and then to Nancy Pelosi's forced smile as she left the meeting.

The Street has given politicians the benefit of the doubt in the past few weeks, projecting that they would come to some sort of a deal before the Jan. 1 deadline. Perhaps investors should have seen this coming. In the past two years, Congress has set records for idleness: The House has passed fewer bills during the most recent session of Congress than in any other in more than 60 years -- and by a long shot.

For the week, the Dow fell 252.7 points, or 1.9%, to 12,938.1. The Standard & Poor's 500 fell 27.7 points, or 1.9%, to 1,402.4. The Nasdaq dropped 60.7 points, or 2%, to 2,960.3. Both the Dow and S&P 500 have declined for five straight days and are at their lowest closing levels since Nov. 27. On Friday, all 30 Dow components fell, with energy stocks particularly under pressure.

The outlook isn't good for Monday, either. After the market closed, futures trading indicated a scary level of pessimism. Dow futures had shed more than 200 points within half an hour of the close. The folks at Bespoke Investment Group asked if we might have "another 'Lehman Monday' if Sunday night comes and goes with nothing done."

One observer, however, urged reining in the pessimism.

"While you never want to see futures down 200, you need to take it with a grain of salt," said Ryan Larson, the head of equity trading at RBC Global Asset Management. "Keep in mind it's still coming out on Friday afternoon, where volume to begin with was light."

Optimists still abound. Late Friday, President Obama said his talks with leaders were "good and constructive." Indeed, there is a small window open for legislative action. On Sunday, the House of Representatives will reconvene with just a day and a half to go before the deadline passes. Analysts at Standard & Poor's said they don't plan to downgrade the U.S. credit rating again even if the U.S. falls off the fiscal cliff. Starbucks baristas in Washington even started writing "come together" on customers' cups. Thank goodness for small things.

"There's still a serious chance for a deal," said Sean West of the Eurasia Group, which reads the political tea leaves for investors. "The gears are moving. The story line that this was all over three days ago is wrong. We are now going to see real legislative action."

Financial companies have had few friends since the credit crisis of 2008-09. But financial shares? That's another matter. With just one trading day left to 2012, financials are the year's best-performing equity sector, up more than 26%. Utilities are the worst, down 3%. That's a neat reversal of their 2011 showing (see table nearby).

Twelve months ago, after financials had plunged 18% in 2011, few picked them to lead the market rally in 2012. But perhaps too few market seers knew how determined the Federal Reserve was to reflate the U.S. economy and boost consumer spending through continued monetary-policy easing.

The quantitative-easing moves, deleveraging by banks, and a strong housing market and mortgage-refinancing cycle have combined to help banks and other financial stocks, says Jack Ablin, chief investment officer of BMO Private Bank. Bank asset values rose, and banks have improved their balance sheets. That's helped them offset the negative effects of greater regulatory pressure and narrowing net-interest margins.

The Fed's attempts to "unleash the consumer" have been a boon to consumer-discretionary stocks as well, Ablin notes.

The utility sector, 2011's best performer, was hurt in 2012 as many investors grew less risk-averse and moved away from defensive stocks with high dividend yields.

With higher taxes coming in 2013, the consumer is going to have a harder time, Ablin predicts. He thinks consumer-discretionary shares, up 20% in 2012, could drop to the bottom in 2013.

It is hard to see mortgage rates going lower from here, so financials probably won't repeat in first place. And, while utilities might not be last again, with the stocks selling at 14 times earnings, they are relatively expensive given expectations for low earnings growth next year.

If the U.S. is able to resolve its political battle over tax cuts and government spending in a timely manner, the technology, energy, and health-care sectors could outperform in 2013.

Both tech and energy stocks are exposed to stronger growth in emerging markets, and trade at relatively low price/earnings multiples. Health care could also do well because of a combination of stable growth and undemanding valuations.

Choosing the right stocks is the paramount aim, but veteran investors know that stock-picking prowess depends to a large extent on getting the sectors right. Just two stocks in the 31-name utilities sector beat the market in 2012.

-- Vito J. Racanelli

The 15th most popular surname in the U.S. is Martinez; 1,016,581 American residents answer to it. Every month for the next two decades, 50,000 Hispanics in the U.S. will turn 18. These and similar statistics from the Website Hispanicvoters.com provide a window onto a powerful voting bloc, and a demographic group that more and more companies want to reach.

Ignore this group at your peril. The Republican Party did in November's presidential election, when 71% of Hispanics voted for President Barack Obama. By 2060, Hispanics will account for one of every three people in the U.S., nearly double their 16.7% share of the population now, the U.S. Census Bureau reported recently.

Perhaps no trend is clearer than the importance of Hispanics to advertisers. Spending for ads on Spanish-language TV rose 8% in 2011, while ad-spending on English-language TV fell by 2%.

The most direct path to profit from this trend is investment in Mexico's Grupa Televisa (TV) and Santa Monica, Calif.-based Entravision Communications (EVC), says Larry Haverty, a portfolio manager and media specialist at Gabelli & Co. Televisa owns a 38% stake in Univision, the Spanish-language television network in the U.S. that boasts the largest audience of Spanish-language viewers. Entravision owns television and radio properties in densely populated Hispanic markets.

While both stocks have run up since the election on enthusiasm for their prospects and record political spending, the shares still represent good value. "The prices are reasonable, and the assets are unique," says Haverty. "Political [ad spending] won't happen in 2013, but the demographics of the Hispanic population, and the likely continued importance of TV in reaching this demographic suggest a permanent increase" in the value of the companies' cash flows.

Grupo Televisa trades for $26 a share, or six times its 2013 enterprise value (market value plus net debt) to Ebitda (earnings before interest, taxes, depreciation, and amortization). That compares with EV/Ebitda multiples of eight to nine times for U.S. broadcasters, even though Televisa is a more dominant presence in its core Mexican market than U.S. media companies are in their home markets.

Grupo Televisa's value looks even more attractive in view of its Univision stake. Haverty values Univision at just under $1 billion but sees it rising to $2 billion in the next three years. as advertisers increasingly target the Hispanic market.

Debt-heavy Entravision is a more speculative play. Its stock trades around $1.60, down from $20 or so 10 years ago. It, too, changes hands at about six times EV/Ebitda. Entravision has been enjoying a strong year on higher revenue from political advertising, as well as higher retransmission fees. Many expect the company to refinance its debt in the next year at a much more favorable rate. An encouraging sign: Entravision issued a special dividend last month of 12 cents a share, representing a yield of nearly 9%. Anil Gupta, analyst at Los Angeles-based Imperial Capital, sees the shares rising to $2 within a year as the company posts better growth and outperforms its more expensively valued peer group.

Given Entravision's small size -- its market value is only $133 million -- Haverty thinks the company and its valuable assets might make a nice fit with, say, Dallas-based Belo Corp. (BLC), which owns 20 TV stations and has a market value of $768 million.

-- Sandra Ward

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	12938.11	-252.73	-1.92
DJTransportation	5220.98	-119.82	-2.24
DJUtilities	446.70	-10.93	-2.39
DJ65Stocks	4380.03	-93.95	-2.10
DJUSMarket	352.02	-6.88	-1.92
NYSEComp.	8316.17	-126.99	-1.50
NYSEMKTComp.	2324.06	-28.07	-1.19
S&P500	1402.43	-27.72	-1.94
S&PMidCap	1004.33	-18.03	-1.76
S&PSmallCap	467.41	-8.32	-1.75
Nasdaq	2960.31	-60.69	-2.01
ValueLine(arith.)	3106.41	-56.80	-1.80
Russell2000	832.10	-15.82	-1.87
DJUSTSM	14708.16	-285.79	-1.91

	Last Week	Week Earlier
NYSE		
Advances	778	2,127
Declines	2,373	1,040
Unchanged	53	56
NewHighs	152	349
NewLows	73	75
AvDailyVol(mil)	2,182.9	3,946.7
Dollar (Finexspotindex)	79.68	79.54
T-Bond (CBTnearbyfutures)	132-305	132-155
Crude Oil (NYMlightsweetcrude)	90.80	88.66
Inflation KR-CRB (FuturesPriceIndex)	294.78	294.13
Gold (CMXnearbyfutures)	1654.90	1659.10

5035
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MARKET WEEK
Stocks --- The Trader: Wall Street Rallies as Washington Dithers

By Vito J. Racanelli
2,086 字
2012 年 12 月 24 日
Barron's
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Whew. We're still here. The Mayan doomsday prophecy for Dec. 21 was wrong, something the stock market seemed to anticipate by rising more than 1% on the week. That was an especially decent result in view of the doomsday scenario playing out in Washington, where politicians remain firmly at odds over how to manage the country's finances.

Stocks fell about 1% Friday, halving their intraweek gain, after the House of Representatives failed to pass the so-called Plan B tax bill promised by House Speaker John Boehner. That head-fake refueled worries that Washington won't come to an agreement on the -- dare we say it -- coming tax hikes and government cuts. Some call it the fiscal cliff.

The past month's stock rally was largely predicated on an assumption that the Obama Administration and House Republicans would come to a compromise in a timely manner -- if not exactly by the ostensible Dec. 31 deadline.

Many expected the tax bill's failure to whack equities, but the market's muted reaction suggests there remains a fair amount of expectation among investors that a deal will be struck. The Dow Jones Industrial Average rose 56 points, or 0.4%, on the week, to 13,190.84, while the Standard and Poor's 500 index gained 17 points, or 1.2%, to 1430.15. The Nasdaq Composite added 50 points, or 1.7%, to 3021.01.

"I'm still constructive on the market and cautiously optimistic," says Seth Setrakian, a partner at First New York Securities. "Somewhere there is competence in Washington. There's a middle ground and they have to find it." The market will tolerate extending the deadline into January if there is strong evidence that a deal is coalescing, he adds.

Since plenty of cash remains on the sidelines, market observers generally think indexes will leap in the event of a deal, perhaps to 1500 or more on the S&P 500 in a relatively short period of time. That could be followed by a kneejerk profit-taking round once the details of the tax hikes and government spending cuts are digested. "We could have a deal, but it's what's in the deal that matters," says Kim Forrest, a senior equity analyst at Fort Pitt Capital Group.

While there might be a fiscal cliff, "it doesn't look like we are about to fall off an economic cliff," Forrest says. On the whole, last week's important economic data continued an upswing seen in recent weeks. U.S. third-quarter gross domestic product was revised upward, for example, to 3.1% from 2.7%. Small-business merger and acquisition activity seems lively, she adds, and that's a good sign for equities.

It has been a year of relatively low stock-market volatility but the longer these fiscal talks drag on, the more likely that will change.

The ICE man cameth. Following a proposal last week from the upstart IntercontinentalExchange (ticker: ICE) to acquire NYSE Euronext (NYX) for more than $8 billion, NYSE shareholders face some crucial decisions, potentially right away, even though the deal won't close until the second half of 2013.

NYSE holders can take cash now by selling into the market, or wait for the cash or ICE stock or some combination thereof in 2013. ICE is offering NYSE holders about $33.12 a share, or 0.258 of an ICE share, or a mix of $11.27 in cash plus 0.17 of an ICE share for each NYSE share. ICE is paying a 38% premium to the last NYSE closing price before the deal was announced Thursday. NYSE closed at $32.25, and ICE at $126.25.

There should be plenty of time to cogitate. However, any investor contemplating cash must consider that tax rates on capital gains are likely to go up in 2013 from the current 15%. Selling NYSE shares into the market before year end 2012 could bring a lower tax bill.

And, given the premium being paid, gains there will be if you bought the NYSE stock in 2012, potentially big ones if you purchased after March.

The way things look now, for a long-term-oriented investor, waiting to take all ICE stock might be the soundest way forward. For one thing, it will obviate the capital-gains liability, now or next year. And NYSE holders will get their 3.7% dividend yield while waiting. ICE doesn't have a dividend.

Second, and more important, this looks like a good deal for ICE, a big player in commodities exchanges and a leader in derivatives, particularly on energy. For investors who take its shares, it will be a good way to participate in ICE's future growth and the profits it can wring out of the NYSE acquisition.

"ICE got a great deal," says Martin Leclerc, the chief financial officer at Barrack Yard Advisors, which holds NYSE shares. Given the relatively slower growth prospects for equities trading compared with derivatives, "the combined company is much better positioned to take advantage of the future than NYSE alone."

ICE is mainly interested in NYSE's Liffe, the London-based derivatives market, which is a leader in commodities and interest-rate derivatives products. Growth there is likely to be higher than that of the cash equities trading of the NYSE and the four Euronext exchanges in Paris, Amsterdam, Brussels, and Lisbon.

In the past five years or so, the NYSE trading floor's market share in equities trading has fallen to less than 25% from about 80%. Volume has gone to faster and cheaper nontraditional venues such as the interbank-operated dark pools and BATS Global Markets, among others. Greater regulation, less of an issue for derivatives exchanges, has cost the stock exchanges, as well.

That has fueled consolidation. Following the deal, there will remain in addition to ICE just a handful of major exchanges around the world -- the CME Group (CME), Deutsche Boerse (DB1.Germany), Hong Kong Exchange & Clearing (0388.Hong Kong), and the Nasdaq OMX Group (NDAQ).

Leclerc attributes about $6 billion of the acquisition value to Liffe and $2 billion to the rest. Moreover, ICE is going to hive off Euronext one way or another. It probably is worth about $1 billion, according to a report from Sandler O'Neill & Partners.

"But [the NYSE's] equity-trading business conditions are probably at a bottom," says Leclerc, and ICE can improve the NYSE's cost structure. "ICE's chief executive, Jeffrey Sprecher, has a phenomenal track record," and the $450 million in cost synergies are "pretty credible . . . . Liffe is a big opportunity for ICE."

Additionally, there's a strong case for the long-term growth of derivatives trading. Regulators are trying to inject more transparency into the relatively opaque world of derivatives trading, notes Leclerc, by pushing such activity onto exchanges and away from over-the-counter markets.

It's going to be a long wait, and that adds to the decision risk. It's hard to predict the regulatory landscape one year out. And there's always the possibility that regulators will object, or that the deal could fall apart somehow, but those are relatively low risks.

Says Leclerc: "If I had to do decide today, I'd take the stock." Waiting for the ICE man seems worth it.

With the holidays upon us, it's the season when everyone, including Barron's columnists, examines the year that's about to close. The U.S. stock market is up 14% year to date, so in purely financial terms, we'd like to look back with fondness.

Alas, we cannot, at least not when it comes to the 80 or so stock and sector calls that this column typically publishes annually. The average price return of the column's stock picks during the course of the past 12 months was 4% as of Dec. 18, significantly below the S&P 500. (This reckoning doesn't include guest-columnist picks. Stocks are measured from the Friday before the item is published, and we've left out group and sector picks, some of which had five names and more listed.)

This performance puts us in a slow, but big boat: Some 75% of domestic long-only mutual fund managers were underperforming their benchmarks as of Dec. 18, according to Lipper. But it's cold comfort.

On the plus side go our positive assessments of the following companies, which were born out by subsequent double-digit- percentage stock outperformance: regional bank BB&T (BBT); CVS Caremark (CVS); the contingent-value rights (GCVRZ) of Sanofi (SNY); Southwest Airlines (LUV); railroad Union Pacific (UNP); GameStop (GME), and JC Penney (JCP), among others.

In particular, we pointed out how undervalued the initial bid for Great Wolf was during the buyout battle for its shares waged last spring. The stock subsequently rose 41%. We also noted that a split-up of Ralcorp (RAH) into separate branded and private-label food companies would attract buyers, and it did. Con Agra (CAG) recently agreed to buy Ralcorp. The return for the two companies has been 36%.

However, these must be weighed against lousy bullish calls on Staples (SPLS), down 25%; NetApp (NTAP), off 28%; Joy Global (JOY), a maker of mining equipment, down 22%; and coal stocks such as Arch Coal (ACI), down 26%, and Alpha Natural Resources (ANR), down 33%.

Regarding Alpha, we checked back with David Steinberg, a deep-value portfolio manager with DLS Capital Management. He's continued to load up on coal stocks. Global coal demand is going to surprise folks, and natural-gas prices -- an alternative -- have begun to rise, he says. We think in the long run he'll be right about coal, but it's been a tough year.

The worst pick was small-cap Poseidon Resources (PSN.Canada), which makes water-holding tanks for energy-exploration firms. Day rental rates have fallen sharply and drilling activity has dropped, leading to a big unexpected decline in third-quarter earnings. The stock is down 75%. That's just one call out of many, but it's a painful loss. Without our coal and Poseidon picks, we'd be up 6%, a little better but still not great.

This column also includes the occasional bearish items. Here, too, performance is nothing to write home about, though the average rise of 9.5% for our skeptical calls is mainly the result of one spectacularly bad pick: Schiff Nutrition International (SHF), recently bought by Reckitt Benckiser Group (RBGPY).

Without that, our skeptical calls would be down a more respectable average 1.4%. Our pessimistic views of truck maker Navistar (NAV), Argentine oil company YPF (YPF), McDonald's (MCD), Mattress Firm Holding (MFRM), and the popular Internet real estate site Zillow (Z), all turned out to be well founded.

Nevertheless, with a 4% rise, a lump of coal is in order and we'll have to try harder next year. We'll consider 2012 a nonrecurring loss and get right back on our horse for 2013.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13190.84	+55.83	+0.43
DJTransportation	5340.80	+153.85	+2.97
DJUtilities	457.63	+6.53	+1.45
DJ65Stocks	4473.98	+59.79	+1.35
DJUSMarket	358.90	+4.56	+1.29
NYSEComp.	8443.15	+109.42	+1.31
NYSEMKTComp.	2352.13	-44.07	-1.84
S&P500	1430.15	+16.57	+1.17
S&PMidCap	1022.36	+20.83	+2.08
S&PSmallCap	475.73	+14.33	+3.11
Nasdaq	3021.01	+49.67	+1.67
ValueLine(arith.)	3163.21	+70.71	+2.29
Russell2000	847.92	+24.17	+2.93
DJUSTSM	14993.95	+207.51	+1.40

	Last Week	Week Earlier
NYSE		
Advances	2,127	1,390
Declines	1,040	1,762
Unchanged	56	70
NewHighs	349	264
NewLows	75	85
AvDailyVol(mil)	3,946.7	3,339.1
Dollar (Finexspotindex)	79.54	79.58
T-Bond (CBTnearbyfutures)	132-155	133-125
Crude Oil (NYMlightsweetcrude)	88.66	86.73
Inflation KR-CRB (FuturesPriceIndex)	294.13	294.89
Gold (CMXnearbyfutures)	1659.10	1695.80

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Dow Jones Newswires

Australia Shares Up 0.2% But Restrained By Profit-Taking Before Year End

757 字
2012 年 12 月 19 日 02:20
Dow Jones Global Equities News
DJI
英文

SYDNEY--The Australian share market is being restrained by profit-taking ahead of a seasonal contraction in liquidity, after the main index hit a fresh 17-month high early Wednesday as U.S. lawmakers inched closer to a deal to avoid a fiscal cliff impasse.

"I'm very cautious heading into year end and January because we're moving into a period of very low liquidity, with the potential for high volatility from news flow around the globe," Michael McCarthy, CMC Markets' chief market strategist, said. "However, the strong uptrend and low volatility currently suggest the rally is going to continue."

At 0200 GMT, the benchmark S&P/ASX 200 was up 0.2% at 4605.2 after rising as much as 0.7% earlier Wednesday to 4627.1--its highest point since July 2011. The index is up 14% for the year, versus a 15% rise for the S&P500.

Australian share market strength followed a 1.2% rise in the S&P500 Tuesday after House Speaker John Boehner expressed hopes for a balanced plan in statements Tuesday morning, and announced a backup plan to prevent tax increases for households making US$1 million or less.

"The risk-on trade continues as fiscal cliff negotiations are progressing," said Morgan StanleySmith Barney investment adviser Shannon Briggs. "It seems to be moving ahead at a faster pace than people were expecting. Personally, I think it could prove to be a 'buy-the-rumor-sell-the-fact type scenario, so maybe equity markets will pull back next week."

Australian investment bank Macquarie Group jumped 2.2% after U.S. peers surged overnight.

Resources stocks continued to benefit from a recent surge in iron ore prices, with BHP Billiton up 0.5% and Rio Tinto up 0.8%, although Rio pared a 2.3% intraday rise and Fortescue Metals fell 0.2% after rising as much as 2.6% in early trading.

"Investors are generally underweight the miners, so there's been a 'fear of missing out' rally," Morgan StanleySmith Barney's Mr. Briggs said.

Gold miners suffered, however, with Newcrest down 2.7% after spot gold fell 1.6% Tuesday.

High-yield stocks saw some profit-taking, with Commonwealth Bank of Australia and Telstra down 0.4%, although Westpac, ANZ and National Australia Bank rose 0.1%-0.4%.

"It is clear that there's a fair bit of defensive money hiding in high-yield stocks, but I think the high-yield story has further to go," Mr. Briggs said.

He said the Australian share market "has a real chance of hitting 5000 next year" as yields remain attractive, China's economy looks to have bottomed, the European debt crisis has stabilized, U.S. economic recovery is being underpinned by quantitative easing, and the Reserve Bank of Australia is expected to keep cutting interest rates.

"I'm nervous about the market in the short term and I'd be cautious about joining in right now if investors haven't already done so, particularly given that we have a very large expiry tomorrow," CMC's Mr. McCarthy said. "We will see volume surge tomorrow, but that will be the last opportunity for large institutional players to reposition themselves before year end. After that, frankly, anything could happen."

December quarter SPI 200 futures and options, and December equity options and index options expire Thursday.

Billabong dived 11% after slashing its full-year earnings guidance by about 40%, while confirming a takeover proposal from a consortium led by former director Paul Naude.

The struggling surfwear retailer said weak trading conditions in its Americas division and weaker-than-expected sales in Europe meant it now anticipated earnings before interest, tax, depreciation and amortization, or Ebitda, for the year to June 30 of A$56 million-A$63 million in constant currency terms, down from its previous guidance of A$100 million-A$110 million.

Sims Metal, the world's largest publicly listed metal recycling company by market capitalization, fell 3.4% after it downgraded its first-half earnings guidance by 20% citing weak market conditions.

The ASX-listed group didn't specify a figure for earnings, but had as recently as November expected underlying Ebitda in a 110 million Australian dollars (US$115.8 million) to A$120 million range for the first half of this fiscal year.

Write to David Rogers at david.rogers1@wsj.com [19-12-12 0220GMT]

22767 5014 55115

文件 DJI0000020121219e8cj0002a

NOK, RIMM, HTC: Simultaneous Rebounds 'Unsustainable,' Says Barclays
Barron's Blogs, 2012 年 12 月 19 日 23:13, 876 字, By Tiernan Ray, (英文)
Barclays Capital wireless analyst Jeff Kvaal tonight asks in a note to clients whether it is possible for three beaten-down smartphone makers -- HTC (2498TW), Research in Motion (RIMM), and Nokia (NOK) -- to all have a recovery at the same ...
文件 WCBBE00020121219e8cj002xl

THE WALL STREET JOURNAL.

Wealth Management (A Special Report) --- Alternative Investing: How to Gain Leverage --- Using inverse ETFs can be easier than shorting stocks, but beware the risks

By Gregory Zuckerman
879 字
2012 年 12 月 17 日
The Wall Street Journal
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R8
英文

Q: I use inverse ETFs, like SDS. When I'm making money, who is losing money? Also, what are the pluses and minuses of using inverse ETFs?

A: ETFs, or exchange-traded funds, have emerged as a popular, low-cost investment vehicle, replacing mutual funds in many portfolios. ETFs are securities that trade throughout the day, much like stocks. But they usually aim to track a basket of stocks or an index, providing diversification and an ability to track specific markets or industries. The average ETF has an annual expense ratio well below that of mutual funds, another boon to investors.

Inverse ETFs seek to deliver a return that is the inverse of an index's return. ProShares UltraShort S&P500, or SDS, is a "double-short" fund -- it aims to achieve a return that is twice the inverse of the daily performance of the Standard & Poor's 500 index. Thus, if the S&P 500 drops 10%, this ETF is expected to gain about 20%.

As such, the fund is a "leveraged" ETF, or among those that aim to deliver a return that is a multiple of that of an index or other barometer. Leveraged ETFs give investors a chance to multiply their initial investment by several times without resorting to other steps to amplify their gains, such as buying shares on margin, or with borrowed money.

Buying securities on margin can be risky because the lender -- usually the investor's brokerage firm -- can demand quick repayment of the loan when a bet goes bad.

Inverse ETFs generally buy derivative contracts, such as "swaps," that gain in value when the market goes down and lose money when the market rises. Swaps are bespoke contracts with banks and other financial institutions in which both parties agree to make payments based on the movements of an underlying index. For SDS, it is the S&P 500.

The financial institutions either keep these contracts, assuming the risk that stocks rise or fall, or sell them to others who are comfortable with that exposure. If stocks do fall, the banks and investors on the other side of the swap contracts purchased by the ETF stand to lose money, while the ETF and its holders should benefit.

"Similar to options and future contracts, and unlike the stock market, this is a zero-sum game," says Scott Miller Jr., a managing partner of Blue Bell Private Wealth Management LLC, based in Blue Bell, Pa.

Some investors turn to inverse ETFs as a way to protect their portfolios against a falling market. Others use them to make an outright bet against the market.

Inverse ETFs can be easier than other ways of wagering against stocks, such as "shorting" shares. An investor can buy and sell most ETFs easily and with limited cost. And because an investor is wagering against a diversified group of stocks or other investments, rather than against a single company, there is less risk of a single piece of positive news sending a stock soaring, causing severe damage to a short position.

But keep in mind the dangers, particularly of inverse ETFs: If the market doesn't go in the direction an investor anticipates, losses can be multiplied. To wit, SDS has lost about 30% over the past year, as stocks have registered gains of about 15%.

Another concern about making long-term bets using inverse ETFs: Their returns over long periods often don't match the stated multiples of their benchmark indexes.

ETFs buy derivative contracts, rather than the components of the index itself, so the ETFs don't always perfectly mimic an index's returns. Because of that tracking issue, and because the ETFs provide a return that is a multiple of the indexes' return, over time the compounding effect of daily changes makes it even harder for these ETFs to track an index, especially one that is volatile.

Look at SDS again as a prime example. The S&P 500 has gained about 7% over the past five years, including dividends. But rather than drop 14%, or twice the inverse of the S&P 500, SDS has lost about 20%.

A spokesman for ProShares says SDS, like all other leveraged ETFs, aims to track a multiple of its benchmark over one-day periods only.

Mr. Miller recommends using inverse ETFs as a short-term hedge against big swings in the markets, rather than as a buy-and-hold investment.

"These should be used by experienced investors to profit from short-term market moves generally made within a day," says Mr. Miller, who recommends using stock options for longer periods.

Analysts and other investment professionals second that view.

"It can feel good to make money when the market is going down," says Matthew Tuttle, president of Tuttle Wealth Management LLC in Stamford, Conn. "But these ETFs are meant to be short-term trades," he says.

Mr. Tuttle recommends using inverse ETFs as a short-term hedging strategy, for example, when an investor doesn't want to sell stocks but wants to reduce portfolio risk.

文件 J000000020121217e8ch0000b

BARRON'S

MARKET WEEK

Stocks --- The Trader: Investors Ignore QE4; Stocks Slip on Week

By Avi Salzman and Andrew Bary
1,826 字
2012 年 12 月 17 日
Barron's
B
M3
英文

The Fed's unprecedented move to tie 0% interest rates to specific unemployment and inflation goals couldn't shake investors' unease last week, and stock indexes experienced mild losses.

Traders have watched politicians play "chicken" in fiscal-cliff talks for the past few weeks, but until last week the Street didn't flinch. The odds of getting to a deal before Christmas now seem more tenuous, and strategists are already discussing Plan B scenarios.

The market could have benefited from plenty of tailwinds beyond the Fed: Asian and European stocks rose, U.S. inflation data were subdued, and industrial production and job claims showed a rebound after Hurricane Sandy.

Yet the Dow Jones Industrial Average fell 20.12 points, or 0.15%, to 13,135.01. The S&P 500 fell 4.49 points, or 0.32%, to 1,413.58, and the Nasdaq composite dropped 6.71 points, or 0.23%, to 2,971.33. Apple (ticker: AAPL) continued its recent swoon, falling 3.8% on Friday and 4.4% for the week, to $509.79, near a 10-month low.

Trading hinged on the Fed's announcement Wednesday: It's policy-setting arm gave the green light to QE4, and pledged to lock interest rates in the cellar until unemployment falls below 6.5% or inflation rises above 2.5%. But in a press conference that dragged for more than an hour, Fed Chairman Ben Bernanke said he could do little to stem a cliff-induced recession. He also acknowledged that the fiscal cliff's effects had already come to fruition: Businesses are holding off on investments due to the uncertainty, and that's holding the economy back.

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In a week, Congress heads home for Christmas. Data on the housing market and inflation could move markets in the coming week, but all eyes will likely remain on the politicians. Canally thinks the chances for a deal this year are getting slimmer. The date that traders should really fear will come in a few months, when the country hits the debt ceiling again. If that happens, he says, watch gold soar.

Mark Lehmann, director of equities at JMP Securities, sees more room for optimism. Business leaders such as Honeywell (HON) CEO David Cote said last week that they were open to tax increases, which could help give Republicans cover for upping tax rates for the wealthy. Lehmann thinks Republicans will end up bending on tax increases to get a deal done, and he expects investors to latch onto the news. "That's why I think the market is going higher," he says.

It's a shame that the market enters the final weeks of the year smothered in such a heavy wet blanket. Since 1928, the days before New Year's have been very good to investors, according to Ned Davis Research. In each of the last seven trading days of the year, the market has risen more often than it's fallen. If investors find coal in their stockings this year, they'll know who to blame.

Berkshire Hathaway's surprise $1.2 billion share-repurchase last week from the estate of a longtime holder underscored the appeal of the company's stock.

The buyback is bullish because it signals CEO Warren Buffett's belief that Berkshire is significantly undervalued, and it sets a new, higher threshold for further stock buybacks. Berkshire's Class A shares (BRK.A) rose more than $3,000, or 2%, in the wake of the news on Wednesday, to close Friday at $133,795. The Class B shares finished at $89.15.

In agreeing to buy back the 9,200 Class A shares for $131,000 each, Berkshire lifted the cap on its share-repurchase program to 120% of book value from 110% of book. Berkshire's repurchase program, begun in September 2011, is unusual because it has a limit on the price that the company is willing to pay. The new cap should help put a floor underneath Berkshire shares at around current levels because 1.2 times the company's third-quarter book of $111,718 is $134,061.

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The company probably could borrow $25 billion or more of intermediate-term debt at around 2%. One option would be to buy back $50 billion at once through a tender offer, at say, $575 a share. That would retire about 10% of its stock and be highly accretive to earnings. Apple historically has been very conservative financially, but CEO Tim Cook and the board ought to reconsider.

The already depressed market for Puerto Rican debt weakened further Friday in the wake of a downgrade of most of the commonwealth's debt by Moody's Investors Service. Moody's cut its rating on Puerto Rico's general-obligation debt to Baa3, its lowest investment-grade mark, from Baa1, and some issuers like the Puerto Rico Aqueduct and Sewer Authority were cut to a junk-grade Ba1.

Moody's cited the Puerto Rico's heavy debt load of more than $50 billion, a badly underfunded pension system, a weak economy, and fiscal problems.

One muni manager said Puerto Rican 30-year general obligation bonds were trading Friday at about 5.25%, up about half percentage point in yield in the past week. Long-term bonds from the lower-rated Aqueduct and Sewer Authority traded at close to a 6% yield. That's way above the 3.10% yield on top-grade long-term muni debt.

Puerto Rican debt is widely held by individuals and mutual funds because it's triple-tax exempt in all states. Many single-state muni funds own it, including those operated by Oppenheimer Rochester. Barron's warned in an August cover story on state finances that investors should be wary of Puerto Rican debt ("Puerto Rico Munis are no Vacation," Aug. 27, 2012).

There could be further weakness in Puerto Rican bonds if mutual funds and individuals sell bonds in the coming weeks. Even with the recent sell-off, investors may want to steer clear of the debt because of deep-seated financial and economic problems in Puerto Rico.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13135.01	-20.12	-0.15
DJTransportation	5186.95	+58.89	+1.15
DJUtilities	451.10	-2.54	-0.56
DJ65Stocks	4414.19	+6.51	+0.15
DJUSMarket	354.34	-1.06	-0.30
NYSEComp.	8333.73	+19.44	+0.23
NYSEMKTComp.	2396.20	-2.22	-0.09
S&P500	1413.58	-4.49	-0.32
S&PMidCap	1001.53	-1.18	-0.12
S&PSmallCap	461.40	-0.74	-0.16
Nasdaq	2971.33	-6.71	-0.23
ValueLine(arith.)	3092.50	+11.25	+0.37
Russell2000	823.75	+1.48	+0.18
DJUSTSM	14786.44	-39.69	-0.27

	Last Week	Week Earlier
NYSE		
Advances	1,390	1,499
Declines	1,762	1,641
Unchanged	70	76
NewHighs	264	267
NewLows	85	64
AvDailyVol(mil)	3,339.1	3,333.4
Dollar (Finexspotindex)	79.56	80.42
T-Bond (CBTnearbyfutures)	133-125	134-020
Crude Oil (NYMlightsweetcrude)	86.73	85.93
Inflation KR-CRB (FuturesPriceIndex)	294.89	294.70
Gold (CMXnearbyfutures)	1695.80	1704.00

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DOW JONES
NEWSWIRES

DJ Australia Shares Flat As High-Yield Stocks Weaken

437 字
2012 年 12 月 17 日 00:34
Dow Jones Institutional News
DJDN
英文

SYDNEY--The Australian share market was flat early Monday as high-yield stocks weakened into the year end following strong gains in much of the year, while iron-ore miners rose after further strength in iron ore prices.

At 0010 GMT, the benchmark S&P/ASX 200 was down 0.1% at 4579.3 after being confined to a narrow range of 4569.4 to 4581.6 in early trading.

Among high-yielding bluechips, Commonwealth Bank of Australia, Westpac, ANZ and Telstra fell 0.3%-0.8%.

In the resources sector, BHP Billiton, Rio Tinto and Fortescue Metals rose 0.8%-3% after spot iron ore added 2.2% Friday according to The Steel Index.

"It's been a fairly tepid start to the week as liquidity is drying up before Christmas and we're still waiting for a deal on the U.S. fiscal cliff," said Macquarie Private Wealth investment adviser John Milroy. "But weekend developments were positive for resources, with iron ore prices continuing to rise, and increased confidence of unlimited quantitative easing by the Bank of Japan after the landslide win by the LDP (Liberal Democratic Party) in the Japanese election. The market is also still reacting to Federal Reserve's pledge to do more quantitative easing."

In a potentially positive lead for global equity markets, U.S. S&P500 futures were 0.6% higher early Monday after weekend reports that U.S. House Speaker John Boehner made an offer to President Barack Obama Friday of tax hikes on Americans earnings more than US$1 million a year, in return for cuts to Federal entitlement programs. While President Obama reportedly rejected the offer, traders hoped it could lead to a year-end deal to resolve the U.S. fiscal cliff.

Traders were also eyeing Asian markets, where the Nikkei 225 opened up 1.6% as the landslide win by the LDP/New Komeito coalition in Japan's election weighed on the Japanese yen because of the LDP's pledge to push for unlimited quantitative easing in Japan in order to boost economic growth.

Notwithstanding reports of Mr. Boehner's concession on tax hikes, Macquarie's Mr. Milroy expects equities to consolidate in the absence of a deal on the fiscal cliff.

Fairfax Media rose 1.5% after agreeing to sell its remaining stake in New Zealand internet classifieds business Trade Me Group for A$616 million in a deal underwritten by UBS.

Write to David Rogers at david.rogers1@wsj.com

(END) Dow Jones Newswires

December 16, 2012 19:34 ET (00:34 GMT)

文件 DJDN000020121217e8ch00054

CLWR, Off 13% as Sprint Takes Control, Didn't Have Many Options, Says Wells
Barron's Blogs, 2012 年 12 月 17 日 18:32, 276 字, By Tiernan Ray, (英文)
The Street today is pondering the rather surprising decision, announced this morning, by wireless broadband provider Clearwire (CLWR) to accept Sprint-Nextel's (S) $2.97-per-share offer to buy out the rest of the company that it does not ...
文件 WCBBE00020121217e8ch0015q

Dow Jones Newswires

Barron's Blog/Tech Trader Daily: CLWR Off 13% as Sprint Takes Control: Didn't Have Many Options, Says Wells

319 字
2012 年 12 月 17 日 18:32
Dow Jones Global Equities News
DJI
英文

(This story has been posted on Barron's Online's Tech Trader Daily blog at http://blogs.barrons.com/techtraderdaily.)

By Tiernan Ray

The Street today is pondering the rather surprising decision, announced this morning, by wireless broadband provider Clearwire (CLWR) to accept Sprint-Nextel's (S) $2.97-per-share offer to buy out the rest of the company that it does not own.

Last week, some analysts had predicted that Clearwire's board will not approve such a price, perhaps demanding something more like $5 per share.

The disappointment is reflected today in the drop in Clearwire shares of 43 cents, or almost 13%, at $2.94. Sprint shares are down 4 cents, or 0.6%, at $5.51. Clearwire noted in its press release that the offer "represents a 128 percent premium to Clearwire's closing share price the day before the Sprint-SoftBank discussions were first confirmed in the marketplace on October 11."

The deal comes with $800 million in new financing for Clearwire's operations, to be funded by exchangeable notes, "which will be exchangeable under certain conditions for Clearwire common stock at $1.50 per share, subject to adjustment under certain conditions," Clearwire said.

Jennifer Fritzsche of Wells Fargo, who has an Outperform rating on Clearwire stock, wrote this morning, "While this represents a discount to other valuations in the spectrum space, we believe CLWR was somewhat limited in its negotiations by fact there was only one logical buyer of the asset."

"We also note, CLWR shares have moved 120% since the Sprint / SoftBank deal was announced in mid-October vs. an 18% move in the S&P500 during the same period."

-For continuously updated news from The Wall Street Journal, see WSJ.com at http://wsj.com.

[17-12-12 1832GMT]

文件 DJI0000020121217e8ch000si

DOW JONES
NEWSWIRES

DJ MARKET TALK: S&P/ASX 200 May Rise On Weekend Developments

294 字
2012 年 12 月 16 日 22:56
Dow Jones Institutional News
DJDN
英文

2256 GMT [Dow Jones] Australia's S&P/ASX 200 may rise Monday after reports of a concession by House Speaker John Boehner on tax hikes, increased prospects of unlimited quantitative easing in Japan after a landslide win by the LDP in weekend elections, a 2.2% rise in spot iron ore and a 4.3% rise in the Shanghai Composite after strong Chinese manufacturing data Friday, and stronger-than-expected U.S. manufacturing and industrial production data. Despite the 0.4% decline in the S&P500 that followed a lack of progress last week on the U.S. fiscal cliff, and a 3.8% fall in Apple, the resources heavy S&P/ASX 200 should benefit from stronger iron ore prices. More generally, risk assets should get a boost from renewed hopes of a deal on the fiscal cliff following weekend reports that House Speaker John Boehner offered tax hikes on the wealthy, in return for Federal entitlement cuts.

Japan's Nikkei 225 looks poised for further strength as the Japanese yen has fallen sharply after the LDP/Komeito coalition landslide victory, and growing expectations of quantitative easing in Japan is another plus for commodity prices and Australian resources stocks. On the charts, the S&P/ASX 200 may test last week's high at 4603.5, though the July 22 peak at 4612.2 is potentially strong resistance. The Oct. 18 peak at 4581.8 is offering support. S&P/ASX 200 closed 0.3 point higher at 4583.1 Friday. (david.rogers1@wsj.com)

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

(END) Dow Jones Newswires

December 16, 2012 17:56 ET (22:56 GMT)

文件 DJDN000020121216e8cg000fm

DOW JONES
NEWSWIRES

Barron's(12/17) The Trader: Investors Ignore QE4; Stocks Slip On Week

1,858 字
2012 年 12 月 15 日 05:09
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(From BARRON'S)
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Yet the Dow Jones Industrial Average fell 20.12 points, or 0.15%, to 13,135.01. The S&P 500 fell 4.49 points, or 0.32%, to 1,413.58, and the Nasdaq composite dropped 6.71 points, or 0.23%, to 2,971.33. Apple (ticker: AAPL) continued its recent swoon, falling 3.8% on Friday and 4.4% for the week, to $509.79, near a 10-month low.

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15 Dec 2012 00:09 EDT Barron's(12/17) The Trader: Investors Ignore QE4; -2-

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NYSEComp.	8333.73	+19.44	+0.23
NYSEMKTComp.	2396.20	-2.22	-0.09
S&P500	1413.58	-4.49	-0.32
S&PMidCap	1001.53	-1.18	-0.12
S&PSmallCap	461.40	-0.74	-0.16
Nasdaq	2971.33	-6.71	-0.23
ValueLine(arith.)	3092.50	+11.25	+0.37
Russell2000	823.75	+1.48	+0.18
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	Last Week	Week Earlier
NYSE		
Advances	1,390	1,499
Declines	1,762	1,641
Unchanged	70	76
NewHighs	264	267
NewLows	85	64
AvDailyVol(mil)	3,339.1	3,333.4
Dollar (Finexspotindex)	79.56	80.42
T-Bond (CBTnearbyfutures)	133-125	134-020
Crude Oil (NYMlightsweetcrude)	86.73	85.93
Inflation KR-CRB (FuturesPriceIndex)	294.89	294.70
Gold (CMXnearbyfutures)	1695.80	1704.00

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(END) Dow Jones Newswires

December 15, 2012 00:09 ET (05:09 GMT)

文件 DJDN000020121215e8cf000mm

DOW JONES
NEWSWIRES

Barron's Blog/Tech Trader Daily: AAPL Falls as Low as $506.01: UBS, Jefferies Trim iPhone Views, Ponder China Question

1,047 字
2012 年 12 月 14 日 20:06
Dow Jones Institutional News
DJDN
英文

(This story has been posted on Barron's Online's Tech Trader Daily blog at http://blogs.barrons.com/techtraderdaily .)

By Tiernan Ray

Shares of Apple (AAPL) are down $22. 94 or 4.2%, at $506.75, recovering from a low of the session of $506.01, as a couple of different analysts warned of a possible shortfall in iPhone sales not this quarter but next.

UBS's Steve Milunovich, reiterating a Buy rating on the shares, cut his price target to $700 from $780 after reducing 2013 and 2014 estimates to reflect what could be lower iPhone sales than he'd been expecting, and lower iPad sales.

Milunovich cut his EPS estimate for the fiscal year ending next September to $47 from $51.50, on revenue of $187.22 billion. That is below the consensus for $192.32 billion and $49.63. Milunovich's "checks" of the supply chain, he writes, suggest the " build rate" for the iPhone is "falling to 25 million units for the March quarter" while he's been estimating sales of the iPhone of 40 million that quarter. For the current quarter, he is modeling 45 million units, unchanged, but he cut his March-quarter number to 41 million from 46 million.

For all of 2013, Milunovich cut his estimate from 170 million units to 155 million.

He adds that some sources in China are telling him the iPhone 5 will not be as popular in that country as was the last model, the 4S.

Milunovich thinks Apple might be able to strike a deal with the largest carrier, China Mobile (CHL), by late next year:

Our sense is that Apple and China Mobile could partner on the iPhone toward the end of 2013, representing a potential 13-17m units in annualized demand. Should a deal come sooner, Apple would have a better opportunity in building a sound foothold while warding off share gains from incumbent high-end players -- Samsung, HTC, and Nokia. Such a deal with similar economics found in other key markets could exceed $6.00 of earnings on an annualized basis. Regaining share in developed markets and developing new sources of growth, particularly in Brazil and Mexico, would also be sources for earnings upside.

Milunovich models $28.92 billion in iPhone sales this quarter, and $25.83 billion next quarter, on sales of 45 million and 41 million, respectively.

Street consensus is for $30.55 billion this quarter and $27.06 billion next quarter.

Milunovich is also concerned that the recently introduced iPad mini is cannibalizing the larger model, so that "sustaining a 20 million iPad run rate [in unit sales] isn't easy."

Milunovich maintains his December-quarter estimate of 22 million units but cut his March-quarter number to 21.7 million from 23 million, and cut his full-year 2013 estimate to 88.9 million from 93 million.

Jefferies & Co.'s Peter Misek a short while ago issued his own view on the component state. Misek, who has a Buy rating on Apple stock and an $800 price target, writes that demand this quarter for the iPhone "appears solid" as "their is still no iPhone inventory at retail."

Misek suggests, however, that some " bottlenecks" this quarter have rippled through to March, causing numbers to come down for that's quarter's component orders:

As we noted earlier this week, assembly builds were recently trimmed from 60M-65M to 60M with iPhone 5 builds trimmed from 40M-45M to 40M. Our checks indicate the builds at the assemblers (Hon Hai, Pegatron, Jabil) have remained constant since then. But in the last 24-48 hours, component suppliers have seen large order cuts as the assembly bottleneck has not improved as much as hoped. We believe assembly is currently 15M iPhone 5 handsets per month with a target of 20M/month in January. We had thought Apple would be further along the assembly ramp at this point and believe Apple will see extra charges due to the excess component inventory. Therefore we cut our CQ4 GM from 40.0% to 39.0% (St 38.6%) [...] Major component suppliers have seen significant CQ1 iPhone 5 order cuts (35-40M to 25-30M), which we believe is mostly due to CQ4 component over-builds (50M CQ4 target) and excess component inventory being built. We have not seen any changes to the CQ1 assembly build plan since last week's trim from 60M-65M to 60M, but we think it could be tweaked lower as Apple wants to keep inventory light ahead of the iPhone 5S launch in Jun/Jul. We cut our CQ1 iPhone est from 52M to 48M and GM from 42.0% to 40.0% due to the mix shift and continued assembly execution issues.

The upshot of all that is that Misek is sticking with a 53 million-unit estimate for this quarter, but cutting his estimate for next quarter to 52 million from 48 million.

On the score of China, Misek notes "CQ4 demand appears solid. We do not see a demand issue as there is still no iPhone 5 inventory at retail. Also, we have not detected any finished goods inventory at suppliers. We would note that the iPhone 5 China launch has been surprisingly muted but are unsure how much weather (snow) or the required pre-ordering (to prevent riots) are factors.

Misek's estimate for fiscal 2013 goes from $215.7 billion in revenue and $58.92 in EPS to $213 billion and $56.75.

On the technical front, Ron Daino with RF Daino Global Advisors warns the stock has been testing a recent crucial threshold:

AAPL has failed in an attempt to close above short-term resistance near 540.00.

Currently the stock is moving toward a test of its Nov. 16 low at 505.75. A break of 505.75 could continue to put pressure on the **S&P500**, NDX-100 and NASDAQ` Composite. Closely monitor any equity holdings that are technology focused.

-For continuously updated news from The Wall Street Journal, see WSJ.com at http://wsj.com .

(END) Dow Jones Newswires

December 14, 2012 15:06 ET (20:06 GMT)

文件 DJDN000020121214e8ce005mv

DOW JONES
NEWSWIRES

DJ Australia Shares Up 0.2% On High-Yield Stocks, Defensives

381 字
2012 年 12 月 14 日 00:27
Dow Jones Institutional News
DJDN
英文

SYDNEY--The Australian share market was higher early Friday on renewed demand for high-yield and defensive stocks, while cyclicals lagged behind after renewed concern about the so-called fiscal cliff outweighed positive U.S. economic data overnight.

At 0005 GMT, the benchmark S&P/ASX 200 was up 0.2% at 4590, the gain coming despite a 0.6% fall in the S&P500 overnight. The domestic market is approaching 4603.5, the 16-month high it reached Wednesday.

Commonwealth Bank, National Australia Bank, Telstra, Woolworths, Westfield and Amcor gained 0.2%-1.5%.

In the opposite direction, News Corp., Newcrest, Fortescue and Santos declined 0.2%-0.8%. News Corp. owns Dow Jones, publisher of this newswire.

APN News & Media dropped 6.4% after a profit warning late Thursday. Insurance Australia Group fell 1.7% after announcing a loss on the sale of its U.K. business.

While the U.S. Federal Reserve this week committed to further quantitative easing, fiscal policy negotiations in Washington appeared to sour after House Speaker John Boehner said Thursday that President Barack Obama's budget proposals weren't balanced. Mr. Boehner said the White House appeared willing to slow-walk the economy up to the fiscal cliff, the automatic spending cuts and tax increases that will take effect next year in the absence of a new budget deal.

"Ultimately, the Fed's quantitative easing and a 6.5% unemployment target will be considered a major positive for global equities," Chris Weston, chief market strategist at IG, said. "But the fiscal cliff is the main concern at the moment, with John Boehner highlighting the fact that there's yet to be any compromise from the Democrats on spending cuts."

Mr. Weston said Australian equities could take a positive lead from Japanese equities if they rally further on expectations of an election win by the Liberal Democratic Party this weekend, as the LDP favors further quantitative easing in Japan. The Nikkei Stock Average opened 0.4% lower Friday.

HSBC's flash China manufacturing purchasing managers index is due at 0145 GMT.

Write to David Rogers at david.rogers1@wsj.com

(END) Dow Jones Newswires

December 13, 2012 19:27 ET (00:27 GMT)

文件 DJDN000020121214e8ce00085

Dow Jones Newswires

MARKET TALK: S&P/ASX 200 May Dip On US Fiscal Jitters; China Data Due

308 字
2012 年 12 月 13 日 22:59
Dow Jones Global Equities News
DJI
英文

2259 GMT [Dow Jones] Australia's S&P/ASX 200 may dip Friday on U.S. fiscal jitters, with IG tipping a 0.1% opening fall to 4578, after the S&P500 declined 0.6% following a 0.2% intraday gain on better-than-expected U.S. economic data. November retail sales ex-autos rose 0.7% versus an expected decline, and weekly jobless claims fell to 343,000 versus 367,000 expected. On the charts, the S&P/ASX 200 has potentially strong support from former resistance at 4581.8, as well as a minor uptrend line at 4582.8 and the five-day moving average at 4577. APN News & Media (APN.AU) is like to suffer as a result of the profit warning announced late Thursday. Resources may be weighed down by commodity price falls, with BHP's (BHP.AU) ADRs down 0.4% at A$35.86, after LME copper fell 0.7%, spot gold retreated 0.9% and Nymex crude declined 1%, but iron-ore pure plays may outperform after spot iron ore rose 1.1% to US$126.40. IAG (IAG.AU) should get a boost after agreeing to sell its U.K. operations.

HSBC's flash China manufacturing PMI data could provide a fresh catalyst when released at 0145 GMT Friday, with the market expecting a slight improvement on the 50.8 level recorded last month. However, fiscal cliff negotiations are likely to remain the major focus over the weekend. The S&P/ASX 200 closed down 1 point at 4582.8 Thursday. (david.rogers1@wsj.com)

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

[13-12-12 2259GMT]

1012 1054 1085 1106 22766 22767 5014 55115

文件 DJI0000020121213e8cd000yz

DOW JONES
NEWSWIRES

DJ MARKET TALK: S&P/ASX 200 Likely Firm On Resources, Yield Stocks

218 字
2012 年 12 月 11 日 23:00
Dow Jones Institutional News
DJDN
英文

2300 GMT [Dow Jones] Australia's S&P/ASX 200 is likely to remain firm Wednesday, potentially closing above the 2012 peak at 4581.8. Europe's STOXX 600 rose 0.3% as stronger-than-expected German business survey data overnight gave hope that German would avoid recession next year, the S&P500 climbed 0.7% after the Wall Street Journal said U.S. lawmakers had made progress toward averting the fiscal cliff that threatens to weigh on the U.S. economy next year. Iron-ore miners are likely to continue outperforming after spot iron ore rose 1.2% to US$124.90. BHP's (BHP.AU) ADRs point to a 0.3% gain in the market heavyweight. High-yield stocks may continue to attract offshore buyers after the Australian dollar rose to US$1.0540, consistent with its yield advantage to major currencies. IG Markets tips a 0.4% opening rise to 4596 in the S&P/ASX 200. The index closed up 0.4% at 4576.0 Tuesday, its highest close in 16 months. (david.rogers1@wsj.com)

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

(END) Dow Jones Newswires

December 11, 2012 18:00 ET (23:00 GMT)

文件 DJDN000020121211e8cb006xz

BARRON'S

MARKET WEEK

Stocks --- The Trader: There's No Santa Claus Rally? Who's Afraid of Dividend-Tax Hikes?

By Vito J. Racanelli
1,823 字
2012 年 12 月 10 日
Barron's
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英文

We tried to write a column without mentioning the words fiscal cliff. Oops.

Stock prices finished mixed last week, with the Dow up 1% and the Nasdaq down the same amount. A big drop in Apple (ticker: AAPL) shares took a bite out of tech stocks. As has been the case since the elections, market attention is focused almost exclusively on . . . that's right, the fiscal cliff.

U.S. stocks in part were supported by a strong rally in Chinese stocks last week and the lack of bad news from Europe. The Dow Jones Industrial Average rose 130 points, or 1%, to finish at 13,155.13, while the Standard and Poor's 500 index added two points, or 0.1%, to 1418.07. But the tech-laden Nasdaq Composite fell 32 points, or 1%, to 2978.04.

Of late, Apple's stock chart has shown alarmingly normal behavior, that is, shares going down as well as up. Last week it fell 9% to 533.25.

"Apple's a victim of its own success," notes Todd Schoenberger, a managing partner at LandColt Capital. Up about 75% earlier this year, it has been a "capital gains machine" in 2012, so accountants are telling money managers to take those gains at this year's lower tax rates while they can. There's that fiscal cliff again.

To paraphrase Howie Mandel, adds Peter Boockvar, an equity strategist at Miller Tabak, the market's focus on the fiscal cliff right now can be distilled into "deal or no deal?" It will celebrate a deal and cry on no deal, but the arguably more important contents of the deal won't be a worry until 2013, he says.

Schoenberger thinks the market's traditionally good showing in December might not occur this year because of the concentration on Washington, D.C. Short of the unlikely event of a deal in coming days, "there will be no Santa Claus rally this year," he predicts.

Economic data that might otherwise have moved the market were relegated to the back burner last week. The Labor Department said on Friday that the November unemployment rate fell 0.2 percentage points, to 7.7%, thanks mainly to a 350,000 drop in the labor force. Consumer-confidence numbers released Friday were weaker than expected.

As amply noted in the financial press, special dividends have come fast and furious this year, and they've intensified in recent weeks. According to Markit Securities Finance, the fourth quarter has seen 159 special-dividend announcements, an all-time high. Most arrived after the elections.

Corporations are rushing to beat the Dec. 31 deadline, the fiscal cliff, when the Bush-era capital-gains and dividend-tax rates are scheduled to expire -- if there's no action by Congress and the administration. Without action, dividend taxes can soar from 15% to as much as 43.4%, with an Obamacare surcharge, for investors at the highest income level.

In the rush to pay out cash to shareholders now, some companies, like hospital operator HCA (HCA), have loaded up on debt to pay their special dividend.

The prospect of higher taxes has some investors worried about next year's market return, says Christian Thwaites, CEO of Sentinel Investments. But the two aren't necessarily connected, he adds.

For example, for an investor with $250,000 in taxable income, the tax-cut expiration could raise taxes about 13% next year. With the after-tax dividend yield of the Standard & Poor's 500 index now about 1.89%, if taxes went up the additional 13%, the net dividend yield would fall to roughly 1.64%. In order for the S&P 500 index price to get back to a 1.89% net yield, it would have to correct to about 1232. Yields and stock prices move inversely.

That would be a scary 13% or so drop in the stock market, he notes, but this admittedly crude measure doesn't take into account that dividends are expected to rise about 11% next year. So, the consensus projection of the 2013 S&P 500 dividend yield is high enough that it effectively cancels out the tax-hike reduction, he adds. "What's the big deal here?" Thwaites asks.

Moreover, adds Matthew D. McCormick, a portfolio manager at Bahl & Gaynor, "People buy dividend-yielding stocks for income and downside protection, not tax avoidance." This strategy doesn't go away when taxes go up, and arguably -- if higher taxes cause market volatility -- then the demand for dividend payers would be more acute, he opines. Roughly half of all household-owned equities are held in tax-deferred accounts, so today's tax rate is not a big factor to them, he adds.

If history is any guide, the stock-market return and taxes don't seem strongly correlated. The nearby chart reveals a fact many investors probably aren't familiar with: Some of the highest average annual stock-market returns came in decades when taxes were higher than they are today. Conversely, the worst stock-market returns occurred during the era of the Bush tax reductions and low dividends, the first decade of the 21st century. Most investors are familiar with that.

We like lower taxes as much as the next guy, but if investors are worried that higher dividend and capital-gains taxes by themselves imply a poor stock-market return next year, history doesn't agree.

After shares of Penn National Gaming (PENN) soared by one-third on its announced transformation into a real-estate investment trust, we understand that the U.S. Post Office, which owns mailboxes around the country, and Greece, with its beautiful islands, are both considering turning into REITs in order to save big-time on taxes.

We're kidding, of course, but Penn shares jumped on the idea that it will return more to shareholders because REITs pay substantially less in taxes. In a nutshell, Penn, which runs 29 casinos and racetracks, will turn into two companies, a "PropCo," which will own the properties, and a gambling-operations company, or "OpCo," which will lease the properties. For those who are unfamiliar with REITs, they pay little in taxes as long as they distribute nearly all -- typically over 90% -- of their income to shareholders.

Investors are scouring the casino industry for other companies that might be able to pull this off, and have sent their stock prices higher. Las Vegas Sands (LVS), Boyd Gaming (BYD), and Ameristar Casinos (ASCA) have all sharply outperformed the market since Penn's announcement.

But is a gambling REIT a good idea?

UBS' REIT analyst, Russ Nussbaum, is skeptical. The flaws to structures like the one Penn is proposing, he writes in a recent report, are that the PropCo's fate rests on just two factors: the health of the OpCo, here a gambling operation, and the ability of the PropCo to diversify its revenue.

In general for REITs, the fewer the tenants, the higher the stock discount to peers. The best REITs have huge tenant bases that give them stable revenue. One tenant doesn't do that. The PropCo will have to diversify its rental base, and that's going to cost money.

"We cannot overstate the risk that this lack of revenue diversification poses to the REIT," Nussbaum writes, "which in turn supports our view that REITs with large tenant concentrations should trade at a heavily discounted valuation."

He adds, "We can't help but wonder if the OpCo-PropCo restructurings are simply shortsighted attempts to increase stock prices via arbitraging current real-estate [values] versus equities valuations, rather than long-term strategies to enhance shareholder value." His report also points out that such structures have a mixed history.

Not only does Penn's REIT have just one tenant, but it's a heavily regulated one, with gambling operations subject to multiple regional and national regulators. It's not clear how the regulators will react to this change or how long the approvals will take.

Moreover, casinos are not shopping centers or apartment buildings. They need more frequent and costly refurbishments to keep up with rivals adding better attractions, slots, and sprucing-up rooms every few years. And shopping center REITs don't have to worry about keeping their gambling licenses.

While it is true that the PropCo will be free to do property-sale/leaseback deals with any casino it wants, that potential growth is going to take time and money, and it's untested territory.

The day before the announcement, Penn was 37.61, and now it's nearly 49.47, although the firm's assets are exactly the same. In fairness to the company, some insiders were buying the stock at the higher levels, presumably because they believe in the plan.

Under the REIT set up, earnings that accrue to shareholders will probably be greater in aggregate, but they will come through financial engineering not fundamental improvements. That expected PropCo expansion might or might not prove possible. After one year, the effect of the tax savings on comparable earnings growth will disappear and Penn will remain the same casino company that has posted up-and-down results over the past five years.

It's not like more gamblers will be rushing to Penn casino joints because it's a REIT. Penn's share price discounts a lot of good things happening over the next 12 months. It won't take much of a disappointment to dunk the stock.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13155.13	+129.55	+0.99
DJTransportation	5128.06	+8.95	+0.17
DJUtilities	453.64	-0.48	-0.11
DJ65Stocks	4407.68	+24.20	+0.55
DJUSMarket	355.40	+0.60	+0.17
NYSEComp.	8314.29	+53.85	+0.65
NYSEMKTComp.	2398.42	-1.24	-0.05
S&P500	1418.07	+1.89	+0.13
S&PMidCap	1002.71	+2.56	+0.26
S&PSmallCap	462.14	-0.01	-0.00
Nasdaq	2978.04	-32.20	-1.07
ValueLine(arith.)	3081.25	+8.44	+0.27
Russell2000	822.27	+0.35	+0.04
DJUSTSM	14826.13	+19.76	+0.13

	Last Week	Week Earlier
NYSE		
Advances	1,499	1,973
Declines	1,641	1,193
Unchanged	76	56
NewHighs	267	289
NewLows	64	59
AvDailyVol(mil)	3,333.4	3,281.9
Dollar (Finexspotindex)	80.41	80.15
T-Bond (CBTnearbyfutures)	134-020	134-040
Crude Oil (NYMlightsweetcrude)	85.93	88.91
Inflation KR-CRB (FuturesPriceIndex)	294.70	298.98
Gold (CMXnearbyfutures)	1704.00	1710.90

5035

文件 B000000020121208e8ca0000z

DOW JONES
NEWSWIRES

DJ MARKET TALK: S&P/ASX 200 May Rise On US, China Data

272 字
2012 年 12 月 9 日 22:56
Dow Jones Institutional News
DJDN
英文

2256 GMT [Dow Jones] Australia's S&P/ASX 200 may rise Monday after stronger-than-expected U.S. jobs data outweighed disappointing U.S. consumer sentiment data, and China's industrial production and retail sales data beat expectations over the weekend. With the S&P500 up 0.3% on Friday and BHP's (BHP.AU) ADRs up 0.7% to A$34.65, there may be scope for the S&P/ASX 200 to test the year's high at 4581.7 early this week. China's economic data released Sunday will help avert fear of a hard landing in China, potentially buoying global equities and commodities markets. Also, on a positive note, aides to President Barack Obama and House Speaker John Boehner said "the lines of communication remain open" on fiscal policy, after unscheduled White House talks Sunday.

However, after rising 0.9% Friday amid reports of large offshore buy orders in high-yielding bluechips, the S&P/ASX 200 may be restrained by profit taking in the absence of further offshore buying, particularly with the year end approaching, the U.S. Federal Reserve meeting Tuesday/Wednesday, and progress toward averting the U.S. fiscal cliff proving elusive. In the past three weeks the S&P/ASX 200 has risen 4.9%, its biggest three-week rise in 12 months. The index closed Friday at 4551.8 points. (david.rogers1@wsj.com)

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

(END) Dow Jones Newswires

December 09, 2012 17:56 ET (22:56 GMT)

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DOW JONES
NEWSWIRES

Barron's(12/10) The Trader: There's No Santa Claus Rally? Who's Afraid Of Dividend-Tax Hikes?

1,856 字
2012 年 12 月 8 日 05:07
Dow Jones Institutional News
DJDN
M3
英文

(From BARRON'S)
By Vito J. Racanelli
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In general for REITs, the fewer the tenants, the higher the stock discount to peers. The best REITs have huge tenant bases that give them stable revenue. One tenant doesn't do that. The PropCo will have to diversify its rental base, and that's going to cost money.

"We cannot overstate the risk that this lack of revenue diversification poses to the REIT," Nussbaum writes, "which in turn supports our view that REITs with large tenant concentrations should trade at a heavily discounted valuation."

He adds, "We can't help but wonder if the OpCo-PropCo restructurings are simply shortsighted attempts to increase stock prices via arbitraging current real-estate [values] versus equities valuations, rather than long-term strategies to enhance shareholder value." His report also points out that such structures have a mixed history.

Not only does Penn's REIT have just one tenant, but it's a heavily regulated one, with gambling operations subject to multiple regional and national regulators. It's not clear how the regulators will react to this change or how long the approvals will take.

Moreover, casinos are not shopping centers or apartment buildings. They need more frequent and costly refurbishments to keep up with rivals adding better attractions, slots, and sprucing-up rooms every few years. And shopping center REITs don't have to worry about keeping their gambling licenses.

While it is true that the PropCo will be free to do property-sale/leaseback deals with any casino it wants, that potential growth is going to take time and money, and it's untested territory.

The day before the announcement, Penn was 37.61, and now it's nearly 49.47, although the firm's assets are exactly the same. In fairness to the company, some insiders were buying the stock at the higher levels, presumably because they believe in the plan.

Under the REIT set up, earnings that accrue to shareholders will probably be greater in aggregate, but they will come through financial engineering not fundamental improvements. That expected PropCo expansion might or might not prove possible. After one year, the effect of the tax savings on comparable earnings growth will disappear and Penn will remain the same casino company that has posted up-and-down results over the past five years.

It's not like more gamblers will be rushing to Penn casino joints because it's a REIT. Penn's share price discounts a lot of good things happening over the next 12 months. It won't take much of a disappointment to dunk the stock.

8 Dec 2012 00:07 EDT Barron's(12/10) The Trader: There's No Santa -2-

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Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13155.13	+129.55	+0.99
DJTransportation	5128.06	+8.95	+0.17
DJUtilities	453.64	-0.48	-0.11
DJ65Stocks	4407.68	+24.20	+0.55
DJUSMarket	355.40	+0.60	+0.17
NYSEComp.	8314.29	+53.85	+0.65
NYSEMKTComp.	2398.42	-1.24	-0.05
S&P500	1418.07	+1.89	+0.13
S&PMidCap	1002.71	+2.56	+0.26
S&PSmallCap	462.14	-0.01	-0.00
Nasdaq	2978.04	-32.20	-1.07
ValueLine(arith.)	3081.25	+8.44	+0.27
Russell2000	822.27	+0.35	+0.04
DJUSTSM	14826.13	+19.76	+0.13

	Last Week	Week Earlier
NYSE		
Advances	1,499	1,973
Declines	1,641	1,193
Unchanged	76	56
NewHighs	267	289
NewLows	64	59
AvDailyVol(mil)	3,333.4	3,281.9
Dollar (Finexspotindex)	80.41	80.15
T-Bond (CBTnearbyfutures)	134-020	134-040
Crude Oil (NYMlightsweetcrude)	85.93	88.91
Inflation KR-CRB (FuturesPriceIndex)	294.70	298.98
Gold (CMXnearbyfutures)	1704.00	1710.90

(END) Dow Jones Newswires

December 08, 2012 00:07 ET (05:07 GMT)

文件 DJDN000020121208e8c8000h3

WSJ: Hedge Fund Closures Gather Pace

By Harriet Agnew
1,220 字
2012 年 12 月 7 日 03:00
Dow Jones Chinese Financial Wire
DJCFWE
英文

At least six hedge fund managers closed in November and two more just this week, underscoring how the industry is going through a major shakeout due to uncertain markets, changing investor demand and tighter regulation.

And prime brokers and investors expect the rate of attrition to increase.

Last month, hedge funds Edoma Partners, Ridley Park Capital and OMG Capital in Europe, and Grant Capital, Weintraub Capital Management and Kleinheinz Capital Partners in the U.S. all said they would shut down and return external capital to investors. Earlier this week, London-based Apson Capital also said it would discontinue its operations and on Thursday U.S. hedge fund Diamondback Capital Management told investors that it plans to close and wind down its funds after receiving redemption requests totaling more than a quarter of its roughly $2 billion in assets under management.

"If you look at the managers that have closed, there is not much commonality," said Michele Gesualdi, a fund manager at fund of funds firm Kairos Partners, referring to the recent closures, which he said "demonstrate a tough time for the industry in general, regardless of strategy. Probably next year it will be even worse in terms of closures but reduced competition should help performance improve."

There were 192 individual fund liquidations, as distinct from fund managers, in the second quarter of this year and liquidations in the first six months of 2012 exceeded the previous year by 14%, according to data provider Hedge Fund Research. It hasn't yet published figures for the third quarter. Globally, there were 1,023 individual hedge fund liquidations in 2009, 743 in 2010 and 775 in 2011. HFR's figures all reflect the closure of individual funds, rather than entire businesses.

The accelerated closure rate so far this year reflects the range of challenges faced by the industry, including uncertain economic and capital markets crimping activity and increasing swings that aren't based on corporate fundamentals, more demanding clients who are judging managers over a shorter time horizon, and increased regulatory demands.

One major issue is that returns don't stack up.

The average hedge fund was up 4.53% in the first 10 months of this year, according to HFR, underperforming both equities and bonds. In the same period, the S&P500 with-dividends index gained 14.28% and the Barclays Capital Government/Credit Bond Index rose 5.04%. In general, credit strategies have got along better than the hedge fund average, with the average asset-backed fund up 14.35% in the same period, said HFR. Macro funds are down 1.11% and managed futures strategies have fared even worse--the Newedge CTA index is down 2.96% this year through October.

The figures support expectations that the hedge fund industry is set to underperform the main equity markets for the fourth year in a row.

"Closures this year have been death by 1,000 cuts: a drip-drip of underperformance rather than a spectacular blowup," said Guy Wolf, a macro strategist at advisory firm Marex Spectron. "The dominance of macroeconomic concerns and increased intervention from policy makers means that markets have become less fundamentally driven," with investors instead moving into and out of risky assets depending on the prevailing macroeconomic sentiment.

"Many managers who have built their names, reputations and careers in a pre-2008 environment are struggling in this new paradigm, and the attrition rate will increase," he said.

Pierre-Henri Flamand, the former Goldman Sachs proprietary trader who set up Edoma two years ago, said he was shutting down Edoma's event-driven hedge fund "because I don't think I can make money in this environment." Edoma's strategy trades around corporate activity such as mergers, takeovers, restructurings and initial public offerings, and has suffered from the dearth of deal activity.

Grant Capital founder Geoff Grant said that he didn't have an "edge" in current markets. Global macro managers such as Grant, who bet on big economic trends and policy decisions, have found it difficult to time the frequent ups and downs of jittery markets, where swings are often driven by announcements from politicians or central bankers.

A spokesman for OMG Capital, an equity trading boutique, said its "strategy doesn't work in the current environment," explaining that the "risk-on/risk-off" environment had made it difficult for OMG's strategy, which doesn't take a view on the direction of equity markets.

An investor in Apson said that "lack of trends and low volatility across asset classes" had made it challenging for its equity strategy to make money.

More hedge fund closures are expected.

"In strategies where the average performance has been good, individual funds that have underperformed on a two-year basis and don't have critical mass will come under pressure," said Danny Caplan, European head of global prime finance at Deutsche Bank.

Chris Jones, managing director and head of alternatives at consultant bfinance, said: "Prolonged difficult markets are very wearing and some people are just not enjoying it anymore. We expect to see more closures."

Recent closures have at least been orderly, a far cry from the spectacular blowups of hedge funds such as Long Term Capital Management in 1998, Amaranth Advisors in 2006 and Peloton Partners in 2008, all of which suffered huge losses and widespread investor redemptions before exiting from the markets.

"Before it was death through blow up or dramatic loss of assets. Now it's death through petering out," said bifinance's Mr. Jones.

Adding to the trading challenges faced by hedge funds, many investors are demanding more frequent performance reporting, better liquidity and steadier returns, without adjusting their return expectations.

"The hedge fund industry is now more about running a business and playing the game," said one hedge fund manager who preferred to remain anonymous. "The box-ticking is endless. Hedge fund investing should be about finding a manager you believe in, understanding their investment philosophy and sticking with them over the long term, through periods of underperformance."

Marex Spectron's Mr. Wolf said: "Investors are asking managers to think long term but then judging them over the short term. It is not enough for managers to be confident that their long-term view is correct--they have to stay in business long enough to be able see their view play out. This is changing the way they invest".

On top of all this, hedge funds also face more onerous regulation, particularly in the US, where new regulations came into force earlier this year stipulating that managers with more than $150 million in assets have to report to the Securities and Exchange Commission information about their investors and employees, the assets they manage, potential conflicts of interest and their activities outside of fund advising.

Despite these challenges, institutional investors continue to pour money into hedge funds, with industry assets standing at a record $2.1 trillion.

The closures aren't all bad news, said Deutsche Bank's Mr. Caplan.

"It's the natural evolution of the industry and it frees up capital to go to other funds."

Write to Harriet Agnew at harriet.agnew@dowjones.com

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文件 DJCFWE0020121207e8c7001md

Hedge Fund Shakeout: Closures Gather Pace
WSJ Blogs, 2012 年 12 月 6 日 19:57, 231 字, (英文)
It's getting tough out there to be a hedge-fund manager.Federal authorities ramped up their pursuit of insider trading using tactics such as wiretaps that were historically reserved for investigating the mob. In the past three years, U.S. ...
文件 WCWSJB0020121206e8c600799

DOW JONES
NEWSWIRES

DJ FX CHAT: S&P/ASX 200 Likely Supported By Banks, Resources

227 字
2012 年 12 月 6 日 22:59
Dow Jones Institutional News
DJDN
英文

Australia's S&P/ASX 200 should be supported by banks and resources after profit-taking pushed the banks down to technical support levels Thursday, and dovish comments from the European Central Bank supported offshore equity markets and BHP's (BHP.AU) shares overnight. The ECB cut its 2013 GDP forecast to -0.3% from +0.5%, while forecasting inflation around 1.6% in 2013 and 1.4% in 2014, and ECB Chief Mario Draghi said the ECB discussed a cut in interest rates. IG chief market strategist Chris Weston tips a 0.3% opening rise to 4521 after the S&P500 rose 0.3% and BHP's (BHP.AU) ADRs climbed 0.7% to A$34.41. Domestic trade data for October is due at 0030 GMT, with the market expecting a A$2 billion deficit. On the charts, the S&P/ASX 200 should remain within short-term chart levels of 4500 and 4538.6 as the market awaits U.S. jobs data tonight and any developments on the U.S. fiscal cliff over the weekend.

The S&P/ASX 200 closed Thursday down 0.3% at 4509.3. (david.rogers1@wsj.com)

(END) Dow Jones Newswires

December 06, 2012 17:59 ET (22:59 GMT)

文件 DJDN000020121206e8c6006nx

DOWJONES | Newswires

WSJ BLOG/Deal Journal: Hedge Fund Shakeout: Closures Gather Pace

274 字
2012 年 12 月 6 日 19:57
Dow Jones News Service
DJ
英文

(This story has been posted on The Wall Street Journal Online's Deal Journal blog at http://blogs.wsj.com/deals.)

It's getting tough out there to be a hedge-fund manager.

Federal authorities ramped up their pursuit of insider trading using tactics such as wiretaps that were historically reserved for investigating the mob. In the past three years, U.S. Federal prosecutors in Manhattan and the FBI have secured 69 convictions or guilty pleas out of 73 people charged.

But pressure on the industry isn't coming just from the feds. Uncertain markets, changing investor demand and tighter regulation are all contributing to a major shakeout in the industry, reports Deal Journal colleague Harriet Agnew.

There were 424 liquidations of individual funds in the first six months of 2012, exceeding the previous year by 14%, according to data provider Hedge Fund Research.

The accelerated closure rate so far this year reflects the range of challenges faced by the industry, including uncertain economic and capital markets crimping activity and increasing swings that aren't based on corporate fundamentals, more demanding clients who are judging managers over a shorter time horizon, and increased regulatory demands.

The average hedge fund was up 4.53% in the first 10 months of this year, according to HFR, underperforming both equities and bonds. In the same period, the S&P500 with-dividends index gained 14.28% and the Barclays Capital Government/Credit Bond Index rose 5.04%

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[12-06-12 1457ET]

文件 DJ00000020121206e8c6000kf

DOW JONES
NEWSWIRES

Barron's Blog/Tech Trader Daily: AAPL Closes Off 6%: Daino Sees $540 Critical Support Level

355 字
2012 年 12 月 5 日 21:27
Dow Jones Institutional News
DJDN
英文

(This story has been posted on Barron's Online's Tech Trader Daily blog at http://blogs.barrons.com/techtraderdaily .)

By Tiernan Ray

As I mentioned earlier, a possible technical trading indicator was among the many reasons cited for today's sell-off in Apple (AAPL) shares.

The stock is currently down $25.14, or 4.4%, at $550.71.

Ron Daino of RFDaino Global Advisors this afternoon chimed in with his view of the technical situation: he thinks it's worrisome, and the stock must not break a support level at $540, he opines:

The stock had rallied over 17% since November 16, and was able to challenge its 200-day moving average (MA) near 597.00. Despite the strong advance the short-term trend for the stock as measured by our daily models only managed to turn Neutral. The failure on the part of the stock to surpass its 200-day MA and subsequent drop has seriously brought into question the recent advance. This latest decline is a concern as it could influence the near term direction of the NASDAQ and S&P500. Near term, support for AAPL is near 540.00 and it is essential that that level hold in order to stem this latest set back. We might add that volume related studies like the Chaikin Money Flow and others remained unresponsive throughout rally. Weekly technical models showed minor improvement and remain on the defensive (not shown). Ideally, a retest of the lows of November accompanied with daily model non-confirmations (positive divergences) would be a constructive development and we will be monitoring price and the short-term technical models in the days ahead for that possibility.

Update: As it happens, Apple broke that level, adding dramatically to losses in the final leg of the session, closing down $37.05, or 6.4%, at $538.79.

-For continuously updated news from The Wall Street Journal, see WSJ.com at http://wsj.com .

(END) Dow Jones Newswires

December 05, 2012 16:27 ET (21:27 GMT)

文件 DJDN000020121205e8c5006np

AAPL Closes Off 6%: Daino Sees $540 Critical Support Level
Barron's Blogs, 2012 年 12 月 5 日 21:27, 304 字, By Tiernan Ray, (英文)
As I mentioned earlier, a possible technical trading indicator was among the many reasons cited for today's sell-off in Apple (AAPL) shares.
文件 WCBBE00020121205e8c500209

Dow Jones Newswires

MARKET TALK: S&P/ASX 200 Likely Up On Resources Strength

279 字
2012 年 12 月 5 日 22:59
Dow Jones Global Equities News
DJI
英文

2259 GMT [Dow Jones] Australia's S&P/ASX 200 should rise Thursday on resources sector strength after London-listed BHP (BHP.AU) rose 2.4% and Rio Tinto (RIO.AU) rose 3.1%, and BHP's (BHP.AU) ADRs climbed to A$34.68, up 1.1% on the local close. Yield-related demand may continue in banks and Telstra (TLS.AU). Resources sector strength followed growing expectations of further stimulus in China, which helped push the Shanghai Composite up 2.9% while lifting spot iron ore 0.7%. Wall Street has set a positive tone after the S&P500 rose 0.2% following stronger-than-expected services sector and factory orders data. Also helping sentiment, House Speaker John Boehner declared his willingness to meet with President Barack Obama at any time to resolve the so-called fiscal cliff, while Obama said lawmakers could resolve the fiscal cliff in about a week if Republicans agreed to increase taxes on the wealthy.

Sharp moves in Apple, Citigroup, BofA, Travelers and Freeport-McMoRan shares affected the S&P500, although uptrend line support suggests a positive technical picture, which should translate to the S&P/ASX 200 remaining above equivalent uptrend support at 4523. Domestic jobs data could affect the market at 0030 GMT. The market expects no change in employment and a 5.5% unemployment rate. The index up 0.4% Wednesday at 4520.4. (david.rogers1@wsj.com)

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

[05-12-12 2259GMT]

1012 1054 1085 1106 22766 22767 5014 55115 75112

文件 DJI0000020121205e8c500117

Dow Jones Newswires

Barron's Blog/Tech Trader Daily: AAPL: Daino Sees $540 Critical Support Level

315 字
2012 年 12 月 5 日 20:18
Dow Jones Global Equities News
DJI
英文

(This story has been posted on Barron's Online's Tech Trader Daily blog at http://blogs.barrons.com/techtraderdaily.)

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[05-12-12 2018GMT]

文件 DJI0000020121205e8c5000z8

DOW JONES
NEWSWIRES

DJ MARKET TALK: S&P/ASX 200 Likely Supported Before GDP Data

277 字
2012 年 12 月 4 日 22:57
Dow Jones Institutional News
DJDN
英文

2257 GMT [Dow Jones] Australia's S&P/ASX 200 should be supported by positive technical factors Wednesday although domestic GDP data could have some impact. Tuesday's 0.6% fall was the index's biggest decline in more than two weeks. Additionally, there's an uptrend line Wednesday at 4507 and the five-day moving average comes in at 4505. IG Markets tips a 0.1% opening rise to 4510 after SPI 200 futures rose 0.2% to 4512 following a 0.2% fall in the S&P500. U.S. fiscal policy remained in focus, with President Barack Obama rejecting a Republican plan that didn't include tax increases for high income earners. However, Mr. Obama reiterated his belief that a deal can be done to avert the so-called fiscal cliff--automatic tax increases and spending cuts that threaten to choke the U.S. economy next year. In commodity markets, spot gold fell 1.1% to US$1,696.8, Nymex crude oil fell 0.7% to US$88.50, LME copper rose 0.3% and aluminum fell 1.2%.

Domestic third-quarter GDP data are due at 0030 GMT, with the market expecting rises of 0.6% on the quarter and 3.6% on the year. A pending capital raising in Ten (TEN.AU) could weigh on the media sector. The S&P/ASX 200 closed down 0.6% at 4503.6 Tuesday. (david.rogers1@wsj.com)

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

(END) Dow Jones Newswires

December 04, 2012 17:57 ET (22:57 GMT)

文件 DJDN000020121204e8c40073j

BARRON'S

MARKET WEEK
Stocks --- The Trader: Stocks and the D.C. Fear Factor

By Vito J. Racanelli
2,040 字
2012 年 12 月 3 日
Barron's
B
M3
英文

Stocks inched higher last week, and investors took on a little more risk as small-cap stocks sharply outperformed big-cap shares in quiet trading.

Despite the mini-rally, there were notable reversals during the week, driven by conflicting remarks spilling out of high-level politicians in Washington. To some market observers, it seemed as if every trader's eyes went to the TV as soon as any D.C. politico opened his or her mouth.

Comments from Republican Speaker of the House John Boehner offered a prime example of the D.C. factor. Wednesday, he said he was optimistic about the fiscal-cliff negotiations, but on Friday he referred to a "stalemate." Both times he managed to change the direction of the market intraday. Investors hung on every word.

"It's a headline-driven market," says Andrew Ahrens, CEO of Ahrens Investment Partners. "The fiscal cliff is the only thing investors are interested in." He likens it to the kids' game of tag. "People keep their hand on the base," taking it off when one politician speaks hopefully but putting it right back when another seems doubtful about a fiscal-cliff agreement.

Last week, the Dow edged up 16 points, or 0.1%, to finish at 13,025.58, while the Standard & Poor's 500 index added seven points, or 0.5%, to 1416.18. The Nasdaq Composite rose 43 points, or 1.5%, to 3010.24. The small-cap Russell 2000 jumped 15 points or nearly 2%, to 821.92.

"Despite a nice rally over the past two weeks," says Andre Jude Bakhos, director of market analytics at Lek Securities, a heightened sensitivity to headlines will undermine investor confidence as things unfold in the capital ahead of the Dec. 31 fiscal-cliff deadline.

"The market has a feel that a fiscal-cliff deal is priced in," he says. "Until something tangible comes out on the fiscal cliff, we are going to have a choppy market."

"People are looking for direction," adds Brian Belski, the chief investment strategist at BMO Capital markets. Like fans of The X-Files, "investors 'want to believe,' but they can't buy into what's going on in Washington."

The Commerce Department said U.S. third-quarter gross domestic product growth was revised up to 2.7% from 2.0%, though much of that came on higher inventories. Final sales growth was revised down to 1.9% from 2.1%.

From about May 2012, shares of companies that generate most of their revenue here at home began to sharply outperform multinationals, which derive the bulk of revenue overseas. With Europe flat on its back and the Asian economies sputtering, the thinking was straightforward: Though slow, the U.S. economy was the best house on a bad block, so many investors clamored for exposure to domestic stocks, often through utilities, retailing, and housing, among other sectors.

That seems to have begun to change right along with the post-election rally that started Nov. 16. Since then, according to Bespoke Investment Group, the S&P 500 decile of stocks that generate all of their revenue domestically has notably underperformed stocks with lots of international revenue.

What's odd about this is that the broad rally of the past two weeks has been driven by market sentiment that the parties in Washington seemed more cooperative on avoiding the fiscal cliff.

Logically, that should have continued the domestic outperformance. If the federal government isn't able to solve its fiscal problems on a timely basis, it would be the domestic stocks suffering the brunt of the economic pain caused by higher taxes and less government spending.

More probably, investors have grown more sanguine about the global economy in general. Not that growth is returning strongly, but the latest economic surveys from the U.S., China, and Germany suggest that some of the economic clouds could be lifting. It's perhaps too early to call an inflection point, but it's worth watching.

Spinoff deals have been hot this year. Mergers and acquisitions have not, though Corporate America is awash with cash.

In 2012, there have been 58 spinoffs announced so far, and 30 of them have been completed, according to Joe Cornell, head of Spin-Off Advisors and a longtime veteran of the field. The 2012 spinoffs completed to date are valued at about $105 billion, higher than last year's 25 spinoffs valued at $94 billion. With the possible completion by Dec. 31 of five or 10 more of this year's announced spinoffs, the 2012 final value should be significantly higher than 2011's.

If the Abbot Laboratories (ABT) spinoff of AbbVie -- which begins trading on a when-issued basis this month but isn't officially completed until Jan. 1 -- were included, then the 2012 spinoff value would soar to $170 billion, Cornell points out. Other big spinoffs this year included Kraft Food Groups (KFRT), out of Mondelez International (MDLZ), and Post Holdings (POST), a maker of brand-label cereals spun out from Ralcorp Holdings (RAH), a private-label foods maker.

The Ralcorp split up, effected last February, is interesting for a couple of reasons. First, last Tuesday ConAgra (CAG) agreed to buy Ralcorp for $4.95 billion, or $90 a share. In these pages one year ago, when the pre-spin Ralcorp traded at $79, we suggested Ralcorp's July 2011 decision to split off Post would result in two smaller companies, each potentially attractive to bigger players in their sectors.

The rationale behind spinoffs is straightforward. Typically, they are done when one or more of a company's disparate divisions don't fit with the others, and the combined market value doesn't fully reflect the value of the various businesses. It's a tax-efficient way of giving shareholders separate shares of the new company, often a pure-play stock.

The hope is that the total value of the two will be higher than the value of the pre-split company. These moves often create investments that are easier for analysts and investors to understand and that can also be attractive acquisition targets. For a pre-spinoff Ralcorp holder, the gain is $11 a share from the ConAgra offer and about $17 worth of Post Holdings shares, a 35% return from one year ago.

That's the classic spinoff motivation. But as Cornell notes, what's driving the activity higher lately is intensifying agitation by a number of big institutional shareholders -- such as Pershing Square Holdings and JANA Partners -- for such moves. Institutions are buying stocks and then leaning on management to create value, he says, particularly where there's an argument that the sum of the parts is greater than the whole.

Only the latest example, he notes, is the pressure from Relational Investors and California State Teachers' Retirement System, to urge bearings maker Timken (TKR) to spin off its steel unit.

Studies show that spinoffs often outperform the market over a two-to-three-year period, Cornell says. As of Thursday, the Bloomberg U.S. Spun-off Companies Index of 20 spinoffs with a total market value of at least $1 billion is up about 40% year to date. Stocks are in the market-weighted index for three years after their spinoff dates and the return noted above is for the entire portfolio, not an average return.

The valuation debate over the $12.63-per-share, or $1.45 billion, bid for Orient-Express Hotels (OEH) by a consortium led by Indian Hotels obscures a more important issue for Orient Express shareholders: the firm's Byzantine voting structure.

Holders of Orient Express' 102.9 million Class A shares effectively have no say on the transaction because each A share has one-tenth of a vote. Although the Orient Express board, which rejected the bid as too cheap, made the decision for all shareholders, 64% of the voting power at this Bermuda-based company resides with the 18 million Class B common shares, with one vote each.

Here's where it gets interesting. All Class B shares are held by Orient-Express Holdings 1 Ltd., also Bermuda-based and a wholly owned subsidiary of Orient Express Hotels itself.

Yet OE Holdings isn't obligated to follow OE Hotels' board recommendations. According to OE Hotels' latest annual filing with the U.S. Securities and Exchange Commission, under Bermuda law those B shares are voted by the four directors of OE Holdings, two of whom, John D. Campbell and Prudence M. Leith, are also directors of OE Hotels. The other two directors aren't named, but all four have fiduciary duties to OE Holdings. Also in the filing: These four directors, "should they choose to act together, will be able to control substantially all matters affecting" OE Hotels.

Those 18 million Class B shares were purchased by OE Holdings from Sea Containers in July 2002 for a penny a share, or $180,445. OE Hotels was gradually spun off from Sea Containers, beginning in 2000. In

August 2002 filings covering the sale of the Class B shares, OE Hotels said, "In a takeover of OE Hotels, this share-owning subsidiary structure may assist in maximizing value OEH shareholders receive . . . ." The B votes were upheld in a court challenge in Bermuda. This unusual structure is tantamount to a poison pill.

As for the offer from Indian Hotels, which already owns almost 7% of OE Hotels, it undervalues the hotelier despite pedestrian results in the past four years, when rivals have done better. OE Hotels operates more than 40 deluxe hotels like the Hotel Cipriani in Venice and the Copacabana Palace in Rio de Janeiro in Brazil, or about 3,150 rooms.

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Vital Signs

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DJTransportation	5119.11	+67.35	+1.33
DJUtilities	454.12	+13.53	+3.07
DJ65Stocks	4383.48	+43.83	+1.01
DJUSMarket	354.80	+2.18	+0.62
NYSEComp.	8260.43	+34.93	+0.42
NYSEMKTComp.	2399.65	+12.79	+0.54
S&P500	1416.18	+7.03	+0.50
S&PMidCap	1000.15	+10.26	+1.04
S&PSmallCap	462.15	+7.87	+1.73
Nasdaq	3010.24	+43.39	+1.46
ValueLine(arith.)	3072.81	+45.82	+1.51
Russell2000	821.92	+14.74	+1.83
DJUSTSM	14806.37	+114.20	+0.78

	Last Week	Week Earlier
NYSE		
Advances	1,973	2,804
Declines	1,193	362
Unchanged	56	39
NewHighs	289	183
NewLows	59	77
AvDailyVol(mil)	3,281.9	2,649.8
Dollar		
(Finexspotindex)	80.23	80.19
T-Bond		
(CBTnearbyfutures)	134-040	133-105
Crude Oil		
(NYMlightsweetcrude)	88.91	88.28
Inflation KR-CRB		
(FuturesPriceIndex)	298.98	299.07
Gold		
(CMXnearbyfutures)	1710.90	1751.30

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文件 B000000020121201e8c30001b

DOW JONES
NEWSWIRES

Barron's(12/3) The Trader: Stocks And The D.C. Fear Factor

2,074 字
2012 年 12 月 1 日 05:11
Dow Jones Institutional News
DJDN
M3
英文

(From BARRON'S)
By Vito J. Racanelli
Stocks inched higher last week, and investors took on a little more risk as small-cap stocks sharply outperformed big-cap shares in quiet trading.

Despite the mini-rally, there were notable reversals during the week, driven by conflicting remarks spilling out of high-level politicians in Washington. To some market observers, it seemed as if every trader's eyes went to the TV as soon as any D.C. politico opened his or her mouth.

Comments from Republican Speaker of the House John Boehner offered a prime example of the D.C. factor. Wednesday, he said he was optimistic about the fiscal-cliff negotiations, but on Friday he referred to a "stalemate." Both times he managed to change the direction of the market intraday. Investors hung on every word.

"It's a headline-driven market," says Andrew Ahrens, CEO of Ahrens Investment Partners. "The fiscal cliff is the only thing investors are interested in." He likens it to the kids' game of tag. "People keep their hand on the base," taking it off when one politician speaks hopefully but putting it right back when another seems doubtful about a fiscal-cliff agreement.

Last week, the Dow edged up 16 points, or 0.1%, to finish at 13,025.58, while the Standard & Poor's 500 index added seven points, or 0.5%, to 1416.18. The Nasdaq Composite rose 43 points, or 1.5%, to 3010.24. The small-cap Russell 2000 jumped 15 points or nearly 2%, to 821.92.

"Despite a nice rally over the past two weeks," says Andre Jude Bakhos, director of market analytics at Lek Securities, a heightened sensitivity to headlines will undermine investor confidence as things unfold in the capital ahead of the Dec. 31 fiscal-cliff deadline.

"The market has a feel that a fiscal-cliff deal is priced in," he says. "Until something tangible comes out on the fiscal cliff, we are going to have a choppy market."

"People are looking for direction," adds Brian Belski, the chief investment strategist at BMO Capital markets. Like fans of The X-Files, "investors 'want to believe,' but they can't buy into what's going on in Washington."

The Commerce Department said U.S. third-quarter gross domestic product growth was revised up to 2.7% from 2.0%, though much of that came on higher inventories. Final sales growth was revised down to 1.9% from 2.1%.

From about May 2012, shares of companies that generate most of their revenue here at home began to sharply outperform multinationals, which derive the bulk of revenue overseas. With Europe flat on its back and the Asian economies sputtering, the thinking was straightforward: Though slow, the U.S. economy was the best house on a bad block, so many investors clamored for exposure to domestic stocks, often through utilities, retailing, and housing, among other sectors.

That seems to have begun to change right along with the post-election rally that started Nov. 16. Since then, according to Bespoke Investment Group, the S&P 500 decile of stocks that generate all of their revenue domestically has notably underperformed stocks with lots of international revenue.

What's odd about this is that the broad rally of the past two weeks has been driven by market sentiment that the parties in Washington seemed more cooperative on avoiding the fiscal cliff.

Logically, that should have continued the domestic outperformance. If the federal government isn't able to solve its fiscal problems on a timely basis, it would be the domestic stocks suffering the brunt of the economic pain caused by higher taxes and less government spending.

More probably, investors have grown more sanguine about the global economy in general. Not that growth is returning strongly, but the latest economic surveys from the U.S., China, and Germany suggest that some of the economic clouds could be lifting. It's perhaps too early to call an inflection point, but it's worth watching.

Spinoff deals have been hot this year. Mergers and acquisitions have not, though Corporate America is awash with cash.

In 2012, there have been 58 spinoffs announced so far, and 30 of them have been completed, according to Joe Cornell, head of Spin-Off Advisors and a longtime veteran of the field. The 2012 spinoffs completed to date are valued at about $105 billion, higher than last year's 25 spinoffs valued at $94 billion. With the possible completion by Dec. 31 of five or 10 more of this year's announced spinoffs, the 2012 final value should be significantly higher than 2011's.

If the Abbot Laboratories (ABT) spinoff of AbbVie -- which begins trading on a when-issued basis this month but isn't officially completed until Jan. 1 -- were included, then the 2012 spinoff value would soar to $170 billion, Cornell points out. Other big spinoffs this year included Kraft Food Groups (KFRT), out of Mondelez International (MDLZ), and Post Holdings (POST), a maker of brand-label cereals spun out from Ralcorp Holdings (RAH), a private-label foods maker.

The Ralcorp split up, effected last February, is interesting for a couple of reasons. First, last Tuesday ConAgra (CAG) agreed to buy Ralcorp for $4.95 billion, or $90 a share. In these pages one year ago, when the pre-spin Ralcorp traded at $79, we suggested Ralcorp's July 2011 decision to split off Post would result in two smaller companies, each potentially attractive to bigger players in their sectors.

The rationale behind spinoffs is straightforward. Typically, they are done when one or more of a company's disparate divisions don't fit with the others, and the combined market value doesn't fully reflect the value of the various businesses. It's a tax-efficient way of giving shareholders separate shares of the new company, often a pure-play stock.

The hope is that the total value of the two will be higher than the value of the pre-split company. These moves often create investments that are easier for analysts and investors to understand and that can also be attractive acquisition targets. For a pre-spinoff Ralcorp holder, the gain is $11 a share from the ConAgra offer and about $17 worth of Post Holdings shares, a 35% return from one year ago.

That's the classic spinoff motivation. But as Cornell notes, what's driving the activity higher lately is intensifying agitation by a number of big institutional shareholders -- such as Pershing Square Holdings and JANA Partners -- for such moves. Institutions are buying stocks and then leaning on management to create value, he says, particularly where there's an argument that the sum of the parts is greater than the whole.

Only the latest example, he notes, is the pressure from Relational Investors and California State Teachers' Retirement System, to urge bearings maker Timken (TKR) to spin off its steel unit.

Studies show that spinoffs often outperform the market over a two-to-three-year period, Cornell says. As of Thursday, the Bloomberg U.S. Spun-off Companies Index of 20 spinoffs with a total market value of at least $1 billion is up about 40% year to date. Stocks are in the market-weighted index for three years after their spinoff dates and the return noted above is for the entire portfolio, not an average return.

The valuation debate over the $12.63-per-share, or $1.45 billion, bid for Orient-Express Hotels (OEH) by a consortium led by Indian Hotels obscures a more important issue for Orient Express shareholders: the firm's Byzantine voting structure.

Holders of Orient Express' 102.9 million Class A shares effectively have no say on the transaction because each A share has one-tenth of a vote. Although the Orient Express board, which rejected the bid as too cheap, made the decision for all shareholders, 64% of the voting power at this Bermuda-based company resides with the 18 million Class B common shares, with one vote each.

Here's where it gets interesting. All Class B shares are held by Orient-Express Holdings 1 Ltd., also Bermuda-based and a wholly owned subsidiary of Orient Express Hotels itself.

Yet OE Holdings isn't obligated to follow OE Hotels' board recommendations. According to OE Hotels' latest annual filing with the U.S. Securities and Exchange Commission, under Bermuda law those B shares are voted by the four directors of OE Holdings, two of whom, John D. Campbell and Prudence M. Leith, are also directors of OE Hotels. The other two directors aren't named, but all four have fiduciary duties to OE

Holdings. Also in the filing: These four directors, "should they choose to act together, will be able to control substantially all matters affecting" OE Hotels.

Those 18 million Class B shares were purchased by OE Holdings from Sea Containers in July 2002 for a penny a share, or $180,445. OE Hotels was gradually spun off from Sea Containers, beginning in 2000. In August 2002 filings covering the sale of the Class B shares, OE Hotels said, "In a takeover of OE Hotels, this share-owning subsidiary structure may assist in maximizing value OEH shareholders receive . . . ." The B votes were upheld in a court challenge in Bermuda. This unusual structure is tantamount to a poison pill.

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1 Dec 2012 00:11 EDT Barron's(12/3) The Trader: Stocks And The D.C. -2-

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S&PSmallCap	462.15	+7.87	+1.73
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T-Bond		
(CBTnearbyfutures)	134-040	133-105

Crude Oil		
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Inflation KR-CRB		
(FuturesPriceIndex)	298.98	299.07
Gold		
(CMXnearbyfutures)	1710.90	1751.30

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(END) Dow Jones Newswires

December 01, 2012 00:11 ET (05:11 GMT)

文件 DJDN000020121201e8c1000h5

Dow Jones Newswires

MARKET TALK: S&P/ASX 200 Tipped To Extend Gains Friday

209 字
2012 年 11 月 29 日 22:59
Dow Jones Global Equities News
DJI
英文

2259 GMT [Dow Jones] Australia's S&P/ASX 200 is tipped to extend its two-week rise Friday after SPI 200 futures gained 0.5% following a 0.4% rally in the S&P500 as U.S. pending home sales data beat expectations and Wall Street remained hopeful of a resolution to the so-called fiscal cliff. After an intraday fall following comments from House Speaker John Boehner that no progress is being made in budget talks, markets recovered after Democrat senator Chuck Schumer said there had been progress and the White House said there was cause for optimism about the fiscal-cliff negotiations. In a positive sign for the Australian market, resources led gains on Wall Street, and BHP (BHP.AU) ADRs gained 1.1% to A$34.60. Europe's Stoxx 600 rose 1.2% to a 17-month high and Rio Tinto (RIO.AU) rose 5.1% in London. The S&P/ASX 200 closed 0.7% higher Thursday at 4477.7. (david.rogers1@wsj.com)

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

[29-11-12 2259GMT]

1012 1054 1085 1106 22766 22767 5014 55115
文件 DJI0000020121129e8bt0010g

Exchange Traded Funds Top 10 Volume Leaders

164 字
2012 年 11 月 28 日 22:32
Dow Jones News Service
DJ
英文

STOCK (Symbol)		LAST	NET CHG	% CHG	VOL 100s
SPDR S&P 500	SPY	141.46	1.13	0.81	75,266,960
iShrs MSCI Emerg Mkts	EEM	41.51	0.23	0.55	44,248,841
PwrShrs QQQ Tr Series 1	QQQ	65.52	0.56	0.86	36,400,926
Direxion Daily Sm Bear 3x	TZA	15.67	-0.38	-2.37	24,053,225
iShrs Russell 2000	IWM	81.31	0.68	0.84	23,521,191
Select Sector SPDR-Finl	XLF	15.70	0.06	0.38	19,983,257
ProShrs UltraShort S&P500	SDS	55.93	-0.87	-1.53	14,181,116
iShrs Silver Tr	SLV	32.62	-0.31	-0.94	12,940,593
iShs Tr DJ U.S. Real Es	IYR	62.97	-0.11	-0.17	12,006,271
Select Sector SPDR-Util	XLU	34.75	0.14	0.40	10,494,269

[11-28-12 1732ET]

文件 DJ00000020121128e8bs000xv

DOW JONES
NEWSWIRES

DJ EUROPEAN MORNING BRIEFING: Greek Deal in Spotlight

3,244 字
2012 年 11 月 27 日 05:00
Dow Jones Institutional News
DJDN
英文

SNAPSHOT:
========
-European bourses seen higher, bunds, gilts lower; euro higher; spot gold, oil futures slightly higher

-Eurogroup Agrees Measures to Cut Greek Debt to 124% GDP by 2020

-IMF Chief: Can Back Greek Tranche With Progress on EU Commitments

-Greek Fin Min: Aim to Complete Bond Buyback by Dec 13

-Eurogroup Has Plans for Different Scenarios -France Finance Minister

-German Finance Minister Aims to Get Parliament's OK for Latest Greek Deal by Friday

-ECB's Praet: Limits to What Monetary Policy Can and Should Credibly Do

-Moody's Sees 1-2% Revenue Fall in Europe's Telecom Sector in 2013

-Watch for: French consumer confidence; U.K. GDP; U.S. durable goods orders and consumer confidence

EUROPEAN OUTLOOK & US/ASIAN SUMMARIES:
========
European stock markets look set to benefit from the positive sentiment generated after Greece's international creditors reached a deal overnight to end an impasse over the country's rescue program and unlock long-delayed loan payments.

Greece's official creditors agreed to various steps to cut the country's debt to 124% of gross domestic product by 2020 but refused to accept a haircut on their loans to the country, the Eurogroup of finance ministers said.

The measures, which include an extension of loan maturities, a cut to the interest rates Greece is paying on loans from its international partners and a debt buyback, should reduce Greece's debt to "substantially lower" than 110% in 2022, the Eurogroup said in a statement.

Greece will receive payments in four disbursements if formal approval is given by the Eurogroup by Dec. 13. The formal sign-off will depend on national parliaments approving the measures and will take place after a review of the benefits of a possible debt buyback. Germany's finance minister, Wolfgang Schaeuble, said he hoped to get parliamentary approval for the deal by the end of the week.

The first tranche of EUR34.4 billion should be paid out in December and will cover budgetary financing and the recapitalization of banks. The other three tranches will be disbursed in the first quarter of 2013, "linked to the implementation" by Greece of its second bailout program.

"The ECB welcomes the deal," European Central Bank President Mario Draghi told reporters early Tuesday. "It will reduce uncertainty, and increase confidence in Europe."

International Monetary Fund Managing Director Christine Lagarde said that "once progress has been made on specifying and delivering on the commitments made today, in particular implementation of the debt buybacks, I would be in a position to recommend" to the IMF board further bailout disbursement.

Asian markets are mostly higher following the agreement, although mainland China indexes have fallen amid expectations that there will unlikely be any further economic policy boost until the year end.

STOCKS:
======
Markets are set to open higher following events in Brussels, with IG calling the FTSE up 29 at 5816, the DAX up 50 at 7342, and the CAC up 20 at 3521.

"The deal has brought confidence back into today's markets. The Greek debt issue has been a hand break on the markets' march higher," Ben Taylor, Sydney-based sales trader for CMC Markets said.

"Traders will continue to monitor any comments by European leaders following the marathon meeting. A clear blueprint to bringing Greece's debt to more sustainable levels should encourage buyers of euros," Stan Shamu, IG market strategist, said.

Meanwhile, now that Congress is back, U.S. fiscal cliff talk will return to the spotlight.

"Talk that the republicans are preparing to cave in on their 'no tax hike' beliefs have the markets pricing that a resolution is near. If the compromise starts to fade we will see quick moves that reduce the current risk premiums in U.S. markets, Mr Taylor said.

U.S. stock futures are higher Tuesday, after both the DJIA and the S&P500 nudged lower Monday.

The "market action is just a giveback from the extremely strong performance late last week," said Jim McDonald, chief investment strategist at Northern Trust Global Investment.

"I suspect that we're going to be tossed around a bit on headlines coming out of these negotiations on the 'fiscal cliff,'" said Bill Stone, chief investment strategist at PNC Asset Management Group.

FOREX:
======
The euro is a touch higher after investor sentiment was buoyed by news Greece's official creditors, including the International Monetary Fund and the European Union, agreed a deal to lower the country's debt burden.

"The deal meets expectations and thus may continue the recent trend towards more risk positive trading," said Greg Gibbs, currency strategist at RBS.

The euro rose to a session high of US$1.3008 before giving up some of those gains.

The formal sign-off of the new Greek deal will depend on national parliaments approving the measures and will take place after a review of the benefits of a possible debt buyback. That could upset the renewed optimism, said Alex Sinton, a senior dealer on global markets at ANZ Bank.

"It's all about implementation and that'll drag on," he said.

Masashi Murata, senior forex strategist at Brown Brothers Harriman, said the focus now will be whether Athens will be able to follow through on the deal amid signs of economic slowdown in the region.

"The market's focus will now shift to economic trends of not only Greece but of the entire euro-zone including Germany," Mr. Murata said, noting he is "pessimistic" on the future of the currency bloc's economy. "EUR-selling pressure may soon return after the impact of the news fades."

BONDS:
=====
Greek bonds will be in focus again Tuesday, after the deal reached following lengthy talks between euro-zone finance ministers and the IMF overnight.

Greek Finance Minister Yiannis Stournaras said the country's euro-zone partners will give Athens a loan so that it can buy back bonds held by private sector creditors at a reduced price so that it can retire part of its debt.

"It will be a loan from our partners. We aim to complete the bond buy back by Dec. 13, but I can't say more," Mr. Stournaras told reporters.

As for bunds and gilts, key support at 141.95 in the bund and last week's low at 119.14 in the gilt will come under fresh pressure, after a three-day consolidation phase, Francis Bray, Dow Jones Chief Technical Analyst for Europe, said.

Prospects for a break below 141.95 in the December bund have increased, creating additional downside risk to 141.70 and the 141.25/141.35 support area, Mr. Bray said. A downside break in the December gilt is expected to expose the 118.75/118.85 target area.

On the data front, the gilts market will be closely watching the second estimate of third-quarter U.K. GDP.

The ONS isn't expected to revise the initially reported quarter-on-quarter growth rate of 1.0%, which came after nine straight months of contraction. However, the pick-up relied heavily on one-off factors including a favorable comparison with a weak second quarter and the boost to spending from Olympic Games ticket sales. For that reason many economists, including those at the Bank of England, expect the fourth quarter to show much weaker growth, or possibly a renewed contraction in output.

A survey of French consumer confidence will also be watched, particularly after an Italian survey Monday showed confidence falling to an all-time low in November.

Markets will also be keeping an eye on auctions in Spain and Italy. The Spanish Treasury plans to sell EUR3 billion to EUR4 billion of three-month and six-month treasury bills, while Italy will auction EUR2.5 billion to EUR3.5 billion of zero-coupon notes, or CTZ, and a combined EUR500 million to EUR1 billion of two inflation-linked bonds, or BTPei.

U.S. Treasury bond futures are lower Tuesday after the market Monday reversed some of last week's losses amid investor jitters about deals to cope with Greece and the U.S.'s fiscal troubles.

"The equity market certainly behaved last week as though the fiscal cliff issue was solved with minimal pain," said Richard Gilhooly, interest rate strategist at TD Securities. "The fact that we have no details and weekend press suggests the two sides remain far apart is starting to wear on positions."

ENERGY:
=======
Crude oil futures are slightly higher in Asia, tracking regional equities after euro-zone ministers agreed to release the next tranche of bailout money to Greece.

The news pushed the euro up versus the U.S. dollar, boosting buying interest in oil. The gains in oil prices, however, were limited as Europe's economic difficulties remain a concern. The risk premium related to Middle East supplies has also diminished over the last few days as a truce between Israel and Palestine holds.

January WTI is up 27 cents at $88.01/bbl, while Brent futures on ICE are 17 cents higher at $111.09/bbl.

METALS:
======
Gold and silver are mixed in tight ranges after creditors agreed to a number of steps to cut Greece's debt.

Spot gold is at $1,749.63/oz, up 23 cents, while silver is at $34.16/oz, down two cents.

ANZ says gold prices have failed to make the decisive break higher that it feels is needed to confirm a move towards $1,800/oz, and the metal is at risk of slipping back towards $1,733/oz. Silver continues to test resistance at $34.40/oz, "but we still think that the market will struggle to push above that level," ANZ says.

LME base metals are mixed amid in subdued trading and are likely to trend lower over the next few weeks, as concerns over the U.S. fiscal cliff and Greece's mid- to long-term debt problems limit risk appetite, a Singapore-based trader says.

Three-month copper is trading at $7,781.75/ton, up $1.75 from its previous settlement, while three-month aluminum is 0.5% lower at $1,990/ton.

Write to Helen Ozolins at helen.ozolins@dowjones.com

27 Nov 2012 00:00 EDT DJ EUROPEAN MORNING BRIEFING: Market Prices, Data Calendar

DJIA 12967.37 -42.31 -0.33%

Nasdaq 2976.78 +9.93 +0.33%
S&P 500 1406.29 -2.86 -0.20%
FTSE 100 5786.72 -32.42 -0.56%
Xetra DAX 7292.03 -17.10 -0.23%
CAC40 3500.94 -27.86 -0.79%
Latest closing prices

Nikkei 9401.14 +12.20 +0.13%
Hang Seng 21890.71 +28.90 +0.13%
S&P/ASX 200 4454.00 +29.80 +0.67%
MumbaiSens 18729.85 +192.84 +1.04%
Kospi 1925.53 +17.02 +0.89%
ShanghaiComp 1998.20 -19.26 -0.95%
Taipei 7409.61 +2.24 +0.03%
As of 0425 GMT

Dow Future 12958.00 +22.00 +0.17%
NASDAQ Future 2653.00 +7.25 +0.27%
S&P Future 1405.90 +2.60 +0.19%
As of 0450 GMT

USD/JPY 81.96-2.00 -0.12%
Range 82.09 81.86
EUR/USD 1.2976-80 +0.05%
Range 1.3009 1.2970
GBP/USD 1.6030-34 +0.03%
Range 1.6044 1.6026
USD/CHF 0.9278-80 +0.02%
Range 0.9281 0.9254
AUD/USD 1.0475-78 +0.11%
Range 1.0489 1.0456
EUR/GBP 0.8094-97 +0.01%
Range 0.8112 0.8092
EUR/CHF 1.2040-46 +0.07%
Range 1.2044 1.2034
As of 0350 GMT vs NY close

USD/JPY Vol Option Contract 8.25%/8.75%
Day Earlier: 8.55%/9.0%
EUR/USD Vol Option Contract 6.85%/7.2%
Day Earlier: 6.9%/7.2%
AUD/USD Vol Option Contract 6.12%/6.52%
Day Earlier: 6.21%/6.79%
GBP/USD Vol Option Contract 4.9%/5.3%
Day Earlier: 4.9%/5.3%
USD/CHF Vol Option Contract 6.5%/7.0%
Day Earlier:riday: 6.5%/7.0%
Above are 1-Mo prices as of 0430 GMT

2Y Tsy 99 31/32 +0/32 0.270% -0.4BP
5Y Tsy 100 13/32 +4/32 0.666% -2.2BP
10Y Tsy 99 21/32 +9/32 1.663% -3.2BP
Closing Treasury prices vs prior NY close;
10Y JGB 0.730% flat
JGB as of 0435 GMT

Asian Spot Gold $1,749.80 $0.40 0.0%
Comex Gold $1,751.80 $1.00 0.1%
Brent Crude Oil $111.07 $0.15 0.1%
Above are as of 0300 GMT vs NY close

G7 CALENDAR:

Tuesday, November 27 Exp Prev
GMT

0700 UK Nov Nationwide House
Price Index
Monthly   +0.6%
Yearly   -0.9%
0700 GER Oct Foreign trade price
indices
0745 FRA Nov Consumer Confidence
Index   84
0745 FRA Oct Housing starts
0745 FRA Q3 New home sales
0930 UK Sep UK monthly service
sector figures
0930 UK Q3 Business investment
provisional results
Business Investment
QoQ First Estimate -1.5%
QoQ 2nd Estimate   +0.9%
Business Investment
YoY First Estimate +1.7%
YoY 2nd Estimate   +3.1%
0930 UK Q3 GDP 2nd estimate
1000 UK BOE Governor Mervyn King
gives evidence to
Treasury Committee
1000 FRA OECD Economic Outlook
1245 US 11/24 ICSC-
Goldman Sachs
Chain Store Sales Index
WoW   -0.3%
YoY   +2.5%
1330 US Oct Chicago Fed Midwest
Manufacturing Index MoM
-0.4%
YoY   +8.5%
Auto Output Index MoM
-2.2%
YoY   +16.4%
Machinery Output Index
MoM   -0.3%
YoY   +8.1%
Resource Output Index
MoM   +0.9%
YoY   +2.6%
Steel Output Index
MoM   -0.1%
YoY   +8.1%
1330 US Oct Advance Report on
Durable Goods
Total Orders-1.3% +9.9%
Ex-Defense   +9.1%
Ex-Transportation   +2%
1330 US Federal Reserve Chairman
Ben Bernanke brief
welcoming remarks in
Washington, DC
1330 CAN Q3 financial statistics
for enterprises
1355 US 11/24 Johnson Redbook
Retail Sales Index
MoM % Change   0%
12MonChgPct   +1.4%
52WkChgPct   +1.8%
1400 US Sep S&P/Case-Shiller
Home Price Index
SP Composite-10 MoM+0.9%
SP Composite-10 YoY+1.3%

SP Composite-20 MoM+0.9%
SP Composite-20 YoY
+3.2% +2%
National QoQ +6.9%
National YoY +1.2%
1500 US Sep Monthly House Price
House Price Index 191.2
MoM +0.4% +0.7%
YoY +4.7%
1500 US Nov Richmond FedBusiness
Activity Survey
Manufacturing Index -7
Retail Revenues 5
Services Revenue 3
Shipments -9
1500 US Q3 Quarterly House
Price Index
1500 US Nov Consumer Confidence
Index 73 72.2
Expectation 82.9
Present Situation 56.2
2230 CAN Chicago Fed President
Charles Evans speech
N/A EU Oct New Commercial
Vehicle Registrations
N/A UK BOE Governor King's
Annual Report
N/A US Obama meets Mexican
president-elect

27 Nov 2012 00:00 EDT DJ EUROPEAN MORNING BRIEFING: Corporate Events

No major corporate earnings expected Tuesday

27 Nov 2012 00:01 EDT DJ EUROPEAN MORNING BRIEFING: Other Scheduled Events

Acegas (AEG.MI) : EGM - 1st call re amendments to Articles of Association

Adcock Ingram (AIP.JO) : Full year 2012 Results

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27 Nov 2012 00:01 EDT DJ EUROPEAN MORNING BRIEFING: Dividend Payment & Ex-Div Dates

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Wilh Wilhelmsen Holding - A Shares (WWI.OS) : Interim 2012 Dividend payment date - proposed (seen 4.50000)

Wilh Wilhelmsen Holding - B Shares : Interim 2012 Dividend payment date - proposed (seen 4.50000)

(END) Dow Jones Newswires

November 27, 2012 00:01 ET (05:01 GMT)

文件 DJDN000020121127e8br001hd

Dow Jones Newswires

EUROPEAN MORNING BRIEFING: Greek Deal in Spotlight

3,205 字
2012 年 11 月 27 日 05:00
Dow Jones Global Equities News
DJI
英文

SNAPSHOT:
========
-European bourses seen higher, bunds, gilts lower; euro higher; spot gold, oil futures slightly higher

-Eurogroup Agrees Measures to Cut Greek Debt to 124% GDP by 2020

-IMF Chief: Can Back Greek Tranche With Progress on EU Commitments

-Greek Fin Min: Aim to Complete Bond Buyback by Dec 13

-Eurogroup Has Plans for Different Scenarios -France Finance Minister

-German Finance Minister Aims to Get Parliament's OK for Latest Greek Deal by Friday

-ECB's Praet: Limits to What Monetary Policy Can and Should Credibly Do

-Moody's Sees 1-2% Revenue Fall in Europe's Telecom Sector in 2013

-Watch for: French consumer confidence; U.K. GDP; U.S. durable goods orders and consumer confidence

EUROPEAN OUTLOOK & US/ASIAN SUMMARIES:
========
European stock markets look set to benefit from the positive sentiment generated after Greece's international creditors reached a deal overnight to end an impasse over the country's rescue program and unlock long-delayed loan payments.

Greece's official creditors agreed to various steps to cut the country's debt to 124% of gross domestic product by 2020 but refused to accept a haircut on their loans to the country, the Eurogroup of finance ministers said.

The measures, which include an extension of loan maturities, a cut to the interest rates Greece is paying on loans from its international partners and a debt buyback, should reduce Greece's debt to "substantially lower" than 110% in 2022, the Eurogroup said in a statement.

Greece will receive payments in four disbursements if formal approval is given by the Eurogroup by Dec. 13. The formal sign-off will depend on national parliaments approving the measures and will take place after a review of the benefits of a possible debt buyback. Germany's finance minister, Wolfgang Schaeuble, said he hoped to get parliamentary approval for the deal by the end of the week.

The first tranche of EUR34.4 billion should be paid out in December and will cover budgetary financing and the recapitalization of banks. The other three tranches will be disbursed in the first quarter of 2013, "linked to the implementation" by Greece of its second bailout program.

"The ECB welcomes the deal," European Central Bank President Mario Draghi told reporters early Tuesday. "It will reduce uncertainty, and increase confidence in Europe."

International Monetary Fund Managing Director Christine Lagarde said that "once progress has been made on specifying and delivering on the commitments made today, in particular implementation of the debt buybacks, I would be in a position to recommend" to the IMF board further bailout disbursement.

Asian markets are mostly higher following the agreement, although mainland China indexes have fallen amid expectations that there will unlikely be any further economic policy boost until the year end.

STOCKS:
======
Markets are set to open higher following events in Brussels, with IG calling the FTSE up 29 at 5816, the DAX up 50 at 7342, and the CAC up 20 at 3521.

"The deal has brought confidence back into today's markets. The Greek debt issue has been a hand break on the markets' march higher," Ben Taylor, Sydney-based sales trader for CMC Markets said.

"Traders will continue to monitor any comments by European leaders following the marathon meeting. A clear blueprint to bringing Greece's debt to more sustainable levels should encourage buyers of euros," Stan Shamu, IG market strategist, said.

Meanwhile, now that Congress is back, U.S. fiscal cliff talk will return to the spotlight.

"Talk that the republicans are preparing to cave in on their 'no tax hike' beliefs have the markets pricing that a resolution is near. If the compromise starts to fade we will see quick moves that reduce the current risk premiums in U.S. markets, Mr Taylor said.

U.S. stock futures are higher Tuesday, after both the DJIA and the S&P500 nudged lower Monday.

The "market action is just a giveback from the extremely strong performance late last week," said Jim McDonald, chief investment strategist at Northern Trust Global Investment.

"I suspect that we're going to be tossed around a bit on headlines coming out of these negotiations on the 'fiscal cliff,'" said Bill Stone, chief investment strategist at PNC Asset Management Group.

FOREX:
======
The euro is a touch higher after investor sentiment was buoyed by news Greece's official creditors, including the International Monetary Fund and the European Union, agreed a deal to lower the country's debt burden.

"The deal meets expectations and thus may continue the recent trend towards more risk positive trading," said Greg Gibbs, currency strategist at RBS.

The euro rose to a session high of US$1.3008 before giving up some of those gains.

The formal sign-off of the new Greek deal will depend on national parliaments approving the measures and will take place after a review of the benefits of a possible debt buyback. That could upset the renewed optimism, said Alex Sinton, a senior dealer on global markets at ANZ Bank.

"It's all about implementation and that'll drag on," he said.

Masashi Murata, senior forex strategist at Brown Brothers Harriman, said the focus now will be whether Athens will be able to follow through on the deal amid signs of economic slowdown in the region.

"The market's focus will now shift to economic trends of not only Greece but of the entire euro-zone including Germany," Mr. Murata said, noting he is "pessimistic" on the future of the currency bloc's economy. "EUR-selling pressure may soon return after the impact of the news fades."

BONDS:
=====
Greek bonds will be in focus again Tuesday, after the deal reached following lengthy talks between euro-zone finance ministers and the IMF overnight.

Greek Finance Minister Yiannis Stournaras said the country's euro-zone partners will give Athens a loan so that it can buy back bonds held by private sector creditors at a reduced price so that it can retire part of its debt.

"It will be a loan from our partners. We aim to complete the bond buy back by Dec. 13, but I can't say more," Mr. Stournaras told reporters.

As for bunds and gilts, key support at 141.95 in the bund and last week's low at 119.14 in the gilt will come under fresh pressure, after a three-day consolidation phase, Francis Bray, Dow Jones Chief Technical Analyst for Europe, said.

Prospects for a break below 141.95 in the December bund have increased, creating additional downside risk to 141.70 and the 141.25/141.35 support area, Mr. Bray said. A downside break in the December gilt is expected to expose the 118.75/118.85 target area.

On the data front, the gilts market will be closely watching the second estimate of third-quarter U.K. GDP.

The ONS isn't expected to revise the initially reported quarter-on-quarter growth rate of 1.0%, which came after nine straight months of contraction. However, the pick-up relied heavily on one-off factors including a favorable comparison with a weak second quarter and the boost to spending from Olympic Games ticket sales. For that reason many economists, including those at the Bank of England, expect the fourth quarter to show much weaker growth, or possibly a renewed contraction in output.

A survey of French consumer confidence will also be watched, particularly after an Italian survey Monday showed confidence falling to an all-time low in November.

Markets will also be keeping an eye on auctions in Spain and Italy. The Spanish Treasury plans to sell EUR3 billion to EUR4 billion of three-month and six-month treasury bills, while Italy will auction EUR2.5 billion to EUR3.5 billion of zero-coupon notes, or CTZ, and a combined EUR500 million to EUR1 billion of two inflation-linked bonds, or BTPei.

U.S. Treasury bond futures are lower Tuesday after the market Monday reversed some of last week's losses amid investor jitters about deals to cope with Greece and the U.S.'s fiscal troubles.

"The equity market certainly behaved last week as though the fiscal cliff issue was solved with minimal pain," said Richard Gilhooly, interest rate strategist at TD Securities. "The fact that we have no details and weekend press suggests the two sides remain far apart is starting to wear on positions."

ENERGY:
=======
Crude oil futures are slightly higher in Asia, tracking regional equities after euro-zone ministers agreed to release the next tranche of bailout money to Greece.

The news pushed the euro up versus the U.S. dollar, boosting buying interest in oil. The gains in oil prices, however, were limited as Europe's economic difficulties remain a concern. The risk premium related to Middle East supplies has also diminished over the last few days as a truce between Israel and Palestine holds.

January WTI is up 27 cents at $88.01/bbl, while Brent futures on ICE are 17 cents higher at $111.09/bbl.

METALS:
======
Gold and silver are mixed in tight ranges after creditors agreed to a number of steps to cut Greece's debt.

Spot gold is at $1,749.63/oz, up 23 cents, while silver is at $34.16/oz, down two cents.

ANZ says gold prices have failed to make the decisive break higher that it feels is needed to confirm a move towards $1,800/oz, and the metal is at risk of slipping back towards $1,733/oz. Silver continues to test resistance at $34.40/oz, "but we still think that the market will struggle to push above that level," ANZ says.

LME base metals are mixed amid in subdued trading and are likely to trend lower over the next few weeks, as concerns over the U.S. fiscal cliff and Greece's mid- to long-term debt problems limit risk appetite, a Singapore-based trader says.

Three-month copper is trading at $7,781.75/ton, up $1.75 from its previous settlement, while three-month aluminum is 0.5% lower at $1,990/ton.

Write to Helen Ozolins at helen.ozolins@dowjones.com [27-11-12 0500GMT]

DJIA	12967.37	-42.31	-0.33%
Nasdaq	2976.78	+9.93	+0.33%
S&P 500	1406.29	-2.86	-0.20%

FTSE 100   5786.72   -32.42   -0.56%
Xetra DAX 7292.03   -17.10   -0.23%
CAC40   3500.94   -27.86   -0.79%
Latest closing prices

Nikkei   9401.14   +12.20   +0.13%
Hang Seng   21890.71   +28.90   +0.13%
S&P/ASX 200 4454.00   +29.80   +0.67%
MumbaiSens 18729.85 +192.84   +1.04%
Kospi   1925.53   +17.02   +0.89%
ShanghaiComp 1998.20   -19.26   -0.95%
Taipei   7409.61   +2.24   +0.03%
As of 0425 GMT

Dow Future   12958.00 +22.00 +0.17%
NASDAQ Future 2653.00 +7.25 +0.27%
S&P Future   1405.90 +2.60 +0.19%
As of 0450 GMT

USD/JPY 81.96-2.00 -0.12%
Range   82.09   81.86
EUR/USD 1.2976-80   +0.05%
Range   1.3009   1.2970
GBP/USD 1.6030-34   +0.03%
Range   1.6044   1.6026
USD/CHF 0.9278-80   +0.02%
Range   0.9281   0.9254
AUD/USD 1.0475-78   +0.11%
Range   1.0489   1.0456
EUR/GBP 0.8094-97   +0.01%
Range   0.8112   0.8092
EUR/CHF 1.2040-46   +0.07%
Range   1.2044   1.2034
As of 0350 GMT vs NY close

USD/JPY Vol Option Contract 8.25%/8.75%
Day Earlier: 8.55%/9.0%
EUR/USD Vol Option Contract 6.85%/7.2%
Day Earlier: 6.9%/7.2%
AUD/USD Vol Option Contract 6.12%/6.52%
Day Earlier: 6.21%/6.79%
GBP/USD Vol Option Contract 4.9%/5.3%
Day Earlier: 4.9%/5.3%
USD/CHF Vol Option Contract 6.5%/7.0%
Day Earlier:riday: 6.5%/7.0%
Above are 1-Mo prices as of 0430 GMT

2Y Tsy 99 31/32 +0/32 0.270% -0.4BP
5Y Tsy 100 13/32 +4/32 0.666% -2.2BP
10Y Tsy 99 21/32 +9/32 1.663% -3.2BP
Closing Treasury prices vs prior NY close;
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JGB as of 0435 GMT

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Durable Goods
Total Orders-1.3% +9.9%
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Ex-Transportation +2%
1330 US Federal Reserve Chairman
Ben Bernanke brief
welcoming remarks in
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1330 CAN Q3 financial statistics
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Expectation   82.9
Present Situation   56.2
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Annual Report
N/A US Obama meets Mexican
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SAF Tehnika (SAF1R.RG) : Full year 2012 Ex-dividend date - proposed (seen 0.10000)

Wilh Wilhelmsen (WWASA.OS) : Interim 2012 Dividend payment date - proposed (seen 1.00000)
Wilh Wilhelmsen Holding - A Shares (WWI.OS) : Interim 2012 Dividend payment date - proposed (seen 4.50000)

Wilh Wilhelmsen Holding - B Shares : Interim 2012 Dividend payment date - proposed (seen 4.50000) [27-11-12 0501GMT]

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BARRON'S

MARKET WEEK

Stocks --- The Trader: Washington's Happier Tune Sends Dow Up 3.4%

By Vito J. Racanelli

1,951 字

2012 年 11 月 26 日

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"While there are some indications that the parties are willing to negotiate the fiscal cliff, whether they follow through is yet to be determined," says Benjamin Halliburton, the chief investment officer of Tradition Capital Management. "It's a nice bounce," but short of a resolution on the taxation and spending issues, the market has probably already reached the "upper end of the bounce," he says.

Should political positions in D.C. harden and impede progress, "expect the market to weaken again," he says. It still is better than 50/50 that a fiscal-cliff deal isn't reached by the year-end deadline. That's when automatic spending cuts and higher taxes kick in.

Moreover, whatever is eventually decided in Washington, chances are good that capital-gains taxes are going up, Halliburton says. That should push investors to think about selling stocks and locking in gains at this year's lower tax rate. That will exert some downward pressure on the market, he adds.

For all the political talk, this week will also see the release of important economic data, such as October durable-goods orders Tuesday and the revised U.S. third-quarter GDP estimate Thursday.

Veteran investors know that Mr. Market can get intensely emotional at times. It pays to note when the sobbing has gone on too long. Take Express Scripts Holding (ESRX), the big St. Louis-based pharmacy benefits manager (PBM), whose shares closed Friday at $52.24, down 20% from a high of $65 in early October.

Express Scripts' express trip south began Nov. 5, when the company reported strong third-quarter earnings and raised guidance slightly for 2012. But CEO George Paz told Wall Street analysts on a related conference call that their 2013 earnings-per-share estimates were too high. He cited macroeconomic issues, primarily worries that individual and corporate clients might reduce drug utilization given the weak economy.

Some analysts downgraded the stock, as well as their 2013 estimates, and many investors bailed out.

The market's reaction seems overdone, however, given the long-term strength of Express Scripts' business and the outlook for generic drugs in the next two to three years. Moreover, this isn't the first time the stock has been hit hard for what were short-term, minor issues.

This column noted June 11, when Express Scripts' stock was $53.19, that the market was unduly worried about a contract dispute with drugstore giant Walgreen (WAG) and the integration of Express Scripts' $29 billion acquisition of Medco Health Solutions. We suggested the Express Scripts-Walgreen relationship was too important for the tiff to go on long, and the parties subsequently settled. The stock soared to $65.

Concerns about Medco should have been allayed by third-quarter results. Adjusted for acquisition costs and other items, Express Scripts posted third-quarter profit of $1.02 per share, above both expectations and the 79 cents earned in last year's third quarter. Sales of $27 billion in the latest period were up from last year's $11.6 billion, again boosted by Medco, although results were slightly below expectations. Perhaps most important, Medco helped raise gross margins to 8.1% from 7.5%.

As in June, Express Scripts' sell-off has rendered its valuation cheap. Whether you look at the company's price/earnings ratio, now 12 times consensus earnings projections of $4.20 a share, or enterprise value (net debt plus market value) to earnings before interest, taxes, depreciation, and amortization (Ebitda), both are well below median levels.

Matthew Peron, manager of the Northern Large Cap Equity Fund (NOGEX), believes the stock drop is an overreaction. While the economic backdrop can't be ignored, Express Scripts has a history of being conservative in outlook, he says.

With nonfarm payrolls growing, it is reasonable to think the CEO was being too conservative about 2013, he adds. Peron's fund owned 2.7 million shares as of Sept. 30. Lower drug utilizations are nothing new and the company has been dealing with it, he says.

Express Scripts has a big opportunity ahead, given branded drugs with annual aggregate sales of about $30 billion are going off-patent between now and 2015. Generic drugs, and particularly mail-order generic drug prescriptions, have good margins. The biggest PBM should be able to create value, says Peron, adding, "Express Scripts is the best house on a good block."

Then there are the $1 billion in Medco synergies by 2013, which will enable the company to exceed analysts' lowered expectations for next year, adds the portfolio manager. He expects "mid-teens percentage EPS growth."

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Unlike Express Scripts, shares of Apache (APA), the energy-exploration outfit, have been falling all year, and are now down to $77.14 from a high of $111.57 in February. On an industry level, the erosion of oil and natural-gas prices has hurt energy exploration firms. However, Apache, whose production is slightly skewed to natural gas, has underperformed both crude oil and rivals, which have fallen 20% and 13%, respectively, in the same period.

Apache's sell-off is partly due to a poor third quarter. The market was disappointed by a large one-time charge of $539 million to write down the value of exploration property in Canada as a result of a sharp 15% drop in natural-gas prices. Consequently, net income fell 82% to $161 million, or 41 cents a share, from $983 million, or $2.50 a share, in the year-earlier quarter. Without the one-time charge, per-share earnings fell to $2.16 from $2.95. Revenue declined 3% to $4.18 billion, again on lower energy prices. The stock has fallen about 6% since the results were released.

Despite this punk quarter, Apache remains a strong company, and the shares are at an attractive entry point, says Daniel Morgan, a portfolio manager with Synovus Trust, which has been buying the stock lately for clients.

Production growth is as important for exploration concerns as earnings and commodity prices. Apache has averaged robust annual production growth of 12% in barrels of oil equivalent since 1992, to 771,000 BOE per day at the end of the third quarter. (BOE adjusts for the differing energy content of various hydrocarbons.)

Since 2002, reserves have grown 6% annually to 7.5 BOE per share. For a non-super-major oil company, Apache, with a market capitalization of $30 billion, has a diverse geographic exposure, with 41% of production in the U.S., and the rest in far-flung places from the North Sea to Australia.

Some investors criticize Apache for having spent billions to acquire assets in recent years. The company shelled out $2.85 billion for closely held Cordillera Energy Partners. But that gives it plenty more acreage to explore, Morgan notes. Apache is unique, he says, in that it tends to buy existing reserves to squeeze out more oil or gas more efficiently.

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Morgan also likes the company's steady dividend growth, with 31 annual increases in the past 33 years. Apache recently raised its quarterly payout by 13% to 17 cents a share. Another encouraging sign is the recent behavior of insiders, with numerous executives having bought shares in the most recent downdraft.

As for energy prices, they have a funny way of going up as well as down. A further deterioration could hurt Apache short-term, but it's a good bet oil and gas will eventually turn up, and so will Apache shares.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13009.68	+421.37	+3.35
DJTransportation	5051.76	+160.49	+3.28
DJUtilities	440.59	-2.49	-0.56
DJ65Stocks	4339.65	+109.68	+2.59
DJUSMarket	352.62	+12.36	+3.63
NYSEComp.	8225.51	+293.96	+3.71
NYSEMKTComp.	2386.87	+71.52	+3.09
S&P500	1409.15	+49.27	+3.62
S&PMidCap	989.89	+36.96	+3.88
S&PSmallCap	454.28	+16.83	+3.85
Nasdaq	2966.85	+113.72	+3.99
ValueLine(arith.)	3026.99	+115.05	+3.95
Russell2000	807.18	+30.90	+3.98
DJUSTSM	14692.17	+517.10	+3.65

	Last Week	Week Earlier
NYSE		
Advances	2,804	671
Declines	362	2,512
Unchanged	39	32
NewHighs	183	133
NewLows	77	392
AvDailyVol(mil)	2,649.8	3,569.8
Dollar (Finexspotindex)	80.22	81.26
T-Bond (CBTnearbyfutures)	133-105	134-060
Crude Oil (NYMlightsweetcrude)	88.28	86.67
Inflation KR-CRB (FuturesPriceIndex)	299.07	293.56
Gold (CMXnearbyfutures)	1751.30	1714.30

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DOW JONES
NEWSWIRES

Barron's Blog/Tech Trader Daily: Apple: Citi Says Buy, Capstone Says Samsung Won Black Friday, Pacific Crest Lowers PT

694 字
2012 年 11 月 26 日 16:29
Dow Jones Institutional News
DJDN
英文

(This story has been posted on Barron's Online's Tech Trader Daily blog at http://blogs.barrons.com/techtraderdaily .)

By Teresa Rivas

Shares of Apple (AAPL) were recently rising around 1.3%, following Citi's bullish re-initiation of coverage, although other analysts are sounding more cautious notes this morning.

Today Citi's Glen Yeung and team initiated coverage of Apple with a Buy rating and $675 price target, noting that investors should take advantage of the recent selloff, especially with year-over-year growth expected to stabilized in the first half of next year.

Still, he notes that his target price is still below the consensus, as headwinds loom for the firm. Read highlights below:

Enough of a Pullback? -- Our analysis shows that Apple shares have corrected consistent with the average correction in its own history, with companies that have achieved 4% of the S&P500, and with companies that have shown similar deceleration. Historically, such corrections are followed by 20%-50% appreciation in the following 12 months. While a correction to below the average leaves risk, an adverse change in macro is required to take shares to these levels. While possible, we err on the side of optimism.

Risks are Increasingly in Focus -- Observation of Apple shares versus its y/y rev. growth explains the recent sell-off. While easily attributable to the law of large numbers, exogenous factors also play a role. We assert that Apple's share of the smartphone market is at risk from low-end smartphones and competition from other eco-systems. We see upside from tablets, but this negatively impacts GM. Meanwhile, we see other risks to GM that lead us to model margins below consensus. In light of this, we see caps to Apple's P/E multiple (reflected in our PT), likely promoting a more trading bias for the shares.

However, Pacific Crest's Andy Hargreaves offered a slightly more sobering take; in a note out today he lowered his target price on the stock from $670 to $645, writing that he believes that while strong demand for products continue to propel Apple, the company's gross profit per unit has "likely peaked".

Capstone's Rory Maher is also cautious about Apple's showing on Black Friday. In a note out today, he details a survey of 8,000 Facebook (FB) comments about Apple and Samsung Electronics (005930KS) products, and ranked them according to enthusiasm. "Of the 560 comments that included commentary on the iPhone vs Samsung phones the trend indicated many consumers are switching to Samsung from Apple or are on the fence. For example, 26% of the comments that included both products were made directly after switching to Samsung from Apple, whereas 25% of comments were made asking friends which one they should buy (indicating they are undecided). We believe the number of comments from undecided consumers led to a Neutral score of 1.7 for all the comments whereas those made after switching to Samsung were strongly positive."

Maher also writes that the Note 2 was largely well received by commenters, as was the Galaxy S 3, despite some battery issues. He concludes that the survey was positive for Google (GOOG): "Since Samsung is the largest selling Android device we think the survey illustrates continued momentum for Android to build on its 65%-plus share of the smartphone market."

Still, other good news came out of Barclays, which said it will buy 8,500 iPads for its staff in a push to improve customer service. ""We investigated a number of different tablet options and in this instance, we concluded that iPads were the best solution for their specific needs. We are now starting to use these across Barclays branches in the U.K.," said a company spokesperson. Barclays didn't specific whether it would buy the full size iPad or the mini.

-For continuously updated news from The Wall Street Journal, see WSJ.com at http://wsj.com .

(END) Dow Jones Newswires

November 26, 2012 11:29 ET (16:29 GMT)

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DOW JONES
NEWSWIRES

Barron's(11/26) The Trader: Washington's Happier Tune Sends Dow Up 3.4%

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(From BARRON'S)
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24 Nov 2012 00:07 EDT Barron's(11/26) The Trader: Washington's Happier -2-

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DJUSMarket	352.62	+12.36	+3.63
NYSEComp.	8225.51	+293.96	+3.71
NYSEMKTComp.	2386.87	+71.52	+3.09
S&P500	1409.15	+49.27	+3.62
S&PMidCap	989.89	+36.96	+3.88
S&PSmallCap	454.28	+16.83	+3.85
Nasdaq	2966.85	+113.72	+3.99
ValueLine(arith.)	3026.99	+115.05	+3.95
Russell2000	807.18	+30.90	+3.98
DJUSTSM	14692.17	+517.10	+3.65

	Last Week	Week Earlier
NYSE		
Advances	2,804	671
Declines	362	2,512
Unchanged	39	32
NewHighs	183	133
NewLows	77	392
AvDailyVol(mil)	2,649.8	3,569.8
Dollar		
(Finexspotindex)	80.22	81.26
T-Bond		
(CBTnearbyfutures)	133-105	134-060
Crude Oil		
(NYMlightsweetcrude)	88.28	86.67
Inflation KR-CRB		
(FuturesPriceIndex)	299.07	293.56
Gold		
(CMXnearbyfutures)	1751.30	1714.30

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DOW JONES
NEWSWIRES

DJ MARKET TALK: NZD/USD Softens, Risk Appetite Key Driver - BNZ

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Dow Jones Institutional News
DJDN
英文

2026 GMT [Dow Jones] The NZD/USD softened slightly overnight with the most important driver for the NZD remaining broad risk appetite, says BNZ strategist Kymberly Martin in a note. The GlobalDairyTrade auction saw prices (the trade-weighted index) rise 0.7% on average compared with the auction two weeks ago, she says. "Overall the strong uptrend in dairy prices from mid-May lows appears to be maturing. The rate of the price increase has slowed over the past two months." Whole milk powder prices fell 1.9%. The release of NZ credit card data is unlikely to be market-moving, though "if the S&P500 continues its weakness into the close it would set a negative precedent for the day ahead." Martin says short-term support for the NZD/USD is at 0.8080, with resistance at 0.8200. The pair is at 0.8163. (lucy.craymer@wsj.com)

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

(END) Dow Jones Newswires

November 20, 2012 15:26 ET (20:26 GMT)

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Dow Falls 1.8%, Mitigated by a Friday Rally

By Vito J. Racanelli
1,944 字
2012 年 11 月 19 日
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The market socked investors with its second consecutive weekly big price drop, almost 2%. Stocks managed a small reversal Friday, rallying on some unexpected bonhomie in Washington, D. C., though it wasn't enough to blunt a bad week.

President Barack Obama's meeting with Republican congressional leaders Friday resulted in surprisingly cooperative tones. That tempered losses in a market that had been down nearly all week on growing gloom about the fiscal cliff. Investors fear that if scheduled automatic government spending cuts and tax hikes take effect in January, the U.S. economy will fall into a recession.

Whether shares follow through on the mini-rally in the near term will depend on a continuation of that newfound political camaraderie. Like it or not -- and most investors don't -- the market will eschew fundamental economic news and focus closely on the D.C. horse-trading to come.

Want to know which way the market will go in the waning days of 2012? We'll know if and when a fiscal cliff agreement is reached. Until then, look for increased volatility as every word emanating from the capital is parsed daily, a prospect as unappealing as it is stressful.

Last week, the Dow lost 227 points, or 1.8%, to finish at 12,588.31, and is down 7.5% from 2012 highs, while the Standard and Poor's 500 index gave up 20 points, or 1.5%, to 1359.88, and is off 7% from highs. On friday, the S&P index rose 0.5%. The Nasdaq Composite dropped 52 points, or 1.8%, to 2853.13, and is now down 10% from highs, officially in correction territory.

The reversal on Friday helped turn Seth Setrakian, a partner at First New York Securities, bullish. The market's drop from September highs was much worse than it looked, he says. For example, the S&P 1500 index is down about 7% from 2012 highs, but the average stock decline was more like 20%, with small- and mid-caps bearing the brunt of the underperformance.

Friday's tone in D.C., Setrakian says, was "very constructive, and that took a lot of people by surprise." Many institutional investors are underinvested, so if that attitude continues, "the stage is set for a potentially large snapback," he adds. The government isn't going to solve the budget problem in the next six weeks, but "my sense is that if enough progress is made so that a solution seems likely in the first quarter, then the market will view that favorably."

Given Friday's new hope and the Thanksgiving holiday, a stock recovery, if brief, might make an appearance this week. Hopes have been raised that we won't plunge from the fiscal cliff. Absent renewed sustenance, though, the natural tendency of the stock market will be to revert to a slow, steady drop.

J.C. Penney is one of the more hated and controversial stocks around. Of 20 Wall Street analysts following it, only four call it a Buy, while the major debt-rating agencies have dimmed their views of the retailer. About 40% of its shares outstanding are sold short.

At Friday's close of $16.28, the stock (ticker: JCP) is down some 60% from a high of $43 in February and 20% since earnings were released on Nov. 9. J.C. Penney is the third-worst performer in the S&P 500 this year, and its shares are near lows not seen since early 2009 and 2003.

The market's short-term emotional reaction, however, can sometimes obscure value, potentially revealing an opportunity. J.C. Penney's poor operating results could continue to decline and might not stabilize for a while, but its assets, including the prime real estate it owns around the country, have value. Barron's generally has been down on J.C. Penney since late January, when we published a skeptical story about the retailer and the stock was around $35. But now, with the shares trading at less than half that and at one times book value -- half of what its peers fetch -- and at just 20% of last year's sales, the merchant is worth a fresh look.

The worse-than-expected results reflect accelerating sales drops wrought by the retailer's wrenching transformation. The market has little confidence that revenue will stabilize while J.C. Penney turns itself into what it calls a "specialty department store." The bears say it will face liquidity issues next year if things continue on the same track.

For its fiscal third quarter, ended Oct. 27, J.C. Penney had a loss of $203 million, or 93 cents a share (excluding one-time gains and charges), compared with a loss of $143 million, or 67 cents, a year earlier. Sales fell 27%, to $2.9 billion, and Internet sales dropped 37%. Comparable-store sales slid a whopping 27%. In the first nine months of the fiscal year, sales were off 23%, to $9 billion, and the earnings-per-share loss widened to $1.98 from 30 cents.

Penney is being converted by CEO Ron Johnson -- a former Apple (AAPL) retail executive -- from a conventional department store into an emporium that will house scores of individually branded shops, carrying wares from Walt Disney (DIS), Liz Claiborne (LIZ), and Levi Jeans, among others. Levi's products, for example, would be sold in its own themed shop, instead of the general jeans section.

The new concept, according to the retailer, is "surpassing [its] expectations" in sales productivity, but there are few details. About 11% of the total square footage has been converted, so it will be a while before the "new J.C. Penney" gets a majority of the shelf space. While there is legitimate debate about whether this conversion will be as successful as the company expects, the stock seems to be discounting the strategy's ultimate failure and potentially more. J.C. Penney has fallen to an enterprise value (stock-market value minus cash plus debt) of $6 billion. That's little more than the $5.2 billion value of the property and equipment on Penney's balance sheet, and that is after depreciation of $3.1 billion. For a company capable of $17 billion in sales last year, albeit in the old format, there appears to be unrecognized value.

"The market isn't looking at J.C. Penney's real estate," argues Larry Haverty, a portfolio manager at Gamco Asset Management. GAM owns about 400,000 of the retailer's shares. "J.C. Penney has prime real estate in the best malls in America," he adds. Many of its sites were bought years ago at prices lower than current values.

Penney owns nine of its 27 distribution centers; 426 of its 1,102 stores, including 121 located on land leases; plus its Plano, Texas, headquarters and 240 acres around it.

Despite enduring the painful drop in the stock, Haverty remains a believer, and is "positive" on the changes that Johnson is trying to enact. The company has attracted good vendors to the concept. Haverty adds that the maximum pain will come in the next two quarters. "There's going to be disruption" in the first few months of 2013.

So things will likely get worse before they get better, but, at $16, much of that already seems priced in. At this level, J.C. Penney needn't emerge from its chrysalis as a butterfly. Caterpillars have value, too.

The elections didn't change the Washington, D.C., power structure, and speculation about a potential hike in the tax on dividend income is growing. It's difficult to handicap what the new rate will be, but it's a good bet that it's going up from the current 15%. In the market's 5% drop from Election Day to last Wednesday, you might expect to have seen a flight to high-dividend stocks. Instead, according to Bespoke Investment Group, those stocks were down about 6%.

Dividends are often weighed against share buybacks. A tax rise could make chief financial officers at cash-rich companies more enthusiastic about repurchases (which aren't taxed) than they otherwise might be.

Granted, the research on the long-term effect of buybacks on stock prices is mixed, notes Peter Anderson, a portfolio manager at Congress Asset Management. However, in a landscape where EPS growth next year could slow and many companies are sitting on plenty of cash, some CFOs probably have their eyes on cheap ways to boost earnings per share. Buying back stock is one way to do that. (Lowering the number of shares outstanding can push up EPS, even if aggregate profits don't rise.)

Anderson looked at companies in the Russell 3000 index that have announced buybacks for this year and ranked them according to how efficient the repurchases would be in changing EPS. In other words, the six companies at the top of the list in the nearby table can boost their EPS significantly with the least amount of cash.

To come up with what he terms a "buyback efficiency ratio," Anderson assumed that the entire buyback authorized would be completed -- in the real world, that's often not the case -- and then figured how much it would raise estimated EPS this year. To get the final ratio, he divided that EPS increase by the percentage of total cash used in the buyback. He wasn't looking for the biggest gain, but rather for the cheapest way to increase earnings per share.

For example, in the table, WebMD (WBMD), with an efficiency ratio of 1.8, would get a 29% EPS boost from the completion of its announced buybacks this year. But it comes at a big cost, about 15% of its cash. Meanwhile, Bank of New York Mellon (BK), with the highest efficiency ratio at 4.0, would get only a 4% rise to EPS from the buybacks announced. But it would cost Mellon just 1% of its cash.

While these calculations are for 2012, Anderson says that they would generally apply for next year by identifying companies that could use cash to efficiently raise EPS. In the dividend-buyback calculus, the higher the tax goes, the more likely there will be a noticeable shift to share repurchases.

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Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
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DJUtilities	443.08	-5.03	-1.12
DJ65Stocks	4229.97	-80.62	-1.87
DJUSMarket	340.26	-5.15	-1.49
NYSEComp.	7931.55	-122.02	-1.52
NYSEMKTComp.	2315.34	-70.06	-2.94
S&P500	1359.88	-19.97	-1.45
S&PMidCap	952.93	-16.89	-1.74
S&PSmallCap	437.45	-10.29	-2.30
Nasdaq	2853.13	-51.74	-1.78
ValueLine(arith.)	2911.94	-60.07	-2.02
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文件 B000000020121117e8bj00010

Barron's(11/19) The Trader: Dow Falls 1.8%, Mitigated By A Friday Rally

1,977 字
2012 年 11 月 17 日 05:08
Dow Jones Institutional News
DJDN
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英文

(From BARRON'S)
By Vito J. Racanelli

The market socked investors with its second consecutive weekly big price drop, almost 2%. Stocks managed a small reversal Friday, rallying on some unexpected bonhomie in Washington, D. C., though it wasn't enough to blunt a bad week.

President Barack Obama's meeting with Republican congressional leaders Friday resulted in surprisingly cooperative tones. That tempered losses in a market that had been down nearly all week on growing gloom about the fiscal cliff. Investors fear that if scheduled automatic government spending cuts and tax hikes take effect in January, the U.S. economy will fall into a recession.

Whether shares follow through on the mini-rally in the near term will depend on a continuation of that newfound political camaraderie. Like it or not -- and most investors don't -- the market will eschew fundamental economic news and focus closely on the D.C. horse-trading to come.

Want to know which way the market will go in the waning days of 2012? We'll know if and when a fiscal cliff agreement is reached. Until then, look for increased volatility as every word emanating from the capital is parsed daily, a prospect as unappealing as it is stressful.

Last week, the Dow lost 227 points, or 1.8%, to finish at 12,588.31, and is down 7.5% from 2012 highs, while the Standard and Poor's 500 index gave up 20 points, or 1.5%, to 1359.88, and is off 7% from highs. On friday, the S&P index rose 0.5%. The Nasdaq Composite dropped 52 points, or 1.8%, to 2853.13, and is now down 10% from highs, officially in correction territory.

The reversal on Friday helped turn Seth Setrakian, a partner at First New York Securities, bullish. The market's drop from September highs was much worse than it looked, he says. For example, the S&P 1500 index is down about 7% from 2012 highs, but the average stock decline was more like 20%, with small- and mid-caps bearing the brunt of the underperformance.

Friday's tone in D.C., Setrakian says, was "very constructive, and that took a lot of people by surprise." Many institutional investors are underinvested, so if that attitude continues, "the stage is set for a potentially large snapback," he adds. The government isn't going to solve the budget problem in the next six weeks, but "my sense is that if enough progress is made so that a solution seems likely in the first quarter, then the market will view that favorably."

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17 Nov 2012 00:08 EDT Barron's(11/19) The Trader: Dow Falls 1.8%, -2-

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(END) Dow Jones Newswires

November 17, 2012 00:08 ET (05:08 GMT)

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DOW JONES
NEWSWIRES

DJ MARKET TALK: Correlation Makes a Post-Election Comeback -KBW

137 字
2012 年 11 月 15 日 19:37
Dow Jones Institutional News
DJDN
英文

14:37 EST - Investors may not have noticed much, but the strong correlations that dominated risk investments in recent years took a bit of a breather in the past few months--that is, until the presidential election last week, and now they're back with a vengeance, KBW says in a note. From August to Nov 6, 90-day correlation among S&P500 stocks fell to 0.64, but has rocketed right back up to 0.73 in just six trading days since election night, as macro concerns about the so-called fiscal cliff weigh on investor sentiment. Financials have the highest correlation to the overall market, firm says. (christian.berthelsen@dowjones.com)

(END) Dow Jones Newswires

November 15, 2012 14:37 ET (19:37 GMT)

文件 DJDN000020121115e8bf00667

DOW JONES
NEWSWIRES

DJ Fidelity Mgmt & Research Co. 3Q 13F: Hldgs As Of Sep 30

10,092 字
2012 年 11 月 15 日 16:07
Dow Jones Institutional News
DJDN
英文

DJ CFA SOURCE: SEC 13F-HR
FILER:
Fidelity Management & Research Co .
QUARTER ENDED: 09/30/2012
SEC RECEIVED: 11/14/2012

The following sets forth up to 200 of the largest holdings of Fidelity Management & Research Co . as of Sep. 30, according to a Form 13F filed with the Securities and Exchange Commission.

As of Sep. 30, Fidelity Management & Research Co . held 5,862 positions valued at $488,296,348,795.

Up to 200 of the largest holdings of Fidelity Management & Research Co . are listed below in order of dollar value as of Sep. 30.

Company Name	Value	Holdings	Change
APPLE INC COM	$28,993.451M	43,461,601	(1,406,962)
GOOGLE INC CL A	$12,337.346M	16,351,685	2,223,942
WELLS FARGO & CO COM	$6,446,498,586	186,692,690	(3,925,371)
COCA COLA CO COM	$6,035,202,440	159,114,222	(1,211,398)
GENERAL ELECTRIC CO COM	$5,043,225,483	222,070,695	61,337,864
QUALCOMM INC COM	$4,554,314,254	72,904,022	(1,105,145)
AMGEN INC COM	$4,433,368,004	52,596,607	11,865,465
CHEVRON CORP COM	$4,285,948,732	36,770,322	(3,505,203)
EXXON MOBIL CORP COM	$4,194,059,324	45,861,775	(933,977)
MICROSOFT CORP COM	$4,098,437,713	137,716,321	(51,401,461)
COMCAST CORP CL A	$3,906,310,362	109,282,707	7,870,376
AMAZON.COM INC COM	$3,873,297,415	15,230,015	684,535
VISA INC CL A	$3,846,186,874	28,643,036	3,635,148
WALT DISNEY CO COM	$3,829,340,142	73,246,751	(1,672,010)
MCDONALDS CORP COM	$3,777,245,658	41,168,890	(9,791,853)
BERKSHIRE HATHAWAY INC CL A	$3,735,239,600	28,148	1,246
WAL MART STORES INC COM	$3,584,725,555	48,573,517	17,153,599
TJX COMPANIES INC COM	$3,493,639,887	78,000,444	(3,848,007)
JPMORGAN CHASE & CO INC COM	$3,468,719,380	85,689,708	7,576,945
BIOGEN IDEC INC COM	$3,298,394,630	22,105,721	(249,930)
UNITEDHEALTH GROUP INC COM	$3,295,696,537	59,478,371	(15,004,760)
PFIZER INC COM	$3,271,413,438	131,646,416	16,315,293
SALESFORCE.COM INC COM	$3,176,187,753	20,801,544	(725)
MERCK & CO INC COM	$3,173,628,132	70,376,497	18,186,805
EBAY INC COM	$3,022,023,131	62,477,220	18,518,525
PROCTER & GAMBLE CO COM	$3,012,422,365	43,431,695	(920,623)
US BANCORP/DE COM	$2,991,484,344	87,215,287	(3,280,361)
INTERNATIONAL BUSINESS MACHINE	$2,938,598,123	14,165,332	(1,534,518)
MASTERCARD INC CL A	$2,854,983,894	6,323,611	23,255
GILEAD SCIENCES INC COM	$2,714,844,316	40,929,358	11,743,259
COLGATE PALMOLIVE CO COM	$2,662,099,011	24,828,381	414,522

NOBLE ENERGY INC COM	$2,472,974,353	26,674,300	130,429
CVS CAREMARK CORP COM	$2,431,185,970	50,210,367	3,393,138
UNION PACIFIC CORP COM	$2,393,277,355	20,162,404	1,330,988
CITIGROUP INC COM	$2,359,292,974	72,105,531	12,836,155
PHILIP MORRIS INTERNATIONAL IN	$2,276,086,577	25,306,722	(1,426,372)
MONSANTO CO COM	$2,134,427,829	23,450,097	5,665,255
HOME DEPOT INC COM	$2,004,656,966	33,206,178	1,124,439
ALEXION PHARMACEUTICALS INC C	$2,003,045,616	17,509,140	(92,711)
OCCIDENTAL PETROLEUM CORP COM	$2,002,394,079	23,267,419	(3,347,947)
ROYAL DUTCH SHELL PLC ADR A	$1,923,451,120	27,711,441	(5,336,878)
JOHNSON & JOHNSON COM	$1,890,697,590	27,437,202	4,659,055
STARBUCKS CORP COM	$1,880,147,185	37,076,458	(7,991,520)
LYONDELLBASELL INDUSTRIES ORD	$1,821,030,136	35,250,293	(2,606,643)
ROSS STORES INC COM	$1,791,194,895	27,731,768	(847,209)
DANAHER CORP COM	$1,785,150,515	32,369,003	(7,240,436)
SIMON PROPERTY GROUP INC COM	$1,745,051,244	11,494,969	457,904
UNITED TECHNOLOGIES CORP COM	$1,731,407,150	22,115,304	(4,321,916)
SCHLUMBERGER NV COM	$1,727,843,198	23,888,334	284,860
ANADARKO PETROLEUM CORP COM	$1,714,713,325	24,523,932	(2,123,006)
AMERICAN TOWER CORP CL A	$1,669,578,369	23,386,726	(2,063,370)
NATIONAL OILWELL VARCO INC CO	$1,666,658,909	20,804,630	2,959,622
REGENERON PHARMACEUTICALS COM	$1,642,510,922	10,759,275	247,074
CAPITAL ONE FINANCIAL CORP CO	$1,623,086,843	28,470,213	3,870,645
ABBOTT LABS COM	$1,608,782,339	23,465,320	2,941,685
BED BATH & BEYOND INC COM	$1,585,675,098	25,169,446	(4,416,231)
DISCOVERY COMMUNICATIONS INC	$1,555,880,469	26,105,377	(46,896)
VERIZON COMMUNICATIONS INC CO	$1,548,871,940	33,988,851	10,266,104
ACCENTURE PLC CL A	$1,532,988,844	21,890,459	(2,526,066)
ORACLE CORP COM	$1,493,062,531	47,459,076	376,728
PRICELINE COM INC COM	$1,459,426,572	2,357,450	(54,621)
BRITISH AMERICAN TOBACCO ADR	$1,450,760,872	14,134,459	(2,447,015)
RED HAT INC COM	$1,412,900,220	24,813,843	(1,054,114)
DISCOVER FINANCIAL SERVICES C	$1,412,832,610	35,560,851	1,582,391
GOLDCORP INC COM	$1,408,776,463	30,725,768	1,803,355
NIKE INC CL B	$1,324,665,704	13,957,072	(3,758,556)
METLIFE INC COM	$1,285,475,164	37,303,400	3,100,212
EXPRESS SCRIPTS HOLDING CO CO	$1,272,283,857	20,314,288	1,435,279
COSTCO WHOLESALE CORP COM	$1,255,317,299	12,533,120	744,435
ESTEE LAUDER COMPANIES INC CL	$1,253,664,820	20,361,618	(3,789,310)
VENTAS INC COM	$1,237,331,858	19,876,817	2,290,907
LULULEMON ATHLETICA INC COM	$1,170,974,988	15,836,827	(212,342)
ELI LILLY & CO COM	$1,167,802,077	24,631,978	5,939,691
MONDELEZ INTERNATIONAL INC CL	$1,166,126,277	28,201,361	143,972
LOWES COS INC COM	$1,158,683,370	38,316,249	(3,631,494)
VALEANT PHARMACEUTICALS INTL	$1,158,290,184	20,956,942	(773,112)
CHIPOTLE MEXICAN GRILL INC CL	$1,156,284,758	3,641,383	(270,049)
VODAFONE GROUP PLC ADR	$1,146,633,233	40,232,745	316,518
BERKSHIRE HATHAWAY INC CL B	$1,131,824,824	12,832,481	(2,020,497)
NVIDIA CORP COM	$1,105,402,905	82,863,786	(4,121,988)
TEXTRON INC COM	$1,084,211,454	41,429,555	5,256,011
ASML HOLDING NV NY SH	$1,083,356,608	20,181,755	2,389,066
PUBLIC STORAGE COM	$1,054,172,530	7,574,711	1,135,973
EOG RESOURCES INC COM	$1,047,468,499	9,348,224	1,799,243
CISCO SYSTEMS INC COM	$1,033,825,297	54,141,152	(16,358,634)
ACE LTD ORD	$1,025,691,811	13,567,352	(1,974,874)
CATAMARAN CORP COM	$1,016,183,832	20,744,796	(1,259,414)
SEAGATE TECHNOLOGY PLC COM	$1,012,417,201	32,700,814	328,733
NEXTERA ENERGY INC COM	$1,010,012,084	14,361,042	(2,651,215)
PROLOGIS INC COM	$1,007,125,111	28,750,360	2,431,050
WILLIAMS COMPANIES INC COM	$1,002,878,892	28,678,264	(3,975,714)
AT&T INC COM	$996,004,556	26,419,219	(5,431,676)
TIME WARNER INC COM	$993,347,153	21,911,264	406,844
CAMERON INTERNATIONAL CORP CO	$974,119,417	17,373,273	6,083,038
SUNCOR ENERGY INC COM	$967,086,491	29,439,467	4,399,446
ALTRIA GROUP INC COM	$965,866,486	28,926,819	(4,305,793)
MARATHON PETROLEUM CORP COM	$952,216,482	17,443,057	1,337,313

LIMITED BRANDS INC COM $951,682,609 19,319,582 757,961
SEMPRA ENERGY COM $944,447,473 14,644,867 (1,739,968)
COGNIZANT TECHNOLOGY SOLUTIONS $942,520,186 13,485,766 (1,230,080)
LENNAR CORP CL A $938,188,653 26,982,705 (858,797)
HALLIBURTON CO COM $897,037,284 26,626,218 726,879
PEPSICO INC COM $894,169,679 12,634,869 2,219,691
AMERICAN EXPRESS CO COM $894,016,376 15,723,116 896,741
TARGET CORP COM $878,446,380 13,840,340 502,633
SHERWIN WILLIAMS CO COM $861,914,459 5,788,157 250,335
ROYAL DUTCH SHELL PLC ADR B $859,284,499 12,051,676 (2,595,011)
HONEYWELL INTERNATIONAL INC C $858,347,349 14,365,646 1,215,871
YUM BRANDS INC COM $855,439,639 12,894,779 2,195,778
D R HORTON INC COM $853,689,623 41,391,012 1,347,818
APACHE CORP COM $853,259,500 9,867,694 576,880
BROADCOM CORP CL A $845,183,712 24,448,473 6,648,581
UNITED PARCEL SERVICE INC CL $839,741,689 11,733,152 (5,090,951)
CONCHO RESOURCES INC COM $833,607,942 8,797,973 832,089
FIRSTENERGY CORP COM $815,786,628 18,498,563 2,133,367
TOLL BROTHERS INC COM $809,870,827 24,371,677 (539,674)
AMPHENOL CORP CL A $807,787,379 13,719,215 78,239
TIM HORTONS INC COM $805,697,558 15,485,250 (250,018)
SPRINT NEXTEL CORP COM $805,656,735 145,952,307 107,075,886
FACEBOOK INC CL A $799,243,170 36,899,500 18,124,585
DU PONT E I DE NEMOURS & CO C $781,450,468 15,545,066 (372,190)
HERBALIFE LTD COM $779,988,377 16,455,451 (143,974)
VMWARE INC CL A $779,716,854 8,059,922 602,303
VALERO ENERGY CORP COM $776,824,646 24,520,980 2,338,600
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EDISON INTERNATIONAL COM $776,045,792 16,985,025 (2,360,638)
ANHEUSER BUSCH INBEV SA ADR $773,552,111 9,004,215 1,318,013
AUTOZONE INC COM $771,667,272 2,087,449 (851,235)
CERNER CORP COM $764,982,624 9,885,029 1,023,930
FOSSIL INC COM $762,703,087 9,004,759 (143,621)
PULTEGROUP INC COM $757,867,308 48,894,665 10,928,309
MORGAN STANLEY COM $754,413,528 45,066,519 14,562,423
MICHAEL KORS HOLDINGS LTD COM $739,850,956 13,912,203 446,920
VERTEX PHARMACEUTICALS INC CO $739,463,823 13,230,700 (1,338,791)
ALLERGAN INC COM $737,915,832 8,057,609 774,591
PHILLIPS 66 COM WI $737,408,895 15,902,715 8,498,021
KIMBERLY CLARK CORP COM $737,110,199 8,593,031 (1,158,305)
NXP SEMICONDUCTORS NV COM $735,995,105 29,428,033 (2,683,171)
CUMMINS INC COM $734,123,091 7,961,426 979,710
CENTURYLINK (CENTURYTEL) INC $733,471,009 18,155,223 (2,498,444)
COVIDIEN PLC COM $729,289,290 12,273,465 (1,756,390)
DR PEPPER SNAPPLE GROUP INC C $726,818,081 16,321,987 2,509,834
HOLLYFRONTIER CORP COM $724,760,711 17,561,442 (1,935,398)
DUKE ENERGY CORP COM $714,290,831 11,024,708 (3,397,730)
HCP INC COM $713,789,597 16,047,428 3,959,457
PVH CORP COM $712,994,394 7,607,708 (664,876)
INTUIT INC COM $712,311,340 12,097,679 (6,112,968)
LORILLARD INC COM $711,027,630 6,105,862 (849,520)
ELAN CORP PLC ADR $708,857,363 66,124,754 402,575
CHUBB CORP COM $705,551,555 9,249,496 852,304
CHECK POINT SOFTWARE TECHNOLOG $699,152,783 14,517,292 (3,491,587)
ILLINOIS TOOL WORKS INC COM $696,774,486 11,716,403 1,474,894
MOTOROLA SOLUTIONS INC COM $696,724,028 13,782,869 (6,621,199)
WHOLE FOODS MARKET INC COM $696,303,737 7,148,909 (1,520,019)
EMC CORP /MA COM $696,210,081 25,530,256 (2,582,240)
BAIDU INC ADR A $684,907,019 5,859,415 (405,412)
UNDER ARMOUR INC CL A $680,005,827 12,179,936 91,042
CONSTELLATION BRANDS INC CL A $678,300,728 20,967,565 3,274,719
NEWMONT MINING CORP COM $675,429,822 12,058,017 (2,912,475)
EQUITY RESIDENTIAL SBI $670,625,427 11,656,969 (1,608,348)
HESS CORP COM $667,813,465 12,431,375 4,461,042

HSBC HOLDINGS PLC ADR	$666,214,843	14,339,536	(1,349,249)
ROPER INDUSTRIES INC COM	$663,920,765	6,041,685	64,155
AES CORP COM	$658,101,424	59,991,014	(3,931,020)
NEWS CORP LTD CL A	$645,279,113	26,332,549	17,979,475
PNC FINANCIAL SERVICES GROUP	$633,713,363	10,043,001	240,738
MCKESSON CORP COM	$628,526,835	7,305,903	(6,768,232)
MONSTER BEVERAGE CORP COM	$627,858,354	11,614,102	(1,169,467)
INGERSOLL RAND PLC ORD	$627,651,212	14,003,820	(2,134,683)
PIONEER NATURAL RESOURCES CO	$626,696,914	6,002,844	483,540
BB&T CORP COM	$617,026,159	18,607,544	(5,072,724)
EASTMAN CHEMICAL CO COM	$615,140,979	10,790,054	1,601,001
ALLIANCE DATA SYSTEMS CORP CO	$613,031,658	4,318,645	894,160
KIMCO REALTY CORP COM	$605,376,361	29,865,632	4,778,698
NOBLE CORP ORD REG	$604,435,547	16,893,112	2,814,540
BARRICK GOLD CORP COM	$596,991,272	14,295,768	(714,599)
DIRECTV COM	$596,025,646	11,365,859	6,304,923
AVAGO TECHNOLOGIES LTD COM	$594,927,783	17,063,754	(1,900,344)
M&T BANK CORP COM	$592,531,820	6,226,690	4,505,003
TRAVELERS COMPANIES INC COM	$591,850,856	8,670,537	1,766,613
INTUITIVE SURGICAL INC COM	$591,365,395	1,193,159	(68,484)
ANALOG DEVICES INC COM	$590,144,658	15,064,318	(1,688,159)
FISERV INC COM	$588,559,969	7,950,290	(301,081)
HEWLETT PACKARD CO COM	$587,501,669	34,437,378	174,308
HUNTINGTON BANCSHARES INC COM	$585,911,147	84,976,236	2,304,788
BOSTON PROPERTIES INC COM	$584,254,630	5,282,114	57,763
CANADIAN PACIFIC RAILWAY LTD	$581,145,271	7,011,042	1,560,701
W W GRAINGER INC COM	$576,000,525	2,764,316	291,221
SBA COMMUNICATIONS CORP COM	$572,786,899	9,106,310	(25,509)
PAYCHEX INC COM	$570,532,243	17,138,247	306,625
MELLANOX TECHNOLOGIES LTD ORD	$566,899,964	5,583,571	(376,587)
WATSON PHARMACEUTICALS INC CO	$564,523,852	6,628,979	3,079,559
ENSCO PLC CL A	$562,792,402	10,315,110	2,147,895
UNITED CONTINENTAL HOLDINGS IN	$562,716,375	28,857,250	2,189,159
COOPER COMPANIES INC COM	$560,905,369	5,938,020	805,469
GLAXOSMITHKLINE PLC ADR	$558,958,553	12,088,204	(2,282,191)
COVENTRY HEALTH CARE INC COM	$557,498,483	13,372,475	(973,810)
SL GREEN REALTY CORP COM	$556,308,104	6,947,772	385,666
ISHARES RUSSELL1000 GROWTH	$555,172,781	8,323,430	2,893,522
GREEN MOUNTAIN COFFEE ROASTERS	$553,081,059	23,297,433	9,717
PERRIGO CO COM	$547,726,913	4,714,874	(291,994)

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

15 Nov 2012 11:07 EDT DJ Fidelity Mgmt & Research Co. 3Q 13F: Largest Sales

DJ CFA SOURCE: SEC 13F-HR
FILER:
Fidelity Management & Research Co .
QUARTER ENDED: 09/30/2012
SEC RECEIVED: 11/14/2012

Up to 200 of the largest sales of Fidelity Management & Research Co . are listed below, ordered by the number of shares sold during the three months ended Sep. 30.

Company Name	Value	Holdings	Change
MICROSOFT CORP COM	$4,098,437,713	137,716,321	(51,401,461)
BOSTON SCIENTIFIC CORP COM	$285,341,329	49,711,033	(25,724,637)
ACTIVISION BLIZZARD INC COM	$163,783,987	14,526,296	(16,831,991)
CISCO SYSTEMS INC COM	$1,033,825,297	54,141,152	(16,358,634)
UNITEDHEALTH GROUP INC COM	$3,295,696,537	59,478,371	(15,004,760)

GROUPON INC CL A	$211,042	44,290	(13,184,986)
SUPERVALU INC COM	$11,149	4,626	(12,605,054)
ISHARES MSCI EAFE	$86,815,113	1,638,021	(10,689,067)
REGIONS FINANCIAL CORP COM	$189,416,584	26,326,141	(10,099,465)
KNIGHT CAPITAL GROUP INC COM	$3,153,448	1,178,859	(9,792,577)
MCDONALDS CORP COM	$3,777,245,658	41,168,890	(9,791,853)
DOLLAR GENERAL CORP COM	$410,552,642	7,965,709	(9,212,713)
STARBUCKS CORP COM	$1,880,147,185	37,076,458	(7,991,520)
PLAINS EXPLORATION & PRODUCTIO	$70,104,422	1,870,948	(7,669,721)
OMNICARE INC COM	$149,527,108	4,401,740	(7,550,942)
DANAHER CORP COM	$1,785,150,515	32,369,003	(7,240,436)
CSX CORP COM	$173,149,081	8,344,534	(7,036,881)
MARATHON OIL CORP COM	$537,779,921	18,186,673	(6,959,986)
MARVELL TECHNOLOGY GROUP LTD	$150,752,767	16,466,714	(6,871,142)
MCKESSON CORP COM	$628,526,835	7,305,903	(6,768,232)
MOTOROLA SOLUTIONS INC COM	$696,724,028	13,782,869	(6,621,199)
ISHARES MSCI JAPAN INDEX FUND	$219,556,072	23,942,865	(6,420,800)
STATE STREET CORP COM	$446,222,865	10,634,482	(6,396,682)
INTERPUBLIC GROUP OF COMPANIES	$103,281,192	9,287,877	(6,173,107)
INTUIT INC COM	$712,311,340	12,097,679	(6,112,968)
INFORMATICA CORP COM	$138,426,082	3,972,054	(6,033,020)
BOEING CO COM	$397,399,908	5,710,179	(6,020,157)
AT&T INC COM	$996,004,556	26,419,219	(5,431,676)
ARCOS DORADOS HOLDINGS INC CL	$145,506,165	9,430,082	(5,426,228)
LAS VEGAS SANDS CORP COM	$439,914,230	9,487,044	(5,394,419)
FORD MOTOR CO COM	$195,298,903	19,807,191	(5,381,734)
CAL DIVE INTERNATIONAL INC CO	$13,486,185	8,814,500	(5,345,820)
ROYAL DUTCH SHELL PLC ADR A	$1,923,451,120	27,711,441	(5,336,878)
UNITED PARCEL SERVICE INC CL	$839,741,689	11,733,152	(5,090,951)
BB&T CORP COM	$617,026,159	18,607,544	(5,072,724)
AMETEK INC COM	$269,742,985	7,609,111	(4,962,973)
PANDORA MEDIA INC COM	$127,025,278	11,600,482	(4,789,863)
PARKER DRILLING CO COM	$11,363,933	2,686,509	(4,697,130)
SKYWORKS SOLUTIONS INC COM	$307,613,802	13,056,613	(4,592,859)
CORNING INC COM	$175,051,853	13,311,928	(4,520,504)
COACH INC COM	$78,761,823	1,405,959	(4,513,397)
BED BATH & BEYOND INC COM	$1,585,675,098	25,169,446	(4,416,231)
UNITED TECHNOLOGIES CORP COM	$1,731,407,150	22,115,304	(4,321,916)
ALTRIA GROUP INC COM	$965,866,486	28,926,819	(4,305,793)
POTASH CORP OF SASKATCHEWAN C	$63,891,445	1,471,475	(4,249,558)
ZYNGA INC CL A	$3,533,828	1,246,500	(4,234,734)
NVIDIA CORP COM	$1,105,402,905	82,863,786	(4,121,988)
AUTODESK INC COM	$66,233,700	1,986,018	(4,090,770)
MACERICH CO COM	$419,781,249	7,334,986	(4,005,954)
HEALTH NET INC COM	$80,451,258	3,574,023	(3,976,497)
WILLIAMS COMPANIES INC COM	$1,002,878,892	28,678,264	(3,975,714)
AES CORP COM	$658,101,424	59,991,014	(3,931,020)
WELLS FARGO & CO COM	$6,446,498,586	186,692,690	(3,925,371)
ELDORADO GOLD CORP COM	$274,150,836	17,988,900	(3,912,249)
STANDARD PACIFIC CORP COM	$31,772,676	4,700,100	(3,868,594)
MACYS INC COM	$223,293,397	5,935,497	(3,852,570)
TJX COMPANIES INC COM	$3,493,639,887	78,000,444	(3,848,007)
DOW CHEMICAL CO COM	$163,658,003	5,652,150	(3,792,281)
ESTEE LAUDER COMPANIES INC CL	$1,253,664,820	20,361,618	(3,789,310)
NIKE INC CL B	$1,324,665,704	13,957,072	(3,758,556)
STEEL DYNAMICS INC COM	$10,883,692	968,300	(3,693,700)
LOWES COS INC COM	$1,158,683,370	38,316,249	(3,631,494)
CHEVRON CORP COM	$4,285,948,732	36,770,322	(3,505,203)
CHECK POINT SOFTWARE TECHNOLOG	$699,152,783	14,517,292	(3,491,587)
GRAFTECH INTERNATIONAL LTD CO	$157,591,976	17,529,697	(3,472,843)
ROBERT HALF INTERNATIONAL INC	$33,905,822	1,273,219	(3,468,257)
TWO HARBORS INVESTMENT CORP C	$90,489,182	7,701,207	(3,429,299)
DUKE ENERGY CORP COM	$714,290,831	11,024,708	(3,397,730)
FIFTH THIRD BANCORP COM	$210,088,052	13,549,697	(3,383,915)
OCCIDENTAL PETROLEUM CORP COM	$2,002,394,079	23,267,419	(3,347,947)
AMERICAN CAPITAL AGENCY CORP	$60,989,974	1,762,716	(3,311,271)

US BANCORP/DE COM	$2,991,484,344	87,215,287	(3,280,361)
NEXEN INC COM	$5,293,551	208,901	(3,219,954)
HUMANA INC COM	$160,438,171	2,287,073	(3,171,949)
MANITOWOC CO INC COM	$57,501,843	4,310,483	(3,131,115)
NETAPP INC COM	$106,662,917	3,244,006	(3,115,001)
JIVE SOFTWARE INC COM	$42,266,184	2,690,400	(3,063,188)
WELLPOINT INC COM	$496,261,976	8,554,766	(3,051,811)
TIM PARTICIPACOES SA ADR	$22,927,480	1,192,897	(3,033,417)
LOGITECH INTERNATIONAL SA ORD	$69,312,000	7,600,000	(3,000,000)
NEWMONT MINING CORP COM	$675,429,822	12,058,017	(2,912,475)
VERA BRADLEY INC COM	$45,622,784	1,912,905	(2,898,937)
GRAN TIERRA ENERGY INC COM	$36,875,025	7,132,500	(2,858,300)
CIRRUS LOGIC INC COM	$216,404,276	5,636,996	(2,847,966)
CADENCE PHARMACEUTICALS INC C	$37,757,607	9,629,586	(2,824,700)
COMMERCIAL METALS CO COM	$86,311,051	6,538,716	(2,767,130)
OCWEN FINANCIAL CORP COM	$264,680,142	9,656,335	(2,759,521)
PEPCO HOLDINGS INC COM	$7,325,470	387,591	(2,750,832)
TEXAS INSTRUMENTS INCORPORATED	$259,732,851	9,425,979	(2,697,365)
PDL BIOPHARMA INC COM	$46,209,402	6,001,221	(2,685,602)
NXP SEMICONDUCTORS NV COM	$735,995,105	29,428,033	(2,683,171)
NEWELL RUBBERMAID INC COM	$93,163,438	4,880,222	(2,665,350)
NEXTERA ENERGY INC COM	$1,010,012,084	14,361,042	(2,651,215)
LYONDELLBASELL INDUSTRIES ORD	$1,821,030,136	35,250,293	(2,606,643)
ROYAL DUTCH SHELL PLC ADR B	$859,284,499	12,051,676	(2,595,011)
SERVICESOURCE INTERNATIONAL IN	$84,623,975	8,235,910	(2,594,043)
EMC CORP /MA COM	$696,210,081	25,530,256	(2,582,240)
WESCO AIRCRAFT HOLDINGS INC C	$14,343,000	1,050,000	(2,553,300)
ACCENTURE PLC CL A	$1,532,988,844	21,890,459	(2,526,066)
CENTURYLINK (CENTURYTEL) INC	$733,471,009	18,155,223	(2,498,444)
NU SKIN ENTERPRISES INC CL A	$133,379,186	3,434,952	(2,498,392)
SHANDA GAMES LTD ADR	$754,000	200,000	(2,473,255)
HUDSON CITY BANCORP INC COM	$17,238,854	2,169,774	(2,468,041)
BRITISH AMERICAN TOBACCO ADR	$1,450,760,872	14,134,459	(2,447,015)
MAXIM INTEGRATED PRODUCTS INC	$155,863,344	5,854,682	(2,445,594)
GILDAN ACTIVEWEAR INC COM	$341,966,434	10,794,395	(2,445,012)
NISOURCE INC COM	$132,158,696	5,186,762	(2,436,491)
RAYTHEON CO COM	$450,817,205	7,886,935	(2,433,438)
CABLEVISION SYSTEMS CORP CL A	$80,024,748	5,048,880	(2,432,189)
MAKO SURGICAL CORP COM	$26,749,159	1,536,425	(2,410,757)
WYNDHAM WORLDWIDE CORP COM	$479,077,272	9,128,759	(2,397,536)
APPLIED MATERIALS INC COM	$56,173,426	5,031,207	(2,386,921)
WNS HOLDINGS LTD ADR	$33,591,296	3,280,400	(2,375,420)
AVON PRODUCTS INC COM	$30,802,943	1,931,219	(2,370,246)
EDISON INTERNATIONAL COM	$776,045,792	16,985,025	(2,360,638)
TREEHOUSE FOODS INC COM	$21,665,700	412,680	(2,334,517)
KODIAK OIL & GAS CORP COM	$5,866,202	626,731	(2,293,221)
GLAXOSMITHKLINE PLC ADR	$558,958,553	12,088,204	(2,282,191)
INVESCO LTD COM	$204,823,913	8,196,235	(2,244,802)
CIGNA CORP COM	$326,372,673	6,919,073	(2,208,628)
ENTROPIC COMMUNICATIONS INC C	$4,968,680	853,725	(2,191,437)
BANK OF NEW YORK MELLON CORP	$77,459,317	3,424,373	(2,158,587)
TRIQUINT SEMICONDUCTOR INC CO	$3,707,424	735,600	(2,143,515)
INGERSOLL RAND PLC ORD	$627,651,212	14,003,820	(2,134,683)
JDA SOFTWARE GROUP INC COM	$85,030,600	2,675,601	(2,127,103)

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ANADARKO PETROLEUM CORP COM	$1,714,713,325	24,523,932	(2,123,006)
POST PROPERTIES INC COM	$139,300,108	2,904,506	(2,107,253)
BRINKER INTERNATIONAL INC COM	$318,885,727	9,033,590	(2,097,865)
AMKOR TECHNOLOGY INC COM	$52,265	11,838	(2,091,110)
ADVANCE AUTO PARTS INC COM	$54,793,132	800,601	(2,075,897)
PRETIUM RESOURCES INC COM	$48,714,531	3,738,644	(2,068,562)
AMERICAN TOWER CORP CL A	$1,669,578,369	23,386,726	(2,063,370)
UBIQUITI NETWORKS INC COM	$2,504,391	210,453	(2,048,965)
GENERAL MOTORS CO COM	$116,849,528	5,136,243	(2,037,552)

BERKSHIRE HATHAWAY INC CL B	$1,131,824,824	12,832,481	(2,020,497)
COMERICA INC COM	$253,413,954	8,161,480	(2,017,271)
AGILENT TECHNOLOGIES INC COM	$59,836,967	1,556,228	(2,013,841)
DEAN FOODS CO COM	$261,412,678	15,988,543	(2,012,179)
ACE LTD ORD	$1,025,691,811	13,567,352	(1,974,874)
DDR CORP COM	$326,005,202	21,224,297	(1,961,367)
MASCO CORP COM	$5,128,995	340,797	(1,955,978)
DENBURY RESOURCES INC COM	$52,033,891	3,219,919	(1,950,081)
HOLLYFRONTIER CORP COM	$724,760,711	17,561,442	(1,935,398)
INTERNATIONAL RECTIFIER CORP	$54,083,244	3,240,458	(1,933,555)
ENDO HEALTH SOLUTIONS INC COM	$198,694,873	6,264,025	(1,929,800)
TD AMERITRADE HOLDING CORP CO	$170,183,203	11,072,427	(1,917,657)
POPULAR INC COM	$35,795,923	2,051,695	(1,905,900)
AVAGO TECHNOLOGIES LTD COM	$594,927,783	17,063,754	(1,900,344)
ACTIVE NETWORK INC COM	$58,311,024	4,653,713	(1,892,967)
SOUTHERN CO COM	$146,476,924	3,178,063	(1,867,960)
RIVERBED TECHNOLOGY INC COM	$541,758,704	23,271,422	(1,861,860)
WEIGHT WATCHERS INTERNATIONAL	$12,791,328	242,260	(1,847,822)
HERCULES OFFSHORE INC COM	$898,463	184,300	(1,815,700)
TESORO CORP COM	$449,254,775	10,722,071	(1,797,200)
ALPHA & OMEGA SEMICONDUCTOR C	$16,537,055	1,920,680	(1,780,971)
OM GROUP INC COM	$51,633,900	2,785,000	(1,775,595)
TECO ENERGY INC COM	$31,886,107	1,797,413	(1,774,445)
MELCO CROWN ENTERTAINMENT LTD	$32,932,314	2,443,050	(1,760,950)
COVIDIEN PLC COM	$729,289,290	12,273,465	(1,756,390)
PROTECTIVE LIFE CORP COM	$116,761,487	4,454,845	(1,754,700)
SEMPRA ENERGY COM	$944,447,473	14,644,867	(1,739,968)
QEP RESOURCES INC COM	$83,624,350	2,641,325	(1,730,221)
MIDSTATES PETROLEUM CO INC CO	$13,191,250	1,525,000	(1,707,790)
WPX ENERGY INC CL A	$69,339,564	4,179,600	(1,701,662)
ANALOG DEVICES INC COM	$590,144,658	15,064,318	(1,688,159)
EXCO RESOURCES INC COM	$8	1	(1,686,300)
REINSURANCE GROUP OF AMERICA	$170,870,781	2,952,666	(1,681,457)
WALT DISNEY CO COM	$3,829,340,142	73,246,751	(1,672,010)
TAIWAN SEMICONDUCTOR MFG CO LT	$261,547,314	16,532,700	(1,670,417)
WATERS CORP COM	$56,500,407	678,032	(1,666,996)
DIGITALGLOBE INC COM	$24,980,768	1,225,148	(1,662,822)
KENEXA CORP COM	$36,233,198	790,600	(1,647,414)
CHENIERE ENERGY INC COM	$48,798,397	3,142,202	(1,645,068)
SOUTHWESTERN ENERGY CO COM	$37,343,877	1,073,717	(1,624,827)
FULTON FINANCIAL CORP /PA COM	$247,235	25,100	(1,622,109)
REYNOLDS AMERICAN INC COM	$52,888,062	1,220,306	(1,619,454)
DRYSHIPS INC ORD	$38,671,589	16,526,320	(1,612,300)
OREILLY AUTOMOTIVE INC COM	$71,343,831	853,191	(1,611,584)
EQUITY RESIDENTIAL SBI	$670,625,427	11,656,969	(1,608,348)
KEYCORP COM	$132,781,882	15,192,435	(1,597,823)
TRW AUTOMOTIVE HOLDINGS CORP	$108,517,549	2,482,671	(1,592,052)
XCEL ENERGY INC COM	$4,545,271	164,030	(1,590,148)
PRECISION CASTPARTS CORP COM	$350,281,650	2,144,494	(1,583,223)
VALE SA ADR PFD	$180,658,923	10,406,620	(1,576,061)
ADVISORY BOARD CO COM	$122,190,010	2,554,673	(1,571,091)
SHAW GROUP INC COM	$30,054	689	(1,569,153)
NUCOR CORP COM	$72,465,550	1,894,029	(1,542,618)
INTERNATIONAL BUSINESS MACHINE	$2,938,598,123	14,165,332	(1,534,518)
HARLEY DAVIDSON INC COM	$349,717,235	8,253,888	(1,527,054)
UDR INC COM	$143,915,394	5,798,364	(1,524,856)
TELEFONICA BRASIL SA ADR PFD	$45,257,528	2,081,763	(1,522,012)
WHOLE FOODS MARKET INC COM	$696,303,737	7,148,909	(1,520,019)
CHINA MOBILE LTD ADR	$59,225,457	1,069,824	(1,512,431)
INTEL CORP COM	$273,290,935	12,063,162	(1,493,511)
VICAL INC COM	$35,191,469	8,127,360	(1,477,975)
DIODES INC COM	$36,671,859	2,155,900	(1,470,103)
CF INDUSTRIES HOLDINGS INC CO	$468,116,557	2,106,356	(1,466,363)
WEYERHAEUSER CO COM	$85,346,185	3,264,965	(1,463,853)
COPA HOLDINGS SA CL A	$98,334,424	1,209,972	(1,460,310)
AMERIPRISE FINANCIAL INC COM	$53,005,660	935,009	(1,443,358)

15 Nov 2012 11:07 EDT DJ Fidelity Mgmt & Research Co. 3Q 13F: Largest Purchases

DJ CFA SOURCE: SEC 13F-HR
FILER:
Fidelity Management & Research Co .
QUARTER ENDED: 09/30/2012
SEC RECEIVED: 11/14/2012

Up to 200 of the largest purchases of Fidelity Management & Research Co . are listed below, ordered by the number of shares bought during the three months ended Sep. 30.

Company Name	Value	Holdings	Change
SPRINT NEXTEL CORP COM	$805,656,735	145,952,307	107,075,886
GENERAL ELECTRIC CO COM	$5,043,225,483	222,070,695	61,337,864
SIRIUS XM RADIO INC COM	$219,527,133	84,759,511	42,945,847
SOUTHWEST AIRLINES CO COM	$248,084,234	28,287,826	22,231,703
SYMANTEC CORP COM	$402,806,035	22,409,237	20,820,906
EBAY INC COM	$3,022,023,131	62,477,220	18,518,525
MERCK & CO INC COM	$3,173,628,132	70,376,497	18,186,805
FACEBOOK INC CL A	$799,243,170	36,899,500	18,124,585
NEWS CORP LTD CL A	$645,279,113	26,332,549	17,979,475
WAL MART STORES INC COM	$3,584,725,555	48,573,517	17,153,599
PFIZER INC COM	$3,271,413,438	131,646,416	16,315,293
TURQUOISE HILL RESOURCES LTD	$388,486,099	45,812,040	15,276,943
MORGAN STANLEY COM	$754,413,528	45,066,519	14,562,423
CITIGROUP INC COM	$2,359,292,974	72,105,531	12,836,155
MCDERMOTT INTERNATIONAL INC C	$289,862,017	23,720,296	12,243,400
AMGEN INC COM	$4,433,368,004	52,596,607	11,865,465
GILEAD SCIENCES INC COM	$2,714,844,316	40,929,358	11,743,259
NOVAVAX INC COM	$39,622,217	18,343,619	11,290,280
GENERAL GROWTH PROPERTIES INC	$293,535,140	15,068,539	11,118,078
PULTEGROUP INC COM	$757,867,308	48,894,665	10,928,309
KROGER CO COM	$358,180,003	15,215,803	10,827,141
VERIZON COMMUNICATIONS INC CO	$1,548,871,940	33,988,851	10,266,104
KRAFT FOODS GROUP INC COM	$419,588,863	9,400,445	9,400,445
BROCADE COMMUNICATIONS SYSTEMS	$277,912,010	46,984,279	8,860,149
FINISAR CORP COM	$160,023,236	11,174,807	8,787,399
PHILLIPS 66 COM WI	$737,408,895	15,902,715	8,498,021
STAPLES INC COM	$397,862,001	34,536,632	7,997,731
COMCAST CORP CL A	$3,906,310,362	109,282,707	7,870,376
GRIFOLS SA ADR B	$308,408,735	13,508,924	7,830,414
JPMORGAN CHASE & CO INC COM	$3,468,719,380	85,689,708	7,576,945
H&R BLOCK INC COM	$132,687,873	7,656,542	7,039,891
LSI CORP COM	$61,633,068	8,919,402	6,952,221
CAPITALSOURCE INC COM	$150,808,656	19,895,601	6,942,040
JABIL CIRCUIT INC COM	$279,141,408	14,911,400	6,941,102
TYSON FOODS INC CL A	$111,214,428	6,942,224	6,841,413
CANADIAN NATURAL RESOURCES LTD	$454,779,908	14,770,377	6,716,678
CHARLES SCHWAB CORP COM	$372,250,898	29,116,222	6,703,903
BROADCOM CORP CL A	$845,183,712	24,448,473	6,648,581
KKR & CO LP COM UNIT	$256,642,579	16,984,949	6,564,446
BLACKSTONE GROUP LP UNIT	$305,618,918	21,401,885	6,547,000
DIRECTV COM	$596,025,646	11,365,859	6,304,923
CAMERON INTERNATIONAL CORP CO	$974,119,417	17,373,273	6,083,038
ELI LILLY & CO COM	$1,167,802,077	24,631,978	5,939,691
CARMAX INC COM	$173,985,344	6,147,892	5,835,219
LEXMARK INTERNATIONAL INC CL	$135,137,467	6,073,594	5,828,920

MONSANTO CO COM	$2,134,427,829	23,450,097	5,665,255
INTEGRATED DEVICE TECHNOLOGY	$33,022,378	5,625,618	5,625,618
NEW GOLD INC COM	$466,190,678	38,149,810	5,623,384
GENPACT LTD COM	$97,447,896	5,842,200	5,584,100
QUANTUM CORP DSSG COM	$39,582,256	24,585,252	5,492,800
MICRON TECHNOLOGY INC COM	$262,398,991	43,879,430	5,352,520
GAP INC COM	$317,962,083	8,886,587	5,327,294
TEXTRON INC COM	$1,084,211,454	41,429,555	5,256,011
ALPHA NATURAL RESOURCES INC C	$67,451,707	10,266,622	4,978,904
HARTFORD FINANCIAL SERVICES GR	$271,122,565	13,946,634	4,890,642
NUANCE COMMUNICATIONS INC COM	$316,098,122	12,699,804	4,839,234
LKQ CORP COM	$247,976,549	13,422,276	4,803,754
KIMCO REALTY CORP COM	$605,376,361	29,865,632	4,778,698
AMERICAN INTERNATIONAL GROUP	$270,810,380	8,258,932	4,773,970
UBS AG ORD REG	$509,107,691	41,798,661	4,762,205
FOOT LOCKER INC COM	$373,935,984	10,533,408	4,743,638
COMCAST CORP CL A SPECIAL NVT	$537,957,256	15,454,101	4,699,001
VIRGIN MEDIA INC COM	$228,102,792	7,753,324	4,663,780
JOHNSON & JOHNSON COM	$1,890,697,590	27,437,202	4,659,055
ELECTRONIC ARTS INC COM	$75,044,790	5,913,695	4,622,526
EXELIXIS INC COM	$129,402,240	26,819,117	4,547,600
SYNOVUS FINANCIAL CORP COM	$68,245,209	28,795,447	4,542,626
M&T BANK CORP COM	$592,531,820	6,226,690	4,505,003
HESS CORP COM	$667,813,465	12,431,375	4,461,042
BANCO BILBAO VIZCAYA ARG ADR	$123,708,902	15,962,439	4,451,601
NORTHERN TIER ENERGY LP COM U	$93,976,270	4,449,634	4,449,634
AMERICAN ELECTRIC POWER INC C	$345,672,992	7,866,932	4,432,257
SUNCOR ENERGY INC COM	$967,086,491	29,439,467	4,399,446
SANOFI AVENTIS ADR	$423,369,795	9,832,090	4,373,680
WARNER CHILCOTT PLC CL A	$63,892,355	4,732,767	4,373,586
SECTOR SPDR FINANCIAL	$66,242,767	4,249,055	4,231,386
THERAVANCE INC COM	$340,575,498	13,144,558	4,185,490
NII HOLDINGS INC COM	$180,643,213	23,070,653	4,144,075
COMVERSE TECHNOLOGY INC COM	$190,841,019	31,031,060	4,141,979
FOSTER WHEELER AG COM	$350,119,933	14,612,685	4,139,319
CBL & ASSOCIATES PROPERTIES IN	$469,473,939	21,999,716	4,036,801
CHIMERA INVESTMENT CORP COM	$12,276,053	4,529,909	4,028,380
HSN INC COM	$212,548,316	4,333,299	3,993,299
ISHARES MSCI EMERGING MARKET	$166,773,278	4,035,651	3,992,005
GLIMCHER REALTY TRUST SBI	$203,105,277	19,215,258	3,979,647
HCP INC COM	$713,789,597	16,047,428	3,959,457
CAPITAL ONE FINANCIAL CORP CO	$1,623,086,843	28,470,213	3,870,645
EPAM SYSTEMS INC COM	$112,842,493	5,957,893	3,793,965
JANUS CAPITAL GROUP INC COM	$49,481,535	5,241,688	3,793,228
ASCENA RETAIL GROUP INC COM	$372,537,937	17,367,736	3,702,752
VISA INC CL A	$3,846,186,874	28,643,036	3,635,148
EXACTTARGET INC COM	$87,607,179	3,617,142	3,518,842
LIBERTY INTERACTIVE CORP INT	$97,012,372	5,243,912	3,506,954
INVENSENSE INC COM	$62,889,385	5,262,710	3,464,100
AKAMAI TECHNOLOGIES INC COM	$316,192,960	8,264,322	3,411,119
ITAU UNIBANCO HOLDING SA ADR	$339,270,366	22,203,558	3,406,016
CVS CAREMARK CORP COM	$2,431,185,970	50,210,367	3,393,138
PETROBRAS ADR	$231,306,768	10,085,318	3,380,601
SUNTRUST BANKS INC COM	$417,983,173	14,785,397	3,358,671
SELECT COMFORT CORP COM	$104,591,253	3,317,198	3,317,198
FLUOR CORP COM	$463,487,299	8,235,382	3,306,379
CONSTELLATION BRANDS INC CL A	$678,300,728	20,967,565	3,274,719
US AIRWAYS GROUP INC COM	$154,633,119	14,783,281	3,233,000
FREEPORT MCMORAN COPPER CL B	$438,694,152	11,083,733	3,178,828
METLIFE INC COM	$1,285,475,164	37,303,400	3,100,212
JUNIPER NETWORKS INC COM	$243,909,449	14,255,374	3,099,177
WATSON PHARMACEUTICALS INC CO	$564,523,852	6,628,979	3,079,559
ADT CORP COM	$110,069,892	3,057,497	3,057,497
INGRAM MICRO INC CL A	$71,015,967	4,662,900	3,009,800
NATIONAL OILWELL VARCO INC CO	$1,666,658,909	20,804,630	2,959,622
ABBOTT LABS COM	$1,608,782,339	23,465,320	2,941,685

CENTERPOINT ENERGY INC COM $269,866,165 12,669,773 2,921,222
GUESS INC COM $251,088,338 9,877,590 2,898,010
ISHARES RUSSELL1000 GROWTH $555,172,781 8,323,430 2,893,522
NOBLE CORP ORD REG $604,435,547 16,893,112 2,814,540
CABOT OIL & GAS CORP CL A $508,295,434 11,320,611 2,807,756
DEVRY INC (DEL) COM $100,263,536 4,405,252 2,804,742
ISHARES MSCI BRAZIL INDEX FUND $148,790,149 2,752,315 2,748,732
GENTEX CORP COM $70,230,510 4,133,638 2,741,552
ALLSCRIPTS HEALTHCARE SOLUTION $39,408,971 3,173,025 2,733,942
SERVICENOW INC COM $104,934,430 2,712,886 2,712,886
LEVEL 3 COMMUNICATIONS INC CO $128,473,231 5,593,088 2,704,432
DISCOVERY LABORATORIES INC CO $18,466,743 5,647,322 2,697,622
MONOLITHIC POWER SYSTEMS INC $60,651,302 3,070,952 2,682,352
PRIVATEBANCORP INC COM $107,838,159 6,744,100 2,662,900
GNC HOLDINGS INC CL A $308,669,172 7,920,687 2,645,938
MCGRAW HILL COS INC COM $167,255,572 3,063,850 2,612,760
ONYX PHARMACEUTICALS INC COM $528,890,401 6,259,058 2,610,950
CONNS INC COM $57,496,941 2,607,571 2,607,571
15 Nov 2012 11:07 EDT DJ Fidelity Mgmt & Research Co. 3Q 13F: Largest -2-

ADVANCED MICRO DEVICES INC CO $92,562,964 27,466,755 2,602,237
JARDEN CORP COM $335,052,311 6,340,884 2,538,047
INCONTACT INC COM $38,731,388 5,958,675 2,511,140
DR PEPPER SNAPPLE GROUP INC C $726,818,081 16,321,987 2,509,834
WHIRLPOOL CORP COM $288,557,891 3,480,375 2,500,936
BROOKDALE SENIOR LIVING INC C $290,266,486 12,500,710 2,494,862
SECTOR SPDR TECHNOLOGY $156,615,104 5,043,099 2,451,402
XEROX CORP COM $250,752,743 34,162,499 2,449,908
SS&C TECHNOLOGIES HOLDINGS INC $73,367,579 2,910,257 2,442,057
PROLOGIS INC COM $1,007,125,111 28,750,360 2,431,050
SYNOPSYS (SYNOPSIS) INC COM $300,120,012 9,095,924 2,428,795
FORTUNE BRANDS HOME & SECURITY $123,976,953 4,590,039 2,416,628
ASML HOLDING NV NY SH $1,083,356,608 20,181,755 2,389,066
CABELAS INC CL A VTG $157,802,707 2,885,931 2,367,031
FIRST COMMONWEALTH FINANCIAL $19,643,676 2,786,337 2,353,537
JDS UNIPHASE INC COM $34,312,916 2,771,641 2,348,836
VALERO ENERGY CORP COM $776,824,646 24,520,980 2,338,600
BANK OF AMERICA CORP COM $503,678,176 57,041,696 2,336,784
HOST HOTELS & RESORTS (MARRIOT $514,516,359 32,057,094 2,320,927
HUNTINGTON BANCSHARES INC COM $585,911,147 84,976,236 2,304,788
POST HOLDINGS INC COM $88,109,287 2,931,114 2,299,112
VENTAS INC COM $1,237,331,858 19,876,817 2,290,907
MARSH & MCLENNAN COS INC COM $92,739,105 2,733,248 2,262,233
LEXICON PHARMACEUTICALS INC C $168,698,765 72,714,985 2,258,031
XOMA CORP COM $37,238,321 10,091,686 2,249,300
FLEXTRONICS INTERNATIONAL LTD $111,834,054 18,639,009 2,248,670
FIDELITY NATIONAL INFO SERVICE $493,757,974 15,815,438 2,224,096
GOOGLE INC CL A $12,337,346,333 16,351,685 2,223,942
PEPSICO INC COM $894,169,679 12,634,869 2,219,691
METROPCS COMMUNICATIONS INC C $91,887,386 7,846,916 2,212,664
VANTIV INC CL A $73,144,062 3,394,156 2,203,745
POLYONE CORP COM $112,676,000 6,800,000 2,200,000
YUM BRANDS INC COM $855,439,639 12,894,779 2,195,778
DARLING INTERNATIONAL INC COM $157,846,358 8,630,200 2,195,500
UNITED CONTINENTAL HOLDINGS IN $562,716,375 28,857,250 2,189,159
MYLAN (MYLAN LABS) INC COM $67,801,198 2,781,930 2,172,788
EDUCATION REALTY TRUST INC CO $148,351,910 13,610,267 2,154,465
GERDAU SA ADR PFD $53,258,216 5,600,233 2,153,733
ENSCO PLC CL A $562,792,402 10,315,110 2,147,895
FIRSTENERGY CORP COM $815,786,628 18,498,563 2,133,367
HORIZON PHARMA INC COM $20,410,030 5,831,437 2,120,394
GARMIN LTD COM $182,673,023 4,376,450 2,117,202
URBAN OUTFITTERS INC COM $252,607,677 6,725,444 2,112,242
CBRE GROUP INC COM $187,365,971 10,177,402 2,109,791
GREEN DOT CORP CL A $29,145,766 2,383,137 2,107,500

EXA CORP COM $22,846,216 2,105,642 2,105,642
BAZAARVOICE INC COM $32,280,378 2,130,718 2,102,718
INTERNATIONAL PAPER CO COM $246,940,770 6,799,030 2,087,693
SUNSTONE HOTEL INVESTORS INC $123,226,477 11,202,407 2,084,900
EQT CORP COM $367,788,713 6,233,707 2,080,392
WALGREEN CO COM $511,917,866 14,048,240 2,075,771
STAMPS.COM INC COM $48,010,872 2,074,800 2,074,800
NORTHERN OIL & GAS INC COM $66,903,086 3,937,792 2,066,019
SPREADTRUM COMMUNICATIONS INC $60,808,027 2,964,799 2,065,001
DUKE REALTY CORP COM $219,004,187 14,898,244 2,058,871
DENNYS CORP COM $37,903,477 7,831,297 2,035,102
RESEARCH IN MOTION LTD COM $17,906,250 2,387,500 2,014,200
OLD REPUBLIC INTL CORP COM $78,181,910 8,406,657 1,987,775
HANESBRANDS INC COM $219,187,114 6,875,380 1,970,170
DEERE & CO COM $301,664,374 3,657,868 1,928,344
ALTERA CORP COM $449,589,140 13,223,210 1,908,674
PENSKE AUTOMOTIVE GROUP INC C $241,379,964 8,021,933 1,903,429
CINEMARK HOLDINGS INC COM $180,951,939 8,067,407 1,903,307
NV ENERGY INC COM $49,784,395 2,764,264 1,903,115
HOME PROPERTIES INC COM $233,424,485 3,809,768 1,898,042
CHUYS HOLDINGS INC COM $46,185,431 1,883,582 1,883,582
ISHARES RUSSELL1000 VALUE $505,555,361 7,004,092 1,875,205
PENNEY J C INC COM $435,646,640 17,935,226 1,873,929
FIRST POTOMAC REALTY TRUST CO $63,986,707 4,967,912 1,855,734
FRONTIER COMMUNICATIONS CORP $42,453,023 8,637,441 1,841,173
DCT INDUSTRIAL TRUST INC COM $230,685,721 35,709,864 1,836,538

15 Nov 2012 11:07 EDT DJ Fidelity Mgmt & Research Co. 3Q 13F: Largest Eliminations

DJ CFA SOURCE: SEC 13F-HR
FILER:
Fidelity Management & Research Co .
QUARTER ENDED: 09/30/2012
SEC RECEIVED: 11/14/2012

Up to 200 of the largest eliminated positions of Fidelity Management & Research Co . are listed below, ordered by the number of shares sold during the three months ended Sep. 30.

Company Name	Ticker	Change
RITE AID CORP COM	RAD	(10,424,263)
SUNRISE SENIOR LIVING INC COM	SRZ	(7,819,270)
RENTECH INC COM	RTK	(2,612,534)
ANTHERA PHARMACEUTICALS INC C	ANTH	(1,744,817)
SEALY CORP COM	ZZ	(1,343,460)
LA Z BOY INC COM	LZB	(1,216,779)
BRASKEM SA ADR PFD A	BAK	(1,215,277)
CTRIP.COM INTERNATIONAL LTD A	CTRP	(1,110,600)
VISHAY PRECISION GROUP INC CO	VPG	(1,018,695)
VIVUS INC COM	VVUS	(884,100)
BROWN SHOE INC COM	BWS	(850,000)
GENTIVA HEALTH SERVICES INC C	GTIV	(724,800)
METROPOLITAN HEALTH NETWORKS	MDF	(662,000)
ALON USA ENERGY INC COM	ALJ	(595,600)
SUPPORT COM INC COM	SPRT	(557,200)
KINDRED HEALTHCARE INC COM	KND	(529,143)
SPDR SERIES S&P BIOTECH	XBI	(519,000)
SKILLED HEALTHCARE GROUP INC	SKH	(482,000)
NAVISTAR INTERNATIONAL COM	NAV	(455,000)

INERGY LP	UNIT LP	NRGY	(417,702)
BOISE INC	COM	BZ	(388,900)
TOWER GROUP INC	COM	TWGP	(325,000)
HILLTOP HOLDINGS INC	COM	HTH	(293,394)
WESTERN ASSET MORTGAGE CAPITAL		WMC	(272,000)
CARRIZO OIL & CO INC	COM	CRZO	(205,800)
ICON PLC	ADR	ICLR	(200,000)
OSI SYSTEMS INC	COM	OSIS	(194,000)
SPX CORP	COM	SPW	(192,997)
DIGITAL RIVER INC	COM	DRIV	(192,300)
IPC HOSPITALIST CO INC	COM	IPCM	(192,100)
LIN TV CORP	CL A	TVL	(183,300)
TATA MOTORS LTD	ADR	TTM	(170,000)
POZEN INC	COM	POZN	(164,000)
REPLIGEN CORP	COM	RGEN	(157,521)
COBRA ELECTRONICS CORP	COM	COBR	(157,067)
BLONDER TONGUE LABS INC	COM	BDR	(152,040)
MOLYCORP INC	COM	MCP	(148,602)
B&G FOODS INC	CL A	BGS	(146,590)
GERON CORP	COM	GERN	(139,500)
AMERICAN RIVER BANCSHARES	COM	AMRB	(128,500)
AMERICAN APPAREL INC	COM	APP	(124,100)
GEORGIA GULF CORP	COM	GGC	(124,050)
MYR GROUP INC	COM	MYRG	(120,000)
GRANITE CONSTRUCTION INC	COM	GVA	(110,200)
HEALTHCARE SERVICES GROUP INC		HCSG	(101,320)
CERADYNE INC	COM	CRDN	(95,821)
EAGLE BULK SHIPPING INC	COM	EGLE	(82,350)
WEBSENSE INC	COM	WBSN	(81,700)
CHROMCRAFT REVINGTON INC	COM	CRC	(80,985)
CCA INDUSTRIES INC	COM	CAW	(78,977)
COLONY FINANCIAL INC	COM	CLNY	(78,637)
ALLEGIANT TRAVEL CO	COM	ALGT	(68,094)
FIRST FINANCIAL SERVICE CORP		FFKY	(62,182)
ORMAT TECHNOLOGIES INC	COM	ORA	(51,200)
MEADOWBROOK INSURANCE GROUP IN		MIG	(39,600)
FREIGHTCAR AMERICA INC	COM	RAIL	(38,700)
CRESUD SA	ADR	CRESY	(38,400)
IDEX CORP	COM	IEX	(31,000)
ITT EDUCATIONAL SERVICES INC		ESI	(29,156)
HESKA CORP	COM RESTRICTED	HSKA	(28,000)
ALEXZA PHARMACEUTICALS INC	CO	ALXA	(27,326)
SUCAMPO PHARMACEUTICALS INC	C	SCMP	(27,000)
SAGENT PHARMACEUTICALS INC	CO	SGNT	(25,000)
CACI INTERNATIONAL INC	CL A C	CACI	(24,500)
SAIA INC	COM	SAIA	(24,100)
MARKET VECTORS ETF	INDIA SMAL	SCIF	(23,900)
FLAGSTONE REINSURANCE HLDGS SA		FSR	(23,400)
VRINGO INC	COM	VRNG	(20,000)
URANIUM RESOURCES INC	COM	URRE	(17,500)
CEVA INC	COM	CEVA	(13,500)
ATLAS RESOURCE PARTNERS LP	UN	ARP	(12,700)
BANK OF COMMERCE HOLDINGS	COM	BOCH	(11,000)
CDI CORP	COM	CDI	(10,091)
TEEKAY CORP	COM	TK	(8,100)
51JOB INC	ADR	JOBS	(5,900)
IPATH ETN LINKED DJ UBS	COMMOD	DJP	(5,285)
FIRST FINANCIAL NORTHWEST INC		FFNW	(4,200)
YM BIOSCIENCES INC	COM	YMI	(4,100)
PROSHARES TR	ULTRA S&P 500	SSO	(3,686)
CARROLS RESTAURANT GROUP INC		TAST	(3,173)
SHILOH INDUSTRIES INC	COM	SHLO	(3,100)
COMMUNITY TRUST BANCORP INC	C	CTBI	(2,660)
OI SA	ADR	OIBR.C	(2,225)
SANDRIDGE MISSISSIPPIAN TR II		SDR	(1,750)
NEWPARK RESOURCES INC	COM	NR	(1,700)

CIA SIDERURGICA NACIONAL (CSN)	SID	(1,501)
DIREXION SHS ETF TR SM CAP BU	TNA	(1,400)
VANGUARD HEALTH SYSTEMS INC C	VHS	(1,400)
SHENANDOAH TELECOMMUNICATIONS	SHEN	(1,300)
VANGUARD WORLD FD MEGA VALUE	MGV	(1,205)
POWERSHARES ETF TRUST DYN OIL	PXJ	(1,001)
UNITED STATES OIL FUND LP UNI	USO	(1,000)
WIPRO LTD ADR	WIT	(833)
POWERSHARES ETF TRUST DYN EN	PXE	(800)
ISHARES S&P EMERGING MARKETS I	EMIF	(654)
SANDRIDGE ENERGY INC COM	SD	(606)
WISDOMTREE TR INTL DIVIDEND T	DOO	(600)
ABB LTD ADR	ABB	(470)
DOMTAR CORP COM	UFS	(400)
ISHARES TR S&P MODERATE ALLCT	AOM	(350)
HARRIS TEETER SUPERMARKETS INC	HTSI	(300)
CARTERS INC COM	CRI	(288)
BOINGO WIRELESS INC COM	WIFI	(250)
FEIHE INTERNATIONAL INC COM	ADY	(245)
POWERSHARES ETF DB OIL FD	DBO	(222)
INFOSYS LTD ADR	INFY	(202)
MARKEL CORP COM	MKL	(200)
MDU RESOURCES GROUP INC COM	MDU	(164)
SPDR SERIES DJ GLOBAL TITANS	DGT	(125)
DIREXION DAILY GOLD MINERS BUL	NUGT	(100)
SPDR SERIES DJ WILSHIRE SML CA	SLYG	(71)
ISHARES TR KLD SL SOC INX	KLD	(60)
SPARTAN STORES INC COM	SPTN	(30)
BLACKROCK REAL ASSET EQUITY C	BCF	(11)
ISHARES MSCI BELGIUM	EWK	(8)
ISHARES MSCI SPAIN	EWP	(7)
LIBERTY PROPERTY TRUST SBI	LRY	(4)
ISHARES MSCI ITALY	EWI	(4)
TARGA RESOURCES PARTNERS LP U	NGLS	(3)
MIZUHO FINANCIAL GROUP INC AD	MFG	(3)
BLACKROCK ENHANCED EQUITY DIV	BDJ	(2)
VANGUARD WORLD FD EXTENDED DU	EDV	(2)
LLOYDS BANKING GROUP PLC ADR	LYG	(2)
PAA NATURAL GAS STORAGE LP CO	PNG	(2)
ALPS ETF JEFFERIES TR J CRB G	CRBQ	(2)
MARKET VECTORS ETF EMERG MKTS	EMLC	(2)
EUROSEAS LTD ORD	ESEA	(2)
BLACKROCK ENHANCED CAP & INC F	CII	(2)
BOARDWALK PIPELINE PARTN UT L	BWP	(2)
DOMINION RESOURCES BLACK WAR	DOM	(2)
ISHARES TR MSCI INDO INVTS MK	EIDO	(2)
CLAYMORE ETF BNY BRIC	EEB	(2)
ISHARES MSCI SOUTH AFRICA	EZA	(2)
POWERSHARES ETF TR II GLOBAL	PSAU	(2)
ISHARES TR S&P GLOBAL UTILITI	JXI	(2)
WISDOMTREE TR SMALL CAP DIVD	DES	(2)
DCP MIDSTREAM PARTNERS LP COM	DPM	(2)
TEEKAY LNG PARTNERS LP PART U	TGP	(1)
CALIFORNIA WATER SERVICE GROUP	CWT	(1)
SPDR SERIES TR BARC CAP SHORT	SCPB	(1)
SCHWAB STRATEGIC TR INTL EQTY	SCHF	(1)
BROOKFIELD GLOBAL LISTED INFRA	INF	(1)
URSTADT BIDDLE PROPERTIES INC	UBP	(1)
QR ENERGY LP COM	QRE	(1)
AGIC INTERNATIONAL & PREM STRA	NAI	(1)
PROSHARES TR ULTRA FINANCIALS	UYG	(1)
BLDRS DEVELOPED MARKET 100 ADR	ADRD	(1)
COPANO ENERGY LLC COM UNIT	CPNO	(1)
RETAIL OPPORTUNITY INVESTMENTS	ROIC	(1)
SPDR S&P CAPITAL MARKETS ETF	KCE	(1)
CLAYMORE ETF TR 2 SWM CDN ENE	ENY	(1)

GUGGENHEIM S&P 500 EQUAL WEIGH RSP (1)
CLAYMORE ETF TRUST 2 CHINA TEC CQQQ (1)
CREDIT SUISSE ASSET MGMT INCOM CIK (1)
SPDR SERIES TRUST SHRT INTL E BWZ (1)
CHINA DIGITAL TV HOLDING CO LT STV (1)
NAVIOS MARITIME PARTNERS COM NMM (1)
SAFE BULKERS INC COM SB (1)
REVENUESHARES ETF TR MID CAP RWK (1)
COHEN & STEERS QUALITY INC CO RQI (1)
SPEEDWAY MOTORSPORTS INC COM TRK (1)
ASIA PACIFIC FUND INC COM APB (1)
ARKANSAS BEST CORP COM ABFS (1)
ACORN ENERGY (ACORN FACTOR) C ACFN (1)
VANGUARD SCOTTSDALE LG TERM CO VCLT (1)
AMTECH SYSTEMS INC COM ASYS (1)
AMERICAN STATES WATER CO COM AWR (1)
AMERICA FIRST TAX EXEMPT INV ATAX (1)
ALLIANCEBERNSTEIN GLOBAL HIGH AWF (1)
15 Nov 2012 11:07 EDT DJ Fidelity Mgmt & Research Co. 3Q 13F: Largest -2-

WESTERN ASSET MANAGED HIGH INC MHY (1)

ALLETE INC COM ALE (1)
THESTREET INC COM TST (1)
ALASKA COMMUNICATIONS SYSTEMS ALSK (1)
WISDOMTREE TR HIGH YIELDING E DHS (1)
AVIVA PLC ADR AV (1)
BLACKROCK INCOME OPPORTUNITY T BNA (1)
CIMATRON LTD ORD CIMT (1)
STEIN MART INC COM SMRT (1)
STONE HBR EMERG MRKTS INC FD EDF (1)
BLACKROCK CREDIT ALLOCATION IN PSY (1)
BLACKROCK MUNIASSETS FUND INC MUA (1)
BLACKROCK MUNIHOLDINGS QUALITY MUE (1)
TEMPLETON EMERGING MKTS INCOME TEI (1)
TENNANT CO COM TNC (1)
ABERDEEN FIRST ISRAEL FUND INC ISL (1)
WORTHINGTON INDUSTRIES INC CO WOR (1)
WISDOMTREE TR EMERGE MKTS LC ELD (1)
TIANYIN PHARMACEUTICAL CO INC TPI (1)
TURKCELL ILETISIM HIZMETLERI A TKC (1)
WISDOMTREE TR INTL REAL EST S DRW (1)
HELIOS MULTI SECTOR HIGH INC F HMH (1)
ISHARES TR MSCI ACWI EX US TE AXTE (1)
ISHARES TR MSCI ACWI EX US MA AXMT (1)
ISHARES TR MSCI ACWI EX US TE AXIT (1)
GABELLI HEALTHCARE & WELLNESS GRX (1)
ISHARES TR MSCI ACWI EX CONS AXDI (1)
ISHARES TR S&P CONS ALLOCATIO AOK (1)
ISHARES TR MSCI CHINA SMALL C ECNS (1)
ISHARES TR MSCI POLAND INVT M EPOL (1)
ISHARES INTL INFLATION LINKED ITIP (1)
13F data provided by: FactSet Research Systems Inc .; Please send questions to lionsharesinfo@factset.com.

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(END) Dow Jones Newswires

November 15, 2012 11:07 ET (16:07 GMT)

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MARKET TALK: Canada Sees a Long-Term Decline in Cash Transactions

1,472 字
2012 年 11 月 15 日 20:24
Dow Jones News Service
DJ
英文

15:24 EST - The use of cash for point-of-sale transactions in Canada has declined over the last 20 years. According to a Bank of Canada report, the volume of cash payments was less than 50% of the total in 2011 from more than 80% in the early 1990s. The value of cash transactions was down to less than 20% of the total from 50%. Cash is mostly used for cheaper purchases. Total value of cash transactions last year was just over C$100 billion, with an average of C$18. By contrast, average debit card transaction was C$44, with the total valued at C$180 billion. Credit card transactions topped C$300 billion, with an average of just over C$100. Still, the central bank calculates that use of cash for non-payment purposes -- notably as a store of value and for precautionary purposes -- has grown "markedly" since 2000. (nirmala.menon@dowjones.com)

"MARKET TALK: Navidea Gets Second Chance With FDA," published at 5:27 p.m. EST on Tuesday misstated that Navidea Biopharmaceuticals's investigational diagnostic tool Lymphoseek is for lymphoma. The tool is intended to be used with breast cancer, melanoma and potentially other cancers.

The error also appeared in Wednesday's Hot Stock Futures table published at 6:29 a.m. and 8:45 a.m. and Wednesday's Hot Stocks tables published at 10:54 a.m., 1:33 p.m. and 5:25 p.m.

15:06 EST - S&P Capital IQ grows more cautious on Barrick Gold's (ABX) ability to control costs and execute its growth plans, slicing profit estimates through 2013. Gold miner fired its CEO in June and installed its longtime CFO to clamp down on cost overruns. Since then, the company has shelved some of its more expensive projects, but the hits keep coming. ABX is down 14% in the last 30 days after missing 3Q earnings. The cost of ABX's mine project on the Argentina-Chile border is seen as much as $8.5B, from a $3B forecast when the project was approved in 2009. ABX falls 1.5% to $33.41. (matt.day@dowjones.com)

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14:59 EST - Bernanke ends his second term as Fed chief in January 2014. Eric Stein, fund manager at Eaton Vance, says this topic will likely see more speculation in the second half of 2013. He sees Fed Vice Chair Janet Yellen as the favorite to take the chief job. If Yellen replaces Bernanke, it could reassure investors that low-rate policy won't change anytime soon thereafter. Stein argues that Yellen has been even more dovish than Bernanke when it comes to monetary policy and that her rise to the No. 2 figure within the Fed circle is a good sign that the odds are in her favor to become the No. 1. Still, because Yellen is the expected choice, markets might not react much if she gets the actual nod, Stein says. (min.zeng@dowjones.com)

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14:37 EST - Investors may not have noticed much, but the strong correlations that dominated risk investments in recent years took a bit of a breather in the past few months--that is, until the presidential election last week, and now they're back with a vengeance, KBW says in a note. From August to Nov 6, 90-day correlation among S&P500 stocks fell to 0.64, but has rocketed right back up to 0.73 in just six trading days since election night, as macro concerns about the so-called fiscal cliff weigh on investor sentiment. Financials have the highest correlation to the overall market, firm says. (christian.berthelsen@dowjones.com)

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Patrick Sullivan, 212 416-2326,Patrick.sullivan@dowjones.com

[11-15-12 1524ET]

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DOWJONES | Newswires

MARKET TALK: S&P Capital IQ Not Sold on Barrick Turnaround Yet

1,443 字
2012 年 11 月 15 日 20:06
Dow Jones News Service
DJ
英文

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[11-15-12 1506ET]

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文件 DJ00000020121115e8bf000mc

DOWJONES | Newswires

MARKET TALK: Biglari Has Yet to Comment on His Latest Defeat

1,423 字
2012 年 11 月 15 日 19:58
Dow Jones News Service
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英文

14:58 EST - Sardar Biglari has thus far remained quiet in the hours after his second failed attempt to gain a seat on Cracker Barrel's (CBRL) board. Typically outspoken, the activist could still walk away with some hefty winnings--if he does sell out--given that CBRL's stock has risen by as much as 70% since he began building up his nearly 18% stake. Attorneys and shareholders expect Biglari will back down now, either selling or residing to a passive position in CBRL. "We think management is doing a good job, and we don't understand what" he wants, says Michael Beall at Davenport Asset Management, which owns roughly 200K shares. He goes on to call the proxy fight "a distraction, and we hope it will go away." Shares are fractionally lower. (annie.gasparro@dowjones.com)

14:45 EDT - Nymex crude-oil futures slide as US inventories last week were at their most above year-earlier levels since 2009, with overall supplies hitting a nearly 4-month high and refinery runs sliding to a 2-month low. December oil fell 1% to $85.45/barrel. (david.bird@dowjones.com)

14:40 EST - Stocks might continue lower until the VIX snaps back above 25, according to Jim Strugger, derivatives strategist at MKM Partners. "No one's ever broken an arm slowly," said Stugger. "The traumatic event to push the VIX up is going to come, and when it finally comes no one will be prepared." While the S&P 500 has fallen about 4.2% over the last three weeks, the VIX is up just 0.5% at 18.21-an unusually small move for a gauge that tends to rise as stocks fall. The VIX has now remained below 21 for five-straight months, the longest time below that level in more than five years. (kaitlyn.kiernan@dowjones.com)

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[11-15-12 1458ET]

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MARKET TALK: Profit-Taking in Multimedia Games; Roth Says Buy

1,415 字
2012 年 11 月 15 日 19:38
Dow Jones News Service
DJ
英文

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[11-15-12 1438ET]

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DOWJONES | Newswires

MARKET TALK: Correlation Makes a Post-Election Comeback -KBW

1,366 字
2012 年 11 月 15 日 19:37
Dow Jones News Service
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英文

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13:11 EDT - US oil supplies now cover 25.7 days of refinery demand, a 6-month high and solidly above year-earlier levels and the 5-year average of 23 days, EIA data show. The increase comes as overall inventories rose 1.1M barrels last week and nationwide refinery runs slid to a 2-month low. Traders' worries about too much crude may find the echo back to May unnerving. When the stocks-cover ratio was last this high, Nymex futures started a precipitous 26% price drop from above $106/barrel to $78 in late June. December crude is down 1.6% today at $85. (david.bird@dowjones.com)

13:04 EDT - US oil inventories are now above year-earlier levels by the biggest amount in 3 years at almost 39M barrels, or 11.5%, EIA data show. That as last week's levels were 13% above the 5-year average for the period. At 375.9M barrels, supplies are at a nearly 4-month high, lifted by the highest domestic output in 6 1/2 years and a drop to a 2-month low in refinery operations. (david.bird@dowjones.com)

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DOW JONES
NEWSWIRES

DJ Moore Capital Reports Holdings of $2.4 Billion

By Christian Berthelsen
342 字
2012 年 11 月 14 日 22:07
Dow Jones Institutional News
DJDN
英文

Moore Capital Management, the hedge fund run by financier Louis Bacon, reported holdings valued at $2.4 billion in a regulatory filing Wednesday, 32% more than the value of positions it reported in the prior quarter.

The New York-based fund's largest holding was in shares of the SPDR S&P500 ETF (SPY), with 1.8 million shares valued at $266 million. The largest single stocks the fund reported holding were Citigroup Inc. (C), with 5.3 million shares valued at $174 million, and J.P. Morgan Chase & Co. (JPM), with 3.8 million shares valued at $154 million.

In its prior quarter filing, Moore reported a much smaller position in Citigroup of 575,000 shares, and it reported no position in J.P. Morgan.

Moore cut its position in Johnson & Johnson (JNJ), one of its largest individual holdings in the second quarter, to 132,600 shares valued at $9.1 million in the most recent quarter, from 302,600 shares valued at 20.4 million in the prior quarter.

The firm also appeared to completely elminate its position in the Las Vegas Sands Corp. (LVS), the casino company run by billionaire conservative activist Sheldon Adelson. Moore reported options and shares of Sands valued at $28.8 million in the second quarter, but no Sands holdings in its filing Wednesday. The Wall Street Journal has reported the Sands is the target of a U.S. Justice Department investigation into whether the company violated anti-money-laundering laws.

The fund reported 241 total positions in its third-quarter filing, down from 277 in the second quarter. The reported holdings do not represent the total value of assets under management at the firm. Moore Capital manages $15 billion, and recently returned $2 billion to investors after previously disappointing returns.

Write to Christian Berthelsen at christian.berthelsen@dowjones.com

(END) Dow Jones Newswires

November 14, 2012 17:07 ET (22:07 GMT)

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Moore Capital Reports New Stake in J.P. Morgan; Big Boost to Citi Position
WSJ Blogs, 2012 年 11 月 14 日 22:21, 314 字, By Christian Berthelsen, (英文)
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357 字
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(This story has been posted on The Wall Street Journal Online's Deal Journal blog at http://blogs.wsj.com/deals .)

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The firm also appeared to completely elminate its position in the Las Vegas Sands Corp., the casino company run by billionaire conservative activist Sheldon Adelson. Moore reported options and shares of Sands valued at $28.8 million in the second quarter, but no Sands holdings in its filing Wednesday.

The Wall Street Journal has reported the Sands is the target of a U.S. Justice Department investigation into whether the company violated anti-money-laundering laws.

The fund reported 241 total positions in its third-quarter filing, down from 277 in the second quarter. The reported holdings do not represent the total value of assets under management at the firm. Moore Capital manages $15 billion, and recently returned $2 billion to investors after previously disappointing returns.

-For continuously updated news from The Wall Street Journal, see WSJ.com at http://wsj.com .

[11-14-12 1721ET]

文件 DJ00000020121114e8be000yp

BARRON'S

MARKET WEEK
Stocks --- The Trader: Dow Falls for a Third Straight Week, Off 2.1%

By Avi Salzman and Jonathan R. Laing
1,895 字
2012 年 11 月 12 日
Barron's
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Voters left the balance of power in U.S. government unchanged in Tuesday's election, and investors spent most of the rest of the week signaling their displeasure. The election, as well as uncertainty in China and Europe, sent the Dow tumbling below 13,000 for the first time since August.

Options activity on Election Day indicated that investors were wagering heavily on the results, and that Wednesday would be a big day one way or the other. When President Obama won,it became clear that numerous investors had put their chips on Romney, as stocks expected to benefit under a Romney administration fell hard. Coal companies and big banks led the biggest slump of the year in U.S. equities markets, with both the Dow Jones Industrial Average and the Standard & Poor's 500 index falling 2.4%. The next day, they fell again, marking the worst two-day slide in more than a year.

For the week, the Dow fell 278 points, or 2.1%, to 12,815.4. It was the Dow's third losing week in a row. The S&P 500 index fell 34.4 points, or 2.4%, to 1379.9.

QE3 had seemed to set a floor under the market, but that floor has given way.

The most immediate concern for U.S. investors is the "fiscal cliff," the series of tax hikes and spending cuts that will automatically go into effect if Congress and the president can't sign a deficit deal by Jan. 1. Divided government means that the same dynamics that resulted in a virtual standstill last year could return, with the stakes even higher.

Early indications aren't promising: the president on Friday dug in his heels on a tax hike for high earners, and House Speaker John Boehner dug in his heels on no new taxes. And yet Sean West of Eurasia Group sees some room for compromise: the president, for instance, appears open to a higher income threshold for the tax hikes. "Ultimately we maintain our view that a deal before year end is the most likely outcome."

But that leaves six weeks or so of quibbling, and the market could be an unfriendly place during that period. Buy-and-hold investors will have to stiffen their resolve.

"Volatility is going to be a constant for the next few months," said Steve Wood, chief North America market strategist for Russell Investments. "From a fiscal perspective, there's a lot more in flux than not."

One caveat to that statement: Obamacare is here to stay. Stocks moved on that reality. Traditional managed-care names mostly fell on the week, and hospitals were mostly higher.

The U.S. isn't the only place where government is in transition. Investors will also have to look to China, where a new generation of leaders is poised to take over just as the country begins to show signs that its economy has bottomed. More stimulus there is likely, says Wood. But how much and how soon is still an open question.

In Europe, the Greek Parliament voted on an austerity budget, but European leaders haven't yet agreed on when to release bailout funds that they've been withholding for months.

European leaders will meet on Monday, and they're expected to discuss the Greek issue, but not make an actual decision. In fact, they're telling reporters not to expect any immediate answers-- they technically have until the end of the year.

Why do today what you can put off until New Year's Eve.

The investor conference for the Chicago charity Invest For Kids was propitiously or, perhaps, unpropitiously timed. It came on Wednesday, the day after Wall Street's Republican Party darlings largely took the pipe, causing the stock market to swoon.

The atmosphere at the conference was palpably gloomy. The normally ebullient real-estate magnate Sam Zell was decidedly downbeat. Nothing has changed in the U.S., he averred, except that the economic head winds of stagnant growth, dollar weakness, and budgetary improvidence figure to grind on for years. Europe is a basket case, with a disintegrating currency and near-term prospect of a demographic death spiral. Even emerging markets, something he hailed at last year's conference, stink now. Growth has slowed dramatically in the Big Three -- China, India, and his longtime favorite, Brazil.

Yet stocks and real-estate prices in the U.S. remain at elevated levels, leaving the self-styled Grave Dancer scratching his head. His only advice was for investors to take stabs at "out-of-the-money Black Swan situations," whatever he meant by that.

Not to be outdone, Dallas hedge-fund manager Kyle Bass, of Hayman Capital, predicted an imminent financial collapse in Japan, despite that nation's decades of low interest rates, a strong currency, and positive trade and current-account deficits. According to Bass, today's complacency and calm are merely preludes to an apocalypse of extraordinary dimension for a country that has already "crossed the Rubicon." The government and society have accumulated staggering levels of debt that can never be paid back, especially with a shrinking population and deteriorating trade balances. Big companies like Softbank (9984.Japan) see this collapse coming, and with their $20 billion deal with Sprint Nextel (S), are trying to get out of Dodge City, according to Bass.

Jim Grant, former Barron's staffer and proprietor of the Interest Rate Observer, fit right in with the bearish meme by bemoaning the "seat of the pants" monetary policies of Federal Reserve Chairman Ben Bernanke, which have artificially extended the three-decade regime of falling U.S. interest rates.

"Low rates are now wired into the muscle memory of markets," he said, which means, according to Grant, that the day of higher rates and inflation is fast approaching. His main recommendation was naturally gold, or as he put it with Grantian elegance, "Buy element 79 on the periodic table."

Nonetheless, all was not doom and gloom at the conference. Longtime investor activist Nelson ("I'm really a constructivist") Peltz announced that his Trian Fund had just taken a 1% position in the French company Danone (BN.France). The company, he claimed, is a perfect 21st-century play in the global packaged-food industry, with its portfolio of products for the health-conscious consumer, including yogurt, infant and medical nutrition, and bottled water. Adding to the company's luster is the fact that over half its sales are in emerging markets, and those sales are growing smartly.

Peltz figures that the company can boost its share price by judicious cost-cutting and refraining from dilutive mergers. These measures alone could generate above-average gross margins and deliver a nice boost in the company price-to-earnings ratio on its "premier product mix."

Frank Brosens of Taconic Capital Advisors banged the drum for General Motors (GM). He contends that the stock, now trading at around $25, could as much as triple over the next three to four years, despite its lackluster performance since its initial public offering in 2010, because of several catalysts. Firstly, he likes the management team assembled by the former private-equity player Dan Akerson. The company, post-bankruptcy, can now make money at a U.S. sales level of just 11 million vehicles a year, though sales should push much higher, to 15 million or more, given the age of the U.S. fleet now on the road.

Likewise, he expects the Treasury Department to soon liquidate its 500-million-share position in GM now that the election is over and the Obama administration no longer fears negative headlines. This would eliminate much of the stock overhang stifling its performance, particularly if GM uses some of its cash trove to buy back half or more of those shares. Aditionally, the company is going through a major product-redesign effort that will boost 2013 car and -- more important, because of their profitability -- truck sales. Look for GM to earn as much as $10 a share three years out, Brosens says.

Alex Klabin, of Senator Investment Group, is partial toward Rayonier (RYN), a timberland company that is currently structured as a real-estate investment trust. He expects the company to eventually spin off its higher-margin, high-growth Performance Fibers business, which sells cellulose-based products to cigarette, consumer products, and food companies. This realignment could boost the stock from around $49 currently to as high as $80.

For Jeffrey Ubben of ValueAct Capital, companies that offer mission-critical products that are a small part of their customers' cost base are especially attractive. Two concerns that fit this bill are the rating company Moody's (MCO) and commercial real-estate giant CBRE Group (CBG). Both companies boast recurring revenue from the basic-service sides of maintenance ratings and facility leasing, respectively. Growth is likely to come from a flood of new issues that will require Moody's ratings and a pickup in commercial-building transactions as the economy improves.

Steve Mandel of Lone Pine Capital talked up VeriSign (VRSN), in which his hedge fund has a substantial position. The company figures to have substantial earnings growth, both from ever continuing rise of companies and other institutions registering domain names on the Internet and government-approved price increases. This could lead to 25% annual earnings growth over the next four years.

Rounding out the roster of participants were Steven Romick of First Pacific Advisors and well-known international fund advisor David Herro of Harris Associates. Romick likes Renault (RNO.France) because the stock is deeply undervalued due to Europe's economic woes. He claims that one gets the Renault operations for free after accounting for the company's stakes in Nissan, Daimler, Volvo, and the like.

Herro is partial to Publicis (PUB.France), the French international advertising company. It has good emerging-market exposure and remained profitable even during the depths of the 2008-'09 global economic crisis. The company has also astutely adjusted to the digital age.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	12815.39	-277.77	-2.12
DJTransportation	5018.28	-91.89	-1.80
DJUtilities	448.11	-21.67	-4.61
DJ65Stocks	4310.59	-110.71	-2.50
DJUSMarket	345.41	-8.33	-2.35
NYSEComp.	8053.57	-181.34	-2.20
NYSEMKTComp.	2385.40	+26.68	+1.13
S&P500	1379.85	-34.35	-2.43
S&PMidCap	969.82	-17.98	-1.82
S&PSmallCap	447.74	-9.60	-2.10
Nasdaq	2904.87	-77.26	-2.59
ValueLine(arith.)	2972.01	-66.15	-2.18
Russell2000	795.02	-19.35	-2.38
DJUSTSM	14394.08	-350.12	-2.37

	Last Week	Week Earlier
NYSE		
Advances	876	1,919
Declines	2,294	1,222
Unchanged	43	59
NewHighs	275	318
NewLows	186	87
AvDailyVol(mil)	3,541.1	3,648.7
Dollar		
(Finexspotindex)	81.06	80.59
T-Bond		
(CBTnearbyfutures)	133-290	132-250
Crude Oil		
(NYMlightsweetcrude)	86.07	84.86
Inflation KR-CRB		
(FuturesPriceIndex)	292.22	292.29
Gold		
(CMXnearbyfutures)	1730.30	1674.10

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DOWJONES | Newswires

Exchange Traded Funds Top 10 Volume Leaders

162 字
2012 年 11 月 9 日 22:33
Dow Jones News Service
DJ
英文

STOCK (Symbol)		LAST	NET CHG	% CHG	VOL 100s
SPDR S&P 500	SPY	138.16	0.12	0.09	199,061,062
Select Sector SPDR-Finl	XLF	15.50	0.02	0.14	77,080,864
iShrs MSCI Emerg Mkts	EEM	41.00	0.08	0.20	60,500,985
PwrShrs QQQ Tr Series 1	QQQ	63.43	0.27	0.43	50,823,405
Vanguard MSCI Emerg Mkts	VWO	41.31	0.15	0.36	32,990,396
iShrs Russell 2000	IWM	79.38	0.17	0.21	32,823,171
Direxion Daily Sm Bear 3x	TZA	16.96	-0.11	-0.62	23,117,018
ProShrs UltraShort S&P500	SDS	58.75	-0.22	-0.38	22,662,235
iShrs Tr MSCI EAFE	EFA	52.80	0.02	0.04	20,861,017
iShrs MSCI Brazil (Free)	EWZ	52.77	-0.42	-0.78	16,115,790

[11-09-12 1733ET]

文件 DJ00000020121109e8b9000tj

Morning Call: Post-Election Fear and Opportunity for Advisers
WSJ Blogs, 2012 年 11 月 8 日 10:36, 641 字, (英文)
Good morning. Each weekday, Morning Call summarizes the latest coverage of interest to wealth managers. Please send tips and comments to kevin.noblet@dowjones.com or patrick.graham@dowjones.com.
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BARRON'S

MARKET WEEK
Stocks --- The Trader: Stocks Finish Flat in a Storm-Battered Market

By Vito J. Racanelli
2,040 字
2012 年 11 月 5 日
Barron's
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英文

The market finished flat in a trading week shortened to just three sessions by Hurricane Sandy, which left a trail of death and destruction along the Eastern seaboard. The last time weather shut the stock exchange for more than a day was in 1888.

A big rally Thursday was negated by a selloff Friday, despite improving economic data, particularly on the jobs front. With investors nervous about the coming election Tuesday, the figures just weren't good enough in a market that generally has been trending down since the mid-September highs.

Last week the Dow lost 14 points, or 0.1%, to finish at 13,093.16, while the Standard and Poor's 500 index rose 0.2%, or about 2.3, to 1414.20. Property and casualty insurance stocks fell 2% on the week. (For more on this sector, see page 20.) The Nasdaq Composite lost six points, or 0.2%, to 2982.13.

The jobs and manufacturing data were encouraging, capped off Friday with a Labor Department report that said October nonfarm payrolls rose 171,000, significantly above expectations. Though the unemployment rate rose to 7.9% from 7.8% in September, the number of people looking for work increased, which some take as a bullish sign.

Next Tuesday's presidential election might be the most important event for the stock market this year -- or not. The traditional assumption is that investors are expected to lean in favor of a Republican victory, but what the market abhors is uncertainty. The worst result would be a long and drawn- out review of the vote in several swing states, with no clear winner for days.

"That would be a wild card and troublesome for the market to digest," says Richard Weeks, a partner at Hightower VWG Wealth Management. Moreover, the election is partially obscuring perhaps a more important factor, the work that will face a lame-duck Congress, he says.

"Real action is needed" on all the issues that make up the fiscal cliff, from entitlement benefits to tax reforms, he adds. The last time Congress kicked these issues down the road, in the fall of 2011, the market suffered. It's a good bet the lame-duck legislators will hand off the problems to the new Congress.

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In this year's third quarter, CSX had flattish earnings of $445 million, or 44 cents per share, compared with year-ago net of $464 million, or 43 cents. (Earnings per share were higher on fewer shares outstanding.) Total transport volumes fell 1%, coming mostly on a 16% drop in coal shipments. Export coal was up 20%, but domestic coal -- a bigger category -- fell 26%. The latest decline in domestic coal, however, was an improvement over the prior quarter's 31% drop. Coal was countered by strong rises in intermodal transport and automotive, the company said.

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In the meantime, the economy continues to grow, if slowly, and that should bode well for intermodal, automobile, and chemicals transport. Additionally, agricultural hauling was hurt by the drought, but that isn't likely to be repeated, he says. The railroad is also making significant cost cuts and productivity strides. Average train speeds were up and terminal dwell time down.

CSX offers an appealing 2.7% dividend yield, and it continues to buy back shares, Clark says. The forward and trailing price/earnings ratios are attractive too. CSX trades at 11 times next year's consensus analyst estimate of $1.91 a share, below its ten-year median multiple of 14.

As Friday's economic data suggest, the U.S. economy is slowly improving, and by the end of 2013, CSX could begin to lap the worst of the coal declines. Many investors are worried about what the fiscal cliff means for CSX, but that is a big negative for nearly all stocks. If a fiscal-cliff crisis is averted, a 10% total return from CSX in the next 12 months seems a relatively straightforward achievement.

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The Vancouver-based company (which reports results in U.S. dollars) now puts 2012 revenue growth at 30%, to $340 million to $350 million, from the previous expectation of $400 million to $425 million. In 2011, revenue was $265 million. As recently as Aug. 2, Westport predicted 50% revenue growth. Some 55% to 60% of its shareholder base is in the U.S.

Westport shares, which also trade in Toronto, fell as much as 18% Tuesday on the TSX, but then recovered some on another press release. The firm announced a deal with India's Tata Motors (TTM) to develop a gas engine for light and medium-duty trucks and buses. No details were given.

Westport stock is less overvalued than it was in April, at $37.63 per share on Nasdaq. But there's further room to drop, given a number of bearish factors, some of which haven't changed since then. Investors should remain wary.

The company, which has yet to make a profit (it began in 1996), has benefited from investor excitement about a greener natural-gas future, since gas burns more cleanly than other carbon-based fuels such as coal. Such ardor has been supported by the leap in North American natural-gas reserves in recent years, thanks to new drilling methods, like fracking, and the resulting big drop in natural gas prices.

Westport continues to face much bigger, highly motivated competitors, such as Daimler (DDAIF) and even Cummins (CMI), which owns 50% of a joint venture with Westport for medium-duty engines.

In February, however, Westport said the joint-venture deal with Cummins was amended to allow the giant engine maker to go it alone outside North America on 5.9-liter to 12-liter engines. And in March, Cummins said it would produce its own heavy-duty 15-liter natural-gas engine by 2014, which will compete with Westport's own heavy-duty product.

Secondly, the natural-gas fueling infrastructure here remains in its infancy, and it is likely to take a long time to build up. That goes for India as well.

Westport's valuation remains high. With about a $1.5 billion market value, the stock trades at a price-to-sales ratio of 4.3 times. Yet that's for a company whose sales, in the near term at least, are likely to drop instead of grow fast. Revenue was $195 million in the first half of 2012, so Monday's guidance downgrade indicates the second half of this year will see $145 million to $155 million in revenue, or a 15%-to-20% decline from the second half of 2011.

Rupert Merer, an analyst a National Bank Financial in Toronto, has an Underperform rating on the stock and values it at $18, based on what he terms an "aggressive growth scenario" of about 150,000 engine sales by 2018, up from 23,500 this year.

Here's another worrisome issue. Twice this year Westport released negative news when the major U.S. stock markets were closed. The latest came last Monday, when stocks didn't trade in the U.S. Last Feb. 20, President's Day and a market holiday, Westport announced the amended joint-venture supply agreement with Cummins.

One more, and it's a trend.

In response to questions from Barron's, Darren Seed, a Westport spokesman, says the guidance downgrade is for the second half of 2012 only, and he doesn't expect Westport's history of 30% revenue growth to change. He declined to give details on the Tata agreement. As for increased competition, Seed notes that in addition to Tata, Westport has announced joint development deals with many companies this year, including General Motors (GM) and Volvo (VOLVB). He also said the news was released according to regulatory guidelines.

Seed defended Westport's long history of red ink by noting that results would be generally profitable, but consolidated earnings are negative due to heavy research-and-development costs, necessary for future growth.

But plenty of companies invest heavily in R&D and manage to make some kind of profit. Westport has not.

Westport will be reporting third-quarter results Nov. 8. With the stock generally acting as if guidance hasn't been lowered, it could be in for another whacking before the year is out.

For this column, October was more trick than treat. We found ourselves on the wrong side of a recent call, a bearish item on Schiff Nutrition International (SHF) from Oct. 8. Last Tuesday, Germany's Bayer (BAYN.Germany) said it would acquire the vitamin maker for $34 per share, a 39% premium to the price since our column was published. Ouch.

Bayer's deal gives Schiff stock a nosebleed valuation of 36 times consensus analyst earnings estimates of 94 cents in 2012. We still think Schiff's growth is likely to slow within a year, but that's no consolation for us, or folks who sold before the offer.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13093.16	-14.05	-0.11
DJTransportation	5110.17	+57.82	+1.14
DJUtilities	469.78	-5.71	-1.20
DJ65Stocks	4421.30	+1.36	+0.03
DJUSMarket	353.74	+1.00	+0.28
NYSEComp.	8234.91	+44.72	+0.55
NYSEMKTComp.	2358.72	-16.56	-0.70
S&P500	1414.20	+2.26	+0.16
S&PMidCap	987.80	+13.06	+1.34
S&PSmallCap	461.28	+6.84	+1.51
Nasdaq	2982.13	-5.82	-0.19
ValueLine(arith.)	3038.16	+30.13	+1.00
Russell2000	814.37	+1.12	+0.14
DJUSTSM	14744.20	+42.96	+0.29

	Last Week	Week Earlier
NYSE		
Advances	1,919	1,151
Declines	1,222	1,998
Unchanged	59	60
NewHighs	318	231
NewLows	87	113
AvDailyVol(mil)	3,648.7	3,354.3
Dollar		
(Finexspotindex)	80.56	80.00
T-Bond		

(CBTnearbyfutures)	132-250	132-180
Crude Oil		
(NYMlightsweetcrude)	84.86	86.28
Inflation KR-CRB		
(FuturesPriceIndex)	292.29	296.84
Gold		
(CMXnearbyfutures)	1674.10	1710.90

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DOW JONES
NEWSWIRES

Barron's(11/5) The Trader: Stocks Finish Flat In A Storm-Battered Market

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(From BARRON'S)
By Vito J. Racanelli
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Last Monday Westport, which makes combustion systems that allow truck engines to run on natural gas, cut its guidance sharply. In a press release, it said heightened economic uncertainty and "delayed availability of liquefied-natural-gas infrastructure has original-equipment truck-manufacturer customers sharply reducing inventory, and end customers delaying decisions to complete orders."

The Vancouver-based company (which reports results in U.S. dollars) now puts 2012 revenue growth at 30%, to $340 million to $350 million, from the previous expectation of $400 million to $425 million. In 2011, revenue was $265 million. As recently as Aug. 2, Westport predicted 50% revenue growth. Some 55% to 60% of its shareholder base is in the U.S.

Westport shares, which also trade in Toronto, fell as much as 18% Tuesday on the TSX, but then recovered some on another press release. The firm announced a deal with India's Tata Motors (TTM) to develop a gas engine for light and medium-duty trucks and buses. No details were given.

Westport stock is less overvalued than it was in April, at $37.63 per share on Nasdaq. But there's further room to drop, given a number of bearish factors, some of which haven't changed since then. Investors should remain wary.

The company, which has yet to make a profit (it began in 1996), has benefited from investor excitement about a greener natural-gas future, since gas burns more cleanly than other carbon-based fuels such as coal. Such ardor has been supported by the leap in North American natural-gas reserves in recent years, thanks to new drilling methods, like fracking, and the resulting big drop in natural gas prices.

Westport continues to face much bigger, highly motivated competitors, such as Daimler (DDAIF) and even Cummins (CMI), which owns 50% of a joint venture with Westport for medium-duty engines.

In February, however, Westport said the joint-venture deal with Cummins was amended to allow the giant engine maker to go it alone outside North America on 5.9-liter to 12-liter engines. And in March, Cummins said it would produce its own heavy-duty 15-liter natural-gas engine by 2014, which will compete with Westport's own heavy-duty product.

Secondly, the natural-gas fueling infrastructure here remains in its infancy, and it is likely to take a long time to build up. That goes for India as well.

Westport's valuation remains high. With about a $1.5 billion market value, the stock trades at a price-to-sales ratio of 4.3 times. Yet that's for a company whose sales, in the near term at least, are likely to drop instead of grow fast. Revenue was $195 million in the first half of 2012, so Monday's guidance downgrade indicates the second half of this year will see $145 million to $155 million in revenue, or a 15%-to-20% decline from the second half of 2011.

Rupert Merer, an analyst a National Bank Financial in Toronto, has an Underperform rating on the stock and values it at $18, based on what he terms an "aggressive growth scenario" of about 150,000 engine sales by 2018, up from 23,500 this year.

Here's another worrisome issue. Twice this year Westport released negative news when the major U.S. stock markets were closed. The latest came last Monday, when stocks didn't trade in the U.S. Last Feb. 20, President's Day and a market holiday, Westport announced the amended joint-venture supply agreement with Cummins.

One more, and it's a trend.

In response to questions from Barron's, Darren Seed, a Westport spokesman, says the guidance downgrade is for the second half of 2012 only, and he doesn't expect Westport's history of 30% revenue growth to change. He declined to give details on the Tata agreement. As for increased competition, Seed notes that in addition to Tata, Westport has announced joint development deals with many companies this year, including General Motors (GM) and Volvo (VOLVB). He also said the news was released according to regulatory guidelines.

Seed defended Westport's long history of red ink by noting that results would be generally profitable, but consolidated earnings are negative due to heavy research-and-development costs, necessary for future growth.

But plenty of companies invest heavily in R&D and manage to make some kind of profit. Westport has not.

Westport will be reporting third-quarter results Nov. 8. With the stock generally acting as if guidance hasn't been lowered, it could be in for another whacking before the year is out.

For this column, October was more trick than treat. We found ourselves on the wrong side of a recent call, a bearish item on Schiff Nutrition International (SHF) from Oct. 8. Last Tuesday, Germany's Bayer (BAYN.Germany) said it would acquire the vitamin maker for $34 per share, a 39% premium to the price since our column was published. Ouch.

3 Nov 2012 00:07 EDT Barron's(11/5) The Trader: Stocks Finish Flat In -2-

Bayer's deal gives Schiff stock a nosebleed valuation of 36 times consensus analyst earnings estimates of 94 cents in 2012. We still think Schiff's growth is likely to slow within a year, but that's no consolation for us, or folks who sold before the offer.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13093.16	-14.05	-0.11
DJTransportation	5110.17	+57.82	+1.14
DJUtilities	469.78	-5.71	-1.20
DJ65Stocks	4421.30	+1.36	+0.03
DJUSMarket	353.74	+1.00	+0.28
NYSEComp.	8234.91	+44.72	+0.55
NYSEMKTComp.	2358.72	-16.56	-0.70
S&P500	1414.20	+2.26	+0.16
S&PMidCap	987.80	+13.06	+1.34
S&PSmallCap	461.28	+6.84	+1.51
Nasdaq	2982.13	-5.82	-0.19
ValueLine(arith.)	3038.16	+30.13	+1.00
Russell2000	814.37	+1.12	+0.14
DJUSTSM	14744.20	+42.96	+0.29

	Last Week	Week Earlier
NYSE		
Advances	1,919	1,151
Declines	1,222	1,998
Unchanged	59	60
NewHighs	318	231
NewLows	87	113
AvDailyVol(mil)	3,648.7	3,354.3
Dollar		

(Finexspotindex) 80.56 80.00
T-Bond
(CBTnearbyfutures) 132-250 132-180
Crude Oil
(NYMlightsweetcrude) 84.86 86.28
Inflation KR-CRB
(FuturesPriceIndex) 292.29 296.84
Gold
(CMXnearbyfutures) 1674.10 1710.90

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(END) Dow Jones Newswires

November 03, 2012 00:07 ET (04:07 GMT)

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MARKET WEEK

Stocks --- The Trader: Dow Falls Nearly 2% on Week as Fears Mount

By Vito J. Racanelli
2,035 字
2012 年 10 月 29 日
Barron's
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M3
英文

Stock prices fell sharply last week, with the Dow Jones Industrial Average losing almost 2%. Another round of soft third-quarter results has increased the market's already high anxiety about corporate profits.

In particular, investor sentiment was soured by continuing company misses on revenue growth, a trend that suggests future earnings and operating margins could be vulnerable. Internet retailer Amazon (ticker: AMZN), for example, posted fourth-quarter revenue guidance that was weaker than expected.

So far, a bit less than 40% of Standard & Poor's 500 companies reporting have posted third-quarter revenue that topped forecasts, according to Thomson Reuters. That compares with an average above 60%.

Generally, companies have been meeting already-lowered third-quarter profit expectations, says John Canally, an investment strategist at LPL Financial. But investors are beginning to see the negative effects of the European slowdown on U.S. corporate export growth, he adds: "It's beginning to dawn on people what that might mean for [future] margin expansion."

On the week, the Dow fell 1.8%, or 236.30 points, to 13,107.21, while the Standard and Poor's 500 index dropped 1.5%, or 21 points to 1411.94. The Nasdaq Composite did the best of the major indexes, down only 0.6% or 18 points to 2987.95.

Friday, the Commerce Department said that third-quarter gross domestic product expanded at a 2% annual rate, sluggish but a bit stronger than expectations and up from 1.3% in the second quarter. Consumer and government spending rose, but business investment fell.

The Dow has dropped four out of the last six weeks, but the venerable 30-stock average remains up 7% this year. That isn't as good as the bigger S&P 500 index, up 12%, but the Dow is still the go-to index for a quick market pulse. Some readers might not know that the average is price-weighted, which means that higher-priced stocks have more influence.

So how's the Dow really doing?

A look at the constituents pushing it higher this year reveals that mostly five names really matter, according to Nicolas Colas, chief market strategist for ConvergEx Group. As of the Oct. 24 close, the rise in the share prices of Home Depot (HD), Wal-Mart Stores (WMT), Walt Disney (DIS), Travelers (TRV), and JPMorgan Chase (JPM) made up 60% of the Dow's gain so far in 2012. Throw in Bank of America (BAC), with a low price at $9.12, and those six stocks make up about two thirds of the Dow's gain. The other 24 names, seven of which are down on the year, represent the other third.

While many investors bemoan the strong correlation in stock moves this year -- the idea that nearly all stocks move in unison on macroeconomic issues -- that isn't really the case, Colas points out.

If there is a single narrative to the equity market this year, it's that U.S. stocks are higher because of incremental confidence in the American consumer and the domestic banking system, he adds.

The S&P 500 backs up the Dow. There, the financials and consumer-discretionary sectors are leading. In that capitalization- weighted index, consumer stock Apple (AAPL) makes up about 19% of the year-to-date percentage gain.

In a world of widespread investor anxiety about slowing profits and revenue growth, Whole Foods Markets (WFM) has been an island of calm.

The high-end organic-foods grocer has averaged double-digit sales and 15%-to-20% earnings-per-share growth over the years and regularly posts 8% comparable-store sales rises. Investors have flocked to Whole Foods stock, up by about a third this year to Friday's close of $94.21.

Yet even the stock of a generally well-run, growing company like Whole Foods can get ahead of its fundamentals when investors are scared and piling into it, as they seem to have done lately. It has a cult following, and the stock seems to wear a protective halo.

Lately, however, a crack has appeared. The shares dropped 7% from a recent all-time high of $101.19, falling with the market. There's probably room for more disappointment. Whole Foods' stock is priced to perfection and significantly overvalued compared with its fundamentals and history. Consequently, it won't take much of a misstep by the company to reduce the share valuation.

The stock trades at a rich 32 times consensus analyst EPS estimates of $2.89 in the fiscal year ending September 2013. That's high for 20% earnings growth and more than twice the P/E of the market as a whole. There's no point in comparing Whole Foods with conventional rivals like Kroger (KR), or Safeway (SWY), or Supervalu (SVU), all of which have significantly lower growth and deservedly lower valuations. Organic food is a growing category, and Whole Foods dominates.

But this food retailer now sports a dot-com valuation. The ratio of Whole Foods' enterprise value (net debt plus market capitalization) to its annual Ebitda (earnings before interest, depreciation and amortization) is about 16. Barron's looked at companies with market caps equal or higher than Whole Foods with a similar EV/Ebitda and a P/E greater than 2.2 times that of the S&P 500 index. Of more than 15,000 stocks in the Thomson Reuters universe, just six others match that lofty criteria, including highly valued names like Amazon and Salesforce.com (CRM).

Based on the company's market cap of $17.4 billion, each of Whole Foods' 329 stores is worth about $53 million, or 35 times the $1.5 million average annual operating store profit, notes Laurence Balter, who runs an independent research firm with the ambitious name of Oracle Investment Research in Fox Island, Wash. Balter put a Sell rating on the stock at $100, and says fair value is more like $83 to $85, using a model that incorporates Whole Foods regressing back to its mean five-year average P/E.

The barriers to entry aren't particularly high, and competitors continue to enter the organic marketplace, he notes. They've been generally unsuccessful so far, but given the growth expectations already baked into the stock valuation, even a small gain here by rivals could dent Whole Foods' share price.

A lot of investors point to the Austin, Texas-based firm's aim of reaching 1,000 stores in the U.S. But at the current rate of store build, it will take nearly two decades to get there, Balter points out. That's a long wait for such a highly valued stock, he adds.

Valuation alone isn't enough to get pessimistic, and cult stocks can hang on to such valuations. But a look at Whole Foods' results shows that they've been choppy over the years, with periods of strong results combined with several weak ones. For example, from 1998 to fiscal 2011, Whole Foods' EPS grew an average 16%, thanks to some big years. However, that 13-year average includes six periods of either single-digit growth or flat-to-down EPS years. A repeat of that might come as a unhappy surprise to investors just now jumping on the bandwagon.

And as Whole Foods gets bigger, almost $12 billion in sales expected in fiscal 2012, it will get harder and harder to match that average growth. Whole Foods does well, just not well enough for its hefty valuation.

The company, which didn't return a call for comment, reports results for the fiscal fourth quarter on Nov. 7. Chances are it will hit the mark, but one of these days even Whole Foods will miss, and the stock could drop disproportionately.

Speaking of stock drops, this column wrote bullishly about Monster Beverage (MNST) in the previous week, and a return to the scene is already required given the potentially alarming news out last week. Monster's stock fell sharply, to $45.86 last Friday, off 14% from $53.32 on Friday Oct. 19.

On Monday, Oct. 22, news emerged of a wrongful-death suit filed against the energy-drinks firm, alleging that the death of a teenager from cardiac arrest happened after she drank two 24-ounce Monster drinks. The girl had a pre-existing heart problem, according to news reports. That was followed by news that the Food and Drug Administration is investigating five deaths since 2009 allegedly linked to Monster Energy Drinks. According to the FDA, adverse-event reports about a product don't mean that the event is caused by the product.

In response, Monster said in a statement that its products are safe; "are not in any way responsible for the death;" and it intends to vigorously defend the lawsuit. It noted eight billion cans of Monster Energy have been sold and safely consumed around the world since 2002. "Neither the science nor the facts support the allegations that have been made," Monster said.

Even before the latest news this week, the stock had fallen to $53 from $78. Our previous bullish item took note of that and suggested that Monster's once-rich price/earnings ratio had dropped to a level that more accurately reflected the growth rate. While we acknowledged that the company faced some general legal and increasing regulatory issues, this risk blew up right away.

This threat isn't going away soon and could get worse before it gets better. History has shown that legal and regulatory issues in the U.S. can dog an industry and its companies for years.

A more immediate problem for Monster and other energy-drinks makers is that -- even if Monster wards off its legal and regulatory challenges -- this adverse publicity could cause people to stop or reduce drinking its products, and its strong growth rate could slow.

While the company will probably report its third quarter in the near term, the lawsuit surfaced in the fourth quarter, so investors might not know the extent of the problem until that quarter is reported next year.

Now what?

We went back to Jean-Francois Comte, co-president of Lutetia Capital, who was buying the stock before the news. He says he continues to maintain his position and likens the problem to what Mead Johnson Nutrition (MJN) went through late in 2011 when one of its infant-formula products was -- incorrectly -- linked to a baby's death. After falling over 20% in one day, Mead's stock eventually recovered. Comte believes that more disclosure on the energy-drink cans will be the likely end result.

Unless the lawsuit succeeds, Monster ultimately should continue to grow. However, when legal clouds appear, it can take a long time for decisions on lawsuits and new regulation. Any investor prepared to stay with this Monster should get used to volatility for a while.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13107.21	-236.30	-1.77
DJTransportation	5052.35	-29.81	-0.59
DJUtilities	475.49	-8.27	-1.71
DJ65Stocks	4419.94	-64.59	-1.44
DJUSMarket	352.74	-5.27	-1.47
NYSEComp.	8190.20	-133.95	-1.61
NYSEMKTComp.	2375.28	-33.25	-1.38
S&P500	1411.94	-21.25	-1.48
S&PMidCap	974.74	-12.66	-1.28
S&PSmallCap	454.44	-4.36	-0.95
Nasdaq	2987.95	-17.67	-0.59
ValueLine(arith.)	3008.03	-35.55	-1.17
Russell2000	813.25	-7.75	-0.94
DJUSTSM	14701.24	-209.74	-1.41

	Last Week	Week Earlier
NYSE		
Advances	1,151	1,864
Declines	1,998	1,288
Unchanged	60	53
NewHighs	231	468
NewLows	113	70
AvDailyVol(mil)	3,354.3	3,657.7
Dollar		
(Finexspotindex)	80.00	79.62
T-Bond		
(CBTnearbyfutures)	132-180	132-125
Crude Oil		

(NYMlightsweetcrude)	86.28	90.05
Inflation KR-CRB		
(FuturesPriceIndex)	296.84	306.05
Gold		
(CMXnearbyfutures)	1710.90	1722.80

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文件 B000000020121027e8at00014

The Morning Ledger: Earnings Season Takes Grim Turn
CFO Report, 2012 年 10 月 24 日 11:53, 2140 字, By David Hall, (英文)
The Morning Ledger cues up the most important news in corporate finance every weekday morning. Send us tips, suggestions and complaints: david.hall@wsj.com and matthew.quinn@wsj.com .
文件 WCCFO00020121024e8ao00001

MARKET WEEK
Stocks --- The Trader: Stocks Give Back Gains on Weak Earnings

By Vito J. Racanelli
2,043 字
2012 年 10 月 22 日
Barron's
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M3
英文

The stock market ended the week slightly higher, but the rise veiled a late and nasty fade that flattened the strong gains reached earlier. The tech sector -- the locus of third-quarter earnings misses -- led the market rout Friday, when stocks fell about 1.5%.

The pivot came about midday Thursday, shortly after Google (ticker: GOOG) reported weaker-than-expected third-quarter earnings. Until then, the market had been able to withstand soft results from other companies. However, figures from the search-engine giant -- erroneously released earlier than scheduled -- seemed to mark the tipping point. Last week, others disappointing either on earnings or on revenue expectations included General Electric (GE), Microsoft (MSFT), Intel (INTC), McDonald's (MCD), and IBM (IBM).

The Dow Jones Industrial Average gained 15 points, or 0.1%, last week, to 13,343.51, while the Standard & Poor's 500 index added 4.6, or 0.3%, to 1433.19. The tech-heavy Nasdaq Composite, however, gave up 1.3%, or 39 points, to 3005.62.

Before the Friday plunge, market concerns about a Chinese economic slowdown and the European debt crisis had been easing, helping stocks move higher by midweek, says David Abuaf, chief investment officer at Hefty Wealth Partners. Eventually, the generally uninspiring third-quarter results began to weigh and turned things lower, he says.

A number of big names came out and missed, and more specifically it appeared that the tone on the earnings conference calls last week was generally more negative than expected, he adds. Investors perhaps got the feeling that "we're fudging our way out of a potential recession." There were plenty of third-quarter revenue misses, and even where profits were growing, the suspicions were that they might be doing so on less sustainable -- and less valuable -- cost cuts rather than revenue gains.

The summer rally ended just after Labor Day, and in general the market continues to trade in a tight range ahead of the U.S. elections. At least the polls are one week closer.

People of a certain age might remember that Friday was the 25th anniversary of the worst day ever in American stock market history, Oct. 19, 1987, or Black Monday. The Dow fell a whopping 508 points, or 22.6%, to 1738.74, far more than the previous single-day record loss of 12.9% in the famous 1929 Crash.

This columnist was just a greenhorn then but remembers well, as a number of us reporters gathered around Quotron machines -- remember those? -- in stunned and open-mouthed silence as the Dow plunged ever lower. Back then cell phones were a rich person's toy and e-mail just a dream of Steve Jobs.

There was no single definitive reason for the drop, though the Dow was trending down from a high in August 1987, and had been up 70% since 1985. In the end, many blamed program trading and portfolio insurance, new practices at the time, where computers sold large blocks of stocks and index futures, which exacerbated moves.

Were it a happier occasion, we'd call it a silver anniversary. As it happened, the silver came to those who bought equities on and immediately after that dark day, as it marked the low. The huge bull market that began in 1982 continued. From Black Monday until Jan. 14, 2000, which many mark as the end of the Dow's secular bull, the venerable market average returned 845%, including dividends, and returned 1,249% at the all time high hit Oct. 9, 2007.

Shares of BB&T (BBT) were slammed last week after the Winston-Salem, N.C.-based bank reported third-quarter earnings Thursday. The results were strong but the big regional lender noted that its net-interest margin would likely drop to 3.75% in the fourth quarter from 3.94% in the third. That, in turn, fell from 3.95% in the second quarter and 4.09% in the comparable year-ago period.

That made investors anxious about future profitability. The net-interest margin is effectively the difference between what the bank pays its depositors and what it collects on its assets, or loans. Narrowing margins suggest earnings could be pressured.

Punishment ensued. The shares fell 8% last week to $29.78 Friday and are now off 12% from 52-week highs. Trends in net-interest margins are important, but the market's tantrum over one quarter shouldn't blind investors with a long-term focus. Moreover, squeezed margins aren't a problem unique to BB&T. Most banks are suffering, thanks to the Federal Reserve's monetary-easing policy, which is keeping interest rates down to record lows and margins soft.

The drop represents a good entry point for long-term investors who want a stable and steadily growing bank with a healthy 2.7% dividend. BB&T made money even during the terrible financial crisis of 2008-2009.

In addition to a competitive culture and a long track record of improved results, apart from recessions, everything else about BB&T's quarterly figures was indicative of a company continuing to do well. Third-quarter net income jumped 28% to $469 million, or 66 cents a share versus 52 cents in the same quarter of 2011. Analysts were expecting 71 cents, and this quarter's results were reduced by one-time merger charges of four cents a share, so BB&T effectively missed by a penny. Net profits rose 57% in the first nine months to $1.4 billion, or $1.99 a share.

On the lending side, nonperforming assets as a percentage of total assets fell to 0.97% from 1.09% in the second quarter and 1.83% in the year-ago quarter. Similarly, net charge-offs of 1.08% of average loans for the quarter dropped from 1.22% in the second qarter and 1.44% a year ago. These data have to be balanced against the net interest margin.

Matt McCormick, a portfolio manager at Bahl & Gaynor, calls BB&T "one of the best in breed among regional banks." Besides a robust dividend, it sports a healthy Southeastern geographic branch footprint, a region where housing is growing nicely again. The firm has been buying BB&T shares "continuously" in recent weeks.

The net-margin issue is there, but it's now discounted in the stock price, he opines. It basically missed consensus expectations by a penny, he adds.

BB&T's price/earnings ratio is undemanding, he adds, and significantly below the market's forward P/E of 15. The stock trades at about 10 times consensus analyst estimates of $2.98 in earnings per share in 2013, up from an expected $2.73 this year. The P/E is in line with the 9% EPS growth.

Admittedly, deposit rates are pretty low already, but to some extent, BB&T and banks in general can mitigate some of the loss in net-interest margin by reducing what they pay depositors.

Interest rates aren't always going to be trending lower. At some point in the not-too-distant future, net-interest margins will stabilize and BB&T's stock will turn up.

Until recently, Monster Beverage's (MNST) stock had given shareholders monster-sized returns. From the end of 2010 to midsummer 2012, the shares tripled to a closing high of $78, as the fast-growing maker of energy drinks showed impressive 30% quarterly sales growth and nearly 40% earnings growth.

Suddenly last summer, the Monster lost its momentum, and the stock is down 32% to Friday's close of $53.31. A couple of worries have hurt. In August, the company said it was being investigated by an unnamed state attorney general. It turned out to be New York, which is also reportedly investigating rival energy-drink makers as well. Earlier this year, the U.S. Senate, too, had already begun looking at energy drinks.

The focus of the probes appears to be the marketing of the drinks rather than the contents, mainly caffeine and tuarine, which can be found in seafood and meat, and ginseng.

Last week an analyst from Stifel Nicolaus dropped his rating on the stock to Hold from Buy, citing worries about a slowdown in growth, tough quarterly comparisons ahead, and regulatory issues.

Is the Monster broken? It doesn't look that way now that its once premium P/E ratio of 34 has fallen to a more reasonable level, one consistent with its expected earnings growth rate. Monster stock trades at 21.6 times expected consensus EPS of $2.47 next year, up from a consensus projection of $2 this year, or 23% growth.

That would represent a sharp slowdown from the almost 40% in EPS growth seen over the past six quarters. The worries appear to be discounted in the stock already.

On an absolute basis, the P/E isn't particularly cheap, but now it matches the underlying growth rate, says Jean Francois Comte, co-president of Lutetia Capital. He's been following Monster for some time; Lutetia bought Monster stock in recent weeks. Compared with the big drinks companies, "it's outstanding growth," he adds.

By way of comparison, Monster's drop in P/E puts it much closer now to the 17 P/E of Coca-Cola (KO) and PepsiCo (PEP), for example. The $9.4 billion-market-value Monster is not the caliber of Coke or Pepsi, but the smaller company offers 2.5 times more growth for a relatively small premium.

And while there are worries about slowing growth, the energy-drink category, a small part of the overall soft-drink business, less than 5%, is growing at better than 15%. There's little risk of saturation, Comte says. New products are expected and Monster has plenty of international potential, he adds. Monster also sports a good balance sheet and the company has been buying shares.

On that subject, perhaps some of the more interesting buyers during this recent drop in the stock price are Monster insiders. A group including both board members and managers have increased their holdings since August.

What's most interesting, says Jonathan Moreland, director of research at InsiderInsights.com, is the reversal of insider behavior in recent months to buyers from sellers of stock. "They aren't cashing out as they usually do," he says. That's bullish activity, he adds.

Monster's sales and earnings won't be growing 30%-40% forever, but with a P/E of 21.6, they don't have to. More regulation rather than less is likely in future, but it's hard to see the risk being more than additional labeling and restrictions on product claims, not a change to contents.

From here, the stock doesn't have to be a monster for shareholders to win.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13343.51	+14.66	+0.11
DJTransportation	5082.16	+37.53	+0.74
DJUtilities	483.76	+8.28	+1.74
DJ65Stocks	4484.53	+26.67	+0.60
DJUSMarket	358.01	+1.48	+0.42
NYSEComp.	8324.15	+97.07	+1.18
NYSEMKTComp.	2408.53	-17.43	-0.72
S&P500	1433.19	+4.60	+0.32
S&PMidCap	987.40	+11.79	+1.21
S&PSmallCap	458.80	+0.54	+0.12
Nasdaq	3005.62	-38.49	-1.26
ValueLine(arith.)	3043.58	+15.34	+0.51
Russell2000	821.00	-2.09	-0.25
DJUSTSM	14910.98	+44.14	+0.30

	Last Week	Week Earlier
NYSE		
Advances	1,864	884
Declines	1,288	2,268
Unchanged	53	60
NewHighs	468	294
NewLows	70	71
AvDailyVol(mil)	3,657.7	3,094.5
Dollar		
(Finexspotindex)	79.63	79.67
T-Bond		
(CBTnearbyfutures)	132-125	133-100
Crude Oil		
(NYMlightsweetcrude)	90.05	91.86
Inflation KR-CRB		
(FuturesPriceIndex)	306.05	306.55
Gold		

(CMXnearbyfutures)	1722.80	1758.00

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DOW JONES
NEWSWIRES

DJ Financial News: Greg Coffey: Stellar Trader or Faded Star?

By Harriet Agnew
1,060 字
2012 年 10 月 18 日 17:42
Dow Jones Institutional News
DJDN
英文

Of FINANCIAL NEWS

"One of the most impressive traders in the hedge fund in the world" or a star whose reputation was built from being a "bull in a bull market"? Opinion is divided on Moore Capital's Greg Coffey, known as "the Wizard of Oz" in a nod to his Australian heritage and trading prowess, who yesterday told investors that he was bowing out of the industry.

Coffey announced in an investor letter he was calling time on an almost 20-year career to spend more time with his family and in his native Australia, as reported in Financial News. His GC Emerging Macro Fund was down about 10% this year before making back most of the losses in September, investors said. Assets in the fund have fallen from about $1.6 billion in 2010 to $450 million.

Coffey became one of the best-known traders in the hedge fund industry, when he turned down a $250 million retention offer from his employer GLG Partners in 2008 to join Moore Capital as co-chief investment officer. Then 38, he was estimated to have contributed about half of GLG's total $679 million performance fees in 2007, according to sources.

Coffey was a star name who reaped big sums of money at GLG from his stellar performance. Since 2004 he has delivered annualised returns of 22% a year, according to a person familiar with Coffey's performance. In the same period, the S&P500 Index gained 2.92% a year.

A friend of Coffey said: "Greg has an extraordinary ability to read markets and take substantial conviction positions. You need a very calm and focused personality to be able to trade with the intensity that he did over such a sustained period."

A former investor in Coffey's fund at GLG described him as "very smart," while another fund of funds manager, who has not been invested in Coffey's funds, said: "He was known as a big risk taker. Sometimes he got it spectacularly right and sometimes he got it spectacularly wrong."

When he joined Moore Capital, his new boss Moore Capital founder, Louis Bacon dubbed him "one of the most impressive traders in the world." Some saw Coffey as the heir apparent to Bacon.

But others are less complimentary. Jacob Schmidt, chief executive of independent research firm Schmidt Research Partners, said: "I was never so keen on Coffey, either at GLG or at Moore. He was considered a superstar at GLG--he was very successful and produced outsized returns. But these were the easy times, during 2005-2007. Coffey was a bull in a bull market and he made money."

Coffey managed a range of emerging markets funds at GLG, but one former colleague said the emerging markets fund at GLG "was a bit of a misnomer."

He said: "It was always more of a macro fund. He did a lot of pre-IPO deals and took illiquid positions. That was the issue when the market collapsed. What you have here is a guy who has done phenomenally well, with a bit of luck and a bit of talent. Before 2008 it was a one-way mindset. If you were bullish--and he was--and you invested in the right place, you did well."

Schmidt said: "It was difficult to see how he made these returns from investing in emerging markets at GLG. He always had huge positions in S&P futures, not what I would call traditional emerging markets assets. Aggressive risk taking was very much part of the outside returns."

Another GLG former colleague said that Coffey made a lot of money for himself but many investors put money in the fund in 2007, after a period of strong performance, and lost lots of money in 2008. Others were unable to get their money out of Coffey's funds when they wanted to.

Investors said that during the three years to October 31 last year, when Coffey handed the management of the Moore Emerging Markets Fund over to Bacon, it gained an average of 6.2% a year, while hedge funds rose on average of 7.6% in the same period, according to Hedge Fund Research Inc.

In rather brutal terns, this former colleague said that Coffey's high rewards but inconsistent investment performance since the crisis made him a symbol of the excess in the hedge fund industry.

While Coffey is the one of the biggest names to leave the hedge fund industry this year, there have been others who have recently announced their retirement in difficult markets.

Chris Rokos, the "R" in Brevan Howard Asset Management, announced in August he was retiring to "pursue his other interests." A month later Driss Ben-Brahim, a former Goldman Sachs partner and proprietary trader who joined GLG in 2008 to expand its range of portfolio managers following Coffey's resignation, said he was taking early retirement.

One fund of funds manager said: "Once traders have made a certain level of wealth, only a very rare breed of the very best managers continue to compete, especially in difficult markets like we have now."

The co-founder of a multi-billion fund of funds manager said: "It's not rare for traders to retire early", but he said it was less true of "bottom-up investors"--those who buy and hold stocks over the long term on the basis of fundamental analysis--as "they seem to keep going for longer. It's a different type of stress."

He added: "When traders were sitting in banks at prop trading desks they often stopped trading and moved to a management role. You don't really see anyone over 40 on a bank trading desk. If you're a hedge fund trader like Coffey and you decide to stop, there's nowhere for you to go. Traders aren't great delegators. They want to take the risk themselves."

Schmidt said: "I'm not surprised to see him retiring, given his underwhelming performance at Moore."

Coffey and Moore declined to comment via a spokesman.

Web site: http://www.efinancialnews.com/story/2012-10-18/greg-coffey-retirement-reaction

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(END) Dow Jones Newswires

October 18, 2012 12:42 ET (16:42 GMT)

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DOW JONES
NEWSWIRES

DJ MARKET TALK: Corporate Belt-Tightening May Be Far From Over

1,397 字
2012 年 10 月 16 日 19:44
Dow Jones Institutional News
DJDN
英文

14:44 EDT - Think corporate America has little left in its restructuring quiver? Think again. Industrial capacity utilization remains stuck below 80%, which historically has been a hallmark of a dour economy. While the rate bottomed in 2009 at 66% and got to 79% in July, current figures (78.3% last month) don't leave much to be pleased about. Especially as the 1960s and 70s saw capacity utilization well above 80% for much of those decades and the economic-rebound periods of the 1980s and 90s range from 78-85%. Even from 2005 through the arrival of the financial crisis in mid-2008, the rate was at or above 80%. If demand continues to not sufficiently fill this nation's factories, expect more of them to close. (kevin.kingsbury@dowjones.com)

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14:03 EDT - While headlines from Spain grab the most attention, equally important for Tuesday's currency moves have been inflation and central bank reports around the world, says Greg Anderson at Citi. In New Zealand, CPI was benign, suggesting that the central bank can ease, and the Bank of Canada signaled a shift away from its tightening bias. CPI reports in the US and UK also pointed to contained inflation, meaning monetary policy makers in those countries won't face any pressure to tighten, Anderson says. That backdrop helped push up higher-yielding currencies like the euro, while the Canadian and New Zealand dollars have lost. The euro was at $1.3048, from $1.2949 late Monday, according to EBS via CQG. (matthew.walter@dowjones.com)

13:58 EDT - Angelo Gordon's Mortgage Value Partners fund is selling ABS, and moving into RMBS as it repositions the portfolio for next year, according to a letter it sent to investors. Says rotated out of investments whose yields have tightened, like ABS. Says the new issue ABS market is unable to meet investors' appetite, resulting in oversubscription, spread tightening. "We have continued selling ABS paper into this strength," it says. Adds likes call protected agency RMBS, derivatives backed by borrowers with low loan balances, low incentive to refinance. The fund has gained 15.4% this year through September; about 40% of portfolio is in ABS, 15% in agency and the remainder in non-agency RMBS, the letter says. (amy.or@dowjones.com)

13:52 EDT - Investors are buying more longer-dated paper, says global head of commercial paper at a primary dealer. "They can pick up some yield, especially if they are comfortable with a credit," he says. "Money funds have been very rate-focused and now they are also more mindful of the credit. Finding credits and yields they are comfortable with is a big challenge as these investors are becoming more selective." (anusha.shrivastava@dowjones.com)

13:19 EDT - Despite choosing to hold its benchmark interest rate at 4.75% at its last monetary policy meeting, the Colombian central bank is likely to cut its rate once more before the end of the year, according to Bancolombia SA, the country's largest lender. The minutes from the meeting showed that the decision to hold was not unanimous among the bank's seven-member board. The minutes also included a some warnings about the difficult situation of the international economy, another reason why Bancolombia says it expects the bank's key rate to end the year at 4.5%. (darcy.crowe@dowjones.com)

12:59 EDT - Some leading indicators are pointing toward growth in Peru's gross domestic product of about 6.0% in September, similar to the 6.3% gain posted in August, Scotiabank said. The bank pointed to electricity output growth of 5.1% in September, a 15% year-over-year increase in cement sales, a 10% year-over-year rise in imports in September and a sharp rise in hydrocarbons production. The bank forecasts a 6.5% third quarter expansion, as the robust growth in the economy shows few signs of slowing. (robert.kozak@dowjones.com)

12:43 EDT - Nomura Securities recommends investors take a modest overweight position on MBS after the recent underperformance. Since late September, MBS have lagged benchmarks while spreads on alternative assets like callable agency debt and corporate bonds have tightened, firm says. Wider spreads could be attributed to new supply and concerns that REITs won't support the market as they had, but Fed QE purchases will still have the greatest impact, Nomura adds. Spread between Fannie Mae's current coupon and 10-year Treasurys declines 2 bps to 32 bps, toward the 19 bps record low of September 25. (albert.yoon@dowjones.com)

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

12:28 EDT - The Colombian peso continues to trade in a very narrow range against the dollar, confirming a recent trend where the volatility in the exchange rate has been reduced to the lowest level in several years. The main reason for this is the intervention by authorities in the spot market, where the Colombia central bank and Finance Ministry are carrying out dollar purchases to drain US currency. But while the central bank has clearly announced its purchases, which average about $25 million daily, there is little evidence of how much the Finance Ministry is buying. In any case, these discretionary purchases have sharply reduced the peso's volatility. The peso Tuesday trades at COP1,798.50, barely changed from the previous close of COP1,797.65. (darcy.crowe@dowjones.com)

12:26 EDT - CAD may be trending lower Tuesday -- USD/CAD recently at 0.9855, up 0.49%, according to CQG -- but the currency still has wings, says Gluskin Sheff's David Rosenberg. Despite lower commodity prices, CAD has been performed "admirably" due to a Canadian economy that is operating at a much higher level than its US counterpart, he says. Canadian employment is at an all-time high, while US employment is still 3.6% below pre-recession highs, Rosenberg says. Canadian personal disposable income is up, while Canadian net worth also rose, while both metrics in the US are notably down since the recession. "After all that, which currency would you rather be long?" Rosenberg asks. (david.george-cosh@dowjones.com)

(END) Dow Jones Newswires

October 16, 2012 14:44 ET (18:44 GMT)

文件 DJDN000020121016e8ag005tc

MARKET TALK: EUR/USD, EUR/JPY Poised for Big Jumps -BofA

136 字
2012 年 10 月 16 日 19:12
Dow Jones Global Equities News
DJI
英文

14:12 EDT - With financial markets broadly in a rallying trend (both the Euro STOXX and S&P500 have resumed their march higher following a month-long break), the euro should be the main beneficiary of a more positive outlook, notes Bank of America-Merrill Lynch's MacNeil Curry. Upside targets to watch are at $1.3178 and $1.3285 for the euro. Gains against the safe-haven yen may be even more dramatic, with the market set to test Y104.37 and Y104.84. The euro was at $1.3046, from $1.2949 late Monday, according to EBS via CQG. Against the yen, the euro was at Y102.91 from Y101.85. (matthew.walter@dowjones.com) [16-10-12 1812GMT]

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文件 DJI0000020121016e8ag000wy

MARKET TALK: Target Building Up Online Tools

1,328 字
2012 年 10 月 16 日 20:58
Dow Jones News Service
DJ
英文

15:58 EDT - Target (TGT), which has had its share of high profile web woes, is adding to its online offerings including testing in-store pickup starting next year. The retailer is testing with eBay in the San Francisco area home delivery of online orders within hours. TGT is also piloting an app that locates merchandise in stores. TGT up 1.8% at $62.90. (karen.talley@dowjones.com)

15:30 EDT - The recent retirement of Navistar (NAV) sales chief Jim Hebe could accelerate the company's sales skid, says Wolfe Trahan, which dropped NAV to underperform from peer perform. "We see his retirement as a negative for NAV [that] seems likely to hurt market share in the near-term," the firm says. The flamboyant former CEO of truck maker Freightliner had forged personal relationships with several trucking industry executives that he parlayed into higher sales of NAV trucks to major freight lines. With Hebe now gone, those trucking companies could look elsewhere for new trucks. NAV down 5.11% at $20.55. (robert.tita@dowjones.com)

15:09 EDT - Latest in the Spain bailout request saga: a report that Spain's Rajoy told Germany's Merkel not to believe rumors about plans for a credit line. But this solicited no notable reaction out of Treasury investors, as the safe-haven asset stays sold on better domestic data. Bond analysts also say the overriding assumption remains that Spain will eventually request financial help anyway. Benchmark 10-year notes down 16/32 in price to yield 1.719%. (cynthia.lin@dowjones.com)

15:05 EDT - Loblaw's (L.T) move to cut 700 head-office jobs could add C$0.13-C$0.15 in annualized EPS, all else being equal, National Bank says, though it's waiting for more details on how the savings will be redeployed before changing its financial estimates. National Bank, which rates L.T at outperform, notes that the big Canadian grocer's ongoing renewal program adds risk near term, but could add to the bottom line once the efficiency benefits are realized. L.T up 1.9% to C$34.54 in Toronto. (carolyn.m.king@dowjones.com)

15:04 EDT - The euro is largely holding steady following a WSJ headline that Spanish PM Rajoy has told Germany's Merkel not to believe rumors that Spain may seek a credit line from the ESM. The single currency is at $1.3043, just a few pips down from $1.3046 just before the report, according to EBS via CQG. It's still up about 0.7% on day vs. USD. Regardless of the final details, investors seem convinced -- at least for now -- that Spain's bailout request is in the works. (matthew.walter@dowjones.com)

14:59 EDT - Navistar (NAV) is moving back toward the nearly 4-year low set last month as Wolfe Trahan downgrades the heavy-truck maker to underperform, saying while "it's tempting to be sanguine about NAV with the stock down, new management, new board members and a new engine strategy...the damage that has been this year may drive material production downtime into year-end." That then, would notably hit cash levels, the firm notes. It adds cash flow "is unlikely to turn positive quickly, meaning NAV could need to raise capital again." NAV is down 3.7% at $20.85. (kevin.kingsbury@dowjones.com)

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$98, which implies a 21% downside. Shares of GS currently trading down 1%, at $123.22. They are up 36% YTD. (liz.moyer@dowjones.com)

14:35 EDT - While J&J (JNJ) is seeing a so-so stock gain following its 3Q report, medical-device shares are seeing bigger ones in the wake of JNJ's device and diagnostics unit seeing decent revenue growth. The sector had been hurt after NuVasive (NUVA) and Edwards Lifesciences (EW) issued top-line warnings of late. Today, large orthopedic companies like Stryker (SYK) and Zimmer (ZMH) are getting a lift as JNJ reported hip- and knee-replacement sales each rose 3%. SYK gains 2% while ZMH, like JNJ, is up 1.1%. But JNJ has hit a fresh 4-year high today. (joseph.walker@dowjones.com)

14:32 EDT - Investors don't seem to be cheering Enzo Biochem's (ENZ) realignment program--which the biotech firm says will save roughly $6M annually--as shares slip 5.1% to $1.88 amid another quarterly loss. Some of the weakness could be coming from the 15% drop in revenues for ENZ's life-sciences products division in 4Q, but the restructuring announcement is positive, says Paul Nouri, whose health care-focused hedge fund, Noble Equity Fund, invests in ENZ. Nouri likes ENZ's clinical lab division, saying that business has been able to grow while the industry as a whole is flat to down. Clinical labs revenue in 4Q is up 11% from a year ago. (anna.prior@dowjones.com)

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[10-16-12 1558ET]

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DOWJONES | Newswires

MARKET TALK: Euro Shrugs as Spain PM Said To Play Down Credit Line Talk

1,413 字
2012 年 10 月 16 日 20:05
Dow Jones News Service
DJ
英文

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14:10 EDT - A government watchdog recounts student lending complaints against likes of Sallie Mae (SLM) but Janney doesn't see it sparking regulatory risk. SLM was recipeint of 46% of complaints, but key caveats to keep in mind are: number of complaints per company was generally proportionate to market share and many complaints likely related to loans originated with disclosures and underwriting standards far different than those today. "We do not believe it necessarily highlights pervasive lapses...at any specific student loan company," Janney says, adding changes made to these practices by SLM and others should mitigate regulatory risk. SLM shares up 0.5% at $17.19. (joan.solsman@dowjones.com)

14:07 EDT - Trying to shore up its holiday business as best it can, Target (TGT) says that for the first time it will match the online prices of Wal-Mart (WMT), Best Buy (BBY), Amazon (AMZN) and Toys 'R' Us. That as CEO Gregg Steinhafel says TGT "will be highly promotional and intensely competitive on price." But, will it be so to the point making a notable hit to margins? (karen.talley@dowjones.com)

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14:02 EDT - Rupert Murdoch is keeping his chairman and chief executive titles, as expected, after a majority of News Corp. (NWS, NWSA) shareholders voted against a proposal to nominate an independent chairman at NWSA's annual meeting. Proxy advisory firms have urged for an independent chairman, but their ability to swing the broader vote is limited by the Murdoch family's control of around 40% of shares. The proxy vote is still preliminary. Separately, Murdoch says NWSA will be ready to present details on management and board changes related to the pending corporate spin-off by year-end. News Corp. owns this newswire. NWSA trades 1.8% higher at $24.79; the shares are up more than 44% over the past year. (william.launder@dowjones.com)

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[10-16-12 1505ET]

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DOWJONES | Newswires

MARKET TALK: Medical-Device Stocks Get Bump From J&J Results

1,356 字
2012 年 10 月 16 日 19:35
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DJ
英文

14:35 EDT - While J&J (JNJ) is seeing a so-so stock gain following its 3Q report, medical-device shares are seeing bigger ones in the wake of JNJ's device and diagnostics unit seeing decent revenue growth. The sector had been hurt after NuVasive (NUVA) and Edwards Lifesciences (EW) issued top-line warnings of late. Today, large orthopedic companies like Stryker (SYK) and Zimmer (ZMH) are getting a lift as JNJ reported hip- and knee-replacement sales each rose 3%. SYK gains 2% while ZMH, like JNJ, is up 1.1%. But JNJ has hit a fresh 4-year high today. (joseph.walker@dowjones.com)

14:32 EDT - Investors don't seem to be cheering Enzo Biochem's (ENZ) realignment program--which the biotech firm says will save roughly $6M annually--as shares slip 5.1% to $1.88 amid another quarterly loss. Some of the weakness could be coming from the 15% drop in revenues for ENZ's life-sciences products division in 4Q, but the restructuring announcement is positive, says Paul Nouri, whose health care-focused hedge fund, Noble Equity Fund, invests in ENZ. Nouri likes ENZ's clinical lab division, saying that business has been able to grow while the industry as a whole is flat to down. Clinical labs revenue in 4Q is up 11% from a year ago. (anna.prior@dowjones.com)

14:22 EDT - "For the foreseeable future, the target would be -10 to -12 bps for the three-month euro dollar cross currency basis swap," says Valery Gombert at Natixis "It could compress in a matter of days. The trend is positive and we need more positive news from Europe." On Tues, the three-month basis swap is quoted at -24.5 bps. It had been as wide as -165 bps late last year, before the ECB announced its cheap loan program for euro zone banks. Since then, this indicator has been tightening steadily. (anusha.shrivastava@dowjones.com)

14:12 EDT - With financial markets broadly in a rallying trend (both the Euro STOXX and S&P500 have resumed their march higher following a month-long break), the euro should be the main beneficiary of a more positive outlook, notes Bank of America-Merrill Lynch's MacNeil Curry. Upside targets to watch are at $1.3178 and $1.3285 for the euro. Gains against the safe-haven yen may be even more dramatic, with the market set to test Y104.37 and Y104.84. The euro was at $1.3046, from $1.2949 late Monday, according to EBS via CQG. Against the yen, the euro was at Y102.91 from Y101.85. (matthew.walter@dowjones.com)

14:10 EDT - A government watchdog recounts student lending complaints against likes of Sallie Mae (SLM) but Janney doesn't see it sparking regulatory risk. SLM was recipeint of 46% of complaints, but key caveats to keep in mind are: number of complaints per company was generally proportionate to market share and many complaints likely related to loans originated with disclosures and underwriting standards far different than those today. "We do not believe it necessarily highlights pervasive lapses...at any specific student loan company," Janney says, adding changes made to these practices by SLM and others should mitigate regulatory risk. SLM shares up 0.5% at $17.19. (joan.solsman@dowjones.com)

14:07 EDT - Trying to shore up its holiday business as best it can, Target (TGT) says that for the first time it will match the online prices of Wal-Mart (WMT), Best Buy (BBY), Amazon (AMZN) and Toys 'R' Us. That as CEO Gregg Steinhafel says TGT "will be highly promotional and intensely competitive on price." But, will it be so to the point making a notable hit to margins? (karen.talley@dowjones.com)

14:03 EDT - While headlines from Spain grab the most attention, equally important for Tuesday's currency moves have been inflation and central bank reports around the world, says Greg Anderson at Citi. In New Zealand, CPI was benign, suggesting that the central bank can ease, and the Bank of Canada signaled a shift away from its tightening bias. CPI reports in the US and UK also pointed to contained inflation, meaning monetary policy makers in those countries won't face any pressure to tighten, Anderson says. That backdrop helped push up higher-yielding currencies like the euro, while the Canadian and New Zealand dollars have lost. The euro was at $1.3048, from $1.2949 late Monday, according to EBS via CQG. (matthew.walter@dowjones.com)

14:02 EDT - Rupert Murdoch is keeping his chairman and chief executive titles, as expected, after a majority of News Corp. (NWS, NWSA) shareholders voted against a proposal to nominate an independent chairman at NWSA's annual meeting. Proxy advisory firms have urged for an independent chairman, but their ability to swing the broader vote is limited by the Murdoch family's control of around 40% of shares. The proxy vote is still preliminary. Separately, Murdoch says NWSA will be ready to present details on management and board changes related to the pending corporate spin-off by year-end. News Corp. owns this newswire. NWSA trades 1.8% higher at $24.79; the shares are up more than 44% over the past year. (william.launder@dowjones.com)

13:59 EDT - Sterne Agee expects Hasbro's (HAS) 3Q report to disappoint investors next week, as NPD data shows the toy maker's key categories--games and action figures--have posted domestic sales declines so far this year. Sterne's EPS and sales target fall under Wall Street consensus, saying while action figures benefit from "Avengers" and "Spiderman," comparisons remain tough against "Transformers." HAS's relaunched Furby is a bright spot--and some observers say it has the greatest potential to be the star toy this year. But the digitally enhanced toy is only available in English speaking markets, suggested to Sterne it won't have the same impact as the lower priced version did when sales totaled over $500M in 1999. (john.kell@dowjones.com)

13:58 EDT - Angelo Gordon's Mortgage Value Partners fund is selling ABS, and moving into RMBS as it repositions the portfolio for next year, according to a letter it sent to investors. Says rotated out of investments whose yields have tightened, like ABS. Says the new issue ABS market is unable to meet investors' appetite, resulting in oversubscription, spread tightening. "We have continued selling ABS paper into this strength," it says. Adds likes call protected agency RMBS, derivatives backed by borrowers with low loan balances, low incentive to refinance. The fund has gained 15.4% this year through September; about 40% of portfolio is in ABS, 15% in agency and the remainder in non-agency RMBS, the letter says. (amy.or@dowjones.com)

13:57 EDT - Microsoft's (MSFT) purchase of cloud-data company StorSimple isn't exactly a surprise, though it wasn't inevitable either given storage giant EMC's position as a plausible buyer. MSFT says most StorSimple customers were already connected to its Azure cloud-computing environment, so it follows that integration with Redmond shouldn't be too rocky. (andrew.fitzgerald@dowjones.com; @drewfitzgerald)

13:55 EDT - TD takes a contrarian view of the forest-products sector, favoring companies more weighted towards pulp and paper production than wood products. The latter group has outperformed in recent quarters, and TD believes some of these stocks, particularly Louisiana-Pacific (LPX), have moved ahead of industry fundamentals. Among pulp- and paper-weighed equities, TD's top picks include Canfor Pulp (CFX.T), Domtar (UFS) Mercer International (MERC) and Clearwater Paper (CLW). (ben.dummett@dowjones.com)

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[10-16-12 1435ET]

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BARRON'S

MARKET WEEK
Stocks --- The Trader: S&P Falls 2.2% on Tech Stock Slide

By Vito J. Racanelli
1,760 字
2012 年 10 月 15 日
Barron's
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The stock market fell by more than 2% last week in subdued trading, with technology stocks faring worse, as investors rotated out of that more economically sensitive group into high-dividend names. Equity prices were clipped by renewed global growth jitters and a lackluster start to the third-quarter-profit reporting period.

The mood was dimmed early by the IMF's reduction Tuesday to its forecast of 2012 world growth, now 3.3% from 3.5%. Some tech stocks took it on the chin after the midweek release of PC industry data showing global demand for PCs and laptops is on the wane compared with tablets and smartphones.

Nevertheless, U.S. economic data continued an improved tone of recent weeks, with the latest weekly jobless claims falling to the lowest level in four years. Consumer sentiment surprised on the upside.

The Dow Jones Industrial Average lost 281 points, or 2.1% last week, to 13,328.85, while the Standard & Poor's 500 index gave up 2.2%, or 32 points, to 1428.59. The tech-heavy Nasdaq Composite declined 2.9%, or 92 points to 3044.11. Among the tech securities feeling the pain were semiconductor makers like Advanced Micro Devices (ticker: AMD), down over 13%; Intel (INTC), and disk-drive maker Western Digital (WDC) both lost more than 5%.

The rotation out of tech was a little bit of profit-taking combined with a move into "monotonous boring yield stocks," notes Jason Weisberg, partner at Seaport Securities in New York. The drop was compounded by "anemic trading volumes." With poor liquidity, the week's losses were exaggerated, so the 2% slide probably wasn't as indicative of investor sentiment as it might seem, he adds.

David Kelly, chief global strategist at JPMorgan Funds, also downplayed the poor market activity as profit-taking after a strong third-quarter market rise. "I don't know what the IMF said that everyone shouldn't already know."

While quarterly earnings reports typically can be important market factors, the strategist predicts this particular third quarter will not be much of a market driver ahead of the coming U.S. elections. Quiet, range trading seems the order of the day until then.

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It's a low-yield world, and it could stay that way for a while yet, thanks to central-bank easing moves the world over. With investors desperate for yield, it's no surprise that many large-cap, high-dividend-yield stocks have outperformed. For example, the Dow Jones U.S. Select Dividend Index ETF (ticker: DJDVY), which has a 4.1% yield, has returned 30% over the past two years, compared with 26% for the S&P 500.

The latter is filled with companies sitting on piles of cash but dividend payout ratios are at decade lows. For income seekers who want to go beyond the same old dividend names, it's not just a question of yield but also how fast can dividends grow.

Lately, a debate has opened about whether the high-dividend-yield trade has been played out. Peter Andersen, a portfolio manager at Congress Asset Management in Boston, thinks it has.

Many of those stocks aren't lifting earnings or dividends much. For example, utility Exelon (EXC), a member of the DJ dividend index, has a 5.7% yield but the dividend has grown at about 5% annually -- the payout ratio is 87% -- and earnings hardly at all.

It's not helpful, Andersen says, to look for companies with high yields and high payout ratios, or, conversely, low yielders with low payout ratios. Neither, he argues, are candidates for sharply growing dividends.

The best combination is a stock that has shown a willingness to increase the dividend and has a low payout ratio. Andersen has come up with a screen to find just that. In it, he takes the company's dividend-growth rate over the past five years divided by the payout rate, to determine what he calls the dividend integrity index. The higher the number, the more likely that the company is one where the dividend yield could rise sharply.

A high five-year dividend-growth rate, the numerator, suggests the company is shareholder friendly because it has shown an ability to increase dividends, he says. Additionally, a low denominator, the payout ratio, indicates the firm has room to increase the percentage of net profits paid out in dividends, should it desire. The higher the dividend integrity number above one, the greater the confidence theoretically that the company's dividends and yields could grow, says Andersen.

In his screen, firms like UnitedHealth Group (UNH), Aetna (AET) and Ralph Lauren (RLI), among others, seem to have the right stuff to support growing dividends. However, the above-mentioned high yielder Exelon and Public Service Enterprise Group (PEG), among others, don't. Low integrity ratios imply that the payout ratio is too high already to be increased much and the history of dividend growth has been too low to expect acceleration.

"There are plenty of stocks with a 4% yield," he says, but this screen tries to identify stocks with much lower yields that have good potential of becoming the next 4% yielder, he says. "The current high-yielders are the graduates. We're looking for the freshmen."

Its moniker might lead investors to believe it makes above-ground pools, but Poseidon Concepts (PSN.Canada) calls its products fluid management systems, and nobody jumps into them. Instead the small-cap company stores water and fluids used in energy exploration.

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DJ65Stocks	4457.86	-59.03	-1.31
DJUSMarket	356.53	-7.99	-2.19
NYSEComp.	8227.08	-156.99	-1.87
NYSEMKTComp.	2425.97	-59.39	-2.39
S&P500	1428.59	-32.34	-2.21
S&PMidCap	975.61	-20.75	-2.08
S&PSmallCap	458.26	-12.00	-2.55
Nasdaq	3044.11	-92.07	-2.94
ValueLine(arith.)	3028.24	-66.70	-2.16
Russell2000	823.09	-19.77	-2.35
DJUSTSM	14866.84	-331.30	-2.18

	Last Week	Week Earlier
NYSE		
Advances	884	2,167
Declines	2,268	1,000
Unchanged	60	52
NewHighs	294	549
NewLows	71	51
AvDailyVol(mil)	3,094.5	3,381.5
Dollar (Finexspotindex)	79.69	79.34
T-Bond (CBTnearbyfutures)	133-10	132-29
Crude Oil (NYMlightsweetcrude)	91.86	89.88
Inflation KR-CRB (FuturesPriceIndex)	306.55	307.62
Gold (CMXnearbyfutures)	1758.00	1778.60

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Barron's(10/15) The Trader: S&P Falls 2.2% On Tech Stock Slide

1,720 字
2012 年 10 月 15 日 02:21
Dow Jones Chinese Financial Wire
DJCFWE
英文

(From BARRON'S)

By Vito J. Racanelli

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S&PMidCap	975.61	-20.75	-2.08
S&PSmallCap	458.26	-12.00	-2.55
Nasdaq	3044.11	-92.07	-2.94

ValueLine(arith.)	3028.24	-66.70	-2.16
Russell2000	823.09	-19.77	-2.35
DJUSTSM	14866.84	-331.30	-2.18
	Last Week	Week Earlier	
NYSE			
Advances	884	2,167	
Declines	2,268	1,000	

(MORE TO FOLLOW) Dow Jones Newswires

October 13, 2012 00:09 ET (04:09 GMT)

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文件 DJCFWE0020121015e8af0008e

Dow Jones Newswires

MARKET TALK: Nikkei Likely To Trade In 8500-8600 Range

200 字
2012 年 10 月 15 日 00:12
Dow Jones Global Equities News
DJI
英文

2312 GMT [Dow Jones] The Nikkei is likely to face some selling pressure Monday, remaining within a tight trading band, following a decline in European bourses on Friday as well as mostly weaker U.S. markets. The DJIA barely eked out a gain while the S&P500 and Nasdaq both stumbled. U.S. corporate earnings reports are not generating much optimism in the wake of Europe's debt crisis and China's slowdown, say traders. "Business results from JPMorgan Chase & Co. (JPM) and Wells Fargo & Co. (WFC) did not impress from a profit standpoint," says Hiroichi Nishi general manager of equities at SMBC Nikko Securities. "Investors continue to remain cautious." Nishi puts the Nikkei's range for the session at 8500-8600. Nikkei 225 December futures ended Friday's Chicago trading down 35 points at 8545 vs its close earlier Friday in Osaka at 8560. In the cash market, the Nikkei closed down 12.66 points at 8534.12 on Friday. (bradford.frischkorn@dowjones.com)

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

[14-10-12 2312GMT]

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MarketWatch

Paul B. Farrell
News & Commentary
Mutual fund casinos still skimming billions; Commentary: Use our Lazy Portfolios to earn more for retirement

Paul B. Farrell, MarketWatch
MarketWatch; PaulBFarrell@charter.net
1,332 字
2012 年 10 月 12 日 16:16
MarketWatch
MRKWC
英文

SAN LUIS OBISPO, Calif. (MarketWatch) — Marquee performers, flashing neon lights. Cirque du Soleil and Celine. David Copperfield's magic. Elvis and the Jersey Boys. Mirage and Circus-Circus. Cha-ching, cha-ching. Welcome to the world's biggest casino!

Vegas? No, the mutual fund industry.

Still, the Vegas imagery captures my imagination every time, reminding me of Vanguard founder Jack Bogle's analysis of America's mutual fund industry, repeated often in so many memorable talks, in InvestmentNews and others since the 1970s. So let's update Bogle's fabulous "croupier" analogy of the fund industry; it makes us feel the red hot excitement of Vegas casinos! Cha-ching, cha-ching!!

Bogle begins by hammering home a key fact: "Investors earn a net return, after all of the costs of our system of financial intermediation." Forget the published statistics that have historically favored industry insiders, not investors. In fact, the fund industry is allowed to skim lots off the top, says Bogle, leaving investors with a lot less than the government-sanctioned numbers barely reveal.

How to beat a fund casino? Hint: it's hidden in your after-tax returns

Why is this so crucial? Because this is Bogle's secret system for beating the mutual fund casino. We first covered the Lazy Portfolios 10 years ago in early 2002. Bogle was the inspiration. That led to our "Lazy Person's Guide to Investing" and ultimately became the 8 Lazy Portfolios that are now updated daily on MarketWatch.

Now listen closely as Jack Bogle, founder of the $1.7 trillion Vanguard Funds, explains why on an after-tax basis index funds are winners. Bogle warns, "just as gambling in a casino is a zero-sum game before the croupiers rake in their share and a loser's game thereafter, so beating the stock and bond markets is a zero-sum game before the intermediation costs, and a loser's game thereafter."

Who loses? You and the other 95 million American investors are losers in this casino. Years ago Bogle figured out how to cut your losses. Here's his secret: In the real world of games, indexing beats actively managed funds

Yes, buying any mutual fund other than index funds is pure gambling. Research proves Bogle's point. Every year roughly 70%-80% of funds fail to beat their benchmark, and the ones that do rarely repeat. And yet their managers still make hundreds of thousands in annual compensation.

So investors are gambling, playing craps. Bogle's remarks were underscored several years ago at some congressional hearings on fund reform, which was opposed by fund industry CEOs and killed. Then Illinois Sen. Peter Fitzgerald issued this indictment against their casino:

"The mutual fund industry is now the world's largest skimming operation, a $7 trillion trough from which fund managers, brokers and other insiders are steadily siphoning off an excessive slice of the nation's household, college and retirement savings."

I recently asked Bogle for an update. Looks worse today.

The house still wins, fund casinos can't stop skimming investors

Bogle's reputation was built on low-cost index funds. His first was back in 1976 and it's still popular, managing $26 billion in assets. Active fund managers hate index funds because there's not enough for their croupiers to skim off with index funds.

For example, when we first compared the cost of owning Vanguard's S&P500 Index Fund it took in about $180 million in operating expenses. And Vanguard's 10.7% returns beat Fidelity Magellan's 7.5% returns that year while Magellan paid itself over twice as much in fees, roughly $400 million in fees on less than half the assets. Why? Because of all the extra expenses, index funds are able to pass on to their investors a much bigger share of the total returns.

Things aren't much better today: Magellan's total expense ratio is 0.54% with an average annual five-year return of minus 3.6% versus expenses of just 0.17% for Vanguard's index fund, which has had positive annual return averaging 0.48% the past five years.

Why? Another big part of the reason is that active managers are "churning" their portfolios, adding trading costs. For example, Magellan turns over the portfolio 99% annually versus a mere 4% at Vanguard. The two have similar portfolios of big-ticket blue chips.

Bogle says the fund casino skims a third off the top in expenses

People go to Vegas for the entertainment, expecting to lose. You've got to have some fun in that world of magic, color, fun, bright light — even love — hearing the cha-ching, cha-ching of money going into the casinos' coffers.

But fund casinos offer little entertainment. For most investors, you're gambling your future, your retirement nest egg, with less left over. Fund casinos have mastered the opposite illusion; a fund casino makes you believe you're winning even when you're losing. Here's how Bogle says the casinos run a "loser's game" for investors:

"The mutual fund croupiers rake huge sums off the stock market table," says Bogle. Here's his current estimate: Management fees average 0.8%. Other expenses are 0.6%. So the average expense ratio for the industry is well over 1%, often five to seven times the ratio for comparable index funds.

Next, deduct "hidden portfolio transaction costs of at least 0.8%" from managed funds says Bogle. Yes, hidden, buried in the reported numbers, which are usually a few months to a year old. Then, you need to deduct the long-term costs of "sales commissions on load funds, another 0.7%."

As a result, the total costs for you, if you're an investor in an actively managed fund, is 3%, leaving you with just 4% on a 7% return. Yes, the casino's operators are skimming off almost a third of your mutual fund to pay themselves some handsome salaries.

Bogle warns that taxes make your losses much bigger

But it's even worse on an after-tax basis: "Because of the shocking tax inefficiency" the fund casino's average turnover is often greater than 100% for an actively managed stock fund portfolio. So you deduct another 2%, says Bogle. When you compare index funds with managed funds "the real annual return drops to 8.9% for the index fund and to 5.1% for the equity fund," almost half as much. Cha-ching, cha-ching!!

Bogle went even further in his research, comparing the results of compounding the two alternatives over a 20-year period: "The cumulative profit of each $1 initially invested in the managed fund came to just $1.70 in real terms, after taxes and costs, only 38% of the real profit of $4.50 in the index fund." In short, indexing is substantially more profitable.

But few fund casino insiders will admit any of this openly. Why? Because for decades the fund casino has heavily financed a special interest lobby that's protected by Congress and the SEC, both of whom let the fund casinos hide behind the false front of misleading pretax returns in their ads and sales pitches.

Of course most investors fail to analyze real after-tax returns and just stick with highly publicized actively managed mutual funds in spite of the higher costs and lower average returns. As a result, they are losing money year after year.

Bottom line: Stop betting in the fund casino's "loser's game." see how in the longer run, over five and 10 years, indexing wins.

Stop betting in the fund casino's "loser's game." Check out our Lazy Portfolios and see how in the longer run, over five and 10 years, indexing wins.|103

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Dow Rallies 1.3% to a New 52-Week High

By Vito J. Racanelli
2,085 字
2012 年 10 月 8 日
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Nevertheless, Friday's poor market action damped the mood at week's end. The Standard & Poor's 500 index turned from a strong morning rise to a lower close for the day.

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Friday, the Labor Department said the U.S. unemployment rate dropped to 7.8% in September, the lowest level since President Barack Obama took office. Payrolls rose, too.

Following the news, the market blogosphere was stirred up by an accusatory tweet from Jack Welch, former CEO at General Electric (GE). He wrote on Twitter: "Unbelievable jobs numbers . . . these Chicago guys will do anything. . . can't debate so change numbers.""

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Johnson Controls' shares haven't seen the summer rally. While the S&P 500 index is up a smart 14% since its June 1 low, Johnson Controls' stock, at Friday's close of $27.85, is down 4% over the same period.

That underperformance derives from market disenchantment with results for the June-ended fiscal third quarter. Johnson Controls (ticker: JCI), which makes auto interiors, car batteries, and commercial-building control systems for heating, ventilation, and air conditioning (HVAC), traded as high as $36 early this year.

In that third quarter, sales rose just 2%, to $10.6 billion, though net income increased 17%, to $417 million, or 61 cents per share, from 52 cents. Over the nine months, EPS rose to $1.73 from $1.58.

Despite the profit rise, investors are wary of slowing sales growth and more important, the company's reduced guidance, due to softness in its global markets and expectations of a lower euro. JCI slashed its fourth-quarter earnings-per-share forecast to flat to up 5%, from a 25% rise, suggesting that it will report net of $2.50 a share for its fiscal 2012 year, ended last month.

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Yet one quarter does not a company make, especially a cyclical one with a consistent history of revenue and earnings gains. When the market throws a tantrum and sells such a stock down to valuations that are pretty low compared with the historical norm, investors should sit up and take notice.

The company missed EPS forecasts by just a few pennies and is suffering from cyclical problems, not a huge break in its business, argues Tom Weary, chief investment officer of Lau Associates, a family-wealth manager in Greenville, Del. "This is a great long-term business that had a temporary setback. It will come back," he predicts. Lau has been buying JCI shares.

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The stock has fallen to a valuation that might tempt long-term investors, Weary asserts. JCI fetches 9.5 times consensus earnings expectations of $2.91 a share in fiscal 2013, sharply below its median forward historical P/E of 13. Weary puts fair value closer to $36, about 30% above the current level.

Since fiscal 2001, Johnson Controls has consistently boosted revenue and earnings, except during 2009's global financial crisis and recession. It sports a dividend yield of 2.6%, and net debt is 33% of total capital. Johnson Controls looks dented not broken. For a patient investor, that spells opportunity.

"No fishy aftertaste." That's part of the promotion for MegaRed, a leading Omega-3 fatty-acid supplement made by Schiff Nutrition International (SHF). It's one of the Salt Lake City firm's most important branded products. Omega-3s are thought to help prevent heart disease.

After a 128% rise in Schiff shares this year, to $24.40, the valuation seems higher than the fundamentals justify.

The advance has been fueled by a couple of acquisitions, primarily that of Airborne, bought for $150 million on March 30. And it comes as Schiff's reliance on the production of private-label vitamins and supplements has dropped to 14% of total sales from 20%-30%. That business is low-margin and highly competitive, and the products can compete with Schiff's own brands.

In the company's first fiscal quarter, ended Aug. 31 -- the first complete period with Airborne included -- net sales jumped 46%, to $85.1 million, while earnings rose to $6 million, or 20 cents a share, from $4.7 million, or 16 cents, the company reported on Sept. 18. That day, Schiff also inched up its revenue-growth guidance for fiscal 2013 to 43%-46% from 40%-43%, and the stock jumped 17%. A prime driver of the revenue gain was the inclusion of Airborne, which sells dietary supplements aimed at making users less susceptible to colds or other ailments, especially on airplanes.

However, a look at Schiff's 10Q filing, should make investors think twice about extrapolating the first-quarter growth spurt past August 2013, when Airborne's impact on growth will be lapped.

For example, the company notes in the 10Q that in the year-earlier quarter, net sales on a pro forma basis -- that is, as if Airborne were included in that period's results -- would have been $74.3 million. So the recent quarter's sales rise would have been just 15%, not 46%. Fifteen percent is good, but not great. Again pro forma, because of one-time acquisition costs, the latest quarter's profit would be lower than in the year-earlier quarter. With Airborne included, net would have been $7 million, or 24 cents a share, in the 2011 stretch.

What will happen, beginning next fall, if Schiff doesn't come up with another Airborne? Growth -- while potentially still robust -- could be materially weaker than now anticipated by the stock's valuation.

Even if Schiff integrates another big acquisition, such growth shouldn't be awarded the lofty multiple of earnings the company now sports. The shares trade at 26 times analysts' consensus profit estimate of 94 cents a share for fiscal 2013. They also boast an enterprise value (stock-market value plus net debt) to Ebitda (earnings before interest, taxes, depreciation and amortization) ratio around 12. These figures are much higher than they've been historically for Schiff. In comparison, Nature's Sunshine Products (NATR), admittedly with a flattish growth rate, trades at a price/earnings ratio below 10 and an EV/Ebitda multiple of just 4.

Other points from the 10Q: Expenses rose 52%, faster than sales. So did marketing spending, which soared 63%, to $19.1 million. Will Schiff have to keep spending at that level to support growth? And just two customers -- Wal Mart Stores (WMT) and Costco Wholesale (COST) -- accounted for more than two-thirds of sales.

Schiff's rich valuation might be acceptable with a sustainable 45% sales growth rate, but not for one of 15% or less. The company's track record isn't particularly stellar. For the past four years, earnings have been stuck around 50 cents to 60 cents per share. Return on equity has averaged 12.4% since 2006; operating margins, about 10.4%-- again good, but not great.

Branded products have stiff competition, too. MegaRed competes with GNC Holdings' (GNC) Ultra Omega Krill Oil, which offers 500 milligrams of krill oil to MegaRed's 300. At the GNC nearest Barron's offices, each costs $23.99. And rivals sell plenty of other Omega-3 products for less.

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To justify its lofty stock price, Schiff must grow strongly and sustainably. Some investors doubt that it can. To them, Schiff's valuation smells fishy.

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DJ65Stocks	4516.89	+75.19	+1.69
DJUSMarket	364.52	+4.86	+1.35
NYSEComp.	8384.07	+133.07	+1.61
NYSEMKTComp.	2485.36	+47.84	+1.96
S&P500	1460.93	+20.26	+1.41
S&PMidCap	996.36	+7.34	+0.74
S&PSmallCap	470.26	+2.26	+0.48
Nasdaq	3136.19	+19.96	+0.64
ValueLine(arith.)	3094.94	+36.91	+1.21
Russell2000	842.86	+5.41	+0.65
DJUSTSM	15198.14	+200.36	+1.34

	Last Week	Week Earlier
NYSE		
Advances	2,167	1,080
Declines	1,000	2,083
Unchanged	52	40
NewHighs	549	426
NewLows	51	38
AvDailyVol(mil)	3,381.5	3,352.3
Dollar		
(Finexspotindex)	79.34	79.94
T-Bond		
(CBTnearbyfutures)	132-29	133-15
Crude Oil		
(NYMlightsweetcrude)	89.88	92.19
Inflation KR-CRB		
(FuturesPriceIndex)	307.62	309.30

Gold		
(CMXnearbyfutures)	1778.60	1771.10

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DOW JONES
NEWSWIRES

Barron's(10/8) The Trader: Dow Rallies 1.3% To A New 52-Week High

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(From BARRON'S)
By Vito J. Racanelli

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6 Oct 2012 00:09 EDT Barron's(10/8) The Trader: Dow Rallies 1.3% To A -2-

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DJUSMarket	364.52	+4.86	+1.35
NYSEComp.	8384.07	+133.07	+1.61
NYSEMKTComp.	2485.36	+47.84	+1.96
S&P500	1460.93	+20.26	+1.41
S&PMidCap	996.36	+7.34	+0.74
S&PSmallCap	470.26	+2.26	+0.48
Nasdaq	3136.19	+19.96	+0.64
ValueLine(arith.)	3094.94	+36.91	+1.21
Russell2000	842.86	+5.41	+0.65
DJUSTSM	15198.14	+200.36	+1.34

	Last Week	Week Earlier
NYSE		
Advances	2,167	1,080
Declines	1,000	2,083
Unchanged	52	40
NewHighs	549	426
NewLows	51	38
AvDailyVol(mil)	3,381.5	3,352.3
Dollar		
(Finexspotindex)	79.34	79.94

T-Bond		
(CBTnearbyfutures)	132-29	133-15
Crude Oil		
(NYMlightsweetcrude)	89.88	92.19
Inflation KR-CRB		
(FuturesPriceIndex)	307.62	309.30
Gold		
(CMXnearbyfutures)	1778.60	1771.10

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Home
Leaders & Laggards -- Third-Quarter 2012

By Bill Alpert
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2012 年 10 月 6 日
Barron's Online
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A Glance at the Best and Worst Performers for the Third Quarter of 2012

CATEGORY RETURN BEST FUND RETURN WORST FUND
RETURN
Large-Cap Core 6.21 Smead Value;Inst / SMVMX 11.87 Huntington:Dscpld Eq;Tr / HDETX
0.90
Large-Cap Growth 6.39 UBS AG Enh BC Growth ETN 11.98 Touchstone:Lg Cap Gr;C /
TEQCX 0.12
Large-Cap Value 6.16 Dreyfus Strat Value;I / DRGVX 8.52 Cullen:High Div Eqty;C / CHVCX
2.56
Long/Short Equity 2.26 Convergence Core Pl;Inst / MARNX 6.96 Hussman Inv:Strat Gro / HSGFX
-5.13
Mid-Cap Core 4.96 Huntington:Situs;Tr / HSUTX 8.43 Westport:Select Cap;R / WPSRX
-0.95
Mid-Cap Growth 4.62 Baron Focused Gro;Inst / BFGIX 8.27 Westcore:Select;Rtl / WTSLX
-0.98
Mid-Cap Value 5.60 TCW:Value Opps;I / TGVOX 8.64 Victory:Estab Val;R / GETGX
3.26
Multi-Cap Core 5.80 Stratton Multi-Cap / STRGX 9.67 Janus Contrarian;T / JSVAX 1.97
Multi-Cap Growth 5.94 Matthew 25 Fund / MXXVX 11.65 Pac Lf:MdCp Gro;P 0.37
Multi-Cap Value 6.02 Guggenhm
S&P500 Pure Val 9.19 Copley Fund / COPLX 2.21
S&P 500 Index Objective 6.24 GuideStone:Eqty Idx;GS4 / GEQZX 6.42 Mutual Amer Inst:Eq Idx /
MAEQX 5.47
Small-Cap Core 5.32 WellsFargo:S/MC Val;I / WWMSX 12.25 SunAmerica:Foc SCV;A /
SSSAX -0.17
Small-Cap Growth 5.48 BlackRock:SC Gro;I / PSGIX 10.61 SunAmerica:Foc SCG;A / NSKAX
0.23
Small-Cap Value 5.06 Guggenhm S&P SC 600 PV 10.11 Artisan:SmCp Val;Inv / ARTVX
-0.26

CATEGORY RETURN BEST FUND RETURN WORST FUND RETURN
Financial Services 6.53 Burnham Inv:Fnl Ind;A / BURFX 11.93 PowerShares S&P SC Finls 3.78
Health/Biotechnology 6.50 Mrkt Vctrs:Biotech ETF 14.73 Fidelity Sel Medical / FSHCX 0.36
Natural Resources 8.65 PowerShares Dyn Enrgy 16.55 PowerShares WldHill CE -5.57
Real Estate 0.65 iShares:FTSE NAREIT M+CI 8.64 CGM Tr:Realty Fund / CGMRX -1.84
Science & Technology 5.34 Firsthand Tch Opps;Inv / TEFQX 11.62 Fidelity Sel Elctronic / FSELX -3.26
Precious Metals Equity 22.88 Glbl X Silver Miners ETF 33.49 iShares:MSCI Gl Sel M&MP 2.64
Utility 3.28 First Tr AlphaDEX Util 7.97 Sel Sector:Util SPDR -0.51

CATEGORY RETURN BEST FUND RETURN WORST FUND RETURN
Int'l Large-Cap Core 6.55 McKee Intl Eqty;Inst / MKIEX 9.02
JPMorgan:Intl Opps;A / JIOAX 4.57
Int'l Large-Cap Growth 6.71 iShares:MSCI Canada 10.37 Sextant International / SSIFX 2.63
Int'l Large-Cap Value 6.55 DWS Drem Intl Val;S / DNVSX 10.83 AllianBer Intl Value;C / ABICX 4.13
Japanese 0.25 Fidelity Japan Sm Co / FJSCX 7.36 WisdomTree:Jpn Hdgd Eq -3.30
Latin American 5.46 iShares:MSCI Brz Sm Cap 14.54 iShares:MSCI Chile 1.19
Pacific Ex Japan 8.69 iShares:MSCI New Z IM 16.16 Ivy:Pacific Opps;A / IPOAX 4.24
China Region 3.75 iShares:MSCI Hong Kong 12.43 Guinn Atkin:Ch&Hng Kng / ICHKX -0.33
Emerging Markets 6.86 Mrkt Vctrs:Egypt Idx 25.68 Mrkt Vctrs:Vietnam -10.44

European Region 8.64 Glbl X FTSE Norwy 30 ETF 14.51 Mutual European;C / TEURX 5.79

CATEGORY RETURN BEST FUND RETURN WORST FUND
RETURN
Convertible Securities 4.55 SPDR
Barclays Conv Sec 6.18 Palmer Square Alt Inc;I / PSCIX 2.00
Flexible Portfolio 4.51 Prov Trust Strat / PROVX 7.13 SunAmerica:Alt Strat;W / SUNWX -2.09
Global Flexible Port 5.10 Thornburg Gl Opps;I / THOIX 12.39 Evercore Wlth MM O;Inv / EWMOX -1.66
Mixed-Asset Target 2010 3.86 T Rowe Price Ret:2010 / TRRAX 4.78 J Hancock II:RCat2010;1 / JRTOX 1.81
Mixed-Asset Target 2020 4.63 Oppenheimer Tr 2020;A / OTWAX 5.75 WellsFargo:DJ 2020;Adm / WFLPX 3.61
Mixed-Asset Target 2025 5.05 T Rowe Price Ret:2025 / TRRHX 5.95 WellsFargo:DJ 2025;Inv / WFGYX 4.03
Mixed-Asset Target 2030 5.36 Oppenheimer Tr 2030;A / OTHAX 6.53 Amer Cent:LS 2030;A / ARCMX 4.37
Mixed-Asset Target Alloc Consv 3.60 API Trust:Income;A / APIUX 6.63 Hussman Inv:Strat TR / HSTRX 1.11
Mixed-Asset Target Alloc Growth 5.00 WellsFargo:Dvs Cap;I / EKBYX 8.28 Compass EMP Mlt-Ast Gr;A / LTGAX 1.03

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US ETF/Notes Ex-Dividend October 05

118 字
2012 年 10 月 3 日 22:20
Dow Jones News Service
DJ
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Company	Symbol	Yield(%)	Amount
Lehman 20+ Year Treas	TBT	...	1:4 Reverse Split
ProSharesShtVIXST	SVXY	...	2:1 Split
ProSharesUltraShortGold	GLL	...	1:4 Reverse Split
ProShrs UltraShort S&P500	SDS	...	1:4 Reverse Split
ProShs UlShrt Nsdq Biot	BIS	...	1:4 Reverse Split
ProShs Ult Nsdq Biotech	BIB	...	2:1 Split
ProShs Ultra MSCI Brazil	UBR	...	1:4 Reverse Split
ProShs UltraShort Hlth Cr	RXD	...	1:4 Reverse Split
ProShs UltrShrt Bas Matls	SMN	...	1:4 Reverse Split
ProShs UltrShrt Cnsmr Gds	SZK	...	1:4 Reverse Split
PrShrs UltrPro Shrt Dow30	SDOW	...	1:4 Reverse Split

Source: SIX Financial Information
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10-3-12 17:00EST
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BARRON'S

MARKET WEEK
Stocks --- The Trader: Stocks Fall 1.3% on Weak Economic News

By Vito J. Racanelli
1,783 字
2012 年 10 月 1 日
Barron's
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Stocks fell more than 1% last week on the continued parade of conflicting U.S. economic data as well as some renewed nervousness over Spanish bank finances. The market's second consecutive weekly drop marked the end of a strong third quarter, with equities returning a solid 6%.

Nevertheless, lately it seems that whenever investor focus shifts from the Federal Reserve's persistent easing efforts to the lukewarm economic numbers, the market drifts downward.

Whilea report out Friday suggested Spain would need less money than expected to recapitalize its banks, the nation's finances stilled weighed on the U.S. market. Investors fear a possible downgrade soon from Moody's, which currently has Madrid at just one notch above junk status.

The Dow Jones Industrial Average fell 1% last week, or 142 points, to 13,437.13, while the Standard & Poor's 500 index lost 1.3%, or 19.48, to 1440.67. In the third quarter the index rose 5.7%, and it's up 14.6% year to date. The Nasdaq Composite dropped 2% last week, or 64 points, to 3116.23.

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The market's back to focusing on what's happening in the domestic economy, and "it's not rosy," says Malcolm Polley, president of Stewart Capital Advisors. The Chicago PMI is more indicative of what's really happening, he says: "It suggests a slow economy and one that can't gain speed." For both investors and corporate managers, the elections and the fiscal cliff loom large. "You can't plan for next year if you don't know the tax code, for example," Polley adds.

Marc Pado, who runs DowBull, an investment advisory firm, concurs. "Investors and companies are unwilling to invest. Uncertainty is holding us back," he says. "It's all about politics and how the next three months are going to go" with respect to the elections and any resolution of the fiscal cliff. In the short term, the market's likely to be range-bound until the elections, he adds.

Up next Wednesday is the beginning of the debates between President Barack Obama and Republican challenger Mitt Romney.

One of the industries whose fortunes are most exposed to the coming U.S. elections is the defense sector. The group's performance has been mixed since Aug. 2, 2011. That's when Congress passed the Budget Control Act, which made the threat of 2013 sequestration of Defense Department funds and automatic spending cuts a realistic possibility. Harris (ticker: HRS), for example, is up 35%, but ManTech International (MANT) is down more than that, while the market has risen 15%.

Since then, the group has partially discounted the risk of sequestration but not all of it, says Michael Lewis, a Lazard Capital Markets analyst. However, most of the investment community, he says, views sequestration as something that won't occur: "The feeling is, it's so bad that it won't happen."

But Lewis isn't as sanguine, and he's gone to the considerable trouble of attempting to handicap what 14 companies with Pentagon revenue stand to lose in sales and earnings per share in 2013 if sequestration were actually to begin Jan. 2. Lewis says sequestration is the most likely scenario short of a Republican sweep in the November elections, a prospect that seems to grow dimmer by the day.

Perhaps investors aren't as prepared as they think. At its most basic, sequestration means some $54 billion would come out of annual national-security spending, nearly all of that from the Defense Department.

According to Lewis, the most severely affected initially will be ManTech International, Booz Allen & Hamilton (BAH), and CACI International (CACI), mainly because they are more exposed to operations and maintenance outlays -- generally the Pentagon's largest single cost bucket. Next year in particular, operations and maintenance happens to make up a much larger share of spending compared with weapons procurement and research.

Meanwhile, Boeing (BA), Flir Systems (FLIR), and Harris, whose sales are more exposed to procurement and research outlays, should see the least impact on revenue and EPS in 2013, according to Lewis' recent tome on sequestration.

Not every defense stock has performed directly in line with its sequestration exposure. Flir shares, for example, are down 22%, and some of that could be due to European sales exposure. But CACI is down only 2% even as it is more exposed. Lewis says its management has been executing well, and the company has a strong following among institutional investors.

Besides profits and losses from sequestration, the human element will be painful as well. Lewis says full implementation could eventually lead to job losses of 4% to 6%, or 26,000 to 39,000 workers, among the 14 major companies in the table.

That's going to galvanize legislators. Although Lewis expects sequestration, he tempers that view with a belief that the new Congress, faced with those layoffs, will probably come to some kind of budget agreement in the first or second quarter of 2013 that will supersede the automatic across-the-board cuts required by sequestration.

A Republican sweep, Lewis says, could lead to a quick bounce in defense shares. Short of that, however, once sequestration looks to be a certainty, the stocks, some of them already down, will most likely suffer another significant drop, he warns.

The stock market is often called a casino, and one of the newest and starkest bets available among large caps is Transocean (RIG). The global oil-services and drilling company has a market value of $16.1 billion.

Brazilian federal prosecutors served Transocean last Thursday with a preliminary injunction to cease operations there within 30 calendar days. Chevron (CVX) was served as well. That move follows a drilling accident at the Frade offshore Brazil oil field last November that released less than 4,000 barrels of oil into the Atlantic.

Transocean said it "is vigorously pursuing the overturn or suspension of the preliminary injunction, including through an appeal to the Superior Court of Justice. Absent relief from the courts, Transocean will be required to comply with the preliminary injunction."

The bet here is whether Transocean's legal efforts will be successful against the prosecutors. The company has 10 rigs under contract for work in Brazil, which represented 11% of revenue for the first half of 2012. Analysts estimate that every lost month in Brazil will cost Transocean about 15 to 20 cents in earnings per share, at least until they redeploy the rigs.

Since Wall Street is looking for about $3 EPS this year and $4.59 next year, should Transocean have to shut down operations in Brazil for a stretch, it's going to hurt. Last year revenue was $9.1 billion.

Meanwhile, its stock, which closed at $44.89 Friday, fell 7.5% on the week and is down almost 50% from 2011 highs. Transocean still hasn't settled all the potential and substantial litigation involving the Macondo Gulf of Mexico well blowout and fire in April 2010. That has cost $4 billion so far in downtime, legal costs, and other knock-on effects. Transocean stock trades at a price/ earnings ratio of 15, a bit less than its historical median. Net debt stands at $9 billion.

Common sense suggests Transocean has a good chance of prevailing in Brazil. The penalty seems disproportionate to the spill. Both the national regulator National Petroleum Agency -- which has said Transocean crews did nothing wrong -- and government-controlled energy giant Petroleo Brasileiro (PBR) continue to support Transocean's efforts. (Transocean operates numerous rigs for the Brazilian oil giant.) Brazil needs to develop its huge deposits of offshore oil resources and to use the expertise of companies like Transocean.

But the cooler-heads-will-prevail theory has a flaw. The decision will be made by a court following procedures and laws and might not take account of the painful economic impact of Transocean's departure. The uncertainty is high.

For the short term, at least, this stock has become a speculative bet rather than a long-term investment.

Channing Smith, a portfolio manager at Capital Advisors, which has held Transocean shares for about a year, is guardedly optimistic that the company will prevail for all the reasons we've noted above. He thinks Transocean will rebound, but he also warns the Brazilian litigation could be a drawn-out process, and "that wouldn't be good for the stock . . . This is a stock with hair on it."

Institutional investors can afford to place a small bet on a Transocean rebound. However, widows and orphans and individual investors who are tempted might be better served by waiting and letting the Brazilian judicial waters calm. The risk of missing a nice 10% jump if Transocean gets the injunction suspended or lifted must be compared with another sharp drop if it is unsuccessful.

Moreover, should the company get clear of this mess, there will probably be another chance of further gains after the initial rebound.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13437.13	-142.34	-1.05
DJTransportation	4892.62	-18.17	-0.37
DJUtilities	475.75	+4.40	+0.93
DJ65Stocks	4441.70	-21.80	-0.49
DJUSMarket	359.66	-5.19	-1.42
NYSEComp.	8251.00	-126.51	-1.51
NYSEMKTComp.	2437.51	-49.73	-2.00
S&P500	1440.67	-19.48	-1.33
S&PMidCap	989.02	-17.02	-1.69
S&PSmallCap	468.00	-10.10	-2.11
Nasdaq	3116.23	-63.73	-2.00
ValueLine(arith.)	3058.03	-61.11	-1.96
Russell2000	837.45	-18.06	-2.11
DJUSTSM	14997.78	-223.41	-1.47

	Last Week	Week Earlier
NYSE		
Advances	1,080	1,371
Declines	2,083	1,768
Unchanged	40	58
NewHighs	426	505
NewLows	38	32
AvDailyVol(mil)	3,352.3	3,571.7
Dollar		
(Finexspotindex)	79.89	79.33
T-Bond		
(CBTnearbyfutures)	133-15	132-21
Crude Oil		
(NYMlightsweetcrude)	92.19	92.89
Inflation KR-CRB		
(FuturesPriceIndex)	309.30	308.98
Gold		
(CMXnearbyfutures)	1771.10	1775.50

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BARRON'S

Fund of Information
MUTUAL FUNDS
Investors Have Sobered Up

By Janet Paskin
1,142 字
2012 年 10 月 1 日
Barron's
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英文

Psst. The U.S. stock market is up 140% since its crisis-era trough, but according to new research from Franklin Templeton, a good portion of investors hasn't noticed. In its annual Investor Sentiment Survey, roughly half of the respondents believed that the S&P 500 was down in 2009, 2010, and 2011. (It was actually up 26% in 2009, 15% in 2010, and flat for 2011.)

Such data confirm our worst suspicions about investor behavior. Freaked out by the market crash, investors pulled money from equity funds, only to watch the ensuing rebound from low- (or no-) yielding cash accounts. Point to equity fund outflows, cue the behavioral economists, resolve to do better next time.

It's familiar, and it's tidy. It's also not the whole truth. A closer look at fund flows over the past five years shows a different pattern of investor behavior, one that offers clues to a new set of opportunities -- and challenges -- for investors and asset managers alike.

Investors have pulled $400 billion from U.S. stock funds since September 2007, according to Morningstar. In absolute terms, that's significant, "but it's not a mass exodus," says Kevin McDevitt, a fund analyst at Morningstar. What's more, add inflows into exchange-traded funds to the mix, and five-year outflows drop to more than $230 billion -- or only about 6% of total assets.

So while some investors have certainly missed the recent rally, many appear to have hung on for the ride. Overall equity allocations currently hover around 50%, a touch below the median for the past 20 years. The funds investors are choosing are different, however, says Fran Kinniry, a principal at Vanguard who has also looked at fund flows. Actively managed funds suffered $506 billion in outflows for the five years ended July 31, 2012, but index funds and ETFs gathered almost $300 billion in that same period.

"Normally I agree that investors chase returns, but in the last five, six, seven years, they've been very well-behaved and acting in their own best interests," says Kinniry. Investors may have swapped an open-end fund for an ETF, or used ETFs to get back into the equities after a watching little while from the sidelines, but it looks as if investors are not as moved by equity performance -- up and down -- as perhaps they once might have been.

That doesn't mean investors have lost the ability to work up a good lather. While they seem more or less resigned to the swings of the equity markets, the hunt for yield is on. Since interest rates plummeted at the end of 2008, money-market funds have lost more than $1 trillion, or about a third of their assets. Meanwhile, high-yield bond funds, which got crushed in the credit crisis right along with equity funds, have since gathered more than $90 billion, and assets have more than doubled.

Particularly for baby boomers in retirement or hurtling toward it, yield-chasing may be replacing performance-chasing. There's risk there, too, Morningstar's McDevitt points out: "Investors seem to be more risk-tolerant, because the yield is there. But whether they know it or not, they're taking on credit risk."

Fund investors haven't done badly: The average high-yield bond fund is up 11.4% a year over the past three years, almost on par with large-cap blend funds, which returned 11.6%. It's encouraging to think that fund investors have grown a little more patient with -- or tolerant of -- the equity market. But we haven't put the behavioral economists out of work yet.

Janet Paskin is the Digital Editor, Markets, for The Wall Street Journal.

Scoreboard: Not Much Excitement

-- Diversified U.S. stock funds slightly trailed the broad market in the week ended Thursday, down 0.98%, versus the S&P 500's 0.86% decrease, reports Lipper. Dedicated Short Bias was the only category in positive territory, up 1.06% in the past week.

	One Week	Year-to-Date
U.S. STOCK FUNDS	-0.98%	13.34%
U.S. BOND FUNDS	0.10	6.21
TOP SECTOR / India Region Funds	4.53	25.20
BOTTOM SECTOR / Basic Materials Funds	-2.13	6.89

THE WEEK'S TOP 10

Fund Investment Objective		One Week	Year-to-Date
VelShs 3x Long Nat Gas	DL	36.36%	NA
ProShs II Ult DJ- UBS NG	DL	23.41	-50.53
United States Nat Gas	CME	11.29	-18.08
Direxion India Bull 3X	DL	10.29	29.14
Teucrium Natural Gas	CME	8.12	-9.71
United States 12Mo NG	CME	7.98	-12.74
VelShs 2x Invrs Pldium	CMS	7.40	-9.01
Dreyfus India Fund A	INR	7.30	31.59
EGA India Consumer ETF	CG	7.19	37.13
Direxion 20+Y Trs Bl 3X	SFI	6.79	7.13

THE WEEK'S BOTTOM 10

Fund Investment Objective		One Week	Year-to-Date
VelShs 3x Inv Nat Gas	DSB	-29.30%	NA
ProShs II UlS DJ-UBS NG	DSB	-20.29	-5.70
VelShs 2x Long Palladium	CMS	-7.90	-13.70
UBS E-TRACS M2x LISE SS	DL	-7.70	3.72

Direxion Semicnd Bull 3X		
DL	-7.26	6.65
ProShares UPSh 20+ Trs		
DSB	-7.03	NA
Direxion 20+Y Trs Br 3X		
SFI	-6.72	-21.64
FctrShs S&P500 Bl Tb Br		
DL	-5.96	-4.12
Direxion Russia Bull 3x		
DL	-5.72	6.39
VelShs TM 3x Inv Brnt Cr		
DSB	-5.62	NA

THE LARGEST 10

Fund	Net Assets (billions)	Investment Objective	3-Year* Return	1-Week Return	YTD Return
PIMCO Tot Rtn Inst	$165.689	Intmd Inv Grade	7.72%	0.22%	9.06%
SPDR S&P 500 ETF	105.931	S&P 500 Funds	13.46	-0.86	16.83
Vanguard T StMk Idx Inv	73.450	Multi Cap Core	13.65	-0.92	16.57
SPDR Gold	68.320	CMP	19.88	0.25	11.64
Vanguard Instl Indx Inst	66.940	S&P 500 Funds	13.56	-0.85	16.95
Fidelity Contrafund	59.604	Large Cap Growth	14.40	-0.66	18.57
Vanguard 500 Index Adm	58.281	S&P 500 Funds	13.55	-0.86	16.93
American Funds CIB A	57.925	MTAG	9.04	-0.18	11.03
Vanguard T StMk Idx Adm	57.368	Multi Cap Core	13.77	-0.92	16.66
American Funds Inc A	56.646	MTAM	11.57	-0.33	10.64

*Annualized. Through Thursday.

Source: Lipper

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文件 B000000020120929e8a10000z

Exchange Traded Funds Top 10 Volume Leaders

162 字
2012 年 10 月 1 日 22:32
Dow Jones News Service
DJ
英文

STOCK (Symbol)		LAST	NET CHG	% CHG	VOL 100s
SPDR S&P 500	SPY	144.35	0.38	0.26	130,633,647
Select Sector SPDR-Finl	XLF	15.66	0.07	0.45	52,942,220
iShrs Russell 2000	IWM	83.72	0.28	0.34	43,614,470
iShrs MSCI Emerg Mkts	EEM	41.74	0.41	1.00	39,898,919
PwrShrs QQQ Tr Series 1	QQQ	68.47	-0.10	-0.15	37,616,640
ProShrs UltraShort S&P500	SDS	13.57	-0.06	-0.44	20,837,286
Direxion Daily Sm Bear 3x	TZA	14.74	-0.14	-0.94	19,620,495
iShrs Silver Tr	SLV	33.65	0.17	0.51	18,256,025
iShrs Tr MSCI EAFE	EFA	53.43	0.43	0.81	17,932,348
ProShares Ultra S&P500	SSO	61.56	0.34	0.56	17,284,379

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DOW JONES
NEWSWIRES

Barron's(10/1) The Trader: Stocks Fall 1.3% On Weak Economic News

1,817 字
2012 年 9 月 29 日 05:07
Dow Jones Institutional News
DJDN
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(From BARRON'S)
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Brazilian federal prosecutors served Transocean last Thursday with a preliminary injunction to cease operations there within 30 calendar days. Chevron (CVX) was served as well. That move follows a drilling accident at the Frade offshore Brazil oil field last November that released less than 4,000 barrels of oil into the Atlantic.

Transocean said it "is vigorously pursuing the overturn or suspension of the preliminary injunction, including through an appeal to the Superior Court of Justice. Absent relief from the courts, Transocean will be required to comply with the preliminary injunction."

The bet here is whether Transocean's legal efforts will be successful against the prosecutors. The company has 10 rigs under contract for work in Brazil, which represented 11% of revenue for the first half of 2012. Analysts estimate that every lost month in Brazil will cost Transocean about 15 to 20 cents in earnings per share, at least until they redeploy the rigs.

Since Wall Street is looking for about $3 EPS this year and $4.59 next year, should Transocean have to shut down operations in Brazil for a stretch, it's going to hurt. Last year revenue was $9.1 billion.

Meanwhile, its stock, which closed at $44.89 Friday, fell 7.5% on the week and is down almost 50% from 2011 highs. Transocean still hasn't settled all the potential and substantial litigation involving the Macondo Gulf of Mexico well blowout and fire in April 2010. That has cost $4 billion so far in downtime, legal costs, and other knock-on effects. Transocean stock trades at a price/ earnings ratio of 15, a bit less than its historical median. Net debt stands at $9 billion.

Common sense suggests Transocean has a good chance of prevailing in Brazil. The penalty seems disproportionate to the spill. Both the national regulator National Petroleum Agency -- which has said Transocean crews did nothing wrong -- and government-controlled energy giant Petroleo Brasileiro (PBR) continue to support Transocean's efforts. (Transocean operates numerous rigs for the Brazilian oil giant.) Brazil needs to develop its huge deposits of offshore oil resources and to use the expertise of companies like Transocean.

But the cooler-heads-will-prevail theory has a flaw. The decision will be made by a court following procedures and laws and might not take account of the painful economic impact of Transocean's departure. The uncertainty is high.

For the short term, at least, this stock has become a speculative bet rather than a long-term investment.

Channing Smith, a portfolio manager at Capital Advisors, which has held Transocean shares for about a year, is guardedly optimistic that the company will prevail for all the reasons we've noted above. He thinks Transocean will rebound, but he also warns the Brazilian litigation could be a drawn-out process, and "that wouldn't be good for the stock . . . This is a stock with hair on it."

Institutional investors can afford to place a small bet on a Transocean rebound. However, widows and orphans and individual investors who are tempted might be better served by waiting and letting the Brazilian judicial waters calm. The risk of missing a nice 10% jump if Transocean gets the injunction suspended or lifted must be compared with another sharp drop if it is unsuccessful.

Moreover, should the company get clear of this mess, there will probably be another chance of further gains after the initial rebound.

29 Sep 2012 00:08 EDT Barron's(10/1) The Trader: Stocks Fall 1.3% On -2-

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Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	13437.13	-142.34	-1.05
DJTransportation	4892.62	-18.17	-0.37
DJUtilities	475.75	+4.40	+0.93
DJ65Stocks	4441.70	-21.80	-0.49
DJUSMarket	359.66	-5.19	-1.42
NYSEComp.	8251.00	-126.51	-1.51
NYSEMKTComp.	2437.51	-49.73	-2.00
S&P500	1440.67	-19.48	-1.33
S&PMidCap	989.02	-17.02	-1.69
S&PSmallCap	468.00	-10.10	-2.11
Nasdaq	3116.23	-63.73	-2.00
ValueLine(arith.)	3058.03	-61.11	-1.96
Russell2000	837.45	-18.06	-2.11
DJUSTSM	14997.78	-223.41	-1.47

	Last Week	Week Earlier
NYSE		
Advances	1,080	1,371
Declines	2,083	1,768
Unchanged	40	58
NewHighs	426	505
NewLows	38	32
AvDailyVol(mil)	3,352.3	3,571.7
Dollar (Finexspotindex)	79.89	79.33
T-Bond (CBTnearbyfutures)	133-15	132-21
Crude Oil (NYMlightsweetcrude)	92.19	92.89
Inflation KR-CRB (FuturesPriceIndex)	309.30	308.98
Gold (CMXnearbyfutures)	1771.10	1775.50

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(END) Dow Jones Newswires

September 29, 2012 00:08 ET (04:08 GMT)

文件 DJDN000020120929e89t0004x

DOW JONES
NEWSWIRES

DJ Financial News: UBS Equities Chief: Adoboli Had 'Head in Hands'

By Vivek Ahuja
659 字
2012 年 9 月 26 日 07:21
Dow Jones Institutional News
DJDN
英文

Of FINANCIAL NEWS

The head of UBS' global cash equities business Tuesday recounted how Kweku Adoboli had his "head in his hands" but spoke "coherently and logically" as he outlined his huge trading positions and how he had built them up, on Sept. 14 last year.

Philip Allison, who was head of global cash equities at the time of UBS reporting a GBP2.3 billion unauthorized trading loss in September last year and still holds the same role at the Swiss bank, was today giving evidence for the prosecution in the criminal case brought by the Crown Prosecution Service against Adoboli.

The case is being heard at London's Southwark Crown Court. Adoboli denies the two charges of false accounting and two charges of fraud.

Allison, being questioned by Sasha Wass QC for the prosecution, recalled how his first priority on finding out about the situation on Sept. 14 was to get Adoboli to return to the UBS offices to help him ascertain the bank's exposure.

He said: "I felt at that point it was critical I understood as best I could what had been booked, why, and when. I wanted to understand it directly myself."

Allison told the court he had a short discussion with Adoboli lasting "probably only five minutes" during which he asked the trader how he had come to be in such a position, which books he would find the trades in and what he thought his trading positions were.

Allison said Adoboli thought he had a EUR1.2 billion loss on the Eurostoxx, a $500 million loss on the S&P500 and a $200 million gain on the DAX.

He told the court that Adoboli had initially said that he had booked futures into the system that did not exist, but by August that method was getting "too hot," the trader had told him, explaining that at that point he had started booking fictional ETF trades with extended settlement dates.

Asked by Wass about Adoboli's demeanour in the meeting, Allison replied the trader was embarrassed, had his head in his hands but was coherent in his answers.

Later in the morning, defence barrister Paul Garlick QC began his cross-examination of Allison.

Since the trial began earlier this month, the court has heard from John Di Bacco, the US-based banker who supervised UBS's London ETFs team from April 2011 and who was suspended by UBS in October last year, and Ron Greenidge, who until April 2011 had been the banker with overall responsibility of the London-based ETF desk. Greenidge became head of European cash trading in April 2011 and subsequently left the bank in October 2011.

Paul Garlick QC, the defense barrister representing Adoboli, later said during his cross-examination of Allison that UBS had decided in 2007 not to directly replace the departing head of the ETF desk but to have the traders on the team reporting first, to Greenidge, and later to Di Bacco. He told Allison this raised difficulties because U.S.-based Di Bacco was in a different location and timezone to the team, while Greenidge was not "as knowledgeable as yourself."

Garlick also cited an article in The Economist in November 2009 in which the then UBS chief executive, Oswald Gruebel, was quoted as saying: "I'd like to see us put more risk on the table."

However, Wass, in her re-examination of Allison, asked him, in the light of the mention in court of that story, whether a message was ever "filtered down from on high" that a trader could avoid hedging their positions.

Allison said: "Never."

The case continues.

Web site: http://www.efinancialnews.com/story/2012-09-25/kweku-adoboli-trial-philip-alison-evidence-session

Subscribe to WSJ: http://online.wsj.com?mod=djnwires

(END) Dow Jones Newswires

September 26, 2012 02:21 ET (06:21 GMT)

文件 DJDN000020120926e89q0014q

Not so tiny bubbles
MarketWatch Blogs, 2012 年 9 月 26 日 17:21, 471 字, By Bryan Stutz, (英文)
Allow me some leeway... I'm about to do some serious oversimplification to make a point, but I promise to get to the point quickly.In the late 1990s we had a tech bubble. The bubble formed because of overoptimism regarding internet stocks ...
文件 WCMWB00020120926e89q001b9

Exchange Traded Funds Top 10 Volume Leaders

162 字
2012 年 9 月 26 日 22:33
Dow Jones News Service
DJ
英文

STOCK (Symbol)		LAST	NET CHG	% CHG	VOL 100s
SPDR S&P 500	SPY	143.30	-0.81	-0.56	141,715,183
Select Sector SPDR-Finl	XLF	15.50	-0.10	-0.64	52,737,059
iShrs MSCI Emerg Mkts	EEM	40.93	-0.19	-0.46	43,527,008
iShrs Russell 2000	IWM	83.14	-0.53	-0.63	40,019,085
PwrShrs QQQ Tr Series 1	QQQ	68.20	-0.56	-0.81	32,630,538
Vanguard MSCI Emerg Mkts	VWO	41.31	-0.20	-0.47	23,844,180
Direxion Daily Sm Bear 3x	TZA	15.05	0.28	1.90	22,641,136
iShrs Tr MSCI EAFE	EFA	53.43	-0.55	-1.01	22,123,625
Mkt Vectors Gold Miners	GDX	52.40	0.23	0.44	18,413,379
ProShrs UltraShort S&P500	SDS	13.76	0.16	1.18	17,305,535

[09-26-12 1733ET]

文件 DJ00000020120926e89q000nx

DOW JONES
NEWSWIRES

DJ Canadian Bonds Shunned Amid Flurry of Better Data

By Karen Johnson
380 字
2012 年 9 月 25 日 15:49
Dow Jones Institutional News
DJDN
英文

TORONTO--Canadian bond prices declined Tuesday as better retail sales data in Canada, and improving housing and consumer sentiment data in the U.S. lured investors out of safe-havens and had them hunting for higher-yielding assets.

Canada's two-year bond yield was at 1.149% Tuesday, from 1.117% Monday, according to electronic trading platform CanDeal. The 10-year bond yielded 1.853%, from 1.820%.

Bond yields move inversely to bond prices.

In Canada, July retail sales data showed a 0.7% increase from the month before, easily topping the 0.2% rise that analysts were forecasting. Sales, excluding autos, also outpaced expectations, rising 0.4%, compared to the 0.3% that was forecast.

The retail data suggest greater confidence among consumers, and a more positive contribution to the country's third-quarter gross domestic product from the sector. Canadian consumers are seen as a key driver of growth, with slower growth in the U.S. and continuing troubles in Europe.

In the U.S., meanwhile, Standard & Poor's Case-Shiller home-price indexes posted another positive monthly reading in July, the latest sliver of hope for the long-struggling sector.

And U.S. consumer confidence ticked to its highest level since February, far exceeding economist estimates, according to a report from private research firm Conference Board. There were further positive signs in the details, with fewer respondents describing jobs as difficult to find and more describing jobs as plentiful.

Consumer confidence is closely linked to consumer spending, a vital engine of U.S. economic activity.

Krishen Rangasamy, senior economist at National Bank in Canada, said it is "good to see" the broad-based improvement in spending intentions in September. He said the recent stock market surge -- with an 11% gain in the S&P500 in the past three months -- is likely helping support consumer sentiment "in the face of an anemic labour market, as is the Fed's decision to provide further stimulus in September."

Separately, the Richmond Fed manufacturing index roared back from the month prior, solidly outpaced expectations.

Write to Karen Johnson at karen.johnson@dowjones.com

(END) Dow Jones Newswires

September 25, 2012 10:49 ET (14:49 GMT)

文件 DJDN000020120925e89p004b3

Wakey Wakey Yahoo
MarketWatch Blogs, 2012 年 9 月 25 日 20:40, 476 字, By Maria Rinehart-Henderson, (英文)
Given competitors like Google Inc. or even Facebook, why Yahoo? Because the stock is gearing for change. Yahoo is reaping the rewards of its 2005 investment in Alibaba Group, a Chinese web company. In addition, this summer, new CEO ...
文件 WCMWB00020120925e89p001jl

Dividends Reported September 25

728 字
2012 年 9 月 25 日 23:12
Dow Jones News Service
DJ
英文

Company	Symbol	Yld	Per	Amount		Payable	Record
Decreased				New	Old		
Hercules Tech Nts 2019	HTGZ	6.9	Q	.4375	.51	Oct 30	Oct 15
Initial							
NextEra Engy Corporate Un	NEEpO			.6543		Dec 03	Nov 30
Regular							
Ameriana Bancorp	ASBI	0.6	Q	.01		Oct 26	Oct 05
American Express	AXP	1.4	Q	.2		Nov 09	Oct 05
Campbell Soup	CPB	3.3	Q	.29		Oct 29	Oct 09
General Mills	GIS	3.3	Q	.33		Nov 01	Oct 10
Washington Federal	WAFD	1.9	Q	.08		Oct 19	Oct 05
Funds, Investment Cos.							
iShr MSCI USA ESG	KLD	1.8	Q	.2621		Oct 01	Sep 27
iShrs DJ Energy Sector	IYE	1.6	Q	.1671		Oct 01	Sep 27
iShrs DJ U.S. Insurance	IAK	1.3	Q	.108		Oct 01	Sep 27
iShrs DJ U.S. Tech Sector	IYW	0.9	Q	.1687		Oct 01	Sep 27
iShrs DJ US Med Devices	IHI	0.4	Q	.074		Oct 01	Sep 27
iShrs MSCI KLD 400 Soc	DSI	1.7	Q	.2164		Oct 01	Sep 27
iShrs Mstar Large Growth	JKE	1.2	Q	.243		Oct 01	Sep 27
iShrs Mstar Large Val	JKF	2.9	Q	.4801		Oct 01	Sep 27
iShrs Mstar Mid Val	JKI	2.5	Q	.4901		Oct 01	Sep 27
iShrs Mstar Small Growth	JKK	0.9	Q	.2082		Oct 01	Sep 27
iShrs S&P 100	OEF	2.0	Q	.3393		Oct 01	Sep 27
iShrs S&P GSSI Natl Res	IGE	0.8	S	.1485		Oct 01	Sep 27
iShrs S&P Midcap 400	IJH	1.3	Q	.3154		Oct 01	Sep 27
iShrs S&P MidCap 400 Grth	IJK	0.9	Q	.2421		Oct 01	Sep 27
iShrs S&P SC 600	IJR	1.0	Q	.2028		Oct 01	Sep 27
iShrs S&P SC 600 Value	IJS	1.2	Q	.2413		Oct 01	Sep 27
iShrs Tr DJ U.S. Util Sec	IDU	3.5	Q	.7922		Oct 01	Sep 27
iShrs Tr S&P 500 Growth	IVW	1.8	Q	.3551		Oct 01	Sep 27
iShs DJ US Broker Dlrs	IAI	1.6	Q	.0888		Oct 01	Sep 27
iShs DJ US O&G Exp & Prd	IEO	0.8	Q	.1297		Oct 01	Sep 27
iShs DJ US Oil Eqp & Svcs	IEZ	0.6	Q	.0752		Oct 01	Sep 27
iShs FTSE NAREIT Mrtg PLS	REM	10.8	Q	.4065		Oct 01	Sep 27
iShs FTSE NAREIT Retl Cpd	RTL	2.9	Q	.2533		Oct 01	Sep 27
iShs FTSE NAREIT Rl Es 50	FTY	3.5	Q	.3457		Oct 01	Sep 27
iShs S&P No Am Tech Sec	IGM	0.4	S	.1414		Oct 01	Sep 27
iShs Tr DJ U.S. Bsc Matls	IYM	1.8	Q	.2978		Oct 01	Sep 27
iShs Tr DJ U.S. Real Es	IYR	3.3	Q	.5233		Oct 01	Sep 27
iShs Tr DJ US Finl Svcs	IYG	1.1	Q	.1527		Oct 01	Sep 27
iShs Tr DJ US Hlthcr Sec	IYH	1.7	Q	.3601		Oct 01	Sep 27
iShs Tr DJ US Ind Sector	IYJ	1.8	Q	.3153		Oct 01	Sep 27
Kayne Andrsn MLP Inv	KYN	6.9	Q	.5375		Oct 12	Oct 05
Kayne Energy TR Fd	KYE	7.0	Q	.48		Oct 12	Oct 05
ProShares Short 30Y TIPS	FINF	1.9	Q	.1807		Oct 01	Sep 27

ProShares Ultra Dow30	DDM	0.4	Q	.0724	Oct 01 Sep 27
ProShares Ultra S&P500	SSO	0.8	Q	.118	Oct 01 Sep 27
ProShares Ultra Utilities	UPW	1.7	Q	.2491	Oct 01 Sep 27
ProShares UltraPro 10	UINF	0.8	Q	.0751	Oct 01 Sep 27
ProShares UltraPro Dow 30	UDOW	0.2	Q	.0274	Oct 01 Sep 27
ProShrs Ultra Industrials	UXI	0.3	Q	.0334	Oct 01 Sep 27
ProShs Crdt Suisse 130/30	CSM	0.3	Q	.0453	Oct 01 Sep 27
ProShs Ultra Consumer Gds	UGE	0.3	Q	.0695	Oct 01 Sep 27
Proshs Ultra KBW Rgn Bnkg	KRU	0.8	Q	.1	Oct 01 Sep 27
ProShs Ultra Semicon	USD	0.5	Q	.0418	Oct 01 Sep 27

Stock Dividends and Splits		Pct
Coldwater Creek	CWTR	1:4 Reverse Split

Source: Six Telekurs

[09-25-12 1812ET]

文件 DJ00000020120925e89p000wh

DOWJONES | Newswires

Exchange Traded Funds Top 10 Volume Leaders

161 字
2012 年 9 月 25 日 22:33
Dow Jones News Service
DJ
英文

STOCK (Symbol)		LAST	NET CHG	% CHG	VOL 100s
SPDR S&P 500	SPY	144.10	-1.55	-1.06	128,928,493
Select Sector SPDR-Finl	XLF	15.60	-0.24	-1.52	68,618,313
iShrs Russell 2000	IWM	83.67	-1.22	-1.44	68,559,030
iShrs MSCI Emerg Mkts	EEM	41.12	-0.63	-1.50	47,061,545
PwrShrs QQQ Tr Series 1	QQQ	68.76	-0.97	-1.40	41,221,446
Direxion Daily Sm Bear 3x	TZA	14.77	0.62	4.38	23,166,655
iShrs Tr MSCI EAFE	EFA	53.98	-0.38	-0.69	21,132,635
iShrs MSCI Brazil (Free)	EWZ	54.77	-1.19	-2.12	18,262,971
ProShrs UltraShort S&P500	SDS	13.60	0.27	2.03	17,646,077
iShrs Silver Tr	SLV	32.68	-0.25	-0.76	17,383,660

[09-25-12 1733ET]

文件 DJ00000020120925e89p000v3

Dow Jones Newswires

Canadian Bonds Shunned Amid Flurry of Better Data

By Karen Johnson
374 字
2012 年 9 月 25 日 15:49
Dow Jones Global FX & Fixed Income News
CM
英文

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Write to Karen Johnson at karen.johnson@dowjones.com [09-25-12 1049ET]

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