

SE Business
 HD **THE MARKET Chinese data lifts stocks**
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THE Australian sharemarket has closed higher after disappointing **Chinese** inflation data fuelled expectations more monetary easing was yet to come in the world's second largest economy.

Inflation in **China** fell to 1.6 per cent in September, below analysts' forecasts of about 1.7 per cent and the lowest in the world's second-largest economy since January 2010.

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China's central bank cut short-term borrowing costs for banks, the second time in about a month, on Wednesday.

It's also the second month for **Chinese** inflation to fall and the downward trend has strengthened the prospect of more monetary easing, IG Markets chief market strategist Chris Weston said.

"The trend in **Chinese** inflation is lower which gives the **Chinese** government more scope to increase liquidity throughout the money markets," Mr Weston said.

"As a result we are seeing bit of a boost in the **Chinese equity** market.

"**Chinese** related assets like the Aussie dollar and **copper** are also having a bounce as well and this seems to be giving our **equity** market a boost."

Strong production reports from Rio Tinto and Whitehaven **Coal** helped bolster **mining** stocks, particularly during morning trade.

Rio Tinto gained 25¢ to \$60.99. However, Whitehaven **Coal** was down 5¢ to \$1.49, despite a 40 per cent increase in its quarterly **coal** production.

BHP Billiton added 35¢ to \$33.80, while Fortescue Metals shed 1¢ to \$3.64.

Among the major banks, the Commonwealth Bank climbed \$1.33 to \$75.45, ANZ gained 22¢ to \$31.37, Westpac lifted 32¢ to \$32.46 and National Australia Bank was up 32¢ at \$32.54.

Telstra was 9¢ higher at \$5.38.

The benchmark S&P/ASX200 index was up 38.2 points, or 0.73 per cent, to 5245.6 points.

The broader All Ordinaries index was up 34 points, or 0.65 per cent, to 5238 points.

The December share price index futures contract was 50 points higher at 5229 points, with 31,404 contracts traded.

National turnover was 1.3 **billion** securities worth \$4 **billion**. AAP

CO pbchin : The People's Bank of China

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