

**HD JENNY PRABHU'S HOT & SPICY CURRY SHOP**

**BY** Jenny Prabhu

**WC** 844 words

**PD** 28 July 2014

**SN** OzEquities News Bites

**SC** NBOZEN

**LA** English

**CY** Copyright 2014 News Bites Pty Ltd. All rights reserved.

**LP**

AUSTRALIAN **COMPANY** NEWS BITES

OZEQUITIES NEWS BITES

**TD**

the day's menu

\* \* \*

The S&P/ASX 200 as at 2:07pm: down 7.9 to 5575.6

**China**'s industrial companies saw profits rise by 11.4% year on year

Industrial businesses saw their profits rise by 11.4 percent year on year, with the growth rate hitting a new high this year, data released by the National Bureau of Statistics (NBS) reported on Sunday. Total profits of industrial companies with annual **business** revenue of more than 20 **million** yuan (3.2 **million** U.S. dollars) reached 2.86 trillion yuan, the NBS said.

Profit growth was up markedly from the increase of less than 10 percent recorded in the first five months. The faster-than-expected growth was due to strong growth in June, when industrial firms raked in 588 **billion** yuan in profits, up by 17.9 percent from a year ago, the report said.

\* \* \*

ResMed is a "**buy**" ..

A leading broker with a "**buy**" on Resmed and a \$US50.17 price target said it has noted an application to the US DME regulator for coding verification review of a new "Airsense 10" flow generator platform from which there are 8 product variations.

The broker said RMD's submissions to the coding regulator does not detail product features at this stage. However the timetable is consistent with the broker's estimates which apply 15% full year 2015 sales growth, but 2nd half weighted, in anticipation of some sales lag post launch of "Airsense 10".

RMD rose 82USc to \$US51.10 last night.

\* \* \*

Fonterra Shareholders Fund rating lifted to "**buy**" from "neutral" ..

A leading broker said it has lifted FSF's rating from "Neutral" to "**Buy**" and added it to its ANZ Conviction **Buy** List driven by a faster normalisation of earnings on the back of lower than expected commodity prices.

The broker said it has moved into an extended period of surplus global **milk** production due to above trend **milk** supply growth. This flows through to a lower NZ farmgate **milk** price and higher margins for FSF's ingredients and consumer brands **operations**.

The broker's 12 month p/e based price target lifted from \$NZ6.30 to \$NZ7 underpinned by its earnings upgrades.

FSF up 2NZ c to \$NZ6.02.

\* \* \*

#### Diggers & Drillers

Kingsgate Consolidated is a 'sell' ..

A leading broker with a 'sell' on Kingsgate and a target price of \$9.60 said the quarterly report was better than expected at Chatree, due to better grade that resulted in a better cost outcome.

Separately Kingsgate announced earlier in the month that Geoff Day will be taking over as CEO during the current quarter - he was a former Executive GM at Newcrest.

The broker added Kingsgate highlighted that Challenger only has one year of Reserves left. The broker has therefore pulled back its mine life assumption from 2 years to one year, which has led to a 10% drop in the DCF valuation to \$1.24 and a drop in the DCF of 75% and p/e of 25% to 60c from 65c.

KCN up 1.5c to 92c.

\* \* \*

Sirius is a "neutral"/a "lighten" ..

A leading broker lifted its price target to \$4 from \$3.25 while retaining a "neutral" on Sirius Resources, and increased its DCF after rolling forward the modelling years and removing the 23% discount applied to Sirius given finding risk and lack of DFS.

\*Another leading broker has a "Lighten" on Sirius with a \$2.89 target price after Sirius advised it has completed a \$A169 million placement at \$3.82 per share, a 3.9% discount to 5 day VWAP, taking the cash balance to \$246 million.

SIR said the placement was heavily over subscribed. The broker added the share price appreciated by 19% over the week prior to the July 23 trading halt on the back of two well timed announcements. The broker added, "Our target price is 23% below Bloomberg consensus \$3.75. We attribute this largely to our below consensus Ni price forecast".

SIR up 16c to \$4.05.

\* \* \*

Oilex rises on Cambay 77H well ..

Oil & Gas Weekly in its report dated July 27 noted that Oilex went up from 11.5c to 21c pulled higher by buying interest on the AIM in the UK where the company also trades, after announcing last Monday its Cambay 77H well was flaring gas and had recovered light oil in the cleanup.

O&G Weekly said Paterson Securities in a February research note had said that if the Cambay 77H well is successfully stimulated it could flow at 2 to 3 mmcf a day with condensate.

"UK investors have a healthy appetite for companies with operations in India - UK company Magna Energy is a major shareholder after its sale of its 15% stake in the Cambay PSC for Oilex scrip. Magna has recently increased its holding to 17.3%. has 15% in the Cambay PSCh.

OEX down a half cent to 20.5c.

**NS** m11 : Equity Markets | nanl : Analyses | mcat : Commodity/Financial Market News | ncat : Content Types  
| nfact : Factiva Filters | nfce : FC&E Exclusion Filter

**RE** austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

**PUB** News Bites Pty Ltd

**AN** Document NBOZEN0020140728ea7s0002t