

HD MARKET EXPECTED TO CLOSE MILDLY HIGHER

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The S&P/ASX200 is likely to close mildly higher today.

Europe closed higher, the UK rose, US markets closed higher.

On the NYSE where 3203 issues traded there were 2,248 issues higher, 850 down and 105 unchanged. On Nasdaq where 2728 issues traded there were 1,684 issues higher, 949 down and 95 unchanged.

Metals were mostly higher, crude fell, **gold** was down. The \$A is at 90.90US c, up about 35 points from last evening.

"Support at 5310, resistance at 5335, followed by 5350 .. I'll call us up 25 points' Ben Faulkner, a senior adviser with Morgans said, "Starting with **gold**, I suggested yesterday that traders will begin to take profits. There was a bit of a sell off last night - also Deutsche Bank was telling clients to short the stock.

"\$1360 should be good support, **gold** is still in a strong uptrend. The 20 day moving average is at about \$1340.

"Looking at the Shanghai market, it had a pretty savage sell off in mid February and the chart is still medium term bearish - has been in downtrend since November last year. It is encouraging to see the 2000 level of strong support that held in January in the sell off remains strong support.

"The Shanghai market is still in a short term downtrend, trading below the 3 month moving average. Resistance is at 2050. A break of 2050 is needed before we see any confirmation of a neutral or bullish breakout.

"With regard to the S&P 500, support held around the 1840 level, it broke back and closed above the 20 day moving average. Support is still around 1845. There is still room to move to the upside before we experience resistance at 1870. That picture improved over night.

"On the XJO, interestingly the index closed right on the 50 and 100 day moving average yesterday. Support remains at 5295. Resistance remains at about 5350. A key level to watch this week is 5350.

"With regard to intra day levels, support is at 5310, initial resistance at 5335 followed by 5350.

"For the day I will call us up 25 points'.

The S&P/ASX200 closed down 11.8 points to 6317.6 points last evening.

March 18. Good morning.

*Latest on Crimea and sanctions against Russia

Media services report the European Union imposed personal sanctions on Monday on 21 Russian and Crimean officials involved in the seizure of Crimea from Ukraine as Russian President Vladimir Putin signed a decree recognising the region as a sovereign state.

This followed a disputed referendum in the Black Sea peninsula on Sunday in which Crimea's leaders declared a Soviet-style, 97-percent vote to secede from Ukraine.

The US leveled sanctions on 7 Russians. The EU will discuss further measures when they meet later this week.

Within hours, the Crimean parliament formally asked that Russia "admit the Republic of Crimea as a new subject with the status of a republic". Putin will on Tuesday address a special joint session of Russia's State Duma, or parliament, which could take a decision on annexation of the majority ethnic-Russian region.

Kiev and the West said the referendum, held under armed Russian occupation, violated Ukraine's constitution and international law.

Putin himself, suspected in the West of trying to resurrect as much as possible of the former Soviet Union under Russian leadership, was not on the blacklist. A White House spokesman declined to rule out adding him at a later stage.

Amid fears that Russia may move into eastern Ukraine where there is a significant Russian-speaking community, Obama warned that "further provocations" would only increase Moscow's isolation and exact a greater toll on its economy.

Aussie stocks

All dollars in this section are Aussie dollars - the rises and falls are against the previous close.

Aussie stocks in ADR form were higher. AWC was down 1c to 472,000 shares, RIO fell 4p on 2.24m shares, BHP rose 37c on 4m shares, News rose 2c on 640,000 shares, Fox rose 12c on 3.2m shares, Westpac gained 26c on 66,000 shares, Telstra rose 3c on 190,000 shares, Resmed rose 16c on 8.1m shares.

PSivida fell 20c on 104,000 shares.

Prana rose 3.5c on 11.2m shares.

In London Anglo American rose 38.5p to 1,461.5p on 4.4m shares, Aquarius rose 1.25p to 39p on 390,511 shares, BskyB rose 9.25p to 936.75p on 3.16m shares, BHP gained 22p to 1,808.5p on 5.5m shares, Henderson rose 2.7p to 238.7p on 842,768 shares, RIO rose 39p to 3,179.5p on 3.2m shares.

Trading points:

*LLC: Contract worth \$580m with NSW Roads for Oxley Highway upgrade

Lend Lease Group announced it has secured a contract with NSW Roads and Maritime services for the Oxley Highway to Kundabung Pacific Highway upgrade project. The contract value is around \$580 million.

The project includes the design and construction of 23 km of upgrade works to the Pacific Highway from the Oxley Highway interchange at Prot Macquarie to Kundabung. The project includes major bridge crossings across the Hastings River and Wilson River.

CEO and MD Steve McCann said the contract was the third package of upgrade works on the Pacific Highway currently being undertaken by the company. (Mar 17)

Ex div: LMW ex 1.3c; MCP ex 6c; MLD ex 1.4c; WAM ex 6.5c.

Our Darvas system related Special Report is on Alumina Ltd today, posted separately.

Overseas

The DJIA closed up 181.55 points to 16,247.22.

S&P 500 was up 17.7 points to 1,858.83.

NASDAQ rose 34.55 points to 4,279.95.

US 10yr bond yields rose 4 points to 2.69%.

The US\$ rose 41 points to 101.71 Yen.

The Euro rose 18 points to 1.3924US c.

The Yuan fell 301 points to 6.1806/\$US1.

FTSE 100 rose 40.46 points to 6,568.35.

The Nikkei Dow last evening closed down 49.99 points to 14,277.67.

Shanghai SE Comp IX closed up 19.33 points to 2,023.67 points.

Commodities

All dollars in this section are US dollars

In dollars per tonne for three month metal, (LME stockpiles are on a closing basis) - valued against yesterday morning's price, measured over 24 hours.

Copper closed up \$11 to \$6,479/fell \$37 to \$A7128. Stockpiles rose 2,075 tonnes to 253,375 tonnes.

Aluminium fell \$15 to \$1,724/fell \$30 to \$A1897. Stockpiles fell 7,225 tonnes to 5,236,475 tonnes.

*FastMarkets reports despite tight supply and strong demand for aluminium in Japan Japanese buyers are resisting offers for premiums above \$365 per tonne for major Japanese ports and suppliers unwilling to negotiate below 4370. FastMarkets said supply is currently tight in Japan, which imports around 425,000 tonnes of aluminium per quarter. Consequently overseas producers are refusing to lower their premium offers below 4370, pointing out that they could divert shipments to other destinations with similar or higher premiums.

Nickel rose \$180 to \$15,880/gained \$79 to \$A17,470. Stockpiles fell 204 tonnes to 270,810 tonnes.

Zinc fell \$14 to \$1,966/fell \$30 to \$A2163. Stockpiles fell 3,500 tonnes to 794,400 tonnes.

Lead rose \$18 to \$2,059/gained \$4 to \$A2265. Stockpiles rose 225 tonnes to 202,075 tonnes.

Tin rose \$50 to \$22,975/fell \$118 to \$A25,275. Stockpiles rose 20 tonnes to 9,105 tonnes.

Iron Ore down 50c to \$109.6/fell \$1.38 to \$A120.57.

WTI crude fell 81c to \$98.08/fell \$1.64 to \$A107.90.

Brent Crude fell \$1.96 to \$106.24/fell \$2.98 to \$A116.88.

Supply disruption fears for **oil** out of Russia fell, MarketWatch reported after the economic impact of the sanctions was seen as barely discernible "amounting to a slap on the wrist" MarketWatch, a Dow Jones news service, reported.

Spot **gold** fell \$15 to \$1,367/fell \$26.94 to \$A1504. Spot silver fell 28c to \$21.17/fell 47c to \$A23.29. Spot platinum was down \$4 to \$1,465/fell \$15 to \$A1612. Spot palladium rose \$1 to \$772/fell \$5 to \$A849.

Overseas eco news

In US eco news, February industrial production rose 0.6% vs up 0.2% expected after a revised 0.2% decrease in January.

*Factory production rose 0.8% in February vs up 0.3% expected and vs a revised 0.9% fall in January, previously reported at down 0.8%, the Fed Reserve in Washington reported.

*Capacity utilisation came in at 78.8%, slightly above expectations.

*The National Association of Home Builders/Wells Fargo housing market index rose 1 point to 47 in March after falling 10 points to 46 in February.

*The Empire State Manufacturing Index came in at 5.6, vs 6.6 expected.

*Inflation in the euro area fell to 0.7% in February, down from 0.8% in January, revised figures have shown.

The Eurostat estimate puts the inflation rate well below the European Central Bank target of just below 2%.

Euro-area inflation started to fall from 3% at the end of 2011 and passed below the 2% mark at the beginning of 2013.

The ECB expects inflation to gradually increase to 1% in 2014, before reaching its target 2% in 2016.

*In the UK Rightmove House Price Index for March were up 1.6% month on month vs up 3.3% for the previous month and was up 6.8% on the previous March.

Overseas **equity** news

*In the US all 30 of the Dow stocks were higher.

IBM led the way up, gaining \$3.60 or 1.98% to \$185.81 followed by Boeing and 3M. McDonald's rose the least, up 2c to \$97.60.

Yahoo rose 4%, partly on its 24% **stake** in Alibaba which is getting ready for an IPO in New York. Plug Power shares fell 3% intra day after an early morning rebound lost momentum.

Peers FuelCell **Energy** and Ballard Power Systems fell 6.6% and 8.8% respectively intra day. FirstSolar rose 4.6% intra day ahead of a presentation on Wednesday.

Sina Corp, that owns social media service in China Weibo Corp, that is planning an IPO in the US, rose 6.6% intra day.

Herbalife fell 7.8% intra day. Keuring Green Mountain shares rose 2% intra day, will be added to the S&P 500 index on Friday.

*In Europe, RWE rose 1.3% to Euro 28.84 after agreeing to sell its Dea **oil** and gas business to L1 **Energy**, the investment vehicle of Russia's fourth richest man Mikhail Fridman. Allianz rose 2% to Euro 122.90 after Europe's biggest insurer agreed to spend Euro 440 **million** buying assets from Unipol, including a portfolio with Euro 1.1 **billion** of premiums, 729 agencies and 500 employees. Siemens rose 3.4% to Euro 93.69 after a broker upgrade.

Voestalpine rose 5.6% to Euro 30.39 on a broker's upgrade for the steel maker. Porsche rose 1.3% to Euro 73.18 after a German court dismissed a class action seeking Euro 1.4 **billion** in recompense for Porsche's aborted takeover of Volkswagen in 2008.

Linde fell 2.6% to Euro 139.90 after its profit missed expectations.

*In the UK, the FTSE rose for the first time after falling for six days, with Vodafone leading the market after reaching an agreement to buy Spanish cable operator Ono for just over Euro 7 **million** including debt. Vodafone rose 1.7%.

Glencore Xstrata rose 3.2% on speculation it was close to reaching an agreement on a multi billion dollar **sale** of its Las Bambas Peruvian **copper** project to a **Chinese** consortium, MarketWatch reported. Other miners rose.

Home builders rose after the UK Chancellor of the exchequer George Osborne said on Sunday he'd extend the help-to-buy scheme until 2020. Persimmon rose 3.7% while fellow home builders Taylor Wimpey, Crest Nicholson and Barratt Developments also rose.

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