

**HD MARKET EXPECTED TO CLOSE SLIGHTLY HIGHER**

**BY** Jenny Prabhu

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The S&P/ASX200 is likely to close slightly higher today.

Europe and the UK closed higher, the US markets rose.

On the NYSE where 3192 issues traded there were 2,050 issues higher, 1,069 down and 82 unchanged. On Nasdaq where 2690 issues traded there were 1,815 issues higher, 785 down and 90 unchanged.

Metals were mixed, crude rose, **gold** was down. The \$A is at 89.18US c, more or less in line with last evening.

"Support at 5315, resistance 5325 next at 5345, up 15 on the day"

Ben Faulkner, a senior adviser at Morgans said, "The S&P500 is still in uptrend. Resistance now is at the 1840 mark and then the previous high which was 1850. It could test the previous high, however it is likely to consolidate into the reporting season.

"The German Dax has quite a similar chart to the S&P500. There was a bit of profit taking last week, but it is regaining its losses and is likely to re-test the highs. The European markets are looking firmly in tact.

"In Japan, the market is still in uptrend although they have had a couple of days of sell off. However it is currently testing the 20 day moving average which has been good support, at 15,756 - worth keeping an eye on 15,756- if that breaks it will be short term bearish for Japan.

"With regard to **gold**. \$1250 is resistance - it had the first negative night last night. It is still a bit of a dead cat bounce. Last night could be the first move down. Support is at \$1218. A break of \$1218 could see it test \$1200 again.

"To our market, we had another weak performance yesterday, closing on the lows. The chart after recovering December losses looks like it is trending down. The RSI also indicates that.

"I expect support at yesterday's low of 5315. Resistance now should be 5325, next at 5340. Underlying weakness in our market continues compared to the global market. Resources are likely to remain weak, household names and leaders probably will provide support.

"For the day I will call us up 15 points".

The S&P/ASX200 closed down 7.9 points to 5317 last evening.

January 8. Good morning.

\*BBC News reports the International Monetary Fund will raise its forecast for global growth according to its managing director, Christine Lagarde.

She said the revision would come in the next three weeks but did not elaborate, saying that it would be premature to say any more.

In October the IMF lowered its growth forecasts, saying the global economy "remains in low gear".

It cut its growth forecast for 2014 by 0.2 of a percentage point to 3.6%.

It also reduced the estimate for 2013 growth by 0.3 of a point to 2.9%.

Back then it warned that a slower pace of expansion in emerging economies such as Brazil, China and India, was holding back global expansion.

#### Aussie stocks

All dollars in this section are Aussie dollars - the rises and falls are against the previous close.

Aussie stocks in ADR form were mixed. AWC was steady on 1m shares, RIO fell 10p on 2.97m shares, BHP fell 5c on 2.8m shares, News fell 36c on 1.17m shares, Fox rose 34c on 1.46m shares, Westpac rose 38c on 317,000 shares. Telstra gained 2c on 260,000 shares. Resmed was up 8c on 9.85m shares.

PSivida fell 3c on 78,000 shares, Prana rose 2c on 1.9m shares.

In London Anglo American rose 1.5p to 1,276.5p on 3.27m shares, Aquarius rose 0.25p to 39.5p on 879,391 shares, BskyB rose 4.5p to 840.5p on 2.48m shares, Henderson rose 2.4p to 232.4p on 1.9m shares, RIO fell 51p to 3,215p on 3.8m shares.

#### Trading points:

\*OGC: OceanaGold Corporation announced the board of directors has approved a new mine schedule for the Macraes Goldfield located in the Otago region on the South Island of New Zealand. As a result of the prolonged and sustained drop in the gold price, the company has re optimised the Macraes mine plan to further reduce costs in order to sustain operations. The new mine plan includes a reduction in the total material movement scheduled in the open pit, resulting in lower equipment usage and a reduction in operating and support staff requirements over the next two years.

Managing director and CEO Mick Wikes said in the report, "The Macraes Goldfield has been operating continuously for over 23 years, producing over 3.8 million ozs of gold. During its life, Macraes has been a major employer and contributor to the Otago region and local economy. He said the lower gold price has necessitated the need to make changes to the business to ensure a sustainable operation at Macraes which will also unfortunately have an impact on some of the workforce and contractors whose contribution he acknowledged and thanked them for.

#### Full year 2014 production guidance

In 2014 the company plans to produce 275,000/305,000 ozs of gold at cash costs of \$US400/450 and all-in sustaining costs of \$US750/850 per oz net of by product credits. Copper production from Didipio is expected to be between 21,000 to 24,000 tonnes of copper in concentrate.

The company has also entered into additional hedging with a zero cost collar for production over the next two years at Macraes, the impact of which being that if the spot gold price on maturity of the option is less than \$NZ1,500 per oz, the company will receive \$NZ1,500 per oz. The Reefton production was similarly hedged with a zero cost collar announced on June 27 2013.

Changes in substantial reported January 6 and 7 inc posted separately.

#### YESTERDAY's WINNERS AND LOSERS - WHOLE OF MARKET

Courtesy Heinz Nonveiller

Best Risers/greatest weakeners by percentage in Stocks on volume over 190,000 with 2.5 cent min.

#### 10 Best Risers

Code Company % Increase Value Last Price Volume

Increase Cents M

BRU Buru Energy 8.8 16 197.5 1.3

KDL Kim Diamonds 8.2 8 195.5 0.2

HIL Hills 7.2 12.5 185.5 0.3

BLY Boart Longyear 6.8 3 47 6.1

GLH Global Health 6.8 3 47 0.3

AOG Aveo 6.4 13 215 0.2

RGS Regeneus 6.2 3 52 0.9

REA Rea 5.3 199 3925 0.6

CIW Clime 5.3 4 80 0.2

RCG RCG 4.3 3.5 85 0.6

AVERAGE 6.5

15 Worst Falls

Code **Company** % Fall Value Fall Last Price Volume

PBT Prana Biotech 8.8 6.5 67.5 1.4

ISN Isona 8.2 3.5 39 0.9

AGO Atlas 8.2 9.5 106.5 36.0

FGE Forge 8.1 11.5 131 6.4

CDU Cudco 7.4 13.5 168 0.8

MGX Mount Gibson 6.5 6.5 94 8.5

LCM Logics 6.3 10 150 0.2

CDD Cardno 5.7 38 631 0.9

NWH NRW Hold 5.5 8.5 128 0.9

EVR Endeavour 5.3 3 54 0.4

FMG Fortescue 4.7 27 544 21.0

ARI Arrium 4.6 8 165.5 9.1

MNF My Net Fone 4.4 8.5 185.5 0.2

EVN Evolution 3.8 2.5 63.5 1.5

CCV Cash Converters 3.7 3.5 91.5 0.9

AVERAGE 6.1

Overseas

The DJIA closed up 105.84 points to 16,530.94.

S&P 500 rose 11.11 points to 1837.88.

NASDAQ rose 39.5 points to 4153.18.

US 10yr bond yields fell 1 point to 2.95%

The US\$ rose 36 points to 104.54 Yen.

The Euro fell 16 points to 1.3616US c.

The Yuan rose 15 points to 67.0513/\$US1.

FTSE 100 rose 24.72 points to 6755.45. European markets closed higher.

The Nikkei Dow last evening closed down 94.51 points to 15,814.37.

Shanghai SE Comp IX closed up 1.61 points to 2047.32.

#### Commodities

All dollars in this section are US dollars

In dollars per tonne for three month metal, (LME stockpiles are on a closing basis) - valued against yesterday morning's price, measured over 24 hours.

**Copper** rose \$61 to \$7,351/gained \$115 to \$A8243. Stockpiles fell 3,050 tonnes to 353,075 tonnes.

Aluminium rose \$3 to \$1,785/gained \$15 to \$A2002. Stockpiles fell 3,850 tonnes to 5,451, 550 tonnes.

Nickel fell \$45 to \$13,515/rose \$36 to \$A15,155. Stockpiles fell 138 tonnes to 260,724 tonnes.

Zinc gained \$8 to \$2,042/rose \$22 to \$A2290. Stockpiles fell 4,525 tonnes to 918,325 tonnes.

**Lead** was down \$9 to \$2,156/rose \$4 to \$A2418. Stockpiles fell 500 tonnes to 214,500 tonnes.

Tin rose \$75 to \$21,800/rose \$223 to \$A24,445. Stockpiles rose 70 tonnes to 9,725 tonnes.

**Iron Ore** N/a at this time.

Steel billet was indicated at \$290/300.

Cobalt was indicated at \$27,500/28,000.

Molybdenum was indicated at \$20,509/21,500. Inventories fell by a further 6 tonnes to a total of 318 tonnes, the lowest since late October.

WTI crude rose 24c to \$93.67/gained 86c to \$A105.03.

Brent Crude rose 79c to \$107.52/gained \$1.57 to \$A120.57.

Spot **gold** fell \$7 to \$1,232/rose 5c to \$A1381. Spot silver fell 27c to \$19.89/fell 17c to \$A22.30. Spot platinum fell \$3 to \$1,414/rose \$6 to \$A1586. Spot palladium was up \$4 to \$741/rose \$9 to \$A831.

Spot **uranium** rose 15c to \$34.65/gained 39c to \$A38.85.

#### Overseas eco news

In US eco news, the US trade deficit narrowed to its lowest level in four years in November, as rising sales of **oil** pushed US exports to a record high.

The trade gap dropped by 12.9% to \$34.3bn (&#163;20.9bn) in November, the smallest monthly deficit since October 2009, the US Commerce Department said.

Imports fell 1.4% from October as a fall in demand for foreign **oil** offset a record level of imported cars.

Exports rose 0.9%, boosted by a 5.6% rise in petroleum exports.

US exports were also boosted by stronger sales of American-made planes and machinery.

The drop in **oil** imports was helped by lower global prices.

After peaking at \$102 per barrel in September, the average price of a barrel of imported crude **oil** has been falling. It averaged \$94.69 a barrel in November.

\*In Europe, \*German unemployment fell in December on a seasonally adjusted basis, the first drop since July, the country's Labour Office confirmed. The number of people out of work fell by 15,000 to 2.965 **million**, the biggest decrease in two years.

\*Eurostat flash estimate reported annual CPI is expected to be 0.8% in December 2013, down from 0.9% in November and vs 0.95 expected.

Looking at the main components of euro area inflation, food, alcohol & tobacco is expected to have the highest annual rate in December (1.8%, compared with 1.6% in November), followed by services (1.0%, compared with 1.4% in November), non-**energy** industrial goods (0.2%, stable compared with November) and **energy** (0.0%),

compared with -1.1% in November).

\*The PPI dropped to 1.2% annually in November, compared to economists' expectations for a drop of 1.3 percent.

\*In the UK new car registrations rose 10.85 in 2013 according to the Society of Motor Manufacturers and Traders. The total for the year has shown the highest volume since 2007 and the market is now 5.8% behind pre recessionary levels, with December's 23.7% rise marking the 22nd consecutive monthly rise in registrations. All regions in the UK saw an increase in registrations in 2013, led by Wales.

Overseas **equity** news

\*In the US of the Dow 30 there were 24 stocks higher and 6 down. UnitedHealth led the winners, up \$2.26 or 3.04% to \$76.50 followed by Johnson & Johnson, IBM and Boeing.

JPMorgan Chase led the weakeners, shedding 68c or 1.15% to \$58.32 followed by Dupont and Goldman Sachs.

JPMorgan shares were hit by \$1.7 **billion** in charges stemming from its 10 year relationship with Bernard L Madoff Investment Securities.

Netflix fell 5.3% on a broker downgrade. Best Buy fell 3.3% after weak sales data at competitor Hhgregg Inc.

Healthcare stocks were higher. Herbalife rose 2.1% and Nu Skin Enterprises rose 2.9%.

First **Solar** recovered more than 3% after recent losses.

\*In Europe, banks led the way higher after the German unemployment number. Banco Espirito Santo rose 5.7% to Euro 1.20, Banco BPI SA rose 4.4% to Euro 1.39, a three year high.

In Madrid Banco Popular Espanol rose 6.6% to Euro 4.96, CaixaBank rose 7.2% to Euro 4.15.

Commerzbank led the DAX, up 5.98% to Euro 12.41, Deutsche Bank followed, up 3.03%. BASF rose 2.75% to Euro 78.52.

Maersk rose 3.5% to DKKr 62,300 after saying it will sell a 48.68% **stake** in Dansk Supermarked AS and 18.72% of F Salling A/S to partners for a gain of DKKr 14 **billion**.

Vestas **Wind** Systems rose 6.1% to DKKr197.40, its highest price since April 2011 in the 10th day of rally.

Volvo rose 4.6% to SKr 88.45. Tobacco maker Swedish Match fell 5.5% to SKr196.60.

Hugo Boss fell 2.3% to Euro 100 after Soc Generale downgraded the luxury clothing maker to hold from buy.

\*In the UK, IAG rose 3.4% to 428.2p after its December traffic data showed premium growth of 7.3%, HSBC gained 2.4% to 675.8p on a broker upgrade, Standard Chartered closed flat at 13.34 pounds on rumors that a downturn for its Indian business may cause the bank to raise about \$5 **billion** in a share issue, the Financial Times reported.

Seern Trent fell 2.2% to 16.67 pounds after JP Morgan Cazenove downgraded the chances of a takeover on regulatory risks.

Arm Holdings fell 2.1% to 10.55 pounds and Imagination Technologies fell 2.6% to 1750 after Samsung's 4th quarter earnings guidance missed expectations, partly on slow demand for high end Smartphones. Royal Mail fell 1.9% to 561p on a broker's "sell" recommendation - although Royal Mail has powerful brands and an unrivalled UK network, letter volumes continue to decline sharply and the parcels market is highly competitive, the broker said.

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