

Saluting Dragon's last roar

buy, sell
or hold

the expert's view

Andrew Carswell

St George Bank (SGB)

THERE should be no surprises in what is likely to be St George's final results briefing tomorrow.

The consensus of analysts has the bank's net profit sitting about the \$1.3 billion mark, with a final dividend of 97c and a special dividend of 28c.

So, once again, investors wait patiently for any commentary on the bank's outlook and any guidance through to the end of this financial year.

"We expect the stock will trade based on guidance provide and any further news on the [Westpac] merger," Goldman Sachs-JBWere analysts said yesterday.

"Given the pending merger with WBC we would expect the price movement to somewhat depend on the spread to WBC, with the stock expected to trade toward the conversion ratio of 1.31."

Analysts have the bank stock listed as a **HOLD** despite them setting a 12-month price target that is around a 36 per cent premium on the current share price.

JP Morgan analysts are a little more bearish on St George and have a **SELL** recommendation on the stock. Then again, the JP team is exceedingly bearish on all the main banking stocks, offering a sell recommendation on the NAB, Adelaide Bank, and Bank of Queensland, while tipping a hold on Westpac and buy on ANZ.

Analysts are tipping a \$1.2 billion profit from St George tomorrow.

Fleetwood (FWD)

THE accommodation it builds may be relatively stark, but the future of this company is certainly not, Intersuisse analysts believe.

The manufacturer of recreational vehicles and portable mining camp accommodation should still be

reaping the dividends from being exposed to the resource sector, despite a global slowdown in credit.

"Restructuring in FY05 and

FY06 has lifted capacity and margins. Management is experienced and conservative," analysts said.

"FWD has strong cash flow generation capacity, with minimal capital expenditure requirements."

Shares hit a year low of \$5.20 yesterday, more than half the value it was trading at 12 months ago.

Ridley Corporation (RIC)

AUSTRALIA'S largest stock feed and salt producer has failed to slip under the radar at Wise Owl.

The Wise Owl team has been hinting from April this year that adding the stock to a growth portfolio could be a wise move.

It was only concerned about entry points. Now the share price has halved, what say they now?

"While we see long-term potential from this business and value at current levels, even more outstanding value now lies elsewhere in the market," they said.

"Many stocks have been heavily sold down, a trend which may continue as investors chase safety.

"RIC is still on our radar as we wait for more evidence of a turnaround and some bullish sentiment to make an entry safer."