

HD Jenny Prabhu's Hot & Spicy Curry Shop

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Jenny Prabhu's Hot & Spicy Curry Shop

the day's menu

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The S&P/ASX 200 as at 1:58pm: up 9.8 to 5362

***China** Official PMI and HSBC/Markit PMI for **China** dip slightly ..

HSBC and Markit PMI for **China** dipped to 50.5 in December from 50.8 in November, report issued this afternoon. The final reading is unchanged on the flash reading of 50.5 which was released on Dec. 16.

HSBC reported slightly slower orders growth, while export orders fell

slightly. The employment index signalled that companies reduced payrolls for a

second month while both input and output prices growth eased to levels

suggesting on slight inflation.

*The data comes a day after the **China** Federation of Logistics and Purchasing

says its December PMI fell to 51.0, down from the previous 51.4 and below the

expected 51.3).

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Mobile biz CSL **sale** by Telstra supports broker's view of increased 2014 dividend ..

A leading broker on December 20 retained an "underweight" on Telstra with a share price target of \$4.50.

This follows Telstra's **sale** of its **Hong Kong** based mobile business CSL to HKT for \$2 **billion**, an attractive 9.5x EV/EBITDA multiple, eps neutral in 2014.

The broker said it views this as a positive transaction for TLS shareholders as TLS is exiting a non core mobile market with the added \$2 **billion** to the 2014 FCF supporting its view of a higher dividend sooner rather than later. The broker added franking credits will not be an issue for increasing dividends "TLS could in fact pay up to a 37c per share fully franked dividend because TLS will be paying 14 months of cash taxes in 2014 - "more cash taxes means more franking credits generated" the broker added.

TLS up 1c to \$5.26.

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Wotif remains an "underweight", price target slashed ..

On December 19 following Wotif's downgrade of its earnings, a leading broker retained an "underweight" on the stock while lowering its price target to \$2.40 from \$3.75.

The broker said the downgrade shows that WTF is clearly losing share of online accommodation bookings, and now appears to be losing share of total bookings. The broker said its view has been supported by the fact that Booking.com chose Australia as the first market outside the US to roll out its offline marketing campaign.

The broker added, "Lower sales, higher costs and competitors with scale, competence and very deep pockets make for years of sequential earnings decline and an unattractive investment case".

WTF down 2.5c to \$2.74.5.

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CFS Retail Property Trust lifted to "accumulate", price target raised ..

A leading broker on December 19 lifted CFS Retail Property Trust to "accumulate" from "lighten" previously while the price target was lifted to 42.17 from \$2.10.

The broker said its upgrade followed Commonwealth Managed Investment Ltd as responsible entity of CFS Retail Property Trust having reached agreement with CBA to internalise CFS Retail for \$460 million.

"Given the fair price being paid for what were evergreen rights and the trust trading close to pro forma NTA, we upgrade our recommendation on CFS Retail to Accumulate and raise our target price to \$2.17" the broker said, adding that the proposal is subject to 75% approval at a meeting of security holders expected in March 2014.

CFX down .8c to \$1.93.7

Diggers & Drillers

Whitehaven Coal "add" reiterated ..

A leading broker on December 23 reiterated an "add" recommendation for Whitehaven Coal, with a target price of \$2.25, unchanged.

The broker said in its November 27 note "Wait, but get ready" it had demonstrated that WHC at \$1.60 was being priced for balance sheet stress. three of 5 key milestones have now been met and WHC has already begun to re-rate.

"However, our conservative valuation of \$2.65 per share suggests there still is good upside from here and we upgrade our recommendation. Buy for a 15% bounce to \$2.25 before revisiting key assumptions post the late January quarterly" the broker added.

WHC up 4c to \$1.95.

ends

CO cnflph : China Federation of Logistics and Purchasing

NS epmi : Purchasing Managers Index | m11 : Equity Markets | nanl : Analyses | e11 : Economic Performance/Indicators | e1111 : Industrial Production | ecat : Economic News | mcat : Commodity/Financial Market News | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter

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