Market Analysis

Issue No. 461 www.stockmarket.co.nz November 8, 2010

100001101	WWW.otookiii	arrotioo.nz	110101111111111111111111111111111111111
Ins	ide Mark	et Analysis	
ACCEPT Ammtec Takeover (share alternativ	re) 5	Company Analysis:	
Challenger Wine Trust investigates		Rubik Financial	10, 11
"strategicalternatives"	6	Warrant / Option Analysis	14,15,16
Iluka Resources increases production and again raises prices	7	Founder: James R Co	rnell (B.Com.)

Summary and Recommended Investment Strategy.

A popular - and accurate - stockmarket adage is "Don't fight the Fed". The US Federal Reserve plans to pour a further US\$600 billion into financial markets over the next eight months. This is the time to be owning shares!

Investment Outlook.

Just last month the doom and gloom merchants were predicting stockmarkets were about to collapse as the US Federal Reserve had been "plying brokerage firms with free money" to inflate stock prices through to the end of September. So now that the Federal Reserve really *is* actually going to pour US\$75 billion per month into financial markets over the next eight months (i.e. a total of US\$600 billion, plus re-invest the US\$250-300 billion maturing over that period) are they predicting a stockmarket boom through to June 2011?

No way! The stockmarket - we are now told - had "anticipated" this latest announcement of *quantitive* easing (called "QE2" by the media) and stockmarkets are about to collapse!

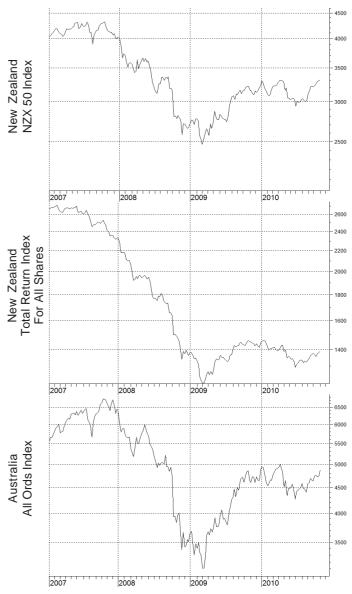
By now you probably *know* what we think about all of this: Firstly, as long as the doom and gloom people continue to predict the end of the world, some stockmarket investors will keep getting richer! *When* the doom and gloom people go silent (and perhaps secretly buy their first shares?), then the stockmarket will be getting near a peak - and it will be time for us to worry. In the meantime, as long as we are bombarded with predictions of doom, everything is just fine in our world!

Secondly, if you are reading some economic report with cutesy names like "GFC 2.0" or QE2" then it was probably written by an idiot who doesn't understand the subject. Continue reading, study the conclusions carefully . . . and then expect the *opposite* outcome! While the term "quantitive easing" is fairly modern, this process has been going on for most of the last 65 years! We are probably at QE50 or QE100, so the person who coined the phrase "QE2" has <u>no</u> understanding of economics.

Thirdly, creating money supply during a period of slow economic growth will ultimately result in financial asset price inflation (i.e. a boom in financial asset prices). By purchasing bonds and lowering interest rates the Federal Reserve has already boosted the capital value of long term bonds. Eventually it will probably lead to a stockmarket boom - which may impact upon share prices in general or a particular sector (e.g. previous booms centred on Technology (Continued on Page 12)

Stockmarket Forecasts

Australia: One-Month 87% (Bullish) Sew Zealand: 77% (Bullish) 52% (Neutral) 52% (Neutral)



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 worth of further study and analysis.

Performance	Price/Sales	P/E Gross	Performance	Price/Sales	P/E Gross	Performance	Price/Sales P/E Gross
Forecast Price AMP Limited C 67		atio Yield 17 3.0	Forecast Pri Just Water Int. E		Ratio Yield NE Nil	Forecast Price Rakon Ltd C 128	
Abano Health C Affco Holdings E Air New Zealand A 13 Akd Int Airport B 24 Allied Farmers E 2 Allied Work. B 12 Argosy Property D 8 Barramundi Ltd A Blis Technology E 9 Briscoce Group B 12 Argosy Property D 6 Argosy Property D 7 Argosy Property D 8 Argosy Property D 8 Argosy Property D 8 Argosy Property D 8 Argosy Property D 9 Argosy D 9 Ar	33	E	Kermadec Prop. C Kingfish Ltd A Kirkcaldie & St B Kiwi Property C Life Pharmacy D Lombard Group D Lombard Group D Lombard Group D Lombard Group D Lyttelton Port B Mainfreight Grp A Marlin Global C Media Tech. E Methven Limited A Metro. LifeCare B Michael Hill B Mid-Cap Index C Millennium & C. D Mowbray Collect E NZ Experience C NZ Experience C NZ Exchange Ltd C NZ Farming Sys. D NZ Oil & Gas * N/R NZ Refining Co C NZ Windfarms D NZ Wool Service C NZ Windfarms D NZ Wool Service C NZ Windfarms D NZX Aust MidCapC Nat Property Tr New Image Group C Northland Port A Nuplex Indust B Opus Int'l Cons D Oyster Bay D Ozzy (Tortis) C PGG Wrightsons D Pac Edge Bio. E Pike River Coal D Propertyfinance D Ortopertyfinance	94 N/A 50 0.63 604 4.45 305 3.26 306 2.76 308 N/A 309 0.41 309 0.41 300 0.41 301 0.66 301 0.41 302 0.41 303 0.41 304 304 305 1.23 305 1.23 307 307 307 307 307 307 307 307 307 30	38 5.6 NE 9.3 3 10.2 23 4.3 NE 8.2 NE NII NE 727 2.7 20 3.6 NE NII 15 8.8 11 5.2 11 NE NII 15 8.1 11 5.2 11 NE NII 15 8.1 16 NII 17 NE NII 18 8.5 18 18 18 18 18 18 18 18 18 18 18 18 18 1	Renaissance	3 0.83 14 6.5 0.58 NE Nil 0.59 11 7.2 0.029 18 2.9 17 0.92 11 5.5 0.037 NE 9.2 0.037 NE 9.2 0.037 NE 9.2 0.037 NE Nil 0.037 NE Nil 0.037 NE Nil 0.037 NE Nil 0.043 NE Nil 0.056 22 5.0 0.056 22 5.0 0.056 22 5.0 0.056 22 5.0 0.056 22 5.0 0.056 10 11.6 0.057 NE Nil 0.053 15 7.4 0.55 10 11.6 0.53 15 7.4 0.55 10 11.6 0.54 12 12.2 0.56 2.98 19 7.6 0.54 12 12.2 0.56 0.14 NE Nil 0.57 0.15 NE Nil 0.58 0.26 18 7.0 0.59 10 11.6 0.79 10 11.6 0.79 1
Jasons Media C AGL Energy Ltd B AMP Ltd C ANZ Bank A 24 APA Group A APN News Media B ASX Limited A AYA Group A AVE Limited C AXA Asia Pac B Adelaide Bright A AGLIA GROUP AMBORD AND ASIA BILIBORD AND ASIA BILIBORD ASIA BILIBORD ASIA AND ASIA BILIBORD ASIA BILIB	88 0.52 6 1.10 1.70 1.70 1.70 1.70 1.70 1.70 1.70	14 9.4 9.4 9.4 9.4 9.4 9.4 9.4 9.4 9.4 9.	Pyne Gould Corp D Deutsche Div Tr A Dexus Property A Dierriwarrh B Linc East Africa Res C Energy Resource B Equinox Min. C Extract Res. D Ex	43 1.62 31 6.10 31 6.10 31 6.10 3.62 32 N/A 32 N/A 33 N/A 33 N/A 33 N/A 33 N/A 347 1.39 378 6.98 378 6.32 379 N/A 370 N/A 380 0.39 381 0.39 381 1.87 381 0.76 381 0.39 381 1.87 382 N/A 383 0.39 384 0.39 385 0.39 386 0.39 387 0.39 388 0.39 389 N/A 389 N/A 389 N/A 389 N/A 389 N/A 380 2.09 381 0.39 381 0.39 383 0.39 384 7.39 385 5.59 386 5.59 387 8.66 388 7.39	15 Nii 7.1 N 6.1 14 N E 6.1 18 N E Nii 9 N E Nii 17 18 N E Nii 20 1.6 1.7 1.7 1.8 1.6 1.6 1.7 1.8 1.6 1.7 1.8	OZ Minerals Ltd C 0/18 Search Ltd B 683 Onesteel Ltd C 266 Orica Ltd A 2570 Origin Energy B 1644 Pacific Brands C 1159 Panaust Ltd C 779 Panaust Ltd B 779 Panaust C 779 Pan	8 8.87 NE Nil N/A 59 1.3 N/A NE Nil Nil N/A 21 4.3 N/A 21 2.3 N/A 21 2.8 N/A

Recommended Investments

<u>Lyttelton Port Company</u> is uncertain of the financial impact of the earthquake on its reported profits. While the company is insured for damage *and* any loss of profits, International Financial Reporting Standards will determine how the company needs to account for the impairment of assets and the receipt of insurance

proceeds. This could result in some "significant positive and negative impacts" in one accounting period and perhaps the opposite impact in the following year.

"Underlying *trading* profits", however should be "at least \$10 million" (up from \$9.8 million last year) and the company is "ahead for the first quarter this year".

(Continued on Page 4)

	Portfolio	of	Rec	om	me	end	led	! In	nve	estr	ner	nts	
CURRENT ADVICE	Company	Code	Initial Recomm - Date -	nendation Price	Perform- mance Forecast	Issued Shares (mil.)	Vola- tility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio		Recent Share Price	Cash Dividends Rec'd	Total Return %
	NZ Shares												
HOLD+	CDL Investments Ltd	CDI	12/01/99	25	Е	243.4	1.5	12.74	52	1.1	27	29.9	+128%
HOLD+	Cavalier Corporation	CAV	05/12/95	156*	Α	67.8	1.0	0.96	13	8.3	311	249.0	+259%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	Α	32.7	0.5	0.18	15	8.9	242	316.3	+336%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	В	102.3	0.6	2.76	27	2.7	236	77.7	+109%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	В	382.5	0.9	0.66	11	5.2	77	29.4+	2028%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	523*	В	192.2	1.0	0.46	9	6.1	347	377.0	+38%
HOLD	Postie Plus Group	PPG	08/05/06	71	С	40.0	1.7	0.11	21	Nil	30	8.5	-46%
HOLD+	Renaissance Corp	RNS	13/08/96	85*	С	44.2	1.6	0.09	NE	Nil	39	53.9	+9%
HOLD	Smiths City Group	SCY	09/10/06	64	С	53.0	1.5	0.09	12	5.3	38	13.0	-20%
HOLD	South Port New Zealand	SPN	13/02/96	120	В	26.2	0.6	3.17	14	6.7	276		+242%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	В	88.4	0.7	0.56	22	5.0	242	234.5	+226%
	Australian Shares (in Aust												
BUY	AJ Lucas Group	AJL	13/05/03	120	С	65.3	0.6	0.43	NE	2.3	236	41.0	+131%
TENDER	Ammtec Ltd	AEC	11/01/10	257	Α	36.5	0.5	2.78	22	4.2	414	27.5	+72%
HOLD+	Atlas South Sea Pearl	ATP	14/05/96	73	С	89.2	2.2	1.42	NE	Nil	11	17.5	-61%
HOLD	Breville Group Ltd	BRG	13/11/06	171	Α	129.5	0.6	0.82	15	4.1	268	27.0	+73%
HOLD	Campbell Brothers Ltd	CPB	12/10/99	389*	Α	63.0	0.3	2.63	29	2.9	3446	539.0	+924%
BUY	Cardno Ltd	CDD	14/12/09	399*	Α	90.5	0.5	0.91	12	6.0	480	28.6	+27%
HOLD	Cellnet Group Ltd ¹	CLT	12/02/02	147*	В	73.5	1.3	0.33	22	Nil	34	32.4	-55%
HOLD+	Challenger Wine Trust	CWT	12/01/09	30	С	190.8	1.7	1.16	NE	22.4	19	6.7	-15%
HOLD+	Circadian Technologies	CIR	10/02/04	188	D	45.2	1.0	11.78	NE	Nil	59	65.0	-34%
HOLD+	Clarius Group Ltd	CND	08/04/03	82*	В	85.8	1.0	0.23	20	2.8	72	65.5	+67%
HOLD+	CPT Global Ltd	CGO	10/03/08	88	E	36.9	1.0	0.46	NE	Nil	47	7.3	-38%
BUY	CSG Limited	CSV	11/10/10	175	В	242.9	8.0	1.53	14	3.1	175	Nil	+0%
BUY	Devine Ltd	DVN	13/11/06	84*	Α	634.9	1.4	0.32	22	3.5	29	17.9	-45%
HOLD+	Ellex Medical Lasers	ELX	14/03/06	49	Α	84.9	1.5	0.50	6	Nil	29	Nil	-42%
BUY	Fiducian Portfolio Ser	FPS	11/02/08	260	В	32.2	8.0	2.05	12	5.7	148	21.8	-35%
BUY	Finbar Group Ltd	FRI	12/04/10	106	A	162.5	0.7	1.36	9	5.8	129	5.5	+27%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	В	418.7	0.4	5.07	NE	Nil	710	64.0	+64%
BUY	Integrated Research	IRI	14/01/08	40	С	166.8	1.2	1.45	10	7.7	33	10.0	+6%
HOLD	Mnet Group 1	MNZ			C	208.3	3.8	0.88	NE	Nil	4	Nil	
HOLD	M2 Telecommunications	MTU	09/10/06	33	Α	121.5	0.5	0.79	20	3.8	264	23.5	+771%
BUY	Melbourne IT	MLB	10/02/04	53	В	79.0	0.6	0.67	8	8.8	171	59.0	+334%
BUY	Nomad Building Solutio	NOD	16/08/10	15	С	138.1	2.0	0.09	2	Nil	15	Nil	+0%
HOLD-	Photon Group Ltd	PGA	10/11/08	132*	C	187.4	3.1	0.02	NE	52.6	6	11.8	-87%
BUY	Probiotec Ltd	PBP	11/02/08	116	В	52.8	0.9	0.61	9	4.0	87	9.8	-17%
HOLD+	Prophecy International	PRO	08/09/08	26	В	47.2	1.5	2.52	38	9.3	27	6.8	+30%
HOLD	Ross Human Directions		14/08/01	92	A	83.5	0.9	0.15	8	5.1	69	37.8	+15%
HOLD+	Skilled Group Ltd		12/03/02	126	С	190.7	0.8	0.16	21	Nil	143		+118%
HOLD	Technology One Ltd		11/11/03	44	В	300.3	8.0	2.38	19	3.9	97		+169%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	В	227.4	8.0	2.09	7	4.4	107		+159%
HOLD+	The Reject Shop Ltd		11/01/05	257	A	26.0	0.2	1.02	21	3.6	1851		+717%
HOLD	Village Roadshow PREF	VKLPA	10/08/09	77	В	166.5	0.6	0.31	6	Nil	237	9.0	+220%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +170.5%. This is equal to an average annual rate of +25.2%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 41 current and 148 closed out) is +29.6%, compared with a market gain of +4.4% (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 in Mnet Group distributed to shareholders.

Page 4 Market Analysis

Recommended Invesments

(Continued from Page 3)

<u>Michael Hill International</u> plans to open 63 more stores over the next three years, mainly in Australia and Canada.





<u>Nuplex Industries</u> is forecasting a net profit of \$68-75 million this year, up 6-17%.

Nuplex Industries



Renaissance Corporation has opened a 24/7 Contact Centre, using one 0800 number for all of its businesses. The company has also invested in a clean-room for repairing high definition displays - which has helped cut repair times by 80%!

Renaissance Corporation has signed a contract with **Penguin Group (USA)** to develop and host an iPhone/iPad application for one of its books - and this may be repeated for other books in the future. The company has also secured exclusive distribution rights in New Zealand for new products: the full range of **Micronet Communications Inc**'s network infrastructure products and **Audioengine**'s *A5* and *A2* audio speakers.

Renaissance Corporation

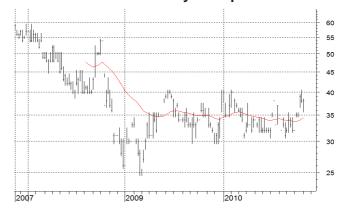


Smiths City Group reports second quarter revenues (to 31 October) down 11.5% on the same quarter the previous year. That makes its first half revenues down 4.2%.

The company has lodged an insurance claim for *Business Interruption*, owing to disruption to business in its Christchurch stores, which has been "accepted in principle". The value of the claim, and supporting documentation, have yet to be determined.

The group expects the furniture and appliance retail business to remain difficult, but is taking some steps for growth. On 8 December it will open a new store in the *Harvey Norman Centre* in Rutherford Street. 90% of furniture and home appliance stores in Lower Hutt are clustered in this area. The company will also merge its *Smiths City* store and *LV Martin & Son* stores in Porirua, "providing a larger floor area and an improved product range".

Smiths City Group



Australian Shares

(This section is in Australian currency, unless stated.) AJ Lucas Group's depressed share price started to recover over the last month, possibly as result of the Federal Environmental Minister approving the Coal Seam Gas export projects planned by BG and Santos. If these projects proceed, then AJ Lucas Group's drilling and pipeline businesses will benefit.

The group also reports that 40.9% owned **Cuadrilla Resources Holdings** expects to complete the *Preese Hall#1* well by the end of October - a slight delay caused by the hole passing through ultra-fine silica cemented sandstones. The company will then drill the *Grange Hill #1* well 15 km away. Both wells will later be fracced and tested for gas. Cuadrilla Resources owns 75% of these two prospect licences, with AJ Lucas Group directly owning the remaining 25%, giving the company a 55.675% interest in these prospecting licences.

AJ Lucas Group reports that the "calendar year 2011 will be a lot more positive than 2010". The second half of 2010 (which is the first half of the June 2011 financial year) has been "impacted by unseasonally high rainfall" and customer "delay in expenditure on a number of larger construction projects". The first half year will remain depressed and the company expects a "much stronger" second half.

The Marais-Lucas Technologies joint venture has

completed its trial program laying conduit and fibre optics cable for the **National Broadband Network** in Tasmania - and reports installation speeds 5-10 times faster than conventional trenching.





The takeover offer for **Ammtec** was declared unconditional on 29 October and we sent an email to subscribers recommending acceptance of the *share alternative*.

Campbell Brothers reported that acceptances reached 89.53% by the end of Thursday 4 November, so the company will achieve 90% ownership and be able to apply for compulsory acquisition of the remaining shares. Shareholders who have not yet accepted the takeover should do so immediately!

As we already have a shareholding in Campbell Brothers, for the purposes of our track record in this newsletter, we shall record Ammtec as "sold" at 418 cents (i.e. the current value of the Campbell Brothers shares to be received). We have also received dividends of 27.5 cents, so this is a total return of 73.3% over just ten months!

What individual investors should do will depend upon their personal circumstances. We originally recommended Campbell Brothers 11 years ago, so some more recent subscribers may not own any Campbell Brothers shares and these investors should retain the Campbell Brothers shares received in this takeover.

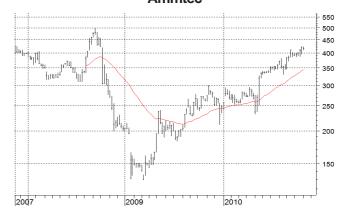
Most subscribers, however, have been receiving this newsletter since *before* we first recommended Campbell Brothers in October 1999 - and the shares have since grown 9-fold in value - so most subscribers are probably already *over-weighted* in Campbell Brothers shares! In this situation it would be appropriate to sell off some or all of the new Campbell Brothers shares received from the takeover, to maintain a well diversified share portfolio.

While we were never unhappy with the Campbell Brothers takeover (although we were equally happy to remain shareholders in Ammtec), we are unhappy about the actions of Ammtec's *directors* who appear to have suddenly sold their souls to Campbell Brothers for some undisclosed reason (or undisclosed consideration). In a letter to shareholders dated 21 October, the Ammtec directors make inaccurate and misleading statements to their own shareholders. For example, "Campbell Brothers will not extend the offer whilst it remains conditional, so

there is very little time remaining to accept the offer and to avoid missing out". That is absolutely incorrect. If you accept a conditional offer and it *remains conditional*, then the bidder will <u>not</u> take your shares and you still "miss out".

The directors also stated should the bid become unconditional at below 90% "the share price could fall substantially to pre-bid trading levels". That is the misinformation one expects from the bidder, but not from the directors of the target company! We don't believe that *anyone* who has any experience in the stockmarket would believe there was any reasonable basis to suggest the share would fall "to pre-bid trading levels" which were around 240-280 cents!

Ammtec



Atlas South Sea Pearl has announced plans to increase pearl production 80-100% over the next five years - requiring capital expenditure of \$8-9 million.

The expansion will be possible by upgrading the East Nusa Tengara farm sites acquired in April this year. Expanding production is also expected to lower per unit costs owing to economies of scale and "significant cost saving synergies", as well as "reduce production risks through geographic diversification".

The required capital expenditure will largely be financed from operating cash surpluses, but \$3-4 million will be required over the next two years and "\$1.5-2.5 million will be required from external sources" - either new equity capital or debt or a combination of both.

The company has already refurbished a hatchery at East Nusa Tengara which has had one successful spawning early this season. The North Bali hatchery has had three spawnings in the early part of the breeding season. Later in the existing five year plan the company will establish a third hatchery to minimise breeding risk.

The company will need to *double* the number of oysters seeded each year at specialist facilities in North Bali and East Nusa Tengara. Additional personnel are being recruited and trained, with "a strong focus on quality supervision".

Additional equipment and assets will be needed as the number of oysters in the farms increase, but larger capital expenditure will also be required. For example, a second large transport vessel will be required in the first half of 2011.

Land based assets at East (Continued on Page 6)

Page 6 Market Analysis

Recommended Invesments

(Continued from Page 5)

Nusa Tengara are sufficient to allow the expansion phase to begin, but will need expanding and upgrading over the next few years.

In December, Atlas South Sea Pearl will open its fifth retail outlet in Bali. Retail revenues are up 50% this year and now account for about 10% of company revenues. Further expansion of its retail business will require some capital to finance stocks.

This year the company began marketing and distributing its own loose pearls to jewellery manufacturers, completing sales to 35 wholesale customers around the world - with plans to increase the distribution of pearls and jewellery into Europe by establishing a representative office in France. This sector of its business also requires some capital to finance pearl stocks.

Atlas South Sea Pearl



<u>Cardno</u> is forecasting its first half profit to 31 December 2010 to be 81-93% higher at \$29-31 million. Earnings per share will be 45-55% higher at 27½-29 cents. The first quarter was boosted by work involving the Gulf of Mexico oil spill, as well as contributions from new businesses and organic growth. The second half year is "not expected to be as strong" as the first half, but we estimate that could still see the full year earnings per share 20-30% higher at around 50-55 cents.

Cardno



<u>Challenger Wine Trust</u> units rose sharply last week before being suspended while the trust continues discussions with third parties in relation to "strategic alternatives for the fund". <u>That could involve anything</u>

from debt refinancing, to capital raising, to a merger with another entity - any of which should strengthen and improve its financial position.

Challenger Wine Trust

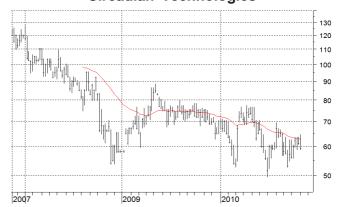


<u>Cellnet Group</u> has extended its on-market share buy-back, which can now continue until November 2011.

The group will streamline its flash memory product range by discontinuing distribution of *Scandisk* product in Australia from January 2011, focusing solely on *Lexar* (which is the largest selling USB drive in Australia) and *Transcend* products. This change is expected to have no impact upon profitability, but realise \$500,000 in working capital.

Circadian Technologies believes that the LAM test being developed by the Cincinnati Children's Hospital Medical Centre (as discussed last month) will become available in early 2011 and with the potential for 50-100,000 tests annually at a cost of US\$100-200 each. That would generate gross revenues of US\$5-20 million, with Circadian Technologies receiving a "good double digit [percentage] royalty on this sales income" or perhaps \$0.5-2.0 million (1-4 cents per share) annually. That is a sizeable amount of high margin (i.e. royalties are 100% profit) revenues from a non-core licencing agreement.

Circadian Technologies



Devine has formed a joint venture with the land owner to develop a new community, to be called *Woodvale*, consisting of 244 residential lots and a 3000m² childcare centre 35km north of Brisbane and 8km south of Caboolture. This project will have a completed value of \$90 million. Work has already commenced and the first sales should be completed in the current financial

year to June 2011.

The group is expecting its full year profit to be around last year's "underlying profit" of \$21.4 million (3.4 cents per share, with the first and second halves making approximately equal contributions.

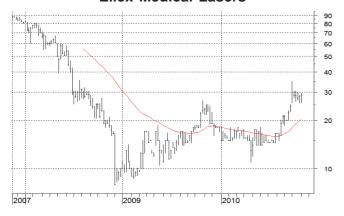
Ellex Medical Lasers entered an exclusive distribution agreement in early October with Italian based **CenterVue SpA** to market that company's *MAIA* fundus perimetry system in the United States and Australia.

This diagnostic tool will complement the *Ellex 2RT* retinal regeneration therapy lasers which will be released early in 2011. Center Vue already markets its machines in Europe, but will enter the larger US market via a strategic alliance with Ellex Medical Lasers, which has established direct sales and distribution channels in that country. Each machine will sell for around US\$35,000-raising Ellex Medical Lasers' presence in the diagnostic market where the company markets ultrasound equipment from its wholly owned *Innovative Imaging* (acquired in 2006) and increasing revenues from the sale of third party products.

Last week, Ellex Medical Lasers further expanded its relationship with CenterVue with a non-exclusive agreement to market its *DRS* high resolution digital retinal camera in the United States. This will expand the company's customers to include optometrists and expects the DRS to "generate high-volume sales, contributing to increased growth" in the current financial year.

The group's long term plan is to expand its product range in the \$12 *billion* global market for ophthalmic devices.

Ellex Medical Lasers



Fiducian Portfolio Services reports September quarter receipts of \$6,553,000 - up 16% on the same period a year ago. The net operating cash surplus was 60% higher at \$1,508,000. After the payment of the final dividend for 2010, cash on hand is \$9,459,000 (4.7 cents per share).

The company continues to pursue growth in a number of areas: expand services to self managed superannuation funds and to accountants, acquire suitable businesses (subject to opportunities and funding), tightly control operating expenses and further improve the administration system.

<u>Iluka Resources</u> reports revenues up 97% to \$592.6 million for the nine months to 30 September. With a

recovery in Zircon demand "in excess of the company's ability to supply" it has raised the price - for the third time this year - on 1 October to US\$1000 per tonne. That is up 30% on prices at the end of 2009. High grade titanium dioxide is also in "short supply".

Iluka Resources produces one-third of the world's Zircon and is the second largest producer of titanium dioxide.

Iluka Resouces



Integrated Research has announced that it is the first HP NonStop Alliance Partner to be certified "Converged Infrastructure Ready". This CI Ready certification indicates that the company's PROGNOSIS software has been validated to support modern standards and can be used in converged infrastructure computing environments, providing visibility and monitoring across operating systems, middleware and into business applications.

This current certification is further evidence that Integrated Research has a competitive and efficient software product for monitoring critical computer applications - yet the *market* values these shares on a Price/Earnings ratio of only 10 and with a Dividend Yield of 7.7%. This is a high quality company, trading at a low valuation! "Buy".

Integrated Research



Mnet Group reports first quarter receipts of \$3,374,000 and a small cash operating surplus of just \$4,000. Cash on hand is \$674,000.

M2 Telecommunications believes it is well placed to benefit from the government's National Broadband Network (NBN) plan. The NBN would replace the existing copper wire network (Continued on Page 8)

Page 8 Market Analysis

Recommended Invesments

(Continued from Page 7) with high speed fibre optic cable (plus wireless and satellite) to end users. Deploying the network could take around eight years at a cost of \$36-43 billion plus a further \$11 billion compensation to **Telstra** to decommission the existing copper wire network and for use of existing conduit to relay fibre optic cable. This network would deliver 1 gigabyte/second broadband download speeds.

NBN would be a wholesale telecommunications business, with all other telecommunications companies reselling voice and data services. This would significantly benefit a business like M2 Telecommunications which has no network assets but is already a low cost reseller of other companies network services, while its competitors seek to restructure.

M2 Telecommunications' "virtual network" (i.e. reselling services from other companies' networks) is, of course, why we originally bought these shares - and why we have always avoided telecommunications companies with significant network assets like **Telecom NZ** and **Telstra**. As we wrote in our original buy recommendation in October 2006 "The Telecommunications industry is growing but traditional network operators are <u>not</u> attractive for investment. Technology is lowering the cost of building networks - and lowering the revenues those networks generate. So a network operator faces the risk of investing in expensive infrastructure which can quickly become obsolete (or be duplicated more cheaply by a competitor). Falling revenues will fail to provide network operators with a good return on their investment."

And when - in perhaps 10-15 years - the government seeks to sell-off its shares in the aging NBN (just as it sold of its Tesltra shares in the past) we shall <u>not</u> be lining up to receive an allocation!

While NBN offers M2 Telecommunications significant potential to grow and expand market share the company's shares are becoming a little expensive at almost 20 times last year's profits as the market "discovers" the growth potential in this business in the new telecommunications environment. The company, however, expects to grow profits 40% this year which would improve the P/E ratio to around 15.

We recommend holding M2 Telecommunications shares to profit from further growth in the business and the re-rating of the shares - with the possibility that the shares will become *too popular* and rise to become very over-valued.

In New Zealand, M2 Telecommunications has merged its business with **Black and White Group**. Under the merger, the NZ subsidiary will acquire the telecommunications business assets and intellectual property of Black and White. As consideration, the Black and White shareholders will be issued shares equal to 30% of the capital in the NZ subsidiary (which will then be 70% owned by the Australian parent company).

This combined business will be very small - with revenues of only \$5 million - but is profitable and will seek to grow further.

M2 Telecommunications



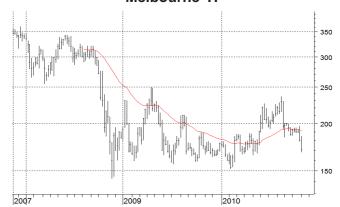
Melbourne IT has warned that the higher Australian dollar will result in the December 2010 profit being 5-10% lower than last year at around \$15-16 million (18½-20 cents per share).

The **Digital Brand Services** business "in particular continues to be impacted by the strong Australian dollar"-although a major acquisition for this division in April 2008 was funded with a US\$55 million loan which is a natural currency hedge - and by the depressed economies in America and Europe. This division's profit will be up, but "not as great as initially anticipated".

The \$25 million project to develop *Integrated Web Services* and *Operational Support Systems* is "in line with expectations, with New Zealand to be our first site integrated" by the end of the March 2011 quarter. Around \$3.9 million of costs from this project will be expensed this year - depressing the current result - but providing a platform for future growth.

Melbourne IT is a lower risk business, with recurring revenues and strong cashflows. The shares offer a high current income yield of 8.8% and also the potential for steady growth in profits (and dividends) over the medium to longer term. So a slight dip in current year profits resulting from development expenditure and fluctuations in the exchange rate - does not change our belief Melbourne IT is a "must BUY", long term investment for income and growth.

Melbourne IT

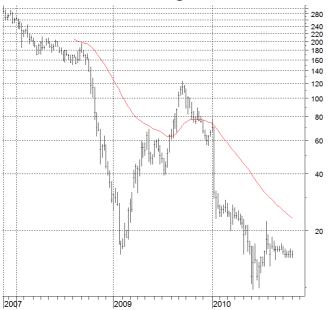


Nomad Building Solutions has formally renewed its banking facilities through to 29 July 2011.

Trading in Nomad Building Solutions' shares was halted last Thursday, pending the announcement of a share placement and rights issue to shareholders. The company has not indicated how much cash it intends to raise, but has "some opportunities" that require additional investment. Investors should note that raising cash for investment in new business opportunities is significantly better than raising cash to repay existing debt.

Nomad Building Solutions has manageable debt levels, but - as we have indicated over recent months - needs more work to recover and grow the company. While we don't yet know the details, raising capital to take advantage of new opportunities should be a positive development for this recovery situation - and investors should probably seek to take up their entitlements to the new shares.

Nomad Building Solutions



Photon Group is to consolidate 18 existing shares into one new share (of 18 times the value).

Ross Human Directions has earned a profit of \$2,518,000 for the three months to 30 September 2010, from revenues of \$100.6 million. The company now predicts its first half profit will be up 40-80% to \$4.0-5.0 million (4.8-6.0 cents per share).

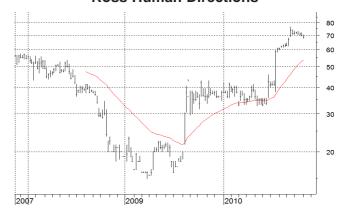
It would be reasonable to expect a similar profit in the second half of the year, giving earnings per share of 9.6-12.0 cents. **Peoplebank**'s 70 cents takeover is therefore priced at only 5.8-7.3 times this year's earnings. That is a low valuation, but the outcome depends upon how the major shareholders vote at the 11 November meeting.

Peoplebank has declared their 70 cents offer "final" and will not raise it if **Corom** decides to make a rival bid. Corom has not disclosed its intentions but (unless a third buyer should appear) could acquire Ross Human

Directions at 72 cents per share.

In the medium to longer term, shareholders would probably do best if the current takeover offer fails, but obviously the major shareholder (with 44.6%) wants to sell out. If the takeover fails, the share price would fall back in the short term - but the shares would be an attractive "Buy" at 60 cents or below.

Ross Human Directions



Skilled Group reports that the "signs of improvement and recovery" during May and June have continued during the first quarter of the new financial year.

Skilled Group



<u>Village Roadshows</u>' Theme Park division is seeking to raise a \$250 million, four year bank loan, plus a \$25 million revolving facility, to refinance existing debt and for "general corporate purposes".

Village Roadshow



Page 10 Market Analysis

Company Analysis: Rubik Financial

Rubik Financial (code RFL) is a technology company seeking to provide e-commerce solutions for Australian Deposit Taking Institutions (ADI), excluding the "Big 4" trading banks. The company has client relationships with 180 ADIs, including regional banks, credit unions and building societies. At present, however, this business is operating at around a break-even level and cashflow neutral - but, *if* it could win new customers to use its technology to offer internet banking, telephone banking and other financial services, then Rubik Financial *could* generate significant one-off licence revenues and significant recurring revenues from transactional fees and web hosting services.

There is certainly *potential* here - but winning new customers takes time (particularly in the current environment and with financial services customers) and Rubik Financial is predicting it will operate around a break-even and a cashflow neutral level over the current financial year to June 2011.

There is one other factor that *could* make Rubik Financial shares attractive for a small investment in a diversified investment portfolio... this debt-free company holds \$15,664,000 in cash (6.8 cents per share) and has investments in other listed technology companies in the financial sector worth \$3,503,000 (1.5 cents per share). Trading on-market at only 5.8 cents these shares trade at a 30% *discount* to their cash and investments - and that share price places <u>no value</u> on its financial services technology!

Company History and Developing of its Business

The present business was formed out of the listed shell of **Ausron** in November 2007 when there was a change of directors and direction of the company, to provide a "flexible, low-cost, hosted *Bank in a Box* technology platform for Tier 2 and Tier 3 Australian Financial Institutions. The "new" company raised \$32.5 million in cash from the placement of 162,500,000 shares at 20 cents.

In January 2008, the company completed the acquisition of **Swift Call Pty**, a provider of phone banking, internet banking, mobile banking and Interactive Voice Response technology for \$7 million (i.e. \$5.6 million in cash and \$1.4 million in shares) with 165 ADI customers.

In March 2008 it acquired the business assets and interests of **El-Ten Technology**, which offered services in internet banking, core system/BPay interfaces, credit card origination, teller terminals and delinquency management systems, for an upfront cash payment of \$320,000 plus capped incentives of up to \$980,000 (payable in shares) based upon earnings over the next three years.

In April 2008, Rubik Financial sought to acquire e-

Commerce Holdings Pty (trading as The System Works) for \$8.7 million, but that acquisition - which would have doubled its internet banking market share to 33% (from 19%) - was not completed.

In April 2008 it acquired **Shelf Companies Australia** for an upfront payment of \$1.5 million (plus up to another \$500,000 based upon performance), or about a P/E ratio of 8. The business provides company incorporation and self managed super fund setup, but has strategic importance to the development of "a hub/conduit to accountants and lawyers" which will be required by its *Bank in a Box* service (e.g. legal documentation for mortgage processing).

It also acquired **Qcorp** - "a provider of testing and monitoring capabilities" - for \$160,000 payable over three years.

In September 2008, Rubik Financial entered a long term agreement with Swiss based **Temenos Group AG** involving the purchase of a licence for the *Temenos T24 R08* banking software (for "developing key components of the *Bank in a Box* offering) for an undisclosed upfront fee plus ongoing maintenance payments for 12 years. Rubik Financial also became the exclusive hosting partner of *Temenos T24* in Australia and New Zealand. The companies also signed partnership agreement for joint sales and the sale of Rubik products by Temenos, and a service agreement for Temenos to support Rubik Financial *T24* services.

In December 2008 the company acquired the Collections Systems software business operations of **Admerex** (for an undisclosed, but "not material" sum) and related businesses in Australia, New Zealand, the Middle East and the United Kingdom. The business generates annual revenues of around \$5 million, including \$1.8 million annually in recurring, high margin, software licence income from over 100 clients.

In December 2008 Rubik Financial secured its first (and to date, only) *Bamk in a Box* client, with **Maleny and District Community Credit Union** agreeing to work with Rubik Financial through the "localisation and implementation phase" of the *Bank in a Box* project. This was a year-long project involving many one-off costs of preparing the *Bank in a Box* offering. Rubik Financial and Temenos worked for eight months until September 2009 on the (one-off) localisation and channel integration of the T24 core banking system. Rubik Financial spent three months (till September 2009) customising the offering to the Maleny Credit Union requirements, with the customer then spending three months testing this new offering, before the system (successfully) went live at the end of January 2010.

Completion of this project also marks Rubik Financial moving from the *development* stage of its banking technology and into the *marketing* and *sales* of that product.

Recent Results

For the period to June 2008 the company generated revenues of \$2.3 million and traded at a net *loss* of \$262,000 (*minus* 0.2 cent per share). There was a net operating cash surplus of \$1.1 million. Cash on hand was \$29.5 million.

Revenues almost *quadrupled* to \$8.8 million for the year to June 2009, but there was a *loss* of \$2,402,000 (*minus* 1.0 cent per share). There was a cash operating *deficit* of \$1.3 million. Cash at year end was \$24.0 million.

For the year to June 2010, revenues increased 28.5% to \$11,320,000 with a trading profit of \$35,000 (0.01 cent per share). The company also wrote-off intangible assets (i.e. licence fees paid and capitalised development costs of its *Bank in a Box* product) of \$8.5 million and deferred tax assets of \$7.9 million, which gave a bottom line *loss* of \$16.4 million.

There was an operating cash *deficit* of just \$350,000 with cash at 30 June 2010 of \$16.0 million.

The September quarter report shows receipts of \$3.3 million and a small operating *deficit* of \$88,000.

Investments

In December 2009, Rubik Financial acquired a 17.11% shareholding in New Zealand listed **Finzsoft Solutions**.

In February 2010 it purchased 10,066,134 shares (at 12 cents) in Australian listed **CCK Financial Solutions** or 19.76% of that company.

Investment Criteria

Rubik Financial is currently not earning a profit or paying dividends, so it is impossible to value the shares using the Price/Earnings ratio or Dividend Yield. The Price/Sales ratio is 1.09 - which is low for a technology/software company. This business is *capable* of earning high profit margins (if the business can generate sufficient revenues to cover fixed costs), so can trade at P/S ratios of 1.5-2.5 or more.

Around 50% of revenues are recurring under long term contracts. Having developed its *Bank in a Box* software, "on-going operations will not require any further cash investment". The company now has relationships with 180 ADIs, 29 New Zealand financial institutions and 38 international financial institutions but currently earns "only 5% of these customers' total IT spend", but with the potential to "capture more of this".

Rubik Financial is seeking growth from two areas: Firstly, "to grow earnings from technology investments made to date" and secondly to use its cash to make "a sensible and material acquisition" which can deliver "proven and quality earnings".

The company has no debts and has cash and investments of \$19.2 million - or 8.3 cents per share - so the company *could* be liquidated for this value, even ignoring the value of its technology and software.

The issued capital, after repurchasing some shares on-market last financial year, is 229,129,415 shares. That gives the company a market capitalisation of just \$13.3 million. This makes it a *microcap* company. The volume of shares traded daily is obviously low, but

investors should be able to build a small holding over a period of time.

There have been no *insider* trades over the last year, but the directors and management do have a reasonable investment in this company. The Chairman, C Coleman, owns 8,350,000 shares or 3.6% of the company. Non-Executive Director, A Moffat, has 9,058,653 shares (4.0%) and another Non-Executive Director, I Hunter, has 2,600,000 shares. The Chief Executive, B Jackson, owns 2,665,000 shares (and 4,000,000 executive share options).

The shares - as one would expect from a microcap company - are virtually ignored by institutions and stockbrokers.

Technically, the shares are a little weak, with a Relative Strength rating of just -8.2% and ranked 75 (on a scale of 0-99).

Summary and Recommendation

We are <u>not</u> formally recommending these shares, but a small investment in Rubik Financial *may* be appropriate for a diversified share portfolio.

Microcap company shares do involve high risks, but can also produce the very highest stockmarket returns. Very wide diversification (i.e. a very small investment per company) is therefore a necessary strategy to successfully invest in microcap shares.

The financial risks with Rubik Financial are reduced as the company has no debt (or any significant off balance sheet liabilities), has completed the expensive *development* of its software and is now operating at a cash neutral level - with the potential to grow high margin revenues. The company also holds significant cash and investments.

Trading at a significant discount to its cash and share investments, Rubik Financial shares are clearly undervalued and could be *significantly* re-rated at some stage in the future. This cash rich company *could* become a takeover target. Or growth in its technology business - aided by using its cash to finance an appropriate acquisition - *could* see profits grow strongly.

That makes an investment in Rubik Financial shares an *under-valued asset situation* as well as having the potential to develop into an *emerging growth business*. Downside risk is limited by its cash and investments, while there is potential for the shares to be significantly re-rated.

Rubik Financial



Page 12 Market Analysis

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 RATI Share Cur- 4-WkRan Price rent Chg.0-9	TING 등 문문PriceReturnVola-PriceDivi- Price ank 물수 등 to on til- Earn.dend Sales Market (99 = 음 연구 NTAEquity ity RatioYield Ratio Cap'n	STRENGTH RATING TO SEE SEE PriceReturnVola-PriceDivi- Price Company Share Cur- 4-WkRank (2007) Price rent Chg.0-99 (2007) The price rent Chg.0-99 (2007) T
UNDER-VALUED	SHARES: Lowest Price/Sa	Sales, Yld>0, Rel Strength>0	INSIDER BUYING: Most Insider Buying, Relative Strength > 0
Smiths City			Hellaby Hold. 197 +17.3 +2.4 3 8-0 - 3.0 9 1.0 33 5.8 0.74 144
ColMotorCo	242 +4.8 +1.4 17		Scott Tech. Ltd 137 +3.8 +3.9 22 6-0 - 2.0 18 0.5 11 5.5 0.92 43
Ebos Group Ltd			BriscoeGroup 146 +2.7 +3.0 27 6-0 - 2.4 16 0.7 15 6.8 0.74 310
Satara Co-op			NuplexIndust 347 +5.2 +2.6 13 6-0 1 1.3 14 0.9 9 6.1 0.46 667
Air New Zealand			PortTauranga 743 +1.6 +1.6 36 4-0 - 1.5 7 0.4 22 5.6 6.73 996
SeekaKiwifruit		, , , , , , , , , , , , , , , , , , , ,	Infratil NZ 182 +4.1 +2.5 20 6-2 - 1.2 3 0.6 36 2.9 0.56 1.033
Nuplex Indust			100 110 1212 00 00 010 112 1111 1071 01
Allied Work.			GuocoLeisure 69 +4.8 +2.4 15 3-0 - 0.7 5 0.6 13 2.2 1.79 944
Turners Auction	140 +1.1 +1.6 41		Michael Hill 77 +2.0 +2.8 31 3-0 1 1.8 17 0.5 11 5.2 0.66 295
Infratil NZ	182 +4.1 +2.5 20	The state of the s	WarehouseGroup 385 +1.9 +2.8 32 4-1 1 4.0 27 0.4 14 8.9 0.72 1,198
MainfreightGrp		9 0-1 - 2.4 12 0.5 20 3.6 0.64 728	OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0
Michael Hill	77 +2.0 +2.8 31	31 3-0 1 1.8 17 0.9 11 5.2 0.00 295	BlisTechnology 9 -1.3 -4.5 60 0-1 - 9.3 - 1.7 NE Nil 7.10 13
Warehouse Group		32 4-1 1 4.0 27 0.5 14 8.9 0.72 1,198	Vital Health PT 128 -58.3 +0.0 97 0-0 - 1.2 5 0.4 25 7.4 6.46 183
Fletcher Build.		38 3-6 2 1.6 9 0.5 18 4.3 0.73 4,953	NZOil&Gas 128 -5.8 +2.7 78 0-0 - 1.1 - 0.4 NE 5.6 5.07 504
Hellaby Hold.	197 +17.3 +2.4 3	3 8-0 - 3.0 9 1.3 33 5.8 0.74 144	NZExchangeLtd 158 -5.5 +3.3 76 0-2 - 2.0 3 0.6 79 5.9 4.45 191
Briscoe Group	146 +2.7 +3.0 27	2/ 6-0 - 24 16 09 15 68 074 310	F&PHealth. 300 -2.5 +2.6 71 0-3 2 5.2 24 0.3 21 5.9 3.05 1,537
RestaurantBrds	273 +12.4 -0.1 4	4 2-0 - 55 40 05 14 65 083 266	,
CavotecMSL	340 +3.7 +6.2 23	23 1-0 - 08 4 06 21 09 086 227	
Methven Limited	178 +4.2 +3.4 19		
Scott Tech. Ltd	137 +3.8 +3.9 22	77 6-0 - 70 18 08 11 55 097 43	SkyCityLtd 321 -2.3 +0.8 68 7-0 1 2.4 19 0.5 13 6.9 2.22 1,846
			WNDriveTech. 8 -1.6 -0.6 65 2-0 - 1.8 - 1.2 NE Nil 2.09 47
	NG SHARES: Strongest Sha		OysterBay 185 -5.8 +4.8 77 0-0 - 0.4 - 0.3 NE Nil 2.00 17
Satara Co-op		0 0-0 - 0.5 3 0.7 18 2.9 0.29 16	WORST PERFORMING SHARES: Weakest Shares. P/S Ratio > 0.25. Yield < Twice Average
Finzsoft Sol'ns		2 0-0 - 1.0 11 0.9 9 NII 0.34 2	Charlie's Group 15 -58.3 +0.0 98 0-0 - 2.6 15 1.2 17 Nil 1.36 43
RestaurantBrds		4 2-0 - 5.5 40 0.4 14 6.5 0.83 266	Vital Health PT 128 -58.3 +0.0 97 0-0 - 1.2 5 0.3 25 7.4 6.46 183
Allied Work.		7 1-0 - 1.8 11 0.6 16 5.1 0.47 33	Allied Farmers 2 -42.5 -2.1 97 0-0 - 1.1 - 2.1 NE Nil 0.47 49
CavalierCorp	311 +9.4 +3.9 7	7 1-0 1 2.3 18 0.9 13 8.3 0.96 211	JustWaterInt. 14 -20.1 +0.7 93 2-0 - 4.7 - 0.8 NE Nil 0.35 13
Ebos Group Ltd	745 +7.6 +1.7 10	10 0-3 1 21 13 03 16 59 028 378	NZWindfarms 20 -15.3 +2.1 92 0-0 - 0.6 - 1.2 NE Nil N/A 58
Air New Zealand	137 +5.5 +4.8 12	12 0-4 1 0.9 5 0.7 18 73 0.36 1.475	
Nuplex Indust	347 +5.2 +2.6 13		
Col Motor Co	242 +4.8 +1.4 17		
Methven Limited	178 +4.2 +3.4 19	19 1-1 - 22 15 08 15 88 091 119	
Scott Tech. Ltd	137 +3.8 +3.9 22	22 6-0 - 20 18 06 11 55 092 43	KathmanduLtd 180 -9.2 +0.6 84 1-1 - 1.5 4 0.5 38 5.6 1.46 360
Briscoe Group	146 +2.7 +3.0 27	2/ h-U - 24 lh U8 lh h8 U/4 31U	EcoyaLtd 75 -8.5 +0.5 83 0-0 -18.7 - 0.8 NE Nil 6.33 25
Michael Hill	77 +2.0 +2.8 31	31 3-0 1 18 1/ 06 11 5/ 066 /95	Pyne Gould Corp 43 -6.9 +2.9 80 4-3 - 0.7 5 0.8 15 Nil 1.62 333
Warehouse Group	385 +1.9 +2.8 32	32 4-1 1 40 27 04 14 89 072 1198	Mowbray Collect 75 -6.4 +1.7 79 0-0 - 2.0 - 0.4 NE Nil 2.27 8
Fletcher Build.		38 3-6 2 16 9 04 18 43 073 4953	NZFinanceHold 15 -6.3 -3.1 78 0-0 - 0.8 - 0.7 NE Nil 0.35 12
Turners Auction	140 +1.1 +1.6 41	41 2-0 - 1.9 16 0.4 12 12.2 0.54 3.8	NZOil&Gas 128 -5.8 +2.7 78 0-0 - 1.1 - 0.4 NE 5.6 5.07 504
Smiths City		42 0-0 - 0.4 4 1.2 12 5.3 0.09 20	OysterBay 185 -5.8 +4.8 77 0-0 - 0.4 - 0.3 NE Nil 2.00 17
Omitaio Oity	00 10.0 11.1 12	l l	NZExchangeLtd 158 -5.5 +3.3 76 0-2 - 2.0 3 0.6 79 5.9 4.45 191
INCOMESHARE	: Highest Yields, Capitalisa	sation>NZ\$100 million	WakefieldHlth 655 -5.0 +0.8 76 0-0 1 1.0 6 0.2 15 3.9 1.21 93
Telecom Corp			AMP Limited 677 -4.1 +2.5 75 0-0 - 1.6 9 0.4 17 3.0 1.08 13,715
Argosy Property	80 +0.7 +2.5 44	44 0-0 - 0.8 - 0.5 NE 9.4 5.54 431	Smartpay NZLtd 3 -2.7 +2.8 73 0-0 - 2.9 - 1.7 NE Nil 0.71 28
AMP Onyx Mgmt	78 +2.2 +2.4 29	29 2-1 - 1.0 - 0.5 NE 9.0 5.64 778 I	Pumpkin Patch 194 -2.6 +2.7 73 0-1 1 4.0 32 0.4 13 7.0 0.85 324
Warehouse Group	385 +1.9 +2.8 32	32 4-1 1 4 0 27 0 4 14 8 9 0 72 1 1 98	
Methven Limited	178 +4.2 +3.4 19	19 1-1 - 22 15 07 15 88 091 119	INSIDER SELLING: Most Insider Selling, Relative Strength < 0
Goodman Prop.	98 +0.5 +1.7 46	46 ()-2 - 1() - ()5 NE 8 / 634 842	PGGWrightsons 54 -1.5 +1.9 61 0-6 1 0.6 4 0.5 17 Nil 0.36 410
Nat Property Tr	53 +3.5 -2.3 24	24 0-0 - 0.8 - 0.6 NE 85 364 102	TelecomCorp 207 -1.4 +1.9 60 0-4 1 1.6 16 0.4 10 11.6 0.75 3,976
CavalierCorp		7 1-0 1 23 18 08 13 83 096 211	F&PHealth. 300 -2.5 +2.6 71 0-3 2 5.2 24 0.3 21 5.9 3.05 1,537
VectorLtd		17 2-2 1 1 2 10 0 5 12 8 2 2 0 4 2 4 2 0	NZExchangeLtd 158 -5.5 +3.3 76 0-2 - 2.0 3 0.6 79 5.9 4.45 191
Kiwi Property	104 +2.9 +2.3 26	26	BlisTechnology 9 -1.3 -4.5 60 0-1 - 9.3 - 1.6 NE Nil 7.10 13
oporty	.02.0 12.0 20		Pumpkin Patch 194 -2.6 +2.7 73 0-1 1 4.0 32 0.4 13 7.0 0.85 324
			Guinness Peat 74 -2.4 +3.2 69 1-2 - 0.6 - 0.7 NE 3.0 0.51 1,321

Investment Outlook

(Continued from Page 1)

shares, Emerging Markets shares, Investment and Property shares, Resource shares). Shares still offer good value, high dividend yields and are generally still *very* out of favour today, so we are <u>not</u> in the boom yet. Shares are attractive to buy as investments for income and growth - but a <u>stockmarket boom would also be extremely profitable for those who are in early and ride the wave (and get out, or at least reduce their exposure) before the yet-to-be-inflated bubble finally bursts!</u>

Fourthly, if governments continue to print money and go deeper into debt, this will result in the equal and opposite creation of wealth in some other sectors of the global economy (i.e. boosting the assets of high wealth individuals, private pension funds, Sovereign Wealth

funds and the Foreign Exchange Reserves of oil producers and manufacturing exporters). Clearly - at the macroeconomic level - this increase in global economic imbalances (between countries and between individuals within countries) is not a good thing and will lead to major problems in the future. At the micro-economic level, however, it offers the potential for individuals to capture a share of the "equal and opposite" wealth being created.

At the present time, shares offer good value. Expanding money supply and low interest rates - guaranteed for at least the next eight months (and probably longer) - offer a monetary environment that should encourage economic growth and which should also encourage financial asset price inflation! Investors should remain fully invested in shares.

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	STRENGT Share Cur- 4- Price rent C	H RATING WkRank	Inside P Suy-Sell	Pricel of to	ReturnVola on til- Equity ity	a-Pric Earn Ratio	eDivi- . dend	Price Sales Ratio	Market Can'n	Company	Share Price	STREN Cur-	GTH R 4-Wkl	ATING Rank	3uy-Sell	Price Slowing to NTA	ReturnVo on til	la-Price - Earn	eDivi- dend	Price Sales Ratio	Market Cap'n
UNDER-VALUED						Itatit	711010	Ratio	Oupii	BESTPERFORMI								, italic	TIOIU	Itatio	Oup II
Sirius Res. NL	1 +13.2 +1	2.0 20	4-0		- 6.8	NE	71.4	0.04	5	Ross Human Dir.	69	+39.8	-6.7	5	0-0	- 2.4	29 0.7		5.1	0.15	57
Adtrans Group		.9 29	3-0	- 1.3	14 0.4	9	6.7	0.12	86	Ellex Medical	29				1-0	- 1.2	20 1.1		Nil	0.50	24
Marbletrend Grp	8 +10.8 +6		0-0	- 2.1	51 2.7		18.3	0.13	5	Vietnam Indust.		+33.8			0-0	- 1.6	48 0.9		Nil	0.33	85
Mesbon China N.).1 22	3-0	- 0.4	6 2.2	6	3.8	0.14	17	MaxTrust	12				0-0	- 0.3	42 1.8		Nil	0.72	21
RossHuman Dir.		5.7 5	0-0	- 2.4	29 0.9	8	5.1	0.15	57	My Net Fone Ltd		+30.9			2-0		- 1.4		4.1	0.80	10
BSA Ltd	25 +4.7 +2		3-0	- 8.3	- 1.4	6	8.0	0.16	53	Aust Vintage	44	+27.5			2-0	- 0.5	7 1.0		Nil	0.24	57 63
Lindsay Aust Namoi Cotton	20 +1.3 +1 57 +6.9 +1		1-0 0-2	- 0.9 - 0.5	10 1.5 4 1.0	9 12	9.0 4.4	0.16 0.17	36 54	Legend Corp. EL Corporation	29 0				3-1 0-0	- 3.2	34 1.0 - 14.6		3.4 Nil	0.72	63 0
VDMGroupLtd	48 +7.5 +4		1-1	2 1.3	23 1.3	6	4.4	0.17	93	Gale Pacific		+24.0			0-0	- 0.8	8 1.1		4.5	0.62	62
PMP Limited	74 +7.2 +5		3-0	- 1.0	- 0.9	NE	4.1	0.18	248	Energy One Ltd	14		+5.4		3-0	- 0.7	5 1.		Nil	0.59	2
Scott Corp Ltd	44 +21.2 +2		0-0	- 1.1	17 1.1	7	6.8	0.19	30	SteriHealth Ltd		+23.7	-1.6		1-0		- 0.4		3.3	0.89	41
Caltex Austrlia	1261 +6.9 +3	3.5 29	0-0	3 1.2	11 0.3	11	2.0	0.19	3,405	Globe Int'l Ltd	57	+23.6	-8.4	11	3-0	- 0.8	4 0.7		8.8	0.26	24
Structural Syst	83 +15.5 +1).4 17	1-0	1 1.0	6 0.9	16	3.0	0.21	53	Newland Res.	5	+22.9	-3.8	11	0-0		- 2.4	1 2	Nil	0.39	15
MerchantHouse	18 +7.9 -0).5 27	1-0	- 0.7	17 1.8	4	8.3	0.22	17	ITXGroup	155	+22.8	+1.0	11	0-0	- 5.7	56 0.6	3 10	4.5	0.48	77
Manaccom Corp.	40 +7.3 +9		2-0	- 40.0	- 1.3	18	1.3	0.23	17	Macquarie CTel	765				0-1	- 2.3	26 0.3		2.6	0.67	159
Koon Holdings		.0 27	0-0	- 0.7	24 1.2	3	2.6	0.23	25	Scott Corp Ltd	44				0-0	- 1.1	17 0.8		6.8	0.19	30
A.P. Eagers).2 40	8-0	- 1.5	14 0.2	11	4.8	0.23	385	M2Telecom.Grp	264	+19.4			1-4	- 37.7	- 0.4		3.8	0.79	321
CoventryGroup		0.8 26	4-0	- 0.7	5 0.8	14	6.0	0.24	94	RCRTomlinson	146				1-2	3 1.5	13 0.6		2.1	0.35	193
Globe Int'l Ltd Chandler McLeod	57 +23.6 -8 40 +27.3 +8	3.4 11 5.1 9	3-0 1-0	- 0.8 2 6.7	4 1.0 29 1.4	18 23	8.8 3.4	0.26 0.27	24 163	SeymourWhyte NorfolkGroup	160	+18.7 +18.6			0-0 1-0	 - 7.3	- 0.9 73 0.7		4.7 Nil	0.67 0.22	125 175
WatpacLtd	173 +8.4 +4		1-0	- 1.1	10 0.8	12	6.4	0.27	313	TMA Group of Co	33	+17.7			4-0	- 2.4	19 0.9		Nil	0.70	39
Data 3 Ltd	1083 +10.6 +2		0-2	- 8.0	52 0.4	15	5.2	0.28	167	SolcoLtd		+16.3			0-0	- 1.9	40 1.8		2.2	0.66	23
Supply Network	41 +7.9 +0		0-0	- 1.0	13 1.1	7	7.3	0.28	12	ProvetHoldings	210	+16.1			1-0		- 0.8		3.8	0.32	91
MetcashLtd).7 41	1-2	6 36.8	- 0.5	15	5.9	0.29	3,384	GazalCorp		+15.8			0-0	- 2.5	20 0.4		5.5	0.49	121
ProvetHoldings	210 +16.1 +1).0 17	1-0		- 0.9	14	3.8	0.32	91	Structural Syst	83	+15.5	+10.4	17	1-0	1 1.0	6 0.7	7 16	3.0	0.21	53
GEOProperty	20 +1.5 -3	3.2 42	0-0	- 0.6	11 1.6	5	10.3	0.35	83	NRWHoldings	171	+15.2	+11.9	18	1-0	- 2.9	24 0.7	7 12	3.5	0.70	428
Chalmers	295 +1.7 +2		2-2	- 0.7	8 0.5	8	5.1	0.35	17	Nusep Holdings	32	+15.0			2-0	- 31.5	- 1.0		Nil	0.01	19
Embelton Ltd	490 +7.3 +2		1-0	- 1.1	14 0.3	8	5.1	0.35	11	Astivita Renew.	118	+14.9	+2.0		1-0	- 2.6	37 0.7		Nil	0.71	27
RCRTomlinson	146 +18.7 +8		1-2	3 1.5	13 0.7	11	2.1	0.35	193	Breville Group	268		+2.4		0-0	1 4.3	28 0.4		4.1	0.82	347
Kresta Holdings		3.8 39	1-0	- 1.9	28 1.4		11.1	0.37	45	Skywest Airline	43	+14.5	+8.8		0-2	- 2.4	22 1.0		2.2	0.47	86
Netcomm Limited HGL Limited	21 +1.1 -6 135 +4.5 +2	6.4 44 2.1 34	0-3 4-0	- 1.9 - 1.6	14 1.6 19 0.6	14 9	4.8 5.9	0.40	22 68	Konekt Limited	64	+13.4	-0.5 +8.3		1-1 0-0	- 2.4 - 3.6	- 1.4 44 0.6		Nil 3.5	0.24	9 52
K&SCorporation	260 +0.5 +0		0-0	- 1.0	- 0.4	10	5.4	0.41	189	Colorpak Ltd Mesbon China N.		+11.4	-0.1		3-0	- 0.4	6 1.6		3.8	0.04	17
SpecFashion	126 +5.6 +0		0-0	3 12.6	- 0.9	8	1.6	0.42	241	WatercoLtd	133	+11.2			0-0	- 0.9	8 0.6		6.0	0.60	43
SymexHoldings	56 +5.7 +0		2-0	- 1.7	24 0.9	7	7.2	0.44	71	MarbletrendGrp	8	+10.8		23	0-0	- 2.1	51 2.0		18.3	0.13	5
Pro-PacPack.	34 +5.7 -2	2.2 31	1-1	- 0.0	1 1.2	8	6.0	0.44	40	Data 3 Ltd	1083	+10.6	+2.3	23	0-2	- 8.0	52 0.3	3 15	5.2	0.28	167
Skywest Airline	43 +14.5 +8	3.8 18	0-2	- 2.4	22 1.3	11	2.2	0.47	86	Village Road.	236	+10.4	+0.6	23	0-1		- 0.	5 6	Nil	0.31	393
ITXGroup	155 +22.8 +		0-0	- 5.7	56 0.8	10	4.5	0.48	77	Berklee Ltd	50	+10.1	-0.5		1-0	- 0.4	5 0.7		4.0	0.50	5
GazalCorp	200 +15.8 +		0-0	- 2.5	20 0.5	12	5.5	0.49	121	Keycorpltd	57		+1.1		0-0	- 1.4	17 0.8		6.1	0.99	46
Nat'l Can Landmark White	130 +5.4 +0 40 +1.6 -1).5 32 .7 42	0-0 0-0	- 0.7 - 4.4	4 0.7 38 1.1	17 12	3.8 8.8	0.49	87 11	Zicom Group Patties Foods	23 128	+8.7	+5.9 +0.7		5-0 9-0	- 0.9 1 4.3	17 1.4 38 0.5		3.8 5.1	0.52	48 178
BerkleeLtd).5 24	1-0	- 0.4	5 1.0	9	4.0	0.50	5	CoventryGroup	235	+8.6	-0.8		4-0	- 0.7	5 0.6		6.0	0.24	94
Int. Legal	14 +3.7 +4		0-0	- 2.0	14 2.0	14	5.4	0.51	12	WatpacLtd	173		+4.2		1-0	- 1.1	10 0.6		6.4	0.27	313
Zicom Group	23 +8.7 +5		5-0	- 0.9	17 1.8	6	3.8	0.52	48	Cardno Ltd	480	+8.4			1-2	2 -	- 0.4		6.0	0.91	434
Ridley Corp.	125 +6.0 +6).1 30	2-0	3 1.5	11 0.7	13	5.8	0.53	385	AVJennings	55	+8.3	+6.0	26	1-0	- 0.5	3 0.9	16	2.7	0.58	151
OverFiftyGrp	65 +4.2 +3	3.4 34	7-0	- 1.2	15 0.9	8	7.7	0.53	50	Vita Group Ltd	30	+8.0	+0.6	27	3-0	- 5.9	- 1.0	5	Nil	0.14	42
SDILimited		.0 40	0-0	1 1.2	14 1.4	9	1.6	0.56	30	Koon Holdings	31	+8.0	+4.0	27	0-0	- 0.7	24 0.9		2.6	0.23	25
Ludowici Ltd	385 +17.8 +8		2-0	- 1.8	4 0.4	49	3.1	0.56	92	MyerHoldings	378		+0.6		1-1		- 0.5		5.8	0.66	2,196
AV Jennings	55 +8.3 +6		1-0	- 0.5	3 1.1	16	2.7	0.58	151	SupplyNetwork	41	+7.9			0-0	- 1.0	13 0.8		7.3	0.28	12
Beyond Int'l	75 +2.6 +2		0-0	- 1.7	18 0.9	9	6.7	0.58	46	Merchant House	18	+7.9	-0.5		1-0	- 0.7	17 1.3		8.3	0.22	17
Regional Exp. WatercoLtd	122 +2.7 +3 133 +11.2 +3		0-0 0-0	- 1.0 - 0.9	17 0.8 8 0.7	6 12	5.4 6.0	0.60	137 43	CTILogistics VDMGroupLtd	110 48	+7.8 +7.5	+2.2 +4.4		2-0 1-1	- 1.6 2 1.3	17 0.5 23 1.1		5.5 4.2	0.74 0.18	45 93
UGLLimited	1527 +3.9 +0		1-0	5 -	- 0.4	17	4.2	0.60	2,522	Manaccom Corp.	40	+7.3			2-0	- 40.0	- 0.9		1.3	0.10	17
McPherson's Ltd	306 +4.0 +3		2-0	1 25.5	- 0.4	9	6.5	0.62	219	QRSciencesHold	7		+3.9		2-0	- 0.9	35 2.0		Nil	0.55	11
Gale Pacific	22 +24.0 +2		0-0	- 0.8	8 1.5	10	4.5	0.62	62	Embelton Ltd	490	+7.3			1-0	- 1.1	14 0.3		5.1	0.35	11
Colorpak Ltd	64 +12.8 +8	3.3 20	0-0	- 3.6	44 0.9	8	3.5	0.64	52	Adtrans Group	341	+7.0	-1.9	29	3-0	- 1.3	14 0.3	3 9	6.7	0.12	86
Country Road	360 +0.1 -	.1 48	0-0	- 3.4	17 0.3	20	2.4	0.65	249	Namoi Cotton	57	+6.9	+7.5	29	0-2	- 0.5	4 0.7	7 12	4.4	0.17	54
MyerHoldings	378 +8.0 +0		1-1		- 0.6	13	5.8	0.66	2,196	Caltex Austrlia	1261	+6.9			0-0	3 1.2	11 0.3		2.0	0.19	3,405
SolcoLtd	12 +16.3 +3		0-0	- 1.9	40 2.5		2.2	0.66	23	Ridley Corp.	125	+6.0			2-0	3 1.5	11 0.5		5.8	0.53	385
Macquarie CTel	765 +22.3 +3		0-1	- 2.3	26 0.4	9	2.6	0.67	159	SymexHoldings	56		+0.2		2-0	- 1.7	24 0.6		7.2	0.44	71
SeymourWhyte Molbourno IT	160 +18.7 +3	3.3 15 4.9 47	0-0 1-0		- 1.0 - 0.6	11	4.7 8.8	0.67 0.67	125 135	Pro-PacPack.	34		-2.2 +0.4		1-1	- 0.0	1 0.9		6.0	0.44	40
Melbourne IT Woolworths Ltd	171 +0.2 -4 2878 +3.3 +1		1-0 3-3	6 14.2	- 0.6 81 0.3	8 18	4.0	0.67	35,434	Spec Fashion Nat'l Can	126 130	+5.6 +5.4	+0.4		0-0 0-0	3 12.6 - 0.7	- 0.7 4 0.6		1.6 3.8	0.42	241 87
Leighton Hold	3318 +1.5 +4		3-3 1-12	5 4.1	25 0.3	16	4.0	0.69	9,977	RHGLtd	70	+5.4	+0.5 -0.5		0-0 1-4	- 0.7	30 0.9		3.8 Nil	0.49	214
WHKGroupLtd	109 +1.6 +2		0-0	1 9.0	74 0.7	12	5.5	0.70	287	BSALtd	25		+2.3		3-0	- 8.3	- 1.0		8.0	0.40	53
NRWHoldings	171 +15.2 +1		1-0	- 2.9	24 0.8	12	3.5	0.70	428	liNet	285	+4.6	-1.4		2-0	5 -	- 0.4		3.2	0.91	433
Collection Hse	75 +3.6 -2		3-0	- 0.9	11 0.8	8	7.7	0.71	73	Tasmania Mines	105		+0.2		0-0	- 0.7	13 0.5		Nil	0.87	19
Legend Corp.	29 +27.4 +8		3-1	- 3.2	34 1.4	10	3.4	0.72	63	AscentPharm.	29	+4.5	+0.9	34	1-0	- 3.6	46 1.1	1 8	Nil	0.68	71
C.S.R.Ltd	180 +2.2 +		1-0	5 1.7	11 0.7	16	4.7	0.73	2,727	HGLLimited	135	+4.5			4-0	- 1.6	19 0.5		5.9	0.41	68
CTILogistics	110 +7.8 +2	2.2 27	2-0	- 1.6	17 0.7	10	5.5	0.74	45	Over Fifty Grp	65	+4.2	+3.4	34	7-0	- 1.2	15 0.7	7 8	7.7	0.53	50

Page 14 Market Analysis

I age I I		Warket 7 Mary 515
Company	STRENGTH RATING 20 22 PriceReturnVola-PriceDivi- Price Share Cur- 4-WkRank 20 5 to on til- Earn dend Sales Market Price rent Chg.0-99 3 NTAEquity ity RatioYield Ratio Cap'n	STRENGTH RATING S PriceReturnVola-PriceDivi- Price Company Share Cur- 4-WkRank 22 85 to on til- Earn. dend Sales Market Price rent Chg.0-99 22 C NTA Equity ity Ratio Yield Ratio Cap'n
Company	Price rent Chg.0-99 프로 스로 NTAEquity ity Ratio Yield Ratio Cap'n	Price rent Chg.0-99 $\stackrel{\text{deg}}{=}$ NTAEquity ity Ratio Yield Ratio Cap'n
INCOMESHARES	S: Highest Yields, Capitalisation > A\$250 million	lpernicaLtd 11 +6.0 -4.3 31 6-0 - 3.5 - 1.3 NE Nil N/A 34
Cape Lambert R.	44 -2.7 +5.1 60 7-0 0.8 NE 15.9 N/A 275	TransurbanGrp 534 +5.0 +3.4 33 6-0 5 1.9 2 0.2 127 4.5 9.25 7.554
Transfield S In	67 -9.0 +3.7 76 0-0 1 0.7 - 0.7 NE 14.9 1.79 290	PlatsearchNL 14 +7.7 -2.1 28 6-0 1.3 NE Nil N/A 20
Chal Infra Fund	112 -10.5 -1.2 79 0-0 0.4 NE 12.5 0.92 357	AmalgamatedHld 662 +3.9 +2.2 35 6-0 - 1.4 14 0.2 11 5.6 1.30 1,054
SparkInfrastru	111 -4.2 -1.3 65 1-0 3 0.6 6 0.5 9 12.2 4.11 1,473	Anvil Mining 504 +5.5 +9.9 32 5-0 0.5 NE Nil N/A 54
Ale Property	203 -3.0 +0.6 62 0-0 - 1.0 - 0.4 NE 11.8 5.28 311	Mungana Gold. 97 +0.3 +3.4 47 5-0 0.8 NE Nil N/A N/A
DUETGroup	181 +0.3 +1.1 47 0-1 - 1.0 9 0.4 11 11.0 1.36 1,576	Liontown Res. 9 +37.9 +13.6 6 5-0 1.3 NE Nil N/A 17
CromwellGroup	73 +1.3 +0.4 43 1-2 1 1.0 3 0.5 31 11.0 4.66 590	ZicomGroup 23 +8.7 +5.9 25 5-0 - 0.9 17 1.1 6 3.8 0.52 48
Envestra	53 +0.6 +0.3 45 0-0 3 0.6 20 10.5 1.90 728	OZMineralsLtd 173 +18.9 +5.4 14 5-0 7 1.8 - 0.5 NE Nil 8.87 5,400
Telstra	268 -8.5 -3.0 75 4-0 5 7.1 82 0.3 9 10.4 1.33 33,347	Ind Minerals 17 +14.9 +6.7 18 5-0 1.1 NE Nil N/A 1
ArdentLeisure	110 -8.4 +3.5 75 8-0 - 1.2 7 0.6 18 9.8 0.95 340	Catalyst Metals 15 +18.1 +2.2 15 5-0 1.2 NE Nil N/A 5
AnekaTambang	130 +1.9 +0.1 41 1-0 0.8 NE 9.3 N/A 1,240	APAGroup 413 +6.3 +0.3 30 5-0 4 3.2 14 0.2 22 5.1 2.26 2,240
AMP Cap China	96 +2.6 +2.6 39 0-0 - 0.9 10 0.6 10 8.8 7.65 304	BowEnergyLtd 130 +0.9 -1.7 44 5-0 0.6 NE Nil N/A 363
SPAusnet	92 +2.1 +3.7 40 1-2 3 1.0 8 0.5 12 8.7 1.86 2.475	MacarthurCoal 1241 +0.4 -0.8 46 6-1 3 2.9 11 0.2 25 2.0 4.71 3,156
Aspen Group Ltd	49 -1.3 +0.9 55 0-0 2 0.7 3 0.7 22 8.6 3.80 273	ProtoResources 4 +5.9 +22.8 31 7-2 2.0 NE Nil N/A 3
Tatts Group Ltd	254 +0.7 +0.9 45 2-0 3 0.4 31 8.3 0.99 3.256	HGLLimited 135 +4.5 +2.1 34 4-0 - 1.6 19 0.3 9 5.9 0.41 68
	•	
Chal Div Prop		,
Deutsche IndTr	196 +0.0 +0.0 48 0-0 - 1.2 10 0.3 12 8.1 6.49 663	Neon Energy Ltd 18 +6.7 +11.1 29 4-0 - 1.3 - 1.1 NE Nil 7.48 57
Primary Health	311 -12.5 +0.7 83 1-1 7 0.3 12 8.0 1.18 1,528	Hodges Res. 21 +20.8 +9.0 13 4-0 1.2 NE Nil N/A 6
Automotive Hold	218 -0.3 -0.4 52 0-0 - 2.7 33 0.6 8 7.8 0.15 494	Paragon Care 3 +2.0 +2.7 41 4-0 2.0 43 Nil 0.71 7
Tabcorp Holding	742 +2.2 +2.6 40 0-0 2 0.2 10 7.4 1.09 5,051	IressMktTech 875 +0.8 +1.2 45 4-0 3 11.5 46 0.2 25 3.9 6.32 1,083
Q.B.E.Insur.	1727 -7.8 +1.5 74 8-1 4 35.2 - 0.2 9 7.4 1.02 16,956	NSLCons.Ltd 8 +17.1 -12.2 16 4-0 1.6 NE Nil N/A 24
Hast Div Util	162 +7.7 +0.8 27 1-0 3 0.6 NE 7.4 5.96 805	Lefroy Res. 12 +34.8 +23.8 6 4-0 1.1 NE Nil N/A 7
WestfieldGroup	1270 +0.3 +0.1 47 1-0 3 1.2 - 0.2 NE 7.4 7.11 29,309	Pilbara Mineral 11 +26.5 -3.1 10 4-0 1.2 NE Nil N/A 2
Hastie Group	123 -2.1 -0.6 59 4-0 4 0.5 7 7.3 0.18 295	CoventryGroup 235 +8.6 -0.8 26 4-0 - 0.7 5 0.6 14 6.0 0.24 94
Abacus Property	44 +3.1 +0.9 37 0-1 3 0.8 2 0.6 32 7.2 7.21 789	TMAGroupofCo 33 +17.7 +6.1 15 4-0 - 2.4 19 0.7 13 Nil 0.70 39
		EchoResources 12 +26.5 +30.0 10 4-0 1.4 NE Nil N/A 5
INSIDER BUYING	: Most Insider Buying, Relative Strength > 0	Emu Nickel NL 17 +3.1 +4.6 37 4-0 1.3 NE Nil N/A N/A
Patties Foods	128 +8.7 +0.7 26 19-0 1 4.3 38 0.4 11 5.1 0.90 178	Pryme Oil & Gas 9 +10.4 +2.4 23 4-0 1.3 NE Nil 7.40 17
Credit Corp	334 +10.5 +0.1 23 15-1 - 1.7 15 0.3 11 2.4 1.59 149	Alexium Int'l 14 +7.6 +1.1 28 4-0 - 4.7 - 1.0 NE Nil N/A 10
Medical Dev Int	36 +22.1 +11.3 12 12-0 - 5.1 24 0.7 21 Nil 2.23 18	DulhuntyPower 4 +6.2 +2.9 30 4-0 - 0.9 0 2.1 370 Nil 0.25 6
Niplats Aust.	39 +8.8 +10.1 25 10-0 0.9 NE Nil N/A 27	Aust Bauxite 53 +18.6 -1.6 15 4-0 0.8 NE Nil N/A 37
Conquest Mining	57 +17.4 +13.6 16 9-0 0.5 NE Nil N/A 7	China Century 7 +5.5 +6.5 32 4-0 - 7.4 - 1.5 NE Nil N/A 11
Aust Agricult.	157 +4.7 -0.6 33 9-0 1 0.3 NE Nil 2.62 415	Nexus Energy 46 +27.1 +6.0 9 4-0 3 0.9 0 0.7 418 Nil N/A 441
ChesserRes.	101 +79.6 +33.7 2 8-0 0.6 NE Nil N/A 95	NyotoMinerals 28 +9.4 -8.2 25 4-0 0.9 NE Nil N/A 53
A.P. Eagers	1290 +2.0 -0.2 40 8-0 - 1.5 14 0.1 11 4.8 0.23 385	Mineral Commod. 4 +6.9 +2.1 29 4-0 2.0 NE Nil 9.30 6
Sietel Ltd	425 +2.2 +0.3 40 8-0 - 0.7 0 0.4 180 Nil 5.60 34	Pluton Resource 72 +21.0 +13.6 13 4-0 0.7 NE Nil N/A 56
Global Petrol.		
Atlas SS Pearl	11 +0.5 +3.1 46 9-1 - 0.7 - 1.1 NE Nil 1.42 10	K2EnergyLtd 6 +3.3 -0.7 36 5-1 - 3.2 - 1.7 NE Nil N/A 11
MEOAustralia	52 +17.4 +9.4 16 7-0 0.9 NE Nil N/A 217	AdtransGroup 341 +7.0 -1.9 29 3-0 - 1.3 14 0.2 9 6.7 0.12 86
WAM Active Ltd	102 +1.8 -0.7 41 7-0 - 0.9 12 0.6 7 5.9 N/A 16	AustEnhIncome 642 +0.5 +0.4 46 3-0 - 1.0 23 0.2 4 7.8 N/A 22
Mystate Ltd	356 +3.6 +2.7 36 7-0 - 1.6 12 0.5 14 6.3 1.98 240	Malagasy Min. 10%+114.0 -3.7 1 3-0 1.4 NE Nil 9.31 9
OverFiftyGrp	65 +4.2 +3.4 34 7-0 - 1.2 15 0.5 8 7.7 0.53 50	BSALtd 25 +4.7 +2.3 33 3-0 - 8.3 - 0.7 6 8.0 0.16 53
WasabiEnergy	2 +8.6 +8.9 26 7-0 2.6 NE Nil N/A 33	BKI Invest Coy 125 +0.5 +0.6 46 3-0 - 0.9 5 0.3 18 4.2 N/A 523
ANZBank	2409 +2.5 +1.0 39 7-0 6 2.4 6 0.2 40 4.2 3.92 60,334	Avalon Minerals 23 +5.3 +5.2 32 3-0 0.9 NE Nil N/A 30
Miclyn Express	181 +0.9 +4.3 44 7-0 0.7 16 Nil 3.77 492	Century Aust In 82 +0.7 +1.0 45 3-0 - 0.9 8 0.5 11 10.4 N/A 141
MagneticRes.	40 +0.8 +0.6 45 6-0 0.7 NE Nil N/A 23	ThomGroupLtd 172 +20.0 +2.6 13 3-0 - 3.4 30 0.4 11 3.7 1.53 223
Condor Nickel	22 +34.0 +10.0 7 6-0 1.2 NE Nil N/A 14	Vita Group Ltd 30 +8.0 +0.6 27 3-0 - 5.9 - 0.8 5 Nil 0.14 42
Pacrim Energy	1 +10.0 +0.8 24 6-0 3.4 NE Nil N/A 13	Collection Hse 75 +3.6 -2.0 36 3-0 - 0.9 11 0.4 8 7.7 0.71 73
-7		

Australian Warrant / Option Analysis

			vvi			,			•		\prime			-				<i>y</i> •			
			Yr/Mth		Black-	Option	Share	Option	Options	Break-	1			Yr/Mth			Option'	Share	Option	Options	Break-
Company	Share				Scholes			Lever-	to Buy	Even	Company		Exercise			Scholes			Lever-	to Buy	
	Price	Price	Expiry	Price	Valuation			age	1 Share	Rate		Price	Price	Expiry	Price	Valuatio		tility	age	1 Share	Rate
ADC Clobal Cumply	6.5	15	0.4	0.8	0.1	Valued +829	0.84	5.54	10	.000	Augt China Haldings	00	2.0	3-1	0.1	0.1	Valued +44	1.20	1 17	10	+114
ADG Global Supply		15	0-4		• • • •				1.0	+999	Aust China Holdings	0.2				• • •			1.47	1.0	
ADX Energy Ltd	11	25	0-4	0.0	0.4	-100	1.08	4.01	1.0	+999	Aust Leaders Fund	107	125	0-0	0.3	0.1	+332	0.19	1.47	1.0	+999
Actinogen Ltd	8.5	50	1-8	0.1	4.5	-98	1.83	1.30	1.0	+190	Aust Minerals & Mining	,		0-11	1.6	1.0			3.10	1.0	+120
Adultshop.com	1.6	0.8	1-1	0.3	0.9	-67	0.68	1.64	1.0	-29	Aust Mines Ltd	0.1	0.2	2-7	0.1	0.1	+7	2.43	1.03	1.0	+53
Agenix Ltd	2.5	30	0-7	1.0	0.0		0.81	8.22	1.0	+999	Austex Oil Ltd	13	25	1-0	0.0	0.7	-100		3.93	1.0	+100
Alamar Resources	44	20	2-4	0.0	30.9	-100	0.86	1.30	1.0	-29	Austin Exploration	2.9	10	1-0	1.0	0.0	+999	0.67	4.29	1.0	+279
AllBrands	1.7	60	0-1	0.1	0.0	+999	0.97	9.99	1.0	+999	Austindo Resources	2.8	1.5	1-7	0.1	1.8	-94		1.41	1.0	-30
Altera Resources	36	20	1-2	15.0	21.2	-29	0.96	1.48	1.0	-2	Australasia Gold	24	10	2-5	1.6	18.3	-91	1.03	1.21	1.0	-26
Anaeco Ltd	14	100	1-6	0.1	0.0	+278	0.58	5.19	1.0	+271	Australian Oil Company	y 11	20	1-1	1.5	1.0	+58	0.64	3.23	1.0	+94
Anteo Diagnostics	4.7	6.5	0-2	1.5	1.1	+34	2.13	2.23	1.0	+999	Authorised Investment	3.0	8.0	2-3	1.5	2.1	-28	1.70	1.19	1.0	+69
Apex Minerals	1.9	6.0	1-11	0.4	0.1	+192	0.61	2.94	1.0	+87	Automotive Technolog	y 3.6	10	0-7	0.3	0.1	+314	0.79	4.47	1.0	+506
Aphrodite Gold	12	20	3-1	0.0	0.6	-100	0.23	5.06	1.0	+18	Avanco Resources	12	1.5	1-5	1.3	10.9	-88	1.47	1.08	1.0	-64
Apollo Minerals	11	25	1-0	1.0	0.9	+11	0.75	3.10	1.0	+136	Barra Resources	5.4	65	0-1	0.5	0.0	+999	0.57	9.99	1.0	+999
ArcExploration	2.8	3.6	0-2	0.2	0.2	+10	0.92	4.95	1.0	+524	Bathurst Resources	41	25	0-1	5.0	15.7	-68	0.86	2.53	1.0	-97
Argent Minerals	20	20	0-7	3.5	4.9	-29	0.84	2.48	1.0	+38	BenitecLtd	3.4	15	0-4	0.1	0.0	+999	0.90	7.06	1.0	+999
Artemis Resources	7.0	5.0	0-7	2.0	2.6	-23	0.71	2.23	1.0	+0	BenitecLtd	3.4	10	3-4	0.6	1.4	-56	0.90	1.52	1.0	+40
Astro Diamond Mines			2-0	0.5	0.1	+326	1.17	1.78	1.0	+203	Berkeley Resources	185	75	2-6	55.0	122.1		0.49	1.45	1.0	-13
Astro Mining	0.6	5.0	2-0	0.3	0.1	+156	1.17	1.78	1.0	+197	BiomdLtd	4.7	4.0	1-1	0.3	2.2	-87	1.04	1.62	1.0	-8
Athena Resources	14	8.0	1-5	3.0	9.2	-67	1.17	1.33	1.0	-16	Biotron Ltd	11	10	1-1	1.5	3.7	-59	0.77	2.02	1.0	+9
Atlantic Gold NL	6.5	8.0	0-2	1.0	0.2	+312	0.64	7.10	1.0	+604	Black Range Minerals		4.5	0-3	0.7	0.3	+171		6.13	1.0	+186
Atlantic Ltd	156	0.8	1-1		155.2			1.00	1.0	-97	Black Ridge Mining	0.8	3.0	0-0	0.7	0.3	-61		6.13	1.0	+999
Atomic Resources	36	25	0-9	11.0	14.9	-26	0.03	1.95	1.0	+2	Blackham Resources	24		0-11	5.0	7.4	-33	0.83	2.12	1.0	+28
			1-10	4.5						+15				0-0			-33 -99				
Atticus Resources	19				5.2			2.36	1.0		Boss Energy	17	20		0.1	7.4		1.30	2.12	1.0	+999
Aurium Resources	2.6	3.5	1-10	0.7	0.9	-24	0.80	1.81	1.0	+30	Boulder Steel Ltd	13	10	1-4	3.6	5.7	-37	0.82	1.71	1.0	+7
AusgoldLtd	46	20	2-4	14.0	34.0	-59	0.98	1.24	1.0	-12	Bounty Industries	2.5	20	1-1	0.3	0.0	+999	0.00	9.99	1.0	+591

November 8, 2010	U.	Yr/Mth		Dlask	Ontion	Chara	Option	Ontions	Draels		Yr/Mth	Page 15 Black- Option Share Option Options Break-
Company	Share E	Exercise to		Black- Scholes	Over/	Vola-		Options to Buy	Break- Even	Company	Share Exercise to	Option Scholes Over/ Vola- Lever- to Buy Even
	Price	Price Expiry	Price \	Valuation	Under- Valued		age	1 Share	Rate		Price Price Expiry	Price Valuation Under- tility age 1 Share Rate Valued
Brumby Resources	17	8.0 0-10	11.0	10.5	+5	1.05	1.47	1.0	+14	Impedimed Ltd	79 72 1-11	10.5 29.7 -65 0.58 1.96 1.0 +2
Buccaneer Energy Ltd	4.1	10 2-0	2.2	0.9	+147	0.80	2.04	1.0	+72	Indago Resources	50 35 3-11	15.5 27.5 -44 0.50 1.55 1.0 +0
Burey Gold Ltd	26	5.0 0-7	0.0	20.7	-100	1.11	1.22	1.0	-94	Intermin Resources	15 18 1-6	4.1 3.4 +21 0.59 2.43 1.0 +32
C @ Ltd	2.3	1.0 1-5	0.3	1.5	-80	0.92	1.37	1.0	-33	Iron Mountain Mining	7.2 20 1-2	1.8 0.5 +246 0.75 3.02 1.0 +158
CO2Group	16	12 0-11	3.0	6.5		0.72		1.0	-7	Iron Ore Holdings	180 100 0-5	70.0 85.1 -18 0.74 1.98 1.0 -13
Cape Range Ltd Capital Mining Ltd	0.5 7.7	0.8 2-2 8.0 0-7	0.0 1.3	0.2 2.9	-100 -56	0.99	1.53 1.81	1.0 1.0	+24 +38	Island Sky Australia Karmel Sonix	1.2 25 1-0 1.9 7.0 0-8	2.5
Capital Health	4.5	5.0 1-5	1.0	1.3	-24	0.65	2.18	1.0	+23	Kilgore Oil & Gas	0.6 5.0 1-7	0.2 0.1 +141 1.20 1.97 1.0 +291
Carbine Resources	42	15 0-8	16.0	27.9		0.85	1.46	1.0	-37	Kingsrose Mining	108 20 2-1	74.0 90.0 -18 0.51 1.20 1.0 -6
CardiaTechnologies	1.5	10 0-7	0.2	0.0		0.50	9.99	1.0	+999	Labtech Systems	7.7 20 2-7	6.0 1.3 +349 0.64 2.24 1.0 +60
Carnavale Resources	12	20 2-3	5.3	6.0	-12	1.09	1.43	1.0	+39	Labtech Systems	7.7 20 2-7	2.5 1.3 +87 0.64 2.24 1.0 +51
	213	10 0-11		203.4	-75	0.45	1.05	1.0	-75	Legacy Iron Ore	9.3 15 2-1	1.7 3.1 -45 0.80 1.80 1.0 +32
Cazaly Resources	44	20 0-3	35.5	23.8	+49	0.76	1.80	1.0	+165	Legacy Iron Ore	9.3 10 2-1	3.5 4.1 -15 0.80 1.63 1.0 +20
Central Petroleum	6.6	16 1-4	2.9		+129	0.93	2.14	1.0	+120	Legacy Iron Ore	9.3 25 1-1	4.0 0.8 +405 0.80 2.88 1.0 +180
Central Petroleum Charter Pacific	6.6 3.7	16 3-4 12 0-2	0.5 0.1	3.0	-83 +99	0.93	1.45 9.99	1.0 1.0	+32 +999	Lindian Resources Lion Energy	13 15 1-1 4.7 35 0-9	4.0 4.5 -11 1.00 1.82 1.0 +47 0.3 0.0 +999 0.57 9.83 1.0 +999
Chemgenex Pharm.	50	75 1-2	11.0	8.6	+28	0.50	2.65	1.0	+59	Living Cell Tech.	17 24 0-1	4.0 0.2 +999 0.83 9.79 1.0 +999
Chrysalis Resources	23	20 2-7	15.5	16.9	-8	1.27	1.19	1.0	+18	Lonrho Mining	5.1 15 1-7	0.4 0.6 -34 0.78 2.49 1.0 +101
Cluff Resources Pac.	0.2	1.0 0-8	0.1	0.0	+911	1.23	2.86	1.0	+999	MEC Resources	66 20 2-8	35.5 50.7 -30 0.72 1.24 1.0 -6
	123	8.0 0-7	70.0	115.2	-39	0.67	1.07	1.0	-54	MGM Wireless	0.8 20 0-0	0.1 50.7 -100 1.17 1.24 1.0 +999
Con Tin Mines	21	20 3-1	0.6	16.8	-96	1.39	1.13	1.0	-1	Macqarie Harbour	122 20 1-9	12.0 105.9 -89 1.06 1.13 1.0 -53
Continental Coal	7.1	5.0 2-3	3.4	3.7	-8	0.66	1.60	1.0	+8	Magellan Financial Gr		17.0 12.0 +41 0.25 3.47 1.0 +16
Convergent Minerals	5.2	20 1-1 30 0-5	1.5	0.1	+951	0.74	3.63	1.0	+271	Magellan Financial Grp		13.0 17.8 -27 0.25 5.63 1.0 +5
Coppermoly Ltd	16 16	30 0-5 7.0 1-0	1.5 8.0	0.4 9.7	+299	0.69	5.39 1.57	1.0 1.0	+408 -6	Magnesium Int'l Mamba Minerals	3.4 10 1-6 2.0 5.0 2-7	0.7
Corpernoly Eld Corazon Mining Ltd	6.5	20 2-5	0.0	4.2	-100	1.55	1.22	1.0	+59	Manas Resources Ltd		1.2 6.9 -83 0.74 2.24 1.0 -4
Cortona Resources	20	20 1-2	7.5	6.3	+19	0.74	2.08	1.0	+34	Mantle Mining	4.0 7.0 0-1	0.3 0.0 +999 0.97 9.99 1.0 +999
DSFInternational	1.1	3.0 2-1	0.5	0.2	+119	0.81	2.04	1.0	+74	Marion Energy	3.0 25 1-0	0.4 0.1 +251 1.12 2.76 1.0 +710
Datamotion Asia Pac.	0.2	1.0 2-5	0.1	0.1	+1	1.41	1.34	1.0	+101	Medic Vision Ltd	16 20 1-2	0.1 9.5 -99 1.76 1.30 1.0 +26
Dourado Resources	18	20 4-0	3.0	10.3	-71	0.76	1.39	1.0	+6	Meridian Minerals	12 20 0-3	0.5 0.4 +38 0.89 5.12 1.0 +910
Eagle Nickel	7.0	30 1-7	0.4	0.8		0.93	2.27	1.0	+153	Metal Storm Ltd	0.9 15 0-9	0.0 0.0 -100 0.96 5.22 1.0 +999
Eastern Iron	16	12 0-1	4.0	4.1		0.86	3.76	1.0	+0	Metminco Ltd	39 25 2-0	7.5 20.7 -64 0.67 1.58 1.0 -8
Eastland Medical Eastland Medical	5.5 5.5	20 0-6 10 0-7	0.4 2.2	0.0 0.4	+999 +411	0.81	5.48 3.48	1.0 1.0	+999 +292	Midas Resources Midas Resources	4.1 3.0 2-0 4.1 10 0-6	3.9 2.8 +39 1.21 1.26 1.0 +30 1.1 0.4 +165 1.21 2.76 1.0 +633
Eco Quest Ltd	10	20 0-4	1.8	0.4	+685	0.82	5.17	1.0	+936	Millennium Minerals	3.6 7.5 2-3	0.0 0.8 -100 0.71 2.06 1.0 +39
Eldore Mining	1.5	3.0 2-1	0.4	0.6	-37	1.06	1.53	1.0	+48	Millepede Int'l	0.4 5.0 1-4	0.2 0.0 +370 1.36 2.02 1.0 +585
Eleckra Mines Ltd	35	7.0 0-7	2.9	28.2	-90	0.87	1.24	1.0	-89	Mindax Ltd	42 75 1-0	2.0 1.1 +74 0.42 5.45 1.0 +83
Electrometals Tech.	2.0	14 0-5	0.1	0.0	+999	1.14	5.36	1.0	+999	Minerals Commodities	4.0 20 2-1	1.0 0.8 +30 0.99 1.90 1.0 +122
Elemental Minerals Ltd		20 1-2	18.0	75.8	-76	0.72	1.24	1.0	-54	Mining Projects Group		0.1 5.0 -98 2.15 1.00 1.0 -54
Eneabba Gas Ltd	9.0	20 1-7	4.0	1.8	+127	0.82	2.18	1.0	+86	Mithril Resources	18 12 0-10	4.0 7.2 -44 0.65 2.06 1.0 -10
Enerji Ltd	3.6	20 6-1	1.0	2.7	-63	1.23	1.13	1.0	+34	Modena Resources	2.5 6.0 3-1	0.0 1.1 -100 0.93 1.50 1.0 +33
Enterprise Metals Ltd Env. Clean Tech.	23 2.3	25 1-7 2.0 3-2	8.0 2.0	11.8 1.5	-32 +37	1.12	1.47 1.32	1.0 1.0	+26 +19	Moko.mobi Ltd Monax Resources	9.0 10 2-8 6.5 15 1-0	3.5
Envirogold Ltd	2.3 9.7	15 1-1	0.5	1.6	-69	0.90	2.63	1.0	+19	Monitor Energy	0.4 2.5 0-9	0.1 0.0 +145 1.49 2.23 1.0 +192
Eromanga Hydro	7.7	20 1-8	2.2		+238	0.63	2.95	1.0	+89	MontezumaMining	46 20 0-9	14.0 27.4 -49 0.73 1.60 1.0 -33
Erongo Energy Ltd	11	10 2-7	0.0	7.4	-100	1.12	1.26	1.0	-4	Mutiny Gold Ltd	5.2 10 0-7	0.5 0.4 +37 0.82 3.54 1.0 +234
	133	75 3-3	47.0	70.8	-34	0.29	1.79	1.0	-3	NKWÉ Platinum Ltd	59 35 0-9	26.0 28.3 -8 0.75 1.84 1.0 +5
ExcaliburMining	0.3	6.0 2-1	0.2	0.0	+999	1.03	2.31	1.0	+328	Navigator Resources	24 25 1-0	5.4 7.3 -26 0.81 2.10 1.0 +29
ExomaEnergy	28	20 0-4	5.5	9.3	-41	0.69	2.60	1.0	-24	Neptune Marine Serv	22 20 0-1	9.3 2.5 +267 0.68 5.82 1.0 +999
Exoma Energy Ltd	28	10 1-10	15.0	19.6		0.69	1.36	1.0	-6 -407	New Age Exploration	10 10 1-4	0.0 3.2 -100 0.66 2.12 1.0 +0
Fairstar Resources Ferrowest Ltd	6.7 12	10 0-9 25 1-7	4.0 0.0	1.3 2.8		0.92	2.44	1.0 1.0	+167 +59	Nex Metals Explor. Noble Mineral Res	17 25 1-0 41 35 2-8	2.0 2.3 -15 0.63 3.02 1.0 +59 0.0 23.5 -100 0.84 1.42 1.0 -6
Ferrum Crescent	18	40 3-1	2.0	4.9		0.67	1.89	1.0	+32	Noble Mineral Res	41 30 0-8	0.0 16.2 -100 0.84 2.02 1.0 -39
Fission Energy	8.2	20 0-3	1.2		+999		6.58	1.0	+999	Nthn Mining	8.9 4.0 1-1	3.0 6.2 -52 1.28 1.30 1.0 -20
Fox Resources Ltd	12	30 0-4	0.0	0.0		0.68	8.26	1.0	+999	Nthn Uranium	36 15 1-4	4.4 24.6 -82 0.98 1.34 1.0 -37
Frontier Resources	7.2	4.5 0-0	2.4	2.7	-11	1.19	2.66	1.0	-99	Nthn Uranium Ltd	36 20 1-10	2.9 23.7 -88 0.98 1.34 1.0 -22
GBEnergy	3.5	20 0-10	0.2	0.0	+464		4.04	1.0	+719	Nusep Ltd	32 35 1-9	0.0 11.0 -100 0.70 1.92 1.0 +6
Gas2GridLtd	2.6	8.0 0-0	0.0	0.0				1.0	+999	OBJ Ltd	2.7 1.0 0-1	2.0 1.7 +17 1.20 1.58 1.0 +254
Global Geoscience Global Health Ltd	8.0 0.6	25 1-9 1.7 0-1	1.1 0.2	1.2 0.0		0.83	2.23 6.21	1.0 1.0	+97 +999	Odin Energy Oil Basins Ltd	1.4 25 2-0 3.1 1.5 1-7	0.2 0.0 +373 0.94 2.59 1.0 +324 5.0 2.3 +115 1.35 1.21 1.0 +60
Global Nickel	4.2	1.7 0-1	0.2	1.3		1.10	1.71	1.0	+999	Orchid Capital	3.4 5.0 1-3	1.5
Gold Aura Ltd	3.7	3.0 1-7	1.6	1.6		0.72		1.0	+15	Orion Metals Ltd	25 12 0-3	0.0 13.4 -100 1.37 1.68 1.0 -95
Gold Company Ltd	93	20 0-7	21.0	73.7		0.93		1.0	-75	OroyaMining	0.4 0.8 1-0	0.1 0.2 -40 1.54 1.54 1.0 +125
Gold One International	35	50 1-10	8.5	4.4		0.41	3.27	1.0	+33	Outback Metals	3.5 30 0-1	0.5 0.0 +999 0.94 9.99 1.0 +999
Golden Cross Res	1.9	4.0 0-4	0.1	0.0	+999	0.60	8.57	1.0	+905	OzBrewing	3.3 20 2-1	1.0 0.0 +999 0.00 9.99 1.0 +143
Golden Gate Petrol.	1.7	8.0 1-9	1.2	0.0	+999	0.57	3.98	1.0	+162	Pacific Ore Ltd	15 5.0 1-10	3.5 10.7 -67 0.88 1.28 1.0 -25
Golden State Res	3.0	12 0-0	0.2	0.0		0.80		1.0	+999	Pacrim Energy	1.2 1.5 1-1	0.0 0.3 -100 0.78 2.24 1.0 +23
Golden West Res		200 0-1	3.0	0.0		0.69	9.99	1.0	+999	Padbury Mining Ltd	50 2.0 0-6	9.3 48.0 -81 1.13 1.04 1.0 -95
	1.2 2.3	1.0 0-7 5.0 1-4	0.3	0.4 0.2	-29 +377	0.90		1.0 1.0	+15 +103	Padbury Mining Ltd Palace Resources	1.7 2.0 0-6 3.4 20 1-7	0.4
Greater Bendigo GM Greenvale Mining	2.3 9.5	30 1-4	1.5	0.2		0.62	2.65	1.0	+103	Palace Resources Palace Resources	3.4 6.0 1-7	0.0 2.2 -100 1.68 1.25 1.0 +43
Gt Western Explor.	45	30 1-7	7.0	25.6			1.48	1.0	-12	Panax Geothermal	5.0 25 1-1	0.5 0.1 +616 0.76 3.94 1.0 +363
GulfResources	2.5	10 2-4	0.5	0.1		0.58	3.06	1.0	+85	Papillon Resources	47 20 2-1	4.9 40.9 -88 1.70 1.09 1.0 -26
GulfResources	2.5	20 0-7	0.1	0.0	+999	0.58	9.99	1.0	+999	Papillon Resources	47 20 0-1	1.0 27.3 -96 1.70 1.68 1.0 -100
Hawthorn Resources	0.7	20 1-5	0.5		+999	0.79	4.86	1.0	+984	Paragon Care	3.0 2.0 1-6	1.0 1.5 -32 0.68 1.71 1.0 +0
Hawthorn Resources	0.7	10 2-3	0.2			0.79	2.90	1.0	+229	PeelExploration	8.0 20 0-0	0.1 1.5 -93 0.67 1.71 1.0 +999
Health Corporation		120 1-0	0.1	0.0	+999	0.79	1.00	1.0	+999	Peninsula Minerals Ltd		2.2 3.1 -30 0.54 1.68 1.0 -6
Healthlinx Ltd	7.7 7.7	18 0-4	3.0	0.3	+999			1.0	+999	Pharmanet Group	0.9 1.5 0-7	0.3 0.1 +167 0.91 2.94 1.0 +228
Healthlinx Ltd Helix Resources Ltd	7.7 14	10 3-1 7.5 0-6	4.0 1.6	4.8 6.4		1.04 0.63		1.0 1.0	+21 -55	Pharmaust Ltd Photo-Me Australia	2.1 10 2-4 0.3 6.0 0-8	0.0 0.7 -100 1.14 1.57 1.0 +95 0.1 0.0 +999 1.55 2.88 1.0 +999
Horseshoe Metals	24	20 1-7	0.0	7.7		0.42		1.0	-11	Platina Resources	36 35 0-3	5.3 6.2 -15 0.78 3.58 1.0 +57
Humanis Group	1.5	20 0-9	0.1	0.0	+999	1.20	3.63	1.0	+999	Poseidon Nickel	18 92 1-0	3.2 0.1 +999 0.69 4.70 1.0 +415
IFS Construction Serv.		27 1-7	1.0		+999	0.69		1.0	+247	Power Resources	7.5 20 0-11	1.0 0.4 +142 0.77 3.36 1.0 +207

Page 16

Yr/Mth
Black- Option Share Option Options BreakYr/Mth
Black- Option Share Option Options BreakYr/Mth
Black- Option Share Option Options Break-

Page 16									
		Yr/Mth		Black-			Option	Options	Break-
Company		Exercise to		Scholes			Lever-	to Buy	Even
	Price	Price Expiry	Price	Valuation			age	1 Share	Rate
Daine a Diame and	40	00 44	77	44.4	Valued		4 47	4.0	0.4
PrimaBiomed	13	2.0 1-1	7.7	11.1	-31	0.66	1.17	1.0	-24
Proto Res & Inv	4.3	5.0 1-1	0.3	1.4	-78	0.86	2.01	1.0	+21
Proto Resources & Inv		25 3-1	0.5	0.9	-44	0.86	1.83	1.0	+78
Proto Resources & Inv	/ 4.3	20 0-9	0.2	0.1	+275	0.86	4.12	1.0	+687
QRScience Holdings	7.0	45 1-7	0.1	0.0	+191	0.59	4.55	1.0	+224
Quantum Resources	2.3	10 1-5	0.3	0.3	-9	1.04	2.14	1.0	+188
Quantum Resources	2.3	5.0 2-0	0.1	0.9	-89	1.04	1.60	1.0	+49
QueenslandMining	8.9	20 1-6	2.4	0.9	+169	0.64	2.90	1.0	+85
Quest Petroleum NL	1.2	2.5 0-4	0.0	0.0	-100	0.71	6.52	1.0	+804
Ram Resources	2.7	3.0 1-4	0.7	1.4	-51	1.29	1.43	1.0	+27
	8.9	5.0 1-4	5.0	5.0	-1	0.92	1.54	1.0	+11
Range Resources									
Red Sky Energy	3.0	2.0 0-9	0.5	1.4	-65	0.96	1.74	1.0	-22
RegalResources	1.3	6.0 0-11	0.6	0.2	+192	1.37	2.04	1.0	+470
RepublicGold	1.2	4.0 0-6	0.3	0.0	+999	0.76	5.65	1.0	+999
Resolute Mining	142	60 1-1	30.0	86.9	-65	0.64	1.56	1.0	-34
Resource Mining Corp	0.6	0.8 1-4	0.4	0.2	+99	0.91	1.86	1.0	+68
Resource Star Ltd	16	20 1-10	0.0	13.8	-100	2.44	1.06	1.0	+15
Resources Base	2.0	5.0 1-0	2.0	0.3	+659	0.94	2.48	1.0	+250
Rialto Energy Ltd	59	60 0-7	7.5	19.0	-61	1.09	2.04	1.0	+28
Richmond Mining	40	20 0-1	7.5	20.1	-63	1.05	1.97	1.0	-99
Rimfire Pacific Mining	2.8	4.0 0-9	0.0	0.8	-100	1.12	2.04	1.0	+61
Riviera Resources	22	10 4-1	8.0	17.5	-54	0.90	1.17	1.0	-5
Rox Resources	7.3	10 0-7	0.7	2.6	-73	1.49	1.78	1.0	+93
Rox Resources	7.3	1.5 0-8	2.0	6.0	-67	1.49	1.18	1.0	-67
RoyalResources	19	10 0-11	14.0	10.2	+38	0.86	1.61	1.0	+33
Royal Resources Ltd	19	12 2-11	0.0	12.3	-100	0.86	1.31	1.0	-14
Safety Medical Prod	3.7	100 0-1	0.1	0.0	+999	0.12	9.99	1.0	+999
Samson Oil & Gas	6.4	1.5 2-1	6.0	5.3	+14	0.96	1.17	1.0	+8
Saracen Mineral Hold.		10 2-7	19.5	56.2	-65	0.53	1.15	1.0	-26
Scandinavian Res	17	25 0-11	2.0	1.6	+22	0.55	3.64	1.0	+66
SierraMining	34	20 0-1	3.5	13.9	-75	1.30	2.26	1.0	-99
Sihayo Gold Sihayo Gold	20	20 0-2	2.0	2.2	-8	0.64	5.21	1.0	+77
Sino Gas & Energy	6.3	50 1-1	0.2	0.4	-51	1.20	2.43	1.0	+579
Souls Private Equity	9.0	20 4-2	1.6	0.5	+251	0.27	4.11	1.0	+23
Sthn Cross Goldfields	10	15 0-0	1.0	0.5	+120	0.77	4.11	1.0	+999
StirlingMinerals	22	14 3-0	2.9	14.1	-79	0.80	1.33	1.0	-9
Stirling Resources	4.5	15 1-7	2.0	0.6	+214	0.88	2.26	1.0	+132
Stirling Resources	4.5	4.0 1-7	0.8	2.1	-63	0.88	1.61	1.0	+4
_ ~ ~	12			8.3	-52	1.29	1.24	1.0	
Stonehenge Metals			4.0						+8
Stratatel Ltd	5.1	10 0-10	0.8	0.1	+968	0.45	6.16	1.0	+146
Structural Monitoring	0.8	1.5 0-1	0.3	0.0	+999	1.35	6.54	1.0	+999
Syndicated Metals	19	20 1-1	2.0	6.4	-69	0.84	1.98	1.0	+14
Synergy Metals	0.8	3.0 0-9	0.3	0.0	+999	0.61	6.28	1.0	+562
Talisman Mining	97	20 0-1	70.0	77.1	-9	0.83	1.26	1.0	-59
Tango Petroleum Ltd	14	20 0-6	0.0	2.4	-100	1.00	2.70	1.0	+104
Target Energy Ltd	2.2	10 1-11	0.7	0.3	+161	0.86	2.25	1.0	+128
Tasman Resources	11	10 1-7	5.6	4.9	+14	0.81	1.69	1.0	+25

Dividend\$

Company	Cents per Share	Ex- Date	Pay- able	Tax Credit
Allied Workforce	3.80	12-11	19-11	Full
Ebos Group special	20.00	12-11	22-12	Full
Finzsoft	2.00	15-11	22-11	Nil
Hallensteins Glasson	17.00	30-11	07-12	Full
Hellaby Holdings	5.00	05-11	12-11	Full
Kathmandu	7.00	15-11	25-11	Full
Kirkcaldie & Stains	5.00	12-11	19-11	Full
Pyne Gould Corp specia	al 1.50	19-11	03-12	Full
Restaurant Brands	7.00	12-11	26-11	Full
Scott Technologies	4.00	29-11	03-12	Full
TrustPower	19.00	26-11	10-12	5.571
Warehouse Group	8.50	05-11	17-11	Full
Warehouse Group spec	ial 8.00	05-11	17-11	Full
<u>Aus</u>	tralian Share	<u>es</u>		
TFS Corporation	3.50	25-11	22-12	

Company	Share Price	Exercis Price	Yr/Mth e to Expiry		Black- Scholes Valuation	Over/	Vola- tility	Option Lever- age	Options to Buy 1 Share	Break- Even Rate
Tawana Resources	4.6	10	0-4	0.1	0.6	-83	1.51	2.60	1.0	+958
Terrain Minerals Ltd	2.7	8.0	2-1	0.0	0.5	-100	0.79	2.13	1.0	+68
Teys Ltd	0.7	20	0-6	0.8	0.0	+999	1.66	3.45	1.0	+999
Thundelarra Explo.	67	20	2-4	80.0	50.5	+58	0.71	1.27	1.0	+19
Trafford Resources	48	70	1-8	0.0	19.6	-100	1.02	1.61	1.0	+26
Transol Corporation	0.3	2.0	0-6	0.1	0.0	+999	1.32	3.40	1.0	+999
Triton Gold Ltd	16	25	3-1	5.0	6.7	-25	0.76	1.60	1.0	+23
Union Resources Ltd	0.5	2.0	0-1	0.2	0.0	+999	1.04	9.99	1.0	+999
United Uranium	15	20	1-7	3.9	5.3	-27	0.87	1.80	1.0	+34
UranLtd	2.2	8.0	1-8	0.6	0.3	+82	0.92	2.18	1.0	+131
Vector Resources	10	20	1-7	1.8	2.4	-26	0.86	2.02	1.0	+64
Venus Metals Corp	133	40	0-8	0.0	94.5	-100	0.71	1.40	1.0	-84
Victory West Moly Ltd		20	1-3	2.9	5.3	-45	0.99	1.81	1.0	+41
Voyager Resources	3.9	2.0	0-10	0.3	2.5	-88	1.33	1.38	1.0	-47
WAM Active	102	115	0-5	1.6	2.4	-34	0.24	9.99	1.0	+39
WHL Energy ltd	2.7	7.5	1-7	0.0	0.5	-100	0.91	2.08	1.0	+91
Western Desert	38	18	1-0	31.0	21.8	+42	0.76	1.58	1.0	+31
Westoz Invest.	111	100	1-7	6.0	23.2	-74	0.23	3.74	1.0	-3
Westralian Gas & Pow			0-10	0.3	0.0	+999	0.72	4.87	1.0	+560
Whinnen Resources	11	20	2-5	2.1	3.3	-35	0.77	1.82	1.0	+36
White Cliff Nickel	19	25	0-7	1.0	4.5	-78	1.11	2.24	1.0	+79
Xstate Resources Ltd	16	24	2-7	0.0	8.8	-100	1.10	1.35	1.0	+18
Yellow Rock Res	2.2	7.0	1-10	0.5	0.3	+65	0.79	2.32	1.0	+95

Living Cell Technologies (codes LCT and LCTO). As discussed three months ago, our Living Cell Technologies options (to buy shares at 24 cents on 31 December 2010) will almost certainly expire worthless at the end of next month.

We have, however, purchased some Living Cell Technologies *shares* on-market at prices around $16-16\frac{1}{2}$ cents (and the shares continue to trade around $16\frac{1}{2}-17$ cents) - and this is an attractive price to acquire shares for investors wishing to continue an investment in this company.

Even though our options are worthless, they were better than buying the shares directly a year ago at 29 cents. Our total cost - the options at $7\frac{1}{2}$ cents and buying shares on-market at $16\frac{1}{2}$ -17 cents - is 24- $24\frac{1}{2}$ cents.

Total Ret	urn Index	for All List	ted Shares
Oct 11	1370.28	Oct 18	1357.24
Oct 12	1363.49	Oct 19	1357.04
Oct 13	1364.02	Oct 20	1357.40
Oct 14	1367.31	Oct 21	1365.25
Oct 15	1358.56	Oct 22	1372.44
Oct 25	Holiday	Nov 1	1384.38
Oct 26	1374.34	Nov 2	1387.74
Oct 27	1375.64	Nov 3	1392.35
Oct 28	1378.49	Nov 4	1390.58
Oct 29	1381.00	Nov 5	1388.16

Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on <u>Monday December 13, 2010</u>.

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

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

Readers are advised that they should not assume that every recommendation made in the future will be profitable or equal the performance of recommendations made in the past. A summary of all prior recommendations is published on the website. The information presented has been obtained from original and published sources believed to be reliable, but its accuracy cannot be guaranteed.

The entire contents are copyright. Reproduction in whole or part is strictly forbidden without the approval of the publisher.