

Pre-holiday retail jitters sink US shares

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A \$121 billion brewery mega-merger pumped up European shares on Wednesday, but dismal figures from top US retailer Macy's pulled Wall Street down on fears over coming holiday sales.

The US slump -- which also saw big oil companies tumble again -- spoiled a global rally which began with records being smashed in China's 24-hour "Singles Day" online sales marathon.

The long-expected deal for the world's top brewer, Belgian-Brazilian Anheuser-Busch InBev, to take over SABMiller was good for the shares of both.

It will bring together InBev's top lagers like Beck's, Budweiser and Stella Artois, with SABMiller brands Foster's, Grolsch and Peroni.

AB InBev is eager to tap into booming developing markets in Africa and China, where SABMiller's joint venture produces Snow -- the world's best selling beer by volume.

"The InBev/SABMiller deal is huge and markets will always toast a deal of this magnitude," Oanda analyst Craig Erlam told AFP.

AB InBev shares, traded in New York, gained 2.8 percent, while SABMiller was up 1.9 percent in London.

It was also good for shares of Molson Coors Brewing, which surged on news it will take full control of MillerCoors for \$12 billion as part of the larger deal.

The vast takeover helped push the London stock market into positive territory for the first time in five days. The London benchmark FTSE 100 index closed 0.4 percent higher, Frankfurt's DAX 30 climbed 0.7 percent and the CAC 40 in Paris won 0.8 percent.

The brewery merger "underpins the fact that there is still plenty of cash on the sidelines to be put to use if there is value in synergies," said Mike McCudden, head of derivatives at broker Interactive Investor.

But across the Atlantic, US shares tumbled after Macy's, the department store chain which also controls Bloomingdale's, cited lower spending by both Americans and international tourists in cutting its full-year forecasts by 10 percent.

Coming after a similar downbeat picture from clothing group Gap, and just ahead of the holiday shopping season, the Macy's numbers drove shares of a broad range of retailers lower: Target, Wal-Mart, Nordstrom and others.

"Investors will be paying attention to the retail sector as a whole as they evaluate our economic conditions," said David Levy of Kenjol Capital.

The market reaction to China's "Singles Day" e-tailing extravaganza was also negative.

Alibaba said it processed \$14.3 billion of orders during the day, well past last year's \$9.3 billion.

The figures were "very solid evidence for the power of Chinese consumers," Alibaba chief executive Daniel Zhang said. "I think we can do the same things in this international channel."

But in New York, where Alibaba is traded, the shares fell 1.9 percent. Smaller rival JD.com, whose orders also surged for the event, fell 1.1 percent.

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