New York Securities Pty Ltd

THE PULL BACK – CONSIDER THESE COMPANIES

The S&P/ASX 200 has retraced over the last few weeks exceeding our target of 5800 today. The drop in the Dow Jones overnight is **all about the US Dollar**. After a strong jobs report last Friday the US market is adjusting to a possible interest rate increase, as early as June. Lower rates (worldwide) have forced participants to seek higher returns through the stock market, leading to a bullish sentiment in stocks. They are now fearful this run has come to an end. **In our opinion, this is a temporary shock**. It is unlikely the Australian market will retrace significantly lower from current levels, given we expect the low interest rate environment will be with us for an extended period of time. This means higher yielding stocks will continue to attract funds seeking higher returns. We do expect the market to retest 6000 index points during the year, at what date is anyone's guess, but with a further rate drop expected in May you can bet stocks will strengthen when it's officially revised down for the second time this year.

To determine potential support levels, we apply the concept of the Fibonacci sequence to our technical analysis. As shown the Fibonacci retracement level of a 23.6% (considered shallow) has today been exceeded in early trading. In a Fibonacci sequence, the more likely retracements occur within the range of 38.2% and 61.80% (known as the "Golden Ratio"). Assuming the XJO finishes today's trading below 5800; we will be looking for a retracement towards 38.2% or circa 5700 points. It is our opinion, that this will become the new support level for the XJO, given the low rate environment we reside in. This is going to create an opportunity for clients to pick up stocks that may have gotten away from them during the last pullback.

In saying this, we have put together a list of 5 companies, in advance, that we believe will be worth acquiring over the coming weeks. Here is the list including our technical "buy-in" targets, enjoy:

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McMillan Shakespeare Limited - MMS

Summary of Operations

MMS is an Australian-based provider of salary packaging, novated leasing, asset and fleet management and insurance services.

It operates two separate divisions;

- ***Group Remuneration Services:***

This division provides administrative services in respect of salary packaging and facilitates the settlement of motor vehicle novated leases for customers, but does not provide financing. The division also provides ancillary services associated with motor vehicle novated lease products such as insurance and aftermarket products.

- **Asset Management:**

This division provides financing and ancillary management services associated with motor vehicles, commercial vehicles and equipment. The services include finance, vehicle purchase, maintenance control, annual registration renewal, 24/7 roadside assistance, accident management and damage control, replacement vehicle, fleet reporting including Fringe Benefits Tax (FBT) reporting, infringement management and vehicle disposal.

Current Price: $11.68
Year High: $12.59
Year Low: $8.82
Yield: 4.79% or 6.84% (Fully Franked)
Payout Ratio: 63% of EPS
PE Ratio: 13.10x
Dividend Reinvestment Plan: None

Financial Highlights – for six months ended 31/12/2014

- Revenues increased 12% to $181 Million.
- Net profit increased 62% to $31.1 Million
- Consulting costs (expense) decreased 58% to $814K
- Other expenses decreased 34% to $4.1 Million
- Cash in Bank increased 31% to $97.3 Million

Other

- Solid growth in EPS over the past 9 years
- Strong growth in dividends, attractive low payout ratio means room for further yield gains
- Consistent Return on Equity and Return on Assets
- Gearing of 57% is slightly elevated however in the low rate environment Net Interest Cover 12
- Historically consistent NPAT Margins are likely to improve given heavy reduction in operating expenses

Technical “Buy-In” Target =$11.50

Platinum Asset Management - PTM

Summary of Operations

Platinum Investment Management Limited, is an Australian based fund manager which specializes in investing in international equities. Platinum currently manages 12 funds which are predominantly Australian and US Dollars based funds. Platinum has a Fund Under Management (FUM) of approximately $A17.78Bn and $US637.9m as at 31 December 2013.

Current Price: $7.91
Year High: $9.50
Year Low: $5.72
Yield: 4.68% or 6.68% (Fully Franked)
Payout Ratio: 115% of EPS
PE Ratio: 24.75x
Dividend Reinvestment Plan: None

Financial Highlights – for six months ended 31/12/2014

- Revenues increased 3.4% to $162 Million.
- Net Profit decreased 3.9% to $101 Million
- Net Cash Flow from operations increased 9% (from same period 2013)
- Cash in Bank $112 Million

Other

- Steady growth in EPS since listing on ASX (2007)
- Consistent growth in dividends (Year on Year)
- Consistent Return on Equity and return on Assets
- Strong cash flow
- No Debt

Technical "Buy-In" Target =$8.00

Credit Corp Limited – CCP

Summary of Operations

Credit Corp Group Limited (CCP) is an Australian receivables management company, specializing in debt purchase and debt collection services, primarily focusing on the acquisition of purchased debt ledgers (PDLs) comprised of distressed consumer debt from Australian and New Zealand banks, finance companies, and telecommunication companies. CCP has a recent expansion to USA.

Current Price: $10.84
Year High: $12.14
Year Low: $8.52
Yield: 3.87% or 5.53% (Fully Franked)
Payout Ratio: 51% of EPS
PE Ratio: 13.29x
Dividend Reinvestment Plan: None

Financial Highlights – for six months ended 31/12/2014

- Revenues increased 11% to $93.7 Million.
- Net Profit increased 17% to $20.1 Million
- Cash at Bank $4.6 million

Other

- Solid growth in EPS over the past 5 years
- Strong growth in dividends, attractive low payout ratio means room for further yield gains
- Rising Return on Equity, consistent return on Assets
- Low Gearing Ratio of 16.4%

Technical "Buy-In" Target =$10.80

AGL Energy Limited – AGL

Summary of Operations

AGL Energy Limited (AGL) is an Australian integrated renewable energy company. AGL engaged in creating a sustainable energy future for investors, communities and customers. AGLs' power generation portfolio includes base, peaking and intermediate generation plants, which spread across both traditional thermal generation and renewable sources.

The company operates in four segments: Retail Energy, Merchant Energy, Upstream Gas and Energy Investment.

Current Price: $14.60 (10th March)
Year High: $15.59
Year Low: $12.55
Yield: 4.32% or 6.17% (Fully Franked)
Payout Ratio: 60% of EPS
PE Ratio: 14.05x
Dividend Reinvestment Plan: Yes

Financial Highlights – for six months ended 31/12/2014

- Revenues increased 7% to $5.1 Billion.
- Net Profit increased 18% to $308 Million

Other

- Solid growth in EPS over the past 3 years
- Consistent dividend payout, relatively low payout ratio means room for further yield gains
- Consistent Return on Equity and Return on Assets
- Low gearing ratio of 36.7%

Technical "Buy-In" Target =$14.60

APA Group – APA

Summary of Operations

APA Group (APA) comprises of Australian Pipeline Trust and APT Investment Trust, operates gas transportation business with interests in energy infrastructure across mainland Australia, including natural gas pipelines, gas storage facilities and a wind farm. In addition APA has investments in other energy infrastructure through its minority interest in companies.

Current Price: $8.90 (10th March)
Year High: $9.69
Year Low: $6.14
Yield: 4.00%
Payout Ratio: 43% of EPS
PE Ratio: 10.83x
Dividend Reinvestment Plan: None

Financial Highlights – for six months ended 31/12/2014

- Revenues increased 8.3% to $726 Million.
- Net Profit increased from $121 million to $447 million (270% increase)

Other

- Rising EPS growth over the past 5 years
- Consistent growth in dividends, attractive low payout ratio means room for further yield gains
- Consistent Return on Equity and Return on Assets
- Reported gearing of 44.55% , down from 64.2% (Year end 30-Jun-2014), interest cover ratio of 2.48 times.

Technical "Buy-In" Target =$8.80

If you have any questions or would like to discuss other opportunities, please give the office a call to speak to your Advisor.