

HD MARKET LIKELY TO CLOSE DOWN A TOUCH

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The S&P/ASX200 is likely to close slightly lower.

Europe and the UK closed lower, the US markets closed down.

On the NYSE where 3205 issues traded there were 1,161 issues higher, 1,963 down and 81 unchanged. On Nasdaq where 2735 issues traded there were 684 issues higher, 1,970 down and 81 unchanged.

Metals were mixed in a narrow range, crude was mixed, **gold** was sharply weaker. The \$A is at 91.31US c, up about 50 points from last evening.

"A bit of reality will set in .. I'll call us down about 12"

"Bernborough" said, "Yesterday with the numbers worse than expected the focus was on expected stimulus - we probably went up for the wrong reasons.

"Metal prices last night were hardly changed, but with the **China** numbers poor we have got to be cautious. I can't see how we will be up again. A bit of reality will set in, but its all quite minor stuff.

"I'll call us down about 12".

The S&P/ASX200 closed up 8.8 points to 5346.9 last evening.

March 25. Good morning.

Russia was not invited to the (now) G7 meeting, and President Obama warned of rising sanctions against Russia.

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 weaker. AWC fell 2c on 130,000 shares, RIO rose 5p on 2.24m shares, BHP fell 8c on 2.7m shares, News fell 28c on 440,000 shares, Fox shed 66c on 3m shares, Westpac was down 5c on 124,000 shares, Telstra was steady on 173,000 shares, Resmed fell 7c on 11.7m shares.

PSivida fell 13c on 94,000 shares, Prana fell 1.5c on 18.6m shares.

In London Anglo American rose 1p to 1,440.5p on 21.68m shares, Aquarius rose 0.75p to 36.75p on 437,055 shares, BskyB fell 4p to 943p on 2.18m shares, BHP fell 7.5p to 1,802p on 3.6m shares, Henderson rose 1.4p to 254.4p on 1.49m shares, RIO fell 13p to 3,194p on 2.48m shares.

Trading points:

*NHC: New Hope Corporation reports for the half year.

Company guidance: On February 24 New Hope Corporation Ltd announced it expects its net profit after tax for the first half ended January 31 to be within the range of \$21/23 **million** (vs \$68.79 mln for the previous corresponding period).

The result has been impacted on continuing weakness in thermal **coal** prices and a relatively high \$A. Despite the difficult **coal** market conditions management remains focussed on maximising long term shareholder value by prudent cost reductions and operational efficiencies.

(Nufarm reports tomorrow).

*AGK: Seeks ruling by Aust Competition Tribunal on ACCC's MacGen veto

AGL **Energy** Ltd announced it has lodged an application with the Australian Competition Tribunal for authorisation to acquire the Macquarie Generation assets in New South Wales.

This follows the announcement by the Australian Competition & Consumer Commission on March 4 that it would oppose AGL's proposed **acquisition** of MacGen.

AGL's managing director Micahel Fraser said in the report, "The CCC's decision has significant implications for the future of the **energy** industry in this country and in our view can't be left unchallenged".

In the first instance the Tribunal has a three month period to consider the application for authorisation which may be extended by a further three months.

AGL said the time frame for decision making by the Tribunal is shorter than the time it would normally take the Court to consider a matter of this nature. (Mar 24)

*SRX: To examine liver cancer treatment combining Lipiodol and SIR-spheres

Sirtex Medical Ltd announced a collaboration with Guerbet SA in primary and secondary (metastatic) liver cancer. The objective is to examine how Sirtex's SIR-Spheres microspheres and Guerbet's Lipiodol may be combined or sequenced optimally and further developed to address the significant unmet clinical need for patients with hepatocellular carcinoma, metastatic colorectal cancer, metastatic neuroendocrine tumors and a range of other primary and secondary liver cancers.

Guerbet's Lipiodol Ultra Fluid is used in conventional trans-arterial chemo embolisation rocedures for the tretment of patients with inoperable liver tumours.

Guerbet's CEO Dr Yves L'Epine was quoted as saying "While Lipiodol and SIR-Spheres individually are well proven and widely used therapies in their own right, they have never been formally evaluated together or sequentially". (Mar 24)

Ex div: AQQ ex div; CGO ex 3c; MEZCA ex div; MYR ex 9c; SBB ex .1c

Overseas

The DJIA closed down 26.08 points to 16,276.69.

S&P 500 shed 9.08 points to 16,276.69.

NASDAQ fell 50.40 points to 4,226.39.

US 10yr bond yields fell 2 points to 2.73%.

The US\$ rose 6 points to 102.22 Yen.

The Euro rose 46 points to 1.3838US c.

The Yuan rose 294 points to 6.1959/\$US1.

FTSE 100 fell 36.78 points to 6,520.39. European markets closed weaker.

The Nikkei Dow last evening closed up 251.07 points to 14,475.30 points.

Shanghai SE Comp IX closed up 18.66 points to 2,066.28.

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 fell \$7 to \$6,473/fell \$45 to \$A7089. Stockpiles fell 2,025 tonnes to 263,675 tonnes. Jinchuan's force majeure and ongoing delays in production at Grasberg aided **copper**.

Aluminium rose \$7 to \$1,730/fell \$2 to \$A1895. Stockpiles fell 8,200 tonnes to 5,406,675 tonnes.

Nickel rose \$10 to \$16,110/fell \$82 to \$A17,643. Stockpiles fell 54 tonnes to 283,524 tonnes.

Zinc fell \$7 to \$1,945/fell \$19 to \$A2130. Stockpiles fell 3,675 tonnes to 776,400 tonnes.

Lead weakened \$5 to \$2,072/fell \$17 to \$A2269. Stockpiles were unchanged at 200,700 tonnes.

Tin rose \$100 to \$22,925/fell \$23 to \$A25,107. Stockpiles rose 5 tonnes to 9,425 tonnes.

Iron Ore was steady at \$110.70/fell 64c to \$A121.24.

Steel billet was indicated at \$400/410. Stockpiles fell 65 tonnes to 13,910 tonnes.

Cobalt was quoted at \$28,500/31,500.

Molybdenum was quoted at \$21,500/22,500.

WTI crude rose 14c to \$99.60/fell 42c to \$A109.08.

Brent Crude fell 11c to \$10-6.81/fell 74c to \$A116.98.

*The Houston ship channel was closed following an **oil** spill after a collision between vessels, supporting the **oil** price. Meanwhile the possibility that Russia faces additional sanctions would curb Russian **oil** prices.

Spot **gold** fell \$26 to \$1,308/fell \$36.19 to \$A1432. Spot silver fell 31c to \$19.96/fell 46c to \$A21.86. Spot platinum rose \$1 to \$793/fell \$3 to \$A868.

Overseas eco news

*In US eco news, the US flash manufacturing PMI came in at 55.5 vs a fall to 56.6 expected.

*The eurozone composite PMI for March was 53.2, just below February's 53.3.

However, the eurozone's economy has now grown for nine months in a row, according to Markit, and is set to expand by 0.5% in the first quarter of 2014.

The survey also found that employment had increased, albeit slightly, for the second month in a row.

"The recovery is gaining traction. One of the particularly encouraging signs policymakers will take from this is that it has broadened out to encompass France," said Chris Williamson, chief economist at Markit.

*Germany's PMI came in at 53.8 vs a forecast of 54.7 and 54.8 for the previous reading.

*The preliminary estimate of Markit's composite Purchasing Managers' Index (PMI) for France was 51.6 in March, up from February's 47.9 reading and above the 50 level that indicates expansion.

Economists had expected French private sector businesses to continue to contract in March.

Overseas **equity** news

*In the US of the Dow 30 there were 13 stocks higher and 17 down. Procter & Gamble led the way higher, gaining \$1.42 or 1.82% to \$79.30 followed by JPMorgan Chase and Wal-Mart.

Pfizer led the weakeners, falling 69c or 2.14% to 431.49 followed by Merck and Visa.

Netflix fell almost 7% intra day on news that Apple is exploring a partnership with Comcast for an Apple branded TV service. Yahoo, LinkedIn, Twitter, Priceline and Facebook were all weaker.

Biotech stocks were also weaker with the iShares Nasdaq Biotechnology ETF falling almost 3%.

NuSkin rose over 18% after being fined around \$700,000 for its business practices in **China** - with the fine very small vs market fears. Herbalife that uses a similar multi level marketing sales model as Nu Skin rallied on the news.

*In Europe national benchmark indices fell in all 18 Euro countries except Iceland. Royal KPN fell 4.2% on a broker's downgrade, Stada Arzneimittel fell 15% after cutting its 2014 forecast. Credit Suisse fell 1.5% to Swiss Fr 27.13 after agreeing to pay \$885 million to settle lawsuits by Fannie Mae and Freddie Mac.

CEZ the largest Czech utility rose 5.1% to 569 koruna, its highest price since May after the Czech government that owns 70% of the company said it is seeking a 100% dividend payout. Deutsche Post rose 1.7% to 26.09 Euros after the postal company said it is seeking to lift its mail earnings by 60%.

*In the UK, shares in Carphone Warehouse fell 5% after it and Dixons Retail said they had been granted more time to discuss a possible merger.

The Takeover Panel extended the deadline for the companies to announce their plans from Monday to 19 May.

Energy firms came under pressure on fears the sector could face a competition probe. Reports at the weekend said regulator Ofgem could refer the "big six" energy companies to the new Competition and Markets Authority this week.

SSE shares fell 2.3% to 1,475p and British Gas owner Centrica dropped 1.9% to 331.5p.

Shares in William Hill fell a further 0.9% as the bookmaker continued to be hit by concerns over the Budget measure to increase duty on fixed-odds betting machines.

But shares in Lloyds Banking Group were up 1.5% after Investec Securities gave the bank a "buy" rating.

In the FTSE 250, shares in wiring and component supplier Diploma dropped 7.7% after it said first half profits would be hit by the strong pound.

International Consolidated Airlines fell 2.3% to 410.9p after Morgan Stanley removed the parent of British Airways from its best ideas list.

BG Group rose furthest, up 20.5p to 1082.5p. Randgold Resources was the biggest loser, falling 204p to 4627p. Centamin rose 9.9% to 57.7p. Although net profit before tax fell to \$184 million vs \$198.6 million in 2012 because of lower gold prices, the cash cost of production fell to \$663 per oz in 2013 from \$669 per oz the previous year. Phoenix Group rose 0.7% to 693p after Standard Life said it is in talks to acquire Ignis Asset Management from Phoenix. n alt

In other news

Flight MH370 crashed into the Indian Ocean - Inmarsat data analysis confirms

BBC News reported Inmarsat used new techniques to detect the plane's course.

Inmarsat has told the BBC it gave the Air Accidents Investigation Branch (AAIB) the new data on Sunday - stressing it needed to be checked before it was made public.

Engineers spent all weekend looking back at a previous Malaysian Airlines Boeing 777 flights, going back several weeks.

They compared the satellite data from those flights with flight MH370 and were able to work out it went south, across the Indian Ocean to a remote area where there was no possibility of landing.

This is cutting-edge modelling, never tried before. It uses the Doppler effect - which is what makes a police siren sound different from different points.

They had it reviewed by other scientists before handing it over.

As far as they can tell, the plane was flying at cruising height, above 30,000ft. They found no evidence of fluctuating heights being reported.

They cannot pinpoint the position any further. They handed this data over on Sunday morning.

The firm said its latest calculation involved a large amount of data analysis, focusing on a number of factors including the movements of other aircraft.

It involved an entirely new way of modelling which is why the analysis took some time, the firm said.

Inmarsat senior vice-president Chris McLaughlin said the firm had studied electronic "pings" - or bursts of data - which the plane had sent to one of its satellites.

He told the BBC: "We have been dealing with a totally new area. We've been trying to help an investigation based on a single signal once an hour from an aircraft that didn't include any GPS data, any time and distance information".

Malaysia's Prime Minister Najib Razak said relatives of the flight's 239 passengers and crew had been told of the "heartbreaking" news.

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