

HD Banks, miners **lead** broad gains despite another **iron ore** slump

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The Australian sharemarket has pushed higher, with broad gains across sectors, including the major miners and banks, despite another slump in the price of **iron ore**. The benchmark S&P/ASX200 added 61.4 points, or 1.2 per cent, to close at the day's high of 5396.2. The broader All Ordinaries rose 59.4 points, or 1.1 per cent to 5324.1. The Australian dollar plunged to a four-year low overnight on Tuesday, falling more than 1 per cent. It recovered marginally in the local session to US85.35½. The fall was sparked by comments from Reserve Bank of Australia deputy governor Philip Lowe suggesting the currency was still too high and that the RBA still had the option of cutting interest rates to help stimulate growth. JBWere executive director Mike Kendall said the fall in the Australian dollar, Dr Lowe's comments and a view that shares had been a bit oversold helped shares lift on Wednesday. "I think it's those factors that are leading investors to dip their toes into the water today but it's still a very choppy market," Mr Kendall said. The price of **iron ore** fell under \$US70 per tonne for the first time in more than five years, with concerns about the **Chinese** property market and oversupply continuing to weigh on the steel-making ingredient. **Iron ore** has slumped more than

49 per cent this calendar year. Despite this, Rio Tinto shares finished Wednesday 1.7 per cent higher at \$58.39, while rival BHP Billiton gained 1.3 per cent to \$32.53. **Iron ore** pure-play Fortescue Metals slipped 0.7 per cent to \$2.79,

BC **Iron** rose 2.6 per cent to 48.5½ and Atlas **Iron** sunk 4.9 per cent to 19.5½. Among financials, Westpac lifted 1.4 per cent to \$33.07 and Commonwealth Bank rose 1.1 per cent to \$81.01. National Australia Bank finished 1 per cent higher at \$32.46 and ANZ gained 0.9 per cent to \$32.38. Medibank Private, on its second day of trading, fell 1.9 per cent to \$2.10. Webjet shares slipped 1.3 per cent

to \$3.10 after it warned that the domestic travel market is likely to remain flat for the rest of the current financial year. Cabcharge shares lifted 2.3 per cent to \$4.86, after director Rodney Gilmour resigned on Wednesday morning. James Packer's investment vehicle Ellerston Capital sold down part of its **stake** in Tabcorp, selling off 7.7 **million** shares. Tabcorp shares finished Wednesday 0.2 per cent lower at \$4.16. Ausdrill shares plunged 10.9 per cent to 45½ after one of its clients, Resolute **Mining** said it plans to defer expansion work at one of its miners. Resolute **Mining** shares posted the biggest gains among the top 200, rising 19.6 per cent to 28½.

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