Twenty Seven Years of Independent Information and Unbiased Advice on the Australian and NZ Stockmarkets

# **Market Analysis**

Issue No. 433	www.stockm	harket.co.nz July 14, 2008
Insid	e Mark	xet Analysis
Doom and gloom but insiders BUY	1, 12	TFS Corporation upgrades profit forecast
Smith City Group profits steady	4	InsiderTrades9, 10, 11
AJ Lucas Group outlines \$190-250 million <i>Gloucester Basin</i> development plans	4	Founder: James R Cornell (B.Com.)

### Summary and Recommended Investment Strategy.

Government scientists are predicting that the end of the world is nigh. Professional (mis)managers of *other people's money* got things *very wrong* last year and are now predicting *another* stockmarket crash. Company *insiders* are aggressively buying shares *with their own money*. History shows that only one of these groups has *consistent* success with investments! Which group will you follow? It is not a difficult choice . . . but, unfortunately, most people will get it wrong.

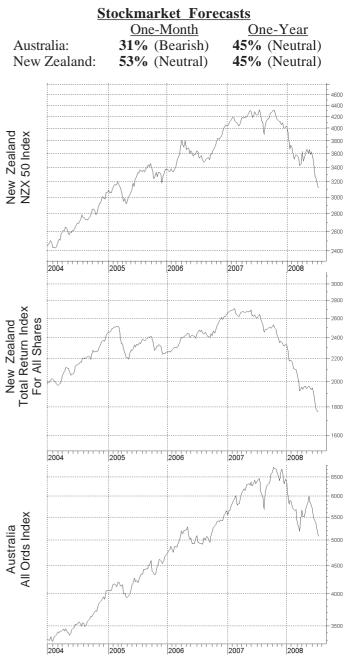
### Investment Outlook.

Petrol at A\$8/litre (up 480% or 17% per annum) over the next decade? That is the sort of extreme prediction that regularly happens near the end of every boom or bust . . . so when this type of prediction appears in the media it probably means energy prices have peaked and will decline slightly from here! Not surprisingly, the geniuses at the *Future Fuels Forum* also concluded that (1) "people on low incomes were most likely to be affected" and (2) "such prices could force early action on alternative fuels". Such insight!

Of course, *if* you do believe such an outcome is even *possible* then your next investment action is obvious: Buy bicycle manufacturers and Sell property trusts owning inner city offices (and mortgage trusts and take your money out of the bank before this results in the *next* banking crisis!).

In his 1989 book "One Up on Wall Street", Peter Lynch discussed what he calls "penultimate preparedness" - people preparing for the *last* thing that happened. Lynch wrote "The day after the market crashed on October 19 [1987], people began to worry that the market was *going* to crash". Things haven't changed. Oil has risen strongly in price . . . so everyone is now preparing themselves for the oil price to rise strongly over the years ahead. At least three major international banks - who failed to predict last year's *Credit Crunch* and stockmarket decline (and, most importantly, failed to protect their own Shareholders Equity)-have recently warned public investors about the *coming* stockmarket crash!

The Sovereign Wealth Funds (SWF) of oil producing nations must think we are foolish. We'll buy their oil at record high prices . . . and are then willing to sell our companies at record low valuations! Although, actually, there is nothing new here and we have seen this all before . . . during the 1973/4 oil crisis. Opec's 1974 profits *exceeded* the total value of the United Kingdom stockmarket. *(Continued on Page 12)* 



"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	PriceSales PE Gross Ratio Ratio Yield	Performance Forecast Price	Price/Sales PE Gross Ratio Ratio Yield	Performance Forecast Price	Price/Sales PE Gross Ratio Ratio Yield
A2 CorporationD9.0AMP Onyx Mgmt B106AMP LimitedC815Abano Health.B455Afro HoldingsC50Air New ZealandC109Akd Int AirportC194Allied Work.C72Allied FarmersC127Apple FieldsC6.5Barramundi LtdC58Bis TechnologyE5.5Botry-Zen LtdD3.6Dirscodway IndC75Burger FuelE46CDL InvestmentsD30Cabletalk GroupE1.9Cadmus Tech Ltd E9.5Cavotec MSLB470Cert OrganicsE3.6Charlie's GroupB10Contact EnergyB760Cynotech Hold.E14Deornion Fin.C14Dorchester PacE23Eastern Hi-FiD10Ebos Group LtdB450F & P Appliance192F & P ApplianceCDorderess Res.E10Goodman Prop.B301Genesis Res.E10Goodman Prop.B109Guinness PeatC133GuocoLeisureD70Hallenstein G.C257Hellaby Hold.C160Heritage Gold *N/R3.4Horizon EnergyA303<	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Infratil NZ C 196 Jasons Media D 75 Just Water Int. C 50 Kermadec Prop. B 65 Kingfish Ltd C 92 Kinkcaldie & St B 280 Kiwi Property B 113 Life Pharmacy E 40 Lion Nathan Ltd A 1086 Livestock Imp. A 325 Lombard Group E 13 Lyttelton Port B 225 Mainfreight Grp B 640 Marlin Global E 64 Media Tech. D 4.0 Methven Limited B 160 Metro. LifeCare C 452 Michael Hill D 77 Mid-Cap Index C 253 Millennium & C. C 60 Mowbray Collect D 120 Mr Chips Hold A 290 NZ Exchange Ltd B 729 NZ Experience C 265 NZ Finance Hold D 277 NZ Farming Sys. C 182 NZ Invest Trust B 1090 NZ Windfarms D 93 NZ Wool Service C 37 NZSX 10 Fund D 89 NZSX 50 Port. D 135 NZX Aust MidCapC 610 Nat Property Tr B 49 New Image Group D 15 Northland Port A 256 Nuplex Indust C 516 Opus Int'I Cons D 160 Oyster Bay A 267 Ozzy (Tortis) C 350 PGG Wrightsons A 260 Pac Edge Bio. E 10 Property F Ind. B 114	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	ProvencoCadmus E 22 Pumpkin Patch C 144 Pyne Gould Corp B 310 Rakon Ltd C 280 Renaissance C 45 Restaurant Brds C 82 Richina Pacific C 47 Rubicon Limited E 85 Ryman Health. C 164 Salvus Strat. A 90 Sanford Limited A 518 Satara Co-op A 95 Savoy Equities E 1.9 Scott Tech. Ltd C 102 Sealegs Corp E 40 Seeka Kiwifruit B 242 Skellerup Hold. C 84 Sky Network TV C 417 Sky City Ltd C 300 Smartpay NZ Ltd D 2.1 Smiths City D 43 Sol. Dynamics D 45 South Port NZ B 205 Speirs Group D 33 Steel & Tube C 260 Sthn Travel C 25 Tag Pacific Ltd D 24 Taylors Grp Ltd C 130 TeamTalk Ltd C 195 Telecom Corp C 339 Telecom Limited B 195 Training Sol. D 0.2 Trust Power Ltd B 770 Turners Auction D 75 Utilico Int'l B 61 VTL Group Ltd D 1.5 Vector Ltd B 198 Viking Capital E 10 WN Drive Tech. E 33 Wakefield Hlth B 840 Warehouse GroupC 400 Widespread Port <sup>+</sup> N/R 50 Windflow Tech. C 380 Warde Index Fd D 118 Xero Ltd C 92 Zintel Comm. D 26 Ave of 150 Cos C 186	0.18     NE     Nii       0.66     9     9.3       1.59     10     10.1       1.96     32     Nii       0.10     6     24.9       0.26     7     11.8       0.14     3     3.2       0.38     NE     Nii       0.14     3     3.2       0.38     NE     Nii       0.26     11.8     0       2.10     2     9.1       1.31     25     6.3       0.26     12     4.7       N/A     NE     Nii       0.50     12     4.7       N/A     NE     Nii       0.50     NE     5.3       2.62     14     3.6       1.67     14     12.9       0.16     NE     Nii       0.50     RE     Nii       0.68     NE     Nii       0.69     6     10.5       0.47     9     13.8
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### **Recommended Investments**

**Lyttelton Port Company** reports that the shipping line **CMA CGM** will discontinue their container service through Lyttelton in August, instead relying on other Trans-Tasman shippers to connect with its service out of Melbourne.

**Postie Plus Group** reports a "slowdown in sales" for the three months to 30 April 2008 and reduced margins. Revenues for the quarter were \$95.3 million, down 1.8% on the same period the previous year. The company now expects to only break-even for the second

half of the year after *including* non-recurring restructuring costs, so the annual result will show little change from the half year *loss* of \$2.9 million.

In addition there will be a *loss* of around \$3.2 million (i.e. mainly from goodwill written-off) on the planned sale of the *Arbuckles* chain of manchester and homewares stores to Jan Cameron. The sale will include all of the stock and about half of the 25 stores. Remaining stores will be converted to other company brands or closed as leases expire (*Continued on Page 4*)

	Portfolio	of	Red	COW	m	ena	lec	1 1	ny	est	me	ents	4
CURRENT	origono	IJ	1100			- Issued			Price/		Recent		Total
ADVICE	Company		itial Recom		<u>n</u> mance	Shares	tility	Sales I	Earning	sDividend	d Share	Dividend	s Return
		Code	- Date -	Price	Forecas	t (mil.)	Ratio	Ratio	Ratio	Yield	Price	Rec'd	%
	NZ Shares												
HOLD	CDL Investments Ltd	CDI	12/01/99	25	D	218.9	1.4	2.11	6	11.4	30	17.9	+92%
BUY	Cavalier Corporation	CAV	05/12/95	156*	В	65.5	0.8	0.66	9	13.3	214		+176%
HOLD	Colonial Motor Company		10/11/92	150	В	27.9	0.5	0.20	13	10.6	323		+333%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	В	102.3	0.7	3.01	24	2.7	225	64.8	+93%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	D	382.8	0.9	0.84	14	5.0	77		1908%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	350	C C	79.9	0.6	0.28	16	8.1 22.4	516		+109%
HOLD HOLD+	Postie Plus Group Renaissance Corp	PPG RNS	08/05/06 13/08/96	71 85*	C	40.0 42.7	1.4 1.5	0.12 0.10	6 6	22.4 24.9	40 45	8.5 50.9	-32% +13%
HOLD+	Smiths City Group	SCY	09/10/06	64	D	42.7 53.0	1.5	0.10	6	24.9 10.5	43	50.9 7.0	-22%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	0.8	3.68	24	5.6	205		+152%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	C	88.2	0.8	0.49	8	16.6	260		+216%
HOLD	Taylors Group Ltd	TAY	09/11/99	102	č	24.3	0.8	0.43	9	13.8	130		+106%
	Australian Shares (in Aust		00/11/00	102	Ŭ	21.0	0.0	0.17	Ŭ	10.0	100	00.0	110070
HOLD	AJ Lucas Group	AJL	13/05/03	120	А	54.2	0.7	1.32	45	0.5	526	26.0	+360%
BUY	Atlas South Sea Pearl	ATP	14/05/96	73	A	89.3	1.3	1.55	4	11.0	37	17.5	-26%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	406*	А	52.1	0.3	1.80	19	3.6	2628	357.6	+635%
HOLD+	Cellnet Group Ltd 1	CLT	12/02/02	147*	D	74.3	1.4	0.03	NE	Nil	33	32.4	-41%
HOLD	Circadian Technologies	CIR	10/02/04	188	D	40.1	0.9	13.89	0	Nil	90	65.0	-18%
BUY	Clarius Group Ltd	CND	08/04/03	86	В	53.4	0.8	0.25	5	13.8	138	61.5	+132%
BUY	Computershare Ltd	CPU	12/08/03	189	В	590.9	0.4	2.98	18	2.0	835	61.5	+374%
BUY	CPT Global Ltd	CGO	10/03/08	88	В	35.6	1.0	0.57	8	11.7	66	Nil	-25%
BUY	Devine Ltd	DVN	13/11/06	94	В	284.2	1.0	0.36	9	10.0	80	12.0	-2%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	С	68.4	1.6	0.42	8	Nil	28	Nil	-43%
BUY	Fiducian Portfolio Ser	FPS	11/02/08	260	A	33.1	0.8	2.99	15	4.4	240	Nil	-8%
HOLD	Housewares Int'l	HWI	13/11/06	171	E	125.0	0.9	0.36	8	Nil	107	8.5	-33%
HOLD	Iluka Resources Ltd	ILU	12/10/04	471	A	232.9	0.6	0.95	9	5.1	435	64.0	+6%
BUY	Integrated Research	IRI	14/01/08	40	B	166.3	1.4	1.49	10	9.2	33	1.5	-15%
HOLD+	Int'l AllSports	IAS	11/02/03	180	С	66.4	1.7	0.01	NE	Nil	27	4.0	-83%
HOLD BUY	Keycorp Ltd	KYC	10/08/04	123*	С	82.2	1.7	0.21	NE	Nil	25	Nil	-80%
HOLD	M2 Telecommunications	MTU MMY	09/10/06	33	B C	60.2 105.0	1.2 2.3	0.69 N/A	13 NE	6.0 Nil	50 13	5.0 Nil	+67%
HOLD+	Mercury Mobility <sup>1</sup> Mercury Brands Ltd	MCB	08/02/05	93	D	62.2	2.3 3.3	0.07	NE	Nil	6	7.0	-86%
HOLD+	Melbourne IT	MLB	10/02/03	93 53	A	76.8	3.3 0.5	1.52	17	4.3	304	36.0	-00% +542%
HOLD	M.Y.O.B. Ltd	MYO	15/07/03	84*	В	385.3	0.8	2.16	23	4.1	103	33.3	+62%
BUY	Probiotec Ltd	PBP	11/02/08	116	A	46.5	0.8	1.08	12	Nil	125	1.0	+9%
HOLD	Ross Human Directions		14/08/01	92	В	82.9	1.3	0.09	6	10.4	39	31.0	-24%
HOLD+	Skilled Group Ltd		12/03/02	126	В	104.6	0.7	0.19	9	8.7	254		+187%
	Technology One Ltd		11/11/03	44	В	297.7	1.0	3.10	16	4.6	82		+115%
BUY	TFS Corporation Ltd		08/01/07	45	Ā	162.1	0.9	3.87	9	3.2	108		+141%
HOLD	The Reject Shop Ltd		11/01/05	257	В	25.6	0.4	0.87	20	3.3	950		+311%
The avera	ige Total Return (i.e. both Capita	al Gains/L	osses plus D		receive	d) of all cu		vestmer	nts from	initial rec			
This is eq	ual to an average annual rate	of +25.7	%, based up	oon the le	ngth of	time eac	h positi	ion has l	been he	eld.			

This is equal to an average annual rate of +25.7%, 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 141 closed out) is +30.8%, compared with a market gain of +6.0% (by the SRC Total Return Index).

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

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

(1) Cellnet Group return includes 11/2 shares of Mercury Mobility distributed tp shareholders.

#### Page 4 Recommended Investments

*(Continued from Page 3)* with "no material impact on future earnings". The sale will reduce operating costs and interest costs on a division that has not been profitable for Postie Plus Group. Jan Cameron has meanwhile increased her shareholding in Postie Plus Group from 13.9% to 15.1%.

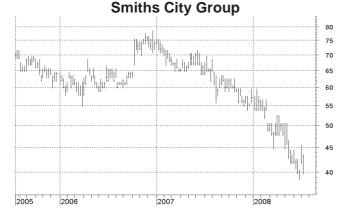
<u>Smiths City Group</u> reports a 7.2% drop in revenues for the year to 30 April 2008, but profits were just 1.7% lower at \$3,562,000 (6.7 cents per share). A 1.0 cent lower final dividend of 3.0 cents will make an 18.2% lower annual dividend rate of 4.5 cents (unimputed).

There was a cash operating surplus of \$4.1 million, compared with a *deficit* of \$1.0 million the previous year.

The drop in revenues largely reflects the sale of its Christchurch building supplies business, with same store sales just 2.2% lower than the previous year.

This is a very good result given current economic conditions. The company retails large appliances and furnishings (i.e. a sector of the retail market that is particularly hard hit in a downturn as consumers defer large purchases) and operates a finance company (i.e. an industry that is performing very poorly in New Zealand at this time - although mainly from poor lending and over-exposure to property loans).

The company expects "very difficult" trading conditions to continue but is "confident that our business model will be successful regardless of how difficult trading conditions become". The "slow but steady" expansion in the North Island will continue with a new store in Bethlehem, Tauranga, opening this month.



**South Port** has upgraded its profit forecast for the year that ended 30 June 2008. At the half year the company had predicted a 5-10% fall in profits, but now expects profits to be 3-5% higher at \$2.3-2.35 million. This improved result reflects a 4.2% increase in freight volumes to 2.25 million tonnes.

Since the start of the new financial year (i.e. this month) the company has sold its backup mobile harbour crane, realising a \$185,000 gain (after tax).

#### Australian Shares

(*This section is in Australian currency, unless stated.*) **AJ Lucas Group** has released initial certified estimates of coal seam methane gas reserves at its 15% owned *Wolleebee Creek* (ATP 651) joint venture, plus development plans for its 70% owned *Gloucester Basin* CSM gas discovery.

At *Wolleebee Creek*, exploration has identified 24.7 billion cubic feet (BCF) of Proved Volumes, 264.0 BCF

of Proved and Probable volumes, 805.2 BCF of Proved, Probable and Possible volumes plus a further 212.8 BCF of Contingent Resources. The joint venture is "likely to approve substantial additional expenditure" on exploration over the next year.

AJ Lucas Group has lodged plans to develop its coal seam methane resource in the *Gloucester Basin*, with the first gas production possible from early 2010. The first stage involving Field Development could cost around \$80-100 million and requires drilling 60-80 wells at 600-800 metre intervals in the area surrounding the *Stratford* exploration wells. This is expected to produce 15-25 PJ of gas annually and production could be expanded later with additional wells drilled to the north, south and west. The second stage would be to construct a Compression Plant (including dehydration and waste water treatment) at a cost of \$60-70 million. The final stage would be a 10 inch, or 16-18 inch, high pressure pipeline connecting to the Hexham Trunk pipeline at a cost of \$50-80 million.

So the total capital cost of developing this gas field and bringing the gas to market will be around \$190-250 million - although much of this work (i.e. the gas drilling and pipeline) can be done within the group. At current market prices, 15-25 PJ of gas would generate annual revenues of \$37-62 million with low operating costs (other than interest and depreciation on the capital cost of development). As the second and third stages of this project would generate reliable cashflows, most of the capital expenditure for the compression plant and pipeline could be debt financed. So AJ Lucas Group would probably need to raise some additional equity (i.e. perhaps through a partial float of Lucas Energy) to help finance part of the initial and more risky \$80-100 million field development.

The economics of this project will likely increase significantly over the next few years as gas prices rise especially with the development of LNG exports from Queensland (as discussed last month) which would divert cheap gas from the domestic market to the international market where prices are 3-4 times higher.

Once established, this project could also be expanded with relatively modest capital expenditure to increase gas production (i.e. by drilling new wells) and upgrading the compression plant.

Based upon these limited figures, we very roughly estimate that AJ Lucas Group's 70% interest in the Gloucester Basin project could be worth around \$70-170 million (or 120-285 cents per share), while development would help provide a full workload (i.e. strong revenues and good margins) for its drilling and pipeline divisions.



<u>Austin Group</u> has changed its name to <u>Mercury</u> <u>Brands</u> (code MCB). See below.

<u>Cellnet Group</u> plans to terminate 19 staff - mainly in its warehouse - owing to "operational and process improvements". Sales volumes are expected to increase over the next year but efficiency improvements will allow the company to process these with fewer staff.

<u>**Circadian Technology**</u> has confirmed its transition from a "biotech incubator" and investment company to becoming a "drug development company" through its 67% shareholding in **Vegenics**. This company is using VEGF-C and VEGF-D technologies to develop anticancer drugs.

*Avastin*, an anti-cancer drug using VEGF-A, generates annual sales of US\$6 billion for **Genetech Inc** and **Hoffman-LaRoche**.



<u>Computershare</u> is predicting profit growth of "around 40%" for the year ended 30 June 2008. The company also believes that "turbulent markets are better" for it than calm financial markets and while Merger & Acquisition work has declined there has been an increase in work for listed companies raising new equity.

At 835 cents, Computershare trades on 18 times its 2007 profits, so a 40% increase in profits for the year just ended would reduce the Price/Earnings ratio to just 13. **Computershare** 



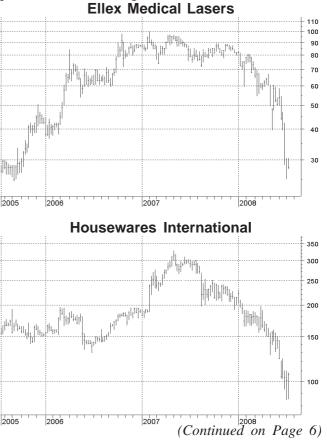
**Devine**'s major shareholder, **Leighton Holdings**, has taken advantage of recent low share prices to buy a further 8,093,758 shares on-market at prices between 82 and 89 cents. This lifts Leighton Holdings' ownership from 40.0% to 43.4%. That company also has pre-emptive rights over another 14.6% of Devine owned by David Devine and Ken Woodley.

We ultimately expect that Leighton Holdings will takeover 100% ownership of Devine - but hopefully not for a few years during which time Devine expands and builds its business and increases its value! Devine has completed the first phase of its apartment/ hotel development at 131-135 Bourke Street, Melbourne, with the purchaser settling the land component and paying the first progress payment. The 398 room, 25 level development which will be completed in late 2010 was pre-sold earlier this year to the Singapore based **The Ascott Group** for \$136 million.

**Ellex Medical Lasers** continues to experience difficult short term trading conditions and has again downgraded its forecast for the year to 30 June 2008. In May it predicted "modest" growth but now expects earnings to be "less than" in 2007.

These difficult trading conditions are expected to continue into the new financial year with revenue growth "expected to slow in the short term". While the company will continue to seek long term growth (i.e. by building its US sales channels and new product development), it will "balance growth with stronger emphasis on profitability and cashflow in the short term", focus on reducing product cost to remain competitive and improve margins, and seek to minimise working capital by managing inventory.

A glitch in the market - caused by slowing economic growth and uncertain financial conditions - is of little concern. While Ellex Medical Lasers' share price has dropped significantly this will allow us to acquire more shares at very attractive prices over the next year or so. The one statement from the company that does mildly concern us is that a "strong share price is critical to further investment in growth". That would indicate that the company's growth plans are dependent upon issuing new shares either to existing shareholders to raise new cash or to finance acquisitions. The company, however, is in a sound financial position at present so should be able to grow internally (i.e. by developing markets and new products) from existing resources.



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#### Page 6 Recommended Investments

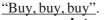
*(Continued from Page 5)* **Housewares International** has confirmed its earlier forecast of earnings (before interest and tax) of around \$37 million. We estimate that at a net profit of \$20.5-21.0 million or about 16<sup>1</sup>/<sub>2</sub> cents per share.

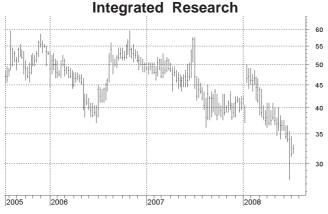
<u>Iluka Resources</u> has re-started its operations in Western Australia having secured natural gas supplies from an alternative supplier. Gas volumes will be "variable from day to day" and costs will be higher but "not material in the context of the overall cost base".

**Integrated Research** has released a version of its *PROGNOSIS* performance monitoring software to run on the new *HP Integrity NonStop NB50000c BladeSystem* the first fault-tolerant, high volume server.

Integrated Research is a software company whose shares trade on a Price/Earnings ratio of 10 and offer a Dividend Yield of 9.2%. For the first half of the current year revenues were up 25%, profits up 121% and the interim dividend raised 50%.

So Integrated Research shares will look even cheaper when the full year result is announced in a couple of months and can now effectively be bought at a single digit P/E and double digit yield! That is a ridiculously low valuation for a high quality growth company share. The company generates strong cashflows from recurring revenues, invests heavily in Research & Development and has strong growth potential from its VoIP monitoring software. The company has no debt and around \$8.7 million (5.3 cents per share) in cash. In a few years investors will scratch their heads wondering how it was ever possible to buy these shares for just 33 cents!

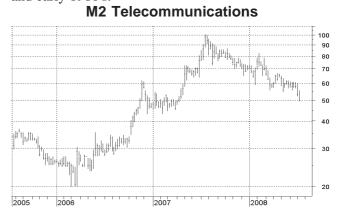




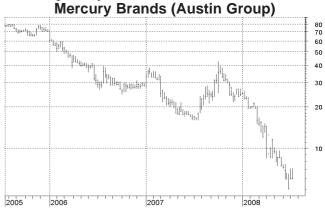
<u>M2 Telecommunications</u> has signed a contract to supply **People Telecom** with **Optus** 3G mobile services which is expected to generate at least \$9 million in revenues over the next two years.

At 50 cents - and based on results to June 2007 - M2 Telecommunications shares trade on a Price/Earnings ratio of 13 and Dividend Yield of 6.0%. First half revenues were up 105%, profits increased 160% and the interim dividend was doubled. The full year profit to June 2008 is forecast at \$4.7-5.1 million - or 6.0-6.5 cents per share on capital increased to finance some acquisitions. That would reduce the P/E ratio to around just 8, with perhaps a 50% lift in the annual dividend rate (i.e. to a yield around 9%).

This is another growth company share trading on a very low valuation. Bargains like this haven't been so



<u>Mercury Brands</u> (formerly <u>Austin Group</u>) convertible notes held by the receiver of Hawkswood Investments have been sold to a private family investment company Capital Investors Pty. The new investor has contracted <u>not</u> to redeem the notes until 2012 and agreed that the notes will <u>not</u> pay interest from 2009 until 2012. <u>This will save the company a total of</u> \$2.4 million in interest costs - a significant amount given that the market currently only values this company's total issued capital at just \$3.7 million!



**TFS Corporation** has significantly upgraded its expected results for the year to June 2008 - in line with the potential we had been estimating for the company. Previously it had predicted "at least 650 hectares" of Managed Investment Scheme plantations sales although we had predicted it would produce its capacity of around 800 hectares and retain ownership of any unsold units. The company has now confirmed sales of 808 hectares (up 44.7%). It has also upgraded its forecast of a 15% profit increase to a 54-58% increase in net profit (before plantation revaluations which last year contributed about 20% of total profits). The detailed results will be announced on 18 August.

The company has also issued 200,000 shares to acquire a 50% interest in **Northern Development Company Pty**, a land development company in Northern Australia. This will enable TFS Corporation to "significantly enhance" its own land development skills.

Two further leasehold properties, totalling 450 hectares, have been acquired and this increases the company's undeveloped land bank to 4300 hectares suitable for sandalwood cultivation. That is equal to five years of development at 800 hectares annually, or 2-3

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

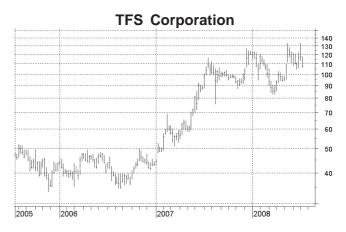
For an explanation of this table see the *Share Selection Methods* report sent to all new subscribers or available from our website. These shares are not formal "buy" and "sell" recommendations, but the "Under-Valued", "Best Performing" and "Income" shares should be considered for purchase, while the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

Company	<u>S</u> Share Price	Cur- rent	<u>GTH F</u> 4-Wkl Chg.	R <u>ATIN</u> Rank 0-99	Inside Buy-Sell	Brokers Following	PriceF to NTAE	Returi on Equity	nVola til- ⁄ity	-Pric Earn Ratic	eDivi- .dend )Yield	Price Sales Ratio	Market Cap'n	Company	Share Price	STREN Cur- rent	<u>GTH</u> 4-Wk Chg.	R <u>ATIN</u> Rank 0-99	Inside Buy-Sell	Brokers Following	Pricel to NTAI	Returr on Equity	nVola til- ity	-Price Earn. Ratio	eDivi- dend Yield	Price Sales Ratio	Market Cap'n
UNDER-VALUED	SHARES	:Lowe	stPrice	/Sale	s, Yld:	>0,F	lel Stre	ength >	>0					Property FInd.	114	-4.2	-0.8	34	0-0	4	0.8	6	0.5	13	7.7	7.71	240
<b>Richina Pacific</b>	47	+4.5	-5.3	9	0-0	-	0.5	16	1.3	3	3.2	0.14	71	Akd Int Airport	194	-11.9	-0.1	69	2-1	8	1.2	5	0.6	26	6.3	7.36	2,370
Turners&Grow.	210	+0.3	-0.3	18	0-1	2	0.7	6	0.7	11	10.0	0.35	194	NZExchangeLtd	729	-1.9	+1.4	26	0-0	2	6.1	30	0.6	20	4.3	5.62	177
Skellerup Hold.	84	+2.4	+0.0	12	6-0	2	2.4	2	1.2	153	5.3	0.50	111	Kiwi Property	113	-4.8	-0.0	39	3-0	4	0.8	11	0.5	8	8.1	5.45	940
Mainfreight Grp	640	+3.1	+1.2	10	3-6	4	2.5	16	0.6	15	4.2	0.65	618	Burger Fuel	46	-10.6	+1.5	64	0-0	-	5.3	-	0.8	NE	Nil	5.17	24
PGGWrightsons	260 -	+10.9	+4.4	5	10-0	3	1.8	6	0.7	28	6.9	0.71	731	SealegsCorp	40	-5.9	+1.8	44	0-1	- 1	15.8	-	1.3	NE	Nil	5.04	30
Livestock Imp.	325 -	+21.5	+12.0	2	0-0	-	1.0	10	0.6	10	11.5	0.81	96	A2Corporation	9	-18.0	-0.3	82	0-0	-	-	-	1.8	NE	Nil	4.86	14
-														KermadecProp.	65	-8.2	+0.6	55	4-0	-	0.6	7	0.7	8	13.3	4.63	50
BESTPERFORM	NGSHAR	ES:St	ronaes	tSha	res.P/E	E<20	).P/S<	:1.0						ING Property	86	-7.6	+0.6	52	1-0	3	0.6	10	0.4	6	11.5	4.28	442
Livestock Imp.	325 -			2	0-0		1.0	10	0.5	10	11.5	0.81	96	VikingCapital	10	-25.6	-7.3	90	0-0	-	1.4	-	1.6	NE	Nil	3.85	8
Media Tech.	4 -	+15.6	+8.3	3	0-0	-	14.3	-	2.9	4	Nil	0.63	3	South Port NZ	205	-4.5	+0.3	37	0-0	1	2.1	9	0.5	24	5.6	3.68	54
<b>Richina Pacific</b>	47	+4.5	-5.3	9	0-0	-	0.5	16	1.0	3	3.2	0.14	71	Trust Power Ltd	770	-0.1	-0.2	20	0-2	4	1.9	8	0.5	25	5.5	3.56	2,429
Mainfreight Grp	640	+3.1	+1.2	10	3-6	4	2.5	16	0.5	15	4.2	0.65	618	F&PHealth.	235	-12.1	-2.7	70	1-16	6	6.1	18	0.5	34	7.0	3.35	1,197
Turners&Grow.	210	+0.3	-0.3	18	0-1	2	0.7	6	0.5	11	10.0	0.35	194	Lyttelton Port	225	-4.5	+0.1	38	0-0	3	1.9	8	0.5	24	2.7	3.01	230
														Nat Property Tr	49	-8.0	+1.5	53	0-0	4	0.5	12	0.6	4	10.2	2.75	93
INCOMESHARES	: Hiahest'	Yields	. Capita	alisati	on>N	Z\$10	0 millio	n																			
Hallenstein G.		-14.3	-4.6	75	2-1		2.3		0.4	7	20.3	0.77	153	WORSTPERFOR	MINGSH	ARES	:Weake	estSh	nares. F	P/SRa	atio>0	).25. Yi	ield<	Twice	Avera	ae	
Telecom Corp	339	-5.4	-0.6	42	9-20	11	1.9	26	0.6	7	15.6	1.25	6,087	Charlie's Group	14	-58.3	+0.0	98	1-0	-	2.7	Ó	1.2	NE	Nil	1.50	40
BriscoeGroup	90	-13.5	-3.5	74	3-0	5	1.6	19	0.6	9	13.3	0.47	191	ICP Biotech.	2	-32.6	-3.8	92	0-0	-	-	-	3.0	NE	Nil	N/A	8
Cavalier Corp	214	-6.3	-0.9	45	0-0	4	2.2	23	0.6	9	13.3	0.66	140	CertOrganics	4	-26.2	+0.1	91	0-1	-	0.8	-	2.5	NE	Nil	1.17	10
Sky City Ltd	300	-11.2	-1.7	66	1-8	10	3.6	26	0.7	14	12.9	1.67	1,352	VikingCapital	10	-25.6	-7.3	90	0-0	-	1.4	-	1.5	NE	Nil	3.85	8
F & P Appliance	192	-14.6	-0.5	76	2-6	6	0.8	8	0.8	10	12.3	0.39	546	WoolEquities	32	-25.1	-2.0	90	0-0	-	0.6	-	0.6	NE	Nil	0.35	8
Tourism Hold.	140	-12.1	-1.6	69	2-0	4	0.8	8	0.7	10	11.7	0.72	137	NZFinanceHold	27	-23.7	-1.8	88	2-1	-	0.9	16	0.6	5	5.5	0.77	21
ING Property	86	-7.6	+0.6	52	1-0	3	0.6	10	0.5	6	11.5	4.28	442	GuocoLeisure	70	-19.0	+4.3	84	3-0	-	0.6	1	0.5	54	7.5	1.48	958
Air New Zealand	109	-20.8	+0.4	85	10-3	5	0.6	12	0.7	5	11.0	0.26	1,146	Pumpkin Patch	144	-18.9	+0.4	83	5-5	4	2.2	25	0.6	9	9.3	0.66	240
Methven Limited	160	-8.6	+3.4	57	3-3	2	1.9	18	0.7	11	10.9	0.93	107	A2Corporation	9	-18.0	-0.3	82	0-0	-	-	-	1.7	NE	Nil	4.86	14
														Metro.LifeCare	452	-15.3	+2.5	78	0-0	1	1.4	11	0.2	13	4.9	2.31	395
INSIDER BUYING	:MostInsi	derBu	ving, R	elativ	e Strer	ngth:	>0							Cynotech Hold.	14	-14.7	-0.8	77	2-0	-	1.1	16	1.2	7	5.5	1.06	12
PGGWrightsons	260 -			5	10-0		1.8	6	0.5	28	6.9	0.71	731	Heritage Gold	3	-14.4	+1.5	76	0-0	-	0.8	-	2.5	NE	Nil	N/A	10
NZFarmingSys.	182 -	+14.9	+5.2	3	7-0	-	-	-	0.6	NE	Nil	N/A	309	CadmusTechLtd	10	-13.3	+3.4	73	0-0	-	1.6	-	1.2	NE	Nil	1.02	26
Skellerup Hold.	84	+2.4	+0.0	12	6-0	2	2.4	2	0.9	153	5.3	0.50	111	FinzsoftSol'ns	80	-12.9	+0.5	72	0-0	-	1.9	-	0.5	NE	5.6	0.82	7
XeroLtd	92	+4.6	+4.6	8	5-0	-	4.5	-	0.9	NE	Nil	N/A	51	F&PHealth.	235	-12.1	-2.7	70	1-16	6	6.1	18	0.5	34	7.0	3.35	1,197
Plus SMS Hold.	7	+1.2	-8.8	14	5-0	-	3.6	-	2.5	NE	Nil	4.82	27														
PortTauranga	640	+1.0	+1.7	16	3-0	4	1.3	6	0.4	23	5.1	6.11	858	INSIDER SELLIN	G: Most Ir	nsider S	elling, F	Relati	ve Stre	ength	<0						
Affco Holdings	50 -	+10.5	+6.1	5	3-0	-	1.0	0	0.7	208	Nil	0.27	253	F&PHealth.	235	-12.1	-2.7		1-16		6.1	18	0.4	34	7.0	3.35	1,197
Mr Chips Hold	290 -	+34.6	+3.2	1	2-0	-	3.3	25	0.4	13	2.1	1.24	71	Telecom Corp	339	-5.4	-0.6	42	9-20	11	1.9	26	0.5	7	15.6	1.25	6,087
Pike River Coal	204 -	+47.8	+16.2	0	2-0	2	2.6	-	0.8	NE	Nil	N/A	535	Michael Hill	77	-9.6	-1.2	61	1-9	4	4.1	29	0.4	14	5.0	0.84	295
														Sky City Ltd	300	-11.2	-1.7	66	1-8	10	3.6	26	0.6	14	12.9	1.67	1,352
OVER-VALUEDS	HARES: H	liahes	tPrice/S	Sales	Ratios	.Rel	ativeSt	trenat	h<0					Mowbray Collect	120	-7.2	+0.2	50	0-4		3.0		0.3	56	Nil	2.74	13
WindflowTech.	380		+4.1	21	2-0		5.5		0.3	NE	Nil	9.35	32	F&P Appliance	192	-14.6	-0.5	76	2-6	6	0.8	8	0.7	10	12.3	0.39	546
Northland Port	256	-6.0	-0.2	45	0-0	-	0.7	6	0.4	12	6.4	9.07	111	Trust Power Ltd	770	-0.1	-0.2	20	0-2	4	1.9	8	0.5	25	5.5	3.56	2,429
BlisTechnology	6	-10.4	-4.0	63	0-0	-	3.4	-	1.7	NE	Nil	8.21	7	Fletcher Build.	638	-16.2	-1.9	79	1-3	6	1.4	21	0.5	7	10.5	0.54	3,185
ING Med. Prop.	111	-1.6	-0.8	26	4-0	4	0.8	5	0.5	15	8.6	7.92	154	SealegsCorp	40	-5.9	+1.8	44	0-1	- 1	15.8	-	1.3	NE	Nil	5.04	30
Goodman Prop.	109	-4.8	-1.8	40	2-1	4	0.8		0.5	9	9.1	7.71	909	Warehouse Group	400	-9.4	-5.7	60	0-1	8	3.7		0.5	11	6.5	0.71	1,244
													-	1	-												

years at the company's accelerating rate of growth!

As you can see from the chart below, TFS Corporation is one of the few shares to have gained in value over the last year. In fact, to achieve its 4% appreciation in value it had to produce a 60% profit growth for the year to June 2007 and promise 54-58% growth for the year to June 2008. That is a 146-153% compound increase in profits (or earnings per share up 110-120% owing to the issue of some new shares) *plus* achieve significant progress towards its long term growth objectives (i.e. finance and acquire new land holdings, expand the rate of plantation development and sales, arrange for the future sale of sandalwood products) just for the shares to remain virtually unchanged!! At the present time the stockmarket is a tough task master . . . but valuations have improved considerably over the year!

So TFS Corporation shares just become more and more attractive as the company rapidly expands its business and annual profits while the share price remains unchanged.



At 108 cents, TFS Corporation shares trade on a historical Price/Earnings ratio of 9, with the increase in the year to June 2008 reducing the P/E to around 6½-7. It is not often that the stockmarket offers high quality growth company shares on low single digit P/E ratios!

### 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	Share Price	<u>STREN</u> Cur- rent	<u>GTH R</u> 4-Wkl Chg.	<u>RATIN</u> Rank 0-99	Buy-Sell	ve <sup>n</sup> EPrice 행정 <u>이</u> 파고 NTA	ReturnVol on til Equity ity	a-Pric Earn Ratic	eDivi- dend Yield	Price Sales Ratio	Market Cap'n	Company	Share Price	STREN Cur- rent	<u>GTH R</u> 4-Wkl Chg.	ATINO Rank 0-99	Buy-Sell	<u>요 면</u> PriceF 정이 비가 다 비가 다 비가 다 비가 다 비가 다 비가 다 비가 다 비가 다	ReturnVol on til- Equity ity	a-Price Earn. Ratio	eDivi- dend Yield	Price Sales Ratio	Market Cap'n
OVER-VALUEDS	HARES	Hiahes	tPrice/S	Sales	Ratios	RelativeS	trenath<0					Baraka Petrol.	3	-36.6	-2.4	96	0-0		- 2.0	NE	Nil	N/A	10
Monto Minerals	7	-22.4		80	0-0		- 1.2	NE	Nil	N/A	22	NorthwestRes.	7	-36.5	-3.8	96	2-0		- 1.3		Nil	N/A	6
ExcaliburMin.	2	-6.7		39	1-0		- 2.7		Nil	N/A	10	ArcExploration	8	-35.9	-9.7	95	0-0		- 1.3		Nil	3.20	6
Phylogica Ltd	9	-27.0	+4.3	88	3-0		- 1.2		Nil	9.89	11	QuickflixLtd	5	-35.8	-3.7	95	3-0	- 5.0	- 1.5		Nil	1.26	14
Golden Gate Pet	26	-6.1	+1.0	37	0-0		- 1.0		Nil	9.85	46	EarlyLearning	20	-35.7	-2.0	95	0-0		- 1.0		Nil	2.58	9
Norwood Abbey	2	-27.6	+3.6	89	0-0	- 1.6	- 2.7		Nil	9.77	5	AinsworthGame	9	-35.7	-2.8	95	1-0	- 1.1	- 1.2		Nil	0.55	24
VentracorLtd	24	-23.0	-1.0	81	4-1	1 1.8	- 0.9		Nil	9.76	72	Atom Energy Ltd	7	-35.5	-0.6	95	1-0		- 1.3		Nil	N/A	6
FirstAustRes.	9	-8.5	+1.8	44	0-1		- 1.5		Nil	9.57	37	Engin Ltd	2	-35.5	-0.8	95	0-0	- 0.7	- 2.6		Nil	0.43	13
Anzon Australia	125	-10.1	-0.5	50	1-0	2 -	- 0.7		Nil	9.55	463	MacarthurCook	86	-35.0	+4.0	95	6-0	11 2.8	41 0.4	7	3.5	0.98	19
ASX Limited	3068	-15.5		64		11 11.5	64 0.4		5.3	9.49	5,242	GulfMinesLtd	13	-34.9	+3.1	95	9-0		- 1.3		Nil	N/A	14
ConnxionLtd	11	-7.3	+4.4	41	0-0	- 11.0	- 1.3		Nil	9.48	14	Solagran Ltd	31	-34.6	-4.8		19-0	- 31.0	- 0.7	NE	Nil	N/A	36
AuroraBuyWrite	800	-4.9	+3.8	33	0-0	- 0.9	25 0.4		18.4	9.29	13	SafetyMedical	9	-34.2	-3.0	94	0-0	- 2.1	- 1.1	NE	Nil	7.02	6
BeaconsfieldGl	14	-19.8	-0.3	75	2-0	- 3.5	- 0.9		Nil	9.09	35	RegisResources	22	-34.2	-0.8	94	2-0		- 1.1	NE	Nil	N/A	26
PioneerNickel		-21.9	+2.2	79	2-0		- 1.3		Nil	9.05	7	QLtd	1	-33.8	+0.0	94	1-0	- 1.4	24 2.8	6	Nil	0.89	9
Olympia Res.	7	-6.5	-8.0	38	0-1		- 1.7		Nil	9.02	15	QuayMagnesium	4	-33.7	-0.4	94	1-0	- 0.2	27 1.8	1	Nil	1.07	7
Eormanga Uran.	9	-23.0	-5.9	81	1-0		- 1.4		Nil	9.00	6	PieNetworks	3	-33.6		94	0-0		- 2.3		Nil	5.83	7
Metal Storm Ltd	5	-21.3	-0.1	78	1-0		- 1.6		Nil	8.89	29	BQTSolutions	5	-33.4	+0.8	94	1-0	- 5.2	- 1.4		Nil	4.64	18
PacificEnergy	43		+12.8	28	2-0	- 1.7	- 0.7		Nil	8.85	9	StyleLimited	23	-33.3	-0.5		12-1	- 3.3	2 0.8		Nil	1.00	20
SeekLtd	483	-14.2		61	1-1	12 13.4	54 0.5		2.8	8.74	1,373	BBX Holdings	9	-32.9	-3.4	93	0-0	- 0.7	10 1.2	8	5.6	0.67	7
Chal K Japan Tr	85	-8.7		45	0-0		- 0.7		5.0	8.73	128	Buka Gold Ltd	10	-32.7	+0.0	93	2-0		- 1.5		Nil	0.67	8
Natural Fuel	10	-31.2		92	5-0	- 0.6	- 1.1	NE	Nil	8.70	34	Sunshine Heart	4	-32.6	-4.4	93	1-0	- 1.1	- 1.4		Nil	2.32	7
Platinum Cap'l	122	-8.3	-0.1	43	0-0	- 0.8	5 0.4		12.3	8.67	151	NanosonicsLtd	21	-32.5	-1.0	93	0-0	- 1.4	- 1.0		Nil	7.27	21
Pro Medicus Ltd	112	-3.4	-0.1	29	0-0	1 9.3	59 0.5		4.9	8.62	112	Agenix Limited	4	-32.4	-6.8	93	5-2	- 1.9	- 1.7		Nil	N/A	14
IGDX Holdings	39	-8.8	+2.2	46	0-0	- 7.8	27 0.8		Nil	8.57	87	AnsearchLtd	2	-32.2	+1.7	93	3-1	- 1.6	- 2.7	NE	Nil	1.01	8
Hastings Hi-Yld	141	-9.0	-0.2	46	3-0	- 0.8	7 0.6		12.0	8.41	177	Axiom Property	11	-32.2	-1.9	93	2-0	1 1.3	8 0.9	16	Nil	2.95	35
Ramelius Res.	80	-14.2	-0.4	61	0-0		- 0.8		0.6	8.39	125	BossEnergyLtd	16	-31.9	-4.3	93	0-0		- 1.0		Nil	N/A	6
BunningsW/hse	166	-7.1	-0.9	40	0-0	4 0.7	6 0.3		7.8	8.37	500	Natural Fuel	10	-31.2	+1.6	92	5-0	- 0.6	- 1.0		Nil	8.70	34
Forest Place Gr	155		+1.5	33	0-0	- 0.7	25 0.5		Nil	8.30	128	CathrxLtd	85	-31.2	-3.8	92	1-0	1 1.3	- 0.4		Nil	N/A	26
Tanami Gold NL	7	-20.4	-2.2	76	11-0	1 -	- 1.5		Nil	8.21	55	OrdRiverRes.	13	-31.0	+1.2	92	0-0		- 0.9		Nil	N/A	21
Zylotech	5	-12.6	-7.5	56	0-0	- 4.9	- 1.6		Nil	8.03	6	IntermocoLtd	2	-30.7	-3.5	92	2-0		- 2.4		Nil	5.16	16
KeyBridgeCap'l	77	-21.2		78	3-0	- 0.5	2 0.9		Nil	7.87	130	Fairstar Res.	17	-30.6	+4.6	92	3-0		- 1.0		Nil	N/A	17
GatewayMining	10	-5.2	+2.7	34	1-0		- 1.1		Nil	7.69	10	ETTLtd	1	-30.2	-4.4	91	1-0		- 4.4		Nil	5.00	8
SparkInfrastru	162	-4.3	-0.3	31	0-0	7 -	- 0.5		9.4	7.61	1,634	RangeResources	21	-29.9	+1.2	91	1-0		- 0.7		Nil	N/A	36
Carindale Prop	329	-7.1	+0.6	40	0-0	1 -	- 0.3		7.6	7.58	230	RCRTomlinson	96	-29.8	+0.6	91	5-2	3 1.4	23 0.5	6	5.2	0.30	110
ING Priv Equity	76	-8.3	-0.4	43	3-0	- 0.6	11 0.5		9.9	7.39	33	MatrixviewLtd	18	-29.5	-3.2	91	0-0	- 18.0	- 0.9		Nil	N/A	22
IressMktTech	619	-6.9	-0.5	39		10 10.7	37 0.3		3.4	7.29	691	Kings Minerals	26	-29.2	+1.5	91	3-0		- 1.2		Nil	N/A	96
NanosonicsLtd	21	-32.5	-1.0	93	0-0	- 1.4	- 1.1		Nil	7.27	21	Babcock&Brown	715	-29.2	-4.0	91	0-0	8 0.9	14 0.5	6	5.0	0.96	1,920
Proteome Syst	12	-18.9	+1.5	73	0-0	- 4.0	- 1.3		Nil	7.23	19	Senetas Corp	3	-29.0	-1.3	91	2-0	- 3.4	- 2.1	NE	Nil	1.42	16
Safety Medical	9	-34.2	-3.0	94	0-0	- 2.1	- 1.2		Nil	7.02	6												
<b>PPKGroupLtd</b>	70	-4.6	-2.0	32	1-0	- 1.0	10 0.4		9.3	7.02	43	INSIDER SELLING	G: Most Ir	nsider S	ellina F	Relativ	eStre	enath<0					
Finbar Group	59	-9.4	+0.8	47	8-0	- 1.3	5 0.5		13.6	6.83	81	FleetwoodCorp	864	-0.5		23	0-8	5 4.7	29 0.2	16	2.7	1.39	432
TransurbanGrp	504	-10.5	-4.9	50	12-2	10 1.5	- 0.2	NE	10.7	6.82	5,385	RocOilCompany	165	-10.3	-0.3	50	1-8	7 -	- 0.6	5	Nil	2.07	492
Mintails Ltd	23	-17.3	-7.4	69	6-0	- 0.7	- 1.5	NE	Nil	6.74	114	ABC Learning	82	-41.4	+0.4	98	3-10	4 -	- 0.5	3	20.7	0.23	384
Eagle Bay Res.	3	-20.2	+2.0	76	1-0		- 2.5	NE	Nil	6.74	8	Hunter Hall Int	1000	-10.0	+1.2	49	4-10	- 5.3	42 0.3	13	7.1	3.98	252
NewcrestMining	3147	-4.6	-1.8	32	0-0	17 4.9	4 0.4	123	0.2	6.70	14,244	<b>TNG</b> Limited	8	-39.8	-1.7	97	0-5		- 1.3	NE	Nil	N/A	19
Arana Thera.	101	-1.4	+4.7	25	4-0	- 1.3	4 0.5	33	Nil	6.68	166	MEOAustralia	45	-21.9	+12.0	79	0-4		- 0.8	NE	Nil	N/A	142
Kal-Boulder Res	6	-22.8	-1.5	80	0-0		- 1.6	NE	Nil	6.67	9	AED Oil Ltd	235	-19.6	+6.5	74	0-4	3 0.6	- 0.6	NE	Nil	N/A	354
ING Office Fund	121	-5.5	+1.6	35	1-0	6 0.7	26 0.4	3	9.5	6.63	1,474	HydrometCorp.	7	-16.3	-2.9	67	1-5	- 1.5	14 1.2	10	1.4	1.17	23
Pipe Networks	356	-2.0	-1.4	26	3-1	4 3.7	11 0.4	33	1.4	6.51	158	JB Hi-Fi Ltd	1096	-6.8	+4.7	39	1-5	11 16.6	58 0.3	28	1.0	0.89	1,147
North Aust Diam	1	-20.1	+2.2	75	1-0		- 3.0	NE	Nil	6.50	13	CO2GroupLtd	36	-14.4	-0.4	61	0-3	- 7.2	- 0.8	NE	Nil	N/A	82
DeutscheIndTr	196	+0.0	+0.0	21	0-0	- 1.2	10 0.2	12	8.1	6.49	663	PMP Limited	94	-20.5	-4.0	76	0-3	7 1.1	18 0.5	6	3.2	0.22	281
												Invocare Ltd	570	-0.4	-2.4	23	0-3	9 15.4	75 0.3	21	3.9	2.50	571
WORSTPERFOR	MINGSH	ARES	Weake	estSh	ares, P	/SRatio>0	).25, Yield -	<twice< td=""><td>Avera</td><td>ge</td><td></td><td>Hill End Gold</td><td>27</td><td>-9.7</td><td>-4.2</td><td>48</td><td>0-3</td><td></td><td>- 0.9</td><td>NE</td><td>Nil</td><td>N/A</td><td>64</td></twice<>	Avera	ge		Hill End Gold	27	-9.7	-4.2	48	0-3		- 0.9	NE	Nil	N/A	64
Portland Ortho.	3	-43.7		98	1-0	- 2.6	- 2.0		Nil		8	Southern Gold	16	-19.3		74	0-3		- 1.0		Nil	N/A	12
Carnavale Res.	16		-0.2	98	2-0		- 1.3		Nil	N/A	8	Caspian Oil & G	5	-18.6	-0.1	72	0-3		- 1.6		Nil	N/A	45
Apollo Life Sci	4		+2.9	98	0-0	- 4.0	- 1.5		Nil	N/A	8	Vision Group	195		+1.2		1-4		- 0.4		6.2	1.29	128
Agri Energy Ltd	3		+3.2		0-0	- 0.1	- 2.0		Nil	N/A	6	Computershare	835		+0.2		3-6		- 0.3		2.0	2.98	4,934
<b>TNG</b> Limited	8	-39.8		97	0-5		- 1.4		Nil	N/A	19	HarveyNorman	300	-19.8		75		11 1.6	16 0.4		3.7	2.39	3,176
Antares Energy	8	-39.4		97	3-0	1 -	- 1.2		Nil	3.18	12	Charter Hall GR	86	-17.0	-3.5	68	4-7		10 0.4		12.2	5.91	373
Hyro Limited	4		+3.6	96	5-0	- 0.6	- 1.9		Nil	0.51	12	S/TracksASX50	4672	-3.8	-0.7	30	0-2		19 0.2		7.2	4.09	29
Contact Res.	9	-37.4		96	0-0		- 1.1		Nil	N/A	5	A1 Minerals Ltd	10	-24.5	-1.1	84	0-2		- 1.2		Nil	N/A	9
Advance Energy		-37.4		96	0-0		- 1.4		Nil	1.35	8	WrigdwaysAust		-11.8		54	0-2		- 0.4		7.3	0.58	66
Comtel Corp.	9		-2.2	96	3-0		- 1.2		Nil	1.22	10	S/TracksASX200	4655	-4.3	-0.9	31	0-2		20 0.3		7.2	3.71	512
Destra Corp Ltd	6	-37.0	-1.7	96	4-0		- 1.5		Nil	0.27	18	TechnologyOne	82		+1.8	39	0-2		41 0.4		4.6	3.10	243
NGMResources	6	-36.6	-0.2	96	5-0		- 1.5	NE	Nil	N/A	7	CocaCola Amatil	737	-10.1	-2.5	49	0-2	11 6.0	31 0.3	20	4.4	1.25	5,534

### "Insider" Trades in Australian Shares

ThetablebelowshowsthenumberofPurchases and Salesofacompany's shares by its Directors over the last twelvemonths (excluding 'Neutral's ituations 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: 92.0% Buyers Last 13 wks: 87.5% Buyers

Company	Insider Buyers- Sellers	Company	Insider Buyers- Sellers	Company	Insider Buyers- Sellers	Company	Insider Buyers- Sellers	Company	Insider Buyers- Sellers
1300 Smiles Ltd	2-0	AnvilMining	2-0	<b>Beach Petroleum</b>	0-1	Centro Retail	2-1	CuDeco Ltd	2-0
3D Resources	1-0	Anzon Australia	1-0	<b>Beacon Minerals</b>	6-0	Ceramic Fuel C.	6-0	Cue Energy Res.	1-0
3Q Holdings Ltd	1-0	ApaFinancial	8-0	Becton Prop Grp	1-0	ChalFinancial	5-0	Cullen Resource	0-4
900 Degrees Ltd	5-0	Apex Minerals	9-0	BellFinancial	8-0	Chal Infra Fund	2-0	Cumminscorp Ltd	1-0
A-Cap Resources A.P. Eagers	3-0 16-0	Aquarius Plat.	0-1 1-0	Bellamel Mining	5-0 2-0	Chalice Gold Chal Wine Trust	3-0 3-0	Curnamona En.	2-0 8-0
A.P. Eagers A1 Minerals Ltd	0-2	Aquacarotene Arafura Pearls	1-0 3-0	BendigoBank BenitecLtd	2-0 1-0	Chal Div Prop	3-0 2-0	Customers Ltd Cyclopharm Ltd	0-0 0-1
ABCLearning	3-10	Arana Thera.	3-0 4-0	Beyond Int'l	1-0	Chameleon Min.	2-0 2-1	Cypress Lakes	2-0
AED Oil Ltd	0-4	ArasorInt'l	8-0	Billabong Int'l	6-1	Charter Pacific	3-0	D'AguilarGold	1-0
AGLEnergyLtd	2-0	Archer Explor.	1-0	BiomdLtd	1-0	Charter Hall GR	4-7	DKN Financial	4-0
AJLucas	2-0	ArgosyMinerals	1-0	Biopharmica Ltd	0-1	Cheviot K Vine.	1-0	DMC Mining Ltd	1-0
AMF Asset Yield	0-1	Argo Investment	5-2	BiosignalLtd	1-0	CheviotBridge	7-0	DUETGroup	2-0
AMPLtd	7-0	Argo Explor.	2-0	Biota Holdings	3-0	China Century	6-0	DWS Adv Bus Sol	2-1
ANZBank APAGroup	8-0 9-0	Ariadne Aust Aristocrat Leis	1-0 3-0	Blackmores Ltd Bluescope Steel	1-0 4-0	China Y Copper Choiseul Inv.	5-0 2-0	Dark Blue Sea Datasquirt Ltd	3-0 2-0
APNProperty	8-0	ArrowEnergy	0-3	Blue Energy Ltd	4-0 1-0	Chrome Corp Ltd	2-0 2-1	Data 3 Ltd	3-4
APN News Media	5-0	Artist & Enter.	0-1	BoartLongyear	2-0	CircadianTech	3-0	Datadot Tech.	1-0
APN/UKAEuroPr	8-0	Asciano Group	8-0	Bonaparte Diam.	2-0	Citadel Res Grp	2-0	DavidJones	2-1
ARCEnergy	1-0	Ashburton Min.	1-0	BondiMining	2-0	Citic Australia	1-0	De Grey Mining	1-0
ASF Group Ltd	2-0	Aspen Group Ltd	6-0	Bone Medical	1-0	City Pacific	4-0	Deep Yellow Ltd	2-0
ASXLimited	0-2	Athena Res.	1-0	Boom Logistics	12-0	City View	0-2	Destra Corp Ltd	4-0
AWB Limited	3-0 1-0	Atlas SS Pearl	0-6	Boral Limited	4-0	Clarius Group	3-2	Devine Device Ltd	6-0
AXA Asia Pac Abacus Property	3-0	Atom Energy Ltd Audax Resources	1-0 2-0	Botswana Metals Boulder Steel	7-0 0-1	Clean Seas Tuna Clever Com Aust	1-0 6-3	Dexion Ltd Diamonex Ltd	3-0 0-1
AberdeenLeader	1-0	AugurResources	2-0 2-0	Bow Energy Ltd	6-0	Clime Inv Mamt	2-0	Diatreme Res.	2-1
ActinogenLtd	1-0	AuroraOilGas	1-0	BowenEnergy	2-0	Clime Capital	1-2	Div. United Inv	1-0
Adamus Resource	1-0	Aurox Resources	3-0	Bradken Ltd	5-0	Clinuvel Pharm.	1-0	Dolomatrix Intl	6-0
Adavale Res.	4-0	AusdrillLtd	4-0	Brand New Vint.	2-0	Clive Peeters	1-0	Dominion Mining	3-2
Adcorp Aust.	1-0	AusencoLtd	0-6	Brandrill	7-0	Cloncurry Metal	2-0	Downer EDI Ltd	12-0
Adelaide Bright	0-4	AusmeltLtd	1-0	Breakaway Res.	3-0	CloughLimited	4-0	Dragon Mountain	1-0
AdelphiEnergy	1-0	Aussie Q Res.	1-0	Bremer Park Ltd	1-0	Clover Corp.	7-0	Dragon Mining	2-0
Aditya Birla Admiralty Res.	0-1 1-0	Aust Foundation Aust Pharm. Ind	3-0 6-0	Brickworks Ltd Brickworks Inv.	6-2 10-0	Coalworks Ltd Cobar Cons Res.	1-0 1-0	Drake Resources Drillsearch	2-0 6-1
Adtrans Group	9-2	Aust United In	1-0	Brierty Ltd	3-0	CocaCola Amatil	0-2	Drummond Gold	1-0
Adv Surgical	1-0	AustalLimited	1-0	Broad Invest.	2-0	CochlearLtd	4-0	E & A Limited	10-0
Adv Nanotech.	3-0	Aust Wine Hold.	0-1	Brockman Res.	0-1	Cockatoo Coal	1-0	E-Bet Limited	9-0
Adv. Magnesium	1-0	Aust Wealth Mgt	5-0	Buccaneer En.	2-0	Codan Ltd	2-0	E-pay Asia Ltd	6-0
Advanced Energy	2-0	Aust Power Gas	5-0	Buka Gold Ltd	2-0	Coffey Int'l	1-0	E.R.G.	1-0
AdvancedEngine	2-0	Aust Infra.	4-1	Burleson Energy	3-0	Cogstate Ltd	3-0	ETT Ltd	1-0
Aequs Capital Aeris Tech Ltd	0-2 1-0	Austar United Aust Ethical In	0-1 0-1	C.S.R. Ltd CBH Resources	2-0 1-2	Collection Hse Colonial Res.	8-1 1-0	Eagle Bay Res. Eagle Nickel	1-0 2-0
AevumLtd	4-0	Aust W'wide Exp	2-3	CEC Group Ltd	0-1	ColorpakLtd	4-0	East Coast Min.	2-0 1-0
African Energy	2-0	AustEducation	5-0	CGA Mining Ltd	0-5	Com'wealth Bank	4-0	Eastern Corp	2-0
AgenixLimited	5-2	Aust Enh Income	1-0	<b>CI</b> Resources	2-0	ComOpsLimited	1-0	<b>Echo Resources</b>	6-0
AimResources	1-0	Austereo Group	0-1	<b>CMACorporation</b>	2-1	Comdek Ltd	2-0	Eftel Ltd	4-0
AinsworthGame	1-0	Aust Agricult.	1-0	CMI Limited	12-0	CommanderComm.		Electrometals	12-0
AlaraUranium	1-0	Aust Gold Ltd	1-0	CO2 Group Ltd	0-3	Community Life	7-0	Elixir Petrol.	1-0
Albidon Ltd Alchemy Res.	0-2 3-0	Autodom Limited Avalon Minerals	3-0 2-0	CSG Ltd CTI Logistics	1-0 10-0	Commquest Ltd Compass Res	5-0 1-0	Elk Petroleum Ellex Medical	9-0 2-0
Alchemia Ltd	5-0	AvantogenLtd	2-0 2-1	CVCLimited	1-0	Compass Hotel	6-0	Ellerston Gems	2-0 9-0
AleProperty	1-0	Avastra Sleep	3-0	CabchargeLtd	10-1	Computershare	3-6	Emeco Holdings	4-1
Alesco Corp Ltd	3-0	<b>Avexa</b> Limited	4-0	Cadence Capital	2-0	ComputerCORP	3-0	Emerald Oil & G	2-0
Alexanders Sec.	4-0	Aviva Corp Ltd	0-2	Calliden Group	1-0	Comtel Corp.	3-0	Emerg. Leaders	2-0
Alkane Explor.	1-0	Avoca Resources	0-3	CampbellBros	0-1	Coneco Ltd	2-0	Emmerson Res.	4-0
Allco Eq Part.	3-0	Axiom Property	2-0	Cape Lambert IO	0-6	ConnectEast Grp Conquest Mining	1-0	EmpiredLtd	2-0
Allco Max Sec. Allco Hit Ltd	1-0 9-0	Axiom Mining Azumah Res.	2-0 3-0	Capital Health Capral Limited	1-0 2-0	Conquest Mining Cons Tin Mines	5-0 1-0	Empire Oil, Gas Empire Sec.	0-4 1-0
AllcoFinance	4-0	Azure Minerals	1-0	Cardno Ltd	3-0	Cons Rutile	1-0	EmpowernetInt.	0-1
Allied Brands	6-2	B & B Infrastr.	3-0	Cardia Tech.	3-1	Contango Micro.	0-2	Emu Nickel NL	1-0
Alliance Res.	0-1	B&BPower	3-0	Carnavale Res.	2-0	Contango Cap P.	11-0	Encounter Res.	2-0
AllomakLtd	1-0	B&BCommunities	2-0	Carnarvon Pet.	1-3	Cool or Cosy	2-0	Energy Metals	1-0
AlteraCapital	2-0	B&B Japan Prop.	3-1	Cash Converters	2-0	Coonawarra Aust	0-1	EnerjiLtd	0-1
Altium Limited	4-0	B&BResLand	3-0	Caspian Oil & G	0-3	CooperEnergy	1-0	Energy Develop.	5-0
Alumina Ltd	1-0 2-0	BC Iron Ltd BKMManagement	4-0 0-1	Castlemaine G. Catalyst Metals	1-0 7-0	Coote Indust. CopperRange	3-0 1-0	EnergyWorld EnergyVentures	1-0 5-0
Amadeus Energy Ambition Group	2-0 8-0	BQTSolutions	1-0	Cathrx Ltd	7-0 1-0	CopperMolyLtd	1-0	EnergyOneLtd	2-0
AmexResources	2-0	BSALtd	15-0	Cazaly Res Ltd	2-0	Coretrack Ltd	8-0	Ent Media & Tel	2-0
AnadisLimited	1-0	BT Invest Mgmt	3-0	Cedar Woods Prp	3-0	Cortona Res Ltd	2-0	Enterprise En.	2-0
Analytica Ltd	0-2	BankofQ'land	1-3	Century Aust In	1-0	Costarella Des.	2-0	Entek Energy	6-0
Anchor Res. Ltd	5-0	Bannerman Res.	9-0	CentrepointAll	11-0	CountFinancial	7-0	Envestra	3-0
Andean Res.	0-1	Bass Metals Ltd	1-0	Centaurus Res.	4-0	Coventry Group	3-0	EnvirogoldLtd	4-0
Anglo Pacific	1-0	Bass St Oil Coy	3-0	Centennial Coal	4-0	Credit Corp	4-2	EnvirozelLtd	15-0
Anglo Australia Ansearch Ltd	5-1 3-1	Batavia Mining Bathurst Res.	14-0 2-0	Centrebet Int'l Centro Property	1-0 4-0	Crescent Gold Croesus Mining	2-0 1-0	Enviromission Eormanga Uran.	1-0 1-0
AnsellLtd	2-0	Bauxite Res.	3-2	Central Petrol.	0-2	CromwellGroup	3-0	Epsilon Energy	4-0
Antares Energy	3-0	Beaconsfield GI	2-0	Centamin Egypt	1-0	Crown Ltd	1-0	Egitx Limited	3-0
0,				0,1					

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Page 10								Market	Analysis
Company	Insider Buyers- Sellers	Company	Insider Buyers- Sellers	Company	Insider Buyers- Sellers	Company	Insider Buyers- Sellers	Company	Insider Buyers- Sellers
Equity Trustees	6-0	Gujarat NRE Min	2-0	JV Global Ltd	6-0	Marybor'gh Suga	1-0	Northern Energy	3-0
Equinox Min.	2-1	GulfResources	4-0	Jabiru Metals	2-1	MatildaMineral	2-0	Norwest Energy	0-2
Eromanga H/C Erongo Energy	2-0 1-0	Gulf Mines Ltd Gulfx Ltd	9-0 4-1	Jackson Mineral Jackgreen Ltd	6-0 7-0	Matrix Metals Maverick Drill.	6-1 1-0	Novogen Ltd Nth Qld Metals	2-0 1-0
Essa Australia	0-2	GunnsLtd	0-1	James Hardie	4-0	Mawson West Ltd	8-0	Nthn Star Res.	2-0
EumundiGroup	1-0	Gunson Res.	2-0	<b>Jervois</b> Mining	0-1	MaxiTRANS	5-0	Nufarm Limited	0-1
Eurogold Ltd	1-0	HFA Accelerator	1-0	Jindalee Res.	4-0	McPherson's Ltd	2-1	Nullarbor Hold	1-0
Every Day Mine Everest Babcock	4-0 5-0	HFA Holdings HGL Limited	7-0 4-0	Joyce Corp. Jumbuck Enter.	3-0 2-0	MedicalTherapy MedicVision	3-0 1-0	Nusep Ltd Nylex Ltd	5-0 3-0
Everest B&B Alt	1-0	Halcygen Pharm.	6-0	Jupiter Energy	5-0	Medical Dev Int	5-0	OMHoldings	0-1
Excalibur Min.	1-0	Hamilton James	2-0	Jupiter Mines	0-7	MedivacLtd	2-0	Oaks Hotel	2-0
Exco Resources Exoma Energy	4-0 1-0	Hannans Reward Harrington Grp	2-0 2-0	Just Group Ltd Jutt Holdings	9-0 2-0	Medtech Global Mercury Mob.	2-0 1-0	Ocean Capital Odin Energy Ltd	4-0 1-0
Extract Res.	4-0	HarveyNorman	3-6	K&SCorporation	2-0 7-0	MermaidMarine	1-0	Oil Basins Ltd	2-0
Eyecare Partner	3-0	Hast Ďiv Util	2-0	K2 Asset Mgmt	1-0	Mesbon China N.	1-0	Oil Search Ltd	1-0
EzenetLimited FCPB Invest.	1-0 1-0	Hastings Hi-Yld	3-0	KLM Group Ltd	1-0	Mesoblast Ltd	1-0 1-0	Oklo Uranium	2-0 6-0
FKP Limited	3-0	Hastie Group Havilah Res.	2-0 8-0	KLTTechnology Kairiki Energy	4-0 1-0	Metal Storm Ltd Metals Aust.	0-1	Oldfields Hold Olea Australia	1-0
FSA Group Ltd	3-0	<b>Hawk Resources</b>	1-0	KardoonGas	1-3	Metallica Min.	1-0	Olympia Res.	0-1
FairfaxMedia	2-0	HeadlineGroup	1-0	Karmelsonix Ltd	8-0	Metabolic Phar.	1-0	Oncard Int'l	1-0
Fairstar Res. Falcon Minerals	3-0 4-0	Healthscope HealthLinxLtd	3-4 3-0	Kasbah Resource Kentor Gold Ltd	1-0 3-0	Meteoric Res. Metgasco Ltd	5-0 2-0	Onesteel Ltd Optiscan Image	0-1 2-0
Fantastic Hold.	4-0	Heartware Ltd	7-0	KeyBridgeCap'l	3-0	Metroland Aust	3-0	OrchidCapital	1-0
FatProphets	3-0	Hedley L&G Prop	5-0	Keycorpltd	1-0	Midas Resources	1-0	Orchard Indust.	7-0
Ferrowest Ltd	3-0	Heemskirk Cons.	3-0	Kings Minerals	3-0	Midwest Corp Millennium Min.	1-2	Orica Ltd	2-0
Fiducian P Serv Finbar Group	2-0 8-0	Helix Resources Helicon Group	8-0 2-0	KonektLimited KorabResources	5-0 1-0	Millepede Int'i	1-0 2-0	Orient Res Hold Origin Energy	1-0 0-1
Finders Res.	1-0	Henderson Group	2-0	KorvestLtd	1-0	Milton Corp.	4-0	OrionPetroleum	1-0
Findlay Sec.	6-1	Heron Resources	2-0	Kresta Holdings	2-0	Minara Resource	11-0	Orocobre Ltd	2-0
Firestone En. First Aust Res.	2-0 0-1	Highland Pac. Hill End Gold	5-0 0-3	Kuth Energy Ltd Labtech Systems	1-0 6-3	Mincor Resource Mindax Limited	3-1 3-4	Oropa Limited Oroton Group	1-0 5-1
Fission Energy	3-0	Hillcrest Litig	9-0	Lachlan Star	3-0	Mineral Res.	1-2	Ottoman Energy	1-2
Flat Glass Ind.	9-0	Hillgrove Res.	2-1	Lakes Oil NL	1-0	MineralsCorp.	2-0	Over Fifty Grp	3-0
Fleetwood Corp	0-8	Hodges Res.	8-0	Latin Gold Ltd	2-0	Mineral Sec.	2-0	Oxiana Ltd	0-1
Flexicorp Ltd Flight Centre	3-0 1-2	Homeloans Ltd Horizon Oil Ltd	1-0 7-0	Lefroy Res. LegendCorp.	8-0 1-0	Minemakers Ltd Mineral Sands	3-2 1-0	Oz Brewing Ltd PMP Limited	1-0 0-3
FlindersMines	3-0	Housewares Int.	2-0	Legend Mining	1-0	Mineral Commod.	2-0	PPKGroupLtd	1-0
FocusMinerals	3-0	Hudson Res. Ltd	16-0	Leighton Hold	1-3	Mining Projects	3-2	PTB Group Ltd	1-0
Folkestone Ltd	6-0 3-1	Hunter H Global Hunter Hall Int	1-0 4-10	Leyshon Res. Liberty Res.	0-1 2-0	Minotaur Exp. Mint Wireless	0-1 3-0	Pac. Enviromin	3-0 2-0
ForgeGroupLtd Foster'sGroup	3-0	Huntley Invest	3-0	Life Therapeut.	2-0 1-0	Mintails Ltd	3-0 6-0	PacificEnergy PacificBrands	2-0 1-3
FranklandOlive	1-0	Hutchison Tel.	1-0	Lifestyle Com.	0-3	Mirrabooka Inv.	4-0	PacrimEnergy	1-0
Freedom Nut'l	14-0	Hydrotech Int'l	3-0	Lihir Gold Ltd	4-0	Mitchell Comm.	5-0	Palamedia Ltd	1-0
Fulcrum Equity Funtastic Ltd	1-0 2-1	HydrometCorp. Hyperion Flag.	1-5 3-0	Linc Energy Ltd Ling Resources	3-0 4-0	MobiLtd MobilesoftLtd	4-0 1-0	Paladio Group Paladin Energy	15-0 1-0
Fusion Res.	1-0	Hyro Limited	5-0	Liontown Res.	4-0	Moby Oil & Gas	3-0	Pan Pacific Pet	1-0
G.R.D. NL	7-0	IM Medical Ltd	0-2	Lion Selection	2-0	Molopo Aust	0-3	Pan Palladium	0-1
GBSTHoldings	10-1 1-0	IMD Group IMX REsources	2-0 2-0	Liq Natural Gas	0-2 11-0	Moly Mines Ltd	2-0 3-0	Panaust Ltd	0-1 3-0
GLG Corporation GME Resources	4-0	ING Real Estate	2-0 3-0	Little World B. Living Cell T.	0-2	Monaro Mining Monarch Gold M.	3-0 4-0	Panax Geotherm. Panaegis Gold	3-0 6-0
<b>GTI Resources</b>	4-0	ING Retail E.E.	2-0	Lodestar Min.	3-0	MonaxMining	2-0	PaperlinXLtd	3-1
GWA Internat'l	3-0	ING Office Fund	1-0	Logicamms Ltd	2-0	Monitor Energy	0-1	Patties Foods	14-0
Gage Road Brew. Gale Pacific	3-0 4-0	ING Indust Trt ING Priv Equity	1-0 3-0	London City Eq. Longreach Group	2-0 1-0	Montec Int'l Mooter Media	1-0 1-0	Payce Consol. Peak Resources	1-0 2-0
GalileoJapan	14-0	IPGALtd	1-0	LonhroMining	1-0	Morn. Star Gold	4-0	PearlstreetLtd	1-0
Garratt's Ltd	2-0	ITLLimited	2-0	LudowiciLtd	3-0	Mortgage Choice	1-0	Peel Explor.	1-0
Gateway Mining Genesis Mineral	1-0 1-0	ITX Group Icon Resources	4-0 8-0	Lycopodium Ltd Lynas Corp Ltd	0-2 2-0	Mt Burgess Min. Mt Gibson Iron	2-0 0-2	Pegasus Metals Pelorus Prop.	1-0 1-0
Genetic Tech.	2-0	Icon Energy	2-0	M.Y.O.B. Ltd	0-1	Mt Magnet South	4-0	Peninsula Min.	3-0
Geodynamics Ltd	2-0	liNet	2-1	M2 Telecom. Grp	1-0	Multiplex Euro.	3-0	Penrice Soda	3-0
Geopacific Res. Gindalbie Met.	1-0 4-0	Iluka Resources	1-0	MCM Entertain.	3-0 0-4	Multi Channel S Multiplex Acum.	1-0 4-0	PeopleBankAust	4-0 1-2
Gippsland Ltd	4-0 1-0	Image Resources Impact Capital	14-1 3-1	MEO Australia MGM Wireless	0-4 0-1	Murchison Un.	4-0 1-0	People Telecom Pepinnini Min.	0-1
Global Mining I	3-0	ImpedimedLtd	4-0	<b>MIL Resources</b>	1-0	Mutiny Gold Ltd	1-0	PerpetualLtd	3-1
Globe Metals	1-0	Impress Energy	16-0	MXLLimited	1-0	My Net Fone Ltd	4-0	Perseus Mining	3-0
Global Con Serv Global Health	3-0 4-0	Imugene Ltd Incremental Pet	2-0 4-0	Mac. Harbour M. Macarthur Cook	1-0 6-0	NGM Resources NSL Health Ltd	5-0 2-0	PharmNetOnline PharmaustLtd	0-1 3-0
Globe Int'l Ltd	3-0	IndMinerals	1-0	MacarthurcookP	2-0	NSXLimited	3-0	PhoenixCopper	2-0
GlobalNickel	3-0	Ind Practition.	0-1	Macmin Silver	1-3	Nat'ILeisure	2-0	Phoslock Water	1-0
Gloucester Coal Golden Rim Res.	0-3 2-0	Independ.Group India Resources	0-2 2-0	Macquarie Group Macquarie C'Wde	3-0 4-0	Nat'l Can Nat'l Aust Bank	1-0 8-0	Photon Group Phylogica Ltd	8-0 3-0
Golden State	2-0 4-1	Indophil Res.	2-0 0-2	Macquarie C ap A	4-0 4-0	Natural Fuel	8-0 5-0	Pike River Coal	3-0 1-0
Goldstar Res.	6-0	Infomedia Ltd	1-0	Macquarie Off.	2-0	Navitas Ltd	1-0	PioneerNickel	2-0
GoldenTiger	0-1	Innamincka Pet.	0-2	Macquarie Radio	1-0	Neptune Marine	4-0	Pipe Networks	3-1
GoldLink Income Goodman Group	3-0 4-0	Insurance Aust. Int Research	5-0 2-0	Macquarie Media Macquarie Infra	8-0 2-0	Netcomm Limited Network Ltd	1-0 2-0	Planet Gas Ltd Plan B Group	1-0 5-0
Goodman Fielder	6-1	Integrated Inv.	3-0	Macquarie DDR	11-0	New Age Explor.	1-0	PlatsearchNL	2-0
Graincorp	2-4	IntegraMining	2-0	Magellan Flag.	19-0	New Hope Corp.	4-0	Platinum Asset	1-0
GrangeResource	5-0 5-0	Intermet Res.	1-0	Magellan Fin Gp	2-0	Newera Uranium	10-0	Platinum Aust	0-2
Grand Gulf En. Graynic Metals	5-0 4-0	Intermoco Ltd Intermin Res	2-0 9-1	Magna Metals Magna Mining NL	1-0 1-0	Nexus Energy Nib Holdings	2-1 5-0	Pluton Resource Polaris Metals	10-1 6-3
GreatArtesian	1-0	Intec Ltd	1-0	Magnetic Res.	1-0	Nick Scali Ltd	2-0	Polartechnics	4-0
GreatSouthern	2-0	Intrapower Ltd	1-0	Malagasy Min.	1-0	Nickelore Ltd	2-0	Portland Ortho.	1-0
Greencap Ltd Greenland Min.	4-0 10-0	Intrepid Mines Inventis Ltd	1-0 1-0	Manaccom Corp. Mantle Mining	3-0 3-1	Nido Petroleum Niplats Aust.	0-3 1-0	PortBouvard PraemiumLtd	5-0 7-0
Green Rock En.	2-0	InvocareLtd	0-3	MarbletrendGrp	6-2	Nomad Building	5-7	PrimeMediaGrp	7-0 7-0
Greencross Ltd	1-0	Iress Mkt Tech	2-0	MarengoMining	6-0	Noni B Limited	1-2	Primary Health '	7-0
Gryphon Mineral	1-2	Ironbark Gold Iron Mountain	1-0 2-0	Marine Produce	2-0	North Aust Diam Norton Gold	1-0	Prima Biomed Prime Retire Pr	0-1 4-0
GtBendigoGold GtWesternExp.	3-0 1-0	Ironbark Cap.	2-0 0-1	Marion Energy Mariner Pipe In	3-0 1-0	Norton Gold Northwest Res.	1-0 2-0	Prime Retire Pr Primeag Aust.	4-0 3-1
Guilford Invest	0-1	JB Hi-Fi Ltd	1-5	Mariner Fin.	4-0	Northern Mining	3-2	Pro-Pac Pack.	4-1
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July 14, 2008.									Page II
Company	Insider Buyers- Sellers								
Probiotec Ltd	2-0	Rey Resources	2-1	Skilled Group	2-0	TamawoodLtd	1-0	Uranium Equitie	5-0
Progen Pharm.	1-0	Rheochemplc	0-1	Snowball Group	2-0	Tanami Gold NL	11-0	Uscom Limited	1-0
Prophecy Int'l	5-0	Rialto Energy	1-0	SolagranLtd	19-0	TandouLtd	4-0	VDM Group Ltd	3-2
Prosperity Res.	1-0	RichfieldGroup	2-0	SolcoLtd	1-0	Tap Oil	0-1	Valad Property	4-0
Proto Resources	5-0	Ridley Corp.	4-0	SomnomedLtd	1-0	Tasmanian Perp	1-0	VentracorLtd	4-1
Pryme Oil & Gas	2-0	Rivercity M'way	1-0	SoulsPrivEqu	1-0	TassalGroup	5-0	Venus Resources	6-0
PublicHoldings	1-2	RobustResource	8-0	SoulPattinson	4-0	Tatts Group Ltd	3-1	Verticon Group	5-0
Pulse Health	1-0	Roc Oil Company	1-8	SouthernGold	0-3	Tawana Resource	2-0	Victoria Petrol	1-0
Q Ltd	1-0	RockebyBiomed	1-0	Spitfire Res.	3-0	TechnicheLtd	2-0 1-0	VientoGroup	1-0
Q'Id Trustees	5-0	Rocklands Rich.	4-0	Spotless Group	2-0	TechnologyOne	0-2	Vietnam Indust.	6-0
Q-Mastor Ltd	1-0	Rock Build Soc.	4-0 2-0	St Barbara Ltd	2-0 5-1	Tectonic Res.	5-0	ViewResources	2-0
QRSciences Hold	12-0	Ross Human Dir.	2-0 3-0	StagingConnect	1-0	Tel.Pacific Ltd	3-0 1-0	Village Road.	2-0 5-1
			3-0 2-0						5-1 5-0
QRXPharmaLtd	7-0 2-0	Rox Resources	2-0 3-0	Starpharma Hold	6-0	Telezon Limited	2-0	Virgin Blue	
Qantas Airways		Royalco Res.		Stellar Res.	1-0	Telstra	1-0	Vision Group	1-4
QuayMagnesium	1-0	Rubicon America	1-0	Stem Cell Sci.	0-1	Ten Network	2-0	Vita Life Sci.	1-0
QueenslandGas	2-0	Rubicon Europe	1-0	Stericorp Ltd	3-0	Terrain Mineral	1-0	Vmoto Ltd	5-0
QueenslandOres	5-0	Rubicon Japan	1-0	SterlingBiof'l	1-0	Terramin Aust	1-0	Vulcan Res.	1-0
Questus Ltd	3-0	RubicorGroup	4-0	Sthn Cross Gold	2-0	Territory Uran.	1-0	W'boolCheese	3-0
Quest Investm't	0-1	RunCorporation	1-0	Sthn Uranium	1-0	Territory Res.	3-0	WAGLimited	1-0
Quickflix Ltd	3-0	Ruralaus Invest	0-1	Stirling Min.	1-0	The Reject Shop	6-3	WAM Active Ltd	7-0
Quickstep Hold.	1-0	Ruralco Hold.	3-0	Stirling Prod.	1-0	Thinksmart Ltd	2-0	WCP Resources	1-0
Quiktrak Netwks	2-0	S/Tracks Prop.	0-2	Stockland	2-1	Thomas & Coffey	4-1	WDSLimited	3-0
RCGCorporation	1-0	S/TracksASX200	0-2	Stratetel Ltd	1-0	Tiaro Coal Ltd	3-0	WHK Group Ltd	3-0
RCR Tomlinson	5-2	S/Tracks ASX 50	0-2	Strathfield Grp	8-0	Tidewater Inv	2-0	WHLEnergy	4-0
RHG Ltd	1-0	SAI Global Ltd	2-1	Straits Res.	2-3	Timbercorp Prim	1-0	Wallace Abs Ret	0-1
RIM Capital Ltd	3-1	SDI Limited	1-0	Strategic Min.	3-0	Tishman Speyer	1-0	Warwick Res.	1-0
RRAustralia	5-1	SMS Mgmt & Tech	0-1	Structural Syst	2-1	TissueTherapy	2-0	WasabiEnergy	0-1
Ramsay Health	0-1	SPAusnet	3-1	Style Limited	12-1	TolhurstNoal	5-0	Watpac Ltd	6-0
RangeŘesources	1-0	SPTelemedia	1-0	Suncorp-Metway	3-1	TollHoldings	6-0	Wavenet Int'l	3-0
Rawson Res.	1-0	STW Comm Group	1-0	Sundance Res.	3-0	TorrensEnergy	1-0	Webspy Limited	0-1
Realestate.com	2-1	Saferoads Hold.	1-0	Sunland Group	1-0	Tower Australia	2-0	WebsterLtd	2-0
Reclaim Indust.	1-0	Salinas Energy	1-0	Sunshine Gas	1-0	Tox Free Sol.	0-1	Wentworth Hold.	3-0
Record Realty	2-0	Salmat Ltd	7-0	Sunset Energy	1-0	Traffic Tech.	2-0	Wesfarmers Ltd	5-1
Red Emperor Res	1-0	Sandfire Res.	1-0	Sunshine Heart	1-0	Trafalgar Corp.	1-0	Western Plains	0-2
Red Fork Energy	2-0	SaracenMineral	2-1	Superior Res.	1-0	TrakaResources	1-0	Western Areas	19-2
Red Hill Iron	6-0	Saunders Int'l	1-0	Supply Network	1-0	TransPacific In	8-0	WestfieldGroup	1-0
Red River Res.	1-2	SavcorGroup	2-0	Swick Min Serv	1-0	Transfield S In	6-0	West'n Metals	3-0
Red 5 Ltd	1-0	Scimitar Res.	6-0	SwishGroup	3-0	Transurban Grp	12-2	Westgold Res.	2-0
RedbankMines	1-0	Sedgman Ltd	3-1	Sydney Gas Ltd	2-0	TransfieldServ	6-1	West Gas Power	0-3
RedflexHolding	7-3	Seque Resources	5-0	Sylvastate Ltd	11-0	Transerv Aust.	1-0	Western Desert	5-0
Redisland Aust.	2-0	Selectharvest	4-0	Sylvania Res.	0-1	Tranzact Fin.	3-0	White Canyon Ur	1-0
Reece Australia	1-0	SenetasCorp	2-0	Symex Holdings	10-0	TreasuryGroup	4-0	White Cliff Nkl	2-0
ReedResources	2-1	Service Stream	2-0 6-1	Syndicated Met.	1-0	Tri Origin Min.	1-0	White Energy Co	0-1
Reef Casino Trt	0-1	Servcorp Ltd	6-0	Synergy Equity	4-0	TrinityGroup	6-0	WhitefieldLtd	3-0
RegalResources	1-0	Seven Network	2-0	Syrah Resources	4-0 1-0	Trojan Equity	4-0	Wide Bay Aust.	3-0 1-0
	7-1	Shaw River Res.	2-0 2-0		4-0		2-0	Willmott Forest	2-0
Regional Exp.				TFSCorporation		Troy Resources			2-0 8-0
Regis Resources	2-0	Shield Mining	2-0	TNG Limited	0-5	Trust Company	3-2	Wilson Inv Fund	
Renison Cons	1-0	SierraMining	1-0	TSVHoldings	4-0	Two Way Limited	3-0	Wolf Minerals	3-0
RepublicGold	0-2	Sigma Pharm.	1-0	TTAHoldings	1-0	U.S. Masters	1-0	Woodside Petrol	0-2
Res & Invest NL	1-0	Silex Systems	0-3	TWT GRoup Ltd	1-0	UCMS Group Ltd	5-0	WoolworthsLtd	0-1
Resource Base	2-0	SilverMines	1-0	TZ Limited	1-0	UXCLimited	1-0	Worley Group	0-1
Resonance Hith	2-0	Silver Lake Res	4-0	Tabcorp Holding	3-1	Undercoverwear	3-1	Wotif.com Hold.	6-0
Resources Min.	1-0	Silver Swan Grp	2-0	Tag Pacific	1-0	Unilife Medical	1-0	Wrigdways Aust	0-2
Retail Food Grp	5-0	Silver Chef Ltd	7-0	Takoradi Ltd	1-0	United Overseas	4-0	Xceed Capital	2-0
Reverse Corp	2-3	Sims Group Ltd	1-5	Talent2 Int'l	2-0	Universal Res.	0-1	Xstate Res.	2-0
Reward Minerals	6-3	Sirius Corp.	3-2	Tamaya Res.	7-0	Uraniumsa Ltd	3-0	YTC Resources	2-0
				-				Zicom Group	13-0

## "Insider" Trades in NZ Shares

ThetablebelowshowsthenumberofPurchases and Sales of a company's shares by its Directors over the last twelvemonths (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: 75.0% Buyers Last 13 wks: 80.3% Buyers

Page 11

Company	Insider Buyers- Sellers								
AMP Onyx Mgmt	1-0	Cynotech Hold.	2-0	KermadecProp.	4-0	PGG Wrightsons	10-0	Sky Network TV	1-0
AMPLimited	7-0	Dominion Fin.	2-3	Kiwi Property '	3-0	Pike River Coal	2-0	Sky City Ltd	1-8
Affco Holdings	3-0	Dorchester Pac	9-0	Life Pharmacy	0-1	Plus SMS Hold.	5-0	Tag Pacific Ltd	1-0
Air New Zealand	10-3	Ebos Group Ltd	1-0	Lion Nathan Ltd	0-2	PortTauranga	3-0	TelecomCorp	9-20
Akd Int Airport	2-1	F & P Appliance	2-6	MainfreightGrp	3-6	Propertyfinance	1-0	Tenon Ltd '	4-0
Allied Farmers	2-0	F & P Health.	1-16	Michael Hill	1-9	Pyne Gould Corp	4-0	Tourism Hold.	2-0
Apple Fields	1-0	Fletcher Build.	1-3	Mowbray Collect	0-4	Renaissance	9-0	Tower Limited	2-0
Briscoe Group	3-0	Goodman Prop.	2-1	Mr Chips Hold	2-0	Restaurant Brds	2-0	Trust Power Ltd	0-2
CabletalkGroup	0-1	GuocoLeisure	3-0	NZ Finance Hold	2-1	Rubicon Limited	1-0	Turners & Grow.	0-1
Canty Bldg Soc.	1-0	Hallenstein G.	2-1	NZ Farming Sys.	7-0	Ryman Health.	3-0	Turners Auction	3-0
CertÓrganics	0-1	Hellaby Hold.	14-0	NZ Oil & Gas	1-0	Salvus Strat.	0-2	Vector Ltd	1-0
Charlie's Group	1-0	ING Property	1-0	NZ Refining Co	1-0	Scott Tech. Ltd	2-1	Wakefield Hlth	1-3
Col Motor Co	6-0	ING Med. Prop.	4-0	NZ Wine Company	0-1	Sealegs Corp	0-1	Warehouse Group	0-1
Comvita	2-0	Infratil NZ	10-4	New Image Group	1-0	SeekaKiwifruit	2-0	Windflow Tech.	2-0
Contact Energy	1-0	Just Water Int.	4-0	Nuplex Indust	5-0	Skellerup Hold.	6-0	XeroLtd	5-0
0,				•				Zintel Comm.	2-0

#### **Investment Outlook**

*(Continued from Page 1)* But perhaps the Managers of the SWFs are equally foolish . . . as they spent or invested their 1974 profit elsewhere (i.e. in interest bearing bank deposits where the value was eroded by the subsequent long period of hyper-inflation). Since then the capitalisation of the UK market has increased 70-fold - far outperforming the mere 12-fold rise in the value of oil!

The only group that consistently gets it right are the *insiders*. Company directors and senior managers have no special insight into the future oil price or inflation or economic growth rates but they do have a special understanding of how successfully their companies can adapt to this ever changing environment and its potential to generate future profits. So *insider* share buying or selling is a very useful and reliable indicator of the future performance of individual shares - and widespread buying or selling across the whole range of listed companies is a reliable forecaster of the value of the whole market.

Historically, around 40% of *insider* trades on-market are buys and 60% sells (i.e. as *insiders* acquire shares off-market - prior to public listing or through exercising options). In New Zealand, 75.0% of *insider* trades have been buys over the last 5-weeks, with 80.3% buys over the last 13-weeks. In Australia the figures are 92.0% buys over the last 5-weeks and 87.5% buys over the last 13-weeks. <u>Clearly *insiders* are very optimistic and are agressively buying shares with their own money</u>.

Our stockmarket indicators are fairly Neutral, perhaps reflecting both the high uncertainty and attractive valuations.

Finally, does the market pass the "eyeball" test? Take a good, close look at shares like Computershare, Integrated Research and TFS Corporation (or see our comments in this newsletter). Forget what may - or may not - be happening elsewhere and apply some common sense . . . are these shares a "Buy" or a "Sell" at current prices? Having spent the last 37 years backing his own judgement in the stockmarket with his own money (and, consequently, now living under the sun in a tropical tax haven) the Founder of this newsletter has absolutely no doubts.

Others may decide differently ... and should plan to retire (with raincoat and woolly jumper) in a welfare state that will provide a minimum income in retirement.

#### Market Analysis

### Dividend

Company	Cents per Share	Ex- Date	Pay- able	Tax Credit
Allied Workforce	3.00	09-07	23-09	Full
Canty Building Society	8.00	18-07	25-07	Full
F&P Appliances	9.00	20-06	15-07	1.20
Jason Travel Media	1.50	18-07	01-08	Full
Mainfreight	10.00	18-07	25-07	Full
Smiths City Group	3.0	08-08	15-08	Nil
Au	stralian Share	es		
Atlas South Sea Pearl	2.00	26-06	14-07	
M.Y.O.B. repayment	13-18	?	?	

Total Return Index for All Listed Shares										
	Jun 9	1931.40								
	Jun 10	1938.19								
	Jun 11	1935.96								
	Jun 12	1914.91								
	Jun 13	1912.46								
Jun 16	1894.10	Jun 23	1824.74							
Jun 17	1887.16	Jun 24	1822.33							
Jun 18	1879.28	Jun 25	1811.98							
Jun 19	1847.30	Jun 26	1787.46							
Jun 20	1834.90	Jun 27	1781.57							
Jun 30	1772.15	Jul 7	1759.89							
Jul 1	1780.47	Jul 8	1761.76							
Jul 2	1786.40	Jul 9	1765.25							
Jul 3	1770.08	Jul 10	1763.77							
Jul 4	1765.79	Jul 11	1766.01							

### Next Issue:

The next issue of *Market Analysis* will be emailed in four weeks time on <u>Monday August 11, 2008</u>.

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

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