Information and Advice on the NZ Sharemarket from Securities Research Company's . . .

Market Analysis

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Inside Market Analysis

Editor and Research Director: James R Cornell (B.Com.)

Summary and Recommended Investment Strategy.

Falling interest rates have helped improve the outlook for the Australian stockmarket which is now Bullish (i.e. favourable). We are therefore reducing our cash reserve to about 15-20% (from 20-25%) to add another Australian share to our portfolio.

Investment Outlook.

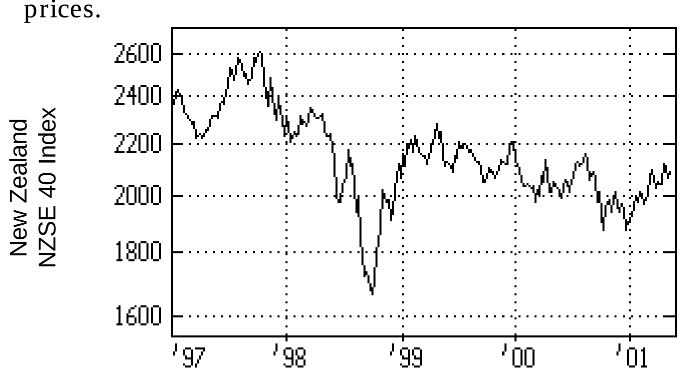
Our stockmarket forecasts have improved significantly over the last month: Australia is up to a **Bullish 70%** (i.e. a 70% chance that the market will rise over the next 12 months), while New Zealand improves to a **Neutral 50%**. Our Short Term Trend Model for NZ is **Bullish** at **76%**.

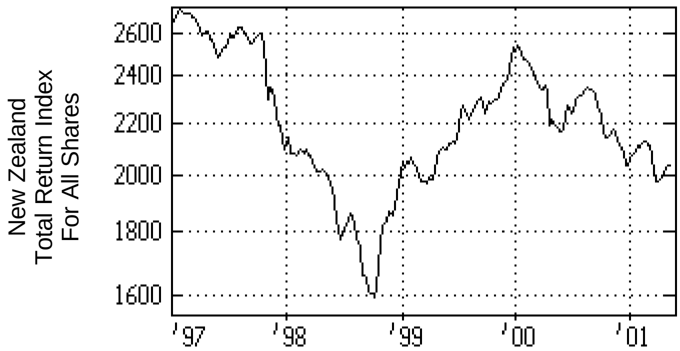
So is this the time to buy shares? To re-invest our 20-25% cash reserve? Yes . . . some of it. World stockmarkets could remain depressed for the rest of 2000 - and perhaps into 2001 - so there is no rush to spend all of our cash. We are adding one new Australian company, **OAMP**, to our portfolio and will add to some of our existing investments. This will lower our cash reserve to 15-20% and we shall continue to add some new Australian shares to our portfolio if (1) market conditions remain favourable and (2) individual shares meet our investment criteria.

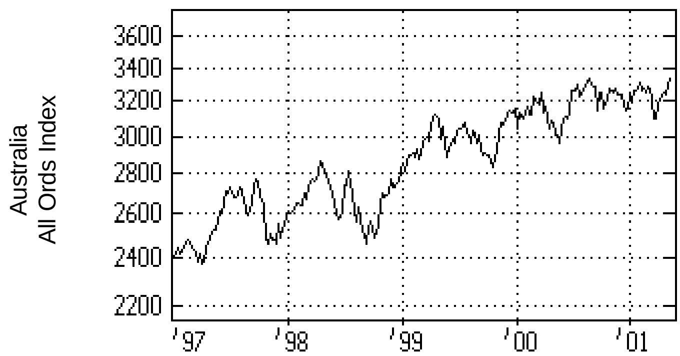
Falling interest rates are having a favourable impact on all of our world stockmarket Forecasts. While falling interest rates are favourable for stockmarkets (and a significant forecaster of future stockmarket performance) investors also need to remember *why* interest rates are falling so rapidly (at least in Australia and the rest of the world, NZ lags behind). The United States economy is weakening. Falling interest rates can help prevent a severe economic recession, but economic activity is likely to remain depressed and unlikely to recover rapidly. So we would generally favour *old economy* and *no-growth* businesses (whose shares trade on a low P/E, generate strong cash flows and pay generous dividends) rather than Technology companies (that rely on possible future growth to perhaps become profitable at some stage in the future).

The New Zealand and Australian economies have been partially insulated from the global economic slowdown by depreciating their currencies. Australia has followed world trends in substantially cutting interest rates to boost economic activity (and cutting corporate interest costs). We do, however, remain concerned about the limited decline in interest rates in NZ.

From July 1st the Australian corporate tax rate falls to 30% (from 34%), so companies will keep 70% (up from 66%) of pre-tax profits (i.e. 6.1% more). That increase should ultimately show through in dividends and share prices.







Performance Forecasts

"**Performance Forecasts**" are computer generated predictions of the relative future price performance of a company's shares over the next three to six months. Performance Forecasts are calculated for **every** listed NZ share (except Investment Trusts) on a rating scale using the letters "A" (Highest potential for capital appreciation over the next 3-6 months), "B" (Above Average), "C" (Average), "D" (Below Average) and "E" (Lowest). These predictions are NOT buy or sell recommendations, but can be useful to help time planned purchases or sales, or to identify shares worthy of further study and analysis.

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
A. Barnett Ltd	C	83	0.44	18	Nil
AMP Limited	B	2500	0.80	19	2.3
AMP NZ Office	C	83	5.94	11	9.3
AXA Asia Pac.	C	345	0.57	13	3.4
Advantage Group	D	87	0.82	30	Nil
Affco Holdings	E	29	0.06	6	Nil
Air New Zealand	C	107	0.17	3	14.0
Akd Int Airport	B	353	8.72	29	4.1
Apple Fields	C	11	0.18	NE	Nil
AQL Holdings	D	1.6	0.72	NE	Nil
Baycorp Hold	B	1185	N/A	60	2.4
Beauty Direct	D	7.0	9.72	NE	Nil
Bendon Limited	C	171	0.70	10	2.9
Brierley Invest	E	56	0.48	NE	Nil
Broadway Ind	C	25	0.10	25	Nil
CACI Group Ltd	D	35	N/A	NE	Nil
CDL Hotel NZ	D	18	0.26	45	5.7
CDL Investments	E	20	1.37	9	12.2
Cabletalk Group	C	130	0.60	NE	Nil
Cadmus Tech Ltd	E	10	N/A	NE	Nil
Calan Hlthcare	C	79	6.48	12	9.0
Cap Properties	C	95	1.02	3	12.2
Carter Holt	C	179	0.82	12	3.4
Cavalier Corp	A	510	0.84	14	8.8
Cedenco Foods	B	152	1.85	9	Nil
Col FS Property	B	104	8.76	15	10.0
Col Motor Co	C	245	0.23	10	11.3
Commsoft Group	D	12	N/A	NE	Nil
Compass Com.	E	40	N/A	NE	Nil
Contact Energy	B	297	2.07	29	8.7
Cue Energy Ltd *	N/R	5.0	1.73	NE	Nil
DB Group	B	525	0.66	14	4.5
Dairy Brands	C	50	3.47	NE	Nil
Damba Hold Ltd	C	40	0.36	31	Nil
Design Textiles	B	34	0.18	11	8.8
Dorchester Pac	B	105	0.75	8	8.5
E-Force Limited	D	2.1	0.12	NE	Nil
E-Phone Ltd	D	11	N/A	NE	Nil
E-Ventures NZ	D	27	N/A	NE	Nil
E-cademy Hold.	D	2.2	N/A	NE	Nil
Ebos Group Ltd	C	248	0.82	16	7.8
Eldercare NZ	D	13	0.77	4	Nil
Evergreen	E	51	3.42	13	Nil
FC - Forests	E	32	0.52	4	Nil
Finzsoft Sol'ns	E	48	0.45	NE	Nil
Fisher & Paykel	A	918	1.30	20	4.1
Fletcher Build.	A	230	0.33	7	10.4
Force Corp.	C	25	0.71	8	6.0
Frucor Bev.	C	169	1.17	17	Nil
GDC Communicat.	C	240	2.19	30	2.0
Genesis Res.	D	400	3.53	NE	Nil
Goodman Fielder	B	158	0.47	12	6.3
Grocorp Pacific	C	18	0.57	NE	Nil
Guiness Peat	B	169	2.69	14	1.8
Hallenstein G.	B	250	0.90	13	11.0
Hellaby Hold.	A	201	0.39	9	10.4
Heritage Mining*	N/R	5.0	0.13	NE	Nil
Horizon Energy	A	1110	2.00	9	11.2
IT Capital Ltd	E	18	N/A	NE	Nil
Ind Newspapers	C	351	2.33	36	3.0
Infratil NZ	B	139	8.31	10	7.5
Kingsgate Int'l	E	13	0.42	3	Nil
Kiwi Developmnt	D	262	N/A	NE	Nil
Kiwi Property	C	87	6.05	9	12.0
Lion Nathan Ltd	B	505	1.29	17	3.7
Lyttelton Port	B	181	3.17	12	8.5
Mainfreight Grp	C	118	0.27	10	7.6
Manor Inns Grp	D	10	0.34	NE	Nil
Max Resources *	N/R	13	N/A	NE	Nil
Medical Care	E	139	N/A	89	Nil
Metro. LifeCare	D	115	0.82	26	Nil
Michael Hill	B	375	0.79	15	5.4
Mid-Cap Index *	N/R	189	N/A	NE	Nil
Montana Group	A	460	2.20	32	2.3
Mooring Systems	C	190	N/A	NE	Nil
Mr Chips Hold	B	101	0.88	15	8.9
NZ Experience	D	11	0.86	NE	Nil
NZ Invest Trust*	N/R	475	N/A	NE	1.7
NZ Oil and Gas *	N/R	37	2.35	NE	Nil
NZ Refining Co	B	1580	1.28	5	23.6
Nat Property Tr	B	90	6.20	12	10.3
National Mail	D	7.0	0.77	NE	Nil
Natural Gas	C	128	1.42	11	5.8
Newcall Group	D	4.6	0.28	NE	Nil
Newmarket Prop.	C	49	N/A	6	19.4
Northland Port	B	182	1.46	17	6.2
Nufarm Limited	C	360	0.29	8	5.4
Nuhaka Forestry	E	1015	5.63	NE	Nil
Nuplex Indust	B	345	0.50	11	6.5
Opio Forestry	D	48	N/A	38	Nil
Otter Gold Mine*	N/R	17	0.11	NE	Nil
Owens Group Ltd	D	73	0.12	11	9.2
Ozzy (Tortis) *	N/R	253	N/A	NE	Nil
PDL Holdings	A	1000	0.38	25	Nil
Pacific Retail	C	131	0.18	7	Nil
Port Tauranga	A	620	6.78	24	5.3
Ports Auckland	A	550	4.73	16	4.9
Powerco Limited	C	173	0.61	NE	Nil
Property F Ind.	C	81	7.53	37	8.5
Pure NZ Limited	D	9.0	3.91	NE	Nil
Reid Farmers	B	90	0.58	11	8.3
Renaissance	C	90	0.21	24	3.3
Restaurant Brds	C	139	0.54	10	10.7
Richina Pacific	C	52	0.05	8	Nil
Richmond Hold.	D	235	N/A	NE	Nil
Rocom Wireless	D	42	N/A	NE	Nil
Roller Int'l	D	40	0.21	NE	Nil
Rubicon Limited	C	53	0.08	NE	Nil
Ryman Health.	B	192	4.13	15	2.7
SE Utilities	C	107	N/A	31	7.0
Sanford Limited	A	640	1.74	13	4.7
Savoy Equities	C	7.8	0.28	NE	Nil
Scott Tech. Ltd	B	141	0.90	8	11.6
Seafresh Fish.	D	4.8	0.29	NE	Nil
Selector Group	C	7.0	N/A	NE	Nil
Shotover Jet	C	45	0.85	40	Nil
Sky City Ltd	A	935	3.05	15	8.9
Sky Network TV	D	365	5.09	NE	Nil
Software of Exc	D	100	0.94	NE	Nil
Southern Cap	D	84	8.98	NE	Nil
South Port NZ	B	118	1.99	20	7.0
Spectrum Res.	D	3.1	N/A	NE	Nil
Steel & Tube	B	165	0.39	11	10.9
Strathmore Grp	D	8.1	1.71	NE	Nil
Submarines Aust	D	40	0.18	NE	Nil
Summit Gold Ltd*	N/R	11	N/A	NE	Nil
Tag Pacific Ltd	E	20	0.29	5	4.0
Tasman Agric.	C	164	4.40	17	1.8
Taylors Grp Ltd	C	116	0.72	12	7.7
TeNZ *	N/R	94	N/A	NE	Nil
Telecom Corp	C	625	2.53	14	11.0
Tourism Hold.	C	142	0.66	8	9.0
Tower Limited	B	569	0.58	12	5.3
Trans-Tasman	C	23	1.30	6	Nil
Tranz Rail Hold	B	375	0.80	6	2.3
Trust Power Ltd	C	330	1.16	18	7.5
United Networks	B	825	2.72	11	6.0
Utilico Int'l	C	44	N/A	NE	Nil
Vending Tech.	C	300	0.29	NE	Nil
WN Drive Tech.	E	60	N/A	NE	Nil
Warehouse Group	B	551	1.43	22	3.4
Waste Mgmt NZ	B	378	2.69	26	3.0
Williams Kettle	A	300	0.28	11	7.5
World Index Fd *	N/R	198	N/A	NE	Nil
Wrightsons Ltd	C	66	0.15	12	9.0
Ave of 145 Cos	C	217	0.44	17	3.7

A.G.L.	B	1053	1.28	14	4.8
AMP Diver. Prop	B	239	7.40	13	8.0
AMP Ltd	B	2030	0.81	19	2.3
AMP Office Trt	B	120	6.57	15	7.9
AMP Shop Centre	B	133	N/A	19	6.4
ANZ Bank	B	1446	1.84	14	4.4
APN News Media	C	386	1.58	19	3.8
AXA Aust Div PT	B	113	7.87	13	7.8
AXA Asia Pac	C	278	0.58	13	3.4
Advance Prop	B	182	8.64	15	6.7
Alintagas Ltd	C	340	2.01	NE	Nil
Amcor Ltd	A	650	0.55	15	5.8
Aristocrat	C	632	4.87	41	1.7
Aust Stock Exch	B	1277	6.42	22	4.4
Aust Pipeline	C	248	N/A	NE	Nil
Austereo Group	D	190	N/A	NE	Nil
Australand Hold	B	138	0.82	6	8.7
Axon Instrument	C	116	N/A	NE	Nil
BA Tobacco Aust	B	1771	0.70	19	4.8
BRL Hardy Ltd	B	921	2.20	22	2.0
Bank of W.Aust	A	386	3.58	15	4.7
Bendigo Bank	A	607	1.38	18	4.0
Bidvest	B	285	0.19	15	2.7
Billabong Int'l	C	490	N/A	NE	Nil
Boral Limited	A	248	0.55	11	7.3
Brambles Ind.	A	5154	2.40	32	1.6
Brickworks Ltd	A	575	4.06	18	2.2
C & W Optus	C	345	2.52	35	Nil
C'wth Prop Off.	B	105	7.92	13	7.4
C.S.R. Ltd	A	574	0.81	13	4.2
CSL Limited	A	3700	N/A	NE	0.6
Cadbury Sch.	C	991	N/A	NE	3.4
Centro Prop.	B	287	7.78	14	8.3
Challenger Int.	B	404	2.46	12	1.9
Coal & Allied	A	2160	3.18	26	3.7
Coca-Cola Bev.	C	240	N/A	NE	Nil
CocaCola Amatil	A	507	1.32	27	2.4
Cochlear Ltd	A	3725	N/A	82	0.8
Col FS Property	B	201	N/A	24	4.5
Coles Myer	C	705	0.33	17	3.8
Com'wealth Bank	B	2993	3.32	22	4.3
Computer Share	C	718	9.38	NE	0.1
Corp Express	B	930	1.78	35	1.0
Crown Ltd	C	90	0.70	14	Nil
Data Advantage	B	620	9.58	NE	0.6
Deutsche Office	C	134	N/A	NE	Nil
E.R.G.	C	172	2.56	30	1.2
Email Ltd	B	291	0.37	15	8.4
Energy Develop.	B	1170	N/A	62	0.4
Envestra	C	86	2.10	NE	10.5
Fairfax (John)	C	393	2.04	17	2.9
Faulding (F.H.)	A	1047	0.80	27	2.0
Flight Centre	B	2580	0.88	53	1.0
Foodland Assoc	B	880	0.22	11	6.3
Foster's Brewin	A	516	2.58	21	2.8
Futuris Corp.	B	225	0.27	17	3.6
GWA Internat'l	B	212	1.01	14	8.5
Gandel Retail T	B	111	8.64	13	7.7
General Prop Tr	B	266	6.45	15	7.2
Goodman Fielder	B	129	0.51	13	5.8
Guinness Peat	B	137	2.98	13	0.4
Hardie (James)	A	472	1.09	13	3.8
Harvey Norman	B	439	N/A	NE	0.8
Hills Motorway	B	478	9.07	NE	7.0
ING Indust Trt	B	144	8.26	13	9.0
ING Office Fund	B	111	N/A	25	4.7
Incitec	B	520	0.69	19	4.4
Infomedia Ltd	D	171	7.65	NE	Nil
Investa Prop.	B	175	7.85	13	7.5
Jupiters	B	395	1.40	14	4.3
Kaz Computer	C	143	N/A	NE	0.6
Lang Corporatio	B	1130	2.62	27	1.2
Leighton Hold	B	740	0.54	14	4.5
Lend Lease Corp	C	1478	0.58	18	4.3
Macquarie Infra	A	280	N/A	56	3.6
Macquarie Off.	B	116	8.04	12	9.2
Macquarie Bank	A	3117	4.50	25	2.8
Macquarie Good.	B	131	7.54	13	8.0
Mayne Nickless	A	640	0.72	30	2.7
Medical Imaging	C	117	3.26	62	0.5
Millers Retail	B	564	1.89	37	2.0
Mirvac Property	B	178	9.75	15	6.4
Mirvac Limited	B	350	2.40	15	6.9
NRMA Insurance	C	291	1.02	15	Nil
Nat'l Aust Bank	A	3118	1.14	14	3.9
Nat'l Foods	C	196	0.49	10	7.1
News Corporatio	C	1844	1.68	30	0.2
One Tel Ltd	D	36	1.41	NE	2.8
Orica Ltd	C	459	0.32	9	7.6
Origin Energy	A	227	0.36	8	9.3
Pacific Dunlop	C	119	0.21	9	8.4
Pacifica Group	B	377	0.50	17	5.0
Pacific Hydro	A	437	N/A	94	0.7
Paladin Com.	B	124	7.45	14	7.7
Paperlin X Ltd	B	427	0.57	15	1.2
Perp Trust Aust	A	3999	5.26	37	1.6
Publishing & Br	C	995	2.65	20	2.0
Q.B.E. Insur.	B	1132	1.40	47	1.4
Q.C.T. Resource	C	121	1.05	NE	Nil
Qantas	B	319	0.42	8	6.9
Rio Tinto Ltd	A	3644	1.44	10	2.4
Rural Press Ltd	C	470	1.20	10	3.0
Servcorp Ltd	B	665	8.51	74	0.6
Seven Network	B	692	1.53	27	3.0
Silex Systems	C	434	N/A	91	Nil
Smith (Howard)	B	943	0.69	17	4.3
Smorgon Steel	C	78	0.26	8	11.5
Sonic Health	C	824	3.56	74	1.8
Southcorp Ltd	A	691	1.60	21	3.0
Spotless Group	C	700	0.78	38	2.9
St George Bank	A	1470	1.79	18	3.7
Stockland Trust	B	395	6.44	17	6.6
Suncorp-Metway	A	1290	1.18	12	3.6
TAB Ltd	B	310	0.31	26	3.5
Tabcorp Holding	C	975	2.18	21	4.8
Telstra	C	651	2.11	10	2.8
Ten Network	C	198	1.24	12	8.0
Toll Holdings	A	1674	0.73	26	1.7
Transurban Grp	C	409	N/A	NE	Nil
United Energy	B	276	1.69	76	6.3
Wesfarmers Ltd	A	2243	1.69	29	3.3
West Aust News	C	497	2.88	14	9.1
Western Mining	B	954	2.77	14	4.3
Westfield Trust	B	314	9.78	18	6.6
Westfield Hold.	C	1397	4.74	49	1.0
Westfield Amer.	B	157	2.87	18	5.3
Weston (George)	B	550	0.37	13	3.5
Westpac Banking	B	1313	1.84	14	4.1
Woolworths Ltd	B	955	0.49	28	2.4
Ave of 1385 Cos	C	161	0.00	17	2.8

Recommended Investments

Developments in the airline industry provide plenty of material for media speculation - but should be favourable for **Air New Zealand**.

Firstly, the closure of **Impulse** (with **Qantas** taking over their aircraft and landing rights) shows that the price war across the Tasman is unsustainable and unprofitable for all players. A price war hurts the profitability of the biggest airlines, but it is the smaller, financially weaker airlines that fail first. Unless the situation settles down **Virgin Blue** will be the next to close - which will eventually return **Qantas** and **Ansett** (i.e. Air New Zealand) to their duopoly.

Secondly, the failure of **Tasman Pacific** (trading as **Qantas NZ** and previously called **Ansett NZ**) clearly demonstrates that the NZ market is too small for two airlines. In its decade of operation, Tasman Pacific/Ansett NZ has lost money (or, at best, made very small profits) while depressing the returns earned by Air New Zealand. The collapse of Tasman Pacific has resulted in speculation about a price war in NZ as other Australian airlines (except Impulse) talked about entering the local market. None of these, however, want to touch regional routes and are only interested in Auckland/Wellington/Christchurch. That may lead to some discounts on these routes - Air NZ subsidiary Freedom Air was the first to actually enter this market - that leaves Air NZ with close to a monopoly on regional destinations.

The impact on Air NZ's profitability in NZ could be significant - not because of its ability to charge higher fares on regional routes, but owing to higher utilisation (i.e. fewer empty seats) and its competitive advantage in service. Air NZ will be able to offer better service *connecting* to regional destinations plus a lower price for flights that start or end at regional destinations (i.e. compared to buying a main *(Continued on Page 4)*

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	Performance Forecast	Issued Shares (mil.)	Volatility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
	NZ Shares												
HOLD	Air New Zealand "A"	AIRVA	08/10/96	244*	C	756.7	1.1	0.17	3	14.0	107	78.7	-24%
HOLD+	CDL Investments Ltd	CDI	12/01/99	25	E	185.8	2.0	1.37	9	12.2	20	6.1	+3%
HOLD+	Cavalier Corporation	CAV	05/12/95	312	A	36.0	0.8	0.84	14	8.8	510	146.0	+110%
HOLD	Colonial Motor Company	CMO	10/11/92	150	C	27.9	0.7	0.23	10	11.3	245	202.8	+198%
HOLD+	Lyttelton Port Company	LPC	12/12/00	150	B	101.7	0.8	3.17	12	8.5	181	3.5	+23%
HOLD	Michael Hill Int'l Ltd	MHI	11/06/91	46*	B	38.6	0.8	0.79	15	5.4	375	74.5	+877%
HOLD	Nufarm Limited	NUF	11/02/97	505	C	155.3	0.9	0.29	8	5.4	360	85.0	-12%
BUY	Nuplex Industries Ltd	NPX	11/02/97	350	B	56.3	1.0	0.50	11	6.5	345	44.0	+11%
BUY	Renaissance Corp	RNS	13/08/96	85*	C	36.7	1.9	0.21	24	3.3	90	7.4	+15%
HOLD+	Richina Pacific	RCH	03/11/95	119*	C	72.2	1.8	0.05	8	Nil	52	11.9	-46%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	1.1	1.99	20	7.0	118	41.3	+33%
BUY	Steel & Tube Holdings	STU	08/08/00	146	B	87.7	1.1	0.39	11	10.9	165	14.0	+23%
BUY	Taylors Group Ltd	TAY	09/11/99	102	C	24.3	1.2	0.72	12	7.7	116	9.0	+23%
BUY	Wrightson Limited	WRI	13/01/98	83	C	134.1	1.6	0.15	12	9.0	66	11.3	-7%
	Australian Shares (in Aust cents)												
HOLD	Abigroup Limited	ABG	09/03/99	265	B	47.7	0.9	0.12	6	8.6	175	29.0	-23%
BUY	Atlas Pacific Ltd[1]	ATP	14/05/96	73	B	54.8	1.9	2.04	6	Nil	27	Nil	-63%
BUY	Auspine Limited	ANE	08/02/00	210	B	57.0	0.8	0.50	6	9.4	235	28.0	+25%
BUY	Austral Coal Ltd	AUO	16/01/01	19	A	81.3	1.5	0.41	8	Nil	41	Nil	+113%
HOLD	Biron Corporation Ltd	BIC	12/04/94	178	C	21.8	1.7	2.21	NE	Nil	39	11.0	-72%
BUY	Campbell Brothers Ltd	CPB	12/10/99	435	A	31.5	0.5	0.60	14	5.1	529	40.0	+31%
HOLD	Central Equity Ltd	CEQ	09/02/94	154	B	82.1	0.9	0.79	6	8.5	211	87.0	+94%
HOLD+	C.S.R. Limited	CSR	11/07/00	436	A	964.7	0.7	0.81	13	4.2	574	11.0	+34%
HOLD	Hamilton Island Ltd	HAM	09/11/99	205	B	45.0	0.7	1.13	8	4.0	227	9.0	+15%
BUY	McPherson's Ltd	MCP	10/10/00	125	B	39.2	0.9	0.19	4	10.3	117	6.0	-2%
BUY	OAMP Limited	OMP	15/05/01	198	B	28.4	0.8	0.88	9	6.1	198	Nil	
HOLD	PMP Communications	PMP	09/02/99	309	C	253.4	1.2	0.13	3	25.2	81	40.8	-61%
HOLD+	Thakral Holdings	THG	10/11/98	65	B	576.1	1.1	1.31	10	9.8	64	15.1	+22%
HOLD+	Toll Holdings[2]	TOL	08/09/98	240	A	61.3	0.6	0.73	26	1.7	1674	58.0	+622%
HOLD+	Utility Services Corp	USC	11/01/00	55*	C	104.7	1.7	0.83	17	Nil	64	7.0	+29%
HOLD+	Vision Systems Ltd	VSL	10/11/98	69*	C	146.3	0.7	2.78	52	1.1	280	14.4	+327%
BUY	Volante Group Ltd	VGL	13/03/01	132	B	68.0	1.0	0.24	28	4.6	140	Nil	+6%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +77.4%. This is equal to an average annual rate of +23.2%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 31 current and 112 closed out) is +31.0%, compared with a market gain of +10.7% (by the SRC Total Return Index).

CURRENT ADVICE is either Buy, Hold+, Hold, Hold- or Sell. Hold+ indicates the most attractive shares not rated as Buy. Hold- indicates relatively less attractive issues.

* Initial Recommendation Prices adjusted for Share Splits, Bonus and Cash Issues.

(1) Atlas Pacific notes (ATPG) last traded at 26 cents. (2) Toll Holdings notes (TOLG) last traded at 1789 cents.

Recommended Investments *(Continued from Page 3)*

centre flight on a competitor *and* a regional flight on Air NZ or Origin). While **Origin Pacific** has a niche business servicing regional airports, its Auckland/Christchurch service takes 2-3 times that of a direct flight.

Air NZ also had aircraft leased to Tasman Pacific that generated a low return as the lease payments were tied to the performance of Tasman's business - an historical arrangement that dates back to Air NZ's acquisition of Ansett Australia which required it to sell the NZ operation. Those aircraft have now been sent to Australia where they will be more productively employed in the Ansett fleet.

The grounding of 20% of Ansett's fleet over Easter will have an impact on current profitability as the airline needed to lease aircraft from Air NZ, Singapore Airlines, Qantas, Air Canada, Emirates and Impulse but 95% of passengers were carried by the airline. The other 5% were re-booked with competitors - at full fares! Costs of the grounding are estimated by the company at only $3 million.

Air NZ has announced the formation of a joint venture with US based **Pratt & Whitney**. The joint venture will operate Air NZ's Christchurch service centre which (with Singapore) will become the second Pacific service centre for Pratt & Whitney's *V2500* aircraft engines. This new business is expected to more than double operating revenues at the *Christchurch Engine Centre* over the next five years. Air NZ will receive US$28 million for the share of the business being transferred to the joint venture, realising a profit of NZ$18 million.

Air NZ has also announced the sale of ten B767-200 aircraft (7 operated in Australia and 3 in NZ) for $350 million which will be used to help fund replacement aircraft for Ansett. Air NZ may also seek up to $500-700 million from the NZ Government - probably in the form of interest bearing, redeemable capital notes - to help fund its fleet replacement.

Ansett has completed the takeover of **Hazelton Airlines** which provides regional air services in New South Wales.

While we consider these changes to be generally favourable, it may be some time before Air NZ returns to a reasonable level of profitability or pays its next dividend. Nevertheless, Air NZ's share price is probably near its ultimate lows. Share prices in this industry can be volatile - and could *double* in 3-12 months if either (1) investors' perceptions, (2) ticket pricing, (3) competition or (4) fuel prices were to change. The short to medium term outlook is uncertain - and there may be better places to invest new money - but we are more than happy to "Hold" Air NZ shares at current price levels.

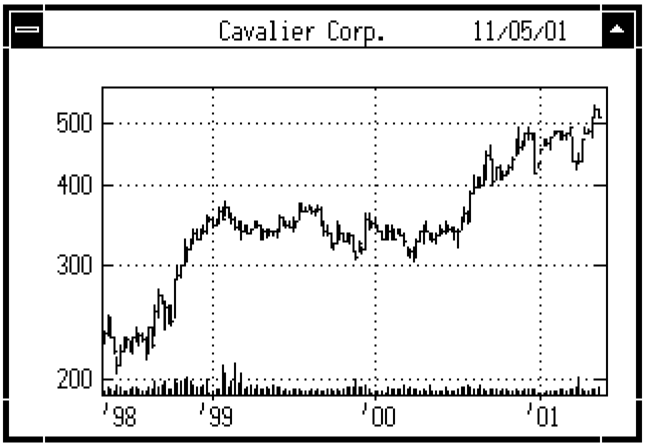
Cavalier Corporation has finally announced its capital repayment plans. Closing down the wool scouring business released $40 million which was used to repay debts. The company will now re-borrow $25 million which will be returned to shareholders by cancelling one share in every eight at a price of $5.60 per share before the end of June - which effectively returns 70 cents per existing share.

This repayment is in line with our original estimate of a $25-35 million capital repayment (see *Market Analysis*, Issue 337, July 2000) in which we also predicted that the closure of the wool operations, concentrating on the carpet business and the capital repayment could see the "share price appreciate *very* strongly". Since then, Cavalier Corporation's share price has risen 50% in value reflecting these developments!

In some ways the actual impact of the capital repayment on our investment portfolio is relatively small. 12.5% of our shares will be cancelled at a 10% premium to the current market price - which isn't significantly different from selling a few shares on market to realise partial profits on a successful investment. Where is does differ, however, is that our *actual percentage ownership* in the Cavalier Corporation business will not change. Earnings per share will increase (owing to the lower number of shares) but profits will decline slightly (owing to the interest on the $25 million of interest bearing debts) leaving things relatively unchanged in the short term (except that one-eighth of our investment will be in cash which we can re-invest elsewhere). Longer term, however, we shall still own the same percentage of Cavalier Corporation, so will still receive the *full benefit* of any future growth in profits and dividends.

Cavalier Corporation has also become a more attractive company for investors - and will now be given a higher valuation by the market. Previously it had two very different businesses and high debt levels. Now it has a focused manufacturing business and low debt levels. Investors prefer the current structure.

Cavalier Corporation's share price has *already* risen in value over the last year in *anticipation* of its capital repayment, focused business and moderate debt levels. The share, however, remains an attractive long term investment so we continue to rate them "Hold+".



Renaissance Corporation's **Conduit** e-commerce subsidiary has won a major Australian customer involved in wholesale food distribution. The company also reports that owing to "turbulence experienced on world stockmarkets, the time frame in which we can successfully list Conduit in Singapore appears to have lengthened".

Richina Pacific has sold **Mair Venison**, its venison processing and marketing business. The business has been sold for slightly in excess of its $13.5 million book value. Richina Pacific needs to reduce debt levels and/or concentrate on businesses in which it has some competitive advantage, so selling off small non-core businesses is a positive step.

Nufarm has acquired the US based business of

Agtrol International which will be used as a base to enter the US market for fungicides. Agtrol is a "global leader in the development and marketing of copper fungicides", has 240 product registrations (plus another 30 pending) and generates annual revenues of about US$50 million. The purchase covers ownership of Agtrol products, Research & Development, trademarks, certain intellectual property, commercial relationships and 45 employees but not manufacturing facilities. The vendor, **Philipp Brothers Chemicals** will manufacture and supply products under long term supply contracts.

As expected, **Steel & Tube Holdings** has received Commerce Commission clearance for a *possible* acquisition of some or all of the business of **Fletcher Steel**.

Australian Shares

This section is in Australian currency, unless stated.

Abigroup has won a $24 million contract to construct the 3500 seat **Hillsong Church Auditorium** - which will use Abigroup's experience and expertise gained building the Sydney SuperDome. The auditorium will contain movable sound walls capable of dividing it into nine separate lecture theatres. The building will also include a 650 seat Youth Hall, video recording studios, audio visual rooms, meeting rooms, bookshops and childcare facilities.

Auspine plans to build a $90 million, 60 megawatt "green energy" power plant at its Tarpeena sawmill (near Mt Gambier) in South Australia. The plant will use wood residues from Auspine's forest harvesting and sawmill residues, as well as externally sourced biomass. Power will be used in the company's upgraded Tarpeena sawmill, sold directly to other users and into the national grid. The power plant will earn *Renewable Energy Certificates* as the fuel is a by-product of renewable sources and by 2010 electricity wholesalers will be required to source at least 2% of their power from renewable energy sources.

Auspine is also investigating establishing an *Energy Park* adjacent to its sawmill and its power station to enable new industry to use waste heat.

Austral Coal is to "fast track expansion" of its Tahmoor mine following completion of a bankable feasibility study which will double production to a maximum of 3.2 million tonnes annually. More importantly, the new Tahmoor North field has larger and thicker coal seams, so will be cheaper to mine *and* produce an even higher quality coal than current operations.

The expansion project will generate net cash flows of $500 million (after capital expenditure and operating costs, but before interest and tax) over the next 18 years and has a *net present value* (i.e. the future returns, discounted at 12% per year, less the $106 development costs) of $163 million - or $2 per share!

Development of the mine will cost $106 million (including $60 million to replace existing longwall mining with a modern system) over the next three years and will be funded by improved operating cashflows (aided by recently negotiated price increases), debt and equity.

Of course, having proved the value of its expansion project Austral Coal immediately becomes an attractive takeover target for a bigger coal company seeking to expand its business. Austral Coal shares trade on the market for only 40½ cents, giving it a market capitalisation of only $33 million. Another coal miner taking over Austral Coal will get its existing mining operations - worth perhaps $40 million *plus* the expansion project valued at $163 million.

So Austral Coal shares are probably worth about 250 cents per share. At 40½ cents we continue to rate them a strong "Buy".

Biron Corporation has sold its created emerald business for $300,000 (which is $90,000 above written down book value). A non-refundable deposit of $60,000 has been received, with final settlement on June 7. The business will be relocated, so Biron Corporation is seeking to sell its $2.6 million property. The Bironite pearl nucleus business has been sold (for an undisclosed sum, in excess of book value). The company will continue its profitable business *distributing* its created emeralds in Australia and NZ.

If the property sells at book value then Biron Corporation will hold cash of about $10.6 million - or 48 cents per share. Biron Corporation shares have risen strongly over recent months as the company has moved to realise its assets and announced plans to consider returning cash to shareholders after June 30.

An acquisition *may* increase Shareholder wealth, but a liquidation will at least return about 48-50 cents in cash.

Central Equity has awarded the $110 million construction contract for its 31 storey *City Point* tower to **Multiplex Constructions**. As always, this contract was awarded after receiving a range of fixed time, fixed price tenders. This process removes any construction risk (i.e. delays, cost overruns) from Central Equity and ties in profit margins on the project which is over 90% pre-sold.

Hamilton Island has experienced a flat period for the three months to March 31. Total revenues were up 0.2% to $22.9 million while profits slipped 38.3% to $1,953,000. For the nine months of this financial year, revenues are up 10.4% to $75.0 million with profits down 7.5% to $8,796,000. A drop in high profit margin land sales to just $269,000 accounts for the downturn in total profits.

McPhersons has made a large acquisition (for a small company) with the $20 million purchase of **Australian Print Group** which generates annual revenues of $40 million. This acquisition will be debt funded and expected "to have a material impact on earnings per share in the next financial year".

Australian Print Group and McPhersons' existing printing business - both based at Maryborough, Victoria, will be merged. The combined business will generate revenues of $160 million and be the largest book manufacturer in Australia.

The lower Australian dollar exchange rate has significantly improved the competitive position of Australian based book printers, with mergers and productivity improvements also improving profitability.

As a result of this purchase, interest bearing debt (net of cash) will increase to about $41 million. Shareholders Equity is $43 million, so this is probably as much debt as *(Continued on Page 6)*

Recommended Investments *(Continued from Page 5)*
McPhersons will want. If applied to debt reduction, operating cash flows could probably repay *all* of this debt in just three years - or five years with the current level of dividend payments to shareholders.

McPhersons shares trade on a very low Price/ Earnings ratio of 4.3, so an acquisition that increases earnings per share will simply make these under-valued shares even better value! The Dividend Yield is 10.3%. McPhersons is a "must have" share for all *value investors*. "Buy".

PMP's proposed merger with **Independent Print Media** will not proceed owing to opposition from the **Australian Competition and Consumer Commission**. The sale of the European publishing business, however, "is proceeding as planned".

Two months ago **Thakral Holdings Group** was holding discussions with a party interested in making a takeover bid for the company. A third party has now expressed an interest in buying Thakral's hotel, retail and commercial assets - but not its development projects.

Discussions are expected to continue for another two months but "there are good indications of our getting a price which would be much higher than the current market price of the shares". Despite this potential for a short term gain, Thakral Holdings shares have not increased in value and continue to offer a very high income yield.

This is an attractive investment situation. The shares are attractive as a long term investment, producing a very high income yield and with steady growth potential. On the other hand, if talks are successful then investors can expect to realise a worthwhile short term capital gain. Either situation is a "win" for investors!

Toll Holdings convertible notes have been issued with the interest rate set at 6.53% (up from the minimum level of 6.2%) and are now trading on the Australian stockmarket.

As we indicated last month, we suggest that investors switch from the ordinary shares to the convertible notes by selling the ordinary shares and immediately re-investing in the convertible notes. The notes trade at about 5-8% more than the ordinary shares, but are a more attractive investment - offering a much higher income yield, full participation in any price increase in the ordinary shares but with a repayment option of $17 in cash in five years. That is (1) a higher income, (2) virtually equal potential for further capital appreciation but (3) very little risk, with very limited potential for the price to decline blow current levels.

Existing Toll Holding shareholders should switch to the convertible notes. New investors should buy the convertible notes in preference to the ordinary shares. (To keep our *Recommended Portfolio* simple we shall continue to show the Toll Holdings ordinary shares in our table on Page 3).

Utility Services Corporation has won a 2-5 year contract - worth over $7 million per year in revenue - to provide "overhead distribution maintenance and asset management services" to **United Energy**.

Volante Group has acquired **Best People International**, a specialist IT recruitment business, for $1.5 million. This business will be merged with Volante Group's existing recruitment business, **Affinity**. This is not a significant acquisition for Volante Group but adds some value to its smallest business unit.

Share Recommendation: Buy Australian listed OAMP Ltd

This section is in Australian currency, unless stated.

BUY Australian listed OAMP.
OAMP (code OMP) is an Australian listed insurance broker that was a long term under-performer until adapting a new Strategic Plan in 1999. Since then it has grown extremely rapidly! OAMP shares rate as a "Buy" under the *Best Performing Shares* and *Insider Buying* sections of our *Comprehensive Share Selection Criteria*. We believe the company will be able to continue to grow strongly over the next several years, so are formally rating the shares a "Buy".

Company History

This company was formed in 1987 as **Oil Agents Mutual Provident Society** to provide insurance for independent operators of road petrol tankers. That business expanded into general insurance broking. The company changed its name to OAMP in 1987 and listed on the Australian Stock Exchange in 1989 after raising additional capital (at $2.00 per share) to strengthen its balance sheet.

The company expanded into both the UK and US, while broadening the business to cover finance broking and superannuation. Unfortunately, the company performed very poorly during its first ten years as a public listed company - but has significantly improved its operating performance since 1999.

Current Business

The main business is General Insurance Broking, but the company also operates its own Underwriting business as well as offering a wide range of other financial services. The Underwriting business is benefiting from the increase in insurance rates and profit margins, and also gives the Broking business a competitive advantage with access to unique insurance policies and/or the ability to cover unique types of insurance risk.

Recent Recovery

OAMP's strong performance over the last two years can probably be traced back to the election of a new board of directors at the 1998 Annual General Meeting and a comprehensive strategic plan initiated in 1999. This turned around the under-performing group by increasing accountability and providing better monitoring of performance. Computer systems were upgraded to improve information and as part of a program to lower costs and increase efficiency. The third part of the strategy was to seek both organic growth (i.e. to expand existing businesses) as well as to seek acquisitions of compatible insurance broking and financial services businesses. These acquisitions have achieved "significant economies of scale" as well as "generating cross-selling opportunities" for OAMP services and products. The company has also invested heavily in staff training and further education.

Acquisitions

Initial acquisitions included increasing the ownership of **National Commercial Agencies** (a car rental insurance business) from 80% to 100% and in **Car Rental Information Services** (a risk management business) from 55% to 100% in October 1999 by buyouts of the Executive Directors.

OAMP acquired **Maloney Insurance Brokers**, **ACT Insurance Brokers** and **Dennis L Meyer** in 1999.

In early 2000, OAMP's holding in **Vigil Underwriting Agencies** was raised from 60% to 100% - allowing it to be fully integrated with other broking operations with "considerable cost savings". Acquisitions included **PSB Financial Services**, **Lakeside Insurance Brokers**, **BDP Group**, **Coral Coast Insurance Brokers** and the **Holder** group of companies involved in insurance and financial services. That was followed by **Westside Insurance Brokers**, **Licciardi & Nanni Insurance Brokers**, **Capital ILG Insurance Brokers**, **Chamberlain Knight**, **Bismire & Associates**, **Great Southern Insurance Broking**, **Mahoney Insurance Brokers** and **Comprehensive Holiday Insurance**. These acquisitions brought 100 staff, 60,000 clients and $10 Million in commission income into the OAMP group.

The rate of acquisition has slowed slightly in 2001 but the company has already purchased **Ian Berry Insurance Brokers**, **Sentinel Tasmania**, **Gateway Group** and **G & A Gordon**.

Acquisitions have usually been financed with a mix of shares and cash. In addition, OAMP made share placements (i.e. 1,530,000 shares at $1.20 in March 2000 to raise $1.8 million and 2,500,000 shares at $2.00 in January 2001 to raise $5.0 million) and has recently completed a 1 for 8 cash issue at $1.70 (raising $6.0 million). This leaves the company debt-free with considerable cash reserves.

OAMP believes that "acquisition opportunities will continue for at least two years". In part this is the result of smaller, independent insurance brokers finding it more attractive to join a larger group as the costs of complying with increasing statutory requirements create economies of scale in the industry.

Takeover Offer

The period of restructuring by OAMP co-incided with a takeover offer from **Ultramar Investments/Zuellig Insurance Brokers** which offered 85 cents per share in a full takeover offer for OAMP in October 1999. This was increased to 95 cents in November 1999 but proved unsuccessful and lapsed . . . with Ultramar eventually selling the shares it had acquired.

Recent Results

OAMP performed poorly during its first ten years with trading profits dropping to a low of just $465,000 in the year to June 1998. For the year to June 1999 trading profits rose 288.8% (from the previous year's low base) to $1,808,000 (9.5 cents per share) and a steady 5.0 cents dividend was paid.

Revenues increased by 14.6% to $53.7 million in the year to June 2000, while trading profits soared 131.4% to $4,184,000 (22.1 cents per share) and the dividend was raised 140.0% to 12.0 cents.

For the six months to December 2000, revenues rose 67.3% to $94.3 million while profits were up 124.6% at $3,463,000 (13.7 cents per share, up 71.2% owing to the increase in issued capital). The interim dividend rose 50.0% to 6.0 cents.

OAMP reports this growth has continued with the third quarter (to March 31) "well ahead of budget" and "March produced a new record for a single month's income for the Broking division". Historically June (i.e. the end of the tax year) is the peak month in this business - so the March result must have been particularly strong. The failure of several Australian insurance companies has forced up insurance rates and improved profit margins.

Investment Criteria

At 198 cents, OAMP shares trade on an historical Price/Sales ratio of 0.88, a Price/Earnings ratio of 9 and offer a Dividend Yield of 6.1%. Issued capital has since increased to 31.3 million shares owing to the recent placement and cash issue. This is 65.3% higher than at June 2000 so will dilute earnings per share growth, although profits for the current financial year should more than double as a result of recent acquisitions. So earnings per share should rise *at least* 20-30% this year, reducing the P/E ratio to 7-8, with a high annual dividend rate increasing the income yield.

With a market capitalisation of around $60 million, OAMP is still a *smaller* Australian company. However, the company is now in the Top 500. If the company continues to grow - either internally or through acquisition - it should start to attract more interest from institutional investors and stockbrokers.

At present the company is *neglected* by brokers (i.e. none follow it closely enough to publish profit forecasts) and also by institutions (i.e. there are just two significant institutional holdings with less than 10% of the capital).

Management hold a significant interest in the company. KC Lamont holds 3,431,250 shares (11.0% of the company), BM Austin has 2,103,523 shares (6.7%), GW Jones 1,500,543 shares (4.8%), CN Cowden 407,527 shares (1.3%). The other four directors each own 11,000 to 60,000 shares.

The directors have also been buying shares: with seven purchases and only one sale over the last twelve months. KC Lamont purchased 1,000,000 shares in July and 50,000 shares in December 2000. BM Austin bought 1,078,113 shares in July and 50,000 shares in October 2000. H W Robertson purchased 33,000 shares in July and 20,000 shares in October 2000. IR Cootes purchased 41,116 shares in September 2000 and sold 183,992 shares in March this year.

OAMP shares have been *(Continued on Page 8)*

Computer Selections of NZ Shares based upon our Comprehensive Share Selection Criteria

See "Market Analysis" issues 298-301 or the Reprint sent to all new subscribers for details. These shares are not formal "buy" and "sell" recommendations, but the "Under-Valued", "Best Performing" and "Income" shares should be considered for purchase, while the "Over-valued" and "Worst Performing" shares can generally be sold to release money for re-investment in more attractive shares.

UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
Wrightsons Ltd	66	+8.8	-3.1	12	-	0.9	7	1.6	12	9.0	0.15	89
Design Textiles	34	+8.6	-2.0	13	-	0.4	4	1.7	11	8.8	0.18	11
Renaissance	90	+2.0	-8.9	40	-	2.1	9	1.9	24	3.3	0.21	33
Williams Kettle	300	+8.4	-0.4	14	-	1.2	11	0.6	11	7.5	0.28	44
Fletcher Build.	230	+3.0	+1.5	36	9	0.8	11	1.3	7	10.4	0.33	788
Steel & Tube	165	+2.7	+0.5	37	8	1.2	11	1.1	11	10.9	0.39	145
Hellaby Hold.	201	+3.9	+0.9	30	5	1.5	17	1.0	9	10.4	0.39	100
Goodman Fielder	158	+1.3	+0.1	47	1	1.2	10	0.8	12	6.3	0.47	2,017
Nuplex Indust	345	+4.1	-1.4	28	7	1.6	15	1.0	11	6.5	0.50	194
Restaurant Brds	139	+5.0	-0.9	24	8	4.6	45	1.3	10	10.7	0.54	128
Reid Farmers	90	+7.8	-0.1	16	-	1.4	13	1.3	11	8.3	0.58	50
Tower Limited	569	+3.5	+0.6	34	5	1.1	9	0.6	12	5.3	0.58	1,005
DB Group	525	+10.7	-3.5	9	6	2.4	17	0.6	14	4.5	0.66	265
Taylors Grp Ltd	116	+1.3	-0.3	46	-	1.4	12	1.2	12	7.7	0.72	28
Michael Hill	375	+7.0	-0.9	19	5	3.4	23	0.8	15	5.4	0.79	145
Tranz Rail Hold	375	+4.0	-0.7	29	8	1.0	15	0.9	6	2.3	0.80	453
AMP Limited	2500	+3.7	+0.4	32	-	2.8	14	0.6	19	2.3	0.80	26,914
Carter Holt	179	+1.5	+2.3	42	9	0.6	5	1.3	12	3.4	0.82	3,113
Cavalier Corp	510	+6.5	+0.0	21	4	2.3	16	0.8	14	8.8	0.84	184
Mr Chips Hold	101	+8.4	+0.6	14	-	3.3	21	0.9	15	8.9	0.88	16

BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
DB Group	525	+10.7	-3.5	9	6	2.4	17	0.5	14	4.5	0.66	265
Wrightsons Ltd	66	+8.8	-3.1	12	-	0.9	7	1.3	12	9.0	0.15	89
Design Textiles	34	+8.6	-2.0	13	-	0.4	4	1.3	11	8.8	0.18	11
Williams Kettle	300	+8.4	-0.4	14	-	1.2	11	0.5	11	7.5	0.28	44
Mr Chips Hold	101	+8.4	+0.6	14	-	3.3	21	0.7	15	8.9	0.88	16
Reid Farmers	90	+7.8	-0.1	16	-	1.4	13	1.0	11	8.3	0.58	50
Michael Hill	375	+7.0	-0.9	19	5	3.4	23	0.7	15	5.4	0.79	145
Cavalier Corp	510	+6.5	+0.0	21	4	2.3	16	0.7	14	8.8	0.84	184
Restaurant Brds	139	+5.0	-0.9	24	8	4.6	45	1.1	10	10.7	0.54	128
Nuplex Indust	345	+4.1	-1.4	28	7	1.6	15	0.9	11	6.5	0.50	194
Tranz Rail Hold	375	+4.0	-0.7	29	8	1.0	15	0.8	6	2.3	0.80	453
Hellaby Hold.	201	+3.9	+0.9	30	5	1.5	17	0.9	9	10.4	0.39	100
AMP Limited	2500	+3.7	+0.4	32	-	2.8	14	0.5	19	2.3	0.80	26,914
Hallenstein G.	250	+3.7	+0.2	33	7	4.3	34	0.7	13	11.0	0.90	145
Tower Limited	569	+3.5	+0.6	34	5	1.1	9	0.5	12	5.3	0.58	1,005
Fletcher Build.	230	+3.0	+1.5	36	9	0.8	11	1.2	7	10.4	0.33	788
Richina Pacific	52	+2.9	+2.1	36	-	0.4	5	1.5	8	Nil	0.05	38
Steel & Tube	165	+2.7	+0.5	37	8	1.2	11	0.9	11	10.9	0.39	145
Carter Holt	179	+1.5	+2.3	42	9	0.6	5	1.1	12	3.4	0.82	3,113
Taylors Grp Ltd	116	+1.3	-0.3	46	-	1.4	12	1.0	12	7.7	0.72	28

INCOME SHARES: Highest Yields, Capitalisation > NZ$100 million

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
NZ Refining Co	1580	+13.4	-2.5	5	5	1.3	23	0.3	5	23.6	1.28	379
Air New Zealand	107	-14.4	-4.1	85	9	0.4	11	0.8	3	14.0	0.17	810
Hallenstein G.	250	+3.7	+0.2	33	7	4.3	34	0.6	13	11.0	0.90	145
Telecom Corp	625	-2.4	+3.2	60	9	9.7	68	0.7	14	11.0	2.53	10,971
Steel & Tube	165	+2.7	+0.5	37	8	1.2	11	0.9	11	10.9	0.39	145
Restaurant Brds	139	+5.0	-0.9	24	8	4.6	45	1.0	10	10.7	0.54	128
Hellaby Hold.	201	+3.9	+0.9	30	5	1.5	17	0.8	9	10.4	0.39	100
Fletcher Build.	230	+3.0	+1.5	36	9	0.8	11	1.1	7	10.4	0.33	788
Tourism Hold.	142	-15.7	-1.0	86	7	0.8	9	0.8	8	9.0	0.66	131
Sky City Ltd	935	+10.7	-1.8	8	9	5.7	38	0.5	15	8.9	3.05	900

OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
Southern Cap	84	-0.6	+1.5	52	-	2.4	-	0.8	NE	Nil	8.98	61
Calan Hlthcare	79	-9.0	-0.5	77	-	0.7	6	0.6	12	9.0	6.48	98
Kiwi Property	87	-1.4	-0.6	55	8	0.8	8	0.6	9	12.0	6.05	299
AMP NZ Office	83	-1.8	-0.9	58	6	1.4	13	0.7	11	9.3	5.94	208
Nuhaka Forestry	1015	-8.6	-1.6	76	-	0.6	-	0.3	NE	Nil	5.63	18
Genesis Res.	400	-18.2	-6.8	88	-	1.7	1	0.9	140	Nil	3.53	101
Waste Mgmt NZ	378	-2.8	-3.1	62	7	2.4	9	0.6	26	3.0	2.69	369
Telecom Corp	625	-2.4	+3.2	60	9	9.7	68	0.7	14	11.0	2.53	10,971
GDC Communicat.	240	-7.4	-5.9	72	3	6.5	22	0.9	30	2.0	2.19	91

WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
Newcall Group	5	-36.4	-0.5	96	-	-	-	2.6	NE	Nil	0.28	5
Strathmore Grp	8	-28.0	-2.5	92	-	0.5	-	2.5	NE	Nil	1.71	16
Advantage Group	87	-24.2	-1.0	92	7	0.8	3	1.3	30	Nil	0.82	53
Eldercare NZ	13	-23.3	-0.9	90	-	0.5	15	1.9	4	Nil	0.77	20
E-Phone Ltd	11	-22.6	+5.0	90	-	2.2	-	2.7	NE	Nil	N/A	12
E-Ventures NZ	27	-18.6	+0.3	89	-	1.2	-	1.3	NE	Nil	N/A	68
Genesis Res.	400	-18.2	-6.8	88	-	1.7	1	0.9	140	Nil	3.53	101
Rocom Wireless	42	-16.4	-3.4	87	-	1.3	-	1.0	NE	Nil	N/A	6
FC - Forests	32	-13.3	+2.4	84	9	0.2	4	1.4	4	Nil	0.52	820
IT Capital Ltd	18	-13.0	-1.4	84	-	1.2	-	2.2	NE	Nil	N/A	26
Tag Pacific Ltd	20	-12.5	+0.9	83	-	0.5	10	1.3	5	4.0	0.29	13
Metro. LifeCare	115	-10.0	+2.2	80	5	1.0	4	0.7	26	Nil	0.82	99
Software of Exc	100	-9.9	-0.5	79	-	1.0	-	0.7	NE	Nil	0.94	5
Force Corp.	25	-9.9	+2.7	79	5	0.7	9	1.6	8	6.0	0.71	39
Nuhaka Forestry	1015	-8.6	-1.6	76	-	0.6	-	0.3	NE	Nil	5.63	18
Cue Energy Ltd	5	-8.5	+2.4	75	-	0.5	-	2.3	NE	Nil	1.73	15
GDC Communicat.	240	-7.4	-5.9	72	3	6.5	22	0.9	30	2.0	2.19	91
Damba Hold Ltd	40	-6.2	+2.2	71	-	0.5	2	0.7	31	Nil	0.36	7

Buy OAMPS

(Continued from Page 7)

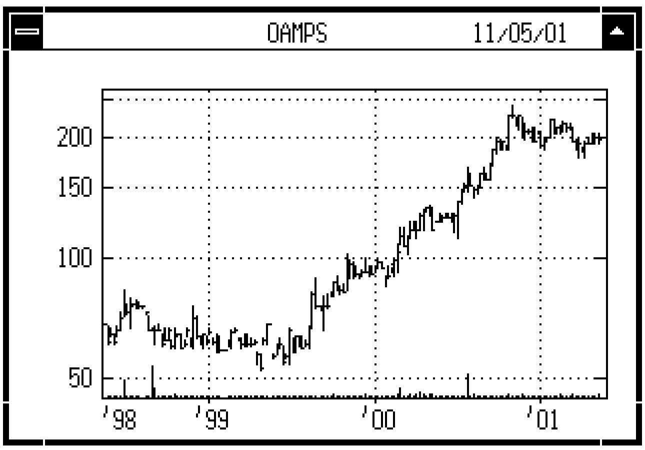
in a very strong uptrend since mid 1999. The shares peaked at 243 cents last November before easing back to 180 cents in March and April, and have since recovered to around 200 cents. The decline since November appears to be just a short term *correction* within the long term uptrend which will probably continue. Despite weakness over the last five months the Relative Strength rating is high at +5.5% with the shares ranked 14 (on a scale of 0-99).

Summary and Recommendation

Following the 1999 strategy review OAMP has been very well managed and has significantly improved its operating performance and profitability. Acquiring other insurance businesses and integrating them within this well run group offers ongoing potential for significant profit growth. In turn, profit growth will lead to dividend growth and capital appreciation.

OAMP shares offer good capital growth potential over the next two to three years (which should be helped by growing institutional and broker interest) but also offer a high current income yield and good prospects for income growth. This will make OAMP attractive to a wide range of investors although, of course, the shares do need to be part of a well diversified portfolio to diversify away the *company risk* involved in smaller company investments.

We are formally recommending OAMP shares for investment.



Computer Selections of Australian Shares based upon our Comprehensive Share Selection Criteria

See “Market Analysis” issues 298-301 or the Reprint sent to all new subscribers for details These shares are not formal “buy” and “sell” recommendations, but the “Under-Valued”, “Best Performing”, “Income” and “Insider Buying” shares should be considered for purchase, while the “Over-valued”, “Worst Performing” and “Insider Selling” shares can be sold to release money for re-investment in more attractive shares.

UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0

Company	Share Price	STRENGTH RATING Current	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price Earn. Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n
OM Holdings	15	+5.4	+10.2	14	0-0	-	0.7	-	2.2	NE	10.0	0.05	7
Skydome Holding	17	+3.7	+2.1	18	0-0	-	0.8	19	2.1	4	5.9	0.13	2
Hudson Invest.	39	+0.2	-0.9	31	0-0	-	0.6	6	1.5	10	4.5	0.14	42
Multispares Hld	16	+0.3	-0.5	30	0-0	-	0.5	8	2.2	7	3.2	0.14	3
Sigma Company	202	+9.6	+7.9	8	0-0	-	1.8	11	0.9	16	3.7	0.16	277
Ridley Corp.	67	+4.4	-4.1	16	0-1	5	0.8	6	1.3	12	6.0	0.16	160
Roberts Ltd	200	+1.0	+0.5	27	0-0	-	66.7	-	0.9	7	9.0	0.16	21
K&S Corporation	150	+3.0	-1.8	20	1-0	3	0.8	8	1.0	10	8.0	0.18	45
CMI Limited	121	+1.1	-0.3	27	0-0	-	1.9	37	1.1	5	6.6	0.19	33
Penfold Print.	72	+2.1	-2.8	24	0-0	-	1.2	17	1.3	7	11.1	0.21	12
Foodland Assoc	880	+2.3	-1.0	23	1-0	10	2.7	25	0.7	11	6.3	0.22	843
Pirelli Cables	83	+5.0	-1.3	15	0-0	-	1.8	10	1.2	18	4.2	0.23	71
Just Jeans Grp	101	+4.8	+2.1	15	1-0	5	1.8	18	1.1	10	8.9	0.23	81
Palm Corp	42	+7.3	-0.7	11	0-0	-	1.0	13	1.5	8	7.2	0.24	15
Angus & Coote	415	+6.9	+3.3	12	1-0	-	1.3	13	0.8	10	5.8	0.24	50
Volante Group	140	+8.7	+2.1	9	2-0	-	6.1	22	1.0	28	4.6	0.24	95
Rebel Sport	86	+4.0	+4.8	17	0-0	4	2.0	15	1.2	13	5.8	0.25	53
Ludowici Ltd	170	+7.6	+5.0	11	3-0	-	0.8	8	1.0	10	5.0	0.26	23
Futuris Corp.	225	+8.3	-0.1	10	1-0	7	2.7	16	0.9	17	3.6	0.27	1,365
United Group	153	+6.6	-1.8	12	1-0	4	2.4	25	1.0	9	5.9	0.27	124
Crevet Ltd	68	+1.5	-0.3	26	0-0	-	0.9	-	1.3	NE	2.2	0.28	23
Evans Deakin	230	+5.2	-0.1	14	0-1	3	1.5	8	0.9	18	8.3	0.28	217
CDK Tectonics	98	+1.7	-0.6	25	0-0	-	1.8	35	1.1	5	9.2	0.29	11
Folkestone Ltd	60	+0.5	+4.1	29	0-0	-	0.9	21	1.3	4	8.3	0.30	13
TAB Ltd	310	+3.0	-1.6	20	1-0	12	-	-	0.9	26	3.5	0.31	1,550
G.U.D. Holdings	168	+2.7	-0.9	21	2-0	6	1.6	16	1.0	10	8.9	0.34	111
Vealls Ltd	105	+3.2	+1.7	19	0-0	-	-	-	1.1	4	7.2	0.34	5
Spicers Paper	326	+13.7	-3.4	5	0-0	5	1.8	10	0.8	17	3.1	0.35	452
Origin Energy	227	+8.6	-1.5	9	0-0	-	1.6	20	0.9	8	9.3	0.36	1,304
Colorado Group	139	+2.7	+1.3	21	0-0	-	1.9	24	1.0	8	5.8	0.36	118
Email Ltd	291	+1.0	+0.1	27	0-0	7	1.8	12	0.9	15	8.4	0.37	791
Tempo Services	185	+4.7	+1.6	15	3-2	5	23.1	-	1.0	22	5.7	0.37	155
Comb Communicat	75	+2.6	-1.5	21	0-1	-	1.5	4	1.2	36	2.6	0.37	115
Weston (George)	550	+3.7	-3.9	18	0-0	-	0.9	7	0.8	13	3.5	0.37	596
Aust Pharm. Ind	244	+1.4	-0.6	26	0-0	3	2.5	12	0.9	21	4.9	0.38	479
Snack Foods Ltd	90	+4.6	-1.7	16	0-0	-	3.3	36	1.2	9	3.6	0.43	112
Chalmers	200	+0.3	-1.9	30	0-0	-	0.8	5	0.9	15	6.0	0.44	11
Shearer (John)	195	+1.5	+2.5	25	0-0	-	0.8	10	1.0	8	3.6	0.46	22
Plaspak Group	62	+2.6	+0.8	21	0-1	-	1.2	11	1.3	11	8.9	0.48	33
Woolworths Ltd	955	+10.2	+1.1	8	1-0	17	10.2	36	0.7	28	2.4	0.49	10,225
Auspine Ltd	235	+1.0	+0.5	27	6-0	2	0.7	12	0.9	6	9.4	0.50	134
Scientific Serv	45	+10.5	+0.3	7	0-1	1	2.5	22	1.5	11	6.7	0.50	35
Canberra Invest	47	+3.4	+3.1	19	0-0	-	0.9	15	1.4	6	8.5	0.51	14
Goodman Fielder	129	+2.9	-0.3	20	2-0	14	2.5	20	1.1	13	5.8	0.51	1,651
Aust Hospital	119	+12.3	-7.2	6	0-0	6	1.3	1	1.1	168	1.9	0.52	198
Coffey Int'l	310	+17.7	+5.9	3	0-0	-	3.7	29	0.9	13	6.5	0.54	35
Leighton Hold	740	+6.6	-0.1	12	0-0	12	3.0	21	0.7	14	4.5	0.54	1,959
Amcor Ltd	650	+3.4	+0.7	19	7-0	15	2.6	18	0.7	15	5.8	0.55	4,067
Boral Limited	248	+6.9	+1.3	12	5-0	-	0.9	8	0.9	11	7.3	0.55	1,409
Automotive Ind.	24	+0.7	+1.1	28	4-1	-	0.9	2	1.9	53	4.3	0.57	6
Paperlin X Ltd	427	+7.0	+1.0	11	3-0	-	-	-	0.8	15	1.2	0.57	1,371
East African Co	500	+2.4	+4.3	22	0-0	-	-	-	0.8	23	2.8	0.58	32
AXA Asia Pac	278	+0.4	-0.4	30	0-0	-	1.6	12	0.9	13	3.4	0.58	4,900
Clough Limited	88	+16.1	+4.3	4	0-0	1	2.6	22	1.2	12	5.1	0.59	304
Vietnam Indust.	30	+14.9	+5.7	4	3-0	-	1.1	14	1.7	8	3.4	0.60	30
SDI Limited	60	+8.9	+6.2	9	0-0	-	1.7	24	1.3	7	5.0	0.60	14
Campbell Bros	529	+3.7	+1.8	18	3-0	1	3.5	26	0.8	14	5.1	0.60	167
Adelaide Bright	52	+1.1	+4.1	27	0-0	4	0.9	10	1.4	8	5.8	0.61	246
Centennial Coal	120	+25.6	+0.7	2	0-0	-	-	-	1.1	44	4.2	0.62	64
M.I.M. Holdings	134	+6.6	+5.6	12	3-0	17	-	-	1.0	NE	1.9	0.64	2,329
F.F.I. Holdings	112	+2.1	-0.5	24	0-0	-	1.2	9	1.1	14	5.4	0.65	7
Hills Indust.	248	+0.0	-0.3	32	3-0	4	2.7	20	0.9	14	5.6	0.66	298
Smith (Howard)	943	+1.1	-0.3	27	3-0	14	2.8	17	0.7	17	4.3	0.69	1,863
Incitec	520	+0.4	-0.3	29	0-0	3	2.0	11	0.8	19	4.4	0.69	673
BA Tobacco Aust	1771	+17.4	-1.6	3	0-0	2	10.9	59	0.6	19	4.8	0.70	2,665
Mayne Nickless	640	+14.7	+1.1	4	0-0	11	3.9	13	0.7	30	2.7	0.72	2,814
Ramsay Health	222	+25.4	-4.7	2	0-0	7	1.5	5	0.9	29	3.3	0.73	242
Toll Holdings	1674	+22.9	+0.9	2	2-0	9	5.5	22	0.7	26	1.7	0.73	1,026
Spotless Group	700	+1.8	-3.0	24	0-0	7	13.2	35	0.7	38	2.9	0.78	1,345
Waterco Ltd	200	+5.1	-1.1	15	6-0	-	1.7	15	0.9	11	5.0	0.78	37

BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0

Company	Share Price	STRENGTH RATING Current	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price Earn. Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n
Austral Coal	41	+54.1	+9.3	0	2-0	-	-	-	1.2	8	Nil	0.41	33
Healthscope	133	+41.3	+0.2	1	10-4	-	-	-	0.9	16	Nil	0.76	87
Coffey Int'l	310	+17.7	+5.9	3	0-0	-	3.7	29	0.8	13	6.5	0.54	35
BA Tobacco Aust	1771	+17.4	-1.6	3	0-0	2	10.9	59	0.6	19	4.8	0.70	2,665
Clough Limited	88	+16.1	+4.3	4	0-0	1	2.6	22	1.0	12	5.1	0.59	304
Vietnam Indust.	30	+14.9	+5.7	4	3-0	-	1.1	14	1.3	8	3.4	0.60	30
Spicers Paper	326	+13.7	-3.4	5	0-0	5	1.8	10	0.7	17	3.1	0.35	452
Queensl'd Tour.	42	+12.5	-8.9	6	0-0	-	1.0	33	1.2	3	Nil	0.86	7
Scientific Serv	45	+10.5	+0.3	7	0-1	1	2.5	22	1.2	11	6.7	0.50	35
C.S.R. Ltd	574	+9.8	-0.2	8	10-1	12	2.0	16	0.7	13	4.2	0.81	5,537
Gold & Resource	131	+9.7	-5.7	8	0-1	-	2.9	28	0.9	10	3.8	0.83	126
Sigma Company	202	+9.6	+7.9	8	0-0	-	1.8	11	0.8	16	3.7	0.16	277
Oroton Int'l	300	+9.1	+2.9	9	0-1	-	3.7	32	0.8	11	5.0	0.84	55
SDI Limited	60	+8.9	+6.2	9	0-0	-	1.7	24	1.1	7	5.0	0.60	14
Origin Energy	227	+8.6	-1.5	9	0-0	-	1.6	20	0.8	8	9.3	0.36	1,304
Futuris Corp.	225	+8.3	-0.1	10	1-0	7	2.7	16	0.8	17	3.6	0.27	1,365
Prudential Inv.	55	+8.1	+2.5	10	0-0	-	0.9	5	1.1	19	Nil	0.36	4
Ludowici Ltd	170	+7.6	+5.0	11	3-0	-	0.8	8	0.8	10	5.0	0.26	23
Palm Corp	42	+7.3	-0.7	11	0-0	-	1.0	13	1.2	8	7.2	0.24	15
Paperlin X Ltd	427	+7.0	+1.0	11	3-0	-	-	-	0.7	15	1.2	0.57	1,371
Boral Limited	248	+6.9	+1.3	12	5-0	-	0.9	8	0.8	11	7.3	0.55	1,409
Angus & Coote	415	+6.9	+3.3	12	1-0	-	1.3	13	0.7	10	5.8	0.24	50
United Group	153	+6.6	-1.8	12	1-0	4	2.4	25	0.9	9	5.9	0.27	124
Leighton Hold	740	+6.6	-0.1	12	0-0	12	3.0	21	0.7	14	4.5	0.54	1,959
Schaffer Corp	400	+5.9	-1.8	13	3-0	-	1.3	23	0.7	6	3.3	0.80	50
New Hampton Gol	27	+5.8	-4.2	13	0-0	-	-	-	1.4	12	Nil	0.54	54
AMP Ltd	2030	+5.5	-0.0	14	1-0	15	2.6	13	0.6	19	2.3	0.81	22,438
OAMPS	198	+5.5	-2.9	14	7-1	-	10.4	-	0.8	9	6.1	0.88	56
Evans Deakin	230	+5.2	-0.1	14	0-1	3	1.5	8	0.8	18	8.3	0.28	217
Waterco Ltd	200	+5.1	-1.1	15	6-0	-	1.7	15	0.8	11	5.0	0.78	37
Raptis Group	17	+5.0	+4.5	15	0-0	-	1.1	12	1.6	9	Nil	0.20	11
Pirelli Cables	83	+5.0	-1.3	15	0-0	-	1.8	10	1.0	18	4.2	0.23	71
Just Jeans Grp	101	+4.8	+2.1	15	1-0	5	1.8	18	0.9	10	8.9	0.23	81
Barlow	5	+4.6	-3.4	16	0-0	-	1.6	9	2.7	18	Nil	0.24	6
Snack Foods Ltd	90	+4.6	-1.7	16	0-0	-	3.3	36	1.0	9	3.6	0.43	112
Carlovers	20	+4.6	-1.2	16	0-0	-	2.2	26	1.5	9	Nil	0.45	14
Ridley Corp.	67	+4.4	-4.1	16	0-1	5	0.8	6	1.0	12	6.0	0.16	160
New Privateer	65	+4.3	-2.3	17	0-0	-	0.8	17	1.1	5	3.1	0.80	1
Rebel Sport	86	+4.0	+4.8	17	0-0	4	2.0	15	1.0	13	5.8	0.25	53
Campbell Bros	529	+3.7	+1.8	18	3-0	1	3.5	26	0.7	14	5.1	0.60	167
Skydome Holding	17	+3.7	+2.1	18	0-0	-	0.8	19	1.6	4	5.9	0.13	2
Weston (George)	550	+3.7	-3.9	18	0-0	-	0.9	7	0.7	13	3.5	0.37	596
Ashanti Goldfld	430	+3.5	+0.5	19	0-0	-	-	-	0.7	5	Nil	0.65	463
Tamawood Ltd	58	+3.4	+1.0	19	1-0	-	5.3	53	1.1	10	9.5	0.82	13
Canberra Invest	47	+3.4	+3.1	19	0-0	-	0.9	15	1.2	6	8.5	0.51	14
Amcor Ltd	650	+3.4	+0.7	19	7-0	15	2.6	18	0.7	15	5.8	0.55	4,067
Vealls Ltd	105	+3.2	+1.7	19	0-0	-	-	-	0.9	4	7.2	0.34	5
K&S Corporation	150	+3.0	-1.8	20	1-0	3	0.8	8	0.9	10	8.0	0.18	45
Pro Maintenance	179	+3.0	+0.1	20	0-0	-	2.1	23	0.8	9	2.8	0.95	115
Goodman Fielder	129	+2.9	-0.3	20	2-0	14	2.5	20	0.9	13	5.8	0.51	1,651
Colorado Group	139	+2.7	+1.3	21	0-0	-	1.9	24	0.9	8	5.8	0.36	118
WRF Securities	47	+2.7	-1.4	21	1-0	-	1.1	14	1.2	8	Nil	0.62	18
G.U.D. Holdings	168	+2.7	-0.9	21	2-0	6	1.6	16	0.8	10	8.9	0.34	111
Plaspak Group	62	+2.6	+0.8	21	0-1	-	1.2	11	1.1	11	8.9	0.48	33
Burswood Ltd	79	+2.3	+0.4	23	9-0	11	1.4	13	1.0	11	7.0	0.86	318
Foodland Assoc	880	+2.3	-1.0	23	1-0	10	2.7	25	0.6	11	6.3	0.22	843
Penfold Print.	72	+2.1	-2.8	24	0-0	-	1.2	17	1.0	7	11.1	0.21	12
F.F.I. Holdings	112	+2.1	-0.5	24	0-0	-	1.2	9	0.9	14	5.4	0.65	7
Energy Equity	11	+1.8	-2.6	24	0-0	1	0.3	6	1.9	5	Nil	0.67	34
CDK Tectonics	98	+1.7	-0.6	25	0-0	-	1.8	35	1.0	5	9.2	0.29	11
Shearer (John)	195	+1.5	+2.5	25	0-0	-	0.8	10	0.8	8	3.6	0.46	22
Smith (Howard)	943	+1.1	-0.3	27	3-0	14	2.8	17	0.6	17	4.3	0.69	1,863
Adelaide Bright	52	+1.1	+4.1	27	0-0	4	0.9	10	1.1	8	5.8	0.61	246
CMI Limited	121	+1.1	-0.3	27	0-0	-	1.9	37	0.9	5	6.6	0.19	33
Auspine Ltd	235	+1.0	+0.5	27	6-0	2	0.7	12	0.8	6	9.4	0.50	134
Email Ltd	291	+1.0	+0.1	27	0-0	7	1.8	12	0.8	15	8.4	0.37	791
Roberts Ltd	200	+1.0	+0.5	27	0-0	-	66.7	-	0.8	7	9.0	0.16	21
General Publish	10	+0.6	+2.1	28	0-0	-	-	-	2.0	1	Nil	0.13	2
Siddons Ramset	611	+0.5	-0.1	29	0-0	-	2.0	13	0.7	15	4.1	0.86	330
Folkestone Ltd	60	+0.5	+4.1	29	0-0	-	0.9	21	1.1	4	8.3	0.30	13

INCOME SHARES: Highest Yields, Capitalisation > A$250 million

Company	Share Price	STRENGTH RATING Current	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price Earn. Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n
Envestra	86	+1.4	+0.5	26	0-0	9	-	-	0.9	NE	10.5	2.10	506
Deutsche Ind Tr	146	+0.4	-0.2	29	0-0	-	1.0	9	0.8	10	9.9	6.11	379
Thakral Holding	64	+1.7	-1.2	24	0-0	4	0.9	9	1.0	10	9.8	1.31	369
AMP Ind Prop Tr	99	-0.3	+0.5	34	0-0	5	1.0	9	0.9	11	9.5	7.43	335
Macquarie C'Wde	138	-2.5	-0.8	42	0-0	7	1.1	10	0.8	11	9.5	7.34	383
Origin Energy	227	+8.6	-1.5	9	0-0	-	1.6	20	0.7	8	9.3	0.36	1,304
Macquarie Off.	116	+0.3	-0.4	30	0-0	6	1.1	9	0.8	12	9.2	8.04	697
Col FS Com Prop	199	+0.1	-0.0	31	0-0	-	1.0	11	0.8	9	9.1	6.46	285
West Aust News	497	-3.3	-0.6	44	0-0	12	18.4	-	0.7	14	9.1	2.88	1,028
Col FS Indust.	197	+0.1	-0.0	31	0-0	-	1.1	8	0.8	13	9.0	8.99	362
Macquarie Ind.	107	+1.2	-0.3	26	0-0	5	1.1	10	0.9	11	9.0	7.79	301
ING Indust Trt	144	-0.4	+0.1	35	0-0	-	1.1	8	0.8	13	9.0	8.26	769
Crane Group	715	-2.9	+1.2	43	1-0	6	1.3	15	0.6	9	8.8	0.20	310
Australand Hold	138	-0.6	+1.8	35	0-0	5	1.1	19	0.8	6	8.7	0.82	669
Flinders Ind PT	131	+1.6	-0.4	25	0-0	-	1.2	9	0.8	14	8.5	7.87	302
Aust Infra.	190	-0.6	+1.4	35	0-0	6	0.8	12	0.8	7	8.4	6.48	280
Centro Prop.	287	-0.3	+0.0	34	0-0	6	1.2	9	0.7	14	8.3	7.78	933
Capral Alum.	220	-2.0	-1.0	40	3-0	8	0.9	12	0.7	7	8.2	0.37	453
BT Property	181	+0.4	-0.1	30	0-0	1	1.0	7	0.8	13	8.2	6.86	488
Orogen Minerals	118	-10.4	-2.3	60	0-0	7	0.5	17	0.8	3	8.2	0.82	379
Graincorp	972	+2.3	+0.5	23	1-1	1	4.5	54	0.6	8	8.1	1.33	401
Caltex Austrlia	199	-7.7	-1.3	55	0-0	6	0.6	4	0.8	15	8.0	0.11	537
Ten Network	198	-8.3	-0.7	56	0-0	10	-	-	0.8	12	8.0	1.24	754
Macquarie Good.	131	+0.0	-0.6	32	0-0	-	1.1	8	0.8	13	8.0	7.54	812
AMP Diver. Prop	239	+0.7	+0.0	28	0-0	-	1.0	8	0.7	13	8.0	7.40	1,067

INSIDER BUYING: Most Insider Buying, Relative Strength > 0

Company	Share Price	STRENGTH RATING Current	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price Earn. Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n
Burswood Ltd	79	+2.3	+0.4	23	9-0	11	1.4	13	0.9	11	7.0	0.86	318
C.S.R. Ltd	574	+9.8	-0.2	8	10-1	12	2.0	16	0.6	13	4.2	0.81	5,537
Beacon Fin Serv	95	+26.2	+10.3	2	10-1	-	3.8	13	0.8	28	1.6	7.68	39
Herald Resource	58	+11.4	-10.7	6	8-0	-	-	-	0.9	NE	Nil	6.09	25
Biron Corp	39	+10.6	+7.9	7	7-0	-	0.8	-	1.0	NE	Nil	2.21	9
Amcor Ltd	650	+3.4	+0.7	19	7-0	15	2.6	18	0.6	15	5.8	0.55	4,067
BT Resources	50	+7.6	+0.4	10	7-0	-	1.0	12	0.9	8	2.5	3.05	29
Aust Foundation	268	+0.5	+0.4	29	6-0	-	0.9	5	0.7	18	4.6	N/A	1,964
Auspine Ltd	235	+1.0	+0.5	27	6-0	2	0.7	12	0.7	6	9.4	0.50	134
Waterco Ltd	200	+5.1	-1.1	15	6-0	-	1.7	15	0.7	11	5.0	0.78	37
OAMPS	198	+5.5	-2.9	14	7-1	-	10.4	-	0.7	9	6.1	0.88	56
Healthscope	133	+41.3	+0.2	1	10-4	-	-	-	0.8	16	Nil	0.76	87
Boral Limited	248	+6.9	+1.3	12	5-0	-	0.9	8	0.7	11	7.3	0.55	1,409
Sthn Cross Brd.	1220	+4.7	+1.4	15	5-0	7	2.3	12	0.6	19	3.9	1.93	383
Milton Corp.	985	+1.7	+0.2	24	6-1	-	0.9	4	0.6	22	4.4	9.54	507
Com'wealth Bank	2993	+0.3	-1.7	30	4-0	18	3.2	14	0.6	22	4.3	3.32	37,986
GWA Internat'l	212	+1.3	+1.3	26	4-0	5	1.5	11	0.7	14	8.5	1.01	588
Bendigo Bank	607	+6.4	-1.7	13	5-1	7	2.0	11	0.6	18	4.0	1.38	676
Campbell Bros	529	+3.7	+1.8	18	3-0	1	3.5	26	0.6	14	5.1	0.60	167
Schaffer Corp	400	+5.9	-1.8	13	3-0	-	1.3	23	0.7	6	3.3	0.80	50
Tap Oil	128	+10.2	+4.5	8	3-0	7	-	-	0.8	21	Nil	7.21	174
Smith (Howard)	943	+1.1	-0.3	27	3-0	14	2.8	17	0.6	17	4.3	0.69	1,863
Vietnam Indust.	30	+14.9	+5.7	4	3-0	-	1.1	14	1.1	8	3.4	0.60	30
Platinum Cap'l	194	+11.2	+0.8	7	3-0	-	1.1	19	0.7	6	6.2	1.29	210
Nat'l Aust Bank	3118	+4.1	-0.4	17	3-0	18	4.2	30	0.6	14	3.9	1.14	47,700

What is a "Financial Plan"
(and why you don't need a Financial Planner)

Financial Planning simply involves assessing your current financial situation, setting both short term and long term financial goals, and then formulating an appropriate investment strategy for achieving those goals.

While most investors will find a *Financial Plan* to be a useful aid in building investment wealth, this is not an area where you should seek "professional" advice. We estimate that using a Financial Planner will reduce your wealth by about $700,000 over half a lifetime (see examples below). In fact, Financial Planners are usually little more than *Unit Trust Salespeople*, have little or no investment skills and the Financial Plan is simply a sales tool to get you to buy unit trusts!

How To Formulate Your *Financial Plan*

Just get a pen, paper and a calculator (or access our online financial planning calculator) and work through the following steps.

Step One: Assess Your Current Financial Situation and Financial Goals

The first step in a Financial Plan is to collect information on your current situation and expected future situation.

Firstly, what are your assets and liabilities?

Secondly, list your family income (or expected future income). Then deduct your living expenses to find out how much you will be able to save.

Thirdly, define your financial goals. Short to medium term goals may be to accumulate funds for the purchase of a new car, a house, a farm or a business. A common long term goal is to accumulate sufficient assets to provide a certain level of investment income in retirement.

Fourthly, assess your tolerance to risk. Higher risk investments (i.e. shares) offer higher returns, so better help you achieve long term financial goals - but not if you cannot tolerate the risk and abandon your plan after a couple of poor years! If you have a low tolerance to risk, then use low risk investments (i.e. fixed interest) to lower your overall portfolio risk to a level at which you are comfortable.

Finally, look for lump sums that may become available for investment. You may receive an inheritance. Very often a couple can realise a substantial sum by selling the family home and moving to a smaller property after the children have left home. Similarly, the sale of a farm or a business at retirement can realise cash for investment. A holiday home is seldom a sound investment - consider selling and renting your holiday accommodation. This will not only free up capital for more productive investment but lowers your costs (i.e. rates, insurance) and gives you more flexibility in where to enjoy your holidays!

Step Two: What Types of Investments Are Appropriate for Your Goals and Circumstances?

Your financial goals will be achieved by investing your current assets and future savings in investments appropriate to your personal circumstances and risk tolerance. Here are the basic *asset classes* to consider including in your investment portfolio:

How Visiting a "Financial Planner" Will Cost You $700,000

That headline may look outrageous - but its true! Here's the proof:

Example 1. A 25 year person inherits $25,000 and decides to invest it for retirement at age 65. Invested in the stockmarket at an average return of 10% per year for 40 years this $25,000 will grow 45-fold in value to about $1,131,480. (Remember, this is just the expected, long term *average* return from the stockmarket. If you have any investment skills, invest in *smaller* companies which are riskier but yield higher expected returns or have *any* stock picking skills then your returns could be significantly higher.)

Alternatively, this young person could seek professional advice from a *Financial Planner* - who would probably suggest an Equity trust. That's fine. The problem is that the trust will charge fees of around 2% per year, and the Financial Planner will charge a further 1% per year for monitoring. Of course, that is only $750 in costs for the first year (and, as the investment grows over 40 years, costs will come to about $149,700 in total).

However, the investor's money will compound and grow at only 7% per year, so the real cost is the lower returns re-invested and earning lower returns over the 40 year period. $25,000 returning 7% per year for 40 years will grow to about $374,360. That is a shortfall of $757,120 - which is the real cost of using the Financial Planner.

Example 2. A 35 year old decides to save $10,000 per year for retirement at age 65. Invested in the stockmarket at 10% this $300,000 in future savings will grow to around $1,644,940. Invested via a Financial Planner (yielding 7% after all costs in an Equity fund) it will grow to $944,610. A difference of $700,330.

A superannuation fund will likely have a *greater* impact on your wealth. Firstly it will likely be a *Balanced* fund (i.e. hold significant investments in low yielding fixed interest investments) and secondly from ongoing management fees.

Now you know why *everyone* doesn't retire a millionaire!

1. Cash: Very low risk, but low return of about 3%.
2. Fixed Interest: Low risk, historically offering returns around 5%.
3. Property: Higher risk, but higher financial returns of about 8%. (Direct property ownership can involve significant management. Indirect property investment - through listed or unlisted funds - is probably more suitable for most investors.)
4. Local Shares (i.e. NZ and Australian): Higher risk, but returns have averaged around 10%.
5. International Shares: Very high risks, returns average 12%.

Which of these asset classes - and how much you should invest in each type of asset - will depend upon your financial goals and your individual risk tolerance. If you have short term goals then Cash and Fixed Interest are appropriate. If you have longer term (i.e. ten years or more) goals then Property, Shares and International Shares will be most appropriate. If you have a range of short term and long term goals, then you will need a mixed portfolio.

30-50 year old investors, saving for retirement in 15-35 years, could therefore hold up to 100% of their portfolios in the riskier asset classes to maximise long term returns. For many people, however, this would be *too risky* as portfolio values will fluctuate widely from year to year. If you cannot tolerate this level of risk, then invest a percentage (e.g. 25%, 50%) of your portfolio in low risk fixed interest investments to reduce your overall risk exposure to your level of comfort.

For simplicity in further calculations let's assume that an investor chooses either:
1. An Equity Portfolio (i.e. 100% Property, Shares and International Shares yielding an average return of 10%), or
2. A Balanced Portfolio (i.e. 50% Fixed Interest and 50% in Equities, yielding an average return of 7½%).

Step Three: Formulate Your Financial Plan

Here you need to make some complicated calculations using the information collected above to see if your financial goals are achievable given your current circumstances.

To make the calculations easy, we have written an interactive program which you can access from our website at www.stockmarket.co.nz.

The calculations to test your Financial Plan involve taking your current investments - plus future savings - and estimating their future value based upon their expected rate of return. (Of course, *actual* returns will fluctuate widely in the short term.)

For simplification the calculations can be broken down into two parts:
1. Calculate the future value of your current investments (with dividends and capital gains re-invested), and
2. Calculate the future value of annual savings that you add to your investment portfolio.

(Continued on Page 12)

Financial Planning Formulae

Here are the formulae for estimating (1) the future value of your investment portfolio and (2) the future value of regular savings.

1. The Future Value of an Investment Portfolio

$$\text{Future Value} = \text{Current Value} \times (1 + \text{Rate of Return})^{\text{No. of Yrs}}$$

For example, a $50,000 investment portfolio invested to earn 7½% in a Balanced Portfolio for 20 years will grow to about $212,400.

$$\begin{aligned}\text{Future Value} &= \$50{,}000 \times (1 + 0.075)^{20}\\ &= \$50{,}000 \times (1.075)^{20}\\ &= \$50{,}000 \times 4.249\\ &= \$212{,}400\end{aligned}$$

2. The Final Value of Regular Savings

$$\text{Final Value} = \text{Regular Savings} \times \frac{((1 + \text{Rate of Return})^{\text{No. of Yrs}} - 1)}{\text{Rate of Return}}$$

For example, $10,000 saved each year and invested at 10% in an Equity Portfolio for 12 years will grow to about $213,840.

$$\begin{aligned}\text{Final Value} &= \$10{,}000 \times \frac{((1 + 0.10)^{12} - 1)}{0.10}\\ &= \$10{,}000 \times \frac{((1.10)^{12} - 1)}{0.10}\\ &= \$10{,}000 \times \frac{(3.1384 - 1)}{0.10}\\ &= \$10{,}000 \times 21.384\\ &= \$213{,}840\end{aligned}$$

It is often more useful to work out how much you will need to save to achieve a financial goal, so this second formula can be re-stated to calculate the annual savings needed to accumulate a final value:

$$\text{Regular Savings} = \text{Final Value} \times \frac{\text{Rate of Return}}{((1 + \text{Rate of Return})^{\text{No of Yrs}} - 1)}$$

For example, to accumulate $500,000 over 18 years with the money invested in an Equity Portfolio (at 10% per annum), how much do you need to save each year? Answer : $10,965

$$\begin{aligned}\text{Regular Savings} &= \$500{,}000 \times \frac{0.10}{((1 + 0.10)^{18} - 1)}\\ &= \$500{,}000 \times \frac{0.10}{((1.10)^{18} - 1)}\\ &= \$500{,}000 \times \frac{0.10}{(5.5599 - 1)}\\ &= \$500{,}000 \times 0.021930\\ &= \$10{,}965\end{aligned}$$

While these formulae are not particularly difficult, they can be rather difficult to calculate on a pocket calculator - especially when you want to change one of the variables to re-formulate your Financial Plan. Therefore we have written an interactive program running on our website (www.stockmarket.co.nz). Just select the calculation you want to use, enter the figures that apply in your case and you will receive the answer in a few seconds.

Financial Planning *(Continued from Page 11)*

The only other information you require is the expected rate of return (e.g. try using 10% for an Equity Portfolio or 7½% for a Balanced Portfolio) and the number of years that you have left to achieve your financial goals.

For the mathematical readers the formulae for these calculations is explained on Page 11.

Step Four: Test and Re-Formulate Your Financial Plan

Using the online calculators (or working it out on a pocket calculator) find out whether your current investment portfolio and additional savings are sufficient to achieve your financial goals.

If they are not, then you will need to reformulate your plan - perhaps (1) increasing your savings (i.e. which usually means cutting back on current expenditure), (2) allowing more time to achieve your goals (i.e. by starting earlier or waiting a few more years before retiring), (3) perhaps tolerating a little more risk to achieve a higher rate of return and/or (4) lowering your expectations. For long term financial goals, increasing your savings in the early years and/or seeking a higher rate of return will result in the largest increase in your final portfolio value.

On the other hand, the calculations may indicate that you will accumulate excess assets later in your life. If that is the case, you can (1) start planning your *early* retirement, (2) give up that high paid, high stress job in favour of something you would enjoy more or (3) save less and increase your current consumption.

Australian Company Review: Just Jeans Group

This section is in Australian currency, unless stated.

Just Jeans Group (code JJS) is an Australian clothing retailer which has recently restructured its business. Over the last year the company made a small on-market share buy-back and has announced a policy to pay a series of special dividends to distribute further cash. These shares offer investors a very high income yield, plus the potential for good capital appreciation.

Just Jeans Group operates in the same industry and has performed similarly to NZ listed **Hallenstein Glasson Holdings**, so investors may wish to refer back to our recent review of that company (*Market Analysis*, Issue No 341, November 2000).

Company History

Several of the current directors opened a single *Just Jeans* store in December 1970. The business was incorporated in August 1972 as **Jeans City**, changing to **Just Jeans Australia** in 1988 and again to **Just Jeans Holdings** ahead of the April 1993 public share issue at $1.00 per share. At the time of this float the company had 283 outlets (237 *Just Jeans* stores in Australia and 26 in NZ, plus 20 clearance stores).

The name was later changed to **Just Jeans Group** and the company now has 502 stores throughout Australia and NZ operating under the names *Just Jeans*, *Jay Jays*, *Jacqui E* and *Peter Alexander*. (Hallenstein Glasson has 94 stores).

Recent Performance

Just Jeans Group shares listed on the Australian stockmarket in early 1993 and rose 170% to a high of 270 cents by August 1994. Like Hallenstein Glasson, profits peaked in the mid-1990's:

Year	Revenue (million)	Net Profit	Earnings per Share	Dividends per Share
1994	$246.3	$13,230,000	16.2	8.0
1995	$315.9	$12,647,000	15.8	9.0
1996	$340.5	$14,105,000	17.6	10.0
1997	$341.1	$6,113,000	7.6	7.0
1998	$332.7	$10,020,000	12.4	9.0
1999	$340.7	$10,135,000	12.4	10.0
2000	$345.5	$8,022,000	9.9	9.0

For the six months to January 31, 2001, revenues rose 7.4% to $190.7 million with profits up 20.3% to $7,063,000 (8.8 cents per share). The interim dividend was raised 25.0% to 5.0 cents - plus the first of an expected regular series of *special* dividends of 3.0 cents. This is a good result - especially when one considers that this period covers the post-GST retail downturn. Latest Retail statistics show an upturn in 2001.

The company reports ending the half year with "no stock overhang" and "our cleanest stock levels in years". The first six weeks of the second half have started well, with sales up 10%.

Restructuring and Growth Potential

Retailing clothing is a *no-growth* industry, so if a company wants to grow it must acquire other businesses or expand its market share. Nevertheless, a *no-growth* industry can be an attractive place to operate a business and, with little need to re-invest to finance growth, companies can either distribute a very high percentage of profits to shareholders as dividends, or retain funds for acquisition.

Just Jeans Group's profitability declined significantly in the year to July 1997 but recovered in the June 1998 and July 1999 years. Nevertheless, a major restructuring program in August 1999 has resulted in a new four tier strategy for the company:

Firstly, business units have been restructured to "substantially lower costs" and to also improve efficiencies in all operations.

Secondly, the group has invested in areas where it believes it can generate growth. The *Jay Jays* chain is seen as having the most growth potential. The group has 115 *Jay Jays* stores and this is expected to be increased to 150 over the next two years. In addition, the group upgrades about 50 stores (10%) each year.

Thirdly, Just Jeans Group is actively seeking expansion through "strategic opportunities" in joint ventures, partnering or acquisitions. The main acquisition has been **Peter Alexander Sleepwear** which was purchased in January 2000. This was a mail order company with revenues of $6 million from a catalogue mailing list of 70,000 customers. A *Peter Alexander* website was launched in October 2000 (using technology from the *Just Jeans* website). This acquisition has been extremely successful. Management believe that Peter Alexander "has the potential to be the most successful apparel brand over the Internet over the next two years" and that "the *Peter Alexander* brand is so strong that we believe its growth as a business will only be limited by our imagination".

Fourthly, surplus funds realised from better stock management and on-going cashflows is being returned to shareholders. From November 1999 through to May 2000 the company re-purchased 1,444,000 shares (1.8% of its capital) and in November 2000 Just Jeans Group announced its "intention to pay special dividends with *each* half year and full year dividend *for the immediately foreseeable future*" - although, of course, these special dividends would be suspended if an appropriate investment opportunity was identified or it was in the interests of the group to retain cash.

With improved profitability from the restructured business, plus growth from the *Jay Jays* chain and the *Peter Alexander* business we would expect the Just Jeans Group share price to appreciate 50-100% to 150-200 cents over the next 2-3 years. That is a 20-25% compound rate of appreciation in addition to a very high income yield.

Investment Criteria

At 101 cents, Just Jeans Group shares trade on a very low Price/Sales ratio of 0.23, a Price/Earnings ratio of 10 and offer a Dividend Yield of 8.9% (excluding franking credits which are of no value to NZ investors). These statistics compare favourably with Hallenstein Glasson which has a P/S of 0.90, P/E of 13 and Yield 11.0% (gross) or 7.4% (excluding imputation credits).

The term *special dividend* refers to *one-off* distributions to shareholders, but Just Jeans Group intends paying *special* dividends with each interim and final dividend in the foreseeable future. This could add 4-6 cents per share to annual dividends, boosting the Yield to 13-15% over the next 2-3 years.

With a capitalisation of $79 million, Just Jeans Group is a *smaller* Australian listed company.

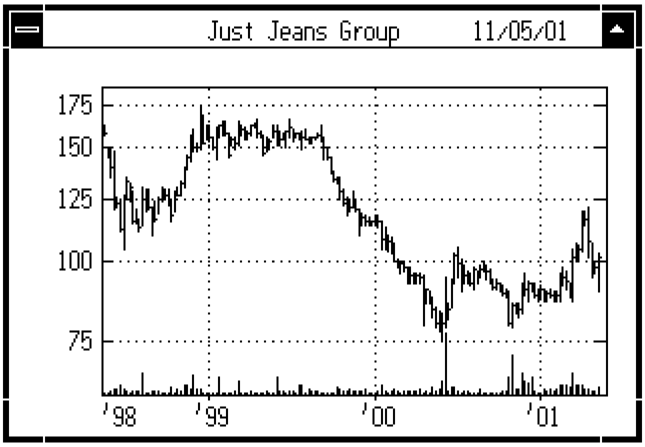
There is a *moderate* following by brokers (i.e. five brokers publish profit forecasts) but only a handful of institutional investors own about 20% of the company.

The founders and directors continue to hold a very large shareholding in Just Jeans Group with the Kimberley family owning 4.6 million shares (57.4% of the company). There was one insider trade over the last year - when the Kimberley family bought a further 250,000 shares on-market in June 2000.

From the August 1994 peak at 270 cents, Just Jeans Group shares fell to a low of 76 cents in June 2000. Since then the shares have been showing signs of recovery and a new uptrend, rising to 121 cents in April, but falling back over the last couple of weeks to 98 cents (with one-third of this being the shares going ex-dividend). The Relative Strength Rating is +4.8 (which is up +2.1% over the last four weeks), ranked 15 (on a scale of 0-99), which is a favourable technical position suggesting a new uptrend.

Summary and Recommendation

We are not formally recommending Just Jeans Group but the shares will be attractive to investors seeking high income (i.e. at least 9% gross, perhaps 13-15%) plus the potential for 20-25% per annum capital appreciation over the next several years.



Readers Ask . . .

Question: Can you please advise me how to invest given my existing situation?

Answer: Some details supplied by this reader include: The husband is 55 years of age, with an employment contract due to expire later this year - which may not be renewed. If so, they may move to Auckland for better job opportunities. Current investments include Cash of $50,000 and Fixed Interest of $250,000 plus NZ shares worth about $265,000.

The long term goal here must be to accumulate investments to provide an income in retirement in about 10 years. Shorter term there is uncertainty about the husband's job prospects, with a possible loss of income while looking for work. Auckland property prices are higher than the rest of the country, so moving may require spending an extra $50-100,000 on a replacement home.

Until the employment situation is resolved, this investor needs to hold substantial cash reserves - to fund living expenses if the husband becomes unemployed and to finance a possible move to Auckland. Therefore it is appropriate to hold cash and short term fixed interest deposits of $50-100,000 at this stage.

Longer term, holding 50% of the portfolio in cash and fixed interest may also be appropriate for conservative investors with a low tolerance to stockmarket investments and for people approaching retirement age. Our online *Financial Planning* calculator estimates that this *(Continued on Page 14)*

Readers Ask *(Continued from Page 13)*

$565,000 balanced portfolio will grow (at an estimated 7½% per annum rate of return) to about $1.16 million by the time the husband is 65. Hopefully, he will also be employed for most of that time and in a position to make additional savings if that is considered appropriate.

In retirement, an investor should be able to draw an inflation adjusted income equal to about 6% of their portfolio (without diminishing the inflation adjusted value of their capital), so a $1.16 million portfolio will produce a retirement income of about $70,000 per year. That should be an acceptable level of income.

The major risks are that (1) the husband is unable to find employment (so they start drawing against their investments to meet current expenditure) and (2) that they move to Auckland and need to withdraw 15-20% of their capital to buy a replacement home.

Overall, however, this situation looks reasonably secure. At the very worst this couple could "retire" now with investments able to provide about $34,000 per year in addition to any unemployment/superannuation entitlements.

Portfolio Suggestions

The NZ share portfolio worth about $265,000 is spread over 12 companies - although the three largest make up almost 50% of the portfolio. The companies are mainly large Blue Chip companies. My main suggestions would be to improve diversification (to minimise individual company risks) and to invest about 25-50% of the portfolio in medium sized and smaller companies to improve its growth potential and for higher income.

More specifically:

1. Limit the maximum size of any single holding to about $25,000 (rather than about $45,000 at present). So sell down some of the larger holdings. I am also not too keen about companies like Telecom NZ (high expenditure to expand network capacity, falling prices squeezing traditionally high profit margins), Tranz Rail (too many problems to mention here, but the rate at which it kills its employees is a sure sign that things are out of control), or Fletcher Forests (an interesting paradox - but not an interesting investment - the trees keep growing, shareholder wealth keeps diminishing).
2. Most of the current holdings are in large NZ companies, but medium sized companies often offer high income yields *and* better growth potential. Cutting back the biggest holdings, plus the three shares mentioned above, will free up about $95,000 for re-investment.
3. The portfolio should also be expanded to include some Australian companies. This provides a little geographic diversification, but offers a wider range of companies not found in the NZ market.
4. Invest a total of about $25-50,000 in 5-8 emerging growth companies (from Australia and NZ). This is just 5-10% of the *total* portfolio (so does not increase the overall risk exposure much) but will help improve the growth potential of the portfolio over the next ten years.

New Zealand and Australian Warrant / Option Analysis

NZ Oil & Gas is proposing to extend the expiry date of its options from October 31, 2001 to June 30, 2002 and to increase the exercise price from 70 cents to 75 cents. This extension is being proposed owing to delays in drilling the offshore *Tui* prospect which *may* now occur before June 2002. Nevertheless, our analysis suggests that at 4 cents the options may still be significantly over-valued!

In Australia a large number of options have become effectively owing to share prices falling far below the exercise prices. There are, however, a handful of options that trade below fair valuation *and* have low Break-Even rates.

New Zealand Warrant / Option Analysis

Warrant	Share Price	Exercise Price	Years & Months to Expiry	Warrant Price (NZ cents)	Black-Scholes Valuation (NZ cents)	Warrant Over/Under Valued (%)	Share Vola-tility	Warrant Leverage	No. Warrants to Buy One Share	Break-Even Rate
NZ Oil & Gas Options	$0.37	$0.70	0-5	6.0	0.0	+26846	0.376	13.5	1.0000	+462%
NZ Oil & Gas Options (1)	$0.37	$0.75	1-1	6.0	0.4	+1359	0.376	6.6	1.0000	+106%
Otter Gold Mines 1999/2003	$0.17	$2.00	2-1	3.0	0.0	+13612	0.560	4.8	1.0000	+229%
Otter Gold Mines 2001	$0.17	$2.75	0-5	0.1	0.0	+99999	0.560	9.99	1.0000	+9999%

(1) Proposed change to exercise price and expiry date.

Australian Warrant / Option Analysis

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/ Under-Valued	Share Vola-tility	Option Lever-age	Options to Buy 1 Share	Break-Even Rate
AP Eagers Ltd	415	400	1-8	14.0	66.5	-79	0.20	4.50	1.00	-0
Adultshop.com	22	20	3-1	13.0	17.8	-27	1.41	1.12	1.00	+14
Adultshop.com	22	175	2-7	1.1	9.8	-89	1.41	1.37	1.00	+124
Advanced Engine	28	35	1-7	4.0	10.6	-62	0.88	1.76	1.00	+23
Allegiance Mining	5	20	2-7	1.2	0.5	+150	0.64	2.52	1.00	+75
Allstate Exploration	9	50	0-1	0.5	0.0	+999	0.75	99.99	1.00	+999
Amadeus Petroleum	9	20	2-6	2.5	0.9	+180	0.45	3.10	1.00	+42
Ambition Group	65	100	3-4	22.0	12.8	+73	0.40	2.54	1.00	+21
Amity Oil	76	35	1-4	45.0	50.1	-10	1.01	1.37	1.00	+4
Amlink Technologies	14	45	3-1	0.9	7.5	-88	1.18	1.33	1.00	+47
Amlink Technologies	14	45	3-1	0.9	7.5	-88	1.18	1.33	1.00	+47
Analytica Ltd	10	50	4-5	1.0	1.5	-35	0.63	2.04	1.00	+46
Arrow Energy	8	20	1-1	1.6	0.5	+210	0.75	3.11	1.00	+165
Asset Backed	21	35	1-3	5.0	5.2	-3	0.88	2.09	1.00	+67
Astro Mining NL	24	25	8-7	8.0	23.3	-66	1.46	1.01	1.00	+4
Astro Mining NL	24	120	1-7	5.0	8.1	-38	1.46	1.55	1.00	+192
Auridiam Consolidated	5	50	3-1	1.0	0.2	+495	0.64	2.84	1.00	+110
Auridiam Consolidated	5	20	0-8	1.0	0.0	+999	0.64	6.56	1.00	+711
Auspine Ltd	235	400	1-7	4.7	6.1	-22	0.30	5.96	1.00	+41
Aust Kimb Diamonds	3	20	1-4	1.2	0.1	+999	0.83	3.29	1.00	+345
Bara Resources	34	25	2-3	13.5	16.4	-18	0.59	1.70	1.00	+6
Beach Petroleum NL	6	20	2-11	2.0	0.2	+747	0.46	3.36	1.00	+61
Beaconsfield Gold	23	125	0-10	1.0	0.0	+999	0.61	7.36	1.00	+781
Bionomics Ltd	103	50	0-6	57.0	55.6	+3	0.76	1.76	1.00	+8
Biotech Capital	37	50	2-4	11.5	4.1	+184	0.31	3.78	1.00	+25
Bolnisi Gold NL	7	20	0-1	0.3	0.0	+999	0.73	99.99	1.00	+999
Bullion Minerals	11	20	3-1	3.1	3.3	-6	0.68	1.81	1.00	+29
Burns Philp	46	20	2-3	28.0	27.7	+1	0.33	1.62	1.00	+2
CMC Power Systems	8	25	1-2	2.7	0.1	+999	0.57	4.61	1.00	+190
Canbet	7	20	0-10	0.9	0.1	+999	0.60	5.28	1.00	+285
Cardia Technologies	6	20	3-1	1.8	2.3	-23	0.99	1.51	1.00	+53
Carnarvon Petroleum	9	25	1-2	1.5	0.5	+188	0.74	3.13	1.00	+165
Carnarvon Petroleum	9	400	0-2	0.1	0.0	+999	0.74	99.99	1.00	+999
Centamin	12	20	1-10	3.6	4.5	-20	0.96	1.67	1.00	+45
Chariot Internet	25	100	1-7	0.5	2.7	-82	0.87	2.38	1.00	+141
Charter Pacific	74	50	1-5	45.0	39.2	+15	0.85	1.57	1.00	+19
Chiquita Brands	57	110	1-8	5.5	1.6	+238	0.35	5.16	1.00	+53
Citistate Corp	8	25	0-4	0.2	0.0	+749	0.84	6.59	1.00	+999
Clover	25	30	3-2	10.5	8.7	+21	0.52	1.92	1.00	+16
Cluff Resources	3	20	0-7	0.1	0.0	+999	0.39	99.99	1.00	+999
Cobra Resources NL	4	20	1-7	0.6	0.3	+98	0.89	2.49	1.00	+191
Consolidated Mineral	40	20	0-10	18.5	20.8	-11	0.35	1.91	1.00	-4
Cranswick Premium	123	195	1-1	10.0	6.6	+51	0.43	4.59	1.00	+60
Craton Resources	34	25	1-10	16.0	12.7	+26	0.36	2.29	1.00	+11
Deepgreen Minerals	1	20	0-1	5.0	0.0	+999	0.91	9.99	1.00	+999
Defiance Mining NL	4	20	2-1	0.7	0.4	+59	0.84	2.26	1.00	+123
Diamond Ventures NL	9	20	1-1	4.0	1.6	+143	1.02	2.16	1.00	+158
Dioro Exploration	7	20	2-8	2.0	0.7	+204	0.56	2.68	1.00	+57
Dioro Exploration	7	20	2-8	1.5	0.7	+128	0.56	2.68	1.00	+56
Dwyka Diamond	37	20	2-1	16.0	20.4	-21	0.49	1.66	1.00	-1
E-Financial Capital	33	50	1-11	3.1	3.3	-6	0.39	3.55	1.00	+29
E-Star Online	15	50	2-1	3.0	2.4	+26	0.79	2.18	1.00	+83
E-Tick Limited	25	30	1-1	9.0	5.0	+80	0.61	2.71	1.00	+51
ECAT Development	5	30	0-3	0.1	0.0	+999	0.71	1.00	1.00	+999
Eftnet Technologies	10	20	3-4	3.0	5.2	-43	1.00	1.37	1.00	+29
Empire Oil & Gas	10	20	1-7	3.6	0.6	+551	0.47	3.84	1.00	+74
Euroz	51	50	3-6	6.0	27.4	-78	0.70	1.47	1.00	+3
Federation Res.	152	400	0-11	28.0	5.7	+394	0.69	3.84	1.00	+209
Fimiston Mining NL	12	30	0-4	0.5	0.3	+60	1.03	4.35	1.00	+999
FlowCom Ltd	31	63	0-7	1.5	0.5	+211	0.57	5.85	1.00	+246
Franked Income Fd	867	580	1-7	200.0	334.0	-40	0.24	2.49	1.00	-6
GPS Online.com	17	40	1-1	2.5	4.0	-37	1.13	1.97	1.00	+133
Gemstock Corporation	13	20	1-0	2.2	5.1	-57	1.39	1.59	1.00	+78
General Gold Res.	4	20	1-1	1.3	0.0	+999	0.12	99.99	1.00	+403
Giants Reef Mining	4	20	0-1	0.1	0.0	+999	0.75	99.99	1.00	+999
Glengarry Resources	4	75	0-11	0.5	0.0	+999	0.61	1.00	1.00	+999
Global Business	9	100	1-0	0.1	0.4	-74	1.26	2.57	1.00	+999
Global Business	9	20	4-7	2.5	7.0	-64	1.26	1.14	1.00	+22
Globe Securities	7	20	2-7	1.9	2.5	-23	0.96	1.61	1.00	+56
Gold Partners NL	3	20	1-1	0.2	0.3	-36	1.19	2.33	1.00	+435
Golden Triangle	9	20	1-7	2.2	2.9	-24	1.09	1.71	1.00	+79
Golden Valley Mines	3	20	1-1	0.5	0.0	+999	0.76	4.30	1.00	+489
Goldsearch Limited	5	20	1-2	0.4	0.1	+353	0.70	3.87	1.00	+252
Goldstream Mining	52	20	0-4	31.0	32.3	-4	0.58	1.61	1.00	-6
Gradipore Ltd	450	250	0-7	220.0	209.9	+5	0.51	2.06	1.00	+8
Greater Pacific	2	20	1-5	0.4	0.0	+778	0.92	3.00	1.00	+415
Green's Foods Ltd	29	50	0-9	1.5	0.4	+295	0.39	7.15	1.00	+115
Greenstone	7	20	0-1	0.2	0.0	+999	1.21	10.84	1.00	+999
Gutnick Resources	9	38	1-10	2.0	1.1	+87	0.72	2.79	0.50	+128
Gympie Gold Limited	69	80	0-1	2.1	1.2	+78	0.55	12.01	1.00	+704
Heartlink Ltd	7	20	2-1	1.7	0.6	+171	0.58	2.89	1.00	+69
Hill 50 Gold NL	70	70	1-0	18.0	9.7	+85	0.29	4.47	1.00	+26
Huntley Investment	62	50	0-0	11.0	9.7	+13	0.18	4.47	1.00	-100
Imperial	3	20	2-2	0.5	0.1	+531	0.67	3.13	1.00	+147
Infosentials	15	75	1-10	3.1	0.3	+937	0.60	3.66	1.00	+146
Intercontinental Gold	3	20	2-1	0.9	0.1	+962	0.65	3.23	1.00	+146
International Equities	1	20	0-1	0.3	0.0	+999	1.05	99.99	1.00	+999
JAM Developments	18	25	4-6	5.1	7.5	-32	0.59	1.62	1.00	+13
Jervois Mining NL	4	20	0-9	0.9	0.0	+999	0.70	5.95	1.00	+871
KCG Mines	10	20	3-6	6.0	9.1	-34	1.93	1.05	1.00	+31
Kalrez Energy NL	3	20	2-1	0.5	0.0	+999	0.54	4.26	1.00	+152
Kanowna Cons Gold	10	20	3-6	6.0	9.1	-34	1.93	1.05	1.00	+31
Kanowna Lights NL	10	20	0-8	1.0	1.3	-24	1.07	2.55	1.00	+229
Kimberley Diamond	64	130	2-2	25.0	29.1	-14	1.11	1.47	1.00	+50
Kimberley Oil NL	15	20	0-6	4.0	2.8	+42	1.06	2.53	1.00	+174
Kingstream Steel	10	110	1-2	1.2	0.0	+999	0.66	5.98	1.00	+702
Lafayette Mining NL	7	20	0-4	0.2	0.0	+999	0.67	9.39	1.00	+999
Lang Corporation	1130	875	3-7	330.0	435.9	-24	0.25	2.26	1.00	+2
Legend Mining NL	12	20	0-10	2.3	1.6	+43	0.78	2.85	1.00	+110
Loftus Pooled Dev.	70	110	1-7	1.9	0.6	+212	0.20	9.64	1.00	+34
Lumacom	16	20	2-1	4.0	8.7	-54	1.09	1.40	1.00	+21
M2M Corporation	14	20	8-9	4.0	10.5	-62	0.82	1.15	1.00	+7
Magna Pacific	20	25	0-1	1.0	0.4	+139	0.77	9.07	1.00	+999
Majestic Resources	25	20	2-1	10.0	11.4	-12	0.62	1.74	1.00	+9
Metabolic	77	20	2-2	59.0	59.3	-1	0.54	1.28	1.00	+1
Metex Resources	6	20	3-1	2.3	0.8	+172	0.58	2.37	1.00	+51
Metroland Australia	9	20	0-0	0.2	0.8	-76	0.92	2.37	1.00	+999
Minerals Corporation	22	20	0-6	10.0	4.7	+114	0.57	3.25	1.00	+86
Minerals Corporation	22	40	1-8	5.5	2.8	+95	0.57	2.85	1.00	+55
Minotaur Gold NL	11	20	0-7	1.5	1.9	-21	1.15	2.42	1.00	+215
Molopo Australia NL	4	20	2-4	1.4	0.4	+231	0.79	2.26	1.00	+110
Mosaic Oil NL	18	25	1-1	5.2	2.4	+121	0.58	3.11	1.00	+65
Natural Gas Aust	44	25	3-10	18.0	38.4	-53	1.34	1.08	1.00	-1
New Holland Mining	3	20	1-4	0.8	0.0	+999	0.71	4.11	1.00	+350
Nonferral Recyclers	20	50	0-2	1.0	0.0	+999	0.83	10.19	1.00	+999
Norwest	7	20	1-1	1.3	1.8	-26	1.24	1.88	1.00	+172
One Three One Shop	6	75	0-8	0.1	0.0	+999	1.04	4.65	1.00	+999
Optiscan Imaging Ltd	148	20	0-10	136.0	128.8	+6	0.73	1.15	1.00	+7
Oropa	4	20	1-7	1.0	0.5	+93	1.04	2.11	1.00	+194
PEG Technology	20	50	0-0	3.0	0.5	+480	0.47	2.11	1.00	+999
Pacific Strategic	19	30	2-10	1.5	2.0	-25	0.32	3.52	1.00	+20
Pahth Telecom.	4	20	2-1	0.6	1.7	-65	1.31	1.48	1.00	+110
Pancontinental	4	20	0-10	0.5	0.0	+999	0.85	4.06	1.00	+632
Pi2 Limited	11	75	1-7	2.0	3.1	-36	1.44	1.61	1.00	+242
Pima Mining NL	28	20	0-10	13.5	9.4	+44	0.47	2.49	1.00	+27
Platinum Australia	50	20	3-3	33.0	36.0	-8	0.66	1.29	1.00	+2
Plenty River	18	20	1-2	6.0	4.9	+22	0.73	2.19	1.00	+40
Precious Metals	4	65	0-1	0.2	0.0	+999	0.83	99.99	1.00	+999
Precious Metals	4	20	4-6	1.0	1.3	-24	0.83	1.56	1.00	+45
Prima Resources NL	8	20	0-6	1.0	0.1	+999	0.69	5.72	1.00	+607
Pulsat Communicat.	5	20	2-4	2.0	1.3	+58	1.04	1.68	1.00	+97
Pulsat Communicat.	5	200	1-8	0.2	0.0	+624	1.04	3.01	1.00	+875
Quiktrak Networks Ltd	9	20	0-10	1.4	0.6	+139	0.78	3.32	1.00	+194
Rand Mining	114	20	0-1	85.0	94.1	-10	0.88	1.21	1.00	-63
Redflex Holdings	134	350	1-7	35.0	5.6	+530	0.53	3.78	1.00	+95
Reefton Mining NL	8	20	2-6	2.6	2.4	+7	0.85	1.75	1.00	+51
Ridley Corporation	67	65	0-11	15.0	11.8	+28	0.37	3.70	1.00	+21
SSH Medical	63	40	1-1	27.0	31.1	-13	0.77	1.72	1.00	+6
Sabre Resources	20	20	0-6	0.5	14.4	-97	3.03	1.20	1.00	+5
Seafood Online.com	7	20	2-3	2.4	1.0	+146	0.65	2.42	1.00	+66
Senetas Corporation	19	30	3-0	7.0	8.8	-21	0.85	1.51	1.00	+25
Shield Equities	6	20	0-4	0.2	0.0	+999	0.64	11.32	1.00	+999
Simon Gilbert	47	100	3-7	5.0	12.4	-60	0.59	1.95	1.00	+25
Solar Energy Systems	20	30	3-7	4.6	5.6	-17	0.48	2.08	1.00	+17
Stericorp	32	40	0-5	2.7	3.4	-21	0.70	3.87	1.00	+100
Strata Mining	2	20	1-7	0.5	0.0	+999	0.67	4.23	1.00	+298
Stratatel Limited	18	25	4-3	5.0	4.2	+19	0.34	2.45	1.00	+13
Sun Resources NL	9	25	1-1	4.0	0.4	+927	0.72	3.44	1.00	+210
Sydney Gas Company	48	100	1-4	12.0	5.9	+102	0.70	2.72	1.00	+89
Sydney Gas Company	48	20	0-1	24.5	28.1	-13	0.70	1.71	1.00	-60
Tanami Gold NL	11	20	0-6	1.0	0.0	+999	0.42	9.67	1.00	+300
Technology Licencing	7	50	0-8	2.5	0.3	+876	1.32	2.86	1.00	+999
Terraplanet.com	9	100	3-6	1.5	1.1	+34	0.82	1.99	1.00	+100
Tiger Resources	10	23	0-4	20.5	0.3	+999	0.95	4.57	1.00	+999
Timemac	4	20	3-1	1.0	0.8	+19	0.91	1.74	1.00	+79
Travelshop Ltd	8	20	3-6	2.5	5.5	-55	1.38	1.17	1.00	+36
Tuart Resources	4	20	2-1	0.7	1.8	-61	1.59	1.32	1.00	+135
Union Capital	4	20	0-8	0.6	0.0	+999	0.97	4.07	1.00	+999
Vincorp Wineries	8	40	0-6	0.1	0.0	+999	0.56	12.08	1.00	+999
Virotec	47	30	0-7	30.0	19.6	+53	0.73	2.06	1.00	+55
Vital Capital	25	20	8-0	12.5	20.7	-40	0.83	1.12	1.00	+3
Vos Industries Ltd	4	50	1-2	5.0	0.0	+999	0.83	4.27	1.00	+866
WRF Securities	47	35	3-7	11.0	23.8	-54	0.50	1.62	1.00	-0
Wells Gold	1	20	1-10	0.2	0.0	+999	0.71	5.09	1.00	+652
West Australian Metals	7	20	1-4	2.0	1.5	+33	1.14	1.91	1.00	+154
West Oil NL	5	30	0-1	0.1	0.0	+999	0.99	99.99	1.00	+999
Wet Dreams	6	20	1-7	0.9	1.7	-46	1.16	1.74	1.00	+120
Whittle Technology	11	25	0-4	2.0	0.1	+999	0.76	6.37	1.00	+999
Whittle Technology	11	40	1-4	2.0	0.6	+234	0.76	3.05	1.00	+173
Willhart	8	35	2-5	3.5	0.9	+274	0.77	2.23	1.00	+97
Yamarna Goldfields	1	20	1-1	0.2	0.0	+999	0.66	6.97	1.00	+999
Zylotech Limited	6	20	0-4	0.6	0.0	+999	0.83	7.00	1.00	+999

"Insider" Insights

(A summary of buying and selling by major shareholders)

Company	Shareholder	Buy/ Sell	Shares (Mill)	% of Coy Held Before	After
13/04/2001					
-21.343	5.56%	0.06%			
United Networks	Utilicorp NZ	Sell	-13.000	78.78%	70.20%
Waste Management NZ	AXA Asia Pacific	Buy	+1.015	6.26%	7.30%
20/04/2001					
Hellaby Holdings	Castle Investments	Buy	+0.257	32.05%	32.56%
Kiwi Development	Kiwi Income	Buy	+1.473	96.93%	100.00%
Rubicon Ltd	AMP Henderson	Buy	+10.439	10.75%	13.71%
Tasman Agriculture	Arnhold,Bleichroeder	Sell	-2.571	13.59%	11.15%
27/04/2001					
Affco Holdings	UBS Nominees	Sell	-2.148	7.52%	6.45%
Rubicon Ltd	Credit Suisse FB	Buy	+19.807	0.0%	5.61%
Tasman Agriculture	Dairy Holdings	Buy	70.738	0.0%	67.20%
Tasman Agriculture	Southern Capital	Buy	+9.323	0.0%	8.85%
04/05/2001					
Baycorp Holdings	Deutsche Australia	Buy	+0.918	15.73%	16.82%
Cedenco Foods	SK Foods	Buy	+5.439	19.90%	54.78%
Genesis Research	Arcus Invest Mgmt	Buy	+0.163	5.35%	6.00%
Owens Group	AMP Asset Mgmt	Sell	-0.565	12.74%	11.74%
Rubicon Ltd	RC Perry	Buy	+35.921	0.0%	10.18%
Tourism Holdings	AMP Asset Mgmt	Sell	-0.929	9.45%	8.44%
11/05/2001					
Advantage Group	AXA Asia Pacific	Sell	-0.750	9.50%	8.35%
Cedenco Foods	Brierley Investments	Sell	-7.570	48.50%	0.0%
Cue Energy	Citicorp Nominees	Buy	+28.200	0.0%	8.66%
FC - Forests	Credit Suisse FB	Sell	-16.970	8.41%	7.50%
PDL Holdings	Schneider Electric	Buy	+1.115	18.10%	26.30%

Current Issues

CAPITAL RECONSTRUCTIONS

	Ex-Date
Tasman Agriculture (1)	14-05
Trans-Tasman Properties (2)	-

(1) Tasman Agriculture will pay a special dividend of 43 cents per share (without imputation tax credits) and then repurchase 40% of its shares at $1.47 per share.
(2) Trans Tasman proposes swapping ordinary shares held by the public for junk bonds.

SHARE REPURCHASES

	Details
Hellaby Holdings	5%, on-market
Warehouse Group	2½%, on-market

Trans-Tasman Properties shareholders are now being asked to vote on the proposal to exchange ordinary shares held by the public investors for junk bonds. We reviewed this proposal in March (*Market Analysis*, Issue No 345). This junk offers a high yield of 15% (based upon the current share price of 23 cents) plus the potential for capital gain - *if the company can make repayment in 2011 in full* (equal to 35 cents per ordinary share. However, this junk does involve considerable risk as the company's financial position may deteriorate further over the next ten years.

We favour selling the ordinary shares on market now for 23 cents as there are plenty of *lower risk* investments that offer the potential for *higher returns* than the junk bonds.

Dividend$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Calan Healthcare	1.6596	14-05	01-06	Nil
Carter Holt Harvey	3.00	07-05	17-05	Nil
Contact Energy	5.50	21-05	25-05	Full
Property For Industry	1.30	21-05	25-05	0.30
Richmond Ltd	5.00	28-05	01-06	Full
Sanford Limited	8.00	21-05	01-06	Full
Scott Technology	1.50	30-04	03-05	Full
Tasman Agriculture (1)	43.00	14-05	14-06	Nil
(1) Special Dividend				
Australian Shares				
Utility Services Corporation	2.00	-	-	-

Total Return Index for All Listed Shares

	Apr 9	1982.59	
	Apr 10	1987.84	
	Apr 11	1993.33	
	Apr 12	1992.77	
	Apr 13	Holiday	
Apr 16	Holiday	Apr 23	2029.00
Apr 17	1990.03	Apr 24	2028.75
Apr 18	1998.31	Apr 25	Holiday
Apr 19	2022.64	Apr 26	2029.87
Apr 20	2025.47	Apr 27	2025.42
Apr 30	2021.07	May 7	2025.72
May 1	2028.44	May 8	2032.69
May 2	2039.44	May 9	2038.70
May 3	2044.13	May 10	2040.60
May 4	2031.71	May 11	2053.31

Internet Account Records and Newsletter Access

All subscribers have been issued with an Individual *User Name* and *Password* to access our newsletters online and to give you access to your account details via the internet (i.e. you can change your postal address, e-mail address or password as often as you wish).

If you have added an e-mail address to your online account then we shall automatically e-mail you the electronic version of "Market Analysis" on Tuesday morning *in addition* to mailing a printed copy.

If you have put your e-mail address online but forgotten your password, logon with just your User Name and select "E-mail my Account Password to me" to have it sent automatically to the e-mail address on your account.

If you haven't put your e-mail address online and have forgotten your User Name and/or Password, contact us and we can mail it to your postal address.

Next Issue

The next issue of "Market Analysis" will be posted in four weeks time on Tuesday June 12, 2001 (and delivered in most areas on Wednesday 13).

The electronic version will be e-mailed and also available from our website on Tuesday morning.

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