


(IE) Share close: Market finishes strongly supported by banks, big miners

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Sydney - Thursday - May 03: (RWE Aust Business News) - Share close: Market finishes strongly supported by banks, big miners Energy shares better along with individual movers but retailers mixed. At the close, the S&P/ASX 200 rose 48.10.00 points or 0.80% to 6098.30; the All Ordinaries gained 50.30 or 0.32% to 6187.00. In China the Shanghai Composite was last sighted 21.01 pts or 0.68% higher to 3101.45. The Commonwealth Bank has confirmed it lost the financial statements of almost 20 million accounts, but insists its customers' account security has not been compromised.

Key points: •Statements from 2000–2016 included customers' names, addresses, account numbers and transaction details •Bank ordered investigation to figure out how the statements, stored on two magnetic tapes, were lost •It never told customers, only went public with information when BuzzFeed broke the story The statements, containing customers' names, addresses, account numbers and transaction details from 2000 to 2016, were stored on two magnetic tapes which were supposed to be destroyed by sub-contractor Fuji-Xerox last year after the decommissioning of a data centre. However, the bank said it did not receive documentation providing evidence the tapes had actually been destroyed. The bank ordered an independent "forensic" investigation by KPMG to figure out what had happened and informed the Office of the Australian Information Commissioner (OAIC) and bank regulator APRA. The Commonwealth Bank's acting head of retail banking, Angus Sullivan, described the incident as "unacceptable", but said the investigation determined the tapes had most likely been disposed of. "We've been unable to assure ourselves that the drives have been destroyed, but the investigation that we undertook, the CBA disclosed to the ABC The Australian dollar is changing hands at US\$75.23 compared with US\$75.11 previously; against the yen it is 82.45 (pre 82.43); euro 1.5922 (pre 1.5956) British pence 1.8073 (pre 1.811) USD jpy changing hands at 109.73 (pre 109.65); On the euro it is 1.1984 (pre 1.1988); Against sterling it is \$1.3598 (pre 1.3600) and against the USD CHF 0.9972 (pre 0.9970); AUD NZD 1.0725 (pre 1.0719); AUD CNY 4.7882 (pre 4.7744) 1 US dollar to rouble 63.79 (pre 63.91). On the economic front the ANZ Research reports the trade balance improved in March to a surplus of AUD1,527m, while February's surplus was revised higher to AUD1,349m. Non-monetary gold was the biggest riser for both exports and imports, but in net terms it was a negative for the trade balance. Both exports and imports rose 1% in the month. With a full quarter of trade data now published, net exports look set to provide a solid contribution to Q1 GDP, after being a significant drag in the second half of 2017. The trade balance improved in March to AUD1,527m. Notable was the large upward revision in February's surplus to AUD1,349m (from an initial estimate of AUD825m). March's improvement was driven by the rise in total exports slightly outpacing the rise in total imports. Total export values increased 1.4% (+AUD488m) in the month, after increasing 0.7% in February. The volatile non-monetary gold segment was the biggest riser, up 7.7% m/m. Manufacturing goods also increased solidly, rising 6.5% m/m, due to an 8.4% increase in machinery and a 6% rise in other manufacturing. Rural goods rose 3.3%, mainly due to a 44% rebound in cereals. Resources excluding non-monetary gold were flat in the month, as a 0.5% fall in coal offset a 1.6% rise in other mineral fuels and a 0.2% rise for metal ores and minerals. Services were up 0.6% as transport and travel each increased 0.8%. Total import values rose 0.9% m/m (+AUD310m), after increasing 0.1% in February. Non-monetary gold (+48.3% m/m) saw the biggest increase for imports as well. Fuel imports rose strongly, rising 16.3% in the month, reflecting the strength in oil prices. Capital goods (ex-civil aircraft) imports were up 2.4% m/m due to a 15.3% rise in telecommunications equipment and a 5.1% rise in transport equipment. Consumption goods fell 2.2% m/m as household electrical items (-4.9% m/m) and non-industrial transport equipment (-5.3% m/m) fell. Service imports fell 0.6% m/m as transport (-1.5% m/m) and travel (-1.2% m/m) offset a 0.9% rise in other services. Housing approvals up in March but losing momentum according to ANZ Research: Housing approvals rose in March and continue to trend higher. But the rate of growth is slowing, and housing finance data point to further moderation. Moreover, the rise in approvals in March was underpinned by a surge in approvals for apartments in the ACT, which seems unlikely to be repeated. Stepping back, the large backlog of work remaining means that the outlook for construction in 2018 remains solid. Australian residential building approvals posted mild growth in March, up 2.6% m/m. This was

not quite enough to offset the 4.2% m/m fall in February, and the trend annual growth rate continues to slow down. The increase in the month was driven by the unit/apartment segment, which rose 4.6% m/m. In a surprise twist, the ACT was the primary driver of this growth, with unit approvals leaping to 1,100 in March, from less than 100 a month over the final quarter of 2017. Unit approvals in Victoria posted further growth (+12% m/m), while New South Wales was down 17% m/m. Looking forward, we will be watching next week's housing finance release closely. Finance commitments for the construction or purchase of new dwellings suggest that there is still room for building approvals to nudge higher over the near term, although the rate of growth looks set to slow down. The backlog of housing construction remaining rose to a new record level in Q4, at AUD39.4bn. This is consistent with our view that dwelling investment will remain at elevated levels through 2018. Looking at today's market showed a stronger performance. In the banks, the NAB was the only loser off 23c to \$28.35. Macquarie Group gained 79c to \$176.76; ANZ up 16c to \$27.68 followed by CBA up 45c to \$73.91. WBC both gained 24c apiece to \$29.39. The big miners firmer. BHP rose 30c to \$31.50 while Rio ASX gained \$1.43 to \$81.44; FMG climbed 5.5c to \$4.82. Engery shares firmed, Woodside up 18c to \$32.69 but Oil Search dropped 26c to \$7.79S; Santos gained 5c to \$6.20; Origin Energy up 12c to \$9.76; Lng up 1c to 42c. Retailers mixed. Wesfarmers up 11c to \$43.74; Woolworths up 35c to \$28.54; Myer off 2.5c to 46c; BBN down 2c to \$1.30; PMV up 15c to \$15.72; WDF down 10c to \$9.10; SCG down 1c to \$4.13; HVN up 7c to \$3.50. Individual movers strengthened. Telstra up 2.5c to \$3.22; BKL up \$0.45 to \$117.03; CSL up 90c to \$170.63; Cochlear up \$3.02 to \$197.74; Crown off 5c to \$13.20; QBE up 13c to \$10.30; QAN up 95c to \$6.18; a2M up 10c to \$11.69; Bellamy's up \$1.17 to \$19.76; BGA off 2c to \$7.08; Ansell up 20c to \$26.57; Boral steady at \$6.60; Bendigo up 8c to \$10.770; Blue Scope up 30c to \$17.02; South 32 up 16c to \$3.89; Ramsay Healthcare up \$2.02 to \$64.50; AWE steady at 94c.

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