



Important Information

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Examples used in this presentation are for illustrative purposes only.

Year in review



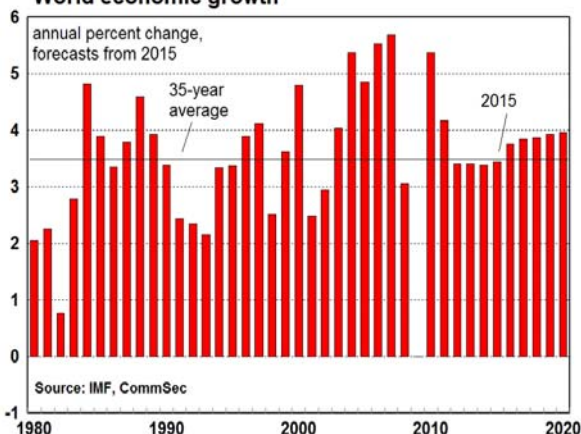
Key financial indicators 2014/15

	June 30 2014	High	Low	June 30 2015	% change
ASX 200	5,395.7	5,996.9	5,122.0	5,459.0	+1.2%
US Dow Jones	16,826.6	18,351.4	15,855.1	17,619.5	+4.7%
AUD/USD, US cents	94.20	95.04	75.30	76.80	-18.5%
90 day bank bills	2.71%	2.79%	2.13%	2.15%	-
10 year bond yields	3.56%	3.73%	2.32%	3.00%	-
Oil, US\$ per barrel	105.37	106.09	42.03	59.47	-43.6%
Gold, US\$ per ounce	1,322.00	1,343.70	1,132.90	1,171.80	-11.4%

World economy

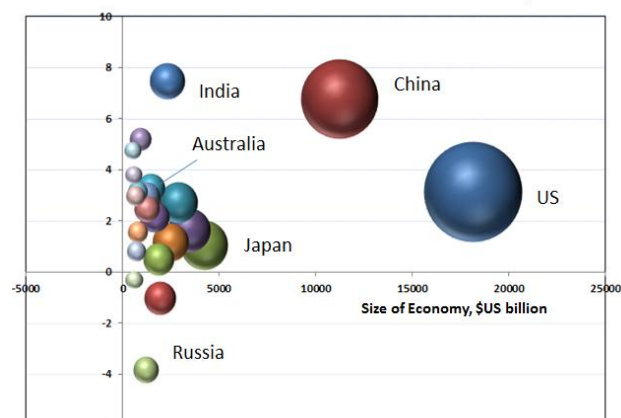


World economic growth

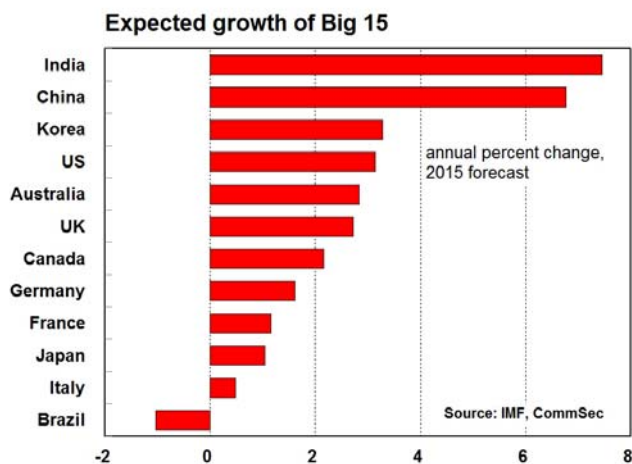


Forecast growth, 2015 percent

Source: IMF, CommSec



Growth drivers



Drivers of world economy

Contribution to growth 2015
percentage points

China	1.03
United States	0.77
India	0.23
United Kingdom	0.10
Germany	0.07
Korea	0.06
Indonesia	0.06
Japan	0.06
Mexico	0.05
Australia	0.05
Canada	0.05
Spain	0.04
France	0.04
Nigeria	0.03
Other countries	0.85
WORLD	3.5

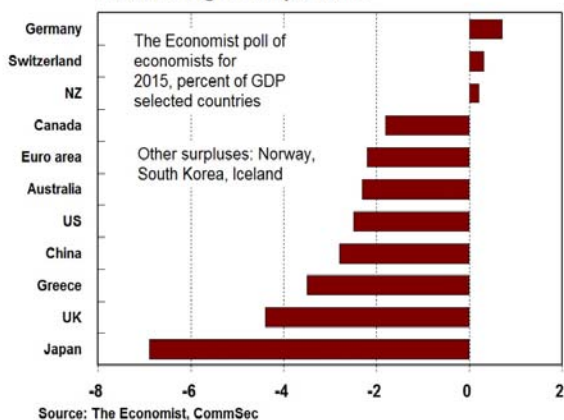
Source: IMF, CommSec



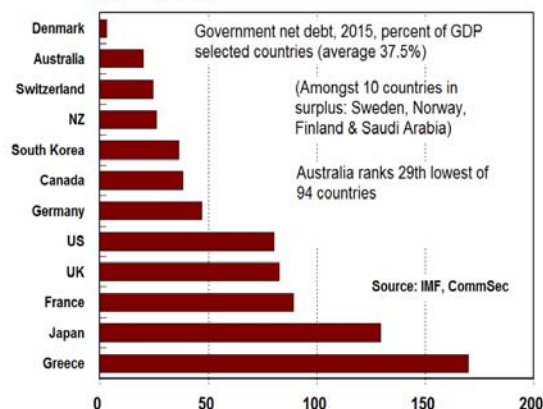
International perspectives



Global budget comparisons



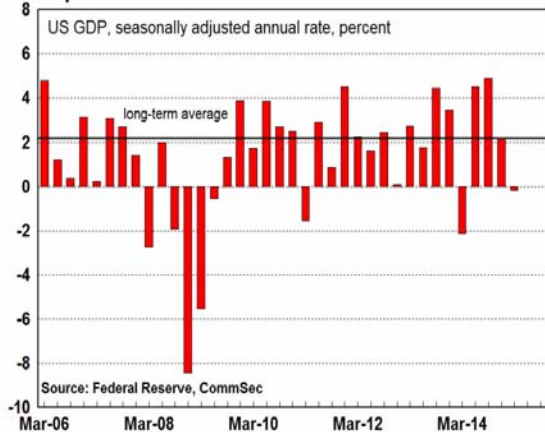
World in debt



United States

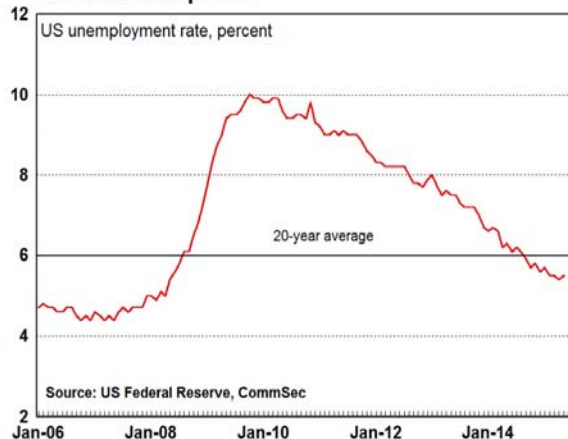


Expansion intact



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Job market improves

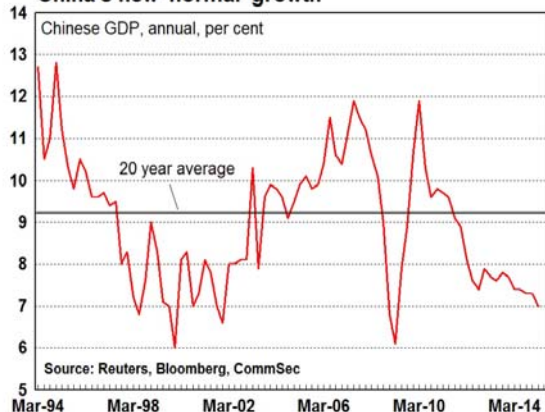


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China

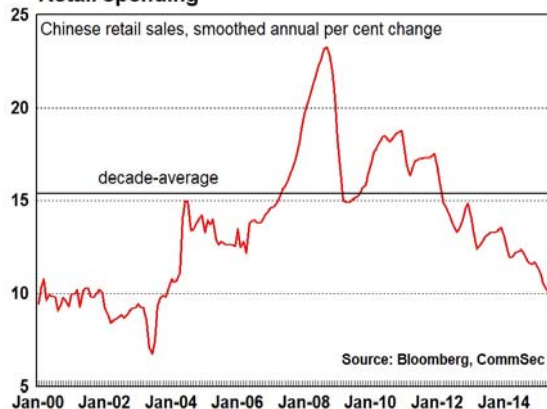


China's new 'normal' growth



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Retail spending

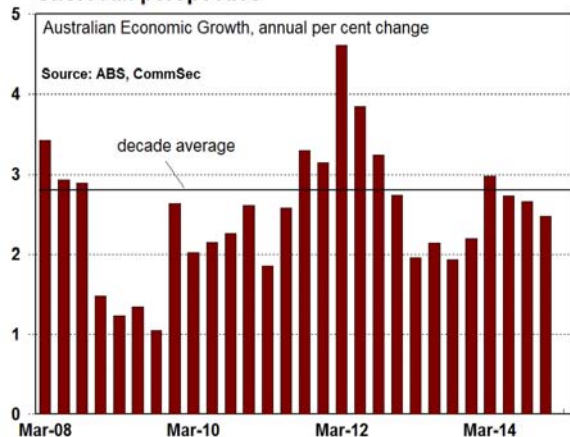


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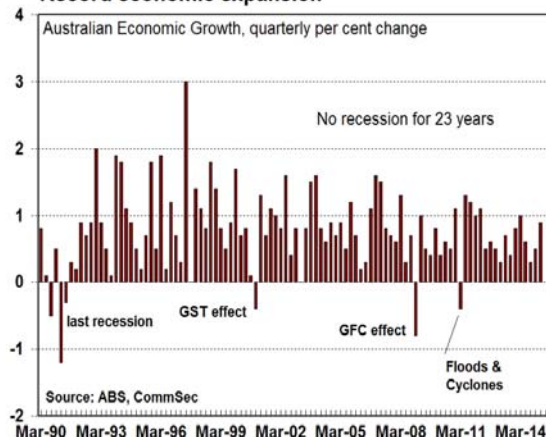
Australia



Short-run perspective



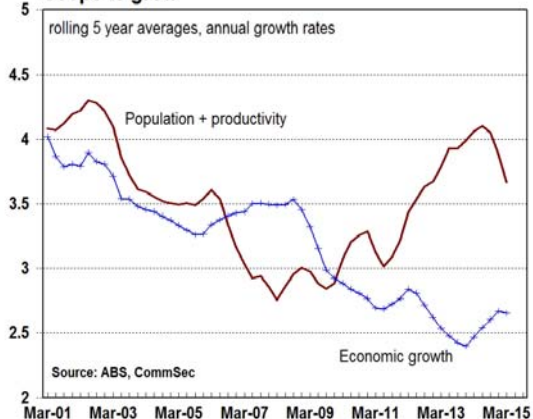
Record economic expansion



Australia



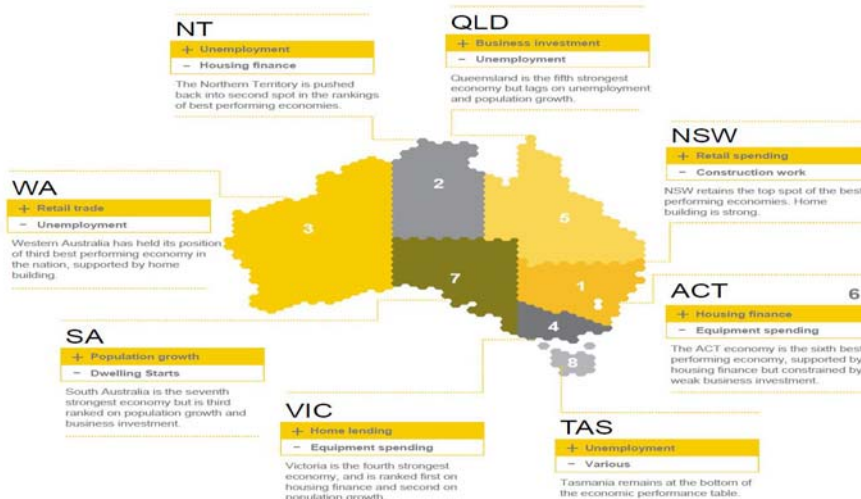
Scope to grow



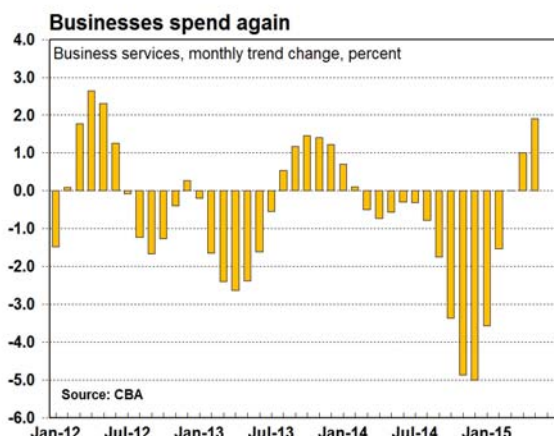
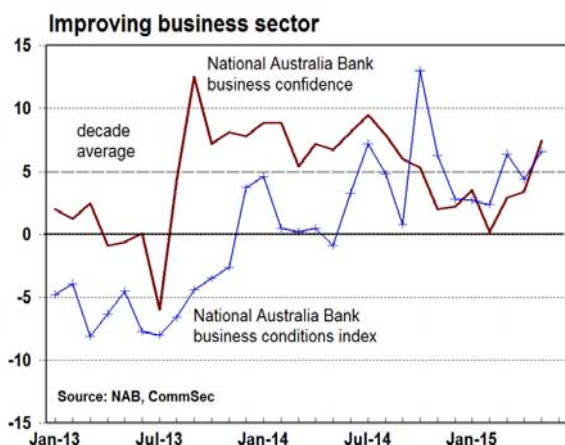
Richest nations



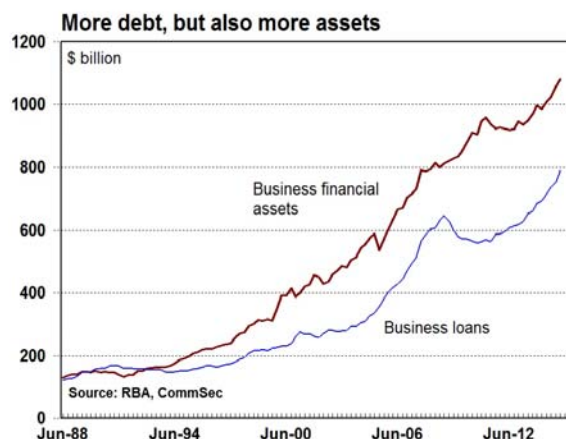
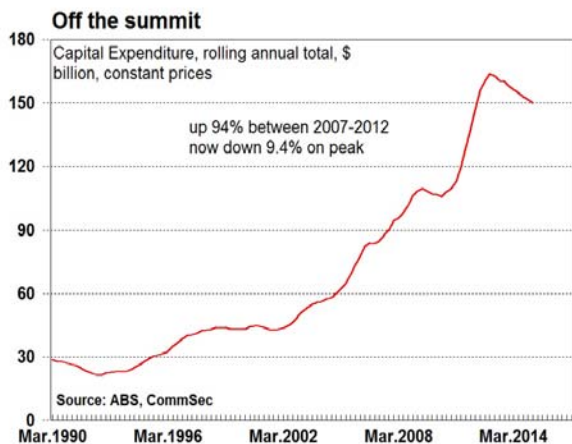
Different conditions across regions



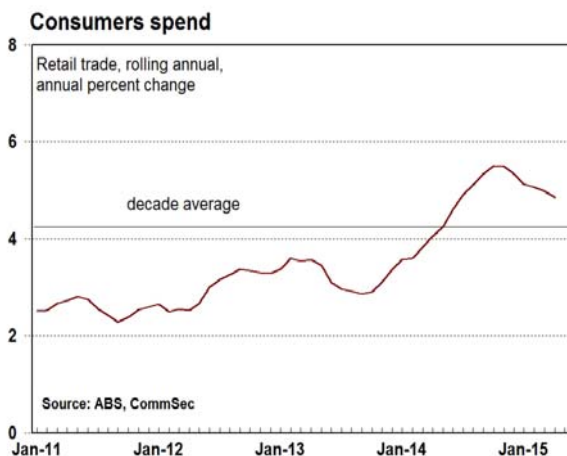
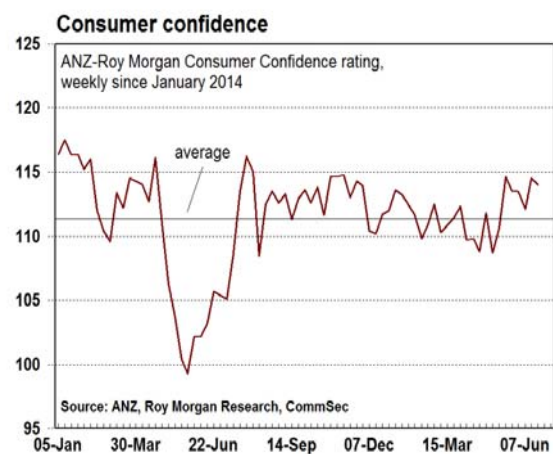
Business



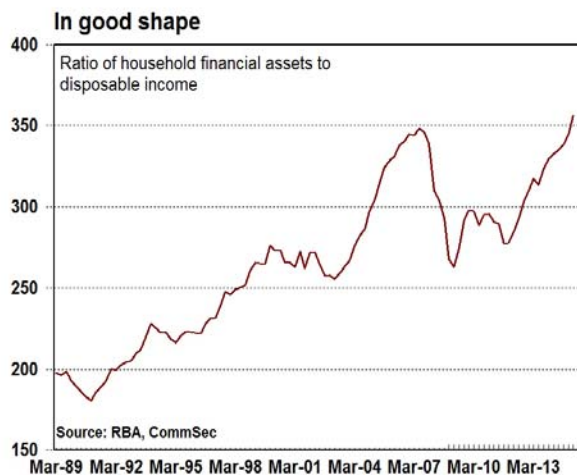
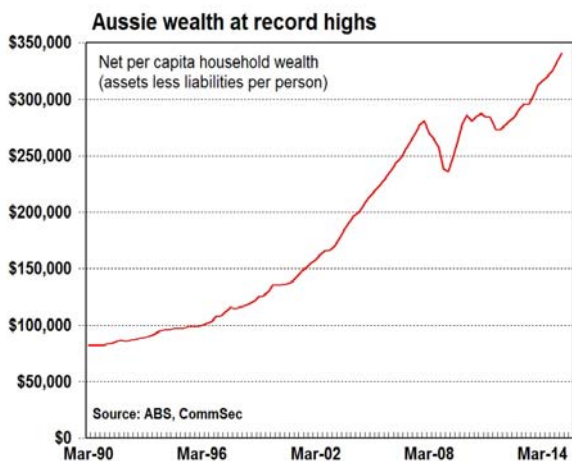
Business



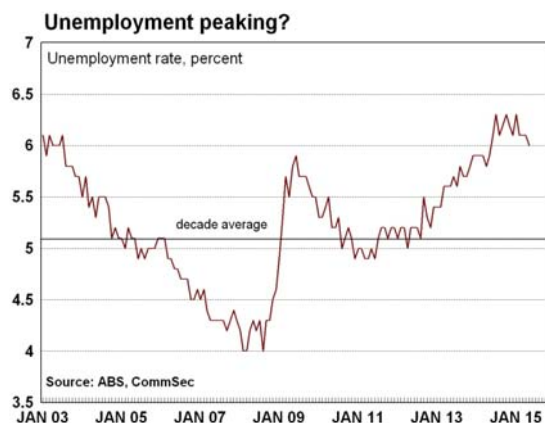
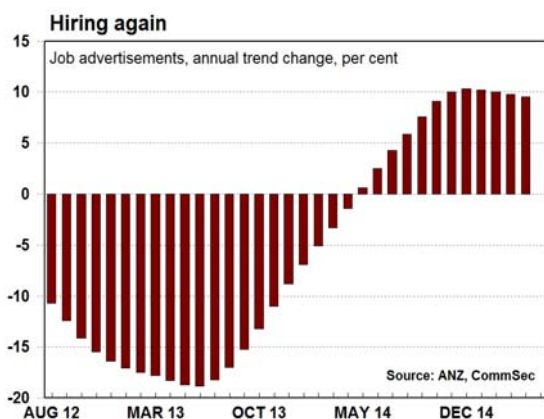
Consumers



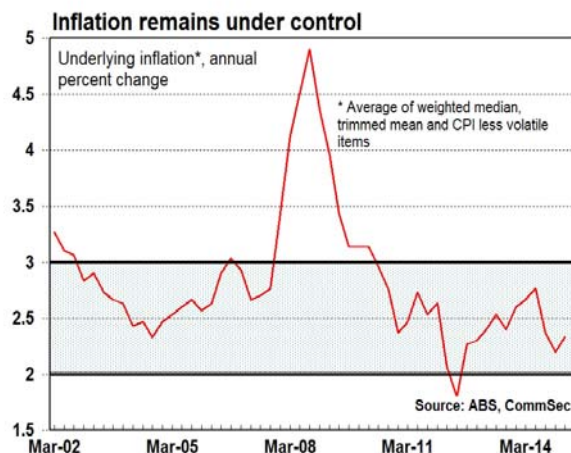
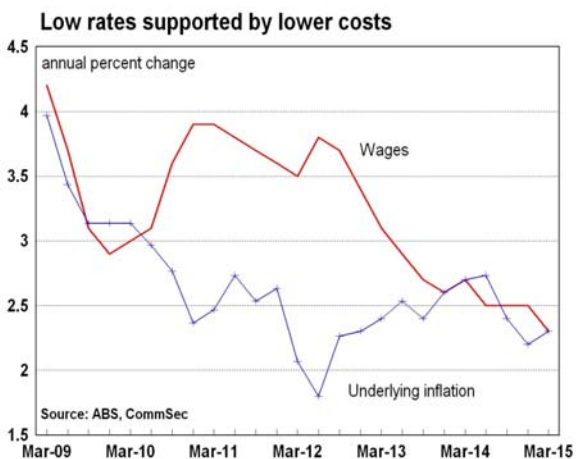
Consumers



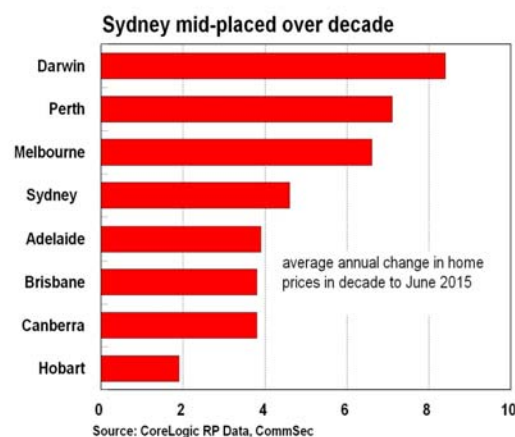
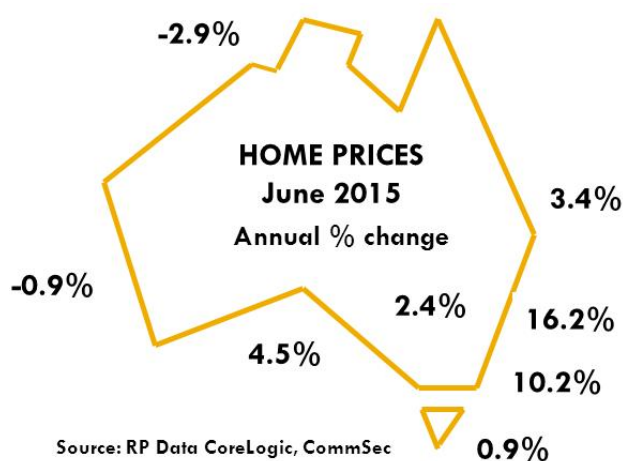
Job market



Prices & wages



Rising wealth

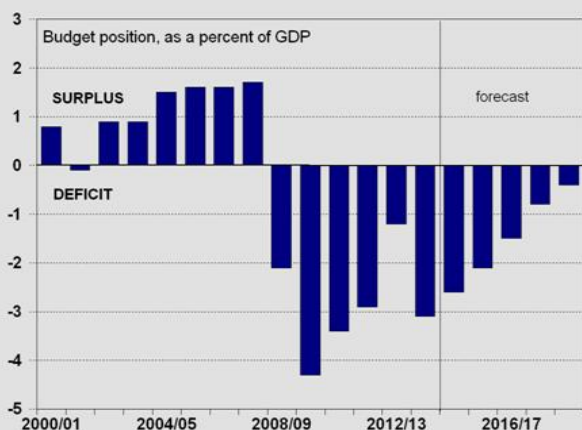


Budget 2015



Federal Budget 2015

A deficit of \$35.1 billion is expected in 2015/16.



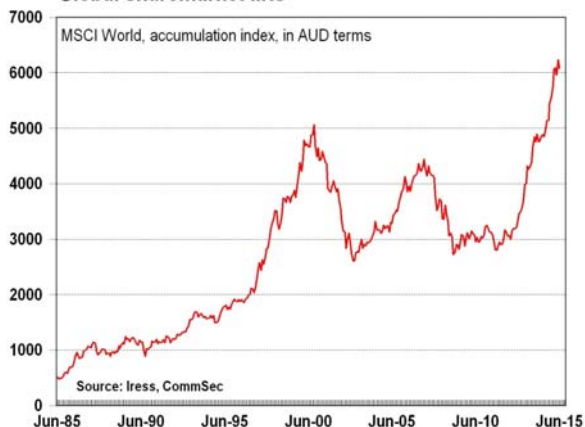
- > Deficit of \$41.1 billion (2.6% of GDP) is tipped this year 2014/15.
- > Deficit of \$35.1 billion (2.1% of GDP) is tipped next year 2015/16.
- > Economy expected to growth 2.50% this year and 2.75% next year.
- > Net debt to rise to \$285.8 billion or 17.3% of GDP in 2015/16.
- > Small business tax cut from 30c in the dollar to 28.5c in the dollar from July 1.
- > Small businesses will be able to immediately deduct each and every asset valued under \$20,000 until June 2017.

Sources: Budget papers, CommSec

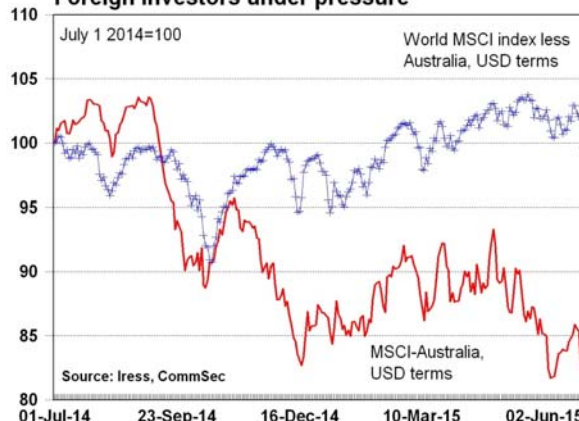
Global shares



Global sharemarket lifts



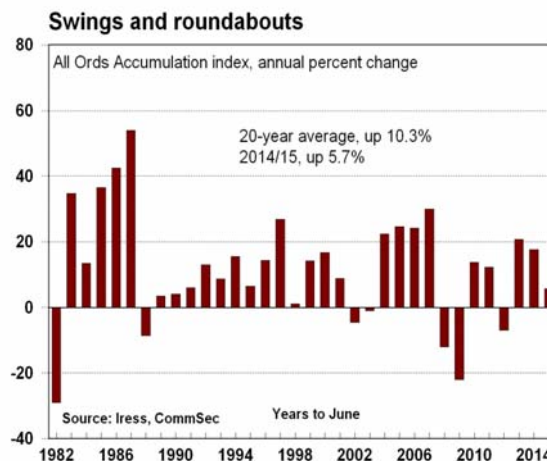
Foreign investors under pressure



Australian shares



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BEST & WORST STOCKS, ASX 200

percent change 2014/15

Best

Qantas Airways	150.4
Select Harvests	113.8
M2 Group	85.3
Liquefied Natural Gas	78.0
Northern Star Resources	75.4
Evolution Mining	74.9
Sirtex Medical	71.6
Domino's Pizza	66.5
TPG Telecom	63.3
Corporate Travel Management	61.9

Worst

Arrium Ltd	-80.5
MMA Offshore	-74.0
Bradken	-62.6
Senex Energy	-59.7
Metcash Ltd	-58.5
Fortescue Metals	-56.3
Cardno Ltd	-48.9
Kathmandu Holdings	-47.0
Santos	-45.0
Bluescope Steel	-44.7

Source: Bloomberg, CommSec

BEST & WORST STOCKS, All Ordinaries

percent change 2014/15

Best

Impedimed	380.4
Bellamy's Australia	234.9
Newfield Resources	217.9
Terramin Australia	215.8
Migme Ltd	181.3
Blackmores	175.9
Phileo Australia	158.0
Highfield Resources	157.4
Panorama Synergy	155.1
Australian Pharma Indus	154.2

Worst

BC Iron	-90.9
Atlas Iron	-81.0
Arrium Ltd	-80.8
NRW Holdings	-79.9
Iron Road Ltd	-78.3
Tiger Resources	-78.1
Horizon Oil	-75.4
Sundance Resources	-75.0
Lynas Corp	-74.6
Cockatoo Coal	-74.3

Source: Bloomberg, CommSec

Australian shares



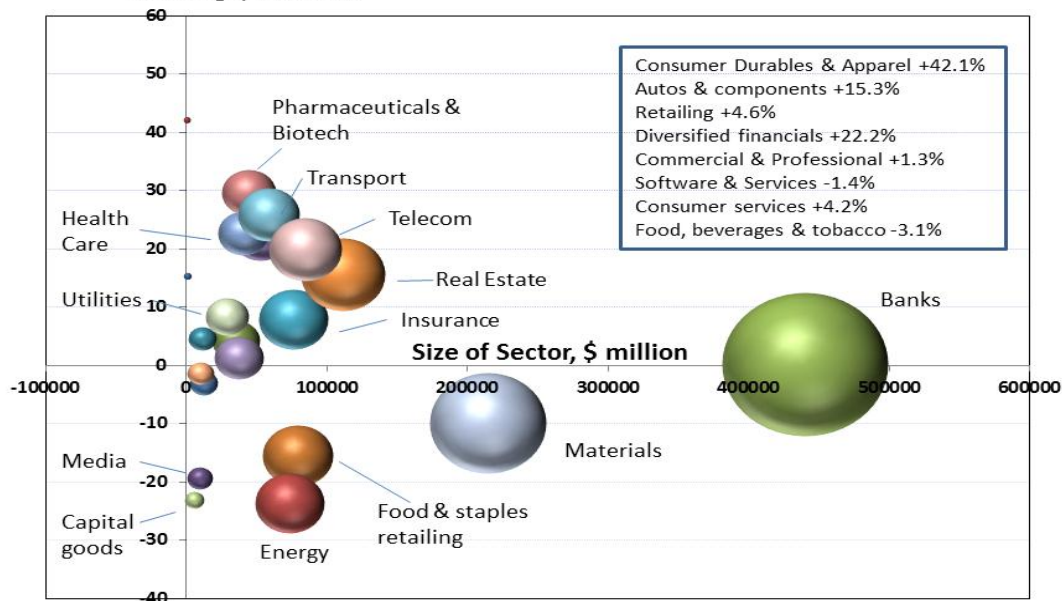
PERFORMANCE OF 20 BIGGEST STOCKS 2014/15

		30-Jun-15	High	Low	30-Jun-14	% change
BHP	BHP Billiton Limited	\$27.05	\$36.00	\$24.01	\$32.53	-16.8
CBA	Commonwealth Bank.	\$85.13	\$96.69	\$73.57	\$80.88	5.3
TLS	Telstra Corporation.	\$6.14	\$6.74	\$5.19	\$5.21	17.9
WBC	Westpac Banking Corp	\$32.15	\$40.07	\$31.00	\$33.88	-5.1
ANZ	ANZ Banking Grp Ltd	\$32.20	\$37.25	\$30.47	\$33.34	-3.4
NAB	National Aust. Bank	\$33.31	\$39.15	\$30.89	\$32.32	3.1
CSL	CSL Limited	\$86.47	\$96.60	\$63.77	\$66.55	29.9
WES	Wesfarmers Limited	\$39.03	\$46.95	\$38.44	\$41.73	-6.5
WOW	Woolworths Limited	\$26.96	\$37.32	\$26.25	\$35.22	-23.5
RIO	Rio Tinto Limited	\$53.75	\$67.89	\$51.99	\$59.31	-9.4
MQG	Macquarie Group Ltd	\$81.40	\$84.19	\$54.65	\$59.63	36.5
SCG	Scentre Grp	\$3.75	\$4.05	\$3.13	\$3.20	17.2
WPL	Woodside Petroleum	\$34.23	\$44.23	\$31.97	\$41.07	-16.7
S32	South32 Limited	\$1.79	\$2.45	\$1.72		
ORG	Origin Energy	\$11.97	\$16.21	\$10.28	\$14.62	-18.1
WFD	Westfield Corp	\$9.12	\$10.66	\$7.04	\$7.15	27.6
QBE	QBE Insurance Group	\$13.67	\$14.82	\$10.13	\$10.87	25.8
AMP	AMP Limited	\$6.02	\$6.83	\$5.02	\$5.30	13.6
SUN	Suncorp Group Ltd	\$13.43	\$15.08	\$12.68	\$13.27	1.2
BXB	Brambles Limited	\$10.60	\$11.95	\$9.01	\$9.19	15.3
STO	Santos Ltd	\$7.83	\$15.32	\$6.92	\$14.26	-45.1
IAG	Insurance Australia	\$5.58	\$6.61	\$5.31	\$5.84	-4.5

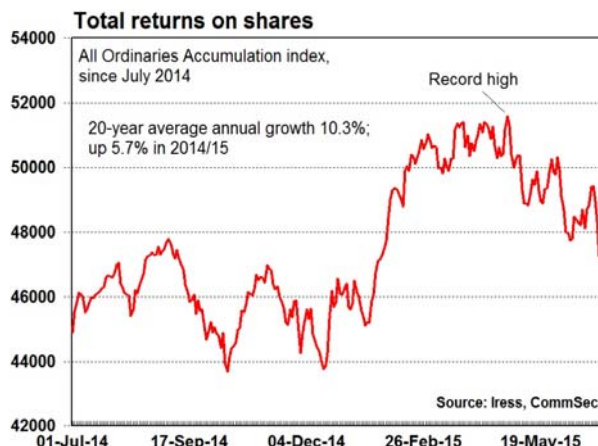
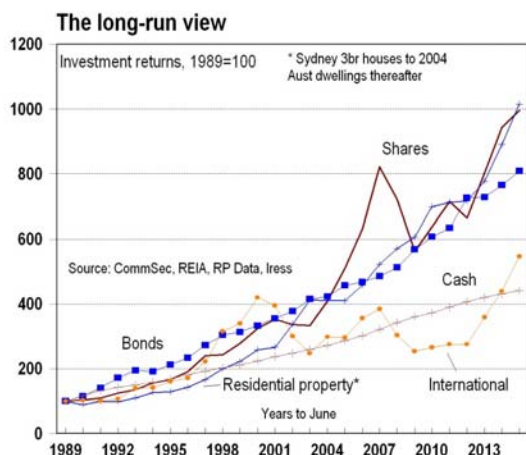
Source: Iress, CommSec

AUSTRALIAN SHAREMARKET INDUSTRY SECTORS

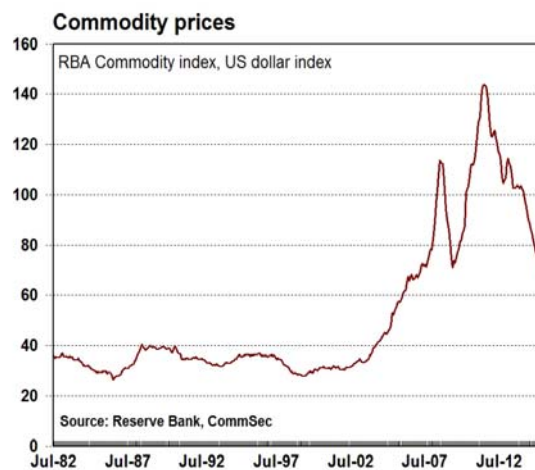
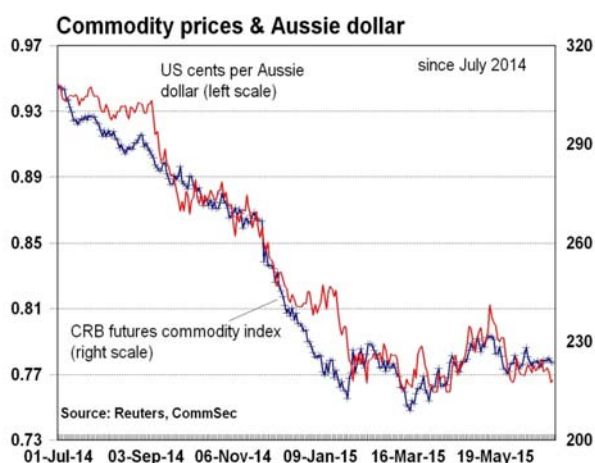
% change, 2014/15



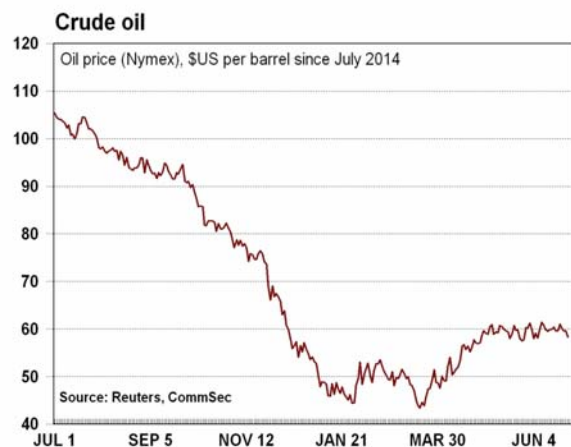
Australian investments



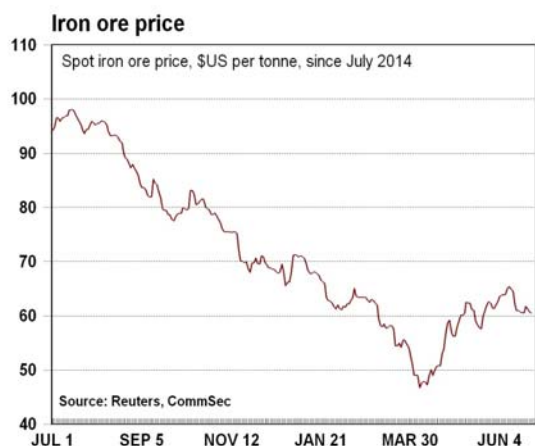
Commodity prices



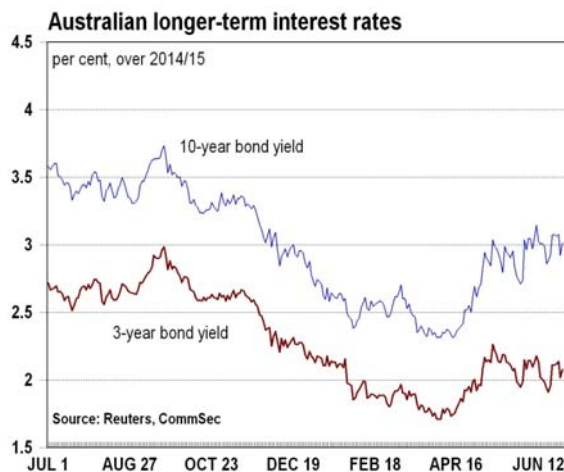
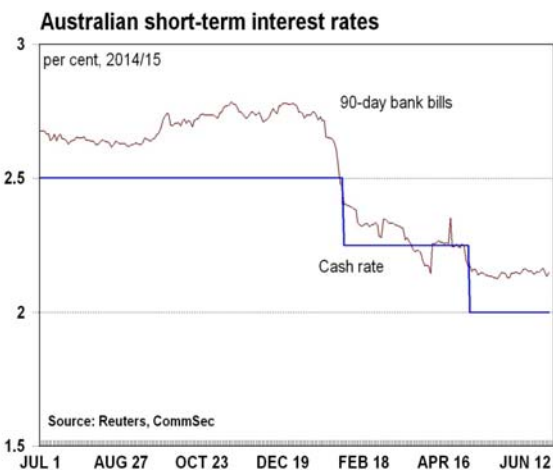
Oil & gold prices



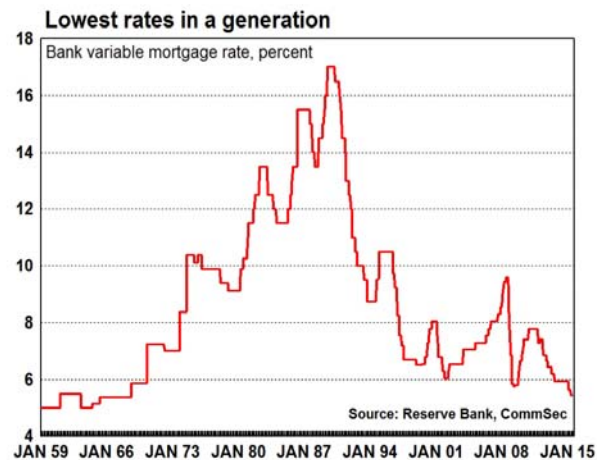
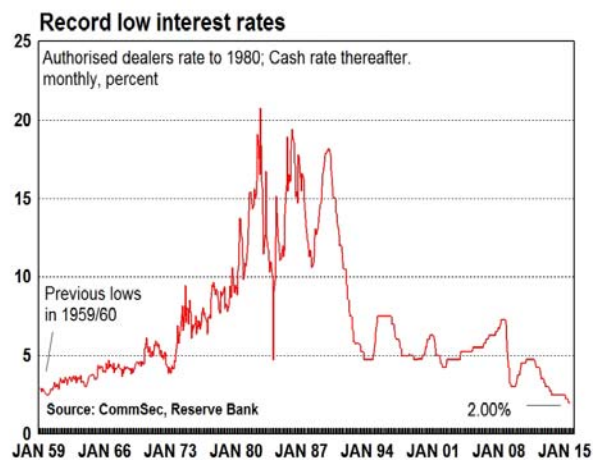
Iron Ore



Interest rates



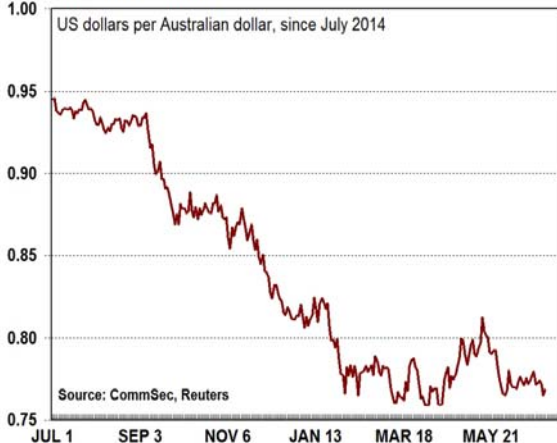
Interest rates



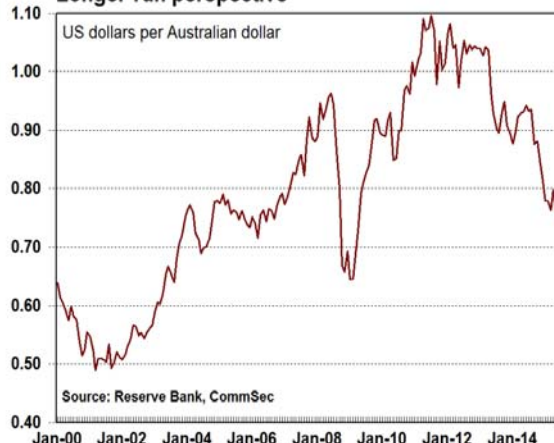
Exchange rates



Australian dollar



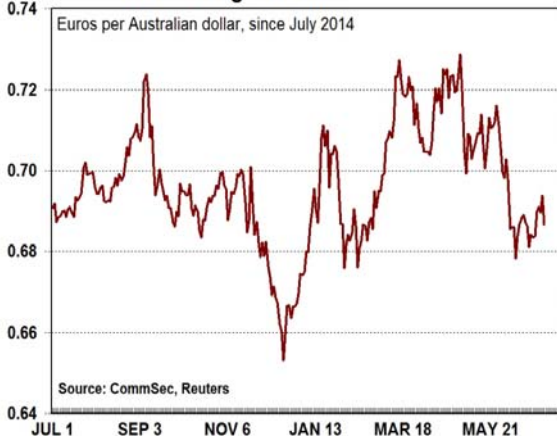
Longer-run perspective



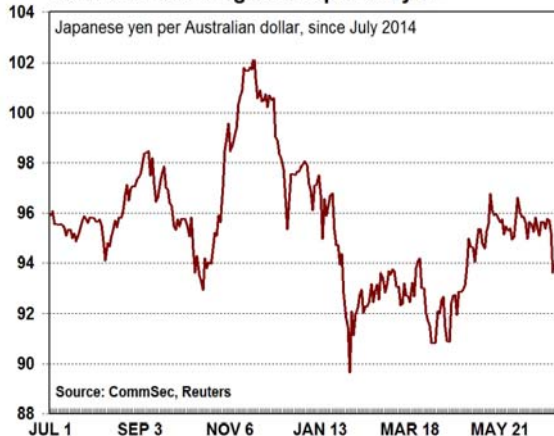
Exchange rates



Australian dollar against Euro



Australian dollar against Japanese yen



Outlook for 2015/16



- The Reserve Bank is expected to stay on the interest rate sidelines for most of 2015/16. If the economy lifts as expected, underpinned by low interest rates and stimulus to small businesses, the RBA could start to lift rates in late 2016.
- The US Federal Reserve is expected to start lifting rates by the end of 2015.
- The Chinese economy is expected to continue expanding at close to a 6.5-7.0 per cent annual rate.
- The Aussie dollar is largely expected to hold between US75-80 cents. Higher US interest rates could push the currency below the range but firmer Australian economic growth represents an upside risk for the exchange rate.
- The Australian economy is expected to lift from growth in a 2.0-2.5 per cent range in 2014/15 to 2.5-3.0 per cent in 2015/16.
- The Australian sharemarket is tipped to grow by 9-14 per cent in 2015/16.

Outlook



FORECASTS

	<i>end 2015</i>	<i>mid 2016</i>
Economic Growth	2.25-2.75%	2.50-3.00%
Underlying inflation	2.25-2.75%	2.50-3.00%
Unemployment	5.75-6.25%	5.50-6.00%
	<i>end 2015</i>	<i>mid 2016</i>
Cash rate	1.75-2.00%	1.75-2.00%
Sharemarket (All Ords)	5,800-6,000	6,000-6,200
Australian dollar	US74-79c	US75-80c