

## HD Australian Stocks: What Happened Today?

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Another solid performance from our market today although it did look as if the shorts were starting to get exhausted on the buying side of things. The fuel in the tank to take it higher is reading  $\frac{14}{14}$ ; full so we will need some overseas stimulus to kick things along again. After a rush out of the gates to hit 5252 we eased back into it and at one point hit 5206 again as **Chinese** inflation numbers disappointed, as did consumer confidence. In the end though we pushed up to close 38 points higher at 5245. Not sure we have the petulis to push much higher. We shall see. Consolidation may be the way to go. Still it has been a huge turnaround in sentiment in the last two days. As usual banks and the big miners led the way with the big four up 0.5-1% and BHP Billiton Limited (A\$33.80, +1.0%) and Rio Tinto Limited (A\$60.99, +0.4%) eclipsed by high volatility baby Fortescue Metals **Group** Ltd (A\$3.64, -0.3%).

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In other stocks Telstra Corporation Limited (A\$5.38, +1.7%) and the W's were back (Woolworths Limited (A\$34.49, +1.1%), Wesfarmers Limited (A\$41.14, +0.9%)) as were infrastructure stocks like Transurban **Group** (A\$7.94, +3.0%) and Aurizon Holdings Limited (A\$4.40, +2.3%). Consumers and gamblers were in demand after TABCORP Holdings Limited (A\$3.61, +3.7%) reported some good numbers, Aristocrat Leisure Limited (A\$5.84, -0.8%), Echo Entertainment **Group** Limited (A\$3.54, +4.4%) Tatts **Group** Limited (A\$3.08, +1.0%) and Crown Resorts Limited (A\$13.51, +0.1%) rolled two sixes.

**Energy** stocks continue to cop a battering as **Oil** plunges to levels not seen since the last time it was this low. Shale from the US, Saudi not interested in cutting production and the world (ex US) slowing as demand falls all contributing to the trough **oil** price. Casualties included Senex **Energy** Limited (A\$0.475, -5.9%) (wishy washy results from BAGHEERA EAST-1), Origin **Energy** Limited (A\$14.15, -2.3%), Woodside Petroleum Limited (A\$39.00, -0.2%), Drillsearch **Energy** Limited (A\$1.075, -6.9%), Santos Limited (A\$12.47, -1.8%), **Oil** Search Limited (A\$8.46, +0.4%), Karoon Gas Australia Limited (A\$3.32, -0.6%) and AWE Limited (A\$1.585, -1.6%). Not much fun in Gasland. In other resource stocks we saw mixed results from Panaust Limited (A\$1.90, -1.8%), Independence **Group** NL (A\$4.23, +1.4%), Cudoco Limited (A\$1.41, -9.6%), Sirius Resources NL (A\$2.89, +2.8%), Syrah Resources Limited (A\$3.77, +0.3%) and OZ Minerals Limited (A\$4.03, +2.0%). Building stocks improving today with Boral Limited (A\$4.96, +2.3%), CSR Limited (A\$3.27, +0.6%) and Fletcher Building Limited (A\$7.79, +1.4%) doing ok.

Big winners today included ARB Corp, Clearview Wealth Limited (A\$1.05, +4.0%), Qantas Airways Limited (A\$1.335, +3.9%)(fuel helping), TABCORP Holdings Limited (A\$3.61, +3.7%), IRESS Limited (A\$9.80, +3.6%) and Orora Limited (A\$1.64, +2.8%) with Mortgage Choice Limited (A\$2.60, +8.3%), Iproperty **Group** Limited (A\$2.82, +12.4%) and Sundance Resources in the smalls. Losers today included Senex **Energy** Limited (A\$0.475, -5.9%), Drillsearch **Energy** Limited (A\$1.075, -6.9%), United Overseas Australia Limited (A\$0.51, unch), Ten Network Holdings Limited (A\$0.19, -2.6%) and Beach **Energy** Limited (A\$1.255, -3.5%) with Cudoco Limited (A\$1.41, -9.6%), Objective Corp and Atlas **Iron** Limited (A\$0.395, -7.1%) in the getting smaller cap category. Volume was usual at around \$3.7bn, Aussie Dollar 87.12, Bitcons at \$452 and **Gold** at \$1407(that's in Aussie Dollars, which is more like it for Aussie golds).

In Asia we saw more 'Big Trouble in Little **China**' as police battle to control the protesters again. Japan was down 0.13%, HK actually up 0.7% and **China** unchanged.

Stocks and Stories RIO Tinto Limited (A\$60.99, +0.4%) just keeps cranking the red soil out. They posted a 12 per cent rise in September quarter production to 76.8 **million** tonnes, compared to the same time last year. They also increased **copper** production guidance for the full year but for Rio it is really all about

**iron ore** ? the commodity accounts for 90 per cent of its earnings. They are on target to exceed their forecast of 295m tonnes. No wonder the **Iron Ore** price is stuffed.

Good update from Mortgage Choice Limited (A\$2.60, +8.3%) today as they are big winners from the current obsession with all things 'The Block' and home sales. First quarter approvals were up 12.5%. More loan rangers too around the country at 556. Good story. Good yield and good management. And where there are Loan Arrangers there must be Silver! Hi Ho!

TABCORP Holdings Limited (A\$3.61, +3.7%) surprised the market today with a trading update. Good World Cup betting and better results from the 'Gee Gees' helped too. Investor day tomorrow so expect more love for this one. The wagering division reported the strongest revenue growth of 8 per cent, rising to \$415.9 **million**. This is where the action is. The value of bets placed digitally, via smartphones, computers and tablets, rose 21 per cent! Forget shops and pubs. Use your phone.

More Dick Smiths coming as Dick Smith Holdings Limited (A\$2.14, +1.4%) wants 450 stores across Australia and New Zealand by 2017 and a greater online presence. The **company** plans to open 20 new shops each year and for its online business to generate 10 per cent of its sales.

The Reject Shop Limited (A\$8.67, +0.9%): New kid on the block Ross Sudano, who took the helm late last month after the departure of Chris Bryce has wasted no time in reeling out the excuses. It's not us, it's you. The consumer. The weather. The negative sentiment and well, whatever. Same-store sales in the three months ending September fell 5.4 per cent and total sales rose just 2.7 per cent. Still they have announced they are doing something about it so the market was pleased at any rate. Long way to go for this one but discounting by fellow discounters seemed to be hurting things. Maybe a coffee with competitors would be an idea!

Johnny Foreigner is still piling into Australian **Residential Property** faster than you can say 'corruption clampdown'. Foreign buyers accounted for 16.8 per cent of total demand for new **property** in Q3, or about one in six of all buyers, with this share tipped to rise to 17.3 per cent.

**Buy** backs are all the go. Dexus **Property Group** (A\$1.13, +1.3%) up for it and so too is CSL Limited (A\$73.50, +1.4%) as it confirmed it will launch another \$950 **million** on-market share buyback ? it's seventh in eight years. CSL is 95 per cent of the way through a \$900 **million** buyback that it announced in October 2013.

Consumer confidence has risen marginally, from 94.0 in September to 94.8 in October. Huge!

New vehicle sales rose in September with all vehicle types including sports utility higher, bouncing back from two straight months of decline. Today's data from the Australian Bureau of Statistics showed 94,285 new vehicles were **sold** in September, seasonally adjusted, up 2.9 percent from August's 91,664. Sales were up 0.8 per cent on September last year.

Meanwhile in **China**, annual consumer inflation slowed more than expected to 1.6 per cent in September, a level not seen since January 2010, Analysts had expected annual consumer inflation to ease to 1.7 per cent in September from 2 per cent in August.

Tomorrow's News Today I saw on Sky's Legal show today that we produce 12,000 law graduates a year. What do they all do? Really? Is there that many lawyers needed!

Ireland is set to end its tax haven status, for new companies at least, as Google and all their mates will cop it from 2020 onwards. Lots of time then to find a new domicile to shift all the profits to. Maybe they need some lawyers?

Could be the first casualty of the US crackdown on Inversions as the huge AbbVie bid for Shine at around \$54bn is now in doubt!

The Bank of Korea has cut rate to 2%. Gangnam style!

Fear in the World is at its highest since the Eurozone crisis. Both the US VIX and the Zombie VIX are showing a clean pair of heels as the **equity** markets struggle. And we have Super Mario 'Whatever it takes' Draghi speaking tonight. Can't wait!

Ze Germans now expect growth of just 1.2% this year and the same in 2015, it said on Tuesday, down from 1.8% and 2%, in the face of slowing export growth. Business optimism in the last three months fell from net 35% to just 5%. Triple dip recession coming to Eurozone soon?

And in the US the cup-cake maker Crumbs which filed for bankruptcy in August has emerged with a game changer in a new dessert, the Baissant a bagel-croissant hybrid. First the Cronut and now this. Genius.

This is slightly creepy. The ultimate perk perhaps? Apple and Facebook are offering female employees the chance to have their eggs frozen so they can have babies later and not interrupt vital work in posting pictures of cats and dreaming up new iThings. Is this creepy? No, maybe it's just me then! \$20,000 perk, of course they will be too old to actually enjoy their kids but hey!

That is all.

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