

International Markets – Morning Summary

| Indices | Current | +/- | % | Previous | WkClose | MthClose |
|-----------------------|----------|---------|---------|----------|----------|----------|
| Dow Jones | 10927.07 | 29.55 | 0.2712 | 10897.52 | 10927.07 | 10856.63 |
| NASDAQ | 2436.81 | 5.65 | 0.2324 | 2431.16 | 2402.58 | 2397.96 |
| S & P 500 | 1186.43 | 3.99 | 0.3374 | 1182.44 | 1178.1 | 1169.43 |
| FTSE 100 | 5712.7 | -49.36 | -0.8566 | 5762.06 | 5744.89 | 5679.64 |
| Nikkei 225 | 11168.2 | -124.63 | -1.1036 | 11292.83 | 11286.09 | 11089.94 |
| Shanghai Composite | 3118.709 | 0 | 0 | 3118.709 | 3157.957 | 3109.105 |
| US Bond (10 Yr) | 3.8878 | 0.025 | 0.6472 | 3.8628 | 3.9383 | 3.833 |
| US Bond (30 Yr) | 4.75 | 0.003 | 0.0632 | 4.747 | 4.799 | 4.715 |
| COMEX Gold - Apr 10 | 1153 | 0 | 0 | 1153 | 1126.2 | 1114.5 |
| COMEX Silver - May 10 | 18.12 | -0.079 | -0.4341 | 18.199 | 17.885 | 17.526 |
| COMEX Copper - May 10 | 358.1 | -1.65 | -0.4587 | 359.75 | 358.3 | 355.35 |
| WTI Spot | 85.61 | 0.03 | 0.0351 | 85.58 | 85.15 | 83.23 |
| \$A/\$US | 0.9285 | 0.0017 | 0.1834 | 0.9268 | 0.9192 | 0.9175 |
| STG/\$A | 1.6457 | 0.0011 | 0.0638 | 1.6446 | 1.6555 | 1.6547 |
| Euro/\$US | 1.336 | 0.0017 | 0.1274 | 1.3343 | 1.3504 | 1.351 |
| Euro/\$A | 1.4389 | -0.0008 | -0.0556 | 1.4397 | 1.4693 | 1.4724 |



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Dividends Today

| ExDivDate | Security | DivAmnt | Frk(%) | Exch | PayDate | Description |
|-----------|----------|---------|--------|------|-----------|-------------------------|
| 9-Apr-10 | SYL | 10.5 | 100 | ASX | 28-Apr-10 | Sylvastate Limited |
| 9-Apr-10 | VELIN | 4.9 | 100 | ASX | 30-Apr-10 | Vealls Limited - Income |

Dividends Tomorrow

| ExDivDate | Security | DivAmnt | Frk(%) | Exch | PayDate | Description |
|-----------|----------|---------|--------|------|-----------|-------------------|
| 12-Apr-10 | CLX | 3 | 100 | ASX | 3-May-10 | CTI Logistics |
| 12-Apr-10 | CWP | 5 | 100 | ASX | 30-Apr-10 | Cedar Woods Prop. |

| | | | | | | |
|-----------|-----|---|-----|-----|-----------|--------------------|
| 12-Apr-10 | HVN | 7 | 100 | ASX | 3-May-10 | Harvey Norman |
| 12-Apr-10 | IDT | 1 | 100 | ASX | 30-Apr-10 | IDT Australia Ltd |
| 12-Apr-10 | WIG | 3 | 100 | ASX | 30-Apr-10 | Wilson Htm Invest. |

US Markets

US stocks gained as retail sales spurred economic optimism.

Retailers' shares were in demand after top US chains reported a record year-over-year increase in same-store sales for March. Major retail chains reported a record 9.1% jump in March same-store sales-beating the forecast for a 6.3% gain. The sales reflected a boost in consumer demand. Shares in Target Corp and Gap both rose about 3%. The S&P retail index rose 1.3%. Online merchant Amazon.com jumped over 4%. JC Penney and Abercrombie & Fitch bucked the trend, declining between 2% and 5% after their March sales missed expectations.

Worries about Greece's debt problems remained in focus as the country's borrowing costs rose to new highs. An index of US-listed stocks of Greek companies fell over 2%.

There was speculation that UAL Corp's United Airlines and US Airways Group were in merger talks. UAL shares gained 7% and US Airways advanced 12%. Other airlines rose as well.

Casinos advanced after Nevada's Gaming Control Board said Las Vegas Strip gambling revenue jumped 33% in February. MGM Mirage, Las Vegas Sands Corp and Wynn Resorts rose between 5% and 9%.

Apogee Enterprises dropped 12%. The maker of glass products reported fourth-quarter profit that missed analysts' estimates and said sales in fiscal 2011 will decline as much as 15%.

On the economic front, the number of American filing new claims for unemployment rose to 460,000 last week from a revised 442,000 the previous week, the Labour Department said Thursday morning. Economists surveyed had expected 435,000 on average. Continuing claims, a measure of those who have been receiving benefits for a week or more, fell to 4,550,000 from 4,681,000 the previous week. Economists expected continuing claims would fall to 4,630,000.

US Economic Calendar

- Apr-09 - Wholesale Inventories (For: Feb, F/Cast: 0.4%, Prior: -0.1%)

International Markets

European equities fell to their lowest level in more than a week on Thursday as concerns about Greece's fiscal situation continued to linger.

National benchmark indexes retreated in 17 of 18 western European markets. The UK's FTSE 100, Germany's DAX and France's CAC 40 slipped between 0.8% and 1.2%.

Investors' appetite for risky assets fell, with the VDAX-NEW volatility index hitting a one-month high. The higher the index, which is based on sell- and buy-options on Frankfurt's top-30 stocks, the lower the market's desire to take risk.

Markets sold off Greek bonds and banking stocks, driving Greece's borrowing costs to new highs, making it more likely that the nation will need to tap a last resort EU/IMF safety net. The premium

investors demand to buy Greek rather than the benchmark German government debt surged for the third day in a row to a record high since Greece joined the euro.

Greek banks tumbled 6%. National Bank, EFG Eurobank and Alpha Bank slipped between 7% and 8%. Other European banks also fell, with Credit Agricole, Societe Generale, UBS and Deutsche Bank down 2% and 3%.

ECB President Jean-Claude Trichet said that euro zone economic recovery will be no better than moderate and uneven this year, after the bank left rates at a record low of 1%. The Bank of England also kept interest rates at a record low of 0.5% for the 13 month running.

Commodity shares came under pressure as copper prices dropped and crude fell for a second session. Miners BHP Billiton, Anglo American, Antofagasta, Rio Tinto, Xstrata and ENRC fell between 1% and 4%. BP, Royal Dutch Shell, Tullow Oil, Repsol and Total shed 0.3% and 1%.

British Airways and Spain's Iberia signed an US\$8B merger to create the world's third-largest airline. British Airways rose 3%, while Iberia was up 2%.

Commodities

Soybeans fell for the first time in three days on speculation that record acreage in the US will lead to surging global inventories as South American farmers harvest their biggest crops ever.

Wheat fell the most in a week as demand slackened for grain from the US, the world's biggest shipper, because rival producers offered cheaper supplies.

Australian Stock Prices Overnight

In New York, News Corp rose by US\$0.24 to US\$17.41, equivalent to A\$18.75, A\$0.12 above its last close on the ASX.

ResMed rose by US\$0.80 to US\$61.80, equivalent to A\$6.66, A\$0.26 below its last close on the ASX.

In London, Rio Tinto rose 65.0 pence to £37.67, A\$1.07 higher in Australian currency terms.

BHP-Billiton rose 40.48 pence to £23.00, A\$0.67 higher in Australian currency terms.

Henderson Group Plc rose 2.1 pence to £1.44, A\$0.03 higher in Australian currency terms.

Local Commentary

The Australian dollar closed lower after the release of figures showing a steady unemployment rate, and sterling selling off overnight in London.

At 1700 AEST, the Australian dollar was trading at \$US0.9260/63, down from Wednesday's close of \$US0.9272/74.

Since 0700 AEST on Thursday, the local unit has moved in a tight range between \$US0.9245 and \$US0.9282.


Australia's unemployment rate was a seasonally adjusted 5.3 per cent in March, compared with an unrevised 5.3 per cent in February, the Australian Bureau of Statistics (ABS) said on Thursday.


Total employment rose by 19,600 to 10.988 million in March, seasonally adjusted.


Total employment was expected to have risen by 30,000 in March for an unemployment rate of 5.3 per cent, the median of 11 economists surveyed by AAP showed.


At 1600 AEDT, the RBA's trade weighted index (TWI) was unchanged from Wednesday's close of 72.4.


Australian Company Updates

08-Apr-10
05:19  **Oil Search (OSH) - Wasuma 1 ST2 drilling update**
OSH announced that the Wasuma 1 ST2 well had reached a total depth of 3,900 meters. OSH has determined the well to be non-commercial and plans to plug and abandon the well.

08-Apr-10
04:39  **Oil Search (OSH) - Al Meashar-1 testing update**
Drill-stem testing of the Al Meashar-1 well has continued. The second drill-stem test (DST), covering the basement section over the interval 3,180 to 3,660 is currently underway. Flow rates have averaged approximately 600 barrels of oil and mud per day. The test has confirmed oil production from the basement section. A final DST over a sandstone interval within the Meem Formation is being considered.

08-Apr-10
04:34  **AWE Limited (AWE) - Al Meashar-1 testing update**
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08-Apr-10
01:32  **North Queensland Metals (NQM) - Pajingo gold mine drilling update**
NQM has released the results of drilling conducted in December 2009 at Pajingo. Additional drilling is planned for the Moonlight and Ralph Porter prospects following encouraging results. The Anne West orebody and Janine prospect have indicated the potential for open pit mines. The Cindy orebody has indicated potentially three new sub levels beneath the previous mining area. Drilling has also confirmed the eastern extension of the current mining area in the Jandam orebody.

08-Apr-10
01:22  **Tap Oil (TAP) - Wollybutt production update**
TAP announced that oil production from the Wollybutt oil field has steadily increased since resumption on 7th March 2010 and has now achieved stabilised rates of approximately 8,000 BOPD. TAP has a 15% stake in the joint venture.

08-Apr-10
01:05

 **Macarthur Coal Ltd (MCC) - Northern missing link to go ahead**

The Queensland Government has endorsed the construction of the Goonyella-Abbot Point (the Northern missing link) railway expansion. As a result, QR Network and Middlemount Coal (70% owned by MCC) have executed a 15 year take or pay contract for rail access of up to 3Mtpa from the Middlemount mine to Abbot Point from 1 January 2012. This volume matches the 3Mtpa Abbot Point port contract previously secured by MCC.

08-Apr-10
11:19

 **Hill End Gold (HEG) - Hawkins Hill expansion on back burner**


HEG has decided to change its operating strategy to expanding the drilling effort at Hargraves and to adopt a low tonnage-high grade production approach at Hawkins Hill- Reward. The previous plan to expand production at Hawkins Hill to 100,000tpa will be deferred until sufficient work has been completed to confirm the economic viability of the larger scale plans. HEG is considering various avenues for obtaining the capital necessary to accelerate the potential at Hargraves.

08-Apr-10
11:03

 **Hastings Diversified Utilities (HDF) - APA increases its stake in HDF to 14.9%**

APA has increased its stake in HDF to 14.9%. APA noted, "Each of HDF's pipeline assets delivers natural gas into existing APA infrastructure investments." As to its intentions, APA "does not intend to make a follow-on takeover bid, unless any future actions of HDF or others make it necessary for APA to protect the value of its investment in HDF". HDF, meanwhile, said it will continue its strategic review and consider a number of options to enhance value.

08-Apr-10
10:48

 **APA Group (APA) - Increase in holdings in Hastings Diversified Utilities Fund**

APA has announced it has increased its holdings in Hastings Diversified Utilities Fund to 14.9 per cent.

08-Apr-10
10:47

 **Westgold Resources (WGR) - Drilling recommences at Rover project**

WGR has announced the recommencement of drilling at its Rover project in the Northern Territory. WGR intends to operate two drilling rigs on a 24 hour basis for most of this calendar year. Initial results are expected in Mid may 2010.


08-Apr-10
10:37

 **Telecom NZ (TEL) - Statement on Telecommunications Service Obligation (TSO) Judgements (part 1 of 2)**

The NZ High Court today released two reserved judgments, relating to appeals and review applications, by TEL and Vodafone, of the Commerce Commission's 2004/05 and 2005/06 TSO determinations. TEL had challenged the determinations on the

basis that the rates of return set by the Commission in these decisions were below those a reasonable investor could accept for large-scale infrastructure investments. In this instance, TEL was unsuccessful in its appeal and judicial review applications.

08-Apr-10
10:34

 **Telecom NZ (TEL) - Statement on Telecommunications Service Obligation (TSO) Judgements (part 2 of 2)**

Vodafone succeeded in its appeal but not on its judicial review. TEL stated it was surprised by both rulings, stating; "the judgment in favour of Vodafone's appeal appears inconsistent with the recent Court of Appeal decision in a related TSO case on efficient past investments. In the interests of resolving these cases, and providing greater and earlier clarity for all parties, TEL believes there may be merit in having all TSO matters heard together in the Supreme Court at the same time."

08-Apr-10
10:21

 **Arrow Energy (AOE) - Potential resource identified**

AOE has announced encouraging results from early stage exploration work in NSW with partner Appollo Gas Limited (ASX:AZO). Two exploration wells have been completed in Petroleum Exploration Licence (PEL) 458 with initial results indicating coal seams with a high gas content, however further drilling and analysis is required. Two exploration boreholes are also planned for drilling in the Boggabri and Gunnedah areas (PEL464) in April 2010.

08-Apr-10
10:00

 **Healthscope (HSP) - Targets land in Coburg, Melbourne for new hospital development**

HSP has signed a conditional heads of agreement with Moreland City Council to purchase a parcel of land in Coburg, Melbourne on which the company would like to develop a 300 bed private hospital. The development is slated to include 12 operating theatres, an emergency department and cardiac catheter laboratories. Conditions attached to the heads of agreement were not disclosed and HSP plans to release further details when a final decision is made on this development prospect.

08-Apr-10
10:00

 **Hastings TAPS Trust (TTXPA) - Move to NEUTRAL**

In the announcement regarding the \$250M capital raising on 1 July 2009, HDF indicated that some of the proceeds would provide cash cover for the TTXPA hybrids. Given this, we believe the hybrids are likely to be redeemed by the reset date of 30 June 2010. With TTXPA trading close to face value and our expectation that they are likely to be redeemed, we move our recommendation to NEUTRAL.

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