

# Australian Weekly



## Overview

- The S&P/ASX 200 Index rose last week, driven largely by the materials and industrials sectors. In contrast, telecoms and utilities stocks lagged.
- The Reserve Bank of Australia raised its benchmark interest rate to 4%, from 3.75%. Robust economic data underscored the central bank's decision. The economy expanded 0.9% quarter-on-quarter in the fourth quarter, the fastest pace in almost two years.
- Retail sales also rebounded in January, though home-building approvals fell on the back of higher borrowing costs and reduced government grants for first-time buyers.

## Corporate News

**Rio Tinto's** divestment programme exceeded US\$10 billion with the completion of the US\$1.2 billion sale of its Alcan Packaging Food Americas division to Bemis Company.

**Tatts Group** acquired the New South Wales state lottery business for A\$850 million.

**Lihir Gold** will sell its Ballarat mine to Castlemaine Goldfields for A\$4.5 million in cash plus a 2.5% royalty on future production, capped at A\$50 million.

Japanese life insurance company Dai-ichi Mutual Life received regulatory approval to increase its stake in **Tower Australia Group** to 49.9%.

**Brickworks Limited** bought Sasso Precast Concrete, a manufacturer of precast concrete panels, for A\$35.25 million.

**Corporate Express'** full-year results were slightly above guidance, thanks in part to a strong fourth quarter.

**Avoca Resources** posted record interim results owing to robust gold sales.

We hold all the above companies highlighted.

## Fixed Interest

Australian bond futures rose in fairly quiet trading. The yield curve flattened ahead of the central bank meeting and steepened towards the end of the week.

## Indices Performance Tables

Indices	Week	YTD	05/03/2010
S&P/ASX 50	2.73%	2.99%	4800.50
S&P/ASX 200	2.79%	2.51%	4767.20
AUD/USD	1.47%	2.15%	0.91
US DJ	2.33%	20.39%	10566.20
UK FTSE	4.58%	26.29%	5599.76
NASDAQ Comp	3.94%	47.51%	2326.35

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	Aust 10 Yr Yield (%)	US10Yr Yield (%)	A\$/US\$10yr Spread (bps)	Aust Bond Mkt Total Return (%)
05/03/10	5.460	3.6022	177.8	0.07
26/02/10	5.485	3.6117	181.1	0.54

Source: Aberdeen Asset Management Limited, Bloomberg, Reuters, IRESS

## Focus – This Week

	Australia data	International data
10 Mar	-	Mortgage Applications
11 Mar	Unemployment	-
12 Mar	-	Initial Jobless Claims

## For more information

Client Service

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## Important information

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