

Weekly Market Recap

24 - 28 October 2022

Highlights of the week

- The October 2022-2023 Federal Budget was released on Tuesday.
- Rishi Sunak was appointed the new Prime Minister of the United Kingdom.

Market Action

Equity Indices	Returns % (excluding distributions)		
	28-Oct-22	21-Oct-22	Change (%)
S&P/ASX 200	6785.7	6676.8	1.6%
All Ordinaries	6973.5	6869.9	1.5%
Small Ordinaries	2732.7	2668.7	2.4%
S&P 500	3807.3	3665.8	3.9%
NASDAQ	10792.7	10614.8	1.7%
FTSE 100	7073.7	6943.9	1.9%
Hang Seng	15427.9	16280.2	-5.2%
Nikkei	27345.2	27007.0	1.3%

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

US markets rallied this week with renewed optimism over the slowing of interest rate hikes. The S&P 500 and the NASDAQ made gains of 3.9% and 1.7% respectively, the NASDAQ lagging due to its heavy weighting in the Information Technology sector. The FTSE 100 rose 1.9% despite the European Central Bank lifting rates by 0.75%.

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

ASX Code	Company	Closing Price	Change
RMS	Ramelius Resources Limited	\$0.74	21.5%
NVX	Novonix Limited	\$2.72	19.3%
GOR	Gold Road Resources Limited	\$1.41	15.1%
TLX	Telix Pharmaceuticals	\$6.84	14.1%
EVN	Evolution Mining Limited	\$2.10	13.5%

Prices as at 3.00PM on 28/10/2022

Buoyed by the rising gold price, gold producers Ramelius Resources, Gold Road Resources and Evolution Mining outperformed this week, up 21.5%, 15.1% and 13.5% respectively. Both Ramelius and Gold Road also released September trading updates, confirming they were on track to reach their annual production guidance. Novonix, following their grant selection, and Telix Pharmaceuticals, due to their Q3 business update released late last week, continued to rise finishing higher by 19.3% and 14.1% respectively.

S&P/ASX 200 Index – 1 Week Performance



The Hang Seng Index fell -5.2% as President Xi Jinping begins his third term as leader whilst the Nikkei rose 1.3% on the back of a three-day rally. The S&P/ASX 200 gained 1.6% led by the Utilities and Real Estate sector, up 5.56% and 6.87% respectively. Small companies outperformed both large and mid-sized companies this week.

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

ASX Code	Company	Closing Price	Change
BRN	Brainchip Holdings Limited	\$0.69	-21.6%
MPL	Medibank Private Limited	\$2.82	-19.7%
NHC	New Hope Corporation	\$5.68	-17.6%
ALD	Ampol Limited	\$27.05	-13.1%
FMG	Fortescue Metals Group	\$14.75	-10.7%

Brainchip fell -21.6% after a Q3 update that revealed net operating cash outflows of US\$3.8 million for the quarter. Medibank lost -19.7% as they continue to investigate their cybersecurity breach. New Hope decreased -17.6% after moving ex-dividend for a final and special payment of \$0.56 per share. Ampol fell -13.1% after releasing a poor Q3 trading update. Fortescue Metals declined by -10.7% as the spot iron ore price fell and news of a US\$6.2 billion capital investment to remove fossil fuel risk.

Upcoming S&P/ASX 200 Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share	Franking (%)
BKW	Brickworks Limited	1/11/2022	\$0.41	100%
EVT	EVT Limited	2/11/2022	\$0.12	100%

Topic of the week

Victorian Premier, Daniel Andrews and Victorian Environment minister, Lily D'Ambrosio announced a ten-year energy plan which will be implemented if the Victorian Labor Government is re-elected later this year. The energy plan will re-form the State Electricity Commission (SEC) and use an initial \$1 billion to construct new renewable energy projects that will provide 4.5GW of power. The plan would be a huge step towards achieving a renewable energy target of 95% and a 75% to 80% emissions reductions target by 2035. The net-zero emissions target would then be brought forward by five years to 2045.

Originally created in 1918, the SEC generated and distributed electricity across Victoria under the control of a Board appointed by the State Government. It became the sole electricity agency in Victoria by 1972 but was eventually split and privatised. More than \$20 million will be spent to bring back the SEC with the Government

focusing on "keeping the bills down and the lights on." All profits from the first ten years of operation would be re-invested into SEC's infrastructure. The renewed SEC is also expected to provide 59,000 jobs in addition to reducing power prices that have risen since privatisation. It is still uncertain whether the SEC will become a retailer in addition to being an energy wholesaler.

With the ongoing global energy crisis and rising cost of living, the Victorian Government have already introduced a \$250 Power Saving Bonus for households. Any household can visit the Victorian Energy Compare website or reach out to participating community outreach partners to apply for the one-off payment for the current financial year. The new plan is contingent on re-election but will provide a longer-term solution to speed up the State's response in the fight against climate change.

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	4.44%	5.94%	6.84%	4.74%	6.14%	7.04%
NAB	4.49%	5.84%	6.64%	4.99%	5.84%	6.79%
Macquarie	4.29%	5.49%	5.79%	4.54%	5.69%	5.99%

*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 make the first microdata release on the barriers and incentives to labour force participation.
- The US corporate reporting season continues with Pfizer, Airbnb, Uber, Etsy, Block, Paypal and Starbucks all expected to report.