



## Australia Capital Market, ASX and Coronavirus

In 2019 Australian investors demonstrated appetite for high risk investments, especially in the high-tech sector.

Israel hosted over 50 business delegations from Australia, large deals drove investment activity, successful listings on the Australian Stock Exchange and even secondary funding rounds.

As expected, following the Coronavirus outbreak, the volatility of the market is high.

The Australian dollar took a hit and like all markets, the ASX experienced panic sell-off.

Last Friday despite Dow Jones's worst plunge in 32 years, Australian shares have made a huge turnaround over US President Donald Trump's ban on European travellers, driven by Coronavirus.

Later the volatility of the market was demonstrated again when Prime Minister Scott Morrison urged all Australians, to refrain from gathering of more than 500 people.

Malborne and Sydney experience partial lock down where as of yesterday, much like in Israel, anybody who arrives from overseas is required to self-isolate for 14 days.

Public places like libraries and concert holes are closed, the comedy festival canceled and although schools and universities have not been shut down yet, most of the people are working from home.

Australian brokers and investors feel that the direction is not clear and have no sense yet of what the impact on the economy is going to be, thus the market is all about capital preservation.

Brokers and financial advisers are working to keep alive the transactions that are in the pipeline, where companies that planned to complete the IPO on the ASX within Q2 of 2020 are looking to extend private rounds and apply for government grants until the market picks up again.

The general understanding is that the more the government steps in, requires from the Banks to hold on repayment of loans, defers tax and provides support to small and medium businesses, the faster the recovery will be.

Australian investors believe that the crisis will be "U" rather than "V" shaped, but when the dust settles, there will be bargains in the market, there will still be a lot of money in Australia to invest and maybe even greater risk appetite.

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