

## HD Australian Stocks: What Happened Today?

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After a typical Monday morning start, the buyers went on strike especially in the banking sector which managed to drag the index down to around 45 off at its worse before a rally on the back of **Chinese** GDP figures saw us claw back some of the irrational losses and close down 11 points at 5295.

Financials were weaker in the end with the big four all down around 0.2 to 0.5% and joined by the insurers Suncorp Group Limited (A\$12.94, -0.7%), Insurance Australia Group Limited (A\$5.67, -0.9%), AMP Limited (A\$4.45, -0.9%) and NIB Holdings Limited (A\$2.58, -1.1%) whilst QBE bucked the trend. Macquarie Group Limited (A\$53.35, -1.1%) also joined in the sell off as did Challenger Limited (A\$6.11, -1.6%) and ASX Limited (A\$36.06, -0.4%). Other defensives were also caught in the drift today as Telstra Corporation Limited (A\$5.23, -0.2%) fell away together with Wesfarmers Limited (A\$43.47, -0.5%) and Woolworths and Westfield Group (A\$10.17, -0.3%).

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In resource land BHP Billiton Limited (A\$38.00, +0.3%), RIO Tinto Limited (A\$66.49, +0.3%), Newcrest **Mining** Limited (A\$9.70, +5.5%) and Arrium Limited (A\$1.665, +0.9%) steadied whilst Fortescue Metals Group Ltd (A\$5.67, -0.2%), Orica Limited (A\$24.50, -1.1%), Incitec Pivot Limited (A\$2.88, -1.0%) slipped. **Gold** shares continued their Lazarus like recovery led by the well oversold Silver Lake Resources Limited (A\$0.69, +19.0%) which announced production numbers today and rallied hard as did others like Resolute **Mining** Limited (A\$0.595, +10.2%), Medusa **Mining** Limited (A\$2.29, +6.5%), Evolution **Mining** Limited (A\$0.65, +8.3%), Aquarius Platinum Limited (A\$0.74, +4.2%), **Alumina** Limited (A\$1.275, +2.0%) and Oceanagold Corporation (A\$1.90, +4.4%).

**Energy** stocks were also weaker led by stories that Shell were looking to offload their Woodside Petroleum Limited (A\$38.80, -0.8%) holding as they rein in costs around the World. Surprise nasty numbers from the Anglo-Dutch group on Friday adding to the rumours swirling. Healthcare stocks slipped away with ResMed Inc. (A\$5.02, -2.3%), Sonic Healthcare Limited (A\$16.63, -1.2%), Ramsay Health Care Limited (A\$44.08, -0.8%) and Ansell Limited (A\$19.97, -0.7%) failing to bounce. Retailers were also a tad weaker with David Jones Limited (A\$3.04, -0.7%), Harvey Norman Holdings Limited (A\$3.25, -0.3%), JB Hi-Fi Limited (A\$19.63, -3.1%) and Myer Holdings Limited (A\$2.65, -0.4%) all down a smidge, smidge and a half.

Winners are grinners and serving well today are the golds with Newcrest **Mining** Limited (A\$9.70, +5.5%), Sirius Resources NL (A\$2.40, +6.2%), Super Retail Group Limited (A\$11.24, +4.2%), Oceanagold Corporation (A\$1.90, +4.4%), UGL Limited (A\$6.93, +3.6%), Beadell Resources Limited (A\$0.865, +3.6%), Regis Resources Limited (A\$2.85, +3.6%) and **Energy** Resources of Australia Limited (A\$1.23, +1.2%) even whilst failing to return service were Domino's Pizza Enterprises Limited (A\$15.85, -3.8%), Hutchison Telecommunications (Australia) Limited (A\$0.082, -3.5%), Southern Cross Media Group Limited (A\$1.58, -3.4%), JB Hi-Fi Limited (A\$19.63, -3.1%), CVO, Carsales.Com Limited (A\$9.53, -3.0%) and ResMed Inc. (A\$5.02, -2.3%). Volume was better than last Monday but still pretty anaemic at slightly over \$3.2bn whilst Asian markets slipped slightly with Tokyo falling 0.6% and **Hong Kong** down a similar amount.

News today that Richard Coppleson is retiring. His afternoon report is the stuff of legend. We will all miss it! Good luck in retirement Richard.

Stocks and Stories

In house stocks Nucoal Resources Limited (A\$0.076, +20.6%) perked up on the back of a submission to the NSW Government as to why Exploration Licence 7270 should not be granted. New Standard **Energy** Limited (A\$0.15, +11.1%) boomed after the overwhelming support of shareholders for their move into the Eagle Ford shale in the US and the Cooper Basin.

Another resource stock ringing the bell is Silver Lake Resources Limited (A\$0.69, +19.0%) after today's production numbers. The **company** upgraded its guidance for full-year production from 180,000 to 200,000 ounces of **gold** to 205,000 to 220,000 ounces of **gold**. Silver Lake produced a little over 151,000 ounces in the most recent financial year to June 30.

Goodman Fielder Limited (A\$0.675, -0.7%) Tragedy has hit today as the CEO Andrew Hipperson was killed yesterday in a motorcycle accident.

Paladin **Energy** Ltd (A\$0.565, +0.9%) The good news keeps on coming with details today that the **Chinese** have bought a 25% **stake** in the Langer Heinrich project in Namibia for \$190m

Shell's Arrow **Energy coal** seam gas venture in Queensland is set to cut potentially hundreds of jobs as speculation mounts that the proposed LNG project will be a casualty of reined-in spending by the **oil** major.

Figures from mortgage broker AFG today show smaller lenders' share of new fixed-rate loans surged over 2013, from 13.6 per cent in February to 38.2 per cent in December. ING and ME doing especially well.

The TD Securities-Melbourne Institute's monthly measure of consumer prices rose 0.7 per cent in December, from November when it increased by 0.2 per cent. The annual pace accelerated to 2.7 per cent, from 2.4 per cent, and into the upper half of the Reserve Bank's long-term target of 2 to 3 per cent.

Tomorrows News Today

34 Years Ago this week, **Gold** Trading Reached "Delirious Proportions"\$800 an ounce. The price had doubled in the previous month on the Bunker Hunt boys buying silver and the Russian invasion of Iran (Really that was the story!)Afghanistan was real!

Game over. Nintendo tumbles following a surprise prediction of a profit slump and disappointing sales on Wii U. Super Mario may be too late!

Earthquake rattles New Zealand capital, Wellington!

**China's** economy expanded 7.7 percent in the fourth quarter from a year earlier, the National Bureau of Statistics said today. That compares 7.8 percent growth in the previous three months. Industrial production rose 9.7 percent in December from a year earlier, data showed, down from a 10 percent gain in November. Retail sales last month rose 13.6 percent from a year earlier, slowing from 13.7 percent in November. Industrial Production +7.7%.Fixed Asset Investments +19.6%. 14 year low on GDP.

It appears that the crisis in the Australian economy is taking its toll on investor sentiment with Italian and Spanish **bonds** now yielding far less than Aussie **bonds**. Today's score on 10 year **bonds** is a bit of a sad inditement: Spain 3.71 per cent, Italy 3.82 per cent, Australia 4.1 per cent. And our 15-year **bonds** are yielding a heady 4.5 per cent. Worrying really. Of course we are in such terrible trouble here that the Coalition are no-where to be seen. Can't be that bad if they can take 5 weeks off!

And this may be the reason as he's back. Italy's controversial ex-PM Silvio Berlusconi has returned to the centre of the political stage, striking a reform deal with a centre-left rival. Bring on the Bunga Bunga!

**China** Grand Automotive Services, in which U.S.-based private-**equity firm**TPG Capital has a **stake**, is planning to raise \$500 **million** to \$800 **million** in a **Hong Kong** IPO.

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