HD **MARKET RISES STRONGLY, LED UP BY BANKS**

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The S&P/ASX200 is up 44.9 points to 5353 on average volume worth $1.8 billion. There are 542 issues higher and 10 down. The SPI Futures is up 43 points to 5306 on light volume of 8214 contracts. Aussie 10 year bond yields

The banks have contributed 10.1 positive points, resources have contributed 7.1 positive points, property trusts have contributed 0.8 positive points, retailers have contributed 2.9 positive points and Telstra has contributed 2.4 positive points.

*The Nikkei Dow futures is up 120 points to 14,620 points, Shanghai physical is down 1.08 points to 2097.32, Hang Seng futures is up 235 points to 22,396, S&P futures is up 2.7 points to 1827.1, Nasdaq futures is up 6 points to 3657, Dow futures are up 26 points to 16,005 points. Gold futures are up $2.70 to $1302.80, crude futures are down 9c to $100.26.

*China's official CPI rose 2.5% in January from a year earlier, the National Bureau of Statistics reported, the same pace as in December. The PPI fell 1.6%. China's economic data are distorted in January and February by the week long Lunar New Year holiday.

*Our market is responding positively to our profit reports and dividend lifts, both of which are higher almost across the board on the previous reports. Also encouraging is the US market's shrugging off the on the whole their weak eco reports today.

China's official CPI contained no (negative) revisions.

"Resistance at 5330, support at 5305, for the day I will call us up 30 points"

Ben Faulkner, a senior adviser at Morgans said, "The S&P500 had quite a large range last night of nearly 20 points, closing on its highs. It has crossed back above the 20, 0 and 100 day moving averages, as I pointed out yesterday. It ran into resistance at 1830. A close around here on the week could see the previous highs tested in the next week or two with 1850 the next target.

"Gold had another decent night last night and is testing $1302 currently. It is short term bullish after the breakout of the downtrend. If it can close above $1300 for the week it will be pretty bullish. The next level of resistance is 1320 followed by 1360.

"Copper is short term neutral - pulled back from $3.40 a pound in late December, testing the $3.20 level which is good support and is sitting at $3.25, still trading short term neutral. $3.20/lb needs to hold other wise a break would see it back to 43.15 or $3.10. The next level of resistance is $3.30/lb.

"The Chinese market tried to go on with it yesterday but failed and closed below 2100. If it fails to close above 2100 it will go back and test 2050 which should prove good support. (China's CPI report is also due out today).

"The ASX looked like a strong day yesterday but saw a late sell off. Resistance is at 5330.

"If we can close around or above 5335 it would be bullish. There is major resistance at 3350 followed by 5400. Short term it is still bullish. The momentum indicators are also quite strong still.

"For the day resistance is at 5330, support at 5305. There is further resistance at 5350.

"For the day I will call us up 30 points".

The S&P/ASX200 closed down 2 points to 5308.1 last evening.

THE WEEK AHEAD

Feb 17: Aussie m/v sales. AAD, ANN, AZJ, BEN, CIM, IMD, SHL. UGL int. ALZ full yr. SND this wk. Ex div: BKN ex 15c; CBA ex $1.83; COO ex .5c; GXL ex 5.5c; RKN ex 4.8c; SCC ex 5c. Japan GDP. US Pres Day holiday

Feb 18: Aussie imp. rBA minutes. AIO, AMC, API, ARI, BGL, CDD, CFX, CGA, CGF, CPA, GWA, MCP, MND, MRM, PBG, SAI, SHL, SRX, SWM int. CCL fin. Ex div: BLD ex 7c; CPU ex 14c; DMP ex 17.7c; MCR ex 2c. jAPAN boj DECISION. US Emp m'fr, NAHB hous market ind. Uk cpi.

Feb 19: Aussie Skilled Vac. ALL, APA, APN, BGA, BXB, DLS, EBO, FMG, GMG, NST, SAI, SEK, SIR, SLR, SUN, SXL, TGL, TME, TOL, TRS, WES int. WPL fin. US MBA Mort Ind, Housing starts, Bldg Permits, PPI, FOMC Min. UK BOE minutes.

Feb 20: G20 mtg today to 23rd. ACR, AIA, AWC, DGH, DLS, EHL, ENV, FBU, FDC, FXJ, IIN, IOF, IRI, LEI, MGR, NPX, OGC, ORG, SMX, SUL, SYD, TWE, VRL int. ABC, AMP, IVC, PNA fin. Ex div: KOV ex 26c; OZL ex 10c; PEA ex 1c. HSBC Flash China PI m'fr. US jobless, CPI, Phil Fed, Leading Ind. US Crude inv.

Feb 21: NAB 1st qtr. CGH, CWN, DUE, IAG, ILU, QAN, QUB, TEL, TTS int. STO fin. US exist home sales. UK retail sales.

TOP STOCKS

Following their profit reports:

*RIO is up 25c to $68.08 on 1.47m shares, Newcrest is down 29c to $10.97 on 3.8m shares after an on-the-whole positive profit result (but no dividend), Perseus is up 2c to 50.5c on 5.4m shares, AHE is down 7c to $3.63 on 574,423 shares, CQR has added 2.5c to $3.66.5 on 185,156 shares, Paladin is up a half cent to 48c on 48.5 million shares, SCP has gained 2.7c to $1.54.7 on 1.7m shares, Sims has shot up 80c to $10.82 on 1m shares, TPI is up 2.2c to $1.16.7 on 5.7m shares.

*Crown is up 40c to $17.25 on 1.2 m shares after the announcement below.

Among the financials, AMP is up 4.5c to $4.49.5 on 1.7m shares, ANZ is up 22c to $31.21 on 1.8m shares, CBA is up 18c to $75.93 on 1.3m shares, NAB has gained 3c to $34.14 on 1.6m shares, Westpac has gained 24c to $32.68 on 2.5m shares.

Among the TMT's Telstra is up 5c to 45.20 on 13.9m shares, Telecom NZ is steady at $2.26 on 279,761 shares, SingTel is steady at $3.14 on 184,828 shares.

Among the resources BHP is up 47c to $37.79 on 2.45m shares, Fortescue is up 10c to $5.72 on 5.9m shares, Atlas has added 1.5c to $1.09.5 on 6.1m shares, AWC is up 3.5c to ?$1.29 on 18.9m shares, OZL has gained 6c to $3.85 on 838,976 shares.

Among the oils, Woodside is down 1c to $389.57 on 632,415 shares. Santos is up 16.5c to $14.07.5 on 948,433 shares, Oil Search is up 5.5c to $8.36.5 on 715,165 shares.

Among the golds, Oceana is up 4c to $2.48 on 675,904 shares, Kingsgate is up 7.5c to $1.37.5 on 1.16m shares, Medusa is up 2.5c to $2.11.5 on 1m shares. Saracen has gained 2.5c to 40c on 5.1m shares.

AT THE SMALLER END

*Platinum Capital is up 6c to $1.80 on 275,237 shares on its profit report.

*Blackthorn is down 5.5c to 19c on 4m shares on the report below.

NEW LISTING

Rural Funds Group lists with 116.9 million shares. RFF (formerly named RFM RiverBank) was formed in December 2013 through the merger of RFM Chicken Income Fund and RFM Australian Wine Fund with

RFM RiverBank. Following the merger, RiverBank was renamed Rural Funds Group (RFF). RFF will be listed on the Australian Securities Exchange (ASX) in February 2014.

It will have an initial NAV of $1.01 based on unaudited Decemebr 31 2013 management accounts and a forecast yield to June 30 2014 of 8.32% annualised.

RFF is a real estate property trust which owns a diversified portfolio of high quality Australian agricultural assets. Investors are expected to benefit from capital growth through appreciation in the value of RFF's assets, and a stable income stream derived from leasing those assets to suitably qualified and experienced counterparts. Rural Funds Management Ltd (RFM) is the responsible entity of RFF.

The agribusiness schemes currently in operation include horticultural land and water entitlements, broiler growing infrastructure and activities, cattle and sheep fattening, premium wine grape production almond growing and agricultural property.

Directors:

David Bryant, managing director

David Bryant established RFM in February 1997 following several years as a highly successful financial planner.

During the 17 years that David has managed RFM, he has built a team of agricultural fund and farm management professionals overseeing agricultural operations in five states. He has been responsible for recruiting and managing senior people with expertise in finance and accounting, fund management and analysis, horticulture, viticulture, row cropping, irrigation, and broadacre farming. David's leadership and vision for RFM has positioned RFM as the only retail agricultural fund manager in Australia.

David has negotiated the acquisition of all major agricultural assets managed by RFM ranging in value from $1m to $35m and including more than 25 farms and over 60,000 mega litres of water entitlements. Developments overseen by David have included $30m irrigated row crop developments, $50m of vineyards, $60m of broiler chicken farms, and $90m of almond orchards.

On a day-to-day level, David is responsible for leading the RFM Executive, sourcing new business opportunities that foster the growth of RFM, and structuring new investment funds.

David holds a Diploma of Financial Planning from the Royal Melbourne Institute of Technology (RMIT) University and a Master of Agribusiness from The University of Melbourne.

Andrea Lemmon, exec manager - funds management

Andrea has been with RFM since the firm's foundation in 1997. Before joining RFM, Andrea was a partner at one of Canberra's largest financial planning firms. Andrea's strong financial planning background is an asset in assisting RFM in the design of its financial products.

Andrea is responsible for the development and distribution of new products, the continuous improvement of existing products, management of research activities, and the provision of services and communications to investors and advisers.

Andrea holds a Diploma of Financial Planning from Deakin University.

Stuart Waight, COO

Stuart Waight joined RFM in 2003 and is a member of the Institute of Chartered Accountants Australia. Stuart brought to RFM extensive financial management experience in the accounting profession and in the commercial sector gained in various roles, including his role as Chief Financial Officer (CFO) of a publicly listed agricultural company with an annual turnover of $500 million.

Stuart is responsible for optimising the performance of the RFM funds, including the analysis of future developments, acquisitions, and investments. As part of this role, he oversees the asset and farm management activities of the National Managers of Poultry, Almonds, and Cropping.

In addition, Stuart is responsible for the Corporate Services team incorporating Human Resources; Health, Safety, and Environment (HSE); Information Technology; Compliance; Office Management; and Insurance.

Stuart holds a Bachelor of Commerce from The University of Newcastle.

Melanie Doyle, CFO

Melanie Doyle joined RFM in December 2011, bringing over 20 years of experience working in a diverse range of industries including financial services and for a number of publicly listed companies. Melanie's experience includes roles as the CFO and Company Secretary for a global securities trading business operating in Australia, Asia, Europe and North America, and the CFO for a private equity company's

investments.

As RFM's Chief Financial Officer, Melanie is responsible for the RFM Finance and Accounting team, which manages and reports on the financial performance of both the RFM business and the funds that RFM manages.

Melanie holds an Executive MBA from the University of Technology, Sydney, a Master of International Taxation from the University of Sydney and a Bachelor of Economics from the Australian National University. Melanie is a Chartered Accountant and is a member of the Taxation Institute of Australia (Fellow). Melanie completed professional development programs at the Harvard Business School of Executive Education and the Wharton Executive Education Program at the University of Pennsylvania.

NEWS OF THE DAY

Ex div: GUD ex 18c

LARGE CAP INDUSTRIALS

*AHE: Record NPAT on record revenue, div 8.5c ff, outlook positive

Automotive Holdings Group Ltd for the half year ended December 31 2013 announced a record statutory NPT of $38.4 million, up 1.3% on the previous corresponding period (pcp) on record group revenue of $2.32 billion, up 6.8% on the pcp.

Operating EBITDA was a record $88 million, up 2.4% on the pcp.

The interim dividend was raise to 8.5c fully franked from 8c for the pcp.

Managing director Bronte Howson said the result reflected solid growth in the Automotive division and continuing investment in the Group's medium to long term strategies offset by some one off and seasonal impacts on subsidiary Rand Transport.

Outlook.

The MD said in the report, "The company's strong balance sheet, experienced management team and diversified business model positions AHG to deliver ongoing solid financial performance".

Analysts expectations: $42.5 mln, div 7.9c.

Company guidance: On November 15 at the AGM Automotive Holdings Group chairman David Griffiths and MD Bronte Howson delivered upbeat addresses to the AGM. The MD in a trading update for 2014 said operating net profit after tax was expected to lift by 7% to $23.2 million.

He said AHE's growth strategy delivers, despite flat economic conditions with the balance sheet well positioned to support further growth.

*CQR: NPAT up 30.4%, DPU 13.65c, DRP was avail, retains full yr guidance

Charter Hall Retail Group for the half year ended December 31 2013 announced a net profit after tax up 30.4% to $20.6 million on revenue up 32.5% to $116.3 million. Operating earnings were up 16.7% to $51.1 million.

Basic epu was 5.98c up 17.7% on 5.08c for the previous corresponding period (pcp)

Operating epu was 14.84c up 5.5% on 14.07c for the pcp.

The DPU is 13.65c vs 13.30c for the pcp, record date was December 31. The DRP was available.

NTA backing per unit is $3.36 vs $3.32 for the pcp.

Cash and cash equivalents were $14.3mln vs $21.2 mln for the pcp.

Outlook

Management remains committed to its strategy of maintaining and enhancing the REIT's Australian portfolio. Barring unforeseen events the REIT's full year 2014 guidance for operating earnings excluding German operations remains unchanged at between $29.5 and 30c per unit. The payout ratio range is expected to be between 90/95% of operating earnings excluding German operations (German operations are held for sale).

Analysts expectations: $51.7m, div 13.7c.

*On January 23 a leading broker had a target price of $3.80 on Charter Hall and a "hold" recommendation.

*CWN: Melcro Crown special div likely in 2nd half CWN results

Crown Resorts Ltd announced an announcement was made last night by Melcro Crown Entertainment Ltd (held 33% by Crown) to consider payment of a special dividend and a new dividend policy (after Melcro Crown posted a 52.8% rise in full year net profits overnight).

Should the payment of a special dividend be approved by the Melco Crown Board and subsequently by Melcro Crown shareholders, the Crown Board will assess the impact on Crown and review Crown's dividend policy. Any such review will be completed to Crown's announcing its full year results in August 2014. Any MCE special dividend will not impact Crown's half year results, expected to be announced on February 21.

*ORI: To buy up to 800,000 tpa of AN from CF Industries for its customers

Orica Ltd announced it has entered into a long term Ammonium Nitrate supply agreement for North American operations with CF Industries Inc to supply up to 800,000 short tons per annum for its North American operations. The agreement is for ten yeras from January 2017 with an option for Orica to extend for a further five years until the end of 2013.

Orica MD and CEO Ian Smith said the agreement with CF Industries provides long term certainty of supply to Orica's customers across North America.

*SCP: Int profit $43 mln, distrib 6.1c, on market up to 5% buyback

SCA Property Group for the half year ended December 31 2013 announced a net profit of $43 million vs a loss of $33.3 million for the 21 days to December 31 2012 after its formation.

On revenue up to $77.9 million from $7.1 million.

Basic epu is 6.7c vs negative 5.7c for the previous corresponding period (pcp)

Distributable eps is 6.1c vs 0.7c for the pcp. Record date was December 31 2013.

NTA backing per security is $1.59 vs $1.58 for the pcp.

Separately, SCP announced it intends to undertake an on market buyback of up to 5% of its issued unit capital.

Analysts expectations: $38.8 mln, div 5.4c

*SGM: Int NPAT strongly higher on pcp, no div, outlook cautiously optimistic

Sims Metal ManagementGroup reports for the half year ended December 31 2013 announced a net profit after tax up 103.1% to $9.3 million on revenue up 4.9% to $3.601.1 billion.

Underlying profit was $A42.1 million, up 347.9% on the previous corresponding period (pcp). The pcp had included $A291.3 million of goodwill and other intangible impairment charges vs nil in the current period.

No dividend was proposed.

NTA backing per share is $8.48 vs $8.27 for the pcp.

Statutory diluted eps increased to 4.5c vs negative 144.8c for the pcp.

Underlying diluted eps rose to 20.3c from 4.5c for the pcp.

Net debt was $121.2 million, down $32.6 million from June 30.

Market conditions and outlook

The company said in its largest scrap sourcing market the US economic activity is slowly improving, but despite positive leading indicators US scrap metal generation remains weak.

Ferrous and non ferrous markets ended stronger than they started in first half 2014. "Entering the second half of fiscal 2014 ferrous market trading conditions are challenging. Severe winter weather conditions in North America have restricted industry ability to collect and process at normal levels .. also the steep deterioration in the currency of many emerging market economies impacted negatively on export demand early in the second half of fiscal 2014, most notably in Turkey". A focus on business practices is expected to drive further cost efficiencies.

While economic activity appears to be improving across the majority of the regions where SGM operates, the benefits are yet to be seen in any meaningfdul way in the metals recycling industry.

Analysts expectations: U'lyig profit $A30 mln, no div/$54 mln, no div/$32.3 mln 13.5c div.

*A leading broker on February 12 retained a "buy" on Sims Metal with a $12 price target. The broker said it is reducing its 2014/15 estimated profits by 4/5% to incorporate a more cahllenging trading environment for North American scrap exports as margins and end markets, esoecialy Trkey that usually accounts for 20/25% of North American exports, remains weak, partly offset by improved trading conditions in Australia and realisation of restructuring benefits in Europe.

*On January 14 a leading broker with a "buy" on Sims Group and a price target of $12.84 said key ownside risks include continued pressure on scrap prices and margins, unexpected scrap price declines, further appreciation of the $A/$US and slower than expected growth in e-recycling.

*TPI: Interim NPAT up 297.9%, no div, debt reduction priority, outlook positive

Transpacific Industries Group for the half year ended December 31 2013 announced a net profit from continuing and discontinued operations after tax up 297.9% to $167.1 million on revenue down 5.1% to $726.9 million. No interim dividend has been proposed.

NTA backing per security is 60.6c vs 9.2c for the June half.

During the year, on August 30 2013, the group sold its Commercial Vehicles Group booking a loss on the sale of $122.2 million.

Cleanaway underlying EBITDA rose 2% to $98.6 million on revenue up 0.6%to $467.7 million.

Industrials revenue fell 8.9% to $246.9 million, underlying EBITDA fell 24.3% to $44.8 million.

Total New Zealand revenues rose 4.9% to $NZ226 million.

Underlying EBITDA increased by 10.6% to $NZ46.1 million.

Operating cash flow fell 25.3% to $89.7 million vs a gain of 20.8% to $120 million for the previous corresponding half.

Consolidated group net debt reduced to $753.9 million from $977.5 million in the prior period. Debt reduction remains a key priority.

Outlook

Recently appointed CEO Robet Boucher said in the report based on current assessments, the Australian and NZ trading conditions are expected to remain consistent with those experienced in the first half. In addition the company will achieve its $20 mln cost savings target and $35 mln interest cost savings in full year 2014.

Analysts expectations: $32 mln, no div/$36.9 mln no div. .

*UGL: UGL Group reports for the half year.

Analysts expectations: (full yr)$108.5 mln.

*On January 30 a leading broker said after a decade long bull run for the engineering and construction sector, "We see risk that management teams are still too optimistic on a 2nd half 2014 plus market recovery.

The broker said the greatest risks are for Monadelphous, Leighton, Transfield and UGL, which along with Downer are all rated "underweight" by the broker, with WorleyParsons the only overweight.

The broker's order of preference remains Worley No. 1, target price $17.93 up from $17.34, Downer No. 2. Target price $4.10 up from $3.68, Transfield Services No. 3, target price 78c down from 80c, UGL No. 4, target price $5.73 up from $5.60, Monadelphous No. 5 price target $12.50 down from $13.29 and Leighton No. 6, price target steady at $13.03.

*Another leading broker on January 28 retained a "sell" on UGL with a target price of $6.30. The broker said while it is attracted to UGL's exposure to recurring/maintenance work, it does not believe the demerger adds value, given the significant one off costs, higher recurring corporate costs and the fact that current multiples are not underestimating value.

LARGE CAP RESOURCES

*MML: Fatality underground

Medusa **Mining** Ltd regretfully advised of a fatality underground at the Co-O underground mine rock when a dislodged large rock hit a contractor's assistant. All aid was given first in the **company**'s hospital and then transported to the Davao Regional Hospital in Tagum Hospital but was pronounced dead on arrival. All government departments have been notified and the **company** is providing a full range of support services to his family. (Feb 13)

*NCM: Newcrest **Mining** Ltd for the first half to December 31 2013 announced a statutory profit of $40 **million** vs $323 **million** for the previous corresponding period (pcp).

Underlying profit was $A207 **million** vs $323 mln for the pcp. On sales revenue up 12% to $2.016 **billion**.

A 26% increase in **gold** sales offset a 13% reduction in the average realised **gold** price.

No interim dividend was announced.

Cash flow was $228 **million**, free cash flow was negative $229 **million**.

A $47 **million** after tax impairment was taken for the West African exploration assets.

EBITDA margin was 36%, EBIT margin was 20%. Gearing was 30.5% as of December 31 2013.

Cash and undrawn debt facilities as at December 31 was $A1.250 **billion**. Average debt maturity profile is 7 years.

Gold production increased 27% to 1,2 **million** ozs, **copper** production increased 10% to 42Kt, all in sustaining costs (AISC) were $A1,003/oz, average realised **gold** price was $A1,405 per oz - a $A400 per oz margin to the AISC.

Guidance: CEO Greg Robinson said in the report overall the focus remains on optimising its current **operations**, maintaining its growth options and maximising free cash flow to reduce gearings and return to paying dividends.

2014 **gold** production is expected to be around the top end of guidance range at around 2.3 **million** ozs.

Gold resources fell 7% to 161M ozs, **copper** resources fell 1% to 21 **million** tonnes.

Gold reserves fell 1% to 78 **million** ozs and **copper** reserves fell 3% to 12 **Million** tonnes.

Analysts expectations: $210 mln, no div/$172.1 mln, no div.

*On January 30 a leading broker lifted its price target for Newcrest from $11.60 to $12 while maintaining an "overweight". The broker said debt refinance is needed and assumed in its forecast, production trends are positive, all assets are contributing - "**gold** price is the ongoing risk" the broker said in the report.

*On January 20 a leading broker lifted its rating on Newcrest from "sell" to "Neutral" and the price target from $6.90 to $11.20 and then reduced the price target to 410.80 on January 24.

The rise from "sell" to "neutral" was after the broker lifted its long term **gold** and **copper** price forecasts, to $US1,300/oz of **gold** and **copper** to $US2.95/lb from $US2.55 per lb.

The later cut in price target was that while Newcrest in its December quarter production report mintained production guidance, end of December debt was likely to be higher.

*PRU: Perseus **Group** reports for the half year.

Analysts expectations: Neg $4.8 mln no div/ (full yr) neg $16 mln.

*A leading broker had an "add" on Perseus on January 30.

*On January 28 a leading broker raised its target price to 35c from 26c for Perseus after the pre release of the December quarterly, and retained a "neutral" recommendation. The broker said Perseus was improving operationally but further cost outs were required.

*Also on January 28 a leading broker retained a "buy" on Perseus, lifting its p[rice target to $1.10 from $1. The broker said it maintains its buy call based on valuation. While there is value in the company's assets given the large resource base, recent share price volatility and gold price uncertainty is likely to keep investors on the sidelines. In our view, the downside appears limited, but delivery could take another year.

*PDN: Net loss for half year higher as expected, 2014 prod guidance reduced

Paladin Energy Ltd for the half year ended December 31 2013 announced a net loss of $US255 million vs a loss for the previous corresponding period (pcp) of $US193.5 million on revenue down 12% to $US171.4 million vs $US195.5 million for the pcp.

NTA backing per share is 40US c vs $US1.17 for the pcp.

Loss per share, basic and diluted is 26.3 US c vs 22.6US c for the pcp.

Cash in hand is $US99.4 million at Decemebr 31 2013

Paladin managing director John Borshoff in the report said the C1 cost of production continued to fall, with the cost of production down 8% at Langer Heinrich to $US27.5/lb.

Kayelekera C1 cost of production fell 4% to $US33.1/lb in the December quarter (Kayelekera has now been placed on care and maintenance).

During the half year debt repayments had totaled $US43.8 million. A number of cost reduction initiatives were completed, further measures are to be implemented. The Queensland exploration assets have been impaired by $US226.5 million after tax.

Revised 2014 production guidance

Revised 2014 production guidance is 7.8/8Mlb Ue3O8 down from 8.3/8.7Mlb U3O8 earlier.

In January 2014 the sale of a 25% stake in Langer Heinrich Mine was completed, for $US190 million, the proceeds will be used to repay debt. (Feb 13)

Analysts expectations: Neg $US34.7 mln, no div.

*On February 10 following the placing of Kayelekera Mine on care and maintenance until uranium prices recover, a leading broker retained an "equal weight" on Paladin with a 60c price target. The broker said atspot prices and without further cost out, Kayelekera Mine (KM) would burn cash. "We assume KM remains shut until 2nd half 2015. Our spot uranium price forecast rises to $US50/lb at that point, offering a 20% C1 margin from the KM operation. Until then PDN expects to spend $US12 million per year in site maintenance costs and incur a $US32 million impairment as a result of the KM suspension" the broker said in the report.

The broker said PDN's moves to address balance sheet risk have been positive, but it needs to see a sustained price recovery before becoming more positive on the stock.

*RIO: U/lying profit up 10.2%, div $A120.14 ff, DRP at no disc

Rio Tinto Ltd for the year to December 31 2013 announced underlying earnings rose 10.2% to $US10.217 billion vs the previous year.

Net profit was $3.665 billion vs negative $US3.028 billion last year.

On revenue worth $US51.171 billion up 0.4% on last year.

Net profit included non cash exchange losses of $US2.9 billion and impairments of $US3.4 billion, notably the impairment of a previous non cash accounting uplift on first consolidation of Oyu Tolgoi, a project overrun at Kitimat and the previously announced curtailment of the Gove alumina refinery.

The second half dividend is $US1.08.5 ($A120.14 fully franked at 30% vs $A91.67 fully franked for the previous second half). Ex date is March 5, record date is March 7. The DRP is available at no discount.

Basic eps was 198.4US c vs negative $US163.4 million for the previous year.

Cash flows rose 22% to $US20.1 billion. Capital expenditure reduced 26% to $US12.9 billion.

Net debt was reduced to $US18.1 billion, down $US1.1 billion on the previous year.

Cost reductions of $US2.3 billion during the year exceeded the $US2 billion target for 2013. Net head count was reduced by 4,000 across the group's managed operations during 2013.

Exploration spending was reduced by $US1 billion to $US948 million, with the lower rate expected to continue.

The largest contributor to earnings was the iron ore group with underlying earnings of $US9.858 billion, up 7% on the previous year, attributable to record sales volumes in the Pilbara, a weaker $A, marginally higher prices and cost savings initiatives.

2014 production guidance

for iron ore: 295 million tonnes on a 100% basis vs 266 tonnes in 2013 when RIO's share was 209 million tonnes.

for mined and refined copper production is expected to be 570,000 tonnes mined and 260,000 tonnes refined production respectively, down 10% on 2013 mainly to divestments while a planned smelter maintenance shutdown at Kennecott Utah Copper will be partly offset by increased production at Oyy Tolgoi

for hard coking coal, semi soft coking coal, thermal coal and uranium are expected to be 8.5Mt hard coking, 3Mt semi soft coking and 16.5Mt thermal coal excluding Clermont.

Uranium production is expected to be lower as process plant operations are restored at ERA and Rossing.

Rio expects to produce 1.5Mt of titanium dioxide feedstocks, 0.5Mt of boric oxide equivalent and 16M carats of diamonds.

Analysts expectations: Following the result : *Rio's results were seen as boosted by a lower $A for its iron ore and other Australia based exports while revenue was below analysts expectations, according to media reports in London last night.

*Bank of America/Merrill Lynch downgraded Rio Tinto (NYSE: RIO) from Buy to Neutral following the result.

Forecasts: $US7.033 billion, div for full yr 183.5c/$US9.865 bln..

*Nomura in its report on January 24 had a "buy" on Rio Tinto with a target price of $A 85. The broker said while reiterating its "buy" for Rio Tinto it has removed it as top pick, with BHP now in that position. "Macroeconomic risks for Rio .. remain pronounced as the miner is most exposed to iron ore and thus any weakening in the Chinese macroeconomic outlook in our view. Additionally we expect the aluminium market will likely remain weak".

*On January 22 a leading broker had an "equal weight" on RIO with a price target of $44, up from $41 earlier.

*Deutsche Bank on January 16 had a price target of $86 on RIO and a "buy" recommendation.

Deutsche Bank expected underlying earnings of $US9.87 billion against consensus of $US9.7 billion, a 10% rise in the full-year dividend to 183 cents per share against consensus of 181 cents and a decline in net debt to $US19.4 billion against consensus of $21 billion.

"We believe the result will include negative one-offs totalling circa $4-5 billion ($2.5 billion occurred in the first half), including further asset impairments (mostly aluminium), however all one-offs are non-cash and as such will be largely ignored by the market," he adds, rating the stock a 'buy'.

*SIR: Acquires Mark Creasy's 30% in Nova-Bollinger for scrip +$28m cash

Sirius Resources NL announced it has executed binding agreements to acquire Mark Creasy's 30% interest in EL 28/1724 and MLA 28/376 which host the Nova-Bollinger deposits.

Consideration is 70.6 million Sirius shares and $A28 million in cash, fully funded from Sirius' existing cash reserves of $A104 million.

MID TO SMALL INDUSTRIALS

*CGH: Wins $22 mln EPCM contract from Rio TintoIron Ore

Calibre Group Ltd announced its wholly owned engineering and project delivery businessCalibre Global Pty Ltd has been awarded a $22 million contract from Rio TintoIron Ore to provide EPCM services for the implementation phase of the brownfields expansion of the West Angelas iron ore mine in Western Australia.

Calibre will commence the project immediately, completion is expected by first half 2015.

*HIL: Establishes two centres of innovation in j/v with State Government

Hills Ltd announced South Australian Premier the Hon Jay Weathril and Hills MD and CEO Ted Pretty today unveiled a $5 million business, with $2.5 mln each contributed by the SA government and Hills, to create two major centres of development excellence in South Australia - two "hubs of innovation" - the Lance Hill Design Centre, named after the inventor oft he Hills Joist and the Digital Research and Commercialisation Centre, to be known as The D-Shop Industries.

Ted Pretty said the company is optimistic that the new centres will act as a catalyst for new products and businesses to be incubated from within the state.

*NHH: Completes sale of Buena Vista Hotel, Mosman for $13 mln

Newhaven Hotels Ltd announced it has negotiated the sale of its Buena Vista Hotel at Mosman for $13 million, providing total proceeds from the Mosman investments of around $15 million.

*PMC: NPAT up 60.8%, 3c ff div, DRP at 2.5% disc/long term outperformance Platinum Capital Ltd for the half year ended December 31 2013 announced a net profit after tax up 60.8% to $34.687 million on revenue up 117.8% to $52.690 million.

A 3c fully franked dividend was announced, up from 2c for the previous corresponding period (pcp). The DRP is available at a 2.5% discount.

Net assets pre tax rose 50.1%.

Basic and diluted eps is 19.79c vs 13.05c for the pcp.

Cash in hand $45.627 million vs $14.445 million for the pcp.

The pre tax NTA backing per security was $1.68 vs $1.21 for the pcp.

Despite the excellent interim profit result directors consider the long term movement of asset values combined with the flow of dividends is a better measure of the performance of a listed investment company such as PMC.

The five year return of the company's net assets pre tax has been 79.9% vs the return from the MSCI World Index of 56.2%. (Feb 13)

*SIV: Founder Allan English to be exec chair ahead of new CEO appointment

Silver Chef Ltd announced Allan English has been appointed the interim executive chairman following the depature of the CEO. Allan English founded Silver Chef in 1986 and is currently chairman. Mr English's return to the business as an executive will ensure an orderly transition and focus on growth in the company's Silver Chef and Go Getta brands. The CEO Charles Gregory is to step down from his role, effective immediately.

*VLW: Int NPAT up 138.4%, div 6c ff, outlook positive

Villa World Group for the half year ended December 31 2013 announced a net profit after tax up 138.4% to $7.557 million on revenue up 12.7% to $93.835 million.

A 6c fully franked dividend was announced, ex date is March 3, record date is March 7.

NTA backing per security is $1.87 s $1.76 for the previous corresponding period (pcp).

EPS 9.3c vs a loss of 26.4c for the pcp.

Outlook

The company said it is strongly positioned to capitalise on improving residential market conditions. There will be a focus in the 2nd half 2014 t o deliver and settle carry forward sales.

The target is to build a 5 year development pipeline comprising a mix of short and long term projects. (Feb 13)

Company guidance: On January 14 Ltd Villa World announced revised profit guidance for the half year to December 31 2013 is expected to be around $9.3 million vs approximately $5 mln previously announced.

The key drivers for the revised forecast include a higher number of first home buyer and investor sales moved to unconditional status than expected in December, completions are running ahead of schedule, higher net realisation values and unconditional sales at the Eynesbury project have resulted in a higher than forecast share of j/v profit in first half 2014.

The company reaffirmed its full year 2014 guidance of net profit before tax of $17.5/19.5 million. The company expects to recommence paying dividends, with an interim dividend expected to be declared for the first half.

MID TO SMALL RESOURCES

*BTR: Receives Glencore Xtrata's review of Perkoa project/suspension of open pit operation

Blackthorn Resources Ltd announced it has now received results from project manager Glencore Xstrata's comprehensive review of operations for the Perkoa Project (Glencore 62.7%, BTR 27.3%, Burkina Faso 10/5free carried) and is undertaking its own due diligence.

As part of the review, open pit operations have been suspended with metal grades lower than expected and the strip ratio significantly higher. The reserve has been downgraded to 4.9Mt at 9.9%Zn, 0.2% Pb and 41gpt Ag. A number of options are being assessed for the underground mine. BTR is also challenging the current cost structures with opportunities for cost reduction being identified in all areas.

Also BTR is in discussions with GlencoreXstrata regarding funding requirements, including the $US30 million in funding advanced up to December 31 2013.

*DRM: 5th min. zone at Andy Well gold project, aggressive drilling program

Doray Minerals Ltd announced assays received from the horizontal underground diamond drill hole drilled at the Andy Well gold project in the northern Murchison region of WA have confirmed the presence of high grade gold mineralisation within the"Kirsty zone" the fifth mineralised structure identified within the project so far.

The recent capital raising will fund an aggressive drilling campaign.

Rv*IOH: WA Min for Environment approves Bungaroo haul road, infrastructure

Iron Ore Holdings Ltd advised the Western Australian Minister for Environment the Hon Albert Jacob MLA has on February 12 approved the proposal submitted to the EPA for the development and operation of a mine at Bungaroo South, including the associated infrastructure and haul road subject to conditions consistent with other similar developments in WA.

*SWE: Tanzanian Petroleum Dev Corp withdraws from j/v bid for Eyasi

Swala Energy Ltd advised the Tanzanian Petroleum Development Corporation ha terminated negotiations fort he Eyasi licence with the comany's 65.13% owned subsidiary Swala Oil & Gas (Tanzania) plc. CEO Dr David Mestres Ridge said he was disappointed with the decision.

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