

Market Analysis

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Summary and Recommended Investment Strategy.

The long term outlook is Neutral for the New Zealand stockmarket but Bullish (i.e. favourable) for Australia. So remain close to fully invested in the recommended shares.

Investment Outlook.

Why is the "Market Analysis" Portfolio of Recommended Shares invested in mainly medium sized and smaller company shares? The answer is that medium sized and smaller companies tend to *outperform* larger company shares by an average of several percent per annual. So over the medium to long term we can outperform the index by concentrating on smaller company shares that have better growth potential. You won't find many 10-bagger investments buying mature, Blue Chip shares. The big gains are in the small shares.

Aren't smaller companies more *risky* than large Blue Chip shares? That is less certain. Yes, smaller companies *individually* have greater risk of failing than larger companies. When a small company gets into serious trouble it will usually fail - resulting in a 100% loss. Larger companies like AMP, Tranz Rail and Fletcher Forests can usually raise enough new equity to keep going - so you only suffer a 50-75% loss (although you will probably throw good money after bad, and suffer a loss on that too). If you *minimise individual company risk* by *diversifying widely*, then the risks aren't too different.

The stockmarket is volatile and shares are risky. So minimise risks through diversification while focusing upon the shares that offer the best potential for gains!

Most stockmarkets have performed strongly over the last month - which the exception of SARS affected China and Hong Kong, Japan and . . . New Zealand. Nevertheless, our one-year Forecast for the NZ stockmarket has improved to a Neutral 50% (from 38% in April). The one-year Forecast for Australia is up slightly to a Bullish 69% (from 63% last month).

While many NZ shares remain attractive long term investments, we see the best upcoming buying opportunities in Australia. Firstly, there are 9½ times as many listed companies in Australia, so we have more chance of finding shares that meet our investment criteria. Secondly, many quality Australian companies have had their share prices depressed over the last 2-3 years and now offer strong recovery and growth potential.

Stockmarket Forecasts

	One-Month	One-Year
Australia:	61% (Bullish)	69% (Bullish)
New Zealand:	62% (Bullish)	50% (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
AMP Limited	C	576	0.89	8	10.8	Guinness Peat	C	163	0.65	8	1.9	Renaissance	C	25	0.08	NE	17.9
AMP NZ Office	C	86	8.78	14	8.3	Hallenstein G.	B	295	0.99	15	9.4	Restaurant Brds	C	140	0.44	11	10.7
AXA Asia Pac.	B	239	0.85	11	5.0	Hellaby Hold.	B	361	0.52	13	7.4	RetailX Limited	C	10	2.28	NE	Nil
Affco Holdings	C	18	0.04	9	Nil	Heritage Mining*	N/R	5.0	N/A	NE	Nil	Richina Pacific	D	32	0.06	4	Nil
Air New Zealand	E	44	0.29	NE	Nil	Horizon Energy	C	362	3.46	12	7.0	Richmond Hold.	C	317	N/A	NE	Nil
Akd Int Airport	B	525	9.05	25	3.8	IT Capital Ltd	E	0.8	0.51	NE	Nil	Rocom Wireless	D	12	0.25	NE	Nil
Allied Farmers	B	195	0.21	6	12.2	Ind Newspapers	B	408	1.97	35	3.1	Rubicon Limited	D	67	2.53	NE	Nil
Apple Fields	C	2.3	1.97	10	Nil	Infratil NZ	D	185	2.20	15	2.4	Ryman Health.	C	168	2.71	15	3.3
Beauty Direct	E	4.0	1.23	NE	Nil	Kidicorp	C	25	N/A	NE	Nil	Sanford Limited	B	580	1.40	15	5.1
Blis Technology	E	35	N/A	NE	Nil	Kingsgate Int'l	D	20	1.55	8	Nil	Savoy Equities	E	1.9	5.59	NE	Nil
Botry-Zen Ltd	D	15	N/A	NE	Nil	Kirkcaldie & St	C	350	0.66	16	5.1	Scott Tech. Ltd	B	289	2.18	26	5.7
Brierley Invest	D	68	6.31	43	Nil	Kiwi Property	B	108	6.91	11	9.4	Selector Group	D	1.0	1.41	NE	Nil
Briscoe Group	C	194	1.37	17	5.2	Lion Nathan Ltd	A	622	1.78	18	3.1	Shotover Jet	C	76	1.34	10	2.5
Broadway Ind	B	42	0.23	7	3.6	Lytelton Port	A	162	2.66	10	10.1	Skellmax Indust	B	111	1.10	9	9.4
CACI Group Ltd	C	36	0.50	NE	Nil	Mainfreight Grp	B	131	0.24	14	7.4	Sky City Ltd	B	790	3.20	17	7.2
CDL Hotel NZ	C	25	0.46	5	8.4	Metro. LifeCare	C	116	1.00	10	Nil	Sky City Leisur	D	128	0.15	12	Nil
CDL Investments	D	20	1.57	6	11.9	Michael Hill	C	462	0.83	14	5.5	Sky Network TV	D	400	5.34	NE	Nil
Cabletalk Group	D	20	0.16	NE	Nil	Mid-Cap Index*	N/R	187	N/A	NE	Nil	Software of Exc	D	150	2.33	NE	Nil
Cadmus Tech Ltd	E	6.8	1.47	NE	Nil	Mining Systems	D	120	N/A	NE	Nil	South Port NZ	C	148	2.73	14	6.6
Calan Hlthcare	C	82	6.76	13	8.3	Mowbray Collect	C	80	1.54	NE	Nil	Southern Cap	C	66	3.44	10	Nil
Cap Properties	B	90	2.34	9	10.9	Mr Chips Hold	D	112	0.97	31	4.7	Spectrum Res.	D	1.0	0.71	NE	Nil
Carter Holt	D	158	0.66	15	4.7	NGC Holdings	C	161	1.76	22	4.0	Steel & Tube	A	333	0.89	16	8.5
Cavalier Corp	A	435	1.66	21	6.2	NZ Experience	D	20	N/A	10	Nil	Strathmore Grp	C	0.6	N/A	NE	Nil
Cedenco Foods	C	156	0.90	6	Nil	NZ Invest Trust*	N/R	417	N/A	NE	2.0	Submarines Aust	C	0.5	0.26	NE	Nil
Cert Organics	E	7.6	2.66	NE	Nil	NZ Oil and Gas *	N/R	29	2.31	NE	Nil	Summit Gold Ltd*	N/R	6.0	N/A	NE	Nil
Col FS Property	B	112	6.39	11	9.4	NZ Refining Co	B	1690	2.51	11	13.2	Tag Pacific Ltd	E	7.6	0.16	NE	Nil
Col Motor Co	A	340	0.25	12	9.2	NZJ.co.nz	D	30	2.20	NE	Nil	Taylor's Grp Ltd	B	157	0.71	12	8.1
Commsort Group	C	0.3	0.04	NE	Nil	Nat Property Tr	B	95	5.82	15	9.5	TeNZ *	N/R	89	N/A	NE	Nil
Contact Energy	A	450	2.48	22	6.3	Newcall Group	C	3.0	0.17	NE	Nil	Telecom Corp	C	478	1.62	13	6.2
Cube Capital	C	6.0	0.20	NE	Nil	Newmarket Prop.	C	52	3.96	9	12.6	Tourism Hold.	E	91	0.45	36	4.9
Cue Energy Ltd *	N/R	5.0	1.33	12	Nil	Northland Port	B	280	6.22	23	5.9	Tower Limited	D	217	0.66	NE	6.9
DB Breweries	A	655	1.15	17	6.2	Nuhaka Forestry	E	600	N/A	NE	Nil	Trans-Tasman	D	29	2.10	16	Nil
Dairy Brands	C	65	7.52	NE	Nil	Nuplex Indust	B	348	0.49	11	7.3	Tranz Rail Hold	E	47	0.12	NE	Nil
Design Textiles	B	89	N/A	10	5.0	Opio Forestry	D	50	8.96	NE	Nil	Trust Power Ltd	B	434	1.32	NE	4.4
Dorchester Pac	C	155	0.65	8	6.4	Otter Gold Mine*	N/R	29	0.68	NE	Nil	Turners Auction	C	307	N/A	NE	Nil
Ecademy Hold.	E	0.3	5.00	NE	Nil	Owens Group Ltd	D	85	0.11	10	4.1	Utilico Int'l	C	57	5.79	7	Nil
Ebos Group Ltd	B	296	0.39	13	7.3	Ozzy (Tortis)*	N/R	190	N/A	NE	Nil	Vending Tech.	C	80	1.16	4	Nil
Eldercare NZ	D	17	0.81	NE	Nil	Pac Edge Bio.	E	12	0.83	NE	Nil	Vertex Group	A	141	0.50	7	15.0
Evergreen	D	52	3.47	11	Nil	Pacific Retail	D	220	0.25	7	Nil	WN Drive Tech.	E	38	N/A	NE	Nil
F & P Health.	B	1075	5.13	17	3.5	Paramount Prop.	C	101	N/A	NE	Nil	Wakefield Hosp.	C	135	0.55	18	3.3
F & P Appliance	A	1060	2.02	25	3.5	Port Tauranga	B	425	5.19	22	5.8	Warehouse Group	B	474	0.77	18	4.3
FC - Forests	D	101	0.85	7	Nil	Ports Auckland	A	695	4.65	17	6.4	Waste Mgmt NZ	A	312	1.98	23	3.6
Finssoft Solns	C	100	2.27	NE	Nil	Powerco Limited	B	163	2.25	14	8.6	Williams Kettle	B	388	0.31	8	8.8
Fletcher Build.	A	326	0.38	13	6.4	Property F Ind.	C	94	N/A	16	7.4	World Index Fd *	N/R	102	N/A	NE	Nil
GDC Communicat.	C	85	0.47	9	6.1	Proveno Group	D	30	0.41	11	Nil	Wrightsons Ltd	B	114	0.23	7	15.1
Genesis Res.	C	125	2.10	NE	Nil	Pure NZ Limited	D	3.5	3.40	NE	Nil	Ave of 139 Cos	C	188	0.47	18	3.6
Goodman Fielder	C	176	0.62	11	2.7	Pyne Gould G.	B	105	0.41	8	12.1	Normandy NFM	B	1870	2.70	15	1.3
AMP Diver. Prop	A	299	N/A	15	6.8	Computer Share	C	182	1.29	19	1.6	Nufarm Limited	B	400	0.43	11	4.5
AMP Ltd	C	528	1.26	NE	8.7	Corp Express	C	453	1.14	20	1.8	OPSM Group Ltd	B	388	1.06	20	3.7
AMP Office Trt	A	117	N/A	13	7.9	Crane Group	A	990	0.30	15	5.1	Oil Search Ltd	C	64	1.55	8	2.3
AMP Shop Centre	A	173	8.70	17	6.4	Deutsche Office	B	112	6.58	11	8.9	Onesteel Ltd	B	177	0.32	20	3.7
ANZ Bank	B	1828	1.71	12	4.6	Deutsche Div Tr	A	119	8.09	13	7.6	Orica Ltd	B	1011	0.66	13	4.4
APN News Media	B	338	1.38	16	4.7	Deutsche Ind Tr	A	180	7.22	15	8.3	Origin Energy	B	429	1.14	22	1.2
AWB Limited	A	378	0.44	10	6.6	Djerriharr	B	342	N/A	17	6.3	Pacifica Group	B	378	0.49	12	5.3
AXA Asia Pac	B	218	1.27	11	4.5	Downer EDI Ltd	B	69	0.27	12	3.5	Paperlin X Ltd	A	502	0.51	13	5.4
Adelaide Bright	A	120	1.32	13	4.4	Envestra	B	106	2.78	NE	9.0	Patrick Corp	B	1370	2.84	24	1.5
Adelaide Bank	A	762	1.34	16	4.2	Fairfax (John)	B	308	1.89	42	3.6	Perp Trust Aust	B	3080	3.94	15	5.2
Alintagas Ltd	A	500	2.04	14	5.0	Flight Centre	B	1860	0.45	26	2.0	Principal Off.	C	140	N/A	NE	Nil
Alumina Ltd	B	418	1.85	27	3.1	Foodland Assoc	A	1971	0.46	22	3.8	Publishing & Br	B	894	2.31	22	2.3
Amarco Ltd	B	855	0.82	8	3.3	Foster's Group	B	438	1.79	16	3.9	Q.B.E. Insur.	A	878	0.64	19	4.0
Aneka Tambang	B	25	7.72	64	35.1	Futures Corp.	A	171	0.15	17	7.0	Qantas Airways	C	321	0.44	12	5.3
Anglogold Ltd	B	955	0.67	4	25.5	GWA Internat'l	A	262	1.18	16	6.5	Reece Australia	A	665	1.04	16	2.6
Ansell Ltd	D	631	0.52	NE	Nil	Gandel Retail	A	143	9.45	16	6.3	Rinker Group	B	467	0.80	12	Nil
Argo Investment	B	460	N/A	29	3.3	General Prop Tr	A	297	7.53	15	6.9	Rio Tinto Ltd	B	2968	0.80	13	3.4
Aristocrat	B	167	0.78	9	7.2	Goodman Fielder	B	165	0.68	12	4.5	Rural Press Ltd	B	579	1.50	12	2.7
Aust Pipeline	B	278	2.77	18	7.7	Guinness Peat	A	145	0.66	8	1.8	Santos Ltd	B	564	2.12	10	5.3
Aust Pharm. Ind	B	268	0.27	15	4.9	Gunn's Ltd	A	1056	1.62	16	2.6	Seven Network	B	437	1.01	18	4.7
Aust Gas Light	A	1113	1.50	25	4.7	Harvey Norman	B	226	2.06	19	2.0	Sigma Company	B	522	0.41	23	2.6
Aust Stock Exch	B	1145	5.55	20	3.5	Hills Motorway	A	572	N/A	44	3.4	Sims Group Ltd	B	888	0.56	17	4.1
Aust Foundation	B	342	N/A	31	4.2	ING Indust Trt	A	174	N/A	14	7.8	Smorgon Steel	B	104	0.30	18	6.3
Austereo Group	B	137	2.19	10	5.8	ING Office Fund	B	118	6.57	12	8.9	Sonic Health	B	645	1.93	49	3.1
Australand Hold	A	153	0.69	9	7.8	Iluka Resources	B	428	1.00	9	5.1	Soul Pattinson	B	527	3.19	17	2.7
BHP Billiton	B	856	0.97	9	2.8	Insurance Aust.	B	306	0.96	NE	3.4	Southcorp Ltd	B	371	0.97	9	5.9
BHP Steel Ltd	C	324	0.56	NE	Nil	Investa Prop.	B	206	6.62	14	7.2	Spotless Group	C	403	0.38	26	5.5
Bank of O'land	A	812	3.03	18	3.6	Ivanhoe Mines	C	1200	N/A	NE	Nil	St George Bank	A	2028	2.58	24	3.9
Bank of W.Aust	B	438	3.82	16	4.5	James Hardie	A	646	2.49	52	1.5	Sthn C. Fliers	C%	10300	N/A	NE	Nil
Bendigo Bank	B	764	3.26	19	3.8	Jupiters	A	635	1.61	16	3.3	Stockland	A	505	5.02	17	5.9
Bidvest	A	395	0.22	13	2.6	Leighton Hold	B	935	0.50	15	4.5	Suncorp-Metway	B	1081	1.26	18	5.0
Billabong Int'l	B	560	2.24	18	3.4	Lend Lease Corp	A	942	0.33	18	1.9	TAB Ltd	B	323	1.62	19	4.0
Boral Limited	A	480	0.78	14	4.0	Lend Lease US	A	98	6.53	10	18.7	Tabcorp Holding	B	1081	2.04	15	5.8
Brambles Ind.	C	539	0.52	10	3.7	Lihir Gold	C	138	4.48	18	Nil	Telstra	C	427	1.31	7	5.2
Brickworks Ltd	A	710	5.61	18	2.2	M.I.M. Holdings	B	170	0.84	38	1.9	Ten Network	D	208	1.19	NE	Nil
Bristle Ltd	A	341	1.78	13	4.7	Macquarie Infra	B	335	5.89	12	2.7	Toll Holdings	B	724	1.48	27	1.4
Burns Philp	B	68	0.39	4	Nil	Macquarie Good.	A	153	5.99	13	7.7	Transurban Grp	B	471	N/A	NE	0.5
C'wth Prop Off.	B	120	8.58	14	7.4	Macquarie Off.	B	120	8.94	13	9.1	UNITAB Ltd	A	578	2.08	30	2.6
C.S.R. Ltd	B	177	0.94	9	Nil	Macquaries Air.	B	113	N/A	22	4.9	United Energy	A	310	2.37	19	5.9
CPH Investment	B	55	0.98	59	Nil	Macquarie C'Wde	A	176	N/A	15	7.6	WMC Resources	C	395	2.10	59	Nil
CSL Limited	C	1438	1.69														

Recommended Investments

CDL Hotels NZ has increased its shareholding in **CDL Investments NZ** from 58.43% to 61.48% by taking shares in the latter company's dividend re-investment plan, rather than a cash dividend.

Michael Hill International forecasts its profit to June 2003 will fall 15-23% to \$9.5-10.5 million (25-27 cents per share). The strength of the NZ dollar over the year will depress the translation of the Australian results into NZ dollars by around 8-9%. The Canadian operations are now expected to lose NZ\$1.05 million - about double the predicted start-up losses as it takes longer than expected for them to become profitable. The fourth Canadian store was opened in April, and no more are planned until the company has finished testing the market to assess its potential. Current results are also suffering from higher operating costs in Australia, and weaker economic conditions in both Australia and NZ.



Michael Hill International is one of the very few NZ companies that have successfully expanded into Australia. If it can now (Continued on Page 4)

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Initial Recommendation Code	- Date -	Price	Perfor- mance 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 %
NZ Shares													
BUY	CDL Investments Ltd	CDI	12/01/99	25	D	187.1	2.1	1.57	6	11.9	20	7.7	+11%
HOLD+	Cavalier Corporation	CAV	05/12/95	156*	A	63.0	0.7	1.66	21	6.2	435	111.0	+250%
HOLD+	Colonial Motor Company	CMO	10/11/92	150	A	27.9	0.6	0.25	12	9.2	340	240.8	+287%
BUY	Lyttelton Port Company	LPC	12/12/00	150	A	101.8	1.0	2.66	10	10.1	162	25.0	+25%
HOLD	Michael Hill Int'l Ltd	MHI	11/06/91	46*	C	38.5	0.5	0.83	14	5.5	462	127.0	+1180%
BUY	Nuplex Industries Ltd	NPX	11/02/97	350	B	59.7	0.8	0.49	11	7.3	348	77.5	+22%
HOLD	Renaissance Corp	RNS	13/08/96	85*	C	37.1	1.8	0.08	NE	17.9	25	10.4	-58%
BUY	Richina Pacific	RCH	03/11/95	94*	D	144.4	1.9	0.06	4	Nil	32	9.4	-56%
HOLD	South Port New Zealand	SPN	13/02/96	120	C	26.2	1.0	2.73	14	6.6	148	65.0	+78%
BUY	Steel & Tube Holdings	STU	08/08/00	146	A	87.9	0.9	0.89	16	8.5	333	63.0	+171%
HOLD+	Taylors Group Ltd	TAY	09/11/99	102	B	24.3	0.7	0.71	12	8.1	157	26.0	+79%
BUY	Wrightson Limited	WRI	13/01/98	83	B	134.2	1.3	0.23	7	15.1	114	33.3	+77%
Australian Shares (in Aust cents)													
BUY	Abigroup Limited	ABG	09/03/99	265	A	47.7	0.6	0.19	16	3.4	235	53.0	+9%
BUY	AJ Lucas Group	AJL	13/05/03	120	A	45.2	0.8	0.65	11	6.3	120	Nil	
HOLD	Atlas Pacific Ltd	ATP	14/05/96	73	B	87.8	1.5	2.24	7	10.3	29	7.0	-51%
HOLD+	Auspine Limited	ANE	08/02/00	210	A	57.0	0.6	0.74	15	5.1	272	56.0	+56%
BUY	Austral Coal Ltd	AUO	16/01/01	19	C	154.5	1.3	0.74	6	Nil	48	Nil	+153%
HOLD	Biron Capital Ltd	BIC	12/04/94	171*	B	38.2	1.5	2.41	20	3.1	32	13.0	-74%
HOLD	Brazin Limited	BRZ	11/12/01	160	B	116.4	1.1	0.17	4	19.0	71	22.0	-42%
HOLD	Campbell Brothers Ltd	CPB	12/10/99	418*	B	39.0	0.5	0.53	17	6.3	480	85.5	+35%
BUY	Candle Australia	CND	08/04/03	86	B	37.3	0.9	0.20	12	5.1	98	Nil	+14%
HOLD	Cellnet Group Ltd	CLT	12/02/02	152	C	49.5	1.0	0.10	4	13.2	68	9.0	-49%
BUY	Commander Comm.	CDR	11/09/01	92	B	145.1	1.0	0.59	12	3.4	81	6.8	-5%
BUY	IASbet Ltd	IAS	11/02/03	180	A	41.0	0.9	2.10	11	4.4	158	Nil	-12%
HOLD	Julia Ross Recruitment	JRR	14/08/01	92	C	57.4	1.4	0.18	5	12.5	48	12.0	-35%
HOLD+	McPherson's Ltd	MCP	10/10/00	125	B	41.0	0.5	0.41	11	4.4	270	31.0	+141%
HOLD	Nufarm Limited	NUF	11/02/97	418*	B	155.7	0.6	0.43	11	4.5	400	106.3	+21%
HOLD	OAMPS Limited	OMP	15/05/01	132*	A	71.7	0.6	0.45	15	7.1	280	24.3	+131%
BUY	Skilled Engineering	SKE	12/03/02	126	B	88.7	0.9	0.31	18	4.7	212	16.0	+81%
HOLD	Toll Holdings	TOL	08/09/98	60*	B	302.8	0.6	1.48	27	1.4	724	35.5	+1166%
HOLD	UXC Limited	UXC	11/01/00	55*	B	124.1	1.4	0.21	9	8.8	57	16.0	+33%
BUY	Villa World Ltd	VVD	11/06/02	68	A	102.9	0.8	0.43	7	9.9	91	10.0	+49%
BUY	Vision Systems Ltd	VSL	10/11/98	69*	C	164.1	1.0	1.40	14	3.8	104	22.1	+83%
HOLD	Volante Group Ltd	VGL	13/03/01	132	C	68.1	0.9	0.18	15	8.3	96	13.0	-17%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +113.5%. This is equal to an average annual rate of +26.8%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 34 current and 118 closed out) is +28.4%, compared with a market gain of +8.1% (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.

Recommended Investments (Continued from Page 3) establish its business in Canada then shareholders should be able to look forward to another decade of steady growth in profits, dividends and the share price appreciation.

At 462 cents the shares trade on a Price/Sales ratio of 0.83, a Price/Earnings ratio of 14 (increasing this year to 17-18 owing to the predicted dip in profits) and offer a gross Dividend Yield of 5.5%. This is a quality company and that is a reasonable valuation and high income yield, so Michael Hill shares remain a "Hold".

The new shares in **Richina Pacific**'s 1 for 1 cash issue must be paid on or before 23 May at NZ\$0.28 or US\$0.14½ per share. At the current exchange rate of around 0.5770 it is about 10-11% cheaper to pay in US dollars as US\$0.14½ equals just over NZ\$0.25. There is, of course, a NZ\$20 bank fee (and it takes ten minutes in the bank) to buy a foreign currency draft, but that cost would be covered by the saving on even a small shareholding. On 20,000 rights, for example, paying US\$2,900 will result in a saving of \$510 on the \$5,600 cost of paying in NZ currency.

Richina Pacific's major shareholders continue to squabble. RE Rainwater, who directly owns 5.12% of Richina Pacific, and JP Morgan Partners, which directly own 9.62%, are taking legal action to gain control of **Richina Enterprises Holdings** (in which they are the major investors) which owns 25.5% in Richina Pacific. If this legal action is successful - prior to the allocation of shares under the current cash issue - then Richina Enterprises would be prevented from performing its obligation as underwriter and the issue would need to be cancelled.

To avoid having payments returned, investors should therefore wait until close to the 23 May application date before taking up entitlements to the new shares.

It is impossible to know the motivation for this latest action. One can only assume that the dissident director who recently resigned and these major shareholders have some alternative plans for the group that they do not wish to share with the public investors in Richina Pacific. Our "conspiracy theorist" suggests that preventing the company raising new equity to fund expansion would make Richina Pacific dependent upon further related party loans, further depressing the share price to a level where a major shareholder could buyout the public shareholders cheaply.

As a result of the SARS virus the **Blue Zoo Beijing Aquarium** has been forced to close, although visitor numbers had already fallen as people avoided public places. This business, however, is just a small part of the group. The more important **Shanghai Richina Leather** has experienced some minor problems with its move to higher margin manufacturing of upholstery leather under its own brand. As a result, the first quarter profit will be down slightly on the previous year, but the first half profit and annual profit will show growth.

Australian Shares

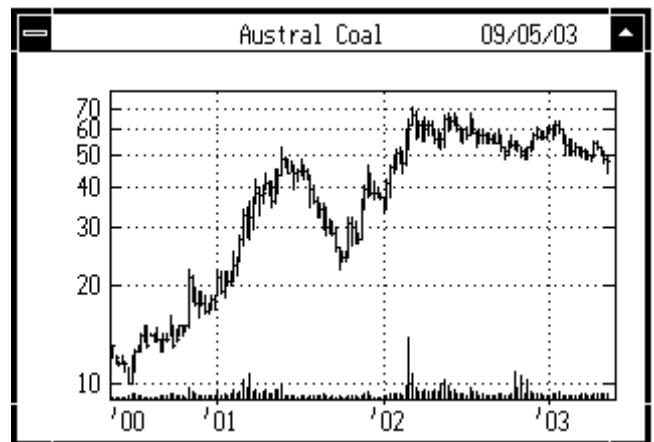
(This section is in Australian currency, unless stated.)

Auspine reports that it expects earnings per share for the year to 30 June 2003 to rise 47-58% to 26-28 cents.

The company's four-year upgrade aims to lift annual production at the South Australia *Tarpeena* mill 60% to 800,000 m³ of timber and Tasmania's *Scottsdale* mill by 100% to 400,000 m³.

Austral Coal's contract negotiations have resulted in an average US\$2/tonne (i.e. about 5%) reduction in the price it will receive for coal this financial year. This is in line with prices negotiated by other hard coking coal producers. Despite this coal price decline the company is still "on track" to achieve its profit forecast.

While the shares are a little *weak* at present (i.e. the Relative Strength rating is -5.5%, ranked 53), at 48 cents they are undervalued (i.e. on a P/S ratio of 0.74 and a P/E of 5½). This year's results should be similar to the December 2002 financial year, but then coal production will increase around 50% from 2004. That will result in a 50% increase in revenues and a much higher percentage increase in cashflows and profits. There will be little need for further capital expenditure, so cashflows will be available to quickly repay debt (and reduce the interest costs) and to start paying dividends. Austral Coal's share price could rise to around 100-150 cents (i.e. up 100-200%) over the next eighteen months.



Biron Capital's operating cashflow dipped to \$436,205 in the March quarter, down from \$693,207 in the December quarter - but this still indicates profitable trading.

Brazin reports "trading conditions were below expectations" for the March quarter and now expects the annual profit (to June 2003) to be only around \$12 million. This is down on the \$18.8 million earned in the first half.

The share price dropped sharply to 64 cents in response to the latest poor news - but investors should note significant *insider* buying by directors. I W Duffell (who has resigned as an executive, but remains a director) purchased 150,000 shares at 70-71 cents and then a further 70,000 shares at 70 cents to build his holding up to 301,550 shares. Director B Martin purchased 10,000 shares at 68 cents to hold 46,991 shares, AP Ho bought 55,000 shares at 70 cents to increase his investment to 200,000 shares and G Bennett acquired 100,000 shares on-market at 70 cents to hold a total of 200,000 shares.

We recommend that investors "Hold" for recovery.

Candle Australia shares have steadily risen in value over the last month but we believe it is still early in their recovery and that the price will continue to trade

within the 80-100 cents price range over much of the next six months. Above that price range we rate the shares a "Hold+". That is, at above \$1.00 there are better shares to buy, although we would not consider selling Candle Australia shares that we have purchased as a long term investment. "Buy" up to 100 cents.

Cellnet Group has lost the chief executive of its **IT Wholesale** subsidiary after "disagreement with the board and senior management".

Iasbet's cashflows for the March quarter suggest a slight decline for the business. Revenues were \$105.1 million - up 54.3% on the same quarter in 2002 but down 9.9% on the December 2002 quarter. Net cash flow was also a *deficit* of \$2.5 million - compared with a surplus of \$2.1 million in the March 2002 quarter and a surplus of \$7.4 million in the December 2002 quarter. One poor quarter, however, does not change the long term potential of this company.

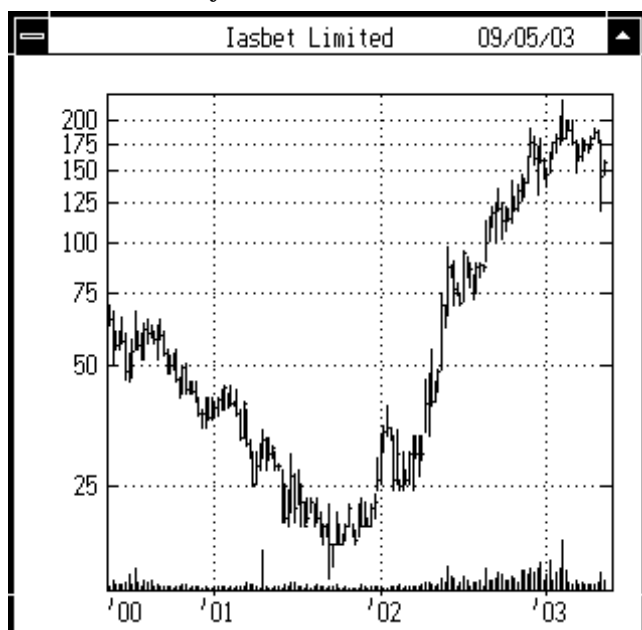
Iasbet shares have probably also fallen in value owing to Federal government plans to try to ban online gambling. At worst, customers would still be able to access the Iasbet website to look up potential bets, then place them via the telephone. Iasbet could also move offshore, so would not be subject to Australian anti-gambling laws which may *try* to block Australian residents from accessing the site!

Iasbet plans to open operations in the UK within the next three months and has huge growth potential in that market and in Asia.

Iasbet is planning to acquire **Ferncourt Pty**, a "most successful wagering investment company" using "high level technology" and with "extensive world class databases". This acquisition, still subject to due diligence, will be merged with Iasbet's Wagering Investment Division.

This "wagering investment" (i.e. betting with other companies) is the riskiest part of Iasbet's business, but extensive knowledge in this area is important to help it set fixed bets for its customers.

Iasbet's share price is likely to remain volatile, but the company has excellent long term growth potential so remains a "Buy".



Julia Ross Recruitment has also reported a poor March quarter, losing \$322,000 - although \$299,000 was from costs incurred restructuring the **Firstwater** business.

A small profit in the current quarter is expected, with annual profits now forecast to be around \$1.2-1.3 million.

Despite the low level of profitability in the current financial year, Julia Ross Recruitment has "won new business contracts with larger clients" which will start in July, so the company is "continuing to invest in infrastructure, operations, marketing and human resources" to take advantage of these new contracts and the eventual improvement in the overall market.

The directors still expect to pay a final dividend but the amount will be determined when the final results are known.

At December 2002, Julia Ross Recruitment had \$7.4 million in short term interest bearing debts and \$3.2 million owing to Creditors, but that was well covered with Debtors of \$16.9 million. So the company is in a reasonably healthy financial position, with a high degree of certainty that it will survive this downturn and still be around when the market recovers. Rather than maximising short term profitability, the company is continuing to invest in its business to maximise future growth.

From an investment perspective, however, it is unwise to buy more shares in the company too early. Shares can fluctuate to extremes of value. So we would rather see just how far the market drives down the share price - and then add to our depressed investment in Julia Ross Recruitment when the shares are in a new uptrend. The Relative Strength rating is currently -13.9%, ranked 75, and we would look for a positive rating and/or a stronger rank (i.e. 0-49, in the top half of the market) before considering upgrading our current "Hold" recommendation.

Nufarm has performed strongly over the last six months as many brokers have upgraded the shares to a "Buy". Recent performance has been helped by rain in Australia and strong sales, speculation of a takeover from a larger multi-national and better than expected earnings from **Monsanto** which has improved sentiment towards shares in the crop protection business.

Nufarm shares hit a high of 415 cents last week before **Wesfarmers** placed its 4.6% shareholding (acquired when it took over **IAMA**) at 390 cents.

Growth rates of 10-15% annually are expected over the next few years, the shares are relatively undervalued (i.e. a P/S ratio of 0.43, P/E of 11 and Yield of 4.5%), one *insider* bought shares on-market over the last year and the share price is in an uptrend (i.e. the Relative Strength is +5.5%, ranked 15). So the shares could continue to perform well over the short to medium term and we therefore rate Nufarm a "Hold". We have, however, held the shares for six years and been disappointed with their performance over that period.

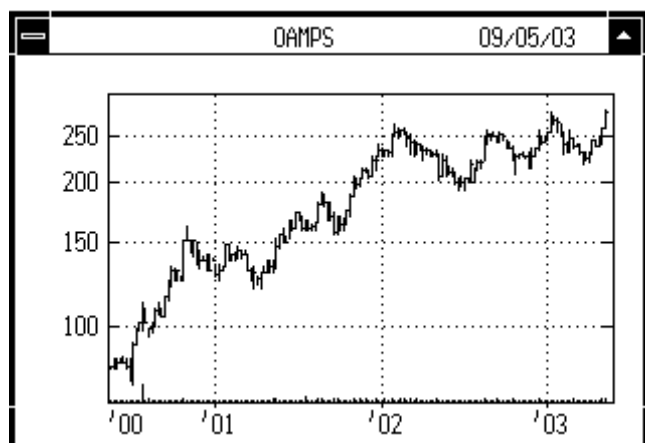
OAMPS reports that trading to the end of March confirms the directors' expectation that profits will rise "at least 45%" this year. The June 2002 result included an abnormal write-off, (Continued on Page 6)

Recommended Investments (Continued from Page 5) so trading profits will be up at least 33%. Apart from the 1 for 2 bonus issue, the issued capital has increased only 6.1% so far this year as OAMPS focuses upon internal growth and using cash to fund acquisitions. So earnings per share should be up more than 25%.

During a period when investors have lost billions of dollars on insurance shares, our *Comprehensive Share Selection Criteria* was able to identify OAMPS as an attractive investment - in which we have better than doubled our money over the last two years. "Hold" for further growth.

OAMPS continues to expand with two further small acquisitions: Adelaide based **Stuart Mortimer & Associates**, which will bring 1300 clients and \$3 million in annual insurance premiums to the company, is a 22 year old insurance broking business servicing "higher risk" commercial customers where it is difficult to get insurance cover. The business therefore provides value-added services in the form of advice on property protection, risk minimisation and managing risks.

The second acquisition is UK based **Fairmont Insurance Group** which generates £2.5 million (A\$5.0 million) in annual premium income and underwriting expertise in Fine Arts and Jewellery insurance.



UXC has acquired a small business, **Information Technology Audit & Consulting**, which will merge with its existing IT security business **Corporate Network Solutions**. Integrating the two businesses is

expected to add \$250,000 to earnings in the first year with further substantial growth in future years owing to economies of scale and synergies.

Vision Systems reports mixed results - although profits are still expected to be "comfortably higher" than last year. The Vision Fire & Security division experienced lower revenues in March and April. Chinese sales - which account for about 12% of total division revenues - have also fallen significantly owing to restrictions on travel and gatherings that resulted in "almost all" sales meetings being cancelled. Earnings will be ahead of last year, but the second half will probably be at least 50% lower than the strong first half year result.

Vision BioSystems has launched its *Bond* cancer detection instrument. Five machines were delivered by mid-April with initial client feedback being "very positive".

Invetech - the contract research division - has won contracts worth \$8 million to develop two bio-medical instruments for separate clients. This should then lead to OEM manufacturing contracts for Vision BioSystems.

Vision Systems shares may still be a few months away from a new uptrend, but are probably near the bottom of their decline. "Buy".



Volante Group has won a three year, \$9.4 million contract (starting 1 July) to provide IT equipment, maintenance and on-site support to Senator's and Members' Electorate Offices in 243 locations throughout Australia.

Share Recommendation: Buy AJ Lucas Group

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

BUY Australian listed AJ Lucas Group (code AJL) AJ Lucas Group is a smaller Australian company seeking to build a profitable business in two related sectors (i.e. pipeline construction and underground horizontal directional drilling) where it has specialised technology and market leadership. This could lead to strong

revenue and profit growth over the next 3-5 years and even greater capital appreciation as the under-valued and neglected shares are discovered by institutional investors and re-rated by the market. AJ Lucas Group shares are recently rated as a "Buy" under both the *Under-Valued Shares* and *Best Performing Shares* sections of our *Comprehensive Share Selection Criteria*.

Company History

The company was formed in 1957 but listed on the Australian stockmarket in September 1999 to raise funds for expansion. The initial public offering was 12.5 million shares at \$1.00 each, but this raised only \$5.0 million for the company from the issue of new shares with \$7.5 million going to existing investors. The original investors retained 19,600,000 shares (61.1%) of the company.

Eight months later, in May 2000, the company raised a further \$5.1 million in new equity from the placement of 4.25 million shares at \$1.20. The major shareholder, **AJ Lucas Holdings**, also cashed in another \$6.1 million worth of shares, placing 3.7 million of its AJ Lucas Group shares at \$1.65 in September 2000. This reduced AJ Lucas Holdings to 43% ownership of the listed company.

AJ Lucas Group also raised an additional \$9.0 million in new equity in late 2002 with the placement of 4.35 million shares at \$1.10, and a further 4.09 million shares at \$1.05 through a 1 for 10 cash issue to all shareholders.

This additional money has been required to enable the company to post performance bonds and to finance its involvement in many large infrastructure projects.

Initially the company sought to develop its business in three areas:

1. Pipelines for gas, water and waste water. AJ Lucas Group is the market leader in this field, having constructed 46% by value and 54% by number of all cross-country pipelines in Australia over the last five years.
2. Horizontal directional drilling (HDD). AJ Lucas Group believes it is the world leader in underground horizontal drilling. This technology enables the company to place pipelines under rivers, bring offshore gas pipelines ashore under environmentally sensitive areas and to install gas and water pipelines under cities without the disruption involved in digging trenches.
3. Telecommunications. This proved unsuccessful and the telecommunications network business was closed early 2002.

AJ Lucas Group has applied its HDD technology to coal seam methane gas extraction, which is required before underground coal can be mined. This led to the establishment of a 75% owned business, **AJ Lucas Coal Technologies Pty.**

Growth Strategy

While the company is a leader in its field - and is undertaking some very big infrastructure projects - AJ Lucas Group does not aspire to become a "big company". Instead it aims to be a "medium sized enterprise" with "low overheads", "high operating profit margins" and a "focus on profit".

Current Major Projects

In February 2002 the company won a \$7 million contract from **McConnell Dowell** to use its HDD technology to lay pipelines under 12 rivers in Tasmania.

In May 2002 AJ Lucas Group, in a joint venture with **Spie Capag** of France, won the \$215 million contract to design and construct the 680 km **SEA Gas Pipeline**

from Port Campbell, Victoria to Adelaide, South Australia. In September 2002 this project was upgraded, with the pipeline expanded from 350mm to 450mm diameter, increasing annual capacity 80% to 125 PetaJoules and the value of the project to \$341 million.

AJ Lucas Group will also provide the HDD landfall from **BHP's Minerva** gas field which is one of the fields supplying the SEA Gas Pipeline.

In late 2002 the HDD division was also working on two major projects for **Sydney Water**, installing large pipelines in Wollongong and Chatswood. These will be the second longest and fourth longest HDD pipeline installations in the world.

In March 2002, Coal Technologies won its first two long term contracts to drain methane gas from underground coal in the Bowen Basin, Queensland, for coal mining companies.

In November 2002, Coal Technologies purchased from **Pacific Power** the petroleum exploration licence over a 1308 km² area in the NSW Gloucester Basin where it plans to extract and sell gas. Nine test wells drilled by Pacific Power indicated 90 PetaJoules of gas within a 5 km² test area. Gas production was expected to start in April 2003 and this business could grow rapidly to become a major source of reliable cashflow with high profit margins.

Future Major Projects

AJ Lucas Group is negotiating to build the 445 km, \$100 million **Port Hedland to Telfer Pipeline** where construction is expected in 2003/2004.

It also plans to tender for the 350 km, \$80 million **Wesfarmers Broome Pipeline** in September this year, for construction in 2004.

Development of the **Timor Sea** gas field would require a 3,500 km \$2,400 million pipeline from Darwin to Moomba - perhaps in 2003/2004 - and a 2,000 km, \$500 million pipeline from Darwin to Mt Isa.

Other projects "under consideration" by their promoters for construction over the next few years include a 700 km, \$300 million **GasNet Victoria to South Australia Gas Pipeline**, a 150 km, \$25 million **Aurora/AGL Tasmanian Steelmains** pipeline and the 303 km, \$25 million **Central Ranges Pipeline**.

AJ Lucas Group has been awarded preliminary engineering work on the proposed 1,400 km, \$1,500 million **Kangaroo Paw Pipeline**.

Some infrastructure projects *may* offer AJ Lucas Group the opportunity to take an equity stake and/or to remain involved with ongoing maintenance.

Recent Results

For the year to June 2000 (i.e. its first as a public company), AJ Lucas Group lifted revenues 79.6% to \$42.8 million. Profits soared four-fold to \$4,022,407 (11.1 cents per share) and a dividend of 6.0 cents was paid.

Revenues increased a further 110.8% to \$90.1 million in the year to June 2001, but profits rose only 35.4% to \$5,446,882 (15.0 cents per share). The annual dividend rose 25.0% to 7.5 cents.

AJ Lucas Group suffered a downturn in the year to June 2002. Revenues fell 25.6% to \$67.0 million and trading profits were down

(Continued on Page 8)

BUY AJ Lucas Group (Continued from Page 7) a similar 24.7% to \$4,100,000 (11.3 cents per share). In addition there were extraordinary losses of \$2.8 million from closing the telecommunications network business and debt recovery costs of \$1.0 million. The dividend remained steady at 7.5 cents.

The six months to 31 December 2002 has seen a recovery and strong growth in revenues, although profits remain depressed. Revenues soared 178.0% to \$78.1 million, but profits fell 18.9% to \$1,176,000 (2.8 cents per share). The interim dividend, however, has been maintained at a steady 3.5 cents.

For the second half of the current financial year (i.e. to 30 June 2003) AJ Lucas Group has secured work worth \$40 million for Pipelines, \$19 million for HDD and \$4 million for Coal - with higher profit margins expected over this period. So annual revenues will be around \$140 million this financial year. For the June 2004 financial year the company already has \$61 million of secured work.

Accounting policies are conservative with all Research & Development expensed as incurred - which is depressing current reported profits.

Investment Criteria

At 120 cents, AJ Lucas Group shares trade on a low Price/Sales ratio of 0.65, a low Price/Earnings ratio of 11 and offer a high Dividend Yield of 6.3%. Revenues of \$140 million this year will further lower the P/S ratio to around 0.40.

The company is still in a growth phase and has yet to achieve its goal of "high operating profit margins", "consistent cashflows" and recurring revenues. *If AJ Lucas Group can achieve this*, then the shares should trade on a P/S ratio in the range of 1.00 to 1.50. So the shares could appreciate very strongly over the next 3-5 years under the combined impact of (1) rapid revenue growth and (2) an increase in the P/S ratio (as a result of the company lifting profit margins). An average 20% revenue growth over the next five years could see the share price appreciate 7½-10 fold (i.e. a compound annual rate of 50-60%) in addition to providing a high dividend income.

Issued capital - after the recent placement and 1 for 10 cash issue - is 45,199,990 shares. This makes AJ Lucas Group a smaller listed company with a market capitalisation of \$54 million. Nevertheless the shares are actively traded.

AJ Lucas Group is neglected by brokers (i.e. none follow it closely enough to publish profit forecasts) and by institutional investors (who own only about 20% of the shares). For reasons unknown, most of these institutional investors are based in *New Zealand* (i.e. Amalgamated Dairies, Commodity Traders (NZ), NZ Guardian Trust and the Auckland Medical Research Foundation).

Management have a significant investment in AJ Lucas Group - mainly through ownership of the unlisted AJ Lucas Holdings which owns 17,490,000 shares after taking up its entitlement to the recent cash issue. This large investment aligns management's interests with those of other shareholders in maximising the value of the company for the benefit of *all* shareholders.

Executive Chairman, AS Campbell, owns 57.5% of this holding company - giving him an indirect interest in 10,056,750 shares plus direct ownership of 95,908 shares (a 22.5% interest in the listed company). Managing Director, AJ Lukas, owns 35.0% of the holding company, equal to 6,121,500 shares (13.5% of AJ Lucas Group). Non-executive director I Stuart-Robinson is the third shareholder in the holding company with 7.5%, equal to 1,311,750 AJ Lucas Group shares, plus owns another 75,000 shares directly (a total of 3.1% of the listed company). Non-executive director TG O'Meally owns 109,180 shares and non-executive director MJ Green holds 50,000 shares.

There has been one insider trade over the last year, with TG O'Meally purchasing 10,800 shares on-market in September 2002 at 93-94 cents per share.

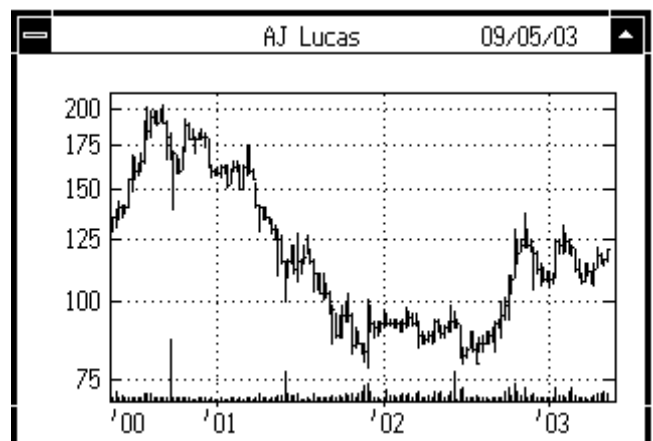
AJ Lucas Group shares peaked in September 2002 at 202 cents and declined to lows around 79-80 cents in November 2001 and June/July 2002. The share price has consolidated over the last seven months but now appears to be in the early stages of a new uptrend. The Relative Strength rating is +2.2%, ranked 23 (i.e. in the top quarter of the market).

Summary and Recommendation

AJ Lucas Group appears to be building a strong niche market in infrastructure construction - although is still in the establishment and growth phase and has yet to achieve the high profit margins it seeks. The company has a full order book, and major pipeline projects offer excellent growth potential over the next 3-5 years. Just as importantly, the shares currently trade on a low valuation. So there is huge potential for capital appreciation owing to the likely growth in the business and the re-rating of the low share valuation (i.e. if AJ Lucas Group grows, institutional investors *will* discover it and start buying the shares).

Of course there are risks relating to the development of the company, uncertainties in the infrastructure construction business and volatile cash flows associated with its involvement in large scale projects.

As part of a diversified share portfolio, AJ Lucas Group should appeal to a wide range of investors - offering both a high current income as well as excellent potential for income growth and significant capital appreciation over the medium to long term.



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	Share Price	STRENGTH RATING				Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n	Company	Share Price	STRENGTH RATING				Insider Buy/Sell	Brokers 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														OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0															
Broadway Ind	42	+7.1	+2.0	8	0.0	-	1.0	14	1.2	7	3.6	0.23	8	Akd Int Airport	525	-1.2	-1.2	48	0.1	7	3.0	12	0.4	25	3.8	9.05	1,595		
Mainfreight Grp	131	+0.0	+3.4	36	0.1	5	1.8	13	1.0	14	7.4	0.24	96	Opio Forestry	50	-1.5	-1.7	50	0.0	-	0.5	-	0.6	NE	Nil	8.96	7		
Col Motor Co	340	+4.6	-1.2	14	0.0	-	1.2	10	0.6	12	9.2	0.25	95	Brierley Invest	68	-7.7	+2.2	68	0.0	1	0.6	1	1.1	43	Nil	6.31	961		
Fletcher Build.	326	+4.8	-3.3	14	0.0	5	2.0	16	0.8	13	6.4	0.38	1,130	Port Tauranga	425	-0.4	-1.4	41	2.2	4	1.3	6	0.3	22	5.8	5.19	569		
CDL Hotel NZ	25	+6.2	-4.6	9	0.0	1	0.4	5	1.9	8	4.2	0.43	87	Horizon Energy	362	-2.2	+0.1	55	0.0	2	0.5	4	0.3	12	7.0	3.46	90		
Nuplex Indust	348	+0.5	-1.8	33	1.0	3	1.6	15	0.8	11	7.3	0.49	208	South Port NZ	148	-3.0	-1.3	58	0.0	1	2.9	20	0.7	14	6.6	2.73	39		
Hellaby Hold.	361	+10.7	-1.3	4	0.0	1	2.2	17	0.7	13	7.4	0.52	179	Lyttelton Port	162	-0.5	-0.4	41	4.0	4	5.8	58	0.7	10	10.1	2.66	165		
Taylor's Grp Ltd	157	+0.2	-0.0	34	0.0	-	1.7	14	0.7	12	8.1	0.71	38	Rubicon Limited	67	-1.5	-1.3	49	0.0	2	0.8	-	0.8	NE	Nil	2.53	187		
Steel & Tube	333	+3.7	-0.0	16	0.0	4	2.4	15	0.9	16	8.5	0.89	293	NZ Refining Co	1690	-3.6	-2.8	60	0.0	1	1.3	12	0.2	11	13.2	2.51	406		
Hallenstein G.	295	+0.4	-0.2	33	0.0	4	4.0	27	0.7	15	9.4	0.99	174	Software of Exc	150	-16.2	+9.4	86	0.0	-	4.9	-	0.9	NE	Nil	2.33	32		
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0														WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average															
Hellaby Hold.	361	+10.7	-1.3	4	0.0	1	2.2	17	0.6	13	7.4	0.52	179	Vending Tech.	80	-33.3	+1.1	95	0.1	1	1.5	34	0.8	4	Nil	1.16	24		
Affco Holdings	18	+7.8	+0.3	6	0.0	-	0.3	4	1.4	9	Nil	0.04	89	Genesis Res.	125	-19.0	+1.7	90	0.0	2	0.8	-	0.9	NE	Nil	2.10	33		
Broadway Ind	42	+7.1	+2.0	8	0.0	-	1.0	14	0.9	7	3.6	0.23	8	GDC Communicat.	85	-18.3	-4.2	88	-1.1	1	2.0	22	1.0	9	6.1	0.47	32		
CDL Hotel NZ	25	+6.2	-4.6	9	0.0	1	0.4	5	1.4	8	4.2	0.43	87	Tower Limited	217	-16.2	+3.8	87	0.0	6	0.5	0	0.9	171	6.9	0.66	381		
Fletcher Build.	326	+4.8	-3.3	14	0.0	5	2.0	16	0.7	13	6.4	0.38	1,130	Software of Exc	150	-16.2	+9.4	86	0.0	-	4.9	-	0.9	NE	Nil	2.33	32		
Col Motor Co	340	+4.6	-1.2	14	0.0	-	1.2	10	0.4	12	9.2	0.25	95	Warehouse Group	474	-15.2	-5.1	85	0.0	5	4.6	26	0.4	18	4.3	0.77	1,446		
Steel & Tube	333	+3.7	-0.0	16	0.0	4	2.4	15	0.8	16	8.5	0.89	293	Pacific Retail	220	-14.2	-2.3	84	0.0	2	1.5	22	1.1	7	Nil	0.25	111		
Nuplex Indust	348	+0.5	-1.8	33	1.0	3	1.6	15	0.7	11	7.3	0.49	208	Summit Gold Ltd	6	-13.9	+2.5	83	1.0	-	1.4	-	1.8	NE	Nil	N/A	6		
Hallenstein G.	295	+0.4	-0.2	33	0.0	4	4.0	27	0.6	15	9.4	0.99	174	Provenco Group	30	-12.3	+9.6	81	5.0	1	1.6	14	1.5	11	Nil	0.41	26		
Taylor's Grp Ltd	157	+0.2	-0.0	34	0.0	-	1.7	14	0.6	12	8.1	0.71	38	Michael Hill	462	-11.9	-5.9	80	2.0	3	4.0	28	0.4	14	5.5	0.83	178		
Mainfreight Grp	131	+0.0	+3.4	36	0.1	5	1.8	13	0.8	14	7.4	0.24	96	Briscoe Group	194	-11.3	-6.5	80	0.0	4	5.1	29	0.6	17	5.2	1.37	407		
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million																													
Wrightsons Ltd	114	-3.7	-0.6	60	0.0	2	1.3	18	1.0	7	15.1	0.23	153	Cadmus Tech Ltd	7	-10.8	-0.6	78	0.0	-	2.4	-	2.0	NE	Nil	1.47	9		
NZ Refining Co	1690	-3.6	-2.8	60	0.0	1	1.3	12	0.2	11	13.2	2.51	406	Blis Technology	35	-9.8	+0.4	76	0.0	-	4.2	-	0.9	NE	Nil	N/A	22		
Pyne Gould G.	105	-2.0	-1.1	52	1.0	-	1.1	12	0.7	8	12.1	0.41	105	NZ Oil and Gas	29	-9.7	-4.5	75	0.0	-	1.0	-	0.9	NE	Nil	2.31	33		
Powerco Limited	163	-7.3	+3.8	67	0.0	3	0.9	8	0.5	11	12.0	2.22	363	Cedenco Foods	156	-9.6	-3.0	75	5.0	-	0.9	15	0.5	6	Nil	0.90	24		
AMP Limited	576	-24.9	-0.3	93	1.0	-	0.6	7	0.6	8	10.8	0.89	6,500	AXA Asia Pac.	239	-8.9	+1.3	72	0.0	-	1.2	10	0.5	11	5.0	0.85	4,212		
Restaurant Brds	140	-8.5	+0.2	71	0.0	3	2.6	23	0.8	11	10.7	0.44	133	Eldercare NZ	17	-8.7	+1.0	72	0.0	-	0.8	-	1.3	NE	Nil	0.81	33		
Lyttelton Port	162	-0.5	-0.4	41	4.0	4	5.8	58	0.8	10	10.1	2.66	165	NZ Invest Trust	417	-8.4	+0.5	70	8.0	-	-	-	0.4	NE	2.0	N/A	42		
Skellmax Indust	111	+0.9	-0.4	29	0.0	3	6.2	69	0.8	9	9.4	1.10	111	Nuhaka Forestry	600	-8.1	-2.2	70	0.0	-	0.5	-	0.3	NE	Nil	N/A	11		
Hallenstein G.	295	+0.4	-0.2	33	0.0	4	4.0	27	0.5	15	9.4	0.99	174																
Steel & Tube	333	+3.7	-0.0	16	0.0	4	2.4	15	0.8	16	8.5	0.89	293																

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.

Company	Share Price	STRENGTH RATING				Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n	Company	Share Price	STRENGTH RATING				Insider Buy/Sell	Brokers 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																													
Citic Australia	19	+5.4	+1.3	16	0.0	-	0.2	3	1.9	7	10.8	0.05	15	Steamships Trad	130	+4.9	+3.7	16	0.0	-	0.1	1	0.9	19	3.8	0.22	40		
Ruralco Hold.	305	+4.5	-0.7	17	5.0	-	1.7	17	0.5	10	4.6	0.05	29	Lemarne Corp	197	+8.6	-1.9	11	2.0	-	1.0	-	0.5	NE	5.1	0.24	33		
Namoi Cotton	30	+1.4	+1.6	26	4.0	-	0.3	10	1.5	3	5.1	0.07	32	Embelton Ltd	230	+4.9	-0.1	17	0.0	-	0.8	7	0.6	12	3.9	0.25	5		
McConnell Dowel	150	+0.3	-0.3	30	0.0	-	75.0	-	0.6	11	4.0	0.11	63	HJ & B Group	33	+1.8	+0.4	25	1.1	-	4.6	-	1.2	NE	3.1	0.26	20		
A.P. Eagers	590	+4.4	+2.8	17	0.1	1	1.3	11	0.4	12	5.3	0.13	101	Integrated Grp	115	+11.0	-1.3	9	1.0	1	4.0	35	1.0	11	5.7	0.28	79		
Queens'd Cotton	322	+0.1	+0.2	31	0.0	1	0.7	6	0.5	11	6.5	0.14	90	Ausdrill Ltd	69	+32.0	+8.0	2	0.2	-	1.2	24	1.2	5	2.2	0.29	62		
Watpac Ltd	40	+1.6	-0.1	25	0.0	-	1.3	18	1.2	7	8.8	0.14	29	Ridley Corp.	159	+4.0	+0.4	19	1.0	3	-	-	0.8	13	2.8	0.30	423		
Catalyst Rec'mt	38	+7.2	+2.3	13	0.0	-	1.6	11	1.3	15	4.6	0.15	10	Crane Group	990	+2.9	+0.5	21	1.0	4	1.6	11	0.3	15	5.1	0.30	506		
Futuris Corp.	171	+7.7	+3.5	12	0.2	6	2.2	13	1.0	17	7.0	0.15	1,056	Skilled Eng.	212	+20.8	+0.0	3	2.2	3	5.6	31	0.8	18	4.7	0.31	188		
Adtrans Group	314	+4.9	-0.9	17	1.1	1	2.4	24	0.4	10	6.2	0.15	72	Onesteel Ltd	177	+2.9	-2.5	21	0.0	6	1.0	5	0.7	20	3.7	0.32	960		
ABB Grain Ltd	330	+6.6	-1.7	13	9.0	-	1.3	13	0.6	10	5.2	0.17	151	Angus & Coote	586	+0.2	+0.8	30	0.0	-	1.5	12	0.4	13	5.5	0.32	70		
Bridgestone	237	+4.4	-2.9	18	0.0	-	0.6	8	0.6	7	4.2	0.17	87	Roberts Ltd	475	+12.2	+0.2	7	0.0	-	1.7	17	0.4	10	6.3	0.33	52		
Danks Holdings	1055	+0.5	-3.0	29	0.0	-	1.4	11	0.3	13	5.2	0.17	69	K&S Corporation	300	+2.7	-3.3	22	0.0	2	1.8	-	0.7	NE	3.8	0.33	90		
Raptis Group	25	+7.1	-4.5	13	0.0	-	1.4	17	1.4	8	3.0	0.17	17	Milnes Holdings	100	+2.7	+0.5	21	0.0	-	1.7	10	0.8	17	5.5	0.34	40		
Supply Network	25	+3.9	-0.4	19	1.																								

Company	STRENGTH RATING				Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n	Company	STRENGTH RATING				Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
	Share Price	Current	4-Wk Chg.	Rank 0-99											Current	4-Wk Chg.	Rank 0-99										
McPherson's Ltd	270	+7.9	+0.5	12	0-3	-	4.0	37	0.4	11	4.4	0.41	111	C.S.R. Ltd	177	+7.0	+3.0	13	2-3	9	0.6	7	0.7	9	Nil	0.94	1,662
Noni B Limited	138	+17.0	+0.2	5	1-0	-	3.1	21	1.1	15	5.1	0.41	42	Strarch Int'l	7	+6.7	+5.1	13	0-0	-	7.0	79	2.4	9	Nil	0.19	3
Sigma Company	522	+6.1	+4.8	14	0-0	7	5.1	22	0.6	23	2.6	0.41	724	ABB Grain Ltd	330	+6.6	-1.7	13	9-0	-	1.3	13	0.5	10	5.2	0.17	151
Nat'l Can	117	+3.2	+0.1	21	0-0	-	0.7	6	0.7	12	4.7	0.42	78	Mincor Resource	33	+6.5	+1.2	13	0-0	-	-	-	1.3	6	Nil	0.86	56
Nufarm Limited	400	+5.5	+2.6	15	1-0	3	2.5	23	0.5	11	4.5	0.43	623	Auspine Ltd	272	+6.4	+2.0	13	1-1	1	0.8	5	0.4	15	5.1	0.74	155
Ludowici Ltd	310	+10.4	+0.8	9	0-1	-	1.5	14	0.5	11	4.5	0.43	44	Boral Limited	480	+6.3	+1.3	14	1-0	8	1.5	10	0.5	14	4.0	0.78	2,740
Villa World	91	+11.3	+0.7	8	2-0	1	1.5	21	0.7	7	9.9	0.43	94	Webster Ltd	55	+6.1	-1.8	14	0-0	-	0.7	13	0.9	5	Nil	0.14	22
Monadelphous Gr	370	+14.1	-0.7	6	0-2	-	2.2	15	0.5	14	3.8	0.44	68	Becker Group	18	+6.1	+1.2	14	3-0	-	0.7	6	1.6	11	Nil	0.32	13
Buderim Ginger	63	+4.4	+0.4	17	3-0	-	0.8	4	0.9	17	4.8	0.44	13	Aircrusing Aust	12	+6.0	+9.9	15	0-0	-	6.0	92	1.7	7	Nil	0.20	1
OAMPS	280	+0.8	-0.1	28	7-0	-	7.2	47	0.5	15	7.1	0.45	201	Q.B.E. Insur.	878	+5.7	+1.1	15	2-1	8	2.2	11	0.6	19	4.0	0.64	5,404
Korvest Ltd	195	+11.2	+1.4	9	0-0	-	1.5	14	0.5	10	5.1	0.46	16	Marybor'gh Suga	725	+5.5	+2.1	15	0-4	-	0.7	7	0.3	9	6.9	0.52	23
Wattyl Ltd	325	+3.3	-1.7	20	4-0	3	1.3	6	0.5	21	2.5	0.46	257	Nufarm Limited	400	+5.5	+2.6	15	1-0	3	2.5	23	0.5	11	4.5	0.43	623
Foodland Assoc	1971	+3.2	+3.4	21	1-0	7	12.0	54	0.4	22	3.8	0.46	2,291	Citic Australia	19	+5.4	+1.3	16	0-0	-	0.2	3	1.5	7	10.8	0.05	15
Sunland Group	58	+0.1	+2.7	32	7-0	-	1.3	18	0.9	7	4.3	0.48	99	Voicenet (Aust)	3	+5.2	+18.0	16	0-0	-	3.3	38	3.4	9	Nil	0.57	10
Investor Info	11	+7.8	-7.1	12	1-1	-	2.8	35	2.4	8	9.1	0.49	6	Steamships Trad	130	+4.9	+3.7	16	0-0	-	0.1	1	0.7	19	3.8	0.22	40
Paperlin X Ltd	502	+0.5	-0.7	29	1-0	8	1.6	12	0.5	13	5.4	0.51	1,803	Joyce Corp.	55	+4.9	-10.9	17	1-0	-	0.8	12	1.0	7	Nil	0.14	11
Waterco Ltd	167	+4.3	+1.8	18	2-0	-	1.5	6	0.6	27	6.6	0.52	32	Adtrans Group	314	+4.9	-0.9	17	1-1	1	2.4	24	0.3	10	6.2	0.15	72
Marybor'gh Suga	725	+5.5	+2.1	15	0-4	-	0.7	7	0.3	9	6.9	0.52	23	Embelton Ltd	230	+4.9	-0.1	17	0-0	-	0.8	7	0.5	12	3.9	0.25	5
Transfield Serv	305	+2.8	+1.9	21	0-0	5	3.0	14	0.7	22	3.3	0.52	421	Kimberley Secur	55	+4.7	+1.2	17	0-0	-	0.9	8	0.6	11	Nil	0.24	8
Maxi TRANS	36	+17.2	-7.3	4	5-0	-	3.3	18	1.4	18	4.2	0.52	47	Ruralco Hold.	305	+4.5	-0.7	17	5-0	-	1.7	17	0.4	10	4.6	0.05	29
Woolworths Ltd	1276	+1.2	+2.3	27	1-1	11	12.5	52	0.4	24	2.6	0.53	13,509	Buderim Ginger	63	+4.4	+0.4	17	3-0	-	0.8	4	0.7	17	4.8	0.44	13
AV Jennings	121	+7.5	+3.5	13	3-0	-	1.4	16	0.9	9	7.9	0.56	260	A.P. Eagers	590	+4.4	+2.8	17	0-1	1	1.3	11	0.4	12	5.3	0.13	101
Sims Group Ltd	888	+8.1	-3.2	11	0-5	4	2.7	16	0.5	17	4.1	0.56	809	Bridgestone	237	+4.4	-2.9	18	0-0	-	0.6	8	0.5	7	4.2	0.17	87
Bolnisi Gold NL	18	+1.8	-4.3	25	0-0	-	-	1.9	7	4.2	0.57	28	Ridley Corp.	159	+4.0	+0.4	19	1-0	3	-	-	0.7	13	2.8	0.30	423	
East African Co	600	+2.0	-0.4	24	0-0	-	-	0.6	24	3.0	0.57	39	Supply Network	25	+3.9	-0.4	19	1-0	-	0.7	9	1.1	8	4.0	0.18	5	
Skansen Holding	41	+7.8	-4.1	12	3-1	-	3.7	43	1.1	9	6.1	0.60	41	F.F.I. Holdings	145	+3.5	+0.7	20	1-0	-	1.2	7	0.5	18	4.8	0.63	8
United Group	283	+1.8	-2.2	25	1-0	4	5.0	32	0.7	16	3.5	0.60	257	Graincorp	1080	+3.2	+1.5	21	4-0	3	1.6	17	0.3	9	7.2	0.62	434
Tamawood Ltd	149	+16.3	-10.0	5	5-3	-	4.0	35	0.8	12	6.7	0.61	40	Nat'l Can	117	+3.2	+0.1	21	0-0	-	0.7	6	0.5	12	4.7	0.42	78
Graincorp	1080	+3.2	+1.5	21	4-0	3	1.6	17	0.4	9	7.2	0.62	434	Crane Group	990	+2.9	+0.5	21	1-0	4	1.6	11	0.3	15	5.1	0.30	506
F.F.I. Holdings	145	+3.5	+0.7	20	1-0	-	1.2	7	0.6	18	4.8	0.63	8	Candle Aust.	98	+2.8	+6.4	21	2-0	1	3.5	29	0.6	12	5.1	0.20	37
Q.B.E. Insur.	878	+5.7	+1.1	15	2-1	8	2.2	11	0.7	19	4.0	0.64	5,404	Milnes Holdings	100	+2.7	+0.5	21	0-0	-	1.7	10	0.6	17	5.5	0.34	40
Wadepack Ltd	174	+9.8	-2.0	9	7-0	-	2.0	27	0.6	7	2.9	0.64	55	Alesco Corp Ltd	441	+2.7	+2.4	22	1-6	2	2.4	15	0.4	16	3.4	0.36	170
G.U.D. Holdings	416	+6.4	-1.8	13	2-0	1	3.3	8	0.5	40	4.0	0.64	253	Hills Indust.	345	+2.6	+0.3	22	2-1	1	3.0	16	0.4	18	5.8	0.74	457

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

MBF Carpenters	30	+67.7	+3.9	0	0-0	-	0.4	2	0.8	20	Nil	0.53	150
Kresta Holdings	34	+37.6	-18.5	1	2-2	-	3.0	35	1.1	9	Nil	0.71	41
Ausdrill Ltd	69	+32.0	+8.0	2	0-2	-	1.2	24	1.0	5	2.2	0.29	62
Cash Converters	8	+28.2	-4.6	2	0-4	-	-	1.9	11	Nil	0.75	11	
Canberra Invest	148	+21.2	-2.9	3	0-0	-	1.3	35	0.6	4	4.7	0.76	46
Skilled Eng.	212	+20.8	+0.0	3	2-2	3	5.6	31	0.7	18	4.7	0.31	188
Austin Group	64	+17.7	-1.7	4	0-5	-	2.7	21	0.6	13	3.1	0.76	37
Maxi TRANS	36	+17.2	-7.3	4	5-0	-	3.3	18	1.1	18	4.2	0.52	47
Noni B Limited	138	+17.0	+0.2	5	1-0	-	3.1	21	1.0	15	5.1	0.41	42
Tamawood Ltd	149	+16.3	-10.0	5	5-3	-	4.0	35	0.6	12	6.7	0.61	40
Coffey Int'l	360	+15.6	-1.8	5	5-0	-	2.8	22	0.4	13	4.2	0.37	41
Oldfields Hold	78	+15.5	+0.9	5	0-0	-	0.8	5	0.5	15	Nil	0.26	6
Sietel Ltd	40	+14.3	+7.6	6	0-0	-	0.4	22	0.8	2	Nil	0.16	3
Monadelphous Gr	370	+14.1	-0.7	6	0-2	-	2.2	15	0.4	14	3.8	0.44	68
Vealls Ltd	150	+13.5	+3.6	6	0-0	-	-	0.4	3	5.5	0.71	7	
Caltex Australia	275	+13.4	+4.5	6	3-0	1	0.7	21	0.8	3	Nil	0.13	743
Telecton Res.	9	+12.2	+6.6	7	1-0	-	-	1.8	7	Nil	0.57	12	
Roberts Ltd	475	+12.2	+0.2	7	0-0	-	1.7	17	0.3	10	6.3	0.33	52
General Publish	10	+11.5	-25.3	8	0-1	-	-	1.9	3	Nil	0.13	2	
Villa World	91	+11.3	+0.7	8	2-0	1	1.5	21	0.5	7	9.9	0.43	94
Fleetwood Corp	362	+11.2	+1.1	8	1-3	-	4.1	23	0.5	18	3.6	0.80	137
Korvest Ltd	195	+11.2	+1.4	9	0-0	-	1.5	14	0.4	10	5.1	0.46	16
Integrated Grp	115	+11.0	-1.3	9	1-0	1	4.0	35	0.8	11	5.7	0.28	79
Schaffer Corp	1390	+10.5	-1.6	9	1-2	-	3.3	26	0.6	13	4.3	0.88	188
Ludowici Ltd	310	+10.4	+0.8	9	0-1	-	1.5	14	0.4	11	4.5	0.43	44
Wadepack Ltd	174	+9.8	-2.0	9	7-0	-	2.0	27	0.4	7	2.9	0.64	55
Tandou Ltd	140	+9.8	-0.4	10	1-0	-	0.7	7	0.5	11	4.3	0.66	31
Sims Group Ltd	888	+8.1	-3.2	11	0-5	4	2.7	16	0.4	17	4.1	0.56	809
McPherson's Ltd	270	+7.9	+0.5	12	0-3	-	4.0	37	0.3	11	4.4	0.41	111
Berklee Ltd	68	+7.8	-0.8	12	0-0	-	0.9	6	0.8	14	5.9	0.86	10
Investor Info	11	+7.8	-7.1	12	1-1	-	2.8	35	1.8	8	9.1	0.49	6
Skansen Holding	41	+7.8	-4.1	12	3-1	-	3.7	43	0.8	9	6.1	0.60	41
Futuris Corp.	171	+7.7	+3.5	12	0-2	6	2.2	13	0.9	17	7.0	0.15	1,056
CMI Limited	172	+7.5	-2.6	12	0-0	1	2.0	22	0.5	9	5.8	0.36	46
AV Jennings	121	+7.5	+3.5	13	3-0	-	1.4	16	0.7	9	7.9	0.56	260
Catalyst Rec'mt	38	+7.2	+2.3	13	0-0	-	1.6	11	1.0	15	4.6	0.15	10
Raptis Group	25	+7.1	-4.5	13	0-0	-	1.4	17	1.0	8	3.0	0.17	17

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

Aneka Tambang	25	-6.1	+1.6	55	0-0	-	-	-	1.0	64	35.1	7.72	2,472
Anglogold Ltd	955	-3.6	-5.9	47	0-0	-	-	-	0.4	4	25.5	0.67	2,126
Lend Lease US	98	+0.0	-0.0	32	1-0	-	-	-	0.4	10	18.7	6.53	502
Adsteam Marine	133	-18.8	-2.6	84	4-0	5	6.3	64	0.5	10	11.3	0.86	304
Sons of Gwalla	200	-30.1	+0.9	96	1-0	5	-	-	0.4				

Company	Share Price	STRENGTH RATING			Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n	Company	Share Price	STRENGTH RATING			Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
		Cur-rent	4-Wk Chg.	Rank												Cur-rent	4-Wk Chg.	Rank									
Pearl Healthcare	12	+8.9	-17.4	10	7.0	-	-	-	2.0	NE	Nil	1.76	9	Ventracor Ltd	122	+16.9	-5.9	5	3.0	-12.2	-	0.6	NE	Nil	N/A	194	
Allegiance Min.	5	+6.3	-9.9	14	6.0	-	-	-	1.7	NE	Nil	N/A	11	HarTec Ltd	17	+1.0	+2.0	28	3.0	-	-	1.0	6	Nil	0.54	19	
Perseverance	19	+7.7	-6.3	12	6.0	-	-	-	0.9	NE	Nil	6.85	47	Methanol Aust.	12	+6.1	-0.3	14	3.0	-	-	1.1	NE	Nil	N/A	16	
Cullen Resource	4	+0.0	-5.5	32	5.0	-	-	-	1.9	NE	Nil	N/A	10	West'n Metals	3	+7.2	-8.2	13	3.0	1	-	2.1	NE	Nil	0.11	48	
Coffey Int'l	360	+15.6	-1.8	5	5.0	-	2.8	22	0.3	13	4.2	0.37	41	Becker Group	18	+6.1	+1.2	14	3.0	-	0.7	6	1.3	11	Nil	0.32	13
Objective Corpo	25	+1.4	+7.0	26	5.0	1	6.1	-	0.8	NE	Nil	3.97	33	Brickworks Ltd	710	+3.4	+0.5	20	3.0	2	1.6	9	0.3	18	2.2	5.61	935
Maxi TRANS	36	+17.2	-7.3	4	5.0	-	3.3	18	0.9	18	4.2	0.52	47	Solar Energy	12	+24.2	+11.5	3	3.0	-	2.0	-	1.6	NE	Nil	2.26	5
Ruralco Hold.	305	+4.5	-0.7	17	5.0	-	1.7	17	0.3	10	4.6	0.05	29	Greater Pacific	2	+5.0	-4.0	16	3.0	-	-	2.7	NE	Nil	N/A	3	
Working Systems	10	+2.1	+5.5	23	5.0	-	10.0	-	1.2	NE	Nil	1.26	8	Straits Res.	51	+6.3	-7.4	14	3.0	-	-	0.6	NE	Nil	0.30	43	
Benitec Ltd	60	+33.2	-3.0	1	5.0	-	60.0	-	0.8	NE	Nil	N/A	31	Lemvest Ltd	280	+31.5	+5.3	2	3.0	-	1.3	-	0.3	NE	Nil	0.28	28
Hallmark Cons.	18	+0.1	-2.0	31	7.2	-	-	-	1.4	NE	Nil	5.20	10	Caltex Australia	275	+13.4	+4.5	6	3.0	1	0.7	21	0.7	3	Nil	0.13	743
Equigold NL	86	+1.6	-2.6	25	10.5	-	-	-	0.5	14	3.5	2.31	128	Con Broken Hill	7	+8.1	+1.0	12	3.0	-	-	1.7	NE	Nil	N/A	14	
Aust Agricult.	95	+5.8	-1.7	15	4.0	2	1.0	11	0.6	9	6.4	1.87	183	Destra Corp Ltd	5	+20.6	+3.2	3	3.0	-	4.5	-	1.7	NE	Nil	2.31	7
Concept Systems	8	+23.3	-0.5	3	4.0	-	7.8	-	1.8	NE	Nil	0.51	17	Buderim Ginger	63	+4.4	+0.4	17	3.0	-	0.8	4	0.5	17	4.8	0.44	13
Primary Health	418	+3.9	+2.5	19	4.0	220.9	32	0.3	66	1.9	3.67	420	MFS Lev Invest.	120	+5.3	+1.3	16	3.0	-	1.2	3	0.6	35	2.7	8.18	17	
Abacus Property	118	+1.8	+1.2	25	4.0	-	1.3	-	0.6	NE	Nil	N/A	319	Coventry Group	450	+4.3	-0.1	18	3.0	-	1.2	3	0.3	34	4.4	0.38	154
Dalrymple Res.	185	+0.3	-5.5	30	4.0	-	-	-	0.8	NE	Nil	N/A	131	General Prop Tr	297	+1.6	+0.5	25	3.0	6	1.1	8	0.3	15	6.9	7.53	5,791
Hills Motorway	572	+8.4	+2.9	11	4.0	9	2.4	6	0.3	44	3.4	N/A	1,058	FTR Holdings	51	+13.3	-4.1	7	3.0	-	1.2	-	1.6	NE	Nil	1.63	18
Aquila Res.	45	+0.9	+2.8	28	4.0	-	-	-	0.7	NE	Nil	N/A	16	Austrim Nylex	28	+0.1	+5.8	31	3.0	1	-	-	1.1	NE	Nil	0.06	67
Macquarie G Mgt	155	+4.9	+2.0	17	4.0	210.3	28	0.7	37	1.3	N/A	388	Willmott Forest	74	+2.4	+6.4	22	4.1	-	0.6	2	0.5	30	4.2	3.02	30	
Graincorp	1080	+3.2	+1.5	21	4.0	3	1.6	17	0.3	9	7.2	0.62	434	FKP Limited	182	+12.3	+2.7	7	4.1	2	1.3	10	0.4	12	5.5	1.04	206
City Pacific	175	+5.4	-6.8	15	4.0	-	9.7	38	0.6	25	2.9	N/A	24	Q Multimediu	4	+26.8	-5.2	2	4.1	-	-	-	1.7	NE	Nil	1.11	5
Green's Foods	62	+13.3	+3.2	7	4.0	-	2.2	9	0.6	26	Nil	0.40	66	Independ. Gold	35	+2.0	-2.7	24	5.2	-	-	-	0.9	NE	Nil	N/A	18
Namoi Cotton	30	+1.4	+1.6	26	4.0	-	0.3	10	1.0	3	5.1	0.07	32	West Aust News	550	+0.7	+0.3	29	2.0	9	14.5	65	0.3	22	4.5	3.84	1,151
Keycorp Ltd	126	+0.5	+0.9	29	4.0	1	-	-	0.9	NE	Nil	0.85	103	TVSN Limited	23	+4.6	-4.6	17	2.0	-	-	-	1.5	NE	Nil	1.97	28
Wattyl Ltd	325	+3.3	-1.7	20	4.0	3	1.3	6	0.3	21	2.5	0.46	257	Candle Aust.	98	+2.8	+6.4	21	2.0	1	3.5	29	0.5	12	5.1	0.20	37
Payce Consol.	120	+11.4	-1.3	8	5.1	-	1.3	-	0.5	NE	Nil	N/A	41	Lakes Oil NL	2	+0.1	-8.8	31	2.0	-	-	-	2.6	NE	Nil	8.08	17
Kagara Zinc Ltd	58	+12.4	-1.9	7	6.2	-	-	-	0.5	NE	Nil	N/A	83	Range River Gld	15	+9.2	-5.4	10	2.0	-	-	-	1.1	NE	Nil	N/A	7
Macquarie Leis.	80	+3.2	+0.8	21	6.2	1	1.1	10	0.6	11	8.8	6.10	115	Aust Assets	75	+9.8	+12.1	10	2.0	-	1.9	-	0.6	NE	Nil	4.68	14
AV Jennings	121	+7.5	+3.5	13	3.0	-	1.4	16	0.6	9	7.9	0.56	260	IBA Health Ltd	14	+1.7	+7.8	25	2.0	-	1.8	-	1.3	NE	Nil	0.89	23

Australian Warrant / Option Analysis

A large number of Australian listed options are virtually worthless. Just a quick glance at the following table shows many options last traded at less than one cent yet are still massively over-valued (i.e. they are worth virtually nothing). Most options have a "Break-even rate" that is simply not achievable and will expire worthless over the next several months.

Nevertheless there are several listed options that are worth consideration by investors seeking to slightly leverage their portfolio.

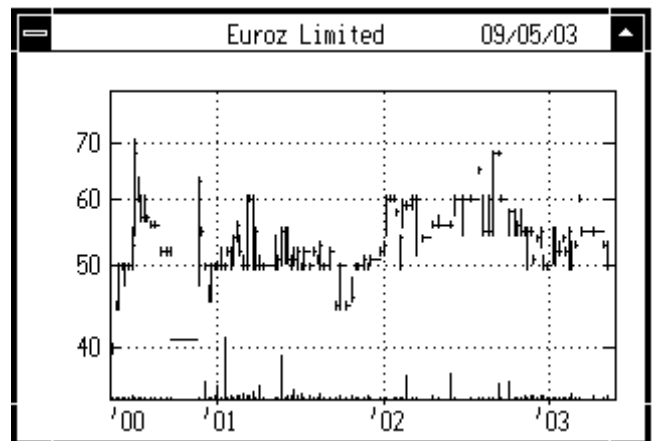
Among the *investment quality* companies, Euroz and Magna Pacific - which we have covered in our past quarterly *Australian Warrant/Option Analysis* - remain attractive.

Speculative options worth consideration at this time include Aeris Technologies, Fox Resources and Sunshine Gas.

Euroz (codes EZL and EZLO).

Small stockbroking company Euroz lifted revenues 32.0% to \$3.9 million for the six months to December 2002. Profits rose 71.4% to \$408,000 - with earnings per share (diluted through share placements) up 39.8% to 1.7 cents. A steady interim dividend of 1.0 cent was paid. The company is debt free and holds cash of \$11.1 million (26.9 cents per share).

The Euroz options will allow investors to buy shares at 50 cents on 30 November 2004. The option leverage is very high at 2.77 times, so if the share price appreciates over the next 18 months then the options will soar rapidly in value.



Magna Pacific (code MPH and MPHOB).

This DVD manufacturer lifted revenues 107.7% to \$14.3 million for the six months to December 2002. Profits increased almost four-fold (i.e. up 279.7%) to \$1,534,000 (2.8 cents per share).

Forecasts for the full year to June 2003 have been upgraded to revenues of (Continued on Page 12)

Australian Warrant/Option Analysis*(Continued from Page 11)*

\$25 million (up 80%) and profits of \$2.15 million (up 200%). In addition, the directors expect "this sort of growth to continue for sometime yet".

The options will allow investors to buy shares at 32 cents on 28 February 2004. With the shares trading at 45 cents the *intrinsic value* of the options is 13 cents (i.e. the value of a share, less the cost of exercising an option). The options are under-valued, trading at just 10 cents!

The only downside with this small, emerging growth company is that the options will significantly *dilute* the capital. The issued capital is currently 55.6 million shares and this will increase to 105.1 million shares if all of the options are exercised.

Magna Pacific is in a strong financial position, with cash of \$6.4 million (11.5 cents per share) and no interest bearing debt. Exercise of the options will boost the cash holding to \$22.2 million (21.2 cents per share on the expanded capital). All of this cash, however, should enable the company to expand rapidly and "continue to seek investment opportunities that will create shareholder wealth".

**Aeris Technologies** (codes AEI and AEIO).

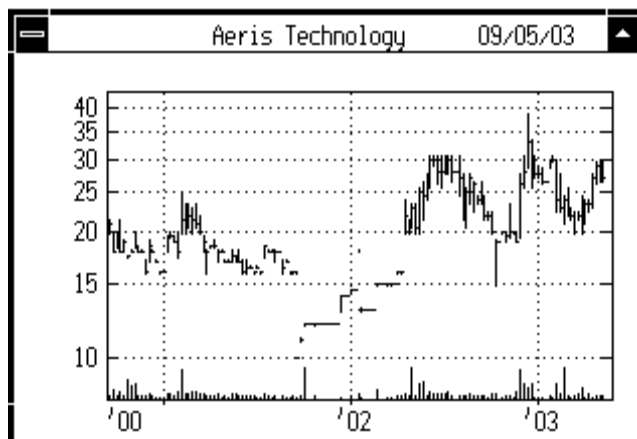
This company - and the options - are speculative as the company has yet to generate any significant revenues from its new technologies to improve air quality in buildings. Nevertheless, the company reports "significant technical and commercial developments" over recent months.

The company, through its French distributor, was approached to treat a recurring legionella problem in the tepid water system used for heating at a major healthcare facility in Paris. The treatment, which adapted the company's technology developed for legionella control in cooling tower water applications, was "very satisfactory" and opens a new market with "significant commercial opportunities".

The company's Malaysian distributor was involved in government monitored testing at four high profile buildings where microbial levels within the air conditioning systems were unacceptably high. Testing after two months with Aeris products installed showed the "process was highly successful" with all four buildings meeting required health standards.

The options are an attractive entry into this high risk company as less of an investor's capital is put at risk.

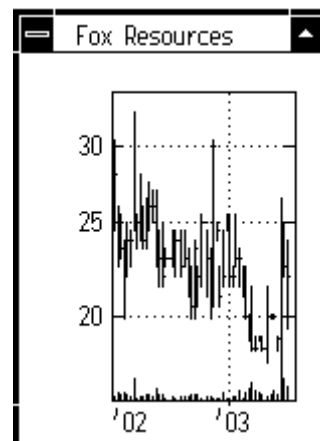
Buying the shares involves risking 27 cents, but only 10 cents in the options. If the company is successful over the next two years, the options can be exercised (at 20 cents), so the total cost of 30 cents is only slight more than the current share price.

**Fox Resources**

(codes FXR and FXRO)
This very small (i.e. \$5.5 million capitalisation) company hopes to re-open the **Radio Hill** nickel mine (built in 1991 at a total cost of around \$70 million) to mine lower grade ore. Continued exploration has also discovered massive sulphide deposits.

The mill and mine could become fully operational within six months of a decision to begin production.

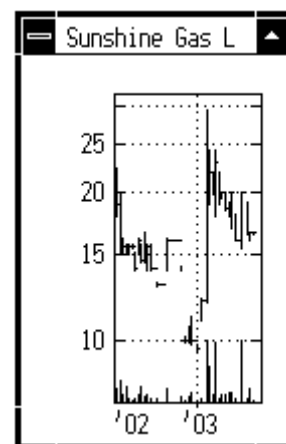
This type of situation is very speculative but buying the options risks only 5-6½ cents, compared with 22 cents buying the shares. A decision to exercise the options is over 2½ years away - by which time the success (or otherwise) of the project should be known.

**Sunshine Gas**

(codes SHG and SHGO)
This is a speculative gas exploration company. Further exploration at three licences will be funded by US based **Samson International** which will spend up to A\$10.55 million on exploration to earn an interest in these prospects.

Sunshine Gas has acquired an interest in two coal bed methane exploration licences.

Exploration is highly speculative but options minimise the investment required to gain an exposure to this type of high risk business.



Company	Share Price	Yr/Mth Exercise Price	to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	Company	Share Price	Yr/Mth Exercise Price	to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
AKD Limited	2	20	1-10	0.3	0.0	+501	0.84	2.89	1.00	+264	Giralia Resources	9	15	0-10	2.8	0.9	+208	0.69	3.27	1.00	+127
Aberdeen Leaders	86	118	0-8	0.2	0.7	-73	0.25	9.99	1.00	+61	Glengarry Resources Ltd	4	15	1-10	1.1	0.2	+495	0.69	2.96	1.00	+130
Acclaim Explor.	2	20	0-11	0.1	0.0	+999	0.74	5.68	1.00	+999	Global Business	2	20	2-7	0.6	0.1	+355	0.93	2.12	1.00	+176
Adamus Resources	30	20	0-1	9.0	10.1	-11	0.75	2.89	1.00	-33	Globe Securities	4	20	0-7	0.1	0.0	+433	0.96	4.57	1.00	+999
Adultshop.com	6	100	0-8	0.1	0.0	+999	1.11	4.49	1.00	+999	Golden State Res	3	10	0-10	0.5	0.0	+999	0.70	4.89	1.00	+460
Adultshop.com	6	175	0-7	0.1	0.0	+999	1.11	5.85	1.00	+999	Golden Valley Mines	2	10	2-4	0.7	0.1	+666	0.72	2.66	1.00	+126
Adultshop.com	6	20	1-1	2.3	1.0	+123	1.11	2.15	1.00	+221	Gondwana Resources Ltd	1	2	0-7	0.1	0.1	-17	0.83	3.27	1.00	+161
Aeris Technologies	27	20	2-1	10.0	12.9	-22	0.61	1.71	1.00	+5	Gowit Ltd	20	25	1-1	6.0	2.5	+137	0.46	3.58	1.00	+50
Afinex Ltd	3	10	2-0	1.3	0.2	+628	0.66	2.82	1.00	+108	Gutnick Resources	6	125	7-4	2.5	5.7	-56	1.58	1.05	1.00	+50
Alkane Explor.	38	35	1-10	16.0	16.2	-1	0.72	1.75	1.00	+17	Hamill Resources	21	20	0-7	3.5	3.1	+12	0.37	4.43	1.00	+21
Allegiance Mining	5	20	0-7	0.4	0.1	+650	0.85	4.65	1.00	+908	Hillcrest Resources	2	20	1-8	0.2	0.0	+999	0.60	5.01	1.00	+300
Allied Mining	14	20	0-1	0.6	0.3	+121	1.10	7.06	1.00	+999	IGM Group	1	20	0-1	0.1	0.0	+999	1.07	9.99	1.00	+999
Amadeus Energy	9	25	1-6	1.8	0.1	+999	0.43	5.25	1.00	+104	latia Ltd	8	25	2-10	1.0	2.2	-55	0.83	1.77	1.00	+52
Amadeus Energy Ltd	9	20	0-6	0.2	0.0	+999	0.43	9.99	1.00	+382	Imperial	1	20	0-2	0.1	0.0	+999	1.09	9.99	1.00	+999
Ambition Group	26	100	1-4	1.0	0.0	+999	0.34	9.99	1.00	+177	Imperial One	1	10	1-1	0.1	0.0	+617	1.09	3.03	1.00	+939
Amity Oil Limited	85	100	1-3	19.5	14.5	+34	0.48	3.09	1.00	+31	Independence Gold	35	20	1-8	17.5	17.2	+1	0.41	1.89	1.00	+4
Amintek Technologies	4	45	1-1	0.1	0.0	+999	0.75	5.17	1.00	+836	Indophila Resources NL	16	25	1-7	4.0	3.4	+18	0.70	2.27	1.00	+49
Antisense Therapeutic	7	20	3-8	2.2	1.4	+58	0.63	1.99	1.00	+40	Integra Medical	2	20	1-7	1.0	0.3	+280	1.24	1.96	1.00	+342
Argonaut Resources	15	30	4-1	4.1	10.3	-60	1.19	1.18	1.00	+23	Intercontinental Gold	1	20	0-1	0.1	0.0	+999	1.07	9.99	1.00	+999
Arrow Energy NL	11	20	1-1	1.6	1.0	+68	0.61	3.38	1.00	+86	JAM Developments	19	25	2-6	1.1	1.9	-43	0.27	4.03	1.00	+15
Astro Mining NL	2	75	6-7	0.9	2.1	-58	2.11	1.01	1.00	+71	Jackson Gold Ltd	16	20	1-8	4.2	4.8	-13	0.74	1.97	1.00	+31
Audax Resources	35	30	0-7	12.0	9.0	+33	0.58	2.86	1.00	+37	Jervois Mining Ltd	3	5	1-9	1.5	0.7	+125	0.72	2.16	1.00	+59
Auridiam Consolidated	3	50	1-1	0.2	0.0	+841	1.05	3.39	1.00	+999	Jetset Travelworld Ltd	13	20	0-1	0.2	0.0	+999	0.52	9.99	1.00	+999
Aust Food & Fibre	29	32	3-1	0.7	6.3	-89	0.28	2.94	1.00	+4	Johnson's Well	6	260	0-1	55.0	0.0	+999	1.23	9.99	1.00	+999
Aust Magnesium	24	125	2-2	2.5	0.1	+999	0.46	4.89	1.00	+118	KCG Mines	2	20	1-6	0.5	0.2	+140	1.09	2.25	1.00	+318
Aust Mining Invest.	6	20	0-4	0.6	0.0	+999	0.61	9.99	1.00	+999	Kalrez Energy Ltd	1	3	1-9	0.1	0.2	-51	1.16	1.69	1.00	+112
Aust Silicon	2	20	0-8	0.1	0.0	+999	1.12	4.15	1.00	+999	Kalrez Energy NL	1	20	0-1	0.1	0.0	+999	1.16	9.99	1.00	+999
Aust United Gold	1	5	0-1	0.1	0.0	+999	1.01	9.99	1.00	+999	Kanowna Lights	2	20	2-1	0.3	0.0	+999	0.66	3.61	1.00	+197
Autogen Ltd	21	125	6-9	6.5	9.9	-34	0.83	1.35	1.00	+32	Kimberley Diamond	33	130	0-2	1.3	0.0	+999	0.46	9.99	1.00	+999
Automotive Ind.	11	15	0-1	0.1	0.0	+999	0.38	9.99	1.00	+999	Legend Mining Ltd	3	15	1-11	0.6	0.5	+14	1.10	1.83	1.00	+155
Aztec Resources	3	20	1-8	0.6	0.0	+999	0.61	4.33	1.00	+231	Lumacom	25	20	0-1	5.2	6.1	-15	1.11	3.31	1.00	+10
Bara Resources	4	25	0-3	0.1	0.0	+999	0.99	9.21	1.00	+999	M2M Corporation	1	20	6-9	0.1	1.3	-92	1.61	1.05	1.00	+49
Barlow (Tony)	0	10	1-7	0.1	0.0	+999	1.01	2.95	1.00	+668	MFS Leveraged Invest	120	150	1-1	7.5	2.9	+162	0.19	9.46	1.00	+29
Bioprospect	8	20	2-8	1.7	2.5	-32	0.83	1.73	1.00	+45	Macmin	8	12	2-4	4.0	2.1	+92	0.66	2.01	1.00	+38
Biotech Capital	28	50	0-4	0.3	0.0	+999	0.26	9.99	1.00	+480	Magna Pacific	45	32	0-9	10.0	15.7	-37	0.49	2.47	1.00	-9
Biron Capital	32	40	1-0	3.0	2.1	+41	0.33	5.33	1.00	+34	Majestic Resources	1	20	0-1	0.1	0.0	+999	0.89	9.99	1.00	+999
Blink Models Ltd	1	10	1-8	0.1	0.1	+24	1.07	2.23	1.00	+300	Medical Monitors	3	20	2-1	0.4	0.3	+31	0.88	2.27	1.00	+147
Bounty Oil	8	20	0-8	1.1	0.2	+357	0.78	4.06	1.00	+354	Medical Monitors	3	80	0-1	0.1	0.0	+999	0.88	9.99	1.00	+999
Bullion Minerals	6	20	1-1	0.3	0.2	+24	0.80	3.24	1.00	+234	Metabolic	51	20	0-2	34.0	31.2	+9	0.45	1.64	1.00	+41
Burns Philp	68	20	0-3	47.5	48.2	-1	0.36	1.41	1.00	-3	Metal Storm Ltd	35	65	1-3	12.0	1.9	+521	0.49	4.06	1.00	+88
Cape Range Wireless	2	5	1-4	1.0	0.4	+124	0.93	2.12	1.00	+112	Metex Resources	6	20	1-1	1.0	0.2	+316	0.75	3.43	1.00	+218
Cardia Technologies	8	20	1-1	1.5	0.8	+94	0.81	2.81	1.00	+149	Midware Ltd	5	20	0-4	0.1	0.1	+16	1.25	4.08	1.00	+999
Central Equity	164	220	1-11	4.5	1.9	+134	0.13	9.99	1.00	+18	Mikoh Corporation Ltd	3	20	1-2	0.5	0.1	+809	0.84	3.47	1.00	+405
City Pacific	175	30	3-1	132.0	149.2	-12	0.45	1.17	1.00	-2	Millepede International	15	20	2-7	3.9	2.7	+47	0.40	2.76	1.00	+21
City Pacific	175	100	3-3	82.0	99.3	-17	0.45	1.59	1.00	+1	Mineral Commodities Ltd	16	25	1-0	2.7	1.5	+78	0.56	3.53	1.00	+73
Cleanwater Group Ltd	21	20	1-8	9.5	7.0	+36	0.61	2.05	1.00	+25	Minotaur Resources	59	20	0-7	42.0	39.8	+6	0.78	1.46	1.00	+9
Clover	52	30	1-2	26.0	25.6	+2	0.57	1.84	1.00	+7	Molopo Australia NL	3	20	0-4	0.1	0.0	+999	0.48	9.99	1.00	+999
Cluff Resources	1	4	0-7	0.1	0.0	+999	0.66	9.13	1.00	+999	Mt Gibson Iron	10	25	0-7	0.2	0.1	+192	0.60	6.29	1.00	+388
Cobra Resources	0	10	1-1	0.1	0.0	+999	1.06	3.87	1.00	+999	Namakda Diamonds	9	40	0-2	0.3	0.0	+999	0.70	1.00	1.00	+999
Cockatoo Ridge Wines	59	55	2-7	18.0	17.8	+1	0.35	2.44	1.00	+9	New Horizon Energy Ltd	6	20	3-1	3.0	1.8	+68	0.84	1.71	1.00	+55
Conquest Mining	2	20	2-1	0.2	0.1	+95	0.99	2.25	1.00	+248	Nexus Energy	3	18	1-2	0.3	0.2	+50	1.17	2.34	1.00	+451
Cooper Energy	11	20	0-10	2.5	0.2	+933	0.45	5.75	1.00	+136	Niagara Mining Ltd	3	20	1-6	1.0	0.2	+491	0.92	2.62	1.00	+266
Customers Ltd	3	20	0-4	0.5	0.0	+999	0.66	1.00	1.00	+999	Olea Australia	9	25	2-6	2.3	2.8	-17	0.90	1.71	1.00	+56
Datafast Telecom.	1	20	2-6	0.1	0.1	-19	1.39	1.60	1.00	+307	Optima ICM	9	48	0-3	0.1	0.0	+999	0.76	17.58	1.00	+999
De Grey Mining Ltd	11	20	2-1	2.6	2.3	+11	0.65	2.23	1.00	+41	Oriel Communications	1	25	1-4	0.1	0.1	+35	1.32	2.24	1.00	+821
Didasko	5	10	1-5	1.5	1.3	+14	0.96	1.93	1.00	+80	Oriel Communications Ltd	1	25	1-4	0.1	0.1	+35	1.32	2.24	1.00	+821
Dioro Exploration NL	12	18	0-8	1.1	0.5	+112	0.46	5.40	1.00	+93	Pacific Strategic	22	30	0-10	0.4	0.5	-21	0.29	7.93	1.00	+47
Dolomatrix Int'l	10	8	1-1	3.6	4.8	-25	1.00	1.63	1.00	+15	Paladin Resources	1	15	0-0	0.1	0.5	-80	0.96	7.93	1.00	+999
Dromana Estate	51	150	2-4	4.0	8.1	-51	0.70	2.25	1.00	+61	Paladin Resources Ltd	1	10	0-8	0.1	0.0	+999	0.96	5.13	1.00	+999
Dwyka Diamond	19	60	0-1	0.1	0.0	+999	0.93	9.99	1.00	+999	Patrick Corporation	1370	875	1-7	530.0	572.1	-7	0.29	2.27	1.00	+2
E-Star Online	5	50	0-1	0.1	0.0	+999	0.82	9.99	1.00	+999	Penfold Buscombe Ltd	35	100	1-10	0.5	3.7	-87	0.68	2.62	1.00	+78
Earth Sanctuaries Ltd	18	350	1-10	0.1	0.3	-68	0.94	2.81	1.00	+413	Pilbara Mines	11	20	1-10	3.0	1.9	+60	0.65	2.39	1.00	+53
East Corporation	5	20	0-1	0.1	0.0	+999	0.92	1.00	1.00	+999	Platinum Australia	34	20	1-3	17.0	16.3	+4	0.52	1.88	1.00	+7
Eastland Medical	65	35	0-7	31.0	39.8	-22	1.50	1.42	1.00	+3	Precious Metals	7	200	2-6	0.4	0.0	+999	0.50	6.12	1.00	+276
Echo Technology	3	35	2-1	0.5	0.2	+134	1.05	2.12	1.00	+257	Prima BioMed	25	20	1-1	11.0	9.2	+20	0.65	2.10	1.00	+23
Ellex Medical Laser	35	50	1-2	8.0	7.1	+13	0.71	2.47	1.00	+54	Q-Mastor	18	25	2-7	3.0	6.7	-55	0.71	1.75	1.00	+19
Ellex Medical Lasers	35	100	1-0	1.5	1.4	+5	0.71	3.61	1.0												

Company	Yr/Mth	Share	Exercise	to	Black	Option	Share	Option	Options	Break	Company	Yr/Mth	Share	Exercise	to	Black	Option	Share	Option	Options	Break
	Price	Price	Expiry	Price	Scholes	Over/	Vola-	Lev-	to Buy	Even		Price	Price	Expiry	Price	Valuation	Over/	Vola-	Lev-	to Buy	Even
					Valuation	Under-	tility	age	1 Share	Rate						Valuation	Under-	tility	age	1 Share	Rate
SP Telecom.	100	25	2-12	75.0	78.3	-4	0.36	1.27	1.00	+0	Tectonic Resources	9	20	1-1	2.0	0.8	+152	0.72	3.04	1.00	+128
Safe Effect Tech.	13	20	0-7	1.5	2.1	-28	0.96	2.69	1.00	+137	Teleton	6	20	1-7	1.8	0.0	+999	0.00	9.99	1.00	+126
Select-Tel Ltd	4	20	3-8	0.7	1.9	-64	1.12	1.35	1.00	+57	Terraplanet Ltd	1	10	2-0	0.1	0.0	+999	0.79	3.39	1.00	+349
Senetas Corporation	6	20	1-0	2.3	0.0	+999	0.55	5.68	1.00	+278	Terraplanet.com	1	100	1-6	0.2	0.0	+999	0.79	1.00	1.00	+999
Simon Gilbert	11	100	1-7	0.1	0.0	+105	0.69	4.12	1.00	+315	Tiger Resources	4	10	2-1	0.7	1.1	-38	0.82	1.92	1.00	+53
Solar Energy Systems	12	30	1-7	2.0	2.4	-17	0.88	2.10	1.00	+86	Tuart Resources	0	20	0-1	0.1	0.0	+999	0.68	9.99	1.00	+999
Sphere Investments	13	29	1-1	0.6	2.2	-72	0.97	2.26	1.00	+122	Union Capital	3	100	1-10	0.2	0.0	+999	0.71	5.08	1.00	+649
Spinifex Gold	40	20	3-1	9.2	26.4	-65	0.65	1.37	1.00	-10	Universal Resources Ltd	8	20	2-2	1.7	0.9	+89	0.58	2.74	1.00	+58
St Barbara Mines	5	30	0-9	0.9	0.0	+999	0.63	7.77	1.00	+999	VRI Biomedical	34	75	2-9	9.8	4.1	+141	0.49	2.74	1.00	+40
St Francis	2	20	0-0	0.1	0.0	+999	0.94	7.77	1.00	+999	Valderra Resources Ltd	7	25	2-0	0.8	0.8	+6	0.73	2.47	1.00	+92
Stratatel Limited	5	25	2-3	0.5	1.4	-65	1.10	1.66	1.00	+104	Virax Holdings Ltd	20	50	2-7	5.6	10.5	-47	1.22	1.35	1.00	+50
Sub-Sahara Resources	2	20	0-7	0.1	0.0	+999	0.93	5.56	1.00	+999	Vital Capital	22	20	6-0	9.0	10.3	-13	0.36	1.73	1.00	+5
Subsorb Environmental	4	15	0-3	0.2	0.0	+999	0.47	9.99	1.00	+999	Voyager Energy	15	20	0-1	0.1	0.0	+366	0.55	9.99	1.00	+999
Sun Capital	1	20	0-4	0.2	0.0	+999	0.95	1.00	1.00	+999	WRF Securities	18	35	1-7	1.2	1.8	-34	0.58	3.01	1.00	+58
Sun Resources NL	8	15	2-1	2.5	2.2	+13	0.77	1.93	1.00	+46	West Oil NL	1	10	0-1	0.1	0.0	+999	0.87	9.99	1.00	+999
Sunshine Gas Ltd	17	20	1-1	3.0	6.2	-51	1.05	1.77	1.00	+36	Westonia Mines Ltd	39	20	3-3	22.0	25.8	-15	0.65	1.36	1.00	+2
Swiftel Ltd	4	10	1-10	0.4	0.7	-40	0.78	2.24	1.00	+73	Willhart	9	35	0-5	0.1	0.1	+9	1.07	4.41	1.00	+999
Sylvannia	17	20	2-1	6.0	5.1	+17	0.61	2.03	1.00	+24	Wine Investment Fund	12	25	3-7	2.0	3.7	-46	0.64	1.81	1.00	+25
Synergy Equities Group	1	20	1-1	0.1	0.0	+999	0.78	5.69	1.00	+999	Xcell Diagnostics	5	20	1-4	0.9	0.4	+148	0.85	2.72	1.00	+192
Tasman Resources	12	20	2-9	6.0	5.5	+10	0.90	1.51	1.00	+32	Yamana Goldfields	1	20	1-8	0.1	0.0	+999	0.79	4.36	1.00	+722
Tawana Resources	70	50	0-1	16.0	20.3	-21	0.61	3.37	1.00	-51	Yilgarn Gold Ltd	5	10	2-0	2.0	0.9	+134	0.63	2.41	1.00	+55
											Zylotech Limited	1	6	1-10	0.1	0.0	+103	0.83	2.64	1.00	+184

Total Return Index for All Listed Shares

Apr 7	1651.94		
Apr 8	1666.89		
Apr 9	1666.46		
Apr 10	1669.18		
Apr 11	1673.85		
Apr 14	1680.90	Apr 21	Holiday
Apr 15	1691.58	Apr 22	1692.27
Apr 16	1686.45	Apr 23	1694.08
Apr 17	1684.94	Apr 24	1695.29
Apr 18	Holiday	Apr 25	Holiday
Apr 28	1688.43	May 5	1687.86
Apr 29	1689.24	May 6	1688.71
Apr 30	1687.83	May 7	1685.36
May 1	1694.67	May 8	1689.67
May 2	1692.31	May 9	1682.25

Current Issues

SHARE REPURCHASES

Details

Designer Textiles	15%, off market
Hellaby Holdings	4%, on-market
Provenco (Advantage)	16%, on-market
Sky City Entertainment	2½-3¾%, on-market
Steel & Tube	9.99%, on-market

CASH ISSUES

Appln

	Ratio	Price	Ex-Date	Date
Richina Pacific	1:1	US\$0.14½	21-04	23-05

NEW ISSUES

	Price	Date	EPS	DPS
Promina	A\$1.40	02-05	17.8	7.1

Dividends

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Calan Healthcare	1.6918	19-05	03-06	0.3082
Contact Energy	5.50	26-05	30-05	Full
Guinness Peat Group	1.00p	31-03	19-05	Nil
Kirkcaldie & Stains	7.00	12-05	19-05	Full
National Property Trust	2.25	26-05	06-06	Full
Powerco	8.00	09-06	20-06	Nil
Property For Industry	1.35	05-05	09-05	0.30
Restaurant Brands NZ	5.50	26-05	23-05	Full
Scott Technology	6.00	28-04	01-05	Full
Sky City Entertainment	21.00	24-03	04-04	Full
Williams & Kettle	11.00	-	-	Full

Australian Shares

(None of our recommended shares)

Next Issue

The next issue of *Market Analysis* will be posted in four weeks time on Tuesday June 10, 2003 (and delivered in most areas on Wednesday 11).

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

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