



Highlights of the week

- Australia's unemployment rate remained at 3.5% in June.
- The UK has formed the Great British Nuclear, a body responsible for driving new nuclear projects to produce zero emission energy locally.

Market Action

Sector	Returns % (excluding distributions)		
	21-Jul-23	14-Jul-23	Change (%)
S&P/ASX 200	7316.8	7306.8	0.1%
All Ordinaries	7529.0	7520.0	0.1%
Small Ordinaries	2873.7	2902.0	-1.0%
S&P 500	4534.9	4510.0	0.6%
NASDAQ	14063.3	14138.6	-0.5%
FTSE 100	7646.1	7440.2	2.8%
Hang Seng	18928.0	19350.6	-2.2%
Nikkei	32490.5	32419.3	0.2%

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

US equity markets were mixed this week, with the S&P 500 rising 0.6% and the NASDAQ falling -0.5%. Gains were led by the Health Care and Financials sector with major banks beating analyst revenue and earnings expectations over the second quarter. The FTSE100 rallied 2.8% on weaker inflation data, with UK inflation falling 0.8% in June to 7.9%.

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

ASX Code	Company	Closing Price	Change*
CCP	Credit Corp Group	\$23.58	14.7%
FLT	Flight Centre Travel	\$22.38	12.9%
VUK	Virgin Money UK PLC	\$3.42	10.5%
ALD	Ampol	\$32.62	9.5%
NHC	New Hope Corp.	\$5.16	8.7%

*Prices as at 3.00PM on 21/07/2023

Flight Centre jumped 12.9% after upgrading profit guidance following record earnings from corporate travel. Virgin Money is up 10.5% this week, continuing last week's rally, after passing the Bank of England stress test and reaffirming guidance last week. Ampol climbed 9.5% after publishing strong 1H23 results including a 24% increase in Australian fuel volumes sold compared to the prior corresponding period. New Hope Corporation rose 8.7% despite no news being released, possibly boosted by its peer Coronado Resource's positive quarterly results. Credit Corp Group rose 14.7% despite no significant news being released by the company.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng slipped -2.2% as tech shares sold off whilst the Nikkei edged 0.2% higher as the Japanese Government raised its inflation forecasts and downgraded the country's growth target for this financial year. The S&P/ASX 200 closed up 0.1% this week, led by gains in the Financials sector. Small companies underperformed both mid and large cap companies, falling by -1.0%.

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

ASX Code	Company	Closing Price	Change*
SYR	Syrah Resources	\$0.73	-20.1%
ANN	Ansell	\$23.72	-14.0%
NIC	Nickel Industries	\$0.81	-11.6%
NST	Northern Star	\$11.68	-11.1%
CXO	Core Lithium	\$0.86	-10.4%

Syrah Resources lost -20.1% on news that production at its Mozambique mine remains paused until graphite prices rebound. Ansell fell -14.0% after a trading update revealed that despite being on track to meet their FY23 guidance, the company forecasts their earnings to fall in the next financial year. Nickel Industries is down -11.6% as falling nickel ore prices reduced operating margins. Northern Star fell -11.1% having posted mixed quarterly results noting that both sales and costs were at the lower end of their previous guidance. Core Lithium slid -10.4% as the lithium price fell amidst slowing growth in China, a major importer of lithium.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
BKL	Blackmores Limited	25/07/2023	\$3.29	100%

Topic of the week

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) has released the fifth edition of the GenCost Report. In collaboration with the Australian Energy Market Operator (AEMO), the report evaluates the costs of generating energy, Australia's energy storage capabilities and forecasts various scenarios as Australia and the rest of the world moves towards net zero emissions.

For the first time since the reports' inception, all forms of electricity generation have become more expensive, on average increasing by 20%. The rising costs were driven by increased demand as well as increases in raw material prices and labour costs. Raw materials and freight costs are still feeling the lasting impact of global supply chain disruptions from the pandemic, the Russia Ukraine war and

the rampant inflation that followed. The report predicts the cost pressures will ease back to more normalised levels by 2027, or by the latest 2030, in the event the rest of the world significantly ramps up the transition to clean energy.

Costs increases varied across different technologies with solar increasing by 9% in comparison to wind technology which rose by 35%. Despite this, both solar and wind remain the cheapest technology when building new electricity generation. Wind and solar also remain the major form of generation across all global net zero emission scenarios.

Further detail can be found in the full report available on the CSIRO 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	6.39%	6.99%	6.84%	6.45%	7.04%	6.94%
NAB	6.24%	6.44%	6.49%	6.59%	6.54%	6.69%
Macquarie	5.79%	6.29%	6.09%	5.99%	6.45%	6.29%

*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 Australian Bureau of Statistics (ABS) will release the latest Australian Consumer Price Index data.
- The US Quarterly Reporting Season will continue with Alphabet, Microsoft and Amazon all expected to report.



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