



## Outlook spooks investors

About \$33 billion was wiped off the Australian share market in the biggest one-day sell-off in almost six weeks amid a worse than expected world growth outlook.

The benchmark S&P/ASX200 index plunged 3.1 per cent, or 121.3 points, to 3796.9 yesterday, while the broader All Ordinaries fell 117.8 points, or 3.01 per cent, to 3793. It was the lowest close for both major indices since May 28.

And it was the biggest one-day drop in percentage and points terms since May 14, wiping about \$33 billion off the market as stocks fell across the board.

On the Sydney Futures Exchange at close, the September share price index contract was down 122 points at 3767 points on a volume of 32,178 contracts.

Falls followed Wall Street's biggest loss in two months on the World Bank's bleaker than expected forecast for the global economy.

Shares in **BHP Billiton** finished down \$1.45, or 4.11 per cent, at \$33.80 and **Rio Tinto** was \$1.39, or 2.78 per cent, weaker at \$48.61.

Shaw Stockbroking's head of research, Tim Buckley, said the gloomier outlook for global growth this year helped to spook investors.

"There was not any obvious catalyst to trigger this, other than the World Bank revising downward its growth numbers," Mr Buckley said.

"Stocks have been sold off quite aggressively pretty well across the board. Almost every stock of substance is down today."

The spot price of gold closed Sydney trading at \$US917.55 per fine ounce, down \$US15.40 from Monday's close of \$US932.95.

Among gold stocks, **Newcrest Mining** ended down \$1.23 at \$29.99, **Newmont** was 14¢ weaker at \$5.10 and **Lihir Gold** was off 9¢ to \$2.84.

Banks were also weaker. Moody's Investors Service said the outlook for Australia and New Zealand's banking system was negative because of the slowing global and local economies.

**Commonwealth Bank** shares were off 3.82 per cent, or \$1.48, at \$37.22, **National Australia Bank** stocks finished down 80¢, or 3.56 per cent, at \$21.69.

**ANZ** declined 55¢, or 3.32 per cent, to \$16.03 and **Macquarie Group** fell \$2.06, or 5.45 per cent, to \$35.76.

Energy stocks were down as oil prices fell below \$US67 a barrel in Asian trade. Shares in **Woodside** ended \$1.03 weaker at \$40.27 and shares in **Oil Search** were off 19¢ at \$5.29. **Santos** fell 57¢ to \$14.13 and **Origin Energy** finished down 31¢, at \$14.21.

Media shares were off, too, with **News Corp** declining 58¢ to \$12.99 and its non-voting scrip off 41¢ at \$11.59. **Fairfax Media** was down 3¢ at \$1.19.

Retailers generally declined by less than the overall market.

**Woolworths** were off 28¢ at \$25.49, **Wesfarmers** was down 42¢ at \$21.23 and **Harvey Norman** finished 1¢ weaker at \$2.91.

**David Jones** dropped 23¢, or 5.48 per cent, to \$3.97.

**Lakes Oil NL** was the most traded stock, with about 129.94 million shares worth \$1.27 billion changing hands. Shares in Lakes Oil jumped 37.5 per cent, or 0.3¢.

Market turnover reached 2.26 billion shares worth \$5.24 billion, with 224 stocks up, 931 down and 323 unchanged.