

# Market Analysis

Issue No. 581

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## Inside Market Analysis

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Founder: James R Cornell (B.Com.)

## Summary and Recommended Investment Strategy.

We see risks and opportunities . . . but continue to focus on under-valued commodities, under-valued commodity producers and especially the renewable energy critical materials sector where strong demand growth over the next two decades should drive real prices significantly higher.

## Investment Outlook.

“May you live in interesting times“.

While we are certainly cursed to live in “interesting times” at present, we believe that most periods have involved problems and difficulties that always make life “interesting”. Of course, *current* unresolved problems always seem more important than the *forgotten* problems of the past!

Today we are reasonably bullish for the Australian and New Zealand stockmarkets, although we certainly have concerns and see potential problems.

Government money creation and distribution - in response to Covid-19 - will likely evolve into further *Modern Monetary Theory* (MMT) money creation. In the short to medium term this will continue to boost financial asset values (i.e. share and property prices) and paper over big cracks in the economy.

But Covid-19 is still a major economic problem. Most borders are closed, air travel and tourism are extremely depressed and other economic activity is difficult. Economic growth was *slowing* before Covid-19 and deglobalisation will further reduce and restrict global economic growth.

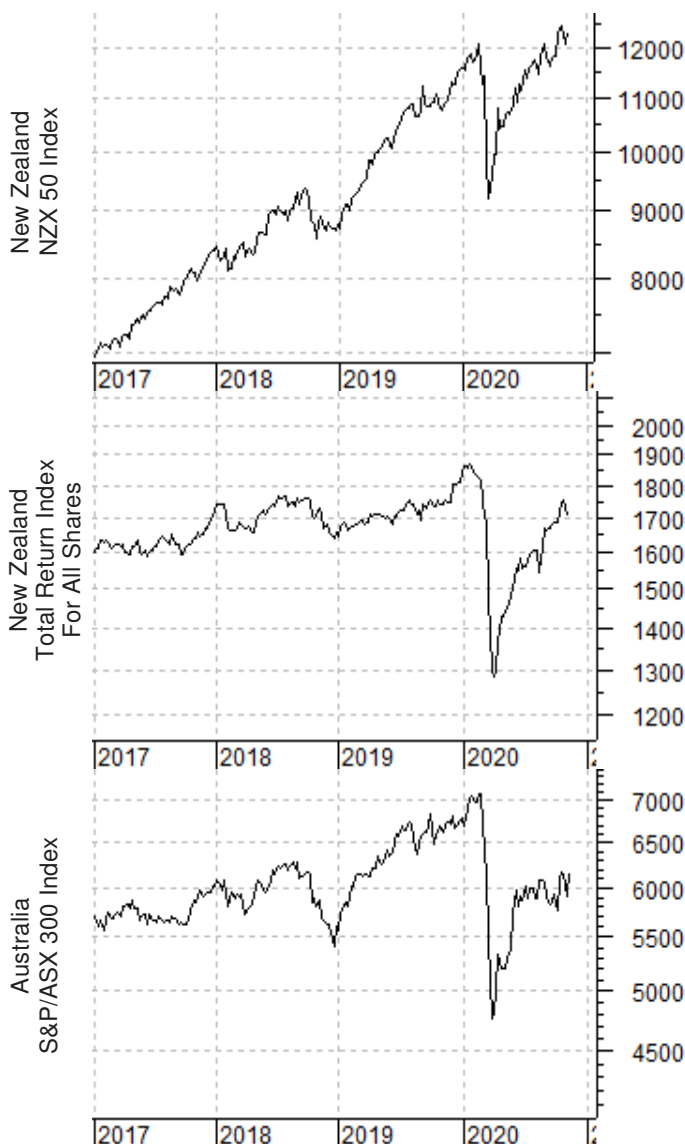
Much of the world has a Zero Interest Rate Policy (ZIRP) and many Central Banks have clearly signalled their willingness to accept higher inflation rates.

While economic activity is depressed, MMT cash payments will have little impact on inflation. But MMT cash payments will likely rise further and further each year. The Genie is out of the bottle and why limit the amount of “free” money we can create and spend? This will eventually create inflation.

Property, funded by low interest rate mortgages, may be a good investment in the short to medium term and a leveraged hedge against potential inflation. But property prices are *already* high, interest rates are *already* near their lows and *everyone* is already a property investment expert! Some people may see a few warning signs in there. When inflation gets out of control, Central Banks may eventually raise interest (Continued on Page 16)

### Stockmarket Forecasts

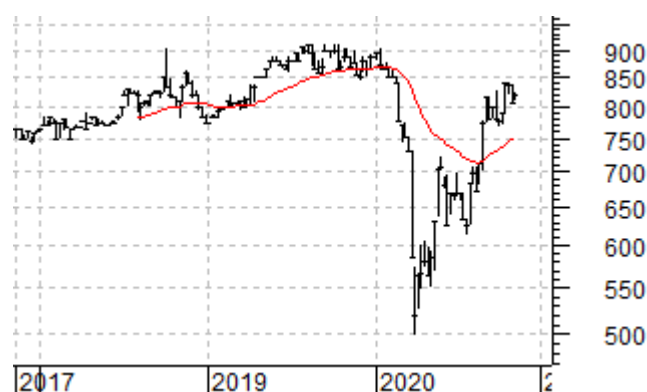
	One-Month	One-Year
Australia:	84% (Bullish)	79% (Bullish)
New Zealand:	61% (Bullish)	81% (Bullish)



# Recommended Investments

**Colonial Motor Company** reports first quarter revenues down 2% but trading profits are “up on last year”.

## Colonial Motor Company

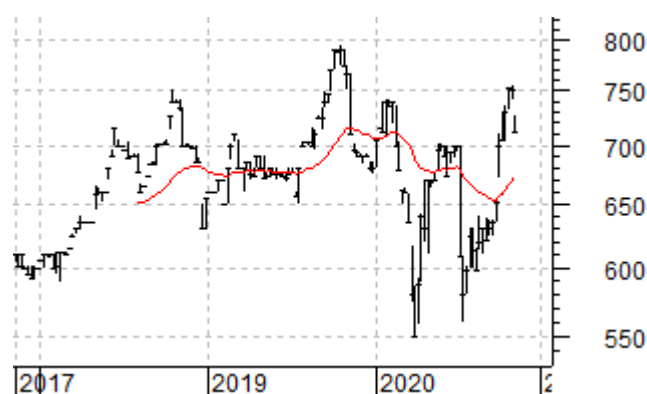


**South Port NZ** believes the *Tiwai Point* smelter, due to close in August 2021, may continue to operate for another 3-5 years, partly owing to “stranded” Manapouri power and the “cost of transmission upgrades to get the power north”. Closure of the smelter would cost South Port NZ about \$2 million (20%) in net profits.

Open ocean salmon farms planned for Stewart Island and near Ruapuke *could* produce around 55,000 tonnes of salmon annually in the future. The port could benefit from the import of salmon feed and the export of salmon product, plus “port side facilities for servicing the marine farms”.

The company will spend about \$10 million to replace its tug *Hauoko* with a new or second-hand larger tug, increasing the bollard pull from 25 tonnes to at least 60 tonnes. This will allow the port to service larger vessels.

## South Port NZ



## Australian Shares

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

**AcruX Ltd** has received a total of \$2,327,802 in R&D Tax Incentive Rebates relating to the June 2020 financial year.

AcruX Ltd has also entered “an exclusive sales,

marketing and distribution agreement” with US based **Dash Pharmaceuticals** for a generic product being developed. This undisclosed generic will compete against an existing product which has annual sales of just US\$30 million.

## AcruX Ltd



**Ardea Resources** reports - buried on page 25 of its *September 2020 Quarterly Report* - that it is “continuing to move forward with its planned Kalgoorlie focused gold spin-out and will provide more information on the corporate initiative as projects and personnel are selected”. This looks a lot more definite than three months ago when the company reported that “consideration would be given” to separating the gold assets.

In fact, Ardea Resources has made good progress with its Gold assets. It has made the *Lily Albany* gold discovery at *Aphrodite North*, which appears to contain high grade Gold over a strike length of around 2.6km (although this is open to the north, south and west). Further drilling is necessary to “define the extent of gold mineralisation” and “the high grade centre to the system”. This should be suitable for low-cost, open pit mining.

The company also notes that higher gold and nickel prices have “increased demand for drilling” (i.e. rig availability is restricted) and that “assay result turnaround times have more than tripled in recent months”.

Initial laboratory work on samples from the *Big Four Gold* resource, using conventional gravity separation and cyanide leach technology, recovered almost 98% of the Gold. “The high proportion of gold” recovered in the “gravity concentrate is especially encouraging as this tends to result in lower operating costs”.

The increase in the price of Nickel (from a low of about US\$5 per pound in March to around US\$7 recently) has helped Ardea Resources' search for a *Strategic Partner* for its core *Goongarrie Nickel Cobalt Project*. “Active discussions” are continuing and “the strategic partner search will be accelerated”.



**Atlas Pearls** reports pearl sales of \$1.7 million in the September quarter and a cash operating *deficit* of \$1.7 million. This is always a slow quarter for sales, with few opportunities for sales in July and August and overseas auctions start in October.

In the current quarter, sales events will be held in Kobe, Japan, in October and December, Atlas pearls will host its first online auction on 3-5 November and host several auctions in Indonesia.

The company will seek to “ensure that every pearl” is offered “for sale” at all times, either at auctions in Indonesia or overseas, in online auctions or as online loose pearl sales.

(Continued on Page 4)

## Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	Performance Forecast	Issued Shares (mil.)	Volatility Ratio	Price/Sales Ratio	Price/Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
<b>NZ Shares</b>													
BUY	CDL Investments Ltd	CDI	12/01/99	25.0	D	278.8	1.4	2.50	7	5.9	82	43.3	+401%
HOLD-	Cavalier Corporation	CAV	05/12/95	156*	C	68.7	1.9	0.17	12	Nil	33	282.0	+102%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	A	32.7	0.4	0.36	15	5.4	820	689.8	+1080%
HOLD+	South Port New Zealand	SPN	13/02/96	120	C	26.2	0.4	4.18	20	5.1	711	354.8	+788%
HOLD	Steel & Tube Holdings	STU	08/08/00	139*	E	166.0	1.4	0.24	NE	Nil	61	351.1	+196%
<b>Australian Shares (in Aust cents)</b>													
HOLD	Acrux Limited	AGR	12/05/14	99.0	D	168.6	2.5	22.20	NE	Nil	16.5	14.0	-69%
BUY	Ardea Resources	ARL	13/01/20	54.5	B	117.3	1.9	NA	NE	Nil	46	Nil	-17%
HOLD	AJ Lucas Group	AJL	13/05/03	107*	C	1196.3	5.4	0.33	NE	Nil	4.1	36.4	-62%
HOLD	ALS Limited	ALQ	12/10/99	72.3*	A	482.4	0.5	2.53	59	1.8	961	364.5	+1733%
HOLD	Atlas Pearls & Perfume	ATP	14/05/96	73.0	C	424.8	12.1	0.34	NE	Nil	1.1	17.5	-75%
BUY	Big River Gold	BRV	10/08/20	3.8	D	1317.2	4.5	NA	NE	Nil	5.7	Nil	+50%
HOLD+	Brickworks Ltd	BKW	12/11/12	1115	A	149.9	0.4	2.91	19	3.2	1852	359.5	+98%
HOLD+	CardieX Ltd	CDX	11/11/13	15.0	C	753.2	5.4	8.07	NE	Nil	4.6	Nil	-69%
HOLD	CPT Global Ltd	CGO	10/03/08	88.0	B	38.3	2.1	0.35	10	5.4	23	21.3	-50%
BUY	Cynata Thera.	CYP	13/03/17	50.0	D	117.1	1.1	23.42	NE	Nil	90	Nil	+80%
HOLD	Deterra Royalties <sup>1</sup>	DRR				528.5	0.9	N/A	NE	Nil	432	Nil	
HOLD+	Elixir Energy	EXR	07/12/19	4.2	C	688.0	3.2	NA	NE	Nil	12.0	Nil	+186%
BUY	FBR Limited	FBR	07/07/17	13.5	C	1798.0	5.2	NA	NE	Nil	4.8	Nil	-64%
HOLD-	Fiducian Group	FID	11/02/08	260	A	31.4	0.7	3.14	16	4.2	546	151.1	+168%
HOLD+	Finbar Group Ltd	FRI	12/04/10	106	D	272.1	1.1	1.28	86	4.1	73	78.5	+42%
BUY	Greenland Minerals	GGG	11/11/19	11.0	C	1191.0	1.9	NA	NE	Nil	29	Nil	+164%
HOLD	Ignite Ltd	IGN	08/04/03	82.2*	C	89.6	6.5	0.02	NE	Nil	3.0	70.5	-11%
HOLD	Iluka Resources Ltd <sup>1</sup>	ILU	12/10/04	471	A	422.8	0.6	0.96	4	2.5	514	314.0	+168%
HOLD	Integrated Research	IRI	14/01/08	40.0	B	171.9	0.5	6.09	28	2.1	357	70.5	+969%
HOLD	McMillan Shakespeare G	MMS	07/11/16	1041	A	77.4	0.6	1.55	13	3.4	990	247.0	+19%
HOLD	Michael Hill Int'l Ltd	MHJ	11/06/91	4.4*	B	387.8	1.5	0.42	67	2.8	53	72.3	+2729%
BUY	Mt Gibson Iron	MGX	10/11/14	44.0	D	1157.7	1.6	2.74	11	5.9	68	12.0	+81%
HOLD	Nova Eye Medical	EYE	14/03/06	49.0	E	143.6	1.8	3.71	NE	Nil	33	42.5	+54%
HOLD	Opthea Limited	OPT	10/02/04	188	C	269.2	0.9	NA	NE	Nil	222	65.0	+53%
HOLD+	OZ Minerals	OZL	14/03/16	522	A	324.2	0.4	4.41	30	1.5	1507	79.0	+204%
BUY	Prophecy International	PRO	08/09/08	26.0	D	64.1	1.5	2.54	NE	Nil	54	24.5	+202%
BUY	Reckon Limited <sup>2</sup>	RKN	08/08/16	141	B	113.3	1.2	1.10	10	6.8	73	16.0	-3%
HOLD-	SIV Capital Ltd	SIV	13/11/17	740	B	39.3	1.9	0.90	8	Nil	33	40.0	-90%
HOLD+	St Barbara	SBM	12/08/19	396	A	703.1	0.7	2.42	18	2.8	285	12.0	-25%
BUY	Venturex Resources	VXR	10/08/20	6.8	C	279.9	3.1	NA	NE	Nil	12.0	Nil	+76%
HOLD	Village Roadshow	VRL	10/08/09	71.1*	D	195.2	0.7	0.93	NE	Nil	229	289.3	+629%
HOLD+	Woodside Petroleum	WPL	08/04/19	3410	B	954.4	0.5	2.47	11	7.1	1819	172.6	-42%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +269.4%. This is equal to an average annual rate of +23.6%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 36 current and 174 closed out) is +28.2%, compared with a market gain of +3.6% (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) Iluka Resources' return includes 1 share of Deterra Royalties.

(2) Reckon Ltd's return includes 1/3 share of GetBusy plc (GETB) worth 79.5 pence (144.1 Aust cents) cents.

**Recommended Investments**

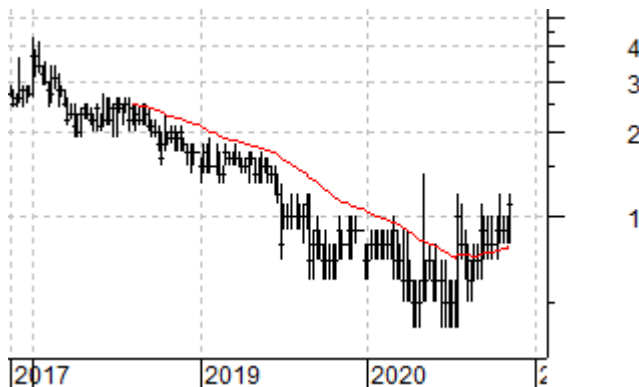
*(Continued from Page 3)*

The company expects revenues to improve owing to (1) larger pearl sizes, (2) improved quality and (3) with indications of recovering demand in China.

New seeding techniques introduced in February 2019, plus 24 month cultivation times, are expected to result in increased pearl sizes harvested from February 2021.

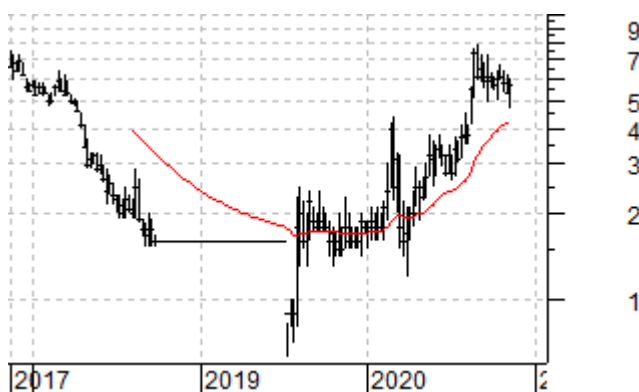
Annual seeding of 800-850,000 oysters - 821,000 were seeded in the year to June 2020 - is expected to yield 500-550,000 saleable pearls annually.

**Atlas Pearls**



**Big River Gold** reports cash at 30 September of \$2,705,000 after quarterly expenses of \$756,000.

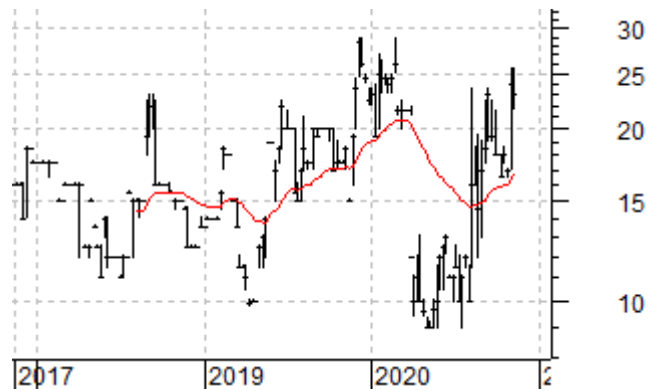
**Big River Gold**



**CPT Global** reported September quarter revenues of \$9.3 million and a pre-tax profit of \$1.9 million. That puts revenues up about 50% on the previous year, with a very large percentage (off of a low base) improvement in profitability.

The company expects “the current momentum to continue through the second quarter” but is reluctant to provide guidance for the second half year.

**CPT Global**



**Cynata Therapeutics'** Covid-19 clinical trial is “now open for patient enrolment“, initially seeking 24 adults admitted to intensive care in New South Wales but may expand to other jurisdictions.

The Phase 3 Osteoarthritis trial is “ready to commence”, subject to lifting Covid-19 restrictions.

The Phase 2 Critical Limb Ischaemia trial “remains on hold” for a longer period, owing to the “age and underlying conditions of the typical patient” who would be at risk during the current pandemic.

Cash at the end of September was \$12.3 million.

**Cynata Therapeutics**



**Deterra Royalties** have listed on the stockmarket. At 432 cents the price is in line with expectataions. “Hold”.

**Elixir Energy** reports the dry ash free (DAF) gas content of the *Nomgon-2* main coal seam at 8.6m<sup>2</sup>/tonne. That is very close to the 8.9m<sup>2</sup>/tonne from *Nomgon-1*.

The *Nomgon-5S* strat-hole - after some delays - was drilled to a depth of 450 metres, intersecting a total of 47 metres of net coals. That is less coal than earlier holes, but still considered a “strong net coal outcome”. The five successful *Nomgon* wells span an area almost 9km from east to west.

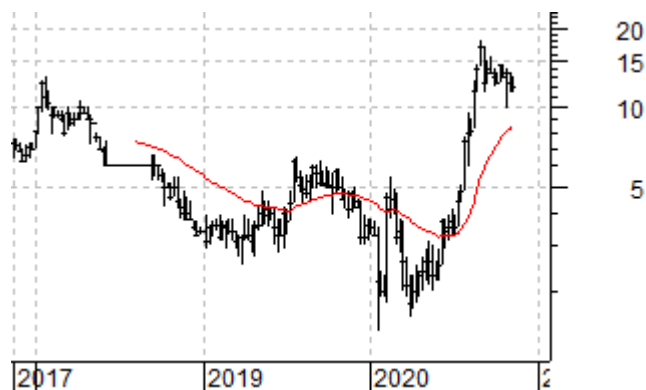
The drilling contractor has brought in a second drilling rig to drill the *Hutul-1S* - 20km east of

*Nomgon-1*. This should be completed later this week and “could identify a new sub-basin - or potentially a large extension of the *Nongom* sub-basin” .

Two further low cost exploration strat-holes are planned to be drilled this calendar year.

At the end of September the company held \$2,841,000 in cash, after quarterly expenditure of \$1,073,000.

**Elixir Energy**



**FBR Ltd** has constructed a two storey structure on its premises. This is a building style commonly found in Mexico, the Middle East and North Africa and Gulf states and throughout Asia. The design includes rebar in the concrete slab and through the cores of the blocks (with concrete manually poured into the cores), plus block columns (filled with a steel cage and concrete) and suspended precast concrete slabs.

The concrete slabs can be installed the day after the first storey is completed and the second story can then be built immediately. On a large project the *Hadrian X* “would continue building the first levels of adjacent buildings, returning to build the second storey” once the slabs have been installed and cured.

**FBR Ltd**



**Fiducian Group** reports first quarter receipts down 4% at \$14.2 million, but with its net cash surplus up 4% at \$2.4 million. Cash is \$12.1 million, 28% higher than a year earlier.

**Fiducian Group**



**Finbar Group** has completed the *Riverena Apartments*. This is a \$52 million project, consisting of 125 one, two and three bedroom apartments, of which 56 apartments, worth \$22.2 million, have been pre-sold and are expected to be settled this month.

The company also reports an “improvement in sentiment”, with October sales of 47 apartments for \$31.3 million being “the highest recorded since 2017”.

A 50% owned joint venture has spent \$16 million to acquire the 5335m<sup>2</sup> site at Lot 101 Hay Street, East Perth, from the State Government. Finbar Group is planning a two stage (i.e. two tower) project that will comprise around 340 apartments and 1400m<sup>2</sup> of commercial space, with an end value of around \$200 million. Plans for the development application are expected within about six months.

Finbar Group will begin earthworks for its *Civic Heart* project in January 2021, having pre-sold 60 apartments with a total value of \$59 million. This project will consist of two towers with a final value of \$408 million.

**Finbar Group**



**Greenland Minerals** reports that the public consultation phase will take “a minimum of eight weeks”, with questions arising being addressed in a “white paper” that “should be completed within an eight week period”.

(Continued on Page 6)

## Recommended Investments

(Continued from Page 5)

That will conclude the criteria for issuing “an exploitation (mining) licence” for the *Kvanefjeld Project*.

Cash at the end of September was \$5,768,000.

### Greenland Minerals



**Iluka Resources'** September quarter production was 246.5 thousand tonnes of Mineral Sands, up 1.9% on the June quarter and down 17.8% on the September 2019 quarter.

Sales were 170.1 thousand tonnes, down 11.4% on the June quarter and 1.8% on the September 2019 quarter. Sales were partly depressed with two Zircon shipments delayed into October owing to the late arrival of a vessel at the loading port.

Mineral Sands revenues were \$210.2 million, down 6.3% on the June quarter and 16.9% lower than the September 2019 quarter.

The nine month year to date cash operating surplus of \$247.6 million is 39% lower than a year earlier.

Zircon and Rutile prices “remain relatively stable”.

The exploration lease over the *Puttalam Quarry* in Sri Lanka expired in September and Iluka Resources was not able to apply for an Industrial Mining Licence owing to “outstanding key approvals”. The company has an agreement with a local partner to “retain an interest if progress is made” but will probably need to write-off the \$21.2 million value of the Sri Lankan assets.

### Iluka Resources

(adjusted for Deterra Royalties spin-off)



**Mt Gibson Iron** reports cash of \$445 million (37.5 cents per share) at the end of September.

Mining volumes this financial year are forecast to rise 50%, but this is mainly pre-stripping (at a cost of around \$100 million). Ore shipments will decline from December to March (as waste movements reach their peak) but improve in the June quarter. The company will also invest \$20 million to upgrade the existing crushing plant “to ensure it will be capable of processing the significantly increased ore throughput expected from the next financial year onwards”.

The new airport was completed by the end of September. From mid-October the company has run twice weekly flights, each carrying around 100 personnel, and reducing the average commute time by 50%.

As noted by the company, and reported in this newsletter last month, *Koolan Island* has 48.0Mt of resources, of which 38.0Mt is in the *Main Deposit* but only 18.7Mt included in the current Main Pit plan. Mt Gibson Iron is now reporting “numerous opportunities” for “extension beyond the current five year mine life”, mainly involving “existing resources along strike to the west and east” of the Main Pit.

*Koolan Island* reports a “rock fall in a localised section” at the western end of the Main Pit, “contained by the protective meshing”. Mining in the area was scheduled to halt this month and recommence at the end of March 2021. The company will assess remedial measures to resume mining as scheduled next year. The seawall of the Main Pit was not impacted and mining will continue in the rest of the Main Pit.

**APAC Resources** acquired 17.1 million Mt Gibson Iron shares in September through the *Dividend Reinvestment Plan* (at 71.4 cents) and over the last two weeks has purchased a total of 6,828,331 shares on-market (at 66-69½ cents per share). This lifts their holding in Mt Gibson Iron to 431,819,861 shares or 36.41% of the company.

### Mt Gibson Iron



**Michael Hill International** reports “same store” sales up 7.3% in the September quarter - but this statistic takes into account stores closed owing to Covid-19. The 28

Melbourne stores were “temporarily” closed for most of the quarter and remain closed. 16 Auckland stores were closed for three weeks.

So the important total revenues were actually *down* 3.6% at \$119.3 million. Offsetting that was a 1.0-2.0% increase in gross margins in all markets.

Online sales were 129% higher than the same period a year earlier and now account for 5.3% of total sales.

The company is also seeking to expand in “high margin, demi-fine” jewellery, but following a “capital light”, pure digital model for its *MEDLEY* brand.

**Michael Hill International**

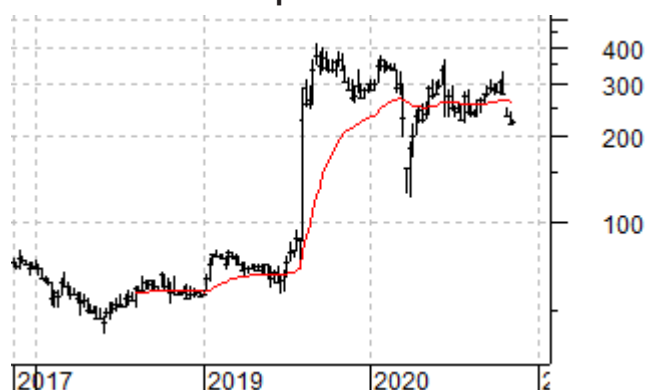


**Opthea Ltd** placed 9,500,000 American Depositary Shares (each representing 8 ordinary shares or 76,000,000 shares) at US\$13.50. That is equivalent to about A\$2.38 per share - a 15% *discount* to market value - so has depressed the price. The company will issue up to a further 1,425,000 ADS through the underwriter at this price for up to 30 days. That will ensure the shares remain depressed until at least 18 November.

This initial placement does raise a large US\$128.2 million in cash for the company.

Opthea Ltd has also received a R&D tax credit refund of \$8.5 million.

**Opthea Ltd**



**Nova Eye Medical** has incorporated a subsidiary, **AlphaRet Pty Ltd**, to “support the commercial development of its *2RT* asset”. The main benefit of separating this business will be the ability to sell a shareholding in this operation to a potential joint venture partner being sought to finance its development.

**Nova Eye Medical**



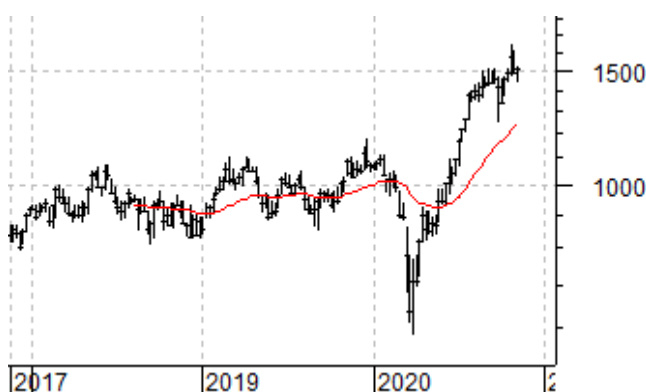
**OZ Minerals** has raised its *Prominent Hill* Gold production guidance for the current financial year to 31 December 2020 by 10-15,000 ounces (at current prices, adding \$27-40 million to revenues), to 190-200,000 ounces. This is the result of higher ore grades and improved recoveries. Further development will lift *Prominent Hill* annual production to 4-5Mtpa from 2022 and an expansion study (expected this month) will support the construction of a hoisting shaft to support the development of deeper zones. The new 270km power transmission line was completed in October. A two year electricity supply contract will lower electricity prices 20% for 2021 and 12% for 2022.

Net cash was \$18 million at 30 September, after paying the final \$50 million deferred consideration for *Carrapateena*. Throughput should reach 4.25Mtpa by the end of the year, with current metal recoveries of 90% Copper and 80% Gold. A Tailing Pump upgrade will support increasing production to 5Mtpa and a *Jameson Cell* (for flotation separation) will be commissioned soon, which is expected to increase the concentrate grade and revenues.

In Brazil, the first high grade *Pedra Branca* development ore was trucked to the *Carajas Antab* processing hub (where it is currently stockpiled).

An updated Pre-Feasibility Study for *West Musgrove* (now 100% owned, following the acquisition of **Cassini Resources**) will be available later this quarter.

**OZ Minerals**



(Continued on Page 8)

## Recommended Investments

(Continued from Page 7)

**St Barbara** expects to make a decision on the *Simberi Sulphide Feasibility Study* during the March 2021 quarter, followed by one-year for permitting and two years for construction. Current exploration is targeting near-mine oxide ores which will be mined and processed through until the June 2024 financial year.

### St Barbara

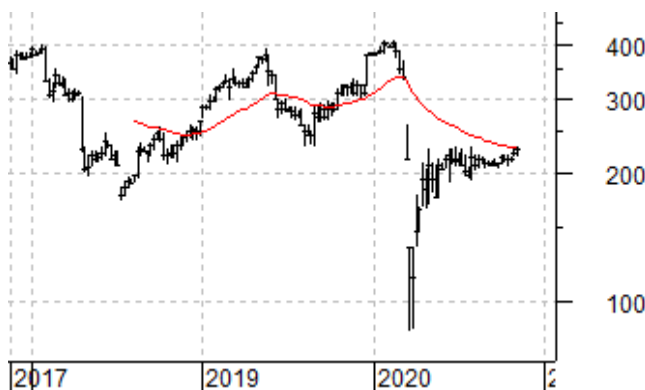


**SIV Capital's** *small parcel share sale facility* has sold all the shares at an average price of 33.12 cents. This payment was made to shareholders involved on 2 November.

**Village Roadshow** shareholders will get to vote on the *Schemes of Arrangement* on 26 November. We recommend voting AGAINST both schemes.

Shareholders can also make an election to have some small part of the consideration (if the schemes are approved) paid in shares. If the schemes are approved, we are not in favour of retaining a small interest in the company (with an extra layer of costs) so would prefer to receive cash. This can be achieved by not making an election (i.e. the full consideration will be paid in cash).

### Village Roadshow



**Venturex Resources** has received a permit to build a 7.6km access road to the *Sulphur Springs* site (and plant

construction and other infrastructure) although another permit is required for the open pit mine. The company is also “continuing to refine its project financing strategy with potential strategic investors”.

Cash at the end of September was \$3.5 million (0.9 cents per share).

### Venturex Resources



**Woodside Petroleum** reports September quarter production down 2% to 25.3 MMboe from the June quarter, with revenues down 8% to US\$738 million.

Compared with the September 2019 quarter, production was up 2% and revenues down 41%.

LNG prices are expected to be higher in the December quarter. Spot LNG prices have recovered, but are still very low, at around “15% the Brent oil price per MMBtu”. Most LNG is sold on long term, oil price linked contracts at *five times* this spot price. As LNG cannot be stored long term, the spot price is very volatile and reflects short term demand/supply imbalances.

A review of operations will lead to an 8% reduction in direct employees.

Feasibility studies currently underway seek to remove bottlenecks and increase LNG production capacity 20% from the Scarborough and Pluto Train 2 (i.e. 20% more revenue at little additional capital cost). This would optimise development of this very large offshore resource.

### Woodside Petroleum





# Company Analysis: Element 25 Ltd

## Element 25 Ltd (code E25).

Element 25 - named for Manganese, the 25th element in the Periodic Table - is developing a fully funded, simple and very profitable Manganese mining business . . . and will use this cashflow to develop a value-added business producing Manganese metal and high purity Manganese sulphate for use in batteries.

First production and cashflow is expected in the next quarter (i.e. March 2021).

### Company History

In May 2018 the company changed its name from **Montezuma's Mining Company** to **Element 25** and has since focused upon the *Butcherbird Manganese Project*. Other earlier stage exploration projects have been sold, mainly to help finance that project, but the company does hold around \$4 million of shares in other listed companies (and will eventually receive a further \$1 million in deferred consideration from **RareX Ltd**).

### The Butcherbird Manganese Project

*Butcherbird* started as a small Manganese and Copper exploration interest. Metallurgical testwork in January 2018 “exceeded expectations” with “low cost chemical processes” to extract Manganese chemicals from which high purity electrolytic Manganese metal was produced.

The *Pre-Feasibility Study* (PFS) for the *Butcherbird High Purity Manganese Project* was delayed and extended and eventually, in May 2020, the company produced a PFS for the *Butcherbird Manganese Project* where the “high purity” production has been deferred in favour of a simple, low-cost, high return mining operation to produce 312,000 tonnes per annum “medium” grade 30-35% Manganese ore for export. 100% of the Manganese ore produced for the first five years, up to 365,000 tonnes annually, will be purchased by **OM Materials (S) Pte** (the Singapore wholly-owned subsidiary of Australian listed **OM Holdings**).

The attractive features of this project are the very low capital costs of \$24 million (including working capital), high annual cashflows (around \$32 million), high Net Present Value (\$441 million, before tax) and high Internal Rate of Return (255%, before tax).

This project has a 42 year mine life, but over the period would mine only 20% of the resource, so there is excellent potential for growth.

This is, of course, a “large tonnage, low margin business” but “the robust cashflows will be transformational in growing the company and generating long term shareholder value” by moving towards the

“low tonnage, high margin business” of producing value-added Manganese metal and high purity chemicals.

Note that the company has not produced a PFS for high purity Manganese, but states that “significant progress has also been made on delivering a processing solution to undertake downstream processing to produce high purity Manganese products”.

The company raised \$3.5 million in July 2020 through a placement at 40 cents and \$3.2 million in a *Share Purchase Plan* at the same price. In October 2020 it raised a further \$9.75 million from a placement at 78 cents and \$2.0 million from convertible notes. This will fully fund the company through to first production in the March 2021 quarter.

### Investment Criteria

Element 25 currently has no revenues, cashflows or profits, but is fully funded through to becoming a producer and exporter next quarter. This business should then produce annual revenues of around \$80 million and an annual net operating cash surplus of around \$32 million (25 cents per share).

At 87 cents, Element 25 shares are trading at a low 3½ times expected future annual net cashflows. If this cashflow is re-invested to finance expansion into a high margin, value-added, high purity Manganese business then a cashflow multiple of 10 may be more appropriate. That would value the shares around 250 cents.

The Net Present Value of \$441 million - say, \$310-330 million after tax - suggests a potential share value of 240-255 cents.

Revenues and net profits are sensitive to both the market price of Manganese ore *and* the grade. Recent sampling has indicated the potential to produce up to a 42% Manganese grade - higher than the targeted 30-35% - which would receive a significantly higher price.

The issued capital is 128,684,774 ordinary shares, giving a market capitalisation of \$112 million.

Like many smaller companies, Element 25 shares are *neglected* by brokers and institutions.

The directors have significant shareholdings in Element 25. Non-Executive Chairman S Cornelius owns 5,180,777 shares (plus 2,300,000 unlisted options), Managing Director J Brown owns 5,255,360 shares (plus 4,600,000 options) and Non-Executive Director J Ribbons has 585,715 shares (and 2,300,000 options).

Element 25 owns shares in four Australian listed companies and one Canadian listed company with a market value of around \$4.16 million (3.2 cents per Element 25 share). *(Continued on Page 10)*

## Element 25 Ltd

(Continued from page 9)

These include 6,794,097 shares in **Danakali** (DNK, worth \$2,751,609), 1,450,000 shares in **Duketon Mining** (DKM, \$333,500), 7,000,000 shares in **Anova Metals** (AWV, \$182,000), 356,001 shares in **Buxton Resources** (BUX, \$34,176) and 7,462,687 shares in **Rare X** (REE, \$858,209).

A further \$1.0 million of deferred settlement is due from RareX before September 2022.

There have been no *insider* trades on-market over the last year.

The Relative Strength Rating is very high at +83.2%, ranked 5 (on a scale of 0-99), with the shares rising sharply in May with the release of the favourable PFS and subsequently with the rapid execution of this development. Relatively strong shares tend to perform well in the future.

### Summary and Recommendation

We are not formally recommending Element 25 shares, but a small investment would be attractive for investors seeking maximum capital growth.

Element 25 is close to completing a simple mining, processing and exporting project that will return strong cash flows and create significant shareholder wealth. The shares have *already* risen 4-5 fold this year, but *could* rise a further 2-3 fold over the next 6-12 months.

Greater growth potential, however, may result from using this Stage 1 cashflow to finance expansion into value added processing of high margin, high purity Manganese metal and products for rechargeable batteries.

### Element 25



# Australian Stockbrokers

We had been planning a review of **Saxo Capital Markets (Australia) Pty** - for a future newsletter, after we had opened a brokerage account, gained some first hand experience and additional information from actually using their services - but **Commonwealth Securities** (CommSec) appears to be dumping their NZ investors. One investor received a phone call last week saying his CommSec account would be closed in 45 (to 90) days.

CommSec, of course, has never *opened* accounts for NZ residents - they have their *not faster, not better and not cheaper ASB Securities* business to protect - but many readers of this newsletter opened accounts with the Australian stockbroker **Sanford** before it was bought out by CommSec over a decade ago. CommSec had been happy to operate these ex-Sanford accounts for NZ residents (and NZ trusts and NZ companies) but that appears to have changed. Investors with CommSec accounts may therefore need to take their business somewhere else . . .

One alternative is **Interactive Brokers** and while we just love the platform and low costs we do hate the rather frequent requests for *compliance* information. In addition, one investor found buy orders blocked on his Interactive Brokers account and, after numerous messages and phone calls over more than a month, received a notice last week saying “Following our review of your account, we regret to inform you that we have determined to terminate IB's customer relationship

with you”. There was no reason given and he has just one month to transfer or sell the shares before the account will be closed.

That is two different brokers closing two different investors' accounts in just one week. In almost fifty years of stockmarket investment your Editor has never before seen a broker close a client account! The 911 terrorists definitely *won* the war to close financial markets under a flood of compliance paperwork and since Covid-19 the whole world has become ever more insular.

**Saxo Capital Markets (Australia)** may be a more compliance friendly alternative and they will open accounts for NZ residents (and NZ trusts and NZ companies), and, unlike CommSec and Interactive Brokers, will probably not suddenly and unilaterally cancel your account! This is the local operating subsidiary of Saxo Capital Markets, a global stockbroking business owned by private Danish bank **Saxo Bank** (which in turn has been 51.5% owned by **Zhejiang Geely Holding Group Co Ltd**, a privately owned Chinese multinational automotive company, since October 2017).

Saxo Capital Markets provides an international service through about six operating subsidiaries in different countries (and Interactive Brokers does the same, but the local Australia subsidiary appears to be little more than a call centre). If you are a UK resident investor you will probably deal with Saxo Capital Markets UK. An Australian or NZ resident investor will

deal through Saxo Capital Markets (Australia). While the services and access should be identical, there may be different fees in different regions around the world.

For example, what has made Saxo Bank less attractive in the past is a 0.12% “custody fee”. If you have only \$10,000 in your account then that is an insignificant \$12 fee per year. If you have \$10 million it is a \$12,000 recurring annual cost.

Saxo Bank continues to charge this 0.12% custody fee, but Saxo Capital Markets (Australia) exempts ASX listed securities. (It appears that Saxo Bank operations in other parts of the world still charge custody on ASX shares). To be competitive in the Australian market (where custody fees are not common) the Australian subsidiary has removed the custody fee on ASX shares.

If you are registered under CHESS with Saxo Capital Markets then the ASX brokerage fee is 0.10%, 0.08% or 0.06% (for *Classic, Platinum* or *VIP* accounts) with a minimum of A\$14.95.

If you hold your shares in the broker nominee account then the brokerage fee is just 0.10%, 0.07% or 0.05% with a minimum of A\$6.99.

This compares favourably with Interactive Brokers at 0.08% and a minimum of A\$6.00. CommSec charges its Australian investors 0.12% with a \$29.95 minimum (or slightly lower on very small trades) and ASB Securities charges NZ investors 0.30% with a A\$30.00 minimum. Direct Broking charges A\$29.00 on the first A\$30,000 then 0.30%.

So ASB Securities (who have the worst website/trading platform) charges 2½ times more than CommSec (both are subsidiaries of **Commonwealth Bank**), 3¾ times more than Interactive Brokers and up to 6 times more than Saxo Capital Markets!

If you hold your shares in the broker nominee account then the broker will collect dividends automatically and (when instructed) will take up cash issues and apply for Share Purchase Plans and make the required payment to the company . . . so you will not need a separate Australian dollar bank account.

It is a little harder to determine whether your account will be Classic, Platinum or VIP. Initially this will be determined by the cash and securities that you transfer to your Saxo account within the first 30 days. A\$300,000 of assets will earn you Platinum for a year and A\$1.5 million will get you a VIP account. After that you accumulate “points” based on trades (e.g. 110 points for a A\$10,000 trade) and assets in your account (i.e. 167 points per month for every \$10,000 of assets). If you make no or very few trades you could maintain a Platinum account with about A\$600,000 of assets and a VIP account with about \$2.5 million in assets.

Saxo's forex fees of 0.750% or 0.600% or 0.450% (for Classic, Platinum and VIP accounts) are cheaper than the 1.000-2.000% charged by NZ brokers but

nothing can compare with Interactive Brokers' wholesale costs of about 0.005-0.010% (i.e. virtually nothing).

If you invested NZ\$1,000,000 in cash in ASX shares through a NZ broker you would run up over \$10,000 to \$20,000 in (hidden) forex fees, with Saxo the forex fees would be \$4,500 to \$7,500 but with Interactive Brokers just \$50 to \$100. If, at some stage in the future, you sold those shares and repatriate the cash to NZ then you would again pay similar hidden forex fees.

Third party internet forex providers such as **Transferwise** will do NZD to AUD for NZ\$2 plus 0.49% (and AUD to NZD for A\$1 plus 0.51%).

Saxo is not very good at disclosing margin interest rates (although we advise investors to avoid using margin loans). On a US dollar margin loan the interest rate is the Base Rate plus a margin (of 4.7%, 3.2% or 2.3%, depending upon the type of account) while Interactive Brokers charges the Base Rate plus a *smaller* margin (i.e. 1.5% of the first US\$100,000 then 1.0% up to \$1 million and 0.5% up to \$3 million, and similar margins over base rates on AUD or NZD loans .

Don't expect to earn any *significant* credit interest from any broker!

With Saxo Capital Markets (Australia) based in Australia and dealing with Australian and New Zealand investors there should be less on-going compliance requirements for NZ based investors.

If investors do need to close their CommSec accounts, then it is possible to transfer shares from CommSec to an Interactive Brokers account *in exactly the same name* electronically and free of charge (but you cannot transfer them to an account in a different name). It is also possible to transfer shares from a CommSec account to a Saxo Capital Markets account *in the same name* electronically or *in another name* by completing an “off-market” transfer form for each security, again at no cost. Both Interactive Brokers and Saxo Capital Markets allows shares to be transferred in at no charge, but make a charge if you transfer shares out to another broker.

### **Summary and Recommendation**

We have not yet opened an account with Saxo Capital Markets (Australia) - so have no direct experience at this stage - but this would appear to be the best option with (1) the lowest brokerage rates, (2) reasonable compliance obligations and (3) a service aimed specifically at Australian and New Zealand investors.

CommSec appears - after more than a decade - to be cancelling non-Australian accounts that they acquired when they took over Sanford. Interactive Brokers has been making frequent requests for compliance information and has unilaterally cancelled at least one standard, unremarkable account for no reason. That suggests they do not want our business, so we are not recommending them for new accounts.

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

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

Company	Share Price	STRENGTH RATING			Insider Buy/Sell	Brokers Following	Short Interest	Price to NTA	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
		Cur-4-Wk	Rank	Chg. 0-99										
<b>UNDER-VALUED SHARES:</b> Lowest Price/Sales, Yld > 0, Rel Strength > 0														
Warehouse Group	243	+0.6	+4.4	60	1-0	3	1.7	14	0.8	12	9.7	0.27	839	
PGG Wrightsons	296	+2.8	-0.0	48	1-0	3	1.4	5	1.4	28	4.2	0.28	223	
Col Motor Co	820	+8.1	+4.7	30	9-0	-	1.2	8	0.4	15	5.4	0.36	268	
Abano Health.	434	+10.6	+11.8	24	0-0	1	0.7	5	0.7	15	7.7	0.41	114	
Ebos Group Ltd	2570	+5.6	+3.8	36	2-0	5	3.0	12	0.5	24	4.2	0.45	4,186	
Turners Auto.	262	+9.2	+2.6	27	1-0	-	1.0	9	0.9	11	7.4	0.68	224	
Tourism Hold.	234	+2.7	+6.4	48	2-0	3	1.1	11	0.9	10	16.0	0.73	309	
Vital Ltd	78	+3.9	+0.4	45	2-0	-	0.8	2	1.5	44	4.5	0.98	32	

<b>BEST PERFORMING SHARES:</b> Strongest Shares, P/E < 20, P/S < 1.0														
NZME Limited	63	+46.5	+26.0	1	2-0	-	1.1	17	1.3	6	Nil	0.33	124	
Cavalier Corp	33	+17.5	-5.6	13	0-0	-	0.4	3	1.4	12	Nil	0.17	23	
Abano Health.	434	+10.6	+11.8	24	0-0	1	0.7	5	0.6	15	7.7	0.41	114	
Turners Auto.	262	+9.2	+2.6	27	1-0	-	1.0	9	0.7	11	7.4	0.68	224	
Col Motor Co	820	+8.1	+4.7	30	9-0	-	1.2	8	0.3	15	5.4	0.36	268	
Tourism Hold.	234	+2.7	+6.4	48	2-0	3	1.1	11	0.7	10	16.0	0.73	309	
Warehouse Group	243	+0.6	+4.4	60	1-0	3	1.7	14	0.6	12	9.7	0.27	839	

<b>INCOME SHARES:</b> Highest Yields, Capitalisation > NZ\$100 million														
Sky Network TV	15	-10.2	+4.3	86	7-0	5	0.2	11	1.9	2	69.9	0.19	222	
Kathmandu Ltd	120	-11.3	+4.3	88	1-0	3	0.6	13	0.8	5	18.5	0.50	271	
Tourism Hold.	234	+2.7	+6.4	48	2-0	3	1.1	11	0.7	10	16.0	0.73	309	
Air New Zealand	146	-8.0	+4.6	82	0-6	5	1.2	-	0.9	NE	10.5	N/A	1,639	
Hallenstein G.	607	+18.2	+14.0	13	0-0	-	4.8	39	0.4	12	10.1	1.26	361	
Warehouse Group	243	+0.6	+4.4	60	1-0	3	1.7	14	0.5	12	9.7	0.27	839	
Sky City Ltd	293	+1.9	+4.4	53	1-0	7	1.7	13	0.5	14	9.5	2.46	1,970	
Green Cross H.	103	-3.4	+0.6	71	0-0	-	1.2	11	0.8	11	9.4	0.26	147	
Heartland Group	130	-1.8	+2.1	68	1-0	-	1.3	10	0.6	13	8.0	4.54	611	
Z Energy Ltd	292	-9.9	+3.2	85	4-0	4	1.9	-	0.7	NE	7.8	0.23	1,168	

<b>INSIDER BUYING:</b> Most Insider Buying, Relative Strength > 0														
Col Motor Co	820	+8.1	+4.7	30	9-0	-	1.2	8	0.2	15	5.4	0.36	268	
Mercury NZ	547	+6.4	+2.5	33	6-1	5	2.0	6	0.5	37	3.6	4.33	7,658	
NZ Exchange Ltd	178	+13.0	+2.0	18	4-0	2	7.6	18	0.5	42	4.8	7.17	484	
Oceania Health.	136	+15.6	+6.4	14	7-3	-	1.4	-	0.7	NE	2.6	4.37	846	
TruScreen Ltd	9	+10.7	+2.9	22	3-0	-	1.8	-	2.0	NE	Nil	9.41	20	
Skellerup Hold.	307	+19.0	+1.3	11	3-0	2	3.2	16	0.5	21	5.9	2.38	598	
Sol. Dynamics	314	+21.8	+3.9	8	3-0	-	9.4	38	0.3	25	2.9	1.43	46	
Argosy Property	144	+7.9	+1.7	32	4-1	5	1.1	11	0.6	10	4.4	N/A	1,191	
Spark NZ Ltd	463	+2.1	-2.5	52	5-2	7	5.7	29	0.4	20	5.4	2.35	8,496	
Ebos Group Ltd	2570	+5.6	+3.8	36	2-0	5	3.0	12	0.4	24	4.2	0.45	4,186	

Company	Share Price	STRENGTH RATING			Insider Buy/Sell	Brokers Following	Short Interest	Price to NTA	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
		Cur-4-Wk	Rank	Chg. 0-99										
<b>OVER-VALUED SHARES:</b> Highest Price/Sales Ratios, Relative Strength < 0														
Kiwi Property	125	-0.6	+5.2	65	1-0	5	1.0	-	0.6	NE	3.5	8.04	1,961	
Cooks Global Fd	5	-6.4	+1.3	79	0-0	-	-	-	3.3	NE	Nil	6.31	25	
Allied Farmers	62	-0.2	+1.2	64	0-2	-	24.7	28	1.0	88	0.4	5.21	111	
Heartland Group	130	-1.8	+2.1	68	1-0	-	1.3	10	0.5	13	8.0	4.54	611	
NZ Windfarms	14	-1.8	-0.7	68	0-7	-	1.0	13	1.4	8	13.3	3.84	39	
Augusta Capital	98	-4.3	+2.7	74	2-0	5	1.0	8	0.6	12	6.1	3.56	86	
Asset Plus	31	-15.7	+0.5	94	0-0	-	0.5	-	0.9	NE	8.7	3.47	50	
General Capital	6	-12.3	-11.2	91	0-0	-	1.0	1	2.4	75	Nil	2.85	10	
CDL Investments	82	-0.4	+0.2	65	0-0	-	1.0	14	0.8	7	5.9	2.50	229	

<b>WORST PERFORMING SHARES:</b> Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average														
Vital Health PT	293	-58.3	+0.0	98	2-0	3	1.6	9	0.4	18	3.0	N/A	1,689	
WN Drive Tech.	7	-25.1	+2.6	97	0-0	-	2.8	-	1.9	NE	Nil	0.31	18	
NZ Refining Co	54	-23.2	+0.6	96	0-0	2	0.2	1	0.7	41	5.1	0.49	169	
Gentech Group	137	-17.4	+2.9	95	0-0	3	0.7	6	0.5	12	Nil	1.21	135	
QEX Logistics	37	-16.5	-2.9	94	0-0	-	1.7	10	1.3	17	Nil	0.33	21	
PaySauce Ltd	37	-14.3	+0.3	93	0-1	-	21.4	-	2.1	NE	Nil	N/A	48	
General Capital	6	-12.3	-11.2	91	0-0	-	1.0	1	2.3	75	Nil	2.85	10	
Synlait Milk	550	-11.7	-2.9	89	2-0	6	2.0	17	0.6	12	Nil	0.96	986	
Vista Group Ltd	149	-10.6	+5.6	88	1-0	3	1.6	7	0.9	23	3.1	1.72	248	
Sanford Limited	485	-10.3	-1.4	87	2-1	2	0.8	7	0.3	11	6.6	0.83	454	
Moa Group Ltd	19	-8.9	+6.0	84	0-0	-	1.3	-	1.3	NE	Nil	0.42	16	
Me Today Ltd	7	-8.3	-9.1	83	0-0	-	13.9	-	2.8	NE	Nil	N/A	6	
Millennium & C.	178	-7.7	+1.4	82	0-0	-	0.3	7	0.4	4	5.9	0.82	188	
Burger Fuel	40	-7.5	+1.0	81	0-0	-	1.9	5	0.8	43	Nil	1.05	21	
NZ King Salmon	155	-6.9	-1.3	80	0-0	3	1.2	10	0.5	12	1.8	1.39	215	
Cooks Global Fd	5	-6.4	+1.3	79	0-0	-	-	-	3.2	NE	Nil	6.31	25	
A2 Milk Company	1481	-5.8	-7.6	78	1-9	8	79.2	23	0.5	346	Nil	N/A	10,545	
AMP Limited	182	-5.3	+0.1	77	0-0	11	1.2	-	0.7	NE	Nil	0.89	6,201	
Evolve Educat.	12	-5.0	+1.9	76	0-0	-	1.3	-	1.4	NE	Nil	0.92	130	
Tower Limited	58	-4.7	+0.5	75	0-0	2	0.7	6	0.8	12	Nil	0.57	196	

<b>INSIDER SELLING:</b> Most Insider Selling, Relative Strength < 0														
A2 Milk Company	1481	-5.8	-7.6	78	1-9	8	79.2	23	0.5	346	Nil	N/A	10,545	
NZ Windfarms	14	-1.8	-0.7	68	0-7	-	1.0	13	1.2	8	13.3	3.84	39	
Air New Zealand	146	-8.0	+4.6	82	0-6	5	1.2	-	0.7	NE	10.5	N/A	1,639	
Allied Farmers	62	-0.2	+1.2	64	0-2	-	24.7	28	0.9	88	0.4	5.21	111	
PaySauce Ltd	37	-14.3	+0.3	93	0-1	-	21.4	-	2.0	NE	Nil	N/A	48	

# 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.

Company	Share Price	STRENGTH RATING			Insider Buy/Sell	Brokers Following	Short Interest	Price to NTA	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
		Cur-4-Wk	Rank	Chg. 0-99										
<b>UNDER-VALUED SHARES:</b> Lowest Price/Sales, Yld > 0, Rel Strength > 0														
TPC Cons.	130	+24.6	+0.7	24	0-0	-	65.0	-	0.8	4	6.2	0.17	15	
Autosports Grp	150	+10.0	+1.9	43	2-0	4	0.0	-	0.9	NE	2.0	0.18	300	
Tabcorp Holding	410	+0.0	+0.7	65	1-1	12	3.7	-	0.6	4	2.7	0.18	8,332	
Capral Limited	17	+17.9	+7.8	30	1-0	-	0.7	-	2.2	NE	2.9	0.20	82	
Metcash Ltd	308	+4.6	+1.7	54	1-0	11	7.7	6.2	-	0.7	NE	4.2	2,801	
Ambertech Ltd	19	+55.3	+29.5	10	2-0	-	0.6	3	2.0	18	1.6	0.24	14	
Azure Minerals	36	+80.4	+27.8	6	1-0	-	-	-	1.6	2	66.1	0.25	716	
SRG Global	29	+6.2	+0.9	51	4-0	-	0.3	0.5	-	1.8	NE	3.4	129	
Metro Per Glass	31	+12.8	+14.4	38	0-0	2	-	-	1.5	3	22.8	0.25	57	
Sims Ltd	959	+1.6	+3.3	60	3-0	10	6.4	1.1	8	0.6	13	4.4	1,931	
Swick Min Serv	20	+20.4	+0.4	28	2-0	-	0.5	1	2.0	45	3.0	0.32	61	
Pental Limited	46	+13.5	+1.4	37	4-0	-	-	-	1.4	11	1.3	12	4.8	62
Mastermyne Grp	75	+7.6	+1.5	47	1-0	1	0.1	1.9	26	1.3	7	2.7	0.34	77
Pro-Pac Pack.	20	+15.3	+6.8	34	6-0	-	-	-	1.2	5	2.0	2.0	0.34	162
CPT Global Ltd	23	+21.4	+12.1											

Company	Share Price	STRENGTH RATING			Insider Buy-Sell	Brokers Following	Short Interest	Price to NTA	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
		Current	4-Wk Chg.	Rank 0-99										
Woolworths Grp	3896	+1.4	-0.5	61	0-0	12	0.5	16.9	40	0.4	42	2.4	0.77	49,137
Mortgage Choice	110	+8.9	+10.8	45	2-0	-	1.0	1.4	10	0.9	14	5.9	0.78	137
NRW Holdings	230	+4.3	+5.8	54	2-1	7	1.3	3.8	14	1.3	27	0.9	0.80	981
People Infra.	335	+20.5	+12.9	28	5-1	3	0.1	-	-	0.8	18	2.5	0.81	247
Aust Finance Gr	236	+8.4	+6.8	46	5-2	3	0.0	4.7	30	0.6	16	4.5	0.81	509
Elders Limited	1135	+12.8	-0.4	38	1-0	8	1.8	12.6	69	0.4	18	1.6	0.81	1,767
Shine Justice	86	+4.3	+6.5	54	5-0	2	-	1.0	14	1.1	7	4.9	0.82	149
AV Jennings	54	+3.1	-2.6	57	3-1	1	0.0	0.5	2	1.3	24	2.2	0.83	217
Korvest Ltd	470	+10.4	-1.5	43	2-0	1	-	1.8	14	0.4	13	6.0	0.84	53
Prime Financial	10	+12.6	+0.2	39	0-0	-	-	4.8	34	2.9	14	4.2	0.89	18
Acrow Formwork	36	+11.8	+2.7	40	0-1	2	0.2	-	-	1.5	9	3.0	0.89	77
Super Retail Gr	1148	+24.0	+4.5	25	3-1	10	8.2	33.8	-	0.5	23	1.7	0.89	2,268
DWS Limited	118	+14.6	+6.5	35	0-0	-	-	-	-	0.9	15	3.4	0.95	155
Dicker Data Ltd	1040	+13.5	+5.9	37	21-0	-	0.2	-	-	0.3	31	2.6	0.96	1,687
Base Resources	25	+21.2	-0.7	27	0-1	2	0.0	-	-	1.9	5	14.0	0.97	293
Engenco Ltd	56	+9.2	+3.1	45	6-0	-	-	-	-	1.2	13	3.6	0.98	174
C.S.R. Ltd	459	+7.0	+6.1	49	0-0	10	3.9	2.3	13	0.7	18	3.1	1.01	2,228
Aust Agricul.	112	+1.0	+1.8	61	0-0	1	2.1	0.6	3	0.9	21	4.7	1.07	672
McPherson's Ltd	223	+3.0	-6.3	57	3-3	4	0.1	-	-	1.0	39	4.9	1.08	239
Accent Group	167	+14.2	+5.4	36	4-1	4	0.2	41.8	-	0.9	16	5.5	1.09	905
Reckon Limited	73	+11.3	-0.3	41	0-0	2	0.0	-	-	1.0	10	6.8	1.10	83
PTB Group Ltd	69	+7.9	+0.9	47	1-3	-	0.0	1.1	5	1.1	22	7.2	1.11	87
Shaver Shop Grp	106	+32.3	+6.3	19	5-1	2	-	-	-	1.1	20	4.2	1.13	133

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

Ikwezi Mining	1	+82.4	+11.5	5	0-0	-	-	-	-	10.8	8	Nil	0.88	20	
Azure Minerals	36	+80.4	+27.8	6	1-0	-	-	-	-	1.2	2	66.1	0.25	716	
Ambertech Ltd	19	+55.3	+29.5	10	2-0	-	-	0.6	3	1.4	18	1.6	0.24	14	
Unabula Gold	24	+46.2	-7.7	12	0-1	-	-	-	-	1.2	18	Nil	0.92	134	
National Tyre	72	+41.5	+3.0	15	0-0	1	-	-	-	1.0	17	1.7	0.46	74	
Empired Ltd	60	+33.5	+8.4	19	0-0	-	-	7.5	48	1.1	16	Nil	0.58	96	
Commschoice	9	+30.8	+3.0	20	2-0	-	-	-	-	2.5	13	Nil	0.93	18	
Un. Biosensors	34	+28.5	-0.2	21	1-0	-	-	3.7	-	1.2	2	Nil	0.85	59	
Globe Int'l Ltd	196	+26.1	+8.7	23	4-0	-	-	2.4	18	0.5	13	5.6	0.53	81	
Future First	5	+24.9	+2.9	24	0-0	-	-	-	-	3.1	13	Nil	0.45	23	
TPC Cons.	130	+24.6	+0.7	24	0-0	-	-	65.0	-	0.6	4	6.2	0.17	15	
RPM Automotive	23	+21.6	-6.3	27	0-0	-	-	-	-	2.4	9	Nil	0.57	20	
CPT Global Ltd	23	+21.4	+12.1	27	3-0	-	-	23.0	-	1.3	10	5.4	0.35	9	
Base Resources	25	+21.2	-0.7	27	0-1	2	0.0	-	-	1.4	5	14.0	0.97	293	
People Infra.	335	+20.5	+12.9	28	5-1	3	0.1	-	-	0.6	18	2.5	0.81	247	
Apiani Animal H	68	+19.8	+7.0	28	2-0	-	-	-	-	1.0	19	2.9	0.67	79	
Technique Ltd	4	+18.8	+4.9	29	0-0	-	-	1.1	7	3.1	16	Nil	0.88	9	
Shriro Holdings	80	+18.3	+10.5	30	0-0	-	-	1.7	15	0.7	12	8.8	0.44	76	
Weststar Indust	2	+15.4	+11.1	34	0-0	-	-	-	-	4.7	7	Nil	0.37	23	
JB Hi-Fi Ltd	4875	+15.3	-1.7	34	2-2	13	10.8	-	-	0.2	19	3.9	0.71	5,601	
Joyce Corp.	165	+15.0	+3.9	35	5-0	-	-	4.7	60	0.5	8	4.7	0.53	46	
Excelsior Cap.	158	+14.9	+3.5	35	3-0	-	-	1.4	11	0.6	12	2.5	0.76	46	
Bisalloy Steel	142	+14.8	+7.8	35	1-1	-	-	2.9	30	0.6	10	6.3	0.58	64	
DWS Limited	118	+14.6	+6.5	35	0-0	-	-	-	-	0.7	15	3.4	0.95	155	
Pental Limited	46	+13.5	+1.4	37	4-0	-	-	1.4	11	0.9	12	4.8	0.33	62	
Elders Limited	1135	+12.8	-0.4	38	1-0	8	1.8	12.6	69	0.3	18	1.6	0.81	1,767	
Metro Per Glass	31	+12.8	+14.4	38	0-0	2	-	-	-	1.1	32	2.8	0.25	57	
Azure Health.	9	+12.7	+6.6	38	2-0	-	-	1.9	18	2.0	11	Nil	0.85	27	
Prime Financial	10	+12.6	+0.2	39	0-0	-	-	4.8	34	2.0	14	4.2	0.89	18	
Primero Group	44	+12.4	+9.5	39	3-0	-	-	-	-	1.1	16	Nil	0.36	75	
Acrow Formwork	36	+11.8	+2.7	40	1-2	0.2	-	-	-	1.1	9	3.0	0.89	77	
BNK Banking	68	+11.4	+1.8	41	2-1	-	-	0.8	6	0.8	12	Nil	0.21	64	
Medusa Mining	82	+11.2	-4.7	41	4-0	-	-	0.7	20	0.9	3	Nil	0.79	169	
Bluescope Steel	1523	+11.1	+6.3	41	1-1	10	0.5	2.5	32	0.3	8	0.9	0.63	7,655	
Teaminvest Pri.	72	+11.0	+6.7	41	7-0	-	-	-	-	1.1	10	Nil	0.90	80	
Korvest Ltd	470	+10.4	-1.5	43	2-0	1	-	1.8	14	0.3	13	6.0	0.84	53	
Simonds Group	38	+10.4	+3.2	43	0-0	-	-	-	-	1.3	8	Nil	0.08	54	
Yellow Brick Rd	8	+9.7	+2.6	44	0-0	-	-	0.6	13	2.3	4	Nil	0.16	26	
MCS Services	3	+9.6	-0.9	44	1-0	-	-	2.8	17	4.0	17	Nil	0.20	5	
Engenco Ltd	56	+9.2	+3.1	45	6-0	-	-	-	-	0.9	13	3.6	0.98	174	
Mortgage Choice	110	+8.9	+10.8	45	2-0	-	-	1.0	14	1.0	0.7	14	5.9	0.78	137
Aust Finance Gr	236	+8.4	+6.8	46	5-2	3	0.0	4.7	30	0.4	16	4.5	0.81	509	
Saferoads Hold.	22	+8.2	-2.7	47	0-0	-	-	1.8	12	1.4	15	Nil	0.49	8	
Enero Group Ltd	170	+8.0	+3.5	47	4-0	1	-	7.1	52	0.5	14	3.5	0.54	146	
Mastermyne Grp	75	+7.6	+1.5	47	1-1	0.1	1.9	26	1.0	7	1.7	0.37	0.34	77	
Cirrus Networks	3	+7.2	-0.7	48	1-1	-	-	0.9	11	4.3	9	Nil	0.26	25	
Prime Media Grp	14	+7.1	+11.7	49	0-0	1	-	6.8	90	1.7	7	Nil	0.31	49	
GLG Corporation	13	+6.9	+5.0	49	0-1	-	-	0.2	9	1.7	2	Nil	0.04	9	
Easton Invest.	115	+6.7	+9.0	49	2-0	-	-	4.8	33	0.7	15	2.6	0.67	40	
Ashley Services	34	+5.6	+2.0	52	0-0	-	-	2.8	29	1.2	10	Nil	0.15	49	
Cons Operations	7	+5.4	+5.3	52	1-1	-	-	1.8	11	2.4	17	2.1	0.52	113	
A2B Australia	105	+5.0	+5.4	53	2-0	-	-	0.6	1.0	0.7	11	7.6	0.64	126	
Aust Vintage	43	+5.0	-0.0	53	1-0	2	-	0.6	5	0.9	11	6.3	0.45	121	
Antiles Gold	5	+4.6	-6.6	53	1-0	-	-	0.5	42	3.3	1	Nil	0.14	9	
Pact Group Hold	246	+4.6	+1.9	54	12-0	5	8.1	-	-	0.5	10	1.2	0.47	846	
Shine Justice	86	+4.3	+6.5	54	5-0	2	-	1.0	14	0.8	7	4.9	0.82	149	
Fleetwood Corp	170	+4.1	+3.2	55	2-0	3	0.1	0.8	7	0.6	11	Nil	0.51	161	
Austin Eng.	17	+3.9	+5.1	56	5-0	3	-	0.9	5	1.6	18	3.0	0.41	96	
Love Group Glob	6	+3.7	+0.9	56	2-0	-	-	1.1	37	2.8	3	Nil	0.55	2	
Embelton Ltd	1100	+3.3	+2.8	56	0-0	-	-	1.6	8	0.2	19	3.6	0.41	24	
Millennium Serv	41	+2.7	+3.5	58	0-0	-	-	-	-	1.1	2	Nil	0.07	19	
Grange Resource	24	+2.5	-3.2	58	2-0	-	-	0.8	23	1.6	4	8.5	0.74	272	
Logicams Ltd	18	+2.1	+4.5	59	1-0	-	-	4.5	35	1.6	13	Nil	0.31	36	
Bass Oil Ltd	0	+2.1	+4.7	59	0-0	-	-	-	-	32.6	8	Nil	0.66	3	
Mitchell Serv.	52	+1.9	-3.3	59	3-1	-	-	52.0	-	1.0	14	Nil	0.59	104	
Sims Ltd	959	+1.6	+3.3	60	3-0	10	6.4	1.1	8	0.5	13	4.4	0.29	1,931	
Mader Group	88	+1.0	+3.0	62	5-0	-	-	-	-	0.9	10	3.4	0.64	175	
MacMahon Story	24	+0.9	-2.6	62	2-0	3	0.1	1.6	21	1.5	8	2.5	0.36	517	
Story-1 Limited	1	+0.5	+1.0	63	0-0	-	-	0.2	1	6.4	16	Nil	0.10	4	
Maca Limited	84	+0.4	-3.1	63	2-0	3	0.4	0.8	7	0.8	10	7.7	0.40	225	

Company	Share Price	STRENGTH RATING			Insider Buy-Sell	Brokers Following	Short Interest	Price to NTA	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n	
		Current	4-Wk Chg.	Rank 0-99											
<b>INCOME SHARES: Highest Yields, Capitalisation &gt; \$A250 million</b>															
Azure Minerals	36	+80.4	+27.8	6	1-0	-	-	-	-	1.0	2	66.1	0.25	716	
Yancoal Aust.	192	-8.5	+0.8	87	0-0	-	-	-	-	2.7	0	0.4	NE 20.3	2,529	
Jupiter Mines	27	-1.0	-1.5	71	4-0	3	1.7	-	-	-	1.3	6	17.6	N/A	529
Base Resources	25	+21.2	-0.7	27	0-1	2	0.0	-	-	-	1.2	5	14.0	0.97	293
WPP AUNZ Ltd	40	+2.8	+7.8	58	6-0	-	-	0.3	-	-	0.9	NE	13.0	0.41	341
Westpac Banking	1777	-4.1	+2.6	78	3-0	14	0.6	1.2	16	0.4	8	10.6	1.60	64,180	
Bank of Q'land	640	-0.1	+2.7	67	4-0	14	8.1	0.9	10	0.4	9	10.2	1.18	2,908	
G8 Education	117	-6.6	+8.2	83	9-0	9	6.8	-	-	0.7					

# Australian Warrant / Option Analysis

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
Adalta Ltd	11	25	0-7	4.0	0.7	+505	0.92	3.42	1.0	+427	Imagion Biosystems	7.5	3.0	2-5	4.9	5.6	-13	1.04	1.22	1.0	+2
Advertitas Ltd	10	10	0-11	5.0	3.4	+45	0.94	1.95	1.0	+57	Imugene Ltd	6.3	4.0	1-0	2.9	3.1	-8	0.90	1.66	1.0	+10
Agency Group Aust	4.0	6.5	0-1	0.9	0.0	+999	1.07	8.05	1.0	+999	Imugene Ltd	6.3	2.6	0-0	3.3	3.1	+5	0.90	1.66	1.0	-100
Agua Resources	4.6	10	2-7	0.8	1.0	-18	0.69	2.07	1.0	+39	Imugene Ltd	6.3	5.4	2-0	2.9	3.2	-11	0.90	1.50	1.0	+15
Alta Zinc Ltd	0.5	1.0	1-2	0.2	0.1	+65	1.05	1.98	1.0	+112	Inca Minerals	5.3	9.0	0-8	1.4	3.4	-58	2.62	1.25	1.0	+175
Altura Mining	7.0	20	1-3	1.6	0.6	+188	0.79	2.84	1.0	+146	Inca Minerals	5.3	20	2-11	0.8	5.0	-84	2.62	1.02	1.0	+60
Andromeda Metals	20	1.2	0-0	17.5	0.6	+999	0.99	2.84	1.0	-100	Inca Minerals	5.3	0.7	1-11	1.2	5.2	-77	2.62	1.01	1.0	-41
Aneotech Ltd	9.8	3.0	2-4	8.0	7.9	+2	1.10	1.17	1.0	+5	Indiana Resources	6.0	3.0	0-8	3.0	3.1	-3	0.61	1.85	1.0	+0
Anson Resources	3.4	3.5	2-7	1.1	2.3	-53	1.27	1.22	1.0	+12	Investigator Res.	5.8	3.5	0-1	2.0	2.3	-14	0.93	2.45	1.0	-47
Anteo Diagnostics	9.8	2.0	0-0	8.0	7.8	+3	1.10	1.26	1.0	+235	K-Tig Ltd	25	23	0-5	5.5	7.9	-30	1.13	2.17	1.0	+37
Anteris Tech.	386	800	1-1	120.0	84.5	+42	1.07	2.07	1.0	+130	Kairos Minerals	4.1	2.5	1-1	2.5	2.5	-1	1.28	1.38	1.0	+20
Argent Minerals	4.7	5.0	0-11	2.2	1.6	+40	0.96	1.95	1.0	+59	King Island Scheelite	11	10	0-8	3.1	3.0	+4	0.83	2.33	1.0	+39
Ausquest Ltd	4.9	20	1-4	2.0	0.2	+865	0.78	3.12	1.0	+208	King River Resources	2.7	6.0	1-8	0.8	0.6	+24	0.92	1.95	1.0	+74
Armour Energy	4.2	5.0	3-3	2.2	2.0	+9	0.79	1.50	1.0	+18	Kogi Iron	2.1	10	1-1	0.7	0.1	+452	1.00	2.71	1.0	+350
Atrum Coal	29	20	0-4	8.0	10.8	-26	0.91	2.25	1.0	-10	Krakatoa Resources	7.7	5.0	0-8	3.1	4.0	-23	1.24	1.58	1.0	+8
Auris Minerals	11	8.0	0-0	1.0	10.8	-91	1.20	2.25	1.0	-100	Lake Resources	5.9	10	0-7	2.0	0.7	+178	0.98	2.91	1.0	+271
Ausquest Ltd	2.0	2.5	1-0	0.9	0.6	+44	0.99	1.95	1.0	+70	Land & Homes	0.8	20	0-9	1.2	0.1	+999	2.09	1.97	1.0	+999
Aust Potash	13	12	0-8	3.0	4.1	-27	0.85	2.21	1.0	+20	Latin Resources	2.0	1.2	2-1	0.9	1.6	-43	1.49	1.15	1.0	+2
Austar Gold	31	60	1-1	5.5	5.2	+6	0.90	2.35	1.0	+102	Lepidico Ltd	0.7	2.0	1-6	0.3	0.1	+108	1.03	1.99	1.0	+126
Auth Inv Fund	3.0	5.0	0-7	0.6	0.0	+999	0.00	9.99	1.0	+208	Lepidico Ltd	0.7	5.0	1-6	0.2	0.1	+281	1.03	2.37	1.0	+275
Avira Resources	1.0	1.0	1-7	0.5	0.7	-30	1.69	1.20	1.0	+29	Lionhub Group	0.3	22	0-0	1.2	0.0	+999	0.00	9.99	1.0	+999
BPH Energy	4.4	5.0	1-8	2.2	4.3	-49	3.45	1.01	1.0	+34	Lithium Australia	5.0	12	0-7	0.5	3.2	-84	3.04	1.23	1.0	+368
Bass Metals	0.3	5.0	0-1	0.1	0.0	+999	1.49	9.99	1.0	+999	Los Cerros	17	16	0-9	8.0	7.5	+7	1.32	1.66	1.0	+63
Bass Oil Ltd	0.1	0.4	0-8	0.1	0.0	+230	2.02	1.63	1.0	+999	Lucapa Diamond	5.8	10	1-6	1.9	1.3	+49	0.80	2.16	1.0	+61
Battery Minerals	2.6	10	2-8	0.6	1.2	-50	1.25	1.38	1.0	+69	MFF Capital Inv.	262	260	1-11	29.5	52.6	-44	0.36	3.01	1.0	+5
Beacon Minerals	4.0	2.5	1-9	1.7	1.7	+3	0.39	2.13	1.0	+3	MGC Pharmaceuticals	2.2	4.5	0-9	0.3	0.3	+18	0.94	2.76	1.0	+183
Big River Gold	5.7	2.0	1-7	3.5	4.4	-20	1.23	1.21	1.0	-2	MRG Metals	0.8	1.0	0-1	0.1	0.0	+142	1.36	5.76	1.0	+999
Blaze Int'l	3.2	5.0	1-4	1.2	1.2	-2	1.16	1.64	1.0	+64	MSM Corporation	4.1	4.0	2-1	2.1	2.5	-17	1.21	1.31	1.0	+21
Boart Longyear	38	2.1	3-10	0.8	35.5	-98	0.77	1.05	1.0	-49	Magmatic Resources	23	10	0-9	12.0	13.6	-12	0.97	1.52	1.0	-3
Brook Ltd	1.6	3.0	1-11	0.2	0.6	-67	1.03	1.62	1.0	+44	Magnetite Mines	0.9	5.0	0-11	0.3	0.4	-31	2.37	1.34	1.0	+592
Brookside Energy	0.5	1.1	1-7	0.2	0.2	-6	1.32	1.50	1.0	+83	Magnetite Mines	0.9	5.0	0-6	0.2	0.2	-12	2.37	1.69	1.0	+999
Brookside Energy	0.5	3.0	0-1	0.1	0.0	+999	1.32	9.99	1.0	+999	Magnum Mining	4.8	5.0	1-10	2.0	1.6	+26	0.66	1.98	1.0	+23
Caeneus Minerals	1.0	0.3	0-1	0.1	0.7	-86	2.10	1.41	1.0	-100	Mako Gold	12	30	0-5	1.1	0.4	+194	1.07	3.95	1.0	+999
Candy Club	14	10	2-6	9.0	7.7	+17	0.85	1.42	1.0	+15	Mali Lithium	82	15	0-11	0.1	66.5	-100	0.65	1.22	1.0	-85
CardieX	4.6	5.0	1-0	1.5	1.3	+13	0.82	2.15	1.0	+41	Manhattan Corporation	2.7	10	2-8	2.5	2.2	+12	1.25	1.13	1.0	+10
Castillo Copper	4.8	5.0	2-4	2.5	2.3	+10	0.85	1.55	1.0	+21	Maximus Resources	16	11	1-1	8.0	8.6	-7	1.09	1.52	1.0	+17
Catalyst Metals	259	245	1-6	100.0	61.7	+62	0.45	2.71	1.0	+21	Medibio Ltd	0.9	3.0	1-0	0.2	0.1	+44	1.18	2.16	1.0	+256
Centaurus Metals	55	1.2	0-6	37.0	53.8	-31	0.99	1.02	1.0	-52	Metalcity Ltd	2.1	0.4	1-6	1.5	1.9	-22	1.99	1.06	1.0	-7
Cirralto Ltd	3.5	2.5	2-8	2.9	3.0	-4	1.70	1.08	1.0	+18	Moho Resources	10	25	2-7	3.5	4.6	-24	1.12	1.43	1.0	+49
Cohiba Minerals	1.6	1.0	1-6	0.8	1.0	-18	1.10	1.38	1.0	+8	NZ Coastal Seafoods	2.7	2.8	1-8	1.4	1.6	-15	1.35	1.32	1.0	+30
Conico Ltd	3.4	4.8	0-7	0.3	1.0	-70	1.36	1.94	1.0	+100	Nanolose Ltd	6.2	30	0-1	0.1	0.0	+999	1.04	1.00	1.0	+999
Cons Zinc	0.4	0.6	2-6	0.1	0.3	-66	1.54	1.17	1.0	+25	Naos Ex-50 Opps	105	103	2-4	10.0	25.2	-60	0.39	2.60	1.0	+3
Constellation Res	30	20	0-8	10.0	12.4	-19	0.84	1.95	1.0	+3	Nelson Resources	7.0	8.0	1-7	3.4	3.2	+5	1.06	1.55	1.0	+36
Corazon Mining	0.3	0.7	1-7	0.1	0.2	-51	1.93	1.20	1.0	+84	Neuroscientific Bio.	30	20	0-3	10.0	10.4	-4	0.65	2.63	1.0	+0
DGR Global	7.4	12	2-10	2.5	1.6	+55	0.56	2.21	1.0	+27	Neurotech Int.	2.3	6.0	0-4	0.6	0.4	+68	1.83	2.27	1.0	+999
DXN Ltd	1.9	2.0	2-6	0.7	1.3	-47	1.31	1.22	1.0	+15	New Talisman Gold	0.5	5.5	1-10	0.2	0.0	+999	0.76	3.41	1.0	+277
Davenport Resources	5.6	20	2-8	1.5	2.1	-30	1.10	1.51	1.0	+66	Noas Em. Opps.	105	102	0-7	6.0	12.5	-52	0.35	5.02	1.0	+5
Deep Yellow Ltd	33	50	1-6	4.5	8.4	-47	0.80	2.07	1.0	+40	Norwest Energy NL	0.4	0.6	1-2	0.2	0.2	+22	1.28	1.60	1.0	+83
Digital Wine Ventures	4.6	1.5	2-1	3.5	3.6	-3	1.12	1.19	1.0	+4	Noxopharm Ltd	50	30	2-9	24.0	35.3	-32	1.05	1.24	1.0	+3
Eden Innovations	2.5	8.0	0-3	0.2	0.0	+999	0.65	9.99	1.0	+999	Noxopharm Ltd	50	30	2-7	24.0	34.7	-31	1.05	1.26	1.0	+3
Elixir Petroleum	12	6.8	0-1	5.7	5.4	+6	1.45	2.11	1.0	+62	Oakdale Resources	1.8	4.0	1-1	0.4	1.1	-62	2.06	1.28	1.0	+128
Elsight Ltd	59	100	0-7	13.0	5.0	+160	0.83	3.44	1.0	+226	Okajee Corporation	5.0	8.0	1-7	1.5	1.8	-15	1.03	1.71	1.0	+52
Emerge Gaming	11	2.0	0-5	7.4	8.5	-13	1.48	1.21	1.0	-26	Patrys Ltd	2.1	2.4	2-8	1.2	0.8	+47	0.69	1.73	1.0	+22
Engage:BDR	0.6	25	0-1	0.1	0.0	+999	1.00	9.99	1.0	+999	Peak Resources	3.6	3.0	1-5	1.8	1.9	-5	1.10	1.49	1.0	+23
Env Clean Tech	0.1	0.3	2-3	0.1	0.1	+35	1.90	1.15	1.0	+87	Pearl Global	9.0	30	0-2	0.1	0.0	+999	0.68	9.99	1.0	+999
Eon NRG Ltd	0.1	1.5	0-3	0.1	0.0	+999	0.98	9.99	1.0	+999	Pointsbet Holdings	1138	1300	1-10	273.0	677.3	-60	1.30	1.33	1.0	+19
Estrella Resources	11	2.0	2-8	8.6	10.6	-19	1.99	1.03	1.0	-1	Powerhouse Ventures	7.2	7.0	3-1	1.8	3.3	-46	0.68	1.60	1.0	+7
Estrella Resources	11	5.0	0-7	6.0	7.8	-24	1.99	1.26	1.0	+0	Predictive Discovery	6.3	1.8	2-1	4.4	6.1	-27	2.47	1.02	1.0	-1
Fiji Kava Ltd	18	12	2-3	9.9	14.1	-30	1.49	1.15	1.0	+9	Prescient Therapeutics	6.0	6.3	2-4	3.3	2.9	+15	0.86	1.53	1.0	+22
Fin Resources	2.6	2.5	1-1	1.0	1.0	+5	0.88	1.89	1.0	+32	Prominence Energy	0.6	2.0	2-9	0.2	0.5	-59	1.95	1.10	1.0	+60
First Au	2.5	6.0	0-1	0.1	0.0	+999	1.20	9.99	1.0	+999	Pure Alumina	2.6	2.5	2-1	1.4	1.9	-25	1.48	1.20	1.0	+21
First Graphene	16	15	0-8	1.4	4.2	-67	0.79	2.40	1.0	+9	Pursuit Minerals	1.4	10	0-11	0.2	0.4	-45	1.89	1.63	1.0	+773
Flexiroam	2.5	12	1-11	0.4	1.0	-61	1.45	1.43	1.0	+131	Quantify Tech	0.2	0.8	1-3	0.1	0.1	-27	2.46	1.11	1.0	+239
Freehill Mining	7.3	2.5	0-11	4.4	5.0	-12	0.93	1.38	1.0	-6	Quantify Technology	0.2	1.0	0-9	0.1	0.1	+17	2.46	1.41	1.0	+999
Frugl Group	3.0	50	0-7	0.1	0.0	+999	1.20	4.49	1.0	+999	RPM Automotive	23	25	0-9	2.0	4.1	-52	0.62	3.03	1.0	+24
GBM Resources	16	11	2-7	10.0	15.1	-34	2.29	1.03	1.0	+11	Rafaella Resources	9.0	30	0-11	1.9	1.1	+81	1.12	2.39	1.0	+298
GWR Group	16	40	1-10	1																	

# 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/Sales Ratio					P/E Ratio					Gross Yield																																																																																																																																																																																																																																																																																																																																																																																																																				
Company	Rating	Price	Ratio	P/E	Gross	Company	Rating	Price	Ratio	P/E	Gross	Company	Rating	Price	Ratio	P/E	Gross	Company	Rating	Price	Ratio	P/E	Gross																																																																																																																																																																																																																																																																																																																																																																																																												
A2 Milk Company	C	1481	N/A	NE	Nil	Good Spirits	C	8.2	0.14	7	Nil	Pushpay Hold.	D	844	N/A	87	Nil	QEX Logistics	E	37	0.33	17	Nil	Rakon Ltd	E	38	0.72	22	Nil	Restaurant Brds	E	1211	2.14	14	50	Nil	Rua Bioscience	E	59	N/A	NE	Nil	Rubicon Limited	E	19	1.89	NE	Nil	Ryman Health.	C	1470	N/A	28	1.6	Sanford Limited	D	485	0.83	11	6.6	Scales Corp Ltd	D	500	1.46	16	5.3	Scott Tech. Ltd	E	175	0.60	16	5.7	SeaDragon Ltd	D	3.2	0.32	NE	Nil	Seeka Kiwifruit	D	392	0.53	18	7.1	Serko Limited	D	504	N/A	NE	Nil	Skellerup Hold.	C	307	2.38	21	5.9	Sky Network TV	D	15	0.19	2	69.9	Sky City Ltd	C	293	2.46	14	9.5	Smartpay NZ Ltd	D	65	3.99	NE	Nil	Smiths City	E	14	0.04	NE	Nil	Snakk Media Ltd	E	5.5	0.09	NE	Nil	Sol. Dynamics	C	314	1.43	25	2.9	South Port NZ	C	711	4.18	20	5.1	Spark NZ Ltd	D	463	2.35	20	5.4	Steel & Tube	E	61	0.24	NE	Nil	Sthn Charter F.	E	0.2	6.48	NE	Nil	Stride Property	C	222	N/A	9	5.8	Summerset Group	C	1050	N/A	13	1.3	Synlait Milk	E	550	0.96	12	Nil	T&G Global	E	271	0.27	50	Nil	TIL Logistics	E	81	0.21	35	Nil	Tilt Renewables	E	390	N/A	NE	Nil	Tourism Hold.	C	234	0.73	10	16.0	Tower Limited	E	58	0.57	12	Nil	Training Sol.	D	0.3	N/A	NE	Nil	TruScreen Ltd	D	8.9	9.41	NE	Nil	Trust Power Ltd	C	728	2.30	23	6.2	Turners Auto.	C	262	0.68	11	7.4	Vector Ltd	C	412	3.18	43	4.5	Vista Group Ltd	D	149	1.72	23	3.1	Vital Ltd	E	78	0.98	44	4.5	Vital Health PT	D	293	N/A	18	3.0	WN Drive Tech.	D	6.6	0.31	NE	Nil	Warehouse Group	D	243	0.27	12	9.7	Z Energy Ltd	D	292	0.23	NE	7.8	<b>Ave of 133 Cos</b>	<b>C</b>	<b>351</b>	<b>0.43</b>	<b>22</b>	<b>3.5</b>	<b>Ave of 1910 Cos</b>	<b>C</b>	<b>250</b>	<b>0.54</b>	<b>34</b>	<b>1.7</b>																																																																																																																																									
AGL Energy Ltd	A	1285	0.66	8	7.6	Downer EDI Ltd	A	468	0.22	11	6.0	Pendal Group	A	595	3.30	10	8.7	Perpetual Ltd	A	2767	3.09	18	8.3	Perseus Mining	B	132	2.61	16	Nil	Platinum Asset	A	310	6.31	12	7.7	Pointsbet Hold.	A	1138	N/A	NE	Nil	Polynovo Ltd	B	273	N/A	NE	Nil	Premier Invest	A	2232	2.96	42	2.8	Pro Medicus Ltd	A	3394	N/A	NE	0.4	Q.B.E. Insur.	A	878	0.60	14	5.9	Qantas Airways	C	455	0.59	NE	Nil	Qube Holdings	B	287	2.81	24	2.3	REA Group Ltd	A	12789	N/A	NE	0.9	Ramelius Res.	C	223	4.16	67	0.4	Ramsay Health	A	6438	1.21	52	1.0	Redbubble Ltd	B	449	2.84	NE	Nil	Reece Limited	A	1394	N/A	39	0.9	Regis Resources	A	430	2.89	11	3.7	Reliance W/wide	A	456	3.10	40	1.5	Rio Tinto Ltd	B	9340	2.48	13	6.7	S/Tracks ASX200	A	5736	N/A	9	1.6	Santos Ltd	A	488	1.77	11	2.3	Saracen Mineral	B	620	6.37	36	Nil	Scentre Group	A	240	4.80	11	4.7	Sealink Travel	A	646	2.26	NE	1.7	Seek Ltd	A	2215	4.88	NE	0.6	Seven Group	A	2032	1.38	55	2.1	Shopping Centre	B	236	8.65	30	5.3	Silver Lake Res	B	224	3.50	15	Nil	Sims Ltd	A	959	0.29	13	4.4	Sonic Health	A	3590	2.77	31	2.3	Soul Pattinson	A	2607	3.86	25	2.2	South32 Limited	C	213	1.17	NE	0.7	Spark Infrastru	B	206	N/A	18	7.3	St Barbara Ltd	A	285	2.42	18	2.8	Star Entertain.	B	353	2.18	NE	Nil	Steadfast Group	B	372	4.27	NE	2.6	Sth Cross Media	B	155	0.76	16	Nil	Stockland	B	439	3.71	NE	5.5	Suncorp Group	A	830	0.72	16	4.3	Super Retail Gr	A	1148	0.89	23	1.7	Sydney Airport	A	593	8.17	33	6.6	Tabcorp Holding	A	410	0.18	4	2.7	Technology One	A	917	N/A	50	1.0	Telstra	A	280	1.40	18	5.7	Temple Webster	B	1172	7.54	96	Nil	Transurban Grp	A	1414	9.69	66	4.0	Treasury Wine	A	875	2.35	24	3.2	Tyro Payments	C	390	9.65	NE	Nil	United Overseas	C	76	2.89	8	3.3	Vicinity Centre	B	140	5.24	NE	5.5	Virgin Money UK	D	179	0.59	NE	Nil	Viva Energy Grp	C	177	0.21	30	2.7	Vocus Group Ltd	A	397	1.39	NE	Nil	WAM Capital Ltd	B	228	N/A	NE	6.8	Waypoint REIT	A	277	N/A	13	5.1	Westfarmers Ltd	A	4772	1.94	28	3.7	Westpac Banking	B	1777	1.60	8	10.6	Westgold Res.	C	278	2.37	34	Nil	White Rock Min.	E	50	N/A	NE	Nil	Whitehaven Coal	C	109	0.65	37	1.4	Wisetech Global	A	3140	N/A	63	0.1	Woodside Petrol	B	1819	2.47	11	7.1	Woolworths Grp	B	3896	0.77	42	2.4	Worsley Ltd	B	954	0.38	29	5.2	Yancoal Aust.	C	192	N/A	NE	20.3	Zimplats Hold.	B	1075	0.92	3	5.6	Zip Co Ltd	C	609	N/A	NE	Nil	<b>Ave of 1910 Cos</b>	<b>C</b>	<b>250</b>	<b>0.54</b>	<b>34</b>	<b>1.7</b>

## Investment Outlook

(Continued from Page 1)

rates, and the cheap debt fueled property bubble could burst.

On the other hand, Central Banks *may* instead destroy the value of *debt* (i.e. effectively wiping out your mortgage debt *and* also bank deposit and fixed interest investments owned by people or your superannuation fund). For example, if the **Federal Reserve** raised the price of Gold to US\$20,000 per ounce (i.e. printed unlimited US dollars to buy all the Gold offered to it), then other commodity values, other asset values and wages would all rapidly rise a similar 10-fold in value.

That *effectively* devalues all *monetary* assets (i.e. cash and bank balances, bonds and fixed term investments) by 90%. Note: "Riskless" cash in the bank or Government Bonds would not be a very safe investment in this situation!

The other major class of "real" assets are shares in companies. Businesses produce real goods and real services and can (in most cases) adjust prices to match inflation caused by MMT or a massive devaluation in monetary assets. As we have discussed previously, many *growth* and *technology* shares are expensive (like property) and at a time when economic growth rates are likely to slow.

On the other hand, commodity prices are at historically low levels, as are the shares in commodity producers. We would rather buy under-valued assets, as a hedge against future inflation, than buy over-valued assets.

So commodities - and shares in commodity producers - could be a very good hedge against future inflation and future economic uncertainty.

Furthermore, we are focusing on commodities needed for electrification and renewable energy technologies where there should be a significant increase in demand over the next two decades. That demand growth should further help to boost the real value of these scarce commodities over the medium to long term.

We believe this is a "once in a lifetime" opportunity to buy high growth renewable energy critical material producers at low valuations. This is certainly an "interesting" investment opportunity for investors!

## Dividend \$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
South Port NZ	18.50	30-10	10-11	Full
<u>Australian Shares</u>				
Brickworks Ltd	39.00	14-10	25-11	
CPT Global	1.25	10-09	16-11	

## Australian Warrant / Option Analysis

(Continued from Page 14)

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
Sayona Mining	0.8	2.0	2-5	0.2	0.2	-17	0.91	1.72	1.0	+52
Seafarms Group	8.7	10	0-8	2.6	1.6	+60	0.76	2.83	1.0	+81
Silver Mines	24	6.0	0-9	17.0	17.7	-4	0.91	1.31	1.0	-3
Six Sigma Metals	1.0	0.8	1-7	0.4	0.8	-48	1.82	1.15	1.0	+12
Six Sigma Metals	1.0	1.5	0-7	0.2	0.4	-52	1.82	1.59	1.0	+148
Skin Elements	2.3	10	0-1	0.1	0.0	+999	1.80	7.09	1.0	+999
Spectur Ltd	5.4	20	0-1	0.1	0.0	+999	0.86	1.00	1.0	+999
Suda Pharma.	3.9	1.5	0-7	0.2	2.4	-92	0.85	1.54	1.0	-76
Suda Pharmaceuticals	3.9	5.0	1-8	1.7	1.3	+26	0.85	1.81	1.0	+38
Surefire Resources	2.9	0.6	1-7	1.6	2.6	-38	1.71	1.08	1.0	-16
TV2U Int'l	0.8	2.0	0-4	0.4	0.0	+999	0.00	9.99	1.0	+999
Tao Commodities	25	20	0-9	12.0	11.4	+5	1.17	1.68	1.0	+39
Tasman Resources	3.9	5.0	2-8	2.5	1.3	+87	0.67	1.82	1.0	+28
Thomson Resources	7.6	3.0	2-0	5.1	7.3	-30	2.59	1.02	1.0	+3
Titomic Ltd	63	250	0-7	3.0	0.5	+515	0.84	4.78	1.0	+883
Torian Resources	3.0	2.0	1-2	1.5	1.9	-20	1.34	1.35	1.0	+14
Trigg Mining	14	20	0-11	1.8	5.3	-66	1.33	1.67	1.0	+62
Trigg Mining	14	25	1-11	2.3	7.5	-69	1.33	1.36	1.0	+42
Triton Minerals	4.7	10	0-10	0.7	0.4	+57	0.86	2.94	1.0	+174
Tubi Ltd	6.5	15	1-7	1.6	1.5	+7	0.94	1.97	1.0	+81
Tymlez Group	9.6	6.5	3-1	4.2	7.8	-46	1.35	1.13	1.0	+4
Tyranna Resources	0.6	4.0	0-10	0.1	0.0	+131	1.33	2.42	1.0	+859
UUV Aquabotix	0.1	0.1	2-8	0.1	0.1	+5	2.45	1.02	1.0	+30
VRX Silica	19	18	0-8	6.8	5.1	+34	0.82	2.36	1.0	+55
Valor Resources	0.4	1.5	1-1	0.2	0.2	-7	2.16	1.30	1.0	+280
Vanadium Resources	2.4	12	0-6	0.4	0.0	+999	0.98	4.77	1.0	+999
Variscan Mines	3.2	0.8	0-6	0.2	2.5	-92	1.48	1.26	1.0	-90
Victory Mines	0.4	2.0	0-1	0.1	0.0	+999	1.96	6.62	1.0	+999
Vulcan Energy Res.	127	29	0-2	95.5	98.5	-3	1.10	1.29	1.0	-16
Weebit Nano	180	45	1-2	133.0	141.3	-6	1.13	1.22	1.0	-1
White Cliff Minerals	2.9	1.5	3-3	1.8	2.6	-30	1.56	1.07	1.0	+4
White Rock Minerals	50	1.0	1-11	28.5	48.5	-41	1.16	1.02	1.0	-24
Wide Open Agriculture	91	30	0-7	60.0	63.4	-5	1.19	1.37	1.0	-2
Woomera Mining	2.6	3.0	2-7	1.4	1.7	-19	1.26	1.24	1.0	+23
Woomera Mining	2.6	8.0	0-10	0.5	0.4	+27	1.26	2.21	1.0	+340
XTD Ltd	6.8	8.0	2-10	2.6	4.4	-41	1.18	1.25	1.0	+17
Zinc of Ireland	4.6	1.5	0-8	0.1	3.2	-97	1.02	1.39	1.0	-81

### Total Return Index for All Listed Shares

Oct 12	1725.74	Oct 19	1745.65
Oct 13	1727.16	Oct 20	1750.94
Oct 14	1737.27	Oct 21	1751.57
Oct 15	1740.23	Oct 22	1751.84
Oct 16	1741.92	Oct 23	1754.46
Oct 26	Holiday	Nov 2	1696.75
Oct 27	1740.84	Nov 3	1705.76
Oct 28	1726.03	Nov 4	1711.79
Oct 29	1710.15	Nov 5	1710.93
Oct 30	1713.58	Nov 6	1725.17

### 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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