RBA not fazed by GDP slip

THE Reserve Bank is expecting a negative blip in economic growth at the end of this year but is not overly concerned about it.

The RBA held the cash rate steady at 1.50 per cent on Tuesday, saying it expects inflation to eventually return to target.

Economists have tipped gross domestic product (GDP) to have fallen in the September quarter, with official figures due out on Wednesday, but RBA governor Philip Lowe said the central bank board is expecting the blip.

"Some slowing in the year-ended growth rate is likely, before it picks up again," Dr Lowe said in a statement.

"Further increases in exports of resources are expected as completed projects come on line."

Capital Economics chief economist Paul Dales said the fall in third-quarter GDP was not much of a concern for the RBA because the recent drop in public expenditure came after unusually strong rises in the first half of the year and rising commodity prices would help growth rebound.

"Indeed, the statement noted that higher (commodity) prices are providing a boost to national income," Mr Dales said in a note.

"We and the RBA both doubt that Australia is in recession."

JP Morgan chief economist Sally Auld said the central bank appeared to be comfortable with overall financial conditions and the macroeconomic outlook.

However, she noted the experience of the past two years has shown that a lot can change in a short space of time and if expectations for third-quarter GDP were realised, then the starting point for assessing the growth outlook for next year would be weaker than what the RBA envisaged just one month ago.

Wi-Fi part of DFO surge

MOVING AHEAD: Sentinel Property Group managing director Warren Ebert says the future is bright. Picture: ANNA ROGERS

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FREE Wi-Fi is now available to all shoppers at DFO Cairns ahead of what is expected to be a busy Christmas period.

It comes after Brisbane-based Sentinel Property Group bought the shopping centre for about $40 million in April.

"We are committed to staying at the forefront of the latest international retail trends for the benefit of our shoppers," Sentinel managing director Warren Ebert said.

"In America, shopping centres right throughout the country provide free Wi-Fi, but in Australia it is currently only offered in the big cities.

"Why should shoppers in regional locations be treated any differently from those in big cities?

"We believe the same technologies should be available to all shoppers, no matter where they are located and are proud to now provide free Wi-Fi to all shoppers at DFO Cairns."

DFO Cairns also recently welcomed footwear and clothing company PUMA as its newest "showcase retailer".

With Far North tourism surging, Mr Ebert said Sentinel had confidence in the centre's future growth prospects.

Work is expected to begin on a new outdoor food and entertainment area at DFO Cairns in the first quarter of next year.

Confident showing on market

AUSTRALIAN shares held on to positive territory yesterday after riding an early boost from a record close on Wall Street.

The S&P/ASX200 index closed up 0.5 per cent at 5428.7 points as gains in metal prices drove miners higher while energy stocks defied a fall in global oil prices.

US stocks hit new highs as global markets shrugged off concerns about Italy's lost referendum on constitutional reform, while the latest data on Australia's federal balance of payments showed strong commodity prices pushed the current account deficit to its lowest level in two years in the September quarter.

CMC Markets chief strategist Michael McCarthy said confidence had returned to the market.

"It's no surprise to see the materials sector doing well today, following the rally on copper prices and other metals, but perhaps more surprising is the performance of the energy sector, which is up despite the fact oil prices fell overnight," Mr McCarthy said.

In company news, Origin Energy shares gained 2.5 per cent to $6.58 after the gas and power retailer announced a plan to spin off its oil and gas portfolio via an ASX listing.