



Poor earnings prospects drag top stocks

INVESTORS punished SkyCity shares despite a solid profit yesterday, and were unwilling to cut other top stocks slack ahead of their results as prospects of a poor earnings season weighed on the New Zealand sharemarket.

The NZX 50 closed down 16.98 points, or 0.6 per cent, at 3006.55.

SkyCity shares initially rose 4c after reporting a 12 per cent rise in underlying full year net profit and a significantly increased final dividend of 9.25c per share.

However, the stock closed down 3.3 per cent, or 10c, at 289 as the market digested the Auckland casino's patchy performance.

Fellow blue chip Fletcher Building shed 5c to 718 ahead of its annual result today.

Financial results so far had been generally weak, David Price of Forsyth Barr said, and people were realising that economic growth could be underwhelming for longer than initially feared.

Other stocks to report results yesterday were NZ Refining, where interim profit fell a better-than-expected 45 per cent, and market operator NZX, which said after the market closed that first-half profit plunged 91 per cent.

Friday will give a good indication of the state of play, with Telecom, Contact Energy, Sky TV and jeweller Michael Hill reporting annual results.

Telecom was flat at 207, Contact Energy shares slipped 8c to 574, Auckland

Airport fell 2c to 194, Sky TV was down 6c at 495, and Fisher & Paykel Healthcare lost 7c to 280.

Freightways was among the few stocks to rise, adding to Monday's gains after the carrier said the second half was better than the first.

Freightways shares gained 6c to 281, joining NZ Refining, up 18c at 318, NZ Farming Systems Uruguay, up 1c at 64, ING Property, up 1c at 69, and Abano Healthcare, up 3c at 531.

NZX closed down 3c at 141 ahead of its result.

Among dual-listed stocks, ANZ was up 50c at 2850, Westpac rose 149 to 2999, AMP was flat at 680, and Telstra was also flat, at 375.

AUSTRALIA

The Australian sharemarket climbed 0.8 per cent yesterday, with financials and materials stocks leading the way.

The S&P/ASX 200 closed up 38.5 points, or 0.87 per cent, at 4477 points, while the All Ordinaries gained 37.8 points, or 0.85 per cent, to 4503.2.

On the Sydney Futures Exchange, the September share price index contract was 33 points higher at 4453 points, with 27,258 contracts traded. Macquarie Group and the four major banks were the standout performers, CMC Markets head of trading James Foulsham said.

Macquarie gained A48c, or 1.27 per cent to A\$38.42, while National Australia Bank jumped A39c, or 1.65 per cent, to A\$24.04.

Commonwealth Bank added A75c, or 1.51 per cent, to A\$50.50, Westpac advanced A29c, or 1.29 per cent to A\$22.76 and ANZ Banking Group put on A24cs, or 1.08 per cent to A\$22.40.

BHP Billiton gained A20c to A\$40.20 and rival Rio Tinto put on A62c to A\$71.44.

Gold stocks maintained their morning gains, with Lihir Gold closing A2c higher to A\$4.38 and Newcrest Mining up A4c to A\$35.24.

The spot price of gold in Sydney was US\$1224.30 per fine ounce, up US\$5.00 on Monday's closing price of US\$1219.30.

INTERNATIONAL

In **New York**, the Dow was down 1.14 points (0.01 per cent) at 10,302.10, while the S&P 500 rose a slight 0.13 point (0.01 per cent) to 1079.38.

The Nasdaq bounced back from earlier losses, gaining 8.39 points (0.39 per cent) to 2181.87..

In **Tokyo**, the Nikkei fell 0.4 per cent to its lowest close in more than eight months, finishing at 9161.68.

The Topix fell 0.2 per cent to 826.78.

In **London**, Britain's top shares closed flat after weak data from Japan offset firmer miners.

The FTSE 100 ended up 0.66 points at 5276.10, having closed up 0.2 per cent on Saturday (NZ time), and is seen gaining 19-21 points, or 0.4 per cent, today. NZPA, AAP, Reuters