

HD Australian Stocks: What Happened Today?

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After a minor hit at the opening on weak leads from overseas, the market clawed its way back and even turned positive briefly before apathy and gravity took over. A low of 5503 was seen early before Business Capex figures at 11.30am triggered some bargain hunting. I use the term loosely because the banks which are continuing to be the main driver are hardly bargains. However the power of the yield continues to draw investors like a moth to the flame. Even good old Woodside Petroleum Limited (A\$42.00, -0.3%) has been caught up in this despite at an almost three year high, more broker downgrades, lack of growth options following the whale of a deal falling over and the threat of Russian and American gas eating their lunch. Not to mention the Shell overhang. Still with all that cash it's hard not to be attracted.

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At the end of the Aussie shift we closed down a modicum at 5520 down 8 points and sticking it again to the Sell in May merchants like myself. 60% of the time it works every time. Of course for the month, we are now up a massive 29 points which considering the budget and the ex div banks is a minor miracle.

Once again though the banks were the stand-outs reversing early losses as well as Telstra Corporation Limited (A\$5.38, +0.7%). Origin **Energy** Limited (A\$15.41, +1.4%) also had a solid day with a site tour probably helping. The biggest losers were the **Iron Ore** stocks as the price continues to plumb new levels with BHP Billiton Limited (A\$37.49, -1.3%), RIO Tinto Limited (A\$60.07, -2.2%) and Fortescue Metals Group Ltd (A\$4.54, -3.0%) all falling victim to the worsening sentiment surrounding **Iron Ore**.

In the industrial landscape Toll Holdings Limited (A\$5.53, +4.9%) rang the bell to the detriment of Asciano Limited (A\$5.59, -1.9%) and it shows that getting your name out of the papers helps Qantas Airways Limited (A\$1.395, +0.4%) has quietly crept up to current levels from 1.20. Every dog has its day I guess. Suggestions that Private **equity** may have another look at this one obviously helping. Would imagine they feel a bit like the executives at Ten Network Holdings Limited (A\$0.285, +3.6%). Why bother?

Gold actually shrugged of the latest falls with some even going better like Newcrest **Mining** Limited (A\$9.84, +0.2%), Regis Resources Limited (A\$1.54, +1.3%) and Beadell Resources Limited (A\$0.645, +0.8%).

The Aussie dollar picked up after the numbers today and was last spotted at 92.80 and digital tulips at \$610 whilst the shiny stuff was \$1257.

Volume was again pathetic at around \$3.4bn and the ASX should be starting to get a little concerned. I know brokers are! Come on in people the water's fine.

In the runners and riders paddock today were Country Road Limited (A\$12.00, +7.0%), Toll Holdings Limited (A\$5.53, +4.9%), ALS Limited (A\$8.94, +4.0%) again, Transfield Services Limited (A\$1.16, +1.8%), REA Group Ltd (A\$45.49, +2.6%) and Macquarie Atlas Roads Group (A\$3.34, +3.1%) whilst hurting somewhat were Skilled Group Limited (A\$2.73, -6.2%), Monadelphous Group Limited (A\$18.10, -4.6%), Kathmandu Holdings Limited (A\$3.28, -4.4%), Mount Gibson **Iron** Limited (A\$0.765, -4.4%), Sirius Resources NL (A\$3.10, -4.3%) and Atlas **Iron** Limited (A\$0.72, -4.6%).

Meanwhile in Asia we saw little movement at the station for the word had gone around with only HK making any real headway up 0.46% Stocks and Stories

News today from court on the continuing Ten Network Holdings Limited (A\$0.285, +3.6%) saga. Veteran programmer John Stephens decided that at his age he really didn't need the aggravation of trying to turn it around and who can blame him. Seriously!

Housing news out yesterday suggested that we have never had it so good for housing affordability. Seems some agree with figures out today showing sales of new homes in Australia rose for a fourth straight month in April. The Housing Industry Association (HIA) said its survey of large builders showed sales of private sector new homes rose 2.9 percent in April from March. Sales were up 6.0 percent over the three months to April.

In more economic news the Capex figures were so nasty and so way worse than the boffins forecast that a few are now suggesting that a rate cut is on the cards. Well 4% chance anyway. Let's face it the RBA is not in charge. They could cut and no one would notice except the currency traders and bond traders. The real world is in shock from the budget and will not recover anytime soon.

Westfield Retail Trust (A\$3.24, unch) and Westfield Group (A\$10.85, unch) were in halts today as shareholders get to vote for the merger. Chairman Dick Warburton has said 74.1 per cent of proxy votes were in favour of the huge Westfield restructure. Looks like it will go ahead.

Funtastic Limited (A\$0.069, -1.4%) shares are in a trading halt as a update is imminent. The House of Pain rather than Fun beckons!

Ask not for whom the bell Toll Holdings Limited (A\$5.53, +4.9%) it may be for you as the **company** has announced that long-serving directors Paul Ebsworth and Wayne Hunt will leave as part of a divisional restructure that is expected to generate savings of \$10 **million** to \$12 **million** a year.

ASX Limited (A\$36.44, +0.2%) chief Elmer "Fudd" is not worried about High Frequency trading. He is probably worried more about low frequency trading these days. Maybe just maybe the high frequency stuff has scared off the low stuff. Just a thought. But if the casino is rigged who wants to play there anymore? Tomorrow's News Today

5 **million** Australians are obese. The results of the global study into obesity rates, published in the medical journal, The Lancet, show almost a quarter of the country's children and 63 per cent of the adult population is overweight. Good to see the burden of this is going to be spread evenly in the community. Hardly surprising given the cost of food at Woolies against the cost of a Whoppa junior bucket happy meal at McHungrys...

Apple has found a way to splurge some of its cash. It's buying Dr Beats. Possibly the most faked and copied headphones in the World. \$3bn .Really?

The Russians are now starting to make some interesting noises about steppes it will take to stabilise the situation in Ukraine. More trouble at mill!

Seems like MH370 is not where they thought it was as the pings were coming from the pingers! Doh! Ok CIA give it up now!

All those people calling for a GST hike take note! Retail sales in Japan fell 4.4% in April, compared with the same period last year, as the effect of an increase in the country's sales tax began to be felt.

Malcolm Glazer, the **billionaire** businessman who led a controversial takeover of Manchester United in 2005, dies at the age of 85.

Seems French forecasters are as bad as ours on the economy. The French government faces a 14bn-euro black hole in its public finances after overestimating tax income for the last financial year.

The Court of Auditors said receipts from all three taxes amounted to an extra 16bn euros in 2013. That was a little more than half the government's forecast of 30bn euros of extra tax income.

Bond markets around the world are rallying strongly. Spanish ten years are at record lows. US Treasuries are strong as they were last June. Analysts are predicting better growth so why are **bonds** so strong. Riddle me that one Batman!

Here's an interesting strategy to attract the wealthy **Chinese** gambler. Raise the membership fees 50 fold. Sorts out the riff raff. One exclusive, well it is now, Les Ambassadeurs did just that, with fees rising from £500 to £25,000 in one go. Membership dropped from 350 to 100. But what a 100 members they are!

This is a time honoured strategy to snap up a few other investments to make yourself look good. So it is with Alibaba as they have bought 10% of Singapore Post for \$249m. Probably better value than Dr Beats!

That is all. Catch me on Sky Biz at 5.30pm Friday!

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