Switzer Super Report
Advice you can trust

Monday 11 April 2016

Don't blame the markets

Normal market conditions are a thing of the past. Today I outline why investors shouldn't blame stock market swings. It's time to rethink your portfolio and make sure it's suited for all conditions.

Also in today's *Switzer Super Report*, Paul Rickard gives us his take on the new warrant from Citi and James Dunn provides us with three IPOs to consider. In *Buy, Sell, Hold – what the brokers say*, brokers have upgraded a gold miner but a major bank and media company remain in the not-so-goods books. And miners are out of favour in this week's *Super Stock Selectors*.

Sincerely,

Peter Switzer

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The market is not the problem. It's you!

by Peter Switzer

It's time for some tough love and this was driven by my own pining for normal market conditions, which would see stock market indexes head up over the course of this year. But markets don't really conform to history consistently and when we say stocks will rise 10% per annum over a 10 year period where half of that return comes from dividends, with two or three bad years, that's ultimately a generalization based on history and the averaging that comes out of that.

So, if you aren't happy with your returns the first person to blame might be you if you run your own share portfolio. It's possible you have not constructed the most appropriate portfolio of assets and so you are too vulnerable to the ups and downs of stock markets.

Let's look at our past 10 years going back to April 2006 and the index was at 5,192 and we're now at 4,937, so we've lost 255 points in 10 years! Let's call it line ball but we have made at least 5% per annum from dividends and with franking credits you should be up 6-7% per annum, which is pretty damn good.

Sure 7% is not 10% but let's change the 10-year period and assume you started your SMSF and share portfolio construction in March 2009 on my behest. Assume you bought a portfolio that matches the S&P/ASX 200 index then your portfolio would be up about 60% on capital gain and seven years of dividends and franking, so you'd be up 100% or so or 14.2% per annum, despite our pretty ordinary market. And if you'd selected greater dividend-payers your return would've been higher!

If I'd written this in March last year when the index nearly hit 6,000, the return would have been greater and more like 18.8% per annum then!

Your starting point is important to your returns but the stocks you have in your portfolio are more important and there is a strong case that you should have great dividend-payers, with a great history of doing that.

Companies such as Suncorp (SUN), AMP (AMP), IAG (IAG), Sydney Airport (SYD),Transurban (TCL), CCL (CCL) have been great dividend payers and are the sorts of companies worthy of consideration when share prices are down, like they are now.

Sure some have been bought by other dividend-collectors as they are defensive stocks and so they have not slumped like others but financials are pretty beaten up right now, so the future with these sorts of stocks could not only deliver dividends but capital gain.

The key question right now is where do stocks head? The bears are lining up with the bulls and the bear line-up is becoming more numerous. I mentioned on Saturday that Bloomberg raised the question about whether Arrium was a part of a chain of failures added to Slater and Gordon and Dick Smith that could hurt our banks and justify recent sell-offs! I hope and think they're wrong but the sentiment won't help the overall market.

I really can't see the makings for a market takeoff right now but I think a period of consolidation is likely for the US market, which will set the tone for our stock market.

In coming months we have US earnings season which has been tipped to be ugly but it could surprise positively with the outlook statements on a lower greenback important for many corporate bottom lines.

Economic readings from the US, China, Europe and Japan could send stocks up or down and there is no clarity on even the US economy with GDP growth recently marked down to under 1% but recent data looks more promising for future quarters.

Then there are Fed and European Central Bank decisions with negative interest rates from the latter causing some concerns.

The April 17 OPEC and non-OPEC oil producers meeting in Doha, Qatar could hurt or help oil prices and these directly impact on stocks. Adding colour and concerns are issues such as Brexit and Donald Trump.

If all of the above turn out with positive implications such as an oil agreement, better than expected earnings as well as economic data, Trumped is trumped and the Poms stay in the EU, etc. then stocks would head higher but there's a lot of "ifs" in there.

US economist Ed Yardeni is not bearish as he holds high hopes for "the fairy godmother of the bull market" — the Fed's Janet Yellen. He thinks she is likely to hold the market's hand by raising interest rates Goldilocks style — not too fast, not too slow but just right! I hope he's right.

It's possible that markets could go down further but I will be a buyer at lower levels because I have a longer time period for stocks.

If Armageddon is around the corner then current stock prices aren't good value but a lot of our top 20 stocks have been really beaten up over the past year, so if good news prevails in 2016, then we could see a reversal of fortune.

And given they are Australia's top 20 companies there's gotta be some good value in them for the long-term investor who primarily is happy with dividends annually but is also really happy to pocket capital gain when it comes along.

Whether you access it is all up to you.

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A bonus from Citi?

by Paul Rickard

The major player in Australia's warrants market, Citi, has launched the first unleveraged warrants over ASX listed securities. Called *Bonus Certificates*, these warrants offer investors a lower risk profile than traditional warrants, and may suit SMSFs and other investors who want a degree of protection without overly limiting the upside potential of share investing.

Citi says that in Europe, Bonus Certificates have been particularly popular, and in the largest market Germany, the volume of certificates exceeded the volume of traditional leveraged warrants at the end of 2015. In this product road test, we will see how they shape up for the Australian market.

What are bonus certificates?

Bonus certificates are like buying a share in that you pay the full amount up front. They include a bonus level that is higher than the spot price of the underlying share at issue, and a barrier price that is below the spot price on issue.

At maturity (typically around 12 months), the investor receives the bonus price **provided** the barrier price is not breached during the term of the investment. If the underlying share trades above the bonus price or below the barrier price, the investor participates in the full upside or downside of the underlying share.

Because the barrier is usually set quite a bit lower than the underlying share price, the investor gets partial downside protection, while being able to participate in the full upside.

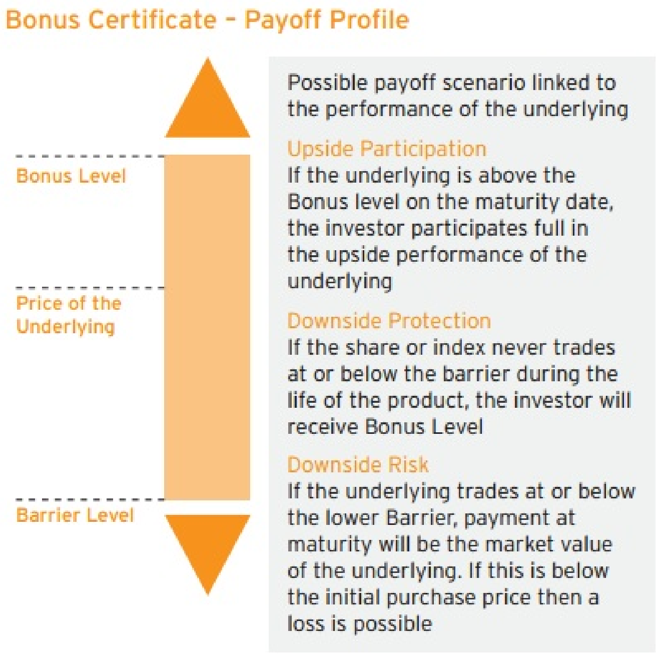
Let's take an example.

On 9 March, Citi issued bonus certificates on a number of shares, including Commonwealth Bank. These mature in 13 months' time on 17 April 2017.

CBABOA (the ASX Code for this series) has a bonus percentage of 3%, and an initial issue price of $76.31. The bonus level is $78.90, and the barrier level is $56.50.

If during the 13 months CBA shares don't trade below $56.50, the investor will receive **at least** $78.90 on maturity.

If CBA shares are higher than $78.90 on maturity (say $85.00), then the investor will get the actual value of CBA shares (ie $85.00). If the barrier is breached and CBA finishes on 17 March at $50, the investor only receives $50, and if they purchased the bonus certificate on the issue date at $76.31, will have lost $26.31.



CBABOA are traded on the ASX, and the price changes in line with movements in the price of ordinary CBA shares. The bonus level and barrier level are fixed for the duration of the certificate.

The catch

It is not so much a catch, but there is always a cost when it comes to a structured product like this. Otherwise, Citi couldn't afford to provide the partial protection.

With these warrants, you won't receive any dividends. So investors in CBABOA potentially forgo around $4.20 in dividends, plus associated franking credits. For an SMSF in pension, this is worth around $6.00, for a fund in accumulation phase, around $5.10.

For taxpaying investors, another small downside is that according to the tax advice in Citi's PDS, gains on bonus certificates will be treated for tax purposes as income rather than as capital.

Eligible securities

Citi says that in due course, it might have 100 bonus certificates listed. Its initial offer is 35 listed companies such as BHP, CBA and Telstra, and one index – the S&P/ASX 200. All series mature on 17 April 2017.

Who might they suit?

Citi's bonus certificates work best for investors who feel that the market is flat to falling, or who want some level of downside protection, but also want to be able to participate if the market goes higher.

Go back to the CBA example, these warrants provide protection down to $56.50, still 20.2% lower than Friday's close. And you can participate in all the upside, except the dividend and franking credits.

Our verdict

While I have never been a huge fan of structured products, this warrant meets a need, particularly for conservative investors who may be a touch wary about taking on sharemarket exposure. The BHP bonus certificate (BHPBOA) is a good example. It has a barrier of $12.80 (21% below Friday's close), and a bonus level of $18.40. There is not much dividend to give up, so for investors who may want to get some exposure to BHP, a case can be made that this is a lower risk way to do it.

Warrants are traded on the ASX through your broker. Before you trade, you will be required to read the ASX's explanatory booklet Understanding Trading and Investment Warrants and sign a risk disclosure statement. Citi says that both individuals and SMSFs can use Bonus Certificate Warrants.

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3 IPOs to consider

by James Dunn

Improving stock market conditions sees a flurry of initial public offering (IPO) activity, with one of the largest floats of the year, logistics software firm WiseTech Global, hitting the share market screens today after a $168 million raising, with a market capitalisation at outset of $970 million.

Investors are keen to tap into floats, with research from HLB Mann Judd showing that last year, when the broad S&P/All Ordinaries index fell by about1%, new IPOs on the Australian Securities Exchange (ASX) posted an average 10% gain.

The float pipeline has taken a while to get going this year: with the Australian stock market quickly following its world peers into correction territory in January, the best-laid plans of many of the companies in that pipeline were revisited. But with confidence creeping back into the market as the US market has recovered all that it lost, floats are back on the agenda.

Here is a look at some of the more substantial companies poised to list on the ASX.

WAM Leaders Limited

WAM Leaders Limited is the latest listed investment company (LICs) from the stable of Wilson Asset Management, the independently owned boutique investment manager established by Geoff Wilson in 1997. So far the firm has floated three LICs on the market, WAM Capital Limited, WAM Research Limited and WAM Active Limited.

Like its stablemates WAM Leaders will invest using Wilson Asset Management's absolute-return-biased fundamental investment methodology: the specific mandate of the new vehicle is to invest in under-valued, large-cap companies in the S&P/ASX 200 Index so as to provide capital growth, deliver investors a stream of fully franked dividends, and preserve their capital. The LIC will try to find companies with strong earnings as well as a potential catalyst to future earnings that the market may not have already recognised: it will invest only in opportunities that provide strong risk-adjusted returns and will be able to default to cash if the portfolio managers don't see anything worth buying on its criteria.

WAM Leaders Limited is looking to raise $165 million, but has the capacity to go as high as $330 million depending on demand. The offer price is $1.10 a share (with one attached option). At the minimum raising the net asset value (NAV) per share before listing would be $1.08.

Potential investors in WAM Leaders can take confidence from the stable's performance history. According to Wilson Asset Management, over the last seven years (to 29 February 2016) WAM Capital (WAM) has earned total return (capital growth plus dividends) of 19.3% a year, WAM Research (WAX) has returned 19.8% a year and WAM Active (WAA) has returned 16.2% a year. Over the same period, the S&P/ASX 200 Accumulation Index has earned 10.4% a year.

The grossed-up dividend yields (on last dividend) have been: WAM Capital, 9%; WAM Research, 8.5%; and WAM Active, 3.3 %.

NB Monthly Income Trust

US-based fund manager Neuberger Berman is targeting income-oriented Australian investors with its NB Monthly Income Trust, which is raising up to $250 million to invest in a portfolio of prime US home loans and residential mortgage-backed securities (RMBS).

The fund is forecasting a net return of 6% a year, paid monthly, based on the subscription price of $1.10 (distribution payments will be fully hedged back to A$.) This return comes from a portfolio that at inception will be 62% prime US home loans; 36% liquid, short-dated RMBS; and 2% cash.

The home loans are screened for asset quality and credit quality, and mostly, where borrowers have positive equity. The loans are secured by single-family homes, valued between $US300,000 ($A394,000) and US$1 million ($A1.3 million), in areas of all 50 US states that Neuberger Berman considers to have good surrounding facilities and a strong community environment. The portfolio managers are looking for areas that appeal to the preferred borrowers, which are middle-income family households, self-employed entrepreneurs, professional people and recent college graduates.

Neuberger Berman says the target investor is any investor that wants regular income, from a source that gives their portfolios diversification away from Australian assets in general, and domestic equity risk and bank-hybrid risk in particular – which has become the de facto prime source of income for many Australian investors.

Neuberger Berman is investing $35 million in the trust, which will give the units a net tangible asset (NTA) value of $1.085 at listing. Neuberger Berman will re-invest its monthly distribution into the trust, through buying the listed units. The management fee is 1% a year, and there is no performance fee.

The NB Monthly Income Trust offer closes on April 14, with ASX listing scheduled for April 26.

Tegel Foods

New Zealand-based poultry producer Tegel Foods will be the first major private equity-backed float of 2016, and as such will test investor appetite for such exits, following the disastrous collapse of retailer Dick Smith, which came from a similar source. Private equity group Affinity Equity Partners is selling down its stake in Tegel Foods from 87% to 45%, through a joint listing on the New Zealand Exchange (NZX) and the ASX.

Tegel Foods processes roughly half of New Zealand's poultry and supplies a range of premium processed meat products to customers in New Zealand, Australia, the Pacific Islands, the United Arab Emirates and Hong Kong.

Private equity group Affinity Equity Partners, which has owned Tegel Foods since 2011, is selling down its stake from 87% to 45%. A bookbuild to raise NZ$299 million–NZ$344 million ($269 million–$310 million) is scheduled for April 18-19, with a listing price expected to be at about NZ$1.55–NZ$2.50 ($1.40–$2.25) a share, with listing expected on May 3. The implied market capitalisation is NZ$552 million–NZ$636 million ($497 million–$573 million).

The indicative price range represents 12.7x –14.7x expected FY17 earnings. Joint lead advisers Deutsche Bank and Goldman Sachs lowered this range last month: initially they thought Tegel was worth 14.7x–18.5x estimated earnings.

The forecast FY17 dividend yield is 4.4%–5.1%. Adjusted for imputation credits, the yield in 6.2%–7.1%. Tegel's New Zealand imputation credits are not available to Australian residents but the New Zealand government refunds the imputation amount to foreigners, minus 15% withholding tax. This refund is paid as a supplementary dividend.

Upcoming floats to watch

Reliance World Corporation

Plumbing fittings and water valves manufacturer Reliance World Corporation could be one of the largest floats of the year: the Melbourne-based group is targeting a raising of $800 million–$900 million, implying a market capitalisation of $1.2 billion–$1.4 billion. The business has grown from an Australian-only company to become the largest manufacturer in the world of safety valves for hot water tanks and of brass "push" to connect plumbing fittings. Reliance World's biggest market is the US, which represents more than 60% of the company's sales.

Global Traffic Network

Traffic reporting company Global Traffic Network

(GTN) is planning a $220 million listing, which would give it a market capitalisation of about $400 million, with Macquarie as sole underwriter. GTN was looking at floating in 2015 but ditched it. GTN recently signed a long-term $207 million contract with Southern Cross Media, which underpins the float.

Genesis Care

Australia's largest radiotherapy services provider, Genesis Care, which runs 25 cancer treatment centres in Australia, is reported to be set to announce an IPO, to fund expansion into Britain and Europe. Genesis Care just signed a $132 million strategic partnership with Swedish medical equipment maker Elekta AB. The partnership will run initially for eight years, includes order bookings valued at more than $132 million. Elekta's oncology and neurosurgery products are used in more than 6,000 hospitals worldwide.

Booktopia

Sydney-based online bookseller Booktopia, which accounts for 83% of Australian online book sales, is looking to raise $75 million–$100 million in an IPO that would give it an initial market cap of about $150 million. Last year the company bought the online platform of bookseller Angus & Robinson and is a major player in the online book market in Australia, which is worth more than $232 million and is growing at 15.5% a year, according to IBIS Research. Ord Minnett and Morgans are joint lead advisers.

ThinkSmart

Consumer financier ThinkSmart is reported to be looking to float its British operation. The float would be underpinned by a recent five-year exclusive deal ThinkSmart signed with Britain's biggest mobile retailer, Carphone Warehouse, to provide point-of-sale lease financing.

See details of upcoming floats here.

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Buy, Sell, Hold – what the brokers say

by Rudi Filapek-Vandyck

In the good books

Beadell Resources (BDR) Upgrade to Outperform from Neutral by Macquarie B/H/S 2/1/0

The results of the pre-feasibility study for the Urucum underground mine indicate it is a low capex and relatively low cost and long life proposition.

The broker expects this to extend the life of Tucano and deliver a mine better suited to the variable environmental conditions.

Evolution Mining (EVN) Upgrade to Outperform from Underperform by Credit Suisse B/H/S: 3/2/0

Credit Suisse updates earnings and valuation in the wake of increases to gold price assumptions, upgrading to Outperform from Underperform.

The broker expects a combination of strong production; falling costs and a high Australian dollar gold price should deliver free cash and a rapid de-leveraging of the Cowal debt.

RCR Tomlinson (RCR) Upgrade to Buy from Accumulate by Ord Minnett B/H/S: 2/0/0

The company has undergone a major restructure, closing 16 sites, which have been marginal or unprofitable for some time. The cost of the restructure is $44m. The main negative is the $34m in cash outflows, Ord Minnett contends, significant for a company with a $170m market cap.

The broker's recommendation is upgraded to Buy from Accumulate, relying on seeing through the FY16 result with a rebound in FY17 and assuming some of the preferred contracts commence.

Upgrades

Order	Company	New Rating	Old Rating	Broker
1	Beadell Resources	Buy	Neutral	Macquarie
2	Evolution Mining	Buy	Sell	Credit Suisse
3	RCR Tomlinson	Buy	Buy	Ord Minnett

In the not-so-good books

Aristocrat Leisure (ALL) Downgrade to Neutral from Outperform by Credit Suisse B/H/S: 3/2/1

Credit Suisse offsets FX downgrades with operational upgrades, noting competitors do not have the momentum to unseat the company's market share in Australia.

Growth is expected to slow significantly in FY17 and FY18 relative to the last two years. Aristocrat has achieved 70% market share in segments of the market in Australia and the broker does not expect material improvement in this area.

As the share price has approached the target ($10.50, unchanged). Credit Suisse downgrades to Neutral from Outperform.

Downer EDI (DOW) Downgrade to Equal-weight from Overweight by Morgan Stanley and Downgrade to Lighten from Hold by Ord Minnett B/H/S: 3/2/0

Morgan Stanley did not expect Downer would lose its entire Fortescue Metals (FMG) contract. Strategically, the broker believes this calls into question the future of the mining operations.

The broker did not expect Fortescue would take the operational risk of removing Downer from the Christmas Creek mine from October for what is likely to be a limited saving. The broker forecasts a $54m reduction in Downer's mining earnings in FY17.

Rating is downgraded to Equal-weight from Overweight.

Ord Minnett suspects earnings were likely to decline even before the loss of this contract. FY17-18 forecasts are reduced by 10%. The broker downgrades to Lighten from Hold.

National Australia Bank (NAB) Downgrade to Hold from Add by Morgans B/H/S: 2/5/1

Morgans suspects the major banks may need to increase provisions for certain single name exposures that are currently in trouble. Stress in the consumer segment is also increasing with the broker noting softness in the economies of Queensland and Western Australia.

Most of the institutional names in trouble belong to the resources sector, which suggests to Morgans a broad-based problem. The broker lowers earnings forecasts for each of the major banks, largely because of higher bad debt charge forecasts and lower net interest margin forecasts.

Nine Entertainment (NEC) Downgrade to Neutral from Outperform by Credit Suisse and Downgrade to Sell from Hold by Ord Minnett B/H/S: 3/1/2

Credit Suisse interprets management's profit warning above anything as a company-specific ratings/revenue share issue. Seven West Media should be the prime beneficiary, in the analysts' opinion.

Nine Entertainment's trading update signals a slow start to 2016 Free-To-Air (FTA) TV advertising spending. As a result Ord Minnett lowers second half forecasts to a fall in the market of 2.5% from 1.0%.

In addition, the broker downgrades to Sell from Hold. The broker envisages FTA audience declining 3.8% in 2016 so far, following the 6.0% decline in 2015.

Oz Minerals (OZL) Downgrade to Neutral from Outperform by Credit Suisse B/H/S: 1/5/2

Credit Suisse updates earnings and valuation in the wake of weaker copper price assumptions, downgrading to Neutral from Outperform.
Oz Minerals has the advantage of a strong cash balance and potential development of the long-life Carrapateena project, the broker observes. Moreover, Carrapateena's conceptual schedule pushes production out to when a higher copper price is envisaged.

Downgrades

Order	Company	New Rating	Old Rating	Broker
1	Aristocrat Leisure	Neutral	Buy	Credit Suisse
2	Cimic Group	Neutral	Buy	Macquarie
3	Downer EDI	Neutral	Buy	Morgan Stanley
4	Downer EDI	Sell	Neutral	Ord Minnett
5	Estia Health	Neutral	Buy	Macquarie
6	National Australia Bank	Neutral	Buy	Morgans
7	Nine Entertainment Co. Holdings	Neutral	Buy	Credit Suisse
8	Nine Entertainment Co. Holdings	Sell	Neutral	Ord Minnett
9	Oceanagold Corp	Sell	Neutral	Credit Suisse
10	Oz Minerals	Neutral	Buy	Credit Suisse
11	Smartgroup Corp	Neutral	Buy	Ord Minnett
12	Webjet	Sell	Neutral	Morgan Stanley

Webjet (WEB) Downgrade to Underweight from Equal-weight by Morgan Stanley B/H/S: 2/2/1

The stock has enjoyed a material re-rating, Morgan Stanley observes, despite a shift in the business mix that adversely affects working capital.

Moreover, the broker considers the valuation is stretched and, with intense competition in business-to-business and patchy returns, the broker downgrades to Underweight from Equal-weight.

Earnings Forecasts

Order	Symbol	Company	New EF	Previous EF	Change	Recs
Positive Change Covered by > 2 Brokers						
1	PRU	Perseus Mining	-0.23	-0.66	64.44%	4
2	AQG	Alacer Gold Corp	8.17	7.02	16.46%	5
3	MFG	Magellan Financial Group	111.15	98.58	12.76%	4
4	APO	APN Outdoor Group	32.80	30.65	7.01%	5
5	DMP	Domino's Pizza Enterprises	102.69	97.26	5.58%	6
6	OGC	Oceanagold Corp	24.67	23.55	4.79%	4
7	AWC	Alumina	5.33	5.11	4.28%	7
8	NCM	Newcrest Mining	43.31	41.59	4.14%	7
9	FMG	Fortescue Metals Group	22.63	21.74	4.06%	7
10	SBM	St Barbara	26.18	25.18	3.97%	3
Negative Change Covered by > 2 Brokers						
Order	**Symbol**	**Company**	**New EF**	**Previous EF**	**Change**	**Recs**
1	WSA	Western Areas	-6.46	-4.28	-50.97%	7
2	TCL	Transurban Group	15.61	20.07	-22.21%	7
3	BHP	BHP Billiton	-2.92	-2.60	-12.33%	8
4	IPL	Incitec Pivot	21.09	22.88	-7.81%	7
5	ALL	Aristocrat Leisure	46.18	48.13	-4.05%	6
6	BTT	BT Investment Management	52.70	54.75	-3.74%	5
7	VIT	Vitaco Holdings	9.67	10.03	-3.65%	3
8	NEC	Nine Entertainment Co. Holdings	18.53	19.20	-3.52%	6
9	ORI	Orica	113.89	116.84	-2.52%	7
10	BOQ	Bank of Queensland	95.70	98.08	-2.42%	7

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Super Stock Selectors – Macquarie and St Barbara

by Christine St Anne

The financial services and mining sectors dominate this week's stock selectors list.

CMC Markets' Michael McCarthy finds favour with the millionaires' factory Macquarie Bank (MQG).

Macquarie is "leveraged to markets and deals and the time to get involved is when pessimism is high," McCarthy says.

"On a forward PE (price-to-earnings) of 11x, with long-term growth estimates around 9%, it looks good value to me," he says.

McCarthy doesn't like the gold miner St Barbara (SBM) because of its high costs and a fall in the spot price could cut the miner's free cash flow.

Prime Value's ST Wong likes the superannuation administrator Link (LNK) despite the stock price coming under pressure in the wake of a possible sell-down by its private equity owners and Macquarie.

A partial sell-down was executed last Friday. ST Wong says this is expected to lift pressure off its share price, "particularly when Link's first half results revealed that the company's progress was tracking well against estimates outlined in its prospectus.

ST Wong does not like Iluka (ILU) as market developments may result in lower-than-expected zircon sales.

Lincoln Indicators' Elio D'Amato likes the consumer discretionary stock Corporate Travel Management (CTM).

The business has a solid history of offshore expansion by acquisition as well as partnering with Flybuys.

"We anticipate the company's successful combination of strong organic growth and successful complimentary acquisitions to continue," D'Amato says.

Liquefied Natural Gas (LNG) is not in favour with D'Amato this week.

"Current weakness in energy markets is likely to affect the company's progress in the development of export LNG plants particularly in the US," he says.

	Stock I like	Stock I don't like
Raymond Chan, managing partner, Morgans	IPH (IPH)	Fortescue Metals Group (FMG)
Elio D'Amato, CEO Lincoln Indicators	Corporate Travel Management (CTM)	Liquefied Natural Gas Limited (LNG)
Michael McCarthy, Chief Market Strategist, CMC Markets	Macquarie Group (MQG)	St Barbara Ltd (SBM)
Evan Lucas, IG Markets analyst	Mildly positive on a bounce in the oil sector.	The banks
ST Wong, Senior Portfolio Manager Prime Value	Link (LNK)	Iluka (ILU)

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