

HD Australian Stocks: What Happened Today?

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A scary and bumpy ride today as the long summerlike weekend feel came to an abrupt halt. We had a 110 point range today as the early optimism gave way to a huge tsunami of offshore selling in the banks. Fortunately the waves passed and we rallied from down 80 odd to close a more modest but none the less optimism sapping 9 down at 5284

The big culprits were the financials with the banks being well and truly put to the sword mid-morning. At its nadir Westpac Banking Corporation (A\$32.41, unch) hit 31.68, Australia and New Zealand Banking Group Limited (A\$31.51, -0.1%) hit 30.88, National Australia Bank Limited (A\$32.39, -1.0%) 31.82 and Commonwealth Bank of Australia (A\$75.76, -0.5%) 74.48. Nasty indeed. Savage overseas sellers taking no prisoners, then puff they were gone!

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The rest of the market caught the disease as well with the W's Wesfarmers Limited (A\$41.96, -0.5%) and Woolworths Limited (A\$34.07, -0.4%) hit, Telstra Corporation Limited (A\$5.385, -0.3%) whacked and even healthcare stocks in ICU. Csl Limited (A\$73.19, -1.1%) and Ramsay Health Care Limited (A\$49.46, -1.7%) the most critical. The afternoon rally as the water washed past was an impressive site indeed. As they say Volatility is back and it comes with great opportunity.

The bright spot in the market was the maligned Iron Ore space as a killer combo of RIO takeover speculation and #BHP@# announcing that they would cut costs(jobs) and become a \$20 a tonne producer. Energy stocks also in the spotlight as Santos Limited (A\$13.23, -1.3%), Woodside Petroleum Limited (A\$40.55, -0.4%), Origin Energy Limited (A\$14.64, -1.1%) and Oil Search Limited (A\$8.76, -0.5%) all slipped away.

On the podium today were newcomer #REG#, Northern Star Resources Ltd (A\$1.205, +7.1%), Seven Group Holdings Limited (A\$6.82, +4.6%), RIO Tinto Limited (A\$60.135, +4.4%), Fortescue Metals Group Ltd (A\$3.45, +4.5%), Cabcharge Australia Limited (A\$5.34, +1.3%) and Unilife Corporation (A\$0.49, +18.1%) and Focus Minerals Ltd (A\$0.014, +16.7%) in the smalls. Spinning off were Ten Network Holdings Limited (A\$0.22, -2.2%), shortly to have a 1 in front of it, Premier Investments Limited (A\$9.49, -5.1%), \$TFC#, Aquarius Platinum Limited (A\$0.35, -2.8%), Liquefied Natural Gas Limited (A\$3.30, -4.9%) and #OFX# in the bigs and #GID# and #NDO#. Volume was better today as the panic selling mid-morning swamped the market with \$4.3bn trading in total.

Asian stocks were mostly better except for Tokyo down 0.13% but Hong Kong benefitted as protests slowed up 0.48% and Shanghai up 0.13%. The Aussie dollar winged around a little on RBA news at 87.48 with digital tulips \$383 and shiny happy Gold at \$1205 and heading south again.

Stocks and Stories Regeneus Ltd (A\$0.14, -39.1%) were hit as a report emerged on the ABC's 7.30 report last night suggesting that the Stem Cell therapy, that the company was trumpeting for AFL players and the like was as effective as salt water. What I find disturbing is the company allowed its shares to trade for well over an hour before a trading halt was brought in. At the open they hit 10cents briefly. Nasty.

RBA has as predicted left rates unchanged again! Rates will be on hold for some time to come still as the local economy continues to weaken. Uncle Fester's words on rates "the most prudent course is likely to be a period of stability in interest rates". Yawn. Looks like copy and paste for another six months or so!

The country's newly listed aged care provider #REG# had a very promising start to public life today. Opened at \$3.85 and pushed on from there.

In more biotech shocks, #GID# alerted the market on Monday evening that it had suspended shipments of its EndoBarrier products labelled with a CE Mark, which is a regulatory approval used predominantly in Europe, because its reporting systems were not up to scratch.

Some good news though for long suffering shareholders in Unilife Corporation (A\$0.49, +18.1%)(me included) as news of Sanofi buying their wearable injector technology was a welcome fillip.

RIO Tinto Limited (A\$60.135, +4.4%) soared amidst a plan from Glencore to one day **merge** with them to create the Galaxy's biggest **mining company** in unobtainium. I cannot see this ever happening but it's a nice story. There is no way regulators around the world will give this the green light without some serious concessions and brown envelopes. The move by the secretive Glencore helped other **Iron Ore** players as well with BHP Billiton Limited (A\$33.25, +1.7%), Fortescue Metals **Group** Ltd (A\$3.45, +4.5%) and Arrium Limited (A\$0.348, +0.7%) all to the good.

In Tokyo, the BOJ has reassured punters that it will keep pumping money in faster than you can say 'Banzai'. The central bank kept its pledge to increase the monetary base at an annual pace of 60 trillion yen to 70 trillion yen (\$643 **billion**), it said today.

Tomorrow's News Today The most important woman in the financial world needs some serious PR. Just 24 per cent of US respondents correctly identified Janet Yellen as the chair of the US central bank in a survey by the Pew Research Centre in Washington. Seventeen per cent believed Alan Greenspan, who resigned in 2006, still holds the job. What about Ben?

Samsung has had a shocking set of numbers as cheap **Chinese** knocks eat into their market share and profitability. Samsung said in an announcement on Tuesday that operating profit for the third quarter likely fell 59.7% to 4.1 trillion won (\$3.8 **billion**), well below market expectations.

World Bank has pulled back its **Chinese** GDP forecasts. Meanwhile the **Chinese** are bailing Europe out. In 2010 the **Chinese** had direct investment in the EU at just over €6.1bn. By the end of 2012, **Chinese** investment stock had quadrupled, to nearly €27bn. And just to rub in their financial muscle to the septics, they have bought the Waldorf Astoria for \$1.95bn! Ridiculous. For that sort of money they could have bought a Paddington Terrace and a Meriton apartment to boot!

And it's not just here, in the UK farmers are up in arms about the cost of **milk**. It costs 30p to produce a litre which is now selling for 28p!

North and South Korea have exchanged more than greetings with their Navies firing at each other. Just what the world needs now.

Hong Kong's government and pro-democracy protesters agreed to start formal talks as demonstrations waned.

Finally someone is taking the Mickey as the French Disney venture has to ask for more money. More? More? Apparently it has lost money every year since it opened in 1992. So another 1 bn Euros required! Merde!

That is all

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