SUPER NETWORK

TAILORED INVESTMENT ADVICE

MONTHLY REPORT

NOVEMBER

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Monthly Report

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

+3.4%

ASX performance

+7.5%

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• **ASX performance.** The ASX200 gained +3.4%.
• **US markets.** US markets were stronger, with the Dow Jones up +7.5% and S&P500 up +5.7%, as the Beige Book showed economic activity increased slightly in November and businesses grew more upbeat about demand prospects, leading to Fed Chair Jerome Powell announcing the economy is in remarkably good shape and downside risks from the labor market have receded.
• **Long-dated US treasury yields** were slightly lower, with the 2-Yr yield at 4.15% and 10-Yr yield at 4.17%, as Donald Trump picked Scott Bessent to run the Treasury, a Wall Street veteran who has called for a gradual approach to implementing trade restrictions and has appeared open to negotiating the exact size of tariffs championed by the president elect, while also announcing his priority will be to deliver on Trump's various tax cut pledges, cutting spending and "maintaining the status of the dollar as the world's reserve currency."

GLOBAL MARKET UPDATES

• **European markets.** European markets were higher with the Stoxx Europe 600 Index up +1.0%, UK FTSE up +2.2% and German DAX up +2.9%.

• **Asian markets.** Asian markets were mostly lower, with the Shanghai Composite up +1.4%, amid continued support by the government to aid growth with PBOC governor announcing plans for supportive monetary policy to promote growth in 2025, China's Ministry of Finance lowering home purchase deed taxes by -200bps to 1% for first and second-house buyers of flats of 140 square meters and below while lowering the threshold for the land appreciation tax by -50bps, and China Securities Regulatory Commission issuing a supportive guideline, urging companies to come up with clear and executable plans to boost their valuation. Nikkei was down -2.2%, as BOJ Governor Kazuo Ueda announced interest-rate hikes are "nearing" as inflation and economic trends develop in line with the central bank's forecasts. KOSPI was down -3.9%.

• **Commodities.** Over the month, WTI oil price declined -1.2% to US$68.00/bbl, as positive sentiment from U.S. imposing more sanctions targeting Iranian crude and OPEC delegates reporting OPEC+ is making progress toward an agreement to delay its oil-production revival by another 3-months was more than offset by Israel Cabinet approving a ceasefire deal with Lebanon.

IN POLITICAL NEWS

• U.S.-China trade tensions ratcheted up after Department of Commerce slapped additional curbs on the sale of high-bandwidth memory and chipmaking gear to China, including that produced by U.S. firms at foreign facilities while also blacklisting 140 more Chinese entities that it accused of acting on Beijing's behalf leading to China imposing a ban on several materials with high-tech and military applications.

• Russia-Ukraine war escalated after Ukrainian armed forces carried out their first strike in a border region within Russian territory with ATACMS missile leading to Russian President Vladimir Putin approving an updated nuclear doctrine that allows Russia to expand its use of atomic weapons and warning that his forces could strike "decision-making centers" in the Ukrainian capital of Kyiv with new ballistic missiles.

• South Korean President Yoon Suk Yeol declared martial law as he accused the opposition of trying to paralyze the administration amid a deepening political rift.

• Japanese Prime Minister Shigeru Ishiba's cabinet approved a stimulus package that's slightly bigger than last year's with the stimulus laying out fiscal spending of ¥21.9 trillion on measures to support sustained wage gains and cash handouts for low-income households, subsidies for gas and electricity bills, and investment into the semiconductor and artificial intelligence sector.

• French government fell after a no-confidence vote in Parliament following a dispute over next year's budget.

ON STOCK SPECIFIC NEWS:

• **Healius Ltd (HLS)** - declined -16.6%, after signaling flat earnings growth for the upcoming year.
• **Pro Medicus Ltd (PME)** - gained +29.3%, after announcing its wholly-owned U.S. subsidiary, Visage Imaging, has signed an A$330m, 10-year contract with Trinity Health.
• **Star Entertainment Group Ltd (SGR)** - declined -18.8%, after CEO warned the company is at a critical point in liquidity as it is currently experiencing material negative cashflow on a monthly basis while announcing daily average gambling revenue plunged -15.5% in the first four weeks after cash gambling was restricted at its Sydney casino in August.
• **Technology One Ltd (TNE)** - gained +23.7%, after increasing final dividend by +46% y/y to 17.37cps and flagging a positive outlook for growth in the medium term.
• **Web Travel Group Ltd (WEB)** - gained +27.8%, after reporting +443% y/y growth in 1H25 net income to A$228.1m and announcing up to A$150m buyback.
• **Xero Ltd (XRO)** - gained +16.3%, after delivering strong revenue and EBITDA performance.

IN ECONOMIC NEWS

• **Australian RBA decision.** The RBA left the cash rate unchanged at 4.35%, with RBA's November meeting minutes signaling current interest rates are sufficiently restrictive and RBA Governor Michele Bullock warning Australia's core inflation is "too high" to consider interest-rate cuts in the near term.
• **Global growth outlook.** The OECD raised its 2025 global growth forecast by +10bps to +3.3% (U.S. up +80bps to +2.4%, euro area unchanged at +1.3%, U.K. up +50bps to +1.7%, Japan up +10bps to +1.5%, Australia up +10bps to +1.9%, China up +20bps to +4.7% and India up +10bps to +6.9%) and forecast it to remain stable at this level through 2026 (U.S. at +2.1%, euro area at +1.5%, U.K. at +1.3%, Japan at +0.6%, Australia at +2.5%, China at +4.4% and India at +6.9%), however, warned that increases in trade-restrictive measures could raise costs and prices, deter investment, weaken innovation and ultimately lower economic growth.
• **U.S.** The economy expanded at a solid pace in 3Q24 with GDP increasing at +2.88% annualized pace, largely powered by +3.5% advance in consumer spending, the most in 2024, as inflation continued to cool. According to Fed's semi-annual financial stability report, persistent inflation is no longer a top concern, while the U.S. government's debt load is now seen as the biggest risk to financial stability. Consumer confidence increased in November to the highest level in more than a year with a gauge of present conditions increasing to an eight-month high, measure of expectations for the next 6-months edging to an almost 3-year high, year-ahead inflation expectations easing -10bps to 2.6%, the lowest since 2020 while 5-to-10 year ahead inflation expectations rising +20bps to 3.2%, the highest since November 2023. Business activity expanded at the fastest pace since April 2022 in November with composite PMI advancing to the highest level since May 2022, as services activity index improved to the highest level since March 2022 and manufacturers remained the most upbeat about production over the coming year since April 2022, with business sentiment surging to a multi-year high as companies grew more upbeat about their prospects in anticipation of more pro-business policies and less regulatory burden under Donald Trump's administration. Manufacturing activity shrank in November by less than forecast with PMI rising the most since March to highest since June as a gauge of new orders climbed the most in 5-months to move into expansion territory for the first time in 8-months.

IN ECONOMIC NEWS (CONT.)

Services activity expanded in November at the slowest pace in three months with ISM index of services registering its first decline since June, as demand and employment growth settled back with new orders gauge decreasing to a 3-month low and measure of business activity falling to the lowest level since August, indicating the largest part of the economy is losing momentum. Employment remained firm in November with private payrolls rising by 146,000 after an October increase that was revised down to 184,000.

• **China.** Factory activity continued to expand in November, with official manufacturing PMI showing a pickup in the manufacturing sector while a gauge of construction and services unexpectedly fell back to the 50-mark that separates contraction from expansion.

• **Australia.** Economic growth remained sluggish in 3Q24 with GDP advancing +0.3% q/q (+0.8% y/y) as a surge in government spending helped overcome weak exports and restrained consumer demand. Wage growth momentum eased further in 3Q24 with wages rising +3.5% y/y (+0.8% q/q). Business investment grew more than expected in 3Q24 with private capex rising +1.1% q/q.

• **Europe.** The European Commission forecast the euro area's economic growth to pick up as obstacles to consumption and investment fade away with GDP expected to increase by +1.3% in 2025 and by +1.6% in 2026, and CPI growth expected to moderate to 2.1% in 2025 and to 1.9% in 2026, just below the ECB's 2% target. A key gauge of euro-zone wages jumped by the most since the common currency was introduced in 1999 with negotiated pay rising +5.4% y/y in 3Q24. Euro-area business activity unexpectedly shrank in November with composite PMI dipping back beneath the level that separates growth from contraction, as services activity dropped for the first time since January and manufacturing activity saw a sharp contraction in new orders and production. Euro-area inflation climbed above the ECB's 2% target in November with CPI rising +2.3% y/y, driven by energy base effects, elevated services costs and rise in prices of non-energy industrial goods for a second month.

• **U.K.** The economy cooled by more than expected in 3Q24 with GDP rising +0.1% q/q. Private sector slipped from solid growth to stagnation in November with composite PMI slipping below threshold separating growth and contraction to the lowest reading in over a year as firms' expectations for activity in the year ahead declined to the most pessimistic since late 2022 with services PMI declining to a 13-month low while manufacturing output contracting at the fastest pace in 9-months. House prices declined -1.4% MoM (+1.2% y/y) to £366,592 in November, lowest since February.

• **India.** The economy grew at its slowest pace in almost two years in 3Q24 with GDP growing +5.4% y/y, marking the worst reading since 4Q22 and much lower than RBI's projection of 7% for the period, dampening the outlook for the full year. Manufacturing growth slowed in November with PMI dropping to an 11-month low as competitive pressures and rising costs curbed factory activity, although the pace of expansion remained above the long-term average.

• **Japan.** The economy grew at a slightly faster pace than expected in 3Q24 with GDP expanding at an annualized pace of +0.9%. Japanese companies increased investments in 3Q24, with capex increasing +8.1% y/y. Business conditions for Japan's manufacturers deteriorated for the fifth month in a row in November with manufacturing PMI slipping further below the 50-marker that separates growth from contraction, as a sustained contraction in new orders contributed to the steepest reduction in production levels since April and led factory managers to reduce staff, the first sector payroll cuts in nine months.

• **Germany.** The economy expanded less than initially reported in 3Q24 with GDP rising +0.1% vs prior estimate of +0.2% as drop in exports held back growth that was driven by spending from consumers and the government, confirming the country suffered a contraction in every second quarter since the final months of 2022, leading to Bundesbank forecasting the economy to stagnate in 4Q24.

IN ECONOMIC NEWS (CONT.)

Inflation unexpectedly remained unchanged in November with CPI (EU harmonized) unchanged at 2.4% y/y, as moderation in food costs offset energy base effects. Business outlook slid in November, as both the expectations gauge and a measure of current conditions fell well below the 10-year average, remaining subdued due to the collapse of the government and the threat of trade tariffs following Donald Trump's re-election as U.S. president. Private-sector activity contracted at a quicker pace in November than in October, as the services index joined manufacturing below the 50-mark that separates expanding from shrinking output.

• **South Korea.** The BOK ramped up its support for the economy with a surprise interest rate cut, lowering its seven-day repurchase rate by -25bps to 3% as Governor Rhee Chang-yong sounded the alarm over the potential impact of Donald Trump's return to power on global trade, with the bank also downgrading 2025 GDP forecast by -20bps to +1.9% and forecasting 2026 growth of +1.8%. Exports returned to growth in November, climbing +1.4% y/y, on the back of continuing demand for semiconductors which increased +30.8% y/y to $12.5bn, which combined with -2.4% y/y decline in imports resulted in a trade surplus of $5.6bn. Consumer inflation picked up less than expected and stayed below the central bank's target for a third month in November, in a sign of price stability, with CPI advancing +1.5% y/y. Household debt grew the most in three years in 3Q24 with total household credit rising q/q by 18 trillion won with mortgage loans, a major component of the credit, rising by the most since 3Q21.

• **Hong Kong.** The Hong Kong Monetary Authority cut its base interest rate by -25bps to 5% after the Fed eased policy and revised 2024 growth expectations to the lowest end of its previous forecast, changing forecast to 2.5% from a range of 2.5-3.5%, showing mounting pressures from weaknesses in exports and consumption.

• **Philippines.** The government widened its projected growth range for 2025, expecting 2025 growth to be at 6-8% from 6.5-7.5% previously while tempering 2024's growth projection to 6-6.5% from a prior assumption of 6-7%, citing uncertainties over U.S. President-elect Donald Trump's trade policy that could mean "high tariffs everywhere."

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