

# Market Analysis

Issue No. 457

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## Inside Market Analysis

Cardno makes 1:6 renounceable cash issue ..... 5  
 Photon Group loses significant value with \$100 million  
 increase in deferred consideration liabilities ..... 6, 7

The Developed Economies Debt Crisis:  
 Who owns this US\$50 trillion in debt? ..... 13 - 15  
 Insider Trades ..... 10, 11, 12

Founder: James R Cornell (B.Com.)

## Summary and Recommended Investment Strategy.

Remain fully invested in the recommended shares. Shares in limited liability companies have always been the best place to invest as the economy continues to “navigate through uncharted waters”.

## Investment Outlook.

What is going on? The US stockmarket *rose* about 5% last week, having *fallen* about 5% in the previous week! And it is not just investors who are confused. Last week a leading US economist predicted a Depression (i.e. the 1930's type) while the **International Monetary Fund** *upgraded* their estimate of global growth from 4.2% to 4.6%. The consensus forecast is that even the US economy will grow 3.3% this year and 3.0% in 2011.

Those predictions of both Depression and strong economic growth are clearly incompatible. No wonder the stockmarket is volatile!

The “problem” is that much of the growth is in the “wrong” place for wealthy, developed countries that spend beyond they income and run up ever higher debt levels each year. People living in the developing world earning just a few dollars per day might have a different opinion on this situation!

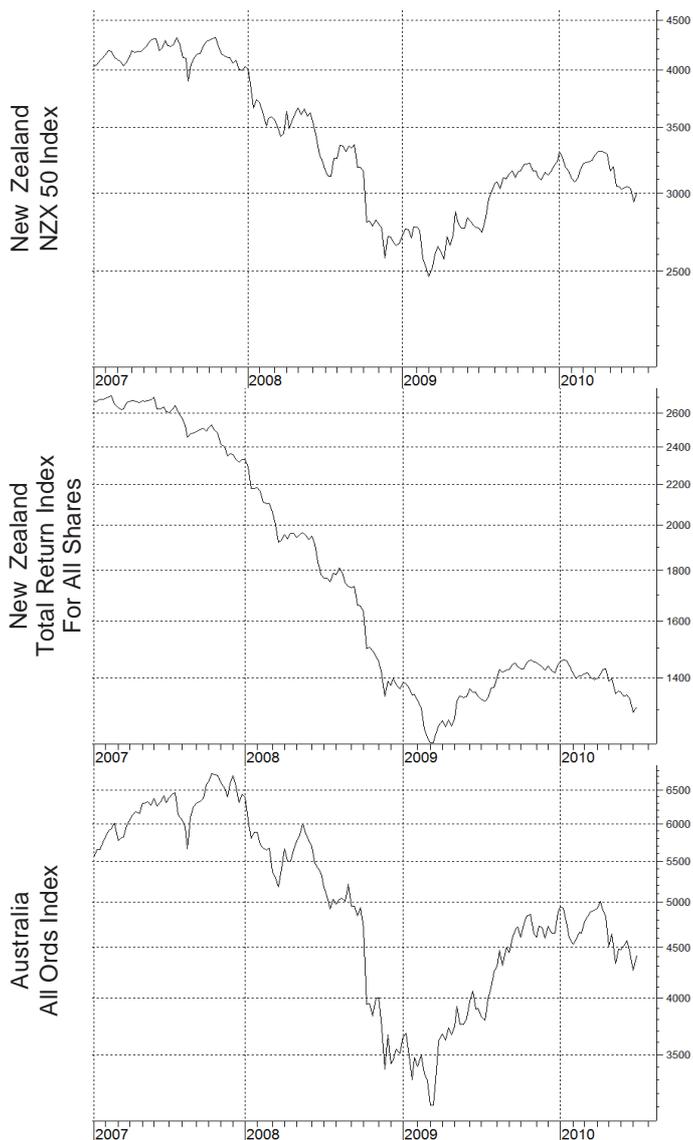
Many developed countries have debt levels around 300% of GDP and keep spending \$1.05 to \$1.10 for every dollar of income - further increasing their debt burden. Growth of just 2-3% is insufficient to improve Debt/GDP ratios. The ultimate outcome may not be a Depression (i.e. where GDP and incomes drop sharply) but much worse: The inability to borrow further and the need to actually *reduce* debt. That would require the billion shopaholics in developed countries to cut spending by an amount equal to the impact of a Depression! Furthermore, there would be decades of wealth transfer from indebted countries to creditor countries through interest and capital repayments!

Most of the economic growth - this year *and* over the next decades - will occur in the *developing* world. These countries generally have relatively low debt levels, while strong economic growth will further improve their financial positions. That sounds like pretty good places to be investing! Companies in developing countries (or developed countries with businesses in developing countries) should do well in the years and decades ahead.

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### Stockmarket Forecasts

	One-Month	One-Year
Australia:	77% (Bullish)	39% (Bearish)
New Zealand:	70% (Bullish)	37% (Bearish)



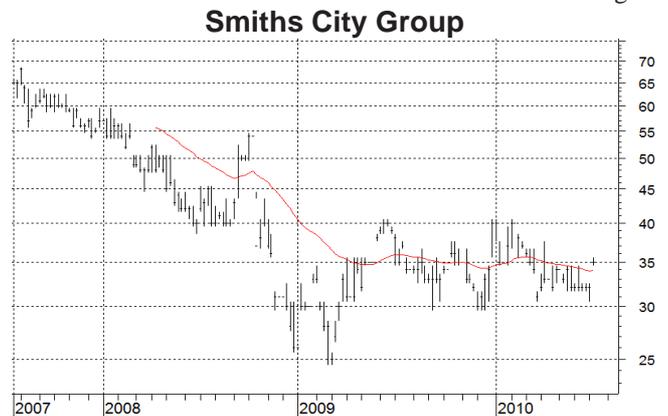
# Performance Forecasts

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

	Performance Forecast	Price	Price/Sales Ratio	PE Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	PE Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	PE Ratio	Gross Yield
AMP Limited	C	659	1.05	17	3.0	Jasons Media	D	40	0.54	14	8.9	Pyne Gould Corp	E	40	0.27	NE	Nil
AMP Onyx Mgmt	D	72	5.37	NE	9.6	Just Water Int.	C	22	0.51	10	25.0	Rakon Ltd	D	97	1.28	NE	Nil
Abano Health	B	495	0.61	12	6.3	Kathmandu Ltd	D	200	N/A	NE	Nil	Renaissance	C	25	0.06	NE	Nil
Affco Holdings	E	37	0.17	7	Nil	Kermadec Prop.	D	45	3.06	NE	11.1	Restaurant Brds	A	233	0.71	12	7.7
Air New Zealand	C	103	0.24	52	9.0	Kingfish Ltd	A	87	N/A	3	11.0	Rubicon Limited	E	80	0.42	NE	Nil
Akd Int Airport	C	192	6.42	57	6.1	Kirkcaldie & St	A	275	0.62	27	4.2	Ryman Health	B	200	9.09	13	4.4
Allied Farmers	E	3.5	0.01	NE	Nil	Kiwi Property	D	93	3.98	NE	9.1	Salvus Strat.	C	80	N/A	NE	Nil
Allied Work.	B	90	0.33	12	7.1	Life Pharmacy	C	35	3.26	NE	Nil	Sanford Limited	C	410	0.89	10	8.0
Barramundi Ltd	C	67	N/A	NE	2.6	Lombard Group	D	3.0	0.40	NE	Nil	Satara Co-op	C	65	0.19	11	4.4
Blis Technology	D	9.6	7.33	NE	Nil	Lytelton Port	B	232	2.81	24	3.0	Savoy Equities	E	1.2	N/A	NE	Nil
Briscoe Group	A	123	0.63	12	8.1	Mainfreight Grp	A	630	0.55	17	4.2	Scott Tech. Ltd	B	118	1.18	NE	1.2
Broadway Ind	C	30	0.39	NE	Nil	Marlin Global	C	85	N/A	14	3.4	Sealegs Corp	C	22	1.80	NE	Nil
Burger Fuel	C	40	2.77	NE	Nil	Media Tech.	D	3.0	0.41	NE	Nil	Seeka Kiwifruit	B	280	0.33	NE	10.2
CDL Investments	E	27	N/A	52	1.1	Methven Limited	B	150	0.77	13	10.5	Skellerup Hold.	B	72	0.60	12	5.0
CER Group Ltd	D	1.0	0.54	NE	Nil	Metro. LifeCare	E	187	3.91	NE	Nil	Sky Network TV	C	472	2.65	21	4.2
Canty Bldg Soc.	C	280	1.04	29	Nil	Michael Hill	B	70	0.65	15	4.2	Sky City Ltd	C	289	1.98	14	7.7
Cavalier Corp	B	245	0.67	12	8.7	Mid-Cap Index	C	208	N/A	NE	Nil	Smartpay NZ Ltd	D	3.1	0.67	NE	Nil
Cavotec MSL	B	266	0.67	17	1.1	Millennium & C.	C	42	1.35	12	4.1	Smiths City	B	35	0.08	11	5.7
Charlie's Group	E	8.0	0.75	NE	Nil	Mowbray Collect	E	75	2.27	NE	Nil	Sol. Dynamics	E	40	0.39	NE	Nil
Col Motor Co	A	220	0.15	14	9.7	NZ Experience	B	32	1.35	13	10.0	South Port NZ	B	260	3.49	21	5.6
Comvita	A	230	0.74	13	5.0	NZ Exchange Ltd	C	163	4.59	82	5.7	Speirs Group	C	35	0.32	NE	Nil
Connexion	C	10	0.67	NE	Nil	NZ Finance Hold	E	20	0.47	NE	Nil	Steel & Tube	C	228	0.42	8	11.9
Contact Energy	B	583	1.25	29	6.9	NZ Farming Sys.	E	40	3.99	NE	Nil	Sthn Travel	D	10	0.07	NE	Nil
Cynotech Hold.	E	4.8	0.40	NE	Nil	NZ Oil & Gas * N/R	127	3.55	9	5.6	Tag Pacific Ltd	E	18	0.11	8	5.2	
Delegat's Group	C	148	0.65	5	7.7	NZ Refining Co	C	310	3.47	37	Nil	TeamTalk Ltd	C	200	1.32	10	14.3
Dominion Fin.	C	1.0	0.01	0149.3	Nil	NZ Windfarms	D	22	4.49	NE	Nil	Telecom Corp	C	192	0.64	9	12.5
Dorchester Pac	D	10	0.22	NE	Nil	NZ Wine Company	C	140	0.97	9	4.1	Tenon Ltd	C	102	0.14	NE	Nil
Ebos Group Ltd	A	610	0.22	15	5.9	NZ Wool Service	C	32	0.15	NE	Nil	Tourism Hold.	E	78	0.45	NE	Nil
Ecoya Ltd	E	83	7.01	NE	Nil	NZSX 10 Fund	D	81	N/A	NE	Nil	Tower Limited	B	178	0.88	9	7.2
F & P Appliance	D	55	0.34	NE	Nil	NZSX 50 Port.	C	122	N/A	NE	Nil	Training Sol.	D	0.1	5.00	NE	Nil
F & P Health.	B	309	3.15	22	5.7	NZX Aust MidCapD	464	N/A	NE	Nil	Trust Power Ltd	B	723	3.00	19	7.5	
Finzsoft Sol'ns	B	25	0.29	8	Nil	Nat Property Tr	C	51	3.51	NE	8.8	Turners & Grow.	C	138	0.25	17	7.2
Fletcher Build.	B	775	0.66	13	6.1	New Image Group	C	31	0.73	5	6.9	Turners Auction	A	130	0.51	11	13.2
Freightways Ltd	B	267	1.17	12	8.8	Northland Port	B	161	N/A	25	4.9	VTL Group Ltd	B	1.5	0.01	0	Nil
Genesis Res.	D	3.0	5.26	NE	Nil	Nuplex Indust	B	298	0.38	34	1.7	Vector Ltd	B	217	1.84	12	9.1
Goodman Prop.	D	90	5.83	NE	9.4	Opus Intl Cons	D	155	N/A	NE	Nil	WN Drive Tech.	C	8.4	2.12	NE	Nil
Guinness Peat	E	67	0.46	NE	3.3	Oyster Bay	C	150	1.15	9	6.7	Wakefield Hlth	A	680	1.25	16	3.8
GuocoLeisure	D	52	1.15	7	3.1	Ozzy (Tortis)	D	330	N/A	NE	Nil	Warehouse Group	B	343	0.62	14	8.7
Hallenstein G.	A	370	1.11	17	8.1	PGG Wrightsons	E	51	0.13	NE	Nil	Widespread Port	N/R	13	N/A	5	Nil
Hellaby Hold.	B	175	0.18	17	4.9	Pac Edge Bio.	E	22	N/A	NE	Nil	Windflow Tech.	D	88	0.33	NE	Nil
Heritage Gold * N/R	2.4	N/A	NE	Nil	Pike River Coal	E	94	N/A	NE	Nil	Wool Equities	C	17	N/A	NE	Nil	
Horizon Energy	A	400	3.29	17	6.1	Port Tauranga	B	686	6.40	20	5.6	World Index Fd	D	102	N/A	NE	Nil
ING Med. Prop.	C	122	0.00	NE	7.0	Postie Plus Grp	C	32	0.12	21	Nil	Xero Ltd	D	144	N/A	NE	Nil
ING Property	D	68	4.71	NE	11.0	Property F Ind.	C	116	7.92	NE	7.8	Zintel Comm.	D	27	0.30	54	13.2
Infratil NZ	C	163	0.50	32	3.3	Propertyfinance	D	3.0	0.05	NE	Nil	<b>Ave of 136 Cos</b>	C	151	0.00	6	5.0
Inv Research Gr	E	1.1	0.42	NE	Nil	Pumpkin Patch	B	187	0.76	NE	5.0						
AGL Energy Ltd	A	1488	1.13	9	3.6	Crown Ltd	B	790	2.65	25	4.7	Nufarm Limited	B	535	0.46	15	5.0
AMP Ltd	B	531	0.93	15	3.0	DUET Group	C	162	1.33	NE	14.9	OZ Minerals Ltd	E	108	5.51	NE	Nil
ANZ Bank	A	2239	3.64	37	4.6	David Jones	A	449	1.13	14	6.2	Oil Search Ltd	B	579	N/A	50	1.5
APA Group	A	366	1.92	23	3.2	Deutsche Div Tr	A	131	6.10	14	7.1	Onesteel Ltd	B	294	0.54	17	3.4
APN News Media	A	198	1.14	13	2.0	Dexus Property	C	81	4.89	NE	9.0	Orica Ltd	A	2568	1.25	17	3.8
ASX Limited	A	2903	5.95	16	5.7	Djerriwarrh	B	425	N/A	NE	6.1	Origin Energy	B	1550	1.68	26	3.2
AWE Limited	B	166	1.46	10	Nil	Downer EDI Ltd	B	374	0.21	7	7.8	Pacific Brands	D	91	0.42	NE	9.4
AXA Asia Pac	A	533	1.80	16	3.5	Energy Resource	B	1425	3.48	10	2.7	Paladin Energy	D	366	N/A	NE	Nil
Adelaide Bright	A	310	1.99	85	4.4	Equinox Min.	C	463	N/A	NE	Nil	Panaust Ltd	C	52	3.91	71	Nil
Alumina Ltd	C	156	N/A	NE	1.3	Extract Res.	D	695	N/A	NE	Nil	Perpetual Ltd	B	2871	3.25	32	3.5
Amalgamated Hld	A	578	1.09	11	5.5	Fairfax Media	C	139	1.26	NE	1.4	Platinum Asset	B	483	N/A	21	4.1
Amcor Ltd	B	668	0.64	29	5.1	Flight Centre	A	1691	0.98	44	0.5	Premier Invest	B	627	1.08	11	8.8
Andean Res.	C	314	N/A	NE	Nil	Fortescue Metal	C	443	6.03	22	Nil	Primary Health	B	371	1.20	14	3.8
Aneka Tambang	B	120	N/A	NE	10.0	Foster's Group	B	581	2.39	26	4.7	Q.B.E. Insur.	B	1778	1.05	9	7.2
Ansell Ltd	A	1273	1.27	14	2.2	GPT Group	B	290	9.85	46	1.6	Qantas Airways	B	230	0.36	44	2.6
Aquarius Plat.	D	536	6.25	NE	Nil	GWA Internat'l	B	306	1.34	19	5.9	REA Group Ltd	B	1039	7.88	NE	1.0
Aquila Res.	D	767	N/A	NE	Nil	Gloucester Coal	A	1242	3.32	12	1.1	Ramsay Health	A	1384	0.75	23	2.7
Argo Investment	C	587	N/A	NE	4.6	Goodman Group	C	65	N/A	NE	15.0	Reece Australia	A	2400	1.58	25	2.1
Aristocrat Leis	C	360	2.11	NE	6.7	Goodman Fielder	B	135	0.74	10	7.8	Rio Tinto Ltd	B	6810	0.84	8	0.8
Arrow Energy	B	492	N/A	10	Nil	Graincorp	B	562	0.64	18	1.3	Riversdale Min.	C	1056	N/A	NE	Nil
Asciano Group	D	169	0.69	NE	Nil	Harvey Norman	B	364	2.68	18	3.0	S/Tracks ASX200A	A	4120	N/A	NE	4.4
Austar United	C	98	1.82	21	Nil	Healthscope	A	528	0.82	19	4.1	SP Ausnet	A	79	1.60	10	10.1
Aust Foundation	B	477	N/A	45	4.4	Henderson Group	B	219	3.49	69	5.0	Santos Ltd	B	1400	5.34	27	3.0
Australand Prop	B	252	2.12	NE	2.0	Hutchison Tel.	C	9.2	1.56	NE	Nil	Seek Ltd	B	711	N/A	43	1.3
Aust Infra.	B	176	8.72	10	7.4	ING Office Fund	C	60	4.63	NE	16.1	Seven Network	A	741	N/A	NE	4.6
BHP Billiton	B	3843	2.07	NE	2.6	IOOF Holdings	A	646	4.02	94	0.6	Sims Metal Mgmt	C	1701	0.36	NE	2.2
Bank of Q'land	A	1030	0.94	15	5.0	Iluka Resources	B	503	3.59	NE	Nil	Sonic Health	B	1052	1.34	24	5.4
Bendigo Bank	A	825	0.75	15	5.2	Incitec Pivot	C	272	1.28	NE	1.6	Soul Pattinson	B	1306	4.02	14	2.5
Billabong Int'l	A	910	1.37	15	4.9	Insurance Aust.	B	335	0.90	38	3.0	Spark Infrastru	B	119	4.32	10	11.4
Bluescope Steel	C	219	0.39	NE	2.3	Intoll Group	C	113	N/A	NE	17.7	Stockland	B	378	4.66	5	9.0
Boart Longyear	D	291	1.22	NE	Nil	Iress Mkt Tech	A	840	6.07	24	4.0	Straits Res.	B	135	1.79	8	7.1
Boral Limited	B	435	0.54	19	3.0	JB Hi-Fi Ltd	B	1918	0.88	22	2.3	Suncorp-Metway	B	824	0.70	29	4.9
Bradken Ltd	A	741	0.77	14	5.0	James Hardie	D	649	2.13	NE	Nil	TPG Telecom Ltd	B	183	2.67	73	1.1
Brambles Ltd	B	556	1.56	14	5.4	Kadmon Gas	D	623	N/A	NE	Nil	Tabcorp Holding	B	647	0.93	7	10.0
Brickworks Ltd	B	1235	2.76	5	3.2	Kingsgate Cons.	A	955	8.05	28	1.6	Tatts Group Ltd	B	229	0.89	10	9.2
C'wth Prop Off.	B	95	5.82	NE	9.1	Leighton Hold	B	3025	0.68	20	3.8	Telstra	B	323	1.62	11	8.7
C.S.R. Ltd	B	178	0.72	16	4.8	Lend Lease Grp	C	761	0.24	NE	5.4	Ten Network	D	163	1.88	NE	Nil
CFS Retail Prop	C	191	8.60	NE	6.5	Lihir Gold Ltd	A	423	8.22	50	0.5	Toll Holdings	B	594	0.74	16	4.2
CSL Limited	B	3361	4.00	18	2.1	M'Ap Group	C	275	4.22	NE	7.6	Tower Australia	B	202	0.88	16	2.6
Caltex Austrlia	B	976	0.15	8	2.6	Macarthur Coal	B	1335	4.88	20	1.0	Transfield Serv	B	325	0.40	11	3.7
Campbell Bros	A	3016	2.30	25	3.3	Macquarie Group	B	3965	2.06	13	4.7	TransPacific In	E	101	0.37	NE	Nil
Carsales.com	B	476	N/A	92	2.8	Metcash Ltd	B	440	0.29	15	5.9	Transurban Grp	C	434	4.97		

# Recommended Investments

**Smiths City Group** recorded a 5.3% drop in revenues to \$226.1 million for the year to 30 April 2010, but profits recovered 61.8% to \$1,644,000 (3.1 cents per share). This is still a low level of profitability, reflecting the difficult economic and retail conditions. A steady 1.0 cent unimputed dividend will (Continued on Page 4)



## Portfolio of Recommended Investments

CURRENT ADVICE	Company	Initial Code	Recommendation Date	Price	Performance Forecast	Issued Shares (mil.)	Volatility Ratio	Price/Sales Ratio	Price/Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
<b>NZ Shares</b>													
HOLD+	CDL Investments Ltd	CDI	12/01/99	25	E	243.4	1.4	12.74	52	1.1	27	29.9	+128%
HOLD+	Cavalier Corporation	CAV	05/12/95	156*	B	67.1	1.0	0.67	12	8.7	245	249.0	+217%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	A	32.7	0.5	0.15	14	9.7	220	307.3	+312%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	B	102.3	0.6	2.81	24	3.0	232	74.8	+105%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	B	382.5	0.9	0.65	15	4.2	70	29.4	+1888%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	523*	B	189.8	1.1	0.38	34	1.7	298	377.0	+29%
HOLD	Postie Plus Group	PPG	08/05/06	71	C	40.0	1.7	0.12	21	Nil	32	8.5	-43%
HOLD	Renaissance Corp	RNS	13/08/96	85*	C	44.2	1.8	0.06	NE	Nil	25	53.9	-7%
HOLD	Smiths City Group	SCY	09/10/06	64	B	53.0	1.5	0.08	11	5.7	35	12.0	-27%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	0.6	3.49	21	5.6	260	121.8	+218%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	C	88.2	0.7	0.42	8	11.9	228	234.5	+217%
<b>Australian Shares (in Aust cents)</b>													
BUY	AJ Lucas Group	AJL	13/05/03	120	B	64.9	0.6	0.28	12	7.4	217	41.0	+115%
BUY	Ammtec Ltd	AEC	11/01/10	257	A	25.5	0.5	1.61	13	4.6	350	6.5	+39%
HOLD+	Atlas South Sea Pearl	ATP	14/05/96	73	C	89.2	2.2	1.35	NE	Nil	11	17.5	-62%
HOLD	Breville Group Ltd	BRG	13/11/06	171	A	129.5	0.6	0.64	17	2.6	212	22.0	+37%
HOLD	Campbell Brothers Ltd	CPB	12/10/99	389*	A	63.0	0.3	2.30	25	3.3	3016	539.0	+814%
BUY	Cardno Ltd	CDD	14/12/09	399*	B	98.3	0.5	0.64	10	7.4	379	13.6	-2%
HOLD	Cellnet Group Ltd <sup>1</sup>	CLT	12/02/02	147*	C	76.8	1.3	0.27	NE	Nil	30	32.4	-53%
BUY	Challenger Wine Trust	CWT	12/01/09	30	C	170.3	1.7	0.92	NE	39.4	18	6.7	-18%
HOLD-	Charter Hall Group	CHC	06/04/09	30*	C	977.3	0.9	6.93	NE	8.3	60	2.6	+107%
HOLD+	Circadian Technologies	CIR	10/02/04	188	D	45.2	1.0	8.78	NE	Nil	60	65.0	-34%
HOLD+	Clarius Group Ltd	CND	08/04/03	82*	C	79.7	1.0	0.13	21	Nil	57	65.5	+49%
BUY	CPT Global Ltd	CGO	10/03/08	88	B	36.8	0.9	0.47	9	9.8	56	7.3	-28%
BUY	Devine Ltd	DVN	13/11/06	84*	B	552.1	1.5	0.19	5	12.8	24	16.9	-52%
HOLD+	Ellex Medical Lasers	ELX	14/03/06	49	C	84.9	2.0	0.21	29	Nil	15	Nil	-70%
BUY	Fiducian Portfolio Ser	FPS	11/02/08	260	B	32.4	0.8	1.84	12	5.4	125	17.0	-45%
BUY	Finbar Group Ltd	FRI	12/04/10	106	A	141.8	0.7	2.60	7	7.0	100	Nil	-6%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	B	418.7	0.4	3.59	NE	Nil	503	64.0	+20%
BUY	Integrated Research	IRI	14/01/08	40	B	166.8	1.1	1.48	8	10.5	38	9.0	+17%
HOLD	M2 Telecommunications	MTU	09/10/06	33	A	108.5	0.6	0.90	24	3.3	169	18.5	+467%
HOLD	Mnet Group <sup>1</sup>				C	208.3	3.5	0.80	NE	Nil	4.1	Nil	
BUY	Melbourne IT	MLB	10/02/04	53	A	79.0	0.6	0.80	9	7.4	202	59.0	+392%
HOLD	Photon Group Ltd	PGA	10/11/08	132*	B	154.3	0.7	0.17	4	12.3	102	11.8	-14%
BUY	Probiotec Ltd	PBP	11/02/08	116	B	47.1	0.7	0.72	7	2.4	133	7.3	+21%
HOLD+	Prophecy International	PRO	08/09/08	26	B	45.8	1.2	2.64	8	11.5	37	6.3	+66%
HOLD+	Ross Human Directions	RHD	14/08/01	92	A	83.5	1.1	0.09	8	4.3	41	35.8	-17%
HOLD	Skilled Group Ltd	SKE	12/03/02	126	B	123.6	0.8	0.07	5	9.5	110	132.0	+92%
HOLD	Technology One Ltd	TNE	11/11/03	44	A	300.3	0.8	1.95	15	4.7	80	21.4	+129%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	B	191.3	0.8	1.70	5	5.0	85	9.4	+109%
HOLD+	The Reject Shop Ltd	TRS	11/01/05	257	A	25.8	0.3	1.01	22	3.4	1612	220.5	+613%
HOLD+	Village Roadshow PREF	VRLPA	10/08/09	77	B	224.9	0.6	0.32	6	6.2	206	9.0	+179%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +151.7%.

This is equal to an average annual rate of +22.9%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 40 current and 147 closed out) is +28.7%, compared with a market gain of +4.3% (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 includes 1½ shares of Mnet Group distributed to shareholders.

## Recommended Investments

(Continued from Page 3)

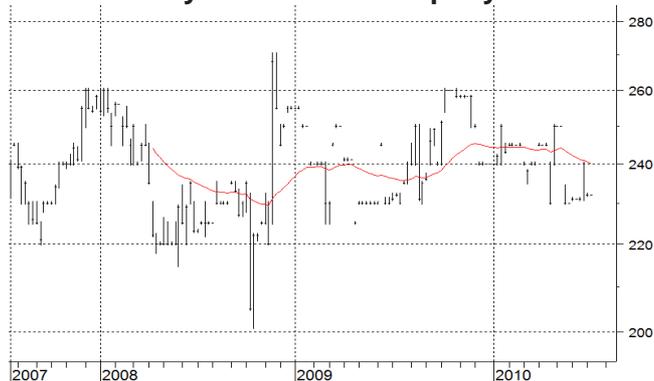
maintain the annual dividend rate at 2.0 cents.

The net operating cash surplus was \$2.4 million, but down from a very high \$7.4 million cash surplus in the previous year.

The recent expansion into the Wellington market has "exceeded expectations".

**Lyttelton Port Company** has made a "multi-million dollar" investment to acquire a 7.3 hectare site adjacent to its City Depot site in Woolston. In the long term this will enable the City Depot to expand, but in the meantime the newly acquired site is leased to provide rental income.

### Lyttelton Port Company



**Postie Plus Group** has experienced a slowdown in sales for May and June and now expects sales growth for the year to be around 4.5%.

### Postie Plus Group



**South Port NZ** is to invest \$6.0 million in a new Liebherr model LHM 400 mobile crane to replace its existing LHM 320 model. It will also spend \$750,000 to purchase a fifth heavy lift container forklift.

Initial arbitration between South Port NZ and **NZ Aluminium Smelters** to determine port charges "points to an increase in the annual charge payable" and will now form the basis of further discussions between the parties. Failure to reach an agreement will result in the Arbitrator making a final determination.

## South Port NZ



## Australian Shares

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

**AJ Lucas Group** has formed a joint venture with Canadian based **Xtreme Coil Drilling Corporation** to import that company's drilling rigs for the Australian Coal Seam Gas industry. Xtreme Coil Drilling manufactures dual-purpose drilling rigs capable of using either conventional jointed pipe or continuous coiled tubing. The major advantage is a better than 200% increase in drilling speeds - up to 420 metres per hour with coil, compared to 120 metres per hour with conventional pipe - and cost savings of 15-50% per well.

### AJ Lucas Group



**Ammtec's** 72% owned US subsidiary, **Purity Systems Inc**, has negotiated its first major contract, worth A\$1.5 million, to supply PSI resin to an international environmental technology group. The resin will be used to extract metals from industrial waste, with the first resin delivery to be made in October. This US business is expected to break-even in the current financial year (to June 2011) and become profitable in future years.

Ammtec continues to advise shareholders to reject the takeover offer from **Campbell Brothers** but that company has disclosed a 9.99% interest in Ammtec. The company owns 3.07% of Ammtec shares directly and has agreements from three institutions for a further 6.92% of the company. The offer is 335 cents per Ammtec share or two Campbell Brothers shares for 17 Ammtec shares. If Campbell Brothers shares trade above \$28.48 then the share alternative will be more

valuable than the 335 cents in cash. At \$30.16, the share alternative currently values Ammtec at 355 cents.

With the Ammtec directors opposed to this takeover - which they say under-values the business - Campbell Brothers may need to raise its offer for the takeover to be successful. Investors should do nothing about the takeover offer at this stage. We are happy to hold Ammtec shares as a long term investment.

**Ammtec**



**Campbell Brothers** predicts its first half profit (i.e. to 30 September 2010) will be 65-80% higher at around \$65-68 million. Earnings per share will be about 40-50% higher at 100-108 cents.

**Campbell Brothers**



**Cardno** has announced its profit for the year ended 30 June to be around \$34-36 million. That is slightly above last year's \$34.2 million, although earnings per share will be 1-7% lower at 37.6-40.0 cents.

Cardno is seeking to raise \$49 million from a 1 for 6 renounceable cash issue at 325 cents per share. The shares traded "ex-rights" from 7 July and payment for the new shares is due on 3 August. Investors can either take up their entitlement to these new shares or sell the rights, which will trade on-market until 26 July.

This is a relatively new holding in our portfolio, so we would favour taking up the new shares to increase investments in Cardno, but investors lacking the cash to do so can sell the rights.

**Cardno**



**Charter Hall Group** has declared a final distribution of 1.60 cents per unit, making a 35.5% lower annual distribution of 3.20 cents.

The company's **Macquarie Martin Place Trust** (a single asset property trust which owns a 50% interest in the property at No 1 Martin Place, Sydney) has successfully raised \$49 million in equity from investors. The group will soon launch another single asset trust owning the property at 130 Stirling Street.

**Charter Hall Group**



**Finbar Group** is predicting a profit 21% higher at around \$23 million for the year to June 2010.

Finbar Group has also announced plans of Stage I and Stage II of the redevelopment of the former **ABC News** building on Terrace Road, Perth. Subject to development approval the old building will be demolished and replaced by two apartment buildings. Stage I will be a 23 level building with 117 apartments with 2-3 bedrooms of 105-147m<sup>2</sup>, plus a 343m<sup>2</sup> penthouse and 265m<sup>2</sup> sub-penthouse, plus two ground floor commercial lots.

Stage II will be a 21 level apartment building with 43 half floor apartments around 172m<sup>2</sup>, a 676m<sup>2</sup> penthouse and 476m<sup>2</sup> sub-penthouse, plus two ground floor commercial lots.

The completed value of these two stages will be around \$315 million. This project is a 50% joint venture with the land owner (who is contributing the land value of \$37.6 million) and Finbar Group (who will contribute \$17.5 million in working capital), with the balance of construction costs funded with bank development loans. Finbar Group is therefore contributing around one-third of the project equity but

(Continued on Page 6)

## Recommended Investments

(Continued from Page 5)

will receive half of the development profit plus a fee for managing the project.

Marketing of these first two stages is expected later in 2010. Stage III and Stage IV will involve refurbishing heritage buildings and a new 29 level tower on Adelaide Terrace.

### Finbar Group



**Integrated Research** anticipates that its June 2010 profit will be around \$5.3-5.8 million. That will be 25-33% lower than last year (and around the \$5.8 million profit to June 2008), owing to lower *HP-Nonstop* sales and the appreciation of the Australian dollar against the US dollar.

### Integrated Research



**M2 Telecommunications** has acquired the business assets (i.e. the small and medium sized business customer contracts and other assets) of **Bell Networks Voice & Data** for \$4,015,000 in cash (plus additional consideration

### M2 Telecommunications



based upon performance over the next year). This business will generate annual revenues of around \$13 million and earnings (before interest, tax and depreciation) of more than \$2 million. That equals a Price/Sales ratio of about 0.30 and Price/Earnings ratio of around 4.

**Mnet Group** earned a second half pre-tax profit of around \$100,000. That will still result in a full year *loss* of about \$850,000 (including significant one-off merger costs), but the latest half year profit is an encouraging sign.

**Photon Group** shares have been suspended over the last month, pending negotiations to restructure some deferred consideration arrangements (i.e. to “cap the potential liability and convert some portion into Photon shares”) and a potential capital raising. Dividends will be suspended “until further review”.

The deferred consideration on recent acquisitions has increased from \$50 million to \$176 million - which is a very significant transfer of wealth from the company (and the shareholders) to the vendors of those businesses!

Presumably that increased consideration results from the very strong performance of these new businesses - but group profitability will be lower, so *older* businesses must have performed very poorly! The \$100 million is also a very large increase, probably indicating a poorly designed agreement involving paying the vendors a *very high* multiple of the increased earnings! Almost certainly Photon Group is now paying far too much for these new businesses, although the company has not disclosed actual details.

Photon Group is also writing off \$90 million of goodwill from its Internet and E-Commerce division. This is a non-cash asset write-off, so has no impact on cashflows - but again shows that the company paid far too much for a business that has since become unprofitable and is being closed down.

Photon Group has interest bearing debts of \$271 million and has recently agreed terms for new three year bank facilities of up to \$305 million, subject to formal documentation and “completion of an equity raising”. Obviously the deferred consideration liability must either be converted to equity and/or the company must raise additional equity from shareholders to pay this liability. Either way, the transfer of an extra \$100 million to the vendors of businesses has diminished shareholder wealth! The need to finance that wealth transfer by issuing new shares will further dilute the value of Photon Group shares.

In addition to negotiating with vendors to pay the deferred consideration in shares instead of cash, the company *may* also seek to raise up to \$200 million in new equity - with suggestions of a cash issue of 4 new shares at 25 cents for every existing share.

The company has appointed **Macquarie Capital Advisers** and **UBS AG** to undertake a review of options to reduce debt, restructure deferred consideration and a potential capital raising - and the shares will remain suspended until the company can make an announcement on these issues.

Photon Group is predicting normalised net profit of \$19 million for the year ended 30 June 2010, but will also incur one-off costs of \$28-31 million on discontinued and divested businesses.

Photon Group will also seek to appoint three new independent, non-executive directors. It will also seek organic growth of its existing businesses in future, not growth via acquisitions.

The only good news is that this situation should not be repeated. Most deferred consideration is subject to final determination and payable over the next 15 months and the company is not planning to seek further expansion from acquisition.

Clearly there has been some serious deterioration in the value of Photon Group shares and a large, heavily discounted cash issue could further depress values in the short term. The shares are currently suspended from trading - pending negotiations with vendors and a possible capital raising - and we can only review what to do with this investment when the company resolves these issues and the shares resume trading.

**Photon Group**



**Ross Human Directions** predicts its June 2010 profit will be 54-66% higher at around \$6.3-6.8 million. This is from “increased returns in the non-recruitment divisions” plus controlling costs.

**Ross Human Direction**

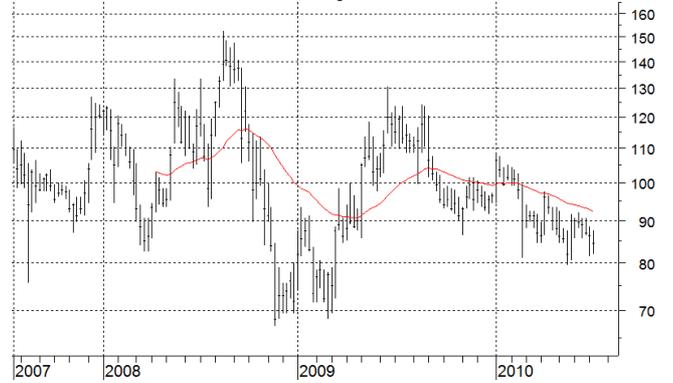


**TFS Corporation** has announced the sale of 1,088 hectares of Indian Sandalwood plantations for the year to 30 June 2010, up 6% on the previous year. *Managed Investment Scheme* sales were down 54% to 306

hectares, while sales to institutional investors were up 120% to 782 hectares.

These initial sales represent new growth in the business, with the company earning on-going annual management fees on its expanding plantations plus, ultimately, revenues from harvesting and value added processing.

**TFS Corporation**



**The Reject Shop** has opened its new \$16 million Queensland Distribution Centre. This facility will initially service 90 of the group's existing 196 stores, with capacity to service up to 200 stores. Its two distribution centres provide the infrastructure needed to meet the group's target of growing to 400 stores throughout Australia.

**The Reject Shop**



**Village Roadshow's** subsidiary **Roadshow Distributors** has negotiated a new three year, \$125 million debt facility with local and international banks.

**Village Roadshow**



# 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.

STRENGTH_RATING													STRENGTH_RATING														
Company	Share	Cur-Price	4-WkChg.	Rank	InsiderBuy	BrokersFollow	Price/NTA	Return/Equity	Vola/ity	Price/Earn	Divi/Yield	Price/Sales	MarketCap'n	Company	Share	Cur-Price	4-WkChg.	Rank	InsiderBuy	BrokersFollow	Price/NTA	Return/Equity	Vola/ity	Price/Earn	Divi/Yield	Price/Sales	MarketCap'n
<b>UNDER-VALUED SHARES: Lowest Price/Sales, Yld&gt;0, RelStrength&gt;0</b>													<b>OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength&lt;0</b>														
HellabyHold.	175	+1.8	-0.9	22	7-0	-	1.0	6	1.3	17	4.9	0.18	89	PropertyFInd.	116	-0.7	-0.5	38	0-0	-	1.1	-	0.4	NE	7.8	7.92	249
EbosGroupLtd	610	+2.3	-2.2	18	0-3	1	1.8	12	0.4	15	5.9	0.22	299	BisTechnology	10	-0.5	-0.2	34	0-1	-	9.6	-	1.7	NE	Nil	7.33	14
SeekaKiwifruit	280	+2.6	-0.1	17	3-0	-	0.7	1	0.4	109	10.2	0.33	40	PortTauranga	686	-0.8	-0.9	39	0-0	-	1.4	7	0.4	20	5.6	6.40	919
NuplexIndust	298	+0.5	-5.6	28	7-0	1	1.1	3	1.1	34	1.7	0.38	566	GoodmanProp.	90	-4.2	-1.6	62	0-2	-	0.9	-	0.5	NE	9.4	5.83	773
TurnersAuction	130	+7.3	-6.4	5	1-0	-	1.8	16	0.6	11	13.2	0.51	36	AMPOnyxMgmt	72	-3.4	-0.6	57	2-1	-	0.7	-	0.4	NE	9.6	5.37	718
MainfreightGrp	630	+5.5	-2.5	7	0-1	-	2.1	12	0.5	17	4.2	0.55	620	INGProperty	68	-3.0	-1.8	55	1-0	-	0.7	-	0.4	NE	11.0	4.71	367
SkellerupHold.	72	+14.4	+1.5	3	0-0	-	1.4	11	1.1	12	5.0	0.60	136	NZExchangeLtd	163	-11.6	-2.2	86	0-2	-	2.1	3	0.6	82	5.7	4.59	197
Kirkcaldie & St	275	+2.1	-0.0	20	0-0	-	1.2	4	0.5	27	4.2	0.62	28	NZWindfarms	22	-27.7	-0.5	95	0-0	-	0.2	-	1.2	NE	Nil	4.49	17
BriscoeGroup	123	+1.4	-1.7	23	3-0	-	2.0	16	1.0	12	8.1	0.63	261	NZFarmingSys.	40	-3.9	+2.9	61	0-2	-	0.4	-	0.7	NE	Nil	3.98	98
Michael Hill	70	+1.3	-1.5	24	4-1	1	1.8	12	0.9	15	4.2	0.65	268	KiwiProperty	93	-4.2	-1.2	63	0-1	-	0.8	-	0.4	NE	9.1	3.98	751
FletcherBuild.	775	+0.9	-2.3	25	4-8	2	1.6	12	0.5	13	6.1	0.66	4,685	Metro.LifeCare	187	-5.2	-1.4	69	0-0	-	0.5	-	0.5	NE	Nil	3.91	229
RestaurantBrds	233	+22.4	-2.8	1	4-0	-	4.7	40	0.5	12	7.7	0.71	227	NZOil & Gas	127	-7.4	-3.5	76	1-0	-	1.0	11	0.4	9	5.6	3.55	493
Comvita	230	+29.2	-1.7	0	8-0	-	0.9	8	0.8	13	5.0	0.74	62	SouthPortNZ	260	-0.9	-1.3	40	0-0	-	2.5	12	0.4	21	5.6	3.49	68
PumpkinPatch	187	+2.7	-4.6	17	0-1	1	3.5	2	0.7	176	5.0	0.76	312	NZRefiningCo	310	-10.3	-3.1	84	1-0	-	1.6	4	0.3	37	Nil	3.47	868
<b>BEST PERFORMING SHARES: Strongest Shares, P/E&lt;20, P/S&lt;1.0</b>													<b>F &amp; P Health.</b>														
Comvita	230	+29.2	-1.7	0	8-0	-	0.9	8	0.7	13	5.0	0.74	62	KermadecProp.	45	-4.2	-1.1	62	0-0	-	0.5	-	0.6	NE	11.1	3.06	38
RestaurantBrds	233	+22.4	-2.8	1	4-0	-	4.7	40	0.4	12	7.7	0.71	227	TrustPowerLtd	723	-0.5	+0.2	36	0-1	-	1.6	8	0.3	19	7.5	3.00	2,281
SkellerupHold.	72	+14.4	+1.5	3	0-0	-	1.4	11	0.8	12	5.0	0.60	136	LytteltonPort	232	-1.9	-0.6	49	0-0	-	1.8	8	0.3	24	3.0	2.81	237
TurnersAuction	130	+7.3	-6.4	5	1-0	-	1.8	16	0.4	11	13.2	0.51	36	SkyNetworkTV	472	-1.4	-2.3	42	0-0	1	1.5	7	0.2	21	4.2	2.65	1,837
FinzsoftSolns	25	+6.0	+10.0	7	0-0	-	0.8	11	1.0	8	Nil	0.29	2	MowbrayCollect	75	-9.4	-2.4	81	0-0	-	2.0	-	0.4	NE	Nil	2.27	8
MainfreightGrp	630	+5.5	-2.5	7	0-1	-	2.1	12	0.5	17	4.2	0.55	620	<b>WORST PERFORMING SHARES: Weakest Shares, P/S Ratio&gt;0.25, Yield&lt; Twice Average</b>													
EbosGroupLtd	610	+2.3	-2.2	18	0-3	1	1.8	12	0.3	15	5.9	0.22	299	Charlie'sGroup	8	-58.3	+0.0	97	1-0	-	1.8	-	1.4	NE	Nil	0.75	24
HellabyHold.	175	+1.8	-0.9	22	7-0	-	1.0	6	1.1	17	4.9	0.18	89	NZWindfarms	22	-27.7	-0.5	95	0-0	-	0.2	-	1.2	NE	Nil	4.49	17
BriscoeGroup	123	+1.4	-1.7	23	3-0	-	2.0	16	0.8	12	8.1	0.63	261	CynotechHold.	5	-26.5	+4.3	94	0-0	-	0.6	-	1.4	NE	Nil	0.40	6
Michael Hill	70	+1.3	-1.5	24	4-1	1	1.8	12	0.6	15	4.2	0.65	268	WindflowTech.	88	-17.8	+1.6	92	0-0	-	0.6	-	0.5	NE	Nil	0.33	11
FletcherBuild.	775	+0.9	-2.3	25	4-8	2	1.6	12	0.4	13	6.1	0.66	4,685	Delegat'sGroup	148	-17.4	+0.0	91	0-0	-	1.1	22	0.4	5	7.7	0.65	149
<b>INCOME SHARES: Highest Yields, Capitalisation&gt;NZ\$100million</b>													NewImageGroup	31	-17.1	+0.7	90	7-2	-	3.3	71	0.9	5	6.9	0.73	72	
TelecomCorp	192	-10.0	-0.4	83	1-3	1	1.3	15	0.5	9	12.5	0.64	3,575	PyneGouldCorp	40	-15.3	-0.4	89	10-2	-	0.2	-	0.8	NE	Nil	0.27	276
INGProperty	68	-3.0	-1.8	55	1-0	-	0.7	-	0.5	NE	11.0	4.71	367	NZExchangeLtd	163	-11.6	-2.2	86	0-2	-	2.1	3	0.6	82	5.7	4.59	197
AMPOnyxMgmt	72	-3.4	-0.6	57	2-1	-	0.7	-	0.5	NE	9.6	5.37	718	OysterBay	150	-11.5	-1.7	86	0-0	-	0.2	3	0.3	9	6.7	1.15	14
GoodmanProp.	90	-4.2	-1.6	62	0-2	-	0.9	-	0.5	NE	9.4	5.83	773	NZRefiningCo	310	-10.3	-3.1	84	1-0	-	1.6	4	0.3	37	Nil	3.47	868
KiwiProperty	93	-4.2	-1.2	63	0-1	-	0.8	-	0.5	NE	9.1	3.98	751	NZWineCompany	140	-9.8	-2.8	82	0-0	-	0.6	6	0.5	9	4.1	0.97	12
VectorLtd	217	+3.4	+0.1	15	3-2	1	1.1	9	0.5	12	9.1	1.84	2,074	MowbrayCollect	75	-9.4	-2.4	81	0-0	-	2.0	-	0.4	NE	Nil	2.27	8
AirNewZealand	103	-3.5	-5.1	58	0-10	1	0.7	1	0.7	52	9.0	0.24	1,098	RakonLtd	97	-9.0	+0.6	80	1-0	-	1.0	-	0.7	NE	Nil	1.28	185
FreightwaysLtd	267	-3.7	-2.6	60	0-0	-	2.7	24	0.4	12	8.8	1.17	399	JasonsMedia	40	-8.3	-4.3	79	0-0	-	2.3	16	0.6	14	8.9	0.54	8
WarehouseGroup	343	-5.4	-1.0	70	5-2	1	3.3	24	0.4	14	8.7	0.62	1,067	SmartpayNZLtd	3	-8.0	-5.2	78	0-0	-	2.8	-	1.6	NE	Nil	0.67	26
CavalierCorp	245	-2.5	-3.2	53	1-0	1	1.9	16	0.8	12	8.7	0.67	164	NZOil & Gas	127	-7.4	-3.5	76	1-0	-	1.0	11	0.3	9	5.6	3.55	493
<b>INSIDER BUYING: Most Insider Buying, Relative Strength&gt;0</b>													SanfordLimited	410	-6.8	-1.0	76	0-1	1	0.7	7	0.2	10	8.0	0.89	384	
WDriveTech.	8	+0.3	+5.1	29	9-0	-	1.9	-	1.3	NE	Nil	2.12	47	EcoyaLtd	83	-6.3	-3.1	75	0-0	-	20.6	-	0.8	NE	Nil	7.01	27
Comvita	230	+29.2	-1.7	0	8-0	-	0.9	8	0.6	13	5.0	0.74	62	AbanoHealth.	495	-5.7	+0.1	73	0-0	-	2.0	17	0.6	12	6.3	0.61	115
ScottTech.Ltd	118	+5.3	-2.4	8	8-0	-	1.7	1	0.5	140	1.2	1.18	37	HeritageGold	2	-5.6	-0.6	73	0-0	-	0.8	-	2.2	NE	Nil	N/A	8
HellabyHold.	175	+1.8	-0.9	22	7-0	-	1.0	6	1.0	17	4.9	0.18	89	<b>INSIDER SELLING: Most Insider Selling, Relative Strength&lt;0</b>													
NuplexIndust	298	+0.5	-5.6	28	7-0	1	1.1	3	0.9	34	1.7	0.38	566	AirNewZealand	103	-3.5	-5.1	58	0-10	1	0.7	1	0.6	52	9.0	0.24	1,098
RestaurantBrds	233	+22.4	-2.8	1	4-0	-	4.7	40	0.3	12	7.7	0.71	227	PGGWrightsons	51	-12.1	+0.1	87	0-6	1	0.4	-	0.5	NE	Nil	0.13	161
BriscoeGroup	123	+1.4	-1.7	23	3-0	-	2.0	16	0.7	12	8.1	0.63	261	F & P Health.	309	-0.2	-1.6	31	0-5	2	5.4	24	0.3	22	5.7	3.15	1,583
SeekaKiwifruit	280	+2.6	-0.1	17	3-0	-	0.7	1	0.2	109	10.2	0.33	40	GuinnessPeat	67	-4.7	-3.9	65	1-4	-	0.6	-	0.7	NE	3.3	0.46	1,196
Michael Hill	70	+1.3	-1.5	24	4-1	1	1.8	12	0.5	15	4.2	0.65	268	GoodmanProp.	90	-4.2	-1.6	62	0-2	-	0.9	-	0.4	NE	9.4	5.83	773
TourismHold.	78	+0.6	-6.0	27	2-0	-	0.4	-	0.7	NE	Nil	0.45	77	NZFarmingSys.	40	-3.9	+2.9	61	0-2	-	0.4	-	0.6	NE	Nil	3.98	98
													TeamTalkLtd	200	-5.0	-2.2	67	0-2	-	1.9	18	0.4	10	14.3	1.32	41	
													NZExchangeLtd	163	-11.6	-2.2	86	0-2	-	2.1	3	0.6	82	5.7	4.59	197	
													TelecomCorp	192	-10.0	-0.4	83	1-3	1	1.3	15	0.4	9	12.5	0.64	3,575	
													MethvenLimited	150	-1.8	-0.1	47	1-3	-	1.9	15	0.6	13	10.5	0.77	100	

# 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.

STRENGTH RATING														STRENGTH RATING													
Company	Share Price	Cur-0-99	4-WkRank	RelSt	Divi-0-99	Price/Bk	Return	Volatility	Price/Earn	Divi-Yield	Price/Sales	Market Cap'n	Company	Share Price	Cur-0-99	4-WkRank	RelSt	Divi-0-99	Price/Bk	Return	Volatility	Price/Earn	Divi-Yield	Price/Sales	Market Cap'n		
																										Strength	Rating
<b>UNDER-VALUED SHARES: Lowest Price/Sales, Yld&gt;0, RelStrength&gt;0</b>														<b>BEST PERFORMING SHARES: Strongest Shares, P/E&lt;20, P/S&lt;1.0</b>													
RossHumanDir.	41	+3.5	+2.6	21	1-0	-1.9	22	1.1	8	4.3	0.09	34	IdeasInternl	44	+24.3	+14.3	4	1-0	-	-	-0.7	6	Nil	0.83	6		
ChandlerMcLeod	23	+9.7	-3.1	12	2-0	2	5.8	-	1.6	NE	6.5	0.11	94	liNet	275	+18.7	-4.0	6	4-1	5	-	-0.4	16	2.9	0.99	416	
MesbonChinaN.	12	+9.6	+5.2	12	3-0	-0.4	6	2.1	6	4.2	0.12	16	MobileActive	2	+16.0	+5.4	7	0-0	-2.3	14	3.2	16	Nil	0.32	4		
AdtransGroup	350	+3.8	-1.6	20	2-1	-1.5	12	0.4	13	4.6	0.13	88	KrestaHoldings	36	+14.8	-11.9	8	2-0	-2.3	16	1.0	14	2.8	0.44	52		
ScottCorpLtd	33	+8.2	-9.3	13	0-0	-0.9	8	1.2	12	3.0	0.15	21	AscentPharm.	27	+14.8	-13.4	8	1-0	-6.6	92	1.1	7	Nil	0.63	66		
CaltexAustralia	976	+1.0	-5.4	26	0-0	3	0.9	11	0.3	8	2.6	0.15	2,635	KonektLimited	14	+13.4	-9.0	9	1-0	-	-	-1.3	8	Nil	0.31	10	
RuralcoHold.	261	+5.6	-1.8	17	2-0	-1.5	17	0.4	9	8.4	0.16	144	CorpExpress	487	+12.9	-8.1	9	0-4	2	30.4	-	0.3	14	4.6	0.70	819	
AutomotiveHold	230	+3.6	-5.2	20	0-0	-3.3	15	0.7	22	6.1	0.17	519	Pro-PacPack.	33	+12.6	-3.8	9	2-1	-	4.1	24	0.8	17	1.5	0.53	39	
MerchantHouse	17	+5.0	-0.4	18	1-0	-0.6	14	1.7	4	8.8	0.21	16	BrevilleGroup	212	+12.5	-2.9	9	1-0	1	4.3	25	0.5	17	2.6	0.64	275	
Tel.PacificLtd	14	+7.3	-1.0	14	2-0	-2.3	4.1	2.1	5	5.9	0.22	14	DecmilGroup	146	+9.9	-4.9	11	1-0	3	8.1	47	0.5	17	Nil	0.59	171	
A.P. Eagers	1250	+5.4	-2.3	17	2-0	-1.5	15	0.2	10	5.0	0.22	373	MesbonChinaN.	12	+9.6	+5.2	12	3-0	-	0.4	6	1.6	6	4.2	0.12	16	
Data3Ltd	830	+1.3	-0.0	25	0-2	-7.2	55	0.4	13	6.0	0.24	128	GazalCorp	159	+9.4	+0.8	12	1-0	-2.6	19	0.4	14	5.0	0.40	96		
WoolCheese	332	+3.0	-9.5	22	2-0	-1.4	-	0.4	NE	0.6	0.30	133	ScottCorpLtd	33	+8.2	-9.3	13	0-0	-0.9	8	0.9	12	3.0	0.15	21		
VillageRoad.	192	+5.0	-8.5	18	0-0	-	-	0.6	6	5.1	0.30	431	LegendCorp.	18	+8.0	-4.2	13	3-1	-2.9	35	1.2	8	Nil	0.42	38		
NewsCorp.	1636	+3.5	-4.3	21	0-0	1	-	0.2	NE	0.9	0.35	13,064	BrandNewVint.	2	+7.5	+5.1	14	0-0	-0.6	3	3.7	19	Nil	0.43	4		
HGLLimited	116	+4.1	-1.1	19	2-0	-1.6	-	0.6	NE	10.4	0.36	62	Tel.PacificLtd	14	+7.3	-1.0	14	2-0	-2.3	41	1.5	5	5.9	0.22	14		
Chalmers	282	+0.6	-0.2	27	2-2	-0.7	8	0.5	8	5.0	0.36	16	VietnamIndust.	26	+7.3	-15.1	14	0-0	-1.1	74	1.2	1	Nil	0.14	37		
EmbeltonLtd	450	+2.8	-2.5	22	1-0	-1.1	12	0.3	9	3.7	0.36	10	E-BetLimited	8	+7.2	-0.2	14	7-1	-	-	-1.7	12	Nil	0.72	18		
HillsIndust.	214	+1.7	-6.9	24	0-0	1	1.5	3	0.6	46	4.7	0.36	438	Healthscope	528	+7.2	+3.5	14	6-2	5	88.0	-	0.3	19	4.1	0.82	1,358
LudowiciLtd	250	+2.7	-4.2	22	4-0	-1.1	3	0.5	32	4.8	0.37	60	SaundersInt'l	45	+7.1	-1.1	14	0-0	-2.3	21	0.8	11	6.7	0.63	35		
GEOProperty	21	+6.9	-0.5	15	0-0	-0.6	-	1.5	NE	9.8	0.39	88	MelbourneIT	202	+7.0	+3.3	15	2-0	-	-	-0.4	9	7.4	0.80	160		
GazalCorp	159	+9.4	+0.8	12	1-0	-2.6	19	0.6	14	5.0	0.40	96	HomeLoansLtd	70	+6.6	-1.4	15	2-0	-1.3	14	0.7	10	10.1	0.69	68		
RidleyCorp.	111	+4.0	-1.3	20	10-0	3	1.3	5	0.7	26	6.3	0.42	342	RHGLtd	63	+6.3	-1.4	16	1-2	-0.9	51	0.9	2	Nil	0.27	206	
WatercoLtd	102	+5.4	-0.5	17	0-0	-0.8	6	0.8	13	2.9	0.42	30	BradkenLtd	741	+6.1	-4.4	16	0-4	7	5.7	39	0.5	14	5.0	0.77	940	
SymexHoldings	57	+2.3	+3.5	23	0-0	-2.3	30	0.8	8	3.5	0.44	72	CTLLogistics	93	+6.0	-4.5	16	2-0	-1.5	16	0.5	9	6.5	0.76	38		
KrestaHoldings	36	+14.8	-11.9	8	2-0	-2.3	16	1.3	14	2.8	0.44	52	RuralcoHold.	261	+5.6	-1.8	17	2-0	-1.5	17	0.3	9	8.4	0.16	144		
UGL Limited	1387	+0.1	-2.6	29	1-0	5	-	0.4	16	4.6	0.48	2,279	WatercoLtd	102	+5.4	-0.5	17	0-0	-0.8	6	0.6	13	2.9	0.42	30		
Pro-PacPack.	33	+12.6	-3.8	9	2-1	-4.1	24	1.1	17	1.5	0.53	39	A.P. Eagers	1250	+5.4	-2.3	17	2-0	-1.5	15	0.2	10	5.0	0.22	373		
BeyondInt'l	68	+2.2	-2.6	23	0-0	-1.6	17	0.9	9	7.4	0.54	41	MerchantHouse	17	+5.0	-0.4	18	1-0	-0.6	14	1.2	4	8.8	0.21	16		
SaundersInt'l	45	+7.1	-1.1	14	0-0	-2.3	21	1.1	11	6.7	0.63	35	VillageRoad.	192	+5.0	-8.5	18	0-0	-	-	-0.5	6	5.1	0.30	431		
BrevilleGroup	212	+12.5	-2.9	9	1-0	1	4.3	25	0.6	17	2.6	0.64	275	SuperCheapAuto	566	+4.9	+0.7	18	0-0	3	8.2	44	0.4	19	3.2	0.73	604
AncorLtd	668	+5.3	-0.7	17	1-0	3	4.1	14	0.3	29	5.1	0.64	8,132	AdtransGroup	350	+3.8	-1.6	20	2-1	-1.5	12	0.3	13	4.6	0.13	88	
CollectionHse	72	+0.9	-1.0	26	5-1	-0.9	10	0.7	9	6.9	0.68	70	RossHumanDir.	41	+3.5	+2.6	21	1-0	-1.9	22	0.8	8	4.3	0.09	34		
HomeLoansLtd	70	+6.6	-1.4	15	2-0	-1.3	14	0.9	10	10.1	0.69	68	NorfolkGroup	86	+3.2	+0.2	21	1-0	-	-	-0.7	8	Nil	0.17	137		
CorpExpress	487	+12.9	-8.1	9	0-4	2	30.4	-	0.4	14	4.6	0.70	819	CountryRoad	372	+3.1	-0.4	21	0-1	-4.0	25	0.2	16	3.6	0.74	257	
SalmatLtd	401	+0.6	-1.5	27	1-0	2	-	0.4	18	5.5	0.71	634	LycopodiumLtd	305	+3.0	-8.9	22	2-1	1	3.3	40	0.3	8	8.2	0.80	118	
KeycorpLtd	46	+3.1	-0.3	21	1-0	-1.3	1	1.1	170	5.4	0.72	37	EmbeltonLtd	450	+2.8	-2.5	22	1-0	-1.1	12	0.3	9	3.7	0.36	10		
SuperCheapAuto	566	+4.9	+0.7	18	0-0	3	8.2	44	0.4	19	3.2	0.73	604	SymexHoldings	57	+2.3	+3.5	23	0-0	-2.3	30	0.6	8	3.5	0.44	72	
SthCrossMedia	171	+0.4	-7.4	28	0-2	1	-	0.6	NE	4.5	0.74	653	BeyondInt'l	68	+2.2	-2.6	23	0-0	-1.6	17	0.7	9	7.4	0.54	41		
CountryRoad	372	+3.1	-0.4	21	0-1	-1.0	25	0.3	16	3.6	0.74	257	MacquarieCTel	500	+1.9	-4.7	24	0-1	-2.0	15	0.4	14	Nil	0.40	102		
NibHoldings	126	+2.0	-0.1	23	6-0	-4.8	7	0.7	26	5.9	0.75	622	Data3Ltd	830	+1.3	-0.0	25	0-2	-7.2	55	0.3	13	6.0	0.24	128		
RamsayHealth	1384	+9.8	-2.9	12	2-1	4	-	-0.2	23	2.7	0.75	2,426	BCDResources	11	+1.1	+7.0	25	0-0	-1.2	8	1.4	15	Nil	0.52	44		
CTLLogistics	93	+6.0	-4.5	16	2-0	-1.5	16	0.7	9	6.5	0.76	38	CaltexAustralia	976	+1.0	-5.4	26	0-0	3	0.9	11	0.3	8	2.6	0.15	2,635	
BradkenLtd	741	+6.1	-4.4	16	0-4	7	5.7	39	0.6	14	5.0	0.77	940	FirstfolioLtd	5	+1.0	-14.3	26	1-2	-	-	-2.3	7	Nil	0.49	33	
ThakralHolding	37	+3.4	-1.0	21	1-0	-0.4	-	1.1	NE	2.7	0.79	213	CollectionHse	72	+0.9	-1.0	26	5-1	-0.9	10	0.5	9	6.9	0.68	70		
MelbourneIT	202	+7.0	+3.3	15	2-0	-	-	0.6	9	7.4	0.80	160	SteriHealthLtd	139	+0.9	-0.5	26	0-0	-	-	-0.4	7	Nil	0.62	27		
LycopodiumLtd	305	+3.0	-8.9	22	2-1	1	3.3	40	0.4	8	8.2	0.80	118	Chalmers	282	+0.6	-0.2	27	2-2	-0.7	8	0.4	8	5.0	0.36	16	
Healthscope	528	+7.2	+3.5	14	6-2	5	88.0	-	0.3	19	4.1	0.82	1,358	SalmatLtd	401	+0.6	-1.5	27	1-0	2	-	-0.3	18	5.5	0.71	634	
FKP Limited	73	+4.5	-1.0	19	0-0	2	0.2	-	0.9	NE	4.8	0.90	255	BankofQland	1030	+0.6	-3.2	27	0-0	3	1.9	13	0.3	15	5.0	0.94	2,058
M2Telecom.Grp	169	+7.5	-5.9	14	1-2																						

Company	STRENGTH RATING										Market Cap'n		
	Share Price	Cur-4-Wk	Rank	Chg.	0-99	Buyers	Sellers	Follow	Price	Return		Vola-	
SP Ausnet	79	-3.0	-2.5	44	1-2	3	0.9	9	0.5	10	10.1	1.60	2,137
Tabcorp Holding	647	-3.2	-0.8	45	0-0	2	-	-	0.2	7	10.0	0.93	3,906
Aneka Tambang	120	+5.3	-0.0	17	1-0	-	-	-	0.8	NE	10.0	N/A	1,144
Pacific Brands	91	-9.2	-8.0	62	1-0	4	-	-	0.7	NE	9.4	0.42	843
Hast Div Util	130	+8.6	-2.1	13	0-0	3	0.6	-	0.6	NE	9.3	4.76	643
Tatts Group Ltd	229	-2.2	-1.5	40	2-0	3	-	-	0.4	10	9.2	0.89	2,908
C'wth Prop Off.	95	+0.7	+1.0	27	0-0	2	0.8	-	0.4	NE	9.1	5.82	1,758

Company	STRENGTH RATING										Market Cap'n		
	Share Price	Cur-4-Wk	Rank	Chg.	0-99	Buyers	Sellers	Follow	Price	Return		Vola-	
Nido Petroleum	15	+6.1	+1.5	16	6-1	1	-	-	1.2	NE	Nil	3.18	152
Nthn Star Res.	5	+50.1	+13.2	1	4-0	-	-	-	1.7	NE	Nil	N/A	6
Sthn Uranium	8	+1.2	-28.9	25	4-0	-	-	-	1.5	NE	Nil	N/A	14
NSL Cons. Ltd	7	+87.9	-0.5	0	4-0	-	-	-	1.6	NE	Nil	N/A	22
Iress Mkt Tech	840	+4.9	-0.0	18	4-0	3	12.5	52	0.2	24	4.0	6.07	1,040
Clever Com Aust	7	+42.2	-0.2	2	4-0	-	7.0	27	1.3	26	Nil	0.59	8
Ludowici Ltd	250	+2.7	-4.2	22	4-0	-	1.1	3	0.3	32	4.8	0.37	60
Dulhurry Power	3	+0.1	-8.2	29	4-0	-	0.8	-	2.2	NE	Nil	0.21	4
APA Group	366	+5.9	-0.4	16	4-0	4	3.1	13	0.2	23	3.2	1.92	1,825
Chesser Res.	34	+74.7	-3.2	0	4-0	-	-	-	0.8	NE	Nil	N/A	11
Aust Bauxite	35	+0.0	-2.5	29	4-0	-	-	-	0.8	NE	Nil	N/A	N/A
Nusep Ltd	20	+5.4	+2.4	17	4-0	-	-	-	0.9	NE	Nil	0.26	1
Sth Boulder Min	67	+85.4	-19.2	0	4-0	-	-	-	0.6	NE	Nil	N/A	41
Mystate Ltd	312	+2.6	-4.1	22	4-0	-	-	-	0.5	NE	Nil	N/A	N/A
Condor Nickel	17	+12.5	-17.5	9	4-0	-	-	-	1.3	NE	Nil	N/A	11
Nyoto Minerals	31	+45.6	+11.4	2	4-0	-	-	-	0.9	NE	Nil	N/A	59
K2 Energy Ltd	7	+18.9	-18.0	6	5-1	-	1.2	-	1.5	NE	Nil	N/A	9
Collection Hse	72	+0.9	-1.0	26	5-1	-	0.9	10	0.4	9	6.9	0.68	70
Healthscope	528	+7.2	+3.5	14	6-2	5	88.0	-	0.2	19	4.1	0.82	1,358
Eagle Eye Metal	8	+24.2	+20.0	4	3-0	-	-	-	1.5	NE	Nil	N/A	4
Ironbark Gold	16	+7.5	-6.4	14	3-0	-	-	-	1.3	NE	Nil	N/A	33
Kimberley Metal	19	+4.7	-1.2	19	3-0	-	-	-	1.2	NE	Nil	N/A	N/A
Headline Group	29	+19.4	-16.9	6	3-0	-	2.4	-	0.6	NE	Nil	2.87	35
Canada Land	9	+10.8	-4.2	10	3-0	-	0.3	5	1.2	7	7.5	1.82	8
Primeag Aust.	104	+0.4	-2.4	28	3-0	-	0.8	-	0.5	NE	Nil	4.37	156
Foster's Group	581	+1.6	+1.5	24	3-0	3	12.6	49	0.2	26	4.7	2.39	11,205
Mesbon China N.	12	+9.6	+5.2	12	3-0	-	0.4	6	1.2	6	4.2	0.12	16
Genesis Res Ltd	17	+1.5	+2.2	24	3-0	-	-	-	1.0	NE	Nil	N/A	N/A
Globe Int'l Ltd	42	+2.0	-2.4	23	3-0	-	0.6	-	0.6	NE	Nil	0.15	17
Newcrest Mining	3431	+0.3	+0.7	28	3-0	8	3.8	6	0.3	67	0.4	6.55	16,584
Camvale Res.	38	+44.6	-2.8	2	3-0	-	-	-	0.9	NE	Nil	N/A	19
Strat. Energy	2	+5.0	-5.7	18	3-0	-	-	-	2.7	NE	Nil	5.12	6
Bigair Group	18	+20.5	-14.3	5	3-0	-	3.0	19	0.8	15	Nil	2.42	16
Leyshon Res.	21	+18.2	-6.8	6	3-0	-	-	-	1.0	NE	Nil	N/A	44
Burleson Energy	6	+26.0	+0.7	4	3-0	-	-	-	1.5	NE	Nil	N/A	7
Reece Australia	2400	+1.3	-1.4	25	3-0	-	4.5	18	0.2	25	2.1	1.58	2,390
liNet	275	+18.7	-4.0	6	4-1	5	-	-	0.3	16	2.9	0.99	416
Azure Minerals	5	+9.5	+3.7	12	2-0	-	-	-	1.6	NE	Nil	N/A	7
MyNet Fone Ltd	9	+3.0	+2.5	21	2-0	-	-	-	1.3	29	Nil	0.50	5

**INSIDER BUYING:** Most Insider Buying, Relative Strength > 0

Cazaly Res Ltd	57	+33.2	-5.9	3	12-0	-	-	-	0.7	NE	Nil	N/A	47
Medical Div Int	19	+13.7	+1.3	9	11-0	-	3.2	24	0.8	13	Nil	1.24	11
Ind Minerals	12	+11.1	-5.2	10	10-0	-	-	-	1.2	NE	Nil	N/A	1
Funtastic Ltd	21	+3.1	-2.7	21	10-0	-	4.2	-	0.9	NE	Nil	0.31	72
Ridley Corp.	111	+4.0	-1.3	20	10-0	3	1.3	5	0.4	26	6.3	0.42	342
Cadence Capital	70	+1.0	-1.9	26	9-1	-	0.8	-	0.6	NE	2.9	N/A	19
CSGLtd	190	+8.6	-4.5	12	7-0	-	-	-	0.5	14	2.4	1.69	334
PPK Group Ltd	46	+5.1	-2.0	18	7-0	-	0.8	2	0.6	49	5.4	5.48	27
Amalgamated Hld	578	+2.8	-0.4	22	7-0	-	1.3	12	0.2	11	5.5	1.09	904
Paragon Care	3	+3.8	-7.7	20	6-0	-	2.8	-	2.0	NE	Nil	5.60	6
Global Nickel	5	+1.5	-7.5	24	6-0	-	-	-	1.7	NE	Nil	N/A	N/A
Blackthorn Res.	69	+2.5	-10.9	23	6-0	-	-	-	0.6	NE	Nil	N/A	529
Chalice Gold	40	+4.6	-3.4	19	6-0	-	-	-	0.9	NE	Nil	N/A	29
Growthpoint Pro	181	+4.0	-0.9	20	6-0	-	5.3	-	0.4	NE	1.8	1.14	62
Platsearch NL	12	+22.4	-5.0	5	6-0	-	-	-	1.4	NE	Nil	N/A	17
Aust Agricult.	150	+1.1	+1.8	26	6-0	1	0.6	-	0.3	NE	Nil	2.51	397
Nib Holdings	126	+2.0	-0.1	23	6-0	-	1.7	7	0.5	26	5.9	0.75	622
Impress Energy	5	+7.2	+1.9	14	6-0	-	-	-	1.6	NE	Nil	4.69	42
Clime Inv Mgmt	41	+1.4	-1.9	25	6-0	-	1.0	-	0.7	NE	0.9	7.13	21
Magnetic Res.	38	+11.0	-9.3	10	6-0	-	-	-	0.7	NE	Nil	N/A	22
Sietel Ltd	425	+7.6	+0.9	14	6-0	-	1.6	1	0.4	180	Nil	5.60	34
Wattyl Ltd	163	+15.7	+12.3	7	6-0	2	1.4	-	0.3	NE	Nil	0.36	138
Antares Energy	58	+6.0	-16.8	16	6-0	-	-	-	0.7	176	Nil	N/A	107
E-Bet Limited	8	+7.2	-0.2	14	7-1	-	-	-	1.3	12	Nil	0.72	18
Magellan Fin Gp	111	+12.9	-1.7	9	7-1	-	1.7	-	0.5	NE	Nil	N/A	162
Vita Life Sci.	23	+1.4	-2.0	25	5-0	-	3.8	-	1.0	NE	Nil	0.73	12
Soul Pattinson	1306	+0.6	-3.5	27	5-0	1	1.3	10	0.2	14	2.5	4.02	3,117
Navigator Res	18	+5.7	-0.5	17	5-0	-	-	-	1.0	NE	Nil	N/A	28
Refresh Group	8	+5.6	+3.6	17	5-0	-	1.3	-	1.3	NE	Nil	0.85	5
Macarthur Coal	1335	+12.2	-9.1	10	6-1	3	3.3	16	0.2	20	1.0	4.88	3,395
ANZ Bank	2239	+0.5	-4.5	27	6-1	6	2.1	6	0.2	37	4.6	3.64	56,077

## “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: 75.0% Buyers

Last 13 wks: 75.4% Buyers

Company	Insider Buyers-Sellers								
AMP Onyx Mgmt	2-1	F & P Health.	0-5	Methven Limited	1-3	Pyne Gould Corp	10-2	Tenon Ltd	0-2
Affco Holdings	1-0	Fletcher Build.	4-8	Michael Hill	4-1	Rakon Ltd	1-0	Tourism Hold.	2-0
Air New Zealand	0-10	Genesis Res.	1-0	NZ Exchange Ltd	0-2	Restaurant Brds	4-0	Tower Limited	2-0
Allied Work.	1-0	Goodman Prop.	0-2	NZ Farming Sys.	0-2	Rubicon Limited	0-1	Trust Power Ltd	0-1
Blis Technology	0-1	Guinness Peat	1-4	NZ Oil & Gas	1-0	Ryman Health.	3-1	Tumens Auction	1-0
Briscoe Group	3-0	Guoco Leisure	5-0	NZ Refining Co	1-0	Sanford Limited	0-1	Vector Ltd	3-2
Canty Bldg Soc.	2-0	Hellaby Hold.	7-0	New Image Group	7-2	Scott Tech. Ltd	8-0	WN Drive Tech.	9-0
Cavalier Corp	1-0	ING Property	1-0	Nuplex Indust	7-0	Sealegs Corp	0-1	Wakefield Hlth	0-1
Charlie's Group	1-0	Infracit NZ	9-1	PGG Wrightsons	0-6	Seeka Kiwifruit	3-0	Warehouse Group	5-2
Col Motor Co	2-0	Just Water Int.	1-0	Pike River Coal	2-0	Sky City Ltd	2-0	Xero Ltd	3-0
Comvita	8-0	Kiwi Property	0-1	Pumpkin Patch	0-1	TeamTalk Ltd	0-2	Zintel Comm.	6-0
Ebos Group Ltd	0-3	Mainfreight Grp	0-1			Telecom Corp	1-3		
F & P Appliance	4-1								

# “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: 81.9% Buyers

Last 13 wks: 82.7% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
1300 Smiles Ltd	0-1	Atlas SS Pearl	6-1	CMI Limited	2-1	Corvette Res.	1-0	Fiducian P Serv	4-1
A-Cap Resources	0-1	Atomic Res. Ltd	0-1	CO2 Group Ltd	0-1	Cougar Metals	1-0	Finbar Group	3-1
A.P. Eagers	2-0	Atticus Res.	4-0	CSG Ltd	7-0	Country Road	0-1	Firestone En.	0-1
A1 Minerals Ltd	0-3	Augustus Min.	2-0	CSL Limited	0-2	Covenry Group	6-0	Firstfolio Ltd	1-2
AACL Holdings	1-0	Aurora Oil Gas	1-2	CTI Logistics	2-0	Crane Group	1-0	Flat Glass Ind.	2-1
ADX Energy Ltd	2-0	Ausdrill Ltd	1-0	Cadence Capital	9-1	Credit Corp	14-1	Flight Centre	1-0
AED Oil Ltd	5-0	Ausenco Ltd	2-0	Calliden Group	1-0	Crescent Gold	3-0	Flinders Mines	1-2
AJ Lucas	1-0	Ausgold Ltd	1-0	Calzada Ltd	1-0	Cromwell Group	1-2	Focus Minerals	1-0
AMA Group Ltd	8-0	Aussie Q Res.	0-2	Campbell Bros	2-3	Cryosite Ltd	4-0	Forest Ent Aust	1-0
AMP Ltd	1-0	Aust Foundation	5-0	Canada Land	3-0	CuDeco Ltd	8-0	Foster's Group	3-0
ANZ Bank	6-1	Aust United In	3-0	Cape Lambert R.	6-0	Customers Ltd	1-0	Fox Resources	3-0
APA Group	4-0	Austock Group	2-0	Cape Range Ltd	7-0	Cyclopharm Ltd	4-0	Freshfel Hold.	1-0
APN Property	2-0	Austin Eng.	0-1	Capital Mining	0-1	DMC Mining Ltd	1-0	Frigrite Ltd	4-0
APN News Media	5-1	Aust Oil Coy	1-0	Capral Limited	2-0	DUET Group	0-1	Funtastic Ltd	10-0
ARB Corporation	2-0	Aust Agricult.	6-0	Carbon Con	3-0	Datamotion A/P	0-3	Future Corp	2-0
ASG Group Ltd	0-2	Aust Infra.	1-0	Carbon Energy	1-4	Datadot Tech.	1-0	GB Energy Ltd	1-0
ASX Limited	2-3	Aust Mines Ltd	0-1	Careers Multi.	1-0	Data 3 Ltd	0-2	GBST Holdings	4-2
AV Jennings	1-0	Aust Leaders Fd	3-0	Carnegie Wave E	0-1	Decmil Group	1-0	GME Resources	2-0
AWB Limited	1-0	Aust Ethical In	0-1	Caravale Res.	3-0	Deep Yellow Ltd	2-0	GPT Group	1-0
Abacus Property	2-0	Aust Enh Income	2-0	Carpentaria Exp	2-4	Diatreme Res.	4-0	GWA Internat'l	1-0
Aberdeen Leader	2-5	Aust Pharm. Ind	4-0	Carrick Gold	3-0	Diploma Group	2-0	Galaxy Res.	2-1
Acclaim Explor	1-0	Austex Oil Ltd	1-0	Carsales.com	2-0	Discovery Metal	0-4	Garraff's Ltd	6-0
AcruX Ltd	0-1	Aust Bauxite	4-0	Cash Converters	1-0	Djeriwarh	1-0	Gazal Corp	1-0
Acuvax Ltd	1-0	Aust Power Gas	1-0	Caspian Oil & G	2-0	Dolomatrix Intl	4-0	Genera Bio.	1-0
Adacel Tech.	0-1	Austral Gold	0-1	Catle Minerals	0-1	Domion Mining	0-4	Genesis Res Ltd	3-0
Adamus Resource	1-0	Auto Technology	7-1	Catalyst Metals	5-0	Downer EDI Ltd	2-0	General Mining	1-0
Adcorp Aust.	2-0	Avalon Minerals	2-0	Cazaly Res Ltd	12-0	Dragon Mountain	1-0	Geodynamics Ltd	2-0
Adelphi Energy	1-0	Avita Medical	1-0	Celestis Ltd	0-1	Dragon Mining	2-1	Geopacific Res.	2-0
Adelaide Res.	3-1	Avoca Resources	0-1	Cellmid Ltd	1-0	Drillsearch	6-0	Gerard Lighting	1-0
Adelaide Bright	1-0	Avonlea Mineral	2-0	Cellnet Group	0-3	Dulhunty Power	4-0	Gippsland Ltd	0-3
Admiralty Res.	4-1	Azumah Res.	1-0	Centaurus Netal	1-0	DysoL Ltd	1-2	Gladiator Res.	1-0
Adtrans Group	2-1	Azure Minerals	2-0	Cent. Asia Res.	1-0	E & A Limited	2-0	Global Con Serv	0-1
Adultshop.com	1-0	BC Iron Ltd	1-3	Centro Retail	1-0	E-Bet Limited	7-1	Global Petrol.	9-1
Adv Share Reg.	0-1	BHP Billiton	7-3	Century Aust In	1-0	E-Com Multi Ltd	1-0	Global Nickel	6-0
Advance Energy	3-0	BKI Invest Coy	2-0	Ceramic Fuel C.	2-0	E-pay Asia Ltd	3-0	Globe Int'l Ltd	3-0
Advanced Energy	0-2	BPH Corporate	0-1	Cervantes Corp.	1-0	EVZ Ltd	4-0	Global Mining I	1-0
Ainsworth Game	1-0	BSA Ltd	3-0	Chal Financial	4-2	Eagle Eye Metal	3-0	Golden West Res	0-1
Alchemia Ltd	2-1	BT Invest Mgmt	0-3	Chal Div Prop	2-0	East Energy Res	1-0	Gold One Int'l	2-0
Alexium Int'l	4-0	Bandanna Energy	2-0	Chalice Gold	6-0	Echo Resources	3-0	Golden Rim Res.	1-0
Alkane Explor.	0-2	Bannerman Res.	1-0	Chal Wine Trust	0-1	Eco Quest Ltd	1-0	Gondwana Res.	0-1
Allied Brands	3-1	Baraka Petrol.	0-1	Chandler McLeod	2-0	Elders Limited	7-0	Goodman Group	0-2
Alliance Res.	0-2	Bassari Res.	1-0	Charter Hall GR	1-2	Eldorado Gold	0-1	Goodman Fielder	1-0
Altera Capital	1-0	Bathurst Res.	1-0	Chart H Retail	1-0	Electrometals	1-0	Gowing Brothers	1-0
Altium Limited	9-0	Bauxite Res.	0-2	Charter Pacific	1-0	Electro Optic	1-0	Graincorp	1-0
Altura Mining	4-0	Beach Energy	1-0	Chesser Res.	4-0	Elemental Min.	1-0	Grange Resource	1-0
Alumina Ltd	1-0	Beadell Res.	2-0	China Y Copper	1-0	Elementos Ltd	2-0	Greenland Min.	4-1
Amalgamated Hld	7-0	Bell Financial	11-0	Chrysalis Res.	4-0	Ellex Medical	1-0	Groote Res.	1-0
Ambertech Ltd	3-0	Bendigo Bank	1-0	Circadian Tech	5-0	Embelton Ltd	1-0	Growthpoint Pro	6-0
Ambition Group	1-0	Bentley Capital	1-0	Citadel Res Grp	1-0	Ecoeco Holdings	2-0	Gryphon Mineral	0-1
Amcor Ltd	1-0	Berklee Ltd	1-0	Clarius Group	2-0	Emerson Stewart	5-0	Gt Western Exp.	5-0
Amex Resources	2-0	Berkeley Res.	0-1	Clever Com Aust	4-0	Emerg. Leaders	1-0	Guinness Peat	1-3
Ampella Mining	0-4	Bigair Group	3-0	Clime Capital	2-0	Emerald Oil & G	3-0	Gujarat NRE	8-0
Anaeco Limited	2-0	Billabong Int'l	0-2	Clime Inv Mgmt	6-0	Emmerson Res.	2-0	Gunns Ltd	2-1
Analytica Ltd	0-1	Bioprospects	0-1	Clinovel Pharm.	2-0	Empire Beer Grp	4-0	HGL Limited	2-0
Andean Res.	0-4	Biosignal Ltd	2-0	Clover Corp.	2-0	Emu Nickel NL	4-0	Hampton Hill	3-0
Aneka Tambang	1-0	Biotron Limited	1-0	Cluff Resource	2-1	Eneabba Gas Ltd	1-0	Hannans Reward	2-0
Antaria Ltd	1-0	Biota Holdings	2-0	Cobar Cons Res.	1-0	Energy World	1-0	Hansen Tech.	0-1
Antares Energy	6-0	Black Ridge Min	2-0	Coca Cola Amatil	1-2	Energy One Ltd	4-0	Harvey Norman	0-2
Anteo Diagnost.	1-2	Blackthorn Res.	6-0	Codan Ltd	1-0	Energia Mineral	1-0	Hastie Group	1-0
Anvil Mining	4-1	Bluescope Steel	3-0	Coffey Int'l	2-0	Enterprise Met.	2-0	Havilah Res.	2-0
Apex Minerals	1-0	Blue Energy Ltd	2-1	Cogstate Ltd	2-0	Entek Energy	7-0	Headline Group	3-0
Apollo Minerals	2-0	Boral Limited	3-0	Collection Hse	5-1	Envirogold Ltd	1-0	Healthzone Ltd	2-1
Aquarius Plat.	1-0	Botswana Metals	2-0	Colorpak Ltd	2-0	Equities & Free	1-0	Healthscope	6-2
Aquila Res.	0-3	Bow Energy Ltd	5-0	Comwealth Bank	1-0	Equity Trustees	3-0	HealthLinx Ltd	0-1
Arafura Pearls	1-0	Bowen Energy	1-0	ComOps Limited	1-0	Eromanga H/C	0-3	Heartware Inc.	0-2
Arafura Res.	1-0	Bradken Ltd	0-4	Computershare	0-9	Eserv Global Ltd	1-3	Heemskirk Cons.	0-2
Aragon Res.	1-0	Bravura Sol.	1-0	Condor Nickel	4-0	Ethane Pipeline	1-0	Helicon Group	1-0
Archer Explor.	1-0	Breville Group	1-0	ConnXion Vent.	10-0	Eurogold Ltd	3-0	Hemisphere Res.	1-0
Ardent Leisure	5-0	Brickworks Ltd	2-1	ConnectEast Grp	1-0	Everest Fin Grp	2-0	Henderson Group	0-1
Argent Minerals	1-0	Brierty Ltd	3-0	Conquest Mining	6-0	Excelsior Min.	0-5	Heron Resources	3-0
Argonaut Res.	1-0	Brockman Res.	0-6	Cons Media Hold	1-0	Excels Limited	1-0	Highland Pac.	1-2
Artist & Enter.	1-0	Brumby Resource	0-1	Contango Micro.	1-0	Extract Res.	2-0	Hillcrest Litig	5-0
Arturus Capital	3-0	Buccaneer En.	2-0	Convergent Min.	1-0	EyeCare Partner	1-0	Hill End Gold	3-0
Ascent Pharm.	1-0	Bunnings W/hse	1-0	Cool or Cosy	2-0	Fairfax Media	0-1	Hodges Res.	2-0
Asciano Group	4-0	Burey Gold Ltd	1-0	Copper Range	2-0	Fairstar Res.	2-0	Homeloans Ltd	2-0
Ashburton Min.	0-1	Burleson Energy	3-0	Copper Strike	1-0	Falcon Minerals	1-0	Horizon Oil Ltd	1-0
Ask Funding Ltd	2-0	Buxton Res.	1-0	Cordlife Ltd	1-0	Fall River Res.	4-0	Hunter H Global	1-0
Astro Resources	0-1	C.S.R. Ltd	1-0	Coretrack Ltd	9-2	Fat Prophets	3-0	Hyperion Flag.	3-2
Astra Capital	4-0	CBH Resources	2-0	Corp Express	0-4	Ferrum Crescent	2-0	Hyro Limited	5-1
Astro Japan Pro	1-0	CL Asset Hold.	1-0	Corum Group Ltd	3-0	Ferraus Ltd	1-2	I-SOFT Group	1-3

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
ICS Global Ltd	1-0	Magnetic Res.	6-0	OZ Minerals Ltd	6-0	Red Sky Energy	1-0	TPG Telecom Ltd	0-2
IMD Group	1-0	Malagasy Min.	2-0	Oaks Hotel	2-3	Red River Res.	0-1	TPL Corporation	0-2
IMF (Aust) Ltd	0-2	Manacomm Corp.	2-0	Oakton Limited	1-0	Red Hill Iron	3-0	TSV Holdings	1-0
ING Indust Trt	2-0	Manas Resources	2-0	Objective Corp.	2-0	Redcape Prop.	2-0	Tamawood Ltd	0-1
ING Priv Equity	1-0	Manhattan Corp	3-0	Oceania Capital	2-0	Reece Australia	3-0	Tap Oil	2-1
IPGA Ltd	1-2	Mantle Mining	2-1	Oil Basins Ltd	1-0	Refresh Group	5-0	Target Energy	1-0
Icon Energy	3-0	Mantra Res.	0-1	Oil Search Ltd	2-0	Renaissance Min	1-0	Tasman Goldflds	1-0
Ideas Intern'l	1-0	Marengo Mining	1-0	Optiscan Image	3-0	Renison Cons	0-1	Tassal Group	4-0
liNet	4-1	Marenica Energy	0-2	Orbital Corp	2-0	Republic Gold	1-0	Tatts Group Ltd	2-0
Iluka Resources	1-0	Marion Energy	1-0	Orchid Capital	1-0	Res & Invest NL	2-0	Technique Ltd	2-0
Image Resources	7-0	Marine Produce	1-0	Orica Ltd	1-2	Resources Min.	1-0	Tectonic Res.	1-0
Impress Energy	6-0	Marmota Energy	1-0	Oriental Tech.	2-0	Resource Star	1-0	Tel.Pacific Ltd	2-0
Imugene Ltd	2-0	Maryborgh Suga	2-0	Origin Energy	2-4	Reverse Corp	1-0	Teleton Limited	5-1
Ind Minerals	10-0	Matsa Resources	3-0	Orocobre Ltd	1-0	Reward Minerals	3-2	Telstra	1-0
Independ. Group	1-2	Maximus Res	3-0	Ottoman Energy	3-0	Rey Resources	1-0	Terrain Mineral	4-0
India Resources	3-0	Maxi TRANS	3-0	Over Fifty Grp	7-0	Richmond Mining	1-0	Terramin Aust	1-0
Industrea Ltd	0-1	McMillan Shake.	1-0	P MacGregor Inv	2-0	Ridley Corp.	10-0	Thakral Holding	1-0
Infomedia Ltd	3-0	McPherson's Ltd	2-0	PMP Limited	2-0	Robust Resource	3-2	Thinksmart Ltd	0-2
Insurance Aust.	2-0	Mec Resources	0-1	PPK Group Ltd	7-0	Roc Oil Company	3-0	Thorn Group Ltd	1-0
Int Research	1-0	Medical Dev Int	11-0	PTB Group Ltd	1-0	Rock Build Soc.	2-0	Tidewater Inv	6-0
Intermin Res	7-0	Medivac Ltd	1-0	Pacific Brands	1-0	Rocklands Rich.	15-2	Tissue Therapy	1-0
Intermoco Ltd	0-2	Media Group Int	2-0	Pacrim Energy	4-0	Ross Human Dir.	1-0	Torre Energy	1-0
Intrapower Ltd	1-0	Medusa Mining	0-1	Paladin Energy	3-0	Royalco Res.	1-0	Tox Free Sol.	0-3
Inventis Ltd	2-0	Melbourne IT	2-0	Palamedia Ltd	3-0	Rubicor Group	4-0	Trafalgar Corp.	1-0
Investorfirst	2-0	Merchant House	1-0	Pan Pacific Pet	3-1	Run Corporation	1-0	Traffic Tech.	1-0
Iress Mkt Tech	4-0	Mermaid Marine	0-6	Panaust Ltd	2-1	Runge Ltd	3-0	Trafford Res.	2-3
Ironbark Gold	3-0	Mesa Minerals	1-0	Panoramic Res.	0-2	Ruralco Hold.	2-0	Transit Hold.	3-2
Iron Ore Hold.	1-3	Mesbon China N.	3-0	Paradigm Gold	1-0	S/Tracks ASX200	2-0	Transfield Serv	7-0
Iron Mountain	1-0	Metal Storm Ltd	1-0	Paragon Care	6-0	S/Tracks Prop.	1-0	Tranzact Fin.	1-0
Ironclad Mining	1-0	Metals Finance	3-0	Patties Foods	21-0	SP Ausnet	1-2	TransPacific In	3-2
Island Sky Aust	0-2	Metals X Ltd	1-0	Peak Resources	1-0	STW Comm Group	2-1	Transurban Grp	5-0
JB Hi-Fi Ltd	1-5	Metallica Min.	3-0	Pearl Healthcare	2-0	Saferoads Hold.	3-0	Treasury Group	2-0
Jackgreen Ltd	1-0	Metcash Ltd	1-2	Peel Explor.	2-0	Salmat Ltd	1-0	Triangle Energy	1-0
James Hardie	1-2	Meteorite Res.	3-0	Pelorus Prop.	3-0	Sandfire Res.	2-4	Trinity Group	5-0
Jatoil Limited	1-0	Metrocoal Ltd	2-0	Penrice Soda	4-0	Saracen Mineral	1-0	Triton Gold Ltd	2-0
Jervois Mining	2-0	Miclyn Express	7-0	Pepinini Min.	0-1	Scantech	1-0	Troy Resources	1-0
Jindalee Res.	0-2	Midas Resources	2-0	Perilya Mines	2-0	Sedgman Ltd	1-2	Truscott Mining	1-0
Jumbuck Enter.	6-1	Minara Resource	1-0	Perpetual Ltd	2-0	Seek Ltd	0-1	Two Way Limited	1-0
Jupiter Mines	5-7	Mindax Limited	5-0	Perseus Mining	1-2	Select harvest	4-0	Tryian Diagnost	1-0
Jupiter Energy	4-0	Mineral Commod.	4-0	Pharmaxis Ltd	0-1	Servcorp Ltd	2-0	UGL Limited	1-0
K&S Corporation	1-0	Mineral Deposit	0-2	Phoenix Copper	1-0	Seven Group	3-0	US Nickel Ltd	1-0
K2 Energy Ltd	5-1	Minemakers Ltd	0-4	Photon Group	4-2	Seven Network	4-2	United Overseas	1-0
Kagara Ltd	2-0	Mining Projects	1-0	Phylogica Ltd	1-0	Shearer (John)	0-1	Uramet Minerals	2-0
Kardoon Gas	0-2	Mint Wireless	1-0	Pilbara Mineral	2-0	Shree Minerals	1-0	Uranium Equitie	3-0
Karmelsonix Ltd	1-2	Mintails Ltd	1-0	Pioneer Res.	3-1	Sierra Mining	0-1	Uranex NL	3-0
Kasbah Resource	1-0	Mirabela Nickel	0-1	Planet Platinum	0-1	Sietel Ltd	6-0	Venturex Res.	2-0
Kenor Gold Ltd	5-1	Mirvac Group	4-0	Platinum Asset	0-3	Sihayo Gold Ltd	1-0	Verus Investm't	3-0
KeyBridge Cap'l	1-0	Modena Res. Ltd	1-0	Platinum Aust	0-1	Silver Swan Grp	0-1	Vesture Limited	0-1
Keycorp ltd	1-0	Monadelphous Gr	1-0	Platsearch NL	6-0	Silver Mines	2-0	Victory West M.	1-0
Kilgore Oil Gas	1-0	Mooter Media	1-0	Pluton Resource	5-0	Sims Metal Mgmt	6-3	Victoria Petrol	2-0
Kimberley Metal	3-0	Morn. Star Gold	0-2	Po Valley Ener.	3-0	Sirius Res. NL	4-0	Virax Holdings	0-1
Kingsgate Cons.	0-2	Mt Gibson Iron	1-0	Port Bouvard	1-0	Skywest Airline	0-2	Vision Group	1-3
Kip McGrath EC	6-0	Mungana Gold.	1-0	Powerlan Ltd	1-0	Slater & Gordon	1-5	Vita Life Sci.	5-0
Konekt Limited	1-0	My Net Fone Ltd	2-0	Praemium Ltd	1-0	Smart Trans	0-1	Vita Group Ltd	6-0
Koon Holdings	1-0	Myer Holdings	1-0	Prairie Downs	1-0	Snowball Group	1-0	Vmoto Ltd	6-0
Kresta Holdings	2-0	Mystate Ltd	4-0	Premium Invest.	0-1	Sonnomed Ltd	0-6	Voyager Res Ltd	2-0
Krucible Metals	3-0	NRW Holdings	1-0	Premier Invest	1-0	Sonic Health	1-2	W'bool Cheese	2-0
Kuth Energy Ltd	2-0	NSL Cons. Ltd	4-0	Prime Infra.	2-0	Souls Priv Equ	1-0	WAM Active Ltd	6-0
LBT Innovations	6-2	NSX Limited	9-1	Primeag Aust.	3-0	Soul Pattinson	5-0	WAM Capital Ltd	0-1
Lachlan Star	2-0	Nagambie Mining	1-0	Prima Biomed	2-0	Southern Gold	2-1	WCP Resources	0-2
Laconia Res.	1-0	Namoi Cotton	2-0	Primary Health	1-2	Spec Fashion	3-0	WHK Group Ltd	1-0
Lakes Oil NL	2-0	Nat'l Aust Bank	1-0	Pro Medicus Ltd	3-0	Sphere Minerals	0-1	WHL Energy	1-2
Lefroy Res.	4-0	National Hire	8-0	Pro-Pac Pack.	2-1	Spitfire Res.	2-0	Wasabi Energy	8-0
Legend Mining	1-0	Navitas Ltd	0-2	Probiomics Ltd	4-0	Spotless Group	1-0	Watpac Ltd	1-0
Legend Corp.	3-1	Navigator Res	5-0	Probiotec Ltd	3-4	St Barbara Ltd	2-1	Wattly Ltd	6-0
Leighton Hold	2-9	Neon Energy Ltd	4-0	Prosa Ltd	2-0	Stanfield Funds	0-3	Wavenet Int'l	6-0
Lend Lease Grp	0-1	Neptune Marine	2-0	Prophecy Int'l	4-5	Sth Cross Media	0-2	Webjet NL	2-6
Leyshon Res.	3-0	Netcomm Limited	0-2	Proto Resources	7-0	Sth Boulder Min	4-0	Webster Ltd	2-0
Liberty Res.	4-2	Neurodiscovery	1-0	Provet Holdings	1-0	Sthn Uranium	4-0	Wellcom Group	1-0
Lihir Gold Ltd	2-0	New Hope Corp.	3-2	Public Holdings	1-0	Sthn Cross Gold	1-0	Wentworth Hold.	1-0
Linc Energy Ltd	0-1	New Standard En	2-0	Pulse Health	1-0	Stirling Res.	10-0	Wesfarmers Ltd	3-1
Lindsay Aust	1-0	NewSat Ltd	1-0	Q Ltd	2-0	Stirling Prod.	1-0	Westfield Group	2-0
Lindian Res.	3-0	Newcrest Mining	3-0	Q.B.E. Insur.	4-2	Stockland	0-1	Westside Corp.	2-0
Liontown Res.	2-0	Newhaven Hotels	1-0	QRSciences Hold	1-0	Stokes (Aust)	1-0	Westgold Res.	2-0
Liq Natural Gas	0-4	Nexbis Ltd	8-0	Quantum Energy	0-1	Straits Res.	0-1	Westpac Banking	2-1
Logicams Ltd	0-1	Nexus Energy	4-1	Quay Magnesium	0-1	Strategic Min.	1-0	West Aust News	2-0
London City Eq.	1-0	Nib Holdings	6-0	Quest Minerals	3-0	Strat. Energy	3-0	Western Desert	1-2
Lonrho Mining	1-0	Nido Petroleum	6-1	Quest Investm't	1-0	Strategic Poole	1-0	Western Areas	1-5
Ludowici Ltd	4-0	Niplats Aust.	2-0	Quickstep Hold.	0-2	Strike Res.	4-0	Whitehaven Coal	1-0
Lycopodium Ltd	2-1	Noble Mineral	1-0	RCG Corporation	0-1	Style Limited	4-0	White Canyon Ur	2-0
Lynas Corp Ltd	1-4	Noni B Limited	1-0	RCR Tomlinson	1-2	Suncorp-Metway	2-1	Whitefield Ltd	4-0
M2 Telecom. Grp	1-2	Norfolk Group	1-0	REA Group Ltd	0-1	Sunland Group	2-0	White Energy Co	2-0
MMap Group	0-1	Northern Mining	1-5	RHG Ltd	1-2	Sunset Energy	2-0	White Cliff Nkl	1-0
MCM Entertain.	2-0	Northern Iron	1-0	RP Data Ltd	0-1	Sunshine Heart	2-0	Wild Acre Metal	1-0
MEO Australia	6-0	Nthn Star Res.	4-0	RTL Corporation	1-2	Supply Network	1-0	Willmott Forest	1-0
MOKO.mobi Ltd	1-0	Nufarm Limited	4-0	Rabinov Prop Tr	1-0	Swick Min Serv	0-1	Wilson HTM Inv.	3-0
Macarthur Coal	6-1	Nupower Res.	1-0	Ramelius Res.	0-1	Swish Group	1-0	Woolworths Ltd	3-4
Macquarie C Tel	0-1	Nusep Ltd	4-0	Ramsay Health	2-1	Syndicated Met.	1-0	Worley Group	2-0
Macquarie Group	1-2	Nyoto Minerals	4-0	Ram Resources	1-0	Syngas Ltd	1-0	Wotif.com Hold.	0-3
Macquarie Atlas	1-0	OBJ Limited	0-1	Red Fork Energy	3-0	TFS Corporation	3-1	XRF Scientific	0-1
Magellan Fin Gp	7-1	OM Holdings	0-1	Red Metal Ltd	1-0	TMA Group of Co	1-0	Xceed Capital	1-0
Magellan Flag.	1-0	ORH Limited	9-3			TNG Limited	0-1	Xtek Ltd	3-0
								Zicom Group	5-0

# *The Developed Economies Debt Crisis*

We have all heard the doom and gloom merchants: “There is too much debt!” and “The world has mortgaged future generations with debt.”. That is at best only a *half truth* as in Economics and Accounting there are usually two sides to every situation. Every dollar of debt is someone else's interest earning investment as (at least at the present time) the world is not able to borrow and mortgage itself to extraterrestrials from another planet or solar system

The existence of debt simply means that *some* individuals, companies or governments have mortgaged their future - with the future repayment *benefits* due to some other individuals, companies or governments.

Debt becomes a *problem* for those groups who owe too much (or when their government finds it impossible to borrow *more* to provide the cash benefits or free services promised). Of course, it can also become a problem for the creditor when the debtor lacks the ability to repay.

The current debt situation is a continuation of the significant global - and internal - imbalances that have accrued over recent decades. At present, developed economies have high debt levels but face slow growth rates - which is perhaps the worst combination. On the other hand, developing economies have low debt levels and high growth rates - which is an attractive economic situation. This major imbalance, however, can lead to serious economic disruptions but, ultimately, the outcome will be a major shift in economic power!

The situation in developing countries is often made worse by growing unfunded and “off-balance sheet” liabilities for pensions and healthcare for an aging population.

## **New Zealand's Situation**

New Zealand's situation is not too different to most developed countries. Over the year to March 2010, New Zealand's exports exceeded imports, creating a trade surplus of \$2,800 million. The problem, however, is the \$7,600 million investment deficit. That is the (net) amount New Zealand pays in interest on debt and the amount that foreign investors earn from owning NZ businesses.

To finance this \$5,000 million *deficit*, New Zealand needs to borrow more from foreigners and/or sell further income producing assets to foreign investors. That current account deficit works out at about \$100 million

*per week* - or the equivalent of selling off an asset the size of **Crafar Farms** *every fortnight!* Selling off income producing assets to foreign investors - or taking on more debt to finance the deficit - will only further increase future investment deficits!

Thanks to the recession (and a drop in consumption and imports) the current account deficit has been around 2-3% of Gross Domestic Product over the last two years. For 2005-2008 it was around 8% of GDP! As a country, New Zealand regularly spends \$1.02 to \$1.08 for every \$1.00 it earns - so is steadily digging itself deeper into debt and/or selling off assets to foreign interests!

We disagree with the Prime Minister's comment that selling assets could make New Zealanders “tenants in their own country” as that implies the ability to pay *rent* in addition to the interest and profits which the country is unable to fund out of income! Perhaps the PM thought better than to say “tenant farmers” or “serfs”.

Not that there is anything wrong with foreign investors - if local investors were accumulating an equal value of foreign assets! That is not the case. This increasing debt situation is certainly not unique to NZ and applies to most developed countries!

## **A Global Perspective: How Much Debt?**

### **Who Owes It? Who Owns It?**

There are no accurate figures on debt, only estimates. There are fairly reliable figures for government debts, but seldom any estimates for individual or corporate debt levels within a country. Nevertheless, global debt is probably about US\$50 trillion - that is US\$50 million million or US\$50,000,000,000,000.

By comparison, that is approximately equal to the world's Gross Domestic Product (i.e. the value of goods and services produced annually) of US\$48.4 trillion.

The level of debt is also about *twice* the total value of the world's stockmarkets which is around US\$27.5 trillion (although that figure may include some multiple counting owing to cross-shareholdings, as well as investment trusts and exchange traded funds which own other shares).

Debt, however, is distributed unequally and despite having in the past had a Third World Debt problem, we today have a First World Debt problem. In many developed countries, total debt is around 300% of Gross Domestic Product.

This figure does not include unfunded government pension and aged healthcare obligations. No one really wants to acknowledge the value of pension liabilities - probably as it is very large. One recent study estimated the average pension liability of European governments at around 400% of GDP!! The United States's unfunded pension liability is around 100% of GDP and unfunded healthcare liabilities are estimated at around 650% of GDP!!

As one person's (or country's) debt is another's interest earning bank deposit or government bond investment, who owns these financial assets? Often the media will focus upon countries with large Foreign Exchange Reserves. All countries own foreign exchange reserves which are, quite simply, some cash held in banks (and a little bit in gold) to pay for imports - just as an individual will hold some cash in their pocket or bank account to buy some groceries or pay the electricity bill. Of course, some countries have large trade surpluses and have built up rather large bank balances (which would be better invested in development projects at home, acquiring foreign companies or buying up foreign dairy farms). Large trade surpluses and large foreign exchange earnings are often transferred to Sovereign Wealth Funds for long term investment.

The total value of Foreign Exchange Reserves held by all countries is a little over US\$9 trillion - so, at best, this finances only about 20% of global debts. Countries with large foreign exchange reserves include China with US\$2.5 trillion, Japan with US\$1.0 trillion (but which also has debts of about US\$13 trillion), Russia with US\$0.5 trillion and Saudi Arabia and Taiwan with about US\$0.4 trillion each. Manufacturing exporters (e.g. China, Taiwan) and Oil Producers (e.g. Saudi Arabia, Russia) are, of course, popular political scapegoats for all of the economic ills of the developed world.

Sovereign Wealth Funds hold about US\$3.8 trillion in assets and other government funds (i.e. pension funds) own about US\$6.5 trillion. So total government investments total around US\$10.3 trillion.

The global investment in private Pension/Superannuation Funds is probably around US\$24 trillion - most of which is probably owned on behalf of individuals in developed countries.

Globally there are about 10 million "high net worth individuals" (i.e. each with over US\$1 million of financial investments) with a total investment wealth of around US\$39 trillion in shares and bonds and other financial assets. Most high net worth individuals live in developed countries.

These figures are certainly not accurate or complete,

but globally there are probably around \$78 trillion of financial assets (i.e. \$50 trillion of debt and \$28 trillion of shares), with these assets owned as Foreign Exchange Reserves (US\$9 trillion), Sovereign Wealth and other government funds (US\$10 trillion), private pension funds (US\$24 trillion) and high net worth individuals (US\$39 trillion).

The debt owed by governments in developed economies probably approximately equals the assets held by governments in developing economies (in their foreign exchange reserves and sovereign investment funds).

Around 30% of financial investments, however, are held by pension funds and a further 50% by high net worth individuals, mainly also living in developed countries.

The global imbalance is not just between indebted governments in developed countries and cash rich developing countries, but also between state dependant individuals in developed countries and the high net worth individuals in those same countries!

If Western democracies have encouraged a large number of people to have little or no wealth and to rely upon the state for education, healthcare and retirement income, then the reverse side of that policy has been the concentration of wealth by a small number of high net worth individuals within those countries.

So why does this all look like *foreign capital*? Perhaps as some estimates suggest that around 50% of the world's wealth is held *through* tax havens. These *may* just be tax neutral countries in which to incorporate investment funds, or this *may* indicate that some high net worth (and ultra high net worth) individuals have sought to protect their assets from cash hungry, indebted governments!

### **Unfunded Government Pension Liabilities**

As indicated previously, the true value of the pension liabilities of many governments in developed countries *may* be 2-4 times GDP and a similar 2-4 times the actual debt level of those governments. With current sovereign debt levels considered to be near their maximum - or even unsustainable - funding these future pension promises could well be impossible.

Governments will, of course, do everything possible to avoid defaulting on their *existing* debts - especially as much of it is probably held by foreigners. Governments are probably much more willing to default on the pension promises of *previous* governments made to their own citizens - although probably not until some future financial crisis so severe that rival political parties will also have to acknowledge the inability to meet those future obligations.

**Economic Impact on Society**  
**- and Investors!**

The current situation holds the potential for great change - but change often only happens after a crisis or conflict. *How* changes may come about are uncertain but several things are likely.

Firstly, there will be a major shift in economic power from developed countries to developing countries. The United Kingdom was the greatest economic power in 1900, but lost its wealth (and power) financing two world wars. Since 1945, the United States has emerged as the greatest economic power - and with immigration continuing to fuel growth that situation is not going to end over night. Most developed countries are losing their wealth and power after 30-40 years of deficits and accumulated debts *and* from attempting to finance future pension liabilities. China and India will grow in economic importance, and other low debt, high growth developing countries will equal and surpass the importance of high debt, low growth developed countries. Investors need to adopt a global perspective and invest accordingly!

Secondly, the pension and aged healthcare promises of governments in most developed countries are probably unsustainable. People with little or no net personal wealth and approaching retirement age in a developed country will become the new poor! Stockmarkets, property investments and sovereign bonds may look uncertain as investments, but you want to avoid reaching retirement age (if that concept still exists in the future)

without a reasonable level of personal wealth. We are entering a new age of *personal* financial responsibility!

Thirdly, if you *do* have some personal wealth (or are able to accumulate some in the future - perhaps by living *within* your income and actually saving 5-10%) then watch out because your cash hungry, indebted government needs you - as a source of cash! 95% of your fellow citizens will probably support that cash grab to fund *their* benefits, education, healthcare and superannuation. So future crises could lead to some innovative government policies: high taxes on profitable businesses (e.g. the current Australian resource tax or perhaps a future carbon tax on NZ dairy farmers), wealth taxes, property taxes and changes to trust law (i.e. to “close the loophole” of people seeking to protect their assets!).

Fourthly, a scarcity of capital should lead to higher returns. That should mean both higher interest rates and higher returns on Shareholders Equity and high stockmarket returns (although perhaps off a lower initial market value). Uncertainty and change involves risk, so individual companies will fail. It also involves opportunity and growth for those companies that adapt and take advantage of the evolving global economy. Growth opportunities will exist, but probably not in the domestic, developed economies. Investors should diversify globally and favour companies (in developed countries) which have global businesses.

## Investment Outlook

(Continued from Page 1)

The biggest losers will be people in developed countries, with little or no personal wealth, who look to their government's Ponzi scheme to provide healthcare and a retirement income.

The global imbalances, however, will result in significant uncertainty and a series of major crises - which will likely continue to impact on confidence and periodically depress share values. As everyone keeps saying "The global economy is in uncharted waters" - but isn't that *exactly* the situation it has been in for the last 65 years?

The limited liability company is the economic vehicle especially designed to be able to successfully navigate those uncharted economic oceans! Companies (rather than state owned enterprises, sole traders, partnerships or trusts) are the most important economic entities in the world owing to their success and adaptability. (By comparison, democratic governments - where voters have consistently voted themselves benefits in excess of taxes and used debt to bail out every economic problem - have dug themselves into a deep debt hole and look a bit like dinosaurs caught in a tar pit.)

Our Forecasting models are moderately Bearish (i.e. unfavourable) for the next year, but shares offer good value and *insiders* (i.e. the most knowledgeable investors) are buying, so we shall sit tight on our portfolio for the present.

## Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Jason Travel Media	1.00	14-07	28-07	Full
Smiths City Group	1.00	06-08	13-08	Nil
Mainfreight Group	10.00	16-07	23-07	Full
<u>Australian Shares</u>				
Campbell Brothers	55.00	07-06	01-07	
Challenger Wine Trust	1.00	24-06	30-08	
Charter Hall Group	1.60	24-06	27-08	

### Total Return Index for All Listed Shares

Jun 14	1342.45	Jun 21	1348.97
Jun 15	1343.97	Jun 22	1338.29
Jun 16	1345.92	Jun 23	1335.30
Jun 17	1347.42	Jun 24	1332.35
Jun 18	1345.35	Jun 25	1331.18
Jun 28	1320.60	Jul 5	1296.52
Jun 29	1309.63	Jul 6	1297.16
Jun 30	1302.03	Jul 7	1295.25
Jul 1	1296.17	Jul 8	1298.11
Jul 2	1291.26	Jul 9	1307.62

## Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on Monday August 16, 2010.

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

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