

HD Australian Stocks: What Happened Today?

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WC 1,628 words

PD 12 May 2014

SN FN Arena

SC FNAREN

LA English

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Jokin Joe's First budget Surprise!! After a misplaced bullish start, the market sank into a stupor as await the biggest Federal Budget since 2013. More leaks today on the number of public servants that will be selling their holiday homes in Jervis Bay and I expect the ones that are left to be somewhat alarmed at the escalation in job losses. Way push alert now! We had a financial sector that sprinted out of the blocks helping the market to a high of 5480 before they realised that they were all alone and without support and cup off in no man's land. In the end we closed down 12 points at 5448 after a low of 5432. Volume was woeful at around \$2.6 bn even an old and saggy super model wouldn't have got out of bed today. I know I shouldn't have either. It was pretty much small losses across the board with BHP Billiton Limited (A\$37.16, -0.5%) suffering the most. Banks were mildly negative but everyone is waiting for Jokin Joe.

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Gold and other resource stocks were weaker with Kingsgate Consolidated Limited (A\$0.84, -4.5%) at ridiculous levels. Oh how the mighty have fallen. In the industrials Flight Centre Travel Group Limited (A\$51.00, +1.2%) took off as did REA Group Ltd (A\$46.78, +2.2%) but gamblers were down on their luck with Crown Resorts Limited (A\$15.74, -0.5%) easing, Donaco International Limited (A\$1.065, -2.3%) also falling as did Tatts Group Limited (A\$3.01, -0.7%) and TAH. IT stocks eased too with Carsales.Com Limited (A\$10.41, -0.5%), NEA and Melbourne IT Limited (A\$1.385, -4.5%) the worse of the bunch. #XRO# rallied though taking their cue from US tech stocks. Healthcare stocks were mixed ResMed Inc. (A\$5.40, +0.9%) and Primary Health Care Limited (A\$4.67, +1.5%) better as were Unilife Corporation (A\$0.58, +6.4%) but Cochlear Limited (A\$59.10, unch) and Sonic Healthcare Limited (A\$17.82, -0.4%) the hedgehog eased slightly. Retailers were also easier as JB Hi-Fi Limited (A\$19.30, -0.9%), David Jones Limited (A\$3.94, -0.3%) and Myer Holdings Limited (A\$2.11, -0.9%) look forward to a confidence sapping budget in the making. On the podium wearing the pink jersey were Skilled Group Limited (A\$2.89, +7.0%), Sirius Resources NL (A\$3.10, +6.9%), McMillan Shakespeare Limited (A\$11.00, +6.0%), G8 Education Limited (A\$4.47, +5.9%), Air New Zealand Limited (A\$2.03, +3.8%), Sirtex Medical Limited (A\$16.70, +3.1%) and AWE Limited (A\$1.655, +2.8%) with DTM a winner in the mid-caps. Spinning off and walking back to the pits today were Arrium Limited (A\$1.06, -4.1%), Cardno Limited (A\$6.89, -3.1%), Syrah Resources Limited (A\$3.60, -3.5%), Bluescope Steel Limited (A\$6.10, -2.6%), Seven West Media Limited (A\$1.785, -2.7%), Atlas **Iron** Limited (A\$0.815, -3.0%) and Select Harvests Limited (A\$5.42, -12.7%) and MCS in the smalls. Asian stocks were weaker with the exception of **Chinese** shares which surged after government comments suggesting a "new normal" and the government moving to support equities as they will relax limits on foreign investment in listed companies and expand quotas for capital flow. Tokyo was unchanged but HK and Shanghai up 2%. The Aussie dollar 93.63 Digital tulips \$464 and good old fashioned **gold** \$12.88. Stocks and Stories Incitec Pivot Limited (A\$2.85, +1.1%) lifted its first half profit 7 per cent thanks to strong growth from one of its ammonium nitrates plants and reduced costs. The **company** made a net profit of \$115.7 **million** for the six months to March 31, up from \$107.9 **million** a year ago. Hurting the big miners today was news that a strike at Port Headland is moving a step closer as some tugboat workers aligned to the Maritime Union of Australia took a major step toward industrial action today with a vote to strike. However nothing will happen before a meeting with Fair work on May 20th. Bad news for Fortescue Metals Group Ltd (A\$4.72, -1.9%) and BHP Billiton Limited (A\$37.16, -0.5%) but RIO Tinto Limited (A\$61.00, +0.1%) uses their own facilities at Cape Lambert so not quite so exposed. G8 Education Limited (A\$4.47, +5.9%) rallied hard today on news of their debt raising of \$150 **million** to help finance the **acquisition** of more centres. The offer, which was priced in Singapore dollars, raised \$SGD175 **million** (\$150 **million**), at a 4.75 per cent per annum coupon for a three year term, maturing in May 2017. It is as easy as ABC really. National Australia Bank Limited (A\$34.18, -0.6%) joined the herd today with its estimate of no more rate cuts. They also up their GDP forecast modestly and

now expects GDP growth at 2.9 per cent in 2013/14 (was 2.7 per cent) and 3.1 per cent in 2014/15 (was 3.0 per cent). Things didn't go better with Coca-Cola Amatil Limited (A\$9.13, -0.2%) for the architect of their alcoholic beverages strategy, John Murphy, who lost his job as part of an organisational restructure by new group managing director Alison Watkins. Another day another bid as Dart **Energy** Limited (A\$0.16, +28.0%) has been approached by UK group IGas with an all shares offer worth around 19cents. Tomorrow's News Today Another one bites the dust as Newcastle MP Tim Owen has become the latest state Liberal to fall on his sword over revelations that donations from developers were illegally channelled into his 2011 election campaign. Call ours a crisis Joe....this is a crisis....Japan's national debt totalled a record-high ¥1.02 quadrillion as of the end of March, up ¥33.36 trillion from a year earlier, the Finance Ministry said. The UK now has more **billionaires** per capita than anywhere else at 104!! Combined total of \$300bn in assets etc. Of course rarely do they pay any tax which is why they have become **billionaires** in the first place. I was amazed to see that the founder of a real estate agency is now worth over 1 **billion** pounds! And still in the UK, Shale gas could be fuelling British homes for the first time by late 2015 (I always thought it was Readybrek that fuelled homes), under plans from fracking **firm** Cuadrilla. The **company** is preparing to submit planning applications by the end of this month to frack at two sites in Lancashire next year. Few tips if you are inside trading. Don't make too many flash purchases. Don't brag on twitter or use linkedin to your mate at the ABS and don't deal on a platform that makes your big trades look like the proverbial dogs things. I reckon it would be pretty hard to work out what the Aussie dollar is going to do even if you had the numbers beforehand. It's a lottery! It is all about the budget and tomorrow night we will get to see the razor gangs work. We know so much already but sure to be one or two surprises but Sir Humphrey would be proud of his PM's "Courageous" decisions. I suspect the rest of us will be less than impressed. Why not put GST up while you are at it Joe? That is all.

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