

WEEKLY MARKET recap

4 - 8 September 2023



Highlights of the week

- The Reserve Bank of Australia kept the cash rate unchanged at 4.10%.
- The NSW Government has decided to increase coal royalties by 2.6% from 1 July 2024.

Market Action

Sector	Returns % (excluding distributions)		
	8-Sep-23	1-Sep-23	Change (%)
S&P/ASX 200	7151.9	7278.9	-1.7%
All Ordinaries	7353.9	7490.1	-1.8%
Small Ordinaries	2780.8	2845.2	-2.3%
S&P 500 *	4451.1	4507.7	-1.3%
NASDAQ *	13748.8	14035.0	-2.0%
FTSE 100 *	7441.7	7439.1	0.0%
Hang Seng *	18202.1	18382.1	-1.0%
Nikkei *	32991.1	32619.3	1.1%

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

US equity markets fell over the shortened week with the S&P 500 and the NASDAQ falling by -1.3% and -2.0% respectively. Losses were driven by the Industrials and Healthcare sectors whilst Energy was the only positive sector. The FTSE100 remained flat as the Bank of England Governor Andrew Bailey stated the UK was near the peak of its interest rate hikes, despite stubborn inflation.

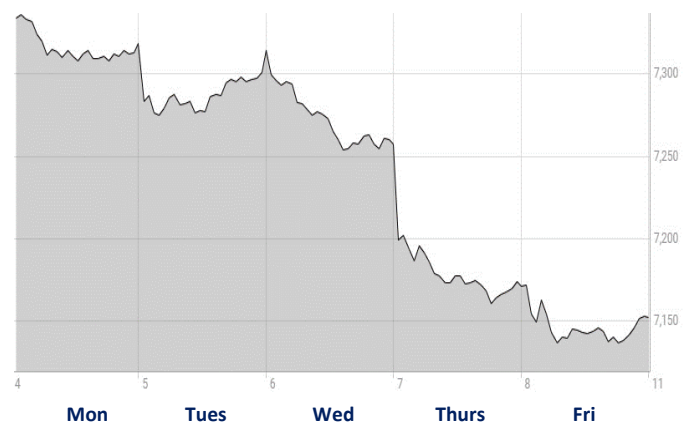
S&P/ASX 200 - Top five of the week

ASX Code	Company	Closing Price	Change*
LTR	Liontown Resources	\$3.03	11.4%
PDN	Paladin Energy	\$0.90	6.2%
NHC	New Hope Corp.	\$5.95	5.7%
KAR	Karoon Energy	\$2.53	5.4%
BPT	Beach Energy	\$1.62	3.9%

*Prices as at 3.00PM on 08/09/2023

Liontown Resources jumped 11.4%, due to high volumes being purchased on Thursday with the share price now above the takeover offer price of \$3.00 from Albermarle. Paladin Energy rose 6.2% as demand for uranium continues to increase whilst global inventories fall. New Hope Corporation rose 5.7% despite the announcement that the NSW government will increase coal royalties. Oil and gas companies Karoon Energy and Beach Energy rose 5.4% and 3.9% respectively following the rise in price of oil as Russia and Saudi Arabia extended their voluntary production cuts.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng closed -1.0% lower despite further economic stimulus by the Chinese Government to boost the property sector whilst the Nikkei rose 1.1% due to a falling yen. The S&P/ASX 200 retreated -1.7% this week, driven by the Materials sector. Small caps underperformed both mid and large cap companies, falling by -2.3%.

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

ASX Code	Company	Closing Price	Change*
ORA	Orora	\$2.69	-18.2%
LKE	Lake Resources NL	\$0.19	-15.0%
CHN	Chalice Mining	\$3.11	-12.9%
IMU	Imugene	\$0.06	-11.8%
BGL	Bellevue Gold	\$1.50	-11.5%

Orora fell -18.2% after announcing a share purchase plan to raise funds for the takeover of Saverglass, a designer and manufacturer of glass bottles. Chalice Mining lost another -12.9% due to last week's disappointing scoping study results. Bellevue Gold is down -11.5%, due to a more than US\$20/oz fall in the spot gold price over the week. Lake Resources and Imugene fell -15.0% and -11.8% respectively this week, with both companies confirmed to be removed from the ASX200 in the upcoming quarterly rebalance.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
CNU	Chorus Limited	11/09/2023	\$0.20	0%
CSL	CSL Limited	11/09/2023	\$1.99	10%
HUB	Hub24 Limited	11/09/2023	\$0.19	100%
BSL	BlueScope Steel Limited	12/09/2023	\$0.25	100%
LOV	Lovisa Holdings Limited	12/09/2023	\$0.31	70%
NWS	News Corporation	12/09/2023	\$0.11	0%
PRU	Perseus Mining Limited	12/09/2023	\$0.02	0%
TPG	TPG Telecom Limited	12/09/2023	\$0.09	100%
BRG	Breville Group Limited	13/09/2023	\$0.16	100%
BXB	Brambles Limited	13/09/2023	\$0.22	35%
EVT	EVT Limited	13/09/2023	\$0.20	100%
IGO	IGO Limited	13/09/2023	\$0.60	100%
MPL	Medibank Private Limited	13/09/2023	\$0.08	100%
CWY	Cleanaway Waste Management Limited	14/09/2023	\$0.02	0%
FBU	Fletcher Building Limited	14/09/2023	\$0.15	0%
ING	Inghams Group Limited	14/09/2023	\$0.10	100%
KLS	Kelsian Group Limited	14/09/2023	\$0.10	100%
S32	South32 Limited	14/09/2023	\$0.05	100%
SPK	Spart New Zealand Limited	14/09/2023	\$0.13	0%
SVW	Seven Group Holdings Limited	14/09/2023	\$0.23	100%
CAR	Carsales.com Limited	15/09/2023	\$0.33	50%

Topic of the week

Chinese property developer, Country Garden has avoided default this week after being given an extension to a debt payment deadline. Despite being China's largest private developer with 3,103 ongoing projects, Country Garden found itself unable to make a 3.9-billion-yuan payment on a private bond. Country Garden received approval from Chinese creditors for a three-year extension on this debt but are still expected to make 108.7-billion-yuan worth of payments on other debts within the next twelve months.

China's property sector has been struggling for three years now, triggered by the introduction of the "three red lines" rule by the government to regulate the leverage of property developers. Many major developers breached these regulations within a year, having borrowed money to drive expansion. Many have also defaulted, leaving incomplete buildings across the country and suppliers unpaid. Issues have been compounded by a falling population and weak economic activity, resulting in a lack of property buyers.

Property developer peer, Evergrande has only just resumed trading on Tuesday, last week. It had been suspended for 17 months as it worked to restructure its offshore debt since defaulting back in 2021. Upon the resumption of trading, its shares fell 87%, bringing its market capitalisation to less than 1% of its peak value.

The Chinese government has also introduced new economic stimulus this week to boost China's property sector. The stimulus measures include mortgage rate cuts, lowering lending rates and reducing downpayment requirements for buyers. Downpayments will be reduced to 20% for first time home buyers and 30% for second time home buyers. Existing first home buyer mortgages will also be made available for renegotiation starting on September 25. Despite these measures markets are still expecting further stimulus from the government in the months ahead to support the property sector.

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	6.49%	6.54%	6.69%	6.59%	6.64%	6.79%
Macquarie	5.89%	6.15%	6.05%	6.09%	6.29%	6.19%

*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 will release the latest Labour Force data. Unemployment has remained at multi-decade lows for over a year.
- The US Bureau of Labor Statistics will release the latest Consumer Price Index, measuring inflation. The Consumer Price Index had a small uptick in July after falling each month for the previous twelve months.



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