

For the week ending Friday, 31 March 2017

Quote of the week ¹

“Half a truth is often a great lie”: Benjamin Franklin (1706-1790).

Market summary ²

- The **S&P/ASX200 index** rose **1.94%** over the week, closing at **5864**.
- The **Aussie Dollar** was almost flat against the US, climbing **0.07%** to **\$US0.76271**.

Key data ^{3, 4}

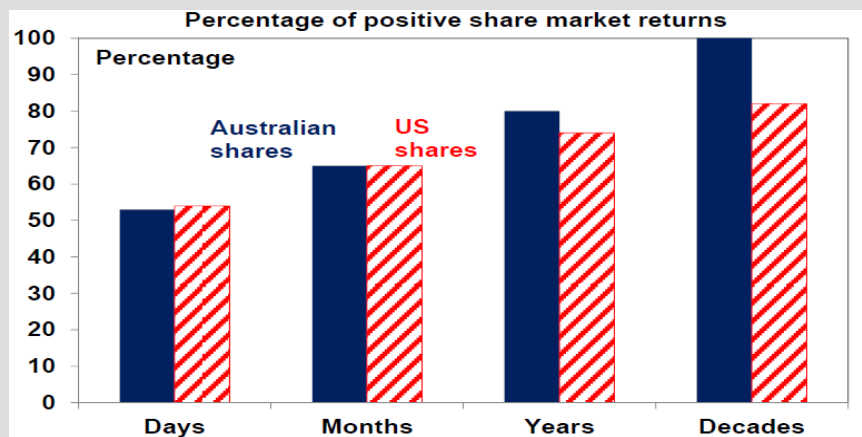
- **Job vacancies** in Australia have risen for a third straight quarter to hit the highest level since 2011. Vacancies increased by **1.8%** in the first quarter to a seasonally adjusted **185,600** – welcome news for currently modest employment growth.
- The latest **Housing Industry Association** figures showed new home sales rising by **0.2%** in February. **Western Australia** reversed recent losses as detached house sales rose by **11.3%** - along with Victoria (**+5.1%**) propping up falls in other states.
- **US GDP growth** in the fourth quarter of 2016 was revised up to a **2.1% annualised rate**.

In the News ^{3, 4}

- A **\$1 billion solar-battery farm** built by **Lyon Group** and **Downer EDI** in **South Australia** will be the world's largest and is expected to come online in **December 2017**.
- Rumours continue to circulate of a **TPG Capital** takeover bid for **Fairfax Media**, which is currently capitalised at almost **\$2.5 billion**.
- China's domestic **iron ore production** jumped over **15% in January and February**, as stockpiles are at their highest point in more than a decade – leaving enough in storage to construct the **Eiffel Tower nearly 13,000 times**.

'Eye-opener of the week ⁵

Focusing on short term fluctuations in investment markets can easily be distracting. Investors with a longer time horizon typically have a much higher probability of a positive return, as shown below. The daily and monthly data below runs back to 1995, while the yearly and decades figures go back to 1900.



Sources

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

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