Thirty Seven Years of Independent Information and Unbiased Advice on the Australian and NZ Stockmarkets

Market Analysis

Issue No. 549 www.stockmarket.co.nz March 12, 2018

Inside Market Analysis

Founder: James R Cornell (B.Com.)

Summary and Recommended Investment Strategy.

Remain fully invested in the recommended shares.

Investment Outlook.

Part of our *Investment Strategy* exploits the fact that share returns are "skewed to the right". In simple terms that means that we can lose no more than 100% on any individual share investment, but that there is no limit to potential returns. Successful investments may (and have!) increased 5, 10, 20 or 50-fold (i.e. 400%, 900%, 1900% or 4900%) or more in value.

Those big winners drag up the portfolio average return. In mathematical terms, the "average" return will be higher than the "median" (i.e. the middle return).

To exploit this favourable investment mathematics it is important to have a well diversified portfolio - which increases the probability of owning those potential big winners.

This works both for our "active" portfolio management style and also for "passive" index investing.

Note that we "actively" seek to *select the right shares* to buy and hold but that we are patient, long term investors and do not "actively" *trade* our shares. Many "passive" index funds will have a higher portfolio turnover ratio than us (i.e. many so-called "passive" funds will buy and sell shares more often than our "active" portfolio).

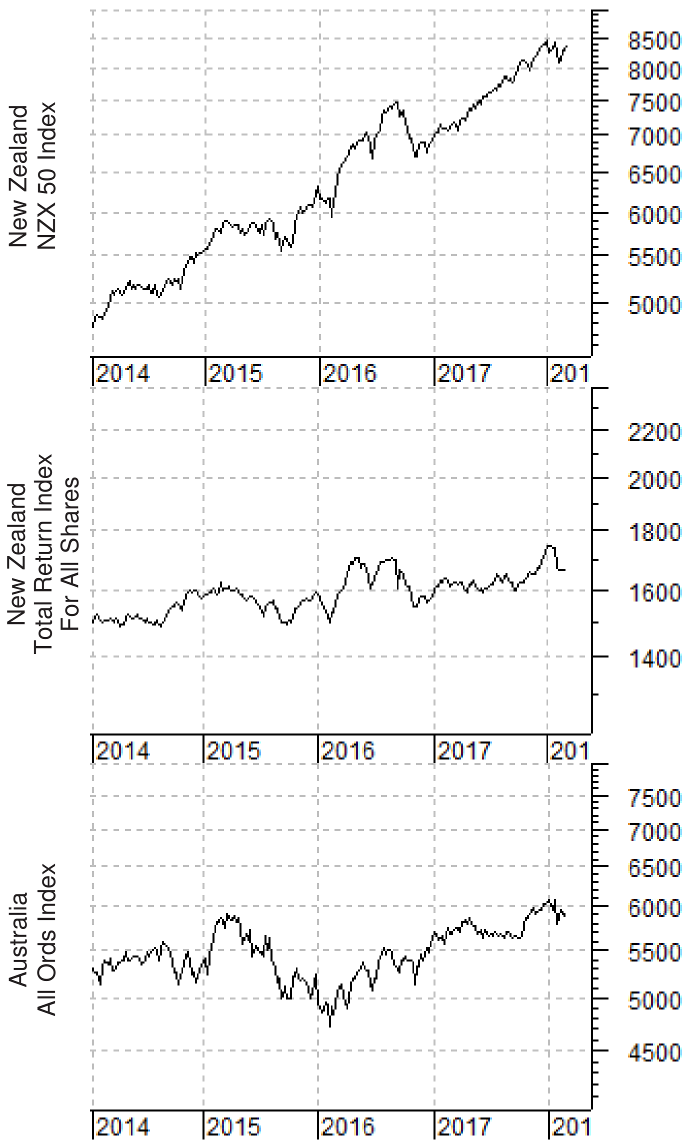
The impact on index investing can be demonstrated by examining the returns of shares in the S&P 500 Index over the last 20 years. The "median" return was 141% (4.5% per annum compounded) - which is to say that 250 shares earned total returns *less* than 141% and 250 shares earned returns *greater* than 141%. Some very large returns - 49 shares returned over 1000% - helped drag up the average to 377% (8.1% per annum compounded). The average return of this diversified portfolio beats 70% of the individual stock returns.

If we actively select shares in which to invest then we will still get a similar distribution of returns: The "average" portfolio return will exceed about 70% of the individual returns. Therefore it is equally important for us to widely diversify our portfolios to get a reliable "average" return. Twenty shares is good, 40-50 is better!

Even when investors *perfectly* understand the impact of share returns being *(Continued on Page 20)*

Stockmarket Forecasts

	One-Month	One-Year
Australia:	**66%** (Bullish)	**58%** (Neutral)
New Zealand:	**65%** (Bullish)	**61%** (Bullish)



Recommended Investments

Cavalier Corporation has returned to profitability.

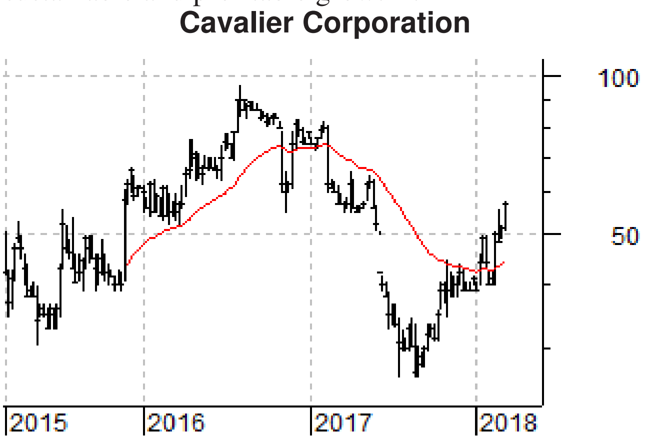
Six Months to 31/12/2017

	Latest	Previous	Change
Revenues	$75.3m	$84.3m	+18.8%
Net Profit	$1.1m	<$1.9m>	-
Net Cash Surplus	$7.5m	<$4.8m>	-
Earnings per share	1.7c	Nil	
Dividends per share	Nil	Nil	

The lower wool price is "now starting to flow through material costs and improve manufacturing margins". Raw material costs will be lower in the second half, with the full benefit of lower wool prices in the June 2019 financial year. The manufacturing consolidation is complete but further manufacturing efficiency and lower costs can be expected.

A reduction in yarn and carpet stock holdings boosted the net operating cash surplus and allowed interest bearing debts to be reduced $7.4 million to $34.1 million. Further debt reduction remains a focus for the future.

The company is experiencing "good demand" for its "high end, high margin *Cavalier Bremworth* woollen products and now sees "a clear path forward as a quality focused carpet manufacturer", with "a return to sustainable and profitable growth".



Colonial Motor Company's improved profitability was driven by sales volumes and trading profits on heavy trucks. Car sales were up, but less profitable than last year:

Six Months Year to 31/12/2017

	Latest	Previous	Change
Revenues	$461.7m	$438.2m	+5.4%
Net Profit	$11.9m	$10.3m	+15.9%
Net Cash Surplus	<$4.4m>	$12.4m	-
Earnings per share	36.4c	31.4c	+15.9%
Dividends per share	15.0c	13.0c	+15.4%

The "new vehicle market continues to grow" and the company has "strong forward orders for heavy trucks" but growth is slowing and "business confidence is more cautious".

Steel & Tube Holdings

Six Months to 31/12/2017

	Latest	Previous	Change
Revenues	$267.9m	$255.9m	+5.3%
Net Profit	$3.8m	$10.6m	-64.4%
Net Cash Surplus	$17.7m	$14.0m	+26.4%
Earnings per share	4.2c	11.8c	-64.4%
Dividends per share	7.0c	9.0c	-22.2%

Profitability was partially depressed by writing down obsolete stock $5.5 million and $2.6 million of expenses for "organisational changes".

The reduction in inventories boosted the net operating cash surplus while the sale (and leaseback) of a property for $32.5 million helped reduce interest bearing debts by $36.7 million to $96.7 million.

Full year earnings (excluding the stock writedown and restructuring costs) are still expected to be "materially consistent" with the June 2017 result.

At 211 cents, Steel & Tube Holdings shares trade at a very low Price/Sales ratio of 0.37. Historically the P/S ratio has ranged between extremes of 0.32 and 1.17, so the shares trade near an extreme of undervaluation.

The gross Dividend Yield is 10.5% (although the annual dividend may be cut a little this year, lowering that yield). Historically the yield has ranged between extremes of 4.5% and 14.9%, so 10.5% indicates good value.

The Price/Earnings ratio is 10, compared with an historical range of 7-24. This again shows very good value.

Over the last year there have been four *insider* buys (and no sells). Insiders - the most *knowledgeable* investors - also see good value in Steel & Tube Holdings shares.

"Buy" for a high current income and long term capital appreciation.

Australian Shares

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

Acrux Ltd's revenues and profits fell (to a *loss*) owing to the discontinuation of *Axiron* sales.

Six Months to 31/12/2017	Latest	Previous	Change
Revenues	$2.7m	$14.3m	-80.9%
Net Profit	<$3.0m>	$6.3m	-
Net Cash Surplus	<$1.4m>	$2.6m	-
Earnings per share	Nil	3.8c	-100.0%
Dividends per share	Nil	Nil	-

In addition there was a non-cash writedown of $5.65 million in *Axiron* capitalised development costs.

Cash on hand is *down* just 4.7% at $32.4 million (13.9 cents per share).

AJ Lucas Group plans to sell its *Engineering Construction* division which is treated as a "discontinued business" in the recent half year report:

Six Months to 31/12/2017	Latest	Previous	Change
Revenues	$57.3m	$51.4m	+11.6%
Net Profit	<$6.2m>	<$25.2m>	-
Net Cash Surplus	<$1.9m>	<$7.2m>	-
Earnings per share	Nil	Nil	-
Dividends per share		Nil	-

The company received a number of proposals for the *Engineering & Construction* division but is currently considering "selling the plant and equipment" (worth about $3.4 million) and a "profit sharing arrangement on two existing major contracts". This will also realise cash from "existing cash funded project bonds".

Revenues from continuing businesses were up 65.6%, but the company was *(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	C	277.5	1.1	3.25	8	5.3	92	32.8	+399%
HOLD+	Cavalier Corporation	CAV	05/12/95	156*	B	68.7	1.6	0.25	NE	Nil	57	282.0	+117%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	A	32.7	0.5	0.29	11	8.2	748	544.3	+910%
HOLD	Smiths City Group	SCY	09/10/06	64	E	52.7	1.4	0.13	14	9.0	54	37.0	+42%
HOLD	South Port New Zealand	SPN	13/02/96	120	C	26.2	0.4	4.38	19	5.9	615	277.3	+644%
BUY	Steel & Tube Holdings	STU	08/08/00	146	E	90.6	0.9	0.37	10	10.5	211	363.6	+294%
	Australian Shares (in Aust cents)												
HOLD+	Acrux Limited	ACR	12/05/14	99	A	166.5	2.4	1.08	4	Nil	16	14.0	-70%
HOLD+	AJ Lucas Group	AJL	13/05/03	107*	C	737.0	1.7	1.79	NE	Nil	37	36.4	-32%
HOLD	ALS Limited	ALQ	12/10/99	72*	B	490.4	0.5	2.90	33	1.8	733	303.9	+1340%
HOLD	AtCor Medical Ltd	ACG	11/11/13	15	D	233.6	6.5	1.51	NE	Nil	3	Nil	-81%
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	0.3	2.78	12	3.3	1568	209.5	+59%
HOLD-	Cardno Ltd	CDD	14/12/09	223*	B	479.6	0.9	0.56	33	Nil	140	98.0	+7%
HOLD	Clarius Group Ltd	CND	08/04/03	82*	C	89.6	3.4	0.05	NE	Nil	9	70.5	-4%
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	1.8	0.41	9	Nil	31	64.0	-46%
HOLD+	Cynata Thera.	CYP	13/03/17	50	C	90.1	1.0	NA	NE	Nil	119	Nil	+138%
HOLD+	Ellex Medical Lasers	ELX	14/03/06	49	D	121.1	1.4	1.41	NE	Nil	84	Nil	+70%
BUY	Fastbrick Robotics	FBR	07/07/17	14	D	1052.3	2.6	NA	NE	Nil	16	Nil	+11%
HOLD	Fiducian Group	FID	11/02/08	260	B	31.3	0.5	3.94	21	3.1	509	85.8	+129%
BUY	Finbar Group Ltd	FRI	12/04/10	106	B	231.4	0.9	1.76	20	6.4	94	68.5	+53%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	B	418.7	0.5	4.13	47	2.9	1063	247.0	+178%
HOLD	Integrated Research	IRI	14/01/08	40	B	171.7	0.4	7.45	38	1.6	398	52.5	+1026%
HOLD	McMillan Shakespeare G	MMS	07/11/16	1041	A	83.2	0.4	2.85	17	3.8	1757	66.0	+75%
HOLD-	Melbourne IT	MLB	10/02/04	53	A	117.4	0.6	1.96	28	3.3	330	210.5	+920%
HOLD	Michael Hill Int'l Ltd	MHJ	11/06/91	4*	B	387.4	1.0	0.76	16	4.4	114	64.8	+4371%
HOLD+	Mt Gibson Iron	MGX	10/11/14	44	B	1096.6	2.1	2.39	16	5.3	38	2.0	-9%
HOLD	Novarise Renewable Res	NOE	14/03/11	25	E	415.1	2.3	0.42	NE	Nil	16	Nil	-36%
HOLD	Onterran Ltd	OTR	16/08/10	103*	D	57.5	1.8	0.07	NE	Nil	32	Nil	-69%
HOLD+	Opthea Limited	OPT	10/02/04	188	C	200.6	1.8	NA	NE	Nil	60	65.0	-34%
BUY	OZ Minerals	OZL	14/03/16	522	A	298.7	0.4	2.72	12	2.1	933	40.0	+86%
HOLD+	Prophecy International	PRO	08/09/08	26	C	64.0	1.4	3.55	NE	Nil	51	24.0	+188%
HOLD	Reckon Limited	RKN	08/08/16	141	A	113.3	0.7	3.30	73	2.1	143	8.0	+21%
BUY	Silver Chef Ltd	SIV	13/11/17	740	B	39.0	0.5	0.56	8	9.2	412	Nil	-44%
HOLD	Technology One Ltd	TNE	11/11/03	44	B	315.5	0.5	6.00	37	1.6	520	80.1	+1264%
HOLD	The Reject Shop Ltd	TRS	11/01/05	257	A	28.9	0.5	0.27	17	3.2	745	486.5	+379%
HOLD+	Village Roadshow	VRL	10/08/09	77	B	161.9	0.6	0.52	23	Nil	336	308.0	+736%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +336.6%. 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 37 current and 166 closed out) is +31.7%, 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 34.5 cents (60.9 Aust cents)

Recommended Investments

(Continued from Page 3)

still unprofitable, mainly owing to high interest costs of $10.1 million. Interest bearing loans to 31 December 2017 were $112.2 million although the company has since raised $52.6 million in its recent cash issue.

In the recent 1 for 6 cash issue, shareholders were able to apply for additional shares up to 100% of their basic entitlement, from shares not taken up by other shareholders. Shareholders that did apply received additional shares equal to about 48.7% of their basic entitlement.

AtCor Medical slightly lifted revenues and significantly cut its cash operating *deficit* . . . but is still losing money and short on cash (with $724,671 at 31 December 2017):

Six Months Year to 31/12/2017

	Latest	Previous	Change
Revenues	$2.0m	$1.8m	+7.0%
Net Profit	<$0.982m>	<$2.442m>	-
Net Cash Surplus	<$1.0m>	<$2.0m>	-52.0%
Earnings per share	Nil	Nil	
Dividends per share	Nil	Nil	

The smaller loss and reduced cash deficit reflects a 33.2% drop in operating expenses to $2.83 million for the period. The significant point, however, is whether the business can lift revenues or reduce expenses to become *cashflow positive*. A continuing cash operating deficit will require further injections of new capital to keep the business alive. The directors "continue to monitor the liquidity of the group", presumably ahead of the need to "raise capital to support new revenue and business opportunities".

Unfortunately the company has historically *destroyed* Shareholder wealth through share placements at huge discounts to market prices!

On the positive side, the company "believes our traditional business will continue to provide consistent returns" (although gross margins are not sufficient to cover markering cost or overheads) and are "looking to aggressively expand revenues" from "products, services and markets that represent significant new health market opportunities for AtCor". They also promise that "over the next few months" they "will be releasing more details of our new market positioning in both our existing market as well as details on new opportunities that will underwrite the growth and profitability of the company going forward".

Given that no details have been released to date we eagerly await these "more details"!

Atlas Pearls has harvested and sold pearls of a lower average size, resulting in the drop in revenues. 9-13 mm pearls appreciated in value, but the company has harvested more under 9 mm pearls "which are traditionally undervalued by pearl traders". Many of these smaller pearls have been directed to the company's own jewellery manufacturing but this takes longer to reach market and produce revenues.

Six Months to 31/12/2017

	Latest	Previous	Change
Revenues	$6.3m	$7.4m	-13.7%
Net Profit	<$1.5m>	$0.4m	-
Net Cash Surplus	<$0.3m>	<$1.3m>	
Earnings per share	Nil	0.1c	
Dividends per share	Nil	Nil	

The *loss* for the period was also increased by a $950,000 downwards adjustment in the "fair value" of the company's oyster stock to $17.2 million.

In recent harvests "colour, skin, lustre and shape have all steadily improved but value has been held back by average size shortfalls". This smaller size is likely to be the result of an environmental factor, probably a "recorded temporary spike in ocean temperature" affecting food availability and causing the oysters to "shut down and focus on survival as opposed to building nacre for a period of time". Pearls harvested in December show "improvements in shape and quality" and "also encouraging signs of a recovery in size".

The increased number of shells seeded in 2016/17 will result in increased harvests in 2018/19, lifting revenues to achieve "a more sustainable business model".

The number of pearls on hand (and available for sale) increased from 26,722 to 75,216 over the six months, with the realisable value of this stock increasing from $490,000 to $2.2 million (with a book value of $1.8 million).

Atlas Pearls has also introduced a "more collaborative approach" to pearl trading and will alternate between private auctions and private sales events. Long standing clients who advance funds to Atlas Pearls will be given the option to inspect and bid for pearls at the private sales events.

Three long clients each advanced over $1 million to the company in October for the right to inspect and bid on the December/January harvest ahead of auction. Each client purchased "more than the value of their pre-payment at a price consistent with average auction prices". These private sales provide "more flexibility for both parties" and enable buyers to "top up or complete inventory" between auctions.

One customer has provided a Yen 100 million (A$1,060,000) loan to Atlas Pearls at 2.5% interest to be repaid in June 2018 (or extended by 12 months, with the agreement of both parties).

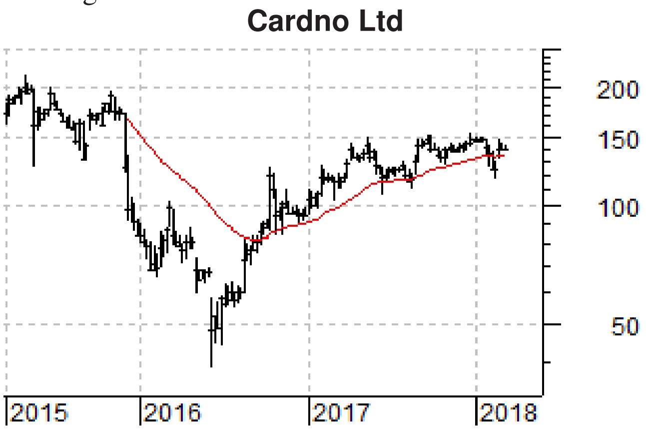
Cardno Ltd has returned to profitability (after deducting a non-cash $32.9 million decline in future tax benefits owing to the drop in the US corporate tax rate):

Six Months to 31/12/2017

	Latest	Previous	Change
Revenues	$543.4m	$575.7m	-5.6%
Net Profit	$11.0m	$<$21.1m>	-
Net Cash Surplus	$31.6m	<$9.9m>	-
Earnings per share	2.3c	Nil	-
Dividends per share	Nil	Nil	-

The full year's earnings (before interest, tax and depreciation) is forecast to be 25-35% higher at $55-60 million. That could lift net profits 35-55% to around

$27-31 million (5.7-6.5 cents per share), but with the shares trading at 140 cents that is still a high Price/Earnings ratio of 22-25.



Clarius Group

Six Months to 31/12/2017

	Latest	Previous	Change
Revenues	$74.1m	$80.7m	-8.2%
Net Profit	<$1.9m>	<$1.359m>	-
Net Cash Surplus	<$1.1m>	<$0.869m>	-
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

Clarius Group reports that "with our significant technological transformation projects now complete, our focus will be on continuing to improve operational efficiencies". Those projects include an "industry-leading" Applicant Tracking System and a new payroll and customer billing system.

The company has "a range of immediate growth opportunities" and is "well placed to benefit in the second half".

CPT Global recorded a pre-tax profit of $265,000 but an unfavourable tax ruling on intercompany loans resulted in an after tax profit of just $968.

Six Months to 31/12/2017

	Latest	Previous	Change
Revenues	$15.0m	$14.3m	+4.7%
Net Profit	$0.001	<$0.316m>	-
Net Cash Surplus	<$0.548m>	<$0.667m>	-
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

North American revenues are expected to grow in the second half as two risk/return contracts progress and with two large "time and material" contracts expected to start at the end of the March 2018 quarter. It is also seeking to close other new contracts of large size with good margins.

The "investment in partners and new digital" services is "delivering incremental revenue" and opportunities with new clients. This revenue is "not yet significant" but a "growth driver for the business" with the immediate aim that digital services become "self-funding by the end of the financial year".

CSG Limited

Six Months to 31/12/2017

	Latest	Previous	Change
Revenues	$117.2m	$120.7m	-2.9%
Net Profit	<$3.0m>	$4.2m	-
Net Cash Surplus	<$2.8m>	$1.2m	
Earnings per share	Nil	1.3c	
Dividends per share	Nil	Nil	-

The net operating cash *deficit* (and surplus last year) have been adjusted for the net movement in Finance Lease receivables (i.e. a *decrease* of $5,891,000 this year and a *decrease* of $1,091,000 last year).

Cynata Therapeutics' share price has appreciated strongly following further "excellent" data on its steroid resistent GvHD clinical trial!

The *Primary Evaluation Period* (i.e. results to Day 100) "represents an improvement above the initial results announced in January". As previously announced, all eight patients showed at least some improvement in GvHD (although one died of pneumonia, which is common with GvHD and not considered treatment related) but 50% of patients were completely free of GvHD signs and symptoms by Day 100 after treatment.

This is, of course, a small sample size (i.e. a total of just eight patients), but with no current approved treatment for steroid resistent GvHD the one-year mortality rate is usually around 70-90%!

The first eight patients were given a dose "anticipated to be at the lower end of the effective dose range" (i.e. one million cells per kilogram of body weight) in each of two infusions (not one, as we reported earlier) on Day 0 and Day 7. The next eight patients are being given double that dose (i.e. two million cells per kilogram).

This clinical study is already proving the safety of Cynata Therapeutics MSCs (i.e. "no treatment related serious adverse events or safety concerns were identified") but this excellent result also appears to support the efficacy as a treatment for patients with steroid resistent GvHD (or as an alternative treatment to the use of steroids). That in turn increases the likelihood that **Fujifilm Holdings** will exercise its option to acquire the worldwide licence for this treatment.

Exercising that option (within 90 days of completing the trial) will generate an initial payment to Cynata Therapeutics of US$3.0 million, Fujifilm Holdings will finance all further development costs and make milestone payments up to A$60 million (including the initial payment) and pay "double digit" royalties on product sales (which would be an ever greater sum).

Fujifilm Holdings will also need to negotiate and pay additional upfront and ongoing fees for a licence to use the *Cymerus* manufacturing technology.

Or Fujifilm Holdings or some other regenerative medicine company may seek to takeover Cynata Therapeutics as the current clinical study proves the safety and efficacy of its manufacturing technology and "no other company in the world has the capability to produce MSCs at an equivalent commercial scale without requiring multiple donors" (which is both significantly more expensive and *(Continued on Page 6)*

Recommended Investments

(Continued from Page 5)

produces MSCs of varying quality).

Cynata Therapeutics, of course, has no meaningful revenues at this stage. In the half year to 31 December 2017 it generated revenues of just $77,140 and a *loss* of $1.8 million and a net operating *deficit* of $1.5 million. The company, however, has cash in the bank of $8.8 million so is fully funded well past the end of the current clinical trial.

At 119 cents, Cynata Therapeutics is valued at $107 million but its unique manufacturing technology should be essential to all companies seeking to commercialise and mass produce any stem cell therapy. That suggests the technology should be worth significantly more. "Hold+" for further gains.

Cynata Therapeutics

Ellex Medical Lasers' lower profits (and operating net cash *deficit*) reflect investment in product development and marketing.

Six Months Year to 31/12/2017

	Latest	Previous	Change
Revenues	$38.2m	$34.3m	+11.6%
Net Profit	<$2.4m>	$1.0m	-
Net Cash Surplus	<$0.5m>	<$0.4m>	-
Earnings per share	Nil	0.8c	-
Dividends per share	Nil	Nil	-

Ellex Medical Lasers holds $25.2 million (17.5 cents per share) in cash (and $15.4 million in interest bearing debts) to continue to finance development of its *iTrack* business, while sacrificing short term profitability for long term growth.

Ellex Medical Lasers has recently "showcased its glaucoma products at the *American Glaucoma Society*'s 2018 Annual Meeting in New York City" on 1-3 March which was attended by 1100 physicians. The company believes New York will be a "key growth region within the US market".

Continued strong *iTrack* growth could add $2 million of high margin revenues over the next year, an additional $3 million the year after and a further $4 million the following year. That would rapidly grow revenues and gross margins.

It is, of course, very difficult to value a high growth but as yet unprofitable business. Conservative estimates of revenue growth, potential margins and overheads could show a business may never be profitable or require an initial upfront investment that exceeds the net present value of future earnings. In that case, a company's share could be worthless (or, at the very least, a poor long term investment).

Improve those future revenue forecasts by a few percentage points per year and a company could achieve its break-even level after which its profits could grow rapidly. The net present value of these potential future earnings could go from less than zero to infinity!

So the "fair value" of growth company shares *could* be zero or a very large value. The difference between those valuations can be a *very small* difference in future expectations. That is why growth company shares can (quite logically) be very volatile.

So what are Ellex Medical Lasers shares worth? Probably somewhere between 40 cents and 200 cents at present - depending what assumptions one wants to make about the future success of its businesses.

If *iTrack* is unsuccessful and never becomes profitable (which is unlikely) *and* the clinical study into the *2RT* laser treatment of Macular Degeneration proves unsuccessful, then the core, low growth laser business is probably worth about a Price/Sales ratio of 1.0. That would give a share value of about 85 cents, but the market could value the shares at half that as they have been spending money on unsuccessful growth projects.

On the other hand, if *iTrack*'s high margin revenues continue to grow at 40-50% per annum (from a relatively low base at present) then this will rapidly grow the company's gross margins . . . which will rapidly grow to far exceed the relatively modest few million dollars per year being spent on product development, marketing and training. Positive final results from the Macular Degenerative clinical study (to be released in May) could trigger significant growth in *2RT* laser equipment sales *and* recurring fees from the growing number of procedures performed.

Taking current *iTrack* annual revenues of about $10 million (i.e. $5.2 million over the last half year) and assuming a (1) future net profit margin (i.e. once the business is past the initial development stage) and (2) a fair Price/Earnings ratio for this business we can make a rough estimate of the *current value* of this division. Let's estimate a 20% net profit margin (which is high, but not unreasonable for this type of business) and a fair Price/Earnings ratio around 20-40 (based upon expected high long term growth). Those assumptions would imply a *current value* for the *iTrack* division of $40-80 million or 30-55 cents per share.

Add that to the 85 cents per share for the core laser business and we have a share valuation of 115-140 cents.

If *iTrack* revenues *double* over the next two years the net present value of this division will also rise 100% to 60-110 cents per share, taking the share valuation to 145-195 cents. The company sold 10,000 *iTrack* units in the year to June 2017, has already doubled production capacity to 20,000 units with plans to raise this to over 100,000 units annually. When sales reach 100,000 units annually this division could be worth $400-800 million (300-550 cents per share)!

The *2RT* business opportunity is just too huge to calculate! 120 million people suffer from Age Related

Macular Degeneration, with US$5 billion annually spent on drugs to fight off blindness in the later stages. The *2RT* treatment is designed to fight early stages of the disease (for which there is currently no treatment) and rejuvenate the eye to avoid (or delay) the later stages. Ellex Medical Lasers has spent a few hundred thousand dollars per year over a long period to develop this technology and run clinical trials. This is a relatively modest total investment (that has been expensed) of perhaps a few million dollars, but if successful it will save the sight of millions of people per year and the net present value of this new business opportunity (i.e. equipment sales and on-going procedure fees) could be <u>many hundreds of millions of dollars</u> (i.e. <u>many *dollars* per share</u>!) . . . subject to a positive outcome of the clinical trial.

Ellex Medical Lasers shares peaked at 149 cents in December 2016 and have since lost 48% of their value falling to a recent low of 77 cents. Since late 2016 we have suggested investors over-weighted in Ellex Medical Laser shares realise some partial profits. The shares had risen very strong and can be volatile.

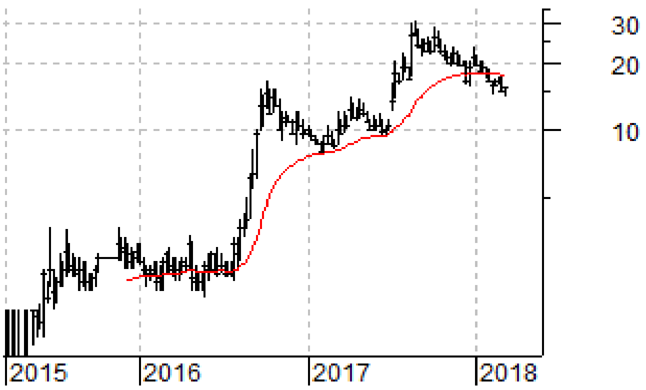
<u>At current prices - or on any further weakness - we would look to again start buying shares and adding to our holding in this company. For now we will upgrade this to a "Hold+"</u>.

Ellex Medical Lasers

<u>Fastbrick Robotics</u> has no revenues (other than some interest income and small grants) and reported a *loss* of $3,016,131 for the half year to 31 December 2017. There was a net cash operating *deficit* of $1.3 million plus another $4.8 million spent on the *Hadrian X* development.

Cash in the bank is $40.0 million (2.6 cents per share) - boosted by the recent share placement at 19 cents per share to raise $37.6 million. "Buy".

Fastbrick Robotics

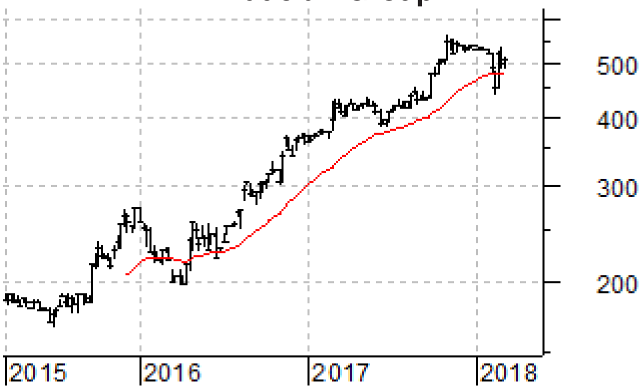


<u>Fiducian Group</u> produced further steady growth in revenues, profits and dividends:

Six Months to 31/12/2017

	Latest	Previous	Change
Revenues	$22.3m	$19.9m	+12.3%
Net Profit	$4.3m	$3.4m	+26.3%
Net Cash Surplus	$4.8m	$3.6m	+32.2%
Earnings per share	13.9c	11.0c	+26.4%
Dividends per share	9.0c	7.1c	+26.8%

Fiducian Group



<u>Finbar Group</u> reported a *loss* of $291,943 *after* a $2,427,336 write-down in the value of its investment properties (a $3.0 million writedown in 2016):

Six Months to 31/12/2017

	Latest	Previous	Change
Revenues	$44.0m	$19.6m	+125.2%
Net Profit	<$0.3m>	<$2.9m>	-
Earnings per share	Nil	Nil	-
Dividends per share	3.0c	3.0c	-

The higher revenues simply reflect the timing and settlement of major projects.

The company has $118.8 million of interest bearing debt, but this is all project specific, non-recourse loans. There is no corporate debt. Cash in the bank is $35.2 million (15.2 cents per share).

<u>New sales</u> (i.e. off the plan pre-sales and sales of completed stock) <u>over the half year were $118.1 million, up 41.1%</u> on the first half of the previous year. This was up a further $34.7 million to $152.8 million by the middle of February! <u>This is the leading indicator for the business</u>. Finbar Group will only proceed with developments when it has reached an acceptable level of pre-sales. So a low level of new sales would see the release of new projects pushed back, while an increase in these new sales contracts will accelerate the rate of development of projects to meet demand. "Buy".

Finbar Group

(Continued on Page 8)

Recommended Investments

(Continued from Page 7)

Iluka Resources' results show a strong recovery (*after* excluding the $106 million after tax asset impairment of the *Hamilton* mineral separation plant, the $30 million write-down in the value of its **Metalysis** shareholding and a $125 million increase in US land rehabilitation provisions):

Year to 31/12/2017	Latest	Previous	Change
Revenues	$1077.8m	$774.4m	+39.2%
Net Profit	$89.0m	<$83.3m>	-
Net Cash Surplus	$413.7m	$137.3m	+201.3%
Earnings per share	21.3c	Nil	-
Dividends per share	31.0c	3.0c	+933.3%

The Zircon price rose 40% during 2017. Rutile prices were up 13%. Sales volumes rose 27% (although 16% of this was from the acquisition of **Sierra Rutile**).

Strong operating cashflows helped reduce interest bearing debts by $371.5 million to just $236.1 million.

Capital expenditure will increase 4-5 fold over the current financial year to a forecast $410 million (for *Cataby* $250-275 million, Sierra Rutile dry mine expansion and other smaller projects)

Integrated Research

Six Months to 31/12/2017	Latest	Previous	Change
Revenues	$45.7m	$43.3m	+5.4%
Net Profit	$9.3m	$7.7m	+19.9%
Net Cash Surplus	$2.1m	$6.8m	-69.8%
Earnings per share	5.4c	4.5c	+19.9%
Dividends per share	3.0c	3.0c	-

The cash operating surplus we calculate by deducting capitalised product development costs. Development spending rose 27% over the period. Despite the lower cash operating surplus (which has been volatile over recent years) the company is in a sound financial position. There is $9.6 million (5.6 cents per share) of cash in the bank, no interest bearing debts and 87% of revenues are "recurring".

The **Cisco** *FedRAMP* project (which should generate additional recurring revenues for Integrated Research) appears to be far behind schedule and "will not benefit the current financial year".

McMillan Shakespeare

Six Months to 31/12/2017	Latest	Previous	Change
Revenues	$262.3m	$251.3m	+4.4%
Net Profit	$43.5m	$40.4m	+7.5%
Net Cash Surplus	$16.6m	$10.3m	+61.9%
Earnings per share	52.6c	48.6c	+8.8%
Dividends per share	33.0c	31.0c	+6.5%

The *trading* profit above *excludes* asset impairments of $15.0 million and a $6.5 million "gain" on a likely decrease in deferred consideration (on a acquisition which has "achieved strong growth", but not sufficient to trigger a previously larger expected future payment).

The "net cash surplus" shown above is not a good measure for this type of business as Accounting standards deduct any additional investment in financing and fleet assets (or add in any *decrease* in these assets) in calculating this surplus. *Growth* in the business will therefore show a low (or negative) cash operating surplus, while a *decline* in the business would show a huge operating cash surplus!

The company calculates "free cash flow" *before* financing and fleet investments which is a better measure of the company's operating cash generation. This free cash flow rose 4.7% to $35.8 million.

The *Group Remuneration Services* division generates 75% of this free cash flow and 65% of net profits. *Asset Management* (i.e. vehicle leasing) generates around 15% of free cash flow and 25% of profits. *Retail Financial Services* accounts for about 10% of free cash flow and net profits.

90% of the group's $347.9 million of interest bearing debts are in the *Asset Management* division to finance 62% of its investment in the leased vehicle fleet.

The *GRS* division holds a float of around $390 million in cash (i.e. in trust accounts and off-balance sheet) but currently earns about 2.5% interest on this money. A 0.25% increase in interest rates would add $975,000 to revenues and pre-tax profits.

Melbourne IT recorded a rise in revenues and net profits over the year to December 2017, although earnings per share growth was lower owing to the issue of new capital in a cash issue:

Year to 31/12/2017	Latest	Previous	Change
Revenues	$197.8m	$168.4m	+17.4%
Net Profit	$14.0m	$10.7m	+30.1%
Net Cash Surplus	$13.4m	$14.3m	-6.0%
Earnings per share	11.9c	10.6c	+11.8%
Dividends per share	11.0c	8.0c	+37.5%

Melbourne IT forecasts earnings (before interest, tax and depreciation) to grow 13% to $41.5-45.5 million and net profits about 8½% over the 2018 year.

Michael Hill International lifted revenues, but *trading* profits were slightly lower:

Six Months Year to 31/12/2017	Latest	Previous	Change
Revenues	$342.2m	$327.5m	+4.5%
Net Profit	$23.9m	$25.8m	-7.0%
Net Cash Surplus	$42.3m	$15.9m	+165.7%
Earnings per share	2.2c	6.7c	-66.2%
Dividends per share	2.5c	2.5c	-

In addition the company wrote-down asset values in the *Emma & Roe* and the United States divisions by $11.5 million and provided $8.5 million for leases which it plans to exit.

The improvement in the net operating cash surplus reflects a return to more normal operations, with last year's surplus depressed owing to the payment of a NZ$22.5 million settlement with NZ Inland Revenue.

Canadian revenues and earnings were both up 17.6%, resulting in a steady earnings margin of 14.1%. In previous years this margin has risen with higher revenues - suggesting some economies of scale in the business. The Canadian margin is, however, lower than in Australia (17.6%, down from 18.5% last year) or New Zealand (22.6%, down from 24.7%) suggesting that further improvement in margins should be possible in the years ahead.

Subsequent to releasing its half year report, the company has decided to retain six *Emma & Roe* stores, "focused in a single market", with the remaining 24 to be closed by 30 June 2018. Lease terminations and employee severance costs are estimated at $5.8-7.9 million.

Mt Gibson Iron

Six Months to 31/12/2017	Latest	Previous	Change
Revenues	$96.4m	$99.8m	-3.4%
Net Profit	$16.0m	$22.9m	-24.8%
Net Cash Surplus	$14.5m	$7.0m	+107.3%
Earnings per share	1.5c	2.1c	-24.8%
Dividends per share	Nil	Nil	-

In addition the company received $64.3 million in insurance receipts.

Onterran Limited seeks to extend suspension of its shares until it has finalised "terms of a proposed recapitalisation" *and* completion of its outstanding financial accounts. The company is considering "a number of possible alternatives" for the recapitalisation while "complexities" relating to winding up **Bloomer Construction** and **McGrath** have delayed the audit and release of the company accounts.

The **Couran Cove Island Resort** increased "all key revenue items", with "an improved outlook for 2018".

Opthea Limited (which has little revenue other than some interest income) reported a *loss* of $11,431,936 (*minus* 5.7 cents per share) for the half year to 31 December 2017. There was a net operating cash *deficit* of $10,216,499.

Cash in the bank was $41.9 million (20.8 cents per share).

OZ Minerals

Year to 31/12/2017	Latest	Previous	Change
Revenues	$1023.1m	$822.9m	+24.3%
Net Profit	$231.1m	$107.8m	+114.4%
Net Cash Surplus	$342.9m	$324.1m	+5.9%
Earnings per share	77.4c	35.7c	+116.8%
Dividends per share	20.0c	20.0c	-

Cash in the bank rose 11.2% to $729.4 million (244 cents per share). Ore inventories increased 26.1% to $676 million (226 cents per share).

Prophecy International reported steady total revenues and a small profit for the half year:

Six Months to 31/12/2017	Latest	Previous	Change
Revenues	$5.9m	$5.9m	-1.0%
Net Profit	$0.090m	$0.128m	-29.7%
Net Cash Surplus	<$0.403m>	$1.246m	-
Earnings per share	0.1c	0.2c	-29.7%
Dividends per share	Nil	Nil	-

The company, however, sold two legacy businesses towards the end of the June 2017 year. Adjusted for those sales, revenues from the remaining businesses were up 24.3%.

Cash on hand was $2.3 million (3.6 cents per share). *SNARE* revenues rose 6% to $3.5 million while *eMite* revenues were 95% higher at $1.8 million.

Prophecy International

Reckon Limited's large drop in revenues and profits largely represents the demerger and spin-off of the *Document Management Group* (as **GetBusy**) and the contract to sell the *Accountant Practice Management* division for $180 million (160 cents per share) in cash:

Year to 31/12/2017	Latest	Previous	Change
Revenues	$48.9m	$97.8m	-50.0%
Net Profit	$2.2m	$11.0m	-79.9%
Net Cash Surplus	$9.7m	$6.8m	+41.9%
Earnings per share	2.0c	9.8c	-79.9%
Dividends per share	3.0c	5.0c	-40.0%

Revenues from *continuing businesses* were down 1.5% to $48.9 million, with net profits down 50.4% at $2,211,000. Current profitability is depressed by development costs of $8.3 million.

Net assets of $38.5 million (i.e. assets of $43.9 million and liabilities of $5.4 million) in the *Accountant Practice Management* division will be sold for $180 million cash (i.e. a $141.5 million gain over book value), subject to approval by the **ACCC** and **NZCC**.

This cash will be used to repay some of the company's existing interest bearing debts of $50.6 million, leaving about $131.4 million (116 cents per share) in net cash. The company will then pay a partially franked dividend (which may be an unfavourable tax situation for NZ resident shareholders). Details will be released later, with settlement of the sales transaction expected in the June 2017 quarter. *(Continued on Page 10)*

Recommended Investments

(Continued from Page 9)

The existing business (although not very profitable owing to the high development expenditure) plus net cash per share of 116 cents *should* be worth more than the current share price of 138 cents - although at this stage there is uncertainty over the level of the planned dividend and franking credits.

Silver Chef plans to discontinue its *GoGetta* division and a non-cash impairment provision has resulted in the *loss* for the half year:

Six Months to 31/12/2017

	Latest	Previous	Change
Revenues	$146.0m	$137.8m	+6.0%
Net Profit	<$13.1m>	$5.1m	-
Net Cash Surplus	$75.1m	$72.8m	+3.3%
Earnings per share	Nil	12.9c	-
Dividends per share	10.0c	12.9c	-22.5%

Despite the non-cash $19.5 million impairment the company is "confident of realising the full pre-provision book value of the *GoGetta* business through the exit process". The company has stopped making new loans and will "manage the orderly run-off of *GoGetta* business over the next 12 to 18 months" through the collection of the normal monthly payments on these contracts. This cashflow will "accelerate" the repayment of *GoGetta* interest bearing debts (subject to negotiatations with its banks) over the next 12 months and then release the capital invested in this division for re-investment in the Hospitality business. "A significant level of cash will be generated as it exits *GoGetta*".

Historically the *GoGetta* division accounts for about 45% of assets but with lower debts so about 60-65% of Shareholder's Equity is invested in this division. *GoGetta*, however, has contributed only 25-30% of group earnings. The *Silver Chef* Hospitality business therefore offers a return on equity 4-4½ times greater than *GoGetta*.

The company will then focus upon its more profitable *Silver Chef* branded Hospitality business and will invest to accelerate the development of technology over the next three years to support efficiency and growth in this division.

The Hospitality division experienced two large bad debts over the last half year and is also making a general provision of $4.8 million. This is pretty standard Accounting policy: If the accounts are going to show a loss, then makes some extra provisions and report a *bigger* loss! Those provisions can be reversed at a later date (or anticipate higher provisions that would be needed in the future) and allow a *higher* profit to be reported in the future. This policy helps management achieve a profit recovery!

Benjamin Graham's imaginary investor "Mr Market" is a manic depressive investor. Or as Warren Buffet writes "*This imaginary person out there - Mr Market - is kind of a drunken psycho. Some days he gets very enthused, some days he get very depressed. And when he gets really enthused you sell to him and when he gets depressed you buy from him*".

"Mr Market" has depressed the Silver Chef share price 40% since the announcement! There will be some short term costs and losses as a result of running down the *GoGetta* business and this will reduce total assets (i.e. financing) by about 40% - so the business will shrink slightly in the short to medium term. But the run down in the *GoGetta* business will repay all of its interest bearing loans *and* release large amounts of cash/capital which can be re-invested more profitably in the *Silver Chef* Hospitality business. This should maximise growth and profitability over the medium to long term.

One of the best ways to evaluate this type of situation is to look at any on-market trades by *insiders* (i.e. the people who know the business best). In the week of the announcement and the fall in the share price, four directors have made relatively large share purchases on-market. In the week of the announcement SA Mitchell spent $18,977 (4194 shares at $4.52) to lift her holding to 35,000 shares, PJL Tapper invested $49,339 (11,000 shares at $4.49) to double his holding to 22,032 shares, A Kemp invested $263,516 (57,000 shares at $4.62) and $69,663 (14,000 shares at $4.98) to lift his holding to 980,009 shares (Note: Multiple trades by a director over the same week are considered *one trade* for our insider statistics) and B King spent $49,443 (10,000 shares at $4.94) to lift his holding to 123,302 shares.

Last week there were two further insider buys. A Kemp invested a further $46,243 (10,000 shares at $4.62) taking his holding to 990,009 shares, while the Founder and Chairman Allan English spent $50,187 (11,457 shares at $4.38) to lift his holding to 8,852,798 shares.

All five directors (who are not professional investors with large share portfolios) have, in total, spent over half a million dollars of their own money adding to their investments in Silver Chef shares. Directors are the most *knowledgeable* investors (and usually not "drunken psychos") so regular investors would do well to copy their *actions*.

The current decline in the Silver Chef share price therefore offers an attractive buying opportunity to add to this investrment! "Buy".

The company is forecasting a full year *loss* of $9-12 million - which implies a *small* net profit of $1.1-4.1 million over the second half.

Silver Chef

<u>The Reject Shop</u> has reported a first half very similar to the previous year:

Six Months to 31/12/2017	Latest	Previous	Change
Revenues	$437.6m	$433.0m	+1.1%
Net Profit	$17.7m	$17.5m	+1.1%
Net Cash Surplus	$39.5m	$39.5m	-
Earnings per share	61.4c	60.7c	+1.1%
Dividends per share	24.0c	24.0c	-

The difference is that the second half year to June 2017 was very difficult for The Reject Shop (resulting in no final dividend) but this year the directors appear more confident and an "improved second half profitability" is expected. Note, of course, that the second half usually operates at a very small loss. The full year profit is expected to be $16.5-17.5 million (up from $12.3 million in 2017).

An *Energy Optimisation Project* has been "fully implemented across 250 stores" with electricity usage per store reduced by over 30%. The new Melbourne Distribution Centre is delivering the expected efficiency gains.

A Hong Kong product sourcing office was opened in October 2017 , with most benefits expected in the next financial year (i.e. to June 2019).

The Reject Shop

<u>Village Roadshow</u> produced a break-even result (i.e. a trading profit of just $40,000) for the half year to 31 December 2017 but still produced a small cash operating surplus:

Six Months to 31/12/2017	Latest	Previous	Change
Revenues	$515.2m	$558.4m	-5.0%
Net Profit	$0.040m	$19.1m	-99.8%
Net Cash Surplus	$14.1m	$64.4m	-78.2%
Earnings per share	Nil	11.8c	-99.8%
Dividends per share	Nil	Nil	-

In addition there was a $154.0 million gain on the sale of a Singapore business. The sale and leaseback (with options to repurchase) of land realised $101.5 million in cash. <u>These two transactions have helped reduce interest bearing debts to $381.0 million</u> (down from $627.5 million a year ago).

The sale of land for $101.5 million produced a gain of $73.7 million above its original cost. This is being treated as "unearned revenue". The lease is for an initial term of 30 years with 10 year renewals out to 90 years, but <u>Village Roadshow also has "a number of repurchase options at various points throughout the contractual term</u>". The accounting treatment has "assumed the land will be repurchased after 25 years" so the $73.7 million deferred gain will be amortised "over the 25 year assumed lease term".

Village Roadshow

Company Review: Stellar Resources

Stellar Resources (code SRZ).

Stellar Resources is a very small exploration company with plans to open the *Heemskirk* tin mine in the near future. The development of this project over the next 2-3 years could lift the share price around 15-fold in value.

<u>Company History</u>

Stellar Resources listed in 2005 after an initial public offering at 20 cents per share to search for Iron ore, Zinc, Copper and Gold, Tin and Nickel plus Oil and Gas . . . and later Uranium.

In 2008 the company agreed to purchase a 60% interest in the *Heemskirk Tin* deposit and to acquire the remaining 40% when it floated its Tin interests in a separate company, **Colombus Metals**. That proposed float was cancelled and in November 2011, the remaining 40% of the project was acquired in return for 43,528,743 Stellar Resources shares. Since then, the company has mainly focused upon the development of this project.

<u>The Heemskirk Tin Project</u>

The *Heemskirk* deposit consists of a resource of 6.35 million tonnes at 1.13% Tin, or 72,000 tonnes of tin. 64% of this resource is in the *Lower Queen Hill* deposit which will be mined first. There is "significant exploration potential".

(Continued on Page 12)

Company Review: Stellar Resources

(Continued from Page 11)

This deposit is just 18km from **Renison Bell Tin Mine**, Australia's oldest and largest Tin mine. Renison started mining in 1965 with a five year mine life and a resource of 25,000 tonnes of Tin. It has since produced 250,000 tonnes of Tin and has a current resource of 166,000 tonnes.

A *Preliminary Feasibility Study* (PFS) of the *Heemskirk* project in July 2013 estimated a US$114 million capital cost to produce 4327 tonnes of tin in concentrate annually over a 7 year mine life. This project would have a pre-tax Net Present Value of US$46 million (A$61 million) at a tin price of US$25,500 per tonne.

An Optimised PFS in November 2015 slightly improved the project economics.

A *Fast Start* scoping study in September 2016 significantly improved the project economics, based on a lower initial capital cost, with a modular smaller processing plant, and one-third of the annual throughput with mining and processing of the initial resources extended from seven years to 20 years mine life. The *Fast Start* capital cost will be around US$77 million and the Net Present Value US$69 million (A$99 million). The initial capital cost will be repaid in three years. All of these estimates will be updated in the Definitive Feasibility study due in the September 2018 quarter.

This NPV is "highly sensitive to grade and tonnage". A 5% improvement in Tin grade would add $26 million or 26% to the project NPV. A 30% increase in mining inventory would add a similar $26 million (26%) to the NPV.

The *Fast Start* smaller scale mining is also expected to lower long term exploration costs by allowing exploration drilling from underground rather than from the surface. The deposits are all "open at depth".

Current drilling will continue through to the March 2018 quarter, with resources modelling and mining studies to be completed in the June 2018 quarter. During the June and September quarters the company will prepare a *Definitive Feasibility Study* and arrange project financing. Mine construction is planned to begin in the December 2018 quarter with first production by the June 2019 quarter.

Other Tin Projects

Stellar Resources owns other tin exploration interests in the region that could provide synergies with the *Heemskirk* project. Most significant is the acquisition in January 2018 of an exploration licence containing the *Razorback* and *Grand Prize* historical tin mines, a tailings dam and several exploration interests, all just 10km from *Heemskirk.* The company sees potential to use "modern processing technology" to improve recovery from the tailings dam and will create a 3D model and JORC 2012 compliant minerals resource for the *Razorback* mine using historical drilling data to identify potential new exploration drilling targets. This, and samples from the tailing dam and across the *Razorback* pit, will be collected and analysed by the end of this month.

Ore Pre-Sorting Technology

Ore pre-sorting technology has advanced significantly over recent years. X-ray sorting can "separate high density tin bearing particles from waste". This can remove hard silicates and reduce grinding costs and potentially "reduce downstream reagent use".

The results of the company's second round of ore sorting was reported last month, using "highly mineralised" and "waste rock" from recent exploration drilling. Maximising tin recovery at 94%, the ore mass was reduced by 37%, lifting the tin grade from 1.3% to 1.9%. Accepting a lower 90% tin recovery the mass was reduced by 50% and the tin grade increased to 2.2%. Maximising the ore mass reduction to 57% still recovered 87% of the tin and increased the grade to 2.5%.

The company will now optimise this using a larger sample and also monitor results at the neighbouring **Renison** mine which has similar ore types and is installing sorting technology to treat 900,000 tonnes per annum of ore.

Investment Criteria

Stellar Resources currently have no revenues (except for some interest income) or profits. At 31 December 2017 the company held cash of $1.7 million (0.44 cent per share) plus listed investments (in **Renascor Resources**, **UraniumSA** and **Samphire Uranium**) valued at $101,156.

The issued capital consists of 379,713,489 shares, which at 1.9 cents, gives a market capitalisation of $7.2 million. In addition there are 59,142,857 share options (code SRZO) to buy shares at 5.0 cents on 18 May 2020.

The major risk at this stage is financing the A$110 million capital cost of this development. This should be a very profitable project - repaying its initial capital cost in three years. That should enable the company to mainly finance this project with debt, but it is likely that some additional equity capital will also be needed. For a very small $6 million capitalisation company this could require a relatively large cash issue or placements to outside investors - both of which could *dilute* the potential returns on the existing shares.

Like most very small companies Stellar Resources is *neglected* by Brokers and institutional investors.

Three of the four directors own shares in the company and over the last year there have been four *insider* buys (and no sells).

In March 2017 Chairman PG Harman bought 500,000 shares on-market at 3.6 cents and in May 2017 purchased 1,000,000 shares at 2.5 cents to lift his holding to 1,779,704 shares.

In May 2017, the Managing Director, PG Blight, bought 955,325 shares on-market at 2.4 cents to increase his holding to 3,000,000 shares.

In May 2017, Non-Executive Director TH Whiting purchased 1,010,000 shares on-market at 2.5 cents to lift his holding to 2,000,000 shares.

The shares have been very volatile, falling to a low of 1.1 cents in February 2016 before rising to a peak of 5.6 cents in December 2016. The shares then fell to a low of 1.2 cents in October 2017. The shares hit a high of 2.1 cents last month and recent low of 1.5 cents.

Summary and Recommendation

Stellar Resources is a very small $6 million company but close to developing a tin mining project with a Net Present Value of A$99 million. This could boost the share price 15-fold in value (although probably with some dilution owing to the need to raise additional capital).

This is a very profitable project that would repay its $110 million capital development cost within three years - but the major uncertainty at this stage is funding for this project.

While there are funding risks and the dilution risks, this project should create significant Shareholder wealth, so a small investment in Stellar Resources shares should be attractive for higher risk investors.

Stellar Resources

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

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

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0													
Col Motor Co	748	+0.5	+0.2	48	2-0	-	1.4	12	0.5	11	8.2	0.29	245
Ebos Group Ltd	1854	+1.9	-0.3	34	0-1	6	2.5	12	0.7	21	4.7	0.37	2,816
PGG Wrightsons	61	+1.4	+0.6	38	0-0	2	1.6	16	1.5	10	8.5	0.41	460
Fonterra S/H Fd	590	+0.4	-2.0	50	2-0	5	1.3	10	0.6	13	6.8	0.49	9,481
Seeka Kiwifruit	650	+10.9	+0.6	12	0-0	-	1.2	6	0.6	20	4.7	0.61	114
Abano Health.	930	+1.3	-1.6	39	4-0	2	1.7	9	0.4	18	5.4	0.85	200
Infratil NZ	306	+1.0	-2.3	42	1-2	-	0.9	3	0.7	26	7.2	0.89	1,711
Horizon Energy	435	+0.0	-0.0	56	0-0	-	1.6	6	0.5	27	4.5	0.97	109
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0													
Allied Farmers	10	+13.9	-1.4	8	0-0	-	15.0	-	2.8	7	Nil	0.89	15
TeamTalk Ltd	91	+12.3	+1.8	9	0-0	-	1.0	21	1.0	5	Nil	0.76	26
Seeka Kiwifruit	650	+10.9	+0.6	12	0-0	-	1.2	6	0.5	20	4.7	0.61	114
PGG Wrightsons	61	+1.4	+0.6	38	0-0	2	1.6	16	1.2	10	8.5	0.41	460
Abano Health.	930	+1.3	-1.6	39	4-0	2	1.7	9	0.4	18	5.4	0.85	200
Col Motor Co	748	+0.5	+0.2	48	2-0	-	1.4	12	0.4	11	8.2	0.29	245
Fonterra S/H Fd	590	+0.4	-2.0	50	2-0	5	1.3	10	0.4	13	6.8	0.49	9,481
INCOME SHARES: Highest Yields, Capitalisation > NZ$100 million													
Metro Per Glass	80	-12.1	+0.9	91	6-0	5	1.0	14	0.8	7	13.2	0.79	148
Tegel Group	93	-9.6	-4.2	90	0-0	4	0.7	7	0.8	10	11.3	0.54	331
Warehouse Group	204	-3.0	+0.3	80	3-1	6	1.4	15	0.5	9	10.9	0.24	703
Steel & Tube	211	-1.2	+1.1	71	4-0	4	0.9	9	0.7	10	10.5	0.37	191
NZ Refining Co	242	-0.1	-1.3	63	0-0	3	1.0	10	0.5	10	10.3	1.84	756
Genesis Energy	236	+1.3	-1.1	40	1-0	7	1.2	6	0.6	20	9.8	1.21	2,359
Hallenstein G.	476	+18.7	+5.8	5	0-0	2	4.8	30	0.7	16	9.2	1.17	281
Sky Network TV	229	-5.3	+2.0	83	2-0	7	0.7	9	0.6	8	9.1	1.00	891
Air New Zealand	328	-1.4	-0.0	73	3-9	7	1.9	19	0.6	10	8.9	0.72	3,683
Spark NZ Ltd	357	-2.8	-0.9	78	4-8	10	4.0	25	0.5	16	8.6	1.81	6,543
INSIDER BUYING: Most Insider Buying, Relative Strength > 0													
Skellerup Hold.	183	+4.9	-1.1	23	14-0	3	2.2	14	0.6	16	5.2	1.68	353
Comvita	710	+7.9	-1.2	19	8-3	1	1.9	6	0.5	32	0.4	2.02	315
Port Tauranga	500	+7.2	-0.5	20	4-0	6	3.7	9	0.4	41	3.1	N/A	3,402
Abano Health.	930	+1.3	-1.6	39	4-0	2	1.7	9	0.3	18	5.4	0.85	200
Summerset Group	644	+8.8	+3.7	15	4-0	4	1.9	29	0.5	6	1.7	N/A	1,442
Argosy Property	103	+0.8	-0.8	45	3-0	6	1.0	10	0.6	11	5.9	8.01	833
Moa Group Ltd	50	+1.1	+4.0	42	3-0	-	3.5	-	1.1	NE	Nil	2.62	27
Restaurant Brds	725	+7.8	-0.9	20	2-0	4	4.6	14	0.4	34	4.4	1.72	891
Fonterra S/H Fd	590	+0.4	-2.0	50	2-0	5	1.3	10	0.4	13	6.8	0.49	9,481
NZ King Salmon	206	+9.8	-7.5	15	2-0	2	1.8	14	0.7	13	1.3	2.09	285

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0													
Vital Health PT	212	-58.3	+0.0	98	0-1	3	1.0	25	0.4	4	4.0	9.89	909
Trade-Me Ltd	439	-2.5	-1.2	77	0-1	7	2.4	13	0.5	18	5.9	7.42	1,743
Kiwi Property	135	-0.3	-0.4	66	0-1	7	1.0	8	0.5	12	5.0	7.34	1,748
SeaDragon Ltd	1	-7.2	+3.3	86	0-0	-	1.6	-	6.9	NE	Nil	6.32	27
NZ Exchange Ltd	109	-2.1	-0.7	76	4-0	3	4.2	21	0.6	20	7.8	3.89	293
Blis Technology	2	-21.7	+2.4	95	2-0	-	4.7	-	4.1	NE	Nil	3.33	19
Tilt Renewables	185	-2.9	-1.4	79	2-0	-	1.1	3	0.5	35	5.0	3.32	579
Meridian Energy	284	-0.3	-1.0	65	2-0	7	1.4	4	0.6	37	8.1	3.14	7,276
NZ Oil & Gas	66	-0.4	-2.2	68	0-0	-	0.8	-	0.8	NE	8.4	2.99	111
Mercury NZ	325	-0.3	-1.0	64	3-0	7	1.4	6	0.5	24	6.2	2.80	4,477
Burger Fuel	85	-15.8	+0.5	94	0-0	-	3.7	7	0.9	57	Nil	2.28	51
Freightways Ltd	773	-0.4	-1.1	67	1-1	6	5.1	26	0.5	20	4.9	2.20	1,198
WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average													
Vital Health PT	212	-58.3	+0.0	98	0-1	3	1.0	25	0.4	4	4.0	9.89	909
Blis Technology	2	-21.7	+2.4	95	2-0	-	4.7	-	3.8	NE	Nil	3.33	19
Orion Health.	80	-16.3	+0.7	94	0-0	2	4.5	-	0.9	NE	Nil	0.64	128
Burger Fuel	85	-15.8	+0.5	94	0-0	-	3.7	7	0.8	57	Nil	2.28	51
Tower Limited	83	-12.6	+4.6	92	5-0	2	0.7	-	0.7	NE	Nil	0.46	140
GeoOP Ltd	15	-12.3	-9.5	91	0-0	-	0.6	-	1.5	NE	Nil	1.04	6
Smartpay NZ Ltd	17	-8.8	-5.3	89	0-0	-	2.1	16	1.4	13	Nil	1.40	29
WN Drive Tech.	17	-8.2	+2.3	88	0-1	-	16.3	-	1.8	NE	Nil	1.27	45
Green Cross H.	165	-7.7	+1.9	87	1-0	-	2.1	18	0.6	12	2.9	0.47	230
SeaDragon Ltd	1	-7.2	+3.3	86	0-0	-	1.6	-	6.3	NE	Nil	6.32	27
SLI Systems Ltd	30	-6.3	+5.5	85	0-0	2	4.1	-	1.1	NE	Nil	0.59	19
Pac Edge Bio.	41	-5.7	+3.8	84	0-0	2	7.8	-	1.3	NE	Nil	N/A	162
Sol. Dynamics	205	-4.3	+1.1	82	0-0	-	9.7	34	0.5	28	3.6	1.78	29
Tilt Renewables	185	-2.9	-1.4	79	2-0	-	1.1	3	0.5	35	5.0	3.32	579
T&G Global	324	-2.9	-0.8	78	0-0	-	1.2	9	0.4	13	5.1	0.46	397
Trade-Me Ltd	439	-2.5	-1.2	77	0-1	7	2.4	13	0.5	18	5.9	7.42	1,743
Briscoe Group	367	-2.0	+3.0	75	3-1	3	3.9	29	0.5	14	6.8	1.38	807
Chorus Ltd	403	-2.0	-0.8	75	3-0	6	1.8	12	0.6	15	7.2	1.59	1,654
AFT Pharma.	260	-1.9	-0.1	74	1-0	-	1.0	-	0.4	NE	Nil	0.83	252
Z Energy Ltd	693	-1.3	-2.8	72	0-1	7	3.6	23	0.5	16	5.9	0.73	2,772
INSIDER SELLING: Most Insider Selling, Relative Strength < 0													
Air New Zealand	328	-1.4	-0.0	73	3-9	7	1.9	19	0.5	10	8.9	0.72	3,683
Spark NZ Ltd	357	-2.8	-0.9	78	4-8	10	4.0	25	0.4	16	8.6	1.81	6,543
Evolve Educat.	55	-9.4	-4.2	89	0-2	1	0.6	9	0.6	6	12.6	0.65	98
CBL Corporation	317	-0.8	+1.0	70	0-1	-	2.9	11	0.6	25	2.2	1.91	747
Z Energy Ltd	693	-1.3	-2.8	72	0-1	7	3.6	23	0.5	16	5.9	0.73	2,772
Vital Health PT	212	-58.3	+0.0	98	0-1	3	1.0	25	0.4	4	4.0	9.89	909
Trade-Me Ltd	439	-2.5	-1.2	77	0-1	7	2.4	13	0.5	18	5.9	7.42	1,743
Kiwi Property	135	-0.3	-0.4	66	0-1	7	1.0	8	0.4	12	5.0	7.34	1,748
WN Drive Tech.	17	-8.2	+2.3	88	0-1	-	16.3	-	1.8	NE	Nil	1.27	45
Contact Energy	535	-0.2	-1.3	64	1-2	7	1.4	5	0.4	26	6.7	1.84	3,828

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.

UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Short Interest	Price to NTA	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
ERM Power Ltd	180	+10.1	+4.0	24	0-0	3	0.0	0.9	-	0.8	NE	4.2	0.15	463
Capral Limited	16	+5.9	+1.7	32	1-0	-	-	0.6	10	2.1	6	7.8	0.17	76
Ruralco Hold.	308	+4.1	+0.4	37	5-0	3	-	3.9	28	0.5	14	3.2	0.18	322
MG Unit Trust	91	+2.6	+2.1	41	2-0	2	0.6	1.4	11	1.0	12	8.1	0.18	187
Automotive Hold	378	+1.5	-0.4	45	1-0	11	5.9	4.3	19	0.5	23	5.0	0.21	1,254
TPC Cons.	130	+15.3	-2.4	18	0-0	-	-	65.0	-	0.8	18	2.3	0.21	15
Sigma Health.	90	+0.5	+2.4	50	1-0	6	2.6	2.2	12	1.0	18	3.3	0.22	955
Cellnet Group	37	+28.9	-2.6	9	0-0	-	-	1.3	14	1.3	10	3.4	0.23	19
The Reject Shop	745	+16.2	+3.9	18	3-0	4	0.2	1.6	9	0.5	17	3.2	0.27	215
BSA Ltd	34	+1.2	-1.6	47	3-0	2	-	6.8	19	1.6	36	1.5	0.29	144
Vita Group Ltd	149	+0.9	+5.0	48	5-0	3	3.7	49.5	-	0.8	6	11.7	0.34	229
Lindsay Aust	41	+4.1	-0.2	37	0-1	-	-	1.6	8	1.4	19	3.9	0.36	120
Environm't Grp	6	+26.3	-24.2	11	1-0	-	-	-	-	4.5	7	1.1	0.36	12
Globe Int'l Ltd	125	+5.2	-0.4	34	0-0	-	-	1.5	15	0.9	10	6.4	0.37	52
Dicker Data Ltd	290	+7.6	-2.9	28	7-0	-	-	-	-	0.6	18	5.4	0.39	465
Maxi TRANS	73	+4.8	-1.3	35	2-0	2	-	1.5	12	0.9	13	4.8	0.39	134
Spotless Group	112	+2.1	-0.3	43	2-1	1	0.0	-	-	1.0	18	1.2	0.41	1,235
A.P. Eagers	875	+1.5	+2.4	45	8-1	5	0.0	3.8	22	0.3	17	4.1	0.41	1,674
Pro-Pac Pack.	41	+2.7	-2.4	41	2-0	-	-	2.4	12	1.2	20	4.9	0.43	99
TransMetro Corp	108	+0.5	-0.8	50	0-0	-	-	1.2	7	0.8	19	4.6	0.44	14
Chalmers	400	+8.9	+0.7	26	0-0	-	-	0.9	1	0.5	63	0.9	0.46	30
RCR Tomlinson	423	+1.8	-0.3	44	0-1	4	0.6	5.6	24	0.5	23	1.4	0.46	699
Legend Corp.	24	+12.1	+0.4	22	0-0	-	-	2.7	19	1.8	14	5.0	0.47	52
Austal Limited	180	+2.5	-0.3	42	0-0	3	0.7	-	-	0.7	41	2.2	0.48	631
Fleetwood Corp	265	+4.3	-1.0	36	0-0	2	0.6	1.2	7	0.6	17	1.9	0.49	162
Elders Limited	690	+23.9	-9.1	12	3-1	4	0.6	7.7	-	0.3	7	1.1	0.49	799
CTI Logistics	112	+10.5	-3.0	23	0-2	-	-	1.4	10	1.0	13	3.1	0.52	81
Ridley Corp.	145	+1.2	+1.6	47	1-0	5	0.2	2.5	14	0.7	17	2.8	0.52	446
JB Hi-Fi Ltd	2628	+7.2	+1.5	29	4-1	13	16.0	-	-	0.2	17	4.5	0.53	3,019
Ive Group	223	+1.9	+1.0	44	3-0	3	0.0	-	-	0.6	22	6.4	0.54	330
Downer EDI Ltd	661	+0.8	-1.2	49	0-0	8	2.1	5.6	26	0.4	22	1.8	0.54	3,931
Sth Cross Elect	74	+7.1	-2.1	29	4-0	-	-	5.3	-	1.1	NE	1.8	0.59	118
Winka Commerce	55	+4.6	-1.6	36	1-0	-	-	-	-	1.3	2	6.4	0.59	53
Regional Exp.	155	+12.6	-1.0	21	1-1	-	-	0.9	6	0.6	14	6.5	0.61	171
Aust Finance Gr	168	+7.5	+0.5	29	0-2	2	-	3.4	36	0.8	9	5.0	0.62	361
Big River Ind.	208	+5.3	-3.6	34	0-0	-	-	-	-	0.8	28	1.7	0.62	109
Sims Metal Mgmt	1600	+11.7	+1.1	22	0-2	8	3.0	1.8	11	0.4	16	2.5	0.62	3,238
Woolworths Grp	2690	+2.7	-0.3	41	6-0	13	5.2	11.6	48	0.3	24	3.1	0.63	35,098
Bisalloy Steel	92	+18.2	-0.4	16	0-0	-	-	1.9	7	0.8	27	2.8	0.63	40
Embelton Ltd	1330	+4.0	+0.3	37	0-0	-	-	1.9	14	0.2	13	3.2	0.64	29
Noni B Limited	250	+6.7	+1.2	30	0-0	-	-	-	-	0.5	62	1.6	0.64	200
Wesfarmers Ltd	4092	+0.5	-1.7	50	3-2	13	1.5	9.2	57	0.2	16	5.4	0.68	46,397
Shriro Holdings	136	+10.8	-4.7	23	0-1	1	0.0	2.9	32	1.0	9	8.1	0.69	129
Sunland Group	176	+1.6	+0.4	45	0-0	2	0.0	0.7	9	0.7	8	5.7	0.70	270
Shine Corporate	70	+3.1	+1.9	40	2-0	1	0.0	0.8	13	1.1	6	3.7	0.73	120
AV Jennings	77	+3.5	+0.4	39	1-0	2	0.0	0.8	9	0.9	8	6.5	0.73	294
Aust Vintage	61	+9.8	+5.9	25	3-0	1	-	0.8	2	1.1	39	1.6	0.74	168
Motorcycle Hold	428	+1.1	-5.3	47	2-0	2	-	11.0	63	0.7	18	3.5	0.75	162
Michael Hill	114	+0.2	-2.3	52	0-0	5	0.0	-	-	0.9	16	4.4	0.76	442
Greencross Ltd	549	+3.3	-0.3	39	2-0	8	8.7	-	-	0.4	15	3.5	0.79	647
Laserbond Ltd	12	+1.3	-3.7	46	0-0	-	-	1.0	10	2.9	10	4.2	0.80	11
Probiotec Ltd	95	+35.6	+1.6	7	9-1	-	-	-	-	1.1	22	2.1	0.80	50
Bluescope Steel	1532	+13.2	-0.1	20	3-0	8	0.1	2.5	23	0.4	11	0.6	0.81	8,519
Villa World Ltd	247	+4.4	-1.5	36	0-0	3	0.1	1.1	13	0.6	8	7.5	0.81	314
Global Con Serv	80	+12.0	-6.3	22	0-2	-	0.0	1.3	9	0.9	15	2.5	0.83	169
PTB Group Ltd	62	+10.5	-0.7	23	3-3	-	-	1.0	7	1.2	13	2.4	0.84	39
Grange Resource	20	+16.5	-5.4	17	0-0	-	0.1	0.7	28	2.1	2	7.5	0.84	231
Tamawood Ltd	407	+0.3	-0.1	51	1-1	-	-	8.8	77	0.5	11	6.6	0.85	104
Schaffer Corp	1300	+24.9	-1.1	11	1-0	-	-	2.5	8	0.4	31	2.0	0.85	182
Waterco Ltd	200	+10.0	-1.4	24	0-0	-	-	1.2	6	0.6	21	2.5	0.88	75
Homeloans Ltd	64	+15.6	+1.1	18	6-4	-	-	2.1	13	1.1	16	2.4	0.90	250
Midway Limited	251	+3.0	+0.1	40	5-0	-	-	2.1	17	0.7	13	7.2	0.90	188
Lycopodium Ltd	518	+17.4	+1.9	17	0-4	-	-	3.3	17	0.4	20	3.5	0.95	206
CMI Limited	135	+7.3	-1.1	29	3-0	-	-	1.2	8	0.9	15	4.4	0.96	42
GR Engineering	155	+3.6	+2.5	38	0-0	1	-	4.8	26	0.8	18	3.2	1.00	238
Bega Cheese Ltd	698	+1.4	-3.1	46	1-2	5	5.2	2.2	25	0.5	9	1.4	1.00	1,292
Alliance Aviat.	170	+24.0	-5.3	12	1-4	4	0.1	1.4	13	0.6	11	1.8	1.02	209
Orora Limited	342	+3.7	-0.4	38	1-0	10	0.4	3.8	16	0.5	24	3.2	1.02	4,127
Academies Aust.	49	+33.8	-8.9	7	4-0	-	-	48.5	-	1.1	22	1.0	1.05	61
AMP Ltd	543	+1.8	+0.4	44	1-0	13	2.2	3.9	5	0.5	83	5.2	1.09	15,847

BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Short Interest	Price to NTA	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
Valmec Limited	36	+36.9	+3.5	7	4-0	-	-	1.9	11	1.7	18	Nil	0.40	29
Cellnet Group	37	+28.9	-2.6	9	0-0	-	-	1.3	14	1.0	10	3.4	0.23	19
Atlas Iron Ltd	3	+26.8	+2.8	10	1-0	1	0.1	0.8	17	4.3	5	Nil	0.27	232
Environm't Grp	6	+26.3	-24.2	11	1-0	-	-	-	-	3.3	7	1.1	0.36	12
Elders Limited	690	+23.9	-9.1	12	3-1	4	0.6	7.7	-	0.2	7	1.1	0.49	799
Chapmans Ltd	1	+22.6	+1.3	13	4-0	-	-	0.2	16	7.0	1	Nil	0.65	5
Lycopodium Ltd	518	+17.4	+1.9	17	0-4	-	-	3.3	17	0.3	20	3.5	0.95	206
Grange Resource	20	+16.5	-5.4	17	0-0	-	0.1	0.7	28	1.5	2	7.5	0.84	231
The Reject Shop	745	+16.2	+3.9	18	3-0	4	0.2	1.6	9	0.4	17	3.2	0.27	215
Homeloans Ltd	64	+15.6	+1.1	18	6-4	-	-	2.1	13	0.9	16	2.4	0.90	250
TPC Cons.	130	+15.3	-2.4	18	0-0	-	-	65.0	-	0.6	18	2.3	0.21	15
Moelis Aust.	650	+14.0	-5.9	20	0-0	-	-	-	-	0.5	6	Nil	0.87	1,000
Bluescope Steel	1532	+13.2	-0.1	20	3-0	8	0.1	2.5	23	0.4	11	0.6	0.81	8,519
Metcash Ltd	317	+13.1	-0.4	21	1-2	11	8.2	6.3	47	0.5	14	Nil	0.22	3,093
Regional Exp.	155	+12.6	-1.0	21	1-1	-	-	0.9	6	0.5	14	6.5	0.61	171
Legend Corp.	24	+12.1	+0.4	22	0-0	-	-	2.7	19	1.4	14	5.0	0.47	52
Global Con Serv	80	+12.0	-6.3	22	0-2	-	0.0	1.3	9	0.7	15	2.5	0.83	169
Sims Metal Mgmt	1600	+11.7	+1.1	22	0-2	8	3.0	1.8	11	0.4	16	2.5	0.62	3,238
Shriro Holdings	136	+10.8	-4.7	23	0-1	1	0.0	2.9	32	0.8	9	8.1	0.69	129
PTB Group Ltd	62	+10.5	-0.7	23	3-3	-	-	1.0	7	0.9	13	2.4	0.84	39
CTI Logistics	112	+10.5	-3.0	23	0-2	-	-	1.4	10	0.8	13	3.1	0.52	81
Enice Holdings	37	+8.9	-4.3	26	0-0	-	-	2.0	18	1.0	11	Nil	0.94	95
Kingsgate Cons.	37	+8.6	-7.5	27	0-0	-	0.2	-	-	1.1	12	Nil	0.46	82
Dicker Data Ltd	290	+7.6	-2.9	28	7-0	-	-	-	-	0.5	18	5.4	0.39	465
Aust Finance Gr	168	+7.5	+0.5	29	0-2	2	-	3.4	36	0.6	9	5.0	0.62	361
CMI Limited	135	+7.3	-1.1	29	3-0	-	-	1.2	8	0.7	15	4.4	0.96	42
JB Hi-Fi Ltd	2628	+7.2	+1.5	29	4-1	13	16.0	-	-	0.2	17	4.5	0.53	3,019
Tempo Australia	20	+6.7	-2.5	30	0-0	-	-	1.8	61	1.6	3	Nil	0.20	16
Doray Minerals	28	+5.9	+10.8	32	1-0	2	0.8	0.7	14	1.4	5	Nil	0.65	113
Oldfields Hold	7	+5.9	-17.4	32	1-0	-	-	1.8	9	2.2	18	Nil	0.22	6
Capral Limited	16	+5.9	+1.7	32	1-0	-	-	0.6	10	1.4	6	7.8	0.17	76
Globe Int'l Ltd	125	+5.2	-0.4	34	0-0	-	-	1.5	15	0.7	10	6.4	0.37	52
Delecta Ltd	1	+5.1	-3.8	34	0-0	-	-	0.3	10	9.9	3	Nil	0.17	3
Atlas Pearls	3	+5.0	+1.3	35	0-0	-	-	0.5	4	3.9	13	Nil	0.73	12
Maxi TRANS	73	+4.8	-1.3	35	2-0	2	-	1.5	12	0.7	13	4.8	0.39	134
Winka Commerce	55	+4.6	-1.6	36	1-0	-	-	-	-	1.0	2	6.4	0.59	53
Villa World Ltd	247	+4.4	-1.5	36	0-0	3	0.1	1.1	13	0.5	8	7.5	0.81	314
Fleetwood Corp	265	+4.3	-1.0	36	0-0	2	0.6	1.2	7	0.4	17	1.9	0.49	162
Ruralco Hold.	308	+4.1	+0.4	37	5-0	3	-	3.9	28	0.4	14	3.2	0.18	322
Lindsay Aust	41	+4.1	-0.2	37	0-1	-	-	1.6	8	1.1	19	3.9	0.36	120
Embelton Ltd	1330	+4.0	+0.3	37	0-0	-	-	1.9	14	0.2	13	3.2	0.64	29
GR Engineering	155	+3.6	+2.5	38	0-0	1	-	4.8	26	0.6	18	3.2	1.00	238
AV Jennings	77	+3.5	+0.4	39	1-0	2	0.0	0.8	9	0.7	8	6.5	0.73	294
Greencross Ltd	549	+3.3	-0.3	39	2-0	8	8.7	-	-	0.4	15	3.5	0.79	647
Shine Corporate	70	+3.1	+1.9	40	2-0	1	0.0	0.8	13	0.8	6	3.7	0.73	120
Midway Limited	251	+3.0	+0.1	40	5-0	-	-	2.1	17	0.5	13	7.2	0.90	188
BCI Minerals	16	+3.0	+0.4	40	3-0	-	0.1	0.6	7	1.9	9	Nil	0.99	63
Cash Converters	41	+2.7	+0.7	41	1-1	1	0.1	1.6	16	1.1	10	Nil	0.74	200
Pro-Pac Pack.	41	+2.7	-2.4	41	2-0	-	-	2.4	12	0.8	20	4.9	0.43	99
MG Unit Trust	91	+2.6	+2.1	41	2-0	2	0.6	1.4	11	0.7	12	8.1	0.18	187
Spotless Group	112	+2.1	-0.3	43	2-1	1	0.0	-	-	0.8	18	1.2	0.41	1,235
Sunland Group	176	+1.6	+0.4	45	0-0	2	0.0	0.7	9	0.5	8	5.7	0.70	270
A.P. Eagers	875	+1.5	+2.4	45	8-1	5	0.0	3.8	22	0.3	17	4.1	0.41	1,674
Questus Ltd	2	+1.5	+3.2	45	0-0	-	-	-	-	4.3	6	Nil	0.18	2
Bega Cheese Ltd	698	+1.4	-3.1	46	1-2	5	5.2	2.2	25	0.4	9	1.4	1.00	1,292
Laserbond Ltd	12	+1.3	-3.7	46	0-0	-	-	1.0	10	2.2	10	4.2	0.80	11
Ridley Corp.	145	+1.2	+1.6	47	1-0	5	0.2	2.5	14	0.5	17	2.8	0.52	446
Motorcycle Hold	428	+1.1	-5.3	47	2-0	2	-	11.0	63	0.6	18	3.5	0.75	162
Vita Group Ltd	149	+0.9	+5.0	48	5-0	3	3.7	49.5	-	0.6	6	11.7	0.34	229
Wesfarmers Ltd	4092	+0.5	-1.7	50	3-2	13	1.5	9.2	57	0.2	16	5.4	0.68	46,397
TransMetro Corp	108	+0.5	-0.8	50	0-0	-	-	1.2	7	0.6	19	4.6	0.44	14
Sigma Health.	90	+0.5	+2.4	50	1-0	6	2.6	2.2	12	0.7	18	3.3	0.22	955
Tamawood Ltd	407	+0.3	-0.1	51	1-1	-	-	8.8	77	0.4	11	6.6	0.85	104
Michael Hill	114	+0.2	-2.3	52	0-0	5	0.0	-	-	0.7	16	4.4	0.76	442

INCOME SHARES: Highest Yields, Capitalisation > A$250 million

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Short Interest	Price to NTA	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
Myer Holdings	44	-17.8	-5.6	92	1-0	10	9.8	1.6	5	1.0	30	11.5	0.11	357
Hotel Property	295	+0.2	-3.3	51	1-0	4	0.1	1.1	26	0.3	4	10.9	9.65	431
Crown Resorts	1328	+5.6	+0.4	33	0-2	9	2.5	2.6	53	0.2	5	10.8	2.74	9,148
Reece Limited	1050	+7.0	-0.2	30	0-0	2	0.0	1.1	5	0.3	25	9.5	2.15	5,229
Genworth Mort.	253	-4.5	-5.3	71	2-0	5	6.9	0.7	8	0.5	8	9.5	3.38	1,199
Aust Leaders Fd	100	-6.6	+0.4	76	5-0	-	-	0.8	2	0.5	38	9.0	N/A	271
Telstra	344	-4.7	+0.4	72	2-0	16	1.0	8.2	78	0.3	11	9.0	1.57	40,913
G8 Education	280	-11.3	-5.6	85	6-0	10	3.9	-	-	0.4	16	8.6	1.59	1,256
APA Group	798	-4.3	-2.2	71	3-0	12	2.3	-	-	0.2	38	8.3	3.87	8,892
Centuria Indust	253	-1.0	-1.2	59	0-0	2	0.3	0.8	8	0.4	11	8.1	6.67	628
Cromwell Prop.	104	+0.5	-1.2	50	1-0	7	1.4	1.2	18	0.5	7	8.1	5.69	2,051
Mortgage Choice	220	+2.8	-1.3	41	2-0	2	4.9	2.8	23	0.5	12	8.0	1.36	275
Santos Ltd	489	+14.3	-6.4	19	3-0	15	1.7	-	-	0.7	NE	7.9	2.56	10,185
Centuria Metro.	230	-1.2	-1.2	60	0-0	4	0.0	1.0	9	0.4	11	7.6	9.91	558

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Short Interest	Price to NTA	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
Monash IVF Grp	117	-11.0	+1.2	84	5-0	4	0.9	-	-	0.9	9	7.6	1.77	274
Asaleo Care Ltd	133	-2.7	-2.0	65	1-0	5	3.2	7.0	55	0.7	13	7.5	1.23	722
Villa World Ltd	247	+4.4	-1.5	36	0-0	3	0.1	1.1	13	0.4	8	7.5	0.81	314
Aventus Retail	214	-3.9	-1.3	69	2-0	4	0.2	0.9	14	0.4	7	7.4	8.10	1,056
Chart H Retail	380	-3.3	-2.6	68	0-0	10	4.1	0.9	15	0.3	6	7.4	7.16	1,534
Sth Cross Media	106	-4.7	-1.1	72	5-0	7	1.5	-	-	0.5	8	7.3	1.19	815
Djerriwarrh	334	-1.4	-1.4	61	8-0	-	-	1.0	6	0.3	18	7.2	N/A	730
Vicinity Centre	247	-2.7	-2.3	66	5-0	12	2.2	0.9	14	0.3	6	7.0	7.46	9,563
Harvey Norman	376	+2.5	-0.3	42	4-2	10	9.0	-	-	0.3	9	7.0	2.28	4,187
Amaysim Aust.	131	-4.9	-7.6	72	1-0	2	3.2	-	-	0.5	24	6.9	0.83	276
Super Retail Gr	679	-2.1	-2.4	63	6-2	12	5.9	20.0	-	0.3	13	6.8	0.54	1,339
INSIDER BUYING: Most Insider Buying, Relative Strength > 0														
MFF Capital Inv	235	+8.2	-0.9	27	16-0	-	-	1.2	17	0.3	7	0.9	N/A	1,137
Blackwall Prop.	139	+2.9	-0.6	40	15-2	-	-	1.0	18	0.3	5	7.9	8.42	93
K2fly Ltd	28%	+104.6	+14.5	1	11-0	-	-	9.2	-	1.6	NE	Nil	N/A	14
Copper Strike	25	+4.0	-8.6	37	10-0	-	-	-	-	0.9	NE	Nil	N/A	27
Future Gen Glb	121	+5.5	-1.6	33	10-0	-	-	1.0	1	0.5	127	0.8	N/A	388
Freedom Foods	501	+7.9	-1.7	28	9-0	1	0.9	4.6	3	0.5	134	0.8	3.84	1,010
Helloworld Trav	475	+4.0	-2.6	37	9-0	5	-	-	-	0.2	26	2.9	1.75	575
Marmota Ltd	2	+4.4	-9.2	36	8-0	-	-	-	-	3.5	NE	Nil	N/A	8
Coventry Group	125	+14.6	-2.0	19	8-0	-	-	1.0	-	0.4	NE	Nil	0.28	47
Probiotec Ltd	95	+35.6	+1.6	7	9-1	-	-	-	-	0.7	22	2.1	0.80	50
Infomedia Ltd	84	+6.3	+0.3	31	7-0	3	0.0	28.0	-	0.6	22	3.5	3.69	261
Euroz Limited	115	+2.6	-1.6	41	7-0	-	-	-	-	0.5	9	6.3	2.92	180
Xtek Ltd	65	+18.0	+1.5	16	7-0	-	-	12.9	3	0.6	377	Nil	2.55	23
Dicker Data Ltd	290	+7.6	-2.9	28	7-0	-	-	-	-	0.4	18	5.4	0.39	465
Equity Trustees	2100	+5.8	-0.3	32	7-0	2	0.0	12.1	44	0.3	27	3.4	5.29	426
A.P. Eagers	875	+1.5	+2.4	45	8-1	5	0.0	3.8	22	0.2	17	4.1	0.41	1,674
Advance NanoTek	49	+10.1	-5.4	24	6-0	-	-	49.0	96	0.7	51	Nil	5.63	287
Whitefield Ltd	464	+1.8	-1.3	44	6-0	-	-	1.0	12	0.3	8	3.7	N/A	389
Duxton Water	108	+1.5	-1.0	46	6-0	-	-	1.0	3	0.5	37	2.1	N/A	77
Cynata Therap.	119	+22.9	+15.7	12	6-0	2	-	-	-	0.6	NE	Nil	N/A	107
Independ. Group	484	+15.8	+0.7	18	6-0	15	16.9	1.6	1	0.4	167	0.4	6.73	2,840
Boadicea Res.	18	+15.7	+2.8	18	6-0	-	-	-	-	1.3	NE	Nil	N/A	9
Woolworths Grp	2690	+2.7	-0.3	41	6-0	13	5.2	11.6	48	0.2	24	3.1	0.63	35,098
Spitfire Mater.	11	+1.4	-4.0	46	6-0	-	-	-	-	1.4	NE	Nil	N/A	52
Melbourne IT	330	+7.6	-5.8	28	9-3	2	-	-	-	0.3	28	3.3	1.96	387
Smartgroup Corp	1089	+13.8	-2.6	20	5-0	7	0.2	-	-	0.4	32	3.2	6.36	1,417
Swift Networks	43	+12.1	-7.0	22	5-0	-	-	42.5	-	0.8	NE	Nil	2.25	38
Ruralco Hold.	308	+4.1	+0.4	37	5-0	3	-	3.9	28	0.3	14	3.2	0.18	322
Wellcom Group	460	+0.3	+2.5	51	5-0	3	-	10.0	59	0.2	17	5.0	1.24	180
Senex Energy	38	+10.7	-1.5	23	5-0	8	3.7	1.3	-	0.8	NE	Nil	N/A	550
Resonance Hlth	2	+1.0	-0.4	48	5-0	-	-	-	-	3.2	NE	Nil	3.89	10
Pinnacle Invest	455	+20.7	+0.6	14	5-0	-	-	9.7	19	0.3	52	1.5	N/A	682
CocaCola Amatil	904	+1.0	+2.6	48	5-0	12	2.2	18.1	-	0.2	15	5.2	1.33	6,693
Breville Group	1250	+5.8	-2.5	32	5-0	8	0.1	10.2	34	0.2	30	2.4	2.68	1,626
Service Stream	164	+2.3	+4.6	43	5-0	2	0.3	10.2	49	0.6	21	2.8	1.19	597
Medibank Priv.	316	+4.0	-1.9	37	5-0	12	0.7	6.2	32	0.4	19	3.8	1.28	8,703
Rumble Resource	6	+5.6	-8.3	33	5-0	-	-	-	-	1.9	NE	Nil	N/A	14
Vita Group Ltd	149	+0.9	+5.0	48	5-0	3	3.7	49.5	-	0.5	6	11.7	0.34	229
Wealth Defender	89	+4.0	-0.8	37	5-0	-	-	0.9	6	0.6	15	1.1	N/A	112
Perseus Mining	42	+13.8	+4.6	20	5-0	8	2.6	0.6	-	0.9	NE	Nil	1.54	434
Polynovo Ltd	52	+41.8	-5.0	6	5-0	1	-	26.0	-	0.7	NE	Nil	N/A	294
Bravura Sol.	242	+15.2	+5.1	18	5-0	-	0.7	-	-	0.4	36	1.9	2.70	518
Bathurst Res.	15	+20.6	+1.0	14	5-0	-	-	-	-	1.1	NE	Nil	3.56	227
Adairs Limited	200	+21.0	-1.8	14	5-0	4	0.1	-	-	0.5	16	4.0	1.25	332
Midway Limited	251	+3.0	+0.1	40	5-0	-	-	2.1	17	0.4	13	7.2	0.90	188
Cazaly Res Ltd	5	+2.0	-0.1	44	5-0	-	-	-	-	2.0	NE	Nil	N/A	9
Dongfang Modern	90	+3.8	+2.4	38	6-1	-	0.0	-	-	0.5	4	Nil	1.81	378
Healthscope	197	+4.9	-2.9	35	6-1	10	13.7	-	-	0.7	NE	Nil	N/A	3,424
Jameson Res.	12	+16.7	-16.1	17	4-0	-	-	-	-	1.3	NE	Nil	N/A	30
GWA Group Ltd	316	+1.7	+1.9	44	4-0	8	2.5	-	-	0.4	16	5.2	1.87	834
Academies Aust.	49	+33.8	-8.9	7	4-0	-	-	48.5	-	0.5	22	1.0	1.05	61
Starpharma Hold	136	+15.4	-5.8	18	4-0	1	1.5	8.0	-	0.5	NE	Nil	N/A	502
Kangaroo Island	239	+2.5	-1.2	42	4-0	-	-	1.1	41	0.4	3	Nil	N/A	98
Mineral Commod.	15	+6.3	+3.8	31	4-0	-	-	1.1	7	1.1	16%	496.6	2.18	59
Orocobre Ltd	569	+24.4	-9.4	12	4-0	11	8.3	4.2	-	0.3	NE	Nil	N/A	1,483
EVZ Ltd	3	+32.3	-11.3	8	4-0	-	-	-	-	3.0	NE	Nil	0.35	18
Nzuri Copper	28	+37.6	-5.4	7	4-0	-	-	-	-	1.3	NE	Nil	N/A	64
Chapmans Ltd	1	+22.6	+1.3	13	4-0	-	-	0.2	16	4.9	1	Nil	0.65	5
Frontier Digit.	75	+7.5	+0.3	29	4-0	-	-	-	-	0.6	NE	Nil	N/A	165
Vivid Tech.	6	+11.9	+5.5	22	4-0	-	-	5.9	-	1.8	NE	Nil	N/A	26
Entek Energy	2	+5.2	-6.9	34	4-0	-	-	-	-	3.1	NE	Nil	N/A	6
Aust Foundation	608	+2.6	-0.6	41	4-0	-	-	1.0	4	0.2	26	3.9	N/A	7,186
Tabcorp Holding	471	+5.7	-4.3	33	4-0	9	3.0	-	-	0.3	NE	5.3	1.76	9,469
Nine Entertain.	232	+14.7	+6.3	19	4-0	8	2.1	3.3	-	0.5	NE	4.1	1.62	2,022
Galaxy Res.	304	+12.3	-10.0	21	4-0	9	14.0	-	-	0.5	NE	Nil	N/A	1,238
OZ Minerals Ltd	933	+8.5	+1.9	27	4-0	12	1.7	1.3	11	0.3	12	2.1	2.72	2,787
BHP Billiton	2832	+8.7	+0.1	26	4-0	19	2.2	2.0	-	0.4	NE	1.4	2.26	90,955
Echo Resources	33	+36.5	-8.7	7	4-0	-	-	-	-	0.8	NE	Nil	N/A	161
Sth Cross Elect	74	+7.1	-2.1	29	4-0	-	-	5.3	-	0.7	NE	1.8	0.59	118
Yellow Brick Rd	14	+0.2	-0.5	52	4-0	-	-	1.0	3	1.4	38	Nil	0.18	39

Total Return Index for All Listed Shares

Feb 12	1665.77	Feb 19	1674.59
Feb 13	1673.26	Feb 20	1660.19
Feb 14	1669.68	Feb 21	1649.03
Feb 15	1670.77	Feb 22	1648.21
Feb 16	1679.41	Feb 23	1662.09
Feb 26	1665.83	Mar 5	1660.37
Feb 27	1666.47	Mar 6	1657.64
Feb 28	1660.69	Mar 7	1647.00
Mar 1	1652.09	Mar 8	1662.01
Mar 2	1665.15	Mar 9	1667.05

"Neglect" Ratings of NZ Shares

"Neglected" Shares = 0-2 Brokers, "Moderately Followed" Shares = 3-4 Brokers, "Widely Followed" Shares = 5 or more Brokers.

Company	No. of Brokers Following Company	Market Capital-isation (NZ$ Mill.)	Company	No. of Brokers Following Company	Market Capital-isation (NZ$ Mill.)
A2 Milk Company	8	9,448	NPT Limited	2	95
AMP Limited	9	16,736	NZ Exchange Ltd	3	293
Abano Health.	2	200	NZ King Salmon	2	285
Air New Zealand	7	3,683	NZ Refining Co	3	756
Akd Int Airport	7	7,463	NZME Limited	2	155
Argosy Property	6	833	Orion Health.	2	128
Arvida Group	2	404	PGG Wrightsons	2	460
Augusta Capital	2	91	Pac Edge Bio.	2	162
Briscoe Group	3	807	Port Tauranga	6	3,402
Chorus Ltd	6	1,654	Precinct Prop.	7	1,538
Comvita	1	315	Property F Ind.	5	825
Contact Energy	7	3,828	Restaurant Brds	4	891
Delegat Group	3	808	Ryman Health.	5	5,245
Ebos Group Ltd	6	2,816	SLI Systems Ltd	2	19
Evolve Educat.	1	98	Sanford Limited	2	712
F & P Health.	7	7,312	Scales Corp Ltd	2	632
Fletcher Build.	13	4,434	Skellerup Hold.	3	353
Fonterra S/H Fd	5	9,481	Sky Network TV	7	891
Freightways Ltd	6	1,198	Sky City Ltd	10	2,676
Genesis Energy	7	2,359	Spark NZ Ltd	10	6,543
Gentech Group	3	535	Steel & Tube	4	191
Goodman Prop.	7	1,722	Summerset Group	4	1,442
Hallenstein G.	2	281	Synlait Milk	4	1,093
Investore Prop.	5	514	Tegel Group	4	331
Kathmandu Ltd	4	459	Tourism Hold.	4	720
Kiwi Property	7	1,748	Tower Limited	2	140
Mainfreight Grp	6	2,454	Trade-Me Ltd	7	1,743
Mercury NZ	7	4,477	Trilogy Intern.	2	205
Meridian Energy	7	7,276	Vector Ltd	5	3,316
MetLifeCare	5	1,244	Vista Group Ltd	3	453
Methven Limited	2	80	Vital Health PT	3	909
Metro Per Glass	5	148	Warehouse Group	6	703
			Z Energy Ltd	7	2,772

"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 Capital-isation ($ Mill.)
1300 Smiles Ltd	3	157
360 Capital Grp	2	209
3P Learning	3	215
A.P. Eagers	5	1,674
AFT Pharma.	2	203
AGL Energy Ltd	11	14,271
ALS Limited	11	3,595
AMA Group Ltd	5	619
AMP Ltd	13	15,847
ANZ Bank	15	83,145
APA Group	12	8,892
APN Outdoor Grp	10	745
ARB Corporation	7	1,556
ASX Limited	13	11,252
AUB Group	3	824
AV Jennings	2	294
AVEO Group	6	1,562
AWE Limited	10	591
Abacus Property	3	2,016
Accent Group	3	578
Aconex Limited	7	1,562
Acrux Ltd	2	26
Adairs Limited	4	332
Adelaide Bright	12	4,500
Ainsworth Game	7	656
Airxpanders Inc	1	138
Alacer Gold	5	197
Ale Property	3	967
Alexium Int'l	1	92
Alkane Explor.	1	159
Alliance Aviat.	4	209
Altium Limited	5	2,799
Altona Mining	1	67
Altura Mining	3	673
Alumina Ltd	12	6,652
Amaysim Aust.	2	276
Amcor Ltd	10	16,666
Aneka Tambang	3	1
Ansell Ltd	9	3,743
Apiam Animal H	2	82
Appen Limited	6	1,001
Ardent Leisure	9	897
Arena REIT	3	613
Aristocrat Leis	12	15,798
Asaleo Care Ltd	5	722
Asia Pac Data C	2	228
Aspen Group Ltd	1	102
Atlas Iron Ltd	1	232
Aurelia Metals	1	317
Aurizon Hold.	11	8,747
AusNet Services	12	6,054
Ausdrill Ltd	4	995
Aust Pharm. Ind	5	771
Aust Finance Gr	2	361
Austal Limited	3	631
Aust Agricult.	1	732
Austin Eng.	2	148
Aust Vintage	1	168
Auswide Bank	2	214
Automotive Hold	11	1,254
Aventus Retail	4	1,056
BHP Billiton	19	90,955
BSA Ltd	2	144
BT Invest Mgmt	12	3,449
BUBS Australia	2	303
BWP Trust	8	1,921
BWX Limited	7	652
Baby Bunting Gr	4	179
Bank of Q'land	14	4,644
Bapcor Limited	5	1,644
Base Resources	3	321
Beacon Lighting	3	363
Beach Energy	12	2,822
Beadell Res.	6	116
Bega Cheese Ltd	5	1,292
Bellamy's Aust.	5	2,317
Bendigo Bank	14	5,179
Berkeley Energy	1	221

Company	No. of Brokers Following Company	Market Capital-isation ($ Mill.)
Billabong Int'l	1	188
Bingo Indust.	4	1,097
Bionomics Ltd	5	234
Blackmores Ltd	7	2,255
Bluescope Steel	8	8,519
Blue Sky Alt In	4	846
Bluglass Ltd	2	145
Boart Longyear	1	263
Boral Limited	11	9,050
Brambles Ltd	10	14,989
Breville Group	8	1,626
Brickworks Ltd	6	2,343
C.S.R. Ltd	12	2,728
CBL Corporation	1	665
CIMIC Group	7	15,013
CSG Ltd	1	100
CSL Limited	11	74,059
Cabcharge Ltd	2	212
Caltex Austrlia	10	8,706
Cann Group	1	310
Capital Health	3	217
Capilano Honey	2	162
Carbonxt Group	1	303
Cardno Ltd	2	671
Carindale Prop	2	527
Carsales.com	16	3,657
Cash Converters	1	200
Catapult Group	4	234
Cedar Woods Prp	2	483
Centuria Indust	2	628
Centuria Metro.	4	558
Challenger Ltd	14	7,596
Chart H Retail	10	1,534
Charter Hall GR	9	2,734
Citadel Group	4	332
Class Limited	7	312
Cleanaway Waste	3	2,969
Clearview Wlth	1	968
Clean Teq Hold.	4	768
Clinuvel Pharm.	1	425
Clover Corp.	1	112
CocaCola Amatil	12	6,693
Cochlear Ltd	11	10,820
Codan Ltd	1	431
Cogstate Ltd	2	101
Collins Foods	5	600
Collection Hse	6	173
Com'wealth Bank	14	134,732
Compumedics Ltd	1	62
Computershare	13	9,697
Cooper Energy	2	496
Corp Travel M.	7	2,643
Costa Group	5	2,375
Credit Corp	7	998
Cromwell Prop.	7	2,051
Crown Resorts	9	9,148
Cybg plc	16	4,224
Cynata Therap.	2	107
DWS Limited	1	196
Dacian Gold Ltd	5	607
Danakali Ltd	2	180
Data 3 Ltd	2	279
Decmil Group	1	208
Dexus	12	9,655
Domain Holdings	11	1,747
Domino's Pizza	12	3,829
Donaco Inter'l	1	195
Doray Minerals	2	113
Downer EDI Ltd	8	3,931
DuluxGroup Ltd	9	3,021
EML Payments	4	336
ERM Power Ltd	3	463
Eclipx Group	8	1,144
Elders Limited	4	799
Ellex Medical	1	101
Emeco Holdings	3	845
Enero Group Ltd	1	89
Equity Trustees	2	426

Company	No. of Brokers Following Company	Market Capital-isation ($ Mill.)
Estia Health	5	904
Eureka Group	2	62
Event Hospital.	5	2,135
Evolution Min.	13	4,858
Experience Co	2	381
FAR Ltd	5	459
Factor Thera.	1	34
Fairfax Media	10	1,621
Fiducial Group	2	159
Finders Res.	2	175
Fleetwood Corp	2	162
Flexicorp Ltd	7	636
Flight Centre	12	5,421
Folkestone Ltd	1	178
Folkestone Educ	4	715
Fortescue Metal	18	14,791
Freelancer Ltd	2	222
Freedom Insur.	2	96
Freedom Foods	1	1,010
G.U.D. Holdings	8	1,003
G8 Education	10	1,256
GBST Holdings	6	158
GDI Property	2	668
GPT Group	13	8,605
GR Engineering	1	238
GWA Group Ltd	8	834
Galaxy Res.	9	1,238
Garda Div Prop	1	108
Gascoyne Res.	1	206
Gateway Life.	6	592
Genworth Mort.	5	1,199
Goodman Group	11	15,270
Graincorp	9	1,900
Greencross Ltd	8	647
Growthpoint Pro	4	2,229
HT&E Limited	7	545
HUB24 Limited	5	650
Hansen Tech.	4	852
Harvey Norman	10	4,187
Healthscope	10	3,424
Helloworld Trav	5	575
Highfield Res.	2	296
Hotel Property	4	431
Huon Aquacult.	4	394
IDP Education	7	1,842
IMF Bentham Ltd	1	436
IOOF Holdings	12	3,844
IPH LImited	6	687
IRESS Limited	7	1,717
Icar Asia Ltd	1	98
Iluka Resources	12	4,451
Imdex Limited	2	436
Impedimed Ltd	3	278
Incitec Pivot	11	6,386
Independ. Group	15	2,840
Industria REIT	5	417
Infigen Energy	5	568
Infomedia Ltd	3	261
Ingenia Com Grp	3	558
Inghams Group	9	1,395
Insurance Aust.	12	19,153
Int Research	3	683
Integral Diag.	4	300
Investa Office	10	2,549
Invocare Ltd	9	1,562
Iron Mountain	4	2,053
Iselect Limited	4	252
Isentia Group	5	190
Ive Group	3	330
JB Hi-Fi Ltd	13	3,019
James Hardie	10	9,983
Janus Henderson	11	3,993
Japara Health.	5	497
Jumbo Interact.	1	198
K2 Asset Mgmt	1	46
Kardoon Gas	5	284
Kidman Res Ltd	3	697
Kogan.com Ltd	1	820

Company	No. of Brokers Following Company	Market Capital-isation ($ Mill.)
Korvest Ltd	1	25
LendLease Group	11	10,424
LifeHealthCare	2	161
Lifestyle Com.	2	529
Link Admin.	8	4,162
Liq Natural Gas	1	229
Livetiles Ltd	3	189
Lovisa Holdings	6	958
Lucapa Diamond	1	77
MG Unit Trust	2	187
MMA Offshore	4	189
MNF Group	4	390
MYOB Group	12	1,877
MacMahon Hold	1	506
Maca Limited	3	375
Macquarie Group	14	35,895
Macquarie Atlas	4	3,791
Macquarie C Tel	1	355
Magellan Fin Gp	10	4,377
Magnis Resource	1	260
Mantra Group	11	1,172
Matrix Comp.	1	46
Maxi TRANS	2	134
Mayne Pharma Gr	6	1,136
McGrath Limited	1	60
McMillan Shake.	7	1,462
McPherson's Ltd	1	139
Medical Dev Int	2	463
Medibank Priv.	12	8,703
Medusa Mining	2	108
Megaport Ltd	2	425
Melbourne IT	2	387
Mesoblast Ltd	4	795
Metals X Ltd	4	520
Metcash Ltd	11	3,093
Metro Mining	1	374
Metro Per Glass	5	148
Michael Hill	5	442
Migme Limited	1	14
Millennium Min.	1	173
Millennium Serv	1	45
Mineral Res.	5	3,197
Mineral Deposit	3	226
Mirvac Group	13	8,090
Mitula Group	1	93
Monadelphous Gr	11	1,392
Monash IVF Grp	4	274
Money3 Corp Ltd	3	296
Mortgage Choice	2	275
Motorcycle Hold	2	162
Mt Gibson Iron	2	417
Murray River Or	2	35
Myer Holdings	10	357
Mystate Ltd	3	426
NRW Holdings	2	630
Nanosonics Ltd	4	805
Nat Veterinary	3	152
Nat'l Aust Bank	16	82,366
National Stor.	7	861
Navitas Ltd	9	1,780
Navigator Gl In	3	577
Nearmap Ltd	4	387
Neometals Ltd	1	193
NetComm Wire.	4	188
Netwealth Group	4	1,723
Neuren Pharm.	1	308
New Energy Sol.	1	467
New Hope Corp.	4	1,812
New Century Res	1	449
Newcrest Mining	16	16,569
News Corp.	6	1,041
Nextdc Limited	10	1,941
Nib Holdings	11	3,166
Nick Scali Ltd	4	561
Nine Entertain.	8	2,022
Nthn Star Res.	15	3,951
Nufarm Limited	12	2,758
OFX Group	3	336

Company	No. of Brokers Following Company	Market Capital-isation ($ Mill.)
OZ Minerals Ltd	12	2,787
Oceania Health.	4	571
Oil Search Ltd	15	10,787
Onevue Holdings	4	206
Oneview Health.	2	111
Ooh!Media	8	759
Opthea Limited	2	120
Orica Ltd	11	7,113
Origin Energy	12	15,018
Orocobre Ltd	11	1,483
Orora Limited	10	4,127
Osprey Medical	2	85
Over The Wire	3	131
PMP Limited	1	153
PWR Holdings	2	235
Pacific Energy	2	199
Pacific Smiles	4	271
Pacific Current	1	319
Pact Group Hold	8	1,915
Panoramic Res.	1	221
Pantoro Limited	2	228
Paragon Care	2	165
Paringa Res Ltd	4	111
Peet Ltd	3	701
Peninsula En.	4	69
Perpetual Ltd	12	2,400
Perseus Mining	8	434
Pilbara Mineral	6	1,432
Pioneer Credit	3	215
Platinum Asset	9	3,585
Polynovo Ltd	1	294
Praemium Ltd	6	262
Premier Invest	11	2,172
Primary Health	10	2,051
Prime Media Grp	1	115
Pro Medicus Ltd	2	876
PropertyLink	4	591
Q.B.E. Insur.	13	13,528
QMS Media	2	319
Qantas Airways	9	10,418

Company	No. of Brokers Following Company	Market Capital-isation ($ Mill.)
Qantm I.P.	1	155
Qube Holdings	9	3,770
RCR Tomlinson	4	699
REA Group Ltd	14	10,581
RXP Services	2	79
Ramelius Res.	1	235
Ramsay Health	10	12,955
Range Intern'l	1	9
Reckon Limited	3	162
Red River Res.	3	154
Redbubble Ltd	2	397
Redflow Limited	1	73
Reece Limited	2	5,229
Regeneus Ltd	1	23
Regis Health.	6	1,187
Regis Resources	15	2,234
Reliance W/wide	8	2,194
Resolute Mining	8	879
Retail Food Grp	2	217
Reva Medical	1	146
Rhipe Limited	3	124
Ridley Corp.	5	446
Rio Tinto Ltd	15	30,436
Rural Funds Grp	2	544
Ruralco Hold.	3	322
SG Fleet Group	5	965
Sandfire Res.	16	1,205
Santos Ltd	15	10,185
Saracen Mineral	8	1,394
Scentre Group	13	20,871
Scottish Pac.	3	418
Sealink Travel	3	393
Seek Ltd	14	7,294
Selectharvest	8	539
Senex Energy	8	550
Senetas Corp	2	130
Servcorp Ltd	2	485
Service Stream	2	597
Seven West Med.	8	890
Seven Group	5	5,694

Company	No. of Brokers Following Company	Market Capital-isation ($ Mill.)
Shaver Shop Grp	2	61
Shine Corporate	1	120
Shopping Centre	8	1,716
Shriro Holdings	1	129
Sigma Health.	6	955
Silver Lake Res	2	179
Silver Chef Ltd	3	161
Sims Metal Mgmt	8	3,238
Sino Gas & En.	4	381
Sirtex Medical	7	1,538
Smartgroup Corp	7	1,417
Somnomed Ltd	2	193
Sonic Health	10	10,150
Soul Pattinson	1	4,165
South32 Limited	17	16,578
Spark Infrastru	7	3,919
Speedcast Int'l	7	1,262
Spookfish Ltd	1	55
Spotless Group	1	1,235
St Barbara Ltd	6	2,072
Star Entertain.	11	4,541
Starpharma Hold	1	502
Steadfast Group	7	2,157
Sth Cross Media	7	815
Stockland	12	9,957
Suncorp Group	12	18,002
Sundance Energy	1	90
Sunland Group	2	270
Superloop Ltd	4	489
Super Retail Gr	12	1,339
Sydney Airport	12	15,209
Syrah Resources	6	974
TPG Telecom Ltd	12	5,679
TPI Enterprises	1	105
Tabcorp Holding	9	9,469
Talisman Mining	1	43
Tassal Group	6	678
Tawana Resource	1	217
Technology One	6	1,641
Telstra	16	40,913

Company	No. of Brokers Following Company	Market Capital-isation ($ Mill.)
The Reject Shop	4	215
Think Childcare	4	89
Thorn Group Ltd	2	130
Tox Free Sol.	6	667
Transurban Grp	9	26,341
Treasury Wine	11	12,692
Trilogy Int'l	2	190
Universal Coal	1	112
Vicinity Centre	12	9,563
Villa World Ltd	3	314
Village Road.	8	544
Viralytics Ltd	2	403
Virgin Aust	5	1,988
Virtus Health	5	459
Vista Group	3	428
Vita Group Ltd	3	229
Viva EnergyREIT	4	1,481
Vocus Group Ltd	15	1,555
WPP AUNZ Ltd	3	831
Wagners Hold.	3	681
Watpac Ltd	1	138
Webjet NL	6	1,483
Wellard Limited	2	74
Wellcom Group	3	180
Wesfarmers Ltd	13	46,397
Western Areas	15	827
Westgold Res.	2	554
West African R.	3	227
Westpac Banking	4	102,432
Westfield Corp.	9	18,079
Whitehaven Coal	16	4,320
Wisetech Global	8	3,066
Woodside Petrol	16	25,751
Woolworths Grp	13	35,098
Worley Group	10	3,989
XRF Scientific	1	26
Xenith IP Group	4	104
Yowie Group Ltd	2	21
Zip Co Ltd	2	230

Short Interest in Australian Shares

Company	Short Interest Ratio	Market Capital-isation ($ Mill.)
1-Page Ltd	0.9%	25
3P Learning	0.0%	215
A.P. Eagers	0.0%	1,674
ACN004410833	1.5%	65
AGL Energy Ltd	1.0%	14,271
ALS Limited	1.0%	3,595
AMA Group Ltd	1.9%	619
AMP Ltd	2.2%	15,847
ANZ Bank	0.9%	83,145
APA Group	2.3%	8,892
APN Outdoor Grp	9.1%	745
ARB Corporation	1.5%	1,556
ASX Limited	1.5%	11,252
AV Jennings	0.0%	294
AVEO Group	2.4%	1,562
AWE Limited	0.4%	591
Abacus Property	0.9%	2,016
Accent Group	3.1%	578
Aconex Limited	1.1%	1,562
Acrux Ltd	0.8%	26
Adacel Tech.	0.0%	180
Adairs Limited	0.1%	332
Adelaide Bright	5.2%	4,500
Admedus Limited	0.0%	69
Afterpay Touch	6.4%	1,285
Ainsworth Game	2.0%	656
Airxpanders Inc	0.1%	138
Alacer Gold	0.6%	197
Ale Property	0.5%	967
Alexium Int'l	0.0%	92
Alkane Explor.	0.1%	159
Alliance Aviat.	0.1%	209
Altium Limited	0.2%	2,799

Company	Short Interest Ratio	Market Capital-isation ($ Mill.)
Altura Mining	0.8%	673
Alumina Ltd	2.4%	6,652
Amaysim Aust.	3.2%	276
Amcor Ltd	1.0%	16,666
Ansell Ltd	3.8%	3,743
Anson Resources	0.1%	71
Appen Limited	0.4%	1,001
Ardea Resources	0.0%	115
Ardent Leisure	9.5%	897
Arena REIT	0.0%	613
Argosy Minerals	0.0%	299
Aristocrat Leis	1.0%	15,798
Arrow Minerals	0.0%	8
Artimis Res.	0.3%	119
Asaleo Care Ltd	3.2%	722
Atlas Iron Ltd	0.1%	232
Aurizon Hold.	1.1%	8,747
AusCann Group	0.2%	230
AusNet Services	2.0%	6,054
Ausdrill Ltd	0.2%	995
Aust Pharm. Ind	3.7%	771
Aust Mines Ltd	0.2%	268
Aust Careers N.	0.3%	287
Austal Limited	0.7%	631
Aust Agricult.	9.3%	732
Automotive Hold	5.9%	1,254
Autosports Grp	0.5%	392
Avanco Res.	0.0%	192
Aventus Retail	0.2%	1,056
BCI Minerals	0.1%	63
BHP Billiton	2.2%	90,955
BT Invest Mgmt	0.8%	3,449
BUBS Australia	0.3%	303

Company	Short Interest Ratio	Market Capital-isation ($ Mill.)
BWP Trust	2.3%	1,921
BWX Limited	7.9%	652
Baby Bunting Gr	1.1%	179
Bank of Q'land	2.9%	4,644
Bapcor Limited	7.7%	1,644
Barra Resources	0.0%	22
Base Resources	0.4%	321
Beacon Lighting	0.0%	363
Beach Energy	2.1%	2,822
Beadell Res.	4.0%	116
Bega Cheese Ltd	5.2%	1,292
Bellamy's Aust.	0.9%	2,317
Bendigo Bank	7.1%	5,179
Berkeley Energy	0.1%	221
Beston Glb Food	0.0%	94
Big Un Limited	0.3%	382
Billabong Int'l	0.4%	188
Bingo Indust.	3.3%	1,097
Birimian Ltd	0.0%	127
Blackham Res.	0.1%	103
Blackmores Ltd	4.5%	2,255
Bluescope Steel	0.1%	8,519
Blue Sky Alt In	3.8%	846
Boart Longyear	0.0%	263
Boral Limited	1.7%	9,050
Boss Resources	0.2%	49
Brainchip Hold.	0.1%	170
Brambles Ltd	1.0%	14,989
Bravura Sol.	0.7%	518
Breville Group	0.1%	1,626
Brickworks Ltd	0.4%	2,343
Buddy Platform	0.9%	90
Bulletproof Grp	0.1%	22

Company	Short Interest Ratio	Market Capital-isation ($ Mill.)
Buru Energy Ltd	1.1%	136
C.S.R. Ltd	5.2%	2,728
CIMIC Group	0.1%	15,013
CSG Ltd	1.5%	100
CSL Limited	0.6%	74,059
Cabcharge Ltd	4.2%	212
Caltex Austrlia	0.4%	8,706
Cann Group	0.1%	310
Cape Lambert R.	0.0%	49
Cardno Ltd	0.2%	671
Cardinal Res.	0.2%	206
Carnarvon Pet.	0.0%	144
Carsales.com	1.5%	3,657
Cash Converters	0.1%	200
Catapult Group	2.7%	234
Cedar Woods Prp	0.3%	483
Centuria Indust	0.3%	628
Centuria Metro.	0.0%	558
Challenger Ltd	2.6%	7,596
Champion Iron	0.0%	488
Chart Hall Long	0.4%	899
Chart H Retail	4.1%	1,534
Charter Hall GR	0.8%	2,734
Class Limited	0.5%	312
Cleanaway Waste	0.6%	2,969
Clean Teq Hold.	1.6%	768
Cobalt Blue	0.1%	63
CocaCola Amatil	2.2%	6,693
Cochlear Ltd	0.6%	10,820
Collins Foods	0.6%	600
Collection Hse	4.0%	173
Com'wealth Bank	1.5%	134,732
Computershare	1.4%	9,697

Company	Short Interest Ratio	Market Capital-isation ($ Mill.)
Cooper Energy	3.8%	496
Corp Travel M.	3.9%	2,643
Costa Group	0.9%	2,375
Covata Limited	0.0%	19
Credit Corp	5.9%	998
Creso Pharma	0.0%	76
Cromwell Prop.	1.4%	2,051
Crown Resorts	2.5%	9,148
CuDeco Ltd	0.0%	93
Cybg plc	2.3%	4,224
DWS Limited	0.0%	196
Dacian Gold Ltd	3.3%	607
Decmil Group	0.0%	208
Dexus	1.9%	9,655
Digital CC Ltd	0.1%	109
Domain Holdings	0.2%	1,747
Domino's Pizza	16.7%	3,829
Donaco Inter'l	0.1%	195
Dongfang Modern	0.0%	378
Doray Minerals	0.8%	113
Downer EDI Ltd	2.1%	3,931
DuluxGroup Ltd	1.1%	3,021
EML Payments	0.9%	336
ERM Power Ltd	0.0%	463
Eclipx Group	0.6%	1,144
Elanor Investor	0.0%	181
Elders Limited	0.6%	799
Emeco Holdings	0.2%	845
Energy World	0.5%	521
Energy Resource	0.7%	329
Equity Trustees	0.0%	426
EservGlobal Ltd	0.0%	150
Estia Health	0.5%	904
Eureka Group	0.1%	62
Event Hospital.	0.0%	2,135
Evolution Min.	2.6%	4,858
FAR Ltd	1.5%	459
Fairfax Media	1.1%	1,621
Fastbrick Robot	0.9%	163
Firstwave Cloud	0.0%	52
Fleetwood Corp	0.6%	162
Flexicorp Ltd	3.4%	636
Flight Centre	10.6%	5,421
Fluence Corp.	0.1%	176
Folkestone Educ	0.3%	715
Fortescue Metal	3.2%	14,791
Freedom O & G	0.0%	282
Freelancer Ltd	0.0%	222
Freedom Foods	0.9%	1,010
G.U.D. Holdings	0.8%	1,003
G8 Education	3.9%	1,256
GBST Holdings	0.3%	158
GDI Property	0.1%	668
GPT Group	0.7%	8,605
GTN Limited	0.3%	517
GWA Group Ltd	2.5%	834
Galaxy Res.	14.0%	1,238
Gascoyne Res.	0.0%	206
Gateway Life.	5.4%	592
Gbl Geoscience	0.1%	616
Genworth Mort.	6.9%	1,199
Getswift Ltd	1.1%	63
Global Con Serv	0.0%	169
Gold Road Res.	3.7%	702
Goodman Group	1.1%	15,270
Graincorp	2.4%	1,900
Grange Resource	0.1%	231
Greenland Min.	0.1%	102
Greencross Ltd	8.7%	647
Growthpoint Pro	2.1%	2,229
HT&E Limited	12.2%	545
HUB24 Limited	0.1%	650
Hansen Tech.	0.3%	852
Harvey Norman	9.0%	4,187
Healthscope	13.7%	3,424
Highfield Res.	1.5%	296
Hills Limited	0.0%	52
Horizon Oil Ltd	0.1%	176
Hotel Property	0.1%	431
IDP Education	0.4%	1,842
IMF Bentham Ltd	4.6%	436
IOOF Holdings	5.0%	3,844
IPH LImited	3.6%	687
IRESS Limited	4.7%	1,717

Company	Short Interest Ratio	Market Capital-isation ($ Mill.)
Icar Asia Ltd	0.0%	98
Iluka Resources	1.2%	4,451
Imdex Limited	0.0%	436
Impedimed Ltd	4.6%	278
Imugene Ltd	0.0%	74
Incitec Pivot	0.6%	6,386
Independ. Group	16.9%	2,840
Industria REIT	0.3%	417
Infigen Energy	1.5%	568
Infomedia Ltd	0.0%	261
Ingenia Com Grp	0.7%	558
Inghams Group	5.0%	1,395
Insurance Aust.	1.7%	19,153
Int Research	0.2%	683
Investa Office	0.2%	2,549
Invocare Ltd	5.4%	1,562
Iron Mountain	0.4%	2,053
Iselect Limited	0.3%	252
Isentia Group	4.7%	190
Ive Group	0.0%	330
JB Hi-Fi Ltd	16.0%	3,019
James Hardie	2.5%	9,983
Janus Henderson	0.2%	3,993
Japara Health.	5.5%	497
KBL Mining Ltd	0.0%	3
Kardoon Gas	6.1%	284
Kidman Res Ltd	1.2%	697
Kin Mining NL	0.1%	55
Kingsgate Cons.	0.2%	82
Kogan.com Ltd	0.2%	820
LendLease Group	1.4%	10,424
Lepidico Ltd	0.0%	138
LifeHealthCare	0.2%	161
Link Admin.	0.2%	4,162
Liq Natural Gas	4.8%	229
Lithium Power	0.1%	79
Lithium Aust.	0.6%	70
Livehive Ltd	0.0%	169
Lovisa Holdings	0.0%	958
Lynas Corp Ltd	3.5%	1,440
MG Unit Trust	0.6%	187
MMA Offshore	2.5%	189
MNF Group	0.0%	390
MOD Resources	0.4%	89
MYOB Group	4.1%	1,877
Maca Limited	0.2%	375
Macquarie Group	0.4%	35,895
Macquarie Atlas	2.5%	3,791
Magellan Fin Gp	1.7%	4,377
Magnis Resource	0.3%	260
Mantra Group	0.2%	1,172
Mayne Pharma Gr	11.2%	1,136
McMillan Shake.	0.3%	1,462
Medibio Limited	0.1%	47
Medibank Priv.	0.7%	8,703
Medusa Mining	0.1%	108
Megaport Ltd	0.0%	425
Mesoblast Ltd	4.2%	795
Metals X Ltd	5.1%	520
Metcash Ltd	8.2%	3,093
Metro Mining	0.0%	374
Michael Hill	0.0%	442
Millennium Min.	0.0%	173
Mineral Res.	2.9%	3,197
Mineral Deposit	0.0%	226
Mirvac Group	1.4%	8,090
Monadelphous Gr	4.4%	1,392
Monash IVF Grp	0.9%	274
Money3 Corp Ltd	0.1%	296
Mortgage Choice	4.9%	275
Mt Gibson Iron	1.0%	417
Mustang Res.	0.2%	18
Myer Holdings	9.8%	357
Mystate Ltd	0.0%	426
NRW Holdings	0.0%	630
NSL Cons. Ltd	0.0%	44
Nanosonics Ltd	8.9%	805
Nat Veterinary	0.0%	152
Nat'l Aust Bank	0.8%	82,366
National Stor.	5.4%	861
Navitas Ltd	3.0%	1,780
Navigator Gl In	0.0%	577
Neometals Ltd	0.0%	193
NetComm Wire.	1.7%	188

Company	Short Interest Ratio	Market Capital-isation ($ Mill.)
Netwealth Group	0.0%	1,723
Neuren Pharm.	0.0%	308
New Century Res	0.1%	449
Newcrest Mining	0.4%	16,569
News Corp.	10.0%	1,041
Nextdc Limited	4.7%	1,941
Nib Holdings	1.6%	3,166
Nick Scali Ltd	0.2%	561
Nine Entertain.	2.1%	2,022
Nthn Star Res.	1.8%	3,951
Nthn Minerals	0.0%	97
Nufarm Limited	2.1%	2,758
Nuheara Limited	1.2%	58
OFX Group	4.0%	336
OM Holdings	0.0%	782
OZ Minerals Ltd	1.7%	2,787
Oil Search Ltd	0.4%	10,787
Onevue Holdings	0.0%	206
Oneview Health.	0.0%	111
Ooh!Media	3.0%	759
Orica Ltd	2.0%	7,113
Origin Energy	0.2%	15,018
Orocobre Ltd	8.3%	1,483
Orora Limited	0.4%	4,127
PMP Limited	0.1%	153
Pacific Current	0.0%	319
Pact Group Hold	2.3%	1,915
Paladin Energy	0.7%	274
Panoramic Res.	0.1%	221
Paragon Care	0.2%	165
Peak Resources	0.0%	28
Peninsula En.	0.2%	69
Perpetual Ltd	4.5%	2,400
Perseus Mining	2.6%	434
Pilbara Mineral	9.0%	1,432
Platina Res.	0.1%	32
Platinum Asset	2.2%	3,585
Poseidon Nickel	0.0%	41
Premier Invest	3.4%	2,172
Primary Health	4.6%	2,051
Prime Media Grp	0.2%	115
PropertyLink	0.0%	591
Prospect Res.	0.0%	80
Q.B.E. Insur.	1.4%	13,528
QMS Media	0.0%	319
Qantas Airways	0.0%	10,418
Qube Holdings	6.0%	3,770
Quintis Ltd	8.2%	115
RCR Tomlinson	0.6%	699
REA Group Ltd	1.4%	10,581
RXP Services	0.2%	79
Ramelius Res.	0.6%	235
Ramsay Health	3.3%	12,955
Reckon Limited	0.0%	162
Red River Res.	0.3%	154
Reece Limited	0.0%	5,229
Regis Health.	1.9%	1,187
Regis Resources	0.9%	2,234
Reliance W/wide	4.4%	2,194
ResAoo Health	0.3%	92
Resolute Mining	4.5%	879
Retail Food Grp	13.6%	217
Reva Medical	0.1%	146
Ridley Corp.	0.2%	446
Rio Tinto Ltd	5.4%	30,436
Rural Funds Grp	0.3%	544
S2 Resources	0.6%	42
SG Fleet Group	0.1%	965
Sandfire Res.	4.0%	1,205
Santos Ltd	1.7%	10,185
Saracen Mineral	3.7%	1,394
Scentre Group	1.1%	20,871
Scottish Pac.	2.6%	418
Sealink Travel	0.6%	393
Seek Ltd	5.8%	7,294
Selectharvest	6.2%	539
Senex Energy	3.7%	550
Servcorp Ltd	0.2%	485
Service Stream	0.3%	597
Seven West Med.	1.8%	890
Seven Group	1.1%	5,694
Sheffield Res.	0.0%	163
Shine Corporate	0.0%	120
Shopping Centre	2.9%	1,716

Company	Short Interest Ratio	Market Capital-isation ($ Mill.)
Shriro Holdings	0.0%	129
Sigma Health.	2.6%	955
Silex Systems	0.2%	68
Silver Lake Res	1.0%	179
Silver Chef Ltd	0.9%	161
Silver Mines	0.2%	27
Silver Heritage	0.0%	43
Sims Metal Mgmt	3.0%	3,238
Sino Gas & En.	2.0%	381
Sirtex Medical	1.4%	1,538
Sky and Space	0.0%	98
Slater & Gordon	0.0%	278
Smartgroup Corp	0.2%	1,417
Sonic Health	1.9%	10,150
Soul Pattinson	0.5%	4,165
South32 Limited	1.0%	16,578
Spark Infrastru	3.7%	3,919
Spec Fashion	0.9%	63
Speedcast Int'l	2.1%	1,262
Spotless Group	0.0%	1,235
St Barbara Ltd	2.3%	2,072
St George Min.	0.2%	51
Star Entertain.	1.2%	4,541
Starpharma Hold	1.5%	502
Steadfast Group	0.5%	2,157
Sth Cross Media	1.5%	815
Stockland	0.6%	9,957
Structural Mon.	0.0%	122
Suncorp Group	1.2%	18,002
Sundance Res.	0.0%	56
Sundance Energy	0.9%	90
Sunland Group	0.0%	270
Superloop Ltd	2.4%	489
Super Retail Gr	5.9%	1,339
Sydney Airport	1.3%	15,209
Syntonic Ltd	0.0%	22
Syrah Resources	22.2%	974
TPG Telecom Ltd	6.9%	5,679
TPI Enterprises	0.0%	105
Tabcorp Holding	3.0%	9,469
Tassal Group	8.1%	678
Tawana Resource	0.4%	217
Technology One	2.3%	1,641
Telstra	1.0%	40,913
The Hydroponics	0.1%	55
The Reject Shop	0.2%	215
Thorn Group Ltd	2.1%	130
Tiger Resources	0.0%	102
Tox Free Sol.	0.3%	667
Transurban Grp	1.3%	26,341
Treasury Wine	0.8%	12,692
Troy Resources	0.7%	40
United Overseas	0.0%	321
Updater Inc	0.3%	691
Vicinity Centre	2.2%	9,563
Villa World Ltd	0.1%	314
Village Road.	2.6%	544
Virgin Aust	0.4%	1,988
Virtus Health	1.1%	459
Vista Group	0.2%	428
Vita Group Ltd	3.7%	229
Viva EnergyREIT	0.8%	1,481
Vocus Group Ltd	12.1%	1,555
WPP AUNZ Ltd	0.6%	831
Wagners Hold.	0.2%	681
Watpac Ltd	0.1%	138
Wattle Health	0.8%	220
Webjet NL	6.3%	1,483
Webster Ltd	0.0%	542
Wellard Limited	0.0%	74
Wesfarmers Ltd	1.5%	46,397
Western Areas	5.3%	827
Westgold Res.	2.4%	554
Westpac Banking	1.4%	102,432
Westfield Corp.	0.3%	18,079
Whitehaven Coal	2.8%	4,320
Wisetech Global	2.8%	3,066
Woodside Petrol	1.7%	25,751
Woolworths Grp	5.2%	35,098
Worley Group	1.7%	3,989
Yancoal Aust.	0.0%	7,254
Yojee Limited	0.0%	137
Yowie Group Ltd	0.2%	21

Performance Forecasts

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

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
A2 Milk Company	A	1327	N/A	NE	Nil
AFT Pharma.	B	260	0.83	NE	Nil
AMP Limited	A	580	2.39	17	5.5
AWF Madison Grp	A	192	0.25	11	11.7
Abano Health.	A	930	0.85	18	5.4
Air New Zealand	A	328	0.72	10	8.9
Akd Int Airport	A	627	N/A	28	3.9
Allied Farmers	D	9.5	0.89	7	Nil
Aorere Res.	N/R	0.2	N/A	NE	Nil
Argosy Property	C	103	8.01	11	5.9
Arvida Group	C	121	3.99	8	1.3
Augusta Capital	C	104	3.90	12	5.3
Barramundi Ltd	C	60	N/A	34	9.0
Bathurst Res.	C	18	N/A	NE	Nil
Bethunes Invest	B	2.0	N/A	NE	Nil
Blis Technology	C	1.7	3.33	NE	Nil
Briscoe Group	C	367	1.38	14	6.8
Burger Fuel	C	85	2.28	57	Nil
CBL Corporation	C	317	1.91	25	2.2
CDL Investments	C	92	3.25	8	5.3
Cavalier Corp	B	57	0.25	NE	Nil
Cavotec MSL	C	245	1.08	20	1.6
Chorus Ltd	C	403	1.59	15	7.2
Col Motor Co	A	748	0.29	11	8.2
Comvita	B	710	2.02	32	0.4
Contact Energy	C	535	1.84	26	6.7
Delegat Group	B	799	3.20	20	2.3
EROAD Ltd	B	349	6.42	NE	Nil
Ebos Group Ltd	A	1854	0.37	21	4.7
Energy Mad Ltd	C	0.6	0.16	NE	Nil
Evolve Educat.	C	55	0.65	6	12.6
F & P Health.	B	1298	8.17	43	2.1
Finzsoft Sol'ns	C	254	1.34	9	Nil
Fletcher Build.	B	641	0.47	47	8.5
Foley Fam Wines	B	150	2.07	16	2.8
Fonterra S/H Fd	B	590	0.49	13	6.8
Freightways Ltd	C	773	2.20	20	4.9
Genesis Energy	B	236	1.21	20	9.8
Gentech Group	B	639	7.11	45	2.6
GeoOP Ltd	C	15	1.04	NE	Nil
Goodman Prop.	B	135	N/A	8	4.9
Green Cross H.	C	165	0.47	12	2.9
Hallenstein G.	A	476	1.17	16	9.2
Heartland Bank	C	131	4.58	13	8.0
Horizon Energy	C	435	0.97	27	4.5

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
IkeGPS Limited	B	38	4.26	NE	Nil
Infratil NZ	B	306	0.89	26	7.2
Investore Prop.	C	139	N/A	18	3.8
Just Water Int.	B	50	2.61	21	5.6
Kathmandu Ltd	C	228	1.03	12	7.9
Kingfish Ltd	B	134	7.70	10	8.3
Kiwi Property	C	135	7.34	12	5.0
Mainfreight Grp	A	2437	1.05	24	2.3
Marlin Global	B	84	N/A	6	8.1
Marsden Mar.	A	550	N/A	23	3.8
Mercury NZ	C	325	2.80	24	6.2
Mercer Group	C	38	0.82	NE	Nil
Meridian Energy	C	284	3.14	37	8.1
MetLifeCare	A	584	N/A	5	1.4
Methven Limited	C	109	0.80	14	7.1
Metro Per Glass	C	80	0.79	7	13.2
Mid-Cap Index	B	471	N/A	12	4.7
Millennium & C.	B	284	2.40	10	2.9
Moa Group Ltd	B	50	2.62	NE	Nil
NPT Limited	C	59	5.29	31	6.2
NZ Exchange Ltd	C	109	3.89	20	7.8
NZ King Salmon	B	206	2.09	13	1.3
NZ Oil & Gas	N/R	66	2.99	NE	8.4
NZ Refining Co	B	242	1.84	10	10.3
NZ Windfarms	B	13	6.02	NE	Nil
NZF Group	C	1.0	N/A	NE	Nil
NZME Limited	C	79	0.40	7	7.9
NZSX 10 Fund	B	150	N/A	32	6.1
NZSX 50 Port.	B	244	N/A	14	5.1
NZX Aust MidCap	B	693	N/A	7	2.8
New Talisman	N/R	1.5	N/A	NE	Nil
Orion Health.	C	80	0.64	NE	Nil
Ozzy (Tortis)	B	358	N/A	13	9.1
PGG Wrightsons	D	61	0.41	10	8.5
Pac Edge Bio.	E	41	N/A	NE	Nil
Plexure Group	C	18	2.23	NE	Nil
Port Tauranga	D	500	N/A	41	3.1
Precinct Prop.	D	127	N/A	9	4.4
Promisia Integ.	E	0.8	1.50	NE	Nil
Property F Ind.	D	166	N/A	16	4.5
Pushpay Hold.	E	225	N/A	NE	Nil
Pyne Gould Corp	D	23	N/A	NE	Nil
Rakon Ltd	D	20	0.48	NE	Nil
Restaurant Brds	D	725	1.72	34	4.4
Rubicon Limited	D	27	0.95	NE	Nil

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
Ryman Health.	C	1049	N/A	15	1.7
SLI Systems Ltd	E	30	0.59	NE	Nil
Sanford Limited	D	760	1.49	19	4.2
Satara Co-op	E	58	0.19	NE	Nil
Scales Corp Ltd	C	450	1.58	20	5.9
Scott Tech. Ltd	D	350	1.97	26	4.0
SeaDragon Ltd	D	0.6	6.32	NE	Nil
Sealegs Corp	E	13	0.99	32	Nil
Seeka Kiwifruit	C	650	0.61	20	4.7
Serko Limited	D	210	N/A	NE	Nil
Skellerup Hold.	D	183	1.68	16	5.2
Sky Network TV	D	229	1.00	8	9.1
Sky City Ltd	D	401	2.89	60	6.9
Smartpay NZ Ltd	D	17	1.40	13	Nil
Smiths City	E	54	0.13	14	9.0
Snakk Media Ltd	D	5.0	0.07	NE	Nil
Sol. Dynamics	E	205	1.78	28	3.6
South Port NZ	C	615	4.38	19	5.9
Spark NZ Ltd	E	357	1.81	16	8.6
Steel & Tube	E	211	0.37	10	10.5
Stride Property	D	235	N/A	9	5.5
Summerset Group	C	644	N/A	6	1.7
Synlait Milk	D	747	2.00	32	Nil
T&G Global	E	324	0.46	13	5.1
T&G Global	E	180	0.29	13	2.3
TeamTalk Ltd	C	91	0.76	5	Nil
Tegel Group	E	93	0.54	10	11.3
Tilt Renewables	E	185	3.32	35	5.0
Tourism Hold.	C	599	2.11	24	3.9
Tower Limited	D	83	0.46	NE	Nil
Trade-Me Ltd	E	439	7.42	18	5.9
Training Sol.	D	0.2	N/A	NE	Nil
Trilogy Intern.	C	284	1.98	16	Nil
Trust Power Ltd	D	538	1.79	18	8.5
Turners Ltd	D	388	1.45	16	1.8
Vector Ltd	D	333	2.90	59	6.6
Veritas Invest.	D	4.0	0.06	0	Nil
Vetilot Limited	E	0.2	N/A	NE	Nil
Vista Group Ltd	E	275	4.25	47	1.5
Vital Health PT	D	212	9.89	4	4.0
WN Drive Tech.	D	17	1.27	NE	Nil
Warehouse Group	E	204	0.24	9	10.9
Windflow Tech.	D	0.7	0.45	NE	Nil
World Index Fd	E	100	N/A	NE	Nil
Z Energy Ltd	E	693	0.73	16	5.9
Ave of 135 Cos	**C**	298	0.70	14	3.9

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
A.P. Eagers	A	875	0.41	17	4.1
AGL Energy Ltd	B	2176	1.13	26	4.2
ALS Limited	B	733	2.90	33	1.8
AMP Ltd	A	543	1.09	83	5.2
ANZ Bank	B	2843	2.42	13	5.6
APA Group	B	798	3.87	38	8.3
ARB Corporation	A	1964	4.06	32	1.7
ASX Limited	A	5812	N/A	26	3.5
AVEO Group	A	269	3.69	6	3.3
Abacus Property	A	348	7.96	7	5.0
Aconex Limited	B	776	9.59	NE	Nil
Adelaide Bright	A	692	2.88	25	3.0
Afterpay Touch	B	780	N/A	NE	Nil
Altium Limited	A	2148	N/A	76	0.6
Alumina Ltd	B	231	N/A	NE	3.6
Amcor Ltd	A	1439	1.40	21	4.2
Ansell Ltd	A	2614	2.15	20	2.2
Appen Limited	A	946	4.69	70	0.6
Argo Investment	A	810	N/A	27	3.8
Aristocrat Leis	A	2474	6.44	32	1.4
Aurizon Hold.	B	436	2.59	19	5.2
AusNet Services	B	168	3.21	24	5.9
Aust Foundation	B	608	N/A	26	3.9
Aust United In	B	860	N/A	24	4.0
Automotive Hold	B	378	0.21	23	5.0
Aventus Retail	B	214	8.10	7	7.4
BHP Billiton	C	2832	2.26	NE	1.4
BT Invest Mgmt	B	1089	5.71	0	4.1
BWP Trust	B	299	N/A	9	5.9
Bank of Q'land	B	1183	2.04	13	6.4
Bapcor Limited	B	588	1.62	26	2.2
Beach Energy	A	124	3.58	6	1.6
Bega Cheese Ltd	A	698	1.00	9	1.4
Bellamy's Aust.	B	2045	8.49	NE	Nil
Bendigo Bank	B	1074	1.96	12	6.3
Bingo Indust.	B	265	4.43	47	Nil
Blackmores Ltd	B	13090	3.25	38	2.1
Bluescope Steel	B	1532	0.81	11	0.6
Boral Limited	A	772	2.13	36	3.1
Brambles Ltd	B	942	2.25	63	2.0
Breville Group	A	1250	2.68	30	2.4
Brickworks Ltd	A	1568	2.78	12	3.3
C.S.R. Ltd	A	541	1.11	15	4.8
CIMIC Group	A	4630	1.12	21	2.9
CSL Limited	A	16375	8.23	43	1.1
Caltex Austrlia	B	3338	N/A	NE	3.6
Carsales.com	A	1508	9.80	33	2.7
Challenger Ltd	B	1244	3.54	18	2.8
Chart H Retail	B	380	7.16	6	7.4
Charter Hall GR	B	587	7.05	11	4.6
Cleanaway Waste	B	146	1.60	32	1.4
CocaCola Amatil	A	904	1.33	15	5.2
Cochlear Ltd	A	18802	8.61	48	1.4
Com'wealth Bank	B	7687	2.98	13	5.6
Computershare	B	1786	3.56	28	2.0
Corp Travel M.	B	2491	8.08	48	1.1
Costa Group	B	743	2.65	41	1.5
Cromwell Prop.	B	104	5.69	7	8.1
Crown Resorts	A	1328	2.74	5	10.8
Cybg plc	B	562	2.29	20	0.3
Dexus	B	949	N/A	8	4.8
Domain Holdings	D	301	N/A	NE	Nil
Domino's Pizza	B	4370	4.91	38	2.1
Doriemus plc	D	14	N/A	NE	Nil
Downer EDI Ltd	B	661	0.54	22	1.8

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
DuluxGroup Ltd	A	776	1.69	21	3.4
Eclipx Group	B	362	1.86	21	4.2
Event Hospital.	A	1330	1.74	19	3.8
Evolution Min.	A	287	3.26	22	1.7
Fairfax Media	B	71	0.95	19	5.7
Flight Centre	A	5364	2.05	23	2.6
Fortescue Metal	B	475	1.34	5	3.2
Freedom Foods	A	501	3.84	NE	0.8
G.U.D. Holdings	A	1164	1.67	30	3.7
G8 Education	B	280	1.59	16	8.6
GPT Group	B	477	N/A	7	5.2
Galaxy Res.	C	304	N/A	NE	Nil
Genworth Mort.	C	253	3.38	8	9.5
Goodman Group	B	848	9.19	19	3.1
Graincorp	B	830	0.41	15	3.6
Growthpoint Pro	B	330	8.35	8	6.5
Harvey Norman	A	376	2.28	9	7.0
Healthscope	C	197	N/A	NE	Nil
IDP Education	A	736	4.67	44	1.7
IOOF Holdings	B	1095	3.62	28	4.8
IRESS Limited	B	1001	3.99	29	4.4
Iluka Resources	B	1063	4.13	47	2.9
Incitec Pivot	B	382	1.86	20	2.5
Independ. Group	A	484	6.73	NE	0.4
Inghams Group	B	367	0.58	24	3.3
Insurance Aust.	B	809	1.60	19	4.1
Investa Office	B	426	N/A	6	4.7
Invocare Ltd	B	1420	3.36	16	3.1
Iron Mountain	C	4253	N/A	NE	0.1
JB Hi-Fi Ltd	A	2628	0.53	17	4.5
James Hardie	A	2261	3.96	28	2.2
Janus Henderson	A	4485	1.79	5	2.7
LendLease Group	A	1785	0.63	14	3.7
Link Admin.	A	845	4.07	74	0.9
Lynas Corp Ltd	B	244	3.49	NE	Nil
MFF Capital Inv	B	235	N/A	7	0.9
MNC Media Inv.	D	360	N/A	NE	Nil
MYOB Group	B	310	5.02	34	3.6
Macquarie Group	A	10546	2.70	16	4.5
Macquarie Atlas	B	566	7.15	7	3.5
Magellan Fin Gp	A	2540	N/A	21	3.5
Mantra Group	A	394	1.70	26	2.8
Mayne Pharma Gr	B	75	1.97	13	Nil
McMillan Shake.	A	1757	2.85	17	3.8
Medibank Priv.	B	316	1.28	19	3.8
Metcash Ltd	B	317	0.22	14	Nil
Milton Corp.	B	461	N/A	23	4.0
Mineral Res.	A	1705	2.18	16	3.2
Mirvac Group	B	218	3.55	7	4.8
Monadelphous Gr	A	1481	1.11	24	3.6
Nat'l Aust Bank	B	3029	2.51	15	6.5
Navitas Ltd	B	497	1.86	21	3.9
Netwealth Group	D	725	N/A	NE	Nil
New Hope Corp.	C	218	2.15	13	4.6
Newcrest Mining	B	2159	3.65	40	0.9
News Corp.	C	2140	1.17	NE	1.2
Nextdc Limited	B	680	N/A	85	Nil
Nib Holdings	B	696	1.57	26	2.7
Nine Entertain.	B	232	1.62	NE	4.1
Nthn Star Res.	B	655	4.63	18	1.4
Nufarm Limited	B	842	0.82	52	1.2
OZ Minerals Ltd	A	933	2.72	12	2.1
Oil Search Ltd	A	708	5.83	28	1.7
Orica Ltd	A	1881	1.41	18	2.7
Origin Energy	C	854	1.10	NE	Nil

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
Orocobre Ltd	C	569	N/A	NE	Nil
Orora Limited	A	342	1.02	24	3.2
Pact Group Hold	A	576	1.17	19	4.0
Perpetual Ltd	A	5153	4.61	17	5.1
Pilbara Mineral	B	87	N/A	NE	Nil
Platinum Asset	A	611	N/A	19	4.9
Premier Invest	A	1376	1.98	21	3.9
Primary Health	A	393	1.24	29	2.7
Q.B.E. Insur.	C	995	0.94	NE	2.6
Qantas Airways	B	597	0.78	13	2.3
Qube Holdings	B	235	2.49	36	2.3
REA Group Ltd	A	8033	N/A	51	1.1
Ramsay Health	B	6411	1.49	26	1.9
Reece Limited	A	1050	2.15	25	9.5
Regis Health.	A	395	2.10	19	5.1
Regis Resources	A	443	4.08	16	1.1
Reliance W/wide	C	418	N/A	NE	Nil
Rio Tinto Ltd	A	7380	2.53	12	5.6
S/Tracks ASX200	B	5629	N/A	9	1.7
Sandfire Res.	A	763	2.35	16	2.4
Santos Ltd	B	489	2.56	NE	7.9
Saracen Mineral	B	172	3.29	49	Nil
Scentre Group	B	392	8.43	5	5.5
Seek Ltd	A	2080	6.88	21	2.1
Seven Group	A	1799	2.22	NE	2.3
Shopping Centre	B	229	8.05	5	5.7
Sims Metal Mgmt	A	1600	0.62	16	2.5
Sirtex Medical	A	2757	6.76	42	1.1
Smartgroup Corp	A	1089	6.36	32	3.2
Sonic Health	A	2401	1.96	24	3.2
Soul Pattinson	A	1740	4.31	15	3.1
South32 Limited	A	320	1.84	10	4.1
Spark Infrastru	B	233	N/A	48	6.2
Speedcast Int'l	A	528	1.92	NE	1.4
Spotless Group	B	112	0.41	18	1.2
St Barbara Ltd	A	402	3.12	12	1.5
Star Entertain.	A	550	1.94	17	2.9
Steadfast Group	A	273	5.22	31	2.6
Stockland	B	409	3.60	8	6.2
Suncorp Group	B	1389	1.03	17	5.1
Super Retail Gr	B	679	0.54	13	6.8
Sydney Airport	B	675	N/A	43	5.1
TPG Telecom Ltd	A	613	2.28	14	1.6
Tabcorp Holding	B	471	1.76	NE	5.3
Tatts Group Ltd	B	461	2.44	31	3.8
Technology One	B	520	6.00	37	1.6
Telstra	B	344	1.57	11	9.0
Transurban Grp	B	1184	8.90	NE	3.8
Treasury Wine	A	1766	5.14	48	1.5
Vicinity Centre	B	247	7.46	6	7.0
Virgin Aust	C	24	0.39	NE	Nil
Viva EnergyREIT	B	204	7.19	9	6.5
Vocus Group Ltd	A	250	0.86	23	2.4
WAM Capital Ltd	C	247	N/A	NE	Nil
Webjet NL	A	1248	6.15	23	1.2
Wesfarmers Ltd	B	4092	0.68	16	5.4
Westpac Banking	B	3009	2.72	13	6.2
Westfield Corp.	B	870	6.75	9	3.8
Whitehaven Coal	B	421	2.44	12	4.8
Wisetech Global	B	1053	N/A	96	0.2
Woodside Petrol	B	2860	4.82	18	4.4
Woolworths Grp	B	2690	0.63	24	3.1
Worley Group	C	1462	0.70	65	Nil
Yancoal Aust.	C	17	0.13	NE	Nil
Ave of 2030 Cos	**C**	218	0.45	15	19.5

Investment Outlook

(Continued from Page 1)

skewed to the right, there are disagreements as to how it should be applied in share selection. One recent *Index Investment Strategy* article produced by **S&P Dow Jones Indices** concludes "The logic of skewed returns is that it is more sensible to focus on excluding the least desirable than on picking the most desirable" (emphasis from the original article) - the opposite of what an investment manager will do.

Maybe your Editor's brain is wired a little differently, but he struggles to see the obvious "logic" in that statement.

A lot of companies *could* become big winners *if* they are successful at developing and commercialising their technology (e.g. AtCor, Acrux, Cynata, Ellex, Fastbrick, Integrated Research, Prophecy) or successful with a new way of running a business (e.g. Iluka, Michael Hill, OZ Minerals, Silver Chef, Village Roadshow). If, for any number of reasons they fail, they could be big losers (but, of course, that loss is strictly limited).

So do we pick these shares as the potentially "most desirable" or exclude them as the potentially "least desirable"?

To Your Editor's mind *the logic of skewed returns* makes it more dangerous to make an error *excluding* undesirable shares (i.e. excluding a share we should have owned) than to make an error picking desirable shares (i.e. to invest in a share that we should have avoided). That suggests we should continue to focus on "picking (potential) winners", not on "excluding the least desirable".

Of course, the type of share we do feel safer to *exclude* are the "average companies" - the ones that are very similar to others, that may not fail but probably won't ever do anything great. Typically a mature "blue chip" share may fall into this category - and we are more than happy not owning Banks and Telecoms and Utilities. These shares are neither the "least desirable" nor the "most desirable".

If we exclude an undesirable share then at best we avoid a maximum loss of 100%, but if we are wrong and it turns out to be a depressed, out-of-favour, business that just could not get any worse . . . and recovers 10-fold in value (or more) then we have made a costly error. Let's say there is an 80% chance it becomes worthless and only a 20% chance it recovers. The *expected return* will be +100% (i.e. [80% x -100% = -80%] + [20% x +900% = +180%]).

Even though this share will become worthless 80% of the time, we will do better to *include* it in a diversified portfolio than to *exclude* it. (Of course, what we really want is to find 10 or 20 or 30 of these types of companies - and make a very small investment in each one - so that about 80% can fail and 20% can succeed and we achieve that expected +100% *average return*.)

So, consistently over the last 37 years, our *Investment Strategy* has been to select shares with the potential to appreciate many-fold in value over many years, and to patiently hold a well diversified portfolio of these shares over the medium to long term. So far that seems to be working out OK.

Dividend$

Company	Cents per Share	Ex-Date	Payable	Tax Credit
Air New Zealand	11.00	09-03	16-03	Full
Barramundi Ltd	1.38	15-03	29-03	-
CDL Investments	3.50	04-05	18-05	Full
Chorus Ltd	9.00	20-03	17-04	Full
Colonial Motor Company	15.00	06-04	16-04	Full
Contact Energy	13.00	16-03	06-04	Full
Ebos Group	33.00	16-03	06-04	3.2083
Freightways Ltd	14.50	16-03	03-04	Full
Heartland Bank	3.50	16-03	03-04	Full
Marlin Global	1.93	15-03	29-03	Nil
Marsden Marine	6.75	16-03	23-03	Full
Methven Ltd	4.00	16-03	29-03	Nil
Mercury NZ	6.00	15-03	03-04	Full
Metlifecare	3.25	15-03	29-03	Nil
NZ King Salmon	2.00	15-03	23-03	Full
NZ Refining Company	12.00	15-03	22-03	Full
NZME Ltd	6.00	18-04	03-05	Full
NZX Ltd	3.10	09-03	23-03	Full
PGG Wrightson	1.75	16-03	05-04	Full
Property For Industry	2.15	26-02	07-03	-
Seeka Group	12.00	16-03	23-03	Full
Skellerup Holdings	4.00	09-03	22-03	Full
Sky TV Network	7.50	15-03	23-03	Full
Spark NZ	11.00	16-03	06-04	Full
Spark NZ special	1.50	16-03	06-04	Full
Steel & Tube Holdings	7.00	15-03	29-03	Full
Summerset Group	7.10	09-03	22-03	Nil
T&G Global	6.00	30-03	06-04	Full
Tourism Holdings	13.00	04-04	16-04	2.5278
TradeMe Group	9.10	09-03	20-03	Full
Vista Group	1.7365	12-03	23-03	Full
Vital Healthcare Prop	2.125	15-03	29-03	0.1543
Warehouse Group	10.00	03-04	12-04	Full
Australian Shares				
Finbar Group	3.00	27-02	12-04	
Iluka Resources	25.00	27-03	23-04	
Integrated Research	3.00	27-02	10-04	
McMillan Shakespeare	33.00	15-03	29-03	
Melbourne IT	7.50	05-04	30-04	
Michael Hill International	2.50	14-03	29-03	
OZ Minerals	14.00	09-03	26-03	
Reckon Ltd	3.00	21-02	10-03	
Silver Chef	10.00	05-04	20-04	
The Reject Shop	24.00	16-03	09-04	

Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on Monday April 16, 2018.

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.