

HD JENNY PRABHU'S HOT & SPICY CURRY SHOP

BY Jenny Prabhu

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the day's menu

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The S&P/ASX 200 as at 3:36pm: down 3.3 to 5454.8

Westpac remains an "equal weight" ..

A leading broker following Westpac's interim result said the result was better than its forecast. "With loan loss ratios below 2006/7 levels, WBC will need good Australian retail bank margins, a pick up in volume growth and strong wealth management revenues to drive earnings upgrades' the broker commented.

The broker said loan losses were 16% or \$60 **million** below its forecast, mainly due to an impairment benefit of \$90 **million** in WIB.. the CET1 ratio of 8.82% was in line with the broker's 8.85% forecast and at the top end of the peer group.

The broker said although there was no special dividend announced, WBC continues to neutralise hares issued under the DRP, 'suggesting to us that WBC is confident of a ratio above 9% in full year 2015' the broker said in the report.

The broker retained an "equal weight" on WBC with a \$34.60 price target.

WBC down 41.5c to \$34.45.5.

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Asciano/Qube/ICTSI - 3rd Melb operator an incremental positive for AIO

*A leading broker looked at the announcement on Friday by the Victorian Government of the winning bidder for the third container terminal in Melbourne at Webb Dock comes as a surprise, with the winning syndicate owned 90% by Philippines based International Container Terminal Services Inc (ICTS) and 10% by ex P&O Ports management backed Ango Ports. The broker said this effectively displaces the logical favorite, Hutchison Port Holdings Australia and Qube Holdings.

ICTSI focuses on smaller terminals with 80% of its revenue coming from ports in Manila, Brazil, Poland, Madagascar, **China**, Ecuador and Pakistan.

The broker said it views the ICTS entry as an incremental positive for Asciano (ICTS/Ango will have 7%, Hutchison 20%, Patrick 40% and DP World Australia 33%).

*Another leading broker retained an "add" on Asciano with a price target of \$6.32 after the announcement, saying it views the decision as a positive for AIO, "but the key driver of a re-rating remains sustained volume recovery across the ports and intermodal rail businesses'.

AIO up 1c to \$5.59.

Please note: We have long held a minute **stake** in Asciano.

Our thought only: If Aurizon succeeds in acquiring Aquila in j/v, other **coal** miners may be unenthused by AZJ becoming both a competitor as well as a freight carrier.

Diggers & Drillers

OceanaGold is a "hold" ..

A leading broker retained a "hold" on OceanaGold and increased its target price to \$2.70 from \$2.50 after OGC delivered record production of 30.5 K ozs **gold** from Didipio while in New Zealand the cost savings of the new mine plan being implemented at the Macraes pit have quickly flowed through and combined with positive reconciliations drove a better than expected performance.

The broker added it continues to see the potential for the market to pay a premium for the stock.

OGC is up 10c to \$2.75.

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Origin **Energy**'s farmin to Beetaloo basin acreage is strategically sound ..

A leading broker said Origin's latest transaction to enter into unconventional gas exploration in northern Australia by farming into Falcon **Oil & Gas** "Beetaloo basin" acreage is strategically sound and builds on a similar deal reached with Senex **Energy** in early 2014.

The broker added, "The timing may indicate that with APLNG past the half way point of development, that Origin now has an increased capacity to invest in new, longer term growth initiatives'.

The broker retained an "equal weight" rating and a \$15.50 target price.

ORG up 11c to \$14.99.

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Shareholder, other pressure on Buru may increase ..

Oil & Gas Weekly in its issue dated May 4 traced the history of Buru **Energy**'s exploration in the Canning Basin. After the transformational year of 2012, when Buru enjoyed strong market support, market support was not quite at those levels in 2013, and the gas sales contract agree with Alcoa of Australia for which Alcoa has paid \$40 **million** early in Buru's existence as a gas prepayment may add to pressure for positive results.

"If a FID is not reached by January 1 2018, Buru will be obliged to pay the 40 **million** gas prepayment in three annual tranches, beginning on December 31 2018 .. so there is pressure on Buru to move ahead expeditiously with the shale gas testing program, not only from shareholders .." O&G said in the report.

O&G added the next year will be crucial to Buru's plans for unlocking the potential of the Canning Basin. "And the Canning Basin's shale potential is yet to be assessed".

BRU steady at \$1.16.

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