

# The Sydney Morning Herald

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HD **Market dips as banks go ex-dividend**  
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Stocks

The market declined as three of Australia's biggest banks dipped after trading ex-dividend.

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But the losses were stemmed as the biggest bank, Commonwealth Bank, hit a record high after showing another bumper profit.

The S&P/ASX 200 Index inched down just 1.7 points, or 0.03 per cent, on Wednesday to 5496.5. The All Ordinaries Index outperformed its large-cap counterpart as it managed a 0.5-point, or 0.01 per cent, gain to 5475.9, with strategists relieved the federal budget was less austere than feared and smaller companies set to benefit most from a 1.5 per cent cut to the **company** tax rate.

The market lifted briefly at the start of trade off a positive **lead** from the US after the Dow Jones Industrial Average and the S&P 500 eked out record highs on Tuesday.

Ten-year government **bonds** edged up 0.04 per cent and the dollar jumped above US94¢.

"As an international investor it is very encouraging to see the Australian government show a responsible attitude towards narrowing the debt-to-GDP ratio. While it could have a mildly dampening effect on the local **equity** market, Tuesday's budget will be well received by the global bond market," Fidelity Worldwide Investments global chief investment officer fixed income and real estate Andrew Wells said.

"It was a bit disappointing to see growth targets below 3 per cent over the next couple of years, but the medium term target of 3 per cent looks good."

Ratings agency Moody's reaffirmed Australia's AAA investment rating.

BHP Billiton lifted 0.9 per cent to \$38.30 as it took the first big step in its plan to separate non-core assets by registering its aluminium division as a new **company**. Rio Tinto dipped 0.1 per cent to \$62.78. The spot price for **iron ore**, landed in **China**, lifted 0.3 per cent to \$US103 a tonne.

CBA climbed 1.2 per cent to a record close of \$80.89 after a jump in third-quarter cash profit of \$2.2 **billion**.

ANZ added 0.8 per cent to \$33.15. Westpac lost 94¢ to \$34.20 as it traded without the rights to a 90¢ interim dividend. National Australia Bank shed 90¢ to \$33.60 as it traded without the rights to a 99¢ interim dividend. The combined losses of the two shares shaved about 20 points off the benchmark index. Investment bank Macquarie Group fell 84¢ to \$59.16 as it traded without the rights to a \$1.60 final dividend.

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