

## HD Australian Stocks: What Happened Today?

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Another nasty session today as once again **Iron Ore** stocks dragged the ASX 200 into yet another loss. Now down for the year! The rout picked up momentum following PMI numbers from **China** and the index closed down 53 points at 5316. It could have been much worse if not for a solid day from the banks, well relatively solid anyway with Australia and New Zealand Banking **Group** Limited (A\$31.94, +0.5%) the star and others only slightly down.

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Big losses for our ex superstar miners as BHP Billiton Limited (A\$31.80, -2.7%), RIO Tinto Limited (A\$56.41, -2.7%) and Fortescue Metals **Group** Ltd (A\$2.64, -3.6%) all plumbed new depths. Newcrest **Mining** Limited (A\$9.70, -2.3%) joined in the malaise as did other goodies after their one day wonder rally. Mixed results in other miners as Syrah Resources Limited (A\$3.70, +3.6%) soared, Independence **Group** NL (A\$4.16, -4.4%) swooned and Iluka Resources Limited (A\$6.64, -4.3%) and Western Areas Limited (A\$4.29, -3.6%) all lost their footholds. Maybe the aggressive hedge funds are shorting our market as they are going to be so long Medibank Public. Just a thought! In the industrials, former darlings Wesfarmers Limited (A\$42.10, -1.8%) and Woolworths Limited (A\$31.30, -3.0%) are coming in for sustained bear raids as the competition genie from Aldi and Costco are out of the bag. Sonic Healthcare Limited (A\$17.18, -6.6%) news of a profit downgrade rippled through the sector with Csl Limited (A\$78.33, unchanged), ResMed Inc. (A\$6.00, -1.2%), Ramsay Health Care Limited (A\$51.99, -1.1%) and Sigma Pharmaceuticals Limited (A\$0.76, -1.9%) giving up ground. Telcos were mixed as Telstra Corporation Limited (A\$5.68, -1.2%) could not repeat the saving the day performances of recent days but Tpg Telecom Limited (A\$7.73, +1.0%) and iiNet Limited (A\$8.17, -0.4%) were better. In the gamblers Ainsworth Game Technology Limited (A\$2.40, -3.6%) continued on down after the warning of more lemons to come yesterday with others losing their bets too as TABCORP Holdings Limited (A\$4.14, -1.2%), Tatts **Group** Limited (A\$3.43, -1.2%) and Echo Entertainment **Group** Limited (A\$3.79, -3.8%) and the bunny men all lost. In the builders James Hardie Industries PLC (A\$12.49, -0.2%) gave up some gains from the results yesterday and others like Csr Limited (A\$3.44, +0.3%), Boral Limited (A\$4.98, -1.4%) and Adelaide Brighton Limited (A\$3.41, -2.3%) were mixed. Stepping out in style today were Hutchison Telecommunications (Australia) Limited (A\$0.06, +9.1%), **Energy** World Corporation Ltd (A\$0.39, +4.0%), Karoon Gas Australia Limited (A\$2.80, +4.5%), New Hope Corporation Limited (A\$2.37, +1.7%), APN News & Media Limited (A\$0.735, +3.5%), Virgin Australia Holdings Limited (A\$0.405, +2.5%) and Billabong International Limited (A\$0.645, +1.6%) in the big ones and #AHZ#, #RVA#, Acrux Limited (A\$1.045, +7.2%) and Panoramic Resources Limited (A\$0.505, +4.1%) in the smalls. Big fat losers included Flexigroup Limited (A\$3.06, -11.8%), Sonic Healthcare Limited (A\$17.18, -6.6%), Northern Star Resources Ltd (A\$1.165, -5.7%), Arrium Limited (A\$0.245, -5.8%), Liquefied Natural Gas Limited (A\$3.43, -6.0%), #OFX# and small caps #WLF#, #GOR#, Intrepid Mines Limited (A\$0.195, -18.8%) and #FLN# sliding into oblivion! Volume was better today up around \$4.2bn with the Aussie dollar slumping below 86 to 85.86 and Bitcons at \$438, **gold** at In Asia the Nikkei continues to romp around, enjoying the currency wars and the lower yen, up 0.3% whilst Honker barely registered a pulse and the same with Shangkong. **Hong Kong**'s Hang Seng Index is heading for its biggest weekly decline since March as **buy** orders for Shanghai shares through the **Hong Kong** exchange link slowed to a trickle after the program's debut this week. Stocks and Stories Sonic Healthcare Limited (A\$17.18, -6.6%) the world's third largest medical device **company** tipped the market off to a profit undershoot and were promptly savaged. Shareholders at Sonic's annual general meeting were told that the **group** now expected growth to be between 2 and 4 per cent. Wesfarmers Limited (A\$42.10, -1.8%) announced today the ACCC would not oppose the **acquisition** of the Pacific Brands workwear business. Woolworths Limited (A\$31.30, -3.0%) and Caltex Australia Limited (A\$31.12, +0.3%) released some changes to their reliance in the

petrol business. Nothing material, some rebranding and voucher issues mainly. RIO Tinto Limited (A\$56.41, -2.7%) Megan Clarke to join the **board**. Not sure the new FTA ink is even dry yet and they have said their **coal** use will be permitted to grow by only 5 per cent over the next seven years after the world's biggest polluter unveiled a cap on **coal** consumption for the first time. **Chinese** not so flash HSBC/Market manufacturing purchasing managers' index (PMI) fell to a six-month low of 50.0 from a final reading of 50.4 in October and well below the 50.3 reading forecast by analysts. BHP Billiton Limited (A\$31.80, -2.7%) has announced the spin off of Bad BHP will be voted on in May 2015. No rush then. Goodman **Group** (A\$5.45, -1.3%) will invest a further \$US500 **million** (\$577 **million**) to expand its portfolio of warehouses across **China**, as the industrial **property company** looks to tap into the country's fast growing e-commerce and automotive sectors. Flexigroup Limited (A\$3.06, -11.8%) updated the market on their profit numbers. No surprises except in the reaction from the market which was obviously expecting something good. Cash net profit guidance in a range between \$90 **million** and \$91 **million** for fiscal 2015 confirmed. However, the **board** has decided to bring forward a one-off loss provision of \$2.5 **million** after tax in relation to a **commercial** leasing contract. House fave Karoon Gas Australia Limited (A\$2.80, +4.5%) bucked up after progress reports on Kangaroo 2 yesterday and talk of funding packages in the media. Tomorrow's News Today Massive snow storms hit the US. All 50 states experienced sub zero temperatures last night. Remember last time the weather turned sour in the US we had some serious disruptions to business and the GDP numbers stalled. Singapore judged the best place in the world to do business. Australia came in at No 3! So much for our challenging environment. UK at 21 US No 7 and **China** No 50! News just in from Iceland as it has jailed former bank boss Sigurjon Arnason to 12 months in prison. He commented that he was a bit surprised as "I did not do anything wrong". But then he would say that wouldn't he. A US **company** has used Bob Marley as a brand for their new cannabis business. It will be called Marley Natural and they will sell cannabis-infused lotions, creams and various accessories. If they don't work you can always smoke them! Yahoo is now the default search engine on Firefox after Google got the boot. Japan's exports continue to soar as the Yen helps them to the smallest trade deficit since June 2013. And in some rare good news at the moment, Eddie "you'll never get me" Obeid is due to face criminal charges. There is a god! Zara owner's online sales jump 42% to €553m. Spanish fashion retailer Inditex reports record internet sales for **group**, with turnover of €16.7bn, up from €15.9bn last year. Over to you Bernie! 18% of Myer Holdings Limited (A\$1.685, unch) is a short position! That is all

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