

## Weekly Market Recap

26 - 30 September 2022

## Highlights of the week

- The fuel excise relief has ended on Thursday after the cost of extension was deemed too high for the Federal Budget.
- Australia's annual inflation rate had reached 7% in July but have now eased to 6.8% in the year to August.

## Market Action

Equity Indices	Returns % (excluding distributions)		
	30-Sep-22	23-Sep-22	Change (%)
<b>S&amp;P/ASX 200</b>	6460.6	6571.8	-1.7%
<b>All Ordinaries</b>	6665.6	6785.1	-1.8%
<b>Small Ordinaries</b>	2609.8	2693.5	-3.1%
<b>S&amp;P 500</b>	3640.5	3758.0	-3.1%
<b>NASDAQ</b>	10737.5	11066.8	-3.0%
<b>FTSE 100</b>	6881.6	7159.5	-3.9%
<b>Hang Seng</b>	17165.9	18444.6	-6.9%
<b>Nikkei</b>	26422.1	27313.1	-3.3%

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

US markets experienced a volatile week but eventually succumbed to recession fears as the S&P 500 and the NASDAQ closed -3.1% and -3.0% respectively. All 11 sectors declined, led by the Utilities and Real Estate sectors. The FTSE 100 fell -3.9% despite the Bank of England purchasing long term UK bonds to stabilise the market.

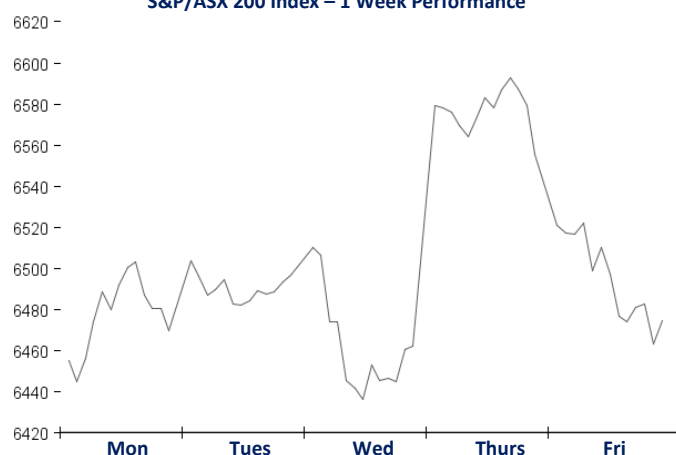
## S&amp;P/ASX 200 - Top five of the week

ASX Code	Company	Closing Price	Change
<b>RMS</b>	Ramelius Resources Limited	\$0.70	5.3%
<b>PRU</b>	Perseus Mining Limited	\$1.52	5.0%
<b>CMM</b>	Capricorn Metals Limited	\$2.96	4.2%
<b>IAG</b>	Insurance Australia Group	\$4.62	3.8%
<b>PMV</b>	Premier Investments Limited	\$22.57	3.7%

Prices as at 3.00PM on 30/09/2022

Gold producers Ramelius Resources, Perseus Mining and Capricorn Metals led the ASX 200 in gains as the spot gold price recovered from a two-year low. As recession fears increase, more investors may look towards gold and its producers as safe investment options. Premier Investments saw a large jump in share price before releasing its FY22 results. After announcing a special dividend and an on-market share buy-back, its share price settled to a 3.7% gain for the week. IAG rose 3.8% despite releasing no significant news.

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



The Hang Seng declined -6.9% this week, resulting in a -14% drop from the start of this month. The Nikkei fared better at -3.3% but its volatility index increased by 7.6% to a 3-month high. The S&P/ASX 200 fell -1.7% with Healthcare and Communication Services sectors as the only positive contributors, up 1.2% and 0.3% respectively.

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

ASX Code	Company	Closing Price	Change
<b>CXO</b>	Core Lithium Limited	\$1.11	-21.4%
<b>IRE</b>	Iress Limited	\$8.98	-20.7%
<b>LKE</b>	Lake Resources NL	\$0.88	-17.3%
<b>VUK</b>	Virgin Money UK PLC	\$2.12	-14.9%
<b>NVX</b>	Novonix Limited	\$1.74	-14.7%

Core Lithium lost -21.4% before entering a trading halt to announce an equity raising. Iress fell -20.7% after downgrading its profit guidance due to delays in sale opportunities because of "challenging macro conditions." Lake Resources slid -17.3% after being reported as one of the top ten most shorted shares on the ASX. Virgin Money is down -14.9%, affected by the weakness of the British Pound. Novonix has fallen -14.7% with loss-making growth companies on the worse end of the market sell-off.

## Upcoming S&P/ASX 200 Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share	Franking (%)
SGM	Sims Limited	4/10/2022	\$0.50	50%
ARB	ARB Corporation Limited	6/10/2022	\$0.32	100%

## Topic of the week

The Australian Bureau of Statistics (ABS) have released their monthly retail trade estimates for August 2022. The data released estimates the seasonally adjusted turnover and volumes for store and online sales for retail businesses, providing insight into how households are handling the current high inflation environment and the extended series of interest rate rises.

Retail trade rose by 0.6% from July and 19.2% compared to August last year. The jump beat economists' forecasts of 0.4% and is the eighth consecutive month where retail trade has risen.

Department stores reached a record high level of activity after a 2.8% increase from July whilst household goods retailing also saw a

2.6% increase. Turnover in Food Retailing and Cafes, Restaurants and Takeaway Food Services was also higher in August, up 1.1% and 1.3% respectively. These gains were offset by lower activity in Clothing and Other Retailing, but the overall increase signifies a resilience in consumer spending.

The RBA is expected to continue to raise interest rates again next week with the market expecting the cash rate to reach 3.4% by the end of the year. Whilst the impact of interest rate hikes on retail trade will lag, any sudden changes may cause the RBA to change its stance on policies.

## 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	3.69%	5.94%	6.84%	3.99%	6.04%	7.04%
NAB	3.74%	5.84%	6.64%	4.24%	5.84%	6.79%
Macquarie	3.69%	5.09%	5.39%	3.94%	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 Reserve Bank of Australia (RBA) will release their Half-yearly publication: Financial Stability Review that assesses the current condition of the financial system and potential risks.
- The Australian Bureau of Statistics (ABS) will publish their first release on "How Australian Use Their Time."




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