

For the week ending Friday, 12 May 2017

**Quote of the week** <sup>1</sup>

“Unless we remember we cannot understand”: E. M. Forster (1879-1970).

**Market summary** <sup>2</sup>

- The **S&P/ASX200 index** was almost totally flat, rising a modest **0.005%** to **5836.9**.
- The **Aussie Dollar** dropped **0.43%** against the US over the week, closing at **\$US0.7384**.

**Key data** <sup>3, 4</sup>

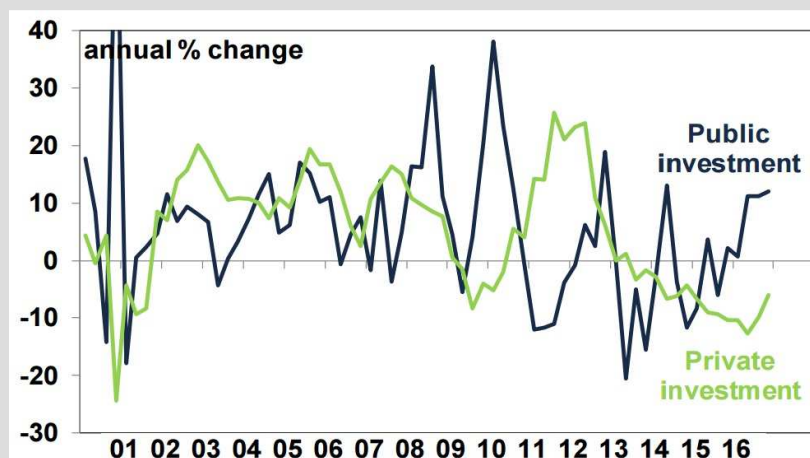
- Analysis by **Bendigo and Adelaide Bank's Rural Bank** has found the **national median farmland price** increased **9.3%** in 2016, driven up from 5.3% in 2015 by low interest rates and strong beef, lamb and wool prices.
- **ABS** data showed investors shrugging off **tighter lending standards** in March, as the value of **outstanding property loans** to investors rose to a seasonally adjusted **\$149 billion**.
- However, **building approvals** fell **20%** during the month to a two-year low of **16,484**.

**In the News** <sup>3, 4</sup>

- **TPG Capital** and **Ontario Teachers' Pension Plan** have made a new **\$2.7 billion bid** for **Fairfax Media**, after an initial **\$2.2 billion offer** was shouted down by shareholders.
- **BHP Billiton** announced a **\$10 million advertising campaign**, heralding the end of the 'Billiton' in the resource giant's name which has been used since two companies merged in 2001.
- The **ACCC** decided not to force **mobile network operators** to share networks with competitors, on the basis that **competition and consumer prices** would not have improved.

**'Eye-opener of the week'** <sup>5</sup>

The government's budget featured a significant level of infrastructure spending. This type of expenditure can help boost short term growth, long term productivity and actually encourage higher levels of private investment – assuming the cost/benefit is appropriate in the first place. Increased public investment can also help balance out fluctuations in private sector investment as economic cycles turn (see the below chart of infrastructure spending).



**Sources**

1. brainyquote.com 2. Commsec. 3. Business Spectator 4. Australian Financial Review 5. ABS, AMP Capital