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## UNIT Monash: Week Nine Newsletter

Hey <<First Name>>!

With the end of semester one on the horizon and a few weeks until we face off against our exams, now is the time for all of us to begin focusing on what we need to achieve over these next few weeks to prepare! In the mean time we will continue to keep you up to date on what is happening in the investment space, enjoy your week 9 newsletter!

### Weekly Market Wrap

#### Insys Therapeutics Inc (NASDAQ: INSY) (Big Pharma Mafia)

After experiencing heavy scrutiny, the 'Big Pharma' corporations are now being held accountable for their contribution to the opioid epidemic that has been ravaging the United States. Last week the CEO of Insys Therapeutics, John Kapoor, and four other high level executives were found guilty of racketeering. Kapoor and co were involved in a conspiracy surrounding boosting the sale of a high-potency pain medication, Subsys, between 2011-2015. The scheme involved bribing doctors, price manipulation and defrauding of health insurers to cover the drug. During the period of 5 years in question, Insys Therapeutics stock price rose 787.45 per cent from US\$4.70 in July of 2011 up to US\$41.71 in July of 2015. Since the scheme ended, and Kapoor was arrested in 2017, the stock price has fallen back down to US\$4.36. The precedent set in the case has created concern for other manufacturers of pain-medication, such as Johnson and Johnson, Endo, Teva and Purdue Pharma, who are preparing for similar investigations.

#### Beyond Meat Inc (NASDAQ: BYND)

(Their meat might be fake, but they are the real deal)

Beyond Meat, the plant-based meat startup, went public last week in what can be described as the highest performing debut session of any major U.S. listing in the last decade. The IPO gained strong momentum, with shares priced at \$US25 at the top end of the range, blowing up by 163 per cent by the end of the first day and raising close to US\$240 million. Beyond Meat is valued at around US\$1.5 billion after reporting 2018 earnings of \$88 million, up 170% from 2017. A large contributor to the traction in sales has been the popularisation of plant-based meat alternatives due to the morality and environmental impact of the meat industry. Beyond Meat is currently unprofitable with a net loss in 2018 of US\$22.4 million, impacted on primarily by its research and development cost and rapid expansion plans to compete with the \$US1.4 trillion meat industry. Beyond Meat closed out the week with a share price at US\$66.79.

#### Walt Disney Co (NYSE: DIS)

(We live in a Disney Universe)

The Walt Disney Co has experienced an unbelievable month of success, with stock in the company jumping to an all-time high. The winning streak began when Disney announced the highly anticipated November debut of its new streaming service 'Disney+', an all-in-one platform for existing Disney, Pixar, Marvel, and Star Wars movies and TV shows. Disney also announced that it has struck a deal with Sinclair Broadcast Group Inc, valued at more than US\$10 billion, in exchange for 21 of Disney's regional sports networks. Unsurprisingly, the major hero in Disney's story was the widely successful film, "Avengers: Endgame", which generated an estimated gross sales of US\$1.2 billion in the first five days of its release. The movie set sales records from the U.S. through to China and is on track to supersede Avatar as the highest grossing film of all time. With its newest blockbuster film, Disney has now claimed all of the top four spots for domestic opening weekends, followed by "Avengers: Infinity War", "The Last Jedi" and "The Force Awakens". Disney's share price currently stands at \$US134.33 at week end and its market capitalisation holds strong at US\$242.68 billion.



### Weekly Global Breakdown

#### Australia

Australian markets had a flat finish to the week, as investors wait for the release of US jobs data. The S&P/ASX200 index slipped 0.04 per cent, while the broader All Ordinaries also fell 0.04 per cent.

Macquarie weighed on the market on Friday, dipping 5.43 per cent, after it issued a more cautious outlook and softer performance over the next 12 months. Out of the big 4 banks, NAB was the only one down, falling 0.12 per cent.

Afterpay Touch shares soared 2.94 per cent on Friday, after the buy-now and pay-later company announced a signing of a fund facility with Citi, helping them to further expand their operations.

Australian markets are expected to open higher, with SPI futures pointing 31 points higher. However, trade talks have come to a halt, as Donald Trump has threatened higher tariffs on Chinese goods.

#### US

Strong US job data has led US stocks to a strong finish to the week, with 263,000 jobs being added and the unemployment rate sliding down to 3.6 per cent. All of the three major indexes were up, with the Dow Jones Industrial Average, the S&P 500 and the Nasdaq Composite up 0.75, 0.96 and 1.58 per cent respectively.

US stock futures are indicating a lower start to the week, as on Sunday, Trump tweeted that tariffs on Chinese goods would increase from 10 per cent to 25 per cent due to the slow progression in trade talks. Trump has decided to hike tariffs ahead of the meeting between the two largest economies later this week.

#### Asia

Asian markets closed the week with mixed results, with the Shanghai Composite up 0.52 per cent, while the Nikkei 225 dropped 0.22 per cent. Hong Kong's Hang Seng rose 0.46 per cent following HSBC's surpassing their profit estimates, helping to boost sentiment in the market. Other than this, it was a quiet day for Mainland China, as the markets were closed for a holiday.

Trade talks are escalating, as Donald Trump has placed mounting pressure on China to reach a deal by threatening higher tariffs. Trump's announcement via twitter will likely cause a stir in the market, as previously signs of trade progress were being made. However, trade tensions are intensifying following Trump's latest tweet.

#### Europe

expected job data, as well as Adidas and HSBC reporting strong earnings. With the US adding 263,000 jobs and their unemployment rate dropping to the lowest level since 1969, the pan-European STOXX 600 index rose 0.4 per cent.

European markets are poised to open lower, as the market digests Trump's latest tweet, declaring to hike tariffs on Chinese goods, which is set to rattle the market.

### 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. There's a lot of value in sharing experiences, having opinions and shedding light on new ideas. Feel free to get in contact with us via Facebook if you have any enquiries about investment, trading or our upcoming events or if you would like to provide any feedback.

Regards,  
UNIT Monash

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