

PRESS CUTTING

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Galaxy hogs limelight as safe havens find favour



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MARKETS

Galaxy Resources shares rose 9 per cent amid a flat wider market on hopes the WA-based lithium miner could be allowed to explore for rare earths on a Class A reserve 200km east of Kalgoorlie-Boulder.

Galaxy said a review of historical data at the Ponton project showed significant rare earth element intersections over a strike length of more than 300m, including intersections of up to 16m at 14.5 per cent rare earth oxides.

The news sent its shares up 14¢ to \$1.72, having touched an intra-day high of \$1.745. Galaxy, however, still needs to be granted an exploration licence for the site.

In the broader market, a rally by defensive stocks in late trade saw the S&P-ASX 200 close relatively flat, down only 1.6 points to 4710.6, after being as much as 20.1 points lower in mid-morning trade because investors were concerned about the impact of the Queensland floods.

The floods also had investors drifting away from the Australian dollar to seek safe-haven assets overseas.

It lost 0.8 per cent to US98.42¢ at the Perth close and also fell against other major currencies, trading at

S&P-ASX 200 TOP 10 MOVERS

UP	%	DOWN	%
Medusa Mining	4.4	Sundance Resources	10.0
Mirvac Group	3.2	Energy World Corporation	8.3
OceanaGold	3.1	Lynas Corporation	5.7
David Jones	2.8	Kagara	5.4
GWA Group	2.6	St Barbara	4.8
Cochlear	2.5	Boart Longyear	4.3
Telecom New Zealand	2.4	Alumina	4.3
Alesco Corporation	2.4	Sims Metal Management	4.2
Crown	2.3	PanAust	4.1
Telstra	2.2	OZ Minerals	3.8

76.05 euro cents and 63.23 British pence.

Regional markets outperformed the local bourse, with Hong Kong's Hang Seng adding one per cent and the Shanghai composite index up 0.4 per cent, although Japan's Nikkei slipped 0.3 per cent.

Telecommunications and most retail stocks had gains and, along with a late rally behind mining giant BHP Billiton, helped offset losses from the insurance sector and some miners.

CommSec market analyst Juliette Saly said investors put their money in defensive stocks near the end of trade yesterday.

"Investors were looking for somewhere to put cash, so most retailers did well and Telstra obviously on

defensive buying and the recent backlash against Vodafone," Ms Saly said. "There was just a little bit of defensive buying going on and that's pretty much what we saw right at the end (of trade) with some of the banks and BHP turning positive."

BHP Billiton added 16¢ to \$44.61 while Rio Tinto fell 24¢ to \$84.12 and Sundance Resources shed 6¢, or 10 per cent, to 54¢.

Alumina lost 11¢ to \$2.45 after US investors dumped Alumina's partner Alcoa overnight on Monday, despite the group posting a better than expected profit update.

Telstra was one of the best-performing blue-chip stocks, lifting 6¢ to \$2.84. New Zealand's Telecom Corp added 4¢ to \$1.71.

WA LEADERS

COMPANY	Price \$	Change
Woodside Petroleum	43.20	+21¢
Wesfarmers	31.25	+5¢
Fortescue Metals	6.49	-6¢
Aquila Resources	9.20	-26¢
Iluka Resources	8.44	-12¢
Paladin Energy	5.00	-3¢
Mount Gibson Iron	2.04	-6¢
Mineral Resources	12.42	-19¢
WA Newspapers	6.40	0¢
Navitas	3.71	-4¢

Most retail stocks added to their Monday gains, with the sector up 0.8 per cent. David Jones jumped 13¢ to \$4.75, Woolworths climbed 43¢ to \$26.79, JB Hi-Fi added 24¢ to \$18.31 and Harvey Norman was up 2¢ to \$2.92. Myer dipped 2¢ to \$3.47.

The banks were mixed, with NAB up 10¢ to \$23.89 and Commonwealth Bank adding 25¢ to \$50.30, while Westpac slipped 1¢ to \$22.06 and ANZ lost 13¢ to \$22.83.

Gold rebounded to \$US1376.62 yesterday, with some gold miners also rising. Medusa Mining soared 29¢ to \$6.95 and Avoca Resources added 2¢ to \$3.30. Newcrest fell 34¢ to \$38.50.

Oil and gas stocks were mixed, with Woodside Petroleum adding 21¢ to \$43.20. Santos lost 3¢ to \$13.14.