

## HD Australian Stocks: What Happened Today?

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Another day dominated by weaker banks and better resources. Wishy washy leads from overnight didn't help but production numbers from RIO Tinto Limited (A\$63.94, +1.3%) and Fortescue Metals **Group** Ltd (A\$4.58, +6.3%) kicked things along nicely. After being up to a high of 5527 and a low of 5499 we settled in the middle for diddle at 5519 up 8 for the day, despite **Chinese** GDP coming in as expected at 7.5%. Financials continue to remain a little loveless at the moment following the Murray review suggesting that banks need to put more money aside for a rainy day. Dividend growth assumptions might have to be reined in if this comes to pass. The big four lost ground but Macquarie **Group** Limited (A\$60.00, +1.7%) spurred ahead following good numbers from the US Investment banks. They are making off like bandits in this current environment on Merger Mania and a stable **equity** environment.

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Insurers though were a tad weaker with Insurance Australia **Group** Limited (A\$5.97, -0.2%), QBE Insurance **Group** Limited (A\$11.54, +0.3%) and Suncorp **Group** Limited (A\$13.77, +0.1%) all off slightly.

Materials were once again the driver of the positive vibe led by BHP Billiton Limited (A\$38.25, +0.6%) and Iluka Resources Limited (A\$8.53, +3.9%) updating the market on its production numbers. Unfortunately golds failed to shine owing to weakness in the underlying with Newcrest **Mining** Limited (A\$10.92, -1.0%) getting slammed as did Oceanagold Corporation (A\$3.20, -2.7%), Regis Resources Limited (A\$1.76, -1.4%), Beadell Resources Limited (A\$0.58, unch), Evolution **Mining** Limited (A\$0.77, -1.3%) and Kingsgate Consolidated Limited (A\$0.875, -0.6%). **Energy** stocks were mixed as **oil** continued to fall away with more Libyan **oil** coming on stream, Santos Limited (A\$14.34, +1.7%) to the good but **Oil** Search Limited (A\$9.50, -0.2%) to the bad.

Industrials were mostly better with Telstra Corporation Limited (A\$5.41, +0.4%) cruising through \$5.40 at the close but Woolworths Limited (A\$35.92, -0.8%) and Wesfarmers Limited (A\$43.03, -0.2%) feeling unloved. Treasury **Wine** Estates Limited (A\$5.14, +1.8%) back in the press this morning with reports that KKR has teamed up with the Canadians in their quest for the **wine** maker. Nothing concrete yet.

Big winners today included Sirius Resources NL (A\$3.95, +14.8%), #ZIM#, Fortescue Metals **Group** Ltd (A\$4.58, +6.3%), APN News & Media Limited (A\$0.745, +4.9%), Iluka Resources Limited (A\$8.53, +3.9%), Fairfax Media Limited (A\$0.88, +1.7%) and Arrium Limited (A\$0.77, +4.1%) in the big ones and in the littles Audio Pixels Holdings Limited (A\$6.10, +15.1%), Webjet Limited (A\$2.91, +9.4%), Donaco International Limited (A\$0.87, +10.1%) and #MNW#. Playing like Brazil today were Greencross Limited (A\$9.60, -3.3%), Perpetual Limited (A\$47.26, -3.0%), ALS Limited (A\$8.38, -3.3%) and Envestra Limited (A\$1.32, -2.9%) whilst in the small end #PBT#, #FLN# and golds dominated. Volume was as usual on the light side at around \$3bn but that seems to be normal now. Unfortunately!

Meanwhile in Asia stocks swung both ways and finished pretty much unchanged. The Aussie dollar is stuck below 94 cents still at 93.30 and **Gold** at crept up 3 bucks to close to \$1300.

Stocks and Stories

Iluka Resources Limited (A\$8.53, +3.9%) suffered a 10 per cent slide in revenue during the first half of 2014 as a fall in prices offsets increased production. Iluka recorded revenue of \$343 **million** during the half, down from \$382 **million** for the same period in 2013.

Fortescue Metals **Group** Ltd (A\$4.58, +6.3%) mined a massive 43.8 **million** tonnes in the June quarter and processed a record 41.1 **million** tonnes. It could produce as much as 160 **million** tonnes in the new financial year.

RIO Tinto Limited (A\$63.94, +1.3%) announced a very strong first half production. It said it was likely to exceed its **iron ore** target of 295 **million** tonnes for the full-year, after hitting its annual run rate target of 290 **million** tonnes two months early in April.

Sirius Resources NL (A\$3.95, +14.8%) has reported a 4.1 metre section containing 3.8 per cent nickel and 2.45 per cent **copper**, as well as another shorter section with hits of just under 6 per cent nickel. Plus they announced that the DFS meant the project was a goer. Banks now falling over themselves to fund it. Life in the juniors on the back of it, stocks like #BUX# and #ENT# enjoying 'nearology'.

Boart Longyear Limited (A\$0.088, -34.8%) announced the dreaded strategic review included restructuring experts as you would expect. Not much left to review now!

Macquarie Atlas Roads **Group** (A\$3.36, unch) undertakes a \$60 **million** share placement to increase its **stake** in its biggest asset, European motorway network APRR. Macquarie Atlas will lift its **stake** in APRR, Europe's fourth-largest motorway network, to 20.14 per cent from 19.44 per cent. Been a massive success story this one from Bad MIG to superstar! Not sure that much has changed in the **business**, just low rates and debt restructuring.

Prima Biomed Ltd (A\$0.042, +5.0%) has been granted a US patent for its ovarian cancer therapy. The **company**, which already holds patents for the treatment, CVac, in Australia, Japan, Canada and Europe, will hold its US patent until 2022.

Tomorrow's News Today

**China**, the world's largest producer of greenhouse gases, is now the largest investor in clean **energy**. The country poured a record \$US19.3 **billion** into renewables in the June quarter, almost double the amount in the first quarter of the year, said a report from Bloomberg. Unfortunately here in Australia our investment is at a standstill at virtually nil. Okay around \$40m but close to nil.

And in shock news the **Chinese** GDP came exactly as the Government predicted. Must be nice to be able to 'forecast' with that accuracy! And **China** has now moved its very contentious **oil** rig out of Vietnamese waters. Should help defuse regional tension a little. Explains why Vietnamese casino Donaco International Limited (A\$0.87, +10.1%) has rallied today.

Japan looks set to get back on the Nuclear bandwagon. Plans for a restart of a southern Japanese plant have been approved subject to Canute standing in front of it in case of a tsunami.

Bank of England chief Mark 'circus' Carney told MPs that the threat of a property bubble was the "biggest risk" to economic recovery over the medium term, as official figures showed house prices rose by 10.5% in the year to May ? and more than 20% in London.

UK inflation too starting to creep up, came in last night at 1.9% so rate rises just around the corner.

The guy in charge of Google's tech fund reckons that Uber is worth \$200bn. More than Toyota!! He does own a few so is talking his book but think this is what Jan was talking about last night! And still in 'LaLa' land, Snapchat which nine months ago turned down \$3bn for the **business** that has zero revenue and provides pictures that disappear after you open them has made its first foray into ads on its app. Ads will be attached to stickers. Revenue cannot be far away!

That is all.

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