

Business Daily

YOUR MONEY ON MONDAY

HOME SWEET LOAN
Banks roll out the mortgage incentives




THE BAREFOOT INVESTOR

Put your mojo money to work

SCOTT PAPE
Page 39

S&P/ASX200

5276.7  **-18.80 -0.35%**

The market closed weaker with traders unwilling to push stock prices beyond the week's earlier highs.

5300
5283
5265
5248
5230

10 11 12 1 2 3 4

ALL ORDINARIES

5270.8  **-17.80 -0.33%**

OVERSEAS

DOW JONES **15636.55**  **-40.39**

NASDAQ **3789.38**  **+5.74**

HANG SENG **23502.51** closed

NIKKEI **14,742.42**  **-23.76**

MOST ACTIVE

GRATER GOLD **1.39** MILLION SHARES

WORTH \$10.91 MILLION

State's slow build

Victoria's growth to lag

JOHN DAGGE
THE ECONOMY

THE Reserve Bank's drive to reignite the economy through an uptick in housing development is unlikely to gain traction in Victoria, where growth will lag for the foreseeable future.

ANZ has delivered the sombre assessment, warning Victoria will continue to battle with a declining manufacturing sector and a housing market that is relatively well supplied.

The RBA has the official cash rate to a 53-year low in a bid to encourage building activity and help the economy, as the investment phase of the mining boom passes.

That strategy is likely to be less successful in Victoria, given the state is still coming off a surge in residential construction activity during 2010, ANZ says.

"We expect the Victorian economy to underperform the national average in the next couple of years, given its exposure to industries exposed to structural change and a further warning in the residential construction cycle," a report by the Melbourne-based bank notes.

"Business conditions in Victoria remain subdued, which is consistent with the underlying

softness in the state's economic conditions."

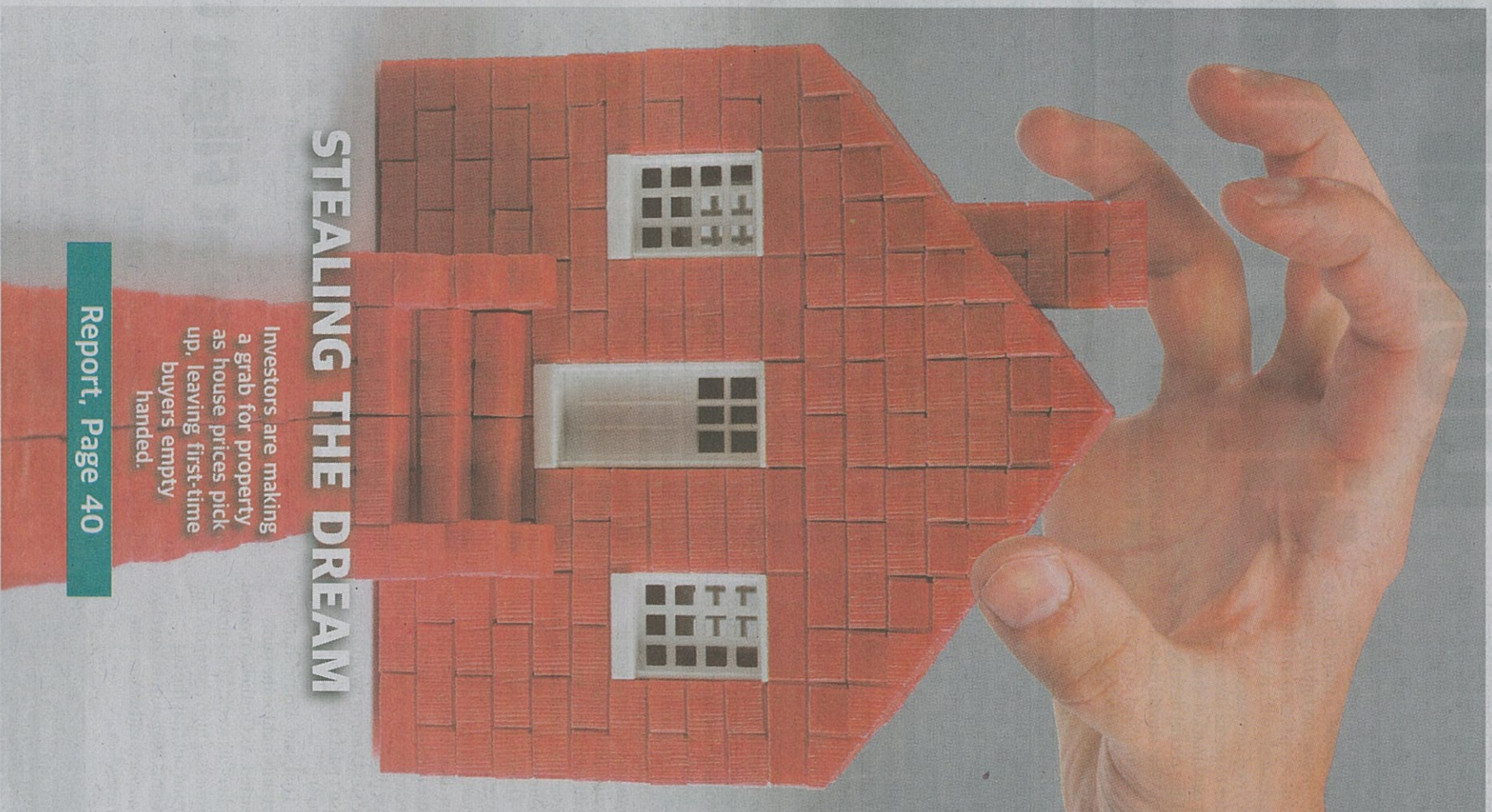
The number of houses and flats approved for development in Victoria fell 15 per cent during the first six months of the year, compared with the same period a year earlier.

On the upside, ANZ notes Victoria's manufacturing sector will benefit from a falling Australian dollar, while homeowners can expect further gains on the price of their properties as low interest rates spur investors, who overwhelmingly buy established properties.

Steven Wojtkiw, chief economist at the Victorian Employers' Chamber of Commerce and Industry, said the state faced challenges but the ANZ report was too pessimistic.

"I'd say it's an overly bearish assessment of the current conditions and outlook, given the state's underlying fiscal and economic strengths," he said. "The fact we have a triple-A credit rating and a current and projected surplus does create a buffer for the state."

RATE CUT ODDS NARROW, PAGE 38



STEALING THE DREAM

Investors are making a grab for property as house prices pick up, leaving first-time buyers empty handed.

Report, Page 40

BAD APPLES: NEW IPHONES LEAD TO BROKEN CONTRACTS — PAGE 57



KEY RESOURCES

\$US	Last	Change
Gold	1369.4	61.60 ▲
Silver	23	1.53 ▲
Nickel	14,180	280 ▲
Aluminium	1786.5	46.50 ▲
Copper	7335	151 ▲
Oil	106.24	1.97 ▼

KEY CURRENCIES

\$US	\$EU	\$UK	\$NZ
\$AU	\$AU	\$AU	\$AU
0.945	0.589	0.699	1.127
0.004	no change	0.003	0.004
93.89	7325		
0.52	0.053		

BEST PERFORMERS

AH Group Ltd	5.83%
Energy World	5.43%
Invocare Ltd	2.74%
Origin Energy	2.70%
Fed Centres	2.30%

BIGGEST LOSERS

11.57%	Billabong
9.23%	DeernitGroupLtd
7.63%	St Barbara
6.32%	Transfield
6.02%	Kingsgate

PEOPLE'S CHOICE

AMP	0.05	4.70
BHP Billiton	0.29	36.39
CBA	0.05	73.75
News Corp	0.10	18.04
Qantas	no change	1.50
Rio Tinto	0.72	62.91
Telstra	0.04	4.96
Westfarmers	0.11	41.51
Woodwards	0.25	35.02