

HD Australian Stocks: What Happened Today?

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Market Roundup

In the aftermath of the budget it was a very solid performance spurred on by gains in BHP Billiton Limited (A\$38.30, +0.9%), Telstra Corporation Limited (A\$5.28, +0.6%) and the mighty Commonwealth Bank of Australia (A\$80.89, +1.2%) which looks on track to make a profit of \$9bn this year and pushed to an all-time high. \$9bn is about \$350 profit from every man woman and child in Australia. Not too bad. The market closed down 2 points at 5496 which given that Westpac Banking Corporation (A\$34.20, -2.7%) and National Australia Bank Limited (A\$33.60, -2.6%) were ex dividend this morning accounting for 17 points, add in Macquarie Group Limited (A\$59.16, -1.4%) ex as well, and we did great to shrug off these headwinds. Offshore positiveness helped and winners and losers from the budget were in focus. Telstra announced completion of the **sale** of CSL and with no news of the NBN in the budget, breathed a sigh of relief.

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Healthcare stocks were a little weaker given that costs associated with tests and scans will be higher, this deferring some people from taking them. Sonic Healthcare Limited (A\$17.49, -4.3%), Primary Health Care Limited (A\$4.53, -5.0%) and CAJ were in the markets sights.

In the resource market BHP Billiton Limited (A\$38.30, +0.9%) was the big standout as they presented at a conference and drew buyers looking for diversification and exposure to a rebounding world. Rio Tinto Limited (A\$62.78, -0.1%) not so lucky as were other **Iron Ore** producers like Atlas **Iron** Limited (A\$0.795, -3.6%), Mount Gibson **Iron** Limited (A\$0.745, -3.9%) and Fortescue Metals Group Ltd (A\$4.73, -1.5%). Recent 'biddee' (is that a word?) Panaust Limited (A\$2.18, +2.8%) firmed as arbitrageurs bet on an increased offer, Metals X Limited (A\$0.245, +11.4%) had a great day as did Independence Group NL (A\$4.42, +1.8%) and golds slightly better too, led by Oceanagold Corporation (A\$2.75, +0.4%), and Saracen Mineral Holdings Limited (A\$0.34, +9.7%).

Industrials were mixed Qantas Airways Limited (A\$1.265, +2.8%) better as pilots joining the dole queues, Leighton Holdings Limited (A\$19.60, -2.9%) weaker despite the chance to win more business from the cement and tarmac infrastructure package. Consumer stocks also better in spite of fears that the austerity for the country will translate into weaker consumer sentiment numbers but the suggested rate rises in 2015 may be pushed out given the dampening domestic market. Media stocks rose as papers were flying off the shelf with quality budgetary comments. Fairfax Media Limited (A\$1.025, +1.5%) (Fin Review nearly got to a whole 40 pages for \$3.50.value?) a standout as was Seven West Media Limited (A\$1.83, +1.7%) and even Ten Network Holdings Limited (A\$0.27, unch) as Tony got attacked by Vilma live. Still in Space (TEN) no one can hear you scream!

Winners today included Transfield Services Limited (A\$1.195, +11.2%), CVO Panaust Limited (A\$2.18, +2.8%), Qantas Airways Limited (A\$1.265, +2.8%), Domino's Pizza Enterprises Limited (A\$19.78, +2.9%), McMillan Shakespeare Limited (A\$11.22, +2.8%) and Corporate Travel Management Limited (A\$5.79, +1.6%) whilst feeling left out were CSR Limited (A\$3.34, -4.8%), Primary Health Care Limited (A\$4.53, -5.0%), Mount Gibson **Iron** Limited (A\$0.745, -3.9%), #FLN#, Wotif.com Holdings Limited (A\$2.41, -4.0%) and Technology One Limited (A\$2.48, -1.6%) with AHZ and Central Petroleum Limited (A\$0.38, -6.2%) the mid cap losers. Volume was again pretty patchy at around \$3.3bn, so hardly worth getting up at 5am to do Sky Biz for! Asian markets were waxing and waning with HK the stand out up 0.8% whilst the rest were nah! Fun and games off Vietnam though!

Gold traded around \$1295, the Aussie battler at 94c and digital tulips at \$474. Stocks and Stories

Commonwealth Bank of Australia (A\$80.89, +1.2%) third-quarter cash profit totalled \$2.2 **billion**, up from \$1.9 **billion** a year earlier, but the bank sounded a cautious tone on margins and credit growth. They always do as they hate to be seen to be gloating as they are on track to make \$9bn this year. Record share price too.

Regeneus Ltd (A\$0.40, +5.3%) were better following publication of a paper in the Journal of Pain Research (Budget papers!) giving a positive assessment of the safety and efficacy of their stem cell therapy for pain in the face.

AGL announced their long standing CEO Michael Fraser will retire by June 2015.

CSR Limited (A\$3.34, -4.8%) not sweet enough it seems, CSR posted a net profit of \$88.1 **million**, a strong recovery from the \$150 **million** loss a year earlier. EPS surged to 17.4 cents from the year earlier loss of 29.6 cents, enabling a 5 cent a share dividend to be declared. Must try harder, C-.

Telstra Corporation Limited (A\$5.28, +0.6%) has sold its **Hong Kong** mobile phone business for more than \$2 **billion**, marking its exit from mobile **operations** outside Australia.

One of my long term favourites Mortgage Choice Limited (A\$2.88, +4.7%) this afternoon announced a big earnings upgrade, who would have thought that a mortgage broker would be doing so well in a housing boom! Amazing really. Maybe YBR will push on to?

Another good day from Sirtex Medical Limited (A\$17.28, +1.3%) as they head towards \$1bn market cap following a good session at a Macquarie conference a few days ago. 9% up in five days! Tomorrow's News Today

As Ukraine holds more peace talks, Russia has banned the US from the International Space station. Clooney and Bullock are furious. No sequel it seems.

And the world will have to come to terms with rising rates. NZ has already moved and now it looks like the UK is signalling that 2015 will be time to push them higher albeit slowly and in measured amounts. The Organisation for Economic Co-operation and Development said on Tuesday that Britain was settling into a period of "above-trend" growth, and the Bank could raise its growth forecasts for 2014 and 2015 from its current projections of 3.4pc and 2.7pc. Looks like first quarter of 2015. FTSE at a 14 year high BTW! As Rachel; used to say It won't happen overnight but it will happen.

This certainly has slowed the housing boom in NZ as numbers today revealed that house sales have dropped more than expected after the introduction of mortgage lending restrictions last October, the central bank says. Sales slumped 11 per cent between October and March.

And he's back. The 'Big Bogan' is back at the poker table, playing it seems with OPM (other people's money!). Backed by a US hedge fund he has bought another **coal** mine. Maybe this one will get into production unlike his previous ones. \$150 **m** may be a knock down price for a knock about bloke but good to see him back. Corporate Australia was looking a bit dull without him, now that Twiggy has gone all respectable!

A top EU court has ruled Google must amend some search results at the request of ordinary people in a test of the so-called "right to be forgotten". It has said that content that is irrelevant or out of date should be taken down. Hope they get rid of all those cat pictures! And Justin Bieber is keen to get some of his past erased. Lindsay Lohan uses her net presence to remind herself where she has been!

Chinese authorities have accused a British GlaxoSmithKline executive of ordering staff to bribe hospital officials to use its products.

The world's biggest democracy, India, has finished voting and now we are on to the voting which takes longer than the Eurovision Song contest and just s nail biting! Most polls show that the main opposition Bharatiya Janata Party (BJP) and its allies are likely to form the next government under the leadership of Narendra Modi.

Few interesting things happening between **China** and Vietnam with an **oil** rig being "protected" by 10 **Chinese** ships as it sits in disputed waters in the South **China** Sea. Name says it all really. It's not the South Vietnamese Sea is it!

That is all

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