

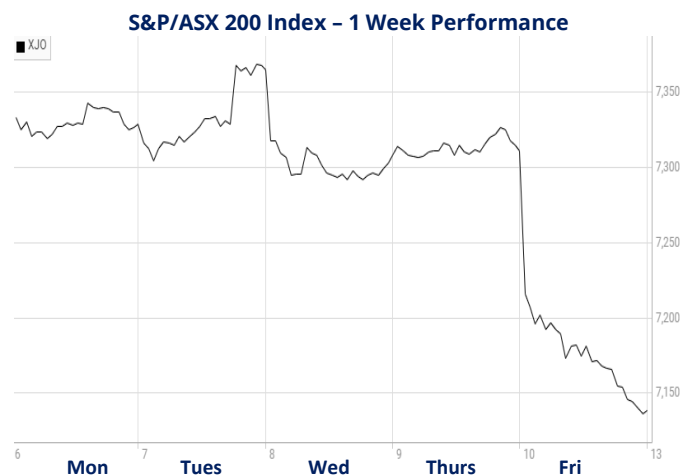


## Highlights of the week

- The Reserve Bank of Australia (RBA) raised the cash rate by 0.25% to 3.6%, an 11 year high.
- The US Senate has introduced a bill that will allow the White House to ban technologies that pose a national security threat.

## Market Action

Sector	Returns % (excluding distributions)		
	10-Mar-23	3-Mar-23	Change (%)
<b>S&amp;P/ASX 200</b>	7138.2	7283.6	-2.0%
<b>All Ordinaries</b>	7341.5	7484.0	-1.9%
<b>Small Ordinaries</b>	2811.8	2860.6	-1.7%
<b>S&amp;P 500</b>	3992.0	3980.2	0.3%
<b>NASDAQ</b>	11576.0	11463.0	1.0%
<b>FTSE 100</b>	7929.9	7944.0	-0.2%
<b>Hang Seng</b>	19925.7	20429.5	-2.5%
<b>Nikkei</b>	28623.2	27498.9	4.1%



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

US equity markets closed higher this week with the S&P500 and NASDAQ up 0.3% and 1.0% respectively after early week gains were partially offset by the hawkish stance of Federal Reserve Chairman Jerome Powell at the Senate testimony. The FTSE 100 fell -0.2% with European Central Bank members also backing further interest rate hikes.

The Hang Seng fell -2.5% after China announced an underwhelming economy growth target of 5% whilst the Nikkei rallied 4.1% to a 6-month high. The S&P/ASX 200 lost -2.0% with the Energy and Materials sectors leading losses, down -6.3% and -5.8% respectively. Small caps outperformed both large and mid-cap companies, falling by -1.7%.

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

ASX Code	Company	Closing Price	Change*
<b>IVC</b>	InvoCare	\$12.27	36.7%
<b>XRO</b>	Xero	\$86.14	14.5%
<b>NAN</b>	Nanosonics	\$4.94	9.9%
<b>LTR</b>	Liontown Resources	\$1.57	8.8%
<b>DHG</b>	Domain Holdings	\$3.25	6.9%

\*Prices as at 3.00PM on 10/03/2023

InvoCare jumped 36.7% after receiving a non-binding indicative proposal from TPG Global to acquire all of InvoCare at \$12.65 per share. Xero climbed 14.5% after announcing 700 – 800 job cuts to reduce its operating expense and boost its profit margin. Liontown Resources gained 8.8% despite the fall in lithium prices. Nanosonics rose 9.9% as its share price continued to increase following its 1H23 results which included a 35% increase in revenue and a 245% increase in operating income before tax on the prior corresponding period. Domain Holdings gained 6.9% despite no significant news being released.

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

ASX Code	Company	Closing Price	Change*
<b>MP1</b>	Megaport	\$4.83	-11.4%
<b>ALQ</b>	ALS	\$11.47	-9.9%
<b>SFR</b>	Sandfire Resources	\$5.48	-9.9%
<b>WDS</b>	Woodside Energy	\$34.11	-9.3%
<b>LYC</b>	Lynas Rare Earths	\$7.09	-9.0%

Megaport fell -11.4% upon the sudden resignation of the CEO and Executive Director, Vincent English. ALS had a similar experience, down -9.9% as the CEO and Managing Director, Raj Naran also resigned. Sandfire Resources lost -9.9% this week after selling two packages of exploration tenements to Alkane Resources. Woodside declined -9.3% after trading ex-dividend for a US\$1.44 per share payment, and due to a fall in oil and gas prices. Lynas fell -9.0% despite signing an agreement for a \$200 million investment from Japan Australia Rare Earths, a Japanese government run special purpose company.

## Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
CNU	Chorus Limited	13/03/2023	\$0.13	0%
CRN	Coronado Global Resources	14/03/2023	\$0.01	100%
CTD	Corporate Travel Management Limited	14/03/2023	\$0.06	0%
NWS	News Corporation	14/03/2023	\$0.10	0%
APE	Eagers Automotive Limited	15/03/2023	\$0.49	100%
BRG	Breville Group Limited	15/03/2023	\$0.15	100%
ING	Inghams Group Limited	15/03/2023	\$0.05	100%
TPG	TPG Limited	15/03/2023	\$0.09	100%
FBU	Fletcher Building Limited	16/03/2023	\$0.16	0%
IGO	IGO Limited	16/03/2023	\$0.14	100%
SPK	Spark New Zealand Limited	16/03/2023	\$0.12	0%
CAR	Carsales.com Limited	17/03/2023	\$0.29	100%

## Topic of the week

The Senate Economics Committee will be examining the Treasury Laws Amendment (2023 Measures No.1) Bill 2023, which proposes changes to the current franking credit rules, particularly around share buybacks and capital raisings. Franking credits are a refundable tax offset, passed on by Australian companies in dividends, for corporate tax the company has already paid. This protect shareholders from being taxed twice i.e., at an individual level in addition to the corporate level.

The issue that has arisen is that some companies are unable to pay out all their profits and the franking credits can be lost within the company. To circumvent this, some companies have raised capital, usually via rights offer, only to immediately return the raised capital to shareholders via a share buyback with attached franking credits. If legislated, the bill will prevent part or all franking credits from being distributed when a company has undertaken a capital raising that did not significantly change the company's financial position.

## 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	5.12%	6.14%	6.84%	5.12%	6.24%	6.94%
NAB	5.24%	6.09%	6.69%	5.49%	6.14%	6.79%
Macquarie	4.84%	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 Australian Bureau of Statistics will release the latest Labour Force and Monthly Household Spending Indicator data.
- The Reserve Bank of Australia (RBA) will release its quarterly Bulletin on the economy and financial system.



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