

WEEKLY MARKET recap

26 February – 1 March 2024



Highlights of the week

- The Reserve Bank of Australia (RBA) appointed Susan Woods as Chief Operating Officer.
- The Australian annual inflation rate remained flat at 3.4% in January.

Market Action

Sector	Returns % (excluding distributions)		
	1-Mar-24	23-Feb-24	Change (%)
S&P/ASX 200	7739.6	7641.7	1.3%
All Ordinaries	8001.1	7897.2	1.3%
Small Ordinaries	3011.3	2945.3	2.2%
S&P 500 *	5096.3	5086.8	0.2%
NASDAQ *	16091.9	16041.6	0.3%
FTSE 100 *	7630.0	7684.5	-0.7%
Hang Seng *	16511.4	16743.0	-1.4%
Nikkei *	39166.2	39098.7	0.2%

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

US equity markets edged higher with the S&P 500 and the NASDAQ up 0.2% and 0.3% respectively. The Federal Reserve's preferred measure of inflation, the PCE index rose 2.4% year on year, in line with market expectations. Gains were led by the Consumer Discretionary and Materials sectors. The FTSE100 slipped -0.7% with both UK business and consumer confidence falling in January.

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

ASX Code	Company	Closing Price	Change*
SQ2	Block Inc.	\$122.06	20.6%
PLS	Pilbara Minerals	\$4.39	20.2%
SGR	Star Entertainment	\$0.52	16.7%
LOV	Lovisa Holdings	\$31.79	16.4%
TAH	Tabcorp Holdings	\$0.76	16.2%

*Prices as at 3.00PM on 01/03/2024

Block Inc. jumped 20.6% on its fourth-quarter results, posting a 24% increase in year-on-year net revenue to US\$5.77 billion. Pilbara Minerals (20.2%) led lithium miners up this week following a jump in the lithium price. Star Entertainment Group rebounded 16.7% after last week's news of a second inquiry into Star's Sydney casino from the Independent Casino Commission. Lovisa Holdings climbed 16.4% since reporting its half year results, reporting an 18.2% increase in revenue after expanding its store network, including the first stores in China and Vietnam.

S&P/ASX 200 Index – 1 Week Performance



The Hang Seng lost -1.4% despite the Hong Kong Administration removing property sector curbs whilst the Nikkei rose 0.2% as Japanese core consumer inflation reached 2%, the Bank of Japan's target. The S&P/ASX 200 gained 1.3% as reporting season comes to an end. Gains were driven by the Information Technology sector which returned 7.9% over the week.

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

ASX Code	Company	Closing Price	Change*
JLG	Johns Lyng Group	\$6.07	-15.0%
TPG	TPG Telecom	\$4.73	-10.8%
LIC	Lifestyle Communities	\$15.61	-8.9%
IPH	IPH	\$6.33	-8.5%
NHF	Nib Holdings	\$7.52	-7.6%

Johns Lyng Group dropped -15.0% after reporting falls in revenue and net profit after tax compared to the prior corresponding period. TPG Telecom fell -10.8% after its full year results fell short of market expectations. Lifestyle Communities lost another -8.9% from last week after management revealed that market conditions had pushed back settlement timeframes in the first half year, and this was expected to continue into the second half year. Nib Holdings is down -7.6% despite reporting a 19.4% increase in net profit after tax for 1H23.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
ALU	Altium Limited	4/03/2024	\$0.30	13%
NWL	Netwealth Group Limited	4/03/2024	\$0.14	100%
REA	REA Group Limited	4/03/2024	\$0.87	100%
SDF	Steadfast Group Limited	4/03/2024	\$0.07	100%
COL	Coles Group Limited	5/03/2024	\$0.36	100%
EDV	Endeavour Group Limited	5/03/2024	\$0.14	100%
ILU	Iluka Resources	5/03/2024	\$0.04	100%
LOV	Lovisa Holdings Limited	5/03/2024	\$0.50	30%
ORA	Orora Limited	5/03/2024	\$0.05	0%
ORG	Origin Energy Limited	5/03/2024	\$0.28	100%
QUB	Qube Holdings Limited	5/03/2024	\$0.04	100%
WOR	Worley Limited	5/03/2024	\$0.25	0%
NST	Northern Star Resources Limited	6/03/2024	\$0.15	0%
QBE	QBE Insurance Group Limited	6/03/2024	\$0.48	10%
RWC	Reliance Worldwide Corporation Limited	6/03/2024	\$0.03	0%
SIQ	Smartgroup Corporation Limited	6/03/2024	\$0.32	100%
SUL	Super Retail Group Limited	6/03/2024	\$0.32	100%
TWE	Treasury Wine Estates Limited	6/03/2024	\$0.17	70%
BAP	Bapcor Limited	7/03/2024	\$0.10	100%
BHP	BHP Group Limited	7/03/2024	\$1.10	100%
HLI	Helia Group Limited	7/03/2024	\$0.45	33%
IEL	IDP Education Limited	7/03/2024	\$0.25	77%
MMS	McMillan Shakespeare Limited	7/03/2024	\$0.76	100%
NHF	NIB Holdings Limited	7/03/2024	\$0.15	100%
PNI	Pinnacle Investment Management Group	7/03/2024	\$0.16	100%
PRU	Perseus Mining Limited	7/03/2024	\$0.01	0%
RIO	Rio Tinto Limited	7/03/2024	\$3.93	100%
S32	South32 Limited	7/03/2024	\$0.01	100%
VEA	Viva Energy Group Limited	7/03/2024	\$0.07	100%
WDS	Woodside Energy Group Limited	7/03/2024	\$0.92	100%
IFL	Insignia Financial Limited	8/03/2024	\$0.09	0%
NEC	Nine Entertainment Co. Holdings Limited	8/03/2024	\$0.04	100%
WTC	Wisetech Global Limited	8/03/2024	\$0.08	100%

Key Rates Table

Aus. 10-yr Bond Yield	US 10-yr Bond Yield	AUD/USD	AUD/GBP	AUD/EUR	AUD/CNY	AUD/JPY
4.13%	4.24%	0.65	0.52	0.60	4.62	97.92

*Rates as at 3.00PM on 01/03/2024

Topic of the week

Apple has cancelled its secretive electric car project named 'Project Titan' after a decade in operation. Project Titan was launched in 2014, with plans to revolutionise the automotive industry by building an autonomous electric vehicle with groundbreaking technology that would render the steering wheel and pedals obsolete.

However, the project has struggled with several changes in leadership and strategy. The electric car team underwent restructuring in 2016 and 2019. In 2021, the project head, Doug Field who had joined from Tesla, left the project over doubts the vehicle would ever be approved by Apple executives. In 2022, Apple downgraded its expectations for the autonomous driving technology, from completely autonomous, to still having a steering wheel and pedals for the driver in some circumstances. Earlier this year, Apple lowered expectations for the technology again, offering semi-autonomous technology like the technology already available in current electric vehicles. Apple also pushed back the launch of the car from 2026 to 2028.

The project has cost Apple hundreds of millions each year on salaries, cloud systems, road testing and engineering. As a part of the project, Apple had acquired Drive.ai, an autonomous vehicle startup back in 2019. Apple had also purchased a former Chrysler site in Arizona for \$168 million.

Along with the project struggles, the decision comes at a time of weakening demand for electric vehicles. High prices during a cost-of-living crisis and a lack of infrastructure have stalled electric vehicle adoption. Even if the car had come into fruition, Apple's executive management were worried about profit margins despite initial pricing expected to be around \$US100,000.

Almost 2,000 employees were assigned to the project, most of whom will now be moved to the artificial intelligence division to work on generative AI projects. The cancelling of the project resulted in Apple shares rising by 0.8%.

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%	6.74%	6.89%
Macquarie	6.15%	6.09%	6.19%	6.34%	6.29%	6.39%

*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 Government Finance Statistics for the December quarter.
- The US Q4 corporate earnings season will continue with Broadcom, Costco and DocuSign all expected to report.



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