



HD **FED:iron ore price falls affect WA companies**

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MINING PERTH, June 9 AAP - Falling **iron ore** and **uranium** prices have contributed to little growth among West Australian **mining** companies in May.

The overall market capitalisation of West Australian listed companies increased by just 0.3 per cent in the month to \$153.6 **billion**, the Deloitte WA Index shows.

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The stagnant result in the resources-dependent state came despite an increase in some commodities prices such as nickel, platinum and palladium.

Steady gains across base metals were offset by **uranium** and **iron ore**'s weak performances, Deloitte said.

"Although the local markets are feeling the impact from decreasing **iron ore** prices, investors can still seek comfort from international **equity** markets, which have reacted positively this month on the back of positive economic data," Deloitte's Tim Richards said.

Precious metals such as **gold** and silver fell during the month due to strengthening in the global equities markets.

"Investors have been seeing less of a need to hold **gold**, traditionally a safe haven metal in times of political or economic uncertainties," he said.

WA's resources-driven economy is under pressure as **iron ore**, the nation's largest export, experienced a double digit fall in prices during the month for the first time in two years after **China**'s central planning agency said the country's period of high steel demand had passed.

"Prices tumbled by 13.1 per cent and are attributed to higher output from suppliers coupled with high port inventories coupled with weakened demand from **China**," Deloitte said.

Iron ore is trading around \$US94 per tonne.

Meanwhile **uranium** prices continued their spiral downwards, falling by 8.1 per cent in May due to excess supply and a weak outlook for demand.

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IN i211 : Metal Ore Mining | i2111 : Iron Ore Mining | i22 : Primary Metals | i221 : Iron/Steel/Ferroalloys | iuran : Uranium Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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