

For the week ending Friday, 17 February 2017

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

“The best vision is insight”: Malcolm Forbes (1917 -1990).

## Market summary <sup>2</sup>

- The **S&P/ASX200 index** rose almost **1.5%** over the week to **5816**.
- The **Aussie Dollar** lost 0.19% against the US, falling to **\$US0.76595**.

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

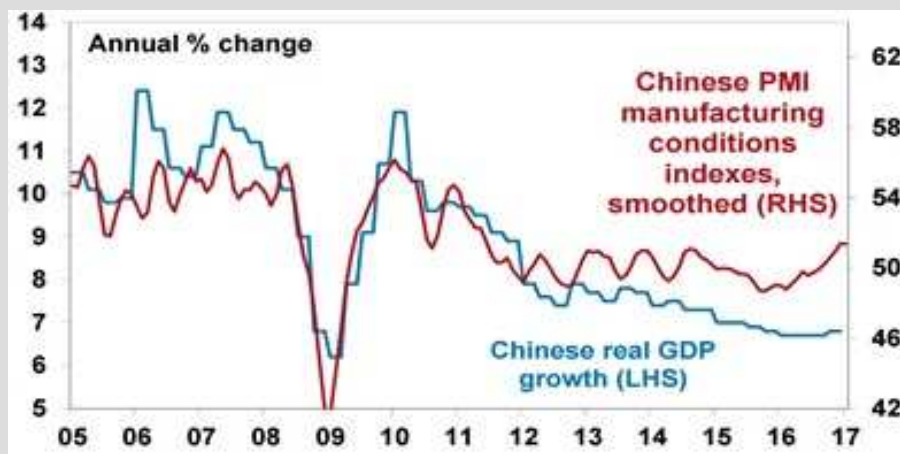
- **ABS data** showed the **unemployment rate** falling from 5.8% to **5.7%** as an increase of **13,500** jobs was driven entirely by **part-time roles**.
- **US inflation** hit a five-year high as the CPI rose at an annual rate of **2.5%** in January, boosted by a rebound in oil prices. Inflation rose **0.6%** for the month, double analyst expectations.
- **Eurozone GDP growth** was revised down to **0.4%** in the last quarter of 2016 as German data was slightly weaker than expected.

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

- **Santos** has flagged further **infrastructure sales** as part of its agenda to cut a further **\$1.5 billion of debt** from the balance sheet by the end of 2019.
- The **UK government** is poised to approve **Macquarie's** controversial **£2 billion** bid for **Green Investment Bank**, set up in 2012 to invest in renewable energy and infrastructure projects.
- There is speculation that **OPEC** could extend its oil **supply-reduction** pact with non-members, or apply further cuts from July if global inventories fail to drop as much as intended.

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

Twelve months ago China was high on investors' list of global worries, as a collapse in shares and uncertainty about the Renminbi and GDP growth fuelled speculation about the outlook for Chinese policy. In spite of this, over the course of 2016 economic growth stabilised and ticked up to 6.8% p.a. in the December quarter (see below). Higher commodity prices have also helped maintain inflation and industrial production.



## Sources

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