

Market Analysis

Issue No. 359

P.O. Box 34-162, Auckland

May 14, 2002.

Inside Market Analysis

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Summary and Recommended Investment Strategy.

Our forecasts for the Australian and New Zealand stockmarkets are only Neutral, but remain close to fully invested in the recommended shares.

Investment Outlook.

Weak US stock prices - especially in the Technology sector - over the last month has been reflected in nervousness on the Australian stockmarket. We believe the global economic recovery will be slow and only moderate - so the stockmarket recovery will climb this *wall of worry* and periodically slip back. We also remain cautious about many Technology share valuations as a return to the previous boom is unlikely.

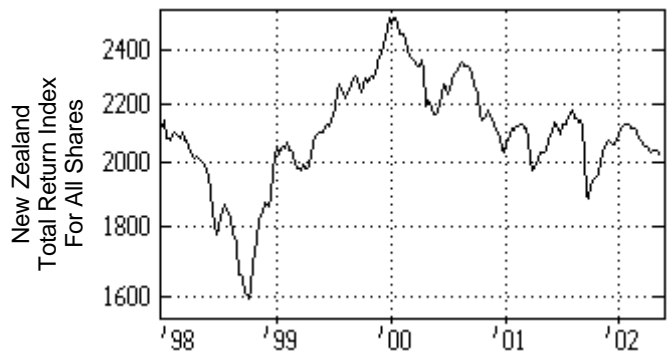
Despite slow economic growth, we still believe that excellent investments can be made in *cyclical* and *emerging growth/technology* company shares - that trade at low valuations. Many *cyclical* shares (e.g. Colonial Motor, Steel & Tube, Julia Ross, Skilled Engineering) were depressed over recent years and now offer excellent value. Cyclical shares are best purchased (1) after a period when the share price has suffered a significant decline but is beginning to recovery, (2) when profitability has collapsed, but stabilised or is showing the first signs of improvement, (3) when media reports are negative and (4) while other investors are still avoiding these depressed sectors.

Technology related shares are also depressed following the 1998-2000 boom and subsequent bust. What we look for in this sector, however, is not revolutionary technology - which is often obsolete in six months when something better is invented. What is attractive is a company with a strong business - generating revenues and profits - that will benefit from growth caused by technology. For example, Cellnet Telecommunications' rapid revenue growth as demand for cellular phones remains strong (i.e. new technology results in demand as consumers upgrade) and increased market share as network operators outsource this part of their business to reduce costs.

Our Forecasts for the Australian and New Zealand stockmarkets remain only Neutral. We shall remain close to fully invested in shares, but build a small cash reserve to fund future new share investments.

Stockmarket Forecasts

	One-Month	One-Year
Australia:	56% (Neutral)	54% (Neutral)
New Zealand:	57% (Neutral)	47% (Neutral)



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		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
A. Barnett Ltd	B	81	0.39	23	Nil	Feverpitch Int.	D	49	N/A	NE	Nil	Property F Ind.	C	88	8.19	40	7.8
AMP Limited	C	2000	3.10	27	3.1	Finzsoft Sol'ns	C	49	0.09	NE	Nil	Pure NZ Limited	E	12	9.52	NE	Nil
AMP NZ Office	C	86	6.33	10	8.3	Forcher Build.	B	275	0.42	28	6.5	Pyne Gould G.	B	123	0.64	9	8.5
AXA Asia Pac.	A	366	0.61	14	3.2	Force Corp.	C	5.1	0.50	NE	Nil	Renaissance	D	43	0.08	NE	Nil
Advantage Group	D	39	0.35	31	Nil	GDC Communicat.	C	138	0.76	15	3.8	Restaurant Brds	B	208	0.75	16	7.2
Affco Holdings	E	27	0.05	10	Nil	Genesis Res.	D	285	3.72	NE	Nil	RetailX Limited	C	22	N/A	NE	Nil
Air New Zealand	D	54	0.05	NE	Nil	Goodman Fielder	B	192	0.58	14	5.2	Richina Pacific	D	61	0.07	13	Nil
Akd Int Airport	A	471	N/A	34	3.6	Guinness Peat	B	203	0.94	7	1.6	Richmond Hold.	D	240	N/A	NE	Nil
Allied Farmers	D	230	0.44	NE	Nil	Hallenstein G.	C	254	0.87	13	10.9	Rocom Wireless	D	24	0.36	NE	Nil
Apple Fields	D	16	1.14	NE	Nil	Hellaby Hold.	B	260	0.34	10	8.6	Rubicon Limited	D	56	0.08	NE	Nil
Beauty Direct	D	10	3.83	NE	Nil	Heritage Mining*	N/R	5.0	4.20	NE	Nil	Ryman Health.	C	175	2.93	12	3.2
Bendon Limited	B	188	0.69	17	7.1	Horizon Energy	A	1400	2.89	14	9.1	Sanford Limited	C	558	1.48	20	5.3
Blis Technology	D	59	N/A	NE	Nil	IT Capital Ltd	D	7.1	0.91	NE	Nil	Savoy Equities	E	3.3	N/A	NE	Nil
Brierley Invest	C	51	1.20	NE	Nil	Ind Newspapers	B	363	2.84	56	3.5	Scott Tech. Ltd	C	180	2.12	85	2.9
Briscoe Group	B	209	1.73	25	4.6	Infratil NZ	B	177	4.12	20	5.9	Seafresh Fish.	E	2.8	0.38	NE	Nil
Broadway Ind	C	44	0.24	12	Nil	Kingsgate Int'l	C	20	1.03	7	Nil	Selector Group	D	2.8	4.12	NE	Nil
CACI Group Ltd	C	46	N/A	NE	Nil	Kirkcaldie & St	B	375	0.56	10	13.9	Shotover Jet	D	49	0.85	10	Nil
CDL Hotel NZ	C	24	0.41	8	4.4	Kiwi Property	B	100	5.71	9	10.5	Sky City Ltd	C	606	2.75	18	7.8
CDL Investments	E	19	1.71	46	Nil	Lion Nathan Ltd	B	560	1.60	16	3.5	Sky Network TV	D	425	5.51	NE	Nil
Cabletalk Group	E	38	N/A	NE	Nil	Lyttelton Port	A	184	3.22	14	8.3	Software of Exc	D	234	1.24	NE	Nil
Cadmus Tech Ltd	D	7.8	1.38	24	Nil	Mainfreight Grp	C	131	0.23	27	7.4	South Port NZ	C	155	3.17	18	5.8
Calan Hlthcare	C	84	6.82	13	8.1	Metro. LifeCare	C	134	1.38	17	Nil	Southern Cap	E	67	N/A	38	Nil
Cap Properties	B	94	N/A	8	12.4	Michael Hill	A	509	1.04	20	4.4	Spectrum Res.	D	1.9	1.45	NE	Nil
Carter Holt	C	185	0.84	12	3.2	Mid-Cap Index*	N/R	205	N/A	NE	Nil	Steel & Tube	A	293	0.66	17	8.2
Cavalier Corp	A	605	1.01	15	7.9	Mooring Systems	C	115	N/A	NE	Nil	Straightedge	C	55	N/A	NE	Nil
Cedenco Foods	C	235	1.36	9	Nil	Mowbray Collect	C	79	N/A	NE	Nil	Strathmore Grp	C	3.0	N/A	NE	Nil
Cert Organics	E	0.6	N/A	NE	Nil	Mr Chips Hold	C	110	1.03	16	8.8	Submarines Aust	C	10	N/A	NE	Nil
Col FS Property	C	104	6.75	12	10.3	NZ Experience	D	12	0.97	37	Nil	Summit Gold Ltd*N/R	E	12	N/A	NE	Nil
Col Motor Co	B	300	0.25	17	7.0	NZ Invest Trust*	N/R	559	N/A	NE	1.5	Tag Pacific Ltd	E	12	0.22	NE	Nil
Commsoft Group	D	1.7	0.23	NE	Nil	NZ Oil and Gas *	N/R	41	1.84	23	Nil	Taylor's Grp Ltd	A	165	0.90	14	6.3
Compass Com.	C	32	N/A	NE	Nil	NZ Refining Co	A	1681	2.26	11	15.5	TeNZ *	N/R	91	N/A	NE	Nil
Contact Energy	B	401	2.21	19	7.1	NZJJ.co.nz	E	25	N/A	NE	Nil	Telecom Corp	B	491	1.61	11	6.1
Cube Capital	B	48	0.77	19	Nil	Nat Property Tr	C	95	7.19	16	9.7	Tourism Hold.	B	97	0.43	7	13.8
Cue Energy Ltd *	N/R	6.0	1.43	3	Nil	Natural Gas	D	113	1.16	10	Nil	Tower Limited	C	488	0.75	12	6.1
DB Breweries	B	615	1.11	13	6.6	Newcall Group	D	2.5	0.18	NE	Nil	Trans-Tasman	C	27	1.52	8	Nil
Dairy Brands	B	61	2.80	11	Nil	Newmarket Prop.	C	49	3.73	9	13.4	Tranz Rail Hold	C	350	0.67	16	2.4
Design Textiles	B	72	0.44	91	Nil	Northland Port	C	252	3.80	NE	Nil	Trust Power Ltd	C	310	1.12	24	8.3
Dorchester Pac	B	139	1.00	10	6.4	Nuhaka Forestry	C	945	2.50	NE	5.8	United Networks	B	812	2.70	11	6.4
E-Ventures NZ	E	33	6.78	NE	Nil	Nuplex Indust	C	329	0.47	13	6.8	Utilico Int'l	E	63	5.84	9	Nil
E-cademy Hold.	D	0.3	N/A	NE	Nil	Opio Forestry	D	54	N/A	NE	Nil	Vending Tech.	C	230	4.06	17	Nil
Ebos Group Ltd	C	302	0.76	15	6.9	Otter Gold Mine*	N/R	34	0.30	NE	Nil	WN Drive Tech.	D	28	N/A	NE	Nil
Eldercare NZ	C	25	1.15	NE	Nil	Owens Group Ltd	C	96	0.14	11	7.8	Wakefield Hosp.	B	140	N/A	7	5.2
Elect Trans Tec	D	5.0	3.85	NE	Nil	Ozzy (Tortis)*	N/R	239	N/A	NE	Nil	Warehouse Group	A	723	1.31	34	2.6
Evergreen	D	57	2.42	12	Nil	Pacific Retail	B	245	0.31	11	Nil	Waste Mgmt NZ	B	278	1.76	21	4.0
F & P Health.	E	912	1.15	NE	Nil	Port Tauranga	A	755	7.68	28	4.7	Williams Kettle	B	370	0.30	8	8.1
F & P Appliance	B	955	1.91	29	3.9	Ports Auckland	A	650	5.76	20	4.8	World Index Fd *	N/R	157	N/A	NE	Nil
FC - Forests	E	20	0.86	NE	Nil	Powerco Limited	B	195	2.66	13	10.0	Wrightsons Ltd	C	113	0.22	14	10.6
												Ave of 141 Cos	C	217	0.50	22	3.1
AMP Diver. Prop	B	255	7.89	14	7.5	Deutsche Div Tr	B	116	6.85	13	7.5	Onesteel Ltd	C	128	0.22	NE	4.7
AMP Ltd	B	1660	0.66	16	2.8	Downer EDI Ltd	B	80	0.39	14	2.6	Orica Ltd	B	901	0.60	40	1.8
AMP Office Trt	B	124	N/A	14	7.1	Envestra	D	84	1.94	NE	11.0	Origin Energy	B	329	1.12	19	1.2
AMP Shop Centre	B	140	7.21	15	7.9	Fairfax (John)	B	344	1.90	20	3.3	Pacific Group	B	415	0.52	NE	2.0
ANZ Bank	B	1892	4.37	15	3.9	Flight Centre	B	2400	0.68	48	1.1	Paperlin X Ltd	B	542	0.74	16	5.0
APN News Media	B	369	2.65	33	4.0	Foodland Assoc	A	1865	0.46	30	3.0	Patrick Corp	A	1534	3.54	36	1.1
AWB Limited	B	395	0.49	11	5.6	Foster's Group	C	474	2.37	19	3.1	Perp Trust Aust	B	4720	5.49	32	1.8
AXA Asia Pac	B	303	1.02	14	4.0	Futuris Corp.	B	153	0.16	12	5.2	Publishing & Br	D	907	2.33	NE	2.2
Adelaide Bank	A	740	1.25	19	4.1	GWA Internat'l	B	245	1.19	16	6.5	Q.B.E. Insur.	C	738	0.45	NE	4.1
Alintagas Ltd	B	416	3.04	21	2.6	Gandel Retail T	B	118	7.70	14	7.4	Qantas Airways	A	465	0.60	15	4.3
Amcor Ltd	A	876	0.95	20	3.2	General Prop Tr	B	275	7.83	14	7.2	Ramsay Health	A	455	1.47	36	1.9
Ansell Ltd	B	640	0.26	NE	0.8	Globe Int'l Ltd	C	199	4.70	73	Nil	Reece Australia	A	2870	1.07	20	2.0
Aristocrat	C	537	3.12	28	2.2	Goodman Fielder	C	161	0.64	NE	4.7	Rio Tinto Ltd	A	3643	0.89	6	3.2
Aust Pipeline	B	244	2.47	19	9.0	Graincorp	A	1300	1.02	12	5.5	Rural Press Ltd	B	470	1.22	23	3.0
Aust Pharm. Ind	B	348	0.41	24	3.5	Guinness Peat	B	170	3.70	16	0.3	STW Comm Group	B	405	N/A	31	1.8
Aust Gas Light	C	979	1.01	31	5.3	Gunns Ltd	A	695	2.31	31	2.3	Seven Network	B	591	1.30	97	3.5
Aust Stock Exch	B	1370	7.03	27	3.2	Harvey Norman	C	299	4.41	29	1.3	Sigma Company	B	400	0.32	25	2.5
Austereo Group	C	178	9.01	61	1.9	Hills Motorway	C	505	9.24	NE	3.4	Simsmetal Ltd	A	692	0.45	15	4.6
Australand Hold	B	159	0.62	9	7.5	ING Indust Trt	B	165	N/A	12	8.0	Smorgon Steel	C	123	0.37	NE	2.4
BRL Hardy Ltd	B	910	2.04	22	2.2	ING Office Fund	B	120	7.69	14	8.8	Sonic Health	C	538	1.95	47	3.2
Bank of W.Aust	B	468	4.70	18	3.7	ION Limited	B	291	2.91	33	1.7	Southcorp Ltd	C	573	1.14	19	3.7
Baycorp Advant.	C	342	4.72	28	2.9	Incitec	A	799	0.98	15	3.5	Spotless Group	B	437	0.44	23	4.8
Bendigo Bank	B	701	3.41	24	5.8	Insurance Aust.	B	343	1.13	39	2.9	St George Bank	B	1943	2.35	23	3.3
Bidvest	A	468	0.33	19	1.9	Investa Prop.	B	203	8.51	9	6.8	Sthn Cross Brd.	C	954	1.63	17	5.7
Billabong Int'l	B	785	4.04	37	1.7	James Hardie	A	616	1.63	NE	3.1	Stockland Trust	B	452	5.10	16	6.5
Boral Limited	A	380	0.62	14	4.7	Jupiters	B	527	1.64	16	3.6	Suncorp-Metway	B	1251	1.15	12	3.7
Brambles Ind.	B	967	2.35	60	2.1	Leighton Hold	B	1100	0.66	19	3.5	TAB Ltd	B	284	1.70	19	4.2
Brickworks Ltd	A	702	6.96	15	2.0	Lend Lease Corp	C	1165	0.44	33	1.8	Tabcorp Holding	B	1193	2.42	24	4.3
Burns Philp	B	72	0.35	6	Nil	Macquarie Infra	B	345	N/A	52	2.7	Telstra	B	473	1.32	7	4.0
C'wth Prop Off.	B	117	8.36	14	7.2	Macquarie Off.	B	128	8.86	13	8.4	Ten Network	A	229	1.31	49	6.3
C.S.R. Ltd	B	626	0.92	13	3.7	Macquarie C'Wde	B	166	9.52	15	7.9	Toll Holdings	A	3390	1.27	42	1.0
CSL Limited	C	3680	6.45	70	0.7	Macquarie Bank	B	3010	3.64	22	3.1	Transurban Grp	D	430	7.16	NE	Nil
Centro Prop.	B	359	N/A	16	7.0	Macquarie Good.	B	146	N/A	15	7.8	United Energy	C	222	1.91	20	7.8
Challenger Int.	C	306	0.82	5	2.8	Mayne Group Ltd	C	386	0.45	11	3.4	W.M.C. Limited	C	950	2.85	26	3.1
Coal & Allied	A	2900	1.62	12	2.6	Metcash Trading	C	256	N/A	NE	Nil	Wesfarmers Ltd	B	2895	2.18	37	2.5
CocaCola Amatil	C	615	1.11	20	2.3	Mia Group Ltd	C	112	3.12	36	2.8	West Aust News	B	490	3.08	15	6.5
Cochlear Ltd	C	3495	8.18	58	1.2	Millers Retail	C	237	0.72	20	11.3	Westfield Amer.	B	204	2.61	16	6.9
Col FS Property	B	216	5.54	13	8.4	Mirvac Property	B	178	9.75	15	6.4	Westfield Trust	B	339	8.14	15	6.8
Colles Myer	B	644	0.23	38	4.0	Mirvac Group	B	409	3.04	16	6.1	Westfield Hold.	B	1655	6.90	52	1.0
Com'wealth Bank	B	3285	2.24	17	4.1	Nat'l Foods	B	30									

Recommended Investments

At its Annual General Meeting, **CDL Investments** has reported strong residential section sales, with revenues up 94%, for the March quarter.

The parent company, **CDL Hotels**, which owns 60.1% of CDL Investments and 50.7% of **Kingsgate**, will also consider restructuring the group. This could involve merging the three companies or splitting into two separate companies. This second proposal would involve liquidating Kingsgate and transferring its hotel assets to CDL Hotels and its property assets to CDL Investments. This could be followed by CDL Hotels distributing its CDL Investment shares to its own shareholders.

Nuplex Industries has made a takeover bid for Australian listed **Asia Pacific Specialty Chemicals** - which has been planning to merge with another listed

Australian company, **Symex Holdings**, since last November.

Symex Holdings approached Asia Pacific Specialty Chemicals in early November 2001 and the two companies agreed to merge. This was to be via a scheme of arrangement including Asia Pacific Specialty Chemicals paying a dividend to its shareholders, but the Australian Tax Office would not agree to certain aspects. A third party - probably Nuplex Industries - approached Asia Pacific Specialty Chemicals in March, indicating its interest in making a takeover bid. Symex Holdings moved to strengthen its position by acquiring a 19.99% shareholding in Asia Pacific Specialty Chemicals in late March and the merger was called off in early April owing to problems with the scheme of arrangement.

In April, Symex Holdings (Continued on Page 4)

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Initial Recommendation			Performance Forecast	Issued Shares (mil.)	Vola- tility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
		Code	- Date -	Price									
	<u>NZ Shares</u>												
HOLD	CDL Investments Ltd	CDI	12/01/99	25	E	187.1	2.2	1.71	46	Nil	19	6.1	-2%
HOLD+	Cavalier Corporation	CAV	05/12/95	312	A	31.5	0.7	1.01	15	7.9	605	180.5	+152%
HOLD	Colonial Motor Company	CMO	10/11/92	150	B	27.9	0.6	0.25	17	7.0	300	219.8	+246%
HOLD+	Lyttelton Port Company	LPC	12/12/00	150	A	101.8	0.7	3.22	14	8.3	184	14.0	+32%
HOLD	Michael Hill Int'l Ltd	MHI	11/06/91	46*	A	38.6	0.6	1.04	20	4.4	509	90.0	+1202%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	350	C	58.6	0.8	0.47	13	6.8	329	59.0	+11%
HOLD	Renaissance Corp	RNS	13/08/96	85*	D	37.1	1.9	0.08	NE	Nil	43	7.4	-41%
HOLD+	Richina Pacific	RCH	03/11/95	119*	D	72.2	1.6	0.07	13	Nil	61	11.9	-39%
HOLD	South Port New Zealand	SPN	13/02/96	120	C	26.2	0.9	3.17	18	5.8	155	59.0	+78%
BUY	Steel & Tube Holdings	STU	08/08/00	146	A	87.8	0.9	0.66	17	8.2	293	42.0	+129%
BUY	Taylor's Group Ltd	TAY	09/11/99	102	A	24.3	0.9	0.90	14	6.3	165	17.0	+78%
BUY	Wrightson Limited	WRI	13/01/98	83	C	134.1	1.4	0.22	14	10.6	113	21.8	+62%
	<u>Australian Shares (in Aust cents)</u>												
HOLD+	Abigroup Limited	ABG	09/03/99	265	B	47.7	0.8	0.13	6	5.7	210	45.0	-4%
BUY	Atlas Pacific Ltd	ATP	14/05/96	73	A	82.5	1.4	3.40	9	8.2	49	4.0	-27%
HOLD	Auspine Limited	ANE	08/02/00	210	B	57.0	0.7	0.66	10	5.0	240	41.0	+34%
HOLD+	Austral Coal Ltd	AUO	16/01/01	19	B	134.2	1.2	0.58	11	Nil	56	Nil	+195%
HOLD-	Biron Capital Ltd	BIC	12/04/94	171*	C	25.5	1.6	1.77	34	Nil	35	10.5	-73%
BUY	Brazin Limited	BRZ	11/12/01	160	A	116.4	1.0	0.64	23	5.7	220	8.5	+43%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	418*	B	38.8	0.5	0.55	12	5.3	565	55.5	+48%
BUY	Cellnet Telecommunicat	CLT	12/02/02	152	C	49.3	1.0	0.28	9	6.4	140	4.0	-5%
HOLD	Central Equity Ltd	CEQ	09/02/94	154	C	86.2	0.9	0.72	7	8.1	185	100.0	+85%
HOLD+	Commander Comm.	CDR	11/09/01	92	C	143.8	1.2	0.54	10	3.4	73	2.5	-18%
HOLD	C.S.R. Limited	CSR	11/07/00	436	B	936.2	0.7	0.92	13	3.7	626	23.0	+49%
BUY	Julia Ross Recruitment	JRR	14/08/01	92	A	57.4	1.0	0.42	11	5.2	115	6.0	+32%
BUY	McPherson's Ltd	MCP	10/10/00	125	A	39.2	0.7	0.23	6	7.5	160	18.0	+42%
HOLD	Nufarm Limited	NUF	11/02/97	418*	B	155.3	0.8	0.43	12	4.7	385	88.3	+13%
HOLD+	OAMPS Limited	OMP	15/05/01	198	B	44.8	0.7	0.38	13	5.5	310	14.0	+64%
BUY	Skilled Engineering	SKE	12/03/02	126	C	84.2	0.9	0.22	NE	Nil	143	4.0	+17%
SELL	Thakral Holdings	THG	10/11/98	65	B	604.3	1.2	1.24	10	10.2	61	20.8	+26%
HOLD-	Toll Holdings ¹	TOL	08/09/98	240	A	68.8	0.5	1.27	42	1.0	3390	94.0	+1352%
HOLD	Utility Services Corp	USC	11/01/00	55*	C	95.8	1.5	0.98	0	7.5	53	11.0	+16%
HOLD	Vision Systems Ltd	VSL	10/11/98	69*	C	159.3	1.0	1.60	16	2.0	166	18.0	+167%
HOLD+	Volante Group Ltd	VGL	13/03/01	132	C	68.0	1.1	0.20	11	7.2	111	8.5	-9%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +119.7%. This is equal to an average annual rate of +32.4%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 33 current and 115 closed out) is +30.5%, compared with a market gain of +9.8% (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) Toll Holdings notes (TOLG) last traded at 3395 cents.

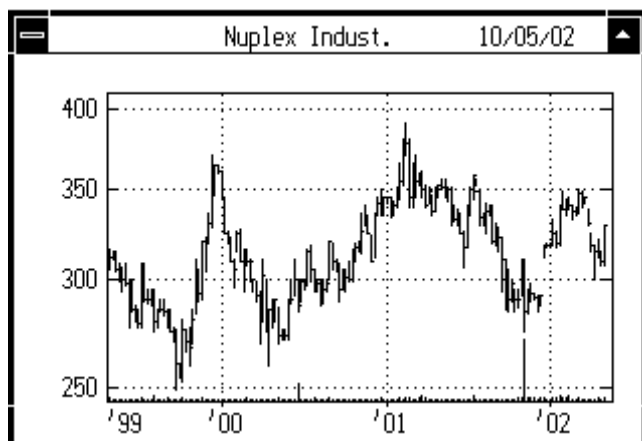
Recommended Investments (Continued from Page 3) made a 65 cents cash takeover offer for Asia Pacific Specialty Chemicals. This was over-bid by Nuplex Industries last week which is offering 70 cents per share (A\$47 million for the whole company). Nuplex Industries has also started to purchase Asia Pacific Specialty Chemicals shares on-market at 70 cents, building up a stake of 6,520,187 shares (9.74% of the company).

Both the Symex Holdings and Nuplex Industries takeovers are conditional on 90% acceptances and both companies have the shareholdings (i.e. 19.99% and 9.74%, but growing) necessary to block each other's bid. So the only way for either party to succeed is for the rival bidder to withdraw and sell. The most likely outcome at this stage is that the parties will continue to over bid each other. Acquiring Asia Pacific Specialty Chemicals will therefore probably cost significantly more than A\$47 million although the loser will make a capital gain on selling their existing shareholding.

Speculators seeking to realise a short term gain from a possible bidding war could consider buying Asia Pacific Specialty Chemicals shares on-market at 71 cents and waiting for higher bids.

Whether or not Nuplex Industries succeeds in this takeover, the company is planning to raise NZ\$60-75 million from the issue of five-year Capital Notes offering an interest rate of 9.7%. While Nuplex Industries is a sound company - and this is a high interest yield - we do not believe Capital Notes are a particularly sound investment. Capital Notes, often called "junk bonds" in more discerning countries, offer a fixed interest return but rank near the bottom of the list, just ahead of ordinary shareholders, to be repaid if the company is liquidated. So if Nuplex Industries ran into serious financial difficulties then both the Capital note holders and the shareholders would probably lose everything!

As a shareholder, we are prepared to take that risk. We *could* lose everything if the company does badly (although we have diversified our share portfolio, so that wouldn't be *too* bad) but we receive a 7.0% gross income and the potential for a *higher income* and *capital appreciation* if the company does well. Capital Note holders take the same risk of losing everything if things go badly, but will never get more than a 9.7% income yield no matter how successful the company! If you want a safe, fixed interest investment then put your money in a bank term deposit at 6.5% - don't risk 100% of your capital for an extra 2% return (after tax).



Last month when **Renaissance Corporation's** Managing Director purchased 1,755,000 shares on-market we wrote that "this confirms our view that the shares are under-valued". In fact, the AGM has reported a return to profitability . . .

Shareholders were told that by downsizing the business "the company is now in a stronger position to generate profits, and has done so every month this year". The Conduit business - that had previously been a drain on profits owing to its development and start-up costs - has "made a first-quarter profit and should continue to trade profitably".

Wrightson has reported a \$16.6 million profit for the nine months to 31 March. That is up 41.9% on the same period last year. All of the improvement, however, occurred in the six months to 31 December, with the last three months showing a profit of \$10.3 million (down slightly on the \$10.7 million profit in the March 2001 quarter).

Nevertheless this shows Wrightson has the potential to generate strong profits in the March quarter. Last year the company operated at close to break-even in the June quarter and a similar result this year will leave the annual profit at \$16.6 million (12.4 cents per share).

As Wrightson has very low debt levels it needs to retain little of its profit and can distribute most of it to shareholders. The annual dividend will therefore likely rise 25% to about 10 cents - offering investors a high 13.2% gross yield based upon the current share price of 113 cents.

Wrightson shares are still under-valued, so offer investors a high current income yield and capital appreciation as the shares are re-rated. "Buy".

Wrightson has taken control of the *OneWool Establishment Group* and will set up a commercial structure that will link growers and processors with "supply, logistics, sales and marketing, through to end processing".

Australian Shares

(This section is in Australian currency, unless stated.)

Abigroup has won a \$50 million, six-year contract to maintain the gas distribution network of **Multinet Gas**, Victoria's largest natural gas distributor.

Abigroup has also been named in connection with the development, construction and operation of a NZ\$50 million "Auckland SuperDome" at Quay Park for the **Auckland City Council**.

Austral Coal has scaled back entitlements to its recent placement to shareholders. Investors who applied for the maximum 6,660 shares will receive only 4,580 shares and a refund of \$936.

Austral Coal and other producers of coking coal are expecting a significant price increase in current negotiations with Japanese steel companies. Last year the average price paid to Australian producers was US\$42.75 a tonne, but a German steel producer last month signed a contract to buy from a Canadian coal company at US\$48 a tonne.

Biron Capital is making a 1 for 2 cash issue at 35 cents to shareholders to initially raise \$4.4 million. For every two shares already held, shareholders are being offered one new share *plus* a one-year option. The one-year option will raise a further \$5.0 million in 2003 if

investors exercise their right to purchase one share (at 40 cents) *plus* a two year option. That second option will give investors the right to buy another share in 2005 at 60 cents - raising up to another \$7.5 million.

Following on from April's \$1.2 million share placement (at 37 cents) Biron Capital is clearly looking to aggressively expand its property lending business. While this should be able to generate high profit margins, it does involve high risks. It is also a "no growth" business. To expand and grow profits the company will need to issue more shares to raise additional equity funding. This will expand the issued capital and dilute earnings per share. The only ways to increase earnings per share are through either (1) retaining funds for re-investment (i.e. grow the business through *compound* interest) and (2) borrow funds on the money market at lower interest rates and lend out on high return/high risk property loans.

As we have stated previously, we don't see ourselves remaining a long term investor in Biron Capital. Other businesses involve lower risks and/or have the potential for better long term capital appreciation while having similar potential to produce a high income yield.

The current planned expansion will increase the issued capital which should improve the *marketability* of the shares and enable us to sell more easily without unnecessarily depressing the price.

We are not too interested in investing *new* money in Biron Capital. Fortunately the rights are being actively traded and at a premium to the share price, which reflects the value of the options. Therefore we recommend selling the Biron rights which are trading around 3½-4 cents.

Brazin shares have suffered from the manic-depressive nature of stockmarket investors. The shares recently hit a two-year high of 270 cents before plunging to a low of 190 cents, with high volumes of shares traded. The decline appears to be a result of inaccurate rumours of a deterioration in the company's relationship with **Virgin Group**. Virgin has recently reported an £82.7 million (A\$229 million) loss - mainly from writing down the 77 **Our Price** stores that it effectively gave away to Brazin late last year.

These UK music stores will be re-branded as *Sanity Music*. Two stores rebranded and redesigned have increased turnover in excess of 20% - leading Brazin to upgrade its profit forecast for this UK business for the period to June 2002. A break-even was forecast in the interim report, but the company now expects a profit of A\$2 million.

The company predicts that its full year profit (before abnormal items) to June 2002 will "be around \$21.5 million". That is down on the \$21.6 million *half* year result, but this is the normal pattern of profitability (i.e. all of the profit is earned in the six months to December, and the business breaks even in the six months to June).

The company is introducing an integrated point of sale system in its Australian *Sanity Music* stores. Rationalising its inventory holdings will result in a \$6 million (pre-tax) abnormal charge. The new POS system will allow the company to better manage inventories and reduce inventory levels - which requires less investment in working capital.

Brazin's *IN2Music* stores in Australia are being re-branded as *Virgin Music* and will be expanded from 55 to 100 stores. The first *Virgin Megastore*, re-opened on April 16, is reported to have increased revenues by 40%. The company plans to have around 20 new *Virgin Music* stores opened by next Christmas.

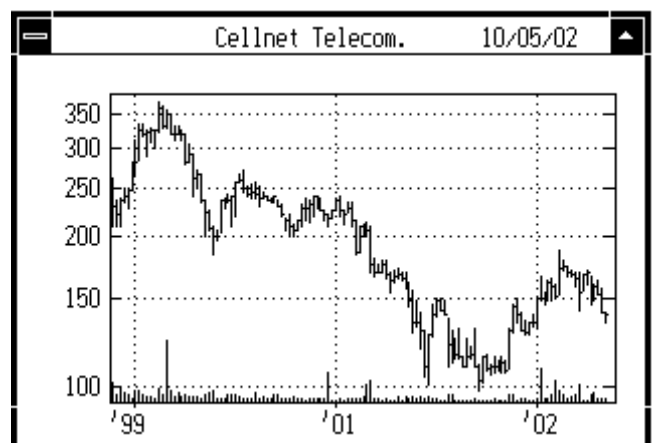
Campbell Brothers has warned the market that its profit for the year ended March 2002 will "fall some 5-10% below" the previous year owing to "extra fixed operating costs" from relocating the Cleantec division. Issued capital has also increased 20% owing to a 1 for 5 cash issue in June 2001. So earnings per share will be down 20-25%.

In recent months **Cellnet Telecommunications** has been distributing 100% of mobile handsets and accessories sold by **Telecom NZ** and the companies have formalised that arrangement with a two year exclusive agreement (with a two year renewal). Cellnet Telecommunications has purchased a new warehouse in Auckland for NZ\$3,175,000 to handle its expanding NZ business.

This Telecom NZ business is stated to be "worth A\$150 million per annum" - which appears somewhat high given that Cellnet Telecommunications' NZ sales were only A\$54.8 million for the year to June 2001. The company's *total* sales last year were only \$192.8 million, although revenues did rise over 50% to \$188.7 million in the six months to December. Even if the \$150 million figure is incorrect, Cellnet Telecommunications is clearly winning new business and generating very strong revenue growth!

Cellnet Telecommunications is also negotiating a similar outsourcing arrangement with Telecom's Australian subsidiary, **AAPT Cellular One**.

In March, **Vodafone** outsourced its handset distribution but split the contract between Cellnet Telecommunications and **Bridgepoint**.



Commander Communications has appointed Ian Tsicalis - formerly the Managing Director for **Howard Smith** (until it was taken over by **Wesfarmers**) - as its new Managing Director.

OAMPS has become the first Australian insurance broker to be accredited by **Lloyd's of London**. This improves the company's competitive position as it now has direct access to Syndicates. This will save the company paying commissions to an accredited UK broker when placing risks with syndicates and also will allow the company to earn commissions when acting for other Australian insurers. (Continued on Page 6)

Recommended Investments (Continued from Page 5)

OAMPS has acquired **Metropolitan Insurance Brokers**, a financial service and insurance broking business in Adelaide. This will add around \$1.5 million to annual premium revenues.

The company has also expanded its UK business with the acquisition of **Peter Sellers Insurance Brokers**. This business is expected to generate commissions of £360,000 (\$972,000), increasing the UK division's total commission income to around £2.0 million (\$5.4 million) annually.

Skilled Engineering continued to experience strong revenues and profits in its third quarter ended 31 March. Sales for the March quarter were \$143 million and earnings (before interest and tax) were \$4.0 million. The second half result is expected to be "about in line with the first half" which would put earnings per share at around 10½ cents.

Toll Holdings' share price decline over the last month is the result of both (1) global stockmarket weakness and (2) a broker report pointing out possible "integration risk" with its rail acquisition. Nevertheless, Toll Holdings' Managing Director reports that integration is "proceeding well". The group's "trading levels continue to remain strong" and the company is confident of achieving its forecasts.

Toll Holdings is expanding in NZ with the acquisition of **BHP Stevedoring** and **BHP Transport & Logistics (NZ)** and an agreement to purchase a majority equity position in **Southern Distribution Centre**. The BHP businesses will "advance Toll's plans to be a major supplier of stevedoring services in Australian and NZ ports" and will help the company build road, rail and logistic services in NZ. Southern Distribution Centre is a warehousing and distribution business and will "form a growth platform for Toll in contract logistics".

We continue to view Toll Holdings as a growth business - but the share valuation is high and this

investment has appreciated so much that investors will be over-weighted and should be looking to sell some shares to better diversify their portfolios. We formally recommended selling 20-25% of Toll Holdings shares last November (around \$29) and continue to rate the shares as "Hold-". We consider that "Hold-" means "hold for further gains" but also that (1) such shares are probably not suitable for new investment and (2) investors could consider realising partial profits - preferably selling into strength, not during periods of weakness - to help fund investment in other shares that trade at lower valuations and which hold better long term potential.

Utility Services Corporation has made two more acquisitions: **Corporate Network Solutions** which is involved in design, installation, systems integration, management and support of large-scale computer data networks, and **CANTEC Australasia** which designs, installs and services wireless communication systems for emergency, fire, security and surveillance.

Both businesses are "profitable and have strong growth profiles". They are being purchased for undisclosed considerations, payable in cash and shares, of an up-front fee and an earn-out based upon future operating performances. The final costs are expected to be "approximately three times" earnings (before interest and tax) - so these businesses are being acquired quite cheaply!

Vision Systems will suffer a sharp decline in profits this year owing to the global downturn and as it repositions Vision BioSystems to develop its own brand of high value, specialised, automated diagnostic equipment. The Vision BioSystems division will operate at a loss of \$2 million this year but profitability will return with the launch of new products in the new financial year. Across the whole group, six new products are planned for the new year.

Share Recommendation: Sell Thakral Holdings Group

SELL Thakral Holdings Group.

We are recommending the sale of **Thakral Holdings Group**. The group's share price has recovered slightly over the last month as it sold some non-core assets and upgraded its June 2002 profit forecast. The company had expected profits to fall this year - owing to the downturn in tourism - but now expects profits to be "approximately in line" with last year. We recommend taking advantage of this slight improvement in the share price to sell an investment that has not been too successful and realise cash that can be better invested elsewhere.

Our Investment in Thakral Holdings Group

Our decision to invest in Thakral Holdings Group in late 1998 was partially based upon having just realised a

3½-fold capital gain from the takeover of JNA Telecommunications and a small profit from the management buyout of Equitilink. Approximately 20% of this large cash holding was used to add to existing investments, 20% was invested in Flight Centre (sold two years later for a 6-fold gain), 20% went into Toll Holdings (which are up 15-fold) and 20% was invested in Vision Systems (up 2½-fold). The performance of these emerging growth shares certainly far exceeded our expectations! But emerging growth shares can be risky - so we put 20% of the money in "a relatively low risk, high yielding investment" - Thakral Holdings Group.

Thakral Holdings Group also appeared attractive owing to *insider* buying (i.e. eight buys over the preceding

year) and was seeking to re-purchase 4% of its shares through an on-market buy-back. Therefore, in addition to the low risk and high yield, we anticipated “steady capital appreciation over the next 18-24 months”.

While Thakral Holdings Group is a sound company - and has sought to add shareholder value by expanding away from hotels into property development - it has simply failed to produce any meaningful growth. The high income yield has mainly been funded through a dividend re-investment scheme (as the company retained cash for internal growth) but this has steadily increased the issued capital and diluted earnings per share.

Summary and Recommendation

While Thakral Holdings Group has failed to live up to our initial expectations we have no regrets. Putting money in a low risk share like Thakral enabled us to take higher risks with investments in Flight Centre, Toll Holdings and Vision Systems! Now, however, the time has come to look to earn a better return than is likely from continuing to hold these Thakral shares. Australian technology shares have fallen to low levels

and economic conditions have depressed cyclical shares to lows. So now is a good time to start looking for our *next JNA* or our *next Toll Holdings*. We therefore recommend the sale of Thakral Holdings Group shares to raise cash to fund future new share investments in growth and/or cyclical companies.



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.

Company	STRENGTH RATING					Price to NTA	Return on Equity	Volatility	Price/Earnings Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
	Share Price	Current Rent	4-Wk Chg.	Rank	Followers							
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0												
Wrightsons Ltd	113	+4.7	-4.2	28	2	1.3	9	1.4	14	10.6	0.22	152
Mainfreight Grp	131	+0.6	-6.5	53	4	1.9	7	1.1	27	7.4	0.23	95
Col Motor Co	300	+1.1	+2.4	49	-	1.1	7	0.6	17	7.0	0.25	84
Williams Kettle	370	+4.1	-4.8	31	-	1.3	16	0.6	8	8.1	0.30	54
Hellaby Hold.	260	+12.0	-2.3	7	1	1.7	17	0.8	10	8.6	0.34	129
CDL Hotel NZ	24	+10.9	+3.4	10	-	0.4	5	2.0	8	4.4	0.41	84
Fletcher Build.	275	+3.6	-3.4	35	6	1.2	4	1.0	28	6.5	0.42	947
Nuplex Indust	329	+1.3	-2.1	48	5	1.4	10	0.8	13	6.8	0.47	193
Goodman Fielder	192	+7.1	-1.8	20	-	1.4	10	0.6	14	5.2	0.58	2,451
AXA Asia Pac.	366	+4.7	-0.1	27	4	1.6	12	0.7	14	3.2	0.61	6,451
Pyne Gould G.	123	+1.5	-2.2	46	-	1.6	18	1.0	9	8.5	0.64	69
Steel & Tube	293	+15.9	-2.3	3	5	2.0	11	0.9	17	8.2	0.66	257
Bendon Limited	188	+1.8	-1.1	44	2	1.1	6	0.9	17	7.1	0.69	58
Restaurant Brds	208	+11.4	-1.8	9	5	4.7	29	0.8	16	7.2	0.75	194
Ebos Group Ltd	302	+3.7	-3.2	33	-	2.1	14	0.7	15	6.9	0.76	81
Carter Holt	185	+5.3	-2.9	25	7	0.6	5	1.1	12	3.2	0.84	3,217
Taylor's Grp Ltd	165	+11.7	-4.4	8	1	1.8	14	0.9	14	6.3	0.90	40
Guinness Peat	203	+10.7	+2.0	11	2	1.0	15	0.9	7	1.6	0.94	1,095
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0												
Steel & Tube	293	+15.9	-2.3	3	5	2.0	11	0.8	17	8.2	0.66	257
Broadway Ind	44	+15.4	+2.7	4	-	1.3	10	1.0	12	Nil	0.24	9
Hellaby Hold.	260	+12.0	-2.3	7	1	1.7	17	0.7	10	8.6	0.34	129
Taylor's Grp Ltd	165	+11.7	-4.4	8	1	1.8	14	0.7	14	6.3	0.90	40
Restaurant Brds	208	+11.4	-1.8	9	5	4.7	29	0.8	16	7.2	0.75	194
CDL Hotel NZ	24	+10.9	+3.4	10	-	0.4	5	1.5	8	4.4	0.41	84
Guinness Peat	203	+10.7	+2.0	11	2	1.0	15	0.8	7	1.6	0.94	1,095
Pacific Retail	245	+9.9	-0.7	13	2	2.1	19	0.9	11	Nil	0.31	124
Dorchester Pac	139	+8.7	-1.5	16	-	1.8	18	0.9	10	6.4	1.00	25
Cube Capital	48	+8.4	+3.9	17	-	1.8	9	1.0	19	Nil	0.77	5
Goodman Fielder	192	+7.1	-1.8	20	-	1.4	10	0.5	14	5.2	0.58	2,451
Carter Holt	185	+5.3	-2.9	25	7	0.6	5	1.0	12	3.2	0.84	3,217
AXA Asia Pac.	366	+4.7	-0.1	27	4	1.6	12	0.6	14	3.2	0.61	6,451
Wrightsons Ltd	113	+4.7	-4.2	28	2	1.3	9	1.2	14	10.6	0.22	152
Williams Kettle	370	+4.1	-4.8	31	-	1.3	16	0.5	8	8.1	0.30	54
Ebos Group Ltd	302	+3.7	-3.2	33	-	2.1	14	0.6	15	6.9	0.76	81
Shotover Jet	49	+2.0	+2.5	42	-	1.2	12	1.1	10	Nil	0.85	21
Bendon Limited	188	+1.8	-1.1	44	2	1.1	6	0.8	17	7.1	0.69	58
Pyne Gould G.	123	+1.5	-2.2	46	-	1.6	18	0.8	9	8.5	0.64	69
Nuplex Indust	329	+1.3	-2.1	48	5	1.4	10	0.7	13	6.8	0.47	193

Company	STRENGTH RATING					Price to NTA	Return on Equity	Volatility	Price/Earnings Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
	Share Price	Current Rent	4-Wk Chg.	Rank	Followers							
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million												
NZ Refining Co	1681	+2.3	-2.8	41	2	1.2	11	0.2	11	15.5	2.26	403
Hallenstein G.	254	-1.0	-3.5	63	6	3.7	29	0.5	13	10.9	0.87	147
Wrightsons Ltd	113	+4.7	-4.2	28	2	1.3	9	1.1	14	10.6	0.22	152
Powerco Limited	195	+0.7	-0.1	51	1	1.0	8	0.6	13	10.0	2.66	434
Hellaby Hold.	260	+12.0	-2.3	7	1	1.7	17	0.6	10	8.6	0.34	129
Lyttelton Port	184	+3.8	+1.2	32	4	4.3	32	0.5	14	8.3	3.22	187
Trust Power Ltd	310	-1.0	-1.7	63	4	1.0	4	0.5	24	8.3	1.12	568
Steel & Tube	293	+15.9	-2.3	3	5	2.0	11	0.7	17	8.2	0.66	257
Cavalier Corp	605	+5.7	-0.0	24	2	3.5	22	0.5	15	7.9	1.01	191
Sky City Ltd	606	+1.9	-0.5	43	6	2.6	15	0.4	18	7.8	2.75	1,215
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0												
Utiico Int'l	63	-5.7	-14.2	77	-	1.4	16	0.8	9	Nil	5.84	26
Vending Tech.	230	-6.7	+3.3	77	-	6.7	40	0.6	17	Nil	4.06	68
Elect Trans Tec	5	-17.1	-1.9	87	-	8.2	-	3.2	NE	Nil	3.85	7
Genesis Res.	285	-9.6	+0.2	82	-	1.5	-	0.8	NE	Nil	3.72	74
AMP Limited	2000	-1.4	-1.3	65	4	1.9	7	0.4	27	3.1	3.10	22,570
Dairy Brands	61	-0.7	-2.1	61	-	1.0	9	0.7	11	Nil	2.80	30
United Networks	812	-0.5	+0.0	59	5	1.4	13	0.3	11	6.4	2.70	1,230
Nuhaka Forestry	945	-0.0	+0.8	58	-	0.8	-	0.3	NE	5.8	2.50	17
WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average												
Strathmore Grp	3	-27.2	-2.8	94	-	0.8	-	3.1	NE	Nil	N/A	5
Cert Organics	1	-24.1	+3.0	93	-	2.4	-	6.1	NE	Nil	N/A	14
WN Drive Tech.	28	-20.0	-1.8	91	-	7.8	-	1.2	NE	Nil	N/A	29
Advantage Group	39	-19.4	+0.0	90	2	4.5	14	1.3	31	Nil	0.35	26
IT Capital Ltd	7	-17.7	+1.1	89	-	0.5	-	2.5	NE	Nil	0.91	12
Elect Trans Tec	5	-17.1	-1.9	87	-	8.2	-	3.0	NE	Nil	3.85	7
Cadmus Tech Ltd	8	-16.3	-2.1	86	-	0.7	3	1.7	24	Nil	1.38	10
Blis Technology	59	-14.8	+2.3	85	-	-	-	1.1	NE	Nil	N/A	37
GDC Communicat.	138	-14.1	-4.1	85	-	3.2	22	0.8	15	3.8	0.76	52
Genesis Res.	285	-9.6	+0.2	82	-	1.5	-	0.8	NE	Nil	3.72	74
Southern Cap	67	-7.6	-1.0	80	-	1.7	4	0.8	38	Nil	N/A	52
Summit Gold Ltd	12	-7.1	+0.9	79	-	2.7	-	1.6	NE	Nil	N/A	10
FC - Forests	20	-6.9	+0.3	78	6	0.4	-	1.4	NE	Nil	0.86	556
Vending Tech.	230	-6.7	+3.3	77	-	6.7	40	0.6	17	Nil	4.06	68
Utiico Int'l	63	-5.7	-14.2	77	-	1.4	16	0.8	9	Nil	5.84	26
Ryman Health.	175	-4.8	-1.0	75	1	1.8	15	0.5	12	3.2	2.93	175
Waste Mgmt NZ	278	-4.0	-2.1	73	4	1.6	8	0.6	21	4.0	1.76	272
Sanford Limited	558	-3.5	-2.1	70	4	1.3	7	0.5	20	5.3	1.48	534

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.

STRENGTH RATING														STRENGTH RATING																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
Company	Share Price	Cur. rent	4-Wk Chg.	Rank	Insider Buy/Sell	Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n	Company	Share Price	Cur. rent	4-Wk Chg.	Rank	Insider Buy/Sell	Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Indophil Res.	21	+0.5	+0.5	47	0.0	6	-	2.0	NE	24.4	0.04	21	Skansen Holding	28	+45.2	+3.9	3	0.0	-	2.8	23	1.1	12	1.8	0.40	14	Austin Group	37	+45.0	-12.0	4	0.0	-	1.8	9	0.9	20	2.7	0.51	21																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
OM Holdings	12	+6.2	+0.8	32	0.0	-	0.6	4	2.3	13	4.3	0.05	5	Wrigdways Aust	92	+40.7	-12.4	4	0.0	-	-	-	0.6	14	4.3	0.43	29	Namoi Cotton	28	+6.9	+3.3	30	0.0	-	0.4	2	1.4	19	7.1	0.05	30	Canberra Invest	90	+37.1	+10.3	5	0.0	-	-	1.1	33	0.7	3	4.4	0.46	28	Abelle Ltd	40	+1.1	+1.1	45	0.0	6	-	1.5	NE	12.7	0.08	32	Austral Coal	56	+32.0	-7.2	7	0.0	-	-	-	0.8	11	Nil	0.58	75	Ruralco Hold.	400	+24.6	-11.4	10	0.0	-	2.2	12	0.5	18	3.5	0.09	37	Merchant House	20	+31.0	-8.9	7	0.0	-	-	1.0	25	1.2	4	Nil	0.28	18	CPI Group	104	+10.6	+5.9	23	0.2	4	0.7	2	0.8	31	4.8	0.11	43	United Group	309	+30.2	-8.7	7	0.0	4	3.9	20	0.5	19	2.9	0.54	280	Catalyst Rec'mt	25	+10.0	-1.7	24	4.0	-	1.3	25	1.5	5	14.0	0.11	7	Colorado Group	311	+29.8	+0.9	7	2.0	3	4.4	29	0.7	15	2.9	0.69	266	A.P. Eagers	486	+10.1	+2.4	24	2.0	1	1.1	9	0.4	12	5.8	0.11	78	White (J) Malt	583	+27.5	+2.0	8	0.0	-	1.7	12	0.4	14	5.7	0.87	125	Adtrams Group	223	+10.4	-0.0	24	2.4	1	2.0	20	0.6	10	8.1	0.13	51	Buderim Ginger	63	+27.5	-5.3	8	1.0	-	0.8	8	0.8	10	4.8	0.43	13	Bridgestone	178	+23.8	-1.3	10	0.0	-	0.5	7	0.7	7	4.2	0.13	65	Fleetwood Corp	245	+25.9	+3.8	9	0.0	-	-	4.1	21	0.5	20	4.9	0.75	89	Queens'd Cotton	380	+6.3	+2.0	31	0.1	3	0.8	11	0.5	8	7.9	0.13	106	Ruralco Hold.	400	+24.6	-11.4	10	0.0	-	2.2	12	0.4	18	3.5	0.09	37	Lemarne Corp	150	+6.2	+3.4	32	3.0	-	0.8	-	0.7	NE	5.0	0.15	25	Bridgestone	178	+23.8	-1.3	10	0.0	-	0.5	7	0.5	7	4.2	0.13	65	Danks Holdings	900	+6.8	+1.6	31	0.0	-	1.2	9	0.4	14	5.6	0.15	59	S.P.C. Ltd	132	+23.5	-4.2	11	11.3	-	1.7	10	0.6	17	3.4	0.75	262	McConnell Dowel	158	+5.6	-0.3	33	0.0	-	0.7	-	0.7	NE	5.1	0.16	67	Sthn Star	70	+22.1	-7.5	12	0.0	1	-	-	0.8	16	Nil	0.36	74	Candle Aust.	97	+3.7	+6.2	38	0.0	4	4.9	50	1.0	10	7.7	0.16	36	Roberts Ltd	336	+19.9	-2.8	13	0.0	-	-	1.3	10	0.4	13	6.0	0.26	37	Watpac Ltd	39	+13.0	-4.3	19	0.0	-	1.3	16	1.4	8	8.3	0.18	28	Julia Ross Rec.	115	+19.8	-2.0	13	3.0	5.8	53	0.7	11	5.2	0.42	66	Anglogold Ltd	1051	+18.3	+1.4	14	0.0	-	-	0.5	2	33.1	0.18	768	Sunland Group	58	+19.7	-1.0	13	0.0	-	-	1.5	11	0.8	14	Nil	0.75	98	CMI Limited	121	+0.1	-0.0	48	0.0	-	1.9	37	0.8	5	6.6	0.19	33	Noni B Limited	92	+19.2	-4.8	13	3.0	-	4.6	39	1.3	12	7.1	0.29	22	Embelton Ltd	190	+11.3	+1.2	22	0.0	-	0.7	-	0.8	NE	3.7	0.20	4	Bidvest	468	+18.4	-1.5	14	0.0	-	3.3	18	0.6	19	1.9	0.33	919	Alesco Corp Ltd	345	+10.1	-6.1	24	0.0	2	2.7	17	0.6	16	7.0	0.21	114	Anglogold Ltd	1051	+18.3	+1.4	14	0.0	-	-	-	0.5	2	33.1	0.18	768	Multisparres Hld	24	+15.9	+0.8	16	0.0	-	0.8	8	1.5	10	2.1	0.21	5	Ludowici Ltd	255	+18.2	-1.6	14	3.0	-	1.3	19	0.5	7	4.7	0.42	36	Int. Workforce	88	+10.2	+2.4	24	1.1	2	4.4	50	1.0	9	7.4	0.21	38	G.U.D. Holdings	279	+18.1	+1.8	14	1.0	2	2.8	16	0.5	17	5.4	0.53	174	Onesteel Ltd	128	+17.9	-4.8	15	0.0	5	4.8	-	0.8	NE	4.7	0.22	689	Burns Philip	72	+17.7	+0.7	15	0.0	3	-	-	1.1	6	Nil	0.35	573	Ridley Corp.	129	+17.2	-3.3	15	1.1	2	1.3	5	0.9	26	3.1	0.22	312	Straits Res.	50	+16.4	-5.0	15	1.0	-	-	-	1.0	6	Nil	0.19	30	Coles Myer	644	+2.7	-4.5	40	5.0	13	3.4	9	0.5	38	4.0	0.23	7,602	Berklee Ltd	50	+16.3	+5.3	16	1.0	-	0.7	5	0.8	16	4.5	0.57	7	McPherson's Ltd	160	+15.2	-5.6	17	0.0	-	4.0	70	0.6	6	7.5	0.23	63	Multisparres Hld	24	+15.9	+0.8	16	0.0	-	0.8	8	1.1	10	2.1	0.21	5	Crane Group	870	+8.3	+0.1	28	4.0	4	1.5	4	0.5	42	4.9	0.26	440	Vietnam Indust.	51	+15.4	-0.9	16	0.1	-	1.7	23	0.8	7	3.9	0.46	53	David Jones	118	+0.1	-1.1	48	4.0	8	1.2	7	0.9	17	6.8	0.26	470	McPherson's Ltd	160	+15.2	-5.6	17	0.0	-	4.0	70	0.5	6	7.5	0.23	63	Roberts Ltd	336	+19.9	-2.8	13	0.0	-	1.3	10	0.5	13	6.0	0.26	37	Phileo Aust.	40	+15.1	-4.4	17	0.0	-	0.7	11	1.0	6	Nil	0.70	12	Ansell Ltd	640	+13.0	+1.1	19	0.0	6	2.5	-	0.6	NE	0.8	0.26	1,197	K&S Corporation	275	+15.1	-18.4	17	0.0	2	1.5	11	0.6	14	4.7	0.36	82	Cellnet Telecom	140	+5.6	-3.9	33	1.3	2	1.8	20	0.9	9	6.4	0.28	69	FKP Limited	113	+14.8	-2.7	17	1.0	2	0.9	8	0.6	11	5.3	0.59	128	Kidston Gold	23	+0.9	-4.1	46	0.0	-	-	1.5	1	60.0	0.28	28	Cromwell Corp	9	+14.0	-0.3	18	0.0	-	-	-	1.8	8	Nil	0.57	14	HJ & B Group	38	+3.4	+1.2	39	0.0	-	1.9	15	1.3	13	9.2	0.29	22	Monadelphous Gr	255	+13.8	+7.5	19	0.0	-	1.7	12	0.5	14	3.7	0.36	47	Noni B Limited	92	+19.2	-4.8	13	3.0	-	4.6	39	1.5	12	7.1	0.29	22	Avatar Indust.	40	+13.6	-29.4	19	0.0	-	0.2	3	1.5	8	Nil	0.33	11	Capral Alum.	255	+4.2	-0.6	37	2.0	1.1	0	0.7%	1700	2.4	0.30	177	Nufarm Limited	385	+13.5	-6.0	19	6.1	5	2.8	24	0.6	12	4.7	0.43	598	Gregory Indust.	26	+5.3	-5.2	34	0.0	-	1.3	23	1.5	6	3.8	0.31	3	Boral Limited	380	+13.0	-2.0	19	5.0	7	1.3	9	0.6	14	4.7	0.62	2,172	Sigma Company	400	+27.6	-7.9	8	0.0	7	3.1	12	0.7	25	2.5	0.32	552	Watpac Ltd	39	+13.0	-4.3	19	0.0	-	1.3	16	1.0	8	8.3	0.18	28	Angus & Coote	595	+5.5	-5.1	33	0.0	-	1.3	12	0.4	11	4.7	0.33	71	Qantas Airways	465	+12.9	+1.9	19	1.0	13	1.9	13	0.6	15	4.3	0.60	7,272	Bidvest	468	+18.4	-1.5	14	0.0	-	3.3	18	0.7	19	1.9	0.33	919	Ranger Minerals	61	+12.6	+1.8	20	0.1	3	-	-	0.9	5	8.2	0.49	39	Wattyl Ltd	238	+10.0	-3.0	24	1.0	3	1.0	-	0.5	NE	2.5	0.35	187	Nat'l Can	111	+12.5	+0.2	20	0.0	-	0.7	6	0.5	13	5.0	0.42	74	York Group	50	+4.1	-1.1	37	0.0	-	1.7	9	1.3	18	8.0	0.35	13	WAM Capital Ltd	150	+12.5	-1.8	20	1.2	-	1.0	15	0.6	7	4.0	0.55	52	Vealls Ltd	110	+4.5	-0.4	36	0.0	-	-	0.7	4	6.9	0.36	5	Tamawood Ltd	85	+12.1	-2.7	20	4.0	-	4.3	26	0.8	16	5.9	0.62	22	Monadelphous Gr	255	+13.8	+7.5	19	0.0	-	1.7	12	0.6	14	3.7	0.36	47	Astron Ltd	80	+12.1	-20.4	20	0.0	-	0.5	7	0.9	7	Nil	0.18	10	K&S Corporation	275	+15.1	-18.4	17	0.0	2	1.5	11	0.6	14	4.7	0.36	82	Simsmetal Ltd	692	+11.8	+0.3	21	0.4	6	2.7	18	0.5	15	4.6	0.45	624	Korvest Ltd	150	+8.5	+0.7	27	0.0	-	1.4	16	0.7	8	6.7	0.36	12	Smorgon Steel	123	+19.8	-5.9	13	0.0	4	-	-	1.0	NE	2.4	0.37	955	Gale Pacific	87	+11.5	+1.2	21	0.0	-	1.4	13	0.9	11	3.4	0.60	33	OAMPS	310	+9.7	-8.2	25	12.1	-	6.2	46	0.6	13	5.5	0.38	139	Paperlin X Ltd	542	+11.2	-2.5	22	6.0	9	1.7	11	0.6	16	5.0	0.74	1,749	Downer EDI Ltd	80	+11.1	-3.1	22	0.0	4	2.0	15	1.0	14	2.6	0.39	760	Skansen Holding	28	+45.2	+3.9	3	0.0	-	2.8	23	1.1	12	1.8	0.40	14	Amalgamated Hld	264	+11.2	-3.9	22	0.0	1	0.8	6	0.7	14	3.8	0.69	328	Aust Pharm. Ind	348	+13.4	-8.2	19	2.0	4	3.5	15	0.6	24	3.5	0.41	684	Downer EDI Ltd	80	+11.1	-3.1	22	0.0	4	2.0	15	1.0	14	2.6	0.39	760	Linden & Conway	2600	+2.3	+0.5	41	0.0	-	0.8	5	0.3	17	1.2	0.41	5	Global Tech.	45	+10.7	-14.9	23	0.0	-	-	-	1.0	9	Nil	0.69	9	CCI Holdings	21	+5.0	-9.9	35	0.0	-	2.1	16	1.7	14	7.1	0.41	14	Pac Strategic	25	+10.6	-2.8	23	4.0	-	0.8	7	1.1	12	Nil	0.80	14	Julia Ross Rec.	115	+19.8	-2.0	13	3.0	5.8	53	0.9	11	5.2	0.42	66	Adtrams Group	223	+10.4	-0.0	24	2.4	1	2.0	20	0.4	10	8.1	0.13	51	Nat'l Can	111	+12.5	+0.2	20	0.0	-	0.7	6	0.7	13	5.0	0.42	74	Int. Workforce	88	+10.2	+2.4	24	1.1	2	4.4	50	0.8	9	7.4	0.21	38	Ludowici Ltd	255	+18.2	-1.6	14	3.0	-	1.3	19	0.6	7	4.7	0.42	36	Alesco Corp Ltd	345	+10.1	-6.1	24	0.0	2	2.7	17	0.5	16	7.0	0.21	114	Villa World	70	+8.1	-1.9	28	3.0	1	1.2	-	0.9	NE	5.0	

Company	Share Price	STRENGTH				Insider Buy/Sell	Price to Buy	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n	Company	Share Price	STRENGTH				Insider Buy/Sell	Price to Buy	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
		Cur. Rent	4-Wk Chg.	Rank	0.99											Cur. Rent	4-Wk Chg.	Rank	0.99								
David Jones	118	+0.1	-1.1	48	4.0	8	1.2	7	0.6	17	6.8	0.26	470	McGuigan Wines	450	+10.2	-2.8	24	5.0	4	4.1	20	0.5	21	2.7	2.24	199
West Aust News	490	-0.7	-0.6	52	0.0	10	16.3	-	0.4	15	6.5	3.08	1,017	Djerriwarrh	361	+1.9	-1.7	42	5.0	-	1.0	6	0.5	17	6.0	N/A	511
GWA Internat'l	245	+1.5	-2.4	44	2.1	4	1.8	11	0.6	16	6.5	1.19	680	Coles Myer	644	+2.7	-4.5	40	5.0	13	3.4	9	0.4	38	4.0	0.23	7,602
Hills Indust.	305	+4.5	-1.9	36	3.0	3	3.1	19	0.5	16	6.4	0.73	384	AWB Limited	395	+4.1	-2.3	37	5.0	-	1.4	12	0.5	11	5.6	0.49	1,080
Ten Network	229	+6.9	-0.3	30	1.1	10	-	-	0.6	49	6.3	1.31	872	Boral Limited	380	+13.0	-2.0	19	5.0	7	1.3	9	0.5	14	4.7	0.62	2,172
Djerriwarrh	361	+1.9	-1.7	42	5.0	-	1.0	6	0.5	17	6.0	N/A	511	Bendigo Bank	701	+1.2	-4.4	45	5.0	7	2.2	9	0.3	24	5.8	3.41	833
Bendigo Bank	701	+1.2	-4.4	45	5.0	7	2.2	9	0.4	24	5.8	3.41	833	Nufarm Limited	385	+13.5	-6.0	19	6.1	5	2.8	24	0.6	12	4.7	0.43	598
Brazin Limited	220	+22.3	-2.3	12	4.0	4	3.7	16	0.7	23	5.7	0.64	256	Wesfarmers Ltd	2895	+4.3	-2.3	37	13.8	11	6.6	18	0.4	37	2.5	2.18	10,778
Sthn Cross Brd.	954	-1.4	-3.1	54	6.2	7	1.1	7	0.5	17	5.7	1.63	537	Brazin Limited	220	+22.3	-2.3	12	4.0	4	3.7	16	0.7	23	5.7	0.64	256
AWB Limited	395	+4.1	-2.3	37	5.0	-	1.4	12	0.5	11	5.6	0.49	1,080	R M Williams	155	+8.9	-0.8	26	4.0	-	1.6	-	0.4	NE	Nil	0.60	33
Graincorp	1300	+10.0	-0.3	25	1.0	2	-	-	0.2	12	5.5	1.02	523	Housewares Int.	190	+47.6	+0.0	3	4.0	-	3.8	21	0.6	18	2.1	0.71	210
Ticor Ltd	149	+8.2	+1.0	28	1.0	5	0.9	13	0.6	7	5.4	1.02	367	Equity Trustees	600	+1.7	-0.9	43	4.0	-	2.7	10	0.4	28	6.7	2.31	34
Clough Limited	84	+1.1	-5.3	45	1.0	1	1.7	15	0.7	12	5.4	0.51	345	Catalyst Rec'mt	25	+10.0	-1.7	24	4.0	-	1.3	25	0.9	5	14.0	0.11	7
Aust Gas Light	979	+1.0	-0.5	46	14.0	11	3.3	11	0.3	31	5.3	1.01	3,741	Prime Life Corp	230	+1.3	-6.9	45	4.0	1	1.1	3	0.5	35	11.7	0.97	104
Adelaide Bright	76	+9.9	-0.0	25	2.1	4	1.1	9	0.9	12	5.3	0.92	360	Mikoh Corp.	10	+27.4	-3.2	8	4.0	-	-	-	1.4	NE	Nil	8.13	6
Futuris Corp.	153	-5.7	-1.5	66	1.0	8	1.9	16	0.8	12	5.2	0.16	938	Giralia Res.	15	+50.5	+8.1	3	4.0	-	-	-	1.2	NE	Nil	N/A	11
Iluka Resources	434	+5.6	-2.2	33	2.0	8	-	-	0.5	15	5.1	1.02	943	Genetic Tech.	60	+5.6	+7.7	33	4.0	-	-	-	0.9	NE	Nil	N/A	87
Paperlin X Ltd	542	+11.2	-2.5	22	6.0	9	1.7	11	0.5	16	5.0	0.74	1,749	TAB Queensland	345	+10.5	-1.3	23	4.0	7.11	5.2	0.4	22	3.5	1.51	452	

INSIDER BUYING: Most Insider Buying, Relative Strength > 0

Brickworks Ltd	702	+8.5	+0.7	27	16.0	3	1.8	11	0.4	15	2.0	6.96	925
Aust Gas Light	979	+1.0	-0.5	46	14.0	11	3.3	11	0.3	31	5.3	1.01	3,741
Biron Capital	35	+3.1	-2.8	39	12.0	-	0.7	2	0.9	34	Nil	1.77	9
PMP Limited	92	+10.0	+9.2	25	11.0	6	-	-	0.8	9	Nil	0.17	267
OAMPS	310	+9.7	-8.2	25	12.1	-	6.2	46	0.4	13	5.5	0.38	139
Argo Investment	439	+4.8	-2.8	35	12.1	-	1.0	4	0.4	23	3.4	N/A	1,692
Nat'l Aust Bank	3495	+5.9	-0.5	32	10.0	16	3.8	14	0.6	26	3.9	2.07	54,094
Soul Pattinson	6010	+13.9	+4.7	18	10.0	2	2.4	9	0.3	25	2.6	1.51	1,434
St George Bank	1943	+7.9	-0.5	28	10.0	11	5.9	25	0.4	23	3.3	2.35	9,587
Amarco Ltd	876	+7.5	-0.4	29	9.0	10	3.4	17	0.4	20	3.2	0.95	5,772
Burswood Ltd	97	+8.6	+2.8	27	8.0	7	1.6	9	0.7	18	4.1	1.13	391
Mt Burgess Min.	13	+11.3	-7.2	22	8.0	-	-	-	1.1	NE	Nil	N/A	13
Data & Commerce	36	+76.6	+25.1	1	9.1	-	-	-	1.2	NE	Nil	2.90	23
Perp Trust Aust	4720	+8.2	-0.1	28	11.3	8	9.3	29	0.3	32	1.8	5.49	1,793
S.P.C. Ltd	132	+23.5	-4.2	11	11.3	-	1.7	10	0.5	17	3.4	0.75	262
Aust Foundation	317	+2.6	-2.6	41	7.0	-	1.0	4	0.5	22	4.5	N/A	2,451
Com'wealth Bank	3285	+4.2	-0.6	37	7.0	15	3.1	18	0.5	17	4.1	2.24	41,158
ARC Energy	45	+89.1	-4.9	0	6.0	-	-	-	0.8	NE	Nil	N/A	68
Centennial Coal	190	+35.9	-2.9	6	6.0	1	1.6	9	0.5	17	3.7	1.56	174
Paperlin X Ltd	542	+11.2	-2.5	22	6.0	9	1.7	11	0.5	16	5.0	0.74	1,749
Oxiana NL	26	+23.8	-13.1	10	6.0	-	-	-	1.0	NE	Nil	N/A	125
Sirocco Res.	12	+31.5	+19.5	7	6.0	-	-	-	1.8	NE	Nil	N/A	25
Kingsgate Cons.	237	+39.0	+1.8	5	6.0	-	-	-	0.4	NE	Nil	N/A	169
Healthscope	243	+17.1	+0.2	15	7.1	1	-	-	0.4	24	1.9	1.22	181
ANZ Bank	1892	+5.6	+0.9	33	7.1	15	3.1	21	0.6	15	3.9	4.37	28,300

McGuigan Wines	450	+10.2	-2.8	24	5.0	4	4.1	20	0.5	21	2.7	2.24	199
Djerriwarrh	361	+1.9	-1.7	42	5.0	-	1.0	6	0.5	17	6.0	N/A	511
Coles Myer	644	+2.7	-4.5	40	5.0	13	3.4	9	0.4	38	4.0	0.23	7,602
AWB Limited	395	+4.1	-2.3	37	5.0	-	1.4	12	0.5	11	5.6	0.49	1,080
Boral Limited	380	+13.0	-2.0	19	5.0	7	1.3	9	0.5	14	4.7	0.62	2,172
Bendigo Bank	701	+1.2	-4.4	45	5.0	7	2.2	9	0.3	24	5.8	3.41	833
Nufarm Limited	385	+13.5	-6.0	19	6.1	5	2.8	24	0.6	12	4.7	0.43	598
Wesfarmers Ltd	2895	+4.3	-2.3	37	13.8	11	6.6	18	0.4	37	2.5	2.18	10,778
Brazin Limited	220	+22.3	-2.3	12	4.0	4	3.7	16	0.7	23	5.7	0.64	256
R M Williams	155	+8.9	-0.8	26	4.0	-	1.6	-	0.4	NE	Nil	0.60	33
Housewares Int.	190	+47.6	+0.0	3	4.0	-	3.8	21	0.6	18	2.1	0.71	210
Equity Trustees	600	+1.7	-0.9	43	4.0	-	2.7	10	0.4	28	6.7	2.31	34
Catalyst Rec'mt	25	+10.0	-1.7	24	4.0	-	1.3	25	0.9	5	14.0	0.11	7
Prime Life Corp	230	+1.3	-6.9	45	4.0	1	1.1	3	0.5	35	11.7	0.97	104
Mikoh Corp.	10	+27.4	-3.2	8	4.0	-	-	-	1.4	NE	Nil	8.13	6
Giralia Res.	15	+50.5	+8.1	3	4.0	-	-	-	1.2	NE	Nil	N/A	11
Genetic Tech.	60	+5.6	+7.7	33	4.0	-	-	-	0.9	NE	Nil	N/A	87
TAB Queensland	345	+10.5	-1.3	23	4.0	7.11	5.2	0.4	22	3.5	1.51	452	
Payce Consol.	80	+6.3	-1.9	31	4.0	-	0.9	-	0.7	NE	Nil	N/A	27
Fairfax (John)	344	+0.5	-1.0	46	4.0	10	-	-	0.8	20	3.3	1.90	2,528
Pacifico Group	415	+8.0	+3.6	28	4.0	7	2.0	-	0.6	NE	2.0	0.52	604
David Jones	118	+0.1	-1.1	48	4.0	8	1.2	7	0.6	17	6.8	0.26	470
Eiffel Tech.	14	+4.0	-10.3	37	4.0	-	-	-	1.5	NE	Nil	1.35	15
Milton Corp.	1235	+4.6	-1.3	35	4.0	-	1.0	5	0.3	22	3.6	N/A	745
Intermin Res	5	+14.0	-9.0	18	4.0	-	-	-	1.6	NE	Nil	N/A	5
Newcrest Mining	685	+22.8	+2.8	11	4.0	11	-	-	0.4	43	0.7	2.61	1,949
Orica Ltd	901	+18.4	-4.5	14	4.0	7	2.2	5	0.4	40	1.8	0.60	2,502
Text Media Grp	122	+11.5	-7.1	21	4.0	-	4.1	27	0.6	15	3.3	1.03	33
Pac Strategic	25	+10.6	-2.8	23	4.0	-	0.8	7	0.8	12	Nil	0.80	14
Tamawood Ltd	85	+12.1	-2.7	20	4.0	-	4.3	26	0.6	16	5.9	0.62	22
Macmin NL	5	+6.2	-14.8	32	4.0	-	-	-	1.8	NE	Nil	N/A	13
Crane Group	870	+8.3	+0.1	28	4.0	4	1.5	4	0.4	42	4.9	0.26	440
Kagara Zinc Ltd	34	+11.1	-1.2	22	5.1	-	-	-	0.8	NE	Nil	N/A	29
Hill 50 Gold													

Australian Warrant / Option Analysis

(This section is in Australian currency, unless stated.)

Options are risky investments that often expire worthless! One risk with options can be a lack of marketability and very wide bid/offer spreads, both of which can make it difficult when buying or selling. Nevertheless, there are some *under-valued* and *highly leveraged* situations that offer the potential for very high returns. Any investment in options, however, should represent only a *very* small part of a diversified share portfolio.

Some options that currently look attractive - and which offer the potential for significant capital appreciation if the company's share price increases slightly - include **AP Eagers**, **Aberdeen Leaders**, **Euroz** and **Technology Investment Fund**.

AP Eagers (codes: share APE, options APEO).

The options of this motor vehicle dealer have regularly featured in our *Warrant / Option Analysis*. The shares now also qualify as a "Buy" under our *Comprehensive Share Selection Criteria* (i.e. *Under-Valued* and *Best Performing*), so we have written a *Company Analysis* of this company (see Page 13).

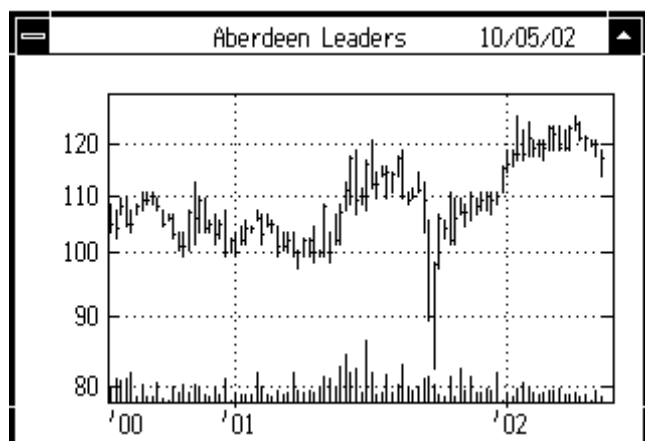
AP Eagers shares and options can both be inactively traded at times, but the options are very under-valued and offer very high leverage - so could yield a significant short term capital gain through to their final exercise date of 31 January 2003.

Aberdeen Leaders (codes ALR and ALRO).

This is an investment company - formerly named **Maxilink** - which invests in the Top 50 Australian listed companies while seeking to beat the market through a "growth at a reasonable price" approach.

The options are attractive as (1) they trade at a 62% discount to their fair value (i.e. the *Black-Scholes* model values the options at 20.8 cents), (2) they offer a very high leverage (so if the share price appreciates even only slightly the options will soar in value) and (3) they have a low Break-Even rate of just 5% (i.e. the share price needs to appreciate at just 5% per annum for the options to *exceed* their current 8 cents value at the final exercise date).

If the share price can appreciate just 10% per annum, the historical average rate of gain in the stockmarket, then the shares will rise 17% to 137 cents by 31 January 2004 and the options will be worth 19 cents - up 135%. A 20% per annum rate of gain will raise the shares to 158 cents and the options to 40 cents - up 400%.



Euroz (codes EZL and EZLO).

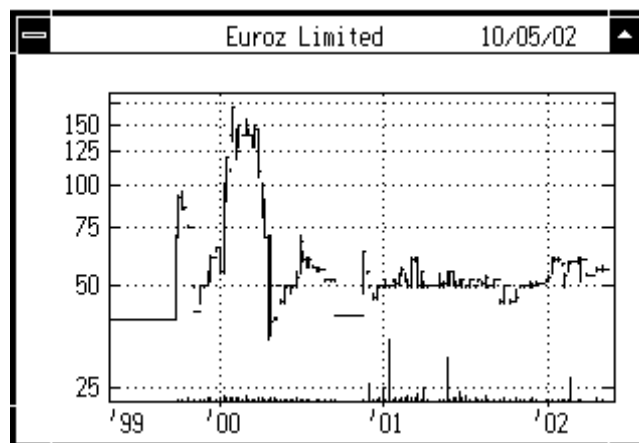
This company restructured in January 2000 to become a stockbroking business. In the year to June 2001 the company generated revenues of \$4.9 million and a profit of \$759,000 (4.1 cents per share). A 4.0 cents dividend was paid.

The company holds \$6.7 million (36 cents per share) in cash and has no interest bearing debts.

Although this is a very small company (i.e. the market capitalisation is just \$10.4 million) the shares and options are reasonably actively traded.

The options are *in the money* (i.e. the shares trade *above* the option exercise price of 50 cents), are under-valued, offer high leverage *and* have 2½ years until their final exercise date (i.e. plenty of time for the shares to appreciate further in value).

Although there are many risks involved with *micro-cap* companies, this is a financially sound company with a profitable business. The options therefore appear to offer "investment quality" rather than being just "speculative" - although, of course, the profit or loss involved in owning options ultimately depends upon the performance of the company's share price.



Technology Investment Fund (codes TIF and TIFOA).

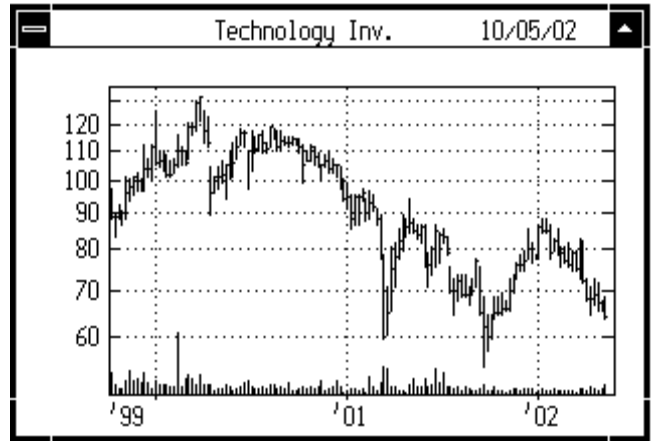
This is a listed investment company that has investments in about 40 technology shares listed in Australia or in the United States.

As at 31 December 2001 the portfolio was mainly invested in US equities (57% of the portfolio), with a smaller amount in Australian equities (38%) and a small cash holding (5%). Its top ten shareholdings were Australian listed Powertel, Nautronix, Primergy and

Scientific Services and US listed Intel, Symantec, Applied Materials, Check Point Software, American Power Conversion and Microsoft.

The options allow investors to buy shares at 80 cents on 16 May 2003 - so to have any value the share price will need to appreciate 25% in value over the next year. To recoup the 4 cents cost of the options the shares need to appreciate 32% (i.e. the Break-Even rate) over the next year. Further appreciation, however, would yield significant gains in the value of the options. If the shares appreciated 50% to 96 cents then the options would be worth 16 cents - up 300%.

This is a riskier option - and we are still cautious about Technology share valuations - but for a high risk/high return bet on a recovery in the Technology sector these options have got to be worthy of consideration!



Company	Share Price	Yr/Mth Exercise Price	Option Price	Black Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	
AGD Mining	1	20	0.1	1.0	0.0	+999	0.46	9.99	1.00	+999
AGD Mining	1	1	0.1	0.1	0.0	+536	0.46	9.99	1.00	+999
AKD Ltd	2	20	0.4	0.3	0.0	+999	0.71	1.00	1.00	+999
AP Eagers Ltd	486	400	0.8	46.0	99.0	-54	0.14	4.80	1.00	-12
Aberdeen Leaders	117	118	1.8	8.0	20.8	-62	0.29	3.63	1.00	+5
Acclaim Explor.	13	20	1.11	3.3	2.3	+44	0.53	2.62	1.00	+36
Adamus Resources	16	20	1.1	3.5	4.0	-13	0.77	2.27	1.00	+43
Adultshop.com	23	175	1.7	0.2	0.6	-67	0.81	3.08	1.00	+261
Adultshop.com	23	20	2.1	11.5	11.7	-2	0.81	1.54	1.00	+16
Adultshop.com	23	100	1.8	1.0	1.9	-47	0.81	2.57	1.00	+143
Advanced Engine	8	35	0.7	0.1	0.0	+154	0.87	4.92	1.00	+999
Aerosonde Holdings	5	40	2.1	2.0	0.2	+727	0.80	2.64	1.00	+178
Afminex Ltd	3	10	3.0	0.7	0.8	-13	0.91	1.65	1.00	+60
Afminex Ltd	3	50	0.10	0.1	0.0	+999	0.91	5.44	1.00	+999
Alcaston Mining	12	20	0.4	1.5	0.1	+999	0.58	7.54	1.00	+553
Alkane Explor.	34	35	2.10	15.0	15.1	-1	0.67	1.64	1.00	+15
Alliance Mining	5	20	1.7	1.1	0.5	+127	0.91	2.34	1.00	+165
Allied Mining	10	20	1.1	1.5	1.6	-4	0.89	2.39	1.00	+110
Amadeus Energy	12	25	2.6	1.7	0.9	+88	0.40	3.45	1.00	+38
Amadeus Petroleum	12	20	1.6	1.5	0.7	+101	0.40	4.19	1.00	+48
Ambition Group	40	100	2.4	0.5	8.7	-94	0.74	2.03	1.00	+48
Ambri Ltd	119	135	0.6	20.0	87.4	-77	3.24	1.18	1.00	+70
Armcom Telecom.	10	30	1.8	2.2	1.3	+72	0.80	2.38	1.00	+104
Arny Oil	75	35	0.4	39.0	40.5	-4	0.52	1.85	1.00	-4
AmLink Technologies	4	45	2.1	0.1	1.1	-91	1.46	1.51	1.00	+236
Anitsense Therapeutic	15	20	4.8	8.0	5.1	+57	0.46	1.87	1.00	+15
Aquacarotene	5	5	0.8	1.2	1.5	-18	0.88	2.25	1.00	+38
Arrow Energy	17	20	0.1	2.0	0.5	+265	0.84	7.70	1.00	+999
Asset Backed	39	35	0.3	3.0	7.2	-59	0.70	3.65	1.00	-5
Astro Mining NL	15	75	7.7	0.9	15.0	-94	2.58	1.00	1.00	+24
Astro Mining NL	15	360	0.7	1.0	2.0	-50	2.58	1.80	1.00	+999
Audax Resources	40	30	1.7	18.5	19.8	-6	0.79	1.63	1.00	+13
Auridium Consolidated	4	50	2.1	0.5	0.0	+999	0.68	3.72	1.00	+246
Auridium Consolidated	4	20	-1.8	0.5	0.0	+999	0.68	3.72	1.00	-99
Auspine Ltd	240	400	0.7	2.4	0.2	+958	0.27	9.99	1.00	+143
Aust Food & Fibre	28	32	4.1	1.3	10.4	-87	0.45	1.88	1.00	+4
Aust Magnesium	47	125	3.2	13.5	15.5	-13	0.80	1.68	1.00	+41
Aust Mining Invest.	5	20	1.4	0.9	1.7	-49	1.51	1.55	1.00	+192
Aust Oil & Gas	174	120	2.10	55.0	78.4	-30	0.36	1.94	1.00	+0
Aust Silicon	14	20	1.8	4.0	5.6	-29	0.98	1.65	1.00	+38
Aust Technology	5	50	1.1	1.0	0.7	+47	1.49	1.96	1.00	+723
Aust United Gold	2	5	1.1	0.6	0.7	-10	1.40	1.66	1.00	+159
Autogen Ltd	70	125	7.9	11.0	30.1	-63	0.47	1.60	1.00	+9
Automotive Ind.	11	15	1.1	2.0	3.2	-38	0.93	2.00	1.00	+49
Aztec Resources	6	20	2.8	1.8	1.5	+19	0.90	1.74	1.00	+68
Bara Resources	37	25	1.3	14.0	14.5	-3	0.45	2.19	1.00	+5
Barlow (Tony)	1	10	2.7	0.2	0.1	+34	0.82	2.18	1.00	+116
Basin Minerals	104	25	0.10	80.0	80.0	+0	0.50	1.30	1.00	+1
Beach Petroleum NL	5	20	1.11	1.4	0.0	+999	0.39	6.44	1.00	+121
Bioprospect	12	20	3.8	5.2	5.5	-5	0.76	1.52	1.00	+22
Biotech Capital	38	50	1.4	7.0	6.4	+10	0.55	2.85	1.00	+37
Biotron	30	60	0.1	1.0	0.0	+999	0.67	9.99	1.00	+999
Blaze International	6	20	1.0	1.0	1.7	-42	1.61	1.64	1.00	+282
Blinks Models	6	20	0.7	0.2	0.3	-23	1.08	3.25	1.00	+749
Bolnisi Gold	15	20	0.7	2.0	2.1	-5	0.81	3.00	1.00	+104

Company	Share Price	Yr/Mth Exercise Price	Option Price	Black Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	
Boulder Steel	8	20	0.6	1.3	0.2	+662	0.78	4.73	1.00	+575
Bounty Oil	15	20	1.8	5.0	1.2	+318	0.30	4.59	1.00	+36
Bullion Minerals	8	20	2.1	3.6	1.2	+197	0.65	2.42	1.00	+66
Burns Philp	72	20	1.3	51.0	53.1	-4	0.31	1.36	1.00	-1
CMC Power Systems	13	25	0.2	0.3	0.1	+228	0.88	7.52	1.00	+999
Cape Range Wireless	4	5	0.6	0.8	0.6	+24	0.83	3.00	1.00	+110
Captech Group	2	25	0.11	0.6	0.1	+609	1.54	2.27	1.00	+999
Captech Group	2	50	0.6	0.1	0.0	+999	1.54	3.97	1.00	+999
Cardia Technologies	14	20	2.1	4.0	5.6	-29	0.91	1.61	1.00	+32
Carnarvon Petroleum	5	20	0.7	0.2	0.0	+999	0.55	9.85	1.00	+999
Carnarvon Petroleum	5	25	0.2	0.1	0.0	+999	0.55	9.99	1.00	+999
Carnegie Corporation	2	20	0.7	0.1	0.0	+999	0.76	8.33	1.00	+999
Centamin	30	20	0.10	9.2	12.4	-26	0.62	2.07	1.00	-3
Central Equity	185	220	2.11	12.0	20.3	-41	0.18	4.72	1.00	+8
Central Kalgoorlie	3	20	0.7	0.1	0.0	+999	0.97	4.99	1.00	+999
Chariot Internet	18	100	0.7	0.1	0.6	-83	1.26	3.11	1.00	+999
Charter Pacific	64	50	0.5	19.0	17.0	+12	0.49	3.17	1.00	+20
Chiquita Brands	41	104	0.8	2.5	1.6	+60	0.80	3.85	1.00	+321
City Pacific	150	100	4.3	58.0	102.2	-43	0.74	1.29	1.00	+1
City Pacific	150	30	4.1	85.0	129.4	-34	0.74	1.13	1.00	-6
Clover	18	30	2.2	5.2	5.6	-7	0.76	1.86	1.00	+36
Cluff Resources	2	4	1.7	0.4	0.3	+49	0.77	2.36	1.00	+82
Cobra Resources	3	10	2.1	0.5	0.8	-35	1.08	1.68	1.00	+95
Cobra Resources NL	3	20	0.7	0.1	0.0	+655	1.08	4.23	1.00	+999
Cockatoo Ridge Wines	78	55	3.7	35.0	49.7	-30	0.74	1.35	1.00	+4
Commsecure	7	20	0.6	0.1	0.2	-56	0.93	3.95	1.00	+658
Compass Resources	46	50	0.6	4.0	8.1	-51	0.72	3.14	1.00	+38
Conquest Mining	7	20	3.1	1.8	3.2	-43	1.09	1.39	1.00	+48
Cooper Energy	15	20	1.10	4.8	0.6	+740	0.22	6.52	1.00	+34
Cranswick Premium	90	195	0.1	0.2	0.0	+999	0.36	9.99	1.00	+999
Customers Ltd	6	20	1.4	1.6	0.1	+999	0.54	4.58	1.00	+161
Datafast Telecom.	1	20	3.6	0.2	0.3	-41	1.41	1.33	1.00	+152
DayTrader HQ	2	50	1.8	1.6	0.1	+999	1.20	2.27	1.00	+603
Diamond Ventures NL	4	20	0.1	1.0	0.0	+999	1.01	9.99	1.00	+999
Didasko	11	10	2.5	5.0	8.5	-41	1.64	1.12	1.00	+16
Didasko	11	250	0.6	0.5	0.1	+889	1.64	3.38	1.00	+999
Dioro Exploration	13	18	1.8	999.0	2.4	+999	0.52	2.68	1.00	+999
Dolomatrix Int'l	31	8	2.1	22.5	24.7	-9	0.84	1.21	1.00	-1
Dromana Estate	96	150	3.4	5.2	18.7	-72	0.41	2.53	1.00	+16
Dwyka Diamond	80	60	1.1	29.0	46.0	-37	1.27	1.43	1.00	+10
E-Financial Capital	42	50	0.11	2.7	2.9	-8	0.31	5.57	1.00	+28
E-Star Online	7	50	1.1	0.5	0.2	+115	1.03	2.88	1.00	+545
E-Tick Limited	3	30	0.1	0.1	0.0	+999	1.16	9.99	1.00	+999
East Corporation	2	20	1.1	0.1	0.0	+588	1.02	3.34	1.00	+997
Eastern Star Gas	16	20	0.7	2.2	1.3	+70	0.50	4.62	1.00	+75
Eastland Medical	17	35	1.7	2.9	2.1	+39	0.63	2.76	1.00	+66
Echo Technology	8	35	3.1	1.5	2.6	-42	1.00	1.55	1.00	+67
Eftnet Technologies	3	20	2.4	0.4	0.9	-55	1.34	1.48	1.00	+146
Ellex Medical Laser	130	50	2.2	77.0	117.1	-34	1.83	1.07	1.00	-1
Empire Oil & Gas	3	20	0.7	0.4	0.0	+999	0.98	4.67	1.00	+999
Epitan Ltd	15	30	1.1	4.0	3.3	+20	1.05	2.04	1.00	+120
Essential Petroleum	14	20	0.6	2.1	1.5	+40	0.78	3.48	1.00	+149
Euroz	56	50	2.6	9.5	17.4	-46	0.34	2.43	1.00	+2
Evans & Tate	134	115	2.5	37.5	40.6	-8	0.29	2.61	1.00	+5
Ezenet Ltd	19	10	1.2	8.0	12.2	-34	1.24	1.34	1.00	-2

Company	Yr/Mth			Black- Option Share	Option Scholes Over/ Vol- atility	Option Lever- age	Options to Buy 1 Share	Break- Even Rate	Company	Yr/Mth			Black- Option Share	Option Scholes Over/ Vol- atility	Option Lever- age	Options to Buy 1 Share	Break- Even Rate				
	Share Price	Exercise Price	to Expire							Share Price	Exercise Price	to Expire						Share Price	Exercise Price	to Expire	
Eziimage	2	20	8-6	0.3	0.9	-68	0.88	1.27	1.00	+34	Paladin Resources	4	15	1-0	0.3	0.4	-32	1.03	2.50	1.00	+256
Flinders Diamonds	14	20	2-9	4.5	2.2	+101	0.37	2.95	1.00	+23	LParamount Australia	37	20	2-8	17.5	26.9	-35	1.01	1.23	1.00	+1
GPS Online.com	8	40	0-1	0.1	0.0	+999	0.95	999	1.00	+999	Patrick Corporation	1534	875	2-7	710.0	796.9	-11	0.36	1.79	1.00	+1
Giant Reef Mining	4	10	2-1	1.2	0.5	+153	0.67	2.45	1.00	+72	Perseverance Corp	14	5	0-3	9.5	9.1	+4	1.12	1.51	1.00	+15
Giralial Resources	15	15	1-10	5.5	6.7	-18	0.88	1.60	1.00	+21	Pi2 Limited	5	75	0-7	0.1	0.1	+61	1.48	3.16	1.00	+999
Glengarry Resources	4	75	-1-11	999.0	6.7	+999	0.84	1.60	1.00	-100	Pilbara Mines	20	20	2-10	8.0	13.7	-41	1.14	1.24	1.00	+13
Global Business	3	20	3-7	0.3	0.6	-51	0.92	1.68	1.00	+79	Platinum Australia	47	20	2-3	33.0	31.5	+5	0.67	1.39	1.00	+5
Global Business	3	100	0-0	0.1	0.6	-84	0.92	1.68	1.00	+999	Plenty River	48	20	0-2	27.0	28.2	-4	0.91	1.69	1.00	-12
Global Doctor	2	20	0-7	0.1	0.0	+999	0.76	8.29	1.00	+999	Prana Biotech	199	50	0-9	155.0	152.8	+1	1.04	1.27	1.00	+4
Globe Securities	4	20	1-7	0.3	0.1	+100	0.79	2.95	1.00	+198	Precious Metals	8	200	3-6	0.8	1.5	-46	1.08	1.68	1.00	+150
Gold Partners NL	15	20	0-1	0.1	1.1	-91	1.81	4.27	1.00	+999	Prima BioMed	55	20	2-1	36.0	45.7	-21	1.40	1.13	1.00	+1
Golden Cross Resources	12	20	0-7	1.0	0.4	+142	0.60	4.93	1.00	+181	Prospex Interactive	7	25	0-7	1.5	0.1	+934	0.99	3.80	1.00	+999
Golden State Res	4	10	1-10	0.9	1.3	-31	1.16	1.59	1.00	+83	Pulsat Communicat.	5	6	1-4	2.0	0.0	+999	0.00	999	1.00	+54
Golden Valley Mines	5	20	0-1	0.1	0.0	+999	0.75	999	1.00	+999	Pulsat Communicat.	5	60	0-8	0.2	0.0	+999	0.00	999	1.00	+999
Golden Valley Mines	5	10	3-4	2.2	1.6	+36	0.75	1.67	1.00	+34	Q-Mastor	21	25	3-7	4.0	4.6	-13	0.31	2.68	1.00	+10
Goldsearch Limited	5	20	0-2	0.1	0.0	+999	0.98	9.99	1.00	+999	Q-Multimediam	3	11	0-10	1.0	0.3	+264	1.12	2.56	1.00	+428
Gowit Ltd	22	25	2-1	15.0	11.5	+31	1.00	1.45	1.00	+33	QED Corporation	11	20	2-3	3.0	3.6	-17	0.86	1.72	1.00	+42
Greater Pacific	2	20	0-5	0.1	0.0	+999	0.95	8.03	1.00	+999	Quadtel	4	10	0-8	0.4	0.8	-52	1.38	2.08	1.00	+304
Greenstone Resources	15	20	1-8	6.5	6.0	+9	0.99	1.63	1.00	+44	Quantum Resources	3	10	8-5	1.0	2.6	-62	1.64	1.01	1.00	+18
Gutnick Resources	21	125	8-4	2.5	20.7	-88	1.87	1.01	1.00	+24	Range Resources	5	10	2-1	1.5	1.9	-22	0.99	1.61	1.00	+49
Gutnick Resources	21	375	0-11	1.0	2.8	-64	1.87	1.85	1.00	+999	Range Resources	5	20	1-1	0.5	0.4	+17	0.99	2.57	1.00	+268
Hamill Resources	26	20	1-7	14.5	13.6	+7	0.90	1.54	1.00	+20	Redflex Holdings	71	110	1-7	18.0	61.2	-71	2.50	1.08	1.00	+45
Helix Resources	30	100	0-5	1.0	0.0	+999	0.54	12.09	1.00	+999	Redflex Holdings	71	343	0-7	0.3	26.6	-99	2.50	1.49	1.00	+999
Hill 50 Gold NL	141	70	0-0	76.0	0.0	+999	0.30	12.09	1.00	+999	Reefion Mining NL	5	20	1-6	1.1	0.4	+158	0.81	2.64	1.00	+154
Hillcrest Resources	5	20	2-8	1.4	0.8	+72	0.75	2.09	1.00	+72	Renewable Investments	7	400	2-10	0.4	6.6	-94	3.08	1.02	1.00	+317
IGM Group	3	20	1-1	0.2	0.0	+414	0.91	3.45	1.00	+564	Rimfire Pacific	7	20	2-4	1.4	1.7	-16	0.84	1.89	1.00	+62
IPT Systems	1	20	2-1	0.2	0.3	-31	1.37	1.63	1.00	+273	S8 Ltd	216	300	4-11	35.0	66.7	-47	0.40	2.04	1.00	+9
ISIS Communications	6	100	0-7	1.0	0.0	+999	1.30	3.99	1.00	+999	SP Telecommunications	70	25	3-12	46.0	52.9	-13	0.62	1.25	1.00	+0
Iatia Ltd	20	25	3-10	6.5	2.3	+185	0.17	4.54	1.00	+13	SSH Medical	16	40	0-1	0.1	0.0	+999	0.75	9.99	1.00	+999
Imperial	2	20	1-2	0.1	0.0	+999	0.80	4.27	1.00	+623	LSapphire Mines	16	12	3-6	7.1	7.3	-3	0.39	1.83	1.00	+5
Imperial One	2	10	2-1	0.2	0.2	+4	0.80	2.39	1.00	+119	Select-Tel	15	72	0-11	0.3	3.8	-92	1.67	1.72	1.00	+456
Impress Ventures	3	20	0-7	0.6	0.0	+999	0.70	7.90	1.00	+999	Senetas Corporation	8	20	2-0	4.0	2.4	+65	0.96	1.75	1.00	+73
Independence Gold	27	20	2-8	13.5	11.1	+22	0.36	2.06	1.00	+8	Simon Gilbert	15	100	2-7	2.0	1.4	+44	0.78	2.30	1.00	+110
Integra Medical	3	20	2-7	0.2	1.5	-86	1.44	1.32	1.00	+109	Solar Energy Systems	11	30	2-7	2.5	1.3	+92	0.57	2.58	1.00	+52
Intercontinental Gold	3	20	1-1	0.2	0.0	+414	0.91	3.45	1.00	+564	Solbec Pharmaceuticals	16	20	1-1	4.8	2.5	+91	0.53	3.11	1.00	+50
JAM Developments	16	25	3-6	2.5	6.1	-59	0.65	1.70	1.00	+17	Sonacom	14	20	2-1	3.8	8.0	-52	1.28	1.32	1.00	+31
Johnson's Well	2	260	1-1	55.0	0.1	+999	2.23	1.80	1.00	+999	Sphere Investments	10	29	2-1	1.7	2.3	-28	0.92	1.85	1.00	+76
Julia Corporation	3	10	1-3	0.5	0.0	+999	0.61	4.39	1.00	+215	Spinifex Gold	7	20	4-1	2.6	1.8	+43	0.64	1.85	1.00	+34
KCG Mines	11	20	2-6	2.9	5.6	-49	1.15	1.36	1.00	+37	St Barbara Mines	22	30	1-9	9.0	3.7	+142	0.50	2.78	1.00	+41
Kalrez Energy NL	1	20	1-1	0.1	0.0	+999	0.75	7.00	1.00	+999	St Francis	3	20	1-0	0.1	1.0	-90	1.92	1.53	1.00	+570
Kanowna Cons Gold	11	20	2-6	2.9	5.6	-49	1.15	1.36	1.00	+37	Strata Mining	2	20	0-7	0.1	0.0	+999	0.61	7.99	1.00	+999
Kanowna Lights	6	20	3-1	2.1	2.2	-5	0.93	1.57	1.00	+52	Stratatel Limited	7	25	3-3	1.7	1.2	+38	0.66	2.09	1.00	+51
Kimberley Diamond	68	130	1-2	10.0	6.3	+59	0.63	3.20	1.00	+86	Striker Resources	9	20	0-4	1.5	0.1	+999	0.79	5.97	1.00	+999
Kingstream Steel	2	110	0-2	0.1	0.0	+999	0.77	999	1.00	+999	Sub-Sahara Resources	4	20	1-7	0.5	0.4	+32	1.00	2.24	1.00	+205
Local Telecom	4	33	3-7	0.1	2.1	-95	1.29	1.30	1.00	+80	Sun Capital	6	20	1-4	0.5	0.4	+15	0.80	2.80	1.00	+158
Loftus Capital	55	110	0-7	0.1	0.0	+286	0.33	9.99	1.00	+229	Sun Capital	6	35	0-1	0.1	0.0	+999	0.80	9.99	1.00	+999
Lumacom	8	20	1-1	3.0	1.4	+108	1.03	2.18	1.00	+165	Sun Resources NL	6	25	0-1	0.2	0.0	+999	0.65	9.99	1.00	+999
M2M Corporation	2	20	7-9	0.2	1.6	-87	2.03	1.01	1.00	+39	Swiftel Ltd	8	10	2-10	2.7	5.2	-48	1.16	1.26	1.00	+18
MEM Group	92	115	8-6	22.0	56.2	-61	0.54	1.34	1.00	+5	Sydney Gas Company	38	100	0-4	2.0	0.0	+999	0.38	9.99	1.00	+999
MXL Ltd	9	5	0-7	5.6	5.1	+9	1.17	1.58	1.00	+27	Sylvannia	15	20	3-1	5.5	9.1	-39	1.02	1.31	1.00	+19
Macmin	5	12	3-4	2.2	2.5	-12	0.95	1.43	1.00	+35	Synergy Metals	3	200	0-6	1.0	0.0	+999	0.51	9.99	1.00	+999
Magna Pacific	32	32	1-9	6.0	13.5	-55	0.78	1.72	1.00	+10	Tasman Resources	11	20	3-9	8.0	4.3	+86	0.69	1.63	1.00	+28
Majestic Resources	6	20	1-1	1.0	0.2	+419	0.71	3.66	1.00	+218	Tawana Resources	80	50	1-1	40.0	36.8	+9	0.60	1.90	1.00	+11
Matrix Metals	8	20	0-9	2.0	2.3	-12	1.53	1.83	1.00	+289	Technology Inv Fund	64	80	1-0	3.6	5.3	-32	0.38	4.67	1.00	+32
Maxe-Tec Australia	2	20	0-10	0.1	0.1	+50	1.21	2.90	1.00	+999	Techstar	45	80	0-7	5.0	4.4	+13	0.91	3.18	1.00	+223
Medical Monitors	8	80	1-1	0.4	1.1	-63	1.52	1.94	1.00	+741	Tectonic Resources	5	20	2-1	1.0	0.5	+107	0.75	2.44	1.00	+103
Medical Monitors	8	20	3-1	1.8	5.9	-70	1.52	1.15	1.00	+38	Telezon	6	20	2-7	1.8	0.2	+822	0.44	3.75	1.00	+65
Metabolic	72	20	1-2	50.0	53.1	-6	0.49	1.35	1.00	-2	Terraplanet.com	2	100	2-6	0.1	1.2	-92	2.36	1.13	1.00	+410
Metex Resources	8	20	2-1	3.0	1.1	+176	0.64	2.49	1.00	+66	Tiger Resources	19	10	3-1	8.5	14.4	-41	1.00	1.20	1.00	-1
Midware Ltd	12	20	1-4	2.0	1.0	+108	0.48	3.71	1.00	+58	Timemac	4	200	2-1	1.0	0.0	+999	0.00	9.99	1.00	+599
Millepede International	17	20	3-7	5.5	10.4	-47	0.91	1.32	1.00	+12	Travelshop	3	140	1-4	0.1	0.0	+999	0.87	4.76	1.00	+999
Minerals Corporation	30	40	0-8	4.5	0.4	+992	0.28	9.68	1.00	+85	Travelshop Ltd	3	20	2-6	0.9	0.4	+101	0.87	2.05	1.00	+112
Minotaur Resources	161	20	1-7	140.0	155.3	-10	2.45	1.02	1.00	-0	Tuart Resources	1	20	1-1	0.1	0.0	+999	1.22	2.96	1.00	+999
Molopo Australia NL	4	20	1-4	0.3	0.4	-15	1.07	2.28	1.00	+274	Union Capital	1	10	2-10	0.1	0.0	+166	0.69	2.71	1.00	+126
Mosaic Oil NL	15	25	0-1	0.3	0.0	+999	0.51	9.99	1.00	+999	VRI Biomedical	74	75	3-9	37.0	36.9	+0	0.62	1.54	1.00	+12
Mt Gibson Iron	23	25	1-7	10.0	22.9	-56	4.56	1.00	1.00	+30	Villa World	70	100	0-10	2.0	1.7	+15	0.32	7.13	1.00	+57
Mt Grace																					

Company Analysis: AP Eagers

(This section is in Australian currency, unless stated.)

AP Eagers (code APE) is a large motor vehicle dealer based in Brisbane. The company's January 2003 options (code APEO) have frequently featured in our quarterly *Australian Warrant / Option Analysis*. The shares have recently qualified as a "Buy" under our *Comprehensive Share Selection Criteria* - so the options should be attractive to investors looking for short term capital appreciation.

Company History

This Brisbane motor vehicle business started in 1912 and was incorporated as **EG Eagers & Son** in 1957 ahead of its listing on the Australian stockmarket. The company merged with another motor vehicle retailer, **AP Group**, in 1992.

Recent Results

Over the last ten years, AP Eagers has been a "no-growth" company with annual revenues relatively stable within the range of \$500-650 million. Profitability and dividends, however, have increased around 2-2½ times over the decade.

In the year to June 2001, revenues rose 35.4% to \$674.5 million and profits soared 45.6% to \$6,251,000 (40.4 cents per share). The annual dividend rose 16.7% to 28.0 cents.

Investment Criteria

At 486 cents, AP Eagers shares trade on an extremely low Price/Sales ratio of 0.11, a low Price/Earnings ratio of 12 and offer a high Dividend Yield of 5.8%.

The market capitalisation is just \$78 million making this a *smaller* listed company.

Management has a significant investment in this company. **WFM Motors** - a company owned by non-executive director NG Politis, owns 6,361,586 shares or 39.5% of the company. NG Politis gained control of the company in 2000, buying a 19.9% shareholding from the family of the former Managing Director A Piper who died in the previous year (although the Piper family still retain a 7.9% shareholding). WFM Motors acquired another 14.5% from **Damelian Automobile** and has been purchasing shares on-market. The current Managing Director, KW MacDonald has 8,800 shares and 100,000 options, Chairman BW MacDonald owns 62,500 shares and 12,500 options, while non-executive director AJ Love has an investment of 13,750 shares and 2,750 options.

There have been two insider buys over the last year. In March 2002, NG Politis purchased 131,293 options on-market at 35 cents and in April he purchased 181,901 shares on-market at \$4.50.

The shares are *neglected* by brokers, with only one firm publishing profit forecasts. The shares are also *neglected* by institutional investors, with none of the big

institutions owning shares in AP Eagers. A handful of the listed investment companies (e.g. Milton, Argo) own a total of less than 10% of the company.

Technically, AP Eagers shares are very attractive. The share price has risen strongly over the last four months - moving to an all-time high above 485 cents in March and April. This new uptrend has also moved the Relative Strength Rating to +10.1%, ranked 24. It is quite likely, therefore, that the shares will continue to appreciate strongly in the immediate future.

January 2003

Share Options

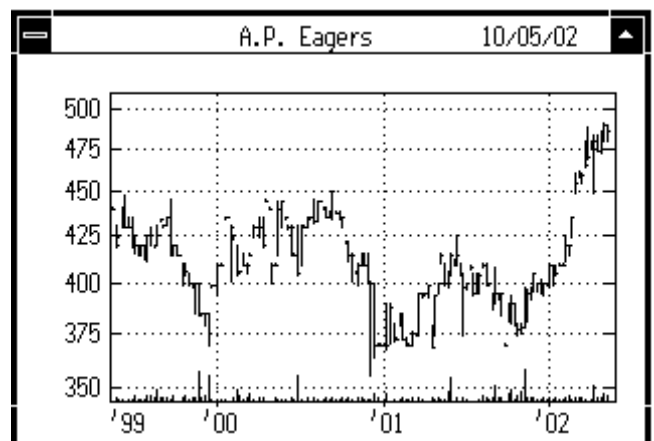
The listed share options (code APEO) offer investors the right to buy a new share at \$4.00 on 31 January 2003.

With the shares trading around 486 cents the *intrinsic value* of the options is 86 cents yet they are quoted at 46-50 cents!!

Furthermore, the options offer *high leverage* over the next 8½ months until their final exercise date. Every 1% gain in the share price will add 10.6% to the value of the options! For example, if AP Eagers shares rise 13% to 550 cents by January 2003 then the options will be worth 150 cents for a gain of 226%.

Summary and Recommendation

Our quarterly *Australian Warrant / Option Analysis* has highlighted the under-valued AP Eagers options and the high leverage offered by these securities. The options have been under-valued for several years and although their price has risen over the last three months that increase has lagged behind the appreciation in the share price. The only problem for investors is limited marketability, but the options should be attractive buying up to about 80-90 cents for investors seeking maximum capital appreciation over the next 8½ months from a leveraged play on further capital appreciation in the AP Eagers share price.



"Insider" Insights

(A summary of buying and selling by major shareholders)

Company	Shareholder	Buy/ Sell	Shares (Mill)	% of Coy Held	
				Before	After
12/04/2002					
Certified Organics	S Innes, S Crockett	Sell	-30.114	25.33%	24.07%
19/04/2002					
F & P Healthcare	LFG Holdings	Buy	+1.500	8.04%	8.55%
26/04/2002					
Evergreen Forests	K & M Douglas	Buy	+1.277	0.0%	5.34%
F & P Appliances	AXA Asia Pacific	Buy	+2.132	6.73%	10.02%
Fletcher Building	AXA Asia Pacific	Sell	-4.148	5.43%	4.23%
Mainfreight	AXA Asia Pacific	Buy	+3.096	0.0%	4.23%
Spectrum Resources	DF Mainland	Buy	+5.273	5.04%	6.76%
Telecom NZ	AXA Asia Pacific	Sell	-10.470	5.09%	4.53%
Tranzrail Holdings	AXA Asia Pacific	Buy	+1.300	7.28%	8.35%
Wellington Drive	AXA Asia Pacific	Buy	+3.147	10.67%	13.48%
03/05/2002					
Advantage Group	EJ Watson	Sell	-11.536	18.84%	0.83%
Advantage Group	NP Gordon	Buy	+11.536	0.0%	16.02%
Cadmus Technology	GG Hill	Sell	-3.725	21.80%	19.24%
Nuplex Industries	NZ Guardian Trust	Sell	-0.907	6.03%	4.51%
Rubicon Ltd	AMP Henderson	Sell	-3.627	16.02%	14.72%
10/05/2002					
Certified Organics	S Innes, S Crockett	Sell	-35.000	24.07%	22.60%
Hellaby Holdings	Quatro Management	Sell	-1.795	7.65%	4.03%
Restaurant Brands	AMP Henderson	Sell	-8.159	18.78%	10.00%
Tranzrail Holdings	The Capital Group	Buy	+4.138	4.94%	5.04%

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Dividend \$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Calan Healthcare Prop.	1.7726	20-05	04-06	0.2274
Contact Energy	5.50	27-05	31-05	Full
GPG	1.00p	02-04	13-05	-
Kirkcaldie & Stains	8.00	13-05	20-05	Full
Powerco	7.20	17-06	28-06	Full
Property For Industry	1.35	06-05	10-05	0.30
Restaurant Brands	8.00	20-05	29-05	Full
Sanford Ltd	8.00	20-05	31-05	Full

Current Issues

BONUS ISSUES

	Ratio	Ex-Date
NZ Oil & Gas (1)	1:2	May/June

(1) NZ Oil & Gas plans to issue one free option (probably to buy shares at 60 cents until July 2005) for every existing share or option currently held.

SHARE REPURCHASES

	Details
Designer Textiles	5%, on-market
Ports of Auckland	1 in 5, @ \$5.00/share
Utilico International	7½%, on-market

CASH ISSUES

	Ratio	Price	Ex-Date	Appln Date
Heritage Gold (1)	2:3	10	-	-

(1) Issue of warrants. 1 cent payable on application, 1 cent within 1 year, 1 cent in 2 years and a final 7 cents within 5 years to convert warrants to ordinary shares.

	Ratio	Price	Ex-Date	Appln Date
Summit Gold (2)	-	-	-	-

(2) Summit Gold will offer each shareholder 10,000 to 30,000 shares at NZ\$0.12 or A\$0.10.

Total Return Index for All Listed Shares

Apr 15	2033.42	Apr 22	2034.11
Apr 16	2038.09	Apr 23	2039.39
Apr 17	2036.93	Apr 24	2041.34
Apr 18	2034.42	Apr 25	Holiday
Apr 19	2037.12	Apr 26	2042.10
Apr 29	2038.01	May 6	2036.78
Apr 30	2031.74	May 7	2029.85
May 1	2040.36	May 8	2021.85
May 2	2041.37	May 9	2021.53
May 3	2041.80	May 10	2022.22

Next Issue

The next issue of *Market Analysis* will be posted in four weeks time on Tuesday June 11, 2002 (and delivered in most areas on Wednesday 12).

Subscribers who have updated their account online with an e-mail address will also receive the Electronic version in their e-mail Tuesday morning.

MARKET ANALYSIS is published 12 times per year by Securities Research Company Limited, P.O. Box 34-162, Birkenhead, Auckland. (66 Stanaway Street. Telephone 64-9-4199 427 Facsimile 64-9-4199 428 Internet: www.stockmarket.co.nz or www.australia-stockmarket.com Email: james@stockmarket.co.nz). Subscription Rate NZ\$265 (including GST) per year.

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