

HD JENNY PRABHU'S HOT & SPICY CURRY SHOP

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the day's menu

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The S&P/ASX 200 as at 2:06pm: down 30.8 to 5300.7

ASX is in latter stages of 8th wave down, should peak shortly ..

Daniel Goulding, the author of "The Sextant Market Report" (thankyou Daniel) said today, "according to my current interpretation the ASX200 is in the latter stages of an 8th wave down which should peak shortly. In terms of the price pattern itself, it may conclude at a lower high in early to mid 2014. This warns us to expect a further increase in volatility going forward.

"I expect the ASX200 will bottom in late 2016 near 4300 points ..

"My long term count suggests a secular bull market (a multi decade advance with minimum relative retracement throughout its duration) is due to commence sometime this decade, potentially as early as 2016 or between 2018-2020".

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Initiating coverage of ANI with a "buy" ..

A leading broker initiated coverage of Australian Industrial REIT with a "buy" recommendation and a price target of \$2.14.

The broker said ANI is a passive, externally managed 100% Australian industrial REIT. It owns a \$205 **million** portfolio of 9 industrial assets located predominantly in Western Sydney with 1 asset in Melbourne. The weighted average cap rate on the portfolio is 8.5% for an initial yield of 8.8%. All assets are 100% leased with a WALE of 7 years with no leasing risk until 2016.

ANI up 2c to \$2.05.

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GUD remains a "hold"/a "neutral" ..

A leading broker retained a "hold" on GUD following its interim result with a price target of \$6.15, down from \$6.76 earlier. The broker said while GUD is a potential turnaround story, "While we believe the issues in Dexion will be addressed via the relocation of manufacturing capacity, Sunbeam is a more difficult task (especially in an environment of a potentially softer \$A)".

*Another leading broker retained a "neutral" on GUD while lowering the price target to \$5.97 from \$5.99 earlier. The broker said the first half result was slightly better than GUD's guidance for a 30% fall. While consumer products were in line with the broker's bearish estimates, all other divisions under performed.

The broker said the turnaround of Sunbeam and Dexion appear hard to achieve while automotive products were the key positive, with the market share increased due to the exit of a major competitor.

The broker added it was unsure of GUD's strategy to achieve margin expansion .. given the relative newness of the management team".

GUD up 8c to \$5.82.

Diggers & Drillers

Paladin lifted to "equal weight" from "underweight" ..

A leading broker lifted its rating for Paladin to "equal weight" from "underweight" with the price target lifted to 60c from 48c.

The broker said although the deal value for 25% of Langer Heinrich **sale** to **China** National Nuclear Corp fell short of its expectations by 19%, it is 7% above a 2013/29019 spot price scenario.

However the balance sheet relief is still substantial the broker says with full year 2015 gearing reduced from 43% to 32%. The cash injection also allows pdn to meet its November 2015 CB maturity (\$US300 **million**) through and cash flow, on the broker's estimates.

PDN down .3c to 55.7c.

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Saracen a "hold" but longer term .. "we will look to upgrade our view" ..

A leading broker following Saracen's **acquisition** of the Thunderbox and Bannockburn **gold** mines from Norilsk for \$23 **million**, increasing SAR's mineral resources to 6Mozs and group reserves to 1.6M ozs of **gold** said it was a good deal for SAR, equating to \$11/oz **acquisition** cost but the real value doesn't come onto SAR's balance sheet until mid 2016, which limits immediate cashflow upside.

"We're positive on the deal but we maintain our Hold on the stock as we see limited value upside in the short term, but longer term and with easing macro headwinds we will look to upgrade our view" the broker said in the report.

SAR up 3c to 25.5c.

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