

# KALKINE MAGAZINE

JUNE 2021



# ABOUT KALKINE GROUP

Kalkine Group is a prominent name in the subscription & media sales line of business. A renowned equity market research, investor relations and media house firm, Kalkine caters to the share markets of Australia, the UK, Canada, United States, and New Zealand. The Company has also sets its eyes on the growing Ireland market.

Kalkine Media provides trending and live news articles about listed companies belonging to diverse sectors and market commentaries.

Interestingly, Kalkine Media also operates on the model of Advertiser – a Publisher firm under its B2B umbrella, providing a dedicated platform to the subscribed clients to leverage various offerings like exclusive banners, sponsored article coverages, videos and podcasts.

Periodic Investor Events and Webinars provide a crucial platform for several listed players/ private companies to present their business vision amidst broader industrial landscape and to interact with core audience including Brokers, Fund Managers/SMSF Investor Managers, Sophisticated Investors, Senior Business Executives and Retail Investors.

## TEAM KALKINE

Team Kalkine comprises of specialists including equity, currency, commodity, and economic analysts providing in-depth unbiased up-to date analysis. The team of analysts, sector-specific journalists and editors have hands on experience in developing industry breaking and trending equity and economic news. The team strives to work on the vision of establishing a strong foothold, primarily as a reliable media firm.

ABOUT KALKINE

# KUNAL SAWHNEY

Founder & CEO



**Kunal Sawhney** is the Founder & CEO at Kalkine Group and is a richly experienced and accomplished financial professional with a wealth of knowledge in the Australian Equities Market. His knowledge, skillset and vision provided all the perfect ingredients required to start one of the fastest growing equity market research firms across Australia. This was further supported by the aim of channelising energy and enthusiasm towards the stock market into a leading Media Research Firm.

# HINA CHOWDHARY

Director, Equity Research



**Hina Chowdhary** is Director, Equity Research at Kalkine with extensive experience in Research and Equities Research. She has hands-on experience in developing industry breaking equity news, company specific investment themes/ ideas, and other equity research-related products.

# KALKINE FOOTPRINT



Image Source: © Freepik.com/ Kalkine Media Pty Ltd



# EDITOR'S NOTE

The only constant in life is change." During the pandemic, each one of us has understood the importance of this statement in our own ways. The last year has turned the tables upside down for the entire globe due to COVID-19. And its not just Covid alone, climate change, challenging economic factors, unseen and unimagined situations have made each one of us deep dive into the inner sanctum. Not just people, even businesses are now adapting and pivoting, master planning and strategizing. There are no run-of-the-mill answers today. Each one of us is craving for innovation and creativity. It is now all about moving away from the same old to the ever changing and adapting model. In this every changing and evolving world, Kalkine Media presents its June issue – power packed with insightful and visionary articles and features as people and businesses work towards normalizing life post pandemic.

From the Tropical forests in South America and Africa to the Amazon rainforest, Earth's greenwoods are consistently declining because of human activities. Forests are our lungs, and a considerable part of these have been lopped off. Since 1990, our planet has lost 178 million hectares of forest. The last decade has been the warmest on record. June 5 of every year is a pivotal day for our planet as we celebrate the World Environment Day (WED). It is a day when nations join hands to celebrate the resources that succour in sustaining life on earth. This year's theme is "Ecosystem Restoration" and the current year is significant in tackling the conundrum of climate change. Our June issue celebrates the World Environment Day with an exclusive piece.

We also investigate the Iron ore prices which are approaching an inflection point in the issue.

The issue is packed with indepth insights from few Kalkine Clients namely Sihayo Gold that has set sights on unlocking value and is gearing up on its up exploration efforts.

JUNE 2021



Against the current backdrop, leading Australian provider of staffing, training and employment services, The GO2 People Ltd, is well positioned to make an impression having developed a robust business model delivering staffing, training and employment services. Know more on the latest acquisitions of the company and the Budget provisions that brighten The GO2 People's prospects. The issue also features wagering technology and data partner BetMakers Technology Group Limited that works along with some of the most recognised and respected bookmakers and rights holders across the globe. Know how BetMakers Technology Group makes the right moves to increase its odds of success.

Catch up on major news that calls for investor attention like the Passing of Bill A4909 and the proposal to acquire Tabcorp's Wagering and Media business in the June issue.

The must-read section of the June issue is 10 thrilling stock market movies to inspire the trader in you. If you are a stock market enthusiast, we get you a curated list of top 10 movies that you cannot afford to miss. One can grasp a whole lot of information that's creatively presented in the form of a fun and interesting script.

Hardly any asset class has been as impacted by the tweets of a particular

person as cryptocurrencies. One favourable tweet from Elon Musk, Bitcoin surges to US\$64,000. Another tweet from Mr Musk, this time a critical one, the crypto crashes to US\$30,000. And all this has happened in the first five months of 2021. The Opinion piece on Cryptocurrencies is an insightful read in the June issue.

The fear of inflationary pressures has been spooking investors over the past few months. Know about the recent CPI trends and their impact on bond yields in an exclusive economic section.

Hope all of you enjoy reading the June issue of Kalkine magazine as we enjoyed creating it for you. With lots more inside our pages, here's hoping you enjoy your copy!





# SUCCESS STORY: KALKINE MEDIA

Kalkine Media is helping investors take sound and rational investment decisions in volatile markets while dodging cognitive biases, come rain or shine by offering hot stories and updates across diversified markets and sectors.

Kalkine's Digital Media platform is striving with utmost diligence to keep its readers abreast of the latest developments across equity, debt, currency and commodity markets through publication of relevant and trending market, economic and financial news and work products.

As per Google Analytics, the media platform has clocked a whopping 3.7 million pageviews in the last one year. Besides, organic impressions in the past year stood at an impressive 6.8 million.

On the B2B/sponsored side of business, Kalkine Media has upped the ante by expanding its offerings based on the





model of Advertiser-Publisher firm. So much so, the Group has catered to over 130 exclusive clients over past one year , with 65 active clients currently leveraging our services.

Kalkine Media has jumped through hoops, building various cross-functional teams to expand its wings further across the globe. Tapping the burgeoning marketing

opportunities amid the virus crisis, Kalkine Media expanded its presence in the UK and New Zealand last year. The Group has recently expanded in the attractive US market, while eyeing to establish a strong footprint in Ireland in the near term.

Recently, Kalkine Media ventured into Kalkine TV - an online streaming financial and stock market news channel, airing a blend of live and recording videos. It covers breaking stories and trending news across equity, commodity, currency, economic and political space, along with educational series. There are also exclusive in-depth interviews from market experts and in-house sector specialists.

Besides, Kalkine Media conducts several comprehensive Investor Events and Webinars, aiming to be a reliable intermediary between investors and sector specialists and ensuring flow of market and business at a dedicated platform. Kalkine Media further aims to spread its wings into different markets and offer a plethora of products providing dedicated guidance to its clients while staying ahead of the curve amidst pandemic-induced volatile scenario.



# TABL CONT

12

## HOW TO COMBAT THE GROWING SCOURGE OF CLIMATE CHANGE?

This year's World Environment Day theme is "Ecosystem Restoration". But why is 2021 significant in tackling the conundrum of climate change

15

## IRON ORE PRICES APPROACHING AN INFLECTION POINT, WE INVESTIGATE

The strong rally in iron ore prices has left commodity market players stunned. Will the metal maintain its momentum, or the rocket fuel isn't over yet?

20

## INSIGHTS FROM FEW KALKINE CLIENTS

Skim through the recent developments of few of our exclusive clients!



# LE OF ENTS

## 10 THRILLING STOCK MARKET MOVIES TO INSPIRE THE TRADER IN YOU

Acquaint with movies that truly rouse the audience by illustrating complex intricacies of the financial world.

29

## OPINION: CRYPTOCURRENCIES NEED MORE BEARISH PLAYERS

Will the world's largest cryptocurrency, Bitcoin continue making headlines this year?

40

## US INFLATION - PEAK OR THE BEGINNING OF A LONG TRAJECTORY?

The fear of inflationary pressures has been spooking investors over the past few months. Know why!

43

# 1. HOW TO COMBAT THE GROWING SCOURGE OF CLIMATE CHANGE?

June 5 of every year is a pivotal day for our planet as we celebrate the World Environment Day (WED). Nations join hands to celebrate the resources that

succour in sustaining life on earth. This year's theme is "Ecosystem Restoration". The current year is significant in tackling the conundrum of climate change.



Copyright © 2021 Kalkine Media



## How grim has climate change become?

The Scripps Institution of Oceanography in California's San Diego declared that greenhouse gas atmospheric concentration crossed a new record and made an average of 417.14 parts per million (ppm) in March 2021. Greenhouse gases trap heat and disrupt the environment.

The last decade has been the warmest on record. Notably, the year 2020 was 1.2 degrees Celsius hotter than an average year of the 19th century. The temperature rise coincides with "el Nino" and results in large-scale warming of the ocean surface. This rise in global temperature last year also triggered the worst wildfires in Australia, California,

and Colorado.

From the Tropical forests in South America and Africa to the Amazon rainforest, Earth's greenwoods are consistently declining because of human activities. Forests are our lungs, and a considerable part of these have been lopped off. Since 1990, our planet has lost 178 million hectares of forest.

We are the first generation to experience the gruesomeness of climate change. Before the issue of climate change turns into a cliché, let's pledge to restore healthy life to our environment. Adapting to sustainable life on both macro and micro levels is the key to saving the planet from destruction because of global heating.

## What are the key measures that can tackle global climate change, biodiversity loss and pollution?

- **Transition to renewables is the key-** For sustainable development, transitioning to renewables is imperative. Renewable energy is no longer a niche source of energy. The world is becoming more aware of the magnitude of change that renewables can bring for a greener and sustainable future. The 2030 Paris Agreement target to produce half of the total world electricity from renewables would help maintain global warming below 1.5C.
- **Bitcoin minions: a threat to climate change** - The Bitcoin ecosystem is extensively resource-based and energy-intensive. The annual consumption of Bitcoin mining is 133.68 TWh. If Bitcoin mining increases rapidly, then it might push our planet beyond 2C of global warming as soon as within the next three decades.



Copyright © 2021 Kalkine Media

- **Electronic vehicles: the new saviour** - Apart from Tesla, Ford, Toyota, many new automotive producers such as Polestar, Rivian, etc. are entering the world of electronic motors. To procure and conserve the planet, switching to EVs from liquid fuel vehicles is crucial. Electronic cars prove to be a boon for the environment, from lesser driving emissions to lower accumulated lifetime emissions.
- **Time for a sustainable wardrobe** - The implications of the fashion industry on the environment has been long ignored. Unfortunately, the global fashion industry is responsible for emitting 10% of the total greenhouse gases in the world. The basic “3R” rule of reuse, recycle and reduce should be the fashion industry’s new motto. Trends like “Fast fashion” are poison to nature.

Revamping our daily lives with a view to embrace sustainability is a key to achieve the goals of a green and safe future. Remember, human existence entirely depends on the environment.

Conservation of resources preserves harmony between humans and Earth, endorsing that should be the goal of World Environment Day, 2021.



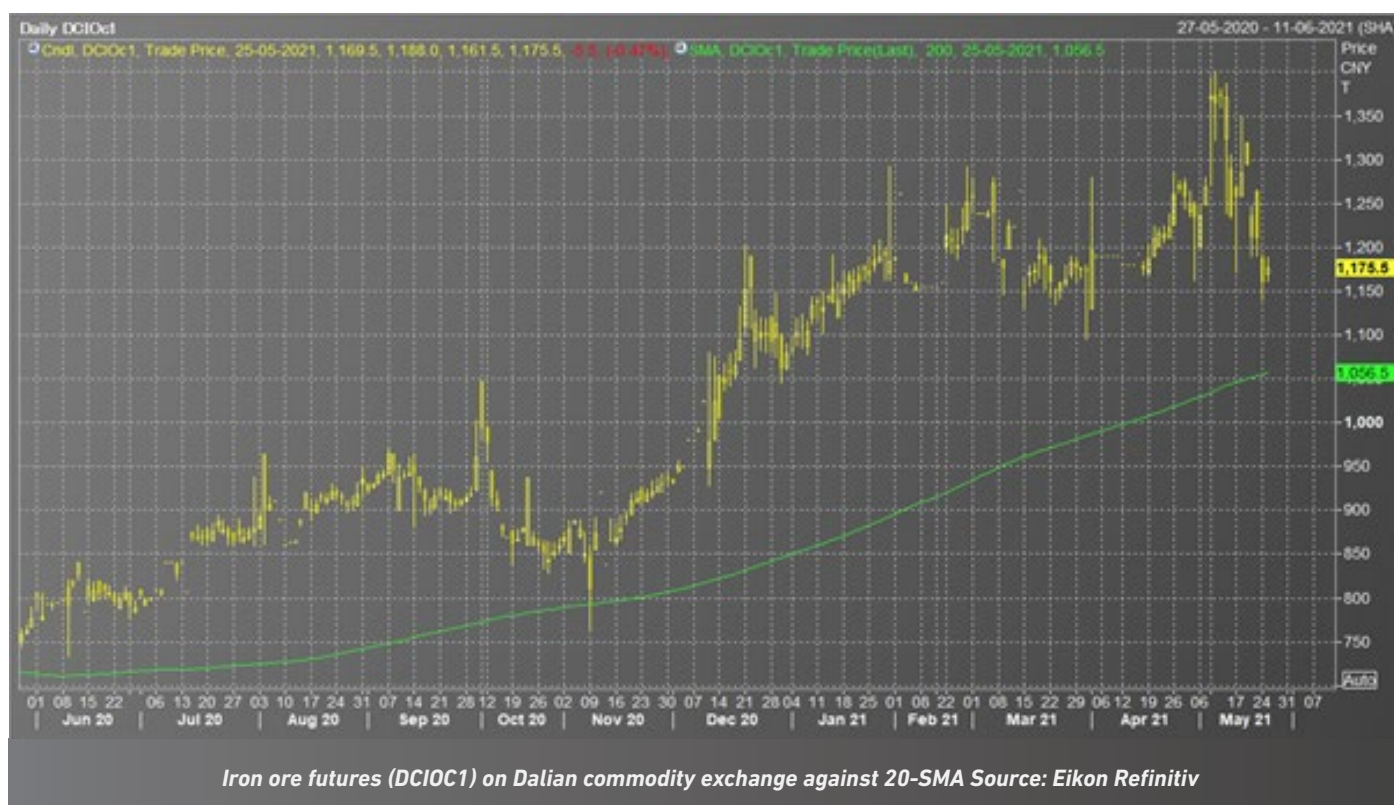
## 2. IRON ORE PRICES APPROACHING AN INFLECTION POINT, WE INVESTIGATE

The strong rally in iron ore prices has left commodity market players stunned as the bulk commodity has outperformed most of the bulk, base, and precious metals commodities during the rally, which unfolded during the coronavirus pandemic period. Well! The world of commodity analysts seems at a loss of words as some of them are sceptical if the metal will maintain its momentum, while others believe the rocket fuel isn't over yet.

As per an ANZ research, the escalating trade tensions between the US and China and the strengthening headwinds may weigh down iron ore prices. On

the contrary, Morgans anticipates the fundamentals to continue pushing iron ore upwards. The Dutch banking major, ING, believes the iron ore price rally was mostly speculative.

The iron ore 1-month futures on the Dalian commodity exchange traded at CNY1,175 on 26 May 2021. The iron ore futures had surged to CNY1,400.5 a tonne for the first time in history on 11 May 2021. The benchmark (CME) iron ore fines 62% Fe futures (TioC1) traded at US\$207 a tonne on 26 May 2021, after surging to the new record levels of US\$218.38 a tonne.



While the rally in the commodities seems to be a great boon for miners, the inflation fears have begun to creep in. The Australian and the New Zealand

dollars surged to 10-year high against their US counterpart on the back of stronger commodity prices.



Copyright © 2021 Kalkine Media

## **Demand Surges, Supply dips, Speculative Buying triggered**

As per the World Steel Association, the steel output in April surged to 169.5 million tonnes, a massive 23.5% increase against the previous year. For the iron ore bulls, the rising demand was complemented by a declining supply, pushing the iron ore prices to new heights. As per the S&P Global Market Intelligence, top 20 players' iron ore

output reduced by 10% during the first quarter of 2021.

The rally in iron ore prices has proved to be a silver lining during the dark hours of the pandemic for miners, as many mining operations were halted and struggled to resume their operations. The recent iron ore price rally served to balance the losses recorded for those periods. The rising demand from the iron-monger steel mills and the declining



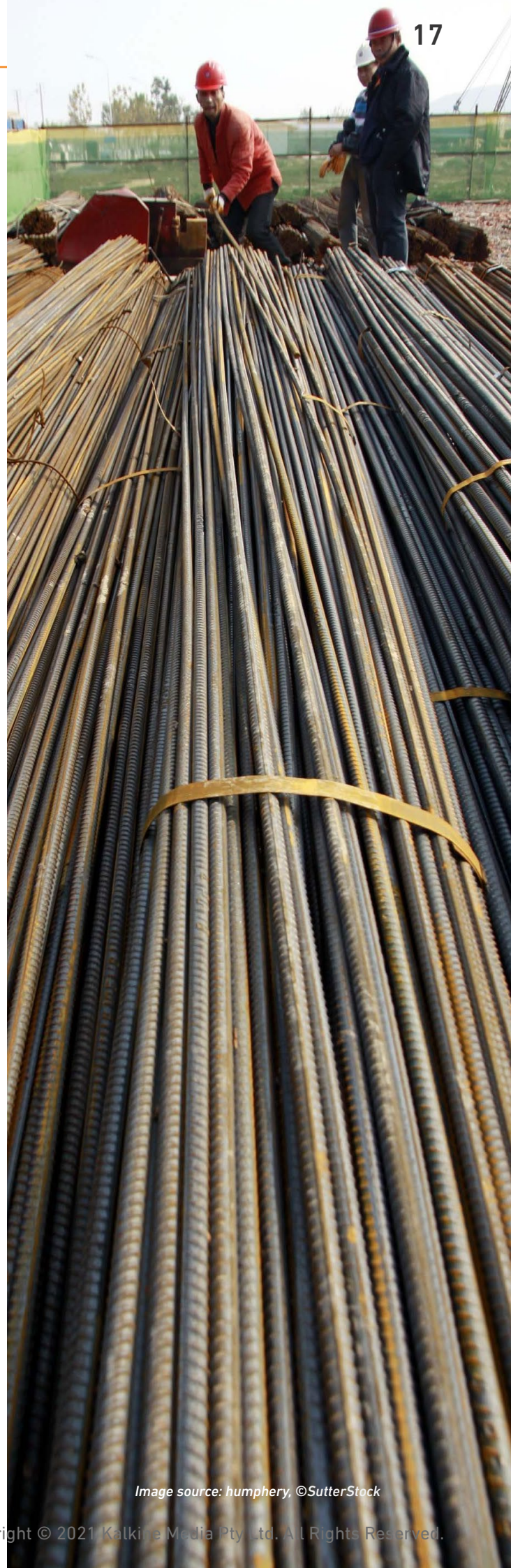
production supply has prompted speculative buying into the commodity. The supply of iron ore was the most hit after the state of Pará, which produces over 30% of Brazil's iron ore, reported a spike in COVID-19 infection rates.

## The China Factor

China's crude steel production has gone up by more than 19% in the past month despite tight emission guidelines enforced by the Chinese government on the steel industry. The Asian superpower has set up an ambitious goal of a net-zero carbon economy by 2060. In a major policy shift, China withdrew the previously offered export rebates on many steel products and reduced the import tariffs on crude, scrap, or semi-finished steel.

The rising trade tensions between China and Australia needs to be closely monitored in the coming months. Earlier, China had banned Australian coal imports and it is feared that it may take another step to cut down its iron ore dependency on Australia.

Morgans sees the economic recovery to result in strong iron ore demand and persisting supply issues in Brazil. Further, the current supply squeeze may ease with the increasing production in the US and higher imports supporting the prices above historical averages.



*Image source: humphery, ©SutterStock*



March 2021 marked the first anniversary of the market rout when global indices dipped to extremely low levels amid pandemic-induced panic selling. Notably, gradual economic reopening, emerging sectoral trends, and buy-the-dip opportunities marked the revival of stock markets over the year.

When market players were tapping pulsating trends and emerging hot themes from an investment standpoint to re-design their portfolios, Kalkine Media launched an online streaming financial and stock market news network - Kalkine TV in March this year.

Kalkine TV is a one-stop solution to all the market-related nuances. The streaming platform aims to make financial information accessible to all through its in-depth and real-time coverage. Kalkine TV strives to establish a strong foothold in the market as the fastest, reliable, and high-end market research-driven platform. The platform leverages the expertise of in-house sector specialists,

fundamental analysts and technical experts to touch base on hot trends driving the market charter and volatility.

**Embedded on the media site's home page, Kalkine TV offers a curated coverage of trending news, market analysis and hot trends driving the equity, commodity, currency, economic and political space. Special talk shows, market beats, sector analysis, and financial/business interviews by the credible team of anchors form a strong pillar for the streaming portal.**

While markets and asset classes are subject to swings frequently, the aim is to provide trending updates and zoom analytical lens to guide market players and the general audience in undertaking sound and rational decision-making while dodging cognitive biases.

**The video streaming network hosts prominent business leaders, market experts and sector specialists to touch base upon market trends and business landscape. Kalkine TV offers them the opportunity to be the driving force in guiding growth-hungry investors with essential investment ingredients and sectoral trends.**

The focus is also on educational content and financial definitions to help investors/viewers comprehend various financial, equity and economic jargons.

As a future roadmap, Kalkine Media aims to disrupt the online streaming landscape across other geographies such as Canada and the US.



**So, Stay tuned with Kalkine TV for buzzing updates on markets and economies!**

**[Watch Kalkine TV Live Now](#)**



### 3. INSIGHTS FROM A FEW KALKINE CLIENTS

#### In quest for Indonesian gold, Sihayo ([ASX:SIH](#)) cranks up exploration

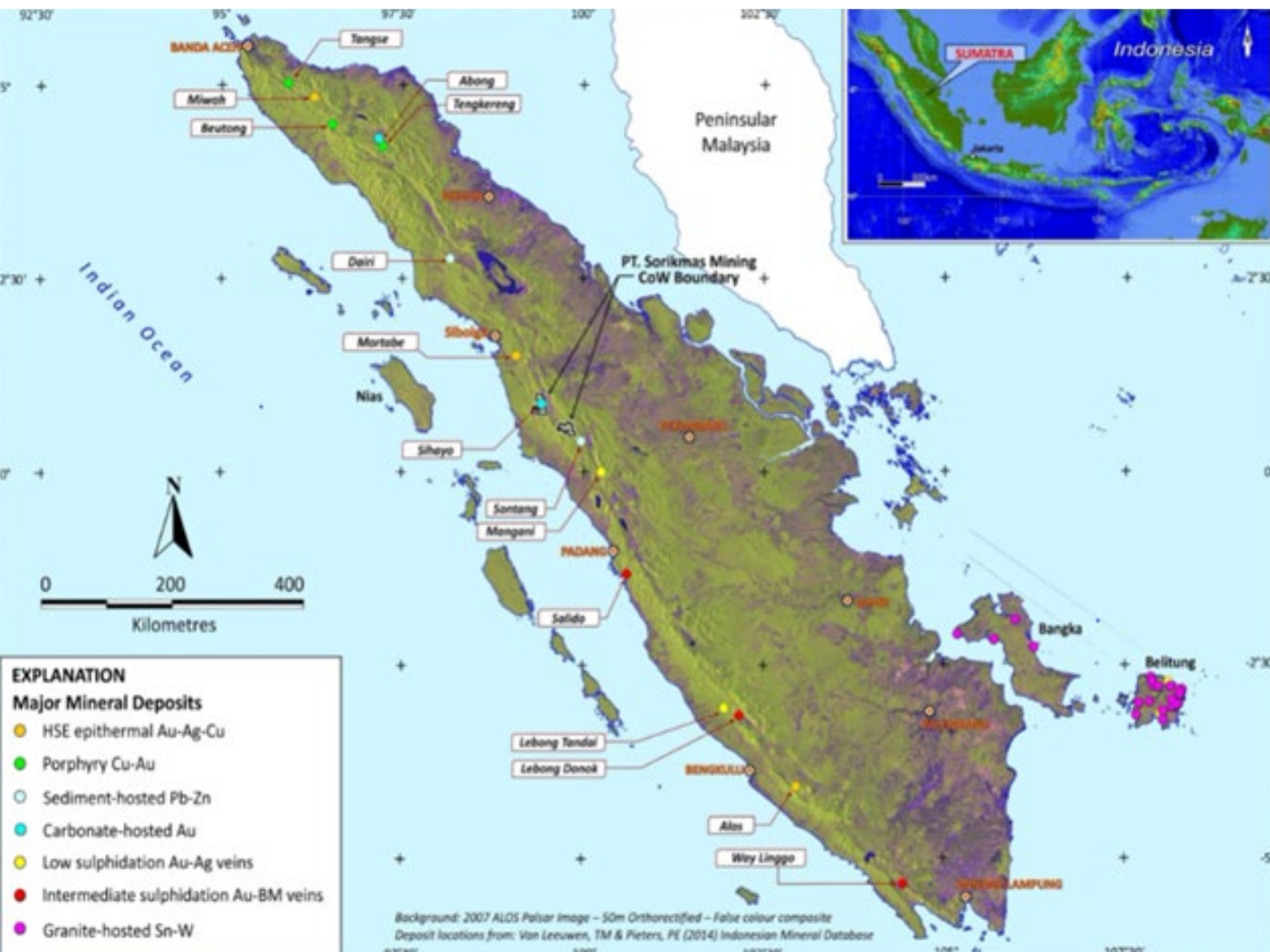
Sihayo Gold Limited (ASX:SIH) is engaged in the exploration and development of highly prospective, large-scale and long-life tenure in North Sumatra, Indonesia. The tenure coincides with the geologically prolific Trans Sumatra Fault Zone (TSFZ), home to several significant gold deposits.

Sihayo operates the Sihayo Gold Project through a joint venture company – PT Sorikmas Mining. Sihayo owns a 75% interest in the JV and PT Aneka Tambang owns 25%, which in turn holds the Sihayo-Pungkut 7th Generation Contract of Work (CoW).



*Image source: Sihayo December 2020 Quarterly Activities Report*





## Unlocking the value at Sihayo Gold Project

Sihayo has devised a three-tiered exploration strategy, which includes intensified exploration and drilling at the Hutabargot Julu prospect and extensions

to the Company's Sihayo Starter Project as well as a regional exploration strategy to identify and prioritize porphyry copper and epithermal gold targets across the CoW.

## Hutabargot Julu Project

Sihayo concluded the first phase of a scout drilling program at Hutabargot Julu during the March 2021 quarter. A total of 25 diamond inclined core holes were drilled during the program, which was designed to test the sources of the gold-multi element soil geochemical anomaly that were highlighted from historical exploration work.

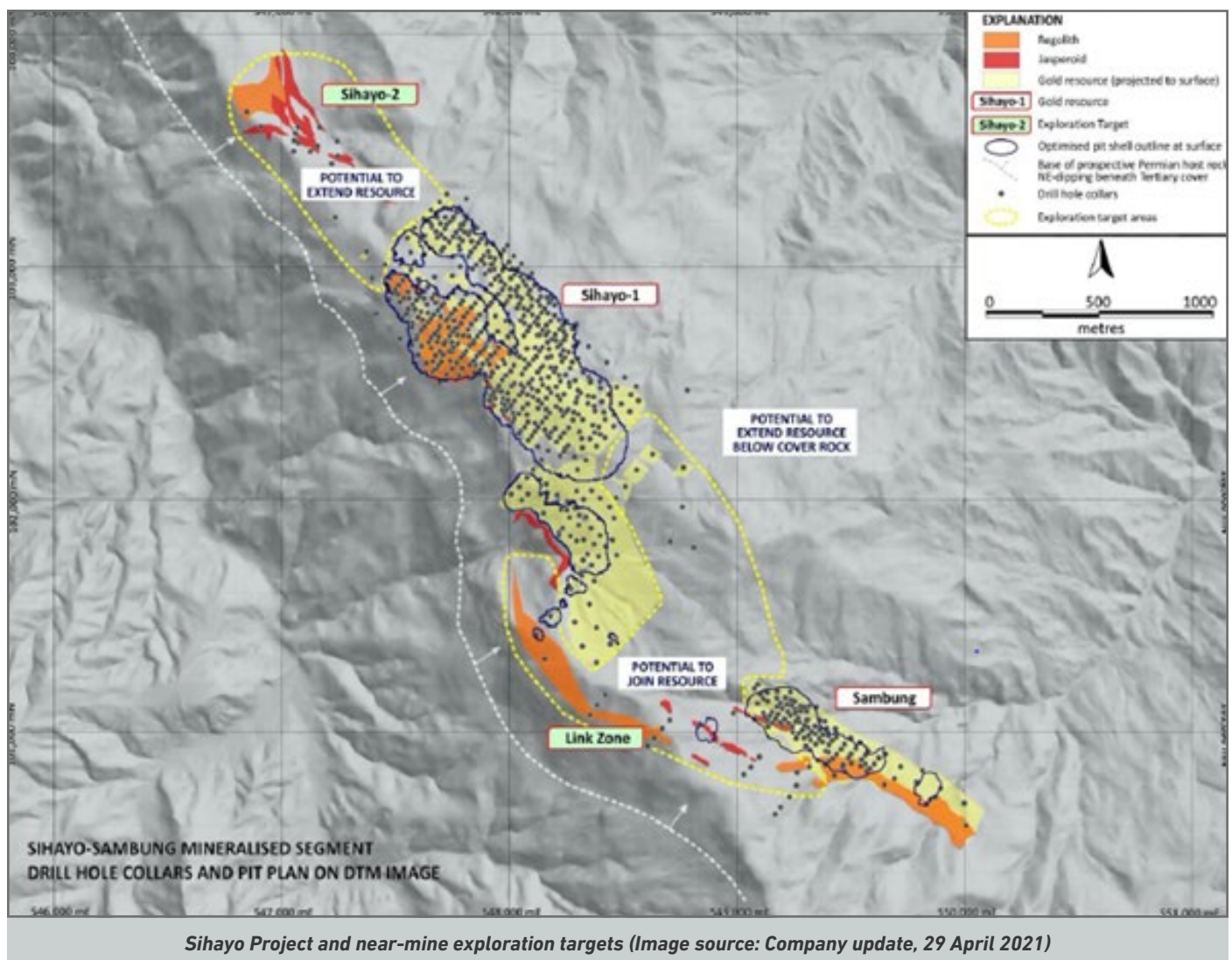
Sihayo's exploration team also undertook a sampling program on the prospect, which involved the collection of 56 samples from rock piles found on

artisanal mine dumps of the Sihorbo and Penatapan targets.

Currently, Sihayo is undertaking drilling campaign on Sihorbo. As per the last update from the Company, three holes have been completed so far on the 10-hole drilling campaign. Assay results are pending with the lab and will be shared once received, expected shortly.

## Sihayo Starter Project

A Definitive Feasibility Study (DFS) was completed on the Sihayo Starter Project in 2020. Near mine exploration has the potential to extend mineralisation within





the trucking distance to the proposed Sihayo Plant. Significantly, the DFS has estimated a resource of 1.5 million ounces on the project.

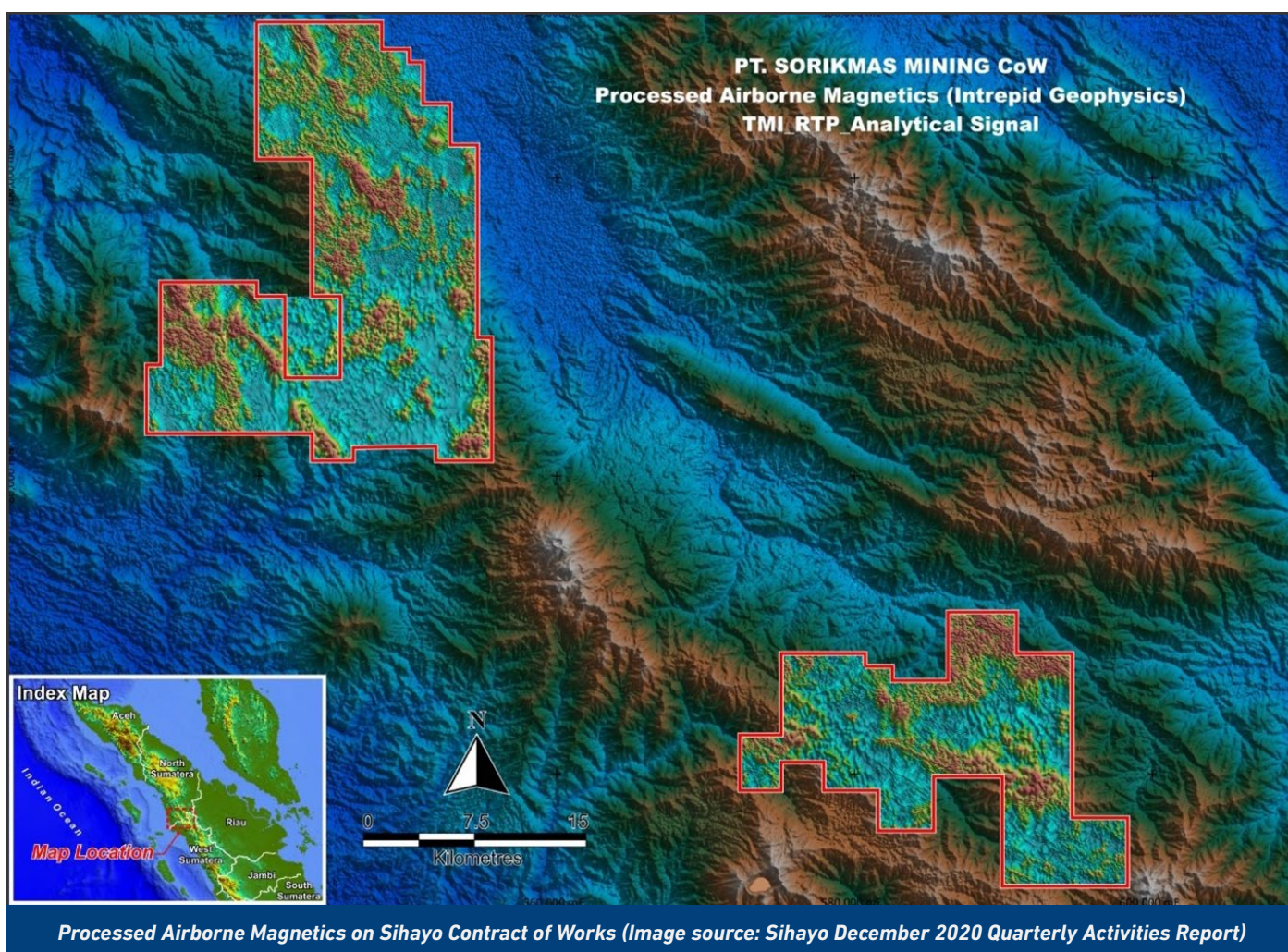
A drilling campaign is underway on the Sihayo-2 prospect. The Company has completed nine holes so far from its 20-hole campaign. The assay results of the first three holes have been received and are highly encouraging. The assay result from hole SH2DD022 is:

- 24.8m @ 1.09g/t Au from 52m including 6m @ 2.46g/t Au
- 8m @ 1.32g/t Au from 96m including 1m @ 4.4g/t Au

Sihayo has secured the Government approval of its Feasibility Study on the project. The Company is currently engaged in baseline studies for getting environmental approvals.

## Greenfield Exploration

Sihayo is undertaking extensive exploration activities to explore the potential of copper and epithermal gold and silver deposits on the rest of the CoW area. Sihayo has completed the reprocessing and imaging of the historic airborne magnetic and radiometrics, which provided high-quality detailed imagery.





The imagery is being used for 3D geophysical and geological modelling, target generation and interpretation. The work is focused on magnetic and structural modelling of the area between Sihayo Starter and Hutabaragot Julu prospects. The results of the study are expected to be ready by June quarter.

## The G02 People Ltd ([ASX:G02](#))

### **Latest acquisitions, Budget provisions brighten The G02 People's prospects**

Employment services along with labour market policies have emerged as key to bridging the job market gaps and skills shortages created due to the COVID-19 pandemic. The significance of such services has been stressed by the International Labour Organization, given its role in facilitating labour market transitions for workers and enterprises.

***Against the current backdrop, leading Australian provider of staffing, training and employment services, The G02 People Ltd (ASX: G02), is well positioned to make an impression having developed a robust business model delivering staffing, training and employment services.***

The Company has undergone a positive transformation in the past 18 months, having executed a successful restructure of its operations and completing two strategic acquisitions to drive earnings growth and, in turn, shareholder value. The Company, now a strategic collective

of employment-related brands, delivers tailored employment solutions through a full suite of specialist services to business, government and individuals.

Recent acquisitions, Skill Hire Australia Pty Ltd and Hunter Executive Search Consultants, have further enhanced the Group's capability and both align strongly with the employment growth and infrastructure investment aspects of the 2021-22 Federal Budget.

In light of the recent developments, let us understand why G02 is in a sweet spot with the current state of affairs.

### **Skill Hire Acquisition Completed**

The G02 People has now completed the acquisition of Skill Hire following a general meeting of shareholders on 31 May 2021.

One of Australia's leading employment services provider, Skill Hire, is a highly synergistic business which brings integrated benefits of a Registered Training Organisation, an employment agency, and an apprenticeship & traineeship recruitment business to empower people towards gainful employment.

The strategic business model of the G02 group of companies addresses significant skills shortages across a number of key economic sectors. The addition of Skill Hire to the G02 stable adds substantial cross-sell

potential, scalability and significant cost rationalisation, paving the way for improved earnings and cash flow in FY22, all the while driving stakeholder value.

## **G02 Wraps Up Acquisition of Hunter Executive**

In March, G02 acquired Perth-based Hunter Executive Search Consultants, enhancing the firm's service offering and improving group margins.

Leading Australian recruiter, Hunter Executive, specialises in permanent and contract placements for the executive, resources, engineering, environmental and water industries. Hunter perfectly complements G02 and Skill Hire, delivering white-collar permanent and contract recruitment services.

Again, synergies identified between Hunter and the G02 group, represent remarkable cross-sell opportunities across the respective business' existing client base and in key operating sectors which is expected to drive organic growth within the Group.

## **Federal Budget Enhancing Growth Prospects**

The 2021-22 Federal Budget is strongly geared towards improving the Australian employment landscape, a critical area that forms an integral component of the

business model of G02 and its latest acquisitions.

Besides providing significant support to pre-employment and transition to work programs, the Government's boost to apprenticeships and traineeships is expected to offer a cornucopia of success to diverse components of Skill Hire's operational zones.

FY22 is expected to be highly fruitful for G02, with the latest acquisitions and the Government's employment-focused initiatives set to catalyse the Company's prospective organic growth and offer up additional strategic acquisition opportunities.

## **BetMakers Technology Group (ASX:BET)**

**BetMakers Technology Group (ASX:BET) makes the right moves to increase its odds of success**

Wagering technology and data partner BetMakers Technology Group Limited (ASX:BET) works along with some of the most recognised and respected bookmakers and rights holders across the globe.

The billion-dollar capitalisation company was founded in 2011 and now has operations across borders, with offices located in New South Wales, Queensland, Australia, as well as in the capital city of Sri Lanka, Colombo.

BET prioritises on maintaining transparency, commercialisation, and most significantly, wagering integrity within horse racing.

## BET's offerings

The Company's offerings include one of the widest wholesale racing wagering solutions across the globe and bring together racing to wagering operators from across the globe.



BET's Brands

## DynamicOdds (Australia's No 1 odds comparison tool)

- DynamicOdds is considered Australia's top-ranked odds comparison tool.
- Used by thousands of punters, bookmakers, and industry professionals.
- Odds comparison platform that provides intelligent betting tools to the punter.
- Provides the "Official Price" to Australia's Principal Racing Authorities.

## Bettinghub (Racing and Sports whitelabel platform)

- An unrivalled racing & sports platform developed in partnership with Australian Associated Press (AAP).
- Allows users to bring the best Sports & Racing coverage to their audience.
- Developed by bringing together the racing and sports data expertise of BetMakers and the journalist prowess of AAP.

## Global Tote (World's first B2B Tote)

- World's first B2B Tote, which is enabled through lightweight and contemporary technology.
- Allows for quick scalability, swift API integrations and new product development.
- Believed to be a game-changer for Approved Wagering Operator (AWO).

## Global Betting Services (Extensive coverage of racing events)

- Founded in 2010, it brings broad coverage throughout several races and bookmakers through their flagship product, Price Manager.
- Allows corporate bookmakers to create content for their racing customers through innovative tools.



With more than 250,000 thoroughbred, harness and greyhound races annually, BET offers the widest range of racing events accessible to the user racing book.

### **BET's growth and positioning factors**

Over the years, BET has significantly expanded its business, which is also reflecting in its stock price appreciation. The BET stock has appreciated by more than 320% over the past year till 24 May 2021, delivering substantial value for its shareholders.

On the management front, the Company is led by a highly skilled team of professionals who have a depth of experience across diverse fields.

The growth of any technology company is underpinned by the modern and innovative thinking of its leaders and the capability to give shape to those ideas while offering value to its target audience. BET's growth over the years indicates the serious commitment and dedication of its leaders towards generating value for its stakeholders.

### ***Major news that calls for investor attention***

**Passing of Bill A4909:** Recently, BET has noted the unanimous passing of Bill A4909 in the New Jersey General Assembly, which intends to allow fixed odds wagering on horse races through a fixed odd wagering system. This significant move shows the support for Fixed Odds as a solution to enable expansion in the horse racing industry in the US.

The passing of the bill is yet to progress through the final stages of approval.

**Proposal to acquire Tabcorp's Wagering and Media business:** On 28 May 2021, BET made a significant move towards expanding its business and has proposed to acquire the Wagering and Media business of Tabcorp Holdings Limited ([ASX:TAH](#)).



Source: Copyright © 2021 Kalkine Media Pty Ltd.

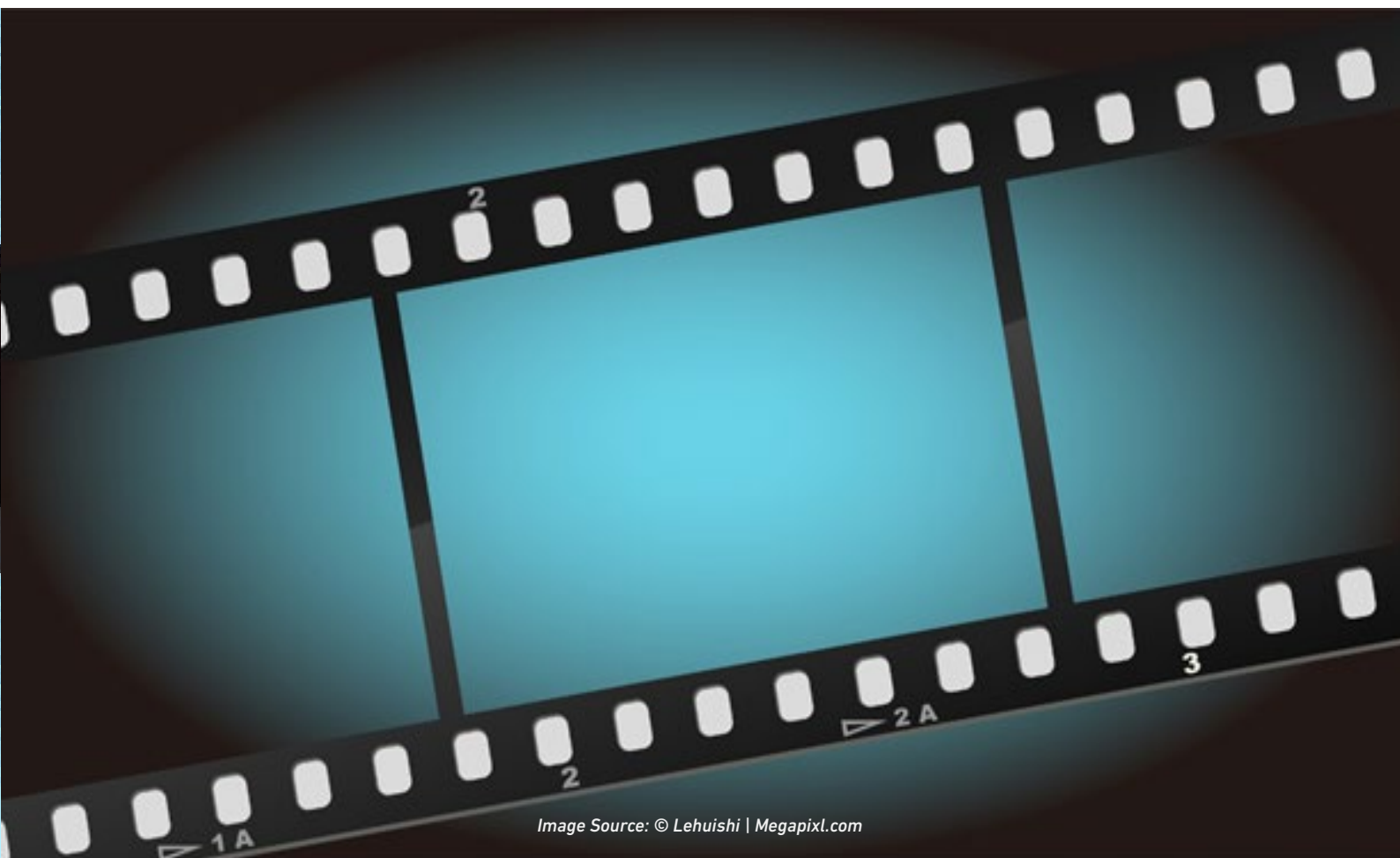
The proposed acquisition has an enterprise value of A\$4.0 billion and seems to offer a compelling value proposition for shareholders of both the companies. The combined entity will result in a competitive global wagering platform, which shall benefit from the enhanced technology.

The acquisition will also pave the way for capturing global growth initiatives along with broader content monetisation opportunities on a global scale.

Presently, the proposal remains subject to several conditions and Tabcorp will assess the proposal in the context of the earlier declared strategic review.

Overall, BET's revolutionary offerings in a highly potent global racing industry are believed to uniquely position the Company to capitalise on the global markets as BET continues to make strategic investments.

## 4. 10 THRILLING STOCK MARKET MOVIES TO INSPIRE THE TRADER IN YOU



The financial world, per se, is awash with all the elements that a great movie must incorporate. Once in a while, there comes a movie set around stock markets that truly rouses the audience by illustrating complex intricacies of the financial world or by documenting a real-life event that had an enormous impact on the financial

markets. One can grasp a whole lot of information that's creatively presented in the form of a fun and interesting script.

If you are a stock market enthusiast, here's a list of top 10 movies that you cannot afford to miss.



# 1. THE BIG SHORT (2015)

The Big Short is probably one of the most popular movies on our list, that's based on the 2008 financial crisis that roiled the entire world. The movie breaks down complicated financial jargons such as CDOs, making it an easy and fascinating watch for even those belonging to non-finance backgrounds. In a nutshell, it is a must-watch to get the feel of 2008 housing bubble.



Christian Bale & Sibi Blazic, Image Source: © Featureflash | Megapixel.com

## 2. ROGUE TRADER (1999)

The movie tells the story of Nick Leeson, a trader who single-handedly took down Barings Bank. Having made a quick climb up the corporate ladder as one of the topmost traders, he blows up the entire bank with his exorbitant positions in a short straddle trade gone horribly wrong. The movie exposes the vulnerabilities of our complex financial system.



*Ewan McGregor, Image Source: © Featureflash | Megapixel.com*

## 3. WALL STREET (1983)

This American Drama film revolves around the story of how a young stockbroker gets involved with a wealthy but unscrupulous trader in his quest to make his way to the top. The movie is a clear portrayal of how greed lures people on Wall Street to go out of their way and resort to malpractices to amass huge fortunes.

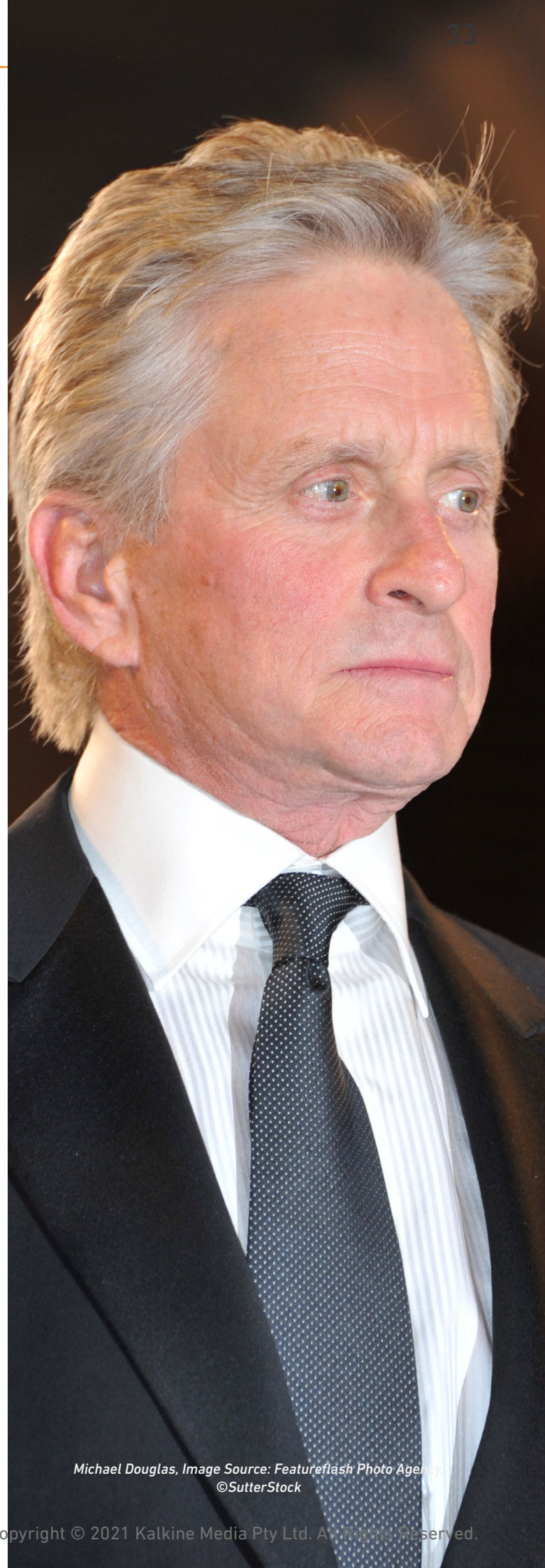


Michael Douglas, Image Source: © Film Spiegel | Megapixel.com



## 4. WALL STREET: MONEY NEVER SLEEPS (2010)

Also known as Wall Street 2, it is a sequel to Wall Street (1987). The film continues its plot from its prequel and shows how the unscrupulous trader walks free, having cooled his heels for many years in a federal prison. The film focuses on the idea that the thieves who plunder the financial system can still remain mostly in power.



Michael Douglas, Image Source: Featureflash Photo Agency,  
©SutterStock

## 5. THE WOLF OF WALL STREET (2013)

This movie probably doesn't need an introduction. The movie is based on real live events, (although with exaggerated drama) around the infamous OTC firm, Stratton Oakmont, and its pump-and-

dump schemes. The movie is a stark portrayal of how easily financial frauds take place, but on the flip side, also makes the audience more informed about the way these frauds work.



*Leonardo DiCaprio And James Martin Scorsese, Image source: © Jason957 | Megapixl.com*

## 6. MARGIN CALL (2011)

Margin call is probably the most financially accurate movie on the list and hides little in showing the reckless risk-taking by some of the largest banks in the run-up to the 2008 crash. The movie takes place over the span of 24 hours of a Wall Street firm which is on the brink of disaster.



*Kevin Spacey, Image Source: © Film Spiegel | Megapixel.com*



## 7. INSIDE JOB (2010)

Another documentary on the 2008 global financial meltdown. Not an exaggerated drama, the film runs true to the storyline and portrays the very exact incidents that snowballed into a financial disaster. The movie has been well praised for its extensive research and detailed examination, bolstered by interviews from key financial honchos of that time.



*Matt Damon, Image Source: © Sbukley | Megapixel.com*

## 8. THE WIZARD OF LIES (2017)

The movie is a biopic of infamous Bernie Madoff, who founded a company on Wall Street, turning it into one of the largest investment funds and eventually turned it into a massive \$65 billion ponzi

scheme – which is arguably the biggest financial fraud in the history of the US. If you have ever wondered about what a ponzi scheme is and how does it work, this movie will break it down for you.

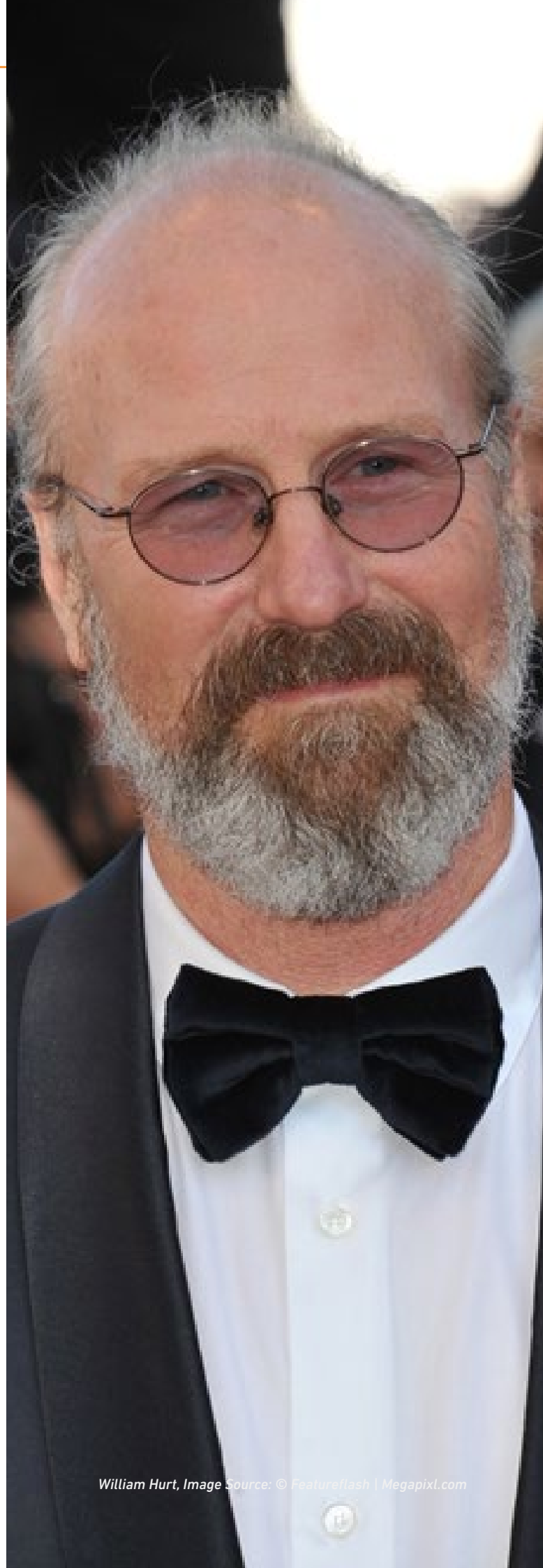


Kelly Aucoin, Image Source: © Lagron49 | Megapixel.com



## 9. TOO BIG TO FAIL (2011)

Another stock market flick that revolves around the 2008 financial crash. The movie focuses on the actions of the US Treasury Secretary and Fed's chairman to contain the problem during those times. One thing that makes this movie unique from other 2008 documentaries is its heavy focus on the financial regulatory challenges and loopholes that led to the crisis.



*William Hurt, Image Source: © Featureflash | Megapixel.com*



## 10. BECOMING WARREN BUFFETT (2017)

As the names says, the movie is a documentary on the life of the legendary investor, Warren Buffet. He has been interviewed extensively for this documentary, enlightening the audience

with his nuggets of wisdom ranging from stock markets to life, in an entertaining yet informative movie. A must-watch for value investors, especially for the Buffet fans.



*Warren Buffett Vector Illustration, Image Source: © Allkov | Megapixel.com*

## 5. OPINION: CRYPTOCURRENCIES NEED MORE BEARISH PLAYERS



*Image Source: Copyright © 2021 Kalkine Media*

Hardly any asset class has been as impacted by the tweets of a particular person as cryptocurrencies. One favourable tweet from Elon Musk, Bitcoin surges to US\$64,000. Another tweet from Mr Musk, this time a critical one, the crypto crashes to US\$30,000. And all this has happened in the first five months of 2021.

Let's talk about the world's largest cryptocurrency here – Bitcoin. After Musk-controlled Tesla Inc (NYSE:TSLA)

said that it has bought Bitcoin worth US\$1.5 billion and would accept it as a form of payment, there seemed to be a bitcoin mania over the next three and a half months. Result: In 78 days, starting from 29 January 2021, Bitcoin rallied by a massive 107%.

But then, Mr Musk became critical of the Bitcoin, supposedly for the environmental concerns. After this, in the next 38 days, almost all of this gain was wiped off as Bitcoin crashed by 46%.

Now, let us compare this to stock markets: In the March 2020 crash last year, the dip in the shares wasn't this huge. The March dip was followed by

a crazy rally, and the one-year returns (from March lows) are equal to returns Bitcoin gave in just 78 days.



*Image Source: Copyright © 2021 Kalkine Media*

Stock markets, that have been usually categorised as a playground for investors with high-risk appetite, also show swings.

The reason being – in a stock market, there are balances and checks at play. Bears make sure that there are corrections in a mad rally, while the bulls ensure that the market doesn't fall flat – maintaining a kind of equilibrium.

On the other hand, the cryptocurrency

market has mostly moved on sentiments. There is hardly any equilibrium in the crypto markets. It's all about bulls waiting for Mr Musk to display some crypto love on twitter, so that they can make a dash with a shopping cart to load more cryptocurrencies in their basket.





*Image Source: Copyright © 2021 Kalkine Media*

While there are many bear market cartels and companies in stock markets, there is only one inverse exchange traded fund (ETF) that bets against the cryptocurrencies. We need more if these if we want the crypto world to get a bit stable.

*(The opinions expressed in this blog are those of the author and they do not reflect the opinions or views of the organisation.)*

## 6. US INFLATION - PEAK OR THE BEGINNING OF A LONG TRAJECTORY?

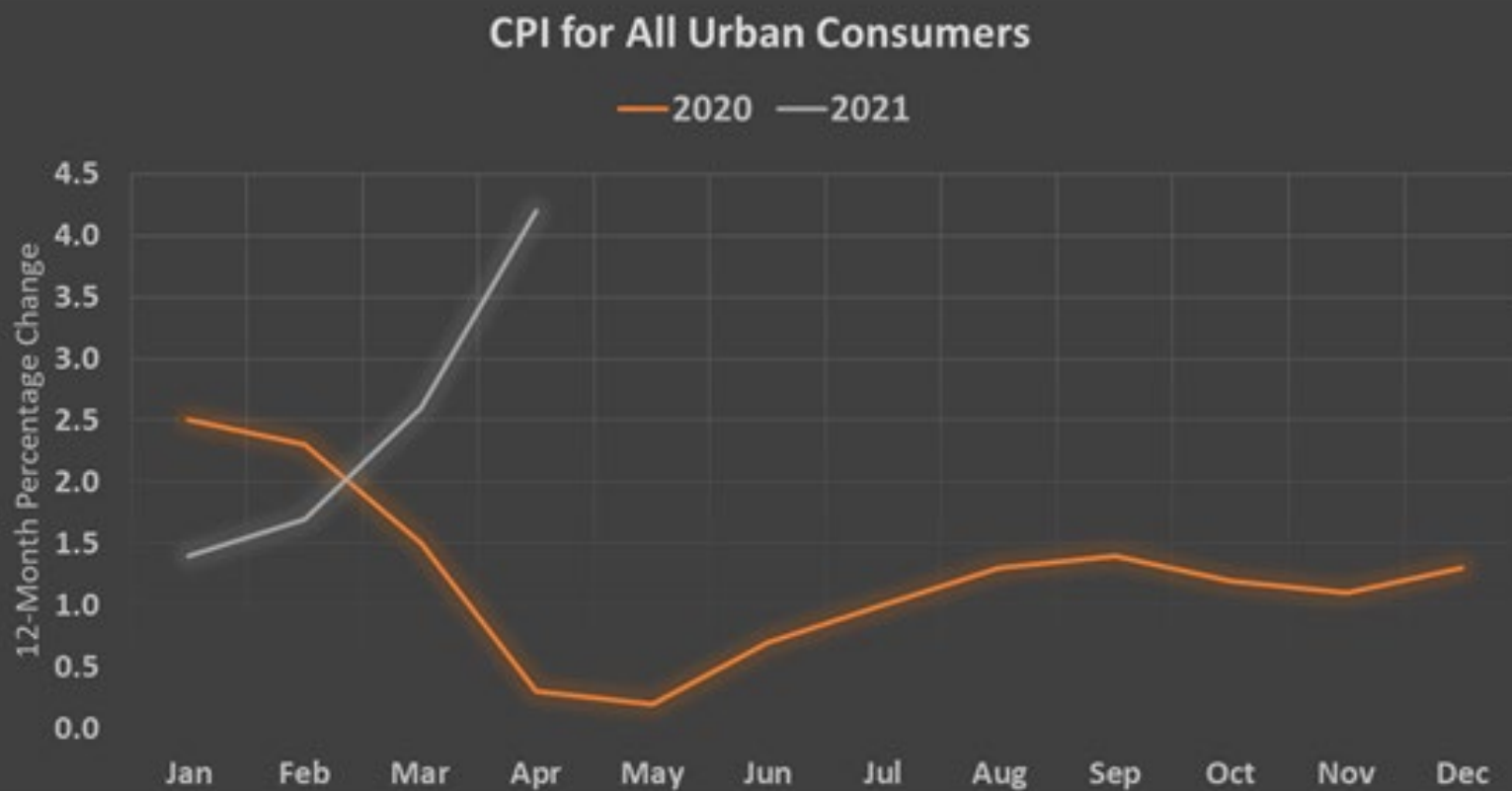


The fear of inflationary pressures has been spooking investors over the past few months as concerns loom that a potential spike in inflation can force the Federal Reserve to withdraw its monetary support.

The latest data from the US Labor Department showed that the country's CPI inflation surged to a thirteen-year high to 4.2% in April 2021 from a year earlier. At the same time, the Personal

Consumption Expenditure (PCE) price index saw a Y-o-Y growth of 3.1% in April, posting the highest annual gain recorded since 1992.

These worrying statistics emerged amid already existing fears that surging consumer prices could push up interest rates, further aggravating inflation anxiety.



Copyright © 2021 Kalkine Media; Data Source: US Bureau of Labour Statics

## What do CPI trends show?

Early in 2020, inflation staggered way lower than the US Fed's 2% target. CPI values declined steeply from February 2020 and almost stagnated for a while prior to the pandemic. However, the values began to rise again towards the end of Q2 into Q3, following the easing of coronavirus lockdowns. However, inflation maintained a sluggish pace in Q4.

On the demand side, the base effect appears to be driving an uptick in CPI inflation in the US economy over recent months. The base effect refers to the impact of a rise in the previous year's inflation over the corresponding rise in

the current year's inflation.

For instance, price indices plummeted in March and April last year while staying low in May amid widespread business closures and lockdowns. And though prices soon began to increase, the Y-o-Y rises for March-May will appear abnormally large when the figures are compared with the very low readings of last year.

The upward trend can also be explained by the continuation of asset purchases by the Federal Open Market Committee (FOMC), worth at least US\$120 billion each month. Furthermore, the federal funds' target range has also been kept between 0 to 0.25% since March 2020,





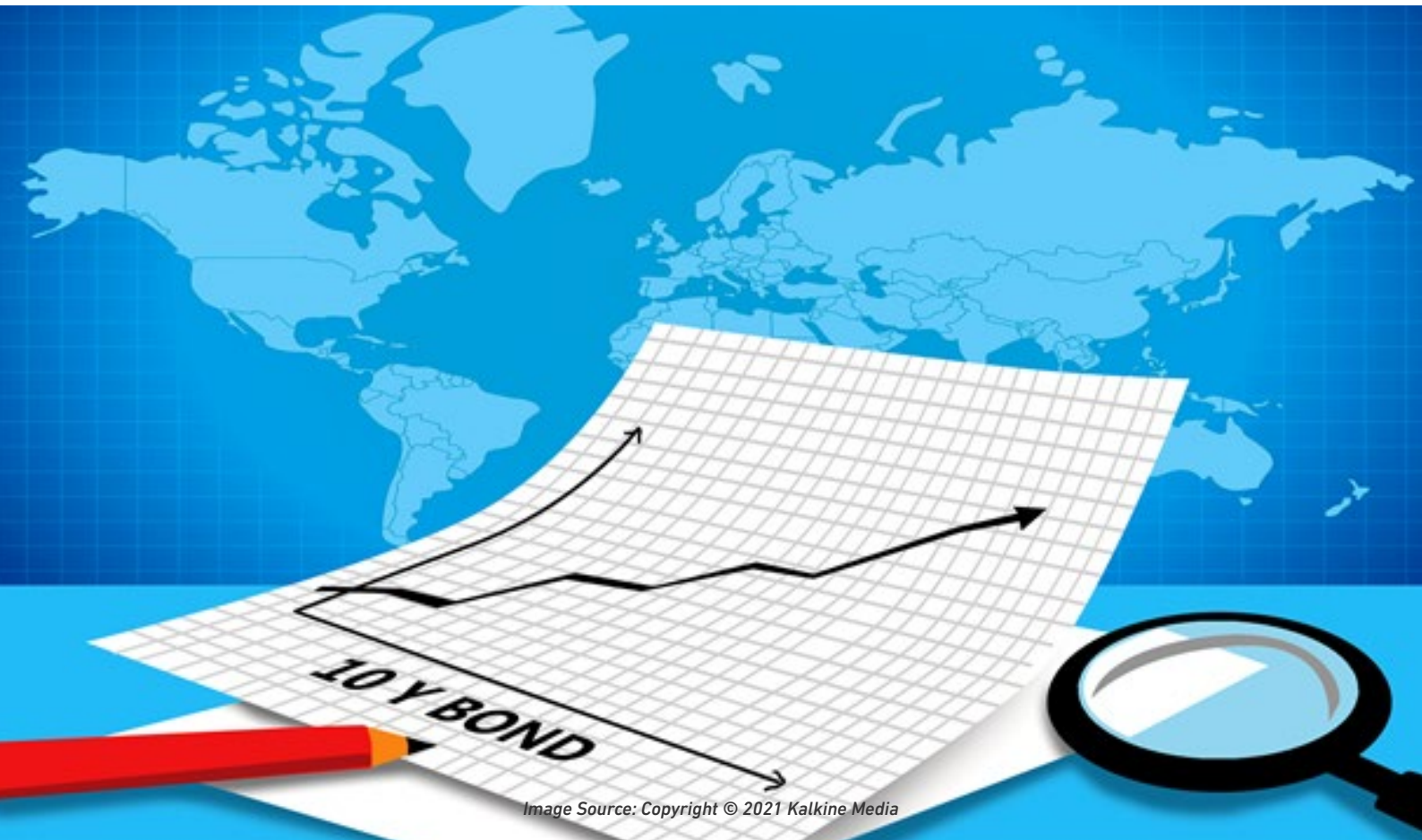
*Image Source: Copyright © 2021 Kalkine Media*

which seems to be creating upward pressure on the general price level.

Moreover, the boost in CPI since the beginning of Q1 2021 can also be explained by several rounds of stimulus checks issued to Americans to cope with pandemic disruptions.

With the gradual reopening of the US economy, the labour force participation rate has also continued to improve, reaching 61.7% in April 2021. A part of the boost in consumer spending can also be attributed to the improving labour market conditions, pushing up aggregate demand in the economy.

On the supply side, energy prices and gasoline prices are also experiencing an upward trend, which could probably increase the cost of production for the suppliers. As understood from the recent Industrial Production and Capacity Utilization release, supply chain concerns are possibly affecting production in industries. For example, motor vehicles' assemblies experienced a glitch in April 2021 due to the shortages of semiconductors.



## Impact of Inflation Expectations on Bond Yields

Expectations of a rise in inflation have been driving bond prices lower, and bond yields higher since the beginning of 2021. While the US Treasury Yields are low by historical standards, they seem to be improving relative to last year.

The significant rises in Treasury Yields have sparked a glaring concern. As the interest on mortgages closely tracks the movement of Treasury Yields, there is a high likelihood that consumers may find returns from savings account more

attractive over the coming months. This could potentially hit the intent of the stimulus packages being announced to revive the economy to the pre-pandemic levels.

For the equity market, surging bond yields have a mixed effect. On the one hand, they slow down technology and other growth stocks as investors fear the erosion of cash-flows for such companies over the long run. On the other hand, rising yields tend to lift financial stocks while accelerating a rotation into economic-sensitive sectors.

## What lies ahead for the US economy?

The recently released figures from the Commerce Department show that personal income fell sharply in April 2021, while the price pressures continue to build in the US economy. This explains the fading out of the impact of Biden's March stimulus package, which reflects that the ongoing situation is transient and stirred up by short-run factors.

The US Fed has also been repeatedly highlighting that the acceleration in the country's price growth this year will just

have transitory effects on underlying inflation. Thus, Fed does not see an immediate need to push interest rates up until it achieves the 2% inflation target and the pre-pandemic employment levels.

Some analysts predict that the US may experience stagflation if the money being pumped into the economy is not matched by increased productivity. While some project that a crack-up boom could turn out to be the much-dreaded anti-climax, if the public loses faith in the forward guidance.





---

## Disclaimer

---

"This e-magazine is a service of Kalkine Media Pty. Ltd., A.C.N. 629 651 672, and does not operate under Australian Financial Services Licence. The information in this magazine has been prepared from a wide variety of sources, which we, to the best of our knowledge and belief, consider accurate. The images used in the e-magazine are the property of their respective owners and/or Kalkine Media has appropriate licences and permission to use such images. Any advice in this magazine is general in nature and does not take into consideration your personal objectives, financial situation or needs. This e-magazine is prepared with the sole intention of sharing market-related insights. You should make your own enquiries about any investments and we strongly suggest you seek advice from a financial adviser, stockbroker or other professional (including taxation and legal advice), as necessary, before acting upon any recommendation. Before making any decision, please consider any relevant Product Disclosure Statement. Past performance is neither an indicator nor a guarantee of future performance. We have commercial relationship with our contributors, including but not limited to Kalkine Pty Ltd (ABN 34 154 808 312), our related party, which holds Australian Financial Services Licence (425376). Some of the companies covered in this magazine maybe a client of Kalkine Media, however, at the time of publication, Kalkine Media has no position in any of the stocks of such clients."