

Highlights of the week

- NSW Treasurer Matt Kean has been elected as the Deputy Leader of the Liberal Party.
- The US annual inflation rate has fallen from 9.1% to 8.5%.

Market Action

| Equity Indices | Returns % (excluding distributions) | | |
|-------------------------|-------------------------------------|----------|------------|
| | 12-Aug-22 | 5-Aug-22 | Change (%) |
| S&P/ASX 200 | 7027.1 | 7013.7 | 0.2% |
| All Ordinaries | 7283.4 | 7248.2 | 0.5% |
| Small Ordinaries | 3050.1 | 3013.5 | 1.2% |
| S&P 500 | 4207.3 | 4155.2 | 1.3% |
| NASDAQ | 12779.9 | 12668.2 | 0.9% |
| FTSE 100 | 7465.9 | 7445.7 | 0.3% |
| Hang Seng | 20082.4 | 20174.0 | -0.5% |
| Nikkei | 27819.3 | 27932.2 | -0.4% |

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

The S&P 500 and NASDAQ rose 1.3% and 0.9% respectively, boosted by the inflation data. 8 out of the 11 sectors closed higher this week with Consumer Discretionary, Consumer Staples and Healthcare the laggards. The FTSE 100 edged up for a 0.3% gain as it awaits the release of the UK's GDP data for the second quarter.

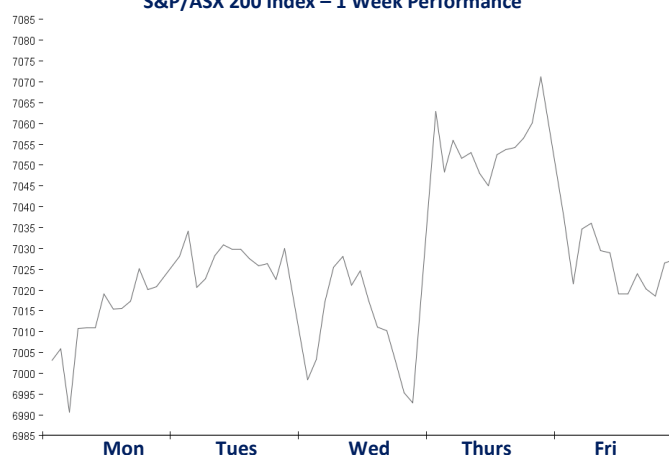
S&P/ASX 200 - Top five of the week

| ASX Code | Company | Closing Price | Change |
|------------|----------------------------|---------------|--------|
| LKE | Lake Resources NL | \$1.38 | 55.9% |
| OZL | Oz Minerals Limited | \$25.71 | 39.7% |
| CRN | Coronado Global Resources | \$1.75 | 25.1% |
| CXO | Core Lithium Limited | \$1.47 | 21.5% |
| LTR | Liontown Resources Limited | \$1.69 | 19.9% |

Prices as at 3.00PM on 12/08/2022

Lithium companies had another stellar week with Lake Resources, Core Lithium Limited and Liontown Resources jumping 55.9%, 21.5% and 19.9% respectively as the US Senate approved a bill to combat climate change which included a focus on electric vehicles. Oz Minerals rose 39.7% as the company rejected a \$25 per share takeover offer from BHP. Coronado Global Resources rose 25.1% after presenting their half yearly results, beating expectations with a 3,200% increase in earnings on the back of increased coal prices.

S&P/ASX 200 Index – 1 Week Performance



The Hang Seng slid -0.5% as Chinese inflation reached two-year highs and tensions between the US and China continued whilst the Nikkei fell -0.4%. The S&P/ASX 200 rose 0.2% with the Energy and Materials sector leading the gains. Healthcare and Technology were the major detractors falling -2.2% and -3.0% respectively over the week.

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

| ASX Code | Company | Closing Price | Change |
|------------|-----------------------|---------------|--------|
| SBM | St Barbara Limited | \$1.06 | -12.6% |
| CPU | Computershare Limited | \$23.34 | -9.7% |
| MP1 | Megaport Limited | \$8.34 | -8.7% |
| ANN | Ansell Limited | \$25.76 | -7.2% |
| ARF | Arena REIT | \$4.49 | -6.9% |

St Barbara fell -12.6% after releasing their FY23 Guidance with costs expected to increase over the coming year. Computershare dropped -9.7% with interest rate hikes expected to slow, impacting their mortgage division that accounts for 80% of their revenue. Megaport declined -8.7% as the company cut staff to reduce losses. Arena REIT fell -6.9% after releasing their FY22 results which revealed large increases in property expenses and financing costs. Ansell's share price declined by -7.2% despite no significant news being released.

Upcoming S&P/ASX 200 Dividend Dates

| ASX Code | Company | Estimated Dividend Ex-date | Dividend Per Share | Franking (%) |
|----------|-----------------------|----------------------------|--------------------|--------------|
| CPU | Computershare Limited | 16/08/2022 | \$0.30 | 0% |

Topic of the week

The COVIDSafe app has been decommissioned this week with Health Minister Mark Butler describing the app as “failed” and a “colossal waste of taxpayers’ money.” Originally launched in April 2020 during the first wave of the pandemic, the app was designed to help contact tracers locate close contacts. Now, a new update has been released on the App store, announcing the decommissioning of the app and when downloaded, “removes functionality” and stored information.

The COVIDSafe app used Bluetooth to detect other devices that had been within 1.5 metres for more than 15 minutes. If an app user contracted COVID-19, they would be requested to upload their data. Contact tracers could then use the data to contact owners of all

detected devices. With privacy and security concerns over the app’s tracking data, COVIDSafe only received 7.9 million downloads with less than 800 data uploads. After over two years of the app in operation, only seventeen close contacts were discovered that manual contact tracing had not. Out of those seventeen close contacts, only two positive cases of COVID-19 were identified.

The app has cost more than \$21 million to build and run with \$10 million attributed to development, \$7 million to advertising, and more than \$2 million each to staff and app upkeep. With COVID-19 policies having changed and running costs of \$75,000 per month, the decision was made by the Albanese Government to cease the app.

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% | 5.84% | 6.64% | 4.04% | 5.84% | 6.79% |
| Macquarie | 3.24% | 5.09% | 5.39% | 3.49% | 5.29% | 5.59% |

*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 introduce a Monthly Consumer Price Index Indicator for Australia.

The Australian Corporate Reporting Season will continue with Goodman Group, BHP, Transurban and Medibank expected to release results.




1800 801 277



aptwealth.com.au
info@aptwealth.com.au

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