

IN BRIEF...

Port woes

SYDNEY: Equipment hire company Coates Hire Ltd says bottlenecks at the nation's coal exporting ports have forced it to downgrade its profit outlook and that it remains a takeover target. Delays at ports on the east coast and on rail networks were holding up resource companies that used machinery from Coates' subsidiary Allied Equipment, Coates said.

Hi-fi popular

MELBOURNE: Cashed up consumers eager to get their hands on new gadgets have prompted retailer JB Hi-Fi to upgrade its full-year net profit forecast to between \$37 million and \$39 million. The new figures equate to a jump between 43 and 51 per cent on last year's \$25.8 million result.

Deficit down

HOBART: The Tasmanian Government has unveiled an improved Budget deficit of \$39 million for 2007-08, and predicted the Budget would move \$22 million into the black from 2008-09. Treasurer Michael Aird's budget spending for the next financial year is anticipated to be just under \$3.8 billion, an increase of \$163.4 million or 4.2 per cent from 2006-07.

TOURISM STOCKS

COMPANY NAME	LAST SALE	MOVE	VOL.
AllBrands	.41	+0.1	2940
ABC Learn	7.12	-.14	10259
ABC Learn cvprf	7.11	-.10	130
Ainsworth	.43	-.01	1349
Ainsworth ucn09	.85	+0.5	49
Aircrusin	.175	-	-
Aristoctr	15.21	-.08	19517
CFKChild	.115	-	3260
Centrebet	2.32	-.07	227
Cypress	.25	-	-
CapIntell	.071	-	250
CapIntell opt09	-	-	-
Celtex	.455	-.01	416
Dominos	3.28	+0.1	1007
Eumundi	.31	-	800
Ebet Ltd	.165	+0.1	2416
Empowerne	.13	-.04	1670
EnergyLtd	.037	+0.1	1000
EnergyLtd opt08	.003	-	317
EasyCall	.55	-	50
FlightCtr	18.40	-.01	483
IAllSport	.32	-.01	124
IBTEducat	1.90	+0.1	539
Invocare	5.75	+0.6	1101
Jetset	2.00	-.01	213
KipMcGrat	1.45	-	325
Lasseters	.05	-	-
MacroCorp	.04	-.02	418
MFS Ltd	6.10	-.11	13957
MFS Ltd stpld	112.00	-1.00	2
Morn Star	.085	-	14850
Newhaven	2.05	-	-
NatLeiGam	.375	-	1345
OceanCap	.54	-.01	60
OdyGaming	.30	-	-
PlanetPH	.125	-	34
Old T&I	.575	-	-
ReefCsino units	4.12	-.08	25
RtlFood	1.50	-.05	415
SAquarium	5.80	+1.0	140
Slater&G	1.64	-.01	2217
SkyCitAceaces	102.50	-2.70	3
SkyCity	4.53	+0.3	199
Tabcorp	17.89	+0.2	11733
Tranmetro	.90	-	-
TattsLtd	4.66	+0.2	64521
TravelCom	.34	-	620
Webjet	.345	+0.1	6507

Jobless rate still declining

Fall boosts risk of interest rate increase

THE jobless rate fell for a third straight month to 4.2 per cent in May, its lowest level since 1974.

However, economists say the fall increases the risk of higher interest rates as the labour market gets even tighter.

Federal Treasurer Peter Costello said the economy was now "pretty close" to full employment and entrenched Australia as a low unemployment country.

Coming on top of Wednesday's national accounts that showed the economy grew at its fastest pace in more than three years in the March quarter, financial markets are now fully pricing an interest rate rise in October - a time the country could be going to the polls.

Head of Australian economics at ANZ Bank, Tony Pearson, said the May labour force report was yet another

"red hot" number. "We believe growth will accelerate from here and we must now actively consider whether we will see an unemployment rate with a '3' in front of it before year end," Mr Pearson said.

"The Reserve Bank has been resolutely on hold since November because of muted price and wage pressures.

"However, its confidence that this benign inflation story will last must now be beginning to waiver given above-trend economic growth and a demand for labour that shows no sign of waning."

The Australian Bureau of Statistics

said employment rose by a seasonally adjusted 39,400 in May, with full-time employment surging by 66,800.

Economists had expected a 10,000 increase.

The seasonally adjusted unemployment rate of 4.2 per cent compared with 4.4 per cent in April.

This was the lowest jobless rate since November 1974 when unemployment was 4 per cent.

"The fact that for over a year we've now had unemployment below 5 per cent shows you that we are now entrenching Australia as a low unemployment, high employment country, compared to

other countries around the world," Mr Costello said in Melbourne.

Economists say new methodology used by the ABS in compiling the data could have affected the jobless reading.

"Today's numbers reflect the annual review of seasonality, but that is more likely to enhance their accuracy than diminish it," HSCB chief economist John Edwards said.

All states and territories now have an unemployment rate below 5 per cent with the rates in NSW, South Australia and Tasmania all easing.

- AAP, Canberra



Booming market: More Australians are buying homes but it is the high income earners who are propping up the first home buyer market.

High earners lead home buying stakes

THE number of Australians expected to buy their first house in the next year has increased by 6 per cent, despite low levels of housing affordability, a survey says.

But you need almost a six-figure annual income to participate.

Non-bank lender Wizard Home Loans found the average household income of first home buyers was now \$93,000 - up from almost \$70,000 a year ago.

Wizard Home Loans said that in March the number of prospective first home owners for the next 12 months

nationally rose to 523,000 from 494,000 in the December.

Much of that expected increase was attributed to Queensland and Victoria where about 200,000 households were looking to make their first foray into the housing market.

Wizard chairman Mark Bouris said buying intentions among the \$140,000 plus household earners grew from 7 per cent in the March quarter last year to 22 per cent in the March quarter this year.

"The data shows that despite rising interest rates and upward pressure on

rents, first home buyers are generally OK about the current state of their personal finances," he said.

As the number looking to buy on low earnings more than halved from a year ago, high income earners were helping to prop up the first home buyer market, Wizard said.

"We are seeing the emergence of a new breed of higher-income first home buyer with their sights set firmly on the property market as a way to build their wealth," Mr Bouris said.

Kiwi retailer in talks with potential bidders

WOOLWORTHS Ltd could know its chances of snapping up New Zealand's biggest general merchandise retailer, The Warehouse Group Ltd, as early as today.

Warehouse said yesterday it had held talks with potential takeover bidders, including Woolworths, but received no firm takeover offer.

Warehouse chairman Keith Smith said discussions had taken place with the grocery giant and its New Zealand rival, Foodstuffs, the owner of the New World, Pak 'n' Save and Four Square supermarkets, to clarify their intentions.

"The company has had some discussions with Foodstuffs and Woolworths over the past

months in an attempt to clarify their intentions for The Warehouse," Mr Smith said.

"These have been conceptual, pending statutory approval from the Commerce Commission.

"The Warehouse confirms it has not received any offer from any company."

Woolworths owns New Zealand's second largest retailer,

Foodland Associated Ltd, and Progressive Enterprises, which operates supermarkets under the Foodtown, Woolworths and Countdown brands.

It also owns electronics retailer Dick Smith.

Warehouse shares ended up 38c at \$5.90 on the Australian exchange yesterday while Woolworths gained 34c to \$27.50.

COMMODITIES

FINAL prices for commodities at the close of trading yesterday:

GOLD: The price ex Perth Mint yesterday was \$A795.65an ounce, equivalent to \$A25.58 a gram.

SILVER: The base selling price ex Perth Mint yesterday was \$A16.31 an ounce.

SUGAR: The New York price yesterday was US8.69c a pound.

COPPER: The Comex price yesterday was US340.40c a pound.

OIL: The London price yesterday was \$US65.97 a barrel.

All prices courtesy of ABN AMRO Morgans Ltd in Cairns, phone 4052 9222.

ASX INDEX

STOCK	June 7	+/-VAR
All Ordinaries	6338.2	-29.2
All Ords Gold	4979.7	+1.5
Metals & Mining	4420.6	-30.0
S&P/ASX 20	3313.1	-8.8
S&P/ASX 50	6068.8	-18.6
S&P/ASX100	5076.6	-20.0
S&P/ASX200	6311.1	-26.0
S&P/ASX300	6332.2	-26.4
S&P/ASXMidCap50	6597.8	-57.7
Small Ords	4002.7	-23.6
CnsmrDiscr(GIC)	2918.7	-9.7
CnsmrStapl(GIC)	8242.5	+19.8
Energy(GIC)	14278	-37.0
Financials(GIC)	7230.0	-31.1
FinxPropTr(GIC)	7425.1	-16.0
HealthCare(GIC)	8471.7	-59.4
Industrial(GIC)	7107.5	-22.0
Info Tech(GIC)	668.1	+2.3
Materials(GIC)	12928	-80.2
PropertyTr(GIC)	2505.7	-29.2
TelService(GIC)	1730.8	-13.8
Utilities(GIC)	7614.6	-4.1

ALL ORDINARIES

2007 low	Jan 8	5484.5
2007 high	June 4	6419.6
Peak	04/06/07	6419.6

EXCHANGE RATES

\$Ateq:	BUY	SELL
Bahrain Dinars	0.3205	0.3124
Canadian \$	0.9003	0.8779
Cfp Francs	76.4100	70.7300
Cyprus Pounds	0.3693	0.3453
Czech Koruna	17.9080	16.0560
Danish Kroner	4.6861	4.5433
Euro	0.6290	0.6135
Fiji \$	1.3735	1.3001
Hong Kong \$	6.6335	6.4938
Indian Rupees	34.8060	32.0360
Japanese Yen	102.9300	100.3600
Kenyan Shilling	57.7300	49.9200
Kuwaiti Dinars	0.2471	0.2338
Maltese Lira	0.2739	0.2483
New Zealand \$	1.1222	1.0970
Norwegian Krone	5.0936	4.9427
PNG Kina	2.7249	2.1443
Pakistani Rupees	52.6400	39.1090
Philippine Pesos	39.9000	36.6130
Polish Zloty	2.4074	2.1743
S. Arabian Riyals	3.1860	3.1146
Singapore \$	1.3031	1.2689
Solomon Is. \$	6.5302	5.2007
Sri Lanka Rupees	95.0800	87.3700
Sth African Rand	6.1462	5.9413
Swedish Krona	5.8746	5.7083
Swiss Francs	1.0352	1.0094
Thai Bahts	28.1000	25.0460
UAE Dirhams	3.1198	3.0413
UK £	0.4256	0.4177
US \$	0.8447	0.8363
W.Samoa Tala	2.2830	1.9911

Rates vary from day to day and anyone wishing to convert currency should check with their bank for the latest rate. The rates above are opening rates only and may vary across the day.