

Market Today

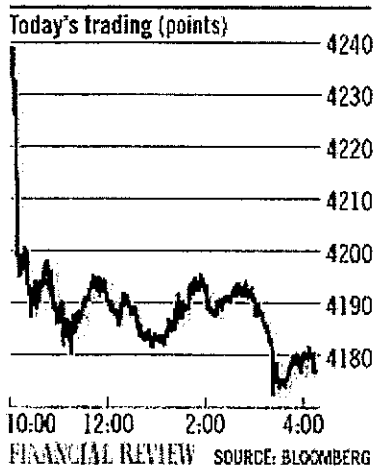
Worst week on ASX in two months

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Europe's stagnant debt problems put another dampener on investment sentiment as the local sharemarket posted its worst weekly performance in two months on Friday.

S&P/ASX 200



The benchmark S&P/ASX 200 index fell 81.2 points or 1.91 per cent to close at 4177, while the broader All Ordinaries Index closed 77.4 points lower at 4246.7.

For the week the major index slumped 2.78 per cent, its worst week since the five days ending September 23.

Leadership changes in Europe and a looming election in Spain this weekend kept investors on the sidelines, with trading volumes on the domestic market below average.

Investors were also on the back foot following a poor response from investors for €5.5 billion (\$7.4 billion) of 10-year bonds issued by the Spanish Treasury. The bonds were sold at a yield of 6.975 per cent, just below the 7 per cent "bailout" benchmark that has caused problems in the past year for Greece, Italy and Ireland.

Opinion polls are suggesting the current Socialist government will lose the Spanish election and the centre-right Popular party will win, led by Mariano Rajoy.

Wilson Asset Management portfolio manager Chris Stott expects that markets will continue to be driven by headlines out of Europe until at least Christmas. "I would expect that to be the case over the next few months," Mr Stott said. "There was some good economic data out of the US this week but the market is just looking through it, and I expect that to remain the case in the very near term."

Taking a back seat to Europe is strong US economic data on retail sales and industrial production, and company fundamentals. Investors stuck to defensive stocks and palmed away many cyclical stocks as risk aversion remained higher.

On Friday, materials led the market lower as investors sold out of commodities and other risk assets.

BHP Billiton shares fell 91¢ to \$36.13, while Rio Tinto shed \$1.02 to \$67.05 after the miner increased its takeover bid for Canadian miner Hathor Exploration to \$654 million (\$630.7 million). Newcrest Mining lost 77¢ to \$35.85.

Telstra also lost ground despite upbeat comments by the telco's chief executive David Thodey on the prospects for growth in mobile phones and customer numbers. Telstra shares fell 5¢ to \$3.14.

All the banks closed in the red with National Australia Bank and Commonwealth Bank of Australia both down 88¢ to \$23.46 and \$47.73 respectively. Westpac lost 48¢ to \$20.37 and ANZ Banking Group fell 52¢ to \$20.06.

Highlights for the week included Spotless Group, which edged higher to close at \$2.42 on Friday, up 10 per cent for the week after the company received a takeover approach from Private Equity Partners.

James Hardie shares also climbed higher to \$6.50 as investors digested the news that the building and

products manufacturer had returned to profitability. The worst performer was Nathan Tinkler's Aston Resources, down 20.45 per cent this week after key management departed the coal company.

In the coming week, the US is set to deliver a plan to deal with the nation's huge deficit, but investors will still focus on Europe.

"The cause of all the problems in the global economy is Europe, the problems started in the periphery but have now spread deeper into the core ... and this is going to remain the focus for global investors until it is resolved," said Perpetual Investments head of investment markets research, Matt Sherwood.

S&P/ASX 200: The day's best and worst

BEST	Price (\$)	Change (%)	Recent news
Beach Energy	1.36	3.18	Offer for Adelaide Energy recommended
Cudoco	3.24	1.89	Completes second payment to Sinosteel
Energy World	0.59	0.85	Continues to rise after selling stake in LNG facility
Energy Resources	1.65	0.61	Uranium production expected to rise
Aurora Oil & Gas	3.34	0.60	Up for sixth week in a row

WORST	Price (\$)	Change (%)	Recent news
Gindalbie Metals	0.52	-10.26	Doubts on Australian coking coal supply
Aston Resources	8.72	-8.69	Management changes weigh on stock
Mesoblast	1.28	-8.57	Releases stem cell paper
Iluka Resources	15.70	-8.19	Downgraded to 'hold' by RBS
OM Holdings	0.50	-8.18	Continues to track lower

FINANCIAL REVIEW

As at 3:45pm, 18/11/11

SOURCE: REUTERS, BLOOMBERG

S&P/ASX 200 best and worst performers

Past month

BEST	Change (%)
Karooon Gas	35.37
Intrepid Mines	30.48
Aquila Resources	21.81
AWE	21.74
Beach Energy	20.98
Billabong	20.45
Spotless Group	20.00
Transpacific	19.55
Energy World	18.00
James Hardie	16.13

WORST	Change (%)
White Energy	-63.83
Mesoblast	-26.90
BlueScope	-26.14
OneSteel	-24.61
Gunns	-24.07
ERA	-20.33
Pacific Brands	-18.98
Bathurst Resources	-17.76
Kagara	-14.46
OM Holdings	-14.41

Year-to-date

BEST	Change (%)
Sigma Pharmaceuticals	135.26
Iluka Resources	71.44
Beach Energy	56.65
Aurora Oil & Gas	49.11
Mesoblast	43.47
Regis Resources	38.33
Resolute Mining	36.01
Bow Energy	29.00
Envestra	28.57
QR National	27.27

WORST	Change (%)
White Energy	-82.56
Murchison	-78.43
ERA	-77.41
BlueScope	-71.11
Paladin	-69.27
Gunns	-67.20
OM Holdings	-64.06
OneSteel	-62.74
Gindalbie Metals	-61.20
Goodman Fielder	-56.44

FINANCIAL REVIEW

As at 4:00pm, 18/11/11

SOURCE: BLOOMBERG

Rolling year records

HIGHS	New high (\$)	Last week (\$)	Last month (\$)
AMCB Fund No 5	101.29	100.87	100.69
Antisense Therapeutic opt jul12	0.023 0.015	0.013 0.005	0.012 0.006
Audalia Res Ltd	0.26	0.20	0.21
Beach Energy	1.38	1.28	1.24
CS GP100 Aust Tr unt	1.005	0.995	1.00
CS100 Emrg Mkt Infr unt	0.945	0.94	0.935
Dolomatrix Int'l	0.30	0.26	0.28
Embelton	7.00	5.572	5.572
ETS Google	601.20	578.05	575.43
ETS Intel	24.18	23.58	22.76
India Equities Fund	0.082	0.054	0.055
Northern Star Res	0.935	0.685	0.625
Oceania Capital	2.34	2.20	2.28
Rocklands Rich	0.32	0.28	0.285
Western Desert Res	0.49	0.395	0.41

LOWS	New low (\$)	Last week (\$)	Last month (\$)
Aphrodite Gold	0.081	0.092	0.088
Atlantic Gold	0.034	0.039	0.039
Aurora Minerals	0.12	0.135	0.13
Betasharescrudeoil etf unt	54.60	-	-
Carnarvon Pet	0.115	0.12	0.125
Challenger Energy opt jun12	0.005	0.006	0.006
CIC Aust	0.40	0.43	0.425
Coretrack	0.065	0.068	0.072
Fisher & Paykel App	0.29	0.31	0.32
Fletcher Bldg	4.57	4.75	4.82
Gippsland	0.02	0.022	0.024
Great Western Exp opt jun12	0.045	0.10	0.14
Highlands Pacific	0.20	0.205	0.205
Immuron	0.045	0.05	0.048
IMX Res	0.325	0.35	0.335
iSonea	0.006	0.008	0.009
Kagara	0.35	0.375	0.355
Katana Capital	0.685	0.695	0.70
Kinetiko Energy	0.17	0.18	0.19
Kingsgate Cons	6.51	6.65	6.82
MacarthurCook PSF unt	0.098	0.10	0.105
Macquarie Radio	0.70	0.75	0.935
Mastermyne Grp	1.315	1.37	1.37
McPherson's	2.04	2.07	2.19
Medusa Min	6.04	6.65	6.51

The Australian Financial Review

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