

Market Analysis

Issue No. 545

www.stockmarket.co.nz

November 13, 2017

Inside Market Analysis

Finbar Group experiences upturn in sales 4, 5
 BUY Silver Chef 6, 7, 8
 Company Review: Volt Resources 8, 9

Founder: James R Cornell (B.Com.)

The Answer to the Ultimate Question of Life, the Universe and Everything (including AUD and GBP bank accounts) 10
 Stockbroker Update 11
 Australian Warrant / Option Analysis 12, 13

Summary and Recommended Investment Strategy.

Silver Chef seeks to be an ethical company that “Does well” (i.e. earns a profit) “by doing good” - but in reality, all successful businesses do that! The most innovative firms create the greatest economic benefits for all society - and, in the process, earn the highest profits for their shareholders! We “do well” if our companies “do good” (i.e. provide what society requires).

Investment Outlook.

Capitalism has been a *blatant success* for your Editor, many other readers of this newsletter . . . and for the overwhelming majority of the world's population!

In 1910, 1440 million people (82% of the world's population) lived in “extreme poverty”. By 1970 that number had increased to 2220 million but had declined to 60% of the rapidly growing world population. Over the last 45 years the global population has doubled again, but the number living in extreme poverty has fallen to 706 million (just 9.6% of the total).

This improvement has not been caused by Socialism *redistributing* wealth, but by Capitalism's freedom to allow individuals to *create* and *grow* wealth.

Some countries experimented with a Communist economic system - but it was such a blatant failure that Russia and China now both run Capitalist *economic* systems. Tsar Putin and Emperor Xi, however, appear to favour the pre-revolutionary *political* systems.

The success of Capitalism is even more remarkable when one recalls that back in the 1960's and 1970's *Malthusian* theory predicted a shortage of food, land, oil and other commodities . . . with dire consequences of increasing poverty!

But there is a housing shortage! Sorry, that is a failure of the political system (e.g. by restricting the geographic expansion of a city to provide more land or restricting high density, high rise development - both of which artificially restrict supply, create a shortage and inflate prices!). This is not a failure of the *economic* system which, if less regulated, would expand supply to meet demand.

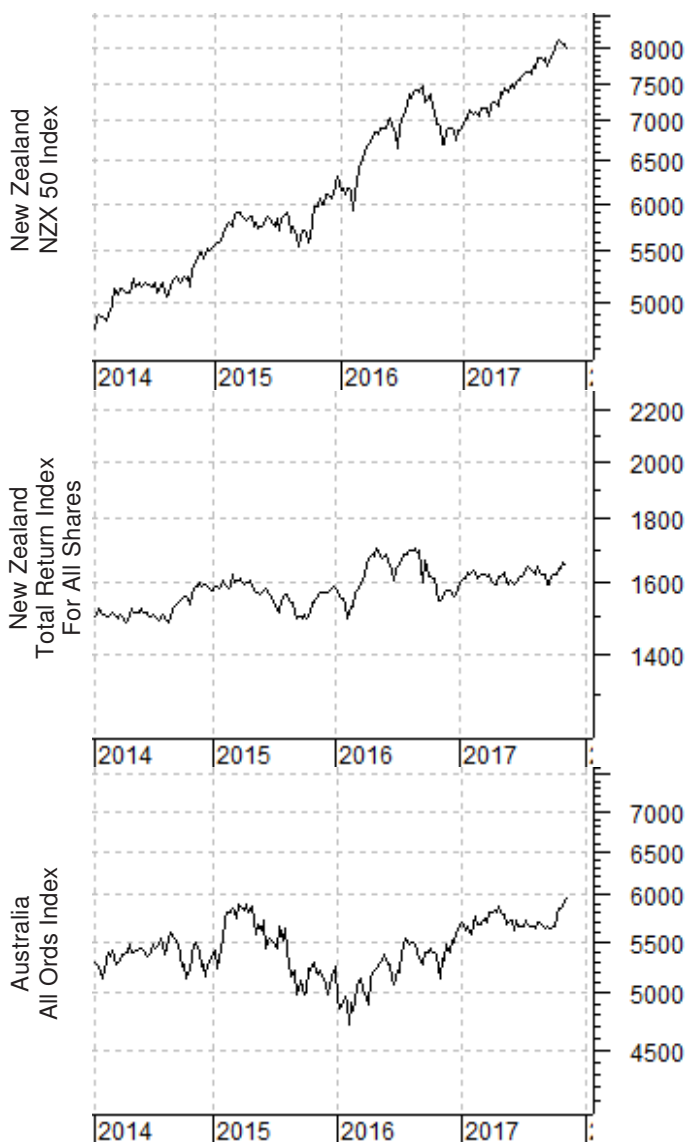
It is, however, not the function of this newsletter to lecture on politics or economics. We are here to blatantly pursue our own economic self interest, to find the best investments and to build our personal investment wealth.

Of course, the unabashed consequence of our self-interest in supporting innovative companies with more efficient methods of production (to maximise profits) and with lower prices (to gain market share by undercutting competitors) is that Adam Smith's invisible hand guides our investment decisions to increase total production and lower prices for the benefit of all of society.

This is how Capitalism's self-interest has succeeded in raising living standards and lowering poverty.

Stockmarket Forecasts

	One-Month	One-Year
Australia:	76% (Bullish)	85% (Bullish)
New Zealand:	63% (Bullish)	66% (Bullish)



Recommended Investments

Cavalier Corporation consolidated its woollen spinning operations to Napier last year and its felted yarn spinning to Wanganui but “getting both plants up to capacity proved challenging”, with production delays impacting sales volumes and lead times. These plants are “now producing the required volumes” and the company is “focused on realising efficiency targets”.

Inventory was reduced, mainly from the discontinued Ontera carpet tile business, but “there will be a big push to reduce stock and operate on a leaner base”. This will also allow the reduction in interest bearing debt.

The company believes that “acceptable profitability is within our reach”.

Cavalier Corporation



Colonial Motor Company reports “the first quarter this year is up on last year” - and the September 2016 quarter was particularly strong - but also notes that consumer confidence can change rapidly. The first quarter had “a strong result from heavy trucks but car profitability is down”.

Colonial Motor Company



Australian Shares

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

Acrux Ltd reports *Axiron* sales of US\$7.9 million in the September quarter. **Eli Lilly & Company** discontinued US sales from 5 September and will end worldwide sales on 4 December. That is at least two months full sales, but down significantly on the US\$36.8 million in the June 2017 quarter and the US\$39.0 million in the September 2016 quarter.

The appeal over the patent will be heard this month. Acrux Ltd “continues to believe that the *Axiron* axilla application patent is valid and enforceable”. That would enable the company to seek damages (or

settlements) from companies that launched generic products.

Acrux Ltd is actively seeking to build new revenues. With the loss of *Axiron* royalties the company has decided to “suspend development of the onychomycosis specialty project” and use its cash reserves to focus on its generic products. It currently has seven generic products under development and plans to increase this to 12 products by June 2018 and 19 products by June 2019.

The company plans to “submit the first generic dossiers to the **FDA**” in mid-2018, with initial revenues from generic products expected towards the end of the June 2019 financial year.

ALS Ltd reports September quarter Mineral samples up 39% on the same period a year earlier. Mineral revenues are up 33% and earnings (from this division) are ahead 69%.

ALS Ltd



AtCor Medical has received \$418,368 in cash under the Australian R&D tax incentive program.

The company holds its AGM on 30 November and we recently emailed subscribers to suggest voting AGAINST the five proposals - in protest over the poor handling of the share placements made at 35% and 50% discounts to market value and to oppose ratifying the latest placement (which would restore the 15% annual limit and enable the directors to make further placements).

Atlas Pearls and Perfumes (which will seek shareholder approval at the AGM to change its name to **Atlas Pearls**) reports “demand remains firm” and “prices are stable” for its pearls.

In September the company sold \$1.5 million of pearls in Hong Kong at the *International Jewellery Show* and in October sold over \$1.8 million by auction in Kobe, Japan.

Atlas Pearls will offer more pearls for sale by auction in Kobe next month.

Brickworks Ltd has purchased the **Urbanstone** business from **Schaffer Corporation** for \$13.5 million. Urbanstone is a manufacturer and distributor of premium paving and masonry block products. Brickworks will lease the manufacturing site in Perth for up to 25 years (with options to extend the lease further).

Brickworks Ltd



amortisation) of \$55-60 million, up 25-36%, for the current year to June 2018.

Cardno Ltd



Cardno Ltd is predicting a “material increase” in earnings (before interest, tax, depreciation and

(Continued on Page 4)

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date - Price	Performance Forecast	Issued Shares (mil.)	Volatility Ratio	Price/Sales Ratio	Price/Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
NZ Shares												
BUY	CDL Investments Ltd	CDI	12/01/99 25	E	276.9	1.0	3.16	9	4.9	85	29.8	+359%
HOLD+	Cavalier Corporation	CAV	05/12/95 156*	D	68.7	2.1	0.17	NE	Nil	39	282.0	+106%
HOLD	Colonial Motor Company	CMO	10/11/92 128*	B	32.7	0.6	0.29	11	8.0	765	544.3	+923%
HOLD	Smiths City Group	SCY	09/10/06 64	E	52.7	1.5	0.13	15	8.7	56	36.0	+44%
HOLD	South Port New Zealand	SPN	13/02/96 120	B	26.2	0.5	4.34	19	5.9	610	277.3	+639%
BUY	Steel & Tube Holdings	STU	08/08/00 146	E	90.6	1.1	0.37	9	10.8	206	360.1	+288%
Australian Shares (in Aust cents)												
HOLD+	AcruX Limited	AGR	12/05/14 99	C	166.5	2.6	1.08	4	Nil	16	14.0	-70%
HOLD+	AJ Lucas Group	AJL	13/05/03 107*	C	585.2	1.8	1.30	NE	Nil	27	36.4	-41%
HOLD	ALS Limited	ALQ	12/10/99 72*	A	504.2	0.7	3.31	37	1.6	834	295.9	+1469%
HOLD	AtCor Medical Ltd	ACG	11/11/13 15	C	233.6	7.4	1.24	NE	Nil	2	Nil	-85%
HOLD+	Atlas Pearls & Perfume	ATP	14/05/96 73	C	422.9	6.4	0.73	13	Nil	3	17.5	-72%
HOLD+	Brickworks Ltd	BKW	12/11/12 1115	A	149.4	0.4	2.51	11	3.6	1417	192.5	+44%
HOLD-	Cardno Ltd	CDD	14/12/09 223*	B	479.6	1.0	0.57	34	Nil	141	98.0	+7%
HOLD	Clarius Group Ltd	CND	08/04/03 82*	D	89.6	3.7	0.05	NE	Nil	8	70.5	-5%
HOLD	CPT Global Ltd	CGO	10/03/08 88	C	37.3	2.4	0.22	NE	Nil	16	19.0	-60%
HOLD	CSG Limited	CSV	11/10/10 175	B	322.4	1.6	0.65	15	Nil	50	64.0	-35%
BUY	Cynata Thera.	CYP	13/03/17 50	D	90.1	1.6	NA	NE	Nil	60	Nil	+20%
HOLD	Ellex Medical Lasers	ELX	14/03/06 49	C	121.1	1.3	1.68	NE	Nil	100	Nil	+103%
BUY	Fastbrick Robotics	FBR	07/07/17 14	B	676.5	2.7	NA	NE	Nil	20	Nil	+43%
HOLD	Fiducian Group	FID	11/02/08 260	A	31.3	0.6	4.22	23	2.9	546	85.8	+143%
BUY	Finbar Group Ltd	FRI	12/04/10 106	A	231.4	1.0	1.77	20	6.3	95	65.5	+51%
HOLD+	Iluka Resources Ltd	ILU	12/10/04 471	B	418.7	0.7	5.17	NE	0.3	957	246.0	+155%
HOLD	Integrated Research	IRI	14/01/08 40	A	171.7	0.4	7.45	38	1.6	398	49.5	+1019%
HOLD	McMillan Shakespeare	MMS	07/11/16 1041	A	83.2	0.5	2.66	16	4.0	1639	66.0	+64%
HOLD	Melbourne IT	MLB	10/02/04 53	A	117.4	0.6	2.04	32	2.4	340	210.5	+939%
HOLD+	Michael Hill Int'l Ltd	MHJ	11/06/91 4*	B	387.4	1.2	0.71	15	4.7	107	64.8	+4196%
HOLD+	Mt Gibson Iron	MGX	10/11/14 44	B	1096.6	1.8	2.61	18	4.8	42	2.0	-1%
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*	D	57.5	1.7	0.07	NE	Nil	32	Nil	+142%
HOLD+	Opthea Limited	OPT	10/02/04 188	E	200.6	1.2	NA	NE	Nil	74	65.0	-26%
BUY	OZ Minerals	OZL	14/03/16 522	A	298.7	0.6	3.14	24	2.3	866	26.0	+71%
HOLD+	Prophecy International	PRO	08/09/08 26	E	64.0	1.6	3.17	NE	Nil	46	24.0	+167%
HOLD	Quintis Limited	QIN	08/01/07 45	A	390.3	2.0	0.60	2	10.2	30	33.2	+39%
BUY	Reckon Limited ¹	RKN	08/08/16 141	B	113.3	0.9	1.37	12	4.2	118	5.0	+1%
BUY	Silver Chef Ltd	SIV	13/11/17 740	B	39.0	0.5	1.01	14	5.1	740	Nil	
HOLD	Technology One Ltd	TNE	11/11/03 44	B	315.4	0.6	6.71	40	1.3	533	72.5	+1276%
BUY	The Reject Shop Ltd	TRS	11/01/05 257	A	28.9	0.7	0.19	12	4.6	525	486.5	+294%
BUY	Village Roadshow	VRL	10/08/09 77	B	161.8	0.6	0.58	26	Nil	375	308.0	+787%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +338.7%. This is equal to an average annual rate of +31.0%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 38 current and 165 closed out) is +32.0%, 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.

(1) Reckon Ltd's return includes 1/3 shares of GetBusy (GETB) worth 38½ pence (66.2 Aust cents).

Recommended Investments

(Continued from Page 3)

Cynata Therapeutics is approaching the half way point in its steroid-resistant acute graft versus host disease (GvHD) clinical study. It will “conduct a Data Safety Monitoring Board (DSMB) analysis” 28 days after the eighth patient is dosed. That should be “in the near future”.

The first eight patients have been given two doses, each of one million cells per kilogram of body weight. The next eight patients will be given two doses, each of two million cells per kilogram.

Cynata Therapeutics



Ellex Medical Lasers has received commitments to raise \$23 million from the placement of 22.1 million shares at 105 cents to Australian and United States institutional investors. 10.1 million shares have been issued to raise \$10.6 million and the second part (i.e. 11.1 million shares to raise \$11.6 million) is expected to be completed in early December.

Companies can issue up to 15% of their capital per year without approval from shareholders but, as Ellex Medical Lasers raised \$10.3 million in December 2016 in a placement of 7.0 million shares at 147 cents, part of this latest placement will need shareholder approval.

Funds raised will be used to expand sales and marketing of *iTrack* and also to expand production capacity from 20,000 to 50,000 units annually over the next eight months and later to double it again to 100,000 units annually (as we discussed in September).

The company will also seek to raise up to \$5 million through a *Share Purchase Plan* to shareholders, also at 105 cents per share. The market price of the shares has since fallen to 99½ cents, so shareholders wishing to acquire more Ellex Medical Lasers shares do better to buy on-market than to subscribe to new shares in this SPP.

Most subscribers to this newsletter are also probably over-weighted in Ellex Medical Laser shares, so would probably choose not to add to those large positions.

Ellex Medical Lasers' *Laser intervention in Early Age related muscular Degeneration (LEAD)* study began recruiting patients in November 2012 and the final 36-month follow-up results will be obtained in April 2018 and published in May 2018. Pending these results the company hopes to begin commercial sales of its *2RT* lasers and realise a “substantial growth opportunity”.

Ellex Medical Lasers



Fastbrick Robotics plans to build a second *Hadrian X* prototype in parallel with the current prototype. This will “allow the engineering team to significantly de-risk the assembly and test phases” and later allow it to run early adopter pilot programs in separate key geographic markets.

Fastbrick Robotics



Fiducian Group reports that first quarter profits are ahead of budget, helped by a good net inflow of funds. The company's target is “to grow at double digit earnings per share annually”.

Fiducian Group



Finbar Group holds \$68.8 million (29.7 cents per share) in cash. There is \$154 million of interest bearing debt, but that is all project specific, non-recourse loans secured over individual projects.

Completed but unsold stock has been reduced 20% since 30 June 2017 to \$109 million.(47.1 cents per share) There is no debt outstanding on unsold stock (as project loans are repaid from the settlement of pre-sales).

Lower pre-sales over recent years (plus the completion and settlement of two large projects) has reduced pre-sales to a five year low of \$288.9 million - down from a

November 13, 2017.

peak of about \$530 million about 2½ years ago. That decline in pre-sales is a reflection of the cyclical decline in the construction business in Western Australia over the last few years.

Perhaps significantly, sales activity is starting to recover. Year to date the company has made 154 sales (i.e. either sales of completed projects or pre-sales of current and future projects) worth \$70.05 million. That equals 1.39 sales (\$630,000) per day. The same figure a year ago was 1.02 sales (\$570,000) per day.

For the June 2016 financial year the statistics were 1.24 sales (\$870,000) per day and for the year to June 2017 it was very low at only 0.67 sales (\$470,000) per day.

The share price is also showing signs of recovery. The Relative Strength rating of +2.2%, ranked 37 (on a scale of 0-99) shows an improving trend.

The business is still depressed, but “Buy” for high current income and capital appreciation from recovery and future growth.

Finbar Group



Iuka Resources reports a 74.0% volume increase in sales for the nine months to 30 September (boosted by the acquisition of **Sierra Rutile**) to 816.6 thousand tonnes. Revenues for the nine months were up 63.4% to \$772.2 million.

Third quarter Zircon sales volumes were up 61% on the same quarter a year earlier, with year to date sales volumes up 38%. That increased demand has allowed the company to make three price increases, lifting the reference price 33.7% to US\$1230/tonne.

The company expects a “likely impairment” in the value of its \$32 million investment in **Metalysis**, but it is not apparent why that impairment is necessary. Metalysis - a UK company involved in metal extraction - appears to be performing well and developing its technologies.

Maintenance work was carried out at the *Narrigulu* mineral separation plant during August and September while *Jacinth-Ambrosia* shipments were suspended owing to safety concerns closing the **Port of Thevenard**. Remedial work was carried out by the port company and shipments recommenced in September. This also allowed finished product inventories to be reduced.

Iuka Resources is testing new, non-conventional mining technologies at its *Balranald* deposit. 1700 tonnes of high grade ore were mined and brought to the surface in February 2015 in its “proof of concept” trial. 6400 tonnes were extracted in August 2016 in a “proof of commerciality” test which identified excessive wear on the mining equipment. A surface “full scale wear”

test of “different materials and enhanced designs for key mining equipment was completed in August 2017 and “reliability exceeded required targets”.

The company will now spend a further \$25 million on a third production trial during 2018 to “mine and backfill three consecutive stopes at operational rate, recoveries and utilisation”. This should lead to a “staged approach” to commercial production starting in 2021.

Mt Gibson Iron finished the September quarter with cash (and short term investments) of \$507 million (46.2 cents per share), but has since paid a dividend of 2.0 cents per share.

Standard *Iron Hill* lump ore sales realised US\$64 per dry metric tonne, up 60% from the June quarter. September sales were \$43 million, up from \$28 million in the June quarter.

The *Koolan Island* restart project is on track, with first sales expected in the March 2019 quarter.

Michael Hill International has put its *Emma & Roe* store expansion “on hold” pending the completion of a review of this business following “revenue forecasts not being met and losses growing faster than anticipated”. For the year to 30 June, this division lifted store numbers 81% to 29, revenues rose 62% to \$15.1 million, but the loss increased 186% to \$6.9 million. The operating loss as a percentage of revenues rose from 26.0% to 45.9%! Expansion should *improve* profit margins. “Adjustments to the *Emma & Roe* model” are expected in the second half, following the completion of this current review which began early this calendar year.

Overall, group revenues rose 7.8% in the September quarter (compared with the September 2016 quarter). *Michael Hill* same store revenues grew 3.8% with total revenues up 7.4%. *Emma & Roe* same store revenues fell 12.3% with total revenues up 27.4%.

Canada performed especially well, with same store sales up 7.6% and total revenues up 22%.

The *Emma & Roe* operation is still a very small part of the business and the Canadian business - with growing revenues and improving margins - should drive group profitability in the short to medium term.

Michael Hill International



OZ Minerals lifted its cash holding \$14 million to \$639 million (214 cents per share) over the quarter to 30 September. Ore inventories increased \$17 million to \$609 million (204 cents per share), from which the company has hedged 254,933 ounces of Gold production (from mid-2018) at an average price of A\$1735/ounce or a total of \$442.3 million. (Continued on Page 6)

Recommended Investments

(Continued from Page 5)

Expenditure on the *Carrapateena* mine was \$12 million.

Further accelerated open pit mining at *Prominent Hill* will result in savings of \$10 million and mining will end in the March 2018 quarter (instead of around June).

The company has finalised its decision to move its corporate offices to the Adelaide Airport business district in mid-2018, with a 40% saving in annual office lease costs.

Quintis Ltd has terminated its agreement to supply Indian Sandalwood wood to China based **Shanghai Richer Link** and is in “active dialogue” with other potential wood buyers in China.

The Reject Shop reports first quarter sales down 2.1% on a year earlier . . . but with an improving trend. July sales were down 4.0%, August sales down 1.8% but September sales were up 0.1%. Like most retailers, the December quarter (i.e. Christmas sales) is the most important period of the year.

The company is currently predicting a first half profit of \$16-17 million (down 3-9%). Usually the company makes a small loss in the second half of the year, although suffered a larger loss in the period last year.

Returning to a more normal second half, the full year net profit should be up 20-25% to around \$15-15½ million (52-54 cents per share) and a stated dividend payout ratio of 60% would give a 29-33% higher dividend of about 31-32 cents.

The Reject Shop



Village Roadshow has completed the sale of its 50% interest in Singapore based **Golden Village** and the \$164 million in cash has been used to reduce debt levels.

Helped by improving operating performance and debt reduction from asset sales, we are upgrading Village Roadshow to a “Buy” for recovery.

Village Roadshow



Share Recommendation: Buy Silver Chef

BUY Silver Chef (code SIV).

Silver Chef provides short term financing to small businesses, originally in the Hospitality industry but expanding into the Transport and Construction industries in 2008.

This is a very profitable and fast growing business but suffered a “glitch” in late 2016 when it was the target of fraud. This situation was corrected a year ago, but the increase in bad debts and the impairment of rental assets resulted in a small dip in net profits for the year to June 2017. That, in turn, resulted in a large 47% dip in the share price!

This lower share price offers an attractive buying opportunity, with the company now forecasting a 20-30% growth in net profits for the current year.

Company History and Current Business

The company was established in 1986 by the current Chairman and major shareholder, and listed on the Australian stockmarket in 2005.

The business initially provided financing to the Hospitality industry under the brand *Silver Chef* and in 2008 expanded to provide lease financing for the

Transport and Construction industries under the brand *GoGetta*.

The *Silver Chef* business successfully expanded into New Zealand in 2011 and Canada in 2013. 87% of the business is still in Australia, with 4% in NZ and 9% in Canada, but the NZ business grew 50% over the year to June 2017 and the Canadian business grew 81%.

The *Silver Chef* business mainly provides Hospitality customers with *Rent/Try/Buy* asset rentals where, after one year, the customer has the option to (1) buy the assets (with a rebate of 75% of rentals paid), (2) upgrade the asset, (3) return the equipment or (4) continue the *Rent/Try/Buy* contract with similar annual renewal options. The average contract length is about 30 months and the average contract size is about \$11,000.

80% of equipment returned is refurbished in-house and re-rented within 60 days.

GoGetta provides mainly vehicle financing with an average contract length of 23 months and an average contract size of \$27,000.

Silver Chef has a large number of relatively small financing contracts, so credit risks are fairly predictable.

Silver Chef (i.e. hospitality) bad debts are expected at about 2.5-3.5% per annum, with expected impairments (i.e. write-downs on returned equipment) equal to 1-2% p.a. of total financing. *GoGetta* has higher expected bad debts of about 2-5% p.a. and higher expected impairments of about 3-5% p.a.

The business is funded with Shareholder Equity and a \$400 million facility (including the ability to borrow in NZD and CAD) with a syndicate of banks.

Over the last year the company has put in place the framework to securitise \$200 million of its lease receivables and will soon begin this securitisation financing.

Under this procedure, \$100 million of individually risky, higher yield lease receivables *could* be “securitised” and repackaged into perhaps \$60 million of very low risk AAA rated bonds (i.e. as all of the cash from the leases will first go to pay interest and capital on these bonds) plus \$20 million in AA rated bonds (i.e. which next receive interest and capital) and \$20 million of unrated bonds or equity that will be financed by Silver Chef. Institutional investors would buy these AAA and AA rated bonds at low interest rates. Securitisation should therefore provide an overall lower cost of financing to Silver Chef than traditional bank debt and Shareholders’ Equity. Silver Chef’s risk would also be reduced as traditional bank loans are fully guaranteed by the company but securitised loans are “limited recourse” (which, depending upon the contract documentation usually mean “no recourse”).

Securitized funding will see “a significant reduction in senior debt gearing levels” during the current financial year “and a lower level of reliance on new equity to finance the company’s growth targets over the coming years.

Over the last year the company raised \$7.5 million of new equity with a share placement (i.e. 737,892 shares at 1013 cents) in September 2016 and \$21.0 million from a 1 for 12 cash issue at 700 cents in March.

Recent Results

Revenues, net profits, earnings per share and dividends have historically grown rapidly as this is a profitable business that generates a high return on Shareholders’ Equity.

That changed in the year to June 2017:

Bad debts and impairments were higher in the first quarter of the June 2017 financial year owing to a major fraud involving fraudulent customers working with fraudulent equipment vendors. Tightened credit processes in October 2016 and removing some “under-performing brokers” quickly resolved this problem but left the company with higher than normal bad debts and higher than normal rental asset impairments.

The company is also developing a new application management system which will help reduce potential fraud although its major objective is to “generate internal efficiencies through reduced application processing times” and “import application information from equipment dealers and finance brokers”.

For the year to June 2017, revenues rose 29.4% to \$286.0 million. Bad debts rose 102% to \$12.6 million and the impairment of rental assets rose 85% to \$16.3 million, depressing net profits 9.4% to \$20,245,000. The increase in the issued capital (from

the share placement and cash issue) resulted in an 18.4% fall in earnings per share to 51.9 cents and the annual dividend rate was cut 9.5% to 38.0 cents.

Investment Criteria

At 740 cents, Silver Chef shares trade on a Price/Sales ratio of 1.01, a Price/Earnings ratio of 14 and offer a Dividend Yield of 5.1%.

The shares probably became a little expensive in 2016, but the profit “glitch” has depressed the shares to near their historically low valuation levels (excluding the 2008/2009 period when the *Global Financial Crisis* depressed most shares to abnormally low valuations) which offers an attractive buying opportunity.

Last month’s AGM predicted the current year profit at \$24-26 million (61.5-66.6 cents per share), up 18-28%.

This is a very profitable business. In the four years ending June 2013 to June 2016, Silver Chef earned a 21.8-26.6% return on Shareholders’ Equity. That dropped to a still high 15.7% for the year to June 2017.

Through to June 2016, earnings per share grew by around 16½% per annum, but fell 18.4% last year.

The business is still growing, so the company should be able to achieve earnings per share growth similar to its 16½% historical rate. In fact, securitisation will boost earnings per share growth by reducing the need to raise additional capital which dilutes this growth. The shares are near a cyclical low valuation so should be re-rated 30-60% to a more normal valuation. The shares also yield a high 5% cash dividend. These three factors (1) earnings per share growth, (2) some re-rating of the shares plus (3) the high dividend yield *could* see an investment in Silver Chef shares increase 3½-4½ fold (28-35% per annum compounded) in value over the next five years or 9-11 fold in value (24-27% per annum) over 10 years.

The issued capital is 39,042,781 shares, giving a market capitalisation of \$289 million. The shares are reasonably actively traded, with daily turnover usually around \$200,000 to \$600,000 although a little volatile at times.

Three brokers follow Silver Chef closely enough to publish profit forecasts. That is a low “moderately followed” level. “Neglected” or “moderately followed” shares are more likely to be under-valued than “widely followed” shares.

The directors and senior management have large holdings in Silver Chef. The company Founder and Chairman, Allan English owns 8,841,341 shares (or 22.6% of the company). Non-executive directors A Kemp with 909,009 shares (worth \$6.7 million) and B King with 108,987 shares (worth \$806,504) have relatively large investments in the company, while the other two non-executive directors own 29,632 and 11,032 shares. The Chief Executive D Guivarra (appointed from within the company in November 2016) owns just 32,235 shares.

Just over half of the Founder’s shares are held by the *English Family Foundation* which is a major supporter of *Opportunity International* and donates all of its dividend income to that charity. Opportunity International “provides small loans to families living in poverty, predominantly to mothers” to “help them start or grow their own small businesses” in 22 developing countries. *(Continued on Page 8)*

BUY Silver Chef*(Continued from Page 7)*

In June 2015, Silver Chef became a “Certified B Corporation” which seek to “use the power of business to solve social and environmental problems”. Last year the company established the *Silver Chef Foundation* and will fund its operating costs plus donate 1% of Silver Chef profits to this foundation for distribution to local and international charities.

There have been two *insider* trades over the last year, one buy and one sell (plus a third small buy). The Chairman’s Foundation sold 100,000 shares at prices around 719 cents in June to fund its charitable work. Non-executive Director AKemp purchased 12,000 shares at 668 cents in September to lift his holding to 909,009 shares. Non-executive Director SA Mitchell also bought 1000 shares at 739 cents in August, but we exclude that from our *insider* data as it was a very small trade (i.e. less than \$10,000 and less than 10% of the director’s shareholding)

Silver Chef shares peaked at 1220 cents in October 2016 but fell on news of the fraud event even though further losses had been prevented. A low of 645 cents was hit in August this year. The Relative Strength rating at -5.2% (ranked 67) is still “weak”, but given the low current valuation, high return on Shareholder Equity

and recent forecast of profit recovery it is likely the shares have passed their lows and will recover from here.

Summary and Recommendation

Silver Chef has a very profitable and growing business but also provides a high current income yield. The shares should be attractive to investors seeking high current income . . . but this is also a growth company and a recovery situation which should produce above average capital appreciation over the medium to long term.

Buy for current income, income growth and capital appreciation.

Silver Chef

Company Review: Volt Resources

Volt Resources (code VRC).

Volt Resources is a small \$25 million capitalisation company planning to develop a very large, very long life, high profit margin, high quality Graphite mining operation in Tanzania. Over the next three years the company hopes to develop a US\$200 million Graphite mining and processing operation.

The Definitive Feasibility Study for Stage I is expected to begin this quarter and be completed before June 2018. Plant construction is planned throughout the 2018 calendar year, with commissioning and ramp-up of production by December 2018. This first stage is expected to cost around US\$30 million and produce 20,000 tonnes per annum (tpa) of Graphite.

Even before Stage I is completed, Volt Resources expects to make a final investment decision (based upon negotiating further offtake agreements) for its US\$173 million Stage II development to expand production to 170,000tpa. Development of Stage II is expected to begin in early 2019 and be at full production by December 2020.

The completion of this project could increase the value of the company 40-fold to around A\$1150 million. This development, of course, involves high risks - mainly in obtaining suitable financing or possible project delays - and the share price can be volatile.

Company History

In recent years this company has been involved in coal exploration and potential mine development in Mozambique, acquired coal exploration interests in Queensland, Australia (in 2014) but, with a change of

management (in December 2014) its focus became acquiring Graphite tenements in Tanzania. Along the way its has changed its name from **Mozambi Coal** to **Mozambi Resources** and is now **Volt Resources**.

Current Business:**The Bunyu (previously Namangale) Project**

The company is seeking US\$30 million financing for the 20,000tpa (i.e. tonnes per annum) Stage I development to be followed by the US\$173 million Stage II expansion to 170,000tpa by late 2020.

The Preliminary Feasibility Study for the Stage II development indicates a Net Present Value of US\$890 million, with the payback of the initial capital cost in just 1.4 years and a 22 year mine life.

This is a high return and profit margin project. The project is forecast to yield an 87% pre-tax (67% after tax) return on the initial investment. The high quality Graphite is expected to sell for an average of US\$1684/tonne while operating costs are forecast at only US\$536/tonne. That will make this a high margin (i.e. low risk) mining venture.

The resource is near the surface and will be extracted from shallow (i.e. around 100 metre deep) open pits using “conventional drill and blast, load and haul” mining. The current resource is 461 million tonnes graded 4.9% Total Graphite Carbon (TGC) - enough for a 22 year mine life - but only 6% of the tenement area has been explored to date. The ore will be processed to 95% TGC before being transported by truck just 140km on sealed roads to the port at Mtwara.

Laboratory tests have demonstrated that this product

can be further processed to 99.99% TGC, greater than the “high purity” standard of 99.95% TGC.

The resource contains higher value “jumbo, large and medium flake size” Graphite suitable for battery anodes (i.e. in lithium batteries), expandable graphite (used as a flame retardant in the construction industry) and graphene (i.e. the strongest material in the world and one with a huge number of potential high-tech applications).

Volt Resources has one confirmed and four indicative offtake agreements in excess of its Stage I production of 20,000 tonnes per annum. US based **Nanographene** has a fixed price binding five year agreement to purchase 5000 tonnes (i.e. an average of 1000tpa).

China based **Aoyu Graphite Group** may purchase 10-20,000 tonnes per annum and is discussing a “processing agreement” to produce “high value purified *spherical graphite*” (for use as anodes in lithium batteries) for Volt Resources to supply to battery manufacturers.

Volt Resources also has a non-binding *Cooperation Agreement with China National Building Materials General Machinery (CNBMGM).* Under this agreement, CNBMGM could deliver “project engineering/construction support and facilitate the provision of project finance” for Stage I and Stage II of the *Bunyu Project.* It may also purchase 10-15,000 tonnes of annual production.

Two other Chinese companies, **Guangxing Electrical Materials** (5,000tpa) and **Tiangshengda** (10,000tpa) have indicative agreements to purchase from Volt Resources.

Investment Criteria

Volt Resources has no revenues, operates at a *loss* (owing to overheads, exploration and development costs), has little cash or other net assets.

If the current Graphite project is *not* completed for any reason, then these shares could be worthless! On the other hand, the successful completion of this project could create a business worth \$1150 million (85 cents per share, based upon the current shares and options, although probably less owing to dilution from the need to issue additional shares to raise cash).

This situation highlights the “skewed to the right” nature of potential losses or gains on share investments. If Volt Resources fails to develop its Graphite project then the shares will be close to worthless . . . and investors would lose up to 100% of their investment. If the project is successfully completed, then there is *no limit* to potential returns! Even with some dilution (i.e. issuing new shares to raise additional cash) the value of Volt Resources shares *could* rise 10-fold or 20-fold in value over the next 3-5 years. Longer term this would be a profitable, cash generating business paying high dividends!

Importantly, Volt Resources is actively seeking financing to proceed with the Stage I development:

The company has just completed a *Share Purchase Plan* at 2.1 cents to raise \$2.338,000, plus \$900,000 with a “top-up” placement at the same price. These funds will be used to “complete the Stage I feasibility study” and accelerate exploration and drilling.

Volt Resources is also currently seeking to raise up to US\$30 million from a Tanzanian Bond Issue which “if successful” will “fund the Stage I development” with

“minimal equity dilution”. The company will also “continue to consider other funding proposals”.

The issued capital (after the SPP and placement) consists of about 1132 million ordinary shares, which at a market value of 2.2 cents gives a market capitalisation of just \$25 million. There are also 236.3 million listed options (code VRCO) with an exercise price of 2.0 cents, but expiring on 31 December 2017. If exercised these options would raise \$4.7 million of cash for the company.

The directors have a reasonable investment in this company. The Chairman, A Kabunga, owns 146.9 million shares (or 13.0% of the company) plus 12.4 million listed options, mainly from the sale of Tanzanian Graphite tenements to the company. Other board members and management own 2.6% of the company (plus some performance rights).

There have been six *insider buys* (and no sells) on-market over the last year. This is a very high level of buying by the people who know and understand the company best. The former Chairman and since August a Non-Executive Director S Hunt purchased 650,000 shares on-market at 5.8 cents per share in December 2016, 350,000 shares at 5.9 cents in January 2017 and 670,000 shares at 2.9 cents in March 2017. That lifts his holding to 6,758,434 shares plus 2,000,000 listed options.

Non-Executive Director M Bull purchased 250,000 shares on-market at 5.9 cents in January and 2,461,412 listed options at 1.2 cents in March. This gives him 4,088,885 shares and 2,461,412 options.

The Chairman, A Kabunga, last week purchased 580,000 shares on-market at 2.4 cents and 1,000,000 options at 0.7 cents.

Volt Resources shares have been volatile, peaking at 15 cents in June 2016 before *losing over 90%* of their value at a low of 1.4 cents in September. Since then the shares *rose 120%* to a recent high of 3.1 cents, before slipping back to around 2.2 cents.

Summary and Recommendation

We are not formally recommending Volt Resources shares (or listed options). This is a very high risk investment . . . but the company does have a viable and potentially extremely valuable Graphite mining project that could create very significant shareholder wealth over the next few years!

A small investment (e.g. about 0.5-1.0% of a portfolio, probably not more than 2%) would therefore be suitable for high risk investors - with well diversified share portfolios - seeking capital appreciation.

Volt Resources



The Answer to the Ultimate Question of Life, the Universe, and Everything.

(or how a New Zealand Investor can open an Australian and/or United Kingdom Bank Account)

In *The Hitchhiker's Guide to the Galaxy* a very large computer with biological components called *Deep Thought* (but commonly mistaken for a planet called the Earth) was built by a race of hyper-intelligent, pan-dimensional beings to find the answer to the above question. Unfortunately, five minutes before the conclusion of this 10 million year program, the Earth is destroyed by the Vogons to make way for a hyperspatial express route.

Solving real life problems for international investors is almost as difficult!

Since the 11 September 2001 terrorist attacks, international investors have been searching for the answer to how a non-resident can open a foreign bank account or foreign brokerage account.

Traditional banks and stockbrokers have become very cautious in response to increased government regulation and compliance, focusing upon domestic compliance and their domestic customers. Non-residents are an exception, considered to be more risky and consequently banking and brokerage services have been withdrawn from these customers.

This has create a “niche” for innovative Fintech companies that can run efficient, low cost regulatory compliance on a global basis and seek customers anywhere!

Interactive Brokers does this in stockbroking. It is a US based company but half of its customers are non-US residents living in 190 countries.

There are many “fintech” companies starting to offer banking services globally: UK based **Transferwise** (www.transferwise.com) now offers “Borderless” accounts in 28 currencies to customers anywhere in the world. Four of these currency accounts are exactly like local bank accounts, while 24 are just simple foreign currency deposit accounts. This service was launched in May in the UK, Europe, India and Pakistan, rapidly expanded to the United States and now appears to be available everywhere.

We have previously discussed Transferwise as a forex payment company. The company has registered customers in over 50 countries.

Transferwise notes these *electronic money accounts* “don't represent real bank accounts” but accounts in USD, EUR, GBP and AUD will have “unique bank details” (i.e. a local bank account number) that lets you “receive payments like a real bank account”.

They won't give you a mortgage or an overdraft or a cheque book or a debit card, you can't set up recurring direct debits, you will not earn interest and there is no Government deposit guarantee. With the Australian account you don't have access to the BPAY system.

Actually, debit cards and the ability to set up recurring

payments should be available soon. A debit card (in AUD, GBP, EUR or USD) would save forex fees while travelling overseas or when paying for international purchases over the internet!

Accounts in the other 24 currencies are simple deposit accounts with Transferwise (i.e. *without* local bank account numbers). In these currencies you can hold cash and pay third parties, but at this stage third parties cannot make deposits to your account.

As a Transferwise Borderless Australian dollar account will have a regular Australian bank account number (i.e. a 6-digit BSB Code and 9-digit Account Number) it can receive payments such as the direct credit of dividends the same as any regular bank account. Money in the account can be used to make electronic payments to any other Australian bank account (e.g. to your broker or to make Australian dollar payments to any third party) or you can use the Transferwise forex service to buy New Zealand dollars for transfer to your local bank account in NZ.

A Transferwise British Pounds account can be used to collect UK dividends, or to transfer capital to or from the UK and to or from a UK broker (if you opened your UK brokerage account many years ago).

There are fees, but not many and they are extremely low. There is no fee to open a Transferwise Borderless account, no minimum balance required (i.e. a zero balance is acceptable), no monthly account fees, no fee to add money and no fee to receive deposits from third parties (e.g. direct credited dividends). There is only a small fee to withdraw money to a regular bank account (i.e. A\$0.90 or £0.50 or NZ\$1.00), either to your own account or paying to a third party account.

A forex transaction from a Borderless account will receive a “guaranteed”, rather than an indicative “not guaranteed” exchange rate.

To open an account with Transferwise you need to upload the normal identification (e.g. a scan or photo of your passport) and proof of residence (e.g. a utility bill), but once you have a Transferwise forex account there is no additional documentation to open the foreign currency Borderless money accounts.

If you want an Australian or UK bank account to collect dividends or to control payments to or from a foreign stockbroker then a Transferwise Borderless Account is the perfect low-cost, easy to obtain solution.

Our only word of caution is that an “electronic money account” may not be the most secure place to hold very large sums of money. This is ideal as a *transaction account* - to collect dividends or move capital - but large sums of uninvested cash would be better held in your stockbroker cash management account or in a regular bank account.

Stock Broker Update

(Converting Certificated Shares to Scripless or Electronic Shares)

Last month, in response to an investor whose UK bank account was being closed we suggested opening a brokerage account with **Interactive Brokers** and “transfer over your certificated shares to the broker nominee account”.

That question came in just the Friday before the October newsletter. Further checking with Interactive Brokers we have discovered that they cannot process certificated shares to their nominee account, only scripless “electronic” shares.

The simplest answer to that investor's current problem would therefore be to open a non-bank British Pounds “bank” account with **Transferwise** (see the previous article in this newsletter) to receive their dividends.

Researching this situation further we discovered that a number of UK based internet brokers will no longer handle certificated shares. Most UK based brokers will still handle certificated shares - but, of course, none will open new accounts for non-residents.

We also discovered that Luxembourg based **Internaxx** (www.internaxx.lu) will open accounts for non-residents and will accept certificated UK shares which can be transferred to their nominee account. This service would be similar to Interactive Brokers, except that fees are higher.

Shareholders can transfer certificated UK shares into an Internaxx account at no cost (but at Euro 26 per holding if you later move your shares to another broker).

There is a Euro 45 quarterly account fee (i.e. about US\$17.50 per month), reducing slightly to Euro 25 if you make 1-9 trades per quarter (and reducing to zero only after 12 trades).

If your account is in a company name then there is an extra Euro 500 per year fee!!

Trades are cheaper than the international service offered by NZ and Australian brokers, but higher than Interactive Brokers. Share trades in the US, UK, Canada and Ireland are priced at Euro 15 plus 0.1% of the transaction value. Euronext trades are Euro 25 plus 0.1% and other markets Euro 50 plus 0.1%.

Interactive Brokers would charge 0.08% in Australia (with a minimum of A\$6) and significantly less in other markets.

Forex trades are priced at 1.0% up to £15,000 (for some reason this service is priced in Pounds) and 0.5% on amounts above that. Again, that is probably better than you would get with an Australian or New Zealand broker, but a forex trade with Interactive brokers is US\$3 plus about 0.01%.

Most investors probably should not run up margin debt with their brokers, but if you do then Interactive Brokers will charge you 2.66% for USD, 2.92% for AUD, 1.5% for Euros, 1.77% for GBP or 3.46% for NZD (or other rates for other currencies), while Internaxx will charge 6.99% for any currency.

Nevertheless, Internaxx could be a consideration for an investor holding a lot of certificated shares and wishing to turn them electronic.

ASB Securities will convert your certificated shares into scripless shares for US\$25 per company and sell them for £90 plus 1.4%.

Or you can convert certificated shares for US\$25 and hold them in the broker nominee account but with a NZ\$250 fee per portfolio per year.

 Another option is **Morgans Financial Services** (www.morgans.com.au) who will convert UK certificated to electronic shares. The broker has been working with GetBusy plc to help convert shareholders certificated shares (but could help with other UK certificated shares).

You first need to open an account with the broker and then there is a “lodgement fee and courier fee” of A\$82.50 and the broker will then happily “facilitate the transfer” of these electronic shares “to your external broker”. So Morgans would be happy to convert your certificated shares to electronic shares and then transfer them to Interactive Brokers.

 At the present time, only EU residents can hold scripless shares under the UK CREST system. That is why non-resident shareholders hold certificated shares or need to hold scripless shares in a broker's nominee account. In fact, many UK residents also prefer to hold certificated shares.

The EU (and presumably the UK) are, however, planning to completely eliminate certificated shares by 2023. That deadline will probably get moved back!

Eliminating certificates will raise the problem of how to deal with non-EU residents that own UK and other European shares in certificated form. The easiest solution would be to expand the current residence requirement, enabling any shareholder to be issued scripless shares.

If that happens, it would be easier to trade these UK shareholdings through a local broker or transfer to an “electronic-only” broker.

Australian Warrant / Option Analysis

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
3D Resources	1.1	0.7	2-1	0.6	0.8	-23	1.23	1.24	1.0	+9	Helios Energy	4.5	2.0	4-1	3.2	3.3	-3	0.76	1.24	1.0	+4
88 Energy	2.5	2.0	0-3	0.6	0.7	-16	0.93	2.67	1.0	+17	Henry Morgan	199	100	0-9	82.0	100.5	-18	0.31	1.97	1.0	-11
AVZ Minerals	28	3.0	2-6	25.0	25.8	-3	1.19	1.07	1.0	+0	Hill End Gold	14	7.5	2-8	6.2	11.3	-45	1.47	1.11	1.0	+1
Algae.Tec Ltd	2.1	5.0	2-8	0.4	0.3	+39	0.57	2.48	1.0	+42	Icandy Interactive	16	21	2-2	4.5	11.5	-61	1.55	1.19	1.0	+24
Alicanto Minerals	13	28	1-8	2.9	2.1	+36	0.74	2.35	1.0	+68	icollege Ltd	4.9	8.0	1-8	0.7	2.4	-71	1.31	1.42	1.0	+42
Alligator Energy	1.2	2.1	2-1	0.5	0.4	+35	0.83	1.82	1.0	+46	Immuron Ltd	18	55	2-0	4.5	2.2	+108	0.72	2.43	1.0	+82
American Patriot O&G	3.7	25	0-11	0.1	0.1	-27	1.13	2.87	1.0	+763	Impact Minerals	3.0	4.0	2-7	1.0	1.6	-39	1.05	1.38	1.0	+22
Analytica Ltd	0.5	1.4	0-3	0.1	0.0	+999	1.13	4.98	1.0	+999	Impression H/Care	2.8	12	1-1	0.1	0.1	+48	0.78	3.59	1.0	+286
Andromeda Metals	1.4	1.2	0-4	0.5	0.4	+21	1.02	2.41	1.0	+79	Intermin Resources	13	17	0-9	2.5	1.0	+144	0.53	4.14	1.0	+81
Anson Resources	16	2.5	0-8	11.5	13.2	-13	1.48	1.15	1.0	-14	Intiger Group	1.0	0.8	0-1	0.2	0.2	-13	0.96	3.60	1.0	+0
Antipodes Global	127	110	0-11	16.0	18.9	-15	0.08	6.62	1.0	-1	Invigor Group	0.8	5.0	0-7	0.1	0.0	+999	0.87	5.60	1.0	+999
Antisense Thera.	3.3	8.0	2-1	0.8	0.4	+99	0.63	2.58	1.0	+61	Iseentric Ltd	4.5	9.0	0-2	2.2	0.1	+999	1.09	5.69	1.0	+999
Argent Minerals	3.3	10	1-7	0.8	0.4	+106	0.80	2.45	1.0	+111	Jervois Mining	49	5.0	0-7	42.0	44.1	-5	0.96	1.11	1.0	-7
AssetOwl Ltd	14	40	1-7	1.0	0.6	+62	0.58	3.50	1.0	+97	K2Fly Ltd	11	20	2-7	1.2	2.4	-50	0.65	2.10	1.0	+32
AssetOwl Ltd	14	20	0-10	3.5	1.4	+155	0.58	3.62	1.0	+86	KBL Mining	0.1	0.5	0-8	0.1	0.0	+999	0.00	9.10	1.0	+999
Auris Minerals	6.4	12	0-7	1.8	0.2	+691	0.67	4.63	1.0	+296	Kabuni Ltd	0.5	5.0	1-7	0.1	0.1	+4	1.39	1.75	1.0	+334
Ausnet Financial Serv.	1.9	15	1-5	0.5	0.0	+999	0.55	6.12	1.0	+340	Kabuni Ltd	0.5	30	0-9	0.7	0.0	+999	1.39	3.91	1.0	+999
Ausquest Ltd	2.1	3.5	0-5	0.6	0.2	+145	1.07	3.00	1.0	+398	Kidman Resources	164	15	0-5	143.0	149.1	-4	0.73	1.10	1.0	-9
Aust Rural Capital	55	50	2-9	16.0	15.3	+5	0.33	2.55	1.0	+7	King River Copper	0.8	10	0-7	0.2	0.0	+999	1.19	4.25	1.0	+999
Aust Vanadium	1.9	2.0	1-1	0.7	0.5	+44	0.66	2.41	1.0	+38	King River Copper	0.8	10	0-7	0.3	0.0	+999	1.19	4.25	1.0	+999
Axiom Mining	18	40	1-1	4.0	2.6	+51	0.92	2.43	1.0	+136	Krakatoa Resources	4.5	10	1-6	1.0	1.9	-49	1.36	1.49	1.0	+81
BMG Resources	1.7	2.0	1-7	0.7	0.7	-2	0.97	1.64	1.0	+34	Laconia Resources	4.2	6.0	0-10	0.1	1.4	-93	1.25	1.80	1.0	+56
Bass Metals	1.9	2.5	1-1	0.7	0.5	+50	0.81	2.24	1.0	+62	Lake Resources	24	10	0-9	14.0	15.0	-7	1.12	1.43	1.0	+3
Bass Strait Oil	0.3	0.3	0-1	0.1	0.0	+188	1.42	4.82	1.0	+999	Land & Homes	3.0	20	3-9	1.2	1.0	+20	1.00	1.52	1.0	+69
Beacon Minerals	1.6	2.5	4-9	0.5	1.2	-57	1.09	1.18	1.0	+14	Latin Resources	1.0	1.0	1-10	0.3	0.4	-27	0.76	1.74	1.0	+15
Benjamin Hornigold	85	100	2-5	19.0	3.9	+382	0.15	7.45	1.0	+15	Leigh Greek Energy	11	50	0-6	0.2	0.0	+999	0.75	6.84	1.0	+999
Bidenergy Ltd	1.7	10	1-7	0.3	0.0	+821	0.71	3.48	1.0	+212	Lindian Res.	2.5	2.0	0-8	0.1	0.8	-87	0.64	2.47	1.0	-23
Big Un Ltd	395	25	0-1	375.0	370.0	+1	0.82	1.07	1.0	+16	Lionhub Group	6.9	22	3-0	1.2	3.2	-62	1.11	1.41	1.0	+50
Biotron Ltd	3.5	6.0	1-0	0.8	0.3	+147	0.63	3.32	1.0	+94	Lithium Power Int'l	64	55	1-7	20.0	23.7	-15	0.62	1.99	1.0	+10
Birimian Gold	40	1.5	0-7	0.3	38.0	-99	0.67	1.04	1.0	-100	Lodestar Minerals	1.0	3.0	1-11	0.2	0.1	+47	0.76	2.33	1.0	+83
Bisan	0.5	1.5	0-7	0.3	0.0	+724	1.15	2.90	1.0	+799	MRG Metals	0.8	15	2-9	0.2	0.0	+410	0.89	2.31	1.0	+192
Black Rock Mining	6.2	7.5	1-0	2.5	1.5	+70	0.76	2.36	1.0	+61	MSM Corporation	17	10	1-11	10.0	8.8	+13	0.59	1.66	1.0	+9
Black Star Petroleum	0.1	20	0-1	0.1	0.0	+999	1.40	9.99	1.0	+999	Magmatic Resources	15	30	2-6	1.5	3.4	-56	0.67	2.08	1.0	+35
Boart Longyear	1.1	2.1	6-10	0.6	1.0	-39	1.34	1.05	1.0	+14	Magnum Gas & Power0.1	0.3	2-11	0.1	0.1	+4	2.62	1.02	1.0	+61	
Bowen Coking Coal	2.0	4.0	1-11	0.5	0.0	+999	0.32	5.62	1.0	+53	Marquee Resources	28	20	2-10	10.0	13.1	-24	0.54	1.69	1.0	+3
Broken Hill Pros.	5.4	8.0	1-11	1.0	1.6	-38	0.75	1.93	1.0	+30	Matador Mining	26	20	2-9	7.0	12.6	-45	0.61	1.63	1.0	+1
Brookside Energy	1.1	2.0	1-1	0.3	0.1	+110	0.74	2.76	1.0	+98	Merlin Diamonds	0.5	1.3	3-4	0.3	0.2	+37	0.96	1.46	1.0	+42
Bryah Resources	19	25	2-4	2.5	1.2	+104	0.24	5.06	1.0	+17	Metallica Minerals	5.2	8.5	0-10	1.1	0.6	+80	0.74	3.04	1.0	+109
Caeneus Minerals	0.2	0.3	3-1	0.1	0.2	-35	1.48	1.14	1.0	+25	Metals Australia	0.4	1.0	2-6	0.1	0.2	-59	1.42	1.26	1.0	+50
Calidus Resources	4.8	2.5	1-7	2.8	4.5	-38	2.74	1.04	1.0	+7	Metals Australia	0.4	0.3	2-0	0.2	0.3	-32	1.42	1.20	1.0	+12
Cardinal Resources	61	15	1-10	44.5	46.9	-5	0.61	1.28	1.0	-1	Mod Resources	5.6	1.0	0-5	4.8	4.6	+4	0.67	1.22	1.0	+9
Catalyst Metals	77	50	0-7	30.0	29.3	+2	0.54	2.37	1.0	+7	Money3 Corp.	166	130	0-6	32.0	37.7	-15	0.27	4.09	1.0	-5
Cazaly Resources	4.1	11	0-9	0.4	0.1	+369	0.70	4.47	1.0	+306	Morphic Ethical Eq	111	110	1-0	3.4	6.5	-47	0.11	9.99	1.0	+2
Celsius Resources	8.5	1.0	1-1	7.8	8.5	-8	4.64	1.00	1.0	+3	Mt Ridley Mines	1.0	1.3	1-9	0.3	0.6	-50	1.37	1.31	1.0	+28
Centaurus Metals	0.7	1.0	0-5	0.2	0.1	+112	0.98	3.03	1.0	+264	Mustang Resources	3.9	3.5	2-2	1.7	3.3	-49	1.91	1.09	1.0	+14
Centaurus Metals	0.7	1.0	0-5	0.2	0.1	+112	0.98	3.03	1.0	+264	Myanmar Metals	7.3	3.0	2-1	4.7	5.0	-7	0.83	1.32	1.0	+3
Centennial Mining	1.5	2.9	2-0	0.6	0.4	+56	0.80	1.96	1.0	+54	Niuminco Group	0.2	0.7	1-2	0.2	0.0	+334	1.29	1.85	1.0	+263
Clancy Exploration	0.6	0.4	1-5	0.2	0.4	-48	1.25	1.32	1.0	+0	Northern Cobalt	52	20	1-9	30.0	33.8	-11	0.60	1.46	1.0	-2
Coassets Ltd	19	65	1-6	1.0	6.1	-84	1.32	1.62	1.0	+129	Novogen Ltd	3.9	40	2-6	0.3	0.0	+999	0.43	6.16	1.0	+154
Cobalt Blue Holdings	29	25	2-5	10.5	14.3	-27	0.78	1.54	1.0	+10	Omni Market Tide	1.8	10	1-1	0.1	0.7	-86	1.96	1.44	1.0	+391
Cohiba Minerals	0.9	1.8	2-5	0.3	0.4	-24	1.04	1.49	1.0	+43	Opheta	74	27	0-12	41.0	47.4	-13	0.58	1.52	1.0	-8
Contango Global Gth	104	110	1-7	2.2	4.0	-45	0.10	9.99	1.0	+5	Orinoco Gold	2.0	25	0-2	0.1	0.0	+999	0.71	9.99	1.0	+999
Contango Income	97	100	0-4	0.2	1.0	-79	0.08	9.99	1.0	+10	Orinoco Gold	2.0	11	2-2	0.7	0.1	+599	0.71	2.79	1.0	+126
Corizon Ltd	2.0	5.0	0-1	0.8	0.0	+999	0.00	9.99	1.0	+999	Ozgrowth	18	19	1-9	1.4	1.4	+1	0.16	6.57	1.0	+7
Cre8tek Ltd	7.7	6.0	0-6	3.9	2.8	+41	0.94	2.13	1.0	+68	Pacific American Coal	3.5	25	0-1	0.1	0.0	+999	0.76	9.99	1.0	+999
Dart Mining	0.8	1.0	1-3	0.3	0.3	+4	0.99	1.78	1.0	+47	Panterra Gold	3.6	15	1-1	1.0	0.0	+999	0.58	5.42	1.0	+296
De Grey Mining	37	10	1-0	25.0	28.2	-11	1.24	1.23	1.0	-4	Peak Resources	6.4	6.0	0-11	2.0	1.8	+8	0.68	2.34	1.0	+28
Deep Yellow Ltd	25	50	4-6	8.5	10.8	-21	0.74	1.52	1.0	+21	Peninsula Energy	36	5.0	1-1	2.5	30.6	-92	0.66	1.16	1.0	-76
Dempsey Minerals	7.0	14	1-1	1.8	0.7	+155	0.72	2.97	1.0	+112	Pioneer Resources	3.8	6.0	0-8	1.5	0.5	+215	0.83	2.99	1.0	+177
Droneshield Ltd	19	22	0-7	2.6	3.2	-18	0.75	3.07	1.0	+61	Plato Income Max.	108	110	1-5	0.7	4.7	-85	0.08	9.99	1.0	+2
Duxton Water	106	110	0-6	1.3	3.4	-62	0.16	9.99	1.0	+10	Potash West NL	1.4	7.0	1-0	0.3	0.0	+999	0.37	9.99	1.0	+421
Eden Energy	12	3.0	0-10	9.0	8.6	+5	0.55	1.34	1.0	+5	Prescient Thera	6.7	18	0-7	0.6	0.0	+999	0.59	6.86	1.0	+476
Egan Street Res	30	25	0-4	6.5	6.4	+2	0.54	3.69	1.0	+18	Proteomics Int'l	18	20	0-4	2.3	2.2	+5	0.70	3.98	1.0	+90
Ellerston Asian Inv.	106	100	1-3	6.6	10.4	-36	0.12	7.50	1.0	+1	Quantify Technology	6.3	17	0-7	1.0	0.0	+999	0.48	9.41	1.0	+482
Ellerston Global Inv.	111	100	0-4	9.4	12.0	-21	0.13	8.67	1.0	-4	Quantum Resources	1.5	3.3	2-9	0.5	0.6	-21	0.97	1.52	1.0	+40
Elysium Resources	3.6	2.0	2-5	1.6	3.5	-54	2.53	1.02	1.0	+0	Red Mountain Min.	2.4	0.2	0-4	0.3	2.3	-87	1.38	1.07	1.0	-99
Empire Oil	12	0.9	0																		

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. Chg.	4-Wk Rank	Buy/Sell	P/E	Price to NTA	Return on Equity	Volatility	Price to Earn. Ratio	Dividend Yield	Price to Sales Ratio	Market Cap'n	Company	Share Price	Cur. Chg.	4-Wk Rank	Buy/Sell	P/E	Price to NTA	Return on Equity	Volatility	Price to Earn. Ratio	Dividend Yield	Price to Sales Ratio	Market Cap'n		
																										Yr/Mth	Yr/Mth
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0													OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0														
Col Motor Co	765	+2.0	-0.3	38	5-0	-1.4	12	0.6	11	8.0	0.29	250	Kingfish Ltd	130	-0.9	+0.2	64	0-0	-0.9	10	0.6	9	8.6	7.47	205		
PGG Wrightsons	56	+1.8	-2.3	39	0-0	2	1.5	16	1.7	9	9.3	423	Trade-Me Ltd	435	-7.6	-2.4	82	0-0	7	2.4	13	0.7	18	5.9	7.35	1,727	
NZME Limited	89	+4.0	-2.7	25	3-0	1	0.6	21	1.4	3	14.8	0.43	174	Kiwi Property	132	-2.9	-0.1	70	0-1	7	0.9	8	0.6	12	5.1	7.20	1,715
Tenon Ltd	36	+9.6	-3.8	13	0-0	-	1.7	NE	18.3	0.47	12	12	SeaDragon Ltd	1	-5.5	-1.6	75	0-0	-	1.6	-	6.9	NE	Nil	6.32	27	
Seeka Kiwifruit	590	+4.5	+2.3	23	0-0	-	1.2	12	0.4	10	4.7	103	NPT Limited	59	-2.6	+0.5	68	0-0	1	0.8	3	0.6	31	6.2	5.29	95	
Opus Int'l Cons	176	+45.2	+9.4	1	0-0	1	2.4	-	1.0	NE	3.2	0.55	260	Vista Group Ltd	535	-4.4	-1.9	73	0-3	3	3.4	38	0.8	9	1.2	4.95	438
Flivay Group	119	+1.8	+2.0	38	0-0	1	1.6	12	1.2	14	7.0	0.63	54	Blis Technology	2	-13.6	-5.3	88	2-0	-	6.4	-	4.1	NE	Nil	4.50	25
Air New Zealand	318	+10.6	-4.0	12	4-11	7	1.8	19	1.0	9	9.2	0.70	3,571	Promisia Integ.	2	-19.5	-4.4	94	0-0	-	6.8	-	4.3	NE	Nil	4.30	11
Tegel Group	136	+3.7	+2.2	28	2-0	4	1.0	7	1.2	14	7.7	0.79	484	Arvida Group	117	-3.6	-2.3	71	0-0	2	1.1	14	0.8	7	1.3	3.86	391
Hallenstein G.	330	+2.5	+0.6	33	1-0	3	3.5	24	0.9	14	12.6	0.87	195	Tilt Renewables	204	-1.9	-1.4	66	5-0	-	1.2	3	0.6	39	4.5	3.66	638
Abano Health.	979	+2.1	-1.4	36	7-0	2	1.8	9	0.4	19	5.1	0.90	210	IkeGPS Limited	32	-11.6	+2.4	86	2-1	-	1.9	-	1.2	NE	Nil	3.64	21
Infratil NZ	322	+3.2	-0.1	31	2-3	4	0.9	3	0.8	27	6.8	0.94	1,801	Sky City Ltd	393	-5.4	+0.2	75	4-1	11	2.4	4	0.6	58	7.1	2.83	2,623
Horizon Energy	435	+0.0	-0.0	54	0-0	-	1.6	6	0.5	27	4.5	0.97	109	Burger Fuel	105	-10.5	-5.1	86	0-0	-	4.6	7	1.1	70	Nil	2.82	63
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0													WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average														
Air New Zealand	318	+10.6	-4.0	12	4-11	7	1.8	19	0.9	9	9.2	0.70	3,571	Vital Health PT	222	-58.3	+0.0	98	0-1	3	1.1	25	0.5	4	3.8	N/A	949
Allied Farmers	8	+9.0	-4.9	14	1-2	-	12.6	-	3.2	6	Nil	0.75	13	Plexure Group	11	-20.0	+0.7	95	0-0	-	2.7	-	1.6	NE	Nil	1.40	10
Seeka Kiwifruit	590	+4.5	+2.3	23	0-0	-	1.2	12	0.3	10	4.7	0.54	103	Promisia Integ.	2	-19.5	-4.4	94	0-0	-	6.8	-	4.0	NE	Nil	4.30	11
NZME Limited	89	+4.0	-2.7	25	3-0	1	0.6	21	1.1	3	14.8	0.43	174	Orion Health.	103	-18.7	+0.1	93	0-0	4	5.8	-	1.0	NE	Nil	0.82	164
Tegel Group	136	+3.7	+2.2	28	2-0	4	1.0	7	1.0	14	7.7	0.79	484	Moa Group Ltd	42	-17.5	+1.0	92	0-0	-	3.0	-	1.3	NE	Nil	2.20	23
TeamTalk Ltd	74	+3.5	+0.1	29	0-0	-	0.8	21	1.3	4	Nil	0.62	21	SLI Systems Ltd	24	-16.3	-0.5	91	0-0	2	3.2	-	1.5	NE	Nil	0.47	15
Hallenstein G.	330	+2.5	+0.6	33	1-0	3	3.5	24	0.7	14	12.6	0.87	195	Tower Limited	78	-15.1	-1.2	89	0-0	2	0.6	-	0.9	NE	Nil	0.42	131
Abano Health.	979	+2.1	-1.4	36	7-0	2	1.8	9	0.3	19	5.1	0.90	210	Blis Technology	2	-13.6	-5.3	88	2-0	-	6.4	-	3.8	NE	Nil	4.50	25
Col Motor Co	765	+2.0	-0.3	38	5-0	-	1.4	12	0.6	11	8.0	0.29	250	Pac Edge Bio.	35	-12.0	-4.5	87	0-0	3	6.7	-	1.7	NE	Nil	N/A	140
Flivay Group	119	+1.8	+2.0	38	0-0	1	1.6	12	1.0	14	7.0	0.63	54	IkeGPS Limited	32	-11.6	+2.4	86	2-1	-	1.9	-	1.1	NE	Nil	3.64	21
PGG Wrightsons	56	+1.8	-2.3	39	0-0	2	1.5	16	1.3	9	9.3	0.37	423	Burger Fuel	105	-10.5	-5.1	86	0-0	-	4.6	7	1.1	70	Nil	2.82	63
Wellington Mer.	340	+0.2	-0.1	49	0-0	-	0.9	9	0.4	10	Nil	0.67	7	WN Drive Tech.	17	-10.4	-3.0	85	0-1	-	16.8	-	2.0	NE	Nil	1.31	46
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million													INSIDER SELLING: Most Insider Selling, Relative Strength < 0														
NZME Limited	89	+4.0	-2.7	25	3-0	1	0.6	21	1.0	3	14.8	0.43	174	Vista Group Ltd	535	-4.4	-1.9	73	0-3	3	3.4	38	0.8	9	1.2	4.95	438
Hallenstein G.	330	+2.5	+0.6	33	1-0	3	3.5	24	0.7	14	12.6	0.87	195	Evolve Educat.	76	-14.6	-2.6	89	0-2	1	0.8	9	0.7	9	9.1	0.89	135
Metro Per Glass	90	-18.0	-5.0	93	7-0	5	1.1	14	1.0	8	11.7	0.89	167	WN Drive Tech.	17	-10.4	-3.0	85	0-1	-	16.8	-	1.9	NE	Nil	1.31	46
Steel & Tube	206	-7.6	-0.8	82	4-0	4	0.9	9	0.8	9	10.8	0.37	187	Kiwi Property	132	-2.9	-0.1	70	0-1	7	0.9	8	0.6	12	5.1	7.20	1,715
Warehouse Group	210	-3.9	+0.8	71	3-2	6	1.4	15	0.6	9	10.6	0.25	723	Vital Health PT	222	-58.3	+0.0	98	0-1	3	1.1	25	0.5	4	3.8	N/A	949
Genesis Energy	247	+3.4	-1.4	30	2-0	7	1.2	6	0.9	21	9.3	1.27	2,469	Z Energy Ltd	715	-2.1	-2.0	67	0-1	7	3.8	23	0.7	16	5.7	0.75	2,860
PGG Wrightsons	56	+1.8	-2.3	39	0-0	2	1.5	16	1.1	9	9.3	0.37	423	Cavalier Corp	39	-16.7	+7.8	91	0-0	-	0.4	-	1.2	NE	Nil	0.17	27
Air New Zealand	318	+10.6	-4.0	12	4-11	7	1.8	19	0.8	9	9.2	0.70	3,571	Cavotec MSL	245	+0.0	+0.0	56	0-0	-	2.0	10	0.3	20	1.6	1.08	156
Evolve Educat.	76	-14.6	-2.6	89	0-2	1	0.8	9	0.9	9	9.1	0.89	135	Arvida Group	117	-3.6	-2.3	71	0-0	2	1.1	14	0.7	7	1.3	3.86	391
Kingfish Ltd	130	-0.9	+0.2	64	0-0	-	0.9	10	0.7	9	8.6	7.47	205	SLI Systems Ltd	24	-16.3	-0.5	91	0-0	2	3.2	-	1.5	NE	Nil	0.47	15
INSIDER BUYING: Most Insider Buying, Relative Strength > 0													STRENGTH RATING														
Skellerup Hold.	180	+5.2	+0.3	21	11-0	4	2.2	14	0.7	16	5.3	1.65	347	Company	Share Price	Cur. Chg.	4-Wk Rank	Buy/Sell	P/E	Price to NTA	Return on Equity	Volatility	Price to Earn. Ratio	Dividend Yield	Price to Sales Ratio	Market Cap'n	
Abano Health.	979	+2.1	-1.4	36	7-0	2	1.8	9	0.3	19	5.1	0.90	210	Vango Minerals	4.2	6.0	0-4	0.9	0.2	+403	0.70	5.41	1.0	+448			
Col Motor Co	765	+2.0	-0.3	38	5-0	-	1.4	12	0.5	11	8.0	0.29	250	Velpic Ltd	1.2	6.0	0-7	0.1	0.0	+999	0.88	4.99	1.0	+999			
Sunmeret Group	476	+1.5	-0.5	43	4-0	4	1.9	27	0.7	7	1.8	N/A	1,036	Venus Metals Corp	13	20	0-2	2.3	4.3	-47	0.86	1.75	1.0	+34			
Port Tauranga	463	+2.2	-0.2	36	4-0	5	3.4	9	0.5	38	3.4	N/A	3,150	Venety Mines	1.0	2.0	3-1	0.3	0.6	-49	1.15	1.30	1.0	+31			
Precinct Prop.	129	+2.5	-0.2	32	5-1	7	1.0	11	0.6	10	4.4	N/A	1,556	Volt Resources	2.2	2.0	0-1	0.4	0.3	+26	0.83	4.86	1.0	+184			
NZME Limited	89	+4.0	-2.7	25	3-0	1	0.6	21	0.9	3	14.8	0.43	174	WAM Active	114	114	0-10	2.0	5.0	-60	0.10	9.99	1.0	+2			
Argosy Property	103	+0.5	-0.2	49	3-0	6	1.0	10	0.7	11	5.8	8.05	837	Watermark Global	92	110	0-12	0.5	0.1	+407	0.09	9.99	1.0	+21			
Mercury NZ	336	+2.5	-1.7	34	3-0	7	1.4	6	0.7	25	6.0	2.90	4,629	Westgold Resources	184	200	1-7	33.5	39.7	-16	0.48	2.70	1.0	+16			
NZ King Salmon	230	+21.3	+4.3	3	3-0	2	2.0	14	0.6	14	1.2	2.33	318	Westoz Invest Coy	111	106	1-9	11.0	13.1	-16	0.14	5.89	1.0	+3			

Company	Share Price	Yr/Mth	Exercise Price	to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	Company	Share Price	Yr/Mth	Exercise Price	to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
Story-I Ltd	2.9	6.5	1-8	0.5	0.3	+71	0.63	2.85	1.0	+71	Vango Minerals	4.2	6.0	0-4	0.9	0.2	+403	0.70	5.41	1.0	+448		
Sun																							

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

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

Company	STRENGTH RATING							Market Cap'n	Company	STRENGTH RATING							Market Cap'n												
	Share Price	Cur- rent	4-Wk Chg.	Rank	Insider Buy/Sell	Brokers Following	Short Interest			Price to P/E	ROE	Volatility	P/E Ratio	Div Yield	PS Ratio	Share Price		Cur- rent	4-Wk Chg.	Rank	Insider Buy/Sell	Brokers Following	Short Interest	Price to P/E	ROE	Volatility	P/E Ratio	Div Yield	PS Ratio
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0																													
ERM Power Ltd	142	+5.3	+0.8	28	0-0	2	0.0	0.7	-	0.9	NE	5.3	0.11	364	Kingsgate Cons.	47	+29.4	+21.9	7	0-0	-	1.1	-	-	0.8	15	Nil	0.60	105
TPC Cons.	104	+0.8	+0.1	43	0-0	-	-	52.0	-	0.9	14	2.9	0.17	12	Alliance Aviat.	148	+28.9	+2.0	7	1-1	3	-	1.2	13	0.5	10	2.0	0.89	180
Cellnet Group	27	+1.3	+1.8	41	0-0	-	-	1.0	14	1.6	7	4.6	0.17	14	Medical Aust.	9	+24.9	-1.3	8	0-0	-	-	2.3	74	2.1	3	Nil	0.09	1
MCS Services	2	+1.6	+1.4	40	4-0	-	-	2.4	-	6.5	NE	13.4	0.25	5	Regional Exp.	138	+23.5	+5.6	9	1-1	-	-	0.8	6	0.5	12	7.3	0.54	151
Data 3 Ltd	190	+4.3	-0.4	31	1-1	2	-	11.2	59	0.7	19	4.7	0.27	293	Lycopodium Ltd	427	+22.9	+2.8	9	0-3	-	-	2.7	17	0.3	16	4.2	0.78	170
K&S Corporation	185	+5.6	-0.4	28	0-0	-	-	1.1	3	0.6	35	1.9	0.30	226	Global Con Serv	80	+18.7	+9.7	12	0-0	-	-	1.3	9	0.7	15	2.5	0.83	168
Millennium Serv	160	+2.8	+2.6	35	5-2	1	-	-	-	0.8	12	5.6	0.32	73	Aurelia Metals	25	+16.2	+4.9	13	6-0	1	-	-	-	1.3	6	Nil	0.99	108
BSA Ltd	38	+3.9	-0.0	32	2-0	3	-	7.6	19	1.4	4.1	1.3	0.33	161	Qantas Airways	591	+15.4	-1.8	14	3-0	8	0.4	3.7	30	0.4	13	2.4	0.77	10,540
Lindsay Aust	41	+0.8	-0.4	43	0-0	-	-	1.6	8	1.3	18	4.0	0.36	118	Universal Coal	20	+13.5	+4.0	15	0-0	1	-	1.6	8	1.4	20	Nil	0.68	102
Chalmers	315	+0.2	+0.4	47	0-0	-	-	0.7	1	0.5	50	1.1	0.36	24	Winka Commerce	57	+13.2	+7.1	15	1-0	-	-	-	-	1.2	2	6.2	0.61	54
Dicker Data Ltd	272	+4.8	-1.0	30	6-0	-	-	-	0.8	17	5.7	0.37	436	Probiotec Ltd	60	+13.1	+6.1	15	5-1	-	-	-	-	1.1	14	3.3	0.51	32	
Globe Int'l Ltd	125	+9.6	+6.9	20	0-0	-	-	1.5	15	0.8	10	6.4	0.37	52	Fleetwood Corp	270	+12.8	-5.7	16	0-0	1	1.0	1.2	7	0.5	17	1.9	0.50	165
Legend Corp	20	+1.5	+4.0	41	0-0	1	-	2.2	19	1.9	12	6.0	0.39	44	Aust Finance Gr	164	+11.3	+0.1	17	0-2	2	1.1	3.3	36	0.7	9	5.1	0.60	352
Maxi TRANS	75	+3.2	+0.5	34	1-0	2	-	1.5	12	1.0	13	4.7	0.41	139	Cash Converters	36	+10.7	+1.5	18	1-1	1	0.1	1.4	16	1.3	9	Nil	0.65	177
SRG Limited	150	+4.5	+3.4	30	0-0	1	-	-	0.7	12	4.7	0.42	96	PTB Group Ltd	64	+10.2	+2.4	19	3-2	-	-	1.0	7	1.0	14	2.3	0.86	40	
Environ'm't Grp	7	+81.6	+22.9	2	0-0	-	-	-	3.4	8	0.9	0.43	14	CMI Limited	126	+9.8	+4.0	20	3-0	-	-	1.1	8	0.6	14	4.8	0.89	40	
McPherson's Ltd	125	+6.9	-3.7	25	1-0	2	-	-	0.9	10	6.4	0.46	130	CTI Logistics	104	+9.7	+1.1	20	0-2	1	-	1.3	10	0.6	12	3.4	0.48	75	
RCR Tomlinson	445	+16.7	-0.5	13	1-0	4	0.2	5.9	24	0.5	24	1.3	0.48	736	Globe Int'l Ltd	125	+9.6	+6.9	20	0-0	-	-	1.5	15	0.6	10	6.4	0.37	52
Swick Min Serv	28	+1.6	-4.0	40	0-0	-	-	0.8	-	1.6	NE	1.4	0.48	65	Metcash Ltd	274	+9.4	-1.8	20	2-2	12	11.0	5.5	47	0.6	12	Nil	0.19	2,673
CTI Logistics	104	+9.7	+1.1	20	0-2	1	-	1.3	10	0.8	12	3.4	0.48	75	Enice Holdings	36	+8.5	+13.3	22	0-0	-	-	2.0	18	1.2	11	Nil	0.93	93
Autosports Grp	220	+1.5	-0.3	40	1-0	-	0.6	-	0.8	36	2.1	0.49	442	Prime Media Grp	35	+8.4	-9.8	22	2-0	1	-	17.3	-	1.0	3	9.9	0.53	126	
TransMetro Corp	110	+2.5	+0.7	36	0-0	-	-	1.3	8	0.7	16	4.5	0.49	15	Shriro Holdings	143	+8.4	+4.0	22	0-2	1	-	3.0	29	0.7	10	7.0	0.74	135
Fleetwood Corp	270	+12.8	-5.7	16	0-0	1	1.0	1.2	7	0.7	17	1.9	0.50	165	McPherson's Ltd	125	+6.9	-3.7	25	1-0	2	-	-	-	0.7	10	6.4	0.46	130
Probiotec Ltd	60	+13.1	+6.1	15	5-1	-	-	-	1.4	14	3.3	0.51	32	Tamawood Ltd	450	+6.4	+3.3	26	2-1	-	-	9.8	77	0.4	13	6.0	0.94	115	
Noni B Limited	201	+13.6	-3.7	15	0-0	-	-	-	0.6	49	2.0	0.52	161	AV Jennings	68	+6.4	-3.9	26	1-0	3	-	0.7	9	0.8	7	7.4	0.65	261	
Bisalloy Steel	76	+38.7	+0.6	5	0-0	-	-	1.5	7	1.0	22	3.4	0.52	33	LifeHealthCare	262	+6.2	+2.2	27	1-1	3	-	-	-	0.7	16	5.2	0.89	118
Joyce Corp.	155	+0.1	-1.1	47	1-0	-	-	4.4	29	0.9	15	4.2	0.53	43	Stanmore Coal	48	+5.8	+8.1	27	3-0	-	-	-	-	0.9	18	Nil	0.87	120
Prime Media Grp	35	+8.4	-9.8	22	2-0	1	-	17.3	-	1.4	3	9.9	0.53	126	Embelton Ltd	1250	+5.8	-1.0	28	0-0	-	-	1.8	14	0.2	12	3.4	0.60	27
Regional Exp.	138	+23.5	+5.6	9	1-1	-	-	0.8	6	0.7	12	7.3	0.54	151	Scigen Ltd	6	+5.3	-12.4	29	0-0	-	-	0.4	3	2.5	11	Nil	0.75	30
Sims Metal Mgmt	1390	+2.8	-2.7	35	0-2	10	4.3	1.5	11	0.6	14	2.9	0.54	2,793	Laserbond Ltd	14	+5.1	+3.5	29	1-0	-	-	1.2	10	1.9	11	3.6	0.93	13
Inghams Group	350	+7.3	+0.2	24	2-0	9	6.2	6.0	27	0.7	23	3.5	0.55	1,331	PS & C Limited	31	+5.0	+7.1	29	0-0	-	-	-	-	1.3	17	Nil	0.29	21
LendLease Group	1658	+4.3	-1.6	31	0-0	11	0.8	2.0	16	0.4	13	4.0	0.58	9,682	Villa World Ltd	258	+4.9	+2.7	29	1-0	4	0.1	1.1	13	0.5	9	7.2	0.85	327
Schaffer Corp	900	+13.7	+4.5	15	0-0	-	-	1.7	8	0.4	22	2.9	0.59	126	Dicker Data Ltd	272	+4.8	-1.0	30	6-0	-	-	-	-	0.6	17	5.7	0.37	436
Downer EDI Ltd	719	+6.6	+0.8	25	0-0	6	1.5	6.0	26	0.5	24	1.7	0.59	4,276	C.S.R. Ltd	439	+4.6	+3.5	30	1-0	9	5.9	2.2	18	0.5	12	5.9	0.90	2,214
Aust Finance Gr	164	+11.3	+0.1	17	0-2	2	1.1	3.3	36	0.9	9	5.1	0.60	352	SRG Limited	150	+4.5	+3.4	30	0-0	1	-	-	-	0.6	12	4.7	0.42	96
Embelton Ltd	1250	+5.8	-1.0	28	0-0	-	-	1.8	14	0.3	12	3.4	0.60	27	LendLease Group	1658	+4.3	-1.6	31	0-0	11	0.8	2.0	16	0.4	13	4.0	0.58	9,682
Winka Commerce	57	+13.2	+7.1	15	1-0	-	-	-	1.5	2	6.2	0.61	54	Data 3 Ltd	190	+4.3	-0.4	31	1-1	2	-	11.2	59	0.6	19	4.7	0.27	293	
AV Jennings	68	+6.4	-3.9	26	1-0	3	-	0.7	9	1.0	7	7.4	0.65	261	Maxi TRANS	75	+3.2	+0.5	34	1-0	2	-	1.5	12	0.7	13	4.7	0.41	139
Sth Cross Elect	82	+20.5	+3.0	10	4-0	-	-	5.9	-	1.2	NE	1.6	0.65	131	Collins Foods	580	+2.9	-2.2	35	2-0	5	0.3	-	-	0.4	19	2.4	0.94	676
Homeloans Ltd	47	+1.6	-0.5	40	6-4	-	-	1.6	13	1.2	12	3.2	0.66	185	Sims Metal Mgmt	1390	+2.8	-2.7	35	0-2	10	4.3	1.5	11	0.5	14	2.9	0.54	2,793
Shine Corporate	64	+1.5	-1.9	41	2-0	1	0.2	0.7	13	1.2	5	4.1	0.67	110	Millennium Serv	160	+2.8	+2.6	35	5-2	1	-	-	-	0.6	12	5.6	0.32	73
Big River Ind.	225	+14.3	+1.8	14	0-0	-	-	-	1.0	30	1.6	0.67	118	Pental Limited	61	+2.7	-0.2	35	2-0	1	0.1	1.8	13	0.8	15	4.8	0.76	83	
Bluescope Steel	1331	+0.2	-1.5	47	3-1	10	0.6	2.2	23	0.6	10	0.7	0.70	7,478	TransMetro Corp	110	+2.5	+0.7	36	0-0	-	-	1.3	8	0.5	16	4.5	0.49	15
Wesfarmers Ltd	4322	+0.4	+1.4	46	4-2	15	1.7	9.7	57	0.3	17	5.2	0.72	49,005	Questus Ltd	2	+2.3	+7.8	37	0-0	-	-	-	-	4.0	7	Nil	0.21	2
Academies Aust.	34	+55.1	+9.4	3	3-0	-	-	34.0	-	1.3	15	1.5	0.74	43	Waterco Ltd	178	+1.8	+0.1	39	0-0	-	-	1.0	6	0.5	18	2.8	0.78	67
Shriro Holdings	143	+8.4	+4.0	22	0-2	1	-	3.0	29	0.9	10	7.0	0.74	135	Homeloans Ltd	47	+1.6	-0.5	40	6-4	-	-	1.6	13	0.9	12	3.2	0.66	185
Pental Limited	61	+2.7	-0.2	35	2-0	1	0.1	1.8	13	1.1	15	4.8	0.76	83	Legend Corp.	20	+1.5	+4.0	41	0-0	1	-	2.2	19	1.4	12	6.0	0.39	44
Qantas Airways	591	+15.4	-1.8	14	3-0	8	0.4	3.7	30	0.5	13	2.4	0.77	10,540	Shine Corporate	64	+1.5	-1.9	41	2-0	1	0.2	0.7	13	1.0	5	4.1	0.67	110
Energy Action	98	+0.5	+4.8	45	3-0	8	-	-	1.0	14	1.4	0.78	25	Elders Limited	519	+1.4	-0.3	41	3-2	5	1.1	5.8	50	0.3	11	Nil	0.36	591	
Lycopodium Ltd	427	+22.9	+2.8	9	0-3	-	-	2.7	17	0.4	16	4.2	0.78	170	Cellnet Group	27	+1.3	+1.8	41	0-0	-	-	1.0	14	1.1	7	4.6	0.17	14
Waterco Ltd	178	+1.8	+0.1	39	0-0	-	-	1.0	6	0.7	18	2.8	0.78	67	Mareterram Ltd	27	+1.0	-2.4	43	0-0	-	-	9.0	-					

Company	Share Price	STRENGTH RATING			Insider Buy-Sell	Brokers Following	Short Interest	Price to Mkt	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
		Current	4-Wk Chg.	Rank 0-99										
WPP AUNZ Ltd	87	-5.8	-3.8	69	2-0	3	0.6	-	-	0.7	13	6.9	0.80	741
Chart H Retail	413	-3.5	+0.8	63	0-0	12	4.0	1.0	15	0.3	7	6.8	7.78	1,673
Aventus Retail	234	-1.0	+1.1	54	1-0	5	0.1	1.0	14	0.5	7	6.8	8.85	1,148
Djerriwarh	354	-2.8	-0.8	61	6-0	-	-	1.1	6	0.4	19	6.8	N/A	774
Retail Food Grp	450	-8.0	+0.5	74	1-0	4	12.3	-	-	0.6	13	6.6	3.23	822
Asaleo Care Ltd	152	+0.6	+1.7	45	2-0	5	2.6	8.0	57	0.5	14	6.6	1.37	826
Nat'l Aust Bank	3044	+1.7	+1.1	39	4-0	16	0.8	1.9	1	0.5225	6.5	4.36	81,746	
Seven West Med.	62	-6.9	-5.2	71	0-0	8	0.7	-	-	0.9	4	6.5	0.55	927
Dongfang Modern	78	-4.8	+0.5	66	7-2	-	-	-	-	0.7	4	6.5	1.49	305

INSIDER BUYING: Most Insider Buying, Relative Strength > 0

MFF Capital Inv	215	+2.5	+0.9	36	18-0	-	-	1.1	17	0.4	7	0.9	N/A	1,040
Future Gen Glb	114	+1.9	+0.2	38	15-0	-	-	1.0	0	0.6	NE	Nil	N/A	259
Service Stream	147	+9.1	-1.3	21	11-0	1	0.0	9.2	49	0.7	19	3.1	1.07	535
Blackwall Prop.	133	+5.4	-0.6	28	12-1	-	-	1.0	18	0.4	5	8.3	8.06	89
Breville Group	1261	+8.9	+3.4	21	10-0	10	0.2	10.3	34	0.2	30	2.4	2.71	1,641
Advance NanoTek	50	+40.6	+8.4	5	10-0	-	-	50.0	96	0.8	52	Nil	5.75	293
Adairs Limited	174	+21.2	+3.9	10	9-0	4	0.2	-	-	0.7	14	4.6	1.09	289
Independ. Group	456	+7.8	+7.9	23	9-0	16	19.8	1.5	1	0.6157	0.4	6.34	2,676	
Xtek Ltd	48	+5.1	-3.4	29	8-0	-	-	9.5	3	0.6278	Nil	1.88	17	
Helloworld Trav	485	+8.4	+0.7	22	8-0	6	-	-	-	0.2	27	2.9	1.79	587
Scottish Pac.	317	+3.9	+1.7	31	8-0	3	2.6	2.3	11	0.5	22	5.2	3.24	441
Copper Strike	26	+12.4	+5.9	16	8-0	-	-	-	-	1.0	NE	Nil	N/A	28
Polynovo Ltd	35	+18.8	+15.8	11	7-0	1	-	17.3	-	0.9	NE	Nil	N/A	195
Uranium Equitie	1	+6.4	+18.1	26	6-0	-	-	-	-	4.0	NE	Nil	N/A	8
Dicker Data Ltd	272	+4.8	-1.0	30	6-0	-	-	-	-	0.6	17	5.7	0.37	436
Equity Trustees	1961	+2.3	+1.6	37	6-0	1	-	11.3	44	0.3	26	3.6	4.94	395
G8 Education	451	+8.1	+3.5	23	6-0	10	2.5	-	-	0.4	22	5.3	2.24	2,023
Red Hill Iron	64	+6.7	+0.6	25	6-0	-	-	-	-	0.5	NE	Nil	N/A	35
Aurelia Metals	25	+16.2	+4.9	13	6-0	1	-	-	-	1.0	6	Nil	0.99	108
AusNet Services	183	+2.4	+1.8	36	6-0	13	1.3	2.1	8	0.4	26	5.4	3.50	6,607
Cynata Therap.	60	+5.1	-0.9	29	6-0	2	-	60.0	-	0.9	NE	Nil	N/A	54
Echo Resources	22	+23.8	+20.8	9	6-0	-	-	-	-	1.0	NE	Nil	N/A	80
Euroz Limited	120	+1.8	+3.8	39	6-0	-	-	-	-	0.5	10	6.0	3.04	188
Kangaroo Island	235	+2.0	+2.2	38	5-0	-	-	1.1	41	0.4	3	Nil	N/A	96
Rumble Resource	8	+80.6	+13.6	2	5-0	-	-	-	-	1.6	NE	Nil	N/A	20
Orocobre Ltd	598	+21.1	+12.7	10	5-0	10	12.1	4.4	-	0.4	NE	Nil	N/A	1,261
Bathurst Res.	12	+36.1	-12.4	6	5-0	-	-	-	-	1.4	NE	Nil	2.84	118
3P Learning	129	+8.2	+4.1	22	5-0	2	0.1	9.9	36	0.7	28	Nil	3.42	180
Valmec Limited	23	+36.7	+6.7	6	5-0	-	-	1.2	11	0.9	11	Nil	0.26	19
Swift Networks	45	+31.2	+7.4	7	5-0	-	-	44.5	-	0.9	NE	Nil	2.36	40
Excelsior Gold	5	+18.2	-1.4	12	5-0	-	-	-	-	1.8	NE	Nil	0.84	43
Perseus Mining	33	+0.2	+2.1	46	5-0	11	5.4	0.5	-	0.7	NE	Nil	1.21	341
Infomedia Ltd	78	+3.6	+0.2	33	5-0	4	0.0	25.8	-	0.7	20	3.7	3.41	241
Aust Bauxite	15	+3.4	-2.5	33	5-0	-	-	-	-	1.4	NE	Nil	5.01	21
Eclixp Group	427	+4.9	+2.9	29	5-0	8	0.3	10.7	44	0.5	24	3.2	2.18	1,341
Rift Valley Res	3	+6.5	+4.1	26	5-0	-	-	-	-	2.4	NE	Nil	N/A	18
Boadicea Res.	14	+0.8	+4.3	43	5-0	-	-	-	-	1.7	NE	Nil	N/A	7
Smartgroup Corp	1062	+22.3	+4.8	10	5-0	6	0.1	-	-	0.5	38	2.3	8.71	1,312
Medibio Limited	36	+5.3	+0.1	28	5-0	-	0.0	7.2	-	0.7	NE	Nil	N/A	70
Argosy Minerals	23%	+135.1	+22.2	1	6-1	-	-	-	-	1.6	NE	Nil	N/A	203
Pinnacle Invest	355	+12.7	-3.8	16	6-1	-	-	7.6	19	0.4	41	2.0	N/A	532
Nat'l Aust Bank	3044	+1.7	+1.1	39	4-0	16	0.8	1.9	1	0.5225	6.5	4.36	81,746	
Medibank Priv.	316	+5.2	+2.9	29	4-0	14	0.9	6.2	32	0.5	19	3.8	1.28	8,703
360 Capital Grp	103	+2.8	-0.5	35	4-0	2	-	1.8	30	0.4	6	6.1	7.06	213
MCS Services	2	+1.6	+1.4	40	4-0	-	-	2.4	-	3.3	NE	13.4	0.25	5
Vmoto Ltd	7	+1.8	+1.4	39	4-0	-	-	0.6	-	1.8	NE	Nil	0.29	11
PSC Insurance	302	+18.3	+2.2	12	4-0	-	-	-	-	0.4	63	1.2	N/A	681
Ozgrowth Ltd	18	+2.6	+2.4	36	4-0	-	-	0.9	11	1.1	8	2.8	N/A	64
Link Admin.	870	+2.3	+1.7	37	4-0	7	0.4	-	-	0.5	77	0.9	4.19	4,285
Blue Sky Alt In	1336	+23.9	+5.7	9	4-0	5	0.9	6.0	8	0.3	79	1.2	N/A	919
Covata Limited	5	+1.2	+4.8	42	4-0	-	-	5.2	-	1.9	NE	Nil	N/A	27
Genera Bio.	20	+1.0	+8.2	42	4-0	-	-	-	-	1.0	NE	Nil	N/A	20
Galena Mining	42	+14.8	+11.5	14	4-0	-	-	-	-	1.1	NE	Nil	N/A	3
Rision Limited	1	+15.3	+9.1	14	4-0	-	-	-	-	5.9	NE	Nil	N/A	5
Blackstone Min.	49	+38.5	+9.4	5	4-0	-	-	-	-	1.0	NE	Nil	N/A	4
Praemium Ltd	61	+13.8	+7.8	15	4-0	4	-	20.3	6	0.8353	Nil	7.13	243	
Rhipe Limited	81	+15.2	+1.0	14	4-0	3	-	5.4	12	0.5	45	Nil	0.71	112
BHP Billiton	2807	+6.0	+0.6	27	4-0	20	1.5	2.0	-	0.6	NE	1.4	2,249.0	152
OZ Minerals Ltd	866	+3.8	-0.2	32	4-0	16	2.2	1.2	5	0.4	24	2.3	3.14	2,586
Megaport Ltd	244	+2.4	+2.9	36	4-0	2	-	9.8	-	0.7	NE	Nil	N/A	169
Frontier Digit.	68	+14.3	-7.2	14	4-0	-	-	-	-	0.8	NE	Nil	N/A	146
VGI P. Global	212	+1.6	+1.3	40	4-0	-	-	-	-	0.8	NE	Nil	N/A	N/A
Estia Health	364	+4.4	+4.7	31	4-0	8	1.5	-	-	0.6	23	2.2	1.81	949
Cre8tek Limited	8	+25.5	+18.2	8	4-0	-	0.0	-	-	1.7	NE	Nil	N/A	48
Sth Cross Elect	82	+20.5	+3.0	10	4-0	-	-	5.9	-	0.8	NE	1.6	0.65	131
Horizon Oil Ltd	9	+12.1	+9.6	17	4-0	-	0.0	0.8	-	1.7	NE	Nil	1.24	111
GPT Group	535	+0.5	+1.8	45	4-0	14	0.7	1.1	13	0.3	8	4.4	6.21	9,639
Wealth Defender	86	+3.6	+0.4	32	4-0	-	-	0.9	6	0.7	14	1.2	N/A	108
Star Entertain.	579	+2.1	+2.4	38	5-1	11	0.8	3.4	19	0.3	18	2.8	2.04	4,781
Adelaide Bright	635	+4.4	+2.2	30	5-1	12	5.2	4.6	21	0.3	22	3.1	2.95	4,129

Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
AWF Madison Group	8.00	20-11	27-11	Full
Hallenstein Glasson	17.00	11-12	18-12	Full
Infratil Ltd	6.00	28-11	15-12	Full
NZ Oil & Gas	4.00	24-10	03-11	Full
Scott Technology	6.00	21-11	28-11	Full
South Port NZ	18.50	27-10	07-11	Full
Warehouse	6.00	24-11	07-12	Full
Z Energy	10.40	24-11	12-12	Full

Total Return Index for All Listed Shares

Oct 9	1618.59		
Oct 10	1622.64		
Oct 11	1621.85		
Oct 12	1627.60		
Oct 13	1625.60		
Oct 16	1623.90	Oct 23	Holiday
Oct 17	1628.92	Oct 24	1640.34
Oct 18	1632.20	Oct 25	1634.57
Oct 19	1634.54	Oct 26	1632.89
Oct 20	1639.29	Oct 27	1641.25
Oct 30	1646.66	Nov 6	1657.25
Oct 31	1651.45	Nov 7	1655.35
Nov 1	1651.94	Nov 8	1653.46
Nov 2	1651.97	Nov 9	1649.87
Nov 3	1657.49	Nov 10	1648.19

Next Issue:

The next issue of *Market Analysis* will be emailed in four weeks time on Monday December 11, 2017.

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

MARKET ANALYSIS is published 12 times per year by Securities Research Company Limited, 3/47 Boyce Ave, Mt Roskill, Auckland. Subscribe online at www.stockmarket.co.nz or email james@stockmarket.co.nz.

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

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