

HD Woolies drags market lower with disappointing sales figures

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Another record profit from Australia's second-largest bank and more monetary easing by the Bank of Japan were not enough to buoy the sharemarket, as Woolworths disappointed investors with its worst quarterly sales update in more than four years. The S&P/ASX 200 Index and the All Ordinaries Index each fell 0.4 per cent on Monday to 5506.9 points and 5485 points respectively. The market declined despite a strong **lead** from offshore. **Equity** markets in the US and Europe posted strong gains on Friday night

after the Bank of Japan shocked markets with a move to increase the pace of its quantitative easing to $\text{\$}1\frac{1}{2}$ trillion a year, compared to a previous maximum of $\text{\$}1\frac{1}{2}$ trillion.

Some lacklustre **company** news and disappointing domestic and **Chinese** economic data meant the market got little benefit from the positive sentiment about Japan's expansionary monetary policy. Bureau of Statistics data showed building approvals dived 11 per cent in September, against expectations for a 1 per cent fall. The Reserve Bank is expected to

keep rates on hold at their record- low 2.5 per cent when the board meets on Tuesday. A swag of private economic surveys indicated house price growth is moderating, the labour market is strengthening and inflation is edging up. Westpac dropped 0.7 per cent to \$34.55 as it reported a 8 per cent jump in net profit for the year to September 30 to \$7.6 **billion**. Westpac lifted its full-year dividend from 88 $\frac{1}{2}$ to 92 $\frac{1}{2}$ a share, fully franked. ANZ and National Australia Bank both delivered annual results in line with forecasts last week. On Monday ANZ added 0.2 per cent to \$33.58, while NAB fell 0.3 per cent to \$34.89.

Commonwealth Bank edged up 0.1per cent to \$80.52. Woolworths dropped 4.9 per cent to \$34.24 after the retailer showed September-quarter sales rose by just 3 per cent, the slowest quarterly rate in more than four years. Main rival Wesfarmers, owner of Bunnings and Coles, edged up 1 $\frac{1}{2}$ to \$44.15. Telstra lifted 0.7 per cent to \$5.67. Brambles rose 0.7 per cent to \$9.60 as the logistics group reported a 6per cent rise in sales for the September quarter and raised its full-year earnings guidance. BHP Billiton lost 0.7 per cent to \$33.71, while Rio Tinto dropped 1 per cent to \$59.78.

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