

SE Business
 HD **Qantas foreign investment level on verge of legal limit**
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QANTAS faces a fresh round of market turbulence after revealing foreign investment in the airline is almost at its upper limit, denying the **company** a key source of financial support.

The flag carrier has announced foreigners now hold 47.8 per cent of its shares, closing in on the 49 per cent cap imposed by the Qantas**Sale** Act.

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That compares with 44.7 per cent in September and less than 44 per cent a month earlier, with US investor Franklin Resources now accounting for 17.56 per cent.

Foreign investors will be blocked from buying into the airline once the offshore ownership level hits the 49 per cent threshold.

It comes at a tough time for Qantas, which in August posted a record \$2.8 **billion** full-year loss, weighed down by its ailing international arm and the high Australian dollar.

Analysts said the Australian stockmarket relied on healthy support from overseas – something Qantas and its boss Alan Joyce (pictured) could no longer lean on.

“Qantas won’t get the support it could normally expect from overseas,” CMC Markets strategist Michael McCarthy said.

He said the recent drop in global **oil** prices had bolstered Virgin’s shares, which are up 7 per cent in the past week. But Qantas had shed 4.3 per cent during the same period.

Qantas shares closed 3.7 per cent lower yesterday at \$1.30 – the lowest level in more than six weeks – while Virgin fell 0.5¢, or 1.3 per cent, to 38¢. The broader ASX 200 fell 32.8 points to 5155.5 points, despite better-than-expected trade data out of **China** boosting **mining** stocks.

CO frri : Franklin Resources Inc | qntas : Qantas Airways Ltd
 IN i75 : Airlines | i7501 : Scheduled Passenger Airlines | i831 : Financial Investments | iairtr : Air Transport | ifinal : Financial Services | iinv : Investing/Securities | itsp : Transportation/Shipping
 NS efdi : Foreign Direct Investment | e51 : Trade/External Payments | e511 : Capital Movements/Invisible Trade | ecat : Economic News
 RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania
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