

For the week ending Friday, 10 February 2017

Quote of the week ¹

“Effort only fully releases its reward after a person refuses to quit”: Napoleon Hill (1883 - 1970).

Market summary ²

- The **S&P/ASX200 index** closed **1.76%** higher, closing the week just above **5720**.
- The **Aussie Dollar** fell very slightly against the US, dropping **0.07%** to **\$US0.7674**.

Key data ^{3, 4}

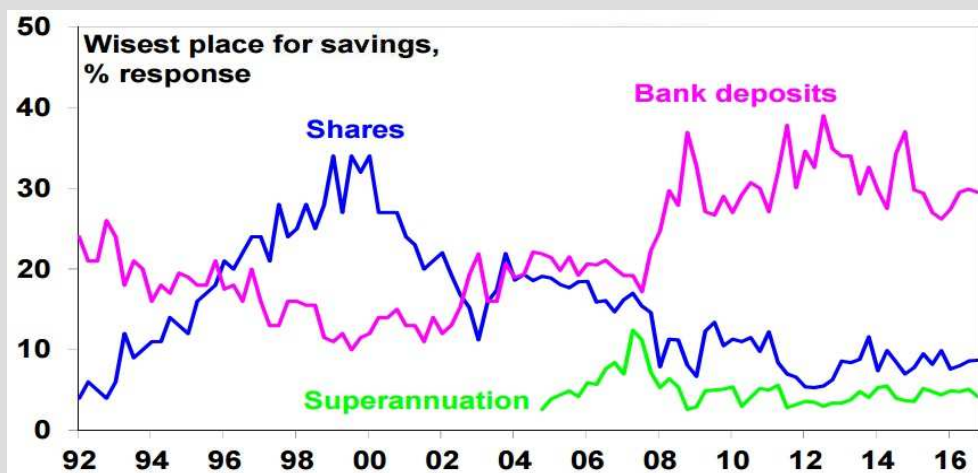
- The **RBA** decided to keep the cash rate steady at **1.5%** for a fifth consecutive month.
- The **ANZ job advertisement** survey found job ads on the internet and in newspapers rose by a seasonally adjusted **4% in January**, more than reversing December's 2.2% fall.
- **ABS data** revealed a **1% dip** in the value of investor **property loans** in December, while owner-occupier home loans **rose by 1.3%**. **Total housing finance** lifted 0.4% to **\$33.4 billion**.

In the News ^{3, 4}

- **BHP Billiton's** board approved spending **\$2.2 billion** on an expansion of the **Mad Dog oil project** in US waters. Over the weekend BHP Billiton also declared **'force majeure'** on shipments from the world's biggest **copper mine** in Chile, as workers begin an indefinite strike.
- The **Sunshine Coast Airport** signed a **\$372 million privatisation deal** and **99-year lease** with **Palisade Investment Partners**.
- Rumours circulated that **Bankwest** is set to disallow negative gearing benefits from loan eligibility calculations – making it harder for borrowers to qualify for new loans.

'Eye-opener of the week ⁵

The recent Westpac/Melbourne Institute survey shows Australians in aggregate think of bank deposits as a far wiser place for savings than superannuation or shares. This tends to indicate the public is far from 'euphoric' about equities, which can be one indicator of an overheating economy. There is little sign of economic excess globally; inflation, credit growth and monetary conditions are well within reasonable ranges and do not trigger any bearish alarm bells.



Sources

1. brainyquote.com 2. Commsec. 3. Business Spectator 4. Australian Financial Review 5. AMP Capital, Westpac/Melbourne Institute