

SE MarketWatch
HD **Investors banking on strong earnings**

BY MICHAEL RODDAN

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EQUITIES The Australian sharemarket closed more than half a per cent stronger yesterday, as the financial sector pushed the market higher and with quarterly reporting season getting investors off the sidelines.

At the close, the benchmark S&P/ASX 200 index was up 46.8 points, or 0.86 per cent, at 5459, while the broader All Ordinaries index had gained 42.6 points, or 0.79 per cent, to 5441.9.

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Macquarie Equities division director Lucinda Chan said the market was led by the financial sector, with three of the big four major banks set to report their latest profit results in the next week.

"But the commodities sector has been doing it tough; they're under a lot of macroeconomic pressures," Ms Chan said.

"Materials prices have been softer, and the dollar has sprung back up to US88c, which will slow exports down. Data out of **China** has been mixed, but it isn't the only export market. The US is tracking well and could pick up some of the slack in our resources exports.

"The focus over the coming week will be on **company** earnings, and the growing activity in the mergers and acquisitions sphere. And with the banks in reporting season, investors are buying discounted financial stocks early." The dollar bounced back above US88c thanks to a weaker greenback. At the close yesterday, the currency was trading at US88.16c, up from US87.65c on Friday. Bendigo and Adelaide Bank held its annual general meeting, at which it told shareholders of challenging market conditions where spending was subdued, interest rates were low and people were paying down debt to improve their financial position instead of borrowing. Shares in the bank rose 0.75 per cent to \$12.15.

Vocus Communications has set its sights on rival Amcom Telecommunications, with a future tie-up potentially creating a \$1 **billion** telco. Shares rallied on the news, with Vocus stocks adding 2.45 per cent to \$5.44, while Amcom soared 12.37 per cent to \$2.09.

Aurizon Holdings shares lifted 0.22 per cent to \$44.58 after it reaffirmed its full-year **coal** and **iron ore** volume guidance, despite a mixed performance in the September quarter.

Financials added 1.20 per cent as a sector.

ANZ lifted 0.98 per cent to \$33.345, while Commonwealth Bank rallied 1.59 per cent to \$80.02. National Australia Bank added 0.76 per cent to \$34.53, while Westpac added 1.02 per cent to \$34.56.

Health care stocks lifted 1.01 per cent as a sector.

CSL added 0.82 per cent to \$76.28, after announcing the **acquisition** of Novartis's global influenza vaccine business for \$US275 **million** (\$312.5m). Consumer discretionary rallied 0.76 per cent as a sector.

Myer lifted 1.4 per cent to \$1.815, while Premier Investments slipped 0.1 per cent to \$10.08.

Consumer staples rose 1.03 per cent as a sector. Wesfarmers gained 1.32 per cent to \$43.06, while Woolworths lifted 1.03 per cent to \$35.19.

Resources stocks were the only sector in the red, edging down 0.08 per cent higher as a sector.

BHP Billiton gained 0.21 per cent to \$33.81, while Rio Tinto gave up 0.43 per cent to \$59.79.

Fortescue Metals retreated 3.46 per cent to \$3.35.

Whitehaven **Coal** slipped 0.33 per cent to \$1.53, and Newcrest shed 2.29 per cent to \$9.80.

Meanwhile, Telstra rose 0.73 per cent to \$5.54, while Qantas soared 5.26 per cent to \$1.50.

Whitehaven **Coal** and Stockland have their annual general meetings today. Business Spectator

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