

HD Australian Stocks: What Happened Today?

BY By Henry Jennings, Private

WC 1,703 words

PD 3 February 2014

SN FN Arena

SC FNAREN

LA English

CY Copyright 2014. FN Arena Ltd.

LP

And we're off! It is the Year of the Horse after all. Let's hope its Black Caviar not Zippy Chippy (Google it!). Reporting season is now upon us and straight out of the barrier comes two nice ones. JB Hi-Fi Limited (A\$18.55, +3.1%) and Country Road Limited (A\$4.83, unch) to get us under-way. Some news to cheer about in the long suffering retail sector. Elsewhere the market flitted with a down 25 kind of day and even popped its head up above the ramparts briefly, in positive territory before the ASX 200 slipped slightly in quiet pre RBA trading.

TD

For the record we closed down 2 at 5188 with a high of 5198 and a low of 5163. Banks showed some strength with Westpac Banking Corporation (A\$30.99, +0.4%), Commonwealth Bank of Australia (A\$74.40, +0.2%) and National Australia Bank Limited (A\$33.19, -0.2%) outgunning Australia and New Zealand Banking Group Limited (A\$29.83, -1.0%) whilst in other financials they gave a little back with Macquarie Group Limited (A\$53.84, -0.5%), QBE Insurance Group Limited (A\$11.38, -1.0%), Bank of Queensland Limited (A\$11.16, -2.1%) and Bendigo and Adelaide Bank Limited (A\$11.48, -1.0%) not so good with Henderson Group PLC. (A\$4.12, -2.4%) especially on the nose today. The big culprits today were BHP Billiton Limited (A\$36.44, -0.4%), RIO Tinto Limited (A\$65.34, -0.5%) and Fortescue Metals Group Ltd (A\$5.27, -1.1%). But no real damage done. Just a flesh wound. In the industrial space Woolworths Limited (A\$33.93, -0.4%) eased back Wesfarmers Limited (A\$42.19, +0.5%) little changed, Telstra Corporation Limited (A\$5.15, +0.2%) had a good day as did building stocks like Csr Limited (A\$2.96, +1.4%), Boral Limited (A\$4.81, +1.3%), James Hardie Industries PLC (A\$13.30, +3.1%), Adelaide Brighton Limited (A\$3.80, +0.5%) and Duluxgroup Limited (A\$5.45, +1.9%). Others to do well included Amcor Limited (A\$10.83, +1.1%) and Bluescope Steel Limited (A\$5.50, +1.9%) too. Resource stocks were a little on the nose as the much maligned gold sector remained under pressure although Newcrest Mining Limited (A\$9.70, +0.5%) held up. Silver Lake Resources Limited (A\$0.59, -3.3%), Kingsgate Consolidated Limited (A\$1.085, -3.6%), Evolution Mining Limited (A\$0.615, -3.9%) all to the rails! Posting solid gains today were Pacific Brands Limited (A\$0.64, +4.1%), Southern Cross Media Group Limited (A\$1.625, +3.5%), #PBT#, Buru Energy Limited (A\$1.88, +2.5%), Ten Network Holdings Limited (A\$0.37, +4.2%) and Slater & Gordon Limited (A\$4.56, +3.6%) whilst sitting this one out were #XRO# (bout time), Lynas Corporation Limited (A\$0.275, -3.5%) (again) Treasury Wine Estates Limited (A\$3.51, -3.6%) (still hungover), Sirius Resources NL (A\$2.11, -3.7%), Hutchison Telecommunications (Australia) Limited (A\$0.08, -4.8%) and Monadelphous Group Limited (A\$15.51, -2.9%). With Chinese New Year closing some markets it was up to Tokyo to take up the running. The MSCI Asia Pacific Index lost 0.9 percent to 133.56 heading for the lowest close since Sept. 5. More than four shares fell for each that rose. The measure dropped 4.6 percent in January for its third straight monthly decline. Japan heading for a two and a half month low! Volume, at around \$3.0bn, on our bourse was lacking with a slew of economic numbers keeping players sidelined and the RBA to meet tomorrow. Aussie dollar around 87.54 and the price of Bitcoins around 1090 and Gold a smidge off at around \$1244. Stocks and Stories JB Hi-Fi Limited (A\$18.55, +3.1%) is forecasting full-year net profit to rise as much as 10.8 per cent to \$129 million for the 12 months ending June, underpinned by 6 to 8 per cent sales growth. Country Road Limited (A\$4.83, unch) Country Road has announced an interim profit result of \$38 million, up 72 per cent from the first half result last financial year. On an earnings per share basis the growth was 43 per cent, to 36.6 cents per share. Another day, another PMI report from China as numbers released today on the non-manufacturing sector showed that PMI falling to 53.4 in January from 54.6 in December. That's the lowest reading since at least April 2011. TD Securities-Melbourne Institute's monthly measure of consumer prices edged up 0.1 per cent in January from December, when it had jumped 0.7 per cent. The annual pace slowed to 2.5 per cent, from 2.7 per cent, putting it bang in the middle of the Reserve Bank

long-term target of 2 to 3 per cent. This will make the RBA happy and suggest that the official numbers may have been an aberration. Mortgage brokers are doing it tough at the moment! Not! Today AFG announced that it had its strongest January on record, with more than \$2.58 **billion** of home loans processed last month, the **company** said. It was 14 per cent higher than last January. This should also bode well for Mortgage Choice Limited (A\$2.95, +1.4%). Seems all the growth is in investor loans though with first time buyers staying well clear of the market for the moment. The future fund released its numbers today and benefitted from its move into equities in the last year. The Fund has grown to \$96.56 **billion**, with a five-year return rate of 10.6 per cent per annum. It said today that its return for the year to December was 17.2 per cent, against a benchmark target of 6.9 per cent. Just think how well it would have gone had they not **sold** their Telstra Corporation Limited (A\$5.15, +0.2%) at the bottom! Tomorrow's News Today RBA meeting tomorrow. Expecting no change to the current rate policy and maybe a bit of a thought bubble on lower dollar and its implications for inflation. We can't have it both ways I am afraid. Third bailout coming for Greece. And they keep telling us it's improving. So far exports of Hummus and Taramosalata have been hit badly. They are calling it a double dip recession. Good news for the US market as Seattle won Superbowl 43-8 against Denver, which is what the bulls, wanted to see. But of a thrashing in the end so expect some positive sentiment to leak into the US tonight. Big crackdown on the shadow economy in Korea as President Hye tries to squeeze an extra US\$25 bn in revenue from the undocumented economy. South Korea's shadow economy was equal to 24.7 percent of gross domestic product in 2010, above an average 18.3 percent for 39 OECD members and 11 percent for Japan, according to a paper by the Institute for the Study of Labor in Bonn, Germany. The US state department has raised no major environmental objections to the Keystone XL oil pipeline from Canada, according to a new report. Same guys did the Barrier Reef one! Wal-Mart trims its trading outlook for this year, citing a range of one-off costs including the closure of some stores in **China**. This is actually a sign of an improving US economy as they are down the discount end of the retail chain, so shows some strength in better quality and higher priced goods. And it looks like two Porsche directors are getting sued for \$1.8bn, over the failed takeover of Volkswagen, by a **group** of US hedge fund managers. Bless. There is something rotten in the state of Denmark! It's a big ding dong with Goldmans at its epicentre. That's what happens when you **buy** 20% of Dong from the Danes. That is all

Henry Jennings Private Client Advisor BBY Limited Participant of the Australian Securities Exchange
Authorised and Regulated by the Financial Services Authority

Level 17, 60 Margaret St Sydney NSW 2000 D +61 2 9226 0067 **M** +61 414 345 137 E
hcj@bby.com.au W www.bby.com.au

Reprinted with permission of the publisher. Content included in this article is not by association the view of FNArena (see our disclaimer). Who is BBY? Australia and New Zealand's largest non-bank owned stockbroker Ranked Top 10 Dealing Desk at the 2013 Stockbrokers Awards Australia's largest range of financial trading products Visit us for more information bby.com.au

fb.com/BBYLtd

twitter.com/BBYLtd Disclaimer: If you are not an intended recipient of this communication, please notify the sender. You should not read, act upon, print, disclose, copy, retain or redistribute this communication or any attachment without the authority of BBY Limited (ABN 80 006 707 777/AFSL 238095/FSA Reg No. 146367). Click here for important additional terms relating to this communication, or alternatively click on the Disclaimer link on our website.

Find out why FNArena subscribers like the service so much: "Your Feedback (Thank You)" - Warning this story contains unashamedly positive feedback on the service provided.

FN Arena is building the future of financial news reporting at www.fnarena.com. Our daily news reports can be trialed at no cost and with no obligations. Simply sign up and get a feel for what we are trying to achieve.

Subscribers and trialists should read our terms and conditions, available on the website.

All material published by FN Arena is the copyright of the publisher, unless otherwise stated. Reproduction in whole or in part is not permitted without written permission of the publisher.

RF A02AC58E-0DCF-10A5-9F064B287C393E2B

CO aanzb : Australia and New Zealand Banking Group Limited | croad : Country Road Ltd | jbhifi : JB Hi-Fi Ltd | mcqbnk : Macquarie Group Limited | ncbnk : National Australia Bank Ltd | qbeibp : QBE Insurance Group Ltd | wstpac : Westpac Banking Corporation Limited | wlhdsa : Woolworths Holdings Limited | wwrths : Precient Limited

IN i64 : Retail/Wholesale | i645 : Clothing Stores | i654 : Specialty Stores | i6540027 : Video/Compact Disc/Record Stores | i814 : Banking | i81402 : Commercial Banking | i82 : Insurance | i82001 : Full-line Insurance | i831 : Financial Investments | i83101 : Investment Banking | ibnk : Banking/Credit | ifinal : Financial Services | iinv : Investing/Securities | iretail : Retail

RE austr : Australia | usa : United States | apacz : Asia Pacific | ausnz : Australia/Oceania | namz : North America

PUB FN Arena Ltd.

AN Document FNAREN0020140203ea230005I