

## Weekly Market Recap

21 – 25 February 2022

## Highlights of the week

- Investors sought out 'safe haven' assets such as gold and government bonds following news of Russia's invasion of Ukraine.
- The price of oil, gas, nickel and wheat all rose as investors became concerned around future global supply with the four commodities key exports of the Ukraine and Russia.

## Market Action

Equity Indices	Price Returns %		
	25-Feb-22	18-Feb-22	Change (%)
S&P/ASX 200	6997.8	7242.7	-3.4%
All Ordinaries	7273.6	7522.7	-3.3%
Small Ordinaries	3187.7	3297.1	-3.3%
S&P 500 *	4288.7	4380.3	-2.1%
NASDAQ *	13473.6	13716.7	-1.8%
FTSE 100 *	7207.4	7537.4	-4.4%
Hang Seng	22901.6	24792.8	-7.6%
Nikkei	25970.8	27232.9	-4.6%

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

Equity markets fell sharply following Russia's invasion but recovered some of the losses with NASDAQ the best performing international market as the Information Technology sector outperformed. The Hang Seng was the worst performing international market.

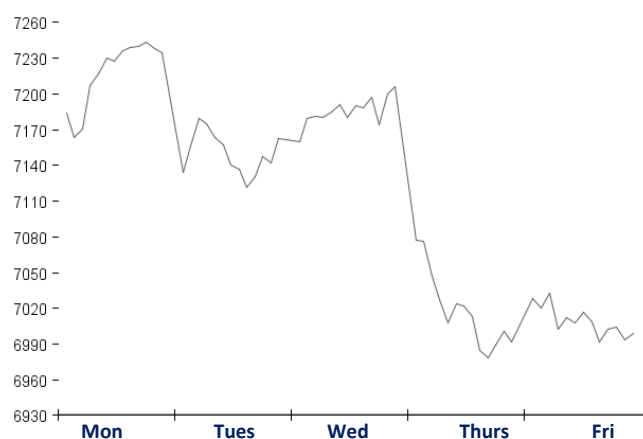
## S&amp;P/ASX 200 - Top five of the week

ASX Code	Company	Closing Price	Change
CIM	Cimic Group Limited	\$22.01	37.05%
HUB	HUB24 Limited	\$27.09	13.73%
NIC	Nickel Mines Limited	\$1.54	13.65%
COH	Cochlear Limited	\$216.49	12.29%
PRU	Perseus Mining Limited	\$1.73	9.15%

Prices as at 3.30PM on 25/02/2022

Cimic rallied after the company's major shareholder made a \$22 cash per share offer for the remainder of the company. Cochlear rose after reporting strong revenue and profit growth in the first half of the 2022 financial year driven by an easing in COVID-19 restrictions which allowed more hearing implant operations to take place.

S&amp;P/ASX 200 Index – 1 Week Performance



The S&P/ASX 200 performed in line with international markets with the defensive Consumer Staples and Utilities sectors outperforming. Despite the volatile trading week, small companies performed in line with large companies.

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

ASX Code	Company	Closing Price	Change
TYR	Tyro Payments Limited	\$1.64	-25.1%
IMU	Imugene Limited	\$0.24	-23.6%
360	Life360 Inc	\$5.68	-23.1%
PBH	Pointsbet Holdings Limited	\$3.58	-22.5%
APX	Appen Limited	\$6.66	-21.0%

Tyro fell after releasing half year financial results that missed market expectations as COVID-19 lockdowns impacted transaction value growth. Pointset declined after releasing financial results that showed strong revenue growth, but expenses grew just as fast resulting in a \$138 million loss, an increase from the \$107 million loss in the prior corresponding period.

## Upcoming S&P/ASX 200 Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Estimated Dividend Per Share	Franking
AZJ	Aurizon Holdings Ltd	28/02/2022	\$0.105	95%
CCP	Credit Corp Group Ltd	28/02/2022	\$0.38	100%
CWY	Cleanaway Waste Management Ltd	28/02/2022	\$0.02	25%
EVN	Evolution Mining Ltd	28/02/2022	\$0.03	100%
FMG	Fortescue Mining Group	28/02/2022	\$0.86	100%
LFS	Latitude Group Holdings Limited	28/02/2022	\$0.08	100%
MXT	Metrics Master Income Trust	28/02/2022	\$0.01	0%
SDF	Steadfast Group Ltd	28/02/2022	\$0.05	100%
VNT	Ventia Services Group Ltd	28/02/2022	\$0.01	100%
WOR	Worley Ltd	28/02/2022	\$0.25	0%
AUB	AUB Group Ltd	1/03/2022	\$0.17	100%
BGA	Bega Cheese Ltd	1/03/2022	\$0.07	100%
DMP	Domino's Pizza Enterprises Ltd	1/03/2022	\$0.88	70%
EDV	Endeavour Group Ltd	1/03/2022	\$0.13	100%
HGH	Heartland Group Holdings Ltd	1/03/2022	\$0.05	0%
HMC	Home Consortium Ltd	1/03/2022	\$0.06	100%
ORA	Orara Ltd	1/03/2022	\$0.08	0%
ORG	Origin Energy Ltd	1/03/2022	\$0.13	0%
LNK	Link Administration Holdings Ltd	2/03/2022	\$0.03	100%
PTM	Platinum Asset Management Ltd	2/03/2022	\$0.10	100%
TLS	Telstra Corporation Ltd	2/03/2022	\$0.08	100%
TWE	Treasury Wine Estates Ltd	2/03/2022	\$0.15	100%
ASX	ASX Ltd	3/03/2022	\$1.16	100%
COL	Coles Group Ltd	3/03/2022	\$0.33	100%
EBO	Ebos Group Ltd	3/03/2022	\$0.39	96%
IEL	Idp Education Ltd	3/03/2022	\$0.14	9%
IGO	IGO Ltd	3/03/2022	\$0.05	100%
JIN	Jumbo Interactive Ltd	3/03/2022	\$0.22	100%
NEC	Nine Entertainment Co. Holdings Ltd	3/03/2022	\$0.07	100%
NHF	Nib Holdings Ltd	3/03/2022	\$0.11	100%
PME	Pro Medicus Ltd	3/03/2022	\$0.10	100%
PNI	Pinnacle Investment Management	3/03/2022	\$0.18	100%
WOW	Woolworths Group Ltd	3/03/2022	\$0.39	100%
ALD	Ampol Ltd	4/03/2022	\$0.41	100%
LIC	Lifestyles Communities Ltd	4/03/2022	\$0.05	100%

## 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	2.39%	3.14%	4.14%	2.59%	3.34%	4.24%
NAB	2.29%	2.99%	3.79%	2.79%	3.19%	3.94%
Macquarie	2.24%	2.74%	3.99%	2.49%	2.99%	4.29%

\*Based on a 25-year, \$450,000 loan with principal and interest repayments and a Loan-to-Value ratio of 70%.

## Topic of the week

The price of European Union Allowances (EUAs) have risen significantly in price from below €20 per EUA in October 2020 to near €90 per EUA currently. An EUA enables the permit holder to emit one metric tonne of carbon dioxide or the equivalent amount of other greenhouse gases such as nitrous oxide during the specified period. The European Union created the European Union Emissions Trading System (EU ETS), that facilitates the trading of EUAs in 2005 with the primary goal of creating an economic incentive for corporations to reduce greenhouse gas emissions. The EU ETS originally included over 11,000 power plants and other energy intensive industries across the 27 EU States plus Iceland, Liechtenstein and Norway which together were responsible for 41% of the EU's total greenhouse emissions. The system functions by a 'cap-and-trade' model whereby a single European Union wide cap on greenhouse emissions is set and corporations then receive a set amount of EUAs, dependent on several factors, that total the cap which they can then trade to meet their emission needs. In each subsequent period the number of EUAs is reduced, in effect, creating a financial incentive for companies to seek out alternative or more efficient technology to reduce greenhouse gas emissions. In June 2021, it was agreed that to meet the EU's 2030 emissions target, from 2025 to 2030 there would be a linear 4.2% reduction in EUAs made available per year.

The EU ETS has evolved significantly over time, for example, in 2013 the system was altered to enable International Carbon Credits to be used by EU ETS corporations to meet their commitments. International Carbon Credits were created under the United Nations Climate Change Kyoto Protocol, and also represent one metric tonne of carbon dioxide reduced or removed from the

atmosphere. Currently the EU ETS is the largest source of demand for International Carbon Credits and was one of the key mechanisms as to how US electric car company Tesla Inc, which sold International Carbon Credits to EU ETS corporations, was able to fund much of their development while their car manufacturing operations were unprofitable. The EU ETS has also evolved to include the initial auction of EUAs for some industries and to enable authorities to enter the market and reduce the number of EUAs on issue in order to regulate the price.

The EU ETS has reportedly resulted in a 42.8% reduction in greenhouse gases since the introduction in 2005, however, there had been intervening periods of mixed success. In 2007 the price of an EUA briefly touched €0 due to a slowdown in economic growth combined with corporations reportedly initially overstating their level of actual emissions which resulted in too many EUAs being issued. With the ability for authorities now able to enter the market it is anticipated that the price of EUAs will continue to rise in the short term as the total cap is reduced. Over the long term as corporations continue to decarbonise, demand for EUAs will eventually decrease. Consequently, the natural end point for the price of an EUA is €0 when corporations have eliminated all their greenhouse gas emissions.

The EU ETS is one such system being used to decarbonise economies while others such as Denmark, Sweden, Finland, France, Ireland and the Netherlands plus many others have also introduced a carbon tax. Australia will likely need to take more direct action to reduce carbon emissions or risk exports being subject to new taxes such as under the Carbon Border Adjustment Mechanism currently proposed by the European Parliament.

## What to expect for the week ahead

- The Reserve Bank of Australia will meet to decide any changes to Monetary Policy.
- US President Joe Biden will give his State of the Union address which may give insight into future US Fiscal Policy.
- US Federal Reserve Chair Jerome Powell is scheduled to testify before US Congress which could give further insight into inflation in the US and the future path for US Monetary Policy.




1800 801 277


[aptwealth.com.au](http://aptwealth.com.au)  
[info@aptwealth.com.au](mailto:info@aptwealth.com.au)

Sydney • Melbourne • Geelong


**PROFESSIONAL PRACTICE**  
FINANCIAL PLANNING ASSOCIATION of AUSTRALIA
**WEALTH PARTNERS**

The information provided in this publication does not constitute financial product advice. The information is of a general nature only and does not take into account your individual objectives, financial situation or needs. It should not be used, relied upon, or treated as a substitute for specific professional advice. Apt Wealth Partners (AFSL and ACL 436121 ABN 49 159 583 847) and Apt Wealth Home Loans (powered by Smartline ACL 385325) recommends that you obtain professional advice before making any decision in relation to your particular requirements or circumstances.