

HD HOT SPOTS OF THE DAY

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TD

S&P/ASX 200 closed at 5498.2 up 49.8

SPI Futures latest at 5482 up 45

Aussie 10 year **bonds** were at 3.83%, steady.

The \$A is at 0.9335us

TOP TWENTY

AMP + 7c to \$5.30 on 8.58m shares.

ANZ +22c to \$32.90 on 4.69m shares.

BHP +80c to \$37.96 on 7.45m shares.

BXB +13c to \$9.67 on 2.2m shares

CBA +52c to \$79.90 on 2.15m shares.

CSL +75c to \$70 on 1.14m shares

FMG +8c to \$4.80 on 20.3m shares

MQG +16c to \$60 on 1.3m shares.

NAB +32c to \$34.50 on 8.2m shares.

ORG +5c to \$15.16 on 1.9m shares

QBE +6c to \$11.53 on 1.9m shares.

RIO +\$1.85 to \$62.85 on 2.59m shares.

STO +11c to \$14.26 on 3.3m shares

SUN +19c to \$13.23 on 3.9m shares.

TLS +4c to \$5.25 on 21.6m shares.

WBC +24c to \$35.14 on 8.35m shares.

WDC -5c to \$10.80 on 6.9m shares.

WES +36c to \$43.21 on 1.5m shares.

WOW +28c to \$36.85 on 2.2m shares.

WPL +37c to \$41.33 on 1.2m shares

MARKET ROARS UP LED BY MINERS, BANKS NOT FAR BEHIND ON STRONG VOLUME

The market shrugged off Budget blues after JP Morgan last night lifted its rating for the miners to "overweight" from "underweight" - there was a takeover offer for PanAust, with hopes a higher offer may be forthcoming, Baytex lifted its offer for Aurora **Oil** and there was corporate activity elsewhere.

Volume was strong at \$4.7 **billion**. Our market closed up 49.8 points to 5498.2, a couple of points off the day's best while the \$A is at 93.45US c, down about 15 points from last evening.

Possible "bear trap"?

There is just a chance today has been a "bear trap".

*Short covering in the miners would have played a part in the rise - and tomorrow Macquarie, NAB and Westpac go ex div and we will also have the outcome of the Budget.

*PanAust shot up 54c to \$2.12 on 31.28m shares after announcing it had rejected a takeover offer.

*Aurora **Oil** rose 23c to \$4.18 on 18.7m shares on a lifted offer from Baytex.

*Northern Star rose 8.5c to \$1.20 on 4.4m shares after announcing it would buy Jundee from Newmont to become Australia's second largest **gold** miner with total all in sustaining costs of just a little over \$1000.

*Korvest rose 63c to \$7.10 after announcing a \$1 fully franked special dividend.

*Meanwhile, Aussie eco news was not highly encouraging today - housing loans were down, house prices were up and the ANZ consumer confidence report was down 2.5%.

***China's** eco numbers this afternoon came in a touch below expectations - Industrial Production in April fell to 8.7% from 8.8% and vs 8.9% expected and retail sales rose an annual 11.9% vs a Reuters forecast of 12.2% while fixed asset investment grew 17.3% in the first four months from a year earlier, against a 17.7% rise expected.

*On the other hand, news on the Ukraine situation was distinctly encouraging - Handelsblatt reports this afternoon the mediation efforts of the Organization for Security and Cooperation in Europe (OSCE) has raised hopes for a peaceful solution. Russian President Vladimir Putin has pledged his support for the mediation initiative in a telephone conversation with the OSCE Chairman Didier Burkhalter, the organization said on Monday. German Foreign Minister Frank-Walter Steinmeier (SPD) set off for Kiev on Tuesday morning from Berlin.

According to the OSCE, the plan provides a "pragmatic" transition from the "logic of escalation" to a "logic of cooperation".

"Whether the negotiations will **lead** to a success, however, is in the stars' Handelsblatt commented - at least the referendum has been concluded without any violence.

*At 4pm AEST the Nikkei Dow futures was up 260 points to 14,430 points, Shanghai CSI physical was down 8.40 points to 2044.47, Hang Seng futures was up 21 points to 22,139 points. Spot **gold** was down 4 point to 1292 points, crude was down 1c to \$100.58.

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