

Fear and loathing at the Stockbroker Awards

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"Good on you for ignoring what is going on in the market and turning up tonight," announced Danny Dreyfus, the organiser of Thursday night's Stockbroker Awards, just hours after the stockmarket had tumbled 88 points to close at a 9-month low.

The market ructions had failed to deter 670 stockbrokers from attending the dinner in Sydney, a record crowd. Later, MC Vince Sorrenti would describe Dreyfus as the "Big Enchilada". Certainly he knows how to put on a party.

Many stockbrokers will be struggling to see their keyboards this morning. The beers and wine were generously supplied – the flow unlike the volumes in the stock market of late.

Renovations to Star City had locked the awards out from its venue of choice, the casino's ballroom. Commenting on the new venue in nearby Doltone House, Sorrenti said: "Last year we were in the Star City ballroom; this year, we are in the mailroom." It was an intimate affair and brokers sat shoulder to shoulder.

But Star City knows a lucrative market when it sees one, and the casino was not going to let its renovations deter it from enticing well-heeled gamblers across the road later in the evening. Each table was littered with slips saying: "Enjoy – Present this voucher at a Main Gaming Floor table to receive a promotional token for one \$10 free bet". It was not clear whether those seen accumulating multiples tickets would be able to leverage the offer later in the night.

Should the night go in a different direction, there were also free bottles of Pure Fiji lotion, a blend of exotic nut extracts and fresh coconut oil. "Fellas, you know what to do with that," Sorrenti said.

Sorrenti, fresh from entertaining a sell-out crowd at the State of Origin the previous night, was in fine form throughout, notwithstanding the odd Osama Bin Laden joke. For example: the night was one for networking, he said, which he described as "Looking around and working out how to make money from some bastard". Later, he also got stuck in to the chicken main course, which had been served with white beans in a tomato sauce. "How did people like their main course?" he asked. "Chicken and baked beans ... Where was the toast? This is a shambles."

It was not only Sorrenti trying on some humour. Stockbrokers Association chairman and industry veteran Rob Thomas told the crowd he had been sitting next to the industry's regulator, Greg Yanco from the Australian Securities and Investment Commission, and had told him: "Old stockbrokers never die, unless ASIC gets them first." Was Thomas joking?

Speeches were interrupted on numerous occasions by short video clips of various fight scenes on the big screens, including one of two unidentifiable men, in suits, engaged in a violent altercation that ends with one being thrown into a window with a loud thud.

"That's some footage from a well-known dealing room," Dreyfus said as the clip ended. Earlier this year, a senior UBS employee lost his job after a fight with another senior staffer.

Perhaps inspired, later in the evening there were reports of some biffo outside the venue. Luckily, the C-Class Mercedes Benz C-200 CGI AMG and Vistory Jackpot Red Motorcycle prizes had already been moved out of harm's way.

'That's a tall one'

But it was on the objectification of women that Sorrenti really shined. Just after the entrees of sausages or salmon tartare had being digested - and multiple Crown Lagers and De Bortoli chardonnay or cabinet sauvignon scoffed - Sorrenti hosted the first competition of the night, seeking to find "the Tallest Girl in the Room".

He called for any females in the audience to come to the stage if they thought they had the goods to take the title as the room's tallest - "Shoes included" someone shouted - as a throng of thirteen women rushed to the stage.

"Oh, that's a tall one," Sorrenti said as one contestant passed him. "Are we going to count hair?" The winner was declared after a popular acclamation. She was blonde, but it looked as though her brunette competitor was actually the taller one.

Another blonde, Sky Business News' Brooke Corte, was then welcomed on to stage. The crowd erupted with the odd wolf whistle as Sorrenti tried his usual tricks. Corte, smooth and in control, knew how to tame the Italian charmer and kept her cool.

Earlier in the night, sponsors had been presented with trophies marking their support of the event by a row of hostesses - described throughout the evening by Sorrenti as "courtesy girls" - dressed in alluring, black outfits. It was the same uniform worn last year. For the rest of the evening, they floated around the stage, and later, around the bar.

Raising a buck

But the Stockbrokers Awards is about much more than rowdy catcalls and Crown Lager.

The Stockbrokers Association has raised \$6.2 million for various charities over the years and this year, brokers again dug deep to support charities including the Australian Children Music Foundation, which provides musical instruments and music lessons to underprivileged children.

A representative of the charity who is also a music teacher gave a moving account of the foundation's work, starting her speech by demanding the crowd's attention. The abruptness of the self-declared ranga didn't win over all, with one lubricated broker commenting "get her in some leather".

The foundation was founded in 2002 by Don Spencer, the father-in-law of Russell Crowe and the TV presenter feted for his role on Play School. Spencer attended the awards, treating the assembled masses to a rendition of 'There's a bear in there'.

Spencer, perhaps trying to preserve his innocence, skipped over the lyric "open wide". Later Sorrenti said "You didn't have to be politically correct in those days: who would write a song [today with the lyrics], 'open wide, come inside'?"

The other charities supported by the association this year - all work with children - are: Sydney Cochlear Implant Centre, Can Assist, Fighting Chance, Sydney Children's Hospital, STaR Association, Lifestart, Mission Australia, The Shepherd Centre, Giant Steps, Cerebral Palsy Alliance Research Centre, RPA Newborn Care and Matthew Talbot Homeless Services.

Brokers had more than 100 auction items to spend their depleted bonuses on.

Someone from the State Street Global Advisers picked up Hawaiian holiday for \$4500, while UBS Wealth Management scored a Girard-Perregaux watch with 24 time zones as well as the hours when four stockmarkets are open for business for a bargain, \$9000, just \$6000 less than its RRP. The watch could be a gift for boss Matthew Grounds who is known to have a penchant for fancy time pieces. UBS also picked up a heavily discounted pearl necklace with 23 diamonds and 24 akoya pearls, paying just \$4500.

Meanwhile, Alpha Securities can look forward to life in the fast lane, putting down \$65,000 for a C-Class Mercedes Benz C-200 CGI AMG Sports Package which has 7G-Tronic 7-Speed automatic transmission. Not to be outpowered, Macquarie Private Wealth snared the Vistry Jackpot Red Motorcycle, completed with a fat 250mm rear tyre (it might be one for Martin Lakos).

The stylish crew over at Ord Minnett forked out \$2000 for a belt with 236 diamonds on it. Someone is pimping it at the office this morning.

The more practically inclined Geoff Wilson, whose Wilson Asset Management (a platinum sponsor of the awards), paid \$8,500 for an annual subscription to IRESS, which had been donated by the technology company. It was valued at \$14,280. Wilson told Financial Review DealBook that he had instantly saved \$5,780 on the subscription, meaning "I won't need to turn up to work tomorrow".

Taking a punt

The crowd was at its most boisterous during the stock Calcutta, where brokers vote for the stock most likely to rise the most over the coming 12 months. Austock was awarded a cheque for \$22,250 having tipped last year's best performing stock, PanAust, which rose 43 per cent during the period. Chief executive Paul Masi donated the winnings back to the charities.

In this year's Calcutta, the stocks, bidders and prices paid were:

- Myer – Wilson Asset Management - \$2500
- Asciano – Wilson HTM - \$3000
- Sandfire Resources – RBS Morgans - \$3000
- Oceana Gold – Investec - \$3500
- RLR Tomilson – CLSA - \$4000
- Prima Biomed – Ord Minnett - \$4500

- St Barbara Mines – CBA Core Equities - \$3000
- Virgin Australia – Stockbrokers Association - \$5000

On screen the Virgin stock price was displayed as being \$28 for a short while before some bright spark corrected it to 28¢.

And the winners are...

Before the main awards were announced, the association honoured some of the industry's stayers, including Jenny Abraham, Phillip Averill, John Bowie-Wilson, Scott Calcraft, Ted Codd, Tim Cohen, Des Forster, Stephen Gillon, Reg Keene, David O'Halloran, Julian Reynolds, Richard Utz and Andrew Williams.

Wyndham Rofe, 81 years young, got special mention and attention from the courtesy girls, who Sorrenti said had "slipped a couple of Viagra into his pocket". Rofe relished his moment in the spotlight as Sorrenti declared him "the Hugh Hefner of Australian stockbroking" and added "look at those babes", letting off an elephant roar.

So to the award winners.

First, Best Research of the Year.

Before the winner was declared, various equity analysts were honoured for the ridiculous titles of various reports. (For example: A Macquarie Equities report on NZ "The NZ economy to display the fertility of a desert"; A UBS economics report: "FY11 to be materially in-line"; and Morgan Stanley's its template for research finding its way in to the morning note "TEST SA EDIT TEST PLEASE IGNORE")

But the winner was Citi, for its \$100m downgrade to Macquarie Group on a Friday 11 months ago, which preceded the bank issuing a profit downgrade the following Monday to see its the share price tumble 10 per cent.

Second, Operator of the Year.

Before the winner was declared, again there were a few honourable mentions, all, not surprisingly, resulting in cancellations of trades. This included a Citi match out on BHP last December, when the broker paid \$45.35 after BHP had closed at \$44.51, and in the process bought 4 million shares.

For IMC Pacific, it was more embarrassing. The broker put through an ETF trade of 296 million Wesfarmers shares at \$32.18. The trade was worth \$9.5 billion. It was supposed to be for \$14,100 worth of stock.

But the Operator of the year went to the ASX, for suspending trade and closing the market in early February when trade confirmations in certain stocks weren't reaching brokers. An ASX representative who accepted the awards thanked the association for the award with this: "This is your captain speaking. I would like to apologise for the slight, slight turbulence that was experienced back [in February], but for the rest of the year, you can sit back and relax, and enjoy the famous ASX connectivity, reliability and customer service. Thank you very much."

The Chi-X staffers in the room must have squirmed.

Third, the Private Client Tipster of the Year. This is awarded to the best stock-picker in a contest published in the Melbourne Herald Sun. This went to Grant Dwyer of Patersons - who had a success rate of 67 per cent.

The fourth award was for the Best Corporate Deal. The joint winners were RBS Morgans and Macquarie Retail for distributing the Fortis Mining IPO. Shares were placed at 20¢ and were trading at \$1.52 come the end of the assessment period, after hitting a high of \$2.90 - a 14 bagger.

Fifth, the Best Dealing Desk of the Year. This award, as voted anonymously by the dealers in the institutions, went to Goldman Sachs. Citi and Credit Suisse were placed second and third.

Coppo enters the The Hall of Fame

The association inducted Richard Coppleson, of Goldman Sachs, into its Hall of Fame, for his writing of the afternoon Coppo Report for almost 15 years. The famous and much-loved report is sent each day to 4000 official recipients, but if forwarded on to thousands more.

"It is read by countless people on the Mosman ferry on the way home," Dreyfus said while announcing the award, adding that then-Prime Minister Kevin Rudd had read it every day during the financial crisis.

He also told the story of Fitness First in Hornsby calling Coppo to tell him his confidential report had been left on a treadmill. Coppo had hung up on Kerry O'Brien three times, who was ringing to flesh out an observation in one report, thinking it was a dealing-desk prank.

In early March 2003, Coppo predicted that hostilities in Iraq would begin on March 15, the correct date. This led the US State Department to ask Goldman's desk in New York to ask Coppo's office to contact them as soon as possible.

Accepting the award to a standing ovation, Coppo told an adoring crowd: "I love what I do. It's a fantastic industry. I think we are all lucky to come to work when you don't know what is going to happen: the unpredictability of markets makes it more exciting. I work with a great bunch of people at Goldman Sachs. They give me inspiration and we have lots of fun at work every day. Every day I come to work there is a lot of fun on the desk, and that makes it a good place to work."

Strike up the band

Set at the back of the room by eager crank up the volume was five-piece band Wet Zelko. The Sydney-based band plays rock/pop covers from the 70s and 80s. Last December it entertained Gilbert+Tobin's lawyers at their Christmas party.

"We play what people want to hear and know how to entertain a crowd," the band declares on its website. Question then whether Footloose was the right tune to get the party started.

It took a lowering of the lights and few more drinks for the brokers to get their groove on.

Later, stockbrokers eager to take a \$10 punt with their voucher took to the casino floor, while others adjourned to Star City's Sports Bar and 360 Bar.

Earlier, Dreyfus warned: "Remember if you go over there and you are plastered they won't let you in."

A classier dozen or so brokers ended up at "Level Six", the exclusive floor above the Ivy Pool Bar, which has a \$5500 membership fee and guests need to be known before being buzzed in.

A high-stakes game of poker was being played in the corner until the very early hours.

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