

Market Analysis

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Inside Market Analysis

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Founder: James R Cornell (B.Com.)

Summary and Recommended Investment Strategy.

Remain fully invested in the recommended Australian and New Zealand shares.

Investment Outlook.

There has been an improvement in *insider* trading data for the NZ stockmarket over recent weeks. After heavy *insider* selling over recent years there has been a swing to 51.4% buying over the last five weeks. Generally we look at the buying over the last 13 weeks, which is still unfavourable at 35.8% buyers (and 64.2% sellers), but that is up on the unfavourably low 24.6% buyers for the quarter to early January. In Australia the data is continuing to show a consistently favourable 70% buyers.

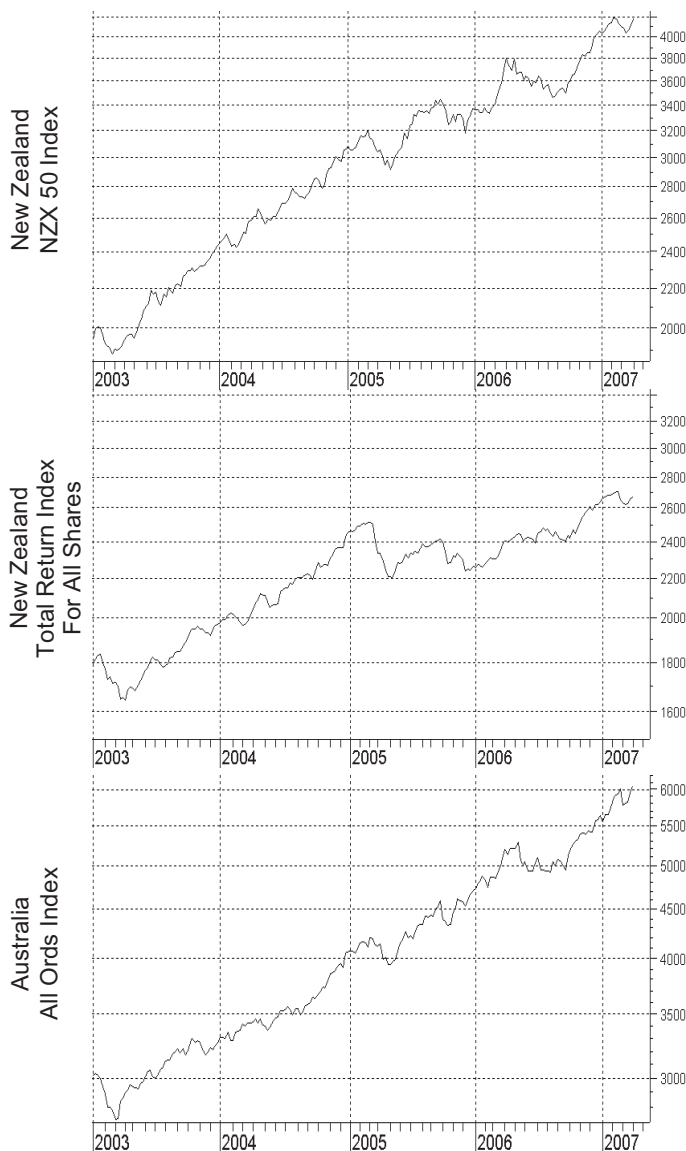
The Australian stockmarket has led world stockmarkets to a new high following the panic sell-off in late February, while the NZ market recovered most of that dip. Share prices are not as cheap as a few years ago when we were able to pick up Technology shares (i.e. Computershare, Melbourne IT, Technology One, Vision Systems) and cyclical/recovery/growth companies (i.e. Steel & Tube, Villa World, Candle Australia, Skilled Group) at depressed prices during the economic and stockmarket downturn.

It is more difficult to pick current economic and sector trends - and to find shares offering good value and growth potential. Nevertheless, recent new share recommendations (i.e. M2 Telecommunications, Devine, Housewares, TFS Corporation) are performing well and demonstrate that there are still good investment opportunities out there if we search long enough.

Stockmarket investment is about uncertainty and risk. The only time it looks certain that prices are going higher is near the peak of a boom! Normal conditions involve economic and political uncertainty. Fluctuating financial markets and volatile share prices. Individual companies regularly fail. A number of portfolio holdings will perform poorly - perhaps *very poorly* - every year. Nevertheless, our diversified share portfolio, based upon an investment strategy that focuses upon the long term and sound investment indicators (i.e. low valuations, insider buying, price strength, growth potential) has created significant wealth over the last 26 years. Remain close to fully invested in the recommended shares.

Stockmarket Forecasts

	<u>One-Month</u>	<u>One-Year</u>
Australia:	78% (Bullish)	68% (Bullish)
New Zealand:	67% (Bullish)	54% (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
A2 Corporation	E	10	8.20	NE	Nil	Kermadec Prop.	D	112	N/A	NE	Nil	Rakon Ltd	C	498	7.11	NE	Nil
AMP Onyx Mgmt	A	139	6.96	19	5.4	Kidicorp	D	19	1.05	22	Nil	Renaissance	D	113	0.27	7	13.9
AMP Limited	B	1203	1.65	24	3.0	Kingfish Ltd	B	152	3.79	5	2.5	Restaurant Brds	D	94	0.29	9	15.9
Abano Health	C	295	1.04	42	Nil	Kirkcaldie & St	C	300	0.69	52	Nil	Richina Pacific	E	43	0.09	7	Nil
Akd Int Airport	E	37	0.19	9	2.7	Kiwi Property	A	166	N/A	16	5.5	Rubicon Limited	D	97	0.41	30	Nil
Air New Zealand	A	237	0.63	25	3.1	Life Pharmacy	D	90	4.22	23	4.5	Ryman Health	B	241	8.44	34	1.4
Allied Work	B	241	9.62	29	5.1	Lion Nathan Ltd	C	1015	2.59	22	3.8	Salvus Strat.	C	100	N/A	NE	3.7
Allied Farmers	C	130	0.46	11	11.5	Livestock Imp.	B	185	0.55	8	13.2	Sanford Limited	D	490	1.17	18	6.7
Apple Fields	C	210	0.39	25	5.0	Loan & Building	A	500	1.59	19	4.5	Satara Co-op	D	115	0.59	NE	3.9
Barramundi Ltd	E	8.1	3.77	14	Nil	Lombard Group	E	1.2	1.03	12	Nil	Savoy Equities	E	3.0	N/A	NE	Nil
Bliis Technology	E	106	N/A	NE	Nil	Lytelton Port	C	218	2.81	22	3.4	Scott Tech. Ltd	D	215	1.95	NE	2.1
Botry-Zen Ltd	E	8.5	N/A	NE	Nil	MDSnews	E	0.3	N/A	NE	Nil	Sealegs Corp	D	56	N/A	NE	Nil
Brierley Invest	D	3.3	N/A	NE	Nil	MG Property Trt	A	162	N/A	24	6.1	Seeka Kiwifruit	C	395	0.48	11	7.6
Briscoe Group	D	145	3.36	32	2.4	Mainfreight Grp	B	760	0.82	25	2.4	Skellerup Hold.	C	128	0.84	10	9.3
Broadway Ind	C	177	1.08	15	6.3	Media Tech.	E	6.0	0.29	NE	Nil	Sky City Ltd	C	470	2.68	17	8.3
CACI Group Ltd	D	90	0.45	22	4.4	Methven Limited	B	217	1.91	16	6.3	Sky Network TV	C	576	4.08	37	2.1
CDL Investments	C	26	0.37	5	Nil	Mid-Cap Index	A	725	N/A	55	1.2	Smartpay NZ Ltd	D	5.0	N/A	NE	Nil
Cabletalk Group	C	42	2.96	8	8.2	Michael Hill	B	955	1.21	24	3.6	Smiths City	C	65	0.14	6	8.5
Cadmus Tech Ltd	E	44	0.38	13	6.8	Millennium & C.	B	75	1.40	10	5.0	Software of Exc	E	190	1.99	NE	Nil
Calan Hlthcare	B	20	1.87	NE	Nil	Mowbray Collect	D	175	4.13	NE	Nil	Sol. Dynamics	D	60	0.45	NE	Nil
CanWest Media	B	146	N/A	19	6.3	Mr Chips Hold	E	100	0.57	82	Nil	South Port NZ	A	200	3.54	21	5.8
Canty Bldg Soc.	A	235	2.09	22	5.3	NZ Exchange Ltd	A	1000	N/A	53	3.7	Speirs Group	B	90	0.21	11	11.6
Cavalier Corp	C	510	1.47	13	4.4	NZ Experience	D	30	1.28	13	10.0	Steel & Tube	C	440	0.88	13	10.9
Cert Organics	D	350	1.14	16	7.7	NZ Finance Hold	C	118	3.74	24	1.6	Sthn Travel	C	38	0.15	10	11.8
Charlie's Group	E	8.0	1.97	NE	Nil	NZ Invest Trust	B	1075	N/A	NE	0.8	Summit Gold Ltd*	N/R	585	N/A	NE	Nil
Col Motor Co	C	20	3.77	NE	Nil	NZ Oil & Gas	N/R	92	N/A	85	Nil	Tag Pacific Ltd	C	42	0.47	9	1.3
Comvita	C	358	0.21	14	10.0	NZ Refining Co	B	630	3.75	11	10.7	Tailors Grp Ltd	A	205	0.73	14	8.7
Connexion	E	400	1.81	47	1.9	NZ Wine Company	B	250	2.30	21	4.2	TeamTalk Ltd	B	263	2.60	17	10.8
Contact Energy	A	35	4.23	NE	Nil	NZ Windfarms	C	196	N/A	NE	Nil	Telecom Corp	C	480	1.62	11	11.0
Cynotech Hold.	C	928	2.30	19	4.2	NZ Wool Service	D	44	0.23	11	10.2	Tenon Ltd	D	298	0.33	16	Nil
Delegat's Group	C	19	1.82	15	4.0	NZSX 10 Fund	D	129	N/A	NE	Nil	Toll NZ Ltd	C	265	0.81	10	Nil
Dominion Fin.	A	260	3.05	50	0.9	NZSX 50 Port.	D	192	N/A	NE	Nil	Tourism Hold.	B	227	1.27	20	7.2
Dorchester Pac	B	202	4.00	14	5.6	NZX Aust MidCap	C	710	N/A	NE	Nil	Tower Limited	C	220	0.58	7	Nil
Eastern Hi-Fi	B	230	0.64	8	7.1	Nat Property Tr	B	84	5.58	20	4.9	Training Sol.	D	0.7	0.01	NE	Nil
Ebos Group Ltd	C	39	0.22	7	23.0	New Image Group	E	12	2.07	NE	Nil	Trans-Tasman	D	59	2.03	NE	Nil
F & P Appliance	C	540	0.53	14	6.2	Northland Port	B	315	N/A	69	2.8	Trust Power Ltd	A	836	3.89	32	4.1
F & P Health.	C	367	0.80	15	7.3	Nuplex Indust	C	745	0.45	15	6.0	Turners & Grow.	B	320	0.45	15	6.5
Feltex Ltd	E	369	5.79	27	5.0	Oyster Bay	C	230	1.94	23	6.5	Turners Auction	C	155	0.57	13	11.1
Finzsoft Sol'ns	D	3.0	0.02	NE	Nil	Ozzy (Tortis)	D	360	N/A	NE	Nil	Utilico Int'l	C	76	5.96	NE	Nil
Fletcher Build.	B	103	1.09	17	Nil	PGG Wrightsons	C	163	0.54	17	9.2	VTL Group Ltd	D	91	0.57	12	Nil
Freightways Ltd	B	1149	0.98	14	5.2	POD Ltd	E	35	0.22	NE	Nil	Vector Ltd	B	296	N/A	66	6.1
Genesis Res.	B	439	2.19	23	5.9	Pac Edge Bio.	E	15	N/A	NE	Nil	Viking Capital	D	36	N/A	NE	Nil
Guinness Peat	D	29	3.62	NE	Nil	Plus SMS Hold.	E	9.9	N/A	NE	Nil	WN Drive Tech.	E	47	N/A	NE	Nil
Hallenstein G.	C	237	0.70	26	1.2	Port Tauranga	B	619	6.77	27	4.8	Wakefield Hlth	C	805	2.22	33	2.6
Hellaby Hold.	C	508	1.53	14	10.3	Postie Plus Grp	C	90	0.29	9	11.6	Warehouse Group	C	699	1.13	22	3.4
Heritage Gold *	N/R	401	0.39	9	11.5	Property F Ind.	B	151	N/A	22	5.8	Widespread Port*	N/R	1.6	2.54	4	Nil
Horizon Energy	B	10	N/A	NE	Nil	Provenco Group	D	98	0.76	31	4.0	Windflow Tech.	C	318	9.69	NE	Nil
ING Property	B	390	3.51	18	7.3	Propertyfinance	D	128	N/A	NE	Nil	Wool Equities	D	95	0.81	NE	Nil
Infratil NZ	B	129	9.92	16	7.7	Provenco Group	D	98	0.76	31	4.0	World Index Fd	E	143	N/A	NE	Nil
Jasons Media	C	582	4.23	NE	3.2	Pumpkin Patch	C	430	2.30	25	3.0	Zintel Comm.	B	45	0.56	7	11.5
Just Water Int.	C	76	1.08	24	Nil	Pyne Gould Corp	B	475	1.01	12	5.7	Ave of 154 Cos	C	252	0.41	21	3.9
		100	2.42	18	5.3												
ABB Grain Ltd	A	760	0.95	16	3.9	Corp Express	B	630	1.02	18	2.9	News Corp.	B	3036	3.01	33	0.5
ABC Learning	B	707	4.40	34	1.6	DB Reef Trust	B	177	3.38	5	6.2	Nufarm Limited	A	1275	1.30	18	2.4
AMP Ltd	B	1063	1.65	25	3.0	DUET Group	C	328	1.97	NE	7.2	Oil Search Ltd	B	351	4.59	7	3.0
ANZ Bank	C	2955	5.35	15	4.2	David Jones	B	459	1.10	25	3.5	Onesteel Ltd	B	536	0.76	16	2.7
APA Group	C	425	3.71	23	5.6	Deutsche Div Tr	C	131	6.10	14	7.1	Orica Ltd	B	2649	1.74	15	2.8
APN News Media	C	601	2.16	17	1.6	Downer EDI Ltd	C	710	0.48	NE	2.8	Origin Energy	B	874	1.17	21	2.1
ASX Limited	B	4575	N/A	35	2.6	Dyno Nobel Ltd	B	240	1.20	18	2.3	Oxiana Ltd	C	313	N/A	NE	2.6
AWB Limited	B	350	0.25	11	5.7	Energy Resource	A	2550	N/A	NE	0.7	Pacific Brands	A	317	0.98	16	4.7
AXA Asia Pac	B	738	2.11	19	2.5	Envestra	C	124	2.98	NE	7.7	Paladin Res.	D	1020	N/A	NE	Nil
Abacus Property	B	192	N/A	18	6.1	FKP Limited	A	735	5.95	12	2.0	Paperlin X Ltd	B	403	0.24	27	2.5
Adelaide Bank	C	1400	0.94	16	4.1	Fairfax Media	B	511	2.51	21	3.8	Perpetual Ltd	B	8015	7.77	24	4.1
Adelaide Bright	C	343	2.35	18	3.6	Flight Centre	B	1610	1.52	19	3.2	Primary Health	C	1239	6.31	32	3.4
Alinta Ltd	A	1476	4.92	43	3.1	Fortescue Metal	C	2255	N/A	NE	Nil	Promina Group	C	732	1.57	14	3.3
Allco Finance	B	1090	N/A	32	3.8	Foster's Group	C	682	2.69	12	3.2	Publishing & Br	D	2011	3.78	22	2.9
Alumina Ltd	B	745	N/A	17	3.2	Futuris Corp.	B	223	0.48	18	4.0	Q.B.E. Insur.	C	3215	2.21	18	3.0
Amcor Ltd	B	744	0.60	19	4.6	GPT Group	B	512	N/A	8	5.4	Qantas Airways	C	525	0.75	21	4.2
Aneka Tambang	B	385	N/A	NE	2.8	GWA Internat'l	B	399	1.79	20	4.5	Ramsay Health	B	1150	1.00	23	2.1
Ansell Ltd	B	1148	1.51	15	1.0	Galileo Shop Am	B	118	6.57	9	8.6	Reece Australia	A	2415	2.16	28	1.8
Aquarius Plat.	A	3950	7.81	39	0.6	Gandel R. (CFS)	B	194	N/A	19	5.4	Rinker Group	B	1848	2.53	17	2.1
Argo Investment	B	773	N/A	30	3.1	Goodman Fielder	B	248	2.16	22	2.2	Rio Tinto Ltd	B	8033	1.08	4	1.8
Aristocrat Leis	B	1613	7.02	32	2.2	Guinness Peat	B	207	0.71	40	1.2	Rural Press Ltd	C	1385	4.70	24	3.9
Aust Foundation	B	549	N/A	28	3.1	Gunns Ltd	B	315	1.68	12	5.1	SP Ausnet	C	141	3.90	9	2.3
Aust Infra.	B	281	7.96	10	5.2	Harvey Norman	A	492	2.30	23	1.6	Santos Ltd	B	1035	2.24	10	3.9
Australand Prop	B	215	1.88	8	7.7	Havilah Res.	C	212	N/A	NE	Nil	Seek Ltd	A	730	N/A	60	0.7
Austar United	C	167	4.21	10	Nil	Healthscope	A	558	1.16	24	2.6	Seven Network	B	1142	1.98	24	1.4
Aust Wealth Mgt	B	266	N/A	73	1.7	Henderson Group	B	366	N/A	71	2.1	Sigma Pharm.	B	248	1.09	33	2.7
Aust W'wide Exp	D	273	N/A	NE	Nil	ING Office Fund	B	157	7.84	5	6.6	Silex Systems	B	1020	N/A	NE	Nil
B & B Infrastr.	B	181	3.08	32	7.3	ING Indust Trt	B	240	N/A	17	6.5	Sims Group Ltd	A	2345	0.78	15	4.5
B & B Wind Part	C	185	N/A	NE	5.5	Iluka Resources	C	600	1.31	12	3.7	Smorgon Steel	B	208	0.58	13	4.3
BHP Billiton	B	3033	2.48	8	1.6	Incitec Pivot	A	5022	2.28	54	2.1	Sonic Health	B	1530	2.73	26	2.7
Babcock & Brown	A	2812	3.77	24	1.3	Insurance Aust.	B	595	1.45	11	5.0	Soul Pattinson	B	938	2.46	24	2.9
Bank of Q'land	C	1760	1.66	20	3.2	Investa Prop.	B	254	2.92	12	6.7	St George Bank	C	3389	5.93	17	4.5
Becton Prop Grp	B	413	6.85	51	0.6	James Hardie	B	821	1.97	14	1.3	Sthn Cross Brd.	A	1695	2.17	24	4.0
Bendigo Bank	C	1685	2.14	21	3.1	Jubilee Mines	A	1792	7.88	22	2.1	Stockland	B	858	5.02	11	4.8
Billabong Int'l	B	1690	3.41	24	2.6	Kagara Zinc Ltd	C	557	9.35	31	Nil	Suncorp-Metway	B	2051	1.50	13	4.7
Bluescope Steel	B	1092	0.99	23	4.0												

Recommended Investments

The "Fair Dividend" Tax

Last month we overlooked mentioning that **Technology One** is a component of the All Ordinaries Index so is exempt from this tax. Overall 14 of our shares are subject to the "fair dividend" tax and 13 exempt shares will be subject to income tax on the actual dividends paid.

The *Recommended Portfolio* shares that will be subject to the new tax based upon 5% of their market value on the 1st April 2007 are:

Company	Market Value 1/4/2007
AJ Lucas Group	A\$1.14½
Atlas South Sea Pearl	A\$0.42
Austin Group	A\$0.21

Cellnet Group	A\$1.19
Circadian Technologies	A\$1.39½
Ellex Medical Lasers	A\$0.85
International All Sports	A\$0.29
Keycorp	A\$0.43
LongReach Group	A\$0.06½
M2 Telecommunications	A\$0.45½
Namoi Cotton	A\$0.67½
Ross Human Directions	A\$0.63
Sonnet Corporation	A\$0.12
TFS Corporation	A\$0.57½

The exchange rate for converting Australian values to NZ dollars was 0.8839.

(Continued on Page 4)

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	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 %
NZ Shares													
HOLD	CDL Investments Ltd	CDI	12/01/99	25	C	218.9	1.4	2.96	8	8.2	42	15.6	+130%
BUY	Cavalier Corporation	CAV	05/12/95	156*	C	65.5	0.8	1.14	16	7.7	350	196.5	+250%
HOLD+	Colonial Motor Company	CMO	10/11/92	150	C	27.9	0.5	0.21	14	10.0	358	302.8	+341%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	C	102.3	0.8	2.81	22	3.4	218	60.6	+86%
HOLD+	Michael Hill Int'l Ltd	MHI	11/06/91	46*	B	39.2	0.4	1.21	24	3.6	955	206.0	+2424%
HOLD	Nuplex Industries Ltd	NPX	11/02/97	350	C	78.4	0.5	0.45	15	6.0	745	176.5	+163%
BUY	Postie Plus Group	PPG	08/05/06	71	C	40.0	1.0	0.29	9	11.6	90	4.0	+32%
HOLD+	Renaissance Corp	RNS	13/08/96	85*	D	39.0	0.9	0.27	7	13.9	113	46.4	+88%
BUY	Smiths City Group	SCY	09/10/06	64	C	53.0	1.3	0.14	6	8.5	65	1.5	+4%
HOLD	South Port New Zealand	SPN	13/02/96	120	A	26.2	0.7	3.54	21	5.8	200	89.3	+141%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	C	88.1	0.7	0.88	13	10.9	440	179.0	+324%
HOLD	Taylors Group Ltd	TAY	09/11/99	102	A	24.3	0.6	0.73	14	8.7	205	68.0	+168%
Australian Shares (in Aust cents)													
HOLD+	AJ Lucas Group	AJL	13/05/03	120	B	52.0	1.3	0.36	21	Nil	120	20.5	+17%
HOLD+	Atlas South Sea Pearl	ATP	14/05/96	73	A	89.3	1.4	2.91	13	8.2	43	11.5	-26%
HOLD	Austin Group Ltd	ATG	08/02/05	93	C	62.2	1.9	0.25	NE	14.0	22	7.0	-69%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	406*	A	51.0	0.3	2.13	32	2.3	2193	220.6	+494%
BUY	Candle Australia	CND	08/04/03	86	B	49.8	0.8	0.62	14	5.1	335	42.5	+339%
BUY	Cellnet Group Ltd	CLT	12/02/02	152	B	51.5	0.9	0.11	38	1.7	116	33.5	-2%
HOLD+	Centennial Coal Ltd	CEY	16/01/01	70*	B	295.1	0.8	1.14	18	4.2	311	26.0	+381%
BUY	Circadian Technologies	CIR	10/02/04	188	D	40.1	0.9	46.05	NE	Nil	134	65.0	+6%
HOLD	Commander Comm.	CDR	11/09/01	92	C	222.9	0.9	0.57	17	2.0	202	25.2	+147%
BUY	Computershare Ltd	CPU	12/08/03	189	A	599.3	0.6	4.01	35	1.2	1080	42.5	+494%
BUY	Devine Ltd	DVN	13/11/06	94	A	136.0	0.8	0.35	11	5.4	149	Nil	+58%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	B	61.2	1.2	1.57	27	Nil	90	Nil	+84%
BUY	Housewares Int'l	HWI	13/11/06	171	B	128.2	0.7	0.83	26	4.7	274	Nil	+60%
HOLD	Int'l AllSports	IAS	11/02/03	180	B	66.4	1.8	0.02	15	5.6	27	4.0	-83%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	C	232.9	0.8	1.31	12	3.7	600	44.0	+37%
HOLD	Keycorp Ltd	KYC	10/08/04	123*	D	82.2	1.5	0.35	NE	Nil	40	Nil	-67%
HOLD-	LongReach Group Ltd	LRG	11/01/05	71*	B	52.2	3.8	0.28	5	Nil	6	Nil	-91%
BUY	M2 Telecommunications	MTU	09/10/06	33	A	59.4	1.4	0.88	13	4.0	50	1.0	+53%
HOLD	Melbourne IT	MLB	10/02/04	53	A	76.0	0.6	2.76	44	2.2	372	23.0	+645%
HOLD	M.Y.O.B. Ltd	MYO	15/07/03	84*	B	385.3	1.0	2.48	26	3.6	119	9.3	+52%
BUY	Namoi Cotton Co-op Ltd	NAM	14/03/06	65	A	112.7	1.1	0.22	6	9.6	68	3.5	+10%
BUY	Ross Human Directions	RHD	14/08/01	92	C	82.3	1.2	0.16	11	6.2	65	27.0	+0%
HOLD+	Skilled Engineering	SKE	12/03/02	126	B	103.9	0.6	0.58	23	3.5	536	84.5	+392%
SELL	Sonnet Corporation	SNN	07/09/04	31½	C	166.6	2.6	0.54	NE	Nil	11	3.0	-56%
HOLD+	Technology One Ltd	TNE	11/11/03	44	B	296.7	1.0	4.73	26	3.2	106	10.9	+166%
BUY	TFS Corporation Ltd	TFC	08/01/07	44½	B	157.8	1.5	3.18	7	3.7	57	Nil	+26%
HOLD	The Reject Shop Ltd	TRS	11/01/05	257	A	25.1	0.5	1.25	33	1.9	1188	64.5	+387%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +194.7%. This is equal to an average annual rate of +38.5%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 39 current and 136 closed out) is +35.1%, compared with a market gain of +9.0% (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 Shares

(Continued from Page 3)

NZ Shares

Michael Hill International has announced an on-market buy-back of up to 1,900,000 shares (or 4.9% of the company) over the next year but will “expedite the buy-back” during April which is the period during which directors are able to participate and sell shares.

The buy-back is to “optimise the balance sheet and gearing” and “take advantage of strong cashflows” - which means the business is doing very well and the company has surplus cash in excess of that required to finance its continued expansion. As much of the group's profits are earned overseas, the company does not have sufficient NZ imputation tax credits to pay a special dividend, so a buy-back is a more tax efficient way to return cash to shareholders.

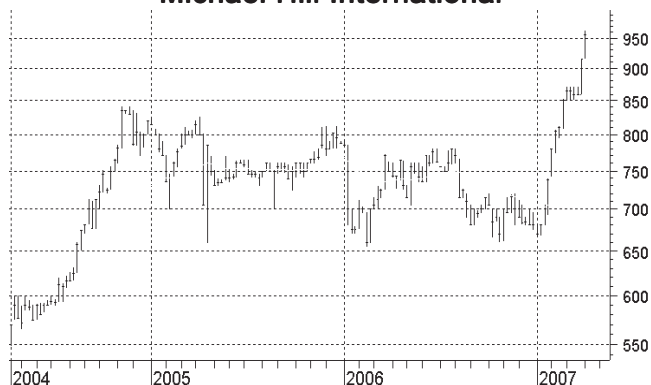
Michael Hill International shares are tightly held and fairly inactively traded - but there have been two large sales by directors under the on-market share buy-back. The Michael Hill family trusts have sold 710,000 shares at 950 cents (3.8% of their total holdings) and Wayne Peters (who runs an investment management business) sold 202,000 shares at 950 cents (3.9% of shares held on behalf of clients).

Acquiring shares from the remaining public shareholders may be more difficult. Buying by the company - in a market where there are usually few sellers - should help to support the share price over the next year. The buy-back is just another indication that the business is performing very well . . . so there is no reason why existing investors should want to reduce their holding in the company.

Furthermore - with the exception of Fisher Funds (which owns 12.4% of Michael Hill International) and NZ Superannuation Fund (with 5.4%) - the shares are *neglected* by institutional investors. Michael Hill International has been one of the most successful NZ companies over the last 10-15 years - and continues to offer excellent long term growth from expansion in Canada and then the United States or the United Kingdom - so *eventually* other institutions will decide they *must* invest in this company and that would push the share price even higher.

We continue to view Michael Hill International as a long term investment for further growth - but if you did want to sell a few shares to realise partial-profits then it would probably be best to delay any sale for as long as possible as the shares should continue to perform well in the period immediately ahead.

Michael Hill International



Postie Plus Group lifted revenues 10.8% to \$65.2 million for the six months to 31 December 2006 but, as disclosed last month, needed to discount prices to clear summer stock. So there was a *loss* of \$488,000 (*minus* 1.2 cents per share) compared with a profit of \$735,000 in the same period of the previous year.

There was a net operating cash *deficit* of \$3.2 million, compared with a deficit of \$0.7 million a year earlier.

The company will pay a 33.3% lower interim dividend of 2.0 cents (plus imputation tax credits).

Postie Plus Group, which traditionally earns most of its profits in the second half year, has reported “an encouraging level of profitable sales in February” and expects a “good recovery in profitability” during the current period. Given the first half loss, however, the annual result is unlikely to reach last year's \$3.9 million profit.

Postie Plus Group shares trade on a low valuation and the company is continuing to expand its store numbers and business. The retail sector is depressed - but that is why we are buying into this sector. At the present time the shares offer a high income yield, with the potential for capital appreciation from both the growth in the business and the eventual recovery in the retail sector. “Buy”.

Postie Plus Group



Australian Shares

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

Campbell Brothers purchased 29.2 million **CCI Holdings** shares on-market at 33 cents last year when it sought to takeover that company and expand into coal analytical services. That takeover was unsuccessful, but Campbell Brothers has started its own coal service with two new laboratories under construction in Australia.

CCI Holdings has recently agreed to be taken over by **Bureau Veritas SA** via a Scheme of Arrangement and Campbell Brothers has agreed to support that takeover which will realise \$16.9 million in cash (and a \$6.8 million gain) for its CCI Holdings shares.

While Campbell Brothers' takeover of CCI Holdings was unsuccessful the company has earned a 67% return on its investment over about nine months. Its interest in acquiring CCI Holdings has diminished as Campbell Brothers has established its own coal analytical service.

Campbell Brothers' financial year ended on 31 March 2007 and revenues will likely have risen 30% and profits 40-50%. That will reduce the P/E ratio to a market average level of 21-23, yet this is a high quality company that is growing rapidly. Investors should therefore hold these shares and let profits run. “Hold+”.

Campbell Brothers



Candle Australia is expanding into Asia with the acquisition of the Asian operations of **EL Consult**. These Asian businesses were established in 1986 and currently have 75 staff in Beijing, Shanghai, Shenzhen, Hong Kong, Singapore and Kuala Lumpur. Candle Australia will pay an initial deposit of \$4 million (in cash and shares) plus undisclosed “capped incentive payments over a four-year period”.

Circadian Technologies has sold a further 4,706,763 **Avexa** shares at prices from 72-77 cents, realising \$3.5 million in cash. This, plus the issue of 29.0 million new shares by Avexa, dilutes Circadian Technologies interest from 7.63% to 4.98%. Circadian Technologies also holds rights to buy 7,535,622 shares in Avexa's current cash issue - which would lift its holding to 21,667,914 shares or 5.45%.

Circadian Technologies has invested a further \$8 million in unlisted **Vegenics** which is now a 67% owned subsidiary. **Licentia** (owned by the **University of Helsinki**) also invested \$690,000 in cash to subscribe for new shares in Vegenics.

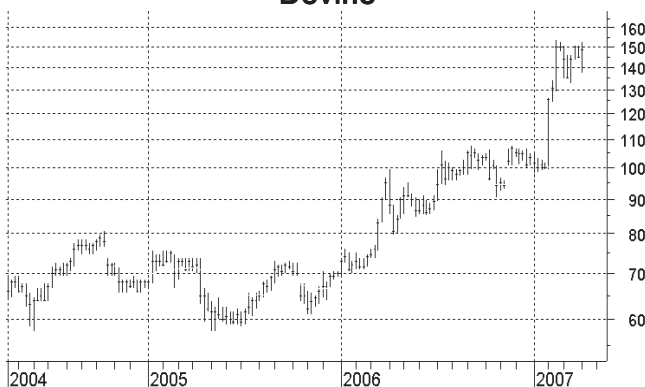
Computershare has paid HK\$270 million (US\$34.6 million) to lift its ownership of **Computershare Hong Kong Investors Services** from 70% to 100%.

Devine has secured a 2000m² site at 131-135 Bourke Street in the Melbourne CBD for \$18 million where it plans to build a 25 level, 444 room hotel complex with an end value of around \$150 million. The site purchase will be settled in January 2008, with construction from 2008 until 2010.

An office building at 96 Albert Street in Brisbane's CBD has been acquired for \$20.1 million, but the company's future plans for this property are “still being finalised”.

Devine has also paid \$3.2 million to acquire a third site of 1252m² adjoining its planned *Hamilton Harbour* development project in Brisbane.

Devine



Ellex Medical Lasers has expanded into the Chinese market with the appointment of **GT Medical**, a division of **Guotong Holdings Company**, as its exclusive distributor. This company was chosen owing to its “financial and human resource infrastructure” capable of “supporting Ellex's long term strategy in China”. Five of the company's seven lasers have been approved for use in China, and the company expects to receive regulatory approval for the remaining two lasers and its *Innovative Imaging* ultrasound device later this year. GT Medical will launch the *Ellex* products at China's largest ophthalmic trade show in Shanghai this month.

Ellex Medical Lasers is a quality, emerging growth company that we continue to rate as a “Buy” for long term capital growth.

Ellex Medical Lasers



Housewares International has announced agreements to sell off parts of its Australian Homewares division. Most of the businesses were sold to **Playcorp Group of Companies** on 16 March, but subject to shareholder approval in May, while the *Sabco* brushware and cleaning business was sold to **ACS International Group** on 30 March.

These sales will realise about \$24 million in cash and require a write-down of around \$45 million (of which \$39.5 million was written down in the period to December 2007). This is a similar result to the previously announced - but not completed - sale of these businesses to McPhersons. As we said in February, this is not a particularly good outcome for Housewares International but at least it disposes of its loss making businesses and can concentrate on its Electrical business.

Housewares International continues to talk about “approaches by a number of parties interested in making an offer for the company”.

Iuka Resources and **Adelaide Resources** will proceed to a pre-feasibility study of the jointly owned *Tripitaka* Zircon deposit. This will involve infill drilling to upgrade the Inferred resource to an Indicated resource, an airborne electromagnetic survey of palaeochannels and drilling to determine if these can be used as a source of underground water supply for any mine development, plus bulk sampling for metallurgical testwork.

TFS Corporation insiders made three on-market buys during March. The Chairman, FC Wilson, purchased 242,700 shares at 55-55½ cents, then 351,330 shares at 55 cents and 68,000 shares at 56 cents. This lifts his holding to 39,442,845 shares or 24.9% of the company. Over the last

(Continued on Page 6)

Recommended Investments

(Continued from Page 5)

year there have been seven *insider* buys and no sells.

The shares also trade on a low valuation (i.e. a Price/Earnings ratio of 7½ and Dividend Yield of 3.7%) and are in a strong uptrend (i.e. with a Relative Strength rating of +19.1%, ranked 19). The business is clearly in a growth phase, with revenues and profits expected to rise as the company develops its plantation and at a faster rate than in the past.

While all businesses and all shares involve risks, TFS Corporation's directors obviously see good investment value in the shares - and we see the potential for strong growth over many, many years. "Buy".

TFS Corporation



Share Recommendation: Sell Sonnet Corporation

SELL Sonnet Corporation (code SNN).

We recommend taking advantage of the recent strength in the Sonnet Corporation share price to cut our losses on this unsuccessful investment.

As we wrote last month, the original core business *Sonnet Enterprise Services* appears to have little value and 81% of that loss making business has been given away to an employee. That business was profitable when we first bought into Sonnet Corporation in late 2004 - although boosted by a high margin contract - but the company was unsuccessful at winning new business and growing this into a profitable venture. Giving away the business will eliminate on-going losses, but clearly virtually all of the original value in this business has been lost.

This leaves just the *Mobile Virtual Network Enabler* business - which *promises* a "strong pipeline of potential ventures" over the next six months but *delivers* falling revenues and generates cash operating *deficits* - which in turn requires the company to issue new shares which further dilutes any possible value. M2 Telecommunications offers the same virtual network service but appears to be more competitive and profitable, so Sonnet Corporation is likely to struggle to grow this business, achieve profitability or positive cashflows.

Sonnet Corporation has also made some unwise decisions or dubious transactions over the last couple of years. A temporary cash holding was wasted on an on-market share buy-back, requiring the company to raise new cash through a share placement at a much lower price just a few months later. The mobile network business was first acquired by interests associated with the directors and then on-sold to the company at a higher price. This resulted in a private profit for *insiders* and, a very short time later, the write down in the value of the

business. Clearly, in retrospect, it was a mistake to get involved with this company or to remain a shareholder for so long.

Insiders have also taken advantage of the higher share price, with the Managing Director M Dufour selling 1,000,000 shares on-market at 11½ cents (leaving him with 25,004,437 shares).

Summary and Recommendation

Despite the failure to turn around the Enterprises Services business and the lack of success in generating strong growth (or ending the large cash operating deficits) from the Telecommunications venture the stockmarket has re-rated the share price 57% from 7 cents to 11 cents over the last month. We have clearly held on to our Sonnet Corporation shares for too long, but this increase in price offers us an opportunity to sell out. Therefore we recommend selling Sonnet Corporation shares to realise what value still remains.

We originally bought these shares at 31½ cents and collected 3.0 cents in dividends, so will have lost around 56% of our initial investment.

Sonnet Corporation



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

For an explanation of this table see the *Share Selection Methods* report sent to all new subscribers or available from our website. 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.

STRENGTH RATING														STRENGTH RATING													
Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy/sell	Books Following	Price to NTA	Return on Equity	Vola- tility	Price Earn. Ratio	Divi- dend Yield	Price Sales Ratio	Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy/sell	Books Following	Price to NTA	Return on Equity	Vola- tility	Price Earn. Ratio	Divi- dend Yield	Price Sales Ratio	Market Cap'n
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0														INSIDER SELLING: Most Insider Selling, Relative Strength < 0													
Optiscan Image	46	-0.2	+0.2	65	0-0	-	5.8	-	0.9	NE	Nil	9.73	46	Austindo Res	2	-27.7	+0.2	98	0-0	1	-	-	2.8	NE	Nil	N/A	29
Webjet NL	32	-2.8	-2.9	73	3-2	-	4.6	11	1.1	43	Nil	9.50	103	Batavia Mining	12	-27.2	+0.2	98	2-2	-	-	-	1.2	NE	Nil	N/A	66
Kagara Zinc Ltd	557	-4.7	-8.4	77	0-0	7	11.9	39	1.0	31	Nil	9.35	1,091	Livingstone Pet	16	-27.0	-8.1	98	1-0	-	-	-	1.2	NE	Nil	N/A	9
Pelorus Prop.	60	-1.4	+2.4	69	1-0	-	-	-	0.8	33	5.0	9.20	55	Union Resources	3	-26.4	+1.2	98	0-0	-	-	-	3.1	NE	Nil	N/A	20
Anzon Australia	119	-11.9	-5.7	89	2-0	3	-	-	0.8	39	Nil	9.09	441	Solco Ltd	9	-26.1	+2.8	98	0-0	-	1.4	-	1.5	NE	Nil	0.46	7
Lafayette Min.	8	-5.6	-1.6	79	0-0	1	-	-	1.6	NE	Nil	9.04	29	Wentworth Hold.	27	-25.5	-9.0	98	10-0	-	-	-	0.6	NE	Nil	2.65	25
Montec Int'l	8	-16.8	+4.1	93	1-0	-	2.0	-	1.6	NE	Nil	9.02	11	Renison Cons	8	-25.4	-1.8	97	3-0	1	-	-	1.6	NE	Nil	N/A	40
Golden Gate Pet	26	-22.4	-0.8	96	0-0	-	-	-	1.2	NE	Nil	9.00	39	Range River Gl'd	9	-25.3	-4.3	97	2-0	-	-	-	1.7	NE	Nil	N/A	21
Blaze Intern'l	3	-0.2	+5.6	65	0-0	-	-	-	2.6	NE	Nil	8.72	7	ST Synergy Ltd	115	-24.3	-1.9	97	0-0	-	5.8	-	0.4	NE	Nil	N/A	80
Pacific Energy	41	-8.4	-3.4	84	3-0	-	0.7	-	0.9	NE	Nil	8.54	9	ReelTime Media	6	-24.3	+1.9	97	3-0	-	3.0	-	2.4	NE	Nil	N/A	5
First Aust Res.	12	-6.7	-3.4	82	0-0	-	-	-	1.8	NE	Nil	8.16	23	B & B Env. Inv.	99	-24.1	-2.3	97	2-3	1	0.8	-	0.7	NE	Nil	2.24	126
Babcock & B Cap	181	-0.3	+0.1	66	0-0	-	-	-	0.5	NE	Nil	8.14	361	Village Life	8	-24.1	-3.1	97	0-0	-	-	-	1.9	NE	Nil	0.30	10
Tomahawk Energy	25	-7.6	-0.2	83	0-0	-	-	-	1.2	NE	Nil	8.09	19	Intellect Hold	18	-24.0	-2.1	97	0-0	-	-	-	1.6	NE	Nil	0.35	10
Bendigo Mining	38	-40.5	-2.5	99	3-0	4	-	-	1.0	NE	Nil	8.00	65	Senetas Corp	27	-24.0	-3.8	97	1-2	1	5.4	41	1.3	13	Nil	5.25	124
Tanami Gold NL	14	-21.2	+1.9	96	6-0	2	-	-	1.3	NE	Nil	7.61	80	Highland Pac.	21	-23.9	-3.7	97	0-0	1	-	-	1.4	NE	Nil	N/A	98
Marine Produce	3	-6.0	+3.6	80	0-0	-	-	-	2.3	NE	Nil	7.60	13	Norwood Abbey	9	-23.5	+8.9	97	0-0	-	-	-	1.4	NE	Nil	N/A	18
DenX Ltd	7	-0.7	+0.2	67	0-0	-	3.7	-	1.4	NE	Nil	7.55	12	Eastern Corp	3	-23.4	-4.6	97	1-0	-	-	-	2.1	NE	Nil	4.77	22
Ansearch Ltd	6	-6.0	+2.0	80	1-0	-	-	-	2.0	NE	Nil	7.50	22	Bounty Indust.	11	-23.1	-2.3	97	0-0	-	1.1	48	1.4	2	Nil	0.47	11
Kimberley Diam.	81	-9.6	+1.9	86	3-3	-	2.1	-	0.8	NE	Nil	7.46	267	Redisland Aust.	21	-22.8	-3.2	96	0-0	-	6.8	-	0.9	NE	Nil	4.10	17
Medivac Ltd	7	-2.8	-3.7	73	1-0	-	-	-	2.0	NE	Nil	7.42	7	Matrixview Ltd	19	-22.7	+0.0	96	9-0	-	4.8	-	1.1	NE	Nil	N/A	20
Community Life	22	-5.6	-3.0	79	7-0	-	0.4	1	1.1	79	Nil	7.28	10	Adv. Ocular	8	-22.6	-1.4	96	0-0	-	-	-	1.5	NE	Nil	5.86	10
Biosignal Ltd	11	-10.8	-3.1	88	1-0	-	-	-	1.3	NE	Nil	7.10	9	Golden Gate Pet	26	-22.4	-0.8	96	0-0	-	-	-	1.2	NE	Nil	9.00	39
ASF Group Ltd	2	-0.0	+0.0	64	0-0	-	-	-	3.1	9	Nil	7.08	24	Harrington Grp	3	-22.4	-1.4	96	0-0	-	1.6	-	2.5	NE	Nil	N/A	5
Tow Way Ltd	25	-21.6	-5.7	96	0-2	-	1.3	-	0.9	NE	Nil	6.94	15	Intrepid Mines	47	-22.1	-1.9	96	0-0	1	23.5	57	0.8	42	Nil	1.07	56
Sun Resources	9	-12.7	-2.7	90	0-0	-	-	-	1.7	NE	Nil	6.85	13	Rey Resources	8	-22.0	-4.4	96	1-0	-	-	-	1.5	NE	Nil	N/A	6
Woodside Petrol	3904	-2.7	+1.1	73	3-0	13	7.2	39	0.6	18	3.2	6.83	26,027	HealthLinx Ltd	2	-21.8	+2.0	96	0-1	-	1.7	-	3.1	NE	Nil	N/A	6
Samson Oil/Gas	21	-9.4	-5.2	86	1-0	-	-	-	1.3	NE	Nil	6.81	39	Verus Investm't	4	-21.8	-10.3	96	1-0	-	1.3	3	1.9	39	Nil	N/A	9
Jumbuck Enter.	162	-8.1	-1.3	84	2-1	2	10.8	59	0.6	18	Nil	6.73	78	Tow Way Ltd	25	-21.6	-5.7	96	0-2	-	1.3	-	0.8	NE	Nil	6.94	15
Clinical Cell	5	-13.6	-8.9	91	0-0	-	1.4	-	2.2	NE	Nil	6.67	12	Tanami Gold NL	14	-21.2	+1.9	96	6-0	2	-	-	1.2	NE	Nil	7.61	80
BioLayer Corp.	11	-4.8	+0.5	78	1-0	-	5.5	-	1.9	NE	Nil	6.40	6	Cape Range Wire	0	-21.2	+3.7	95	0-1	-	-	-	6.6	NE	Nil	N/A	8
Medical Monitor	13	-13.8	-1.1	91	0-0	-	-	-	1.1	NE	Nil	6.34	8	CDS Tech	160	-20.9	-7.7	95	0-1	1	2.9	22	0.5	13	Nil	0.62	60
Mineral Commod.	14	-4.4	+3.5	77	1-0	-	-	-	1.4	NE	Nil	6.22	9	Ritract Limited	10	-20.0	-0.4	95	0-0	-	-	-	1.2	NE	Nil	N/A	13
Coonawarra Aust	55	-3.5	+0.1	74	0-0	-	0.6	8	0.6	7	12.0	6.10	10	Arafura Pearls	18	-19.3	-2.1	95	0-0	-	-	-	1.2	9	Nil	2.02	18
Cytopia Ltd	69	-3.9	+1.4	75	5-0	-	2.9	-	0.9	NE	Nil	6.08	51	Run Corporation	13	-19.3	+0.4	95	0-0	-	-	-	1.2	NE	Nil	0.52	8
Brainz Instr.	41	-6.7	-3.6	81	0-0	-	2.6	-	0.9	NE	Nil	6.07	25	Mobilesoft Ltd	3	-19.2	-2.6	95	2-0	-	0.7	-	2.6	NE	Nil	1.46	8
Genetic Tech.	18	-15.7	-9.4	93	8-0	-	4.5	-	1.0	NE	Nil	6.06	65	Metabolic Phar.	14	-18.5	-29.0	95	0-0	-	1.7	-	1.3	NE	Nil	N/A	38
Flinders Diam.	2	-9.6	-0.3	86	1-1	-	-	-	3.4	75	Nil	6.00	7	Quest Investm't	22	-18.5	-8.8	94	0-0	-	1.6	-	0.8	NE	Nil	1.72	7
Roc Oil Company	293	-5.0	-0.3	78	0-6	7	-	-	0.7	NE	Nil	6.00	874	Keycorp Ltd	40	-18.3	-7.4	94	1-0	2	1.3	-	0.8	NE	Nil	0.35	33
Adv. Ocular	8	-22.6	-1.4	96	0-0	-	-	-	1.6	NE	Nil	5.86	10	WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average													
Agri Energy Ltd	33	-16.5	-0.2	93	2-1	-	1.2	0	1.1	825	Nil	5.80	26	Roc Oil Company	293	-5.0	-0.3	78	0-6	7	-	-	0.6	NE	Nil	6.00	874
Kingsgate Cons.	480	-2.1	+4.9	71	0-0	5	3.3	13	0.7	26	2.1	5.74	425	CBH Resources	52	-0.8	-11.5	67	0-5	4	6.5	-	1.3	NE	1.0	3.72	320
Newcrest Mining	2408	-0.9	-3.1	68	3-0	12	50.2	-	0.6	23	0.2	5.71	8,020	Global Petrol.	18	-40.0	-9.1	99	0-5	-	-	-	1.7	13	Nil	N/A	30
Aurora Sand Div	975	-1.0	-0.7	68	0-0	-	1.0	-	0.3	NE	Nil	5.66	43	Commander Comm.	202	-1.2	-2.3	69	0-4	7	-	-	0.6	17	2.0	0.57	450
Engin Ltd	20	-10.2	-1.6	87	0-0	-	10.0	-	1.4	NE	Nil	5.56	48	Cooper Energy	53	-1.8	+4.4	71	0-4	1	-	-	0.9	8	Nil	2.24	73
Bentley Int'l	40	-0.2	-2.3	65	1-0	-	0.8	10	0.7	8	5.0	5.55	16	Straits Res.	372	-3.7	+2.2	75	0-4	5	13.8	70	0.6	20	2.7	0.70	670
Senetas Corp	27	-24.0	-3.8	97	1-2	1	5.4	41	1.3	13	Nil	5.25	124	Astron Ltd	212	-9.0	-1.5	85	0-3	-	1.6	27	0.7	6	4.7	0.82	124
C'wth Prop Off.	139	-0.6	-0.7	67	1-0	6	1.1	15	0.4	8	7.0	5.24	2,239	Macmin Silver	32	-2.6	-3.4	72	0-2	-	-	-	0.9	NE	Nil	N/A	137
Roma Petroleum	6	-1.4	-3.0	69	0-0	-	-	-	1.6	NE	Nil	5.16	11	Tandou Ltd	45	-12.3	+2.0	90	0-2	-	0.9	-	0.5	NE	Nil	1.02	34
Proteome Syst	26	-4.7	-1.3	77	1-0	-	5.2	-	1.4	NE	Nil	5.07	36	Chariot Limited	13	-2.6	+7.1	72	0-2	-	-	-	1.2	NE	Nil	0.25	6
Fox Resources	129	-3.5	-10.5	74	3-0	-	9.2	-	1.1	NE	Nil	4.97	145	Energy Invest.	14	-8.7	-4.8	85	0-2	-	-	-	1.0	NE	Nil	N/A	34
Bendigo Mining	38																										

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

For an explanation of this table see the *Share Selection Methods* report sent to all new subscribers or available from our website. These shares are not formal "buy" and "sell" recommendations, but the "Under-Valued", "Best Performing" and "Income" shares should be considered for purchase, while the "Over-Valued" and "Worst Performing" shares can generally be sold to release money for re-investment in more attractive shares.

Company	STRENGTH RATING										Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Insider Buys	Insider Sells	Follow-up	Rel. Strength	Yield > 0	Rel Strength > 0							
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0																	
Col Motor Co	358	+7.2	-0.2	31	2-0	-	0.9	6	0.5	14	10.0	0.21	100				
Turners & Grow.	320	+12.2	+6.1	12	3-2	1	1.0	7	0.6	15	6.5	0.45	247				
Nuplex Indust	745	+5.0	-1.4	42	2-0	4	1.8	12	0.5	15	6.0	0.45	584				
Broadway Ind	90	+4.5	+0.7	47	2-0	-	0.9	4	0.9	22	4.4	0.45	18				
Tag Pacific Ltd	42	+11.9	-0.9	13	1-0	-	1.6	18	1.8	9	1.3	0.47	27				
Seeka Kiwifruit	395	+2.6	+0.6	57	2-0	1	1.0	9	0.5	11	7.6	0.48	47				
Ebos Group Ltd	540	+4.6	-3.0	46	0-0	1	2.7	19	0.5	14	6.2	0.53	199				
Livestock Imp.	185	+5.4	+2.8	41	5-0	-	0.6	8	0.9	8	13.2	0.55	61				
Satara Co-op	115	+0.4	-0.1	65	0-0	-	1.0	NE	3.9	0.59	31						
Air New Zealand	237	+29.7	-1.3	4	3-4	4	1.5	6	0.7	25	3.1	0.63	2,378				
Dorchester Pac	230	+2.7	+1.6	56	1-0	-	1.2	15	0.6	8	7.1	0.64	66				
Guinness Peat	237	+0.4	-1.0	66	1-0	2	1.1	4	0.7	26	1.2	0.70	2,713				
Taylor's Grp Ltd	205	+7.8	-3.2	26	1-0	-	1.8	13	0.6	14	8.7	0.73	50				
Provenco Group	98	+4.4	-4.6	48	0-1	1	2.8	9	1.0	31	4.0	0.76	117				
Mainfreight Grp	760	+8.7	-5.2	22	1-5	6	5.4	21	0.6	25	2.4	0.82	730				
Fletcher Build.	1149	+10.5	-2.0	16	0-3	5	3.7	26	0.4	14	5.2	0.98	5,394				
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0																	
Turners & Grow.	320	+12.2	+6.1	12	3-2	1	1.0	7	0.5	15	6.5	0.45	247				
Tag Pacific Ltd	42	+11.9	-0.9	13	1-0	-	1.6	18	1.4	9	1.3	0.47	27				
Fletcher Build.	1149	+10.5	-2.0	16	0-3	5	3.7	26	0.4	14	5.2	0.98	5,394				
Taylor's Grp Ltd	205	+7.8	-3.2	26	1-0	-	1.8	13	0.5	14	8.7	0.73	50				
Col Motor Co	358	+7.2	-0.2	31	2-0	-	0.9	6	0.4	14	10.0	0.21	100				
Livestock Imp.	185	+5.4	+2.8	41	5-0	-	0.6	8	0.8	8	13.2	0.55	61				
Nuplex Indust	745	+5.0	-1.4	42	2-0	4	1.8	12	0.4	15	6.0	0.45	584				
Ebos Group Ltd	540	+4.6	-3.0	46	0-0	1	2.7	19	0.4	14	6.2	0.53	199				
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million																	
Hellaby Hold.	401	-9.2	-2.6	92	2-1	2	1.7	20	0.4	9	11.5	0.39	199				
Telecom Corp	480	+3.5	-1.2	52	3-36	10	3.9	35	0.4	11	11.0	1.62	9,413				
NZ Refining Co	630	-3.1	-0.4	79	0-0	1	2.5	22	0.3	11	10.7	3.75	1,512				
Hallenstein G.	508	-1.3	-0.7	72	0-6	5	4.7	34	0.3	14	10.3	1.53	302				
Skellerup Hold.	128	-5.9	-1.3	87	4-0	4	2.7	27	0.5	10	9.3	0.84	134				
PGG Wrightsons	163	-4.7	+1.3	85	2-1	5	1.1	6	0.5	17	9.2	0.54	459				
Sky City Ltd	470	-2.3	-1.7	76	1-10	7	6.6	39	0.4	17	8.3	2.68	2,018				
ING Property	129	+3.8	-1.3	51	0-0	6	1.1	7	0.5	16	7.7	0.92	678				
Cavalier Corp	350	+0.9	-0.9	62	2-1	4	3.6	22	0.7	16	7.7	1.14	229				
F & P Appliance	367	-4.3	-0.3	83	0-20	5	1.6	11	0.5	15	7.3	0.80	972				
INSIDER BUYING: Most Insider Buying, Relative Strength > 0																	
AMP Limited	1203	+6.7	+0.1	37	7-0	-	7.0	29	0.4	24	3.0	1.65	22,495				
Livestock Imp.	185	+5.4	+2.8	41	5-0	-	0.6	8	0.6	8	13.2	0.55	61				
Comvita	400	+7.2	-0.9	31	5-0	1	2.4	5	0.5	47	1.9	1.81	71				
Tourism Hold.	227	+10.1	+1.5	18	4-0	3	1.3	7	0.4	20	7.2	1.27	223				
Sky Network TV	576	+0.7	-3.7	62	4-0	5	2.0	5	0.3	37	2.1	4.08	2,241				

Company	STRENGTH RATING										Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Insider Buys	Insider Sells	Follow-up	Rel. Strength	Yield > 0	Rel Strength > 0							
Col Motor Co	358	+7.2	-0.2	31	2-0	-	0.9	6	0.3	14	10.0	0.21	100				
Seeka Kiwifruit	395	+2.6	+0.6	57	2-0	1	1.0	9	0.3	11	7.6	0.48	47				
Broadway Ind	90	+4.5	+0.7	47	2-0	-	0.9	4	0.4	22	4.4	0.45	18				
Rubicon Limited	97	+0.5	+1.0	65	2-0	2	1.1	3	0.5	30	Nil	0.41	244				
Nuplex Indust	745	+5.0	-1.4	42	2-0	4	1.8	12	0.3	15	6.0	0.45	584				

OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0																	
A2 Corporation	10	-0.2	+7.9	67	0-0	-	2.7	-	1.3	NE	Nil	8.20	10				
F & P Health.	369	-4.2	-3.1	83	0-16	7	9.2	34	0.5	27	5.0	5.79	1,879				
Charlie's Group	20	-58.3	+0.0	98	3-1	-	3.8	-	1.2	NE	Nil	3.77	56				
NZ Refining Co	630	-3.1	-0.4	79	0-0	1	2.5	22	0.2	11	10.7	3.75	1,512				
NZ Finance Hold	118	-6.7	-2.6	89	1-1	-	5.8	24	0.4	24	1.6	3.74	90				
Horizon Energy	390	-1.5	+3.3	73	0-0	1	2.1	11	0.3	18	7.3	3.51	97				
Sky City Ltd	470	-2.3	-1.7	76	1-10	7	6.6	39	0.4	17	8.3	2.68	2,018				
Widespread Port	2	-2.6	-10.4	77	1-0	-	0.7	20	3.3	4	Nil	2.54	7				
New Image Group	12	-12.2	-7.7	93	0-0	-	20.3	-	2.4	NE	Nil	2.07	22				

WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average																	
Charlie's Group	20	-58.3	+0.0	98	3-1	-	3.8	-	1.1	NE	Nil	3.77	56				
Plus SMS Hold.	10	-32.3	-1.5	96	0-0	-	6.1	-	2.1	NE	Nil	N/A	32				
Lombard Group	1	-22.8	-4.8	96	0-0	-	1.2	10	3.9	12	Nil	1.03	28				
Tower Limited	220	-16.1	+3.0	95	0-0	5	1.0	15	0.3	7	Nil	0.58	413				
Botry-Zen Ltd	3	-13.7	-6.6	94	0-0	-	1.5	-	2.2	NE	Nil	N/A	5				
New Image Group	12	-12.2	-7.7	93	0-0	-	20.3	-	2.3	NE	Nil	2.07	22				
NZ Finance Hold	118	-6.7	-2.6	89	1-1	-	5.8	24	0.4	24	1.6	3.74	90				
Pac Edge Bio.	15	-5.8	+0.7	86	0-0	-	7.8	-	1.2	NE	Nil	N/A	7				
Toll NZ Ltd	265	-4.5	+0.1	84	0-0	-	1.7	16	0.4	10	Nil	0.81	557				
F & P Appliance	367	-4.3	-0.3	83	0-20	5	1.6	11	0.4	15	7.3	0.80	972				
F & P Health.	369	-4.2	-3.1	83	0-16	7	9.2	34	0.5	27	5.0	5.79	1,879				
Allied Farmers	210	-4.0	+1.2	82	3-1	-	1.4	6	0.3	25	5.0	0.39	33				
Tenon Ltd	298	-3.7	+0.7	81	1-0	2	1.0	7	0.5	16	Nil	0.33	200				
Scott Tech. Ltd	215	-3.1	-1.6	78	4-0	1	3.3	1	0.4	222	2.1	1.95	54				
NZ Oil & Gas	92	-2.9	+0.6	78	0-0	-	1.9	2	0.4	85	Nil	N/A	215				
Widespread Port	2	-2.6	-10.4	77	1-0	-	0.7	20	3.0	4	Nil	2.54	7				
WN Drive Tech.	47	-2.2	+0.1	75	3-1	-	11.0	-	0.9	NE	Nil	N/A	94				
Cadmus Tech Ltd	20	-1.8	+0.7	74	0-0	-	3.4	3	0.9	125	Nil	1.87	48				

INSIDER SELLING: Most Insider Selling, Relative Strength < 0																	
F & P Appliance	367	-4.3	-0.3	83	0-20	5	1.6	11	0.4	15	7.3	0.80	972				
F & P Health.	369	-4.2	-3.1	83	0-16	7	9.2	34	0.5	27	5.0	5.79	1,879				
Sky City Ltd	470	-2.3	-1.7	76	1-10	7	6.6	39	0.4	17	8.3	2.68	2,018				
Hallenstein G.	508	-1.3	-0.7	72	0-6	5	4.7	34	0.2	14	10.3	1.53	302				
Steel & Tube	440	-1.8</															

“Insider” Trades in Australian Shares

The 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: 70.8% Buyers
Last 13 wks: 69.0% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
1300 Smiles Ltd	3-0	Aust Foundation	2-0	CTI Logistics	6-0	Customers Ltd	1-0	Fortescue Metal	0-2
A-Cap Resources	0-1	Aust Enh Income	2-0	CVC Limited	3-0	Cypress Lakes	1-0	Foster's Group	2-0
A.P. Eagers	4-0	Aust Infra.	7-0	Cadence Capital	0-5	Cytopia Ltd	5-0	Fox Resources	3-0
ABB Grain Ltd	6-2	Aust Agricul.	3-0	Calliden Group	1-0	D'Aguiar Gold	2-0	Freedom Nut'l	1-0
ABC Learning	4-0	Austereo Group	5-2	Caltex Austria	2-0	DUET Group	2-0	G.R.D. NL	6-2
ABM Resources	1-0	Austin Eng.	8-0	Canada Land	1-0	DVM Intern'l	0-1	GBST Holdings	1-0
AGL Energy Ltd	4-0	Austral Waste	1-0	Candle Aust.	0-1	Danks Holdings	2-0	GDF Corporation	0-1
AHC Ltd	1-0	Aust Biodiesel	1-0	Cape Range Wire	0-1	Data 3 Ltd	1-3	GME Resources	1-0
AI Limited	0-1	Aust Pharm. Ind	1-0	Cape Lambert IO	4-1	David Jones	1-3	GPT Group	1-0
AMCIL Limited	1-0	Aust Ren. Fuels	0-1	Capral Alum.	3-0	De Grey Mining	1-0	GVM Metals Ltd	1-0
AMP Ltd	6-0	Austar United	1-0	Carbine Res.	2-0	Deep Yellow Ltd	7-0	GWA Internat'l	0-3
ANZ Bank	1-6	Aust Wealth Mgt	1-3	Cardno Ltd	0-2	Devine	4-0	Gale Pacific	6-1
APA Group	4-0	Aust W'wide Exp	1-0	Carlton Invest	0-2	Dia-B Tech Ltd	1-0	Garratt's Ltd	1-0
APN Property	0-1	Aust Education	3-0	Carnarvon Pet.	4-0	Diatreme Res.	0-2	Gateway Mining	2-0
ARB Corporation	1-0	Aust Resources	3-0	Carnegie Corp	1-0	Dioro Explor.	7-0	Gazal Corp	7-0
AWB Limited	2-0	Aust Zircon NL	1-0	Carpathian Res.	10-0	Discovery Metal	2-0	Genesis Bio.	1-0
Aberdeen Leader	6-0	Avalon Minerals	1-0	Carrick Gold	6-0	Div. United Inv	2-0	Genetic Tech.	8-0
Abra Mining Ltd	1-0	Avexa Limited	5-0	Cash Converters	3-0	Djerriwarrh	3-0	Genepharm Aust.	1-0
Access Provider	1-0	Avoca Resources	1-0	Caspian Oil & G	0-1	Downer EDI Ltd	6-0	Gippsland Ltd	1-0
Acrux Ltd	0-2	Azumah Res.	3-0	Castle Minerals	3-0	Dragon Mining	0-1	Giralia Res.	0-1
Adamus Resource	0-1	B & B Infrastr.	3-0	Cathrx Ltd	3-0	Drake Resources	3-0	Gleneagle Gold	0-1
Adelaide Bank	0-2	B & B Env. Inv.	2-3	Cedar Woods Prp	1-2	Dulhunty Power	1-0	Glengarry Res.	5-0
Adelphi Energy	1-0	B & B Wind Part	3-0	Cellnet Group	1-2	Dyesol Ltd	2-0	Global Petrol.	0-5
Adelaide Bright	2-4	B&B Res Land	4-0	Cellestis Ltd	0-1	Dynasty Metals	1-0	Global Mining I	3-0
Admiralty Res.	2-0	BBX Holdings	1-0	Centamin Egypt	1-0	E-Bet Limited	2-0	Globe Int'l Ltd	1-0
Adtrans Group	2-0	BC Iron Ltd	1-0	Centrebet Int'l	2-0	E.R.G.	0-2	Goldstar Res.	6-0
Adv Nanotech.	2-0	BHP Billiton	9-6	Centro Retail	4-0	ETRADE Aust.	3-0	GoldLink Income	2-0
Adv. Magnesium	2-0	BQT Solutions	3-0	Centropoint All	1-3	ETT Ltd	2-0	Golden West Res	1-0
Advanced Engine	3-0	BSA Ltd	4-0	Chal Wine Trust	1-0	Eagle Bay Res.	3-0	Goldstream Min.	2-0
Aequus Capital	5-1	Babcock & Brown	1-0	Chalmers	1-0	Eastern Corp	1-0	Goldlink Growth	2-0
Aevum Ltd	5-0	Bakehouse Quart	33-9	Chal Div Prop	0-2	East'n Star Gas	0-1	Golden State	2-1
Agenix Limited	4-0	Bank of Q'land	0-1	Chal Financial	2-0	Easycall Int'l	0-6	Goldsearch Ltd	2-1
Agri Energy Ltd	2-1	Bannerman Res.	1-0	Chalice Gold	5-0	Echelon Res.	1-0	Golden Tiger	0-2
Aim Resources	3-2	Baraka Petrol.	1-0	Chandler McLeod	1-0	Echo Resources	6-0	Golden Cross	2-1
Aircrusing Aust	1-0	Barra Resources	1-2	Charter Pacific	2-0	Eden Energy Ltd	2-0	Gold Aura Ltd	0-2
Alchemia Ltd	1-0	Bass St Oil Coy	5-0	Chariot Limited	0-2	Eftel Ltd	1-0	Goodman Fielder	1-0
Ale Property	6-0	Bass Metals Ltd	2-0	Cheviot Bridge	12-1	Eiffel Tech.	1-0	Gosford Quarry	0-1
Alesco Corp Ltd	1-0	Beach Petroleum	3-1	Chrome Corp Ltd	5-1	Electro Optic	5-1	Graincorp	0-2
Alkane Explor.	2-0	Becker Group	1-0	Chrocadian Tech	1-0	Electrometals	2-0	Grange Resource	1-0
Allco Finance	4-0	Bemax Resources	1-0	Citigold Corp	0-1	Elk Petroleum	5-0	Great Aust Res	2-0
Allco Max Sec.	1-0	Bendigo Mining	3-0	City View	1-0	Embelton Ltd	2-0	Great Southern	2-0
Allied Gold Ltd	6-0	Bendigo Bank	1-0	Clime Capital	1-0	Emeco Holdings	2-0	Greater Pacific	0-1
Alloy Resources	1-0	Bentley Int'l	1-0	Clive Peeters	0-1	Emerald Oil & G	1-0	Green Rock En.	1-0
Alpha Tech.	2-1	Billabong Int'l	1-0	Clough Limited	7-0	Emitch Limited	2-0	Gregory Aust.	2-0
Altium Limited	1-0	BioLayer Corp.	1-0	Clover Corp.	2-0	Emperor Mines	5-0	Gryphon Mineral	1-0
Alumina Ltd	1-0	Biodiem Ltd	0-1	Cluff Resource	0-1	Empire Sec.	1-0	Gt Bendigo Gold	2-0
Amadeus Energy	1-0	Biometrics Ltd	3-0	Cobar Cons Res.	2-0	Empire Beer Grp	3-0	Gulfx Ltd	3-0
Ambertech Ltd	3-0	Biosignal Ltd	1-0	Cochlear Ltd	7-0	Encounter Res.	2-0	Gulf Resources	4-0
Ambition Group	2-0	Biota Holdings	8-0	Cockatoo Ridge	1-0	Eneabba Gas Ltd	1-0	Gullewa Gold NL	0-2
Amcom Telecom.	2-1	Blackmores Ltd	0-2	Codan Ltd	5-0	Energy Invest.	0-2	Gunns Ltd	3-1
Analytica Ltd	1-0	Blackham Res.	2-0	Coffey Int'l	6-1	Energy Metals	0-1	HFA Accelerator	4-0
Andean Res.	1-0	Black Range Min	1-0	Cogstate Ltd	5-0	Energy Ventures	2-0	HFA Holdings	3-0
Anglo Pacific	2-1	Bluescope Steel	2-0	Coles Group Ltd	1-0	Entek Energy	6-0	Haddington Res.	2-0
Anglo Australia	1-0	Bonaparte Diam.	2-0	Collection Hse	4-3	Envestra	2-0	Hamilton James	6-0
Ansearch Ltd	1-0	Boom Logistics	3-2	Colonial Res.	1-0	Environm't Grp	2-0	Hannans Reward	1-0
Ansell Ltd	2-0	Boral Limited	1-0	Colorpak Ltd	1-0	Envirozel Ltd	7-0	Hansen Tech.	2-0
Antares Energy	28-0	Boulder Steel	1-2	Com'wealth Bank	1-0	Envirogold Ltd	2-0	Hastie Group	2-0
Antisense T.	1-0	Bow Energy Ltd	3-0	Comdex Ltd	1-2	Epsilon Energy	2-0	Hast Div Util	1-0
Anvil Mining	2-4	Bradken Ltd	0-1	Comet Ridge Ltd	1-0	Equity Trustees	6-0	Havilah Res.	7-0
Anzon Australia	2-0	Brainytoys Ltd	2-0	Comet Resources	5-0	EservGlobal Ltd	1-0	Healthscope	3-0
Apa Financial	4-0	Brambles Ltd	3-0	Commander Comm.	0-4	Esplanade Prop.	9-0	HealthLinx Ltd	0-1
Apex Minerals	3-1	Brandrill	3-0	Community Life	7-0	Espreon Ltd	2-0	Heartware Ltd	15-0
Apollo Life Sci	6-0	Breakaway Res.	2-0	Compass Res	1-7	Essa Australia	0-1	Heemskirk Cons.	1-0
Aquarius Plat.	2-3	Brickworks Inv.	2-0	ComputerCORP	1-0	Essential Pet.	1-0	Helix Resources	5-0
Arafura Res.	0-2	Brickworks Ltd	9-0	Computershare	2-5	Eurogold Ltd	1-0	Hemisphere Res.	1-0
Arasor Int'l	2-1	Buderim Ginger	10-0	Compumedics Ltd	0-1	Everest Babcock	3-0	Henderson Group	0-3
Argo Investment	3-1	Buka Gold Ltd	1-0	Concept Sports	0-1	Exco Resources	0-2	Hills Indust.	0-1
Argus Solutions	1-0	Bunnings W/hse	1-0	Coneco Ltd	1-0	Extract Res.	1-0	Hillcrest Litig	5-0
Aristocrat Leis	2-0	C'wth Prop Off.	1-0	Conquest Mining	4-0	Ezenet Limited	1-0	Hillgrove Res.	0-3
Arrow Energy	0-2	C.S.R. Ltd	0-1	Cons Minerals	2-1	F.F.I. Holdings	1-0	Hill End Gold	6-4
Ashburton Min.	2-0	CBH Resources	0-5	Contango Micro.	1-0	Fairfax Media	1-0	Hodges Res.	2-0
Aspen Group Ltd	2-0	CCI Holdings	11-0	Cool or Cosy	5-0	Falcon Minerals	4-0	HomeLeisure Ltd	3-1
Astron Ltd	0-3	CDS Tech	0-1	Cooper Energy	0-4	Fermiscan Hold.	0-1	Homeloans Ltd	1-0
Atcor Medical	1-0	CFK Childcare	0-1	CopperCo Ltd	1-0	Ferrowest Ltd	1-0	Home Bldg Soc.	7-1
Atlas Iron Ltd	6-0	CFS Private Cap	2-0	Corp Express	0-1	Fiducian P Serv	1-2	Horizon Oil Ltd	6-0
Atlas Grp Hold.	3-1	CI Resources	0-1	Cortona Res Ltd	1-0	Financial Res.	1-0	Hunter Hall Int	0-11
Aura Energy Ltd	6-0	CMA Corporation	4-0	CostaExchange	2-0	Finbar Intern'l	2-1	Huntley Invest	6-1
Aurox Resources	1-0	CMI Limited	1-0	Count Financial	0-1	First Capital	3-0	Hunter H Global	1-0
Auselect Ltd	3-0	CO2 Group Ltd	1-4	Coventry Group	6-0	Flat Glass Ind.	2-0	Hydromet Corp.	4-3
Ausmelt Ltd	0-2	CPI Group	1-0	Crane Group	2-0	Fleetwood Corp	1-3	Hyperion Flag.	5-8
Auspine Ltd	6-0	CPT Global Ltd	3-1	Credit Corp	0-2	Focus Minerals	1-0	Hyro Limited	2-0
Ausquest Ltd	3-0	CSL Limited	0-1	Cryosite Ltd	2-0	Folkestone Ltd	3-0	IBA Health Ltd	1-6

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
ICE Corporation	1-0	Macquarie Good.	3-0	Nuenco NL	0-1	Reed Resources	6-2	Synergy Equity	1-0
IM Medical Ltd	6-0	Macquarie Bank	5-2	Nufarm Limited	2-0	Reef Casino Trt	2-0	TFS Corporation	7-0
IMD Group Ltd	1-0	Macquarie Priv.	1-0	Nylex Ltd	6-1	ReefTime Media	3-0	TSV Holdings	2-1
IMF (Aust) Ltd	0-2	Macquarie Infra	2-0	OM Holdings	2-0	Regis Resources	3-0	Tabcorp Holding	1-0
ING Priv Equity	2-0	Macquarie C'Wde	1-0	Objective Corp.	0-1	Renison Cons	3-0	Takoradi Ltd	0-2
ING Indust Trt	1-0	Macquarie Air.	4-0	Ocean Capital	1-0	Repol Ltd	4-0	Talent2 Int'l	0-1
ING Retail E.E.	1-0	Magellan Flg.	6-0	Oceana Gold Ltd	2-0	Republic Gold	1-0	Talisman Mining	1-0
IOOF Holdings	0-1	Magna Metals	4-0	Odyssey Gaming	1-0	Resource Pac.	1-0	Tamaya Res.	1-0
ISS Group Ltd	1-0	Magnum Mining	1-0	Oilex Ltd	1-0	Resonance Hlth	3-0	Tamawood Ltd	2-0
IT & e Limited	1-0	Magna Pacific	2-0	Oldfields Hold	3-1	Retail Food Grp	11-1	Tanami Gold NL	6-0
ITL Limited	4-0	Malachite Res.	2-0	Optima Corp Ltd	2-0	Reverse Corp	0-3	Tandou Ltd	0-2
IWL Limited	6-0	Mantle Mining	2-0	Orchid Capital	2-0	Reward Minerals	2-0	Tap Oil	0-1
Icon Resources	5-0	Marengo Mining	4-0	Orica Ltd	3-0	Rey Resources	1-0	Tassal Group	0-2
liNet	4-1	Marion Energy	5-0	Orient Res Hold	2-0	Rialto Energy	5-0	Tawana Resource	1-0
Iluka Resources	1-0	Mariner Am Prop	2-0	Origin Energy	0-2	Ridley Corp.	1-2	Technology One	0-2
Image Resources	1-2	Mariner Bridge	1-0	Orion Telecom.	2-0	Rimfire Pacific	0-1	Techniche Ltd	0-1
Imdex Limited	2-1	Mariner Fin.	0-1	Oroton Group	11-0	Rinker Group	2-0	Teleton Limited	4-0
Impact Capital	5-0	Matrix Metals	1-0	Ottoman Energy	1-0	Riversdale Min.	5-0	Telstra	1-0
Impress Venture	10-0	Matrixview Ltd	9-0	Oxiana Ltd	0-1	Roc Oil Company	0-6	Tennant Creek G	1-8
Incitec Pivot	5-0	Mawson West Ltd	2-0	Oz Brewing Ltd	1-0	Rockeby Biomed	3-0	Territory Iron	0-1
Incremental Pet	4-0	Maxi TRANS	4-0	PMP Limited	0-1	Ross Human Dir.	6-1	The Reject Shop	0-1
Ind Minerals	6-0	McKinley Co Ltd	0-5	PPK Group Ltd	5-0	Rox Resources	1-0	Thomas & Coffey	7-0
Ind Practition.	3-2	Medaire Inc	2-0	Pac. Star Netwk	4-0	Royal Resources	12-0	Thundelarra Exp	3-2
Independ. Group	1-7	Medec Limited	2-1	Pacific Energy	3-0	Rubicon Europe	0-1	Tidewater Inv	3-0
Indo Mines Ltd	2-1	Medical Dev Int	10-0	Pacrim Energy	1-0	Rubicon Res.	2-0	Tiger Resources	1-0
Industrea Ltd	0-4	Medivac Ltd	1-0	Paladio Group	1-0	Ruralco Hold.	5-3	Timbercorp Prim	1-0
Infomedia Ltd	0-1	Medical Therapy	7-0	Palamedia Ltd	1-0	S/Tracks ASX200	0-1	Toll Holdings	2-4
Institute Drug	1-0	Medtech Global	1-0	Pan Australian	1-0	SAI Global Ltd	0-1	Toodyay Res.	3-0
Int'l Goldfield	4-0	Medusa Mining	1-0	Panaegis Gold	1-0	SP Ausnet	2-1	Tow Way Ltd	0-2
Intec Ltd	3-0	Melbourne IT	0-1	Panbio Ltd	1-0	SP Telecom.	3-0	Traffic Tech.	1-0
Integra Mining	3-0	Mermid Marine	0-2	Paperlin X Ltd	5-0	STW Comm Group	2-0	Trafalgar Corp.	0-1
Intermet Res.	1-0	Metal Storm Ltd	1-0	Patties Foods	4-0	Saferoads Hold.	1-2	Trafford Res.	1-3
Intermin Res	6-0	Metallica Min.	1-12	Peak Resources	3-0	Salinas Energy	4-0	Transol Corp	1-0
Integrated Grp	2-0	Meteoric Res.	2-0	Pearl Healthcare	1-0	Salmat Ltd	5-0	TransMetro Corp	1-0
Investa Prop.	4-0	Michelago Ltd	1-0	Pelican Res.	1-0	Samson Oil/Gas	1-0	Transfield Serv	1-0
Investika Ltd	16-0	Midwest Corp	0-1	Pelorus Prop.	1-0	Sandfire Res.	1-2	Transurban Grp	3-1
Invocare Ltd	0-2	Milton Corp.	3-0	Pengana Hedge.	0-10	Santos Ltd	1-0	Transit Hold.	2-0
Iress Mkt Tech	3-1	Minara Resource	2-1	Peppinini Min.	0-3	Saracen Mineral	3-0	TransPacific In	4-0
Ironbark Gold	4-0	Mincor Resource	0-2	Peptech Limited	10-0	Scantech	3-0	Treasury Group	2-1
JB Hi-Fi Ltd	0-5	Mindax Limited	1-0	Perilya Mines	2-3	Scarborough Equ	2-0	Tri Origin Min.	2-1
JV Global Ltd	1-3	Mineral Commod.	1-0	Perpetual Ltd	5-3	Scimitar Res.	1-0	Trinity Group	0-2
Jackson Gold	1-0	Mineral Sec.	3-0	Perseus Mining	2-0	Scott Corp Ltd	1-0	UXC Limited	2-1
Jackgreen Ltd	4-1	Mineral Res.	1-0	Petratherm Ltd	1-0	Seek Ltd	0-1	Undercoverwear	3-0
James Hardie	1-0	Mineral Deposit	0-1	Pharmaust Ltd	2-1	Select Vaccines	2-0	United Group	8-0
Jervois Mining	0-2	Minemakers Ltd	1-0	Pharmaxis Ltd	2-0	Select harvest	5-0	United Minerals	0-1
Jindalee Res.	3-0	Mining Projects	3-1	Phislock Water	2-0	Senetas Corp	1-2	Unife Medical	0-2
Jubilee Mines	0-7	Mintails Ltd	3-1	Photon Group	4-0	Service Stream	1-0	Unwired Group	2-0
Jumbuck Enter.	2-1	Mirrabooka Inv.	2-0	Phylogica Ltd	1-0	Servcorp Ltd	5-2	Uranium King	1-0
Jumbo Corp	5-0	Mirvac Ind Trt	0-1	Pioneer Nickel	6-0	Seven Network	2-0	Uran Limited	0-1
Jupiter Energy	7-0	Mirvac Group	3-0	Pipe Networks	0-1	Shield Mining	7-0	Uscom Limited	2-0
Jupiter Mines	1-7	Mission Biofuel	2-0	Platinum Aust	0-3	Sigma Pharm.	0-1	VDM Group Ltd	1-3
KLM Group Ltd	0-1	Mobilesoft Ltd	2-0	Platina Res.	3-1	Silex Systems	0-3	Valad Property	0-1
KLT Technology	3-0	MobileActive	1-0	Po Valley Ener.	2-0	Silver Swan Grp	1-0	Van Eyk Blue AP	0-2
Kardoon Gas	1-0	Moby Oil & Gas	7-0	Polartechnics	1-0	Silver Mines	1-0	Verticon Group	11-8
Kentor Gold Ltd	1-0	Moly Mines Ltd	2-1	Port Bouvard	4-0	Sims Group Ltd	1-2	Verus Investm't	1-0
Keycorp Ltd	1-0	Monarch Gold M.	7-0	Portland Ortho.	1-0	Sino Gold Min.	1-0	View Resources	2-1
Kings Minerals	0-1	Montezuma Min.	0-2	Powerlan Ltd	4-0	Sino Securities	0-1	Village Road.	5-9
Kip McGrath EC	6-0	Monto Minerals	2-0	PowerTel Ltd	2-0	Sipa Resources	2-1	Virax Holdings	0-2
Konekt Limited	1-0	Montec Int'l	1-0	Praemium Ltd	1-0	Sirius Telecom.	2-0	Virgin Blue	6-1
Korab Resources	6-0	Mooter Media	0-1	Premium Invest.	1-0	Skilled Group	5-0	Viridis Clean E	1-0
Korvest Ltd	2-0	Morning Star	1-0	Premier Bionics	3-0	Snowball Group	1-3	Visionmed Group	1-0
Kresta Holdings	2-0	Mortgage Choice	0-5	Prima Biomed	1-0	Solbec Pharm.	2-0	Vision Group	6-2
L&M Petroleum	1-0	Mosaic Oil NL	3-0	Primary Health	3-0	Somnomed Ltd	1-0	Vital Metals	2-0
LV Living Ltd	1-0	Mt Burgess Min.	1-0	Pro-Pac Pack.	2-0	Sonic Health	0-3	Voltage IP Ltd	2-0
Lakes Oil NL	6-0	Multi Channel S	2-0	Probiotec Ltd	1-0	Sonnet Corp Ltd	2-1	Vulcan Res.	3-0
Landmark White	1-0	Multiplex Accum.	4-0	Progen Indust.	1-0	Soul Pattinson	3-0	WAM Capital Ltd	0-5
Lefroy Res.	1-0	Mundo Minerals	2-0	Promina Group	2-0	Souls Priv Equ	4-0	WHK Group Ltd	0-1
Legend Corp.	2-0	Murchison Un.	3-0	Prophesy Int'l	4-0	Southern Gold	0-2	Wasabi Energy	0-2
Legend Mining	1-0	My Net Fone Ltd	2-0	Prosperity Res.	0-1	Spotless Group	1-0	Waterco Ltd	5-0
Lemarne Corp	1-3	NSX Limited	3-0	Proto Resources	1-0	St Barbara Ltd	1-2	Wattyl Ltd	1-0
Lend Lease Corp	1-0	Nat'l Can	3-0	Proteome Syst	1-0	St George Bank	1-0	Wavenet Int'l	0-1
Leyshon Res.	4-1	Nat'l Leisure	3-0	Pryme Oil & Gas	2-0	Starpharma Hold	2-1	Webjet NL	3-2
Liberty Gold NL	3-0	Nat'l Aust Bank	1-0	Publishing & Br	1-0	Stirling Prod.	0-1	Webster Ltd	1-0
Lighting Corp.	1-0	National Hire	0-1	Pure Energy Res	1-0	Stockland	4-0	Wellcom Group	1-0
Lihir Gold	1-0	Navigator Res	3-0	Purus Energy	2-0	Stokes (Aust)	2-0	Wentworth Hold.	10-0
Linc Energy Ltd	1-0	Neptune Marine	1-2	Q.B.E. Insur.	2-1	Straits Res.	0-4	Wesfarmers Ltd	3-0
Lindsay Aust	1-0	Netcomm Limited	3-2	QED Occtech Ltd	0-1	Strike Oil Ltd	1-0	Westonia Mines	1-0
Liontown Res.	2-0	Neuren Pharm.	2-0	QM Technologies	3-0	Strike Res.	1-0	West'n Metals	6-1
Lionore Mining	0-15	New Privateer	1-2	QRSciences Hold	3-0	Structural Syst	2-5	Western Areas	1-3
Liq Natural Gas	0-1	New Opportunity	2-0	Quantum Energy	0-1	Structural Mon.	1-0	Westfield Group	2-0
Little World B.	1-3	Newcrest Mining	3-0	Queens'd Cotton	0-2	Style Limited	1-0	West Gas Power	1-0
Living Cell T.	3-0	Newhaven Hotels	5-0	Queste Comm's	1-0	Sub-Sahara Res.	0-1	Westgold Res.	1-0
Livingstone Pet	1-0	Newland Res.	0-1	Quickstep Hold.	0-1	Suncorp-Metway	2-0	Whitefield Ltd	2-0
London City Eq.	3-0	Nexus Energy	5-3	Quiktrak Netwks	1-0	Sundance Energy	2-0	Wilson Leaders	0-1
Ludowici Ltd	1-6	Niagara Mining	6-0	RCR Tomlinson	1-3	Sundowner Group	1-0	Wilson Inv Fund	4-0
MEO Australia	1-2	Nick Scali Ltd	1-0	RMG Limited	2-0	Sunshine Heart	2-0	Woodside Petrol	3-0
MFS Limited	8-0	Nomad Building	1-0	RR Australia	0-1	SuperCheap Auto	1-0	Worley Group	0-2
MFS Living & L.	11-0	Noni B Limited	0-1	Ramelius Res.	0-3	Supply Network	4-0	Wotif.com Hold.	1-0
MMC Contrarian	1-0	Norton Gold	2-0	Range River Gld	2-0	Swick Min Serv	1-0	Xceed Biotech.	15-0
MacMahon Hold	1-0	Northern Energy	2-0	Rawson Res.	2-0	Swish Group	1-0	Yilgarn Gold	3-0
Macarthurcook P	3-0	Northern Mining	2-0	Reckon Limited	1-0	Sydney Roads	2-0	Yilgarn Mining	5-0
Macarthur Coal	6-0	North Aust Diam	1-0	Red Hill Iron	2-1	Sydney Gas Ltd	9-0	ZBB Energy Corp	9-0
Macmin Silver	0-2	Nova Energy Ltd	1-0	Red Fork Energy	0-1	Sydney Attract.	2-0	Zicom Group	8-0
Macquarie Off.	0-1	Novogen Ltd	2-0	Red Metal Ltd	1-0	Sylvastate Ltd	3-0	Zinifex Ltd	0-1
Macquarie Prol.	1-0	Nth Qld Metals	1-0	Redbank Mines	5-0	Symbion Health	1-0	ZyloTech	1-0
Macquarie DDR	2-0	Nthn Uranium	0-1	Redflex Holding	5-0	Symex Holdings	1-0		

Insider Buying Identifies an Emerging Growth Company and Recovery Situation

Electrometals Technologies (code EMM).

Electrometals Technologies is a small company developing technologies to extract metals from solutions - mainly to recycle metals from industrial processes or to extract metals at mine sites. Revenue is earned from the design and production of extraction plants for its customers.

Revenues increased 75.7% to \$6.6 million for the year to 31 December 2006 and the company earned a maiden profit of \$812,430 (0.6 cents per share), compared with a loss of \$389,456 in 2005. The business generated a net operating cash surplus of \$1.8 million.

Strong growth is expected with completed work and work in hand expected to result in revenues of at least \$7.95 million this year. This includes a \$3.8 million contract to supply a plant to produce high quality copper cathodes from copper refinery bleed streams contaminated with impurities for a US customer.

Additional contracts could boost revenues further - but the business is dependent upon a series of these "one-off" contracts, so revenues could be volatile at times.

To help fund expected growth the company is currently making a \$5.2 million non-renounceable cash issue to existing shareholders, offering 2 new shares at 8 cents each (plus 1 free option to buy shares at 14 cents) for every two existing shares. This will increase the issued capital to 199.5 million shares and the market capitalisation to \$17.8 million.

The Chairman and Chief Executive Officer, RE Keevers owns 1,854,398 shares while a non-executive director RG Melgaard owns 13,284,021 (9.95% of the company before the current share issue). Three other non-executive directors hold small shareholdings.

There have been two *insider* buys over the last year: In July 2006 non-executive director BL Kelly bought all of his 110,000 shares on-market at 5.6 cents and in January 2007 non-executive director GA Marshall purchased 120,000 shares on-market at 9 cents to lift his holding to 220,000 shares.

Summary and Recommendation

Electrometals Technology is a very small *micro-cap* company so does involve much higher than normal risks - but also offers the potential for much higher than normal returns! The company has developed some new technologies to recover and extract metals and - more importantly - commercialised those technologies with marketing and production of extraction plants for potential customers. The business became profitable last year and the shares currently trade on a Price/Earnings ratio of 15. There is potential for strong growth (although partially offset by the dilution as the company needs to raise additional equity capital).

The current cash issue has lowered the share price from recent highs around 13½ cents to 8.9 cents at present and *may* help boost the volume of shares trading

on-market - so investors seeking higher growth (and prepared to accept higher risks) can consider making a small investment in this emerging growth business.

Electrometals Technologies



Kresta Holdings (code KRS).

Kresta Holdings is the largest manufacturer and retailer of window furnishings in Australia, but the company has plans to expand further. The shares trade on a low valuation and *insiders* have been buying.

In 2003, the group launched two *Bargain Home Warehouse* stores and one *Choice Home Security* store (to expand into security and outdoor products). In 2004 it launched two *Decor2Go* homeware stores.

The core curtains business has expanded through the licencing of 20 *Myers* stores in January 2006 and the acquisition of **Curtain Wonderland** for \$5 million in cash in August 2006. Curtain Wonderland added 20 stores - bringing the group's total stores to 76 stores - and the group plans to open a further 5-6 new stores annually over the next four years (i.e. expanding the total to about 98). This is expected to boost revenues and create economies of scale which will improve profitability.

In the year to June 2006, revenues fell 5.2% to \$80.1 million, while profits rose 17.9% to \$3,785,000 (2.8 cents per share). The dividend was a steady 2.0 cents.

At 27 cents the shares trade on a low Price/Sales Ratio of 0.46, a low Price/Earnings ratio of 9½ and offer a high Dividend Yield of 7.4%.

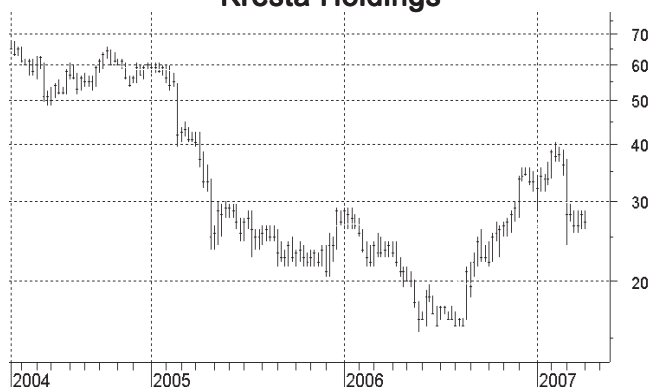
Revenues rose 49.6% to \$62.9 million for the six months to December 2006 - helped by the acquisition of Curtain Wonderland. Profits were steady at \$2,429,000 (1.8 cents per share) and the company will start paying a 1.0 cent interim dividend. There was an operating cash deficit of \$1.3 million, compared with a surplus of \$3.7 million the previous year.

The Managing Director T Zorbas owns 4,878,260 shares (3.7% of the company) having purchased an additional 40,000 shares on-market at 25 cents in October 2006 and 200,000 shares on-market at 27½-28 cents last month. The Chairman, NC Fearis, owns 1,200,000 shares and a former non-executive director (who resigned in late 2005) owns 933,556 shares.

(Continued on Page 12)

Insider Buying*(Continued from Page 11)***Summary and Recommendation**

The retail market is difficult, but Kresta Holdings is seeking to reduce costs while also expanding rapidly to gain market share and economies of scale to improve profitability. The shares trade on a low valuation - with reasonably good prospects for steady growth over many years - so hold the potential to be significantly re-rated over the next 3-5 years. The directors and management have faith in the business, with relatively large investments that have been increased with on-market purchases, so an investment in Kresta Holdings offers both a high current income yield *and* the potential for long term capital appreciation.

Kresta Holdings

Note: Kresta Holdings is not included in the All Ordinaries Index, so subject to the “fair dividend” tax for NZ residents. As that tax, however, is based upon holdings on 1 April, there will be no tax payable upon an investment in Kresta Holdings shares over the next year (unless they are sold before 31 March 2008). After that, tax will be payable on just 5% of their 1 April 2008 market value - not the *actual* and *higher* dividend yield! The actual dividends paid are not taxable income for NZ resident investors.

Total Return Index for All Listed Shares

Mar 12	2627.32	Mar 19	2622.47
Mar 13	2636.70	Mar 20	2632.56
Mar 14	2625.60	Mar 21	2631.82
Mar 15	2621.16	Mar 22	2629.91
Mar 16	2621.96	Mar 23	2634.39
Mar 26	2637.26	Apr 2	2669.60
Mar 27	2642.22	Apr 3	2670.08
Mar 28	2641.40	Apr 4	2661.30
Mar 29	2636.48	Apr 5	2659.70
Mar 30	2662.46	Apr 6	Holiday

Dividends

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Allied Farmers	4.00	16-03	23-03	Full
Briscoes Group	4.50	13-04	04-05	Full
Canterbury Building Society	7.50	23-03	30-03	Full
CanWest Media Works	4.80	04-05	14-05	Full
CDL Investments	2.30	16-03	30-03	Full
Cynotech	0.50	-	-	Full
Comvita	3.00	05-04	20-04	Full
Guinness Peat	1.00p	09-03	21-05	-
Hallenstein Glasson	17.00	13-04	20-04	Full
Just Water International	1.60	13-04	20-04	Full
Postie Plus Group	2.00	10-04	27-04	Full
Satara Co-operative	5.00	23-03	30-03	Full
Scott Technology	3.00	27-04	03-05	Full
Skellerup Group	3.00	13-04	26-04	Full
Turners Auctions	3.50	13-04	20-04	Full
Turners & Growers	14.00	19-04	27-04	Full
Vector	6.50	30-03	10-04	Full
Warehouse Group	12.00	18-04	26-04	Full
Australian Shares				
Commander Communications	2.00	13-03	12-04	
Devine	4.00	12-04	26-04	
Iluka Resources	10.00	10-04	07-05	
Melbourne IT	4.50	26-03	20-04	
M.Y.O.B.	3.00	27-03	20-04	
Skilled Group	8.00	27-03	18-04	
TFS Corporation	0.90	01-06	21-06	

Current Issues

BONUS ISSUES

	Ratio	Ex-Date
Dominion Finance	1:10	04-04
Turner & Growers	1:5	27-04

SHARE REPURCHASES

	Details
Michael Hill International	1.9 m shares on-market

Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on Monday May 14, 2007.

The print version will be delivered later that week, depending upon printing and postal delivery times.

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