



Highlights of the week

- The High Court ruled the Victorian *Zero and Low Emission Vehicle Distance-based Charge Act 2021* to be unconstitutional.
- The Australian unemployment rate remained flat at 3.6% in September.

Market Action

Sector	Returns % (excluding distributions)		
	20-Oct-23	13-Oct-23	Change (%)
S&P/ASX 200	6902.9	7051.0	-2.1%
All Ordinaries	7091.7	7243.5	-2.1%
Small Ordinaries	2630.5	2686.6	-2.1%
S&P 500	4278.0	4377.0	-2.3%
NASDAQ	13186.2	13659.7	-3.5%
FTSE 100	7499.5	7620.0	-1.6%
Hang Seng	17295.9	18238.2	-5.2%
Nikkei	31430.6	32494.7	-3.3%

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

US equity markets fell this week, with the S&P 500 and the NASDAQ declining -2.3% and -3.5% respectively as bond yields rose and growth shares were sold off. Energy was the best performing sector, up 4.9%, driven by the rise in crude oil prices due to the conflict in the Middle East. On the other hand, the Real Estate and Consumer Discretionary sectors led losses. The FTSE 100 fell -1.6% with inflation proving to be stubborn, flat at 6.7% in September.

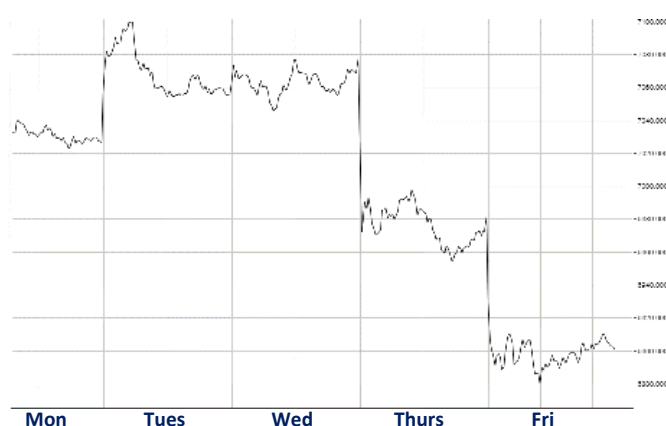
S&P/ASX 200 - Top five of the week

ASX Code	Company	Closing Price	Change*
WBT	Weebit Nano	\$3.94	21.1%
WHC	Whitehaven Coal	\$7.59	14.0%
GMD	Genesis Materials	\$1.51	9.8%
CMM	Capricorn Metals	\$4.82	9.1%
DEG	De Grey Mining	\$1.29	7.7%

*Prices as at 3.00PM on 20/10/2023

Weebit Nano jumped 21.1% after signing a commercial agreement with South Korean company DB HiTek. Whitehaven Coal climbed 14.0% after announcing the acquisition of Daunia and Blackwater metallurgical coal mines from BHP. Gold producers rallied on the price of gold with Genesis Materials, Capricorn Metals and De Grey Mining up 9.8%, 9.1% and 7.7% respectively. The conflict in the Middle East has driven gold prices higher. Genesis Materials will also be acquiring the remaining shares in Dacian Gold, having already reached 93.41% ownership in its off-market takeover.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng dropped -5.2% despite a slew of positive economic data that signalled stabilisation in the Chinese economy whilst the Nikkei lost -3.3% with semiconductor shares under pressure. The S&P/ASX 200 fell -2.1%, driven by the Consumer Discretionary and Information Technology sectors as the market priced in a greater likelihood of another interest rate hike. Small caps performed in line with both mid and large cap companies, all falling by -2.1%.

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

ASX Code	Company	Closing Price	Change*
CCP	Credit Corp Group	\$12.57	-31.5%
TLX	Telix Pharmaceuticals	\$8.54	-24.3%
BAP	Bapcor	\$5.52	-18.9%
CHN	Chalice Mining	\$1.87	-18.5%
IFL	Insignia Financial	\$2.05	-17.3%

Credit Corp Group fell -31.5% after noting an impairment and downgrading FY24 guidance for earnings per share from 132-147 cents to 51-66 cents. Telix Pharmaceuticals lost -24.3% after posting the preliminary results of its prostate cancer trial, and despite a 10.7% increase in revenue on the previous quarter. Bapcor dropped -18.9% after noting "shorter-term macroeconomic headwinds" and slowing revenue growth at its Annual General Meeting. Insignia Financial fell -17.3% after CEO Renato Mota announced his departure after 20 years at the company.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
NHC	New Hope Corporation Limited	23/10/2023	\$0.30	100%
BOQ	Bank of Queensland Limited	26/10/2023	\$0.21	100%

Topic of the week

This week, the High Court of Australia ruled the Victorian Government's Zero and Low Emission Vehicle Distance-based Charge Act 2021 (ZLEV Charge Act) to be unconstitutional in a 4-3 split decision. The Act was determined to be a duty of excise or tax on the consumption of goods, of which only the Federal Government has the power to impose.

To replace lost revenue from the petrol excise as drivers moved to hybrid and electric vehicles, the Victorian government introduced the ZLEV Charge Act. The Act enforced a charge for every kilometre driven by owners of an electric or plug-in hybrid vehicle on specified roads. However, the specified roads essentially covered all public roads within Australia. Upon the introduction of the Act, the charges began at 2.5 cents per kilometre for electric or hydrogen

vehicles or 2 cents per kilometre for plug-in hybrid electric vehicles. The charge would have been indexed to the Melbourne inflation rate. Late odometer readings would have resulted in a penalty charge and if owners did not provide readings at all or pay the charges, the Victorian government could deregister their vehicles.

In September, a Victorian Ombudsman report found that the Act was "unfairly administered" with a "range of failures." Following the High Court's ruling, a new precedent has been set for other States, many of which were looking to introduce similar legislation. However, the States may still be able to enforce a charge under another structure such as through car registration fees or the Commonwealth could enforce legislation across the whole country.

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%	6.34%	6.69%	7.01%	6.64%	6.79%
Macquarie	5.89%	6.35%	6.29%	6.09%	6.49%	6.45%

*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 Consumer Price Index for the September Quarter and the monthly consumer price index indicator. Inflation saw an uptick in August on the back of increasing fuel prices.
- The ABS will also be releasing the International Trade Price Indexes for the September Quarter.



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