

Prices as at POM Close on Friday	14-May-21	% change for the:			
		Week	Month	YTD	
Domestic					
KSi Index	5,825.06	0.0%	0.9%	-3.7%	
KSi Home Index	13,463.45	0.0%	0.0%	1.1%	
<i>PNGX shares (K/share) Arbitrage PNGX</i>					
Bank South Pacific	12.00	0.0%	0.0%	0.0%	
Credit Corporation	1.70	0.0%	0.6%	0.0%	
City Pharmacy	0.60	0.0%	0.0%	20.0%	
Kina Asset Management Limited	0.90	0.0%	0.0%	0.0%	
Kina Securities Limited	2.64	3.20	-0.3%	0.0%	6.7%
Oil Search Limited	10.36	10.50	0.0%	4.8%	10.3%
Newcrest Mining Limited	74.94	75.00	0.0%	-8.0%	-8.0%
Australia					
S&P/ASX 200	7,014.24	-0.9%	-0.7%	6.5%	
S&P/ASX 50	6,806.20	-0.7%	0.1%	7.8%	
USA*					
DJIA	34,382.13	-1.1%	0.5%	12.3%	
S&P 500	4,173.85	-1.4%	-0.3%	11.1%	
NASDAQ	13,429.98	-2.3%	-4.4%	4.2%	
Europe*					
FTSE	7,043.61	-1.2%	0.3%	9.0%	
DAX	15,416.64	0.1%	-0.3%	12.4%	
CAC 40	6,385.14	0.0%	1.6%	15.0%	
Asia*					
Nikkei	28,084.47	-4.3%	-5.4%	2.3%	
Hang Seng	28,027.57	-2.0%	-3.3%	2.9%	
Shanghai	3,490.38	2.1%	1.9%	0.5%	
Commodities*					
Light Crude WTI Futures	65.37	0.7%	3.5%	34.7%	
Brent Crude	68.71	0.6%	2.9%	32.6%	
Gold	1,838.10	0.4%	3.3%	-3.0%	
Currencies*					
PGK/USD	0.2850	0.0%	0.0%	0.0%	
PGK/AUD	0.3687	0.6%	0.2%	-0.3%	
AUD/USD	0.7730	-0.6%	-0.2%	0.3%	
USD/JPY	109.50	0.3%	0.6%	6.2%	
EUR/USD	1.2093	0.3%	1.0%	-1.6%	
GBP/USD	1.4046	1.0%	2.0%	3.1%	
Ten year Government Bond yields*					
United States	1.63%	0.05%	0.05%	0.72%	
Australia	1.80%	0.12%	0.06%	0.83%	
New Zealand	1.89%	0.16%	0.27%	0.91%	
Japan	0.09%	0.00%	0.00%	0.07%	
PNG	9.98%	0.00%	0.12%	0.00%	

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

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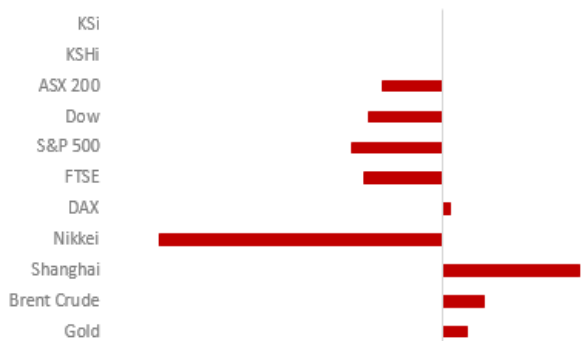
Domestic

- Kumul Petroleum Holdings Limited (KPHL) announced that the company have successfully secured deal for additional 7.0% free carried equity in any future joint exploration projects with Total SE. The increase in equity was negotiated and secured during the recent Papua LNG remobilization discussions held between the Government of PNG and Total SE in Paris last week. The additional 7.0% equity will be added onto the existing 22.5% will then bring aggregate equity to almost 30.0%. KPHL Managing Director said that the deal would have impact on prospects such as the deep and ultra-deep offshore exploration blocks in the recently awarded PPL 576 and PPL 589 licenses.
- According to American credit rating agency S&P Global Rating research update, the global pandemic continued to exacerbate structural fiscal challenges in PNG. The rating agency estimated the general government deficits to average 3.3% of Gross Domestic Product (GDP) between 2021 and 2024. The 2020 fiscal deficit was higher than the Government had projected. The economic slowdown and low commodity prices led to lower revenue collections. Government expenditure, meanwhile, increased due to pandemic-related fiscal support. Larger fiscal deficits and weak economic growth have propelled general government net debt to above 46.6% of GDP in 2021, according to S&P Global calculations.
- The Kumul Submarine Cable is almost complete except for the link to Jayapura in neighbouring Indonesia, delayed due to Covid-19, which will be completed in the fourth quarter of this year. The Managing Director of PNG DataCo said future rollout of cable would be where economic activity is strongest and where there is a specific need.
- After the prolonged legal and bureaucratic battels, Nambawan Super Limited (NSL) has finally announced the appointment of a new Project Management team that will commence work on the 9-mile (Bush Wara) project. The Project Manager will be working with all the stakeholders over the next three months with the view to find a win-win solution. The fund sympathizes with those who have been defrauded by fake customary landholders', however; the fund must also act to protect a value of asset that is owned in trust for more than 200,000 members of the fund. NSL have also asked the political representatives to refrain from commenting publically about proposed solutions. Although discussions have commenced, there are no formal agreement in place between the fund, the State and National Capital District Commission.
- The Independent Consumer and Competition Commission (ICCC) announced a slight increase in price of petrol and kerosene while drop in diesel price for the month, effective 8 May 2021. The change in retail prices are mainly driven by price movements for these petroleum products in Singapore during last month. Consequently, fuel prices in Port Moresby for petrol and kerosene rose to K3.51 and K2.66 per litre respectively, while diesel price dropped to K2.96.
- Kina Asset Management Limited (KAML) reported the Net Tangible Asset backing per share of K1.62 for the month of April 2021. KAML's shares are trading at a significant discount to the underlying value of the company at K0.90 per share.
- City Pharmacy Limited announced that it will host its Annual General Meeting on 10 June 2021 at 10:00am via online virtual meeting.
- This week's Central Bank Bill overall auction was under-subscribed by K30.0m from the total K207.4m offered. The weighted average yield for 28 days was remained unchanged at 1.33% from the last auction. There were nil offers for 63, 91 and 182 days.
- This week's Treasury Bill overall auction results was undersubscribed by K56.8m from the total K197.55m offered. The weighted average yield for 364 days remained unchanged at 7.20% from the last auction. There were nil offers for 63, 91, 182 and 273 days.
- Both the Kina Securities Index and home index closed the week unchanged at 5,825.06 and 13,463.45 points each.

International

- US stocks were quick to follow sharp falls on Wall Street, with the three major US indices tumbling more than 2.0% after the release of inflation data that pointed to a potential interest rate hike by the Federal Reserve. The DJIA, S&P 500 and NASDAQ lost 1.1%, 1.4% and 2.3% to finish the week at 34,382.13, 4,173.85 and 13,429.98 points respectively.
- The Australian share market has hit its lowest point in five weeks after US inflation figures sparked fears of a spike in interest rates. The S&P/ASX 200 fell by 0.9% to 7,014.24 points, while the S&P/ASX 50 tumbled by 0.7% to 6,806.20 points.
- The European stocks ended the week mixed with FTSE fell by 1.2% to 7,043.61 points, while DAX rose by 0.1% to 15,416.64 points. The CAC 40 remained unchanged at 6,385.38 points.
- Asian stocks ended mixed for the week after the country's latest bank lending data missed forecasts and Sino-US tensions continued. Nikkei and Hang Seng fell by 4.3% and 2.0% to 28,084.47 and 28,027.57 points respectively. While the Shanghai rose by 2.1% to end the week at 3,490.38 points.
- Oil prices rose on Friday, reversing some of the previous day's sharp losses as stock markets strengthened and the US dollar slipped, though gains were capped by the coronavirus situation in major oil consumer India.

Weekly Movement (%)



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

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