

## HD Australian Stocks: What Happened Today?

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A **firm** but quiet start to the week as the local market fired up after the long weekend. The usual suspects were on the shopping list, Financials ,Telstra Corporation Limited (A\$5.26, +0.6%),Woodside Petroleum Limited (A\$42.22, +1.1%),BHP Billiton Limited (A\$36.28, +0.1%),RIO Tinto Limited (A\$59.64, +0.4%) and Fortescue Metals Group Ltd (A\$4.63, +2.4%). However as the day wore on apathy regained a foothold and we drifted lower throughout the afternoon. The ASX 200 closed up only 6 points at 5470, having touched 5496 at one point on a turbo charged shot of enthusiasm. Insurers also were in the spotlight with AMP Limited (A\$5.39, +0.9%),Suncorp Group Limited (A\$13.36, +0.5%) and Insurance Australia Group Limited (A\$5.89, +0.3%) the stars and money managers also did pretty well today led by Macquarie Group Limited (A\$60.50, +0.7%),Platinum Asset Management Limited (A\$6.44, +1.9%),Henderson Group PLC. (A\$4.56, +2.2%) and Challenger Limited (A\$7.35, +2.2%).

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Resource stocks were cloudy with a chance of meatballs. Arrium Limited (A\$0.91, +2.8%),**Iron** Road Limited (A\$0.35, +12.9%),Mount Gibson **Iron** Limited (A\$0.755, +2.0%) ,Evolution **Mining** Limited (A\$0.805, +1.3%) and Kingsgate Consolidated Limited (A\$0.80, +2.6%) were some of the winners but others were less loved Western Areas Limited (A\$4.44, -3.3%),Sandfire Resources NL (A\$5.82, -2.5%),Alacer **Gold** Corp. (A\$2.25, -3.0%) and Newcrest **Mining** Limited (A\$9.63, -1.4%) better the bigger names falling.

In the industrials healthcare stocks eased led by Csl Limited (A\$69.25, -1.8%) and Ramsay Health Care Limited (A\$44.54, -2.5%) and consumer stocks were a little traumatised following a couple of profit warnings. The Reject Shop Limited (A\$8.05, -12.0%) and Pacific Brands Limited (A\$0.51, -8.9%) led the sector down as they blamed the weather and lack of consumer confidence as the bogey men. Others in the sector also slipped back Wesfarmers Limited (A\$42.02, -0.9%) and Woolworths Limited (A\$36.84, -0.5%) in the staples and Dick Smith Holdings Limited (A\$1.965, unch) and JB Hi-Fi Limited (A\$17.85, -0.6%) in the discretionary sector. REITS continued their powerhouse performance with Westfield Retail Trust (A\$3.16, unch),Stockland (A\$4.02, +0.5%),Dexus Property Group (A\$1.155, +0.4%) and GPT Group (A\$3.93, -0.5%) **firm**.

On the podium today were Hutchison Telecommunications (Australia) Limited (A\$0.078, +8.3%),#VET#,Karoon Gas Australia Limited (A\$3.45, +4.9%),Oceanagold Corporation (A\$2.71, +3.4%),Orora Limited (A\$1.425, +2.9%),Range Resources Limited (A\$0.034, +41.7%),Lonestar Resources Limited (A\$0.40, +17.6%) and Boart Longyear Limited (A\$0.245, +8.9%). Spinning out on the first corner were Liquefied Natural Gas Limited (A\$1.25, -8.1%)(finally),Pacific Brands Limited (A\$0.51, -8.9%)(rain affected!),Aquarius Platinum Limited (A\$0.445, -6.3%),New Hope Corporation Limited (A\$2.68, -4.3%),Premier Investments Limited (A\$8.33, -3.7%) and Greencross Limited (A\$8.95, -3.3%) in the 'biggs' and Newsat Limited (A\$0.30, -20.0%) and The Reject Shop Limited (A\$8.05, -12.0%) in the 'smalls'.

Once again volume was pathetic and now seems to be the standard day at around \$3.2bn whilst the Aussie dollar was steady at 93.60 and the digital tulips at \$694. **Gold** traded at \$1254.

Asian markets were mixed after a positive start as **Chinese** authorities once again clamped down on Macau and gambling stocks with plans to block a payment card system that circumvents **Chinese** currency controls. Tokyo down 1%,HK up 0.8% and Shanghai up 1%

Stocks and Stories

The cull in TV continues with Seven West Media Limited (A\$1.75, +0.3%) looking to prune the news and current affairs departments by up to 500 people. Looking forward to more reality shows then.

The Reject Shop Limited (A\$8.05, -12.0%) hit with warm weather and lack of consumer confidence as Chairman William Stevens announced the **company** is unlikely to meet its full-year profit guidance of \$17 **million** to \$18 **million**, instead downgrading expects to between \$14.5 **million** and \$15.5 **million**

Pacific Brands Limited (A\$0.51, -8.9%) also hit hard with challenging times as it said its full-year earnings before interest and significant items to be in the range of \$90 **million**-\$93 **million** for the year ending June 30; at the time of its interim results it "implied" full-year EBIT before significant items of about \$105 **million**. Doh!

Karoon Gas Australia Limited (A\$3.45, +4.9%) were back to their winning ways today after some serious volatility last week and recent placer #TPT# also benefitted from an increased focus on their upcoming Moroccan campaign.

The housing boom is slowing down. Home loan approval numbers were flat in April, just shy of the 0.2 per cent rise the market had expected, figures from the Australian Bureau of Statistics show. Round my way there are so many homes for **sale** it's not funny. Not sure there are too many buyers around either. All are SMSF and Overseas investors that are driving the inner city and prestige "near schools and Uni" suburbs .Of course in two years' time no one will be able to afford to go to Uni anyway! First home buyers are now at an all time low at just 12.3%!

**China's** consumer inflation edged up to a four-month high of 2.5 per cent in May while factory price deflation eased, reinforcing signs of stabilisation in the economy. Food was a big culprit up 4.1% in May. Same story in Japan where the country looks heading for a disaster IMO. They just owe too much money now. Limited growth in the economy just being pushed by the massive Abenomic stimulus. Food prices rose 5 percent in April from a year earlier, with fresh food climbing 10 percent. Onions soared 37 percent, and salmon ? a staple of the nation's lunch boxes ? jumped 30 percent. Seems a bit fishy to me.

Another reason to own utility stocks like AGL **Energy** Limited (A\$15.25, -0.4%) and Origin **Energy** Limited (A\$14.45, -0.6%) as news today that NSW customers are set for big gas price rises due to the lack of gas in NSW. Up 17% next year!! Maybe they could connect up the Parliament or ICAC. That should power the state for a year!

Job advertisements have declined sharply in May, the first time in five months. Job ads for May were down 5.6 per cent from a 2.2 per cent rise in April and 1.4 per cent in March, ANZ's survey found.

Tomorrow's News Today

RIP Rik. Sad news today. Who would have thought Cliff Richard would outlive him!

The amount of private wealth held by households globally surged more than 14% to \$152 trillion (£90tn) last year, boosted mainly by rising stock markets. Asia-Pacific, excluding Japan, led the surge with a 31% jump to \$37tn, a report by Boston Consulting Group says. **China's** \$22 trillion is expected to increase more than 80 percent to \$40 trillion by 2018, while the U.S. may grow to \$54 trillion from \$46 trillion over the same period.

Talks aimed at ending the long-running strike in South Africa's platinum sector have collapsed, after the government pulled out of its role as mediator. The strike, which is the longest in South Africa's history, has been going on since late January. SA supplies 45% of the Worlds Platinum. So far, the strike has cost the **mining** companies \$2bn in lost revenue. Workers have foregone \$945m in wages and benefits.

With only a few days to go before the biggest sporting event in the World takes centre stage ,there are riots in the streets of Sao Paulo. FIFA is trying hard to justify its choice of Qatar but sponsors are starting to flex their muscles with Bud the latest to express concerns and Brazilians seem to have kicked an own goal with the bad publicity surrounding the event. Bring it on and let the stars speak with their talents..

This is desperate. Spanish officials are looking to include prostitution in the GDP figures in an effort to push the numbers up to drop below the debt ceiling of 3% of GDP. Looks like a mirror ceiling in this case! Most estimates put the number of sex workers in Spain at 300,000 and, in a 2009 government survey, 39% of Spanish men said they had paid for sex. Looks like it would add 1% to GDP and if they include the drug trade another 0.5%.At least that is a positive sign for Euro growth. Apparently the association of Brothels thought it was a joke when they phoned for the numbers! Craig Thomson looks like he could consult on this after his release. Finland and Sweden are pretty happy as they reckon on another 5% due to sex and drugs.

That is all.

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Suncorp Group Limited | nigltd : Insurance Australia Group Ltd | pltasm : Platinum Asset Management Ltd  
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