

Crude stockpiles shrink

December Brent crude futures edged to a new trading record of 91.63 a barrel yesterday on ICE futures exchange in London, up \$0.51 from the previous session, before retreating to 91.37.

Its weekly inventory report, US Energy Department's Energy Information Administration announced that oil supplies by 3.9 million barrels last

Mr Moore said. Much of that decline was due to a big drop in crude supplies at a closely watched oil terminal in Cushing, Oklahoma.

Cushing supplies have been under pressure in recent months due to differences in the price between front-month oil contracts and those for delivery in future months.

This price difference, or spread, has given storage-tank owners a financial incentive to sell their oil, rather than hold it in inventory.

Analysts have also blamed, in part, falling Cushing supplies for the rally in which oil prices have jumped 35 per cent since August.

Analysts surveyed by Dow Jones Newswires, on average, expected an increase of 100 barrels.

The report acted to solidify fears about the possibility of easing market conditions of the northern winter."

Wheat to import grain

While no applications have been made to import these alternative feeds, the current lack of grain reserves, combined with the cost of grains domestic may make imports a more alternative at some stage."

Imported grains must be imported from low-risk sources, processed in metropolitan ports under AQIU supervision and stockfeeds heat-treated to address contamination risks, Mr McGowan said.

He warned the record high global grain prices and the cost of transportation meant imports were not a silver bullet for Australia's grain shortage.

A last time Australia imported grain for stockfeed was in

slapping centred on the institutional banking arm, which benefited from "extraordinary" demand for credit. Morgan also attributed the insto banking performance to transactional banking "a surprisingly potent product as we hook ourselves into the back office of our clients — something which foreign banks can't do".

It's hard not to conclude that Westpac is also gaining in business banking at the direct expense of the ANZ, which has been notably weak in this area.

Westpac has also outshone ANZ's star personal banking division, notably by growing its deposit book by 19 per cent.

True, this growth came at the expense of interest margins — depositors will flee to online accounts without a decent offer — but with wholesale funding becoming a lot dearer, it's still a cheap source of funds.

Wealth management — which grew Westpac's earnings by 25 per cent — is an overlooked contributor to bank profits. Of course it shouldn't be, given super and managed fund products are growing at twice the rate of banking business.

Morgan describes wealth management as the "biggest opportunity I have seen in the Australasian financial market in my entire career". A big call.

Criterion rated Westpac a **LONG-TERM BUY** at \$29.01 on October 3 and sticks to that view. Westpac's fortunes should be bolstered by the acquisition of the future business of RAMS Home Loans which boosts

Westpac's mortgage distribution by 10 per cent.

Investors can also look forward to next year's partial IPO of the BT investment management operation.

Gail Kelly, meanwhile, needs

Redflex's competitiveness.

A more solid cause for caution is that the business is capital intensive, with Redflex building, owning and operating the cameras. A slew of new contracts is great but sucks up funds in the short term. Redflex is generating nice annuity earnings now but it's still not quite enough to fund growth. "We expected cash flow to catch up with us but growth has got away," says Redflex chair Graham Dave.

Despite the \$A and capital concerns, Redflex is solidly profitable. It posted a \$7.5 million result last year and analysts have chalked in \$9-11 million for this year. We last rated Redflex a **LONG-TERM BUY** at \$2.95 on June 29, which we'll stick to. "We're best seen as a long-term investment," Dave says.

Traffic Technologies

FURTHER to yesterday's item, Sam Kavourakis takes issue with **Criterion's** suggestion he resigned as Traffic chairman in favour of Ray Horstburrn because of pressure from institutional holders ahead of today's AGM.

Kavourakis yesterday said he held proxies representing 30 million of Traffic's 125 million shares on issue. Of these, 90 per cent favoured his reappointment. We'll see what the silent majority think today, although as per the corporate norm most won't bother to vote.

The Australian accepts no responsibility for stock recommendations. Readers should contact a licensed financial adviser. The author does not hold shares in the companies mentioned.

Share Price	\$ Change	Rank	Market Cap (\$m)	Share Price	\$ Change
6.54	-0.3	48	2,887	10.45	+2.5
6.22	+0.5	80	3,903	70.17	+1.62
12.66	+0.61	19	19,305	16.09	-0.3
10.40	+0.21	69	5,068	8.92	+3.7
30.42	+1.32	58	6,128	2.09	-1.25
59.22	+1.87	76	4,366	6.10	+3.5
8.23	+0.7	91	3,442	6.85	+1.1
49.50	+0.7	50	7,644	4.85	+0.8
7.10	+0.8	71	4,988	9.96	+3.0
4.29	+0.9	29	12,163	50.30	+0.9
8.34	+0.91	35	9,714	4.70	+0.8
10.30	+1.0	31	11,894	6.98	+0.8
8.58	+1.0	52	7,887	6.86	+0.8
30.80	+1.0	96	3,163	1.95	+0.4
46.90	+1.0	37	9,338	4.74	+0.4
1.645	+1.01	100	3,093	2.78	+1.02
14.97	+1.06	75	4,505	89.34	+1.02
6.82	+1.05	97	3,147	24.10	+1.02
14.22	+1.05	72	7,562	9.30	+0.9
61.65	+1.06	42	8,194	4.40	+0.7
35.80	+1.07	51	7,562	4.40	+0.7
3.49	+1.08	62	3,359	1.655	+0.95
21.71	+1.08	14	23,466	85.05	+1.00
7.00	+1.08	80	3,611	4.73	+0.6
1.62	+1.02	67	5,980	5.82	+0.4
73.50	+1.02	77	4,212	5.03	+4.0
		4	72,811	43.50	+4.10
		23	15,166	33.50	+4.10
		3	3,013	24.95	+4.5
		70	5,039	4.50	+2.5

Share Price	\$ Change	Rank	Market Cap (\$m)	Share Price	\$ Change
Onesteel Ltd		57	6,206	7.08	+2.0
Orica Ltd		33	10,135	31.20	+2.9
Origin Energy		44	8,118	9.28	+1.5
Oxiana Ltd		53	6,581	4.25	+0.5
PBL Limited		25	14,233	20.90	+0.8
Paladin Res		67	5,376	8.92	+7.3
Patrim A/Wgmt		93	3,293	5.87	+1.2
QBE Insurance		13	28,972	32.72	+2.2
Qantas Airways		30	11,904	6.05	+1.4
Resmed Inc		90	3,453	4.51	+0.1
Rio Tinto Ltd		8	52,554	115.00	+5.00
Santos Ltd		39	8,671	13.78	-2.5
Seven Network		82	3,803	14.46	+8.0
Sonic Health		64	3,505	2.771	-4.4
St George Bank		15	20,568	17.04	-1.6
Stockland		28	13,232	37.10	+7.5
Suncoorp/Melway		20	18,935	20.00	+0.8
Tabcorp		40	8,210	15.64	+0.8
Tattersalls		68	5,226	4.13	+0.6
Telecom NZ		54	6,440	3.52	-0.2
Telstra Corp		5	61,802	47.1	+0.3
Toll Holdings		38	9,049	13.30	+0.1
Tollsheld		99	3,100	15.65	+0.8
Transacthc		94	3,271	11.53	+3.3
Transurban Grp		47	7,897	7.29	+0.2
United Group		88	3,575	21.86	+4.6
Westfarmers Ltd		22	4,825	43.75	-1.9
Westfield Grp		9	42,825	22.05	+2.5
Westpac Bank		6	57,930	31.06	+5.2
Woodside Petroleum		12	35,958	52.24	+2.4
Woodworths Ltd		11	41,072	33.33	-1.2
Worleyparsons		32	11,061	48.10	+4.0
Zimlex Ltd		45	8,112	16.66	+0.1