FINSOC FINANCE & BANKING SOCIETY

PERSONAL FINANCE CLUB

FINSOC X PFC

HOLIDAY BUDGETING

With the worst of the pandemic hopefully behind us, many of us are beginning to feel the urge to start spending again. As we move into the holiday season, UNSW's Personal Finance Club in collaboration with Finsoc has prepared some helpful tips to protect our wallets from the temptation to overspend.

Purchasing more than what you need, or can afford, just because it's on sale, is never a good idea. This is especially true for Boxing Day sales, where you are pressured to spend more money when you have already overspent for Christmas.

With social media constantly flooding our screens with advertisements, we are continually tempted. Even if you are adamant on not spending, it would take much willpower to ignore targeted ads for those AirForce 1s that you have been eyeing for a while.

MAKE A LIST AND STICK TO IT

If there are items that you absolutely need, note it down. Make a list and research each item. A helpful tip is browsing a **price-tracking website** that give you the history of how much a specific product has been on sale for, in the past. Then, you want to Google the product code to compare how much it costs at other places. **Shopbot**, is a good website to compare the prices of electronics between stores as well as check the price history. Preparing ahead allows you to think clearly and rationally, without the influence of marketing tactics.

TRACK PURCHASES

A helpful app that allow you to do this with minimal effort is **Pocketbook**. This will allow you to look back and review past spending trends.

SET A BUDGET

Set a limit on how much you're willing to spend so that you are able to allocate your money logically.

CASHBACK SITES

Cashback sites operate by giving a "cash reward" for the money you spend at an online store. Each time you make a transaction, you get a percentage of your money back, with the percentages varying between different stores.

Shopback and **Cashrewards** are the two largest cashback sites. To begin using them, sign up for an account and install the browser (Chrome) extension. Each time you head onto a website, Shopback or Cashrewards will have a small pop-up with the percentage of cashback if applicable. There are typically increased cashback amounts for Amazon (7% -> 10%), Liquorland (10% -> 20%) and First Choice Liquor (3% -> 20%).

Note: The cashback amounts are calculated using the pre GST values. Cashbacks typically take up to 3 months to confirm and become available for withdrawal. Cashbacks will not apply if the order has been refunded.

CHEAPER FOOD

There are 4 different routes that allow you to eat the same, but for cheaper. This is through apps such as **Liven, Groupon** and **The Fork**, or through purchasing **discounted gift cards.**

Liven operates on a slightly different form of cashback. Pay through Liven at restaurants that accept it to earn points. These points can then be accumulated and then used as payment in the future.

Groupon operates differently in that you purchase a coupon for an item which can be later redeemed at the restaurant. These coupons are typically discounted but can be further stacked with Shopback or Cashrewards.

The Fork on the other hand, provides discounted reservations at certain restaurants (although restricted to certain times and participating restaurants).

Finally, purchasing **discounted gift cards** can also be used. Coles and Woolworths occasionally have discounts on gift cards such as 'The Restaurant Gift Card" for 10 or 15% off. These can be used at essentially any restaurant in Australia.

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NAUGHTY OR NICE

IRON ORE AND THE STATE OF AUSTRALIAN-CHINA RELATIONS

With ~70% year-on-year growth in 2020, iron ore has moved into the limelight for many prospective investors. This growth can be strongly attributed to China's aggressive infrastructure initiatives during the peak of the Covid-19 epidemic, having noticeably influenced the market since June, continually driving iron ore prices up over the past 6 months.

MARKET REGULATION

After hitting a spot price **$US173.26/tonne** this week, an abrupt crash of **6.9%** hit investors. At first observation, it would be assumed that this would be due to a drop in demand. However, on the 22nd of December, Chinese market regulators on the Dalian Commodity Exchange set a limit of **2000 lots** for non-brokerage traders, marking China's third limit imposed in preventing speculative trading. Their reasoning of risk mitigation has been acknowledged with skepticism by investors who believe that Chinese regulators are attempting market manipulation to drive iron ore prices down. The Dalian exchange announced they would continue to adjust limits based on market conditions. Westpac analyst Justin Smith believes that the laws of supply and demand are enough to continue to drive iron ore's price up, identifying the consistent lows of China's iron ore inventories and the output downsizing adjustments top 3 iron ore producer Vale SA, a move made in light of COVID-19's operational impacts which has left only Australian mining giants BHP and Rio Tinto to meet Chinese demand.

THE IMPLICATIONS

As the world's largest iron ore producer, Australia produced over **930 million tonnes** of iron ore in 2019, exporting **68%** just to China. As long as iron ore prices stabilise before any collapse, Australia's mining sector would be set for growth in 2021. Albeit, the strained relations between Australia and China have conversely led to a ban on Australian both thermal and metallurgical coal exports, the latter ironically being necessary to produce steel. Similarly, Australia exports **21%** and **24%** of these forms of coal to China, leaving **~A$23 billion** of coal left without customers. Local producers' issues are speculated to be solved by existing key customers, however the implications of global trends to move towards carbon-free energy have led to long term concerns for the industry. Whilst China's aggressive foreign trade decisions imposed on Australia have hit so many products, iron ore, natural gas and dairy have been left untouched due to their dependency.

PFC T1 SOCIAL EVENTS TIMELINE

Event	Week
Break the Balloon Auction	WK 2
PFC Weekly Crash Course	WK 5-9
Money Management Workshop	WK 7

FINSOC T1 SOCIAL EVENTS TIMELINE

Event	Week
Meet the Directors	WK 1
Trivia	WK 5/6
Pub Crawl	WK 7
League of Legends Competition	T1 HOL