SUPER NETWORK

TAILORED INVESTMENT ADVICE

MONTHLY REPORT

NOVEMBER

MONTHLY REPORT

Monthly Report

Our November monthly report is out now. See the global and Australian updates and trends.

+9.96%

ASX performance

+11.84%

US markets surged in the month, with the Dow Jones up +11.84% and S&P500 up +10.75%, amid optimism about a Covid-19 vaccine,

• Long-dated US treasury yields were lower, with the 2-Yr yield at 0.15% and 10-Yr yield at 0.84%.
• European markets. European markets were stronger with the Stoxx Europe 600 Index up +13.73%, UK FTSE up +12.35% and German DAX up +15.01%.
• Asian markets. Asian markets were higher over the month, with the Nikkei up +15.04%, KOSPI up +14.30% and the Shanghai Composite up +5.19%.
• Commodities. Over the month, WTI oil price gained +25.42% to US$45.34/bbl, iron ore prices increased +4.99% to US$122.99 per tonne, whilst spot gold declined -5.42% to US$1,777 per ounce.

IN POLITICAL NEWS:

• Joe Biden defeated Donald Trump to become the 46th president of the United States.
• Trade tensions between the world's two biggest economies continued, with President Trump signing an order prohibiting U.S. investment in Chinese firms determined to be owned or controlled by the country's military, the U.S. House of Representatives approving legislation that could lead to Chinese companies being delisted if regulators aren't allowed to review their financial audits and President-elect Joe Biden announcing that he won't immediately remove tariffs on Chinese goods, and plans to review the phase-one trade pact with China and consult with allies in Asia and Europe.
• The EU imposed $4bn in tariffs on U.S. goods, in a tit-for-tat escalation over illegal aid to their aircraft manufacturers Boeing Co and Airbus SE.

IN ECONOMIC NEWS:

• Australian RBA decision. RBA lowered its key interest rate, yield-curve target and bank lending facility rate to 0.10% from 0.25% and announced plans to buy A$100bn of government bonds with maturities of around 5-10 years over the next six months. RBA noted in its November monetary policy statement GDP will unlikely return to its pre-pandemic level till the end of 2021. The central bank predicts the economy will expand 6% in the 12 months through June 2021, an upgrade on its August estimate, and 4% in the year through June 2022. Unemployment is seen peaking a little below 8% around the end of this year and still sitting at 7.5% in June 2021, then easing to 6.5% in June 2022.
• U.S. The Fed kept the federal funds target rate in a range of 0-0.25% and maintained bond purchases at $120bn a month.
• U.S. consumer confidence fell in November to a three-month low as job market cooled down with U.S. companies adding fewer jobs in the month than forecast. However, U.S. business activity expanded in November at the fastest pace since March 2015, with strong growth at both service providers and manufacturers.
• Australia. Economy bounced back to growth in 3Q20 with GDP expanding +3.3% qoq and household spending surging by a record with retail volumes advancing +6.5% qoq.
• Europe. The euro-area economy surged by a record in 3Q20 and employment jumped, with GDP rising +12.6% qoq and employment rising +0.9% qoq. However, consumer confidence tumbled for a second straight month in November and the European Commission cut its economic forecast for 2021, projecting growth of just 4.2%.
• U.K. The economy expanded the most on record in 3Q20, with GDP surging +15.5% qoq, however, unemployment rose the most since 2009 in the quarter with jobless rate rising to 4.8%.
• Japan. GDP grew an annualized +21.4% qoq in 3Q20, expanding at the fastest clip since 1968.
• India. The country entered an unprecedented recession with the GDP contracting -7.5% yoy in 3Q20.

ON STOCK SPECIFIC NEWS (WHICH CAUSED SIGNIFICANT INTRADAY MOVES DURING THE MONTH):

• AMP Ltd (AMP) - gained +9.8%, after announcing the preliminary takeover approach from PE firm Ares Management Corp, valuing the Company at A$6.4bn.
• Beach Energy Ltd (BPT) - gained +7.0%, after reporting a gas discovery at Enterprise 1 in license VIC/P42(V) in the nearshore Victorian Otway Basin.
• Inghams Group Ltd (ING) - surged +16.1%, after revising dividend payout ratio to 60-80% of underlying NPAT.
• Nanosonics Ltd (NAN) - surged +12.5%, after reporting unit purchases of consumables (Sonex/NanoNebulant) by end customers in the four months to October 31 were up +4% yoy.
• Unibail-Rodamco-Westfield (URW) - surged +43.6%, after shareholders rejected its plans for a capital raise, with management pledging the Company would evaluate all alternatives to strengthen its financial structure.
• Virgin Money UK Plc (VUK) - slumped -11.5%, after setting aside more money for bad loans than expected and scrapping its 2022 targets.