

HD Australian Stocks: What Happened Today? (Jennings)

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WC 1,925 words

PD 12 March 2014

SN FN Arena

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LA English

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A soft start turned into another across the board rout before some buying emerged as previously bearish resource brokers started warming to Fortescue Metals Group Ltd (A\$4.97, +2.9%) and others. Weak leads from overseas combined with the continuing **China** syndrome, were enough to kick us where it hurt. At one stage we were down to 5345 before closing at 5384 down 30 points. Financials which held us up yesterday capitulated as the mortgage competition continues to force lenders to cut rates and the outlook for our economy deteriorates as unemployment climbs. Cut throat margins and potentially increasing bad debts to weigh as no dividends in sight. Seems though once again the overseas hedge funds are trying to make money from shorting our 'expensive' banks. When will they learn? It's all about the yield stupid!

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The big red bob though showed losses of around 1-1.5% with yesterday's hero Westpac Banking Corporation (A\$33.94, -1.0%) the worse. Wealth managers also came in for some stick led by Macquarie Group Limited (A\$55.93, -1.3%), Challenger Limited (A\$6.42, -1.8%), IOOF Holdings Limited (A\$8.92, -3.8%) and Platinum Asset Management Limited (A\$7.39, -0.9%) although Magellan Financial Group Limited (A\$13.66, +2.9%) and #BTT # both gained.

Miners clung to a lifeline as **Gold** soared in Asia on Crimean worries with Newcrest **Mining** Limited (A\$11.98, +5.2%) pulling out of its dive as did the **Iron Ore** faithfuls BHP Billiton Limited (A\$35.99, +0.2%), RIO Tinto Limited (A\$61.39, +0.3%) and Fortescue Metals Group Ltd (A\$4.97, +2.9%). Second liners though fared less well with Oz Minerals Limited (A\$3.51, -2.5%) falling as did Arrium Limited (A\$1.325, -1.5%), Lynas Corporation Limited (A\$0.245, -9.3%)(again) and Iluka Resources Limited (A\$9.31, -0.9%) .

Industrials also came in for selling as confidence in the local economy is taking a Uncle Joe inspired bashing. Retailers sensed that things aren't getting any better so JB Hi-Fi Limited (A\$18.69, -3.7%), Breville Group Limited (A\$9.53, -4.5%), Harvey Norman Holdings Limited (A\$3.35, -0.6%), Myer Holdings Limited (A\$2.75, -0.7%) and David Jones Limited (A\$3.30, -1.5%) fell away. Seems that the Zahra V Brookes grudge match is not doing much for the share prices of either at the moment. Wesfarmers Limited (A\$43.11, -0.8%) and Woolworths Limited (A\$36.45, -0.5%) also suffered on confidence numbers. Regional Express Holdings Limited (A\$0.78, +0.6%) showed that it is possible to make money from flying people around with a \$5m profit .That's \$300m better than Virgin Australia Holdings Limited (A\$0.355, +1.4%) or Qantas Airways Limited (A\$1.09, -0.9%).

Today's winners included Newcrest **Mining** Limited (A\$11.98, +5.2%), Chorus Limited (A\$1.53, +4.4%), Northern Star Resources Ltd (A\$1.23, +5.1%), Beadell Resources Limited (A\$0.745, +2.8%), Gujarat NRE Coking **Coal** Limited (A\$0.08, +12.7%), Mount Gibson **Iron** Limited (A\$0.81, +3.2%), Telecom Corporation of New Zealand Limited (A\$2.31, +1.8%) and Oceanagold Corporation (A\$2.72, +4.6%) whilst in the losers basket were Gindalbie Metals Ltd (A\$0.07, -17.6%), Bougainville **Copper** Limited (A\$0.54, -10.0%), Acrux Limited (A\$1.86, -5.1%), Lynas Corporation Limited (A\$0.245, -9.3%), Paladin **Energy** Ltd (A\$0.525, -5.4%)(following the sell out of a large shareholder) and Donaco.

Asian market continued to feel the heat from the **Chinese** fallout with Tokyo down 2.3% and **China** down 0.6%. **Gold** is around \$1355 again and the Aussie dollar around 89.60 with the Digital Tulips at \$710

Volume on our market was around that \$4bn mark which seems to be normal now.

Stocks and Stories

One that has not covered itself in corporate glory since its listing is iSelect Limited (A\$1.15, +4.1%). It missed its guidance lost its CEO and was investigated by ASIC. Scary I know. But now some good news and the stock may be about to turn as a new CEO has been announced. Come on down Alex Stevens former boss at Fonterra. Should know a thing or two about running an insurance web aggregator!

Looks like a second **Chinese Solar** manufacturer is in trouble and looks set to join Chaori **Solar** in the defaulting club.

There is a fire at Lend Lease Group (A\$11.31, -2.6%) Barrangaroo development this afternoon. Good reason to sell LLC then.

ME Bank has become the latest lender to cut its fixed rate home loans, reducing its three-year fixed rate by 10 basis points to 4.74 per cent.

Today I discovered there is such a thing as the Misery Index. Designed by an American economist it is a measure of jobless plus inflation. They must be a miserable lot in Greece then. However the Japanese will soon be miserable as well as the sales tax increases that take effect on April fools day will push the grumpy index up to 5. Hardly the stuff of disasters but it will be a 33 year high. We sit at around 9 whilst Greece at around 26. And there is no inflation there!

Newmont sold out of its Paladin **Energy** Ltd (A\$0.525, -5.4%) today saying it was non-strategic, with the **sale** raising \$US24 **million**.

The federal government has issued a record \$7 **billion** 15-year bond ? the government's largest ever syndicated debt raising. International investors have bought \$179 **billion** of the \$210 **billion** of debt issued by the government between 2008 and 2013, according to UBS.

Spring has sprung in the Northern Hemisphere so its conference season. In London, Asciano Limited (A\$5.53, -0.5%) chief executive John Mullen says he can see no signs of a sustained economic recovery in Australia, with volumes in ports and rail businesses remaining soft, although demand for **coal** is at record levels.

The survey of 1200 people by the Melbourne Institute and Westpac showed the index of consumer sentiment fell a seasonally adjusted 0.7 per cent in March from February, when it had fallen by 3.0 per cent. The index reading of 99.5 was the lowest since May last year, and it was down 10.0 per cent over the past 12 months. The fall below 100 means pessimists now exceed optimists.

Market darling Vocus Communications Limited (A\$4.57, unch) has entered a trading halt pending a capital raising.

Tomorrow's News Today

Catch me on Sky Biz tomorrow morning on the early shift. The things I do for this **firm**. Starting at 6.30am!

Call that a bonus. This is a bonus! Sports Direct in the UK has called a special shareholders' meeting to approve a plan to pay its founder a share bonus worth about £65m. To be fair though he is the founder, took no salary and no bonus before and owns 62% of the **company**. Seems fair then. Chump change though for a man worth over 2bn pounds. But he does own Newcastle United so it's not all beer and Geordie Shore!

British annual growth rate forecast to be 3.3% over first and second quarters, outpacing US, Japan, Germany, France, Italy and Canada. Best in the G7! Shows what a housing boom and a devalued currency can do. That and the City of course!

Poor old Mark 'Circus' Carney from the Old Lady at Threadneedle Street was on the ropes for over four hours yesterday with the inquiry into price rigging on FX markets. This one could be bigger than the LIBOR scandal. Not sure it is not our job to check on the rigging going on is going to cut it!

Seems that the US authority that oversees the Commodity and Derivatives markets is a bit cash strapped. Its head regulator has long complained that the agency lacks the funding necessary to adequately police the commodities, futures and \$700tn over-the-counter derivatives markets. It is warning of potential collapses as it only has two blokes looking at complex financial data!

More pin the tail on the airline to come from Malaysia as now worries emerge that it may be structural, not a terrorist attack. Not what Boeing wants to hear.

The head **Chinese** banker has decided they need to free up interest rates on bank deposits within two years, this is a move that would force the nation's lenders to compete for customers by offering the best terms.

And finally soon to be a listed public **company** Virtu which is a high frequency trader has made a startling admission in their prospectus after mistakes were found.. "This material weakness is related to our inability to prepare accurate financial statements, resulting from a lack of reconciliations, a lack of detailed review and insufficient resources and level of technical accounting expertise within the accounting function" This is pretty honest I will give them that but they are raising \$250m to give them a valuation of over \$3bn for a computer share trading **company**. It's a joke right ..They can't count! The world has gone mad!

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RF 111E9BE7-AC36-8A60-532002E38AFE3C74

CO ambol : Fortescue Metals Group Ltd | wstpac : Westpac Banking Corporation Limited | newmoh : Newcrest Mining Ltd

IN i211 : Metal Ore Mining | i2112 : Gold Ore/Silver Ore Mining | i814 : Banking | i81402 : Commercial Banking | ibasicm : Basic Materials/Resources | ibnk : Banking/Credit | ifinal : Financial Services | imet : Mining/Quarrying

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AN Document FNAREN0020140312ea3c000b5