

HD JENNY PRABHU'S HOT & SPICY CURRY SHOP

BY Jenny Prabhu

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the day's menu

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The S&P/ASX 200 as at 2:13pm: up 24.3 to 5478.5

Premier Li said some large **energy** projects to be launched this year ..

Nomura Asia ex-Japan in its Daily Research Summary today said Premier Li chaired a conference on April 18 to discuss issues related to **energy** in **China**. He said, "Some large projects should be launched this year, to help stabilise the economy, change the structure of **energy** consumption and change the growth model. He mentioned a list of areas for investment including nuclear electricity stations in coastal areas, hydroelectric, **wind** and **solar** power generation, long distance electricity transmission and electric cars, Nomura reported.

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Woolworths upgraded to a "buy" ..

A leading broker upgraded its rating on Woolworths to a "buy" from "neutral" with the price target lifted to \$39.20 from \$35.90.

The broker said it expects WOW to outperform over the next 12 months underpinned by stronger growth in grocery EBIT and easing concerns over the future of Masters. The broker said it views its valuation (lifted to \$37.03 from \$34.08 implying full year 2015 p/e of 17.5x) as conservative.

WOW up \$1.06 to \$38.15.

Diggers & Drillers

Paladin remains an "equal weight" ..

A leading broker retained an "equal weight" on Paladin after its quarterly report, with a price target of 55c. The broker said although it was an eventful quarter, there was nothing new in the quarterly. Costs were not provided in the production report, as usual with Paladin, the broker expects these will be announced in the March quarter financial report in May 2014. The broker forecast a continued easing of the Langer Heinrich costs to \$US26.30/**b**, down 4% quarter on quarter.

The broker added, "Overall we remain Equal Weight on Paladin. The minority interest **sale** in LHM and debt refinancing has done much to provide balance sheet relief, but with **uranium** spot prices reaching 8 year plus lows of \$US32.50/lb we remain cautious at this stage".

PDN up a half cent to 45.5c.

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Sandfire is a "buy", price target lowered/remains a "neutral" ..

A leading broker retained a "buy" on Sandfire Resources while reducing the price target to \$7.70 from \$8 after the quarterly. The broker said the resource update highlights that drilling over the last 12 months has replaced mined tonnes and added another six months to the mine life.

The broker said with a net cash position fast approaching and \$185 million of free cash flow in full year 2015 the argument for a maiden dividend grows. "We expect investor sentiment to warm to dividends and an improving balance sheet throughout 2014/15".

The broker added the company's strong cash flow provides optionality - "it could potentially buy SFR time to discover additional high grade positions within the local stratigraphy around DeGrussa".

*Another leading broker retained an "equal weight" on Sandfire with a \$6.60 price target.

The broker said overall it was a reasonable quarter with production tracking within full year 2014 guidance for copper and near guidance for gold, on the broker's estimates.

The broker said while gold recoveries showed a sharp improvement, reported unit costs dropped on higher output but mining costs rose.

The broker added the resource extension is a positive but not a game changer in its view "Limited mine life continues to constrain our valuation. We see the equity as fully valued and retain our EW Rating".

SFR down 8c to \$5.78.

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Atzam 5 could be a game changer for Citation ..

Oil & Gas Weekly in its edition dated April 20 said in its list of possible game changer wells for Australian companies, while most are large expensive projects, "Citation is the exception, participating in a cheap, shallow well operated by Latin American Resources, an equally small partner.

Atzam 5 is targeting the C18 and C19 carbonates and producing C17 reservoir in the Atzam 4 well. Drilling resumed March 31, forward plan is to drill to top of C18 carbonate run casing and then drill on to total depth.

(CTR has asked for a trading halt today pending an announcement regarding Atzam 5).

CTR last at 1.4c.

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Clive Maund sees possible "depressing re-run of what we saw in 2008" ..

Clive Maund, respected UK chartist, principally of gold and precious metals in a report dated April 21 - grateful thanks to Reader who alerted - for the first time (as sighted by OzEquities in the last decade or so) leans towards the bearish.

The chartist said while the long term chart for gold still looks hopeful, "if the long term uptrend fails, and the nearby important support at the lows of last June and December is breached, then gold is likely to drop back to the strong support in the \$1000 area.

He said Goldman Sachs is calling gold down to \$1,000 "and what Goldman Sachs wants it often gets, as it did a year ago because it is an organisation with massive power and influence".

Clive Maund suggested that "tactically the right way to handle this is to stay long if long and either get out on stop if \$1180 fails or hedge accordingly".

The chartist adds, "If the uptrend does fail and gold drops back to \$1000 it will inflict heavy technical damage on gold and may even imply that the world is tipping into a deflationary implosion. Massive deflationary forces are still out there, wanting as ever to correct the excesses of the past, but they are still being held at bay and worsened by insane and crassly irresponsible money printing on a scale that would certainly impress that great pioneer of inflationary excess, his imperial excellency Mr Robert Mugabe of Zimbabwe... once the deflationary forces return with a vengeance, the result will be utter devastation. Once this occurs, commodities and stocks will crater". The chartist added, "the dollar is now at a critical

uncture. The viuew is now widespread that it will crash which would of course be great news for **gold** and silver .. however the dollar has a perverse habit of suddenly wrong footing the majority and doing the exact opposite of what they expect. So what could happen here is a surprise upside breakout from the Dome (referring to a chart included in the report) which would be expected to **lead** to a powerful rally".

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