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NEWSWIRES

Hong Kong Stocks Languish, H-Shares Advance -- Market Talk

167 字
2014 年 8 月 27 日 05:44
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0444 GMT [Dow Jones] Hong Kong equities go nowhere in morning trading as the city's markets miss out on positive investor sentiment which lifted the S&P500 to a record high on Tuesday, even as other regional exchanges rally. The Hang Seng Index is flat at 25,067.18, while H-shares advance led by China Telecom (0728.HK); the Hang Seng (0728.HK); the China Enterprises Index gains 0.5% to 11,179.21. "The upward momentum has been weakening; the HSI struggled to hold above 25000 points," says UOB Kay Hian, which expects the market to find direction after Hang Seng Index futures expire on Thursday. Henderson Land (0012.HK) leads gains after beating market expectations, up 2.3% at HK$52.60.

(gregor.hunter@wsj.com; Twitter: @gregorhunter)

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

(END) Dow Jones Newswires

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ANZ Tips Relief Rally in Iron Ore Toward US$100/ton -- Market Talk

1,602 字
2014 年 8 月 27 日 07:02
Dow Jones Institutional News
DJDN
英文

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

0602 GMT [Dow Jones] A bigger-than-expected oversupply has dragged iron-ore prices down by a third this year. ANZ analysts think the worst may be passing, though, and expect "a small relief rally" back toward US$100 a ton before the end of the year. In addition to rising supplies, the trajectory of Chinese port inventories will continue to be a key catalyst for prices in the months ahead, according to ANZ. "We believe port stocks will continue to have a particularly big impact on prices," the analysts say in a note. They say that while port stockpiles appear to have leveled, there's a lack of conviction among steelmakers to restock, suggesting port inventories won't fall far for now. Iron-ore prices dropped 0.3% Tuesday to US$88.90/ton. (rhiannon.hoyle@wsj.com; Twitter: @RhiannonHoyle)

0557 GMT [Dow Jones] STOCK CALL: Shares of convenience store operator FamilyMart (8028.TO) are down 1.0% at Y4,305 after shares went ex-dividend Wednesday. Shares are also seen hit by a Nomura Securities downgrade to Neutral from Buy and target price cut to Y4,800 from Y5,250, citing increasing competition in its market as well as costs associated with the firm's plan to expand its store count.

(bradford.frischkorn@wsj.com)

0554 GMT [Dow Jones] Moody's Analytics expects India's economic growth to accelerate to 5.1% in the second quarter of 2014 from 4.6% during the same period a year earlier. Industrial production is growing at a solid pace and should be mirrored in the cyclical upturn in the economic growth, it says. Even without much government help the economy should grow by around 5% this year and close to 6% in 2015, Moody's Analytics adds. India's economy has struggled in recent years as a mix of economic problems such as high inflation and ballooning trade and fiscal deficits coupled with slow government policy-making hurt confidence of businesses and consumers. The economic growth figures for the April-June quarter are due later this week. (debiprasad.nayak@wsj.com)

0545 GMT [Dow Jones] Taiwan shares finish with a 1.0% gain to 9485.59 driven by strong buying in local tech names as investors are upbeat about 2H outlook, says a local trader who tips a 9500 cap for Thursday. "We are seeing some restocking activities by vendors ahead of the back-to-school sales in the western economies," he notes, adding Apple concept shares are likely to stay robust in the next few sessions. Taiwan Semiconductor Manufacturing Co. (2330.TW) rises 0.8% to NT$125.50, Hon Hai Precision (2317.TW) ends 1.8% higher at NT$112 while Wistron (3481.TW) hits 7% limit-up to NT$15.00. (jenny.hsu@wsj.com)

0542 GMT [Dow Jones] The NZX-50 closes 0.9% higher at 5243.70, led by a 8.1% rise in Pacific Edge (PEB.NZ) following the company's announcement that it has signed an agreement with Southern California Permanente Medical Group. Genesis Energy (GNE.NZ) ended 3.1% higher at NZ$1.815 after the company announced it expects net profit to nearly double in the next financial year. Air New Zealand (AIR.NZ) rose 1.2% to NZ$2.175 after it said its FY14 net profit after tax rose 45% to NZ$262 million and announced a special dividend. (lucy.craymer@wsj.com;Twitter: @lucy_craymer)

0539 GMT [Dow Jones] Standard & Poor's reiterates its AA+/Stable/A-1+ issuer credit ratings on Western Australia, but warns that "there is limited headroom in the ratings for iron ore prices to decline further without a suitable fiscal response from the state, either through additional revenue and savings measures, or a cut in capital expenditures." It notes that if spot iron ore remains at US$90 a ton, the state will lose about A$1.6 billion in operating revenue in FY15 and A$5.7 billion in the four years to FY18. Iron ore comprises 90% of Western Australia's royalty income. Spot iron ore hit a 2-year low of US$88.90 overnight. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

0527 GMT [Dow Jones] Even if the European Central Bank takes monetary easing action on September 4--as ECB President Mario Draghi signaled at Friday's Jackson Hole summit of economic policy makers--the bank may only go so far as to cut rates, says Nomura research analyst Naka Matsuzawa. As it is unlikely to send any message that could heighten expectations for its quantitative easing measures, only limited downside for yields is expected, Matsuzawa says in a report for investors. "As the ECB's next meeting will be followed by August U.S. jobs data and the FOMC meeting--which are likely to be viewed as bond-negative--we recommend investors are cautious in chasing yields lower for short-term gains," he adds. The ECB's next governing council meeting is slated for Sept. 4. (bradford.frischkorn@wsj.com)

0510 GMT [Dow Jones] The spot USD/INR is higher Wednesday--last at 60.48 versus its close of 60.44 in Asia Tuesday--as bullish USD sentiment outweighs gains in India stocks (India's BSE Sensex was recently up 0.48% or 125 points at 26,568). However, the USD/INR daily price chart is negative-biased as the spot rate has fallen below the base of the ascending channel that runs from the May 23 low of 58.33, coming now at 60.69, while the five-day moving average is below the 15-day moving average and declining. On the USD/INR daily Ichimoku chart, the Tenkan line is falling below the Kijun line. The USD/INR spot rate is hovering not far above support of 60.40--marked by the top of the sell channel of the 20-day Bollinger Band (an area between the one- and two-standard deviation lower Bollinger bands). A close today below 60.40 would be inside the Bollinger Band's sell channel and confirm the USD/INR bearish bias, paving the way down to the 55-day moving average, now at 60.26; and then to the 100-day moving average, now at 60.03 which is near the base of the sell channel. Resistance is expected at 60.57 (Monday's high), then at 60.78 (middle 20-day Bollinger Band). (jerry.tan@wsj.com)

0505 GMT [Dow Jones] India shares rise on Wednesday tracking gains in banking stocks and other global markets. The S&P BSE Sensex is up 0.5% at 26,563.85 points, little lower than its all-time high of 26,630.74 hit on Monday. The National Stock Exchange Nifty index gains 0.4% to 7,937.10. Analysts say interest rate cuts on home loans are boosting bank stocks as it may lift overall lending growth amid sluggish demand from the corporates. State Bank of India rises 1%, while ICICI Bank gains 1.4%. Among other major gainers, auto and consumer durables stocks rise on prospects of a rise in consumer demand as the economy gradually picks up. (debiprasad.nayak@wsj.com)

0457 GMT [Dow Jones] Thailand's trade witnessed a surprised contraction in July with exports and imports falling 0.85% and 2.86% on-year respectively, the Commerce Ministry reports. Contraction in July exports was a reversal of a 3.9% on-year growth in June. The ministry blames shrinking exports on falling global demand and the slow economic growth in China--a view agreed to by economists. "Thailand's economic growth for this year looks less likely to depend on exports that could have been hit by technical recession in Eurozone and China's weak PMI," says Kobsidthi Silpachai, Head of Capital Markets Research at Kasikornbank in Bangkok. (nopparat.chaichalearmmongkol@wsj.com)

0450 GMT [Dow Jones] NZD/USD has rallied around 30 points to 0.8360-65 following an announcement from Fonterra that it would make a joint investment with a Chinese food manufacturer to better access the Chinese market, says RBC currency strategist Michael Turner; "NZD had been heavy for most of the past 24 hours in partial anticipation of another downward revision to its payout estimate following weak recent auctions." However, Turner said that Fonterra left its forecasts unchanged supporting the currency "although these (forecasts) are based on receiving higher prices later this year." (lucy.craymer@wsj.com;Twitter: @lucy_craymer)

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DOW JONES
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Iron Ore Price Fall May Require Western Australia Fiscal Action -S&P -- Market Talk

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2014 年 8 月 27 日 06:40
Dow Jones Institutional News
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0440 GMT [Dow Jones] Thai trade data for July due today are likely to show exports continued to grow limply, while imports contracted sharply--a reflection of a slowing in Thailand's economy amid political instability, ING says. A coup in May restored some confidence, but consumption has remained weak. Imports are expected to contract 9% on year in July, ING says, while exports should grow 4%, a weak rate that's in line with the rest of Asia. "We think turning the situation around depends on reduced political uncertainty," ING said in a note to clients. (tom.wright@wsj.com)

0416 GMT [Dow Jones] Jefferies raises its target price for HCL Technologies (532281.BY) to INR1,860.00 from INR1,650.00, citing the company's stable financial metrics, good revenue growth and inexpensive valuations. The stock's returns over the past year have been driven by earnings upgrade, and a re-rating in its valuation, the house says. Despite a history of reporting strong growth, HCL's valuation is still at the low end of peers, reflecting "skepticism," Jefferies says. It raised its FY15 and FY16 earnings forecast for HCL to include stable revenue growth and operating margin prospects. It keeps its Buy rating on the stock. The stock is up 1.4% at INR1620.15. The Sensex is up 0.5%. (dhanya.thoppil@wsj.com)

0408 GMT [Dow Jones] Gold prices were marginally higher in Asia Wednesday amid renewed safe haven demand that partly offset positive U.S. economic data. "Safe haven buying did emerge early in the day as tensions flared between the Ukraine and Russia," says an ANZ research report. Recent talks between the Russian and Ukrainian presidents failed in resolving the conflict over eastern Ukraine, even as Kiev released videos of captured Russian soldiers and rebels pushed toward a government-held city. Spot gold was trading $1,283.67 an ounce at 0405 GMT, up from the opening price of $1,280 an ounce.

(biman.mukherji@wsj.com)

0326 GMT [Dow Jones] Australian 2Q construction data provide a reminder of the large and opposing forces that are at work on the economy, says Shane Lee, economist at CIMB. The central bank's record low rates setting "is clearly gaining traction with the housing sector" with the construction report showing residential construction work done rose by 2.2% in the quarter following the strong 7.3% gain in the first quarter. However, the downturn in engineering construction now has considerable momentum, Lee added. The central bank "would be pleased that residential construction is stepping up as intended," he added. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

0322 GMT [Dow Jones] Asian junk bond trading is being stirred up by Chinese property developers' upbeat earnings, said Lucror Analytics. Stripping out Guangzhou R&F (2777.HK), which reported disappointing first-half results, most real estate companies have posted solid profits and excited investors. Lucror recommends buying Agile Property's (3383.HK) 5-year bond, as it released "decent" results in light of higher revenues and sales despite a weak market backdrop. Its recommendation for Evergrande's (3333.HK) bonds is "hold". While the company has strong revenue growth, the financial profile has weakened with a substantial increase in short term debt. Elsewhere in the region, "the tone was constructive with Chinese industrial, Indonesian, and Indian names well traded." (fiona.law@wsj.com)

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DOW JONES
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NZD/USD Rallies On Fonterra's Joint Investment With Chinese Firm -- Market Talk

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0314 GMT [Dow Jones] A 1.2% fall in the value of Australian construction work done in the second quarter compared with the first has put a dent in expectations for GDP growth forecasts. Adam Boyton, chief economist at Deutsche Bank said there are now downside risks to his call for GDP growth of just 0.5% in the quarter, to be reported in a week's time. The main downside concern was a big fall in private engineering construction, where Boyton had expected a gain. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

0308 GMT [Dow Jones] The Nikkei is nearly flat midday, up just 4.73 points at 15525.95 as the dollar rebound begins to soften (USD/JPY 104.02). "In the absence of overall trading cues, investors are focusing on individual motives to buy and sell," says an equity trading director at a European brokerage. General contractors continue to gain, following a sharp Tuesday sector rally on the back of a Nomura Securities upgrade on Kajima (1812.TO). Wednesday, the group is benefiting from individual investor buying on hopes for next month's maglev bullet train job construction kick-off. Kajima is up 2.3% at Y538. Marine shippers are also higher, with Kawasaki Kisen (9107.TO) up 3.7% at Y252 following a Nikkei report that it will seek to more than double its ROE to 10%. (bradford.frischkorn@wsj.com)

0306 GMT [Dow Jones] The Reserve Bank of Australia's desire for a lower Australian dollar is not surprising, says Su-Lin Ong, Head of Strategy at RBC Capital Markets, Australia. "The alternative hints at lower national income and living standards," she adds. Lost external competitiveness resulting from the high currency, which is 20% above its long term average, means wages must fall to compensate, she said. The environment supports Ong's expectation of falling national income, sub par consumption, and a lower-for-longer central bank narrative regarding interest rates. The risk is that rigidities in the labor market prevent meaningful competitiveness gains, pushing the unemployment rate higher, she added. "That would keep the RBA in play," Ong said. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

0259 GMT [Dow Jones] The spot USD/CNY slipped to a four-day low of 6.1471 this morning from 6.1523 late Tuesday after the People's Bank of China set the dollar/yuan central parity rate at 6.1658, slightly lower than Tuesday's 6.1663. The drop came even as the euro tumbled to an 11-and-a-half month low of 1.3153 against the greenback. Further downside support may be encountered at 6.1459 (lower 20-day one-standard deviation Bollinger Band), then at 6.1366 (Aug. 19 low). Resistance is at 6.1570 (middle 20-day Bollinger Band), then at 6.1616 (Friday's high). Spot USD/CNY is at 6.1491; 1-month USD/CNY NDF at 6.1690. (jerry.tan@wsj.com)

0239 GMT [Dow Jones] Korean equities look attractive compared with Korean 5-year treasury bonds now that interest rates seem poised to head higher, says Barclays. "The yield gap between Korea equities and the government Treasury bond yield, and also between the Korea yield gap and EM yield gap and DM yield gap, imply too much risk premium in Korea equities," the bank says. Government stimulus measures and a one-off rate cut by the Bank of Korea this month should encourage rotation from bonds into stocks, the bank adds. "The recently announced tax reduction for dividend income (from 14% to 9% for minor shareholders) and the stimulus for dividend payout should attract more attention to equities." Barclays adds Samsung Fire & Marine Insurance (000810.SE) and LG Chem (051910.SE) to preferred stocks, while cutting Dongbu Insurance (005830.SE) and LG Display (034220.SE). Korea's KOSPI gains 0.6% to 2,079.96.(gregor.hunter@wsj.com; Twitter: @gregorhunter)

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DOW JONES
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Nikkei Likely to Trade 15500-15650 Range as Dollar Softens -- Market Talk

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2306 GMT [Dow Jones] Japan stocks are likely to weaken a tad Monday, after the dollar gave back some of the ground gained since the Friday economic policymakers' summit in Jackson Hole, Wyoming. USD/JPY is now at 104.02 after rising to as high as 104.27 Monday. Overnight U.S. indexes were positive, with the S&P500 crossing the 2000 mark intraday for the first time. "The dollar fell and futures are trading below yesterday's finish, leaving the market ripe for profit-taking," says Hiroichi Nishi, general manager of equities at SMBC Nikko Securities. "The floor should stay firm, though, as strong sell incentives as well as market volume remain weak." Monday's Topix trading volume came to just 1.56 billion shares--the third lowest tally of the year. Nikkei 225 September futures ended yesterday's Chicago trading up 45 points at 15595 vs. their close earlier yesterday in Osaka at 15620.

In the cash market, the Nikkei closed up 0.5% at 15613.25 Monday for its 10th winning session in the last 11 days. (bradford.frischkorn@wsj.com)

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CS Downgrades Beach on Cooper Basin Woes, Says Could Exit JV -- Market Talk

1,708 字
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2335 GMT [Dow Jones]--Credit Suisse downgrades Beach Energy (BPT.AU) to Neutral after annual net profit fell 34%. Lowers price target to A$1.80/share from A$1.90 after lowering Cooper Basin valuation. The broker says Beach's result confirms what Santos (STO.AU) first told the market on Friday--"capex to sustain production in the Cooper Basin is far greater than we had thought." Adds while drilling is still economic at the broker's long term gas price forecasts, "Beach would quite clearly be better off spending the capex in the Western Flank." Notes Beach confirmed no assets are sacred. "With no need for the gas to fuel its own LNG project, Beach might be able to sell its stake in the JV. Obvious suitors would be existing partners Santos or Origin, with the latter having already singed an off-take agreement for gas." (rebecca.thurlow@wsj.com; @beckthurlow)

2330 GMT [Dow Jones] Australian consumer confidence rose in the week ending Aug. 24, overcoming recent weak economic data, including a rise in unemployment to a 12-year high in July. The ANZ-Roy Morgan Australian Consumer Confidence index rose 0.9% to 113.5 from the prior week. The rise in the index was driven almost entirely by an 11.1% rise in household perceptions about their financial situation compared with a year ago, it said. This is an encouraging sign for consumer spending in coming months, said Warren Hogan, ANZ's chief economist. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

2325 GMT [Dow Jones] Early signs of an economic rebound in Michigan appears to be holding, a new bank report says today. Comerica Bank 's Michigan Economic Activity Index released today shows improvement for the state in June, climbing 3.7 percentage points from May to a level of 127.8. The index reported last month that a six-month slide ended in May, thanks in part to a resurgent auto industry. "Payroll job growth in Michigan increased in May, June and July, breaking out of an ominous stall pattern that extended through the end of 2013 into early 2014," says Robert Dye , chief economist at Comerica . (Matthew.dolan@wsj.com, @matthewsdolan)

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18:34 EDT - A judge on Monday declines to approve a proposed settlement in messy shareholder litigation claiming H-P (HPQ) officials missed warning signs about Autonomy's business before HPQ agreed to pay more than $11B for the UK software firm. Judge Charles Breyer balked in part at a potential payoff for plaintiffs' attorneys -- up to $48M, largely from a shared potential windfall if the lawyers help HPQ sue former Autonomy officials over allegations they cooked the books. By contrast, a $25,000 "service award" was earmarked for the lead plaintiff in the HPQ case. (shira.ovide@wsj.com; @ShiraOvide)

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(END) Dow Jones Newswires

August 25, 2014 19:35 ET (23:35 GMT)

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DOW JONES
NEWSWIRES

S&P/ASX 200 May Be Restrained by Iron Ore Weakness -- Market Talk

1,776 字
2014 年 8 月 26 日 00:37
Dow Jones Institutional News
DJDN
英文

2337 GMT [Dow Jones] Australia's S&P/ASX 200 may continue to be restrained by iron ore price weakness despite a further strength in offshore equities due to European stimulus bets and U.S. takeover activity. Europe's Stoxx 50 jumped 2.2% as a weak German IFO business survey fueled speculation of quantitative easing, and the S&P 500 gained 0.5%. But spot iron ore fell 1% to a 2-month low of $89.20 after a 2% fall on Friday. With iron ore nearing a 24-month low amid doubts about China's economy, the resources sector is likely to underperform. At the same time, the market may be supported by cum-dividend support for Telstra Corp . (TLS.AU), Woodside Petroleum Ltd . (WPL.AU), QBE Insurance Group Ltd . (QBE.AU) and Santos Ltd . (STO.AU). And Commonwealth Bank of Australia (CBA.AU) may find support from its dividend reinvestment program starting today. Index last 5634.9. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

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DOW JONES
NEWSWIRES

China's Expected Clean-Air Effort to Cut Low Grade Coal Use -- Market Talk

1,767 字
2014 年 8 月 26 日 00:51
Dow Jones Institutional News
DJDN
英文

2351 GMT [Dow Jones]--China's effort to reduce its air pollution is likely to cut demand for low-grade coal, says Australia New Zealand Banking Group. China plans to introduce a ban as early as Sept. 1, which is for both domestic and imported material, limit the usage of coal with ash content above 15% and sulphur levels above 0.6%, the bank says in a note. China is the world's largest coal producer, user and importer. Low-grade-coal trade volume surged in the past five years as China met its energy demand. (Mari.iwata@wsj.com)

2346 GMT [Dow Jones] Nymex crude is likely to consolidate near-term after settling down 30 cents Monday at $93.35/bbl, Dow Jones technical analysis shows. The daily continuation chart is still negative-biased as the five- and 15-day moving averages are declining and the MACD indicator is bearish, although an inside-day-range pattern was completed on Monday. Support is at $93.05 (Monday's low); a breach would be near-term negative, targeting $92.92 (Friday's low), then $92.50 (seven-month low hit Thursday), $91.43 (Jan. 13 low), $91.24 (Jan. 9 swing low), $90.11 (May 1 reaction low) and the psychological $90.00 line. But a rise above $93.95 (Monday's high) would tilt the near-term view positive, targeting $94.04 (Friday's high), then $94.45 (Thursday's high), $95.26 (previous base set on Aug. 14), $97.05 (Aug. 19 high), $97.41 (Aug. 15 high) and $97.59 (Aug. 14 high). October crude is up 12 cents at $93.47/bbl on Globex. (jerry.tan@wsj.com)

2341 GMT [Dow Jones] Credit Suisse raises its 12-month target price on Chorus Ltd. (CNU.NZ) to NZ$2.19 ($1.84) from NZ$2.11 on a higher earnings track and lower debt after its FY14 result. It notes the key risk remains the outcome of the Commerce Commission's final pricing principle review. "Unfortunately, this process is long and means a time delay until the next key reference date, being the release of the draft determination on Dec 1." It says the "lack of near term catalyst and resulting uncertainty" means CNU will likely trade sideways for a period. However, it continues to believe "CNU remains fundamentally undervalued at present" and retains its Outperform rating. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

2341 GMT [Dow Jones]--The city of Detroit today claimed some progress after hitting the pause button on its campaign to shut off water to thousands of delinquent residential accounts in this cash-poor city to try to boost its finances during municipal bankruptcy. More than 25,000 customers are enrolled in a water payment plan, up from 17,000 a month ago when the moratorium on shut-offs first began a month ago, the city says. But the shut-offs will now resume, likely to bring the international spotlight back to the city struggling to exit its municipal bankruptcy case going to trial in September. (Matthew.dolan@wsj.com, @matthewsdolan)

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DOW JONES
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2014 年 8 月 26 日 00:11
Dow Jones Institutional News
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(END) Dow Jones Newswires

August 25, 2014 19:11 ET (23:11 GMT)

文件 DJDN000020140825ea8p00321

DOW JONES
NEWSWIRES

Nikkei Likely to Trade 15500-15650 Range as Dollar Softens -- Market Talk

1,590 字
2014 年 8 月 26 日 00:06
Dow Jones Institutional News
DJDN
英文

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17:22 EDT - Ecuador's central bank surveyed 3,800 households in five major cities, including Quito, and finds that the consumer confidence index fell two percentage points compared to June and three percentage points compared with July of last year. The survey takes into account the perception of the country's economic situation and its projections for the coming months. Ecuador's economy has begun to slow, with GDP expected to expand 4% this year. Ecuador's economy expanded by 4.6% last year and 5.1% in 2012. (mercedes.alvaro@wsj.com)

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(END) Dow Jones Newswires

August 25, 2014 19:06 ET (23:06 GMT)

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Train Reading: Harpooning Comets, Priciest Divorce Ever, Buffett in Private

WSJ Blogs, 2014 年 8 月 25 日 21:38, 129 字, By Erik Holm, (英文)

S&P500 fell short of 2000 at the close -- WSJA never-seen-before letter from 1976 shows Warren Buffett's private analysis of Geico: "extraordinary" but "mismanaged." -- WSJ

文件 WCWSJB0020140825ea8p007pt

The Trader: Dow, S&P Score Their Best Gains Of The Summer -- Barron's

1,816 字
2014 年 8 月 23 日 05:08
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 8/25/14)
By Avi Salzman
The stock market last week was like Arnold Schwarzenegger in Conan the Barbarian -- quiet, strong, and hard to understand.

Both the Dow Jones Industrial Average and Standard & Poor's 500 index registered their best gains of the summer, with the Dow rising more than 2%, even as trading volume closed the week at its lowest level of the year.

The market's rise is somewhat odd given that traders spent most of the week waiting for Friday, when Federal Reserve Chair Janet Yellen gave a speech in Jackson Hole, Wyo. Markets were sluggish after her speech, which gave few hints about when the Fed might start raising interest rates.

"Her strategy is probably to deliberately underwhelm," says Luke Bartholomew, an investment manager with Aberdeen Asset Management. "She's saying the Fed might raise rates soon, but then again might not. That kind of vagueness suits her because it leaves options open."

Earlier in the week, Fed minutes indicated that the debate is heating up among policy makers over the timing of a rate hike. The rising hawkish tone appears to have made a mark, as the yield on the two-year Treasury rose 0.08 percentage points to 0.492%, its largest gain since March. Although the market seems to think the Fed will start to hike in June 2015, "everyone seems to be leaving the door open to the possibility it will start in March," says David Lafferty, the chief market strategist at Natixis Global Asset Management.

The Dow jumped 338 points, or 2%, last week, to 17,001.22, its third consecutive week of gains. The S&P 500 rose 33 points, or 1.7%, to 1988.40. The Nasdaq Composite index rose 74 points, or 1.6%, to 4538.55. Trading volume on both the NYSE and Nasdaq hit the lowest full-day level this year on Friday.

Traders remain fixated on violence and political tensions throughout the world, which included the beheading last week of an American journalist by an Islamic extremist group and continued strife in Ukraine. But the turmoil didn't seem to affect trading as much as it has in the past.

"Early in the week, geopolitics seemed to fade and that allowed markets to focus more on the generally better earnings and fundamentals," Lafferty says.

Better-than-expected housing data also buoyed stocks, as existing-home sales and housing starts rebounded strongly. Home Depot (ticker: HD) surprised investors with strong results for the spring quarter, sending the stock 8.8% higher on the week to lead the Dow. Just three Dow stocks ended the week in the red.

"The move in the market has been very broad-based, which is a good underlying sign of fundamental strength," Lafferty says.

Teen-Retailer Wasteland

Just as it is nearly impossible for middle-aged men to understand teenagers, it is difficult for most investors to gauge the fortunes of teen apparel retailers. The cool factor that draws teens to one brand or another remains a mystery to most well-adjusted adults. And once you hit a certain age, it's hard to understand why anyone would want to wear skinny jeans.

Teen retailers appeared last week to have broken the code, however. Shares of companies such as American Eagle Outfitters (AEO), The Buckle (BKE), and Urban Outfitters (URBN) rose on the week as investors cheered their earnings reports. Aeropostale (ARO), the weakest of the bunch, rose early in the week but fell hard on Friday on a disappointing forecast.

All of these stocks have fallen in the past year, however, and there still is little reason to buy into the turnaround story. The companies' sales have been pressured by online retailers and fast-fashion retailers such as H&M, Uniqlo, and Forever 21, which sell stylish, inexpensive clothes.

Some retailers have appeared shocked that their clothes suddenly fell out of favor: Ted Marlow, CEO of Urban's namesake brand (it also owns Anthropologie and Free People) said last year that the company had fumbled on marketing, style and "creative execution," and that it would take a while to recover. In fact, Urban has been digging itself out of a hole for several quarters now, attempting to sell off old inventory and refresh its image. In the most recent quarter, same-store sales were flat, and down 10% at the namesake brand. American Eagle's same-store sales dropped 7%, and Aeropostale's fell 13%.

The companies' woes go beyond outdated fashion choices. Most of them have been adding more and more stores even as they face greater competition and weakening returns. Specialty retailers grew from 13,000 to 20,000 stores between 2005 and 2013, notes Cowen analyst John Kernan, creating a glut of stores just as shoppers began fleeing the mall.

Companies such as H&M have focused on keeping prices low, forcing margins down for the entire industry. A dress at H&M might retail for $14.95, while Aeropostale and Buckle charge more than $30, says Kernan. The core H&M shopper doesn't seem to mind if the dress doesn't last forever; she might just wear it three or four times anyway. The trend bodes poorly for the more traditional apparel sellers, and is likely to continue to pressure margins. Unless a private equity buyer decides to swoop in, most of these companies are likely to swoon.

Abercrombie & Fitch (ANF), which reports earnings the week, has been more aggressive than competitors at trying to change course. Even as other teen retailers continue to open more stores, Abercrombie has reduced its U.S. store count by 22% since 2009, closing more than 200 stores over that period. It has ramped up its online operations, growing sales 27% in the most recent quarter.

CEO Mike Jeffries, who has a tendency to put his foot in his mouth, was stripped of his chairmanship earlier this year, and the company has restocked its board with independent voices. Abercrombie has been reducing costs and buying back shares aggressively, repurchasing 17.3 million in a little over three years (it now has about 73 million), according to Wunderlich Securities analyst Eric Beder. While same-store sales remain negative, they could turn around by next year.

Analysts expect earnings to rise 24% this year to $2.36 per share. At 16.8 times projected earnings, the stock trades at a discount to competitors such as Urban and American Eagle.

No one can read the minds of America's teenagers. But in the absence of clairvoyance, it makes sense to pick the company most willing to face reality.

Hope for Bank Stocks

Bank stocks have underperformed the broader market this year, and some shares are in the red. But with interest rates set to rise, that underperformance could begin to reverse. Bank earnings benefit from higher rates because higher rates tend to result in better net interest margins, or the spread the banks earn when they lend out money.

SNL Financial, a research firm that covers the financial sector, issued a report last week highlighting banks whose stock prices have dramatically lagged their price targets. Among the worst showings was Oklahoma-based Southwest Bancorp (OKSB), whose share price lagged expectations by 32% as of earlier this month. That gap has narrowed somewhat, as the price as drifted higher in the past couple of weeks. But sentiment remains depressed on the stock, even as it has registered surprisingly strong loan growth.

Southwest, a holding company with branches in Oklahoma, Texas, and Kansas and a market value of $320 million, ran into trouble during the recession because of a hefty mortgage-loan portfolio. It booked $101 million in losses in December 2011 as it sold off much of its portfolio at a discount, and reported a $69 million loss in 2011 on $121 million in revenue. But the bank has replaced top executives and shifted its focus to business loans, particularly to medical and energy businesses. Its energy loans could pay off big in the next few years, argues Stephens analyst Matthew Olney.

"Energy is one of the few segments that's shown good organic growth over the last few years, and it is expected to show more growth in the next few," Olney says.

Already, loans are up 12% this year. The bank reinstated its dividend in the first quarter, and announced earlier this month that it would repurchase up to 5% of its shares in the next year. Olney says the company has about $100 million in excess capital and could soon acquire other banks.

Despite shifting its business model and cleaning up its balance sheet, Southwest is still valued like a troubled home lender, at just 1.1 times tangible book value. At $16.18, the stock trades for 17.8 times this year's expected earnings. But earnings remain depressed. The company could earn as much as $1.60 per year by 2016 if it ramps up its buyback plan, up from 88 cents last year, Olney estimates. He sees shares rising to $19.

For investors looking for an out-of-the-way stock to play a rebound in bank stocks, Southwest could prove profitable.

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email: avi.salzman@barrons.com

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17001.22	+338.31	+2.03
DJTransportation	8429.91	+165.79	+2.01
DJUtilities	555.25	+6.44	+1.17
DJ65Stocks	6057.43	+112.37	+1.89
DJUSMarket	501.00	+8.55	+1.74
NYSEComp.	10947.34	+151.31	+1.40
NYSEMKTComp.	2719.62	+5.37	+0.20
S&P500	1988.40	+33.34	+1.71
S&PMidCap	1425.93	+30.43	+2.18
S&PSmallCap	667.71	+10.61	+1.61
Nasdaq	4538.55	+73.62	+1.65
ValueLine(arith.)	4579.94	+84.67	+1.88
Russell2000	1160.34	+18.69	+1.64
DJUSTSMFloat	20766.30	+351.37	+1.72

	Last Week	Week Earlier
NYSE		
Advances	2,318	2,318
Declines	914	909

Unchanged	41	44
NewHighs	405	234
NewLows	52	79
AvDailyVol(mil)	2,532.8	2,711.2
Dollar		
(Finexspotindex)	82.33	81.43
T-Bond		
(CBTnearbyfutures)	140-140	141-010
Crude Oil		
(NYMlightsweetcrude)	93.65	97.35
Inflation KR-CRB		
(FuturesPriceIndex)	288.67	289.93
Gold		
(CMXnearbyfutures)	1278.60	1304.50

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(END) Dow Jones Newswires

August 23, 2014 00:08 ET (04:08 GMT)

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DOW JONES
NEWSWIRES

Santos Dividend Jump Came Earlier Than Expected -Macquarie -- Market Talk

1,520 字
2014 年 8 月 22 日 03:17
Dow Jones Institutional News
DJDN
英文

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

0216 GMT [Dow Jones] Santos' (STO.AU) interim dividend of A$0.20/share beat Macquarie's A$0.15/share forecast as a dividend jump from the start up of its PNG LNG joint venture in Papua New Guinea came earlier than expected. Underlying net profit of A$258 million in the first half was 8% above consensus, although that was largely due to non-operational issues, the broker notes. STO last up 3.8% at A$15.14. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

0201 GMT [Dow Jones] Slowly but surely Australia's economy is transitioning from a reliance on mining toward other sectors of the economy, and it is visible in the economic performance of states, says NAB. The divergence that had been in favor of the mining states of Western Australia and Queensland is narrowing as major investment projects are completed, it says. Meanwhile, growth in states like New South Wales has begun to improve driven by a strong performance in residential property construction and better consumption. Low interest rates and an undersupply of housing has helped to drive these results and have encouraged a surge of residential construction approvals that should contribute notably to growth this year particularly in NSW and Victoria, NAB says. While there are very few signs of a broader improvement in other sectors, the RBA is expected to keep interest rates low for a while yet, giving these sectors more opportunity to recover. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

0155 GMT [Dow Jones] A choppy week of trading for USD/KRW could resolve into a bearish technical bias on a Friday close below 1,021. The dollar gapped lower at the opening after an overnight retreat of the U.S. dollar index--a beacon for Asian currency traders. A bearish technical bias for USD/KRW will be confirmed on a Friday close below the 1,021 level--where the base of the daily Ichimoku Cloud support zone coincides with the Bollinger downtrend channel. Confirmation of this signal could spur short-selling of the U.S. dollar with a target for the base of the weekly Bollinger downtrend channel at 1,008. USD/KRW is now 1,020.6 from its Thursday close of 1,023.6. (ewen.chew@wsj.com)

0150 GMT [Dow Jones] The Indonesia rupiah jumps to 11,630 from a Thursday close of 11,680 due to the U.S. dollar declining broadly overnight and in reaction to the Indonesia's Constitutional Court rejecting Prabowo Subianto's appeal against the presidential election verdict. The daily USD/IDR chart could signal more rupiah gains versus the U.S. dollar on a Friday close below 11,615--the entrance to the Bollinger downtrend channel. The court decision, which was expected, removes all uncertainty from the political landscape and paves the way for Joko Widodo's inauguration in October. The president-elect is likely to rein in excessive government spending while increasing tax collection revenues--steps that will shore up the government's high debt-to-GDP ratio and thereby boost investor confidence. USD/IDR is now 11,660 from its Thursday close of 11,680. (ewen.chew@wsj.com)

0141 GMT [Dow Jones] BMD CPO now at a five-year low is unlikely to stage a meaningful recovery before the fourth quarter even as further downside appears limited by support from Brent crude oil prices and the biodiesel market, Morgan Stanley analysts say in a note. "Whilst the recent collapse in pricing has the feel of a selling crescendo as producers appear to be liquidating stocks built in 2Q at distressed pricing, we believe pricing is unlikely to stage a meaningful recovery before 4Q14." Benchmark November BMD CPO ended MYR9 lower at MYR2,040/ton Thursday--11% lower on-month and far above average CPO price losses of 1% on-month in August over the last 10 years. (huileng.tan@wsj.com; Twitter: @huileng_tan)

0138 GMT [Dow Jones] Taiwan shares are up 0.8% at 9323.14--the highest level in almost three weeks, led by sharp rise in financials following overnight gains on Wall Street, says a local trader. "Buying in financial stocks are mostly from local investors, likely government-backed funds," the trader says, and adds banks will likely benefit if the Fed moves up the potential timing of rate hikes. He tips the Taiex to trade between 9250 and 9350 for the session. Cathay Financial (2882.TW) jumps 1.6% to NT$51.70 and Fubon Financial

(2881.TW) rises 2.1% to NT$49.50. But Taiwan Semiconductor Manufacturing Co . (2330.TW) is flat at NT$124.50 and MediaTek (2454.TW) is down 0.8% at NT$509.00. (fanny.liu@wsj.com)

0131 GMT [Dow Jones] Crude-oil futures were slightly lower in early Asian trade Friday after posting overnight gains. Both Nymex WTI and Brent crude in London have settled higher for two consecutive trading sessions. "Although a modest gain, the ability of the market to ignore bearish news may be an indication that market sentiment is beginning to turn more positive," analyst Tim Evans at Citi Futures says. However, China's apparent oil demand in July was the weakest since January and down 2.4% on year, analysts say. Nymex crude is down 12 cents at $93.84/bbl, Brent crude is down 18 cents at $102.45/bbl. (eric.yep@wsj.com)

0124 GMT [Dow Jones] Hong Kong equities are seen advancing slightly in early trade as investors sit on the sidelines on a data-sparse Friday. Investors are looking for cues from speeches by Fed Chairwoman Janet Yellen and ECB President Mario Draghi at the Jackson Hole Symposium, which will get in full swing over the next two days. "The FOMC has embraced the view that there is still substantial slack in the labor market despite the substantial drop in the unemployment rate," says Societe Generale . "Therefore we would expect the general tone of the conference to be tilted to the dovish side, suggesting status quo on the policy front for now." The Hang Seng Index fell 0.7% to 24199.1 Thursday, closing below 25000 for the first time in three days, while index futures are up 0.2% ahead of the market open; 25000 is seen as an important psychological and technical resistance for the benchmark. (jacky.wong@wsj.com; Twitter: @jackycwong)

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DOW JONES
NEWSWIRES

BMD CPO Unlikely to Stage Recovery Before 4Q -Morgan Stanley -- Market Talk

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

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August 21, 2014 21:42 ET (01:42 GMT)

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DOW JONES
NEWSWIRES

Nikkei +0.2%; Overheated Mkt Awaits U.S. Fed Chair Speech -- Market Talk

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2014 年 8 月 22 日 02:21
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2334 GMT [Dow Jones] With the U.S. dollar printing multimonth highs against many major currencies this week, it is fair to ask how much longer the Australian dollar can outperform, Westpac said in a note to clients. Multiyear lows on a basket of Australia's key commodity prices and softer Chinese growth momentum flag a warning of a downside break, it adds. However, with the RBA still confident growth will pick up in 2015, support remains in place, it adds. So long as US$0.9200 holds, Westpac says it will remain neutral on the currency but lean toward selling any rallies to 0.9330/40 rather than buying dips. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

2330 GMT [Dow Jones] The Nikkei is likely to rise for a 10th straight day Friday--its longest winning streak since 1998--following a bullish overnight Wall Street session where the S&P 500 set another record close. The dollar also held onto most of its prior day gains (USD/JPY now at 103.93), which should help to stave off profit-taking, say traders. "The market remains short-term overheated, but reflexive weak-yen buying of exporters and other inflation-sensitive shares should keep stock prices generally well-supported," says SMBC Nikko Securities general manager of equities Hiroichi Nishi. Still, investors may be reluctant to make big bets ahead before Federal Reserve Chair Janet Yellen's speech at the economics policymakers' meeting in Jackson Hole, Wyoming, he adds. Nishi puts the Nikkei's range for the session at 15550 to 15700. Nikkei 225 September futures ended yesterday's Chicago trading up 90 points at 15650 vs their close earlier yesterday in Osaka at 15550. In the cash market, the Nikkei closed up 0.9% at 15586.20 Thursday. (bradford.frischkorn@wsj.com)

2327 GMT [Dow Jones] Credit Suisse is skeptical that Origin Energy's (ORG.AU) A$24.7 billion Australia Pacific LNG joint venture with ConocoPhillips (COP) will come in on time and budget, noting that of the seven LNG projects to start construction since 2005, five were late, with an average 12-month delay. The project also appears to be burning cash quickly compared to BG Group's (BG.LN) neighboring QCLNG project. "We are alarmed that with 18 months left, 75% complete, APLNG only has 15% of budget left," the broker says. "QCLNG, when 15 months out, had 32% left." That said, if Origin's project bucks the trend, the share price should go higher. "We remain on the fence for now, retaining our A$14.55/share target price and neutral recommendation." Origin was last at A$14.78. (ross.kelly@wsj.com)

2300 GMT [Dow Jones] -- With low levels of market volatility likely to persist and headwinds to revenue growth from recent derivatives fee cuts, J.P. Morgan has cut ASX Ltd. (ASX.AU) to neutral from overweight. Its target price falls to 38.79 Australian dollars/share from A$39.48. "ASX continues its shift in business model to new service offerings as historically recurring revenues become arguably less defensible." J.P. Morgan says the exchange operator's FY14 results were in line, yet it trims its net profit forecast for FY15 by 4.5% and for FY16 by 6.6%. ASX shares last traded at A$37.19. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

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DOW JONES
NEWSWIRES

The Trader: Earnings And Anxieties Lift U.S. Markets -- Barron's

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(FROM BARRON'S 8/18/14)
By Avi Salzman
In the grip of fear, traders still run to the fusty embrace of old Uncle Sam.

Investors scuttled to safety Friday after Ukraine said it had destroyed Russian armored vehicles that had crossed the border, raising fears that the simmering conflict would escalate. Treasury yields plunged to their lowest levels in more than a year, with the 10-year note hitting 2.3% before closing at 2.4%.

As the rest of the world gets scarier, U.S. assets remain as attractive as ever, even as stock valuations and Treasury yields continue to defy the odds. Equities rose too, with the Dow registering its best week in a month.

Last week, the Dow advanced 109 points, or 0.7%, to 16,662.91, its second straight week of gains. The Standard & Poor's 500 index rose 23 points or 1.2%, to 1955.06. The Nasdaq Composite index rose 94 points, or 2.2%, to 4464.93. Trading was downright somnambulant -- on Thursday, NYSE volume fell to its lowest level since the day before the Fourth of July holiday.

"The U.S. is leading the global economy forward," says Joseph Quinlan, chief market strategist for U.S. Trust. "That gives me confidence to stay in equities, particularly large-cap U.S. cyclicals."

Data released last week mostly bolstered the case for stocks tied to the U.S. economy. Industrial production rose more than expected and the number of job openings increased to the highest level since 2001.

On the downside, core retail sales rose just 0.1% in July, below expectations of 0.4% growth. The German and Italian economies both contracted 0.2% in the second quarter, opening new worries about the European recovery.

Earnings reports have continued to impress the Street, with earnings per share running 10.2% above last year's results, according to S&P Capital IQ. Nearly 59% of companies in the S&P 500 had beaten Street earnings estimates and 60.7% had exceeded revenue estimates, according to Bespoke Investment Group. But investors have tended to sell stocks after earnings, with the average stock dropping 0.7% the session after it reports.

In the near term, investors will remain focused on Russia and Ukraine. Paul Christopher, the chief international strategist at Wells Fargo Advisors, expects tensions to eventually dissipate, and European stocks to move higher. Violence, Christopher contends, remains "the most expensive option for both sides. The most likely outcome is that the conflict does not trigger the sanctions war and eventually returns to being fought on political and diplomatic fronts. In that event, financial markets should return to focus on the gradually improving European economy, and we think investors will continue to find value in Europe."

In general, buying the dips has paid off handsomely in 2014. "This year, there have been a number of single-digit pullbacks that have quickly resolved themselves," he says. "Investors tend to react in the moment, and then reassess."

Sales Slump in Aisle Four

Weak government data and disappointing earnings reports sent retail stocks lower last week.

The shopping slump has hit department stores particularly hard, especially those that depend on mall traffic to move inventory. Stores are ramping up promotions to lure shoppers, and that's cutting into margins. Shares of both Macy's (M) and Nordstrom (JWN) fell last week as the companies acknowledged that the cost to remain competitive in retailing is rising.

The current economy presents a conundrum for retailers: The economy is adding jobs, but people still aren't shopping. Macy's CEO Terry Lundgren warned in the company's earnings release that consumers still aren't in a shopping mood. "Many customers still are not feeling comfortable about spending more in an uncertain economic environment," he said.

But dealing with an uncertain economy is just one of the challenges facing retailers. The Internet poses a more pervasive challenge, and department stores are still struggling to adapt. "The Internet is costing all of these companies a lot more than they expected," says Rahul Sharma, a retail consultant and former portfolio manager focused on the industry.

Shoppers clutching smartphones are much more savvy and price-sensitive than ever before. Keeping up with those changes is costing retail companies, forcing them to lower prices and reduce margins while also demanding that they spend more on their own Internet operations, Sharma notes.

Part of the bull case for Macy's shares was that margins could continue to expand. But the company told analysts last week that it expects adjusted profit margins -- which hit 13.6% last year -- to top out at 14% as they spend more to upgrade their technology.

That squeeze is hitting Macy's bottom line. The company posted 80 cents of EPS in the second quarter, missing analysts' expectations of 86 cents. It cut its same-store sales guidance for 2014 to 1.5% to 2% from 2.5% to 3%.

At just over 12 times projected earnings, Macy's shares remain relatively inexpensive, and the drop in the share price marks a possible buying opportunity.

But if investors are looking to buy the dip, Nordstrom remains a more attractive name. The company narrowly beat earnings-per-share expectations -- 65 cents to 64 cents -- but shares fell 5.2% on Friday to $65.11 as the company continues to invest heavily in online operations.

Nordstrom also raised the low end of its sales and earnings guidance, but said margins could be under pressure for the rest of the year. The company has been more aggressive than other retailers at investing in online sales, planning to plow nearly $4 billion into e-commerce over the next five years.

Investors tend to balk at those large investments, and at Nordstrom's acquisition strategy, which includes its recent $350 million all-stock purchase of Trunk Club, an online service that sends men a trunk of stylish clothes to peruse.

But those kinds of investments have paid off, as the company's e-commerce sales have grown more than 30% for three straight years. They account for 17% to 18% of Nordstrom's total sales, notes Sharma. Other department stores tend to make about 10% of sales online. Nordstrom has invested to personalize the online shopping experience, speed online delivery, and unify its online and store inventory.

"They've passed that investment hump where they've done all the heavy lifting on building their Internet presence," says Sharma. "Most retailers are not there yet."

Trading at 16.2 times projected earnings, Nordstrom shares are slightly more expensive than the broader market.

But the company is bound to take share from slower-footed competitors as more clothing sales shift online. Earnings are expected to grow 10% next year and 13% the following year. As retailing shifts dramatically, it makes sense to own shares in one of the few companies that has shown it can keep up.

August's Hot Ticket

Just a few weeks ago, things were looking pretty bleak for the movie business. The box office was coming off its worst July since 1995. And then, like a nifty surprise ending, August swooped in to the rescue. Now the box office could finish the summer with its first-ever $1 billion August, according to Matthew Harrigan at Wunderlich Securities.

The intergalactic romp Guardians of the Galaxy, which opened Aug. 1, has been the surprise hit, grossing nearly $200 million. Hollywood needed the summer save after the fourth Transformers movie fell flat and the latest Fast and the Furious -- a reliable hit the first six times around -- got postponed until next year.

Some wondered whether Hollywood was finally losing its grip on consumers. Not so fast, it seems. "There's no question that people have more alternatives for their time and you've got better systems in the home and more streaming," says Harrigan, who covers the entertainment industry for Wunderlich. But, he adds, "there's a constant tension that's been going on for 75 years, since the invention of TV. I think what August has shown is if you get the right movies people will still come to the theater."

Next year already has the makings of a record year, with a slate that includes multiple Pixar movies, and new entries in the Avengers, Star Wars, and James Bond franchises.

Meanwhile, even if Hollywood is losing some of its appeal in the U.S., the rest of the world can't get enough. Even as Brazilians were hosting the World Cup this June, the country spent $56 million at the box office, versus $38 million a year earlier, according to Box Office Mojo. For three of the last four years now, Latin America has had the world's best box-office growth.

Those numbers are particularly good news for Cinemark (ticker: CNK), the No. 2 movie exhibitor in the U.S., based on screen count, and the largest in much of Latin America.

For years, Cinemark has been taking its U.S. proceeds and reinvesting them in Latin American countries, where the company has more than 1,100 screens, on top of 4,500 screens in the U.S. Among its domestic peers -- Regal Entertainment (RGC), AMC Entertainment (AMC), and Carmike Cinemas (CKEC) -- Cinemark has the only real foreign exposure.

Cinemark's revenue is likely to finish flat this year, not bad given the down year for movies. Next year, Wall Street expects revenue to jump 9% to $2.94 billion, boosting earnings by 16% to $237 million, or $2.10 a share. At 17 times 2015 earnings, the stock isn't exactly cheap compared with the broad market, but Cinemark trades at a discount to AMC and in line with Regal, despite better growth.

Harrigan thinks Cinemark shares could hit $44 in the next 12 to 18 months, 22% above a recent close of $36. The stock yields 2.8%.

There could be even more upside in the stock, Harrigan says, if Cinemark proves successful in turning its theaters into viewing spots for alternative content. This summer Cinemark showed World Cup games in 10 different Latin American countries. It's just the kind of inside-the-theater, outside-the-box thinking Hollywood needs.

-- Alexander Eule

16 Aug 2014 00:07 ET The Trader: Earnings And Anxieties Lift U.S. -2-

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Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	16662.91	+108.98	+0.66
DJTransportation	8264.12	+171.65	+2.12
DJUtilities	548.81	+6.12	+1.13
DJ65Stocks	5945.06	+67.77	+1.15
DJUSMarket	492.45	+6.13	+1.26
NYSEComp.	10796.04	+104.93	+0.98
NYSEMKTComp.	2714.26	+37.58	+1.40
S&P500	1955.06	+23.47	+1.22
S&PMidCap	1395.50	+16.20	+1.17
S&PSmallCap	657.10	+4.96	+0.76
Nasdaq	4464.93	+94.03	+2.15
ValueLine(arith.)	4495.27	+47.37	+1.06
Russell2000	1141.65	+10.30	+0.91
DJUSTSMFloat	20414.94	+251.15	+1.25

	Last Week	Week Earlier
NYSE		
Advances	2,318	1,987
Declines	909	1,239
Unchanged	44	48
NewHighs	234	106
NewLows	79	196
AvDailyVol(mil)	2,711.2	3,205.3
Dollar		
(Finexspotindex)	81.42	81.39

T-Bond		
(CBTnearbyfutures)	141-010	139-130
Crude Oil		
(NYMlightsweetcrude)	97.35	97.65
Inflation KR-CRB		
(FuturesPriceIndex)	289.93	292.43
Gold		
(CMXnearbyfutures)	1304.50	1308.90

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BARRON'S

MARKET WEEK

Stocks --- The Trader: Utilities Help Stocks Edge Up on Week

By Vito J. Racanelli
2,025 字
2014 年 8 月 11 日
Barron's
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The broad rebound was led by a revived utilities sector, suggesting that many investors are seeking safer equity bets. This is supported by the weekly rise in Treasury bond prices as well, even though investors generally expect interest rates to rise in the coming 12 months. The question, of course, remains when.

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This is much better than predicted, and the best showing since 2011's fourth quarter, says James Abate, chief investment officer of Centre Asset Management. For all the concern about a correction, he adds, "you rarely see that kind of drop when earnings are growing this well."

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One of those calling for a reduction has been Matthew McCormick, a portfolio manager at Bahl & Gaynor and a long-time P&G holder based in Cincinnati, the company's hometown. In these pages on Nov. 18, he said P&G needed to "shrink to grow" and become nimbler.

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By exiting underperforming categories, P&G can focus its considerable resources on its leading brands, such as Tide detergent, Pampers diapers, and Crest toothpaste, among other 23 billion-dollar brands. Admittedly, changing direction at a company the size of P&G, with a $220 billion market value, is akin to turning an oil tanker in a raging storm. But it can be done.

The shares trade at a forward price/earnings ratio of 18 times fiscal 2015 consensus estimates of $4.47 a share, in line with their historical P/E average. Yet in November, the stock traded at a 20 P/E with no big changes in sight. With a dividend yield of 3.2%, it could return 10% in the next six months, as news of asset sales hit the tape and conviction grows. That would be all the more true should the broad market continue the choppy action of 2014 and investors pine for high-quality, stable stocks.

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For a few days last week, a chill hit share prices of companies considering an inversion or rumored to be doing so. In addition to Walgreen, both Medtronic (MDT) and Ireland-based Covidien (COV), which are merging, fell 2% and 5%, respectively. Pfizer (PFE) lost 3%. It had pursued but was rebuffed by the U.K.'s AstraZeneca (AZN), off 5%. AbbVie (ABBV) is merging with Shire (SHP.UK), and their stocks dropped 1% and 6%, respectively. Health-care firms have been at the forefront of the inversion trend over the past 12 months.

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It's a global race for capital, and capital will go where it's treated best. Right now, many U.S. companies have hoards of cash locked up overseas that would face heavy taxes if repatriated. Congress must reform both the high rates and the double taxation of foreign-sourced income that these firms face, Clifton maintains. "Only six countries in the world double-tax, and the U.S. is one," he observes. Legislation on this is unlikely before the November elections.

And even if Congress and the administration were somehow to clamp down on inversions, ironically "they would be putting a big target on U.S. companies," he contends. It would be an invitation for foreign firms operating under significantly lower tax regimes to buy American companies and distribute the resulting tax benefits to their shareholders. Just as with an inversion, there would be less taxes paid to the U.S.

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It wouldn't take a wholesale chopping of rates to slow inversion, just a tweaking, given that so many other factors favor a U.S. domicile.

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DJUSMarket	486.31	+1.75	+0.36
NYSEComp.	10691.10	-1.06	-0.01
NYSEMKTComp.	2676.68	-1.81	-0.07
S&P500	1931.59	+6.44	+0.33
S&PMidCap	1379.30	+12.10	+0.89
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Declines	1,239	2,772
Unchanged	48	22
NewHighs	106	260
NewLows	196	191
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Dollar		
(Finexspotindex)	81.38	81.30
T-Bond		
(CBTnearbyfutures)	139-130	137-300
Crude Oil		

(NYMlightsweetcrude)	97.65	97.88
Inflation KR-CRB		
(FuturesPriceIndex)	292.43	292.48
Gold		
(CMXnearbyfutures)	1308.90	1293.60

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The Trader: Utilities Help Stocks Edge Up On Week -- Barron's

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(FROM BARRON'S 8/11/14)

By Vito J. Racanelli

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The Trader: Utilities Help Stocks Edge Up On Week -- Barron's -2-

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Crude Oil		

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Inflation KR-CRB		
(FuturesPriceIndex)	292.43	292.48
Gold		
(CMXnearbyfutures)	1308.90	1293.60

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The Trader: Utilities Help Stocks Edge Up On Week -- Barron's

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(FROM BARRON'S 8/11/14)
By Vito J. Racanelli
Rising geopolitical tensions and violence in global hot spots slowed, but didn't deter, stocks from finishing a touch higher on the week. Trading was choppy amid heightened concerns about Ukraine and the Middle East, but the broad market rose 0.3% on light summer volume.

Friday saw a recovery from lows the day before, when investors scattered in the wake of loud Russian saber-rattling over the ongoing unrest in Ukraine and the U.S. authorization of airstrikes in Iraq. Shares ended higher than the week's lows, but below the highs they reached Monday.

Seemingly ignored were continued good second-quarter earnings reports and strong U.S. macro-economic data, such as falling jobless claims and a better-than-expected non-manufacturing expansion number.

The broad rebound was led by a revived utilities sector, suggesting that many investors are seeking safer equity bets. This is supported by the weekly rise in Treasury bond prices as well, even though investors generally expect interest rates to rise in the coming 12 months. The question, of course, remains when.

Last week, the Dow rose 61 points, or 0.4%, to 16,553.93, and the S&P 500 index climbed 6.44 points, or 0.3%, to 1931.59. The Nasdaq Composite rose 18, or 0.4%, to 4370.90.

Friday saw a relief rally on easing fears about what the U.S. might do militarily in Iraq and the escalation in Ukraine, says Malcolm Polley, president of Stewart Capital Advisors. With the stock market price/earnings ratio "not cheap" at 16 times, interest rates at a secular bottom, and risks of war seemingly all around, ". . . equity investors don't know where to go," so it's no surprise that safer utility shares rallied.

The debate rages about whether "the" correction that many expect is nigh. Some data from Ned Davis Research suggests that weakness will continue in the very near term, at least. The past five days have seen an outflow of money from exchange-traded funds that are bearish bets on the S&P 500, such as the ProShares UltraShort S&P 500 ETF (ticker: SDS), according to the research firm.

Neil Leeson, the ETF strategist at NDR, says that typically when bears are liquidating their ETF bets over a five- day period, there's further weakness in the five days following such outflows.

The second-quarter earnings season turned out to be a pleasant surprise. According to Zacks Investment Research, 453 companies in the S&P 500 have reported, with earnings up 8.7%, on average, from the year-earlier quarter's and revenue ahead 4.6%. Two-thirds of the companies beat profit expectations, and an above-average 61.4% topped revenue estimates.

This is much better than predicted, and the best showing since 2011's fourth quarter, says James Abate, chief investment officer of Centre Asset Management. For all the concern about a correction, he adds, "you rarely see that kind of drop when earnings are growing this well."

Some market insights may come this Thursday, the 45th day from the end of the second quarter, as a flood of required 13F filings from institutional money managers about their stock holdings pour into the Securities and Exchange Commission.

An Upgrade at P&G

Despite the turmoil last week, shares of Dow component and laggard Procter & Gamble (PG) are up 5% since July 31, finishing at $80.95.

On Aug. 1, the giant maker of household, health, and beauty-care products said it would cull its huge portfolio of about 180 brands, perhaps by half. It didn't say which products might go, but given P&G's unimpressive growth over the past five years, that was enough to cheer investors, some of whom had been agitating for the company to ditch its losers and focus on its league leaders. Some 70 to 80 of its brands produce about 90% of total sales and 95% of profit.

One of those calling for a reduction has been Matthew McCormick, a portfolio manager at Bahl & Gaynor and a long-time P&G holder based in Cincinnati, the company's hometown. In these pages on Nov. 18, he said P&G needed to "shrink to grow" and become nimbler.

From a November high of $86 through Aug. 1, P&G's shares shed about 10%, while the market rose 7%.

McCormick calls the plan to sell or discontinue some brands a positive catalyst for the stock. "It's a necessary step, but what happens next?" he asks. "You can't just sell the lowly performing brands."

P&G still must come up with new products that move the needle-- no easy task at such a big company, he adds. When these moves are made, sales growth and profit margins eventually could improve, although the next year or two could contain some noisy quarters as the culling proceeds.

In the fiscal year ended June 30, P&G sales rose 1%, to $83.1 billion. Diluted net earnings per share rose 4%, to $4.01. The consumer-products company has been struggling since the financial crisis, hurt by products skewed to higher-priced name brands and by participating mostly in slower-growing developed markets. Annual EPS has been stuck around $4 a share since fiscal 2008. Prior to that, P&G's EPS grew at a double-digit percentage annual pace.

By exiting underperforming categories, P&G can focus its considerable resources on its leading brands, such as Tide detergent, Pampers diapers, and Crest toothpaste, among other 23 billion-dollar brands. Admittedly, changing direction at a company the size of P&G, with a $220 billion market value, is akin to turning an oil tanker in a raging storm. But it can be done.

The shares trade at a forward price/earnings ratio of 18 times fiscal 2015 consensus estimates of $4.47 a share, in line with their historical P/E average. Yet in November, the stock traded at a 20 P/E with no big changes in sight. With a dividend yield of 3.2%, it could return 10% in the next six months, as news of asset sales hit the tape and conviction grows. That would be all the more true should the broad market continue the choppy action of 2014 and investors pine for high-quality, stable stocks.

P&G must show some relatively large brand dispositions in the next six months, McCormick says, which would advance the stock. If no big moves come by year end, however, look for renewed disappointment to set in.

Why Inversions Will Remain

Inversion deals took a psychological hit last week, but don't believe the hype suggesting that they are going away. These deals will probably continue just as long as Congress avoids corporate-tax reform.

Giant drugstore chain Walgreen (WAG) -- which is buying the 55% of Swiss-domiciled Alliance Boots Holdings (AB.UK) it doesn't already own -- announced Tuesday that it wouldn't reincorporate overseas. There had been speculation that it would, to save substantially on its U.S. taxes. Walgreen's shares fell 14% on the news.

That move followed public complaints about inversion in recent weeks from various officials in the Obama administration, including the president himself.

For the uninitiated, inversion refers to a move by American companies to lower their tax bills by buying foreign companies and moving their domiciles away from the U.S., which has one of the world's highest corporate tax rates. There are many loopholes that lower the top U.S. rate, but it can be as high as 39%, compared to 21% in the U.K. and 12.5% in Ireland, according to Strategas Research Partners.

For a few days last week, a chill hit share prices of companies considering an inversion or rumored to be doing so. In addition to Walgreen, both Medtronic (MDT) and Ireland-based Covidien (COV), which are merging, fell 2% and 5%, respectively. Pfizer (PFE) lost 3%. It had pursued but was rebuffed by the U.K.'s AstraZeneca (AZN), off 5%. AbbVie (ABBV) is merging with Shire (SHP.UK), and their stocks dropped 1% and 6%, respectively. Health-care firms have been at the forefront of the inversion trend over the past 12 months.

While the headlines would have you believe inversions will stop, the administration is simply jawboning, asserts Daniel Clifton, the Washington-based head of policy research for Strategas: "Perhaps the Treasury Department will try to slow down these inversion deals. . .through court action and delaying tactics, or make it more costly, but it doesn't have the authority to stop it." Government officials have admitted as much. And the Internal Revenue Service also hasn't had much success thwarting such transactions, Clifton adds.

It's a global race for capital, and capital will go where it's treated best. Right now, many U.S. companies have hoards of cash locked up overseas that would face heavy taxes if repatriated. Congress must reform both the high rates and the double taxation of foreign-sourced income that these firms face, Clifton maintains. "Only six countries in the world double-tax, and the U.S. is one," he observes. Legislation on this is unlikely before the November elections.

And even if Congress and the administration were somehow to clamp down on inversions, ironically "they would be putting a big target on U.S. companies," he contends. It would be an invitation for foreign firms operating under significantly lower tax regimes to buy American companies and distribute the resulting tax benefits to their shareholders. Just as with an inversion, there would be less taxes paid to the U.S.

Once elections are over and the political pressure cools off, Clifton predicts, "inversions will pick up again," if Congress doesn't reform the corporate tax regime.

Strategas has produced a screen of potential inversion candidates, whose foreign sales are a large portion of total revenue -- about 45% or more. It includes Alexion Pharmaceuticals (ALXN); Interpublic Group (IPG); Johnson Controls (JCI); Owens-Illinois (OI); and Monsanto (MON). Ironically, the more the White House talks about stopping inversions, the more any company on the fence might seek action now.

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Inversions take place not because executives want to leave the U.S., with its deep capital markets and rule of law, but because they are charged with maximizing shareholder returns. Instead of fulminating about how unpatriotic such moves purportedly are, Congress and the administration should think about making U.S. corporate taxes more competitive with world rates, to foster investment and jobs here.

It wouldn't take a wholesale chopping of rates to slow inversion, just a tweaking, given that so many other factors favor a U.S. domicile.

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Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	16553.93	+60.56	+0.37
DJTransportation	8092.47	-28.39	-0.35
DJUtilities	542.69	+2.00	+0.37
DJ65Stocks	5877.29	+9.37	+0.16
DJUSMarket	486.31	+1.75	+0.36
NYSEComp.	10691.10	-1.06	-0.01
NYSEMKTComp.	2676.68	-1.81	-0.07
S&P500	1931.59	+6.44	+0.33
S&PMidCap	1379.30	+12.10	+0.89
S&PSmallCap	652.14	+8.85	+1.38
Nasdaq	4370.90	+18.26	+0.42
ValueLine(arith.)	4447.90	+38.71	+0.88
Russell2000	1131.35	+16.49	+1.48
DJUSTSMFloat	20163.78	+84.49	+0.42

	Last Week	Week Earlier
NYSE		
Advances	1,987	484
Declines	1,239	2,772
Unchanged	48	22
NewHighs	106	260
NewLows	196	191
AvDailyVol(mil)	3,205.3	3,457.2

Dollar		
(Finexspotindex)	81.38	81.30
T-Bond		
(CBTnearbyfutures)	139-130	137-300
Crude Oil		
(NYMlightsweetcrude)	97.65	97.88
Inflation KR-CRB		
(FuturesPriceIndex)	292.43	292.48
Gold		
(CMXnearbyfutures)	1308.90	1293.60

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DOW JONES
NEWSWIRES

In Asia, Corporate Cash Piles Come Under Attack -4-

By Wayne Arnold
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Investors have long criticized many of Asia's corporate giants for hoarding billions of dollars. Now those cash piles are under attack from governments that want them put to better use driving economic growth.

Last month, Korea announced that as part of a $40 billion economic stimulus package, it would impose a tax on companies that keep piling up savings instead of paying them out to workers or shareholders.

In Japan, Prime Minister Shinzo Abe has pushed companies to raise payouts to shareholders and workers, and Beijing has ordered state-owned behemoths to boost their dividends to the government to help pay for expanded social-welfare programs.

The International Monetary Fund took aim at the issue this month in its latest report on Japan, calling on Friday for better corporate governance to help "unstash Japan's corporate cash." The IMF estimates Japanese companies are sitting on record amounts of cash, equivalent to more than 9% of gross domestic product.

The idea is that by unleashing these corporate cash lodes onto shareholders and employees, they will either invest it more profitably in other parts of the economy, or simply spend it -- either of which is better for growth than having it sit in the bank.

The moves thus put policy makers in East Asia's three largest economies in rare concert with investors who argue that companies such as Japan Tobacco and Samsung Electronics should return more of their earnings to shareholders, not only to boost returns, but so the money can be more efficiently invested elsewhere.

The shift not only stands to buoy the appeal of Asia's largest stock markets to investors hungry for better returns. It could also herald an end to policy makers' decades-long endorsement of high corporate savings. In the past, companies were encouraged to hold on to profits to reinvest them in new technology and in gaining a greater share of global markets. In turn, they would create jobs and build infrastructure for national development.

But as companies' profits grew, such investments haven't kept pace. Nomura estimates that between 1992 and 2010, for example, China's corporate-savings rate roughly doubled, to 22% from 11.7%.

As a result, firms gradually built up massive cash piles. Japan's companies have roughly $3 trillion in corporate cash, according to the Ministry of Finance. South Korea's have $270 billion, according to HSBC, and China's largest 500 companies have $405 billion, according to data from Thomson Reuters.

Such hoarding isn't unique to Asia. Many U.S. firms also sit on cash, to the chagrin of activist investors like Carl Icahn and David Einhorn. But according to the IMF, their holdings are more proportional, at least compared with Japan. It estimates that between 2004 and 2012, U.S. cash holdings were less than 20% of overall U.S. market capitalization, compared with more than 40% in Japan, more than in any other member of the Group of Seven leading economies.

And while the average dividend in China of 3.3% compares favorably with the S&P500's 2.3% annual payout, investors in Japan can only expect roughly 1.8% in dividend payments on stocks they hold, while in Korea companies pay an average of just 1.1%.

Shareholders generally don't mind low dividend payments as long as the value of their shares are rising to compensate. But Japanese companies in the Topix index of all companies listed on the first section of the Tokyo Stock Exchange had an average return on equity of 6% from 2003 through 2013, compared with 13.6% for those in the S&P 500 and 12.6% for those in the MSCI World index, according to Bloomberg

Citigroup estimates that Korean company payouts over the past decade have been equivalent to just 13.3% of market capitalization, lower even than Japan.

That's all likely to change if governments get their way. As part of an effort to revive Japan's long-stagnant economy and stimulate investment, Mr. Abe's government in June unveiled legislation aimed at making companies more accountable to shareholders. The new code encourages institutional investors like Japan's giant Government Pension Investment Fund, to push corporate managers for higher yields.

Combined with an increase in activism following a rapid influx of foreign funds from abroad that has pushed foreign ownership of Japanese stocks to a record 31%, companies are responding.

Led by Toyota Motor, which has about $41.6 billion in cash, more than half of the 1,824 companies listed on the Tokyo Stock Exchange's first section announced dividend increases for the year ending March 31. Toyota, NTT DoCoMo Inc. and Mitsubishi Corp. have also said they would buy back shares.

For Beijing, tapping corporate cash was done with the stroke of a pen. In May, the government said it would require 121 companies it owns to beef up their dividend payments by 5 percentage points. That will require most to pay at least 10% of their after-tax profits to the state. China National Tobacco Corp. will have to fork over a quarter of its net profits.

South Korea's plan lies somewhere between China's edict and Japan's hope that more transparent companies will be better for shareholders. While details haven't been announced, Seoul is preparing a tax on corporate reserves to induce companies to pay more of them out and has urged pension funds to agitate for greater returns.

That is likely to push up dividends and lure investors who love them, according to a Citigroup report to clients on July 30. "Such action can be expected to translate into increased dividend payments, as well as capex and wage growth," Citgroup's analysts wrote.

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DOW JONES
NEWSWIRES

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

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MONEY FLOW - UPTICK/DOWNTICK TRADING DOLLAR VOLUME Aug 05,2014 03:05 PM

MARKET	MONEY FLOW (in millions) TODAY	PREV DAY	RATIO
DJIA	-15.1	-665.0	0.99
Blocks	+48.8	-610.2	1.25
Russell 2000	-194.5	-974.5	0.94
Blocks	-105.0	-940.5	0.71
S & P 500	-777.9	+61.4	0.95
Blocks	-456.3	+1.6	0.77
DJ U.S. Total Stock Market	-1314.3	-1362.2	0.96
Blocks	-412.9	-1502.9	0.90

ISSUE GAINERS	SYMBOL	EXCH	LAST PRICE	MONEY FLOW (in millions)	RATIO
Vanguard Total Bond Mkt	BND	ARCA	81.97	+149.4	14.74
Vanguard Cnsmr Dscrtionry	VCR	ARCA	106.99	+118.3	33.00
iSh Core MSCI Emg Mkts	IEMG	ARCA	52.31	+102.8	15.24
Digital Realty Trust	DLR	NYSE	64.36	+60.7	6.43
JPMorgan Chase	JPM	NYSE	55.93	+60.2	1.81
Morgan Stanley	MS	NYSE	31.45	+44.5	3.20
SPDR Barclays Hi Yield Bd	JNK	ARCA	40.42	+40.8	2.54
Family Dollar	FDO	NYSE	77.40	+34.6	1.28
Hertz Global Holdings	HTZ	NYSE	28.00	+27.6	1.88
iShares MSCI China ETF	MCHI	ARCA	50.01	+23.5	10.54
Gilead Sciences	GILD	NASD	92.02	+23.0	1.19
Intel	INTC	NASD	32.78	+20.7	1.14
Monsanto	MON	NYSE	114.88	+19.9	1.37
Joy Global	JOY	NYSE	59.01	+18.9	2.25
LinkedIn Cl A	LNKD	NYSE	201.61	+17.5	1.17
Petoleo Brasil ADS	PBR	NYSE	15.99	+17.1	1.85
Lockheed Martin	LMT	NYSE	167.25	+16.0	1.47
Norfolk Southern	NSC	NYSE	100.69	+15.6	1.61
iShares Core S&P 500 ETF	IVV	ARCA	193.19	+15.1	1.12
iSh Core US Aggregate Bd	AGG	ARCA	109.15	+14.9	2.16

ISSUE DECLINERS	SYMBOL	EXCH	LAST PRICE	MONEY FLOW (in millions)	RATIO
Air Products & Chemicals	APD	NYSE	132.75	-133.9	0.26
iPath SP 500 VIX Sht Tm	VXX	ARCA	33.70	-82.3	0.73
Vanguard Total Stock Mkt	VTI	ARCA	99.28	-57.0	0.38
SPDR S&P 500	SPY	ARCA	191.95	-52.1	0.97
Vanguard S&P500	VOO	ARCA	176.02	-43.2	0.41
SPDR EURO STOXX 50	FEZ	ARCA	39.88	-42.9	0.22
Dollar General	DG	NYSE	57.52	-41.9	0.75
Actavis PLC	ACT	NYSE	216.00	-38.6	0.87
Cheniere Energy	LNG	NYSE	70.59	-37.9	0.56
Citigroup	C	NYSE	47.85	-36.6	0.70
Mondelez Intl Cl A	MDLZ	NASD	35.96	-34.8	0.53

Pwrshs Fundm H Y F Cp Bd	PHB	ARCA	19.18	-30.6	0.02
Microsoft	MSFT	NASD	42.95	-30.4	0.75
iShares iBoxx $ HY Cp Bd	HYG	ARCA	92.36	-29.5	0.56
Amer Intl Group	AIG	NYSE	52.14	-23.0	0.87
Select Sector SPDR-Energy	XLE	ARCA	95.43	-22.2	0.85
Apache Corp	APA	NYSE	99.44	-22.1	0.71
Vanguard FTSE Europe ETF	VGK	ARCA	56.55	-21.8	0.53
Google Cl A	GOOGL	NASD	572.45	-21.7	0.88
Amazon.com	AMZN	NASD	310.74	-20.9	0.89

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

Source: WSJ Market Data Group

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DOW JONES
NEWSWIRES

Nordic Stocks Seen Opening Slightly Higher -- Market Talk

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0615 GMT [Dow Jones] Nordic markets are seen opening in positive territory Tuesday with IG calling the OMXS30 up 0.3% at around 1365. "A quiet start to a much lighter week (in terms of economic data releases). US equity markets recovered somewhat yesterday, leaving the S&P500 index down less than 3% from its recent peak," says Danske Bank. "However, what has characterised the latest correction in global equities is a marked underperformance of Europe...European economic data have generally lagged expectations since spring but while there has been a loss of momentum, the general recovery remains intact." Data today include European services PMIs, Euro zone retail sales and ISM non-manufacturing. OMXS30 closed at 1361.03, OMXN40 at 1314.19 and OBX at 555.26. (dominic.chopping@wsj.com)

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BARRON'S

MARKET WEEK

Stocks --- The Trader: Dow Slides 2.75%, Into the Red for the Year

By Jacqueline Doherty
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Strong economic news and mostly positive earnings reports couldn't offset fears last week that the Federal Reserve finally has started to pull away the punch bowl, albeit very slowly. Stocks had their worst one-week drop since January, and the Dow Jones Industry Average toppled into negative territory for the year.

The Federal Reserve delivered a modestly more upbeat assessment of inflation, jobs, and the economy after its two-day meeting last week. Its assessment, combined with last week's stronger-than-expected report on gross domestic product and news of 209,000 job gains in July, cemented the belief that the central bank will conclude its Treasury purchases in October and start raising rates in 2015 if the economy continues to improve.

"This is the beginning of a little taper tantrum," says Diana Joseph, chief investment officer at Barrington Strategic Wealth Management. As the Fed's easy money-policies reverse, people are forced to focus more on what they're paying for investments. If last week is any indication, investors didn't like what they saw in their portfolios.

The Dow fell 467.20 points this week, or 2.75%, to 16,493.37. The Standard & Poor's 500 index dropped 53.19 points, or 2.69% to 1925.15. The Nasdaq Composite index fell 96.92 points, or 2.18%, to 4352.64.

The S&P is down 3.16% from this year's high of 1987.98 and the selloff could have more room to run. "My incoming calls from financial advisors are running 10-to-1 with most asking what they should buy, and that's not good," says Jeffrey Saut, chief investment strategist at Raymond James.

The calls indicate advisors are still optimistic and willing to buy the dips. "It feels to me like we've started a 10% to 12% correction," says Saut, who has 25% of his portfolio in cash. But he'll be more certain when he sees the market's action next week.

Among the bigger losers in the Dow last week were shares of Exxon Mobil (XOM) and Chevron (CVX). Both fell by just over 4% despite strong earnings reports, as they disclosed they had experienced declines in production in the latest quarter. The price of crude fell during the week to $98 a barrel.

Stronger-than-expected earnings also weren't enough to propel Pfizer (PFE) shares into positive territory; they fell 3.6% in the five sessions. Financials JPMorgan Chase (JPM) and American Express (AXP) lost 4.5% and 6%, respectively.

Proctor & Gamble (PG) ended the week largely unchanged on news that it would shed more than half its brands to focus instead on the 70 to 80 brands that generate about 90% of the company's sales. One of the week's biggest gainers was Family Dollar (FDO) stock, which soared almost 25% after Dollar Tree (DLTR) announced an $8.5 billion acquisition of the rival dollar store.

There were some signs of trouble in the market before last week's selloff began. In recent weeks large-cap stocks had continued to climb while their small-cap counterparts were selling off. "The generals had been advancing but the troops were receding, and those divergences are a red flag," says Saut.

A look at the valuations of the largest and the smallest stocks might explain why small-cap stocks, as measured by the Russell 2000 Index, are down 4% so far this year -- more than their large-cap counterparts. The Russell 1000 Growth Index trades at roughly 18 times next 12-month earnings estimates, points out Barrington's Joseph. That's far less expensive than the 30 multiple of the Russell 2000 Growth Index.

"The valuation disparities are great," she says. Areas with more attractive risk/reward profiles include hard commodities, large-cap stocks that are growing their dividends, and some municipal bonds, she says.

When the Federal Reserve has the monetary spigots open, anything works in stock portfolios. When those spigots start to close, it will be time to pick stocks with much greater care.

Herbalife's Currency Woes

Shares of Herbalife, the controversial nutritional-supplements seller, didn't succumb to hedge-fund manager William Ackman's latest and well-publicized attack on its business practices. The shares tanked 20% last week, however, after the company reported second-quarter earnings that missed analysts' estimates.

The results could have been even worse, had Herbalife recognized the effects of a sharp decline in the value of Venezuela's currency on the cash it holds in that South American country.

About 20%, or $152 million of Herba-life's $774 million in cash and equivalents is held in Venezuela and denominated in bolivars, the local currency. Complicating matters, Venezuela has three exchange rates, and it is extremely hard to trade bolivars for dollars.

The official exchange rate is 6.3 bolivars to one dollar. The country also has an auction system under which about 10 bolivars can be exchanged for a dollar, although Venezuela allows participation in the auctions only by companies whose products it wants.

A third exchange system pegs the exchange rate at roughly 50 bolivars to the dollar. On the black market -- the world's unofficial exchange system -- roughly 70 bolivars will get you a dollar.

Herbalife values its cash in Venezuela on the basis of 10 bolivars to the dollar. Garrett Arms, an analyst at investment manager Moon Capital Management, says the company should have used a more realistic, albeit less-advantageous exchange rate of 50 bolivars to the dollar. In March, Herbalife participated in an auction in which a small number of bolivars was exchanged for dollars using the 50-to-1 exchange rate.

Had it used the weaker exchange rate, Herbalife would have had to recognize a currency loss of $109.5 million in the quarter, the company says in its SEC filings. Arms estimates that the loss would have resulted in an after-tax hit of roughly 90 cents a share. Were that loss taken in the second quarter, results would have shrunk to 65 cents instead of $1.55.

Just as important, using the weaker exchange rate would reduce Herbalife's cash in Venezuela to some $30 million, and the company's total cash and equivalents to $653 million from $775 million.

Herbalife acknowledges in its second- quarter SEC filing that the exchange rate it uses "may not accurately represent the amount of U.S. dollars that the company could ultimately realize." Herbalife CFO John DeSimone explains that one reason the company used the 10-to-1 rate was because in March it received previously approved dollars at a rate of approximately 10-to-1.

A majority of U.S. public companies use the official rate of 6.3-to-1 or the 10-to-1 rate, says DeSimone. "We are completely transparent about cash in Venezuela, and we tell investors the cash is temporarily trapped and should be excluded from any near-term cash-availability analysis," he says.

The odds of a full recovery of the bolivar are minuscule with Venezuela's annual inflation rate higher than 50 percent, notes Arms. "As with any failed investment, companies need to provide investors with accurate information related to write-downs, rather than crossing their fingers and hoping things will improve," he says.
DSW Is Off on the Right Foot

Analysts are battling over the outlook for DSW, the discount footwear retailer, whose shares have tumbled 44% since November, to $26.48, amid a string of disappointing earnings reports. The Columbus, Ohio-based company recently disclosed a 3.7% decline in first-quarter same-store sales, and cut its 2014 earnings projection by 35 cents to $1.45 to $1.60 a share.

Given the stock's performance, it is tempting to side with bears such as Sam Poser, an analyst at Sterne Agee, who downgraded DSW (DSW) to Underperform last week with a price target of $23. Poser argues that the company could miss its lowered earnings targets, because it doesn't mark down inventory quickly enough, in part because it lacks the proper software.

Poser says that his checks of DSW's stores and its Website indicate that the retailer hasn't put enough of its sandal assortment on sale, which could result in missed earnings and bloated inventories come the fall.

Before you kick DSW to the curb, however, consider the arguments of Mark Montagna, an analyst at Avondale Partners. Montagna recently raised his price target to $31 and has an Outperform rating on the stock. He visited two Nashville stores last week and saw enough sandals on sale to indicate the stores' inventories would be in good shape at the end of this quarter.

In another positive development, he notes, DSW's chief merchant bought 20,000 shares in June in open-market purchases, for an average price of $25.72.

DSW defends its merchandising, telling Barron's via an e-mailed response to our queries that it has "a strategy of disciplined inventory management that has always [guided] and continues to guide our buying, allocating, and merchandising decisions."

Mindful of the conflicting assessments, we slipped on our sandals and headed to the nearest DSW to take a look ourselves. While one DSW store in the New York area is hardly a barometer of the entire chain, our visit gave us confidence in Montagna's upbeat view (and resulted in a new pair of shoes). We found an assortment of sandals discounted, but not in all sizes, and a full row of tall boots, suggesting management has set its sights firmly on fall.

Just as important, DSW shares have fallen to an attractive level. They are trading at 15 times next year's estimated earnings, which are expected to rise 15% to $1.77 a share from this year's estimated $1.54. DSW shares yield a 2.7%, and the company's balance sheet is a thing of beauty, with $312 million of cash and short term investments, and no debt.

Maybe it's time that investors went shopping.

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Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	16493.37	-467.20	-2.75
DJTransportation	8120.86	-307.29	-3.65
DJUtilities	540.69	-15.82	-2.84
DJ65Stocks	5867.92	-183.24	-3.03
DJUSMarket	484.56	-13.18	-2.65
NYSEComp.	10692.17	-293.64	-2.67
NYSEMKTComp.	2678.49	-109.82	-3.94
S&P500	1925.15	-53.19	-2.69
S&PMidCap	1367.20	-38.52	-2.74
S&PSmallCap	643.29	-16.29	-2.47
Nasdaq	4352.64	-96.92	-2.18
ValueLine(arith.)	4409.19	-111.09	-2.46
Russell2000	1114.86	-29.86	-2.61
DJUSTSMFloat	20079.29	-547.30	-2.65

	Last Week	Week Earlier
NYSE		
Advances	484	1,503
Declines	2,772	1,720
Unchanged	22	48
NewHighs	260	435
NewLows	191	91
AvDailyVol(mil)	3,457.2	2,797.8
Dollar		
(Finexspotindex)	81.31	81.03
T-Bond		
(CBTnearbyfutures)	137-300	138-210
Crude Oil		
(NYMlightsweetcrude)	97.88	102.09
Inflation KR-CRB		
(FuturesPriceIndex)	292.48	298.34
Gold		
(CMXnearbyfutures)	1293.60	1303.10

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文件 B000000020140802ea8400013

BARRON'S

Fund of Information
MUTUAL FUNDS
Now All the Cool Kids Are Filing for ETFs

By Sarah Max
1,377 字
2014 年 8 月 4 日
Barron's
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29
英文

Last week, the fund industry was abuzz following news that Capital Group, the parent company of mutual fund juggernaut American Funds, had filed with the Securities and Exchange Commission for permission to offer two types of actively managed exchange-traded funds.

Why all the excitement? The filing is especially indicative of what many experts say is a sea change, in which ETFs have evolved from purely passive vehicles to something that could soon compete head-to-head with traditional actively managed mutual funds. "If there is one firm that defines traditional active stock-picking funds, it is American Funds," says Dave Nadig, who is chief investment officer for ETF.com and was among the first to spot the July 25 filing. "They have eight of the largest 20 mutual funds."

This marks the $1 trillion firm's first move -- small as it may be -- into ETFs. "They were one of the last holdouts," says Janet Yang, Morningstar's lead analyst on American Funds. A few years ago, she says, the firm indicated that it had little interest in offering ETFs. Now, after six straight years of net outflows totaling $250 billion through 2013, Yang says, they may want to keep their options open.

Capital Group, for its part, says that's exactly what it's doing -- exploring its options. "This is an opportunity to engage in a discussion with regulators," says Tom Joyce, a spokesman for Capital Group, adding that the firm has no immediate plans to offer an ETF of any kind.

That carefully worded acknowledgment is a nod to how difficult a request the firm has made. Most mutual fund companies have been loath to launch actively managed ETFs for fear of revealing their trading activity in real time to the market.

Capital Group filed for a kind of ETF that would be exempt from daily disclosures. But the SEC has yet to approve these so-called nontransparent ETFs, much to the chagrin of the industry. Most firms have filed variations on one of two types of ETFs, which would require portfolio holdings disclosed, but not daily. "I think 'less transparent' is a more accurate term," says Deborah Fuhr, managing partner with ETFGI, an independent research and consultancy firm. "Nontransparent suggests no transparency; these would be as transparent as mutual funds."

Although Capital Group filed for exemptive relief for both transparent and nontransparent ETFs, it's likely to focus on the latter, if and when it does go any further. At the same time, the firm says it will stay consistent with its history -- which is firmly rooted in active management -- but it isn't about to open its daily playbook of, say, its $143 billion Growth Fund of America (AGTHX). "Front-running is a legitimate concern," says Yang, referring to traders trying to buy or sell in advance of a fund, which may take days to move in and out of a large position. "I would be shocked if they went the transparent route."

While it's still anyone's guess if and when the SEC would approve less-transparent ETFs, the movement has gained momentum. Earlier this year, the parent companies of the New York Stock Exchange and Nasdaq asked for SEC permission to list this type of ETF. With its filing, American Funds joins a queue of heavy hitters, including BlackRock's iShares, Fidelity, Franklin Templeton, State Street, and T. Rowe Price, among others.

The move isn't necessarily a defensive one. It could allow American's portfolio managers to start fresh with a more focused version of their strategy, Nadig says, much like Bill Gross did when he launched the Pimco Total Return ETF (BOND). "I think we'll see a 'best ideas' fund," he says. "This will really show if [American Funds] has active-management investment chops."

Then again, American could simply treat ETFs as another version of its existing portfolios, says Todd Rosenbluth, director of ETF and mutual fund research at S&P Capital IQ.

That raises the question of fees. ETF investors have come to expect uber-low fees, even in "enhanced" or active strategies. If and when active-fund shops roll out comparable active ETFs, this could present problems: On the one hand, they'll need to keep fees low -- or get laughed out of the ETF market -- but if they price their ETFs too low relative to corresponding funds, they risk a backlash from existing mutual fund shareholders, not to mention advisors.

American Funds is particularly "entrenched" with its advisors, says Yang, noting that 80% of its assets come from advisor shares, most of which levy an up-front commission, or load, of 5.75%. The other 20% are from investments via retirement plans. Launching ETFs, which any investor could buy without an advisor, would give the firm a much larger reach.

ETFs would also appeal to the multitude of advisors shifting to a fee-based model, in which they charge a flat fee based on assets managed, rather than a commission, Rosenbluth says. The bottom line: "It opens up new distribution channels," says Fuhr. And not a bad one at that, considering that, according to ETFGI, more than $1 trillion has flowed into ETFs globally over the past two years alone.

Scoreboard: A Tough Week

-- U.S. diversified stock funds had a tough week, falling, on average, 2.7% as of Thursday, according to Lipper. The S&P500, however, was down 2.9%.

	One Week	Year-to-Date
U.S. STOCK FUNDS	-2.67%	1.99%
U.S. BOND FUNDS	-0.32	3.25
TOP SECTOR / Dedicated Short Bias Funds	4.15	-11.66
BOTTOM SECTOR / Equity Leverage Funds	-4.90	7.76

THE WEEK'S TOP 10

Fund Investment Objective	One Week	Year-to-Date
VelShs Dly 2x VIX ST ETN Specialty & Misc	26.58%	-50.83%
ProShs II UltVIX STF ETF Specialty & Misc	26.55	-51.10
Direxion Nat Gas Bear 3X DSB	19.80	-30.18
Direxion Brazil Bear 3X DSB	18.67	-40.26
ProShs II VIX ST Fut ETF Specialty & Misc	13.07	-24.99
VelShs VIX ShTm ETN Specialty & Misc	13.05	-24.65
Direxion EnergyBear 3X DSB	12.54	-30.45
ProShares UIS MSCI Brz DSB	12.25	-26.49
VelShs 3x Inv Crude ETN DSB	12.01	-16.72
Direxion Russia Bear 3x DSB	11.79	18.80

THE WEEK'S BOTTOM 10

Fund	Investment Objective	One Week	Year-to-Date
Direxion Nat Gas Bull 3X	DL	-17.59%	12.21%
Direxion Brazil Bull 3X	DL	-16.69	21.54
Direxion Latin Bull 3X	DL	-13.59	12.92
ProShs II ShVIX STF ETF	DSB	-12.61	12.92
VelShs DlyInv VIX ST ETN	DSB	-12.61	12.94
Direxion Russia Bull 3x	DL	-12.13	-52.17
Direxion EnergyBull 3X	DL	-11.60	29.30
ProShares Ult MSCI Braz	DL	-11.32	17.88
VelShs 3x Long Crude ETN	DL	-11.21	5.33
Direxion Semicnd Bull 3X	DL	-10.07	42.45

THE LARGEST 10

Fund	Net Assets (billions)	Investment Objective	3-Year* Return	1-Week Return	YTD Return
SPDR S&P 500 ETF	$168.463	S&P 500 Funds	16.39%	-2.85%	5.57%
PIMCO Tot Rtn Inst	144.453	CPB	3.83	-0.32	3.17
Vanguard TSM Idx Inv	114.517	Multi Cap Core	16.18	-2.86	4.81
Vanguard 500 Index Adm	105.758	S&P 500 Funds	16.50	-2.85	5.63
Vanguard TSM Idx Adm	99.159	Multi Cap Core	16.32	-2.86	4.87
Vanguard Instl Indx Inst	94.754	S&P 500 Funds	16.51	-2.86	5.63
Vanguard Instl Indx InsP	80.775	S&P 500 Funds	16.54	-2.86	5.65
Vanguard TSM Idx Inst	79.889	Multi Cap Core	16.32	-2.84	4.89

Fidelity Contrafund					
	76.649	Large Cap Growth	14.98	-2.77	2.89
American Funds Gro A					
	72.949	Large Cap Growth	15.46	-2.67	4.14

*Annualized. Through Thursday.
Source: Lipper

1116

文件 B000000020140802ea8400015

DOW JONES
NEWSWIRES

The Trader: Dow Slides 2.75%, Into The Red For The Year -- Barron's

1,936 字
2014 年 8 月 2 日 05:09
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 8/4/14)
By Jacqueline Doherty
Strong economic news and mostly positive earnings reports couldn't offset fears last week that the Federal Reserve finally has started to pull away the punch bowl, albeit very slowly. Stocks had their worst one-week drop since January, and the Dow Jones Industry Average toppled into negative territory for the year.

The Federal Reserve delivered a modestly more upbeat assessment of inflation, jobs, and the economy after its two-day meeting last week. Its assessment, combined with last week's stronger-than-expected report on gross domestic product and news of 209,000 job gains in July, cemented the belief that the central bank will conclude its Treasury purchases in October and start raising rates in 2015 if the economy continues to improve.

"This is the beginning of a little taper tantrum," says Diana Joseph, chief investment officer at Barrington Strategic Wealth Management. As the Fed's easy money-policies reverse, people are forced to focus more on what they're paying for investments. If last week is any indication, investors didn't like what they saw in their portfolios.

The Dow fell 467.20 points this week, or 2.75%, to 16,493.37. The Standard & Poor's 500 index dropped 53.19 points, or 2.69% to 1925.15. The Nasdaq Composite index fell 96.92 points, or 2.18%, to 4352.64.

The S&P is down 3.16% from this year's high of 1987.98 and the selloff could have more room to run. "My incoming calls from financial advisors are running 10-to-1 with most asking what they should buy, and that's not good," says Jeffrey Saut, chief investment strategist at Raymond James.

The calls indicate advisors are still optimistic and willing to buy the dips. "It feels to me like we've started a 10% to 12% correction," says Saut, who has 25% of his portfolio in cash. But he'll be more certain when he sees the market's action next week.

Among the bigger losers in the Dow last week were shares of Exxon Mobil (XOM) and Chevron (CVX). Both fell by just over 4% despite strong earnings reports, as they disclosed they had experienced declines in production in the latest quarter. The price of crude fell during the week to $98 a barrel.

Stronger-than-expected earnings also weren't enough to propel Pfizer (PFE) shares into positive territory; they fell 3.6% in the five sessions. Financials JPMorgan Chase (JPM) and American Express (AXP) lost 4.5% and 6%, respectively.

Proctor & Gamble (PG) ended the week largely unchanged on news that it would shed more than half its brands to focus instead on the 70 to 80 brands that generate about 90% of the company's sales. One of the week's biggest gainers was Family Dollar (FDO) stock, which soared almost 25% after Dollar Tree (DLTR) announced an $8.5 billion acquisition of the rival dollar store.

There were some signs of trouble in the market before last week's selloff began. In recent weeks large-cap stocks had continued to climb while their small-cap counterparts were selling off. "The generals had been advancing but the troops were receding, and those divergences are a red flag," says Saut.

A look at the valuations of the largest and the smallest stocks might explain why small-cap stocks, as measured by the Russell 2000 Index, are down 4% so far this year -- more than their large-cap counterparts. The Russell 1000 Growth Index trades at roughly 18 times next 12-month earnings estimates, points out Barrington's Joseph. That's far less expensive than the 30 multiple of the Russell 2000 Growth Index.

"The valuation disparities are great," she says. Areas with more attractive risk/reward profiles include hard commodities, large-cap stocks that are growing their dividends, and some municipal bonds, she says.

When the Federal Reserve has the monetary spigots open, anything works in stock portfolios. When those spigots start to close, it will be time to pick stocks with much greater care.

Herbalife's Currency Woes

Shares of Herbalife, the controversial nutritional-supplements seller, didn't succumb to hedge-fund manager William Ackman's latest and well-publicized attack on its business practices. The shares tanked 20% last week, however, after the company reported second-quarter earnings that missed analysts' estimates.

The results could have been even worse, had Herbalife recognized the effects of a sharp decline in the value of Venezuela's currency on the cash it holds in that South American country.

About 20%, or $152 million of Herba-life's $774 million in cash and equivalents is held in Venezuela and denominated in bolivars, the local currency. Complicating matters, Venezuela has three exchange rates, and it is extremely hard to trade bolivars for dollars.

The official exchange rate is 6.3 bolivars to one dollar. The country also has an auction system under which about 10 bolivars can be exchanged for a dollar, although Venezuela allows participation in the auctions only by companies whose products it wants.

A third exchange system pegs the exchange rate at roughly 50 bolivars to the dollar. On the black market -- the world's unofficial exchange system -- roughly 70 bolivars will get you a dollar.

Herbalife values its cash in Venezuela on the basis of 10 bolivars to the dollar. Garrett Arms, an analyst at investment manager Moon Capital Management, says the company should have used a more realistic, albeit less-advantageous exchange rate of 50 bolivars to the dollar. In March, Herbalife participated in an auction in which a small number of bolivars was exchanged for dollars using the 50-to-1 exchange rate.

Had it used the weaker exchange rate, Herbalife would have had to recognize a currency loss of $109.5 million in the quarter, the company says in its SEC filings. Arms estimates that the loss would have resulted in an after-tax hit of roughly 90 cents a share. Were that loss taken in the second quarter, results would have shrunk to 65 cents instead of $1.55.

Just as important, using the weaker exchange rate would reduce Herbalife's cash in Venezuela to some $30 million, and the company's total cash and equivalents to $653 million from $775 million.

Herbalife acknowledges in its second- quarter SEC filing that the exchange rate it uses "may not accurately represent the amount of U.S. dollars that the company could ultimately realize." Herbalife CFO John DeSimone explains that one reason the company used the 10-to-1 rate was because in March it received previously approved dollars at a rate of approximately 10-to-1.

A majority of U.S. public companies use the official rate of 6.3-to-1 or the 10-to-1 rate, says DeSimone. "We are completely transparent about cash in Venezuela, and we tell investors the cash is temporarily trapped and should be excluded from any near-term cash-availability analysis," he says.

The odds of a full recovery of the bolivar are minuscule with Venezuela's annual inflation rate higher than 50 percent, notes Arms. "As with any failed investment, companies need to provide investors with accurate information related to write-downs, rather than crossing their fingers and hoping things will improve," he says.
DSW Is Off on the Right Foot

Analysts are battling over the outlook for DSW, the discount footwear retailer, whose shares have tumbled 44% since November, to $26.48, amid a string of disappointing earnings reports. The Columbus, Ohio-based company recently disclosed a 3.7% decline in first-quarter same-store sales, and cut its 2014 earnings projection by 35 cents to $1.45 to $1.60 a share.

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e-mail:jaqueline.doherty@barrons.com

2 Aug 2014 00:09 ET The Trader: Dow Slides 2.75%, Into The Red For -2-

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Vital Signs

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Inflation KR-CRB		
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Gold		

(CMXnearbyfutures) 1293.60 1303.10

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(END) Dow Jones Newswires

August 02, 2014 00:09 ET (04:09 GMT)

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Stocks build on losses; S&P 500 suffers biggest weekly drop in 2 years: live blog recap
MarketWatch Blogs, 2014 年 8 月 1 日 21:06, 2503 字, (英文)
A recap of Friday's stock market live blog. For a concise rundown of the day's trading activity, see Market Snapshot.4:06 pm | S&P 500 sees biggest weekly retreat since June 2012
文件 WCMWB00020140801ea81000b5

DOW JONES
NEWSWIRES

Money Flow Table For Major U.S. Indexes And Stocks
648 字
2014 年 8 月 1 日 18:20
Dow Jones Institutional News
DJDN
英文

MONEY FLOW - UPTICK/DOWNTICK TRADING DOLLAR VOLUME Aug 01,2014 01:05 PM

MARKET	MONEY FLOW (in millions) TODAY	PREV DAY	RATIO
DJIA	-137.9	-1535.5	0.93
Blocks	-114.1	-1435.2	0.69
Russell 2000	-75.0	-3874.2	0.97
Blocks	-14.5	-3210.8	0.96
S & P 500	-447.9	-253.6	0.96
Blocks	-239.5	-67.7	0.87
DJ U.S. Total Stock Market	-1427.8	-4778.8	0.95
Blocks	-836.6	-2920.9	0.84

ISSUE GAINERS	SYMBOL	EXCH	LAST PRICE	MONEY FLOW (in millions)	RATIO
SPDR S&P 500	SPY	ARCA	191.87	+204.7	1.12
Mobileye	MBLY	NYSE	37.73	+157.2	1.73
Vanguard Total Bond Mkt	BND	ARCA	81.95	+119.6	10.26
Broadcom	BRCM	NASD	37.99	+92.5	8.13
Apple	AAPL	NASD	95.67	+77.7	1.18
iShares Floating Rate Bd	FLOT	ARCA	50.80	+76.3	7.79
iShares MSCI China ETF	MCHI	ARCA	49.71	+51.7	11.85
AT&T	T	NYSE	35.34	+41.1	1.93
iShares 20+Y Treasury Bd	TLT	ARCA	114.76	+41.0	1.41
VTTI Energy Partners	VTTI	NYSE	22.66	+39.6	2.03
Procter & Gamble	PG	NYSE	79.88	+33.9	1.23
Amazon.com	AMZN	NASD	305.34	+31.5	1.12
Ocwen Fincl	OCN	NYSE	28.12	+29.0	1.62
SPDR S&P O&G Exp & Prd	XOP	ARCA	73.16	+27.4	1.70
iShares U.S. Real Estate	IYR	ARCA	71.67	+27.0	1.48
PIMCO Total Return ETF	BOND	ARCA	108.93	+25.8	9.94
Vanguard FTSE Emerg Mkt	VWO	ARCA	43.68	+25.2	1.37
Vanguard Short-Term Bond	BSV	ARCA	80.18	+25.2	5.47
Marathon Petroleum	MPC	NYSE	83.45	+23.1	1.39
Digital Realty Trust	DLR	NYSE	64.15	+21.2	3.38

ISSUE DECLINERS	SYMBOL	EXCH	LAST PRICE	MONEY FLOW (in millions)	RATIO
PwrShrs QQQ Tr Series 1	QQQ	NASD	94.24	-355.7	0.45
Progressive Corp	PGR	NYSE	23.35	-111.1	0.25
Discovery Comm C	DISCK	NASD	81.84	-101.4	0.04
iShares S&P 100 ETF	OEF	ARCA	85.51	-86.3	0.07
PIMCO Enh Shrt Maturity	MINT	ARCA	101.46	-70.3	0.06
iShares Russell 3000 ETF	IWV	ARCA	114.21	-68.6	0.04
LinkedIn Cl A	LNKD	NYSE	196.24	-68.2	0.83
Select Sector SPDR-Energy	XLE	ARCA	95.28	-66.6	0.55
iShares MSCI Emg Markets	EEM	ARCA	43.77	-66.3	0.71
Vanguard Total Stock Mkt	VTI	ARCA	99.11	-54.7	0.66
iShares iBoxx $ HY Cp Bd	HYG	ARCA	91.51	-53.8	0.64

Vanguard S&P500	VOO	ARCA	175.91	-42.7	0.53
Select Sector SPDR-Tech	XLK	ARCA	38.69	-39.7	0.35
Hilton Worldwide Holdings	HLT	NYSE	23.74	-38.4	0.29
Sel Sec SPDRCnsmr Stples	XLP	ARCA	43.43	-31.3	0.45
Allergan	AGN	NYSE	164.13	-26.0	0.58
Starwood Hotels	HOT	NYSE	79.10	-25.5	0.62
ExxonMobil	XOM	NYSE	98.52	-24.9	0.80
Chevron	CVX	NYSE	127.74	-23.8	0.77
AECOM Tech	ACM	NYSE	33.80	-23.3	0.13

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

Source: WSJ Market Data Group

(END) Dow Jones Newswires

August 01, 2014 13:20 ET (17:20 GMT)

文件 DJDN000020140801ea81002zr

MARKET WEEK
Stocks --- The Trader: Dow Falls 0.8% on Troubling Earnings News

By Avi Salzman
1,881 字
2014 年 7 月 28 日
Barron's
B
M3
英文

On a day when one of the most famous traders of the past 50 years passed away, investors briefly lost confidence in the market, sending the Dow Jones industrials into the red for the week and back under 17,000.

Economic news and earnings reports mostly have painted a sunny picture for the market in the past few sessions, but earnings reports from Visa (ticker: V) and Amazon.com (AMZN) put investors in a sour mood on Friday. The Dow fell 123 points, or 0.7%, on the day.

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Tupperware might be associated with housewives in the U.S., but the Orlando, Fla. company's business model has drifted far away from its American roots. About two-thirds of the company's sales come from emerging markets. Those markets are still growing, registering 10% revenue growth in the most recent quarter. But sales have been much spottier in developed markets.

Sales in Germany, one of the company's largest markets, fell 29% on a year-over-year basis. CEO Rick Goings blamed the drop in part on the timing of holidays during the quarter -- nearly half of the weekends in that period were long weekends. Germans tend to go away instead of attending Tupperware parties, Goings said. (They could have been distracted, too, by Germany's run to the World Cup championship). Tupperware was also hurt by tensions in Ukraine and Russia, two other significant Tupperware markets.

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About half the reduction in the company's earnings guidance had to do with Venezuelan price controls and its currency devaluation, notes KeyBanc Capital Markets analyst Jason Gere. That means the company reduced its core earnings guidance by just 15 cents, or less than 3%.

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DJ65Stocks	6051.16	-23.02	-0.38
DJUSMarket	497.74	-0.17	-0.04
NYSEComp.	10985.81	-0.11	-0.00
NYSEMKTComp.	2788.31	-11.73	-0.42
S&P500	1978.34	+0.12	+0.01
S&PMidCap	1405.72	-7.01	-0.50
S&PSmallCap	659.58	-4.46	-0.67
Nasdaq	4449.56	+17.42	+0.39
ValueLine(arith.)	4520.28	-18.84	-0.42
Russell2000	1144.72	-6.89	-0.60
DJUSTSMFloat	20626.59	-9.26	-0.04

	Last Week	Week Earlier
NYSE		
Advances	1,503	1,679
Declines	1,720	1,538
Unchanged	48	47
NewHighs	435	386
NewLows	91	62
AvDailyVol(mil)	2,797.8	3,306.3
Dollar		
(Finexspotindex)	81.03	80.51
T-Bond		
(CBTnearbyfutures)	138-210	138-020
Crude Oil		
(NYMlightsweetcrude)	102.09	103.13
Inflation KR-CRB		
(FuturesPriceIndex)	298.34	297.42
Gold		

(CMXnearbyfutures) 1303.10 1309.20

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The Trader: Dow Falls 0.8% On Troubling Earnings News -- Barron's

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2014 年 7 月 26 日 05:07
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 7/28/14)

By Avi Salzman

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26 Jul 2014 00:07 ET The Trader: Dow Falls 0.8% On Troubling Earnings -2-

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NYSEMKTComp.	2788.31	-11.73	-0.42
S&P500	1978.34	+0.12	+0.01
S&PMidCap	1405.72	-7.01	-0.50
S&PSmallCap	659.58	-4.46	-0.67
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ValueLine(arith.)	4520.28	-18.84	-0.42
Russell2000	1144.72	-6.89	-0.60
DJUSTSMFloat	20626.59	-9.26	-0.04

	Last Week	Week Earlier
NYSE		
Advances	1,503	1,679
Declines	1,720	1,538
Unchanged	48	47
NewHighs	435	386
NewLows	91	62
AvDailyVol(mil)	2,797.8	3,306.3
Dollar		
(Finexspotindex)	81.03	80.51
T-Bond		
(CBTnearbyfutures)	138-210	138-020

Crude Oil		
(NYMlightsweetcrude)	102.09	103.13
Inflation KR-CRB		
(FuturesPriceIndex)	298.34	297.42
Gold		
(CMXnearbyfutures)	1303.10	1309.20

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(END) Dow Jones Newswires

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Morning MoneyBeat Europe: Stocks Tipped To Pause, BoE Policy In Spotlight
WSJ Blogs, 2014 年 7 月 23 日 06:52, 812 字, By David Cottle, (英文)

Good Morning Europe
Forecasters expect local markets to take a break from early gains despite a modestly positive tailwind from across the Atlantic.
文件 WCWSJB0020140723ea7n000xd

DOW JONES
NEWSWIRES

The Trader: U.S. Earnings Carry Dow Past 17,000 -- Barron's

2,061 字
2014 年 7 月 19 日 05:07
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 7/21/14)
By Vito J. Racanelli

The market is not known for feelings beyond fear and greed. And yet, the hope occasioned by strong U.S. corporate earnings trumped investors' concerns last week about violence in Ukraine and Middle East to send stocks higher by Friday's close.

The positive finish came despite a big dip Thursday, which followed an all-time high Wednesday by the Dow Jones Industrial Average, the fifteenth this year. Small-company stocks lost ground, however.

The beginning of a ground war in Gaza and the downing of a commercial airliner over eastern Ukraine that caused nearly 300 deaths grabbed headlines Thursday. However, with second-quarter earnings season well underway, decent-to-strong profits from the likes of Honeywell International (ticker: HON), whose shares rose 2% Friday, dislodged the negative global news from investors' focus. Intel (INTC), Morgan Stanley (MS), and UnitedHealth Group (UNH) also reported good second-quarter results.

The market responded to the strong results, says Kate Warne, investment strategist at Edward Jones, particularly since they seem to come from a nice cross-section of the American economy, such as industrials and big money-center banks. "That gives investors greater confidence that we will see continued good earnings," she says.

Last week, the Dow advanced 156 points or 0.9% to 17,100.18, down slightly from the record high reached Wednesday of 17,138.20. The Standard & Poor's 500 index rose 11 points or 0.5%, to 1978.22. The Nasdaq Composite index rose 17, or 0.4%, to 4432.15. The small-cap Russell 2000 index bucked the trend, falling almost 0.7% to 1151.61.

Investors reacted to the headlines at first, but the real investor fear, Warne notes, was of a wider escalation of violence. When that didn't happen Friday, stocks rose.

The week's tragic events had a temporary psychological effect on the market, adds John Manley, chief equity strategist at Wells Fargo Funds Management, "but [they] won't have a tremendous effect on the fundamentals."

The Federal Reserve, he notes, is still "applying positive monetary pressure on stocks, valuations aren't expensive, and earnings trends are good. What's wrong with that?" He thinks second-quarter profits will end up surprisingly good.

Among investors, the crowd that passes for bears these days is one that calls for a correction of 10% or more in the market. "But a correction would come from a fundamental change," says Warne. "It would come from a place the market doesn't expect."

This week the earnings season really heats up with reports from roughly 150 companies in the S&P 500.

Spin-offs are hot. Perhaps too hot.

When Wall Street and Corporate America get together to push an idea like nobody's business, it's time to watch out. Over the past two years, this column has reported on the growth in spin-offs and on several situations that offered potential stock value. While attractive ones remain, now that it's raining spin-offs, it's time to point out potentially overvalued spins.

There were 28 spin-offs completed in the first half of 2014, up from 18 in the same period of 2013, according to Joe Cornell, head of Spin-Off Advisors and a veteran of the field. He projects that the second half will be equally robust, and that with 57 spin-offs in 2014, activity will be up sharply from 37 in 2013. That would mean

2014 could boast the most spin-offs completed "since 2000, when 66 spin-offs were unleashed." Let's leave aside speculation about what, if anything, that suggests about the broad market.

The pace of spin-off announcements has been accelerating worldwide in the past few months, says William Mitchell, publisher of spinoffprofiles.com, due partially to a fear that interest rates will rise soon. That worries chief finance officers and incentivizes companies already considering a spin-off to do one sooner rather than later. In a spin-off, the parent company often has to issue bonds to reapportion debt across the parent and the spun-off firm, and sometimes to fund one-time dividends from the spin-off to the parent.

While studies show that spin-offs typically result in appreciably higher stock prices for both companies, "the variance in outcomes" is likely to be much wider now, Mitchell avers, as companies rush to get the spins done. Analysts will have less time to study situations and mispricing will be more likely, he says.

Mitchell has put together a list of recent spin-offs that appear overvalued: Vertiv (VRTV), TimkenSteel (TMST), Seventy Seven Energy (SSE), and Viper Energy Partners (VNOM).

Vertiv is a paper and packing distribution company created from a merger between Unisource Worldwide, owned by private-equity company Bain Capital, and Xpedx, which was spun out from International Paper (IP) earlier this month. The resulting company, with a $608 million market cap, has seen pro forma sales and earnings decline for three years. It has 2% operating profit margins, and was saddled with about $800 million in debt, partly for a one-time dividend to IP. "There's only so much room for maneuver there if revenue continues to fall," Mitchell says.

Vertiv could be a tough turnaround proposition. At Friday's closing price of $38, Mitchell deems it "not attractive."

Shares of TimkenSteel, a specialty steel maker not widely followed, trades at about three times book value and has a forward price/earnings ratio of 19 times the single analyst estimate of $2.33 per share in earnings this year, according to Bloomberg. Though first-quarter results showed improvement, annual earnings fell by 50% from 2011 through 2013. "I'm not ready to pay a growth multiple for that," Mitchell says.

The stock closed Friday at $44.09.

Oil-services firm Seventy Seven Energy was spun off from Chesapeake Energy (CHK) July 1. While annual sales have been rising for three years, the company is highly leveraged, with $1.55 billion in pro forma outstanding debt, compared with shareholder equity of just $240 million. It sports a sky-high P/E ratio of 43 times the one analyst estimate of 57 cents a share in earnings this year. Shares closed at $24.35 Friday. "We'll pass," says Mitchell.

Viper Energy Partners is a master limited partnership carved out of Diamond Energy (FANG), which still owns about 92% of Viper and itself went public less than two years ago. VEP lacks a track record as a publicly traded company and at $33.60 per common unit, the $2.6 billion market cap is five times net tangible book value and worth several decades of current cash flow. There's not enough data here to form a workable opinion, says Mitchell.

Here's another hint that spin-offs are getting frothy. About two years ago, when news broke of a potential spin-off, the parent stock hardly reacted. More lately, stocks in some cases began rising on rumors a company's board is considering a spin-off. Part of any potential rise can be arbitraged away before the actual spin-off takes place, or is even decided.

At Friday's close of $88.50, shares of Syntel (SYNT) have fallen 9% from a high of $97 last March. The Troy, Mich.-based company provides outsourcing and information-technology services mainly in the financial, insurance, and health-care arenas to big U.S. firms such as American Express (AXP). Think of Syntel, with a $3.5 billion market capitalization, as a mini-Infosys (INFY) or Cognizant Technology Solutions (CTSH).

The Indian rupee's 5% appreciation has been an issue, since most of Syntel's revenue is in dollars and costs in rupees. Services are provided on-site for some customers, or through five locations in the U.S., 12 in India, and one in the Philippines.

The Congressional stalemate on immigration reform and restrictions that might be enacted might make some investors nervous, even though that's not much of an issue for Syntel, since most of its employees are outside the U.S. There's also a small float, as founders still own or control some 60% of the 42 million shares outstanding, so stock moves can be exaggerated.

Nevertheless, the drop in price represents a potential opportunity to get shares of a stable yet fast-growing company at valuations lower than the company's historic averages.

Syntel has an enviable track record of 13% compounded annual revenue growth since 1995. Earnings per share have grown 17% annually in that span, notes Elliot Schlang, an analyst with Great Lakes Review, a boutique institutional research firm that does no investment banking. Schlang owns Syntel shares. Nearly all the growth is organic and recurring revenue is two-thirds of the total, so results tend to be consistent, he adds.

Syntel has avoided the call-center commodity business, and instead concentrates on financial areas like fraud-detection services, regulatory compliance, and electronic health-care record-keeping. For insurers, Syntel offers claims administration. About 90% of its revenue is "mission critical," and the balance sheet is strong, says Schlang.

The expanding regulatory requirements in banking and health-care record-keeping brought on by Obamacare create sales openings for Syntel and could bolster growth, he says. Given the explosion in Internet data usage and cloud-based services, it's a fair assumption that the IT-service area is a good place to be.

Syntel isn't widely known on Wall Street, and is covered by 12 analysts, mostly at regional brokers. There are just six Buy ratings on the stock.

Last Thursday, Syntel reported strong second-quarter results, with sales up 13% to $228 million, and net income up 25% to $59.3 million, or $1.41 per share. Syntel its raised 2014 earnings guidance to $5.50 to $5.65 a share from $5.10 to $5.28. That sent the stock up $2.50 Friday.

Great Lakes has a Buy rating and a $136 per share 12-month target rating-- 40% above the current quote. Syntel trades at 16 times this year's EPS guidance, or 13 times after its $15-a-share in net cash is backed out. Both P/Es are lower than Syntel's long-term median of 18.

19 Jul 2014 00:07 ET The Trader: U.S. Earnings Carry Dow Past 17,000 -2-

One caveat is that Syntel's customer base is concentrated, with the top five customers accounting for some 60% of revenue. However, its plan to broaden its business with more accounts is gaining traction, Schlang says. And a stronger rupee would hurt.

Last week's results seem to confirm that Syntel is on the same track it's been on for a long time and that the recent drop represents a good entry point for the shares.

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e-mail: vito.racanelli@barrons.com

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17100.18	+156.37	+0.92
DJTransportation	8385.40	+131.09	+1.59
DJUtilities	559.13	-0.30	-0.05
DJ65Stocks	6074.18	+57.83	+0.96
DJUSMarket	497.92	+2.29	+0.46
NYSEComp.	10985.93	+49.58	+0.45
NYSEMKTComp.	2800.04	+2.18	+0.08
S&P500	1978.22	+10.65	+0.54
S&PMidCap	1412.73	+1.25	+0.09
S&PSmallCap	664.04	-3.10	-0.46
Nasdaq	4432.15	+16.66	+0.38
ValueLine(arith.)	4539.12	-1.81	-0.04
Russell2000	1151.61	-8.32	-0.72
DJUSTSMFloat	20635.85	+80.87	+0.39

	Last Week	Week Earlier
NYSE		
Advances	1,679	1,173
Declines	1,538	2,070
Unchanged	47	31

NewHighs	386	309
NewLows	62	60
AvDailyVol(mil)	3,306.3	2,898.1
Dollar		
(Finexspotindex)	80.50	80.19
T-Bond		
(CBTnearbyfutures)	138-020	137-120
Crude Oil		
(NYMlightsweetcrude)	103.13	100.83
Inflation KR-CRB		
(FuturesPriceIndex)	297.42	297.07
Gold		
(CMXnearbyfutures)	1309.20	1337.00

(END) Dow Jones Newswires

July 19, 2014 00:07 ET (04:07 GMT)

文件 DJDN000020140719ea7j0007u

BARRON'S

MARKET WEEK

Stocks --- The Trader: Stocks Slip on Euro Bank Jitters, Profit-Taking

By Vito J. Racanelli
2,040 字
2014 年 7 月 14 日
Barron's
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英文

Stocks backtracked almost 1% last week in quiet trading, mainly on profit-taking and short-lived jitters caused by reports that a relatively small European banking firm missed debt payments. For a few moments last Thursday, it looked like a Greek banking crisis redux.

Riskier small caps took the brunt of the beatdown, suggesting the return of the "risk off" trade. But the drop likely had more to do with a minor reversal -- so far -- of end-of-second-quarter capital flows into small-cap stocks, and profit-taking from record highs reached the previous week. Nervousness about the European banking sector reemerged briefly Thursday morning after news reports said Portuguese conglomerate Espirito Santo International -- the largest shareholder in the parent of Portugal's largest bank, Banco Espirito Santo (ticker: BKESY) -- missed a debt payment. Stocks pared the losses Friday.

With the 64-month-old bull market not far from all-time highs, investors will be better served by focusing on U.S. shores in coming weeks as second-quarter earnings tumble out in bunches from the likes of JPMorgan Chase (JPM), Intel (INTC), Johnson & Johnson (JNJ), and Google (GOOGL), among others in the Standard & Poor's 500 index.

Despite the contraction in U.S. gross domestic product in the first quarter, there's a basic market assumption that the economy is on a growth track, if a slow one, says Richard Weeks, partner at HighTower Advisors. The next few weeks of earnings from banks, tech companies, and industrials will give investors the first good window into the U.S. economy in the second quarter and whether or not the decline in first-quarter gross domestic product was a cold-weather fluke, as many assume, he adds.

Last week, the Dow Jones Industrial Average fell 0.7% or 125 points to 16,943.81, and the S&P 500 lost 18 or 0.9%, to 1967.57. The Nasdaq Composite index dropped 1.6%, or 70, to 4415.49. The Russell 2000 index fell 4% to 1159.93.

At the Federal Reserve's Open Market Committee meetings last week, the Fed reaffirmed that its bond-buying monetary stimulus will wind down in October.

A U.S. economic recovery is taken for granted, says Michael Shaoul, chairman of Marketfield Asset Management. U.S. companies, by dint of keeping a tight lid on labor and capital expenditures, have produced growing earnings. To the extent there are negative second-quarter profit surprises, perhaps caused by labor or capital capacity constraints, it will lead to choppy action in the market in the near term, he says. The bull "needs good corporate data."

Eventually, this market is going to correct and it's not likely to be the result of woes at a small bank in a small country on the edge of Europe.

Last week, Boeing (BA) raised its global jet-demand forecast more than 4%, to 36,770 airplanes over the next two decades, based on rising air travel and the strong growth of low-cost Asian carriers. A few days before, the commercial-jet and defense firm had announced that its second-quarter deliveries rose 7%. In the first quarter, its results handily beat expectations.

Despite generally good fundamental news, Boeing shares have fared poorly this year, descending 11%, to Friday's $128.09, from an all-time high of $144 last January, while the market is up 6%. That's in marked contrast to 2013, when Boeing soared 81%, making it the Dow Jones Industrial Average's best performer. This year, it's tied for the index's second worst.

A confluence of mostly nonfundamental and macro factors appear to be behind the price drop, and for investors with a long-term horizon, the stock is approaching good value.

The shares suffer from on-again, off-again concerns about Asian economic growth. The congressional debate over the future of the Export-Import Bank, which funds some jet purchases overseas, has investors nervous, too. Other factors include the recent drop in airline shares, which typically spills over to Boeing. And earlier this month, a train carrying important Boeing jet components derailed, giving rise to investor worries about the company's tight production deadlines.

The ability of Boeing to ramp up production, particularly of its new-generation 787 Dreamliner, which isn't yet profitable, is key, says Ron Doyle, head of equity investing at MeadowBrook Investment Advisors, a longtime holder of the shares. He likes that Boeing raised its first-quarter operating margin at the commercial division -- which accounts for about two-thirds of sales -- to 11.8% from 11.4%. In 2013, it rose to 10.9% from 9.6%.

The sustainability of that trend is important, given Boeing's previous production delays with the 787. Many expect the commercial side's operating margins to keep rising; Boeing's guidance of a 10% commercial-division margin undoubtedly disappointed more than a few investors when it was introduced with fourth-quarter results in January. Boeing tends to be conservative in its guidance.

In the first quarter, commercial-division revenue rose 19%, to $12.7 billion, and deliveries, 18%, to 161. The defense business continues to fare worse, with revenue and earnings down 6% in the first quarter, though this isn't a surprise.

Boeing has never offered a high dividend yield, but it hiked its payout 50% this year, to $2.92 a share, for a 2.3% yield. And it has a $10 billion stock-buyback program, of which about $2.5 billion has been used.

Some investors probably have taken profits after that tremendous 2013 run, says Doyle. Despite the stock's drop, he remains a fan because margins are climbing and airlines are doing well.

Boeing's long-term attractions remain. Besides rising air travel, the company, with Airbus, is in a duopoly with very high barriers to entry. With just $9 billion in debt and $12 billion in cash and marketable securities, it sports a strong balance sheet. The $93 billion market-cap manufacturer generated $6 billion in free cash flow last year.

Granted, its valuation hasn't fallen to fire-sale levels, but that doesn't happen too often. The stock's forward and trailing price/earnings ratios are a point or two lower than the long-term median. Boeing is cheaper than usual, compared with the market, as well.

Among Dow stocks, Doyle points out, you won't find another with a better outlook that is down as much as Boeing.

Not So Sunny in Hawaii

A big surprise this year has been a 13.5% rise in utility stocks, the best-performing sector in the first half, thanks to interest rates falling in that period. One mid-cap utility with a nice 5% yield is Hawaiian Electric Industries (HE). Investors who jump into this stock for the yield, however, should look before they leap.

HEI's 2013 results look good at first blush, but a few nonoperating items flattered last year's earnings. The utility that serves the 50th state reported net income of $161.5 million or $1.62 per share last year, up 16% from $139 million, or $1.42 in 2012.

However, Sam McBride, an analyst at New Constructs, an independent stock-research firm, says that net benefited significantly from nonoperating gains last year. For example, the utility increased the assumed return on its pension plan to 7.75%, much higher than the market average of 6.6%. This had the effect of "earning" a $10 million gain that helped net income, he says.

Similarly, 2012 results were artificially lowered by nonoperating charges, such as writedowns on assets. According to New Constructs, HEI's net operating profit after taxes (Nopat) -- which strips out nonoperating gains and losses from both years -- actually fell 9% in 2013, McBride adds.

The fundamental problem is that this utility has enjoyed little or no sales growth for three years, with revenue stuck around $3.3 billion. And, it faces a threat from solar power. Nopat growth has been 1% for a decade, low even for a utility, says New Constructs.

Though solar energy typically isn't competitive with power produced from hydrocarbons, the islands have a lot of sun and expensive fossil-fuel imports, making solar more competitive. About 10% of Hawaiian households use solar power.

McBride says HEI has produced about $200 million in Nopat annually for the past three years, but needs about $100 million a yearfor the dividend and has spent about $200 million in each of the past three years on capital investments. It's had negative free cash flow for four of the past six years, and debt increased to $1.5 billion last year from $1.3 billion in 2011. Effectively, debt is helping fund the dividend, he says.

In an e-mail, Clifford Chen, HEI's investor relations and strategic planning manager, disputes our reasons for skepticism. HEI doesn't provide cash-flow guidance but expects 2014 fully dilutedEPS of $1.57 to $1.67, says Chen, who adds that EPS are up from 91 cents in 2009 and return on equity has jumped to 9.7% from 5.9% in that span.

He notes the utility business is capital-intensive and regulated and that many utilities have negative free-cash flow. As for the pension issue, he contends, HEI's approach has been consistent, is in accordance with accounting norms, and has been reviewed by its auditor.

New Constructs argues that the company's operating picture is stagnant and that, in the medium term, if HEI doesn't see gains in revenue and operating earnings greater than it recently has had, debt will go higher or the dividend might have to go lower.

Fallen Timber

What happened to Lumber Liquidators Holdings (LL) last week is a good example of how difficult it is to short stocks in a raging bull market, even if skepticism about a company eventually proves to be correct.

The hardwood-floor retailer Thursday sharply cut its 2014 EPS outlook, to $2.65-$3 from $3.25-$3.60, blaming weakening customer traffic, among other things. That day, the once-hot stock dropped to $55 from $70; it closed Friday at $54.86.

It had touched $120 last November. At that point, egg was squarely all over this column, because 18 months ago, we opined that it was expensive at $56, its price in January 2013. We said its double-digit-percent same-store sales gains weren't sustainable. The comparisons were negative-7% in the second quarter of this year, versus a 15% rise in the 2013 second quarter, right after our story ran.

Last December, we acknowledged Lumber Liquidators as our worst skeptical pick of 2013. We repeat that our negative call was too early, but last week's collapse offers a good and necessary reminder that the market can stay irrational longer than you can stay solvent.

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Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	16943.81	-124.45	-0.73
DJTransportation	8254.31	-40.43	-0.49
DJUtilities	559.43	+5.16	+0.93
DJ65Stocks	6016.35	-24.54	-0.41
DJUSMarket	495.62	-5.54	-1.11
NYSEComp.	10936.34	-168.38	-1.52
NYSEMKTComp.	2797.87	-35.57	-1.26
S&P500	1967.57	-17.87	-0.90
S&PMidCap	1411.48	-32.66	-2.26
S&PSmallCap	667.14	-25.40	-3.67
Nasdaq	4415.49	-70.43	-1.57
ValueLine(arith.)	4540.93	-123.45	-2.65
Russell2000	1159.93	-48.22	-3.99
DJUSTSMFloat	20554.98	-265.11	-1.27

	Last Week	Week Earlier
NYSE		
Advances	1,173	1,944
Declines	2,070	1,276
Unchanged	31	43
NewHighs	309	599
NewLows	60	30

AvDailyVol(mil)	2,898.1	2,728.4
Dollar		
(Finexspotindex)	80.19	80.21
T-Bond		
(CBTnearbyfutures)	137-120	135-000
Crude Oil		
(NYMlightsweetcrude)	100.83	104.06
Inflation KR-CRB		
(FuturesPriceIndex)	297.07	306.74
Gold		
(CMXnearbyfutures)	1337.00	1320.40

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DOW JONES
NEWSWIRES

London Shares Close Higher Amid Positive Sentiment

1,082 字
2014 年 7 月 14 日 17:07
Dow Jones Institutional News
DJDN
英文

Market News:

FTSE 100	6746.14	+55.97	+0.84%
FTSE 250	15577.71	+126.29	+0.82%
FTSE AIM All-Share	775.29	+5.07	+0.66%

Top News:
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U.S. drug giant AbbVie Inc. is close to clinching a deal to buy Dublin-based Shire PLC for more than GBP31 billion ($53.62 billion), in what would be one of the largest so-called inversion deals through which U.S. companies are seeking a lower corporate tax burden.

UK SFO Launches Probe Into Sweett Group's UAE Operations

Sweett Group PLC (CSG.LN) shares slid 12% Monday after the U.K. Serious Fraud Office said it has opened an investigation into the group over its operations in the United Arab Emirates and elsewhere.

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U.K.-listed Tullow Oil PLC (TLW.LN) said Monday it will abandon its second onshore well in Ethiopia after failing to encounter commercially viable oil but noted it will continue to explore the license area.

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Market Talk:
Ratings Agencies Assign Ratings for Greenko Debt Issuance

1557 GMT Rating agencies Standard & Poor's and Fitch Ratings Monday said they have assigned B long-term rating and B(EXP), respectively, to USD senior notes proposed by a unit of renewable energy company Greenko Group PLC (GKO.LN). S&P assessed a positive outlook saying company is one of the Indian government's preferred power suppliers, although it also notes the weak credit quality of some of its main customers, the state electricity boards in India. Fitch said Greenko plans to use the proceeds from the proposed notes to refinance existing debt, and notes the firm will be taking on exposure to US dollar as a result of the transaction.

JP Morgan Optimistic, But Nervous On Earnings

1316 GMT [Dow Jones]--JP Morgan's top equity picks as the earnings season approaches, include BP (BP), Johnson Matthey (JMAT.LN), Holcim (HOLN.VX), Lafarge (LG.FR), CRH (CRH), Rio Tinto (RIO), BHP (BBL), Vinci (DG.FR), Airbus (AIR.FR)and Schneider (SU.FR). "Fundamentally, we think that Q2 results should not disappoint. The ratio of negative to positive EPS preannouncements for S&P500 companies has fallen sharply in Q2, to 4.2x compared to 6x ahead of the Q1 reporting season and 10x for Q4," they write in a note. They add, however, that they expect general sentiment to be nervous following last week's weakness in European stocks. "Many fear that potential earnings disappointment could lead to further increase in market volatility," they write.

Farnborough Fillip for European Aerospace Stocks

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Contact: London NewsPlus, Dow Jones Newswires; +44-20-7842-9319

(END) Dow Jones Newswires

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DOW JONES
NEWSWIRES

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2014 年 7 月 14 日 14:54
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DOW JONES
NEWSWIRES

JP Morgan Optimistic, But Nervous On Earnings -- Market Talk

169 字
2014 年 7 月 14 日 14:16
Dow Jones Institutional News
DJDN
英文

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DOW JONES
NEWSWIRES

The Trader: Stocks Slip On Euro Bank Jitters, Profit-Taking -- Barron's

2,072 字
2014 年 7 月 12 日 05:07
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 7/14/14)
By Vito J. Racanelli
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Despite the contraction in U.S. gross domestic product in the first quarter, there's a basic market assumption that the economy is on a growth track, if a slow one, says Richard Weeks, partner at HighTower Advisors. The next few weeks of earnings from banks, tech companies, and industrials will give investors the first good window into the U.S. economy in the second quarter and whether or not the decline in first-quarter gross domestic product was a cold-weather fluke, as many assume, he adds.

Last week, the Dow Jones Industrial Average fell 0.7% or 125 points to 16,943.81, and the S&P 500 lost 18 or 0.9%, to 1967.57. The Nasdaq Composite index dropped 1.6%, or 70, to 4415.49. The Russell 2000 index fell 4% to 1159.93.

At the Federal Reserve's Open Market Committee meetings last week, the Fed reaffirmed that its bond-buying monetary stimulus will wind down in October.

A U.S. economic recovery is taken for granted, says Michael Shaoul, chairman of Marketfield Asset Management. U.S. companies, by dint of keeping a tight lid on labor and capital expenditures, have produced growing earnings. To the extent there are negative second-quarter profit surprises, perhaps caused by labor or capital capacity constraints, it will lead to choppy action in the market in the near term, he says. The bull "needs good corporate data."

Eventually, this market is going to correct and it's not likely to be the result of woes at a small bank in a small country on the edge of Europe.

Last week, Boeing (BA) raised its global jet-demand forecast more than 4%, to 36,770 airplanes over the next two decades, based on rising air travel and the strong growth of low-cost Asian carriers. A few days before, the commercial-jet and defense firm had announced that its second-quarter deliveries rose 7%. In the first quarter, its results handily beat expectations.

Despite generally good fundamental news, Boeing shares have fared poorly this year, descending 11%, to Friday's $128.09, from an all-time high of $144 last January, while the market is up 6%. That's in marked contrast to 2013, when Boeing soared 81%, making it the Dow Jones Industrial Average's best performer. This year, it's tied for the index's second worst.

A confluence of mostly nonfundamental and macro factors appear to be behind the price drop, and for investors with a long-term horizon, the stock is approaching good value.

The shares suffer from on-again, off-again concerns about Asian economic growth. The congressional debate over the future of the Export-Import Bank, which funds some jet purchases overseas, has investors nervous, too. Other factors include the recent drop in airline shares, which typically spills over to Boeing. And earlier this month, a train carrying important Boeing jet components derailed, giving rise to investor worries about the company's tight production deadlines.

The ability of Boeing to ramp up production, particularly of its new-generation 787 Dreamliner, which isn't yet profitable, is key, says Ron Doyle, head of equity investing at MeadowBrook Investment Advisors, a longtime holder of the shares. He likes that Boeing raised its first-quarter operating margin at the commercial division -- which accounts for about two-thirds of sales -- to 11.8% from 11.4%. In 2013, it rose to 10.9% from 9.6%.

The sustainability of that trend is important, given Boeing's previous production delays with the 787. Many expect the commercial side's operating margins to keep rising; Boeing's guidance of a 10% commercial-division margin undoubtedly disappointed more than a few investors when it was introduced with fourth-quarter results in January. Boeing tends to be conservative in its guidance.

In the first quarter, commercial-division revenue rose 19%, to $12.7 billion, and deliveries, 18%, to 161. The defense business continues to fare worse, with revenue and earnings down 6% in the first quarter, though this isn't a surprise.

Boeing has never offered a high dividend yield, but it hiked its payout 50% this year, to $2.92 a share, for a 2.3% yield. And it has a $10 billion stock-buyback program, of which about $2.5 billion has been used.

Some investors probably have taken profits after that tremendous 2013 run, says Doyle. Despite the stock's drop, he remains a fan because margins are climbing and airlines are doing well.

Boeing's long-term attractions remain. Besides rising air travel, the company, with Airbus, is in a duopoly with very high barriers to entry. With just $9 billion in debt and $12 billion in cash and marketable securities, it sports a strong balance sheet. The $93 billion market-cap manufacturer generated $6 billion in free cash flow last year.

Granted, its valuation hasn't fallen to fire-sale levels, but that doesn't happen too often. The stock's forward and trailing price/earnings ratios are a point or two lower than the long-term median. Boeing is cheaper than usual, compared with the market, as well.

Among Dow stocks, Doyle points out, you won't find another with a better outlook that is down as much as Boeing.

Not So Sunny in Hawaii

A big surprise this year has been a 13.5% rise in utility stocks, the best-performing sector in the first half, thanks to interest rates falling in that period. One mid-cap utility with a nice 5% yield is Hawaiian Electric Industries (HE). Investors who jump into this stock for the yield, however, should look before they leap.

HEI's 2013 results look good at first blush, but a few nonoperating items flattered last year's earnings. The utility that serves the 50th state reported net income of $161.5 million or $1.62 per share last year, up 16% from $139 million, or $1.42 in 2012.

However, Sam McBride, an analyst at New Constructs, an independent stock-research firm, says that net benefited significantly from nonoperating gains last year. For example, the utility increased the assumed return on its pension plan to 7.75%, much higher than the market average of 6.6%. This had the effect of "earning" a $10 million gain that helped net income, he says.

Similarly, 2012 results were artificially lowered by nonoperating charges, such as writedowns on assets. According to New Constructs, HEI's net operating profit after taxes (Nopat) -- which strips out nonoperating gains and losses from both years -- actually fell 9% in 2013, McBride adds.

The fundamental problem is that this utility has enjoyed little or no sales growth for three years, with revenue stuck around $3.3 billion. And, it faces a threat from solar power. Nopat growth has been 1% for a decade, low even for a utility, says New Constructs.

Though solar energy typically isn't competitive with power produced from hydrocarbons, the islands have a lot of sun and expensive fossil-fuel imports, making solar more competitive. About 10% of Hawaiian households use solar power.

McBride says HEI has produced about $200 million in Nopat annually for the past three years, but needs about $100 million a yearfor the dividend and has spent about $200 million in each of the past three years on capital investments. It's had negative free cash flow for four of the past six years, and debt increased to $1.5 billion last year from $1.3 billion in 2011. Effectively, debt is helping fund the dividend, he says.

In an e-mail, Clifford Chen, HEI's investor relations and strategic planning manager, disputes our reasons for skepticism. HEI doesn't provide cash-flow guidance but expects 2014 fully dilutedEPS of $1.57 to $1.67, says Chen, who adds that EPS are up from 91 cents in 2009 and return on equity has jumped to 9.7% from 5.9% in that span.

He notes the utility business is capital-intensive and regulated and that many utilities have negative free-cash flow. As for the pension issue, he contends, HEI's approach has been consistent, is in accordance with accounting norms, and has been reviewed by its auditor.

New Constructs argues that the company's operating picture is stagnant and that, in the medium term, if HEI doesn't see gains in revenue and operating earnings greater than it recently has had, debt will go higher or the dividend might have to go lower.

Fallen Timber

What happened to Lumber Liquidators Holdings (LL) last week is a good example of how difficult it is to short stocks in a raging bull market, even if skepticism about a company eventually proves to be correct.

The hardwood-floor retailer Thursday sharply cut its 2014 EPS outlook, to $2.65-$3 from $3.25-$3.60, blaming weakening customer traffic, among other things. That day, the once-hot stock dropped to $55 from $70; it closed Friday at $54.86.

12 Jul 2014 00:07 ET The Trader: Stocks Slip On Euro Bank Jitters, -2-

It had touched $120 last November. At that point, egg was squarely all over this column, because 18 months ago, we opined that it was expensive at $56, its price in January 2013. We said its double-digit-percent same-store sales gains weren't sustainable. The comparisons were negative-7% in the second quarter of this year, versus a 15% rise in the 2013 second quarter, right after our story ran.

Last December, we acknowledged Lumber Liquidators as our worst skeptical pick of 2013. We repeat that our negative call was too early, but last week's collapse offers a good and necessary reminder that the market can stay irrational longer than you can stay solvent.

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Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	16943.81	-124.45	-0.73
DJTransportation	8254.31	-40.43	-0.49
DJUtilities	559.43	+5.16	+0.93
DJ65Stocks	6016.35	-24.54	-0.41
DJUSMarket	495.62	-5.54	-1.11
NYSEComp.	10936.34	-168.38	-1.52
NYSEMKTComp.	2797.87	-35.57	-1.26
S&P500	1967.57	-17.87	-0.90
S&PMidCap	1411.48	-32.66	-2.26
S&PSmallCap	667.14	-25.40	-3.67
Nasdaq	4415.49	-70.43	-1.57
ValueLine(arith.)	4540.93	-123.45	-2.65
Russell2000	1159.93	-48.22	-3.99
DJUSTSMFloat	20554.98	-265.11	-1.27

	Last Week	Week Earlier
NYSE		
Advances	1,173	1,944
Declines	2,070	1,276

Unchanged	31	43
NewHighs	309	599
NewLows	60	30
AvDailyVol(mil)	2,898.1	2,728.4
Dollar (Finexspotindex)	80.19	80.21
T-Bond (CBTnearbyfutures)	137-120	135-000
Crude Oil (NYMlightsweetcrude)	100.83	104.06
Inflation KR-CRB (FuturesPriceIndex)	297.07	306.74
Gold (CMXnearbyfutures)	1337.00	1320.40

(END) Dow Jones Newswires

July 12, 2014 00:07 ET (04:07 GMT)

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DOW JONES
NEWSWIRES

Press Release: PwC Reports Robust IPO Market Surpasses $21 Billion in Q2 Proceeds, Best Quarter Volume Since 2007

1,265 字
2014 年 7 月 10 日 14:03
Dow Jones Institutional News
DJDN
英文

PwC Reports Robust IPO Market Surpasses $21 Billion in Q2 Proceeds, Best Quarter Volume Since 2007

First half 2014 proceeds top $32 billion

Broad mix of industries benefit from investor demand for growth

PR Newswire

NEW YORK, July 10, 2014

NEW YORK, July 10, 2014 /PRNewswire/ -- The market for initial public offerings (IPOs) finished on a strong note late in the second quarter of 2014, recording the highest quarterly deal volume since the fourth quarter of 2007. Interest in new equity issues is expected to remain healthy heading into the third quarter, driven by continued investor demand for growth and a strong equities market environment, according to IPO Watch, a PwC US quarterly survey of IPOs listed on U.S. stock exchanges.

According to PwC, there were 89 public company debuts in the second quarter of 2014, representing $21.5 billion in proceeds raised. On an annual basis, this represents an increase of 41 percent over the 63 public listings in the second quarter of 2013, and a 63 percent increase over the $13.2 billion raised. For the first half of the year, there were a total of 160 IPOs, generating $32.4 billion in proceeds compared to 97 IPOs totaling $21 billion in the same period the previous year. The IPO market saw a spike in activity beginning in mid-June, with 25 IPOs (28 percent of IPOs) pricing during the final three weeks of the second quarter.

Click here to view: Value and volume of IPOs by quarter

"Domestic capital markets activity remained very healthy during the second quarter with deal flow rebounding following a brief pullback in the spring," said Henri Leveque, leader of PwC's U.S. Capital Markets and Accounting Advisory Services. "Investors continue to search for growth opportunities given record low interest rates both in the U.S. and Europe, and a low growth economic environment. If the current strength of the equity markets continues and the global economic recovery stays on pace, the total number of 2014 IPOs and proceeds raised may surpass 2013 levels of 238 new issuers and $57 billion."

Healthcare and technology companies continued their high activity levels of the first quarter to lead the way in volume, and technology, consumer and energy companies raised the most proceeds. A large number of early-stage healthcare companies have also resurfaced in the IPO market, highlighting the importance of being well-prepared to take advantage of rapid changes in the IPO window.

Click here to view: Value, volume and proceeds of U.S. IPOs by industry

With an average 9.2 percent stock price increase on the first day of trading, one-day IPO returns continued to perform well. In addition, aftermarket returns of IPOs in the second quarter of 2014 generated on average 20.3 percent return over issue price as at quarter end, significantly outperforming all the broader stock markets despite both the Dow and the S&P500 reaching record highs. Demand for IPO stock that came to market remained strong, with 62 percent of IPOs pricing either above or within their estimated pricing ranges.

Financial sponsors maintained their strong presence in the public markets, backing 76 percent of the second quarter IPO value, slightly outpacing the same time period last year when financial sponsors represented 70 percent of IPO value. The ongoing pattern of sponsors not necessarily selling down their positions in the IPO, but rather staggering their sell-down over subsequent follow-on equity offerings and subsequent transactions continued in the second quarter.

Click here to view: Value, volume of financial sponsor IPOs

The high yield debt market continued to be driven primarily by refinancings, and remained active, handily exceeding proceeds raised in the second quarter 2013. A total of 178 issuances raising $105.1 billion were completed during the second quarter of this year, compared to 176 issuances raising $89.5 billion in the second quarter of 2013.

"Companies are continuing to take advantage of low interest rates to refinance their existing debt and take on additional leverage with more flexible terms," said Neil Dhar, PwC's U.S. Capital Markets Leader. "Management teams remain focused on finding the best outcome for their funding and liquidity goals and are thinking through a number of critical factors as they navigate the capital markets. We're seeing a deeper focus from participants on deal structures, rates, valuations, and fee arrangements. With capital market windows opening and closing at faster rates than ever before, independent evaluations of debt and equity issuers can deliver more successful deals."

PwC US IPO Watch is a quarterly and annual survey of IPOs listed on U.S. stock exchanges. These include IPOs by domestic and foreign companies, best-efforts, filings with the FDIC, and bank demutualization's. IPOs do not include unit investment trusts, commodity trusts and fully classified closed-end funds. Visit our website, www.pwc.com/us/ipo, for the annual 2013 US IPO Watch and information about PwC's IPO Services.

PwC's Deals practitioners help corporate and private equity executives navigate transactions to increase value and returns. In today's increasingly daunting economic and regulatory environment, our experienced M&A specialists assist clients on a range of transactions from smaller and mid-sized deals to the most complex transactions, including domestic and cross-border acquisitions, divestitures and spin-offs, capital events such as IPOs and debt offerings, and bankruptcies and other business reorganizations. We help clients with strategic planning around their growth and investment agendas and advise on business-wide risks and value drivers in their transactions for more empowered negotiations, decision-making and execution. We help clients expedite their deals, reduce their risks, capture and deliver value to their stakeholders and quickly return to business as usual. Our local and global deal strength is derived from our deal professionals in 35 cities in the U.S. and across a global network of firms in 75 countries. In addition, our network firm PwC Corporate Finance provides investment banking services within the U.S. For more information, visit www.pwc.com/us/deals

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/Web site: http://www.pwc.com/US

(END) Dow Jones Newswires

July 10, 2014 09:03 ET (13:03 GMT)

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Dow Tops 17,000 on Stellar Jobs Report

By Avi Salzman
1,784 字
2014 年 7 月 7 日
Barron's
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Traders got cake and ice cream last week -- news of stellar jobs growth in June, with a delicious topping of ultra-low interest rates. The double treat sent the Dow Jones Industrial Average over 17,000 for the first time ever, and left the Standard & Poor's 500 index within striking distance of 2000.

The economy added 288,000 jobs in June, and the previous two months' tallies were revised higher by a total of 29,000 jobs. Earlier in the week, Federal Reserve Chair Janet Yellen reassured investors that the Fed wasn't expecting to raise interest rates soon in order to deflate bubbles in financial markets.

The robust jobs number could put to rest any fears that the economic recovery is in full swing, despite disappointing first-quarter gross domestic product, says Douglas Cote, the chief market strategist at Boya Investment Management. "There's been disbelief and distrust of the bull-market rally. This is an unequivocal signal that investors are safe to get back into the waters."

But given the run-up in equities, are there still gains to be had? "The biggest mistake investors make is saying 'I'm waiting for the pullback,' " Cote says. "It never happens. They've been waiting for four years."

Last week, the Dow gained 216 points, or 1.3%, to 17,068.26, its 14th record high of the year. The S&P 500 closed up 24 points, or 1.2%, to 1985.44, its 25th record close of the year. The Nasdaq Composite index rose 88 points, or 2%, to 4485.93.

"The path of least resistance for the market is to grind higher," says Bob Doll, chief equity strategist for Nuveen Asset Management. "Valuations are respectable. They're not ridiculous compared to the alternatives."

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The indexes sometimes waffle around big milestones, retreating at the precipice or stalling after crossing the line. Since topping 10,000, the Dow has fallen an average of 0.4% in the two weeks after surpassing each successive 1,000-point milestone, according to Todd Salamone at Schaeffer's Investment Research.

"There's a lot more caution over the past several years," said Salamone. "When you have a headline index hitting a benchmark it does give investors pause. It's almost like an evaluation point. The knee-jerk response is to sell a little. There's an attitude of 'I want to take some profits' instead of 'I want to join this party.' "

But market technicians question the trend. There may be "psychological resistance" to big, round numbers, but there aren't any technical barriers. Wells Fargo equity strategist Scott Wren played Dr. Freud to the market, reminding everyone that "17,000 is just a number." Sometimes a cigar is just a cigar!

In fact, technicians see few reasons to be bearish at this point. A market top tends to be preceded by volatility as traders become indecisive, says Jonathan Krinsky, chief market technician at MKM Partners. But trading remains subdued.

And the trend lines that the technical soothsayers follow all point to a longer bull market. The S&P 500 has now closed above its 200-day trading average for more than 400 consecutive trading days, the second longest streak in the last 50 years.

"We're at some pretty amazing extremes as far as consecutive days above the 200-day moving average, consecutive quarters up in a row for the S&P," said Krinsky. "Those are all stretched to some of the biggest extremes we've seen in the past 50 years."

"On the other hand, prices are above all the moving averages, and the moving averages are rising, so there's really no sell signal right now," he says.

One potentially bearish signal is that late-cycle bull-market sectors like energy and utilities are outperforming, says Krinsky.

Consumer-discretionary stocks and financials, meanwhile, are lagging.

"That kind of sector rotation generally is seen in late-cycle bull markets," Krinsky says. "The question is, how late in the cycle are we? There are warning signs, but until you actually see prices break some support levels or show any type of reversal, it's really tough to act on them."

Jeff Weiss, the chief technical analyst at Tejas Securities Group, sees market support at about 1930-1940 on the S&P 500. "If we go to the low 1900s it would suggest that market momentum has waned," he says.

To the surprise of several analysts, investors remained desperate for income in the first half of the year, bidding up bond prices and stocks of dividend-payers such as utilities and real-estate investment trusts.

Dividend payers in the S&P 500 saw their stocks rise 9.8% through June, compared with 8.8% for nonpayers. Utilities were the top-performing sector in the S&P 500, even before accounting for their payouts. (See Speaking of Dividends, page 32, for more discussion of first-half dividends.)

For the second half of the year, several strategists have recommended that investors ditch the big dividend-paying stocks and buy stocks of companies that have smaller dividends but can be expected to grow those payouts.

Stocks with high dividends will become less attractive as interest rates rise, because investors will be able to get comparable yields from less risky assets.

Virgil Calahong and Daniel Victor of Markit Dividend Research put together a list of the 10 S&P 500 stocks they expect to raise dividends the most in the second half of the year. The list is ranked based on the size of the expected percentage increase. Newmont Mining (NEM), which leads the pack, is a special case -- it pays a dividend based on the price of gold in the preceding quarter.

Delta Air Lines (DAL) is likely to boost its dividend, a testament to the newfound stability of the airline industry that has allowed the major flyers to return more cash to shareholders. Markit sees Delta raising its payout 50% in the third quarter and another 33% by the third quarter of 2015. That will take the annual dividend to 48 cents a year, up from its current 30 cents. Delta currently is paying out only 10% of its earnings.

Markit projects Whole Foods Market (WFM) and Starbucks (SBUX), both of which have trailed the market this year, will raise their dividends by 25% and 23%, respectively, in the second half of the year. While Starbucks has continued to post impressive same-store sales gains, Whole Foods appears to have entered a slower-growth phase, and could use its dividend to entice more investors.

Bob Landry, a portfolio manager at USAA who focuses on dividend stocks, agrees with the strategy of buying companies that might not have high yields now, but are now focusing on returning more of their earnings to shareholders. Generally dividend growers have growing cash flows and an aversion to making costly acquisitions, he contends.

"Investors will continue to reward companies that invest that way, not squandering capital by trying to buy growth," he says. "Those are the ones where recently I've seen some pretty good opportunities."

Landry says the fund he manages bought Schlumberger (SLB) a few months ago with the expectation that it will continually raise its dividend. It currently pays out $1.60 a year, giving the stock a 1.4% yield.

"I expect they'll grow the dividend at a mid-teens rate in the next few years," he says.

CVS (CVS), which also yields 1.4%, looks attractive. It is paying out only 24% of its earnings, and could benefit from the expansion of coverage under Obamacare, as well as the walk-in clinics it is establishing in its stores, Landry says.

A Smart Bet on PetSmart

Recently, colleague Vito Racanelli suggested in this column that PetSmart (PETM), a retailer of pet food and services, could "get its groove back" after a disappointing earnings outlook ("Defying Iraqi Risk, Dow, S&P

Set New Records, June 21, 2014"). Things looked pretty groovy Thursday, as the stock leapt 13% after activist hedge fund Jana Partners revealed that it had acquired a 9.9% stake in the company. Jana said in a regulatory filing that it is exploring "strategic alternatives" to realize value, including a possible sale of the company.

PetSmart's appeal to a savvy investor like Jana seems clear. The retailer has $230 million in cash and no long-term debt. Plus, pet care, a $37 billion business, has been growing at a steady 4% to 5% annual clip.

Jana has brought profitable change to other companies, including McGraw Hill Financial (MHFI) and Marathon Oil (MRO). Investors are hoping it will do the same for PetSmart.

-- Dimitra DeFotis

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e-mail: avi.salzman@barrons.com

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17068.26	+216.42	+1.28
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DJ65Stocks	6040.89	+38.86	+0.65
DJUSMarket	501.17	+6.15	+1.24
NYSEComp.	11104.72	+130.29	+1.19
NYSEMKTComp.	2833.44	+58.05	+2.09
S&P500	1985.44	+24.48	+1.25
S&PMidCap	1444.14	+17.59	+1.23
S&PSmallCap	692.54	+11.93	+1.75
Nasdaq	4485.93	+88.00	+2.00
ValueLine(arith.)	4664.35	+71.77	+1.56
Russell2000	1208.15	+18.65	+1.57
DJUSTSMFloat	20820.09	+261.92	+1.27

	Last Week	Week Earlier
NYSE		
Advances	1,944	1,817
Declines	1,276	1,414
Unchanged	43	43
NewHighs	599	556
NewLows	30	66
AvDailyVol(mil)	2,728.4	3,034.2
Dollar (Finexspotindex)	80.20	80.04
T-Bond (CBTnearbyfutures)	135-000	136-290
Crude Oil (NYMlightsweetcrude)	104.06	105.74
Inflation KR-CRB (FuturesPriceIndex)	306.74	310.82
Gold (CMXnearbyfutures)	1320.40	1319.00

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The Trader: Dow Tops 17,000 On Stellar Jobs Report -- Barron's

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(FROM BARRON'S 7/7/14)

By Avi Salzman

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One potentially bearish signal is that late-cycle bull-market sectors like energy and utilities are outperforming, says Krinsky.

Consumer-discretionary stocks and financials, meanwhile, are lagging.

"That kind of sector rotation generally is seen in late-cycle bull markets," Krinsky says. "The question is, how late in the cycle are we? There are warning signs, but until you actually see prices break some support levels or show any type of reversal, it's really tough to act on them."

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To the surprise of several analysts, investors remained desperate for income in the first half of the year, bidding up bond prices and stocks of dividend-payers such as utilities and real-estate investment trusts.

Dividend payers in the S&P 500 saw their stocks rise 9.8% through June, compared with 8.8% for nonpayers. Utilities were the top-performing sector in the S&P 500, even before accounting for their payouts. (See Speaking of Dividends, page 32, for more discussion of first-half dividends.)

For the second half of the year, several strategists have recommended that investors ditch the big dividend-paying stocks and buy stocks of companies that have smaller dividends but can be expected to grow those payouts.

Stocks with high dividends will become less attractive as interest rates rise, because investors will be able to get comparable yields from less risky assets.

Virgil Calahong and Daniel Victor of Markit Dividend Research put together a list of the 10 S&P 500 stocks they expect to raise dividends the most in the second half of the year. The list is ranked based on the size of the expected percentage increase. Newmont Mining (NEM), which leads the pack, is a special case -- it pays a dividend based on the price of gold in the preceding quarter.

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"Investors will continue to reward companies that invest that way, not squandering capital by trying to buy growth," he says. "Those are the ones where recently I've seen some pretty good opportunities."

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PetSmart's appeal to a savvy investor like Jana seems clear. The retailer has $230 million in cash and no long-term debt. Plus, pet care, a $37 billion business, has been growing at a steady 4% to 5% annual clip.

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-- Dimitra DeFotis

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e-mail: avi.salzman@barrons.com

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	17068.26	+216.42	+1.28
DJTransportation	8294.74	+119.22	+1.46
DJUtilities	554.27	-17.44	-3.05
DJ65Stocks	6040.89	+38.86	+0.65
DJUSMarket	501.17	+6.15	+1.24
NYSEComp.	11104.72	+130.29	+1.19
NYSEMKTComp.	2833.44	+58.05	+2.09
S&P500	1985.44	+24.48	+1.25
S&PMidCap	1444.14	+17.59	+1.23
S&PSmallCap	692.54	+11.93	+1.75
Nasdaq	4485.93	+88.00	+2.00
ValueLine(arith.)	4664.35	+71.77	+1.56
Russell2000	1208.15	+18.65	+1.57
DJUSTSMFloat	20820.09	+261.92	+1.27
	Last Week	Week Earlier	

NYSE

The Trader: Dow Tops 17,000 On Stellar Jobs Report -- Barron's -2-

July 05, 2014 00:08 ET (04:08 GMT)

(END) Dow Jones Newswires

07-07-14 0039GMT

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The Trader: Dow Tops 17,000 On Stellar Jobs Report -- Barron's

1,924 字
2014 年 7 月 5 日 05:08
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 7/7/14)
By Avi Salzman

Traders got cake and ice cream last week -- news of stellar jobs growth in June, with a delicious topping of ultra-low interest rates. The double treat sent the Dow Jones Industrial Average over 17,000 for the first time ever, and left the Standard & Poor's 500 index within striking distance of 2000.

The economy added 288,000 jobs in June, and the previous two months' tallies were revised higher by a total of 29,000 jobs. Earlier in the week, Federal Reserve Chair Janet Yellen reassured investors that the Fed wasn't expecting to raise interest rates soon in order to deflate bubbles in financial markets.

The robust jobs number could put to rest any fears that the economic recovery is in full swing, despite disappointing first-quarter gross domestic product, says Douglas Cote, the chief market strategist at Boya Investment Management. "There's been disbelief and distrust of the bull-market rally. This is an unequivocal signal that investors are safe to get back into the waters."

But given the run-up in equities, are there still gains to be had? "The biggest mistake investors make is saying 'I'm waiting for the pullback,' " Cote says. "It never happens. They've been waiting for four years."

Last week, the Dow gained 216 points, or 1.3%, to 17,068.26, its 14th record high of the year. The S&P 500 closed up 24 points, or 1.2%, to 1985.44, its 25th record close of the year. The Nasdaq Composite index rose 88 points, or 2%, to 4485.93.

"The path of least resistance for the market is to grind higher," says Bob Doll, chief equity strategist for Nuveen Asset Management. "Valuations are respectable. They're not ridiculous compared to the alternatives."

Second-quarter earnings season starts unofficially in the coming week, with Alcoa (ticker: AA) set to report Tuesday.

Before the Dow leaped over 17,000 last week, it flirted with that big, round number for a few days, coming as close as 16,998.7 Tuesday before traders lost their nerve. The S&P 500 is tantalizingly close to 2000, which would be a new record in nominal terms; the index reached an inflation-adjusted high (in 2014 dollars) of 2,073.18 on March 22, 2000, notes Barron's Economics Editor Gene Epstein.

The indexes sometimes waffle around big milestones, retreating at the precipice or stalling after crossing the line. Since topping 10,000, the Dow has fallen an average of 0.4% in the two weeks after surpassing each successive 1,000-point milestone, according to Todd Salamone at Schaeffer's Investment Research.

"There's a lot more caution over the past several years," said Salamone. "When you have a headline index hitting a benchmark it does give investors pause. It's almost like an evaluation point. The knee-jerk response is to sell a little. There's an attitude of 'I want to take some profits' instead of 'I want to join this party.' "

But market technicians question the trend. There may be "psychological resistance" to big, round numbers, but there aren't any technical barriers. Wells Fargo equity strategist Scott Wren played Dr. Freud to the market, reminding everyone that "17,000 is just a number." Sometimes a cigar is just a cigar!

In fact, technicians see few reasons to be bearish at this point. A market top tends to be preceded by volatility as traders become indecisive, says Jonathan Krinsky, chief market technician at MKM Partners. But trading remains subdued.

And the trend lines that the technical soothsayers follow all point to a longer bull market. The S&P 500 has now closed above its 200-day trading average for more than 400 consecutive trading days, the second longest streak in the last 50 years.

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DJUSMarket	501.17	+6.15	+1.24
NYSEComp.	11104.72	+130.29	+1.19
NYSEMKTComp.	2833.44	+58.05	+2.09
S&P500	1985.44	+24.48	+1.25
S&PMidCap	1444.14	+17.59	+1.23
S&PSmallCap	692.54	+11.93	+1.75
Nasdaq	4485.93	+88.00	+2.00
ValueLine(arith.)	4664.35	+71.77	+1.56
Russell2000	1208.15	+18.65	+1.57
DJUSTSMFloat	20820.09	+261.92	+1.27

	Last Week	Week Earlier
NYSE		

5 Jul 2014 00:08 ET The Trader: Dow Tops 17,000 On Stellar Jobs -2-

Advances	1,944	1,817
Declines	1,276	1,414
Unchanged	43	43
NewHighs	599	556
NewLows	30	66
AvDailyVol(mil)	2,728.4	3,034.2
Dollar (Finexspotindex)	80.20	80.04
T-Bond (CBTnearbyfutures)	135-000	136-290
Crude Oil (NYMlightsweetcrude)	104.06	105.74
Inflation KR-CRB (FuturesPriceIndex)	306.74	310.82
Gold (CMXnearbyfutures)	1320.40	1319.00

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Visit http://www.companyspotlight.com/partner?cp_code=A591&isin=US8552441094

Access Investor Kit for Whole Foods Market, Inc.

Visit http://www.companyspotlight.com/partner?cp_code=A591&isin=US9668371068

(END) Dow Jones Newswires

July 05, 2014 00:08 ET (04:08 GMT)

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MarketWatch

Paul B. Farrell
News & Commentary
The Great Obama Bull Market will roar till 2016; Commentary: Historic market up 250%, aims for a 300% gain by election

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MarketWatch
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Yes, it’s time to celebrate. We’re in a historic bull market. GOP conservatives keep fighting the wrong war, against the Obama economy. Meanwhile, the Obama bull market keeps roaring ahead!. And the long term looks even better: Bullish pundits predict stocks will continue climbing into the 2016 presidential election.

Folks, this stock market has been roaring since March 2009 when the DJIA bottomed at 6,547, a painful 53.9% drop from the October 2007 high of 14,164 during the Wall Street bank credit crash in Bush’s last year as president. The S&P 500 also bottomed, at 676, a 56.6% drop.

However, since March 2009 the stock market has been steadily climbing. Over five years. And the DJIA’s made a remarkable recovery, to just under its next big milestone, 17,000. While the S&P500 is nearing 2,000, headed up. Yes, market gains over 250% ... and still climbing!

So what can we expect from the stock market by 2016 and the election of the next American president? More! Fabulous 250% gains so far. And bigger gains possible coming in the next couple years till we elect a new president. Maybe over 300%. Gains likely to favor a Democrat.

Get it? GOP conservatives may have been successful in slowing America’s economic recovery. But the stock market is actually getting surprisingly stronger from this political war. With every Obama progressive move — Obamacare, ERA regulations, equal pay for women, gay rights, minimum wages, stem-cell research, immigration, Osama bin Laden, deficit cuts and so much more — GOP conservatives and the tea party learn little, only hear enough for another attack on Obama, offer no solutions, just opposition.

But the bull market keeps roaring and roaring. Get it? As the war against all-things-Obama accelerates, as the economic recovery slows, as the GOP fights infrastructure funding, as they fail to pass jobs stimulus programs ... the stock market gets stronger, roars bullishly ahead.

And the Great Obama Bull Market will help Democrats in 2016

No matter how self-destructive conservative opposition gets, demographic trends are also rapidly diminishing the power of the party of “angry white men,” as GOP Sen. Lindsay Graham calls it, further fragmenting his party, spotlighting the lack of a strong presidential candidate, and, paradoxically, increasing the prospects of a Hillary Clinton election.

But still, in spite of the intense ideological war, if all the experts predictions are on target with another 30% in the Dow and the S&P500 rising to 2,250, Wall Street and Main Street investors could see a remarkable 300%-plus gain by the next presidential election.

Check out these predictions: “Expect a 30% gain before the bull market ends,” is the headline prediction of Decision Economics CEO Allen Sinai in Bottomline Personal. He sees 18,500 on the Dow in 2014. And ahead we don’t even “need a robust 4%-to-5% GDP to keep the bull market going,” echoing the bullish forecasts of other forecasters, like Nouriel Roubini and Merrill Lynch strategist Michael Hartnett who also see a roaring bull till 2017.

And in “Best Guesses for the Next Two Years,” one of America’s more accurate market forecasters, Jeremy Grantham, strategist and founder of the $117 billion GMO money team writes: “This year should continue to be difficult.” But after October “the market is likely to be strong, especially through April and by then or in the following 18 months up to the next election (or, horrible possibility, even longer) will have rallied past 2,250, perhaps by a decent margin.”

Yes, America's headed for a historic 7-year bull by the 2016 elections

Grantham's wrap-up: "then around the election or soon after, the market bubble will burst, as bubbles always do, and will revert to its trend value, around half of its peak or worse, depending on what new ammunition the Fed can dig up." Yes, Grantham is predicting a possible market collapse from a seven-year long bull market. Meanwhile, enjoy a couple more great years, and protect yourself for later.

Grantham admits a black swan could stop the bull early. But his bottom line is clear: The bull "will not end for at least a year or two and probably not before it reaches a level in excess of 2,250 on the S&P 500." But while it will "end badly ... given this regime of the Federal Reserve and given the levels of excess at other market peaks, I think it would be difficult to end this bull market just yet." So the bull will just keep roaring to more records.

OK, so maybe you don't believe him, it does sound too good to be true. Well, run the numbers yourself. The fact is, this bull market did start at 6,547, in the doldrums of the 2009 recession. And it's predicted to just keep roaring, even adding another 30% on top of the current near-record DJIA pushing 17,000. And assuming no black swans, that could put the benchmark DJIA roaring all the way up around 22,000 by the time we vote on a new president in November 2016. Yes, let's all celebrate.

Yes, folks, you are seeing a rare historical event, two bulls back-to-back, end-on-end with no real bear market in between. Yes, rare, over the past century, says IBD Publisher Bill O'Neil in his classic, "How to Make Money in Stocks," the average bull cycle runs up for an average of 3.75 years, then falls into a bear for an average nine months.

Today Wall Street stocks are climbing a wall of worry. A similar event happened in the 2002-2008 bull run. P/E ratios were so high in 2004 Wall Street panicked. The market ignored it, barely paused on its six-year bull run till its 14,164 peak in late 2007.

This time, there's also no real bear break between two bull runs. The Great Obama Bull Market took off in early 2009 and just keeps roaring. We reported on how Gross, Roubini and many gurus apparently thought the IBD/O'Neil data meant the market was headed down in 2013. But like 2004, it didn't drop. Now, both the market and economy could just keep roaring till the 2016 presidential elections. That's over seven years with a potential bull gain of 300%-plus.

Yes, the Great Obama Bull Market would be one for the history books

So, yes, in spite of the relentless GOP opposition, the attacks, legislative gridlock, economic headwinds, and global macroeconomic land mines put in his path, in spite of the ever-possible, unpredictable black swan, the Great Obama Seven-Year Bull Market, as financial history books will likely call it, may just keep thriving, overcoming obstacles, and roaring ahead predictably, hopefully till the next presidential election on November 3, 2016.

And that label will stick no matter who gets elected the next president: From the Democrats corner, the current frontrunner, Hillary Clinton , whose "Hard Choices" book tour has launched her campaign, who is clear choice of the majority of American women who believe it's time for a woman president, and whose resolve now has the added incentive of the conservative Hobby Lobby attack on women's reproductive rights.

Bottom line: the legacy of this long bull run would also be locked in financial history even if a Republican becomes president — whether a loyalist like Jeb Bush, Chris Christie or Mitt Romney again. Even if the tea party takes over the GOP and nominate a favorite like Ted Cruz, Rick Perry, Marco Rubio or Rand Paul and they defeat Hillary Clinton . No matter how much conservatives will forever hate to admit it, if the Great Obama Bull Market keeps roaring till 2016, it deserves a chapter in the history books.

Celebrate the birth of our great nation ... a bull run till 2016 ... the Dow roaring to 22,000!

The Great Obama Bull Market took off in early 2009 and just keeps roaring. Now, both the market and economy could just keep roaring till the 2016 presidential elections. That's over seven years with a potential bull gain of 300%-plus.|103

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DOW JONES
NEWSWIRES

No Perfect Prescription: Barclays Downgrades Bristol-Myers, Upgrades AbbVie -- Barron's Blog

By Ben Levisohn
505 字
2014 年 7 月 2 日 16:34
Dow Jones Institutional News
DJDN
英文

Pharmaceutical stocks like Eli Lilly (LLY), Merck (MRK) and AbbVie (ABBV) had a great first half of 2014. Barclays, however, thinks the good times could be coming to an end.

Barclays' Mark Purcell and team explain why they downgraded the pharmaceutical sector to Neutral from Positive:

We are downgrading the sector view for US Pharma majors from Positive to Neutral, given that the sector has re-rated back to historical averages, modest growth prospects appear priced in and pipeline expectations remain relatively high despite the increasingly crowded commercial environment...

Historically US pharma companies have traded in line with S&P500 on a forward P/E basis (16x). The valuation gap between pharma and S&P500 has closed since 2007 with an improved growth and pipeline outlook beyond the much vaunted patent cliff. While the attractiveness of high dividend yields in a low-rate environment can't be dismissed, our strategists believe that the market's long-held bias towards "quality" and

"defensiveness" will be increasingly challenged.

Our revised stance aligns with our global strategists who believe Pharma will underperform vs cyclical sectors. We have moved to valuing the US Pharma majors using a consistent DCF methodology, which implies that the sector is fully valued...

The downgrade, however, sounds reluctant at best. Sure, Bristol-Myers Squibb (BMY) was cut to Equal Weight from Overweight, and its price target slashed to $46 from $65, but it had been a big loser this year anyway. Shares of Bristol-Myers have dropped 9.7% so far in 2014. Other stocks actually saw their price targets increase--and AbbVie was even upgraded.

Eli Lilly, for instance, had its price target raised to $63 from $51, while Merck has its target lifted to $61 from $50. And AbbVie? Purcell raised it to Overweight from Equal Weight and increased its price target to $65 from $44. He explains why:

Central to our Overweight rating is that key immunology drug Humira will remain stronger for longer despite both branded and biosimilar competitive threats. We have raised our Humira 2020E revenues from $12.8bn to $15.0bn versus consensus expectations of $12.3bn, which in isolation drives >11% upgrade to 2020E EPS. We believe the proposed deal with SHP could further unlock value and ease the concern of over concentration on Humira through diversification, with the GBP46.26 offer 18% accretive to 2020E EPS and the deal NPV accretive up to GBP64/share. We have conservatively assumed a standalone tax rate of 22% going forward versus the 13% target rate.

Despite the downgrade, shares of Bristol-Myers Squibb have gained 0.2% to $48.23 at 11:32 a.m., while Eli Lilly has risen 0.5% to $62.79, Merck has advanced 0.8% to $58.95 and AbbVie is up 0.5% at $57.15.

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

July 02, 2014 11:34 ET (15:34 GMT)

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Stocks Fall 0.1% on Hawkish Talk From the Fed

By Avi Salzman
1,907 字
2014 年 6 月 30 日
Barron's
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The past week saw the stock-market debut of a company called GoPro, which makes video cameras you can strap to your head. If investors strapped cameras to their heads to film the highs and lows of finance last week, no one would watch.

Trading remains subdued, and stocks mostly treaded water. The Dow Jones Industrials and Standard & Poor's 500 fell slightly on the week, in reaction to more hawkish banter by Federal Reserve officials. The talk suggests the central bank might raise interest rates as soon as the first quarter of 2015, slightly earlier than investors have been expecting.

After closing at a new record high the previous Friday, the Dow finished the week down 0.6%, or 95 points, to 16,851.84. The S&P 500 index fell 1.9 points, or 0.1%, to 1960.97. The Nasdaq Composite added 30 points, or 0.7%, to close at 4397.93.

Not even a miserable first-quarter reading on gross domestic product shook the market out of the doldrums. "It was horrific, worse than anyone expected," Yousef Abbasi, global market strategist at JonesTrading Institutional Services, said of the 2.9% decline in first-quarter economic output. "But we were very quickly willing to excuse it."

Abbasi focused instead on statements by Fed officials such as James Bullard, who indicated the Fed might raise interest rates in the first quarter of 2015. Bullard, president of the St. Louis Fed, doesn't vote on the Federal Open Market Committee, the Fed's policy-making arm, but he and other Fed officials appear to be more worried about an uptick in inflation than Fed Chair Janet Yellen, who dismissed the data as "noisy" the previous week.

Other data buoyed the Street. New-home sales spiked 18.6% in May, the largest gain in more than 20 years. Consumer-sentiment data released Friday was rosier than expected.

Investors await second-quarter results for more guidance. Quarterly results from S&P 500 companies such as General Mills (ticker: GIS) and Oracle (ORCL) have mostly proven uninspiring, says Zacks Investment Research. "These initial reports don't inspire much confidence and appear to be pointing toward another underwhelming reporting season ahead," wrote research director Sheraz Milan, while noting that it may be "premature to draw any firm conclusions."

Nike (NKE), bucked the tide, however, by posting better-than-expected earnings late Thursday, seeing particular growth in its soccer division, where revenue rose 18%. It was a fitting end to a week when the U.S. men's soccer team shocked most of the world by advancing in the World Cup.

Trading is likely to remain slow in the coming holiday-shortened week.

"The big players are all on vacation," said Brad McMillan, chief investment officer for the Commonwealth Financial Network. "Keep an eye on any news that companies release on July 3. It will probably be something they want to bury."

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But when, exactly, will rates rise? It could happen sooner than many investors think, and the pace of increases could be rapid.

Ajay Rajadhyaksha, the co-head of FICC Research at Barclays, says investors are underestimating how quickly interest rates will rise. Right now, federal-funds futures markets are pricing in a 1.75% to 1.8% rate by the end of 2016, which means investors see rates rising at a very gradual pace of about 1% a year starting sometime next year. But the Fed has never raised rates that slowly -- in fact, the past five rate increases occurred in less than a year and a half on average from start to finish. The process has never taken more than two years, he says. "U.S. rates markets are being complacent," Rajadhyaksha says.

That complacency is bleeding over to the stock market, which is still buoyed by expectations of an extended period of low rates. Rajadhyaksha argues that investors should shift more of their portfolios to Europe because the continent is on the rebound and policymakers will likely hold rates down for longer. Loose monetary policy should goose the European rally. "The euro zone is one area where you can say that monetary policy will be accommodative for a long period of time," he says.

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Vital Signs

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DJUtilities	571.71	+5.25	+0.93
DJ65Stocks	6002.03	-16.22	-0.27
DJUSMarket	495.01	-0.38	-0.08
NYSEComp.	10974.42	-43.69	-0.40
NYSEMKTComp.	2775.39	-45.34	-1.61
S&P500	1960.96	-1.91	-0.10
S&PMidCap	1426.55	+1.19	+0.08
S&PSmallCap	680.61	+1.02	+0.15
Nasdaq	4397.93	+29.89	+0.68
ValueLine(arith.)	4592.58	+8.26	+0.18
Russell2000	1189.50	+1.07	+0.09
DJUSTSMFloat	20558.16	-16.66	-0.08

	Last Week	Week Earlier
NYSE		
Advances	1,817	2,243
Declines	1,414	973
Unchanged	43	48
NewHighs	556	574
NewLows	66	51
AvDailyVol(mil)	3,034.2	3,196.5
Dollar		
(Finexspotindex)	80.02	80.33
T-Bond		
(CBTnearbyfutures)	136-290	135-110
Crude Oil		
(NYMlightsweetcrude)	105.74	107.26
Inflation KR-CRB		
(FuturesPriceIndex)	310.82	312.93
Gold		
(CMXnearbyfutures)	1319.00	1316.20

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DOW JONES
NEWSWIRES

The Trader: Stocks Fall 0.1% On Hawkish Talk From The Fed -- Barron's

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Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 6/30/14)
By Avi Salzman
The past week saw the stock-market debut of a company called GoPro, which makes video cameras you can strap to your head. If investors strapped cameras to their heads to film the highs and lows of finance last week, no one would watch.

Trading remains subdued, and stocks mostly treaded water. The Dow Jones Industrials and Standard & Poor's 500 fell slightly on the week, in reaction to more hawkish banter by Federal Reserve officials. The talk suggests the central bank might raise interest rates as soon as the first quarter of 2015, slightly earlier than investors have been expecting.

After closing at a new record high the previous Friday, the Dow finished the week down 0.6%, or 95 points, to 16,851.84. The S&P 500 index fell 1.9 points, or 0.1%, to 1960.97. The Nasdaq Composite added 30 points, or 0.7%, to close at 4397.93.

Not even a miserable first-quarter reading on gross domestic product shook the market out of the doldrums. "It was horrific, worse than anyone expected," Yousef Abbasi, global market strategist at JonesTrading Institutional Services, said of the 2.9% decline in first-quarter economic output. "But we were very quickly willing to excuse it."

Abbasi focused instead on statements by Fed officials such as James Bullard, who indicated the Fed might raise interest rates in the first quarter of 2015. Bullard, president of the St. Louis Fed, doesn't vote on the Federal Open Market Committee, the Fed's policy-making arm, but he and other Fed officials appear to be more worried about an uptick in inflation than Fed Chair Janet Yellen, who dismissed the data as "noisy" the previous week.

Other data buoyed the Street. New-home sales spiked 18.6% in May, the largest gain in more than 20 years. Consumer-sentiment data released Friday was rosier than expected.

Investors await second-quarter results for more guidance. Quarterly results from S&P 500 companies such as General Mills (ticker: GIS) and Oracle (ORCL) have mostly proven uninspiring, says Zacks Investment Research. "These initial reports don't inspire much confidence and appear to be pointing toward another underwhelming reporting season ahead," wrote research director Sheraz Milan, while noting that it may be "premature to draw any firm conclusions."

Nike (NKE), bucked the tide, however, by posting better-than-expected earnings late Thursday, seeing particular growth in its soccer division, where revenue rose 18%. It was a fitting end to a week when the U.S. men's soccer team shocked most of the world by advancing in the World Cup.

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28 Jun 2014 00:07 ET The Trader: Stocks Fall 0.1% On Hawkish Talk From -2-

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(END) Dow Jones Newswires

June 28, 2014 00:07 ET (04:07 GMT)

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DOW JONES NEWSWIRES

Dividends Reported June 25

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2014 年 6 月 25 日 23:00
Dow Jones Institutional News
DJDN
英文

Company	Symbol	Yld	Per	Amount	Payable	Record
Initial						
ALPS Emg Dividend Dogs	EDOG			.4938	Jul 02	Jun 27
iSh Enh Intl Small-Cap	IEIS			.2287	Jul 02	Jun 27
iSh Enhanced Intl LgCp	IEIL			.3759	Jul 02	Jun 27
KraneShares CSI China 5	KFYP			.3509	Jun 30	Jun 27
Parke Bancorp	PKBK			.05	Jul 31	Jul 15
ProShares DJ Brookfield	TOLZ			.3276	Jul 03	Jun 27
ProShares Ultra Hi Yield	UJB			.0245	Jul 03	Jun 27
Regular						
Camden National	CAC	2.8	Q	.27	Jul 31	Jul 17
Clarcor Inc	CLC	1.1	Q	.17	Jul 18	Jul 07
General Mills	GIS	3.2	Q	.41	Aug 01	Jul 10
L-3 Commun	LLL	2.0	Q	.6	Sep 15	Aug 18
LaSalle Hotel Prop Pfd H	LHOpH	7.0	Q	.4688	Jul 15	Jul 01
LaSalle Hotel Prop Pfd I	LHOpI	6.6	Q	.3984	Jul 15	Jul 01
MeadWestvaco	MWV	2.3	Q	.25	Sep 02	Aug 01
RGC Resources	RGCO	3.8	Q	.185	Aug 01	Jul 15
Vanguard Natural Pfd A	VNRAP	7.6	M	.1641	Jul 15	Jul 01
Vanguard Rsc 7.625% Pfd B	VNRBP	7.7	M	.1589	Jul 15	Jul 01
WD 40 Co	WDFC	1.8	Q	.34	Jul 31	Jul 11
Funds, Investment Cos.						
Alerian Engy Infr	ENFR	2.4	Q	.1808	Jul 02	Jun 27
ALPS Cohen Gbl Realty	GRI	3.6	Q	.3899	Jul 02	Jun 27
ALPS Equal Sector Weight	EQL	1.7	Q	.2279	Jul 02	Jun 27
ALPS Intl Sector Div Dogs	IDOG	6.7	Q	.5279	Jul 02	Jun 27
ALPS Sector Dividend Dogs	SDOG	3.4	Q	.3188	Jul 02	Jun 27
ALPS/GS Mom Asia xJpn	GSAX	1.1	Q	.0662	Jul 02	Jun 27
ALPS/GS Mom Multi Asset	GSMA	1.9	Q	.1295	Jul 02	Jun 27
ALPS/GS Momentum Builder	GSGO	1.1	Q	.0617	Jul 02	Jun 27
ALPS/GS Risk Adj US LC	GSRA	0.9	Q	.0804	Jul 02	Jun 27
Credit Suisse Income Fnd	CIK	7.8	M	.0235	Jul 16	Jul 10
EGLowVolaEmerMkts	HILO	4.1	Q	.1743	Jul 10	Jun 27
EGShares EM Div Hi Incm	EMHD	3.2	M	.0533	Jun 30	Jun 27
EGShares Emg Mkts Div	EMDG	0.9	Q	.0475	Jul 10	Jun 27
EGShares TCW EM Intm	IEMF	2.9	M	.0502	Jun 30	Jun 27
EGShares TCW EM Lg Term	LEMF	3.4	M	.0588	Jun 30	Jun 27
EGShares TCW EM Shrt	SEMF	1.0	M	.0168	Jun 30	Jun 27
Gl Commodity Equity	CRBQ	2.3	Q	.2719	Jul 02	Jun 27
Horizons S&P Finl Select	HFIN	0.8	M	.0278	Jul 10	Jun 27
iSh Cohen & Steers REIT	ICF	3.0	Q	.6562	Jul 01	Jun 27
iSh Core MSCI EAFE ETF	IEFA	3.8	S	1.1689	Jul 02	Jun 27
iSh Core MSCI Emg Mkts	IEMG	1.7	S	.4441	Jul 02	Jun 27
iSh Core MSCI Total Intl	IXUS	3.3	S	.9649	Jul 02	Jun 27
iSh Enhanced U.S. LgCp	IELG	1.8	Q	.1347	Jul 01	Jun 27
iSh Enhanced US Small-Cap	IESM	0.8	Q	.0576	Jul 01	Jun 27

iSh MSCI AC World Min Vol	ACWV	2.4	S	.7959	Jul 02 Jun 27
iSh MSCI Australia SmCap	EWAS	2.0	S	.2163	Jul 02 Jun 27
iSh MSCI Cda Small-Cap	EWCS	1.1	S	.1455	Jul 02 Jun 27
iSh MSCI Denmark Capped	EDEN	1.5	S	.4028	Jul 02 Jun 27
iSh MSCI EAFE Min Vol	EFAV	4.2	S	1.3717	Jul 02 Jun 27
iSh MSCI Emg Mkt East Eur	ESR	1.2	S	.1463	Jul 02 Jun 27
iSh MSCI Emg Mkt Min Vol	EEMV	2.4	S	.7122	Jul 02 Jun 27
iSh MSCI Finland Capped	EFNL	6.4	S	1.1313	Jul 02 Jun 27
iSh MSCI Frontier 100	FM	4.5	S	.8265	Jul 02 Jun 27
iSh MSCI Germany SmCap	EWGS	2.5	S	.5421	Jul 02 Jun 27
iSh MSCI Gl Silver Miners	SLVP	0.3	S	.0216	Jul 02 Jun 27
iSh MSCI Glbl Gold Miners	RING	0.6	S	.0334	Jul 02 Jun 27
iSh MSCI Global Agri Prd	VEGI	2.3	S	.3201	Jul 02 Jun 27
iSh MSCI Global En Prod	FILL	2.4	S	.3465	Jul 02 Jun 27
iSh MSCI Global Met&Mn Pr	PICK	2.0	S	.1984	Jul 02 Jun 27
iSh MSCI India Small-Cap	SMIN	0.2	S	.0348	Jul 02 Jun 27
iSh MSCI Norway Capped	ENOR	5.4	S	.8819	Jul 02 Jun 27
iSh MSCI NZ Capped	ENZL	4.6	S	.9585	Jul 02 Jun 27
iSh MSCI Singapore	EWS	2.8	S	.1907	Jul 02 Jun 27
iSh MSCI South Africa	EZA	1.8	S	.6231	Jul 02 Jun 27
iSh MSCI Spain Capped	EWP	2.7	S	.5821	Jul 02 Jun 27
iSh MSCI Switzerland Cap	EWL	4.6	S	.788	Jul 02 Jun 27
iSh MSCI Thailand Capped	THD	3.3	S	1.2876	Jul 02 Jun 27
iSh MSCI UK Small-Cap	EWUS	1.9	S	.3814	Jul 02 Jun 27
iSh MSCI United Kingdom	EWU	9.8	S	1.0191	Jul 02 Jun 27
iSh MSCI USA Min Vol	USMV	2.0	Q	.189	Jul 01 Jun 27
iSh MSCI USA Momentum	MTUM	1.2	Q	.1972	Jul 01 Jun 27
iSh MSCI USA Quality Fac	QUAL	1.5	Q	.2214	Jul 01 Jun 27
iSh MSCI USA Size Factor	SIZE	2.0	Q	.3099	Jul 01 Jun 27
iSh MSCI USA Value Factor	VLUE	1.9	Q	.302	Jul 01 Jun 27
iShares MSCI Australia	EWA	3.0	S	.3926	Jul 02 Jun 27
iShares MSCI Austria Cap	EWO	5.4	S	.5235	Jul 02 Jun 27
iShares MSCI Belgium Cap	EWK	2.6	S	.2263	Jul 02 Jun 27
iShares MSCI Brazil Cap	EWZ	4.0	S	.9626	Jul 02 Jun 27
iShares MSCI Brazil SC	EWZS	2.7	S	.2795	Jul 02 Jun 27
iShares MSCI BRIC ETF	BKF	2.5	S	.4785	Jul 02 Jun 27
iShares MSCI Canada ETF	EWC	1.5	S	.2346	Jul 02 Jun 27
iShares MSCI Chile Capped	ECH	2.8	S	.6372	Jul 02 Jun 27
iShares MSCI China SC	ECNS	3.0	S	.6623	Jul 02 Jun 27
iShares MSCI EAFE ETF	EFA	4.9	S	1.6762	Jul 02 Jun 27
iShares MSCI EAFE Growth	EFG	3.0	S	1.0825	Jul 02 Jun 27
iShares MSCI EAFE SC	SCZ	2.2	S	.5821	Jul 02 Jun 27
iShares MSCI EAFE Value	EFV	6.2	S	1.8006	Jul 02 Jun 27
iShares MSCI Emg Markets	EEM	1.6	S	.3406	Jul 02 Jun 27
iShares MSCI Emg Mkt SC	EEMS	1.1	S	.2756	Jul 02 Jun 27
iShares MSCI EMU ETF	EZU	3.8	S	.8168	Jul 02 Jun 27
iShares MSCI France ETF	EWQ	4.2	S	.6125	Jul 02 Jun 27
iShares MSCI Germany ETF	EWG	4.0	S	.6312	Jul 02 Jun 27
iShares MSCI Hong Kong	EWH	5.2	S	.538	Jul 02 Jun 27
iShares MSCI Hong Kong SC	EWHS	3.1	S	.4561	Jul 02 Jun 27
iShares MSCI India ETF	INDA	0.5	S	.0758	Jul 02 Jun 27
iShares MSCI Indonesia	EIDO	2.2	S	.2862	Jul 02 Jun 27
iShares MSCI Ireland Cap	EIRL	2.0	S	.3543	Jul 02 Jun 27
iShares MSCI Israel Cap	EIS	1.6	S	.4151	Jul 02 Jun 27
iShares MSCI Italy Capped	EWI	2.8	S	.2457	Jul 02 Jun 27
iShares MSCI Japan ETF	EWJ	1.4	S	.0825	Jul 02 Jun 27
iShares MSCI Japan SC	SCJ	1.3	S	.3654	Jul 02 Jun 27
iShares MSCI Kokusai ETF	TOK	3.2	S	.882	Jul 02 Jun 27
iShares MSCI Malaysia ETF	EWM	3.3	S	.2645	Jul 02 Jun 27
iShares MSCI Mexico Cap	EWW	0.7	S	.2201	Jul 02 Jun 27
iShares MSCI Netherlands	EWN	3.7	S	.4688	Jul 02 Jun 27
iShares MSCI Pacific xJp	EPP	3.1	S	.7711	Jul 02 Jun 27
iShares MSCI Philippines	EPHE	1.4	S	.2668	Jul 02 Jun 27
iShares MSCI Poland Cap	EPOL	1.7	S	.2487	Jul 02 Jun 27
iShares MSCI Singapore SC	EWSS	4.9	S	.6981	Jul 02 Jun 27
iShares MSCI Sweden ETF	EWD	5.7	S	1.0093	Jul 02 Jun 27

iShares MSCI Turkey ETF	TUR	2.0	S	.8836	Jul 02	Jun 27
iShares MSCI USA ETF	EUSA	2.9	Q	.3084	Jul 01	Jun 27

25 Jun 2014 18:00 ET Dividends Reported June 25 -2-

iShares MSCI World ETF	URTH	2.7	S	.9817	Jul 02	Jun 27
iShares NYSE 100 ETF	NY	2.2	Q	.4844	Jul 01	Jun 27
iShares NYSE Composite	NYC	2.4	Q	.5935	Jul 01	Jun 27
ProSh Large Cap Core Plus	CSM	1.3	Q	.3153	Jul 03	Jun 27
ProShares 30Y TIPS TSY	RINF	2.8	Q	.2491	Jul 03	Jun 27
ProShares Gl Listed Prv	PEX	4.4	Q	.5058	Jul 03	Jun 27
ProShares RAFI Long/Short	RALS	1.1	Q	.1203	Jul 03	Jun 27
ProShares Short 30Y TIPS	FINF	2.1	Q	.2033	Jul 03	Jun 27
ProShares Ultra Dow30	DDM	0.9	Q	.2748	Jul 03	Jun 27
ProShares Ultra Finls	UYG	0.4	Q	.1399	Jul 03	Jun 27
ProShares Ultra Hlth Care	RXL	0.3	Q	.071	Jul 03	Jun 27
ProShares Ultra Oil & Gas	DIG	0.6	Q	.1254	Jul 03	Jun 27
ProShares Ultra QQQ	QLD	0.6	Q	.1804	Jul 03	Jun 27
ProShares Ultra S&P500	SSO	0.3	Q	.091	Jul 03	Jun 27
ProShares Ultra Tech	ROM	0.3	Q	.0947	Jul 03	Jun 27
ProShares Ultra Utilities	UPW	2.1	Q	.4715	Jul 03	Jun 27
ProShares UltraPro 10	UINF	1.1	Q	.0949	Jul 03	Jun 27
ProShares UltraPro Dow 30	UDOW	0.5	Q	.156	Jul 03	Jun 27
ProShares UltraPro Shrt	SINF	1.2	Q	.122	Jul 03	Jun 27
ProShares3xFinan	FINU	0.6	Q	.1039	Jul 03	Jun 27
ProShr S&P500 Aristocrats	NOBL	1.4	Q	.1655	Jul 03	Jun 27
ProShr Ultra 20 + Yr Trea	UBT	1.2	Q	.1901	Jul 03	Jun 27
ProShrs Ultra 7-10 Yr Tr	UST	1.3	Q	.1754	Jul 03	Jun 27
ProShrs Ultra Industrials	UXI	0.5	Q	.1331	Jul 03	Jun 27
ProShrs Ultra Real Estate	URE	1.0	Q	.2134	Jul 03	Jun 27
ProShrs Ultra Telecomm	LTL	1.0	Q	.2361	Jul 03	Jun 27
ProShrs UltraPro S&P 500	UPRO	0.3	Q	.0748	Jul 03	Jun 27
ProShs Ultra Basic Matls	UYM	0.5	Q	.0685	Jul 03	Jun 27
ProShs Ultra Cnsmr Svcs	UCC	0.1	Q	.0258	Jul 03	Jun 27
ProShs Ultra Consumer Gds	UGE	0.8	Q	.1806	Jul 03	Jun 27
ProShs Ultra Rusl1000 Val	UVG	0.6	Q	.111	Jul 03	Jun 27
ProShs Ultra Rusl2000 Val	UVT	0.4	Q	.0585	Jul 03	Jun 27
ProShs Ultra Semicon	USD	0.6	Q	.104	Jul 03	Jun 27
RiverFront Strat Incm Fd	RIGS	3.1	M	.0648	Jul 02	Jun 27
Velocity Tail Risk Hdg LC	TRSK	0.8	Q	.0527	Jul 02	Jun 27
VelocityShares Vol Hdg LC	SPXH	0.6	Q	.043	Jul 02	Jun 27
YieldShares Hi Incm	YYY	8.4	M	.17	Jun 30	Jun 27

Foreign

Horizons S&P 500 Cov Call	HSPX	1.3	M	.0517	Jul 10	Jun 27
Huaneng Power	HNP	5.6	A	2.4403	Jul 10	
iSh MSCI Russia Capped	ERUS	0.7	S	.0749	Jul 02	Jun 27
iShares MSCI China ETF	MCHI	3.2	S	.7285	Jul 02	Jun 27
United Microelectron ADS	UMC	0.1	A	.0017	Aug 14	Jul 09
United Microelectron ADS	UMC	0.1	S	.0817	Aug 14	Jul 09

Source: Six Telekurs

(END) Dow Jones Newswires

June 25, 2014 18:00 ET (22:00 GMT)

文件 DJDN000020140625ea6p003xs

DOW JONES
NEWSWIRES

In the Desert, the Mighty Desert, the Market Sinks Tonight -- Barron's Blog

By Ben Levisohn
516 字
2014 年 6 月 24 日 22:21
Dow Jones Institutional News
DJDN
英文

Stocks held up well today--until they didn't--and the S&P 500 sunk for the second day in a row.

The S&P 500 fell 0.6% to 1,949.98, its biggest drop since June 12, while the Dow Jones Industrial Average declined 0.7% to 16,818.13, its largest tumble since May 20. The Nasdaq Composite dropped just 0.4% ti 4,350.36, while the small-company Russell 2000 slid 1% to 1,173.24.

Why did socks have that sinking feeling? It wasn't because of the economic data, which showed new home sales picking up--the monthly rise was the largest since 1992--and consumer confidence rising. So let's blame what's happening in Iraq, where Syria bombed the western part of the country. That's called escalation.

Or don't. Westpac's Graeme Jarvis explains why:

Nights like last night make so much sense to me. The make sense for what they did do more than for what they did not do. Just before 3am [Westpac is an Australian Bank. Ed.] the WSJ ran a headline that Syrian planes had hit targets in Iraq. That is nominally the reason you will read this morning as to why US yields are so much lower this morning. It makes sense on chart as well. Bonds went bid (yields fell) as that headline was digested.

What I think is more interesting-er is what yields were doing prior to that news. That is for me the key takeaway from last night. For days upon days I have been berating youse blokes with my narrative that I think yields are too high. It was based on positioning. It was based on sentiment. It was based on one-sided forecasting. So why I think the better move happened before 3am is that we received a clump of US data that said everything is awesome and yet yields could push no higher...

Stepping back and looking at the Dow, the S&P500, the NASDAQ and the Russell 2000 and technically they all look like they have traced out some sort of a topping pattern. Highs or news highs were seen across all indices that failed to hold. Markets then traded lower into the close. Just as the bears looking to take yields higher in the bond pits failed so too did the bulls in equity markets. This is trading minutia that makes sense to me. This is why I like what I saw last night. I saw across the board failure. The view may very well be wrong but right here right now this trading detail makes so much more sense to me than casting the night away simply because of a 3am WSJ headline.

Even failure seems more interesting than the do-nothing market we've had this week.

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

June 24, 2014 17:21 ET (21:21 GMT)

文件 DJDN000020140624ea6o003iz

Eight Reasons Dr. Pepper is Losing Its Fizz
Barron's Blogs, 2014 年 6 月 24 日 20:02, 415 字, By Ben Levisohn, (英文)
Shares of Dr. Pepper (DPS) have been trouncing those of Coca-Cola (KO), PepsiCo (PEP) and even Monster Beverage (MNST) this year--but today it's getting pounded thanks to a Citigroup downgrade.
文件 WCBBE00020140624ea6o001up

DOW JONES
NEWSWIRES

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441 字
2014 年 6 月 24 日 20:02
Dow Jones Institutional News
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英文

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Sure, it's been a great year for Dr. Pepper Snapple. It's gained 21% so far this year, easily besting PepsiCo's 6.5% rise, Monster Beverages 6.9% advance and Coca-Cola's 1.4 % increase. Now, however, it's time for Dr. Pepper's shares to "take a breather," explain Citigroup's Wendy Nicholson and Peter Chun:

Dr. Pepper Snapple has appreciated 22% year-to-date, far outpacing Coca-Cola, PepsiCo, Monster Beverage and the S&P500. This relative outperformance comes despite Dr. Pepper Snapple's outlook for only 0%-1% top line growth (with volumes expected to be down more than 1%) and 6%-8% EPS growth in 2014. With this big move in the stock now behind us, we downgrade Dr. Pepper Snapple to a Neutral rating. Our reasons for the downgrade are as follows:

-- U.S. CSD category growth has improved, but not by much;

-- Dr. Pepper Snapple intends to reduce ad spending while its big competitors intend to increase it, and we fear that this could pressure Dr. Pepper Snapple's market shares;

-- Snapple has historically been an iconic brand, but it is too small to really move the needle for Dr. Pepper Snapple , and overall, Dr. Pepper Snapple's stills portfolio is struggling;

-- Dr. Pepper Snapple's RCI initiatives are impressive and ongoing, but despite lower advertising spending this year, we don't expect much margin expansion, and we wonder if the balance sheet improvements are largely behind us;

-- From a stock market perspective, investor rotation away from EM's (which has benefitted Dr. Pepper Snapple) has probably largely played out;

-- DPS's cash flow has been terrific for a while -- but an extra "kiss" from either Coca-Cola or PepsiCo seems unlikely in the near term;

-- Dividend yield is no longer the best in the group; and

-- Valuation is no longer as compelling as it had been

Shares of Dr. Pepper Snapple have dropped 1.1% to $58.66 at 3pm today, while PepsiCo has dipped 0.2% to $88.24 and Coca-Cola has risen 0.2% to $41.82. Monster Beverage has dropped 2.1% to $71.68 on reports Goldman Sachs might have lowered estimates.

More at Barron's Stocks to Watch blog,
http://blogs.barrons.com/stockstowatchtoday/

(END) Dow Jones Newswires

June 24, 2014 15:02 ET (19:02 GMT)

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BARRON'S

MARKET WEEK
The Activist Spotlight

By Kenneth Squire
297 字
2014 年 6 月 23 日
Barron's
B
M10
英文

Banc of California (BANC)

Business: retail banking products and services in the U.S.

Investor's Avg Cost: $10.53/share

Stock-Market Value: $225 million ($10.97/share)

What's Happening: PL Capital sent a detailed letter to the board regarding significant concerns and questions it has about the bank's corporate governance, operating performance, financial projections, and compensation plans.

Key Numbers:

-- 35: Number of 13D filings PL Capital has made in banking and financial companies.

-- 43.7%: the average return on those 35 filings (versus 29.4% for the S&P500 over the same time periods).

Behind the Scenes: PL Capital is first a banking-industry investment firm, and second an activist investor. Its principals have extensive accounting, auditing, and corporate finance experience in the banking industry, and it has an outstanding track record as an activist in the industry.

As PL Capital set forth in its letter, Banc of California is a company with horrible corporate governance practices and egregious compensation policies. The detail that the letter goes into not only shows the board how knowledgeable PL Capital is about the banking industry; it also educates other shareholders, and reveals to them the severity of the situation.

The most pressing issue is corporate governance: The board needs to change the culture and stop rubber-stamping compensation plans. The second issue is operating performance. CEO Steven A. Sugarman is a skilled deal maker and was hired to get the company to $5 billion in assets, which he accomplished. Now, it is an operating story. Sugarman is up for re-election in 2016, so he has a year and a half to prove himself as an operator.

文件 B000000020140621ea6n00009

BARRON'S

MARKET WEEK
Stocks --- The Trader: Defying Iraqi Risk, Dow, S&P Set New Records

By Vito J. Racanelli
2,093 字
2014 年 6 月 23 日
Barron's
B
M3
英文

Stocks racked up another set of gains last week, as both the Dow Jones Industrial Average and Standard & Poor's 500 index notched new all-time highs on Friday. In contrast to the response to the Ukrainian political and military crisis, investors have so far paid little attention to the fighting in Iraq and resulting higher oil prices. Small-caps outperformed large-caps, suggesting the risk-on trade was in full swing.

With relatively few economic news reports released, most of the action took place on Wednesday, when the Federal Open Market Committee meeting was held. In the press conference afterward, Federal Reserve Chair Janet Yellen tamped down inflation worries, and her comments suggested the rise in interest rates that nearly all investors are expecting will take place later rather than sooner.

Last week, the Dow rose 171 points, or 1%, to 16,947.08. That's a new high, and the 11th this year. The S&P 500 rose 27 points, or 1.4%, to 1962.87, also an all-time high, and its 22nd such close this year. The Nasdaq Composite index rose 57 points, or 1.3%, to 4368.04. The Russell 2000 index jumped 26 points, or 2.2%, to 1188.40.

The FOMC meeting reassured investors on a number of issues, in particular that the Fed's rate outlook hasn't changed much. The $10 billion per month tapering of its bond-buying program continues, interest-rate tightening is not imminent, and when it does come, it will be gradual. Yellen said that economic activity was rebounding, even as the Fed cut its U.S. 2014 gross-domestic-product projection to 2.1% to 2.3% from 2.8% to 3%, on Wednesday

She also downplayed inflation fears, calling the recent figures showing rising consumer prices "noisy."

Higher inflation might force the Fed to hike rates earlier than was anticipated, but the market chose to focus on the "noise" comment, says Ryan Larson, head of equity trading at RBC Global Asset Management. That effectively pushed the ongoing debate about the beginning of interest-rate hikes toward a second half of 2015 event, he adds.

Nevertheless, with market complacency seemingly so high, both investors and the Fed should pay more attention to inflation, argues Liz Ann Sonders, chief investment strategist at Charles Schwab. Inflation data, such as the consumer price index, has ticked up steadily for three months, she notes, so the Fed's low level of concern and the market's quick acceptance of Yellen's comment "surprised me a little."

Sonders remains bullish and believes inflation isn't a problem, but the potential for a market scare exists. With near-term sentiment optimistic, an inflation surprise could be a trigger for a pullback, she says.

The same could be said for the deteriorating situation in Iraq, though investors are doing their best to ignore it. The more time goes by without the U.S. dropping bombs or getting further involved, the better it is for the market, says Larson.

However, that can change in a hurry, says Kenneth Polcari, director of New York Stock Exchange floor operations for O'Neil Securities. It looks like a difficult situation to resolve, and "the market isn't paying attention because it hasn't imploded yet. When it gets worse, it will pay attention."

According to billionaire investor Warren Buffett, it's better to buy a wonderful company at a fair price than a fair company at a wonderful price. Shares of Express Scripts Holding (ticker: ESRX) have fallen about 14%, to $68.74, in recent weeks, a fair price compared with its history. Its long record of double-digit profit growth qualifies as wonderful.

Mr. Market has thrown a tantrum over short term -- and solvable -- issues at the big St. Louis-based pharmacy-benefits manager. Veteran investors know such emotional knee-jerk reactions can put the shares of a solid company on sale temporarily. Since 2011, the shares have been whacked a few times, only to go on to new highs. This seems like another opportunity.

Similarly, the main issues this time around don't change the company's long-term appeal, says Chris Retzler, a portfolio manager at Needham Funds, which owns shares in the $55 billion market-cap company.

The company missed first-quarter expectations slightly and lowered annual guidance for 2014 earnings per share to $4.84 to $4.94 from the previous $4.88 to $5. That compares with $4.31 in 2013. Quarterly revenue fell to $23.7 billion from $26 billion in the year-ago quarter. Net income fell to $328 million from $375 million. Earnings per share from continuing operations were flat at 99 cents.

The lower results partly derive from a claims drop, mostly due to the wholly expected roll-off of about 10 million members from UnitedHealth Group (UNH), which in 2013 ended its contract to use the Express Scripts pharmacy benefits platform. The UNH move was a blow last year, but it's generally lower-margin business. In the first quarter, claims fell 18% from the year-ago quarter including UNH, but 9% excluding UNH members.

Moreover, the implementation of the Affordable Care Act has some investors worried about disruptions. Express Scripts also blamed part of the quarterly shortfall on later-than-expected enrollment in the new public health exchanges.

The claims reduction wasn't a surprise, but investors still got nervous, Retzler points out. The actual guidance reduction wasn't much; EPS are still expected to grow 12%.

Express Scripts will continue to benefit from all the long-term tail winds we've noted in previous items about the company: good growth in generic drugs in response to brand drug inflation; an aging U.S. population; health-care reform, expanding health coverage, and ongoing drives to reduce drug costs.

In particular, its mail and specialty pharma business is high margin and keeps growing well, adds Retzler. The firm has one of the best pharmacy-benefit management systems around, with all clients on a single information platform, making it easier to, for example, update for new rules, regulations, and formulas, he adds.

It doesn't hurt that Express Scripps happens to be a well-managed company with a good balance sheet, too, with $9.3 billion in net debt, and a debt to equity ratio of about 40%.

Here's a company getting good growth at a time when it seems only Internet stocks are showing that, Retzler notes. Mr. Market's sell-off has rendered Express Scripts valuation reasonable again, he says. By various metrics, the stock is significantly cheaper than its long-term history. The price/earnings ratio of 16 is below the median of 22, and attractive given the company's 2014 EPS guidance.

Express Scripts is a solid business that should recover if the bull market continues and should also prove defensive should a bear market unexpectedly appear. The new worries should recede over the next two to four quarters. As that happens, a 10% rise from here over the next 12 months seems, well, fair.

In like manner, investors have taken a big bite out of PetSmart (PETM) shares for reasons that might turn out to be shortsighted. Like the pharmacy-benefits manager, the big retailer of pet foods and services offers long-term attractions that should make bargain hunters sit up and take notice.

Last month, the company reduced its EPS outlook for the fiscal year ending on Jan. 31, 2015, to $4.29 to $4.39 from $4.42 to $4.54. The sales-growth forecast was downgraded to "low single digit" from 4% to 6%, and same-store sales to flat from 2% to 4% growth. Pet-Smart blamed a challenging consumer environment and a competitive marketplace.

Since the announcement, the stock is off 10%, sparked by fears PetSmart will be savaged by the Internet, the way Best Buy (BBY) and Staples (SPLS) have been. It's down 20% this year, sharply underperforming.

As with most retailers, the Internet poses a threat, but PetSmart isn't Best Buy or Staples, says Sam McBride, an analyst at New Constructs, an independent stock-research outfit.

It offers both products and pet services like grooming, boarding, training, and veterinarian care that online retailers can't match, he points out. Investors also miss that pet owners have an emotional connection to their pets that is a lot stronger than it is to an electronic device, he says.

Pets have been a big business in the U.S. for a long time -- it's roughly a $37 billion industry -- and pet-food sales are growing at a nice 4% to 5% annual clip. More importantly, perhaps, many American pet owners are upping their level of care.

McBride says PetSmart is taking advantage of spending by "pet parents" -- that is, a growing component of owners who treat their pets like children. These pet owners are more likely to pay a premium for personalized service and utilize PetSmart's in-store services. Pet-food makers are coming up with customized and organic foods for pets, which are higher-margin.

Admittedly, services are a smaller part of sales, at 12%, but they help drive overall traffic. PetSmart earns a 15% return on invested capital, up steadily from 9% in fiscal 2010, says McBride. That means it's pushing more sales and profits through the firm's assets. Average invested capital returns, he adds, have improved 36%, to $2.07 from $1.52, a fancy way of saying that for every dollar invested PetSmart gets $2.07 in sales.

The $5.8 billion market-cap firm sports a decade of double-digit EPS growth and solid sales increases, which suggest it has a sustainable business edge. While the Internet threat should not be ignored, it's not a new concern. It seems more likely that PetSmart had a tough quarter. A look at its results over the years shows quarterly periods where same-store sales growth stalled or even fell, only to recover later.

PetSmart's moat, says the analyst, comes from the variety of products it carries and the value-added services it offers, McBride says. It stocks premium dog and cat foods, many of which are not available at supermarkets, warehouse clubs, or mass merchandisers.

And competitors like Amazon's Wag.com, for example, should have significant logistical and pricing benefits but can't compete with the in-store services PetSmart provides. McBride compared PetSmart's top 10 selling dog foods at the company's own retail Website to Wag.com and found the latter is either priced higher or doesn't carry the product.

PetSmart's shares are now the cheapest they've been in some time, compared with both its history and the S&P 500 index multiple. At a forward price/earnings ratio of 13 times, the shares trade at a big discount to the median 18 multiple.

One peccadillo is that the company's dividend yield is below 2%, but PetSmart has raised it steadily. PetSmart should get its groove back, and when it does shareholders will likely be purring with happiness.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	16947.08	+171.34	+1.02
DJTransportation	8205.11	+162.26	+2.02
DJUtilities	566.46	+24.04	+4.43
DJ65Stocks	6018.25	+108.36	+1.83
DJUSMarket	495.39	+6.98	+1.43
NYSEComp.	11018.10	+161.88	+1.49
NYSEMKTComp.	2820.73	+68.06	+2.47
S&P500	1962.87	+26.71	+1.38
S&PMidCap	1425.36	+22.98	+1.64
S&PSmallCap	679.59	+12.30	+1.84
Nasdaq	4368.04	+57.38	+1.33
ValueLine(arith.)	4584.32	+78.61	+1.74
Russell2000	1188.43	+25.75	+2.21
DJUSTSMFloat	20574.82	+301.42	+1.49

	Last Week	Week Earlier
NYSE		
Advances	2,243	1,302
Declines	973	1,910
Unchanged	48	48
NewHighs	574	492
NewLows	51	41
AvDailyVol(mil)	3,196.5	2,745.2
Dollar		
(Finexspotindex)	80.33	80.61
T-Bond		
(CBTnearbyfutures)	135-110	135-250
Crude Oil		

(NYMlightsweetcrude)	107.26	106.91
Inflation KR-CRB		
(FuturesPriceIndex)	312.93	309.98
Gold		
(CMXnearbyfutures)	1316.20	1273.70

5035

文件 B000000020140621ea6n0000y

DOW JONES
NEWSWIRES

Nordic Stocks Seen Opening Slightly Higher -- Market Talk

173 字
2014 年 6 月 23 日 07:28
Dow Jones Institutional News
DJDN
英文

0628 GMT [Dow Jones] Nordic markets are seen opening slightly higher Monday with positive PMI data out of China and Japan boosting sentiment. IG calls the OMXS30 up 0.1% at around 1387. "The stronger-than-expected data has given a further lift to Asian stock markets with most indices trading higher. The S&P500 future is also pointing to further increases today building on the gains seen last week," says Danske Bank. Data of note later includes euro zone PMIs, US Markit PMI and US existing home sales. "There are also a number of central bank speeches with ECB's Constancio, Mersch and Nowotny having the opportunity to give their view on the ECB's latest easing measures." OMXS30 closed at 1386.04, OMXN40 at 1346.48 and OBX at 578.44. (dominic.chopping@wsj.com)

Contact us in London. +44-20-7842-9464
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(END) Dow Jones Newswires

June 23, 2014 02:28 ET (06:28 GMT)

文件 DJDN000020140623ea6n000ao

The Trader: Defying Iraqi Risk, Dow, S&P Set New Records -- Barron's

2,130 字
2014 年 6 月 21 日 05:07
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 6/23/14)
By Vito J. Racanelli

Stocks racked up another set of gains last week, as both the Dow Jones Industrial Average and Standard & Poor's 500 index notched new all-time highs on Friday. In contrast to the response to the Ukrainian political and military crisis, investors have so far paid little attention to the fighting in Iraq and resulting higher oil prices. Small-caps outperformed large-caps, suggesting the risk-on trade was in full swing.

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She also downplayed inflation fears, calling the recent figures showing rising consumer prices "noisy."

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Nevertheless, with market complacency seemingly so high, both investors and the Fed should pay more attention to inflation, argues Liz Ann Sonders, chief investment strategist at Charles Schwab. Inflation data, such as the consumer price index, has ticked up steadily for three months, she notes, so the Fed's low level of concern and the market's quick acceptance of Yellen's comment "surprised me a little."

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The lower results partly derive from a claims drop, mostly due to the wholly expected roll-off of about 10 million members from UnitedHealth Group (UNH), which in 2013 ended its contract to use the Express Scripts pharmacy benefits platform. The UNH move was a blow last year, but it's generally lower-margin business. In the first quarter, claims fell 18% from the year-ago quarter including UNH, but 9% excluding UNH members.

Moreover, the implementation of the Affordable Care Act has some investors worried about disruptions. Express Scripts also blamed part of the quarterly shortfall on later-than-expected enrollment in the new public health exchanges.

The claims reduction wasn't a surprise, but investors still got nervous, Retzler points out. The actual guidance reduction wasn't much; EPS are still expected to grow 12%.

Express Scripts will continue to benefit from all the long-term tail winds we've noted in previous items about the company: good growth in generic drugs in response to brand drug inflation; an aging U.S. population; health-care reform, expanding health coverage, and ongoing drives to reduce drug costs.

In particular, its mail and specialty pharma business is high margin and keeps growing well, adds Retzler. The firm has one of the best pharmacy-benefit management systems around, with all clients on a single information platform, making it easier to, for example, update for new rules, regulations, and formulas, he adds.

It doesn't hurt that Express Scripps happens to be a well-managed company with a good balance sheet, too, with $9.3 billion in net debt, and a debt to equity ratio of about 40%.

Here's a company getting good growth at a time when it seems only Internet stocks are showing that, Retzler notes. Mr. Market's sell-off has rendered Express Scripts valuation reasonable again, he says. By various metrics, the stock is significantly cheaper than its long-term history. The price/earnings ratio of 16 is below the median of 22, and attractive given the company's 2014 EPS guidance.

Express Scripts is a solid business that should recover if the bull market continues and should also prove defensive should a bear market unexpectedly appear. The new worries should recede over the next two to four quarters. As that happens, a 10% rise from here over the next 12 months seems, well, fair.

In like manner, investors have taken a big bite out of PetSmart (PETM) shares for reasons that might turn out to be shortsighted. Like the pharmacy-benefits manager, the big retailer of pet foods and services offers long-term attractions that should make bargain hunters sit up and take notice.

Last month, the company reduced its EPS outlook for the fiscal year ending on Jan. 31, 2015, to $4.29 to $4.39 from $4.42 to $4.54. The sales-growth forecast was downgraded to "low single digit" from 4% to 6%, and same-store sales to flat from 2% to 4% growth. Pet-Smart blamed a challenging consumer environment and a competitive marketplace.

Since the announcement, the stock is off 10%, sparked by fears PetSmart will be savaged by the Internet, the way Best Buy (BBY) and Staples (SPLS) have been. It's down 20% this year, sharply underperforming.

As with most retailers, the Internet poses a threat, but PetSmart isn't Best Buy or Staples, says Sam McBride, an analyst at New Constructs, an independent stock-research outfit.

It offers both products and pet services like grooming, boarding, training, and veterinarian care that online retailers can't match, he points out. Investors also miss that pet owners have an emotional connection to their pets that is a lot stronger than it is to an electronic device, he says.

Pets have been a big business in the U.S. for a long time -- it's roughly a $37 billion industry -- and pet-food sales are growing at a nice 4% to 5% annual clip. More importantly, perhaps, many American pet owners are upping their level of care.

McBride says PetSmart is taking advantage of spending by "pet parents" -- that is, a growing component of owners who treat their pets like children. These pet owners are more likely to pay a premium for personalized service and utilize PetSmart's in-store services. Pet-food makers are coming up with customized and organic foods for pets, which are higher-margin.

Admittedly, services are a smaller part of sales, at 12%, but they help drive overall traffic. PetSmart earns a 15% return on invested capital, up steadily from 9% in fiscal 2010, says McBride. That means it's pushing more sales and profits through the firm's assets. Average invested capital returns, he adds, have improved 36%, to $2.07 from $1.52, a fancy way of saying that for every dollar invested PetSmart gets $2.07 in sales.

The $5.8 billion market-cap firm sports a decade of double-digit EPS growth and solid sales increases, which suggest it has a sustainable business edge. While the Internet threat should not be ignored, it's not a new concern. It seems more likely that PetSmart had a tough quarter. A look at its results over the years shows quarterly periods where same-store sales growth stalled or even fell, only to recover later.

PetSmart's moat, says the analyst, comes from the variety of products it carries and the value-added services it offers, McBride says. It stocks premium dog and cat foods, many of which are not available at supermarkets, warehouse clubs, or mass merchandisers.

21 Jun 2014 00:07 ET The Trader: Defying Iraqi Risk, Dow, S&P Set New -2-

And competitors like Amazon's Wag.com, for example, should have significant logistical and pricing benefits but can't compete with the in-store services PetSmart provides. McBride compared PetSmart's top 10 selling dog foods at the company's own retail Website to Wag.com and found the latter is either priced higher or doesn't carry the product.

PetSmart's shares are now the cheapest they've been in some time, compared with both its history and the S&P 500 index multiple. At a forward price/earnings ratio of 13 times, the shares trade at a big discount to the median 18 multiple.

One peccadillo is that the company's dividend yield is below 2%, but PetSmart has raised it steadily. PetSmart should get its groove back, and when it does shareholders will likely be purring with happiness.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	16947.08	+171.34	+1.02
DJTransportation	8205.11	+162.26	+2.02
DJUtilities	566.46	+24.04	+4.43
DJ65Stocks	6018.25	+108.36	+1.83
DJUSMarket	495.39	+6.98	+1.43
NYSEComp.	11018.10	+161.88	+1.49
NYSEMKTComp.	2820.73	+68.06	+2.47
S&P500	1962.87	+26.71	+1.38
S&PMidCap	1425.36	+22.98	+1.64
S&PSmallCap	679.59	+12.30	+1.84
Nasdaq	4368.04	+57.38	+1.33
ValueLine(arith.)	4584.32	+78.61	+1.74
Russell2000	1188.43	+25.75	+2.21
DJUSTSMFloat	20574.82	+301.42	+1.49

	Last Week	Week Earlier
NYSE		
Advances	2,243	1,302
Declines	973	1,910
Unchanged	48	48
NewHighs	574	492

NewLows	51	41
AvDailyVol(mil)	3,196.5	2,745.2
Dollar		
(Finexspotindex)	80.33	80.61
T-Bond		
(CBTnearbyfutures)	135-110	135-250
Crude Oil		
(NYMlightsweetcrude)	107.26	106.91
Inflation KR-CRB		
(FuturesPriceIndex)	312.93	309.98
Gold		
(CMXnearbyfutures)	1316.20	1273.70

(END) Dow Jones Newswires

June 21, 2014 00:07 ET (04:07 GMT)

文件 DJDN000020140621ea6l000b8

BARRON'S

13d Filings
Home
13D Filings

936 字
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Barron's Online
BON
英文

13Ds are filed with the Securities and Exchange Commission within 10 days of an entity's attaining a greater than 5% position in any class of a company's securities. Subsequent changes in holdings or intentions must be reported in amended filings. This material has been extracted from filings released by the SEC from June 12 through June 18, 2014. Source: InsiderScore.com

Activist Filings

Allergan (AGN)

In a June 13 press release, Pershing Square Capital announced that it filed a lawsuit on June 12 seeking a declaratory judgment confirming that its call for a special meeting of shareholders will not trigger Allergan's recently adopted shareholder rights plan, also known as a "poison pill." Previously, on June 6, Pershing Square had requested confirmation directly from Allergan that it would not use its poison pill, but a response from Allergan's counsel failed to provide it.

Pershing CEO and founder William Ackman said this in the June 13 press release: "We regret that we were forced to file this lawsuit. Allergan's failure to confirm that its poison pill does not apply to the actions taken in furtherance of calling a special meeting is a blatant attempt to frustrate shareholders' ability to express their views and exercise their rights."

Pershing owns 28,878,638 shares (9.7% of the total voting shares).

Rosetta Stone (RST)

Nierenberg Investment Management disclosed that it owns 1,689,887 shares (8%) but hasn't made any transactions in the past 60 days. It did, however, change its filing status to "active" because it has been in frequent contact with Rosetta Stone and is now advocating actions it believes will help tighten the company's strategic focus and improve its free cash flow. In its filing, Nierenberg declared that its discussions have "evolved from general to specific," and that Rosetta Stone has made several moves that Nierenberg supports.

Original Filings

Furiex Pharmaceutical (FURX)

D.E. Shaw & Co. said that it owns 747,357 shares (6.9%) after it purchased 407,665 from April 15 to May 8 at prices from $74.07 to $104.71 each. Shaw also sold 339,707 from April 15 to May 8 for $74.51 to $104.50 apiece, including options transactions. The investor said that it purchased the shares "for purposes of participating in the merger," in which Forest Laboratories (FRX) will buy Furiex for $95 per share, or for as much as $125 per share, pending certain FDA approvals.

LoJack (LOJN)

AOF Management owns 956,306 shares (5.2%) after it bought 182,191 from April 11 to June 9 at $4.39 to $5.51 each. AOF said that LoJack's shares are undervalued but did not disclose plans or proposals.

Increases in Holdings

MutualFirst Financial (MFSF)

Discovery Equity Partners upped its stake to 666,723 shares (9.4%) after buying 72,600 from April 28 to June 11 for $18.72 to $18.85 each.

Decreases in Holdings

Basic Energy Services (BAS)

DLJ Merchant Banking decreased its holdings to 5,831,903 shares (13.5%) after it sold 5,545,898 on June 12 in a secondary offering at $25.50 a share. Basic Energy received no proceeds from the offering.

Carnival (CCL)

Chairman Micky Meir Arison decreased his holdings to 138,639,319 shares (23.4%) by selling 7,175,700 from May 23 to June 11 for $40.03 to $40.46 each. He made the sale via two 10b5-1 plans that are allotted to sell a combined 11,250,000 shares.

The Activist Spotlight

Banc of California (BANC)

Business: retail banking products and services in the U.S. Investor's Avg Cost: $10.53/share Stock-Market Value: $225 million ($10.97/share) What's Happening: PL Capital sent a detailed letter to the board regarding significant concerns and questions it has about the bank's corporate governance, operating performance, financial projections, and compensation plans.

Key Numbers: 35: Number of 13D filings PL Capital has made in banking and financial companies.

43.7%: the average return on those 35 filings (versus 29.4% for the S&P500 over the same time periods).

Behind the Scenes: PL Capital is first a banking-industry investment firm, and second an activist investor. Its principals have extensive accounting, auditing, and corporate finance experience in the banking industry, and it has an outstanding track record as an activist in the industry.

As PL Capital set forth in its letter, Banc of California is a company with horrible corporate governance practices and egregious compensation policies. The detail that the letter goes into not only shows the board how knowledgeable PL Capital is about the banking industry; it also educates other shareholders, and reveals to them the severity of the situation.

The most pressing issue is corporate governance: The board needs to change the culture and stop rubber-stamping compensation plans. The second issue is operating performance. CEO Steven A. Sugarman is a skilled deal maker and was hired to get the company to $5 billion in assets, which he accomplished. Now, it is an operating story. Sugarman is up for re-election in 2016, so he has a year and a half to prove himself as an operator.

-- Kenneth Squire

The 13D Activist Fund, a mutual fund run by an affiliate of the author and not connected to Barron's, has no position in the securities mentioned here. In addition, the author publishes and sells 13D research reports, whose buyers may include representatives of participants in, and targets of, shareholder activism.

E-mail: editors@barrons.com

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DOW JONES
NEWSWIRES

The Activist Spotlight -- Barron's

317 字
2014 年 6 月 21 日 05:02
Dow Jones Institutional News
DJDN
M10
英文

(FROM BARRON'S 6/23/14)
By Kenneth Squire
Banc of California (BANC)

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(END) Dow Jones Newswires

June 21, 2014 00:02 ET (04:02 GMT)

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NEWSWIRES
DOW JONES

Heard on the Street
The Changing Face of Leverage

By RICHARD BARLEY
425 字
2014 年 6 月 20 日 11:44
Dow Jones Top North American Equities Stories
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Move along, folks; not much to see here. That was broadly the message from Federal Reserve Chairwoman Janet Yellen on concerns about financial stability Wednesday. Investors should still take a closer look.

In particular, Ms. Yellen said she didn't see a "broad-based increase in leverage" that might be cause for concern. But there are a few ways to think about leverage, and reasons to worry about the way some markets are developing.

The leverage that proved so damaging for financial markets during the crisis was largely on investors' balance sheets: Banks and offshoots of banks used borrowed money to juice returns on relatively low-yielding, supposedly high-quality assets such as securitizations. With banks under regulatory pressure to reform and become safer, it is fair to say that this form of leverage is less of a threat.

Arguably, however, central banks have played a role akin to providing leverage through policies such as quantitative easing. They have supplied added juice to returns. As a result, since the end of 2008, Barclays U.S. investment-grade corporate bond index has returned 8.8% annualized, U.S. high-yield bonds have returned 18.3% annualized and the S&P500 15.2% annualized.

With yields pushed ever lower by central bank policy, investors have also had to seek riskier instruments to meet return targets. In other words, instead of taking on leverage themselves to boost returns, they have been buying securities that are inherently leveraged. Witness the boom in high-yield bond issuance, with Barclays' U.S. high yield index nearly doubling in size to $1.26 trillion since the end of 2008. Or look at the demand among investors for subordinated corporate and bank paper, which offers higher yields at the cost of greater price volatility and the potential for larger losses in default. Meanwhile, U.S. corporations are under increasing pressure to provide returns to shareholders that are likely to result in balance sheets becoming more leveraged.

True, this kind of leverage may be less insidious than that which blighted the financial markets during the crisis. The risk involved in buying a less creditworthy security that contains leverage is more obvious than applying leverage to a supposedly safe security.

But Ms. Yellen's latest pronouncements have been interpreted as giving the green light for risk-taking to continue. Investors should take care not to become overleveraged as they hunt for yield.

Write to Richard Barley at richard.barley@wsj.com

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DOW JONES
NEWSWIRES

Press Release: BMO Asset Management Inc. Announces Cash Distributions for BMO Exchange Traded Funds

1,113 字
2014 年 6 月 18 日 13:01
Dow Jones Institutional News
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BMO Asset Management Inc. Announces Cash Distributions for BMO Exchange Traded Funds

TORONTO, ONTARIO--(Marketwired - Jun 18, 2014) - BMO Asset Management Inc. today announced the June 2014 cash distributions for certain BMO Exchange Traded Funds (ETFs)* that distribute either monthly or quarterly. Unitholders of record of the BMO ETFs at the close of business on June 27, 2014 will receive cash distributions payable on July 7, 2014.

Details of the per unit distribution amounts are as follows:

BMO ETFs with Monthly Distributions:	Ticker	Cash Distribution per Unit ($)
BMO Short Federal Bond Index ETF	ZFS	0.027
BMO Mid Federal Bond Index ETF	ZFM	0.038
BMO Long Federal Bond Index ETF	ZFL	0.048
BMO Short Provincial Bond Index ETF	ZPS	0.039
BMO Mid Provincial Bond Index ETF	ZMP	0.043
BMO Long Provincial Bond Index ETF	ZPL	0.048
BMO Short Corporate Bond Index ETF	ZCS	0.039
BMO Mid Corporate Bond Index ETF	ZCM	0.053
BMO Long Corporate Bond Index ETF	ZLC	0.066
BMO Aggregate Bond Index ETF	ZAG	0.042
BMO Discount Bond Index ETF	ZDB	0.026
BMO Real Return Bond Index ETF	ZRR	0.026
BMO Floating Rate High Yield ETF	ZFH	0.050
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	ZHY	0.079
BMO Emerging Markets Bond Hedged to CAD Index ETF	ZEF	0.068
BMO Mid-Term US IG Corporate Bond Index ETF	ZIC	0.048
BMO Mid-Term US IG Corporate Bond Index ETF (U.S. Dollar Units)	ZIC.U	0.046

BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF	ZSU	0.027
BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF	ZMU	0.046
BMO Ultra Short-Term Bond ETF	ZST	0.160
BMO 2015 Corporate Bond Target Maturity ETF	ZXB	0.040
BMO 2020 Corporate Bond Target Maturity ETF	ZXC	0.050
BMO 2025 Corporate Bond Target Maturity ETF	ZXD	0.056
BMO S&P/TSX Equal Weight Banks Index ETF	ZEB	0.061
BMO Equal Weight Utilities Index ETF	ZUT	0.052
BMO Equal Weight REITs Index ETF	ZRE	0.083
BMO Monthly Income ETF	ZMI	0.053
BMO Covered Call Canadian Banks ETF	ZWB	0.068
BMO Covered Call Utilities ETF	ZWU	0.073
BMO Covered Call Dow Jones Industrial Average Hedged to CAD ETF	ZWA	0.073
BMO US High Dividend Covered Call ETF	ZWH	0.080
BMO Canadian Dividend ETF	ZDV	0.062
BMO S&P/TSX Laddered Preferred Share Index ETF	ZPR	0.051
BMO US Dividend Hedged to CAD ETF	ZUD	0.040
BMO US Dividend ETF	ZDY	0.042
BMO US Dividend ETF (U.S. Dollar Units)	ZDY.U	0.040
BMO ETFs with Quarterly Distributions:		
BMO S&P/TSX Capped Composite Index ETF	ZCN	0.125
BMO S&P 500 Hedged to CAD Index ETF	ZUE	0.120
BMO Dow Jones Industrial Average Hedged to CAD Index ETF	ZDJ	0.125
BMO S&P/TSX Equal Weight Oil & Gas Index ETF	ZEO	0.123
BMO MSCI EAFE Hedged to CAD Index ETF	ZDM	0.100
BMO MSCI EAFE Index ETF	ZEA	0.090
BMO MSCI Europe High Quality Hedged to CAD ETF	ZEQ	0.090
BMO Global Infrastructure Index ETF	ZGI	0.145
BMO Equal Weight U.S. Banks Hedged to CAD Index ETF	ZUB	0.057
BMO Equal Weight U.S. Banks Index ETF	ZBK	0.045
BMO Low Volatility Canadian Equity ETF	ZLB	0.125

BMO S&P 500 Index ETF	ZSP	0.082
BMO S&P 500 Index ETF (U.S. Dollar Units)	ZSP.U	0.078
BMO S&P/TSX Equal Weight Industrials Index ETF	ZIN	0.100
BMO Low Volatility US Equity ETF	ZLU	0.082
BMO Low Volatility US Equity ETF (U.S. Dollar Units)	ZLU.U	0.078

*BMO ETFs are administered and managed by BMO Asset Management Inc., an investment fund manager and portfolio manager and a separate legal entity from Bank of Montreal.

Commissions, management fees and expenses all may be associated with investments in exchange traded funds. Please read the prospectus before investing. Exchange traded funds are not guaranteed, their values change frequently and past performance may not be repeated.

18 Jun 2014 08:01 ET Press Release: BMO Asset Management Inc. -2-

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The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. The prospectus contains a more detailed description of the limited relationship MSCI has with BMO Asset Management Inc. and any related funds.

Further information about BMO ETFs can be found at www.bmo.com/etfs.

About BMO Exchange Traded Funds (ETFs)

Established in May 2009, BMO Financial Group's ETF business is a leading ETF provider in Canada. BMO ETFs provide Canadian investors with broader choices and greater access to an innovative portfolio of investment products.

About BMO Financial Group

Established in 1817 as Bank of Montreal, BMO Financial Group is a highly diversified financial services organization based in North America. The bank offers a broad range of retail banking, wealth management and investment banking products and services to more than 12 million customers. BMO Financial Group has total assets of $582 billion and more than 45,500 employees as at April 30, 2014.

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(END) Dow Jones Newswires

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Stocks Fall on Political Strife, Dow Down 0.9%

By Avi Salzman
1,983 字
2014 年 6 月 16 日
Barron's
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News of violence and political upheaval dominated headlines last week, causing stocks to tumble after a three-week winning streak.

Sunni militants inspired by al Qaeda captured two cities in Iraq, as the Iraqi government scrambled to defend Baghdad with help from Iran. The sudden strife caused oil prices to spike, with Nymex crude futures rising 4.1% to $106.91 per barrel, their highest level since September.

There was stateside news spooking some investors as well. Virginia primary voters chose a little-known college professor over Rep. Eric Cantor, the second-most powerful member of the House. The Tea Party victory signals that partisan gridlock is likely here to stay, and could spill over into a nasty debt-ceiling battle next year.

For the week, the Dow fell 148.54 points, or 0.9%, to 16,775.74. The Standard & Poor's 500 fell 13.28 points, or 0.7%, to close at 1936.16, and the Nasdaq Composite dropped 10.75 points, or 0.2%, to close at 4310.65.

There was no frenzied selling -- trading volume remains just above the lows for the year, and there's little indication that it'll be ramping higher.

"You're in the beginning of the summer doldrums," says John Canally, an investment strategist with LPL Financial. The World Cup, which began last week, may have added another distraction. Multiple strategists we spoke to admitted they had one eye on the games during what technically should be considered working hours.

The traders who weren't engaged in the Beautiful Game were mostly in a selling mood. "The instability in Iraq and the sudden change in the energy market were disruptive and they weren't in anyone's forecast," says Tobias Levkovich, the chief U.S. equity strategist at Citigroup.

Thirty or 40 years ago, this kind of shock in the energy market would have moved stocks more, argues Canally. But our transition to a service economy from one based on manufacturing, plus increasing domestic oil production, soften the impact of changes in oil prices.

Other data points also proved bearish, with the University of Michigan consumer-sentiment gauge falling in June despite expectations it would rise, and May retail-sales growth disappointing the Street.

Strategists tend to see stocks moving up through the summer and the end of the year, although they don't see spectacular gains. The S&P 500 is already up 4.75% for the year, and is within spitting distance of the end-of-year targets analysts had projected at the start of the year. But corporate earnings were surprisingly strong in the first quarter, growing about 5%, Levkovich notes. And investors still seem to think stocks are more attractive than just about any other asset class; equity-fund inflows rose sharply last week.

"The case for a summer melt-up remains stronger than that for a summer melt-down, as the high-liquidity, low-growth backdrop forces investor cash levels down," writes Bank of America Merrill Lynch chief investment strategist Michael Hartnett.

TJX Bucks the Retail Trend

The Commerce Department said on Thursday that retail sales rose 0.3% in May, coming in short of Wall Street expectations for a 0.6% rise. The SPDR S&P Retail ETF (XRT) fell 1.4% on the day.

Some segments in retail underperformed considerably. Spending actually declined 0.6% at clothing stores during the month.

Weakness in apparel isn't a new phenomenon: People simply don't spend as much as they once did on clothes. In the past 20 years, the share of the average consumer's dollar spent on apparel has fallen from 5.9% to 3.5%, according to consumer surveys by the Bureau of Labor Statistics.

But that doesn't mean investors should abandon all retailers that sell apparel. TJX (TJX), the company that owns Marshalls and TJ Maxx, has bucked the trend over the past few years, taking advantage of missteps by J.C. Penney (JCP) and Sears Holdings (SHLD) to gain market share among discount retailers.

TJX has been one of the best performers in retail since the recession, netting average annual same-store sales growth of 5% a year since 2007 and nearly quadrupling net income over that period. Its stock has quadrupled.

But investors have fled TJX in the past few months, with shares falling 14% since the start of the year. After trading above 20 times forward earnings expectations in November, they now trade below 17 times, the lowest valuation in a year. Investors probably got spooked by the stock's premium valuation and a couple of disappointing quarterly earnings reports.

TJX posted 64 cents of earnings per share in the quarter, just below its guidance of 65 to 66 cents, and analysts' expectations of 67 cents. Same-store sales growth of 1% was at the low end of its 1% to 2% guidance. But its lackluster results were due to foreign-exchange calculations and abnormally frosty weather -- there was as much as a 4% differential between sales at stores hit by nasty weather and those that had sunnier skies.

Those factors should dissipate in coming quarters, and TJX is likely to regain its premium valuation to the market. "The fundamentals are very much intact," says Henry Smith, the chief investment officer at Haverford Trust. "This is a best-in-class retailer that has proven it can grow throughout all parts of the economic cycle."

Smith says TJX has managed its inventory better than peers and maintained its value proposition, promising buyers a "treasure hunt" for bargains. That's an appealing draw for high- and low-end customers. Haverford owns TJX and would consider buying more at these prices, Smith says.

Much of TJX's growth in the past six or seven years has come because it has grabbed market share from other retailers, including department stores like Sears, and bankrupt chains like Filene's Basement. JPMorgan Chase analyst Brian Tunick estimates that mid-tier department stores will cede about $1 billion to $2 billion in annual sales to off-price retailers like TJX in the next few years.

But even if share gains slow, TJX sees significant room to expand its store base in coming years, which should propel the shares in the longer term.

The company operated 3,256 stores in six countries as of the end of the most recent quarter, with U.S. locations of TJ Maxx and Marshalls accounting for 2,032 of them. TJX also owns Homegoods, a chain of home-furnishing stores, Canadian retailers Winners and HomeSense, and similar European discount stores.

CEO Carol Meyerowitz projects TJX can add 60% more stores in the long term without expanding to new markets. At that pace, TJX will probably add about 5% of new square footage around the world every year, Tunick estimates. With 2% annual same-store sales growth (a conservative estimate), 1% to 2% margin gains, and share repurchases worth 3% to 4% of outstanding stock, earnings could grow at 12% a year. Tunick sees EPS of $4.75 by 2018, up from $2.86 in 2013. The stock, he thinks, could rise to $63 from a recent $54.70.

Delta Takes Aim at Alaska Air

Airline stocks slumped last week on the rise in oil prices and disappointing guidance from Deutsche Lufthansa (LHA.Germany).

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Vital Signs

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DJTransportation	8042.85	-167.11	-2.04
DJUtilities	542.42	-7.59	-1.38
DJ65Stocks	5909.89	-77.57	-1.30
DJUSMarket	488.41	-3.34	-0.68
NYSEComp.	10856.22	-48.00	-0.44
NYSEMKTComp.	2752.67	+39.53	+1.46
S&P500	1936.16	-13.28	-0.68
S&PMidCap	1402.38	-8.05	-0.57
S&PSmallCap	667.29	-3.97	-0.59
Nasdaq	4310.65	-10.75	-0.25
ValueLine(arith.)	4505.71	-24.10	-0.53
Russell2000	1162.68	-2.53	-0.22
DJUSTSMFloat	20273.40	-129.18	-0.63

	Last Week	Week Earlier
NYSE		
Advances	1,302	2,093
Declines	1,910	1,135
Unchanged	48	37
NewHighs	492	574
NewLows	41	66
AvDailyVol(mil)	2,745.2	2,794.9
Dollar		
(Finexspotindex)	80.61	80.43
T-Bond		
(CBTnearbyfutures)	135-250	136-090
Crude Oil		

(NYMlightsweetcrude)	106.91	102.66
Inflation KR-CRB		
(FuturesPriceIndex)	309.98	305.25
Gold		
(CMXnearbyfutures)	1273.70	1252.10

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The Trader: Stocks Fall On Political Strife, Dow Down 0.9% -- Barron's

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Dow Jones Institutional News
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(FROM BARRON'S 6/16/14)
By Avi Salzman

News of violence and political upheaval dominated headlines last week, causing stocks to tumble after a three-week winning streak.

Sunni militants inspired by al Qaeda captured two cities in Iraq, as the Iraqi government scrambled to defend Baghdad with help from Iran. The sudden strife caused oil prices to spike, with Nymex crude futures rising 4.1% to $106.91 per barrel, their highest level since September.

There was stateside news spooking some investors as well. Virginia primary voters chose a little-known college professor over Rep. Eric Cantor, the second-most powerful member of the House. The Tea Party victory signals that partisan gridlock is likely here to stay, and could spill over into a nasty debt-ceiling battle next year.

For the week, the Dow fell 148.54 points, or 0.9%, to 16,775.74. The Standard & Poor's 500 fell 13.28 points, or 0.7%, to close at 1936.16, and the Nasdaq Composite dropped 10.75 points, or 0.2%, to close at 4310.65.

There was no frenzied selling -- trading volume remains just above the lows for the year, and there's little indication that it'll be ramping higher.

"You're in the beginning of the summer doldrums," says John Canally, an investment strategist with LPL Financial. The World Cup, which began last week, may have added another distraction. Multiple strategists we spoke to admitted they had one eye on the games during what technically should be considered working hours.

The traders who weren't engaged in the Beautiful Game were mostly in a selling mood. "The instability in Iraq and the sudden change in the energy market were disruptive and they weren't in anyone's forecast," says Tobias Levkovich, the chief U.S. equity strategist at Citigroup.

Thirty or 40 years ago, this kind of shock in the energy market would have moved stocks more, argues Canally. But our transition to a service economy from one based on manufacturing, plus increasing domestic oil production, soften the impact of changes in oil prices.

Other data points also proved bearish, with the University of Michigan consumer-sentiment gauge falling in June despite expectations it would rise, and May retail-sales growth disappointing the Street.

Strategists tend to see stocks moving up through the summer and the end of the year, although they don't see spectacular gains. The S&P 500 is already up 4.75% for the year, and is within spitting distance of the end-of-year targets analysts had projected at the start of the year. But corporate earnings were surprisingly strong in the first quarter, growing about 5%, Levkovich notes. And investors still seem to think stocks are more attractive than just about any other asset class; equity-fund inflows rose sharply last week.

"The case for a summer melt-up remains stronger than that for a summer melt-down, as the high-liquidity, low-growth backdrop forces investor cash levels down," writes Bank of America Merrill Lynch chief investment strategist Michael Hartnett.

TJX Bucks the Retail Trend

The Commerce Department said on Thursday that retail sales rose 0.3% in May, coming in short of Wall Street expectations for a 0.6% rise. The SPDR S&P Retail ETF (XRT) fell 1.4% on the day.

Some segments in retail underperformed considerably. Spending actually declined 0.6% at clothing stores during the month.

Weakness in apparel isn't a new phenomenon: People simply don't spend as much as they once did on clothes. In the past 20 years, the share of the average consumer's dollar spent on apparel has fallen from 5.9% to 3.5%, according to consumer surveys by the Bureau of Labor Statistics.

But that doesn't mean investors should abandon all retailers that sell apparel. TJX (TJX), the company that owns Marshalls and TJ Maxx, has bucked the trend over the past few years, taking advantage of missteps by J.C. Penney (JCP) and Sears Holdings (SHLD) to gain market share among discount retailers.

TJX has been one of the best performers in retail since the recession, netting average annual same-store sales growth of 5% a year since 2007 and nearly quadrupling net income over that period. Its stock has quadrupled.

But investors have fled TJX in the past few months, with shares falling 14% since the start of the year. After trading above 20 times forward earnings expectations in November, they now trade below 17 times, the lowest valuation in a year. Investors probably got spooked by the stock's premium valuation and a couple of disappointing quarterly earnings reports.

TJX posted 64 cents of earnings per share in the quarter, just below its guidance of 65 to 66 cents, and analysts' expectations of 67 cents. Same-store sales growth of 1% was at the low end of its 1% to 2% guidance. But its lackluster results were due to foreign-exchange calculations and abnormally frosty weather -- there was as much as a 4% differential between sales at stores hit by nasty weather and those that had sunnier skies.

Those factors should dissipate in coming quarters, and TJX is likely to regain its premium valuation to the market. "The fundamentals are very much intact," says Henry Smith, the chief investment officer at Haverford Trust. "This is a best-in-class retailer that has proven it can grow throughout all parts of the economic cycle."

Smith says TJX has managed its inventory better than peers and maintained its value proposition, promising buyers a "treasure hunt" for bargains. That's an appealing draw for high- and low-end customers. Haverford owns TJX and would consider buying more at these prices, Smith says.

Much of TJX's growth in the past six or seven years has come because it has grabbed market share from other retailers, including department stores like Sears, and bankrupt chains like Filene's Basement. JPMorgan Chase analyst Brian Tunick estimates that mid-tier department stores will cede about $1 billion to $2 billion in annual sales to off-price retailers like TJX in the next few years.

But even if share gains slow, TJX sees significant room to expand its store base in coming years, which should propel the shares in the longer term.

The company operated 3,256 stores in six countries as of the end of the most recent quarter, with U.S. locations of TJ Maxx and Marshalls accounting for 2,032 of them. TJX also owns Homegoods, a chain of home-furnishing stores, Canadian retailers Winners and HomeSense, and similar European discount stores.

CEO Carol Meyerowitz projects TJX can add 60% more stores in the long term without expanding to new markets. At that pace, TJX will probably add about 5% of new square footage around the world every year, Tunick estimates. With 2% annual same-store sales growth (a conservative estimate), 1% to 2% margin gains, and share repurchases worth 3% to 4% of outstanding stock, earnings could grow at 12% a year. Tunick sees EPS of $4.75 by 2018, up from $2.86 in 2013. The stock, he thinks, could rise to $63 from a recent $54.70.

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14 Jun 2014 00:08 ET The Trader: Stocks Fall On Political Strife, Dow -2-

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Crude Oil		
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(END) Dow Jones Newswires

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The Morning Ledger: Junk-Rated Firms Get More Covenant-Free Cash -- WSJ Blog

By James Willhite
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2014 年 6 月 13 日 11:40
Dow Jones Institutional News
DJDN
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Good morning. Weaker companies are getting easier access to loans that come with no strings attached, as the Federal Reserve keeps money flowing at ultralow rates, leaving investors to hunt for yield beyond top-rated firms, the WSJ's Katy Burne reports. The shift recalls a boom era for loan deals leading up to the financial crisis, and some investors are worried.

For now, even with weaker loan contracts, corporate defaults have been held down and troubled companies have been able to refinance their debts at much lower rates. Easy lending terms are once again showing up as part of an expansion of credit to risky borrowers, including companies often being bought out or financed by private-equity firms. Beneficiaries of the trend include fashion house Kate Spade & Co. and Diamond Foods Inc.

The lack of covenants allows borrowers the flexibility to take on more debt or to pay dividends to owners such as private-equity firms. Kate Spade, for instance, borrowed to refinance debt in April, and its $400 million term loan required the company to maintain no regular financial targets. Diamond Foods CFO Ray Silcock said the company's February $425 million covenant-lite loan "allowed us to have a larger proportion of debt than we might otherwise have had."

THE DAY AHEAD

The Producer Price Index for May releases at 8:30 a.m., and economists polled by The Wall Street Journal see producer-price growth having moderated to just 0.2% month over month, Ahead of the Tape's Spencer Jakab reports. That would bring the year-over-year pace to 2.4%, the highest in over two years. Two measures of consumer prices have been rising as well, and together that could lend at least some ammunition to those fearful of more rapid price gains.

Then at 9:55 a.m. we'll see the consumer sentiment index for June, and market watchers forecast a reading of 83, up from 81.9 in May.

CFOJ EXCLUSIVE

Equity awards propel director-compensation increase. Corporate directors got a pay bump last year as the equity portion of their compensation grew, according to a study, CFOJ's John Kester reports. Equity awards accounted for more than half of director compensation last year; the median among the large early proxy filers was $120,000.

CORPORATE NEWS

House passes small-firm tax break. The House voted to make permanent a tax break allowing small businesses to write off up to $500,000 in new-equipment purchases, the WSJ's John D. McKinnon reports. The move adds to momentum for congressional efforts to extend a range of now-temporary tax breaks, but sharpens a conflict between the House and Senate over whether to extend them permanently or temporarily. The list of temporary tax breaks, many of which expired at the end of 2013, has grown over the years and now includes over 50 separate provisions affecting businesses as well as individuals.

Hedge funds get stung by slow markets. Some of the biggest investors on Wall Street are losing money with wrong-way bets in markets around the globe, a surprising black eye amid a rise in stock and bond prices, the WSJ reports. Hedge-fund managers including Paul Tudor Jones, Louis Bacon and Alan Howard are among those who have misread broad economic and financial trends. An unusual period of calm has exacerbated problems for many trading strategies dependent on volatile markets.

Iraq turmoil rattles across markets. The escalation of sectarian fighting sent oil prices higher, pushed U.S. stocks lower and ignited the latest rally in haven bonds, the WSJ reports. While U.S. oil production has boomed, some of those gains have been offset by falling exports from other major suppliers, including Libya and Iran.

Taxing time ahead as offshore rules face greater scrutiny. The sun may be setting on a "golden age" of tax planning, as the OECD has called it, as politicians and investors increasingly question the merits of tax regimes that allow multinational companies to push ever more of their profits offshore and their effective tax rates down, the Financial Times reports. Earlier this month, Luca Palini, chief strategist for Pictet Asset Management, warned investors against complacency by pointing out that a quarter of international companies' improvement in net margins had been achieved only by reducing their tax bills.

Alibaba to detail Internet business in new IPO document. Alibaba Group Holdings Ltd., responding to concerns from investors that it has been too tight-lipped, plans to give out more details about its Internet empire as it readies its potential $20 billion initial public offering, the WSJ's Telis Demos reports. The new regulatory filing, which could arrive as soon as Friday, will give metrics on some of its individual businesses. The company also plans to disclose the names of the 28 partners with the power to nominate the company's board.

Commodity-backed loans add to surge in China's borrowing. The commodity-backed loans at the center of a probe into an alleged financial scam at a Chinese port are part of a ramp-up in offshore borrowing by Chinese companies that Beijing is looking to tamp down, the WSJ reports. As Chinese authorities tightened credit in the past year, local firms looked abroad for financing, and that has complicated Chinese policy makers' attempts to slow rapid credit growth in the nation's so-called shadow-banking sector.

Univision held sale talks with CBS, Time Warner. The owners of Univision Communications Inc., in their search for an exit, have held preliminary discussions in recent weeks with several media companies, including CBS Corp. and Time Warner Inc., the WSJ reports. The owners are seeking north of $20 billion for the company. There is no sign any of the preliminary discussions have led anywhere, and the price was one of the issues.

Washington comes to Goldman. Goldman Sachs Group Inc. and CEO Lloyd Blankfein are moving to seize the public stage in policy debates, the WSJ's Justin Baer reports. This week, the bank hosted high-ranking government officials from the U.S., Canada and Mexico to debate the best ways for the nations to balance the economic potential of their natural resources with environmental concerns. That's a stark contrast from the bank's image after the crisis, when Mr. Blankfein's most-memorable public appearance was an uncomfortable afternoon before the Senate after the SEC sued Goldman over allegations it misled investors in the sale of a complex mortgage-linked deal that had imploded as credit markets unraveled.

Facebook to expand data used in ad targeting. Facebook Inc. plans to expand the information it draws upon to target advertisements to users by including data about their Web-browsing habits, the WSJ's Reed Albergotti reports. That reverses the company's previous position on users' browsing data and renewed critics' concerns about the company's commitment to user privacy.

Ford cuts mileage ratings after retest. Ford Motor Co. said it is cutting the fuel-economy ratings on 200,000 vehicles sold or leased in the U.S. and Canada and plans to make goodwill payments to owners to cover the difference between the old and new ratings, the WSJ's Mike Ramsey reports. It was the second time within a year that the auto maker has admitted to overstating the mileage ratings on its vehicles.

GoDaddy releases customized financial metrics that boost its bottom line. U.S. Web-services company GoDaddy, which filed for an initial public offering this week, added back a number of costs, including fees paid to the private-equity firms that are among its biggest investors, to the earnings measure it wants to be judged on, the Financial Times reports. The adjustments let GoDaddy show a profit of $199 million under its preferred measure of "adjusted Ebitda" for 2013, compared with only $27 million under the standard measure. It also reported a net loss of $200 million.

Twitter's No. 2 executive resigns after dispute with CEO. Twitter Inc.'s COO Ali Rowghani stepped down on Thursday after disagreeing with Chief Executive Dick Costolo's plan to strip him of key responsibilities. Among his many tasks, Mr. Rowghani, who became operating chief in 2012, was in charge of the product team tasked with boosting user-growth rates. The WSJ's Yoree Koh reports that Mr. Rowghani resisted Mr. Costolo's desire to take over the product team as pressure mounted from investors over Twitter's growth. Analysts say that Mr. Rowghani's exit is a sign that the company still hasn't figured out how to get more users on board.

Add COOs to endangered species list. The departure of Twitter Inc.'s operating chief highlights waning demand for the role at S&P500 companies in the wake of the recession, the WSJ's Rachel Feintzeig reports. The share of large companies with COOs has declined almost every year since 2001.

And so another big U.S. technology has fallen foul of the European Union. The EU's second-highest court on Thursday upheld a $1.43 billion fine against Intel Corp. for abusing its dominant position in the microprocessor market, the WSJ's Tom Fairless reports. The EU case centered on rebates that Intel granted to Dell Inc., Hewlett Packard.,

Co.,
NEC Corp. and Lenovo Group for using its chips between 2002 and 2007. In 2009 the commission found that Intel had used the rebates to cut rival Advanced Micro Devices Inc. out of the market. On Wednesday, EU commission authorities said they would investigate Apple Inc.'s tax practices.
13 Jun 2014 06:40 ET The Morning Ledger: Junk-Rated Firms Get More -2-

But Intel also experiences some good news. Intel Thursday cited stronger-than-expected demand for business PCs, increasing revenue guidance for the year. "The change in outlook is driven mostly by strong demand for business PCs," Intel said in a news release. For the second quarter, the company expects revenue between $13.4 billion and $14 billion, compared with its previous guidance of $12.5 billion to $13.5 billion. The Journal's Josh Beckerman notes that companies that make computers or computer parts have benefited from businesses needing to update aging PCs because of the end of Microsoft's support for Windows XP operating system.

Samsung makes bigger push in tablets. Samsung Electronics Co. rolled out a pair of high-end, Android-based tablets that have a more sophisticated look and feel, with a brighter, thinner and lighter screen than previous models, the WSJ reports. It is branding the tablets as an extension of its premium Galaxy S smartphones, by adding an "S" to the end of the Galaxy Tab name as well. Samsung's global tablet market share is already growing at the expense of Apple's climbing to 22.3% in the first quarter from 17.5% earlier.

REGULATION

SEC divided on money-market fund rules. Six years after money-market mutual funds became a source of vulnerability in the financial crisis, U.S. securities regulators are still hashing out how to limit the risks they pose to the financial system, the WSJ's Andrew Ackerman reports. The five members of the Securities and Exchange Commission have all indicated they agree money-fund risks need to be addressed, but they have been unable to reach agreement on how to finish long-awaited rules to curb structural features of money funds that make them prone to investor stampedes during times of market stress.

Fed proposes stress-test changes. The Federal Reserve wants to keep banks from buying back shares and raising dividends if they don't fulfill their stated goals to shore up financing, the WSJ's Alan Zibel reports. The Fed said some banks, as part of its annual stress tests, "included issuances of capital instruments in their capital plans, but didn't execute these planned issuances," and that such behavior has the "potential to undermine" its ability to evaluate the financial health of banks.

ECONOMY

Economists optimistic stage is set for wage growth. Economists are increasingly looking for wage growth to pick up in coming months, a long-awaited development that would put more money in the pockets of consumers and could spur accelerated growth in the broader economy, the WSJ's Kathleen Madigan reports. According to The Wall Street Journal's monthly survey of 48 economists, real GDP is growing at an annual rate of 3.5% this quarter after contracting at least 1% in the weather-hobbled first quarter.

U.K. sounds alarm on real-estate boom. The U.K.'s two chief financial policy makers warned in strident tones that the British fervor for real estate had swelled into a threat to the wider economy, and the government moved to enact new powers to curb mortgage lending, the WSJ reports. Britain's response will be a seminal experiment: The U.K. is trying to control housing prices through so-called macroprudential tools, without resorting bluntly to raising interest rates.

Sluggish retail sales cloud hopes for breakout growth. Spending at U.S. retailers was sluggish in May outside of a jump in auto sales, a potentially worrisome sign for the economy as it struggles to emerge from a rough stretch that began over the winter, the WSJ's Ben Leubsdorf reports. GDP is on track to bounce back this quarter, but it isn't clear if the rebound will lead to sustained growth.

CFO MOVES

Lululemon Athletica Inc., an athletic-apparel designer and retailer based in Vancouver, British Columbia, said its chief financial officer, John Currie, will retire by the fiscal year's end. The move comes roughly six months after the company publically named Laurent Potdevin as its chief executive officer. The company will employ an external company to find Mr. Currie's successor. Mr. Currie received compensation valued at $1.4 million in 2013, according to a proxy filing.

RSA Insurance Group PLC, a London-based insurance company, named Patrick Bergander as CEO of its Scandinavian division, effective June 16. Mr. Bergander was CFO of that division before he was made interim CEO in March.

THE WEEKEND READER

Every weekend we select a handful of in-depth articles we think are worth a bit of your valuable time, either because they peel back the layers on a compelling business story, or somehow make us look at business in a different light.

Rise of the small, shady tax haven. Seychelles is a small island nation with a population smaller than Davenport, Iowa's. And yet the rise of its offshore industry offers a case study in the rise of tiny, out-of-the-way tax havens, write Matthew Shaer, Michael Hudson and Margot Williams for the International Consortium of Investigative Journalists. The island, which remained largely uninhabited by humans until the late 18 century, is a magnet for money launderers and tax dodgers, and it offers a case study in how the offshore secrecy system has grown. Offshore patrons are able to create elaborate webs of corporate structure that use multiple jurisdictions, front men and layers of ownership that are almost impossible to unravel, and yet such remote, sparsely populated financial refuges have survived decades of promises by rich nations to shut them down. "Offshore financial centers are often touted as economic engines that help small, resource-starved places improve themselves. But it is often a few well-connected locals--along with expatriate lawyers and accountants from the U.S., the U.K., Australia and other rich nations--who enjoy most of the profits."

Automation's reluctant father. Norbert Wiener is hardly a household name, but a conference in Boston later this month intends to reclaim his reputation as one of the first theorists to identify information "as the lingua franca of organisms as well as machines, a shared language capable of crossing the boundaries between them," writes Doug Hill for the Atlantic. Mr. Wiener is known as the inventor of cybernetics, a pairing of mathematics and engineering that allowed for modern automation and inspired many other areas of research. Engineers grounded in cybernetic theory say that technology is only now catching up to Mr. Wiener's ideas from more than half a century ago. And yet he was no utopian, with visions of a gleaming future of unrelenting progress. "The world of the future will be an ever more demanding struggle against the limitations of our intelligence," Wiener wrote in 1964, "not a comfortable hammock in which we can lie down to be waited upon by our robot slaves."

Picking winning supply-chain technologies. Following the hype around the latest supply-chain technology can be an expensive undertaking, says McKinsey & Co.'s Alex Niemeyer, who has seen clients destroy business value after sinking hundreds of millions into integrating supply-chain planning systems. Yet some hype is better than others, notably that surrounding 3-D printing technology, "an absolutely disruptive force to manufacturing." Mr. Niemeyer sees 3-D printing having an immediate effect on those spare-part supply chains defined by a "very high complexity--think aircraft spare parts." Combined with better forecasts, 3-D printing may cut down on inventory or shorten lead times. Advanced analytics, too, will play a larger role, helping companies avoid risk in an age of "big volatility all the time" and offering new opportunities for agile companies that can take advantage of a competitor's struggles or the event of new markets opens up.

More at The Wall Street Journal's CFO Report blog, http: blogs.wsj.com/cfo/

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Dow Near 17,000 on Upbeat Economic Data

By Vito J. Racanelli
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2014 年 6 月 9 日
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The bull was in full snorting mode last week, as stock prices jumped more than 1% and finished at new highs -- again. Beaten-down small-company stocks led by a wide margin, but the bounty was shared with big companies, too, as the Dow Jones Industrial Average inched closer to 17,000. Trading was light, as it has been all year.

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There's a sense of gathering momentum. For example, the percentage of stocks above their 10-day moving average is back to 85%, according to Wellington Schields. That's a strong technical-strength signal about the bulls' basic health, even if the market usually stalls in the short term at such levels.

Similarly, there are indications economic velocity is improving, if the strong manufacturing and jobs data last week are any indication, says Peter Kenny, chief executive of broker-dealer Clearpool Group. And though the low trading activity "isn't what we'd like to have . . . it's less and less an arbiter of whether the market's move is valid."

In spite of the spring rotation out of biotech and momentum shares, where some stocks lost 20% to 40%, the broad market's been resilient, says Marc Pado, CEO of Dow Bull Advisors. Those short have expected the emergence of the traditionally weak summer season for the market. However, the rotation back into those beaten-up stocks; the data; and Thursday's easing by the European Central Bank, made shorts wonder, "Why be short?" and some threw in the towel, he says. Money doesn't want to leave the market, even if it rotates out of one sector temporarily, he adds.

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Friday, the Labor Department said that in May the U.S. added 217,000 jobs, in line with expectations. The unemployment rate was 6.3%, unchanged from April.

Investors don't see macroeconomic and U.S. earnings growth factors as negatives and they won't likely be that, says Michael Mullaney, chief investment officer at Fiduciary Trust. U.S. and global leading indicators are up, and it looks like "a mini-industrial revolution." The single biggest factor in the rest of 2014 is likely to be geopolitical risk, he adds.

The market's valuation, however, can no longer be called fair. The bears argue stocks have already anticipated a stronger second half for the economy, given the S&P's 2014 price/earnings ratio of 16 times, a bit higher than the long-term average of 15.

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This British Columbia-domiciled firm grows mainly by acquiring other drug companies, drastically cutting R&D costs and headcount, and raising product prices. Valeant's R&D is 3% of sales, compared to 15% for the industry. The growth has propelled the stock to $127.46 from $14 in 2009, and produced plenty of fees for

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To get a full picture, investors should consult Valeant's results under generally accepted accounting principles (GAAP). Acquisition accounting is key, and timely given that Valeant raised its bid recently for Allergan (AGN) to about $53 billion in cash and stock from $49 billion.

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Consequently, Valeant shows strong growth in "adjusted" net income, or non-GAAP cash earnings. In 2013, aided by the acquisition of Bausch & Lomb, among others, revenue rose 66% to $5.8 billion from 2012, up from the prior year's 46% increase to $3.3 billion. Adjusted net earnings per share was $6.24 last year, up from $4.14 in 2012 and $2.64 in 2011. EPS guidance for 2014 is $8.55 to $8.80, and the price/earnings ratio on that is 15 times, a market multiple. But to arrive at "adjusted" EPS, Valeant excludes a host of non-cash and cash expenses, some big, some small, such as amortization, restructuring, and acquisition costs.

GAAP results, however, show a history of losses and declining results. In 2013, the GAAP loss was $866 million, or $2.70 per share, much wider than 2012's $116 million or 38-cent loss, and a swing from the $160 million or 52 cent profit in 2011. The main difference between GAAP and "adjusted" results last year was a large $1.9 billion amortization of intangibles and impairments, a noncash charge, and $515 million in restructuring costs, among others.

But if Valeant's strategy is to make acquisitions, why would an investor look only at the adjusted number and ignore purchase costs? Such charges are the norm and represent real money spent on acquisitions.

Capitalizing costs instead of expensing them isn't new, and investors should know the pitfalls. With acquisitive companies, according to the widely read book Financial Shenanigans, by well-known forensic accountants Howard Schilit and Jeremy Perler, investors need to look at free cash flow, which subtracts both acquisition costs and capital expenditures, for a fuller picture. In 2013, Valeant spent $5.4 billion on acquisitions and capital expenditures. Subtract that from the $1 billion in net cash provided by operating activities, and free cash flow is a negative $4 billion. Not as pretty.

Valeant's debt has exploded to $17 billion at year-end 2013, a 400% increase from $3.5 billion in 2010. Bulls rarely refer to Valeant's enterprise value (net debt plus market value) of about $59 billion to its 2013 Ebitda of $3 billion, nearly 20 times -- a nosebleed valuation by any standard. Valeant's debt is 3.3 times shareholders equity, a highly leveraged ratio.

Allergan is crucial to Valeant's ability to show strong growth in 2014, which may explain why it is threatening a proxy fight. If Valeant lands Allergan, then it's game on for a while longer. Eventually it will need new deals. Moreover, it will have to execute on larger and larger acquisitions, helped by abnormally low interest rates.

Bulls say that GAAP is a one-size-fits-all straightjacket, that depreciation and amortization are noncash charges, and that GAAP accounting doesn't present a good picture of Valeant's cash-earnings power. Cash can be returned to shareholders, they say.

Valeant Chief Financial Officer Howard Schiller agrees that the accounting-driven expenses under GAAP don't give a clear picture of the firm's cash-earnings power. He notes that the company can grow even without Allergan, having recently raised its 2014 adjusted EPS guidance. The reason there is a difference between the GAAP net income and cash earnings, he adds, is mainly the acquisition accounting for $1.3 billion in intangible amortization last year (out of the $1.9 billion total discussed earlier). This year that number will be $1.4 billion, again without Allergan, he says.

Schiller adds that the "things that Valeant backs out are exactly the same things that Allergan and almost every pharma company does." As for the debt, he says about 55% of it is fixed-rate, and if rates do go up then asset prices should fall.

Investors ignore GAAP at their peril, however. If Valeant's strategy is so attractive, why don't others copy it? If Valeant can't find acquisitions big enough to matter, strong growth slows. With highly leveraged popular companies, such things don't seem to matter -- until they do.

Speaking of highly leveraged companies, Just Energy (JE) cut its annual dividend last week by 40% to 50 Canadian cents per share, an unhappy shareholder event this column previously noted was just a matter of time. The company, whose shares are down 30% from April highs, had been paying C$0.84 a share for a payout ratio of 112% of funds from continuing operations.

Given Just Energy's mediocre growth rates, the company was effectively using borrowed funds to pay dividends. That was unsustainable, something we have maintained, most recently on May 26.

The shares closed Friday at US$5.61. With the new dividend rate the payout ratio drops to 75%, which, while high, can probably be sustained in the short term. This marketer of natural gas and electricity, mostly to the U.S., is also selling its National Home Services water-heater business, with the proceeds helping bring down its debt load from about C$1 billion ($920 million) to C$600 million.

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DJTransportation	8209.96	+105.39	+1.30
DJUtilities	550.01	+5.05	+0.93
DJ65Stocks	5987.46	+71.65	+1.21
DJUSMarket	491.75	+7.19	+1.48
NYSEComp.	10904.22	+147.90	+1.37
NYSEMKTComp.	2713.14	-14.16	-0.52
S&P500	1949.44	+25.87	+1.34
S&PMidCap	1410.43	+32.45	+2.35
S&PSmallCap	671.26	+18.25	+2.79
Nasdaq	4321.40	+78.78	+1.86
ValueLine(arith.)	4529.81	+88.02	+1.98
Russell2000	1165.21	+30.71	+2.71
DJUSTSMFloat	20402.58	+309.96	+1.54

	Last Week	Week Earlier
NYSE		
Advances	2,093	2,118
Declines	1,135	1,091
Unchanged	37	55
NewHighs	574	425
NewLows	66	62
AvDailyVol(mil)	2,794.9	2,911.9
Dollar		
(Finexspotindex)	80.43	80.39
T-Bond		
(CBTnearbyfutures)	135-120	138-080
Crude Oil		
(NYMlightsweetcrude)	102.66	102.71

Inflation KR-CRB		
(FuturesPriceIndex)	305.25	305.48
Gold		
(CMXnearbyfutures)	1252.10	1245.60

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The Trader: Dow Near 17,000 On Upbeat Economic Data -- Barron's

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(FROM BARRON'S 6/9/14)
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7 Jun 2014 00:09 ET The Trader: Dow Near 17,000 On Upbeat Economic -2-

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NYSEComp.	10904.22	+147.90	+1.37
NYSEMKTComp.	2713.14	-14.16	-0.52
S&P500	1949.44	+25.87	+1.34
S&PMidCap	1410.43	+32.45	+2.35
S&PSmallCap	671.26	+18.25	+2.79
Nasdaq	4321.40	+78.78	+1.86
ValueLine(arith.)	4529.81	+88.02	+1.98
Russell2000	1165.21	+30.71	+2.71
DJUSTSMFloat	20402.58	+309.96	+1.54

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Advances	2,093	2,118
Declines	1,135	1,091
Unchanged	37	55
NewHighs	574	425
NewLows	66	62
AvDailyVol(mil)	2,794.9	2,911.9
Dollar		
(Finexspotindex)	80.43	80.39
T-Bond		

(CBTnearbyfutures)	135-120	138-080
Crude Oil		
(NYMlightsweetcrude)	102.66	102.71
Inflation KR-CRB		
(FuturesPriceIndex)	305.25	305.48
Gold		
(CMXnearbyfutures)	1252.10	1245.60

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Goldman: Buy 3D Systems Options Before Analyst Day Upside
Barron's Blogs, 2014 年 6 月 4 日 22:31, 430 字, By Teresa Rivas, (英文)
3-D printer 3D Systems (DDD) is having its analyst day next Tuesday, and Goldman Sachs' Sam Eisner, while still Neutral on the stock, thinks that the meeting could provide an upside catalyst for the stock best captured through options.
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BARRON'S

MARKET WEEK
Stocks --- The Trader: Making Like 2013, Stocks Hit Another High

By Vito J. Racanelli
1,898 字
2014 年 6 月 2 日
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For a few days at least, the stock market resembled its 2013 self, setting high after high last week. Share prices rose smartly, over 1%, and the Standard & Poor's 500 index saw record closes in three of last week's four trading days, while the Dow Jones Industrial Average also had its all-time best close Friday.

The surge came amid thin volumes in a holiday-shortened week. Despite poor first-quarter GDP numbers -- which investors blamed on frigid weather -- most of the economic data, such as falling jobless claims, were positive.

Also boosting stocks and spirits was a lack of geopolitical tension; an M&A battle in the food industry; a recovery in small-cap stocks; and expectations that the European Central Bank will do some monetary easing next week, says Michael Matousek, head trader at U.S. Global Investors. Even the $2 billion offer for the Los Angeles Clippers by former Microsoft chief Steve Ballmer probably got animal spirits moving, he adds.

On Thursday, first-quarter gross domestic product was revised down to an annualized negative 1%, or contraction, from a positive 0.1%, weaker than expected, though much of the revision came from lower inventories. Investors mostly ignored GDP data, says Tom Carter, a trader with JonesTrading Institutional Services. With little to dampen the mood, investors found it tough to sit on the sidelines watching stocks rise day after day, and the "pain trade was up," he adds.

Jobless claims for the week ending May 24 fell 27,000 to 300,000, below the consensus. That, adds Mark Luschini, chief market strategist at Janney Montgomery Scott, measures a more recent past than GDP and points to improving labor and housing markets. It's more indicative about the second half, which should see rising economic activity and a good climate for profit growth, says the bullish strategist, who notes that outside the stock market, investors still face a lack of better-yielding alternatives.

Last week, the Dow rose 111 points, 0.7% to 16,717.17. The S&P 500 closed at 1923.57, up 1.2% or 23 points. The Nasdaq Composite index advanced 1.4%, or 57, to 4242.62.

This week promises new data with "more gravity," says Carter, and perhaps a truer indication of market sentiment. Investors will most likely focus on two figures from the Institute for Supply Management that could give a more up-to-date picture of the economy than GDP did: the ISM May manufacturing purchasing managers index on Monday, and the nonmanufacturing PMI on Wednesday.

It's time to close our bullish call on AT&T (ticker: T) earlier than expected thanks to the telecom giant's May 18 surprise: a deal to buy satellite-TV provider DirecTV (DTV) for $48 billion. Almost four months ago, when AT&T traded at $32.30, we suggested it wasn't getting enough credit for its dividend-paying ability and that investors were too pessimistic about the wireless business (Feb. 10). The shares closed Friday at $35.47.

Since publication of that item, AT&T's cellphone results improved, and it raised 2014 guidance. AT&T claims DirecTV will be accretive to earnings within 12 months of the close, with $1.6 billion in synergies by year three. However, this deal injects too much merger-execution risk into the stock.

Joe Terril, head of money management firm Terril & Co., doesn't think those kind of synergies are likely. DirecTV is lean, mean, and efficiently run, so it's unlikely AT&T can run it better, he says. Moreover, he avers, "Society is changing the way it gets its entertainment, and AT&T bought the old technology." The pay-TV industry, whether cable or satellite, is in the initial stages of deterioration, as consumers move to video-on-demand and other Web-based services, he adds. DirecTV's vaunted cash flow will likely go south over the long term.

AT&T's unsuccessful merger attempts in recent years -- Dish Network (DISH), T-Mobile US (TMUS), which ended up costing AT&T about $4 billion in break-up fees, and rumored interest in Vodafone (VOD) -- makes some investors think AT&T "wanted to buy somebody" just to bulk up, he says. He sold the firm's entire AT&T stake after the deal announcement.

AT&T's total return is 11% in four months -- about half what we expected over 18 to 24 months. Given the news, it seems prudent to take profits and step aside.

In 2013, the aggregate pension profile of S&P 500 index companies underwent a dramatic rise in funding levels, to the best seen since before the financial crisis, according to a recent report from CreditSights, an independent credit-research outfit.

This healthier picture for corporate pension plans comes courtesy of a combination of robust plan asset returns -- helped by last year's 30% stock-market rise -- and an increase in the plans' median discount rate, says CreditSights strategist Louise Purtle.

Aggregate S&P 500 plan assets jumped $176.7 billion to $1.655 trillion, eclipsing the previous peak of $1.504 trillion in 2007. With a total projected benefit obligation of $1.879 trillion, the pension shortfall was $224 billion at year end, and the funding ratio was 88.1%. That's still underfunded, but up from 77.7% at the end of 2012, and the highest since 104.6% in 2007.

A number of firms, like Delta Air Lines (DAL), still have a pension-deficit obligation that is a significant part of market capitalization, but even here there's progress, with significant drops seen. (See table on page M5.) Pension-plan shortfalls don't affect a company's day-to-day operations, but, depending on accounting rules and regulatory guidelines, companies sometimes must top up large pension deficits out of earnings.

Corporate plan contributions actually fell in 2013, but the improved funding was driven by both the asset-value increase and rising discount rates, with the latter "more notable" than the asset rise, Purtle says. Companies have some discretion in choosing the discount rate, and "it's the tail that wags the dog," she says.

The median discount rate used by S&P 500 plans rose to 4.8% from 4% in 2012. A decade ago the median exceeded 7%. The discount rate is used to calculate the present value of future pension liabilities. Pension plans use high-quality bonds as a reference rate for the discount rate, so the artificially low interest rates of recent years have hurt pension returns. Higher plan discount rates increase the expected rate of return on the assets, and consequently the plan sponsor or company can set aside less for future pension obligations.

Last year, discount rates moved up with the overall rise in interest rates. If the Federal Reserve's policy of withdrawing monetary stimulus is successful, and rates rise again, Purtle adds, "then you should see a further increase in discount rates."

That would have a salutary effect on future pension-funding ratios. So far in 2014, the bond market isn't cooperating, and rates have confounded expectations by falling.

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The knock on private equity managers like Carlyle and Oaktree, is that they have a shorter history than an asset manager like T. Rowe, a partnership structure, and more illiquid assets.

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Vital Signs

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DJTransportation	8104.57	+117.99	+1.48
DJUtilities	544.96	+10.94	+2.05
DJ65Stocks	5915.81	+65.66	+1.12
DJUSMarket	484.56	+5.51	+1.15
NYSEComp.	10756.31	+74.44	+0.70
NYSEMKTComp.	2727.30	+63.37	+2.38
S&P500	1923.57	+23.04	+1.21
S&PMidCap	1377.98	+8.32	+0.61
S&PSmallCap	653.01	+2.98	+0.46
Nasdaq	4242.62	+56.81	+1.36
ValueLine(arith.)	4441.79	+26.67	+0.60
Russell2000	1134.50	+8.31	+0.74
DJUSTSMFloat	20092.62	+225.12	+1.13

	Last Week	Week Earlier
NYSE		
Advances	2,118	2,107
Declines	1,091	1,115
Unchanged	55	46
NewHighs	425	290
NewLows	62	78
AvDailyVol(mil)	2,911.9	2,694.2
Dollar		
(Finexspotindex)	80.39	80.35
T-Bond		
(CBTnearbyfutures)	138-080	136-300
Crude Oil		
(NYMlightsweetcrude)	102.71	104.35
Inflation KR-CRB		
(FuturesPriceIndex)	305.48	308.26
Gold		
(CMXnearbyfutures)	1245.60	1291.60

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文件 B000000020140531ea620000z

DOW JONES
NEWSWIRES

The Trader: Making Like 2013, Stocks Hit Another High -- Barron's

1,930 字
2014 年 5 月 31 日 05:07
Dow Jones Institutional News
DJDN
M3
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(FROM BARRON'S 6/2/14)
By Vito J. Racanelli
For a few days at least, the stock market resembled its 2013 self, setting high after high last week. Share prices rose smartly, over 1%, and the Standard & Poor's 500 index saw record closes in three of last week's four trading days, while the Dow Jones Industrial Average also had its all-time best close Friday.

The surge came amid thin volumes in a holiday-shortened week. Despite poor first-quarter GDP numbers -- which investors blamed on frigid weather -- most of the economic data, such as falling jobless claims, were positive.

Also boosting stocks and spirits was a lack of geopolitical tension; an M&A battle in the food industry; a recovery in small-cap stocks; and expectations that the European Central Bank will do some monetary easing next week, says Michael Matousek, head trader at U.S. Global Investors. Even the $2 billion offer for the Los Angeles Clippers by former Microsoft chief Steve Ballmer probably got animal spirits moving, he adds.

On Thursday, first-quarter gross domestic product was revised down to an annualized negative 1%, or contraction, from a positive 0.1%, weaker than expected, though much of the revision came from lower inventories. Investors mostly ignored GDP data, says Tom Carter, a trader with JonesTrading Institutional Services. With little to dampen the mood, investors found it tough to sit on the sidelines watching stocks rise day after day, and the "pain trade was up," he adds.

Jobless claims for the week ending May 24 fell 27,000 to 300,000, below the consensus. That, adds Mark Luschini, chief market strategist at Janney Montgomery Scott, measures a more recent past than GDP and points to improving labor and housing markets. It's more indicative about the second half, which should see rising economic activity and a good climate for profit growth, says the bullish strategist, who notes that outside the stock market, investors still face a lack of better-yielding alternatives.

Last week, the Dow rose 111 points, 0.7% to 16,717.17. The S&P 500 closed at 1923.57, up 1.2% or 23 points. The Nasdaq Composite index advanced 1.4%, or 57, to 4242.62.

This week promises new data with "more gravity," says Carter, and perhaps a truer indication of market sentiment. Investors will most likely focus on two figures from the Institute for Supply Management that could give a more up-to-date picture of the economy than GDP did: the ISM May manufacturing purchasing managers index on Monday, and the nonmanufacturing PMI on Wednesday.

It's time to close our bullish call on AT&T (ticker: T) earlier than expected thanks to the telecom giant's May 18 surprise: a deal to buy satellite-TV provider DirecTV (DTV) for $48 billion. Almost four months ago, when AT&T traded at $32.30, we suggested it wasn't getting enough credit for its dividend-paying ability and that investors were too pessimistic about the wireless business (Feb. 10). The shares closed Friday at $35.47.

Since publication of that item, AT&T's cellphone results improved, and it raised 2014 guidance. AT&T claims DirecTV will be accretive to earnings within 12 months of the close, with $1.6 billion in synergies by year three. However, this deal injects too much merger-execution risk into the stock.

Joe Terril, head of money management firm Terril & Co., doesn't think those kind of synergies are likely. DirecTV is lean, mean, and efficiently run, so it's unlikely AT&T can run it better, he says. Moreover, he avers, "Society is changing the way it gets its entertainment, and AT&T bought the old technology." The pay-TV industry, whether cable or satellite, is in the initial stages of deterioration, as consumers move to video-on-demand and other Web-based services, he adds. DirecTV's vaunted cash flow will likely go south over the long term.

AT&T's unsuccessful merger attempts in recent years -- Dish Network (DISH), T-Mobile US (TMUS), which ended up costing AT&T about $4 billion in break-up fees, and rumored interest in Vodafone (VOD) -- makes some investors think AT&T "wanted to buy somebody" just to bulk up, he says. He sold the firm's entire AT&T stake after the deal announcement.

AT&T's total return is 11% in four months -- about half what we expected over 18 to 24 months. Given the news, it seems prudent to take profits and step aside.

In 2013, the aggregate pension profile of S&P 500 index companies underwent a dramatic rise in funding levels, to the best seen since before the financial crisis, according to a recent report from CreditSights, an independent credit-research outfit.

This healthier picture for corporate pension plans comes courtesy of a combination of robust plan asset returns -- helped by last year's 30% stock-market rise -- and an increase in the plans' median discount rate, says CreditSights strategist Louise Purtle.

Aggregate S&P 500 plan assets jumped $176.7 billion to $1.655 trillion, eclipsing the previous peak of $1.504 trillion in 2007. With a total projected benefit obligation of $1.879 trillion, the pension shortfall was $224 billion at year end, and the funding ratio was 88.1%. That's still underfunded, but up from 77.7% at the end of 2012, and the highest since 104.6% in 2007.

A number of firms, like Delta Air Lines (DAL), still have a pension-deficit obligation that is a significant part of market capitalization, but even here there's progress, with significant drops seen. (See table on page M5.) Pension-plan shortfalls don't affect a company's day-to-day operations, but, depending on accounting rules and regulatory guidelines, companies sometimes must top up large pension deficits out of earnings.

Corporate plan contributions actually fell in 2013, but the improved funding was driven by both the asset-value increase and rising discount rates, with the latter "more notable" than the asset rise, Purtle says. Companies have some discretion in choosing the discount rate, and "it's the tail that wags the dog," she says.

The median discount rate used by S&P 500 plans rose to 4.8% from 4% in 2012. A decade ago the median exceeded 7%. The discount rate is used to calculate the present value of future pension liabilities. Pension plans use high-quality bonds as a reference rate for the discount rate, so the artificially low interest rates of recent years have hurt pension returns. Higher plan discount rates increase the expected rate of return on the assets, and consequently the plan sponsor or company can set aside less for future pension obligations.

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31 May 2014 00:07 ET The Trader: Making Like 2013, Stocks Hit Another -2-

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May 31, 2014 00:07 ET (04:07 GMT)

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DOW JONES
NEWSWIRES

Mexico's Stocks Struggle After U.S. GDP Report

By Anthony Harrup
377 字
2014 年 5 月 29 日 15:22
Dow Jones Institutional News
DJDN
英文

MEXICO CITY--Mexico's stocks gave back opening gains and moved lower early Thursday in the wake of a report showing that U.S. gross domestic product contracted 1% in the first quarter, worse than expectations and below an earlier reading of 0.1% growth.

The IPC index of the 35 most-traded stocks was recently off 0.1% at 41911 points. Volume was 12.6 million shares worth 329.5 million pesos ($25.6 million).

Bellwether America Movil (AMX, AMX.MX) L shares were down 0.1% at MXN12.84, and cement maker Cemex (CX, CEMEX.MX) CPO shares were off 0.3% at MXN16.76.

Deutsche Bank analyst Esteban Polidura said in a report that an antitrust probe of cement makers in Brazil, which led to fines and forced asset sales, could create an opportunity for Cemex unit Cemex LatAm.

"Given that most of the current producers are involved in this sanction, we expect new players to absorb this sudden availability of capacity. Cemex LatAm is, in our view, a strong candidate to participate in M&A activity," Mr. Polidura said, noting that Cemex at present only has an import-export terminal in Brazil. The companies in Brazil plan to appeal the rulings.

Cemex officials said last week that their top priority is to lower debt and recover the company's investment grade ratings, but that Cemex is still open to looking at acquisition opportunities that arise.

The Mexican peso was stronger against the U.S. currency, quoted in Mexico City at MXN12.8495 to the dollar, according to Infosel, compared with MXN12.8725 at Wednesday's close.

"USDMXN has been grinding lower (stronger) after breaking the 12.96 support level in the past two weeks," Nomura said in a note.

The peso's continued appreciation has been supported by low global volatility, low 10-year Treasury yields and the rally in the S&P500 stock index, Nomura said. "We believe from here on MXN will be more range-bound as long MXN positions seem to have increased meaningfully lately."

Write to Anthony Harrup at anthony.harrup@wsj.com

(END) Dow Jones Newswires

May 29, 2014 10:22 ET (14:22 GMT)

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DOW JONES
NEWSWIRES

'Enough Is Enough': Twitter Shares Ready to Fly Again -- WSJ Blog

By Steven Russolillo
400 字
2014 年 5 月 28 日 19:37
Dow Jones Institutional News
DJDN
英文

While it's been a year to forget for Twitter Inc. bulls, one analyst predicts shares of the microblogging site are poised for a rebound.

When the stock was above $70 in late December, investors were viewing Twitter as a product that had mainstream potential and could rival competitor Facebook Inc. on a size and scale basis. But with the stock trading in the low $30s, a much different investor mindset has taken shape.

"We believe that the market has now priced in the expectation that Twitter remains a niche social-media product," says Anthony DiClemente, an analyst at Nomura, noting Twitter is "unlikely to achieve mainstream status."

He upgraded Twitter to buy from neutral and maintained a $43 price target on the stock. "We believe risk/reward is much more favorable now, given the possibility that product enhancements rejuvenate user growth," he said.

Twitter shares recently jumped 9.5% to $33.40. But even amid the rally, the stock is still down about 50% for the year.

Mr. DiClemente predicts Wall Street views Twitter as a product that will be less than 20% the size of Facebook in about three years. That estimate may be too conservative. "If there is any traction for recent product initiatives to boost user growth, there may be upside to Street estimates," he said.

He isn't the only analyst to recently express some hope in Twitter's next move. Earlier this month Robert Peck an analyst with Atlanta, Ga.-based SunTrust Robinson Humphrey, upgraded his Twitter rating, saying the company doesn't need to be Facebook to justify its valuation.

Twitter shares have been hit hard by slowing user growth and the expiration of a lockup period that had prevented the company's early investors and employees from selling stock. Yet despite the monthslong decline, Twitter still trades above its $26 IPO price in November.

"With the stock down 50% year-to-date (vs. S&P500 up 4%) and down 28% since earnings (vs. up 2%), we believe that 'enough is enough' and that the current price offers investors a unique opportunity to own a now-underappreciated digital media asset," Mr. DiClemente said.

More at The Wall Street Journal's MoneyBeat blog,
http://blogs.wsj.com/moneybeat/
(END) Dow Jones Newswires

May 28, 2014 14:37 ET (18:37 GMT)

文件 DJDN000020140528ea5s0037u

Twitter: Nomura Ups to Buy; Can Close Monetization Gap with Facebook
Barron's Blogs, 2014 年 5 月 28 日 17:03, 563 字, By Tiernan Ray, (英文)
Shares of Twitter (TWTR) are up $1.30, or 4.2%, at $31.81, after Nomura Equity Research's Anthony DiClemente raised his rating on the shares to Buy from Neutral, and reiterated a $43 price target, writing that "We believe that the market ...
文件 WCBBE00020140528ea5s00105

BARRON'S

MARKET WEEK

Stocks --- The Trader: S&P 500 Up 1.2% on Week, to Record High

By Vito J. Racanelli
2,042 字
2014 年 5 月 26 日
Barron's
B
M3
英文

The stock market closed sharply higher with the broad Standard & Poor's 500 index setting an all-time record Friday, finally punching through the 1900 level after several failures in recent weeks.

Volumes were low ahead of Monday's Memorial Day holiday in the U.S. Macroeconomic data continued to be positive, though mildly so, and stocks continued their hesitant upward drift.

Next week is without much in the way of potentially market-moving data. Market participants point to the June 6 release of May non-farm payroll data and the unemployment rate as indicators that could provide the next pivot point.

Last week, the Dow Jones Industrial Average gained 115 points, or 0.7%, to 16,606.27. The S&P 500 closed up 1.2%, or 23 points, to 1900.53, an all-time high, as noted. The Nasdaq Composite index rose 2.3%, or 95, to 4185.81. The Russell 2000 small-cap index tacked on 2.1% to 1126.19.

A positive tone Friday was set early by reassuring words from Russian President Vladimir Putin that his country would respect the results of Ukraine's presidential election Sunday, says Kimberly Forrest, a senior equity analyst at Fort Pitt Capital Group. "We'll see whether or not he respects that," she adds.

Nevertheless, it had a calming influence on a light-volume day, she says, allowing the market's generally upward bias of recent months to reassert itself.

Economic data continue a two-step-forward, one-step-back dance. Last week initial weekly jobless claims increased slightly but new-home sales improved. Friday, the Commerce Department said new U.S. single-family home sales rose to 433,000, modestly above consensus but better than March.

While economic news has been generally supportive of higher share prices, the market remains hesitant and still has a wait-and-see attitude, says Timothy Leach, chief investment officer at U.S. Bank Wealth Management. Investors are apprehensive about the effect on the economy of the Federal Reserve ending its quantitative-easing strategy later this year, he adds. It's as if the market is trying to navigate a river of doubt, using each data point as a stone to hop across, he says.

Despite the worry, and with bonds still yielding so little, stocks as an asset class win out, argues Andrew Ahrens, who runs Ahrens Investment Partners. "You can't get a return on your investment elsewhere . . . and by a process of elimination stocks are the place to be until interest rates go up," he says.

Separately, the venerable Dow Theory remains in a bullish trend for stocks, according to Ned Davis Research. For youngsters, the theory goes that industrials make the goods and transportation firms ship them, so when there's confirmation between the Dow and the Dow Jones Transportation Average, it's a signal about stock trends.

Both the Dow and the DJTA are above their 200-day moving average. The Dow set a new record in the previous week and the DJTA did this past week. For more on the transports see Streetwise, on page 9.

Tyson Foods Looks Tasty

Every once in a while, Mr. Market throws a tantrum and takes down a stock over short-term issues. If the drop is big enough and the problems small enough, it may give long-term oriented investors a relatively inexpensive entry point in shares of a well-run company. A more than 10% drop in Tyson Foods (ticker: TSN), to $39.72, potentially represents such an opportunity.

On May 5, this chicken, beef and pork producer reported that revenue rose 8% to $9 billion in the second quarter ended March 29, while net income rose to $213 million or 60 cents a share from $95 million or 43 cents. Pretty good stuff, but Tyson missed earnings per share expectations by 3 pennies, and the stock was duly punished. Additionally, some analysts were looking for it to raise fiscal 2014 EPS guidance, but Tyson left it at $2.78.

That was partly because of industry issues: Meat producers have been hurt by lower pork supplies after the outbreak of a deadly virus in the U.S., porcine epidemic diarrhea, which has reduced the piglet population. And drought conditions have cut down cattle herds in recent years.

More specific to Tyson, in April it lost out to Post Holdings (POST) in an attempt to buy egg producer Michael Foods, says Joe Gilbert, a money manager at Integrity Asset Management. Because of these issues, some investors think Tyson stock has run out of momentum and they bailed out, he says. "Tyson was unduly punished," but these are temporary issues, he avers. Wall Street is lukewarm on the stock and isn't giving the company's strong management team enough credit, adds Gilbert, whose firm has a large stake in Tyson.

Though it didn't land Michael Foods, the Springdale, Ark.-based firm has a strong balance sheet and is capable of finding another acquisition -- particularly in the prepared-foods arena -- that will help it diversify its business away from lower margin commodity meat production. It also gives the company latitude to buy back shares. Tyson's long term debt -- about $1.9 billion -- to total capital ratio is less than 25%.

Eventually the pig and cattle herds will recover, and longer term, the global picture is one where an emerging middle class will boost its meat-based protein demand. Over the next few years, between acquisitions of higher-margin businesses and improved results in its international and prepared foods segments, Gilbert believes Tyson could double its operating margin to 5%.

Currently, Tyson trades below its median forward price/earnings ratio of 14. Over the past five years, Tyson has steadily grown revenue and shown solidly profitable results. The company is guiding to "3% to 4% revenue growth and 10% EPS growth over time."

One non-operational caveat with Tyson is that the Tyson family controls the company through its ownership of class B shares. And Tyson doesn't have an attractive dividend yield, at less than 1%.

Nevertheless, as Tyson increases its margins, the P/E multiple will follow, the money manager says. And given the volatility in the market, Tyson shares could be a relatively safe haven, he adds.

Just Energy's Dividend Problem

And then sometimes Mr. Market throws a fit and it's deserved.

Since May 15, following a poor annual earnings report, shares of energy reseller Just Energy Group (JE) have plunged 27% to US$5.87 from $8. They closed at 6.36 Canadian dollars on the Toronto Stock Exchange. The stock's dividend yield, based on C84 cents per share annually, is now about 13%. Double-digit yields are unsustainable for most any firm, and a payout reduction seems likely this fiscal year.

We were skeptical of the dividend's sustainability last year (Barron's, August 5, 2013), when the shares were US$7.33. We are more so now. The market is beginning to agree with us.

We noted then that the Toronto-based firm, which sells gas and electricity, mostly to the U.S., is a middle man in a highly competitive industry, and unlike Just Energy, some of its competitors have the advantage of their own generating capacity. That hurts in severe weather when Just Energy, which guarantees prices to many customers, has to buy power from suppliers as prices spike. That's what happened last winter.

Just Energy reported fiscal 2014 earnings before interest, taxes, depreciation and amortization (Ebitda) of C$210 million, which was significantly short of company guidance, though it was up 22% from fiscal 2013. More importantly, what the company terms "base funds from continuing operations" were C$110 million, up 17% from fiscal 2013, which is not enough to cover the dividend. With 144 million shares, the annual dividend requirement is about C$121 million. The dividend payout ratio from continuing operations funds was 112%.

Just Energy blamed severe weather in the fiscal fourth quarter and "heavy competition" in the U.S. Does anyone think severe weather won't happen again or that competition will relent?

Customer growth was 5%, to 4.7 million, That's OK, but down from 10% growth in the previous year. In fiscal 2013, Just Energy's cash generation didn't cover the dividend requirement, and that is still the case last fiscal year. Kevin Chu, an analyst at Accountability Research, an independent Canadian equity-research outfit estimates free cash flow at C$72 million.

Meanwhile, Just Energy is constrained by a levered balance sheet, with nearly C$1 billion in debt. Cash on the balance sheet has fallen to $20 million from $38 million. According to Accountability Research, which has a Sell rating on the stock, Just Energy has about $110 million available in a credit revolver account.

With cash generation so low, the company is effectively using borrowed funds to pay its dividend, adds the analyst. Just Energy might sell assets, but that will only gain time.

The company has said it wants to get to a 60% to 65% payout ratio eventually. Short of a spectacular, and unlikely, rise in results, that ratio likely won't be achieved without a dividend cut, Chu adds. Just Energy itself isn't predicting such strong results: fiscal 2015 guidance is for a 5% to 9% rise in Ebitda this fiscal year to C$220 million to C$230 million. The company wants to get the payout ratio under 100% this year, but what happens if there's more severe weather or growth falters, or rivals cut prices? Just Energy doesn't have much room for error.

Last August the company's CFO Beth said she was "comfortable" with the dividend, but the company didn't respond to questions this time around. Just Energy will likely cut the dividend 20% to 40%. It's just a matter of time.

While on the subject of companies north of the border, one we haven't gotten right is Canadian Pacific Railway (CP). It's time to 'fess up. Last September 23, this column suggested CP shares were overvalued and priced to outperform its operational targets. We thought the future restructuring would be slower than the pace discounted by the stock price. Since then the stock is up nearly 30% to $164, outperforming the S&P 500's 10% rise over the same period.

CP reported a 2013 EPS of $4.96 up from $2.79 in 2012. The shares still trade at a relatively high P/E ratio of 21, but no higher than when we wrote about it because the 2014 consensus has risen to $8.50 this year from $6.18 then. The railroad's efficiency ratios continue to improve. In this case, we missed the train.

Vital Signs

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DJUtilities	534.02	-3.76	-0.70
DJ65Stocks	5850.15	+47.61	+0.82
DJUSMarket	479.05	+5.97	+1.26
NYSEComp.	10681.87	+78.69	+0.74
NYSEMKTComp.	2663.93	+14.19	+0.54
S&P500	1900.53	+22.67	+1.21
S&PMidCap	1369.66	+17.13	+1.27
S&PSmallCap	650.03	+10.95	+1.71
Nasdaq	4185.81	+95.22	+2.33
ValueLine(arith.)	4415.12	+58.46	+1.34
Russell2000	1126.19	+23.28	+2.11
DJUSTSMFloat	19867.49	+257.10	+1.31

	Last Week	Week Earlier
NYSE		
Advances	2,107	1,694
Declines	1,115	1,505
Unchanged	46	68
NewHighs	290	300
NewLows	78	91
AvDailyVol(mil)	2,694.2	3,058.0
Dollar		
(Finexspotindex)	80.39	80.06
T-Bond		
(CBTnearbyfutures)	136-300	137-140
Crude Oil		
(NYMlightsweetcrude)	104.35	102.02
Inflation KR-CRB		
(FuturesPriceIndex)	308.26	305.92

Gold (CMXnearbyfutures)	1291.60	1293.30

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5035

文件 B000000020140524ea5q00018

The Trader: S&P 500 Up 1.2% On Week, To Record High -- Barron's

2,078 字
2014 年 5 月 24 日 05:09
Dow Jones Institutional News
DJDN
M3
英文

(FROM BARRON'S 5/26/14)
By Vito J. Racanelli

The stock market closed sharply higher with the broad Standard & Poor's 500 index setting an all-time record Friday, finally punching through the 1900 level after several failures in recent weeks.

Volumes were low ahead of Monday's Memorial Day holiday in the U.S. Macroeconomic data continued to be positive, though mildly so, and stocks continued their hesitant upward drift.

Next week is without much in the way of potentially market-moving data. Market participants point to the June 6 release of May non-farm payroll data and the unemployment rate as indicators that could provide the next pivot point.

Last week, the Dow Jones Industrial Average gained 115 points, or 0.7%, to 16,606.27. The S&P 500 closed up 1.2%, or 23 points, to 1900.53, an all-time high, as noted. The Nasdaq Composite index rose 2.3%, or 95, to 4185.81. The Russell 2000 small-cap index tacked on 2.1% to 1126.19.

A positive tone Friday was set early by reassuring words from Russian President Vladimir Putin that his country would respect the results of Ukraine's presidential election Sunday, says Kimberly Forrest, a senior equity analyst at Fort Pitt Capital Group. "We'll see whether or not he respects that," she adds.

Nevertheless, it had a calming influence on a light-volume day, she says, allowing the market's generally upward bias of recent months to reassert itself.

Economic data continue a two-step-forward, one-step-back dance. Last week initial weekly jobless claims increased slightly but new-home sales improved. Friday, the Commerce Department said new U.S. single-family home sales rose to 433,000, modestly above consensus but better than March.

While economic news has been generally supportive of higher share prices, the market remains hesitant and still has a wait-and-see attitude, says Timothy Leach, chief investment officer at U.S. Bank Wealth Management. Investors are apprehensive about the effect on the economy of the Federal Reserve ending its quantitative-easing strategy later this year, he adds. It's as if the market is trying to navigate a river of doubt, using each data point as a stone to hop across, he says.

Despite the worry, and with bonds still yielding so little, stocks as an asset class win out, argues Andrew Ahrens, who runs Ahrens Investment Partners. "You can't get a return on your investment elsewhere . . . and by a process of elimination stocks are the place to be until interest rates go up," he says.

Separately, the venerable Dow Theory remains in a bullish trend for stocks, according to Ned Davis Research. For youngsters, the theory goes that industrials make the goods and transportation firms ship them, so when there's confirmation between the Dow and the Dow Jones Transportation Average, it's a signal about stock trends.

Both the Dow and the DJTA are above their 200-day moving average. The Dow set a new record in the previous week and the DJTA did this past week. For more on the transports see Streetwise, on page 9.

Tyson Foods Looks Tasty

Every once in a while, Mr. Market throws a tantrum and takes down a stock over short-term issues. If the drop is big enough and the problems small enough, it may give long-term oriented investors a relatively inexpensive entry point in shares of a well-run company. A more than 10% drop in Tyson Foods (ticker: TSN), to $39.72, potentially represents such an opportunity.

On May 5, this chicken, beef and pork producer reported that revenue rose 8% to $9 billion in the second quarter ended March 29, while net income rose to $213 million or 60 cents a share from $95 million or 43 cents. Pretty good stuff, but Tyson missed earnings per share expectations by 3 pennies, and the stock was duly punished. Additionally, some analysts were looking for it to raise fiscal 2014 EPS guidance, but Tyson left it at $2.78.

That was partly because of industry issues: Meat producers have been hurt by lower pork supplies after the outbreak of a deadly virus in the U.S., porcine epidemic diarrhea, which has reduced the piglet population. And drought conditions have cut down cattle herds in recent years.

More specific to Tyson, in April it lost out to Post Holdings (POST) in an attempt to buy egg producer Michael Foods, says Joe Gilbert, a money manager at Integrity Asset Management. Because of these issues, some investors think Tyson stock has run out of momentum and they bailed out, he says. "Tyson was unduly punished," but these are temporary issues, he avers. Wall Street is lukewarm on the stock and isn't giving the company's strong management team enough credit, adds Gilbert, whose firm has a large stake in Tyson.

Though it didn't land Michael Foods, the Springdale, Ark.-based firm has a strong balance sheet and is capable of finding another acquisition -- particularly in the prepared-foods arena -- that will help it diversify its business away from lower margin commodity meat production. It also gives the company latitude to buy back shares. Tyson's long term debt -- about $1.9 billion -- to total capital ratio is less than 25%.

Eventually the pig and cattle herds will recover, and longer term, the global picture is one where an emerging middle class will boost its meat-based protein demand. Over the next few years, between acquisitions of higher-margin businesses and improved results in its international and prepared foods segments, Gilbert believes Tyson could double its operating margin to 5%.

Currently, Tyson trades below its median forward price/earnings ratio of 14. Over the past five years, Tyson has steadily grown revenue and shown solidly profitable results. The company is guiding to "3% to 4% revenue growth and 10% EPS growth over time."

One non-operational caveat with Tyson is that the Tyson family controls the company through its ownership of class B shares. And Tyson doesn't have an attractive dividend yield, at less than 1%.

Nevertheless, as Tyson increases its margins, the P/E multiple will follow, the money manager says. And given the volatility in the market, Tyson shares could be a relatively safe haven, he adds.

Just Energy's Dividend Problem

And then sometimes Mr. Market throws a fit and it's deserved.

Since May 15, following a poor annual earnings report, shares of energy reseller Just Energy Group (JE) have plunged 27% to US$5.87 from $8. They closed at 6.36 Canadian dollars on the Toronto Stock Exchange. The stock's dividend yield, based on C84 cents per share annually, is now about 13%. Double-digit yields are unsustainable for most any firm, and a payout reduction seems likely this fiscal year.

We were skeptical of the dividend's sustainability last year (Barron's, August 5, 2013), when the shares were US$7.33. We are more so now. The market is beginning to agree with us.

We noted then that the Toronto-based firm, which sells gas and electricity, mostly to the U.S., is a middle man in a highly competitive industry, and unlike Just Energy, some of its competitors have the advantage of their own generating capacity. That hurts in severe weather when Just Energy, which guarantees prices to many customers, has to buy power from suppliers as prices spike. That's what happened last winter.

Just Energy reported fiscal 2014 earnings before interest, taxes, depreciation and amortization (Ebitda) of C$210 million, which was significantly short of company guidance, though it was up 22% from fiscal 2013. More importantly, what the company terms "base funds from continuing operations" were C$110 million, up 17% from fiscal 2013, which is not enough to cover the dividend. With 144 million shares, the annual dividend requirement is about C$121 million. The dividend payout ratio from continuing operations funds was 112%.

Just Energy blamed severe weather in the fiscal fourth quarter and "heavy competition" in the U.S. Does anyone think severe weather won't happen again or that competition will relent?

Customer growth was 5%, to 4.7 million, That's OK, but down from 10% growth in the previous year. In fiscal 2013, Just Energy's cash generation didn't cover the dividend requirement, and that is still the case last fiscal year. Kevin Chu, an analyst at Accountability Research, an independent Canadian equity-research outfit estimates free cash flow at C$72 million.

Meanwhile, Just Energy is constrained by a levered balance sheet, with nearly C$1 billion in debt. Cash on the balance sheet has fallen to $20 million from $38 million. According to Accountability Research, which has a Sell rating on the stock, Just Energy has about $110 million available in a credit revolver account.

With cash generation so low, the company is effectively using borrowed funds to pay its dividend, adds the analyst. Just Energy might sell assets, but that will only gain time.

The company has said it wants to get to a 60% to 65% payout ratio eventually. Short of a spectacular, and unlikely, rise in results, that ratio likely won't be achieved without a dividend cut, Chu adds. Just Energy itself isn't predicting such strong results: fiscal 2015 guidance is for a 5% to 9% rise in Ebitda this fiscal year to C$220 million to C$230 million. The company wants to get the payout ratio under 100% this year, but what happens if there's more severe weather or growth falters, or rivals cut prices? Just Energy doesn't have much room for error.

Last August the company's CFO Beth said she was "comfortable" with the dividend, but the company didn't respond to questions this time around. Just Energy will likely cut the dividend 20% to 40%. It's just a matter of time.

24 May 2014 00:09 ET The Trader: S&P 500 Up 1.2% On Week, To Record -2-

While on the subject of companies north of the border, one we haven't gotten right is Canadian Pacific Railway (CP). It's time to 'fess up. Last September 23, this column suggested CP shares were overvalued and priced to outperform its operational targets. We thought the future restructuring would be slower than the pace discounted by the stock price. Since then the stock is up nearly 30% to $164, outperforming the S&P 500's 10% rise over the same period.

CP reported a 2013 EPS of $4.96 up from $2.79 in 2012. The shares still trade at a relatively high P/E ratio of 21, but no higher than when we wrote about it because the 2014 consensus has risen to $8.50 this year from $6.18 then. The railroad's efficiency ratios continue to improve. In this case, we missed the train.

Vital Signs

	Friday's Close	Week's Change	Week's % Chg.
DJIndustrials	16606.27	+114.96	+0.70
DJTransportation	7986.58	+140.73	+1.79
DJUtilities	534.02	-3.76	-0.70
DJ65Stocks	5850.15	+47.61	+0.82
DJUSMarket	479.05	+5.97	+1.26
NYSEComp.	10681.87	+78.69	+0.74
NYSEMKTComp.	2663.93	+14.19	+0.54
S&P500	1900.53	+22.67	+1.21
S&PMidCap	1369.66	+17.13	+1.27
S&PSmallCap	650.03	+10.95	+1.71
Nasdaq	4185.81	+95.22	+2.33
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(FuturesPriceIndex) 308.26 305.92
Gold
(CMXnearbyfutures) 1291.60 1293.30

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(END) Dow Jones Newswires

May 24, 2014 00:09 ET (04:09 GMT)

文件 DJDN000020140524ea5o0002r

Semis: Buy During Summer Lull for Rising Cash Flow, Says RBC
Barron's Blogs, 2014 年 5 月 23 日 18:07, 288 字, By Tiernan Ray, (英文)
RBC Capital Markets chip analyst Doug Freedman today offers up his scorecard of the semiconductor earnings season that has been, writing that trends improved for most firms from Q4's level, and that the group should be bought for its ...
文件 WCBBE00020140523ea5n0015p

DOW JONES
NEWSWIRES

Exchange Traded Funds Top 10 Volume Leaders

172 字
2014 年 5 月 22 日 22:36
Dow Jones Institutional News
DJDN
英文

STOCK (Symbol)		LAST	NET CHG	% CHG	VOL 100s
SPDR S&P 500	SPY	189.59	0.46	0.24	59,329,804
iShares MSCI Emg Markets	EEM	43.22	0.30	0.70	45,581,740
iShares Russell 2000 ETF	IWM	110.76	1.14	1.04	39,826,267
iShares MSCI Japan ETF	EWJ	11.28	0.11	0.98	35,075,373
PwrShrs QQQ Tr Series 1	QQQ	89.23	0.39	0.44	29,073,682
Direxion Daily Sm Bear 3x	TZA	17.46	-0.59	-3.27	24,499,366
Select Sector SPDR-Finl	XLF	21.97	0.10	0.46	18,275,690
iShares MSCI Brazil Cap	EWZ	48.22	0.19	0.40	15,437,879
iShares China Large-Cap	FXI	36.35	0.31	0.86	11,754,882
ProShares Short S&P500	SH	24.27	-0.07	-0.29	10,595,789

(END) Dow Jones Newswires

May 22, 2014 17:36 ET (21:36 GMT)

文件 DJDN000020140522ea5m0056g

DOW JONES
NEWSWIRES

Selling Pressure on Euro-Zone Bonds Continues

By Tommy Stubbington
488 字
2014 年 5 月 21 日 08:52
Dow Jones Institutional News
DJDN
英文

There was no letup in the selling pressure on euro-zone bond markets Wednesday, with Italian and Spanish yields climbing to their highest level in more than six weeks.

European stock markets opened lower, echoing a downbeat session on Wall Street.

Debt issued by nations in the euro zone's formerly crisis-hit periphery has suffered a sharp reversal in recent days, after a winning run at the start of the year.

Investors and analysts say that a combination of factors--including nerves ahead of European elections this month and doubts over whether the European Central Bank will introduce a program of quantitative easing--have dented the highflying bonds of Italy, Spain, Portugal, and Greece.

"Little has changed fundamentally, however with domestic investors and [international long-term investors] not supporting the market ahead of European elections, moves continue to be quite sharp," said interest rate strategists at Royal Bank of Scotland.

"Investors are waiting either European election results or the ECB before stepping up."

Italian 10-year bond yields stood at 3.33%, well above their record low of 2.90% hit last week, and the highest since early April. Spanish 10-year yields climbed to 3.17%. Yields rise as prices fall.

Some investors have cut their allocations to peripheral bonds in recent weeks, nervous that they have moved too far, too fast in the early part of the year. Even so, many expect the fall in yields to resume once near-term uncertainty is out of the way.

"We have been underweight in Italy in the recent move after taking profits," said Mark Dowding, co-head of investment grade debt at BlueBay Asset Management.

But a further weakening of Italian debt could represent "a good opportunity to return to the markets", he added.

In equity markets, the Stoxx Europe 600 index fell 0.5% in early trade.

Poor corporate earnings in the U.S. spurred a 0.8% loss for the S&P500, and the weakness continued into Asia, where most markets were lower.

Germany's DAX and France's CAC-40 indexes slipped 0.5% in early trade, while the U.K.'s FTSE 100 was down 0.3%.

In currency markets, the yen climbed to a three-month high of Yen100.81 against the dollar.

The Japanese currency, which tends to gain in times of stress, has been supported by investors' broad retreat from riskier assets, while the Bank of Japan on Tuesday concluded its policy meeting by signaling that it saw little need to implement further monetary stimulus anytime soon.

That "reduces the likelihood of further BOJ monetary easing in the near term providing support for the yen," said Lee Hardman, a currency economist at Bank of Tokyo-Mitsubishi UFJ.

Write to Tommy Stubbington at tommy.stubbington@wsj.com

(END) Dow Jones Newswires

May 21, 2014 03:52 ET (07:52 GMT)

文件 DJDN000020140521ea5l0019j

DOW JONES
NEWSWIRES

Nordic Markets Seen Opening Slightly Lower -- Market Talk

205 字
2014 年 5 月 21 日 07:54
Dow Jones Institutional News
DJDN
英文

0654 GMT [Dow Jones] Nordic stocks are seen opening slightly lower Wednesday with IG calling the OMXS30 down 0.5% at around 1374. "Equities in the US closed on a negative note yesterday with S&P500 -0.6% and Nasdaq -0.7%. The fall was largely driven by the retail sector after disappointments in several reports but intensified following a speech by Fed's Plosserm" says SEB. "Asian stocks trade with a mild negative tilt...as they caught part of the gloom from Wall Street but also due to Asian investors keeping an eye on the political tensions in Thailand." On the calendar today is Bank of England minutes at 0830 GMT, euro zone consumer confidence at 1400 GMT, Fed speeches from Yellen, George and Kocherlakota this evening before FOMC minutes at 1800 GMT. Regional eyes will be watching AP Moller-Maersk after the oil and shipping giant raised guidance. OMXS30 closed at 1381.27, OMXN40 at 1325.99 and OBX at 542.38. (dominic.chopping@wsj.com)

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(END) Dow Jones Newswires

May 21, 2014 02:54 ET (06:54 GMT)

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DOW JONES NEWSWIRES

European Markets Continue to Slide -- Update

By Tommy Stubbington and Josie Cox
592 字
2014 年 5 月 19 日 10:55
Dow Jones Institutional News
DJDN
英文

Italian stocks led European markets lower Monday, as a selloff that hit some of the continent's best-performing assets last week resumed.

Milan's FTSE MIB index fell by more than 2.5% midmorning, while the pan-European Stoxx Europe 600 was 0.9% lower.

The moves came amid renewed pressure on the euro zone's riskier bond markets, with Italian and Spanish yields climbing.

Analysts said there was no single catalyst for the selling, but a sharp fall late last week in some equity and bond markets--which followed weak euro-zone growth figures--was prompting a reassessment of some of the assets that have rallied hardest in 2014. Investors are also nervous ahead of European parliamentary elections later this month, which look set for a strong showing from anti-European Union parties.

"The weakness in the market today is likely a hangover from last week's disappointing euro-area growth figures, but also reflects uncertainty ahead of the European elections. There is certainly more nervousness in the market, but I think that will dissipate as soon as the elections are over," said Aengus McMahon, credit strategist at ING.

Adding to the downbeat mood, AstraZeneca shares slumped after the company rejected a final offer from U.S. peer Pfizer. A recent pickup in takeover activity has helped drive European shares, which hit six-year highs last week.

London's FTSE 100 was 0.6% lower, weighed by a 12% drop for the drug maker.

Late Sunday, Pfizer made an increased offer for the AstraZeneca valued at about $120 billion, after the British pharmaceutical company rebuffed its latest effort to enter takeover talks. But AstraZeneca's board said Monday the fresh offer remained below its valuation.

Deutsche Bank also saw its shares lose ground after announcing plans to sell EUR8 billion ($11 billion) of new shares to boost its capital buffers.

Germany's DAX index was down 0.8%, while France's CAC-40 lost 0.7%.

Overnight, China weighed on Asian markets after data at the weekend showed more signs of distress as home-price gains decelerated in April, amid a souring outlook for the property market--a key contributor to Chinese growth.

U.S. markets were poised to open lower, with futures contracts pointing to a 0.4% opening loss for both the DJIA and S&P500 indexes. Changes in futures don't always accurately predict market moves after the opening bell.

In bond markets, Italian 10-year yields climbed 0.07 percentage point to 3.13%, the highest in three weeks. Yields rise as prices fall.

"The European elections are getting the focus as a possible source of volatility and being used as a pretext to take some money off the table, " said Richard McGuire, an interest-rate strategist at Rabobank.

In currency markets the euro edged higher against the dollar and sterling. The common currency has weakened significantly since the European Central Bank flagged the possibility of further easing measures next month, ECB board member Jens Weidmann reiterated Monday that the exchange rate in itself isn't a policy target, but is relevant to officials' thinking.

In commodities markets, gold was up 0.6% at $1,300.00 an ounce, while Brent crude oil was 0.2% higher at $109.99 a barrel.

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(END) Dow Jones Newswires

May 19, 2014 05:55 ET (09:55 GMT)

文件 DJDN000020140519ea5j001xh

BARRON'S

MARKET WEEK

Stocks --- The Trader: Stocks End Flat, After Setting New Highs

By Vito J. Racanelli
2,014 字
2014 年 5 月 19 日
Barron's
B
M3
英文

A stun grenade seemingly landed in the stock market last week, with blinding light, noise, and smoke that disoriented equity investors but caused no permanent damage. The broad market indexes managed to set new all-time highs early on, only to suffer a big 1% drop Thursday.

The volatile trading occurred as small-cap stocks flirted with correction territory, continuing a bearish trend that began in March. Meanwhile, the continuing and surprising rally in the bond market is making some investors nervous about the strength of an expected U.S. economic recovery. Such anxiety was confirmed by mixed economic data released last week, with April housing starts and jobs data strong but industrial production and capacity-utilization weak.

Amid these cross currents, the broad indexes finished pretty much unchanged. The Dow Jones Industrial Average ended the week at 16,491.31, down 0.6%, and below an all-time high of 16,715.44 set Tuesday. The Standard & Poor's 500 ended at 1877.86, flat on the week, but down from an all-time high of 1897.45, also set Tuesday. The Nasdaq Composite bucked the trend and rose 0.5%, or 19, to 4090.59. The Russell 2000 small-cap index fell 0.4% to 1102.91, and briefly dropped 10% from its high on Thursday -- technically, a correction.

Despite the index highs, "there's an incredible amount of pessimism and negativity" in equity markets, says Michael Marrale, head of research, sales, and trading at broker-dealer ITG. He says hedge funds have sharply reduced their equity exposure since March, but he views the selling as a pause, as there is money on the sidelines and people are nervous. "You want to be a contrarian to the pervasive pessimism," he says.

The mixed data scared stock investors, as "most thought the economy was accelerating," says Brian Reynolds, chief market strategist at Rosenblatt Securities. He, too, is sanguine, and observes that corporate bond prices are near all-time highs, not an augury of an economic slowdown.

The bond-market rally was caused by short-covering, the weak industrial-production number, and growing expectations that the European Central Bank will cut rates in June, says Quincy Krosby, market strategist at Prudential Financial. Investors continue to struggle, she says, with how to value stocks in a world where the Federal Reserve is winding down its quantitative stimulus program this year.

Dow 18,000 by Year End?

The Dow has spent most of 2014 below the high it reached on the last day of 2013. While the past six days have been volatile, the DJIA reached three record highs in that span, and came within shouting distance of 17,000 Tuesday.

Admittedly, round numbers don't hold much fundamental meaning, but they tend to grab the attention of the press, the public, and investors. With the bull already five years old, many wonder if this year's tentative re-entry into the market by individual investors, who had abandoned equities after the 2008 crisis, will lead to intensified buying.

To get a better read, we checked in with Jeremy Siegel, a Wharton School finance professor and author of Stocks for the Long Run, the fifth edition of which recently was published. In 2009, using a 142-year set of market data from that book, Barron's began a series that examined the long-term performance of the stock market since 1871 ("Case Closed: Stocks Work," March 9, 2009).

The data were updated to include rolling five-, 10-, 20-, and 30- year return periods to the end of 2013, and are generated by Jeremy Schwartz of WisdomTree Asset Management, a firm with which Siegel is affiliated. The main takeaway in our 2009 piece was that below-average returns over five- and 10-year periods generally are followed by above-average returns in the next five and 10 years.

For the 60 months ended in April, the compounded annual real return was nearly 17%, well above the median 7.17% for all five-year periods. (Taxes and investment fees aren't included.) That suggests that the next five years could run below the average.

While that might temper bullishness, in the 120-month period ended April, the compounded annual real return was just 5.58%, a full percentage point below the 6.64% median 10-year annual return for all the periods measured -- again, since 1871.

Siegel recently told us that he thinks "the odds-on bet" is that the Dow will reach 18,000 by the end of the year, for roughly a 10%-15% rise in 2014. That's not to say there won't be a correction first, but two factors are likely to propel stocks.

First, interest rates "won't go anywhere near as high as was feared at the end of last year," he says. Indeed, bonds have confounded investors by rallying this year, with the 10-year Treasury yield down to 2.52% from more than 3% at year's end. (Bond prices move inversely to yields.) Additionally, he says, S&P 500 index earnings are expected to grow strongly in the second half of 2014, with this year's earnings per share 10%-12% above 2013's.

Siegel also believes that, in the next five years or so, dividend-paying stocks -- which were laggards last year, but have done better this year -- are the best bet. As investors see that interest rates aren't going up, this group "could very well be the outperformer in the next two to three years."

While the broad market seems fairly valued on a historical basis, and the next five years are unlikely to be as stellar as the previous half-decade, median returns seem reachable for the next few years.

Why Triumph Looks Good

Triumph Group's stock has failed to live up to the company's ambitious moniker. The Berwyn, Pa.-based aerospace outfit's shares (ticker: TGI) have dropped to $68, about 20% below their high of $85 last summer, versus a 10% gain since then in the broad market. But things could change in the coming year,

Triumph's wounds are partly self-inflicted, and partly the result of Boeing's (BA) wind-down of its 747-8 aircraft program. Boeing accounts for 45% of Triumph's sales.

In the fiscal year ended March 2014, Triumph's revenue rose 2% to $3.76 billion, but earnings fell sharply, to $3.91 a share from $5.67 in fiscal '13. Perhaps worse, in the past two years, the company has repeatedly lowered guidance.

Yet, Triumph is an industrial mid-cap that happens to be in decently growing businesses with good profit margins. It provides wings, fuselage skins, engine components, and such, as well as aftermarket products and services, to the airline and defense companies. Net debt equals 40% of capital.

Several factors might steer investors to Triumph, even before a turnaround is evident. First, the issues with Boeing are already discounted in the stock. More important, Triumph has attracted the interest of Atlantic Investment Management -- a fund run by activist Alexander Roepers -- which revealed a 5.3% stake Tuesday.

Atlantic Investment has a track record of finding cheaply valued industrial mid-caps that suffer mainly from fixable problems and successfully prodding management to turn things around. It looks for companies with competitive moats in industries with good prospects. Roepers says he brings "constructive" pressure to bear on management, suggesting shareholder-friendly initiatives, such as the creation of an achievable, credible, and measurable "road map" of changes designed to increase earnings.

Triumph has stumbled on some execution challenges that occurred while it was spending hundreds of millions to expand and upgrade new facilities. It is also closing facilities it acquired in its 2010 purchase of Vought Aircraft Industries, which doubled its size. In fiscal 2014, military sales have fallen, and companywide margins have dropped to 14% from 18%

Triumph has three main businesses. Roepers notes that two -- aerospace systems and aftermarket operations -- are performing well. Combined, they account for 31% of total sales and 48% of operating income. They have operating margins of 17%-20%.

The problem child is the aerospace-structures business -- wings and engine nacelles, among other products. Sales fell 6% last year, and margins narrowed to 13% from 20%. Boeing cut its 747-8 production to 1.5 per month from two and changed its platform, causing difficulty for Triumph. Additionally, production of the C-17 cargo plane is ending, and investors worry about slowing military sales. Throw in guidance reductions -- last May, Triumph predicted $6.35 a share in earnings for fiscal 2014; in October, it cut that to $5.25, and in January, to $4.75 -- and investor enthusiasm has waned.

The stock's forward price/earnings ratio is near the lower end of its five-year range. According to Atlantic Investment, Triumph trades at about 6.5 times fiscal 2016 earnings before interest, taxes, depreciation, and amortization (Ebitda), versus eight to nine times at defense peers and 10 times at aerospace pure plays.

If Triumph can fix its problems, just getting back to a peer multiple would value the stock at $95, according to Atlantic. The aerospace-structures unit faces slowing growth, but is stabilizing. This month it won a $160 million wing-reinforcement contract with Airbus (EADSF). "There are a lot of self-help things Triumph can do . . . and commercial aerospace is a good place to be," says Roepers.

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DOW JONES
NEWSWIRES

The Trader: Stocks End Flat, After Setting New Highs -- Barron's

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2014 年 5 月 19 日 04:12
Dow Jones Newswires Chinese (English)
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英文

(FROM BARRON'S 5/19/14)

By Vito J. Racanelli

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17 May 2014 00:10 ET The Trader: Stocks End Flat, After Setting New -2-

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NEWSWIRES

Third Point Adds New Stakes in American Airlines, Anheuser-Busch -- WSJ Blog

By Juliet Chung
299 字
2014 年 5 月 15 日 22:48
Dow Jones Institutional News
DJDN
英文

Daniel Loeb's hedge-fund Third Point LLC added sizeable new stakes in companies including American Airlines Group Inc., Anheuser-Busch InBev NV and Verizon Communications Inc., according to a Thursday regulatory filing.

The hedge-fund manager, who recently settled a seven-months' long battle with art auction house Sotheby's, disclosed he held at the end of March 2.7 million shares of American Airlines, 1.4 million shares of Anheuser-Busch and 3.5 million shares of Verizon, worth about $166 million.

The New York hedge fund also revealed new stakes in Avago Technologies Ltd., CF Industries Holdings Inc. and the Industrial Select Sector SPDR Fund, an exchange-traded fund that provides exposure to the industrial sector for the **S&P500**. Its stake in the industrials ETF was worth about $262 million, according to the filing.

Third Point exited positions it held at the end of 2013 in Abbott Laboratories, BlackBerry Ltd., Gilead Sciences Inc. and Yahoo Inc. and increased its stakes in Liberty Global PLC and Actavis PLC. Actavis in the first quarter agreed to acquire rival drug maker Forest Laboratories Inc. Third Point had other pharmaceuticals bets, according to the filing, holding a small stake worth about $33 million in Valeant Pharmaceuticals International Inc., which had teamed up with the hedge-fund manager William Ackman to try to buy Allergan Inc. Allergan formally rejected the hostile takeover bid earlier this month.

Third Point decreased its stake in American International Group Inc. to 7 million, down from 12.5 million shares at the end of 2013.

More at The Wall Street Journal's MoneyBeat blog,
http://blogs.wsj.com/moneybeat/
(END) Dow Jones Newswires

May 15, 2014 17:48 ET (21:48 GMT)

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Third Point Discloses Holdings as of Quarter-End

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2014 年 5 月 15 日 21:02
Dow Jones Institutional News
DJDN
英文

Third Point bought and sold several securities in the latest quarter.

To view the firm's latest holdings, click here:
http://www.sec.gov/Archives/edgar/data/1040273/000108514614001202/0001085146-14-001202-index.htm

To view holdings as of the previous quarter, click here:
http://www.sec.gov/Archives/edgar/data/1040273/000108514614000711/0001085146-14-000711-index.htm

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

15 May 2014 16:04 ET Third Point Takes New Stake in American Airlines Group, With 2,700,001 Shares -- 13F Filing

15 May 2014 16:14 ET *Third Point LLC Increases Stake in Actavis Plc -- Filing

*Third Point LLC Increases Stake in Liberty Global Plc to 3.6 Million Shares -- Filing

Corrections & Amplifications

This flash was corrected on May 14, 2014 at 2106 GMT to reflect that Third Point LLC increased its stake in Liberty Global to 3.6 million shares, not 5.4 million shares.

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May 15, 2014 16:15 ET (20:15 GMT)

15 May 2014 16:15 ET *Third Point Held 900,000 Liberty Global Shares at 2013-End -- Filing

15 May 2014 16:21 ET *Third Point LLC Adds New Stake in Avago Technologies Ltd -- Filing

15 May 2014 16:21 ET *Third Point LLC Held 2 Million Shares in Avago at End of March -- Filing

15 May 2014 16:22 ET *Third Point LLC Reveals New Stake in CF Industries Holdings Inc. -- Filing

15 May 2014 16:22 ET *Third Point LLC Held $252 Million Stake in CF Industries Holdings Inc. at End of March -- Filing

15 May 2014 16:22 ET *Third Point LLC Decreased AIG Stake to 7 Million Shares at End of March -- Filing

15 May 2014 16:23 ET *Third Point LLC Exits Stakes in Blackberry, Abbott Labs, Gilead Sciences, Yahoo Inc. -- Filing

15 May 2014 16:29 ET *Third Point LLC Reveals New Stake in Verizon Communications Inc. -- Filing

15 May 2014 16:29 ET *Third Point LLC Held 3.5 Million Shares of Verizon Communications Inc. at End of March -- Filing

15 May 2014 16:38 ET *Third Point LLC Reveals New Stake in Industrial Select Sector SPDR Fund -- Filing

15 May 2014 16:38 ET *Third Point LLC's Stake in Industrial Select Sector SPDR Fund Worth $262 Million -- Filing

15 May 2014 17:04 ET *CORRECT: Third Point LLC Increases Stake in Liberty Global Plc to 3.6 Million Shares, Not 5.4 Million Shares

15 May 2014 17:18 ET Third Point Adds New Stakes in American Airlines, Anheuser-Busch

By Juliet Chung

Daniel Loeb's hedge-fund Third Point LLC added sizeable new stakes in companies including American Airlines Group Inc. (AAL), Anheuser-Busch InBev NV (BUD) and Verizon Communications Inc. (VZ), according to a regulatory filing Thursday.

The hedge-fund manager, who recently settled a seven-month-long battle with art auction house Sotheby's (BID), disclosed he held at the end of March 2.7 million shares of American Airlines, 1.4 million shares of Anheuser-Busch and 3.5 million shares of Verizon worth about $166 million.

The New York hedge fund also revealed new stakes in Avago Technologies Ltd. (AVGO), CF Industries Holdings Inc. (CF) and the Industrial Select Sector SPDR Fund (XLI), an exchange-traded fund that provides exposure to the industrial sector for the **S&P500**. Its stake in the industrials ETF was worth about $262 million, according to the filing.

Third Point exited positions it held at the end of 2013 in Abbott Laboratories (ABT), BlackBerry Ltd. (BBRY), Gilead Sciences Inc. (GILD) and Yahoo Inc. (YHOO) and increased its stakes in Liberty Global PLC (LBTYA) and Actavis PLC (ACT). Actavis in the first quarter agreed to acquire rival drug maker Forest Laboratories Inc. (FRX).

Third Point had other pharmaceuticals bets, according to the filing, holding a small stake worth about $33 million in Valeant Pharmaceuticals International Inc. (VRX), which had teamed up with hedge-fund manager William Ackman to try to buy Allergan Inc. (AGN). Allergan formally rejected the hostile takeover bid earlier this month.

Third Point decreased its stake in American International Group Inc. (AIG) to 7 million, down from 12.5 million shares at the end of 2013.

Write to Juliet Chung at Juliet.Chung@wsj.com

Visit http://www.companyspotlight.com/partner?cp_code=A591&isin=US3755581036

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Access Investor Kit for Verizon Communications, Inc.

Visit http://www.companyspotlight.com/partner?cp_code=A591&isin=US92343V1044

Access Investor Kit for Yahoo!, Inc.

Visit http://www.companyspotlight.com/partner?cp_code=A591&isin=US9843321061

(END) Dow Jones Newswires

May 15, 2014 17:18 ET (21:18 GMT)

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DOW JONES
NEWSWIRES

Hong Kong Stocks Seen Immune From US Retreat on Tencent Beat -- Market Talk

181 字
2014 年 5 月 15 日 02:11
Dow Jones Institutional News
DJDN
英文

0111 GMT [Dow Jones] Hong Kong equities are seen extending a five-day streak of gains this morning even as US markets take a decidedly risk-off turn, after the S&P500 snaps a three-day rally on Wednesday and the yield on US 10-year Treasuries hits a six-month low. There's not much on the docket for markets in Asia-Pacific today, but the Hang Seng Index may rise after its biggest component stock, Tencent (0700.HK), beats analysts' estimates for Q1. The Hang Seng Index closed up 1% yesterday at 22,582.77, while index futures are surging 1.9% at 9.00am local time. "The index's ability to stay above the 22,000-pt level may indicate that the bulls have taken control of the market," says RHB Retail Research.
(gregor.hunter@wsj.com; Twitter: @gregorhunter)

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

(END) Dow Jones Newswires

May 14, 2014 21:11 ET (01:11 GMT)

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NEWSWIRES
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Top Stories
Third Point Adds New Stakes in American Airlines, Anheuser-Busch

By Juliet Chung
301 字
2014 年 5 月 15 日 22:29
Dow Jones Top Global Market Stories
DJTGMS
英文

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NEWSWIRES

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2,992 字
2014 年 5 月 15 日 02:11
Dow Jones Institutional News
DJDN
英文

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Corrections & Amplifications

This snippet was corrected at 11:08 p.m. DST because the original incorrectly stated that Tencent was the biggest component of the Hang Seng Index rather than the second largest.

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0016 GMT [Dow Jones] The Bank of England's quarterly inflation report released Wednesday made only minor changes to the inflation and growth outlook and there was little new direction from BOE Gov. Carney in the press conference, BNP Paribas says. But EUR/GBP rebounded sharply after the report and this was likely attributable to the absence of any new "hawkish" bias from the BOE, the bank says. BNP Paribas says its economists have brought forward their expectation for the first BOE rate hike to 4Q 2014. With GBP already lagging the recent rise in relative U.K. short-term rates, the bank believes any setback for GBP would be an opportunity to add to GBP longs against the EUR for a target of 0.7800. Spot EUR/GBP was recently at 0.8180. (jerry.tan@wsj.com)

0001 GMT [Dow Jones] A tight supply in China's copper market, falling stocks at Shanghai Futures Exchange and buying by China's State Reserves Bureau could start to influence markets, analysts say. Copper at worst looks like being neutral, while prices could go higher, Commerzbank says in a report. LME 3-month copper ended 1.1% higher Wednesday at $6,920/ton-up around 2.6% since the start of the week. Investor were assured that China's leaders are keeping a watchful eye on short-term growth after the country's central bank asked major mortgage lenders to give priority to first-time homebuyers, as concerns grow over the sluggish property market. Nickel might face some profit taking as funds take profits off the table after a strong rise this year. LME 3-month nickel ended down 4.6% at $20,030/ton. (arpan.mukherjee@wsj.com; Twitter: @ArpanMukherjee)

2349 GMT [Dow Jones] Nymex crude is likely to consolidate for now after hitting a three-week high of $102.65/bbl Wednesday, Dow Jones technical analysis shows. The daily continuation chart is still positive-biased as the MACD and slow stochastic indicators are bullish, while the five-day moving average is above the 15-day moving average and advancing. Support is at $101.83 (Wednesday's low), a breach would be near-term negative, exposing the downside to $100.36 (Tuesday's low), then to $99.93 (Monday's low), $99.71 (Friday's low), $99.32 (May 6 low) and $98.91 (May 5 low). But a rise above the $102.65 resistance would expose the upside to $103.65 (April 22 high), then to 104.77 (April 21 high) and $104.99 (April 16 swing high). June crude is down 36 cents at $102.01/bbl on Globex. (jerry.tan@wsj.com)

2348 GMT [Dow Jones] Macquarie lifts its cash-earnings forecast for Commonwealth Bank (CBA.AU) by 0.7% for this fiscal year and by 1.4% for 2015 after quarterly earnings topped expectations. Its price target on the bank's shares goes to A$84.84/share from A$81.82. Improved impairment continues to be a key theme among the lenders, while for CBA a trend of solid revenue growth and cost discipline is likely to continue for the remainder of the fiscal year, Macquarie says. It has CBA at outperform. CBA's shares ended Wednesday at A$80.89. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

Write to Shani Raja at shani.raja@wsj.com

2153 GMT [Dow Jones] Asian markets are likely to see some profit-taking after U.S. markets retreated from record levels on Wednesday, with small-cap, home-builder and bank shares among the biggest decliners. "There will likely be a continuation of that in Asia," says Philip Hunter, broker at First NZ Capital. Locally, the NZX-50 will be fairly quiet going into the budget, he says. There may be some focus on Ryman Healthcare (RYM.NZ) after its FY result, but Hunter says the profit numbers were largely in line with expectations so investors will be waiting for more information from the company about the build rate and operations in Australia. The index closed 0.3% higher Wednesday at 5213.36. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

16:35 EDT - The USD may continue to face some pressure with the US 10-year Treasury yield at its lowest since October, says BNZ FX strategist Raiko Shareef. Later in the global trading day he expects markets to "largely ignore the swathe of incoming [US] data in favor of watching Fed Chair Yellen address the US Chamber of Commerce." He notes that comments on the economy will be unavoidable although "Yellen has recently discovered a Greenspan-like ability for obfuscation. Nevertheless, every word will be scrutinized." EUR/USD is at 1.3714 early in New Zealand; USD/JPY at 101.86. (rebecca.howard@wsj.com; @FarroHoward)

16:16 EDT - As the US 10-year yield fall toward 2.5%, it "will make it hard for NZD/USD to weaken," says ANZ Bank. The pair up 0.5% at 0.8667. The New Zealand budget should only reiterate a strong New Zealand economy and support its currency further. While the US dollar will need higher US yields for support, there is an impending wave of US data that could set that up, including CPI, industrial production and NY Fed and Philly Fed manufacturing surveys. ANZ Bank tips a short-term range of 0.8640-0.8720. (rebecca.howard@wsj.com; @FarroHoward)

15:27 EDT - Rest up, economy-watchers. Tomorrow will see a load of data crashing down. The CPI report may show some inflation creep as seen in today's PPI, and both the New York and Philly Fed factory May surveys are released on the same day--as well as the Fed's national industrial production report for April. Those reports will give an update on the state of manufacturing in 2Q. Later on, the housing market index will detail how builders view the real estate market during this spring selling season. And, of course, there's the old Thursday stand-by, jobless claims. (kathleen.madigan@wsj.com)

14 May 2014 23:07 ET Correction to Hong Kong Stocks Seen Immune Market Talk

"Hong Kong Stocks Seen Immune From US Retreat on Tencent Beat -- Market Talk," at 0111 GMT, incorrectly stated that Tencent was the biggest component of the Hang Seng Index. Tencent is the second largest; HSBC is the biggest.

0248 GMT [Dow Jones] The latest Japanese GDP data shows that employee income contracted 0.7% on year in the first quarter, despite a 5.9% increase in GDP, part of a long-term trend. Real income growth declined for the third straight year in the fiscal year that ended in March, to just 0.4%. Faster inflation is partly to blame. Another culprit is employers who hesitate to offer permanent pay raises when they aren't sure whether economic growth will continue. Economists warn, however, that consumer spending--the main driver of growth in Japan--won't sustain if real income keeps on falling. How to boost confidence among business managers may be the next challenge for Prime Minister Abe. (mitsuru.obe@wsj.com)

0246 GMT [Dow Jones] The USD/TWD is higher on importer buying while the local central bank's suspected moves lifting the pair Wednesday is deterring some USD sales, a local trader says. The pair is at 30.156 compared with 30.140 before suspected intervention Wednesday which lifted it to 30.220 at the close of onshore trading, traders say. "It seems that foreign investors didn't finish their [USD] sales on Wednesday so they continue to sell on Thursday," a trader says adding selling pressure is heavy around $30.160. The trader tips the pair to trade between 30.140 and 30.170 for the session. (fanny.liu@wsj.com)

0244 GMT [Dow Jones] USD/INR may drop further to 59.15, implying a stronger Indian rupee versus the U.S. unit, as investor confidence rises due to exit polls indicating a likely win for the business-friendly Bharatiya Janata Party. The official election results will be announced Friday. Indian stocks and the rupee have been enjoying an election-euphoria boost as investors bet on an improvement in business conditions if the BJP comes into power. However, some analysts say those expecting major changes are too optimistic. On both daily and weekly charts, USD/INR will maintain its bearish technical bias as long as the immediate technical resistance at 59.76 is unbroken. USD/INR is likely to open at around 59.40-59.45 versus its Tuesday close of 59.45. (ewen.chew@wsj.com)

0241 GMT [Dow Jones] Thailand stocks may be affected early Thursday following an outbreak of political violence in Bangkok that killed at least two people and wounded 24, says CIMB Thailand head of research Kasem Prunratanamala. "It's possible that it may affect the market sentiment slightly, but I think this is not a total surprise to the market because this has been repeated many times," he says, adding that investors will likely pay more attention to a meeting later in the day between the electoral commission and the acting prime minister, when a timescale for the next general election will be discussed. If it's postponed past the original July 20 date that shouldn't be a big deal, says Kasem, but a longer-term delay will likely weigh on sentiment further as the country's economy suffers from a lack of leadership. (jake.watts@wsj.com)

0236 GMT [Dow Jones] Early trading sees nickel fall sharply, with traders continuing to take profits off the table as prices rise more than 50% since the start of the year. Since Wednesday investors have been selling nickel in anticipation of weak demand in the next few months. LME 3-month nickel fell 9.6% to an intraday low of $18,090/ton before bouncing to $18,375/ton, down $1,655 from its previous close. On Wednesday, the contract fell 4.6%. Nickel's demand typically drops around the end of May when many steel manufacturers in Europe and the U.S. shut down furnaces to perform summer maintenance. Anticipating slack demand ahead, investors are exiting bullish bets that profited from nickel's gains this year. (arpan.mukherjee@wsj.com; Twitter: @ArpanMukherjee)

0232 GMT [Dow Jones] The "magic" of NZ Budget 2014 is the forecast growth of the economy, but "the trick is making sure the magic is real," says PwC Corporate Tax Leader Geof Nightingale. The budget walks a "finely balanced line of increasing government spending, generating surpluses to protect the future and allowing our debt to reduce as a proportion of GDP," he says. However, it relies heavily on "achieving the magic of economic growth." (rebecca.howard@wsj.com)

0231 GMT [Dow Jones] Mexico joins a growing group of nations separately pursuing anti-dumping cases against China's steel exports, the industry consultancy Steel Business Briefing reports. The economy ministry filed a letter to China saying it would conduct a hearing on May 23 on the case against Chinese steel sheet shipments. U.S. steel companies have also filed the highest number of trade complaints in more than a decade and called for new import tariffs, largely blamed on Chinese steel exports, The Wall Street Journal reported on Tuesday. The Mexican ministry has an ongoing inquiry into China cold-rolled steel coil exports. Mexico is a small market for China steel but shipments up 348% from a year earlier. Tensions over these exports are also rising with Southeast Asian nations and the European Union, analysts say. (chuin-wei.yap@wsj.com)

0225 GMT [Dow Jones] Australia's S&P/ASX 200 recovers from a 0.5% intraday fall. A break of 5500 could target the 6-year high at 5554.5. Market heavyweights (CBA.AU), BHP (BHP.AU) and Westpac (WBC.AU) are underpinning the market. CBA gains 0.2% after UBS upgraded the bank to hold from sell, and a number of brokers raised their price targets, with BBY saying CBA is "heading to A$100/share." Investors may be switching to CBA from ex-dividend banks, but Westpac is currently up 0.3%. BHP gains 0.2%, outperforming peers as it moves toward asset sales and a potential capital return. Investors may also be favoring the diversity of BHP versus iron ore pure plays, while spot prices are relatively weak. Index last flat at 5496.0. (david.rogers@wsj.com; Twitter: @DRWSJ)

0215 GMT [Dow Jones] Game developer stocks take off in Hong Kong after Chinese tech giant Tencent (0700.HK) reported stronger-than-expected earnings driven by its mobile gaming business. Religare notes IGG (8002.HK) has the highest mobile exposure among HK-listed developer stocks; the company also this year launched its "Castle Clash" game exclusively on the Tencent platform. IGG up 4% at HK$5.80 in early trade while larger Kingsoft (3888.HK) gains 2.9% to HK$22.95. Tencent rises 1.3% to HK$514.00. (mia.lamar@wsj.com)

0209 GMT [Dow Jones] New Zealand's 2014 budget again "shows how fiscally sound New Zealand is relative to the rest of the world," says Stephen Toplis, BNZ's head of research . "It's heartening that we are moving to surplus without resorting to Draconian-type measures we are seeing elsewhere in the world," says Toplis. He says the slightly larger-than-expected surplus in 2014-15 was no surprise as it largely falls into the margin of error. "When you have an economy that's running quite hot and where there's still a desire to reduce overall debt, you have to run a budget that's relatively austere and doesn't add to growth pressures," he says, adding that the government had done a reasonably good job in that regard. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

0209 GMT [Dow Jones] China shares are lower with coal miners leading declines due to the bleak demand growth outlook amid a slowing economy, say analysts. The Shanghai Composite Index is down 0.1% at 2045.25 and is tipped to trade around 2050. "The market is likely to keep consolidating with a downward bias due to expectations of a restart of the IPO market in coming weeks," says Jacky Zhang, an investment adviser at BOC International (China) Ltd. In spite of the recent run-up, the long-term downward trend in resource sectors like coal miners remains intact, he adds. Coal miners Yanzhou Coal Mining (600188.SH) falls 3.1% to CNY7.53 and Shaanxi Coal Industry (601225.SH) drops 2.0% to CNY4.32. The Shenzhen Composite Index is down 0.1% at 1039.76. (amy.li@dowjones.com)

(END) Dow Jones Newswires

May 14, 2014 23:07 ET (03:07 GMT)

文件 DJDN000020140515ea5f000dh

DOW JONES
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Taiwan Shares Open Down 0.2%; 8800-8850 Band Tipped -- Market Talk

1,563 字
2014 年 5 月 15 日 02:40
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0140 GMT [Dow Jones] Taiwan shares open down 0.2% at 8862.08, tracking overnight decline on Wall Street and the growing tension in South China Sea, which is also keeping investors at bay, says a local trader, noting that petrochemical and textile names are suffering the most. On Tuesday, a number of Vietnam-based Taiwanese operations were vandalized and forced to shut down amid the rising anti-China sentiment there. "Who knows how long the riot will last and how far it will reach. Investors are watching what the governments will do to fix the situation," he says. China Steel (2002.TW) is down 0.6% at NT$25.25 and Formosa Petrochemical (6505.TW) falls 0.4% at NT$75.60. However, buying in tech names is lending some support to the index. Hon Hai (2317.TW) is up 0.1% at NT$88.3 and HTC (2498.TW) gains 0.6% at NT$164. Taiex is tipped to move in a 8800-8850 band. (jenny.hsu@wsj.com)

0137 GMT [Dow Jones] The USD/JPY falling to as low as 101.67, after Japan Jan-Mar GDP data, weighed down by the stock market decline. A strong GDP reading already factored into the 1Q GDP data ahead of tax hike, but 1Q GDP turned out to be much stronger with an annualized pace of 5.9% gain from the previous quarter vs market consensus of 4.4%. "I think investors are cautious about a fallback" for the current April-June quarter, says Kengo Suzuki chief Forex strategist at Mizuho Securities. The pair is now at 101.79 and compares with 101.89 in late New York Wednesday. (hiroyuki.kachi@wsj.com)

0131 GMT [Dow Jones] USD/SGD is likely caught between the upper and lower Bollinger bands (standard deviation 1), lacking a trigger for increased volatility. The intraday consolidation range spanning 1.2494-1.2554 may however be susceptible to a downside break because the USD/SGD weekly chart is looking bearish. On the weekly chart, USD/SGD is beneath the Ichimoku Cloud support zone and also within the Bollinger downtrend channel, suggesting more weakness ahead for the U.S. unit. Singapore retail sales data for March will be published at 0500 GMT. USD/SGD is now 1.2498 from its Wednesday close of 1.2496. (ewen.chew@wsj.com)

0129 GMT [Dow Jones] USD/KRW has lost its bearish technical bias and may consolidate slightly higher toward the psychological resistance at 1,030 instead. Suspected intervention by the Bank of Korea on Wednesday has signalled to speculators that the won has risen too fast in recent weeks. Traders will now be wary if USD/KRW again approaches the 1,020-1,022 level which is where the BOK was suspected to have started buying dollars aggressively late Wednesday. Trimming of short USD/KRW positions from here on may fuel the greenback higher, possibly to the 20-day Bollinger mid resistance at 1,033. USD/KRW is now 1,026.7 from its Wednesday close of 1,027.9. (ewen.chew@wsj.com)

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2348 GMT [Dow Jones] Macquarie lifts its cash-earnings forecast for Commonwealth Bank (CBA.AU) by 0.7% for this fiscal year and by 1.4% for 2015 after quarterly earnings topped expectations. Its price target on the bank's shares goes to A$84.84/share from A$81.82. Improved impairment continues to be a key theme among the lenders, while for CBA a trend of solid revenue growth and cost discipline is likely to continue for the remainder of the fiscal year, Macquarie says. It has CBA at outperform. CBA's shares ended Wednesday at A$80.89. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

Write to Shani Raja at shani.raja@wsj.com
(END) Dow Jones Newswires

May 14, 2014 21:40 ET (01:40 GMT)

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DOW JONES
NEWSWIRES

Thai Baht Retains Strength Vs USD Despite Violent Protests -- Market Talk

1,633 字
2014 年 5 月 15 日 03:05
Dow Jones Institutional News
DJDN
英文

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

0204 GMT [Dow Jones] The Thai baht holds on to gains made on Wednesday despite reports of violent protests in Bangkok resulting in several casualties. The baht rose to as high as 32.37 versus the U.S. dollar on Wednesday but is now slightly weaker at 32.44. USD/THB however remains biased higher on the daily chart--implying that the baht could still weaken versus the U.S. dollar in the near term--due to the uptrend line projected from April 18 supporting the dollar now at around 32.33. If USD/THB gets back above the daily Ichimoku Cloud resistance at 32.54 there is a higher probability that the baht will fall further against the U.S. dollar. USD/THB is now 32.44 from its Wednesday close of 32.40. (ewen.chew@wsj.com)

0204 GMT [Dow Jones] In the first quarter, Japanese consumers brought forward purchases of consumer durable items--automobiles, refrigerators, washing machines, personal computers--before the April 1 sales tax increase. Consumption of these items soared, by a record 66.9% on year in the quarter on an annualized basis. Compare this to the previous such rush before a similar sales tax raise in April 2007, when consumption expenditures on durable items jumped 19.2% in the first quarter--to be followed by a 38.2% plunge in the second quarter. Prime Minister Shinzo Abe may watch for a similar retreat this quarter. (mitsuru.obe@wsj.com)

0204 GMT [Dow Jones] New Zealand's Treasury is tipping the Kiwi dollar to remain high against a basket of currencies until late 2016, partly bolstered by interest rate differentials with New Zealand having already started to raise interest rates while rates in the major developed economies are expected to remain on hold over the next year at least. Treasury forecasts the TWI--currently at 80.50--to be around 79.0 from the June 2014 quarter until late 2016 and then to decline to 72.2 in the June 2018 quarter. It notes the high dollar is making NZ a more expensive place for tourists and foreign students and the price competitiveness of manufactured goods exports is also reduced. It says trading conditions are expected to remain challenging in both sectors but trading partner growth and the assumed depreciation of the FX rate--particularly after 2016--offer some relief. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

0203 GMT [Dow Jones] New Zealand's terms of trade is tipped to decline by about 9% over the next year, according to Treasury estimates in the country's Budget 2014, but will remain around 25% higher than the 50-year average. Terms of trade--the price of exports relative to imports--is currently hovering around 40-year highs, bolstered largely by rising dairy exports. Treasury notes, however, the balance of global risks remain skewed to the downside and any sharp fall in New Zealand export prices would have a significant impact on the current account balance, tax revenues and net core crown debt. While dairy prices have moved lower and further falls are expected as global supply increases, demand from Asia--China in particular--is expected to remain strong into the medium term as "world production is unable to keep pace," it says. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

0202 GMT [Dow Jones] The New Zealand government's Budget 2014 forecasts a surplus of NZ$372 million in the year to June 2015--above the previous forecast of NZ$86 million and the first time the accounts will be in the black since the year to June 2008. "The government remains on track to meet its two fiscal targets--getting back to surplus in 2014/15 and bringing net core crown debt back down to 20% of GDP by 2020," says Finance Minister Bill English. Forecasts Thursday show net core crown debt hitting 26.4% in the year to June 2015. The budget forecasts also show growth averaging 2.8% over the next four years, with a peak of 4% in the year to March 2015, English says. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

0143 GMT [Dow Jones] Though USD/MYR has reached interim technical support at 3.2180, it is likely to keep drifting lower in the days ahead. The Malaysian ringgit continues to look attractive based on fundamentals and technical indicators. After the Malaysian central bank hinted at raising interest rates last week, the ringgit has been gaining versus the U.S. dollar. On the daily USD/MYR chart, the bearish outlook indicated by the Bollinger downtrend channel suggests the ringgit could carry on appreciating toward the round-figure trading barrier at 3.2000. USD/MYR needs to stay below 3.2340 by the end of the day to maintain its bearish technical bias. USD/MYR is now 3.2230 from its Wednesday close of 3.2170. (ewen.chew@wsj.com)

0140 GMT [Dow Jones] Taiwan shares open down 0.2% at 8862.08, tracking overnight decline on Wall Street and the growing tension in South China Sea, which is also keeping investors at bay, says a local trader, noting that petrochemical and textile names are suffering the most. On Tuesday, a number of Vietnam-based Taiwanese operations were vandalized and forced to shut down amid the rising anti-China sentiment there. "Who knows how long the riot will last and how far it will reach. Investors are watching what the governments will do to fix the situation," he says. China Steel (2002.TW) is down 0.6% at NT$25.25 and Formosa Petrochemical (6505.TW) falls 0.4% at NT$75.60. However, buying in tech names is lending some support to the index. Hon Hai (2317.TW) is up 0.1% at NT$88.3 and HTC (2498.TW) gains 0.6% at NT$164. Taiex is tipped to move in a 8800-8850 band. (jenny.hsu@wsj.com)

0137 GMT [Dow Jones] The USD/JPY falling to as low as 101.67, after Japan Jan-Mar GDP data, weighed down by the stock market decline. A strong GDP reading already factored into the 1Q GDP data ahead of tax hike, but 1Q GDP turned out to be much stronger with an annualized pace of 5.9% gain from the previous quarter vs market consensus of 4.4%. "I think investors are cautious about a fallback" for the current April-June quarter, says Kengo Suzuki chief Forex strategist at Mizuho Securities. The pair is now at 101.79 and compares with 101.89 in late New York Wednesday. (hiroyuki.kachi@wsj.com)

0131 GMT [Dow Jones] USD/SGD is likely caught between the upper and lower Bollinger bands (standard deviation 1), lacking a trigger for increased volatility. The intraday consolidation range spanning 1.2494-1.2554 may however be susceptible to a downside break because the USD/SGD weekly chart is looking bearish. On the weekly chart, USD/SGD is beneath the Ichimoku Cloud support zone and also within the Bollinger downtrend channel, suggesting more weakness ahead for the U.S. unit. Singapore retail sales data for March will be published at 0500 GMT. USD/SGD is now 1.2498 from its Wednesday close of 1.2496. (ewen.chew@wsj.com)

0129 GMT [Dow Jones] USD/KRW has lost its bearish technical bias and may consolidate slightly higher toward the psychological resistance at 1,030 instead. Suspected intervention by the Bank of Korea on Wednesday has signalled to speculators that the won has risen too fast in recent weeks. Traders will now be wary if USD/KRW again approaches the 1,020-1,022 level which is where the BOK was suspected to have started buying dollars aggressively late Wednesday. Trimming of short USD/KRW positions from here on may fuel the greenback higher, possibly to the 20-day Bollinger mid resistance at 1,033. USD/KRW is now 1,026.7 from its Wednesday close of 1,027.9. (ewen.chew@wsj.com)

0111 GMT [Dow Jones] Hong Kong equities are seen extending a five-day streak of gains this morning even as US markets take a decidedly risk-off turn, after the S&P500 snaps a three-day rally on Wednesday and the yield on US 10-year Treasuries hits a six-month low. There's not much on the docket for markets in Asia-Pacific today, but the Hang Seng Index may rise after its biggest component stock, Tencent (0700.HK), beats analysts' estimates for Q1. The Hang Seng Index closed up 1% yesterday at 22,582.77, while index futures are surging 1.9% at 9.00am local time. "The index's ability to stay above the 22,000-pt level may indicate that the bulls have taken control of the market," says RHB Retail Research. (gregor.hunter@wsj.com; Twitter: @gregorhunter)

0041 GMT [Dow Jones] Solving the problem of low housing affordability for new home buyers in Australia by relaxing lending standards would be a mistake, says Luci Ellis, the head of financial stability at the country's central bank. While rising prices "is still quite disheartening for potential home buyers...it would not be a good outcome if they responded by overstretching themselves to try to get into the market during upswings," she told a housing conference. "You do nobody a favor by trying to solve an affordability issue by making it easier for people to borrow more than they can reasonably," she added. (james.glynn@wsj.com)

(END) Dow Jones Newswires

May 14, 2014 22:05 ET (02:05 GMT)

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DOW JONES
NEWSWIRES

Hong Kong Stocks Seen Immune From US Retreat on Tencent Beat -- Market Talk

1,498 字
2014 年 5 月 15 日 02:11
Dow Jones Institutional News
DJDN
英文

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

0111 GMT [Dow Jones] Hong Kong equities are seen extending a five-day streak of gains this morning even as US markets take a decidedly risk-off turn, after the S&P500 snaps a three-day rally on Wednesday and the yield on US 10-year Treasuries hits a six-month low. There's not much on the docket for markets in Asia-Pacific today, but the Hang Seng Index may rise after its biggest component stock, Tencent (0700.HK), beats analysts' estimates for Q1. The Hang Seng Index closed up 1% yesterday at 22,582.77, while index futures are surging 1.9% at 9.00am local time. "The index's ability to stay above the 22,000-pt level may indicate that the bulls have taken control of the market," says RHB Retail Research. (gregor.hunter@wsj.com; Twitter: @gregorhunter)

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0031 GMT [Dow Jones] In a reassuring commentary about the soundness of Australia's financial system, Luci Ellis, the head of financial stability at Australia's central bank says household finances are not looking "that stretched at the moment and we'd like to keep it that way." Ellis also forecast that the periods in history that include house prices rising consistently are over. House prices "are going to be cycling a slower trend than they did in the past. There will be more periods where prices are falling a little in absolute terms," she said. She also said there are signs recent strong gains in house prices are cooling off. (james.glynn@wsj.com)

0026 GMT [Dow Jones] Japan's GDP will likely contract during the April-June period due to the shock stemming from Japan's tax hike in April. But Hamagin Research Institute's economist Yuki Endo expects Japan will log a positive figure in the July-September quarter because "wages are expected to improve." But the risk is overseas conditions, including the ongoing confusion in Ukraine.(Takashi.Mochizuki@wsj.cm)

0016 GMT [Dow Jones] The Bank of England's quarterly inflation report released Wednesday made only minor changes to the inflation and growth outlook and there was little new direction from BOE Gov. Carney in the press conference, BNP Paribas says. But EUR/GBP rebounded sharply after the report and this was likely attributable to the absence of any new "hawkish" bias from the BOE, the bank says. BNP Paribas says its economists have brought forward their expectation for the first BOE rate hike to 4Q 2014. With GBP already lagging the recent rise in relative U.K. short-term rates, the bank believes any setback for GBP would be an opportunity to add to GBP longs against the EUR for a target of 0.7800. Spot EUR/GBP was recently at 0.8180. (jerry.tan@wsj.com)

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Write to Shani Raja at shani.raja@wsj.com

2153 GMT [Dow Jones] Asian markets are likely to see some profit-taking after U.S. markets retreated from record levels on Wednesday, with small-cap, home-builder and bank shares among the biggest decliners. "There will likely be a continuation of that in Asia," says Philip Hunter, broker at First NZ Capital. Locally, the NZX-50 will be fairly quiet going into the budget, he says. There may be some focus on Ryman Healthcare (RYM.NZ) after its FY result, but Hunter says the profit numbers were largely in line with expectations so investors will be waiting for more information from the company about the build rate and operations in Australia. The index closed 0.3% higher Wednesday at 5213.36. (rebecca.howard@wsj.com; Twitter: @FarroHoward)

16:35 EDT - The USD may continue to face some pressure with the US 10-year Treasury yield at its lowest since October, says BNZ FX strategist Raiko Shareef. Later in the global trading day he expects markets to "largely ignore the swathe of incoming [US] data in favor of watching Fed Chair Yellen address the US Chamber of Commerce." He notes that comments on the economy will be unavoidable although "Yellen has recently discovered a Greenspan-like ability for obfuscation. Nevertheless, every word will be scrutinized." EUR/USD is at 1.3714 early in New Zealand; USD/JPY at 101.86. (rebecca.howard@wsj.com; @FarroHoward)

16:16 EDT - As the US 10-year yield fall toward 2.5%, it "will make it hard for NZD/USD to weaken," says ANZ Bank. The pair up 0.5% at 0.8667. The New Zealand budget should only reiterate a strong New Zealand economy and support its currency further. While the US dollar will need higher US yields for support, there is an impending wave of US data that could set that up, including CPI, industrial production and NY Fed and Philly Fed manufacturing surveys. ANZ Bank tips a short-term range of 0.8640-0.8720. (rebecca.howard@wsj.com; @FarroHoward)

15:27 EDT - Rest up, economy-watchers. Tomorrow will see a load of data crashing down. The CPI report may show some inflation creep as seen in today's PPI, and both the New York and Philly Fed factory May surveys are released on the same day--as well as the Fed's national industrial production report for April. Those reports will give an update on the state of manufacturing in 2Q. Later on, the housing market index will detail how builders view the real estate market during this spring selling season. And, of course, there's the old Thursday stand-by, jobless claims. (kathleen.madigan@wsj.com)

(END) Dow Jones Newswires

May 14, 2014 21:11 ET (01:11 GMT)

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DOW JONES
NEWSWIRES

Hong Kong Stocks' Winning Streak Seen Intact as Futures Rise -- Market Talk

166 字
2014 年 5 月 14 日 02:18
Dow Jones Institutional News
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英文

0118 GMT [Dow Jones] Hong Kong stocks will seek to extend their longest winning streak in more than a month today after the S&P500 hit its latest fresh record on Tuesday. U.S.-listed mainland Chinese equities rose overnight, while Hang Seng index futures are up 0.7% at 9 a.m. local time. The Hang Seng Index closed up 0.4% yesterday at 22,352.38, the fourth consecutive day of gains for the benchmark. "Its ability to stay above the 22,000-pt level for a second consecutive day can be viewed as a confirmation of a breakout," says RHB Retail Research, which says technical indicators show the market turning bullish and advises clients to initiate fresh long positions. (gregor.hunter@wsj.com; Twitter: @gregorhunter)

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

(END) Dow Jones Newswires

May 13, 2014 21:18 ET (01:18 GMT)

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DOW JONES
NEWSWIRES

BMD CPO May Open Higher; MYR2,600/Ton Resistance; El Nino Watch -- Market Talk

1,503 字
2014 年 5 月 14 日 03:19
Dow Jones Institutional News
DJDN
英文

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

0219 GMT [Dow Jones] BMD CPO may rise on the back of higher soyoil prices with resistance at the psychological level of MYR2,600/ton, although the upside may be limited due to bearish news like high soybean crop forecasts, high Malaysian palm oil stocks and rising seasonal palm supplies, say brokers in Kuala Lumpur. Even so, traders remain wary about the possible onset of an El Nino weather phenomenon later this year, which may also keep the downside limited; Citi Research says an El Nino event after a serious dry spell earlier this year will likely boost palm oil prices as yields will be hit; the house notes 19-114% gain in CPO prices after 4-17% decline in yields during the last two El Nino periods in 1997-1998 and 2010. Benchmark July BMD CPO closed 0.5% higher at MYR2,589/ton Monday; BMD was closed Tuesday for a public holiday. July CBOT soyoil is up 29 cents at 41.50 cents/lb. (huileng.tan@wsj.com; Twitter: @huileng_tan)

0210 GMT [Dow Jones] China shares are steady with gains in property developers amid hopes for a recovery in the country's sluggish property market offsetting declines in coal miners, say analysts. The Shanghai Composite Index is flat at 2051.35. "The market may not rise much given sluggish domestic economy and an expected reopening of IPO floodgates in the weeks ahead," says Tebon Securities analyst Zhang Haidong. The downside could also be limited due to relatively low valuation--the Shanghai index is trading at about 9 times 12-month estimated earnings, he adds. The Shenzhen Composite Index is up 0.1% at 1040.21. (amy.li@dowjones.com)

0208 GMT [Dow Jones] Macquarie Equities says the Australian Federal Government's planned fiscal consolidation "sets a positive fiscal template for the medium-to-longer-term", though it identifies some short-term risks. "While tighter fiscal policy is likely to have a short term negative impact on household expenditure, the positive offset is monetary policy, with official cash rates likely to be on hold for a longer period than would have been otherwise," the broker says. Index is last down 0.2% at 5486.2. (david.rogers@wsj.com; Twitter: @DRWSJ)

0203 GMT [Dow Jones] Yokogawa Electric (6841.TO) is down 7.4% at Y1,279 after posting a FY operating profit of Y25.9 billion (up 41% on-year, but short of many expectations). Its current operating profit guidance of Y28.0 billion (assuming USD/JPY of 100) is also lower than the Y34 billion street consensus. "The outlook missed by a wide margin, much softer than expected," says a research analyst at a domestic brokerage. "Shares are getting pummeled as a result." (bradford.frischkorn@wsj.com)

0202 GMT [Dow Jones] Malaysian conglomerate Berjaya Corp. (3395.KU) will be a stock to watch Wednesday, says Alliance Research, after the company said in a filing to Bursa Malaysia that it had won against five other bidders to operate Vietnam's new computerized lottery system. The stock rises 4.1% in early trade to a four-week high. Meanwhile, Alliance also picks out marine operator MISC Bhd. (3816.KU), as a likely mover following its report of strong first quarter net profit. MISC trades 0.5% higher. (jake.watts@wsj.com)

0156 GMT [Dow Jones] USD/PHP slides after a blip higher Tuesday implying a stronger peso. The dollar--now at 43.68--may notch a new six-month low versus the peso if it surpasses last week's trough of 43.65. USD/PHP may be headed for weekly technical support at 43.32 if stays below 44.00 by the end of the day which will ensure the Bollinger downtrend channel remains in effect. Investors remain bullish after ratings agency S&P upgraded the Philippines' last week after the central bank raised its bank reserve requirement ratio. The pre-emptive move to check excessive leveraging boosted investor confidence and the peso. USD/PHP is now 43.68 from its Tuesday close of 43.82. (ewen.chew@wsj.com)

0156 GMT [Dow Jones] Nikon (7731.TO) is down 4.5% at Y1,559 after saying that its FY group operating profit came to Y62.94 billion, up from the prior year's Y51 billion, but still undershooting expectations, as digital camera sales continued to struggle while deliveries for semiconductor lithography systems faced delays. For the current FY, it expects net profit to fall 4% to Y45 billion. "Nikon assumptions the global market for digital cameras in the current year are a 6% fall in digital SLR cameras and a 5% fall in interchangeable lens cameras," says Advanced Research Japan analyst David Rubenstein. "However considering diffusion of smart phones and structural reforms of digital camera makers, the market contraction could be larger." (bradford.frischkorn@wsj.com)

0137 GMT [Dow Jones] USD/MYR holds on to its bearish technical bias despite the overnight rally of the U.S. dollar index--which generally serves as a beacon for most USD/Asian currency pairs. One factor keeping the ringgit strong despite the U.S. dollar bounce was the hint from the Malaysian central bank last week that the degree of monetary accommodation may be adjusted to correct financial imbalances. An interest rate rise will make the ringgit more attractive to investors. If the Bollinger downtrend channel remains in play Wednesday--contingent on a close below 3.2370--USD/MYR may be on its way to the round-figure trading barrier at 3.2000. USD/MYR is now 3.2250 from its Monday close of 3.2370. (ewen.chew@wsj.com)

0136 GMT [Dow Jones] USD/KRW appears to be consolidating ahead of the base of the daily Bollinger downtrend channel at 1,020 - also a round-figure trading barrier. The presence of this technical support may limit downside potential for the dollar on an intraday basis. Verbal warnings by the Bank of Korea on excessively-quick won appreciation have been a deterrent to those betting on further USD/KRW downside in the near-term. But as long as USD/KRW ends the day below 1,027 the bearish technical bias will persist. USD/KRW is now 1,022.4 from its Tuesday close of 1,022.1. (ewen.chew@wsj.com)

0126 GMT [Dow Jones] Crude-oil futures extend gains in early Asian trade Wednesday after sharp overnight rise, with Nymex WTI up 3.4% year-to-date after the U.S. said it may reconsider its oil export ban. Late Tuesday, API data showed that U.S. weekly oil stocks rose by 912,000 barrels and EIA data is due later today--some analysts expect U.S. inventories will be steady at 397.6 million barrels. "Uncertainty over Russian supplies at risk from sanctions related to Ukraine and delays in an expected increase in Libyan oil production remained background fundamental supports," analyst Time Evans at Citi Futures says. Nymex WTI is up 22 cents at $101.83/bbl, Brent crude is up 23 cents at $109.32/bbl. (eric.yep@wsj.com)

0121 GMT [Dow Jones] Stronger equity markets are likely to weigh on gold, while simmering tensions in Ukraine are already priced in and offer little cause for safe-haven demand, analysts say. Spot gold is at $1,293/oz, down $1.70 from its previous close. Unless there is a sharp flare up in tensions in Ukraine, gold is unlikely to react, analysts say. Monday saw the first report of outflows from gold-backed exchange traded funds since May 2, with SPDR Gold Trust--the biggest ETF--reporting outflows of 2.39 tons, Jan Skyoles, head of research at The Real Asset Co., says in a report. The figures "suggest there is not enough bullish demand outside of the East, to push prices back above $1,315 at the moment," she says. (arpan.mukherjee@wsj.com; Twitter: @ArpanMukherjee)

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DOW JONES
NEWSWIRES

Malaysian Stocks to Watch: Berjaya, MISC: Alliance -- Market Talk

1,546 字
2014 年 5 月 14 日 03:02
Dow Jones Institutional News
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英文

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

0202 GMT [Dow Jones] Malaysian conglomerate Berjaya Corp. (3395.KU) will be a stock to watch Wednesday, says Alliance Research, after the company said in a filing to Bursa Malaysia that it had won against five other bidders to operate Vietnam's new computerized lottery system. The stock rises 4.1% in early trade to a four-week high. Meanwhile, Alliance also picks out marine operator MISC Bhd. (3816.KU), as a likely mover following its report of strong first quarter net profit. MISC trades 0.5% higher. (jake.watts@wsj.com)

0156 GMT [Dow Jones] USD/PHP slides after a blip higher Tuesday implying a stronger peso. The dollar--now at 43.68--may notch a new six-month low versus the peso if it surpasses last week's trough of 43.65. USD/PHP may be headed for weekly technical support at 43.32 if stays below 44.00 by the end of the day which will ensure the Bollinger downtrend channel remains in effect. Investors remain bullish after ratings agency S&P upgraded the Philippines' last week after the central bank raised its bank reserve requirement ratio. The pre-emptive move to check excessive leveraging boosted investor confidence and the peso. USD/PHP is now 43.68 from its Tuesday close of 43.82. (ewen.chew@wsj.com)

0156 GMT [Dow Jones] Nikon (7731.TO) is down 4.5% at Y1,559 after saying that its FY group operating profit came to Y62.94 billion, up from the prior year's Y51 billion, but still undershooting expectations, as digital camera sales continued to struggle while deliveries for semiconductor lithography systems faced delays. For the current FY, it expects net profit to fall 4% to Y45 billion. "Nikon assumptions the global market for digital cameras in the current year are a 6% fall in digital SLR cameras and a 5% fall in interchangeable lens cameras," says Advanced Research Japan analyst David Rubenstein. "However considering diffusion of smart phones and structural reforms of digital camera makers, the market contraction could be larger." (bradford.frischkorn@wsj.com)

0137 GMT [Dow Jones] USD/MYR holds on to its bearish technical bias despite the overnight rally of the U.S. dollar index--which generally serves as a beacon for most USD/Asian currency pairs. One factor keeping the ringgit strong despite the U.S. dollar bounce was the hint from the Malaysian central bank last week that the degree of monetary accommodation may be adjusted to correct financial imbalances. An interest rate rise will make the ringgit more attractive to investors. If the Bollinger downtrend channel remains in play Wednesday--contingent on a close below 3.2370--USD/MYR may be on its way to the round-figure trading barrier at 3.2000. USD/MYR is now 3.2250 from its Monday close of 3.2370. (ewen.chew@wsj.com)

0136 GMT [Dow Jones] USD/KRW appears to be consolidating ahead of the base of the daily Bollinger downtrend channel at 1,020 - also a round-figure trading barrier. The presence of this technical support may limit downside potential for the dollar on an intraday basis. Verbal warnings by the Bank of Korea on excessively-quick won appreciation have been a deterrent to those betting on further USD/KRW downside in the near-term. But as long as USD/KRW ends the day below 1,027 the bearish technical bias will persist. USD/KRW is now 1,022.4 from its Tuesday close of 1,022.1. (ewen.chew@wsj.com)

0126 GMT [Dow Jones] Crude-oil futures extend gains in early Asian trade Wednesday after sharp overnight rise, with Nymex WTI up 3.4% year-to-date after the U.S. said it may reconsider its oil export ban. Late Tuesday, API data showed that U.S. weekly oil stocks rose by 912,000 barrels and EIA data is due later today--some analysts expect U.S. inventories will be steady at 397.6 million barrels. "Uncertainty over Russian supplies at risk from sanctions related to Ukraine and delays in an expected increase in Libyan oil production remained background fundamental supports," analyst Time Evans at Citi Futures says. Nymex WTI is up 22 cents at $101.83/bbl, Brent crude is up 23 cents at $109.32/bbl. (eric.yep@wsj.com)

0121 GMT [Dow Jones] Stronger equity markets are likely to weigh on gold, while simmering tensions in Ukraine are already priced in and offer little cause for safe-haven demand, analysts say. Spot gold is at $1,293/oz, down $1.70 from its previous close. Unless there is a sharp flare up in tensions in Ukraine, gold is unlikely to react, analysts say. Monday saw the first report of outflows from gold-backed exchange traded funds since May 2, with SPDR Gold Trust--the biggest ETF--reporting outflows of 2.39 tons, Jan Skyoles, head of research at The Real Asset Co., says in a report. The figures "suggest there is not enough bullish demand outside of the East, to push prices back above $1,315 at the moment," she says. (arpan.mukherjee@wsj.com; Twitter: @ArpanMukherjee)

0118 GMT [Dow Jones] Hong Kong stocks will seek to extend their longest winning streak in more than a month today after the S&P500 hit its latest fresh record on Tuesday. U.S.-listed mainland Chinese equities rose overnight, while Hang Seng index futures are up 0.7% at 9 a.m. local time. The Hang Seng Index closed up 0.4% yesterday at 22,352.38, the fourth consecutive day of gains for the benchmark. "Its ability to stay above the 22,000-pt level for a second consecutive day can be viewed as a confirmation of a breakout," says RHB Retail Research, which says technical indicators show the market turning bullish and advises clients to initiate fresh long positions. (gregor.hunter@wsj.com; Twitter: @gregorhunter)

0118 GMT [Dow Jones] Japan's wholesale price index jumps to its highest level since April 1980 as the 3-percentage-point increase in sales tax broadly lifts the prices paid for goods and transactions among firms, data released by the Bank of Japan on Wednesday shows. The tax increase has had the effect of boosting wholesale inflation by 2.7%, with the higher tax rate not applied to some transactions. The index rose 2.8% in April from a month ago but without the tax hike effect it ticked up 0.1%. The index rose 4.1% from a year earlier. Excluding the tax impact, the index rose 1.4% on year, down from 1.7% the previous month as the yen stabilized against the dollar this year after weakening through most of 2013, and as demand for chemicals and related products from China slowed. (tatsuo.ito@wsj.com)

0105 GMT [Dow Jones] The economic forecasts that underpin Australia's 2014-15 budget are overly optimistic, says Credit Suisse in a note to clients. The conservative government is forecasting real GDP will grow by 2.5% in 2014-15, while CS expects less than 2%. The impact of new spending cuts and taxes will create a strong headwind for the economy which increases the risk of a sub 2% GDP reading, CS said. "The government needed to offer more stimulus to maintain trend-like real GDP growth." The budget means that the RBA will likely have to cut rates again. (james.glynn@wsj.com)

0039 GMT [Dow Jones] The case for building GBP longs has become more compelling as GBP exchange rate is lagging a recent rise in U.K. short-term rates, BNP Paribas says. Wednesday's Bank of England inflation report due at 0930 GMT and U.K. jobs data for April due at 0830 GMT are pivotal for sterling, BNP Paribas says. It expects a 35,000 drop in jobless claimants--compared with a consensus 30,000 drop--and a decline in the March unemployment rate to 6.8% from 6.9% in February. There will be only limited revisions to the Bank of England's growth and inflation projections, BNP Paribas says. Spot GBP/USD was recently at 1.6829--not far above the two-week low of 1.6816 touched overnight. (jerry.tan@wsj.com)

0037 GMT [Dow Jones] Household spending is likely to be the main victim of the Australian government's 2014-15 budget, announced Tuesday, which contained a raft of measures including cuts to welfare spending and higher taxes, says Macquarie Private Wealth in a note to clients. "The clear loser from the 2014-15 Budget is the consumer," it says. A 2% tax increase for top income earners, tougher welfare eligibility criteria, healthcare co-payments, and the reintroduction of fuel excise indexation, are all likely negatives in the short term for consumer sentiment and spending. Macquarie thinks that bodes poorly for the economy, which needs a resurgence in consumer spending to support growth over coming years.(james.glynn@wsj.com)

(END) Dow Jones Newswires

May 13, 2014 22:02 ET (02:02 GMT)

文件 DJDN000020140514ea5e0007h

DOW JONES
NEWSWIRES

Oil Extends Gains, Brent Crawls Towards $110 -- Market Talk

1,470 字
2014 年 5 月 14 日 02:26
Dow Jones Institutional News
DJDN
英文

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

0126 GMT [Dow Jones] Crude-oil futures extend gains in early Asian trade Wednesday after sharp overnight rise, with Nymex WTI up 3.4% year-to-date after the U.S. said it may reconsider its oil export ban. Late Tuesday, API data showed that U.S. weekly oil stocks rose by 912,000 barrels and EIA data is due later today--some analysts expect U.S. inventories will be steady at 397.6 million barrels. "Uncertainty over Russian supplies at risk from sanctions related to Ukraine and delays in an expected increase in Libyan oil production remained background fundamental supports," analyst Time Evans at Citi Futures says. Nymex WTI is up 22 cents at $101.83/bbl, Brent crude is up 23 cents at $109.32/bbl. (eric.yep@wsj.com)

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0013 GMT [Dow Jones] The Australian dollar should be largely unaffected by the budget delivered Tuesday, CommSec chief economist Craig James says. "We don't expect the economy to be markedly depressed from the budget measures," James says. The central bank may still raise interest rates by the end of 2014 or in early 2015 as the international economy heals, the job market improves and low interest rates boost home prices and construction. The Australian dollar is trading at US$0.9366 compared with US$0.9340 around the time of the budget Tuesday. (james.glynn@wsj.com)

0010 GMT [Dow Jones] A sharp drop in Australian consumer confidence ahead of the conservative government's budget, delivered Tuesday, carries risks for the economy, says Kieran Davies, chief economist at Barclays, Australia. Mr. Davies expects economic growth to pick up next year, but says there is the risk that budget cuts will continue to weigh on consumer spending, noting that consumer confidence has fallen by 11% over the past few weeks. "We are watching this risk carefully," Mr. Davies said. (james.glynn@wsj.com)

2357 GMT [Dow Jones] Offshore accounts at 6 foreign brokerages place net sell orders for 12.5 million Japanese shares overnight, according to traders--the most since January 2012. The net selling sell figure may be negative for the market at the open, although the yen value basis of the figures is unknown. Sell orders total 28.0 million shares, with buy orders amounting to 15.5 million shares. (bradford.frischkorn@wsj.com)

2345 [Dow Jones] The Australian share market as a whole may breathe easier as the Federal budget wasn't as harsh as the pre-budget leaks suggested, according to IG. "But the budget effect, if there is one to be seen, will come in the health space," IG strategist Evan Lucas says. "Primary Health Care (PRY.AU) derives 90% of its earnings from government spending, so with changes to the Medicare levy this is going to hit the bottom line. The same can be said for Sonic Healthcare (SHL.AU) as the A$7 medical co-payment is unlikely to offset the A$5 reduction in assistance to the services it provides." SHL last A$18.28. PRY last A$4.77. (david.rogers@wsj.com; Twitter: @DRWSJ)

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(END) Dow Jones Newswires

May 13, 2014 21:26 ET (01:26 GMT)

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DOW JONES
NEWSWIRES

Madrid Stocks Up, Ukraine Remains A Worry -- Market Talk

133 字
2014 年 5 月 13 日 08:55
Dow Jones Institutional News
DJDN
英文

0755 GMT [Dow Jones] The IBEX-35 is up 0.1% at 10578, with investors mildly encouraged by a US stock rally that drove the Dow and S&P500 to new closing highs. Supportive data out China is also contributing, as demand for safe-haven assets weakens. But uncertainty regarding Ukraine, where separatist leaders are asking that yet another region becomes part of Russia, remains a significant hurdle to further gains. Enagas -2.6% following UBS downgrade to sell from neutral and a target cut. Telefonica -0.4%, Inditex +0.3%. (david.roman@wsj.com)

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(END) Dow Jones Newswires

May 13, 2014 03:55 ET (07:55 GMT)

文件 DJDN000020140513ea5d000zr

DOW JONES
NEWSWIRES

Hong Kong Stock Rally Looks Solid as S&P500 Hits Record -- Market Talk

153 字
2014 年 5 月 13 日 02:18
Dow Jones Institutional News
DJDN
英文

0118 GMT [Dow Jones] Hong Kong shares should extend Monday's rally which saw the strongest intraday gains in seven weeks after Chinese credit data showed strength in the mainland economy. Index futures are up 0.7% at 0100 GMT. The next big hurdle for equities is China retail sales and industrial production data due out Tuesday afternoon. Better-than-expected credit data from China gives cause for optimism with M2 money supply growing at 13.2% year over year in April. New loans were down but "growth in the bond market will likely continue to offset the slowdown in other lending ensuring smooth credit supply," Barclays says. (gregor.hunter@wsj.com; Twitter: @gregorhunter)

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

(END) Dow Jones Newswires

May 12, 2014 21:18 ET (01:18 GMT)

文件 DJDN000020140513ea5d0006o

DOW JONES
NEWSWIRES

European Morning Briefing: Bourses Seen Higher on U.S. Markets Rally

6,149 字
2014 年 5 月 13 日 05:00
Dow Jones Institutional News
DJDN
英文

SNAPSHOT:
========
European bourses seen higher, bunds and gilts, euro mixed; spot gold lower, oil mixed

- Ukraine Separatists Ask to Join Russia

- U.S. Treasury's Lew Urges China to Move to Market-Determined Exchange Rate

- U.S. Pursuit of Bank Settlements May Be Coming to an End

- AT&T Could Strike Deal for DirecTV Soon

- Pew Survey Shows Public Support for EU Rebounding

- Pfizer Pleads Case For Deal With British Lawmakers

- BRC Apr Same-Store Retail Sales +4.2% On Year

WATCH FOR: German ZEW survey and wholesale price index; U.S. retail sales

EUROPEAN OUTLOOK & U.S./ASIAN SUMMARIES:
========
European stocks look set to continue higher Tuesday, following on from a rally in U.S. markets that saw the Dow and the S&P500 close at new highs.

Shares in Asia benefited from the positive sentiment, with the Nikkei leading the region higher as demand for safe-haven assets fell, causing the yen to weaken. Indexes in China and Hong Kong are also higher, ahead of a data deluge from China that includes numbers on industrial output, retail sales, and fixed asset investment.

Ukraine continues to be a focus of attention, with separatist leaders in the volatile Donetsk region formally asking to become part of Russia, going beyond the simple independence question raised in a referendum and advancing the threat of Ukraine's breakup

On the data calendar in Europe, the ZEW survey of business sentiment is forecast to show that expectations among German investors fell slightly in May.

STOCKS:
======
European stock markets were likely to start higher Tuesday on Wall Street's rally, as investors keep an eye on the tinderbox that is Ukraine.

Ahead of the opening, IG has called the FTSE up 24 at 6875, the DAX up 47 at 9749, and the CAC up 5 at 4498.

Global markets "were not overly exercised" about weekend developments in the conflict between Ukraine and Russia, said Peter Hug, global trading director at Kitco Metals. Still, the "matter remains a potential geopolitical powder keg and it appears the fuse is now lit," he said.

Despite drab first-quarter earnings, the Stoxx Europe 600 index is trading at a six-year high.

Fewer than half the companies in the index topped first-quarter profit forecasts by analysts, compared with 77% in the S&P 500, according to Deutsche Bank. Also, analysts are lowering their earnings forecasts for European companies at the fastest pace since the depths of the euro-zone sovereign debt crisis in 2009, Morgan Stanley said last week.

The region's stock investors don't seem to care, however. The Stoxx Europe 600 is up 3.7% so far this year and shares in the index are valued at an average of about 15 times forecast earnings for 2014, up from about 10 times as recently as 2012, according to FactSet.

"Of underlying importance is that economic growth will continue to accelerate which will lead to increased revenues and will feed through the profit and loss accounts," said John Baker, a European equity portfolio manager at J.P. Morgan Asset Management.

Wall Street futures are higher Tuesday, after U.S. stock markets ended Monday with their best gains in nearly a month, sending both the S&P 500 and the Dow Jones Industrial Average to record levels.

"The fact that markets held up well in the face of weather-related weakness, geopolitical uncertainties and tapering is a sign that markets will go higher," said Jim Paulsen, chief investment officer at Wells Capital Management.

"The underlying reason for that is economic momentum. The U.S. economy is finally exiting the 2% growth and gearing up to the 3%. We may decide that the emerging markets are done slowing and global demand is going to pick up," he added.

Among important data to watch on Tuesday will be U.S. retail sales, expected to show a 0.4% increase.

FOREX:
======
The euro is mixed to higher in Asia, with investors looking for ECB action next month.

"Having led us up the garden path this far, it would be disastrous if they didn't deliver on a rate cut," said Shaun Osborne, chief FX strategist at TD Securities, referring to ECB officials.

ECB Vice President Vitor Constancio reiterated Monday that any monetary policy decision would hinge on expectations for inflation in the medium term. The ECB targets inflation of just under 2% in the medium term and new staff forecasts will be published at the ECB's June meeting.

The dollar fell more against the British pound in Asia as investors looked ahead to two key U.K. data reports, both due Wednesday, that could determine if the pound takes another run higher to the $1.70 level.

The U.K. unemployment rate is expected to tick down to 6.8% from 6.9% for the three months ended March, which would provide more evidence that the labor market is improving. The Bank of England's inflation report for May, due the same day, could shed light on how much spare capacity the bank thinks is left in the economy, a metric used by it in assessing the future path of its interest rates.

"If the employment data do improve as we expect, we think that could be the larger driver of sterling this week as the market continues to romance the idea that the Bank of England could be the first to tighten" among G4 central banks, said Brian Daingerfield, a foreign-exchange strategist at RBS. The G4 central banks are those in the euro zone, Japan, U.K., and U.S.

BONDS:
=====
Bunds and gilts may start mixed Tuesday as investors assess the need for safety in view of Ukraine's troubles, while also considering monetary prospects with this week's data.

Bunds are drawing support after the European Central Bank hinted it will take measures to ease policy next month, while gilts are holding up well on prospects the Bank of England will keep interest rates low until the economy is sufficiently balanced in its view.

U.S. Treasurys were little changed in Asia, after markets fell on Monday, as investors waited for data on the pace of the economic recovery to help guide expectations of the Federal Reserve's monetary policy.

U.S. investors are looking ahead to a report on retail sales, due Tuesday.

"Short-term, there are definitely bearish risks to the extent that we get a strong spring rebound for data," said Robert Tipp, chief investment strategist at Prudential Fixed Income.

But Mr. Tipp still sees demand for U.S. Treasurys that will keep rates from jumping.

"U.S. yields are going to benefit from their relatively attractive levels on an international basis, as well as the fact that they are already pricing in a pretty strong economy and sustained interest rate hike cycle," he said.

In Japan Tuesday, government bonds traded little changed as participants waited for auctions to gauge demand.

ENERGY:
=======
Oil futures are narrowly mixed in Asia with Ukraine and China on the radar.

Oil prices found support from "developments in Ukraine, as a referendum in eastern Ukraine over the weekend saw the majority vote to secede from the country," said Matt Smith, commodity analyst at Schneider Electric. "This is stoking fears of ongoing tension, with the ultimate concern for the crude market being a supply disruption from Russia."

Phil Flynn, senior market analyst at Price Futures Group, said, "There was a lot of talk of China filing its strategic reserves and building supply ahead of what they see as a coming price spike."

Nymex crude is off 8 cents at $100.51, while Brent is up 4 cents at $108.45.

METALS:
======
Spot gold is lower in Asia. "The floor looks to be softening for gold, with physical demand not making up for soft investor demand," Barclays says in a report.

Also, inflows into gold-backed exchange-traded products in February and March were erased by outflows in April and so far in May, outflows have reached almost 5 tons, it says.

"While ETPs have turned from the hefty net redemptions seen last year, we do not expect a sustained upward trend in holdings in the near term, as daily flows continue to bounce between inflows and outflows and thus do not provide support to gold prices, in our view," it adds.

Spot gold is $2.14 lower at $1,293.56.

LME copper is down $23 at $6,855.

Write to Dennis Baker at dennis.baker@wsj.com

13 May 2014 00:00 ET European Morning Briefing: DJ Dominant Headlines; Other Top Stories

DJ Dominant Headlines:

AT&T Could Strike Deal For DirecTV In As Soon As Two Weeks

Attorney General Holder Tightens the Squeeze on Banks

Eike Batista Files Appeal of Court Order That Froze About $55 Million

Oil Man George Kaiser Proposes Increase in Oklahoma Oil-and-Gas Tax

Libya's Western Oil Fields, Pipelines Restarted -- Spokesman

Other Top Stories:

U.S. Treasury's Lew Urges China to Move to Market-Determined Exchange Rate

U.S. Treasury Secretary Jacob Lew on Tuesday called on China to move ahead with market-based yuan exchange-rate reform.

Japan to Sell Inflation-Linked Bonds to Individuals Amid Rising Inflation

Japan will allow individuals to own inflation-linked bonds from next year in response to growing demand for protection against rising prices as the Bank of Japan continues its ultra-easy monetary policy, the government said Tuesday.

Aviation Officials Endorse Universal Tracking

International aviation officials this week are expected to endorse universal tracking of airliners, according to people participating in the process, without resolving the central question of whether pilots should be able to turn off such systems.

Citizens Financial Group Files IPO

Citizens Financial Group Inc. filed for an initial public offering, as its parent, Royal Bank of Scotland Group PLC, faces continuing pressure from U.K. regulators to increase capital and refocus on its British operations.

Ukraine Separatists Ask to Join Russia

Separatist leaders in Ukraine's volatile Donetsk region formally asked to become part of Russia on Monday, going beyond the simple independence question raised in a referendum Sunday and advancing the threat of Ukraine's breakup.

Head Of Dutch Affiliate Of KPMG Steps Down

The head of accounting firm KPMG's Netherlands affiliate resigned in the wake of a criminal investigation by Dutch authorities into possible tax evasion by a joint venture that developed the firm's Dutch headquarters.

Chinese Bid Values Gold Miner PanAust at A$1.46 Bln

PanAust Ltd. (PNA.AU), a gold and silver miner, said Tuesday it received a takeover bid from China's Guangdong Rising Assets Management valuing it at around 1.46 billion Australian dollars (US$1.37 billion).

13 May 2014 00:00 ET European Morning Briefing: Market Prices, Data Calendar

DJIA   16695.47 +112.13 +0.68%
Nasdaq   4143.86 +71.99 +1.77%
S&P 500 1896.65 +18.17 +0.97%
FTSE 100 6851.75 +37.18 +0.55%
DAX   9702.46 +121.01 +1.26%
CAC40   4493.65 +16.37 +0.37%
Closing

Futures:
Dow   16,669.00 +14.00
NASDAQ 3,611.50 +3.75
S&P   1,893.60 +0.80
As of 0330 GMT

Nikkei   14384.61 +235.09 +1.66%
Hang Seng 22317.39 +55.78 +0.25%
S&P/ASX   5486.80 +38.40 +0.70%
Mumbai   23551.00 +556.77 +2.42%
Kospi   1983.62 +18.68 +0.95%
Shanghai   2054.10   +1.23 +0.06%
Taipei   8836.08 +27.47 +0.31%
As of 0325 GMT

USD/JPY 102.21-24 +0.10%
Range   102.24-102.14
EUR/USD 1.3756-58 +0.00%
Range   1.3765-1.3754
GBP/USD 1.6873-76 +0.04%
Range   1.6882-1.6868
USD/CHF 0.8875-80 -0.01
Range   0.8878-0.8872
AUD/USD 0.9354-58 -0.06%
Range   0.9363-0.9352
EUR/JPY 140.62-66 +0.11%

Range 140.71-140.48
EUR/GBP 0.8153-55 -0.03%
Range 0.8157-0.8151
EUR/CHF 1.2210-14 -0.02%
Range 1.2216-1.2212
As of 0250 GMT vs. NY close

USD/JPY Vol Option Contract 5.600%/6.150%
Day Earlier: 5.710%/6.010%
EUR/USD Vol Option Contract 5.438%/5.738%
Day Earlier: 5.738%/5.988%
AUD/USD Vol Option Contract 6.512%/6.912%
Day Earlier: 6.400%/6.800%
GBP/USD Vol Option Contract 5.100%/5.400%
Day Earlier: 5.000%/5.300%
USD/CHF Vol Option Contract 5.900%/6.300%
Day Earlier: 6.200%/6.600%
Above are 1-Month prices as of 0330 GMT

U.S. Treasurys:
2Y 99 30/32 -1/32 0.399% +1.6BP
5Y 99 27/32 -5/32 1.658% +3.3BP
10Y 98 20/32 -9/32 2.656% +3.3BP
As of close

10Y JGB 0.610 +0.005
As of 0300 GMT

Gold:
Asian $1,293.67 -$2.13 -0.16%
Comex $1,295.30 -$0.50 -0.04%
Oil futures:
Brent $108.45 +$0.04 +0.04%
As of 0340 GMT vs. NY close

Tuesday, May 13, 2014
GMT Exp Prev
0600 GER Apr WPI
0645 FRA Mar Current Account,
EUR -1.4B
0800 ITA Apr Consumer Price Index
Mon +0.1%
Year +0.4%
0900 GER May ZEW Indicator
Current Conditions 59.5
Economic
Expectations 43.2
1000 FRA Mar
OECD Composite Leading
Indicators
1130 US Apr NFIB Index of Small
Business Optimism 93.4
1145 US ICSC-Goldman Sachs Chain
Store Sales Index
WoW -2%
YoY +2%
1200 US Q4 New York Fed's Q1
Household Debt, Credit
Report
1230 US Apr Import Prices+0.4% +0.6%
Non-Petroleum +0.6%
Petroleum Prices +0.1%
1230 US Apr Advance Retail Sales

Overall +0.4% +1.1%
Ex-Auto +0.6% +0.7%
1255 US Johnson Redbook Retail
Sales Index
MoM % Change +0%
12MonChgPct +3.6%
52WkChgPct +4.4%
1400 US Mar Inventories +0.4% +0.4%
2030 US API Weekly Statistical
Bulletin
Crude -1.8M
Gasoline +2.4M
Distillate +0.76M
Refinery Runs 91.3%
2350 JPN Apr Corporate Goods Price
Index
N/A US Richmond Fed President
Jeffrey Lacker speaks at
Annual Credit Markets
Symposium
N/A GER WTO Director-General
Roberto Azevedo meets
German Chancellor
Angela Merkel
N/A GER Mar Current Account,
EUR 16.3B
N/A FRA French President
Francois Hollande
concludes 3-day visit
to Azerbaijan, Armenia,
and Georgia

13 May 2014 00:00 ET European Morning Briefing: Corporate Events

CEZ (BAACEZ.PR): 1Q Earnings
Due: May 13 at 0600 GMT

Dow Jones survey of 9 analysts

Average Net Profit: CZK10.67B, -40% (CZK17.85B in 1Q 2013)

Average Revenue: CZK54.19B, -9.7% (CZK59.98B in 1Q 2013)

Note: Czech-based power company CEZ should post lower first-quarter revenue and net profit due to annual declines in electricity sale prices, production volumes and regulated tariffs in Bulgaria and due to a warm winter and a lower allocation of emissions permits. Base effect will also play a role as the company booked a CZK1.9B gain from trading of emissions allowances in 1Q '13. However, analysts said the company should still reiterate its FY '14 guidance for Ebitda of CZK70.5B and net profit of CZK27.5B. The company could lose its trading license in Bulgaria in a regulatory proceeding next week, so any comment on the situation there will be important for international operations.

E.ON SE (EOAN.XE): 1Q Earnings
Due: May 13 at 0530 GMT

Dow Jones Survey of 6 Analysts

Average Underlying After-Tax Profit: EUR1.18B, -15.1% (EUR1.39B in 1Q 2013)

Average Ebit: EUR2.27B, -17.2% (EUR2.74B in 1Q 2013)

Average Ebitda: EUR3.17B, -11.5% (EUR3.58B in 1Q 2013)

Note: Earnings are seen lower, mainly on a persistently difficult power generation environment with renewable energies depressing wholesale power prices and squeezing conventional power plants out of the market. Focus seen mainly on E.ON's business development so far this year, with analysts expecting a very mild start of the year weighing on results. Investors will also be keen on an update on E.ON's non-European businesses, with Russia suffering from a weak ruble and delays in commissioning new power plants in Brazil posing problems.

OMV AG (OMV.VI): 1Q Earnings
Due: May 13 at 0530 GMT

Dow Jones Survey of 6 Analysts

Average CCS Net Income Clean: EUR290 million, down 17% (EUR349 million in 1Q 2013)

Average CCS EBIT Clean: EUR667 million, down 22% (EUR851 million in 1Q 2013)

Note: Austrian oil major OMV (OMV.VI) is expected to post a lower current cost of supply net income clean--net income adjusted for changes in stock levels--in the first quarter as a new production this year in Gullfaks and Norway is not expected to be able to offset continued outages in Libya and weak gas and power conditions weigh on the quarter. Analysts will keep an eye out for potential impact from the recent proposed changes to Austria's royalty terms on domestic oil and gas production to future quarters and to updates on Libyan production, South Stream construction and the sale of OMV's Rosebank stake.

Pandora (PNDORA.KO): 1Q Earnings
Due: May 13 at 0600 GMT

Reuters Survey of 10 Analysts

Average Revenue: DKK2.32B, up 16% (DKK2.00B in 1Q 2013)

Average Operating Profit: DKK763M, up 27% (DKK599M in 1Q 2013)

Average Net Profit: DKK606M, up 38% (DKK438M in 1Q 2013)

Note: Pandora is expected to continue growing its revenue and profit, but it has to prove to be able to do so on a high level. The first quarter earnings will give some indication about whether this is possible. Watch for development in its new markets, particularly Russia.

ThyssenKrupp AG (TKA.XE): 2Q Earnings
Due: May 13 at 0500 GMT

Dow Jones Survey of 7 Analysts

Average Net Profit: EUR84M, compared with a net loss of EUR128M in 2Q 2012/13)

Average Adjusted Ebit: EUR297M, up 52% (EUR196M in 2Q 2012/13

Average Revenue: EUR9.94B, up 4.2% (EUR9.54B in 2Q 2012/13)

Note: Earnings seen higher on the back of cost cutting as well as seasonal volume improvements in Steel Europe and Material Services. Component Technologies is expected to have benefited from a European automotive recovery in the first calendar quarter of 2014. Focus seen on continued debt reduction, which could have seen a bit of a setback, following the filing for Chapter 11 by auto supplier unit Budd Co. in the U.S., analysts say.

13 May 2014 00:00 ET European Morning Briefing: Other Scheduled Events

AaB A/S (AAB.KO) Q1 2014 Results

Acque Potabili SpA (ACP.MI) Q1 2014 Results

ad pepper media International NV (APM.XE) Full year 2013 AGM

Adler Modemarkte AG (ADD.XE) Q1 2014 Results

Aedifica (AED.BT) Q3 2014 Results

Aeffe (AEF.MI) Q1 2014 Earnings conference call

Aeffe (AEF.MI) Q1 2014 Results

Aeroporto di Firenze (AFI.MI) Q1 2014 Results

Agfa-Gevaert NV (AGFB.BT) Q1 2014 Earnings conference call

Agfa-Gevaert NV (AGFB.BT) Full year 2013 AGM

Agfa-Gevaert NV (AGFB.BT) Q1 2014 Results

Airbus Group (AIR.FR) Q1 2014 Results

Allenex AB (ALNX.SK) Full year 2013 AGM

American Shipping Company (AMSC.OS) Q1 2014 Results

AND International Publishers (AND.AE)Trading statement

Apetit Oyj (APETI.HE) Q1 2014 Press & analyst meeting

Apetit Oyj (APETI.HE) Q1 2014 Results

Ark Therapeutics Group (AKT.LN) Interim Management Statement

Assystem (ASY.FR) Q1 2014 Sales

Astrapak Limited (APK.JO) Full year 2013 Results

Autogrill Spa (AGL.MI) Q1 2014 Earnings conference call

Autogrill Spa (AGL.MI) Q1 2014 Results

Banco di Desio e della Brianza - Ord (BDB.MI) Q1 2014 Results

Banco Popolare Q1 2014 Earnings conference call / Webcast

Banco Popolare Q1 2014 Results

Bank Ochrony Srodowiska (BOS.WA) Q1 2014 Results

BAUER AG (B5A.XE) Q1 2014 Results

Berner Kantonal Bank (BEKN.EB) Full year 2013 AGM

Bialetti Industrie (BIA.MI) Q1 2014 Results

BNP Paribas Bank Polska SA (BNP.WA) Q1 2014 Results

Boskalis Westminster NV (BOKA.AE) Full year 2013 AGM

Boskalis Westminster NV (BOKA.AE) Q1 2014 Trading statement

Boule Diagnostics (BOUL.SK) Full year 2013 AGM

Boule Diagnostics (BOUL.SK) Q1 2014 Results

Brd Klee - B Share (KLEE-B.KO) Interim 2014 Results

Brit Group (BRIT.LN) Q1 2014 Interim Management Statement

BTS Group AB - B Share (BTS-B.SK) Q1 2014 Results

BTS Group AB - B Share (BTS-B.SK) Full year 2013 AGM

Burford Capital (BUR.LN) Full year 2013 AGM

Calida Holding AG (CALN.EB) Full year 2013 AGM

Caltagirone - Ord (CALT.MI) Q1 2014 Results

Campari (CPR.MI) Q1 2014 Earnings conference call

Campari (CPR.MI) Q1 2014 Results

CANCOM AG (COK.XE) Q1 2014 Results

Cape Live (CL.MI) Q1 2014 Results

CBo Territoria (CBOT.FR) Q1 2014 Sales

CDON Group (CDON.SK) Full year 2013 AGM

Cembra Money Bank AG (CMBN.EB) Full year 2013 AGM

CENIT AG (CSH.XE) Q1 2014 Results

CeWe Color Holding AG (CWC.XE) Q1 2014 Earnings conference call / Webcast

CeWe Color Holding AG (CWC.XE) Q1 2014 Results

CEZ (BAACEZ.PR) Q1 2014 Results

CEZ (BAACEZ.PR) Q1 2014 Press conference

CEZ (BAACEZ.PR) Q1 2014 Earnings conference call

Class Editori (CLE.MI)EGM - 2nd call [if required] re capital increase

Clinica Baviera (CBAV.MC) Full year 2013 AGM - 2nd call [if required]

CMB (CMB.BT) Full year 2013 AGM & EGM

Cobra (COB.MI) Q1 2014 Results

Core Laboratories (CLB) Full year 2013 AGM

Credito Valtellinese (CVAL.MI) Q1 2014 Earnings conference call

Credito Valtellinese (CVAL.MI) Q1 2014 Results

CropEnergies AG (CE2.XE) Full year 2014 Analyst meeting

CropEnergies AG (CE2.XE) Full year 2014 Results

D/S Norden (DNORD.KO) Q1 2014 Earnings conference call / Webcast

D/S Norden (DNORD.KO) Q1 2014 Results

DAMAC Real Estate Development Ltd (DMC.LN) Q1 2014 Results

DAMAC Real Estate Development Ltd (DMC.LN) Q1 2014 Earnings conference call

Deceuninck (DECB.BT) Full year 2013 AGM

Deceuninck (DECB.BT) Q1 2014 Trading statement

Devoteam (DVT.FR) Q1 2014 Sales conference call

Devoteam (DVT.FR) Q1 2014 Sales

Direct Energie (ALDIR.FR) Q1 2014 Sales

DOCdata NV (DOCD.AE) Full year 2013 AGM

Dogan Holding (DOHOL2.IS) Q1 2014 Earnings conference call

Dogan Yayin Holding (DYHOL.IS) Q1 2014 Earnings conference call

E.ON AG (EOAN.XE) Q1 2014 Earnings conference call / Webcast [analyst]

E.ON AG (EOAN.XE) Q1 2014 Earnings conference call / Webcast [press]

E.ON AG (EOAN.XE) Q1 2014 Results

easyJet (EZJ.LN) Interim 2014 Analyst meeting / Webcast

easyJet (EZJ.LN) Interim 2014 Results

Edenred (EDEN.FR) Full year 2013 AGM

Edison - Risp (EDNR.MI) Q1 2014 Results

EDP - Energias de Portugal, S.A. (EDP.LB) Q1 2014 Results

Ekinops SA (EKI.FR) Analyst meeting

Ekornes (EKO.OS) Q1 2014 Results presentation

Elbit Systems Ltd (ESLT) Q1 2014 Earnings conference call / Webcast

Elbit Systems Ltd (ESLT) Q1 2014 Results

ELMOS Semiconductor AG (ELG.XE) Full year 2013 AGM

Enea SA (ENA.WA) Q1 2014 Results

Enel Green Power SpA (EGPW.MI) Full year 2013 AGM

Enterprise Inns (ETI.LN) Earnings conference call

Enterprise Inns (ETI.LN) Interim 2014 Analyst meeting / Webcast

Enterprise Inns (ETI.LN) Interim 2014 Results

Epigenomics AG (ECX.XE) Q1 2014 Results

ErgyCapital (ECA.MI) Q1 2014 Results

esure Group PLC (ESUR.LN) Full year 2013 AGM

Eurocash SA (EUR.WA) Q1 2014 Results

Eurocash SA (EUR.WA) Q1 2014 Earnings conference call

Exprivia SpA (XPR.MI) Q1 2014 Results

Fiera Milano (FM.MI) Q1 2014 Earnings conference call

Fluxys (FLUX.BT) Q1 2014 Results

Fluxys (FLUX.BT) Full year 2013 AGM & EGM

Fraport AG (FRA.XE) April Traffic Figures

Freenet AG (FNTN.XE) Full year 2013 AGM

Gabetti Property Solutions (GAB.MI) Q1 2014 Results

Gabriel Holding (GABR.KO) Interim 2014 Results

Glanbia (GL9.DB) Full year 2013 AGM

Glanbia (GL9.DB) Interim Management Statement

Glanbia (GL9.DB) Interim Management Statement conference call

Globe Trade Centre SA (GTC.WA) Full year 2013 AGM

Grontmij (GRONT.AE) Full year 2013 AGM

Gruppo Ceramiche Ricchetti (RIC.MI) Full year 2013 AGM & EGM - 2nd call [if required]

H&R AG (2HR.XE) Full year 2013 AGM

Henderson Global Trust PLC (HGL.LN) Full year 2013 AGM

Henderson High Income Trust (HHI.LN) Full year 2013 AGM

HgCapital Trust PLC (HGT.LN) Interim Management Statement

HgCapital Trust PLC (HGT.LN) Full year 2013 AGM

Homag Group (HG1.XE) Q1 2014 Results

Hugo Boss AG St (BOSS.XE) Full year 2013 AGM

Hunter Douglas (HDG.AE) Q1 2014 Results

Ilkka-Yhtyma Oyj (ILK2S.HE) Q1 2014 Press & analyst meeting

IMMSI (IMS.MI) Q1 2014 Results

IMMSI (IMS.MI) Full year 2013 AGM - 2nd call [if required]

Innovative Packaging Solutions AG (CSS.EB) Full year 2013 AGM

Interserve (IRV.LN) Interim Management Statement

Interserve (IRV.LN) Full year 2013 AGM

IP Group (IPO.LN) Full year 2013 AGM

IVS Group (IVS.MI) Full year 2013 AGM & EGM

Jacquet Metal Service (JCQ.FR) Q1 2014 Sales

Jenoptik AG (JEN.XE) Q1 2014 Results

Jenoptik AG (JEN.XE) Q1 2014 Earnings conference call [press]

Jenoptik AG (JEN.XE) Q1 2014 Earnings conference call [analyst]

Juventus Football (JUVE.MI) Q3 2014 Results

Kobenhavns Lufthavne (KBHL.KO) April Traffic Statistics

Kogeneracja SA (KGN.WA) Q1 2014 Results

Kongsberg Gruppen ASA (KOG.OS) Q1 2014 Results

Kongsberg Gruppen ASA (KOG.OS) Q1 2014 Results presentation / Webcast

Kopex SA (KPX.WA) Q1 2014 Results

Kuzbasskaya Toplivnaya Company (KBTK.MZ) Q1 2014 Operating Results

Kvaerner ASA (KVAER.OS) Q1 2014 Results

Kvaerner ASA (KVAER.OS) Q1 2014 Results presentation / Webcast

Lagardere Groupe (MMB.FR) Q1 2014 Sales conference call

Lagardere Groupe (MMB.FR) Q1 2014 Sales

Lan & Spar Bank (LASP.KO) Q1 2014 Results

Landi Renzo (LR.MI) Q1 2014 Results

Leoni AG (LEO.XE) Q1 2014 Earnings conference call / Webcast

Leoni AG (LEO.XE) Q1 2014 Results

Liberbank, SA (LBK.MC) Q1 2014 Earnings conference call / Webcast

Life Healthcare (LHC.JO) Interim 2013 Results

Lotto24 AG (LO24.XE) Q1 2014 Earnings conference call / Webcast

Lotto24 AG (LO24.XE) Q1 2014 Results

LPKF Laser & Electronics AG (LPK.XE) Q1 2014 Earnings conference call

LPKF Laser & Electronics AG (LPK.XE) Q1 2014 Internet Chat

LPKF Laser & Electronics AG (LPK.XE) Q1 2014 Results

M&C SpA (MEC.MI) Full year 2013 AGM - 2nd call [if required]

MCI Management SA (MCI.WA) Q1 2014 Results

Mediaset SpA (MS.MI) Q1 2014 Results

Mediaset SpA (MS.MI) Q1 2014 Earnings conference call / Webcast

Mediatel SA (MTL.WA) EGM re changes in Supervisory Board & share capital increase

Melia Hotels International (MEL.MC) Q1 2014 Results

Melrose Industries PLC (MRO.LN) Full year 2013 AGM

Metsa Board - A Shares Q1 2014 Earnings conference call / Webcast

Metsa Board - A Shares Q1 2014 Results

MGI Coutier (MGIC.FR) Q1 2014 Sales

Moberg Pharma AB (MOB.SK) Full year 2013 AGM

Moberg Pharma AB (MOB.SK) Q1 2014 Results

Modern Times Group MTG - A Share Full year 2013 AGM

Modern Times Group MTG - B Share (MTG-B.SK) Full year 2013 AGM

Mondadori Editore (MN.MI) Q1 2014 Results

Monrif (MON.MI) Q1 2014 Results

Montefibre (MF.MI) Q1 2014 Results

Mucklow (A&J) (MKLW.LN) Interim Management Statement

Mutuionline (MOL.MI) Q1 2014 Earnings conference call

National Express Group (NEX.LN) Q1 2014 Interim Management Statement

Nedbank Group (NED.JO) Full year 2013 AGM

Nedbank Group (NED.JO) Q1 2014 Trading statement

Newcap Holding (NEWCAP.KO) Q1 2014 Results

Numericable Group SA (NUM.FR) Q1 2014 Results

Obrascon Huarte Lain SA (OHL.MC) Full year 2013 AGM - 2nd call [if required]

OMV AG (OMV.VI) Q1 2014 Results

OMV AG (OMV.VI) Q1 2014 Webcast

Open Finance (OPF.WA) Q1 2014 Results

Orco Germany S.A. (O5G.XE) EGM re change the name of company to GSC Group & amendment to AoA

Paddy Power (PLS.DB) Interim Management Statement

Paddy Power (PLS.DB) Full year 2013 AGM

Paddy Power (PLS.DB) Interim Management Statement conference call

Pandora A/S (PNDORA.KO) Q1 2014 Results

Peab AB - B Share (PEAB-B.SK) Q1 2014 Results

Peab AB - B Share (PEAB-B.SK) Full year 2013 AGM

Pininfarina SpA - Ord (PINF.MI) Q1 2014 Results

Plast-Box SA (PLX.WA) Q1 2014 Results

Polarcus (PLCS.OS) Full year 2013 AGM

Poligrafici Editoriale (POL.MI) Q1 2014 Results

Prime Office REIT Q1 2014 Results

Princess Private Equity Holding Limited (PEY.LN) Q1 2014 Results

Projprzem SA (PJP.WA) Full year 2013 AGM

PSB Industries (PSB.FR) Q1 2014 Results

PSP Swiss Property AG (PSPN.EB) Q1 2014 Results

13 May 2014 00:00 ET European Morning Briefing: Other Scheduled Events -2-

PULSION Medical Systems AG (PLMSF) Q1 2014 Results

Puma SE (PUM.XE) Full year 2013 AGM

QinetiQ Group PLC (QQ.LN) General Meeting re disposal of US Services division & share buyback

Rallye (RAL.FR) Full year 2013 AGM

Redan SA (RDN.WA) Q1 2014 Results

Repant (REPANT.OS) Q1 2014 Results

Risanamento SpA (RN.MI) Q1 2014 Results

RoodMicrotec (ROOD.AE) Q1 2014 Trading statement

Sabaf (SAB.MI) Q1 2014 Earnings conference call

Sabaf (SAB.MI) Q1 2014 Results

Sable Mining Africa (SBLM.LN) Full year 2013 AGM

SAES Getters - Ord (SG.MI) Q1 2014 Earnings conference call

SAES Getters - Ord (SG.MI) Q1 2014 Results

Salvatore Ferragamo (SFER.MI) Q1 2014 Results

Sandvik AB (SAND.SK) Full year 2013 AGM

Save - Aeroporto Di Venezia Marco Polo (SAVE.MI) Q1 2014 Results

Schaffner Holding AG (SAHN.EB) Interim 2014 Earnings conference call

Schaffner Holding AG (SAHN.EB) Interim 2014 Results

Securidev SA (SCDV.FR) Q1 2014 Sales

SFC Energy AG (F3C.XE) Q1 2014 Results

SII (SII.FR) Q4 2014 Sales

Societe Generale (GLE.FR) Investor Day

Sodifrance (SOA.FR) Q1 2014 Sales

Sol SpA (SOL.MI) Q1 2014 Results

Solvac (SOLV.BT) Full year 2013 AGM & EGM

Solvay (SOLB.BT) Full year 2013 AGM & EGM

Speedy Hire (SDY.LN) Full year 2014 Results

Sportech (SPO.LN) Full year 2013 AGM

Sportech (SPO.LN) Q1 2014 Interim Management Statement

Standard Life (SL.LN) Full year 2013 AGM

Stock Spirits Group (STCK.LN) Full year 2013 AGM

Stock Spirits Group (STCK.LN) Q1 2014 Interim Management Statement

Stockmann Oyj Abp - A SharesApril Sales

Stockmann Oyj Abp - B Shares (STCBV.HE)April Sales

Swiss Life Holding (SLHN.VX) Q1 2014 Earnings conference call

Swiss Life Holding (SLHN.VX) Q1 2014 Results

Sygnis AG (LIO1.XE) Q1 2014 Results

Tamburi Investment Partners (TIP.MI) Q1 2014 Results

Tarkett SA (TKTT.FR) Full year 2013 AGM

TAS SpA (TAS.MI) Q1 2014 Results

technotrans AG (TTR1.XE) Q1 2014 Results

technotrans AG (TTR1.XE) Q1 2014 Earnings conference call

Telecom Egypt (ETEL.CI) Q1 2014 Results

Telecom Egypt (ETEL.CI) Q1 2014 Earnings conference call

Telecom Italia SpA - Ord (TIT.MI) Q1 2014 Earnings conference call / Webcast

Teleperformance (RCF.FR) Q1 2014 Sales

Teleperformance (RCF.FR) Q1 2014 Sales conference call

ThyssenKrupp AG (TKA.XE) Interim 2014 Earnings conference call / Webcast

ThyssenKrupp AG (TKA.XE) Interim 2014 Results

Touax SA (TOUP.FR) Q1 2014 Sales

Triplan AG (TPN.XE)Q2 2014 Results

TUI Travel (TT.LN) Interim 2014 Analyst meeting / Webcast

TUI Travel (TT.LN) Interim 2014 Results

UBI Banca (UBI.MI) Q1 2014 Results

UniCredit Group - RpFull year 2013 AGM & EGM

UniCredit Group - Ord (UCG.MI) Full year 2013 AGM & EGM

Uzin Utz (UZU.XE) Full year 2013 AGM

Valartis Group (VLRT.EB) Full year 2013 AGM

Valneva (VLA.FR) Q1 2014 Sales

Vetoquinol (VETO.FR) Full year 2013 AGM

Viscom (V6C.XE) Q1 2014 Interim Management Statement

Vocento (VOC.MC) Q1 2014 Results

Volkswagen AG - Pref (VOW3.XE) Full year 2013 AGM

Volkswagen AG St (VOW3.XE) Full year 2013 AGM

W. Kruk SA (KRU.WA) Q1 2014 Results

Wacker Neuson SE (WAC.XE) Q1 2014 Results

Wendel (MF.FR) Q1 2014 Sales

Westag + Getalit AG St (WUG.XE) Q1 2014 Results

Xchanging (XCH.LN) Q1 2014 Interim Management Statement

Xchanging (XCH.LN) Full year 2013 AGM

Ymagis SAS (MAGIS.FR) Q1 2014 Sales

13 May 2014 00:00 ET European Morning Briefing: Dividend Payment & Ex-Div Dates

Acando AB (ACAN-B.SK) Full year 2013 Dividend payment date - proposed (seen 1.00000)

AF AB - B Share (AF-B.SK) Full year 2013 Dividend payment date - proposed (seen 6.50000)

Ageas NV (AGS.BT) Full year 2013 Dividend payment date - proposed (seen 1.40000)

Antibiotice (ATB.RO) Full year 2013 Ex-dividend date - proposed (seen 0.02303)

ASML Holding (ASML.AE) Full year 2013 Dividend payment date - proposed (seen 0.61000)

Athens Water Supply & Sewage S.A. (EYDAP.AT) Special dividend payment date - proposed (seen 0.02000)

Athens Water Supply & Sewage S.A. (EYDAP.AT) Full year 2013 Dividend payment date (seen 0.36000)

Aubay (AUB.FR) Full year 2013 Ex-dividend date - proposed (seen 0.10000)

Barco (BAR.BT) Full year 2013 Dividend payment date - proposed (seen 1.50000)

BKW AG (BKW.EB) Full year 2013 Ex-dividend date - proposed (seen 1.20000)

City Service AB (CTS1L.LV) Full year 2013 Ex-dividend date - proposed (seen 0.12700)

Credit Suisse Group AG (CSGN.VX) Full year 2013 Ex-dividend date - proposed (seen 0.70000)

Data Modul AG (DAM.XE) Full year 2013 Ex-dividend date - proposed (seen 0.60000)

Data Modul AG (DAM.XE) Full year 2013 Dividend payment date - proposed (seen 0.60000)

DCG Iris Limited (IRIS.LN) Q4 2013 Dividend payment date (seen 0.01250)

Doro AB (DORO.SK) Full year 2013 Ex-dividend date (seen 1.50000)

Ekornes (EKO.OS) Full year 2013 Ex-dividend date - proposed (seen 5.50000)

Galenica (GALN.EB) Full year 2013 Ex-dividend date - proposed (seen 14.00000)

Hochdorf Holding AG (HOCN.EB) Full year 2013 Ex-dividend date - proposed - Capital reserve (seen 3.20000)

Home Invest Belgium SA (HOMI.BT) Full year 2013 Ex-dividend date (seen 3.50000)

Imerys (NK.FR) Full year 2013 Dividend payment date - proposed (seen 1.60000)

Interroll Holding (INRN.EB) Full year 2013 Ex-dividend date - proposed (seen 8.80000)

Kering (KER.FR) Full year 2013 Dividend payment date - proposed (seen 2.25000)

Kinnevik AB - A ShareFull year 2013 Ex-dividend date - proposed

Kinnevik AB - B Share (KINV-B.SK) Full year 2013 Ex-dividend date - proposed (seen 7.00000)

Kuehne & Nagel International AG (KNIN.VX) Special dividend payment date - proposed (seen 2.00000)

Kuehne & Nagel International AG (KNIN.VX) Full year 2013 Dividend payment date - proposed (seen 3.85000)

Lagardere Groupe (MMB.FR) Full year 2013 Dividend payment date - proposed (seen 1.30000)

Lagardere Groupe (MMB.FR) Special dividend payment date - proposed (seen 6.00000)

Lietuvos Dujos Pva (LDJ1L.LV) Full year 2013 Ex-dividend date - proposed (seen 0.18000)

LLB Liechtensteinische Landesbank (LLB.EB) Full year 2013 Ex-dividend date - proposed (seen 1.50000)

Mayr Melnhof Karton AG (MMK.VI) Special dividend payment date - proposed (seen 2.40000)

Mayr Melnhof Karton AG (MMK.VI) Full year 2013 Dividend payment date - proposed (seen 2.40000)

Navios Maritime Partners L.P. (NMM) Q1 2014 Dividend payment date (seen 0.44250)

Olympic Entertainment Group (OEG1T.ET) Full year 2013 Dividend payment date - proposed (seen 0.10000)

Panalpina Group (PWTN.EB) Full year 2013 Ex-dividend date - proposed (seen 2.20000)

Pargesa (PARG.EB) Full year 2013 Dividend payment date - proposed (seen 2.64000)

Securitas AB - B Share (SECU-B.SK) Full year 2013 Dividend payment date - proposed (seen 3.00000)

Sofina (SOF.BT) Full year 2013 Dividend payment date - proposed (seen 1.63000)

Tele2 - A Shares Full year 2013 Ex-dividend date - proposed

Tele2 - B Shares (TEL2-B.SK) Full year 2013 Ex-dividend date - proposed (seen 4.40000)

Tomra Systems ASA (TOM.OS) Full year 2013 Dividend payment date - proposed (seen 1.35000)

Vicat (VCT.FR) Full year 2013 Ex-dividend date - proposed (seen 1.50000)

Vitrolife AB (VITR.SK) Full year 2013 Dividend payment date - proposed (seen 1.00000)

Wolters Kluwer (WKL.AE) Full year 2013 Dividend payment date - proposed (seen 0.70000)

XANO Industri AB - B Share (XANO-B.SK) Full year 2013 Dividend payment date - proposed (seen 4.00000)

(END) Dow Jones Newswires

May 13, 2014 00:00 ET (04:00 GMT)

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BARRON'S

MARKET WEEK
Stocks --- The Trader: Dow Ekes Out a Record, but Internet Stocks Fall

By Vito J. Racanelli
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Stocks like Groupon (ticker: GRPN) and Twitter (TWTR) fell 14% and 17%, respectively. The Global X Social Media Index ETF (SOCL) of such stocks is down 25% since the end of February. Now that the market is into its fifth month of 2014, it's safe to conclude it probably won't be like last year. The market's behavior and psychology has moved into a new cycle, says Michael Yoshikami, CEO of Destination Wealth Management. When the market senses a new opportunity, such as the social-media space last year, but doesn't know who the winners will be, all stocks tend to go up together in frenzied activity, he says.

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But lately, Supervalu looks to be turning the corner, says Peter Andersen, a portfolio manager at Congress Asset Management. The shares, at $7.11, should be attractive to patient investors. He thinks the stock could rise as much as 30% over the next 12-to-18 months. Congress owns Supervalu shares.

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DJ65Stocks	5794.52	+11.15	+0.19
DJUSMarket	473.29	-1.28	-0.27
NYSEComp.	10606.69	-23.30	-0.22
NYSEMKTComp.	2596.41	-17.33	-0.66
S&P500	1878.48	-2.66	-0.14
S&PMidCap	1353.79	-7.78	-0.57
S&PSmallCap	642.69	-9.87	-1.51
Nasdaq	4071.87	-52.03	-1.26
ValueLine(arith.)	4362.72	-48.48	-1.10
Russell2000	1107.22	-21.58	-1.91
DJUSTSMFloat	19621.01	-77.47	-0.39

	Last Week	Week Earlier
NYSE		
Advances	1,527	2,168
Declines	1,693	1,047
Unchanged	43	45
NewHighs	322	319
NewLows	137	99
AvDailyVol(mil)	3,188.0	3,566.0
Dollar (Finexspotindex)	79.87	79.51
T-Bond (CBTnearbyfutures)	135-170	136-060
Crude Oil (NYMlightsweetcrude)	99.99	99.76
Inflation KR-CRB (FuturesPriceIndex)	304.57	307.14

Gold (CMXnearbyfutures)	1287.30	1302.60

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Hip Hip Hi-Ray: New Highs for Dow, S&P 500; Nasdaq, Russell 2000 Jump -- Barron's Blog

By Ben Levisohn
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Dow Jones Institutional News
DJDN
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What a day for the stock market, as the major indexes rose thanks to big gains in beaten -down momentum stocks like Salesforce.com (CRM), Alexion Pharmaceuticals (ALXN) and Netflix (NFLX), and jumps in International Business Machines (IBM) and Goldman Sachs (GS).

The S&P 500 rose 1% to 1,896.65 today, a record high, while the Dow Jones Industrial Average gained 0.7% to 16,695.47, also an all-time high. The Nasdaq Composite jumped 1.8% to 4,143.86, its largest one-day gain since Jan.30, while the Russell 2000 climbed 2.4% to 1,133.65 but is still 6.2% off its record high hit on March 4.

Stocks got a big boost when China's State Council offered a blueprint for liberalizing its financial markets. HSBC's Qu Hongbin and Julia Wang explain what happened:

The State Council has issued a document outlining nine broad-ranging capital market reform principles for the next five years. The overall goal is to develop a multi-layer, fully-functioning capital market system to support growth. There are some big challenges. However the endorsement from the top level of government is highly significant. The role of the capital market to transfer savings into long-term investments has become a national economic strategy. This should also lead to a better coordination between different regulators to overcome some of the structural obstacles to the development of the capital market.

And with that, momentum was restored to beaten down momentum stocks. Salesforce.com, which had plunged 16% during the past two months, jumped 6.3% to $53.43, Alexion Pharmaceuticals, which had slid 15%, bounced 5.4% to $161.10, and Netflix, which had plummeted 25%, climbed 5.1% to $345.45.

International Business Machines and Goldman Sachs were the biggest contributors to the Dow's new high, a sign that even big, stodgy stocks weren't left out of today's rally. International Business Machines, which has lost 5.8% during the past 12 months, gained 1.3% to $192.57, and Goldman Sachs, which had risen just 7%, advanced 1.5% to $159.55.

Bespoke Investment Group offers some perspective on today's momentum rally:

We can't be sure if this is the bottom for some of the hardest hit names out there; the downtrend is too powerful to read in to any one day with anything approaching a strong feeling. But there was definitely a more upbeat tone to trading, and investors with exposure to equities will certainly take it. We would continue to wait for more sustainable strength and an eventual break of the downtrend channels before getting comfortable with new longs in the "high flyer" group. This could just as easily be an oversold bounce that quickly gets faded as it could be the start of something more bullish.

Westpac's Graeme Jarvis marvels at the strength of global markets today:

The S&P500 last night closed a new record high, the NASDAQ closed +1.77% and even the much maligned and written about Russell 2000 (which was -10% from its March high) managed to rally +2.41%. This however was not just a US event. Across the globe equity markets had or were having breakout moves from the SENSEX in India to the DAX in Germany. The indecision and indifference we have all experienced recently which was hinted at coming to end last week looks to have been replaced with a modicum of certainty.

Let's hope that certainty lasts until tomorrow.

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

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T-Bond		
(CBTnearbyfutures)	135-170	136-060
Crude Oil		
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Inflation KR-CRB		
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