

SE Business  
HD **Market follows global trend with slow start to year**

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The sharemarket ended the week on a negative note in thin trading after global **equity** markets started 2014 lower following disappointing **Chinese** factory activity data.

On Friday, the S&P/ASX 200 Index fell 18.2 points, or 0.3 per cent, to 5349.7 in a broad selloff that included the biggest banking and resource stocks. Over the week, the benchmark index rose 0.4 per cent, with metals and **mining** stocks leading the gains.

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Price movements were exaggerated by low volumes as the total value of shares traded over the week was about \$956 **million**, compared with an average weekly turnover of about \$3.64 **billion** in the first three weeks of December.

Overseas markets dropped on Thursday after major indices in the US, Europe and Asia fell after **China's** National Bureau of Statistics purchasing managers' index dipped 0.4 per cent in December to 51 points, its lowest reading in four months, indicating a contraction in global demand.

"Another issue that could be providing investors with some pause is rising 10-year US bond yields, currently around 3 per cent," CMC Markets analyst Ric Spooner said. "One of the key issues for markets over coming months will be whether the US Federal Reserve can exit from its quantitative easing strategy without pushing bond yields too high and so dampening the outlook for economic and profit growth."

Three of the big banks lost ground on Friday, with Commonwealth Bank down 0.3 per cent at \$77.58, NAB off 0.4 per cent at \$34.69 and ANZ dipping 1¢ to \$32.21. Westpac was unchanged at \$32.34.

An HSBC proxy for the International Monetary Fund's primary commodity price index reported that global commodity prices increased 3.5 per cent in US-dollar terms during December, and were up 2.4 per cent in 2013.

"Higher **energy** prices provided a boost, with **oil** and natural gas prices rising in 2013, while cereals were a key area of weakness," HSBC economist Adam Richardson said.

At the close on Friday, the dollar was buying US89.86¢, up from US89.13¢. **Energy** stocks were mostly lower after crude **oil** prices dipped on news Libya is to reopen a big oilfield, increasing global supply.

Santos lost 0.8 per cent to \$14.56, while Australia's biggest **oil** producer, Woodside Petroleum, dropped 1.1 per cent to \$38.13. On Thursday the **company** announced it had lost a multibillion-dollar contract to sell LNG to Japan.

BHP Billiton fell 1.1 per cent to \$37.77, while Rio Tinto lost 0.5 per cent to \$68.36, and Fortescue Metals dropped 1.9 per cent to \$5.82 as surface **mining** resumed at its Christmas Creek project four days after a man was killed in an accident while working at the site.

**Coal** explorer Carabella Resources was flat at 44¢ as the **company** directors recommended shareholders accept an off-market takeover from **Chinese**-owned Wealth **Mining** for 45.5¢ a share.

Silver Lake Resources was the best-performing stock for the second day in a row, climbing 8.7 per cent to 69¢ as the spot price of **gold** rose to \$US1231.05 an ounce.

Cabcharge dropped 3.5 per cent to \$3.87 after the Victorian Taxi Services Commission announced on Thursday the surcharge for paying a fare by credit or debit card would drop from 10 per cent to 5 per cent from next month.

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