

## Stockmarket Month in Review: November 2018

- Volatile November with a raft of investor concerns
- US mid-term elections and US interest rate settings in focus
- Global shares rise in first week of the month on optimism about the US-China trade dispute

November was another month of increased volatility on global sharemarkets. Focal points were the US-China trade dispute; the outlook for US monetary policy; and the implications of plunging oil prices. In Europe, UK Brexit talks and the Italy-European Commission budget talks dominated.

After finishing October positively, global sharemarkets picked up where they left off in the early days of November. The US Dow Jones only fell once in the first six days, gaining 4.2 per cent over the period. The Australian ASX 200 also lifted, but by a more modest 1.7 per cent. On November 1, US President Trump said he had a “long and very good conversation” with Chinese President Xi Jinping. And data on November 2 showed a solid 250,000 lift in US jobs for October. But Apple reported that holiday sales could miss analyst forecasts.

In the second week of November the US Dow Jones out-performed, up 2.8 per cent, but gains for the Nasdaq and other global sharemarkets were closer to 1 per cent. US sharemarkets posted gains of 2.1-2.6 per cent on November 7 after results in mid-term elections met expectations. The Dow Jones lifted 545 points or 2.1 per cent. Democrats won control of the House of Representatives while Republicans retained control of the Senate. The US Federal Reserve left interest rates steady as expected on November 9.

During the third week of November global sharemarkets retreated. US shares fell by around 2 per cent while Australian shares fell by around 3 per cent. In fact the Dow Jones fell for four straight days to November 14, losing 4.3 per cent. On November 12 the US Dow Jones lost 602 points (2.3 per cent) with the Nasdaq down 2.8 per cent after two suppliers cut forecasts for sales of Apple iPhone shipments.

There were more declines for global sharemarkets ahead of the US Thanksgiving Day holiday. The US Dow Jones lost over 1,100 points in the four trading sessions to November 23. Big falls in oil prices drove share prices lower on the energy sectors of major bourses. And Apple remained under pressure on worries about softness in iPhone demand.

In the final week of November, optimism about US-China trade talks boosted investor sentiment together with comments from Federal Reserve chair, Jerome Powell, who suggested that the central bank was drawing closer to a pause in the rate-hiking cycle. The Dow Jones rose 1,250 points or 5.1 per cent in the week to November 30.

In November, the US Dow Jones rose by 1.7 percent and the S&P 500 lifted 1.8 per cent and the US Nasdaq Composite edged up 0.3 per cent. In Asia, Japan's Nikkei rebounded by 2.0 per cent but the Australian ASX200 fell by 2.8 per cent. In Europe, the German Dax lost 1.7 per cent and the London FTSE declined by 2.1 per cent.

In November, just four of the 22 sub-industry sectors in Australia posted gains. The Transport sector rose most (up 2.9 per cent) from Household & personal products (up 2.2 per cent). But Energy fell 10.4 per cent and Consumer Durable & Apparel fell 10.7 per cent. The MidCap50 underperformed, down by 4.8 per cent while the Small Ordinaries fell 0.4 per cent.

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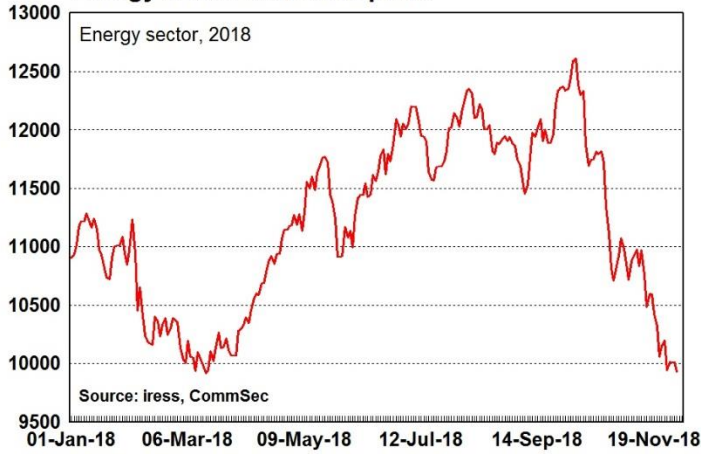
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Energy sector tracks oil price



	Dow Jones	S&P 500	Nasdaq	ASX 200	Nikkei	FTSE 100	Dax
OCT 31	25115.8	2711.7	7305.9	5830.3	21920.5	7128.1	11447.5
NOV 2	25270.8	2723.1	7357.0	5849.2	22243.7	7094.1	11519.0
NOV 9	25989.3	2781.0	7406.9	5921.8	22250.3	7105.3	11529.2
NOV 16	25413.2	2736.3	7247.9	5730.6	21680.3	7013.9	11341.0
NOV 23	24286.0	2632.6	6939.0	5716.2	21646.6	6952.9	11192.7
NOV 30	25538.5	2660.2	7330.5	5667.2	22351.1	6980.2	11257.2

Top 10 Stocks Traded by Contract Note Value on CommSec

Period: Previous month

Rank by Contract Note Value

1	<b>NAB</b>	69%	31%
2	<b>CBA</b>	50%	50%
3	<b>WBC</b>	60%	40%
4	<b>BHP</b>	57%	43%
5	<b>BIT</b>	51%	49%
6	<b>APT</b>	56%	44%
7	<b>ANZ</b>	53%	47%
8	<b>FMG</b>	44%	56%
9	<b>CSL</b>	60%	40%
10	<b>A2M</b>	43%	57%



**Top 10 Stocks Traded by Contract Note Volume on CommSec**

Period: Previous month

Rank by Contract Note Volume

