

**HD MARKET DOWN A TOUCH AT MIDDAY**

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**WC** 3,191 words

**PD** 8 January 2014

**SN** OzEquities News Bites

**SC** NBOZEN

**LA** English

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The S&P/ASX200 is down 4.4 points to 312.6 on light volume worth \$1.2 **billion**. There are 432 issues higher and 391 down. The SPI Futures is down 19 points to 5276 on light volume of 7465 contracts. Aussie 10 year bond yields are steady at 4.31%. The \$A is at 89.21 US c, up a touch from early levels.

\*The banks are Neutral, resources have contributed 5.2 negative points, **property** trusts have contributed 0.4 positive points, retailers have contributed 1.7 positive points, Telstra has contributed 0.5 negative points.

\*The Nikkei Dow futures is up 170 points to 15,950 points, Shanghai CSI physical is down 0.85 points to 2046.47, Hang Seng futures is up 163 points to 22,776 points. S&P futures is steady at 1830, Nasdaq futures is down 1 point to 3547, Dow futures is down 2 points to 16,453. **Gold** futures are down \$1.80 to \$1227.80. Crude futures are up 37c to \$94.04.

Our market lacks inspiration a few days into the New Year, with no dramatic moves anywhere and many players still missing. Caution prevails, with the banks where p/es had risen too far being neglected, miners down as **China** is slowing and growth in Europe and the US unlikely to have much impact on the sector - and the outlook for emerging markets troubled.

"Support at 5315, resistance 5325 next at 5345, up 15 on the day"

Ben Faulkner, a senior adviser at Morgans said, "The S&P500 is still in uptrend. Resistance now is at the 1840 mark and then the previous high which was 1850. It could test the previous high, however it is likely to consolidate into the reporting season.

"The German Dax has quite a similar chart to the S&P500. There was a bit of profit taking last week, but it is regaining its losses and is likely to re-test the highs. The European markets are looking firmly in tact.

"In Japan, the market is still in uptrend although they have had a couple of days of sell off. However it is currently testing the 20 day moving average which has been good support, at 15,756 - worth keeping an eye on 15,756- if that breaks it will be short term bearish for Japan.

"With regard to **gold**. \$1250 is resistance - it had the first negative night last night. It is still a bit of a dead cat bounce. Last night could be the first move down. Support is at \$1218. A break of \$1218 could see it test \$1200 again.

"To our market, we had another weak performance yesterday, closing on the lows. The chart after recovering December losses looks like it is trending down. The RSI also indicates that.

"I expect support at yesterday's low of 5315. Resistance now should be 5325, next at 5340. Underlying weakness in our market continues compared to the global market. Resources are likely to remain weak, household names and leaders probably will provide support.

"For the day I will call us up 15 points".

The S&P/ASX200 closed down 7.9 points to 5317 last evening.

#### ECO NEWS

\*Job vacancies fractionally lower in November

The ABS reported total job vacancies in November 2013 were 140,000, a decrease of 0.3% from August 2013.

The number of job vacancies in the private sector was 129,500 in November 2013, a decrease of 0.1% from August 2013.

The number of job vacancies in the public sector was 10,500 in November 2013, a decrease of 3.6% from August 2013.

\*Construction Index down 4.4 points in Dec, house building up

The Australian Industry **Group's** December Performance of Construction Index fell 4.4 points to 50.8. The fall was driven engineering construction, which slipped 6.4 points to 46.1 to be back in contractionary territory after two months of growth.

Home building continued to grow strongly.

The house building sub-index rose 1.5 points to 63.5, and is sitting just off an eight-year peak reached in October, while **apartment** building activity expanded at a slower pace - the sub-index dipping 1.9 points to 56 in December.

**Commercial** construction slowed last month, but at 50.8 it was still expanding slightly.

#### TOP STOCKS

\*Sirtex rose \$1.956 to \$13.36 on 250,164 shares on the report below.

\*Oceana **Gold** is steady at \$1.65 on 396,857 shares in a mostly lower sector on the report below.

\*Orora rose 1.2c to \$1.15.7 on 8.27m shares.

Among the financials, AMP is up 4.5c to \$4.41.5 on 3.5m shares, ANZ is steady at \$31.86 on 1.6m shares, CBA has gained 7c to \$77.79 on 854,299 shares, NAB is down 6c to \$34.44 on 761,741 shares, Westpac is up 3c to \$32.11 on 1.54m shares.

Among the TMT's Telstra is down 1.5c to \$5.26.5 on 10.6m shares, Telecom NZ is down 3c to \$2.18 on 137,409 shares, SingTel is down 1c to \$3.13 on 80,533 shares. Nine Entertainment is up .5c to \$1.99.5 on 2.9m shares.

Among the resources BHP is down 26c to \$36.95 on 2m shares, RIO is down 66c to \$65.34 on 1.1m shares. Fortescue is down 5c to \$5.39 on 12.4m shares, Atlas is down .3c to \$1.067.2 on 11.8m shares, **Alumina** is up .2c to \$1.11.2 on 4.9m shares, BCI is down 6c to \$5.03 on 198,918 shares.

Among the oils, Woodside rose 7c to \$37.73 on 720,362 shares. Santos is steady at \$14.35 on 311,842 shares, **Oil** Search is up 9c to \$8.4 on 617,308 shares.

Among the golds, stocks are weaker across the **board** on the mild fall in the **gold** price. Newcrest is down 7c to \$8.51 on 1.3m shares, Perseus is down 2c to 28.5c on 2.9m shares, St Barbara is down 1.5c to 32.5c on 577,960 shares, Silver Lake is down 6.5c to 59c on 4.5m shares. Kingsgate is down 8c to 97.5c on 1.7m shares.

#### AT THE SMALLER END

\*Viralytics is up 4c to 34.5c on 91,000 shares on the report below.

\*Redmount rose another .5c to .2c on a huge 153.355 **million** shares after yesterday announcing up to 45.9gpt Au in its Batangas **gold** project in the Philippines.

\*Forge **Group** fell 16.5c to \$1.14.5 on 4.4m shares.

#### NEWS OF THE DAY

Changes in substantials reported January 6 and 7 inc posted separately.

## LARGE CAP INDUSTRIALS

\*GFF: **Sale** of meat and pizza biz in NZ/to take charge in 2014 int report

Goodman Fielder Ltd announced it has agreed proposals to sell its Meats and Pizza businesses in New Zealand to Hellers Ltd. The proposed **sale** is subject to an employee consultation process and consideration of any feedback received as part of that process.

GFF business processes and markets small good meat products to the New Zealand market including Kiwi bacon and ham, Brooks Deli continental meats and bacon, Hutton's luncheon, bacon and ham, Sizzlers pre-cooked small goods and Milano cooked continental meats.

Helles is a NZ small goods manufacturing **company** based in Christchurch which manufactures, markets and distributes a wide range of hams, bacons, sausages and luncheon products across New Zealand.

GFF will also agreed a proposal to sell its Pizza business to Mommas Frozen Products Ltd subject to consultation with nine employees that work on the line.

Total net proceeds from both divestments is expected to be in the range of \$NZ15/17 **million**. A non cash impairment charge after tax against the Meats and Pizza business in the range of \$NZ32/36 **million**, together with **site** closure costs of \$NZ8 **million** will be recorded as significant items in the 2014 interim accounts.

\*SRX: Sir-Sphere doses up 18.7% in December qtr vs pcp, outlook positive

Sirtex Medical Ltd announced dose sales of its SIR-Spheres microspheres targeted radioactive liver cancer treatment grew 18.7% for the quarter ending December 31 2013 vs the previous corresponding period.

Sirtex CEO Gilman Wong said in the report the positive growth in EMEA was very encouraging being achieved in a difficult economic climate. He said he was confident regional strategies will continue to deliver growth over the coming quarters.

\*TOL: Interim result to be announced on Feb 19

Toll Holdings Ltd will release its results for the period July 1 2013 to December 31 2013 on February 19 2014. A live webcast of the briefing presentation will be available at 9.45am AEDST on that date at [www.tollgroup.com](http://www.tollgroup.com).

\*VAH: Tigerair the standout for month of November vs pcp

Virgin Australia Holdings Ltd for the month of November announced passengers decreased 0.3% in domestic **operations** with Available Seat Kilometres increasing by 1.6% against the previous November, (normalised for the impact of the **acquisition** of Skywest Airlines in April 2013, Available Set Kilometres were approximately flat). Revenue Passenger Kilometres increased by 0.2% and Revenue Load Factor decreased by 1% on the prior corresponding period (pcp). Yield for November Financial Year 2014 to date was positive vs the pcp.

Passenger numbers for the month of November for Virgin Australia International **Operations** fell 1.6% and ASKs fell 9.6% on the pcp. The decrease in ASK was due to one Boeing 777 aircraft being out of service for heavy maintenance in November 2013. Revenue Load Factor rose by 2.1% on the pcp.

Tigerair Australia ASK increased by 19.7%, Revenue Passenger Kilometres increased by 19.1% and Revenue Load Factor marginally decreased by 0.4% to 86% vs the pcp.

The increase in Available Seat Kilometres was driven by further improvements in aircraft utilisation with a stable aircraft fleet of 11 vs the pcp.

## LARGE CAP RESOURCES

\*OGC: Lowers prod from Macraes, full yr prod guidance down slightly

OceanaGold Corporation announced the **board** of directors has approved a new mine schedule for the Macraes Goldfield located in the Otago region on the South **Island** of New Zealand. As a result of the prolonged and sustained drop in the **gold** price, the **company** has re optimised the Macraes mine plan to further reduce costs in order to sustain **operations**. The new mine plan includes a reduction in the total material movement scheduled in the open pit, resulting in lower equipment usage and a reduction in operating and support staff requirements over the next two years.

Managing director and CEO Mick Wikes said in the report, "The Macraes Goldfield has been operating continuously for over 23 years, producing over 3.8 million ozs of gold. During its life, Macraes has been a major employer and contributor to the Otago region and local economy. He said the lower gold price has necessitated the need to make changes to the business to ensure a sustainable operation at Macraes which will also unfortunately have an impact on some of the workforce and contractors whose contribution he acknowledged and thanked them for.

#### Full year 2014 production guidance

In 2014 the company plans to produce 275,000/305,000 ozs of gold at cash costs of \$US400/450 and all-in sustaining costs of \$US750/850 per oz net of by product credits. Copper production from Didipio is expected to be between 21,000 to 24,000 tonnes of copper in concentrate.

(Vs full year 2013 production guidance of 285,000/325,000 ozs Au at a cash cost of \$US650/800 per oz net of by product credits)

The company has also entered into additional hedging with a zero cost collar for production over the next two years at Macraes, the impact of which being that if the spot gold price on maturity of the option is less than \$NZ1,500 per oz, the company will receive \$NZ1,500 per oz. The Reefion production was similarly hedged with a zero cost collar announced on June 27 2013. (Jan 7)

\*SXY/Others: 13 of 15 oil wells drilled to date in 2013/14 successful

Senex Energy Ltd in its monthly drilling report for December announced 13 of 15 oil wells drilled to date in 2013/14 by Senex and its j/v partners have been cased and suspended for future production and testing. Growler-13 exploration well in PPL 242 is to be cased and suspended after encountering approximately 10m of oil saturated mid Birkhead sandstone. Vintage Crop-3 appraisal well in PPL 241 is to be cased and suspended as a future Birkhead oil producer after intersecting approximately 7m of interpreted net oil pay.

Acrasia-6 appraisal well in PPL 2303 has intersected 31m net oil pay and an additional 15m probable net oil pay across stacked reservoirs including a new oil accumulation in the upper Tinchoo sandstone.

The coal seam gas drilling campaign for 2013 was completed in the Queensland Surat Basin with four core holes drilled.

#### MID TO SMALL INDUSTRIALS

\*ANP: To present at Biotech Showcase in San Francisco

Antisense Therapeutics Ltd advised it has been selected to present at the Biotech Showcase 2014 conference to be held January 13-15 2014 at the Parc 55 Wyndham Hotel in San Francisco.

This is a significant opportunity for ANP.

The presentation will be webcast live at antisense.com.au and will be archived and available for 90 days.

\*ELD: Cameron Hall appointed GM, Trading

Elders Ltd announced it has appointed Cameron Hall to the position of GM, Trading with a commencement date of January 15 2014. Cameron Hall has more than 20 years experience in the meat and livestock industry having performed senior appointments with Landmark, Australian Livestock and Elders International Trading.

\*VLA: 54 late stage melanoma patients enrolled/1yr survival already achieved

Viralytics Ltd announced the 54th late stage melanoma patient has been injected with CAVATAK, achieving the major milestone of target enrolment in the US Phase 2 CALM trial. The Phase 2 trial is a single arm study being conducted at 11 US cancer clinics to investigate the safety and efficacy of intratumoral CAVATAK (Coxsackievirus A21) in patients with late stage malignant melanoma.

CEO Dr Malcolm McColl said in the report it is also pleasing to report a highly encouraging overall irPFS (immune related Progression Free Survival) rate of 35% at six months in 14 of 40 evaluable patients and one year survival rate of 60% in 12 of the first 20 patients alive at one year.

The primary endpoint of the study, achieved in September after only 30 evaluable patients, required 10 patients from a total of 4 reporting irPFS at six months after the first dose of CAVATAK.

**Lead** Study Investigator Dr Robert Andtbacka said in the report CAVATAK continued to demonstrate promising anti-cancer activity while being well tolerated by patients.

## MID TO SMALL RESOURCES

\*AVB: Key regulatory approval granted

Avanco Resources Ltd announced continuing progress at Stage 2 with the grant of regulatory approval relating to the Pedra Branca Mineral Resource, paving the way for further regulatory submissions pursuant to a full **mining** license for Stage 2.

\*AXZ: Formal commencement of works at Ironsands project Fiji Feb 20

Amex Resources Ltd announced the **company** has secured project funding and signed a \$US100 **million** lump sum procurement, construction and management contract for development of its 100% owned Mba Delta Ironsands Project in Fiji. \$US20 **million** of the short term loan facility has been drawn down, with formal commencement of works under the contract on February 20. The contractor is a major **Chinese** StateOwned Entity ranked in the Forbes 500 largest global corporation list.

\*BCC: Rights issue price 1.3c up from 1.25c due to ASX listing rule

Buccaneer **Energy** Ltd advised it has adjusted the price of the Rights issue announced on January 2 to 1.3c from 1.25c to meet technical requirements of the ASX listing rule. All other provisions including the 2:1 ratio remain unchanged.

\*RUM: Progressing its Australia potash projects

Rum Jungle Resources Ltd managing director David Muller said in the December quarter report during the quarter the **company** progressed the Ammaroo, Karinga, Ross River, Mount Bunday/Mount Goyder projects. The **company** raised \$9.88 **million** via a placement to Australian institutions, increasing the total institutional backing of the **company** to over 35% of the issued capital. A SPP is currently available to shareholders, closes on January 15.

The largest and most influential **Chinese** government owned **Chinese** International Chemical Consulting Corporation has undertaken to do a prefeasibility study on the brine lakes potash project at Karinga in the Northern Territory.

Rum Jungle has applied for large areas over Lake Amadeus in the Northern Territory and Lake Torrens in South Australia, prospective for substantial potash resources.

On the corporate front, Rum Jungle moved to compulsory **acquisition** of Central Asian Phosphate Ltd.

RUM has \$10.5 **million** on deposit and an SPP in place for additional funds.

\*SMD: Up to 2.88% Cu in RC drilling at Barbara open pit, N Qld

Syndicated Metals Ltd announced more thick **copper gold** hits at depth have confirmed the northern expansion of the Barbara open pit in northern Queensland.

Best results in a 45 hole infill and extensional RC drilling program completed prior to Christmas include 27m at 1.73% Cu including 18m at 2.88% Cu in BARC112 (Southern Shoot) and 6m at 2.52% Cu in BARC113 (Fault ap).

\*STX: 145m net **coal**, strong gas readings add to confidence for S Cooper Basin

Strike **Energy** Ltd managing director David Wrench announced its Southern Cooper Basin Gas Project appraisal drilling program has been completed with results obtained from the Le Chiffre 1 and Klebb 1 wells materially de-risking key parameters.

The Klebb 1 well was drilled to a total depth of 2,193m and cased, using premium casing to allow for future fracture stimulation and flow testing. Wireline logs have shown over 145m of net **coal** was encountered in the well. In particular, 89m of **coal** was observed in the Patchawarra Formation, including one continuous 34m thick seam.

Notable increases in gas readings were recorded while drilling, consistent with those observed in the Le Chiffre 1 well.

\*TGS: Commissions Stage 2 g for SXEW g plant at Kipoi project, DRC

Tiger Resources Ltd advised commissioning of the heap leach project for the Stage 2 solvent extraction and electro winning (SXEW) processing plant at its Kipoi **Copper** Project in the DRC began on December 27 and represents the start of the SXEW. More than 90% recoveries are forecast in 120 days. Tiger plans

to produce 25,000 tonnes of **copper** cathode in the first full 12 months of production, and increase production to 50,000 tonnes of **copper** for the following 12 month period.

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