

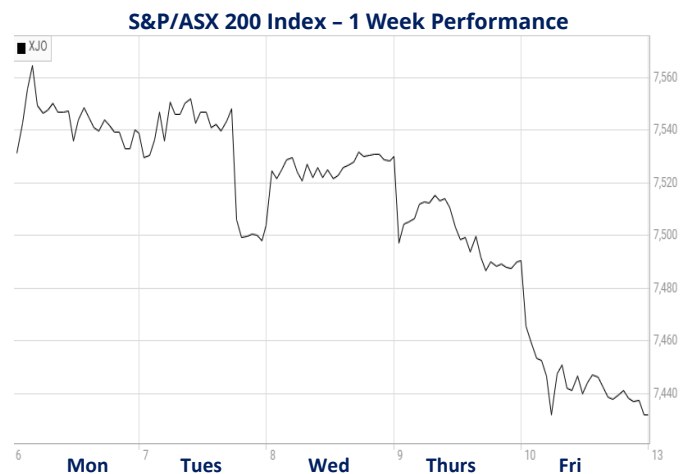


Highlights of the week

- The Reserve Bank of Australia (RBA) has raised the interest rate by another 0.25%, now at 3.35% and a ten year high.
- Australia will be providing \$10 million worth of aid recovery to Turkey and Syria after both countries were hit by a 7.8 magnitude earthquake.

Market Action

Sector	Returns % (excluding distributions)		
	10-Feb-23	3-Feb-23	Change (%)
S&P/ASX 200	7431.9	7558.9	-1.7%
All Ordinaries	7629.6	7772.5	-1.8%
Small Ordinaries	2898.4	3018.0	-4.0%
S&P 500	4081.5	4179.8	-2.4%
NASDAQ	11789.6	12200.8	-3.4%
FTSE 100	7911.2	7820.2	1.2%
Hang Seng	21624.4	21958.4	-1.5%
Nikkei	27584.4	27402.1	0.7%



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

US equity markets slid this week with the S&P 500 and NASDAQ falling -2.4% and -3.4% respectively as Federal Reserve speakers maintained their stance of further interest rate hikes to curb inflation. The FTSE 100 rose 1.2% and reached a record high amidst growing optimism for the UK to avoid a recession following new forecasts by the National Institute of Economic and Social Research.

The Hang Seng fell -1.5% after increased geopolitical tensions between China and the US whilst the Nikkei gained 0.7%, boosted by a rise in the USD/JPY exchange rate. The S&P/ASX 200 fell -1.7%, led by the Information Technology (-4.2%) and Real Estate (-5.8%) sectors. Smaller cap companies underperformed the mid and large caps, falling by -4.0%.

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

ASX Code	Company	Closing Price	Change*
NCM	Newcrest Mining	\$24.85	7.5%
CPU	Computershare	\$24.68	6.7%
ORI	Orica	\$15.56	6.4%
MPL	Medibank Private	\$3.11	6.0%
AUB	AUB Group	\$24.87	5.7%

*Prices as at 3.00PM on 10/02/2023

Newcrest Mining climbed 7.5% after receiving a non-binding takeover proposal by Newmont, a US gold miner. The proposed consideration of 0.38 Newmont shares per Newcrest share values the Newcrest shares at approximately \$27.40. Computershare rose 6.7% with its mortgage division expected to benefit from the higher interest rates. Orica gained 6.4% after releasing new software that models blast movement in real-time. Medibank rose 6.0% as it prepares to face a class action over its data breach late last year. AUB Group rose 5.7% despite no significant news being released.

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

ASX Code	Company	Closing Price	Change*
RMS	Ramelius Resources	\$0.90	-15.2%
WTC	Wistech Global	\$54.37	-14.4%
HLS	Healius	\$2.72	-13.9%
SLR	Silver Lake Resources	\$1.13	-13.6%
CMM	Capricorn Metals	\$4.09	-13.4%

Gold producers fell this week due to interest rates increasing and a fall in the gold price. Higher rates provide investors with safe alternative investments that provide higher return. Ramelius, Silver Lake and Capricorn Metals were the most heavily impacted, falling -15.2%, -13.6% and -13.4% respectively. Wisetech lost -14.4% as the tech sector reversed its gains from last week, also affected by the interest rate hike. Healius slid -13.9% after announcing below forecasted half year results, including a 64% fall in earnings before interest, tax, depreciation and amortisation.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
SUN	Suncorp Group Limited	14/02/2023	\$0.33	100%

Topic of the week

BP has released their Energy Outlook for 2023, an annual report exploring the current energy situation and future scenarios. The three scenarios considered are accelerated, net zero and new momentum. Accelerated models show a 75% reduction of carbon dioxide emissions by 2050 whereas net zero models a 95% reduction. On the other hand, new momentum represents the current trend of increasing global awareness of decarbonisation without significant changes occurring.

BP stressed in the report that despite an increasing number of Governments supporting the transition away from fossil fuels, carbon dioxide emissions continue to trend higher each year except 2020 since the Paris Agreement. The importance of the energy transition was emphasised by the disruption and shortage of energy caused by the Russia-Ukraine War and the resulting high prices.

The world will also see a shift in energy generation as countries decarbonise and move towards renewable sources like wind and solar. Electricity demand will increase, and new technologies will be developed to optimise 'low-carbon hydrogen, modern bioenergy

and carbon capture, use and storage' to fulfill this demand. Oil and gas will remain important globally, particularly for emerging countries as they industrialise, but overall demand should fall as developed countries move to alternatives.

The projections begin from 2019 with total consumption levels at 477EJ (Exajoules), composed of 183EJ from oil, 77EJ from natural gas, 51EJ from coal, 98EJ from electricity and 69EJ from other sources. The New Momentum scenario shows an overall increase in fuel consumption to 513EJ. Overall dependency on fossil fuels decreases despite an increase in natural gas use. The largest increase in demand is projected to be in electricity, rising from 98EJ to 168EJ whilst hydrogen and other sources saw slight increases.

The Net Zero scenario forecasts a total global energy consumption of 335EJ in 2050. The predominant fuel consumption is expected to be electricity at 171EJ, mostly comprised of wind and solar. Hydrogen is projected to provide 33EJ whilst fossil fuels usage drops to 9EJ for Coal, 20EJ for Natural Gas and 38EJ for Oil.

If you would like further information, the full Energy Outlook report is available on BP's 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%	6.09%	6.69%	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

- The US Bureau of Labor Statistics will release both the US Consumer and Producer Price Indexes, revealing the US inflation rate.
- The US Corporate Reporting Season continues with Nestle, Coca-Cola and Cisco expected to report.
- The ASX Corporate Reporting continues with Endeavour, CSL, Commonwealth Bank and Telstra all expected to report.



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