

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 2:36pm: up 45.7 to 5412.6

"The great RMB carry trade reversing gear"

Nomura in its Asia ex Japan daily research summary said today with the RMB declining from 6.0640 to 6.2286/\$US1 from February 17 to March 20, while some reports have been written on derivatives, futures and other structured product losses on the long Rmb trade, the aggregate size of the carry trade should be much bigger

Nomura said it appears that nearly everyone is on board with the RMB carry trade - owning RMB assets funded by offshore borrowing, be it US dollars, **Hong Kong** dollars or Japanese Yen.

"The RMB's steady appreciation vs the \$US of around 33% since the ascent in July 2005 has allowed plenty of carry trades to be executed" the broker said.

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Japan Industrial Output fell 2.3% in February from January, the steepest drop in eight months, the trade minister announced in Tokyo, Bloomberg reported adding that it undercut all forecasts.

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Air New Zealand is a "buy" ..

A leading broker retained a "buy" on Air New Zealand while increasing the price target to \$NZ2.35 from \$NZ2.02.

The broker said first half earnings were strong and full year guidance of \$NZ300 **million** looks easily achievable.

AIZ up 5NZc to \$NZ2.05.

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GrainCorp is a 'sell' ..

A leading broker with a 'sell' on Graincorp and a target price of \$6.95 said the move by QUBE and Noble to build and operate a new bulk grain export terminal at Port Kembla marks the fifth new bulk grain terminal on the east coast announced since 2000 and the fourth since 2009.

Increased competition across the supply chain and the potential development of El Nino weather conditions in the 2014-15 season are reason enough for a more cautious stance on GNC.

GNC down 5c to \$8.38.

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McAleese is an "overweight", price target lowered ..

A leading broker retained an "overweight" on McAleese, given the estimated 58% potential upside to its price target of 83c, down from \$1.13 and 2nd half estimated earnings of 8.2% after tax.

The broker expects a full year loss of \$35 million followed by a \$36 million profit in 2015.

MCS up a half cent to 53c.

Diggers & Drillers

ROC remains an "overweight" ..

A leading broker retained an "overweight" on ROC with a 76c price target after ROC announced it has sold its entire 50% interest in the Basker Manta Gummy asset to Cooper Energy, receiving \$1 million upfront with a further \$5 million contingent on first hydrocarbons from commercial development while booking an accounting profit of \$US32 million on the sale as there was an abandonment liability on the asset. The broker said "ROC is an undervalued development and production company that is refocussing in south east Asia".

ROC up a half cent to 46c.

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Tax loss selling may account for Pura Vida's fall ..

Oil & Gas Weekly suggests Pura Vida, that fell from 44c to 38c during the week on heavier than usual volume and is trading at a 12 month low could have been hit by tax loss selling. O&G said there is nothing in the public domain to explain the selling.

It ran to a high of 83c back in November when broker support for the company's farmed out drilling program offshore Morocco stimulated investor interest. The first well of two wells was to be drilled in mid 2014 but has now been put back to January 2015. And the punters appear to be disappointed with the delay, O&G commented.

PVD up 1c to 39c.

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