

For the week ending Friday, 24 February 2017

Quote of the week ¹

“Be not simply good – be good for something”: Henry David Thoreau (1817 – 1862).

Market summary ²

- The **S&P/ASX200 index** dropped by **1.15%** over the week, falling to **5739**.
- The **Aussie Dollar** was flat against the US, climbing **0.05%** and closing at **US\$0.76633**.

Key data ^{3, 4}

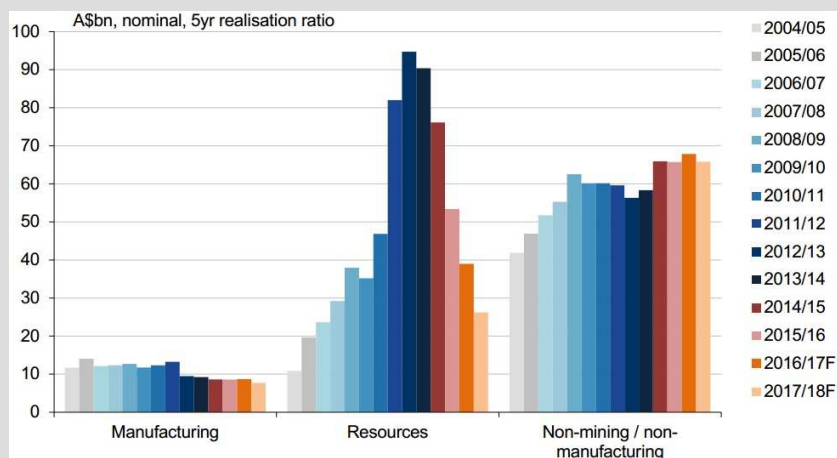
- Australia's **December quarter wage price index** has shown hourly rates of pay have grown **0.48%** for the quarter, leaving the annual rate at **1.87%**. Private sector wages grew by **1.8%** over the year, while public sector workers saw **2.25%** annual wage growth.
- **Eurozone inflation** for February is expected to lift at a roughly **2% annual rate**.
- **ABS data** showed Australian **business investment** fell by **2.1%** to a seasonally adjusted **\$27.4 billion** in the December quarter.

In the News ^{3, 4}

- **Macquarie Atlas Roads** has purchased the remaining **50%** of Virginia toll road **Dulles Greenway** for **\$US445 million**.
- **Santos** has filed a damages claim of around **\$US1.5 billion** against US construction firm **Fluor Corporation** over work completed at its **\$US18.5 billion** GLNG project in Queensland.
- The **ACCC** is set to review **South32's** proposed **\$US200 million purchase** of Peabody Energy's **Metropolitan colliery**, concerned it could lead to a significant loss of competition in the supply of coal to domestic steelmakers.

'Eye-opener of the week ⁵

The first estimation of capital expenditure within Australia during 2017 has flagged further significant falls in resource spending. Non-mining and non-manufacturing sectors are not expected to offset this fall. The recent lift in commodity prices has not flowed through to capex forecasts, as new supply has already more than caught up with demand and continues to come online.



Sources

1. brainyquote.com 2. Commsec. 3. Business Spectator 4. Australian Financial Review 5. ABS/Morgan Stanley

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