



**SUPER NETWORK**

TAILORED INVESTMENT ADVICE

# MONTHLY REPORT

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Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Total	Overview		
121,470	116,696	83,919	78,462	31,047	68,092	817,103		
99,341	45,556	34,131	12,313	14,221	19,105	19,185		
20,775	24,788	1,916	980	534	1,046	17,557		
3,541	354	150	75	88	166	5,593		
764	133	134	888	14,510	16,999	265,156		
268	346	47,758	31,039					
25,326	25,399							
May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Total	Overview
May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Total	Overview
May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Total	Overview

Other goals  
Total Goals

Total Funding Deficit	Monthly Average	Total	Overview
4,689,154	1,829,450	980,750	
368,970	950,000	559,984	
4,689,154	121,470		

# MONTHLY REPORT

## Monthly Report

Our May report is out now. See the global and Australian updates and trends.

# +0.5%

ASX performance

# +2.3%

US markets were stronger in the month, with the Dow Jones up +2.3% and S&P500 up +4.8%



- **ASX performance.** The ASX200 gained +0.5%.
- **US markets.** US markets were stronger in the month, with the Dow Jones up +2.3% and S&P500 up +4.8%, as weak economic data out of the U.S. and comments by Fed Governor Christopher Waller that a continued softening in data over the next 3-5 months would allow the Fed to consider cutting rates at the end of 2024, saw swaps continuing to fully price in a 25bps rate cut in December with the odds of a move as soon as September edging up to around 50% and November also given high odds.
- **Long-dated US treasury yields** were lower, with the 2-Yr yield at 4.88% and 10-Yr yield at 4.50%

## GLOBAL MARKET UPDATES

- **European markets.** European markets were stronger with the Stoxx Europe 600 Index up +2.6%, UK FTSE up +1.6% and German DAX up +3.2%.
- **Asian markets** Asian markets were mostly lower, with the Shanghai Composite down -0.6%, as weak economic data out of China saw investors pull money from exchange-traded funds in China in May for the first time in 15-months with equity ETFs in Shanghai and Shenzhen seeing a combined withdrawal of \$4.2bn, leading to China's Finance Ministry announcing it will start selling the first batch of 1 trillion yuan of ultra-long special bonds to raise funds for infrastructure investment, Beijing announcing forceful measures to shore up the beleaguered property market with authorities removing the mortgage rate floor and cutting the minimum down-payment ratio for individual homebuyers in efforts to boost property demand while encouraging local governments to acquire homes to convert them into affordable housing, and China's President Xi Jinping asking the country's financial regulators and local governments to take greater responsibility for defusing financial risks while urging deeper reforms for some of the country's key sectors, highlighting areas including property, employment and childcare as in need of reform breakthroughs. Nikkei was up +0.2% and KOSPI declined -2.1%.
- **Commodities.** Over the month, WTI oil price declined -5.3% to US\$76.99/bbl, as OPEC+ set out a plan to restore some suspended production as early as October with the Saudi Energy Ministry announcing production curbs will continue in full in 3Q24 and then be gradually phased out over the following 12-months, IEA slashed its demand outlook, forecasting world fuel consumption to increase by 1.1m b/d in 2024, about 140k barrels less than previously expected and EIA forecast a balanced oil market in 2024 with the agency decreasing its global demand estimate to 102.84m barrels/day, leaving crude markets in a deficit of only 80,000 barrel/day in 2024, lower than previous forecasts.

## IN POLITICAL NEWS

- The Biden administration announced stiff new tariff rates on \$18bn worth of Chinese imports, quadrupling tariffs on imported Chinese electric vehicles to 100%, doubling import tax on Chinese solar cells to 50% and increasing tariffs on some Chinese steel and aluminum imports by more than 3x to 25%, leading to China's Ministry of Commerce vowing to take its own action, announcing China will take resolute measures to safeguard its own rights and interests.
- Tensions in the Middle East escalated as Israeli tanks reached the center of Rafah and Israel's national security adviser announced Hamas probably won't be defeated until the end of the year.
- South Korea suspended a 2018 agreement with North Korea aimed at reducing military tensions after Pyongyang sent nearly 1,000 trash-filled balloons across the border in what it called a campaign against "human scum."
- China kicked off its largest military exercises around Taiwan in more than a year, calling the drills "punishment" for what it claimed was a "provocation" from Taiwan's new president Lai.
- Narendra Modi vowed to continue as India's Prime Minister even after his party lost its majority in parliament with a coalition led by Bharatiya Janata Party securing enough seats to form a government if it sticks together, although remaining short of the 272-seat majority on its own.

## ON STOCK SPECIFIC NEWS (CONT.):

- **Aristocrat Leisure Ltd (ALL)** - gained +12.6%, after reporting +18% y/y growth in 1H24 normalized EBITDA to A\$1.2bn that came in above consensus estimate of A\$1.09bn.
- **Eagers Automotive Ltd (APE)** - declined -19.9%, after warning it expects to achieve 1H24 underlying profit before tax equivalent to 85% of the level for 1H23.
- **Fletcher Building Ltd (FBU)** - declined -18.2%, after downgrading FY24 EBIT (before significant items) outlook to NZ\$500-530m from NZ\$540-640m and warning market conditions across the Materials and Distribution divisions have weakened throughout FY24.
- **James Hardie Industries Plc (JHX)** - declined -13.7%, after forecasting FY25 adjusted net operating profit of \$630-700m vs consensus estimate of \$757.1m.
- **Neuren Pharmaceuticals Ltd (NEU)** - gained +12.7%, after reporting positive top-line results from its Phase 2 clinical trial of NNZ-2591 in children with Pitt Hopkins syndrome.
- **Nufarm Ltd (NUF)** - declined -13.7%, after reporting -67% y/y fall in 1H24 net profit and cutting its dividend by -20%.
- **Pinnacle Investment Management Ltd (PNI)** - gained +16.3%, after reporting estimated total affiliate funds under management as of April 30 rose +6% from end-December.
- **Telix Pharmaceuticals Ltd (TLX)** - gained +20.6%, after reporting positive data from the ProstACT SELECT trial of TLX591.

## IN ECONOMIC NEWS

- **Australian RBA decision.** RBA kept interest rates at a 12-year high of 4.35%, while sticking with a neutral stance, despite raising 2024 CPI forecast by +60bps to +3.8% while keeping 2025 forecast at +2.8%, and downgrading 2024 GDP outlook by -20bps to +1.6% while maintaining 2025 forecast at +2.3%, assuming cash rate remain around the current 4.35% level until mid-2025 before declining to around 3.9% by the end of 2025, with minutes from policy meeting revealing the bank resumed a discussion of interest-rate hikes at its May policy meeting before deciding that the case to stand pat, with bank positioned in the higher-for-longer camp as recent data signaled inflation risks has risen.
- **U.S.** The economy grew at a slower pace in 1Q24 than initially reported with GDP rising +1.3% annualized (vs prior estimate of +1.6%), as softer consumer spending on goods with personal spending advancing +2% (vs previous estimate of +2.5%) was partially offset by stronger business and residential investment. Factory activity shrank in May at a faster than expected pace to the weakest in three months, as output came close to stagnating and a measure of orders fell by the most in nearly two years. Consumer confidence unexpectedly rose in May for the first time in four months as views about business conditions and the labor market were less negative leading to an index of present conditions climbing for the first time since January and the measure of expectations jumping by the most since July, though both recession and inflation expectations increased, and as consumers tempered their inflation expectations, downgrading 1-year ahead expectations by -20bps to 3.3% and 5-to-10 year expectations by -10bps to 3%.
- **China.** Factory activity unexpectedly contracted in May with manufacturing PMI falling back into contraction following two months of gains with a measure of input prices climbing to the highest in eight months. The downturn in China's residential real estate market weakened with the value of new-home sales from the 100 biggest real estate companies dropping about -33.6% y/y to 322.4bn yuan compared with a -45% decline in April.

## IN ECONOMIC NEWS (CONT.)

- **Australia.** The government forecast books to swing back to a deficit of A\$28.3bn, or 1% of GDP in fiscal 2025, before swelling to A\$42.8bn in the following 12-months. Wage price growth deaccelerated in 1Q24, rising +0.8% q/q (+4.1% y/y). Consumer confidence fell -0.3% MoM in May. PMI remained steady MoM in May as a fourth successive month of expansion in services PMI was offset by decline in manufacturing PMI as production levels fell for an 18th successive month as new orders continued shrinking and the sector suffered from heavier price pressure with both input cost and output price inflation rates quickening on the back of higher raw material and transportation costs.

- **Europe.** Euro-area labor cost rose +4.9% y/y in 1Q24, as negotiated pay increased +4.7% y/y, up from +4.5% y/y in 4Q23 and matching a record set in 3Q23. Inflation accelerated more than anticipated in May with CPI rising +2.6% y/y and core-CPI surpassing expectations by quickening to +2.9% y/y. Economic confidence improved in May driven by improvements in readings for all industrial, services and consumer confidence, which improved for a fourth straight month to reach the highest level since Russia invaded Ukraine in February 2022. Private-sector business activity reached its highest level in a year in May, as new orders grew at a healthy rate while the companies' confidence improved reflected by a steady hiring pace.

- **U.K.** BOE kept the base interest rate at 5.25% and sent its clearest signal yet that it was closing in on interest rate cuts, with Governor Andrew Bailey indicating markets were underpricing the pace of easing in the months ahead, as the bank upgraded its GDP growth forecasts for 2024 and 2025 by +25bps to +0.5% and +1.0%, respectively, while forecasting inflation to slide back to the 2% target in 2Q24, due to lower energy bills and then rise more gently than previously estimated later in the year. Economy bounced back strongly from a shallow recession in 4Q23 with GDP expanding +0.6% q/q (+0.2% y/y) in 1Q24, marking the best reading since late 2021, as customers returned to shops and investment rose again. Unemployment rose with jobless rate climbing +10bps to 4.3% in 1Q24, the highest since last summer, and private-sector wage growth eased with overall wage growth excluding bonuses being unchanged, however, slowing to 5.9% in the private sector. House prices rose for the first time in three months in May with average cost of a home rising +0.4%, marking the strongest reading since February, the last time prices rose. Economic recovery lost some momentum in May as activity and price pressures in the services sector started to fade which marked the weakest performance for the services sector in 6-months, however, factories returned to growth with the manufacturing output index hitting its highest in over two years.

- **India.** Economy grew faster than expected in the 2023-24 fiscal year with GDP expanding +8.2%, with 1Q24 GDP growth of +7.8% y/y, with manufacturing rising +8.9% y/y after expanding +11.6% y/y in 4Q23, farming sector growing +0.6% y/y (vs +0.4% y/y in 4Q23), services, which includes trade, hotels and transport industries, expanding +5.1% y/y (down from +6.9% y/y in 4Q23), private consumption growth remaining unchanged at +4% y/y while government spending growing +0.9% y/y after contracting in 4Q23.

- **Japan.** Economy shrank in 1Q24 with GDP contracting at an annualized pace of 2%, as consumers and companies cut spending leading to private consumption and capital spending both retreating, underscoring the fragile nature of the recovery and extending a dismal performance stretching back to last summer, with BOJ Governor Kazuo Ueda indicating that the economy's poor start to the year won't push the central bank from a path of hiking interest rates because a growth rebound is anticipated, indicating there is scope for gradually raising interest rates now that the nation has shifted away from an inflation norm of 0%.

## IN ECONOMIC NEWS (CONT.)

Consumer confidence dropped by the largest margin in more than two years in May to hit its lowest since October, and government downgraded assessment of the mood among consumers, stating the recovery in spending appetite appears to have stalled. Japanese companies trimmed capital investment in 1Q24 with capex on goods excluding software falling -0.5% q/q (y/y rise was less than expected at +6.8%), with manufacturers leading the decline, cutting spending by -3% q/q while service-sector firms boosting spending a tad.

- **Germany.** Inflation quickened for a second month in May with CPI rising +2.4% y/y (+2.8% y/y EU harmonized) largely driven by base effects related to the introduction of a cheap public-transportation ticket. Private-sector activity grew at the fastest pace in a year in May, with services continuing to lead the advance, though the reading for manufacturing, while still in contraction territory, was the highest since January. Investor confidence in the economy rose for a 10th month in May with a measure of current conditions also topping estimates.
- **South Korea.** BOK held the benchmark interest rate at 3.5% for an 11th consecutive time and Governor Rhee Chang-yong kept alive speculation over a possible policy easing later this year by highlighting a steady outlook for inflation even as economic growth picks up, as the bank sharply raised its prediction for economic growth for 2024 by +40bps to +2.5% while keeping its consumer-price outlook steady at 2.6% for 2024 and 2.1% for 2025. Export growth continued in May with headline exports rising +11.7% y/y led by demand for semiconductors, which combined with -2% y/y decline in imports boosted the country's trade balance to \$4.96bn surplus, the biggest since 2020. Inflation eased more than expected in May with CPI advancing +2.7% y/y and core-CPI rising +2.2% y/y, marking a third month of deceleration, leading to BOK announcing the downward trend in headline prices is likely to continue.

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