

**HD MARKET EXPECTED TO CLOSE UP A FEW**

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The S&P/ASX200 is likely to close slightly higher.

Markets were slightly lower in Europe, the UK and US.

On the NYSE where 3215 issues traded there were 1661 issues higher, 1,456 down and 98 unchanged.

On Nasdaq where 2723 issues traded there were 1,039 issues higher, 1,594 down and 90 unchanged.

Metals were mixed, crude rose, **gold** was down. The \$A is at 92.60US c, up about 20 points from last evening.

"We'll probably close up about 5 points"

"Bernborough" said, "Being a Friday, people are not likely to do too much. I am not expecting much action. We'll probably close up about 5 points'..

The S&P/ASX200 was down 26.7 points to 5350.1 last evening.

March 28. Good morning.

\*The US and EU and US has declared Crimea's secession to Russia as illegal and were reportedly mulling further sanctions.

Aussie stocks

All dollars in this section are Aussie dollars - the rises and falls are against the previous close.

Aussie stocks in ADR form were weaker. RIO rose 2p on 1.85m shares, BHP was steady on 3.2m shares, News fell 4c on 425,000 shares, FOX fell 61c on 3.5m shares, Westpac fell 2c on 67,000 shares, Telstra fell 2c on 500,000 shares, Resmed fell 2c on 7.3m shares.

PSivida fell 47c on 10,200 shares. Prana fell 7.5c on 18.6m shares.

In London Anglo American fell 2p to 1,487p on 2.8m shares, Aquarius fell 0.83p to 35/.92p on 580,664 shares, BskyB rose 13.95p to 929.95p on 4.1m shares, BHP rose 1.5p to 1,832.5p on 4.8m shares, Henderson fell 2.6p to 256.9p on 1.18m shares, RIO fell 29.16p to 3,274.84p on 3.8m shares.

Trading points:

\*GPT: GWSCF buys 50% in Northland Shopping Centre for \$496 mln

The GPT Group announced the GPT Wholersale Shopping Centre Fund (GWSCF) has acquired a 50% interest in Northland Shopping Centre for \$496 **million** from the Canadian Pension Plan Investment Board. The transaction represents an initial yield of 6.1% and a core capitalisation rate of 5.8%.

GPT CEO and managing director Michael Cameron said the **acquisition** was a rare opportunity to acquire an interest in a Super Regional asset in an off market process. (Mar 27)

\*RIO: Output from Oyu-Tolgoi Cu/Au mine to be lower than expected full yr

Rio Tinto announced full year output from the Oyu Tolgoi **copper-gold** mine will be lower than initially expected.

Output is expected to be between 135,000/160,000 tonnes of **copper** in concentrate this year from 150,000/175,000 tonnes initially, Fast Markets quoted Standard Bank's Leon Westgate as saying.

\*SBM: S&P lowers credit rating to **B-**/no change in debt arrangement

St Barbara Ltd announced it notes Standard & Poor's has revised its credit rating of St Barbara from **B** to **B-**. There is no change in existing debt arrangements as a consequence of the revised rating. (Mar 27)

\*Our Darvas System related Special Report is on ROC **Oil Company** Ltd today, posted separately.

\*Our Week's Special is on "AYI: Sorghum - A Multi Purpose Crop For Sugar, Bio Fuel, Grain And Animal Feed - Expected To Be Of Increasing Importance In Australia - AYI Is A Listed Opportunity posted separately.

Ex div: ARP ex 13c; CWP ex 12c; MEQ ex div

Options assignments last night totalled \$2 **billion**.

Assignments over 3 **million** shares include:

\*AMP: 3.8 mln shares assigned, 2.2 mln against calls, 1.6 mln against puts.

\*ANZ: 6 mln shares assigned, 4.4 mln against calls, 200,000 against puts and 1.4 mln against LEPOS.

\*BHP: 6.2 mln shares assigned, 5.3 mln against puts, 800,000 against calls, 700,000 against LEPOS.

\*CBA: 5.6 mln shares assigned, 4.4 mln against calls, 900,000 against puts and 300,000 against LEPOS.

\*NAB: 6.7 mln shares assigned, 3.6 mln against calls, 1.4 mln against puts and 1.7 mln against LEPOS.

\*NCM: 7.2 mln shares assigned, 1.3 mln against calls, 5.9 mln against puts.

\*QBE: 3.4mln shares assigned, 1.3 mln against calls, 2.1mln against puts.

\*RIO: 3.6 mln shares assigned, 1.5 mln against calls, 2.1 mln against puts.

\*TLS: 26.7mln shares assigned, 18.7 mln against calls, 3 mln against puts and 5 mln against LEPOS.

\*WBC: 5.8 mln shares assigned, 4.8 mln against calls, 300,000 against puts and 700,000 against LEPOS.

\*WDC: 3.4 mln shares assigned, 300,000 against calls, 900,000 against puts, 2.2 mln against LEPOS.

Overseas

The DJIA closed down 4.76 points to 16,264.23.

S&P 500 fell 3.52 points to 1,849.04.

NASDAQ fell 22.35 points to 4,151.23.

US 10yr bond yields fell 1 point to 2.68%

The US\$ rose 14 points to 102.16 Yen.

The Euro fell 39 points to 1.3743US c.

The Yuan fell 38 points to 6.2127/\$US1.

FTSE 100 fell 16.98 points to 6,588.32. European markets closed lower.

The Nikkei Dow last evening closed up 145.73 points to 14,622.89.

Shanghai SE Comp IX closed down 17.08 points to 2,046.59.

## Commodities

All dollars in this section are US dollars

UK Judge quashes LME proposed linked load-in, load-out + 50 day limit on queues

FastMarkets reported LME traders were looking to come to terms with the UK High Court judge declaring last night that the market consultation and subsequent rule changes by the LME of its new linked load-in, load-out warehousing policy, with waiting time in queues for metal of more than 50 calendar days resulting in warehouses being forced to deliver out up to 1.5 times more metal they take in.

The Judge's decision followed a claimant case brought by Russian aluminium producer Rusal against the LME.

Justice Phillips found that the LME should have consulted on alternative options than its linked load-in, load-out proposal including the option of banning or capping rents in queues.

(Traders had feared the new rules if imposed would have made markets more vulnerable to squeezes and backwardations).

In dollars per tonne for three month metal, (LME stockpiles are on a closing basis) - valued against yesterday morning's price, measured over 24 hours.

**Copper** rose \$50 to \$6,560/gained \$27 to \$A7084. Stockpiles fell 1,200 tonnes to 268,550 tonnes.

Aluminium rose \$9 to \$1,738/gained \$2 to \$A1877. Stockpiles rose 1,825 tonnes to 5,393,250 tonnes

Nickel was down \$195 to \$15,705/fell \$278 to \$A16,960. Stockpiles rose 1,464 tonnes to 286,674 tonnes.

Zinc rose \$2 to \$1,972/fell \$6 to \$A2130. Stockpiles rose 1,825 tonnes to 775,825 tonnes.

**Lead** was up \$1 to \$2,067/fell \$8 to \$A222. Stockpiles fell 225 tonnes to 200,400 tonnes.

Tin was down \$170 to \$22,800/fell \$280 to \$A24,622. Stockpiles rose 185 tonnes to 9,545 tonnes.

**Iron Ore** n/a

Steel was indicated at \$400/410.

Cobalt was indicated at \$30,000/31,000.

Molybdenum was offered at \$21,500/22,500. Stocks and cancelled warrants were both down 6 tonnes to 174 tonnes and 18 tonnes respectively.

WTI crude rose \$1.02 to \$101.28/gained 68c to \$A109.37.

Brent Crude was up 80c to \$107.83/rose 41c to \$A116.45.

**Oil** rose on Obama's push for further sanctions against Russia, the world's third largest producer of **oil** after Saudi Arabia and the US, media services reported.

Spot **gold** fell \$10 to \$1,293/fell \$16.29 to \$A1396. Spot silver fell 2c to \$19.74/fell 10c to \$A21.32. Spot platinum fell \$7 to \$1,399/fell \$13 to \$A1511. Spot palladium fell \$21 to \$758/fell \$26 to \$A819.

## Overseas eco news

In US eco news, US pending home sales were down 0.8% in February, the 8th consecutive month of decrease, and down to a 2 year low.

\*The Commerce Department reported the final GDP came in at 2.6%, vs 2.4% reported earlier but vs 2.7% expected by analysts.

\*Jobless claims for the week ended March 22 fell to 311,000 from a revised 321,000 the prior week and vs 323,000 expected, and were at a 4 week low..

\*In the Eurozone private loans were down 2.2%.

\*In the UK retail sales were 3.7% higher in February compared with a year earlier.

## Overseas **equity** news

\*In the US of the Dow 30 there were 16 stocks higher and 14 down.

Exxon Mobilled the way higher, gaining \$1.54 or 1.63% to \$96.24 followed by Verizon and AT&T. Chevron fell least, down 4c or 0.03% to \$117.67.

Biggest weakener was IBM, down \$2.79 or 1.45% to \$189.83 followed by Cisco and Microsoft.

Banks were the biggest weakeners overnight, with Citi falling over 5% intra day, with Citi and four other smaller banks failing an annual stress test. Bank of America gave up early gains although it announced an increase in its dividend and a new stock buyback plan. The bank also announced a \$9.5 billion settlement with the Federal Housing Finance Agency over the use of mortgage backed securities in the run up to the housing meltdown.

Lululemon rose over 6% intra day despite of a fall in like for like sales after reporting quarterly increase in revenue and net income.

Blackberry fell on a broker downgrade, but it has rallied around 21% this year. Accenture fell 5% intra day after reporting lower quarterly income.

\*In Europe national benchmark indexes fell in 10 of 18 western European markets. Alstom fell 4.9% to Euro 19.25 after the announcement of a bribery case according to two people with knowledge of the probe, Bloomberg reported. Deutsche Lufthansa fell 1% to Euro 18.73 after cancelling 1 in 3 flights scheduled for the day following a walkout by a labor union that grounded part of its fleet.

United Internet rose 5% to Euro 33.79 in Germany. Marine Harvest rose 2.4% to Norwegian kroner 69.55 after lifting the enterprise value of its farming operations on the Shetland and Orkney Islands.

\*In the UK engineering support firm Babcock International weighed down London's blue chip index, falling 6.7% after announcing it was buying helicopter transport firm Avincis.

The firm said it would pay for the deal by raising 1.1bn pounds from shareholders. The deal also comes with potential damages claims related to the Glasgow helicopter crash in November 2013, in which 10 people lost their lives.

Aberdeen Asset Management was the biggest riser, up almost 2.5% to 396.90p.

Other winners included SABMiller up 1.9% to 2992.5p, British American Tobacco, up 1.6% at 3287p and BSKyB, up more than 1.5% at 930p.

Mexican mining firm Fresnillo was the day's second biggest loser, down 4% to 837.50p, as the sector continues to be hurt by weaker metals prices and a lack of stimulus measures from China.

RBS fell 1.4% to 301.9p after the US Fed Reserve rejected RBS Citizens Financial Group Inc's capital plan.

Tullow Oil fell 2.3% to 759p after saying an exploration well in Kenya had failed to find viable deposits of oil. Randgold Resources fell 2.7% to 4,486p.

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