

HD Australian Stocks: What Happened Today?

BY By Henry Jennings, Private

WC 1,849 words

PD 14 August 2014

SN FN Arena

SC FNAREN

LA English

CY Copyright 2014. FN Arena Ltd.

LP

With a promising **lead** from overseas to kick us off, plus a knock out number from Telstra Corporation Limited (A\$5.56, +2.2%) ,complete with a **billion** dollar buy back it was once again off to the races as we surged above 5550. After peaking at 5558 we settled back at 5549 up 34 points for the day as last week's weakness gave way to this week's strength.

TD

All is forgiven .It seems that the raft of really hopeless economic numbers from Japan, **China** and Europe are a good thing as it means lower rates and more stimulus. We love that. Let's push the problems down the road as Italian and Japanese sovereign debt hit record highs. Not even sure how many zeroes there are in a quadrillion yen!! Anyway, Financials and Industrials leading the charge. Commonwealth Bank of Australia (A\$81.02, +0.1%) the underperformed for a change as investors reassessed the outlook and the expensive nature of the bank. Suncorp Group Limited (A\$14.87, +2.6%) spent a day with zinc on frolicking after yesterday's good results, even Macquarie Group Limited (A\$57.11, +1.0%) managed to bask in their reflective glory as did Insurance Australia Group Limited (A\$6.18, +0.7%) and the wealth managers like #OFX#, ASX Limited (A\$35.72, +0.7%), Henderson Group PLC. (A\$4.07, +0.5%), Platinum Asset Management Limited (A\$6.31, +2.3%).

In the industrials Csl Limited (A\$70.42, +4.7%) put on the Ritz after the numbers yesterday, helping the entire sector lift. Ramsay Health Care Limited (A\$48.62, +1.5%), Greencross Limited (A\$10.20, +1.5%), Sonic Healthcare Limited (A\$17.92, +0.6%), Ansell Limited (A\$19.05, +1.3%) and even Unilife Corporation (A\$0.42, +2.4%) rallied hard. Consumer stocks were also positive as Woolworths Limited (A\$36.10, +0.5%) shrugged off the concerns about their hardware strategy but Wesfarmers Limited (A\$43.50, +0.9%) still seem the favoured one. Other industrials like McMillan Shakespeare Limited (A\$10.42, +5.5%) perked up ahead of results and you get the feeling that someone knows something, Seek Limited (A\$16.46, +1.3%), Brambles Limited (A\$9.17, +0.8%), Aurizon Holdings Limited (A\$5.01, +1.2%) and Qube Holdings Limited (A\$2.27, +1.3%) did well in logistics.

Resources underperformed today with some profit taking in RIO Tinto Limited (A\$65.05, -1.0%) and BHP Billiton Limited (A\$38.16, -0.2%). Golds attracted some attention with Newcrest **Mining** Limited (A\$11.28, +1.7%), Beadell Resources Limited (A\$0.545, +3.8%), Kingsgate Consolidated Limited (A\$0.945, +0.5%) and RRL# going ok. Oz Minerals Limited (A\$4.20, -2.1%) slipped following yesterday's results and **Iron Ore** stocks Atlas **Iron** Limited (A\$0.70, +2.2%) had a better day on takeover talk though Fortescue Metals Group Ltd (A\$4.45, -1.8%) slipped. Graphite and hot stocks Syrah Resources Limited (A\$5.15, +0.6%) and Sirius Resources NL (A\$4.02, +3.1%) were also in demand.

Knocking the lights out today were TFS Corporation Limited (A\$1.99, +9.3%), #NPX#, Crown Resorts Limited (A\$15.66, +5.6%), Fairfax Media Limited (A\$0.94, +6.2%), Carsales.Com Limited (A\$11.07, +5.4%) and Mesoblast Limited (A\$4.23, +4.7%) in the bigs and surprisingly Silex Systems Limited (A\$0.895, +9.1%), My Net Fone Limited (A\$2.69, +9.8%) and #TNG# in the smalls. Under pressure today were STW Communications Group Limited (A\$1.35, -7.8%), #XRO#, Echo Entertainment Group Limited (A\$3.16, -4.2%) and Iproperty Group Limited (A\$3.41, -2.3%) in the large caps and #MKB# and Starpharma Holdings Limited (A\$0.705, -3.4%) in the smaller companies.

Volume was better, well better than most days at around \$4.2bn. the little Aussie battler trading around 93c. Tulips from digital land at \$578 and shiny happy **gold** at \$1313. Asian markets were mixed as Tokyo rallied 0.7% but **China** was unmoved really.

Stocks and Stories Results coming thick and fast today as the good go early!

Telstra Corporation Limited (A\$5.56, +2.2%) announced a 14.3 per cent increase in full-year after tax profit to \$4.28 **billion**. Revenue increased 3.5 per cent to \$25.3 **billion**. They also announced a much anticipated capital management share buy back of around \$1bn. Up ahead they expect low single digit income and earnings growth in the 2015 financial year. However interesting that they now have 16m mobile subscribers. In a population of 25m and one that is addicted to data and smartphones, that's a pretty good position to be in. Dividend up to 15c making 29.5 for the year.

Dexus Property Group (A\$1.155, unch) reported Net profit attributable to stapled security holders after tax for the year to 30 June 2014 was \$406.6 **million**, impacted from the prior year by lower property revaluations (compared to FY13). Increased distributions of 6.26 cents

Crown Resorts Limited (A\$15.66, +5.6%) said its full-year net profit after tax rose 66 per cent to \$655.8 **million**, which was buoyed by growth in the **company's** Macau joint venture

STW Communications Group Limited (A\$1.35, -7.8%) STW Communications Group has reported half-year net profit growth of 1.2 per cent to \$19 **million**, as the marketing and communications **company** fights to win business in a tough advertising market.

Fairfax Media Limited (A\$0.94, +6.2%) net profit of \$224.4 **million** from the year-earlier loss of \$16.4 **million**. The return to profit was boosted by the **sale** of holiday website Stayz, but was hindered by more than \$33 **million** in impairments. Looks like the digital strategy is starting to bear fruit and the cost cutting continues. Just don't worry too much about the actual news! Lots of high profile commentators are cheaper than boot son the ground doing stories.

AWE Limited (A\$1.73, +1.8%) today announced they had bought a 40% interest in block 09/05 in offshore **China** from Roc **Oil Company** Limited (A\$0.675, unch)

Chinese steel and **iron ore** futures have fallen to eight-week lows as fresh concerns over **China's** economy cast doubts on the outlook for demand for the two commodities. **Iron ore** for immediate delivery to **China** dropped 0.9 per cent to \$US93.20 a tonne, its lowest since June 20. On a normalised basis, which removes fluctuations in activity of high roller gamblers, net profit rose 35.2 per cent to \$640.0 **million**. These guys have even upgraded their private jets at a cost of \$100m to ferry their VIPs around. Not too bad for some.

Tomorrow's News Today The German economy has shrunk for the first time since 2012. this of course is good news. Perverse world.

Looks like the Yazidis have slipped out the back jack, after Obama's new plan Stan and have set themselves free. Apparently the Kurds and airstrikes have allowed a huge number to get off the mountain. Good news indeed. Now they are looking for a boat to jump in as Tony has been so supportive.

South Korea has cut rates for the first time in 15 months to 2.25% as it looks to revive growth.

Things just got interesting in Brazil. Presidential candidate Eduardo Campos has been killed in an air crash. Incumbent Dilma Rousseff, although unpopular, now has a better chance of keeping her spot.

The anger directed at Smokin Joe Hockey is building as he rubs salt in the wounds on his 'poor don't drive cars' comments. Really Joe? Analysis reveals poorest 20% of households spend more than three times as much of income on petrol. Starting to look as inept as the Swanster!

Doesn't seem to be making much news in Rupert's world but there have been some serious riots and civil unrest in the US following a black teenager being shot by the police. Down in Ferguson, Missouri things are heating up.

The Mexican government grants national **oil firm** Pemex the rights to 83% of the country's proven and probable **oil** reserves, as part of a broad **energy** overhaul.

Oil prices at nine month lows. UK unemployment at six year lows. And France has just recorded yet another quarter of zero growth. No one left according to my mates in London, as they now all live there! Government pulling back its forecasts for 2015 as well. Zombieland will be back on the agenda before too long and Super Mario may have to actually do something! Plus the vote for Scottish independence gets closer. Plan **B** is being drawn up by Mark (Circus) Carney as I write.

That is all

Henry Jennings Private Client Advisor BBY Limited Participant of the Australian Securities Exchange
Authorised and Regulated by the Financial Services Authority

Level 17, 60 Margaret St Sydney NSW 2000 D +61 2 9226 0067 **M** +61 414 345 137 E
hcj@bby.com.au W www.bby.com.au

Reprinted with permission of the publisher. Content included in this article is not by association the view of FNArena (see our disclaimer). Who is BBY? Australia and New Zealand's largest non-bank owned stockbroker Ranked Top 10 Dealing Desk at the 2013 Stockbrokers Awards Australia's largest range of financial trading products Visit us for more information bby.com.au

fb.com/BBYLtd

twitter.com/BBYLtd Disclaimer: If you are not an intended recipient of this communication, please notify the sender. You should not read, act upon, print, disclose, copy, retain or redistribute this communication or any attachment without the authority of BBY Limited (ABN 80 006 707 777/AFSL 238095/FSA Reg No. 146367). Click here for important additional terms relating to this communication, or alternatively click on the Disclaimer link on our website.

Find out why FNArena subscribers like the service so much: "Your Feedback (Thank You)" - Warning this story contains unashamedly positive feedback on the service provided.

FN Arena is building the future of financial news reporting at www.fnarena.com. Our daily news reports can be trialed at no cost and with no obligations. Simply sign up and get a feel for what we are trying to achieve.

Subscribers and trialists should read our terms and conditions, available on the website.

All material published by FN Arena is the copyright of the publisher, unless otherwise stated. Reproduction in whole or in part is not permitted without written permission of the publisher.

RF 44860298-F813-A16C-67C29D9D862396C9

CO mpbs : Suncorp Group Limited | tcoma : Telstra Corporation Ltd

IN i7902 : Telecommunications | i814 : Banking | i81402 : Commercial Banking | ibnk : Banking/Credit | ifinal : Financial Services

RE austr : Australia | jap : Japan | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | easiaz : Eastern Asia

PUB FN Arena Ltd.

AN Document FNAREN0020140814ea8e000m9