



New York Securities Pty Ltd

Monthly Newsletter – June 2015

BBY LIMITED – UPDATE

First and foremost we would like to thank all clients for their patience as we recover from the unexpected appointment of an administrator to BBY Limited. **The good news is** after considering all available options we have officially signed with Pershing Securities who will provide the execution, clearing and settling functions via intermediary D2MX. Pershing is a wholly owned subsidiary of The Bank of New York Mellon (BNY Mellon), the fifth largest bank (asset value of \$356 billion) in the United States. Pershing, while offering similar services to BBY Limited does operate a far more streamlined International Securities Trading division which we will seek to take advantage of once we have finalized the transition of client accounts to their system. Furthermore prior to the failure of BBY we began looking at a replacement to the Praemium portfolio system which we found was not user friendly at the best of times. The new system, which we will name in due course, will allow clients to manage their affairs easily and view their portfolios in a far more user friendly manner. We are excited about this new offering and as soon as feasible will roll this out to all clients.

Importantly to avoid excessive paperwork to be completed by all clients we are patiently waiting for client information to be transferred in bulk from BBY Limited to the new clearer, however we have not been given a definitive date/time for this to occur. **As such if you believe you will need to trade in the immediate short term please let us know as soon as possible so we can organize documents for you to sign.** If you do have any questions in relation to this please do not hesitate to contact us on 08 9363 1700.

MARKET GOING DOWN, UP AND NO WHERE

Since hitting the Fibonacci retracement level of 38.2% or 5650 Index Points on the XJO early May (which we forecasted in our early May newsletter) the market has since made a reasonable attempt to reverse trend, climbing its way to previous support at 5800 Index Points (XJO). The strength behind it was unfortunately akin to a sugar rush and now with the month of June now among us where tax loss selling is common theme, a move beyond 5800 will be unlikely short term. Furthermore market participants are now more likely to reserve their investment decisions until the budget is passed, or not, through Parliament in the later part of June. We will analyse the below charts to provide a technical conclusion of what is likely to occur over the month of June. The two charts reflect the move of the S&P/ASX200 Index over different time periods. The first chart shows us how far the Index has come since it bottomed

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out in 2009. You will note the Index has consistently adhered to the upper trend line (black line) over the six year journey. This is significant as it shows us the market, despite the recent short term correction of over 10% remains on a bullish trajectory. **Only if** the Index were to move below this distinguishing upper trend line would it raise any immediate concerns;



If we zoom in further and concentrate on the last six months we can see the Index made four attempts to move beyond 6000 Index points until it finally exhausted itself in May descending “right on the money” to the 38.2% Fibonacci retracement level at 5650. The market has since attempted to push beyond 5800 index points but again the strength of the move fizzled (technical term) and now projects the Index to move within a range of 5800 and 5650 Index points.



Performance of Key Indices

<i>Equities</i>	<i>Close</i>	<i>Change (M)</i>	<i>Change % (M)</i>
All Ordinaries	5774.90	-43.3	-0.7%
S&P/ASX200	5777.20	-61.4	-1.1%
Dow Jones (US)	18010.68	-99.46	-0.55%
NASDAQ	5070.03	+14.61	+0.3%
S&P500	2107.39	-7.37%	-0.3%%
FTSE 100 Index	6984.43	-46.1	-0.7%
Nikkei 225 (Japan)	20563.15	+504.2	+2.5%
10-year bond rate (US)	2.13%	+0.001222	+6.1%

Upcoming RBA Events

Reserve Bank Board Meeting – 2nd June
Glenn Stevens, at the economic Society of Australia – 10th June
Minutes of the RBA meeting – 16th June

ABS releases March

Business Indicators (March) – 1st June
Building Approvals (April) – 1st June
Balance of Payments and International Investment Position (March) – 2nd June
International Trade in Goods and Services (April) – 4th June
Retail Trade (April) – 4th June
Housing Finance (April) – 9th June
Labour Force (May) – 11th June
Lending Finance (April) – 12th June
Job Vacancies (May) – 25th June

Upcoming US Economic Releases

Personal Income and Outlays – 1st June
ISM Manufacturing Index – 1st June
International Trade – 3rd June
US Employment Situation – 5th June
Retail Sales – 11th June
Producer Price Index – 12th June
Industrial Production – 15th June
Housing Starts – 16th June
FOMC Meeting and Minutes – 17th June
FOMC Forecasts – 17th June
Consumer Price Index – 18th June
Existing Home Sales – 22nd June
Durable Goods Orders – 23rd June
New Home Sales – 23rd June
GDP – 24th June
Jobless Claims – Weekly Basis

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