

HD MARKET MILDLY HIGHER AT MIDDAY IN LINE WITH ASIA

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The S&P/ASX200 is up 10.1 points to 5413.4 on light volume worth \$1.3 **billion**. There are 471 issues higher and 355 down. The SPI Futures is up 17 points to 5416 on very light volume of 5283 contracts. Aussie 10 year bond yields are up 4 points to 4.17%./ The \$A is at 92.29US c, down about 30 points from early levels.

*The banks are Neutral, insurers have contributed 0.6 positive points, resources have contributed 2.4 positive points, **property** trusts have contributed 0.9 positive points, retailers have contributed 2.3 positive points and Telstra has contributed 0.7 positive points.

*The Nikkei Dow futures are up 100 points to 15,070 points, Shanghai CSI physical is up 1.66 points to 2060.65. Nasdaq futures are down 1.25 points to 3657, Dow futures are up 6 points to 16,493 points, Nikkei Dow futures are up 100 points to 15,079 points. Spot **gold** rose \$3 to \$1293. Crude fell 34c to \$99.28.

*Good eco news out of the US and Europe overnight, **China**'s confirmation it will lift infrastructure spending on rail last evening and reasonable Aussie eco numbers today including stronger than expected retail sales and a small improvement in balance of trade numbers have all contributed.

"Ceiling will be 5433. Floor will be 5355. Close at 5390, down 13.3 points'

Daniel Goulding, the author of "The Sextant Market Report" said, "Our market looks set to open higher with the local futures contract up 18 points.

"A number of bearish tells are present, both in our market and in the US.

"Here, index leadership was bearish again yesterday in our market. And retail, the canary in the coalmine, is struggling.

"Over in the US there are a number of index divergences and a lot of the market bellwethers I follow are experiencing significant distribution.

"The problem is that you often don't know whether bearish tells are signalling the imminent end of the bounce/rally or whether it is still a few weeks to months away.

"I am sticking with the view that we are caught in a downtrend to 5180 to 5250 (with emphasis on the upper part of that range) before one final run to a high and my forecast will be largely based on that.

"But the alternative scenario of an immediate spike into 5580 to complete probably the final top is gaining some credence.

" The ceiling will be 5433. The floor will be 5355. When the dust has settled, the market will have closed at 5390, down 13.3 points'.

The S&P/ASX200 closed up 14.1 points to 5403.3 last evening.

ECO NEWS

Retail Trade, Australia, Feb 2014

The trend estimate rose 0.7% in February 2014. This follows a rise of 0.7% in January 2014 and a rise of 0.7% in December 2013.

The seasonally adjusted estimate rose 0.2% in February 2014. This follows a rise of 1.2% in January 2014 and a rise of 0.7% in December 2013.

In trend terms, Australian turnover rose 5.9% in February 2014 compared with February 2013.

The following industries rose in trend terms in February 2014: Food retailing (0.7%), Household goods retailing (1.0%), Cafes, restaurants and takeaway food services (1.2%), Other retailing (0.5%) and Clothing, footwear and personal accessory retailing (0.1%). Department stores (-0.4%) fell in trend terms in February 2014.

The following states and territories rose in trend terms in February 2014: New South Wales (1.0%), Victoria (0.7%), Queensland (0.5%), Western Australia (0.2%), Tasmania (0.9%), South Australia (0.3%) and the Northern Territory (0.4%). The Australian Capital Territory (-0.1%) fell in trend terms in February 2014.

International Trade in Goods and Services, Australia, Feb 2014

In trend terms, the balance on goods and services was a surplus of \$1,229m in February 2014, an increase of \$308m (33%) on the surplus in January 2014.

In seasonally adjusted terms, the balance on goods and services was a surplus of \$1,200m in February 2014, a decrease of \$192m (14%) on the surplus in January 2014.

In seasonally adjusted terms, goods and services credits rose \$120m to \$29,970m. Non-rural goods rose \$420m (2%). Net exports of goods under merchanting remained steady at \$15m. Rural goods fell \$157m (4%) and non-monetary **gold** fell \$133m (10%). Services credits fell \$10m.

In seasonally adjusted terms, goods and services debits rose \$312m (1%) to \$28,770m. Capital goods rose \$791m (15%) and non-monetary **gold** rose \$109m (43%). Intermediate and other merchandise goods fell \$531m (5%) and consumption goods fell \$58m (1%). Services debits rose \$3m

TOP STOCKS

*Goodman Fielder rose 3c to 50.5c on 30.8m shares after falling sharply yesterday on its profit downgrade.

Among the financials, AMP is up 9c to \$5.06 on 5.18m shares, ANZ has gained 10.5c to \$33.20.5 on 1.34m shares, CBA is up 10c to \$77.05 on 470,869 shares, NAB is down 16c to \$35.40 on 1.9m shares, Westpac shed 9c to \$34.53 on 1.15m shares.

Among the TMT's Telstra is up 1.5c to \$5.07.5 on 5.28m shares, Telecom NZ is up 6.5c to \$2.35.5 on 813,390 shares. SingTel is down .5c to \$3.14.5 on 167,335 shares.

Among the resources BHP is up 19c to \$37.56 on 2.7m shares, RIO has gained 10c to \$64.20 on 667,705 shares. Fortescue is down 2.5c to \$5.43.5 on 5m shares, Iluka is down 9c to \$9.8 on 1.18m shares. OZL is up 1c to \$3.78 on 1.9m shares.

Among the oils, Woodside is up 7c to \$38.78 on 305,492 shares, Santos is down 2c to \$13.31 on 1.2m shares, **Oil** Search is down 1.5c to \$8.38.5 on 727,400 shares.

Among the golds, stocks are higher across the **board** on the surprise jump in the **gold** price last night. Newcrest is up 2c to \$9.90 on 2.19m shares, Perseus rose 1.7c to 41.2c on 6.1m shares, St Barbara rose 1.7c to 28.2c on 1.35m shares, Oceana is up 11c to \$2.46 on 213,226 shares. Alacer is up 9c to \$2.86 on 288,809 shares.

AT THE SMALLER END

*Cassini started, rising 16c to 20.5c on 21.2m shares after acquiring BHP West Musgrave Ni-Cu project with next to nothing in upfront charges.

*G8 Educate fell 13.5c to \$4.88.5 on 989,396 shares, Flexigroup was down 10c to \$3.37 on 707,003 shares.

NEWS OF THE DAY

LARGE CAP INDUSTRIALS

*DOW/IMF: Settlement with Downer EDI now unconditional

The **Board** of Directors of Bentham IMF Ltd referred to the announcement of February 27 and confirms the settlement with Downer EDI has become unconditional. It is estimated that IMF will generate revenues of \$11.3 **million** and a profit after capitalised overheads but before tax of about \$10 **million** which will be recognised in the second half of full year 2014. (Apr 2)

*NAB: Cameron Clyne to retire in August, Andrew Thorburn to succeed

National Australia Bank Ltd chairman Michael Chaney announced today that Cameron Clyne has advised the **board** he will retire as **Group** CEO and MD in August this year.

The **board** has appointed Andrew Thorburn as **Group** CEO and MD, effective August 1 2014 and he will be invited to join the NAB **Board** at this time.

His appointment is subject to regulatory approvals.

Mr Clyne said leading more than 42,000 NAB employees and strengthening the culture and reputation of the organisation was the most rewarding role of his career. But he said the job has taken a personal toll and it is now time to retire from executive life to spend more time with his young family.

Chairman Michael Chaney paid tribute to Cameron, saying as a result of his efforts the bank is well positioned for the future.

He said as a result of the **company's** succession planning processes, the **board** had been able to choose someone from within the organisation to take on the role of CEO.

The chairman said Andrew is a career banker with more than 27 years in the industry. As CEO of Bank New Zealand since 2008 he has increased cash earnings by more than 40%, improved market share on the back of strong satisfaction and has developed a strong leadership culture.

*WBC: creates \$100 mln education fund for 100 Uni scholarships in perpetuity

Westpac announced as part of its approaching 200th anniversary year in 2017 it today announced the launch of the single largest private education scholarship program in Australia's history, the Westpac Bicentennial Foundation.

The charitable foundation will have an exclusive focus on the education and advancement of Australians.

A one off contribution of \$100 **million** will fund around 100 scholarships and awards every year in perpetuity to Australians from all walks of life who have the potential to shape Australia's future. Around 17 scholarships will be awarded each year.

Currently planned scholarships and awards programs are Future Leaders' Best and Brightest' The Young Technologists; Asian Exchange and Community Leaders.

The scholarships will be progressively developed and are expected to be fully operational by 2017.

The one off \$100 **million** contribution will be reflected in Westpac's Second Half 2014 results. (Apr 2 10.12 a.m - missed by us and by every other news service yesterday).

*SRX: SIR-Spheres microsphere dose sales rise 18.2% in March qtr vs pcq

Sirtex Medical Ltd announced dose sales of its SIR-Spheres microspheres targeted radiation therapy for liver cancer grew 18.2% for the quarter ended March 31 compared to the previous corresponding period. Dose sales during the third quarter compared to the previous corresponding period, grew in all regions.

CEO Gilman Wong said Sirtex remains focused on delivering solid growth performance in both the short and long term. Over the next 12 months Sirtex's 2020Vision will deliver a number of key milestones for the business including the commissioning of the expanded manufacturing facilities in Wilmington, USA and the new manufacturing plant in Frankfurt, Germany.

*WOR: JB McNeil retires from the **board**, effective immediately

WorleyParsons Ltd announced Mr JB McNeil has given notice of his resignation from the **Board** of Directors effective immediately to attend to personal family matters. Mr McNeil joined the **board** in April

2010 after retiring from ExxonMobil having completed over 30 years of service with them in a variety of roles all around the globe. The chairman John Grill paid tribute.

LARGE CAP RESOURCES

*CZI/BHP: Cassini buys BHP's West Musgrave Ni-cu project

Cassini Resources Ltd announced it is acquiring 100% of the West Musgrave Project in Western Australia from BHP Billiton.

CZI is a natural owner of the project given its nearby tenure and expertise. The West Musgrave Project includes the Nebo-Babel Ni-Cu sulphide deposits and the Succoth Cu sulphide prospect. The Nebo-Babel discovery hold graded 2.45% Ni, 1.78% Cu, 0.74gpt PGE+AU over 26.55m. The Nebo-Babel inferred resource is 446Mt at 0.33%Ni and 0.35%Cu at a 0.2% Ni cut off for 1.47Mt of contained Ni and 1.56Mt of contained Cu.

The upfront cash requirement is minimal at \$250,000 cash up front, 10% of which has already been paid by

Cassini as a deposit, plus a 2% net smelter royalty and a production milestone payment due 12 months after production commences amounting to \$10 million in cash and escalated for CPI.

MID TO SMALL INDUSTRIALS

*ACG: 1st trial comparing SphygmoCor vs cuff for heart failure patients

AtCor Medical Ltd the developer and marketer of the SphygmoCor system which measures central aortic blood pressures and arterial stiffness noninvasively, today announced that the results of the first clinical study, conducted at the May Clinic and the University of Arizona Medical Center which examined treatment of heart failure patients guided by central blood pressure waveform analysis as measured by SphygmoCor has been published in the Journal of the American Heart Association.

The study found the SphygmoCor system was more effective in monitoring aortic pressure waveform to manage medication and exercise regimes for the patient than the arm cuff blood pressure measure. The therapy resulted in a clinically significant improvement in exercise capacity with no increased risk of hypotension or loss of kidney function.

Heart failure is a common condition suffered by an estimated 5.8 million people in the US and approximately 30,000 new cases diagnosed in Australia each year.

*CNN: Leading US mfr of diapers, pers hygiene products doubles order

Cardia Bioplastics Ltd announced a leading American manufacturer of personal hygiene and diaper products has doubled its orders of Cardia Biohybrid film to \$1 million per annum forecast, expanding the use of Cardia Biohybrid hygiene film across different product lines with further potential to increase its use. The manufacturer, who cannot be named due to commercial sensitivity designs, develops and manufactures its own proprietary range of personal hygiene products and diapers as well as US retailer private label brands.

Cardia and the manufacturer had established a supply relationship for Biohybrid film two years ago.

CNN managing director Dr Frank Glatz said in the report diaper and personal hygiene companies globally are placing orders in response to customer demand. "In addition, our products are inherently soft touch and fully food contact compliant, making them a natural choice for films in direct body contact".

Chairman Richard Tegoni said the orders confirm that the Bioplastics market is growing at a rapid rate, validating the recent expansion of the Nanjing manufacturing facility.

*HIL: Acquires Open Platform Systems Pty Ltd

Hills Ltd announced an expansion of its core technology business with the acquisition of successful Australian based security business Open Platform Systems Pty Ltd.

OPS established in 2006 and headquartered in Melbourne with branch offices in Sydney, Brisbane, Perth and Auckland is a leading value added distributor of open platform/non proprietary Physical Security, IT Security, application delivery and network communications solutions.

The OPS acquisition is expected to be eps accretive in the first full year (2015) after completion of the transaction. (Apr 2)

*MCX/ACK: Update on ASIC statement of claim re. takeover offer for Austock

Mariner Corporation Ltd announced the ASIC has served the **company** with a Statement of Claim and Originating Process issued in the Federal Court relating to Mariner's intention to make an offer for shares in Austock **Group** Ltd announced on June 25 2012.

Further defendants include the Mariner directors at the time, Don Christie and Darren Olney-Fraser (current directors) and Matthew Fletcher (former director).

The parties have been cooperating with the ASIC enquiry and will take legal advice before making further statements.

*NBL: March quarter sales down 14% on the pcip, discount promotions planned

Noni **B** Ltd announced sales on a comparable store basis for the three months to March 31 was 14% below the previous corresponding period.

This sales decline reflects consumer expectations of substantial discounts when buying clothes, which the **company** has tried to resist to maintain the higher margins achieved in the first half. Additional discount promotions are being planned for the 4th quarter.

The **company** currently has no bank borrowings and costs remain under control. (Apr 2)

*PEH: To **purchase** Brisbane based Waste Solutions Australia for \$600,000 +

Pacific Environment Ltd announced it has entered into a binding agreement to **purchase** the highly respected Brisbane-based environmental services business, Waste Solutions Australia Pty Ltd. Total payment is \$A600,000 to be paid to the vendors, comprising 42% of the total consideration with the remainder to be made in three equal annual instalments subject to terms outlined. Director Paul Smith is to be retained as an employee for at least three years as part of the workout.

MID TO SMALL RESOURCES

*CRB: Acquiring 100% of Mt Morgan Au/Cu mine and Kundana CIP plant

Carbine Resources Ltd announced it has executed an earn in agreement with Raging Bull **Mining** Pty Ltd to acquire Carbine to acquire a 100% interest in the Mount Morgan Au/Cu Mine and 1Mtpa Kundana CIP Plant.

The **acquisition** forms part of a new cash flow generation strategy for Carbine, with a focus on utilisation of innovative extraction technology in the development of assets with low geological risk and near term production potential.

Roaring Bull is the current holder following an agreement with Norton **Gold** Fields Ltd.

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*DAF: April 10 meeting on after Fed Court declines grant of interim injunction

Discovery Africa Ltd announced on April 2 the Federal Court declined to grant the **company** an interim injunction preventing the **company's** general meeting proceeding on April 10. However, it is only an interim ruling and proceedings undertake by the **company** against Mr Peter Hugh Lloyd and Sunbreaker Holdings Pty Ltd as trustee for the Lloyd Superannuation Fund and Peter James Avery and Dawesville Nominees Pty Ltd remain on foot and issues raised in them can now be determined at a trial.

*KBL: WA Minister for Environment approves Sorby Hills project

KBL **Mining** Ltd announced the WA Minister for Environment has approved the Sorby Hills Silver-**Lead**-Zinc project. A comprehensive wrap of the project will be released shortly.

*MUX/WPG: Binding term sheet to **buy** Mungana's Tarcoola + Tunkillia **gold**

South Australian **company** WPG Resources Ltd announced it has entered into a binding term sheet with Mungana Goldmines Ltd to **buy** Mungana's Tarcoola and Tunkillia **gold** projects located around 450 km north west of Port Augusta in South Australia. Mungana's largest shareholder is Mungana Pty Ltd (in liquidation) a 100% owned subsidiary of Kagara Ltd (in liquidation) that holds approximately 59% of Mungana's voting shares.

Under the bidding Term Sheet with Mungana WPG has agreed to pay a deposit of \$150,000 which is non refundable unless certain material adverse matters eventuate. Following payment of the deposit there is a period of 4 weeks for WPG to undertake due diligence on Tunkillia Gold Pty Ltd, the Tarcoola gold project and Tunkillia gold project.

On completion of the acquisition WPG will pay Mungana a further \$1.35 million in cash and 7.5 million fully paid ordinary shares, escrowed for 12 months.

*PCP: Up to 22.9gpt Au at Cap Palu prospect, 150m north of known limits

Paramount Mining Corporation announced significant grade intersections at the Cap Palu North prospect at Gunung Rosa in West Java include 3.04m at 5.45gpt Au, 30.1gpt Ag including 0.38m at 22.9gpt Au, 82.4gpt Ag, 1.64m at 0.47% Cu and also 1.7m at 5.58gpt Au, 8.2gpt Ag in Hole GRD026, other intersections were tabled.

The holes have intersected and highlight high grade mineralisation extending over 150m to the north of the previously known limits at Cap Palu as well as continuity of mineralisation to depth below the lower limits of historic mining and drill testing. A northward plunge has been interpreted from the results and remains to be tested by drilling.

*TTE: Andrew Van Der Zwan joins as a non exec director

Titan Energy Ltd announced the appointment of Andrew Van Der Zwan as a non exec director on April 2. Mr Van Der Zwan has 27 years engineering and commercial experience, both locally and internationally. He was employed in various senior positions worldwide with ExxonMobil for 18 years and was subsequently a non exec director of Gulfx for 2 years, MD of MRG Metals Ltd for 2 years and remains on the board of MRG.

Mr Van Der Zwan replaces Colin Sandell-Hay who resigned as a director on April 2 for personal reasons. He continues to work with Titan Energy. The board paid tribute..

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