

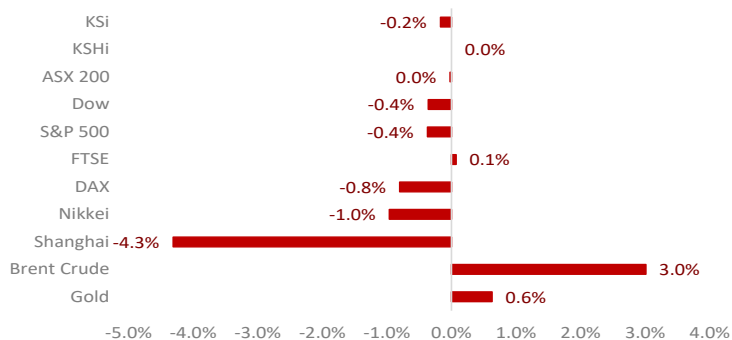
Prices as at POM Close on Friday	30-Jul-21	% change for the:			
		Week	Month	YTD	
<b>Domestic</b>					
KSi Index	5,833.63	-0.2%	-0.2%	-3.6%	
KSi Home Index	13,931.40	0.0%	0.0%	4.7%	
<b>PNGX shares (K/share) Arbitrage PNGX</b>					
Bank South Pacific	12.30	0.0%	0.0%	2.5%	
Credit Corporation	1.70	0.0%	0.0%	0.0%	
City Pharmacy	0.80	0.0%	0.0%	60.0%	
Kina Asset Management Limited	1.00	0.0%	0.0%	11.1%	
Kina Securities Limited	2.55	3.25	0.0%	0.0%	8.3%
Oil Search Limited	9.87	10.51	-0.9%	-0.8%	10.4%
Newcrest Mining Limited	68.63	75.00	0.0%	0.0%	-8.0%
<b>Australia</b>					
S&P/ASX 200	7,392.62	0.0%	1.2%	12.2%	
S&P/ASX 50	7,145.70	-0.1%	1.4%	13.2%	
<b>USA*</b>					
DJIA	34,935.47	-0.4%	0.4%	14.1%	
S&P 500	4,395.26	-0.4%	1.0%	17.0%	
NASDAQ	14,672.68	-1.1%	0.2%	13.8%	
<b>Europe*</b>					
FTSE	7,032.30	0.1%	-1.3%	8.9%	
DAX	15,544.39	-0.8%	-0.7%	13.3%	
CAC 40	6,612.76	0.7%	0.9%	19.1%	
<b>Asia*</b>					
Nikkei	27,283.59	-1.0%	-5.2%	-0.6%	
Hang Seng	25,961.03	-5.0%	-8.3%	-4.7%	
Shanghai	3,397.36	-4.3%	-3.5%	-2.2%	
<b>Commodities*</b>					
Light Crude WTI Futures	73.95	2.6%	-1.6%	52.4%	
Brent Crude	76.33	3.0%	0.2%	47.4%	
Gold	1,817.20	0.6%	1.9%	-4.1%	
<b>Currencies*</b>					
PGK/USD	0.2850	0.0%	0.0%	0.0%	
PGK/AUD	0.3860	-0.3%	1.1%	4.4%	
AUD/USD	0.7383	0.3%	-1.1%	-4.2%	
USD/JPY	109.56	-0.6%	-1.8%	6.2%	
EUR/USD	1.1881	0.7%	0.3%	-3.3%	
GBP/USD	1.3942	1.6%	1.3%	2.3%	
<b>Ten year Government Bond yields*</b>					
United States	1.22%	-0.05%	-0.20%	0.31%	
Australia	1.18%	-0.02%	-0.30%	0.21%	
New Zealand	1.65%	0.01%	-0.17%	0.66%	
Japan	0.02%	0.00%	-0.02%	0.00%	
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 PNG, PNGX Announcements

### Domestic

- Managing Director (MD) to Kumul Consolidated Holdings Ltd (KCHL) Mr Isikeli Taureka stated that the state is selling its non-core properties as being part of the State-Owned Enterprises (SOE) reform process. Mr Taureka added that the National Executive Council (NEC) approved the sale of non-core and non-income generating SOEs. The decision by NEC was to have a SOE reform and debt-free financing which was supported by the Asian Development Bank lending the State K500.0m over three years.
- The non-core and non-income generating SOEs being sold in the National Capital District are; 38 vacant residential allotments adjacent to Pacific International Hospital at 3-Mile consisting of 2.91 hectares, vacant land at 16-Mile, and special purpose lease consisting of 28.3 hectares located off Sogeri road, adjacent to Pacific Brewery and Hugo Cannery.
- PNG Ports Ltd gave a cheque of more than K26.0m to the Internal Revenue Commission for tax payments. According to PNG Ports Chairman Mr Kepas Wali, the tax payment was a result of prudent management by the entity during the COVID-19 impacted period and is another significant milestone for PNG Ports.
- Kina Securities Limited (Kina) received a copy of a draft Determination by the PNG Independent Consumer and Competition Commission (ICCC) on its proposed acquisition of 89.91% shares in Westpac Bank PNG Ltd business in Papua New Guinea. The ICCC's draft Determination requested comments and submissions from stakeholders before a final Determination is made, which is expected in mid-September.
- Also note that the draft Determination contains statements and reasoning which Kina contests. Kina is invited to make a presentation to, and participate in, a pre-decision conference to be held in Port Moresby on 11 August 2021 to outline the commercial and economic benefits to PNG arising from the acquisition, and to allow Kina and other stakeholders to discuss and provide comments on the draft Determination. Final comments and submissions on the draft Determination are due by 20 August 2021.
- On the other hand, Kina announced that it has received notification from; (i) the Reserve Bank of Fiji (RBF) that conditionally approved Kina's application to conduct business in Fiji as a commercial bank. (ii) the Fijian Competition & Consumer Commission (FCCC) that, in relation to the acquisition of Westpac Fiji by Kina, the FCCC is satisfied that the transaction will not harm or affect competition in the Fijian market and has therefore granted a conditional approval.
- Kina's MD and Chief Executive Officer (CEO) stated: "On behalf of the Kina Board, I would like to thank the Reserve Bank of Fiji and the FCCC for their positive consideration of Kina's proposed acquisition of Westpac's Fijian Assets. As the Sale and Purchase Agreements for both Fiji and PNG, though separate, are interconditional and to complete simultaneously, we continue to work with Westpac in both Fiji and PNG to successfully complete the transaction at the earliest opportunity."
- Oil Search Ltd (OSH) announced its performance for Q2 period ended 30 June and main highlights as follows; 2021 production and capital expenditure guidance maintained, Q2 2021 operating revenue up 21.5% from Q1 2021, Papua LNG and Pikka oil development progressing as planned and strong operating cashflows enabled continued debt repayments. Acting CEO Mr Peter Fredricson said, "OSH delivered strong production in the latest quarter, supported by the safe completion of the major planned maintenance campaign at PNG LNG by the operator, ExxonMobil".
- In response to a media report in Australian Financial Review on 22 July 2021 asserting that BSP Financial Group Ltd's (BSP) chairman, Sir Kostas Constantinou OBE, was in breach of Papua New Guinea's prudential standards by exceeding the maximum stipulated term for a director on the board of a financial institution. BSP confirmed the tenure of its chairman, is the subject of an exemption issued by BPNG in 2019 in relation to prudential standards on governance matters and that BPNG has consented to Sir Kostas' chairmanship continuing to February 2023.
- The ICCC declined the application on the proposed acquisition of 49% PNG Air Ltd shares by Link PNG. ICCC has considered all information on the application and pursuant to Section 82(3)(c) of the Independent Consumer and Competition Commission Act 2002 ("ICCC Act").
- This month's COVID 19 Bond Auction results were over-subscribed by K105.11m from the total K463.49m offered. The weighted average yields for series S15022023-Covid-19, S15022024-Covid-19, S15022026-Covid-19, S15052029-Covid-19, S15022030-Covid-19 and S15082031-Covid-19 all remained unchanged at 8.50%, 9.00%, 9.70%, 9.90%, 9.90% and 9.90% respectively from the prior auction.
- The week's Treasury Bill overall auction results were under-subscribed by K172.10m from the total K270.50m offered. The weighted average yields for 182, 273 and 364 days all remained unchanged at 4.34%, 6.04% and 7.20% respectively from the prior auction. There were no bids for 273 days and nil offers for 63 and 91 days.
- The KSi Index dropped by 0.2% to 5,833.63 points while the KSi Home Index remained unchanged at 13,931.40 points to end the week.

### International

- US stocks fell on Friday amid a slide in Amazon shares, but the S&P 500 notched its sixth straight positive month.
- Shares in Asia declined again on Friday, heading for their worst month since March 2020, as volatile trading continued for Chinese tech stocks and Hong Kong's Hang Seng index tumbled.
- The S&P/ASX 200 in Australia closed down to 7,392.60 points. Markets will be tracking the Covid situation in Sydney, which reported a record daily rise in Covid cases on Thursday despite an extended lockdown. Reuters reported that authorities have requested help from the military in enforcing the lockdown.
- European stocks retreated after closing the previous session at all-time highs, as investors reacted to another deluge of corporate earnings and economic data.

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