

# Market Analysis

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## Inside Market Analysis

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Founder: James R Cornell (B.Com.)

## Summary and Recommended Investment Strategy.

We remain concerned about large company share valuations . . . but this is generally not where we choose to invest and we continue to see good value in other sectors.

## Investment Outlook.

Many *growth* and *technology* shares trade at valuations far above historical norms. That would make sense if the global economy was *growing fast and accelerating*. All the statistics we see indicate that global economic growth is *slow* and still *decelerating*.

Valuations in *growth* and *technology* shares therefore look like a Bubble! Of course, financial bubbles are built on irrational expectations and often inflate *higher* and *longer* than rational minds expect.

Partly the current bubble has been fuelled by the growth of index investing over the last 20 years. Index investing ignores valuation and buys the biggest companies - which has steadily driven up the values of the largest listed companies. In a "virtuous cycle" those high valuations have allowed the largest companies to grow, using their highly valued stock to make acquisitions of smaller, high growth businesses. For large companies, issuing shares does not depress the price as the index funds will be required to buy more!

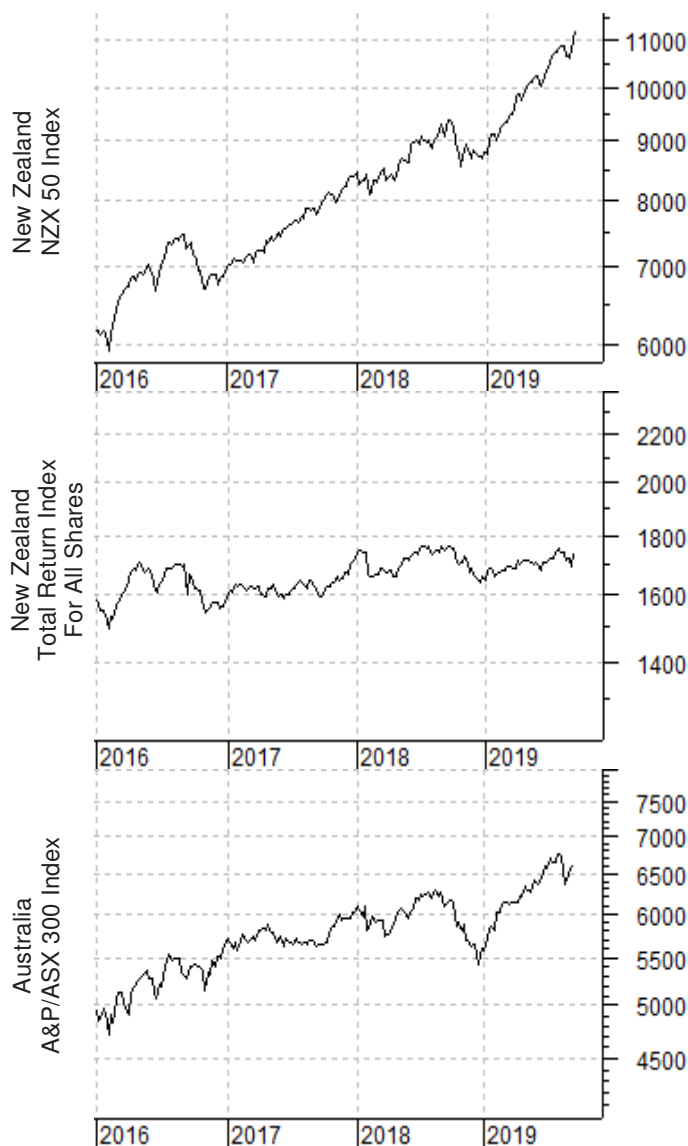
Also the current bubble has been fuelled by regulation that has discouraged companies from listing on the stock exchange. For example, the *Sarbanes-Oxley Act* of 2002 (increasing the regulation of public companies) has discouraged private companies from listing on the stockmarket. When a large company goes public and joins the S&P 500, the index funds need to sell a *small amount* of each existing holding (and all of the smallest holding) to buy into the new company and match the new index weighting. With few large IPOs over the last 20 years, that has not happened very often.

This situation, however, is changing. There are currently over 450 "Unicorn" companies (i.e. unlisted companies worth at least US\$1 billion and perhaps up to \$150 billion?). Over the last 20 years, many companies have preferred to remain unlisted . . . but the high valuations currently on the stockmarket (and achieved by **Uber**, **Lyft**, **Pinterest**, **Zoom**, **PagerDuty** and **Beyond Meat** this year) probably has many of those Unicorns calling up

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### Stockmarket Forecasts

	One-Month	One-Year
Australia:	71% (Bullish)	80% (Bullish)
New Zealand:	77% (Bullish)	57% (Neutral)



# Recommended Investments

## Cavalier Corporation

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$135.2m	\$148.1m	-8.7%
Net Profit	\$1.9m	\$4.1m	-53.7%
Net Cash Surplus	\$2.9m	\$12.1m	-76.1%
Earnings per share	2.8c	5.9c	-53.7%
Dividends per share	Nil	Nil	-

Land & Buildings (with a book value of \$24.2 million) have a recent valuation in excess of \$30 million, while net debt has been reduced to \$18 million. The board “is confident in the financial sustainability of the company” which is collaborating with **The New Zealand Merino Company** to apply their “extensive sales, marketing and innovation expertise” to “capture the demand from consumers seeking a more natural, more sustainable, healthier alternative” in wool carpets.

### Cavalier Corporation



## Colonial Motor Company

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$909.0m	\$904.0m	+0.5%
Net Profit	\$22.1m	\$24.7m	-10.9%
Net Cash Surplus	\$36.6m	<\$7.4m>	-
Earnings per share	67.5c	75.7c	-10.9%
Dividends per share	45.0c	50.0c	-10.0%

Industry wide new car sales rose 1% in the first half of the year and fell 5% in the second half.

Colonial Motor company believes the industry is changing and “continued uncertainty” is expected, but

### Colonial Motor Company



that its “balance sheet enables it to adapt”.

In Pukekohe, South Auckland, the company has purchased a *Honda* dealership. In the wider Wellington region it is “establishing a hub and spoke model” for *Ford* and *Mazda* based upon the *Steven Motors* site (expanded with additional properties) in Lower Hutt.

**South Port NZ** lifted revenues and net profit slightly and will maintain a steady annual dividend:

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$44.0m	\$40.7m	+8.0%
Net Profit	\$9.8m	\$9.7m	+1.3%
Net Cash Surplus	\$13.5m	\$12.3m	+9.8%
Earnings per share	37.4c	36.8c	+1.3%
Dividends per share	26.0c	26.0c	-

Total cargo volumes rose 2.2% to 3,521,000 tonnes, with container volumes up 24.6% to 48,700 TEU.

The cold storage complex on Foreshore Road was closed and operations consolidated on the Island Harbour. This required \$1.71 million of capital expenditure to “modify the cargo receipt, container loadout areas and construct a new blast freezer” but resulting in “a reduction in operating costs per tonnes handled”. Volumes through the new blast freezer increased by 50%.

**Open Country Dairy** plans to construct a third drier to be operational in the 2020/21 dairy season, with South Port to provide additional warehousing to handle increased export shipments.

The company is also working with **NZ Aluminium Smelter** “on opportunities to pack a variety of aluminium products into containers for export to new markets for this customer”.

Cruise activity to Fiordland is also increasing, to “more than 100 vessels each year” and South Port is working with **Great South** (i.e. Southland's new regional development agency) and **Cruise New Zealand** to attract ships to Bluff.

Forecasts for the next year are for a 5% decline in profits (i.e. about what the company forecasts every year) mainly owing to higher capital expenditure (i.e. expected at \$3.5 million this year and \$4.0 million in the year to June 2021, up from \$2-3 million recently).

Current work will involve the access bridge, wharves and electrical infrastructure.

### South Port NZ



**Smith City Group** warns that first half sales will be “materially below” last year.

**Steel & Tube Holdings** experienced an improvement, but earnings per share and dividends were down owing to the increased capital:

	Year to 30/6/2019		
	Latest	Previous	Change
Revenues	\$498.1m	\$495.8m	+0.5%
Net Profit	\$10.4m	\$7.8m	+33.5%
Net Cash Surplus	\$21.3m	\$1.3m	+1503.0%
Earnings per share	6.3c	8.6c	-26.7%
Dividends per share	5.0c	7.0c	-28.6%

Issued capital increased 82% with last year's cash

issue and placement at 105 cents which raised \$78.8 million. This, plus the improved net operating cash surplus, allowed the repayment of \$85.9 million (78%) of interest bearing debt, down from \$109.9 million to \$24.0 million.

The previous level of debt was not excessive and built up through a series of debt-funded acquisitions . . . some of which did not work out, requiring sales/asset writedowns and a panic to raise equity to almost immediately repay all of that debt.

This was the equivalent of leveraging the company when things appear fine (and the share price is high) and de-leveraging when there is a glitch (and the share price is low). Shareholder wealth is created by *reversing* that process!  
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## 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 %
<u>NZ Shares</u>													
BUY	CDL Investments Ltd	CDI	12/01/99	25	D	278.1	1.2	2.52	6	6.3	77	39.8	+367%
HOLD+	Cavalier Corporation	CAV	05/12/95	156*	C	68.7	2.1	0.14	10	Nil	27	282.0	+98%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	A	32.7	0.4	0.31	13	7.2	870	612.8	+1058%
HOLD	Smiths City Group	SCY	09/10/06	64	E	52.7	2.0	0.07	NE	Nil	27	37.0	+0%
HOLD	South Port New Zealand	SPN	13/02/96	120	C	26.2	0.4	4.33	19	5.0	725	310.8	+763%
HOLD+	Steel & Tube Holdings	STU	08/08/00	139*	E	166.0	1.3	0.29	14	8.1	86	346.1	+211%
<u>Australian Shares (in Aust cents)</u>													
HOLD+	Acrux Limited	ACR	12/05/14	99	C	166.7	2.4	5.36	NE	Nil	17	14.0	-69%
HOLD	AJ Lucas Group	AJL	13/05/03	107*	D	750.1	2.7	0.76	NE	Nil	15	36.4	-52%
HOLD+	ALS Limited	ALQ	12/10/99	72*	B	482.4	0.5	2.34	22	2.8	805	335.4	+1484%
HOLD	ARQ Group	ARQ	10/02/04	53	B	122.1	1.3	0.30	NE	14.7	55	226.0	+429%
HOLD	Atlas Pearls & Perfume	ATP	14/05/96	73	E	424.8	14.8	0.21	NE	Nil	1	17.5	-75%
HOLD+	Brickworks Ltd	BKW	12/11/12	1115	B	149.8	0.3	2.93	11	3.4	1611	263.5	+68%
BUY	CardieX Ltd	CDX	11/11/13	15	E	695.5	7.5	4.27	NE	Nil	2	Nil	-84%
HOLD	CPT Global Ltd	CGO	10/03/08	88	B	37.8	2.4	0.26	7	3.8	20	19.5	-56%
HOLD	CSG Limited	CSV	11/10/10	166*	C	449.3	2.3	0.41	NE	Nil	20	60.5	-51%
HOLD+	Cynata Thera.	CYP	13/03/17	50	C	101.9	0.9	NA	NE	Nil	172	Nil	+244%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	D	143.6	1.5	1.00	NE	Nil	57	Nil	+16%
BUY	FBR Limited	FBR	07/07/17	14	D	1403.6	3.9	NA	NE	Nil	7	Nil	-47%
HOLD-	Fiducian Group	FID	11/02/08	260	B	31.4	0.5	3.30	16	4.3	514	128.1	+147%
HOLD	Finbar Group Ltd	FRI	12/04/10	106	B	272.1	1.0	1.50	22	7.1	85	78.5	+54%
HOLD	Ignite Ltd	IGN	08/04/03	82*	E	89.6	5.6	0.02	NE	Nil	4	70.5	-9%
BUY	Iluka Resources Ltd	ILU	12/10/04	471	B	422.5	0.5	2.37	11	3.8	760	306.0	+126%
HOLD	Integrated Research	IRI	14/01/08	40	B	171.9	0.6	5.08	23	2.5	298	63.3	+803%
HOLD	McMillan Shakespeare G	MMS	07/11/16	1041	A	83.2	0.4	2.42	15	4.6	1608	213.0	+75%
BUY	Michael Hill Int'l Ltd	MHJ	11/06/91	4*	B	387.8	1.7	0.33	12	8.2	49	72.3	+2933%
BUY	Mt Gibson Iron	MGX	10/11/14	44	B	1130.1	1.6	2.96	12	5.5	73	9.0	+86%
HOLD-	Opthea Limited	OPT	10/02/04	188	B	249.4	0.9	NA	NE	Nil	372	65.0	+132%
HOLD	OZ Minerals	OZL	14/03/16	522	A	323.9	0.4	2.72	14	2.4	941	71.0	+94%
BUY	Prophecy International	PRO	08/09/08	26	B	64.0	1.8	2.07	NE	Nil	35	24.0	+125%
BUY	Reckon Limited	RKN	08/08/16	141	B	113.3	1.1	1.02	10	4.4	68	11.0	-28%
HOLD	Silver Chef Ltd	SIV	13/11/17	740	C	39.3	1.2	0.11	NE	Nil	63	10.0	-90%
BUY	St Barbara	SBM	12/08/19	396	A	696.2	0.7	3.28	15	2.6	306	4.0	-22%
HOLD+	The Reject Shop Ltd	TRS	11/01/05	257	C	28.9	0.9	0.07	NE	5.3	187	520.5	+175%
HOLD+	Village Roadshow	VRL	10/08/09	71*	C	195.1	0.6	0.54	NE	1.8	271	284.3	+682%
BUY	Woodside Petroleum	WPL	08/04/19	3410	B	936.2	0.4	4.01	15	6.4	3185	53.2	-5%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +264.9%. This is equal to an average annual rate of +22.1%, 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 170 closed out) is +28.4%, 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 38.5 pence (69.0 Aust cents).

**Recommended Investments***(Continued from Page 3)***Steel & Tube Holdings****Australian Shares***(This section is in Australian currency, unless stated.)*

**Acrux Ltd's** royalties from *Lenzetto* rose 78% but still only amounted to \$581,000. Interest (on declining cash balances) was down 14% to \$579,000. Most "revenue" was its R&D Rebate of \$4,072,000 (i.e. \$2.1 million received for the June 2018 year and \$2.0 million receivable for the June 2019 year):

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$5.3m	\$3.4m	+54.0%
Net Profit	<\$8.3m>	<\$8.5m>	-
Net Cash Surplus	<\$9.9m>	<\$5.3m>	-
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

Acrux Ltd has submitted its third *Abbreviated New Drug Application* (ANDA) to the **US Food and Drug Administration**. This one is for a generic version of *EMLA* cream (i.e. 2.5% Lidocaine and 2.5% Prilocaine), a topical anaesthetic. The potential market is relatively small - just US\$35 million annually in sales - for *EMLA* and four other already approved generics.

In most other cases, Acrux is targeting drugs where no generic is currently available. Of the 14 products currently under development, 66% of the total addressable market (TAM) of US\$1481 million is for drugs with no current generic.

Acrux plans to make four further ANDA submissions during the 2020 calendar year.

The first ANDA submission was in August 2018, patent litigation was settled in April 2019, but the company is still awaiting FDA approval to begin marketing its generic version of *Jublia*. Revenues are still expected to start in the current half year. This drug has an annual market of US\$235 million with no generic currently available.

Cash on hand (at 30 June) was \$18.2 million which should be sufficient to fund development activities for the next 2-3 years.

**Acrux Ltd****AJ Lucas Group**

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$143.4m	\$124.7m	+15.0%
Net Profit	<\$25.7m>	<\$8.5m>	-
Net Cash Surplus	\$14.8m	<\$13.5m>	-
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

The Drilling business lifted revenues 15% to \$143.4 million and Earnings (before interest, tax and depreciation) 24% to \$24.4 million.

Interest on debt to fund the Drilling business and part of its investment in **Cuadrilla Resources** results in the reported loss. The Drilling division provided a net operating cash surplus (after interest costs) but the parent company incurred interest cost of \$10.2 million on debt to fund **Cuadrilla Resources** plus \$13.5 million to finance its share of Cuadrilla's operating costs.

In August the Drilling division announced a \$70 million, three-year extension (plus an option for a further two years) to provide degasification and exploration drilling services for **Kestrel Coal Pty**. Contracts with six "major coal mining companies" should "deliver over \$200 million in revenues" annually "over the next two years".

We estimate that this 40% growth in drilling revenues should lift division earnings around 60% to about \$40 million and the operating cash surplus around 60% to about \$25 million. That would at least *start* to make a meaningful contribution to covering interest costs for the group . . . although ultimately the company needs to build (and realise some) value from its investment in Cuadrilla Resources and its large investment in UK shale gas exploration assets.

Cuadrilla Resources experienced some initial success with its second well at *Preston New Road* site, but operations are currently suspended pending a review.

The first four frac stages were very successful, with 30 tonnes of sand injected in stage 1 and 50 tonnes in each of stages 2 to 4 (of a total of 49 planned stages, after which flow testing would begin).

Operations, however, have been suspended following a 2.9ML minor seismic event (three days after the previous hydraulic fracture) more than 2km below the surface resulting in a ground movement of 5mm per second, "which is around a third of the limit permitted for construction projects".

Prior to this latest suspension, the **Oil & Gas Authority** (i.e. the government authority for the industry) had begun a “scientific assessment of industry data” which Cuadrilla believes “will justify a review of the current uniquely low micro-seismic limit” of 0.5ML for fracking.

**AJ Lucas Group**



**Arq Ltd**

Six Months to 30/6/2019

	Latest	Previous	Change
Revenues	\$90.9m	\$112.4m	-19.1%
Net Profit	<\$0.6m>	\$2.9m	-
Net Cash Surplus	\$4.9m	\$17.7m	-72.1%
Earnings per share	Nil	2.4c	-100.0%
Dividends per share	Nil	3.5c	-100.0%

**Arq Ltd**



**Atlas Pearls'** performance improved with a *reduced loss* of \$1,342,461 and a *positive* cash operating surplus of \$763,854.

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$16.24m	\$14.21m	+14.7%
Net Profit	<\$1.34m>	<\$2.03m>	-
Net Cash Surplus	\$0.76m	<\$0.70m>	-
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

The company, however, also wrote off deferred tax losses (previously taken into account) of \$2,240,000 to report a loss of \$3,582,461. This is purely a non-cash accounting item. These tax assets were written off as “they will not be fully utilised within the next five years” but “can be carried forward indefinitely and have no expiry date”. So at some stage in the future - if sustainable profitability seems likely - the company will again be

required to show these deferred tax assets in its balance sheet and the resulting \$2.24 million tax credit will boost reported profits that year!

Accounting Standards that require massive write-downs and massive write ups (see Mt Gibson Iron which has just written up \$63.0 million of previously unrecognised tax losses), moving assets off-balance sheet (i.e. unrecognised) or on-balance sheet (i.e. recognised) with correspondingly large “losses” or “profits” in the Income Statement appear designed to *mis-inform* investors (and banks) and create instability in financial markets!

Interest bearing debts are still high at \$3.6 million, but down \$430,000 on a year earlier!

**Atlas Pearls**



**Brickworks Ltd** acquired a second brick maker in the United States, privately-owned **Sioux City Brick** for US\$32 million (A\$47 million). The business has “three modern production lines”, one of which is not operating and mothballed, at two manufacturing plants in Iowa. The total production capacity from all three lines would be 160 million bricks per year, with current production and sales of about 90 million bricks. The company also operates five retail distribution outlets and employs 200 people.

This will be funded from cash and existing debt facilities and expected to add 3% to earnings per share (after realising cost synergies). The US brick market is “highly fragmented, with significant over-capacity” so acquisitions offer the potential to improve “plant utilisation and production efficiency”.

In Australia, Brickworks expects “significantly” higher earnings from its Property Trust to “offset a decline in Building Products”.

**Brickworks Ltd**

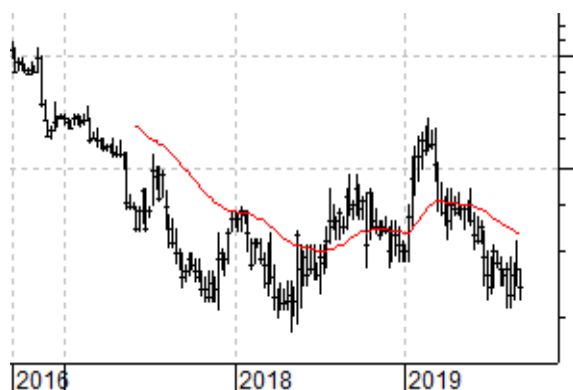


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**Recommended Investments***(Continued from Page 5)***Cardie X Ltd**

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$4.1m	\$4.0m	+1.0%
Net Profit	<\$3.0m>	<\$3.0m>	-
Net Cash Surplus	<\$2.4m>	<\$2.0m>	-
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

**CardieX Ltd****CPT Global**

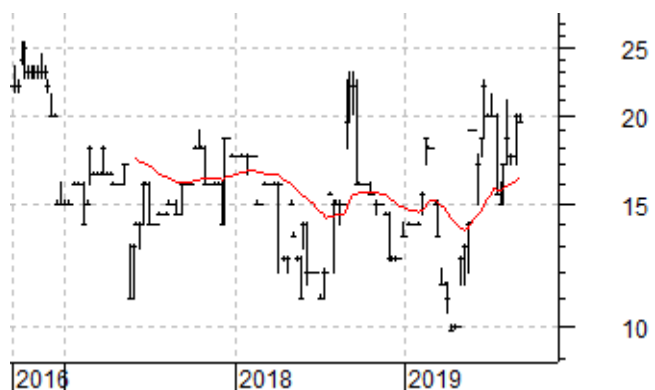
Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$28.4m	\$31.0m	-8.5%
Net Profit	\$0.992m	\$0.780m	+27.2
Net Cash Surplus	\$0.380m	\$1.087m	-65.0%
Earnings per share	2.6c	2.1c	+23.8%
Dividends per share	0.75c	0.25c	+200.0%

In June the company started two projects at Australian banks “optimising the mainframe environment”. Two US “risk/return” projects (i.e. where CPT Global is paid a share on savings realised for the client) are contracted to 31 December and the company is discussing extending these contracts for a further twelve months.

*Robotic Process Automation (RPA)* is becoming “an area of increasing demand” and “generated revenue and margin” last year from the sale of software and services. CPT Global has partnerships with “two of the world’s largest providers of RPA tools”.

CPT Global has also applied RPA to their own business in areas of Finance, HR and Sales to “automate manual processes and boost efficiency”.

**CPT Global****CSG Ltd**

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$217.6m	\$225.7m	-2.6%
Net Profit	<\$2.8m>	<\$8.2m>	-
Net Cash Surplus	\$34.6m	\$7.3m	+375.1%
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

**CSG Ltd**

**Cynata Therapeutics** has no revenues other than some interest income:

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$0.194m	\$0.143m	-
Net Profit	<\$8.5m>	<\$4.6m>	-
Net Cash Surplus	<\$6.8m>	<\$4.0m>	-
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

Cash on hand at the end of June was \$7.0 million.

The **Fujifilm** option to acquire the *Graft versus Host Disease (GvHD)* project expires on 19 September.

A scientific paper “demonstrating the efficacy of *Cymerus* MSCs in organ transplant rejection” will be published in a “leading peer-reviewed journal, *Stem Cell Research & Therapy*”. The study was carried out and funded by the *King Faisal Specialist Hospital and Research Centre* in Riyadh, Saudi Arabia, the largest organ transplant centre in the Middle East, with Cynata Therapeutics providing *Cymerus* MSCs for this collaborative study.

Mice were given a single injection of *Cymerus* MSCs or a placebo, one day before orthotopic tracheal (windpipe) transplants - “a procedure that ordinarily results in rejection of the transplant by the recipient”. Separate groups of mice were then evaluated at five time points over the next 90 days.

The experiments “demonstrated effects expected to prevent organ transplant rejection” and the researchers believe a human “clinical trial is warranted as a potential option for immunosuppression in organ transplant recipients”.

The *Cymerus* MSC treatment “led to an increase in human TSG-6, an anti-inflammatory protein” and “mouse regulatory T-cells” which “limit transplant rejection by establishing immune tolerance”. The treatment also

“suppressed cytokines” (that cause inflammation), prevented harmful collagen deposition and helped reinstate microvascular blood flow and limited injury to the transplanted organ.

We continue to oppose a *possible* attempt by **Sumitomo Dainippon Pharma** to acquire Cynata Therapeutics at only 200 cents per share. *Cymerus* stem cells have potentially huge medical benefits for a wide range of regenerative therapies and this technology “is the only manufacturing approach that is viable”. “Cynata has the only platform technology in the world that can produce commercial quantities of uniform MSCs from a single donor. Our manufacturing technology is scalable and has the potential to rapidly advance the industrialisation of product manufacture in MSC-based cell therapies”.

Cynata Therapeutics is the *Ford Motor Company* (i.e. the manufacturing production line) of the regenerative medical industry and that must be worth more than \$205 million (200 cents per share)? Perhaps there should be another zero in those numbers? At current prices we have very little interest in selling.

**Cynata Therapeutics**



**Ellex Medical Lasers**

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$81.6m	\$79.1m	+3.2%
Net Profit	<\$5.8m>	<\$6.0m>	-
Net Cash Surplus	<\$4.2m>	\$0.522m	-
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

*iTrack* prices were raised by “a low double-digit amount” in the fourth quarter - which will boost revenues and gross margins in the current financial year. Production capacity at the Fremont, California, plant is 50,000 units annually, so is currently working at less than 30% of capacity. This business “is expected to continue revenue growth and generate positive EBITDA” (i.e. earnings before interest, tax, depreciation and amortisation) in the second half of the June 2020 financial year.

Ellex Medical Lasers will focus on working capital, particularly inventory control in all of its divisions (which increased \$3.6 million to \$26.1 million over the last year) to improve cashflows.

**Ellex Medical Lasers**



**FBR Ltd's** revenues is all from interest and government grants:

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$0.431m	\$0.458m	-6.9%
Net Profit	<\$9.1m>	<\$7.1m>	-
Net Cash Surplus	<\$7.1m>	<\$4.1m>	-
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

In addition to the cash operating deficit reported above there was \$22.8 million (\$19.7 million in 2018) spent (and capitalised) on *Hadrian X* development.

**FBR Ltd**



**Fiducian Group**

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$48.9m	\$45.4m	+9.9%
Net Profit	\$10.4m	\$9.2m	+12.5%
Net Cash Surplus	\$10.9m	\$10.4m	+5.4%
Earnings per share	32.9c	29.4c	+11.9%
Dividends per share	22.3c	20.0c	+11.5%

**Fiducian Group**



(Continued on Page 8)

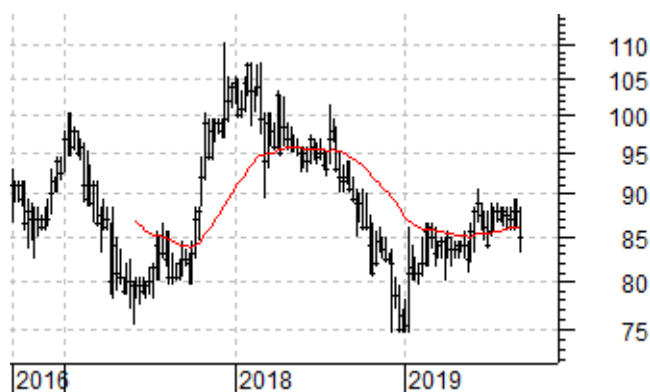
**Recommended Investments***(Continued from Page 7)***Finbar Group**

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$154.7m	\$150.7m	+2.6%
Net Profit	\$10.4m	\$16.0m	-34.7%
Net Cash Surplus	<\$28.8m>	\$55.3m	-
Earnings per share	3.8c	5.9c	-34.7%
Dividends per share	6.0c	6.0c	-

The *trading* profit was 34.7% lower at \$10,423,007 but there was also a \$1.0 million revaluation of Investment Properties (up from a \$2.0 million *decline* in value the previous year).

The cash surplus reflects the timing of development projects with current inventories (i.e. mainly development projects to be completed and settled in the coming year) up \$45.6 million to \$129.9 million.

**Finbar Group****Iluka Resources**

Six Months to 30/6/2019

	Latest	Previous	Change
Revenues	\$609.3m	\$662.3m	-8.0%
Net Profit	\$137.2m	\$126.1m	+8.8%
Net Cash Surplus	\$58.5m	\$324.4m	-82.0%
Earnings per share	32.5c	30.0c	+8.8%
Dividends per share	5.0c	10.0c	-50.0%

The net operating surplus was down 38% to \$202.4 million before the payment of \$143.9 million in income taxes (owing to the return to profitability *last* year, payable this year). “Free cash flow” was *negative* \$65.2 million (down from a positive \$225.3 million in 2018), owing to the decline in the pre-tax operating cashflow, the \$143.9 million of taxes paid and a 55% increase in capital expenditure to \$145.0 million. This lower operating cash surplus and higher capital expenditure has led to the 50.0% cut in the interim dividend.

As previously discussed, the *Mining Area C* royalties are set to increase significantly over the next 3-4 years as **BHP** develops the *South Flank*. Based upon current iron ore prices, the annual recurring royalties should increase from \$60-70 million annually to about \$220-250 million (about 50-60 cents per share) over the greater than 25 year mining life of these deposits. In addition there will be a total of about \$80 million (19

cents per share) in “one-off capacity” payments (spread over 2021-2023). Discounted at 10-20% per annum, these iron ore royalties would have a net present value of 250-500 cents or 33-66% of the Iluka Resources share price! So it *could* be true to say Iluka Resources is an iron ore royalty company . . . with a few Heavy Mineral assets and businesses.

Iluka Resources has approved the final \$40 million field trial (to commerce in 2020) of the *Balranald* deposit. This is a “large, deep, high grade rutile-rich deposit” (i.e. 45.5Mt at 31.6% HM) and a “significant source of rutile, zircon and ilmenite” for the company. Since 2013 Iluka Resources has been developing and testing unconventional, underground mining techniques that will significantly reduce the upfront capital costs of developing this deposit. This final test will “prove continuous underground mining and backfilling technology as a system”.

Profits and dividends can fluctuate, but the iron ore royalties will build relatively reliable, strong cashflows over the next few years (and for over 25 years), so at current prices Iluka Resources shares look to offer good value. “Buy”.

**Iluka Resources****Ignite Ltd**

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$152.9m	\$142.2m	-16.1%
Net Profit	<\$5.8m>	<\$2.6m>	-
Net Cash Surplus	<\$1.2m>	\$4.1m	-
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

**Ignite Ltd**



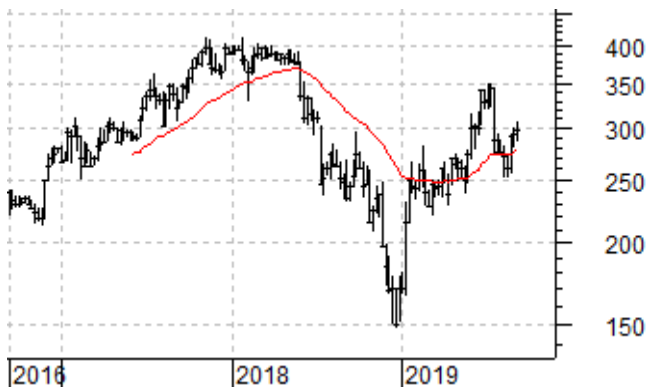
**Integrated Research**

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$100.8m	\$91.2m	+10.6%
Net Profit	\$21.9m	\$17.7m	+23.5%
Net Cash Surplus	\$10.0m	\$9.9m	+0.4%
Earnings per share	12.7c	10.3c	+23.5%
Dividends per share	7.25c	6.5c	+11.5%

The net operating surplus reported above is after deducting \$11.3 million of capitalised development expenditure. Capitalising this regular expense (and depreciating it over three years) has little impact on reported net profits but overstates the operating cash surplus by more than 100%.

Unified Communications revenues fell 7% to \$51.0 million, while Infrastructure revenues grew 28% to \$26.3 million and Payments revenues were up 92% to \$16.0 million. Professional Services revenues were steady at \$7.4 million.

**Integrated Research****Michael Hill International**

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$569.5m	\$575.5m	-1.0%
Net Profit	\$16.5m	\$34.8m	-48.1%
Net Cash Surplus	\$39.0m	\$54.9m	-29.0%
Earnings per share	4.3c	9.0c	-48.1%
Dividends per share	4.0c	5.0c	-20.0%

Michael Hill International has “re-invented” itself again over the last year with a major change in its marketing. Same store sales were *down* 3.3% for the full year, but fell shaply - down 11.0% - in the first quarter and have recovered steadily. The fourth quarter same store sales were up 0.7%.

The shares have weakened over recent years. At 49 cents the shares trade at just 12 times last year's depressed earnings and despite a small dividend cut the current Dividend Yield is 8.2%. The Price/Sales ratio is a very low 0.33. These are the lowest valuations ever for Michael Hill International shares. Five *insiders* have bought shares (and none have sold) over the last year.

“Buy” for current high income and recovery.

**Michael Hill International****Mt Gibson Iron**

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$289.5m	\$189.8m	+52.5%
Net Profit	\$70.2m	\$34.8m	+102.0%
Net Cash Surplus	\$59.4m	\$34.9m	+70.2%
Earnings per share	6.2c	3.2c	+101.2%
Dividends per share	4.0c	3.0c	+33.3%

In addition, there was a \$63.0 million “tax benefit” from the recognition of previous tax losses. The previous year's result excludes insurance receipts.

Cash (and deposits) at 30 June 2019 was \$346.3 million (30.7 cents per share). That is down \$77.3 million on a year earlier owing to the capital development cost of *Koolan Island* mine which now should contribute about a \$150 million operating cash surplus this current financial year!

Sales guidance for the current year is 3.7-4.0 Mwmt which could equal revenues of \$500-540 million (but at significantly higher margins).

At 73 cents (ex-dividend), Mt Gibson Iron shares trade on an historical Price/Earnings ratio of 12 and a Dividend Yield of 5.5%. That valuation is even lower as 30.7 cents per share is surplus cash!

Profits and the net cash surplus - and the dividend - should be *significantly higher* in the new financial year (and improve further over the next few years). Mining is not without risk, but this is a high margin operation (so less sensitive to fluctuations in iron ore prices), has strong cashflows *and* the company holds a large cash hoard (*after* having invested heavily to develop the *Koolan Island* mine). So this is an under-valued situation offering a high and growing income yield. “Buy”.

**Mt Gibson Iron**

(Continued on Page 10)

**Recommended Investments***(Continued from page 9)***McMillan Shakespeare**

Year to 30/6/2019

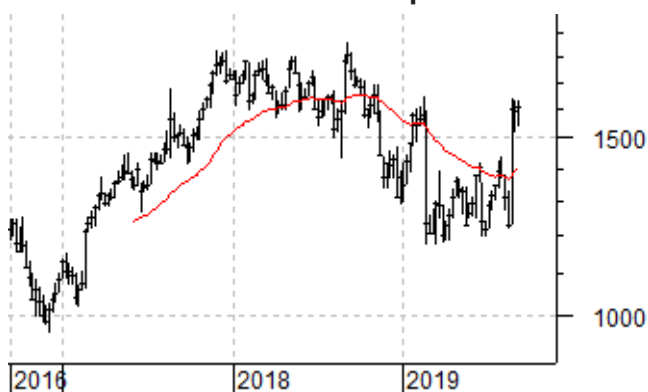
	Latest	Previous	Change
Revenues	\$549.7m	\$545.4m	+0.8%
Net Profit	\$88.7m	\$93.5m	-5.1%
Net Cash Surplus	\$132.9m	\$117.7m	+12.9%
Earnings per share	106.6c	113.2c	-5.1%
Dividends per share	74.0c	73.0c	+1.4%

McMillan Shakespeare is seeking to return \$80 million of cash to shareholders through an off-market tender offer but this is NOT attractive to New Zealand resident shareholders who should not tender any shares (i.e. do nothing, if you want to sell some shares then just sell them on-market).

Investors may tender shares at a 10-14% discount to market value. Why would anyone want to do that? Well, there may be potential tax advantages to some Australian resident investors.

The repurchase price will be set by the tender (at between a 10-14% discount to the market price) and paid \$1.78 as capital and the balance (i.e. about 85% of the payout) as a fully franked dividend. That will have a value to many Australian shareholders (but a large *negative* value to NZ shareholders who would incur a large NZ income tax liability!) as a *capital gains tax loss* (to be offset against other capital gains) and the *value of the franking credits* (for investors on lower marginal tax rates).

Depending upon the number of shares tendered and repurchased (and the tender price) this should allow the company to purchase about 6½% of its capital. This should improve the earnings per share (and therefore the value) of the remaining shares.

**McMillan Shakespeare**

**Opthea Ltd** reports cash on hand of \$21.5 million (8.6 cents per share), down 34% over the last year:

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$0.915m	\$1.144m	-20.0%
Net Profit	<\$20.9m>	<\$16.9m>	-
Net Cash Surplus	<\$24.2m>	<\$19.9m>	-
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

**Opthea Ltd****OZ Minerals**

Six Months to 30/6/2019

	Latest	Previous	Change
Revenues	\$419.2m	\$530.3m	-21.0%
Net Profit	\$43.9m	\$127.8m	-65.6%
Net Cash Surplus	\$101.2m	\$154.5m	-34.5%
Earnings per share	13.6c	40.0c	-65.6%
Dividends per share	8.0c	8.0c	-

Lower revenues (and lower profits) were mainly the result of lower production volumes and sales.

The *East Musgrove* Pre-Feasibility Study plans for a 10 Mtpa copper-nickel open pit mine with the current focus on extending the mine life from eight years to greater than 15 years and developing an “innovative, modern mine that creates maximum value for key stakeholders”.

**OZ Minerals****Prophecy International Holdings**

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$12.1m	\$10.7m	+13.5%
Net Profit	<\$1.4m>	<\$.730m>	-
Net Cash Surplus	\$2.0m	\$0.048m	+3936%
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

The reported loss was after *expensing* \$700,000 of Research & Development which in previous years would have been capitalised.

The company generated a *positive* cashflow - which is important as this allows growth to be funded internally, without the need to raise new equity capital. About half of the improvement, however, represents changes in income taxes (i.e. \$366,339 *paid* in 2018 and \$786,030 *refunded* in 2019). Ignoring taxes, the operating cash surplus improved 181% to \$1,166,603.

Cash on hand increased 68% to \$4,375,635 (6.8 cents per share).

74% of revenues were earned in the United States.

SNARE sales through 50 partners grew 87% to \$4.0 million. Its largest partner, **Secureworks** (which has 4000 customers in 50 countries), lifted SNARE sales 102% to \$673,000.

At 34½ cents, Prophecy International shares trade on a very low Price/Sales ratio of 2.07 (as we discussed last month). This is a low valuation for a SaaS company in the rapidly growing *Security Information and Event Management* (SIEM) sector. “Buy”.

### Prophecy International Holdings



### Reckon Ltd

Six Months to 30/6/2019

	Latest	Previous	Change
Revenues	\$39.2m	\$39.9m	-1.8%
Net Profit	\$5.3m	\$5.2m	+2.1%
Net Cash Surplus	\$7.4m	\$8.2m	-9.5%
Earnings per share	4.7c	4.6c	+2.1%
Dividends per share	3.0c	3.0c	-

The *Business Group* division (i.e. Accounting software) “continues to transition from desktop users to the cloud” so is “adversely impacted” by the lower initial but recurring revenue on the cloud product. Cloud users increased 21% to 62,000 and now generate 46% of this division's revenues. The new payroll app, launched in May 2019, has 19,000 users.

The *Practice Management - Accountants Group* is an established business, used by seven of the top ten Accounting firms in Australia. The division has “made substantial progress on the development of a new cloud suite”.

The *Practice Management - Legal Group*, a newer, smaller but growing business offering cost recovery, scanning and print solutions, lifted revenues 11% and earnings (before interest, tax and depreciation) up 105%, despite transitioning “from an upfront purchase model to subscription only model”. Recurring subscriptions now generate 74% of revenues.

### Reckon Ltd



### Silver Chef

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$235.4m	\$287.1m	-18.0%
Net Profit	<\$18.6m>	<\$48.0m>	-
Net Cash Surplus	\$173.5m	\$165.9m	+4.6%
Earnings per share	Nil	Nil	-
Dividends per share	Nil	10.0c	-

We emailed subscribers a week ago after **Blue Stamp Company Pty** built up a 19.99% shareholding in Silver Chef and notified **Next Capital** that it would vote against the Scheme of Arrangement. This holding was large enough to ensure the Scheme “cannot be approved”.

Instead Blue Stamp proposed a \$50 million capital raising from existing shareholders . . . but this has since been increased to \$60 million (and further details have been released after discussions with Silver Chef).

Blue Stamp will commit up to \$45 million (i.e. its entitlement of \$12 million, plus underwrite an additional \$33 million) of this \$60 million capital raising and hopes that other institutional investors will underwrite the remaining \$15 million.

The new shares will be offered at 31 cents, so that would require offering all existing shareholders about 4.9 new shares at 31 cents (i.e. a total investment of about 150 cents) for each existing share held.

We welcome this capital raising - which allows the public shareholders to fully participate in recapitalising Silver Chef - but it is also structured in a way that will potentially benefit Blue Stamp at a cost to those shareholders who fail to take up their new shares. A low-priced cash issue is a way to transfer wealth from shareholders who fail to take up their new shares to the underwriter (i.e. Blue Stamp).

This issue is called “renounceable” but there will be no rights trading, nor will the rights be transferable. Rights not taken up by institutions will be offered in an “institutional bookbuild” and (three weeks later) rights not taken up by retail investors will be offered in a “retail bookbuild”.

These bookbuilds will *only* be open to *existing Silver Chef institutions* (although any institutional investor interested in tendering need only buy one share on-market over the next three weeks to qualify). The net proceeds (if any) from these book builds will be distributed to institutional investors or retail investors, respectively, who do not take up their rights.

As Silver Chef shares are so depressed, we favour investors committing additional capital to buy these new shares and increasing their investment.

Given the “no rights trading”, the *relatively* large size of this issue (i.e. a depressed \$25 million capitalisation company raising \$60 million in new equity) and the way the bookbuild is structured we would not be surprised to see a very low or even zero price in the bookbuild (even if the ex-entitlement Silver Chef shares are trading well above 31 cents). The underwriters, including Blue Stamp, will benefit from taking up these new shares (and increasing their percentage ownership of Silver Chef) cheaply.

After the capital raising is completed, the Silver Chef share price would likely recover strongly.

(Continued on Page 12)

## Recommended Investments

(Continued from Page 11)

It is therefore important for all shareholders to take up these new, low priced shares. Investors who fail to take up these shares will have their investment “diluted” (i.e. value will be transferred to Blue Stamp as underwriter).

Ideally investors will be able to finance the cash issue with additional cash or selling some *other* shares that are over-weighted in their portfolio.

At worst - rather than doing nothing (i.e. not taking up the rights) - investors should sell enough existing Silver Chef shares on-market over the next three weeks to finance purchasing all of the new shares.

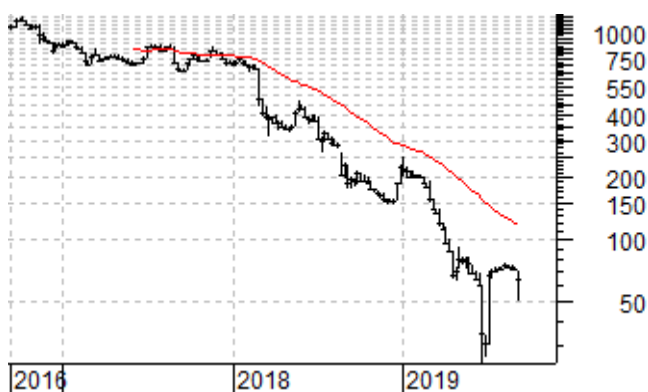
For example, if you own 1000 SIV shares and do nothing then after the capital raising is complete you will still own 1000 shares and *probably* receive very little or nothing for your rights in the bookbuild.

A better alternative would be to sell about 707 SIV shares on-market now (at current prices realising \$445 before costs). The remaining shareholding of 293 shares would (assuming a 4.9 for 1 cash issue at 31 cents) give you 1436 rights costing \$445 to take up. Your net additional cash investment is nil, but you now have 1729 shares. That is a 72.9% better return (based on the expected low or nil payout from the bookbuild) than doing nothing.

The best alternative, would be to keep the 1000 SIV shares and find \$1519 in cash to take up the 4900 new shares! That gives you 5900 shares at an average “cost” of 36.4 cents (i.e. 1000 existing shares currently worth \$630 plus \$1519 for the 4900 new shares).

Blue Stamp is the “White Knight” here (i.e. saving Silver Chef, plus saving the public shareholders from the “Black Knights”, Next Capital and Allan English), but even white knights are motivated by self-interest (i.e. come in a slight shade of grey). Shareholders who do not join the crusade to recapitalise the company (i.e. by taking up their entitlements) will suffer lower returns as the *low priced cash issue* strategy “dilutes” the value of the existing shares and effectively transfers wealth to the underwriter.

### Silver Chef



**St Barbara Ltd's** result suffered from production constraints at its *Gwalia* mine (which will improve in the second half of the new financial year), no revenues or profits from the acquisition of **Atlantic Gold** (settled in July 2019), while earnings per share were diluted from the earlier cash issue to finance this acquisition:

Year to 30/6/2018

	Latest	Previous	Change
Revenues	\$650.3m	\$679.2m	-4.3%
Net Profit	\$144.2m	\$201.9m	-28.6%
Net Cash Surplus	\$240.8m	\$315.7m	-23.7%
Earnings per share	20.7c	39.1c	-47.1%
Dividends per share	8.0c	12.0c	-33.3%

Cash at the end of June was \$880 million but, after the payment for Atlantic Gold, was around \$110 million (16 cents per share).

*Gwalia* produced 362,000 ounces of Gold to June 2019 and is forecast to produce 310-355,000 ounces this year. *Simberi* produced 220,000 ounces with production over the next year expected around 200-210,000 ounces.

*Atlantic Gold* produced 93,000 ounces (pre-acquisition) and this year's forecast will be announced with the September quarterly report (in October).

### St Barbara



**The Reject Shop** made a small trading loss of \$1.5 million:

Year to 30/6/2019

	Latest	Previous	Change
Revenues	\$793.7m	\$800.3m	-0.8%
Net Profit	<\$1.5m>	\$16.6m	-
Net Cash Surplus	\$8.8m	\$36.4m	-75.8%
Earnings per share	Nil	57.4c	-100.0%
Dividends per share	10.0c	35.0c	-71.4%

No final dividend will be paid.

A generally accepted accounting policy (but not an official GAAP rule) is that if you are going to report a *loss* then you might as well report a *big* loss. Every extra dollar you write off *this year* is one dollar less of *future expenses*, so equal to one dollar of *future profits*.

So The Reject Shop *boosted future reported profits* by \$21.9 million (\$15.4 million after tax) by writing off \$21.9 million of “Asset Impairment” which boosted the 2019 reported loss. The higher reported future profits

will result from lower asset depreciation charges in future years.

\$6.9 million of this was “a specific impairment provision that relates to under-performing stores” and \$15.0 million relates to a “Corporate Asset Impairment charge” which, despite some poor explanation in the Annual Report, is just some number made up to follow the common and perfectly legal accounting *manipulation* we discussed above. That number could just have easily been \$10 million or \$20 million, \$5 million or \$25 million. As your Accountant will say “Tell me what result you want and I’ll tell you what number to use”. In this case they settled on \$15 million.

Sometimes the only honest number in a company report is the net operating cash surplus which measures actual cash receipts and payments (although this can be manipulated by *timing* the receipts or payments around balance date so they fall into a particular accounting year).

The net operating cash surplus was down 76% . . . so we can safely say the company had a “bad” year, but still made a *positive* cash return.

The company opened 14 new stores in the year to June 2019 and closed eight stores. Over the next year it plans to open seven stores and close five stores. If the asset impairment charge above was really necessary it would imply that all or some of the business was not economically viable . . . and that would almost certainly be reflected in store closures exceeding new store openings! If the business was not viable it would not be *growing* its total store numbers!

Retailing is a difficult and cyclical business . . . but even at the bottom of the cycle the company remains cashflow positive and is expanding its store numbers.

**The Reject Shop**



**Village Roadshow** earned a small profit (before material items) and with a partial recovery in the net operating cash surplus has re-instated dividends:

	Year to 30/6/2019		
	Latest	Previous	Change
Revenues	\$980.5m	\$952.8m	+2.9%
Net Profit	\$20.6m	<\$7.3m>	-
Net Cash Surplus	\$82.4m	\$21.4m	+285.8%
Earnings per share	10.6c	Nil	-
Dividends per share	5.0c	Nil	-

The company will pay a 5.0 cents final dividend.

Interest bearing debts declined by \$120.6 million to \$281.3 million, helped by the \$49.1 million cash issue (at the start of the year) and the \$82.4 million operating cash surplus.

The new financial year has started well with Theme Park attendances for July 2019 up 12.5% on July 2018.

**Village Roadshow**



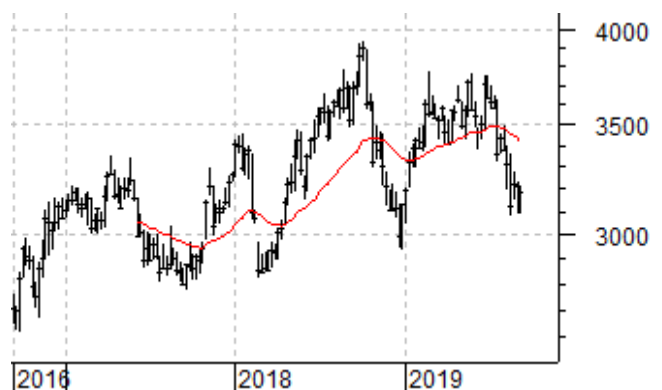
**Woodside Petroleum**

	Half Year to 30/6/2019 (All US\$)		
	Latest	Previous	Change
Revenues	\$2,260m	\$2,388m	-5.4%
Net Profit	\$419m	\$541m	-22.6%
Net Cash Surplus	\$1,485m	\$1,540m	-3.6%
Earnings per share	44.8c	64.2c	-30.2%
Dividends per share	36.0c	53.0c	-32.1%

The drop in revenues and profits resulted mainly from the fall in production and sales volumes, down 12% to 38.7 MMboe. Most of this lower production was owing to the *Pluto LNG* plant closure for planned maintenance. Annual production is forecast at the lower end of the 88-94 MMboe range, which implies higher second half production and sales of around 50 MMboe.

Part of this increase will come from the recently completed, on time and under budget, US\$1900 million *Greater Enfield Project* (60% owned by Woodside Petroleum) which “produced first oil” on 25 August. Initial production is expected at around 40,000 barrels per day, increasing to 60,000 barrels at full production (Woodside Petroleum's share being 60% of this total). This is a high quality, low sulphur oil that is expected to sell at premium prices.

**Woodside Petroleum**



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

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

Company	STRENGTH RATING										Market Cap'n	Company	STRENGTH RATING										Market Cap'n
	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio			Dividend Yield	Price/Sales Ratio	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	

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

AWF Madison Grp	185	+2.9	+1.1	38	2-0	- 1.8	6	0.8	30	12.2	0.23	62	
Warehouse Group	229	+2.3	+1.2	41	0-0	4	1.6	5	0.7	35	9.7	0.26	790
TIL Logistics	122	+7.0	+6.2	21	0-0	- 3.2	12	1.7	26	5.7	0.29	105	
Col Motor Co	870	+3.6	-1.4	32	2-0	- 1.3	10	0.4	13	7.2	0.31	284	
Z Energy Ltd	655	+1.8	+1.4	43	0-0	5	2.8	20	0.7	14	9.1	0.48	2,620
Ebos Group Ltd	2446	+6.5	+0.6	25	1-1	6	3.2	11	0.5	29	4.1	0.57	3,955
Enprise Group	66	+0.0	+0.0	54	0-0	- 0.9	- 1.6	NE	1.5	0.94		6	

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

Good Spirits	12	+3.6	+4.0	32	0-0	- 0.4	4	3.8	10	Nil	0.20	5	
Col Motor Co	870	+3.6	-1.4	32	2-0	- 1.3	10	0.3	13	7.2	0.31	284	
Z Energy Ltd	655	+1.8	+1.4	43	0-0	5	2.8	20	0.6	14	9.1	0.48	2,620

## INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million

Hallenstein G.	559	+7.6	+1.1	19	0-3	- 4.8	40	0.5	12	10.9	1.19	331	
Air New Zealand	286	-0.4	+2.0	57	3-1	7	1.5	13	0.5	12	10.7	0.56	3,211
Turners Auto.	235	-16.6	+2.6	92	3-1	- 0.9	10	0.6	9	10.0	0.60	203	
Warehouse Group	229	+2.3	+1.2	41	0-0	4	1.6	5	0.5	35	9.7	0.26	790
Tourism Hold.	389	-9.7	+0.8	82	2-0	4	1.9	11	0.5	17	9.6	1.21	514
Sky Network TV	113	-14.7	+2.2	88	0-0	7	1.3	28	0.7	5	9.2	0.55	440
Z Energy Ltd	655	+1.8	+1.4	43	0-0	5	2.8	20	0.6	14	9.1	0.48	2,620
Green Cross H.	111	-0.9	-0.9	61	1-0	- 1.3	13	0.8	10	8.8	0.28	159	
Abano Health.	392	-15.4	+3.0	91	0-0	2	0.7	5	0.5	13	8.5	0.37	103
Barramundi Ltd	64	+2.6	-0.7	40	0-0	- 0.9	6	0.8	15	8.4	N/A	110	

## INSIDER BUYING: Most Insider Buying, Relative Strength > 0

Port Tauranga	656	+7.0	-1.2	21	4-0	5	3.8	9	0.3	44	2.8	N/A	4,460
Heartland Group	162	+6.6	-1.9	24	3-0	- 1.6	10	0.4	16	6.4	5.66	761	
Blis Technology	4	+39.5	-9.0	1	2-0	- 11.6	- 3.2	NE	Nil	8.23		46	
Genesis Energy	366	+10.8	-0.4	10	2-0	6	1.7	3	0.6	63	6.5	1.39	3,746
Col Motor Co	870	+3.6	-1.4	32	2-0	- 1.3	10	0.3	13	7.2	0.31	284	
Freightways Ltd	830	+2.0	-1.3	43	2-0	6	3.1	23	0.4	13	5.1	1.36	836
AWF Madison Grp	185	+2.9	+1.1	38	2-0	- 1.8	6	0.5	30	12.2	0.23	62	
Meridian Energy	536	+15.1	+0.0	4	1-0	6	2.5	6	0.4	40	4.3	3.93	13,725
Vector Ltd	365	+3.0	-2.1	37	1-0	5	1.6	4	0.4	44	6.3	2.77	3,650
Vital Ltd	86	+1.7	-0.7	46	1-0	- 0.8	10	0.8	9	4.8	1.02	36	

## OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0

MetLifeCare	450	-7.6	+1.3	80	5-0	5	0.6	3	0.5	24	2.4	7.72	960
IkeGPS Limited	58	-3.4	+1.2	69	2-0	- 5.6	- 0.9	NE	Nil	6.56		52	
Allied Farmers	68	-4.0	-2.2	71	0-1	- 27.0	28	0.9	97	0.4	5.71	121	
Oceania Health.	102	-0.3	-0.1	56	11-1	-	- 0.9	14	4.6	3.29		622	
Synlait Milk	945	-2.3	+0.8	66	0-1	7	5.4	13	0.3	40	Nil	2,533	
CDL Investments	77	-5.1	+2.4	76	0-0	- 1.0	16	0.6	6	6.3	2.52	214	
Just Life Group	45	-6.0	-1.7	77	1-0	- 2.7	14	1.0	19	6.2	2.35	39	
Chorus Ltd	517	-0.7	-3.8	59	5-3	5	2.3	5	0.4	43	6.2	2.34	2,269

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

Vital Health PT	282	-58.3	+0.0	98	0-2	4	1.6	9	0.3	17	3.1	N/A	1,625
New Talisman	1	-20.9	+4.0	97	0-0	- 1.2	- 5.3	NE	Nil	N/A		19	
PaySauce Ltd	45	-20.7	+1.4	96	0-0	-	- 1.6	NE	Nil	1.63		1,505	
Geo Ltd	8	-18.9	-0.2	95	0-0	- 2.6	- 1.9	NE	Nil	1.27		6	
Comvita	260	-18.6	-0.1	94	8-1	3	0.8	- 0.5	NE	Nil	0.78	134	
SeaDragon Ltd	0	-18.1	+4.3	93	0-0	- 1.1	- 11.8	NE	Nil	1.98		10	
Finzsoft Sol'ns	112	-15.3	-2.7	91	0-0	-	- 0.6	147	Nil	0.79		10	
Pac Edge Bio.	23	-12.9	+4.2	86	3-0	1	8.3	- 1.2	NE	Nil	N/A	115	
Evolve Educat.	10	-12.0	-1.8	84	2-0	-	- 1.5	NE	Nil	N/A		17	
Moa Group Ltd	33	-11.3	-3.5	83	0-0	- 2.8	- 0.9	NE	Nil	1.42		23	
Fonterra S/H Fd	318	-10.9	-2.2	83	0-0	4	2.1	- 0.3	NE	3.1	0.25	5,126	
NZ King Salmon	230	-8.5	+1.2	81	4-0	4	1.9	7	0.6	28	3.0	1.85	319
MetLifeCare	450	-7.6	+1.3	80	5-0	5	0.6	3	0.5	24	2.4	7.72	960
Rubicon Limited	18	-7.1	+1.0	80	0-0	-	- 1.3	NE	Nil	1.82		131	
Scott Tech. Ltd	230	-6.5	+0.9	79	1-0	- 1.7	10	0.6	16	6.0	0.96	175	
Just Life Group	45	-6.0	-1.7	77	1-0	- 2.7	14	0.9	19	6.2	2.35	39	
CDL Investments	77	-5.1	+2.4	76	0-0	- 1.0	16	0.5	6	6.3	2.52	214	
Mercer Group	18	-4.8	-0.7	75	1-0	- 2.5	- 1.3	NE	Nil	0.39		11	
Fletcher Build.	471	-4.8	-2.7	74	11-0	12	1.0	6	0.7	16	6.8	0.48	4,007
WN Drive Tech.	19	-4.8	-2.0	74	0-0	- 8.1	- 1.4	NE	Nil	0.88		52	

## INSIDER SELLING: Most Insider Selling, Relative Strength < 0

Scales Corp Ltd	505	-0.8	-0.2	60	0-4	3	2.9	12	0.4	25	5.1	1.76	707
Vital Health PT	282	-58.3	+0.0	98	0-2	4	1.6	9	0.3	17	3.1	N/A	1,625
Synlait Milk	945	-2.3	+0.8	66	0-1	7	5.4	13	0.3	40	Nil	2,533	
Allied Farmers	68	-4.0	-2.2	71	0-1	- 27.0	28	0.8	97	0.4	5.71	121	
Abano Health.	392	-15.4	+3.0	91	0-0	2	0.7	5	0.4	13	8.5	0.37	103
AMP Limited	188	-13.6	-1.6	87	0-0	10	0.8	0	0.5	186	7.8	0.84	5,483
Cavalier Corp	27	-21.5	-0.7	97	0-0	- 0.3	3	0.9	10	Nil	0.14	19	
Enprise Group	66	+0.0	+0.0	54	0-0	- 0.9	- 0.9	NE	1.5	0.94		6	
SeaDragon Ltd	0	-18.1	+4.3	93	0-0	- 1.1	- 10.8	NE	Nil	1.98		10	
Finzsoft Sol'ns	112	-15.3	-2.7	91	0-0	-	- 0.6	147	Nil	0.79		10	

## “Neglect” Ratings of NZ Shares

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

Company	No. of Brokers Following	Market Capitalisation (NZ\$ Mill.)	Company	No. of Brokers Following	Market Capitalisation (NZ\$ Mill.)
A2 Milk Company	8	10,965	Metro Per Glass	5	54
AMP Limited	10	5,483	NZ Exchange Ltd	2	351
Abano Health.	2	103	NZ King Salmon	4	319
Air New Zealand	7	3,211	NZ Refining Co	3	660
Akd Int Airport	7	11,424	NZME Limited	1	88
Argosy Property	6	1,197	PGG Wrightsons	1	189
Arvida Group	1	575	Pac Edge Bio.	1	115
Augusta Capital	2	137	Port Tauranga	5	4,460
Briscoe Group	1	818	Precinct Prop.	6	2,283
Chorus Ltd	5	2,269	Property F Ind.	5	1,207
Comvita	3	134	Restaurant Brds	4	1,304
Contact Energy	6	6,432	Ryman Health.	5	6,760
Delegat Group	2	1,158	Sanford Limited	3	642
Ebos Group Ltd	6	3,955	Scales Corp Ltd	3	707
F & P Health.	7	10,069	Skellerup Hold.	2	448
Fletcher Build.	12	4,007	Sky City Ltd	7	2,629
Fonterra S/H Fd	4	5,126	Sky Network TV	7	440
Freightways Ltd	6	836	Spark NZ Ltd	10	8,529
Genesis Energy	6	3,746	Steel & Tube	4	143
Gentech Group	4	571	Summerset Group	4	1,397
Goodman Prop.	6	2,875	Synlait Milk	7	1,383
Investore Prop.	5	510	Tourism Hold.	4	514
Kathmandu Ltd	4	579	Tower Limited	2	270
Kiwi Property	6	2,421	Vector Ltd	5	3,650
Mainfreight Grp	6	4,164	Vista Group Ltd	5	704
Mercury NZ	6	7,868	Vital Health PT	4	1,625
Meridian Energy	6	13,725	Warehouse Group	4	790
MetLifeCare	5	960	Z Energy Ltd	5	2,620

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

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

STRENGTH RATING														STRENGTH RATING															
Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Short Interest	Price to N/A	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Short Interest	Price to N/A	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
<b>UNDER-VALUED SHARES: Lowest Price/Sales, Yld &gt; 0, Rel Strength &gt; 0</b>														<b>INCOME SHARES: Highest Yields, Capitalisation &gt; A\$250 million</b>															
Sigma Health.	59	+5.7	+3.8	25	1-0	6	0.3	1.4	9	1.1	17	7.6	0.16	625	Donaco Interl	7	+5.0	-3.5	26	2-1	-	0.0	0.7	7	2.9	9	Nil	0.62	54
ERM Power Ltd	246	+10.0	+4.7	17	2-2	4	0.2	1.3	26	0.7	5	3.7	0.19	616	Simonds Group	38	+5.0	+2.5	26	3-1	-	-	-	-	1.2	5	Nil	0.08	55
Autosports Grp	160	+4.5	+4.6	27	1-0	-	0.0	-	-	0.8	20	3.1	0.19	322	Mortgage Choice	110	+4.4	-0.0	27	1-0	-	0.8	1.4	14	0.8	10	5.5	0.77	137
Ashley Services	38	+13.7	+6.6	13	1-0	-	-	3.2	31	1.6	10	7.1	0.19	55	TransMetro Corp	120	+3.4	-1.1	30	0-0	-	-	1.4	25	0.6	6	4.2	0.49	16
Metcash Ltd	293	+2.3	-2.3	33	1-0	10	9.2	5.9	42	0.5	14	4.6	0.21	2,664	RXP Services	57	+3.3	+6.0	30	0-0	1	-	5.7	49	0.9	12	6.1	0.63	92
Ruralco Hold.	439	+6.1	-2.0	24	1-0	2	0.3	5.6	31	0.4	18	3.4	0.24	461	Asaleo Care Ltd	94	+3.0	+2.5	30	0-0	5	0.6	4.9	55	0.9	9	10.7	0.87	508
K&S Corporation	182	+6.3	+0.4	23	1-0	-	-	1.1	1	0.6	100	1.1	0.26	232	PTB Group Ltd	69	+2.8	+0.9	31	1-0	-	-	1.1	8	0.8	13	10.2	1.00	51
CPT Global Ltd	20	+16.5	-3.4	11	0-0	-	-	19.5	-	2.0	7	3.8	0.26	7	Elders Limited	687	+2.7	+2.6	31	6-0	5	3.3	7.6	69	0.2	11	2.6	0.49	973
Data 3 Ltd	277	+24.4	+3.4	7	5-1	2	0.0	16.3	69	0.6	24	3.9	0.30	427	AV Jennings	56	+2.6	-0.6	32	0-0	1	0.0	0.6	8	0.8	7	9.0	0.59	225
Pental Limited	36	+0.4	+2.1	37	4-0	-	-	1.1	4	1.4	25	5.6	0.31	48	Sunland Group	160	+2.6	-2.8	32	0-0	1	-	0.7	5	0.5	12	5.0	0.79	220
Decmil Group	94	+1.5	-1.5	35	1-1	2	0.1	1.1	7	1.0	16	1.1	0.34	223	Mayfield Child.	98	+2.5	+0.2	32	2-0	-	-	-	-	0.7	7	9.2	0.96	30
Milton Corp.	476	+3.0	-0.4	31	5-0	-	-	1.0	5	0.4	22	2.8	0.34	3,184	Schaffer Corp	1464	+2.5	+1.4	32	0-0	-	-	2.8	32	0.3	9	3.1	0.89	202
BSA Ltd	43	+15.0	+7.0	12	0-0	-	-	8.5	50	1.5	17	1.2	0.39	182	Metcash Ltd	293	+2.3	-2.3	33	1-0	10	9.2	5.9	42	0.4	14	4.6	0.21	2,664
SRG Global	44	+7.1	+2.2	22	7-0	-	0.2	0.7	3	1.4	28	3.4	0.39	192	Shine Corporate	84	+1.9	+4.2	33	0-0	2	-	0.9	9	0.9	10	4.5	0.82	145
Swick Min. Serv	25	+7.9	+3.5	20	2-0	-	-	0.7	1	1.7	55	2.4	0.40	57	Rio Tinto Ltd	9037	+1.9	-5.2	34	2-0	13	4.6	3.3	-	0.2	2	4.8	0.58	33,547
Joyce Corp.	158	+0.3	-0.7	38	1-0	-	-	4.5	69	0.7	7	7.4	0.44	44	Engenco Ltd	50	+1.5	+4.5	35	1-0	-	-	-	-	0.9	11	3.0	0.90	157
TransMetro Corp	120	+3.4	-1.1	30	0-0	-	-	1.4	25	0.8	6	4.2	0.49	16	Decmil Group	94	+1.5	-1.5	35	1-1	2	0.1	1.1	7	0.8	16	1.1	0.34	223
Elders Limited	687	+2.7	+2.6	31	6-0	5	3.3	7.6	69	0.3	11	2.6	0.49	973	Easton Invest.	95	+1.3	+1.3	35	5-0	-	-	4.0	33	0.8	12	3.2	0.55	33
Coles Group	1469	+6.8	+0.9	22	8-0	-	0.5	-	-	0.5	18	1.6	0.51	19,595	Qantas Airways	623	+1.2	+2.3	35	2-0	9	0.5	3.9	36	0.3	11	4.0	0.54	9,784
Mastermyne Grp	118	+6.0	+6.8	24	1-0	1	-	3.0	26	0.9	12	1.7	0.53	119	Horizon Oil Ltd	13	+0.9	+1.6	36	0-0	-	0.0	1.2	36	2.0	3	Nil	0.97	169
Qantas Airways	623	+1.2	+2.3	35	2-0	9	0.5	3.9	36	0.4	11	4.0	0.54	9,784	Primerio Group	38	+0.8	+0.2	37	0-0	-	-	-	-	1.2	9	Nil	0.37	57
Shaver Shop Grp	52	+9.2	+1.5	18	1-0	2	-	-	-	1.2	10	8.7	0.55	65	Joyce Corp.	158	+0.3	-0.7	38	1-0	-	-	4.5	69	0.5	7	7.4	0.44	44
Easton Invest.	95	+1.3	+1.3	35	5-0	-	-	4.0	33	1.0	12	3.2	0.55	33	Origin Energy	763	+0.0	+0.1	39	3-0	10	1.2	2.2	19	0.4	12	3.1	0.95	13,438
JB Hi-Fi Ltd	3314	+11.6	+2.2	15	2-2	14	12.9	-	-	0.2	16	4.0	0.56	3,807	<b>BEST PERFORMING SHARES: Strongest Shares, P/E &lt; 20, P/S &lt; 1.0</b>														
LandLease Group	1691	+5.1	+3.4	26	1-0	8	2.1	2.1	10	0.3	20	2.5	0.58	9,539	Medusa Mining	85	+50.9	+14.5	2	0-0	-	-	0.7	17	1.1	4	Nil	0.95	176
Rio Tinto Ltd	9037	+1.9	-5.2	34	2-0	13	4.6	3.3	-	0.2	7	4.8	0.58	33,547	Aust Finance Gr	219	+28.6	+8.2	5	1-0	3	-	4.4	31	0.5	14	4.8	0.73	470
AV Jennings	56	+2.6	-0.6	32	0-0	1	0.0	0.6	8	1.1	7	9.0	0.59	225	Resimac Group	88	+19.7	+5.7	9	0-0	-	-	2.9	21	0.7	14	2.0	0.98	351
Korvest Ltd	311	+12.5	+5.4	14	1-0	1	-	1.2	5	0.5	25	3.9	0.61	35	CPT Global Ltd	20	+16.5	-3.4	11	0-0	-	-	19.5	-	1.5	7	3.8	0.26	7
A.P. Eagers	1339	+20.8	+2.2	9	16-0	7	0.1	5.8	23	0.4	26	2.7	0.62	3,008	MCS Services	2	+16.4	+5.6	11	0-0	-	-	1.7	14	5.2	12	Nil	0.14	3
RXP Services	57	+3.3	+6.0	30	0-0	1	-	5.7	49	1.2	12	6.1	0.63	92	BSA Ltd	43	+15.0	+7.0	12	0-0	-	-	8.5	50	1.1	17	1.2	0.39	182
Super Retail Gr	971	+8.1	-0.8	20	5-0	11	8.2	28.6	-	0.5	14	5.1	0.71	1,917	Ashley Services	38	+13.7	+6.6	13	1-0	-	-	3.2	31	1.2	10	7.1	0.19	55
Aust Finance Gr	219	+28.6	+8.2	5	1-0	3	-	4.4	31	0.6	14	4.8	0.73	470	ADRII Ltd	217	+12.5	+6.1	14	1-0	5	0.9	1.1	13	0.6	8	3.2	0.91	1,488
Enero Group Ltd	200	+17.4	+6.7	11	2-0	1	-	8.3	28	0.7	30	2.8	0.74	171	JB Hi-Fi Ltd	3314	+11.6	+2.2	15	2-2	14	12.9	-	-	0.2	16	4.0	0.56	3,807
Villa World Ltd	235	+5.2	-0.4	25	1-0	3	0.1	1.0	8	0.6	13	3.4	0.75	294	Stanmore Coal	141	+11.4	-4.1	16	0-0	-	-	0.7	4	7.8	0.89	360		
Dicker Data Ltd	703	+33.7	-2.3	4	14-0	-	0.5	-	-	0.4	35	2.6	0.76	1,135	ERM Power Ltd	246	+10.0	+4.7	17	2-2	4	0.2	1.3	26	0.6	5	3.7	0.19	616
Mortgage Choice	110	+4.4	-0.0	27	1-0	-	0.8	1.4	14	1.0	10	5.5	0.77	137	Shaver Shop Grp	52	+9.2	+1.5	18	1-0	2	-	-	0.9	10	8.7	0.55	65	
Sunland Group	160	+2.6	-2.8	32	0-0	1	-	0.7	5	0.7	12	5.0	0.79	220	C.S.R. Ltd	391	+8.7	-2.6	19	4-0	11	6.0	2.0	18	0.4	11	6.6	0.80	1,941
C.S.R. Ltd	391	+8.7	-2.6	19	4-0	11	6.0	2.0	18	0.5	11	6.6	0.80	1,941	Super Retail Gr	971	+8.1	-0.8	20	5-0	11	8.2	28.6	-	0.4	14	5.1	0.71	1,917
Shine Corporate	84	+1.9	+4.2	33	0-0	2	-	0.9	9	1.2	10	4.5	0.82	145	Mitchell Serv.	6	+7.6	-4.5	21	1-0	-	0.2	6.1	-	2.5	6	Nil	0.88	106
Q.B.E. Insur.	1252	+1.6	+0.1	34	0-0	11	0.7	1.9	6	0.4	30	4.0	0.86	16,460	Valmec Limited	30	+7.5	+4.7	21	6-6	-	-	1.6	15	1.5	10	Nil	0.34	37
Austal Limited	452	+37.4	+2.8	3	1-1	4	0.1	-	-	0.4	26	1.3	0.86	1,595	Tap Oil	11	+6.8	-0.1	22	0-0	-	-	0.7	29	2.0	2	Nil	0.75	47
Asaleo Care Ltd	94	+3.0	+2.5	30	0-0	5	0.6	4.9	55	1.1	9	10.7	0.87	508	Coles Group	1469	+6.8	+0.9	22	8-0	-	0.5	-	0.5	18	1.6	0.51	19,595	
Woolworths Grp	3806	+8.8	+1.6	19	0-0	10	1.1	16.5	53	0.3	31	2.4	0.88	47,906	Zicom Group	8	+6.7	-3.3	22	2-0	-	-	0.3	3	2.2	10	Nil	0.17	18
Schaffer Corp	1464	+2.5	+1.4	32	0-0	-	-	2.8	32	0.3	9	3.1	0.89	202	Ruralco Hold.	439	+6.1	-2.0	24	1-0	2	0.3	5.6	31	0.3	18	3.4	0.24	461
Stanmore Coal	141	+11.4	-4.1	16	0-0	-	-	0.9	4	7.8	0.89	360	Mastermyne Grp	118	+6.0	+6.8	24	1-0	1	-	3.0	26	0.7	12	1.				

Company	Share Price	STRENGTH RATING				Insider Buy/Sell	Brokers Following	Short Interest	Price to P/E	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n	Company	Share Price	STRENGTH RATING				Insider Buy/Sell	Brokers Following	Short Interest	Price to P/E	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
		Cur-ent	4-Wk Chg.	Rank 0-99	Rank 0-99													Cur-ent	4-Wk Chg.	Rank 0-99	Rank 0-99										
Azure Health.	8	+5.7	-2.5	24	6-0	-	-	1.6	5	1.5	29	Nil	0.58	18	Empire Sec.	1	+3.9	+9.5	28	5-0	-	-	-	4.4	NE	Nil	0.26	6			
Kina Securities	135	+12.2	-3.3	15	6-0	1	0.1	3.7	36	0.5	11	6.7	5.09	221	Netlinkz Ltd	20%	+121.6	-12.0	0	5-0	-	0.1	19.5	-	1.3	NE	Nil	N/A	314		
Bingo Indust.	226	+13.0	+3.3	14	6-0	6	7.4	-	-	0.5	67	1.6	3.72	1,486	Servcorp Ltd	475	+15.3	+8.1	12	5-0	2	0.1	1.9	2	0.3	85	4.8	1.37	460		
Champion Iron	240	+17.7	-19.8	11	6-0	-	0.0	-	-	0.7	12	Nil	1.49	1,044	Regis Resources	506	+8.4	+1.9	19	5-0	13	3.5	9.7	62	0.3	16	3.2	3.92	2,571		
Automotive Hold	378	+23.5	+1.1	7	6-0	8	0.4	4.3	-	0.4	NE	Nil	N/A	1,254	Equity Trustees	3033	+10.3	-0.0	17	5-0	2	-	17.5	56	0.3	31	2.7	6.98	620		
PPK Group Ltd	334	+69.0	-46.6	1	5-0	-	-	18.6	-	0.2	NE	Nil	5.90	276	Carnarvon Pet.	38	+3.4	-9.7	30	5-0	-	0.2	-	-	1.2	NE	Nil	N/A	586		
AVEO Group	213	+2.3	-0.7	33	5-0	5	0.6	0.6	-	0.5	NE	2.1	4.49	1,237	Hills Limited	27	+6.0	+4.7	24	4-0	-	-	1.4	-	1.0	NE	Nil	0.23	63		
Milton Corp.	476	+3.0	-0.4	31	5-0	-	-	1.0	5	0.3	22	2.8	0.34	3,184	Coventry Group	100	+1.8	+5.0	34	4-0	-	-	0.8	-	0.4	NE	Nil	0.44	90		
Flagship Invest	182	+2.9	+0.6	31	5-0	-	-	1.0	4	0.3	28	2.3	N/A	46	Pyrolyx AG	100	+22.1	-3.0	8	4-0	-	-	-	-	0.9	NE	Nil	N/A	27		
Marmota Ltd	3	+19.7	+14.4	9	5-0	-	-	-	-	2.7	NE	Nil	N/A	18	Aristocrat Leis	2993	+7.9	-2.1	20	4-0	13	1.5	-	-	0.2	35	1.5	5.38	19,112		
Chase Mining	3	+28.0	-2.8	6	5-0	-	-	-	-	2.6	NE	Nil	N/A	4	Clime Inv Mgmt	53	+2.7	+2.0	31	4-0	-	-	2.9	15	0.6	20	4.2	2.33	29		
Super Retail Gr	971	+8.1	-0.8	20	5-0	11	8.2	28.6	-	0.4	14	5.1	0.71	1,917	Paradigm Bio.	195	+9.4	-0.2	18	4-0	-	0.2	65.0	-	0.8	NE	Nil	N/A	375		
Easton Invest.	95	+1.3	+1.3	35	5-0	-	-	4.0	33	0.6	12	3.2	0.55	33	Nat Veterinary	252	+9.8	+4.2	17	4-0	3	-	-	-	0.4	24	1.2	1.77	169		
Lion Selection	43	+7.7	+5.1	21	5-0	-	-	1.1	-	0.8	NE	Nil	N/A	65	Johns Lyng Grp	180	+14.2	+3.2	13	4-0	4	0.1	-	-	0.6	27	Nil	1.37	400		
Raiz Invest.	100	+17.7	+20.1	11	5-0	-	-	-	-	0.7	NE	Nil	N/A	66	C.S.R. Ltd	391	+8.7	-2.6	19	4-0	11	6.0	2.0	18	0.3	11	6.6	0.80	1,941		
Estia Health	257	+0.3	-2.1	38	5-0	5	2.3	-	-	0.4	16	6.1	1.14	670	DGO Gold	79	+29.3	+18.3	5	4-0	-	-	-	-	0.6	NE	Nil	N/A	25		
Blackstone Min.	17	+9.5	+15.8	18	5-0	-	-	-	-	1.4	NE	Nil	N/A	16	Empire Energy	20	+7.1	+0.0	22	4-0	-	-	-	-	1.4	NE	Nil	2.29	46		
Int Research	298	+9.3	-2.8	18	5-0	2	1.1	17.5	75	0.3	23	2.5	5.08	512	Fortescue Metal	841	+14.9	-7.9	12	4-0	18	5.3	2.1	9	0.4	22	2.7	2.82	25,894		
Memphasys Ltd	5	+49.7	+18.7	2	5-0	-	-	-	-	2.1	NE	Nil	N/A	25	Genworth Mort.	319	+13.9	+1.0	13	4-0	2	5.8	0.8	4	0.5	18	5.3	3.03	1,316		
Macquarie Group	12708	+1.1	+0.6	36	5-0	12	0.7	3.0	20	0.2	15	4.5	3.39	43,256	QMS Media	85	+4.7	+2.3	26	4-0	2	0.0	21.3	58	0.6	37	1.4	3.49	293		
Cazaly Res Ltd	5	+10.6	+16.0	17	5-0	-	-	-	-	1.9	NE	Nil	N/A	11	Chant West Hold	7	+8.0	-2.4	20	4-0	-	-	-	-	1.7	NE	Nil	1.00	8		
SDI Limited	76	+3.4	-6.7	30	5-0	-	-	2.1	17	0.5	12	3.6	1.13	90	Aust Foundation	629	+2.3	-0.0	33	4-0	-	-	1.1	6	0.2	19	5.1	N/A	7,549		
Scentre Group	398	+0.2	+0.7	38	5-0	12	0.6	1.0	11	0.3	9	5.6	8.01	21,162	Minotaur Exp.	5	+3.4	+4.4	30	4-0	-	-	-	-	1.9	NE	Nil	N/A	18		

## “Neglect” Ratings of Australian Shares

“Neglected” Shares = 0-2 Brokers, “Moderately Followed” Shares = 3-9 Brokers, “Widely Followed” Shares = 10 or more Brokers.

Company	No. of Brokers Following	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following	Market Capitalisation (\$ Mill.)
1300 Smiles Ltd	3	141	Avita Medical	2	946	Cochlear Ltd	11	12,485	GWA Group Ltd	6	895
360 Capital Grp	2	69	BHP Group Ltd	15	106,964	Codan Ltd	3	862	Galaxy Res.	10	452
3P Learning	2	123	BWP Trust	5	2,512	Collection Hse	6	164	Galilee Energy	1	254
A.P. Eagers	7	3,008	BWX Limited	7	458	Collins Foods	4	1,000	Garda Div Prop	2	230
A2B Australia	2	178	Baby Bunting Gr	4	376	Com'wealth Bank	13	140,805	Gascoyne Res.	1	39
AFT Pharma.	2	291	Bank of Q'land	15	3,733	Comet Ridge Ltd	3	176	Genex Power	3	75
AGL Energy Ltd	10	12,395	Bapcor Limited	6	1,922	Computershare	10	8,562	Genworth Mort.	2	1,316
AJ Lucas	1	109	Base Resources	2	286	Cons Operations	1	121	Gold Road Res.	7	1,195
ALS Limited	9	3,884	Beacon Lighting	3	250	Cooper Energy	6	1,005	Goodman Group	10	24,814
AMA Group Ltd	6	745	Beach Energy	14	5,675	Corp Travel M.	8	1,982	Graincorp	6	1,833
AMP Ltd	11	5,851	Bega Cheese Ltd	7	900	Costa Group	8	1,138	Growthpoint Pro	2	3,364
ANZ Bank	14	76,732	Bellamy's Aust.	7	994	Credible Labs	2	21	HT&E Limited	6	510
APA Group	10	12,884	Bendigo Bank	8	5,385	Credit Corp	6	1,601	HUB24 Limited	7	812
APN Industria	4	529	Berkeley Energy	1	63	Cromwell Prop.	3	3,232	Hansen Tech.	3	672
APN Conv Retail	3	268	Big River Ind.	1	61	Crown Resorts	9	8,207	Harvey Norman	9	5,250
ARB Corporation	7	1,483	Bingo Indust.	6	1,486	Cybg plc	18	1,783	Healius Ltd	8	1,980
ARQ Group	2	67	Bionomics Ltd	3	18	Cyclopharm Ltd	2	93	Helloworld Trav	5	538
ASX Limited	13	16,595	Blackmores Ltd	9	1,249	Cynata Therap.	1	175	Hotel Property	4	517
AUB Group	4	828	Bluescope Steel	8	6,569	Dacian Gold Ltd	6	291	Huon Aquacult.	4	397
AV Jennings	1	225	Bluglass Ltd	1	46	Danakali Ltd	3	183	IDP Education	8	4,326
AVEO Group	5	1,237	Boral Limited	8	5,182	Data 3 Ltd	2	427	IMF Bentham Ltd	3	610
Abacus Property	3	2,543	Brainchip Hold.	2	49	Decmil Group	2	223	IOOF Holdings	9	1,991
Accent Group	3	901	Brambles Ltd	13	17,906	Dexus	7	13,853	IPH Limited	7	2,004
Acrow Formwork	2	47	Breville Group	6	2,186	Domain Holdings	8	1,936	IRESS Limited	6	2,174
Adacel Tech.	1	40	Brickworks Ltd	3	2,413	Domino's Pizza	10	3,920	Icar Asia Ltd	1	70
Adairs Limited	6	292	Buru Energy Ltd	2	108	Downer EDI Ltd	6	4,567	Iluka Resources	9	3,211
Adelaide Bright	11	1,916	C.S.R. Ltd	11	1,941	EML Payments	5	965	Imdex Limited	4	555
Aeon Metals	1	31	CIMIC Group	5	10,023	ERM Power Ltd	4	616	Impedimed Ltd	3	74
Ainsworth Game	6	246	CML Group	3	85	Echo Resources	1	225	Incitec Pivot	9	5,267
Ale Property	2	1,045	CSG Ltd	1	90	Eclixp Group	5	505	Independ. Group	13	3,614
Alliance Aviat.	4	317	CSL Limited	11	109,684	Elanor Investor	2	309	Infin Energy	4	598
Altium Limited	6	4,851	Caltex Austria	10	6,188	Elders Limited	5	973	Infomedia Ltd	4	706
Altura Mining	3	156	Cann Group	2	250	Ellex Medical	1	82	Ingenia Com Grp	2	927
Alumina Ltd	10	6,393	Capital Health	3	165	Emeco Holdings	8	679	Inghams Group	8	1,212
Amaysim Aust.	2	130	Cardno Ltd	1	435	Empired Ltd	1	43	Insurance Aust.	11	18,904
Amcort Ltd	3	15,416	Cardinal Res.	4	192	Enero Group Ltd	1	171	Int Research	2	512
Aneka Tambang	3	24,031	Carindale Prop	2	461	Enero Resource	1	101	Invocare Ltd	8	1,745
Ansell Ltd	9	3,641	Carsales.com	11	3,902	Equity Trustees	2	620	Iselect Limited	1	127
Apiam Animal H	1	53	Cash Converters	1	89	Estia Health	5	670	Ive Group	3	316
Appen Limited	8	3,160	Catapult Group	5	253	Event Hospital.	5	2,012	JB Hi-Fi Ltd	14	3,807
Arena REIT	4	845	Cedar Woods Prp	2	499	Evolution Min.	14	8,625	James Hardie	12	10,181
Aristocrat Leis	13	19,112	Centuria Indust	2	1,027	Experience Co	2	145	Janus Henderson	10	1,265
Asaleo Care Ltd	5	508	Centuria Metro.	4	1,069	FAR Ltd	5	396	Japara Health.	5	311
Aspen Group Ltd	1	106	Challenger Ltd	12	4,257	Fiducial Group	1	162	Johns Lyng Grp	4	400
Aurelia Metals	2	451	Charter Hall Ed	5	1,124	Fleetwood Corp	3	181	Jumbo Interact.	3	1,559
Aurizon Hold.	10	11,702	Chart Hall Long	4	2,157	Flexicorp Ltd	5	741	KGL Resources	1	65
AusNet Services	9	6,531	Charter Hall GR	5	5,627	Flight Centre	12	4,846	Karoon Energy	3	312
Ausdrill Ltd	5	1,488	Chart H Retail	7	1,894	Fortescue Metal	18	25,894	Kidman Res Ltd	3	767
Aust Finance Gr	3	470	Citadel Group	3	202	Freelancer Ltd	2	351	Kina Securities	1	221
Aust Agricult.	1	618	City Chic Coll.	6	438	Freedom Foods	5	1,550	Kogan.com Ltd	3	639
Austin Eng.	2	101	Class Limited	4	145	Frontier Digit.	2	174	Korvest Ltd	1	35
Aust Pharm. Ind	5	643	Clearway Wlth	2	376	G.U.D. Holdings	7	805	LendLease Group	8	9,539
Austal Limited	4	1,595	Cleanaway Waste	6	4,213	G8 Education	11	1,178	Lifestyle Com.	2	784
Aust Vintage	2	135	Clean Teq Hold.	2	246	GBST Holdings	3	261	Lindsay Aust	1	104
Auswide Bank	2	245	Clinuvel Pharm.	2	1,327	GDI Property	1	835	Link Admin.	8	3,011
Automotive Hold	8	1,254	Clover Corp.	2	350	GPT Group	11	12,233	Lithium Power	1	100
Aventus Retail	5	1,467	CocaCola Amatil	11	7,870	GR Engineering	2	141	Livehive Ltd	1	97



Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)
Livestiles Ltd	3	264	New Hope Corp.	5	1,946	Q.B.E. Insur.	11	16,460	Spark Infrastru	9	3,616
Lovisa Holdings	7	1,335	New Energy Sol.	1	442	QMS Media	2	293	Speedcast Int'l	5	301
Lucapa Diamond	1	70	Newcrest Mining	13	28,265	Qantm I.P.	1	173	St Barbara Ltd	7	2,130
Lynas Corp Ltd	1	1,721	Nextdc Limited	11	2,158	Qantas Airways	9	9,784	Star Entertain.	11	3,908
MMA Offshore	4	172	Nib Holdings	9	3,271	Qube Holdings	8	5,360	Starpharma Hold	3	411
MNF Group	4	352	Nick Scali Ltd	3	561	REA Group Ltd	10	13,858	Steadfast Group	4	3,184
MOD Resources	4	128	Nine Entertain.	6	3,428	RXP Services	1	92	Sth Cross Media	4	942
MSL Solutions	1	25	Noni B Limited	2	284	Ramelius Res.	4	826	Sth Cross Elect	1	136
MacMahon Hold	2	463	Nthn Star Res.	14	7,298	Ramsay Health	11	13,022	Stockland	9	10,563
Maca Limited	3	241	Nufarm Limited	12	1,894	Reckon Limited	2	77	Suncorp Group	11	17,841
Macquarie Group	12	43,256	OFX Group	3	350	Red River Res.	3	90	Sundance Energy	2	165
Macquarie C Tel	1	494	OZ Minerals Ltd	13	3,048	Redbubble Ltd	4	356	Sunland Group	1	220
Magellan Fin Gp	11	9,890	Oceania Health.	4	558	Reddflex Holding	1	54	Superloop Ltd	5	260
Mali Lithium	1	29	Oil Search Ltd	14	10,841	Reece Limited	4	6,001	Super Retail Gr	11	1,917
Marley Spoon AG	2	64	Oncosil Medical	2	50	Regis Health.	7	839	Supply Network	2	166
Mastermyne Grp	1	119	Oneview Health.	1	18	Regis Resources	13	2,571	Sydney Airport	11	18,611
Matrix Comp.	1	37	Onevue Holdings	3	103	Reliance W/wide	10	3,042	Syrah Resources	5	291
Maxi TRANS	2	42	Ooh!Media	5	743	ResAoo Health	1	138	TPG Telecom Ltd	7	5,957
Mayne Pharma Gr	7	760	Opthea Limited	3	928	Resolute Mining	9	1,428	Tabcorp Holding	11	9,632
McMillan Shake.	6	1,338	Orica Ltd	9	8,228	Rhipe Limited	5	398	Tassal Group	4	892
McPherson's Ltd	2	229	Origin Energy	10	13,438	Ridley Corp.	2	347	Technology One	6	2,466
Medibank Priv.	9	9,391	Orocobre Ltd	10	659	Rio Tinto Ltd	13	33,547	Telstra	12	42,935
Medical Dev Int	2	311	Orora Limited	10	3,343	Ruralco Hold.	2	461	Temple Webster	3	186
Megaport Ltd	7	1,267	Osprey Medical	3	21	Rural Funds Grp	3	663	The Reject Shop	2	54
Mesoblast Ltd	1	726	Ovata Ltd	1	39	SG Fleet Group	3	629	Think Childcare	4	59
Metals X Ltd	4	127	Over The Wire	3	221	Salt Lake Pot.	2	147	Transurban Grp	11	40,425
Metcash Ltd	10	2,664	P2P Transport	1	10	Sandfire Res.	13	1,004	Treasury Wine	12	13,639
Metro Mining	1	166	PWR Holdings	3	449	Santos Ltd	14	15,372	Vicinity Centre	7	9,769
Metro Per Glass	5	56	Pacific Smiles	3	248	Saracen Mineral	8	2,964	Village Road.	6	529
Michael Hill	3	190	Pacific Current	3	292	Scentre Group	12	21,162	Villa World Ltd	3	294
Midway Limited	4	222	Pacific Energy	2	417	Sealink Travel	5	356	Virgin Aust	3	1,309
Millennium Min.	2	81	Pact Group Hold	8	819	Seek Ltd	10	7,354	Virtus Health	3	332
Mineral Res.	3	2,600	Palia Pharma	1	87	Select harvest	5	703	Vista Group	4	654
Mirvac Group	9	12,077	Panoramic Res.	4	172	Senex Energy	9	610	Vita Group Ltd	2	199
Moelis Aust.	1	612	Pantoro Limited	2	253	Service Stream	4	1,101	Viva EnergyREIT	4	2,235
Monash IVF Grp	3	242	Paringa Res Ltd	3	39	Servcorp Ltd	2	460	Viva Energy Grp	8	3,753
Monadelphous Gr	9	1,527	Peet Ltd	3	544	Seven West Med.	6	611	Vocus Group Ltd	9	2,060
Money3 Corp Ltd	4	417	Pendal Group	14	2,214	Seven Group	5	5,701	Volpara Health	3	355
Motorcycle Hold	2	149	Peninsula En.	4	45	Shaver Shop Grp	2	65	Wagners Hold.	4	271
Mt Gibson Iron	2	825	People Infra.	3	253	Sheffield Res.	2	129	Wesfarmers Ltd	12	44,832
Myer Holdings	9	505	Perpetual Ltd	11	1,667	Shine Corporate	2	145	West African R.	2	405
Mystate Ltd	3	401	Perseus Mining	5	864	Shopping Centre	7	2,404	Westgold Res.	2	942
NRW Holdings	6	923	Pharmaxis Ltd	1	75	Shriro Holdings	1	68	Western Areas	13	843
Namoi Cotton	1	47	Piedmont Lith.	2	86	Sigma Health.	6	625	Westpac Banking	13	99,917
Nanosonics Ltd	6	2,076	Pilbara Mineral	7	611	Silver Chef Ltd	1	25	Whitehaven Coal	15	3,365
Nat Veterinary	3	169	Pinnacle Invest	4	825	Silver Lake Res	3	860	Wisetech Global	8	12,120
Natl Aust Bank	13	80,004	Pioneer Credit	3	156	Sims Metal Mgmt	7	2,451	Woodside Petrol	16	29,816
National Tyre	2	42	Platinum Asset	10	2,306	Smartgroup Corp	6	1,581	Woolworths Grp	10	47,906
National Stor.	5	1,414	Polynovo Ltd	3	1,428	Smart Parking	2	75	Worley Group	9	6,633
Navigator Gl In	3	524	Praemium Ltd	7	184	Somnomed Ltd	2	129	XRF Scientific	1	31
Nearmap Ltd	6	1,233	Premier Invest	11	2,440	Sonic Health	10	13,985	Xref Limited	1	65
Netwealth Group	9	1,954	Prime Media Grp	1	64	Soul Pattinson	1	5,015	Zip Co Ltd	4	1,370
Neuren Pharm.	1	196	Pro Medicus Ltd	7	3,459	South32 Limited	15	13,965			

## Short Interest in Australian Shares

Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)
3P Learning	0.0%	123	Alliance Aviat.	0.1%	317	Auswide Bank	0.0%	245	Botanix Pharma.	1.6%	231
5G Networks	0.1%	41	Altium Limited	0.8%	4,851	Automotive Hold	0.4%	1,254	Brainchip Hold.	0.0%	49
A.P. Eagers	0.1%	3,008	Altura Mining	1.9%	156	Autosports Grp	0.0%	322	Brambles Ltd	0.0%	17,906
A2B Australia	0.9%	178	Alumina Ltd	3.5%	6,393	Aventus Retail	1.4%	1,467	Bravura Sol.	0.2%	1,179
AGL Energy Ltd	1.3%	12,395	Amaysim Aust.	0.4%	130	Avita Medical	0.6%	946	Breaker Res NL	0.1%	66
AHALife Hold.	0.0%	10	Amcor Ltd	0.7%	15,416	BHP Group Ltd	3.5%	106,964	Breville Group	0.2%	2,186
ALS Limited	1.1%	3,884	Animoca Brands	0.0%	161	BUBS Australia	1.5%	614	Brickworks Ltd	0.6%	2,413
AMA Group Ltd	0.3%	745	Ansell Ltd	2.5%	3,641	BWP Trust	1.0%	2,512	Buddy Tech.	0.1%	45
AMP Ltd	6.1%	5,851	Antipa Minerals	0.0%	33	BWX Limited	9.2%	458	Buru Energy Ltd	0.1%	108
ANZ Bank	0.6%	76,732	Apollo Tourism	0.2%	75	Baby Bunting Gr	0.2%	376	Byron Energy	0.1%	257
APA Group	0.2%	12,884	Appen Limited	0.6%	3,160	Bank of Q'land	9.2%	3,733	C.S.R. Ltd	6.0%	1,941
APN Industria	3.1%	529	Arden Leisure	2.7%	480	Bannerman Res.	0.0%	42	CIMIC Group	0.6%	10,023
ARB Corporation	1.8%	1,483	Arena REIT	0.0%	845	Bapcor Limited	4.4%	1,922	CSL Limited	0.2%	109,684
ARQ Group	1.1%	67	Argo Investment	0.0%	5,812	Base Resources	0.1%	286	Calima Energy	0.0%	23
ASX Limited	0.7%	16,595	Aristocrat Leis	1.5%	19,112	Battery Mineral	0.0%	12	Caltex Australia	1.1%	6,188
AUB Group	0.3%	828	Artimis Res.	0.0%	20	Beacon Lighting	0.7%	250	Cann Group	1.0%	250
AV Jennings	0.0%	225	Asaleo Care Ltd	0.6%	508	Beach Energy	0.1%	5,675	Capital Health	0.0%	165
AVEO Group	0.6%	1,237	Atlas Arteria	2.3%	5,747	Bega Cheese Ltd	8.0%	900	Cardno Ltd	0.1%	435
AVZ Minerals	0.0%	113	Atomos Limited	0.0%	233	Bellevue Gold	0.4%	325	Cardinal Res.	0.1%	192
Abacus Property	0.1%	2,543	Audio Pixels	0.1%	453	Bellamy's Aust.	13.3%	994	Carnarvon Pet.	0.2%	586
Accent Group	0.1%	901	Audinate Group	0.0%	500	Bendigo Bank	4.2%	5,385	Carsales.com	1.3%	3,902
AcruX Ltd	0.4%	28	Aurelia Metals	1.5%	451	Berkeley Energy	0.2%	63	Cash Converters	0.4%	89
Adairs Limited	1.1%	292	Aurizon Hold.	0.8%	11,702	Bigtincan Hold.	0.0%	134	Catapult Group	0.1%	253
Adelaide Bright	1.7%	1,916	AusCann Group	0.1%	116	Bingo Indust.	7.4%	1,486	Cedar Woods Prp	0.1%	499
Adriatic Metals	0.0%	102	AusNet Services	0.7%	6,531	Bionomics Ltd	0.0%	18	Celsius Res.	0.5%	14
Advance NanoTek	0.0%	286	Ausdrill Ltd	0.9%	1,488	Biotron Limited	0.1%	46	Centuria Indust	0.0%	1,027
Afterpay Touch	1.7%	8,559	Aust Agriculit.	1.6%	618	Blackmores Ltd	7.0%	1,249	Centuria Metro.	0.4%	1,069
Ainsworth Game	0.8%	246	Aust Pharm. Ind	1.8%	643	Bluescope Steel	1.1%	6,569	Challenger Ltd	7.7%	4,257
Alacer Gold	0.1%	528	Aust U. Office	0.2%	490	Blue Sky Alt In	1.1%	14	Champion Iron	0.0%	1,044
Ale Property	0.0%	1,045	Aust Mines Ltd	0.0%	96	Bod Australia	0.3%	48	Charter Hall Ed	0.3%	1,124
Alita Resources	0.4%	121	Austal Limited	0.1%	1,595	Boral Limited	0.6%	5,182	Chart Hall Long	1.0%	2,157
Alkane Explor.	0.0%	195	Australis O & G	0.2%	197						

(Continued on Page 18)

Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)
Charter Hall GR	0.3%	5,627	Helloworld Trav	0.0%	538	Nanosonics Ltd	3.1%	2,076	Sealink Travel	0.5%	356
Chart H Retail	1.1%	1,894	Highfield Res.	0.0%	274	Nat'l Aust Bank	0.4%	80,004	Seek Ltd	4.5%	7,354
Cirrus Networks	0.1%	34	Horizon Oil Ltd	0.0%	169	National Stor.	0.7%	1,414	Select harvest	0.1%	703
Citadel Group	0.6%	202	Hotel Property	0.2%	517	Navigator GI In	0.0%	524	Senetas Corp	0.0%	77
City Chic Coll.	0.0%	438	Huon Aquacult.	0.1%	397	Nearmap Ltd	5.5%	1,233	Senex Energy	2.9%	610
Class Limited	2.1%	145	I-SignThis Ltd	0.3%	1,493	Neometals Ltd	0.1%	98	Service Stream	0.4%	1,101
Cleanaway Waste	0.1%	4,213	IDP Education	0.4%	4,326	Netlinkz Ltd	0.1%	314	Servcorp Ltd	0.1%	460
Clean Teq Hold.	5.9%	246	IMF Bentham Ltd	1.6%	610	Netwealth Group	4.3%	1,954	Seven West Med.	0.9%	611
Clinuvel Pharm.	5.4%	1,327	IOOF Holdings	9.6%	1,991	Neuren Pharm.	0.0%	196	Seven Group	2.5%	5,701
CocaCola Amatil	2.7%	7,870	IPH Limited	0.2%	2,004	New Hope Corp.	0.8%	1,946	Sheffield Res.	0.1%	129
Cochlear Ltd	0.7%	12,485	IRESS Limited	0.3%	2,174	New Century Res	5.4%	162	Shopping Centre	0.6%	2,404
Codan Ltd	0.0%	862	Icar Asia Ltd	0.1%	70	New Energy Sol.	0.0%	442	Sigma Health.	0.3%	625
Coles Group	0.5%	19,595	Iluka Resources	0.8%	3,211	Newcrest Mining	1.0%	28,265	Silex Systems	0.0%	72
Collection Hse	4.9%	164	Imdex Limited	0.2%	555	News Corp.	2.2%	1,029	Silver Chef Ltd	1.0%	25
Com'wealth Bank	1.0%	140,805	Immutep Ltd	0.0%	85	Next Science	0.1%	300	Silver Mines	0.0%	111
Computershare	0.9%	8,562	Impedimed Ltd	1.3%	74	Nextdc Limited	11.7%	2,158	Silver Lake Res	3.3%	860
Cooper Energy	3.6%	1,005	Imugene Ltd	0.1%	79	Nib Holdings	0.6%	3,271	Silver Heritage	0.0%	13
Core Lithium	0.1%	30	Incitec Pivot	0.5%	5,267	Nick Scali Ltd	2.2%	561	Sims Metal Mgmt	7.1%	2,451
Corp Travel M.	5.3%	1,982	Independ. Group	0.2%	3,614	Nine Entertain.	5.4%	3,428	Slater & Gordon	0.0%	79
Costa Group	6.2%	1,138	Infigen Energy	1.9%	598	Nova Minerals	0.5%	56	Smartgroup Corp	0.3%	1,581
Credit Corp	3.4%	1,601	Infomedia Ltd	0.0%	706	Nthn Star Res.	1.7%	7,298	Sonic Health	0.9%	13,985
Cromwell Prop.	2.1%	3,232	Ingenia Com Grp	0.0%	927	Nufarm Limited	16.1%	1,894	Soul Pattinson	1.7%	5,015
Crown Resorts	2.0%	8,207	Inghams Group	15.4%	1,212	OFX Group	0.8%	350	South32 Limited	0.9%	13,965
Crown Media	0.1%	5	Insurance Aust.	0.6%	18,904	OM Holdings	0.1%	421	Spark Infrastru	1.7%	3,616
CuDeco Ltd	0.0%	93	Int Research	1.1%	512	OZ Minerals Ltd	1.7%	3,048	Speedcast Int'l	6.0%	301
Cybg plc	0.6%	1,783	Integral Diag.	0.1%	479	Oil Search Ltd	1.3%	10,841	Splitit Payment	0.3%	117
Dacian Gold Ltd	7.5%	291	Investec A Prop	0.2%	872	Onevue Holdings	0.0%	103	St Barbara Ltd	1.7%	2,130
Danakali Ltd	0.0%	183	Invocare Ltd	6.0%	1,745	OohMedia	5.2%	743	Star Combo Ph.	0.0%	45
Data 3 Ltd	0.0%	427	Ioneer Limited	1.4%	221	Orica Ltd	0.7%	8,228	Star Entertain.	2.6%	3,908
Decmil Group	0.1%	223	Iselect Limited	0.7%	127	Origin Energy	1.2%	13,438	Starpharma Hold	0.6%	411
Dexus	0.5%	13,853	Ive Group	0.0%	316	Orocobre Ltd	14.3%	659	StarGroup Ltd	0.0%	2
Dicker Data Ltd	0.5%	1,135	JB Hi-Fi Ltd	12.9%	3,807	Orora Limited	0.7%	3,343	Steadfast Group	0.2%	3,184
Digital CC Ltd	0.0%	16	James Hardie	4.1%	10,181	Othrocell Ltd	0.2%	59	Sth Cross Media	0.2%	942
Div. United Inv	0.0%	949	Janus Henderson	4.0%	1,265	Ottomank Energy	0.1%	125	Stockland	0.6%	10,563
Domain Holdings	1.4%	1,936	Japara Health.	0.8%	311	PWR Holdings	0.2%	449	Straker Trans.	0.1%	96
Domino's Pizza	9.3%	3,920	Jervois Mining	0.0%	160	Pacific Smiles	0.0%	248	Strike Energy	0.1%	373
Donaco Inter'l	0.0%	54	Johns Lyng Grp	0.1%	400	Pacific Energy	0.1%	417	Suncorp Group	0.8%	17,841
Downer EDI Ltd	1.7%	4,567	Jumbo Interact.	2.9%	1,559	Pact Group Hold	6.6%	819	Sundance Res.	0.0%	45
Dubber Corp.	0.1%	272	Jupiter Mines	0.2%	744	Paladin Energy	1.1%	245	Sundance Energy	2.9%	165
EML Payments	0.0%	965	Karoo Energy	0.7%	312	Panoramic Res.	0.2%	172	Superloop Ltd	2.2%	260
ERM Power Ltd	0.2%	616	Kidman Res Ltd	0.0%	767	Pantoro Limited	0.1%	253	Super Retail Gr	8.2%	1,917
Eclixp Group	4.5%	505	Kina Securities	0.1%	221	Paragon Care	0.4%	128	Sydney Airport	0.5%	18,611
Ecofibre Ltd	0.5%	368	Kingsgate Cons.	0.0%	100	Paradigm Bio.	0.2%	375	Syrah Resources	12.4%	291
Eden Innovation	0.0%	83	King River Res.	0.0%	42	Peel Mining Ltd	0.0%	70	TPG Telecom Ltd	1.6%	5,957
Elanor Ret Prop	0.0%	163	Kogan.com Ltd	6.4%	639	Peet Ltd	0.0%	544	Tabcorp Holding	2.5%	9,632
Elders Limited	3.3%	973	Leigh Creek En.	0.0%	129	Pendal Group	1.4%	2,214	Tassal Group	1.2%	892
Elixinol Global	2.0%	139	LendLease Group	2.1%	9,539	People Infra.	0.0%	253	Technology One	2.8%	2,466
Emeco Holdings	4.5%	679	Life 360 Inc.	0.0%	494	Perpetual Ltd	8.7%	1,667	Telix Pharma.	0.1%	238
Emerge Gaming	0.1%	7	Lifestyle Com.	0.0%	784	Perseus Mining	0.4%	864	Telstra	0.2%	42,935
Empired Ltd	0.0%	43	Linius Tech.	0.1%	31	Phoslock Env.	0.1%	746	Terracom Ltd	0.0%	206
Energy World	1.1%	149	Link Admin.	2.5%	3,011	Piedmont Lith.	0.0%	86	The Reject Shop	0.3%	54
Energy Resource	0.2%	101	Liontown Res.	0.0%	144	Pilbara Mineral	9.5%	611	Thorn Group Ltd	0.4%	45
Envirosuite Ltd	0.0%	48	Liq Natural Gas	5.4%	104	Pinnacle Invest	1.9%	825	Tiger Resources	0.0%	110
Estia Health	2.3%	670	Lithium Aust.	0.3%	26	Pioneer Credit	2.5%	156	Titomic Ltd	0.1%	103
Euro. Lithium	0.0%	49	Lithium Power	0.2%	100	Platinum Asset	2.6%	2,306	Toro Energy Ltd	0.0%	46
European Cobalt	0.0%	18	Livehive Ltd	0.0%	97	Platina Res.	0.1%	9	Transurban Grp	0.4%	40,425
Event Hospital.	0.2%	2,012	Livetiles Ltd	1.6%	264	Pointsbet Hold.	0.0%	262	Treasury Wine	4.5%	13,639
Evolution Min.	2.7%	8,625	Longtable Group	0.1%	35	Polynovo Ltd	0.5%	1,428	Tubi Limited	0.0%	74
Experience Co	0.1%	145	Lovisa Holdings	3.7%	1,335	Praemium Ltd	1.6%	184	Tungsten Mining	0.0%	135
FAR Ltd	0.3%	396	Lynas Corp Ltd	3.6%	1,721	Premier Invest	0.3%	2,440	Unibail-Rod.	0.5%	3,025
FBR Limited	0.3%	104	MMA Offshore	3.3%	172	Prime Media Grp	0.0%	64	Uniti Wireless	0.1%	230
Family Zone CS	0.0%	38	MNF Group	0.1%	352	Pro Medicus Ltd	0.5%	3,459	VGI Partners	0.0%	912
Fatfish B'chain	0.1%	7	MOD Resources	0.0%	128	P.B.E. Insur.	0.7%	16,460	Vault Intell.	0.2%	28
Flexicorp Ltd	2.3%	741	MSL Solutions	0.0%	25	QMS Media	0.0%	293	Vicinity Centre	0.3%	9,769
Flight Centre	4.5%	4,846	MacMahon Hold	0.1%	463	Qantas Airways	0.5%	9,784	Victory Offices	0.0%	97
Fluence Corp.	0.0%	226	Maca Limited	0.5%	241	Qube Holdings	1.2%	5,360	Village Road.	0.0%	529
Food Revolution	0.0%	37	Macquarie Group	0.7%	43,256	QuickFee Ltd	0.0%	57	Villa World Ltd	0.1%	294
Fortescue Metal	5.3%	25,894	Magellan Fin Gp	1.7%	9,890	REA Group Ltd	2.2%	13,858	Virgin Aust	0.0%	1,309
Freedom Foods	1.3%	1,550	Magnis Energy T	0.1%	101	Ramelius Res.	0.1%	826	Virtus Health	0.2%	332
G.U.D. Holdings	1.2%	805	Mayne Pharma Gr	3.6%	760	Ramsay Health	2.9%	13,022	Vita Group Ltd	0.2%	199
G8 Education	5.8%	1,178	McMillan Shake.	0.8%	1,338	Reckon Limited	0.0%	77	Viva Leisure	0.0%	89
GBST Holdings	0.2%	261	Medibank Priv.	0.8%	9,391	Red 5 Ltd	0.0%	417	Viva EnergyREIT	0.1%	2,235
GDI Property	0.0%	835	Medibio Limited	0.0%	13	Red River Res.	0.2%	90	Viva Energy Grp	0.9%	3,753
GPT Group	0.6%	12,233	Megaport Ltd	0.7%	1,267	Redbubble Ltd	0.1%	356	Vocus Group Ltd	1.3%	2,060
GTN Limited	0.0%	179	Mesoblast Ltd	5.2%	726	Redcope Hotel	0.0%	596	Volpara Health	0.0%	355
GWA Group Ltd	6.3%	895	Metals X Ltd	2.6%	127	Redflex Holding	0.1%	54	WPP AUNZ Ltd	0.3%	439
GWR Group Ltd	0.0%	23	Metcash Ltd	9.2%	2,664	Reece Limited	0.1%	6,001	Wagners Hold.	1.9%	271
Galaxy Res.	14.3%	452	Meteoritic Res.	0.0%	46	Regis Health.	1.1%	839	Warneja Ltd	0.0%	101
Galan Lithium	0.1%	28	Metro Mining	0.0%	166	Regis Resources	3.5%	2,571	Watt Health	0.6%	76
Galilee Energy	0.1%	254	Michael Hill	0.1%	190	Reliance W/wide	7.0%	3,042	Webjet NL	3.9%	1,707
Gascoyne Res.	0.3%	39	Millennium Min.	0.2%	81	Resolute Mining	1.5%	1,428	Webster Ltd	0.0%	438
Genworth Mort.	5.8%	1,316	Mincor Resource	0.2%	191	Retail Food Grp	0.4%	32	Wellard Limited	0.0%	21
Getswift Ltd	0.0%	73	Mineral Res.	3.4%	2,600	Rhipe Limited	0.1%	398	Wesfarmers Ltd	1.0%	44,832
Gold Road Res.	0.6%	1,195	Mirvac Group	0.6%	12,077	Ridley Corp.	0.3%	347	Westgold Res.	0.7%	942
Goodman Group	0.2%	24,814	Mitchell Serv.	0.2%	106	Rightcrowd Ltd	0.1%	32	Western Areas	6.3%	843
Graincorp	3.3%	1,833	Monash IVF Grp	0.0%	242	Rio Tinto Ltd	4.6%	33,547	Westpac Banking	0.9%	99,917
Grange Resource	2.5%	284	Monadelphous Gr	0.8%	1,527	Ruralco Hold.	0.3%	461	Whitehaven Coal	3.8%	3,365
Growthpoint Pro	0.3%	3,364	Money3 Corp Ltd	0.1%	417	Rural Funds Grp	3.5%	663	Wisetech Global	1.5%	12,120
HT&E Limited	3.2%	510	Mortgage Choice	0.8%	137	S/Tracks ASX200	0.0%	3,766	Wisr Ltd	0.0%	106
HUB24 Limited	7.4%	812	Motorcycle Hold	0.0%	149	S2 Resources	0.3%	51	Woodside Petrol	0.7%	29,816
Hankstone Min.	0.3%	11	Mt Gibson Iron	3.2%	825	SG Fleet Group	0.1%	629	Woolworths Grp	1.1%	47,906
Hansen Tech.	0.1%	672	Myanmar Metals	0.2%	82	SRG Global	0.2%	192	Worley Group	2.0%	6,633
Harvey Norman	8.9%	5,250	Myer Holdings	7.5%	505	Sandfire Res.	4.7%	1,004	Yancoal Aust.	0.0%	3,842
Hastings Rare M	0.0%	159	Mystate Ltd	0.4%	401	Santos Ltd	0.2%	15,372	Zenith Energy	0.1%	84
Healius Ltd	1.8%	1,980	NRW Holdings	1.3%	923	Saracen Mineral	3.8%	2,964	Zip Co Ltd	0.3%	1,370
Helios Energy	0.0%	352	NSX Limited	0.0%	39	Scentre Group	0.6%	21,162			

# Performance Forecasts

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

Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield			
A2 Milk Company	A	1540	N/A	NE	Nil	Gentech Group	C	580	5.47	41	3.2	Promisia Integ.	D	0.2	5.23	NE	Nil
AFC Group Hold.	B	0.1	N/A	NE	Nil	Geo Ltd	C	7.8	1.27	NE	Nil	Property F Ind.	C	242	N/A	11	3.1
AFT Pharma.	A	305	0.98	NE	Nil	Good Spirits	B	12	0.20	10	Nil	Pushpay Hold.	C	334	6.36	33	Nil
AMP Limited	B	188	0.84	NE	7.8	Goodman Prop.	B	222	N/A	9	3.0	QEX Logistics	C	70	0.62	19	Nil
AWF Madison Grp	A	185	0.23	30	12.2	Green Cross H.	C	111	0.28	10	8.8	Rakon Ltd	E	29	0.57	19	Nil
Abano Health.	A	392	0.37	13	8.5	Hallenstein G.	A	559	1.19	12	10.9	Restaurant Brds	D	1045	1.64	36	Nil
Air New Zealand	A	286	0.56	12	10.7	Heartland Group	B	162	5.66	16	6.4	Rubicon Limited	E	18	1.82	NE	Nil
Akd Int Airport	A	950	N/A	18	3.2	IkeGPS Limited	C	58	6.56	NE	Nil	Ryman Health.	E	1352	N/A	21	1.7
Allied Farmers	E	68	5.71	97	0.4	Infratil NZ	B	487	N/A	15	4.9	Sanford Limited	D	686	1.25	15	4.7
Aoreere Res.	N/R	0.1	5.02	NE	Nil	Investore Prop.	B	195	N/A	11	3.8	Scales Corp Ltd	D	505	1.76	25	5.1
Argosy Property	B	151	N/A	9	4.2	Just Life Group	D	45	2.35	19	6.2	Scott Tech. Ltd	E	230	0.96	16	6.0
Arvida Group	C	139	3.77	10	4.6	Kathmandu Ltd	C	257	1.16	11	8.1	SeaDragon Ltd	E	0.2	1.98	NE	Nil
Asset Plus	C	64	7.70	27	5.7	Kingfish Ltd	B	148	N/A	6	7.9	Seeka Kiwifruit	D	493	0.71	19	3.4
Augusta Capital	B	156	5.66	20	3.8	Kiwi Property	B	169	8.46	18	4.1	Serko Limited	D	462	N/A	NE	Nil
Barramundi Ltd	C	64	N/A	15	8.4	Mainfreight Grp	A	4135	1.41	30	1.9	Skellerup Hold.	D	230	1.82	15	7.9
Blackwall Gbl.	C	0.5	1.75	NE	Nil	Marlborough WE	C	23	N/A	NE	Nil	Sky City Ltd	D	391	3.28	18	7.1
Blis Technology	B	4.2	8.23	NE	Nil	Marlin Global	C	95	N/A	17	8.3	Sky Network TV	D	113	0.55	5	9.2
Briscoe Group	B	369	1.29	13	7.5	Marsden Mar.	C	538	N/A	24	4.1	Smartpay NZ Ltd	D	18	1.43	NE	Nil
Burger Fuel	C	55	1.41	24	Nil	Mercur Group	D	18	0.39	NE	Nil	Smiths City	E	27	0.07	NE	Nil
CBL Corporation	C	317	1.91	25	2.2	Mercury NZ	A	562	4.36	34	3.7	Snakk Media Ltd	E	5.5	0.09	NE	Nil
CDL Investments	D	77	2.52	6	6.3	Meridian Energy	B	536	3.93	40	4.3	Sol. Dynamics	C	160	1.39	22	4.6
CSM Group Ltd	C	0.1	N/A	NE	Nil	MetLifeCare	C	450	7.72	24	2.4	South Port NZ	C	725	4.33	19	5.0
Cannasouth Ltd	B	58	N/A	NE	Nil	Metro Per Glass	C	29	0.20	11	18.2	Spark NZ Ltd	E	465	2.41	21	7.5
Cavalier Corp	C	27	0.14	10	Nil	Mid-Cap Index	C	590	N/A	8	2.3	Steel & Tube	E	86	0.29	14	8.1
Chatham Rock	C	20	N/A	NE	Nil	Millennium & C.	C	260	1.88	7	1.9	Sthn Charter F.	E	0.1	3.24	NE	Nil
Chorus Ltd	C	517	2.34	43	6.2	Moa Group Ltd	D	33	1.42	NE	Nil	Stride Property	E	237	N/A	9	5.4
Col Motor Co	A	870	0.31	13	7.2	NZ Exchange Ltd	B	129	5.19	30	6.6	Summerset Group	D	630	N/A	7	2.1
Comvita	C	260	0.78	NE	Nil	NZ King Salmon	C	230	1.85	28	3.0	Synlait Milk	D	945	2.53	40	Nil
Contact Energy	A	898	2.98	49	4.9	NZ Oil & Gas	N/R	63	2.44	NE	Nil	T&G Global	C	250	0.26	86	6.7
Cooks Global Fd	B	7.9	6.51	NE	Nil	NZ Refining Co	C	211	1.84	22	4.9	TIL Logistics	C	122	0.29	26	5.7
Delegat Group	B	1145	4.17	24	2.1	NZ Windfarms	C	15	3.52	68	20.1	Tilt Renewables	D	277	6.73	NE	Nil
EROAD Ltd	C	292	3.25	NE	Nil	NZF Group	C	1.0	N/A	NE	Nil	Tourism Hold.	D	389	1.21	17	9.6
Ebos Group Ltd	C	2446	0.57	29	4.1	NZME Limited	D	45	0.23	8	6.2	Tower Limited	E	80	0.84	NE	Nil
Enprise Group	C	66	0.94	NE	1.5	NZSX 50 Port.	B	310	N/A	15	3.5	Training Sol.	E	0.3	N/A	NE	Nil
Evolve Educat.	D	9.6	N/A	NE	Nil	NZSX 10 Fund	B	195	N/A	11	3.4	TruScreen Ltd	C	11	N/A	NE	Nil
F & P Health.	B	176	N/A	53	1.8	NZX Aust MidCap	B	731	N/A	7	2.7	Trust Power Ltd	C	796	2.65	27	5.8
Finzsoft Solns	C	112	0.79	NE	Nil	New Talisman	N/R	0.8	N/A	NE	Nil	Turners Auto.	D	235	0.60	9	10.0
Fletcher Build.	C	471	0.48	16	6.8	Oceania Health.	C	102	3.29	14	4.6	Vector Ltd	D	365	2.77	44	6.3
Foley Wines Ltd	B	185	2.54	24	2.3	Ozzy (Tortis)	B	396	N/A	15	8.2	Vista Group Ltd	D	425	5.38	57	1.1
Forterra S/H Fd	C	318	0.25	NE	3.1	PGS Wrightsons	E	250	0.23	47	8.3	Vital Health PT	E	282	N/A	17	3.1
Freightways Ltd	B	830	1.36	13	5.1	Pac Edge Bio.	E	23	N/A	NE	Nil	Vital Ltd	D	86	1.02	9	4.8
Future Mobility	D	4.3	0.15	NE	Nil	PaySauce Ltd	D	45	1.63	NE	Nil	WN Drive Tech.	E	19	0.88	NE	Nil
Geneva Finance	C	54	1.77	9	9.0	Plexure Group	D	88	N/A	NE	Nil	Warehouse Group	C	229	0.26	35	9.7
Genesis Energy	B	366	1.39	63	6.5	Port Tauranga	D	656	N/A	44	2.8	Z Energy Ltd	C	655	0.48	14	9.1
General Capital	C	6.0	4.38	NE	Nil	Precinct Prop.	C	189	N/A	9	3.1	Ave of 134 Cos	C	326	0.67	22	3.7
A.P. Eagers	A	1339	0.62	26	2.7	Cromwell Prop.	B	125	N/A	20	5.8	OZ Minerals Ltd	A	941	2.72	14	2.4
AGL Energy Ltd	B	1890	0.97	8	6.2	Crown Resorts	B	1212	2.80	20	5.0	Oil Search Ltd	B	711	4.97	22	2.1
ALS Limited	B	805	2.34	22	2.8	Cybg plc	B	200	0.97	3	2.8	Orica Ltd	A	2162	1.53	NE	2.4
AMP Ltd	C	175	0.32	NE	8.0	Dexus	B	1263	N/A	11	4.0	Origin Energy	A	763	0.95	12	3.1
ANZ Bank	A	2707	2.18	12	5.9	Dicker Data Ltd	A	703	0.76	35	2.6	Orora Limited	A	277	0.79	16	4.5
APA Group	A	1092	5.30	45	6.6	Domain Holdings	B	332	5.80	44	1.8	Pendal Group	A	686	3.80	11	7.6
ARB Corporation	A	1860	3.48	29	2.0	Domino's Pizza	B	4570	4.91	32	2.4	Perpetual Ltd	A	3580	3.26	14	0.1
ASX Limited	A	8572	N/A	37	2.5	Downer EDI Ltd	B	768	0.36	17	3.6	Platinum Asset	A	393	6.49	12	8.1
AVEO Group	B	213	4.49	NE	2.1	Event Hospital.	B	1250	2.08	19	4.2	Polynovo Ltd	B	216	N/A	NE	Nil
Abacus Property	A	395	7.41	9	4.6	Evolution Min.	A	507	5.70	39	1.9	Premier Invest	A	1540	2.04	29	4.0
Adelaide Bright	A	294	1.18	10	6.8	Fineos Corp Ltd	D	324	N/A	NE	Nil	Pro Medicus Ltd	A	3338	N/A	NE	0.2
Afterpay Touch	B	3388	N/A	NE	Nil	Flight Centre	A	4793	1.66	0	3.5	Purifloh Ltd	C	499	N/A	NE	Nil
Ale Property	A	534	N/A	37	3.9	Fortescue Metal	B	841	2.82	22	2.7	Q.B.E. Insur.	B	1252	0.86	30	4.0
Altium Limited	A	3704	N/A	65	0.8	Freedom Foods	B	568	3.26	NE	0.6	Qantas Airways	B	623	0.54	11	4.0
Alumina Ltd	A	222	N/A	7	14.5	G8 Education	B	257	1.36	16	4.9	Qube Holdings	B	331	3.18	27	2.0
Amcor Ltd	A	1442	1.33	17	4.2	GPT Group	B	628	N/A	8	4.1	REA Group Ltd	A	10521	N/A	NE	1.1
Aneka Tambang	B	100	9.65	NE	Nil	Genworth Mort.	A	319	3.03	18	5.3	Ramsay Health	B	6444	1.13	24	2.4
Ansell Ltd	A	2752	1.72	18	2.4	Gold Road Res.	B	136	N/A	NE	Nil	Reece Limited	B	1070	1.10	30	1.9
Appen Limited	A	2612	7.64	67	0.3	Goodman Group	A	1368	N/A	26	2.2	Regis Resources	A	506	3.92	16	3.2
Argo Investment	A	813	N/A	15	4.1	Graincorp	A	801	0.43	26	2.0	Reliance W/wide	A	385	2.76	23	2.3
Aristocrat Leis	A	2993	5.38	35	1.5	Growthpoint Pro	A	436	N/A	8	5.3	Resolute Mining	A	159	2.70	15	1.3
Atlas Arteria	A	841	N/A	96	2.9	Harvey Norman	B	445	2.35	13	7.4	Rio Tinto Ltd	A	9037	0.58	2	4.8
Arizon Hold.	B	588	3.76	24	4.6	Healius Ltd	B	318	1.10	35	2.3	S/Tracks ASX200	B	6232	N/A	10	1.5
AusNet Services	B	177	3.51	26	5.5	Hutchison Tel.	N/A	12	N/A	NE	Nil	Sandfire Res.	B	620	1.69	9	3.7
Ausdrill Ltd	A	217	0.91	8	3.2	I-Sign This Ltd	C	137	N/A	NE	Nil	Santos Ltd	B	738	2.96	17	1.9
Aust Foundation	B	629	N/A	19	5.1	IDP Education	B	1700	7.23	65	1.1	Saracen Mineral	B	356	5.26	32	Nil
Aust United In	B	915	N/A	11	3.9	IOOF Holdings	B	567	1.87	69	6.6	Scatter Group	B	398	8.01	9	5.6
Austal Limited	A	452	0.86	26	1.3	IPH Limited	A	939	8.35	46	2.4	Seek Ltd	A	2089	4.72	41	2.2
Automotive Hold	B	378	N/A	NE	Nil	IRESS Limited	B	1244	4.58	33	3.7	Service Stream	A	271	1.28	22	3.3
Aventus Retail	B	273	N/A	NE	Nil	Iluka Resources	B	760	2.37	11	3.8	Seven Group	B	1680	1.39	26	2.5
BHP Group Ltd	A	3631	2.91	16	5.2	Incitec Pivot	B	328	1.39	26	3.3	Shopping Centre	B	258	8.84	22	5.7
BKI Invest Coy	B	160	N/A	16	4.6	Independ. Group	A	612	4.61	4							

**Investment Outlook***(Continued from Page 1)*

their investment bankers and planning an IPO as soon as possible!

Many Unicorns that go public will replace smaller companies from the S&P 500 (and other indices), but as they are often many times larger, the index weighting of all the other 499 companies will need to be slightly reduced. In the past the index funds were blind buyers of Amazon, Apple, Alphabet, etc, but in the future the index funds may become blind sellers of these existing companies as new companies list and join the index.

A lack of IPOs helped inflate large company valuations over the last 20 years. A rush of IPOs from Unicorns seeking to cash in on those high valuations (by “cashing out”) could burst the Bubble and reverse that trend.

The full impact on the S&P 500 (and other indices) of an IPO is not all immediate. After an IPO, a large part of a company's stock is still held by founders or venture capital funds, so its capitalisation in the index will be reduced to represent just the “float” that is available to trade on the market. Over a relatively short period of time (i.e. six months to a few years) venture capital funds are likely to sell down their shareholdings in “secondary placements” or distribute the stock to their own investors (who may sell it or retain it). Either way, this will increase the “float” and the company's weighting in the index will be steadily increased.

The index will rebalance quarterly to reflect the increased float in some companies (i.e. increasing their weighting in the index, which implies slightly reducing all the others) and the index funds are required to blindly follow these index changes.

Effectively index funds will need to buy the stock that the venture capital funds sell . . . and index funds will finance those purchases by selling a little bit of every other company in the index. A boom in Unicorn IPOs will have an *immediate* and *continuing* impact on index fund rebalancing (i.e. selling some of existing holdings to buy new holdings as the index weightings change).

But it doesn't end there.

The S&P 500 index rose 119.5% over the last 20 years. That is a compound return of just 4.01% p.a. So despite *index investing* inflating the value of these large company stocks this has not been a great return. In September 1999, one could have purchased a 20 year US Treasury Bond with a riskless interest yield of about 6%. So the S&P 500 index has (1) not done particularly well and (2) under-performed treasury bonds.

*Low cost index investing* has been the great investment theme over the last 20 years . . . but if investors sit down and actually look at their returns then index funds have not lived up to the promise. A large percentage of investment assets have flowed in to index funds over the last 20 years. What will happen to large company valuations if even a small percentage of those funds flow out of index funds over the next 20 years?

# Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Colonial Motor Company	30.00	10-10	21-10	Full
South Port NZ	18.50	31-10	12-11	Full
Steel & Tube Holdings	1.50	12-09	27-09	Full
<b>Australian Shares</b>				
CPT Global	0.50	12-09	18-11	
Fiducian Group	11.30	27-08	11-09	
Finbar Group	3.00	04-09	12-09	
Iluka Resources	5.00	04-09	01-10	
Integrated Research	3.75	02-09	15-10	
Michael Hill International	1.50	12-09	27-09	
Mt Gibson Iron	4.00	03-09	26-09	
McMillan Shakespeare	40.00	28-08	11-09	
OZ Minerals	8.00	02-09	17-09	
Reckon Ltd	3.00	27-08	18-09	
St Barbara	4.00	03-09	25-09	
Village Roadshow	5.00	13-09	11-10	
Woodside Petroleum	53.239	26-08	20-09	

**Total Return Index for All Listed Shares**

Aug 12	1742.66	Aug 19	1731.60
Aug 13	1740.45	Aug 20	1737.27
Aug 14	1749.71	Aug 21	1726.88
Aug 15	1731.23	Aug 22	1728.75
Aug 16	1714.08	Aug 23	1724.14
Aug 26	1702.58	Sep 2	1695.73
Aug 27	1700.85	Sep 3	1716.39
Aug 28	1693.72	Sep 4	1721.26
Aug 29	1688.41	Sep 5	1725.35
Aug 30	1694.91	Sep 6	1740.53

## 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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