

Market Analysis

Issue No. 427

www.stockmarket.co.nz

January 14, 2008

Inside Market Analysis

Capital Repayments (no credit crunch here):
 Centennial Coal to repay 181 cents this month 5
 MYOB plans (debt funded) 15-20 cents repayment... 6
 BUY Integrated Research 6, 7, 8

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 Insider Buying Identifies Potential
 Recovery Situation: Netcomm 14

Founder: James R Cornell (B.Com.)

Summary and Recommended Investment Strategy.

Stockmarkets have dipped sharply, but that is creating good investment value amongst some financially sound company shares. Markets will probably drift lower until confidence returns to the credit markets, but too many shares offer good value - and knowledgeable *insiders* are buying - so a major decline from here is unlikely.

Investment Outlook.

We continue to view the *Credit Crunch* as a relatively minor crisis, correcting historical imbalances. As with most economic fluctuations, this will act to transfer wealth from bad investors to good investors. Bad investors (e.g. with overleveraged investments) and investors in bad assets (e.g. low quality loans or overleveraged investment structures) will be forced to sell at unfavourable prices. Good and bad assets will likely dip in value, but good assets (i.e. quality fixed income investments and shares of sound, financially secure companies) will later recover while bad assets will likely lose significant value.

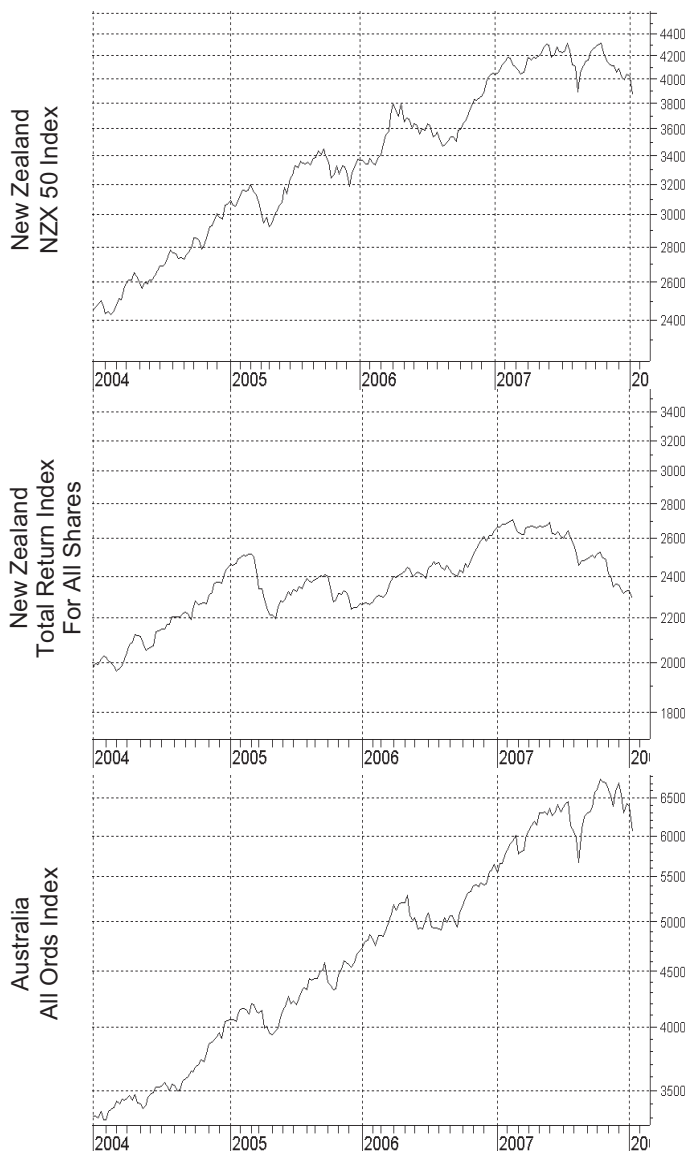
While all investors will likely suffer some decline in asset values, unleveraged investors can hold existing investments through the dip and use new savings and/or investment income to acquire additional investments at attractive prices. Over-leveraged investors will be forced to sell at least some assets to reduce debts, while investors in bad assets will lose significant wealth.

Markets are an excellent mechanism for transferring wealth from bad investors to good investors. Globally the major wealth transfer is currently from the existing shareholders in banks and investment banks (and the not-so-smart money Hedge Fund investors) that have suffered losses on bad investments, to the Sovereign Wealth Funds that have spent at least US\$30 billion buying into these companies at low prices. Existing investors have suffered a double loss - firstly from the banks investment losses and secondly from the transfer in ownership of part of the remaining business to the new investors at low prices! A billion dollars of *expected* loan defaults could depress securitised debt prices by ten billion dollars, while banks writing down that ten billion in asset values could depress their share prices by \$100 billion. So in many cases, wealth “transfer” to Sovereign Wealth Funds will probably exceed losses from “bad investments”!

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Stockmarket Forecasts

	One-Month	One-Year
Australia:	17% (Bearish)	38% (Bearish)
New Zealand:	47% (Neutral)	43% (Bearish)



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	D	20	3.98	NE	Nil	Jasons Media	A	96	1.33	27	4.7	Pumpkin Patch	C	244	1.11	15	5.5		
AMP Onyx Mgmt	C	115	7.35	19	6.7	Just Water Int.	C	71	1.71	NE	7.5	Pyne Gould Corp	C	378	1.94	12	8.3		
AMP Limited	C	1050	1.16	18	4.5	Kermadec Prop.	D	88	6.03	11	Nil	Rakon Ltd	D	382	4.39	44	Nil		
Abano Health.	B	515	1.33	24	3.2	Kidicorp	E	23	0.91	NE	Nil	Renaissance	C	68	0.16	4	23.0		
Affco Holdings	D	37	0.20	14	4.0	Kingfish Ltd	B	117	N/A	2	7.7	Restaurant Brds	C	87	0.29	13	9.4		
Air New Zealand	D	181	0.43	9	6.6	Kirkcaldie & St	B	330	0.73	29	4.5	Richina Pacific	D	49	0.10	7	Nil		
Akd Int Airport	B	270	N/A	36	4.5	Kiwi Property	C	135	9.51	16	7.1	Rubicon Limited	E	90	0.41	NE	Nil		
Allied Work.	C	100	0.32	15	8.2	Life Pharmacy	E	57	3.42	NE	1.3	Ryman Health.	C	194	5.10	23	2.1		
Allied Farmers	C	178	0.32	NE	1.7	Lion Nathan Ltd	A	1085	2.77	23	3.6	Salvus Strat.	C	100	2.33	3	8.2		
Apple Fields	C	8.0	3.72	14	Nil	Livestock Imp.	A	225	0.56	7	16.6	Sanford Limited	C	403	1.02	19	8.1		
Barramundi Ltd	D	80	N/A	4	Nil	Loan & Building	B	570	1.67	20	4.1	Satara Co-op	C	106	0.31	23	7.0		
Blis Technology	E	7.6	N/A	NE	Nil	Lombard Group	C	95	0.67	5	Nil	Savoy Equities	E	3.0	N/A	NE	Nil		
Botry-Zen Ltd	D	4.1	N/A	NE	Nil	Lytelton Port	A	260	3.48	28	2.3	Scott Tech. Ltd	B	176	1.49	14	7.6		
Brierley Invest	D	124	2.62	96	4.2	Mainfreight Grp	C	614	0.61	11	3.6	Sealegs Corp	E	60	6.97	NE	Nil		
Briscoe Group	C	140	0.80	11	8.5	Marlin Global	E	78	N/A	NE	Nil	Seeka Kiwifruit	B	285	0.38	13	10.5		
Broadway Ind	C	82	0.34	15	2.4	Media Tech.	E	2.5	0.13	NE	Nil	Skellerup Hold.	D	91	0.50	NE	4.9		
Burger Fuel	E	65	N/A	NE	Nil	Methven Limited	C	203	1.54	15	8.4	Sky Network TV	B	562	3.54	19	2.7		
CDL Investments	D	40	2.82	8	8.6	Metro. LifeCare	B	740	3.78	21	3.0	Sky City Ltd	B	420	2.33	19	9.2		
Cabletalk Group	D	23	0.18	NE	Nil	Michael Hill	C	108	1.18	20	3.6	Smartpay NZ Ltd	E	3.0	0.17	NE	Nil		
Cadmus Tech Ltd	E	13	1.34	NE	Nil	Mid-Cap Index	D	297	N/A	NE	Nil	Smiths City	C	54	0.10	7	10.2		
CanWest Media	B	269	2.40	25	4.7	Millennium & C.	C	71	1.32	9	5.3	Sol. Dynamics	D	54	0.46	NE	Nil		
Canty Bldg Soc.	A	585	1.29	21	3.8	Mowbray Collect	D	160	3.87	NE	2.3	South Port NZ	A	265	4.76	31	4.4		
Cavalier Corp	C	280	0.87	12	10.1	Mr Chips Hold	A	150	0.77	13	4.0	Speirs Group	B	55	0.14	NE	8.1		
Cavotec MSL	D	450	1.32	22	Nil	NZ Exchange Ltd	C	882	8.07	32	2.7	Steel & Tube	C	375	0.71	12	11.5		
Cert Organics	E	11	2.68	NE	Nil	NZ Experience	B	31	1.21	9	14.4	Sthn Travel	B	38	0.17	10	11.8		
Charlie's Group	E	17	1.82	NE	Nil	NZ Finance Hold	C	70	1.35	16	3.7	Tag Pacific Ltd	D	32	0.19	3	2.9		
Col Motor Co	B	345	0.21	14	10.0	NZ Farming Sys.	D	155	N/A	NE	Nil	Taylor's Grp Ltd	C	170	0.62	11	10.5		
Comvita	C	275	1.25	32	2.7	NZ Invest Trust	B	1120	N/A	NE	0.7	TeamTalk Ltd	B	210	1.74	12	14.2		
Connexion	E	15	1.49	NE	Nil	NZ Oil & Gas *	N/R	111	9.83	18	Nil	Telecom Corp	B	420	1.55	9	12.6		
Contact Energy	B	827	2.39	20	4.9	NZ Refining Co	A	781	4.64	14	8.6	Tenon Ltd	D	140	0.18	13	Nil		
Cynotech Hold.	B	20	1.78	11	3.7	NZ Wine Company	A	250	2.02	23	4.2	Toll NZ Ltd	C	297	0.86	18	Nil		
Delegat's Group	B	240	1.81	16	2.8	NZ Wool Service	C	40	0.19	20	Nil	Tourism Hold.	B	220	1.14	16	7.5		
Dominion Fin.	C	140	1.23	5	9.0	NZ Windfarms	E	108	N/A	NE	Nil	Tower Limited	C	224	0.83	12	4.0		
Dorchester Pac	B	86	0.31	10	15.6	NZSX 50 Port.	D	171	N/A	NE	Nil	Training Sol.	E	0.2	N/A	NE	Nil		
Eastern Hi-Fi	D	35	0.23	NE	Nil	NZSX 10 Fund	D	121	N/A	NE	Nil	Trust Power Ltd	B	814	4.10	26	5.0		
Ebos Group Ltd	B	495	0.59	18	6.8	NZX Aust MidCap	C	710	N/A	NE	Nil	Turners & Grow.	B	217	0.36	12	9.6		
F & P Appliance	C	318	0.64	15	8.4	Nat Property Tr	D	58	3.66	15	8.7	Turners Auction	C	102	0.38	9	16.8		
F & P Health.	C	341	4.89	30	5.4	New Image Group	D	15	1.24	NE	Nil	Utilico Int'l	C	50	2.82	7	Nil		
Feltex Ltd	E	3.0	0.02	NE	Nil	Northland Port	A	327	N/A	15	5.0	VTL Group Ltd	D	2.0	0.01	0	Nil		
Finzsoft Sol'ns	C	115	1.28	52	5.8	Nuplex Indust	B	669	0.37	20	6.3	Vector Ltd	B	221	1.63	22	8.8		
Fletcher Build.	C	1073	0.90	11	6.3	Oyster Bay	A	271	2.54	62	2.8	Viking Capital	D	20	3.91	5	Nil		
Freightways Ltd	C	360	1.63	18	7.5	Ozzy (Tortis)	C	375	N/A	NE	Nil	WN Drive Tech.	D	45	N/A	NE	Nil		
Genesis Res.	E	21	2.62	NE	Nil	PGG Wrightsons	A	222	0.60	24	8.1	Wakefield Hlth	B	817	1.74	30	3.1		
Goodman Prop.	C	139	N/A	17	7.3	POD Ltd	D	49	0.32	NE	Nil	Warehouse Group	C	560	0.99	15	4.7		
Guinness Peat	D	167	0.54	20	1.7	Pac Edge Bio.	E	13	N/A	NE	Nil	Widespread Post*	N/R	1.6	N/A	NE	Nil		
Hallenstein G.	D	377	1.12	10	13.9	Pike River Coal	D	107	N/A	NE	Nil	Windflow Tech.	D	310	7.63	NE	Nil		
Hellaby Hold.	C	230	0.24	13	6.5	Plus SMS Hold.	E	6.9	N/A	NE	Nil	Wool Equities	C	62	0.69	NE	Nil		
Heritage Gold *	N/R	5.3	N/A	NE	Nil	Port Tauranga	A	666	6.36	24	4.9	World Index Fd	D	132	N/A	NE	Nil		
Horizon Energy	B	342	2.85	16	8.3	Postie Plus Grp	C	72	0.21	11	12.4	Xero Live Ltd	E	75	N/A	NE	Nil		
ING Med. Prop.	C	121	8.63	16	7.9	Propertyfinance	E	22	0.08	NE	Nil	Zintel Comm.	C	27	0.34	5	11.1		
ING Property	C	108	7.72	16	9.7	Property F Ind.	C	134	9.46	19	6.5	Ave of 154 Cos	C	221	0.36	12	4.4		
Infratil NZ	B	280	1.85	37	6.7	Provenco Group	E	51	0.42	NE	Nil								
ABB Grain Ltd	A	899	1.13	19	3.3	Cons Minerals	A	500	3.85	37	1.3	Oil Search Ltd	A	473	6.18	10	2.2		
ABC Learning	B	448	1.24	15	3.8	Corp Express	B	620	0.92	17	3.5	Onesteel Ltd	B	623	1.26	26	3.0		
AGL Energy Ltd	B	1305	1.50	14	2.7	DB Reef Trust	B	165	6.81	4	6.8	Orica Ltd	B	3149	2.06	17	2.3		
AMP Ltd	B	910	1.20	19	4.4	DUET Group	B	295	2.11	66	8.4	Origin Energy	B	876	1.22	21	2.4		
ANZ Bank	C	2572	4.21	11	5.3	David Jones	B	490	1.11	20	4.5	Oxiana Ltd	C	375	N/A	NE	2.1		
APA Group	C	330	2.67	22	6.1	Deutsche Div Tr	B	131	6.10	14	7.1	Pacific Brands	B	297	0.82	14	5.6		
APN News Media	C	535	1.92	15	1.8	Djerrawarrh	A	515	N/A	11	5.0	Paladin Energy	E	601	N/A	NE	Nil		
ASX Limited	B	5039	N/A	29	3.3	Downer EDI Ltd	B	517	0.31	10	4.1	Pan Australian	D	101	N/A	NE	Nil		
AXA Asia Pac	C	656	1.88	17	2.9	Dyno Nobel Ltd	B	218	1.09	16	2.6	Paperlin X Ltd	C	231	0.13	13	4.8		
Adelaide Bank	B	1558	4.93	18	4.2	Energy World	B	92	N/A	18	Nil	Perpetual Ltd	B	6169	5.45	14	5.8		
Adelaide Bright	C	341	2.34	18	3.7	Energy Resource	B	1800	N/A	79	0.9	Platinum Asset	D	485	8.07	18	Nil		
Allco Finance	B	512	3.25	8	8.6	Equinox Min.	C	639	N/A	NE	Nil	Portman Limited	C	925	3.37	14	Nil		
Alumina Ltd	B	623	N/A	14	3.9	FKP Limited	B	595	3.72	8	2.8	Primary Health	B	1172	5.24	26	3.8		
Amcor Ltd	B	670	0.59	11	5.1	Fairfax Media	B	450	3.06	25	4.4	Q.B.E. Insur.	B	3160	2.17	17	3.0		
Ansell Ltd	B	1108	1.28	16	2.2	Felix Resources	A	725	5.64	29	0.8	Qantas Airways	B	511	0.67	14	5.9		
Aquarius Plat.	A	1375	4.22	16	3.6	Flight Centre	A	3133	2.57	24	2.1	Queensland Gas	D	317	N/A	NE	Nil		
Aquila Res.	B	887	N/A	NE	Nil	Fortescue Metal	C	659	N/A	NE	Nil	Ramsay Health	A	1084	0.89	18	2.7		
Argo Investment	B	781	N/A	25	3.5	Foster's Group	B	628	2.60	16	3.8	Reece Australia	A	2600	1.98	25	2.0		
Aristocrat Leis	B	1005	4.37	20	3.6	Futuris Corp.	B	214	0.51	16	4.4	Resource Pac.	B	300	N/A	NE	Nil		
Arrow Energy	C	239	N/A	NE	Nil	GPT Group	B	377	8.54	6	7.3	Rio Tinto Ltd	A	12560	1.70	6	1.2		
Ausenco Ltd	A	1555	8.84	95	0.6	Goodman Fielder	B	168	0.91	9	8.1	Riversdale Min.	B	940	N/A	NE	Nil		
Aust Foundation	B	585	N/A	22	3.6	Goodman Group	C	430	8.51	11	7.3	SP Ausnet	C	123	2.51	14	9.2		
Aust W'wide Exp	B	352	N/A	45	Nil	Guinness Peat	B	145	0.49	28	1.7	Santos Ltd	B	1424	3.08	13	2.8		
Australand Prop	B	202	1.77	8	8.2	Gunns Ltd	A	368	1.93	16	3.8	Seek Ltd	B	713	N/A	37	1.9		
Aust Wealth Mgt	B	250	4.94	24	3.8	Harvey Norman	A	609	4.85	20	1.8	Seven Network	A	1245	1.08	2	2.3		
Aust Infra.	B	290	N/A	6	5.3	Healthscope	B	543	0.95	15	3.2	Sigma Pharm.	B	164	0.58	15	5.3		
Austar United	C	157	3.94	9	Nil	Henderson Group	C	228	6.82	42	3.4	Sims Group Ltd	B	2475	0.56	12	4.8		
B & B Infrastr.	B	147	2.14	25	9.7	ING Office Fund	B	140	7.67	3	8.2	Sino Gold Min.	C	770	N/A	NE	Nil		
B&B Power	C	238	0.27	NE	5.9	ING Indust Trt	B	217	9.28	6	7.7	Sonic Health	A	1600	2.55	24	2.9		
BHP Billiton	B	3830	2.29	8	1.4	Iluka Resources	C	456	0.99	9	4.8	Soul Pattinson	B	858	2.40	21	3.3		
Babcock & Brown	B	2278	3.05	20	1.6	Incitec Pivot	A	11700	5.31	NE	0.9	Spark Infrastru	B	191	8.94	74	8.0		
Bank of Q'land	C	1700	1.29	15	4.1	Insurance Aust.	B	381	0.95	12	7.7	St George Bank	C	3063	1.75	14	5.5		
Beach Petroleum	C	158																	

Recommended Investments

Securities Research is the only investment advisory organisation in the world that dares to publish its *full* track record of all prior share recommendations - and has done so right from our start in March 1981.

Stockmarket advisory is not an easy business. Over the last quarter century we have seen 20-30 newsletter competitors set up in New Zealand - most surviving in this industry for just a couple of years. The business was no easier for us, but success in any field requires perseverance and we kept going even when things got tough! And "Thank You" to those subscribers that have

stayed with us over the long term. Over 50% of you have now been subscribing for longer than 10 years! Nevertheless, we have built our wealth from *stockmarket investment*, not newsletter subscriptions!

Right from the very start we decided it was important to run a *Recommended Portfolio* and to continuously follow up all share recommendations. Too many brokers and advisers "conveniently forget" about shares that don't work out. With no easy way to avoid *responsibility* for mistakes, we were forced to consider potential investments more carefully (Continued on Page 4)

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Initial Recommendation		Perform- mance Forecast	Issued Shares (mil.)	Vola- tility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %	
		Code	- Date - Price										
<u>NZ Shares</u>													
HOLD	CDL Investments Ltd	CDI	12/01/99	25	D	218.9	1.3	2.82	8	8.6	40	15.6	+122%
BUY	Cavalier Corporation	CAV	05/12/95	156*	C	65.5	0.8	0.87	12	10.1	280	210.0	+214%
HOLD+	Colonial Motor Company	CMO	10/11/92	150	B	27.9	0.5	0.21	14	10.0	345	315.8	+341%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	A	102.3	0.7	3.48	28	2.3	260	63.3	+116%
HOLD+	Michael Hill Int'l Ltd	MHI	11/06/91	5*	C	382.8	0.8	1.18	20	3.6	108	22.2	+2504%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	350	B	79.9	0.5	0.37	20	6.3	669	197.0	+147%
HOLD+	Postie Plus Group	PPG	08/05/06	71	C	40.0	1.2	0.21	11	12.4	72	8.5	+13%
HOLD+	Renaissance Corp	RNS	13/08/96	85*	C	39.0	1.3	0.16	4	23.0	68	50.9	+40%
BUY	Smiths City Group	SCY	09/10/06	64	C	53.0	1.5	0.10	7	10.2	54	5.5	-7%
HOLD	South Port New Zealand	SPN	13/02/96	120	A	26.2	0.8	4.76	31	4.4	265	94.3	+199%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	C	88.2	0.8	0.71	12	11.5	375	193.0	+289%
HOLD+	Taylors Group Ltd	TAY	09/11/99	102	C	24.3	0.8	0.62	11	10.5	170	74.0	+139%
<u>Australian Shares (in Aust cents)</u>													
HOLD	AJ Lucas Group	AJL	13/05/03	120	A	54.2	0.7	1.19	40	0.5	474	22.5	+314%
HOLD+	Atlas South Sea Pearl	ATP	14/05/96	73	B	89.3	1.3	2.81	12	8.5	41	15.5	-23%
BUY	Austin Group Ltd	ATG	08/02/05	93	C	62.2	1.7	0.26	NE	Nil	23	7.0	-68%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	406*	A	51.6	0.3	2.50	31	2.3	3081	297.6	+732%
HOLD+	Cellnet Group Ltd ¹	CLT	12/02/02	147*	C	74.3	1.2	0.06	NE	Nil	56	32.4	-12%
HOLD+	Centennial Coal Ltd	CEY	16/01/01	70*	A	305.6	0.6	1.61	0	2.7	490	34.0	+649%
HOLD+	Circadian Technologies	CIR	10/02/04	188	D	40.1	0.9	15.97	0	Nil	104	65.0	-10%
BUY	Clarius Group Ltd	CND	08/04/03	86	B	53.4	0.7	0.36	8	9.5	200	52.5	+194%
HOLD	Commander Comm.	CDR	11/09/01	92	D	228.8	1.9	0.04	NE	9.5	21	25.2	-50%
BUY	Computershare Ltd	CPU	12/08/03	189	C	590.9	0.5	3.21	19	1.9	899	51.5	+403%
BUY	Devine Ltd	DVN	13/11/06	94	B	284.2	0.8	0.58	15	6.2	130	8.0	+47%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	B	68.4	1.1	1.08	21	Nil	73	Nil	+48%
HOLD+	Housewares Int'l	HWI	13/11/06	171	D	125.0	0.7	0.69	15	Nil	205	Nil	+20%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	C	232.9	0.6	0.99	9	4.8	456	64.0	+10%
BUY	Integrated Research Lt	IRI	14/01/08	40	B	166.3	1.3	1.83	12	7.5	40	Nil	
HOLD+	Int'l AllSports	IAS	11/02/03	180	C	66.4	1.6	0.02	NE	Nil	32	4.0	-80%
HOLD	Keycorp Ltd	KYC	10/08/04	123*	D	82.2	1.8	0.21	NE	Nil	25	Nil	-80%
BUY	M2 Telecommunications	MTU	09/10/06	33	B	60.2	1.1	0.93	17	4.4	68	3.0	+115%
HOLD	Mercury Mobility ¹	MMY			C	105.0	1.8	N/A	NE	Nil	27	Nil	
HOLD	Melbourne IT	MLB	10/02/04	53	B	76.0	0.5	2.41	39	2.5	325	29.0	+568%
HOLD	M.Y.O.B. Ltd	MYO	15/07/03	84*	A	385.3	0.8	2.97	31	3.0	142	9.3	+80%
HOLD-	Namoi Cotton Co-op Ltd	NAM	14/03/06	65	B	107.8	1.4	0.13	4	12.4	45	3.5	-26%
BUY	Ross Human Directions	RHD	14/08/01	92	C	82.9	1.2	0.13	9	7.5	54	29.0	-10%
HOLD+	Skilled Engineering	SKE	12/03/02	126	A	104.6	0.5	0.39	19	4.2	522	98.5	+392%
HOLD+	Technology One Ltd	TNE	11/11/03	44	B	297.7	0.9	4.03	21	3.5	106	13.1	+171%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	A	162.1	0.9	4.42	10	2.8	123	0.9	+175%
HOLD	The Reject Shop Ltd	TRS	11/01/05	257	A	25.6	0.4	1.13	26	2.5	1235	78.5	+411%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +224.4%.

This is equal to an average annual rate of +37.6%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 38 current and 138 closed out) is +34.4%, compared with a market gain of +7.6% (by the SRC Total Return Index).

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

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

(1) Cellnet Group returns includes 1½ shares of Mercury Mobility distributed to shareholders.

Recommended Investments

(Continued from Page 3)

and to take a longer term *strategic* view, rather than getting caught up in the market's manic-depressive, boom-bust short term fluctuations! But some shares will always become unsuccessful (that, of course, is why we need a *diversified* portfolio) and we have had to deal with those situations, take responsibility . . . and publish the outcome in our track record on the website for the world to see!

Critics (i.e. investment “experts” who have probably never owned a share and with little or no personal investment wealth) used to say our performance was the result of “one lucky investment” (i.e. NZ Refining - bought a year *before* the 1987 crash - which eventually yielded a 34-fold gain) but another “lucky” investment gained 31-fold and a third was sold for a 23-fold gain. In fact, we have had at least 15 “lucky” investments that increased *more than 5-fold* in value. Numerous not so “lucky” investments simply doubled, tripled or quadrupled in value! The critics have been quiet lately, perhaps it is difficult to say “Your success is the result of 25 *lucky* investments”!

In 2001 a newspaper contributor wrote “At least part of your success probably is attributable to a long string of luck” and given the uncertain investment outlook at the time felt confident to predict “Maybe, over the next few years anyway, your luck will turn”. Since then our *Recommended Portfolio* has increased every single year for a total 4-fold increase in value (i.e. subscribers should be four times richer!!).

In fact, our mission has been to build significant investment wealth over the long term from a scientific and intelligent analysis of the stockmarket and potential company investments. Perhaps our investment (and this newsletter's) success is a result of putting in the hard work, week after week, through good times and bad times for over a quarter of a century. When someone does that and succeeds, outsiders always say “Weren't you lucky!”. We intent to continue the work necessary to ensure we remain just as “lucky” in the years ahead.

2007's Investment Returns

Over the last year (actually from our 8th January 2007 newsletter until today) our *Recommended Portfolio* recorded its *tenth* straight annual gain, rising 11.4% in value. This compares favourably with a 4.0% decline in the NZX50 index, a 14.0% *decline* in the broad NZ market, and the 9.1% rise by the All Ordinaries index.

Over the last three years the *Recommended Portfolio* is ahead 54.1%, beating the 49% rise on the All Ordinaries index, 25.4% rise in the NZX50 index and 6.8% *fall* by the broad NZ stockmarket.

As always, there was a great variability in the performance of individual shares in our portfolio - which is why we have mentioned the need for good diversification probably a few *thousand* times over the last 27 years! Commander Communications suffered an 89.4% decline, Allied Technologies fell a further 73.3% (before being sold) and Keycorp dropped 68.8%. But investment mathematics works in favour of investors.

The most we can lose on any investment is limited to 100% (i.e. it becomes worthless) while there is no limit on potential gains. So AJ Lucas jumped 328.8% over the last year, TFS Corporation rose 178.4% and Centennial Coal was up 81.1%.

Our annual portfolio returns assume equal dollar amounts invested in each portfolio share at the beginning of each year, yet we do not recommend such strict re-balancing for actual portfolios. In general, we will let profits run, so actual portfolios will tend to be over-weighted in the more successful investments that have increased in value and under-weighted in the unsuccessful investments. For example, Allied Technologies was already down 84% from our initial recommendation price by January 2007 so portfolios would have had little value in this share and therefore little impact from its further decline. Actual portfolios were probably over-weighted in shares like Michael Hill (which rose 65.1% over the year), Campbell Brothers (up another 36.9%) and Melbourne IT (up 20.7%). Letting profits run on successful investments (with some intelligent re-balancing when considered appropriate) should yield long term results in excess of our published annual returns.

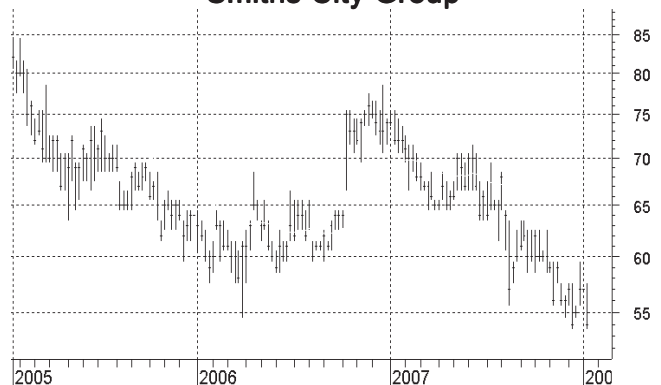
The last twelve months were not a particularly good period for stockmarket investment or our portfolio. Stockmarkets had been rising for many years, valuations were getting a little high and the *Credit Crunch* has depressed the prices of both “good” companies (whose values will likely recover later this year) and “bad” companies (which will probably fade away).

New Zealand Shares

Smiths City Group's revenues were 0.5% higher at \$135.8 million for the six months to 31 October 2007. Profits rose 1.7% to \$1,759,000 (3.3 cents per share) and a steady 1.5 cents (unimputed) dividend will be paid. There was a net operating cash surplus of \$1.1 million, compared with a *deficit* of \$1.4 million in 2006.

The company will exit the wholesale *Building Supplies* business, being too small to compete with larger, nationwide competitors. It has joined **Narta New Zealand**, an appliance buying group, which will improve buying prices and increase the group's ability to “compete aggressively in the NZ appliance market”. Smiths City Group has also acquired the remaining 20% of **LV Martin**.

Smiths City Group



Australian Shares

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

AJ Lucas Group reports strong and growing coal seam methane gas flows from its *Stratford 3* well. Gas flows have increased from 750,000 ft³ per day in early December to 1.05 million ft³ per day ten days later as the water level in the well fell from 120 metres to 93 metres. Gas flow is expected to continue to rise as the water level falls further. Drilling of the last test well, *Stratford 9*, was deferred owing to wet weather restricting site access during December.

AJ Lucas Group (and other competing parties) are in discussions with **Sydney Gas** which is undertaking a strategic review of its operations after receiving “preliminary proposals from different parties to accelerate exploration and development of its coal seam gas resources and/or to merge with another group”.

AJ Lucas Group's drilling division has been awarded a contract to provide **Eastern Star Gas** with exclusive access to a drilling rig for three years to explore for coal seam methane at the *Narrabri Coal Seam Gas Project* in northern NSW.

AJ Lucas Group



Austin Group will report a number of one-off costs this year as part of its restructuring. Closing its Perth, Brisbane and Auckland offices, as well as relocating its head office from Geelong to Melbourne, will result in redundancies of \$400,000 but save \$2 million in on-going operating costs. The company will also write-down brand intangibles by \$700,000, pay \$260,000 to discontinue some other brands and write down stock values by \$500,000.

Cellnet Group reports that shareholders took up 62% of the shares in its recent \$11.7 million cash issue, with the underwriter taking up the remaining 38%.

Centennial Coal has received approval from the Tax Office to make a capital repayment of 188 cents - and will consider a special 12 cents dividend (making \$2.00 per share) early next financial year when it has imputation tax credits. The shares will trade ex-entitlement to the 188 cents from 14 January with payment made on 29 January.

Centennial Coal has restructured its debt and now has a \$460 million facility from a consortium of seven banks consisting of a \$175 million term loan, \$150 million revolving working capital facility and \$135 million Guarantee and Letter of Credit facility.

Centennial Coal



Clarius Group (formerly Candle Australia), as we reported last month, expects first half profits (to December 2007) to be down 15-25% with an improvement in the second half. As we also reported, three *insiders* invested around \$1.5 million of their own money buying further shares on-market. So the people who know the company best appear to believe it is a sound investment and offered good value around 228-245 cents. Clarius Group shares have since dipped to 200 cents - which puts the shares on a Price/Earnings ratio of just 8 and a Dividend Yield of 9.5%! That valuation is just far too low for a good quality, growing business.

Could Clarius Group be “the next victim of the credit crunch”? Let's see . . . virtually no interest bearing debt, strong cashflows, cash in the bank. The company does have around \$50 million of receivables, but owing from a wide range of customers with “no significant concentration of credit risk”. Has anyone got an alien abduction theory to explain this one? The truth is out there . . . although we may never know. In the meantime, however, at recent prices we have been buying a few more Clarius Group shares for our portfolio!

Clarius Group



Devine has upgraded its profit forecasts. The half year ended December 2007 is expected to be up 15-20% at \$8.0-8.4 million while the full year result is “expected to be substantially above” last year - boosted by the sale of the Currumbin project and completion of its 333 Ann Street development. As we pointed out in November, the placement to **Leighton Holdings** a year ago increased the issued capital 40% and the recent cash issue increased it by a further 20%. So strong profit growth is needed to maintain (and increase) earnings per share - but Devine is investing its new cash

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Recommended Investments

(Continued from Page 5)

to rapidly expand the scale of its business!

Devine's \$62.5 million cash issue was 81% subscribed by shareholders, with the balance subscribed by the underwriter.

Devine has secured a fifth site of 1503 m² at 111-113 Margaret Street, Brisbane, for \$19.5 million - giving it a 5570 m² site opposite the Botanic Gardens. The company proposes a billion dollar *French Quarter* development that will feature a 120-150 room, six-star boutique hotel, 70-90 luxury residential apartments priced at \$2.5-15.0 million each, retail and commercial space and Parisian-style cafes and walkways. Construction is expected to begin in the June 2009 quarter, with final completion in the December 2012 quarter.

Devine has purchased two adjacent sites, totalling 52.56 hectares for \$46.02 million from the South Australian Government. These sites are 32 km north of Adelaide in the high growth Andrews Farm area. Construction of around 1000 residential lots will begin in mid-2008 with first sales from April 2009.

Devine has also formed a joint venture with a subsidiary of its major shareholder, **Leighton Holdings**, for the development of its \$400 million mixed use *Hamilton Harbour* project - combining Devine's residential development expertise with Leighton's specialist knowledge of the commercial sector. Development approval is expected in the second quarter of this year, with construction planned to commence in early 2009 and the first stage completed in late 2012.

Iluka Resources has hedged 55% of its expected US dollar receipts to Australian dollars for 2008 at exchange rates of 0.8196 to 0.9000 and 23% of its expected 2009 receipts at 0.8072 and 0.8500.

The company has approved US\$27.5 million of capital expenditure to develop the *Brink* mineral sands in Virginia, USA. Development will commence this month, with first production from April 2009 and extend the Virginian operations from 2012 to 2014. This project will generate a "high internal rate of return" and strong earnings and cashflow over its economic life.

The *Murray Basin Stage II* definitive study will be presented to the board in February but is "largely complete and supports investment in the project". First production

is still expected in the first quarter of 2009.

Iluka Resources was in a transitional phase during 2007 and that will continue this year. This should be followed by "growth in earnings and positive cash flow generation" in 2009 from commencement of the *Murray Basin Stage II* project. Further growth in earnings and cash flow is then expected from 2011 from the *Jacynth-Ambrosia* zircon project.

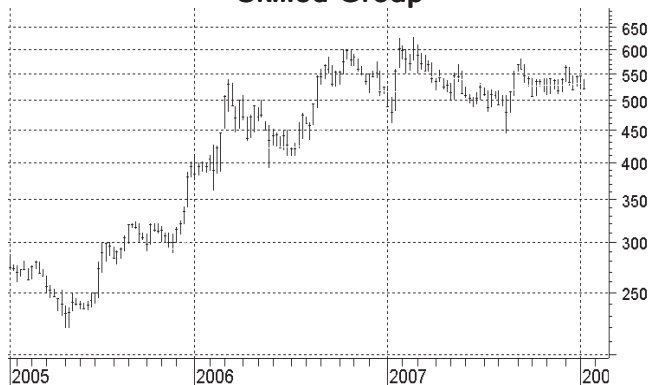
The company has sold 140 hectares in south-west Western Australia for a \$10 million gain over book value and expects to realise "material value" from further sales of its "extensive landholdings".

Keycorp has announced a one-year extension to May 2010 of its EFTPOS Terminal Managed Services agreement with **Westpac Banking Corporation**. This is expected to generate a further \$7-10 million in revenues.

M.Y.O.B. expects revenues for the full year to December 2007 will have increased 12-13% to around \$204-206 million, while earnings (before interest, tax and depreciation) should be 20% higher at \$77 million. A capital repayment of \$60-80 million (15-20 cents per share) "may be appropriate" and the company will release details with the annual profit announcement next month. A "further strong performance" is expected in 2008.

Skilled Group has announced two smaller acquisitions: New Zealand based **Tradeforce NZ** generates annual revenues of around NZ\$7.6 million and will cost an estimated NZ\$3 million (i.e. 4.25 times average earnings before interest and tax for the 2008 and 2009 calendar years) and **Longhill Group** which has revenues of \$11 million for an estimated cost of \$5 million (i.e. 3.25 times earnings for 2008).

Skilled Group



Share Recommendation: Buy Integrated Research

BUY Integrated Research (Code IRI).

Integrated Research provides software to monitor and maintain critical computer operations and has recently expanded to become the world leader in software to monitor and manage the growing market for VoIP telephony. The shares have underperformed over recent years and now trade on a low valuation... just as growth

from the VoIP market is likely to contribute strongly to revenues and profits in the years ahead.

Integrated Research shares appear to be in the very early stages of a recovery and could start to perform well later this year when the generally depressed stockmarket outlook improves.

Company History

The company was formed in 1988 and listed on the Australian stockmarket in November 2000 after existing investors sold 35% of the company in an initial public offering at 200 cents. The high Technology boom valuation declined during 2001-2003, with the shares hitting a low of 11 cents.

The software company's core *PROGNOSIS* software is used by large organisations requiring "Non-stop", high levels of computing performance and reliability - e.g. ATM, EFTPOS and online banking, hospitals and emergency services and telecommunications.

Over recent years the company has invested heavily in Research and Development to become the leading supplier of software to monitor and manage the emerging market of VoIP telephony. This sector of the business offers the potential for strong revenue and profit growth over the next several years.

Integrated Research has customers in over 50 countries, including 35% of the largest 1000 global companies.

Recent Results

Integrated Research earns virtually all of its revenues in US dollars and internationally (i.e. mainly outside of Australia). Although revenues have grown 80% (in US dollar terms) over the last five years, exchange rate movements have resulted in just a 39% increase in Australian dollars. The company also pays little income tax in Australia, so does not have franking credits and pays unimputed dividends.

The year to June 2005 saw revenues up 9.9% to \$33.3 million, profits up 39.1% to \$6,199,000 (3.7 cents per share) and the annual dividend increased 42.9% to 2.5 cents. The net operating cash surplus was 37% higher at \$5.7 million.

Revenues were 4.3% higher at \$34.5 million for the year to June 2006, with profits up 13.0% at \$7,003,000 (4.2 cents per share). A steady 2.5 cents dividend was paid. The cash operating surplus was 11% lower at \$5.1 million.

For the year to June 2007 revenues rose 5.4% to \$36.4 million but profits dipped 22.1% to \$5,433,000 (3.3 cents per share). The final dividend, however, was raised to 2.0 cents, lifting the annual dividend 20.0% to 3.0 cents (unimputed). The net operating cash surplus rose 50% to \$7.6 million, helping to lift its cash holding to \$11.7 million (7.0 cents per share).

IP Telephony revenues increased 80% in the year to June 2007 to account for 30% of total revenues. The total VoIP market is expected to grow at 40% per annum compounding over the next several years.

Investment Criteria

At 40 cents, Integrated Research shares trade on a Price/Sales ratio of 1.83, a low Price/Earnings ratio of 12 and offer a high Dividend Yield of 7.5%.

The shares are not in any index, so NZ investors will be subject to income tax at the lower 5% "fair dividend" rate (with a credit for Australian 15% withholding tax). Australian investors will be taxed on the actual dividends, but without the benefit of franking credits.

A higher than normal P/S ratio is acceptable for software companies, as this is a high profit margin

business for successful companies. A P/S ratio of 3-4 is not unreasonable in this industry, so Integrated Research looks to offer good value at just 1.83.

The P/E ratio and Yield clearly show good value, so if expansion in the VoIP software sector can lift revenue and profits strongly over future years then this growth should be reflected in a similar increase in the share price.

Integrated Research has no interest bearing debt, cash in the bank of \$11.7 million (at June 2007) and generates strong operating cash flows. The company is not seeking to make any major acquisition, instead re-investing (and expensing) over 20% of its revenue in Research & Development to maintain its competitive position in the market and to develop new products to grow internally. The net operating cash surplus is therefore "free cashflow" which does not need to be re-invested in the business and is available for distribution to shareholders through a high dividend payout.

Another way to value growth companies is based upon their investment in Research & Development - which should produce future revenue and profit growth. Integrated Research spent \$7,348,000 (and expensed \$6,687,000) in the year to June 2006 and spent \$7,831,000 (expensing \$6,369,000) to June 2007. This puts the shares on a Price/Research ratio of 8.5. Price/Research ratios are not widely used, but described in Kenneth Fisher's 1984 book *Super Stocks* and this newsletter has found this a useful statistic for evaluating several potential growth company investments. Fisher suggests looking for Price/Research ratios of less than 10.

The issued capital is 166,203,000 ordinary shares, giving a market capitalisation of \$66.5 million. This makes Integrated Research a *smaller to medium sized* listed Australian company. Unfortunately the small size of the company and the large shareholding by the company founder can result in a relatively low turnover of shares on the market - making it difficult to buy large volumes of shares.

The company founder and Chairman (who was the Chief Executive until retirement in late 2004), SJ Killelea still retains a majority 56.8% shareholding in the company. Deputy Chairman D Boyles owns 1,700,000 shares and a non-executive director K Costello owns 200,000 shares. Over the last year there have been two *insider* buys on-market and no sells. New non-executive director JS Brown bought his first 50,000 shares on-market at 40 cents in October 2007, while the new Managing Director M Brayan bought his first 25,000 shares on-market at 41 cents in November 2007.

Institutions have only a moderate level of ownership, with seven institutions holding about 15% of the capital. The shares are *neglected* by stockbrokers, with just one firm following the company closely enough to publish profit forecasts.

Technically the shares are a little *weak*, but showing signs of recovery. The Relative Strength rating is -5.2%, ranked 61 (on a scale of 0-99). This is a *little* weaker than ideal and we normally prefer to buy shares with either a *positive* strength rating or a rank between 0-50. Over the last 3½ years the shares have mainly traded within the range of 38-55 cents. (Continued on Page 8)

BUY Integrated Research

(Continued from Page 7)

Given this trading range and the limited volume of shares trading at times we are happy to buy into this company a little early and have more time building up an investment ahead of its potential future growth.

Summary and Recommendation

Integrated Research is a market leader with its "NonStop" performance monitoring software and over recent years has emerged as the leading provider of monitoring software for the expanding IP telephony market. This provides a stable source of revenues and profits from its historical business plus growth potential from its new products.

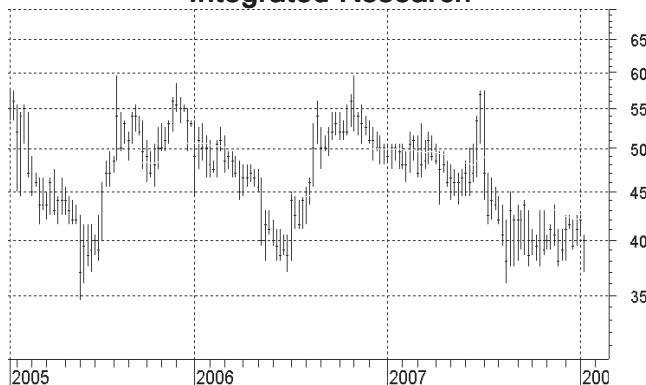
The balance sheet is strong, with no debt, and recurring free cash flows will enable the company to provide a fairly reliable and growing dividend income to shareholders.

Integrated Research shares should be suitable for a wide range of investors, offering both a high current income yield, plus the potential for above average capital

appreciation over many years. The volume of shares trading on the market can be low, so investors may need to build up a shareholding over several months. The *Credit Crunch* and general stockmarket weakness should allow investors to accumulate shares at prices around 40-45 cents over the next few months.

"Buy" for both income and capital appreciation.

Integrated Research



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	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Relative Strength	Buy/Sell	Price to Earnings	Return on Equity	Volatility	Price Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0													
Livestock Imp.	225	+9.3	+6.3	4	0-0	-	0.7	10	0.7	7	16.6	0.56	66
Ebos Group Ltd	495	+1.1	-0.1	23	0-0	2	1.9	11	0.5	18	6.8	0.59	182
PGG Wrightsons	222	+8.8	+1.4	5	8-0	4	1.5	6	0.8	24	8.1	0.60	624
Kirkcaldie & St	330	+4.3	+0.1	11	0-1	-	1.4	5	0.4	29	4.5	0.73	33
Mr Chips Hold	150	+8.0	+0.2	6	2-0	-	2.0	15	0.8	13	4.0	0.77	37

Company	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Relative Strength	Buy/Sell	Price to Earnings	Return on Equity	Volatility	Price Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0													
Livestock Imp.	225	+9.3	+6.3	4	0-0	-	0.7	10	0.6	7	16.6	0.56	66
Mr Chips Hold	150	+8.0	+0.2	6	2-0	-	2.0	15	0.6	13	4.0	0.77	37
Ebos Group Ltd	495	+1.1	-0.1	23	0-0	2	1.9	11	0.4	18	6.8	0.59	182

Company	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Relative Strength	Buy/Sell	Price to Earnings	Return on Equity	Volatility	Price Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million													
Hallenstein G.	377	-7.7	-2.4	74	1-3	4	3.4	32	0.4	10	13.9	1.12	225
Telecom Corp	420	-2.0	-0.1	37	3-21	10	2.4	26	0.6	9	12.6	1.55	7,542
Cavalier Corp	280	-4.9	-2.8	62	0-0	3	2.8	23	0.6	12	10.1	0.87	183
ING Property	108	-4.8	-0.8	60	1-0	3	0.8	5	0.5	16	9.7	7.72	585
Turners & Grow.	217	-2.8	+0.0	48	0-2	2	0.7	6	0.5	12	9.6	0.36	201
Sky City Ltd	420	-0.7	-5.2	31	1-9	9	5.0	26	0.7	19	9.2	2.33	1,893
Vector Ltd	221	-6.8	-0.5	71	2-1	4	1.2	5	0.7	22	8.8	1.63	2,210
NZ Refining Co	781	+4.1	-0.4	12	0-0	2	3.1	22	0.4	14	8.6	4.64	1,874
Briscoe Group	140	-5.9	-0.1	66	4-0	5	2.7	23	0.5	11	8.5	0.80	297
F & P Appliance	318	-3.6	-1.1	53	0-7	6	1.3	9	0.7	15	8.4	0.64	901

Company	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Relative Strength	Buy/Sell	Price to Earnings	Return on Equity	Volatility	Price Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
INSIDER BUYING: Most Insider Buying, Relative Strength > 0													
PGG Wrightsons	222	+8.8	+1.4	5	8-0	4	1.5	6	0.5	24	8.1	0.60	624
Sky Network TV	562	+0.4	+0.4	26	3-0	6	2.0	11	0.4	19	2.7	3.54	2,187
Port Tauranga	666	+1.4	-1.2	22	3-0	4	1.3	6	0.4	24	4.9	6.36	893
NZ Farming Sys.	155	+2.4	+2.4	17	2-0	-	-	-	0.7	NE	Nil	N/A	263
Mr Chips Hold	150	+8.0	+0.2	6	2-0	-	2.0	15	0.5	13	4.0	0.77	37
WN Drive Tech.	45	+15.6	-3.5	2	4-2	-	6.4	-	0.8	NE	Nil	N/A	138
Infratil NZ	280	+0.9	-2.0	24	4-2	2	0.7	2	0.7	37	6.7	1.85	1,478
New Image Group	15	+17.6	+0.8	1	1-0	-	65.2	-	1.8	NE	Nil	1.24	32
Jasons Media	96	+7.8	-0.5	7	1-0	-	29.8	-	0.7	27	4.7	1.33	16
A2 Corporation	20	+4.1	-6.8	12	0-0	-	-	1.6	NE	Nil	3.98	30	

Company	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Relative Strength	Buy/Sell	Price to Earnings	Return on Equity	Volatility	Price Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0													
Kiwi Property	135	-6.0	-1.2	67	0-1	3	0.8	5	0.5	16	7.1	9.51	964
Property F Ind.	134	-2.9	-0.6	48	0-0	4	1.0	5	0.5	19	6.5	9.46	279
ING Med. Prop.	121	-4.9	-0.1	62	2-0	5	0.9	5	0.5	16	7.9	8.63	168
NZ Exchange Ltd	882	-4.4	-1.4	56	0-2	1	10.3	32	0.6	32	2.7	8.07	207
ING Property	108	-4.8	-0.8	60	1-0	3	0.8	5	0.4	16	9.7	7.72	585
Windflow Tech.	310	-2.3	-2.3	40	2-3	-	4.5	-	0.3	NE	Nil	7.63	26
AMP Onyx Mgmt	115	-2.8	-2.9	46	0-0	4	0.8	4	0.4	19	6.7	7.35	791
Sealegs Corp	60	-2.3	+3.1	41	0-3	-	23.7	-	1.3	NE	Nil	6.97	37
Kermadec Prop.	88	-5.8	-0.3	65	6-0	-	0.8	7	0.7	11	Nil	6.03	54

Company	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Relative Strength	Buy/Sell	Price to Earnings	Return on Equity	Volatility	Price Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average													
Ryman Health.	194	-2.8	-1.4	47	2-5	4	0.8	3	0.5	23	2.1	5.10	970
F & P Health.	341	-3.2	+1.9	50	0-19	6	9.0	30	0.5	30	5.4	4.89	1,743
Rakon Ltd	382	-5.3	-4.5	64	0-3	2	4.6	11	0.8	44	Nil	4.39	467
Viking Capital	20	-18.1	+3.3	92	0-0	-	0.7	14	1.3	5	Nil	3.91	14
Mowbray Collect	160	-2.4	-0.2	42	0-1	-	4.6	-	0.3	NE	2.3	3.87	17
Metro. LifeCare	740	-0.0	-0.6	28	0-0	1	2.3	11	0.2	21	3.0	3.78	647
Nat Property Tr	58	-8.0	-1.1	76	0-0	4	0.5	3	0.6	15	8.7	3.66	75
Life Pharmacy	57	-11.4	-3.5	84	0-0	-	0.8	-	1.0	NE	1.3	3.42	17
Horizon Energy	342	-1.9	+0.9	36	0-0	1	1.3	8	0.2	16	8.3	2.85	85
CDL Investments	40	-2.7	+0.4	44	0-0	-	1.2	15	0.6	8	8.6	2.82	88
Genesis Res.	21	-8.3	-4.6	78	0-0	-	0.6	-	1.1	NE	Nil	2.62	5

Company	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Relative Strength	Buy/Sell	Price to Earnings	Return on Equity	Volatility	Price Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
INSIDER SELLING: Most Insider Selling, Relative Strength < 0													
F & P Health.	341	-3.2	+1.9	50	0-19	6	9.0	30	0.4	30	5.4	4.89	1,743
Telecom Corp	420	-2.0	-0.1	37	3-21	10	2.4	26	0.5	9	12.6	1.55	7,542
Sky City Ltd	420	-0.7	-5.2	31	1-9	9	5.0	26	0.6	19	9.2	2.33	1,893
F & P Appliance	318	-3.6	-1.1	53	0-7	6	1.3	9	0.6	15	8.4	0.64	901
Brierley Invest	124	-4.6	+2.4	57	0-4	-	1.1	1	0.5	96	4.2	2.62	1,696
Pumpkin Patch	244	-15.0	-1.2	90	3-7	4	3.7	25	0.6	15	5.5	1.11	407
Steel & Tube	375	-8.1	-2.1	78	0-3	5	2.4	20	0.5	12	11.5	0.71	331
Sealegs Corp	60	-2.3	+3.1	41	0-3	-	23.7	-	1.2	NE	Nil	6.97	37
Rakon Ltd	382	-5.3	-4.5	64	0-3	2	4.6	11	0.8	44	Nil	4.39	467
Ryman Health.	194	-2.8	-1.4	47	2-5	4	0.8	3	0.5	23	2.1	5.10	970

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.

Company	STRENGTH RATING										Market Cap'n	Company	STRENGTH RATING										Market Cap'n				
	Share Price	Cur rent	4-Wk Chg.	Rank 0-99	Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price Earnings Ratio			Dividend Yield	Price Sales Ratio	Share Price	Cur rent	4-Wk Chg.	Rank 0-99	Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity		Volatility	Price Earnings Ratio	Dividend Yield	Price Sales Ratio
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0													BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0														
Optima ICM Ltd	6	+16.7	-6.8	12	0-0	-	0.8	6	3.9	12	6.7	0.07	6	CMA Corporation	70	+28.5	+5.8	6	0-0	1	5.0	30	0.8	17	Nil	0.46	222
Citic Australia	86	+2.4	-0.7	31	1-0	-	2.5	30	1.1	8	6.6	0.09	72	Nylex Ltd	230	+20.6	+0.9	10	8-1	-	1.4	19	1.0	7	Nil	0.28	85
UCMS Group Ltd	130	+4.5	+4.6	27	3-0	-	-	1.0	11	78.8	0.11	12	Lighting Corp.	108	+18.6	+3.0	11	0-0	-	3.8	28	0.7	14	4.3	0.55	97	
Adtrans Group	505	+12.1	-3.4	15	0-3	-	2.7	20	0.3	14	4.7	0.19	121	Optima ICM Ltd	6	+16.7	-6.8	12	0-0	-	0.8	6	2.8	12	6.7	0.07	6
Scott Corp Ltd	45	+11.9	+3.8	16	0-0	-	-	1.4	10	2.2	0.21	26	Wrigdways Aust	307	+13.7	-2.5	13	0-1	-	21.9	-	0.5	17	4.9	0.87	98	
Ridley Corp.	118	+1.3	-0.1	35	0-0	5	1.2	8	0.9	15	5.9	0.24	344	W'bool Cheese	480	+13.3	+0.1	14	0-0	1	1.8	9	0.4	20	2.3	0.50	187
Supply Network	41	+19.9	+8.9	10	0-0	-	1.0	4	1.3	25	2.4	0.26	9	Country Road	311	+12.8	+1.9	14	0-0	-	4.5	36	0.3	13	2.3	0.89	215
Colorpak Ltd	57	+3.2	+1.2	30	3-0	-	9.5	-	1.1	4	4.8	0.31	22	Strategic Poole	35	+12.2	-11.3	15	0-0	-	1.0	17	1.1	6	Nil	0.98	9
Pacifica Group	191	+0.9	-0.3	37	0-0	-	1.3	10	0.8	12	2.1	0.32	270	Adtrans Group	505	+12.1	-3.4	15	0-3	-	2.7	20	0.2	14	4.7	0.19	121
Folkestone Ltd	87	+2.7	-0.7	31	2-0	-	1.2	19	0.8	6	7.5	0.32	26	Ambertech Ltd	85	+12.1	+4.5	15	0-0	-	1.8	17	0.7	10	5.9	0.44	26
Kresta Holdings	30	+4.3	+0.0	28	3-0	-	2.1	22	1.5	10	6.7	0.34	40	Data 3 Ltd	729	+11.9	-3.9	16	2-4	1	9.1	58	0.4	16	3.6	0.40	114
Thomas & Coffey	102	+7.4	-0.1	22	4-1	-	4.4	29	1.0	15	3.4	0.34	75	Scott Corp Ltd	45	+11.9	+3.8	16	0-0	-	-	-	1.0	10	2.2	0.21	26
A.P. Eagers	1500	+5.4	-1.1	25	10-0	1	1.9	12	0.2	16	2.9	0.35	405	Lemarne Corp	345	+10.9	-0.7	17	1-0	-	1.1	18	0.3	6	5.4	0.47	33
PMP Limited	170	+4.2	+3.8	28	0-4	6	3.0	27	0.8	11	1.8	0.39	510	Tamawood Ltd	290	+10.9	-8.2	17	0-0	-	3.5	59	0.4	6	6.7	0.40	51
Skilled Group	522	+0.9	-0.2	37	3-0	5	-	-	0.5	19	4.2	0.39	546	ITX Group	100	+9.5	-3.7	19	2-0	-	-	-	0.8	12	1.0	0.54	50
Data 3 Ltd	729	+11.9	-3.9	16	2-4	1	9.1	58	0.4	16	3.6	0.40	114	Lifestyle Com.	15	+9.4	+4.3	19	0-3	-	15.0	-	1.9	0	Nil	0.20	2
Tamawood Ltd	290	+10.9	-8.2	17	0-0	-	3.5	59	0.5	6	6.7	0.40	51	Sietel Ltd	151	+8.6	-4.4	20	0-0	-	0.7	13	0.5	6	Nil	0.32	12
Ambertech Ltd	85	+12.1	+4.5	15	0-0	-	1.8	17	0.9	10	5.9	0.44	26	Thomas & Coffey	102	+7.4	-0.1	22	4-1	-	4.4	29	0.8	15	3.4	0.34	75
Lemarne Corp	345	+10.9	-0.7	17	1-0	-	1.1	18	0.4	6	5.4	0.47	33	Devine	130	+6.8	-0.8	22	3-0	1	2.7	18	0.6	15	6.2	0.58	369
Fone Zone Group	66	+3.9	+1.0	28	4-0	1	2.20	-	1.1	13	5.0	0.47	93	Tower Australia	267	+6.6	+3.3	23	1-0	5	2.5	50	0.6	5	Nil	0.70	625
W'bool Cheese	480	+13.3	+0.1	14	0-0	1	1.8	9	0.5	20	2.3	0.50	187	A.P. Eagers	1500	+5.4	-1.1	25	10-0	1	1.9	12	0.2	16	2.9	0.35	405
Embelton Ltd	510	+0.3	-0.1	39	0-0	-	1.5	11	0.4	14	3.7	0.51	11	Schaffer Corp	920	+5.4	-0.7	26	0-0	1	2.7	21	0.3	13	5.4	0.88	130
Maxi TRANS	71	+2.0	+3.6	32	3-0	4	2.8	19	1.0	15	5.6	0.52	122	RCR Tomlinson	214	+5.2	-5.7	26	1-2	4	2.6	19	0.5	14	2.3	0.68	246
Freedom Nut'l	59	+5.3	+2.5	26	15-0	-	4.2	19	1.1	22	1.7	0.53	26	CTI Logistics	125	+4.9	-1.5	26	0-0	-	2.7	29	0.5	9	4.8	0.72	43
Ruralcol Hold.	400	+2.8	-0.2	31	2-0	1	2.7	13	0.4	21	3.7	0.53	179	Walter Div Serv	224	+4.8	-3.5	27	2-0	2	8.3	52	0.7	16	2.1	0.80	176
ITX Group	100	+9.5	-3.7	19	2-0	-	-	1.1	12	1.0	0.54	50	Nat'l Can	185	+4.7	-6.4	27	2-0	-	-	-	0.5	10	5.9	0.67	124	
Lighting Corp.	108	+18.6	+3.0	11	0-0	-	3.8	28	0.9	14	4.3	0.55	97	UCMS Group Ltd	130	+4.5	+4.6	27	3-0	-	-	-	0.8	11	78.8	0.11	12
Devine	130	+6.8	-0.8	22	3-0	1	2.7	18	0.8	15	6.2	0.58	369	Kresta Holdings	30	+4.3	+0.0	28	3-0	-	2.1	22	1.0	10	6.7	0.34	40
Qantas Airways	511	+1.8	-2.6	33	1-1	11	1.7	12	0.5	14	5.9	0.67	10,143	PMP Limited	170	+4.2	+3.8	28	0-4	6	3.0	27	0.7	11	1.8	0.39	510
Nat'l Can	185	+4.7	-6.4	27	2-0	-	-	0.7	10	5.9	0.67	124	Fone Zone Group	66	+3.9	+1.0	28	4-0	1	2.20	-	0.8	13	5.0	0.47	93	
RCR Tomlinson	214	+5.2	-5.7	26	1-2	4	2.6	19	0.7	14	2.3	0.68	246	Flat Glass Ind.	145	+3.9	-3.2	28	3-0	-	3.0	24	0.7	12	4.1	0.95	35
McPherson's Ltd	343	+2.0	-1.6	32	0-1	4	-	0.5	11	5.5	0.69	221	Int'l Equities	6	+3.5	-1.2	29	0-0	-	0.9	22	2.6	4	Nil	0.51	8	
Hastie Group	468	+13.5	-0.0	14	0-0	6	-	-	0.5	25	2.5	0.71	553	BSA Ltd	68	+3.2	+7.6	30	5-1	1	5.2	39	0.8	14	4.7	0.77	122
CTI Logistics	125	+4.9	-1.5	26	0-0	-	2.7	29	0.7	9	4.8	0.72	43	Colorpak Ltd	57	+3.2	+1.2	30	3-0	-	9.5	-	0.8	4	4.8	0.31	22
SuperCheap Auto	424	+1.0	-0.6	36	0-0	7	8.0	40	0.5	20	2.5	0.72	451	Pro-Pac Pack.	46	+3.0	-6.1	30	0-0	-	4.6	28	0.9	16	4.4	0.75	20
Pro-Pac Pack.	46	+3.0	-6.1	30	0-0	-	4.6	28	1.3	16	4.4	0.75	20	Planet Platinum	12	+2.8	+4.5	30	0-0	-	0.9	5	2.0	17	Nil	0.87	4
BSA Ltd	68	+3.2	+7.6	30	5-1	1	5.2	39	1.1	14	4.7	0.77	122	Folkestone Ltd	87	+2.7	-0.7	31	2-0	-	1.2	19	0.6	6	7.5	0.32	26
HGL Limited	215	+0.5	-0.3	38	0-0	-	1.6	14	0.6	11	5.4	0.78	103	Citic Australia	86	+2.4	-0.7	31	1-0	-	2.5	30	0.8	8	6.6	0.09	72
Walter Div Serv	224	+4.8	-3.5	27	2-0	2	8.3	52	0.8	16	2.1	0.80	176	RR Australia	70	+2.1	-4.7	32	5-1	3	-	-	0.8	14	1.4	0.88	89
Pearlstreet Ltd	66	+1.8	-3.0	33	0-0	-	-	1.4	19	4.2	0.84	31	McPherson's Ltd	343	+2.0	-1.6	32	0-1	4	-	-	0.4	11	5.5	0.69	221	
Wrigdways Aust	307	+13.7	-2.5	13	0-1	-	21.9	-	0.6	17	4.9	0.87	98	Maxi TRANS	71	+2.0	+3.6	32	3-0	4	2.8	19	0.7	15	5.6	0.52	122
Schaffer Corp	920	+5.4	-0.7	26	0-0	1	2.7	21	0.4	13	5.4	0.88	130	Omnitech Hold.	11	+2.0	+8.8	33	0-0	-	0.6	22	2.0	3	Nil	0.16	5
RR Australia	70	+2.1	-4.7	32	5-1	3	-	-	1.1	14	1.4	0.88	89	Pearlstreet Ltd	66	+1.8	-3.0	33	0-0	-	-	-	1.1	19	4.2	0.84	31
MacMahon Hold	152	+20.0	-9.9	10	0-2	7	-	-	0.9	27	2.0	0.88	797	Qantas Airways	511	+1.8	-2.6	33	1-1	11	1.7	12	0.4	14	5.9	0.67	10,143
Country Road	311	+12.8	+1.9	14	0-0	-	4.5	36	0.4	13	2.3	0.89	215	Over Fifty Grp	230	+1.5	-3.4	34	1-0	1	2.6	15	0.4	18	4.8	0.92	135
Domino's Pizza	329	+1.0	+0.3	36	1-0	7	10.6	47	0.6	23	3.3	0.90	207	Ridley Corp.	118	+1.3	-0.1	35	0-0	5	1.2	8	0.7	15	5.9	0.24	344
United Group	1684	+8.9	-4.1	20	3-0	10	-	-	0.5	25	2.9	0.91	2,319	Richfield Int'l	12	+0.9	-1.8	37	0-0	-	0.5	6	1.9	9	Nil	0.68	7
Over Fifty Grp	230	+1.5	-3.4	34	1-0	1	2.6	15	0.6	18	4.8	0.92	135	Skilled Group	522	+0.9	-0.2	37	3-0	5	-	-	0.4	19	4.2	0.39	546
Woolworths Ltd	3336	+11.3	-0.1	16	0-1	13	-	-	0.3	31	2.2	0.95	40,317	Pacifica Group	191	+0.9	-0.3	37	0-0	-	1.3	10	0.6	12	2.1	0.32	270
Flat Glass Ind.	145	+3.9	-3.2	28	3-0	-	3.0	24	0.9	12	4.1	0.95	35	Chal Financial	442	+0.6	-7.8	38	4-0	10	3.1	30	0.5	10	2.8	0.95	2,636
Chal Financial	442	+0.6	-7.8	38	4-0	10	3.1	30	0.6	10	2.8	0.95	2,636	HGL Limited	215	+0.5	-0.3	38	0-0	-	1.6	14	0.5	11	5.4	0.78	103
Tutt Bryant Grp	187	+7.5	+0.4	21	1-0	1	2.7	14	0.7	19	2.9	1.01	242	Embelton Ltd	510	+0.3	-0.1	39	0-0	-	1.5	11	0.3	14	3.7	0.51	11
Zicom Group	54	+16.7	+6.3	12	4-0	-	4.9	39	1.7	12	6.5	1.02	97	China Cons	3	+0.0	+0.0	40	0-0	-	0.0	0	3.4	16	Nil	0.76	16
JB Hi-Fi Ltd	1256	+22.0	-9.6	9	0-8	12	3																				

Company	STRENGTH RATING												Company	STRENGTH RATING													
	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Bidders Following	Price to NTA	Return on Equity	Vola- tility	Price Earn- ing Ratio	Divi- dend Yield	Price Sales Ratio		Market Cap'n	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Bidders Following	Price to NTA	Return on Equity	Vola- tility	Price Earn- ing Ratio	Divi- dend Yield	Price Sales Ratio	Market Cap'n
Envestra	96	-6.9	-1.3	67	3-0	6	-	-	0.5	NE	9.9	2.45	818	St Barbara Ltd	87	+25.4	+2.3	7	6-0	3	7.9	-	1.1	NE	Nil	5.00	728
B & B Infrastr.	147	-4.5	-1.1	59	2-0	11	-	-	0.4	25	9.7	2.14	2,699	Rialto Energy	43	+7.3	-1.5	22	6-0	-	-	-	1.1	NE	Nil	N/A	8
Valad Property	114	-12.4	-7.9	80	5-0	7	0.9	11	0.6	9	9.7	6.95	944	Horizon Oil Ltd	41	+5.7	+2.7	25	7-1	2	-	-	1.0	NE	Nil	N/A	302
Chal Infra Fund	340	+9.4	+0.8	19	1-1	5	-	-	0.4	23	9.4	7.01	939	Monarch Gold M.	68	+1.2	+6.3	35	5-0	-	-	-	0.9	NE	Nil	N/A	281
SP Ausnet	123	-5.8	+0.6	64	2-0	8	1.1	8	0.5	14	9.2	2.51	2,564	Ironbark Gold	80	+9.6	-0.9	18	5-0	-	-	-	0.8	NE	Nil	N/A	163
Macquarie Off.	122	-4.2	-3.8	58	1-0	8	0.8	32	0.6	3	9.2	1.92	2,439	Sydney Gas Ltd	38	+5.5	-1.4	25	5-0	1	-	-	0.8	NE	Nil	N/A	133
ING Real Estate	122	-0.9	-2.6	46	0-0	1	1.0	15	0.5	7	8.8	N/A	578	Gulfx Ltd	11	+10.8	+4.2	17	5-0	-	-	-	1.3	NE	Nil	N/A	8
Prime Retire Pr	79	-8.1	-2.5	71	4-0	-	-	-	0.8	6	8.7	2.99	356	Aberdeen Leader	200	+3.8	-1.2	29	5-0	-	1.0	10	0.4	10	4.5	6.17	114
Alco Finance	512	-19.3	-4.5	90	4-0	7	-	-	0.4	8	8.6	3.25	1,775	Aspen Group Ltd	205	+1.2	-7.2	35	5-0	2	1.7	25	0.5	7	6.2	4.80	491
Hast Div Util	299	-3.8	-4.4	57	2-0	3	1.2	9	0.5	13	8.6	3.60	527	Marengo Mining	32	+4.4	-4.2	27	5-0	-	-	-	1.3	NE	Nil	N/A	41
INSIDER BUYING: Most Insider Buying, Relative Strength > 0														BC Iron Ltd	147	+13.8	-4.9	13	5-0	-	-	-	0.5	NE	Nil	N/A	79
Solagran Ltd	105	+5.0	-1.1	26	21-0	-	52.5	-	0.6	NE	Nil	N/A	122	West Group Ltd	426	+6.3	-6.4	23	6-1	10	26.6	-	0.4	13	4.6	1.11	858
Freedom Nut'l	59	+5.3	+2.5	26	15-0	-	4.2	19	0.6	22	1.7	0.53	26	Wesfarmers Ltd	3800	+2.3	-2.4	32	4-0	10	18.0	96	0.3	19	5.9	1.51	14,747
Hudson Res. Ltd	13	+1.5	+2.0	34	12-0	-	4.2	1	1.2	625	Nil	3.07	12	Cool or Cosy	15	+11.5	+7.8	16	4-0	-	1.5	-	1.1	NE	Nil	0.36	7
Western Areas	500	+10.6	-1.9	17	18-6	6	-	-	0.5	NE	Nil	N/A	702	The Reject Shop	1235	+1.2	-2.9	35	4-0	7	10.7	42	0.3	26	2.5	1.13	316
Helix Resources	39	+63.3	-9.0	2	11-0	-	-	-	1.1	NE	Nil	N/A	44	Gt Bendigo Gold	20	+61.7	+0.5	2	4-0	-	-	-	1.5	NE	Nil	N/A	17
Auspine Ltd	685	+8.1	+3.9	21	11-0	-	1.4	-	0.3	NE	2.5	1.58	370	1300 Smiles Ltd	300	+1.8	-0.8	33	4-0	-	-	-	0.8	33	2.3	7.18	60
Servcorp Ltd	486	+0.8	-1.1	37	10-0	2	4.9	33	0.3	15	4.7	2.33	391	Kentor Gold Ltd	22	+17.1	-10.7	11	4-0	-	-	-	1.2	NE	Nil	N/A	9
Karmelsonix Ltd	17	+23.0	-7.8	8	10-0	-	16.5	-	1.3	NE	Nil	N/A	34	Zicom Group	54	+16.7	+6.3	12	4-0	-	4.9	39	1.2	12	6.5	1.02	97
A.P. Eagers	1500	+5.4	-1.1	25	10-0	1	1.9	12	0.1	16	2.9	0.35	405	Com'wealth Bank	5589	+5.0	-1.5	26	4-0	16	4.8	30	0.2	16	4.6	5.43	72,264
Extract Res.	96	+21.2	+10.8	9	10-0	-	-	-	1.1	NE	Nil	N/A	177	Chal Financial	442	+0.6	-7.8	38	4-0	10	3.1	30	0.4	10	2.8	0.95	2,636
Bannerman Res.	347	+22.9	+1.3	9	9-0	1	-	-	0.6	NE	Nil	N/A	443	Harrington Grp	5	+24.6	-17.2	8	4-0	-	5.0	-	2.4	NE	Nil	N/A	9
Cochlear Ltd	7225	+6.6	-3.2	23	9-0	12	86.0	-	0.2	40	1.7	7.07	3,957	Djerriwarrh	515	+3.3	-1.0	29	4-0	-	1.0	9	0.2	11	5.0	N/A	1,038
Apex Minerals	139	+28.3	-8.4	6	9-0	-	-	-	1.2	NE	Nil	N/A	28	Bass St Oil Coy	18	+36.8	+4.7	4	4-0	-	-	-	1.1	NE	Nil	N/A	23
Pluton Resource	225	+70.5	-2.5	1	9-1	-	18.8	0	0.5	NE	Nil	N/A	118	Castlemaine G.	16	+5.1	+8.1	26	4-0	-	-	-	1.2	NE	Nil	N/A	14
TFS Corporation	123	+14.1	+3.5	13	7-0	-	3.4	33	0.6	10	2.8	4.42	199	Fone Zone Group	66	+3.9	+1.0	28	4-0	1	22.0	-	0.6	13	5.0	0.47	93
My Net Fone Ltd	16	+2.9	+1.0	30	7-0	-	-	-	1.3	NE	Nil	0.99	3	Div. United Inv	390	+2.3	-1.9	31	4-0	-	1.0	3	0.3	29	3.1	N/A	481
Envirozol Ltd	53	+9.0	-0.1	20	7-0	-	13.2	82	0.6	16	Nil	1.97	95	JV Global Ltd	18	+3.8	+4.8	29	4-0	-	9.0	-	0.9	NE	Nil	N/A	13
Clover Corp.	17	+20.2	+12.3	10	7-0	-	1.2	3	1.3	45	Nil	1.59	28	Graynic Metals	27	+11.8	-8.2	16	4-0	-	-	-	1.3	NE	Nil	N/A	11
Equity Trustees	2983	+2.2	-1.7	32	7-0	2	11.9	42	0.2	29	2.5	7.07	234	Envirogold Ltd	16	+8.8	-6.1	20	4-0	-	-	-	1.2	NE	Nil	N/A	15
Oroton Group	375	+14.8	-6.7	13	8-1	1	7.8	48	0.5	16	3.5	1.46	161	Alexanders Sec.	2	+23.4	+2.0	8	4-0	-	-	-	3.3	NE	Nil	1.73	6
Oldfields Hold	116	+6.0	+0.0	24	8-1	-	1.1	1	0.4	89	5.6	5.84	14	Netcomm Limited	6	+3.2	+9.2	30	4-0	-	1.2	-	1.6	NE	Nil	0.22	5
Nyplex Ltd	230	+20.6	+0.9	10	8-1	-	1.4	19	0.9	7	Nil	0.28	85	YTC Resources	126	+4.0	-1.2	28	4-0	-	-	-	0.8	NE	Nil	N/A	N/A
Aust Wealth Mgt	250	+1.2	-0.7	35	6-0	6	15.6	64	0.6	24	3.8	4.94	1,412	Reed Resources	100	+39.3	+1.3	4	5-1	-	-	-	0.6	NE	Nil	N/A	97
Sydney Attract.	651	+6.1	-0.3	24	6-0	3	21.0	18	0.2	117	0.8	2.76	142	BSA Ltd	68	+3.2	+7.6	30	5-1	1	5.2	39	0.6	14	4.7	0.77	122
Probiotec Ltd	140	+11.2	+1.2	17	6-0	-	2.6	20	0.5	13	Nil	1.21	65	RR Australia	70	+2.1	-4.7	32	5-1	3	-	-	0.7	14	1.4	0.88	89
Avexa Limited	54	+0.8	-7.4	37	6-0	2	2.3	-	0.8	NE	Nil	N/A	217	Reward Minerals	55	+0.2	+3.3	39	6-2	-	-	-	0.8	NE	Nil	N/A	24
Community Life	24	+2.2	+4.5	32	6-0	-	0.5	1	1.0	65	Nil	5.32	11	Integra Mining	59	+89.5	+1.5	1	3-0	-	-	-	1.1	NE	Nil	N/A	177
Greenland Min.	120	+11.3	-4.5	16	6-0	-	-	-	1.0	NE	Nil	N/A	45	Proto Resources	57	+62.8	-14.8	2	3-0	-	-	-	0.8	NE	Nil	N/A	24
Bow Energy Ltd	28	+49.1	+13.6	3	6-0	-	-	-	1.3	NE	Nil	N/A	30	Norton Gold	62	+62.1	+8.3	2	3-0	-	-	-	0.6	NE	Nil	N/A	44
														Cue Energy Res.	23	+1.6	+0.1	34	3-0	-	-	-	1.1	NE	Nil	N/A	141

“Insider” Trades in NZ 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: 56.9% Buyers
Last 13 wks: 51.6% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
AMP Limited	7-0	F & P Health.	0-19	Michael Hill	3-11	Pumpkin Patch	3-7	Tag Pacific Ltd	1-0
Affco Holdings	2-0	Fletcher Build.	1-3	Mowbray Collect	0-1	Pyne Gould Corp	3-1	TeamTalk Ltd	0-1
Air New Zealand	7-6	Goodman Prop.	2-1	Mr Chips Hold	2-0	Rakon Ltd	0-3	Telecom Corp	3-21
Akd Int Airport	0-2	Hallenstein G.	1-3	NZ Exchange Ltd	0-2	Renaissance	3-2	Tenon Ltd	5-0
Allied Work.	0-1	Hellaby Hold.	14-0	NZ Finance Hold	1-3	Restaurant Brds	2-0	Tourism Hold.	2-0
Allied Farmers	2-0	ING Med. Prop.	2-0	NZ Farming Sys.	2-0	Rubicon Limited	8-0	Trust Power Ltd	0-1
Brierley Invest	0-4	ING Property	1-0	NZ Invest Trust	1-2	Ryman Health.	2-5	Turners & Grow.	0-2
Briscoe Group	4-0	Infratil NZ	4-2	NZ Wine Company	0-2	Salvus Strat.	0-1	Turners Auction	1-0
Cabletalk Group	0-1	Jasons Media	1-0	NZ Windfarms	0-2	Sealegs Corp	0-3	Vector Ltd	2-1
Cavotec MSL	0-1	Kermadec Prop.	6-0	New Image Group	1-0	Seeka Kiwifruit	1-0	WN Drive Tech.	4-2
Col Motor Co	4-0	Kirkcaldie & St	0-1	Nuplex Indust	6-0	Skellerup Hold.	5-0	Wakefield Hith	1-2
Dominion Fin.	5-8	Kiwi Property	0-1	PGG Wrightsons	8-0	Sky Network TV	3-0	Widespread Port	2-0
Dorchester Pac	1-0	Lion Nathan Ltd	0-2	Plus SMS Hold.	4-0	Sky City Ltd	1-9	Windflow Tech.	2-3
F & P Appliance	0-7	Mainfreight Grp	3-5	Port Tauranga	3-0	Steel & Tube	0-3	Zintel Comm.	3-0

“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: 83.6% Buyers
Last 13 wks: 79.8% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
1300 Smiles Ltd	4-0	Anchor Res. Ltd	5-0	B&B Capital Ltd	1-0	Calliden Group	1-0	Comet Resources	1-0
3D Resources	1-0	Andean Res.	0-1	B&B Res Land	4-0	Campbell Bros	0-2	Commander Comm.	0-2
900 Degrees Ltd	7-0	Aneka Tambang	2-0	BC Iron Ltd	5-0	Cape Lambert IO	0-1	Community Life	6-0
A-Cap Resources	0-1	Anglo Pacific	2-0	BHP Billiton	5-2	Capital Mining	0-1	Compass Res	1-4
A.P. Eagers	10-0	Ansell Ltd	2-0	BKM Management	0-1	Capital Health	1-0	Computershare	1-5
A1 Minerals Ltd	0-2	Ansearch Ltd	1-0	BQT Solutions	4-1	Capral Alum.	4-0	Comtel Corp.	0-1
ABB Grain Ltd	1-0	Antares Energy	2-0	BSA Ltd	5-1	Carbine Res.	3-0	Connxion Ltd	1-0
ABC Learning	10-2	Anvil Mining	1-4	Babcock & Brown	2-0	Cardno Ltd	0-1	Conquest Mining	3-0
AED Oil Ltd	0-4	Apa Financial	9-0	Bank of Q'land	0-3	Cardia Tech.	0-4	Contango Cap P.	5-0
AGL Energy Ltd	3-0	Apex Minerals	9-0	Bannerman Res.	9-0	Carpathian Res.	2-0	Contango Micro.	0-2
AJ Lucas	2-0	Aquarius Plat.	0-2	Barra Resources	1-2	Carrick Gold	1-0	Cool or Cosy	4-0
AMCIL Limited	1-0	Arafura Pearls	1-0	Bass St Oil Coy	4-0	Cash Converters	2-0	Coonawarra Aust	0-1
AMF Asset Yield	0-1	Arafura Res.	0-2	Bass Metals Ltd	1-0	Caspian Oil & G	0-3	Cooper Energy	1-2
AMP Ltd	4-0	Arana Thera.	2-0	Batavia Mining	7-0	Castlemaine G.	4-0	Copper Strike	0-1
ANZ Bank	2-1	Arasor Int'l	9-0	Bathurst Res.	1-0	Castle Minerals	1-0	CopperCo Ltd	2-0
APA Group	7-0	Archer Explor.	1-0	Bauxite Res.	3-1	Catalyst Metals	4-0	Copper Range	1-0
APN/UKA Euro Pr	1-0	Argo Explor.	1-0	Beach Petroleum	0-1	Cathrx Ltd	1-0	Cordlife Ltd	0-2
AWB Limited	1-0	Argosy Minerals	1-0	Beacon Minerals	3-0	Century Aust In	1-0	Corp Express	0-2
AXG Mining Ltd	1-0	Argo Investment	1-2	Bellamel Mining	5-0	Centro Property	6-0	Cortona Res Ltd	2-0
Abacus Property	3-1	Argus Solutions	1-0	Bendigo Mining	2-0	Centrepoint All	7-0	Cougar Energy	1-0
Aberdeen Leader	5-0	Aristocrat Leis	3-0	Bendigo Bank	1-0	Cent. Asia Res.	1-0	Count Financial	0-1
Aconagua Res.	0-1	Arrow Energy	0-3	Benitec Ltd	1-0	Centro Retail	4-0	Coventry Group	5-0
Acrux Ltd	0-1	Asciano Group	7-0	Bentley Int'l	1-0	Centaurus Res.	3-0	Coziron Res.	1-0
Actinogen Ltd	1-0	Asian Pacific	1-0	Billabong Int'l	7-1	Centennial Coal	3-0	Crane Group	1-0
Adamus Resource	1-0	Aspen Group Ltd	5-0	BioLayer Corp.	1-0	Centamin Egypt	1-0	Croesus Mining	1-0
Adelaide Bright	0-5	Aspermont Ltd	0-1	Biomed Ltd	1-0	Ceramic Fuel C.	3-0	Cromwell Group	6-0
Aditya Birla	0-1	Athena Res.	1-0	Biopharmica Ltd	0-1	Chal Financial	4-0	Crusader Hold.	1-0
Admiralty Res.	0-2	Atlas SS Pearl	0-3	Biota Holdings	9-0	Chal Wine Trust	1-0	CuDeco Ltd	4-1
Adtrans Group	0-3	Atomic Res. Ltd	1-0	Black Range Min	1-0	Chalice Gold	3-0	Cue Energy Res.	3-0
Adv Nanotech.	3-0	Aura Energy Ltd	1-0	Blackham Res.	1-0	Chandler McLeod	1-0	Cullen Resource	0-4
Adv Surgical	1-0	Aurox Resources	3-0	Blackmores Ltd	0-2	Charter Pacific	2-0	Cumamona En.	1-0
Adv. Magnesium	3-0	Ausenco Ltd	0-5	Bluescope Steel	3-0	ChemGenex Pharm	0-2	Customers Ltd	3-0
Advanced Energy	2-0	Auspine Ltd	11-0	Bonaparte Diam.	3-0	Cheviot K Vine.	1-0	Cyclopharm Ltd	0-2
Aequus Capital	2-0	Aust Foundation	3-0	Bondi Mining	2-0	Cheviot Bridge	10-0	Cypress Lakes	1-0
Aeris Tech Ltd	1-0	Aust W'wide Exp	2-3	Bone Medical	1-0	China Education	7-0	D'Aguiar Gold	3-0
Aevum Ltd	0-1	Aust Biodiesel	2-0	Boom Logistics	9-1	China Century	2-0	DKN Financial	3-0
African Energy	2-0	Aust Pharm. Ind	2-0	Boral Limited	3-0	Choiseul Inv.	1-0	DMC Mining Ltd	1-0
Agenix Limited	3-1	Aust United In	1-0	Bow Energy Ltd	6-0	Chrome Corp Ltd	2-0	DUET Group	3-1
Agri Energy Ltd	2-0	Aust Agricult.	1-0	Bowen Energy	5-1	Circadian Tech	2-0	DVM Intern'l	0-1
Aim Resources	0-1	Austin Eng.	1-0	Bradken Ltd	4-1	Citadel Res Grp	2-0	DWS Adv Bus Sol	0-1
Ainsworth Game	1-0	Australand Prop	1-0	Brambles Ltd	6-0	Citic Australia	1-0	Danks Holdings	1-0
Aircusing Aust	1-0	Aust Wine Hold.	0-1	Brandrill	2-0	Citofresh Int.	2-0	Dart Mining NL	1-0
Alara Uranium	2-0	Austal Limited	1-0	Bravura Sol.	1-0	City View	0-1	Datadot Tech.	3-2
Albidon Ltd	0-3	Aust Wealth Mgt	6-0	Breakaway Res.	2-0	Clean Seas Tuna	1-0	Data 3 Ltd	2-4
Alchemia Ltd	2-0	Australis Aqua.	0-4	Bremer Park Ltd	0-1	Clever Com Aust	6-3	Datasquirt Ltd	1-0
Ale Property	3-0	Aust Resources	1-0	Brickworks Inv.	7-0	Clime Capital	1-0	David Jones	1-2
Alexanders Sec.	4-0	Aust Infra.	4-1	Brickworks Ltd	4-0	Clime Inv Mgmt	1-0	De Grey Mining	2-0
Alkane Explor.	2-0	Aust Mines Ltd	0-2	Broad Invest.	2-0	Clinuvel Pharm.	1-0	Deep Yellow Ltd	1-0
Allco Hit Ltd	7-0	Austral Gold	1-0	Buderim Ginger	2-0	Clive Peeters	1-0	Devine	3-0
Allco Finance	4-0	Aust Education	1-0	Buka Gold Ltd	2-0	Clough Limited	3-0	Dexion Ltd	5-0
Allco Max Sec.	2-0	Austereo Group	2-1	Bunnings W/hse	1-0	Clover Corp.	7-0	Diamonex Ltd	0-1
Allco Eq Part.	1-0	Autodom Limited	6-0	C'wth Prop Off.	1-0	Coates Hire	2-0	Diatreme Res.	0-2
Allied Brands	3-4	Automotive Hold	3-0	C.S.R. Ltd	3-0	Cobar Cons Res.	2-0	Dioro Explor.	1-0
Alliance Res.	0-1	Avalon Minerals	2-0	CBH Resources	0-6	CocaCola Amatil	0-1	Discovery Metal	1-0
Allied Gold Ltd	0-1	Avantogen Ltd	0-1	CEC Group Ltd	0-2	Cochlear Ltd	9-0	Div. United Inv	4-0
Allomak Ltd	1-0	Avastra Sleep	1-0	CFS Retail Prop	1-0	Codan Ltd	2-0	Djerriwarrh	4-0
Altium Limited	2-0	Avexa Limited	6-0	CGA Mining Ltd	0-1	Coffey Int'l	3-0	Dolomatrix Intl	3-0
Alumina Ltd	1-0	Aviva Corp Ltd	0-2	CI Resources	0-2	Cogstate Ltd	5-0	Dominion Mining	1-2
Amadeus Energy	1-0	Avoca Resources	0-3	CO2 Group Ltd	0-3	Collection Hse	9-3	Domino's Pizza	1-0
Amcom Telecom.	3-4	Azumah Res.	3-0	CSL Limited	0-1	Colorpak Ltd	3-0	Downer EDI Ltd	7-0
Amex Resources	1-0	B & B Infrastr.	2-0	CVC Limited	6-0	Colonial Res.	2-0	Dragon Mining	2-0
Anadis Limited	1-0	B & B Env. Inv.	3-0	Cabcharge Ltd	8-0	Com'wealth Bank	4-0	Drake Resources	2-0
Analytica Ltd	2-1	B&B Japan Prop.	1-0	Cadence Capital	1-4	Comdek Ltd	2-1	Drummond Gold	1-0

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Dysole Ltd	1-0	Folkestone Ltd	2-0	Harvey Norman	0-7	Iron Ore Hold.	1-0	Magellan Fin Gp	2-0
Dynasty Metals	3-1	Fone Zone Group	4-0	Hast Div Util	2-0	Iron Mountain	1-0	Magellan Flag.	20-0
E-Bet Limited	3-0	Forge Group Ltd	4-1	HealthLinx Ltd	2-1	Ironbark Gold	5-0	Magnetic Res.	5-0
E-pay Asia Ltd	1-0	Foster's Group	3-0	Helix Resources	1-0	JB Hi-Fi Ltd	0-8	Magna Mining NL	1-0
E.R.G.	1-0	Fox Invest Ltd	1-0	Heartware Ltd	4-0	JV Global Ltd	4-0	Magna Metals	3-0
Eagle Bay Res.	2-0	Freedom Nut'l	15-0	Hedley L&G Prop	3-0	Jabiru Metals	1-0	Manaccomm Corp.	1-0
Eastern Corp	1-0	Fulcrum Equity	1-0	Heemskirk Cons.	3-0	Jackgreen Ltd	5-1	Mantle Mining	0-1
East'n Star Gas	0-1	Funtastic Ltd	2-3	Helix Resources	11-0	Jackson Mineral	3-0	Marbletrent Grp	0-2
Echo Resources	9-0	Fusion Res.	1-0	Helicon Group	1-0	James Hardie	2-0	Marengo Mining	5-0
Eiffel Tech.	1-0	Futuris Corp.	0-2	Hemisphere Res.	2-0	Jervois Mining	0-3	Mariner Fin.	2-0
Electrometals	6-0	G.R.D. NL	1-2	Henderson Group	1-3	Jindalee Res.	4-0	Marion Energy	8-0
Elk Petroleum	3-0	GBST Holdings	3-1	Herald Resource	2-0	Jubilee Mines	1-2	Marybor'gh Suga	1-2
Ellex Medical	1-0	GLG Corporation	1-0	Heron Resources	2-0	Jupiter Energy	8-1	Matilda Mineral	2-1
Ellerston Gems	4-0	GME Resources	1-0	Hill End Gold	1-5	Jupiter Mines	1-11	Matrixview Ltd	2-0
Emeco Holdings	2-1	GSF Corporation	0-1	Hillgrove Res.	1-3	Just Group Ltd	6-1	Matrix Metals	1-0
Emerald Oil & G	2-0	GTI Resources	2-0	Hills Indust.	0-3	Jutt Holdings	2-0	Mawson West Ltd	4-1
Emerg. Leaders	3-0	GWA Internat'l	2-0	Hillcrest Litig	11-0	K&S Corporation	2-0	Maxi TRANS	3-0
Emmerson Res.	2-0	Gage Road Brew.	1-0	Hodges Res.	5-0	KLM Group Ltd	1-2	McGuigan Simeon	0-1
Emperor Mines	2-0	Galileo Japan	3-0	Homeloans Ltd	1-0	KLT Technology	4-0	McPherson's Ltd	0-1
Empire Beer Grp	2-0	Garratt's Ltd	3-0	Horizon Oil Ltd	7-1	Kangaroo Metals	1-0	Medic Vision	1-0
Empired Ltd	2-0	Gateway Mining	1-0	Hostworks Group	0-2	Kardoon Gas	1-3	Medical Dev Int	7-0
Empire Oil, Gas	0-3	Genetic Tech.	2-0	Housewares Int.	1-0	Karmelsonix Ltd	10-0	Medivac Ltd	2-0
Empire Sec.	1-0	Genesis Mineral	1-0	Hudson Res. Ltd	12-0	Kentor Gold Ltd	4-0	Medtech Global	1-0
Empowermet Int.	0-1	Genepharm Aust.	2-0	Hunter Hall Int	2-12	Key Petroleum	1-0	Medusa Mining	1-0
Energy Develop.	5-0	Geodynamics Ltd	1-0	Huntley Invest	3-1	Keycorp Ltd	1-0	Mercury Mob.	1-0
Energy One Ltd	4-0	Gippsland Ltd	1-0	Hutchison Tel.	1-0	Kimberley Diam.	2-0	Mermaid Marine	0-3
Energy Ventures	6-0	Globe Uranium	1-0	Hydromet Corp.	0-6	Kip McGrath EC	1-0	Mesbon China N.	1-0
Ent Media & Tel	3-0	Global Mining I	2-0	Hyperion Flag.	1-0	Konekt Limited	6-0	Metallica Min.	1-3
Enterprise En.	2-0	Global Nickel	2-0	Hyro Limited	2-0	Korab Resources	1-0	Metals X Ltd	0-1
Entek Energy	1-0	Globe Int'l Ltd	3-0	I-Cash Payment	1-0	Korvest Ltd	1-0	Metcash Ltd	3-2
Envestra	3-0	Global Con Serv	1-0	IBA Health Grp	0-6	Kresta Holdings	3-0	Meteorite Res.	7-0
Envirogold Ltd	4-0	Global Master F	1-0	IGDX Holdings	0-1	Kuth Energy Ltd	1-0	Metgasco Ltd	3-1
Envirozel Ltd	7-0	Global Approach	1-2	IM Medical Ltd	0-2	L&M Petroleum	1-0	Metroland Aust	1-0
Epsilon Energy	5-0	Global Health	1-0	IMD Group Ltd	1-0	Labtech Systems	5-2	Midas Resources	1-0
Equigold NL	0-4	Gloucester Coal	0-3	IMD Group	2-1	Lakes Oil NL	2-0	Midwest Corp	1-3
Equity Trustees	7-0	Golden Rim Res.	1-0	IMF (Aust) Ltd	1-0	Latin Gold Ltd	2-0	Milton Corp.	6-0
Eromanga H/C	1-0	GoldLink Income	3-0	IMX RESources	2-0	Lefroy Res.	8-0	Minara Resource	4-2
Erongo Energy	1-0	Gold Aura Ltd	0-1	ING Priv Equity	2-0	Legend Corp.	2-0	Mincor Resource	1-2
EservGlobal Ltd	1-0	Golden Cross	0-1	ING Office Fund	1-0	Legend Mining	2-0	Mindax Limited	1-2
Esplanade Prop.	2-0	Golden Gate Pet	1-0	ING Indust Trt	2-0	Leighton Hold	1-2	Mineral Commod.	2-0
Espreon Ltd	0-1	Goldsearch Ltd	3-0	ING Retail E.E.	1-0	Lemame Corp	1-0	Mineral Res.	0-3
Essa Australia	0-2	Golden Tiger	0-2	IOOF Holdings	1-0	Liberty Gold NL	1-0	Minerals Corp.	1-0
Essential Pet.	2-0	Golden China R.	1-0	ITL Limited	5-0	Lifestyle Com.	0-3	Mineral Sec.	2-0
Eumundi Group	1-0	Goldlink Growth	6-0	ITX Group	2-0	Life Therapeut.	2-1	Minemakers Ltd	1-0
Eurogold Ltd	4-0	Goldstar Res.	8-0	Icon Resources	6-0	Linq Resources	0-2	Mining Projects	5-2
Everest B&B Alt	5-0	Goodman Fielder	5-1	Icon Energy	2-0	Liontown Res.	5-0	Minotaur Exp.	0-1
Every Day Mine	1-0	Goodman Group	4-0	iiNet	4-1	Living Cell T.	2-0	Mintails Ltd	3-1
Everest Babcock	5-0	Gosford Quarry	0-2	Iluka Resources	2-0	Lodestone Exp.	1-0	Mint Wireless	1-0
Exco Resources	3-0	Graincorp	0-2	Image Resources	14-2	Longreach Group	1-0	Mirrabooka Inv.	1-0
Extract Res.	10-0	Grange Resource	2-0	Impact Capital	2-1	Lonhro Mining	1-0	Mirvac Ind Trt	0-1
Eyecare Partner	2-0	Grand Gulf En.	2-0	Impedimed Ltd	1-0	Lynas Corp Ltd	1-0	Mission Biofuel	1-0
Ezenet Limited	2-0	Graynic Metals	4-0	Impress Energy	14-0	M.Y.O.B. Ltd	0-2	Mitchell Comm.	4-0
F.F.I. Holdings	2-1	Greater Pacific	0-1	Incitec Pivot	1-0	M2 Telecom. Grp	1-0	Mobi Ltd	1-0
FCPB Invest.	1-0	Great Artesian	1-0	Incremental Pet	7-0	MEO Australia	0-7	MobileActive	1-0
FSA Group Ltd	3-0	Great Aust Res	1-0	Ind Minerals	3-0	MFS Limited	6-0	Mobilesoft Ltd	1-0
Fac. Digital	1-0	Great Southern	2-0	Independ. Group	0-4	MFS Diversified	7-0	Moby Oil & Gas	1-0
Fairfax Media	2-0	Greenland Min.	6-0	India NRE Min.	1-0	MFS Living & L.	3-0	Molopo Aust	0-3
Fantastic Hold.	1-0	Green Rock En.	2-0	India Resources	1-0	MGM Wireless	0-1	Moly Mines Ltd	4-2
Fat Prophets	1-0	Greencap Ltd	1-0	Indophil Res.	0-2	MIL Resources	1-0	Monadelphous Gr	0-1
Felix Resources	0-1	Gryphon Mineral	0-2	Industrea Ltd	0-4	MMC Contrarian	3-2	Monarch Gold M.	5-0
Fermiscan Hold.	0-1	Gt Bendigo Gold	4-0	Infomeia Ltd	0-1	MRI Holdings	1-0	Monitor Energy	0-1
Ferrowest Ltd	3-1	Gt Western Exp.	1-0	Innamincka Pet.	0-2	MXL Limited	1-0	Montec Int'l	1-0
Ferraus Ltd	0-2	Gujarat NRE Res	0-5	Insurance Aust.	3-0	MacMahon Hold	0-2	Montezuma Min.	0-1
Fiducian P Serv	2-0	Gulf Resources	2-0	Int Research	2-0	Macarthur Cook	3-2	Mom. Star Gold	4-1
Financial Res.	3-0	Gulfx Ltd	5-0	Integra Inv.	3-0	Macarthurcook P	2-0	Morning Star	1-0
Finbar Group	5-0	Gulf Mines Ltd	8-0	Integra Mining	3-0	Macarthur Coal	3-1	Mortgage Choice	0-2
Findlay Sec.	4-0	Gunson Res.	1-0	Intermin Res	11-2	Macmin Silver	1-5	Mosaic Oil NL	1-0
Firstfolio Ltd	0-1	HFA Accelerator	1-0	Intermet Res.	1-0	Macquarie Infra	1-0	Mt Burgess Min.	2-0
First Capital	1-0	HFA Holdings	5-2	Intec Ltd	5-1	Macquarie DDR	3-0	Mt Gibson Iron	2-3
Flat Glass Ind.	3-0	Halcygen Pharm.	3-0	Intrapower Ltd	1-0	Macquarie Priv.	2-0	Multiplex Acum.	5-0
Fleetwood Corp	0-8	Hamilton James	6-0	Intrepid Mines	1-0	Macquarie Media	10-0	Multi Channel S	2-0
Flight Centre	1-2	Hannans Reward	1-0	Investika Ltd	3-0	Macquarie Air.	2-0	Multiplex Euro.	3-0
Flinders Diam.	0-1	Hansen Tech.	1-0	Inventis Ltd	1-0	Macquarie Off.	1-0	Mundo Minerals	1-0
Focus Minerals	2-0	Harrington Grp	4-0	Iress Mkt Tech	5-0	Macquarie Cap A	6-0	Murchison Metal	0-1

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Murchison Un.	1-0	Peel Explor.	1-0	Robust Resource	6-0	Straits Res.	3-7	Trust Company	7-1
My Net Fone Ltd	7-0	Pegasus Metals	1-0	Roc Oil Company	1-9	Strategic Min.	3-0	Tutt Bryant Grp	1-0
NGM Resources	3-1	Peninsula Min.	3-0	Rocklands Rich.	2-0	Strathfield Grp	1-0	Two Way Limited	3-0
NSL Health Ltd	1-0	Penrice Soda	3-0	Rock Build Soc.	2-1	Strike Res.	0-1	U.S. Masters	1-0
NSX Limited	1-0	People Telecom	0-3	Rockeby Biomed	1-0	Strike Oil Ltd	2-0	UCMS Group Ltd	3-0
Nat'l Leisure	5-0	PeopleBank Aust	1-0	Ross Human Dir.	4-1	Structural Syst	0-4	Undercoverwear	6-1
Nat'l Can	2-0	Pepinnini Min.	0-4	Rox Resources	1-0	Style Limited	0-1	Unilife Medical	0-2
Nat'l Aust Bank	4-0	Perilya Mines	0-1	Royalco Res.	1-0	Sub-Sahara Res.	0-1	United Minerals	0-4
Natural Fuel	3-0	PharmNet Online	0-1	Royal Resources	2-1	Suncorp-Metway	2-0	United Group	3-0
Navigator Res	2-1	Pharmaxis Ltd	0-1	Rubicor Group	2-0	Sundance Res.	3-0	United Overseas	1-0
Neptune Marine	1-3	Pharmaust Ltd	1-0	Rubicon Japan	1-0	Sundance Energy	1-0	Unwired Group	1-0
Netcomm Limited	4-0	Photon Group	2-0	Rubicon Europe	1-0	Sunland Group	1-0	Uranium Equitie	2-0
Network Ltd	2-1	Photo-Me Aust.	3-0	Rubicon Res.	2-0	Sunshine Heart	1-0	Uraniumsa Ltd	3-0
New Age Explor.	2-0	Phylogica Ltd	2-0	Rubicon America	1-0	Swick Min Serv	1-0	VDM Group Ltd	1-3
New Hope Corp.	1-0	Pioneer Nickel	2-0	Run Corporation	1-0	Swish Group	2-0	Valad Property	5-0
New World Alloy	0-1	Pipe Networks	1-2	Ruralaus Invest	0-1	Sydney Attract.	6-0	Van Eyk Blue AP	1-2
New Privateer	1-0	Plan B Group	2-0	Ruralco Hold.	2-0	Sydney Gas Ltd	5-0	Van Eyk Three P	0-1
Newcrest Mining	1-0	Platsearch NL	2-0	Rusina Mining	3-0	Sylvania Res.	0-1	Ventracor Ltd	4-0
Newera Uranium	6-0	Platinum Aust	0-2	S/Tracks ASX200	0-1	Sylvastate Ltd	10-0	Venus Resources	6-0
Newhaven Hotels	1-0	Pluton Resource	9-1	SAI Global Ltd	1-2	Synergy Equity	2-0	Verticon Group	5-0
Newland Res.	0-1	Po Valley Ener.	3-0	SCV Group Ltd	1-0	Syrah Resources	1-0	Verus Investm't	0-1
Nib Holdings	2-0	Polaris Metals	2-7	SDI Limited	1-0	TFS Corporation	7-0	Vietnam Indust.	6-0
Nickelore Ltd	2-0	Polartechinics	3-0	SMS Mgmt & Tech	0-1	TNG Limited	1-9	View Resources	2-0
Nido Petroleum	0-2	Portland Ortho.	1-0	SP Ausnet	2-0	TSV Holdings	6-1	Village Road.	0-5
Niplats Aust.	1-0	Port Bouvard	6-0	SP Telemedia	1-0	TVN Corporation	0-1	Viralytics Ltd	1-0
Nomad Building	1-6	Praemium Ltd	4-0	STW Comm Group	1-0	TWT GRoup Ltd	1-0	Virgin Blue	7-2
Norton Gold	3-0	Primary Health	1-0	Safety Medical	2-1	TZ Limited	1-0	Visionmed Group	8-0
Northern Energy	1-0	Prima Biomed	0-1	Saferoads Hold.	0-2	Tabcorp Holding	3-1	Vision Group	5-3
Northwest Res.	2-0	Prime Media Grp	2-0	Salinas Energy	1-0	Tag Pacific	1-0	Vital Metals	1-0
Norwest Energy	0-2	Prime Retire Pr	4-0	Sally Malay Min	2-1	Takoradi Ltd	0-2	Vita Life Sci.	1-0
Novogen Ltd	3-0	Probiotec Ltd	6-0	Salmat Ltd	4-0	Talent2 Int'l	1-0	Vmoto Ltd	5-0
Nth Qld Metals	1-0	Prophecy Int'l	6-0	Sandfire Res.	2-0	Talisman Mining	0-1	Vulcan Res.	1-0
Nthn Uranium	0-1	Proto Resources	3-0	Santos Ltd	1-0	Tamaya Res.	12-0	WAM Capital Ltd	0-5
Nufarm Limited	0-1	Pulse Health	1-0	Saracen Mineral	1-0	Tanami Gold NL	8-0	WCP Resources	1-0
Nusep Ltd	5-0	Q'ld Trustees	3-0	Scantech	1-0	Tasmanian Perp	1-0	WHK Group Ltd	3-0
Nylex Ltd	8-1	Q-Mastor Ltd	1-0	Scimitar Res.	4-0	Tasman Resource	2-0	Wallace Abs Ret	0-2
OM Holdings	3-1	Q.B.E. Insur.	3-2	Sedgman Ltd	0-2	Tatts Group Ltd	4-0	Walter Div Serv	2-0
Oaks Hotel	2-0	QM Technologies	4-0	Seek Ltd	1-2	Tawana Resource	4-0	Warwick Res.	1-0
Ocean Capital	3-0	QRSciences Hold	10-0	Segue Resources	1-0	Technology One	0-1	Wasabi Energy	0-4
Oil Basins Ltd	2-0	QRXPharma Ltd	7-0	Select harvest	7-0	Tectonic Res.	1-0	Waterco Ltd	5-0
Oklo Uranium	2-0	Quay Magnesium	1-0	Servcorp Ltd	10-0	Tel.Pacific Ltd	1-0	Watpac Ltd	0-1
Oldfields Hold	8-1	Queensland Ores	1-0	Seven Network	2-0	Wavenet Limited	8-0	Wavenet Int'l	0-1
Olea Australia	1-0	Queensland Gas	0-4	Shaw River Res.	1-0	Telstra	1-0	Webster Ltd	1-0
Oncard Int'l	1-0	Quiktrak Netwks	3-0	Shield Mining	1-0	Ten Network	2-0	Webspy Limited	0-1
Optiscan Image	2-0	RCR Tomlinson	1-2	Sierra Mining	1-0	Terrain Mineral	1-0	Wedgetail Min.	1-0
Orchid Capital	1-0	RIM Capital Ltd	3-2	Sierra Pharm.	2-0	Territory Uran.	1-0	Wentworth Hold.	3-0
Orchard Indust.	6-0	RR Australia	5-1	Silex Systems	0-3	The Reject Shop	4-0	Wesfarmers Ltd	4-0
Orica Ltd	2-0	Ramelius Res.	0-2	Silver Chef Ltd	8-0	Thinksmart Ltd	0-1	West Gas Power	0-4
Orient Res Hold	0-1	Ramsay Health	1-2	Silver Swan Grp	2-0	Thomas & Coffey	4-1	Westpac Banking	0-1
Orocobre Ltd	1-0	Rams Home Loans	1-0	Silver Mines	2-0	Thundelarra Exp	1-3	West'n Metals	1-0
Oroton Group	8-1	Range Resources	1-0	Silver Lake Res	1-0	Tidewater Inv	5-0	Western Desert	2-0
Over Fifty Grp	1-0	Record Realty	2-0	Sims Group Ltd	1-2	Timbercorp	0-1	Westonia Mines	1-0
Overland Res.	1-0	Red Metal Ltd	1-0	Sipa Resources	1-0	Timbercorp Prim	2-0	Westgold Res.	4-0
Oxiana Ltd	0-1	Red 5 Ltd	1-0	Sirius Corp.	3-2	Tissue Therapy	1-0	Westfield Group	0-1
Oz Brewing Ltd	1-0	Red River Res.	1-2	Skilled Group	3-0	Tolhurst Noall	6-0	Western Areas	18-6
PMP Limited	0-4	Red Hill Iron	2-0	Snowball Group	1-3	Toll Holdings	2-4	Western Plains	0-2
PPK Group Ltd	1-0	Redbank Mines	1-0	Solagran Ltd	21-0	Tower Australia	1-0	Whitefield Ltd	3-0
PTB Group Ltd	1-0	Redflex Holding	5-3	Sonic Health	0-2	Traffic Tech.	3-0	Willmott Forest	1-0
Pac. Enviromin	3-0	Redisland Aust.	1-0	Soul Pattinson	4-0	Trafford Res.	3-2	Wilson HTM Inv.	1-0
Pacific Energy	1-0	Reece Australia	1-0	Souls Priv Equ	3-0	Traka Resources	1-0	Wilson Inv Fund	9-0
Pacific Brands	0-3	Reed Resources	5-1	Southern Gold	0-5	Transerv Aust.	1-0	Wind Hydrogen	1-0
Pacrim Energy	1-0	Regional Exp.	5-1	Spark Infrastru	0-1	Transol Corp	1-0	Windimurra Van.	0-1
Palamedia Ltd	1-0	Regis Resources	2-0	Spotless Group	3-0	Tranzact Fin.	0-1	Wolf Minerals	2-0
Paladio Group	8-0	Renison Cons	2-0	St Barbara Ltd	6-0	Transit Hold.	2-0	Woodside Petrol	1-0
Pan Australian	1-0	Republic Gold	0-1	St George Bank	1-0	Transurban Grp	7-2	Woolworths Ltd	0-1
Pan Pacific Pet	1-0	Resource Base	1-0	Staging Connect	2-1	Transfield Serv	0-1	Wotif.com Hold.	1-0
Panaegis Gold	3-0	Resonance Hlth	1-0	Starpharma Hold	2-0	TransPacific In	8-0	Wrigdways Aust	0-1
Paperlin X Ltd	5-0	Retail Food Grp	3-0	Stellar Res.	1-0	Treasury Group	2-1	Xceed Capital	2-0
Papyrus Aust.	2-0	Reverse Corp	1-5	Stericorp Ltd	3-0	Tri Origin Min.	1-0	YTC Resources	4-0
Patties Foods	8-0	Reward Minerals	6-2	Sterling Biofl	1-0	Trinity Group	1-2	Zedex Minerals	1-0
Peak Resources	4-0	Rey Resources	3-0	Stockland	4-1	Trojan Equity	2-0	Zicom Group	4-0
Pearl Healthcare	2-0	Rialto Energy	6-0	Stratetel Ltd	1-0	Troy Resources	0-1	Zinifex Ltd	0-1
		Riversdale Min.	2-0			Truscott Mining	4-0		

Insider Buying Identifies Potential Turnaround Situation

Netcomm (Code NTC).

Netcomm was incorporated in 1982 and listed on the stockmarket in 1994. The company originally made analog modems but in later years has, of course, manufactured broadband modems. The problem with this business - as with computer manufacturers and makers of other IT products - is that selling prices have continuously fallen rapidly and this has consistently squeezed margins, and overall resulted in losses. Netcomm has successfully innovated and created new modems as technology has advanced, but its technological success and manufacturing success has not translated into success for the bottom line of its profit statement!

The massive growth in the computer industry over the last two decades is an important lesson to investors about how the *fastest growing industries* can sometimes produce the worst (i.e. negative) investment returns!

Netcomm is therefore - finally - seeking to move beyond equipment manufacture and expand into higher margin, value added services.

In December 2005, the company acquired NZ based **Dynalink Modems** and last month signed a three year distribution agreement with South African **Space Television** which will purchase at least US\$1 million of modems annually for sale throughout Africa.

The company is also developing new Voice over IP products and plans to release “a range of innovative *Next G*, *3G* and broadband wireless products” in both Australia and New Zealand in early 2008. These should help to return the core business to profitability.

Last month it also agreed to pay \$3 million (including an undisclosed number of shares issued at 10 cents and 15 cents - a significant premium to Netcomm's market value) to acquire from NZ based **Mako Networks** the rights to operate the **Mako Network System** in Australia (and an option for the rest of Asia, excluding Japan). This is a Virtual Private Network broadband service, managed by Netcomm, providing enterprise level network management and control to multiple locations. The service has “been a success in New Zealand” among small to medium sized businesses, and in the health sector connecting pharmacies and GPs to the Ministry of Health Network. **Telecom NZ** is the major reseller of this service in NZ under the brand *SecureMe*. This acquisition is complementary to Netcomm's existing business, using sophisticated routes which the company manufactures and its existing sales channels.

In the future the company hopes to expand to offer VoIP telephony, support services, equipment rental, energy management and intelligent houses.

The company “anticipates delivering full year

profitability” for the current year to June 2008 after losing \$1,338,000 last year (i.e. a \$1,352,000 loss in the first half and \$14,000 profit in the second half). Netcomm has tax losses of \$12.2 million (i.e. will not pay income tax on its next \$12.2 million of profits).

There have been four insider buys over the last year. Managing Director DPJ Stewart purchased 234,000 shares at around 6¼ cents in April last year, 467,087 shares at 6¼-6¾ cents and 195,074 shares at 7 cents in May and 354,926 shares at 7 cents in June - lifting his holding to 22,292,137 shares or 24.5% of the company.

The issued capital is 91,038,566 ordinary shares giving the company a market capitalisation of just \$6.8 million.

Summary and Recommendation

Netcomm has been a successful company - except where it matters most: its profit statement. So its share price has declined significantly over the years to now make this company a \$6.8 million *micro-cap* with significant tax losses (which would be valuable if the company can turn around and become profitable!).

The business is now seeking to move away from reliance on the financially difficult hardware business and will seek to become a “predominantly services” business from 2009 onwards. While there is no guarantee that this transformation will be successful, the company has a sound balance sheet, a technologically (if not financially) successful core business, potentially valuable tax losses and the Managing Director has been acquiring additional shares on-market to build up an already large investment in the company.

In recent weeks - in response to its first expansions into services - the share price has jumped up, ending a long term decline (i.e. down 85-90% over the previous four years). This is a very high risk situation, but potentially could offer high returns, so investors prepared to accept higher risks could consider a small investment in Netcomm shares.

Netcomm



Investment Outlook

(Continued from Page 1)

In millions of smaller transactions unnoticed by the media, wealth transfers between investors who are either forced to sell or panic and sell, to those investors who have the cash and buy when prices are low.

So markets are excellent at transferring wealth between investors. Therefore a sound long term investment strategy should help position an investor to receive wealth over the many crisis/recovery cycles, not to lose wealth! Perhaps that is the secret to becoming a “lucky” investor!!

How can we seek to do this? Firstly, we recommend avoiding the use of debt or “margin” to buy shares. During a dip, margin investors must use cash from savings and dividends to pay interest and to reduce debt. That cash would be better spent buying shares as prices will be low. In fact, not only will the value of shares fall in a crisis, but banks will likely *tighten* their margin lending requirements. So a “conservatively” margined portfolio *may* not suffer a margin call (i.e. requiring new equity - or the sale of shares - to reduce the loan) owing to the decline in share prices, but may be caught by a tightening of the bank's lending criteria (e.g. the bank will *reduce* the amount it may lend on a share from 70% of its market value to 50% or only 30% of its lower market value during a crisis). For example, an investor may start with \$100,000 on which the bank will lend up to \$70,000 - but when those shares fall 25% to \$75,000 the bank may only want to lend up to \$30,000 or perhaps only up to \$22,500. So an investor starting with “only” \$50,000 of debt could still face a large margin call to contribute \$20,000 or \$27,500 in new capital *as a result of the bank's tighter lending criteria*. Most investors won't have that cash and will be forced to sell shares when prices are low. Even *with* the cash, the investor has missed the opportunity to buy new shares at favourable prices! Banks have done this before. Don't get caught and be forced to sell shares at the very worst time!

Secondly, understand that share prices fluctuate and take a long term view of your investments. People rushed to buy shares during the 1985-87 Investment and Property boom and again during the 1998-2000 Technology boom (and we won't mention the current Mining boom because, as with the previous booms, many of you still think “things are different this time” and that it will go on forever). Then, after the crash, people sell out at a very significant loss and “give up on the stockmarket”. Managed funds invariably report an inflow of capital when stockmarkets are high and an outflow of capital when stockmarkets are low. People

just seem to want to buy or sell at the very worst time! Its hard to fight against joining the emotional security of the greedy crowd or the panicking mob - but do try! The saddest and truest Wall Street maxim is to “Buy when there is blood in the streets”. If you can't buy when everyone else is panicking, then a dollar cost averaging technique can help. Set aside an amount (from savings and dividends) to invest each month. Avoid second guessing and investing more when you *think* the market is going up (as it is probably already near its peak) or cutting back when you think prices will fall (as they are probably near their low).

Thirdly, buy shares in companies that you want to own as long term investments, not because you think their prices will go up tomorrow or next week or next month. We hear a lot of people say they are contrarian investors seeking value in out of favour sectors only to then buy Investment/Property shares or Technology shares or Mining shares in those booms because “that is where the action is”. Buy shares that offer good value *and* where the business can grow and increase that value. Buy as if the stockmarket was closing tomorrow and wasn't re-opening for five years. If you are not happy to hold for that period, re-examine *why* you are really buying. Invariably people buy shares in companies that they don't particularly like as long term investments and which don't offer very good investment value, but buy shares they think can be on-sold for a profit in 3 or 6 or 12 months. There are no rich *traders* (except, perhaps, those who work for investment banks and get big golden handshakes to leave after *losing* billions of dollars of shareholders wealth! *We do* live in a crazy world!)

While the *Credit Crunch* creates considerable uncertainty and unpredictability in the *short term*, it is correcting imbalances caused by too much easy credit and risk premiums that were too low. When confidence returns, the recovery will begin. While the timing is uncertain, current valuations of many quality shares are just too low and will look like bargains in 6, 12 or 24 months from now!

Our long term Forecasts are moderately Bearish (i.e. unfavourable) for both the Australian and New Zealand stockmarkets over the next year. The short term outlook for Australia is Bearish at just 17%, as a result of both a recent sharp dip in share prices and a rapid increase in short term interest rates - although interest rates have eased slightly over the last two weeks.

For now we shall remain fully invested in the recommended shares - and even add a new, under-valued potential growth company to our portfolio.

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Total Return Index for All Listed Shares

	Dec 10	2343.31		
	Dec 11	2344.31		
	Dec 12	2322.88		
	Dec 13	2316.19		
	Dec 14	2331.41		
Dec 17	2312.54	Dec 24	2337.54	
Dec 18	2302.67	Dec 25	Holiday	
Dec 19	2293.69	Dec 26	Holiday	
Dec 20	2296.67	Dec 27	2336.80	
Dec 21	2315.04	Dec 28	2330.60	
Dec 31	2338.82	Jan 7	2306.05	
Jan 1	Holiday	Jan 8	2296.51	
Jan 2	Holiday	Jan 9	2302.50	
Jan 3	2334.76	Jan 10	2294.83	
Jan 4	2329.91	Jan 11	2291.81	

Dividends

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
NZ Investment Trust	7.50p	21-12	18-01	-
Smiths City Market	1.50	08-02	15-02	Nil
Tower Ltd	6.00	25-01	05-02	Full

Australian Shares

Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on Monday February 11, 2008.

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

MARKET ANALYSIS is published 12 times per year by Securities Research Company Limited, P.O. Box 34-162, Birkenhead, Auckland. Subscribe online at www.stockmarket.co.nz or www.australia-stockmarket.com or email james@stockmarket.co.nz.

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