

WEEKLY MARKET recap

21 – 25 August 2023



Highlights of the week

- The Federal Government released the 2023 Intergenerational Report.
- The three-day Jackson Hole Economic Symposium, where central bankers, economist and policy makers meet, began on Friday.

Market Action

Sector	Returns % (excluding distributions)		
	25-Aug-23	18-Aug-23	Change (%)
S&P/ASX 200	7107.2	7152.7	-0.6%
All Ordinaries	7322.6	7369.2	-0.6%
Small Ordinaries	2803.4	2805.7	-0.1%
S&P 500 *	4376.3	4370.4	0.1%
NASDAQ *	13464.0	13316.9	1.1%
FTSE 100 *	7333.6	7310.2	0.3%
Hang Seng *	18212.2	18326.6	-0.6%
Nikkei *	32287.2	31626.0	2.1%

*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 closing relatively flat (+0.1%) while the NASDAQ increased by 1.1% as the technology sector outperformed driven in large part by NVIDIA which released quarterly financial results that beat market expectations. The FTSE100 increased by 0.3%, with the UK one of the strongest performing European markets fueled by the weakness in the pound.

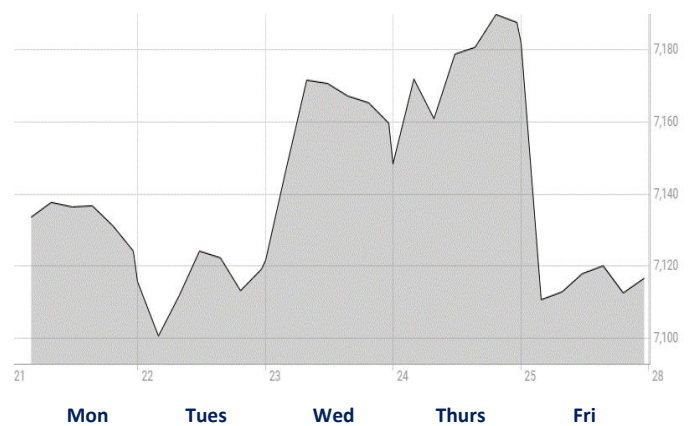
S&P/ASX 200 - Top five of the week

ASX Code	Company	Closing Price	Change*
ALU	Altium Limited	\$348.03	30.7%
IEL	IDP Education Limited	\$26.15	15.5%
PMV	Premier Investments	\$25.26	15.2%
HUB	HUB24 Limited	\$31.18	13.1%
PDN	Paladin Energy	\$0.84	12.8%

*Prices as at 3.00PM on 25/08/2023

Altium rallied after reporting FY23 revenue growth of 19.4% and guiding for further revenue growth of 20% to 23% in FY24. Premier increased after providing a trading update with EBIT growth guidance of between 6% and 6.6% in FY23 whilst also announcing a strategic review of the Peter Alexander, Smiggle and Apparel Brands. IDP reported better than expected FY23 results with revenue increasing 24% on the prior period. HUB rallied after reporting FY23 NPAT growth of 160% on the prior corresponding period.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng declined by -0.6%, but bounced from a 9-month low, as technology stocks increased. The S&P/ASX 200 fell 0.6% this week, underperforming international equity markets driven primarily by the Materials sector as commodity prices fell on concerns around China's economic growth. Small caps outperformed large caps this week.

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

ASX Code	Company	Closing Price	Change*
IRE	IRESS Limited	\$6.53	-35.0%
IMU	Imugene Limited	\$0.07	-26.6%
AWC	Alumina Limited	\$1.13	-15.6%
ILU	Iluka Resources	\$7.90	-15.2%
WTC	Wisotech Global	\$71.59	-14.8%

IRESS, Alumina, Iluka and WiseTech all released results which missed market expectations. IRESS announced Underlying Earning Per Share fell 29% on the prior corresponding period. Imugene continued to fall following the recent capital raising. Alumina declined after reporting a US\$42.9 million loss for the First Half while Iluka resources reported a 45% decrease in first half NPAT as rare earth mineral prices fell. Wisotech fell despite reporting revenue growth of 29% in FY23 and a 30% increase in NPAT.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
AZJ	Aurizon Holdings Limited	28/08/2023	\$0.08	60%
DMP	Domino's Pizza Enterprises Limited	28/08/2023	\$0.43	0%
PNI	Pinnacle Investment Management Group	28/08/2023	\$0.20	100%
STO	Santos Limited	28/08/2023	\$0.09	30%
IAG	Insurance Australia Group Limited	29/08/2023	\$0.03	100%
TLC	The Lottery Corporation Limited	29/08/2023	\$0.06	100%
BAP	Bapcor Limited	30/08/2023	\$0.12	100%
TLS	Telstra Corporation Limited	30/08/2023	\$0.09	100%
TAH	Tabcorp Holdings Limited	31/08/2023	\$0.01	100%
TWE	Treasury Wine Estates Limited	31/08/2023	\$0.17	100%
WDS	Woodside Petroleum	31/08/2023	\$1.25	100%
WOW	Woolworths Group Limited	31/08/2023	\$0.58	100%
ALD	Ampol Limited	01/09/2023	\$0.95	100%
COL	Coles Group Limited	01/09/2023	\$0.30	100%

Topic of the week

The Federal Government announced a new agreement which amends the Murray Darling Basin Plan during the week. The original Murray-Darling Basin Plan was released in 2007 amid the Millenium Drought but was not adopted until 2012. The Plan required the State Governments to cede some control over the water system to the Commonwealth Government. The Plan attempts to balance the water needs of the environment, the agricultural sector as well as households and businesses. Based on current progress, the Basin plan is expected to fall 750 gigalitres short of its target by the legislative deadline of June 2024.

The new agreement is controversial as it involves purchasing water entitlement from irrigators as well as an extension to the Plan. Victoria was the only State to refuse to sign on to the new

agreement with Victoria arguing that irrigation-based industries would be harmed by more water buybacks. It is estimated that it would cost \$11 billion to buy back enough water entitlements to return the proposed 450 gigalitres to the system and requires amendments to both the Water Act and Basin Plan which would need to pass Parliament.

Agriculture is a large sector of the Australian economy with approximately 72% of all Australian agricultural production exported. The agricultural sector is responsible for just under 25% of Australia's water extractions and as we head into a new El Nino cycle the sectors' water requirements are likely to receive increased attention.

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	6.44%	6.99%	6.84%	6.50%	7.04%	6.94%
NAB	6.34%	6.54%	6.69%	6.59%	6.64%	6.79%
Macquarie	5.89%	6.05%	5.85%	6.09%	6.19%	6.05%

*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 ASX reporting season will continue with Star Entertainment, Brambles and Fortescue Metal Group all expected to report.

The Australian Bureau of Statistics will release the latest Retail Trade data which will provide an insight into sales volumes for retail businesses, both online and instore.