

# Market Analysis

## Inside Market Analysis

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Founder: James R Cornell (B.Com.)

## Summary and Recommended Investment Strategy.

The stockmarket outlook for early to mid-2019 has deteriorated, but we recommend retaining most current share investments plus a small cash reserve from the recent sale of Technology One shares.

## Investment Outlook.

There are two factors that *lower* our short to medium term expectations for stockmarkets: Firstly, the decline in the US stockmarket is not over (despite widely held expectations and a “recovery” since Christmas) and secondly, European economic data reported last week deteriorated, putting Europe at risk of a recession during 2019.

The United States stockmarket hit a low on 26 December and has since recovered over 10%. So is the decline over? We believe the answer is a clear “No”.

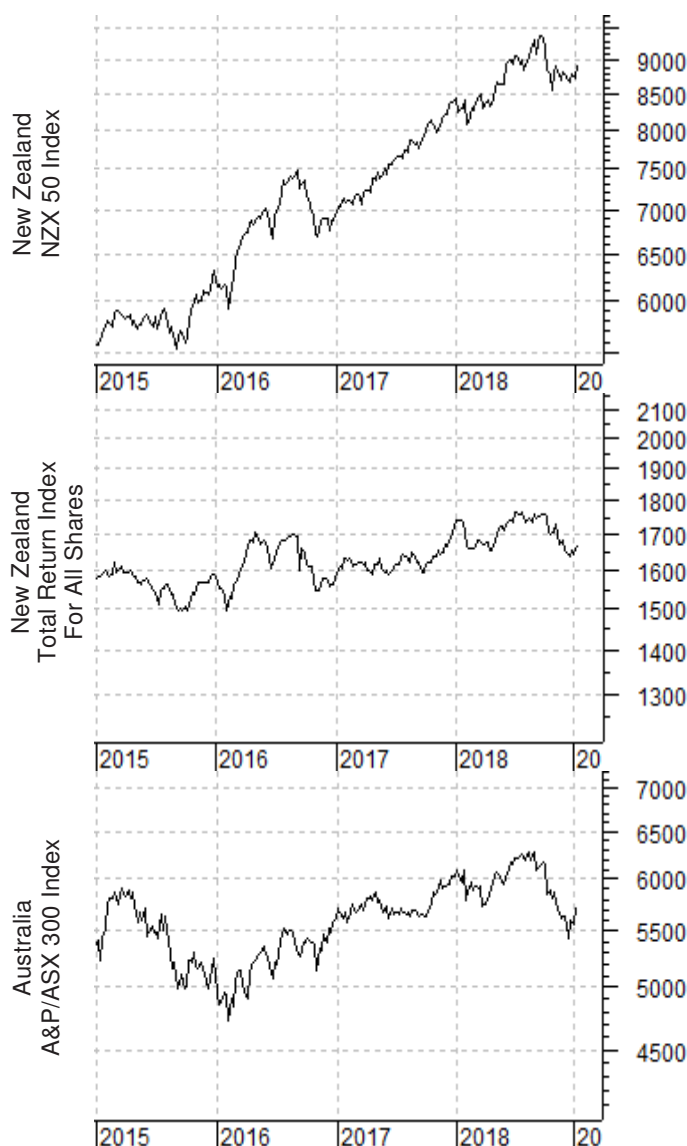
The US stockmarket - especially over-valued growth and Technology stocks - will fall lower. Why? The US economic growth rate peaked in late 2018 and is now *slowing*. Regardless of whatever else happens, companies will report *slower* revenue and profit growth compared with a year earlier when the economy was stronger, boosting revenue and profit growth rates and share valuations.

For example, **Apple Inc** has lowered its guidance for the December 2018 quarter (which will be announced on 29 January). Revenues are expected to be US\$84 billion, down 6-10% on previous guidance and down 4.9% on the same quarter a year earlier. Gross margins will be down slightly from 38.4% to about 38%, reducing the gross margin 5.9% to about \$32 billion. Other expenses will rise 14% to \$8.7 billion while other income will be 27% lower at around \$550 million, reducing pre-tax income 12% to \$23.8 billion. The tax rate will be significantly lower, but net profits will still be down at least 1% to about \$20 billion.

That is not too bad . . . but compares unfavourably with last year's 12.7% revenue and 12.2% profit growth rates . . . and with investors downgrading growth expectations the shares fell 7% on the new guidance. Apple blames the decline on “we did not foresee the magnitude of the economic deceleration, particularly in Greater China” during “the second half of 2018” which was “further impacted by *(Continued on Page 12)*

### Stockmarket Forecasts

	<u>One-Month</u>	<u>One-Year</u>
Australia:	<b>82%</b> (Bullish)	<b>60%</b> (Neutral)
New Zealand:	<b>74%</b> (Bullish)	<b>63%</b> (Bullish)



# Recommended Investments

## 2018 Annual Returns

Our *Recommended Portfolio* was down -23.6% in 2018 (i.e. from January 12, 2018 to January 11, 2019).

That under-performed the ASX300 index which was down -5.1% and the NZX50 Index up +6.3% (but including dividends and *imputation credits*).

**Cynata Therapeutics** was up +121.2%, **Mt Gibson Iron** +40.7% and **Technology One** rose +31.5% (through until early December) but that was not enough to offset writing off **Quintis** and **Novarise** (-100.0%), **Silver Chef** down -68.9%, **CSG** -68.4%, **FBR** -63.2%, **Atlas Pearls** -59.5% and other falls by our smaller and medium sized growth companies.

**Smiths City Group** lifted revenues 3.1% and returned to a pre-tax profit of \$600,000. A deferred tax provision resulted in a reported *loss* of \$100,000 (although no tax is payable immediately owing to \$7.1 million of carried forward tax losses). No interim dividend will be paid, down from 1.0 cent a year ago.

### Six Months to 31/10/2018

	Latest	Previous	Change
Revenues	\$112.0m	\$108.6m	+3.1%
Net Profit	<\$0.100m>	\$0.002m	-
Net Cash Surplus	<\$3.1m>	\$1.029m	-
Earnings per share	-	-	-
Dividends per share	-	1.0c	-

The company reports “acceptable same-store sales growth” and is “encouraged by the sales growth in Auckland stores” although these are “still not yet breaking even”.

The Christmas and holiday period are, of course, an important trading period for the company and a trading update for this period is expected in the near future.

## Australian Shares

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

**AJ Lucas Group** reports that **Angus Energy** has completed post-test analysis from its 7-day test well in October in the *Balcombe Field Discovery* (in which AJ Lucas and Cuadrilla Resources own a total 75% interest). Recovered water salinity was “significantly higher than any regional trend” leading the company to believe it is “injected brine” from “previous activity at the site” rather than natural “formation water”. **Angus Energy** believes that “continuous oil with a low watercut can be produced from the *Balcombe-2Z* well under normal pumped production conditions” and “now plans to demonstrate commercial oil production”.

## AJ Lucas Group



**CardieX Ltd's** associate **inHealth Medical Services** has signed a *Letter of Intent* with an undisclosed US “leading global electronics and medical device company” to “develop telehealth programs with an initial focus on chronic sleep disorders” and then “across a range of global health products”.

This product launch is expected in the current quarter when the “identification of the parties and further details will be provided”.

## CardieX Ltd



**Cynata Therapeutics** has announced a deal involving a relatively small investment by the company but where it will retain full commercial rights to develop a therapy with a potential market value of US\$11.6 billion (by 2025) in annual revenues. This is a venture that offers very asymmetric returns (i.e. little investment but huge potential returns!) for the company and shareholders.

The Phase 2 clinical study into the use of *Cymerus* MSCs to treat osteoarthritis will be managed by the **University of Sydney** and fully funded by a grant from the Australian **National Health and Medical Research Council**. Cynata Therapeutics' contribution is limited to providing the stem cells required for the trial . . . but it will “retain full commercial rights to the use of *Cymerus* MSCs in osteoarthritis”.

This will be “one of the largest MSC trials ever run” requiring Cynata Therapeutics to “showcase” its technology and “produce MSCs at scale”.

The trial will take place in Sydney and Tasmania, expected to begin in the second half of this calendar year and involve 448 patients with osteoarthritis of the knee. Preclinical research suggests that MSCs will “promote tissue repair, new blood vessel formation and regeneration of compromised cartilage”. Patients will be given MSCs or a placebo and clinical outcomes and knee joint structure will be evaluated over a two year period.

A successful trial would create an extremely valuable property for Cynata Therapeutics which it could develop alone or sell to a third party for significant upfront and milestone payments plus receive around a 10% royalty

on annual product sales! The potential market for an osteoarthritis therapy is eight times larger than the company's Critical Limb Ischemia project and about 40 times larger than Graft vs Host Disease!

Cynata Therapeutics completed its Clinical Study Report (CSR) into its Graft vs Host Disease trial and a copy was provided to **Fujifilm** which now has until 19 March 2019 to exercise its option to acquire this project.

The CSR reclassified one patient from “Partial Response” down to “Stable Disease” within the 100 day trial period (although symptoms were “resolved completely” after that date). That still gives extremely good results with 87% partial (Continued on Page 4)

## Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	Performance Forecast	Issued Shares (mil.)	Vola- tility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
<u>NZ Shares</u>													
HOLD+	CDL Investments Ltd	CDI	12/01/99	25	D	277.5	1.0	2.93	7	5.9	83	36.3	+377%
HOLD+	Cavalier Corporation	CAV	05/12/95	156*	C	68.7	1.4	0.26	9	Nil	55	282.0	+116%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	A	32.7	0.4	0.28	10	8.9	783	612.8	+991%
HOLD	Smiths City Group	SCY	09/10/06	64	E	52.7	1.7	0.08	NE	4.3	32	37.0	+8%
HOLD	South Port New Zealand	SPN	13/02/96	120	C	26.2	0.4	4.25	18	5.5	660	303.3	+703%
BUY	Steel & Tube Holdings	STU	08/08/00	139*	D	90.6	1.0	0.22	14	8.2	118	346.1	+234%
<u>Australian Shares (in Aust cents)</u>													
HOLD+	Acrux Limited	ACR	12/05/14	99	B	166.5	2.1	8.98	NE	Nil	19	14.0	-67%
BUY	AJ Lucas Group	AJL	13/05/03	107*	E	750.1	2.1	1.20	NE	Nil	20	36.4	-47%
HOLD	ALS Limited	ALQ	12/10/99	72*	B	486.8	0.5	2.37	24	2.4	701	323.9	+1323%
HOLD	ARQ Group	ARQ	10/02/04	53	A	118.9	0.7	1.15	16	5.7	194	221.5	+683%
HOLD	Atlas Pearls & Perfume	ATP	14/05/96	73	D	422.9	8.9	0.45	NE	Nil	2	17.5	-74%
HOLD+	Brickworks Ltd	BKW	12/11/12	1115	A	149.8	0.3	3.03	11	3.2	1667	263.5	+73%
HOLD	CardieX Ltd	CDX	11/11/13	15	C	531.0	5.3	4.90	NE	Nil	4	Nil	-75%
HOLD	CPT Global Ltd	CGO	10/03/08	88	B	37.6	2.6	0.17	7	1.8	14	19.3	-62%
HOLD	CSG Limited	CSV	11/10/10	166*	C	445.7	2.4	0.24	NE	Nil	15	60.5	-54%
HOLD+	Cynata Thera.	CYP	13/03/17	50	D	95.1	0.9	NA	NE	Nil	131	Nil	+161%
HOLD+	Ellex Medical Lasers	ELX	14/03/06	49	C	143.6	1.4	1.11	NE	Nil	61	Nil	+24%
BUY	Fastbrick Robotics	FBR	07/07/17	14	D	1241.7	3.7	NA	NE	Nil	7	Nil	-50%
HOLD	Fiducian Group	FID	11/02/08	260	B	31.2	0.5	2.78	14	4.9	405	105.8	+96%
HOLD+	Finbar Group Ltd	FRI	12/04/10	106	B	270.8	1.0	1.45	16	7.4	81	71.5	+44%
HOLD	Ignite Ltd	IGN	08/04/03	82*	C	89.6	4.3	0.03	NE	Nil	5	70.5	-8%
HOLD	Iluka Resources Ltd	ILU	12/10/04	471	B	422.4	0.5	2.94	33	4.1	757	282.0	+121%
HOLD	Integrated Research	IRI	14/01/08	40	B	171.8	0.6	4.05	21	3.0	215	56.0	+578%
BUY	McMillan Shakespeare G	MMS	07/11/16	1041	B	83.2	0.4	2.16	13	5.1	1423	139.0	+50%
HOLD+	Michael Hill Int'l Ltd	MHJ	11/06/91	4*	B	387.4	1.5	0.40	7	8.3	60	69.8	+3146%
HOLD+	Mt Gibson Iron	MGX	10/11/14	44	B	1128.4	1.6	2.48	6	5.2	58	5.0	+42%
HOLD	Onterran Ltd	OTR	16/08/10	103*	C	57.5	1.7	0.07	NE	Nil	32	Nil	-69%
HOLD	Opthea Limited	OPT	10/02/04	188	C	200.6	1.5	NA	NE	Nil	64	65.0	-31%
HOLD	OZ Minerals	OZL	14/03/16	522	B	322.9	0.4	2.64	12	2.2	906	48.0	+83%
HOLD+	Prophecy International	PRO	08/09/08	26	C	64.0	1.8	1.62	NE	Nil	27	24.0	+96%
HOLD	Reckon Limited <sup>1</sup>	RKN	08/08/16	141	B	113.3	1.0	1.59	35	4.3	69	8.0	-31%
BUY	Silver Chef Ltd	SIV	13/11/17	740	A	39.3	0.6	0.29	17	4.7	214	10.0	-70%
BUY	The Reject Shop Ltd	TRS	11/01/05	257	B	28.9	0.7	0.10	5	12.8	273	510.5	+205%
BUY	Village Roadshow	VRL	10/08/09	71*	B	194.3	0.6	0.40	NE	Nil	286	284.3	+703%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +260.4%. This is equal to an average annual rate of +21.9%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 34 current and 169 closed out) is +28.7%, compared with a market gain of +3.7% (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 pence (60.5 Aust cents).

**Recommended Investments**

*(Continued from Page 3)*

response and 53% complete response and 87% survival by Day 100 (compared with an expected 90% mortality rate within one year).

The planned Critical Limb Ischemia Phase 2 clinical trial now plans to recruit about 90 patients (from initial plans of 48-96 patients) and Cynata Therapeutics is currently “reviewing proposals from contract research organisations to undertake the trial”.

Cynata Therapeutics also reports receiving a *Notice of Allowance* from **IP Australia** for a patent application covering its *Cymerus* technology. An Australian patent is expected to be issued in April 2019, expiring on 23 March 2034. This technology is already protected by similar patents in the United States and Europe.

**Cynata Therapeutics**



**Fiducian Group** has acquired a Geelong, Victoria, based financial planning business with \$160 million of Funds under Advice. This acquisition will cost “up to \$2.4 million” payable over an undisclosed period.

**Fiducian Group**



**Finbar Group** has completed its 100% owned *Reva* project in South Perth “on schedule and on budget”. \$31.7 million (i.e. 64.2%) of this \$49.4 million “boutique, luxury development” was pre-sold and settlements will begin at the end of January.

88% of the 42 apartments were pre-sold but only two of the 18 commercial lots.

The company reports “the recent improvement in market conditions is seeing the gradual return of investors to the Perth property market”. 45% of sales were to investors, with 82% of sales to buyers in Western Australia.

Finbar Group expects to complete the *Vue* and

*Palmyra Apartment* developments this financial year (i.e. before 30 June 2019) and will begin construction of the *One Kennedy* development in Maylands in March.

Finbar Group has also announced an on-market buyback of up to 20 million shares over the next year. The company has no debt on completed (but unsold) stock and expects strong cashflows over coming months from property settlements. The business is “trading in a more favourable environment than it has for the past five years” and the shares are trading on-market at “below net tangible asset backing and at a significant discount to the intrinsic value of the business”.

**Finbar Group**



**Integrated Research** anticipates a strong result for the half year to 31 December 2018. Revenues are expected to be 7-11% higher at \$49.0-50.5 million, with net profits up 19-26% at \$11.1-11.7 million. Licence sales should be up 17-23% to \$30-31.5 million.

The company reports “a return to growth” from European operations plus “a significant contribution” from Payments products.

**Integrated Research**



**Mt Gibson Iron's Koolan Island** project remains on track. Initial waste mining commenced in early November and the first high grade ore will be extracted in February and sold in late March. Insurance cover for the site, including the seawall, has been obtained “in line with budget estimates”. The company owns and operates nine haul trucks and three excavators on site and will hire four additional haul trucks from February for the first 2-3 years to help with the higher rock movement over that period.

The renovation of the accommodation camp is almost completed and 80% of the site-based employee and contractors have been recruited.



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

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

STRENGTH RATING													STRENGTH RATING														
Company	Share Price	Cur- rent	4-Wk Chg.	Rank	Insider Buying	Relative Strength	Price to NTA	Return on Equity	Volatility	Price Earnings Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank	Insider Buying	Relative Strength	Price to NTA	Return on Equity	Volatility	Price Earnings Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n
<b>UNDER-VALUED SHARES:</b> Lowest Price/Sales, Yld > 0, Rel Strength > 0													<b>WORST PERFORMING SHARES:</b> Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average														
Warehouse Group	203	+0.6	-0.3	28	0-0	6	1.5	5	0.7	31	10.9	0.23	700	Asset Plus	57	-0.9	-1.3	44	0-0	-	0.8	3	0.7	30	6.3	5.53	92
Col Motor Co	783	+0.0	-2.1	33	2-0	-	1.3	13	0.4	10	8.9	0.28	256	EROAD Ltd	243	-12.9	-3.2	90	1-0	-	3.2	-	0.9	NE	Nil	4.47	146
T&G Global	180	+0.0	+0.0	38	0-0	-	0.7	6	0.7	13	2.3	0.29	211	Augusta Capital	105	-1.0	-1.5	45	0-0	2	1.1	9	0.5	12	5.2	3.94	92
Ebos Group Ltd	2100	+1.9	-3.6	21	0-0	6	2.7	13	0.5	21	3.6	0.42	3,203	NZ Exchange Ltd	99	-4.4	-1.2	64	0-1	3	3.8	21	0.6	18	8.6	3.53	266
Tegel Group	122	+3.9	-1.1	13	0-0	5	0.9	5	1.0	17	8.6	0.71	434	Blis Technology	2	-1.1	+0.4	45	0-0	-	5.0	-	4.1	NE	Nil	3.53	20
<b>BEST PERFORMING SHARES:</b> Strongest Shares, P/E < 20, P/S < 1.0													<b>INSIDER BUYING:</b> Most Insider Buying, Relative Strength > 0														
Rakon Ltd	31	+10.4	-2.0	5	2-0	-	0.8	11	1.3	7	Nil	0.70	71	Port Tauranga	505	+0.2	-1.1	30	5-0	6	3.1	8	0.3	36	3.5	N/A	3,435
Tegel Group	122	+3.9	-1.1	13	0-0	5	0.9	5	0.7	17	8.6	0.71	434	Rakon Ltd	31	+10.4	-2.0	5	2-0	-	0.8	11	1.0	7	Nil	0.70	71
Cavalier Corp	55	+0.7	-3.7	27	2-0	-	0.5	6	1.1	9	Nil	0.26	38	Col Motor Co	783	+0.0	-2.1	33	2-0	-	1.3	13	0.3	10	8.9	0.28	256
Col Motor Co	783	+0.0	-2.1	33	2-0	-	1.3	13	0.3	10	8.9	0.28	256	Cavalier Corp	55	+0.7	-3.7	27	2-0	-	0.5	6	0.9	9	Nil	0.26	38
T&G Global	180	+0.0	+0.0	38	0-0	-	0.7	6	0.5	13	2.3	0.29	211	IkeGPS Limited	75	+16.6	+4.5	2	2-0	-	7.4	-	0.9	NE	Nil	7.61	59
<b>INCOME SHARES:</b> Highest Yields, Capitalisation > NZ\$100 million													<b>INSIDER SELLING:</b> Most Insider Selling, Relative Strength < 0														
Metro Per Glass	56	-15.6	-5.3	94	5-0	5	0.7	14	1.0	5	18.8	0.55	104	A2 Milk Company	1135	-2.1	+0.4	53	0-10	9	60.7	23	0.4	266	Nil	N/A	8,081
Hallenstein G.	424	-3.6	-7.6	60	0-2	-	3.7	40	0.5	9	14.4	0.90	251	F & P Health.	1360	-5.4	-2.0	67	1-7	8	11.7	26	0.2	46	2.2	8.63	7,716
AMP Limited	272	-20.1	-1.0	95	0-0	9	1.0	12	0.6	8	11.7	1.12	7,849	Gentech Group	514	-9.4	-6.1	82	0-3	2	3.6	10	0.3	36	3.2	5.72	430
Air New Zealand	316	-2.7	+2.0	54	1-4	7	1.6	18	0.5	9	11.4	0.42	3,548	Air New Zealand	316	-2.7	+2.0	54	1-4	7	1.6	18	0.4	9	11.4	0.42	3,548
NZME Limited	55	-17.3	-1.7	94	1-0	2	0.4	7	1.0	5	11.4	0.28	108	Ryman Health.	1124	-4.3	-4.3	63	1-4	5	2.9	17	0.4	17	1.8	N/A	5,620
Warehouse Group	203	+0.6	-0.3	28	0-0	6	1.5	5	0.5	31	10.9	0.23	700	Kiwi Property	139	-0.3	-0.3	42	0-2	7	1.0	6	0.4	16	6.9	7.89	1,967
NZ Refining Co	237	-4.3	-1.9	62	0-0	3	0.9	10	0.4	9	10.5	1.80	741	Hallenstein G.	424	-3.6	-7.6	60	0-2	-	3.7	40	0.4	9	14.4	0.90	251
Sky Network TV	198	-6.7	-1.0	74	1-0	7	0.8	12	0.6	6	10.5	0.92	770	Scales Corp Ltd	438	-3.0	-2.2	56	0-1	2	2.8	14	0.4	19	6.0	1.54	615
Kathmandu Ltd	225	-5.4	-5.7	68	0-0	4	0.0	0	0.8	10	9.3	1.02	507	NZ Oil & Gas	49	-5.5	-3.1	68	0-1	-	0.6	1	0.7	108	Nil	2.30	82
Marlin Global	85	-2.0	-3.1	51	0-0	-	0.8	20	0.7	4	8.9	N/A	101	Synlait Milk	927	-8.6	-1.8	79	0-1	5	5.3	13	0.3	39	Nil	2.48	1,357
<b>OVER-VALUED SHARES:</b> Highest Price/Sales Ratios, Relative Strength < 0																											
MetLifeCare	528	-6.7	-3.3	75	5-0	4	0.8	8	0.5	9	1.9	9.78	1,125														
Vital Health PT	206	-58.3	+0.0	98	0-0	4	1.0	25	0.4	4	4.1	9.61	883														
Stride Property	191	-9.5	+1.9	83	0-0	-	1.0	13	0.3	8	6.7	9.41	696														
F & P Health.	1360	-5.4	-2.0	67	1-7	8	11.7	26	0.2	46	2.2	8.63	7,716														
Kiwi Property	139	-0.3	-0.3	42	0-2	7	1.0	6	0.4	16	6.9	7.89	1,967														
Kingfish Ltd	135	-1.7	-0.7	48	0-0	-	1.0	10	0.5	10	8.3	7.75	213														
Gentech Group	514	-9.4	-6.1	82	0-3	2	3.6	10	0.3	36	3.2	5.72	430														

62%Fe ore prices remain high at around US\$74/tonne, with higher grade 65%Fe trading at around a 20% premium.

### Mt Gibson Iron



Village Roadshow has refinanced its existing bank debt facilities and now has a 5-year \$110 million facility and a 3-year \$230 million revolving facility.

### Village Roadshow





## “Insider” Trades in NZ Shares

The table below shows the number of Purchases and Sales of a company's shares by its Directors over the last twelve months (excluding “Neutral” situations where the number of Buyers and Sellers were equal). Shares where many “insiders” have been buying can outperform the market for up to two years, while shares where many “insiders” have sold can under-perform for a similar period.

### “Insider” Indicators

Last 5 wks: 63.6% Buyers  
Last 13 wks: 63.5% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
A2 Milk Company	0-10	Contact Energy	4-2	IkeGPS Limited	2-0	NZ King Salmon	6-0	Skellerup Hold.	0-3
AWF Madison Grp	2-0	Delegat Group	0-1	Infratil NZ	1-0	NZ Oil & Gas	0-1	Sky Network TV	1-0
Air New Zealand	1-4	EROAD Ltd	1-0	Investore Prop.	1-0	NZME Limited	1-0	Spark NZ Ltd	1-4
Akd Int Airport	0-2	F & P Health.	1-7	Kiwi Property	0-2	Port Tauranga	5-0	Steel & Tube	1-0
Allied Farmers	0-1	Fletcher Build.	9-0	Mainfreight Grp	0-5	Precinct Prop.	1-5	Summerset Group	2-0
Argosy Property	2-0	Foley Fam Wines	1-0	Mercer Group	1-0	Rakon Ltd	2-0	Synlait Milk	0-1
Arvida Group	1-0	Fonterra S/H Fd	2-0	Mercury NZ	1-0	Ryman Health.	1-4	TeamTalk Ltd	3-0
Cavalier Corp	2-0	Freightways Ltd	3-1	MetLifeCare	5-0	Sanford Limited	1-0	Trade-Me Ltd	0-2
Chorus Ltd	3-1	Gentech Group	0-3	Metro Per Glass	5-0	Scales Corp Ltd	0-1	Vector Ltd	1-0
Col Motor Co	2-0	Green Cross H.	1-0	Moa Group Ltd	1-0	Scott Tech. Ltd	1-0	Vista Group Ltd	0-1
Comvita	6-3	Hallenstein G.	0-2	NZ Exchange Ltd	0-1	Seeka Kiwifruit	1-0		

## “Insider” Trades in Australian Shares

The table below shows the number of Purchases and Sales of a company's shares by its Directors over the last twelve months (excluding “Neutral” situations where the number of Buyers and Sellers were equal). Shares where many “insiders” have been buying can outperform the market for up to two years, while shares where many “insiders” have sold can under-perform for a similar period.

### “Insider” Indicators

Last 5 wks: 88.7% Buyers  
Last 13 wks: 89.3% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
360 Capital TR	4-0	Acrow Formwork	6-0	Alligator En.	3-0	Ashley Services	1-0	Aust Vintage	9-0
360 Capital Grp	1-0	Acrux Ltd	3-0	Alpha HPA Ltd	1-0	Aspermont Ltd	1-0	Austin Eng.	4-0
3P Learning	3-0	Actinogen Med.	1-0	Alseran Res.	2-0	Atlas Arteria	1-0	Aust Agricult.	1-0
8I Holdings	1-0	Ad Braking Tech	4-0	Alt Resources	0-1	Atrum Coal Ltd	12-0	Austral Gold	1-0
8common Ltd	0-1	Adacel Tech.	2-0	Altech Chemical	0-1	AuMake Int.	1-0	Australis O & G	5-0
A.P. Eagers	17-0	Adairs Limited	1-6	Altium Limited	4-2	Auctus Alt Inv	2-0	Aust Dairy Nut.	3-0
AFT Pharma.	1-0	Adherium Ltd	5-0	Alto Metals	3-0	Audinate Group	1-3	Autero Minerals	2-0
AGL Energy Ltd	2-1	Adriatic Metals	1-0	Alumina Ltd	1-0	Aurelia Metals	3-0	Autosports Grp	5-0
AHALife Hold.	1-0	Adslot Ltd	1-3	Ambition Group	1-0	Auris Minerals	3-0	Automotive Hold	6-0
AIC Resources	2-0	Advance NanoTek	3-0	Amcor Ltd	6-0	Aurizon Hold.	2-0	Aventus Retail	1-0
ALS Limited	3-1	Aeris Resources	3-0	Anatara Life.	2-0	Aurora Labs	1-0	Axiom Property	5-0
AMA Group Ltd	0-2	Afterpay Touch	0-4	Angel Seaford	5-0	Aurora Minerals	4-0	Azumah Res.	1-0
AMCIL Limited	2-0	Agency Grp Aust	1-0	Ansell Ltd	2-1	Aurora Absolute	1-0	Azure Minerals	2-0
APA Group	3-0	Aims Property	4-0	Anteo Diagnost.	2-0	AusNet Services	4-2	Azure Health.	1-0
APN Property	7-0	Ainsworth Game	5-0	Antisense T.	1-0	Ausdrill Ltd	0-1	BARD1 Life Sci.	0-1
ARB Corporation	2-0	Airxpanders Inc	1-0	Apiam Animal H	7-0	Ausgold Ltd	2-0	BBX Minerals	0-4
ARQ Group	5-0	Alacer Gold	0-1	Apollo Cons.	1-0	Ausmex Mining	1-0	BCI Minerals	4-0
AUB Group	1-0	Alara Resources	2-0	Appen Limited	0-3	Aust Finance Gr	4-0	BHP Group Ltd	1-0
AVA Risk Group	4-0	Alchemy Res.	2-0	Arc Exploration	1-0	Aust Foundation	5-0	BIR Financial	2-0
AVEO Group	5-0	Alcidian Group	3-0	Argo Global LI	1-0	Aust Leaders Fd	7-1	BKI Invest Coy	2-0
Absolute Equity	0-3	Alice Queen Ltd	1-0	Argo Investment	1-0	Aust Ethical In	0-1	BSA Ltd	2-0
Abundant Prod.	2-0	Alkane Explor.	4-0	Ariadne Aust	0-1	Aust Bauxite	1-0	BWX Limited	3-0
Academies Aust.	14-0	Alliance Aviat.	0-4	Aristocrat Leis	5-1	Aust Potash	1-0	Babylon Pump	0-2
Accent Group	3-0	Alliance Res.	1-0	Arrow Minerals	1-0	Aust Pharm. Ind	6-0	Baby Bunting Gr	2-1



Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Bailador Tech.	1-0	Cannpal Animal	3-0	Costa Group	4-1	Enero Group Ltd	2-0	Gazal Corp	0-1
Bank of Q'land	3-0	Canyon Res.	0-1	Countplus Ltd	8-0	Energy World	6-0	Genera Bio.	3-0
Bapcor Limited	1-0	Cape Range Ltd	0-1	Covata Limited	2-0	Engage:BDR Ltd	1-0	Genesis Res Ltd	0-1
Bardoc Gold	1-0	Cape Lambert R.	5-0	Coventry Group	5-0	Ensurance Ltd	8-0	Genetic Sign.	1-0
Base Resources	1-0	Caravel Min.	1-0	Cradle Res.	3-0	Entek Energy	3-0	Genex Power	1-0
Bass Oil Ltd	0-2	Carawine Res.	4-0	Credit Corp	0-5	Environm't Grp	1-0	Genesis Mineral	2-0
Bass Metals Ltd	2-0	Carbonxt Group	1-0	Credible Labs	1-0	Envirosuite Ltd	1-2	Genworth Mort.	2-0
Battery Mineral	3-0	Cardinal Res.	1-0	Cromwell Prop.	2-1	Eon NRG Ltd	1-0	Geopacific Res.	1-0
Bauxite Res.	2-0	Carlton Invest	1-2	Croplogic Ltd	2-0	Equity Trustees	8-0	Getswift Ltd	3-0
Beacon Lighting	1-0	Carnavale Res.	1-0	Crown Media	1-0	Estia Health	1-0	Glennon Sm Coys	7-0
Beach Energy	6-0	Carnarvon Pet.	2-0	Crusader Res.	1-0	Estrella Res.	1-0	Global Master F	1-0
Bega Cheese Ltd	1-3	Carsales.com	2-1	Cryosite Ltd	2-0	Eureka Group	2-0	Globe Int'l Ltd	1-0
Bellevue Gold	1-0	Cash Converters	1-0	Cullen Resource	4-0	Euro Manganese	4-0	Global Energy V	1-0
Bendigo Bank	2-0	Catalyst Metals	0-2	Cyclopharm Ltd	2-0	Euroz Limited	6-0	Global Value Fd	5-0
Benitec Bio.	1-0	Catapult Group	1-0	DGO Gold	5-0	Euro. Lithium	3-0	Golden Rim Res.	1-0
Berkut Minerals	1-0	Cazaly Res Ltd	2-0	Dart Mining NL	1-0	Evans Dixon Ltd	2-0	Gold Mountain	1-0
Beston Glb Food	1-0	Cedar Woods Prp	1-0	Data 3 Ltd	5-1	Event Hospital.	2-0	Gold Road Res.	6-1
Bid Energy Ltd	8-0	Cellmid Ltd	1-0	Desane Group	1-0	Exore Resources	1-0	Golden Mile Res	4-0
Bigtincan Hold.	0-1	Celsius Res.	1-0	Devex Resources	7-0	Experience Co	3-1	Goldfields Mon.	1-0
Bingo Indust.	2-0	Century Aust In	2-0	Dicker Data Ltd	10-0	F.F.I. Holdings	2-0	Goodman Group	2-3
Biotron Limited	0-4	Central Petrol.	9-0	Digital CC Ltd	2-1	FAR Ltd	4-0	Gowing Brothers	1-0
Bioxyne Ltd	4-0	Centrepoint All	3-0	Digital Wine V.	1-0	FSA Group Ltd	1-0	Graincorp	4-0
Blackwall Prop.	5-1	Challenger Ltd	4-0	Dimeriz Limited	2-0	FYI Resources	4-1	Grange Resource	1-0
Black Cat Syn.	2-0	Chalice Gold	1-0	Djerriwarrh	5-0	Family Zone CS	1-0	Greencross Ltd	5-0
Black Dragon Gd	1-0	Champion Iron	8-0	Domain Holdings	12-0	Farmaforce Ltd	3-0	Greenland Min.	2-0
Blackstone Min.	3-1	Chant West Hold	2-0	Domacom Ltd	0-1	Fat Prophets Gl	3-0	Growthpoint Pro	1-0
Blackmores Ltd	0-2	Charter Hall GR	0-1	Domino's Pizza	0-3	Fertoz Limited	1-0	Gt Southern Min	1-0
Blackwall Ltd	3-0	Chart H Retail	2-0	Donaco Inter'l	4-0	Fiducial Group	3-0	Gt Western Exp.	1-0
Bligh Resources	1-0	Cirrus Networks	4-0	Dongfang Modern	7-0	Field Solutions	1-0	Gulf Manganese	0-2
Blue Sky Alt In	5-2	Cirralto Ltd	2-1	Doriemus plc	2-0	Finbar Group	2-0	Gullewa Ltd	0-1
Blue Sky Alter.	1-0	Citigold Corp	1-0	Downer EDI Ltd	3-0	First Cobalt	5-0	HGL Limited	3-0
Boadicea Res.	3-0	City Chic Coll.	1-0	Dragontail Sys.	2-0	First Gth Funds	0-3	HHY Fund	2-0
Boart Longyear	2-0	Class Limited	1-0	Dreamscape Net.	9-0	Flagship Invest	5-0	HRL Holdings	3-0
Bod Australia	1-0	Clearview Wlth	1-0	Duxton Water	6-0	Flamingo AI Ltd	2-0	HUB24 Limited	0-4
Boom Logistics	2-0	Clearvue Tech.	0-1	Duxton B. Farm	1-0	Flexicorp Ltd	1-0	Harvey Norman	4-3
Bowen Coking C.	6-0	Clean Teq Hold.	4-1	E2 Metals Ltd	1-0	Flexiroam Ltd	0-1	Havilah Res.	1-0
Brainchip Hold.	0-2	Clean Seas Sea.	5-0	EML Payments	2-1	Flight Centre	1-0	Hazer Group Ltd	1-0
Breaker Res NL	3-0	Cleanaway Waste	4-0	EVE Investments	1-0	Fortescue Metal	4-0	Healthscope	2-0
Breville Group	8-0	Clime Inv Mgmt	5-0	EVZ Ltd	3-0	Freedom O & G	3-0	Healius Ltd	1-0
Brickworks Ltd	0-1	Clover Corp.	3-0	Easton Invest.	6-0	Freelancer Ltd	8-0	Hearts & Minds	1-0
Brookside En.	1-0	Cobalt Blue	3-0	Echo Resources	4-0	Freehill Mining	1-0	Helix Resources	2-0
Bryah Resources	1-0	CocaCola Amatil	2-0	Eclipse Metals	0-1	Freedom Foods	2-1	Helloworld Trav	8-2
Buddy Platform	0-1	Cochlear Ltd	3-2	Ecliplx Group	6-0	Frontier Digit.	2-0	Heron Resources	1-0
Buderim Group	4-0	Codan Ltd	0-1	Eden Innovation	0-1	Future Gen Inv	1-0	Hexagon Res.	1-0
Buru Energy Ltd	0-1	Coles Group	4-0	Egan Street Res	0-1	Future Gen Glb	3-0	High Peak Royal	1-0
C.S.R. Ltd	3-1	Collaborate	1-0	Eildon Capital	2-0	G Medical Inn.	3-0	Hills Limited	6-0
CBG Capital	4-0	Collection Hse	4-0	Elanor Investor	3-0	G.U.D. Holdings	10-1	Hipo Resources	1-0
CFoam Limited	6-0	Collins Foods	1-2	Elanor Ret Prop	1-0	G8 Education	10-0	Horizon Gold	1-0
CIMIC Group	2-1	Com'wealth Bank	1-0	Elders Limited	3-0	GBST Holdings	1-0	Hot Chili Ltd	2-0
CMI Limited	2-0	Computershare	3-4	Electro Optic	1-0	GDI Property	0-2	HotCopper Hold.	2-0
CML Group	2-0	Con Retail REIT	1-0	Elk Petroleum	0-1	GPT Group	3-0	Hotel Property	2-0
CSG Ltd	2-0	Cons Operations	5-1	Ellex Medical	2-0	Galan Lithium	1-0	Huon Aquacult.	2-0
CSL Limited	1-4	Cons Zinc Ltd	3-2	Elmo Software	2-0	Galena Mining	1-0	IMEXHS Ltd	2-0
CV Check Ltd	0-1	Contango Asset	3-0	Elsight Limited	4-0	Gale Pacific	0-1	IMF Bentham Ltd	0-1
Cadence Capital	1-0	Coolgardie Min.	2-0	Empire Sec.	2-0	Galilee Energy	3-0	IOOF Holdings	4-0
Calidus Res.	3-0	Cooper Energy	2-0	Emvision Med.	1-0	Garda Div Prop	2-0	IOT Group	0-2
Caltex Austria	5-0	CopperMoly Ltd	0-1	Eneabba Gas Ltd	1-0	Garda Capital	1-0	IPB Petroleum	3-0
Cann Group	4-0	Copper Strike	1-0	Energy One Ltd	0-3	Gascoyne Res.	3-0	IPH Limited	2-1



Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
IRESS Limited	2-1	Korvest Ltd	3-0	Mejority Cap'l	1-0	Nick Scali Ltd	2-1	Piedmont Lith.	2-0
Icar Asia Ltd	4-0	L1 Long Short	20-0	Melbana Energy	1-0	Nine Entertain.	4-0	Pilbara Mineral	1-0
Iluka Resources	3-0	Landmark White	2-0	Memphasys Ltd	4-0	Norwest Energy	1-0	Pinchme.com Inc	2-0
Image Resources	1-0	Laramide Res.	2-0	Mercantile Inv.	2-0	Nova Minerals	2-0	Pinnacle Invest	3-5
Imdex Limited	0-1	Latam Autos	0-1	Metallica Min.	2-0	Novita Health.	5-0	Pivotal Systems	1-0
Impetus Limited	1-0	Leaf Resources	1-0	Metals X Ltd	3-0	Novonix Ltd	1-0	Platina Res.	1-0
Impedimed Ltd	1-0	Lefroy Explor.	2-0	Metal Bank Ltd	1-0	Nthn Star Res.	0-2	Platinum Asset	1-0
Imugene Ltd	3-1	LendLease Group	3-1	Metalstech Ltd	4-0	Nufarm Limited	3-0	Polynovo Ltd	9-0
Inca Minerals	1-0	Lepidico Ltd	0-3	Metcash Ltd	3-0	Nuheara Limited	0-1	Poseidon Nickel	1-0
Incentia Pay	3-0	Lifespot Health	1-0	Meteoric Res.	1-0	Nzuri Copper	1-0	Powerhouse Ven.	1-0
Indago Energy	1-0	Lindsay Aust	1-0	Metgasco Ltd	3-0	OBJ Limited	3-0	Praemium Ltd	1-0
Independ. Group	6-0	Link Admin.	2-0	Michael Hill	3-0	OFX Group	2-0	Predictive Disc	1-0
Indiana Res.	2-0	Lion Selection	2-0	Micro-X Limited	1-0	OZ Minerals Ltd	3-1	Prime Financial	2-0
Indoor Skydive	2-0	Lion Energy Ltd	1-0	Midway Limited	2-1	Oceania Capital	6-0	Prime Media Grp	1-2
Infomedia Ltd	3-0	Liq Natural Gas	6-0	Millennium Serv	2-0	Octanex Ltd	1-0	Pro Medicus Ltd	0-2
Ingenia Com Grp	2-4	Livehive Ltd	3-2	Milton Corp.	1-0	Oil Search Ltd	0-3	Pro-Pac Pack.	5-2
Insurance Aust.	0-1	Locality Plan.	1-2	Mincor Resource	3-0	Okapi Resources	1-0	Probiotec Ltd	5-0
Int Research	0-1	Logicamms Ltd	1-0	Mindax Limited	0-1	Oliver's Real F	3-0	Prodigy Gold	1-0
Intermin Res	0-1	London City Eq.	1-0	Mineral Res.	2-0	Onemarket Ltd	2-0	Propel Funeral	1-0
Integral Diag.	6-2	Longtable Group	2-0	Mineral Commod.	2-0	Ookami Limited	1-0	Property Conn.	8-0
Investsmart Grp	3-0	Love Group Glob	5-0	Minotaur Exp.	2-0	Orbital Corp	2-0	Prophecy Int'l	1-0
Invitrocue Ltd	1-0	Lucapa Diamond	1-0	Mirrbooka Inv.	1-0	Orcoda Limited	1-0	PropertyLink	1-0
Invictus Energy	1-0	Lycopodium Ltd	0-1	Mirvac Group	5-1	Origin Energy	3-0	Protean Energy	1-0
loneer Limited	1-0	Lynas Corp Ltd	2-0	Mitula Group	0-1	Orinoco Gold	3-0	Pure Profile	2-0
Iselect Limited	1-0	MCS Services	2-0	Monash IVF Grp	6-0	Orion Minerals	4-0	Pursuit Mineral	1-0
Isentia Group	1-0	MFF Capital Inv	7-0	Monadelpous Gr	2-0	Orminex Ltd	2-0	QEM Limited	1-0
JB Hi-Fi Ltd	3-1	MGM Wireless	1-0	Money3 Corp Ltd	0-2	Orocobre Ltd	6-0	QMS Media	2-0
Jameson Res.	1-0	MMA Offshore	2-0	Moreton Res Ltd	3-1	Orora Limited	0-3	QV Equities Ltd	2-0
James Hardie	1-0	MSL Solutions	4-0	Mortgage Choice	1-0	Osprey Medical	2-0	Qantas Airways	5-1
Janus Henderson	4-2	MYOB Group	1-0	Motorcycle Hold	1-0	Ottoman Energy	3-1	Quantify Tech.	1-0
Japara Health.	2-0	MacPhersons R G	1-0	Mt Gibson Iron	6-0	Oventus Medical	3-0	Qube Holdings	1-2
Jatenergy Ltd	0-2	Maca Limited	2-0	Mt Ridley Mines	1-0	PMP Limited	11-0	Quickstep Hold.	2-0
Jayex Health.	1-0	Mach7 Tech.	1-0	Murray Cod Aust	1-0	PPK Group Ltd	7-0	RBR Group	1-0
Jervois Mining	5-0	Macquarie C Tel	0-1	Murray River Or	2-0	PSC Insurance	2-1	RCR Tomlinson	4-0
Jiancheng Int'l	0-1	Macquarie Group	4-0	Myer Holdings	9-0	PTB Group Ltd	1-0	REA Group Ltd	0-1
Jindalee Res.	3-0	Magellan Fin Gp	1-0	Mystate Ltd	5-0	PWR Holdings	2-1	RMA Global	8-0
Johns Lyng Grp	3-0	Magmatic Res.	1-0	NAOS Small Cap	6-0	Pacific Energy	2-0	RPMGlobal Hold.	1-0
Joyce Corp.	2-0	Magnetic Res.	1-0	NAOS Ex-50 Opps	5-0	Pacific Smiles	11-0	RXP Services	2-0
Jumbo Interact.	0-4	Magnum Mining	0-1	NGE Capital	1-0	Pact Group Hold	9-0	Raiden Res.	1-0
K&S Corporation	1-0	Magnis Energy T	8-1	NTM Gold Ltd	2-0	PanTerra Gold	0-1	Raiz Invest.	11-0
K2 Asset Mgmt	2-4	Mainstream Grp	4-1	NVOI Limited	3-0	Pancontinental	0-1	Ramsay Health	0-3
K2fly Ltd	2-0	Manas Resources	2-0	Nanoveu Limited	1-0	Panoramic Res.	0-1	Readcloud Ltd	2-0
KGL Resources	3-0	Marindi Metals	4-0	Nanosonics Ltd	1-6	Paragon Care	2-0	Real Energy	2-0
KYCKR Limited	2-0	Marley Spoon AG	1-0	Nanollose Ltd	1-0	Paradigm Bio.	1-0	Real Estate Inv	1-0
Kairiki Energy	0-1	Marmota Ltd	5-0	Nat Veterinary	5-0	Parkd Limited	8-0	Reckon Limited	0-3
Kasbah Resource	3-0	Mastermyne Grp	1-0	Nat'l Aust Bank	0-1	Peako Limited	1-0	Red River Res.	1-0
Kazia Thera.	2-0	Matador Mining	3-0	National Tyre	7-0	Peet Ltd	0-2	Red 5 Ltd	1-0
Kelly Partners	1-0	Matrix Comp.	2-0	Navarre Min.	0-2	Pendal Group	9-0	Red Mountain	1-0
Kibaran Res.	4-0	Maxi TRANS	3-0	Navigator GI In	0-1	Pengana Capital	7-0	Redbubble Ltd	3-1
Kidman Res Ltd	1-0	Mayne Pharma Gr	2-0	Neometals Ltd	0-2	Peninsula Mines	1-0	Redflow Limited	1-0
Kin Mining NL	3-0	Mayur Resources	4-0	NetComm Wire.	3-2	Peninsula En.	3-0	Redflex Holding	6-0
Kina Securities	4-0	McGrath Limited	3-0	Netwealth Group	1-0	Pental Limited	1-0	Redhill Educat.	0-1
Kingrose Mining	2-0	McPherson's Ltd	9-0	Neuren Pharm.	3-0	People Infra.	2-0	Redstone Res.	3-1
Kneomedia Ltd	1-0	Medibio Limited	1-0	Neuroscientific	1-0	Perpetual Ltd	2-1	Regeneus Ltd	1-0
Kogan.com Ltd	2-5	Medical Dev Int	2-1	New Century Res	3-0	Perseus Mining	1-0	Regis Resources	3-0
Konekt Limited	1-0	Medibank Priv.	5-0	New Energy Sol.	10-0	Petratherm Ltd	1-0	Regis Health.	1-0
Kopore Metals	1-0	Megaport Ltd	0-1	Newcrest Mining	0-1	Pharmaust Ltd	2-0	Rent.com.au Ltd	3-0
Kore Potash plc	3-0	Megnetite Mines	2-0	Nib Holdings	1-2	Phoslock Env.	0-2	Resolute Mining	3-1

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Resonance Hlth	3-0	Shopping Centre	1-2	Strata-X Energy	1-0	Thorney Tech.	4-0	WAM Global	6-0
Respri Limited	1-0	Shriro Holdings	1-0	Stream Group	3-1	Thorn Group Ltd	1-0	WAM Leaders	5-0
Reva Medical	10-0	Sietel Ltd	1-0	Strike Energy	1-0	Thorney Opp.	7-0	WPP AUNZ Ltd	2-0
Reward Minerals	10-0	Sigma Health.	5-0	Structural Mon.	1-0	Thred Ltd	2-0	Wangle Tech.	2-0
Rewardle Hold.	1-0	Sihayo Gold Ltd	0-1	Sultan Res.	4-0	Thunselarra Ltd	2-0	Watermark Fund	3-1
Rhinomed Ltd	1-0	Silver Chef Ltd	14-0	Sunbridge Group	0-2	Tigers Realm	1-0	Watermark Glb.	3-0
Rhipe Limited	0-4	Silver Lake Res	0-2	Suncorp Group	8-0	Tinybeans Group	1-0	Wattle Health	1-0
Rimfire Pacific	1-0	Silver City Min	1-0	Sundance Energy	9-1	Transurban Grp	2-1	Webjet NL	2-0
Rio Tinto Ltd	3-0	Simonds Group	5-0	Sunstone Metals	2-0	Treasury Wine	6-1	Weebit Nano Ltd	0-2
Roots Sust Agr	1-0	Sims Metal Mgmt	5-3	Superior Lakes	2-0	Tribeca G Nat R	2-0	West Wits Min.	1-0
Rox Resources	3-0	Skin Elements	1-0	Super Retail Gr	9-0	Triton Minerals	1-0	Westpac Banking	4-0
Rumble Resource	3-0	Slater & Gordon	0-1	Superloop Ltd	0-1	Trustees Aust.	4-1	West African R.	1-0
Ruralco Hold.	1-0	Smart Parking	1-0	Swick Min Serv	1-0	Tychean Res.	0-1	Western Areas	3-2
S2 Resources	2-0	Smartgroup Corp	3-0	Sydney Airport	2-0	UCW Limited	2-0	Westgold Res.	3-0
SDI Limited	1-0	Smiles Incl.	9-0	Synertec Corp.	1-0	Ultracharge Ltd	1-0	Weststar Indust	1-0
SG Fleet Group	0-1	Somnomed Ltd	2-0	Syrah Resources	3-0	Un. Biosensors	2-0	White Cliff Min	2-0
SRG Global	7-0	Sonic Health	4-2	THC Global Grp	3-0	Universal Coal	1-0	Whitefield Ltd	4-0
Sabre Resources	0-1	Soul Pattinson	2-0	TNG Limited	1-0	Urbanise.com	1-0	White Energy Co	2-0
Salmat Ltd	1-0	South32 Limited	3-1	TPI Enterprises	1-0	VGI P. Global	7-0	Wingara AG Ltd	2-0
Santa Fe Min.	1-0	Spark Infrastru	3-0	TZ Limited	5-0	Valmec Limited	6-5	Wisetech Global	0-1
Santos Ltd	4-0	Spectur Ltd	1-0	Tabcorp Holding	6-1	Vault Intell.	3-0	Wisr Ltd	2-0
Saracen Mineral	2-1	Speedcast Int'l	6-0	Talga Resources	3-0	Veem Limited	4-0	Wollongong Coal	4-0
Scandi Vanadium	1-0	Spicers Limited	0-1	Tamawood Ltd	4-0	Venturex Res.	3-0	Woodside Petrol	0-1
Scentre Group	5-0	Spirit Telecom	1-0	Tando Resources	3-0	Venus Metals	4-1	Woolworths Grp	2-0
Schrole Group	1-0	St Barbara Ltd	0-1	Tasman Resource	1-0	Veris Ltd	10-0	Woomera Mining	1-0
Scidev Limited	1-0	Star Entertain.	10-1	Tassal Group	4-0	Vicinity Centre	5-0	Worley Group	2-0
Scottish Pac.	3-0	Starpharma Hold	9-1	Techniche Ltd	2-0	Village Road.	0-3	XRF Scientific	2-0
Scout Security	6-0	Stavely Mineral	1-0	Telex Pharma.	1-0	Vimy Resources	1-0	Xanadu Mines	6-0
Sealink Travel	3-5	Steadfast Group	1-2	Temple Webster	2-0	Virgin Aust	2-0	Xenith IP Group	0-1
Seek Ltd	3-2	Stellar Res.	2-0	Templeton Globa	2-0	Virtus Health	2-0	Xref Limited	0-2
Select harvest	1-2	Sth Cross Elect	0-1	Tempo Australia	4-0	Visioneering T.	1-0	Xtek Ltd	2-0
Senex Energy	11-1	Sth Cross Media	6-0	Terracom Ltd	15-0	Vita Group Ltd	0-2	YPB Group Ltd	1-0
Sensera Limited	5-0	Stockland	7-0	Tesserent Ltd	0-1	Vivid Tech.	1-0	Yellow Brick Rd	1-0
Servcorp Ltd	4-0	Strandline Res.	1-0	The Betmakers	2-0	Vmoto Ltd	9-0	Yowie Group Ltd	2-0
Service Stream	0-1	Strat. Energy	1-0	The GO2 People	7-0	Vocus Group Ltd	5-0	Zicom Group	3-0
Seven West Med.	3-0	Strategic Min.	1-0	Think Childcare	0-1	WAM Research	0-2	Zip Co Ltd	2-0
Sheffield Res.	2-1			Thomson Res.	1-0			Zyber Holdings	1-0

## Readers Ask . . .

**Question:** Your assessment of FBR in the December Market Analysis is somewhat reassuring. The share price has now fallen below 7 cents and I've been buying more with every drop in price and the unbalanced portfolio has become even more skewed in favour of FBR, so I hope I'm right in seeing this as a great opportunity to buy more and reduce average price paid.

If the share is now so low, why aren't the directors buying up shares to get themselves a bargain? What are your thoughts?

**Answer:** The director/founders have a *very large* shareholding, so we would not expect them to be buying further shares.

But - the main investment attraction of a company like FBR (and many of our other shares) is the potential for asymmetric returns. If any company is unsuccessful then

the most we can lose is 100%, but if it is successful the shares could increase 10-fold (1000%) or 100-fold (10,000%) in value.

The idea is not to have an "unbalanced portfolio becoming even more skewed" in favour of only one company, but to hold 10 or 20 *different* shares, each of which offer asymmetric returns.

Don't "bet the farm" on only one company, but make 10-20 "seed" investments - some of which will wither and die but some of which will grow into mighty companies! The success or failure of any particular individual company will become irrelevant as this strategy will grow the portfolio value over the medium to long term.

Your Editor has also been actively buying more FBR shares over the last month, but at current market values the company is about the 13th largest holding at slightly less than 3% of the Australian share portfolio.





## Investment Outlook

(Continued from Page 1)

rising trade tensions with the United States”.

What Apple does not mention is the much greater impact from the stronger US dollar. The December 2017 quarter benefited from a lower US exchange rate (which boosts foreign revenues and profits in US dollars) and now the December 2018 quarter will suffer from the higher US dollar exchange rate. The US dollar trade weighted exchange rate is up 7-8% over the last year.

Slower economic growth rates in China (starting in the last half of 2018) and in the United States (starting in the last quarter of 2018) will impact the revenue and profit growth of all US growth and Technology companies. The higher US dollar exchange rate will also lower the revenue and profitability of foreign sales of these US companies.

So throughout at least the first half of 2019, US growth and technology companies will, like Apple, be issuing lower guidance and reporting lower quarter revenue and growth rates. Each of these reports will likely see these shares -which were re-rated “too high” in 2018 after eight quarters of strong economic growth - down rated to more reasonable levels during much of 2019. Cutting interest rates or a “trade deal” won't prevent these lower reports.

European Industrial Production statistics released last week for Germany, the UK, Ireland, France, Italy and Spain all showed steep declines for November 2018. Many to their lowest level in 5-9 years! These statistics (reported after a delay of 4-6 weeks) are a leading indicator of Gross Domestic Product (reported after 4-7 months) and a leading indicator of individual company revenue, profit and dividends.

So GDP will likely slow in late 2018 and through early to mid-2019. *Slower* and/or *lower* revenue and profit (and dividend) growth will likely see European share prices re-rated lower in the short to medium term.

The only good news is that 5-9 year lows show Europe is well into the economic downturn and that the next cyclical upturn cannot be too far way. Probably in the December 2019 quarter or early in 2020 and - anticipating that economic cycle - share prices should start to recover *ahead* of that upturn. Nevertheless, we see risk of European share prices falling in the short to medium term, with perhaps a recovery in the third or fourth quarter of this year.

The stockmarket seeks to *anticipate* and “front-run” economic events . . . but often anticipates a future which does not happen. Economist Paul Samuelson once noted “The stock market has predicted nine of the past five recessions” (i.e. and four recessions that did not happen!). That is why stockmarket forecasting is so difficult.

For example, *Mr Market* sold down **Integrated Research** shares, seeking to anticipate lower revenues and profits as a result of slower general economic

growth . . . but when that did not happened (i.e. the company expects first half profit *growth* of 19-26%) the shares *opened* last Thursday up 20% and finished the day up 37%.

Similarly, when *general* economic expectations improve the *whole* stockmarket will rapidly jump higher. The largest and fastest stockmarket gains happen over a few days or weeks at the start of a new uptrend . . . when many “market timing” investors are sitting on the sidelines holding cash!

Economic and stockmarket downturns do create exceptional value and excellent buying opportunities. So portfolio management is a balancing act between (1) not wanting to hold too many shares in a falling market, (2) wanting to pick up (and/or retain) the excellent investment opportunities created in a market decline, and (3) not wanting to be *caught* holding too much cash when the decline ends.

Given the uncertainties of “market timing” we seek to focus upon finding *good quality growth companies* and *good value*. A good quality growth share could *fall* 30% or 50% or 80% through each of *several* market cycles, but that is not really important if it rises 5-fold or 10-fold or 50-fold over 5 or 10 or 20 years!

### Total Return Index for All Listed Shares

	Dec 10	1651.28		
	Dec 11	1645.91		
	Dec 12	1643.79		
	Dec 13	1648.03		
	Dec 14	1651.60		
Dec 17	1645.43	Dec 24	1639.46	
Dec 18	1639.18	Dec 25	Holiday	
Dec 19	1644.77	Dec 26	Holiday	
Dec 20	1647.06	Dec 27	1646.55	
Dec 21	1639.27	Dec 28	1657.50	
Dec 31	1662.97	Jan 7	1653.79	
Jan 1	Holiday	Jan 8	1657.80	
Jan 2	Holiday	Jan 9	1668.58	
Jan 3	1651.07	Jan 10	1671.29	
Jan 4	1646.19	Jan 11	1674.07	

## Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Turners Automotive	4.00	22-01	30-01	Full

### Australian Shares

none

### Next Issue:

The next issue of *Market Analysis* will be emailed in four weeks time on Monday February 11, 2019.

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](http://www.stockmarket.co.nz) or email [james@stockmarket.co.nz](mailto:james@stockmarket.co.nz).

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