

HD Australian Stocks: What Happened Today?

BY By Henry Jennings, Private

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A quiet start to the week with some buying emerging following an early 20 point sell off. At times we went positive and support is building around the 5570 level before an assault on 5600 to come. In the end we closed down up 7 at 5577 after a fade at the close. Financials were a tad weaker as doubts continue to emerge on the growth prospects going forward. #NAB# shrugged off the slightly negative vibe after announcing a deal in the UK to sell some underperforming loans. #MQG# continued to feel the wrath of the market following last weeks update and look to test support around the mid 57's.

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Resources fared better led by #FMG# and #NCM# while #SIR# put in a blinder bouncing back from the placement last week as did #LYC# and #SYR#. In the industrials things were a little mixed with #TLS# having a bad day for a change, #BXB# slipped on global growth concerns, but #WOW# and #WES# were outdone by #MTS# today. Retailers were mixed #MYR# attracting some punters but #JBH# in the dumps. Building stocks fell today led by #CSR#, #BLD# and #JHX#. Taking out **Gold** today included a raft of **gold** stocks as the shiny stuff went higher #PIR#, #NST#, #EVN#, #OGC# to name a few whilst #WAM# bam thank you mam enjoyed a spurt on record profits at the expense of other wealth managers like #MFG# and #BTT#. Missing out on the medals were #MSB#, #NVT#, #IPL#, #MRM# and #BYE# indeed following somewhat disappointing drill results in Louisiana.

Asian markets were significantly better as **China** bounds ahead up 2.6% today with HK up 1% and Tokyo up 0.4%. Seems that the **Chinese** market is playing a little catch up to the rest of the world given that strong PMI number last week. **Chinese** industrial-**company** profits jumped the most last month since September and P/Es look pretty cheap compared to their expensive US and Australian counterparts. Easy to see the attraction given that **Chinese** shares in **Hong Kong** trade at 7.7 times estimated earnings, compared with the S&P 500 at 16.6 times.

Volume was again pretty horrible at around \$2.8bn, including new float Healthscope, while the new bull in the **China** shop is showing a clean pair of hooves with 170% of its 30 day average volume. Seems that is where the action is at the moment. The Aussie dollar continues to track around 94c like Icarus to the sun. **Gold** at \$1304 and the digital tulips \$622.

Stocks and Stories

The Government has approved the Adani **coal** and rail project from the Galilee Basin to much gnashing of teeth from environmentalists. Still King Clive will be happy too!

Recent **oil** and gas hopeful #TPT# suffered a set back following no significant hydrocarbons found in the secondary target for their Moroccan drill campaign. The primary target still to be reached, but placement stock finding its way onto the market on this disappointment.

#NVT# full year profit has fallen 31 per cent after writedowns to its university division overshadowed stronger revenues. Navitas made a net profit of \$51.58 **million** for the 2013/14 financial year, down from \$74.6 **million** a year ago. The biggest issue of the year cam on today with debutante

#HSO# opening better than the \$2.10 issue price and in moderately strong volume with a good push into the close helping considerably. Stags will be happy and no one can accuse the private **equity** boys of selling anything too cheap. Suspect this is a slow burn story as the sellers dry up in the next few days.

#NAB# announced this morning that they were selling a portfolio of UK commercial loans to Cerberus Global Investment for slightly above book value there by reducing their loan exposure. Recent numbers from RBS in the UK suggest things are getting better for UK banks.

#LEI# reversed Friday's good gains with the profit announcement today from 70% Spanish owned Leighton. It has suffered a 20 per cent slide in first half profit after write-downs and restructuring costs offset an increase in revenue. The **company** made a net profit of \$291 **million** for the six months to June 30, down from \$366 **million** a year ago.

High flyer #LNG# was halted today pending a capital raising as they have bought the Bear Head LNG project in Canada for \$11m.

#REA# came calling today and have bought out a big **stake** in Asian wannabe #IPP# 18% was bought from the French SeLoger **group** at a \$3.40 price.

Not sure if this is really a win for shareholders but the great fridge giveaway (ok, its \$200) but "**buy** a six pack of Penfolds **wine** and you get something to keep it in" looks to be killing it. 12,000 so far been ordered which is helping the new CEO see off the private **equity** bid. Of course it will take more than a few fridges to get this one out of the doldrums if the bid wasn't a possibility but it all helps.

Tomorrow's News Today

Here's an invention that could really change the world. Not a new phone or music device (or a social media platform enabling pictures to be sent of cats, dogs and food) but a USB stick that allows DNA to be analysed in 30 minutes and to check for genetic disorders. Now that is quite something. Invented by a Greek Cypriot inventor called Christofer Toumazou. You will hear a lot more on this.

Since the US discovered Fracking they seem to have lost interest in the Middle East. Gaza, Iraq, Syria and now Libya once again at each other's throats. Not to mention Egypt!

Looks like the Argentinean default is back on the agenda again.

UK quoted companies issued 137 profit warnings in the first six months of the year, up 9% on the first half of 2013

Only 40% of Germans own their own homes.

Not long to go before Scotland votes to leave the United Kingdom. Judging by the success of the Scots in the games in Glasgow, nationalistic pride will surge them over the Yes line in September. Could get very interesting for the UK from there. If they can leave the UK maybe the UK will leave Europe?

That is all

Henry Jennings Private Client Advisor BBY Limited Participant of the Australian Securities Exchange
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Level 17, 60 Margaret St Sydney NSW 2000 D +61 2 9226 0067 **M** +61 414 345 137 E
hcj@bby.com.au W www.bby.com.au

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