

**HD MARKET EXPECTED TO CLOSE A TOUCH LOWER**

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The S&P/ASX200 is likely to close a touch higher today.

Markets were mixed in a narrow range in Europe and the UK. Markets were mixed in the US.

On the NYSE where 3229 issues traded there were 1,318 issues higher, 1,783 down and 128 unchanged. On Nasdaq where 2756 issues traded there were 1,182 issues higher, 1,449 down and 125 unchanged.

\*People have begun to talk of a slowdown in Europe and the US for the summer break. Also market volatility in the US as measured by the VIX index continued to trade at levels unseen in over seven years.

Metals were mostly lower, crude fell a touch, **gold** rose. The \$A is at 93.73US c, up about 10 points on last evening.

"Ceiling will be 5500. Floor will be 5431 ... close at 5462 points, down 7.7"

Daniel Goulding, the author of "The Sextant Market Report" said, "Our market looks set to open relatively flat with the local futures contract up 1 point.

"In terms of the bigger picture, I remain steadfast in my view that it is late in the ball game for investors.

"Index leadership is bearish both here and in the US. Sector leadership is largely bearish as well. And you are now seeing Extreme Greed in the US as per CNN Moneys Fear and Greed index.

"Now I still have one more rally high pencilled in for our market in the short to medium term, I am just not sure of the exact timing or level at present.

"But none of this matters for today. The ceiling will be 5500. The floor will be 5431. When the dust has settled, the market will have closed at 5462, down 7.7 points'.

The S&P/ASX200 closed up 5.7 points to 5469.7 last evening.

June 11. Good morning.

Aussie stocks

All dollars in this section are Aussie dollars - the rises and falls are against the previous close.

Aussie stocks in ADR form were mostly higher. **Alumina** fell 2.5c on 90,000 shares, Amcor rose 5c on 47,000 shares, RIO rose 6p on 2.4m shares, BHP fell 5c on 2m shares, News rose 2c on 363,000 shares, Westpac rose 11c on 57,000 shares, Telstra was up 1c on 143,000 shares. Resmed rose 6c on 6.4m shares.

PSivida rose 14c on 153,000 shares. Prana rose 0.5c on 14.6m shares.

In London Anglo American fell 19.5p to 1,452p on 2.4m shares, Aquarius fell 0.25p to 24.5p on 1m shares, BskyB fell 7p to 869p on 3m shares, BHP fell 16.5p to 1,887.5p on 3.4m shares, Henderson rose 0.2p to 253.8p on 1.4m shares, RIO fell 24p to 3,148.5p on 2.4m shares.

Trading points:

\*SBM: **Gold** Ridge personnel return to site/agrees works with Govt

St Barbara Ltd announced **Gold** Ridge **Mining** Ltd and the Solomon Islands Government have agreed for **Gold** Ridge personnel to return to the Solomon Islands following the lifting of a government immigration ban to enable a site assessment and a range of agreed site works to be undertaken. Senior executives from the **company** recently participated in a cultural reconciliation process with the Solomon Islands Prime Minister.

The government has established an Interim Working Group to work directly with **Gold** Ridge **Mining** to expedite government approvals and reporting processes.

A preliminary review of the **Gold** Ridge site indicates that the key assets and infrastructure have been well secured by the Royal Solomon Islands Police Force. However a large number of illegal miners have returned to the **mining** areas.

The **company** plans to conduct an agreed range of site works with a particular focus on lowering water levels in the tailings dam which had risen significantly during torrential rainfall in early April.

The **company** will also continue to reduce holding costs and assess strategic options for the **Gold** Ridge operation. (Jun 10)

Ex div: ALQ ex 20c; AWN ex 2c; IBC ex 1c; OFX ex div. TWR ex div.

Changes in substantials reported June 10

Overseas

The DJIA closed up 2.82 points to 16,945.92.

S&P 500 fell 0.48 points to 1,950.79.

NASDAQ rose 1.76 points to 4,338 points.

US 10yr bond yields rose 3 points to 2.64%.

The US\$ fell 20 points to 102.32 Yen.

The Euro fell 44 points to 1.3546US c.

The Yuan fell 3 points to 6.2402/\$US1.

FTSE 100 fell 1.45 points to 6,873.55. European markets closed mixed.

The NikkeiDow last evening fell 129.20 points to 14,994.80.

Shanghai SE Comp IX rose 22.03 points to 2,052.53.

Commodities

All dollars in this section are US dollars

In dollars per tonne for three month metal, (LME stockpiles are on a closing basis) - valued against yesterday morning's price, measured over 24 hours.

**Copper** rose \$5 to \$6,675/fell \$8 to \$A7122. Stockpiles fell 425 tonnes to 166,825 tonnes.

Aluminium was down \$11 to \$1,900/fell \$15 to \$A2027. Stockpiles fell 6,450 tonnes to 5,146,525 tonnes.

Nickel shed \$130 to \$18,775/fell \$175 to \$A20,031. Stockpiles rose 1,914 tonnes to 286,626 tonnes.

Zinc was up \$1 to \$2,132/fell \$3 to \$A2275. Stockpiles fell 2,475 tonnes to 695,750 tonnes.

**Lead** fell \$1 to \$2,140/fell \$5 to \$A2283. Stockpiles were steady at 190,775 tonnes.

Tin weakened \$425 to \$22,865/fell \$499 to \$A24,395. Stockpiles fell 25 tonnes to 10,770 tonnes.

**Iron Ore** fell 70c to \$93.60/fell 93c to \$A99.86.

WTI crude fell 6c to \$104.35/fell 27c to \$A111.33.

Brent Crude fell 47c to \$109.52/fell 71c to \$A116.85.

Spot **gold** rose \$7 to \$1,260/gained \$5.04 to \$A1344. Spot silver rose 13c to \$19.20/gained 10c to \$A20.48. Spot platinum rose \$28 to \$1,479/rose \$27 to \$A1578. Spot palladium rose \$12 to \$854/gained \$11 to \$A911.

Spot **uranium** rose 25c to \$28.50/rose 21c to \$A30.41.

Overseas eco news

In US eco news, wholesale inventories rose 1.1% in April the Commerce Department reported vs a 0.5% rise expected.

\*Job Openings according to the Labor Departments report on job openings and labor turnover (JOLTS) climbed to 4.5 **million** in April, up 3.1% from 2.9% in March which is also near a 7 year high.

\*France's industrial output rose 0.3% in April, in line with expectations.

\*UK industrial production rose 0.4% in April from March, the Office for National Statistics reported, in line with expectations. Industrial production rose a revised 0.1% in March. Output in April rose by 3% year-on-year, the fastest pace for three years.

Overseas **equity** news

\*In the US of the Dow 30 there were 16 stocks higher and 14 down.

Visa led the way higher, gaining \$1.67 or 0.79% to \$214.25 followed by UnitedHealth and Travelers.

IBM led the way down, shedding \$1.93 or 1.04% to \$184.29 followed by United Technologies and Boeing.

Shares in eBay fell almost 3% on the impending departure of David Marchs, the head of the PayPal division who is leaving for Facebook. Facebook rose 4.6%, CNN Money reported.

Amazon.com launched a new service this week expected to go head to head with PayPal. Amazon rose 1.5%. Molson Coors rose 5.6% to a 52 week high ahead of the start of the World Cup, CNN Money reported. MarketWatch added there is speculation it may buy MillerCoors, a j/v between MolsonCoors and SAB Miller if Anheuser-Busch In-Bev proceeded with its bid to take over SABMiller.

Netflix rose over 1%.

Best Buy rallied 2.4% after lifting its dividend by 12% to 19c per share on its strong cash position.

Radioshack fell 10% after reporting a quarterly loss. Tyson Foods fell another 3.8% with the market regarding the price it is paying for Hillshire as excessive.

Biotech **company** Receptos Inc rose 35% after releasing the results of its Phase 2 study that showed its multiple sclerosis drug reduced brain lesion activity. The Phase 3 began in December 2013.

\*In Europe national benchmark indexes rose in 11 of the 18 western European markets. Gemalto rose 2% to Euro 83.58 after reporting **China** Telecom's SIM cards will use its software. Novo Nordisk rose 3.3% to NKr 244.30 and Roche Holding rose 2% to Swiss fr 272.50, with health care companies the second best performer on the index.

Bank of Ireland fell 3.2% to Euro 0.27.5c after WL Ross & Co offered 1.8 **billion** shares at Euro 0.26.5c a share, Bloomberg reported. Orange fell 1.4% to Euro 12.63 after Iliad made an informal offer for Bouygues Telecom for Euro 4/5 **billion**, according to people close to the stock. Orange had been in talks with Bouygues to buy its telecom business.

\*In the UK the FTSE 100 fell 1.4 points to 6873.6, having climbed to its highest close in six years in the previous session on the back of continued optimism surrounding the US economy.

A number of major stock markets have been hitting record highs in recent days, including the Dow Jones and S&P 500 in the US, and Germany's Dax index.

Among individual stocks, SABMiller rose 5.6% to 3,460p, the biggest gain since November 2012 on a Financial Times report that it may be a takeover target.

Oxford Instruments saw its shares rise 2.2% after the technology tools maker reported an increase in full-year adjusted profits.

Shares in designer clothing brand Ted Baker had a mixed morning after it reported an 18% rise in first-quarter sales. The **firm's** shares climbed 1.5% at first, but then fell back and were down 4.2% on the day at midday.

\*BG Group fell 0.7% to 12.43 pounds with analyst Exane BNP Paribas saying a takeout looked difficult given BG's market value of \$70 **billion**. Exane argued it would be better to sell BG's Queensland gas venture. But the low return project may not attract a premium over a net asset value of \$126.8 **billion** or 291p per share, it said (our italics). And with BG trading at a sharp premium to the European **oil** sector on earnings forecasts any asset disposal at around book value would risk a significant re-rating.

Lonmin fell 3.2% to 242.9p after the 20 week strike by workers in South Africa's platinum mines ended talks brokered by the government without agreement.

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