

Market Today

Retail woes keep key indexes in the red

PUBLISHED: 10 Jan 2012 PRINT EDITION: 10 Jan 2012

Joanna Heath

Downbeat retail sales data overcame a strong lead from Wall Street yesterday as concerns about the health of the domestic economy overshadowed positive signs on the strength of the recovery in the United States.



The S&P/ASX 200 fell 0.08 per cent or 3.12 points to 4105.4 points, while the broader All Ordinaries fell 0.07 per cent or 2.95 points to 4161.5 points. It was the third day in the red for both indices.

Volumes were still light despite the majority of traders returning from holidays, with 524.5 million shares trading hands.

Across Asia, the Nikkei 225 was closed on Monday, while the Shanghai Composite jumped 2.89 per cent to 2225.89 and the Hang Seng was down 0.01 per cent at 18591.19 in late trading.

The trading day started on a positive note after the key non-farm payrolls report published in the US on Friday night showed 200,000 jobs were added to the US economy in December, with the unemployment rate falling to 8.5 per cent, its lowest since February 2009.

US Federal Reserve member James Bullard disappointed some commodity bulls by stating the positive flow of economic data would take further quantitative easing off the table for the near future.

The Australian dollar was trading at \$US1.0173, half a cent down from its close of trading on Friday.

Against the euro, the Australian dollar was at €80.07 after hitting a record of €80.58 in offshore trading on Friday night.

Wilson Asset Management portfolio manager Chris Stott said were it not for the constant background rumblings from Europe, the good news on the US economy would be a major positive catalyst for the Australian sharemarket.

"The data flow out of the US has beaten expectations generally, in the last couple of months. But the equity market continues to be weighed down by Europe and we expect that to be the case for the next three to six months," he said.

"The US is normally a big driver for global equity markets."

Selected US-exposed stocks performed well following the release of the numbers, with clothing retailer Billabong up 1.5¢ to \$1.82, Aristocrat Leisure up 3¢ to \$2.25 and ResMed up 2¢ to \$2.47.

Locally, retail sales data released just before midday disappointed those investors who had clung on to stocks in the embattled sector in the hope that the Reserve Bank of Australia's recent interest rate cut would boost bottom

lines.

Sales stood at \$20.9 billion for November, their weakest result in five months. The result puts the pressure on December numbers, taking in the key Christmas and early Boxing Day sales period, to prove there are signs of life in struggling Australian retailers.

"It always takes a little while for interest rates to flow through – it hadn't equated to extra savings yet so they didn't have the confidence to go out and spend," said Whitehaven Private Portfolio manager Brendon Alford. "It probably will flow through but this sales data might be a bit too early."

JB Hi-Fi lost 13¢ to \$11.24 and Kathmandu fell 2¢ to \$1.26.

Among department stores, Myer gained 1¢ to \$1.97 and David Jones fell 7¢ to \$2.37. Harvey Norman gained 1¢ to \$1.86 after chairman Gerry Harvey told the *Australian Financial Review* he would not open any new stores in Australia this year for the first time in 30 years.

The big four banks did not benefit as might have been expected from the news that new home sales soared 6.8 per cent in November, according to Housing Industry Association figures. Westpac Banking Corp fell 3¢ to \$19.99, ANZ Banking Group gained 9¢ to \$20.54, National Australia Bank fell 3¢ to \$23.37 and Commonwealth Bank fell 11¢ to \$49.40.

BHP Billiton and Rio Tinto fell 4¢ to \$35.20 and 37¢ to \$62.15 respectively.

Chinese consumer price inflation data due out before Thursday is likely to be a major price catalyst for large and mid-cap miners this week.

Shares in Spotless Group jumped 4¢ to \$2.37 after the company took the unusual move of naming the price at which it would consider accepting a current takeover bid from suitor Pacific Equity Partners.

Gold stocks were again strong performers on the market as the yellow metal maintained levels above \$US1600 an ounce.

Rolling year records

HIGHS	New high (\$)	Last week (\$)	Last month (\$)
ANZ Banking Grp pref cps3	103.99	103.49	103.50
Aust Foundat 6.25% cn	105.55	104.90	105.00
Drillsearch Energy	0.885	0.875	0.82
Energy Action Ltd	1.35	1.27	1.26
Ethane Pipeline stp	1.90	1.80	1.70
Flinders Mines	0.295	0.29	0.285
Terrain Minerals	0.037	0.03	0.029
opt dec12	0.009	0.005	0.005
Woolworths Ltd frn nov36	105.65	105.50	104.95

LOWS	New low (\$)	Last week (\$)	Last month (\$)
Burey Gold	0.035	0.04	0.04
Consolidated Tin Min opt dec13	0.008	0.016	0.015
De Grey Min	0.021	0.023	0.023
Elemental Min opt jan12	0.75	0.87	0.87
Energy Res	1.135	1.16	1.175
Equatorial Res	1.48	1.58	1.60
eServGlobal	0.33	0.34	0.34
Euroz Ltd opt mar14	0.40	0.485	0.475
Galilee Energy	0.14	0.15	0.155
GGG Resources cdi	0.185	0.195	0.21
Goodman Fielder	0.372	0.395	0.42
Invictus Gold	0.065	0.07	0.07
Ipernica	0.039	0.04	0.04
Kairiki Energy	0.001	0.002	0.002
Katana Capital	0.65	0.68	0.68
Krucible Metals	0.12	0.125	0.125
Kula Gold	0.90	0.95	0.995
Macquarie Radio	0.65	0.665	0.66
Magellan Pet cdi	1.30	1.40	1.40
Mount Gibson Iron	1.115	1.125	1.12
Norseman Gold cdi	0.067	0.077	0.073
Padang Resources	0.014	0.015	0.015
Perilya	0.32	0.33	0.325
PlatSearch	0.078	0.08	0.08
Richmond Min	0.155	0.19	0.19
Rift Valley Res	0.095	0.10	0.10
Solagran	0.055	0.058	0.058
Sth American Iron	0.011	0.02	0.025
Tissue Therapies	0.33	0.335	0.36
YTC Res	0.205	0.205	0.215

Newcrest Mining gained 70¢ to \$31.45 while Regis Resources, which mines gold in Kalgoorlie, gained 6¢ to \$3.56.

The Australian Financial Review

Related News

Topics [Financial Markets](#), [Financial Markets/Equities Markets](#), [Economy](#)

See also

- [Before the Bell | Upbeat US data boosts sentiment](#)
- [Retail sales spark shares sell-off](#)
- [Stocks to watch on the ASX at noon on Monday](#)



Create an alert

Click on the links below to create an alert and receive the latest news as it happens

Topics [Financial Markets](#), [Financial Markets/Equities Markets](#), [Economy](#)