

Market Analysis

Inside Market Analysis

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Summary and Recommended Investment Strategy.

Historically shares have been the best long term investments and companies will adapt to whatever happens in the future. Current valuations look attractive, so remain fully invested in the recommended shares.

Investment Outlook.

What impact will the outcome of the US Presidential election have on the Australian and New Zealand economies and stockmarkets?

For many people, politics is the answer to every problem, but “for every complex problem there is an answer that is clear, simple and wrong”.

Every politician in every political party in every country seeks to improve the safety and raise the economic welfare of the people, create jobs and to provide public services. They may use different methods based upon different economic and political ideologies, but the goals are the same.

So, given that just about everything has been tried somewhere at sometime, can you list the successful economic and political policies? What worked? Where are the successful countries? What is the optimal corporate tax rate? The best personal tax rates? The optimal minimum wage rate? The optimal retirement age? What is the best way to provide healthcare? Or welfare?

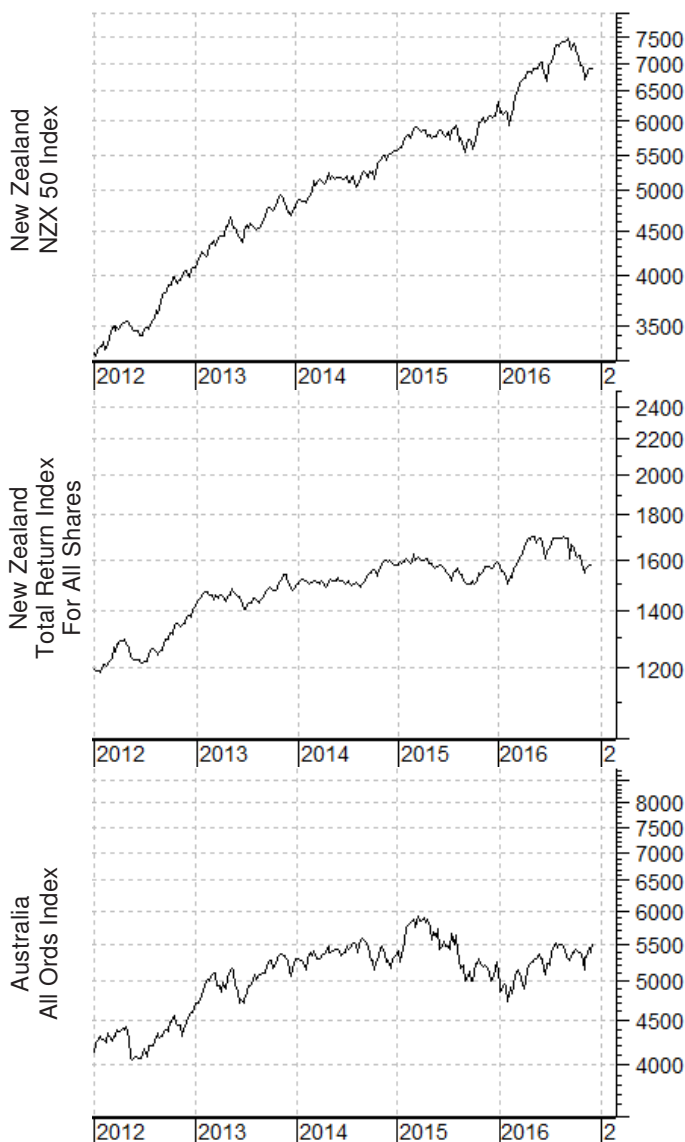
When we know the answers to those questions then we will know whether any economic/political changes will be “favourable” or “unfavourable”. But there are no “correct” answers.

Politics is still like World War One battlefield planning: Someone gets an idea and sends out the troops (life expectancy: six weeks in the trenches, 20 minutes going over the top) to try it out . . .with the same predictable results.

All we really do know for sure is that centrally planned economies that ignore “market forces” tend to perform poorly, while lightly regulated economies that respond to market signals and are open to trade tend to perform better. Putting in a few tariffs is probably “bad” (i.e. it is effectively a consumption tax on local consumers and will perpetuate inefficient local businesses) but just as politicians struggle to make any measurable improvement, the economy (Continued on Page 16)

Stockmarket Forecasts

	One-Month	One-Year
Australia:	79% (Bullish)	78% (Bullish)
New Zealand:	65% (Bullish)	50% (Neutral)



Recommended Investments

CDL Investments reports that none of its land holdings or developments were damaged in the recent earthquakes.

CDL Investments



Cavalier Corporation notes that wool prices have fallen \$1.30 per kilogram (about 25%) over the last five months. This will lower long term costs, but as there is a six month delay between purchasing wool and selling carpet this will depress profitability in the short term. Medium to long term a \$1.30 fall in the wool price should lift profits around \$4 million (pre-tax).

Restructuring to consolidate spinning operations and improve productivity should improve pre-tax profitability by around \$4-5 million annually.

The **Court of Appeal** has dismissed **Godfrey Hirst's** latest appeal against the merging of the wool scouring businesses of **NZ Wool Services International** and **Cavalier Wool Holdings** (50% owned by Cavalier Corporation), but the company notes "that this decision could still be appealed".

The company has launched two new synthetic carpet ranges, *Siren* and *Valour*, and one new wool carpet range, *Jive*, but has been unable to source a "suitable quality" carpet tile product that is "commercially viable".

Cavalier Corporation



Smiths City Group reports half year revenues (to 31 October 2016) will be 17.6% higher, boosted by the purchase of **Furniture City** in April. Same store sales were up 7.7%. It also reports "gross margin improved 1%". That may not sound like much but this is a low margin business, so a 1% improvement in gross margin could lift net profits by around 50%!

The group has also negotiated to refinance debts (mainly for its *Smiths City Finance* business) with

"material savings in interest costs to the group". This refinancing should be effective from about March 2017.

The group will open its 30th *Smiths City* store in Hastings in February 2017.

Smiths City Group



Steel & Tube Holdings reports that global steel prices fell to a 13-year low in December 2015 before rising in early 2016. Steel prices are likely to rise further: Over the last six months, coking coal prices have tripled to US\$250 per tonne. That will add about US\$140 (NZ\$200) per tonne to steel prices. Iron ore prices have also recovered to US\$70 per tonne, adding a further US\$30 (NZ\$40) per tonne to steel prices.

Restructuring 30 jobs will reduce future costs by \$2.6 million annually, but with some implementation costs in the current half year to 31 December.

The **Commerce Commission** intends to prosecute Steel & Tube (and two other steel companies) in relation to "the application of testing methodologies", not the performance characteristics, of seismic mesh. The Verification Standard was "ambiguous" - Steel & Tube had similar product tested at "several different testing houses" with "significant variation" in results - and the Government has since worked with industry to produce an updated Standard.

Steel & Tube Holdings



Australian Shares

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

AcruX Ltd reports that the outcome of its appeal against the loss of patent protection will be known in mid-2017 but there will be a "significant negative impact on *Axiron* royalties in the meantime".

Gedeon Richter launched *Lenzetto* in Germany, Hungary and Romania (triggering a US\$2 million milestone payment in the last financial year) and will launch this product in another nine European countries in the next six months.

Acrux has completed three generic formulations for which it is currently selecting Contract Manufacturing Organisations (CMO). By June 2017 it will have seven topical generic products under development.

In addition the company is challenging patents covering efinaconazole with the aim of launching its own treatment for onychomycosis.

At June 2016 the company held cash of \$29.4 million (17.6 cents per share).



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	E	276.1	1.1	4.07	11	4.4	70	27.6	+290%
HOLD+	Cavalier Corporation	CAV	05/12/95 156*	C	68.7	1.2	0.29	17	Nil	79	282.0	+131%
HOLD	Colonial Motor Company	CMO	10/11/92 128*	A	32.7	0.6	0.27	12	7.8	710	500.3	+846%
HOLD	Smiths City Group	SCY	09/10/06 64	B	52.7	1.4	0.17	12	3.6	70	30.0	+56%
HOLD	South Port New Zealand	SPN	13/02/96 120	A	26.2	0.5	3.93	17	6.6	550	225.3	+546%
BUY	Steel & Tube Holdings	STU	08/08/00 146	B	90.6	0.9	0.40	11	11.6	227	351.1	+296%
<u>Australian Shares (in Aust cents)</u>												
HOLD+	Acrux Limited	ACR	12/05/14 99	C	166.5	1.7	1.75	4	Nil	30	14.0	-56%
HOLD	AJ Lucas Group	AJL	13/05/03 107*	B	390.5	1.4	1.18	NE	Nil	39	36.4	-29%
HOLD+	ALS Limited	ALQ	12/10/99 72*	A	504.2	0.4	2.27	31	2.2	614	282.4	+1145%
BUY	AtCor Medical Ltd	ACG	11/11/13 15	D	201.7	3.9	2.57	NE	Nil	6	Nil	-57%
HOLD+	Atlas Pearls & Perfume	ATP	14/05/96 73	B	419.4	5.0	0.91	17	Nil	4	17.5	-71%
BUY	Brickworks Ltd	BKW	12/11/12 1115	B	149.1	0.3	2.63	24	4.5	1282	110.5	+25%
HOLD+	Cardno Ltd	CDD	14/12/09 223*	A	479.6	1.0	0.39	62	Nil	97	98.0	-13%
HOLD	Clarius Group Ltd	CND	08/04/03 82*	C	89.6	3.2	0.05	NE	Nil	9	70.5	-3%
HOLD+	CPT Global Ltd	CNO	10/03/08 88	D	37.2	2.1	0.26	NE	Nil	20	15.8	-59%
HOLD+	CSG Limited	CSV	11/10/10 175	B	315.0	1.1	1.02	14	11.4	79	64.0	-18%
HOLD	Ellex Medical Lasers	ELX	14/03/06 49	B	114.1	0.8	2.34	50	Nil	150	Nil	+205%
HOLD+	Fiducian Group	FID	11/02/08 260	A	31.1	0.6	3.23	19	3.4	364	69.9	+67%
BUY	Finbar Group Ltd	FRI	12/04/10 106	B	231.6	1.0	2.03	8	7.8	90	57.5	+39%
BUY	Iluka Resources Ltd	ILU	12/10/04 471	A	418.7	0.4	3.29	54	3.6	695	238.0	+98%
HOLD	Integrated Research	IRI	14/01/08 40	A	170.6	0.5	5.30	28	2.5	263	43.0	+665%
BUY	McMillan Shakespeare	MMS	07/11/16 1041	B	83.2	0.4	1.68	10	6.2	1016	Nil	-2%
HOLD	Melbourne IT	MLB	10/02/04 53	A	100.9	0.7	1.21	27	2.6	195	187.0	+621%
HOLD+	Michael Hill Int'l Ltd	MHJ	11/06/91 4*	A	387.2	1.2	0.92	18	3.6	133	59.8	+4721%
BUY	Mt Gibson Iron	MGX	10/11/14 44	C	1096.6	1.7	1.52	NE	Nil	34	Nil	-23%
HOLD	Novarise Renewable Res	NOE	14/03/11 25	D	415.1	2.5	0.42	NE	Nil	16	Nil	-36%
HOLD	Onterran Ltd	OTR	16/08/10 13*	C	57.5	1.5	0.08	NE	Nil	37	Nil	+185%
HOLD-	Opthea Limited	OPT	10/02/04 188	D	160.2	1.3	NA	NE	Nil	68	65.0	-29%
BUY	OZ Minerals	OZL	14/03/16 522	A	303.5	0.4	2.91	20	2.4	843	6.0	+63%
HOLD	Programmed Group	PRG	12/03/02 229*	B	257.3	0.8	0.20	73	6.5	178	386.0	+146%
BUY	Prophecy International	PRO	08/09/08 26	B	64.0	1.1	3.23	20	5.4	74	24.0	+277%
BUY	Reckon Limited	RKN	08/08/16 141	B	113.3	0.7	1.57	11	4.9	148	2.0	+6%
HOLD	Technology One Ltd	TNE	11/11/03 44	A	313.3	0.5	7.68	47	1.3	541	59.8	+1265%
HOLD+	TFS Corporation Ltd	TFC	08/01/07 45	A	390.2	0.7	3.44	9	1.8	170	26.2	+336%
HOLD	The Reject Shop Ltd	TRS	11/01/05 257	B	28.9	0.5	0.30	14	5.4	820	449.5	+394%
HOLD+	Village Roadshow	VRL	10/08/09 77	B	161.6	0.5	0.65	14	6.5	433	309.0	+864%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +345.2%. This is equal to an average annual rate of +32.2%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 36 current and 164 closed out) is +32.8%, compared with a market gain of +3.8% (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.

Recommended Investments

(Continued from Page 3)

AJ Lucas Group subsidiary **Cuadrilla Resources Holdings** now expects to drill the first two test wells in the March 2017 quarter with “fracking and testing the flow of gas in the second half of 2017”. Previously flow testing was expected in the March 2018 quarter.

AJ Lucas Group



AtCor Medical has raised \$1.9 million from the placement of 29.2 million shares at 6½ cents. That was a huge 35% discount to the then market value of 10 cents. The shares last traded on-market at 6.4 cents, after hitting a recent low of 6.1 cents. So this poorly organised \$1.9 million capital raising has depressed the value of the company by \$7.3 million!

The company states that this \$1.9 million of cash plus “\$1 million of non-sales related cost reductions should provide adequate working capital into the 2018 financial year”. As we discussed last month, the company should be “profitable and cashflow positive during the second half of the June 2018 financial year”.

Your Editor contacted the company to express his dissatisfaction with the handling of this placement. The placement was at a very large 35% discount to market value and the stock broker/advisor placed many of these shares with their clients who immediately dumped the shares on-market the *next day*. So *outside* investors were offered shares at a big discount and the shares were placed in a way that simply depressed the market value of the shares (i.e. destroying value for existing shareholders).

The company responded “The Board is considering” (presumably they mean “considered”) “an offer to retail shareholders via a rights issue or SPP, but advice from our brokers was not to do one at the same time as the placement. This does not rule one out in the near term though”. So the usual meaningless comments to placate an unhappy shareholder!

Of course it is illegal for company directors or management to disclose information to shareholders or analysts that has not already been publicly disclosed. Any such disclosure would be illegal inside information!

So did the company's private communication include illegal inside information that they are considering a cash issue or SPP “in the near term”? That would conflict with the public disclosure that it has “adequate working capital” until the 2018 financial year.

No. Note that it merely says “this does not rule out”, which is not illegal inside information but legal *misinformation!*

Shareholders do, however, have one way to effectively express to the company their dissatisfaction with a badly handled placement being made at a massive discount to market value: On 21 December the company will hold a General Meeting relating to this placement. Under stock exchange listing rules, a company can issue up to 15% of its capital each year via a share placement without prior approval of shareholders. AtCor Medical will seek shareholder approval to “ratify” the recent share placement which will reset that 15% threshold (i.e. enable the company to make another placement, if it wishes).

The only way to get the attention of the directors and send a clear message that the recent share placement was handled badly is to VOTE AGAINST Item One (Ratification of the share placement). That does not reverse the recent placement, but it prevents the directors from making another placement within twelve months.

If this item is defeated (or even if passed, but with a sizeable “No” vote) then the directors will get the message that shareholders were not happy with the way the recent placement was handled.

Shareholders can vote online (up until 19 December) at www.linkmarketservices.com.au. Vote “No” for item 1. Items 2, 3 and 4 are less important and simply approve the issue of shares to directors under this placement.

From an investment point of view, AtCor Medical shares should now be an attractive “Buy”. The badly handled share placement has depressed the market value of the shares. That depresses the value of our existing shareholding, but makes the shares very cheap and attractive for additional purchases. Furthermore, the \$1.9 million of cash should carry the company through to the second half of the 2018 financial year when it becomes cashflow positive.

So the company is more soundly financed and the shares are cheaper. “Buy”.

AtCor Medical



ALS Limited plans to sell its Oil & Gas businesses, excluding the related laboratories.

Six Months to 30/9/2016

	Latest	Previous	Change
Revenues	\$672.0m	\$712.1m	-5.6%
Net Profit	\$48.7m	\$57.1m	-15.7%
Net Cash Surplus	\$78.7m	\$69.4m	+13.4%
Earnings per share	9.7c	14.0c	-31.0%
Dividends per share	5.5c	7.5c	-26.7%

The Coal businesses have been reclassified from the Energy division (which is now the to be discontinued Oil & Gas division) and moved to the Minerals division (which is renamed the Commodities division).

The Life Sciences division lifted revenues 1% to \$321.0 million with earnings down 5% to \$55.6 million.

Commodities revenues were 5% lower at \$203.9 million with earnings steady at \$39.8 million. Mineral samples were up 16%.

The Industrial division lifted revenues 6% to \$99.8 million with earnings up 7% at \$14.5 million.

The overall result was depressed by the Oil & Gas division with revenues 45% lower at \$47.3 million and a loss of \$13.3 million (compared with a small loss of \$0.3 million a year earlier).

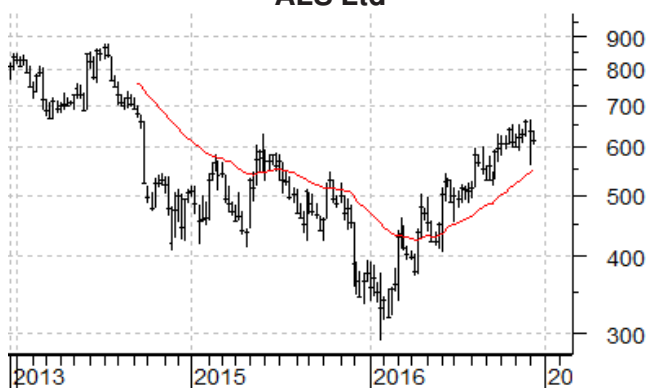
Life Sciences contributed 48% of group revenues and 58% of earnings and will grow further with 15 potential acquisitions which will contribute \$130 million (+20%) in annual revenues and \$19 million (+17%) in annual earnings. ALS Ltd expects to complete all of these acquisitions by March 2017 at a cost of \$122 million.

The company has recently completed the acquisition of UK based **ALcontrol UK**, a provider of food and environmental analytical services, **EMICAL**, a Colombian based food safety laboratory and acquired **BioCity**, the internal Food microbiology laboratory of UK based **2 Sisters Food Group** (who have sold the business to ALS Ltd to provide 8,000 samples per week of food tests for at least seven years).

The company is in “exclusive final acquisition negotiations or due diligence with food safety laboratories in the USA, Italy, Turkey, Spain and Brazil”. These businesses “represent solid value in the short term with significant growth also available”.

The company expects a second half profit - excluding the Oil & Gas division - of \$50-60 million.

ALS Ltd



Brickworks Ltd's expects its Building Products division's first half to “remain relatively steady”, with higher earnings on the east coast and lower earnings in Western Australia plus a \$1.1 million bad debt following the collapse of **Home Australia Group**. The company then expects a “strong second half” for Building Products.

Land and Development earnings should improve strongly, with “construction activity at unprecedented levels in the second half” of the 2017 financial year.

Brickworks Ltd



Clarius Group is consolidating all of its business under a “new single brand called *Ignite*”.

The company is investing in new technology to replace front and back office legacy platforms.

CSG Limited's share price fell very sharply after the company announced it will earn lower than expected first half profits to December 2016. The first half earnings margin will be 10.5-12.0%, down from its target 14%, owing to print service volume and price declines, lower print equipment margins in New Zealand owing to competition and the sale of **Samsung** print division and losses on related stock. There are also \$3 million of start-up losses from the new Sydney Direct Sales channel.

The second half profit margin is expected to recover to 12.5-14.0%.

Full year earnings (before interest, depreciation and tax) are now forecast at \$38-42 million, down from an earlier forecast of \$44-48 million).

The Finance Solutions division has increased its leasing facility limit from \$120 million to \$180 million, plus extended the maturity date one year to April 2021.

CSG Ltd has also signed an agreement for office retailer **Officeworks** which will offer communications and technology products under CSG Ltd's “Technology as a Subscription” business model.

CSG Ltd



Ellex Medical Lasers has raised \$10.3 million from the placement of 7,000,000 shares at 147 cents. That was a 7½% discount to market value - a more reasonable discount than the 35% discount by AtCor Medical discussed earlier!

The company will use this money to “accelerate sales growth of *Ellex iTrack*” by expanding its US sales force from six people to 15 people over the next 6-9 months,

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Recommended Investments

(Continued from Page 5)

develop associated products and “increase surgeon engagement through clinical training” for *Ellex* laser and *iTrack* products.

The **Centers for Medicare and Medicaid Services**, which provides insurance for 50 million retirees and disabled persons, has increased the reimbursement level for *iTrack* from US\$976 to US\$1747 per procedure.

Ellex iTrack currently generates only 8% of the company's revenues but the glaucoma MIGS market is expected to grow 7-fold over the next four years.

Ellex Medical Laser



Iluka Resources has completed its “merger” (i.e. \$393 million cash acquisition) of **Sierra Rutile** after receiving clearance from the **German Antitrust Authority** (and a short delay owing to “geotechnical risks” relating to Sierra Rutile's tailing dams). Sierra Rutile's existing (high interest) debts of US\$59 million (A\$80 million) will be repaid and refinanced by Iluka Resources.

Iluka Resources will also invest US\$60 million over the next two years on operational improvements. Three major expansion projects will be considered over the next 3-5 years - costing up to US\$160 million.

Sierra Rutile pays income tax at the higher of (1) 3½% of turnover or (2) the standard 30% tax on net profits (less accumulated tax losses of US\$464 million). In recent years tax has therefore been paid at the 3½% turnover rate. The tax losses could only be utilised in boom years when tax at 30% of net profits could exceed the 3½% turnover tax rate.

Iluka Resources has terminated its joint development agreement with **Vale SA** to evaluate and develop the *Tapira* deposits in Brazil. Both parties agree that “a method to produce a market acceptable titanium dioxide feedstock was not identified using currently known conventional or alternative technological routes”. Iluka Resources will write-off the \$6 million spent on this project.

Iluka Resources



Integrated Research continues to expect net cashflows to “remain tight” as it transitions its business to a recurring licence model. That transition should be complete by June 2017.

The company is not producing revenue or profit forecasts, but is continuing to invest in Contact Centre and Call Recording software and expects strong growth.

Integrated Research



Mt Gibson Iron has received approval for its *Iron Hill* mine from Western Australia's Minister for the Environment. Once final regulatory approvals are received the company will begin the \$2-3 million development.

Mt Gibson Iron has entered two “offtake agreements” with customers who will take production from the new *Iron Hill* deposits. The company will seek to sell up to 80% of production through these agreements.

China based **Sinogiant Steel Holdings Group** has agreed to purchase around 25% of the first year's production (at “market reflective pricing”) while **Xinyu Iron and Steel Group** will purchase a further 25% of annual production on the same terms.

Mt Gibson Iron



Opthea Ltd has completed patient enrolment for its Phase 2A clinical trial of OPT-302 for treating wet age-related macular degeneration. Eight patients will be given OPT-302 and 23 patients will be given *Lucentis* and OPT-302. Primary data should be available in the March 2017 quarter following the 12-week follow up visit.

Opthea Ltd

Onterran Limited is offering a Share Purchase Plan at 38 cents per share to raise up to \$6 million. This was a 5% discount to market value, but the shares last traded at 37 cents. So if shareholders want to increase their holding then it may be cheaper just to buy shares on-market.

Cash raised in the SPP will be used to accelerate the development of 195 Eco cabins in the *Eco Precinct* of *Couran Cove Resort* and to finance cabins for upmarket camping on the 20.8 hectare of ocean front camping ground. The site is already connected to power, water, sewage and telecommunications.

The company has renovated the existing accommodation acquired at *Couran Cove Resort* which is now available for holiday rental and for sale. These assets include 62 Marine Studios (for sale at around \$200,000 each), 37 Marine Suites (\$250,000), seven Lagoon Lodges (\$380,000) two Broadwater Villas (\$500,000) and one Eco Cabin (\$150,000). The company hopes to sell around seven of these properties per month over the next 15 months to realise around \$25.5 million. This would realise an amount slightly in excess of the cost of all of the *Couran Cove* assets - giving the company the development assets at “nil cost”.

The company believes it can build and sell 4-5 Eco cabins per month at around \$275,000 each at “a strong gross margin”. The construction and sale of 200 Eco cabins over the next 3-4 years could therefore generate \$55 million of high profit margin revenues.

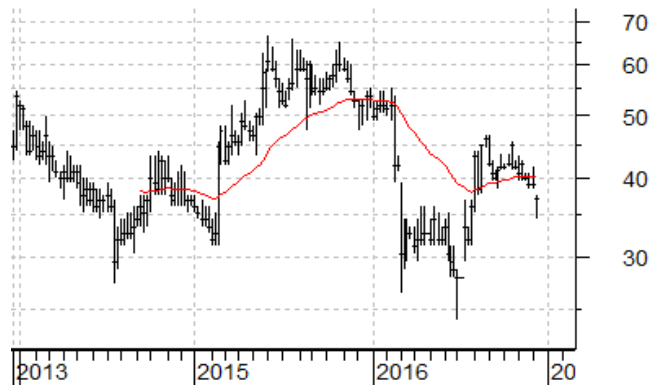
It also plans to develop 14 waterfront houses on the *Lagoon Lodge Development Land* at around \$550,000 each. That would realise \$7.7 million over the next two years.

12 houses, with boat moorings, can be built on the Broadwater (the Point) with a sales value of about \$1.0 million each, realising a further \$12 million over the next two years.

Development of cabins in the camping ground could realise over \$100 million over a longer period of construction and rental. Each cabin is likely to cost around \$140,000 but generate a rental of \$400 per night. At 50% occupancy that is gross rentals of \$73,000 annually, a “very high return” on the additional capital investment.

All of these projects should generate “very strong cash margins”, partly as the land comes at no implicit cost.

The company has also purchased a 110 seat passenger ferry to provide access to the resort and camping area for tourists and potential long term residents.

Onterran Ltd

OZ Minerals has released its Pre-Feasibility Study for the *Carrapateena* project. The project is now forecast to cost \$830 million (excluding the \$150 million for the off-site Concentrate Treatment Plant) which can be financed from existing cash and cashflows. The mine will produce revenues of \$10,600 million over 20 years with net pre-tax cashflows of \$5,200 million or a discounted net present value of \$770 million (or about 250 cents per share).

The project will payback its initial investment in four years after commencing production. The current project will seek to extract 133 million tonnes of ore at 1.5% Copper and 0.6 grams of Gold per tonne.

Production will require 8 megalitres (i.e. 8 million litres) of water per day, with 5 megalitres/day currently identified on-site, but “dispersed and some is hypersaline” which would reduce recoveries and increase maintenance costs. It would also require 5.5MW of power and OZ Minerals is negotiating for supply and investigating options to externally finance the power line from sub-station to site.

The Feasibility Study will be completed in the March 2017 quarter with OZ Minerals expected to approve the project in the June 2017 quarter. The first ore (extracted as part of the underground mine development) is expected in the December 2018 quarter with project completion (i.e. regular mine production) in the second half of 2019.

No further resource drilling from the surface will be undertaken at *Carrapateena*. In late 2017 further exploration drilling will be done from the decline, at reduced drilling costs.

OZ Minerals has also updated plans for its *Prominent Hill* mine. During the first half of 2017 it will investigate deepening the existing open cast pit by 24 metres to access more ore at low cost. Underground ore reserves have increased by 40% and underground ore production will be increased to 3.5-4.0 million tonnes per annum (Mtpa) by 2019 and continue at this rate until at least 2028. The processing plant will operate at 9-10 Mtpa until 2023 while processing stockpiled ore from 2018 to 2023 and then reduce capacity to 4 Mtpa to match the underground ore production.

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Recommended Investments*(Continued from Page 7)***OZ Minerals**

Programmed Group's lift in revenues reflects the acquisition of **Skilled Group**. Trading profits (i.e. excluding goodwill write-downs and integration costs) again reflect the acquisition. Earnings per share and dividends per share - which reflect the combined business, divided by the increased issued capital to finance the merger - were *down* 42% and 46%.

Six Months to 30/9/2016

	Latest	Previous	Change
Revenues	\$1,337.7m	\$709.7m	+88.5%
Net Profit	\$18.1m	\$14.3m	+26.6%
Net Cash Surplus	\$17.5m	\$9.7m	+80.5%
Earnings per share	7.0c	12.0c	-41.7%
Dividends per share	3.5c	6.5c	-46.2%

The company now seeks to “significantly grow sales over the next three years”. That revenue growth - plus a recovery in profit margins - is necessary to lift net profits and the value of the shares! The Staffing division sees “more than \$300 million per annum of new, near-term revenue opportunities in the business development pipeline” which would lift revenues 20%. The Maintenance division has work-in-hand of \$2200 million (equal to about 20 months revenues, although some on longer term contracts), with “further opportunities under active development”.

The company is forecasting full year earnings (before interest, tax and depreciation) of \$100 million (compared with \$43.4 million over the first half year). That would equate to a full year net profit of around \$45 million (17½ cents per share).

Programmed Group

Prophecy International Holdings has produced a presentation outlining the potential for its *SNARE* and *eMite* products.

The company sees significant potential to increase *SNARE* sales. For example, it sells through partnerships with **IBM** which has 5,000 SIEM (Security Information and Event Management) customers but less than 2% are currently using *SNARE* (at an average sale worth \$60,000) and through **Secureworks** which has 6,000 customers but with only 5% using *SNARE* (with an average sale worth \$25,000). There are also 100,000 “open source” *SNARE* users of which only 2% are paying to use the Enterprise version.

eMite has been redesigned as an “out of the box” product to move the business model from “low volume/high effort deals to high volume/low effort deals”, reducing the sale process from 6-9 months to 6-8 weeks, reducing the time (i.e. cost) to implement from months to hours and to build repeatable sales through indirect channels.

Prophecy International Holdings

TFS Corporation (to be renamed Quintis) has acquired all grower owned wood sold by tender at A\$131 per kilogram (up 6% on the previous year).

TFS Corporation

Technology One has produced another year of steady growth in revenues, profits, net cashflows and dividends:

Full Year to 30/9/2016

	Latest	Previous	Change
Revenues	\$248.0m	\$218.7m	+13.9%
Net Profit	\$41.3m	\$35.8m	+15.5%
Net Cash Surplus	\$43.7m	\$37.6m	+16.2%
Earnings per share	13.3c	11.6c	+14.6%
Dividends per share	7.45c	6.78c	+9.9%

In addition, the company will pay a special dividend of 2.0 cents, the same as last year.

Profit growth could accelerate over the next few years with developments in the United Kingdom business and in the group's Cloud business.

The United Kingdom made a small \$66,000 profit (a

December 12, 2016.

year earlier than forecast) after winning 13 new customers. This business now has 40 customers which is a “critical mass”. The company predicts 33% revenue growth for this division, lifting profits 7-fold to \$500,000 this financial year. Then they predict 50% revenue growth for many years! This would make a significant contribution to profits in the years immediately ahead.

Technology One Cloud lost \$2.2 million over the last year but is predicted to produce a \$1 million profit this financial year. Revenues are forecast to rise 100% to \$32 million over the current year, then at lower annual rates but to reach around \$143 million by 2022 (i.e. a compound growth of 35% per annum over the next five years). This would make a *very significant* impact to profits!

Our only concern is that Technology One shares trade at a high valuation (i.e. the share price already anticipates this expected higher future growth). At 541 cents the Price/Earnings ratio is 41 and the Dividend Yield only 1.4%.

We estimate that the contributions from Cloud and UK businesses could lift annual revenue growth from 12-14% to around 22% over the next five years. Profit growth could accelerate from 15-16% to around 25% per annum. That is strong and consistent growth from a high quality business, but is it worth a P/E of 40?

25% per annum compound growth in earnings per share will equal 40.5 cents per share in 2021. At that stage the business will still have sound growth potential so the shares could trade on a P/E ratio of 20-25. That

would imply a share price of 810-1010 cents in five years time, up 50-87% in total or a compound rate of capital appreciation of 8-13%. Add in the dividend and we have a 10-15% total return.

Now 10-15% is a sound rate of return - certainly better than cash invested in the bank or with most equity funds - but it is close to the long term *average* return from investing in the stockmarket and a lower return than this newsletter has achieved over the last 36 years! So Technology One shares are a sound investment, but not an *under-valued* investment with the potential to yield above average returns in the near future.

We continue to rate the shares a “Hold”, but investors who now have a very large position in Technology One may consider some partial profit taking to realise some cash for re-investment in more undervalued situations.



Company Analysis: Spring FG Ltd

Spring FG Ltd (code SFL).

Spring FG (the holding company for *Spring Financial Group* and other operating subsidiaries) is a financial services company using technology and “Fintech” businesses as a *low cost* method to win customers for its core “low volume, high margin” services.

The business provides a wide range of financial services but focuses upon two attractive niche markets: the high growth market of *Self Managed Superannuation Funds* (SMSF) and the high margin business of selling off-the-plan residential real estate investments.

Company History

The business was started in 2010 and floated on the Australian stockmarket after an Initial Public Offering of 13.3 million shares (12% of the company) at 30 cents to raise \$4.0 million in March 2015. 38% of this was used to pay the balance owing on an acquisition, 15% on issue and listing fees, leaving 47% to finance future growth.

In November 2015 it placed a further 3,140,473 shares at 31.8 cents to raise just under \$1.0 million.

Business Model and Current Business

Spring FG seeks to win customers through a library of 75 free educational e-books (with 60,000 downloads), an e-Marketing lead database, investment websites (*Sharecafe* and *Sharescene*, with 70,000 members) and the provision of low cost “Fintech” internet services.

All of these are low cost ways to interact with investors . . . to whom the company will then market its high margin financial services.

Financial services offered include: Financial Planning (at \$800-1500 plus GST), Plan Implementation (\$1000-6000), Ongoing Adviser fees (a percentage of assets or a flat fee), Share Trading (at 0.55% to 0.88%, with a minimum of \$55-88 per trade), Property fees (4-6% of the value of the property), Loan fees (often 0.5-0.6% upfront and 0.15-0.20% annually), Insurance fees (30-115% upfront and 10-33% annually) and Tax & Accounting fees (\$1800-3500 for a SMSF and \$250-1500 for a personal tax return).

Property fees are expected to generate around 60% of total revenues, followed by about 10% from each of Financial Planning, Accounting & Tax and Insurance. Property fees are usually received half upfront with the balance on settlement of off-the-plans sales, usually after 18 months (but up to 30 months later on some large projects).

Acquisitions and Expansion

In May 2015 the company acquired **Digifi Group Pty**, the owner of the *Sharecafe* and *Sharescene* websites for \$450,000 (\$63,000 in cash and 919,240 shares at 42 cents).

In June 2015 the company launched its *spring247.com* website to enable the

(Continued on Page 10)

Company Analysis: Spring FG

(Continued from Page 9)

digital delivery of financial advice and wealth management products and services to clients.

In June 2016 the company launched *mysuper247.com*. This aims to be a low-cost “Fintech” service to provide low cost online SMSF establishment, operation and administration . . . but also to up sell and market the full range of Spring FG's other “low volume, high margin” financial services to users. The company hopes to sign-up 1000 members in the first year. There are currently over one million SMSF in Australia with an additional 35-70,000 setup each year. This is the fastest growing sector in financial services, but is not dominated by any service provider.

Spring FG plans a range of similar Fintech services: It will launch *mytax247.com* by June 2017 - although this was originally planned for the September 2016 quarter - and then plans to progressively roll out general insurance, finance, digital wealth management and personal bookkeeping websites. All of these sites can up sell its core products. The company states “Whilst digital services are expected to make a meaningful contribution to revenue and profits, the up sell to fully-advised environment” (i.e. the sale of high margin products) “presents the greatest opportunity”.

Spring FG is also rolling out a franchised network of financial planning businesses as its “operational model is perfectly suited to franchising”. It is targeting 10 stores by June 2018 - originally it was planning 10 stores by June 2017 - with 80-100 franchised branches within the next 5-8 years.

\$200 million of settlements on over 500 properties from 18 major projects to clients over the next 12-18 months will also see the company’s mortgage loan book increase significantly in the near future.

The most critically important factor in the success (or otherwise) of a financial services business is finding and keeping customers. Spring FG is seeking to do this through low cost digital services (i.e. e-books, websites and “Fintech” services delivered via the internet). This should yield a large pool of investors, some of whom will also buy its high margin products and services.

Recent Results

For the year to 30 June 2015 the company reported revenues of \$14.9 million and net profits of \$4,716,878 (4.1 cents per share). A final dividend of 2.6 cents was paid. There was a net operating cash deficit of \$760,140.

Changing accounting standards (relating to the timing of the recognition of revenue from off-the-plan commissions) resulted in the June 2015 results being restated to: Revenues of \$9.9 million and a net profit of \$1,548,000 (1.3 cents per share).

For the year to June 2016, revenues grew 18.4% to \$11.7 million, with net profits up 7.9% at \$1,670,000 (1.3 cents per share). The annual dividend was 1.0 cent. There was an operating cash surplus of \$620,000.

Investment Criteria

At 19 cents, Spring FG shares trade on a Price/Sales ratio of 2.04, a Price/Earnings ratio of 14½ and a Dividend Yield of 5.3%. This is a very young company in a start-up phase, with 50% of property commission received (and recognised for accounting purposes) 18 months after sales, so any revenue, profit or dividend at

this stage is a very good sign. The business is cashflow positive, so is generating surplus cash to finance future development and growth.

The company has no interest bearing debt and no debt facilities, but may need to raise further equity through share placements, and partially finances its dividend through a dividend re-investment plan.

The issued capital is 125,420,811 shares, giving the company a stockmarket capitalisation of just \$24 million.

The shares, like many small companies, are “neglected” by brokers. As one would expect, no brokers follow the company closely enough to publish profit forecasts. Investors, of course, are more likely to find “undiscovered value” in small, neglected shares than in large, “blue chip”, widely followed shares. Small companies and start-up businesses are, of course, very risky, so it is important that shareholders diversify widely to minimise this company-specific risk.

The directors - some of whom also founded the company - have significant investments in Spring FG. The Managing Director and CEO, K Cullen, owns 32,905,488 shares or 26.2% of the company. Executive Director C Kelesis, holds 19,161,831 shares or 15.3% of the company. The Chairman owns 369,370 shares and the other Non-Executive Director holds 119,863 shares.

There have been no *insider* trades on-market over the last year.

The shares, offered at 30 cents in the IPO, listed at a 40% premium but have since trended lower. At 19 cents the shares trade at a 37% discount to their IPO price. The Relative Strength rating is -5.3%, ranked 67 (on a scale of 0-99).

Summary and Recommendation

Spring FG is a small emerging growth company. This situation involves higher than average risks but, if successful, can yield very high returns as the business expands rapidly. Emerging growth company shares usually trade at a high valuation . . . but Spring FG shares have fallen in value since listing and appear to be out-of-favour with investors.

The company appears to have excellent strategies to acquire clients (through digital services and franchising) which could drive strong growth in its business. It is also focusing on a fast growing niche market (i.e. SMSFs) and a high margin business (i.e. off-the-plan property sales). So Spring FG has a sound business strategy which could prove extremely successful.

A small holding in Spring FG shares would be suitable for investors with a well diversified portfolio seeking higher growth, higher risk, emerging growth company investments.

Spring FG



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

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

STRENGTH RATING														STRENGTH RATING													
Company	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Analysts Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n		Company	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Analysts Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n	
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0														WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average													
Smiths City	70	+14.5	-2.1	3	2-0	-0.7	6	1.4	12	3.6	0.17	37	Vital Health PT	204	-58.3	+0.0	98	0-0	3	1.3	22	0.5	6	4.8	9.12	704	
Col Motor Co	710	+7.1	-1.5	15	5-0	-1.4	12	0.6	12	7.8	0.27	232	Wynyard Group	22	-41.3	+1.8	96	0-0	0	0.6	-	1.6	NE	Nil	1.47	39	
Tenon Ltd	257	+0.3	+0.0	40	0-0	-1.2	-	0.7	NE	2.5	0.28	167	SLI Systems Ltd	47	-26.7	-4.2	94	0-1	3	5.1	-	1.1	NE	Nil	0.84	29	
PGG Wrightsons	47	+5.6	-5.7	17	0-0	2	1.3	14	1.8	9	11.1	0.30	355	Serko Limited	30	-24.5	-7.0	92	0-0	0	0.8	-	1.3	NE	Nil	0.60	8
Ebos Group Ltd	1640	+3.5	-4.1	23	1-1	5	2.3	12	0.8	20	3.6	0.35	2,482	GeoOP Ltd	18	-20.7	-4.8	91	0-0	0	1.2	-	1.8	NE	Nil	4.61	9
Warehouse Group	304	+3.8	+0.1	21	0-2	6	1.9	10	1.0	20	7.3	0.38	1,054	Orion Health.	196	-19.7	-8.4	90	0-6	4	5.0	-	0.6	NE	Nil	1.51	312
Steel & Tube	227	+2.0	-0.4	32	0-0	4	1.1	11	0.9	11	11.6	0.40	206	Snakk Media Ltd	40	-18.5	-3.3	90	0-0	0	1.5	-	1.5	NE	Nil	0.60	6
AWF Madison Grp	268	+4.2	+2.4	21	1-0	-	2.4	14	0.9	17	7.9	0.41	87	SeaDragon Ltd	1	-17.7	-4.5	89	0-5	0	2.1	-	5.3	NE	Nil	4.51	25
T&G Global	327	+13.8	-3.7	3	0-0	-1.2	6	1.0	22	2.5	0.48	392	IkeGPS Limited	37	-14.2	-6.0	86	0-1	1	1.4	-	1.3	NE	Nil	2.17	19	
Fonterra S/H Fd	595	+2.0	-0.4	33	0-2	6	1.5	7	0.7	20	4.2	0.50	9,515	EROAD Ltd	170	-13.7	-3.2	84	2-3	1	2.0	-	0.7	NE	Nil	3.91	102
Seeka Kiwifruit	449	+3.3	-0.5	24	2-0	-	1.0	6	0.5	17	5.9	0.52	73	Rakon Ltd	18	-10.7	-1.4	82	0-0	0	0.4	-	1.3	NE	Nil	0.31	34
Hellaby Hold.	346	+11.9	+1.5	5	0-2	4	1.7	10	1.0	17	8.6	0.58	332	Burger Fuel	149	-10.7	-0.9	82	0-0	0	7.0	-	1.1	NE	Nil	4.41	89
Fluiy Group	110	+3.0	-0.5	27	2-0	-1.5	17	1.1	9	10.9	0.60	50	Sky City Ltd	399	-8.2	-3.4	80	0-12	11	2.4	13	0.5	18	5.3	2.62	2,621	
Nuplex Indust	545	+3.3	-0.9	25	0-0	-1.8	11	0.9	17	5.0	0.76	1,043	NZ Windfarms	9	-7.3	+1.9	78	0-0	0	0.4	-	1.6	NE	Nil	3.41	24	
Hallenstein G.	295	+3.2	+0.6	26	1-1	4	2.8	27	0.9	10	14.6	0.79	175	AMP Limited	500	-7.3	-1.2	78	2-0	-	1.6	20	0.8	8	6.0	0.99	14,789
Abano Health.	800	+3.3	-1.0	25	0-0	2	1.5	25	0.5	6	4.7	0.80	170	Smartpay NZ Ltd	17	-6.7	-1.2	77	0-4	-	2.5	2	1.7	136	Nil	1.43	29
Fletcher Build.	1073	+9.2	-3.8	9	7-4	12	2.0	13	0.6	16	4.2	0.82	7,385	Pac Edge Bio.	55	-6.3	+1.7	75	0-0	3	6.9	-	1.6	NE	Nil	N/A	207
Mainfreight Grp	2027	+8.3	+2.3	11	1-10	6	3.5	15	0.5	23	2.5	0.88	2,018	Infratil NZ	265	-6.1	-3.7	74	0-9	4	0.8	3	0.6	25	7.5	0.84	1,499
Methven Limited	132	+0.3	-1.3	39	0-0	-2.0	14	1.0	14	7.0	0.92	96	Pyne Gould Corp	20	-6.1	-0.1	74	0-0	0	0.4	-	1.5	NE	Nil	2.18	41	
Kathmandu Ltd	193	+7.1	-5.3	14	0-2	6	1.2	7	1.3	19	5.8	0.95	389	NZ Refining Co	260	-5.6	+4.4	73	0-0	3	1.0	19	0.5	5	2.7	1.82	813
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0														INSIDER SELLING: Most Insider Selling, Relative Strength < 0													
Smiths City	70	+14.5	-2.1	3	2-0	-0.7	6	1.1	12	3.6	0.17	37	Sky City Ltd	399	-8.2	-3.4	80	0-12	11	2.4	13	0.5	18	5.3	2.62	2,621	
Hellaby Hold.	346	+11.9	+1.5	5	0-2	4	1.7	10	0.9	17	8.6	0.58	332	Air New Zealand	216	-10.1	+1.5	81	3-13	7	1.2	17	0.8	7	10.3	0.49	2,424
Fletcher Build.	1073	+9.2	-3.8	9	7-4	12	2.0	13	0.6	16	4.2	0.82	7,385	Infratil NZ	265	-6.1	-3.7	74	0-9	4	0.8	3	0.6	25	7.5	0.84	1,499
Allied Farmers	7	+7.5	-0.2	13	4-1	-	-	3.3	8	Nil	0.68	11	Orion Health.	196	-19.7	-8.4	90	0-6	4	5.0	-	0.6	NE	Nil	1.51	312	
Kathmandu Ltd	193	+7.1	-5.3	14	0-2	6	1.2	7	1.2	19	5.8	0.95	389	SeaDragon Ltd	1	-17.7	-4.5	89	0-5	-	2.1	-	5.0	NE	Nil	4.51	25
Col Motor Co	710	+7.1	-1.5	15	5-0	-1.4	12	0.5	12	7.8	0.27	232	F & P Health.	826	-4.2	-3.0	67	3-8	8	8.6	26	0.6	32	2.8	5.69	4,657	
PGG Wrightsons	47	+5.6	-5.7	17	0-0	2	1.3	14	1.4	9	11.1	0.30	355	Smartpay NZ Ltd	17	-6.7	-1.2	77	0-4	-	2.5	2	1.6	136	Nil	1.43	29
AWF Madison Grp	268	+4.2	+2.4	21	1-0	-	2.4	14	0.7	17	7.9	0.41	87	Comvita	900	-4.5	-2.4	68	2-6	3	2.8	11	0.4	25	2.2	2.00	370
Ebos Group Ltd	1640	+3.5	-4.1	23	1-1	5	2.3	12	0.8	20	3.6	0.35	2,482	Xero Ltd	1740	-0.4	-3.3	51	0-3	7	7.3	-	1.7	NE	Nil	N/A	2,383
Seeka Kiwifruit	449	+3.3	-0.5	24	2-0	-1.0	6	0.4	17	5.9	0.52	73	Spark NZ Ltd	344	-2.3	-2.4	64	0-2	9	3.7	22	0.6	17	8.9	1.80	6,285	
Abano Health.	800	+3.3	-1.0	25	0-0	2	1.5	25	0.4	6	4.7	0.80	170														
Nuplex Indust	545	+3.3	-0.9	25	0-0	-1.8	11	0.8	17	5.0	0.76	1,043															
Hallenstein G.	295	+3.2	+0.6	26	1-1	4	2.8	27	0.8	10	14.6	0.79	175														
Fluiy Group	110	+3.0	-0.5	27	2-0	-1.5	17	0.9	9	10.9	0.60	50															
Cavalier Corp	79	+2.1	-6.5	31	3-0	2	0.8	4	0.9	17	Nil	0.29	54														
Steel & Tube	227	+2.0	-0.4	32	0-0	4	1.1	11	0.7	11	11.6	0.40	206														
Methven Limited	132	+0.3	-1.3	39	0-0	-2.0	14	0.8	14	7.0	0.92	96															
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million																											
Tower Limited	84	-25.4	-3.6	92	1-0	3	0.5	-	1.0	NE	19.0	0.47	143														
Opus Int'l Cons	94	-14.6	+4.0	86	2-0	3	1.0	11	0.7	8	16.3	0.28	141														
Hallenstein G.	295	+3.2	+0.6	26	1-1	4	2.8	27	0.7	10	14.6	0.79	175														
Trust Power Ltd	437	-6.5	-3.5	76	0-0	-	0.7	3	0.6	22	13.3	1.93	1,368														
PGG Wrightsons	47	+5.6	-5.7	17	0-0	2	1.3	14	1.3	9	11.1	0.30	355														
Air New Zealand	216	-10.1	+1.5	81	3-13	7	1.2	17	0.9	7	10.3	0.49	2,424														
Genesis Energy	213	-2.3	-2.3	64	2-2	7	1.1	9	0.7	12	10.1	1.06	2,129														
NZ Oil & Gas	61	+9.9	+3.2	8	0-0	2	1.0	-	1.0	NE	9.2	1.76	209														
Spark NZ Ltd	344	-2.3	-2.4	64	0-2	9	3.7	22	0.7	17	8.9	1.80	6,285														
INSIDER BUYING: Most Insider Buying, Relative Strength > 0																											
Skellerup Hold.	150	+4.4	+0.7	19	9-0	4	1.9	13	0.8	14	8.3	1.37	289	No. of Brokers Following	Market Capitalisation (NZ\$ Mill.)	Company	No. of Brokers Following	Market Capitalisation (NZ\$ Mill.)									
Moa Group Ltd	85	+12.7	-5.3	4	6-0	-	6.7	-	1.1	NE	Nil	4.93	40	2	170	NZ Exchange Ltd	3	267									
Col Motor Co	710	+7.1	-1.5	15	5-0	-1.4	12	0.4	12	7.8	0.27	232	7	2,424	NZ Oil & Gas	2	209										
NPT Limited	65	+1.3	+0.4	36	4-0	2	0.9	6	0.6	15	5.4	6.20	105	9	7,356	NZ Refining Co	3	813									
Briscoe Group	400	+7.9	-2.6	12	9-5	3	5.3	29	0.5	19	5.4	1.58	873	5	825	Opus Int'l Cons	3	141									
Cavalier Corp	79	+2.1	-6.5	31	3-0	2	0.8	4	0.7	17	Nil	0.29	54	3	873	Orion Health.	4	312									
Allied Farmers	7	+7.5	-0.2	13	4-1	-	-	2.6	8	Nil	0.68	11	11	5	54	PGG Wrightsons	2	355									
Fletcher Build.	1073	+9.2	-3.8	9	7-4	12	2.0	13	0.6	16	4.2	0.82	7,385	2	54	Pac Edge Bio.	3	207									
Smiths City	70	+14.5	-2.1	3	2-0	-0.7	6	0.9	12	3.6	0.17	37	5	1,571	Chorus Ltd	5	1,571										
Seeka Kiwifruit	449	+3.3	-0.5	24	2-0	-1.0	6	0.3	17	5.9	0.52	73	3	370	Comvita	6	2,565										
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0																											
Precinct Prop.	118	-1.7	-2.2	60	1-2	7	1.0	10	0.5	10	6.4	9.79	1,429	7	3,377</												

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

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

STRENGTH RATING														STRENGTH RATING															
Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Short Interest	Price to P/E	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Short Interest	Price to P/E	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0																													
Aurora Sand Div	70	-2.0	+0.1	57	0-0	-	-	0.8	-	0.4	NE	6.6	9.87	14	Migme Limited	14	-37.0	-1.3	98	0-0	1	-	0.9	-	0.8	NE	Nil	3.14	38
Westfield Corp.	889	-7.1	-1.7	72	1-2	10	0.5	2.0	8	0.3	26	3.7	9.67	18,474	Netlink Ltd	2	-36.8	-2.0	98	0-0	-	-	0.3	-	2.5	NE	Nil	N/A	11
Folkestone Educ	245	-2.5	-4.3	59	1-1	4	0.1	1.4	25	0.3	6	5.5	9.50	611	TTE Petroleum	1	-36.5	+8.4	98	1-0	-	-	-	-	4.9	NE	Nil	3.20	7
Carindale Prop	760	-2.2	-1.5	58	0-0	2	0.0	1.2	11	0.1	11	5.2	9.49	532	Urbanise.com	14	-36.2	-0.8	98	1-1	-	-	1.3	-	1.1	NE	Nil	4.34	36
Platinum Asset	538	-8.3	+1.9	75	0-0	9	3.4	-	-	0.2	16	3.0	9.34	3,156	Icar Asia Ltd	27	-36.0	+0.7	98	1-0	3	0.0	-	-	0.7	NE	Nil	N/A	85
Biotron Limited	5	-15.0	-4.2	86	2-0	-	-	-	-	1.6	NE	Nil	9.32	14	Audalia Res Ltd	3	-34.9	+3.0	97	0-0	-	-	-	-	2.0	NE	Nil	N/A	12
Alt Invest Trt	9	-5.9	+1.0	69	0-0	-	-	0.2	0	1.3	41	Nil	9.30	12	Ishine Int'l R.	5	-33.8	-1.0	97	0-0	-	-	-	-	1.5	NE	Nil	N/A	8
Generation HC	168	-6.7	-3.5	71	0-0	2	0.2	1.7	24	0.3	7	5.3	9.19	368	Wingara AG Ltd	34	-32.8	+3.4	97	0-0	-	-	-	-	0.5	NE	Nil	2.18	23
Farmaforce Ltd	14	-9.5	+3.4	78	2-0	-	-	-	-	1.1	NE	Nil	9.15	18	Future Fibre T.	20	-32.4	+2.6	97	0-0	-	-	-	-	1.0	NE	Nil	1.66	24
Hotel Property	273	-2.6	-3.2	59	0-0	3	0.1	-	-	0.3	7	6.7	9.14	399	Excelsior Gold	3	-31.9	-2.6	97	2-0	-	-	-	-	2.0	NE	Nil	N/A	15
XTV Networks	1	-11.8	+2.7	82	0-0	-	-	0.8	-	4.5	NE	Nil	9.00	6	Covata Limited	10	-31.7	-1.6	97	0-2	-	-	2.4	-	1.2	NE	Nil	N/A	47
Transurban Grp	1003	-5.9	-1.6	69	0-0	13	1.1	4.5	2	0.1201	5.5	9.00	20,489	CV Check Ltd	8	-31.0	-0.3	97	1-0	-	-	-	-	1.3	NE	Nil	2.13	12	
Mesoblast Ltd	131	-16.6	+2.3	88	0-0	4	6.1	3.3	2	0.5	NE	Nil	8.95	500	Rewardld Hold.	5	-30.7	+1.7	97	0-0	-	-	2.3	-	1.8	NE	Nil	N/A	6
Uscom Limited	24	-1.1	-7.9	54	0-0	-	-	-	-	0.7	NE	Nil	8.86	26	Cre8tek Limited	10	-29.2	+10.7	97	0-0	-	-	-	-	1.0	NE	Nil	N/A	23
Frontier Cap Gr	8	-22.3	-3.4	93	0-2	-	-	-	-	1.2	NE	Nil	8.83	19	Acru Ltd	30	-28.7	-0.4	96	1-0	3	0.7	1.8	46	0.6	4	Nil	1.75	50
Decimal Soft.	4	-8.3	-1.7	75	1-0	-	-	-	-	1.8	NE	Nil	8.78	10	Sun Resources	1	-28.3	+4.1	96	0-0	-	-	-	-	4.2	NE	Nil	N/A	54
Growthpoint Pro	310	-0.9	-1.1	53	0-0	5	1.1	1.6	0	3	0	6.9	8.66	1,988	DirectMoney	4	-28.2	+7.6	96	0-0	-	-	-	-	1.6	NE	Nil	8.29	10
Vicinity Centre	292	-5.8	-2.0	69	9-0	10	0.7	1.2	10	0.3	12	6.1	8.61	11,559	Rey Resources	5	-27.9	+1.9	96	0-0	-	-	-	-	1.5	NE	Nil	N/A	9
Royalco Res.	19	-2.4	-2.9	58	2-0	-	-	-	-	1.0	NE	5.4	8.52	10	Wolfstrike Rent	1	-27.1	+2.8	96	0-0	-	-	-	-	2.9	NE	Nil	8.32	10
Renu Energy Ltd	2	-19.9	+1.9	92	0-0	-	-	0.0	-	3.2	NE	Nil	8.46	8	ZipTel Limited	12	-26.6	+1.1	96	3-0	-	-	1.0	-	1.3	NE	Nil	N/A	10
Shopping Centre	215	-2.9	-1.1	60	2-1	8	2.3	1.2	12	0.4	11	5.7	8.44	1,578	Invigor Group	2	-26.6	-0.5	96	2-0	-	-	-	-	2.6	NE	Nil	0.97	5
World Reach Ltd	24	-4.9	+8.3	66	1-0	-	-	-	-	1.1215	Nil	8.37	104	Genesis Res Ltd	1	-26.4	-1.1	95	0-0	-	-	-	-	2.7	NE	Nil	N/A	6	
Wolfstrike Rent	1	-27.1	+2.8	96	0-0	-	-	-	-	3.2	NE	Nil	8.32	10	Temple Webster	13	-26.4	+1.3	95	3-0	-	-	-	-	1.1	NE	Nil	0.27	14
DirectMoney	4	-28.2	+7.6	96	0-0	-	-	-	-	1.8	NE	Nil	8.29	10	Digital CC Ltd	5	-26.3	-1.0	95	0-0	-	-	-	-	1.9	NE	Nil	N/A	8
Mitula Group	81	-4.2	-7.7	64	0-3	-	-	-	-	0.6	65	Nil	8.22	169	Sundance Res.	0	-26.1	+2.1	95	0-0	-	0.0	-	-	6.5	NE	Nil	N/A	19
Scentre Group	435	-5.2	-2.9	67	6-0	11	0.5	1.4	17	0.3	9	4.8	8.06	23,161	Estia Health	268	-26.1	-1.4	95	6-0	-	7.3	-	-	0.4	18	9.6	1.14	524
Chart H Retail	422	-4.5	+0.6	65	0-0	10	4.3	1.2	13	0.2	9	6.7	8.05	1,714	Smart Trans	1	-25.1	-6.3	95	0-1	-	-	-	-	3.1	NE	Nil	2.28	27
360 Capital TR	110	-2.8	-1.7	60	1-0	-	-	-	-	0.6	6	6.6	8.03	34	Quantum Res.	2	-24.8	+0.1	95	0-0	-	-	-	-	2.8	NE	Nil	N/A	15
Topbeta Hold.	24	-0.5	+8.7	50	1-0	-	0.0	-	-	0.9	NE	Nil	8.02	23	Tech Mpire Ltd	18	-24.5	-3.7	95	1-0	-	-	-	-	1.1	NE	Nil	0.36	12
360 Cap Office	213	-0.5	-1.6	50	0-0	2	-	-	-	0.4	8	8.0	7.90	156	Plukka Limited	4	-24.5	+6.5	95	0-0	-	-	0.7	-	1.6	NE	Nil	3.20	6
Connexion Media	10	-16.0	+2.6	87	0-0	-	-	5.0	-	1.0	NE	Nil	7.87	10	Atcor Medical	6	-24.5	-4.1	94	0-0	-	-	6.4	-	1.4	NE	Nil	2.57	13
Go Connect Ltd	1	-0.8	-1.1	52	0-0	-	-	-	-	4.5	37	Nil	7.72	7	Leigh Creek En.	14	-24.4	+4.1	94	0-0	-	-	-	-	1.4	NE	Nil	N/A	36
P-Sivida Ltd	232	-20.3	-10.7	92	0-0	-	-	-	-	0.4	NE	Nil	7.71	17	VDM Group Ltd	0	-24.1	-4.5	94	0-0	-	-	0.0	-	8.2	NE	Nil	N/A	11
Managed Account	31	-5.5	+1.4	68	0-0	-	-	6.2	11	0.8	57	25.8	7.63	42	Orinoco Gold	12	-24.1	-6.9	94	1-0	-	-	-	-	1.1	NE	Nil	N/A	25
Greenearth En.	6	-5.5	-4.1	68	2-0	-	-	-	-	1.5	NE	Nil	7.63	17	Paladin Energy	7	-23.7	-6.4	94	0-0	7	5.7	0.1	-	1.3	NE	Nil	0.51	123
Digmatic Group	10	-20.0	-0.7	92	0-0	-	-	-	-	1.3	78	Nil	7.37	65	Mt Ridley Mines	1	-23.7	-0.9	94	1-0	-	-	-	-	3.9	NE	Nil	N/A	6
BWX Limited	432	-0.9	-4.0	53	0-0	-	3.9	-	-	0.5	33	Nil	7.33	399	Food Revolution	8	-23.7	-1.4	94	0-0	-	-	-	-	1.6	NE	Nil	0.89	18
Carsales.com	1029	-5.9	-4.2	69	2-4	15	1.5	46.8	-	0.2	23	3.6	7.21	2,484	Success G Media	8	-23.3	-4.2	94	0-0	-	-	-	-	1.6	NE	Nil	1.30	23
Goodman Group	684	-2.7	-3.1	60	3-7	11	0.5	2.7	28	0.2	10	3.5	7.10	12,238	INSIDER SELLING: Most Insider Selling, Relative Strength < 0														
Yowie Group Ltd	57	-16.1	-1.2	88	2-0	-	0.3	6.3	-	0.6	NE	Nil	6.96	117	K2 Asset Mgmt	40	-10.4	+2.5	79	0-7	3	-	10.0	41	0.9	24	3.8	6.63	93
AFT Corporation	0	+0.0	+0.0	46	0-0	-	-	-	-	14.1	NE	Nil	6.96	9	Dome Gold Mines	27	-11.1	-4.6	81	0-7	-	-	-	-	0.6	NE	Nil	N/A	62
360 Capital Ind	244	-3.9	-3.1	63	0-0	2	0.3	-	-	0.3	10	8.6	6.89	517	Vita Group Ltd	273	-0.9	-15.9	53	1-6	4	0.3	45.5	-	0.4	11	5.1	0.64	415
Aconex Limited	432	-10.7	-6.7	80	2-5	9	12.4	-	-	0.4361	Nil	6.84	854	StarGroup Ltd	3	-0.4	+0.6	50	0-4	-	-	0.6	-	1.6	NE	Nil	4.92	18	
Industria REIT	208	-1.5	-1.5	55	0-0	4	0.2	1.0	13	0.4	8	7.5	6.74	339	Sandfire Res.	599	-0.1	+3.2	48	0-4	17	1.6	-	-	0.2	14	2.2	1.71	945
Jayex Health.	5	-37.7	-0.2	98	5-0	-	-	-	-	1.7	NE	Nil	6.65	8	Regis Resources	271	-2.7	-10.1	59	0-4	17	0.9	-	-	0.2	12	4.8	2.70	1,358
K2 Asset Mgmt	40	-10.4	+2.5	79	0-7	3	-	10.0	41	1.0	24	3.8	6.63	93	Goodman Group	684	-2.7	-3.1	60	3-7	11	0.5	2.7	28	0.2	10	3.5	7.10	12,238
Aust U. Office	200	-2.0	-1.3	57	0-0	-	-	-	-	0.7	15	4.7	6.56	281	Redflow Limited	29	-9.2	-4.5	77	0-3	1	-	3.6	-	0.6	NE	Nil	N/A	112
IPH Limited	485	-10.2	+0.2	79	1-1	7	3.4	-	-	0.3	24	4.3	6.54	928	Mitula Group	81	-4.2	-7.7	64	0-3	-	-	-	-	0.6	65	Nil	8.22	169
GI Dynamics	3	-37.3	+2.6	98	1-0	1	-	0.1	-	2.3	NE	Nil	6.53	12	Sealink Travel	425	-0.7	-3.5	51	1-4	7	0.7	6.3	35	0.3	18	2.8	2.29	430
Mint Payments	6	-10.6	+2.1	80	0-0	1	-	-	-	1.7	NE	Nil	6.48	32	Aconex Limited	432	-10.7	-6.7	80	2-5	9	12.4	-	-	0.4361	Nil	6.84	854	
WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average														Frontier Cap Gr	8	-22.3	-3.4	93	0-2	-	-	-	-	1.0	NE	Nil	8.83	19	
BuildingIQ Inc	9	-46.5	-0.6	99	0-0	-	-	-	-	1.3	NE	Nil	1.39	7	Pac Environment	8	-9.9	-0.6	78	0-2	-	-	-	-	1.3	NE	Nil	0.77	15
Voltage IP Ltd	11	-46.2	+0.6	99	0-0	-	-	-	-	0.9	NE	Nil	4.44	35	TTG Fintech Ltd	7	-21.3	+1.5	93	0-2	-	-	7.4	-	1.4	NE	Nil	N/A	47
1-Page Ltd	18	-46.2	+0.8	99	0-0	-	1.1	6.0	-	0.7	NE	Nil	N/A	28	APN Outdoor Grp	525	-12.5												

“Neglect” Ratings of Australian Shares

“Neglected” Shares = 0-2 Brokers, “Moderately Followed” Shares = 3-9 Brokers, “Widely Followed” Shares = 10 or more Brokers.

Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)
1300 Smiles Ltd	4	179	Cochlear Ltd	13	6,634	Korvest Ltd	1	23	Resolute Mining	8	918
360 Capital Grp	2	212	Codan Ltd	2	331	Kula Gold Ltd	1	7	Retail Food Grp	4	1,143
360 Cap Office	2	156	Collection Hse	5	198	Legend Corp.	1	47	Reva Medical	2	436
360 Capital Ind	2	517	Collins Foods	7	609	LendLease Group	12	8,063	Rhipe Limited	3	80
3P Learning	3	163	Com'wealth Bank	16	139,009	Lifestyle Com.	2	342	Ridley Corp.	4	383
A.P. Eagers	5	1,636	Computershare	15	6,687	Liq Natural Gas	1	327	Rio Tinto Ltd	16	26,576
AGL Energy Ltd	14	14,247	Cooper Energy	1	227	Logicamms Ltd	1	26	Royal Wolf Hold	4	144
ALS Limited	14	3,096	Corp Travel M.	7	1,659	Lovisa Holdings	6	368	Rural Funds Grp	2	332
AMA Group Ltd	4	469	Cover-More Grp	7	498	MMA Offshore	4	101	Ruralco Hold.	4	231
AMP Ltd	16	14,138	Credit Corp	5	839	MNF Group	3	317	SAI Global Ltd	11	1,014
ANZ Bank	16	87,590	Cromwell Prop.	9	1,652	MYOB Group	12	2,074	SG Fleet Group	5	846
APA Group	10	8,959	Crown Resorts	10	8,304	MacMahon Hold	1	117	SMS Mgmt & Tech	5	79
APN Outdoor Grp	7	875	DUET Group	12	6,788	Maca Limited	1	378	Salmat Ltd	1	91
APN News Media	3	810	DWS Limited	1	174	Macquarie Atlas	9	2,534	Sandfire Res.	17	945
ARB Corporation	7	1,356	Decmil Group	2	191	Macquarie Group	15	29,011	Santos Ltd	14	7,636
ASG Group Ltd	1	330	Dexus Property	9	8,924	Magellan Fin Gp	11	4,002	Saracen Mineral	7	755
ASX Limited	16	9,370	Dominio's Pizza	12	5,786	Mantra Group	10	909	Scentre Group	11	23,161
AV Jennings	2	235	Donaco Interl	4	312	Mastermyne Grp	1	39	Sealink Travel	7	430
AVEO Group	6	1,808	Doray Minerals	5	178	Matrix Comp.	1	37	Seek Ltd	14	5,127
AWE Limited	11	335	Downer EDI Ltd	10	2,583	Maxi TRANS	2	103	Select harvest	10	481
Abacus Property	5	1,625	DuluxGroup Ltd	11	2,320	Mayne Pharma Gr	6	2,283	Senex Energy	7	306
Aconex Limited	9	854	EML Payments	2	448	McMillan Shake.	7	845	Seven West Med.	8	1,108
Acrux Ltd	3	50	ERM Power Ltd	3	299	Medibank Priv.	15	7,574	Seven Group	5	2,360
Adelaide Bright	14	3,287	Elders Limited	6	451	Medusa Mining	5	104	Seymour Whyte	2	76
Admedus Limited	1	89	Energy Resource	2	184	Melbourne IT	4	197	Shine Corporate	3	182
Ainsworth Game	8	657	EservGlobal Ltd	2	28	Mesoblast Ltd	4	500	Shopping Centre	8	1,578
Alacer Gold	6	178	Event Hospital.	4	2,198	Metcash Ltd	13	2,078	Sigma Pharm.	8	1,321
Ale Property	3	832	Evolution Min.	12	3,126	Migme Limited	1	38	Silver Chef Ltd	4	326
Alkane Explor.	2	207	FAR Ltd	6	312	Mineral Res.	5	2,282	Silver Lake Res	3	315
Alliance Aviat.	2	85	FSA Group Ltd	1	163	Mineral Deposit	2	44	Simonds Group	2	48
Altium Limited	6	1,042	Factor Thera.	2	55	Mint Payments	1	32	Sims Metal Mgmt	11	2,635
Altona Mining	2	72	Fairfax Media	10	2,058	Mirvac Group	11	7,670	Sino Gas & En.	4	239
Alumina Ltd	11	5,083	Fantastic Hold.	3	360	Mobile Embrace	1	55	Sirtex Medical	10	923
Amcor Ltd	14	16,735	Finders Res.	1	27	Monash IVF Grp	5	471	Smartgroup Corp	6	741
Aneka Tambang	3	1	Fleetwood Corp	1	120	Monadelphous Gr	13	1,064	Smart Parking	1	74
Ansell Ltd	13	3,620	Flexicorp Ltd	8	923	Money3 Corp Ltd	2	247	Somnomed Ltd	3	207
Ardent Leisure	11	1,074	Flight Centre	13	3,331	Mortgage Choice	3	278	Sonic Health	12	9,108
Arena REIT	3	423	Folkestone Educ	4	611	Mt Gibson Iron	4	373	Soul Pattinson	1	3,514
Aristocrat Leis	11	9,716	Folkestone Ltd	1	143	Myer Holdings	11	1,043	South32 Limited	18	15,599
Arrium Limited	2	65	Fortescue Metal	19	20,800	Mystate Ltd	4	379	Spark Infrastru	11	3,852
Asia Pac Data C	2	169	Freelancer Ltd	2	456	Nanosonics Ltd	5	926	Spec Fashion	2	97
Astro Japan Pro	2	392	Freedom Foods	2	810	Nat'l Aust Bank	16	78,890	Speedcast Int'l	7	689
Atlas Iron Ltd	2	229	G.U.D. Holdings	9	887	National Stor.	7	770	Spotless Group	6	1,038
Aurelia Metals	1	54	G8 Education	8	1,377	Navitas Ltd	10	1,816	St Barbara Ltd	4	1,084
Aurizon Hold.	15	10,443	GBST Holdings	7	258	Newmap Ltd	3	230	Starpharma Hold	3	263
AusNet Services	13	5,206	GDI Property	2	525	Neuren Pharm.	1	115	Steadfast Group	9	1,582
Ausdrill Ltd	3	409	GI Dynamics	1	12	New Hope Corp.	5	1,454	Sth Cross Media	8	1,057
Austral Limited	4	611	GPT Group	10	8,792	Newcrest Mining	17	14,522	Stockland	10	10,534
Austbrokers	5	653	GR Engineering	1	221	Nextdc Limited	9	835	Strike Energy	1	77
Aust Pharm. Ind	5	933	GWA Group Ltd	9	771	Nib Holdings	14	2,059	Suncorp Group	14	17,276
Auswide Bank	3	203	Generation HC	2	368	Nick Scali Ltd	3	494	Sundance Energy	1	237
Automotive Hold	10	1,217	Genworth Mort.	5	1,589	Nine Entertain.	9	893	Sunland Group	2	246
Avanco Res.	1	174	Global Con Serv	1	107	Nthn Star Res.	14	2,066	Super Retail Gr	13	1,834
BC Iron Ltd	2	71	Godfreys Group	2	42	Nufarm Limited	13	2,347	Surfstitch Grp	3	46
BHP Billiton	19	83,440	Gold Road Res.	5	527	OFX Group	6	432	Sydney Airport	14	14,466
BT Invest Mgmt	12	3,419	Goodman Group	11	12,238	OZ Minerals Ltd	16	2,558	TFS Corporation	3	663
BWP Trust	8	1,876	Graincorp	11	2,073	Objective Corp.	1	164	TPG Telecom Ltd	12	6,287
Bank of Q'land	16	4,416	Greencross Ltd	9	785	Oil Search Ltd	15	10,522	Tabcorp Holding	12	3,884
Base Resources	2	152	Growthpoint Pro	5	1,988	Ooh!Media	5	691	Tassal Group	5	601
Beach Energy	12	1,669	HFA Holdings	2	344	Orica Ltd	15	6,408	Tatts Group Ltd	13	6,094
Beadell Res.	6	365	Hansen Tech.	3	721	Origin Energy	14	11,494	Technology One	6	1,695
Bega Cheese Ltd	5	719	Harvey Norman	12	5,318	Oracobre Ltd	7	919	Telstra	17	59,598
Bellamy's Aust.	8	646	Helloworld Ltd	6	423	Orara Limited	13	3,403	Ten Network	6	369
Bendigo Bank	14	5,884	Henderson Group	10	2,841	Oration Group	2	90	The Reject Shop	6	237
Berkeley Energy	3	183	Highfield Res.	3	474	Osprey Medical	3	102	Thorn Group Ltd	4	272
Bigair Group	4	179	Hillgrove Res.	1	9	Pacific Energy	2	211	Tiger Resources	1	71
Billabong Int'l	4	249	Horizon Oil Ltd	2	56	Pacific Smiles	4	319	Touchcorp Ltd	2	233
Bionomics Ltd	3	169	Hotel Property	3	399	Pact Group Hold	8	1,918	Tox Free Sol.	10	426
Blackmores Ltd	8	1,895	Huon Aquacult.	5	319	Paladin Energy	7	123	Transurban Grp	13	20,489
Bluescope Steel	13	5,532	IMF Bentham Ltd	3	300	Panoramic Res.	4	150	Treasury Wine	13	7,640
Blue Sky Alt In	4	505	IOOF Holdings	13	2,656	Peet Ltd	5	453	Troy Resources	1	123
Boart Longyear	1	117	IPH Limited	7	928	Peninsula En.	7	94	UGL Limited	10	525
Boral Limited	12	3,971	IRESS Limited	8	1,888	Perpetual Ltd	14	2,197	Unilife Corp.	1	21
Bradken Ltd	3	659	Icar Asia Ltd	3	85	Perseus Mining	7	601	Vicinity Centre	10	11,559
Brambles Ltd	13	18,772	Iuka Resources	11	2,910	Platinum Asset	9	3,156	Villa World Ltd	3	257
Breville Group	9	1,131	Imdex Limited	2	192	Praemium Ltd	4	169	Village Road.	8	700
Brickworks Ltd	6	1,912	Impedimed Ltd	3	393	Premier Invest	12	2,158	Viralytics Ltd	3	303
C.S.R. Ltd	14	2,169	Incitec Pivot	15	5,703	Prime Media Grp	2	108	Virgin Aust.	10	1,903
CIMIC Group	9	10,396	Independ. Group	17	2,517	Primary Health	12	1,992	Virtus Health	7	501
CSG Ltd	3	249	Industria REIT	4	339	Prima Biomed	1	73	Vita Group Ltd	4	415
CSL Limited	12	43,316	Infomedica Ltd	5	228	Pro Medicus Ltd	2	481	Vocus Comm.	12	2,517
Cabcharge Ltd	4	456	Ingenia Com Grp	3	476	Pro Maintenance	6	457	WPP AUNZ Ltd	3	865
Caltex Austria	11	7,634	Insurance Aust.	15	13,968	Q.B.E. Insur.	14	17,255	Watpac Ltd	1	159
Capital Health	3	58	Int Research	1	449	Qantas Airways	13	6,998	Webjet NL	8	950
Capral Limited	1	76	Intueri Educ.	1	4	Qube Holdings	15	3,470	Webster Ltd	2	464
Cardno Ltd	3	465	Investa Office	9	2,751	RCG Corporation	4	733	Wellcom Group	3	204
Carindale Prop	2	532	Invocare Ltd	8	1,418	RCR Tomlinson	3	403	Wesfarmers Ltd	16	45,995
Carsales.com	15	2,484	Iselect Limited	2	455	REA Group Ltd	13	6,877	Western Areas	16	836
Cash Converters	1	170	Isentia Group	5	534	RTG Mining Inc.	1	32	Westfield Corp.	10	18,474
Cedar Woods Prp	3	393	JB Hi-Fi Ltd	14	2,993	RXP Services	1	139	Westpac Banking	16	108,014
Centuria Metro.	2	256	James Hardie	13	9,398	Ramsay Health	14	13,851	Whitehaven Coal	13	3,037
Challenger Ltd	13	6,288	K&S Corporation	2	184	Reckon Limited	5	167	Wolf Minerals	3	69
Charter Hall GR	9	1,878	K2 Asset Mgmt	3	93	Redflow Limited	1	112	Woodside Petrol	14	25,770
Chart H Retail	10	1,714	Kardoon Gas	5	420	Reece Limited	2	4,382	Woolworths Ltd	15	29,512
Clearview With	2	836	Kingrose Mining	1	36	Regeneus Ltd	1	37	Worley Group	11	2,381
CocaCola Amatil	13	7,224	Kingsgate Cons.	1	53	Regis Resources	17	1,358	XRF Scientific	1	25

Short Interest in Australian Shares

Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)
1-Page Ltd	1.1%	28	CocaCola Amatil	1.8%	7,224	Japara Health.	8.2%	597	Ridley Corp.	0.2%	383
360 Capital Ind	0.3%	517	Cochlear Ltd	1.1%	6,634	Kardoon Gas	4.6%	420	Rio Tinto Ltd	6.5%	26,576
3P Learning	1.1%	163	Cogstate Ltd	0.2%	124	Kidman Res Ltd	0.2%	188	Rubik Financial	0.2%	42
AGL Energy Ltd	0.9%	14,247	Collection Hse	4.4%	198	Kingsgate Cons.	1.7%	53	S2 Resources	0.3%	69
ALS Limited	0.6%	3,096	Com'wealth Bank	2.0%	139,009	LendLease Group	1.3%	8,063	SAI Global Ltd	0.2%	1,014
AMA Group Ltd	0.9%	469	Computershare	1.1%	6,687	LifeHealthCare	0.1%	108	SG Fleet Group	0.2%	846
AMP Ltd	2.2%	14,138	Cooper Energy	0.4%	227	Link Admin.	0.7%	2,580	SMS Mgmt & Tech	1.5%	79
ANZ Bank	1.4%	87,590	Corp Travel M.	4.7%	1,659	Liq Natural Gas	3.3%	327	Sandfire Res.	1.6%	945
APA Group	1.8%	8,959	Costa Group	1.4%	1,053	Lithium Power	0.8%	20	Santos Ltd	2.3%	7,636
APN Outdoor Grp	2.1%	875	Cover-More Grp	7.1%	498	Lynas Corp Ltd	1.8%	251	Saracen Mineral	1.5%	755
APN News Media	1.7%	810	Credit Corp	3.1%	839	MG Unit Trust	1.0%	191	Scentre Group	0.5%	23,161
ARB Corporation	3.7%	1,356	Cromwell Prop.	1.1%	1,652	MMA Offshore	3.6%	101	Scottish Pac.	0.9%	335
ASX Limited	1.9%	9,370	Crown Resorts	1.1%	8,304	MSM Corporation	0.1%	46	Sealink Travel	0.7%	430
AVEO Group	0.2%	1,808	CuDeco Ltd	0.7%	173	MYOB Group	7.2%	2,074	Seek Ltd	6.4%	5,127
AWE Limited	5.9%	335	Cybg plc	2.3%	3,560	Macquarie Atlas	0.9%	2,534	Select harvest	3.0%	481
Abacus Property	0.7%	1,625	DUET Group	1.6%	6,788	Macquarie Group	1.0%	29,011	Senex Energy	2.6%	306
Aconex Limited	12.4%	854	Dacian Gold Ltd	2.7%	328	Magellan Fin Grp	1.4%	4,002	Servcorp Ltd	0.1%	735
Acrux Ltd	0.7%	50	Decmil Group	0.8%	191	Magnis Resource	0.1%	362	Seven West Med.	3.2%	1,108
Adairs Limited	0.5%	270	Dexus Property	2.1%	8,924	Mantra Group	7.9%	909	Seven Group	2.2%	2,360
Adelaide Bright	1.5%	3,287	Domino's Pizza	5.1%	5,786	Mayne Pharma Gr	3.7%	2,283	Shine Corporate	0.2%	182
Afterpay Hold.	0.6%	215	Donaco Inter'l	2.0%	312	McMillan Shake.	1.2%	845	Shopping Centre	2.3%	1,578
Agua Resources	0.2%	40	Doray Minerals	1.0%	178	Medibank Priv.	0.3%	7,574	Sigma Pharm.	0.1%	1,321
Ainsworth Game	3.6%	657	Downer EDI Ltd	7.6%	2,583	Medusa Mining	0.4%	104	Silex Systems	1.1%	68
Alacer Gold	1.4%	178	DuluxGroup Ltd	0.9%	2,320	Mesoblast Ltd	6.1%	500	Silver Chef Ltd	1.7%	326
Alexium Int'l	0.2%	173	EML Payments	0.4%	448	Metals X Ltd	5.3%	400	Silver Lake Res	0.1%	315
Altium Limited	0.7%	1,042	ERM Power Ltd	1.4%	299	Metcash Ltd	11.9%	2,078	Sims Metal Mgmt	4.7%	2,635
Alumina Ltd	9.0%	5,083	Eclixp Group	0.3%	1,021	Mineral Res.	1.5%	2,282	Sino Gas & En.	0.9%	239
Amaysim Aust.	2.4%	336	Elanor Ret Prop	0.2%	169	Mineral Deposit	0.1%	44	Sirtex Medical	3.0%	923
Amcor Ltd	0.6%	16,735	Elders Limited	2.3%	451	Mirvac Group	1.1%	7,670	Slater & Gordon	6.7%	99
Ansell Ltd	2.9%	3,620	Energy Resource	2.3%	184	Monash IVF Grp	0.2%	471	Smartgroup Corp	0.2%	741
Apollo Tourism	0.5%	184	Energy World	1.6%	468	Monadelphous Gr	10.2%	1,064	Sonic Health	1.6%	9,108
Appen Limited	0.3%	265	Equity Trustees	0.5%	362	Mortgage Choice	0.1%	278	South32 Limited	0.3%	15,599
Ardent Leisure	3.3%	1,074	Estia Health	7.3%	524	Mt Gibson Iron	1.1%	373	Spark Infrastru	1.8%	3,852
Arena REIT	0.1%	423	Evolution Min.	1.4%	3,126	Myer Holdings	16.6%	1,043	Speedcast Int'l	2.3%	689
Aristocrat Leis	0.1%	9,716	FAR Ltd	2.3%	312	NRW Holdings	0.1%	201	Spotless Group	5.4%	1,038
Arrium Limited	3.8%	65	Fairfax Media	1.2%	2,058	Nanosonics Ltd	1.1%	926	St Barbara Ltd	1.9%	1,084
Asaleo Care Ltd	3.1%	804	Fleetwood Corp	1.5%	120	Nat'l Aust Bank	0.6%	78,890	Star Entertain.	1.7%	4,269
Aurizon Hold.	0.4%	10,443	Flexicorp Ltd	2.7%	923	National Stor.	2.6%	770	Starpharma Hold	1.6%	263
AusNet Services	2.4%	5,206	Flight Centre	7.3%	3,331	Navitas Ltd	1.5%	1,816	Steadfast Group	0.5%	1,582
Austal Limited	2.0%	611	Folkestone Educ	0.1%	611	Nearmap Ltd	0.2%	230	Sth Cross Media	1.0%	1,057
Austbrokers	0.1%	653	Fortescue Metal	3.6%	20,800	NetComm Wire.	1.7%	300	Stockland	0.3%	10,534
Aust Careers N.	0.3%	287	Freedom Foods	0.2%	810	Newcrest Mining	0.5%	14,522	Suncorp Group	0.6%	17,276
Aust Agricult.	4.1%	911	G.U.D. Holdings	4.2%	887	News Corp.	8.1%	732	Sundance Energy	0.8%	237
Aust Pharm. Ind	0.2%	933	G8 Education	8.2%	1,377	Nextdc Limited	6.7%	835	Super Retail Gr	5.4%	1,834
Automotive Hold	3.3%	1,217	GBST Holdings	0.9%	258	Nib Holdings	0.8%	2,059	Superloop Ltd	3.6%	326
Autosports Grp	0.2%	470	GDI Property	0.1%	525	Nick Scali Ltd	0.1%	494	Surfstitch Grp	0.1%	46
Aventus Retail	0.1%	871	GPT Group	0.9%	8,792	Nine Entertain.	11.4%	893	Sydney Airport	1.0%	14,466
BC Iron Ltd	0.1%	71	GTN Limited	0.3%	624	Novogen Ltd	0.4%	45	Syrah Resources	9.8%	704
BHP Billiton	2.2%	83,440	GWA Group Ltd	1.9%	771	Nthn Star Res.	2.9%	2,066	TFS Corporation	10.4%	663
BT Invest Mgmt	0.9%	3,419	Galaxy Res.	3.2%	925	Nufarm Limited	1.3%	2,347	TPG Telecom Ltd	3.9%	6,287
BWP Trust	1.3%	1,876	Gateway Life.	6.9%	662	OFX Group	5.9%	432	Tabcorp Holding	3.1%	3,884
BWX Limited	3.9%	399	Generation HC	0.2%	368	OZ Minerals Ltd	2.7%	2,558	Tassal Group	4.1%	601
Baby Bunting Gr	0.9%	289	Genetic Tech.	0.8%	22	Oil Search Ltd	6.2%	10,522	Tatts Group Ltd	2.2%	6,094
Bank of Q'land	4.1%	4,416	Genworth Mort.	4.5%	1,589	Onevue Holdings	0.1%	158	Technology One	0.5%	1,695
Bapcor Limited	1.5%	1,503	Gold Road Res.	5.9%	527	Ooh!Media	0.7%	691	Telstra	0.5%	59,598
Beach Energy	2.1%	1,669	Goodman Group	0.5%	12,238	Orica Ltd	6.2%	6,408	Ten Network	2.8%	369
Beadell Res.	2.4%	365	Graincorp	2.7%	2,073	Origin Energy	0.5%	11,494	The Reject Shop	2.4%	237
Bega Cheese Ltd	5.4%	719	Greencross Ltd	4.2%	785	Orocobre Ltd	9.0%	919	Thorn Group Ltd	0.5%	272
Bellamy's Aust.	12.4%	646	Growthpoint Pro	1.1%	1,988	Orora Limited	0.1%	3,403	Tiger Resources	0.1%	71
Bendigo Bank	7.2%	5,884	HUB24 Limited	0.1%	275	Oroton Group	0.5%	90	Touchcorp Ltd	0.4%	233
Billabong Int'l	1.4%	249	Hansen Tech.	0.2%	721	PMP Limited	0.2%	253	Tox Free Sol.	2.1%	426
Blackmores Ltd	6.6%	1,895	Harvey Norman	3.3%	5,318	Pact Group Hold	2.8%	1,918	Transurban Grp	1.1%	20,489
Blackham Res.	0.2%	158	Henderson Group	1.3%	2,841	Paladin Energy	5.7%	123	Treasury Wine	1.1%	7,640
Bluescope Steel	0.3%	5,532	Highfield Res.	2.5%	474	Peninsula En.	0.1%	94	Troy Resources	1.1%	123
Blue Sky Alt In	2.9%	505	Hills Limited	0.1%	88	Perpetual Ltd	4.0%	2,197	UGL Limited	0.4%	525
Boral Limited	5.5%	3,971	Hotel Property	0.1%	399	Perseus Mining	2.9%	601	Updater Inc	0.1%	137
Brambles Ltd	0.3%	18,772	IDP Education	0.8%	986	Pilbara Mineral	1.5%	705	Vicinity Centre	0.7%	11,559
Breville Group	1.0%	1,131	IMF Bentham Ltd	4.0%	300	Platinum Asset	3.4%	3,156	Villa World Ltd	1.1%	257
Brickworks Ltd	0.9%	1,912	IOOF Holdings	7.1%	2,656	Premier Invest	0.4%	2,158	Village Road.	2.2%	700
Buru Energy Ltd	1.6%	65	IPH Limited	3.4%	928	Primary Health	6.1%	1,992	Virgin Aust.	0.5%	1,903
C.S.R. Ltd	5.3%	2,169	IRESS Limited	1.7%	1,888	Prima Biomed	0.4%	73	Virtus Health	2.3%	501
CIMIC Group	0.6%	10,396	Iluka Resources	6.1%	2,910	Pro Maintenance	2.3%	457	Vita Group Ltd	0.3%	415
CSG Ltd	4.9%	249	Imdex Limited	0.1%	192	Q.B.E. Insur.	0.7%	17,255	Vitaco Holdings	0.1%	308
CSL Limited	0.3%	43,316	Impedimed Ltd	2.7%	393	Qantas Airways	0.5%	6,998	Vocus Comm.	9.1%	2,517
Cabcharge Ltd	5.3%	456	Incitec Pivot	3.3%	5,703	Qube Holdings	3.5%	3,470	WPP AUNZ Ltd	0.6%	865
Caltex Austria	0.2%	7,634	Independ. Group	7.5%	2,517	RCG Corporation	3.0%	733	Watpac Ltd	0.4%	159
Capital Health	0.3%	58	Industria REIT	0.2%	339	RCR Tomlinson	0.7%	403	Webjet NL	0.4%	950
Cardinal Res.	0.6%	71	Infigen Energy	1.0%	675	REA Group Ltd	3.7%	6,877	Wellard Limited	0.3%	88
Cardno Ltd	0.8%	465	Infomedica Ltd	0.1%	228	Ramelius Res.	0.1%	242	Wesfarmers Ltd	1.2%	45,995
Carsales.com	1.5%	2,484	Ingenia Com Grp	1.0%	476	Ramsay Health	2.1%	13,851	Western Areas	14.3%	836
Cash Converters	1.3%	170	Inghams Group	1.1%	1,186	Range Intern'l	0.1%	100	Westfield Corp.	0.5%	18,474
Cedar Woods Prp	0.2%	393	Insurance Aust.	2.0%	13,968	Redbubble Ltd	0.7%	177	Westpac Banking	1.6%	108,014
Challenger Ltd	2.8%	6,288	Investa Office	0.6%	2,751	Regis Resources	0.9%	1,358	Whitehaven Coal	2.0%	3,037
Charter Hall GR	0.2%	1,878	Invocare Ltd	7.0%	1,418	Regis Health.	4.5%	1,277	Wisetech Global	0.1%	1,680
Chart Hall Long	0.5%	812	Iron Mountain	2.7%	2,242	Reliance W/wide	5.2%	1,649	Woodside Petrol	1.8%	25,770
Chart H Retail	4.3%	1,714	Isentia Group	3.1%	534	Resolute Mining	1.8%	918	Woolworths Ltd	6.2%	29,512
Clean Teq Hold.	0.1%	253	JB Hi-Fi Ltd	3.1%	2,993	Retail Food Grp	2.9%	1,143	Worley Group	12.3%	2,381
Cleanaway Waste	0.3%	1,822	James Hardie	0.8%	9,398	Reva Medical	0.2%	436	Yowie Group Ltd	0.3%	117

Performance Forecasts

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

Performance Forecast					Performance Forecast					Performance Forecast							
Company	Price	Price/Sales Ratio	P/E Ratio	Gross Yield	Company	Price	Price/Sales Ratio	P/E Ratio	Gross Yield	Company	Price	Price/Sales Ratio	P/E Ratio	Gross Yield			
A2 Milk Company	A	241	4.87	56	Nil	IkeGPS Limited	E	37	2.17	NE	Nil	SLI Systems Ltd	D	47	0.84	NE	Nil
AFT Pharm.	B	276	4.18	NE	Nil	Infratil NZ	F	265	0.84	25	7.5	Sanford Limited	A	670	1.41	45	4.8
AFT Pharma.	B	315	1.01	NE	Nil	Intuerei Educ.	E	3.9	0.04	NE	Nil	Satara Co-op	B	58	0.19	NE	Nil
AMP Limited	C	500	0.99	8	6.0	Investore Prop.	F	141	0.45	NE	Nil	Scales Corp Ltd	A	329	1.51	12	5.5
AWF Madison Grp	C	268	0.41	17	7.9	Just Water Int.	A	23	1.27	14	Nil	Scott Tech. Ltd	C	200	1.26	19	5.6
Abano Health.	B	800	0.80	7	4.4	Kathmandu Ltd	B	193	0.95	19	5.8	SeaDragon Ltd	D	0.8	4.51	NE	Nil
Air New Zealand	C	216	0.49	10	10.3	Kingfish Ltd	C	137	N/A	9	8.1	Sealegs Corp	D	9.2	0.70	23	Nil
Airworks Ltd	C	495	1.50	10	4.8	Kiwi Property	E	138	0.43	7	6.0	Seeka Kiwifruit	A	449	0.52	17	5.9
Akd Int Airport	C	618	N/A	28	3.9	Mainfreight Grp	A	2027	9.88	23	2.5	Serko Limited	C	30	0.60	NE	Nil
Allied Farmers	B	6.8	0.68	8	Nil	Marlin Global	D	79	N/A	NE	9.5	Skellerup Hold.	C	150	1.37	14	8.3
Aorere Res.	N/R	0.1	N/A	NE	Nil	Marsden Mar.	A	360	N/A	12	5.1	Sky Network TV	C	480	2.01	13	8.7
Argosy Property	E	102	7.94	10	6.6	Mercer Group	D	1.7	0.23	NE	Nil	Sky City Ltd	A	399	2.62	18	5.3
Arvida Group	E	120	3.97	14	4.0	Mercury NZ	C	297	2.43	87	6.6	Smartpay NZ Ltd	C	17	1.43	NE	Nil
Augusta Capital	E	102	4.07	7	6.8	Meridian Energy	D	257	2.77	36	8.6	Smiths City	B	70	0.17	12	3.6
Barramundi Ltd	D	64	N/A	17	8.8	MetLifeCare	B	534	N/A	5	1.1	Snakk Media Ltd	C	40	0.60	NE	Nil
Bathurst Res.	D	18	N/A	NE	Nil	Methven Limited	C	132	0.92	14	7.0	Sol. Dynamics	C	230	2.00	32	3.2
Bethunes Invest	C	0.5	N/A	NE	Nil	Metro Per Glass	C	199	1.96	18	5.3	South Port NZ	A	550	3.93	17	6.6
Blis Technology	C	4.5	8.81	NE	Nil	Mid-Cap Index	C	386	N/A	6	8.8	Spark NZ Ltd	D	344	1.80	17	8.9
Briscoe Group	B	400	1.58	19	5.4	Millennium & C.	A	234	1.81	11	1.7	Speirs Group	D	8.0	0.05	2	17.4
Burger Fuel	C	149	4.41	NE	Nil	Moa Group Ltd	B	85	4.93	NE	Nil	Steel & Tube	B	227	0.40	11	11.6
CBL Corporation	B	355	3.21	22	1.1	NPT Limited	D	65	6.20	15	5.4	Stride Property	B	235	N/A	9	5.5
CDL Investments	E	70	4.07	11	4.4	NZ Exchange Ltd	C	101	3.64	11	8.3	Summerset Group	C	466	N/A	12	1.1
Cavalier Corp	C	79	0.29	17	Nil	NZ King Salmon	C	118	N/A	NE	Nil	Synlait Milk	D	307	1.07	39	Nil
Cavotec MSL	C	245	1.08	20	1.6	NZ Oil & Gas	N/R	61	1.76	NE	9.2	T&G Global	B	180	0.29	13	2.3
Chorus Ltd	D	392	1.56	17	7.4	NZ Refining Co	C	260	1.82	5	2.7	T&G Global	A	327	0.48	22	2.5
Col Motor Co	A	710	0.27	12	7.8	NZ Windfarms	E	8.5	3.41	NE	Nil	TeamTalk Ltd	D	43	0.21	NE	26.1
Comvita	C	900	2.00	25	2.2	NZF Group	C	1.0	N/A	NE	Nil	Tegel Group	E	156	0.95	49	Nil
Contact Energy	E	472	1.56	NE	6.0	NZME Limited	E	58	0.19	NE	Nil	Tenon Ltd	C	257	0.28	NE	2.5
Delegat Group	B	576	2.29	11	2.9	NZSX 10 Fund	D	135	N/A	23	7.7	Tilt Renewables	D	187	N/A	NE	Nil
Diligent Board	B	703	N/A	NE	Nil	NZSX 50 Port.	D	210	N/A	8	7.8	Tourism Hold.	A	335	1.39	16	6.8
EROAD Ltd	C	170	3.91	NE	Nil	NZX Aust MidCap	C	567	N/A	9	4.9	Tower Limited	D	84	0.47	NE	19.0
Ebos Group Ltd	B	1640	0.35	20	3.6	New Talisman	N/R	0.6	N/A	NE	Nil	Trade-Me Ltd	C	482	8.78	23	4.8
Energy Mad Ltd	D	4.0	0.37	NE	Nil	Nuplex Indust	B	545	0.76	17	5.0	Training Sol.	E	0.2	N/A	15	Nil
Evolve Educat.	C	100	1.29	11	3.3	Opus Int'l Cons	C	94	0.28	8	16.3	Trilogy Intern.	D	312	2.34	21	2.4
F & P Health.	D	826	5.69	32	2.8	Orion Health.	E	196	1.51	NE	Nil	Trust Power Ltd	D	437	1.93	22	13.3
Finzsoft Sol'ns	C	250	1.01	80	Nil	Ozzy (Tortis)	C	333	N/A	13	9.8	Turners Ltd	B	352	1.32	14	2.0
Fletcher Build.	A	1073	0.82	16	4.2	PGG Wrightsons	E	47	0.30	9	11.1	Vector Ltd	E	319	2.77	57	6.9
Flivay Group	B	110	0.60	9	10.9	Pac Edge Bio.	E	55	N/A	NE	Nil	Veritas Invest.	D	23	0.18	22	Nil
Foley Fam Wines	B	150	2.25	12	2.8	Plexure Group	C	23	0.00	NE	Nil	Vetilot Limited	D	0.2	N/A	NE	Nil
Fonterra S/H Fd	B	595	0.50	20	4.2	Port Tauranga	B	377	N/A	33	19.5	Vista Group Ltd	D	580	7.09	81	Nil
Freightways Ltd	C	693	2.12	22	5.5	Precision Prop.	E	118	9.79	10	6.4	Vital Health PT	D	204	9.12	6	4.8
Genesis Energy	C	213	1.06	12	10.1	Promisia Integ.	E	5.8	N/A	NE	Nil	WN Drive Tech.	B	16	1.57	NE	Nil
Gentech Group	B	364	6.29	28	4.3	Property F Ind.	E	157	N/A	10	6.5	Warehouse Group	B	304	0.38	20	7.3
GeoOP Ltd	D	18	4.61	NE	Nil	Pumpkin Patch	D	6.0	0.04	NE	Nil	Wellington Mer.	B	340	1.09	NE	Nil
Goodman Prop.	E	121	8.92	8	7.3	Pushpaj Hold.	C	225	N/A	NE	Nil	Windflow Tech.	D	1.0	0.16	NE	Nil
Green Cross H.	C	275	0.84	22	3.5	Pyne Gould Corp	D	20	2.18	NE	Nil	World Index Fd	D	100	N/A	NE	Nil
Hallenstein G.	B	295	0.79	10	14.6	Rakon Ltd	D	18	0.31	NE	Nil	Wynyard Group	C	22	1.47	NE	Nil
Heartland Bank	C	131	4.58	13	8.0	Restaurant Brds	D	512	1.32	21	5.7	Xero Ltd	E	1740	N/A	NE	Nil
Hellaby Hold.	B	346	0.58	17	8.6	Rubicon Limited	E	22	0.15	NE	Nil	Z Energy Ltd	E	724	0.95	NE	4.6
Horizon Energy	C	435	0.97	27	4.5	Ryman Health.	C	846	N/A	14	1.9	Ave of 149 Cos	C	272	0.01	19	4.2
A.P. Eagers	B	859	0.49	18	3.7	Empire Oil, Gas	C	35	N/A	NE	Nil	Premier Invest	B	1371	2.22	24	3.1
AGL Energy Ltd	B	2117	1.28	NE	3.2	Event Hospital.	A	1385	1.81	17	3.7	Primary Health	A	382	1.22	27	3.1
ALS Limited	A	614	2.27	31	2.2	Evolution Min.	C	187	2.06	NE	1.6	Q.B.E. Insur.	A	1258	0.81	18	4.0
AMP Ltd	B	478	1.01	15	5.9	Fairfax Media	B	90	1.14	12	4.5	Qantas Airways	A	343	0.44	7	2.0
ANZ Bank	B	2932	8.01	22	6.0	Flexicorp Ltd	C	248	2.64	21	5.8	Qube Holdings	A	239	2.17	29	2.1
APA Group	B	104	3.28	50	5.2	Flight Centre	B	3299	1.26	14	4.6	REA Group Ltd	B	5221	N/A	27	1.6
ARB Corporation	B	1712	4.20	29	1.8	Fortescue Metal	B	668	2.66	16	0.7	Ramsay Health	A	6854	1.59	31	1.7
ASX Limited	B	4840	N/A	22	4.1	G8 Education	B	380	1.90	16	7.7	Reece Limited	A	4400	1.93	23	2.1
AVEC Group	C	311	3.78	18	2.6	GPT Group	D	489	N/A	NE	Nil	Regis Resources	B	271	2.70	12	4.8
Abacus Property	B	284	6.05	9	6.0	Galaxy Res.	C	51	N/A	NE	Nil	Regis Health.	B	425	2.66	28	3.6
Adelaide Bright	B	506	2.32	16	3.8	Genworth Mort.	B	312	3.66	8	8.5	Reliance W/wide	C	314	N/A	NE	Nil
Altium Limited	B	800	8.55	35	2.5	Goodman Group	B	684	7.10	10	3.5	Resolute Mining	B	125	1.47	5	Nil
Alumina Ltd	B	177	N/A	58	4.9	Graincorp	B	906	0.51	65	1.1	Retail Food Grp	A	649	3.45	17	4.2
Amcor Ltd	B	1445	1.32	51	3.8	Grouppoint Pro	B	310	8.66	0	6.9	Rio Tinto Ltd	B	6265	1.80	NE	4.7
Ansell Ltd	B	2455	1.77	17	1.8	Harvey Norman	A	478	2.96	15	6.3	S/Tracks ASX200	B	5233	N/A	26	3.8
Ardent Leisure	B	229	2.24	35	5.5	Henderson Group	B	396	5.68	22	5.3	SAI Global Ltd	A	475	1.92	19	3.6
Argo Investment	B	735	N/A	21	4.0	Hutchison Tel.	D	7.8	N/A	NE	Nil	Sandfire Res.	A	599	1.71	14	2.2
Aristocrat Leis	B	1525	6.16	38	1.1	IDP Education	A	394	2.72	25	1.4	Santos Ltd	B	430	2.34	23	3.7
Aurizon Hold.	A	509	3.02	NE	4.8	IOOF Holdings	A	885	2.93	13	6.4	Scentre Group	B	435	8.06	9	4.8
AusNet Services	B	146	2.64	10	5.8	IPH Limited	B	485	6.54	24	4.3	Seek Ltd	B	1474	5.25	29	2.7
Aust United In	C	739	N/A	NE	4.6	IRESS Limited	A	1111	4.92	32	3.8	Seven West Med.	A	74	0.64	6	10.9
Aust Foundation	B	574	N/A	24	4.2	Iluka Resources	A	695	3.29	54	3.6	Seven Group	A	839	0.83	12	4.8
Aust Agricult.	B	163	1.14	13	Nil	Incitec Pivot	A	338	1.56	14	3.5	Shopping Centre	A	215	8.44	11	5.7
Aust Pharm. Ind	A	191	0.27	22	2.4	Independ. Group	B	429	5.31	NE	0.6	Sigma Pharm.	A	123	0.38	26	4.1
Automotive Hold	B	367	0.20	12	6.1	Inghams Group	C	312	N/A	NE	Nil	Sims Metal Mgmt	A	1335	0.57	NE	1.6
BHP Billiton	B	2598	2.08	NE	1.5	Insurance Aust.	A	590	1.21	23	4.4	Sirtex Medical	B	1600	3.94	17	1.9
BKI Invest Coy	B	162	N/A	23	4.5	Investa Office	A	448	N/A	6	4.4	Sonic Health	A	2190	1.81	20	3.4
BT Invest Mgmt	A	1101	6.46	22	3.4	Invocare Ltd	A	1289	3.17	26	2.9	Soul Pattinson	B	1468	5.48	42	3.4
BWP Trust	B	292	N/A	6	5.8	Iron Mountain	C	4645	N/A	NE	Nil	South32 Limited	B	293	2.06	NE	0.4
Bank of Q'land	B	1156	4.00	14	6.4	JB Hi-Fi Ltd	A	2617	0.65	17	3.8	Spark Infrastru	B	229	N/A	44	5.2
Bapcor Limited	B	541	1.94	31	2.0	James Hardie	A	2133	4.23	30	3.5	Spotless Group	B	95	0.33	8	9.0
Beach Energy	A	90	2.98	47	0.6	LendLease Group	A	1383	0.53	12	4.3	St Barbara Ltd	D	218	1.77	6	Nil
Bendigo Bank	A	1245	3.67	13	5.3	Link Admin.	B	717	3.32	61	1.1	Star Entertain.	B	517	1.88	22	2.5
Blackmores Ltd	B%11000	2.64	19	3.7	MYOB Group	C	346	6.17	NE	Nil	Steadfast Group	A	211	3.28	20	2.8	

Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Argosy Property	1.525	07-12	21-12	Full
Arvida Group	1.10	08-12	16-12	Full
Barramundi	1.39	08-12	22-12	Full
Evolve Education	2.50	05-12	21-12	-
Goodman Property	1.6625	01-12	15-12	Full
Green Cross Health	3.50	13-12	23-12	Full
Infratil	5.75	28-11	15-12	Full
Investore Property	1.38	01-12	09-12	Full
Kingfish	2.91	08-12	22-12	Full
Kiwi Property Group	3.375	06-12	20-12	Full
Mainfreight	17.00	09-12	16-12	Full
Marlin Global	1.72	08-12	22-12	Full
Metro Performance Glass	3.60	09-01	23-01	Full
NPT Ltd	0.90	02-12	16-12	Full
NZ Mid Cap Fund	4.61505	30-11	20-12	Full
NZ Property Trust	0.75591	30-11	20-12	Full
NZ Top 10 Fund	2.24053	30-11	20-16	Full
NZ Top 50 Fund	3.25824	30-11	20-12	Full
Precinct Property	1.00	24-11	08-12	Full
Ryman Healthcare	8.50	02-12	09-12	Nil
Sanford Ltd	14.00	01-12	09-12	Full
Stride Property	2.02	02-12	16-16	Full
Tilt Renewable	3.00	25-11	09-12	Nil
Trustpower	16.00	25-11	09-12	Full
Vital Healthcare Prop.	2.125	05-12	19-12	Full
Z Energy	9.40	25-11	12-12	Full
Australian Shares				
ALS Limited	5.50	05-12	21-12	
Programmed Group	3.50	06-01	31-01	
Technology One	5.09	28-11	14-12	
Technology One Special	2.00	28-11	14-12	

Total Return Index for All Listed Shares

	Nov 7	1554.71		
	Nov 8	1559.83		
	Nov 9	1534.72		
	Nov 10	1549.67		
	Nov 11	1549.74		
Nov 14	1546.57	Nov 21	1565.22	
Nov 15	1548.93	Nov 22	1565.29	
Nov 16	1560.46	Nov 23	1574.79	
Nov 17	1562.96	Nov 24	1576.68	
Nov 18	1563.91	Nov 25	1578.07	
Nov 28	1574.95	Dec 5	1580.72	
Nov 29	1576.84	Dec 6	1583.42	
Nov 30	1576.51	Dec 7	1576.97	
Dec 1	1577.40	Dec 8	1574.86	
Dec 2	1578.97	Dec 9	1576.17	

Investment Outlook

(Continued from Page 1)

can survive a few more “bad” policies. Probably no-one will notice the difference.

Companies will adapt to any economic and political changes. Perhaps setting up foreign (wholly owned) subsidiaries within the appropriate national borders or lobbying for exemptions or subsidies to negate headline policy changes.

Most economic and political policies tend to focus on labour intensive manufacturing - which is just the sort of low growth, low profit margin business in which we seek to avoid investing! Politicians confuse “job creation” for “wealth creation”. That is probably the real economic problem. Does any country really want a few more unskilled, minimum wage jobs, financed by a much larger number of people through tariffs and subsidies? Let's bring back trench warfare. That is just as illogical but will “solve” the unemployment problem cheaply . . . and in just 20 minutes!

Brexit and Donald Trump's election suggest that countries are becoming more inward focused and less open to global trade. That would generally be “bad” by lowering overall economic growth. But a very slightly smaller economic pie to cut up and share is not going to have a major impact on potential stockmarket returns.

“Globalisation” is just a continuation of the trend of labour specialisation, which is as old as civilisation.

Countries may impose a few extra barriers to physical trade, but companies will adapt to operate within these new rules and exploit niche markets. The world economy is going through a process of “dematerialisation” with less tangible resources going into products, which become smarter with more intangible “knowledge”. Countries may duplicate minimum wage manufacturing, but there will always be trade in ideas and technology know-how. Immigration can stop workers moving to take up knowledge economy jobs, but it is actually easier to move the jobs to the workers!

So largely it is “business as normal”, especially for knowledge based businesses that can operate relatively freely over national borders.

Shares have historically been the best long term investments under all kinds of economic and political environments and companies have the ability to adapt to *whatever* happens in the future. Therefore we recommend remaining fully invested in the *Recommended Portfolio* shares.

Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on Monday January 16, 2017.

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

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