

SOLID GDP NUMBER PUSHES AUSTRALIAN MARKET HIGHER

Index	Index Level	Change (%)	Stocks	Price (\$)	Change (%)	Price rises	Price (\$)	Change (%)
ASX S&P200	4744	0.72	ANZ	23.88	0.21	IPL	3.55	3.80
All Ordinaries	4736	0.72	CBA	55.14	0.40	AIX	1.96	2.89
SPI Futures	4758	0.16	NAB	26.20	2.34	RIO	73.87	2.57
Dow Jones (US)	10397	-0.09	WBC	26.99	0.97	IOF	0.62	2.48
FTSE (UK)	5533	0.90	MQG	46.60	0.93	NAB	26.20	2.34
Shanghai(China)	3097	0.78	BHP	41.67	1.41	Price falls	Price (\$)	Change (%)
Nikkei 225 (Jap)	10253	0.31	RIO	73.87	2.57	SKI	1.29	-7.53
Hang Seng (HK)	20877	-0.14	WPL	44.19	0.25	PMC	1.45	-3.97
AUS/USD	0.9054	0.18	WOW	27.57	-0.68	QBE	20.38	-3.41
Gold (\$US)	1143.30	0.52	WES	32.57	1.46	SHL	13.20	-2.22
Oil (\$US)	80.88	1.49	HVN	3.88	1.84	LLC	8.93	-1.87

Market Summary

Yesterday the Australian market began in a mildly positive mood that was boosted by the GDP number of 0.9% for the fourth quarter 2009. After the GDP announcement the market pushed to a higher level where it hovered around for the remainder of the day. This morning the SPI futures are indicating a slightly positive session, up 8 points.

Stocks trading ex-dividend today are AGL Energy, Lend Lease and Perpetual. Stocks trading ex-dividend tomorrow include Flight Centre, Primary Health Care and Toll Holdings. In the table above, some of the price falls are explained by companies that went ex dividend yesterday including Spark Infrastructure, QBE and Sonic Healthcare.

Australian Company & Economic Reports

Australia's average measure of **gross domestic product** rose 0.9% in the fourth quarter of 2009 from the third quarter and rose 2.7% from the year-earlier period, its fastest pace in almost two years according to the Australia Bureau of Statistics. Strong business investment, a construction upswing, corporate profit growth, solid government and consumer spending all contributed to the boost. 200,000 jobs were created between August and January, lowering unemployment to 5.3% from 5.8%. The government is set to release its 2010-11 budget in early May.

CSR (CSR): Supply and demand in the global raw sugar market will be finely balanced through 2010 and any shock to production, particularly in major producers Brazil or India, will push prices higher, Ian Glasson, chief executive of CSR's sugar unit Sucrogen said. For now, the global market looks like delivering a "slight surplus" in 2010 but this will come after a period of a sharp rundown in global stocks, Glasson said. "The market is hand to mouth at the moment," and any major news either way will spook the market, he said. "Long run, clearly the price isn't sustainable at these levels and it will drop down close to Brazil's cost of production, but it is on a knife edge," Glasson added. CSR improved 3 cents (1.88%) to \$1.63.

International Market Report

Weakness in healthcare stocks weighed on the broader market on Wednesday afternoon, leaving major indexes near the flat line as investors weighed a new call by President Barack Obama to pass federal healthcare legislation. The market had rallied through most of the session, aided by favourable readings of jobs, service-sector activity, and the Federal Reserve's beige book of regional indicators. But the early gains dried up late in the session.

The Dow Jones Industrial Average was up more than 60 points at its morning high but recently skirted between gains and losses. It finished 9.2 points lower (0.09%) to 10,396.8. The S&P500 advanced 0.5 points (0.04%) to 1,118.8 and the Nasdaq lost 0.1 points (0.00%) to 2,280.7.

Pfizer was the Dow's weakest component, off 1.6% after Medivation said its experimental Alzheimer's disease treatment Dimebon, which was in development with Pfizer, failed to show effectiveness in a large late-stage study. The news sent shares of Medivation, which is not a Dow stock, plunging 66.9%. Merck fell 0.3%, while Johnson & Johnson was down 0.1% after posting gains earlier in the session.

Looking to push the "long and wrenching debate" over health care into its final stages, Mr Obama asked lawmakers to schedule a vote on overhaul legislation "in the next few weeks." For months, healthcare stocks have been sensitive to the possibility that any possible changes in Washington might hinder private providers' profit-making ability. The sector picked up a bit in January when Republicans expanded their Senate minority - a development that was thought by many to dim the prospects of passage of a health bill. But on Wednesday, investors had to grapple with the prospects that it might get through after all.

The session's strong economic data, meanwhile, helped basic-materials and industrial stocks, which tend to be sensitive to the pace of global recovery. Caterpillar and Alcoa were up about 1.4% each, while General Electric was up 0.9%.

Among stocks to watch, Novell surged 28% to \$6.09, topping an offer price announced late on Tuesday from hedge fund Elliott Associates and sparking speculation another software company or hedge fund could step in with a higher bid.

For Australian ADRs listed on the NYSE, BHP Billiton improved 2.16%, **Rio Tinto Plc** climbed 3.21%, **Telstra Corporation** strengthened 0.99% and **Westpac** advanced 0.97%.

In economic news, private-sector jobs fell just 20,000 last month, less than the 50,000 drop economists expected, while layoff announcements declined to their lowest level since 2006, according to ADP's national employment report. ISM's non-manufacturing purchasing managers' index increased to 53.0 from 50.5 in January, expanding at a faster than expected pace. But the report showed employment within the broad sector is still contracting.

Dallas Fed President Richard Fisher said inflation risks are not present in the US economy and are not visible in "the foreseeable future." He added that job growth won't return to the US until businesses restore confidence shattered by the recent recession.

At 7:45 AM (AEST), the 10-year Treasury note yield was 3.62% and the five year yield was 2.27%.

European shares rose for a fourth session on Wednesday as Greece took a step toward getting its debt-ravaged finances in order and on data showing the US employment situation isn't getting much worse.

The Stoxx Europe 600 index advanced 0.7% to 252.50, according to preliminary closing data, with a particularly strong showing in the basic resource sector.

Shares of **BHP Billiton** rose 2.9% and Antofagasta climbed 3.7% as a broadly-weaker dollar boosted metal futures.

The major European regional equity markets were higher, with the UK FTSE 100 index trading up 0.9% to 5,533.21, the German DAX index rising 0.7% to 5,817.88 and the French CAC-40 index gaining 0.8% to 3,842.52.

Emerging markets-focused bank Standard Chartered shares rose 5.3% after the lender also said it has started the year well. The bank made the comments as it reported a 4.7% rise in its 2009 net profit to \$3.28bn as it continued to grow its market share.

Asian markets saw broad but modest gains on Wednesday. Japan's Nikkei 225 closed up 0.3% at 10,253.14, the Shanghai Composite finished 0.8% higher and Hong Kong's Hang Seng Index ended down 0.1%.

Base metals rallied as the Euro strengthened against the US dollar after Greece's announcement of austerity measures, and crude oil prices and equity markets rose. Aluminium rose \$34 (1.55%) to \$2,199 while copper firmed \$30 (0.40%) to \$7,535 and nickel added \$410 (1.84%) to \$22,700. Zinc strengthened \$30 (1.33%) to \$2,285 and lead gained \$15 (0.68%) to \$2,205. Comex copper was last quoted at 342.45 US cents per pound.

Gold moved to its highest level in nearly seven weeks as the euro rose after Greece's government announced plans to deal with the country's budget deficits, leading to improved risk appetite in markets generally. Spot gold was last quoted at \$1,139.20. Comex gold futures climbed \$5.90 (0.52%) to \$1,143.30. Spot silver was last quoted at \$17.16.

Crude closed higher after the US Energy Information Administration reported a big jump in oil inventories along with an improvement in demand. West Texas Intermediate was last quoted at US\$80.97 per barrel.

Author & Editor: Travis Adams, CFA - Senior Equity Analyst
Prescott Securities Research Team

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