

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 2:46pm: up 32.3 to 5575.6

China's factory activity hits 50.8 in June from 49.4 in May

The HSBC/Markit flash manufacturing purchasing managers index for **China** came in at a 7 month high at 50.8, up from 49.4 last month, the Dow Jones reported.

This follows China's 'mini stimulus' in a series of government measures to support the economy.

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Interest rates expected to remain steady despite CPI rise - HIA

The Housing Industry Association senior economist Shane Garrett, in a report put out after the CPI headline rate of inflation rose to 3% in the June quarter said with the \$A's renewed strength hampering growth in trade, and low interest rates helping to stimulate demand in several sectors of the domestic economy including residential construction, he believes the RBA will be reluctant to increase rates for some time to come.

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Price action .. also consistent with topping process

Daniel Goulding in "The Sextant Market Letter" (thank you Daniel) today said he expects at least one more rally high but "The ambiguous and volatile nature of price action on a very near term basis are also consistent with topping process. .. As a result I see no reason to amend my final year end target of 4930 points'.

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Prime TV lifted to "buy", APN upgraded to "neutral" ..

A leading broker in its update of the media sector revising its media sector price targets and ratings in tandem.

This followed its lowering of its ad market forecasts for 2014 except for the radio market and job ads.

The broker upgraded Prime TV to "buy" with a \$1.13 price target, upgraded APN to "Neutral" with a 78c price target, downgraded Carsales to "Neutral" with a price target of \$10.05 while TEN and Fairfax remain 'sells' with price targets of 20c and 64c respectively.

PRT up 1.5c to \$1.02.5; APN up 3.7c to 76.2c; CRZ down 14c to \$11.20; TEN down .3c to 28.3c; FXJ up .7c to 92.2c.

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Genworth Mortgage Insurance is a "buy" ..

A leading broker retained a "buy" on Genworth Mortgage Insurance ahead of its first half profit expected on July 30.

The broker expects underlying NPAT of \$118.6 **million** and statutory NPAT of \$137.5 **million** with a 2.1c interim dividend, fully franked.

The broker said the **company**'s reported earnings will include any mark to market gains/losses on its investment portfolio. "With bond yields having come down during the half, we are expecting it to book an unrealised gain of around \$27 **million** pre tax".

GMA up 3c to \$3.29.

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APA is a "hold", target price lifted ..

A leading broker with a "hold" on APA Group said "APA is best-of-breed in the **energy** infrastructure space. However, we suggest you buy the stock around \$6.80 ps so as to allow for a total potential 12 month return of 10%".

The broker said it expects further growth in Western Australia, following the AngloGold Ashanti Goldfields gas pipeline project (88% APA).

The broker lifted its target price to \$7.13 from \$7.08.

APA up 9c to \$7.27.

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Seek Ltd lowered to 'sell' from "neutral" ..

A leading broker lowered Seek to a 'sell' from "neutral" with a price target of \$3.50, down from \$14.50 after resetting its forecasts to factor in Zhopin financials and the IPO. The broker said it downgraded SEK to a Sell on valuation grounds alone, while operating fundamentals remained intact. The broker said the Zhaopin IPO failed to crystallise value for shareholders, despite placing the **company** in a stronger position to drive growth. The broker added, SEK ANZ accounts for \$6.30, placements for \$1.498, Learning for \$1.96, Jobstreet/JobDB \$2.37 and Zhaopin \$1.38 of its \$13.60 sum of the parts valuation".

SEK down 15c to \$16.47.

Diggers & Drillers

PanAust remains a "buy" ..

A leading broker retained a "buy" on PanAust with a price target unchanged at \$2.40.

The broker said MMG Ltd announced yesterday that it has received shareholder approval for the **acquisition** of the Las Bambas **copper** project in Peru from Glencore. The approval is of significance to PanAust as it clears another hurdle towards the completion of the Frieda River deal between PanAust and Glencore, which is dependent on Glencore divesting the Las Bambas project to gain MOFCOM approval for the Glencore/Xstrata merger.

PNA up 2c to \$2.24.

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