

# WEEKLY MARKET *recap*

19 – 23 December 2022

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## Highlights of the week

- Former Prime Minister Kevin Rudd has been appointed as Australia's ambassador to the USA.
- Qantas has seen domestic freight volumes increase by 75% from pre-COVID levels.
- Argentina has won their third World Cup, beating France in the final on penalties. Croatia placed third after defeating Morocco 2-1.

## Market Action

Sector	Returns % (excluding distributions)		
	23-Dec-22	15-Dec-22	Change (%)
<b>S&amp;P/ASX 200</b>	7107.7	7209.7	-1.4%
<b>All Ordinaries</b>	7287.8	7395.4	-1.5%
<b>Small Ordinaries</b>	2805.0	2859.6	-1.9%
<b>S&amp;P 500</b>	3878.4	3995.2	-2.9%
<b>NASDAQ</b>	10709.4	11170.9	-4.1%
<b>FTSE 100</b>	7497.3	7495.9	0.0%
<b>Hang Seng</b>	19679.2	19673.5	0.0%
<b>Nikkei</b>	26507.9	28156.2	-5.9%

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

US markets dropped this week as resilient economic data showed potential for further tightening by the Federal Reserve. The S&P 500 and the NASDAQ fell -2.9% and -4.1% respectively as investors sold off Technology shares and moved to more defensive stocks. The FTSE 100 and Hang Seng remained flat over the course of this week.

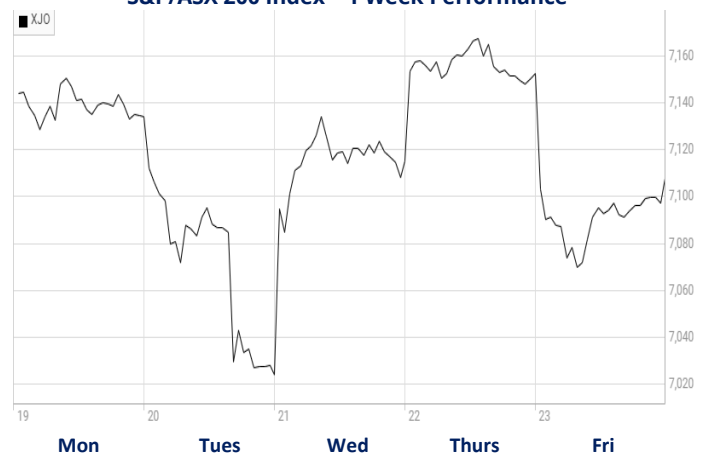
### S&P/ASX 200 - Top five of the week

ASX Code	Company	Closing Price	Change*
<b>NHC</b>	New Hope Corp.	\$6.54	7.7%
<b>NHF</b>	NIB Holdings	\$7.72	7.1%
<b>CRN</b>	Coronado Global	\$2.03	5.2%
<b>ORG</b>	Origin Energy	\$7.70	4.3%
<b>DEG</b>	De Grey Mining	\$1.27	4.1%

Prices as at 3.00PM on 23/12/2022

Coal Producers New Hope Corporation and Coronado Global gained 7.7% and 5.2% respectively, recovering from news of legislation to cap the black coal price at \$125/T. Origin Energy rebounded 4.3% after announcing that its potential takeover bidder, a Brookfield led consortium, was on track to complete due diligence and would extend its exclusivity. De Grey Mining rose 4.1% after reaching an agreement with the Kariyarra people for mining to take place at its Tier 1 Hemi Project which also included providing employment and training opportunities. NIB Holdings gained 7.1% despite no significant news being released.

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



The Nikkei crashed -5.9% after a surprise turn in monetary policy by the Bank of Japan as it increased its 10-year government bond yield variance band to 0.5%. Japan's core inflation hit 3.7%, a 40-year high. The S&P/ASX 200 fell -1.4%, led by the Consumer Discretionary and Information Technology sectors.

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

ASX Code	Company	Closing Price	Change*
<b>SGR</b>	Star Entertainment	\$1.92	-24.3%
<b>LTR</b>	Liontown Resources	\$1.23	-22.5%
<b>IMU</b>	Imugene	\$0.15	-16.0%
<b>NVX</b>	Novonix	\$1.57	-14.7%
<b>SQ2</b>	Block Inc.	\$90.35	-12.2%

Star Entertainment crashed -24.3% after the NSW Government announced increases to casino duty tax rates. The new rates are expected to commence on 1 July 2023 and come after multiple fines and suspended licenses against its casinos in multiple states. Liontown Resources has fallen -22.5% despite announcing a Power Purchase Agreement for the Kathleen Valley Lithium Project. Novonix lost -14.7% after downgrading its production guidance at its Riverside Facility. Block Inc. fell -12.2% as a tech sell-off occurred when markets become concerned of further interest rate hikes by the Federal Reserve. Imugene fell -16% despite no significant news being released by the company.

## Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
<b>ABP</b>	Abacus Property Group	29/12/2022	\$0.09	0%
<b>APA</b>	APA Group	29/12/2022	\$0.26	0%
<b>ARF</b>	Arena REIT	29/12/2022	\$0.04	0%
<b>BWP</b>	BWP Trust	29/12/2022	\$0.09	0%
<b>CHC</b>	Charter Hall Group	29/12/2022	\$0.21	45%
<b>CIP</b>	Centuria Industrial REIT	29/12/2022	\$0.04	0%
<b>CLW</b>	Charter Hall Long Wale REIT	29/12/2022	\$0.07	0%
<b>CMW</b>	Cromwell Group	29/12/2022	\$0.01	0%
<b>CQE</b>	Charter Hall Social Infrastructure REIT	29/12/2022	\$0.04	0%
<b>CQR</b>	Charter Hall Retail REIT	29/12/2022	\$0.13	0%
<b>GMG</b>	Goodman Group	29/12/2022	\$0.15	0%
<b>HDN</b>	Homeco Daily Needs REIT	29/12/2022	\$0.02	0%
<b>MGR</b>	Mirvac Group	29/12/2022	\$0.05	0%
<b>NSR</b>	National Storage REIT	29/12/2022	\$0.06	0%
<b>RGN</b>	Region Group	29/12/2022	\$0.08	0%
<b>SGP</b>	Stockland	29/12/2022	\$0.12	0%
<b>TCL</b>	Transurban Group	29/12/2022	\$0.27	0%
<b>WPR</b>	Waypoint REIT	29/12/2022	\$0.04	0%

## Topic of the week

The Department of Industry, Science and Resources has released their quarterly Resources and Energy Report. The report provides an overview of Australia's mining sector exports and outlines forecasts for each commodity. Australia's mining sector accounts for around 70% of Australia's exports and almost 14% of Australia's Gross Domestic Product (GDP). For the December quarter, mining exports rose 8% from September and 5% compared to December 2021 levels. Exports are expected to continue to increase over the next two years, as producers recover from COVID-19 and weather-related disruptions. Over the year ended December 31, export prices rose by 10%, led by energy commodities which benefitted from sanctions on Russian fossil fuels. The increase in volumes and prices saw a record \$422 billion in exports for Financial Year 2022 (FY22) with FY23 expected to surpass the record again at an estimated \$459 billion. However, with the increasing pessimism over global economic growth due to record inflation and slowing global consumption, exports and commodity prices are expected to fall in FY24 to \$391 billion.

Iron ore prices fell during the December quarter as the world's demand slowed due to reduced industrial activity especially from

China which China faced COVID-19 outbreaks. Iron ore exports are expected to rise by 2.5% and 2.7% respectively in FY23 and FY24 but prices are forecasted to slide to around US\$75/T by 2024.

Coal, Gas and Oil exports are expected to reach \$76 billion, \$90 billion, and \$15.4 billion respectively for FY23 due to the high prices caused by the global energy crisis and supply chain issues. The prices of all 3 commodities are anticipated to slide in FY24 but remain high historically.

Australia is currently the world's largest exporter of lithium, producing 46% of the world's total lithium production in 2021. As a major component of rechargeable batteries for electric vehicles, lithium demand continues to grow. Until lithium supply catches up to demand, the price is expected to increase from US\$2,700/T to US\$4,000/T in 2023 with Australian exports to reach \$16.1 billion in FY23 from the \$4.9 billion of FY22.

The report also provides outlooks for gold and all the base metals and can be found on the Department of Industry, Science and Resources website.

## 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	4.87%	6.14%	6.64%	5.12%	6.24%	6.74%
NAB	4.99%	6.04%	6.64%	5.49%	6.14%	6.79%
Macquarie	4.79%	5.25%	5.55%	5.04%	5.45%	5.75%

\*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 report on Australia's international reserves and foreign currency liquidity.
- China will post their latest manufacturing and services purchasing managers' index readings.
- Apt Wealth Partners wishes you all the best for the Festive Season!



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