



York jitters strike

If you've got \$US160 billion off-balance sheet paper, big banks of which aren't tradable, at are they worth?

You may not know for a very long time.

per cent, to \$28.42 amid concerns of a slide in US investment banks. Major banks lost ground before an expected interest rate tightening announcement tomorrow.

The Commonwealth Bank of Australia was down \$112, or 1.8 per cent, at \$60.08 and National Australia Bank was down 60c, or 1.4 per cent, at \$42.50.

Woodside Petroleum and Santos rose 0.3 per cent and 2.7 per cent, respectively, after crude oil hit a record high of \$US96.00 late on Friday.

Newcrest Mining was another beneficiary of higher commodity prices, rising 70c, or 2.1 per cent, to \$33.40 after spot gold hit a high.

Takeover target Nutfarm closed up \$1.74, or 11 per cent, at \$17.34 after a ChemChina-Blackstone consortium offered \$17.25 a share.

Sport Aussie dollar

have market falls have pushed on the US currency but stores have found some cause buying on an improved US atomic outlook.

Australian bond futures slipped erday on a heightened sense sk-aversion in financial mar- and higher expectations of tralian interest rate rises.

The Australian dollar is likely to ease slightly in European trade as markets further digest the more bullish US economic data.

Late yesterday the dollar was quoted at US\$92.08c, up from US\$91.60c on Friday. Against the Japanese yen, it was at ¥105.515, up from ¥105.15.

December three-year futures were down five ticks at 93.24, while 10-year futures were down 5.5 to 93.73.

Share Price	\$Change	Rank	Market Cap(\$mill)	Share Price	\$Change
Coca-Cola	-0.16	44	7,789	10.32	-0.01
Cochlear Ltd	-0.01	79	3,838	69.00	-0.88
Colts Group	-0.01	18	18,621	15.52	-0.36
12.90	-0.13	70	4,829	8.69	-0.06
10.01	-0.19	58	5,835	1.99	-0.01
29.79	-0.22	76	4,393	23.03	+0.45
57.30	-0.81	91	3,329	5.90	-0.15
7.84	-0.23	47	7,596	4.82	-0.08
49.50	-0.10	72	4,247	9.48	-0.21
6.50	-0.06	29	13,240	47.30	-1.92
6.88	-0.06	35	9,321	6.15	-0.04
38.07	-1.90	31	11,400	4.51	-0.14
8.21	-0.06	52	7,254	6.69	-0.14
10.12	-0.09	94	3,163	6.81	+0.01
8.45	+0.03	36	9,117	1.95	-0.10
14.57	-0.17	75	4,437	88.00	-0.77
10.15	-0.49	100	2,975	6.36	-0.14
2.51	-0.07	97	3,082	23.60	+0.05
6.86	+0.06	40	8,026	21.01	-0.29
13.50	-0.45	42	7,545	4.17	-0.04
60.08	-1.12	71	4,803	8.99	-0.04
63.63	-0.06	49	7,545	4.39	-0.01
2.29	-0.04	43	7,940	3.12	-0.01
33.31	-1.24	92	3,248	3.12	-0.025
3.37	+0.08	14	21,145	78.00	-4.30
21.28	+0.08	86	3,459	4.53	-0.15
6.64	-0.08	60	5,775	5.62	-0.06
1.545	-0.055	77	4,221	5.04	+0.01
6.05	-0.24	4	71,185	42.50	-0.60
73.50	-	23	15,111	33.40	+0.70
		3	72,008	23.92	-0.82
		99	2,976	17.34	+1.74

Share Price	\$Change	Rank	Market Cap(\$mill)	Share Price	\$Change
Oil Search Ltd	-0.01	69	4,905	4.38	-0.29
Onesight Ltd	-0.88	59	5,785	6.60	-0.59
Orica Ltd	-0.36	34	9,640	28.59	-0.47
Origin Energy	-0.06	45	7,786	8.90	-0.17
Oxiana Ltd	+0.45	55	6,067	3.93	-0.16
PBL Limited	-0.15	25	13,865	20.36	-1.19
Palladin Res	-0.08	68	5,099	8.46	-0.09
Platinum Algmt	-0.21	93	3,198	5.70	-0.23
QBE Insurance	-0.14	13	27,856	31.46	-0.20
Qantas Airways	-0.04	30	11,421	5.87	-0.08
Resmed Inc	-0.11	89	3,363	3.48	-0.22
Rio Tinto Ltd	-0.14	8	49,679	108.75	+2.21
Santos Ltd	-0.14	39	8,548	13.57	+3.35
Seven Network	+0.01	81	3,670	13.87	-0.37
Sims Group	-0.10	88	3,416	27.00	-0.37
Sonic Health	-0.77	65	5,455	16.60	-0.92
St George Bank	-0.14	15	20,143	36.25	-0.51
Stockland	+0.05	28	12,999	8.87	-0.09
Suncorp Metway	-0.65	19	18,562	19.60	-0.26
Talcott	-0.29	41	8,016	15.27	-0.08
Tattersalls	-0.01	67	5,175	4.09	-0.06
Telstra NZ	-0.04	54	6,292	3.45	-0.02
Telstra Corp	-0.01	5	62,586	4.77	-0.02
Toll Holdings	-0.01	37	9,029	13.28	-0.22
Transpacific	-0.025	96	3,121	11.00	-0.38
Transurban Grp	-4.30	46	7,712	7.12	-0.08
United Bank	-0.15	87	3,422	20.92	-0.39
Westfarmers Ltd	-0.06	22	16,349	44.13	-1.13
Westfield Grp	-0.06	10	40,960	21.09	-0.47
Westpac Bank	-0.33	7	56,232	30.15	-0.33
Woodside Petroleum	+1.5	12	35,759	51.95	+1.15
Woodwards Ltd	-0.41	11	39,592	32.11	-0.41
Woolleypacsons	+1.1	32	10,739	46.70	+1.1
Zintlex Ltd	-0.75	51	7,503	15.41	-0.75

baled out soon after Hexima floated in late August at \$1.25 a pop. At current levels Hexima has a market cap of \$60 million, which is a modest bet when the cash is taken into account.

It's likely that nothing too much will happen with Hexima in the short term, but treat this one as a speculative buy.

Floater supporter Wilson HTM values Hexima at \$3 a share, with a 75 per cent probability the technology will be commercialised.

"Hexima management is well-equipped to negotiate commercialisation agreements with one or more of the big six for Hexima's proprietary technology," the firm says.

"The cash reserves of around \$40 million should last the company five years, allowing it to continue development from a position of financial strength."

As usual, we can't say too much sensible about the value of the science, but the Hexima story sounds worthy on paper.

Hexima's board is also more useful than the average, with Adrienne Clarke (Woolworths and Fisher & Paykel Health director), Steve Skala (ex Deutsche Bank head) and the ex WMC Resources chief Hugh Morgan, who also owns a handy 8.9 per cent stake.

As for Nutfarm, we doubt the need for herbicides and pesticides will abate in a hurry, despite the advent of frankenfoods.

Investors should hold for a possible bidding war.

Australian Renewable Fuels' (ARW)

As with the investing populace, *Criterion* went off the biofuels sector some time ago, when it became apparent the sector needed more than record oil prices to be viable. Yesterday's fall of almost 75 per cent to 6c confirmed our view.

organisations (IAM) (NZAR) (AR) in the past. Sell.

Traffic Technologies (TTD) 19c

WE'RE not going to bang on about this outfit too much more. But we can't help noting outgoing chairman Sam Kouvarakis's comment that while revenues of its underperforming traffic-management and signage divisions are within expectations, costs are "somewhat higher than we would like".

At Traffic's AGM on Friday, management avoided any commitment to its recent earnings guidance of achieving current year EBITDA of \$9.5 million to \$10.5 million, preferring to wait for the results of a cost-cutting purge under new chairman Ray Horsburgh, aimed at lopping \$50-60 million.

The cost exercise is obviously overdue and welcome, but we're not expecting a Traffic turnaround for some time.

Hence, we retain the avoid we had on the stock at 21.5c last Thursday.

And by the by, *Criterion* thought public companies long ago had given up on banning jonnos and other undesirables from their AGMs, so there was a circa 1960s flavour to Traffic's decision to exclude your columnist if he had thought to darken the doors of the AGM.

Anyway, management told investors that *Criterion's* numerous criticisms of Traffic had no credence, which is fantastic, because the company's got no excuses for continued underperformance.

borehant@theaustralian.com.au

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.