

Market Analysis

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Inside Market Analysis

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

Summary and Recommended Investment Strategy.

Our stockmarket Forecasts are favourable, so investors should be fully invested in the recommended shares. Following a 3½ year decline, rationalisation and now emerging profitability, the Technology sector offers many excellent investment opportunities.

Investment Outlook.

Our Forecasting models are now firmly Bullish (i.e. favourable) for the Australian stockmarket and moderately Bullish for the New Zealand stockmarket.

Potential in Technology Companies

During the boom of 1999/2000 this newsletter regularly warned against investment in this sector - as most Technology companies had little in the way of revenues, no prospect of profit in the foreseeable future and dependent upon raising new equity capital from investors to finance their operations. Cut off from that new capital during the bust, most Technology companies have disappeared. During the downturn, however, this newsletter regularly commented upon the increasing value emerging amongst the Technology companies that were building viable businesses.

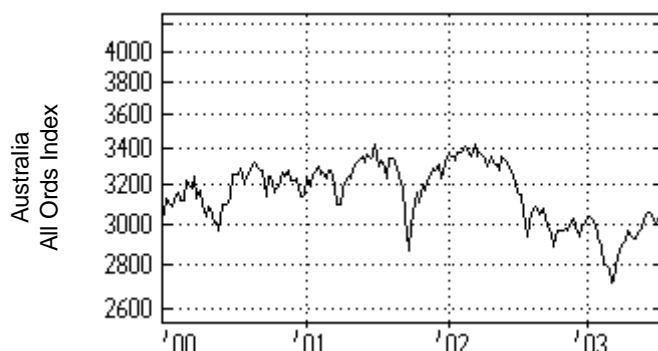
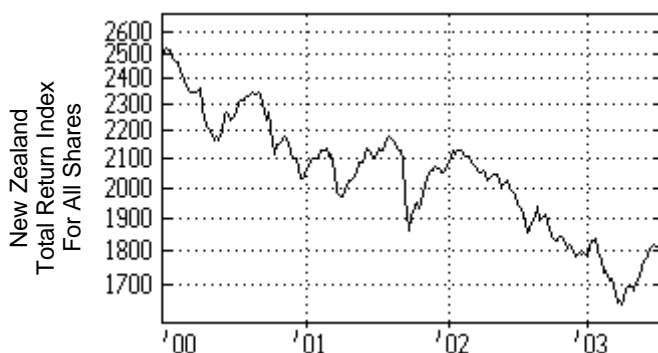
The prices of many technology shares have started to recover over recent months. The global stockmarket recovery has helped - improving sentiment towards a sector that had become *out of favour* and *depressed*. Just as importantly, however, many technology companies have now established *profitable businesses generating positive cashflows!!*

“Internet Economics” was just the fraudster's equivalent of the *Emperor's New Clothes*. Most Technology companies *were naked*. The old valuation methods *did still* apply. The world economy changes, but basic investment principles remain the same.

During the Technology boom we avoided that sector and bought *out of favour, under-valued* shares like **Flight Centre, Toll Holdings, Steet & Tube** and **McPhersons**. (Continued on Page 16)

Stockmarket Forecasts

	One-Month	One-Year
Australia:	67% (Bullish)	75% (Bullish)
New Zealand:	67% (Bullish)	62% (Bullish)



Performance Forecasts

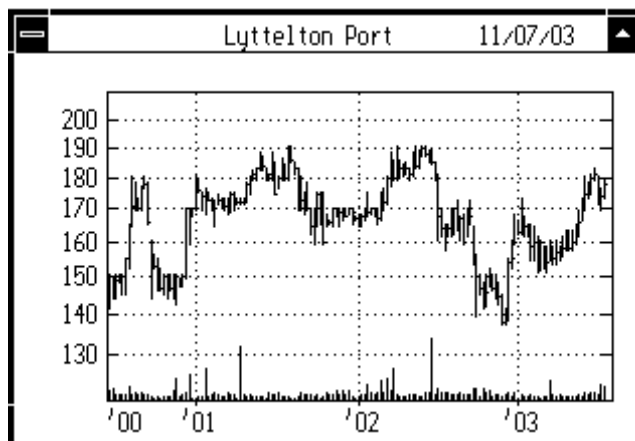
"Performance Forecasts" are computer generated predictions of the relative future price performance of a company's shares over the next three to six months. Performance Forecasts are calculated for every listed NZ share (except Investment Trusts) on a rating scale using the letters "A" (Highest potential 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/Sales Ratio					P/E Ratio					Gross Yield				
Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield	Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield	Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield	Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
AMP Limited	C	583	0.90	8	10.7	Hallenstein G.	A	285	0.95	15	9.7	Renaissance	C	34	0.11	NE	13.2		
AMP NZ Office	D	81	8.27	13	8.8	Hellaby Hold.	A	436	0.63	15	6.2	Restaurant Brds	C	133	0.42	10	11.2		
AXA Asia Pac.	B	265	0.94	13	4.5	Heritage Mining*	N/R	5.0	N/A	NE	Nil	RetailX Limited	D	6.0	1.37	NE	Nil		
Affco Holdings	C	21	0.05	10	Nil	Horizon Energy	B	366	3.71	16	8.6	Richina Pacific	D	33	0.06	4	Nil		
Air New Zealand	E	52	0.34	NE	Nil	IT Capital Ltd	E	0.9	2.00	NE	Nil	Richmond Hold.	C	312	N/A	NE	Nil		
Akd Int Airport	B	585	N/A	28	3.4	Ind Newspapers	B	422	2.04	36	3.0	Rocom Wireless	C	25	0.55	NE	Nil		
Allied Farmers	B	203	0.22	6	11.8	Infratil NZ	C	208	3.08	14	2.9	Rubicon Limited	D	70	N/A	14	Nil		
Apple Fields	C	4.0	3.42	17	Nil	KidICorp	D	24	N/A	NE	Nil	Ryman Health.	B	183	1.94	12	4.1		
Beauty Direct	E	8.0	2.13	NE	Nil	Kingsgate Int'l	E	21	1.62	8	Nil	Sanford Limited	C	490	1.19	13	6.1		
Blis Technology	E	32	N/A	NE	Nil	Kirkcaldie & St	C	345	0.65	16	5.2	Savoy Equities	D	1.7	5.00	NE	Nil		
Botry-Zen Ltd	E	13	N/A	NE	Nil	Kiwi Property	C	103	8.00	13	8.3	Scott Tech. Ltd	B	242	1.83	22	6.8		
Brierley Invest	C	75	6.96	48	Nil	Lion Nathan Ltd	A	607	1.74	18	3.2	Selector Group	E	1.8	3.53	NE	Nil		
Briscoe Group	C	196	1.38	17	5.1	Lytelton Port	A	178	2.92	11	9.2	Shotover Jet	C	87	1.53	11	2.1		
Broadway Ind	C	53	0.29	9	2.8	Mainfreight Grp	B	139	0.27	12	7.0	Skellmax Indust	B	120	1.19	10	8.7		
CACI Group Ltd	C	41	0.45	14	Nil	Metro. LifeCare	B	140	1.20	12	Nil	Sky City Leisur	C	122	0.14	11	Nil		
CDL Hotel NZ	D	28	0.51	6	7.5	Michael Hill	B	450	0.81	14	5.6	Sky City Ltd	B	890	3.60	19	6.4		
CDL Investments	D	25	1.96	8	9.6	Mid-Cap Index*	N/R	200	N/A	NE	Nil	Sky Network TV	C	453	6.05	NE	Nil		
Cabletalk Group	C	42	0.33	NE	Nil	Mooring Systems	C	140	N/A	NE	Nil	Software of Exc	C	150	1.91	NE	Nil		
Cadmus Tech Ltd	C	9.4	2.03	NE	Nil	Mowbray Collect	D	83	1.81	NE	3.6	South Port NZ	C	147	2.72	14	6.6		
Calan Hlthcare	C	84	6.92	13	8.1	Mr Chips Hold	D	109	1.03	26	4.1	Southern Cap	C	64	3.33	10	Nil		
Cap Properties	C	88	2.84	10	10.4	NGC Holdings	C	160	1.75	22	4.1	Spectrum Res.	D	1.5	1.07	NE	Nil		
Carter Holt	D	168	0.71	16	4.5	NZ Experience	C	20	N/A	10	Nil	Steel & Tube	A	360	0.96	18	7.9		
Cavalier Corp	A	460	1.76	22	5.8	NZ Exchange Ltd	E	456	N/A	NE	Nil	Strathmore Grp	C	1.1	N/A	NE	Nil		
Cedenco Foods	C	170	0.98	6	Nil	NZ Invest Trust*	N/R	505	N/A	NE	1.6	Submarines Aust	C	0.5	0.26	NE	Nil		
Cert Organics	D	7.8	2.73	NE	Nil	NZ Oil and Gas *	N/R	30	2.39	NE	Nil	Summit Gold Ltd*	N/R	4.5	N/A	NE	Nil		
Col FS Property	D	103	5.94	18	10.2	NZ Refining Co	B	1665	2.47	11	13.4	Tag Pacific Ltd	D	9.5	0.20	NE	Nil		
Col Motor Co	B	300	0.22	10	10.4	NZIJ.co.nz	E	30	2.33	NE	Nil	Taylor's Grp Ltd	B	180	0.82	13	7.0		
Commsort Group	D	0.3	0.04	NE	Nil	Nat'l Property Tr	C	95	5.82	15	9.5	TeNZ *	N/R	96	N/A	NE	Nil		
Contact Energy	B	471	2.59	23	6.0	Newcall Group	E	3.2	0.19	NE	Nil	Telecom Corp	B	505	1.71	14	5.9		
Cube Capital	D	5.0	0.17	NE	Nil	Newmarket Prop.	C	52	3.96	9	12.6	Tourism Hold.	D	118	0.59	47	3.8		
Cue Energy Ltd *	N/R	5.4	1.44	13	Nil	Northland Port	B	290	6.44	24	5.7	Tower Limited	D	157	0.47	NE	9.6		
DB Breweries	B	666	1.17	17	6.1	Nuhaka Forestry	C	550	1.04	NE	16.5	Trans-Tasman	D	31	2.25	18	Nil		
Dairy Brands	D	63	7.29	NE	Nil	Nuplex Indust	A	389	0.55	12	6.5	Tranz Rail Hold	D	97	0.25	NE	Nil		
Design Textiles	C	94	N/A	10	4.8	Opio Forestry	E	53	9.50	NE	Nil	Trust Power Ltd	B	480	1.46	NE	3.9		
Dorchester Pac	B	155	0.54	7	7.2	Otter Gold Mine*	N/R	29	0.68	NE	Nil	Turners Auction	C	330	N/A	NE	Nil		
Ecademy Hold.	E	0.3	4.29	NE	Nil	Owens Group Ltd	D	95	0.12	19	3.1	Utilico Int'l	D	58	5.89	7	Nil		
Ebos Group Ltd	B	303	0.40	14	7.1	Ozzy (Tortis)*	N/R	193	N/A	NE	Nil	Vending Tech.	D	114	1.77	13	Nil		
Eldercare NZ	D	20	0.93	NE	Nil	Pac Edge Bio.	E	5.0	5.68	NE	Nil	Vertex Group	B	170	0.63	15	12.5		
Evergreen	E	49	3.27	11	Nil	Pacific Retail	C	212	0.21	7	Nil	WN Drive Tech.	C	43	N/A	NE	Nil		
F & P Health.	A	1150	5.65	16	6.5	Paramount Prop.	C	99	5.58	9	9.9	Wakefield Hosp.	C	155	0.81	19	2.9		
F & P Appliance	A	1296	1.01	11	7.6	Port Tauranga	B	426	5.20	23	5.8	Warehouse Group	B	492	0.80	18	4.1		
FC - Forests	D	118	0.99	9	Nil	Ports Auckland	A	755	5.05	18	5.9	Waste Mgmt NZ	A	358	2.27	27	3.1		
Finzsoft Solns	D	95	1.98	NE	Nil	Powerco Limited	B	164	2.26	14	8.5	Williams Kettle	B	400	0.32	8	8.6		
Fletcher Build.	A	366	0.43	14	5.7	Property F Ind.	C	92	N/A	16	7.6	World Index Fd *	N/R	113	N/A	NE	Nil		
GDC Communicat.	C	76	0.42	8	6.9	Provenco Group	D	27	0.37	10	Nil	Wrightsons Ltd	B	123	0.25	8	14.0		
Genesis Res.	C	114	1.92	NE	Nil	Pure NZ Limited	D	5.5	5.34	NE	Nil	Ave of 139 Cos	C	199	0.52	19	3.7		
Guinness Peat	B	155	0.62	7	2.0	Pyne Gould G.	B	121	0.47	10	10.5								
AMP Div. Prop	B	311	N/A	16	6.5	Corp Express	B	463	1.16	20	1.7	OPSM Group Ltd	B	377	1.03	20	3.8		
AMP Ltd	C	517	1.23	NE	8.9	Crane Group	A	1025	0.31	15	4.9	Oil Search Ltd	B	83	2.01	10	1.8		
AMP Office Trt	B	120	N/A	14	7.7	DCA Group Ltd	B	210	2.85	24	2.6	Onesteel Ltd	B	188	0.34	22	3.5		
AMP Shop Centre	B	174	8.75	17	6.4	David Jones	B	142	0.33	87	4.9	Orica Ltd	A	1126	0.74	15	3.9		
ANZ Bank	A	1779	1.67	12	4.8	Deutsche Office	B	113	6.64	12	8.8	Origin Energy	B	427	1.14	22	1.2		
APN News Media	A	370	1.51	18	4.3	Deutsche Div Tr	B	119	8.09	13	7.6	Pacifica Group	A	372	0.48	12	5.4		
AWB Limited	B	386	0.45	10	6.5	Deutsche Ind Tr	B	175	7.02	15	8.6	Paperlin X Ltd	C	460	0.47	12	5.9		
AXA Asia Pac	B	239	1.39	13	4.1	Djerriwarrh	B	353	N/A	18	6.1	Patrick Corp	B	1221	2.53	22	1.6		
Adelaide Bright	A	123	1.36	13	4.3	Dowener EDI Ltd	B	75	0.30	13	3.2	Perp Trust Aust	B	3073	3.94	15	5.2		
Adelaide Bank	A	808	1.42	17	4.0	Envestra	C	104	2.73	NE	9.1	Principal Off.	C	159	N/A	NE	Nil		
Alinta Limited	A	570	2.33	16	4.4	Fairfax (John)	C	283	1.74	39	3.9	Publishing & Br	B	974	2.52	24	2.2		
Alumina Ltd	B	448	1.99	29	2.9	Flight Centre	B	2158	0.53	31	1.7	Q.B.E. Insur.	B	914	0.66	20	3.8		
Amcor Ltd	B	833	0.80	8	3.4	Foodland Assoc	A	1906	0.45	21	3.9	Qantas Airways	C	333	0.46	12	5.1		
Aneka Tambang	C	25	7.72	64	35.1	Foster's Group	B	418	1.71	15	4.1	Ramsay Health	B	402	0.92	17	2.7		
Anglogold Ltd	B	960	0.67	4	25.4	Futuris Corp.	A	175	0.15	17	6.9	Reece Australia	A	735	1.15	17	2.3		
Ansell Ltd	D	610	0.51	NE	Nil	GWA Internat'l	B	280	1.26	17	6.1	Rinker Group	A	510	0.96	9	1.4		
Aquarius Plat.	C	681	3.11	14	Nil	Gandel Retail	B	139	9.18	16	6.4	Rio Tinto Ltd	A	3007	0.81	14	3.4		
Argo Investment	B	467	N/A	29	3.2	General Prop Tr	B	294	7.46	15	6.9	Rural Press Ltd	B	630	1.63	13	2.4		
Aristocrat	B	152	0.71	9	7.9	Guinness Peat	B	140	0.64	8	1.9	Santos Ltd	B	595	2.24	11	5.0		
Aust Pharm. Ind	B	256	0.23	25	5.1	Gunn's Ltd	A	1168	1.79	18	2.3	Seven Network	A	533	1.23	22	3.8		
Aust Stock Exch	B	1294	6.27	22	3.1	Harvey Norman	B	254	2.31	21	1.8	Sigma Company	A	602	0.47	27	2.2		
Aust Pipeline	B	306	3.05	20	7.0	Hills Motorway	B	558	N/A	43	3.5	Sims Group Ltd	B	885	0.56	16	4.1		
Aust Foundation	B	344	N/A	31	4.1	ING Indust Trt	B	172	N/A	13	7.8	Smorgon Steel	B	115	0.33	20	5.7		
Aust Gas Light	B	1078	1.45	24	4.8	ING Office Fund	B	116	6.46	12	9.1	Sonic Health	B	680	2.04	52	2.9		
Austereo Group	B	143	2.29	11	5.5	Iluka Resources	B	434	1.01	9	5.1	Soul Pattinson	B	575	3.48	19	2.4		
Australand Hold	A	158	0.72	9	7.6	Insurance Aust.	C	353	1.11	NE	3.0	Southcorp Ltd	B	285	0.75	7	7.7		
BHP Billiton	B	900	1.02	9	2.7	Investa Prop.	B	196	6.30	13	7.5	Spotless Group	C	352	0.33	23	6.3		
BHP Steel Ltd	C	400	0.69	NE	Nil	Ivanhoe Mines	D	1200	N/A	NE	Nil	St George Bank	A	2100	2.67	24	3.8		
Bank of O'land	A	835	3.12	19	3.5	James Hardie	A	680	2.62	54	1.4	Sthn Cross Brd.	B	870	1.54	16	6.6		
Bank of W. Aust	A	429	3.74	16	4.5	Jupiters	B	635	1.61	16	3.3	Sthn C. Fliers	D%	10775	N/A	NE	Nil		
Bendigo Bank	A	806	3.43	20	3.6	Leighton Hold	B	950	0.51	15	4.4	Stockland	B	511	5.08	17	5.8		
Bidvest	B	395	0.22	13	2.6	Lend Lease Corp	B	844	0.29	16	2.1	Suncorp-Metway	B	1210	1.41	20	4.5		
Billabong Int'l	B	620	2.48	20	3.1	Lend Lease US	B	98	6.53	10	18.7	TAB Ltd	A	328	1.65	19	4.0		
Boral Limited	A	528	0.86	16	3.6	Lihir Gold	C	134	4.35	17	Nil	Tabcorp Holding	A	1074	2.03	15	5.9		
Brambles Ind.	C	469	0.46	8	4.3	Macquarie Good.	A	153	5.99	13	7.7	Telstra	B	457	1.40	8	4.8		
Brickworks Ltd	A	779	6.16	20	2.0	Macquarie Bank	B	2916	2.19	18	3.2	Ten Network	D	230	1.31	NE	Nil		
Bristle Ltd	A	387	2.02	15	4.1	Macquarie Off.	B	115	8.57	13	9.5	Toll Holdings	B	731	1.49	27	1.4		
Burns Philp	B	73	0.42	4	Nil	Macquarie Infra	B	337	5.93	13	2.7	Transurban Grp	C	472	N/A	NE	0.5		
C'wh Prop Off.	B	118	8.44	14	7.5	Macquaries Air.	A	156	N/A	31	3.5	UNITAB Ltd	A	589	2.12	30	2.5		
C.S.R. Ltd	A	187	0.24	3	9.1	Macquarie C'Wde	B	170	9.89	14	7.								

Recommended Investments

Lyttelton Port Company has released its volume statistics for the year to 30 June 2003. Container volumes rose 2% - exceeding the company's mid-year forecast - to 134,000 TEUs (i.e. twenty foot equivalent units). 30% of that traffic was in 40 foot containers, up from 27% the previous year. Coal volumes reached a record 2.0 million tonnes, up 9%. Bulk fuels were down 4.7% to 1,043,000 tonnes. Motor vehicle imports exceeded expectations with a 10.3% increase to 52,300 units. Log export volumes fell 7.3% (after the previous year's record volumes) to 174,600 tonnes. Ship visits fell 3.1% to 1,469.

Despite a lot of changes during the year, total volumes were remarkably stable. The company expects similar volumes for the June 2004 (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
NZ Shares													
BUY	CDL Investments Ltd	CDI	12/01/99	25	D	187.1	2.0	1.96	8	9.6	25	7.7	+31%
HOLD	Cavalier Corporation	CAV	05/12/95	156*	A	63.0	0.7	1.76	22	5.8	460	111.0	+266%
HOLD+	Colonial Motor Company	CMO	10/11/92	150	B	27.9	0.6	0.22	10	10.4	300	240.8	+261%
BUY	Lyttelton Port Company	LPC	12/12/00	150	A	101.8	1.0	2.92	11	9.2	178	25.0	+35%
HOLD	Michael Hill Int'l Ltd	MHI	11/06/91	46*	B	38.5	0.5	0.81	14	5.6	450	127.0	+1154%
BUY	Nuplex Industries Ltd	NPX	11/02/97	350	A	59.7	0.8	0.55	12	6.5	389	77.5	+33%
HOLD	Renaissance Corp	RNS	13/08/96	85*	C	37.1	1.7	0.11	NE	13.2	34	10.4	-48%
BUY	Richina Pacific	RCH	03/11/95	94*	D	144.4	1.9	0.06	4	Nil	33	9.4	-55%
HOLD	South Port New Zealand	SPN	13/02/96	120	C	26.2	1.0	2.72	14	6.6	147	65.0	+77%
BUY	Steel & Tube Holdings	STU	08/08/00	146	A	87.9	0.9	0.96	18	7.9	360	63.0	+190%
HOLD+	Taylor's Group Ltd	TAY	09/11/99	102	B	24.3	0.7	0.82	13	7.0	180	26.0	+102%
BUY	Wrightson Limited	WRI	13/01/98	83	B	134.2	1.3	0.25	8	14.0	123	33.3	+88%
Australian Shares (in Aust cents)													
BUY	Abigroup Limited	ABG	09/03/99	265	A	47.7	0.6	0.23	18	2.9	278	53.0	+25%
BUY	AJ Lucas Group	AJL	13/05/03	120	A	45.2	0.8	0.79	13	5.2	145	Nil	+21%
HOLD	Atlas Pacific Ltd	ATP	14/05/96	73	B	87.8	1.5	2.21	7	10.5	29	7.0	-51%
HOLD+	Auspine Limited	ANE	08/02/00	210	A	57.0	0.6	0.76	16	5.0	278	56.0	+59%
BUY	Austral Coal Ltd	AUO	16/01/01	19	C	154.5	1.4	0.68	5	Nil	44	Nil	+132%
HOLD	Biron Capital Ltd	BIC	12/04/94	171*	A	38.2	1.5	2.52	21	3.0	34	13.0	-73%
SELL	Brazin Limited	BRZ	11/12/01	160	B	116.4	1.1	0.17	4	18.5	73	22.0	-41%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	418*	A	39.2	0.5	0.55	17	5.9	508	102.5	+46%
BUY	Candle Australia	CND	08/04/03	86	B	37.3	0.9	0.23	13	4.6	108	Nil	+26%
HOLD	Cellnet Group Ltd	CLT	12/02/02	152	B	49.5	1.0	0.12	5	11.1	81	9.0	-41%
BUY	Commander Comm.	CDR	11/09/01	92	A	145.1	0.9	0.73	14	2.8	100	6.8	+16%
BUY	IASbet Ltd	IAS	11/02/03	180	A	41.0	0.9	2.35	12	4.0	177	Nil	-2%
HOLD	Julia Ross Recruitment	JRR	14/08/01	92	C	57.4	1.4	0.20	5	11.5	52	12.0	-30%
HOLD+	McPherson's Ltd	MCP	10/10/00	125	A	41.0	0.5	0.51	14	3.6	338	31.0	+195%
HOLD	Nufarm Limited	NUF	11/02/97	418*	A	155.7	0.6	0.46	12	4.2	427	106.3	+28%
HOLD	OAMPS Limited	OMP	15/05/01	132*	A	71.7	0.6	0.48	16	6.7	298	24.3	+144%
BUY	Skilled Engineering	SKE	12/03/02	126	B	88.7	0.9	0.37	21	4.0	252	16.0	+113%
BUY	Solution 6 Holdings	SOH	15/07/03	59	C	251.6	1.3	0.40	NE	Nil	59	Nil	
HOLD	Toll Holdings	TOL	08/09/98	60*	B	302.8	0.6	1.49	27	1.4	731	35.5	+1178%
HOLD	UXC Limited	UXC	11/01/00	55*	B	124.1	1.3	0.27	12	6.8	73	16.0	+62%
HOLD	Villa World Ltd	VWD	11/06/02	68	A	102.9	0.7	0.59	10	7.3	124	10.0	+97%
BUY	Vision Systems Ltd	VSL	10/11/98	69*	C	164.1	1.1	1.27	12	4.1	94	22.1	+68%
HOLD	Volante Group Ltd	VGL	13/03/01	132	B	68.1	1.0	0.18	15	8.4	95	13.0	-18%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +120.0%. This is equal to an average annual rate of +28.1%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 35 current and 118 closed out) is +28.8%, compared with a market gain of +8.4% (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) financial year. Overall this simply reinforces our view that Lyttelton Port Company is a relatively low risk, cash flow business, that earns reasonably steady profits and pays out reliable dividends. So the shares will mainly appeal to retired investors requiring income, and as a low-risk *core* holding in a diversified portfolio. At 178 cents the shares offer a high gross Dividend Yield of 9.2%.

Richina Pacific has completed the sale of its *Mobil-on-the-Park* property for \$66 million. Deducting the \$6 million deposit paid a year ago, and after repaying the mortgage, Richina Pacific has banked \$26 million which will be used to help finance growth in its Chinese business.

Richina Pacific's *Blue Zoo* aquarium in Beijing - which had closed owing to SARS - was re-opened on June 10. The estimated revenue loss is \$1.5 million. So this division which last year contributed \$650,000 in earnings (before interest and overheads) is expected to operate at a loss this year - although still remain cashflow positive. The nationwide travel ban in China is expected to be lifted in July, when the **Beijing Tourist Bureau** will begin "an intensive campaign to promote tourism and to attract visitors to the capital".

The *Shanghai Richina Leather* business also experienced problems including a slow start to the leather upholstery business.

As a result, the company expects the first half profit (to 30 June 2003) to be around \$3.5 million (2.4 cents per share, fully diluted for the new shares), down from its earlier estimate of \$4.2 million.

The full year profit (to 31 December 2003) is expected to be around \$6.5 million (4.5 cents per share), down from last year's record \$8.2 million profit.

Australian Shares

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

Abigroup expects its profit to 30 June 2003 to be around \$5.8-6.1 million - down 15-20% on the 2002 result. The construction business, however, is now experiencing a cyclical upturn, so revenues and profits should grow strongly over the next few years.

Last month the company won the \$98 million contract to construct the **Pacific Square** shopping centre at Maroubra, Sydney. This will consist of two levels of underground parking, a supermarket and specialty shops and three residential towers with 299 apartments. Construction will begin soon with the retail area available from late 2004 and the residential apartments completed by May 2005.

Abigroup has been unsuccessful with its tender for the **Lane Cove Tunnel** and has not been short-listed for the project. Nevertheless, Abigroup starts the new financial year with a record order book of \$1,800 million of construction, building and civil projects.

Perhaps even more important than the upturn in Abigroup's construction business is the continued appreciation of its investment in **Hills Motorway**. Abigroup's 15,000,000 Hills Motorway units are now worth \$83.7 million or 175 cents per Abigroup share.

Cellnet Group is to expand its IT distribution business with the acquisition of **Cassa Australia**. This Brisbane based business imports and distributes notebooks, motherboards, video and multimedia cards, networking and memory products to generate annual revenues of about \$20 million. Cellnet will pay \$1.47 million in cash, assume Cassa Australia's interest bearing debts of \$2.31 million, and pay up to another \$2.5 million based upon performance for the year to June 2004. That is a Price/Sales ratio of 0.19 to 0.31. That looks to be a *little* high for an IT distribution business - but, of course, full financial details (i.e. profitability, stocks and assets to be acquired) are not disclosed.

Cassa is described as a "strategic fit" and providing a "complementary product range" with Cellnet's existing IT Wholesale business.



Iasbet has made significant progress expanding its business into the UK and European markets over the last month.

Firstly, the company will acquire a 50% shareholding in European internet wagering company **Internet Betting Company plc** (IBC). Iasbet will pay nothing for these shares, but provide that company with access to its expertise in racing and sports wagering. IBC was formed ten months ago after management sold their first internet wagering company **Eurobet**. IBC expects to be profitable in its first year from its two businesses, **swapbets.com** and providing services for an Asian internet wagering company.

Swapbets.com is a betting exchange where individuals can bet against each other on sports events, with most bets currently placed on soccer. Weekly turnover is EUR 10 million (A\$17.2 million). There is no wagering risk to swapbets.com which charges a commission on winning bets for providing the facilities to allow betting and secure payment between parties. The most successful betting exchange in the UK, **Betfair**, generates ten times the revenue of swapbets.com with most of its revenue coming from racing. Iasbet will provide swapbets.com with the racing and sports content to allow it to expand into this larger market. This development is underway, with a new website and full product launch expected in mid-September.

IBC also provides IT and technical support for the Asian based odds4you.com where it earns an annual retainer and service fees. IBC has no exposure to

wagering risk, but expects to earn a “strong and increasing revenue stream” as that business grows.

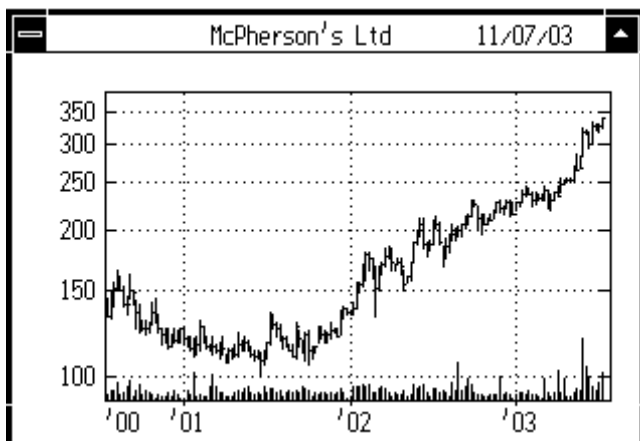
Iasbet's wholly owned subsidiary, Iasbet (UK), has been awarded a Bookmaker's License which will allow the company to expand internationally in the areas of international soccer and international horse racing, and to target the European, North American and Asian markets.

In Australia, Iasbet has had its Northern Territory's Sports Bookmaking Licence extended from an expiry date of 2005 until 30 June 2015.



McPhersons' share purchase plan was “almost 100% over-subscribed” so applications have been scaled back from 2000 shares per shareholder to just 1050 shares. McPhersons has succeeded in generating shareholder wealth through its recent attractive acquisition of **Cork Asia Pacific** - but failed to allow existing shareholders to fully participate in its new capital raising. Most of the benefit from the capital raising went to institutional investors, while existing private investors were limited to an additional \$2625 investment in the company.

McPhersons reports that “recent trading has exceeded expectations” - perhaps helped by the higher Australian dollar that lowers its import cost of products for both its existing Houseware business and the Cork Asia Pacific business. Earnings (before goodwill amortisation) is predicted to be around 30 cents for the year ended 30 June 2003.



OAMPS has made two further acquisitions: **GE Insurance Brokers** at Newport Beach, North Sydney, adds 1700 clients and \$3.5 million in general insurance premiums annually. **Grays Insurance Brokers** at Launceston, Tasmania, adds a further 1000 clients and \$7.5 million per annum in general insurance premiums.

Toll Holdings has increased its shareholding in **TranzRail Holdings** to 42,034,153 shares, or 19.99% of the capital by purchasing a further 20,800,000 shares on-market at 94 cents. These shares were purchased after its 75 cents per share takeover offer (for at least 50.1%) was raised to 95 cents. That offer has since been cancelled and will be replaced with a 95 cents takeover offer, conditional on 90% acceptances. Toll Holdings has negotiated a deal where it will sell the rail track back to the NZ government for one dollar and the government will spend \$200 million upgrading the track. Toll Holdings will invest \$100 million in rolling stock and locomotives and receive incentives to increase freight volumes.

UXC has won a \$1.8 million contract providing hardware and software to **ActewAGL** which is providing a bus communication system for **ACTION**, the public transport operator in the ACT.

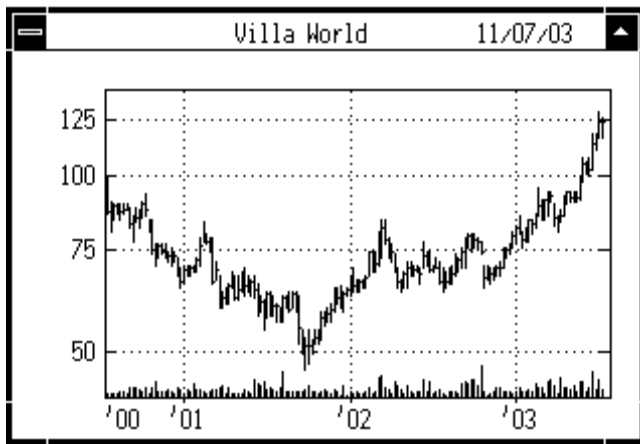
UXC will also receive a \$50,000 fee for acting as the joint underwriter of a \$3.8 million cash issue by **IT&e** (in which UXC owns a 19.96% shareholding). The issue is 4 new shares at 10 cents, plus one bonus share, for every 9 shares already held (i.e. the equivalent of a 5 for 9 cash issue at 8 cents). Funds raised will enable IT&e to purchase **NextSet's** Australian business which owns some banking software that offers synergies with IT&e's business. IT&e shares currently trade around 8.8 cents, so many of the new shares *may* go to the underwriter - increasing UXC's percentage interest in this small company.

Villa World shares are rapidly approaching our recent price target of 130-160 cents - which we didn't expect to happen for about another *year*. The company, however, is performing very well and should continue to enjoy high profits over the next year or two. The valuation is not excessive (i.e. the P/E is 10 and the Yield 7.3%), two *insiders* bought shares on-market over the last year and the shares are in a very strong uptrend (i.e. the Relative Strength rating is +18.7, ranked 7, on a scale of 0-99). *Strong* shares tend to continue to perform well, so the shares may over shoot our 130-160 cents target!

Owing to the rapid share price appreciation we are downgrading the shares from a “Buy” to a “Hold” (i.e. other shares now offer better long term potential when making new purchases). Unlike broker advice where “Hold” means “Sell”, in this newsletter “Hold” means “Hold”. Price momentum could continue to take these shares higher in the short to medium term, so hold and let your profits run!

(Continued on Page 6)

Recommended Investments (Continued from Page 5)



Vision Systems has resumed business in China and received orders for \$500,000 of *VESDA* smoke detection products. This is below the pre-SARS rate of sales, but Vision Systems expects the business to re-build over the next few months.

As an exporter, Vision Systems is exposed to the rising Australian dollar. The company, however, has currency hedges for 70-80% of its expected sales revenues for the 2004 financial year. The balance of revenues are covered by *natural foreign exchange hedges* - the cost of offshore salaries and the 10-15% import content of

product manufactured in Australia. In addition, Vision Systems believes that cost reductions implemented in May 2003 will reduce operating costs by \$5 million per annum and Fire & Security product prices are being raised where possible. Vision Systems is therefore budgeting for "real growth in earnings" for the year to June 2004.



Volante Group expects its profit to June 2003 to be down about 7% to \$4.0 million (5.9 cents per share), but will maintain its annual dividend rate at 8.0 cents owing to its strong operating cashflows.

Share Recommendation: Buy Australian listed Solution 6 Holdings

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

BUY Australian listed Solution 6 Holdings (code SOH).

Three years ago Solution 6 started to restructure - and helped by two important acquisitions - is now emerging as a profitable company and the world leader in a large and rapidly growing sector of the global economy. With the potential to generate high rates of revenue and profit growth, an investment in Solution 6 shares could appreciate 5-10 fold in value over the next 4-6 years!

The shares currently rate as a "Buy" under the *Insider Buying* section of our *Comprehensive Share Selection Criteria* (i.e. *insiders* are buying and the shares are appreciating in value).

Company History

This business was formed in 1980 to provide computer equipment, consultancy services and software for Accounting firms - and formed into a company and listed on the Australian stockmarket in 1987.

The Technology boom inflated Solution 6's share price 24-fold during 1999 - during which time the company sought to raise significant amounts of new equity: a 1:2 cash issue in May 1999 at 200 cents raised \$47.3 million, a placement in June 1999 at 300 cents raised \$31.9 million, a placement to **Telstra** in November

1999 at 310 cents raised \$50.0 million and a placement in December 1999 at 350 cents raised another \$50.0 million. In January 2000, Solution 6 placed further new shares at 975 cents to raise \$120.0 million and in June 2000 it issued shares at \$10.00 to raise \$49.6 million for an acquisition.

Unfortunately, most of this \$350 million raised in 1999 and 2000 was lost on over-priced acquisitions that have since been sold at a fraction of their cost or been significantly written down in value.

For example, in July 1999 Solution 6 invested \$14.7 million to acquire a 15% shareholding in **Hartley Poynton** - which was sold in June 2003 for \$2.2 million. In December 1999, **AlphaWest**, a Perth based IT services provider, was bought for about \$37 million. After investing a further \$10 million developing this business it was sold to its management in August 2002 for \$18.0 million (i.e. \$2.5 million in cash and \$15.5 million payable during the second half of 2003). In April 2000 Solution 6 sought to merge with **Sausage Software** but changed its mind in May 2000.

After numerous acquisitions, Solution 6 has sought to restructure and focus upon its *Professional Software*

Automation business, which consists of three segments: *Accounting and Compliance*, *Professional Legal* and *Enterprise Solutions*.

In December 2001, Solution 6 began discussions with UK listed **Keystone Solutions Group** over "joint business opportunities" which resulted in Solution 6 making a \$30.8 million takeover offer in March 2002 (i.e. two Solution 6 shares for every five Keystone shares or 10 pence per share in cash). Keystone develops software for professional services businesses, mainly lawyers, but Keystone has been unable to become profitable. Net assets were £12.3 million (including almost \$12 million in cash), annual revenues were around £4.5-5.5 million although the company was expected to lose about £4.2 million in the year to March 2002. The takeover by Solution 6 brings together complementary products and should produce economies of scale in development, marketing, customer service and administration. Cost savings of around \$4 million annually have already been achieved. Since acquisition, Keystone has finalised a contract with the world's biggest law firm, **Clifford Chance**, worth \$20 million in licence fees and services.

In August 2002, US based **Novient Inc** was acquired for US\$12.5 million (i.e. 31,600,458 Solution 6 shares issued at 65 cents and 2,400,000 shares to be issued in February 2004). This is a "highly synergistic" acquisition that makes Solution 6 the "clear worldwide leader in specialist software solutions" for medium to large "consulting firms, lawyers, accountants and IT services businesses".

Guinness Peat Group acquired a 6.6% interest in Solution 6 in March 2002 and has steadily built that up to 17.7% - probably attracted by the company's high cash holding. The other major shareholders are currently **MYOB** which purchased 32,056,442 shares (12.7%) from Telstra in June 2003 at 52 cents per share and **CPH Investments** with about 7.0%.

Recent Results

Financial performance was very volatile during the Technology boom and bust:

In the year to June 1998, revenues fell 15.6% to \$61.1 million, but the company earned super-profits of \$20,369,000 (48.7 cents per share) - a sharp reversal from an equally enormous loss of \$21,925,000 in 1997.

Revenues rose 21.5% to \$74.3 million in the June 1999 year - while profits fell 84.4% to \$3,176,000 (3.9 cents per share)

In the year to June 2000 revenues soared 129.8% to \$170.7 million but the company made a trading loss of \$63,683,000 (46.0 cents per share) before asset write-downs and restructuring costs of another \$15.8 million.

Revenues continued to rise - up 48.3% to \$253.3 million - in the year to June 2001, but Solution 6 still produced a trading loss of \$49,547,000 (28.6 cents per share) plus write-downs of another \$86.6 million!

In the year to June 2002, revenues rose 22.6% to \$310.6 million and there was a trading loss of \$23,760,000 (10.9 cents per share) plus asset write-downs of \$42.3 million.

In the six months to December 2002, total revenues fell 21.5% to \$120.8 million owing to the sale of the IT business. Ongoing revenues from the Professional Software business rose 17.2% to \$91.6 million. The

company returned to profitability with an operating profit of \$6,267,000 (2.5 cents per share) although there were further asset write-downs of \$18.6 million producing a bottom line loss of \$12,360,000.

Importantly, recurring income from support and maintenance now accounts for 48.3% of revenues from the Professional Software division which "provides a strong foundation to the group's business". One-off software sales make up 20.9% of revenues, while consulting brings in 28.7% of revenue. Geographically revenues are well spread, with 36.7% from Europe, 34.0% from the Americas and 29.4% from Asia/Pacific. The company has 5,600 customers, with 500,000 licenced users worldwide, supported by 1,600 employees in 35 offices in eleven countries.

Investment Criteria

It is difficult to value Solution 6 shares as the company has traded unprofitably over recent years and does not pay a dividend. In this situation, the Price/Sales ratio can give some guidance. Based upon the June 2002 result the P/S ratio is a low 0.40. The company has since sold its IT business, so based upon the \$164 million of revenue from the ongoing Professional Software business the P/S ratio would be 0.90.

Both of these P/S ratios indicate good value in an industry that is capable of earning high profit margins. Furthermore, from the P/S ratio we can calculate the equivalent Price/Earnings ratio based upon assumptions of future profit margins. If Solution 6 can earn just a 5% net profit margin on sales, then the shares trade at the equivalent of a P/E ratio of 18. This type of business should be able to earn profit margins around 10%, which would produce a P/E ratio of just 9.

Solution 6 is in the stage of *emerging profitability* and actually generated a trading profit (before asset write-downs) of \$6,267,000. Annualising that result gives a P/E ratio of 12.

Solution 6 has no significant interest bearing debt, but about \$40 million in cash (16 cents per share) plus \$15 million (6 cents per share) from the sale of AlphaWest payable over the next six months.

This business is well placed to experience strong revenue growth with the market for *service process optimisation* software forecast to grow from US\$270 million in 2001 to US\$1,600 million by 2005 (i.e. a 42% per annum compound rate of growth for Solution 6's niche market). Owing to economies of scale, profitability should increase faster than revenue growth. With its strong, cash rich balance sheet, Solution 6 cannot be too far away from considering the payment of dividends or some other way to distribute cash to its shareholders.

The issued capital is 251,603,252 shares giving a market capitalisation of \$148 million and making Solution 6 a medium sized Australian listed company. Solution 6 shares are *very actively* traded, with a turnover of many hundreds of thousand dollars worth of shares most days - so investors should have no problem being able to buy all the shares they want!

The shares are relatively *neglected*, with only three stockbrokers following the company closely enough to publish profit forecasts. Even these brokers are unenthusiastic - two rating the shares a "Hold" and one a "Moderate Buy". *(Continued on Page 8)*

Buy Solution 6*(Continued from Page 7)*

Institutional investors also *neglect* the company and own very few shares.

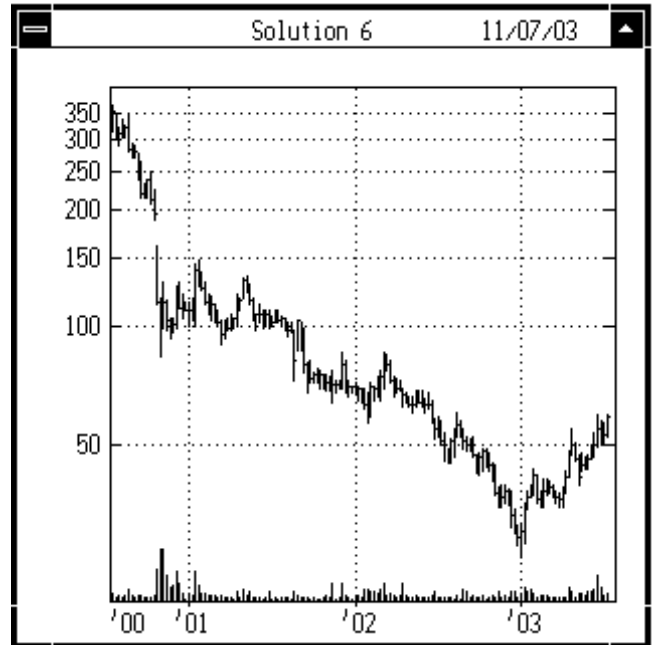
There have been three *insider* buys (and no sells) over the last year. Chief Executive, NH Gamble, purchased 300,000 shares (at about 36-37 cents) in November 2002 and 250,000 shares (at about 37-38 cents) in February 2003 to lift his holding to 950,000 shares. The Chairman, ML Burrows, bought 50,000 shares on-market (at 36 cents) in March 2003 to double his investment to 100,700 shares. One other non-executive director holds 10,600 shares.

Solution 6 shares peaked at \$18.35 during the Technology boom of late 1999 - then fell to a low of 25 cents in December 2002. During 2003 the shares have started to recover strongly and appear to be in the early stages of a new, long term uptrend. The Relative Strength rating is +12.7%, ranked 12.

Summary and Recommendation

Over recent years Solution 6 has experienced all of the highs and lows of the Technology boom and bust - including raising significant new equity and losing most of it on over-priced acquisitions. Over the last three years the company has restructured and focused upon its core business of *Professional Software Automation*. Two recent acquisitions, Keystone and Novient, appear to have positioned the company as a global leader in a rapidly growing sector - and with the economies of scale to become very profitable.

As a Technology company, Solution 6 is not without risk - but the company is financially sound with 22 cents per share (i.e. 37% of an investment in the shares) in cash and receivables from an asset sale. Nevertheless, Solution 6 shares are most suitable for investors with diversified portfolios who seek maximum capital appreciation and do not require an immediate income from this investment.



Share Recommendation: Sell Australian listed Brazin

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

SELL Australian listed Brazin (code BRZ).

We have decided to cut our losses and sell out of Brazin as the company does not appear to have a sound business strategy and so there are better places to invest our money.

We originally recommended Brazin in December 2001 as a cyclical recovery situation with growth potential from UK stores that it had just acquired for virtually no cost. Cyclical shares can offer investors excellent returns (e.g. Steel & Tube, Skilled Engineering, Villa World) but, of course, not every investment will prove profitable.

We are, however, quite happy to hold shares in companies that suffer a temporary setback (e.g. Cellnet, Julia Ross Recruitment) where the business retains a competitive advantage that will enable it to succeed in the future.

Success or failure in retailing, however, depends upon management's ability to meet consumer demands and their strategic planning. Music retailing *is* a declining business - but that doesn't mean it should yield poor returns to investors. There are numerous valid strategies for managing a business in a declining industry. Management was too slow moving the music stores to DVD sales and fell behind competitors.

Consultants **Bain International** have been commissioned to conduct a review of the company's strategies which has (1) confirmed the company has been too slow shifting to DVDs but should continue to expand DVD sales, (2) decided the growth strategy in the UK is "no longer appropriate", (3) suggested significant cost savings, store closures and converting music stores to lingerie, footwear and surfwear. Unfortunately, this strategic planning, product planning, store location and use, and the group's cost structure are all *basic management functions*. Outside consultants *may* be able to contribute, but if management cannot handle these basic functions then the company has serious problems!

The Chief Executive and major shareholder recently sought to buy out the minority shareholders, with a proposal to offer 78 cents per share. We are not in favour of such deals as an *insider* has better knowledge of a company than the minority public shareholders. That, however, *may* not be the situation in this case - as the buyout proposal has been dropped owing to the "degree of uncertainty . . . valuing the business". Learning that the Chief Executive is "uncertain" about the company's future strategy and future potential does not inspire us

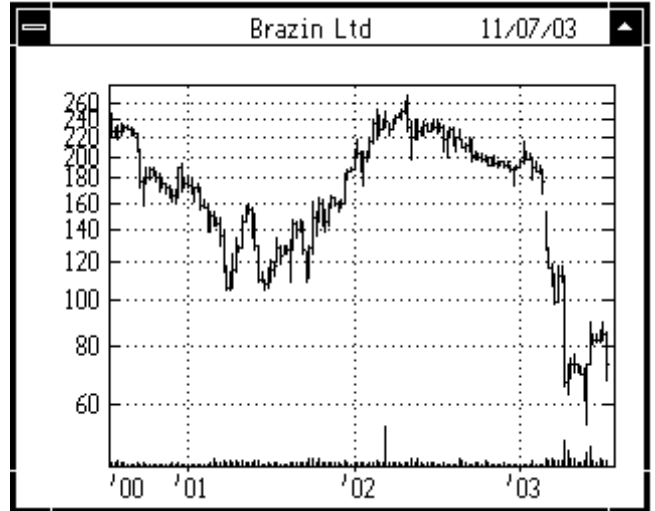
with confidence!

Given the loss of potential DVD market share to competitors in Australia and the abandonment of the UK growth strategy, Brazin will probably struggle to restructure, downsize, reduce costs and return to profitability over the next few years. That, unfortunately, probably does not go far enough. Brazin also needs a strategy for extracting value from its declining industry business and to combat low priced competition from discount stores and supermarkets.

Summary and Recommendation

Retailing is a very competitive business, so a retail company needs to have a sound business strategy and a competitive advantage. This is especially true in a declining segment of the retail market. Recent events indicate strategic and management weakness at Brazin. So the *recovery* potential is uncertain, while there is a very real risk that the business could decline rapidly with significant loss of shareholder value.

We therefore recommend that investors sell their Brazin shares, freeing up cash that can be better invested elsewhere.



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	Cur. rent	4-Wk Chg.	Rank	Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Vola. til. ity	Price Earn. Ratio	Div. Yield	Price Sales Ratio	Market Cap'n
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0														
Renaissance	34	+0.2	+11.0	57	0.0	-	1.4	-	1.7	NE	13.2	0.11		13
Owens Group Ltd	95	+3.6	+3.8	37	0.0	3	1.6	8	1.2	19	3.1	0.12		54
Col Motor Co	300	+0.7	-1.7	53	4.1	-	1.0	10	0.6	10	10.4	0.22		84
Allied Farmers	203	+0.0	+1.0	58	0.0	-	1.2	19	0.9	6	11.8	0.22		22
Wrightsons Ltd	123	+0.7	+2.9	51	0.0	3	1.4	18	1.3	8	14.0	0.25		165
Mainfreight Grp	139	+9.5	+2.9	12	0.1	5	2.1	17	1.0	12	7.0	0.27		112
Broadway Ind	53	+12.0	+3.0	6	0.0	-	1.3	14	1.1	9	2.8	0.29		10
Williams Kettle	400	+1.0	+0.8	49	0.0	-	1.2	15	0.5	8	8.6	0.32		59
Ebos Group Ltd	303	+0.4	+1.0	54	0.1	-	2.0	15	0.7	14	7.1	0.40		82
Fletcher Build.	366	+4.2	+1.2	32	0.0	4	2.2	16	0.8	14	5.7	0.43	1,268	
Pyne Gould G.	121	+1.8	+3.4	46	1.0	-	1.2	12	0.9	10	10.5	0.47		121
CDL Hotel NZ	28	+0.4	-0.6	55	0.0	1	0.4	8	1.8	6	7.5	0.51		98
Dorchester Pac	155	+3.2	+3.0	39	0.0	-	1.3	18	1.1	7	7.2	0.54		30
Nuplex Indust	389	+5.7	+3.1	26	1.0	3	1.8	15	0.8	12	6.5	0.55		232
Guinness Peat	155	+0.6	-0.4	53	0.0	2	0.9	12	1.1	7	2.0	0.62		964
Hellaby Hold.	436	+15.9	+3.4	2	0.0	1	2.6	17	0.6	15	6.2	0.63		216
Vertex Group	170	+4.1	+2.8	33	0.0	2	2.5	17	1.1	15	12.5	0.63		54
Wakefield Hosp.	155	+4.0	+2.6	35	1.0	-	1.0	5	0.7	19	2.9	0.81		20
Taylors Grp Ltd	180	+3.6	+3.2	36	0.0	-	1.9	14	0.7	13	7.0	0.82		44
Hallenstein G.	285	+3.2	+0.5	40	1.0	4	3.9	27	0.7	15	9.7	0.95		168
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0														
Hellaby Hold.	436	+15.9	+3.4	2	0.0	1	2.6	17	0.5	15	6.2	0.63		216
Broadway Ind	53	+12.0	+3.0	6	0.0	-	1.3	14	0.8	9	2.8	0.29		10
Affco Holdings	21	+10.6	+2.9	10	0.0	-	0.4	4	1.3	10	Nil	0.05		103
Mainfreight Grp	139	+9.5	+2.9	12	0.1	5	2.1	17	0.8	12	7.0	0.27		112
Steel & Tube	360	+7.2	+2.4	18	0.0	5	2.6	15	0.8	18	7.9	0.96		316
Nuplex Indust	389	+5.7	+3.1	26	1.0	3	1.8	15	0.7	12	6.5	0.55		232
Fletcher Build.	366	+4.2	+1.2	32	0.0	4	2.2	16	0.6	14	5.7	0.43	1,268	
Vertex Group	170	+4.1	+2.8	33	0.0	2	2.5	17	1.0	15	12.5	0.63		54
Wakefield Hosp.	155	+4.0	+2.6	35	1.0	-	1.0	5	0.6	19	2.9	0.81		20
Taylors Grp Ltd	180	+3.6	+3.2	36	0.0	-	1.9	14	0.6	13	7.0	0.82		44
Owens Group Ltd	95	+3.6	+3.8	37	0.0	3	1.6	8	1.0	19	3.1	0.12		54
CACI Group Ltd	41	+3.3	+2.7	38	0.0	-	2.3	16	1.0	14	Nil	0.45		3
Dorchester Pac	155	+3.2	+3.0	39	0.0	-	1.3	18	0.9	7	7.2	0.54		30
Hallenstein G.	285	+3.2	+0.5	40	1.0	4	3.9	27	0.6	15	9.7	0.95		168
Provenco Group	27	+3.0	+1.7	41	5.0	1	1.4	14	1.9	10	Nil	0.37		23
Pyne Gould G.	121	+1.8	+3.4	46	1.0	-	1.2	12	0.7	10	10.5	0.47		121
Williams Kettle	400	+1.0	+0.8	49	0.0	-	1.2	15	0.4	8	8.6	0.32		59
Wrightsons Ltd	123	+0.7	+2.9	51	0.0	3	1.4	18	1.1	8	14.0	0.25		165
Col Motor Co	300	+0.7	-1.7	53	4.1	-	1.0	10	0.5	10	10.4	0.22		84
Guinness Peat	155	+0.6	-0.4	53	0.0	2	0.9	12	1.0	7	2.0	0.62		964
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million														
Wrightsons Ltd	123	+0.7	+2.9	51	0.0	3	1.4	18	1.0	8	14.0	0.25		165
NZ Refining Co	1665	-2.7	+1.8	70	0.0	-	1.3	12	0.2	11	13.4	2.47		400
Restaurant Brds	133	-4.8	+1.4	76	0.0	5	2.4	23	0.8	10	11.2	0.42		126
AMP Limited	583	-26.2	-0.4	94	1.0	-	0.6	7	0.6	8	10.7	0.90	6,579	
Pyne Gould G.	121	+1.8	+3.4	46	1.0	-	1.2	12	0.6	10	10.5	0.47		121
Hallenstein G.	285	+3.2	+0.5	40	1.0	4	3.9	27	0.5	15	9.7	0.95		168
Tower Limited	157	-18.3	-1.4	90	1.0	3	0.4	0	1.0	124	9.6	0.47		276
Lyttelton Port	178	+5.1	+2.3	28	4.1	4	6.4	58	0.7	11	9.2	2.92		181
Skellmax Indust	120	+5.7	+2.7	26	0.0	-	6.7	69	0.8	10	8.7	1.19		120
Powerco Limited	164	+4.9	+4.5	29	0.0	4	0.9	7	0.5	14	8.5	2.26		519
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0														
Opio Forestry	53	-1.2	+1.2	65	0.0	-	0.6	-	0.6	NE	Nil	9.50		8
Evergreen	49	-2.7	-1.9	71	0.2	2	0.6	5	0.9	11	Nil	3.27		71
South Port NZ	147	-2.9	+0.3	72	0.0	1	2.9	20	0.7	14	6.6	2.72		39
NZ Refining Co	1665	-2.7	+1.8	70	0.0	-	1.3	12	0.2	11	13.4	2.47		400
NZ Oil and Gas	30	-5.9	+2.6	77	0.0	-	1.0	-	1.0	NE	Nil	2.39		35
WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average														
Tranz Rail Hold	97	-22.4	+5.1	91	0.0	6	0.4	-	0.9	NE	Nil	0.25		218
Warehouse Group	492	-15.1	+1.6	88	0.0	5	4.8	26	0.4	18	4.1	0.80	1,500	
GDC Communicat.	76	-13.0	+3.2	87	1.2	2	1.8	22	1.0	8	6.9	0.42		29
Genesis Res.	114	-10.1	+2.7	83	0.0	-	0.7	-	0.9	NE	Nil	1.92		30
Briscoe Group	196	-9.3	+3.3	81	0.0	6	5.1	29	0.6	17	5.1	1.38	412	
Botry-Zen Ltd	13	-9.1	+5.2	80	0.0	-	7.1	-	1.2	NE	Nil	N/A		22
Blis Technology	32	-8.3	+0.3	80	0.0	-	7.2	-	1.0	NE	Nil	N/A		20
Michael Hill	450	-8.1	+3.6	79	2.0	3	3.9	28	0.4	14	5.6	0.81	173	
Vending Tech.	114	-7.4	+12.7	78	0.1	1	1.9	14	0.8	13	Nil	1.77		34
Kirkcaldie & St	345	-6.4	+0.1	77	0.0	-	1.5	10	0.4	16	5.2	0.65		26
NZ Oil and Gas	30	-5.9	+2.6	77	0.0	-	1.0	-	1.0	NE	Nil	2.39		35
Cedenco Foods	170	-4.6	+2.8	75	7.0	-	0.9	15	0.5	6	Nil	0.98		27
Cue Energy Ltd	5	-4.0	+1.4	75	2.1	-	0.5	4	2.2	13	Nil	1.44		18
Air New Zealand	52	-3.9	+3.1	73	5.0	6	1.7	-	1.4	NE	Nil	0.34	1,518	
South Port NZ	147	-2.9	+0.3	72	0.0	1	2.9	20	0.7	14	6.6	2.72		39
Evergreen	49	-2.7	-1.9	71	0.2	2	0.6	5	0.8	11	Nil	3.27		71
Carter Holt	168	-2.6	+0.9	70	1.0	5	0.6	4	0.8	16	4.5	0.71	2,926	

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	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											Share Price	Current	4-Wk Chg.	Rank									
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0														BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0													
Ruralco Hold.	326	+6.4	+0.2	22	4.0	-	1.9	17	0.5	11	4.3	0.06	31	MBF Carpenters	30	+66.8	-37.1	1	0.0	-	0.4	2	0.9	20	Nil	0.53	150
Citic Australia	26	+7.1	+2.5	20	0.0	-	2.6	27	1.7	10	7.7	0.07	21	Optum Health	0	+35.1	-16.0	3	0.0	-	-	9.0	4	Nil	0.41	1	
Namoi Cotton	31	+11.3	+1.2	13	4.0	-	0.4	11	1.5	3	4.8	0.08	34	Oriental Tech.	9	+33.8	+19.9	3	0.0	-	0.8	11	1.8	7	Nil	0.39	11
OM Holdings	28	+5.3	+14.3	25	0.0	-	1.3	1	1.6	233	2.7	0.12	13	AFT Corporation	3	+30.0	+3.7	4	0.0	-	-	-	3.9	7	Nil	0.43	7
Catalyst Rec'mt	32	+8.3	-1.2	18	0.0	-	1.3	11	1.4	12	5.6	0.12	8	Tectonic Res.	9	+25.7	+3.5	4	1.0	-	-	-	1.8	7	Nil	0.59	13
RCR Tomlinson	26	+3.1	+4.0	32	0.0	-	0.6	11	1.5	5	1.9	0.14	12	AV Jennings	150	+25.1	+8.8	4	3.2	-	1.7	31	0.7	6	6.7	0.61	323
Queens'd Cotton	318	+1.5	-0.7	37	1.0	1	0.7	6	0.5	11	6.6	0.14	88	Ausdrill Ltd	63	+24.9	-5.7	4	0.2	-	1.1	24	1.0	5	2.4	0.26	56
Futuris Corp.	175	+11.3	+2.0	13	0.2	6	2.3	13	1.0	17	6.9	0.15	1,081	Kresta Holdings	44	+24.1	+1.4	5	0.0	-	4.0	35	1.0	12	Nil	0.94	54
A.P. Eagers	695	+10.9	+4.1	14	0.0	1	1.6	11	0.4	14	4.5	0.16	119	Canberra Invest	150	+21.5	-0.8	6	0.0	-	1.3	35	0.6	4	4.7	0.77	46
Adtrans Group	325	+6.7	+1.3	21	1.2	1	2.5	24	0.4	10	6.0	0.16	74	Caltex Australia	318	+20.8	+2.1	6	3.0	1	0.8	21	0.8	4	Nil	0.15	859
Bridgestone	242	+9.5	+3.3	15	0.0	-	0.6	8	0.6	7	4.1	0.17	88	McPherson's Ltd	338	+20.1	+6.2	7	0.4	2	5.0	37	0.3	14	3.6	0.51	139
ABB Grain Ltd	340	+5.4	-0.4	24	10.0	-	1.4	13	0.6	11	5.0	0.17	155	Korvest Ltd	226	+19.1	+3.7	7	0.0	-	1.7	14	0.4	12	4.4	0.53	18
Watpac Ltd	49	+7.7	+3.9	19	0.0	-	1.5	18	1.2	9	7.2	0.17	35	Villa World	124	+18.7	+6.7	7	2.0	1	1.7	18	0.5	10	7.3	0.59	128
Raptis Group	26	+4.3	-0.2	28	0.0	-	1.1	13	1.4	8	2.9	0.18	18	Oldfields Hold	86	+18.5	+0.7	7	0.0	-	0.7	4	0.5	17	Nil	0.29	7
Metcash Trading	223	+5.2	+2.2	25	0.4	2	8.6	50	0.6	17	3.9	0.20	1,407	Burns Philp	73	+17.2	+3.9	8	1.0	4	-	-	1.0	4	Nil	0.42	769
Danks Holdings	1300	+8.8	+5.1	17	0.0	-	1.7	11	0.3	16	4.2	0.21	85	Austin Group	62	+16.8	-2.7	9	0.6	-	2.6	21	0.7	12	3.2	0.73	36
Bidvest	395	+0.4	+1.2	40	0.0	-	2.4	18	0.6	13	2.6	0.22	778	Downer EDI Ltd	75	+16.6	+5.4	9	2.0	4	1.8	14	0.8	13	3.2	0.30	723
Candle Aust.	108	+12.2	+3.0	12	0.0	1	3.9	29	0.8	13	4.6	0.23	40	Roberts Ltd	545	+15.7	+3.5	9	0.0	-	1.9	17	0.3	11	5.5	0.38	60
Abigroup Ltd	278	+12.5	+5.2	12	0.0	-	1.1	6	0.6	18	2.9	0.23	133	HomeLeisure Ltd	49	+15.7	+7.9	9	3.2	-	3.8	37	0.8	10	5.1	0.72	49
Supply Network	32	+13.2	+3.6	12	1.0	-	0.9	9	1.3	11	3.1	0.23	7	PMP Limited	83	+15.3	+7.9	10	12.0	5	3.2	36	1.0	9	Nil	0.16	241
Lemarne Corp	190	+4.8	-0.9	26	2.0	-	1.0	-	0.5	NE	5.3	0.23	31	Coffey Int'l	362	+14.7	-0.8	10	5.0	-	2.8	22	0.4	13	4.1	0.37	41
C.S.R. Ltd	187	+11.2	+1.2	14	3.4	7	0.7	21	0.8	3	9.1	0.24	1,767	Fleetwood Corp	410	+14.4	+2.5	10	1.4	-	4.7	23	0.5	20	3.2	0.90	156
Embelton Ltd	240	+6.0	+0.2	23	0.0	-	0.8	7	0.6	13	3.8	0.26	5	AJ Lucas	145	+13.6	+5.2	11	1.0	-	3.1	24	0.5	13	5.2	0.79	66
Ausdrill Ltd	63	+24.9	-5.7	4	0.2	-	1.1	24	1.3	5	2.4	0.26	56	Becker Group	21	+13.4	+1.7	11	4.0	-	0.8	6	1.6	14	Nil	0.39	15
HJ & B Group	35	+5.9	+2.8	23	1.1	-	5.0	-	1.2	NE	2.9	0.28	21	Supply Network	32	+13.2	+3.6	12	1.0	-	0.9	9	1.0	11	3.1	0.23	7
Ridley Corp.	155	+3.9	+0.2	29	0.0	3	-	-	0.8	13	2.9	0.29	412	Ludowici Ltd	355	+13.2	+1.2	12	0.1	-	1.7	14	0.4	13	3.9	0.50	50
Downer EDI Ltd	75	+16.6	+5.4	9	2.0	4	1.8	14	1.0	13	3.2	0.30	723	Colorado Group	340	+12.7	+4.0	12	0.0	4	4.8	37	0.7	13	3.5	0.66	294
Crane Group	1025	+9.9	+2.9	15	1.0	3	1.7	11	0.3	15	4.9	0.31	524	Abigroup Ltd	278	+12.5	+5.2	12	0.0	-	1.1	6	0.4	18	2.9	0.23	133
Integrated Grp	130	+10.8	+1.7	14	1.0	1	4.5	35	1.0	13	5.0	0.32	89	Sietel Ltd	40	+12.3	-8.8	12	0.0	-	0.4	22	0.8	2	Nil	0.16	3
CMi Limited	159	+1.8	-2.3	36	0.0	1	1.8	22	0.6	8	6.3	0.33	43	Candle Aust.	108	+12.2	+3.0	12	0.0	1	3.9	29	0.6	13	4.6	0.23	40
Coles Myer	717	+6.0	+2.3	23	3.0	10	3.3	14	0.5	24	3.6	0.33	8,527	Sunland Group	74	+11.8	+6.1	13	7.0	-	1.7	18	0.6	9	3.4	0.61	126
Angus & Coote	603	+3.1	+0.1	32	0.0	-	1.3	10	0.4	13	5.3	0.33	72	Namoi Cotton	31	+11.3	+1.2	13	4.0	-	0.4	11	1.2	3	4.8	0.08	34
David Jones	142	+7.0	+5.6	20	1.0	4	1.3	1	0.7	87	4.9	0.33	579	Futuris Corp.	175	+11.3	+2.0	13	0.2	6	2.3	13	0.9	17	6.9	0.15	1,081
Onesteel Ltd	188	+4.9	+1.7	26	0.0	6	1.1	5	0.7	22	3.5	0.34	1,019	C.S.R. Ltd	187	+11.2	+1.2	14	3.4	7	2.7	21	0.7	3	9.1	0.24	1,767
Prudential Inv.	34	+10.0	+20.0	15	4.0	-	-	-	1.2	37	2.9	0.35	8	Alesco Corp Ltd	485	+11.2	+3.8	14	1.6	2	2.6	15	0.4	18	5.4	0.56	223
K&S Corporation	320	+4.0	+1.2	29	0.0	3	1.9	-	0.6	NE	3.6	0.35	96	A.P. Eagers	695	+10.9	+4.1	14	0.0	1	1.6	11	0.4	14	4.5	0.16	119
Coffey Int'l	362	+14.7	-0.8	10	5.0	-	2.8	22	0.5	13	4.1	0.37	41	Integrated Grp	130	+10.8	+1.7	14	1.0	1	4.5	35	0.8	13	5.0	0.32	89
Steamships Trad	215	+34.4	+11.9	3	0.0	-	0.2	1	0.8	31	2.3	0.37	67	Monadelphous Gr	366	+10.8	-0.7	14	0.2	-	2.2	15	0.4	14	3.8	0.43	68
Skilled Eng.	252	+15.9	-2.1	9	1.0	3	6.6	31	0.8	21	4.0	0.37	223	OAMPS	298	+10.1	+5.3	15	3.0	-	7.6	47	0.4	16	6.7	0.48	214
Roberts Ltd	545	+15.7	+3.5	9	0.0	-	1.9	17	0.4	11	5.5	0.38	60	Noni B Limited	147	+10.1	-4.4	15	1.0	-	3.3	21	1.0	16	4.8	0.44	45
Buderim Ginger	61	+2.1	-1.3	35	2.0	-	0.7	4	0.9	17	4.9	0.42	13	Crane Group	1025	+9.9	+2.9	15	1.0	3	1.7	11	0.3	15	4.9	0.31	524
Coventry Group	509	+8.7	+2.3	17	3.0	-	1.3	3	0.4	38	3.9	0.43	174	Bridgestone	242	+9.5	+3.3	15	0.0	-	0.6	8	0.5	7	4.1	0.17	88
Monadelphous Gr	366	+10.8	-0.7	14	0.2	-	2.2	15	0.5	14	3.8	0.43	68	Auspine Ltd	278	+8.8	+1.7	17	2.0	1	0.8	5	0.4	16	5.0	0.76	158
Noni B Limited	147	+10.1	-4.4	15	1.0	-	3.3	21	1.1	16	4.8	0.44	45	Danks Holdings	1300	+8.8	+5.1	17	0.0	-	1.7	11	0.2	16	4.2	0.21	85
Nat'l Can	124	+6.8	+3.3	20	0.0	-	0.8	6	0.7	12	4.4	0.45	83	Cash Converters	8	+8.7	-3.4	17	0.4	-	-	-	1.9	11	Nil	0.76	11
Foodland Assoc	1906	+5.4	+0.0	24	0.0	6	11.6	54	0.4	21	3.9	0.45	2,215	Nufarm Limited	427	+8.5	+0.6	17	1.0	5	2.9	25	0.5	12	4.2	0.46	665
AWB Limited	386	+2.5	+0.1	34	1.0	3	1.3	14	0.6	10	6.5	0.45	1,055	Commander Comm.	100	+8.4	+4.6	18	1.0	2	9.1	63	0.6	14	2.8	0.73	145
Nufarm Limited	427	+8.5	+0.6	17	1.0	5	2.9	25	0.5	12	4.2	0.46	665	Veals Ltd	150	+8.3	-3.0	18	0.0	-	-	-	0.4	3	5.5	0.71	7
Wattyl Ltd	330	+6.7	+1.9	21	4.0	4	1.3	6	0.5	21	2.4	0.46	261	Catalyst Rec'mt	32	+8.3	-1.2	18	0.0	-	1.3	11	1.1	12	5.6	0.12	8
Sigma Company	602	+18.2	+5.5	8	0.0	6	5.3	20	0.6	27	2.2	0.47	835	Boral Limited	528	+8.2	+0.9	18	1.0	7	1.6	10	0.5	16	3.6	0.86	3,014
OAMPS	298	+10.1	+5.3	15	3.0	-	7.6	47	0.5	16	6.7	0.48	214	Prime Life Corp	242	+8.1	+8.4	18	2.0	1	1.0	15	0.5	7	4.1	0.77	113
Ludowici Ltd	355	+13.2	+1.2	12	0.1	-	1.7	14	0.5	13	3.9	0.50	50	Watpac Ltd	49	+7.7	+3.9	19	0.0	-	1.5	18	0.9	9	7.2	0.17	35
Woolworths Ltd	1213	+4.0	-0.4	29	1.1	10	11.9	52	0.4	23	2.7	0.51	12,842	Citic Australia	26	+7.1	+2.5	20									

STRENGTH RATING												STRENGTH RATING															
Company	Share Price	Current	4-Wk Chg.	Rank 0-99	Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Vola-tility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n	Company	Share Price	Current	4-Wk Chg.	Rank 0-99	Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Vola-tility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
INCOME SHARES: Highest Yields, Capitalisation > A\$250 million																											
Aneka Tambang	25	-3.5	+1.0	55	0-0	-	-	-	1.1	64	35.1	7.72	2,472	Forest Place Gr	27	+1.2	+1.7	38	5-0	-	0.4	8	0.7	5	Nil	1.19	22
Anglogold Ltd	960	-4.7	+1.7	58	0-0	-	-	0.4	-	4	25.4	0.67	2,137	E-Star Online	6	+0.6	+3.3	40	5-0	-	0.6	-	1.6	NE	Nil	2.67	6
Lend Lease US	98	+0.0	-0.0	42	1-0	2	-	-	0.4	10	18.7	6.53	502	Circadian Tech	164	+0.1	+8.4	42	5-0	-	2.0	-	0.9	NE	Nil	N/A	68
Adsteam Marine	137	-11.5	+4.1	74	4-0	4	6.5	64	0.5	10	10.9	0.88	314	Health Com Ntwk	80	+2.8	+10.6	32	5-0	-	-	-	0.6	NE	Nil	1.42	49
ABC Learning	304	+10.3	+5.9	15	0-2	-	4.3	12	0.5	35	9.2	N/A	276	Coffey Int'l	362	+14.7	-0.8	10	5-0	-	2.8	22	0.3	13	4.1	0.37	41
Envestra	104	+5.8	-0.2	23	0-0	4	-	-	0.5	NE	9.1	2.73	733	APN News Media	370	+6.4	+1.6	22	5-0	9	1.6	9	0.5	18	4.3	1.51	1,622
C.S.R. Ltd	187	+11.2	+1.2	14	3-4	7	0.7	21	0.6	3	9.1	0.24	1,767	Soul Pattinson	575	+3.3	+2.4	31	5-0	1	2.2	11	0.5	19	2.4	3.48	1,372
AMP Ltd	517	-25.8	-1.1	93	2-0	5	0.8	-	0.6	NE	8.9	1.23	5,994	Solar Energy	20	+60.1	+6.5	1	6-1	-	3.4	-	1.4	NE	Nil	3.77	8
Sons of Gwalia	238	-10.1	+9.4	71	1-0	6	-	-	0.4	7	8.4	0.74	397	ANZ Bank	1779	+3.2	+0.1	32	6-1	10	2.4	20	0.6	12	4.8	1.67	26,814
Baycorp Advant.	138	-16.2	+4.4	82	10-0	5	15.3	17	0.6	88	8.0	2.57	315	Q Multimedia	8	+12.5	+2.9	12	7-2	-	-	-	1.2	NE	Nil	2.17	9
Aristocrat	152	-34.4	+2.3	97	1-0	9	4.9	57	0.6	9	7.9	0.71	694	Equigold NL	104	+3.7	+2.7	30	10-5	-	-	-	0.4	17	2.9	2.79	154
Southcorp Ltd	285	-17.4	+0.1	84	4-0	8	2.1	32	0.4	7	7.7	0.75	2,121	Sun Resources	9	+1.0	+1.4	39	4-0	-	-	-	1.5	10	Nil	3.96	9
Australand Hold	158	+6.2	+1.8	22	0-0	3	1.3	14	0.5	9	7.6	0.72	829	Maxi TRANS	54	+22.8	+4.1	5	4-0	-	4.9	18	0.8	27	2.8	0.79	71
Aust Gth Prop.	86	+6.3	+1.0	22	0-0	-	0.8	6	0.6	14	7.2	1.37	259	Hills Motorbook Inv.	118	+5.7	+3.4	23	4-0	-	1.1	3	0.5	37	4.2	N/A	100
Graincorp	1085	+2.7	-0.6	33	1-0	2	1.6	17	0.3	9	7.2	0.62	436	Mirvac Group	445	+4.4	+2.0	27	4-0	4	1.6	10	0.2	16	5.9	2.71	2,773
Centennial Coal	225	+2.5	+0.1	34	2-0	3	1.5	22	0.6	7	7.1	1.44	354	Namoi Cotton	31	+11.3	+1.2	13	4-0	-	0.4	11	1.0	3	4.8	0.08	34
Clough Limited	64	-3.2	+6.6	54	0-0	1	1.4	16	0.8	9	7.0	0.40	267	Dalrymple Res.	210	+5.0	+4.0	26	4-0	-	-	-	0.8	NE	Nil	N/A	148
Aust Pipeline	306	+6.8	+1.1	20	0-0	4	1.7	8	0.4	20	7.0	3.05	747	Primary Health	412	+8.5	+1.3	17	4-0	320.6	32	0.3	65	1.9	3.61	414	
Futuris Corp.	175	+11.3	-2.0	13	0-2	6	2.3	13	0.8	17	6.9	0.15	1,081	Solution 6	59	+12.7	+8.9	12	4-0	3	7.4	-	0.8	NE	Nil	0.40	148
Jubilee Mines	225	+10.7	-0.5	14	0-2	1	4.4	48	0.6	9	6.7	2.30	273	Becker Group	21	+13.4	+1.7	11	4-0	-	0.8	6	1.3	14	Nil	0.39	15
AV Jennings	150	+25.1	+8.8	4	3-2	-	1.7	31	0.6	6	6.7	0.61	323	S8 Limited	200	+1.8	+2.6	36	4-0	-	-	-	0.5	5	3.0	1.60	38
Sthn Cross Bnd.	870	-0.2	+2.5	45	0-0	5	1.0	6	0.4	16	6.6	1.54	506	Hills Motorway	558	+7.4	-1.6	19	4-0	8	2.4	6	0.3	43	3.5	N/A	1,032
AWB Limited	386	+2.5	+0.1	34	1-0	3	1.3	14	0.5	10	6.5	0.45	1,055	Sydney Gas Ltd	34	+6.5	+3.4	21	4-0	-	-	-	0.9	NE	Nil	N/A	41
Spotless Group	352	-12.0	-0.3	74	0-0	7	-	-	0.5	23	6.3	0.33	724	Woodside Petrol	1272	+1.7	+3.4	37	4-0	6	-	-	0.4	NE	3.1	3.78	8,480
Djerrirwarrah	353	+2.7	+1.9	33	1-0	-	1.2	7	0.5	18	6.1	N/A	524	FTR Holdings	47	+4.6	-2.6	27	4-0	-	1.1	-	1.7	NE	Nil	1.49	17
INSIDER BUYING: Most Insider Buying, Relative Strength > 0																											
Suncorp-Metway	1210	+2.5	+3.5	34	13-0	7	2.9	14	0.3	20	4.5	1.41	6,388	Ruralco Hold.	326	+6.4	+0.2	22	4-0	-	1.9	17	0.3	11	4.3	0.06	31
Biron Capital	34	+1.9	+1.3	36	13-0	-	0.8	4	0.8	21	3.0	2.52	13	Crown Diamonds	10	+0.3	+27.5	41	4-0	-	-	-	1.2	NE	Nil	0.81	2
PMP Limited	83	+15.3	+7.9	10	12-0	5	3.2	36	0.9	9	Nil	0.16	241	ETRADE Aust.	47	+1.8	+4.5	36	4-0	1	3.1	-	1.1	NE	Nil	2.30	46
BHP Steel Ltd	400	+6.6	+3.8	21	12-0	-	1.0	-	0.6	NE	Nil	0.69	3,172	Working Systems	15	+24.6	+15.3	4	4-0	-	14.5	-	1.0	NE	Nil	1.83	12
Intermin Res	6	+3.9	+2.2	29	11-0	-	-	-	1.4	11	Nil	1.99	6	Prudential Inv.	34	+10.0	+20.0	15	4-0	-	-	-	0.6	37	2.9	0.35	8
Amrad Corp.	65	+6.5	+8.2	22	10-0	1	1.5	-	0.5	NE	Nil	6.55	85	Investa Prop.	196	+0.2	+0.0	41	4-0	4	1.1	8	0.4	13	7.5	6.30	1,639
ABB Grain Ltd	340	+5.4	-0.4	24	10-0	-	1.4	13	0.5	11	5.0	0.17	155	HarTec Ltd	21	+14.1	+5.8	11	4-0	-	-	-	0.9	NE	Nil	0.76	27
Prime TV	230	+10.2	-0.8	15	10-0	4	-	-	0.5	27	4.1	1.77	280	Aquila Res.	46	+6.4	+1.8	22	4-0	-	-	-	0.7	NE	Nil	N/A	17
OFM Investment	206	+1.3	+5.1	38	9-0	-	-	-	0.5	12	2.4	4.20	83	Aust Agricult.	108	+6.5	+2.0	21	4-0	2	1.1	11	0.5	10	5.6	2.13	208
Amity Oil NL	120	+34.5	+11.0	3	12-3	-	-	-	0.7	NE	Nil	N/A	191	Salmat Ltd	220	+0.8	+3.7	39	4-0	-	6.1	-	0.5	NE	Nil	1.94	256
Finbar Intern'l	27	+3.8	+2.7	30	8-0	-	0.9	8	0.7	11	3.7	1.12	24	Wattly Ltd	330	+6.7	+1.9	21	4-0	4	1.3	6	0.3	21	2.4	0.46	261
Oroton Group	469	+5.3	+2.5	25	8-0	110.7	79	0.4	13	4.3	0.99	86	Abacus Property	122	+3.3	+0.3	31	4-0	-	1.3	-	0.6	NE	Nil	N/A	330	
Trust Co of Aus	562	+0.7	+4.4	40	8-0	-	2.9	0	0.3	921	2.0	5.65	182	Objective Corpo	24	+5.4	-1.5	25	4-0	1	6.0	-	0.8	NE	Nil	3.89	32
Alkane Explor.	43	+22.1	+6.9	6	10-2	-	-	-	1.2	NE	Nil	4.51	51	Brickworks Ltd	779	+7.3	+2.9	20	4-0	2	1.8	9	0.3	20	2.0	6.16	1,026
Aust Infra.	165	+5.4	+3.6	24	7-0	3	0.9	1	0.4	70	3.3	N/A	283	Macquarie G Mgt	184	+12.1	+2.8	13	4-0	212.3	28	0.7	44	1.1	N/A	460	
Sunland Group	74	+11.8	+6.1	13	7-0	-	1.7	18	0.5	9	3.4	0.61	126	Payce Consol.	125	+4.7	+0.1	26	5-1	-	1.3	-	0.5	NE	Nil	N/A	43
Bendigo Bank	806	+1.3	+1.3	38	8-1	7	2.2	11	0.3	20	3.6	3.43	981	Macquarie Leis.	80	+8.9	+2.4	16	6-2	1	1.1	10	0.6	11	8.8	6.10	115
Genetic Tech.	59	+26.2	+22.9	4	6-0	-	19.7	-	0.8	NE	Nil	6.55	154	Kagara Zinc Ltd	60	+6.8	-3.4	21	6-2	-	-	-	0.5	NE	Nil	N/A	86
Perseverance	19	+6.1	+0.8	23	6-0	-	-	-	0.9	NE	Nil	6.85	47	Caltex Australia	318	+20.8	+2.1	6	3-0	1	0.8	21	0.7	4	Nil	0.15	859
Milton Corp.	1280	+4.1	+2.2	28	6-0	-	1.1	4	0.3	28	3.5	N/A	807	Namakwa Diamond	14	+8.6	+15.1	17	3-0	-	-	-	1.0	NE	Nil	N/A	8
Macquaries Air.	156	+11.6	+10.3	13	7-1	-	0.9	3	0.5	31	3.5	N/A	1,469	Biotech Capital	37	+4.4	+6.7	27	3-0	-	0.8	0	0.8	336	Nil	N/A	30
Havilah Res.	9	+9.1	+4.2	16	5-0	-	-	-	1.7	NE	Nil	N/A	4	Sthn Star	66	+3.0	+11.8	32	3-0	1	1.3	11	0.5	13	5.3	0.64	72
														OAMPS	298	+10.1	+5.3	15	3-0	-	7.6	47	0.3	16	6.7	0.48	214

“Insider” Trades in New Zealand Shares

The first table below shows the number of Purchases and Sales of a company's shares by its Directors over the last twelve months (excluding “Neutral” situations where the number of Buyers and Sellers were equal). Shares where many “insiders” have been buying can outperform the market for up to two years, while shares where many “insiders” have sold can under-perform for a similar period.

“Insider” Indicators

Last 5 w

“Insider” Trades in Australian Shares

The first table below shows the number of Purchases and Sales of a company's shares by its Directors over the last twelve months (excluding “Neutral” situations where the number of Buyers and Sellers were equal). Shares where many “insiders” have been buying can outperform the market for up to two years, while shares where many “insiders” have sold can under-perform for a similar period.

“Insider” Indicators

Last 5 wks: 67.4% Buyers
Last 13 wks: 68.8% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
ABB Grain Ltd	10-0	Auspine Ltd	2-0	CBD Energy Ltd	3-1	Crown Diamonds	4-0	Funtastic Ltd	1-0
ABC Learning	0-2	Aust Pharm. Ind	1-0	CCI Holdings	1-0	Cullen Resource	3-0	Futuris Corp.	0-2
AGD Mining	0-1	Aust Healthcare	6-0	CPI Group	1-0	Cypress Lakes	1-0	Future Corp	5-0
AJ Lucas	1-0	Aust Growth Ltd	2-1	CPT Global Ltd	1-0	DCA Group Ltd	5-7	G.R.D. NL	9-0
AMP Ltd	2-0	Aust Wine Hold.	3-2	CSL Limited	3-1	DCS Technology	2-0	G.U.D. Holdings	2-0
ANZ Bank	6-1	Aust Energy	1-4	CTI Logistics	1-0	Daily Planet	0-1	GWA Internatl	1-2
APN News Media	5-0	Aust W'wide Exp	1-0	Cabcharge Ltd	2-11	Dalrymple Res.	4-0	Gale Pacific	2-1
ARC Energy	1-0	Aust Ethical In	1-0	Caltex Australia	3-0	Data & Commerce	2-0	Gallery Gold	0-2
AV Jennings	3-2	Aust Magnesium	1-0	Campbell Bros	3-6	David Jones	1-0	Garratt's Ltd	6-0
AWB Limited	1-0	Aust Infra.	7-0	Capral Alum.	1-0	De Grey Mining	2-0	Gazal Corp	0-1
AXA Asia Pac	1-0	Aust Foundation	1-0	Carlton Invest	1-9	Deakin Fin Serv	3-0	General Publish	0-1
Abacus Property	4-0	Aust Mines Ltd	1-0	Carmarvon Pet.	3-1	Deep Green Min.	1-0	General Prop Tr	3-0
Abelle Ltd	0-1	Aust Agricul.	4-0	Carpenter Pac.	1-0	Deep Yellow Ltd	2-0	Genetic Tech.	6-0
Aberdeen Leader	0-2	Austindo Res	1-0	Cash Converters	0-4	Destra Corp Ltd	2-0	Giants Reef Min	2-0
Acclaim Explor	3-0	Austin Group	0-6	Catuity	4-1	Devine	2-0	Gindalbie Gold	1-2
Adacel Tech.	2-0	Austminex NL	4-0	Celestis Ltd	0-2	Diamond Rose	1-0	Gippsland Ltd	3-0
Adamus Resource	1-0	Austrim Nylax	2-0	Cellnet Group	2-0	Djerriwarrh	1-0	Glengarry Res.	1-0
Adcorp Aust.	1-0	Auto Group Ltd	1-0	Cent. Kalgoorie	2-0	Dolomatrix Intl	5-1	Global Business	2-0
Adelaide Res.	0-1	Autron Corp	1-2	Centamin Egypt	1-0	Dominion Mining	1-0	Global Doctor	1-0
Adelaide Bright	0-2	Aviva Corp Ltd	6-0	Centennial Coal	2-0	Downer EDI Ltd	2-0	Globe Intl Ltd	2-1
Adelaide Bank	1-0	Avoca Resources	2-0	Centro Prop.	2-0	Drillsearch	0-1	Golden State	1-0
Adsteam Marine	4-0	B Digital Ltd	1-0	Challenger Int.	9-10	Dromana Estate	2-0	Golden Cross	2-0
Adtrans Group	1-2	BHP Billiton	7-0	Chariot Limited	1-0	E-Bet Limited	1-0	Golden Valley	1-0
Advanced Energy	2-0	BHP Steel Ltd	12-0	Charter Pacific	2-0	E-Global Intl	2-0	Goldstream Min.	0-1
Advantage Tele.	2-0	Ballarat Gold	2-0	Chemeq Ltd	2-4	E-Star Online	5-0	Gowing Brothers	1-0
Aeris Tech Ltd	1-0	Bank of Q'land	1-0	Chester Mining	1-0	ETRADE Aust.	4-0	Gradipore Ltd	6-1
Afminex Limited	15-0	Barra Resources	2-0	Chieftain	2-0	Echo Technology	2-0	Graincorp	1-0
Aim Resources	0-1	Batavia Mining	1-0	Child Care C.A.	1-0	Eiffel Tech.	7-0	Grandbridge Ltd	1-0
Alesco Corp Ltd	1-6	Baxter Group	1-2	Chiquita Brands	0-1	Electrometals	1-0	Grand Hotel	3-0
Alkane Explor.	10-2	Baycorp Advant.	10-0	Choiseul Inv.	1-0	Emperor Mines	0-3	Grange Resource	3-1
Allegiance Min.	7-0	Becker Group	4-0	Circadian Tech	5-0	Energy Resource	1-0	Gravity Capital	1-0
Alliance Fin.	1-0	Bemax Resources	4-3	City Pacific	1-0	Energy Develop.	7-0	Greater Pacific	2-0
Allied Mining	2-1	Bendigo Mining	0-2	Clearwater Grp	3-0	Energy World	2-0	Green's Foods	3-1
Altium Limited	1-0	Bendigo Bank	8-1	Clinical Cell	3-1	Ent Media & Tel	3-1	Gregory Indust.	2-0
Alumina Ltd	5-0	Benitec Ltd	5-2	Clover Corp.	0-2	Environ. Rec'y	1-0	Gribbles Group	2-0
Amadeus Energy	1-0	Bentley Equit.	1-0	Cluff Resource	0-1	Environ. Sol'n	4-0	Gro Pep Limited	2-0
Ambition Group	3-0	Betcorp Ltd	1-0	Coates Hire	2-1	Environm't Grp	2-0	Guinness Peat	1-0
Amcom Telecom.	4-0	Beyond Intl	2-0	Cochlear Ltd	2-0	Eqitx Limited	1-0	Gunson Res.	3-0
Ancor Ltd	1-0	Billabong Intl	4-2	Cockatoo Wines	2-0	Equigold NL	10-5	Haddington Res.	1-0
Amity Oil NL	12-3	Bionomics Ltd	1-0	Coffey Intl	5-0	Equity Trustees	4-0	Hallmark Cons.	5-2
Amrmtec Ltd	0-1	Biota Holdings	1-0	Coles Myer	3-0	Essential Pet.	3-0	Hampton Hill	1-0
Amrad Corp.	10-0	Biotech Capital	3-0	Collection Hse	7-0	Eumundi Brewing	3-0	Haoma Mining NL	1-0
Ansell Ltd	3-0	Biron Capital	13-0	Commander Comm.	1-0	Eurast Ltd	5-0	HarTec Ltd	4-0
Apollo Gold	1-0	Boral Limited	1-0	Computer Share	9-0	Eurogold Ltd	1-0	Harrington Grp	1-2
Aquarius Plat.	1-0	Bounty Oil Gas	0-1	Compumedics Ltd	1-0	Evans & Tate	3-0	Harvest Road	0-1
Aquila Res.	4-0	Brambles Ind.	6-1	Con Broken Hill	2-0	F.F.I. Holdings	1-0	Harvey Wld Trav	2-1
Argo Investment	2-1	Brazin Limited	9-2	Concept Systems	3-0	FKP Limited	4-1	Harvey Norman	2-1
Aristocrat	1-0	Breakfree Ltd	7-1	Conquest Mining	1-0	FSA Group Ltd	1-0	Havilah Res.	5-0
Armourglass Ltd	1-0	Brickworks Ltd	4-0	Cons Minerals	1-0	FTR Holdings	4-0	Healthscope	3-0
Arrow Pharm.	0-2	Bristle Ltd	1-0	Cooper Energy	2-0	Fairfax (John)	1-0	Health Com Ntwk	5-0
Arrow Energy	4-0	Broadtel Com.	2-0	Corp Express	1-7	Fantastic Hold.	1-0	Heggies Bulk.	1-0
Ashburton Min.	1-0	Buderim Ginger	2-0	County Diamonds	4-0	Fiducian P Serv	3-0	Henry Walker E.	11-0
Aspen Group Ltd	2-0	Bullion Min.	3-0	Count Financial	1-0	Finbar Internl	8-0	Heron Resources	2-0
Aspermont Ltd	1-0	Burdekin Pacifi	4-0	Coventry Group	3-0	Fleetwood Corp	1-4	Hidson Timber	0-1
Atlas Pacific	0-8	Burns Philp	1-0	Crane Group	1-0	Flight Centre	0-1	Hillcrest Res.	9-0
Audax Resources	3-0	Burswood Ltd	3-0	Credit Corp	1-0	Forest Ent Aust	0-2	Hills Motorway	4-0
Ausdrill Ltd	0-2	Byte Power Grp	0-1	Croesus Mining	1-3	Forest Place Gr	5-0	Hills Indust.	2-1
Ausmelt Ltd	1-0	C.S.R. Ltd	3-4	Cromwell Corp	2-0	Fox Resources	2-0	Hire Intell.	1-0

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Hitech Energy	6-0	Macquarie Good.	1-0	Online Trading	1-0	Retail Tech.	1-0	Tech Investment	1-0
Home Bldg Soc.	0-1	Macquarie Bank	2-1	Optiscan Image	1-0	Revesco Group	1-2	Tech Star Ltd	1-0
HomeLeisure Ltd	3-2	Macquarie Off.	2-0	Orchard Petrol.	3-0	Rinker Group	2-0	Technology One	1-0
Horizon Energy	4-0	Macquaries C&I	1-0	Orica Ltd	2-0	Rivkin Fin Serv	4-2	Tectonic Res.	1-0
Hostworks Group	1-0	Macquarie Infra	0-2	Origin Energy	1-0	Rock Build Soc.	0-8	Telstra	3-0
Housewares Int.	0-1	Macquarie G Mgt	4-0	Oroton Group	8-0	Rural Press Ltd	2-0	Tempo Services	0-4
Hudson Sec.	1-0	Macquaries Air.	7-1	PCH Group	0-3	Ruralco Hold.	4-0	Ten Network	0-1
Hunter Hall Int	0-8	Macquarie C Tel	1-0	PMP Limited	12-0	S8 Limited	4-0	Text Media Grp	0-1
Hutchison Tel.	1-0	Magna Pacific	0-1	POS Media	0-1	SDI Limited	4-7	Thakral Holding	0-1
Hydromet Corp.	1-0	Mariner Fin.	1-0	Pacific Hydro	3-0	SDS Corporation	1-0	Thundelarra Exp	10-0
IBA Health Ltd	1-0	Mariner Retire.	2-1	Pacific Energy	5-0	SFE Corporation	0-1	Ticor Ltd	2-0
IMF (Aust) Ltd	0-1	Mark Sensing	2-0	Pacrim Energy	1-3	SMS Mgmt & Tech	1-0	Timbercorp	1-0
IWL Limited	1-0	Marybor'gh Suga	0-4	Pacsoft Limited	2-0	SPC Ardmona Ltd	1-4	Toll Holdings	1-0
lasbet Limited	0-1	Mawson West Ltd	2-1	Paladin Res.	3-0	SSH Medical Ltd	3-0	Tourism Leisure	1-0
latia Limited	3-0	Maxe-tec Aust	3-1	Palamedia Ltd	1-0	STW Comm Group	1-0	Tox Free Sol.	2-0
Icon Energy	2-0	Maxi TRANS	4-0	Pan Pharmaceut.	7-0	Sabina Corp Ltd	3-0	Transurban Grp	1-3
liiNet	0-3	Maxis Corp Ltd	5-0	Pan Palladium	2-1	Salmat Ltd	4-0	Treasury Group	1-0
Iluka Resources	1-0	Mayne Group Ltd	1-0	Panbio Ltd	1-0	Sam's Seafood	5-0	Triako Res.	1-0
Image Resources	3-0	McGuigan Simeon	3-0	Paperlin X Ltd	1-0	Santos Ltd	1-0	Tribeca Corp.	1-0
Imdex Limited	2-0	McPherson's Ltd	0-4	Patrick Corp	2-0	Scantech	4-0	Troy Resources	0-3
Imperial One	1-0	Medaire Inc	3-0	Payce Consol.	5-1	Shaffer Corp	1-2	Trust Co of Aus	8-0
Impress Venture	5-0	Medical Corp	1-0	Pearl Healthcare	7-0	SecureNet Ltd	1-0	U.S. Masters	1-0
Ind Practition.	3-0	Mermaid Marine	3-0	Pelorus Pipes	0-1	Select Vaccines	2-0	UNITAB Ltd	0-1
Independ. Gold	5-2	Metcash Trading	0-4	Penfold Buscomb	1-0	Select harvest	1-0	Uecomm Limited	2-0
Insurance Aust.	2-0	Methanol Aust.	3-0	Penfold (WC)	1-0	Selwyn Mines	0-3	United Group	1-0
Int Research	2-0	Mia Group Ltd	1-0	Peplin Biotech	0-1	Servcorp Ltd	14-0	United Energy	0-2
Int'l Concert	3-0	Mikoh Corp.	1-0	Peppercorn I Fd	2-0	Siberia Mining	2-0	Unitract Ltd	0-1
Integrated Grp	1-0	Millers Retail	0-1	Peptech Limited	1-0	Sims Group Ltd	0-7	Universal Res.	1-0
Intellect Hold	0-4	Milton Corp.	6-0	Perp Trust Aust	0-3	Sirius Telecom.	1-5	VRI Biomedical	1-0
Intermoco Ltd	1-0	Minerals Corp.	5-2	Perseverance	6-0	Sirtex Medical	0-1	Valdera Res.	4-0
Intermin Res	11-0	Minotaur Res.	1-0	Peter Lehman W.	0-1	Skilled Eng.	1-0	VeCommerce Ltd	2-0
Investa Prop.	4-0	Mirrabooka Inv.	4-0	PharmNet Online	2-0	Sky Net Global	1-0	Ventracor Ltd	1-0
Investika Ltd	3-0	Mirvac Group	4-0	Plaspak Group	3-0	Smorgon Steel	2-0	Viagold Capital	0-1
Iress Mkt Tech	2-0	Mobilesoft Ltd	1-0	Platinum Cap'l	0-4	Softlaw Corp	2-0	Vietnam Indust.	0-1
Ironbark Cap.	0-3	Molopo Aust	1-0	Poltech Int'l	1-0	Solar Energy	6-1	View Resources	1-0
Ivanhoe Mines	0-1	Monadelphous Gr	0-2	Port Bouvard	2-0	Solbec Pharm.	2-3	Villa World	2-0
JAM Develop.	2-0	Monto Minerals	1-0	Port Douglas	0-4	Solution 6	4-0	Village Road.	1-0
Jackson Gold	1-0	Motion Picture	1-0	Prima Biomed	3-1	Sonic Health	0-1	Virax Holdings	0-2
James Hardie	1-0	Mt Burgess Min.	2-1	Primary Health	4-0	Sons of Gwalla	1-0	Vision Systems	7-0
Jetset Travel	0-1	Mt Conqueror	1-0	Prime TV	10-0	Soul Pattinson	5-0	Volante Group	2-1
Jindalee Res.	2-0	Multimedia Ltd	0-1	Prime Life Corp	2-0	Southcorp Ltd	4-0	Voxson Limited	2-0
Jubilee Mines	0-2	Murchison Un.	2-0	Prophecy Int'l	5-0	St George Bank	0-1	Voyager Energy	1-0
Julia Ross Rec.	1-0	NCML (Holdings)	1-0	Prudential Inv.	4-0	Starpharma Pool	2-1	WMC Resources	3-0
Kagara Zinc Ltd	6-2	Namakwa Diamond	3-0	Psiron Limited	1-0	Stericorp Ltd	1-0	Wadepack Ltd	6-0
Keycorp Ltd	3-0	Namoi Cotton	4-0	Publishing & Br	2-1	Sthn Star	3-0	Waterco Ltd	3-0
Lafayette Min.	1-0	Nat'l Foods	1-0	Q Multimediam	7-2	Sthn Titanium	2-0	Wattyl Ltd	4-0
Lake Technology	3-1	Nat'l Telecoms	9-1	QED Occtech Ltd	5-0	Stockford Ltd	2-0	Wespy Limited	1-0
Lakes Oil NL	1-0	Netcomm Limited	2-0	Queens'd Cotton	1-0	Straits Res.	3-0	Wedgetail Exp.	3-2
Legalco Limited	1-4	Network Ltd	2-0	Queste Comm's	1-0	Strategic Min.	1-0	Wesfarmers Ltd	4-2
Leighton Hold	0-9	Neverfall Spr.	3-0	Quiktrak Netwks	11-6	Striker Res.	1-0	West Oil NL	1-0
Lemarne Corp	2-0	Newcrest Mining	2-0	RMG Limited	3-2	Structural Syst	2-0	West Aust Metal	0-3
Lemvest Ltd	3-0	Newhaven Park	1-0	RP Data Limited	2-0	Sub-Sahara Res.	0-2	West Aust News	2-0
Lend Lease Corp	1-0	News Corporatio	4-2	Ramelius Res.	1-0	Sun Resources	4-0	West'n Metals	3-0
Lend Lease US	1-0	Nexus Energy	2-0	Ramsay Health	1-3	Suncorp-Metway	13-0	Western Areas	1-0
Lighting Corp.	5-1	Niagara Mining	2-0	Range River Gld	1-0	Sundowner Group	1-0	Westfield Hold.	3-1
Lihir Gold	1-0	Nido Petroleum	8-0	Range Resources	1-0	Sunland Group	7-0	Westgold Res.	2-0
Lion Equities	1-0	Noni B Limited	1-0	Realestate.com	1-0	Sunraysia TV	1-0	Westonia Mines	3-1
Lion Selection	1-0	Norwood Abbey	1-0	Reclaim Indust.	1-0	Sunshine Gas	1-0	Whitefield Ltd	2-4
Loftus Capital	13-0	Nova Health Ltd	8-0	Record Realty	1-0	Supply Network	1-0	Wide Bay Cap'n	0-4
Longreach Oil	1-0	Novogen Ltd	0-1	Record Invest.	1-0	Sydney Gas Ltd	4-0	Willmott Forest	4-1
Ludowici Ltd	0-1	Nufarm Limited	1-0	Red Back	0-2	Synergy Equity	4-0	Wilson Invest.	2-0
Lumacom	0-2	OAMPS	3-0	Reece Australia	2-0	TVSN Limited	2-0	Wine Investment	1-0
Lynas Corp Ltd	1-0	OFM Investment	9-0	Reed Resources	1-0	Tamawood Ltd	4-3	Winepros Ltd	0-1
M-Box.com	0-1	OPSM Group Ltd	2-0	Reefton Mining	2-0	Tanami Gold NL	0-1	Woodside Petrol	4-0
MFS Lev Invest.	3-0	Oakton Limited	0-3	Renew. Energy	2-0	Tandou Ltd	1-0	Working Systems	4-0
Macarthur Cook	3-1	Objective Corpo	4-0	Renison Cons	7-0	Tantalum Aust.	2-0	Xanadu Wines	4-0
Macmin Silver	0-3	Occupational Md	0-1	Repcol Ltd	1-0	Tap Oil	0-2	Xcell Diagnost.	4-0
Macquarie Leis.	6-2	Oil Search Ltd	0-1	Resolute Mining	2-0	Tasman Resource	2-0	Yamarna Goldfld	4-0
								ZyloTech	1-0

Insider Buying Identifies Five Attractive Shares

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

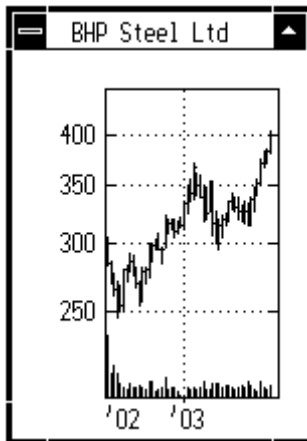
BHP Steel (code BSL).

Twelve *insiders* have purchased shares in BHP Steel over the last year. The shares have risen steadily in value since the de-merger from **BHP Billiton** in July 2002, in line with upgrades in the company's profit forecasts. For the year to June 2003 the company expects profits to be around \$400 million (50 cents per share) and to lift the annual dividend rate to 20.0 cents. At 400 cents, that puts the shares on a Price/Earnings ratio of 8 and a Dividend Yield of 5.0%. With a strong balance sheet, and relatively low debts, BHP Steel is also seeking to re-purchase up to 10% of its shares on-market. So the shares have all the characteristics necessary to rate a "Buy".

The company produces 5.1 million tonnes of steel annually in Australia and a further 625,000 tonnes in NZ, but its *main* business is processing most of this into coated or painted sheet. Painted steel is marketed under various brands including *Colorbond* in Australia and *Colorsteel* in NZ. This is a high margin business where BHP Steel seeks to maintain close to a monopoly in Australia and NZ. BHP also has extensive processing and painting plants throughout Asia.

The only cloud on the horizon is the recent strength by both the Australian and New Zealand currencies, which will make imported steels more competitive.

Nevertheless, BHP Steel shares should continue to perform strongly over the next 6-12 months.



E*Trade Australia (code ETR).

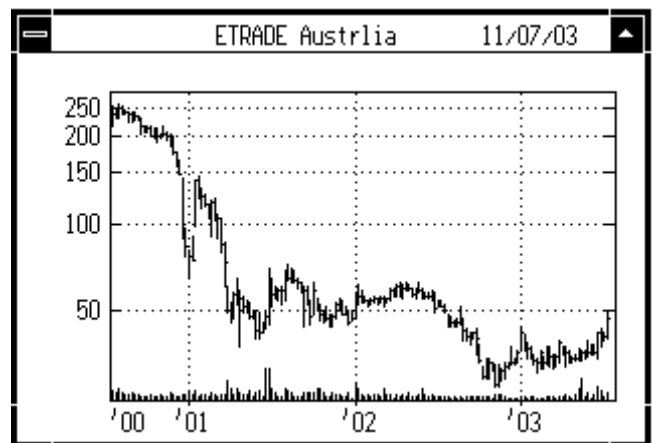
After many years - and \$120 million of losses - E*Trade Australia is eventually emerging as a profitable company and generating positive operating cashflows. *Insiders* have also been buying shares on-market and, with a *positive* Relative Strength rating, E*Trade Australia shares rate a speculative "Buy".

For the six months to December, revenues fell 2.5% to \$9.0 million but the company earned a profit of \$324,000 (0.3 cents per share).

The Price/Earnings ratio is a relatively high 2.30, but this could be justified as E*Trade Australia has the

potential to be a high profit margin business. Stockbroking is also a very volatile business - operating at close to break-even when the market is depressed, but able to earn high profits when stockmarket activity is high. So E*Trade Australia *could* experience strong profit growth as the market recovers.

There have been four *insider* buys (and no sells) over the last year.



Health Communication Network (code HCN).

Health Communication Network provides *Clinical* software to help GPs treat their patients and prescribe drugs, *Practice Management Software* to help them run their business and *Online Knowledge Resources* for hospitals.

The business became profitable in the six months to December 2002, earning a profit of \$632,000 (1.0 cent per share) on revenues of \$15.7 million and cashflow positive in the March 2003 quarter when it generated a surplus of \$2.2 million.

The company estimates its profit to June 2003 will be around \$1.6 million (2.6 cents per share).

Health Communication holds cash of \$6.6 million (10.7 cents per share) and has less than \$0.5 million of interest bearing debt.

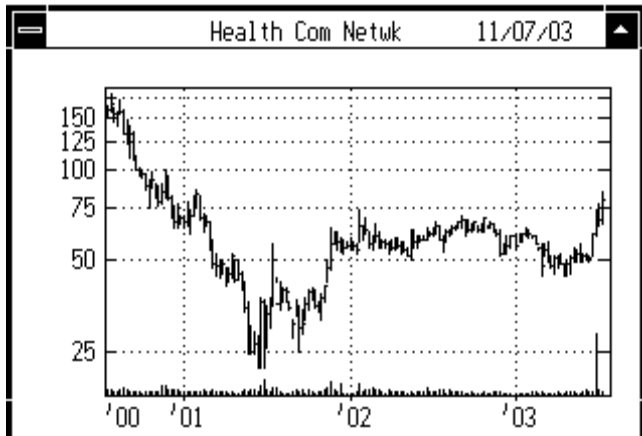
The shares appear to be in a new, strong uptrend reflecting the improved financial performance of this *emerging* growth company. The Relative Strength rating is a favorable +2.8%, ranked 32.

We have counted five *insider* buys (and no sells) over the last year - but that figure ignores another five small trades (i.e. less than \$10,000 in value) that we don't include in our *insider* statistics. Management have a large investment in the company. The Chairman CM Fullerton owns 3,400,000 shares (5.5% of the company). Non-executive directors also have large shareholdings: CL Gibbon owns 3,971,820 shares (6.5%), NR Cullimore holds 450,954 shares and Dr JA Alexander has 560,000 shares.

Revenue is earned mainly from recurring fees for use of its software and services, so this is a relatively secure

business where revenues and profits will grow as the company signs up more users and/or expands its services.

Health Communication Network is well positioned for growth. While not without risk, the shares are suitable for investors seeking maximum capital appreciation.



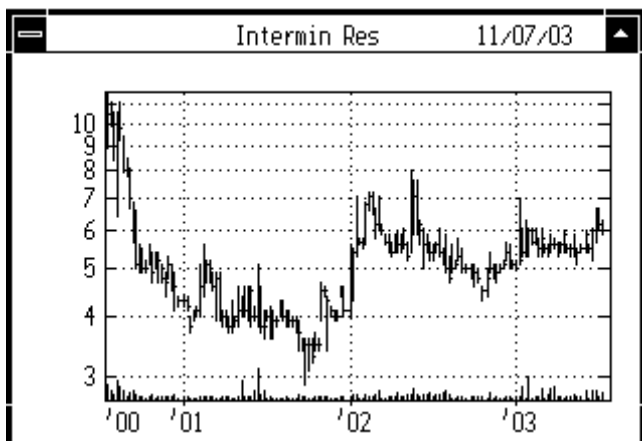
Intermin Resources (code IRC).

Intermin Resources is a very small “micro-cap” company, but looks to be under-valued and may be attractive as a speculative investment. The issued capital is 93,553,013 shares but at 6.0 cents that gives a market capitalisation of just \$5.6 million.

The company is a small gold producer and has several exploration interests. In addition it holds \$3,585,000 in cash, will receive \$1.15 million (i.e. \$230,000 per year for five years, plus royalties on production) from the sale of a mining lease, plus investments (i.e. Jetset, Greater Pacific, and suspended Asia Multi-Foods which may be recapitalised and relisted) worth around \$3.7 million. There are no significant liabilities. So Intermin Resources shares trade below their net asset value - \$8.4 million of which is in cash, receivables or shares.

The directors clearly believe these shares are under-valued as there have been 12 *insider* buys (and no sells) over the last year. Furthermore the company announced an on-market buyback for 14,000,000 shares (15.0% of the company) in mid-June which should (1) further increase the value of the remaining shares and (2) help ensure that the share price appreciates in the short to medium term.

Intermin Resources shares are therefore relatively attractive as a speculative investment.



Keycorp (code KYC).

Like most technology companies, Keycorp's business and share price have experienced some volatility over the years. Nevertheless, the company is now focused on three divisions and is becoming profitable.

For the six months to December 2002 the company reported a 19.5% decline in revenues to \$52.3 million. This, however, was owing to an accounting change. Using the same accounting method, revenues would have been ahead about 10%. More importantly Keycorp has become profitable, earning a profit of \$1,114,000 (1.4 cents per share), and generated a large \$10.4 million operating cash surplus. The quarter to March 2003, however, recorded an operating cash deficit of \$3.7 million.

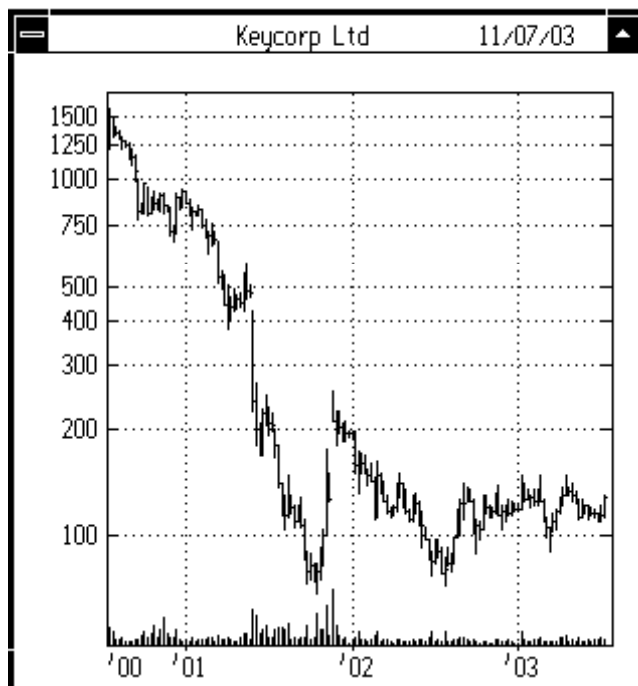
Two of Keycorp's three divisions are now profitable. For the six months to December, *Secure Transactions* earned a 60% higher \$5.4 million (before unallocated expenses) and *Service/Installation & Maintenance* earned a 135% higher \$3.6 million. *Secure Products* lost \$5.6 million (although better than the previous year's \$30.8 million loss), and this division is expected to approximately break-even for the six months to June 2003. Group profitability is expected to be about \$2.2-2.3 million for the full year.

In recent months the company has won several major contracts including the supply of 1000 POS terminals to **Global Payments Inc**, 650 terminals for **Toys 'R' Us** stores in Canada, 1000 terminals for petrol stations in Australia and a \$3 million order for smartcards.

Keycorp has around \$37 million in interest bearing debt, although that has been re-financed and is repayable over several years.

There have been three *insider* buys (and no sells) over the last year.

An investment in Keycorp still involves high risks, but this could be an attractive growth situation.



Investment Outlook (Continued from Page 1)

Over recent years, Technology shares have become depressed - but are now starting to recover - so this is a sector in which investors should now be searching for value. Technology companies have also benefited from rationalisation (i.e. weaker companies have failed, stronger companies have merged), which has removed excess competition and allowed companies to expand revenues and build profitable businesses. *Under-valuation and future growth potential* are the two factors needed to produce ten-bagger investment gains!

In February we recommended **Iasbet**, a profitable, cashflow positive company that uses the internet to run its rapidly expanding wagering business internationally. This month we are adding **Solution 6** to our *Recommended Portfolio*. This software company is just becoming profitable after building a leading position in a sector that offers outstanding growth potential.

Our *Insider* data (see Pages 12-15) also identifies **E*Trade Australia, Health Communications Network** and **Keycorp** as attractive technology companies that have recently become profitable and which could grow strongly over the years ahead. While we are not formally recommending these shares they are attractive and worth considering for investment.

Earlier *Insider* reviews have identified emerging profitably in technology companies like **Adacel Technologies, CDS Technologies, FTR, Melbourne IT** and **SecureNet** (which has jumped on a takeover offer). Both CDS Technologies and FTR (which is very small) have previously been informally rated as "Buy".

Next Issue

The next issue of *Market Analysis* will be posted in four weeks time on Tuesday August 12, 2003 (and delivered in most areas on Wednesday 13).

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

Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Dorchester Pacific	3.90	30-06	04-07	Full
Mainfreight Group	3.50	14-07	18-07	Full
Mowbray Collectibles	2.00	16-06	30-07	Full
Owens Group	2.00	28-07	30-07	Full
Paramount Property	2.88	16-06	20-06	0.40
Trustpower	17.50	21-07	31-07	Full
Vertex Group	8.10	18-08	22-08	Full
Wakefield Hospital	3.00	16-06	23-06	Full

Australian Shares
(None of our recommended shares)

Total Return Index for All Listed Shares

Jun 9	1781.98		
Jun 10	1779.59		
Jun 11	1785.54		
Jun 12	1785.51		
Jun 13	1779.18		
Jun 16	1783.60	Jun 23	1809.84
Jun 17	1798.29	Jun 24	1809.33
Jun 18	1800.01	Jun 25	1810.76
Jun 19	1805.67	Jun 26	1810.53
Jun 20	1806.15	Jun 27	1820.61
Jun 30	1826.06	Jul 7	1815.83
Jul 1	1822.94	Jul 8	1814.68
Jul 2	1812.55	Jul 9	1799.15
Jul 3	1812.28	Jul 10	1802.25
Jul 4	1811.61	Jul 11	1810.27

Current Issues

SHARE REPURCHASES

Details

Hellaby Holdings		4%, on-market
NGC Holdings	1 in 3,	off-market at 184 cents
Provenco		16%, on-market
Sky City Entertainment	2½-3¾%,	on-market
Steel & Tube		9.99%, on-market

CASH ISSUES

	Ratio	Price	Ex-Date	Appln Date
Tower Corporation	4:3	90	-	-

NEW ISSUES

	Price	Date	EPS	DPS
Postie Plus	-	-	-	-

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