

# ASX lower as tech sector lead losses

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**Lucy Battersby**

## EQUITIES

Local technology stocks and underwhelming trade data for the iron ore sector dragged the Australian sharemarket lower, with cautious investors opting to sit on the sidelines.

The benchmark S&P/ASX 200 index closed 0.4 per cent lower yesterday at 7248.4 points, having dropped as much as 1 per cent during the day.

The market fell the hardest after the Bureau of Statistics' latest trade data showed a surprisingly high surplus, but lower than expected iron ore sales to China in August compared to July.

"It is spooking investors as cash flow and revenue for iron ore stocks would have decreased over that period," Bell Direct analyst Jessica Amir said.

Fortescue Metals fell 1.2 per cent to \$14.22, BHP declined 1.1 per cent, and metal recycler Sims Ltd declined by 2.1 per cent.

However, gold miners were higher and oil producers were buoyed by expectations of crude prices rising amid energy shortages.

Woodside Petroleum gained 4 per cent after OPEC decided it would stick to its very gradual production schedule despite fears

of energy shortages. Santos gained 2.5 per cent, and Oil Search was up 2.3 per cent.

Meanwhile, coal producers Whitehaven and Washington H Soul Pattinson gained 2.4 per cent and 1.2 per cent respectively.

Traders were also worried about China's property market, where a slowdown could reduce demand for raw materials.

"The ASX is getting dangerously close to reaching a technical sell-signal," Ms Amir said, adding the pull-back could be as much as 20 per cent. "The market has been trading below its longer-term 50-day moving average for three weeks. This is an extremely cautious time for markets. If we have another couple of down days the ASX200 is at risk of hitting the 200 day average price, which would signal further falls."

The S&P/ASX 200 was now 5 per cent lower than 13 August, when it closed at an all-time high of 7,628.9 points.

The local technology sector cracked under the pressure of a 4.9 per cent drop in Facebook's share price, with Appen and Afterpay both falling 5 per cent, Tyro Payments down 4.4 per cent, and Nearmap down 3.7 per cent.

Financial stocks were flat, although Magellan Financial dropped 3.7 per cent to a 19-month low of \$33.91.



The local tech sector cracked under the pressure of a 4.9 per cent drop in Facebook's share price. Photo:AP

### HOW THE MARKET MOVED

Tuesday (%)

Energy	+2.44	<div style="width: 24.4%;"></div>
Utilities	+0.65	<div style="width: 6.5%;"></div>
Cons staples	+0.36	<div style="width: 3.6%;"></div>
Financials	-0.20	<div style="width: -2.0%;"></div>
Materials	-0.22	<div style="width: -2.2%;"></div>
Industrials	-0.49	<div style="width: -4.9%;"></div>
Healthcare	-0.79	<div style="width: -7.9%;"></div>
Real estate	-0.82	<div style="width: -8.2%;"></div>
Cons disc	-0.87	<div style="width: -8.7%;"></div>
Comms	-1.04	<div style="width: -10.4%;"></div>
IT	-2.97	<div style="width: -29.7%;"></div>

Percentage moves in the 11 sectors that make up the S&P/ASX 200 Index. SOURCE: BLOOMBERG

*'The ASX is getting dangerously close to reaching a technical sell-signal.'*

Jessica Amir, Bell Direct