

HD Australian Stocks: What Happened Today?

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WC 1,630 words

PD 31 January 2014

SN FN Arena

SC FNAREN

LA English

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A quiet end to the week with trade in a narrow band, highs of 5197 and lows of 5170 closing up 2 at 5190 with little follow through from the positive **lead** from overseas. A Bit disappointing really. Suspect the Amazon results may bear down on the US and with all the downgrades we have had recently its hardly a safe environment to be buying. News out of the Department stores on a move from Myers to woo DJs ensured some good buying in the latter although it did nothing for Myers. Financials though continued to weigh a little on the market together with BHP Billiton Limited (A\$36.57, -0.3%) but Fortescue Metals Group Ltd (A\$5.33, +1.9%) enjoyed a good day today. In the banks Australia and New Zealand Banking Group Limited (A\$30.13, +0.3%) rose slightly but the other three were touched up for the close with Westpac Banking Corporation (A\$30.87, -0.1%) the worse.

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Insurers were also hit with Suncorp Group Limited (A\$12.18, -1.8%), Insurance Australia Group Limited (A\$5.49, -0.2%), QBE Insurance Group Limited (A\$11.49, -0.1%) soggy as well as Macquarie Group Limited (A\$54.09, -1.0%).

In the **energy** sector Woodside Petroleum Limited (A\$37.38, -0.3%) retreated as Shell continue to mull the **sale** of its Petrol stations and its Woodside **stake**. **Oil** Search Limited (A\$8.03, -0.6%) also fell as did Karoon Gas Australia Limited (A\$3.21, -6.7%) after a trading halt and update. In industrials Telstra Corporation Limited (A\$5.14, +0.2%) held their end up amongst other like SP AusNet (A\$1.24, +3.3%), AGL **Energy** Limited (A\$15.20, +1.9%), Envestra Limited (A\$1.14, +0.4%), Wotif.com Holdings Limited (A\$2.44, +1.2%), Pacific Brands Limited (A\$0.615, +0.8%) and Flight Centre Travel Group Limited (A\$47.47, +2.2%). Gaming stocks were mixed with Crown Resorts Limited (A\$16.68, -0.7%) easing, Ainsworth Game Technology Limited (A\$4.22, +2.9%) showing a pair of kings, while Echo Entertainment Group Limited (A\$2.36, -0.4%) bust. Media stocks continue to squeeze a tad higher with APN News & Media Limited (A\$0.47, +1.1%) and Seven West Media Limited (A\$2.19, +3.3%) having a good day although Ten Network Holdings Limited (A\$0.355, unch) eased. Sochi due to start in a week so that should be interesting to say the least.

For the record the ASX 200 was down 0.9% for the week and 3 % so far this year. Big smiley faces today for Reece Australia Limited (A\$33.49, +7.0%), Qube Holdings Limited (A\$2.08, +5.3%), David Jones Limited (A\$2.99, +4.2%), Goodman Fielder Limited (A\$0.68, +4.6%), #FLN#, Twenty-First Century Fox, Inc. (A\$35.40, +2.9%), Leighton Holdings Limited (A\$16.45, +2.9%) and Sandfire Resources NL (A\$5.81, +3.9%) whilst sitting this one out were Lynas Corporation Limited (A\$0.285, -6.6%), Hutchison Telecommunications (Australia) Limited (A\$0.084, -4.5%), OceanaGold Corporation (A\$2.03, -4.2%), #IFZ#, Aveo Group (A\$2.13, -1.8%), Panaust Limited (A\$1.635, -3.3%) and Nufarm Limited (A\$3.88, -3.0%).

Computers seemed to be busy doing nothing today. Buying and selling whilst retail clients still seem non-plussed by the whole thing! Volume was up around \$4.5bn whilst in Asia, **Chinese** New Year took centre stage. S&P Asia 50 was down 0.36% with HK and Shanghai out lighting fireworks. Aussie dollar around 87.66 and Bitcons steady at \$1070 ish.

Stocks and Stories

Today's disasters were few and far between, for a change. Lynas Corporation Limited (A\$0.285, -6.6%) issued their quarterly. Selling price fell by 5%. Stock fell by nearly 7%.

In house stocks Karoon Gas Australia Limited (A\$3.21, -6.7%) fell hard today following an update from Grace 1. Dud! Plugged and abandoned! Know the feeling.

Seems that Shell is not only targeting us here but Nigeria and the US in their moves to sell everything that is not battered down. A swath of onshore shale **oil** and gas assets in North America, with a balance-sheet value of \$24bn, are also being considered for disposal or write downs, while \$1bn has been knocked off US shale drilling planned for this year.

David Jones Limited (A\$2.99, +4.2%) rallied today following the approach by Myers for a friendly merger. Apparently that puts DJs in play. They talked in October people! Probably wanted to **merge** the Tents for the Cup at Flemington! Not sure who would want it apart from Myers. Would certainly be bad for Westfield if they got together, although one school of thought is the overseas entrants like **M&S** would take the space left by losing a tenant. Don't subscribe to that view. Bad for lots of retail workers too. Never going to happen. Not without a premium for the business and Jenifer Hawkins mobile number!

Inflation is rearing its head in Japan. That's good news with the price of Cabbages helping. Overall consumer prices rose 1.6 per cent on year, with the cost of fresh food jumping 13.6 per cent. Cabbages soared 91.7 per cent. Tomorrows' News Today

No calm in Tokyo as the Nikkei drops over 200!

Chinese PMI out tomorrow. Do they ever have a day off .It's New Year !!

Social gaming **firm** Zynga has announced the **purchase** of UK game-maker NaturalMotion for \$527m .

Amazon numbers were nasty. Missed all the estimates. The world biggest retailer has grown their staff number massively in the last few years to total employees of 117,300 (!), from 109,800 a quarter ago, and 91,300 a year ago. Now on a P/E of 672! Looks cheap!

Google reported too. Search giant Google reports fourth quarter profits of \$3.38bn, up 17% from a year earlier, buoyed by strong advertising revenue.

Its Super Bowl time of year too and the effect on the market can be profound. It is The Super Bowl indicator and if you own US stocks then you want the team from the National Football Conference to win on Sunday (US time), not one from the American Football Conference. According to research **firm** Bespoke Investment Group, since the Super Bowl began back in 1967, the benchmark S&P 500 index has done much better when a team from the NFC wins. Go Seattle!

And remember the selfie of Obama and Cameron at the memorial of Mandela. They were flirting with the Danish PM. Well it seems she has got herself into trouble as she has announced the **sale** of a major **stake** in their Dong Electricity **company** to Goldman Sucks. Six cabinet ministers have resigned on principle. She may not last as PM much longer the way she is going, as her fragile coalition is on the brink of collapse..

And meanwhile in India their Central Bank Chief has railed against the US and has announced that cooperation between global bankers is breaking down badly. When the banks fight the poor will suffer!

A great day (not) as the Great Barrier Reef Marine Park Authority has approved the dumping of 3m cubic metres of dredging spoil proposed as part of the Abbot Point **coal** port expansion. This means an extra 70m tonnes of **coal** each year, worth between \$1.4bn and \$2.8bn, will go through the port. And through the reef!

Have a great weekend. On Sky Biz at 5.30 for those with an interest.

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AN Document FNAREN0020140131ea1v000dx