



What Worked - Australia

Earnings Revisions strong, Low Sales Growth working

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What Worked

Not a lot of colour in the market this week, with the only factors showing any real movement was EPS Revisions. 1 Month EPS revisions had their strongest week so far this year, almost doubling the closest week in terms of Rank IC. Names with good EPS revisions over the last month that finished up for the week included James Hardie (JHX, +2.8%), Fischer & Paykel Healthcare (FPH, +4.0%) and Aristocrat Leisure (ALL, +3.0%), while names with earnings downgrades over the last month finished down. Among these were Ardent Leisure (AAD, -2.8%), Vocus Group (VOC, -6.1%) and Nanosonics (NAN, -2.5%).

Positive EPS Revisions doing well

Low Sales Growth names strong

Forward Sales growth positive negative results for the week, but largely on the back of names with poor sales growth outperforming the index, rather than high growth names underperforming. Low forecast Sales Growth names that did well this week included Alumina Limited (AWC, +3.5%), IOOF Holdings (IFL, +1.2%) and Cromwell Property Group (CMW, +2.3%).

Who Moved

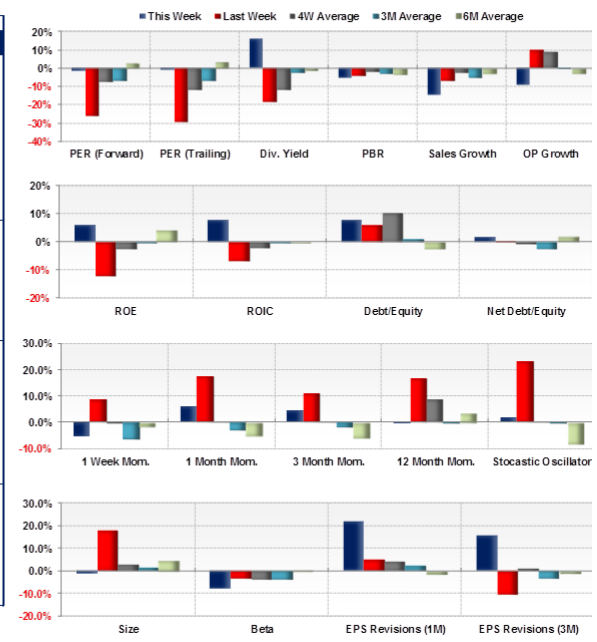
Mostly positive moves on volume

18 Names managed to move this week on volume, with a good spread across the sectors, and for the most part finishing up. On the positive side, Sigma Pharma (SIG, +10.2%), Flexigroup (FXL, +8.1%) and Fischer & Paykel Healthcare (FPH, +4.0%) rounded out the best performers on volume, while Domino's Pizza (DMP, -7.1%), Galaxy Resources (GXY, -4.5%) and Wesfarmers Limited (WES, -1.6%) all finished the week down.

Summary

ASX 200, Week Ending 02 Jun 2017

Signal	Index Return: 0.7%		0.4%		-0.8%		0.2%		6.3%	
	This Week	Last Week	4W Average	3M Average	6M Average	IC	Spread	IC	Spread	
Value & Growth										
PER (Forward)	-1.5%	0.8%	-26.1%	-2.7%	-7.5%	-2.2%	-6.9%	-8.1%	3.1%	-3.9%
PER (Trailing)	-0.8%	0.8%	-29.6%	-3.7%	-11.7%	-3.5%	-7.1%	-6.7%	3.8%	-1.4%
Div. Yield	16.1%	1.8%	-18.2%	-3.2%	-12.0%	-5.3%	-2.7%	-6.3%	-0.9%	-1.0%
PBR	-5.2%	0.3%	-4.4%	-0.8%	-2.1%	0.7%	-3.3%	-3.9%	-2.9%	-4.0%
Sales Growth	-14.5%	-1.6%	-6.7%	-0.3%	-2.3%	-1.4%	-5.5%	-8.7%	-2.8%	-11.4%
OP Growth	-9.3%	-1.4%	10.1%	1.6%	8.8%	3.7%	-0.5%	-3.2%	-2.6%	-8.3%
Quality										
ROE	5.9%	0.2%	-12.3%	-0.7%	-2.8%	-1.0%	-0.4%	1.0%	3.8%	-0.8%
* ROIC	7.7%	0.2%	-7.1%	-1.2%	-2.2%	-3.1%	-0.4%	-1.7%	-0.1%	-0.7%
* Debt/Equity	7.8%	0.4%	5.9%	0.6%	10.3%	3.9%	0.7%	3.3%	-2.5%	-6.0%
* Net Debt/Equity	1.5%	0.8%	0.3%	-1.9%	-1.0%	-2.0%	-2.6%	-5.1%	1.8%	-3.1%
Momentum & Technical										
1 Week Mom.	-5.5%	-1.1%	8.7%	1.4%	-0.5%	-0.8%	-6.6%	-12.5%	-1.4%	-17.1%
1 Month Mom.	6.2%	0.3%	17.5%	2.5%	0.1%	0.1%	-2.9%	-6.4%	-4.8%	-13.0%
3 Month Mom.	4.7%	-0.3%	11.1%	1.6%	0.2%	-1.3%	-1.8%	-3.5%	-5.7%	-14.9%
12 Month Mom.	-0.4%	0.1%	16.8%	2.3%	8.6%	4.6%	-0.3%	-2.3%	3.4%	-3.8%
Stochastic Oscillator	2.0%	0.0%	23.3%	2.4%	0.2%	-1.8%	-0.1%	-4.8%	-7.9%	-11.2%
Other										
Size	-1.4%	-0.2%	18.0%	2.0%	3.0%	2.4%	1.6%	-1.1%	4.7%	1.2%
Beta	-7.9%	0.0%	-3.3%	-1.1%	-3.8%	-1.0%	-3.8%	-5.6%	0.5%	-8.3%
EPS Revisions (1M)	21.7%	1.6%	5.2%	0.6%	4.1%	0.3%	2.5%	0.0%	-1.0%	-1.4%
EPS Revisions (3M)	15.8%	1.1%	-10.3%	-2.5%	1.2%	-1.6%	-3.4%	-9.4%	-0.7%	-11.7%



* ex Financials
- Compound weekly spread return over the specified period
Spread is defined as the Long/Short return of the quintiles (i.e. top 20% - bottom 20%, equal weighted)



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