

Market Analysis

Inside Market Analysis

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Summary and Recommended Investment Strategy.

An inverted yield curve predicts a recession (or a long period of slow growth). A slow growth, low interest rate environment favours high yield shares in sectors with strong pricing power, including Utilities, REITs and Energy.

Investment Outlook.

“Yield curves are inverted in at least 15 countries”.

If you are not an Economist you may not know what that means. And if you *do* know what it means, then you may still not know what “yield inversion” means for the economy and/or the stockmarket.

Of course, to be accurate we should say “parts of the yield curve are inverted”. It would be most unusual for the full yield curve to invert.

In most normal situations, short term interest rates will be lower than medium term interest rates which will be lower than long term interest rates. Investors normally demand a slightly higher return for tying their money up for longer periods. If you look at Treasury Bill and Government Bond yields on 90 day, 180 day, 1 year, 2 year, 5 year, 10 year, 20 year and 30 year maturities then you would *normally* expect interest rates to increase at least slightly at each step. This is the “normal yield curve”.

Yield curve inversion is where shorter term rates are higher than longer term rates.

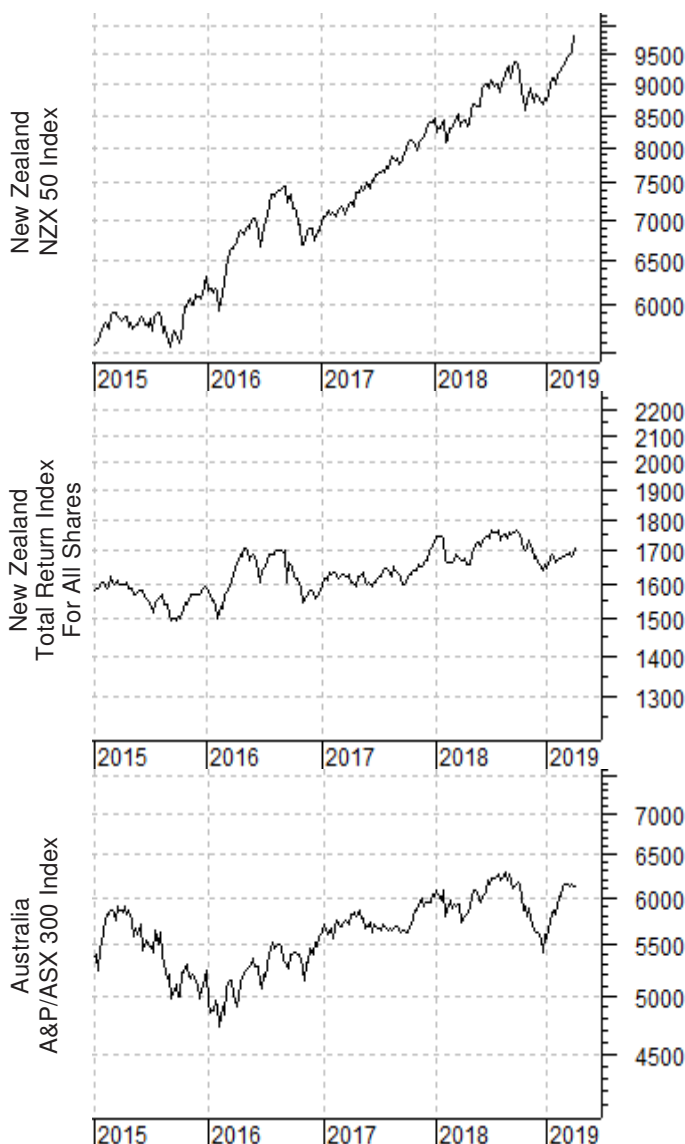
For example, current US rates are: Three month treasuries yield 2.41%, six month 2.44%, 1 year 2.40%, 2 years 2.35%, 5 years 2.33%, 10 years 2.53% and 30 years 2.94%. This yield curve is “inverted” (i.e. downwards sloping) for maturities from six months to five years!

An inverted yield curve usually results from the Central Bank pushing up short term rates to slow economic activity to control inflation . . . which then leads to an economic recession 6-18 months later. That, of course, is not what is happening today. Central Banks are doing the opposite, pushing *down* short term interest rates to boost economic activity. So how has the yield curve inverted when short term rates are falling? The answer is that longer term rates are falling faster!!

This is because investors are pessimistic about economic activity and investment returns over the next 5-10 years. Investors expect a period of slow growth or a recession! (Continued on Page 16)

Stockmarket Forecasts

	One-Month	One-Year
Australia:	61% (Bullish)	70% (Bullish)
New Zealand:	74% (Bullish)	66% (Bullish)



Recommended Investments

Australian Shares

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

AcruX Ltd reports that the patent litigation by **Valeant Pharmaceuticals** over its plans to use a generic version of *Jublia* has reached a “confidential settlement” but with “no financial impact on AcruX”.

AcruX Ltd



AJ Lucas Group has concluded its review of the Drilling Division and will “retain the business and pursue the prospects for growth identified”. The directors expect “another strong trading year for 2019”.

AL Lucas Group has also extended the dates of its debt financing. The first US\$20 million repayment of its US\$47 million Senior Note financing from **OCP Asia (Singapore)** has been extended from June to September 2019 and the balance extended from January to March 2020. Loans from **Kerogen Investments No 1 (HK)** have been extended from July 2020 to September 2020.

AJ Lucas Group



Brickworks Ltd

Six Months to 31/1/2019

	Latest	Previous	Change
Revenues	\$442.5m	\$396.7m	+17.3%
Net Profit	\$148.1m	\$97.0m	+52.7%
Net Cash Surplus	\$64.8m	\$74.2m	-12.7%
Earnings per share	98.9c	65.0c	+52.2%
Dividends per share	19.0c	18.0c	+5.6%

In addition there was a \$71 million (after tax) capital gain on the sale of some Washington H Soul Pattinson shares, offset by a \$52 million goodwill impairment of

Bristle Roofing and Austral Masonry.

Following a review, the company has determined that the hardwood operations of *Auswest Timber* will not be retained. These businesses have “delivered unsatisfactory returns” and “further investment in these assets is not justified”. The company will now seek to realise “maximum value through an orderly exit”.

At the recently acquired US *Glen-Gery* business the company is “investigating a new state of the art plant at the Mid-Atlantic site, in addition to a heavy refit of the existing plant at the same location”. The 600-acre site in Pennsylvania “is ideally located to service the north-eastern region” with the “largest and most efficient single production line” in America. Further “acquisition opportunities are currently under investigation” and any transactions should “offer significant cost synergies through plant rationalisation and increased utilisation”. The company anticipates it will take 3-5 years to “transition to a highly efficient and fully utilised plant network”.

Brickworks Ltd



CardieX Ltd and subsidiary **inHealth Medical Services** will collaborate with **The Pennington Biomedical Research Center** at **Louisiana State University** (the largest US obesity research centre), and **The University of South Carolina** (a leading mHealth centre) on trial cardiovascular treatment programs.

This three-year study will be funded by the **US National Institute of Health**. inHealth has applied for an initial grant of US\$990,000 and a second grant of US\$1,810,000 expected to provide the total funding.

CardieX Ltd



Cynata Therapeutics has extended **Fujifilm Corporation's** GvHD licence option until 19 September 2019. There was no meaningful explanation for this extension.

Cynata Therapeutics has met with the UK based **Medicines and Healthcare products Regulatory Agency (MHRA)** which has found their plans regarding the Phase 2 clinical trial for critical limb ischemia (CLI) to be "acceptable". The trial will be run in the UK and Australia in the second half of the 2019 calendar year.

Cynata Therapeutics has a new research partnership with the **University of Melbourne**, largely funded by a grant from the **Victorian Medical research Accelerator Fund** (plus some university funding). Cynata Therapeutics will contribute *Cymerus* MSCs for the study which will
(Continued on Page 4)

Cynata Therapeutics



Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	Performance Forecast	Issued Shares (mil.)	Volatility Ratio	Price/Sales Ratio	Price/Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
NZ Shares													
BUY	CDL Investments Ltd	CDI	12/01/99	25	E	278.1	1.1	2.75	7	5.8	84	36.3	+381%
HOLD+	Cavalier Corporation	CAV	05/12/95	156*	E	68.7	1.6	0.20	7	Nil	44	282.0	+109%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	C	32.7	0.4	0.29	11	8.6	804	612.8	+1007%
HOLD	Smiths City Group	SCY	09/10/06	64	C	52.7	1.9	0.07	NE	4.6	30	37.0	+5%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	0.4	4.35	18	5.3	675	310.8	+721%
HOLD+	Steel & Tube Holdings	STU	08/08/00	139*	C	90.6	1.1	0.22	14	8.2	118	346.1	+234%
Australian Shares (in Aust cents)													
HOLD+	Acrux Limited	ACR	12/05/14	99	B	166.6	2.0	10.67	NE	Nil	22	14.0	-64%
BUY	AJ Lucas Group	AJL	13/05/03	107*	D	750.1	3.3	0.55	NE	Nil	9	36.4	-57%
HOLD	ALS Limited	ALQ	12/10/99	72*	A	486.8	0.5	2.64	27	2.2	782	323.9	+1436%
HOLD	ARQ Group	ARQ	10/02/04	53	B	118.9	0.7	1.05	NE	4.2	189	226.0	+683%
HOLD	Atlas Pearls & Perfume	ATP	14/05/96	73	D	422.9	9.5	0.45	NE	Nil	2	17.5	-74%
HOLD+	Brickworks Ltd	BKW	12/11/12	1115	A	149.8	0.3	3.11	11	3.2	1711	263.5	+77%
HOLD+	CardieX Ltd	CDX	11/11/13	15	C	531.0	5.7	4.77	NE	Nil	4	Nil	-76%
HOLD	CPT Global Ltd	CGO	10/03/08	88	B	37.6	3.1	0.13	5	2.3	11	19.5	-65%
HOLD	CSG Limited	CSV	11/10/10	166*	C	445.7	2.2	0.31	NE	Nil	20	60.5	-52%
HOLD+	Cynata Thera.	CYP	13/03/17	50	D	95.1	1.0	NA	NE	Nil	123	Nil	+146%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	D	143.6	1.4	1.11	NE	Nil	61	Nil	+24%
BUY	Fastbrick Robotics	FBR	07/07/17	14	C	1403.6	3.7	NA	NE	Nil	8	Nil	-44%
HOLD-	Fiducian Group	FID	11/02/08	260	A	31.2	0.5	3.21	16	4.3	467	116.8	+125%
HOLD	Finbar Group Ltd	FRI	12/04/10	106	B	270.8	1.0	1.53	17	7.1	85	74.5	+50%
HOLD	Ignite Ltd	IGN	08/04/03	82*	C	89.6	4.5	0.03	NE	Nil	5	70.5	-8%
HOLD	Iluka Resources Ltd	ILU	12/10/04	471	A	422.4	0.5	2.92	13	3.1	936	301.0	+163%
HOLD	Integrated Research	IRI	14/01/08	40	A	171.9	0.6	4.71	24	2.6	250	59.5	+674%
BUY	McMillan Shakespeare G	MMS	07/11/16	1041	B	83.2	0.5	1.86	11	5.9	1228	173.0	+35%
HOLD+	Michael Hill Int'l Ltd	MHJ	11/06/91	4*	B	387.4	1.5	0.45	8	7.4	68	72.3	+3396%
HOLD	Mt Gibson Iron	MGX	10/11/14	44	A	1128.4	1.4	4.55	12	2.8	106	5.0	+151%
HOLD	Onterran Ltd	OTR	16/08/10	103*	C	57.5	1.8	0.07	NE	Nil	32	Nil	-69%
HOLD	Opthea Limited	OPT	10/02/04	188	B	200.6	1.5	NA	NE	Nil	70	65.0	-28%
HOLD	OZ Minerals	OZL	14/03/16	522	A	323.9	0.4	3.08	15	2.2	1064	63.0	+116%
BUY	Prophecy International	PRO	08/09/08	26	C	64.0	2.0	1.53	NE	Nil	26	24.0	+90%
BUY	Reckon Limited ¹	RKN	08/08/16	141	B	113.3	1.1	1.03	10	4.4	69	8.0	-33%
HOLD+	Silver Chef Ltd	SIV	13/11/17	740	B	39.3	1.0	0.13	7	10.5	95	10.0	-86%
BUY	The Reject Shop Ltd	TRS	11/01/05	257	B	28.9	0.8	0.09	4	14.2	247	520.5	+199%
BUY	Village Roadshow	VRL	10/08/09	71*	B	194.3	0.6	0.45	NE	Nil	320	284.3	+751%
BUY	Woodside Petroleum	WPL	08/04/19	3410	B	936.2	0.3	4.29	16	6.0	3410	Nil	

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +281.2%. This is equal to an average annual rate of +23.1%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 35 current and 169 closed out) is +29.1%, 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 plc (GETB) worth 29½ pence (54.1 Aust cents).

Recommended Investments

(Continued from Page 3)

“investigate advanced materials for the manufacture and delivery” of MSCs. This project holds “great potential for improving both the manufacturing of cells and their delivery to patients” . . . which obviously has great economic potential for the company that owns the *Cymerus* manufacturing process (i.e. Cynata Therapeutics).

The *Cymerus* MSC manufacturing technology has received another patent from the **European Patent Office** which will expire on 12 March 2034.

Ellex Medical Lasers has released the results of a *Laser in Glaucoma and Ocular HyperTension* (LiGHT) clinical trial, a large randomised controlled trial that compared selected laser trabeculoplasty (SLT) versus eye drops in newly diagnosed glaucoma patients. 356 patients were given SLT and 362 patients received eye drops and monitored for three years.

SLT provided “superior intracocular pressure stability” and “better control of their disease” compared to eye drops and “at a lower cost”. 74% of patients were “successfully controlled without drops for at least three years”.

The authors believe that “SLT should be offered as a first-line treatment”, changing existing clinical practice which is currently the use of eye drops.

The company also sponsored a clinical symposium on *Ellex iTrack* to educate clinicians at the **8th World Glaucoma Congress** meeting in Melbourne on 28th March.

Ellex Medical Lasers



FBR Ltd and **Brickworks Ltd** have extended the negotiating period for their proposed 50/50 joint venture by 45 days. The companies report they are “working constructively and co-operatively” on the Shareholders Agreement for the venture.

Finbar Group has announced a new business: *Finbar to Rent*, a property management service for owners of Finbar apartments. The service will only manage Finbar developed properties for a flat fee of 9.8% of rental income which the company expects “to save investors \$2800 per year on a typical two bedroom inner city apartment compared to other standard agency fees”.

This new business also positions Finbar Group “for the growing international trend of *Build to Rent* development as a possible future [investment] asset

class”.

This is a non-capital intensive new business which will provide recurring revenues, cashflows and profits with little or no capital investment. The rental management business will also help the core development business sell to investors wishing to outsource property management.

For the year to date to 12 March the company has made 221 property sales worth \$124.3 million. That is an average of 0.61 sales (\$480,000) per day. That is steady on earlier in the year but down on the same figures (1.30 sales or \$670,000 per day) a year ago.

Finbar Group



Iluka Resources has been assessing the *Wimmera Project* (previously the *Fine Minerals Project*) in Victoria for many years. This is a “large, long life deposit” with Zircon and Rare Earth minerals but “very fine grained” with “poor separation efficiency through traditional mineral sands separation processes”. Assessment has therefore focused upon a “technology development program” for “key processing technologies”.

A Pre-Feasibility Study was commenced in August 2018, with a test pit to provide 500-1500 tonnes for metallurgical test work. A pilot test plant (in Western Australia) will provide “larger product samples for potential customer assessment”.

Rare Earths (and Zircon) would be a valuable product from this potential project and diversify Iluka Resources' revenues.

Iluka Resources



McMillan Shakespeare's proposed “merger” with **Eclixp Group** was “unlikely to proceed” after Eclixp Group released a trading update showing a 40% drop in profits and historical accounting errors and McMillan Shakespeare rejected the request to extend the “End Date” for completing the merger.

Subsequently both companies have “agreed to terminate the Scheme Implementation Agreement”, with Eclix to pay McMillan Shakespeare \$8 million to reimburse costs incurred to date.

McMillan Shakespeare



Mt Gibson Iron shares hit five-year highs last week, with prices up to 107½ cents. 62% iron ore prices also rose above February highs to US\$92.50/tonne.

We are uncertain over the sustainability of this iron ore boom. In part this reflects short term production cuts in Brazil (following the **Vale** dam disaster) and in part a boom in the Chinese stockmarket and commodity prices. But the Chinese economy is weak and likely to weaken more. A “trade deal” won’t change that. Clearly high iron ore prices are *very good* for *Koolan Island* cashflows and profitability, but at some stage iron ore prices may come back from their current levels.

We initially recommended Mt Gibson Iron shares in November 2014 at 44 cents but the share price fell 62% to a low of 16½ cents in December 2015. That was a 45% discount to its cash in the bank - so the shares were still an attractive “Buy”. Investors who added to holdings around that level have since seen the shares recover 6½-fold in value . . . and Mt Gibson Iron may have become one of your biggest holdings! If that is the case then some partial profit-taking - perhaps selling 10-15% - would be prudent to maintain good diversification and provide some cash to purchase Woodside Petroleum shares and/or maintain a small cash reserve for other future investments.

Mt Gibson Iron



Onterran Ltd has appointed Voluntary Administrators and the directors intend to propose a *Deed of Company Arrangement* to creditors.

Onterran Ltd has sold the *Couran Cove* business (i.e.

the development and management rights) to **EDG Capital** for \$17 million and still owns 80 apartments on the site.

The shares have been suspended for two years - which was obviously not a good sign. Appointing Voluntary Administrators is also not a good sign, but at least it is better than calling in a receiver and liquidator. The details of Deed of Company Arrangement are not disclosed, but this is some proposal to restructure the business, perhaps asking the creditors to accept a discount on their debts (rather than a smaller amount, or nothing, in a liquidation) or a debt to equity swap.

Shareholders should have low expectations. For practical purposes we should “write-off” the value of this investment . . . but Onterran Ltd is not dead yet. It *could* return to life (and have some small value) or it could linger on for decades as a *Zombie* company (i.e. continues to trade, but unable to repay its debts).

OZ Minerals has extended the *Prominent Hill* underground mine life to at least 2030, with 40 million tonnes (Mt) of Proved and Probable reserves, currently being mined at 3.7-4.0Mt annually, although with plans to increase annual production above 4.0Mt. It also aims to maintain a 10+ year mine life, with annual exploration drilling progressively converting an estimated 80Mt of resource to reserves. That should extend the mine life to beyond 2050.

The Pre-Feasibility Study for *West Musgrove* (50% owned, increasing to 71%) indicates the potential for a greater than 10Mtpa mining operation with an initial mine life of eight years, with potential to extend beyond 15 years, producing 25-30,000 tonnes of Copper and 20-25,000 tonnes of Nickel annually. The 2017 Scoping Study estimated a A\$730-800 million capital investment, paid back in 3-4 years for an Internal Rate of Return of 20-25%.

OZ Minerals



Prophecy International Holdings has launched a new product, an *eMite CX Intelligence* solution for *Amazon Connect*. Amazon Connect is a self-service, cloud based contact centre service. The market for cloud based contact centres is forecast to grow at 25% per annum. *eMite CX Intelligences* combines data from Customers' contact centre software and data from other systems to deliver real time and historical data.

The company has signed two new sales partners and its first two customers in Australia for this new service.

Share Recommendation: *BUY Woodside Petroleum*

BUY Woodside Petroleum (code WPL).

Woodside Petroleum is an energy company involved mainly in LNG exports from Australia. The company has some international interests, but currently 99% of revenues are derived from Australia and 80% from gas sales (i.e. mainly LNG, plus some LPG and pipeline gas).

At a time of slow economic growth, Energy company shares are usually an attractive sector for investment. Woodside Petroleum shares trade at a low valuation (i.e. a high current Dividend Yield) and this business has growth projects to significantly expand LNG production and exports over the next decade. Proved and Probable reserves, plus Contingent resources, equal 59 years at current production rates.

Company History

This company listed on the Australian Stockmarket in 1971 and has grown to become the 13th largest Australian company by market capitalisation.

Recent Results

Woodside Petroleum keeps its accounts in US dollars (although will pay dividends in the equivalent amount of Australian currency). That offsets some of the *accounting* volatility (i.e. amortisation and depreciation) relating to exchange rate fluctuations, but many operating costs are paid in Australian dollars, so Woodside Petroleum (and an investment in the shares) will benefit from a decline in the Australian dollar exchange rate.

Also, while Woodside Petroleum does not (for competitive reasons) disclose pricing, it has reported that close to 90% of its LNG exports are “sold under oil-linked contracts”. So fluctuations in the price of oil will impact revenues and potential profits.

Every US\$1 increase in the oil price adds about US\$30 million to net profits, while a one cent fall in the AUD/USD exchange rate adds about US\$6 million to profits.

In the year to December 2015, revenues fell 32.3% to US\$5030 million - owing to lower energy prices - and profits fell 98.9% to just US\$26 million (US\$0.03 per share), with the dividend cut 57.3% to US\$1.09.

Revenues fell 19.0% to US\$4075 million in 2016, but net profits improved to US\$868 million (US\$1.03), with an annual dividend of US\$0.83.

Revenues fell a further 2.5% to US\$3975 million in 2017 but profits grew 23.2% to US\$1069 million (US\$1.27) and the dividend was raised 18.1% to US\$0.98.

For the year to 31 December 2018, revenues rose 31.8% to US\$5240 million and net profits were 27.6%

higher at US\$1364 million. Earnings per share (after a cash issue) increased 15.0% to US\$1.46 (207.2 Australian cents) and the dividend 46.9% to US\$1.44 (204.4 Australian cents). The net operating cash surplus was up 34.3% to US\$3867 million.

A recovery in oil prices (and a weaker Australian dollar exchange rate) should help further profit recovery and growth.

Depreciation and amortisation (of gas fields and processing plant) are around US\$1100-1450 million annually, with these non-cash expenses boosting the net operating cashflow to around US\$2400-3500 million (US\$2.50-3.75) annually. So this is a business with very strong operating cashflows.

Current Business and Major Projects

As previously stated, 99% of revenues are generated from Australian based businesses and 75% from LNG sales and 5% from Pipeline Gas and LPG, with 14% from Condensate and only 6% from Oil.

The balance sheet shows total assets of US\$27,088 million of which US\$18,881 million are “Oil and gas properties” (i.e. mainly LNG processing plant) and US\$4180 million “Exploration and evaluation assets”.

The main asset is the 90% owned *Pluto LNG* plant (capacity 4.9Mtpa) where a second, 100% owned, LNG train (i.e. a second processing plant of 5.0Mtpa) is planned. A final investment decision on this expansion is expected in 2020 with production from 2024.

The *Wheatstone LNG* plant (13.0% owned by Woodside Petroleum) opened its first LNG train in October 2017 and a second train in June 2018 (total capacity 8.9 Mtpa). This plant processes gas from the *Wheatstone, Iago* and *Julimar* (60% owned) fields. From 2020 the *Brunello* (60% owned) gas fields will be connected to Julimar and supplying gas to Wheatstone.

The *Karratha Gas Plant* (or *KGP*, 16.7% owned) is an old LNG plant, built in the 1980's, by Woodside Petroleum and five other energy companies to process LNG from the *North West Shelf* (or *NWS* project). As that field is approaching the end of its life, *KGP* is transitioning into a third-party tolling facility, for gas from the *Greater Western Flank Phase 2* (16.7% owned) which began production in October 2018 and the *Browse Joint Venture* (30.6% owned). “Comprehensive maintenance” and “innovative technology” to extend the life of this plant by another 30 years (called the *NWS extension* project) began in 2013 and is around 40% complete.

The *Pluto LNG* and *KGP* plants will also be linked

via a pipeline (with metering equipment) from about 2021. This will allow further offshore gas to be processed at either plant and maximise plant capacity utilisation.

Woodside Petroleum also holds a 60% interest in the *Greater Ensfield* project. At December 2018 this project was 86% complete, with 31km of flowlines and subsea infrastructure complete and 8 of the 12 production wells drilled and completed. First oil is expected by mid-2019.

Woodside Petroleum acquired a 25% interest in the *Scarborough* project from **BHP Billiton** in November 2016 for US\$400 million (US\$250 million immediately plus a further US\$150 million on a final investment decision to develop the field) and increased this by 50% (to 75%) by purchasing **ExxonMobil**'s interest in February 2018 for US\$744 million (US\$444 million immediately, plus US\$300 million on the final decision to develop the field), financed through a US\$250 million cash issue (i.e. 1 new share for every 9 existing shares at \$27.00 per share in February 2018). The final investment decision to develop this field is expected in 2020, with production from 2023 which will feed to the *Pluto LNG Train 2* from 2024.

SNE Field Development Phase 1 is a 35.0% owned project offshore from Senegal. This is targeting the estimated 230 MMbbl (i.e. 230 million barrels) of oil discovery, with 23 subsea production wells and infrastructure expected to produce 100,000 bbl/day with potential for gas exports to shore and future expansion to other reservoirs and fields in the area. The final investment decision is expected this year with oil production from 2022.

Woodside Petroleum also has a significant investment of US\$1408 million in a 50/50 joint venture with **Chevron Canada** which seeks to develop "one of the best unconventional" shale gas resources "in the world" in northeastern British Columbia, Canada, transported 480km by the *Pacific Trail Pipeline* as the feedstock for the (proposed) *Kitimat LNG* project at Bish Cove.

Woodside Petroleum is not a speculative explorer, but a long term gas producer with significant downstream processing (i.e. LNG plants) to add additional value (and transport production to end markets). Producing wells have relatively long term reserves (i.e. averaging 10-13 years), with significant "contingent resources" in new developments that should increase production volumes over the next decades. For example, 16% of contingent resource is in *Greater Browse* field, which is just coming online, 20% in *Greater Scarborough*, which will likely be developed over the next 4-5 years to feed the new *Pluto LNG Train 2*, and 48% in Canada.

Investment Criteria

At \$34.10, Woodside Petroleum shares trade on a Price/Earnings ratio of 16 and offer a high Dividend Yield of 6.0% (fully franked). That is an attractive income yield from a growing business in a growing industry (i.e. LNG).

Periods of slow economic growth can be difficult for many businesses, but demand for energy is inelastic so selling prices and profits for energy companies tend to outperform. Woodside Petroleum - which exports most of its LNG with prices linked to the oil price - would also *benefit* from a weaker Australian dollar (e.g. if the Reserve Bank of Australia needs to print lots of currency to bail out the banking sector owing to bad loans resulting from a fall in residential house prices). A lot of retired investors own Banking shares as a "safe, high income" investment, but large Energy companies like Woodside Petroleum could be a better safe, high income investment in the current economic environment.

Woodside Petroleum's issued capital is 936,151,549 shares, giving a market capitalisation of \$31,923 million and making this a very large Australian company, widely followed by 16 brokers.

Directors have reasonable shareholdings, ranging from about 2000 to 15,000 shares (i.e. \$68,000 to \$510,000 each). The CEO holds 466,347 shares (worth \$15.9 million) plus 590,777 "equity rights". Of the other six senior executives, five own shares (from as little as 439 shares up to 133,366 shares) and five have "equity rights" (16,021 to 74,498 rights). The "equity rights" have varying terms and various performance based criteria.

There has been no *insider* buying or selling over the last year.

The shares have a Relative Strength Rating of +2.6%, ranked 20 (on a scale of 0-99), indicating an uptrend.

Summary and Recommendation

Woodside Petroleum is not a speculative explorer, but a large energy producer with downstream, value added processing (i.e. LNG plants). Revenues and profits can be volatile, with LNG prices fluctuating with movements in the oil price, but the business still generates very strong net cashflows each year. This is a high income investment plus offers good growth potential over the next decade.

The shares should therefore appeal to a wide range of investors: Retired investors seeking high current income (plus some growth) and young investors seeking steady growth (plus a high income). "Buy".

Woodside Petroleum



Modern Monetary Theory, Universal Basic Income and Helicopter Money: Radical Monetary Theories are Becoming More Mainstream

The only good thing about the NZ Labour Party proposing a Capital Gains Tax is that they have not yet discovered Modern Monetary Theory, Universal Basic Income and Helicopter Money. But the genie is out of the bottle and these radical monetary theories are becoming mainstream.

Modern Monetary Theory (or MMT) is not “modern” but dates from ideas that are over 100 years old. It is similar to the “Social Credit” theory published in 1924 by CH Douglas and the basis of economic theory for the **NZ Social Credit Party** (now the **NZ Democratic Party**) which held seats in Parliament (but never more than two at a time) during the 1950's to the 1980's.

The term “Helicopter Money” (or HM) was coined in 1969 by economist Milton Friedman in a story (about dropping money from a helicopter) to illustrate monetary expansion.

Universal Basic Income (or UBI, also called “Citizen's Basic Income” in the UK, “Basic Income Guarantee” in the US and Canada and sometimes just “Free Money”) is an unconditional income paid to all citizens. It could be funded from regular taxes . . . but would be an ideal way to “helicopter drop” new money created under MMT!

So what is *Modern Monetary Theory*? MMT states that a sovereign government can create money - to pay their bills or just to give to citizens to stimulate demand - without needing to worry about the consequences . . . unless this situation becomes inflationary. Of course, this is what the Romans did 2000 years ago when they reduced the amount of gold in coins . . . and what every government since has already done by simply printing paper money. MMT simply states that “there is no need to worry about the consequences”. In the current low inflationary (or potentially deflationary) world there may be no inflationary consequences . . . at least in the short term.

How Money is Created, plus Quantitative Easing and MMT

There are a number of articles on the internet and YouTube videos purporting to explain this, but most fail to do so and many are simply inaccurate and based on half truths. So here (if you want to understand this, although very few people do) is our (simplified) explanation:

The easiest way to create money is to mint large denomination coins (i.e. where the face value exceeds the value of metal) or print \$100 notes. Over time, the Romans decreased the amount of gold in their coins, but if the Romans central bankers were really smart they would have used 10 denarii of gold to mint a 100 denarii face value coin . . . realising a 90 denarii profit and boosting the money supply by 90 denarii.

Today a government need simply print \$100 notes.

That is free money which the government can spend while also increasing money supply. Like MMT, this can be done “without worrying about the consequences” as long as it does not become inflationary. Governments have been doing this for as long as we have had money.

Of course, in an electronic age we don't need \$100 notes and payments can be made electronically. Governments can create electronic money through the Central Bank. A Government can issue all the debt it wants and the Central Bank can buy as much of that debt as it wants (i.e. potentially all of it). The Government then has electronic money (cash in its account with the Central Bank) that it can spend or give away . . . but the national debt has increased. In this situation, the Central Bank's Balance Sheet will expand in size, with Government Bonds as its assets and the Government's account balance (i.e. the amount paid to buy the bonds) as its liability. This Central Bank liability to the Government declines as the Government spends the money, to be replaced by liabilities to the Trading banks (as the excess liquidity flowing to the Trading Banks is re-deposited with the Central Bank as “Reserve deposits” or, more recently “Excess Reserve deposits” on which the Central Bank may pay interest). Public deposits with the Trading Banks (i.e. “money supply”) increases by a similar amount.

While assets and liabilities throughout the system remain in balance, the Government has “created” (and spent) new money which increases the money supply. Again, governments can do this without worrying about the consequences as long as this extra money supply does not become inflationary.

Note that the Government does not need to ever repay this debt. As existing bonds reach maturity they can be refinanced with new bonds. The Government will pay interest on its debt to the Central Bank and the Central Bank will pay some of that interest to Trading Banks while the Central Bank's net interest income is usually gifted back to the Government (or paid as a dividend). The only “problem” under this system is that the national debt increases.

Under Modern Monetary Theory, the Government does not issue debt but mints a *Trillion Dollar Coin* which it sells to the Central Bank at face value. Why would an independent Central Bank buy a trillion dollar coin (containing perhaps \$1000 of precious metal)? The Central Bank is the Government's banker and is *required* to accept deposits in legal tender currency. That trillion dollar coin is legal tender currency at its face value!

The Central Bank balance sheet will again expand, but this time showing \$1 trillion of *currency* assets and a similar liability to the Government (which again, as the Government spends that money will be replaced by the increase in Reserve deposits from Trading Banks and an

increase in public deposits at the Trading Banks). This MMT system is virtually identical to the traditional Bond issues, but *looks* so much better: The National Debt has not increased (in fact, let's mint a second coin and *repay* all of the *existing* national debt). The Government has no interest expense. The Central Bank holds (ultra safe and ultra liquid) "currency" instead of Bonds!

If you don't look too closely . . . this is "free money".

Quantitative Easing was different as it does not directly involve the Government but is an action of the Central Bank. In this case the Central Bank uses its unlimited ability to create credit (i.e. gives itself an unlimited overdraft facility) to buy financial assets (i.e. Government Bonds, Corporate bonds, Bank loans) on the secondary market. This increases its assets (i.e. the financial assets acquired) and the money goes to individuals and pension funds and banks that sold those assets. Those parties sell financial assets in return for cash (i.e. bank deposits) and the Trading Banks again have increased Reserve deposits with the Central Bank (which is the Central Bank's liability that funds the asset purchases). Effectively the Central Bank buys risky, but income producing assets, funded by riskless, but low interest, bank reserves. As the Central Bank has unlimited liquidity, a perpetual time horizon and low or no cost borrowing it will almost certainly make a profit on these risky assets. Trading Banks can swap under-performing loans for safe Reserves with the Central Bank!

The Central bank expectation was that the low interest rate environment under Quantitative Easing would (1) encourage consumers to spend (and boost economic activity) rather than save (at little or no or negative interest rates) and (2) encourage businesses to borrow cheap money to invest in new income producing assets. This expectation has not happened . . . but that has more to do with the slow economic growth expectations. People save (rather than consume) as they expect economic conditions to get worse. Businesses are reluctant to borrow and invest and expand when they see slow growth and low consumer demand. With a different future growth expectation, Quantitative Easing could have boosted economic activity and growth.

As things have worked out, the popular view is that Quantitative Easing bailed out the Investment Bankers but did nothing for ordinary people. A popularist back swell is that Governments should in future use MMT "free money" to provide services (i.e. free education, build hospitals) or put money into the hands of ordinary people to boost consumption and investment (e.g. forgiving student debt, making a \$1000 "helicopter drop" to every citizen or introduce a regular UBI).

But in reality, MMT is little different from creating money by issuing Bonds to the Central Bank. The "lie" is that by issuing a coin, national debt does not increase so this is "free money" for the taking.

Radical Ideas Become Mainstream

In November 2002, Federal Reserve Governor Ben Bernanke, gave a speech stating that "I am confident that

the Fed would take *whatever means necessary* to prevent significant deflation in the United States". Those "whatever means" included Quantitative Easing (or QE), HM and MMT. Such speeches help to bring radical ideas into the mainstream, which may not be a good thing!

In 2016, Presidential candidate Hillary Clinton came close to proposing a scheme to pay a "basic income" to all citizens of the US, modelled on **The Permanent Fund of Alaska** (a sovereign wealth fund, financed by 25% of the state's oil royalties which pays an annual dividend of US\$800-2100 to all residents depending on oil royalties). Clinton's UBI would have been financed from "shared national resources" (i.e. new taxes on oil and gas, the use of airwaves by broadcasters and mobile phone companies and a financial transaction tax). Clearly such policies would be more politically acceptable when one avoids the "new taxes" and finances spending with "free money" for MMT.

All good lies are based on some truth (or half-truths) - so it will not be difficult for many people to believe that MMT is "free money" and this is clearly an attractive idea for political parties and a large part of the electorate. Let's just create free money through MMT and distribute it to citizen's through "helicopter drops" and weekly Universal Basic Incomes to citizens! How could anyone lose an election with such progressive, innovative and modern policies? What could possibly go wrong?

So when will "helicopter drops" start in New Zealand? Don't look now, but they are already happening. The government calls them "Winter Energy Payments" and the "drops" are made on certain beneficiaries - although, at this stage, funded from traditional sources!

Investment Implications

Quantitative Easing has failed to boost economic activity and investment . . . but probably owing to the slow economic growth outlook. Perhaps it will be more effective as we move through the economic cycle and eventually global economic growth recovers.

In the meantime, governments will likely be pressured (or find it expedient) to "stop bailing out Investment Bankers" and try to stimulate the real economy (rather than the financial markets). Free education and forgiveness of student debts are becoming more popular political policies internationally. A "helicopter drop" of \$1000 to every citizen may be an even better way to boost economic activity. Such policies would have a positive impact on businesses and the stockmarket.

The danger is that MMT is seen as the easiest way to finance this by creating "free money" to make ever increasing payments! Once the "free money" genie is out of the bottle it can quickly lead to excess money supply expansion. That would (eventually) become inflationary - or hyper-inflationary - and there is no easy way to solve that problem! Very longer term this potential inflation (or hyper-inflation) would be very unfavourable for most businesses (and most shares) with gold and commodities (or gold mining, energy and commodity shares) being the best investments.

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	Buyers	Sellers	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	Buyers	Sellers	Price to NTA	Return on Equity	Volatility	Price Earnings Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0														WORST PERFORMING SHARES: Weakest Shares, P/E Ratio > 0.25, Yield < Twice Average													
Warehouse Group	210	+1.0	+1.0	35	0-0	6	1.5	5	0.7	32	10.6	0.24	725	NZ Exchange Ltd	101	-2.9	+1.1	63	1-1	3	4.3	18	0.6	24	8.4	4.07	274
T&G Global	180	+0.0	+0.0	47	0-0	-	0.7	6	0.7	13	2.3	0.29	211	CDL Investments	84	-3.8	-0.2	66	0-0	-	1.1	16	0.6	7	5.8	2.75	234
Ebos Group Ltd	2125	+2.7	+1.2	26	0-1	7	2.7	13	0.5	22	3.5	0.43	3,241	Geo Ltd	13	-5.7	-0.2	71	0-0	-	2.9	-	1.6	NE	Nil	2.49	10
Allied Farmers	8	+0.7	+1.0	37	0-1	-	5.8	69	4.0	8	3.5	0.71	13	NZ Oil & Gas	48	-8.7	+0.9	85	0-0	-	0.6	1	0.8	106	Nil	2.25	81
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0														Just Life Group													
Rakon Ltd	34	+13.6	+0.5	5	2-0	-	0.9	11	1.3	8	Nil	0.77	78	Tourism Hold.	491	-5.8	+1.2	73	2-0	4	2.4	25	0.4	10	7.6	2.21	605
TeamTalk Ltd	87	+1.1	+5.3	34	1-0	-	0.8	15	1.0	5	Nil	0.72	25	NZ King Salmon	255	-3.3	+3.9	64	4-0	2	2.1	12	0.6	18	2.7	2.20	353
Allied Farmers	8	+0.7	+1.0	37	0-1	-	5.8	69	2.9	8	3.5	0.71	13	Moa Group Ltd	41	-2.4	-2.7	62	0-0	-	4.0	-	0.9	NE	Nil	2.14	22
T&G Global	180	+0.0	+0.0	47	0-0	-	0.7	6	0.5	13	2.3	0.29	211	Millennium & C.	290	-2.2	+0.6	59	0-0	-	0.7	10	0.3	7	1.7	2.10	459
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million														Rubicon Limited													
Sky Network TV	128	-17.9	-3.2	95	0-0	7	0.5	12	0.7	4	16.3	0.59	498	Vital Health PT	216	-58.3	+0.0	98	0-0	4	1.0	25	0.4	4	3.9	N/A	924
Air New Zealand	269	-8.2	-3.6	83	2-2	7	1.4	18	0.6	8	13.4	0.36	3,015	Burger Fuel	45	-15.4	-6.8	93	0-0	-	2.0	-	0.9	NE	Nil	1.09	27
Abano Health.	396	-15.5	-2.5	94	0-0	2	0.6	7	0.5	9	12.6	0.41	102	AMP Limited	229	-15.3	+1.4	93	0-0	9	1.0	0	0.5	227	6.4	1.02	6,678
Hallenstein G.	500	-7.3	+4.5	79	0-2	-	4.3	40	0.5	11	12.2	1.07	296	Comvita	414	-13.4	+0.2	92	6-2	3	1.0	4	0.5	24	1.3	1.10	195
Warehouse Group	210	+1.0	+1.0	35	0-0	6	1.5	5	0.5	32	10.6	0.24	725	SeaDragon Ltd	0	-11.9	+5.1	90	0-0	-	1.3	-	9.2	NE	Nil	4.47	14
Green Cross H.	104	-12.9	-0.2	91	1-0	-	1.2	18	0.9	7	9.3	0.28	149	Finzsoft Sol'ns	160	-11.9	-0.6	89	0-0	-	2.2	-	0.6	NE	Nil	0.96	14
Marlin Global	85	-2.0	+0.9	57	0-0	-	0.8	20	0.7	4	8.9	N/A	101	Gentech Group	535	-11.7	+2.5	89	0-3	4	2.4	6	0.3	38	3.5	5.05	527
Kathmandu Ltd	234	-8.6	-0.6	83	0-0	4	0.0	0	0.8	10	8.9	1.06	527	NZME Limited	56	-9.8	+4.2	88	1-0	2	0.4	4	0.9	9	5.0	0.28	110
Col Motor Co	804	-0.3	+1.0	52	2-0	-	1.3	13	0.3	11	8.6	0.29	263	Seeka Kiwifruit	500	-9.2	+4.8	87	2-1	-	1.0	5	0.5	20	3.3	0.72	147
NZ Exchange Ltd	101	-2.9	+1.1	63	1-1	3	4.3	18	0.7	24	8.4	4.07	274	EROAD Ltd	270	-9.0	+3.9	86	0-0	-	3.6	-	0.8	NE	Nil	4.96	163
INSIDER BUYING: Most Insider Buying, Relative Strength > 0														Fletcher Build.													
Port Tauranga	562	+3.7	+2.0	23	5-0	6	3.4	8	0.3	41	3.1	N/A	3,822	NZ Oil & Gas	48	-8.7	+0.9	85	0-0	-	0.6	1	0.7	106	Nil	2.25	81
Chorus Ltd	601	+10.0	+4.6	8	6-2	5	2.5	8	0.5	30	5.1	2.60	2,578	Rubicon Limited	20	-8.1	-0.3	82	0-0	-	0.5	1	1.2	35	Nil	2.02	98
Heartland Group	162	+4.0	+4.0	22	3-0	-	1.6	10	0.4	16	6.4	5.66	761	PGG Wrightsons	50	-7.6	+2.2	81	0-0	1	1.3	6	0.8	21	3.5	0.31	374
Contact Energy	693	+7.2	+2.3	11	5-2	7	1.8	5	0.4	38	6.4	2.30	4,964	Scott Tech. Ltd	255	-7.4	+0.5	80	1-0	-	1.9	10	0.5	18	5.4	1.06	194
Rakon Ltd	34	+13.6	+0.5	5	2-0	-	0.9	11	1.0	8	Nil	0.77	78	Pac Edge Bio.	29	-7.1	-2.3	78	0-0	3	8.1	-	1.1	NE	Nil	N/A	135
IkeGPS Limited	56	+1.1	-7.7	35	2-0	-	5.5	-	1.0	NE	Nil	5.68	44	MetLifeCare	491	-7.1	+0.3	77	5-0	4	0.7	8	0.5	8	2.0	9.09	1,046
Argosy Property	128	+6.3	+0.1	12	2-0	6	1.1	11	0.5	11	6.2	N/A	1,054	Pyne Gould Corp	24	-6.4	+1.7	76	0-0	-	0.6	20	1.0	3	Nil	1.08	50
Freightways Ltd	867	+4.0	+3.2	21	3-1	6	5.2	23	0.4	23	4.8	2.32	1,346	New Talisman	1	-6.3	-2.8	75	0-0	-	1.8	-	4.2	NE	Nil	N/A	25
Mercer Group	25	+6.0	+6.0	14	1-0	-	3.6	-	1.3	NE	Nil	0.56	16	NZ Refining Co	208	-6.1	-1.2	74	0-0	3	0.8	4	0.4	22	5.0	1.81	650
Meridian Energy	413	+11.1	+2.5	6	1-0	6	2.2	4	0.5	53	6.5	3.83	10,585	INSIDER SELLING: Most Insider Selling, Relative Strength < 0													
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0														Spark NZ Ltd													
Summerset Group	607	-3.3	+2.0	65	2-0	3	1.4	22	0.5	6	2.1	9.82	1,346	Gentech Group	535	-11.7	+2.5	89	0-3	4	2.4	6	0.3	38	3.5	5.05	527
MetLifeCare	491	-7.1	+0.3	77	5-0	4	0.7	8	0.5	8	2.0	9.09	1,046	Hallenstein G.	500	-7.3	+4.5	79	0-2	-	4.3	40	0.4	11	12.2	1.07	296
NZ Windfarms	13	-2.3	-2.5	61	0-0	-	0.6	-	1.4	NE	Nil	6.26	37	Ryman Health.	1206	-2.3	+2.9	62	1-3	5	3.1	17	0.4	18	1.7	N/A	6,030
Gentech Group	535	-11.7	+2.5	89	0-3	4	2.4	6	0.4	38	3.5	5.05	527	Sol. Dynamics	163	-4.6	-0.8	69	1-2	-	7.7	34	0.4	23	4.5	1.42	23
EROAD Ltd	270	-9.0	+3.9	86	0-0	-	3.6	-	0.9	NE	Nil	4.96	163	AFT Pharma.	194	-5.3	-0.7	70	0-0	-	0.8	-	0.5	NE	Nil	0.62	188
SeaDragon Ltd	0	-11.9	+5.1	90	0-0	-	1.3	-	10.2	NE	Nil	4.47	14	Abano Health.	396	-15.5	-2.5	94	0-0	2	0.6	7	0.4	9	12.6	0.41	102
South Port NZ	675	-0.2	+1.1	52	0-0	-	4.4	24	0.2	18	5.3	4.35	177	Cavalier Corp	44	-8.6	-2.8	84	0-0	-	0.4	6	0.8	7	Nil	0.20	30
														CDL Investments													
														Satara Co-op													

“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: 61.1% Buyers
Last 13 wks: 61.7% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
A2 Milk Company	0-13	Ebos Group Ltd	0-1	Investore Prop.	1-0	NZME Limited	1-0	Sol. Dynamics	1-2
AWF Madison Grp	2-0	F & P Health.	0-7	Just Life Group	1-0	Port Tauranga	5-0	Spark NZ Ltd	0-3
Akd Int Airport	0-3	Fletcher Build.	9-0	Kiwi Property	0-4	Precinct Prop.	0-5	Steel & Tube	1-0
Allied Farmers	0-1	Fonterra S/H Fd	2-0	Mainfreight Grp	0-5	Rakon Ltd	2-0	Summerset Group	2-0
Argosy Property	2-0	Freightways Ltd	3-1	Mercer Group	1-0	Ryman Health.	1-3	Synlait Milk	0-1
Arvida Group	1-0	Gentech Group	0-3	Mercury NZ	1-0	Sanford Limited	1-0	TeamTalk Ltd	1-0
Chorus Ltd	6-2	Green Cross H.	1-0	Meridian Energy	1-0	Scales Corp Ltd	0-2	Tourism Hold.	2-0
Col Motor Co	2-0	Hallenstein G.	0-2	MetLifeCare	5-0	Scott Tech. Ltd	1-0	Trade-Me Ltd	0-1
Comvita	6-2	Heartland Group	3-0	Metro Per Glass	4-0	Seeka Kiwifruit	2-1	Vector Ltd	1-0
Contact Energy	5-2	IkeGPS Limited	2-0	NZ King Salmon	4-0	Skellerup Hold.	0-3	Vista Group Ltd	0-2

“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: 81.9% Buyers
Last 13 wks: 83.1% 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	Alterra Ltd	1-0	Autero Minerals	2-0	Breville Group	9-0	Clearview Wlth	1-0
360 Capital Grp	1-0	Althea Group	1-0	Auth Invest Fd	1-0	Brickworks Ltd	1-2	Clean Seas Sea.	5-0
3P Learning	3-0	Altium Limited	4-2	Automotive Hold	7-0	Brookside En.	1-0	Clime Capital	3-1
8I Holdings	1-0	Alto Metals	3-0	Autosports Grp	3-0	Bryah Resources	1-0	Clime Inv Mgmt	6-0
8common Ltd	0-1	Alumina Ltd	1-0	Aventus Retail	0-1	Buderim Group	1-0	Clinuvel Pharm.	1-0
A.P. Eagers	19-0	Amani Gold	1-0	Axiom Property	5-0	Buru Energy Ltd	0-1	Clover Corp.	2-0
AFT Pharma.	1-0	Ambition Group	2-0	Azumah Res.	1-0	Buxton Res.	1-0	Cobalt Blue	3-0
AGL Energy Ltd	2-1	Ancor Ltd	5-0	Azure Health.	1-0	C.S.R. Ltd	3-1	CocaCola Amatil	1-0
AIC Resources	2-0	Anatara Life.	3-0	Azure Minerals	2-0	CBG Capital	3-0	Cochlear Ltd	3-2
ALS Limited	2-1	Angel Seaford	5-0	BARD1 Life Sci.	0-1	CFoam Limited	5-0	Codan Ltd	0-1
AMA Group Ltd	0-2	Ansell Ltd	2-1	BCI Minerals	1-0	CIMIC Group	2-1	Coles Group	6-0
AMCIL Limited	1-0	Anteo Diagnost.	2-0	BHP Group Ltd	1-0	CML Group	2-1	Collaborate	1-0
AMP Ltd	3-0	Antisense T.	1-0	BIR Financial	2-0	CSG Ltd	3-0	Collins Foods	1-2
APA Group	3-0	Apiam Animal H	6-0	BKI Invest Coy	2-0	CSL Limited	1-3	Collection Hse	4-0
APN Property	8-0	Apollo Tourism	2-0	BWX Limited	2-0	Cadence Capital	1-0	Com'wealth Bank	1-0
ARB Corporation	1-0	Apollo Cons.	1-0	Babylon Pump	0-2	Calidus Res.	2-0	Commschoice	1-0
ARQ Group	1-0	Appen Limited	0-3	Bailador Tech.	2-0	Caltex Australia	5-0	Computershare	1-4
AUB Group	0-1	ApplyDirect Ltd	1-0	Bank of Q'land	3-0	Cann Group	3-0	Connected IO	2-0
AVA Risk Group	4-1	Arafura Res.	1-0	Bapcor Limited	1-0	Cannpal Animal	5-0	Cons Operations	4-2
AVEO Group	5-0	Argo Global LI	1-0	Bardoc Gold	3-0	Canyon Res.	0-2	Cons Zinc Ltd	4-2
Abacus Property	1-0	Argo Investment	1-0	Base Resources	1-0	Cape Range Ltd	0-1	Contango Asset	3-0
Absolute Equity	0-3	Ariadne Aust	0-1	Bass Metals Ltd	1-0	Cape Lambert R.	5-0	Coolgardie Min.	2-0
Abundant Prod.	2-0	Aristocrat Leis	5-0	Bass Oil Ltd	0-2	Capital Health	2-1	Cooper Energy	2-0
Academies Aust.	14-0	Arrow Minerals	1-0	Battery Mineral	3-0	Carawine Res.	4-0	Corp Travel M.	4-0
Accent Group	3-0	Artemis Res.	1-0	Beach Energy	5-0	Caravel Min.	1-0	Costa Group	5-1
Acrow Formwork	8-0	Ashley Services	1-0	Bellevue Gold	1-0	Cardinal Res.	1-0	Countplus Ltd	4-0
Acrux Ltd	2-0	Aspermont Ltd	1-0	Bendigo Bank	2-0	Carlton Invest	1-3	Covata Limited	1-0
Actinogen Med.	1-0	Atlas Arteria	5-0	Benitec Bio.	1-0	Carnarvon Pet.	4-0	Coventry Group	4-0
Ad Braking Tech	4-0	Atrum Coal Ltd	12-0	Berkut Minerals	1-0	Carnavale Res.	1-0	Cradle Res.	2-0
Adacel Tech.	2-0	AuMake Int.	1-0	Beyond Int'l	0-1	Carsales.com	3-1	Credit Corp	0-8
Adairs Limited	2-6	Auctus Alt Inv	2-0	Bid Energy Ltd	11-0	Cash Converters	1-0	Credible Labs	1-0
Adelaide Bright	1-2	Aurelia Metals	3-0	Bigtincan Hold.	0-1	Catapult Group	1-0	Cromwell Prop.	2-1
Adriatic Metals	1-0	Auris Minerals	2-0	Bingo Indust.	5-0	Catalyst Metals	0-1	Croplogix Ltd	2-0
Advance NanoTek	6-0	Aurora Absolute	1-0	Bio-Gene Tech.	1-0	Cazaly Res Ltd	4-0	Crown Resorts	1-0
Aeris Resources	3-0	Aurora Prop B-W	3-0	Biotron Limited	0-4	Cedar Woods Prp	1-0	Crown Media	1-0
Afterpay Touch	0-5	Aurora Minerals	4-0	Bioxyne Ltd	4-0	Celsius Res.	1-0	Crusader Res.	1-0
Agency Grp Aust	1-0	Aurora Labs	4-0	Birimian Ltd	5-0	Centuria Cap'l	1-0	Cullen Resource	4-0
Aims Property	3-0	AusCann Group	2-0	Blackwall Prop.	3-0	Centrepoint All	3-0	Cyclopharm Ltd	2-0
Ainsworth Game	5-0	AusNet Services	4-2	Black Cat Syn.	2-0	Central Petrol.	7-0	DGO Gold	4-0
Airxpanders Inc	1-0	Ausdrill Ltd	1-0	Blackmores Ltd	1-3	Challenger Ltd	3-0	Data 3 Ltd	4-2
Alacer Gold	0-1	Ausgold Ltd	7-0	Blackstone Min.	3-0	Chalice Gold	1-0	De Grey Mining	1-0
Alara Resources	2-0	Ausmex Mining	1-0	Blackwall Ltd	2-0	Champion Iron	3-0	Decmil Group	1-0
Alchemy Res.	2-1	Aust Finance Gr	4-0	Black Dragon Gd	2-0	Chant West Hold	4-0	Desane Group	2-0
Alcidian Group	3-0	Aust Foundation	3-0	Bligh Resources	1-0	Chart H Retail	2-0	Devex Resources	8-0
Alice Queen Ltd	1-0	Austin Eng.	4-0	Blue Sky Alt In	1-0	Charter Hall GR	0-1	Dexus	0-1
Alkane Explor.	4-0	Aust Leaders Fd	5-1	Boadicea Res.	1-0	Chase Mining	3-0	Dicker Data Ltd	9-0
Allegiance Coal	2-0	Aust Bauxite	1-0	Boart Longyear	4-0	Cirralto Ltd	1-2	Digital Wine V.	1-0
Alliance Res.	1-0	Aust Potash	1-0	Bod Australia	2-0	Cirrus Networks	4-0	Digital CC Ltd	2-1
Alligator En.	3-0	Aust Pharm. Ind	3-0	Boom Logistics	2-0	Citigold Corp	1-0	Dimeriz Limited	2-0
Alliance Aviat.	1-4	Aust Vintage	7-0	Boss Resources	0-1	City Chic Coll.	1-0	Djerriwarrh	5-0
Alpha HPA Ltd	1-0	Aust Dairy Nut.	2-0	Bowen Coking C.	2-0	Class Limited	2-0	Domain Holdings	9-0
Alseran Res.	2-0	Aust Agricult.	1-0	Brainchip Hold.	0-2	Clean Teq Hold.	4-0	Domacom Ltd	0-1
Alt Resources	0-1	Aust United In	1-0	Bravura Sol.	1-3	Cleanaway Waste	5-0	Domino's Pizza	0-2
Altech Chemical	0-1	Australis O & G	9-0	Breaker Res NL	3-0	Clearvue Tech.	0-1	Donaco Inter'l	3-0

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Dongfang Modern	6-0	Fertoz Limited	1-0	Havilah Res.	2-0	Jumbo Interact.	0-7	Marmota Ltd	7-0
Doriemus plc	2-0	Fiducial Group	2-0	Hazer Group Ltd	1-0	K&S Corporation	1-0	Mastermyne Grp	1-0
Downer EDI Ltd	3-0	Field Solutions	1-0	Healius Ltd	1-0	K2 Asset Mgmt	2-4	Matador Mining	4-0
Dragontail Sys.	2-0	Fiji Kava Ltd	3-0	Healthia Ltd	1-0	K2fly Ltd	1-0	Matrix Comp.	1-0
Dreamscape Net.	5-0	Finbar Group	3-0	Healthscope	1-0	KGL Resources	3-0	Matsa Resources	1-0
Duketon Mining	1-0	First Cobalt	5-0	Hearts & Minds	1-0	KYCKR Limited	2-0	Maxi TRANS	4-0
Duxton B. Farm	1-0	Flagship Invest	5-0	Helix Resources	2-0	Kasbah Resource	3-0	Mayfield Child.	2-0
Duxton Water	4-0	Flamingo AI Ltd	2-0	Helloworld Trav	9-2	Kazia Thera.	4-0	Mayne Pharma Gr	2-0
E2 Metals Ltd	1-0	Flexicorp Ltd	1-0	Heron Resources	1-0	Kelly Partners	2-0	Mayur Resources	3-0
EML Payments	1-2	Fluence Corp.	1-0	Hexagon Res.	1-0	Kibaran Res.	4-0	McGrath Limited	3-0
ERM Power Ltd	3-2	Fortescue Metal	4-0	High Peak Royal	1-0	Kin Mining NL	3-0	McPherson's Ltd	6-0
EVF Investments	1-0	Freehill Mining	1-0	Hills Limited	4-0	Kina Securities	7-0	Medibio Limited	1-0
EVZ Ltd	1-0	Freelancer Ltd	5-0	Hipo Resources	1-0	Kingrose Mining	2-0	Medical Dev Int	3-0
Easton Invest.	4-0	Freedom O & G	3-0	Holista Coll.	1-0	Kneomedia Ltd	1-0	Medibank Priv.	5-0
Echo Resources	4-0	Freedom Foods	2-1	Horizon Gold	1-0	Kogan.com Ltd	3-4	Megaport Ltd	0-1
Eclipse Metals	0-1	Frontier Digit.	2-0	Hot Chili Ltd	1-0	Konekt Limited	1-0	Megnetite Mines	2-0
Eclipx Group	6-0	Future Gen Glb	3-0	HotCopper Hold.	1-0	Kopore Metals	1-0	Mejority Cap'l	1-0
Egan Street Res	0-1	G Medical Inn.	1-0	Hotel Property	1-0	Kore Potash plc	3-0	Melbana Energy	1-0
Eildon Capital	2-0	G.U.D. Holdings	9-1	Huon Aquacult.	2-0	Korvest Ltd	3-0	Memphasys Ltd	5-0
Elanor Investor	3-0	G8 Education	4-0	IDP Education	1-2	L1 Long Short	30-0	Mercantile Inv.	3-0
Elders Limited	3-0	GBST Holdings	1-0	IMEXHS Ltd	2-0	LBT Innovations	2-0	Metals X Ltd	3-0
Electro Optic	2-0	GDI Property	0-2	IMF Bentham Ltd	0-1	Laramide Res.	2-0	Metal Bank Ltd	1-0
Elementos Ltd	1-0	GPT Group	1-0	IOOF Holdings	3-0	Latam Autos	0-1	Metalstech Ltd	4-0
Elixir Petrol.	1-0	GWA Group Ltd	1-0	IOT Group	0-2	Leaf Resources	1-0	Metallica Min.	2-0
Elk Petroleum	0-1	Galan Lithium	3-0	IPB Petroleum	3-0	Lefroy Explor.	2-0	Metcash Ltd	3-0
Ellex Medical	2-0	Galena Mining	1-0	IPH Limited	0-1	LendLease Group	2-1	Meteoric Res.	1-0
Ellerton Global	3-0	Gale Pacific	2-1	IRESS Limited	0-1	Lepidico Ltd	0-3	Metgasco Ltd	3-0
Ellerston Asia	1-0	Galilee Energy	4-0	Icar Asia Ltd	3-0	Lifespot Health	1-0	Michael Hill	5-0
Elmo Software	2-0	Garda Capital	1-0	Iluka Resources	3-0	Lindsay Aust	1-0	Midway Limited	1-3
Elsight Limited	4-0	Garda Div Prop	2-0	Image Resources	1-0	Link Admin.	5-0	Millennium Serv	2-0
Empire Sec.	4-0	Gascoyne Res.	3-0	Imdex Limited	0-2	Lion Energy Ltd	1-0	Milton Corp.	1-0
Emvision Med.	1-0	Gazal Corp	0-1	Impetus Limited	1-0	Lion Selection	2-0	Mincor Resource	1-0
Enero Group Ltd	2-0	Genesis Mineral	2-0	Impedimed Ltd	5-0	Liq Natural Gas	6-0	Mindax Limited	0-1
Energy World	7-0	Genera Bio.	3-0	Imugene Ltd	3-1	Livehive Ltd	3-2	Mineral Res.	2-0
Energy Action	1-0	Genex Power	1-0	Inca Minerals	1-0	Locality Plan.	3-0	Minotaur Exp.	3-0
Enerco Refresh	0-1	Generation Dev.	2-0	Incentia Pay	3-0	Logicamms Ltd	1-0	Mirraboooka Inv.	1-0
Engage:BDR Ltd	1-0	Genesis Res Ltd	0-1	Indago Energy	2-0	Longtable Group	2-0	Mirvac Group	0-1
Ensurance Ltd	10-0	Genworth Mort.	4-0	Independ. Group	6-0	Love Group Glob	5-0	Mitchell Serv.	1-0
Entek Energy	2-0	Geopacific Res.	2-0	Indiana Res.	3-0	Lovisa Holdings	0-1	Moho Resources	1-0
Environm't Grp	1-0	Getswift Ltd	3-0	Indoor Skydive	2-0	Lucapa Diamond	1-0	Monadelphous Gr	2-0
Envirosuite Ltd	1-2	Glennon Sm Coys	8-0	Infomedica Ltd	1-0	Lynas Corp Ltd	3-0	Monash IVF Grp	6-0
Eon NRG Ltd	1-0	Global Master F	1-0	Ingenia Com Grp	2-3	MFF Capital Inv	5-0	Money3 Corp Ltd	0-2
Equity Trustees	6-0	Global Value Fd	1-0	Inghams Group	1-0	MGM Wireless	1-0	Moreton Res Ltd	3-0
Estia Health	3-0	Globe Int'l Ltd	1-0	Insurance Aust.	0-1	MMA Offshore	2-0	Mortgage Choice	1-0
Estrella Res.	1-0	Golden Mile Res	3-0	Int Research	5-0	MSL Solutions	2-0	Motorcycle Hold	1-0
Eureka Group	2-0	Gold Road Res.	5-1	Intermin Res	0-1	MXG Pharm.	3-0	Mt Gibson Iron	5-0
Euro. Lithium	4-0	Gold Mountain	1-0	Investsmart Grp	3-0	MYOB Group	1-0	Murray River Or	1-0
Euro Limited	5-0	Golden Rim Res.	1-0	Invictus Energy	1-0	MacPhersons R G	1-0	Murray Cod Aust	1-0
Euro Manganese	5-0	Golden Deeps	1-0	Invitrocue Ltd	1-0	Maca Limited	3-0	Musgrave Min.	1-0
Evans Dixon Ltd	2-0	Goodman Group	2-5	Ioneer Limited	1-0	Mach7 Tech.	1-0	Myanmar Metals	1-0
Event Hospital.	3-0	Gowing Brothers	1-0	Ironbark Cap'l	2-0	Macquarie C Tel	0-1	Myer Holdings	11-0
Evolution Min.	0-1	Graincorp	2-0	Iselect Limited	3-0	Macquarie Group	4-0	Mystate Ltd	5-0
Exore Resources	1-0	Grange Resource	1-0	Isentia Group	1-0	Magellan Fin Gp	1-0	NAOS Ex-50 Opps	4-0
Experience Co	4-0	Greenland Min.	3-0	JB Hi-Fi Ltd	3-1	Magnis Energy T	8-1	NAOS Small Cap	5-0
F.F.I. Holdings	2-0	Gt Southern Min	2-0	James Hardie	3-0	Magnetic Res.	1-0	NGE Capital	1-0
FAR Ltd	3-0	Gt Western Exp.	2-0	Janus Henderson	4-1	Magnum Mining	0-1	NTM Gold Ltd	2-0
FSA Group Ltd	1-0	Gulf Manganese	0-2	Japara Health.	3-0	Mainstream Grp	4-2	NVOI Limited	2-0
FYI Resources	4-1	HHY Fund	3-0	Jayex Health.	1-0	Manas Resources	1-0	Nanoveu Limited	2-0
Family Insights	1-0	HRL Holdings	3-0	Jervois Mining	5-0	Managed Account	4-0	Nanollose Ltd	1-0
Family Zone CS	1-0	HT&E Limited	2-0	Jindalee Res.	3-0	Marindi Metals	5-0	Nanosonics Ltd	1-5
Farmaforce Ltd	3-0	HUB24 Limited	2-5	Johns Lyng Grp	3-0	Marley Spoon AG	1-0	Nat Veterinary	6-0
Fat Prophets GI	3-0	Hansen Tech.	2-1	Joyce Corp.	1-0				

(Continued on Page 14)

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Nat'l Aust Bank	0-1	Paradigm Bio.	2-0	Regis Resources	3-0	South32 Limited	4-1	Traffic Tech.	1-0
National Tyre	7-0	Paragon Care	2-0	Reliance W/wide	0-1	Spark Infrastru	2-0	Transurban Grp	4-1
Navigator Gl In	0-1	Parkd Limited	9-0	Rent.com.au Ltd	2-0	Spectur Ltd	1-0	Treasury Wine	5-1
Nearmap Ltd	0-3	Peakol Limited	2-0	Resolute Mining	4-2	Speedcast Int'l	6-0	Tribeca G Nat R	5-0
Neometals Ltd	1-0	Peet Ltd	0-2	Resonance Hlth	3-0	Spherra Em Cos	2-0	Triton Minerals	1-0
NetComm Wire.	3-0	Pendal Group	10-0	Respri Limited	1-0	Spicers Limited	0-1	UCW Limited	3-0
Netlinkz Ltd	2-0	Pengana Capital	9-0	Reva Medical	7-0	Spirit Telecom	1-0	Ultracharge Ltd	1-0
Netwealth Group	1-0	Peninsula En.	3-0	Rewardle Hold.	1-0	St Barbara Ltd	0-1	Universal Coal	1-0
Neuren Pharm.	3-0	Pental Limited	2-0	Reward Minerals	10-0	Starpharma Hold	4-0	VGI P. Global	6-0
Neuroscientific	1-0	People Infra.	2-1	Rhinomed Ltd	1-0	Star Entertain.	8-0	Valmec Limited	8-6
New Century Res	4-0	Perpetual Ltd	2-0	Rhipe Limited	0-4	Stavely Mineral	1-0	Vault Intell.	3-0
New Hope Corp.	2-0	Perseus Mining	1-0	Rimfire Pacific	1-0	Steadfast Group	2-3	Veem Limited	4-0
New Energy Sol.	6-0	Petratherm Ltd	1-0	Rio Tinto Ltd	2-0	Sth Cross Media	4-0	Velocity Prop.	1-0
Newcrest Mining	0-1	Pharmaust Ltd	2-0	Roots Sust Agr	1-0	Sth Cross Elect	0-1	Venturex Res.	3-0
Nextdc Limited	1-0	Phoslock Env.	0-2	Rox Resources	3-0	Stockland	3-0	Venus Metals	5-0
Nick Scali Ltd	2-1	Piedmont Lith.	2-0	Ruralco Hold.	1-0	Strata-X Energy	1-0	Veris Ltd	11-0
Nine Entertain.	4-0	Pinchme.com Inc	3-0	S2 Resources	2-0	Strategic Min.	1-0	Vicinity Centre	5-0
Northern Cobalt	1-0	Pinnacle Invest	3-1	SDI Limited	3-0	Strandline Res.	3-0	Vietnam Indust.	1-0
Nova Minerals	2-0	Pivotal Systems	1-0	SG Fleet Group	1-0	Strat. Energy	1-0	Village Road.	0-3
Novita Health.	5-0	Platina Res.	1-0	SRG Global	7-0	Strike Energy	1-0	Vimy Resources	1-0
Noxopharm Ltd	1-0	Platinum Asset	0-1	Sabre Resources	0-1	Structural Mon.	1-0	Virgin Aust	1-0
Nthn Star Res.	0-4	Polynovo Ltd	9-0	Salmat Ltd	1-0	Sultan Res.	4-0	Virtus Health	2-0
Nufarm Limited	4-0	Poseidon Nickel	1-0	Sandfire Res.	0-1	Sunbridge Group	0-3	Visioneering T.	1-0
Nuheara Limited	1-2	Praemium Ltd	4-0	Santos Ltd	2-0	Suncorp Group	7-0	Vita Group Ltd	0-2
Nusantara Res.	1-0	Predictive Disc	1-0	Santa Fe Min.	2-0	Sundance Energy	9-1	Viva Energy Grp	1-0
Nzuri Copper	1-0	Prime Media Grp	1-2	Saracen Mineral	3-2	Sunstone Metals	2-0	Vivid Tech.	1-0
OBJ Limited	3-0	Pro-Pac Pack.	5-2	Saturn Metals	1-0	Superior Lakes	2-0	Vmoto Ltd	9-0
OFX Group	2-0	Probiotec Ltd	1-0	Scandi Vanadium	2-0	Superloop Ltd	0-1	Vocus Group Ltd	6-0
OZ Minerals Ltd	4-1	Prodigy Gold	1-0	Scentre Group	6-0	Super Retail Gr	8-0	WAM Research	0-2
Objective Corp.	1-0	Prophecy Int'l	1-0	Schrole Group	1-0	Swick Min Serv	1-0	WAM Leaders	4-0
Oceania Capital	6-0	Propel Funeral	1-0	Scidev Limited	1-0	Swift Media	1-0	WAM Global	9-0
Octanex Ltd	1-0	Property Conn.	7-0	Scout Security	4-1	Sydney Airport	1-0	WPP AUNZ Ltd	1-0
Okapi Resources	1-0	Protean Energy	1-0	Sealink Travel	2-4	Synertec Corp.	1-0	Watermark Glb.	1-0
Oliver's Real F	2-0	Pursuit Mineral	1-0	Seek Ltd	3-0	Syrah Resources	3-0	Waterco Ltd	0-1
Oncosil Medical	1-0	QEM Limited	1-0	Select harvest	1-2	THC Global Grp	2-0	Wattle Health	1-0
Onemarket Ltd	2-0	QMS Media	2-0	SenSen Networks	2-0	TNG Limited	1-0	Webjet NL	2-0
Onevue Holdings	1-0	QV Equities Ltd	2-0	Senetas Corp	1-0	TNT Mines	1-0	Weebit Nano Ltd	0-2
Ooh!Media	4-0	Qantas Airways	4-1	Senex Energy	9-1	TZ Limited	5-0	Wesfarmers Ltd	1-0
Opendna Ltd	0-1	Quantify Tech.	1-0	Sensera Limited	5-0	Tabcorp Holding	2-1	Westpac Banking	4-0
Opthea Limited	0-1	Qube Holdings	0-2	Service Stream	0-2	Talga Resources	3-0	West African R.	1-0
Orbital Corp	2-0	Quickstep Hold.	1-0	Servcorp Ltd	6-0	Tamawood Ltd	7-0	Western Areas	4-1
Orcoda Limited	1-0	RBR Group	1-0	Seven West Med.	4-0	Tambia Ltd	2-0	Weststar Indust	1-0
Origin Energy	3-0	RCR Tomlinson	4-0	Seven Group	3-2	Tando Resources	3-0	Westgold Res.	2-0
Orinoco Gold	3-0	REA Group Ltd	0-1	Sheffield Res.	1-0	Tasman Resource	1-0	Whitehaven Coal	5-4
Orion Minerals	4-0	RMA Global	10-0	Shopping Centre	3-2	Tassal Group	4-0	Whitefield Ltd	3-0
Orminex Ltd	2-0	RPMGlobal Hold.	1-0	Shriro Holdings	1-0	Telix Pharma.	1-0	White Energy Co	2-0
Orocobre Ltd	3-0	Raiden Res.	1-0	Sietel Ltd	1-0	Telstra	3-1	Wingara AG Ltd	4-0
Orora Limited	0-5	Raiz Invest.	11-0	Sigma Health.	5-0	Tempo Australia	3-0	Wisetech Global	0-1
Osprey Medical	3-0	Ramsay Health	0-3	Silver Lake Res	0-2	Temple Webster	1-0	Wistr Ltd	2-0
Ottoman Energy	3-1	Real Energy	2-0	Silver Chef Ltd	4-0	Templeton Globa	2-0	Wollongong Coal	1-0
Ovata Ltd	3-0	Real Estate Inv	1-0	Silver City Min	1-0	Terracom Ltd	14-0	Woolworths Grp	2-0
Oventus Medical	3-0	Reckon Limited	1-0	Simonds Group	5-0	Tesserent Ltd	0-1	Woomera Mining	1-0
PPK Group Ltd	6-0	Red River Res.	1-0	Sims Metal Mgmt	5-3	The GO2 People	6-0	Worley Group	2-0
PSC Insurance	2-1	Red 5 Ltd	1-0	Skin Elements	1-0	The Reject Shop	2-0	XRF Scientific	2-0
PTB Group Ltd	1-0	Red Mountain	1-0	Slater & Gordon	0-1	The Betmakers	2-0	Xanadu Mines	6-0
PWR Holdings	0-2	Redbubble Ltd	2-1	Smartgroup Corp	3-1	Think Childcare	0-1	Xenith IP Group	0-1
Pacific Energy	2-0	Redflow Limited	1-0	Smart Parking	1-0	Thorney Tech.	12-0	Xtek Ltd	1-0
Pacific Smiles	9-0	Redflex Holding	6-0	Smiles Incl.	9-0	Thorn Group Ltd	1-0	YPB Group Ltd	1-0
Pact Group Hold	6-0	Redstone Res.	5-1	Somnomed Ltd	2-0	Thorney Opp.	11-1	Yowie Group Ltd	1-0
Paladin Energy	1-0	Reece Pharma.	1-0	Sonic Health	3-2	Thred Ltd	2-0	Zicom Group	2-0
PanTerra Gold	0-1	Regeneus Ltd	1-0	Soul Pattinson	3-0	Tigers Realm	1-0	Zinc of Ireland	3-0
Pancontinental	0-1	Regis Health.	3-0	Southern Gold	1-0	Tinybeans Group	1-0		

Investment Outlook

(Continued from Page 1)

So investors are happy to buy “safe” 5-year US Government Bonds and tie in a 2.33% yield. That is seen as better than 6 month bills at 2.44% or 1 year at 2.40% as, if things get worse, interest rates for re-investing in 6-12 months may be even lower. In Europe, investors are buying 5-10 year Government Bonds at *negative* interest rates (i.e. they are prepared to get back less than today's cost) in the search for safety.

Of course, a widespread expectation of slow growth or a recession is a self-fulfilling prophecy. If people expect the economy to grow only slowly or decline, then they will reduce consumption and expenditure (to boost savings, even at negative interest rates) . . . and that lower consumption and expenditure will cause the expected slow growth or recession.

We are not so sure about a recession, but we do expect a fairly long period of slow growth.

So what does this mean for the stockmarket?

Firstly given the pessimistic behaviour of investors in the bond market it is *extremely puzzling* to see the optimistic behaviour of investors in the stockmarket. Both the US and Chinese stockmarkets are rallying back towards previous highs this year! If we may quote Sir John Templeton's “four most dangerous words in investing” then maybe “this time its different” and a “great trade deal” will turn around these two economies where all the economic indicators are deteriorating?

But if the trade deal will be so “great” then why has the Federal Reserve needed to ease monetary policy three times in the first quarter of 2019? Why is the US President now pressuring the Federal Reserve for a further *massive* 0.50% interest rate cut - which would likely weaken the US dollar exchange rate. If you are about to get a “great trade deal” then why do you also need a *competitive devaluation* of the currency to boost trade?

These conflicting expectations - perhaps driven by Presidential tweets of a “great trade deal” - are inconsistent.

Secondly, the economic environment will likely have a different impact on different sectors of the stockmarket. **Utilities and Real Estate Investment Trusts** (especially residential, rather than retail, focused trusts) and other high yielding “bond proxies” will continue to rally as interest rates fall and remain attractive investments in a low interest rate, slow economic growth environment. **Energy** companies are also attractive investments as the demand for energy is inelastic (i.e. most people will still use the same amount of electricity and gas for heating and cooking) so this sector has good pricing power (i.e. the ability to raise, or at least maintain, selling prices) and profitability during a period of slow growth or a recession. Energy stocks also often have high yields so

become more attractive investments when interest rates are low.

On the other hand, the **Finance** sector (i.e. Banks) usually perform poorly with low interest rates as their net interest margins are eroded, reducing net profits. **Technology** and other **Growth** companies perform poorly in a period of slow growth or a recession.

Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
CDL Investments	3.50	02-05	17-05	Full
Chorus Ltd	9.50	18-03	16-04	Full
Contact Energy	16.00	20-03	09-04	3.8889
Fletcher Building	8.00	22-03	10-04	Nil
Hallenstein Glasson	20.00	11-04	18-04	Full
Meridian Energy	5.70	28-03	17-04	1.9063
Meridian Energy special	2.44	28-03	17-04	2.4400
Methven Ltd	4.69	-	-	0.6900
Millennium & Copthorne	7.50	09-05	17-05	Full
NZ King Salmon	2.00	-	22-03	Full
Scott Technology	4.00	07-05	14-05	Full
Vital Healthcare Property	2.1875	15-03	29-05	0.3477
Warehouse Group	9.00	01-04	12-04	Full
Australian Shares				
ARQ Group	4.50	05-04	30-04	
CPT Global	0.25	14-03	20-05	
Integrated Research	3.50	27-02	16-04	
The Reject Shop	10.00	15-03	08-04	

Total Return Index for All Listed Shares

Mar 11	1686.36	Mar 18	1696.52
Mar 12	1686.05	Mar 19	1687.15
Mar 13	1682.15	Mar 20	1680.17
Mar 14	1686.73	Mar 21	1680.55
Mar 15	1694.18	Mar 22	1683.79
Mar 25	1683.05	Apr 1	1702.77
Mar 26	1687.40	Apr 2	1708.24
Mar 27	1681.25	Apr 3	1704.79
Mar 28	1686.07	Apr 4	1706.77
Mar 29	1689.12	Apr 5	1713.15

Next Issue:

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

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