



# What Worked - Australia

## Worst week for PBR in over a year

28<sup>th</sup> Apr 2017

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### What Worked

*Value hurt again, Energy sector reeling*

Yet another poor week for value this week in the Aussie market, and a slight reversal in short term momentum, all leading to a swing into more profitable names. PBR had its worst week in over a year, with names cheaper on a PBR basis finishing up with a -22% IC, and a long/short spread of -1.8% vs. the benchmark being up over 1.0%. With the Australian Government's announcement of an Energy Security policy, naturally the Energy space was hit pretty hard, and this is where a lot of cheap names on a PBR basis are sitting. Santos Limited (STO, -4.4%), OZ Minerals (OZL, -5.8%) and Whitehaven Coal (WHC, -2.1%) all off this week, and all the more less expensive on a PBR basis for it. Hard sell though with the potential uncertainty facing the energy market...

*ROE saw strong returns*

On a positive note, ROE names benefitted from the move away from value, and saw Amcor Limited (AMC, +2.3%), Platinum Asset Management (PTM, +2.9%) and Magellan Financial (MFG, +2.4%) all up and amongst the more profitable names in the index on a forward ROE basis. On the other side of that trade however Syrah Resources (SYR, -6.5%), Japara Healthcare (JHC, -2.4%) and Western Areas (WSA, -3.6%) all finished the week down.

### Who Moved

*Volumes still light*

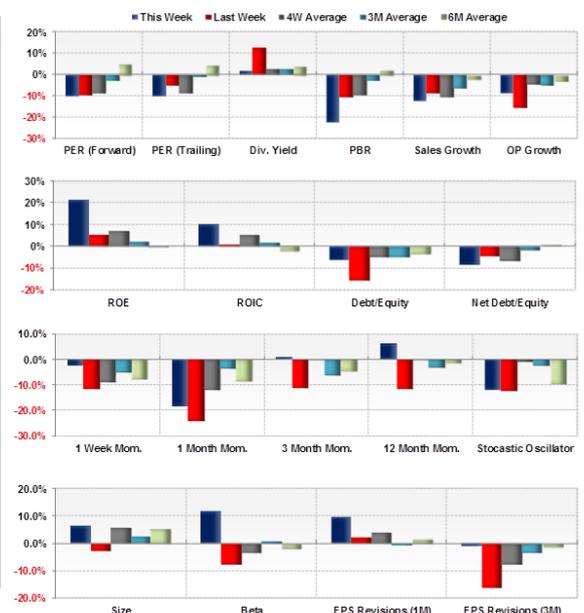
Not a strong week for volumes, not even in the energy space. Only four names moved on volume this week, and only one of those managed to outperform the index. Sirtex Medical (SRX, -10.5%) and Coca-Cola Amatil (CCL, -2.7%) both finished lower on significantly higher than normal volumes, while Australian Pharmaceuticals Limited (API, +6.8) finished over the benchmark for the week.

### Summary

ASX 200, Week Ending 28 Apr 2017

Signal	1.1%		-0.6%		1.0%		5.3%		12.1%	
	This Week	Last Week	4W Average	3M Average	6M Average	IC	Spread*	IC	Spread*	
<b>Value &amp; Growth</b>										
PER (Forward)	-10.3%	-1.3%	-9.5%	-2.1%	-9.1%	-4.7%	-2.9%	-4.0%	5.0%	2.2%
PER (Trailing)	-10.3%	-0.9%	-5.1%	-0.5%	-8.7%	-3.6%	-0.9%	-0.6%	4.4%	4.9%
Div. Yield	1.5%	0.5%	12.8%	1.3%	2.6%	0.4%	2.4%	1.3%	4.0%	2.5%
PBR	-22.4%	-1.8%	-10.6%	-1.0%	-10.0%	-3.9%	-3.0%	-3.7%	2.2%	1.4%
Sales Growth	-12.5%	-0.9%	-8.8%	0.2%	-10.5%	-3.9%	-6.4%	-7.5%	-2.1%	-10.8%
OP Growth	-8.7%	-1.0%	-15.7%	-1.3%	-4.6%	-2.3%	-5.1%	-7.5%	-3.0%	-7.7%
<b>Quality</b>										
ROE	21.3%	1.0%	5.2%	-0.7%	6.8%	1.8%	2.1%	-1.2%	-0.0%	-3.3%
* ROIC	10.0%	0.4%	0.6%	-1.0%	5.4%	1.0%	1.8%	2.9%	-2.6%	-4.3%
* Debt/Equity	-6.5%	0.0%	-15.8%	-1.5%	-5.1%	-0.4%	-5.1%	-4.7%	-3.6%	-6.9%
* Net Debt/Equity	-8.7%	-0.0%	-4.8%	-0.0%	-6.9%	-2.0%	-2.1%	-3.4%	0.0%	-2.6%
<b>Momentum &amp; Technical</b>										
1 Week Mom.	-2.6%	-0.9%	-11.6%	-1.5%	-8.9%	-4.7%	-5.0%	-12.8%	-7.7%	-21.1%
1 Month Mom.	-1.4%	-1.4%	-24.4%	-1.6%	-4.5%	-3.7%	-10.1%	-8.2%	-15.8%	-15.8%
3 Month Mom.	0.7%	-0.4%	-11.1%	-0.6%	-0.2%	1.4%	-6.3%	-12.5%	-4.5%	-17.3%
12 Month Mom.	6.3%	0.1%	-11.6%	-1.5%	-0.3%	-0.2%	-3.1%	-7.4%	-1.6%	-5.2%
Stochastic Oscillator	-12.1%	-1.1%	-12.4%	-0.9%	-1.1%	-0.7%	-2.4%	-6.0%	-9.4%	-10.7%
<b>Other</b>										
Size	6.6%	-0.5%	-3.0%	-0.5%	5.8%	1.4%	2.4%	-0.9%	5.0%	2.3%
Beta	11.7%	0.2%	-7.6%	0.0%	-3.6%	-0.9%	0.6%	-1.7%	-1.8%	-2.2%
EPS Revisions (1M)	9.5%	0.9%	2.3%	-0.1%	3.8%	-0.4%	-0.6%	-2.9%	1.3%	-1.6%
EPS Revisions (3M)	-0.9%	-0.2%	-16.4%	-0.3%	-7.8%	-3.4%	-3.5%	-7.6%	-0.9%	-10.3%

\* 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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