

[View this email in your browser](#)

## UNIT Monash: Week 1

Hi <<First Name>>,

Welcome back from holidays investors and traders and welcome to UNIT's first newsletter for semester one 2019!

We hope you have all enjoyed your break from studies and are looking forward to this semester as much as we are.

We would like to wish you all the best in achieving your personal and financial goals this semester and hope you enjoy this week's recap.



## Market Wrap (Stock: Hot or Not?)

### NIKE (Ouch!)

Nike's stock plummeted last week post star college basketball player Zion Williamson becoming injured in a much anticipated game. The injury was the result of a manufacturing flaw and subsequent deterioration of his Nike basketball shoe. Investors reacted by unloading Nike stock, culminating in a 1.1 percent drop to US\$83.95 at close, erasing roughly \$1.1 billion from the sporting apparel company's market capitalisation. Since this event however, Nike has managed to recover slightly, bouncing back to around US\$87.16.

### TESLA (Good or bad news?)

Last Thursday Tesla announced drastic price cuts to its various models, in particular that it would be releasing it's Model 3 at a \$35,000 price point. Accompanying this news were further comments about Tesla shutting down all of it's retail outlets in favour of a more modern online platform. While this news was much anticipated by some of Tesla's investors, it didn't stop Tesla's stock tumbling as the news may not have been as beneficial as expected leaving Tesla down 3.09% to \$276.54.

## Weekly Market Breakdown

### Property

In recent times the \$7 trillion Australian residential property market has begun to display a degree of speculation and uncertainty, with buyer sentiment being relatively low. While some investors have enjoyed the steady increase in housing prices over the last few years and stay true to the security of a brick and mortar investment, many others are gravitating towards the stance that residential property in Melbourne and Sydney is becoming a depreciating asset (-12% in Sydney and -8% in Melbourne since their respective peaks in 2017). A factor that has contributed significantly to the current drop in investment, is the scrutiny of lending practices by key financial institutions in Australia following the Royal Commission across the banking sector. In response to the increase in regulation, these institutes have begun a tightening of lending criteria to prospective property investors making it less desirable to undertake these investments. To quantify this movement, it is possible to expect as much as a 15-20% downturn in housing prices from 2019 and into 2020. However, this downturn does offer positive tidings for patient first home buyers and investors. The impending drop in house prices may alleviate affordability issues, which previously created barriers to entry for younger generations, making property investment a more viable option in the coming years.

### Australia

The Australian share market has kickstarted the week in positive territory following a strong finish on Wall Street with SPI futures opening 18 points higher. The ASX hits a 5 month high which is a result of easing trade tensions, coupled with a strong earnings season. As the earnings season comes to an end, investors' attention will shift to macroeconomic issues and the prospect of a trade deal being reached. Currently, promising signs are emerging from the U.S - China trade talks, as a final trade deal is looming and could be reached as early as mid-March.

### US

The S&P 500 and the Dow Jones Industrial average have ended their three day run of losses on Friday due to easing trade tensions, despite weaker US and China manufacturing data. US markets edged higher as investors turn their attention to a trade deal materialising amid worries over slowing global growth and Federal Reserve rate hikes. As Wall Street extended its rally, the fundamentals remain quite supportive of the markets, despite the mixed economic and political news.

### Asia

Asian markets have finished last week slightly higher with China leading the way based on reports of a trade deal. Both the Shanghai Composite and Hong Kong's Hang Seng rose, 1.80% and 0.63% respectively.

Whilst the trade tensions are starting to cool off, China, the world's largest exporter is troubled by the imminent slowdown in global growth. In anticipation of subdued demand, the Chinese government has slashed its business taxes to shelter the economy from falling too abruptly. The attempt to lift the economy through tax has raised concerns that may exacerbate China's debt problem.

### Europe

The European share market reached 5-month highs on Friday last week as concerns over Britain leaving the EU without a deal eased. The Dublin bourse performed better than its European peers, finishing 1.3% higher. The easing of trade tensions boosted sentiment across the European markets. However, the optimism faded somewhat due to China's weak growth forecasts and data, which reiterated the concerns over a slowdown in global growth.

### Opinions: What do you think?

The future of AI and fintech (Will robots and AI take your job)

The importance of renewables and sustainability for climate change.

Robotics and the industrial automation technology industry.

### Disclaimer

**UNIT is not a financial adviser.**

The author's of this publication are not qualified to provide financial advice and as such the content provided should not be construed in this manner. All information provided is general information purely for educational purposes and for the personal interest of UNIT members.

UNIT is not liable for any loss caused, whether due to negligence or otherwise arising from the use of, or reliance on, the information provided directly or indirectly, by use of this website.

## New to markets? Got Questions?



As we mentioned in previous emails - we started UNIT Monash with the vision of educating the student community in investing and trading to one day strive for financial independence.

We want to create a new concept of peer-to-peer communications about investing and trading. While we're in our preliminary stages of planning and organising these weekly casual meetings - we are taking expressions of interest for those that want to participate. There's a lot of value in sharing experiences, having opinions and shedding light on new ideas. Feel free to ask us any questions on Facebook and let us know what you're interested in!

Regards,  
UNIT Monash

This email was sent to <Email Address>  
[why did I get this?](#) [unsubscribe from this list](#) [update subscription preferences](#)  
 University Network of Investing and Trading - Monash University, Wellington Road - Clayton, Victoria 3800 - Australia

