

Highlights of the week

- Leading cybersecurity company Okta Inc, which provides user identity authentication services, announced about 2.5% of its customer base were exposed by a security breach that allowed hackers access to the company's internal network.
- Belgium announced it would extend the life of its nuclear reactor by another decade to ensure energy security given soaring natural gas prices.

Market Action

Equity Indices	Returns % (excluding distributions)		
	25-Mar-22	18-Mar-22	Change (%)
S&P/ASX 200	7406.2	7294.4	1.5%
All Ordinaries	7689.9	7571.2	1.6%
Small Ordinaries	3330.4	3281.2	1.5%
S&P 500	4520.2	4411.7	2.5%
NASDAQ	14191.8	13614.8	4.2%
FTSE 100	7467.4	7385.3	1.1%
Hang Seng	21946.0	21501.2	2.1%
Nikkei	28110.4	26652.9	5.5%

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

The NASDAQ and the S&P 500 rallied despite comments from Federal Reserve Chairman Jerome Powell that there could be a multitude of 0.5% interest rate rises over the coming months.

The Nikkei was the best performing international market recovering from large falls in recent weeks given Japan's heavy reliance on foreign energy.

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

ASX Code	Company	Closing Price	Change
AVZ	AVZ Minerals Limited	\$1.15	35.74%
LTR	Liontown Resources Limited	\$1.92	24.68%
PLS	Pilbara Minerals Limited	\$3.21	18.89%
UWL	Uniti Group Limited	\$4.76	17.70%
EML	EML Payments Limited	\$2.90	15.08%

Prices as at 3.30PM on 18/03/2022

Lithium miners Pilbara, AVZ and Liontown rose driven by the rally in the lithium price with AVZ also benefiting from investor buying following its inclusion in the S&P/ASX 200. Uniti Group continued to rise on ongoing takeover speculation.

S&P/ASX 200 Index – 1 Week Performance



The Hang Seng increased despite news of further citywide lockdowns in mainland China and the suspension from trading of heavily indebted property developer China Evergrande Group.

The S&P/ASX 200 underperformed international markets with Health Care the worst performing sector. The Energy, Materials and Utilities sectors outperformed.

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

ASX Code	Company	Closing Price	Change
TLX	Telix Pharmaceuticals Limited	\$4.22	-12.3%
FPH	Fisher & Paykel Healthcare	\$22.72	-12.1%
CUV	Clinuvel Pharmaceuticals Ltd	\$18.39	-10.3%
RMD	Resmed Inc	\$31.63	-9.8%
MP1	Megaport Limited	\$12.97	-8.3%

Fisher & Paykel fell after providing updated operating revenue forecasts for the 2022 financial year of \$1.7 billion which was below market expectations and also resulted in a sell down of its competitor ResMed. Telix declined after announcing increased capital expenditure to repurpose a radiopharmaceutical production facility in Brussels.

Upcoming S&P/ASX 200 Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Estimated Dividend Per Share	Franking
COH	Cochlear Limited	28/03/2022	\$1.55	0%
REH	Reece Limited	28/03/2022	\$0.08	100%
ARF	Arena REIT	30/03/2022	\$0.04	0%
CIP	Centuria Industrial REIT	30/03/2022	\$0.04	0%
CLW	Charter Hall Long Wale REIT	30/03/2022	\$0.08	0%
COF	Centuria Office REIT	30/03/2022	\$0.04	0%
CQE	Charter Hall Social Infrastructure REIT	30/03/2022	\$0.04	0%
DXI	Dexus Industria REIT	30/03/2022	\$0.04	0%
HDN	HomeCo Daily Needs REIT	30/03/2022	\$0.02	0%
RFF	Rural Funds Group	30/03/2022	\$0.03	0%
WPR	Waypoint REIT Limited	30/03/2022	\$0.04	0%
APE	Eagers Automotive Limited	31/03/2022	\$0.43	100%
HVN	Harvey Norman Holdings Limited	31/03/2022	\$0.20	100%

Topic of the week

Concerns have been growing that the war in Ukraine could lead to a global food crisis with Ukrainian farmers unlikely to be planting crops this year and Russian sanctions removing almost the entirety of these two countries food output from the global supply chain. Ukraine and Russia are major exporters of wheat, corn and sunflower oil.

Russia and Belarus are also major exporters of natural gas and potash, key components used to manufacture fertiliser. Fertiliser prices had already been increasing prior to the invasion after China temporarily banned the export of phosphate, another major fertiliser component. Fertiliser is mainly used to increase nitrogen in the soil which increases crop yields, with farmers referring to a 'nitrogen response curve' to optimise the amount fertiliser to use. Fertiliser prices have increased faster than wheat prices which will likely lead farmers to reduce the use of fertiliser in line with the nitrogen response curve resulting in crop yields around the world falling. This decline may be at the margin, however, reducing output by even 5% has major implications.

In developed countries a food shortage will contribute to the growing number of inflationary drivers with supermarket chains in Greece already placing restrictions on how much flour and sunflower oil customers can purchase. In developing countries, it has the potential to force many people back below the poverty line with North Africa and the Middle East, two regions heavily reliant on Ukrainian and Russian food exports. Increased food prices can also lead to political upheaval with high food prices linked to the 2010-2012 'Arab Spring.'

Countries such as the US, Canada and India are investigating ways that they can boost food production to alleviate the shortage and limit price rises. Australia is similarly well placed to benefit economically as a major exporter of food products; however, Australian consumers are still likely to see rising food prices. Food and non-alcoholic beverages represent 16.8% of the consumer price index (CPI) so any increase will be a key driver of future inflation readings with the CPI a key gauge used by the Reserve Bank of Australia when setting interest rates.

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	2.29%	3.14%	4.14%	2.49%	3.34%	4.24%
NAB	2.19%	3.19%	4.29%	2.79%	2.39%	4.44%
Macquarie	2.19%	2.74%	3.99%	2.39%	2.89%	4.19%

*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 Federal Government Treasurer Josh Frydenberg will present the Federal Budget.
- The Australian Bureau of Statistics will release the latest Job Vacancies report which will provide an insight into the strength of the Australian labour market.
- The latest US Core Personal Consumption Expenditure Price Index reading will be released which will provide an insight into the current level of inflation in the US.




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