HD MARKET MILDLY LOWER AT MIDDAY AS EXPECTED

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The S&P/ASX200 is down 10.2 pointst o 5520.1 recovering off an earlier low of 5503.3, on good volume worth $1.94 billion. there were 382 issues higher and 427 down. The SPI Futures is down 12 points to 5458 on heavy volume of 11,269 contracts. Aussie 10 year bond yields are down 1 point to 3.42%. The $A is at 92.75US c, more or less in line with early levels.

*The banks have contributed 4.7 negative points to the index, insurers have contributed 2.9 positive points, resources have contributed 3.5 negative points, property trusts have contributed 0.3 negative points and retaielrs have contributed 0.6 negative points.

Telstra has contributed 1.4 negative points.

*The Nikkei Dow futures is up 10 points to 15,160 points, Shanghai CSI physical is up 2.67 points to 224.26, Hang Seng futures is up 8 points to 24,641 points. S&P futures is up 1.5 points to 1931.90, Nasdaq futures was up 2 points to 3905.5 points, Dow futures was up 10 points to 16,529 points.

Gold futures were steady at $1309. Crude futures are down 16c to $97.21.

Our market is focussed on the profit reports that are beginning to come through in large numbers.

Japan has reported mixed eco numbers and China's numbers reported so far are below expectations (below in news of the day) while IP and retail sales growth will be out shortly.

Our profit results reported today reflect strong and well managed companies with highly creditable results and generally handsome dividend yields - although share price action is varied!

Offshore interest has also picked up at the start of our profit reporting season.

"Resistance at 5547, support at 5510 followed by 5500 .. down 5 points'

Ben Faulkner, a senior adviser with Morgans said, "Copper had a bit of a sell off last night, holding just above critical support at $3.15/lb. A break of $3.15 will more than likely see it head back to $3 which would be quite bearish for the short term uptrend it has been in since March.

"Crude is just above the key support level of $97 a barrel. A break of $97 more than likely will see it head back down to $92/93 a barrel - the IEA commented that despite the tensions there has not been any disruptions to supply.

"The Shanghai market ran into a bit of profit taking yesterday. It was sold down during the session but closed back up near its support. There is a lot of buying momentum there. Resistance remains at 2227. It certainly looks like a break to the upside is more than likely. Downside support is at 2105. It is a very bullish picture on the Chinese market against other global indices.

"The German index has been grossly over sold over the last couple of weeks. I expect a bounce to 9600. The key level of support remains 9000. It needs to hold for the week. The picture remains bearish there.

"The S&P 500 was strong on the opening and then faded. There seems to be continued selling pressure there. Momentum is still on the downside. Technically it is threatening to continue its downtrend. The key level of support will remain at the 100 day moving average of 1917. A break of that will see it back down to 1850.

"I was expecting a bit more of a bounce from German and US markets this week. It is certainly interesting at this point on whether they resume their downtrend.

"For our market, it was an extremely strong day yesterday. The next level for the bulls is the 20 day moving average which is sitting at 5547. The bulls will want to see our market close above that for this week.

"The short term picture looks a lot better than the DAX and S&P. Support is at 5500. If we break that then we will test 5450, the lows of earlier this week.

"Our SPI was up against the rest of the markets - there seems to be more buying support in our market at present. There is better value in the resources and some selected industrials. I have been reducing exposure to the big four and lifting exposure to some diversified resources especially BHP. I expect resources to outperform for the rest of this week if metal prices hold.

"For today resistance is at 5547. Support is at 5510 followed by 5500.

"I can't call us up again after yesterday's rise. I will call us down 5 points'.

The S&P/ASX200 rose 73.3 points to close at 5530.3 last evening.

ECO NEWS

*Total hourly rates of pay, excluding bonuses, rose by 0.6% in the June quarter, official figures show.

The median market forecast was for a rise of 0.7% in the June quarter.

The wage price index rose 2.6%, seasonally adjusted, from a year earlier, the Australian Bureau of Statistics said on Wednesday.

In the March quarter, the index rose by 0.7%.

The index measures movement in underlying wages by calculating the change in wage and salary cost across a range of occupations.

*The Westpac-Melbourne Institute of Consumer Confidence rose 3.8% to 98.5 in August from July.

TOP STOCKS

Knee jerk reaction to **company** profit results (across the board)

Amcom is down 7c to $1.89 on 3.4m shares, CBA is down 65c to $81.04 on 1.9m shares, CPU is down 49c to $12.13 on 1.4m shares, Carsales is down 33c to 410.85 on 2.67m shares, CSL is up $2.12 on 2.1m shares, Devine is up 2c to $1.10 on 153,839 shares, Echo is up 13c to $3.33 on 4.1m shares, Goodman is down .5c to 63.5c on 1.5m shares, OZL is down 13c to $4.35 on 1.7m shares, Primary is down 19c to $4.63 on 2.4m shares, SkyCity is up 3c to $3.29 on 1.66m shares, Skilled is up 4c to $2.54 on 384,640 shares and Suncorp is up 41c to $14.53 on 7.6m shares.

*Slater & Gordon rose 27c to $5.51 on 761,180 shares following on from yesterday's gain after its profit result.

Among the financials, AMP is up 5.5c to $5.37.5 on 3.6m shares, ANZ is down 14c to $32.74 on 1.56m shares, NAB is down 7ct o $34.33 on 1.1m shaers, Westpac is up 10c to $33.68 on 2.2m shares.

Among the TMT's Telstra is down 3c to $5.43 on 9.6m shas, Spark is steady at $2.54 on 391,715 shares, SingTel is down 3c to $3.37 on 28,750 shares.

Among the resources BHP is down 7c to $38.51 on 1.5m shares, RIO ex $1.03 is down $1.50.5 to $66.31.5 on 3.4m shares, Fortescue is down 12c to $4.51 on 8.4m shares, Atlas is up 2c to 70.5c on 10.5m shares, Iluka is down 8c to $8.68 on 570,000 shares. ERA is down a half cent to $1.25.5 on 91,000 shares, Paladin is up .2c to 38.2c on 3.3m shares.

Among the oils, Woodside is down 36c to $41.87 on 548,165 shares, Santos is down 3c to $14.22 on 800,000 shares. **Oil** Search is down 3.5c to $9.41.5 on 1.15m shares.

Among the golds, Newcrest is down 3c to $11.04 on 730,000 shares, Oceana is up 2c to $3.08 on 71,000 shares, Northern Star is down 1c to $1.84 on 1.1m shares.

AT THE SMALLER END

*OilEx is up 2.5c to 18.5c on 660,000 shares.

*Silex is up 3.5c to 83c on 522,387 shares.

NEWS OF THE DAY

*China's aggregate financing was 273.1 billon Yuan in July the People's Bank of China reported vs 1.5 trillion Yuan expectd.

New loans reached 385.2 billion yuan vs 780 bilion expected.

M2 growth was up 13.5% vs 14.4% forecast.

Retail sales growth and industrial production are due later today

*Japan's GDP fell 6.8% in the three months through June vs a 7% drop expected.

*Japan's household consumption fell at an annualised pace of 19.2%from the previous quarter.

*Japan's private investment fell 9.7%. This follows the rise in the sales tax.

*The CPI rose 3.6% in June from a year earlier, with food prices rising 5.1%./

Ex div: GMA ex 2.8c; RIO ex $1.03.1;TTN ex 4c.

Changes in substantials reported August 11 and 12 inc posted separately.

LARGE CAP INDUSTRIALS

*ALZ/AAZ: To redeem ASSETS

Australand Property Ltd advised Australand Subordinated Step-Up Exchangeable Trust Securities (ASSETS) are to be redeemed, following the announcement by Frasers Amethyst Pt Ltd on August 7 that it has acquired a relevant interest in more than 50% of ALZ. A notice to holders will be despatched on or about September 3, quotation of ASSETS will end on the ASX on September 5.

*BOQ: MD and CEO Stuart Grimshaw resigns, will leave end August

Bank of Queensland Ltd announced managing director and CEO Stuart Grimshaw has resigned to pursue a new non banking opporutnity outside Austraia. Mr Grimshaw will leave BOQ at end August. COO Jon Sutton will take over as Acting CEO from September 1 whIle the board conducts an internal and external search for a new CEO.

*CBA: Cash NPAT up 12%, $2.18 ff div, DRP at no disc, outlook positive

Commonwealth Bank of Australia Ltd for the year ended June 30 announced a statutory net profit after tax of $8.631 billion, up 13% on last year. Cash NPAT was up 12% to $8.680 billion. A fully franked final dividend of $2.18 per share was announced, taking total for the year to $4.01, up 10% on last year. Ex date is August 19, record date August 25. The DRP is available at no discount. Shares will be bought on market to satisfy the DRP.

Group cost to income ratio improved 70 bpts to 42.9% as productivity initiatives deliver tangible outcomes.

Loan impairment expense for the year was $953 million down 12% on last year.

Troublesome and impaired, gross impaired assets were worth $3.4 billion in 2014 vs $4.3 billion last year. Provisioning for B&DD is $3.9 billion.

Strong organic capital growth increased both Common Equity Tier 1 (CET 1) Capital on an APRA basis and on a fully harmonised Basel III basis by 110 bpts to 9.3% and 12.1% respectively.

Return on equity on a cash basis was up 18.7% , an increase of 50 basis points.

The balance sheet growth was strong with average interest earning assets up $52 billion to $705 billion.

Customer deposits rose by $34 billion to $439 billion and now represents 64% of the Group's total funding.

CBA continues to invest in the future, with $1.2 billion invested in the 2014 financial year with particular focus on technology and productivity.

Group CEO Ian Narev in his report pointed to the CBA's impact on the community - including over 800,000 households who own shares directly and millions more who own them through their pension funds, paid over $5.4 billion to more than 50,000 people whom the bank employs, continuing its commitment not to offshore Australian jobs and pays around $3.4 billion in State and Federal tax.

He added, "As a 102 year old company we are always keeping an eye on the future .. we have also continued investment in our capability based strategy outside Australia".

Analysts expectations: $8.651.4 mln, div 217c, $8.745 bn cash earnings, div 220c/$8691.4 bln/$8.682 mln/consensus $8.639 bln, div 214c.

*On August 5 a leading broker said it expects another strong result, and expects ongoing improvement in asset quality, 2nd hand BDD charge is expected at 14 bp. The broker added "The upcoming release of the FSI (due in November) is the biggest issue facing the banks, in our view".

On August 1 a leading broker with a 'sell" on CBA and a price target of $81.58 said it believes CBA has the most margin upside among majors from wholesale funding spread improvement and term deposit spread normalisation. In particular, the broker expects CBA to benefit from a number of government guaranteed facilities reaching maturity through full year 2014.

On the other hand, the broker's product pricing data suggests that CBA has been among the most aggressive of the major banks on mortgage competition. It forecasts 1bp of margin contraction half on half in 2nd half 2014 for CBA vs 2 bp contraction on average for majors ex CBA.

*On August 1 the Financial Times reported as of Aug 01, 2014, the consensus forecast amongst 35 polled investment analysts covering Commonwealth Bank of Australia advises investors to hold their position in the company. This has been the consensus forecast since the sentiment of investment analysts improved on Feb 28, 2013. The previous consensus forecast advised that the company would underperform Commonwealth Bank of Australia. There were 2 buys, 4 outperforms, 12 holds, 7 underperforms and 3 sells.

*On July 24 Nomura had a "neutral" on Commonwealth Bank with a price target of $78.

*CPU: NPAT up 60.1%, 15c part fr div, DRP at no disc/outlook positive

Computershare Ltd for the year ended June 30 announced a net profit after tax up 60.1% to $251.401 million on revenue down 0.2% to $2.015 billion.

A final 15c part franked dividend was announced, record date August 21. The DRP is available at no discount.

Basic eps is 45.2c vs 28.25c last year.

Diluted eps is 45c vs 28.13c last year.

Cash in hand at end of year is $509.151 million vs $454.353 million last year. Cash and cash equivalents includes $49.1 million as items held for sale.

Outlook

The company said looking to the year ahead, lower yields on client balances and some short term headwinds are expected to be a drag on earnings, but the company is seeing modest improvements in some of its key operating environments. "Taking all factors into account the company expects Management EPS for full year 2015 to be around 5% higher than 2014".

Analysts expectations: $US330 mln/$US332.3, div 15c/$US336mln, div 16c/$US331.

*On August 8 a leading broker had a "neutral" on Computershare with a price target of $13.70. The broker said the company has guided for $US $ management eps to be up 5/10% on pcp. However most estimates re at the upper end of this range. The broker expects 2nd half 2014 margin income to come in at around $US93 million, down from $US106 million in first half 2014 and expects the company to guide for 5/10% growth since the company tends to take a fairly cautious view.

The broker forecast US eps growth of 12% with consensus growth expectations roughly 11%.

*On August 6 a leading broker retained an "underweight" on Computershare while raising the price target from $11 to $11.30.

The broker said ahead of the results, it raises five key points' a subdued outlook for the core registry maintenance business that is about 40% of revenue, business services revenues expected to be broadly flat year on year, its global service model should continue to provide savings, leverage to rising short end rates is attractive given CPU's $US6 **billion** float, but there is risk interest rates do not rise fast enough to meet consensus expectations next year. The broker forecast expanding EBITDA margins to 27.7%, delivering eps growth of 8.2% vs guidance of 5/10%.

*On July 24 Nomura retained a "neutral" on Computershare with a $12.50 price target. The broker said within the diversified financial sector, "Our preference is for CPU (Neutral) given its exposure to the improving US economy.

Company guidance: On July 1 Computershare Ltd announced it expects to make net writedowns of approximately $US40 **million** after tax as at end June 2014. The writedowns comes as the **company** nears the end of its review of non core and non strategic assets. Outgoing CEO Stuart Crosby sald no further writedowns are expected and more detail will be provided at the 2014 full year results release on August 13.

Incoming CEO Stuart Irving reaffirmed that CPU's management eps for 2014 are expected to be up 5/10% on the 2013 results.

*CRZ: NPAT up 14%, 17.4c ff div, outlook positive

Carsales.com Ltd for the year ended June 30 announced a net profit up 14% to $05.457 **million** on revenue up 10% to $235.602 **million**.

A final 17.4c fully franked dividend was announced, record date October 1.

NTA backing per security is 39.99c vs 30.2c last year.

Operating cashflow rose 11% to $98.7 **million**.

Cash in hand at year end is $26.042 **million** vs $15.140 **million** last year.

The chairman Wal Pisciotta said in the report 2014 has been marked as year that included the **acquisition** of Webmotors n Brazil and SKENCARSALES in South Korea, along with its continued support in South East Asia for iCar, it now has a portfolio of meaningful investments in some oft he fastest evolvingcar markets in the world.

He also outlined investments in Australia including in Tyresales.com.au and in Stratton Finance. He concluded "Carsales.com continues to be very well positioned for the future".

Analysts expectations: $93.8 mln, div 17.2c/$94.2 mln, div 17.3c/$96.2 mln.

*On August 7 a leading broker reiterated its July 23 downgrade of Carsales to "Neutral" with a price target of $10.95. The broker said it expects CRZ to provide an update on the auto manufacturers that had withdrawn new car inventory as well as some advertising support late last year.. It forecast 13% growth in dealer revenue driven by price rises in dealer enquiry fees ($5 per enquiry from Feb 1 2013), moderate volume growth in leads reflecting some sensitivity to the subdued macro conditions and strong non auto revenue gains.

Among other points, the broker also expects further detail on recent acquisitions - a 50.1% **stake** in Stratton Finance and a 49.9% **stake** in SK Encar.

*On July 1 a leading broker had an "add" on Carsales with a $11.91 target price, up from $11.34. The broker said Carsales.com has moved into a new part of the automotive value chain - vehicle finance - through the **purchase** of a controlling 50.1% **stake** in Stratton Finance, the country's largest independent vehicle finance broker. The deal will be immediately earnings accretive.. Carsales continues to use its under geared balance sheet to add new earnings growth options. Vehicle finance now joins Brazil, South Korea and South East Asia as potential new earnings drivers, the broker said in the report.

*CSL: NPAT up 7.9%, 60US c unfr div, outlook positive

CSL Ltd for the year ended June 30 announced a net profit up 7.9% to $1.307 **billion** vs $US1.211.4 **billion** last year (restated) on revenue up 7.8% to $US5.524.3 **billion** vs $US5.129.5 **billion** last year.

A final 60US c unfranked dividend was announced, record date September 10.

CSL added sales revenue at constant currency was up 8.6% to $US5.37 billon. Operational net profit after tax for the year at constant currency was up 7.6% to $US1.3 billion.

NTA backing per security is $US4.71 vs $US4.4 last year.

Future prospects

The company said in the report in the medium term the company expects to continue to grow through developing differentiated plasma products, receiving royalty flows from the exploitation of the Human Papillomavirus Vaccine by Merck & Co Inc and the commercialisation of the company's technology.

Analysts expectations: $US1.27 bln/$US1.299 bln/$US1.354 bln/$US1.357 bln, div 54.7c/$US1.354.7 bln/$US1.297 bln.

*On August 11 a leading broker with an "equal weight" on CSL had a price target of $60.35. The broker said CSL's IG growth is facing tough competition as the mix-shift to higher priced product is nearly complete, its lapping Octapharma-related share gains and the high growth in the pcp will be hard to meet. The broker expects the same for 2014. CSL's specialty products are expected to continue robust double digit growth, however the coagulation franchise is expected to show weakness even ahead of competitors product launches. Full year 2015 growth could be more challenged, the broker added.

*On August 6 a leading broker retained a "buy" on CSL with a price target of $82.

The broker said IG revenue growth will be a major forecast. It expects investors to focus on the outlook for CSL's subcutaneous IVIG product, Hizentra, given the recent favorable FDA committee vote for Baxter's rival HyQvia product. It is also focused on global supply/demand dynamics for Ig, including recent new entrants to the US market.

The broker forecast 11.6% EBIT growth for CSL Behring, limited medium term growth for CSL's FVIII franchise and expects CSL will announce a buyback.

A leading broker on August 4 ahead of CSL's profit report on August 21 retains a "buy" on CSL with a share price target of $80. The broker said despite a trifecta of events in the past 48 hours, it rates the net impact as more negative for sentiment than forecasts. The broker expects CSL to meet or beat if 2014 guidance of 10% ccNPAT growth pre adjusted for legal settlement, with the capacity to guide to a further 1-/5 growth in 2015 plus a new buyback program.

The trifecta of events includes the FDA Blood Products Advisory Committee voting in favor of Baxter's HyQvia product, supporting risk communication strategies but not restricted to labelling. Bayer 2nd quarter 2014 results highlight 17% Kogenate sales decline due to manufacturing restraints and Grifols Bioscience division reported first half 2014 3.3% gain in CC, down 1% on the previous period, noting an increase in sales of IVIG and albumin but moderate fall in intermediaries and pdf VIII sales with tender delays.

*A leading broker on the same date had an "accumulate" on CSL with a share price target of $74.48. The broker said the underlying momentum of the company's plasma derived portfolio continues to be supported by a range of factors. There is further upside potential in the specialty care portfolio and a non-valent Gardasil release.

Decreased debt costs, the ongoing buyback, improving payout ratio, the announcement of a partnership agreement and an insight into the treatment of Alzheimer's are all potential upside risks.

*The Financial Times reported as of Aug 01, 2014, the consensus forecast amongst 20 polled investment analysts covering CSL Limited advises that the company will outperform the market. This has been the consensus forecast since the sentiment of investment analysts improved on Oct 01, 2013. The previous consensus forecast advised investors to hold their position in CSL Limited. There were 4 buys, 6 outperforms, 6 holds and 2 sells.

*CWN: Acquires balance 50% of Betfair Austalasia for $10 mln

Crown Resorts Ltd announced it has acquired Betfair Group plc's 50% equity interest in Betfair Australasia Pty Ltd for $10 million. Betfair Australasia was formed in 2004 as a 50/50 j/v between Crown and Betfair Group plc. Crown now owns 100% of Betfair Australasia.

*EGP: NPAT up 27.3%, 4c ff div, DRP at no disc/outlook positive

Echo Entertainment Group Ltd for the year ended June 30 announced a net profit after tax up 27.3% to $106.3 million on revenue up 3.9% to $1.805.7 billion.

A 4c fully franked final dividend was announced. The DRP is available at no discount. Record date is August 26.

NTA backing per share is $1.32 vs $1.23 last year.

Outlook

Managing director Matt Bekier said: “Echo had begun fiscal 2015 the same way the group concluded fiscal 2014, with good momentum in its major properties.

“The Star is our flagship property where we will continue to invest in product and with new management coming on board, we expect to see continued improvement in fiscal 2015,” he said.

Analysts expectations: $151.8mn norm/$151.9 mln, div 4c/$151.8 MLN/consensus $152 mn, div 2c ff.

*On August 11 a leading broker had a "lighten" on Carsales with a price target of $2.64.

The broker said it expects Echo to report a 17% increase in management's normalised EBITDA to $432.2 **million**, a 5% increase in management's normalised net profit to $152.2 **million** and a 2c per share fully franked final dividend.

The broker said Echo is currently outperforming in VIP relative to domestic and some international casinos which are showing flat to negative growth and on the main floor, relative to pubs and clubs in NSW and QLD.

"At the moment, we believe that Echo is benefitting from increased participation in the loyalty program, greater non commission spend by customers along with a strong tailwind of slot spend in NSW and QLD.

The broker believes EGP is facing accelerating loss of market share in slots. There is also a worrying negative mix associated with the decline in electronic gaming vs other lower margin products.

*On August 1 a leading broker retained a "neutral" on EGP with a price target of $3. The broker said with EGP having provided a trading update and guidance for 2014 it is expecting few surprises in the headline result. The broker added the big item for Echo is the development of its proposal for the Queen's Wharf precinct in Brisbane with proposals due by the end of the year. However given the confidential nature of the bidding process not much new news is expected.

*On July 24 one leading broker had a "buy" on Echo Entertainment with a $4.25 price target after the announcement of the binding MOU with rival bidders Chow Tai Fook Enterprises and Far East Consortium Pty Ltd to form a "Destination Brisbane Consortium" for an integrated casino resort proposal in Brisbane.

The broker said with signs of EGP earnings finally beginning to show some of the benefits from numerous operational improvements and capex, the stock continues to trade at a discount to market.

*Another leading broker retained a $3.90 target price and said the announcement is not entirely unexpected since the size and scope of the development would stretch echo's ability to finance the project alone. The broker expects the final decision by the Queensland government in early full year 2015.

Company guidance: On June 16 Echo Entertainment Group Ltd advised in an update on trading and guidance said based on the revenue momentum of the second half of the year to date, Echo expects to report normalised 2014 EBITDA within the range of $430/435 **million** and normalised 2014 NPAT within the range of $150/153 **million**. The expected result is above current median analyst forecasts and reported Bloomberg consensus normalised EBITDA of $411 **million** on a like for like basis.

Actual EBITDA will be impacted by the win rate and turnover experienced in the VIP Rebate business for the remainder of the financial year and therefore is subject to potential volatility.

A revenue update for the March quarter was provided on April 1. The underlying normalised revenue trends experienced across the business in the March quarter continue to prevail.

Across the group normalised gross revenue grew 10.2% on the prior comparable period, of up 12.1% on an actual basis.

For the domestic business excluding the VIP Rebate business revenue grew 9.3% on the prior comparable period.

Echo now expects to deliver operating expenditure around $870 **million** for 2014.

*GFF: Net loss $405.1 mln, 1c ff div, DRP susp/update on Wilmar

Goodman Fielder Ltd for the year ended June 30 announced net loss of $405.1 million vs a profit of $102.5 million last year on revenue down 1.2% to $2.199.9 billion vs $2.227.2 billion last year.

Revenue from continuing operations was up 3.4% to $2.199.9 billion.

A 1c fully franked final dividend was announced, with imputation to 100% for New Zealand taxation purposes, record date is Septemebr 15. The DRP will not operate.

With regard to the Wilmar and First Pacific offer at 67.5c cash per share unanimously recommended by the board subject to an independent expert opinion and a superior offer not being received, the company said the independent expert's report is expected later this calendar year, when it will be included in a Scheme booklet.

Analysts expectations: $59.8 mln, 1c unfr final div/$59 mln.

*On August 8 a leading broker had a 'sell" on Goodman Fielder with a 68c price target.

The broker said the result is largely irrelevant as the market focuses on the deal timeline "given the lengthy process of recent deals, there is a high probability that MOFCOM approval takes significantly longer than expected, reducing the PV of the deal to well below the 67.5c Scheme price" the broker said in the report.

*On August 8 a leading broker retained a "neutral" on Goodman Fielder with a 63c price target.

The broker said GFF has entered into a Scheme Implementation Deed with Wilmar International Ltd and First Pacific Company to acquire all of the shares in GFF for 67.5c cash per share. The scheme allows GFF to pay a final dividend of 1c per share for 2014. GFF expects to hold the Scheme meeting on November 3.

Company report: On July 2 Goodman Fielder Ltd announced following completion of due diligence by Wilmar and First Pacific and negotiations on the proposed scheme, GFF has entered into a Scheme Implementation Deed with Wilmar and First Pacific whereby Wilmar and First Pacific will require all of the remaining issued equity in GFF they do not already own for 67.5Ac cash per share (down from 70c offered earlier) subject to all conditions being satisfied. The scheme also allows GFF to pay a final 1c per share dividend for 2014.

As previously announced, GFF expects to record a non cash impairment charge for 2014 in the range of $A300/400 million.

GFF chairman Steve Gregg said in the report the board continued to unanimously recommend to shareholders that they approve the scheme in the absence of a superior proposal and subject to the independent expert concluding the Scheme is fair and reasonable.

*PRY: NPAT up 8.3%, div 11c ff, outlook positive

Primary Health Care Ltd for the year ended June 30 2014 announced a net profit after tax up 8.3% to $162.5 million on revenue up 5.8%to $1.52 billion.

EBITDA was up 4.7% to $399.1 million.

EPS was up 7.7% to 32.2c (up 9.7% after excluding the one off impact of the $3 million refinancing charge in November 2013. .

A final 11c fully franked dividend was announced, with the full year fully franked dividend of 20c up 14.3% on the previous year.

Managing director Dr Edmund Bateman said in the report during the year Primary focused on a strategy of backfilling existing medical centres with GP's and other allied health professional to utilise spare capacity, this has resulted in strong EBITDA growth and margin improvements and will continue in 2015. Primary also currently has eight new large scale medical centre sites earmarked for development, up more than 10% on the current 58. Performance was strong across Primary's medical centres, pathology and imaging business.

Outlook

Primary expects EBITDA for 2015 to be in the range of $410/425 million resulting in EPS growth of between 5% and 12%.

Analysts expectations: $165m/$164.8 mln, div 11.1c/$165 mln/$150.1 mln/170.1 mln reported/$161 mln.

*On August 11 a leading broker retained an "overweight" on Primary Health Care with a price target of $5.760, both unchanged since July. The broker said PRY's performance has been recently clouded by the government's proposed GP co-payment. We see the associated downside to PRY as minimal for now, we retain our OW and thesis'.

*On August 6 a leading broker retained a "neutral" on Primary Health Care with a price target of $4.85.

The broker expects 2nd half 2104 EBITDA to be up 7% driven by 6.5% revenue growth from mostly higher volumes and modest margin expansion as centres mature and are back-filled. It expects investor focus to be on the cashflow requirements of the business (i.e. GP churn and new medical centre openings) and on potential changes to the government's proposal to introduce co-payments for GP visits. It notes that Medical Centre revenue growth has lagged growth in doctor numbers for at least the past two years.

In pathology it forecasts profit growth (EBITDA up 7.5%) driven by 5% revenue growth and margin expansion from operating leverage. It expects investor focus on potential fee cuts in 2015 and also on potential co payments for pathology.

*On August 1 a leading broker retained a "hold" on Primary Health Care Ltd and a price target of $4.91. The broker said the **company**'s ability to backfill GP's into its MC (medical centres) business remains a key driver of top line growth given the recent hiatus in greenfields developments.

*On July 28 another leading broker had an "add" on Primary Health Care with a $5.68 price target.

The broker said it sees continued evidence of improvement in operational metrics for Australia's largest private medical centre operator and a major pathology provider, with GP productivity gains helping to alleviate concerns surrounding GP **acquisition** costs and churn rates.

Company guidance: 7/13% eps growth, EBITDA $395/410 mln.

*SKC: Norm. NPAT down 8.1%, 10NZ c unfr div, DRP at 2% disc

SkyCity Entertainment Group for the year ended June 30 2014 announced a normalised net profit down 8.1% to $NZ123.165 **million** on revenue down 4.8% to $NZ902.534 **million**.

Statutory net profit was down 22.6% to $NZ98.537 **million**.

A 10NZ c unfranked dividend was announced, record date September 19. The DRP is available at a 2% discount.

NTA backing per security is 69NZ c vs 73.4NZ c last year.

Normalised eps is 21.3NZ c vs 23.2NZ c last year.

The **company** said the 2014 result has been adversely impacted by the significant currency appreciation of the $NZ against the $A.

The **company** said in the report growth across the core businesses, underpinned by strong Auckland and International Business performance with good and sustained momentum in the second half was masked by the continued significant appreciation ofthe NZ dollar against the $A over the year, and disruption at the existing Adelaide Casino on the extensive construction works as the property is transformed to take advantage of reforms negotiated with the South Australian government.

Analysts expectations: $NZ121.9 mln

On July 8 a leading broker lowered its rating from "buy" to "neutral" on Sky City Entertainment with a $NZ4.15 target price.

The broker said it lowered its investment rating to reflect lower medium term earnings growth due to disruption and delays with Adelaide and Auckland casino expansion projects coupled with a higher $NZ. This could limit valuation upside over the next 12 months and create downside risk to consensus earnings.

*SKE: CEO Mick McMahon intends to leave after 2015 AGM

Skilled Group Ltd announced managing director and CEO Mick McMahon has indicated he intends to step down from his role by the 2015 AGM by which time he will have served 5 years as CEO. The **company** will formally commence a recruitment process.

Chairman Ms Vickki McFadden paid tribute.

*SKE: U/lying NPAT down 5.4%, 9.5c ff div, outlook positive

Skilled Group Ltd for the year ended June 30 announced a statutory net profit after tax down 21.3% to $44.2 million on revenue up 0.1% to $1.869 billion.

Underlying net profit was down 5.4% to $55.286 million.

A final 9.5c fully franked dividend was announced, record date September 18. The DRP is suspended.

Basic eps is 18.86c vs 24.05c last year.

Diluted eps is 18.51cvs 23.27c last yare.

Underlying basic eps is 23.6c vs 25.03c last year.

Underlying diluted eps is 23.15c vs 24.21c last year.

NTA backing per security is 2.89c vs 36.6c last year.

CEO Mick McMahon said in the report Engineering and Marine Services delivered strong revenue growth in line with expectations, activity levels in ATIVO improved in the second half. Thomas & Coffey, acquired in February 2014 is performing well and extending reach and capability to SKE's engineering offering.

Broadsword Marine Services contributed $16.6 million EBITDA in line with expectations.

"Overall the strong second half run rate achieved in Engineering and Marine Services is expected to continue into 2015" the CEO said.

Volumes in Workforce Services continued to benefit from supplier consolidation in mining and FMCG sectors.

There was weaker demand for permanent and contractor technical professional roles but demand for NBN related telecom roles is expected to increase in 2015.

Outlook

The stronger second half 2014 trends are expected to continue in to 2015 despite external market challenges the company said.

Analysts expectations: $51.7 mln

*On August 4 a leading broker retained a "buy" on Skilled Group with a price target of $3.60. the broker said it expects SKE to report stable EBITDA but lower NPAT, down 6% to $55.1 million due to higher interest expense and higher D&A.

It expects net debt to increase to $149 million from $45 million last year and $133 million in the first half with net debt/EBITDA at 1.5x. This reflects the impact of acquisitions (Broadsword Marine in July 2013 and T&C Services in February 2014) and major capex (eg purchase of new vessels). The broker expects the company to provide an update on the cost reduction strategy including targets for 2015.

*SUN: NPAT up 48.68%, 40c final div + 30c Sp div, both FF, outlook positive

Suncorp Group Ltd for the year ended June 30 2014 announced a net profit up 48.68% to $730 million on revenue up 1.14% to $16.370 billion.

A final 40c fully franked dividend was announced and a special dividend of 30c fully franked. Ex date is August 20, record date is August 22. The DRP is available. Shares will be acquired on market to satisfy the DRP takeup.

NTA backing per security is $6.32 vs $6.11 last year.

In commentary on the result the group said General Insurance achieved a profit before tax of $1.434 billion for the year vs $1.249 billion last year.

The insurance trading result was $1.195 billion vs $959 million last year representing an Insurance Trading Ratio of 15.5% vs 13.1% oast year. The key drivers were premium growth, favorable natural hazard and investment experience and a continued focus on claims and expense management.

Net incurred claims were $5.240 billion with a loss ratio of 67.85 vs 67.4% last year.

Natural hazard claims were $538 millon, $27 million below long run allowances. Interest expense forthe General Insurance business remained flat at $33 million.

Suncorp Bank delivered a profit before tax of $326 million vs a loss before tax of $475 million last year.

The 2014 financial year was one of transition for Banking. It consolidated oeprations and addressed legacy funding and cost positions related to the former non core portfolio, laying the foundations for sustainable, profitable growth.

The cost to income ratio reduced 2% to 57.4%.

Banking loans, advances and other receivables increased to $49.781 million, up $1.782 milloin on 2013. Growth across retail and business lending portfolio s of5% is slightly below target.

Impairment losses on banking loans, advances and other receivables for the financial year were $124 million vs $375 million last year.

"The bank exits this transitional year with a stronger balance sheet, a simplified business and improved financial metrics, leaving it well positioned to deliver its strategic targets' the group said in the report.

Analysts expectations: $1.291.3 bln, div 60c/$1.266 bln, headline Net Profit post amortisation and NRI's $687 million/$809 mln. A final 39c div is expected.

*On August 13 a leading broker retained a "hold" on Suncorp but with a price target of $14.17, lifted from $13.40 earlier.

The broker said it thinks there will be solid reported and underlying trends in general insurance in line with IAG (pre-reported) and non listed peers, but there will be a continued focus on growth and margin outlook from here. "We expect to see weak volumes in the bank offset by strong net interest margin (NIM) expansion.

Life insurance writedowns have already been pre-announced.

The broker added, 'substantial progress on sale and rundown of the non core bank raises the probability of significant capital management".

*On August 8 a leading broker had a price target of $14.30 on Suncorp without indicating a rating. The broker said it expects the company to declare another special dividend, the broker expects 15c with risk skewed to the upside.

The broker said expectations for the General Insurance business would have been further bolstered by IAG's pre announcement on July 24 with a similarly strong underlying margin expected for SUN along with a less weak revenue outcome.

LARGE CAP RESOURCES

*BPT/DLS: Balgowan-1 confirms extesnion of oil fairway NE of PEL 91

Beach Energy Ltd announced the Balgowan-1 exploration well successfully intersected an oil bearing reservoir with 3.5m of net pay in the Namur Sandstone and 2m in the McKinlay Member, confirming the extension of the oil fairway to the north east of recent discoveries in PEL 91. (BPT 40% and operator, DLS 60%).

*ERA: Results at Ranger 3Deeps exploration decline consistent with expect

Energy Resources of Australia announced further underground close spaced drilling results for the Ranger 3 Deeps mineral resource has been completed comprising 34 drill holes totalling 7,139.4 m. Underground drilling results are consistent with expectations. Best results include R3D_10C_015 28m at 0.610% U3O8 from 99m and R3D ND4_004 for 22m at 0.719% U3O8 from 175m.

*LYC/Other: Lynas, NEIB Aboriginal Corp work towards agreeing on Mt Weld

Lynas Corporation Ltd and the North East Independent Body Aboriginal Corporation in an update on their discussions in relation to the Mt Weld tenements both signified their mutually cooperative approach and look forward to reaching an agreement on management of Aboriginal heritage sites and shared value programs. (Aug 12)

*OZL: Int loss $7.4m vs loss of $268m for pcp, 10c unfr div/outlook positive

OZ Minerals for the half year ended June 30 announced a net loss after tax of $7.4 million vs a loss of $268 million for the previous corresponding period (pcp) on revenue up 11% to $351 million.

NTA backing per security is $6.68 vs $6.87 for the pcp.

A 10c unfranked dividend was announced, record date is September 11. The DRP remains suspended.

Outlook for remainder of 2014

The company said with the strong first half copper production and the performance in the Malu Open Pit , copper production guidance for the 2014 full year was upgraded from 75,000 tonnes to 80/85,000 tonnes to 90,000 tonnes as previously announced. A focus on increased copper production means gold only expected ore guidance is maintained at 130,000/140,000 ozs, may be towards the lower end of the range.

Outlook for 2015 and beyond from existing operations

Copper production from the existing operations, Malu Open Pit and Ankata Underground for 2015/2018 is expected to exceed 95,000 tpa based solely on Reserves. Gold production for the same period, also based only on reserves, is expected to be in excess of 95,000 ozs per annum.

OZL also indicated production statistics to end 2025.

Analysts expectations: Neg $60.5 mln, 5c div/Neg $36.1 mln

*On July 16 following the June quarter production report a leading broker retained a "hold" but lifted its price target to $4.40 from $4.20. The broker said OZL has upgraded 2014 copper production guidance 13% to 85/90Kt while gold production is now expected to be at the lower end of 130/140,000 ozs with copper ore to be prioritised at the mill.

Cash at end of June was $155 million, down over $200 million from the $364 million at end December, a larger drop than expected.

*On July 15 a leading broker with a 'sell" recommendation and a $3.60 price target said it maintains its sell based on valuation. "In our view the company is mine life challenged with limited open pit mine life with marginal underground post 2019. The broker added the cash balance had fallen more than expected.

*Another leading broker on July 15 retained an "add" and a $5.50 price target saying production and cost beat expectations and guidance was upgraded. However the cash balance was lower than expected, hit by working capital movements and a $A30 million dividend payment.

MID TO SMALL INDUSTRIALS

*AMM: NPAT up 12%, 4c ff div, DRP at 2.5% disc/Nil gearing/outlook positive

Amcom Telecommunications Ltd for the year ended June 30 announced a net profit after tax up 12% to $23.152 million on revenue up 8% to $170.414 million. A 4c fully franked dividend was announced, record date September 22. The DRP is available at a 2.5% discount.

Underlying EPS is 9.43c up 11% on 8.5c last year.

Basic eps is 9.12c vs 8.5c last year.

Diluted eps is 8.39c vs 8.37c last year.

NTA backing per share is 42.9c vs 34.2c last year.

The company has Nil gearing vs 9% gearing last year.

Amcom Telecom CEO Clive Stein said in the report a key measure for the group is its recurring revenue base which increased by 16% on the back of strong demand for its annuity services. It ha continued to innovate and invest in the business including the deployment of Amcom Cloud Collaboration which led to Amcom's partnership with AARNet and the majorcontract win with the University of Melbourne. Higher Education and the Rsearch Sector are expected to drive growth in the future, together with ACC.

Chairman Tony Grist added the balance sheet is in excellent shape following the recent capital raising, that gives the group ample capacity to take advantage of both organic and acquisition opportunities.

Analysts expectations: $23.02 mln.

On July 25 a leading broker retained an "add" on Amcom Telecom and a target price of $2.25. The broker said it returns to an Add on the stock given it has fallen below fair value following its $40 million raising in new equity in June. "We consider it is one of the more reliable earners in the small cap telco sector and as a carrier with its own fibre asset, one relatively immune to the fluctuating fortunes of policy and regulation.

*CRH: Updated indicative proposal rec'd from Findex

Crowe Horwath Australasia Ltd announced it has received an updated conditional, non binding and indicative proposal from Findex Australia Pty Ltd although the terms of the indicative proposal is incomplete. The board is considering the updated proposal. There can be no assurance that any transaction will result.

Crowe Horwath has rescheduled its reporting date to August 29.

*DVN: Int profit up 110.1%, no div/seeking sale of company

Afforable accommodation specialist Devine Ltd for the half year ended June 30 announced a net profit after tax up 110.1% to $477,000 on revenue up 21.5% to $175.220 million.

No dividend is proposed.

Basic and diluted eps is 0.3c vs negative 3c for the previous corresponding period (pcp).

NTA backing per security is $1.53 vs $1.98 for the pcp.

The company said as a result of Leighton Holdings statement it was seeking a potential purchaser of its 50.6% stake, and the company's decision that sale of the whole business was the better outcome, the expressions of interest program has commenced. There can be no guarantees it will result in a sale.

Analysts expectations: $9.2 mln for full year.

Company guidance: On July 16 Devine Group Ltd and Leighton Holdings Ltd advised following the announcement on June 25 that Leighton had commenced a confidential expression of interest process to seek potential investors for its 50.6% stake in Devine, the Board of Devine has formed the view it is in the best interests of Devine shareholders to explore a formal sale process for all of the shares in the company. As a result Devine and Leighton have entered into arrangements in relation to the sale process, to be administered solely by Devine and overseen by an independent board committee of Devine in consultation with Leighton and its advisers.

*IBY: COO promoted to CEO

Asian e-Commerce companyiBuy Group Ltd announced Krzysztof Merszalek (Kris) has been promoted from the position of COO to CEO, replacing outgoing CEO Patrick Linden who will be leaving the company to pursue new opportunities. Kris had founded the company's Hong Kopng business Beecrazy.com and before which eh founded and subsequently sold YiYi Hong Kong, a location basedm obile application acquired by Motorola in 2010.

*NCK: Nick Scali reports for the year.

Company guidance: On June 26 Nick Scali Ltd advised in recent months order intake and sales revenue have remained above the previous corresponding period. Likely full year sales revenue on both a total and same store comparative basis are ahead of the previous year by around 10% and 5% respectively.

It is expected NPAT for 2013/14 will be around $14 million, up 15% on last year's underlying NPAT of $12.2 million.

*NOD: Final cost cutting measures include MD, CFO being made redundant

Nomad Building Solutions Ltd announced the group now consists oft he modular builder McGrath Homes, the King Village in Karratha and various surplus property assets currently held for sale.

McGrath Homes will continue to be managed by Errol Davies and the Group financial functions will be integrated into the McGrath business.

The roles of NOD managing director and CFO have been made redundant. Andrew Sturcke will leave effective November 7, the corporate office at Balcatta will be closed and remaining support personnel either relocated to McGrath or also made redundant. These initiatives are expected to cost $75,000 in redundancy and relocation costs and reduce ongoing operating expenses by approximately $500,000 per annum.

Mr Sturcke has agreed to remain on the board as a non exec director. The board thanked him for his efforts and looks forward to his ongoing contribution as a non exec director. (Aug 12)

*RWH: NPAT up 8.3%, div 5c unfr, outlook positive

Container specialist Royal Wolf Holdings Ltd for the year ended June 30 announced a net profit after tax up 8.3% to $15.9 **million** on revenue up 17.6% to $175.7 **million**.

Underlying NPAT increased by 10.8% to $19 **million**.

A 5c unfranked interim dividend was announced, record date September 18.

NTA backing per security is 94c vs 84c last year.

EPS is 15.9c vs 14.7c last year.

Net cashflow before financing activities was negatve $500,000 vs positive $6.5 **million** last year. Financial gearing was at 42% vs 40% last year, reflecting capital expenditure on containers to facilitate future growth.

Royal Wolf said in its review of **operations** the total units on lease increased to 33,220 from 30,862 the previous year, up 7.6%.

Royal Wolf sales revenue includes portable storage revenue including its container sales and lease fleet, portable buildings revenue and freight revenue as well as container sales.

RWH has grown from operating 23 Customer Service Centres as of June 30 2005 to 28 at June 2015 across Australia and New Zealand. It believes it has the largest distribution network in Australia and New Zealand in its industry and intends to continue to further expand its CSCs into new markets across the region.

To support the pop up retail industry and the events industry Royal Wolf has introduced a shop or kiosk style container design. As at June 30 2014 thirty of these units were on lease across Australia and New Zealand.

Outlook

RWH continues to grow its existing business segments through innovation and meeting specific customer needs. It completed the refinancing of its bank debt facility with a new $175 **million** senior, secured, multi option debt facility. With a common terms deed provided by ANZ Banking Corporation and Commonwealth Bank. Analysts comment: On May 8 a leading broker retained an "accumulate" on Royal Wolf Holdings while lifting its price target to $3.38 from $3.35 after Royal Wolf's third quarter earnings update.

The broker said while the **company** keeps highlighting the difficult current operating conditions, the business continues to see underlying earnings growth.

"Royal Wolf remains a high quality investment with the largest container hire fleet in Australia and New Zealand in an industry which requires significant capital investment to build scale and a national footprint". (Aug 12)

*TAG: Lower loss expected for group, operating subsidiary Mpower

Tag Pacific Ltd in an update on its annual results said revenue is expected to come in at approximately $54 **million**. A consolidated EBITDA loss is expected in the range of $2.8/3.2 **million**, an improvement on the $3.6 **million** EBITDA loss in 2013.

TAG's operating subsidiary Mpower Group is expected to show an EBITDA loss in the range of $600,000/$1 **million**, a considerable improvement on the $1.6 **million** loss last year. (Aug 12)

MID TO SMALL RESOURCES

*LML: SA Court directs Govt to grant groundwater licence for Eyre Pen project

Lincoln Minerals Ltd advised a South Australian court has directed a Government Minister to grant a groundwater licence for the **company**'s proposed **iron ore** mine on the Eyre Peninsula. This followed a ruling this week by the Environment, Resources and Development Court of South Australia allowing the **company**'s appeal and reversing the decision of the SA Minister for Sustainability.

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