



What Worked - Australia

Reversal in Beta and move to yield

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What Worked

Move to Div. Yield

This week saw a very strong move into high yield names, and a move into size and more profitable companies. Spotless Group (SPO, +3.5%), G8 Education (GEM, +4.0%) and Southern Cross Media (SXL, +13.3%) all amongst the highest yielding names in the market and all producing good returns for the week. On the other end of the yield scale Mesoblast (MSB, -7.3%), Worleyparsons (WOR, -13.8%) and Western Areas (WSA, -19.7%) were all sold off quite strongly.

Beta sold off

Beta was hurt badly, returning -3.8% on a quintile spread basis for the week. High beta names that were hurt included Whitehaven Coal (WHC, -3.7%), Santos Limited (STO, -7.2%) and Beach Energy (BPT, -9.1%).

Who Moved

Volumes average

Not a big week for volume this week with most names in the index sitting around average volume. 16 names managed to move on higher than normal volumes. In the winner's circle, GWA Group (GWA, +24.7%), Ardent Leisure (AAD, +7.8%) and Slater & Gordon (SGH, +6.0%) all up versus the index, while Monadelphous Group (MND, -17.4%), McMillan Shakespeare (MMS, -14.5%) and Japara Healthcare (JHC, -10.3%) were all sold off heavily.

Summary

ASX 200, Week Ending 26 Aug 2016

Signal	-0.1%		0.6%		0.5%		2.2%		11.6%	
	IC	Spread	IC	Spread	IC	Spread	IC	Spread	IC	Spread
Value & Growth										
PER (Forward)	-4.4%	0.5%	3.0%	-0.9%	4.2%	0.1%	0.4%	1.6%	-1.1%	8.2%
PER (Trailing)	-2.0%	0.5%	9.6%	0.5%	8.1%	2.5%	2.5%	2.0%	-1.2%	1.6%
Div. Yield	28.8%	4.6%	-8.0%	-2.6%	3.3%	0.4%	1.2%	-5.1%	1.9%	-15.2%
PBR	-11.6%	-0.8%	26.8%	3.9%	9.3%	7.2%	3.4%	10.3%	-0.6%	33.9%
Sales Growth	8.8%	1.5%	-11.4%	-2.8%	-6.2%	-2.3%	0.6%	-0.9%	3.1%	-12.4%
OP Growth	-4.5%	1.3%	4.4%	-0.2%	-7.5%	-3.0%	1.3%	2.9%	0.5%	-3.0%
Quality										
ROE	11.4%	1.4%	-22.6%	-3.6%	-4.3%	-5.0%	-1.3%	-7.4%	2.2%	-23.3%
* ROIC	23.9%	2.7%	-19.6%	-3.5%	0.8%	-2.1%	2.6%	-2.3%	4.2%	-16.6%
* Debt/Equity	-9.0%	-3.0%	10.3%	2.9%	2.1%	-0.6%	3.0%	4.2%	0.6%	2.7%
* Net Debt/Equity	7.4%	2.6%	8.8%	0.1%	0.0%	1.5%	1.5%	5.2%	2.1%	0.9%
Momentum & Technical										
1 Week Mom.	-4.2%	-1.3%	-0.5%	0.7%	1.6%	1.8%	-2.0%	0.8%	-2.1%	-1.8%
1 Month Mom.	4.8%	1.0%	-2.2%	-0.2%	5.6%	2.6%	0.2%	-0.7%	-13.0%	-19.5%
3 Month Mom.	-2.1%	-1.5%	-10.2%	-0.5%	-7.4%	-3.9%	0.2%	-0.9%	-1.1%	-18.0%
12 Month Mom.	4.2%	-0.3%	-18.9%	-1.1%	-11.2%	-4.7%	1.7%	1.1%	4.3%	-14.9%
Stochastic Oscillator	3.5%	0.6%	-9.6%	-1.4%	-3.3%	-0.8%	-2.5%	-4.2%	-5.7%	-17.7%
Other										
Size	21.9%	3.3%	-18.0%	-4.2%	0.3%	-2.4%	1.2%	-3.6%	3.4%	-16.8%
Beta	-30.7%	-3.6%	9.0%	1.1%	1.8%	0.6%	1.8%	5.9%	-6.1%	5.3%
EPS Revisions (1M)	-0.2%	0.6%	-14.5%	-0.5%	-5.5%	-2.0%	0.8%	1.6%	-0.4%	-1.4%
EPS Revisions (3M)	3.1%	0.6%	-4.5%	-0.7%	2.1%	0.8%	3.7%	1.0%	4.7%	-0.8%

* ex Financials
+ Compound weekly spread return over the specified period
Spread is defined as the Long/Short return of the quintiles (i.e. top 20% - bottom 20%, equal weighted)





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