



STOCKS with Tom Ellison



Telstra (TLS) \$4.83 *hold*

Telstra's share price has been a bit healthier in recent times, much to the relief of anyone who took part in the T2 offer. There's much to like about Telstra – a dominant market position, a valuable brand name and enviable cash flow. But there's also uncertainty about where the direction of Telstra's broadband ambitions are heading. Complicating the picture is the looming federal election campaign. Kevin Rudd and his merry men would love to roll out better broadband services across the country, and who really knows where Telstra might fit in with Labor's plans. As an aside, there is a fortune waiting to be made by anyone who can develop a reliable mobile phone. Visit your local Telstra Shop and you'll be astounded by the number of people returning flawed, faulty and dodgy mobiles. Mobile phones, it seems, are the contemporary equivalent of the Leyland P76.

Platinum Asset Management (PTM) \$8.02 *wait*

I've thought long and hard about this one. On the surface, it looks expensive, particularly given the chances of a downturn in global sharemarkets in the medium term. Then again, Babcock & Brown also looked dear post-float, yet managed to justify an ever-increasing share price by releasing a string of profit upgrades. I suspect there's some real long-term value due to the quality of

the franchise, and Platinum deserves to trade at a premium to industry peers like AMP. In the short-term, profit taking could keep a lid on the share price. But anyone worrying about missing the boat could buy at current levels with a reasonable degree of optimism.

Bass Metals (BSM) \$0.46 *spec buy*

There's no shortage of junior explorers out there. Most struggle for years trying to shore up reserves at a single prospect, before either running out of cash or morphing into a dotcom. Some dotcoms even manage to turn back into mining companies, completing the circle. But some explorers eventually strike it rich. Nickel miner Allegiance looks like it has, although it took a decade of hard work, and some of that gloss is rubbing off on fellow Tasmanian explorer Bass Metals. Where Bass differs from most of the pack is the variety of options available to produce success. Plenty of highly prospective tenements covering a range of minerals, cleverly structured joint-venture partnerships and the likelihood of early cash flow from the Que River development all add to the appeal. The time to buy was probably a few months ago at 16c, and the recent rights issue at 28c with a free option now looks like a positive bargain. It may not be too late though, and risk takers could look to pick up some at around 40c.