

For the week ending Friday, 01 September 2017

Quote of the week ¹

“Logic will get you from A to B. Imagination will take you anywhere”: Albert Einstein (1879 - 1955).

Market summary ²

- The **S&P/ASX200 index** closed slightly lower, dropping 0.40% to **5721** points.
- The **Aussie Dollar** continued to gain ground on the US, rising 0.37% to **US\$0.796674**.

Key data ^{3, 4}

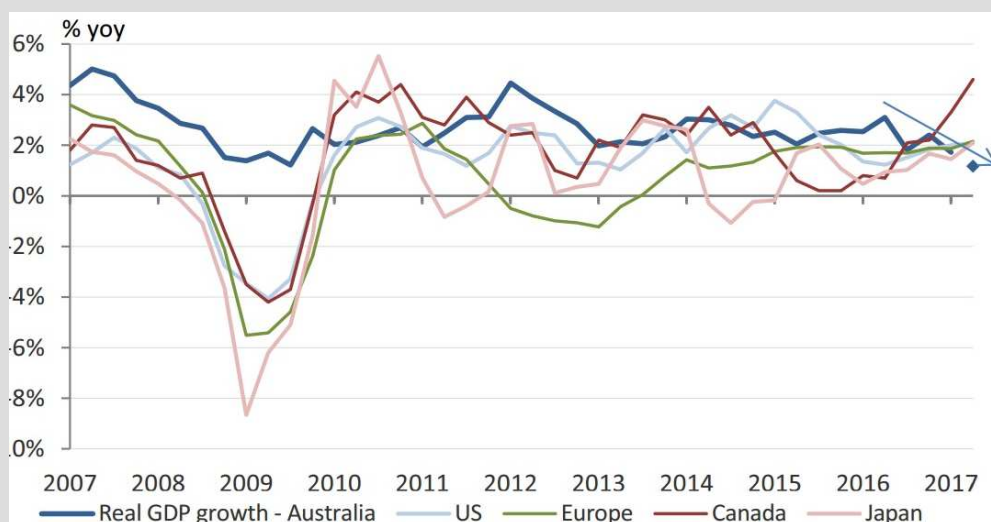
- **ABS data** showed the value of **domestic construction work** carried out in the June quarter jumped **9.3% to \$51.7 billion**, far ahead of expectations for a 1% increase. Engineering work which includes mines, roads and bridges accounted for almost all of the increase.
- The **AIF** performance of manufacturing index **expanded** for the **11th straight month**, rising strongly from 56 to **59.8**.
- The **US economy** grew faster than initially thought in the June quarter, notching an annualised rate of **growth of 3%** (the highest in over two years).

In the News ^{3, 4}

- **Shell's \$1.7bn** Charlie project in Queensland has been brought into production, with full **coal seam gas flows** expected in the **December quarter**.
- **Telstra** has been forced to junk plans to pay down debt and buy back shares after **NBN Co** turned down its proposal to **securitise long-term payments** to Telstra worth over **\$5bn**.

'Eye-opener of the week ⁵

Although Australia's economic growth is comparable with other developed economies, the general trend overseas is clearly more positive than at home. First quarter growth was subdued due to a combination of weak underlying conditions and unfavourable weather conditions (Cyclone Debbie alone disrupted coal exports significantly). The June quarter figures are due to be released on Wednesday and are expected to point to continued modest growth.



Sources

1. brainyquote.com 2. Commsec. 3. Business Spectator 4. Australian Financial Review 5. ABS, Bloomberg, MS research

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