

## HD Australian Stocks: What Happened Today?

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After a dismal start to the week with **Iron** smashed again over the weekend, we took horrible building approval numbers and a slowdown in house prices as a sign that maybe just maybe the RBA does have some scope to cut rates. It is fair to say that in the last few months the economy seems to have stalled and hit the skids in a big way. Consumer sentiment is down and today's unexpected building approvals fall was another nail in the confidence coffin. Retail sales this week will also show a market downturn I suspect, as the unseasonal weather plays havoc with clothing sales. In the end the ASX200 touched 5482 before the rally kicked off and closed up 26 to 5520 as once again we knock on the door of the 6 year high!!

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So in the green corner today helping the market rally were the banks, just for a change, with Woolworths Limited (A\$37.96, +1.1%) and Telstra Corporation Limited (A\$5.39, +0.9%) also providing a positive vibe whilst in the red corner were materials like BHP Billiton Limited (A\$36.59, -1.1%), RIO Tinto Limited (A\$59.23, -0.1%) and Fortescue Metals Group Ltd (A\$4.49, +1.8%). Other resources were slightly better and even golds were better despite the continued fall in the underlying. BC **Iron** Limited (A\$3.71, +5.4%), Aquila Resources Limited (A\$3.52, +1.4%), **Alumina** Limited (A\$1.46, +2.5%), Newcrest **Mining** Limited (A\$9.78, +0.4%), Sandfire Resources NL (A\$5.99, +1.2%) and Cudoco Limited (A\$1.80, +0.6%). One huge winner today was recent capital raising #TPT# as it heads into the mid June spud for its Moroccan campaign. Go baby! Industrials today firmed with the "Ws" doing well Woolworths Limited (A\$37.96, +1.1%), Wesfarmers Limited (A\$43.53, +0.4%), Woodside Petroleum Limited (A\$42.36, +0.5%) and Westfield Group (A\$10.77, +0.7%). Banks continue to pile on the cents with the HJ Banking index now trading at 184!! Other financials also did well with AMP Limited (A\$5.37, +1.5%) defying the sceptics and continuing to climb. Retailers were interesting as David Jones Limited (A\$4.00, -1.0%) fell despite rumblings about Solly Lew and his DJ's ambitions. Maybe Myer Holdings Limited (A\$2.19, +1.9%) is playing a new end game as Deutsche seems to be building a **stake**. Wearing white hats today and riding off into the sunset were Karoon Gas Australia Limited (A\$3.51, +42.7%), UGL Limited (A\$7.10, +8.2%), Ten Network Holdings Limited (A\$0.30, +7.1%), Billabong International Limited (A\$0.57, +9.6%), Mount Gibson **Iron** Limited (A\$0.775, +5.4%), Virtus Health Limited (A\$8.56, +3.6%) (Asian expansion plans) and Liquefied Natural Gas Limited (A\$1.25, +12.6%) whilst wearing black hats and getting caught off at the pass were Ausdrill Limited (A\$0.865, -11.3%), Unilife Corporation (A\$0.51, -5.6%), Air New Zealand Limited (A\$1.87, -4.1%), Greencross Limited (A\$9.10, -3.2%) (profit taking), Regis Resources Limited (A\$1.49, -4.2%), Northern Star Resources Ltd (A\$1.115, -3.5%) and Iproperty Group Limited (A\$2.80, -3.1%). Volume was not too bad for a Monday with \$3.2bn traded and the Aussie dollar at 92.60, Digital tulips at \$686 and the shiny stuff down again at \$1245. Asian markets were firmer with Tokyo up 2%, **China** modestly higher and HK up 0.3%. Stocks and Stories Karoon Gas Australia Limited (A\$3.51, +42.7%) Woo Hooo!! Excellent news today for everyone but the shorters who copped it in a big way. News out first thing that Origin **Energy** Limited (A\$14.55, -3.6%) had bought the entire 40% **stake** that Karoon owned in the Browse Basin project for \$600 plus another couple of hundred in progress and production payment was enough to catapult the stock into the stratosphere. The market cap on Friday was less than the money they were getting by a country mile. At one stage the stock touched \$4.05. Brambles Limited (A\$9.68, +0.6%) made an **acquisition** today. Transpac is a German Global intermediate bulk container offering. Whatever that is. It did cost them 42m Euros! So they must know. w Westfield Group (A\$10.77, +0.7%)/Westfield Retail Trust (A\$3.24, +1.6%) Good to see these boys keeping the printers in business as they issue a 818 page update as a secondary supplementary booklet for the poor old post men to carry. Is this really necessary? Will anybody actually read the thing... Almost as exciting as the Greens manifesto. Mcleese Limited Again! Another profit warning. An admission that they had underpaid Super entitlements

as well. Has to be the worse float ever. Well since Myer Holdings Limited (A\$2.19, +1.9%) Funtastic Limited (A\$0.06, -13.0%) Welcome to the house of Funtastic Limited (A\$0.06, -13.0%) Not! This one has a long way back. Toys are not Us! Ausdrill Limited (A\$0.865, -11.3%) Another day another **mining** services downgrade. Increase in costs due to old equipment failing, adverse FX movements, Ghana is going badly and Perkoa in Burkina Faso is also running at diminished capacity. Private **equity** giant TPG is poised to buy UGL Limited (A\$7.10, +8.2%)'s property services unit DTZ for about \$1.2 **billion**. Property values across the nation's capital cities fell almost 2 per cent over May, according to research analysts RP Data-Rismark ? the first fall in a year. April Building approvals over the month: -5.6% (predicted: +2%). April Building approvals over the year: +1.1% (predicted: +12.3%) In economic news **China's** Purchasing Managers' Index increased to 50.8 in May, the National Bureau of Statistics and **China** Federation of Logistics and Purchasing said yesterday, while some lenders' reserve requirements were cut as the government acts to support growth. Tomorrow's New Today Global share vales hit a record last week of \$64 trillion. That's four times the US debt. Is that scary? A gauge of crops from corn to sugar posted the biggest monthly loss since June last month as sowing accelerated in the U.S. and supply concerns eased in Brazil. In the U.S., rain across the Great Plains aided wheat growth, and farmers are forecast to harvest record corn and soybean crops. The 2022 World Cup venue seems to be in doubt as FIFA is riddled with corruption it is alleged and how did QATAR ever get it. Seems like Australia could be back in with a hope. The US is set to announce its toughest ever climate action! US President Barack Obama will put limits on the amount of carbon dioxide that can be emitted by American power plants, setting a goal of a cut of up to 30 per cent from 2005 levels by 2030, according to reports on Sunday. More takeover news as Japan's Dai ?Ichi looks to make the biggest takeover ever of Protective Life in the US for \$5bn. Spain will unveil a new stimulus package worth 6.3bn euros next week, PM Rajoy has announced. He said the main rate of corporate tax would also be cut to 25% from 30%. The Spanish unemployment rate is running at almost 26%, with more than half of the workforce under 24 years of age out of work. It hard to believe they need it with the huge bounce in their economy. GDP up by 0.4% over the quarter. Compared with year earlier, it grew by 0.6%, the fastest pace in three years! Big week this week with Super Mario to deliver the "Merda I need to finally do something now" on Thursday and the US jobs numbers on Friday. We wait for guidance! Euro interbank rates to fall from 0.25% to 0.15%. Really? Of course the US fining BNP \$10bn nearly, puts a dent in their balance sheet. Won't help their lending practices. That is all

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