

## Markets

### BioPharmica stars in a healthy rebound

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North-Perth based biotechnology group BioPharmica punched above its weight in the market bounce yesterday, posting a near 75 per cent gain after it revealed plans to spin off its anaesthesia technology arm, Cortical Dynamics.

In conjunction with Swinburne University of Technology, Cortical Dynamics is developing and commercialising an anaesthesia response monitoring system, which is designed to detect and record electrical activity of the human brain in order to keep patients optimally anaesthetised during surgery.

Under spin-off plans, BioPharmica's shareholders will receive a free 20¢ share in Cortical Dynamics for every listed BioPharmica share they hold on July 15.

BioPharmica added 6.2¢ to 14.5¢, marking an 81 per cent rise since early June. However, the group still has some ground to cover before it matches its 2004 float price of 20¢.

A booming resources sector jolted the Australian bourse with the S&P/ASX 200 index closing 80.5 points higher at 6261.2 while the all ordinaries added 78.3 points to 6288.4.

The S&P-ASX 200 is now up 10.4 per cent since the start of the year but is still 2.1 per cent off its all-time closing high of 6392.9 on June 4.

Wall Street provided a strong lead with the Dow Jones industrial average overnight Wednesday chalking up its biggest gain in nearly 11 months, after bond yields fell and new data showed that retail sales had risen at more than twice the rate expected. New inflation data also revealed that cost pressures were under control in the world's biggest economy.

The US boosted resource stocks, with BHP Billiton climbing \$1.11 to \$33.90, Rio Tinto adding \$3.89 to \$95.90, Fortescue Metals Group regaining 85¢ to \$34.95, Independence Group advancing 12¢ to \$8.34, Jubilee Mines stacking on 43¢ to \$17.81 and Kagara Zinc up 15¢ to \$6.97.

The banking sector posted a mixed day after Reserve Bank governor Glenn Stevens said Australia's central bank had time to respond to a pick-up in economic growth and inflation since consumer prices rose less than expected in the first quarter.

Nomura Australia equities strategist Eric Betts said another interest rate rise had been postponed. "They still have a tightening bias but see no urgency to act," he said. "This has eased short-term concerns about a rate rise."

National Australia Bank lost 6¢ to \$40.20, Westpac added 3¢ to \$25.36, ANZ rose 18¢ to \$28.85 and the Commonwealth Bank firmed 26¢ to \$54.08.

Oil explorer Bow Energy advanced 2.5¢ to 12.5¢ after it disclosed it had entered a coal seam gas joint venture with Victoria Petroleum. Victoria Petroleum was steady at 18¢.

West Perth-based Pacmag Metals stacked on more than 11 per cent as it revealed it had secured the mineral rights to the old Ludwig, Douglas Hill and Castings copper mines in Nevada. Pacmag shares rose 3.5¢ to 33.5¢.

Copper and molybdenum exploration company Aussie Q had a modest debut, closing at just 26¢, only 1¢ above its issue price of 25¢, after hitting a low of 21.5¢.

Among WA companies, Wesfarmers shot up \$1.39 to \$40.89, WA Newspapers recovered 27¢ to \$14 and Alinta gained 7¢ to \$15.09.

• The Australian dollar slipped after Mr Stevens dampened expectations of an interest rate rise. The dollar closed at US83.77¢ from US83.98¢ previously.

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