

**HD Australian Stocks: What Happened Today?**

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**WC** 1,807 words

**PD** 18 February 2014

**SN** FN Arena

**SC** FNAREN

**LA** English

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It was the best of times. It was the worst of times. On a day when two significant job loss events hit the market it was left to BHP Billiton Limited (A\$38.89, +2.3%) to bolt out of the gates following better than expected numbers. Numbers were better than the analysts had been expecting. I have been expecting good ones for some months though. RIO Tinto Limited (A\$70.88, +1.9%) and Fortescue Metals Group Ltd (A\$5.98, +2.7%) joined in but the big bank blob of green was a little mixed today. Westpac Banking Corporation (A\$32.86, -0.2%) were down while National Australia Bank Limited (A\$35.04, +0.8%) improved and Macquarie Group Limited (A\$55.99, +0.7%) continued their predicted bounce. So that was the best of times. The news from Alcoa on the closure of Point Henry together with the decimation of newly listed MCS business due to pesky government inspections was the worst of times.

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Over 1500 job losses announced by these two today in a bleak reminder of the cost of management failure and international competitiveness. 426946-bhp-billiton So to the scores on the doors. The market flirted with positive numbers all day mainly as a result of the ninth straight day of rallies for BHP and continued strength in Telstra Corporation Limited (A\$5.23, +0.2%). Most moves were confined to those reporting and the ASX 200 closed up slightly at 5302 up 9 after a surge on the death, having traded in a tight range. Coca-Cola Amatil Limited (A\$11.22, -5.3%) results knocked the consumer stocks a little with Woolworths Limited (A\$35.68, +0.2%) and Wesfarmers Limited (A\$43.40, -0.4%) falling slightly and healthcare stocks better led by Csl Limited (A\$69.71, +0.7%), Ramsay Health Care Limited (A\$43.62, +0.9%) and Fisher & Paykel Healthcare Corporation Limited (A\$3.86, +2.4%). And in retailers, place your bets, David Jones Limited (A\$3.23, +2.2%) or Myer Holdings Limited (A\$2.47, -1.2%) round and round they go, where it ends no one knows! **Gold** stocks took a breather as their moment seems to have passed for the time being. Silver Lake Resources Limited (A\$0.69, -8.0%), Newcrest **Mining** Limited (A\$11.26, -1.7%), Evolution **Mining** Limited (A\$0.855, -2.8%), Beadell (BDR) and Kingsgate Consolidated Limited (A\$1.35, -12.6%) in the dog house today. Big grinners today included Monadelphous Group Limited (A\$17.10, +9.7%), Sirtex Medical Limited (A\$14.96, +3.8%), #SDF#, Domino's Pizza Enterprises Limited (A\$20.56, +2.9%) (again), Challenger Limited (A\$6.61, +3.3%), Ardent Leisure Group (A\$2.18, +3.3%), and G8 Education Limited (A\$3.95, +3.4%) whilst hanging out with Big Kev in the 'Biggest Loser' episode was Pacific Brands Limited (A\$0.655, -9.0%) (more write downs on their comfy undies), Hutchison Telecommunications (Australia) Limited (A\$0.10, -9.1%), #GWA Group Limited (A\$2.88, -8.6%), Panaust Limited (A\$2.02, -3.3%), Evolution **Mining** Limited (A\$0.855, -2.8%) and Sirius Resources NL (A\$2.50, -4.6%). Volume was again pretty good at around \$4.5bn and the Aussie remained relatively stable at 90.56 and the Digital Tulip bounced back to \$380. **Gold** was a little easier in Asia at around \$1322. Japan was back in the money printing business as the BOJ announced that they pledged to expand the monetary base by 60 trillion to 70 trillion yen (\$686 **billion**) per year. This was enough to get things back on track in the Nikkei up 2.5% whilst HK was steady and Shanghai slipped a fraction. Stocks and Stories BHP Billiton Limited (A\$38.89, +2.3%) cannot believe the numbers were a surprise but they were, it appears as the Big Aussie flexed its muscle with a near \$8bn profit. Pretty fly for a white guy. A clear improvement on the \$US5.68 **billion** from last year. US 59 cents dividend a little underwhelming but the stock is trading at a one year high! No sign of a buyback or special but them's the breaks. Still good enough I suspect to get them up a tad more. MCS Job cuts and the **sale** of half its trucks together with a \$47 **million** hit to its full-year earnings from the crackdown on the troubled fuel-haulage business. Good to see that Mark Rowsthorn can add another disaster to his CV. Asciano and now McAleese. Challenger Limited (A\$6.61, +3.3%) Challenger, has posted a 10 per cent increase in profit to \$163.5 **million** for the six months to December 31, 2013, as annuities sales and funds under management surged. Amcor Limited (A\$10.33, -4.2%) Disappointing reaction to the numbers today. On first glance I thought it was a

solid result. Earnings up bolstered by recent acquisitions and strong growth in emerging markets. Sales revenue rose 14% and a 21% jump in first half profits. Overreaction I suspect. Sonic Healthcare Limited (A\$16.90, -0.5%) announced an 18 per cent rise in net profit to \$177 **million**, boosted by cost saving initiatives and the depreciation of the Australian dollar. This is a familiar theme coming from this season. Lean and mean seems to be the winning formula. Kingsgate Consolidated Limited (A\$1.35, -12.6%) Ooops. Reality bites as the results scupper the recent rally. Statutory net loss after tax \$4.9 **million**. Guidance on production confirmed. Coca-Cola Amatil Limited (A\$11.22, -5.3%) lost their fizz as they wrote down a huge chunk of money on the SPC business together with trouble at the supermarket competing with arch rival Pepsi. Rcr Tomlinson Limited (A\$2.98, +2.1%) is one of a trio of **mining** services companies that have had a pleasant investor reaction to its earnings update. The **company** posted a 14.2 per cent increase in interim net profit against last year's result to \$18.3 **m**. Monadelphous Group Limited (A\$17.10, +9.7%) also surprised with a record half year profit. That's right a **mining** services **company** with a record profit of \$87.1 **million**, up 10.1 per cent on the previous corresponding period. That's not to say business isn't tough: revenue was down 1 per cent to \$1.28 **billion**, and the **company** expects about a 10 per cent decline in sales for the 2014 full year. But it looks like their cosy relationship with BHP is continuing to pay off. Sirtex Medical Limited (A\$14.96, +3.8%) had a great day as it announced a 43.6 per cent rise in interim net profit to \$11.2 **million**, off the back of sales growth of its radiotherapy treatment. Falling Aussie dollar also helped things along as US is their main market. Arrium Limited (A\$1.745, -2.0%) posted a net profit of \$220.4 **million**, a reversal of the \$448 **million** loss recorded a year earlier, on revenue which rose 7 per cent to \$3.64 **billion**. They will pay a 6c a share interim dividend, up from 2c a share paid out a year earlier. Nexus **Energy** Limited (A\$0.077, +16.7%) have gone into a trading halt following news that Don Voelte is stepping aside. There's a deal brewing here and the stock has run quite hard in the run up to the announcement. Buru **Energy** Limited (A\$1.535, -4.1%) continue to suffer after disappointing Ungani III drilling. Minutes today released by the RBA suggest that things are gradually improving thanks to low rates and the declining dollar. Uncle Joe will be happy by the increased tax receipts but rates on hold for the year I suspect. Next move up! Tomorrow's News Today US back on line tonight after their Marilyn moment. Biggest surprise today was Craig Thomson being found guilty. Who would have thought eh? Chumpy goes for **Gold** in the Snowboard finals. The **Chinese** PBOC has drained \$8bn out of the money markets through repos there for the first time in eight months. Doesn't help the bulls case on **China**. Average UK house price is now 250,000 pounds whilst in London its 540,000!! Different country basically. May follow Scotland in the end! **Gold** talk continues to rumble around with two of the most accurate forecasters in the last two years still predicting average prices around \$1020-1050 for the year. Good to see though that perma **gold** bull John Paulson has hung on to his long position. It's a **billion** dollar bet on **Gold** ETFs. More results tomorrow.

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**AN** Document FNAREN0020140218ea2i000b5