

Huge debut for YTC but market has a rest



TRACEY COOK
MARKETS

Chinese-backed explorer **YTC Resources** surged as much as 220 per cent on debut yesterday in a testament to the Australian stockmarket's ferocious appetite for resource floats

The tin, gold and copper explorer, which attracted a \$2.67 million investment by Chinese tin heavyweight Yunnan Tin Group, leapt to a close of 77¢, up 52¢.

YTC raised \$3.5 million at 25¢ per share on the back of its interests in the Lachlan and New England Fold Belts in New South Wales, including two of Australia's major historical tin fields.

The wider Australian market pulled back as the \$11 billion Qantas takeover bid took its final gasps and the big miners fell after a bumper share price run.

The S&P-ASX200 index was down 31.3 points to 6304.4, while the all ordinaries dipped 28.4 points to 6301.

The after-market release of the Federal Budget dampened investors' mood, but Delta Securities director Shane Wee said there was a spate of

selling to create tax losses before the end of the financial year.

Takeover news continued to dominate, with Qantas the headline act after Airline Partners Australia conceded defeat in its takeover bid. Qantas lost 16¢ to \$5.22.

The Babcock & Brown-led consortium advised that it was in talks with Alinta over a possible revised offer. Shares in Babcock & Brown Infrastructure, Babcock & Brown Wind and Babcock & Brown Power were all placed in trading halts.

Alcoa's \$US33 billion hostile bid for Canadian rival Alcan triggered rumours that the unsolicited approach could spark rival offers by BHP Billiton and Rio Tinto. Shares in **Alumina**, which is part-owned by Alcoa, lifted 25¢ to \$7.58.

The big miners lost ground, with **BHP Billiton** surrendering 38¢ to \$31.18 and rival **Rio Tinto** slipping \$1.68 to \$89.70.

Straits Resources plummeted 8.1 per cent on news that non-executive chairman David Toms had retired and sold his entire 16 per cent stake in the copper, gold and coal miner. Straits finished 35¢ down at \$4.

Fertiliser group **Incitec Pivot** continued to benefit from its 80 per cent jump in first half profits with three brokers — Credit Suisse, Citi and JP

Morgan — upgrading price targets and ratings for the company. Incitec added \$2.92 to \$58.30.

The big banks were weaker, with **ANZ** dipping 5¢ to \$30.53, **National Australia Bank** dropping 23¢ to \$44.32 after reaching a year high of \$44.70 while **Westpac** shed 12¢ to \$27.20 and **Commonwealth Bank** lost 32¢ to \$53.95.

James Packer's **PBL** surged \$1.26 to \$21.99 after the company flagged intentions to split into two separately listed companies to focus on gaming and media respectively.

Optimistic profit expectations helped **Futuris** gain 5¢ to \$2.40. It expects underlying 2007 profits to exceed \$95 million following a "good start" to the crop season.

Engineering and services company **United Group** touched a year high of \$16.94 before finishing down 28¢ to \$16.50 despite the company securing \$300 million of new work.

Minara Resources reached a year high of \$9.14 before closing up 30¢ at \$9.04, **Fortescue Metals Group** climbed 32¢ to \$26.25, **WA Newspapers** added 12¢ to \$16.25 while **Wesfarmers** fell 32¢ to \$38.42.

• The Australian dollar got a significant boost from retail figures yesterday and closed at **US82.95¢**, up from US82.45¢ previously.

BIG PRICE MOVERS

	CHANGE	PRICE	
Incitec Pivot	▲ \$2.92	\$58.30	Broking analysts upgrade price targets and recommendations
Publishing & Broadcasting	▲ \$1.26	\$21.99	To split into two listed gaming and media companies
YTC Resources	▲ 5.2¢	77¢	Popular debut for tin, gold and copper explorer
Solco	▲ 4.8¢	13.5¢	Increased government rebates for solar energy
Prairie Downs Metals	▲ 6.5¢	51.5¢	Reports encouraging zinc, lead and silver deposits
Swish Group	▲ 0.2¢	1.3¢	Acquires 51% stake in brand management company
Roc Oil	▲ 12¢	\$3.28	Adverse weather conditions delay drilling plans
Summit Resources	▲ 13¢	\$5.59	Paladin extends takeover offer to May 18 due to Areva debacle
Qantas	▲ 16¢	\$5.22	APA concedes \$11 billion bid has lapsed
Straits Resources	▲ 35¢	\$4	Non-executive chairman David Toms retires and sells 16% stake