



HD Local shares **sold** off after surprise contraction in **China** manufacturing

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Australian shares have been **sold** off quite heavily in afternoon trading after the publication of some weaker-than-expected manufacturing data from **China**.

The All Ordinaries Index has closed down 56 points to 5,276 and the ASX 200 has lost just over 1 per cent to 5,263.

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A leading private sector survey shows activity in **China**'s manufacturing sector has suffered a .

The HSBC Flash **China** Manufacturing Purchasing Managers' Index has fallen to 49.6 in January.

That is below the key 50-point level, which indicates growth.

On average, economists had tipped a result of 50.3 for the month.

Investors reacted quickly, dumping resources stocks and causing BHP Billiton to close down 1.6 per cent, while Rio Tinto lost almost 1 per cent.

Whitehaven **Coal**'s ended 1.9 per cent lower and Origin **Energy** has fallen almost 2.5 per cent.

After gaining some solid ground early in the day, the **gold** miner, Newcrest has retreated 2.25 per cent.

Australia's biggest **gold** producer says its in the December quarter compared with the same time in 2012.

The **firm** expects to meet its **gold** production targets for this year, and says costs will also fall within its forecast range.

And the **oil** and gas **company** Santos has announced record revenue for the end of last year, despite lower output.

Rising **oil** prices have helped to boost Santos's sales revenue to \$1.1 **billion** in the December quarter.

It produced 13.1 **million** barrels of **oil** equivalent in the three months to December, which is down 1 per cent on the same period in 2012.

Santos shares have lost 0.8 per cent today.

And the Canadian **dairy** giant, Saputo is a step closer to acquiring the Victorian **dairy firm**, Warrnambool **Cheese** and **Butter**, after .

Murray Goulburn Co-operative said it would seek approval from the corporate regulator, ASIC, to rescind its offer for Warrnambool **Cheese** and **Butter** (WCB).

It comes after Saputo yesterday .

Murray Goulburn also says it will accept Saputo's offer for its 17.7 per cent **stake** in WCB, in a deal that will net Murray Goulburn about \$93 **million**.

Shares in WCB have gained 0.6 per cent.

The Australian dollar has continued to struggle today, not helped by those weak manufacturing numbers out of **China**.

Shortly before 5.00pm AEDT it was worth 88.03 US cents.

On the cross-rates, it was buying 64.98 eurocents, 53.12 British pence, 91.87 Japanese yen and \$NZ1.06.

West Texas Crude **oil** was worth \$US96.22 a barrel, the price of a barrel Tapis had increased to \$US116.28 and spot **gold** had edged down to \$US1,234 an ounce.

CO boral : Origin Energy Ltd | whcmpl : Whitehaven Coal Limited

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