



What Worked - Australia

Some short term reversal, and Low Div names rebound

7th Apr 2017
Simon Rigney

What Worked

Short term reversal in the market

This week was all about a reversal in short term gains (and losses), as one week and one month momentum signals saw highly negative numbers. Names like Galaxy Resources (GXY, +4.4%), Bellamy's Australia (BAL, +4.8%) and OZ Minerals (OZL, +7.8%) were among the lowest performing names last week that rebounded very strongly this week, while the other end of the market saw the better performing names from last week come off. This group saw Aconex (ACX, -1.5%), Mantra Group (MTR, -0.3%) and Seven West Media (SWM, -7.6%) all trim back gains made over the last week, and indeed the last month.

Low yielding names rebound

Dividend Yield as a signal was also hurt this week, but not due to a sell-off in the higher yielding names, but rather some buying into the lower yielding names. Among these were Orocobre (ORE, +4.7%), Infinigen Energy (IFN, +4.1%) and Nanosonics (NAN, +1.3%) all posting higher, and among the lowest yield names in the market.

Who Moved

Much weaker volumes

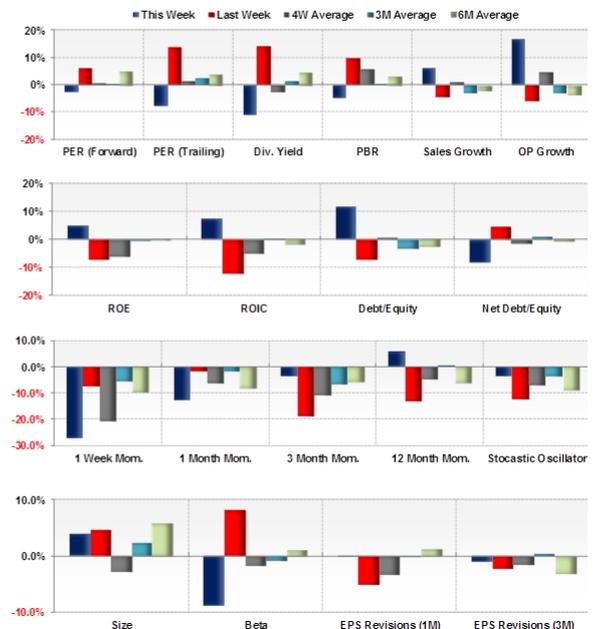
Volumes backed off yet again this week, with only 5 names moving on higher than normal volumes. On the positive side, Whitehaven Coal (WHC, +11.0%), Spark New Zealand (SPK, +5.3%) and Fairfax Media (FXJ, +3.4%) all finishing up, while the only name down on volume was Fletcher Building Limited (FBU, -1.3%).

Summary

ASX 200...Week Ending 07 Apr 2017

Signal	Index Return: -0.1%		1.9%		1.4%		2.4%		7.1%	
	This Week	Last Week	4W Average	3M Average	6M Average	IC	Spread	IC	Spread	
Value & Growth										
PER (Forward)	-2.7%	0.4%	6.0%	0.4%	0.7%	3.0%	0.3%	3.8%	5.1%	10.4%
PER (Trailing)	-8.0%	-0.4%	13.6%	1.4%	1.4%	2.7%	2.3%	4.4%	4.0%	11.1%
Div. Yield	-4.9%	-2.0%	14.0%	1.5%	-2.6%	-3.6%	1.2%	-0.8%	4.5%	0.2%
PBR	-4.9%	-0.4%	9.9%	1.0%	5.8%	1.1%	0.2%	1.3%	3.2%	8.5%
Sales Growth	6.2%	0.2%	-4.6%	0.2%	0.8%	-1.7%	-3.2%	-5.5%	-2.1%	-7.3%
OP Growth	16.8%	1.6%	-6.0%	-0.1%	4.8%	2.0%	-3.0%	-4.9%	-3.5%	-4.4%
Quality										
ROE	4.9%	1.3%	-7.3%	-1.3%	-6.2%	0.3%	-0.2%	-1.6%	-0.2%	-6.5%
* ROIC	7.5%	1.3%	-12.3%	-0.9%	-5.1%	-0.6%	0.2%	2.4%	-1.8%	-6.3%
* Debt/Equity	11.5%	1.6%	-7.3%	-1.0%	0.5%	1.7%	-3.2%	-4.5%	-2.7%	-5.8%
* Net Debt/Equity	-8.3%	-2.1%	4.4%	1.5%	-1.5%	-3.2%	0.9%	-1.7%	-0.9%	-4.1%
Momentum & Technical										
1 Week Mom.	-27.2%	-2.3%	-7.3%	-0.6%	-20.8%	-11.1%	-5.5%	-12.8%	-9.5%	-21.0%
1 Month Mom.	-12.7%	-2.2%	-1.9%	-0.7%	-6.3%	-7.5%	-1.9%	-8.8%	-8.0%	-16.6%
3 Month Mom.	-3.8%	0.7%	-19.0%	-1.9%	-10.5%	-6.0%	-6.7%	-13.0%	-5.5%	-20.4%
12 Month Mom.	5.8%	1.3%	-13.0%	-1.6%	-4.9%	-3.6%	0.5%	-2.3%	-6.0%	-2.6%
Stochastic Oscillator	-3.8%	-1.1%	-12.3%	-1.3%	-7.2%	-7.1%	-3.6%	-7.4%	-8.8%	-11.7%
Other										
Size	3.9%	0.3%	4.7%	0.0%	-2.9%	-3.4%	2.4%	-1.9%	5.8%	2.5%
Beta	-8.9%	-0.5%	8.2%	0.5%	-1.7%	-2.1%	-0.8%	-2.9%	1.1%	-0.4%
EPS Revisions (1M)	-0.1%	-0.3%	-5.2%	-0.7%	-3.3%	-2.1%	-0.2%	-0.6%	1.3%	0.8%
EPS Revisions (3M)	-1.1%	-0.7%	-2.3%	-0.2%	-1.6%	-3.8%	0.3%	-5.3%	-3.1%	-7.2%

* 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)





Important Disclosures:

This material was prepared for you and is for your information and use only. This material should only be distributed to other members of that organization on a need to know basis and should not be distributed or disseminated to any other person or entity.

This material is for information purposes only and it should not be regarded as an offer to sell or as a solicitation of an offer to buy the securities or other instruments mentioned in it. This material is based on current public information that Custom Products Group Limited ("Custom Products") considers reliable, but we make no representation that it is accurate or complete, and it should not be relied on as such. No investment opinion or advice is provided, intended, or solicited. Custom Products offers no warranty, either expressed or implied, regarding the veracity of data or interpretations of data included in this report. This material is provided with the understanding that Custom Products is not acting in a fiduciary capacity. Opinions expressed herein reflect the opinion of Custom Products and are subject to change without notice.

The products mentioned in this document may not be eligible for sale in some states or countries, and they may not be suitable for all types of investors. The value of and the income produced by products may fluctuate, so that an investor may get back less than they invested. Value and income may be adversely affected by exchange rates, interest rates, or other factors. Past performance is not necessarily indicative of future results. If a product is income producing, part of the capital invested may be used to pay that income. © 2016 Custom Products Group Limited. All rights reserved.

Contacts

Hong Kong

Simon Rigney

+852-3958-2394 (HK)
+81-3-5786-3712 (Tokyo)
simon.rigney@custprd.com

Salt Lake City

Patrick Hansen

+852-8191-6925 (HK)
+1-801-230-4796 (SLC)
patrick.hansen@custprd.com

Tokyo

Robert Rowland

+81-3-5786-3711
robert.rowland@custprd.com

Michael Newman

+81-3-5786-3713
michael.newman@custprd.com

Office Locations

Hong Kong

15/F Langham Place
8 Argyle Street
Mong Kok, Kowloon
Hong Kong S.A.R.

Tokyo

17/F Roppongi Hills North Tower
6-2-31 Roppongi,
Minato-ku, Tokyo
Japan 106-0032

Salt Lake City

299 South Main Street
Suite 1300
Salt Lake City, UT
United States, 84111