

HD Australian Stocks: What Happened Today?

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Normal service was resumed as overseas markets pulled us lower. All the optimism of yesterday's "Buy the banks" rally vapourised as Ebola came to the US. Of course there were other reasons, mainly the fear of higher rates and the end of QEIII this month. But good to blame the Ebola bogeyman. Range today not quite as huge as yesterday and volume was muted around \$3bn but we hit a low of 5283 before closing at 5298 down 36. It's a long weekend this weekend in theory so expect some short covering tomorrow to square up pre-weekend.

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As usual the banks seem to be driving the market and the hottest topic of conversation given the high concentration of punters in the sector. The question on everyone's lips is when do we buy the banks again? Ah, when indeed. All I talked about on Sky biz the other day, suspect it will be the topic du jour for a while. Anyway today we saw some modest falls as buyers are around and nibbling away. Sensible chaps then. Only off around 0.5-0.7% which wasn't too bad a result. Insurers copped it worse with QBE Insurance Group Limited (A\$11.60, -0.8%), Suncorp Group Limited (A\$14.08, -0.6%) and Insurance Australia Group Limited (A\$6.07, -1.9%) feeling the pain. So too was Macquarie Group Limited (A\$57.02, -1.1%) and the property trust sector with #SCG# the standout.

In resource land, **energy** stocks copped a hiding with high flyer Liquefied Natural Gas Limited (A\$3.74, -8.1%) the biggest loser as the CEO appeared in the media yesterday puzzled about the price rise this year. Santos Limited (A\$13.50, -1.0%), Origin **Energy** Limited (A\$14.84, -0.7%) and Woodside Petroleum Limited (A\$40.48, -0.7%) all joined the losers with continued pressure on the **oil** price. Meanwhile in Oreland, BHP Billiton Limited (A\$33.65, -1.0%), RIO Tinto Limited (A\$58.94, -0.5%) and Atlas **Iron** Limited (A\$0.395, -2.5%) crumbled but strangely Fortescue Metals Group Ltd (A\$3.55, +2.6%) rallied. Other resource stocks also came under sustained attack with Syrah Resources Limited (A\$3.80, -8.2%) being heavily wounded as were Panaust Limited (A\$1.825, -2.7%) and Sims Metal Management Limited (A\$11.09, -2.2%).

Industrials were weaker especially in consumer stocks like Wesfarmers Limited (A\$42.08, -0.6%) and Woolworths Limited (A\$34.24, -1.4%) together with REA Group Ltd (A\$41.90, -2.4%), Fairfax Media Limited (A\$0.77, -1.9%) and Metcash Limited (A\$2.65, -1.9%). Telstra Corporation Limited (A\$5.35, -0.6%) weakened too as did recent fave Recall Holdings Limited (A\$5.56, -4.0%).

So to the winners circle. Here we find Wotif.com Holdings Limited (A\$3.29, +6.5%), Oceanagold Corporation (A\$2.47, +4.2%), New Hope Corporation Limited (A\$2.70, +4.7%), Incitec Pivot Limited (A\$2.89, +3.2%), #AHY# and Aristocrat Leisure Limited (A\$5.95, +1.9%) together with FAR Limited (A\$0.099, +17.9%), #OBJ# and Lynas Corporation Limited (A\$0.083, +5.1%) in the smalls. Suffering in silence were Syrah Resources Limited (A\$3.80, -8.2%), Liquefied Natural Gas Limited (A\$3.74, -8.1%), Bradken Limited (A\$3.88, -7.6%), Iproperty Group Limited (A\$2.73, -6.2%), **Alumina** Limited (A\$1.655, -4.6%) and Csr Limited (A\$3.27, -2.4%) together with tiddlers #NWF#, #GID# and #TTN#. Aussie dollar was flying at above 88cents with **gold** at \$1218 and Bitcons at \$433.

Asian shares remain somewhat closed due to the **Chinese** holiday but Tokyo was down 2%, with **Hong Kong** reeling from student protests. Fifth day of declines for MSCI Asia too.

Stocks and Stories

Tomorrow is D-Day for Telstra shareholders re the buy back.

Couple of economic numbers out today. Building approvals grew by 3 per cent in August, against the consensus forecast of 1 per cent, on Bloomberg data. That continues a powerful surge in activity, with approvals up 14.5 per cent over the past year. Trade balance figures also came in ahead of expectations, with the trade deficit narrowing sharply in August to \$787 **million** from \$1.4 **billion** in July.

Wotif.com Holdings Limited (A\$3.29, +6.5%) has been given the ok from the ACCC for it to be swallowed by Expedia. Never really in doubt.

#TTN# Ouch! Why is the shift from construction to production a surprise for these guys. Two contracts lost and a profit downgrade. Sector still under considerable pressure. No reason to be there. Titan said it expects a year to June pre-tax profit of \$10-12 **million** down from \$21 **million** forecast earlier, smashing the **company's** share price.

#OTH# are looking for a new CEO following the board not backing their man in his mall legal dispute. This is not a good look at all.

Liquefied Natural Gas Limited (A\$3.74, -8.1%) Only a day after the CEO was front page gloating about the share price, we have a huge fall. Suspect he won't give to many more interviews now.

Some biotech news today. Prima Biomed Ltd (A\$0.041, +7.9%) jumped on news the cancer treatment developer is set to significantly expand its drug development portfolio through the **acquisition** of French biopharmaceutical **firm** Immutep. Prima will pay up to \$US28 **million** in cash, shares and warrants for Immutep, subject to certain performance milestones. And Starpharma Holdings Limited (A\$0.68, +3.0%) announced sales of Beavergel condoms in Australia.

RBA suggests that curbs on investor borrowing for property will happen. Just not sure when. But they will happen. Promise.

Tomorrow's News Today **Hong Kong** protests to escalate over the hols. Let's hope we don't see another Tiananmen square! **China** has also warned the US not to interfere. As if they would.

The Medibank Private Circus has kicked off today.

Australia is poised to become the world's biggest exporter with 84m tonnes of LNG capacity coming into production by about 2018.

Nearly \$24bn has been pulled from PIMCO in the last week.

With the fall of the Aussie dollar, it's going to be hard for Corporate Australia to blame this baby anymore for its shortcomings. Overpaid CEO's will have to find a new Keyser Soze to blame for their woes. Global volatility and uncertainty is my bet.

The fall of the Yen against the USD is having all sorts of nasty effects on consumer behaviour in Japan as imported items experience huge price increases. Does help inflation higher but not good for consumer confidence or retail sales. Plan **B**, Abe?

Burqa's have been banned in the gallery of Parliament House. They will have to sit in glass enclosures. Would be surprised if any went to Parliament house anyway.

Quote of the day! "Unless someone very senior has been shredding the president's daily briefings and telling him that the dog ate them, highly accurate predictions about ISIL have been showing up in the Oval Office since before the 2012 election," one security staffer said. So why surprises Mr Obama.

Argentina's Merval stock index plunged more than 8 per cent overnight and **bonds** fell after the central bank chief resigned.

Worldwide **equity** capital market deals ? from flotations to rights issues ? totalled \$US678.1 **billion** in the first nine months of 2014, a quarter more than the same period last year and the highest since 2007. European deals hit their highest since 1980. Initial public offerings stole the limelight, almost doubling from last year to hit \$US176.1 **billion** worldwide .And loads more to come. Is there enough money in the money . Saudi announced the second biggest flat of the year of one of its banks.

The trend is your friend until it changes! For the times they are a changing!

That is all

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