



SUPER NETWORK

TAILORED INVESTMENT ADVICE

MONTHLY REPORT

JULY



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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	45,566	34,131	12,313	14,221	19,165	19,165		
20,775	24,788	1,916	980	534	1,046	17,557		
3,541	354	150	755	88	166	5,593		
764	346	134	88	14,510	16,999	21,686		
268	25,599	47,758	31,939			265,156		
990	25,326							
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

4,689,154
1,829,450
980,750
368,970
950,000
559,984
4,689,154
121,470

Jul-16
Other goals
Total Goals
Total Funding Diff

CASHBOOK

8:30 AM - Marketing System meeting
1:15 PM - Review PPT User manual
John again to arrange meeting

Sydney
Flight

MONTHLY REPORT

Monthly Report

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

+4.2%

ASX performance

+4.4%

US markets were stronger, with the Dow Jones up +4.4% and S&P500 up +1.1%



- **ASX performance.** The ASX200 gained +4.2%.
- **US markets.** US markets were stronger, with the Dow Jones up +4.4% and S&P500 up +1.1%, as Fed Chair Jerome Powell said 2Q24 economic data has provided policymakers greater confidence that inflation is heading down to the central bank's 2% goal while announcing the Fed doesn't need inflation below 2% before cutting rates.
- **Long-dated US treasury yields** were lower, with the 2-Yr yield at 4.26% and 10-Yr yield at 4.03%.
- **European markets.** European markets were higher with the Stoxx Europe 600 Index up +1.3%, UK FTSE up +2.5% and German DAX up +1.5%.
- **Asian markets.** Asian markets were lower, with the Nikkei down -1.2% and KOSPI down -1.0%. The Shanghai Composite was down -1.0%, as China's Third Plenum gave little reason for investors to buy, with few new measures to address weak domestic demand and the ailing property sector.

GLOBAL MARKET UPDATES

- **Commodities.** Over the month, WTI oil price declined -3.4% to US\$77.91/bbl, as OPEC+ signaled no changes to oil supplies at a monitoring meeting, sticking with tentative plans to start reviving halted production next quarter.

IN POLITICAL NEWS

- Geopolitical tensions in the Middle East escalated with Israel targeting a senior Hezbollah commander with an airstrike on Beirut, a retaliation for a rocket attack in the Golan Heights that killed 12 young people, leading to Iran's supreme leader, Ayatollah Ali Khamenei, issuing an order for Iran to strike Israel directly, which saw Pentagon bolstering its presence in the Middle East with ships, fighter planes and ballistic missile defense vessels.
- U.K.'s Labour Party secured a landslide election victory, securing 412 of the 650 seats in the House of Commons, the most since Tony Blair's 1997 win.
- Upcoming U.S. elections injected new uncertainties with President Joe Biden abandoning his re-election bid and endorsing Vice President Kamala Harris to take his place as the Democratic nominee, with American intelligence officials warning Russia, China and Iran are all recruiting Americans to spread propaganda advancing their interests ahead of the U.S. presidential election with Russia favouring Trump while Iran opposing him.

ON STOCK SPECIFIC NEWS:

- **Chalice Mining Ltd (CHN)** - declined -19.4%, after delivering a "non-binding memorandum of understanding" with Mitsubishi.
- **Credit Corp Group Ltd (CCP)** - gained +16.4%, after forecasting FY25 net income of A\$90-100m driven by record starting consumer lending loan book, US operational improvement and a stabilized AU/NZ debt buying business.
- **IRESS Ltd (IRE)** - gained +32.0%, after forecasting +50% y/y growth in 1H24 adjusted EBITDA to A\$65-67m.
- **Lifestyle Communities Ltd (LIC)** - declined -27.6%, after withdrawing all forward-looking guidance it has previously provided due to the difficulty in quantifying the impact that recent media coverage might have on future sales and settlements.
- **Magellan Financial Group Ltd (MFG)** - gained +21.4%, after reporting flat net flows for June and announcing it is entitled to estimated performance fees of ~A\$19m for the year ended June 30.
- **South32 Ltd (S32)** - declined -16.1%, after reporting \$554m (pre-tax) impairment expenses for Worsley Alumina and \$264m (pre-tax) for Cerro Matoso on regulatory uncertainty created by Western Australian environmental protection conditions.
- **Syrah Resources Ltd (SYR)** - declined -26.8%, after warning recent guidance on the US Inflation Reduction Act is affecting near-term ex-China anode demand for Balama natural graphite fines and qualification of Vidalia active anode material required for sales.

IN ECONOMIC NEWS

- **Australia.** Consumer core inflation unexpectedly decelerated in 2Q24 with trimmed mean inflation gauge advancing +3.9% y/y (+0.8% q/q), however, factory inflation accelerated in 2Q24 with PPI rising +4.8% y/y (+1% q/q). Consumer pessimism deepened in July as households worried about the prospect for further interest-rate increases with inflation proving stickier than anticipated, which saw the index that tracks consumer expectations for variable mortgage rates over the next 12-months jumping +12.8% to mark the steepest monthly rise since the question was added to the survey at the start of 2022, and family finances for next 12-months sub-index declining -4.5% to the weakest read since the end of last year. House-price growth slowed in July, increasing +0.5% as elevated borrowing costs and stubbornly sticky inflation weighed on demand, with Melbourne declining for a fourth consecutive month while Sydney advancing +0.3%, taking its median home value to a record high A\$1.17m.

- **Europe.** ECB left interest rates unchanged at 3.75% and President Christine Lagarde left the question of a potential next cut open as the bank announced domestic price pressures are still high, services inflation is elevated and headline inflation is likely to remain above the target well into next year, while warning risks to economic growth are tilted to the downside. Euro-area economy grew more than expected in 2Q24 with GDP rising +0.3% q/q, as resilient expansion in France and Spain allowed the region to shrug off Germany's -0.1% q/q surprise contraction. Euro-area private-sector activity barely grew in July with composite PMI declining to worst since February, as its top economy unexpectedly slumped with Germany's private sector unexpectedly contracting as country's manufacturing malaise worsened. Euro-area inflation unexpectedly quickened in July with CPI rising +2.6% y/y and core-CPI holding steady at +2.9% for a third month. Euro-area consumer confidence improved for a sixth straight month in July, reaching the highest level since Russia invaded Ukraine in February 2022, with the European Commission announcing consumer confidence is approaching its long-term average.

- **U.K.** The BOE voted 5-4 to cut interest rates by -25bps for the first time since early 2020 to 5% and signaled further cautious reductions ahead. Public borrowing overshot official forecasts to £14.5bn in June, leaving the deficit in the first three months of the fiscal year £3.2bn higher than forecast by the OBR and national debt at levels last seen in the early 1960s at 99.5% of GDP. Private sector companies reported a surge in confidence, hiring and new orders in July with composite PMI at 2-month high. Consumer confidence edged up to a near three-year high in July. House prices rose for a third month in July, rising +0.3% MoM (+2.1% y/y).

- **India.** Government set a fairly conservative economic growth forecast for the current fiscal year, concerned about mounting global risks, forecasting economy to expand 6.5-7% in the year through March 2025 vs +8.2% in the past financial year and RBI's projection of +7.2% for the current year. Prime Minister Narendra Modi's new government outlined vast spending on unemployment and projects favored by key political allies with Finance Minister Nirmala Sitharaman announcing the government would deploy 2 trillion rupees (\$23.9bn) to create new jobs and boost skills for its vast young population, while making significant changes to taxes on gains from equity investments and stock derivatives for the first time in decades, raising the levy on stocks held for less than 12-months to 20%, the first hike since 2008, and to 12.5% from 10% for those held for more than a year, and hiking securities transaction tax on equity options to 0.1% and to 0.02% on futures, effective from October, in an effort to seek to curb the surge in speculative trading in the nation's \$5 trillion market. Economic activity expanded in July with PMI jumping to 3-month high, fueled by a jump in services and a pickup in manufacturing with new orders placed with private sector firms rising sharply.

IN ECONOMIC NEWS (CONT.)

- **Australian RBA decision.** The RBA kept interest rates at a 12-year high of 4.35% at its August policy meeting and ruled out a rate cut in the next six months, as the bank lifted its forecasts for inflation and economic growth, which saw swaps paring bets on a November rate cut while fully pricing one for December.

- **Global growth outlook.** The IMF raised world GDP growth outlook for 2025 by +10bps to 3.3% (U.S., euro area, U.K., Japan and India flat at +1.9%, +1.5%, +1.5%, +1% and +6.5%, respectively, and China up +40bps to +4.5%) and left 2024 forecast unchanged at 3.2% (U.S. down -10bps to +2.6%, euro area up +10bps to +0.9%, U.K. up +20bps to +0.7%, Japan down -20bps to +0.7%, China up +40bps to +5% and India up +20bps to +7%), while warning that inflation in many major economies has been cooling slower than expected.

- **U.S.** The Fed left the federal funds at 5.25-5.5% and policymakers made several adjustments to the language of a statement, signaling they are closer to reducing borrowing costs, with Fed Chair Jerome Powell announcing an interest-rate cut could come as soon as September. Treasury reduced its estimate for federal borrowing for 3Q24 by -12.6% to \$740bn and projected the government's cash buffer to decline toward year-end to \$700bn. Economic growth accelerated by more than forecast in 2Q24 with GDP expanding at a +2.8% q/q annualized rate as the economy's main growth engine, personal spending, advanced +2.3%, while a closely watched measure of underlying inflation rose +2.9%, easing from 1Q24 but still above estimates. Fed's Beige Book revealed the U.S. economy grew at a slight pace heading into 3Q24, with a number of regions noting flat or declining activity and slight increase in employment with labor turnover declining and contacts in several districts expecting to be more selective about who they hire and not backfill all open positions. Business activity accelerated in July at the fastest pace in more than two years on stronger services demand with a measure of activity at service providers showing the fastest growth since March, while manufacturing declined by the most in eight months to slip back into contraction territory as faster declines in orders and production to four-year low prompted the biggest employment cutback in four years. Labor market continued to soften with hiring slowing markedly in July with nonfarm payrolls rising by 114,000, one of the weakest prints since the pandemic, and job growth being revised lower in the prior two months, and the unemployment rate rising +20bps to an almost three-year high of 4.3%. Consumer sentiment eased in July to an eight-month low as modest wage gains and exhaustion of pandemic savings continued to weigh on attitudes about personal finances, with 1-year ahead inflation expectations staying steady MoM at +2.9%, the lowest in four months while 5-to-10 year ahead expectations gaining +10bps MoM to +3%.

- **China.** Economic growth unexpectedly slowed to the worst pace in five quarters in 2Q24 with GDP expanding +4.7% y/y, equating to 1H24 growth of +5% y/y, as an export boom was more than offset by faltering consumer and government spending which fell almost -3% y/y in 1H24 with local governments across China spending 15.3 trillion yuan, down -4.2% y/y and central government spending 1.9 trillion yuan, +10% y/y. Factory activity contracted for a third straight month in July and non-manufacturing measure of activity in construction and services fell MoM. PBOC cut a key short-term policy rate for the first time in almost a year, lowering the seven-day reverse repo rate by -10bps to 1.7%, and lowered the rate on its one-year policy loans by the most since April 2020, cutting the rate of medium-term lending facility by -20bps to 2.3%, leading to Chinese banks cutting their main benchmark lending rate for the first time since August 2023, lowering both one-year and five-year LPR by -10bps to 3.35% and 3.85%, respectively.

IN ECONOMIC NEWS (CONT.)

- **Japan.** The BOJ raised its benchmark interest rate by +15bps to 0.25% and unveiled plans to halve monthly bond purchases to around ¥3 trillion by 1Q26, with the bank downgrading 2024 GDP growth outlook by -20bps to +0.6% while maintaining 2025 and 2026 forecast of +1%, and downgrading 2024 core-CPI outlook by -30bps to 2.5% while upgrading 2025 outlook by +20bps to 2.1% and maintaining 2025 forecast of 1.9%.
- **Germany.** Inflation accelerated in July with CPI rising +2.6% y/y. Business outlook unexpectedly fell in July with a gauge of current conditions also declining as pessimism regarding the coming months increased. Unemployment rose more than anticipated in July with joblessness increasing by a seasonally adjusted 18,000 and unemployment rate holding steady at 6%.
- **South Korea.** BOK kept interest rate unchanged at 3.50% and referred to a need to examine the timing of a reduction. Economy flipped back into reverse in 2Q24 after hotter-than-expected growth at the start of the year with GDP shrinking -0.2% q/q, underscoring the weakness of domestic demand, leading to South Korea's Finance Ministry announcing a raft of proposed tax benefits, including a cut to one of the world's heaviest inheritance levies and an extension of support for chipmakers. Consumer confidence rose MoM in July as inflation expectation for next 12-months fell -10bps to 2.9%. Export growth slowed in July with headline exports rising +13.9% y/y which combined with +10.5% y/y growth in imports resulted in trade surplus of \$3.6bn.
- **Canada.** The BOC cut interest rates by -25bps for a second consecutive meeting to 4.5% and signaled further easing ahead as sluggish growth continues to cool inflation.
- **Taiwan.** Economy grew more than expected in 2Q24 with GDP rising +5.09% y/y as capital formation rose +15.3% y/y as companies increased investment in equipment, construction and intellectual property.
- **New Zealand.** RBNZ kept interest rates unchanged for an eighth straight meeting at 5.5% but toned down its hawkish rhetoric, suggesting it could ease monetary policy sooner than previously signaled as a range of business and consumer surveys, and higher frequency spending and credit data, all point to declining activity.

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