

SE Business
HD **Hard-run race but market up by a nose**
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Stocks

The sharemarket ended a volatile session ahead by a nose, while the Reserve Bank promised a continuation of record low interest rates.

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Investor sentiment was pulled in several directions as official data showed much better than expected retail sales but a significantly larger than forecast trade deficit.

The S&P/ASX 200 Index and the All Ordinaries Index each rose 0.2 per cent to 5519.9 points and 5498.2 points respectively.

There were no surprises from the RBA on Tuesday. It kept the official interest rate at its record low 2.5 per cent, for the 15th month in a row.

On Tuesday the spot price for **iron ore**, delivered in **China**, was 1.2 per cent lower at \$US78.63 a tonne, with futures trading tipping another fall overnight. But **mining** was one of the best-performing sectors on the ASX as BHP Billiton bounced 0.9 per cent to \$34.01, while Rio Tinto rallied 1 per cent to \$60.35.

Australian Bureau of Statistics data showed a surprise blowout in the trade deficit to \$2.2 **billion** in September.

A separate ABS report showed retail sales rose 1.2 per cent in September, smashing forecasts for a 0.3 per cent rise.

Myer jumped 1.9 per cent to \$1.91. Woolworths dropped 2.8 per cent to \$33.30 as US **equity** research house EVA Dimensions downgraded it from a "buy" to a "hold" after the release of disappointing quarterly sales figures on Monday. Wesfarmers, owner of Coles, fell 0.3 per cent to \$44.04.

Westpac dipped 0.1 per cent to \$34.50 as Macquarie analysts downgraded their recommendation to "underperform" after the bank's full-year result delivered in line with guidance on Monday. National Australia Bank fell 0.8 per cent to \$34.61. Commonwealth Bank added 0.3 per cent to \$80.77, and ANZ rose 0.2 cent to \$33.65.

Telstra lost 0.2 per cent at \$5.66.

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