

Australian Market Outlook - 11 November 2021

A weakening iron ore price hit Australian shares on Wednesday, weighing on blue chips despite gains for the big banks, and moderating a slow grind higher for the market over the past month.

The S&P/ASX 200 traded higher early but edged lower in the afternoon, shedding 10 points to close 0.1 per cent lower at 7423.9. The S&P/All Ordinaries shed 19 points to 7737.4, a decline of 0.2 per cent.

The materials sector, which includes the big miners and which accounts for nearly a fifth of blue chips, led the declines. The sector fell 1.5 per cent.

The decline wiped the gains posted this week after the steelmaker announced the acquisition of one of US suppliers, the scrap steel recycler MetalX.

BHP led the declines among the big three iron ore producers, shedding 2.7 per cent to \$35.74 and placing the miner on track for its lowest weekly level in a year.

The day's hit was National Australia Bank, which firmed 4.4 per cent to \$30.15, touching its highest level in three years, and outpacing all but two other blue chips.

Westpac gained 0.8 per cent, ANZ 0.7 per cent and CBA 0.1 per cent.

The pain for iron ore producers followed further weakness in the commodity price, which fell 1.6 per cent overnight to \$US92.30 bringing its tumble from a peak in May to more than 60 per cent as China has imposed curbs on steel-making.

The jobless rate in Australia came in at a seasonally adjusted 5.2 percent in October as per the Australian Bureau of Statistics.

The Australian economy lost 46,300 jobs last month, missing forecasts for an increase of 50,000 following the loss of 138,000 jobs in the previous month.

The consumer price index increased 6.2 per cent from October 2020, according to Labor Department data. The CPI rose 0.9 per cent from September, the largest gain in four months.

Prices for new cars rose 1.4 per cent last month as a global shortage of semiconductors continues to limit inventories and drive up costs. Used-vehicle prices jumped 2.5 per cent.

Top Gainers

Company	Last Price	Change%
CHALICE MINING LTD	9.13	4.9%
UNITED MALT GRP LTD	4.30	4.6%
NATIONAL AUSTRALIA BANK LTD	30.15	4.4%
WISETECH GLOBAL LTD	55.39	3.1%
DOMINO'S PIZZA ENTERPRISES L	121.08	3.0%

Top Losers

Company	Last Price	Change%
BLUESCOPE STEEL LTD	20.00	-5.8%
PERENTI GLOBAL LTD	0.94	-5.1%
NEARMAP LTD	2.15	-4.9%
MINERAL RESOURCES LTD	37.05	-4.1%
POLYNOVO LTD	1.53	-3.8%

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