



Spring 2017

Spring is finally here and it's not just nature showing signs of growth; the Australian economy is also bearing fruit.

Most of the top 200 ASX-listed companies have now announced their results for the 2017 financial year and the overall report card is good. According to CommSec, 90 per cent of companies reporting full-year results turned a profit while 91 per cent paid a dividend. Earnings were up a combined 67 per cent on a year ago, dividends were up 10 per cent and cash levels rose 27 per cent to almost \$108 billion. The strongest sectors were mining, which benefited from stronger commodity prices and cost cutting, followed by food companies, REITs and companies dependent on the housing market. Dragging the chain were consumer-focused and media companies.

A healthy outlook for the job market was reflected in a fall in unemployment from 5.7 per cent to 5.6 per cent in July, although wage growth is still sluggish – up just 0.5 per cent in the June quarter for an annual rate of 1.9 per cent. The NAB business conditions index rose to a 9-year high of 15 points in July while the business confidence index also firmed 8.4 points to 11.7. Consumers are less positive, with the weekly ANZ/Roy Morgan consumer confidence rating lifting off a 12-month low to finish August at 113.5. The Australian dollar remains a challenge for exporters, firming to end the month close to US80c.

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