

Market Analysis

Inside Market Analysis

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Founder: James R Cornell (B.Com.)

Summary and Recommended Investment Strategy.

Remain fully invested in the recommended shares.

Investment Outlook.

Two months ago we argued that stockmarkets were not over-valued asking “Where is the *mania*? Where are the crowds of first time investors? Where are the people who gave up their day jobs to become full-time traders?”.

They are, of course, *speculating* on Bitcoins and other cryptocurrencies. Whew! Our real *investments* in the stockmarket are still safe!

As we write this, **CBOE Option Exchange** is about to begin trading Bitcoin Futures (Sunday 10 December, US time) and the **Chicago Mercantile Exchange** will start trading its own Bitcoin futures contracts one week later.

Owing to the illiquidity and extreme volatility of Bitcoin, the exchanges are planning an initial margin requirement of 35-40%. Readers may notice that is somewhat higher margin requirements than the 2½% margin on regular forex futures contracts.

CBOE will halt trading for two minutes if prices move 10% and halt trading for five minutes on a 20% fluctuation. Expiring contracts will be cash settled based on prices on one Bitcoin market.

CME will settle contracts using the average prices from four Bitcoin markets.

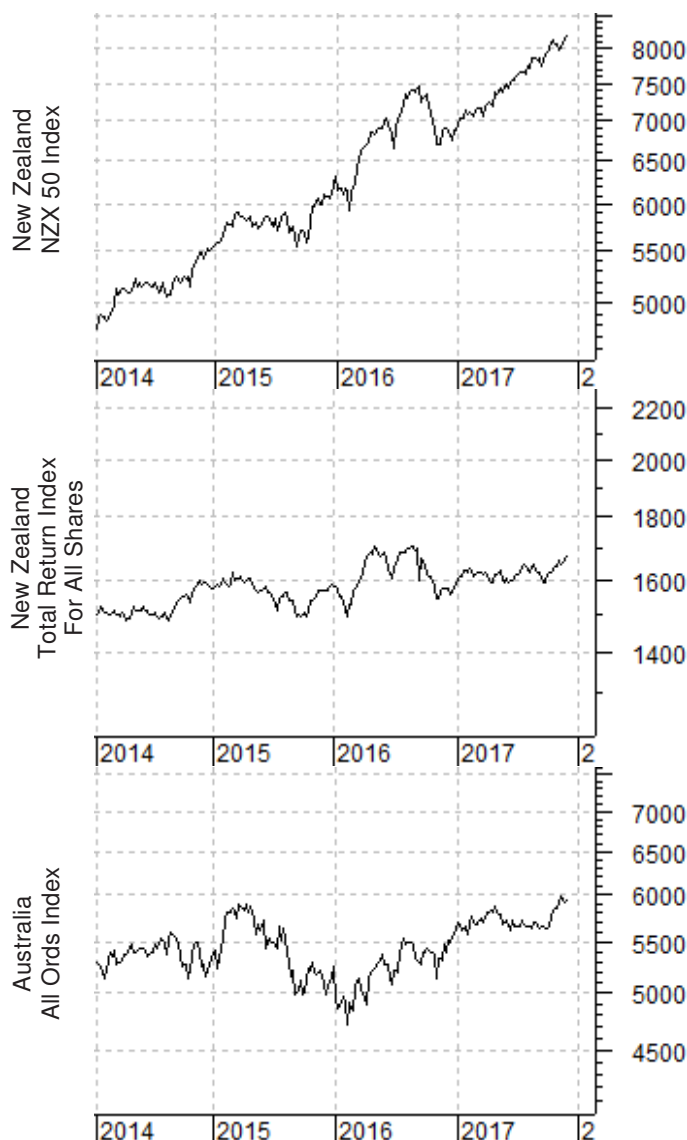
Most brokers will require customers maintain a higher 50% margin (i.e. cash deposited against the value of the futures contract) - and many brokers will only allow customers to take “long” positions! Of course, in futures markets for every “long” position there must be an equal and opposite number of “short” positions.

Cantor Fitzgerald LP has received regulator approval to start trading Bitcoin binary options - although why *any* regulator allows *any* binary option trading on *any* financial contract is a complete mystery to this newsletter!

But for now, sit back and enjoy the Bitcoin cryptocurrency mania in “real-time”! The next few weeks and months could be very interesting and educational.

Stockmarket Forecasts

	One-Month	One-Year
Australia:	63% (Bullish)	66% (Bullish)
New Zealand:	65% (Bullish)	69% (Bullish)



Recommended Investments

Smiths City Group has “deferred” its planned \$5.7 million capital repayment owing to “a continuation of tough trading conditions”. The repayment will be reassessed in 2018.

Revenues for the half year to 31 October are expected to be down 3% on the same period a year earlier.

The company has refurbished and rebranded two recently acquired *Furniture City* stores in Auckland to its new *Live Better* format.

Smiths City Group



Steel & Tube Holdings expects its half year to December 2017 to show earnings (before interest and tax) \$9-10 million lower. Half of this is a “one off” write-down in the value of slow moving inventory, as identified by its new *Enterprise Resources Planning* (ERP) software.

The second half should be a little stronger, with the full year result - excluding the inventory write-down - being similar to the June 2017 year. The company, however, is “well positioned to deliver improved earnings and operational performance going forward”.

The company plans a dividend payout ratio of 60-80% of net profits. That is in line with the June 2017 dividend payout ratio of 71%.

It also plans to target a “Net debt to net debt plus equity” of 30-35%. That is just slightly below the June 2017 figure of 38%.

Over the last few years the company has made several large acquisitions, financed with new debt and cash flows. Historically, Steel & Tube Holdings is a strong cashflow business (subject to short term fluctuations in inventories and debtors) and ultimately that cash can only be spent in three ways: (1) returned to shareholders, usually through dividends, (2) repay debt or (3) make new acquisitions to grow the business.

The company has also sold its 68 Stonedon Drive, Auckland, property for \$32,577,000 on a sale and lease back. Initially this cash will be used to repay debt - dropping company debt to about 31% (i.e. the lower end of its 30-35% target) but “believes it can use funds from the sale to generate a better return for shareholders”.

The new ERP software should also allow the company to manage its inventory better, with reductions in inventory levels generating potentially large cash surpluses. Inventories are already down \$14 million over the last five months owing to “better inventory

management” and that should add an equal \$14 million to the cash operating surplus (and cash on hand) for the current period.

Steel & Tube Holdings



Australian Shares

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

AcruX Ltd reports the **US Court of Appeals** “affirmed all aspects” of the earlier judgement that invalidated its patents.

AcruX Ltd



AtCor Medical reports that all resolutions were passed at the AGM . . . but with very high “Against” votes of 35.6% to 48.3% for each resolution. Usually these resolutions will pass with 90-98% support.

It is, of course, almost impossible to defeat resolutions without running a full proxy fight. Once the company notices a number of “Against” proxies the directors will campaign to achieve a majority of “For” votes from other shareholders or to convert shareholders who intend to vote the wrong way! Eight million votes for the resolution on re-election of the Chairman were converted from “Against” to “For” at the actual meeting - although without impacting the final decision.

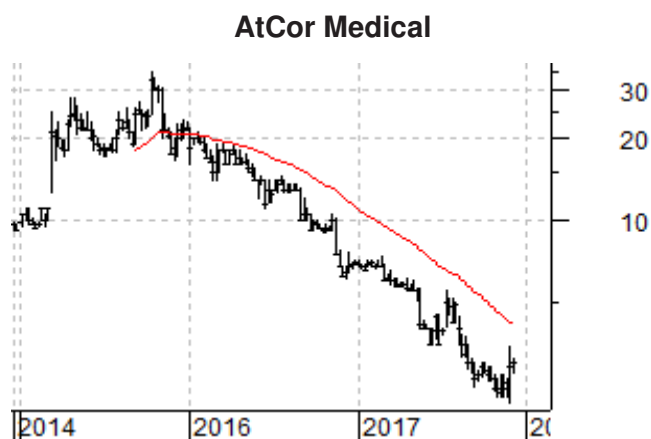
While these resolutions were all passed, the 42.8% vote “Against” acceptance of the *Remuneration Report* is a “first strike”.

The Chairman appears to believe “shareholders are, understandably, frustrated both with the company’s performance as well as the share price” but as shareholders we understand that companies can

experience difficult periods and that share prices will fluctuate. What *is* frustrating is the directors making share placements to outside investors at 35% and 50% discounts to market value!

The Chairman is “very excited and optimistic” but restructuring still seeks to “bring our costs in line with sales and to strive for break-even as a first step towards profit” . . . which suggests the company is still cashflow negative and may therefore need a further cash injection in the near future.

The company has appointed Craig Cooper - who has experience in developing health technology businesses as new director, a consultant and as Chief Executive Officer.



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Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation		Perform- ance 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 %
			- Date -	Price									
<u>NZ Shares</u>													
BUY	CDL Investments Ltd	CDI	12/01/99	25	E	276.9	1.0	3.20	9	4.8	86	29.8	+363%
HOLD+	Cavalier Corporation	CAV	05/12/95	156*	E	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	760	544.3	+919%
HOLD+	Smiths City Group	SCY	09/10/06	64	D	52.7	1.5	0.13	15	8.5	57	36.0	+45%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	0.5	4.23	19	6.1	595	277.3	+627%
BUY	Steel & Tube Holdings	STU	08/08/00	146	E	90.6	1.1	0.36	9	11.0	202	360.1	+285%
<u>Australian Shares (in Aust cents)</u>													
HOLD+	Acrux Limited	ACR	12/05/14	99	C	166.5	2.7	1.01	4	Nil	15	14.0	-71%
HOLD+	AJ Lucas Group	AJL	13/05/03	107*	C	585.2	1.7	1.51	NE	Nil	32	36.4	-37%
HOLD	ALS Limited	ALQ	12/10/99	72*	A	504.2	0.7	2.81	32	1.9	708	303.9	+1305%
HOLD	AtCor Medical Ltd	ACG	11/11/13	15	C	233.6	6.4	1.62	NE	Nil	3	Nil	-80%
HOLD+	Atlas Pearls & Perfume	ATP	14/05/96	73	C	422.9	6.8	0.67	12	Nil	3	17.5	-72%
HOLD+	Brickworks Ltd	BKW	12/11/12	1115	A	149.4	0.4	2.62	11	3.4	1482	192.5	+50%
HOLD-	Cardno Ltd	CDD	14/12/09	223*	B	479.6	1.0	0.57	34	Nil	142	98.0	+8%
HOLD	Clarius Group Ltd	CND	08/04/03	82*	D	89.6	3.7	0.05	NE	Nil	8	70.5	-4%
HOLD	CPT Global Ltd	CGO	10/03/08	88	C	37.3	2.6	0.19	NE	Nil	14	19.0	-63%
HOLD	CSG Limited	CSV	11/10/10	175	B	322.4	1.5	0.70	16	Nil	53	64.0	-33%
BUY	Cynata Thera.	CYP	13/03/17	50	D	90.1	1.6	NA	NE	Nil	62	Nil	+24%
HOLD	Ellex Medical Lasers	ELX	14/03/06	49	C	121.1	1.3	1.66	NE	Nil	98	Nil	+100%
BUY	Fastbrick Robotics	FBR	07/07/17	14	C	1028.5	2.7	NA	NE	Nil	20	Nil	+39%
HOLD	Fiducian Group	FID	11/02/08	260	A	31.3	0.6	4.18	22	3.0	540	85.8	+141%
BUY	Finbar Group Ltd	FRI	12/04/10	106	A	231.4	1.0	1.83	20	6.1	98	65.5	+54%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	C	418.7	0.7	4.99	NE	0.3	923	246.0	+148%
HOLD	Integrated Research	IRI	14/01/08	40	A	171.7	0.5	6.89	35	1.8	368	49.5	+944%
HOLD	McMillan Shakespeare	MMS	07/11/16	1041	A	83.2	0.5	2.88	17	3.7	1778	66.0	+77%
HOLD	Melbourne IT	MLB	10/02/04	53	A	117.4	0.5	2.19	34	2.2	364	210.5	+984%
HOLD+	Michael Hill Int'l Ltd	MHJ	11/06/91	4*	B	387.4	1.2	0.81	17	4.1	123	64.8	+4583%
HOLD+	Mt Gibson Iron	MGX	10/11/14	44	B	1096.6	1.8	2.55	17	4.9	41	2.0	-3%
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	2.90	22	2.5	798	26.0	+58%
HOLD+	Prophecy International	PRO	08/09/08	26	E	64.0	1.6	2.96	NE	Nil	43	24.0	+156%
HOLD	Quintis Limited	QIN	08/01/07	45	C	390.3	2.0	1.18	NE	Nil	30	33.2	+39%
BUY	Reckon Limited ¹	RKN	08/08/16	141	B	113.3	0.8	1.76	16	3.3	152	5.0	+27%
BUY	Silver Chef Ltd	SIV	13/11/17	740	A	39.0	0.4	1.09	15	4.8	795	Nil	+7%
HOLD	Technology One Ltd	TNE	11/11/03	44	A	315.5	0.7	5.83	36	1.6	505	80.1	+1230%
BUY	The Reject Shop Ltd	TRS	11/01/05	257	A	28.9	0.7	0.20	13	4.4	550	486.5	+303%
BUY	Village Roadshow	VRL	10/08/09	77	B	161.8	0.6	0.62	27	Nil	396	308.0	+814%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +333.9%. This is equal to an average annual rate of +31.1%, 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 share of GetBusy (GETB) worth 36 pence (64.1 Aust cents)

Recommended Investments

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AJ Lucas Group reports that **Cuadrilla Resources** will test gas flow from the first two wells for up to six months before connecting to the national grid and drilling the third and fourth wells. Flow testing should begin around the end of the March 2018 quarter.

In Australia, the Drilling division reports an improvement in the East Coast Gas market where it has 30 rigs in service compared with 21 last year.

AJ Lucas Group



ALS Limited's first half result was within the \$70-75 million forecast made at its AGM in July:

Six Months to 30/9/2017

	Latest	Previous	Change
Revenues	\$721.6m	\$672.0m	+7.4%
Net Profit	\$70.1m	\$48.7m	+43.9%
Net Cash Surplus	\$57.6m	\$78.7m	-26.8%
Earnings per share	13.9c	9.7c	+43.9%
Dividends per share	8.0c	5.5c	+45.5%

In addition, there were goodwill write-downs of \$63 million, but these are non cash items.

The company plans to return \$175 million in surplus cash (from the sale of the Oil & Gas business and from cashflows) through an on-market share buyback over the next twelve months. With this amount it could repurchase about 5% of its issued capital.

ALS Ltd received offers to purchase its Asset Care operations but has decided to retain this business.

The full year profit (to March 2018) is expected to be 20-30% higher \$135-145 million (27-29 cents per share).

The ALS share price has appreciated strongly over the last two years but the current year's profit recovery will put the shares on a Price/Earnings ratio of about 25. That looks to be reasonable value, with the potential for further profit growth in the years ahead. "Hold".

ALS Limited



Brickworks Ltd reports that the company has \$607 million of net tangible assets in its Building Products divisions, Development land and its 50% interest in the Property Trust have net assets of \$508 million and its investment in **Washington H Soul Pattinson** has a market value of \$1804 million. That is an asset value of \$2919 million or 1953 cents per share.

A \$10,000 investment in Brickworks (i.e. 675 shares) gives an indirect holding of 346 Washington H Soul Pattinson (SOL) shares, worth \$5,827.

One of SOL's major investments was 59.67% of **New Hope Corporation** (NHC), but it recently sold 80.0 million shares at 220 cents to realise \$176.0 million. That leaves it with 415,696,418 shares (50.01% of the company worth \$948 million.

Building Products first quarter revenues are up 14% to \$216 million, with earnings (before interest and tax) "significantly" higher at \$23 million.

Brickworks Ltd, **Neilson Group** and **Neumann Group** have established a joint venture company, **Southern Cross Cement**, which has received approval to build a \$50 million cement import terminal in Brisbane. This should be in operation within 18 months.

Brickworks Ltd



Clarius Group reports "strong performance across the majority of businesses" in the current half year.

Permanent recruitment gross margins are "the highest experienced" since the June 2015 financial year. The China business "has delivered a strong first quarter" and "contractor gross margins" (which were depressed last year) have recovered.

Clarius Group



CPT Global has sought to expand its range of services over the last eighteen months, entering eight new partnerships and alliances. Its core business returned to profitability in September, made a small loss in October and began a major “risk/reward” project (where it will earn a share of the customer’s cost savings) in November.

Annual cost savings of \$500,000 have been achieved over the last year. The company will select a new global headquarters after its current lease ends in May 2018 which should achieve further savings.

Cynata Therapeutics has dosed the eighth patient in its acute graft versus host (GvHD) clinical trial. That patient will be assessed after 28 days to prepare a report for the Data Safety Monitoring Board which will decide whether to continue the second half of the trial as planned, make changes to the trial or to end the trial.

The company states that a “successful outcome will open many doors to more economically important targets” but the GvHD trial has huge potential value to the company. If it is successful, **FUJIFILM** has a 90-day option after the completion of the clinical study to take over the project for an upfront payment of US\$3 million, fund all future development, make milestone payments of up to \$60 million, plus pay double digit royalties on sales which are expected to peak at around US\$30 million per year.

The *Acute Respiratory Distress Syndrome (ARDS)* study, using *Cymerus* MSCs in sheep, is expected to report in the March 2018 quarter and good results could lead to a clinical study in humans.

A larger study using *Cymerus* MSCs in rats to treat heart attacks is underway to “strengthen initial findings” and study the impact on ventricular arrhythmia. This current study is also expected to report in the March 2018 quarter.

Pre-clinical programs in asthma and glioblastoma will report later in 2018.

The company currently has \$8.7 million (9.7 cents per share) which will finance operations through into 2019.

A further US patent is expected covering “key aspects” of the “*Cymerus* stem cell manufacturing technology relating to the scalable manufacture of MSC therapeutic products”. It is anticipated that the patent will be granted in March 2018 and provide further protection through to March 2034.

Cynata Therapeutics



Ellex Medical Lasers reports US sales of *iTrack* up 71% over the first quarter (i.e. to 30 September) - although at A\$1.2 million this is still a small number (but expected to grow rapidly). In October “this sales growth rate accelerated”.

Laser and Ultrasound sales are 2% higher than the same period a year earlier.

The company had “an expanded presence” this year at the **American Academy of Ophthalmology** convention in New Orleans on 11-14 November. This attracts 13,000 ophthalmologists from around the world.

The company usually makes 9-12% of its annual US laser and ultrasound sales at this convention, with this year's orders exceeding last year.

The company also heavily promoted *iTrack* with “interactive wet lab stations that allowed physicians to receive surgical training with the *Ellex iTrack* microcatheter on eye models”, which attracted “strong attendance” and “a significant number of highly qualified new sales leads for immediate follow up”.

Ellex Medical Lasers



Fastbrick Robotics has raised \$35.0 million from the placement of 184,210,526 shares at 19 cents.

The company has also received a \$972,622 tax rebate under the R&D Tax Incentive program.

The “immediate focus is to complete the *Hadrian X* prototypes” and build the first houses in 2018. “At the right time” the company will also use some of the money raised to finance Research & Development to extend the use of its *Dynamic Stabilisation Technology (DST)* to areas such as “high rise construction, sub-sea sector and civil construction”.

Fastbrick Robotics



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Recommended Investments

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Integrated Research reports the “*FEDRAMP* roll-out has been slower than expected due to delays in the authorisation and compliance process within the US government”. This has resulted in a one year delay but “all authorisations have recently been approved and **Cisco** are now engaged in a number of proof of concepts”. That suggests the significant additional on-going revenues that Integrated Research will earn from this service may still be a little way off but should start soon.

Integrated Research



Noverise Renewable Resources International is to “suspend” plans to buyout the minority shareholders and focus upon the “restructure of corporate debts” and a “turnaround plan” and a “pathway for the company to long term growth and profitability”.

Two operating subsidiaries, **Fujian Sanhong Renewable Resources Technology** and **Quanzhou Sanhong Chemical Fibre**, apparently have an “in-principle” agreement with **Great Wall Glory Securities** that will “result in a significant reduction of the overall debt and liabilities” of the two companies.

This probably means the two operating subsidiaries will issue new shares to Great Wall Glory Securities in a debt for equity swap - requiring regulatory and shareholder approval.

The company is working to complete its accounts for the periods from 1 July 2015 through to December 2017 to remove the suspension of its shares. If the shares remain suspended in March 2018 then they would likely be delisted.

Given the company's inability to complete its privatisation by buying out the minority shareholders and with potential dilution from the current debt restructuring, the shares may have little value. If delisted, they should probably be considered virtually worthless.

Onterran Ltd is seeking to have the voluntary suspension of its shares extended until March 2018 while it winds down and closes its **McGrath** subsidiary and seeks a “recapitalisation of Onterran”. The company is “considering a number of” undisclosed “possible alternatives”.

OZ Minerals will spend a further \$19 million on the *West Musgrave Project* over the next 18 months to increase its ownership to 51%.

The scoping study suggests a \$730-800 million investment to develop the *Nebo-Bable* deposits, processing 10+ million tonnes per annum (Mtpa) with a mine life of eight years, producing 20-25,000 tpa of Nickel and 25-30,000 tpa of Copper and 700-1000 tpa of Cobalt with an after tax return of 20-25%. The initial project cost would be repaid in 3-4 years (after tax).

Current exploration will seek to expand the mine life from 8 years to more than 15 years and OZ Minerals will manage the Pre-Feasibility Study. OZ Minerals has the option to earn up to 70% of this project by contributing a further \$14 million to complete a Definitive Feasibility Study. A decision to mine could be made around July 2020, with production 18 months later in early 2022.

The *Eloise* joint venture with **Minotaur Exploration** also shows positive results with five scout holes “intersecting significant copper sulphide mineralisation”. This identifies 600 metres of mineralisation which is “open in all directions”. OZ Minerals can earn up to a 70% interest in this joint venture by spending \$10 million.

OZ Minerals



Prophecy International Holdings expects “the *eMite* revenue will grow substantially” this year “as we expand our reach with **Genesys**”. *eMite* contributed 27% of revenues in the year to June 2017.

The company's “goal is to grow” revenues and profits “substantially over the next 3-5 years both organically and through mergers and acquisitions”. The company is seeking to “modernise” its business, “optimise sales and marketing”, “invest in product innovation and enhance customer experience”.

Prophecy International Holdings



Quintis Limited has released its results for the year to 30 June 2017. The major feature is a change in its

plantation valuation, significantly reducing the value of this asset. This has no impact on *cashflows*, but does impact the profit and loss (i.e. the annual revaluation gain or loss) and the balance sheet values (i.e. the plantation valuation, with a similar impact on Shareholders Equity).

The company has also written down goodwill in its Pharmaceutical division. This valuation has no direct impact on cashflows, but if the Pharmaceutical division under-performs its previously overly optimistic expectations then the future earnout payments will be lower than earlier expected.

The *actual* change in the business is less obvious from the accounts, but the company has scaled back on plantation development. So the company will need to spend less cash buying land and less cash developing it into Indian Sandalwood plantations. This reflects lower demand from investors. In the year to June 2017 it developed 888 hectares, down from 1600 hectares annually over recent years. The current year development will likely be lower again.

	Year to 30/6/2017		
	Latest	Previous	Change
Revenues	\$94.4m	\$191.7m	-50.8%
Net Profit	<\$308.5m>	\$71.1m	-
Net Cash Surplus	<\$81.3m>	\$20.2m	-
Earnings per share	<79.0c>	18.3c	-
Dividends per share	Nil	3.0c	-

In addition there were (non-cash) goodwill and intangible asset impairment charges of \$154.7 million (\$108.3 million after tax).

The \$97.3 million decline in total revenues largely reflects the \$97.2 million decline in “services” (i.e. the development and sale of plantations) to only \$52.9 million. Product sales were 32% higher at \$39.3 million.

The \$379.6 million decline in profit/loss largely reflects the \$384.3 million change in the annual movement in the value of the company's plantation assets (i.e. from a gain of \$76.9 million in 2016 to a loss of \$307.4 million in the last year).

The decline in plantation valuation mainly reflects two factors: Firstly an increase in the discount rate used to calculate the net present value of future oil production. The discount rate has been increased to 15-17% compared with 12-14% previously. Secondly the forecast heartwood per tree has been lowered 26% to 14.6kg and the forecast oil content has been lowered 14% to 3.2%. These lower estimates are based on experience with the fourth annual harvest.

Shareholders Equity is shown at \$317.1 million (81.2 cents per share), down from \$747.2 million a year earlier. This reflects the lower plantation valuation.

Quintis Ltd has also needed to raise relatively high cost financing while negotiating its potential recapitalisation. The company has borrowed US\$15.0 million initially under the existing Senior Secured note facility (but ranking ahead of existing note holders), with the option to borrow a further

US\$5 million. The interest rate is 12.0%, but there is also a 5.0% “establishment fee” on these six month notes - so the total interest cost is about 22% per annum.

Reckon Limited has agreed to sell its *Reckon Accountants Practice Management* business to **MYOB** for \$180 million in cash (159 cents per share), subject to regulatory approval by the ACCC and NZCC. That is more than Reckon Ltd's market capitalisation last month of \$134 million.

This transaction is priced at a very high 5.6 times revenues and book value of assets being sold is \$38 million! So Reckon is realising a very good price for this business.

This sale will likely be completed in the June 2018 quarter.

Reckon will use the cash proceeds (after tax) to “repay the majority” of its interest bearing debts (i.e. about \$60 million) and will then “pay a special dividend to shareholders”“. Reckon will then focus upon its *Business* and *Legal* divisions and “pursue growth in the online small business accounting software market”.

Equally importantly, the company is predicting a significant improvement in its remaining businesses. Business Group revenues for the six months to December 2017 are predicted to be \$36 million, up 89% on the half year to June 2017. The Legal Group revenues are forecast to rise 86% to \$13 million. Revenues for the remaining business will rise 88% to \$49 million, with earnings (before interest, depreciation and tax) up 67% to \$15 million. Development expenditure will double to \$8 million.

A special dividend may not be the most tax efficient option for New Zealand shareholders (or Australian shareholders, unless it is fully franked), but the receipt of this large sum of cash plus the growth in revenue and earnings of the retained business should see Reckon shares re-rated strongly over the next six months!



Technology One

	Year to 30/9/2017		
	Latest	Previous	Change
Revenues	\$273.3m	\$248.0m	+9.7%
Net Profit	\$44.5m	\$41.3m	+7.6%
Net Cash Surplus	\$46.4m	\$43.7m	+6.2%
Earnings per share	14.2c	13.3c	+6.9%
Dividends per share	8.20c	7.45c	+10.1%

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Recommended Investments

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In addition to the final 5.60 cents ordinary dividend there will be a special dividend of 2.0 cents - the same as last year.

Longer term, Technology One stills sees expansion in the United Kingdom market “as a platform for significant growth” but the “regionalisation of our products” to comply with UK regulatory requirements is “more significant and challenging than originally expected”. During 2018 it will deal with the requirements of “UCAS, UKVI, HESA and SLC” or the **Universities and Colleges Admissions Service**, the **Higher Education Statistics Agency**, the **UK Visas & Immigration** and the **Student Loans Company**. The company therefore expects slower growth in the UK for the next two years.

The company expects “strong profit growth” for the new year to September 2018, but with a weaker first half.

Over the last 6-8 years the company has lifted its net profit margin from 17% to 21% and continues to seek to lift this to around 25% within “the next few years”.

Technology One and the **Brisbane City Council** have “resolved their dispute” which involved \$50 million cross-claims. The settlement is confidential, “on a without fault basis” and with “no impact on earnings” which suggests both parties will just walk away and not waste time on legal action.



Village Roadshow reports Theme Park attendances have been “largely positive” although “publicity surrounding the anniversary” of the **Dreamworld** accident “resulted in a noticeable decline which levelled out in November”. The summer period is, of course, the most important season for this division and the company expects “earnings to significantly improve over the Christmas and summer holidays”.

The company's debt levels have reduced with the sale of the *Golden Village* Singapore business for \$164 million and will reduce further with the planned sale and lease back of the *Oxenford* land for about \$100 million. The company is in “exclusive negotiations with a preferred bidder” and a transaction could be completed in late 2017 or early 2018.

With a reduction in debt levels and an improvement in earnings the board is “confident of being able to recommend a return to dividends” this year - with “the level of dividends dependent on actual trading results”.

Village Roadshow



Company Review: Verdant Resources

Verdant Minerals (code VRM).

Verdant Minerals is a small \$30 million company planning to develop a low cost, very long life Phosphate mining operation in the Northern Territory. Successfully completing this development over the next few years - which will require \$200-400 million in project financing - could create a business worth \$500-1000 million . . . potentially lifting the share value 10-20-fold!

Company History

This company was originally named **Rum Jungle Uranium** and raised \$12 million in an initial public offering in 2007 for Uranium exploration. In October 2010 it drilled the *Ammaroo* phosphate deposit and discovered high grade phosphate under less than five metres of sand . . . and changed its name to **Rum Jungle Resources**. The deposit was so large, exceeding the company's tenement, that it needed to takeover the

company owning the adjacent tenements.

In December 2016 the company name was again changed to Verdant Minerals.

The Ammaroo Phosphate Project

The company plans to complete a Bankable Feasibility Study (BFS) in the March 2018 quarter. The *Environmental Impact Statement* was completed in October and was subject to public and government review until 8 December. In March 2017 the project was awarded *Major Project Status* by the **Northern Territory Government**. The **Northern Australia Infrastructure Facility (NAIF)** is “assessing the project” and “its potential suitability for NAIF finance”. Other sources of debt financing are also being explored.

The *Ammaroo Phosphate* resource is 1.145 billion tonnes at an average grade of 14% P₂O₅ over a length of 40km. The deposit is close to the surface, so easy and cheap to mine. Mining and beneficiation costs will be “very low” and currently estimated at less than US\$30/tonne, plus another US\$30/tonne in transportation to the port of Darwin.

The company expects a long term selling price of around US\$115/tonne, so after US\$60/tonne of mining, beneficiation and transport costs, the project should yield a gross margin of US\$55/tonne (about A\$79/tonne).

The company plans an open cut mine and a floatation beneficiation plant to produce up to two million tonnes per annum of phosphate rock concentrate. This will probably be in two stages, each of one million tonnes per annum capacity, and each stage costing less than US\$150 million (A\$200 million) and producing a gross margin of around US\$55 million (A\$79 million) annually.

These estimates will be updated and finalised more accurately in the BFS next quarter.

The project will require the **Federal Government Northern Australian Development Infrastructure Fund** to invest A\$120 million to build a 90km rail spur to connect the beneficiation plant to the existing Adelaide to Darwin Railway (but earn significant transport fees from the project).

A 40 tonne bulk sample was tested and “consistently” upgraded to 10 tonnes of “a 32% P₂O₅ market standard rock concentrate” which will “undergo bulk phosphoric acid production test work” and samples have been sent to prospective customers for proprietary testing.

The Bankable Feasibility Study will be available in the March 2018 quarter with a final decision to proceed with the project expected in the September 2018 quarter and first production likely before June 2020.

Investment Criteria

Verdant Minerals currently has no meaningful revenues (other than some interest and tax R&D refunds) but has \$6.5 million (0.7 cent per share) in cash which will allow it to complete its BFS and operate through to a potential decision to proceed with this project. It would then need to raise (subject to the BFS) up to A\$200 million, probably mostly in debt financing, to fund the capital cost of the Stage I development.

The company could then be generating annual revenues of around A\$165 million and net profits of perhaps \$40 million . . . and double that again with the Stage II development.

The issued capital is currently 963,761,492 ordinary shares, so at a price of 3.2 cents the market capitalisation is just \$31 million. The company will likely need to raise some additional equity capital from shareholders to partially fund its development project.

Washington H Soul Pattinson is the major shareholder with 368.9 million shares (38.3% of the capital). This is a long term investor that supports the development of the company’s projects.

As this is a small company it is not surprising that the company is *neglected* and no brokers follow Verdant Minerals. Shares that are *neglected* by brokers and institutional investors are more likely to be undervalued and have “undiscovered value” than shares which are widely followed and widely owned.

All five directors own shares in Verdant Minerals, but only 200,000 to 2,125,025 shares each, worth a relatively small \$6000 to \$63,750.

There have been two *insider* buys (and no sells) over the last year. In August, JD Whiteside bought his 400,000 shares on-market at 3.45 cents and JA Conroy purchased his 200,000 shares at 3.5 cents.

Over the last year the shares have been volatile, fluctuating between a low of 1.8 cents and a high of 4.9 cents. The Relative Strength rating is +3.2%, ranked 65 (on a scale of 0-99).

Summary and Recommendation

Verdant Resources is a very small company approaching the final stages of making a decision to proceed with a major mining project which would create significant wealth for shareholders.

While Verdant Resources is a small company, it is supported by a very large major shareholder, Washington H Soul Pattinson. This development will have low mining and beneficiation costs, so a lower risk, high margin project that can largely be debt funded. Development in two stages also reduces the initial capital investment. Revenues, cashflows and profits from the first stage will partially fund the second stage and allow lower borrowing costs. This resource is also so large that this mining project will have a *very long life* and/or could be further upgraded to increase production volumes (and revenues and profits) in the future.

Verdant Resources is still a very high risk company, but has the potential to become a large, very profitable Phosphate miner, so a very small investment would be appropriate for high risk investors with well diversified share portfolios.

Verdant Resources



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 N/A	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 N/A	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n																		
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0														INSIDER SELLING: Most Insider Selling, Relative Strength < 0																																	
Eildon Capital	106	-0.1	+0.1	54	0-0	-	-	-	0.8	10	6.3	9.88	32	Martin Aircraft	4	-33.1	+1.2	98	0-0	-	-	1.1	-	2.0	NE	Nil	N/A	17	K2 Asset Mgmt	27	-7.4	+0.8	76	0-10	1	-	6.8	63	1.1	11	8.3	3.78	65				
Celsus Res.	14	-33.1	+11.2	98	4-0	-	-	-	-	1.0	NE	Nil	N/A	64	Domino's Pizza	4685	-8.2	+3.5	77	0-5	13	17.1	-	-	0.4	40	2.0	5.26	4,103	Perpetual Ltd	4726	-2.7	-2.1	64	1-5	12	3.7	7.7	48	0.4	16	5.6	4.23	2,201			
Netcentric Ltd	2	-32.9	-2.2	98	0-0	-	-	-	-	1.0	NE	Nil	0.42	5	Sundance Res.	0	-2.2	-3.4	63	0-3	-	0.0	-	-	5.7	NE	Nil	N/A	31	Phylogica Ltd	4	-1.1	-4.0	59	0-3	-	-	-	-	1.8	NE	Nil	N/A	85			
Orinoco Gold	2	-32.8	-3.2	98	1-0	-	-	-	-	2.5	NE	Nil	N/A	14	Village Road.	396	-1.9	+1.3	62	0-3	8	2.8	-	-	0.3	27	Nil	0.62	641	Dome Gold Mines	21	-6.6	+0.6	74	0-3	-	-	-	-	0.7	NE	Nil	N/A	52			
YPB Group Ltd	4	-32.0	+2.3	98	1-0	-	-	-	-	1.8	NE	Nil	3.98	7	Vista Group	241	-5.9	-1.5	72	0-3	3	-	2.3	7	0.4	32	1.9	4.64	397	Ramsay Health	7041	-3.4	+0.7	66	1-4	10	3.6	37.3	-	0.2	29	1.7	1.63	14,229			
Jupiter Energy	10	-31.3	+3.1	97	0-0	-	-	-	-	1.0	NE	Nil	N/A	15	Oro Verde Ltd	1	-18.9	+3.0	91	0-2	-	-	-	-	3.8	NE	Nil	N/A	6	Blackham Res.	11	-29.8	-4.2	97	0-2	1	0.4	-	-	0.9	NE	Nil	0.90	39			
Stemcell United	4	-31.0	+4.2	97	0-1	-	-	-	-	1.6	NE	Nil	N/A	19	Blackham Res.	8	-15.3	+2.2	88	0-2	-	-	-	-	1.1	NE	Nil	N/A	8	Torian Res.	8	-15.3	+2.2	88	0-2	-	-	-	-	1.1	NE	Nil	N/A	8			
Qunitis Ltd	30	-30.7	+3.9	97	1-0	-	-	8.4	0.2	-	0.9	NE	Nil	1.18	115	Innate Immuno.	3	-54.0	+0.5	99	0-2	-	-	0.8	-	2.4	NE	Nil	N/A	6	Alcidian Group	6	-12.2	+1.5	83	0-2	-	-	-	-	1.5	NE	Nil	9.67	33		
Hudson Invest.	3	-6.7	-5.0	74	0-0	-	-	1.1	36	2.0	3	Nil	9.21	9	Asset Owl Ltd	14	-12.6	-5.4	84	0-2	-	-	-	-	7.0	-	-	1.1	NE	Nil	N/A	8	Qube Holdings	262	-0.0	+0.6	54	1-3	12	5.4	2.3	6	0.4	40	2.1	2.78	4,203
Factor Thera.	5	-10.3	-1.8	80	0-0	2	-	5.0	-	1.8	NE	Nil	9.08	37	Accent Group	79	-9.7	+1.0	79	1-3	4	4.7	19.8	-	0.5	NE	5.1	1.68	428	Godfreys Group	44	-13.6	-5.9	85	2-4	2	-	1.8	57	0.5	3	11.4	0.10	18			
XTV Networks	1	-0.4	+0.1	56	0-0	-	-	-	-	4.6	NE	Nil	9.00	6	Iselect Limited	143	-12.7	-1.4	84	0-1	4	0.3	-	-	0.5	20	3.8	1.76	313	Iselect Limited	143	-12.7	-1.4	84	0-1	4	0.3	-	-	0.5	20	3.8	1.76	313			
K2fly Ltd	11	-0.1	+9.9	54	13-0	-	-	3.7	-	1.4	NE	Nil	8.92	6	CAQ Holdings	8	-16.5	-3.0	89	0-1	-	-	-	-	1.0	-	1.1	NE	Nil	N/A	52	Spookfish Ltd	7	-2.1	-2.0	62	0-1	1	-	7.4	-	1.4	NE	Nil	N/A	62	
Scentre Group	422	-1.2	+2.2	59	6-1	13	0.5	1.1	15	0.3	7	5.0	8.89	22,469	Eden Innovation	12	-20.0	-2.3	92	0-1	-	0.3	12.0	-	1.4	NE	Nil	N/A	152	Cooper Energy	30	-8.7	+0.6	78	0-1	2	3.0	1.3	-	0.8	NE	Nil	9.71	472			
Merlin Diamonds	1	-27.0	+2.4	96	0-0	-	-	-	-	5.3	NE	Nil	8.82	8	Konekt Limited	50	-3.5	+2.0	66	0-1	-	-	25.0	-	0.9	10	1.5	0.69	36	Stemcell United	4	-31.0	+4.2	97	0-1	-	-	-	-	1.4	NE	Nil	N/A	19			
Aventus Retail	225	-0.6	+0.4	56	1-0	4	0.1	1.0	14	0.4	7	7.1	8.51	1,103																																	

WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average

Innate Immuno.	3	-54.0	+0.5	99	0-2	-	-	0.8	-	2.6	NE	Nil	N/A	6
Thorney Tech.	29	-49.4	+2.0	99	3-0	-	-	1.3	7	0.8	17	Nil	N/A	56
Carbon Energy	15	-46.0	+0.8	99	0-0	-	-	-	-	0.8	NE	Nil	N/A	272
Hankstone Min.	3	-45.0	+4.7	99	0-0	-	-	-	-	2.0	NE	Nil	N/A	9
ResAoo Health	7	-41.6	+3.0	99	2-1	-	0.3	7.4	-	1.8	NE	Nil	N/A	49
Calidus Res.	4	-41.1	+3.0	99	1-0	-	0.0	-	-	1.9	NE	Nil	N/A	26
Ding Sheng Xin	5	-40.5	+3.1	99	0-0	-	-	0.2	9	1.9	2	Nil	1.06	26
Gruđen Group	1	-38.0	-16.8	99	0-0	-	-	-	-	3.7	NE	Nil	N/A	12
Intiger Group	2	-37.5	+1.2	99	2-0	-	0.0	-	-	3.2	NE	Nil	N/A	17
Red Sky Energy	1	-36.4	+1.3	98	0-0	-	-	-	-	5.3	NE	Nil	N/A	31
Range Intern'l	20	-34.6	+0.3	98	1-0	1	0.0	0.8	-	1.1	NE	Nil	N/A	31
Animoca Brands	2	-33.2	+2.8	98	0-0	-	-	1.5	-	2.8	NE	Nil	0.67	6

“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	3	160	Bingo Indust.	3	863	Evolution Min.	13	4,028	LifeHealthCare	3	118
360 Capital Grp	2	210	Bionomics Ltd	3	190	FAR Ltd	5	404	Link Admin.	8	4,300
3P Learning	2	180	Blackham Res.	1	39	FSA Group Ltd	1	200	Livetiles Ltd	1	109
A.P. Eagers	6	1,524	Blackmores Ltd	9	2,969	Factor Thera.	2	37	Logicamms Ltd	1	26
AFT Pharma.	2	190	Bluescope Steel	8	7,859	Fairfax Media	11	1,713	Lovisa Holdings	6	695
AGL Energy Ltd	12	16,933	Blue Sky Alt In	4	847	Farm Pride Food	2	51	Lucapa Diamond	1	82
ALS Limited	14	3,570	Bluglass Ltd	2	140	Fiducial Group	2	169	MG Unit Trust	4	160
AMA Group Ltd	5	504	Boart Longyear	1	263	Finders Res.	2	175	MMA Offshore	4	138
AMP Ltd	15	15,264	Boral Limited	11	9,203	Fleetwood Corp	1	161	MNF Group	3	456
ANZ Bank	16	83,746	Brambles Ltd	11	16,229	Flexicorp Ltd	8	607	MYOB Group	12	2,177
APA Group	11	9,873	Breville Group	9	1,678	Flight Centre	14	4,607	MacMahon Hold	1	244
APN Outdoor Grp	9	806	Brickworks Ltd	5	2,214	Folkestone Educ	4	725	Maca Limited	3	442
ARB Corporation	7	1,576	C.S.R. Ltd	11	2,350	Folkestone Ltd	2	183	Macquarie Atlas	5	4,092
ASX Limited	14	10,890	CBL Corporation	3	672	Fortescue Metal	22	14,199	Macquarie Group	14	33,577
AUB Group	3	854	CIMIC Group	6	16,579	Freedom Insur.	2	113	Magellan Fin Gp	9	4,601
AV Jennings	2	281	CSG Ltd	2	171	Freelancer Ltd	8	249	Magnis Resource	1	239
AVEO Group	6	1,510	CSL Limited	13	64,236	G.U.D. Holdings	10	1,047	Mantra Group	11	1,163
AWE Limited	11	442	Cabcharge Ltd	3	232	G8 Education	9	1,552	Matrix Comp.	1	49
Abacus Property	5	2,426	Caltex Austria	10	8,878	GBST Holdings	6	157	Maxi TRANS	2	143
Accent Group	4	428	Capital Health	2	221	GDI Property	2	695	Mayne Pharma Gr	7	974
Aconex Limited	7	1,057	Capilano Honey	3	170	GPT Group	13	9,675	McGrath Limited	1	76
AcruX Ltd	2	24	Cardno Ltd	2	681	GR Engineering	1	202	McMillan Shake.	7	1,479
Adairs Limited	4	294	Carindale Prop	2	559	GWA Group Ltd	8	787	McPherson's Ltd	1	115
Adelaide Bright	12	4,266	Carsales.com	16	3,589	Galaxy Res.	8	1,400	Medical Dev Int	3	385
Admedus Limited	1	75	Cash Converters	1	180	Garda Div Prop	2	112	Medibank Priv.	14	9,006
Ainsworth Game	7	689	Catapult Group	5	241	Gascoyne Res.	1	158	Medusa Mining	2	84
Airxpanders Inc	1	199	Cedar Woods Prp	1	469	Gateway Life.	6	651	Megaport Ltd	2	182
Alacer Gold	5	189	Centuria Metro.	4	532	Genworth Mort.	6	1,557	Melbourne IT	4	427
Ale Property	3	940	Centuria Indust	2	652	Godfreys Group	2	18	Mesoblast Ltd	4	633
Alexium Int'l	1	116	Centuria Cap'l	2	382	Gold Road Res.	4	605	Metals X Ltd	5	547
Alkane Explor.	1	157	Challenger Ltd	2	8,566	Goodman Group	12	15,487	Metcash Ltd	11	3,024
Alliance Aviat.	4	195	Charter Hall GR	9	2,925	Graincorp	9	1,785	Metro Per Glass	5	149
Altium Limited	5	1,667	Chart H Retail	12	1,743	Greencross Ltd	9	717	Michael Hill	4	475
Altona Mining	2	78	Citadel Group	4	311	Growthpoint Pro	4	2,362	Migme Limited	1	14
Altura Mining	3	631	Class Limited	7	325	HT&E Limited	6	588	Millennium Serv	1	65
Alumina Ltd	13	6,422	Clean Teq Hold.	4	728	HUB24 Limited	3	586	Millennium Min.	1	137
Amaysim Aust.	3	426	Clearview With	1	887	Hansen Tech.	4	714	Mineral Deposit	3	201
Amcor Ltd	11	18,206	Cleanaway Waste	7	2,346	Harvey Norman	11	4,677	Mineral Res.	4	3,349
Aneka Tambang	2	16,822	Clover Corp.	1	113	Helloworld Trav	5	575	Mirvac Group	13	9,166
Ansell Ltd	11	3,579	CocaCola Amatil	12	6,257	Highfield Res.	3	308	Mitula Group	1	114
Apiam Animal H	2	93	Cochlear Ltd	11	10,411	Hotel Property	4	487	Monadelphous Gr	10	1,684
Appen Limited	6	764	Codan Ltd	3	372	Huon Aquacult.	4	376	Monash IVF Grp	4	286
Ardent Leisure	9	825	Cogstate Ltd	2	105	IDP Education	7	1,469	Money3 Corp Ltd	3	264
Arena REIT	2	644	Collection Hse	6	178	IMF Bentham Ltd	2	425	Mortgage Choice	2	301
Aristocrat Leis	13	14,699	Collins Foods	5	635	IOOF Holdings	14	3,869	Motorcycle Hold	2	183
Asaleo Care Ltd	5	847	Com'wealth Bank	16	139,552	IPH Limited	7	1,063	Mt Gibson Iron	4	444
Asia Pac Data C	2	224	Compumedics Ltd	2	66	IRESS Limited	7	1,900	Murray River Or	2	36
Aspen Group Ltd	1	109	Computershare	14	8,898	Icar Asia Ltd	1	68	Myer Holdings	11	632
Atlas Iron Ltd	2	186	Cooper Energy	2	472	Iluka Resources	12	3,865	Mystate Ltd	5	447
Aurelia Metals	1	131	Corp Travel M.	7	2,229	Imdex Limited	2	334	NRW Holdings	2	490
Aurizon Hold.	11	10,757	Costa Group	5	2,040	Impedimed Ltd	3	359	Nanosonics Ltd	5	766
AusNet Services	12	6,950	Credit Corp	7	1,089	Incitec Pivot	11	6,462	Nat Veterinary	3	154
Ausdrill Ltd	4	809	Cromwell Prop.	7	1,821	Independ. Group	16	2,347	Nat'l Aust Bank	16	80,136
Aust Finance Gr	2	343	Crown Resorts	11	8,535	Industria REIT	5	422	National Stor.	7	816
Aust Pharm. Ind	5	785	Cybg plc	15	4,386	Infgen Energy	4	639	Navigator Gl In	3	517
Austal Limited	4	592	Cynata Therap.	2	56	Infomedica Ltd	3	242	Navitas Ltd	10	1,955
Aust Agricult.	1	784	DWS Limited	1	192	Ingenia Com Grp	4	591	Nearmap Ltd	3	243
Austin Eng.	2	148	Dacian Gold Ltd	6	517	Inghams Group	9	1,338	Neometals Ltd	1	209
Aust Vintage	1	124	Danakali Ltd	2	171	Insurance Aust.	15	16,951	NetComm Wire.	4	180
Auswide Bank	3	219	Data 3 Ltd	2	308	Int Research	3	632	Neuren Pharm.	1	258
Automotive Hold	11	1,237	Decmil Group	2	204	Integral Diag.	4	323	New Hope Corp.	4	1,895
Aventus Retail	4	1,103	Dexus	12	10,540	Investa Office	10	2,897	Newcrest Mining	16	17,467
BHP Billiton	20	87,262	Domino's Pizza	13	4,103	Invocare Ltd	9	1,899	News Corp.	8	1,081
BSA Ltd	3	150	Donaco Inter'l	2	254	Iron Mountain	5	2,565	Nextdc Limited	11	1,616
BT Invest Mgmt	12	3,393	Doray Minerals	3	61	Iselect Limited	4	313	Nib Holdings	13	3,079
BWP Trust	8	2,068	Downer EDI Ltd	7	3,990	Isentia Group	5	250	Nick Scali Ltd	4	561
BWX Limited	8	798	DuluxGroup Ltd	9	3,067	Ive Group	3	323	Nine Entertain.	7	1,390
Baby Bunting Gr	4	191	EML Payments	4	457	JB Hi-Fi Ltd	14	2,908	Nthn Star Res.	15	3,414
Bank of Q'land	15	4,978	ERM Power Ltd	2	357	James Hardie	10	9,682	Nufarm Limited	12	2,767
Bapcor Limited	5	1,552	Eclixp Group	8	1,275	Janus Henderson	11	4,188	OFX Group	5	317
Base Resources	2	232	Elders Limited	4	819	Japara Health.	5	582	OZ Minerals Ltd	16	2,383
Beach Energy	14	2,492	Ellex Medical	2	119	Jumbo Interact.	1	173	Oceania Health.	3	537
Beacon Lighting	3	340	Emeco Holdings	1	676	K2 Asset Mgmt	1	65	Oil Search Ltd	15	11,062
Beadell Res.	8	210	Energy Resource	1	469	Kardoon Gas	5	311	Onevue Holdings	3	180
Bega Cheese Ltd	5	1,451	Enero Group Ltd	1	83	Kogan.com Ltd	2	455	Overview Health.	1	100
Bellamy's Aust.	6	1,284	Equity Trustees	2	393	Korvest Ltd	1	25	Ooh!Media	7	729
Bendigo Bank	14	5,540	Estia Health	7	1,003	Legend Corp.	1	46	Opthea Limited	3	148
Berkeley Energy	3	266	Eureka Group	2	77	LendLease Group	10	9,402	OreCorp Ltd	1	48
Billabong Int'l	1	184	Event Hospital.	5	2,100	Lifestyle Com.	2	528	Orica Ltd	11	7,081

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.)
Origin Energy	13	16,050	Ramsay Health	10	14,229	Sigma Health.	6	915	Thorn Group Ltd	2	121
Orocobre Ltd	10	1,200	Range Intern'l	1	31	Silver Chef Ltd	3	310	Tox Free Sol.	8	552
Orora Limited	11	3,982	Reckon Limited	6	172	Silver Lake Res	3	169	Transurban Grp	8	25,380
Oroton Group	2	18	Red River Res.	3	123	Sims Metal Mgmt	8	3,016	Treasury Wine	11	11,786
Osprey Medical	4	132	Redbubble Ltd	2	252	Sino Gas & En.	4	275	Trilogy Int'l	3	152
Over The Wire	3	136	Redflow Limited	1	65	Sirtex Medical	9	899	Troy Resources	1	39
PMP Limited	1	242	Reece Limited	2	4,696	Smartgroup Corp	7	1,283	Universal Coal	1	97
PWR Holdings	2	241	Regeneus Ltd	1	26	Smart Parking	1	86	Vicinity Centre	12	10,802
Pacific Smiles	4	283	Regis Health.	7	1,154	Somnomed Ltd	3	206	Village Road.	8	641
Pacific Energy	2	204	Regis Resources	15	1,971	Sonic Health	10	9,657	Villa World Ltd	3	319
Pact Group Hold	8	1,807	Reliance W/wide	7	1,995	Soul Pattinson	1	4,031	Viralitics Ltd	3	149
Panoramic Res.	1	148	Resolute Mining	9	727	South32 Limited	20	16,711	Virgin Aust	5	2,368
Pantoro Limited	3	156	Retail Food Grp	4	804	Spark Infrastru	8	4,575	Virtus Health	5	400
Paragon Care	2	136	Reva Medical	2	264	Speedcast Int'l	7	1,288	Vista Group	3	397
Paringa Res Ltd	4	120	Rhipe Limited	3	120	Spookfish Ltd	1	62	Vita Group Ltd	3	218
Peet Ltd	3	684	Ridley Corp.	4	416	Spotless Group	6	1,268	Viva EnergyREIT	3	1,589
Peninsula En.	5	105	Rio Tinto Ltd	15	28,539	St Barbara Ltd	5	1,675	Vocus Group Ltd	14	1,823
Pental Limited	1	67	Rural Funds Grp	2	607	Starpharma Hold	3	521	WPP AUNZ Ltd	3	712
Perpetual Ltd	12	2,201	Ruralco Hold.	3	310	Star Entertain.	11	4,855	Watpac Ltd	1	121
Perseus Mining	10	331	SG Fleet Group	5	1,081	Steadfast Group	7	2,197	Webjet NL	7	1,123
Pilbara Mineral	6	1,548	SRG Limited	1	107	Sth Cross Media	7	938	Webster Ltd	1	499
Pioneer Credit	3	172	Salmat Ltd	2	90	Stockland	13	11,296	Wellard Limited	2	80
Platinum Asset	9	4,289	Sandfire Res.	19	987	Suncorp Group	15	18,598	Wellcom Group	3	170
Polynovo Ltd	1	235	Santos Ltd	15	10,415	Sundance Energy	2	78	Wesfarmers Ltd	15	49,866
Praemium Ltd	5	238	Saracen Mineral	8	1,203	Sunland Group	2	276	Westgold Res.	3	515
Premier Invest	11	2,290	Scentre Group	13	22,469	Super Retail Gr	13	1,596	West African R.	3	194
Primary Health	10	1,950	Scottish Pac.	3	458	Superloop Ltd	4	521	Western Areas	16	786
Prime Media Grp	1	104	Sealink Travel	5	405	Supply Network	1	137	Westfield Corp.	10	17,643
Pro Medicus Ltd	3	798	Seek Ltd	14	6,540	Sydney Airport	10	16,503	Westpac Banking	16	107,160
PropertyLink	4	621	Select harvest	9	454	Syrah Resources	6	1,203	Whitehaven Coal	16	4,012
Q.B.E. Insur.	15	14,553	Senex Energy	8	521	TPG Telecom Ltd	13	5,893	Wisetech Global	8	3,538
QMS Media	3	323	Senetas Corp	2	124	TPI Enterprises	1	178	Wolf Minerals	2	65
Qantm I.P.	2	206	Service Stream	2	458	Tabcorp Holding	9	4,277	Woodside Petrol	16	26,588
Qantas Airways	7	9,403	Servcorp Ltd	2	566	Talisman Mining	1	41	Woolworths Ltd	14	35,111
Qube Holdings	12	4,203	Seven West Med.	7	935	Tassal Group	6	627	Worley Group	9	3,962
RCR Tomlinson	4	656	Seven Group	4	4,235	Tatts Group Ltd	11	6,640	XRF Scientific	1	26
REA Group Ltd	14	10,168	Shaver Shop Grp	2	61	Technology One	7	1,593	Xenith IP Group	5	107
RXP Services	3	113	Shine Corporate	1	107	Telstra	16	43,886	Yowie Group Ltd	3	44
Ramelius Res.	1	192	Shopping Centre	8	1,806	The Reject Shop	4	159	Zipmoney	2	160
			Shriro Holdings	1	155	Think Childcare	2	82			

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	0.9%	25	Ancor Ltd	0.6%	18,206	BWP Trust	1.9%	2,068	CML Group	0.6%	78
3P Learning	0.1%	180	Anova Metals	0.0%	39	BWX Limited	3.1%	798	CSG Ltd	2.8%	171
9 Spokes Int'l	0.2%	29	Ansell Ltd	3.2%	3,579	Baby Bunting Gr	1.4%	191	CSL Limited	0.2%	64,236
A.P. Eagers	0.0%	1,524	Anson Resources	0.0%	28	Bank of Q'land	3.2%	4,978	Cabcharge Ltd	3.9%	232
ACN004410833	2.1%	65	Antisense T.	0.0%	5	Bapcor Limited	6.7%	1,552	Calidus Res.	0.0%	26
AGL Energy Ltd	0.6%	16,933	Apollo Tourism	0.1%	288	Barra Resources	0.1%	21	Caltech Australia	1.1%	8,878
ALS Limited	0.2%	3,570	Appen Limited	1.2%	764	Base Resources	0.1%	232	Cann Group	0.0%	222
AMA Group Ltd	2.0%	504	Ardent Leisure	11.3%	825	Beach Energy	1.9%	2,492	Capilano Honey	0.0%	170
AMP Ltd	2.5%	15,264	Arena REIT	0.1%	644	Beacon Lighting	0.0%	340	Cardinal Res.	0.2%	171
ANZ Bank	0.7%	83,746	Aristocrat Leis	1.6%	14,699	Beadell Res.	4.5%	210	Cardno Ltd	0.1%	681
APA Group	1.7%	9,873	Artimis Res.	0.1%	153	Bega Cheese Ltd	4.5%	1,451	Carnegie Clean	0.0%	110
APN Outdoor Grp	10.2%	806	Asaleo Care Ltd	2.8%	847	Bellamy's Aust.	2.3%	1,284	Carsales.com	1.6%	3,589
ARB Corporation	3.0%	1,576	Atlas Iron Ltd	0.2%	186	Bendigo Bank	6.2%	5,540	Cash Converters	0.1%	180
ASX Limited	1.5%	10,890	Aurelia Metals	0.0%	131	Benitec Bio.	0.2%	40	Catapult Group	2.6%	241
AVEO Group	1.4%	1,510	Aurizon Hold.	0.7%	10,757	Berkeley Energy	0.2%	266	Cedar Woods Prp	0.2%	469
AWE Limited	3.4%	442	AusCann Group	0.2%	98	Big Un Limited	0.2%	518	Centuria Metro.	0.1%	532
Abacus Property	0.9%	2,426	AusNet Services	1.6%	6,950	Billabong Int'l	0.9%	184	Centuria Indust	0.1%	652
Accent Group	4.7%	428	Ausdrill Ltd	1.0%	809	Bingo Indust.	4.2%	863	Challenger Ltd	1.5%	8,566
Aconex Limited	10.5%	1,057	Aust Finance Gr	0.9%	343	Blackham Res.	0.4%	39	Champion Iron	0.0%	580
Acrux Ltd	0.4%	24	Aust Pharm. Ind	2.6%	785	Blackmores Ltd	5.3%	2,969	Charter Hall GR	1.2%	2,925
Adairs Limited	0.3%	294	Aust Careers N.	0.3%	287	Bluescope Steel	0.3%	7,859	Chart Hall Long	0.7%	912
Adelaide Bright	5.1%	4,266	Austal Limited	0.6%	592	Blue Sky Alt In	3.0%	847	Chart H Retail	4.2%	1,743
Afterpay Touch	2.9%	832	Aust Foundation	0.0%	7,186	Boart Longyear	0.0%	263	Class Limited	0.1%	325
Ainsworth Game	1.9%	689	Aust Agricult.	7.6%	784	Boral Limited	3.1%	9,203	Clean Teq Hold.	1.0%	728
Airxpanders Inc	0.1%	199	Automotive Hold	6.9%	1,237	Brainchip Hold.	0.2%	179	Cleanaway Waste	1.1%	2,346
Alacer Gold	0.7%	189	Autosports Grp	0.5%	382	Brambles Ltd	1.5%	16,229	CocaCola Amatil	1.8%	6,257
Ale Property	0.2%	940	Avenir Limited	0.0%	34	Bravura Sol.	0.5%	367	Cochlear Ltd	0.5%	10,411
Alexium Int'l	0.0%	116	Aventus Retail	0.1%	1,103	Breville Group	0.5%	1,678	Collection Hse	3.6%	178
Alkane Explor.	0.2%	157	Azure Minerals	0.1%	36	Brickworks Ltd	0.6%	2,214	Collins Foods	1.6%	635
Altium Limited	0.2%	1,667	BCI Minerals	0.1%	61	Buru Energy Ltd	0.9%	121	Com'wealth Bank	1.0%	139,552
Altura Mining	0.1%	631	BHP Billiton	1.4%	87,262	C.S.R. Ltd	5.9%	2,350	Comet Ridge Ltd	0.0%	149
Alumina Ltd	3.0%	6,422	BT Invest Mgmt	0.7%	3,393	CIMIC Group	0.2%	16,579	Computershare	1.0%	8,898
Amaysim Aust.	3.2%	426	BUBS Australia	0.3%	172						

(Continued on Page 14)

Dividend \$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Argosy Property	1.55	06-12	20-12	Full
Arvida Group	1.15	07-12	15-12	Full
Evolve Education	2.50	20-11	20-12	Full
Fisher & Paykel Health.	8.75	06-12	20-12	Full
Gentrack Group	8.50	13-12	20-12	Full
Green Cross Health	3.50	11-12	22-12	Full
Hallenstein Glasson	17.00	11-12	18-12	Full
Infratil Ltd	6.00	28-11	15-12	Full
Investore Property	1.86	06-12	19-12	Full
Kingfish	2.83	07-12	22-12	Full
Kiwi Property	3.425	05-12	20-12	Full
Mainfreight	19.00	08-12	15-12	Full
Ryman Healthcare	9.50	01-12	08-12	Nil
Sanford Ltd	14.00	30-11	08-12	Full
Stride Inv Mgmt	0.41	07-12	20-12	Full
Stride Property	2.07	07-12	20-12	Full
Z Energy	10.40	24-11	12-12	Full
Australian Shares				
ALS Ltd	8.00	29-11	18-12	
Technology One	5.60	28-11	14-12	
Technology One special	2.00	28-11	14-12	

Total Return Index for All Listed Shares

Nov 13	1648.00	Nov 20	1661.17
Nov 14	1651.21	Nov 21	1660.90
Nov 15	1649.71	Nov 22	1663.47
Nov 16	1650.89	Nov 23	1666.85
Nov 17	1652.63	Nov 24	1671.97
Nov 27	1670.33	Dec 4	1673.23
Nov 28	1668.16	Dec 5	1672.84
Nov 29	1662.17	Dec 6	1662.72
Nov 30	1669.62	Dec 7	1663.36
Dec 1	1668.63	Dec 8	1668.59

Next Issue:

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

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