



AWS is all at sea but banks rescue market



KATE EMERY
MARKETS

Investors yesterday shunned collapsed irrigation supply group **Australian Waterwise Solutions** on its first day back on the market since a major restructure, sending its shares 80 per cent lower on an otherwise cautiously upbeat day on the market.

AWS, which on Monday announced a merger with Malaga-based **ADG Global Supply** in a bid to diversify into mining services, plunged 14.5¢ to 3.5¢.

The company has languished in administration since its collapse in June last year. It was reinstated to the Australian Securities Exchange earlier this year but had been in a trading halt until the merger announcement.

Financials and retailers bolstered the rest of the market. The S&P-ASX 200 closed 44.5 points higher at 5666.1 while the broader all ordinaries was up 46 points at 5745.8. They both came off early highs caused by easing US credit concerns after the country's biggest bond insurers maintained their top debt rating.

ABN AMRO head of sales trading **Leigh Gardner** said it was "not a bad day" on the market, given some disappointing results dragging some sectors down.

Among the winners was **Woolworths**, which jumped \$1.22, up 4 per cent, to \$30.23, on the back of a 28 per cent jump in first-half profit.

At the other end of the scale, **Mr Gardner** said **ABC Learning** had caused "significant concerns" with a poor profit result out late on Monday, which caused the stock to slide \$1.60 to \$2.14 amid rumours of hedge funds shorting the stock on debt concerns and fears of margin calls.

The four big banks were up strongly for the second day in a row on good news coming out of the US as well as recent heavy sell-offs.

NAB recovered 9¢ to \$30.11 and **Commonwealth Bank** jumped \$1.19 to \$45.86. **Westpac** put on 47¢ to \$23.99 while **ANZ** climbed 27¢ to \$22.87. **Macquarie** rose \$3.18 to \$58.64.

Allco Finance slid another 15 per cent, down 17¢ to 94¢, after several brokers suspended coverage in the wake of the company's proposed restructure and revelations that Allco could be required to repay \$900 million in debt in the next 90 days.

Weaker base metals prices over-

night saw some profit taking in the resources, which were mostly weaker, led by **Rio Tinto**, down \$1.75 to \$133.68 and **BHP Billiton**, off 30¢ to \$38.75.

But WA-based **Metals X** jumped more than 20 per cent on its move to cash in on soaring rock phosphate prices by taking a stake in the **Agaton phosphate sands project** north of Perth. Its shares rose 2.5¢ to 30.5¢. **Venture Minerals** was up 3¢ to 33¢ after securing \$6.4 million for its **Mount Lindsay project**.

Gindalbie Metals chairman **George Jones** snapped up an additional one million shares in the company just over a week after it received a long-awaited \$50 million downpayment from Chinese joint venture partner **Anshan Iron & Steel Group**. But the stock slipped 2¢ to 87¢.

Woodside was up 7¢ to \$55.95 and **Cooper Energy** put on 4.5¢ to 67.5¢ after delivering a 287 per cent jump in interim profit. In other WA stocks, **Wesfarmers** jumped \$1.91 to \$41.05 and **Peet** regained 8¢ to \$2.79.

• The **Australian dollar** posted a fresh three-month high, almost touching US93¢. At the Perth close, the dollar was trading at US92.79¢, up from US92.55¢ previously.

The dollar traded between US92.65¢ and a high of US92.99¢.

BIG PRICE MOVERS

	CHANGE	PRICE	
Woolworths	▲\$1.22	\$30.23	Retailer sees room for growth on strong interim profit
Babcock & Brown Infrastructure	▲87¢	\$18.90	67 per cent jump in sales help deliver good profit
Aristocrat Leisure	▲70¢	\$10.60	Slot machine maker beats forecasts for half year profit
WA Newspapers	▲58¢	\$11.45	Newspaper boardroom battle looms
Macarthur Coal	▲56¢	\$11.76	Pockets \$48.5 million through sale of subsidiary stake
Allco Finance	▼17¢	94¢	May face massive repayments within months
Sonic Healthcare	▼60¢	\$14.32	Pathology provider's interim profit below analyst forecasts
ABC Learning Centres	▼\$1.60	\$2.14	Debt fears cause stock to plunge
Rio Tinto	▼\$1.75	\$133.68	Profit taking as base metals weaken overnight
QBE	▼\$2.92	\$25.75	Insurer punished as it misses analyst earnings forecasts

SOURCE: IRESS