

Weekly market report

Tuesday 9 March 2010

Local markets

The ASX 200 rallied for a seventh consecutive day yesterday to +3.7 per cent above the close of Friday 26 February. The last time we have seen seven positive days in a row was in mid-July 2009.

Equities have been supported by stronger economic sentiment following the narrowing of the nation's trade deficit by more than expected.

Resource stocks have been the main driver of the strong market performance, on the back of soaring commodity prices.

Global markets

Equity markets

Markets around the world were buoyed by better than expected US unemployment figures and reduced fears of Greek default, with European markets the greatest beneficiaries of the reduced threat to the Euro.

The French CAC 40 (+5.3 per cent) and the German DAX (+5.0 per cent) posted strong gains. Gains were also felt across the Atlantic with the US S&P 500 (+3.3 per cent) rising for a sixth straight day.

The reassuring economic news last week pushed volatility to a near 21-month low. The VIX index, which tracks volatility on the US market and is known as the "fear" index, fell to its lowest level since May 2008.

Commodities

Industrial metals finished the week with healthy gains, with all of Aluminium (+4.5 per cent), Copper (+3.7 per cent) and Nickel (+5.3 per cent) rising in value.

Wheat, on the other hand, fell by 4.7 per cent after China, the world's biggest grain consumer, announced it would keep large stockpiles to ensure food security.

Currencies

The Australian dollar (AUD) strengthened over the week to be trading at around US\$0.91, following a string of positive currency sensitive announcements.

On a local front, the 25 basis point interest rate rise and the better than expected fourth quarter GDP result benefited the AUD.

Whilst on an international front, the positive US employment data, the announcement of Greece's deficit-reduction plans and China's indications of a prolonged loose monetary policy benefited the AUD.

Weekly market report

Tuesday 9 March 2010

Market movements

Index	Close last Friday	% Weekly movement	% Yearly movement
ASX 200	4,808	+3.7%	+52.4%
Dow Jones	10,562	+2.3%	+59.4%
S&P 500	1,140	+3.3%	+66.7%
Nasdaq	2,335	+4.3%	+80.4%
FTSE	5,607	+4.7%	+58.8%
DAX	5,876	+5.0%	+60.3%
CAC 40	3,904	+5.3%	+54.0%
Nikkei	10,586	+4.5%	+49.4%
Shanghai	3,053	0.0%	+44.1%
Hang Seng	21,197	+2.9%	+86.8%

Important information

An interest in the Plum Superannuation Fund ABN 20 339 905 340 (Fund) is issued by PFS Nominees Pty Ltd ABN 16 082 026 480 AFSL 243357 (Trustee). The Fund administrator is Plum Financial Services Limited ABN 35 081 812 731 AFSL 243356 (Administrator). This material has been prepared by the Administrator and it contains information that is general in nature. The information does not take into account your objectives, financial situation or needs. Before acting on the information you should consider whether it is appropriate having regard to your personal circumstances and seek professional advice. The Administrator recommends that you consider the Fund's *Product Disclosure Statement (PDS)* before you make any decisions about your superannuation. To obtain a copy of the Fund's *PDS*, please contact a Plum Member Services Consultant on **1300 55 7586**.

Neither the Administrator, the Trustee, nor any other company in the National Australia Group of companies accepts liability whatsoever for any decision that is made on the basis of or in reliance of the information contained in this material. Please note that the information contained in this material is current as at Tuesday, 9 March 2010. Any changes in the law or policy subsequent to this date have not been incorporated.

© 2010 Plum Financial Services Limited ABN 35 081 812 731 AFSL 243356 (Administrator).