

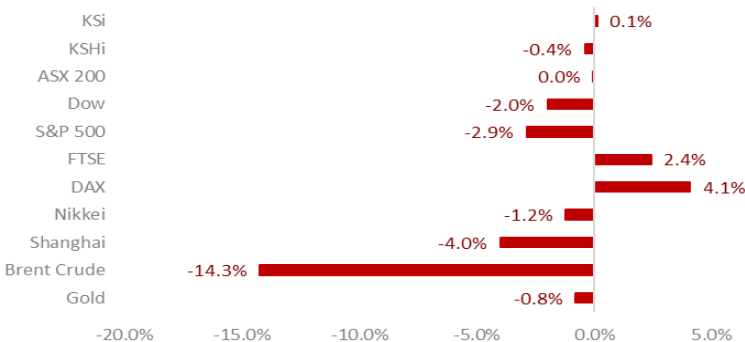
| Prices as at POM Close on Friday            | 11-Mar-22 | % change for the: |        |        |      |
|---|-----------|-------------------|--------|--------|------|
|   |           | Week              | Month  | YTD    |      |
| <b>Domestic</b>                             |           |                   |        |        |      |
| KSI Index                                   | 5,875.20  | 0.1%              | 0.4%   | 0.2%   |      |
| KSI Home Index                              | 13,894.11 | -0.4%             | 0.3%   | -3.5%  |      |
| <i>PNGX shares (K/share) Arbitrage PNGX</i> |           |                   |        |        |      |
| Bank South Pacific                          | 12.70     | 1.6%              | 5.8%   | 3.7%   |      |
| Credit Corporation                          | 1.59      | -0.6%             | 0.0%   | -5.4%  |      |
| City Pharmacy                               | 0.95      | 0.0%              | 0.0%   | 0.0%   |      |
| Kina Asset Management Limited               | 1.00      | 0.0%              | 5.3%   | 1.0%   |      |
| Kina Securities Limited                     | 2.22      | 3.00              | 0.0%   | 5.3%   | 1.7% |
| Oil Search Limited                          | 10.44     | 10.80             | 0.0%   | 0.0%   | 0.0% |
| Newcrest Mining Limited                     | 69.38     | 75.00             | 0.0%   | 0.0%   | 0.0% |
| <b>Australia</b>                            |           |                   |        |        |      |
| S&P/ASX 200                                 | 7,063.60  | 0.0%              | -2.1%  | -5.1%  |      |
| S&P/ASX 50                                  | 6,829.90  | -0.02%            | -1.9%  | -3.7%  |      |
| <b>USA*</b>                                 |           |                   |        |        |      |
| DJIA  | 32,944.19 | -2.0%             | -5.2%  | -9.3%  |      |
| S&P 500                                     | 4,204.31  | -2.9%             | -4.9%  | -11.8% |      |
| NASDAQ                                      | 12,843.81 | -3.5%             | -6.9%  | -17.9% |      |
| <b>Europe*</b>                              |           |                   |        |        |      |
| FTSE  | 7,155.64  | 2.4%              | -6.6%  | -3.1%  |      |
| DAX   | 13,628.11 | 4.1%              | -11.6% | -14.2% |      |
| CAC 40                                      | 6,260.25  | 3.3%              | -10.7% | -12.5% |      |
| <b>Asia*</b>                                |           |                   |        |        |      |
| Nikkei                                      | 25,162.78 | -1.2%             | -9.1%  | -12.6% |      |
| Hang Seng                                   | 20,553.79 | -6.2%             | -17.5% | -12.2% |      |
| Shanghai                                    | 3,309.75  | -4.0%             | -4.4%  | -9.1%  |      |
| <b>Commodities*</b>                         |           |                   |        |        |      |
| Light Crude WTI Futures                     | 106.96    | -15.0%            | 14.9%  | 41.4%  |      |
| Brent Crude                                 | 110.71    | -14.3%            | 17.2%  | 41.6%  |      |
| Gold  | 1,976.90  | -0.8%             | 7.3%   | 7.9%   |      |
| <b>Currencies*</b>                          |           |                   |        |        |      |
| PGK/USD                                     | 0.2840    | 0.0%              | -0.4%  | -0.4%  |      |
| PGK/AUD                                     | 0.3870    | 0.2%              | -3.3%  | -1.5%  |      |
| AUD/USD                                     | 0.7339    | -0.2%             | 3.1%   | 1.1%   |      |
| USD/JPY                                     | 116.69    | 1.1%              | 0.5%   | 1.4%   |      |
| EUR/USD                                     | 1.1001    | -0.3%             | -3.4%  | -2.7%  |      |
| GBP/USD                                     | 1.3076    | -2.0%             | -3.4%  | -3.1%  |      |
| <b>Ten year Government Bond yields*</b>     |           |                   |        |        |      |
| United States                               | 1.99%     | 0.29%             | 0.05%  | 0.48%  |      |
| Australia                                   | 2.39%     | 0.29%             | 0.27%  | 0.72%  |      |
| New Zealand                                 | 2.99%     | 0.26%             | 0.21%  | 0.60%  |      |
| Japan                                       | 0.19%     | 0.04%             | -0.05% | 0.11%  |      |
| PNG   | 9.70%     | 0.00%             | 0.00%  | 0.00%  |      |

\* Reported as at POM close Friday; Hence North American and European markets Thursday night close.

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### Weekly Movement (%)



Sources: Bloomberg, Reuters, Post Courier, The National, Business Advantage, PNGX

### Domestic

- World Bank has predicted high inflation as a consequence of the war between Russia and Ukraine. Ruslan Piontkivsky, World Bank Country Economist for PNG, said "We have some indication of the direction it will take but we will know in the coming weeks and months of the full impacts. In the short term, there will be a boost on the external side on high export proceeds and this will help those in the external sector in their production."
- Puma Energy Country Manager Hulala Tokome said the company would limit their fuel supply to retail, aviation and commercial customers due to the lack of access to Foreign Currency to enable them to import crude oil.
- Petroleum Minister Kerenga Kua says PGK120m in outstanding capped Memorandum of Agreement (MoA) funding for PNG LNG project landowners will be released as soon as Treasury releases the money. He said the National Executive Council had already approved the release of the money and the payment needed to be settled.
- City Pharmacy CEO Navin Raju says the prices of locally-produced goods are being affected by the cost of importing raw materials. "There are delays in the shipment of these raw materials, and the freight costs have gone up. So all these price pressures are actually increasing the cost of production for the producers."
- The country is experiencing ongoing issues of foreign currency shortage because revenues from exports are being kept in offshore accounts, a business representative says. PNG Manufacturers Council CEO Chey Scovell said oil prices were at record highs and the State's revenue and all the project partners' revenues in the PNG LNG project was at record levels and none of that money was coming back into the country. He said it was crucial that the Government required its earnings from future projects be brought in and kept in country.
- PNG Spice Industry Board CEO Nelson Simbiken says the country's vanilla exports are worth almost PGK300m annually. Simbiken said vanilla alone accounted for 99% or PGK297m of the country's spice revenue. He said the country was currently the fourth largest supplier of vanilla to the world market and produces around 50 tons of vanilla annually.
- Kina Asset Management Ltd recorded a 2021 net profit of PGK6m, according to Chairman Sir Rabbie Namaliu. Sir Rabbie said KAML's net profit was driven by an investment return of 8.3% with share markets in most countries rising in response to an improving outlook for the global economy. He said unrealised capital gains on KAML's shareholdings for the year totalled PGK6m before the impact of foreign exchange movements.
- PNG's economic growth can be mirrored by the performance and innovation of its leading digital bank, Kina Bank, says CEO Greg Pawson. Pawson was speaking following a 2021 profit growth of 27% (net profit). "At the same time, as innovating and delivering a better banking solution for PNG, we believe we are helping the economy grow through lending for business and individuals and providing a better banking experience to more people in the country," he said. Following its 2021 results, Kina Bank is now the second biggest bank by lending in PNG.
- This week's BPNG Treasury Bills auction results indicated an overall oversubscription of K228.67m from the total offer amount of K210.45m. The weighted average yield for series 182, 273 and 364 days fell by 0.04%, 0.05% and 0.03% to end at 2.32%, 3.92% and 5.13% respectively. Nil offers for 63 and 91 days.
- The KSI Home Index decrease by 0.4% for the week to end at 13,894.11 points due to drop in CCP share price. KSI Index increased by 0.1% for the week to close at 5,875.20 points due to rise in BSP share price.

### International

- The US stocks pared gains and slipped deeper into the red to eventually close on a very weak note on Friday, with technology stocks suffering sharp losses. Rising worries about the economic impact of the ongoing Russia-Ukraine war and the various sanctions imposed on Russia by the US and the Western allies rendered the mood bearish. The DJIA, S&P 500 and NASDAQ decreased by 2.0%, 2.9% and 3.5% to close at 32,944.19, 4,204.31 and 12,843.81 points respectively.
- European stocks closed higher on Friday amid hopes of some positive outcome from the talks between Russia and Ukraine and data showing stronger than expected UK GDP growth. The FTSE, DAX and CAC 40 all increased by 2.4%, 4.1% and 3.3% to close at 7,155.64, 13,628.11 and 6,260.25 points respectively.
- Asian stocks tumbled on Friday as surging US inflation drove bond yields higher and raised expectations that interest rate hikes will be steeper. The Shanghai, Hang Seng and Nikkei decreased by 4.0%, 6.2% and 1.2% to close at 3,309.75, 20,553.79 and 25,162.78 points respectively.
- Australian markets fell after Reserve Bank of Australia Governor Philip Lowe warned borrowers to start preparing for higher interest rates. The S&P/ASX 200 and the S&P/ASX 50 decreased by 0.01% and 0.02% to close at 7,063.60 and 6,829.90 points respectively.

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