

	Month End		Price Performance (% Chg)				COMMENTARY
	Units	Value	1-day	1-mth	6-mths	1-year	
<b>Developed Markets Equities</b>							
ASX 200	AUD	6,987	-0.17%	0.60%	-0.88%	-7.27%	<p><b>Global Markets Update:</b></p> <ul style="list-style-type: none"> <li><b>US markets.</b> US markets declined, with the Dow Jones down -4.1% and S&amp;P500 down -4.2%, as Fed Chair Jerome Powell signalled in Jackson Hole that the Fed is likely to keep raising interest rates and leave them elevated for a while to stamp out inflation.</li> <li><b>Long-dated US treasury yields</b> were higher, with the 2-Yr yield at 3.48% and 10-Yr yield at 3.18%.</li> <li><b>European markets.</b> European markets declined with the Stoxx Europe 600 Index down -5.3%, UK FTSE down -1.9% and German DAX down -4.8%.</li> <li><b>Asian markets.</b> Asian markets were mostly higher over the month, with the Shanghai Composite down -1.6%, as negative sentiment from China's historic drought spanning power crisis leading to shutdown of factories was partially offset as China stepped up its economic stimulus by announcing a further 1 trillion yuan of funding largely focused on infrastructure spending and PBOC cut 1-year LPR by -5bps to 3.65% and urged lenders, especially major state-owned banks, to boost loans to the real economy, leading to Chinese lenders lowering their benchmark rates, reducing 5-year LPR, a reference for mortgages, by -15bps to 4.3%. Nikkei was up +1.0% and KOSPI gained +0.8%.</li> <li><b>Commodities.</b> Over the month, WTI oil price declined -8.2% to US\$88.81/bbl, as concerns over a recession induced decline in demand for oil were partially offset by IEA boosting its forecast for global oil demand growth in 2022 by 380k barrels a day, saying soaring natural gas prices and heat waves are prompting industry and power generators to switch their fuel to oil, and OPEC+ tightening its outlook for global oil markets for 2022 and 2023, slashing forecasts for 2022 supply surplus by -50% to 400k barrels a day and flipping projections for 2023 from an overhang of 900k barrels a day to a deficit of 300k a day, as members struggle to reach output targets.</li> <li><b>ASX performance.</b> The ASX200 gained +0.6%.</li> </ul>
ASX 200 Futures	AUD	6,908	-0.14%	0.70%	-0.17%	-5.55%	
Dow Jones	USD	31,510	-0.88%	-4.06%	-7.03%	-10.89%	
S&P 500	USD	3,955	-0.78%	-4.24%	-9.58%	-12.55%	
Stoxx Europe 600	EUR	415	-1.12%	-5.29%	-8.38%	-11.84%	
FTSE 100 (UK)	GBP	7,284	-1.05%	-1.88%	-2.33%	2.31%	
DAX (Germany)	EUR	12,835	-0.97%	-4.81%	-11.24%	-18.95%	
CAC (France)	EUR	6,125	-1.37%	-5.02%	-8.02%	-8.31%	
Nikkei 225	JPY	28,092	-0.37%	1.04%	5.90%	0.01%	
<b>Emerging Markets Equities</b>							
MSCI Emerging Markets	USD	993	0.00%	-0.10%	-15.24%	-24.14%	
Shanghai Composite	CNY	3,202	-0.78%	-1.57%	-7.51%	-9.64%	
South Korea	KRW	2,472	0.86%	0.84%	-8.41%	-22.73%	
Taiwan	TWD	15,095	0.95%	0.64%	-14.48%	-13.69%	
Brazil	BRL	109,523	-0.82%	6.16%	-3.20%	-7.79%	
South Africa	ZAR	60,736	-0.96%	-2.78%	-12.77%	-0.50%	
<b>Foreign Exchange</b>							
AUDUSD	Currency	0.6840	-0.20%	-2.08%	-5.82%	-6.51%	
AUDGBP	Currency	0.5887	0.12%	2.58%	8.78%	10.69%	
AUDEUR	Currency	0.6804	-0.57%	-0.44%	5.11%	9.83%	
AUDCNY	Currency	4.73	-0.59%	0.51%	3.47%	0.18%	
<b>Commodities</b>							
LME ALUMINUM 3MO (\$)	USD/mt	2,391	0.00%	-3.92%	-29.02%	-12.03%	
LME COPPER 3MO (\$)	USD/mt	7,864	0.00%	-0.68%	-20.43%	-17.39%	
LME NICKEL 3MO (\$)	USD/mt	21,369	0.00%	-9.53%	-12.00%	9.32%	
SILVER FUTURE Dec22	USD/oz	17.86	-2.36%	-12.23%	-27.47%	-26.33%	
ICE Newc Coal Fut Oct22	USD/mt	415.50	1.96%	7.99%	106.31%	258.04%	
62% Import Fine Ore in USD	USD/t	95.23	0.00%	-8.71%	-24.57%	-37.82%	
Gold Spot \$/Oz	USD/oz	1,710	-0.78%	-3.14%	-10.40%	-5.69%	
WTI Oil	USD/bbl	88.81	-3.09%	-8.21%	5.63%	38.98%	
Henry Hub	USD/mmBtu	8.93	-1.87%	7.20%	108.16%	110.61%	
Corn	USD/Bu	673.25	-0.96%	9.25%	-3.48%	26.08%	
Wheat	USD/Bu	809.00	1.35%	0.15%	-12.82%	14.47%	
<b>Fixed Interest</b>							
<b>10-Yr Bond Yield</b>							
Australia	AUD	3.60%	-0.01%	+0.54%	+1.46%	+2.44%	
US	USD	3.18%	+0.07%	+0.53%	+1.35%	+1.87%	
Germany	EUR	1.54%	+0.03%	+0.72%	+1.41%	+1.92%	
Japan	JPY	0.23%	-0.00%	+0.04%	+0.03%	+0.20%	
Italy	EUR	3.89%	+0.06%	+0.87%	+2.19%	+3.18%	
<b>Australian Rates</b>							
Cash Rate	AUD	1.85%	+0.00%	+0.50%	+1.75%	+1.75%	
90-Day BBSW	AUD	2.47%	+0.01%	+0.32%	+2.40%	+2.46%	
180-Day BBSW	AUD	3.02%	+0.01%	+0.25%	+2.77%	+2.99%	
<b>CBOE Options</b>							
CBOE VIX (Volatility Index)	Index	25.84	-1.41%	21.14%	-14.30%	56.80%	
Data as of 31 August 2022							

**Global Markets Update:**

- US markets.** US markets declined, with the Dow Jones down -4.1% and S&P500 down -4.2%, as Fed Chair Jerome Powell signalled in Jackson Hole that the Fed is likely to keep raising interest rates and leave them elevated for a while to stamp out inflation.
- Long-dated US treasury yields** were higher, with the 2-Yr yield at 3.48% and 10-Yr yield at 3.18%.
- European markets.** European markets declined with the Stoxx Europe 600 Index down -5.3%, UK FTSE down -1.9% and German DAX down -4.8%.
- Asian markets.** Asian markets were mostly higher over the month, with the Shanghai Composite down -1.6%, as negative sentiment from China's historic drought spanning power crisis leading to shutdown of factories was partially offset as China stepped up its economic stimulus by announcing a further 1 trillion yuan of funding largely focused on infrastructure spending and PBOC cut 1-year LPR by -5bps to 3.65% and urged lenders, especially major state-owned banks, to boost loans to the real economy, leading to Chinese lenders lowering their benchmark rates, reducing 5-year LPR, a reference for mortgages, by -15bps to 4.3%. Nikkei was up +1.0% and KOSPI gained +0.8%.
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- ASX performance.** The ASX200 gained +0.6%.

**In political news:**

- US-China tensions** escalated after US House Speaker Nancy Pelosi became the highest-ranking American politician to visit Taiwan in 25 years, and pledged that the US wouldn't abandon Taiwan, reaffirming U.S. support for the democratically elected government in Taipei, prompting China to announce missile tests and military drills encircling the island and cutting off defence talks with the US.

**In economic news:**

- Australian RBA decision.** RBA raised interest rates by +50bps for a third consecutive month to 1.85%, the highest level in more than six years, and signalled further interest-rate increases would come in the period ahead, forecasting cash rate to rise to 3% by December and then "decline a little" by end-2024, as it upgraded inflation forecast with headline inflation seen hitting 7.75% by December 2022 (vs prior forecast of 6%) and 4.25% by December 2023 (vs 3.25% previously) before declining to 3% by December 2024, while downgrading GDP forecast for both 2022 and 2023 by -50bps to 4% and 2.25%, respectively.
- U.S.** Business activity contracted for a second straight month in August, reflecting softer demand at both manufacturers and service providers and companies increased headcount at a relatively sluggish pace in the month with Businesses' payrolls rising 132,000, the smallest gain since the start of 2021, however, consumer sentiment rose more than expected in the month rising to the highest since May, with inflation expectations remaining mixed, with consumers boosting their longer-term views for prices slightly, while reducing their year-ahead outlook for costs.
- China.** Factory activity contracted in August for a second straight month with manufacturing PMI staying below 50-level, taking a hit from power shortages spurred by a historic drought.
- Australia.** Private sector activity contracted for the first time in seven months in August as the RBA's rapid policy tightening weighed on demand. Consumer sentiment tumbled in August to levels reached during the Covid-19 pandemic and 2008-09 GFC, as surging inflation and interest-rate increases, combined with falling home prices, weighed on the outlook for households.
- Europe.** Economy grew slightly less than initially estimated in the 2Q22 with GDP growing +0.6% q/q (+3.9% y/y) with signs emerging that momentum is unravelling. Inflation accelerated to another all-time high in August with CPI increasing +9.1% yoy with core CPI up +4.3% yoy, leading to economic confidence dropping to its lowest level in 1.5 years with sentiment declining in industry and services as energy shortages jeopardize output and soaring prices curb demand.
- U.K.** BOE unleashed its biggest interest-rate hike in 27 years, raising interest rate by +50bps to 1.75%, as it warned the UK is heading for more than a year of recession under the weight of soaring inflation, boosting its forecast for the peak of inflation to 13.3% in October amid a surge in gas prices with price gains remaining elevated throughout 2023 with inflation at 9.5% in 3Q23, sharpening a cost-of-living crisis that will see real disposable incomes fall more than at any time in around 60 years leading to families being around 5% worse off by the end of 2023, also forecasting the economy to contract 1.25% in 2023 and a further 0.25% in 2024 with unemployment climbing to 6.3% by 2025. The economy shrank in 2Q22 for the first time since the pandemic with GDP falling -0.1% q/q (up +2.9% y/y), driven by a decline in spending by households.
- India.** Economy expanded at the fastest clip in a year in 2Q22 with GDP increasing +13.5% yoy, fuelled by strong domestic demand. RBI returned borrowing costs to pre-pandemic levels by raising policy rate by +50bps to 5.4%, while still maintaining its 2022 forecasts for economic growth at 7.2% and inflation at 6.7%.
- Japan.** Economy recovered to its pre-pandemic size in 2Q22 with GDP growing at an annualized pace of 2.2%, lifting the size of the economy to 542.1 trillion, as consumer spending picked up, however, inflation continued to increase leading to Prime Minister Fumio Kishida ordering another set of measures to contain inflation by early September, with a boost in funding for regional governments and a continued cap on imported wheat prices.
- Germany.** Economy proved more resilient than initially thought in 2Q22, growing +0.1% q/q (+1.8% y/y) despite surging inflation and the war in Ukraine. Inflation accelerated to the most since the euro was introduced in August with CPI, calculated under EU harmonized standards, jumping +8.8% yoy, on soaring food and energy prices.
- South Korea.** BOK raised its key interest rate by +25bps to 2.5% with Governor Rhee Chang-yong making clear his view that outsized rate hikes were no longer essential in the battle against inflation despite the central bank raising its 2022 inflation projection by +70bps to 5.2% while lowering its GDP estimate by -10bps to 2.6%.

**On stock specific news:**

- A2 Milk Co Ltd (A2M)** - gained +22.2%, after reporting +42% y/y growth in FY22 net income to NZ\$114.7m, forecasting high-single-digit revenue growth in FY23 and announcing a NZ\$150m on-market share buyback.
- OZ Minerals Ltd (OZL)** - gained +36.2%, after rejecting unsolicited, conditional and non-binding indicative takeover proposal of A\$25 per share in cash from BHP.
- Ramelius Resources Ltd (RMS)** - declined -25.0%, after announcing it will take a non-cash impairment of the Edna May Cash Generating Unit of A\$90-95m.
- St Barbara Ltd (SBM)** - declined -18.2%, after forecasting FY23 all-in sustaining costs/oz at A\$2,050-2,150, with higher costs at Leonora from a year ago.
- Telix Pharmaceuticals Ltd (TLX)** - declined -16.1%, after 1H22 net loss widened +118% y/y to A\$70.9m.
- TPG Telecom Ltd (TPG)** - declined -15.6%, after reporting 1H22 EBITDA of A\$837m, down -

# Australian Equity Markets

## Top 10 Monthly Contributors

ASX 200		Performance		
Stock	Ticker	1mth perf	6mth perf	1yr perf
LAKE RESOURCES NL	LKE	44.4%	29.3%	91.8%
OZ MINERALS LTD	OZL	36.2%	0.9%	9.1%
PILBARA MINERALS LTD	PLS	31.8%	34.7%	63.7%
LIONTOWN RESOURCES LTD	LTR	31.4%	20.9%	84.8%
WHITEHAVEN COAL LTD	WHC	28.2%	148.0%	214.6%
ALLKEM LTD	AKE	23.3%	53.4%	51.7%
A2 MILK CO LTD	A2M	22.2%	0.7%	-4.8%
IGO LTD	IGO	21.7%	23.0%	39.3%
CORE LITHIUM LTD	CXO	21.2%	81.8%	324.2%
MINERAL RESOURCES LTD	MIN	19.0%	41.4%	16.5%

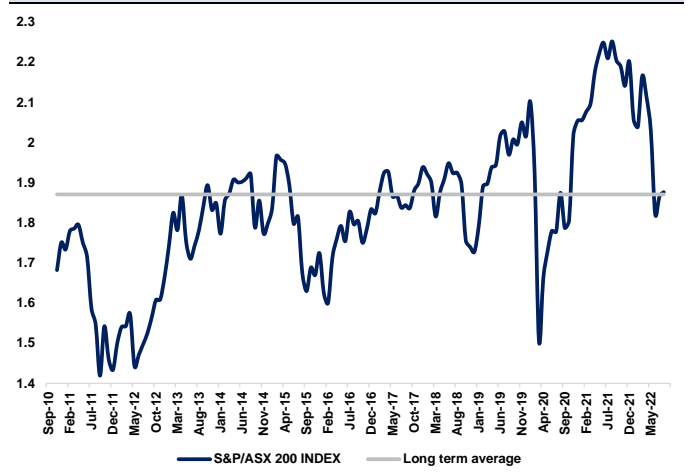
## Bottom 10 Monthly Detractors

ASX 200		Performance		
Stock	Ticker	1mth perf	6mth perf	1yr perf
CITY CHIC COLLECTIVE LTD	CCX	-29.1%	-57.9%	-73.2%
MEGAPORT LTD	MP1	-25.1%	-46.3%	-57.6%
RAMELIUS RESOURCES LTD	RMS	-25.0%	-46.7%	-47.4%
ST BARBARA LTD	SBM	-18.2%	-30.8%	-41.8%
TELIUS PHARMACEUTICALS LTD	TLX	-16.1%	25.5%	-8.7%
ZIP CO LTD	ZIP	-15.9%	-56.8%	-86.0%
TPG TELECOM LTD	TPG	-15.6%	-4.3%	-13.1%
CREDIT CORP GROUP LTD	CCP	-15.0%	-33.1%	-33.7%
NOVONIX LTD	NVX	-14.5%	-51.9%	-46.5%
BRAINCHIP HOLDINGS LTD	BRN	-12.9%	-21.3%	92.9%

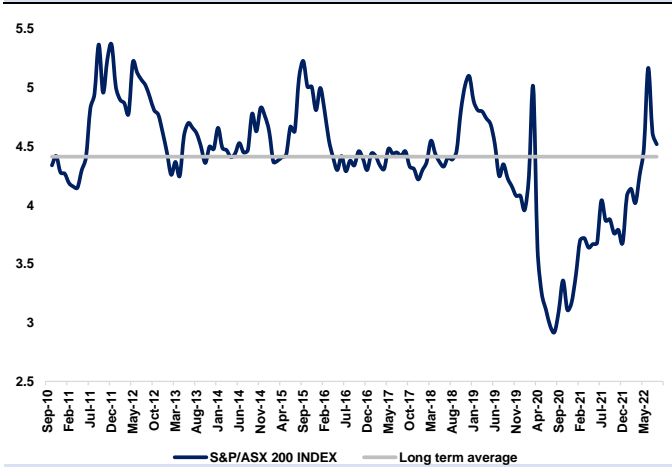
## Forward Price to Earnings of 14.0x



## Forward Price to Book of 1.88x



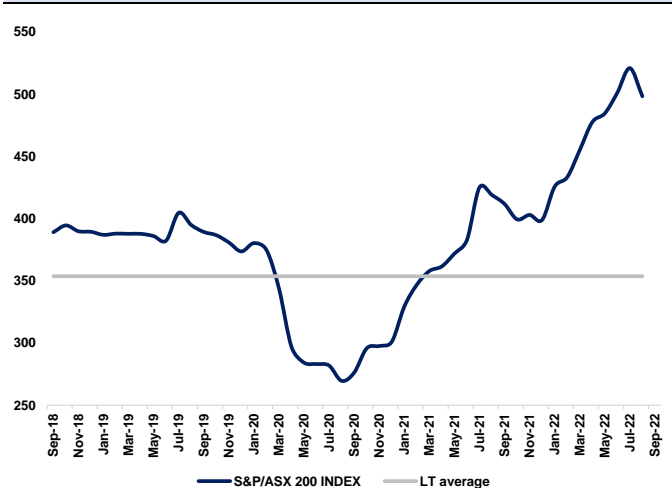
## Forward Dividend Yield of 4.5%



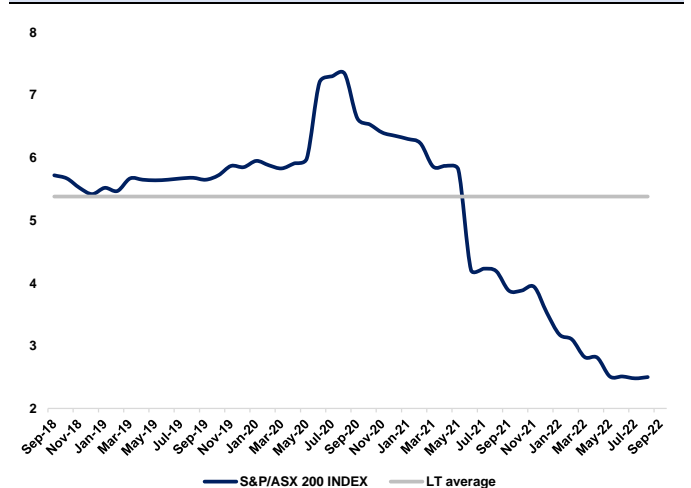
## Forward Return on Equity of 15.7%



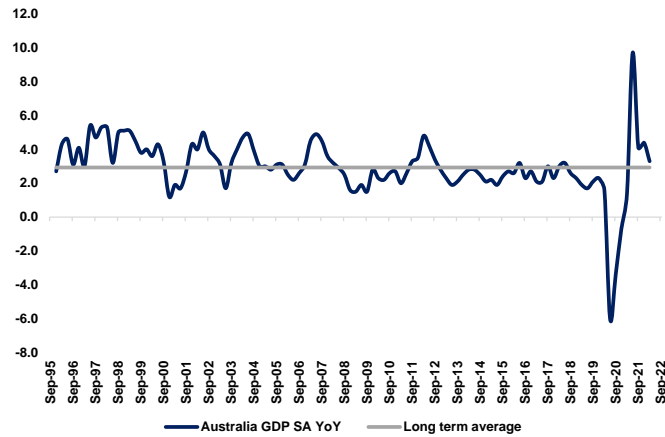
## Earnings per share of 498.3



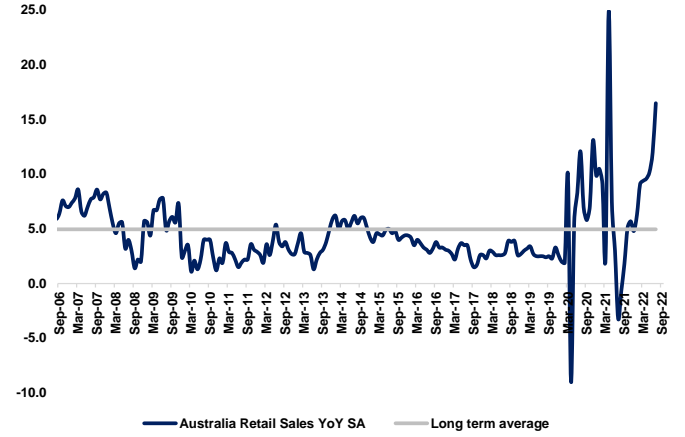
## Net Debt to EBITDA of 2.5x



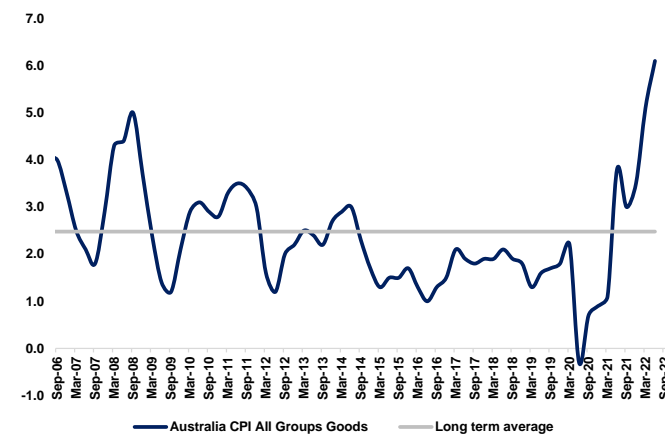
Real GDP (yoy %, sa) is currently at 3.3%



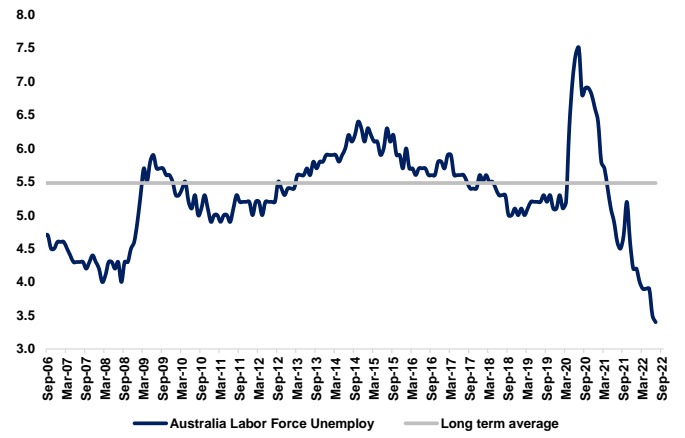
Retail Sales (yoy %, sa) is currently at 16.5%



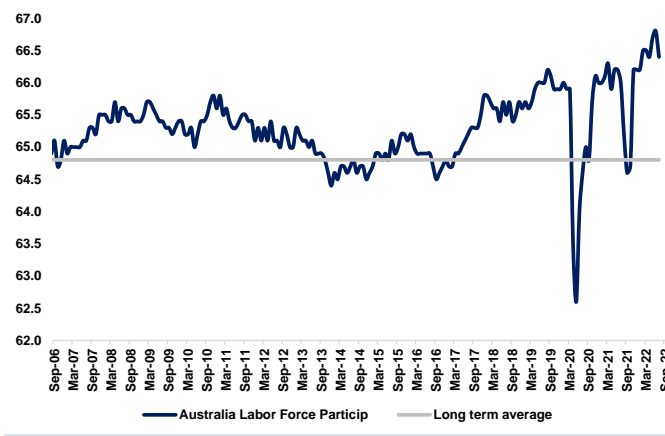
Consumer Price Index (yoy %) is currently at 6.1%



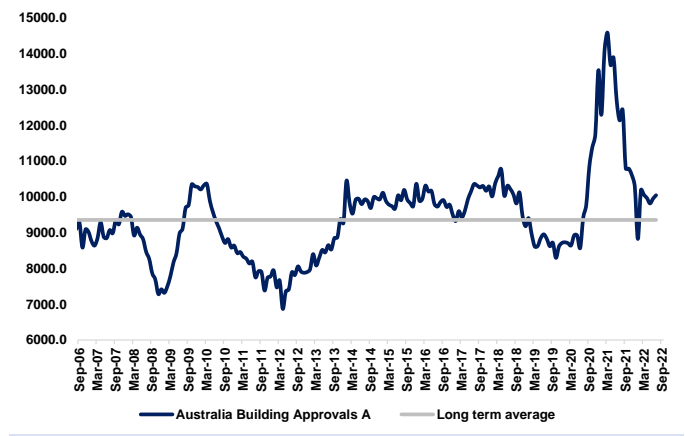
Unemployment Rate (% sa) is currently at 3.4%



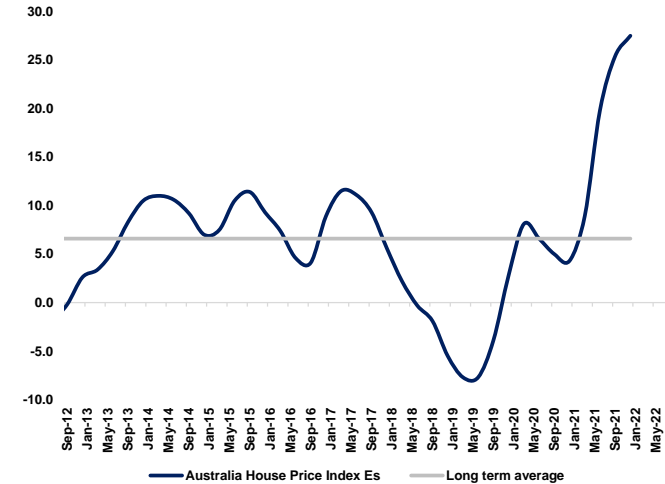
Labor Force Participation Rate (% sa) is currently at 66.4%



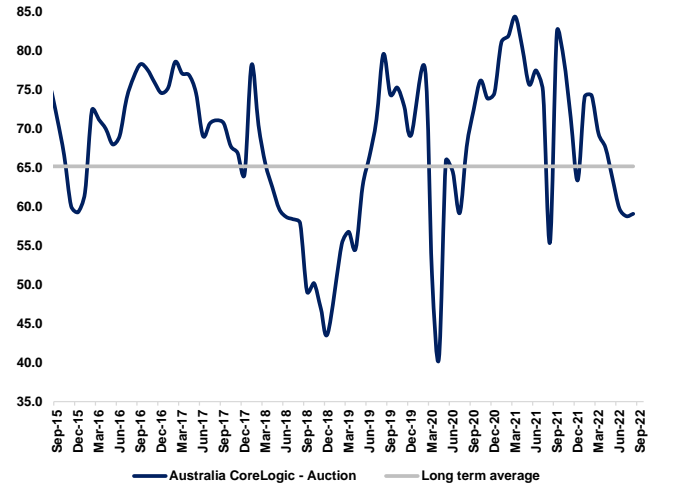
Building Approvals for Total Dwelling Units (sa) is currently at 10044 units



House Price Index for Established Homes (yoy %) is currently at 27.5%

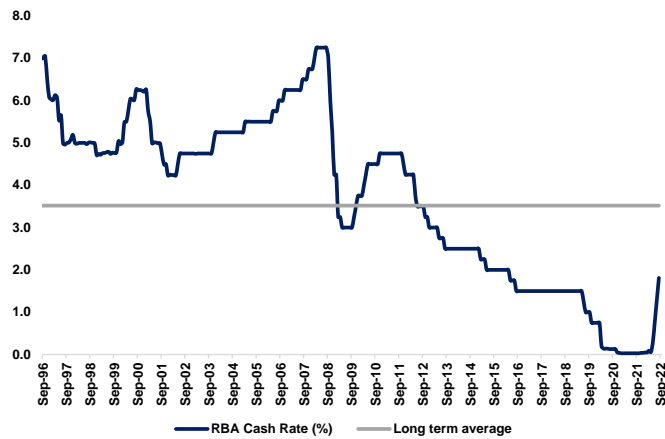


Australia Auction Clearing Rates (%) is currently at 59.1%

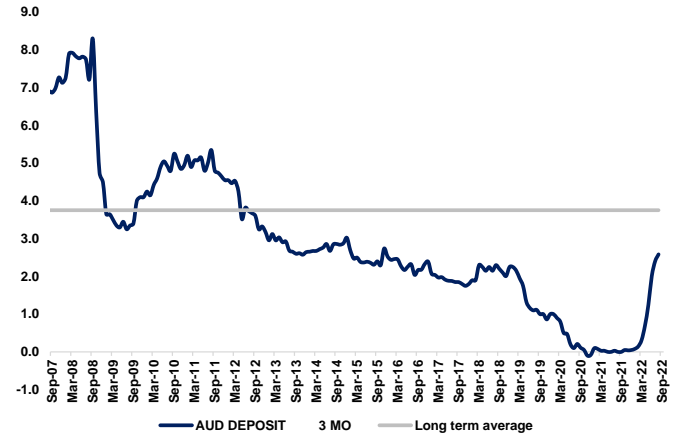


Source: ABS; RBA; Thompson Reuters; Bloomberg

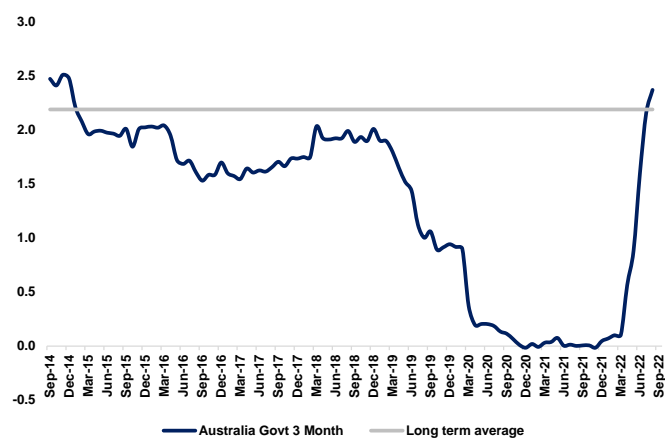
RBA Cash Rate (%) is currently at 1.85%



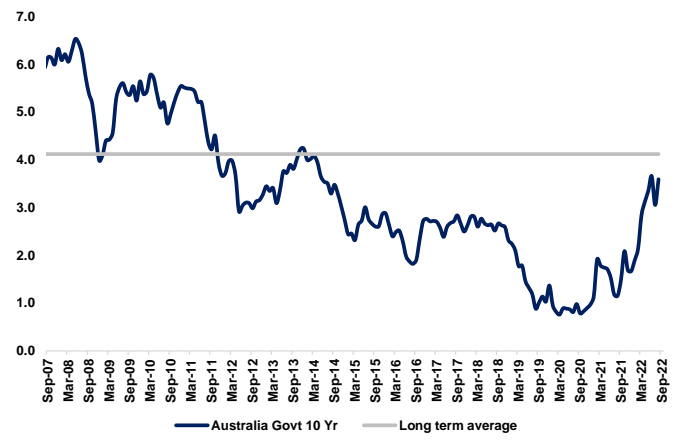
3-Month Deposit Rate (%) is currently at 2.585%



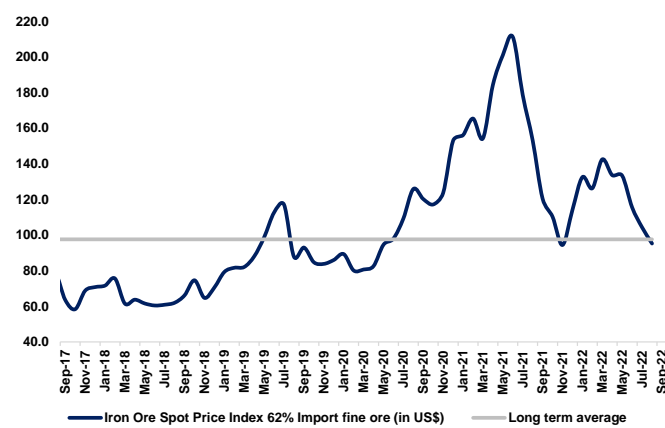
Three-Month T-Bill Rate (%) is currently at 2.371%



10-Year Government Bond Yield (%) is currently at 3.595%



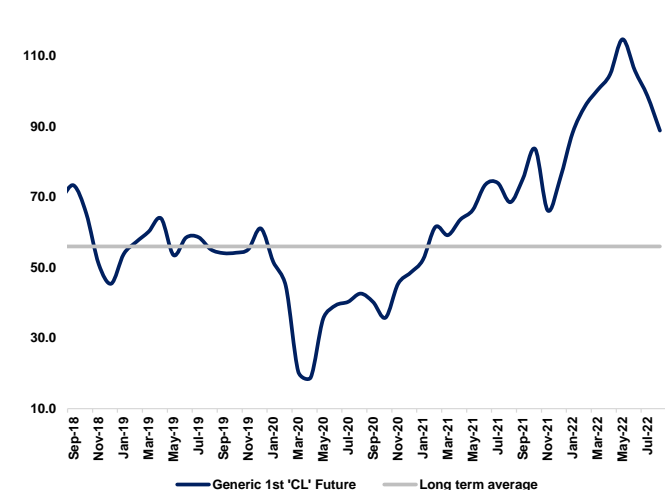
Iron Ore Spot Price Index 62% Import fine ore (in US\$) is currently at US\$95.23



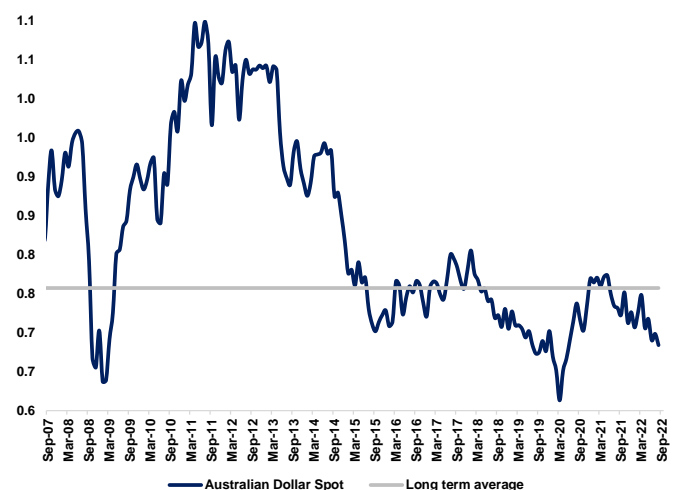
Gold spot price (US\$/oz) is currently at US\$1710.47/oz



Crude Oil Futures is currently at US\$88.81



AUD/USD Exchange Rate is currently at \$0.684



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