

HD **Australia shares choppy, banks offer support as Fed in focus**

WC 519 words

PD 19 March 2014

ET 11:36

SN Reuters News

SC LBA

LA English

CY (c) 2014 Reuters Limited

LP

(Adds analysis, quotes, stocks on the move)

TD

SYDNEY, March 19 (Reuters) - Australian shares were little changed in choppy trade on Wednesday, with investors remaining cautious even as the threat of a military conflict in Ukraine eased and ahead of a looming policy review by the U.S. Federal Reserve.

The market has drifted lower in March after rallying 4.1 percent in February, as tensions in Ukraine and disappointing data from **China** soured sentiment.

On Tuesday, U.S. stocks climbed for a second straight session, with the S&P 500 within striking distance of its record after comments from Russian President Vladimir Putin that he did not plan to seize other regions of Ukraine were taken as a signal that the crisis may not deepen.

"Short term traders will also be alert to the fact that the Fed will announce its latest monetary decision before the Australian market opens tomorrow," said Ric Spooner, an analyst at CMC Markets in a note.

The 'Big Four' banks reversed early falls to trade higher, with Commonwealth Bank of Australia and Westpac Banking Corp adding 0.1 percent and 0.4 percent, respectively.

The S&P/ASX 200 index tacked on 1.9 points to 5,346.5 by 0132 GMT.

Shares in Stockland Group dropped 2.3 percent to five-week lows after the **company** said it bought a strategic 19.9 percent **stake** in Australand, dragging other REITs along with it.

"We ultimately think they'll make a full takeover for Australand, but that would mean a sizeable **equity** raising and that's what the market's thinking about in the background," said John Milroy, investment adviser at Macquarie Bank.

"There will be benefits along the way for them, certainly Australand trading at a premium to its NTAs (net tangible assets) to the tune of 8 percent, it looks like a full price."

Singapore's CapitaLand Ltd had earlier said it sold its remaining 39.1 percent **stake** in Australia's Australand Property Group for around \$849 **million**.

Among housing stocks, Mirvac Group lost 2.6 percent while Charter Hall Group fell 0.7 percent.

Miners posted modest gains after **copper** steadied overnight, as fears eased over the possible unwinding of financing deals using the metal as collateral in **China**. Rio Tinto Ltd added 0.4 percent and Fortescue Metals Group Ltd gained 2.6 percent.

Bionomics Ltd plunged 27 percent to A\$0.54, its lowest point since August after the biopharmaceutical **company** released disappointing results from its BNC105 renal cancer treatment research.

Discovery Metals Ltd bounced 27 percent after the **company** signed a joint venture agreement for the Dikoloti nickel project in Botswana.

Australia's no.2 department store operator David Jones Ltd was flat after reporting a 4.6 percent fall in first-half net profit, the smallest decline in three years.

New Zealand's benchmark NZX 50 index added 0.3 percent to all-time highs of 5,149.1.

(Reporting by Thuy Ong; Editing by Shri Navaratnam)

RF Released: 2014-3-22T01:36:49.000Z

IN ibnk : Banking/Credit | ifinal : Financial Services

NS c1522 : Share Price Movement/Disruptions | c15 : Performance | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter | nfcpin : FC&E Industry News Filter

RE austr : Australia | nz : New Zealand | apacz : Asia Pacific | ausnz : Australia/Oceania

IPD Business

IPC SERVICE:ABX

PUB Thomson Reuters (Markets) LLC

AN Document LBA0000020140319ea3j0025t