

Market Analysis

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Inside Market Analysis

Sharp market decline creates potential new investment opportunities 3, 4, 5
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Summary and Recommended Investment Strategy.

Shares are falling rapidly owing to forced sales from leveraged investors and general panic selling. So we believe 2008 will be one of the greatest buying opportunities of this century! Hold existing shares. We have some cash (from the sale of Computershare, dividends and perhaps more from the takeover of Steel & Tube) which we will look to re-invest in new shares over the next several months.

Investment Outlook.

World stockmarkets have fallen sharply over the last month - and especially last Friday! Leading the selling are leveraged forced sellers (e.g. hedge funds) needing to sell assets to reduce debts. Most other investors are also panic selling. So who is buying these shares? Just knowledgeable corporate *insiders* and perhaps people like Warren Buffett.

We have *almost* found the events of the last month surprising . . . but this newsletter has warned that *anything* can happen on the stockmarket and that investors need to *expect* the unexpected. When you think you have seen everything . . . expect something even more extreme.

We have also regularly written about how share prices fluctuate between *extremes* of valuation. Before the 1999 Technology boom, who would have thought that shares in unprofitable Internet companies would commonly trade at over 100 times *revenues*? Investors saw (and over-estimated) only the growth of internet business and ignored the potential risks.

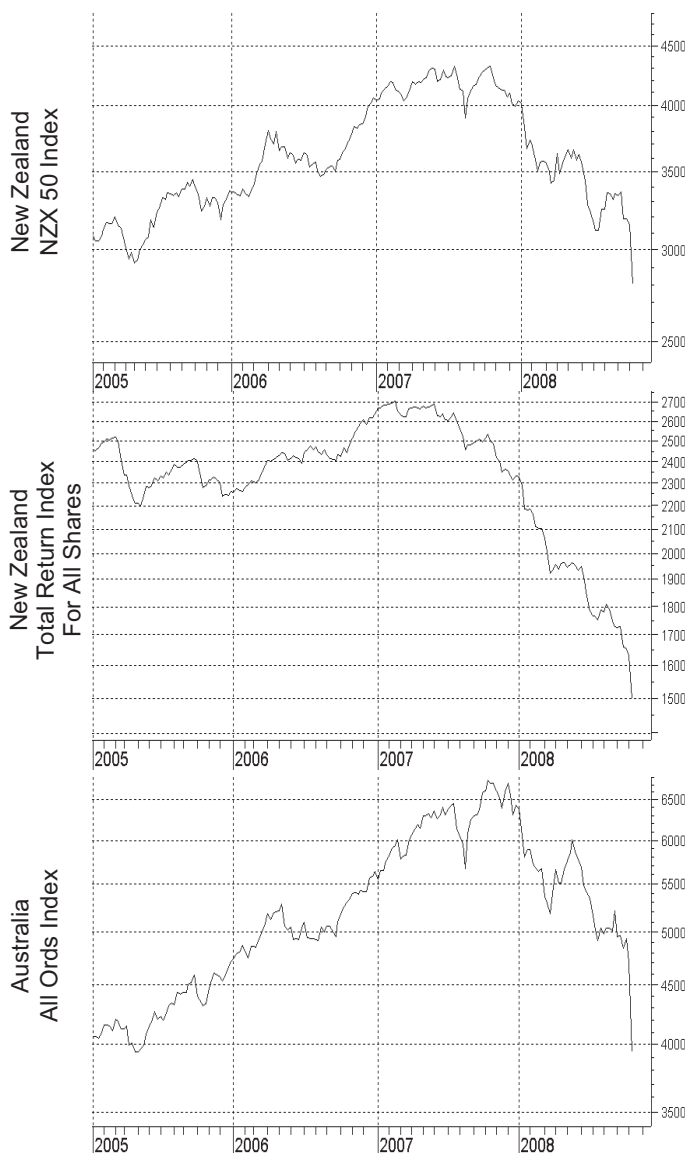
Today's situation is similar. Investors see only the risks, not the value in businesses. Investors expect corporate profitability to plunge and widespread failures in "the worst Depression since the 1930's". But consensus economic forecasts still expect *positive* economic growth in the US, UK, Europe and Japan in 2008 and 2009. In the 1930's Depression, economic activity *contracted* by 25%!! If central banks, however, move to offset one area of risk, investors are able to imagine other potential problems and share prices again plunge.

In this manic depressive, boom bust cycle these extreme views become widely accepted - and reinforced by repeat good/bad news in the media and the trend in

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Stockmarket Forecasts

	One-Month	One-Year
Australia:	0% (Bearish)	55% (Neutral)
New Zealand:	3% (Bearish)	41% (Neutral)



Performance Forecasts

"Performance Forecasts" are computer generated predictions of the relative future price performance of a company's shares over the next three to six months. Performance Forecasts are calculated for every listed NZ share (except Investment Trusts) on a rating scale using the letters "A" (Highest potential for capital appreciation over the next 3-6 months), "B" (Above Average), "C" (Average), "D" (Below Average) and "E" (Lowest). These predictions are NOT buy or sell recommendations, but can be useful to help time planned purchases or sales, or to identify shares worthy of further study and analysis.

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
A2 Corporation	D	8.0	4.32	NE	Nil	Inv Research Gr	E	5.0	1.92	NE	Nil	ProvencoCadmus	E	15	0.19	NE	Nil
AMP Onyx Mgmt	B	107	6.10	6	7.8	Jasons Media	C	75	1.09	15	3.0	Pumpkin Patch	C	110	0.50	7	12.2
AMP Limited	C	690	0.76	12	6.8	Just Water Int.	C	40	0.97	69	13.4	Pyne Gould Corp	C	308	1.26	7	11.1
Abano Health.	B	450	0.84	13	6.0	Kermadec Prop.	C	56	3.99	7	15.5	Rakon Ltd	D	205	1.44	23	Nil
Affco Holdings	C	48	0.26	NE	Nil	Kingfish Ltd	C	77	N/A	NE	8.7	Renaissance	C	50	0.11	6	22.4
Air New Zealand	C	90	0.20	4	14.1	Kirkcaldie & St	C	260	0.58	23	5.7	Restaurant Brds	D	62	0.20	5	15.6
Akd Int Airport	B	170	5.92	18	7.2	Kiwi Property	B	116	5.60	8	7.9	Richina Pacific	D	20	0.06	1	7.5
Allied Work.	C	60	0.19	8	14.4	Life Pharmacy	E	40	2.35	NE	Nil	Rubicon Limited	D	88	0.40	NE	Nil
Allied Farmers	C	120	0.20	61	Nil	Lion Nathan Ltd	B	940	2.40	20	4.1	Ryman Health.	C	140	9.22	10	3.6
Apple Fields	C	9.0	2.66	5	Nil	Livestock Imp.	A	295	0.73	6	12.6	Salvus Strat.	B	85	1.98	2	9.7
Barramundi Ltd	E	46	N/A	NE	Nil	Lombard Group	E	6.1	0.04	NE	Nil	Sanford Limited	A	529	1.34	25	6.2
Blis Technology	E	3.5	5.22	NE	Nil	Lytelton Port	B	205	2.51	20	3.7	Satara Co-op	B	80	0.22	10	5.6
Botry-Zen Ltd	E	2.3	N/A	NE	Nil	Mainfreight Grp	B	530	0.54	12	5.1	Savoy Equities	D	0.2	2.86	NE	Nil
Briscoe Group	D	77	0.40	7	15.5	Marlin Global	E	52	N/A	NE	Nil	Scott Tech. Ltd	B	128	1.08	11	10.5
Broadway Ind	C	70	0.29	13	2.9	Media Tech.	D	4.0	0.63	4	Nil	Sealegs Corp	E	27	3.40	NE	Nil
Burger Fuel	D	64	7.19	NE	Nil	Methven Limited	C	125	0.73	9	14.0	Seeka Kiwifruit	B	200	0.24	10	Nil
CDL Investments	D	31	2.18	6	11.1	Metro. LifeCare	D	410	6.16	NE	4.6	Skellerup Hold.	C	87	0.52	NE	5.1
Cabletalk Group	D	1.0	0.01	NE	Nil	Michael Hill	C	68	0.69	10	7.0	Sky Network TV	B	390	2.30	16	5.4
Cadmus Tech Ltd	E	9.5	1.02	NE	Nil	Mid-Cap Index	D	215	N/A	NE	Nil	Sky City Ltd	B	293	1.56	13	11.0
Canty Bldg Soc.	B	430	1.38	25	2.8	Millennium & C.	C	53	1.10	8	7.0	Smartpay NZ Ltd	D	0.9	0.07	NE	Nil
Cavalier Corp	A	235	0.63	9	12.7	Mowbray Collect	E	125	2.85	58	Nil	Smiths City	B	54	0.11	8	8.3
Cavotec MSL	C	360	1.72	31	1.7	Mr Chips Hold	A	274	1.18	13	2.2	Sol. Dynamics	D	41	0.35	NE	Nil
Chart Organics	E	1.6	0.52	NE	Nil	NZ Experience	C	23	0.90	6	19.5	South Port NZ	A	230	3.93	24	6.2
Charlie's Group	E	11	1.02	NE	Nil	NZ Exchange Ltd	C	583	4.50	16	5.4	Speirs Group	C	55	0.13	NE	Nil
Col Motor Co	B	318	0.17	12	10.8	NZ Farming Sys.	D	115	N/A	NE	Nil	Steel & Tube	A	360	0.63	14	7.9
Comvita	E	150	0.81	NE	Nil	NZ Finance Hold	D	30	0.86	6	5.0	Sthn Travel	C	26	0.12	7	17.2
Connexion	C	15	1.00	NE	Nil	NZ Invest Trust	B	1090	N/A	NE	0.8	Tag Pacific Ltd	D	24	0.14	2	3.9
Contact Energy	B	720	1.51	18	5.8	NZ Oil & Gas *	N/R	116	N/A	19	Nil	Taylor's Grp Ltd	C	125	0.43	13	14.3
Cynotech Hold.	D	14	1.09	7	5.3	NZ Refining Co	B	575	4.08	12	11.7	TeamTalk Ltd	B	204	1.35	11	14.6
Delegat's Group	A	190	1.15	10	4.7	NZ Windfarms	C	75	9.75	24	Nil	Telecom Corp	C	256	0.82	7	16.9
Dominion Fin.	C	1.0	0.01	0	149.3	NZ Wine Company	A	225	1.82	20	4.6	Tenon Ltd	D	60	0.08	10	Nil
Dorchester Pac	E	9.0	0.05	NE	Nil	NZ Wool Service	C	42	0.20	20	Nil	Tourism Hold.	C	115	0.75	14	14.3
Eastern Hi-Fi	E	10	0.06	NE	Nil	NZSX 10 Fund	D	78	N/A	NE	Nil	Tower Limited	C	145	0.54	8	6.2
Ebos Group Ltd	B	410	0.22	12	8.4	NZSX 50 Port.	D	125	N/A	NE	Nil	Training Sol.	E	0.1	5.00	NE	Nil
F & P Appliance	C	135	0.27	7	17.5	NZX Aust MidCap	D	412	N/A	NE	Nil	Trust Power Ltd	B	700	3.24	23	6.0
F & P Health.	B	296	4.21	43	5.6	Nat Property Tr	B	47	2.64	4	10.6	Turners & Grow.	B	195	0.33	11	10.7
Finsoft Sol'ns	D	68	0.69	NE	6.6	Net Image Group	D	15	1.24	NE	Nil	Turners Auction	C	64	0.21	8	14.5
Fletcher Build.	B	586	0.42	6	12.2	Northland Port	A	265	9.39	12	6.2	Utilico Int'l	B	61	3.43	9	Nil
Freightways Ltd	B	290	1.15	12	9.7	Nuplex Indust	A	500	0.27	8	9.0	VTL Group Ltd	D	1.5	0.01	0	Nil
Genesis Res.	E	14	4.55	NE	Nil	Opus Int'l Cons	D	138	N/A	NE	Nil	Vector Ltd	A	208	1.76	15	9.5
Goodman Prop.	C	107	7.57	9	9.3	Oyster Bay	A	310	1.76	10	Nil	WN Drive Tech.	E	22	N/A	NE	Nil
Guinness Peat	D	99	0.37	4	2.6	Ozzy (Wortis)	D	256	N/A	NE	Nil	Wakefield Hlth	B	820	1.65	15	3.6
GuocoLeisure	E	46	0.97	36	11.4	PGG Wrightsons	B	165	0.39	7	14.5	Warehouse Group	C	340	0.60	9	7.7
Hallenstein G.	C	245	0.73	7	21.3	Pac Edge Bio.	E	13	N/A	NE	Nil	Widespread Port*	N/R	17	N/A	NE	Nil
Hellaby Hold.	B	183	0.18	5	7.7	Pike River Coal	E	126	N/A	NE	Nil	Windflow Tech.	C	305	7.51	NE	Nil
Heritage Gold *	N/R	2.1	N/A	NE	Nil	Plus SMS Hold.	E	2.1	1.51	NE	Nil	Wool Equities	C	26	0.29	NE	Nil
Horizon Energy	A	320	2.85	14	7.7	Port Tauranga	B	618	5.56	20	6.0	World Index Fd	D	107	N/A	NE	Nil
ING Property	C	60	2.99	4	16.4	Postie Plus Grp	C	30	0.09	4	29.9	Xero Ltd	D	75	N/A	NE	Nil
ING Med. Prop.	C	108	6.21	18	9.1	Propertyfinance	D	10	0.08	NE	Nil	Zintel Comm.	C	21	0.29	5	16.0
Infracor NZ	C	189	0.74	NE	4.9	Property F Ind.	C	109	7.37	12	8.1	Ave of 149 Cos	C	169	0.19	5	6.6
ABB Grain Ltd	A	747	0.73	NE	2.0	Deutsche Div Tr	A	131	6.10	14	7.1	Orica Ltd	A	1823	1.04	12	4.9
AGL Energy Ltd	B	1272	1.04	18	4.2	Dexus Property	B	117	5.08	8	10.2	Origin Energy	B	1380	1.46	33	1.8
AMP Ltd	B	589	0.78	12	6.8	Downer EDI Ltd	B	500	0.30	10	5.1	Paladin Energy	C	205	N/A	NE	Nil
ANZ Bank	B	1530	2.51	7	8.9	Energy Resource	B	1033	5.44	26	1.9	Paperlin X Ltd	A	160	0.11	11	4.1
APA Group	B	293	1.56	20	3.7	Fairfax Media	B	223	1.15	9	9.0	Perpetual Ltd	A	3999	3.38	12	8.3
APN News Media	B	281	1.05	8	11.2	Felix Resources	B	900	4.01	9	5.9	Platinum Asset	A	320	6.34	11	7.5
ASX Limited	B	2900	8.07	14	6.6	Flight Centre	A	1660	1.14	12	5.2	Portman Limited	A	2100	7.64	32	Nil
AXA Asia Pac	B	420	1.20	11	4.5	Fortescue Metal	E	268	N/A	NE	Nil	Primary Health	A	424	2.42	NE	6.4
Adelaide Bright	A	264	1.61	13	5.1	Foster's Group	A	535	2.26	92	4.9	Q.B.E. Insur.	A	2430	1.67	13	3.9
Alumina Ltd	B	248	N/A	6	9.7	GPT Group	B	119	2.70	2	23.1	Qantas Airways	A	258	0.30	5	13.6
Amcor Ltd	B	555	0.50	18	6.1	Goodman Fielder	B	146	0.72	70	9.2	Queensland Gas	B	235	N/A	8	Nil
Ansell Ltd	A	1265	1.38	17	2.1	Goodman Group	B	151	2.99	4	20.9	Ramsay Health	B	995	0.65	19	3.3
Aquarius Plat.	B	388	1.06	4	12.3	Guinness Peat	B	86	0.36	4	2.7	Reece Australia	A	1900	1.32	17	3.0
Aristocrat Leis	B	531	2.18	10	6.8	Harvey Norman	B	260	1.93	8	5.4	Rio Tinto Ltd	B	7300	0.99	3	2.0
Arrow Energy	C	192	N/A	NE	Nil	Healthscope	A	446	0.73	17	4.4	SP Ausnet	B	109	2.15	15	10.7
Asciano Group	C	240	0.55	NE	19.2	Henderson Group	B	165	3.10	11	8.4	Santos Ltd	B	1234	2.67	11	3.2
Austar United	B	100	2.51	6	Nil	ING Office Fund	A	128	7.35	7	8.4	Seek Ltd	A	455	6.24	17	4.1
Aust Foundation	B	440	N/A	10	4.8	ING Indust Trt	B	103	3.96	17	17.4	Seven Network	B	584	N/A	8	5.8
BHP Billiton	B	2774	1.57	6	2.6	Incitec Pivot	B	413	3.03	20	63.0	Sigma Pharm.	A	132	0.38	15	5.3
Bank of Q'land	B	1100	0.84	10	6.3	Insurance Aust.	B	350	0.85	NE	6.4	Sims Group Ltd	B	2016	0.29	5	6.0
Bendigo Bank	B	1050	1.00	14	5.5	JB Hi-Fi Ltd	A	1000	0.58	16	2.6	Sonic Health	B	1350	1.89	18	3.9
Billabong Int'l	A	1050	1.61	12	5.3	James Hardie	B	455	1.28	NE	4.6	Soul Pattinson	A	950	2.66	23	3.0
Bluescope Steel	B	565	0.41	7	8.7	Leighton Hold	B	2922	0.80	13	5.0	Spark Infrastru	B	158	7.42	61	9.6
Boral Limited	A	570	0.64	14	6.0	Lend Lease Corp	B	765	0.21	12	10.1	St George Bank	B	2519	1.44	11	6.7
Brambles Ltd	B	740	2.26	16	4.7	Lihir Gold Ltd	D	249	8.35	NE	Nil	Stockland	B	450	2.48	9	10.3
Brickworks Ltd	A	1175	2.79	14	3.2	Linc Energy Ltd	C	320	N/A	NE	Nil	Suncorp-Metway	B	927	0.68	16	11.5
C'wth Prop Off.	B	111	5.97	5	8.3	Macarthur Coal	B	580	3.07	17	2.9	Tabcorp Holding	B	722	0.94	7	6.5
C.S.R. Ltd	B	185	0.56	3	8.1	Macquarie Air.	B	220	2.56	6	11.4	Tatts Group Ltd	B	222	0.91	11	4.3
CFS Retail Prop	A	210	8.87	7	5.7	Macquarie Infra	B	193	N/A	6	10.4	Telstra	B	390	1.94	13	7.2
CSL Limited	A	3665	5.32	29	2.1	Macquarie Group	B	2852	0.55	4	12.1	Ten Network	B	142	1.30	20	9.2
Caltex Austria	B	992	0.15	6	8.1	Macquaries C&I	C	214	0.46	NE	21.5	Toll Holdings	B	621	0.72	16	4.0
Campbell Bros	A	2650	1.82	19	3.6	Macquarie Off.	B	67	4.56	7	16.7	Transurban Grp	B	486	5.78	NE	11.7
Centennial Coal	B	316	1.41	17	6.6	Metcash Ltd	A	386	0.29	15	5.4	TransPacific In	B	440	0.58	7	4.1
Chal Financial	B	204	0.48	NE	6.1	Midwest Corp	C	636	N/A	NE	Nil	United Group	A	1000	0.47	13	5.8
Coal & Allied	A	9000	5.51	38	1.5	Milton Corp.	A	1665	N/A	12	5.3	Wesfarmers Ltd	B	2175	0.52	17	9.2
CocaCola Amatil	A	818	1.39	22	4.0	Mirvac Group	B	203	0.91	4	15.7	Westfield Group	B	1478	2.85	5	7.2
Cochlear Ltd	A	5500	5.08	27	2.7	Nat'l Aust Bank	B	2080	1.86	14	8.0	West Aust News	A	757			

Recommended Investments

The current market decline - like previous market declines - is offering an attractive range of possible future investments at low valuations.

Any general market decline produces lower valuations across a wide range of company shares. Generally we like companies with real businesses, that generate revenues, positive cashflows, profits and pay dividends. We prefer shares in uptrends (i.e. with *positive* Relative Strength Ratings) although the general market would

need to stabilise for several months before that becomes common. We look for shares where directors and management have an investment in the company and especially where these knowledgeable *insiders* have been buying further shares on-market. We prefer non-*capital intensive* businesses as these have the potential to expand and grow rapidly without the need to raise new capital which would dilute earnings per share growth. So we would tend to choose *(Continued on Page 4)*

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	Performance Forecast	Issued Shares (mil.)	Vola- tility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
NZ Shares													
HOLD	CDL Investments Ltd	CDI	12/01/99	25	D	218.9	1.3	2.18	6	11.1	31	17.9	+96%
BUY	Cavalier Corporation	CAV	05/12/95	156*	A	67.1	0.8	0.63	9	12.7	235	227.0	+196%
HOLD	Colonial Motor Company	CMO	10/11/92	150	B	27.9	0.5	0.17	12	10.8	318	326.8	+330%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	B	102.3	0.7	2.51	20	3.7	205	64.8	+80%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	C	382.5	0.9	0.69	10	7.0	68	25.4	+1768%
BUY	Nuplex Industries Ltd	NPX	11/02/97	350	A	81.7	0.5	0.27	8	9.0	500	240.0	+111%
HOLD	Postie Plus Group	PPG	08/05/06	71	C	40.0	1.5	0.09	4	29.9	30	8.5	-46%
HOLD+	Renaissance Corp	RNS	13/08/96	85*	C	42.7	1.3	0.11	6	22.4	50	53.9	+22%
HOLD	Smiths City Group	SCY	09/10/06	64	B	53.0	1.3	0.11	8	8.3	54	10.0	+0%
HOLD	South Port New Zealand	SPN	13/02/96	120	A	26.2	0.8	3.93	24	6.2	230	103.8	+178%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	A	88.2	0.7	0.63	14	7.9	360	212.0	+292%
HOLD+	Taylors Group Ltd	TAY	09/11/99	102	C	24.3	0.8	0.43	13	14.3	125	86.0	+107%
Australian Shares (in Aust cents)													
HOLD+	AJ Lucas Group	AJL	13/05/03	120	B	59.3	0.7	0.44	14	2.2	316	30.5	+189%
HOLD+	Atlas South Sea Pearl	ATP	14/05/96	73	B	89.3	1.4	1.19	3	14.3	28	17.5	-38%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	406*	A	52.1	0.3	1.82	19	3.6	2650	357.6	+641%
HOLD	Cellnet Group Ltd ¹	CLT	12/02/02	147*	C	76.8	1.4	0.05	NE	Nil	30	32.4	-46%
HOLD	Circadian Technologies	CIR	10/02/04	188	C	40.1	1.0	3.25	NE	Nil	66	65.0	-30%
BUY	Clarius Group Ltd	CND	08/04/03	86	B	57.4	0.9	0.16	5	17.5	92	68.5	+86%
BUY	CPT Global Ltd	CGO	10/03/08	88	B	36.9	0.9	0.55	15	7.6	66	Nil	-25%
BUY	Devine Ltd	DVN	13/11/06	94	A	285.7	1.0	0.31	6	12.9	62	16.0	-17%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	C	68.5	1.7	0.29	8	Nil	21	Nil	-57%
HOLD+	Fiducian Portfolio Ser	FPS	11/02/08	260	A	32.8	0.8	2.60	12	5.9	220	6.5	-13%
HOLD	Housewares Int'l	HWI	13/11/06	171	B	129.5	0.9	0.28	6	11.4	92	10.5	-40%
HOLD	Iluka Resources Ltd	ILU	12/10/04	471	A	232.9	0.6	0.75	7	6.4	342	64.0	-14%
BUY	Integrated Research	IRI	14/01/08	40	A	166.5	1.3	1.34	9	10.0	30	3.0	-18%
HOLD	Int'l AllSports	IAS	11/02/03	180	D	66.4	2.0	0.21	NE	Nil	15	4.0	-90%
BUY	M2 Telecommunications	MTU	09/10/06	33	A	78.9	1.1	0.36	8	10.0	50	8.0	+76%
HOLD	Mercury Brands Ltd	MCB	08/02/05	93	C	62.2	3.5	0.07	NE	Nil	5	7.0	-88%
HOLD	Mercury Mobility ¹	MMY			C	105.0	2.0	1.95	NE	Nil	12		
HOLD	Melbourne IT	MLB	10/02/04	53	B	76.8	0.5	1.17	13	5.6	234	43.0	+423%
HOLD	M.Y.O.B. Ltd	MYO	15/07/03	84*	B	385.3	0.8	2.24	24	4.0	107	33.3	+67%
BUY	Probiotec Ltd	PBP	11/02/08	116	A	46.6	0.8	0.89	9	2.0	126	2.5	+11%
HOLD+	Prophecy International	PRO	08/09/08	26	A	45.1	1.4	2.62	8	11.8	34	Nil	+31%
HOLD	Ross Human Directions	RHD	14/08/01	92	B	83.5	1.4	0.06	6	12.1	29	32.5	-33%
BUY	Skilled Group Ltd	SKE	12/03/02	126	B	122.0	0.7	0.14	7	10.5	220	121.5	+171%
HOLD+	Technology One Ltd	TNE	11/11/03	44	A	297.7	0.9	2.81	15	5.1	74	13.1	+98%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	A	187.3	0.9	2.68	7	4.1	98	0.9	+120%
HOLD+	The Reject Shop Ltd	TRS	11/01/05	257	A	25.7	0.4	0.66	14	5.3	901	126.5	+300%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +134.6%. This is equal to an average annual rate of +22.2%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 37 current and 143 closed out) is +29.8%, compared with a market gain of +5.2% (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 1.5 shares of Mercury Mobility distributed to shareholders.

Recommended Investments

(Continued from Page 3)

a software company (e.g. Integrated Research) or a services company (e.g. Clarius Group, CPT Global) or a marketing company (e.g. M2 Telecommunications) or a niche retailer (e.g. Michael Hill, The Reject Shop) ahead of a capital intensive business (e.g. a steel mill, heavy engineering or mining business).

The current decline is producing outstanding value amongst the type of shares in which we would like to invest. Unlike 2007 when we struggled to find shares trading at attractive valuations, today there are many, many suitable shares available. We believe many trade at 20-50% of what - in normal times - might be considered their *fair* value. Our problem is finding the *best* value, *best* recovery potential and the *best* medium to long term growth potential amongst the many choices. With the market still very weak we are not rushing to make new buys. Shares are generally becoming cheaper and we are continuing to assess the options.

Stockmarket declines can also produce exceptional value in particular sectors that face a difficult operating environment and which have become out of favour with investors. For example, after the end of the Technology boom, share prices often fell 90% in this sector as many Technology companies failed and investors heavily discounted valuations for the whole sector. So the shares went from being over-valued in the boom to under-valued several years later. This type of bargain hunting involves some risk, but can also uncover some excellent investments. For example, and as discussed last month, of eight Technology shares we bought this decade, three were unsuccessful, three have performed very well and two (i.e. **Melbourne IT** up 5-fold and **Computershare** sold for a 5-fold gain) have been spectacular!

There are several depressed sectors that we are looking at for potential recovery/growth investments including Property Trusts, the more high risk/high return Property Developers and even Exploration and Mining companies. It is probably still *far too early* to consider any significant investments in these sectors but we would expect many attractive opportunities to develop over the next several years. Subscribers may know that we often follow potential investments for months or even many years waiting for the right time to buy into a company.

While we see potential value in the property sectors, we continue to see very high risk of company failure in the short term. The property market and credit markets would also need to improve significantly before these sectors became attractive. That might be 3-18 months away for Property Investment Trusts and perhaps 2-5 years away for the more high risk, high return Property Development companies.

Property Trusts

Most Australian Property Trusts are involved in both the ownership of property and the management of property funds for other investors. Many are also involved in property development and re-development. Most are

fairly highly leveraged.

The worst examples in this sector are probably **Centro Property** and its listed associate **Centro Retail**. These two companies made *billion* dollar property purchases in 2007, financed by short term debts. The company expected to re-sell many of these properties to its unlisted property trusts, financed in part by strong inflows of capital into those trusts. As credit conditions worsened, those inflows of capital were significantly reduced. The company also waited throughout late 2007 for credit conditions to improve so that it could re-finance its short term borrowing at more attractive rates . . . eventually being unable to re-finance its billions in short term debts which are now overdue for repayment. The companies (and their unlisted property trusts) are now being forced to sell assets to repay debts. Being a forced seller in the current market is, well, not a good position! Shareholders wealth has already been significantly eroded and there is a high probability these companies will not survive.

Most other property trusts are in better shape, but still vulnerable to high leverage, falling property values and problems re-financing mortgages falling due for payment. For example, if a trust had 50% equity and 50% mortgage financing in its capital structure, then a 20% drop in property values will have eroded 40% of Shareholders Equity. That would leave the company financed 38% by equity and 62% by debt. If property values fell another 20% then Shareholders Equity will have been reduced 72% from pre-crisis levels and the balance sheet will be financed with just 22% equity and 78% debt. In this situation its lenders would probably seek to reduce their exposure, requiring the company to either raise additional equity (which is difficult - and highly dilutive - when its share prices are depressed) or to sell properties (when prices are low).

Most property trusts have long term mortgages, with a range of maturities. That, however, means that most probably have 10-30% of their debts due for re-financing over the next 12-18 months. Falling asset values putting pressure on balance sheets and the current credit conditions *could* mean that many property trusts are unable to re-finance and at least some may become forced sellers.

So for property trusts to become attractive for investment we would like to see some stability in property values (i.e. so that Shareholders Equity is not eroded) and some improvement in credit conditions (i.e. so that sound companies can re-finance mortgages falling due). We would look for the more soundly financed trusts in this sector, but where their share prices have been depressed by the general sector problems. The attraction of this sector is the potential to pick up high yielding shares trading at a significant discount to their asset backing. With moderate *long term* debts and *long term* leases to a range of quality tenants, property investment should be a relatively low risk business offering high income returns.

Property Developers

Property Development is - even at the best of times - a cyclical and very high risk business. So, why even

consider it? The answer is it is also a potentially very high profit margin business. And given the 70-95% declines amongst many of the higher risk/higher return companies in this sector, we could be able to make some profitable investments near the bottom of the cycle.

But first we would expect many of the higher risk companies in this sector to fail. The failure of “bad” companies in this sector will also depress the value of “good” companies which are able to survive. The property market, however, may remain depressed for 3-5 years, with the survivors in this sector doing well simply to break-even over this period. With many companies failing in this sector - and the better ones just breaking even - the market is likely to significantly under-value these businesses relative to their potential in the next upturn. Picking a winner here could ultimately yield a 5-fold to 50-fold return . . . but we don't expect an attractive buying opportunity here anytime soon! The potential returns, however, make it worth looking for a suitable recovery/growth situation.

Resource Companies

Exploration and Mining companies shares were bid up over recent years owing to the commodity boom. For many investors - including many hedge funds - buying exploration and mining shares was a “can't lose” investment. Now, with the potential for slower economic growth, commodity prices have declined and this has impacted on resource shares, especially over recent months. Global deleveraging is also impacting, for example, as hedge funds are forced to sell these shares to repay debts. Over the last year - and especially over the last few months - many resource shares have come back to pre-boom lows and there could be some attractive opportunities out there.

Some resource shares are already trading for less than their cash in the bank - although the real potential in this sector will be low valuations for attractive projects close to producing long term revenues, cashflows and profits!

Resource shares are very popular with many investors and many other investment advisors. Some people think this newsletter has a *bias* against this sector - just as people considered us biased against Brierley, Chase and Equitcorp during the 1986/87 boom. The simple fact is we consider that *other* sectors often offer better investment returns. Investors are free to disagree, but being under-weighted in the resource sector has not prevented this newsletter from achieving a long term track record superior to most other advisors.

For the record, these are the factors that can make the resource sector less attractive than other businesses: Firstly, it is capital intensive. It costs a lot of money to find minerals, a lot of money to dig a hole in the ground to get out the ore and a lot of money to process the ore. Extraction and processing are heavy operations, so plant and equipment can depreciate rapidly and need replacing or maintenance. Raising money to find or extract minerals increases a company's issued capital and *dilutes* the returns to investors. Ongoing extraction, processing, depreciation and maintenance costs can consume much

of a company's income, leaving less to distribute to shareholders. Dividend Yields are low in this sector as few companies are profitable and few have surplus cash to return to shareholders. Secondly, mining is a *depleting* business. Every ounce of gold or tonne of nickel extracted brings a mine that much closer to the end of its economic life. Thirdly, this is a very high risk sector. There are regular booms and busts. Commodity prices and exchange rates are volatile. Even when commodity prices are high - as we have seen over recent years - companies can suffer from the high exchange rate, skill shortages, increasing labour costs, rising capital costs and significantly higher energy costs and higher processing chemical costs.

We have always thought that the best way to invest in this sector is to invest not directly in the explorers or miners, but in companies that provide services to this sector. Perhaps companies like **AJ Lucas Group**, **Campbell Brothers** or **Skilled Group**.

Nevertheless, we have made a few investments in the resource sector - recently, for example, we realised a 9.4-fold gain on Centennial Coal - when we can find appropriate investment situations. Given the new low share prices emerging in this sector we are actively investigating a large number of situations.

Finding Future Investments

Being long term investors, however, we may watch companies for many months, perhaps even several years, before considering conditions are right to buy.

When situations change - or when we judge the time is right - potential investments can quickly move from our *watch* list to our *buy* list.

Typically we might closely watch and monitor 5-20 companies for every one that eventually goes on to become a “Buy” recommendation in this newsletter. We do seek to spend a lot of time finding the right companies that can become very profitable, *long term* investments, as compared with “active portfolio managers” (i.e. those who rush into something this month, decide its not working out, sell and buy something else *next* month). While our strategic, long term approach to share selection has enabled us to find many very big winners, there will always be a number of investments that don't work out successfully or which under-perform - so it is always important to widely diversify a share portfolio.

NZ Shares

Michael Hill International has reported good revenues for the September quarter - although exchange rate fluctuations have “been challenging” and “affects the value of inventory and margins” as well as the “consolidated group's reported profits”.

Australia “same-store” revenues rose 2.3% (in local currency) with total revenues up 6.7% to A\$44.6 million. Translated into NZ dollars that is up 16.4% to NZ\$55.6 million.

New Zealand same-store revenues slipped 6.7%, while store expansion resulted in total revenues of \$17.3 million (down 3.7%).

(Continued on Page 6)

Recommended Investments

(Continued from Page 5)

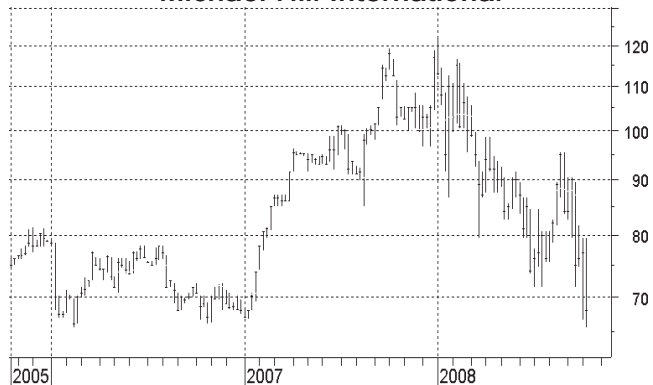
Canadian same store revenues slipped 11.6% to C\$3.4 million, but expansion lifted total revenues 9.2% to C\$4.6 million. Expressed in NZ dollars that was a 13.8% increase to NZ\$6.2 million.

One month's trading for the 17 new United States stores produced revenues of US\$431,553 or NZ\$638,109.

Total revenues for the September quarter were up 12.0% to \$79.7 million.

The New Zealand and Canadian markets were weak over the first quarter and Michael Hill International expects that to continue over the rest of the year.

Michael Hill International



South Port NZ is optimistic about its future performance, with the “positive trends” seen last year “continuing into the current year”. The net profit is ahead, cashflows are strong and bank debt “almost insignificant”.

The company is constructing a new 6,000m² warehouse for bulk stock food imports which has been leased to **Dynes Stockfood**. A new bulk liquids storage facility is being built on the Bluff Island Harbour by **Masstel Terminals** and the **Dairy Trust** has secured further dairy warehousing ahead of increased exports.

Wood chip exports reached 164,000 tonnes last year as Eucalyptus planted in the 1990's is now being harvested.

TrustPower will also import components through South Port NZ for its planned 82 turbine, 240 MW **Kaiwera Downs** windfarm which should be operational by 2010. Another 50 turbine, 150 MW project is being evaluated by **Wind Prospect**.

South Port NZ



Steel & Tube Holdings is the target of a \$4.00 per share cash takeover from its parent company, Australian based **OneSteel**, which seeks to acquire the remaining 49.73% of the NZ company.

The takeover is conditional upon 90% acceptances, Overseas Investment Office approval and, perhaps most importantly, the NZX50 Index not falling below 2710 for three consecutive days. The index closed at 2805 on Friday, so if the market remains weak OneSteel could choose to cancel this takeover offer.

At this time, this takeover should remind investors that whatever happens in the global financial markets there will always be value in companies that have real businesses and produce real revenues, cashflows and profits!

Steel & Tube's business is *cyclical*, so *could* suffer a decline in the immediate future *if* the NZ economy was to slow further. Over the medium to long term, however, this is a business that generates real revenues, strong cashflows, earns profits and pays regular dividends. In fact, strong operating cashflows also allow the business to steadily expand through acquisition, reduce any bank debts and/or make capital repayments or special dividends to shareholders.

Over the eight years we have owned our Steel & Tube Holdings shares the company has repaid 145% of our initial investment through cash distributions. That is an average cash return of 18% annually. The 400 cents now being offered by OneSteel will repay *another* 274% of our initial investment. Overall we have increased our money almost 4.2-fold in just over 8 years. So this has been a very successful investment in our portfolio.

Being a *cyclical* business does present some risks. When the economy slows, then revenues, profits and the share price can temporarily decline sharply. But with some intelligence, and some counter-cyclical investing, this volatility can further improve an investor's returns. For example, our current holding in Steel & Tube Holdings is the *third* time this newsletter has recommended investing in these shares. We originally bought Steel & Tube shares in February 1982 and recommended selling them in June 1985 for a 119% gain over less than 3½ years. We bought the shares back 36% cheaper in January 1992, realising a 462% return over less than 4½ years when we sold in May 1996. In August 2000 we again bought the shares back 81% cheaper and at 400 cents will realise a 419% gain in just over eight years. So, over the 27 years that this newsletter has been testing its skill in the stockmarket, volatility has helped *increase* our long term investment returns from investing in Steel & Tube.

So should we accept the 400 cents takeover? Probably, yes.

If taken over, then we will lose an attractive, cyclical business in which we could invest in the future. Steel & Tube is a sound business and you could always count on “Mr Market” under-pricing the shares in a recession and over-pricing them in a boom! The stockmarket is very efficient at transferring wealth from poor investors to

good investors! When investors wanted to dump Steel & Tube shares in a recession, we were more than happy to buy them cheaply. And when investors discovered the company's strong cash flows in a boom and wanted to pay a big price to buy this "growth share", then we were happy to sell and take a big pile of cash. If the company is taken over, then we won't be able to do that again . . . but we can probably find similar cyclical investments, such as **OneSteel** and others, on the Australian stockmarket.

The NZ stockmarket, of course, will have one less good quality company, but the lack of attractive opportunities there has forced us to look across the Tasman for most of our investments over the last decade and a half. There is a very long term trend for successful NZ businesses to be acquired by Australian (and other foreign) companies. What does this tell you about the long term value of shares in **NZX**?

So, while we will be sad to see Steel & Tube Holdings disappear as a separate listed company, that isn't really relevant to our investment portfolio. At 400 cents, Steel & Tube might still be an attractive long term investment and provide a healthy cash income. The shares might fluctuate between \$2 and \$8, depending upon the state of the economy and stockmarket, so \$4 is around mid-valuation over the long term. We would look to sell the shares on-market if the price rose around \$7-8 and, perhaps some years later, consider buying them again if the price fell around \$2-3.

The NZ economy is *already* weak - so we don't see too much downside risk there - but global stockmarket conditions are far from normal. At the present time we can probably buy good quality shares at 20-50% of normal valuations. So selling Steel & Tube for a fair valuation and then being able to buy into equally good company shares at 20-50% of their fair valuation should help boost our long term returns.

The takeover documents should be mailed to shareholders in the last week of October.

Steel & Tube Holdings



Australian Shares

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

AJ Lucas Group has further increased its shareholding in **Sydney Gas**, purchasing 6,479,750 shares on-market at prices around 32-34 cents per share (i.e. just under

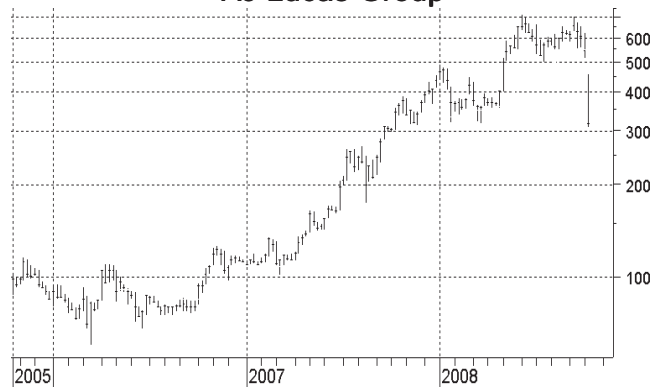
\$2.1 million in total). This lifts its holding to 80,508,207 shares or 19.99% of the company.

Following a review of its Coal Seam Gas assets, AJ Lucas Group is "exploring options" for the sale of its 15% interest in ATP651 which is "one of the most attractive pieces of CSG acreage on the east coast of Australia".

The AJ Lucas Group share price dipped significantly over the last month, leading the company to announce plans to re-purchase up to 10% of its shares on-market. This will be funded from "strong cashflows and credit lines".

The company continues to expect strong revenue and profit growth this year, reports that the **Mitchell Drilling** acquisition has been successfully integrated, that it has "secured several pipeline contracts" and is "negotiating further significant work".

AJ Lucas Group



Cellnet Group reports that it is no longer a distributor of **Blueant** products but will begin distributing *bluetooth* products for **Jabra**. This change is not expected to have any material impact on the business.

Circadian Technologies reports that **Arana Therapeutics** has successfully engineered an improved version of the VEGF-D antibody, a "humanised version of Vegenic's VEGF-D lead mouse antibody". For completing this work Arana Therapeutics will receive a milestone payment, plus further milestone payments as drugs are developed and royalty payments on future sales.

Devine has received Development Approval for its **Mountainview** large scale "masterplanned" development, 28km south west of Brisbane and 9 km east of Ipswich City. The 123.5 hectare development will cover three sites acquired during 2006 and 2007. The first stage will include over 800 residential sites, with a second stage to be launched in 2011 including a commercial centre, transport hub and a further 500 residential dwellings. The total value of this project will be around \$500 million. Land prices will start from \$125,000 with pre-sales expected from next month with settlement in May 2009.

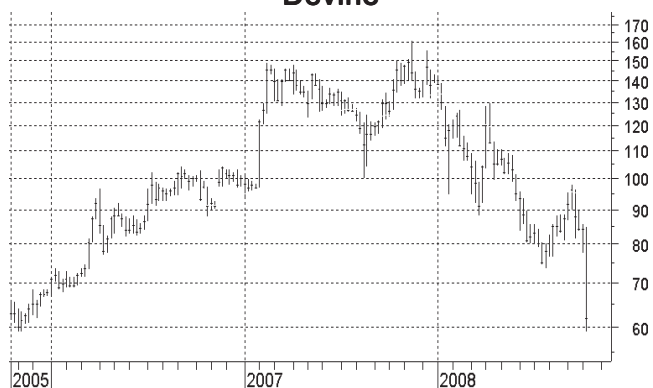
Devine completed its \$75 million **ICB Central** office development on schedule in August. The company bought the site for \$11 million in June 2007 and soon after pre-sold the project.

(Continued on Page 8)

Recommended Investments

(Continued from Page 7)

Devine



Housewares International will seek shareholder approval to change its name to **Breville Group** at the AGM on 10 November.

Iluka Resources is to pay \$5 million in cash to buyout **Adelaide Resources'** interests in joint ventures in the Eucla Basin. These include the *Colona Joint Venture* (51% owned by Iluka, 49% by Adelaide Resources) which includes about 30% of the equity in the *Tripitaka* minerals sand resource (which extends over another exploration licence 100% owned by Iluka). Iluka Resources had chosen to develop its 100% owned *Jacynth-Ambrosia* project, so advised Adelaide Resources that it would not progress with a definitive feasibility study for *Tripitaka* "at this time".

Clearly there is an uneven balance of power here between a large company with other fully owned resources and a small company with few options. The sale will boost Adelaide Resources cash holding from \$3 million to \$8 million - enabling it to pursue copper, gold-copper and uranium exploration and/or to seek acquisitions of other depressed exploration companies. Iluka Resources gains full ownership of the *Tripitaka* prospect and its 1,004,000 tonnes of high Zircon resource.

Iluka Resources



[Editor's Note: Just as a brief follow up on our previous comments about cash-rich resources shares, when this deal goes through **Adelaide Resources** will have **\$8 million** in cash but the company is currently valued at just **\$4.6 million** by the market! The company also owns

21,000,000 **Iron Road** shares, currently depressed to just a \$2.1 million value and has no significant liabilities. With shares like this trading at less than *half* their mainly cash asset backing, we believe the onus is on the panic sellers to explain *why* and *how* they believe the credit crisis, recession, etc, can drive shares any lower! We believe the market is oversold, owing to forced, margin sellers, and is under-valued. We rest our case!]

M2 Telecommunications' services are to be offered by **Medibank Private** to its three million members through the insurance company's "feelbetter Rewards" program. This marketing arrangement follows the successful offer of telecommunications services to the 10,000 members of the **Capricorn Society** last year.

M2 Telecommunication

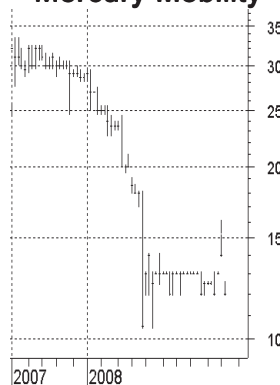


Mercury Brands has acquired the business of **The Factoree** which includes the distribution rights to the "premier high fashion brands" *WESC, J & Company, Lifetime Collective, Black Orchid* and *Kangol*. Mercury Brands will pay \$120,000 for stock on hand and \$95,000 for the distribution agreements plus an amount equal to 7.5% of revenues (up to a maximum of \$350,000) over the next two years. Annual revenues are expected to be around \$2 million annually.

This expands the company portfolio of brands, but with a limited upfront payment and deferred payment based upon achieving sales over the next two years.

Mercury Mobility has signed a licence agreement with **THQ Wireless International S.a.r.l.** to distribute personalisation and games created by THQ Wireless to mobile phone users in Australia.

Mercury Mobility



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

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

Company	STRENGTH RATING				Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n		
	Share Price	Current Rent	4-Wk Chg.	Rank									
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0													
PGG Wrightsons	165	+1.9	-12.0	12	17-0	4	1.0	15	0.8	7	14.5	0.39	477
Skellerup Hold.	87	+2.8	+0.2	10	7-0	2	2.5	2	1.2	159	5.1	0.52	115
Mainfreight Grp	530	+0.3	-1.0	18	3-9	4	2.0	16	0.6	12	5.1	0.54	512
Steel & Tube	360	+1.6	+5.9	13	0-0	6	1.2	8	0.7	14	7.9	0.63	318
Livestock Imp.	295	+19.3	-8.3	1	2-0	-	0.6	10	0.6	6	12.6	0.73	98
Abano Health.	450	+3.6	+0.1	9	0-0	1	1.9	14	0.8	13	6.0	0.84	104

BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0													
Livestock Imp.	295	+19.3	-8.3	1	2-0	-	0.6	10	0.5	6	12.6	0.73	98
Media Tech.	4	+13.6	-2.7	3	0-0	-	14.3	-	2.7	4	Nil	0.63	3
Abano Health.	450	+3.6	+0.1	9	0-0	1	1.9	14	0.7	13	6.0	0.84	104
PGG Wrightsons	165	+1.9	-12.0	12	17-0	4	1.0	15	0.6	7	14.5	0.39	477
Steel & Tube	360	+1.6	+5.9	13	0-0	6	1.2	8	0.6	14	7.9	0.63	318
Mainfreight Grp	530	+0.3	-1.0	18	3-9	4	2.0	16	0.6	12	5.1	0.54	512

INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million													
Hallenstein G.	245	-11.6	+2.5	72	4-1	5	2.2	32	0.4	7	21.3	0.73	146
F & P Appliance	135	-17.0	-0.0	83	2-0	6	0.6	8	0.8	7	17.5	0.27	384
Telecom Corp	256	-12.4	-2.8	76	8-22	11	1.7	26	0.6	7	16.9	0.82	4,674
ING Property	60	-13.4	-2.9	79	5-0	3	0.4	10	0.6	4	16.4	2.99	309
Briscoe Group	77	-13.4	+1.1	78	3-0	4	1.4	19	0.6	7	15.5	0.40	163
PGG Wrightsons	165	+1.9	-12.0	12	17-0	4	1.0	15	0.6	7	14.5	0.39	477
Tourism Hold.	115	-15.0	+0.3	81	3-0	4	0.6	4	0.7	14	14.3	0.75	113
Air New Zealand	90	-12.7	+0.6	76	8-3	2	0.6	14	0.7	4	14.1	0.20	952
Cavalier Corp	235	-0.3	+2.7	21	0-0	4	1.9	21	0.6	9	12.7	0.63	158
Pumpkin Patch	110	-15.4	+0.3	82	5-4	5	1.7	25	0.8	7	12.2	0.50	184

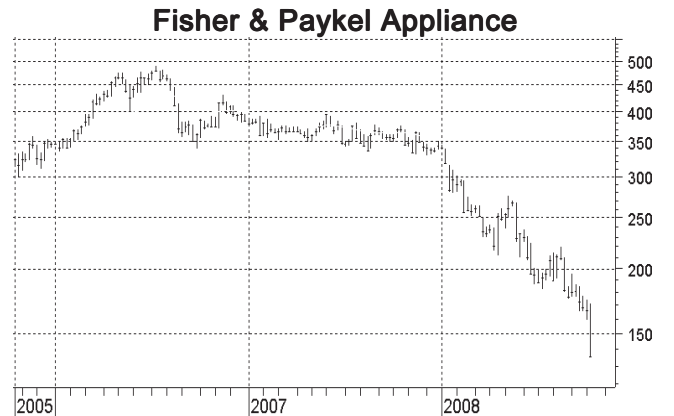
INSIDER BUYING: Most Insider Buying, Relative Strength > 0													
PGG Wrightsons	165	+1.9	-12.0	12	17-0	4	1.0	15	0.5	7	14.5	0.39	477
Skellerup Hold.	87	+2.8	+0.2	10	7-0	2	2.5	2	0.8	159	5.1	0.52	115
Affco Holdings	48	+21.5	-4.6	0	3-0	-	0.9	0	0.7	200	Nil	0.26	243
Pike River Coal	126	+8.2	-20.1	4	3-0	4	1.6	-	0.8	NE	Nil	N/A	331
Livestock Imp.	295	+19.3	-8.3	1	2-0	-	0.6	10	0.4	6	12.6	0.73	98
Windflow Tech.	305	+4.3	-5.0	8	2-0	-	4.4	-	0.3	NE	Nil	7.51	26
Mr Chips Hold	274	+14.4	-6.4	2	1-0	-	3.1	25	0.4	13	2.2	1.18	67
Vector Ltd	208	+3.9	+1.6	9	1-0	4	1.1	7	0.7	15	9.5	1.76	2,080
New Image Group	15	+12.8	-6.4	3	1-0	-	65.2	-	1.6	NE	Nil	1.24	32
NZ Oil & Gas	116	+0.4	-8.8	17	1-0	-	3.2	17	0.5	19	Nil	N/A	149

OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0													
NZ Windfarms	75	-3.1	-0.5	34	0-0	-	0.7	3	1.0	24	Nil	9.75	59
Northland Port	265	-2.9	+1.5	32	0-0	-	0.7	6	0.4	12	6.2	9.39	115
Ryman Health.	140	-4.1	-0.4	39	2-0	3	1.9	20	0.6	10	3.6	9.22	697
Goodman Prop.	107	-7.6	+1.4	58	0-0	4	0.8	9	0.5	9	9.3	7.57	892
Property F Ind.	109	-5.7	+0.2	49	0-0	4	0.7	6	0.5	12	8.1	7.37	229
Burger Fuel	64	-4.6	+7.6	42	0-0	-	7.3	-	0.7	NE	Nil	7.19	34
ING Med. Prop.	108	-2.8	+0.7	31	4-0	4	0.9	5	0.5	18	9.1	6.21	151

Company	STRENGTH RATING				Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n		
	Share Price	Current Rent	4-Wk Chg.	Rank									
Metro. LifeCare	410	-10.1	+1.1	67	0-0	1	0.7	-	0.2	NE	4.6	6.16	359
AMP Onyx Mgmt	107	-5.0	+0.6	44	3-0	4	0.7	12	0.4	6	7.8	6.10	736
Akd Int Airport	170	-8.4	+1.9	62	2-2	8	1.1	6	0.6	18	7.2	5.92	2,078
Kiwi Property	116	-5.3	+1.9	45	3-0	4	0.9	11	0.5	8	7.9	5.60	965
NZ Exchange Ltd	583	-9.1	-2.3	64	0-0	2	4.9	30	0.6	16	5.4	4.50	141
A2 Corporation	8	-12.7	+6.9	77	0-0	-	-	-	1.8	NE	Nil	4.32	21
NZ Refining Co	575	-6.3	-0.3	52	1-0	2	2.2	18	0.4	12	11.7	4.08	1,380
Kermadec Prop.	56	-9.8	+0.3	66	2-0	-	0.5	7	0.7	7	15.5	3.99	43
Sealegs Corp	27	-12.2	-2.2	75	0-1	-	10.7	-	1.4	NE	Nil	3.40	20
Trust Power Ltd	700	-1.1	+1.2	24	0-2	4	1.8	8	0.5	23	6.0	3.24	2,208
ING Property	60	-13.4	-2.9	79	5-0	3	0.4	10	0.5	4	16.4	2.99	309
Mowbray Collect	125	-14.8	+3.1	80	0-4	-	3.1	5	0.3	58	Nil	2.85	14
Apple Fields	9	-3.1	+10.7	34	1-0	-	2.0	41	2.6	5	Nil	2.66	7

WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average													
Charlie's Group	11	-58.3	+0.0	98	1-0	-	2.0	-	1.3	NE	Nil	1.02	31
Plus SMS Hold.	2	-29.9	-9.4	92	3-3	-	1.1	-	3.1	NE	Nil	1.51	8
Wool Equities	26	-22.8	+0.8	88	0-0	-	0.5	-	0.6	NE	Nil	0.29	6
Warehouse Group	340	-21.4	-0.5	87	0-1	9	3.1	34	0.5	9	7.7	0.60	1,057
Heritage Gold	2	-21.1	-3.4	86	0-0	-	0.5	-	2.8	NE	Nil	N/A	6
NZ Finance Hold	30	-18.4	+4.0	84	2-0	-	1.0	16	0.6	6	5.0	0.86	23
GuocoLeisure	46	-16.9	-3.5	82	6-0	-	0.4	1	0.6	36	11.4	0.97	629
Pumpkin Patch	110	-15.4	+0.3	82	5-4	5	1.7	25	0.7	7	12.2	0.50	184
Mowbray Collect	125	-14.8	+3.1	80	0-4	-	3.1	5	0.3	58	Nil	2.85	14
A2 Corporation	8	-12.7	+6.9	77	0-0	-	-	-	1.7	NE	Nil	4.32	21
Sealegs Corp	27	-12.2	-2.2	75	0-1	-	10.7	-	1.4	NE	Nil	3.40	20
Rakon Ltd	205	-11.6	-2.0	73	0-2	2	1.9	8	0.8	23	Nil	1.44	250
Guinness Peat	99	-11.2	-1.4	71	0-0	3	0.5	12	0.6	4	2.6	0.37	1,262
CDL Investments	31	-11.1	+2.1	70	0-0	-	0.9	15	0.5	6	11.1	2.18	68
Fletcher Build.	586	-11.0	+3.3	70	1-3	6	1.1	17	0.5	6	12.2	0.42	2,950

INSIDER SELLING: Most Insider Selling, Relative Strength < 0													
Telecom Corp	256	-12.4	-2.8	76	8-22	11	1.7	26	0.5	7	16.9	0.82	4,674
Michael Hill	68	-6.3	+0.3	53	1-9	4	2.9	28	0.4	10	7.0	0.69	260
Mowbray Collect	125	-14.8	+3.1	80	0-4	-	3.1	5	0.3	58	Nil	2.85	14
Sky City Ltd	293	-5.4	+3.6	48	2-5	9	2.9	23	0.6	13	11.0	1.56	1,381
Trust Power Ltd	700	-1.1	+1.2	24	0-2	4	1.8	8	0.5	23	6.0	3.24	2,208
Rakon Ltd	205	-11.6	-2.0	73	0-2	2	1.9	8	0.8	23	Nil	1.44	250
Lion Nathan Ltd	940	-0.3	-1.3	20	0-2	-	6.0	30	0.2	20	4.1	2.40	5,022
Fletcher Build.	586	-11.0	+3.3	70	1-3	6	1.1	17	0.5	6	12.2	0.42	2,950
Life Pharmacy	40	-9.3	+1.7	65	0-1	-	0.6	-	0.9	NE	Nil	2.35	15
TeamTalk Ltd	204	-2.1	+2.1	29	0-1	-	2.0	18	0.4	11	14.6	1.35	41



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

For an explanation of this table see the *Share Selection Methods* report 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	Insider Buy/Sell	Block/Low	Price NT	Return on Equity	Vola- tility	Price to Earnings	Divi- dend	Price to Sales	Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank	Insider Buy/Sell	Block/Low	Price NT	Return on Equity	Vola- tility	Price to Earnings	Divi- dend	Price to Sales	Market Cap'n
STRENGTH RATING														STRENGTH RATING													
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0														INSIDER BUYING: Most Insider Buying, Relative Strength > 0													
AWB Limited	225	+0.9	+2.5	7	3-0	9	-	0.5	7	8.9	0.16	779	Macquarie C'Wide	66	-14.8	+2.9	47	5-0	7	0.3	7	0.5	5	22.9	2.62	889	
Manacomm Corp.	18	+2.0	-5.8	6	3-0	-	-	1.8	3	5.7	0.20	8	Mirvac REIT	46	-26.0	+3.0	77	0-0	1	0.3	18	0.5	2	22.4	3.55	289	
Supply Network	39	+3.6	+2.8	5	1-0	-	1.0	15	10	7.7	0.25	10	Macquaries C&I	214	-18.8	-0.3	59	0-0	3	-	0.3	NE	21.5	0.46	1,123		
Downer EDI Ltd	500	+1.2	-3.0	7	9-0	8	3.2	33	0.6	10	5.1	1,625	FKP Limited	150	-5.6	-8.5	21	3-0	6	0.3	10	0.6	3	21.1	1.79	398	
W'bool Cheese	400	+0.6	+1.6	8	3-0	3	1.3	20	0.4	6	3.8	0.31	157	Goodman Group	151	-22.2	-0.9	69	3-0	8	0.8	19	0.6	4	20.9	2.99	2,492
Tel.Pacific Ltd	15	+5.6	+1.8	4	1-0	-	3.0	53	1.8	6	6.3	0.35	13	Minara Resource	76	-42.1	-2.6	97	17-0	4	0.5	40	0.8	1	19.7	0.46	354
Penrice Soda	130	+3.8	-2.5	5	2-0	-	2.7	33	0.6	8	8.1	0.43	59	Abacus Property	69	-13.0	-2.3	42	7-0	6	0.5	8	0.5	6	19.7	2.75	442
AJ Lucas	316	+11.0	-8.9	2	1-0	5	8.5	61	0.7	14	2.2	0.44	187	Asciano Group	240	-11.5	+1.1	37	7-0	-	-	0.5	NE	19.2	0.55	1,576	
Lername Corp	320	+7.2	-0.8	4	0-0	-	1.0	22	0.4	4	7.8	0.52	31	Charter Hall GR	66	-22.6	+1.6	70	5-6	5	0.6	14	0.6	4	19.1	3.00	273
Adcorp Aust.	38	+8.6	+0.2	3	1-0	1	2.9	50	0.9	6	13.2	0.58	23	Chal Div Prop	48	-14.3	+2.9	46	2-0	4	0.4	6	0.7	7	17.8	3.30	256
JB Hi-Fi Ltd	1000	+7.6	+0.5	3	1-3	13	15.2	93	0.4	16	2.6	0.58	1,059	Village Road.	144	-20.8	-2.1	64	5-1	-	-	0.5	1	17.7	0.25	324	
MacMahon Hold	132	+2.3	-0.8	6	2-2	8	3.4	24	0.8	14	4.2	0.59	707	ING Indust Trt	103	-16.5	+1.1	52	1-0	5	0.4	3	0.5	17	17.4	3.96	1,158
Boral Limited	570	+0.4	+3.7	8	3-0	-	1.3	9	0.5	14	6.0	0.64	3,282	Macquarie Off.	67	-8.8	+0.6	29	2-0	7	0.4	7	0.6	7	16.7	4.56	1,368
David Jones	305	+1.7	+6.3	7	1-1	11	2.9	23	0.5	13	7.2	0.69	1,376	Aspen Group Ltd	95	-16.1	+1.8	51	6-0	3	0.7	18	0.6	4	16.3	3.27	251
Ingena Group	39	+0.8	-3.5	8	1-0	-	6.4	-	1.2	4	6.5	0.70	10	B & B Wind Part	92	-12.6	-6.5	41	0-1	4	4.6	18	0.6	25	15.8	1.49	619
Iluka Resources	342	+3.4	-1.6	5	1-0	12	1.1	17	0.6	7	6.4	0.75	797	Mirvac Group	203	-18.0	+2.3	56	0-0	9	0.5	14	0.4	4	15.7	0.91	2,022
Country Road	350	+3.6	+0.3	5	0-0	-	4.6	19	0.3	25	2.4	0.82	242	Macquarie Leis.	126	-16.3	+2.4	52	0-0	8	0.7	10	0.6	7	15.6	0.87	290
Monadelphous Gr	956	+2.0	-2.8	6	2-0	10	9.6	82	0.4	12	7.5	0.84	806	INSIDER BUYING: Most Insider Buying, Relative Strength > 0													
Probiotec Ltd	126	+6.3	-0.4	4	1-0	-	2.1	23	0.7	9	2.0	0.89	59	Downer EDI Ltd	500	+1.2	-3.0	7	9-0	8	3.2	33	0.5	10	5.1	0.30	1,625
Lycopodium Ltd	320	+1.0	-4.3	7	0-1	4	5.4	56	0.4	10	7.8	1.00	121	APA Group	293	+1.9	+2.7	6	8-0	8	2.2	11	0.3	20	3.7	1.56	1,372
Bradken Ltd	613	+6.7	-2.5	4	6-0	8	6.3	47	0.7	13	3.4	1.01	650	Heartware Ltd	55	+11.3	+7.5	2	8-0	1	-	-	0.8	NE	Nil	N/A	136
AGL Energy Ltd	1272	+2.7	-2.3	6	2-0	10	3.2	18	0.3	18	4.2	1.04	5,639	Bathurst Res.	25	+42.6	+4.7	0	7-0	-	-	-	0.9	NE	Nil	N/A	N/A
Brisbane Bronco	27	+0.5	+0.6	8	0-0	-	2.5	14	1.3	18	3.7	1.07	26	Strathfield Grp	3	+1.8	+3.2	7	7-0	-	1.3	-	2.1	NE	Nil	0.11	18
Clover Corp.	18	+28.0	+11.1	1	6-0	-	1.4	19	1.7	7	5.6	1.30	30	Prophecy Int'l	34	+1.8	+11.3	6	6-0	-	2.8	36	0.7	8	11.8	2.62	15
Ansell Ltd	1265	+3.5	+6.1	5	0-0	9	7.9	47	0.4	17	2.1	1.38	1,714	Bradken Ltd	613	+6.7	-2.5	4	6-0	8	6.3	47	0.6	13	3.4	1.01	650
Centennial Coal	316	+2.4	-11.7	6	1-0	10	2.0	12	0.5	17	6.6	1.41	1,079	Clover Corp.	18	+28.0	+11.1	1	6-0	-	1.4	19	1.0	7	5.6	1.30	30
SAI Global Ltd	242	+1.5	+4.8	7	2-0	9	-	-	0.6	23	4.5	1.43	348	Cogstate Ltd	15	+3.4	+5.5	5	6-0	-	5.0	-	0.9	NE	Nil	4.00	7
St George Bank	2519	+0.4	+2.1	8	0-0	12	2.8	25	0.3	11	6.7	1.44	13,415	Minerals Corp.	1	+7.3	-3.1	3	5-0	-	0.5	-	2.8	NE	Nil	2.92	33
Origin Energy	1380	+16.4	-8.1	1	1-1	9	6.3	19	0.4	33	1.8	1.46	12,155	New Hope Corp.	328	+10.6	-12.3	2	5-0	3	4.0	11	0.4	38	1.4	N/A	2,652
Mineral Res.	310	+5.1	-6.8	4	1-1	3	4.8	59	0.5	8	6.2	1.55	381	Panax Geotherm.	14	+1.5	-4.8	7	4-0	-	-	-	1.2	NE	Nil	N/A	13
APA Group	293	+1.9	+2.7	6	8-0	8	2.2	11	0.4	20	3.7	1.56	1,372	Boral Limited	570	+0.4	+3.7	8	3-0	-	1.3	9	0.3	14	6.0	0.64	3,282
Campbell Bros	2650	+9.3	+2.1	3	0-1	6	12.8	66	0.3	19	3.6	1.82	1,382	W'bool Cheese	400	+0.6	+1.6	8	3-0	3	1.3	20	0.3	6	3.8	0.31	157
Q-Mastor Ltd	23	+7.2	-2.9	4	1-0	-	6.3	87	1.5	4	4.3	1.85	9	Macquarie Cap A	337	+10.1	-2.4	2	3-0	1	4.4	-	0.5	NE	Nil	1.26	829
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0														AWB Limited	225	+0.9	+2.5	7	3-0	9	-	0.5	7	8.9	0.16	779	
XRF Scientific	10	+13.3	+2.2	2	2-0	-	0.0	0	1.7	9	Nil	0.61	9	Manacomm Corp.	18	+2.0	-5.8	6	3-0	-	-	-	1.0	3	5.7	0.20	8
Netcomm Limited	11	+13.0	-15.3	2	1-0	-	1.6	34	1.3	5	Nil	0.52	10	Silver Swan Grp	45	+71.1	-12.5	0	3-0	-	-	-	0.7	NE	Nil	N/A	11
TTA Holdings	5	+11.8	-6.9	2	1-0	-	-	-	2.2	1	Nil	0.10	6	Soul Pattinson	950	+7.9	-4.0	3	3-0	-	1.6	7	0.3	23	3.0	2.66	2,267
AJ Lucas	316	+11.0	-8.9	2	1-0	5	8.5	61	0.6	14	2.2	0.44	187	Liberty Res.	8	+0.4	+6.7	8	3-0	-	-	-	1.2	NE	Nil	N/A	4
Adcorp Aust.	38	+8.6	+0.2	3	1-0	1	2.9	50	0.7	6	13.2	0.58	23	TFS Corporation	98	+9.0	-3.6	3	4-1	-	2.3	35	0.5	7	4.1	2.68	184
JB Hi-Fi Ltd	1000	+7.6	+0.5	3	1-3	13	15.2	93	0.4	16	2.6	0.58	1,059	Brickworks Ltd	1175	+3.1	-0.5	5	5-2	3	2.0	14	0.2	14	3.2	2.79	1,559
Espreon Ltd	46	+7.5	-3.8	3	0-0	-	-	-	1.1	8	Nil	0.31	43	SAI Global Ltd	242	+1.5	+4.8	7	2-0	9	-	-	0.4	23	4.5	1.43	348
Lername Corp	320	+7.2	-0.8	4	0-0	-	1.0	22	0.3	4	7.8	0.52	31	Foster's Group	535	+0.0	+3.9	9	2-0	12	9.7	11	0.3	92	4.9	2.26	10,284
Probiotec Ltd	126	+6.3	-0.4	4	1-0	-	2.1	23	0.5	9	2.0	0.89	59	AGL Energy Ltd	1272	+2.7	-2.3	6	2-0	10	3.2	18	0.3	18	4.2	1.04	5,639
Tel.Pacific Ltd	15	+5.6	+1.8	4	1-0	-	3.0	53	1.4	6	6.3	0.35	13	Orocobre Ltd	16	+4.2	-19.1	5	2-0	-	-	-	1.0	NE	Nil	N/A	N/A
Newland Res.	4	+3.8	-18.0	5	0-0	-	-	-	2.3	1	Nil	0.26	7	XRF Scientific	10	+13.3	+2.2	2	2-0	-	0.0	0	1.3	9	Nil	0.61	9
Penrice Soda	130	+3.8	-2.5	5	2-0	-	2.7	33	0.5	8	8.1	0.43	59	CI Resources	95	+56.3	-57.9	0	2-0	-	5.0	21	0.6	24	Nil	N/A	69
Supply Network	39	+3.6	+2.8	5	1-0	-	1.0	15	0.7	7	7.7	0.25	10	Monadelphous Gr	956	+2.0	-2.8	6	2-0	10	9.6	82	0.3	12	7.5	0.84	806
Tower Australia	258	+3.5	-3.2	5	2-0	4	2.1	43	0.5	5	Nil	0.67	604	Eurogold Ltd	15	+89.6	+104.2	0	2-0	-	-	-	0.9	NE	Nil	N/A	48
Iluka Resources	342	+3.4	-1.6	5	1-0	12	1.1	17	0.5	7	6.4	0.75	797	Advanced Energy	7	+27.4											

“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: 84.0% Buyers

Last 13 wks: 85.8% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
1300 Smiles Ltd	1-0	Antares Energy	3-0	Bannerman Res.	11-1	Centamin Egypt	2-0	CuDeco Ltd	1-0
3D Resources	1-0	Anvil Mining	2-0	Bass Metals Ltd	1-0	Centrepont All	9-0	Cullen Resource	0-2
3Q Holdings Ltd	1-0	Anzon Australia	1-0	Batavia Mining	14-0	Centrebet Int'l	1-0	CumminsCorp Ltd	1-0
900 Degrees Ltd	2-0	Apa Financial	3-0	Bathurst Res.	7-0	Century Aust In	1-0	Cumamona En.	1-0
A-Cap Resources	3-0	Apex Minerals	6-0	Bauxite Res.	3-2	Ceramic Fuel C.	5-0	Customers Ltd	6-0
A.P. Eagers	15-0	Aquacarotene	1-0	Beaconsfield Gl	3-0	Chal Infra Fund	1-0	Cyclopharm Ltd	0-1
A1 Minerals Ltd	0-2	Aquarius Plat.	2-1	Beach Petroleum	0-1	Chal Div Prop	2-0	Cypress Lakes	2-0
ABC Learning	1-10	Arafura Res.	1-0	Beacon Minerals	6-0	Chal Wine Trust	4-0	D'Aguiar Gold	1-0
AED Oil Ltd	0-2	Arafura Pearls	6-0	Becton Prop Grp	1-0	Chalice Gold	5-0	DKN Financial	3-0
AGL Energy Ltd	2-0	Arana Thera.	4-0	Bellamel Mining	4-0	Chal Financial	2-0	DUET Group	2-0
AJ Lucas	1-0	Arasor Int'l	2-0	Bell Financial	11-0	Chameleon Min.	5-0	DWS Adv Bus Sol	2-0
AMP Ltd	5-0	Argent Minerals	1-0	Benitec Ltd	1-0	Charter Hall GR	5-6	Danks Holdings	0-1
ANZ Bank	10-0	Argo Investment	4-0	Beyond Int'l	1-0	Charter Pacific	3-0	Dark Blue Sea	3-0
APA Group	8-0	Argo Explor.	2-0	Billabong Int'l	4-1	Cheviot K Vine.	1-0	Datasquirt Ltd	2-0
APN Property	11-0	Ariadne Aust	1-0	Biopharmacia Ltd	0-1	Cheviot Bridge	8-0	Datadot Tech.	1-0
APN News Media	4-0	Aristocrat Leis	3-0	Biosignal Ltd	1-0	China Y Copper	5-0	Data 3 Ltd	2-4
APN/UKA Euro Pr	9-0	Artist & Enter.	0-3	Biota Holdings	3-0	China Century	9-0	De Grey Mining	1-0
ARB Corporation	0-1	Ascent Pharm.	2-0	Black Fire En.	1-0	Choiseul Inv.	3-0	Deep Yellow Ltd	2-0
ASF Group Ltd	2-0	Asciano Group	7-0	Blackmores Ltd	1-0	Circadian Tech	4-0	Destra Corp Ltd	3-0
ASG Group Ltd	1-0	Ashburton Min.	1-0	Blue Energy Ltd	1-0	Citadel Res Grp	2-0	Devine	5-0
ASX Limited	0-2	Aspen Group Ltd	6-0	Bluescope Steel	5-0	City Pacific	4-0	Dexion Ltd	3-0
AWB Limited	3-0	Aspermont Ltd	1-0	Bluglass Ltd	1-0	City View	0-2	Diatreme Res.	2-0
AXA Asia Pac	1-0	Atlas SS Pearl	0-3	Boart Longyear	2-1	Clancy Expor.	1-0	Dioro Explor.	1-0
Abacus Property	7-0	Atlas Iron Ltd	3-0	Bonaparte Diam.	1-0	Clarius Group	3-1	Div. United Inv	3-0
Aberdeen Leader	3-0	Atom Energy Ltd	1-0	Bondi Mining	1-0	Clever Com Aust	4-3	Djerriwarrh	1-0
Acrux Ltd	0-1	Audax Resources	2-0	Boom Logistics	10-0	Clime Capital	1-2	Dolomatrix Intl	5-0
Actinogen Ltd	1-0	Augur Resources	3-0	Boral Limited	3-0	Clime Inv Mgmt	6-0	Dominion Mining	3-1
Ad Braking Tech	1-0	Augustus Min.	2-0	Botswana Metals	7-0	Clive Peeters	1-0	Domino's Pizza	1-5
Adavale Res.	5-0	Aura Energy Ltd	1-0	Bow Energy Ltd	12-0	Cloncurry Metal	2-0	Downer EDI Ltd	9-0
Adcorp Aust.	1-0	Aurora Oil Gas	2-0	Bowen Energy	2-0	Clough Limited	4-0	Dragon Mountain	3-0
Adelaide Bright	0-2	Aurox Resources	3-0	Bradken Ltd	6-0	Clover Corp.	6-0	Dragon Mining	1-0
Adelphi Energy	1-0	Ausdrill Ltd	6-0	Brand New Vint.	2-0	Coalworks Ltd	1-0	Drake Resources	3-0
Admiralty Res.	2-0	Ausenco Ltd	1-2	Brandrill	6-0	Cobar Cons Res.	1-0	Drillsearch	5-0
Adtrans Group	12-1	Ausmelt Ltd	1-0	Breakaway Res.	4-0	CocaCola Amatil	0-1	Drummond Gold	1-0
Adv Surgical	2-0	Aussie Q Res.	1-0	Bremer Park Ltd	1-0	Cochlear Ltd	3-0	Dyesol Ltd	2-0
Adv. Magnesium	1-0	Aust Wealth Mgt	4-0	Brickworks Inv.	9-0	Cockatoo Coal	2-0	E & A Limited	10-0
Advanced Energy	2-0	Aust Pharm. Ind	6-0	Brickworks Ltd	5-2	Cockatoo Ridge	1-0	E-Bet Limited	11-0
Advanced Engine	4-0	Aust United In	1-0	Brierty Ltd	4-0	Codan Ltd	3-0	E-pay Asia Ltd	7-0
Advance Energy	1-0	Austal Limited	1-0	Broad Invest.	2-0	Coffey Int'l	2-0	ETT Ltd	1-0
Aequus Capital	0-3	Australis Aqua.	5-0	Buccaneer En.	2-0	Cogstate Ltd	6-0	Eagle Nickel	3-0
Aevum Ltd	4-0	Aust Power Gas	9-1	Buderim Ginger	1-0	Collection Hse	2-0	Eagle Eye Metal	1-0
African Energy	3-0	Aust Infra.	7-0	Burleson Energy	3-0	Colorpak Ltd	2-0	East Coast Min.	2-0
Agenix Limited	4-2	Austar United	0-1	Buru Energy Ltd	2-0	Com'wealth Bank	2-0	Eastern Corp	2-0
Aim Resources	1-0	Aust Ethical In	0-1	C.S.R. Ltd	2-0	ComOps Limited	2-0	East Energy Res	1-0
Ainsworth Game	2-0	Aust Mines Ltd	2-0	CEC Group Ltd	0-1	Comet Resources	2-0	Echo Resources	2-0
Alara Resources	1-0	Aust Foundation	1-0	CGA Mining Ltd	0-5	Community Life	4-0	Eden Energy Ltd	0-1
Albidon Ltd	0-2	Aust Education	5-0	CI Resources	2-0	Commander Comm.	1-0	Eftel Ltd	4-0
Alchemy Res.	3-0	Aust Enh Income	1-0	CMA Corporation	2-1	Commquest Ltd	10-0	Electrometals	13-0
Alchemia Ltd	4-0	Austereo Group	0-1	CMI Limited	17-0	Computershare	2-13	Elixir Petrol.	1-0
Ale Property	2-0	Austock Group	2-0	CO2 Group Ltd	4-3	Compass Hotel	7-0	Elk Petroleum	11-0
Alesco Corp Ltd	6-0	Aust Gold Ltd	2-0	CSG Ltd	2-1	ComputerCORP	4-0	Ellerston Gems	7-0
Alexanders Sec.	1-0	Auth Invest Fd	1-0	CTI Logistics	11-0	Compass Res	4-0	Ellex Medical	1-0
Alkane Explor.	1-0	Autodom Limited	2-0	CVC Limited	0-1	Comitel Corp.	3-0	Emeco Holdings	7-1
Allco Finance	2-0	Automotive Hold	1-0	Cabcharge Ltd	7-1	Condor Nickel	3-0	Emerald Oil & G	2-0
Allco Eq Part.	3-0	Avalon Minerals	2-0	Cadence Capital	2-0	Coneco Ltd	2-0	Emerg. Leaders	2-0
Allco Hit Ltd	4-0	Avantogen Ltd	2-1	Campbell Bros	0-1	ConnectEast Grp	1-0	Emmerson Res.	4-0
Alliance Res.	0-1	Avastra Sleep	4-0	Cape Lambert IO	1-7	Conquest Mining	5-0	Empire Oil, Gas	0-1
Allied Brands	4-1	Avexa Limited	1-0	Capital Health	1-0	Cons Tin Mines	1-0	Empire Sec.	1-0
Allomak Ltd	1-0	Avita Medical	1-0	Capral Limited	1-0	Cons Rutile	1-0	Empired Ltd	2-0
Altera Capital	2-0	Aviva Corp Ltd	0-1	Carbon Con	2-0	Contango Micro.	0-1	Emu Nickel NL	2-0
Altium Limited	3-0	Axiom Mining	2-0	Cardno Ltd	4-0	Contango Cap P.	10-0	Encounter Res.	2-0
Alumina Ltd	1-0	Axiom Property	3-0	Cardia Tech.	3-1	Contact Res.	1-0	Energj Ltd	0-1
Amadeus Energy	3-0	Azumah Res.	4-0	Carlton Invest	0-1	Cool or Cosy	3-0	Energy World	1-0
Amalgamated Hld	3-2	Azure Minerals	1-0	Carnegie Corp	1-0	Coonawarra Aust	1-0	Energy Ventures	2-0
Ambition Group	8-0	B & B Infrastr.	2-0	Camavale Res.	3-0	Cooper Energy	1-0	Energy One Ltd	2-0
Amcom Telecom.	1-3	B & B Wind Part	0-1	Cash Converters	2-0	Cooite Indust.	4-0	Entek Energy	6-0
Amex Resources	2-0	B&B Japan Prop.	3-1	Caspian Oil & G	2-1	CopperMoly Ltd	1-0	Entellect Soln	1-0
Anadis Limited	1-0	B&B Communities	2-0	Catalyst Metals	5-0	Copper Range	1-0	Envestra	2-0
Analytica Ltd	0-2	B&B Power	3-0	Cathrx Ltd	1-0	Coretrack Ltd	8-0	Enviromission	1-0
Anchor Res. Ltd	4-0	B&B Res Land	3-0	Cazaly Res Ltd	2-0	Costarella Des.	2-0	Environm't Grp	1-0
Andean Res.	2-3	BC Iron Ltd	3-0	Cedar Woods Prp	3-0	Count Financial	7-0	Environ. Clean	1-0
Aneka Tambang	1-0	BKM Management	0-1	Central Petrol.	0-2	Coventry Group	4-0	Envirogold Ltd	5-0
Anglo Pacific	4-0	BQT Solutions	1-0	Centennial Coal	1-0	Credit Corp	5-1	Envirozeld Ltd	16-0
Anglo Australia	5-1	BSA Ltd	13-0	Centro Property	4-0	Crescent Gold	2-0	Eormanga Uran.	1-0
Ansearch Ltd	3-1	BT Invest Mgmt	3-0	Centaurus Res.	2-0	Cromwell Group	6-0	Epsilon Energy	4-0
Antaria Ltd	3-0	Bank of Q'land	1-3	Centro Retail	2-1	Crown Ltd	1-0	Equatorial Coal	3-0

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Equity Trustees	4-0	Gulfx Ltd	3-1	James Hardie	3-0	Mariner Fin.	4-0	Nth Qld Metals	1-0
Equinox Min.	4-1	Gulf Mines Ltd	6-0	JatOil Limited	1-0	Marybor'gh Suga	1-0	Nthn Star Res.	2-0
Eromanga H/C	2-0	Gunns Ltd	3-1	Jervois Mining	0-1	Matilda Mineral	1-0	Nullarbor Hold	1-0
Essa Australia	0-1	Gunson Res.	2-0	Jindalee Res.	3-0	Matrix Metals	6-1	Nusep Ltd	6-0
Essential Pet.	1-0	HFA Holdings	4-0	Joyce Corp.	3-0	Maverick Drill.	4-0	Nylex Ltd	3-1
Eumundi Group	1-0	HGL Limited	4-0	Jumbuck Enter.	3-0	Mawson West Ltd	9-0	OM Holdings	0-1
Eurogold Ltd	2-0	Halcyon Pharm.	5-0	Jupiter Mines	1-2	Maxi TRANS	6-0	OZ Minerals Ltd	1-0
Every Day Mine	4-1	Hamilton James	2-0	Jupiter Energy	4-0	McPherson's Ltd	4-1	Oaks Hotel	1-0
Everest Babcock	3-0	Hannans Reward	4-0	Jutt Holdings	1-0	Medical Therapy	4-0	Occupational Md	0-1
Excalibur Min.	1-0	Harvey Norman	3-2	K&S Corporation	8-0	Medivac Ltd	2-0	Ocean Capital	4-0
Exco Resources	3-0	Hastie Group	3-0	K2 Asset Mgmt	1-0	Medic Vision	1-0	Ordin Energy Ltd	1-0
Exoma Energy	1-0	Hast Div Util	1-0	KLM Group Ltd	1-0	Medical Dev Int	4-0	Oil Search Ltd	1-0
Eyecare Partner	3-0	Hastings Hi-Yld	6-0	KLT Technology	3-0	Medtech Global	2-0	Oil Basins Ltd	2-0
FCPB Invest.	2-0	Havilah Res.	9-0	Kagara Ltd	2-1	Mercury Mob.	1-0	Oldfields Hold	5-0
FKP Limited	3-0	Headline Group	3-0	Kairiki Energy	1-0	Mercury Brands	1-0	Olympia Res.	0-1
FSA Group Ltd	3-0	HealthLinx Ltd	1-0	Kardoon Gas	1-5	Mermaid Marine	1-0	Oncard Int'l	1-0
Fairstar Res.	3-0	Heartware Ltd	8-0	Karmelsonix Ltd	2-0	Mesbon China N.	1-0	Onesteel Ltd	0-1
Falcon Minerals	4-0	Hedley L&G Prop	2-0	Kasbah Resource	1-0	Mesoblast Ltd	2-1	Optiscan Image	2-0
Fantastic Hold.	3-0	Heemskirk Cons.	1-0	Kentor Gold Ltd	2-0	Metabolic Phar.	1-0	Orbital Corp	2-0
Farm Pride Food	2-0	Helicon Group	1-0	KeyBridge Cap'l	4-0	Metal Storm Ltd	1-0	Orchid Capital	1-0
Fat Prophets	2-0	Helix Resources	6-0	Kings Minerals	3-0	Metals Finance	5-0	Orchard Indust.	5-0
Ferrowest Ltd	1-0	Heron Resources	3-0	Kingsgate Cons.	0-1	Meteoritic Res.	3-0	Orica Ltd	2-0
Fiducian P Serv	3-0	Highland Pac.	5-0	Konekt Limited	4-0	Metgasco Ltd	1-0	Orient Res Hold	1-0
Finbar Group	9-0	Hillcrest Litig	6-0	Korab Resources	1-0	Metroland Aust	3-0	Orion Petroleum	1-0
Findlay Sec.	2-1	Hillgrove Res.	2-1	Kresta Holdings	5-0	Midwest Corp	0-3	Orocobre Ltd	2-0
Finders Res.	1-0	Hill End Gold	1-2	Kuth Energy Ltd	2-0	Millennium Min.	1-0	Oropa Limited	5-0
Firestone En.	2-0	Hodges Res.	7-0	Lachlan Star	3-0	Millepede Int'l	3-0	Oroton Group	5-1
Firstfolio Ltd	1-0	Horizon Oil Ltd	7-0	Lakes Oil NL	1-0	Milton Corp.	3-1	Ottoman Energy	1-2
First Aust Res.	0-1	Housewares Int.	4-0	Landmark White	3-0	Minara Resource	17-0	Over Fifty Grp	4-0
Fission Energy	3-0	Hudson Res. Ltd	14-0	Laserbond Ltd	1-0	Mincor Resource	3-0	Oz Brewing Ltd	1-0
Flat Glass Ind.	9-0	Hunter H Global	1-0	Lefroy Res.	6-0	Mindax Limited	6-4	PMP Limited	0-2
Fleetwood Corp	0-9	Hunter Hall Int	7-11	Legacy Iron Ore	2-0	Minerals Corp.	5-0	PTB Group Ltd	1-0
Flexicorp Ltd	3-0	Huntley Invest	2-0	Legend Corp.	1-0	Mineral Sands	1-0	Pac Environment	1-0
Flinders Mines	3-0	Hutchison Tel.	1-0	Liberty Res.	3-0	Mineral Commod.	3-0	Pac. Environin	1-0
Focus Minerals	5-0	Hydromet Corp.	1-4	Lifestyle Com.	0-3	Mining Projects	3-2	Pacific Brands	1-2
Folkestone Ltd	5-0	Hydrotech Int'l	4-0	Lihir Gold Ltd	6-0	Minotaur Exp.	0-1	Pacific Ore Ltd	1-0
Forest Place Gr	1-0	Hyperion Flag.	5-0	Linc Energy Ltd	3-1	Mintails Ltd	6-0	Pacific Energy	2-0
Forge Group Ltd	3-1	Hyro Limited	6-0	Lindsay Aust	1-0	Mint Wireless	2-0	Pacrim Energy	1-0
Fortescue Metal	0-1	IBA Health Grp	1-0	Linq Resources	4-0	Mirabela Nickel	0-1	Palamedia Ltd	1-0
Foster's Group	2-0	IM Medical Ltd	2-1	Lion Selection	2-0	Mirrabooka Inv.	4-0	Paladio Group	16-0
Fox Resources	4-2	IMD Group	3-0	Liontown Res.	2-0	Mitchell Comm.	1-0	Paladin Energy	1-0
Frankland Olive	1-0	IMX Resources	5-0	Liq Natural Gas	0-2	Mobi Ltd	4-0	Pan Pacific Pet	4-0
Freedom Nut'l	8-0	ING Retail E.E.	2-0	Little World B.	13-0	Moby Oil & Gas	3-0	Panaust Ltd	0-1
Fulcrum Equity	1-0	ING Real Estate	3-0	Living Cell T.	0-2	Molopo Aust	0-2	Panax Geotherm.	4-0
Funtastic Ltd	2-0	ING Priv Equity	3-0	Living Leisure	0-1	Moly Mines Ltd	2-0	Panaegis Gold	5-0
G.R.D. NL	7-0	ING Office Fund	1-2	Lodestar Min.	3-0	Monax Mining	2-0	Panoramic Res.	1-0
GBST Holdings	9-1	ING Indust Trt	1-0	Logicamms Ltd	3-0	Monarch Gold M.	4-0	Paperlin X Ltd	4-1
GEO Property	1-0	IPGA Ltd	1-0	London City Eq.	2-0	Monadelphous Gr	2-0	Patties Foods	10-0
GLG Corporation	1-0	ISS Group Ltd	0-2	Lonhro Mining	1-0	Monaro Mining	3-0	Payce Consol.	1-0
GME Resources	4-0	IT & e Limited	1-0	Ludowici Ltd	5-0	Monitor Energy	0-1	Peak Resources	2-0
GTI Resources	2-0	ITL Limited	2-0	Lumacorn	2-0	Montec Int'l	1-0	Pearlstreet Ltd	2-1
GWA Internat'l	4-0	ITX Group	3-0	Luminus Systems	0-2	Mooter Media	1-0	Pegasus Metals	1-0
Gage Road Brew.	4-0	Icon Energy	1-0	Lycopodium Ltd	0-1	Morn. Star Gold	4-0	Pelorus Prop.	4-0
Gale Pacific	4-0	Icon Resources	5-0	Lynas Corp Ltd	2-0	Morning Star	1-0	Peninsula Min.	1-0
Galileo Japan	15-0	Iluka Resources	1-0	M2 Telecom. Grp	1-0	Mortgage Choice	1-0	Penrice Soda	2-0
Gateway Mining	1-0	Image Resources	9-1	MCM Entertain.	3-0	Mt Burgess Min.	3-0	PeopleBank Aust	3-0
Genera Bio.	1-0	Impact Capital	2-0	MEO Australia	4-1	Mt Magnet South	5-0	Perpetual Ltd	2-0
Genesis Bio.	2-0	Impedimed Ltd	4-0	MGM Wireless	0-1	Multi Channel S	1-0	Perseus Mining	3-0
Geodynamics Ltd	2-0	Impress Energy	16-0	MIL Resources	1-0	Multiplex Acum.	4-0	Pharmaxis Ltd	1-0
Geopacific Res.	1-0	Imugene Ltd	2-0	MMC Contrarian	2-0	Multiplex Euro.	3-0	Pharmaust Ltd	3-0
Gindalbie Met.	4-0	Incremental Pet	1-0	Mac Services	0-1	Murchison Un.	2-0	Phoenix Copper	2-0
Gippsland Ltd	1-0	Ind Minerals	1-0	Mac. Harbour M.	1-0	Mutiny Gold Ltd	1-0	Phoslock Water	1-0
Glengarry Res.	3-0	Ind Practition.	0-1	Macarthur Coal	2-1	My Net Fone Ltd	1-0	Phosphagenics	1-0
Global Nickel	2-0	India Resources	4-0	Macarthur Cook	7-0	NGM Resources	8-0	Photon Group	7-0
Global Health	5-0	Indophil Res.	0-1	Macarthurcook P	2-0	NSL Health Ltd	2-0	Phylogica Ltd	3-0
Global Mining I	3-0	Indo Mines Ltd	0-1	Macmin Silver	1-3	NSX Limited	3-0	Pike River Coal	1-0
Global Con Serv	3-0	Industrea Ltd	2-1	Macquarie DDR	14-0	Nanosonics Ltd	1-0	Pioneer Nickel	1-0
Globe Metals	1-0	Infomedia Ltd	1-0	Macquarie Cap A	3-0	Nat'l Can	1-0	Pipe Networks	2-0
Golden West Res	3-1	Ingena Group	1-0	Macquarie Media	9-0	Nat'l Aust Bank	6-0	Plan B Group	3-0
Golden State	4-0	Innamincka Pet.	0-1	Macquarie Air.	2-0	National Hire	1-0	Planet Gas Ltd	1-0
Goldstar Res.	3-0	Insurance Aust.	4-0	Macquarie Radio	1-0	Natural Fuel	5-0	Platinum Aust	0-1
Golden Rim Res.	1-0	Int Research	1-0	Macquarie Infra	3-0	Navitas Ltd	1-0	Platinum Asset	1-0
Goldminex Res.	0-1	Internet Res.	1-0	Macquarie Group	3-0	Neptune Marine	4-0	Pluton Resource	6-1
Goodman Fielder	3-1	Intermin Res	8-0	Macquarie C'Wde	5-0	Netcomm Limited	1-0	Polaris Metals	8-1
Goodman Group	3-0	Intermoco Ltd	4-0	Macquarie Off.	2-0	Network Ltd	1-0	Polartechnics	4-0
Graincorp	2-4	Integrated Inv.	4-0	Magellan Flag.	21-0	New Hope Corp.	5-0	Port Bouvard	4-0
Grand Gulf En.	4-0	Integra Mining	1-0	Magellan Fin Gp	2-0	Newera Uranium	11-0	Portland Ortho.	1-0
Grange Resource	4-0	Intrepid Mines	1-0	Magnetic Res.	1-0	Nexus Energy	2-0	Praemium Ltd	8-0
Graynic Metals	2-0	Intrapower Ltd	0-2	Magna Mining NL	1-0	Nib Holdings	6-0	Premier Invest	2-0
Great Southern	2-0	Inventis Ltd	1-0	Magna Metals	1-0	Nickelore Ltd	2-0	Prime Retire Pr	2-0
Greencross Ltd	2-0	Invocare Ltd	0-3	Malagasy Min.	1-0	Nick Scali Ltd	2-0	Primeag Aust.	5-1
Greencap Ltd	3-0	Iress Mkt Tech	2-0	Manas Resources	1-0	Nomad Building	5-7	Prime Media Grp	9-0
Greenland Min.	11-0	Ironbark Cap.	0-1	Manacomm Corp.	3-0	Noni B Limited	2-0	Primary Health	8-0
Green Rock En.	1-0	Iron Ore Hold.	1-0	Mantle Mining	6-1	Northern Energy	3-0	Pro-Pac Pack.	4-1
Gryphon Mineral	3-1	Iron Mountain	2-0	Marbletrent Grp	6-2	North Aust Diam	1-0	Probiotec Ltd	1-0
Gt Bendigo Gold	2-0	JB Hi-Fi Ltd	1-3	Marengo Mining	3-0	Norton Gold	1-0	Progen Pharm.	1-0
Gt Western Exp.	1-0	JV Global Ltd	7-0	Mariner Pipe In	1-0	Northern Mining	3-2	Prophecy Int'l	6-0
Gujarat NRE Min	6-0	Jackson Mineral	3-0	Mariner Energy	3-0	Northwest Energy	0-2	Proteome Syst	1-0
Gulf Resources	4-0	Jackgreen Ltd	6-0	Marine Produce	2-0	Novogen Ltd	2-0	Proto Resources	8-0

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Pryme Oil & Gas	4-0	Robust Resource	5-0	Snowball Group	1-0	Tamawood Ltd	1-0	VDM Group Ltd	3-1
Public Holdings	4-2	Roc Oil Company	2-10	Solagran Ltd	9-0	Tamaya Res.	4-0	Valad Property	5-0
Q Ltd	1-0	Rockeby Biomed	1-0	Solbec Pharm.	1-0	Tanami Gold NL	9-0	Ventracor Ltd	3-1
Q'ld Trustees	6-0	Rocklands Rich.	5-0	Solco Ltd	1-0	Tandou Ltd	4-0	Venus Resources	2-0
Q-Master Ltd	1-0	Rock Build Soc.	1-0	Sonnomed Ltd	1-0	Tap Oil	0-3	Verticon Group	5-0
Q.B.E. Insur.	2-1	Ross Human Dir.	1-0	Sonic Health	0-2	Tasman Resource	1-0	Victoria Petrol	1-0
QRSciences Hold	8-0	Rox Resources	3-0	Soul Pattinson	3-0	Tasmanian Perp	1-0	Viento Group	1-0
QRXPharma Ltd	8-0	Royal Resources	3-2	Souls Priv Equ	1-0	Tassal Group	4-0	Vietnam Indust.	1-0
Qantas Airways	3-1	Royalco Res.	3-0	Southern Gold	0-2	Tatts Group Ltd	0-1	View Resources	2-0
Quay Magnesium	1-0	Rubicon Europe	1-0	Spitfire Res.	5-0	Tawana Resource	2-0	Village Road.	5-1
Queensland Gas	3-1	Rubicon Res.	1-0	Spotless Group	2-0	Technology One	0-1	Virax Holdings	3-0
Queensland Ores	5-0	Rubicon Japan	1-0	Starpharma Hold	9-0	Techniche Ltd	1-0	Virgin Blue	1-0
Questus Ltd	3-0	Rubicor Group	3-0	Stem Cell Sci.	0-1	Tectonic Res.	6-0	Vision Group	1-2
Quest Investm't	0-1	Rubicor America	1-0	Sterling Biofl	1-0	Tel.Pacific Ltd	1-0	Vita Group Ltd	3-0
Queste Comm's	1-2	Ruralaus Invest	1-0	Stericorp Ltd	1-0	Telezon Limited	3-0	Vmoto Ltd	1-0
Quickfix Ltd	3-0	Ruralco Hold.	3-0	Sth Cross Elect	1-0	Telstra	1-0	Volcan Res.	1-0
RCG Corporation	1-0	Rusina Mining	1-0	Sthn Uranium	1-0	Templeton Globa	0-1	W'bool Cheese	3-0
RCR Tomlinson	4-2	S/Tracks ASX200	0-2	Sthn Cross Gold	2-0	Territory Res.	3-0	WAG Limited	1-0
RIM Capital Ltd	5-0	S/Tracks Prop.	0-2	Stirling Min.	2-0	Terrain Mineral	1-0	WAM Active Ltd	8-0
RR Australia	5-1	S/Tracks ASX 50	0-2	Stirling Prod.	1-0	Terramin Aust	1-0	WDS Limited	2-0
Ramsay Health	0-1	SAI Global Ltd	2-0	Stockland	2-1	Thakral Holding	1-0	WHL Energy	4-0
Range Resources	1-0	SP Ausnet	3-1	Stratetel Ltd	1-0	The Reject Shop	2-3	Wallace Abs Ret	0-1
Rawson Res.	1-2	SP Telemedia	1-0	Strathfield Grp	7-0	Thinksart Ltd	4-0	Watpac Ltd	6-0
Real Brands	1-0	STW Comm Group	1-0	Strategic Min.	2-0	Thomas & Coffey	3-0	Wavenet Int'l	4-0
Reclaim Indust.	1-0	Saferoads Hold.	1-0	Straits Res.	0-3	Thundelarra Exp	4-2	Webster Ltd	1-0
Record Realty	1-0	Salinas Energy	1-0	Strike Res.	2-0	Tiaro Coal Ltd	3-0	Webspy Limited	1-0
Red River Res.	1-2	Salmat Ltd	8-0	Structural Syst	4-0	Timbercorp Prim	1-0	Wentworth Hold.	3-0
Red Fork Energy	2-0	Sam's Seafood	1-0	Stuart Petrol.	1-2	Tishman Speyer	1-0	Wesfarmers Ltd	4-1
Red Emperor Res	1-0	Sandfire Res.	2-0	Style Limited	15-0	Tissue Therapy	2-0	Western Plains	0-1
Red Hill Iron	10-0	Saunders Int'l	1-0	Suncorp-Metway	2-1	Tolhurst Noall	3-0	West'n Metals	3-0
Redflex Holding	5-3	Savcor Group	8-0	Sundance Res.	3-0	Toll Holdings	6-0	Western Areas	15-1
Redisland Aust.	2-0	Scantech	1-0	Sunland Group	2-0	Torrens Energy	1-0	Westfield Group	1-0
Reed Resources	4-1	Scimitar Res.	5-0	Sunshine Gas	1-0	Total Staffing	1-0	West Wits Min.	1-0
Reef Casino Trt	0-1	Sedgman Ltd	3-2	Sunshine Heart	1-0	Tower Australia	2-0	Western Desert	5-0
Regal Resources	1-0	Seek Ltd	1-0	Sunset Energy	1-0	Tox Free Sol.	0-2	West Gas Power	0-3
Regis Resources	4-0	Segue Resources	4-0	Superior Res.	1-0	Transfield S In	7-0	White Energy Co	0-1
Regional Exp.	8-0	Select harvest	2-0	Supply Network	1-0	Transit Hold.	1-0	Whitefield Ltd	3-0
Renison Cons	2-0	Senevens Int'l	3-0	Swick Min Serv	1-0	Transurban Grp	9-2	White Canyon Ur	1-0
Republic Gold	0-2	Service Stream	6-1	Swish Group	3-0	Transerv Aust.	1-0	White Cliff Nkl	2-0
Res & Invest NL	2-0	Servcorp Ltd	4-0	Sylvastate Ltd	7-0	Transfield Serv	6-0	Wide Bay Aust.	2-0
Resonance Hlth	3-0	Seven Network	2-0	Sylvania Res.	0-1	TransPacific In	5-0	Willmott Forest	2-0
Resource Base	2-0	Shaw River Res.	2-0	Symex Holdings	15-0	Tranzact Fin.	11-0	Wilson HTM Inv.	4-0
Resources Min.	1-0	Shield Mining	2-0	Syndicated Met.	1-0	Treasury Group	3-0	Wilson Inv Fund	7-0
Retail Food Grp	4-0	Sigma Pharm.	1-0	Synergy Equity	2-0	Trinity Group	8-0	Windimurra Van.	2-1
Revere Mining	3-0	Signature Metal	2-0	Syrah Resources	1-0	Trojan Equity	4-0	Windy Knob Res.	2-0
Reverse Corp	2-4	Silex Systems	0-3	TFS Corporation	4-1	Troy Resources	2-0	Wolf Minerals	4-0
Reward Minerals	2-3	Silver Mines	1-0	TNG Limited	2-5	Trust Company	3-1	Woodside Petrol	0-2
Rey Resources	2-1	Silver Swan Grp	3-0	TSV Holdings	3-0	UCMS Group Ltd	4-0	Worley Group	0-1
Rheochem plc	0-1	Silver Lake Res	4-0	TTA Holdings	1-0	Undercoverwear	2-1	Wotif.com Hold.	6-0
Rialto Energy	1-0	Silver Chef Ltd	6-0	TWT GGroup Ltd	1-0	Unilife Medical	1-0	Wrigdways Aust	0-1
Richfield Group	2-0	Sims Group Ltd	1-7	TZ Limited	3-0	United Overseas	5-0	XRF Scientific	2-0
Richmond Mining	1-0	Sinovus Mining	1-0	Tabcorp Holding	4-1	United Group	1-2	Xceed Capital	2-0
Ridley Corp.	6-0	Sino Gold Min.	0-1	Takoradi Ltd	1-0	Universal Res.	0-1	Xstate Res.	2-0
Rivercity M'way	1-0	Sirius Corp.	3-2	Talent2 Int'l	3-1	Uramet Minerals	1-0	YTC Resources	2-0
Riversdale Min.	1-2	Skilled Group	1-0	Talisman Mining	2-1	Uranium Equitie	3-0	Zicom Group	9-0
		Slater & Gordon	0-2			Uscom Limited	2-0		

“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: 68.1% Buyers
Last 13 wks: 75.6% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
AMP Onyx Mgmt	3-0	Cynotech Hold.	2-0	Kiwi Property	3-0	PGG Wrightsons	17-0	Sol. Dynamics	0-1
AMP Limited	4-0	Dominion Fin.	2-3	Life Pharmacy	0-1	Pike River Coal	3-0	TeamTalk Ltd	0-1
Affco Holdings	3-0	Dorchester Pac	10-0	Lion Nathan Ltd	0-2	Propertyfinance	1-0	Telecom Corp	8-22
Air New Zealand	8-3	Ebos Group Ltd	1-0	Livestock Imp.	2-0	Pumpkin Patch	5-4	Tenon Ltd	3-0
Allied Farmers	1-0	F & P Appliance	2-0	Mainfreight Grp	3-9	Pyne Gould Corp	3-0	Tourism Hold.	3-0
Apple Fields	1-0	F & P Health.	2-9	Methven Limited	4-1	Rakon Ltd	0-2	Tower Limited	2-0
Briscoe Group	3-0	Fletcher Build.	1-3	Michael Hill	1-9	Renaissance	8-0	Trust Power Ltd	0-2
Cabletalk Group	0-1	GuocoLeisure	6-0	Mowbray Collect	0-4	Restaurant Brds	2-0	Turners Auction	3-0
Canty Bldg Soc.	1-0	Hallenstein G.	4-1	Mry Chips Hold	1-0	Ryman Health.	2-0	Vector Ltd	1-0
Cavotec MSL	1-0	Hellaby Hold.	8-0	NZ Farming Sys.	14-0	Salvus Strat.	0-1	Wakefield Hlth	1-3
Cert Organics	0-1	ING Property	5-0	NZ Finance Hold	2-0	Scott Tech. Ltd	3-1	Warehouse Group	0-1
Charlie's Group	1-0	ING Med. Prop.	4-0	NZ Oil & Gas	1-0	Sealegs Corp	0-1	Windflow Tech.	2-0
Col Motor Co	4-0	Infratil NZ	10-3	NZ Refining Co	1-0	Seeka Kiwifruit	1-0	Xero Ltd	5-0
Comvita	2-0	Just Water Int.	5-0	New Image Group	1-0	Skellerup Hold.	7-0	Zintel Comm.	2-0
Contact Energy	1-0	Kermadec Prop.	2-0	Nuplex Indust	3-0	Sky City Ltd	2-5		

Popular Financial Delusions

In 1933 - in the depth of the Great Depression - Robert Smitley wrote a book entitled "Popular Financial Delusions". Each of the 65 chapters deals with a different delusion.

Given the current state of financial markets - and many people suggesting Gold as the only safe haven - the following chapter may be of interest:

The Plight of Hoarders.

"*Auri sacra fames*", read the nervous business man. "What does that mean?"

"Well," replied the college son, "I'm not certain of the case but, if correct, I guess it means the *"sacred fame of gold"*."

The mention of this word was sufficient to stir up some of dad's latent fears. "Son," he continued in a very dictatorial tone, "in spite of what you say and learned at college, I've made up my mind to put about \$50,000 in gold in a safe deposit box."

"Go ahead, Dad. If it will ease up your worries, no one will seriously object. But that's about all the good it will do."

"What do you mean by that?"

"Well, I will not guarantee that history will always repeat itself but history is about all I have to go on. At the time of the French Revolution any one found hoarding gold - which the then constituted state had called in - was either hanged to the most convenient lamp post or he made the acquaintance of the guillotine. During the Russian revolution, the possession of gold, when discovered, resulted in the possessor becoming acquainted with a firing squad. A young German told me that his dad, a manufacturer, buried one hundred thousand marks in gold at the commencement of inflation about 1921. His dad's bookkeeper had knowledge of this hoard and systematically filched from it. When the theft was discovered, the manufacturer complained to the authorities and the State confiscated the rest."

The young man's stories are accurate and his position in the matter of hoarding one of extreme common sense. If one is to retain his place in the existing social scheme during a period of chaos,

he cannot allow his neighbours or associates to know anything about hoarded gold. The act becomes violently anti-social. The hoarder automatically becomes an outcast. He is at the mercy of pillagers and every man becomes his enemy.

The only time that a gold hoard is theoretically of value - it never is practically - is when there is a complete breakdown in the social order, financial structure, or war. Such instances are illustrated by great revolutions, the hyper-inflation of Germany, Austria and Poland, or a reversal to the dark ages after the Roman Empire fell. During these periods no man's life is safe if he is discovered as a gold hoarder. And, therefore, he cannot use his hoard.

Whenever it happens that gold is found to be the only money which can be used, the personal risk is too great to use it.

All this excellent history and factual information was related by the young man. Dad had no argument to meet it and did not make any great rational effort. But he pondered the subject for a long time and finally reached his conclusion.

"All you have said, my son, may be very true and correct but I feel safer with that gold stacked away in a safe place."

"Go to it, Dad," said the boy, "anything at all to improve your disposition and prevent a nervous breakdown."

P.S. In April 1933 by order of President Roosevelt, anyone found hoarding over \$100 in gold or gold certificates was subject to two year's imprisonment and a \$10,000 fine.

P.P.S. Dad hoarded the gold but had a nervous breakdown, anyhow, until he got it back to the Federal Reserve Bank.

Investment Outlook

(Continued from Page 1)

the stockmarket. Sit out of a stockmarket boom and after 6-12 months most people will decide they have got it wrong and buy in just as the market is about to peak. Similarly, hold through a decline and most people will feel like giving up and selling out of shares *forever* just as the market hits its bottom. Avoiding getting caught up in the mob psychology is difficult . . . and others will think you an idiot or a fool.

For example, during 1986 and 1987, this newsletter avoided the high-flying Investment and Property shares - and subscribers deserted as we "weren't recommending the most profitable shares". In the 1999 Technology boom we warned that the Internet sector could lose 99% of its value (i.e. that 90-95% of these companies could fail and that valuations could fall 90-95% for those that survived).

Rational analysis and argument also goes out of the window in a boom or bust. Many times in the 1980's boom we could spend an hour warning someone about the dangers of the popular Investment/Property shares only for them to say "You are probably right, but I am going to keep my Brierley, Chase, Equiticorp and Robert Jones shares anyway". When we dared question *The Emperor's New Clothes* during the Internet boom we were obviously one of those foolish people who could not see or understand "Internet Economics". Or perhaps we understood too well!

While the stockmarket booms and busts can cause much uncertainty in investors, over the long term this volatility does help boost returns for intelligent investors. In a boom it is usually possible to realise substantial gains on some positions, and re-invest in more undervalued, out-of-favour shares. We could list dozens of examples, but check out the long term summary of past recommendations at our website to see some examples of how this has worked.

Similarly, while no-one likes a sharp stockmarket decline it does sow the seeds for above average *future* returns. For example, realising large profits on fully valued holdings like **Centennial Coal** and **Computershare** has produced large cash sums which can be re-invested in new company shares (and add to some existing holdings) at much lower valuations. Even if the stockmarket continues to dip in the short term, eventually many shares acquired during 2008 will look ridiculously cheap! The high dividend income on our portfolio shares can also be used to acquire further cheap share during the decline.

Short term pain has always been rewarded with long term gain. The sceptics will cry "Things are different

this time" - as they do on *every* boom and bust!

So focus not on the amount that your portfolio has declined in value over the last year, but the *much greater* gains likely over the next decade as prices recover and grow from today's low valuations.

In the medium term, expect more takeovers - like **One Steel's** bid for **Steel & Tube** - as cash rich and soundly financed businesses seek to acquire other companies with real businesses at attractive valuations. Once market conditions stabilise, takeovers could have an important impact on stockmarket returns over the next few years.

Medium to long term, all of the new liquidity being pumped into banks and financial markets by Central Banks will likely inflate new asset bubbles. Liquidity to offset the Millennium Bug found its way into a Technology and Internet share bubble. Liquidity has also inflated global property values and created a construction boom over the last decade. The current injection of liquidity while designed to inflate the value of "bad" loans is more likely to inflate the value of "good" assets. The fix for the current credit problems could easily lead to a boom in the value of shares in sound companies with real businesses that generate real revenues, real cashflows and real profits. That may look unlikely to most investors today, but stockmarket investment is about looking to the *future*. So the boom/bust cycle will continue!

Most investors buy and sell shares at the wrong time. Panic buying near the peak (so as not to continue to miss profits) and panic selling near the bottom (to save what is left of their capital "before it is all gone"). Professional money managers and those using leverage are no better. If one has any skill, why manage millions of dollars of *other people's money* when you could manage millions of dollars of your *own* money? Shares are volatile enough, so the use of leverage simply increases risk to an unsafe level - and often results in forced sales near a market low owing to margin calls, the failure of your lender (e.g. Opes Prime, Lehman Brothers) or higher margin requirements and the withdrawal of credit facilities.

We have often said that the stockmarket is an efficient mechanism for transferring wealth from "bad" investors to "good" investors. 2008 will be a year of huge wealth transfers. Hedge funds, investment banks, leveraged investors, speculators and others with a short term investment horizon will lose heavily. Unleveraged investors, Warren Buffett, corporate *insiders*, Sovereign Wealth funds and those with a longer term horizon who buy shares at these low prices will become the long term winners.

Dividends

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Auckland Int'l Airport	2.45	17-10	24-10	Full
Colonial Motor Company	12.00	22-10	03-11	Full
Delegat's Group	6.00	10-10	24-10	Full
Fletcher Building	24.50	26-09	16-10	Full
GuocoLeisure	S\$0.025	28-10	18-11	Nil
Hellaby Holdings	6.00	24-10	31-10	Full
Lytelton Port Company	3.60	31-10	12-11	Full
Mr Chips Holdings special	25.70	19-09	23-09	Full
Michael Hill International	2.00	03-10	13-10	Full
Nuplex Industries	23.00	03-10	17-10	Nil
TeamTalk	10.00	10-10	17-10	Full
Tourism Holdings	6.00	17-10	24-10	Full
South Port NZ	6.75	26-09	03-11	Full
<u>Australian Shares</u>				
CPT Global	1.75	28-10	14-11	
Devine	4.00	18-09	17-10	
M2 Telecommunications	3.00	09-10	31-10	
Melbourne IT	7.00	15-09	17-10	
M.Y.O.B. repayment	12.50	12-11	19-11	
M.Y.O.B. special	0.40	12-11	19-11	
Probiotec	1.50	28-08	20-11	
Skilled Group	14.00	16-09	14-10	
TFS Corporation	3.00	10-11	28-11	
The Reject Shop	19.00	23-09	13-10	

Total Return Index for All Listed Shares

Sep 8	1729.24		
Sep 9	1741.78		
Sep 10	1730.95		
Sep 11	1736.39		
Sep 12	1730.49		
Sep 15	1713.27	Sep 22	1674.24
Sep 16	1677.13	Sep 23	1664.93
Sep 17	1682.84	Sep 24	1672.86
Sep 18	1645.66	Sep 25	1667.14
Sep 19	1661.30	Sep 26	1654.45
Sep 29	1652.66	Oct 6	1648.53
Sep 30	1623.60	Oct 7	1615.04
Oct 1	1649.36	Oct 8	1639.49
Oct 2	1629.92	Oct 9	1629.64
Oct 3	1632.81	Oct 10	1498.44

Next Issue:

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