

## HD Australian Stocks: What Happened Today?

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Looks like we played the immunity card today. Just call us Lazarus! Great rally again saves the day. Another day of falls followed by bargain hunting in the banks as the market gropes for a bottom. Volatility is the name of the game at the moment as the US VIX soars above 30 and we plunged to 5162 before rallying to close up, yes up 9 at 5255, close to the days' highs. It seems a familiar story at the moment with early panic, on overseas leads, giving way to bottom fishing. Time will tell whether we have seen the worst of it. It does seem that the 'yield seeking missiles' are back in force at the moment with the usual suspects in demand. Banks up,

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Insurers like QBE Insurance Group Limited (A\$10.79, -2.0%) and Insurance Australia Group Limited (A\$5.99, +0.2%) eased, Telstra Corporation Limited (A\$5.43, +0.9%) up, Woolworths Limited (A\$34.81, +0.9%), Csl Limited (A\$73.97, +0.6%) etc all doing ok. The big disappointments continue to be the miners with BHP Billiton Limited (A\$33.33, -1.4%), RIO Tinto Limited (A\$59.89, -1.8%) and Fortescue Metals Group Ltd (A\$3.42, -6.0%) hogging the red ink. **Alumina** Limited (A\$1.59, -2.8%) announced the **sale** of its 55% interest in a Jamaican **alumina** refinery but didn't help the share price.

Other metals had a similar fate with Syrah Resources Limited (A\$3.57, -5.3%), Arrium Limited (A\$0.325, -5.8%), Atlas **Iron** Limited (A\$0.375, -5.1%), Iluka Resources Limited (A\$7.55, -2.3%), Sirius Resources NL (A\$2.79, -3.5%) and Panaust Limited (A\$1.775, -6.6%) all taken out the back and shot. **Energy** stocks though seem to be looking for inspiration and finding it in small doses, Woodside Petroleum Limited (A\$39.66, +1.7%) better on third quarter production numbers, **Oil** Search Limited (A\$8.58, +1.4%) and Origin **Energy** Limited (A\$14.41, +1.8%) plus Santos Limited (A\$12.64, +1.4%) slightly harder too.

In the industrials, retailers continue to feel the pain as their products cost more to put on the shelves. They hated a high dollar as the net ate their lunch and now they hate a low dollar as import costs squeeze margins. Hard to win flogging stuff in the high street these days! JB Hi-Fi Limited (A\$14.79, -1.7%), Myer Holdings Limited (A\$1.835, -1.3%), Harvey Norman Holdings Limited (A\$3.39, +0.6%) and Oron Group Limited (A\$3.66, -2.7%) in the spotlight. Other industrials like Recall Holdings Limited (A\$5.54, +0.4%), Brambles Limited (A\$9.21, -0.2%), Seek Limited (A\$15.47, -2.1%), McMillan Shakespeare Limited (A\$9.76, -1.2%), Asciano Limited (A\$5.77, -0.5%) and Aurizon Holdings Limited (A\$4.37, -0.7%) all in the red ink. Net stocks took a hit too with #FLN# outsourced, Carsales.Com Limited (A\$9.67, -1.4%) sold, Iproperty Group Limited (A\$2.59, -8.2%) auctioned off and #XRO# accounted for.

Winners today included Senex **Energy** Limited (A\$0.50, +5.3%), AWE Limited (A\$1.67, +5.4%), Domino's Pizza Enterprises Limited (A\$26.80, +4.7%), Fairfax Media Limited (A\$0.785, +4.7%), InvoCare Limited (A\$11.15, +2.7%) and Origin **Energy** Limited (A\$14.41, +1.8%) with #ESV#, Nanosonics Limited (A\$0.965, +6.0%) and Unilife Corporation (A\$0.67, +4.7%) in the smalls. Losers were Iproperty Group Limited (A\$2.59, -8.2%), Syrah Resources Limited (A\$3.57, -5.3%), Panaust Limited (A\$1.775, -6.6%), Arrium Limited (A\$0.325, -5.8%), #ISD# and Cabcharge Australia Limited (A\$4.58, -4.4%) plus #AXP#, #EMA# and Lonestar Resources Limited (A\$0.33, -7.0%) in smalls. Aussie dollar was 87.86, **gold** at AUD\$1411 and Bitcons at \$450, steady as a rock in a sea of troubles! Volume though was not huge given SPI expiry day today at around \$5.5bn.

Asian markets were mixed as HK and Japan sold off 0.54% and 1.9% respectively and Shanghai edged higher up 0.5%. This was despite the HK protests turning ugly again.

Stocks and Stories Woodside Petroleum Limited (A\$39.66, +1.7%) released production numbers. Sales revenue up 17% on Q2 2014 and up 46% on Q3 2013. good news indeed.

Crown Resorts Limited (A\$13.64, +1.0%) word from Jamie at today's AGM was not good news for shareholders. He was heard to vent, "Our VIP businesses are almost \$100 million below the theoretical result less than four months into the financial year due to an adverse win rate or put simply, bad luck," he said. "The punters are killing us!" Also poor consumer sentiment hurting Melbourne and Perth.

Kingsgate Consolidated Limited (A\$0.675, -2.9%) extraordinary moves on the management front today as the new CEO and new CFO both have gone! love to have been a fly on the wall in that boardroom.

Ten Network Holdings Limited (A\$0.20, +5.3%) Tough conditions in the advertising market and poor ratings led to a full-year loss of \$168 million, not as bad as last year's result but worse than expectations. They reported an underlying loss of \$115.4 million in the year ended August 31 following the write-down of its television licences of \$52.8 million and other impairments.

Anatara Lifesciences Ltd New listing today probably wished they had a better market to start public life in. Not a good life sign.

Real Energy Corporation Limited Trading halt and a placement at 31 cents jointly managed by our good selves and another broker whom I won't mention!

Panic and chaos today reigned in North Ryde today as international retail giants H & M plus Japanese Uniqlo opened their doors for the first time. As if DJs and Bernie haven't got enough problems!

Iluka Resources Limited (A\$7.55, -2.3%) has achieved no significant revenue gains in the September quarter, posting a flat \$147.7 million. The result is comparable to the previous year's quarterly revenue of \$147 million

Stockland (A\$3.99, +0.8%) has sold half of the Stockland Townsville Shopping Centre to the AMP Capital-managed AMPSCF for \$228.7 million.

Wesfarmers Limited (A\$41.22, +0.2%) in the news today as Coles were up before the beak for 'unconscionable conduct' in making their suppliers pay for underperformance on sales.

Over 15 per cent of Medibank Private's 1.8 million eligible policyholders have taken the opportunity to receive special treatment in the \$4 billion plus health insurer's initial public offering.

Tomorrow's News Today Some good news China's broadest measure of new credit rose to a three-month high in September as the central bank's targeted measures to boost liquidity helped spur lending.

Netflix plunged after hours last night in the US on lower subscriber numbers.

The lowest oil price in four years will provide stimulus of as much as \$1.1 trillion to global economies by lowering the cost of fuels and other commodities, according to Citigroup Inc.

Looks like one of the biggest break fee in corporate history maybe on the cards as the takeover of AbbVie by Shire looks to be unravelling given the tax crackdown on inversions from US Treasury. Shame. If AbbVie's board does not recommend the deal and shareholders vote against it, it will have to pay Shire \$1.6bn, the eighth biggest break-fee paid by an acquirer in the last decade.

In the UK, Aldermore, a specialist bank for small businesses, has scrapped its planned £800m flotation, blaming volatile stock markets.

Inflation is dead in the UK too as it slumped to its lowest rate for five years, hitting 1.2% in September and taking pressure off the Bank of England to raise interest rates in coming months. Unemployment is also at a new post Lehman 's low too.

China has sent thousands of doses of an experimental anti-Ebola drug developed by the Chinese military to Africa. The company said it plans to start human clinical trials there soon. real soon!

Scary thought for the day, on Liberia's health update web site they have said they need 80,000 body bags and 1m HAZMAT suits!

Some perspective. A flu pandemic from 1957 to 1958 killed around 2 million people worldwide, including some 70,000 people in the U.S., and a pandemic from 1968 to 1969 killed approximately 1 million people, including some 34,000 Americans. And the great Spanish flu epidemic in 1918 killed 20-50m people!

That is all.

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