



Month End			Price Performance (% Chg)				COMMENTARY
Units	Value	1-day	1-mth	6-mths	1-year		
Developed Markets Equities							
ASX 200	AUD	7,445	-0.91%	2.60%	1.80%	13.02%	
ASX 200 Futures	AUD	7,347	-1.18%	2.86%	3.07%	15.50%	
Dow Jones	USD	36,338	-0.16%	5.38%	5.32%	18.73%	
S&P 500	USD	4,766	-0.26%	4.36%	10.91%	26.89%	
Stoxx Europe 600	EUR	488	-0.19%	5.37%	7.72%	22.25%	
FTSE 100 (UK)	GBP	7,385	-0.25%	4.61%	4.93%	14.30%	
DAX (Germany)	EUR	15,885	0.00%	5.20%	2.28%	15.79%	
CAC (France)	EUR	7,153	-0.28%	6.43%	9.91%	28.85%	
Nikkei 225	JPY	28,792	0.00%	3.49%	0.00%	4.91%	
Emerging Markets Equities							
MSCI Emerging Markets	USD	1,232	0.76%	1.62%	-10.38%	-4.59%	
Shanghai Composite	CNY	3,640	0.57%	2.13%	1.35%	4.80%	
South Korea	KRW	2,978	0.00%	4.88%	-9.68%	3.63%	
Taiwan	TWD	18,219	0.00%	4.54%	2.61%	23.66%	
Brazil	BRL	104,822	0.00%	2.85%	-17.33%	-11.93%	
South Africa	ZAR	67,052	-0.11%	4.67%	11.45%	23.30%	
Foreign Exchange							
AUDUSD	Currency	0.7263	0.10%	1.91%	-3.13%	-5.60%	
AUDGBP	Currency	0.5370	-0.02%	0.21%	-0.95%	-4.60%	
AUDEUR	Currency	0.6390	-0.25%	1.65%	1.04%	1.46%	
AUDCNY	Currency	4.61	-0.44%	1.22%	-4.74%	-8.65%	
Commodities							
LME ALUMINUM 3MO (\$)	USD/mt	2,808	-0.37%	6.95%	11.25%	41.83%	
LME COPPER 3MO (\$)	USD/mt	9,721	0.30%	2.94%	3.69%	25.17%	
LME NICKEL 3MO (\$)	USD/mt	20,757	0.83%	4.32%	13.96%	24.94%	
SILVER FUTURE Mar22	USD/oz	23.35	1.27%	2.35%	-11.17%	-12.68%	
ICE Newc Coal Fut Feb22	USD/mt	145.65	-0.10%	5.85%	32.17%	84.13%	
62% Import Fine Ore in USD	USD/t	112.65	0.00%	19.35%	-46.66%	-26.34%	
Gold Spot \$/Oz	USD/oz	1,829	0.80%	3.08%	3.34%	-3.64%	
WTI Oil	USD/bbl	75.21	-2.31%	14.21%	9.35%	58.94%	
Henry Hub	USD/mmBtu	3.66	0.00%	-19.03%	-1.61%	53.14%	
Corn	USD/Bu	593.25	-0.46%	4.63%	-17.60%	22.57%	
Wheat	USD/Bu	770.75	-1.15%	-0.39%	14.78%	20.34%	
Fixed Interest							
10-Yr Bond Yield							
Australia	AUD	1.67%	+0.04%	-0.02%	+0.14%	+0.70%	
US	USD	1.51%	+0.00%	+0.07%	+0.04%	+0.60%	
Germany	EUR	-0.18%	+0.00%	+0.17%	+0.03%	+0.39%	
Japan	JPY	0.07%	+0.00%	+0.01%	+0.01%	+0.05%	
Italy	EUR	1.17%	+0.00%	+0.20%	+0.35%	+0.63%	
Australian Rates							
Cash Rate	AUD	0.10%	+0.00%	+0.00%	+0.00%	+0.00%	
90-Day BBSW	AUD	0.07%	+0.01%	+0.02%	+0.04%	+0.05%	
180-Day BBSW	AUD	0.21%	+0.01%	+0.08%	+0.14%	+0.19%	
CBOE Options							
CBOE VIX (Volatility Index)	Index	17.22	-0.63%	-36.67%	8.78%	-24.31%	

Global Markets Update:

- **US markets.** US markets were stronger in the month, with the Dow Jones up +5.4% and S&P500 gaining +4.4% to finish 2021 nearly +27% higher, its biggest annual percentage gain since 2019 and its third straight positive year. Sentiment improved as a trio of studies found that the omicron variant led to lower hospitalization risk than the delta strain, and Pfizer Inc's and Merck & Co's Covid-19 pill gained clearance for emergency use in the U.S.
- **Long-dated US treasury yields** were higher, with the 2-Yr yield at 0.73% and 10-Yr yield at 1.51%.
- **European markets.** European markets gained with the Stoxx Europe 600 gaining +5.4% and ending 2021 up +22% to clinch a seventh consecutive quarter of gains, the longest winning streak since 1998, whilst the UK FTSE was up +4.6% and German DAX up +5.2%.
- **Asian markets.** Asian markets were higher, with the Shanghai Composite rising +2.1%, as sentiment was boosted after PBOC vowed to maintain stable monetary policy in 2022 and provide sufficient liquidity for the market. The finance ministry also announced it would proactively roll-out fiscal policies to stabilize growth, with greater cuts in taxes and fees planned for 2022 and State Council announced China will extend some personal income tax cuts over two years, cutting personal income taxes by 110bn yuan in 2022 and 2023. The Nikkei was up +3.5% and KOSPI up +4.9%.
- **Commodities.** Over the month, WTI oil price gained +14.2% to US\$75.21/bbl, as declining U.S. crude stockpiles, an energy crunch in Europe and disruptions to supply from Libya and Nigeria added to bullish sentiment. OPEC+ proceeded with their scheduled oil-production hike of 400k barrels a day of crude in January and approved a 400k barrel-a-day increase in production scheduled for February, however, predicted global supplies are on track to be tighter in 1Q22 than previously expected with a surplus of 1.4m barrels a day in 1Q22, about 25% less than it estimated a month ago.
- **ASX performance.** The ASX200 gained +2.6%.

In political news:

- Geopolitical tensions flared up with U.S. President Joe Biden warning Russian President that the U.S. and its European allies would respond with strong economic measures to respond to an attack on Ukraine and would provide additional defensive material to the Ukrainians.
- U.S-China tensions continued to simmer with the Biden administration adding 34 Chinese targets to its banned-entity list and signing into law a bill banning goods from China's Xinjiang region unless companies can prove they aren't made with forced labor.
- President Joe Biden's economic agenda suffered a setback with Senator Joe Manchin rejecting the \$2 trillion spending package.

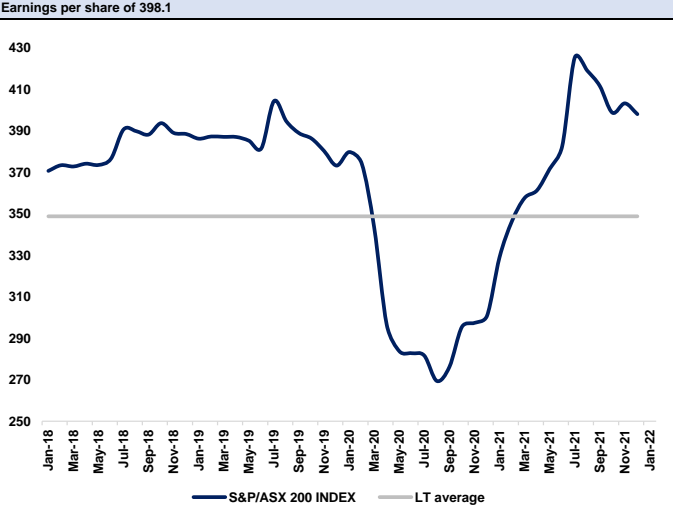
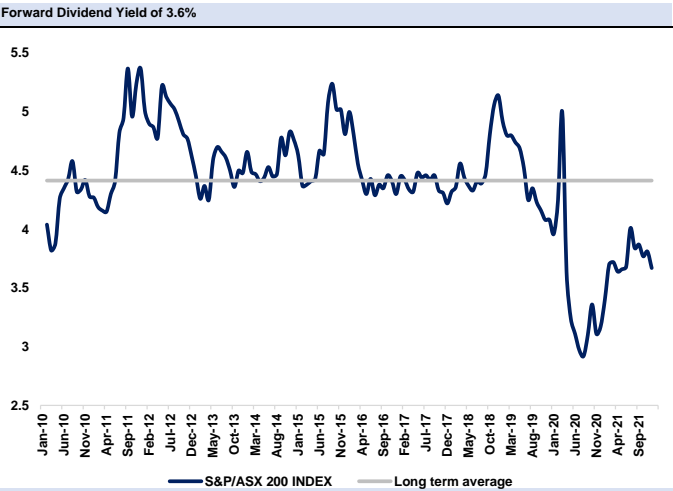
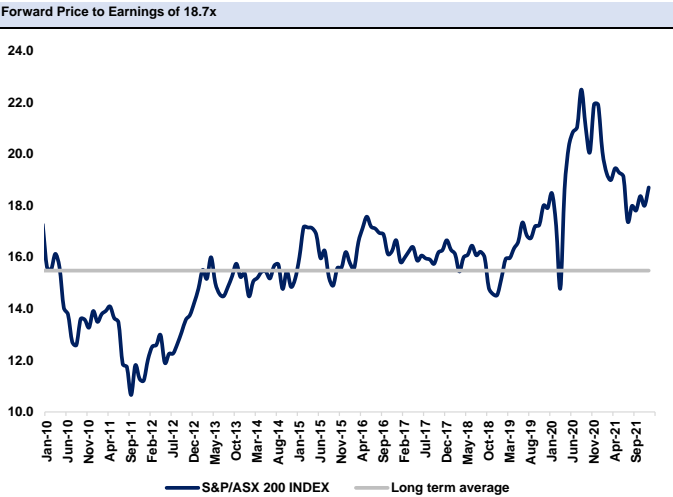
In economic news:

- **Australian RBA decision.** RBA left the cash rate at 0.1% and remained upbeat on the economy's prospects, saying omicron wasn't expected to derail the recovery.
- **Global growth outlook.** IMF warned threats to global growth had increased amid delta variant, strained supply chains, accelerating inflation and rising costs for food and fuel, resulting in the fund downgrading 2021 global GDP growth forecast by -10bps to +5.9% (forecast for 2022 at +4.9% remained unchanged), U.S. 2021 forecast by -100bps to +6% (boosted 2022 estimate by +30bps to +5.2%) and China's 2021 and 2022 estimate by -10bps to +8% and +5.6%, respectively, however, upgrading euro area 2021 projection by +40bps to +5% (2022 forecast unchanged at +4.3%).
- **U.S.** The Fed doubled the pace at which it's scaling back purchases of Treasuries and MBS to \$30bn a month, putting it on track to conclude the program in early 2022, rather than mid-year as initially planned, and signalled it favours raising interest rates in 2022 at a faster pace than expected and anticipates another three increases as appropriate in 2023 and two more in 2024, bringing the funds rate to 2.1% by the end of 2024.
- **China.** Factory activity continued to recover in December with both official manufacturing and non-manufacturing PMI's rising as commodities prices fell significantly and cost pressures on companies eased to some extent.

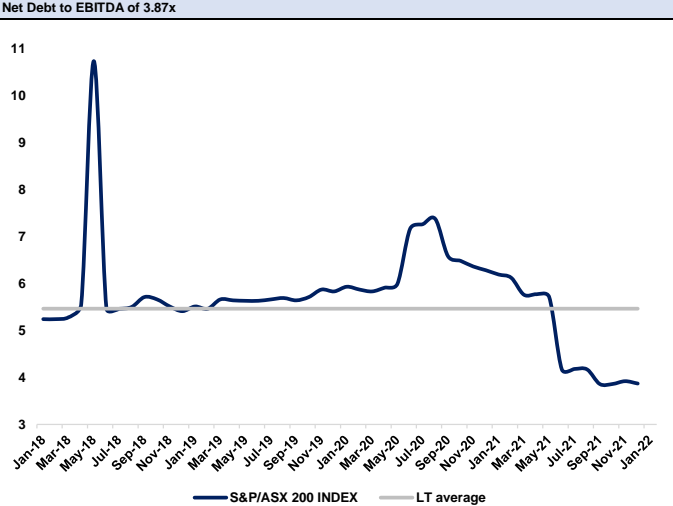
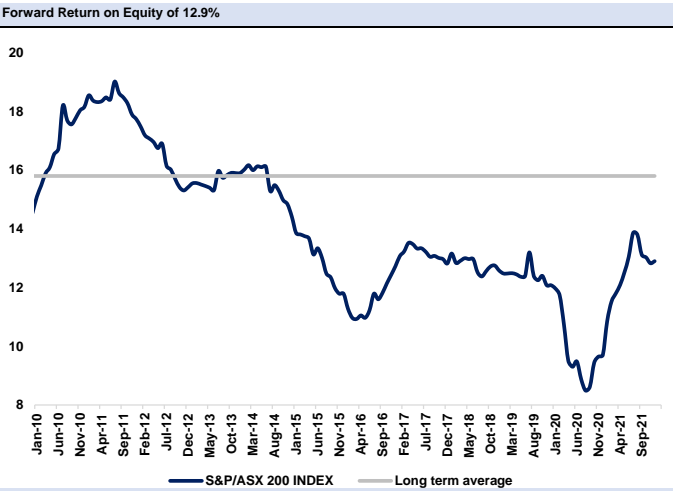
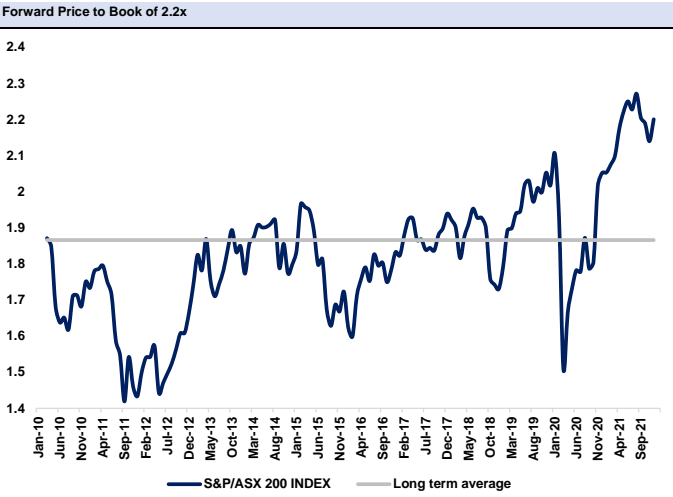
Data as of 31 December 2021

Australian Equity Markets

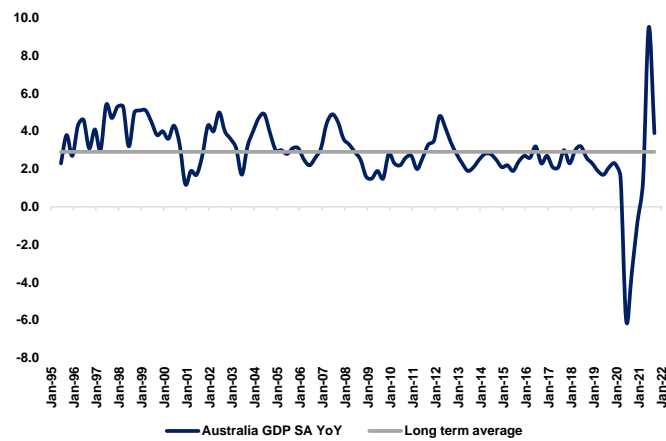
Top 10 Monthly Contributors				
ASX 200		Performance		
Stock	Ticker	1mth perf	6mth perf	1yr perf
MINERAL RESOURCES LTD	MIN	23.7%	4.2%	49.5%
PILBARA MINERALS LTD	PLS	23.1%	120.7%	267.8%
GRAINCORP LTD-A	GNC	21.5%	60.1%	97.1%
CHAMPION IRON LTD	CIA	21.2%	-14.7%	14.5%
ILUKA RESOURCES LTD	ILU	17.2%	10.4%	55.6%
APPEN LTD	APX	16.4%	-17.9%	-54.8%
NANOSONICS LTD	NAN	15.6%	-21.4%	-21.4%
REECE LTD	REH	15.4%	14.5%	82.6%
LYNAS RARE EARTHS LTD	LYC	14.7%	78.1%	155.5%
KELSIAN GROUP LTD	KLS	14.6%	-22.2%	10.3%



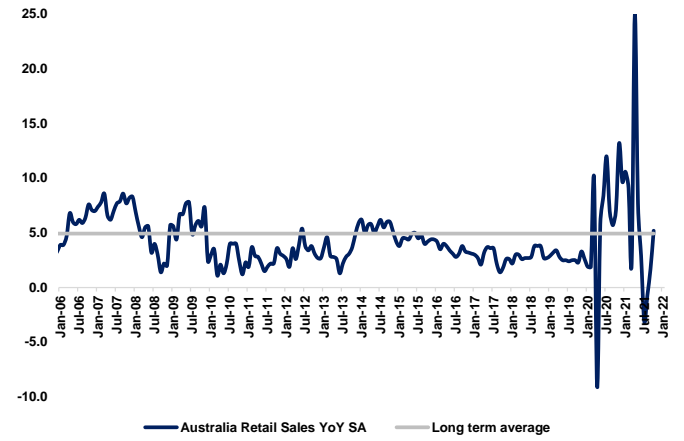
Bottom 10 Monthly Detractors				
ASX 200		Performance		
Stock	Ticker	1mth perf	6mth perf	1yr perf
MAGELLAN FINANCIAL GROUP LTD	MFG	-35.9%	-60.6%	-60.4%
IMUGENE LTD	IMU	-27.3%	12.7%	300.0%
AFTERPAY LTD	APT	-23.7%	-29.8%	-29.7%
NOVONIX LTD	NVX	-23.1%	314.0%	659.5%
LIFE360 INC-CDI	360	-19.8%	46.3%	157.3%
MESOBLAST LTD	MSB	-17.1%	-28.8%	-37.3%
ZIP CO LTD	Z1P	-16.2%	-42.8%	-18.1%
LIONTOWN RESOURCES LTD	LTR	-13.5%	102.8%	407.0%
MEGAPORT LTD	MP1	-13.0%	0.7%	30.2%
TPG TELECOM LTD	TPG	-12.7%	-5.9%	-18.4%



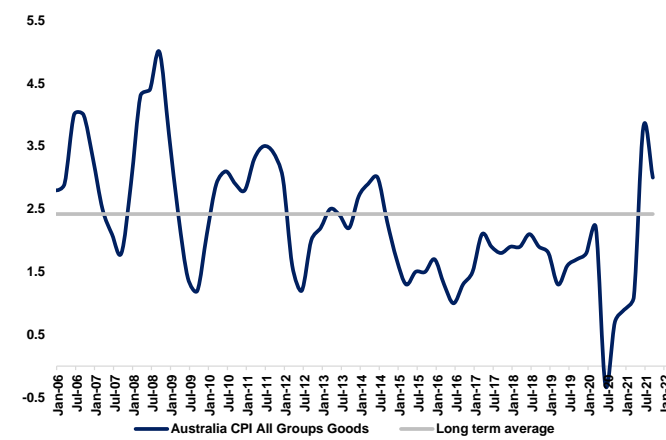
Real GDP (yoy %, sa) is currently at 3.9%



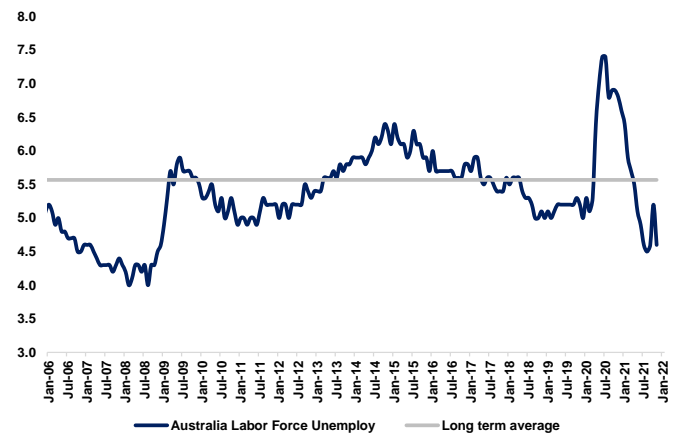
Retail Sales (yoy %, sa) is currently at 5.2%



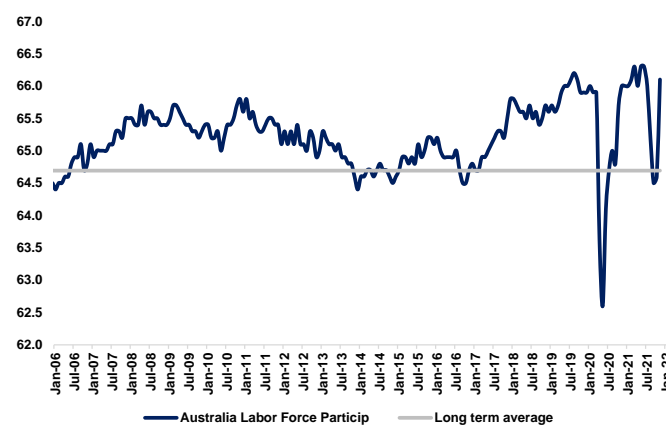
Consumer Price Index (yoy %) is currently at 3%



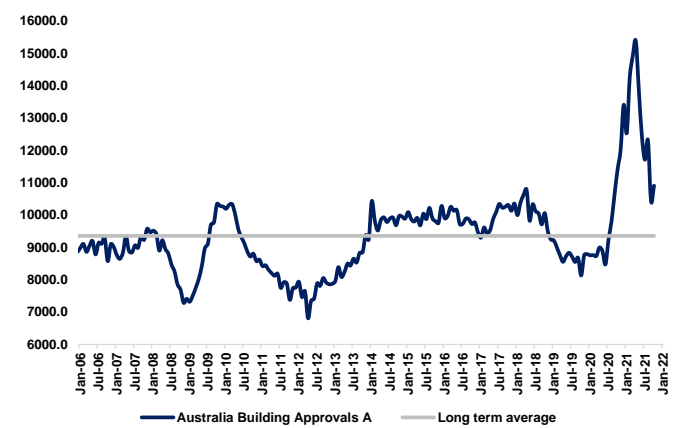
Unemployment Rate (% sa) is currently at 4.6%



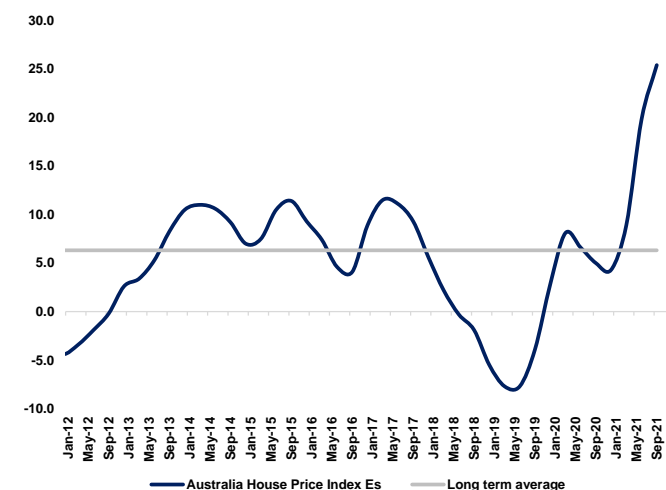
Labor Force Participation Rate (% sa) is currently at 66.1%



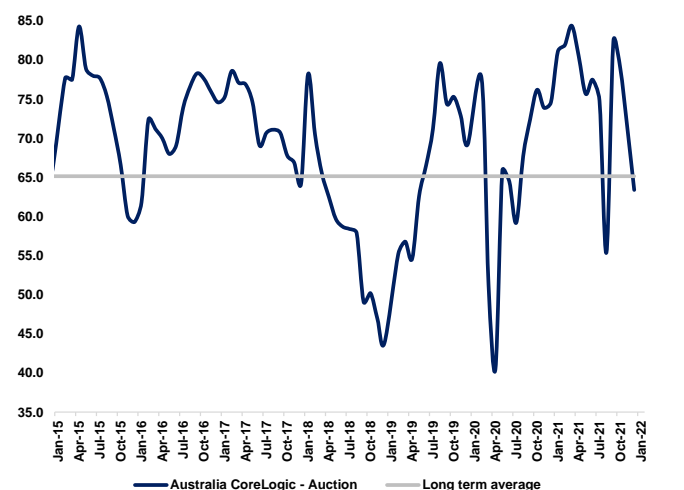
Building Approvals for Total Dwelling Units (sa) is currently at 10906 units



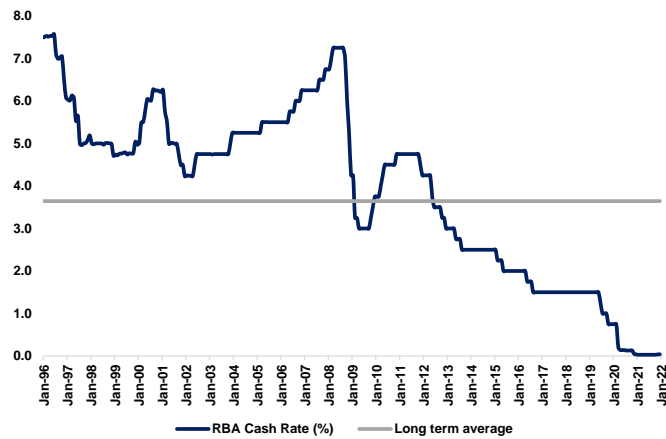
House Price Index for Established Homes (yoy %) is currently at 25.4%



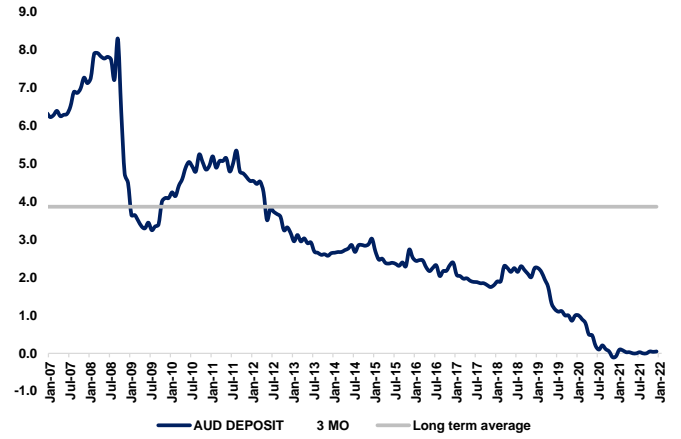
Australia Auction Clearing Rates (%) is currently at 63.4%



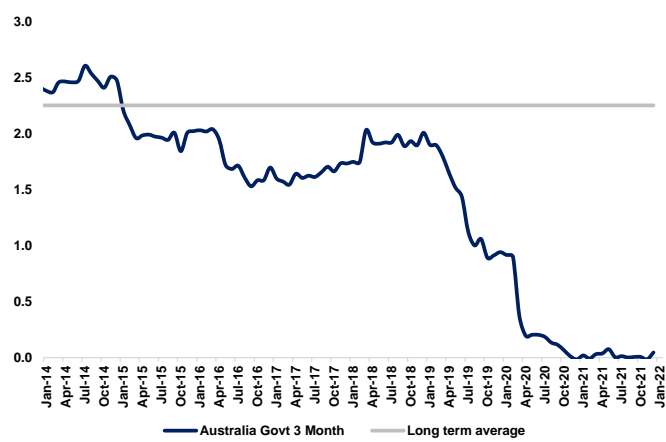
RBA Cash Rate (%) is currently at 0.1%



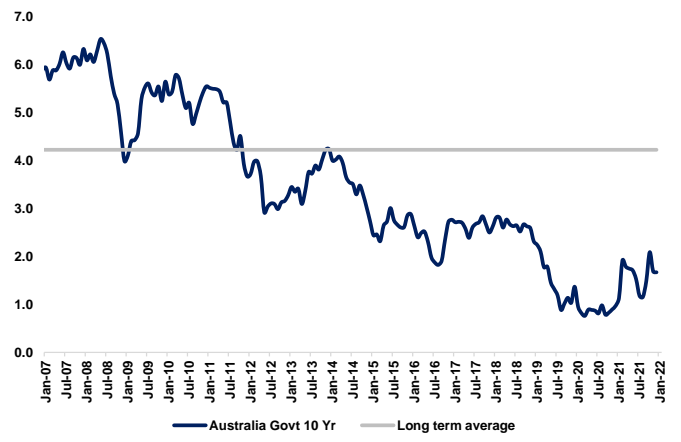
3-Month Deposit Rate (%) is currently at 0.05%



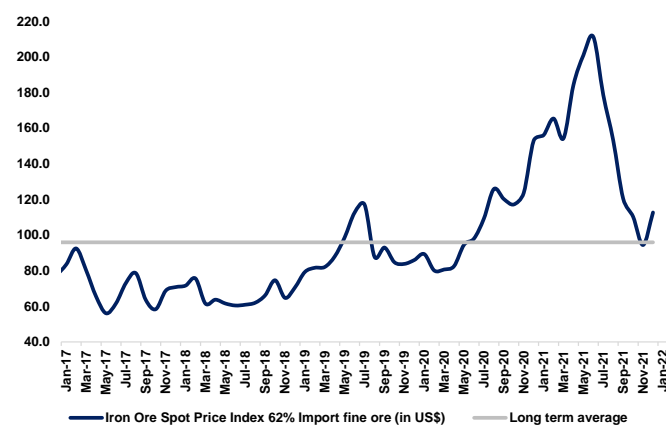
Three-Month T-Bill Rate (%) is currently at 0.047%



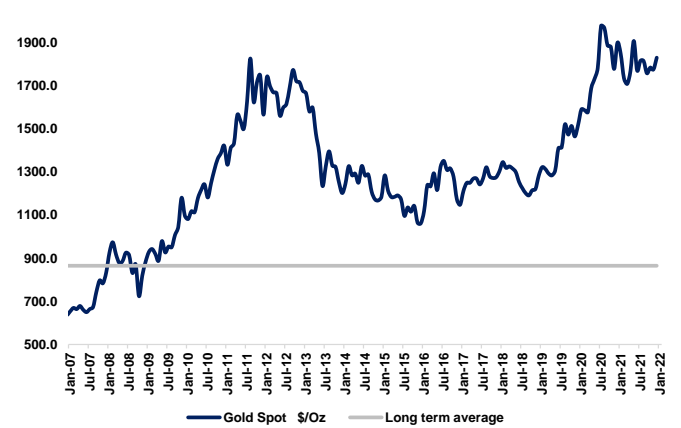
10-Year Government Bond Yield (%) is currently at 1.67%



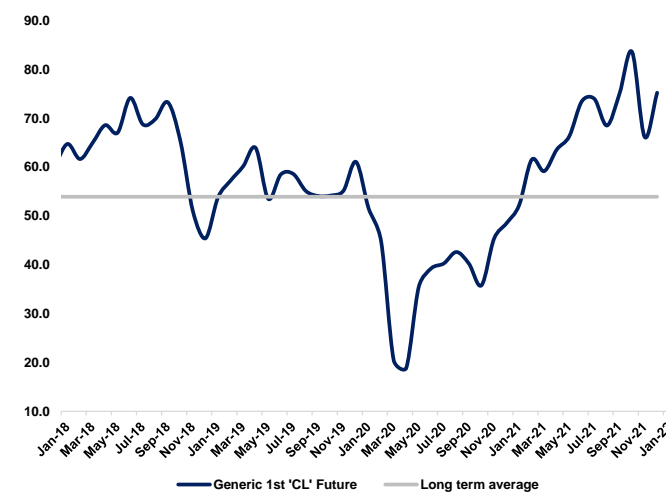
Iron Ore Spot Price Index 62% Import fine ore (in US\$) is currently at US\$112.65



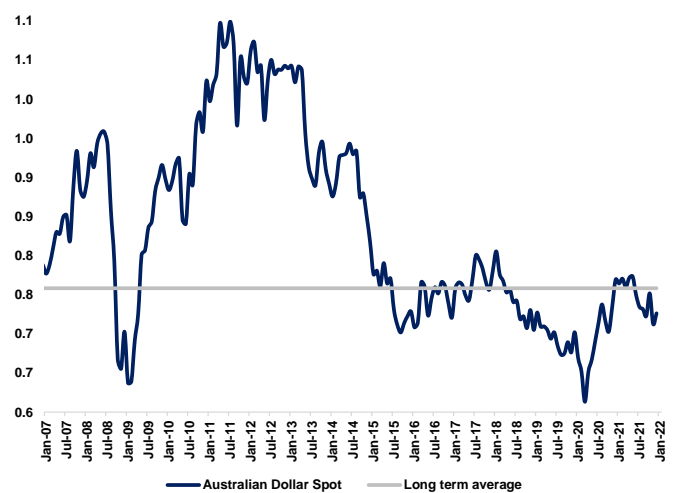
Gold spot price (US\$/oz) is currently at US\$1829.2/oz



Crude Oil Futures is currently at US\$75.21



AUD/USD Exchange Rate is currently at \$0.7263



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