

Highlights of the week

- Australia's inflation rate has reached 6.1% behind significant increases in petrol, food, and housing costs.
- Climate Change Minister Chris Bowen has introduced Labor's climate bill to Parliament, with the target of reducing emissions by 43% this decade.

Market Action

Equity Indices	Returns % (excluding distributions)		
	29-Jul-22	21-Jul -22	Change (%)
S&P/ASX 200	6961.6	6784.8	2.6%
All Ordinaries	7189.0	7009.0	2.6%
Small Ordinaries	2961.4	2879.2	2.9%
S&P 500	4072.4	3959.9	2.8%
NASDAQ	12162.6	11897.7	2.2%
FTSE 100	7345.3	7264.3	1.1%
Hang Seng	20622.7	20890.2	-1.3%
Nikkei	27815.5	27680.3	0.5%

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

The S&P 500 and NASDAQ rose 2.8% and 2.2% respectively this week despite the US economy contracting for the second quarter in a row. Markets also rallied with the Federal Reserve's latest 0.75% interest rate hike. The FTSE100 has climbed 1.1% behind strong company reporting results whilst the Nikkei edged higher by 0.5%.

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

ASX Code	Company	Closing Price	Change
ZIP	Zip Co Limited	\$1.21	56.1%
SBM	St Barbara Limited	\$1.13	25.0%
MP1	Megaport Limited	\$9.81	19.1%
GOR	Gold Road Resources Limited	\$1.39	17.1%
DEG	De Grey Mining Limited	\$0.90	15.6%

Prices as at 3.30PM on 29/07/2022

Zip continued to rebound, closing higher by 56.1% as the buy now pay later sector recovered, with various strategies to reach profitability as soon as possible. Gold producers St Barbara and Gold Road Resources, as well as gold explorer De Grey Mining, benefitted from a jump in the spot gold price. They finished the week up 25%, 17.1% and 15.6% respectively. Megaport rose 19.1%, benefitting from a rally in the Technology sector.

S&P/ASX 200 Index – 1 Week Performance



The Hang Seng fell -1.3% as China indicated no changes to their zero-Covid policy and no large stimulus planned to boost the economy. The S&P/ASX 200 rose by 2.6% led by a recovery in Materials, up 5%, as metal prices rallied. Energy and Real Estate sectors were the next best performers, up by 3.7% and 4.1% respectively.

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

ASX Code	Company	Closing Price	Change
CRN	Coronado Global Resources	\$1.42	-11.3%
BRN	Brainchip Holdings Limited	\$1.09	-9.5%
CCX	City Chic Collective Limited	\$2.34	-6.6%
CIA	Champion Iron Limited	\$4.79	-5.5%
ALX	Atlas Arteria	\$7.77	-5.0%

Coronado Global Resources has declined -11.3% after releasing their quarterly report which fell below investor expectations. Brainchip fell -9.5% after providing a financial update for the June quarter. Champion Iron fell -5.5% despite no significant news until an investor presentation that halted the price fall. Atlas Arteria fell -5% after IFM ceased discussions and announced they would no longer be making a proposal to acquire Atlas Arteria.

Upcoming S&P/ASX 200 Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share	Franking (%)
No upcoming dividends this week.				

Topic of the week

This week, The Commonwealth Scientific and Industrial Research Organisation (CSIRO) have published their decennial report on megatrends, identifying global trends that will affect humanity over the next 20 years.

Within the first iteration of the report released in 2012, CSIRO identified six main trends. "More from less" detailed the limited resources available on Earth and how the rate of depletion was unsustainable as population and growth increased demand. Science, technology, governments were noted as key players in ensuring the world's resources would last. "Going, going, ... gone?" depicted the loss of biodiversity as pollution, habitat destruction and greenhouse gas emissions were leading many plant and animal species towards extinction. "The silk highway" predicted that income growth in Asia would change the balance of the world economy with new export markets and trade markets expected. "Forever young" noted that Australia's aging population would result in two main challenges of ensuring enough superannuation funds were available for retirees with their increased life expectancy and the increase in healthcare requirements. "Virtually Here" was about rapid improvement of technology and increased connectivity available to individuals, communities, businesses. The final trend named "Great

Expectations" depicted the increased demand for personalised services and experiences over products. It also stressed the importance of social relationships and the need for face to face despite the availability of social media. With the benefit of hindsight, these megatrends have been proven to be very relevant to our current society and world situation.

The new report identified seven megatrends that would shape "Our Future World". Climate change was at the forefront with the climate expecting to become more volatile. The recent rain and flooding could be a taste of more to come. The next trend named "leaner, cleaner and greener" expands on the solutions to limited resources and the need to transition to renewables. The last two years are strong examples of the next trends: "Geopolitical Shifts" and "Escalating Health Imperative". Technology is at the heart of two other trends: Artificial intelligence (AI) and the Digital landscape. The use of AI continues to increase across all industries whilst the pandemic has seen work, health, shopping and more move into the digital world. The final megatrend is "unlocking the human dimension" as society continues to demand more transparency, trust and social governance from businesses and the government.

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	3.29%	5.94%	6.84%	3.59%	6.04%	7.04%
NAB	3.44%	5.54%	6.24%	4.04%	5.44%	6.24%
Macquarie	3.24%	5.85%	6.15%	3.49%	6.05%	6.35%

*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 Quarterly Reporting Season will continue with Bank of America, Goldman Sachs, Netflix and Tesla expected to release results.
- The Reserve Bank of Australia (RBA) will have their monthly Board Meeting with a 50-basis point interest rate hike expected to result.




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