



# What Worked - Australia

## Two shortened weeks, Value hurt in both

21<sup>st</sup> Apr 2017

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### What Worked

*Value & Growth hurting*

At the end of two shortened weeks in the Aussie market, Value, and growth for that matter, have lost out two in a row. Cheap names on a forward PER basis have been sold off in droves over the last two weeks, while the more expensive end of the market has remained relatively flat to the benchmark. Metals and Mining names where made up a good portion of the value names sold off, among them Resolute Mining (RSG, -9.4%), Whitehaven Coal (WHC, -4.5%) and Saracen Mineral Holdings (SAR, -11.8%) where among the worst affected, and continue to look cheaper on a forward PER basis. These names are also among the biggest growth names in the market, but at the same time are seeing some of the biggest downgrades from the sell-side.

*Div Yield looking good*

On a positive note, Dividend Yield is showing some promise. This week saw names with bottom of the market dividend yields dropping over -2% compared to the market by mid-Friday, although ended almost flat for the week. In the meantime, higher yielding names were flat up until the middle of today, and closed much higher as a group in the end. Names hurt in particular included Infigen Energy (IFN, -3.6%), Syrah Resources (SYR, -2.4%) and Oil Search Limited (OSH, -3.8%).

### Who Moved

*Short weeks, lower volumes*

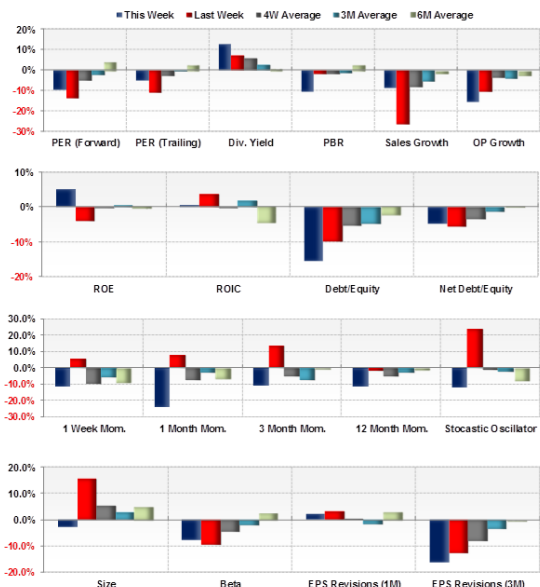
As might be expected, volumes are a little off given the much shorter weeks. Only one name managed to move on volume this week, namely TPG Telecom (TPM, -9.4%). On the other side, there were 30 names that made significant moves on very light volumes. GWA Group (GWA, +2.7%), SIMS Metal management (SGM, +2.5%) and Carsales (CAR, +2.1%) all ended up strong for the week on very weak volumes, while Woodside Petroleum (WPL, -3.2%), Sigma Pharmaceutical (SIP, -2.0%) and Westfield (WFD, -1.9%) all finished weaker on very poor volume.

### Summary

ASX 200, Week Ending 21 Apr 2017

Index Return:	-1.2%		0.5%		1.2%		1.9%		7.2%	
Signal	IC	Spread	IC	Spread	IC	Spread	IC	Spread	IC	Spread
<b>Value &amp; Growth</b>										
PER (Forward)	-9.5%	-2.1%	-13.7%	-1.8%	-5.0%	-3.1%	-2.6%	-1.3%	3.8%	3.6%
PER (Trailing)	-5.1%	-0.5%	-11.3%	-1.9%	-2.7%	-1.4%	-0.0%	2.1%	2.4%	7.0%
Div. Yield	12.8%	1.3%	7.2%	0.6%	5.7%	1.3%	2.7%	1.2%	0.8%	5.0%
PBR	-10.6%	-1.0%	-2.0%	-0.8%	-1.9%	-1.1%	-1.5%	-1.2%	2.5%	3.7%
Sales Growth	-8.8%	0.2%	-26.7%	-3.4%	-8.5%	-2.8%	-5.8%	-8.3%	-1.4%	-10.2%
OP Growth	-15.7%	-1.3%	-10.8%	-1.6%	-3.9%	-1.5%	-4.5%	-7.6%	-2.3%	-8.5%
<b>Quality</b>										
ROE	5.2%	-0.7%	-3.9%	0.2%	-0.3%	-0.5%	0.5%	-1.8%	-0.6%	-4.4%
* ROIC	0.6%	-1.0%	3.7%	0.3%	-0.1%	-0.3%	1.9%	3.6%	-4.6%	-4.0%
* Debt/Equity	-15.6%	-1.5%	-9.8%	-0.6%	-5.3%	-1.5%	-4.7%	-5.3%	-2.4%	-8.3%
* Net Debt/Equity	-4.8%	-0.0%	-5.6%	0.2%	-3.6%	-0.5%	-1.3%	-3.6%	-0.2%	-2.3%
<b>Momentum &amp; Technical</b>										
1 Week Mom.	-11.6%	-1.5%	5.7%	-0.1%	-10.1%	-4.4%	-6.1%	-13.8%	-8.6%	-22.2%
1 Month Mom.	-24.4%	-1.6%	7.6%	0.7%	-7.8%	-3.8%	-3.1%	-10.1%	-6.6%	-15.5%
3 Month Mom.	-11.1%	-0.6%	13.3%	1.7%	-5.2%	-0.1%	-7.5%	-13.2%	-1.0%	-18.3%
12 Month Mom.	-11.6%	-1.5%	-1.7%	-0.0%	-5.1%	-1.9%	-3.3%	-6.4%	-1.5%	-6.0%
Stochastic Oscillator	12.8%	-0.9%	23.8%	2.4%	-1.2%	-0.9%	-2.3%	-6.6%	-7.9%	-10.2%
<b>Other</b>										
Size	-3.0%	-0.5%	15.8%	2.0%	5.4%	1.9%	2.9%	0.6%	4.6%	4.6%
Beta	-7.6%	0.0%	-9.5%	-0.7%	-4.4%	-0.6%	-2.2%	-3.5%	2.5%	-2.6%
EPS Revisions (1M)	2.3%	-0.1%	3.4%	-1.0%	0.1%	-2.0%	-1.9%	-3.3%	2.9%	-1.6%
EPS Revisions (3M)	-16.4%	-0.3%	-12.8%	-2.2%	-8.1%	-3.4%	-3.6%	-7.1%	-0.3%	-11.2%

\* 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)





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