

SE **Business**  
HD **Market rallies after early gloom**  
BY Sally Rose  
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Stocks

A continued rally in Telstra, a warm reception to Woodside Petroleum's decision to pull the plug on an Israeli joint venture and international interest in beleaguered Treasury **Wine** Estates pushed the sharemarket marginally higher.

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The market recovered from early losses sparked by another drop in the **iron ore** price and a slump in consumer confidence to close flat.

The S&P/ASX 200 Index edged up 4.2 points, or a bit less than 0.1 per cent, to 5419.7, while the All Ordinaries Index added 2.2 points to 5403.9.

Local shares took a weak **lead** from offshore after big markets in the US and Europe finished lower on Tuesday night. Asian sharemarkets were mixed in the afternoon session.

Domestically, investor sentiment was subdued amid further evidence consumer confidence is at a more than 2-year low. The monthly Westpac-Melbourne Institute index of sentiment slumped 6.8 per cent to 92.9 points in May, down from 99.7 in April.

"The sharp fall indicates an unfavourable response to the federal budget," Westpac chief economist Bill Evans said.

Meanwhile, Australian Bureau of Statistics data showed wages grew 0.7 per cent over the March quarter. Wages are up 2.6 per cent over the past year.

The big four banks were mixed. Westpac sank 1¢ to \$33.67, and National Australia Bank fell 0.2 per cent to \$33.05. Commonwealth Bank added 0.5 per cent to \$80.19, while ANZ rose 0.9 per cent to \$33.03.

**Mining** stocks tumbled as the spot price for **iron ore**, landed in **China**, slipped another 1 per cent to \$US97.50 a tonne - its lowest price since September 2012.

The country's biggest producer of **iron ore**, Rio Tinto, lost 1.1 per cent to a near nine-month low of \$59.40. BHP Billiton shed 0.8 per cent to \$37.17, while the third-largest local **iron ore** miner, Fortescue Metals **Group**, fell 2.4 per cent to \$4.43.

Woodside rose 0.8 per cent to \$41.23, with investors now expecting a capital return after the **company** terminated its agreement to take a **stake** in a \$US2.7 **billion** natural gas project in Israel.

Treasury **Wine** Estates was the best-performing stock in the S&P/ASX 200 as it continued to get a boost from Tuesday's revelation the **company** rejected a private **equity** takeover bid last month, with Chicago-based investment **firm** Harris Associates emerging as a new significant shareholder.

Shares in TWE, owner of Penfolds and Lindemans, added 5.6 per cent to \$5.07 - taking them above \$5 for the first time since November.

**CO** trzwn : Treasury Wine Estates Ltd | wodpet : Woodside Petroleum Ltd

**IN** i1 : Energy | i13 : Crude Oil/Natural Gas | i1300003 : Crude Petroleum Extraction | i41 : Food/Beverages/Tobacco | i426 : Wine | ialco : Alcoholic Beverages/Drinks | ibevrge : Beverages/Drinks | icnp : Consumer Goods | iextra : Natural Gas/Oil Extraction

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