

HD Australian Stocks: What Happened Today?

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Happy Valentines' day. Another strong one as financials once again showed a clean pair of heels. Westpac Banking Corporation (A\$32.75, +1.0%) and Australia and New Zealand Banking Group Limited (A\$31.34, +1.1%) led them higher with National Australia Bank Limited (A\$34.12, +0.3%) the ugly duckling. Insurers also kicked ahead with AMP Limited (A\$4.52, +1.6%), QBE Insurance Group Limited (A\$11.43, +1.8%), Suncorp Group Limited (A\$12.54, +1.5%) and Insurance Australia Group Limited (A\$5.47, +0.4%) looking pretty.

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The other big kicker today was BHP Billiton Limited (A\$37.71, +1.0%) and Fortescue Metals Group Ltd (A\$5.70, +1.4%) jumping following surprisingly good numbers from Sims Metal Management Limited (A\$10.70, +6.8%) helping all the **Iron Ore** stocks. **Chinese** numbers too helping sentiment along as we head into the BHP numbers next week. RIO Tinto Limited (A\$67.90, +0.1%) reported after hours last night and had a volatile day opening on its highs around 68.85 before flopping down to close near its lows. Industrials were all green. Fairfax Media Limited (A\$0.72, +2.9%) was looking good. Haven't talked about that one for a while and even Seven West Media Limited (A\$2.18, +2.8%) perked up as they seem to be saving a couple of **million** on "Boogie Board" Corby's story. Carsales.Com Limited (A\$10.61, +4.0%) and Computershare Limited (A\$11.93, +3.3%) surged ahead post their results as analysts scurry around upgrading their guesses. Telstra Corporation Limited (A\$5.20, +1.0%) continued to build up momentum as did Wesfarmers Limited (A\$43.84, +1.6%) and Woolworths Limited (A\$35.50, +0.6%) although Woodside Petroleum Limited (A\$38.36, -0.6%) slipped a little. Healthcare stocks also were looking rosy with Csl Limited (A\$67.69, +1.8%) and Ramsay Health Care Limited (A\$43.53, +4.6%) together with Cochlear Limited (A\$55.47, +0.9%) in outpatients today. **Gold** have another great day as the recovery continues. Bombed out and messed up one day. Super stars the next. Long way to go though!!! Kingsgate Consolidated Limited (A\$1.39, +6.9%), St Barbara Limited (A\$0.38, +7.0%), BDR#, SLR# and Papillon Resources Limited (A\$1.395, +1.5%) some of the best. The market closed on its highs around 5356 which is a strong result given that only a few weeks ago we were trashed and down around 5160. Surprising really given the turmoil in Japan. But let's save that for next week! Sitting pretty today were Hutchison Telecommunications (Australia) Limited (A\$0.094, +9.3%), Sims Metal Management Limited (A\$10.70, +6.8%), Mount Gibson **Iron** Limited (A\$1.18, +5.4%), Goodman Fielder Limited (A\$0.61, +4.3%), Sirius Resources NL (A\$2.40, +5.7%) and Evolution **Mining** Limited (A\$0.83, +5.1%) whilst crashing out were Sfg Australia Limited (A\$0.72, -2.0%), Whitehaven **Coal** Limited (A\$1.57, -2.2%), McMillan Shakespeare Limited (A\$11.34, -2.0%), Automotive Holdings Group Limited (A\$3.65, -1.4%), AP Eagers Limited (A\$5.01, -2.1%), Auckland International Airport Limited (A\$3.32, -1.8%) and Bradken Limited (A\$4.51, -2.2%). Couple of mid-caps struggled big time today with Ethane Pipeline Income Fund (A\$1.45, -11.6%), #DDR#, WDS Limited (A\$0.90, -6.2%) and recent listing Iselect Limited (A\$1.22, -4.3%). Volume was back up around \$4.2bn which is starting to get more respectable. Aussie dollar also recovered after yesterday's drubbing to surge through 90 cents though couldn't hold the gains trading at 89.90c. The Digital Tulip continued to wilt with Bitcons down to \$438, whilst nature's own **Gold**, held above 41300 and currently is 41305. Make or break night tonight. Asian markets were better with the MSCI ex Japan up 0.7% with Japan down though as the yen climbed 0.5% against the dollar. Japan was down 1.6% with silver having its biggest rally since 2008. Stocks and Stories RIO Tinto Limited (A\$67.90, +0.1%) Big diggers equal big numbers. The 10 per cent rise in underlying earnings to \$US10.2 **billion** was above market expectations of \$US9.7 **billion**, and a US14¢ ? 15 per cent ? lift in final dividend also surprised on the high side. The **Iron Ore** business generated US\$26 bn of revenue last year! \$10bn profit! Newcrest **Mining** Limited (A\$11.05, -1.9%) numbers out this morning and the market seemed to be unsure whether they were good or bad. Too many asterisks in the profit numbers for my liking and the

stock gave up some gains despite the stronger **gold** price. Seems that rumours of an **equity** issue still seem to dogging this one though. Paladin **Energy** Ltd (A\$0.475, unch) has been forced to write down the value of its Queensland **Uranium** assets giving rise to a loss of \$255m. In fact there wasn't much good news in the numbers at all. Sales revenues for the December half slid 12 per cent to \$US171 **million**, despite a 3 per cent rise in production to a record 4.253 **million** pounds of **uranium** oxide. **China's** consumer prices rose 2.5 per cent in January from a year earlier while producer prices fell 1.6 per cent, official data from the National Bureau of Statistics showed, broadly in line with market expectations. Jamie Packer will be popping some champagne corks this weekend as looks like Crown Resorts Limited (A\$17.40, +3.3%) will be getting a nice fat dividend cheque from its Melco interests in Macau. Net income in Macua for Melco doubled to US\$223m and they have now formalised a dividend policy going forward to. Seems that his investment in casinos is paying off big time. Transpacific Industries Group Ltd (A\$1.165, +1.7%) has enjoyed a profit resurgence thanks to lower interest charges, with the December half net profit rising to \$167.1 **million** from \$42 **million** a year earlier. The gross profit, as measured by EBITDA, slipped to \$192.9 **million** from \$205.3 **million**. Sims Metal Management Limited (A\$10.70, +6.8%) today described conditions as challenging. There we have that word. But they managed to beat expectations and record a doubling of profits to \$9.3m. Doesn't seem much for a **company** capped at \$2bn! Cost reductions still the key! Tomorrow's News Today Did anyone notice Japan crashing today. Let's not let this spoil a good rally. Kirin Holdings Co., Japan's biggest beverage maker, fell 8.9 percent to **lead** declines on the Nikkei after its net-income forecast missed estimates. We are so used to banks getting fined these days it's refreshing to see someone else in a fix. Tyre maker Bridgestone has pleaded guilty to price-fixing and agreed to pay a US\$425m fine to the US Department of Justice. The wheels of justice spin slowly but I never tire of these stories! This will start to get press next week as it has potential to derail the euphoria! **Chinese** banks' bad loans increased for the ninth straight quarter to the highest level since the 2008 financial crisis. Floods and snow cover the east coast of the US and the UK! Insurers will be looking a little worried! UK repossession falls to six-year low. Mortgages ending in repossession were down 15% to 28,900 last year, according to Council of Mortgage Lenders. Another positive for NAB. The Italian PM has resigned as his younger pretender takes the throne. They must be reading too much Machiavelli. Last elected PM was Biondino in 2008. Democracy is so overrated! More reports to come next week with BHP front and centre. The number of law students has doubled in the past decade in Australia, with more than 12,000 graduates now entering a job market that comprises about 60,000 solicitors each year. Enjoy the weekend

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