

Australian Weekly



Overview

- Domestic equities remained under pressure last week, as uncertainty over the global economic outlook intensified owing to disappointing US economic data and slowing export growth in Japan.
- Construction work continued to be boosted by government stimulus and rose in the second quarter. However, capital spending fell in the same period, weighed down by the proposed mining tax and poor economic sentiment.

Corporate News

Full-year results were good: **Woolworths** was boosted by stronger sales and operational efficiencies. The growth of its food and liquor division was particularly buoyant. **BHP Billiton** was driven by higher production volumes. The miner maintained its dividend of 45 US cents per share.

We hold all the above companies highlighted.

Fixed Interest

Australian bond futures rallied in line with US Treasuries, spurred by poor economic data and fears of a 'double dip' recession. They were range bound towards the end of the week.

Indices Performance Tables

	Week	YTD	27/08/2010
S&P/ASX 50	-4.55%	-6.09%	4376.98
S&P/ASX 200	-4.19%	-6.03%	4370.11
AUD/USD	-1.62%	0.97%	0.90
US DJ	-4.57%	0.00%	10150.65
UK FTSE	-3.61%	0.00%	5201.56
NASDAQ Comp	-5.69%	0.00%	2153.63

	Aust 10 Yr Yield (%)	US10Yr Yield (%)	A\$/US\$10yr Spread (bps)	Aust 3/10 Yield Curve (bps)	Aust Bond Mkt Total Return (%)
27/08/10	4.8	2.6447	222.6	41.5	0.51
20/08/10	4.905	2.6106	233.3	43.0	0.62

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

Focus – This Week

	Australia data	International data
30 Aug	-	PCE
31 Aug	Retail Sales; Building Approvals	-
1 Sep	GDP	-
2 Sep	-	Initial Jobless Claims
3 Sep	-	Factory Orders; Payrolls; Unemployment
4 Sep	-	ISM Non-Manufacturing Composite

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For more information

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