



Investors buy into confidence

Equities

THE sharemarket closed higher yesterday, boosted by the major miners and big banks, and positive data on consumer confidence and housing finance.

The benchmark S&P/ASX200 index rose 89.5 points, or 2.27 per cent, to 4024.4, while the broader All Ordinaries index was up 82.7 points, or 2.1 per cent, to 4016.3.

IG Markets research analyst Ben Potter said there was plenty of interest in junior iron ore miners following the collapse of Rio Tinto's planned \$US19.5 billion (\$24bn) investment tie-up with Chinalco and Rio and BHP Billiton's proposal that the two combine key iron ore operations.

"There's a lot of re-ratings on base metal players based on this BHP deal (with Rio)," Mr Potter said. "You're also seeing all these smaller iron ore miners really becoming targets for the Chinese because the Chinalco deal has fallen through and China wants to secure some long-term iron ore pricing power."

BHP gained \$1.20, or 3.29 per cent, to \$37.70 as the company said settlements reached for most of its 2009 metallurgical coal

contracts were at prices about 58 per cent lower than last year's.

Rio Tinto added \$2.42, or 3.43 per cent, to \$73.03 as European steelmakers called for EU regulators to probe plans by Rio and BHP to form an iron ore joint venture in Western Australia.

Fortescue Metals surged 48c, or 15.43 per cent, to \$3.59. **OZ Minerals** dipped 2c to 89c.

OZ shareholders at the company's annual meeting today are expected to back a proposal by China Minmetals to buy most of the miner's assets for \$US1.2 billion (\$1.49 billion), after the miner rejected at least two alternative proposals.

Oil and gas producer **Woodside Petroleum** put on 61c to \$42.78 and **Santos** ascended 56c to \$15.62. Among the major banks, **NAB** rose 42c to \$22.12, **Commonwealth Bank** put on 97c to \$37.96, **Westpac** added 44c to \$19.79 and **ANZ** improved 41c to \$16.82.

In the gold sector, **Lihir** was 4c higher at \$3.05, **Newmont** reversed 19c to \$5.55 and **Newcrest** picked up 15c to \$31.80.

Telstra was 4c richer at \$3.28 while Optus owner **SingTel** eased

4c to \$2.53.

Retailer **Woolworths** was 29c stronger at \$26.48 and **Wesfarmers**, which owns Coles, was up 34c at \$22.61.

In the media sector, **News Corporation** was 70c higher at \$15.30 and its non-voting scrip rose 30c to \$13.30.

Consolidated Media edged up 1c to \$2.33 and **Fairfax** firmed 5c to \$1.29.

Among other stocks, infrastructure and engineering company **Downer EDI** was up 15c at \$4.85 as it reaffirmed guidance of double-digit profit growth for this financial year.

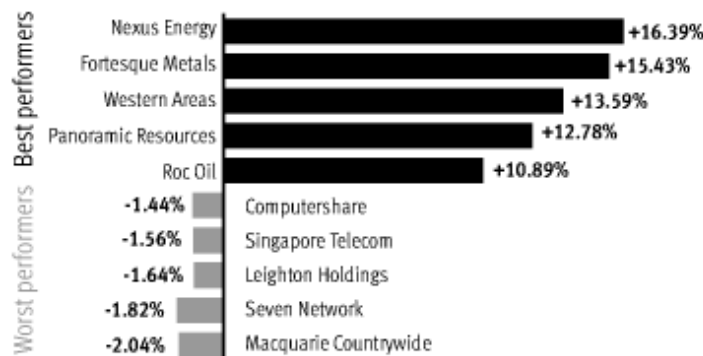
The top traded stock by volume was oil and gas explorer **Lakes Oil**, with 102.95 million shares worth \$616,464 changing hands. Lakes Oil closed the day steady at 0.6c.

On Wall Street earlier yesterday, the Dow Jones Industrial Average index fell 1.43 points, or 0.02 per cent, to 8763.06.

On the Sydney Futures Exchange, the June share price index futures contract was 77 points higher at 4021 on a volume of 27,825 contracts.

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Source: Bloomberg