

HD Australian Stocks: What Happened Today?

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Well, a nasty way to start the week. Monday can be like that! A lethal combination of much weaker **iron ore** prices combined with consumer confidence hits, due to the budget and weakness coming out of our Asian buddies was enough to see us heavily in the red for the day. In the final washup we closed down 70 points at 5409 after a high on the open at 5473 and closing on its lows. Chartists will start to worry that it has broken its 40 day moving average and the upchannel to boot. Miners led us down with the big boys taking US\$100 **iron ore** badly. BHP Billiton Limited (A\$37.43, -1.7%),RIO Tinto Limited (A\$60.10, -3.0%),Fortescue Metals Group Ltd (A\$4.37, -4.6%), looking nasty with Atlas **iron** Limited (A\$0.74, -1.3%),Arrium Limited (A\$0.945, -3.1%) and Mount Gibson **iron** Limited (A\$0.725, -2.7%) chipping in too. It's also confession season and we had one of two takers today for the rosary and some hail Marys.

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Salmat Limited (A\$1.81, -2.7%),Boart Longyear Limited (A\$0.215, -4.4%) and Bradken Limited (A\$3.62, -7.7%) decided now was as good a time as any to fess up. While the Dulux dog was looking like a pretty happy puppy as it announced a 33% increase in profits. Didn't really help the share price much but this one has been pretty strong consistently recently so perhaps not much of surprise for those in the know. All the usual suspects took a hit today. Perhaps a flesh wound, maybe not? Anyway financials were not spared the rod with the big four not so big as National Australia Bank Limited (A\$32.95, -1.6%) led the weakness followed by Commonwealth Bank of Australia (A\$79.56, -1.0%) and Westpac Banking Corporation (A\$33.78, -1.5%). Insurers were also weak with AMP Limited (A\$5.20, -2.4%),Suncorp Group Limited (A\$13.24, -1.0%),QBE Insurance Group Limited (A\$11.02, -1.3%) getting amongst it. Oils ain't oils too as Woodside Petroleum Limited (A\$41.11, -1.5%) and the sector burnt off and healthcare continued to feel uncertain about the budget implications. Setting the pace today at the front with Cadell were IOOF Holdings Limited (A\$8.45, +2.4%) still gaining odd fellow friends after the merger announcement, followed by Steamships Trading **Company** Limited (A\$38.50, +2.4%),Goodman Fielder Limited (A\$0.69, +3.8%) having said yes to the takeover ,Western Areas Limited (A\$4.24, +2.2%) bouncing on nickel prices and Fairfax Media Limited (A\$1.05, +1.0%) just because. At the back nursing punctures or worse were UGL Limited (A\$6.86, -9.7%),Bradken Limited (A\$3.62, -7.7%),Billabong International Limited (A\$0.475, -5.9%),Fortescue Metals Group Ltd (A\$4.37, -4.6%),Evolution **Mining** Limited (A\$0.84, -3.4%),REA Group Ltd (A\$43.32, -4.2%) and that market economic barometer Domino's Pizza Enterprises Limited (A\$18.93, -3.1%). Volume was around \$3bn, which for a Monday was not too bad given some of the days last week! Asian shares eased with Tokyo down 0.4% HK down 0.4% and Shanghai down around 1.4%. Seems that the property market is starting to unravel over there with some heavy developers discounts hotting the market. Most of the shrewd money that is transportable has been buying Australian and US real estate like the clappers in recent years and this will only continue as the authorities clamp down on graft and corruption. They should feel right at home in NSW then! The mighty Aussie dollar has been remarkably steady at 93.5 especially as high profile economist Saul Eslake came out changing his rate cut forecast to a rise in 2016.Better late than never, Saul. Digital tulips were \$478 and the shiny stuff was \$1296. Stocks and Stories Duluxgroup Limited (A\$5.76, +0.5%) painted the town red today with some good numbers from the sheepdog trials today with profit up more than 33 per cent in the first half, and expecting further growth for the rest of the year. After tax profit jumped 33.6 per cent, compared with the previous corresponding period, to \$56.1 **million** for the six months to the end of March. Austin Engineering Limited (A\$1.52, unch) went into a trading halt as a sharp decline in the share price looks to be the result of a leaking downgrade ship. **Acquisition** on the cards but the shares have lost half their value since February! Yellow Brick Road Holdings Ltd will grow its mortgage book almost seven-fold after it completes the **purchase** of mortgage aggregator Vow Financial Holdings for \$17.6 **million** at the end of July. Long suffering Boart Longyear Limited (A\$0.215, -4.4%) shareholders got another reason to rue the day they

bought the shares as it has warned of further declines to **mining** and exploration spending through the balance of 2014 after it lost \$US620 **million** in 2013. Elders Ltd has swung back into the black on an underlying profit basis, with half-year profit excluding significant items swinging to \$6.7 **million** from a loss of \$23.7 **million**. Salmat Limited looks more and more like junk mail as it now reckons year to June earnings before interest, tax, and amortisation (EBITA) will halve to just \$8 **million** from the \$14-16 **million** signalled earlier. RIO Tinto Limited (A\$60.10, -3.0%) looks set to announce an agreement on its \$US20 **billion** (\$21 **billion**) Simandou **iron ore** project in Guinea. They obviously haven't been looking at the **Iron Ore** price. Futures trading below a ton a ton. Course there are only 10 lots traded but it makes a good headline! Tomorrow's News Today BOE Guv Mark 'Circus' Carney has thrown his hands up in the air and declared that the UK has a housing problem. It's structural (aren't all houses) and there is nothing he can do about it! He went on to say that there was evidence that large value mortgages ? with loans of more than four times a borrower's salary ? were on the rise again. Call that a loan? Try buying in Sydney. Here's a thought limit the amount that a bank can lend on a home. NZ had a go at it. The **Chinese** are leaving Vietnam though as things heat up over disputed borders and the government moves to clamp down on aggression to **Chinese** visitors. The fleet of **Chinese** boats taking off their helpless nationals is vaguely reminiscent of Dunkirk. AstraZeneca looks set to knock back the new and improved super duper bid from Pfizer as AT&T bids nearly \$50bn for DirectTV. Merger Mondays are back it seems. The Swiss people get to vote on lots of things. They had a vote about upping the minimum wage and the **purchase** of a bunch of fighter jets. Why the Swiss would need fighter jets is beyond me. They only work office hours in the Air Force as was proved last year when they had an incursion into their airspace and they didn't realise until they checked the answer machine in the morning. Any way they knocked back the fighters and also raising the minimum wage too. Deutsche Bank is tapping the market for close to 8 bn Euros to shore up its balance sheet. Again. Expect a small bounce tomorrow but may not last.

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CO ambol : Fortescue Metals Group Ltd | atlagd : Atlas Iron Ltd. | bkhlp : BHP Billiton Ltd | boaint : Boart Longyear Ltd | brares : Bradken Ltd | craus : Rio Tinto Ltd | onestl : Arrium Limited | saldm : Salmat Ltd | whitt : Mount Gibson Iron Ltd | bltpc : BHP Billiton PLC | rtz : Rio Tinto PLC

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