

HD JENNY PRABHU'S HOT & SPICY CURRY SHOP

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the day's menu

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The S&P/ASX 200 as at 2:36pm: down 14.8 to 5446

Orica is a "hold" ahead of its results ..

A leading broker retained a "hold" on Orica ahead of its results tomorrow expecting a 4% decrease in EBIT to \$422 **million**, a 7% decrease in net profit before significant items, and \$249 **million** pre significant items (vs guidance of \$267 **million**) and a 37c dividend.

The broker said the stock remains expensive, with concerns around subdued explosives demand, the impact of **Chinese** imports on Indonesian margins and risks to manufacturing margins at Kooragang Island.

The broker also expects potential deterioration of returns from Minova in the longer term due to a variety of factors.

ORI down 14c to \$21.89.

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Fairfax remains a "neutral"/a "lighten:" ..

A leading broker retained a "neutral" on Fairfax with an 85c target price after its trading update last Friday. The broker said the year to date revenue momentum was weaker than the broker had expected, despite stronger Domain Digital momentum. "Consequently we have trimmed full year 2014 eps by 4% and 2015 by 1%. Revised 2nd half 2014 revenue growth is now 3.6% including a 41% in Domain Digital.

The broker said, "We retain our Neutral rating after cutting FXJ from a "buy" post strong first half 2014 results.."

*Another leading broker retained a "lighten" recommendation and a shae price target of 66c. The broker said, "We continue to believe that excluding Domain, Fairfax lacks strong digital growth assets with any future digital acquisitions or joint ventures expected to be more bolt-on than transformational".

FXJ up a half cent to \$1.01.

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CFS Retail Property remains an "underweight" ..

A leading broker said with 38% of its portfolio to lease by 2016, CFX offers exposure to a potential recovery in the retail cycle. However, with short term dilution likely to remain a drag, we see better value elsewhere in the sector and remain Underweight". The broker's target price is \$2.45.

CFX down 1.5c to \$2.03.5

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UGL remains a 'sell' ..

A leading broker retained a 'sell' on UGL after UGL reiterated full year 2014 guidance of \$120 million NPAT vs the broker's \$108 million with expectations for ongoing restructuring charges in the 2nd half, some of which the broker took above the line.

The broker said "Whilst we are attracted to UGL's exposure to recurring/maintenance work, we do not believe a potential demerger or sale of property services at/near prices reported adds value given the earnings multiples implied by the current share price are not underestimating value".

The broker's target price is \$6.

UGL up 7c to \$7.71.

Diggers & Drillers

Senex remains an "add" ..

A leading broker retained an "add" on Senex with a share price target of \$1.15 and suggested it is now time to increase holdings or enter into this name, given positive news expected during 2015.

The broker said SXY has been impacted by market disappointment in its 3rd quarter report which creates a good buying opportunity. Recent news on the Spitfire oil field and expected news on 4th quarter production and 2015 guidance over the next few months should relieve any uncertainty.

The broker said the Worrior Field result suggests oil upside, SXY is commencing construction of an extended test production facility in September 2014 with first sales expected by end 2014. This production will lead to booking reserves and a better understanding of decline curves, which should lead to de-risking and increased value.

In addition, SXY is pursuing commercialisation of its conventional Vanessa gas discovery which may lead to further conventional gas opportunities in the Northern Cooper Basin.

The broker concludes, "SXY presents a strong opportunity to leverage the current oil price as well as the developing east coast gas market with significantly higher pricing".

SXY down 1c to 68c.

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Scheme of Arrangement for Nexus at 2c may not yet be a done deal ..

Oil & Gas Weekly in its report dated May 11 said the Scheme of Arrangement that would see Seven Group Holdings buy all the shares of Nexus Energy for 2c may not yet be a done deal.

O&G comments, "Disgruntled shareholders have thrown up a series of issues with the independent expert's report and with the valuation of the Longtom gas field.

"And questioned the actions of the Company's management including former Chairman Don Voelte who moved from Nexus to Seven Group Holdings prior to the deal being announced.

"The establishment of a website as a vehicle for shareholders opposing the deal to progress their case www.nexusbattle.com would seem to be something of a first".

NXS steady at 1.9c .

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