

HD Australian Stocks: What Happened Today?

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More window dressing than a David Jones store at Xmas! A surprisingly **firm** day today mainly on the back of the banking sector as the big four led us out of the wilderness. Well, actually not that surprising given it is quarter end, quiet and a bit of pushing never hurt anyone's performance right? Macquarie Group Limited (A\$57.65, +0.5%) continued to find friends as did K2 Asset Management Holdings Ltd (A\$0.72, unch), Henderson Group PLC. (A\$4.68, +2.2%) and Platinum Asset Management Limited (A\$7.47, +3.0%). Insurers were mixed with QBE Insurance Group Limited (A\$12.65, -0.8%) in the dog house although others were mildly better. After a cautious start at the end of the quarter, buyers stepped in to tickle things along. In the final analysis we closed at 5367 up 17 points for a weekly gain of a huge 27 points! For the year we are up 17 points. Wow! US is square til tonight's move up.

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Miners also rallied last night as **Chinese** stimulus is seen rolling down the track, **Iron ore** going a tad higher helped too with BHP Billiton Limited (A\$36.14, +0.4%) and Fortescue Metals Group Ltd (A\$5.34, +1.5%) putting in the hard yards as did **Alumina** Limited (A\$1.20, +5.3%) following a nearly 7% rise in Alcoa in the US last night on LME warehouse rule changes.

Energy stocks were mixed with Woodside Petroleum Limited (A\$38.65, +0.6%) having a whale of a time on the back of their Leviathan **purchase** in Israel but Karoon Gas Australia Limited (A\$2.56, -0.4%) continued to look awful. AWE Limited (A\$1.495, +2.0%) also doing well as were Beach **Energy** Limited (A\$1.68, +1.2%) and Drillsearch **Energy** Limited (A\$1.68, +6.3%)

Meanwhile in widget land, building stocks did well. Csr Limited (A\$3.40, +2.4%), James Hardie Industries PLC (A\$14.23, +1.1%), Boral Limited (A\$5.61, +0.7%) but Brickworks Limited (A\$14.25, -0.1%) (missed out despite Charlie giving them a huge wrap!). Healthcare stocks better led by Sigma Pharmaceuticals Limited (A\$0.67, +4.7%), Ramsay Health Care Limited (A\$47.84, +0.7%) and Greencross Limited (A\$8.11, +1.4%) but Csl Limited (A\$69.85, -1.0%) suffered from clotting as their biggest US rival announced plans to split.

The media landscape was a bit better and Ten Network Holdings Limited (A\$0.27, unch) celebrated Lachlan going off to join dad in the Big Apple, whilst #NNC# and Twenty-First Century Fox, Inc. (A\$33.39, -1.9%) fell. Recent listing NEC firmed as did Seven West Media Limited (A\$1.93, +1.3%).

In the runners and riders today, Chorus Limited (A\$1.635, +7.6%), Navitas Limited (A\$7.33, +5.8%), Tpg Telecom Limited (A\$6.69, +5.9%), Drillsearch **Energy** Limited (A\$1.68, +6.3%), Sigma Pharmaceuticals Limited (A\$0.67, +4.7%), Mount Gibson **Iron** Limited (A\$0.875, +3.6%), Kathmandu Holdings Limited (A\$3.55, +5.3%) and Sino Gas & **Energy** Holdings Limited (A\$0.165, +6.5%). However bringing up the rear were Panoramic Resources Limited (A\$0.41, -25.5%), IBY, Unilife Corporation (A\$0.785, -8.2%), Iproperty Group Limited (A\$3.06, -9.7%), Freelancer, Xero, Qube Holdings Limited (A\$2.19, -1.8%) and #FOX. Volume was strong but it was skewed by **equity** option expiry yesterday at around \$6bn. Take away that and it was a slack day.

Asia markets were positive on hopes of stimulus. **Hong Kong** celebrated the sevens with a very positive day up around 1.2% and even **China** eeked out a small gain. Tokyo up 0.3%. The Aussie dollar continued its squeeze to 92.7 whilst the digital tulips were \$550 and the real shiny stuff was \$1291

Stocks and Stories

Fortescue Metals Group Ltd (A\$5.34, +1.5%) opened the Sarcophagus in the Valley of the Kings and celebrated completion of their 155MTPA expansion. These guys certainly know how to deliver infrastructure. Marks the end of their \$9.2bn Pilbara expansion with the King Solomon's mine now completed.

Drillsearch **Energy** Limited (A\$1.68, +6.3%) piled on the gains today with the success of their western flank exploration with Stunsail 1.

Navitas Limited (A\$7.33, +5.8%) had their government contract, to teach English to recent immigrants, renewed in six centres for another three years today.

Qube Holdings Limited (A\$2.19, -1.8%) says it is "chuffed" with strong institutional investor demand for yesterday's \$200 **million equity** raising that was completed at a price of \$2.12 ? 4.9 per cent below the last close price of \$2.23.

Japanese consumers unexpectedly cut back on spending two months before the first sales-tax increase since 1997, in a potential sign that emerging inflationary pressures are undermining purchasing power. Household spending fell 2.5 percent in February from a year earlier, the first drop in six months.

Tomorrow's News Today

Sydneysiders are flooding the property market with more than 2500 properties up for auction in the three weeks before the Easter and Anzac Day holidays. Taking advantage of the bubble? In past peaks the ratio of average dwelling prices divided by average disposable incomes per family is 4.5 times. It was that in 2006 and 2010 and at present is around 4.4 as wage growth lags housing prices in a big way. Sydney up nearly 16% this year.

Facebook has splurged \$2bn on buying Oculus Rift, the world's first really viable virtual reality headset. Most of these things make you feel sick and do we really want to like in 3D in a virtual world. Maybe they are going to make a virtual world where you can talk to your friends face to face and interact in real time as if you were there. Don't we have something like that already? Good luck with that Facebook. Top of the market stuff? Desperation?

Good to see the IMF bailing out Ukraine. Shame most of the money will go to Russian State Banks and Hedge funds like Franklin Templeton which alone held \$US7.3 **billion** of Ukrainian **bonds** at the end of 2013. Everyone looked at them as a one way bet being such a strategic asset they could never let it fail. Looks like they got it right! Still the Russian's have upped the gas price by 50%. Short and curlies anyone?

Can you hear the air escaping. Internet stocks have been hit hard in the last few weeks and it continues with **Chinese** Tencent which has fallen more than 17 % since the start of February, taking its market capitalisation down from \$152bn to \$126bn. Candy Crush maker King has been named as the worst float of 2014 so far. Still a way to go!

Giant US retailer Wal-Mart is suing credit card **firm** Visa for \$5bn , alleging that Visa worked with large banks to fix the price of transaction fees it charged to Wal-Mart. No, really?

A dramatic surge in interest from wealthy **Chinese** is threatening to overwhelm a U.S. program offering investors green cards in exchange for cash. The number of applicants is now so huge that the government may run out of permits. Any foreigner willing to commit at least \$500,000 and create 10 jobs in America can apply for an investor immigrant visa. **Chinese** nationals account for more than 80% of visas issued, compared to just 13% a decade ago.

And thought for the day. The world's 10 bestselling prescription drugs raked in \$75.6bn of sales last year, led by Humira, which treats rheumatoid arthritis, psoriasis and Crohn's disease was the world's top seller for the second year running.

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CO hhgplc : Henderson Group PLC | kassmh : K2 Asset Management Holdings Ltd | mcqbnk : Macquarie Group Limited | pltasm : Platinum Asset Management Ltd | qbeibp : QBE Insurance Group Ltd

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