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**MEDIA RELEASE****CBA heads towards \$80 as big banks hit record highs**

**Sydney, 30 April 2014** – The run in bank share prices to fresh record highs could continue through May, with the Commonwealth Bank share price approaching \$80 and prices of the other big banks expected to strike record highs as they report their first-half profits and increases in dividend yields in the coming week.

Along with the surge in the Commonwealth Bank's share price to a record high of \$79.95 this week, Westpac reached a fresh high of \$35.99, while ANZ broke through \$35, reaching a high of \$35.07 yesterday.

Partly explaining the surge in prices is the expectation of record profits in the first half reporting season, as well as anticipated higher dividends for shareholders. ANZ will report its first-half profit on May 1, Westpac on May 5 and National Australia Bank on May 8.

The Commonwealth Bank has already reported its first-half profit, which surged 16 per cent to \$4.27 billion, boosted by cost cutting and strong growth in mortgage lending, despite sluggish economic growth.

Russel Chesler, Director, Investments & Portfolio Strategy, Market Vectors Australia, says the big banks are attracting broad based investor support, with retail and institutional investors attracted by dividend growth as well as the big banks' track record of delivering impressive capital gains.

"Three of the big banks are expected to unveil higher dividends in May and report strong, if not record, earnings for the first half, driven by continual cost cutting, strong growth in home lending and low levels of borrower default rates. This expectation is drawing investors to the sector, which has rallied in recent days ahead of the profit announcements," Mr Chesler said.

"With dividend yields on banks sitting between 5% and 6% compared to term deposits which are not yielding much more than 3%, many investors are choosing to invest in the banks. This search for yield outside of cash has seen bank share prices perform strongly this year and prices could continue to run given the powerful and entrenched market position the big banks hold in the Australian market," Mr Chesler said.

"We've made it easy for people to invest in the bank sector, taking the decision making out of the investment process, by offering investors the only exchange-traded fund (ETF) to gain pure, targeted exposure to Australian banks. Market Vectors Australian Banks ETF which is available on the Australian Securities Exchange (ASX) under ASX code: [MVB](#), is an efficient and cost effective way for investors to get exposure to Australia's largest banks in a single trade.

"With a yield of 4.97% of the underlying portfolio, MVB tracks the Market Vectors Australia Banks Index, which currently provides diversified exposure to the seven largest and most liquid Australian banks.

"The Market Vectors Australia Banks Index caps any one bank's weighting at 20 per cent to ensure no one bank dominates, removing the large capitalisation bias found in traditional market capitalisation weighted indices. MVB is the only Banks ETF on the ASX." Mr Chesler said.

For more information on the Market Vectors Australian Banks ETF issued by Market Vectors Investments Limited, including a copy of the product disclosure statement, go to <http://www.marketvectors-australia.com/Funds/MVB/Snapshot>

**ENDS**

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