

Market Analysis

Inside Market Analysis

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Summary and Recommended Investment Strategy.

Easy monetary conditions will lead to real asset price inflation and “financial asset price inflation” (i.e. a significant rise in share prices). The likelihood of that process currently being underway - and continuing for several years - has increased with Japan introducing its new, aggressive, “ultra-easy” monetary policy. Be 100% invested in shares!

Investment Outlook.

Stockmarkets performed strongly in the December 2012 quarter and conditions are favourable for this to continue for perhaps the next 8-12 quarters (i.e. throughout 2013, 2014 and 2015). Of course, it is impossible to accurately predict the investor sentiment that would be required to ignite such a stockmarket boom and there may be a few short, sharp dips along the way - but conditions do favour strong stockmarket returns over the short to medium term. Here is why we think this is possible:

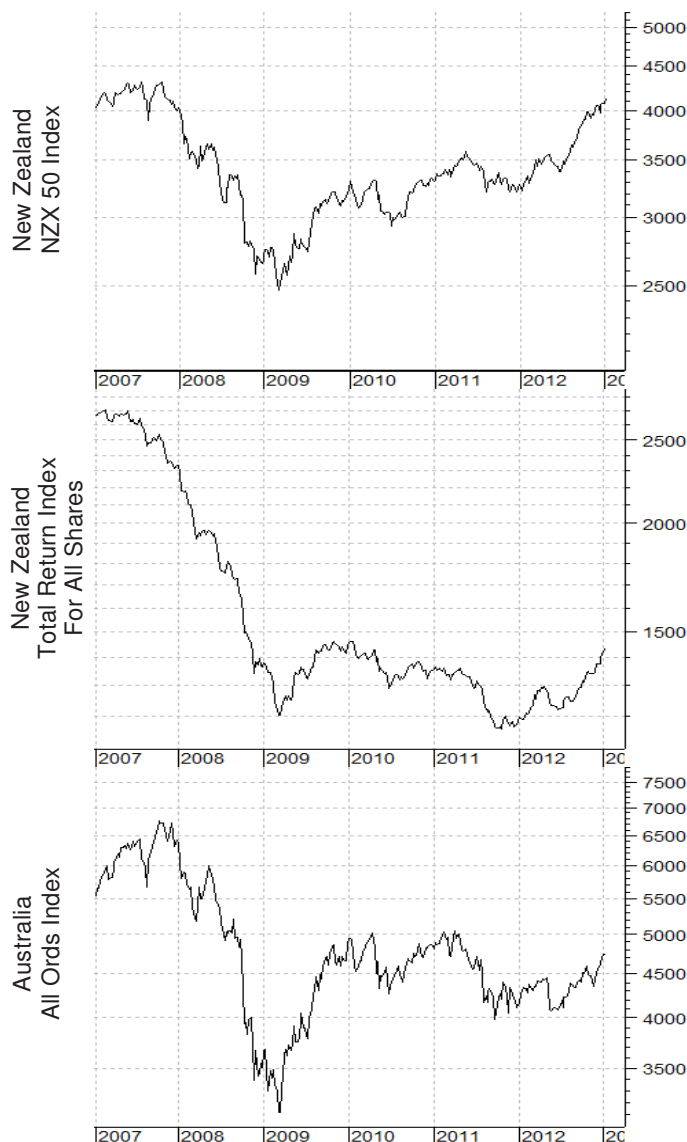
Firstly, for the first time in many years there is no *immediate* crisis. The US “fiscal cliff” (see page 7) has been avoided, Europe appears to be dealing with its problems and China's economy appears to be recovering. [There are, of course, still plenty of *longer term* problems and some investment bank or forex dealers will probably manage to bankrupt their business in 2013 - but that is always the case.]

Secondly, quantitative easing is accelerating and inflation targets are being raised (or abandoned) - which should support “risk assets” and inflate both real asset prices and financial asset prices. The US Federal Reserve replaced its *Quantitative Easing* with *QE2* and has now introduced a new, unlimited policy of “*Quantitative Infinity*”. Japan's new government believes monetary policy has been “too cautious” and plans to implement an “ultra-easy monetary policy” with quantitative easing at about *twice* the rate of the US!

The European Central Bank has introduced *Outright Monetary Transactions* (OMT) - where it will provide (unlimited?) financing to troubled governments (subject to those governments accepting certain domestic economic policies). This is supposed to *not* create further quantitative easing - (Continued on Page 14)

Stockmarket Forecasts

	One-Month	One-Year
Australia:	76% (Bullish)	73% (Bullish)
New Zealand:	69% (Bullish)	67% (Bullish)



Recommended Investments

2012 Portfolio Performance

Our *Recommended Portfolio* recorded ten straight years of gains (i.e. from the start of 1998 to the end of 2007) before dipping 32.0% in 2008 with the start of the *Global Financial Crisis*. To recoup a 32.0% decline requires a 47.1% gain but our portfolio rose 49.4% during 2009 to take it to a new end of year high.

We then gained 4.2% in 2010 and lost 6.5% in 2011.

So our portfolio started 2012 at almost exactly the same level as four years earlier in 2008. Over those four years the ASX All Ordinaries Index was down 31.2% and the NZX50 index down 15.6%.

So, how did things go in 2012?

The stockmarket rose in the March quarter, dipped sharply in the June quarter, made small gains in the September quarter but finished with a very strong December quarter. *(Continued on Page 4)*

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	Performance Forecast	Issued Shares (mil.)	Vola- tility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
<u>NZ Shares</u>													
BUY	CDL Investments Ltd	CDI	12/01/99	25	D	258.2	1.3	11.47	34	4.0	50	21.7	+187%
BUY	Cavalier Corporation	CAV	05/12/95	156*	D	68.3	1.0	0.54	27	Nil	171	278.0	+188%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	B	32.7	0.5	0.24	11	9.1	391	362.3	+489%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	D	102.3	0.8	2.01	12	Nil	205	77.7	+88%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	B	382.8	0.8	0.91	13	4.5	121	41.9	+3158%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	523*	B	196.7	1.0	0.39	10	6.5	321	430.0	+44%
HOLD	Postie Plus Group	PPG	08/05/06	71	D	40.0	2.1	0.10	42	6.0	24	8.5	-54%
HOLD	Renaissance Corp	RNS	13/08/96	85*	B	45.7	3.4	0.14	34	Nil	20	53.9	-13%
HOLD	Smiths City Group	SCY	09/10/06	64	B	53.0	1.2	0.14	7	5.9	59	18.5	+21%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	0.5	3.27	14	8.7	330	174.3	+320%
HOLD+	Steel & Tube Holdings	STU	08/08/00	146	C	88.4	0.8	0.54	17	7.0	246	266.6	+251%
<u>Australian Shares</u> (in Aust cents)													
HOLD	AJ Lucas Group	AJL	13/05/03	120	C	103.0	0.6	0.37	NE	Nil	184	41.0	+87%
BUY	ALS Limited	ALQ	12/10/99	78*	B	337.5	0.5	2.59	16	4.2	1077	201.8	+1539%
BUY	Atlas South Sea Pearl	ATP	14/05/96	73	D	169.1	3.8	0.54	12	Nil	5	17.5	-70%
BUY	Brickworks Ltd	BKW	12/11/12	1115	B	147.6	0.3	3.12	40	3.4	1176	Nil	+5%
HOLD+	Cardno Ltd	CDD	14/12/09	391*	B	138.2	0.5	0.98	13	5.3	682	97.3	+99%
HOLD	Cellnet Group Ltd ¹	CLT	12/02/02	147*	B	55.7	1.9	0.14	7	6.1	17	55.9	-48%
BUY	Chandler Macleod Group	CMG	14/08/01	51*	B	444.5	1.3	0.14	14	5.5	51	25.7	+49%
HOLD	Circadian Technologies	CIR	10/02/04	188	D	48.5	1.5	10.95	NE	Nil	34	65.0	-48%
HOLD+	Clarius Group Ltd	CND	08/04/03	82*	B	89.4	1.6	0.09	12	3.5	29	70.5	+21%
BUY	CPT Global Ltd	CGO	10/03/08	88	B	36.7	1.4	0.34	25	4.1	37	11.3	-45%
HOLD+	CSG Limited	CSV	11/10/10	175	C	282.6	1.3	0.77	NE	4.5	56	28.0	-52%
HOLD	Devine Ltd	DVN	13/11/06	334*	A	158.7	1.1	0.35	10	5.8	70	79.6	-55%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	B	84.9	2.0	0.38	17	Nil	21	Nil	-57%
HOLD+	Fiducian Portfolio Ser	FPS	11/02/08	260	B	31.8	1.0	1.12	12	6.3	80	36.8	-55%
BUY	Finbar Group Ltd	FRI	12/04/10	106	A	214.2	0.8	2.15	9	7.8	116	21.0	+29%
BUY	Iluka Resources Ltd	ILU	12/10/04	471	B	416.4	0.6	2.27	7	8.4	891	172.0	+126%
HOLD	Integrated Research	IRI	14/01/08	40	A	167.5	0.7	4.34	23	4.0	126	19.0	+263%
HOLD	Mnet Group ¹	MNZ			C	208.3	4.6	0.60	NE	Nil	2.8	Nil	
HOLD	M2 Telecommunications	MTU	09/10/06	33	A	156.6	0.6	1.68	20	4.3	422	57.5	+1353%
BUY	Melbourne IT	MLB	10/02/04	53	B	81.4	0.6	0.82	11	8.3	181	89.0	+409%
BUY	Nomad Building Solutio	NOD	16/08/10	13*	B	277.5	2.8	0.23	4	Nil	10	Nil	-25%
HOLD+	Novarise Renewable Res	NOE	14/03/11	25	B	415.1	1.9	0.96	5	Nil	19	Nil	-24%
HOLD+	Penrice Soda Holdings	PSH	11/07/11	17	C	91.4	2.5	0.07	NE	Nil	11	Nil	-35%
HOLD+	Probiotec Ltd	PBP	11/02/08	116	B	52.9	1.2	0.33	10	Nil	41	9.3	-57%
HOLD+	Prophecy International	PRO	08/09/08	26	B	50.2	1.5	2.10	18	8.0	28	9.5	+44%
HOLD	Skilled Group Ltd	SKE	12/03/02	126	B	233.5	0.7	0.33	14	4.9	267	148.0	+229%
HOLD	Technology One Ltd	TNE	11/11/03	44	B	305.4	0.6	2.60	19	3.5	144	37.0	+311%
HOLD+	TFS Corporation Ltd	TFC	08/01/07	45	C	279.6	1.3	0.89	4	Nil	41	14.2	+21%
HOLD+	The Reject Shop Ltd	TRS	11/01/05	257	A	26.1	0.4	0.70	18	2.2	1516	321.5	+615%
HOLD	Village Roadshow	VRL	10/08/09	77	A	153.2	0.5	0.70	19	5.2	425	159.0	+658%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +256.4%. This is equal to an average annual rate of +29.1%, 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 153 closed out) is +30.6%, compared with a market gain of +4.1% (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.

2012 Portfolio Performance

(Continued from Page 3)

Overall our portfolio (measured from our January 9, 2012 newsletter through to this January 14, 2013 newsletter) is up 24.2%. Over that same period the All Ordinaries Index rose 13.7%, the NZX50 rose 25.7% (but is slightly inflated by including imputation tax credits) and the TR Index rose 20.2%.

Over the last three years our portfolio made a total compounded gain of 21.0%, compared with the All Ordinaries Index down 4.2%, the NZX50 up 23.6% and the TR Index down 1.2%.

Our biggest gains over the last year were: Integrated Research up 172.9%, Renaissance up 100.0%, CDL Investments 71.3%, Ellex Medical Lasers 61.5%, Skilled Group 60.9% and Colonial Motors up 60.0%.

Atlas South Sea Pearls fell 44.4%, Iluka Resources 37.6%, CPT Global 31.3%, Circadian Technologies 29.2% and TFS Corporation declined 28.1%.

Our full track record since March 1981 is published on our website and will be updated this week. We actually believe the individual *annual* calendar year returns understate investors' likely long term returns. This is because the annual returns assume *equal dollar investments* in each share at the start of each year.

Recommended Investments

Michael Hill International reports "December quarter sales fell short of our forecasts and didn't deliver the improvement over last year that the company had expected". Obviously the company was expecting very strong growth as this is another solid performance with revenues up 8.8%. At that less than expected growth, the business would *double* every eight years and increase 10-fold in size in 25 years!

As expected, the Canadian operations lifted total revenues strongly as the company rapidly increases store numbers. Canadian "same store" sales were up 3.9% (in Canadian dollars) and total Canadian revenues up 21.6%.

Cash flow "remains strong" but earnings (before interest and tax) are expected at around \$34-36 million (down 2% to up 4%) compared with last year.

So the company continues to expand its store numbers - especially in Canada where it has excellent growth potential - and continues to trade profitably, although profits will be a bit flat this year. Some more double digit growth years would boost our investment returns further, but how many companies can match Michael Hill International's incremental annual growth - year in and year out, through good times and bad - which has built up a large, profitable and still growing business?

Michael Hill International



Smiths City Group reports revenues virtually unchanged (i.e. down 0.2%) at \$109.7 million for the six months to 31 October 2012. Net Profits were 2.7% higher at \$1,687,000 (3.2 cents per share). A steady 1.0 cent interim dividend (with no imputation tax credits) will be paid.

There was a net operating cash *deficit* of \$1.6 million for the period, compared with a deficit of \$3.0 million a

year earlier.

Retail revenues were 0.3% lower at \$104.1 million, with earnings down 42% at \$811,000. Finance revenues were 3.3% higher at \$5.5 million, with earnings up 68% to \$1,083,000.

The company reports that "trading conditions continued to be difficult", with "household spending restrained" and "appliance prices have fallen leading to lower dollar margins" Expenses have increased "particularly for occupancy and insurance".

The company will terminate its bulk finance company funding facility this month and replace this with a facility from a major trading bank. This will result in "significant savings in interest costs" in the future. The company currently pays around 8% interest on this finance company debt - or about \$6 million annually on borrowings on around \$75 million. Every 1% reduction in the interest rate on borrowings (i.e. from 8% to 7%) would lift the finance business earnings by around 75%.

Smiths City Group



Australian Shares

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

AJ Lucas Group's shares have risen strongly since the UK government announced "in principle" to allow the resumption of fracking. This announcement does not give **Cuadrilla Resources Holdings** permission to recommence fracking, but establishes the conditions for the company to seek regulatory permits and approvals.

AJ Lucas Group has also negotiated with its major shareholder, **Kerogen Investments**, for an extension of its loans. \$43.25 million repayable on 22 December 2012 and 22 June 2013, plus accrued interest, will be converted to a US dollar loan at 15% interest and repayable on 31 January 2014. The terms of the remaining \$43.25 million under this Mezzanine Facility remain

unchanged except the maturity is extending from 22 December 2013 to 22 January 2014. Other short term loans of US\$19.1 million have been extended to 31 March 2013.

AJ Lucas Group



ALS Ltd has acquired an 80% shareholding in the South American **Corplab** laboratory group for an “enterprise value” (i.e. the cost of the acquisition, plus debt taken over in the business) of \$38 million. The original shareholders will retain a 20% interest in the business while working in executive positions, with put and call options over these shares (i.e. ALS has the option to buy these outstanding shares, while the minority shareholders have the option to sell to ALS).

Corplab has eight environmental laboratories and one food laboratory, with 420 staff and operations in Peru, Brazil, Argentina and Ecuador. This business will combine with ALS's current South American environmental operations in Peru, Chile and Mexico, to become the largest environmental analytical laboratory group in Latin America with revenues of over \$30 million.

ALS Ltd



Atlas South Sea Pearl (to be renamed **Atlas Pearls and Perfumes**) has won its appeal over its 2007 Indonesian tax assessment. This will result in the company receiving a tax refund - plus interest - of around A\$2 million. Most importantly, this refund will significantly improve the company's financial position at a time when it needs cash to finance future growth.

This decision in favour of the inter-company transfer pricing agreement between the Indonesian production company and the Australian marketing company should reduce future tax uncertainties. Under Australia's double taxation agreement, if the company had lost the Indonesian appeal then it could have had its Australian 2007 income tax re-assessed down by a similar amount - although that would reduce franking credits available

for the payment of dividends.

Atlas commissioned its third oyster hatchery in November with a successful spawning. The first commercial harvest at Punggu yielded pearls of “very similar quality” to Alyui Bay. Punggu is closer to the company's technical hubs at Bali and Lembata so “can be operated at a significantly lower cost” than Alyui. The company has a third farm at Alor. Multiple sites minimises environmental and other risk factors.

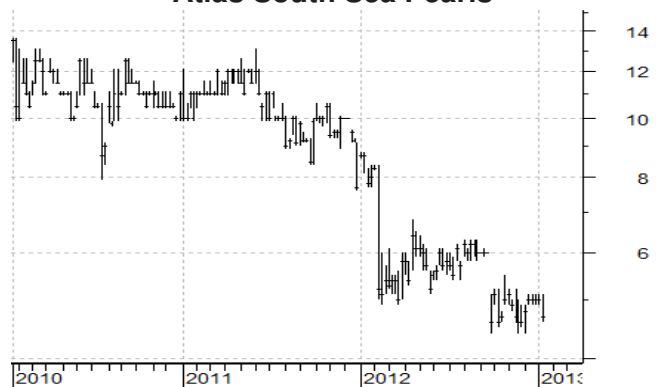
The company also reports that “full commercialisation of the selective breeding programme using pedigree pearl oyster stock is well underway”. The third stage of its genetic research project will “look at using specific genes to identify quality pearl oysters at a very young age” to increase “the rate at which qualitative pressure is applied in our selection programmes”.

The company now has six retail jewellery outlets in Bali, plus an outlet at its Alyui Bay farm and Claremont in Perth. The company has invited shareholders to view its operations in Bali - and purchase jewellery at a 30% discount to retail prices.

The company's cash issue is payable on or before 18 January 2013. Shareholders can purchase one new share at 5 cents (plus receive one option to buy another share at 5 cents until the end of January 2014) for every five shares currently held. As we stated last month, the options should be worth around 1.4 cents, so there is some value in this issue. We recommend shareholders take up this entitlement to shares and options.

The cash raised will also help finance the recent acquisition of *Essential Oils of Tasmania* and the expansion of the company's potentially high profit margin perfume business.

Atlas South Sea Pearls



Cardo has agreed to acquire **Caminosca SA**, one of the largest specialist engineering consulting firms in Ecuador, providing services in hydropower, mining, oil and gas, roads, water supply and sewerage, urban development, airports and stormwater. The business generates annual revenues of US\$28 million and earnings (before interest and tax) of US\$3½ million. This acquisition will triple the group's employees in South America from 200 to 600 and provide cross-selling opportunities.

Cellnet Group has downgraded its first half result and now expects a pre-tax profit of \$250,000 to \$600,000 for the six months to 31 December 2012.

Finbar Group has announced two new major development projects that (Continued on Page 6)

Recommended Investments

(Continued from Page 5)

will contribute to group profits for the year to June 2015, 2016 and 2017:

Firstly, the company has taken a 50% interest in a joint venture that has acquired five sites, totalling 7,882m², in the Subi Centro precinct, 4km west of Perth's CBD, for \$17 million in a receivership sale. The land is vacant and will be developed into around 220 residential apartments plus 20 commercial lots, over two stages. The company hopes to begin construction later in 2013. The end value of this development will be around \$140 million and contribute to group profits in the June 2015 and 2016 financial years. Finbar Group will receive 50% of the development profits, plus a project management fee.

Secondly, the company has taken a 50% interest in another joint venture that has purchased three adjoining sites, totalling 9,212m², for \$9.35 million, located just 200 metres from the site of the company's *Springs 1* development project (which will commence preselling next month). The new *Springs 2* project will seek to build around 270 residential apartments, worth \$120 million, in two stages. Completion of these developments is likely in the June 2016 and 2017 years.

Finbar Group



Integrated Research expects its half year profit to 31 December 2012 will be 20-30% lower at \$2.5-2.9 million (1.5-1.7 cents per share), from revenues down 3%. This result reflects “the delay of a few major license sales” which it expects to “make up in the second half” resulting in “growth for the full financial year”.

The company states that its “sales pipeline is very strong” and “key markets are sound”. Expenses have risen with a 16% increase in employees, mainly in Research & Development and Sales (i.e. product development and marketing - which should help boost future revenues and profits).

Integrated Research



Mnet Group is seeking shareholder approval to effectively liquidate the company and distribute the cash to shareholders. It plans to sell all of its businesses to **Ansible Mobile Pty** (a wholly owned subsidiary of **The Interpublic Group of Companies**) for \$5.5 million in cash, plus around \$550,000 (subject to adjustment up or down) for working capital. This will realise about 2.9 cents per share in cash.

In addition, Mnet Group expects to realise a further \$1.75 million (0.8 cent per share) in cash from the April 2011 sale of **Ring Tones Australia**. \$1.0 million is expected in February and the balance of \$750,000 in January 2014.

The company then proposes to make a capital repayment of 2½-3½ cents per share to shareholders to distribute virtually all of its cash.

After this capital repayment the share capital will be consolidated, with every 200 existing shares reduced to one new share. This will reduce the issued capital from 208,788,584 shares to 1,043,943 new shares and the company name will change to **Mnemon Ltd**. This will be a listed shell company with just enough cash to exist for about six months.

The shell company *could* be delisted by the ASX after about six months and virtually worthless. Alternatively the shell company *could* be used by another company seeking a back door listing on the stockmarket and may have some small value to existing shareholders.

Nomad Building Solutions has sold further rental assets to **Black Diamond Group** for \$6.15 million, a price which “exceeds depreciated book value”. This sale covers 107 mainly accommodation units.

Black Diamond, a Canadian supplier of modular buildings to the resource sector, is expanding into Australia with another Canadian partner, **WEQ Britco LP**. The partners are buying privately owned **Australian Portable Buildings Pty** for \$75.6 million. Black Diamond will pay \$42.6 million for a 90% interest in the modular rental business (which has 913 units, about 40% offices and 60% accommodation) and 20% of the portable building manufacturing business, with WEQ Britco paying \$32 million for 10% of the rental and 80% of the manufacturing business.

Nomad Building Solutions



Penrice Soda Holdings is holding a Shareholders Meeting on 25 January to elect directors. The two existing directors, David Trebeck and Andrew Fletcher are seeking re-election and there are three new candidates, nominated by interests associated with **London City Equities**. Company management support the re-election

Penrice Soda Holdings



of the existing directors.

As we discussed last month, the election of London City Equities' nominees would be very disruptive for Penrice Soda Holdings and endanger the potential recovery of the company. The election of all the nominees would create an unworkable board with two factions.

We therefore recommend that shareholders appoint a proxy to vote in favour of Resolution 1 and Resolution 2, and against Resolution 3, 4 and 5 - or simply appoint "The Chairman of the Meeting" who will vote undirected proxies for the first two resolutions and against the last three resolutions.

Shareholders can appoint a proxy by mail, fax or online at www.linkmarketservices.com.au using your SRN or HIN number shown on the proxy form.

Proxies must be lodged at least 48 hours before the meeting, so about 22 January.

TFS Corporation's ongoing strategic review has determined that its \$48.5 million MIS grower loan portfolio is a non-core asset and the company is now seeking to sell that loan portfolio.

Village Roadshow has entered an agreement to sell a DVD distribution centre at Prestons, NSW, to **Technicolor Distribution Australia** and a five year agreement for that company to provide warehousing and distribution services to Roadshow Films. This property sale will provide a \$6.5 million pre-tax gain - and presumably release a much larger cash sum.

US Avoids "Fiscal Cliff"

A subscriber has asked us to explain the term "fiscal cliff". One explanation is that it is another widely over-anticipated disaster - like the "Y2K" computer bug - which will never happen. CollinsDictionary.com has made "fiscal cliff" its word of the month for December 2012 - but it has been around for several years and is one of those misleading terms, implying impending disaster, that is so loved by the media.

"Fiscal Cliff" refers to the scheduled increase in US taxes (i.e. owing to the expiry of temporary tax cuts) and the planned reduction in government spending in 2013 that could have led to a significant US\$487 billion reduction the budget deficit. Such a large reduction in the government deficit would have resulted in a mild recession in 2013 (although a more balanced budget would probably result in higher economic growth over the longer term).

While the impact of these changes would be significant they would accrue *over the year*, not immediately on 1 January 2013 as a "cliff". "Fiscal hill" or "fiscal slope" have been suggested and would be more correct terms, but lack the urgency and implied crisis of "fiscal cliff". So instead of "all working together to climb the fiscal hill" it makes a better news story (and avoids an intelligent discussion on necessary tax increases and benefit cuts to balance the budget) to suggest that politicians need to find a solution to prevent us "falling off the fiscal cliff".

The term "fiscal cliff" was not invented in December 2012 but first used in early 2010 to describe the expected expiry of 2001 and 2003 tax cuts at the end of 2010. It became popular with the media after a February 2012 speech by the Federal Reserve Chairman.

US personal income tax rates were cut in 2001 and again in 2003, but these temporary tax reductions were to expire at the end of 2010. So the original "fiscal cliff" was 1 January 2011 when income taxes were to increase. With only two weeks to go, on 16 December 2010, that original "fiscal cliff" was avoided by extending the tax cuts by two years under the "Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010".

This time the "fiscal cliff" was not dealt with until *after* the temporary tax cuts had expired. The "American Taxpayer Relief Act of 2012" was not approved by the Senate until 2am on 1 January 2013, the House of Representatives later that day and signed by the President on 2 January. This makes the 2001 and 2003 "temporary" tax cuts permanent for individuals with incomes up to US\$400,000 while increasing taxes on incomes over US\$400,000.

For incomes over US\$400,000 the marginal income tax rate increases from 35.0% to 39.6%, the long term capital gains tax increases from 15.0% to 20.0% and the marginal income tax on dividends increases from 15.0% to 39.6%. Capital gains taxes and dividend taxes remain unchanged at 15.0% for incomes under \$400,000.

The net impact on the budget deficit is forecast to be a US\$157 billion reduction - or about 14% - to around US\$935 billion.

Having successfully avoided the "fiscal cliff" (i.e. by permanently extending temporary tax cuts) and the short term impact on the economy, we now only have to worry about the continuing budget deficit and the resulting increases in US government debt!

“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: 78.8% Buyers

Last 13 wks: 80.3% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
360 Capital Ind	6-0	Antares Energy	2-0	Azumah Res.	1-0	CGA Mining Ltd	1-0	Cockatoo Coal	2-0
A-Cap Resources	1-0	Antisense T.	5-0	Azure Minerals	2-0	CI Resources	1-0	Coffey Int'l	1-0
A.P. Eagers	18-1	Antipa Minerals	4-0	BC Iron Ltd	2-3	CL Asset Hold.	0-1	Cogstate Ltd	1-0
A1 Consolidated	1-0	Aquarius Plat.	1-0	BCD Resources	5-4	CO2 Group Ltd	2-1	Cokal Limited	4-1
A1 Investments	1-0	Arafura Res.	1-0	BKI Invest Coy	2-0	CSL Limited	1-0	Collection Hse	6-0
ABM Resources	2-0	Arc Exploration	1-0	Balamara Res.	2-0	Cabcharge Ltd	3-6	Colorpak Ltd	3-0
ADG Gbl Supply	5-0	Archer Explor.	1-0	Bank of Q'land	1-0	Cabral Resource	1-0	Com'wealth Bank	1-0
ADX Energy Ltd	2-0	Ardent Leisure	2-0	Bannerman Res.	1-0	Cadence Capital	2-0	ComOps Limited	2-0
AGL Energy Ltd	0-1	Argonaut Res.	3-0	Baru Resources	2-0	Cape Alumina	2-0	Commstrat Ltd	2-0
AMA Group Ltd	0-1	Argo Investment	1-0	Bathurst Res.	1-0	Cape Lambert R.	10-1	Computershare	1-6
AMCIL Limited	1-0	Aristocrat Leis	3-0	Beacon Minerals	2-0	Capilano Honey	0-3	Consegna Group	1-0
ANZ Bank	4-2	Ark Mines Ltd	3-0	Beach Energy	2-0	Car Parking Tec	4-0	Contango Micro.	0-1
APN News Media	2-0	Armour Energy	8-0	Beadell Res.	2-1	Caravel Min.	1-0	Cont'l Coal	6-0
ARB Corporation	0-3	Arrium Limited	2-0	Bell Financial	14-0	Caravel Energy	11-0	Cooper Energy	2-0
ASG Group Ltd	1-0	Artimis Res.	1-0	Bendigo Bank	2-0	Carbon Con	1-0	Copper Strike	1-0
ASX Limited	1-0	Asciano Limited	2-0	Benitec Bio.	1-0	Carbon Energy	2-0	CopperMoly Ltd	4-0
AVZ Minerals	2-0	Asian Masters	0-1	Berkeley Res.	1-0	Cardia Bioplas.	1-0	Corazon Mining	1-0
AWE Limited	2-0	Ask Funding Ltd	0-1	Bigair Group	0-1	Carnarvon Pet.	1-0	Cortona Res Ltd	1-0
AXG Mining Ltd	2-0	Aspen Group Ltd	2-0	Billabong Int'l	5-1	Carsales.com	1-3	Country Road	0-1
Acacia Coal Ltd	1-0	Aspire Mining	6-0	Bionomics Ltd	0-6	Cash Converters	1-0	Credit Corp	1-4
Academies Aust.	0-1	Athena Res.	1-0	Biotech Capital	1-0	Cassini Res Ltd	2-0	Crest Minerals	1-0
Acrux Ltd	3-2	Atlas Iron Ltd	3-2	Biotron Limited	3-0	Cazaly Res Ltd	4-1	Crossld Uranium	3-1
Activex Ltd	1-0	Atrum Coal NL	3-0	Bioxyne Ltd	2-0	Cedar Woods Prp	0-3	Crown Ltd	2-1
Ad Braking Tech	1-0	Augur Resources	1-0	Bisan Ltd	3-0	Cellmid Ltd	5-0	Cryosite Ltd	4-0
Adcorp Aust.	2-0	Aurora Oil Gas	1-0	Bisalloy Steel	0-3	Central Petrol.	5-0	CuDeco Ltd	10-0
Adelaide Bright	3-0	Ausdrill Ltd	2-0	Blackmores Ltd	0-4	Centrepont All	10-0	Cue Energy Res.	3-0
Adelaide Res.	2-0	Ausenco Ltd	1-0	Blackham Res.	2-0	Century Aust In	2-0	Cuesta Coal Ltd	2-0
Admiralty Res.	1-0	Ausquest Ltd	3-0	Blackwood Corp	1-0	Centaurus Metal	0-1	DMX Corporation	0-1
Adslot Ltd	2-0	Aust Foundation	3-0	Black Fire Min.	1-0	Centrex Metals	3-0	DUET Group	0-1
Aeon Metals Ltd	1-0	Aust Education	1-0	Blackgold Int'l	1-0	Centro Retail	4-0	Dampier Gold	1-0
Aeris Tech Ltd	1-0	Aust-Amer Min.	1-0	Bligh Resources	2-0	Centius Gold	8-1	Dart Energy Ltd	2-0
African Energy	3-1	Austin Eng.	2-0	Bluescope Steel	4-0	Ceramic Fuel C.	1-0	Dart Mining NL	0-3
Agua Resources	1-0	Austin Explor.	1-0	Bluechip Ltd	0-2	Chalice Gold	4-0	Datadot Tech.	1-0
Ainsworth Game	0-3	Aust Pac Coal	5-0	Blue Energy Ltd	1-0	Chal Div Prop	2-0	Data 3 Ltd	1-2
Alchemy Res.	2-0	Austbrokers	2-0	Boart Longyear	10-0	Chandler McLeod	1-0	De Grey Mining	3-0
Alcyone Res Ltd	0-1	Austex Oil Ltd	2-1	Boom Logistics	1-0	Charter Hall GR	0-1	Decmil Group	1-0
Ale Property	0-2	Aust Power Gas	6-0	Bora Bora Res.	1-0	Charter Pacific	1-0	Dempsey Min.	1-0
Algae.Tec Ltd	1-0	Aust United In	1-0	Boulder Steel	1-0	Chesser Res.	3-0	Devine	1-0
Allegiance Coal	1-0	Aust Agricult.	7-0	Bradken Ltd	6-0	Circadian Tech	2-0	Dexus Property	7-0
Alliance Aviat.	3-0	Aust Pharm. Ind	4-0	Brambles Ltd	3-2	Citation Res.	1-0	Dicker Data Ltd	1-0
Alligator En.	1-0	Aust Oriental	3-0	Bravura Sol.	1-0	Clancy Expor.	2-0	Discovery Metal	1-0
Allmine Group	0-1	Aust Minerals	3-0	Brierty Ltd	5-0	Clarius Group	1-0	Domino's Pizza	0-4
Alloy Resources	1-0	Automotive Hold	0-1	Brighton Mining	2-0	Clearview Wlth	1-0	Doray Minerals	2-1
Altium Limited	6-0	Avalon Minerals	1-0	Brockman Mining	1-0	Clean Seas Tuna	1-0	Downer EDI Ltd	1-0
Amalgamated Hld	1-0	Avanco Res.	6-0	Buderim Ginger	1-0	Clinuvel Pharm.	1-0	Dragon Mountain	1-0
Amcom Telecom.	2-4	Avexa Limited	2-0	Bullabulling G.	3-0	Coalspur Mines	3-0	Dragon Mining	1-0
Ampella Mining	2-0	Aviva Corp Ltd	2-0	Bulletin Res.	2-0	Coal of Africa	2-0	Draig Resources	1-0
Anittel Group	1-0	Axiom Mining	1-0	Burleson Energy	8-0	Cobar Cons Res.	0-1	Drake Resources	1-0
Antaria Ltd	2-0	Axiom Property	1-0	C.S.R. Ltd	1-0	CocaCola Amatil	1-2	Drillsearch	2-0
		Azimuth Res.	9-2			Cochlear Ltd	1-0		

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Drill Torque	1-0	Forte Cons. Ltd	3-1	Horseshoe Metal	1-0	Kalgoorlie Min.	3-0	McMillan Shake.	0-8
DuluxGroup Ltd	3-0	Foyson Res Ltd	1-0	Hughes Drilling	1-0	Kardoon Gas	0-2	Medivac Ltd	2-0
E & A Limited	1-0	Frontier Res.	0-1	I-Cash Payment	2-0	Key Petroleum	2-0	Medical Dev Int	3-0
E-Bet Limited	2-0	Funtastic Ltd	1-0	I-Sonea Limited	4-0	KeyBridge Cap'l	2-0	Medical Aust.	1-0
ECSI Limited	2-0	G8 Education	1-0	ICS Global Ltd	3-0	Kibaran Res.	3-0	Medtech Global	1-0
ERM Power Ltd	2-0	GBM Resources	1-0	IDT Australia	1-0	Kidman Res Ltd	1-0	Medusa Mining	3-0
EVZ Ltd	2-0	GBST Holdings	6-5	IFS Construct.	1-0	Kingsgate Cons.	0-2	Melbourne IT	1-0
Eagle Nickel	0-2	GPT Group	1-0	ILH Group Ltd	1-0	Kingrose Mining	1-2	Mermaid Marine	2-1
Eastern Iron	5-0	GWA Group Ltd	0-1	IMF (Aust) Ltd	0-3	Kip McGrath EC	1-0	Merricks CSO Fd	5-0
Easton Invest.	1-0	Galaxy Res.	1-5	IMX Resources	5-0	Konekt Limited	5-0	Metaliko Res.	3-0
Echo Ent Group	2-0	Gale Pacific	0-1	IRESS Limited	5-0	Korvest Ltd	1-0	Metallica Min.	2-3
Echo Resources	2-0	Galilee Energy	3-0	ITL Limited	1-6	Kresta Holdings	1-0	Metals X Ltd	1-0
Eftel Ltd	1-0	Genetic Tech.	2-0	Icar Asia Ltd	1-0	Kula Gold Ltd	6-0	Metcash Ltd	4-1
Elders Limited	2-0	Geopacific Res.	1-0	liNet	3-1	Kupang Res Ltd	1-0	Meteoritic Res.	3-0
Elemental Min.	1-0	Gindalbie Met.	3-1	Iluka Resources	2-1	Kuth Energy Ltd	1-0	Metminco Ltd	1-0
Elixir Petrol.	1-0	Gladiator Res.	1-0	Image Resources	2-0	LBT Innovations	5-0	Metrocoal Ltd	2-0
Emeco Holdings	5-0	Global Metals	1-0	Imdex Limited	3-1	Lachlan Star	1-0	Middle Island	2-0
Emerchants Ltd	2-0	Globe Metals	0-1	Immuron Ltd	5-0	Laconia Res.	1-0	Milton Corp.	3-0
Emmerson Res.	1-0	Globe Int'l Ltd	5-0	Imperial Pac.	1-0	Lakes Oil NL	1-0	Mincor Resource	3-1
Empire Oil, Gas	1-0	Global Resource	0-2	Impedimed Ltd	7-0	Landmark White	0-3	Mindax Limited	1-0
Empire Energy	0-1	Global Petrol.	3-0	Inca Minerals	2-0	Laserbond Ltd	1-0	Minemakers Ltd	8-0
Empired Ltd	1-2	Go Connect Ltd	0-1	Incitec Pivot	1-0	Latin Resources	0-2	Minera Gold Ltd	1-0
Emu Nickel NL	2-0	Goldminex Res.	3-0	India Resources	3-0	Legacy Iron Ore	1-0	Mineral Res.	1-3
Energy Ventures	1-0	Gold Road Res.	0-2	Indochine Min.	1-0	Legend Mining	1-0	Mining Projects	2-0
Energy Action	0-8	Golden Cross	0-1	Infigen Energy	1-0	Leighton Hold	7-0	Mining Group	1-0
Energia Mineral	5-1	Gold One Int'l	2-0	Ingenia Com Grp	6-0	Lemur Resources	3-0	Mirabela Nickel	3-0
Energy & Min.	1-0	Golden Gate Pet	7-0	Insurance Aust.	1-0	Lend Lease Grp	0-1	Mirvac Group	2-0
Energy Metals	1-0	Goldfields Mon.	1-0	Int Research	0-3	Liberty Res.	3-0	Mithril Res.	1-0
Engenco Ltd	5-0	Goodman Fielder	1-0	Int'l Coal Ltd	2-0	Lincoln Min.	1-3	Modun Resources	2-0
Entellect Ltd	0-1	Gowing Brothers	1-0	Intermin Res	2-0	Lindsay Aust	1-0	Molopo Energy	5-0
Enterprise Met.	2-0	Grange Resource	3-1	Integra Mining	2-0	Liontown Res.	5-0	Moly Mines Ltd	1-0
Equator Res Ltd	1-0	Grand Gulf En.	1-0	Intra Energy	21-2	Liq Natural Gas	0-1	Monadelphous Gr	0-1
Equamineral	2-0	Greencross Ltd	0-3	Intrepid Mines	0-1	Lodestar Min.	4-0	Money3 Corp Ltd	3-0
Equity Trustees	7-0	Greenland Min.	3-0	Investa Office	3-0	Logicamms Ltd	6-1	Montezuma Min.	0-1
Esperance Min.	2-0	Growthpoint Pro	5-0	Investorfirst	3-2	Longreach Group	1-0	Monteray Group	3-0
Estrella Res.	2-0	Gryphon Mineral	0-2	Investigator R.	2-0	Lucapa Diamond	1-0	Mortgage Choice	2-0
Ethane Pipeline	1-0	Gt Western Exp.	5-0	Invigor Group	1-0	Lycopodium Ltd	0-4	Mt Gibson Iron	4-0
Eumeralla Res.	1-0	Guinness Peat	1-3	Invion Limited	5-1	Lynas Corp Ltd	1-0	Musgrave Min.	1-0
Eurogold Ltd	0-1	Gujarat NRE	6-0	Invictus Gold	3-0	M2 Telecom. Grp	0-3	My Net Fone Ltd	0-4
Evolution Min.	4-0	Gulf Mines Ltd	2-0	Invocare Ltd	0-2	MEO Australia	3-0	Myer Holdings	2-1
Exalt Resources	1-0	Gullewa Ltd	0-1	Iron Road Ltd	0-1	MHM Metals Ltd	1-2	Mystate Ltd	2-0
Excalibur Min.	3-0	HFA Holdings	2-0	Iron Mountain	1-0	Macarthurcook P	1-0	NRW Holdings	5-0
Exco Resources	1-0	HGL Limited	3-0	Iron Ore Hold.	2-0	Macquarie Group	2-0	NSL Cons. Ltd	2-0
Exterra Res.	1-0	Hannans Reward	3-0	Ivanhoe Aust.	0-3	Macquarie Atlas	1-0	Namibian Copper	1-0
Ezeatm Limited	1-0	Haranga Res Ltd	2-0	Jacka Resources	1-0	Macquarie C Tel	0-2	Nanosonics Ltd	2-0
FSA Group Ltd	2-0	Harvey Norman	4-0	Jaguar Minerals	1-0	Magellan Fin Gp	1-0	Nat'l Aust Bank	0-1
Fairfax Media	4-0	Heartware Inc.	0-22	James Hardie	0-2	Magnetic Res.	3-0	Neptune Marine	1-0
Falcon Minerals	3-0	Heemskirk Cons.	1-0	Jervois Mining	2-0	Mako H/carbons	2-0	NetComm Wire.	1-0
Farm Pride Food	1-0	Helix Resources	1-0	Jindalee Res.	2-0	Mantle Mining	1-0	Neurodiscovery	3-0
Ferrum Crescent	1-0	Henderson Group	0-1	Jumbuck Enter.	1-0	Marengo Mining	0-1	Nevada Iron Ltd	1-0
Fiducian P Serv	4-0	Heron Resources	2-0	Jumbo Interact.	0-7	Marmota Energy	0-2	New Hope Corp.	1-0
Finbar Group	5-0	Hillgrove Res.	3-0	Jupiter Mines	0-1	Mastermyne Grp	1-4	New Horizon C.	7-2
Fleetwood Corp	1-0	Hill End Gold	2-0	K&S Corporation	1-0	Matrix Comp.	0-1	New Standard En	3-1
Flight Centre	1-2	Hills Holdings	15-0	K2 Asset Mgmt	0-2	Matsa Resources	1-0	Newhaven Hotels	1-0
Flinders Mines	4-0	Hodges Res.	4-0	KBL Mining Ltd	3-0	Maverick Drill.	0-1	Nextdc Limited	1-2
Focus Minerals	5-0	Holista Coll.	1-0	Kaboko Mining	4-1	Maxi TRANS	1-0	Nexus Energy	8-3
Forge Group Ltd	2-0	Horizon Oil Ltd	1-0	Kagara Ltd	0-1	Mayan Iron Corp	1-0	Nib Holdings	3-2
Fortescue Metal	4-2			KalNorth Gold	1-0			Nick Scali Ltd	1-0

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Noble Mineral	2-0	Phoenix Copper	1-0	Retail Food Grp	0-1	Sth Amer Iron	3-0	Two Way Limited	2-0
Noni B Limited	2-0	Phoenix Gold	0-1	Reva Medical	5-0	Sthn Crown Res.	1-0	UGL Limited	4-0
Northern Iron	1-2	Phoslock Water	5-0	Reward Minerals	5-0	Stokes (Aust)	1-0	UXA Resources	3-0
Northern Mining	1-0	Phylogica Ltd	1-0	Rialto Energy	1-0	Stonehenge Met.	3-0	UXC Limited	1-0
Norton Gold	1-0	Pilbara Mineral	2-0	Ridley Corp.	1-0	Straits Resourc	1-0	Unilife Corp.	3-0
Northwest Res.	1-0	Pioneer Res.	1-0	Riedel Resource	2-0	Strategic Min.	1-0	Unity Mining	1-0
Novarise Renew.	1-0	Planet Metals	5-0	Robust Resource	2-0	Strat. Elements	1-0	Universal Coal	1-0
Nthn Star Res.	0-1	Platinum Cap'l	1-0	Roc Oil Company	3-0	Stratum Metals	4-1	Uraniumsa Ltd	1-0
NuEnergy Cap'l	4-0	Platsearch NL	4-0	Rox Resources	2-0	Strike Energy	3-0	Uranium Equitie	1-0
Nucoal Res.	8-0	Platina Res.	1-0	Royal Wolf Hold	1-0	Structural Syst	3-0	Uranex Ltd	10-0
Nupower Res.	2-0	Pluton Resource	1-0	Royalco Res.	1-0	Structural Mon.	1-0	VDM Group Ltd	1-0
OZ Minerals Ltd	8-0	Plymouth Min.	1-0	Rubianna Res.	4-0	Sun Resources	1-0	Vector Res.	2-0
Oceania Capital	1-0	Po Valley Ener.	10-0	Rubik Financial	2-0	Suncorp Group	5-1	Venus Metals	2-0
Octagonal Res.	1-0	Polymetals Min.	1-0	Rumble Resource	2-0	Sundance Energy	5-0	Viking Ashanti	7-0
Oil Search Ltd	4-0	Poseidon Nickel	2-0	Runge Pincock M	4-0	Sunland Group	0-2	Villa World Ltd	4-1
Oil Basins Ltd	1-0	Potash Minerals	1-0	S/Tracks ASX200	0-1	Sunshine Heart	2-0	Viralytics Ltd	2-0
OnTheHouse Hold	1-0	Praemium Ltd	1-0	SAI Global Ltd	3-0	Superior Res.	1-0	Vision Eye Inst	0-1
Optiscan Image	1-0	Prana Biotech.	1-0	SDI Limited	2-0	Swick Min Serv	2-0	Vita Life Sci.	2-0
Opus Group Ltd	7-0	Primary Health	13-1	SP Ausnet	2-1	TFS Corporation	2-0	Vita Group Ltd	2-0
Orica Ltd	2-0	Prima Biomed	0-1	SVC Group	2-0	TPG Telecom Ltd	0-1	Vocus Comm.	0-2
Origin Energy	0-3	Pro Medicus Ltd	4-0	Samson Oil/Gas	2-0	TPL Corporation	3-0	Volta Mining	1-0
Orinoco Gold	1-0	Pro Maintenance	4-0	Sandfire Res.	0-2	Tabcorp Holding	1-0	Vortex Pipes	1-0
Orion Metals	0-1	Pro-Pac Pack.	0-1	Santos Ltd	2-0	Tag Pacific	1-2	W'bool Cheese	1-0
Orocobre Ltd	2-0	Probiotec Ltd	10-0	Saracen Mineral	0-2	Tamawood Ltd	0-1	WDS Limited	1-0
Oroton Group	0-1	Progen Pharm.	2-0	Scott Corp Ltd	2-0	Tanami Gold NL	2-0	WHK Group Ltd	1-0
Oroya Mining	2-0	Promesa Ltd	1-0	Seek Ltd	4-0	Tap Oil	2-0	WHL Energy	1-0
Orpheus Energy	13-0	Prophecy Int'l	1-0	Segue Resources	1-0	Target Energy	2-0	Watpac Ltd	5-0
Otis Energy Ltd	2-0	Proto Resources	4-0	Select harvest	5-0	Tassal Group	4-0	Wavenet Int'l	1-0
Otoc Limited	3-0	Pryme Energy	1-0	Select Explor.	3-0	Tatts Group Ltd	0-1	Webjet NL	2-9
Overland Res.	1-0	Pulse Health	2-0	Senex Energy	5-0	Technology One	0-2	Webster Ltd	1-0
Oz Brewing Ltd	2-0	Pura Vida En.	1-0	Service Stream	1-0	Tellus Res.	1-0	Wellcom Group	1-0
P-Sivida Ltd	1-0	Qantas Airways	2-0	Seven West Med.	6-0	Telstra	4-0	Wesfarmers Ltd	1-0
PLD Corporation	4-0	Qld Mining Corp	3-0	Seymour Whyte	3-2	Templeton Globa	1-0	Western Desert	1-7
PMI Gold Corp.	1-0	Quest Investm't	1-0	Sheffield Res.	9-0	Tempo Australia	2-1	Westfield Group	1-0
PMP Limited	2-0	Queste Comm's	0-1	Sigma Pharm.	1-0	Ten Network	3-0	Westpac Banking	1-2
PPK Group Ltd	8-0	Quest Minerals	1-0	Signature Cap't	3-0	Teranga Gold	2-0	Western Areas	2-1
PTB Group Ltd	1-0	Quickstep Hold.	2-0	Sihayo Gold Ltd	0-1	Terrain Mineral	1-0	Westside Corp.	0-1
PTO Consol. Ltd	3-0	RCR Tomlinson	1-0	Silver Chef Ltd	1-3	Thinksmart Ltd	6-0	Whitefield Ltd	0-1
Padbury Mining	1-0	REA Group Ltd	0-1	Sims Metal Mgmt	8-0	Thomas & Coffey	4-0	White Cliff Min	1-0
Paladin Energy	2-1	RHG Ltd	0-1	Sirius Res. NL	1-0	Thomson Res.	1-0	Whitestar Res.	2-0
Pan Pacific Pet	3-0	Radar Iron Ltd	2-0	Site Group Int.	1-0	Thom Group Ltd	2-0	White Energy Co	1-0
Panax Geotherm.	3-0	Range Resources	1-0	Slater & Gordon	2-1	Thundelarra Exp	3-0	Whitehaven Coal	7-0
Panaust Ltd	4-1	Realm Resources	1-0	Solco Ltd	1-0	Tidewater Inv	3-0	Wide Bay Aust.	1-0
Paperlin X Ltd	9-0	Red Metal Ltd	1-0	Somnomed Ltd	2-1	Tiger Resources	1-0	Winmar Res Ltd	6-0
Paringa Res Ltd	1-0	Red Hill Iron	9-0	Sonic Health	1-2	Tigers Realm	2-0	Wolf Petroleum	1-0
Patties Foods	5-4	Red Gum Res.	2-0	Soul Pattinson	7-0	Timpetra Res.	1-0	Woolworths Ltd	4-1
Paynes Find Gld	1-0	Red Mountain	4-0	Southern Gold	1-0	Titan Energy	1-0	Worley Group	3-1
Peak Resources	2-1	Redcliffe Res.	1-0	Speewah Metals	1-0	Toll Holdings	4-0	World Titanium	3-0
Peel Mining Ltd	3-0	Redflex Holding	0-1	Spitfire Res.	1-0	Torrens Energy	1-0	Wotif.com Hold.	0-5
Peet Ltd	6-0	Redstone Res.	2-0	Sprintex Ltd	5-0	Tox Free Sol.	1-4	XRF Scientific	1-0
Peninsula En.	3-0	Reed Resources	0-1	Sprint Energy	3-0	TransPacific In	1-0	Xanadu Mines	2-0
Perpetual Ltd	5-0	Reef Casino Trt	2-0	St Barbara Ltd	6-0	Transurban Grp	2-0	YTC Resources	1-0
Perseus Mining	0-2	Regal Resources	1-0	Stanfield Funds	2-1	Transfield Serv	2-0	Yellow Rock Res	9-0
Petrel Energy	1-0	Regis Resources	0-1	Starpharma Hold	8-1	Treasury Wine	4-0	Zamanco Min Ltd	1-0
Pharmaxis Ltd	0-1	Resource Dev.	1-0	Sth Boulder Min	1-0	Triton Gold Ltd	0-1	Zenith Minerals	3-0
Pharmaust Ltd	1-0	Resource Star	3-0	Sth Cross Media	2-0	Troy Resources	1-14	Zeta Petroleum	2-0
Phileo Aust.	2-0	Resource Equip.	4-0	Sth Hemi Mining	5-0	Trustees Aust.	3-0	Zicom Group	6-0
		Resolute Mining	0-1			Trust Company	1-0		

Investment Outlook*(Continued from Page 1)*

as the ECB has stated its *intention* to absorb the money pumped into the system “by any means possible”. At the very least OMT will keep interest rates down and removes the risk of countries defaulting on their sovereign debt.

The US policy is designed to *lower* the US dollar against other countries, but the Japanese will now compete more aggressively to depreciate their currency at a faster rate. Ultimately, of course, all currencies can not depreciate against each other - but can only depreciate against real asset prices and other financial asset prices. That is, quantitative easing or printing money will ultimately inflate both real asset prices and financial asset prices. In the medium to long term, fixed monetary assets (i.e. cash, bank deposits, bonds) will decline in real value as inflation raises the price of goods and services and real assets.

Historically, governments have raised interest rates to fight rising inflation. Those higher interest rates increased corporate borrowing costs (i.e. depressing profitability) and made shares relatively less attractive than the higher interest being paid on bank deposits and bonds. This time will be different, with governments actively seeking higher inflation (which will boost economic activity as well as allow them to progressively “default by stealth” on their debts) and intending to keep interest rates low.

When investors finally perceive that central banks are underwriting the value of risk assets, that inflation is increasing and will lift the nominal value of company profits (and dividends) and that interest rates will remain very low, then there *could* be a significant transfer in asset allocations from cash to shares. That would result in a strong rally in stockmarkets over the next several years!

Longer term subscribers of the newsletter may remember how easy monetary conditions lifted the NZ stockmarket more than 6-fold in value from the start of 1983 until 1986 (or up more than 12-fold from its earlier 1977 lows). The current environment of competitive “ultra-easy” monetary conditions has the potential to have a significantly greater impact on share prices!

The current environment involves risk, but the most likely outcome is “financial asset price inflation”. In plain English that means that monetary conditions will drive share prices sharply higher at some stage in the near future!

Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Abano Healthcare	7.30	14-01	29-01	Full
Smiths City Group	1.00	08-02	15-02	Nil
Tower Ltd	6.00	18-01	01-02	Nil
<u>Australian Shares</u>				
None				

Total Return Index for All Listed Shares

Dec 10	1381.63		
Dec 11	1382.01		
Dec 12	1383.00		
Dec 13	1380.96		
Dec 14	1378.89		
Dec 17	1382.55	Dec 24	1405.03
Dec 18	1378.45	Dec 25	Holiday
Dec 19	1386.60	Dec 26	Holiday
Dec 20	1395.57	Dec 27	1407.37
Dec 21	1398.30	Dec 28	1411.67
Dec 31	1413.53	Jan 7	1433.93
Jan 1	Holiday	Jan 8	1433.49
Jan 2	Holiday	Jan 9	1444.48
Jan 3	1417.61	Jan 10	1441.39
Jan 4	1424.76	Jan 11	1438.20

Next Issue:

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

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