

# WEEKLY MARKET recap

4 - 8 December 2023

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## Highlights of the week

- The Australian dollar was floated 40 years ago on 9 December 1983.
- Woodside Energy Group Limited confirmed it was in discussions with Santos Limited about a possible merger.

## Market Action

Sector	Returns % (excluding distributions)		
	8-Dec-23	1-Dec-23	Change (%)
<b>S&amp;P/ASX 200</b>	7194.9	7041.4	2.2%
<b>All Ordinaries</b>	7405.6	7254.6	2.1%
<b>Small Ordinaries</b>	2771.9	2737.0	1.3%
<b>S&amp;P 500</b>	4585.6	4594.6	-0.2%
<b>NASDAQ</b>	14340.0	14305.0	0.2%
<b>FTSE 100</b>	7513.7	7529.4	-0.2%
<b>Hang Seng</b>	16345.9	16830.3	-2.9%
<b>Nikkei</b>	32858.3	33431.5	-1.7%

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

US equity markets closed relatively flat with S&P 500 down 0.2% and the NASDAQ up 0.2%. Alphabet was amongst the NASDAQ's best performers following the announcement of Gemini, a new Artificial Intelligence solution that is expected to challenge ChatGPT. The FTSE 100 performed in line with US markets falling by 0.2% despite a late week rally in commodity stocks.

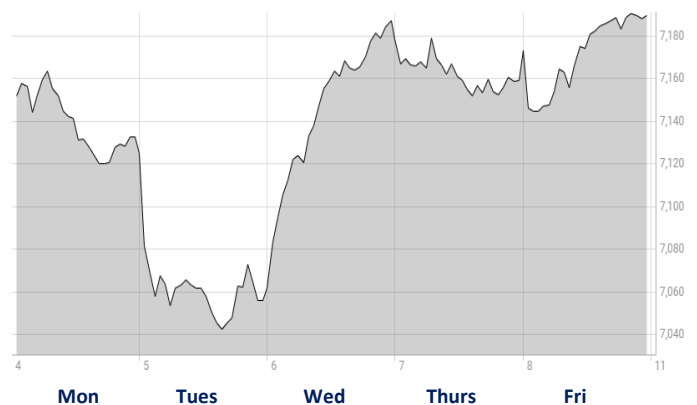
### S&P/ASX 200 - Top five of the week

ASX Code	Company	Closing Price	Change*
<b>IRE</b>	IRESS Limited	\$8.17	16.2%
<b>PPT</b>	Perpetual Limited	\$25.70	14.1%
<b>HMC</b>	HMC Capital Limited	\$5.49	13.8%
<b>MFG</b>	Magellan Financial	\$8.35	12.2%
<b>CHN</b>	Chalice Mining	\$1.69	11.3%

\*Prices as at 3.00PM on 8/12/2023

IRESS was this week's top performer after the company upgraded earnings guidance primarily driven by further cost cutting. Perpetual rallied following a takeover offer from Washington Soul Pattison despite the board of directors quickly rejecting the offer. Chalice Mining announced it had received all approvals necessary to allow for the next phase of exploration drilling at its Julimar nickel-copper exploration project in Western Australia. Magellan rose after announcing a \$0.9 billion increase in funds under management in November.

### S&P/ASX 200 Index - 1 Week Performance



The Hang Seng fell 2.9% to a twelve-month low whilst the Nikkei declined by 1.7% as Tokyo's November inflation reading came in at 2.6%, down from 3.3% in October. The S&P/ASX 200 outperformed international markets rising by 2.2%. Small caps underperformed both mid and large cap companies, rising by 1.3%.

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

ASX Code	Company	Closing Price	Change*
<b>EVN</b>	Evolution Mining	\$3.62	-11.6%
<b>SYA</b>	Sayona Mining Limited	\$0.06	-10.6%
<b>EMR</b>	Emerald Resources NL	\$2.57	-9.7%
<b>CNN</b>	Capricorn Metals	\$4.38	-8.5%
<b>RMS</b>	Ramelius Resources	\$1.58	-7.5%

Gold miners Evolution, Emerald, Ramelius and Capricorn Metals fell despite the gold price remaining relatively stable following the recent rally. Evolution announced a \$525 million capital raising to fund the acquisition of the Northparkes copper-gold mine in New South Wales. Lithium miner Sayona Mining declined despite announcing maiden drilling at its Tabba Tabba lithium mine in Western Australia. Ramelius presented at the Ord Minnett Gold Afternoon and highlighted drilling results at the Penny and Rebecca/Roe mines as near-term catalysts.

## Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
MTS	Metcash Limited	14/12/2023	\$0.11	100%
PL8	Plato Income Maximiser Limited	14/12/2023	\$0.06	100%

## Topic of the week

The Australian Bureau of Statistics reported that Australia's Gross Domestic Product (GDP) grew by 2.1% for the 12 months to the end of September, and 0.2% over the September quarter. It was the eighth consecutive quarterly increase in GDP. However, notably on a per capita basis, GDP declined by 0.4% in the September quarter highlighting that without immigration Australia's economy would have shrunk.

Government spending and capital investment, which both increased by 1.1% over the September quarter, were the primary drivers of the growth. The increased government expenditure was primarily from energy bill rebates, extra payments for childcare, aged care and pharmaceutical products as well as increase in defence spending due to the recent international training exercises held in Australia.

The increased capital investment was also predominantly from Federal, State and Territory corporations which spent on transport, communication and utilities projects followed by increased private mining industry investment.

Exports fell due to a decrease in commodity prices, in particular coal and LNG. The import of services increased 8.4% as more Australians travelled overseas, outpacing the export of services which rose +4.4% benefiting from more tourists entering Australia for the FIFA Women's World Cup and a record high number of international students entering Australia to study.

Household spending was flat, despite the largest quarterly rise in employee compensation (+2.2%) since September 2022, due to the increase in the superannuation guarantee and higher taxes following the removal of the Low and Middle Income Tax Offset. The increase in inflation and higher mortgage rates also reflected with a fall in the household savings ratio.

The data shows a notable slowdown in economic growth over the course of 2023 as elevated inflation, higher interest rates and falling commodity prices begin to weigh on the economy. These factors are likely to remain headwinds to economic growth in 2024.

## 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	6.69%	6.99%	6.84%	6.75%	7.04%	6.94%
NAB	6.84%	6.59%	6.79%	7.36%	6.64%	6.89%
Macquarie	6.14%	6.55%	6.65%	6.34%	6.69%	6.79%

\*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 US Federal Open Market Committee will announce their latest Federal Funds rate decision. Markets are currently pricing in a 98.5% chance of no change.
- The Australian Bureau of Statistics (ABS) will report the number of arrivals and departures into Australia as well as business turnover by industry for the month of October.



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