

# WEEKLY MARKET recap

## 24 – 28 February 2025



### Highlights of the week

- Qatar Airways' purchase of a 25% stake in Virgin Australia has been approved by the Australian Government.
- Australia monthly consumer price index indicator saw a 2.5% increase in the 12 months to January.

### Market Action

| Sector                  | Returns % (excluding distributions) |           |            |
|-------------------------|-------------------------------------|-----------|------------|
|                         | 28-Feb-25                           | 21-Feb-25 | Change (%) |
| <b>S&amp;P/ASX 200</b>  | 8162.2                              | 8295.7    | -1.6%      |
| <b>All Ordinaries</b>   | 8394.1                              | 8571.6    | -2.1%      |
| <b>Small Ordinaries</b> | 3138.0                              | 3221.6    | -2.6%      |
| <b>S&amp;P 500 *</b>    | 5861.6                              | 6117.5    | -4.2%      |
| <b>NASDAQ *</b>         | 18544.4                             | 19962.4   | -7.1%      |
| <b>FTSE 100 *</b>       | 8756.2                              | 8663.0    | 1.1%       |
| <b>Hang Seng *</b>      | 23718.3                             | 23238.4   | 2.1%       |
| <b>Nikkei *</b>         | 38256.2                             | 38680.6   | -1.1%      |

\*US, UK, European and Asian prices refer to the previous day's close

US equity markets retreated this week with the S&P 500 and the NASDAQ down 4.2% and 7.1% respectively as the technology sector sold off. Markets reacted to declines in business activity and consumer sentiment, the reintroduction of tariffs for Canada and Mexico and corporate results reporting. The FTSE100 gained 1.1%, driven by strong gains in the banking sector.

### S&P/ASX 200 - Top five of the week

| ASX Code   | Company              | Closing Price | Change* |
|------------|----------------------|---------------|---------|
| <b>DHG</b> | Domain Holdings Aus. | \$4.35        | 39.4%   |
| <b>HLI</b> | Helia Group          | \$6.11        | 25.3%   |
| <b>APE</b> | Eagers Automotive    | \$14.99       | 16.5%   |
| <b>NEC</b> | Nine Entertainment   | \$1.64        | 13.7%   |
| <b>APA</b> | APA Group            | \$7.46        | 13.6%   |

\*Prices as at 3.00PM on 28/02/2025

Extending from last week, Domain is up 39.4% after the company received a non-binding takeover offer at \$4.20 per share from US Real Estate company CoStar with Nine Entertainment also up 13.7% given its 60% ownership stake. Helia Group jumped 25.3% after increasing its on-market share buy-back by \$100 million and announcing an increased ordinary and a special dividend for FY24. Eagers Automotive rallied 16.5% after reporting record full-year revenue driven by both organic growth and acquisitions. APA Group rose 13.6% on strong earnings growth in the first half year.

### S&P/ASX 200 Index - 1 Week Performance



The Hang Seng advanced 2.1% with the Hong Kong government pushing to turn the city into an artificial intelligence hub whilst the Nikkei lost 1.1% as the yen reached a four-month high on the expectation of further rate hikes. The S&P/ASX 200 retreated 1.6%, dragged down by the Information Technology and Real Estate sectors. Small caps underperformed large companies, down 2.6%.

### S&P/ASX 200 - Bottom five of the week

| ASX Code   | Company           | Closing Price | Change* |
|------------|-------------------|---------------|---------|
| <b>APX</b> | Appen             | \$1.34        | -54.9%  |
| <b>VEA</b> | Viva Energy Group | \$1.76        | -27.7%  |
| <b>WTC</b> | Wisetech Global   | \$89.90       | -26.1%  |
| <b>NXL</b> | Nuix              | \$3.69        | -25.3%  |
| <b>GYG</b> | Guzman Y Gomez    | \$34.61       | -23.1%  |

Appen dropped 54.9% after reporting a 14.2% fall in revenue and a net loss of \$20 million for FY24. Viva Energy retreated 27.7% as net profit after tax fell 20.1% in FY24 due to weaker demand for tobacco. As a result, its full year dividend was cut by 32.1%. Wisetech Global lost 26.1% after the resignation of four independent directors from the board due to differences around the role of company founder Richard White. Guzman Y Gomez fell 23.1% following disappointing sales in the US whilst Nuix was down 25.3% on weak annualised contract value growth over the half-year.

## Upcoming Dividend Dates

| ASX Code   | Company                              | Estimated Dividend Ex-date | Dividend Per Share (\$) | Franking (%) |
|------------|--------------------------------------|----------------------------|-------------------------|--------------|
| <b>AAI</b> | Alcoa Corporation                    | 3/03/2025                  | \$0.11                  | 0%           |
| <b>AZJ</b> | Aurizon Holdings Limited             | 3/03/2025                  | \$0.09                  | 60%          |
| <b>DMP</b> | Domino's Pizza Enterprises Limited   | 3/03/2025                  | \$0.56                  | 0%           |
| <b>NEM</b> | Newmont Corporation                  | 3/03/2025                  | \$0.28                  | 0%           |
| <b>SDF</b> | Steadfast Group Limited              | 3/03/2025                  | \$0.08                  | 100%         |
| <b>EVN</b> | Evolution Mining Limited             | 4/03/2025                  | \$0.07                  | 100%         |
| <b>ILU</b> | Iluka Resources Limited              | 4/03/2025                  | \$0.04                  | 100%         |
| <b>KAR</b> | Karoon Energy Limited                | 4/03/2025                  | \$0.05                  | 0%           |
| <b>NCK</b> | Nick Scali Limited                   | 4/03/2025                  | \$0.30                  | 100%         |
| <b>ORG</b> | Origin Energy Limited                | 4/03/2025                  | \$0.30                  | 100%         |
| <b>QUB</b> | Qube Holdings Limited                | 4/03/2025                  | \$0.04                  | 100%         |
| <b>REA</b> | REA Group Limited                    | 4/03/2025                  | \$1.10                  | 100%         |
| <b>SGM</b> | Sims Limited                         | 4/03/2025                  | \$0.10                  | 100%         |
| <b>WOR</b> | Worley Limited                       | 4/03/2025                  | \$0.25                  | 0%           |
| <b>COL</b> | Coles Group Limited                  | 5/03/2025                  | \$0.37                  | 100%         |
| <b>CWY</b> | Cleanaway Waste Management Limited   | 5/03/2025                  | \$0.03                  | 100%         |
| <b>IDP</b> | IDP Education Limited                | 5/03/2025                  | \$0.09                  | 50%          |
| <b>NST</b> | Northern Star Resources Limited      | 5/03/2025                  | \$0.25                  | 0%           |
| <b>NWL</b> | Netwealth Group Limited              | 5/03/2025                  | \$0.18                  | 100%         |
| <b>QBE</b> | QBE Insurance Group Limited          | 5/03/2025                  | \$0.63                  | 20%          |
| <b>SHL</b> | Sonic Healthcare Limited             | 5/03/2025                  | \$0.44                  | 0%           |
| <b>TWE</b> | Treasury Wine Estates Limited        | 5/03/2025                  | \$0.20                  | 70%          |
| <b>WOW</b> | Woolworths Group Limited             | 5/03/2025                  | \$0.39                  | 100%         |
| <b>AUB</b> | AUB Group Limited                    | 6/03/2025                  | \$0.25                  | 100%         |
| <b>BHP</b> | BHP Group Limited                    | 6/03/2025                  | \$0.79                  | 100%         |
| <b>LOV</b> | Lovisa Holdings Limited              | 6/03/2025                  | \$0.50                  | 0%           |
| <b>MND</b> | Monadelphous Group Limited           | 6/03/2025                  | \$0.33                  | 100%         |
| <b>MPL</b> | Medibank Private Limited             | 6/03/2025                  | \$0.08                  | 100%         |
| <b>NHF</b> | NIB Holdings Limited                 | 6/03/2025                  | \$0.13                  | 100%         |
| <b>PNI</b> | Pinnacle Investment Management Group | 6/03/2025                  | \$0.33                  | 72%          |
| <b>RHC</b> | Ramsay Health Care Limited           | 6/03/2025                  | \$0.40                  | 100%         |
| <b>RIO</b> | Rio Tinto Limited                    | 6/03/2025                  | \$3.54                  | 100%         |
| <b>RWC</b> | Reliance Worldwide Corporation       | 6/03/2025                  | \$0.04                  | 0%           |
| <b>S32</b> | South32 Limited                      | 6/03/2025                  | \$0.05                  | 100%         |
| <b>WOW</b> | Woodside Energy Group Limited        | 6/03/2025                  | \$0.83                  | 100%         |
| <b>ALD</b> | Ampol Limited                        | 7/03/2025                  | \$0.05                  | 100%         |
| <b>VEA</b> | Viva Energy Group Limited            | 7/03/2025                  | \$0.04                  | 100%         |

## Key Rates Table

| Aus. 10-yr Bond Yield | US 10-yr Bond Yield | AUD/USD | AUD/GBP | AUD/EUR | AUD/CNY | AUD/JPY |
|-----------------------|---------------------|---------|---------|---------|---------|---------|
| 4.35%                 | 4.23%               | 0.62    | 0.49    | 0.60    | 4.53    | 92.95   |

\*Rates as at 3.00PM on 28/02/2025

## Topic of the week

The Australian Securities and Investments Commission (ASIC) has released a research report and discussion paper evaluating the state of Australia's public and private capital markets and the shift from public to private markets. A key focus of the report investigated the narrative that the public market is in structural decline.

At the end of last year, the ASX had 1,989 companies listed on its exchange. Compared to two years ago, there are 145 less companies, driven by both increased de-listings and a decrease in new listings. Initial public offerings (IPOs), the process whereby companies sell shares of its stock to become public and list on the exchange has fallen to a more than decade low. The ASX's share of global market capitalisation has also fallen from 2.1% to 1.6% from 2013 to 2023. The ASX is also highly concentrated with 40% of the index composed of only the 10 largest companies. There is also concentration between sectors with the Australian market heavily weighted towards the financials and mining sectors.

The analysis in the research report found that the Australian share market was not in structural decline. Instead, the changes were attributed to the cyclical nature of markets with many data points still found to be within historical ranges. The recent trend may simply be due to current market conditions which has enabled companies to more easily secure private capital.

The discussion paper highlighted four key areas for ASIC to focus on to improve both public and private markets moving forward. Firstly, regulatory requirements for companies on public markets must be enforced to protect investors but must also be balanced to not discourage new companies from listing. ASIC will also aim to promote better management of private market risks to protect investors such as asymmetric information where one party has access to more information than other. Furthermore, ASIC believes retail investors would benefit from improved access to investment opportunities in private markets, potentially through intermediaries such as superannuation and managed funds. Lastly, the financial system will benefit from more effective monitoring and increased transparency.

## Home Loan Rates

| Lender    | Owner Occupier (Variable) | Owner Occupier (2 Year Fixed) | Owner Occupier (5 Year Fixed) | Investor (Variable) | Investor (2 Year Fixed) | Investor (5 Year Fixed) |
|-----------|---------------------------|-------------------------------|-------------------------------|---------------------|-------------------------|-------------------------|
| CBA       | 6.49%                     | 6.44%                         | 6.84%                         | 6.69%               | 6.49%                   | 6.94%                   |
| NAB       | 6.44%                     | 5.89%                         | 6.24%                         | 6.96%               | 5.99%                   | 6.44%                   |
| Macquarie | 6.14%                     | 5.55%                         | 5.69%                         | 6.34%               | 5.69%                   | 5.85%                   |

\*Based on a 25-year, \$450,000 loan with principal and interest repayments and a Loan to-Value ratio of 70%.

## What to expect for the week ahead

- The Reserve Bank of Australia (RBA) will release the Monetary Policy Meeting Minutes for the recent rate cut decision.
- The Australian Bureau of Statistics will release their first report on the 'usual residence standard' which is used to determine a person's usual place of residence from the collected census data.



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