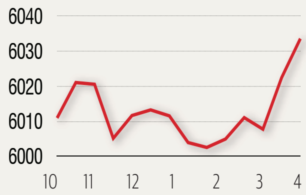
ASX 200	ALL ORDINARIES	BEST ASX 50	WORST ASX50	$A	OIL BRENT	IRON ORE
		SOUTH 32	QANTAS AIRWAYS	US CENTS	$US PER BARREL	$US PER TONNE
6033.60	6144.90	$2.22	$3.62	69.84¢	$43.40	$107.20
+22.70 +0.37%	+21.90 +0.35%	+.09 4.23%	-.08 -2.16%	-0.04 -0.05%	-0.24 -0.55%	-0.37 -0.34%

The market has ended slightly higher in a late recovery after traders were spooked by news of a surge in virus cases in Victoria.



# of volatility in the black

ior investment manager at another super research house, Chant West, said Australian share prices were down 7.6 per cent over the financial year.

Listed Australian property was the worst performing asset sector, falling 20.7 per cent, while global listed property lost 17.6 per cent.

"A key reason for the better-than-expected financial year result is that our super funds are so well diversified in their investment portfolios," Mr Mohankumar said.

"Shares remain the main contributors to performance with about 25 per cent allocated to Australian shares and 29 per cent to international shares on average.

"But that still leaves another 46 per cent invested across other growth and defensive asset sectors. That diversification works to cushion the impact during periods of share market weakness."

The balanced fund at the nation's biggest super provider, AustralianSuper, tops the league table for the average return over the past decade, at 8.8 per cent a year. That fund was not among the top 10 the past year, but AustralianSuper announced this month that it had still chalked up a positive return, of 0.52 per cent.

Mr Rappell said that across balanced funds, returns over the long term "remain very healthy".

"Super is a long-term game, so members should avoid chasing short-term results and ensure they are invested in a quality fund with the right investment strategy that is well positioned to deliver for their needs over the course of their working life."

THE AUSTRALIAN

Westpac concedes shortcomings

JOYCE MOULLAKIS
BANKING

WESTPAC has conceded parts of its risk culture are "immature and reactive", and the bank is overly complex, creating accountability issues.

The findings were made in a review of governance and culture released by the group on Friday. In the report, the bank said it had begun a "change program". The bank's "culture, governance and accountability reassessment report" follows a similar assessment done during the financial services royal commission in 2018.

Last year anti money-laundering watchdog the Australian Transaction Reports and Analysis Centre launched legal action against Westpac, alleging it contravened laws more than 23 million times. Westpac chief Peter King on Friday said the reassessment confirmed the view management of non-financial risk was not up to scratch.

"It is clear we have more to do to address these shortcomings, including improving our risk-management capability and risk culture, which is not where we want it to be," Mr King said.

Caution a must as markets run away

THE SHORT CUT

ROGER MONTGOMERY

WITH Melbourne back in lockdown for six weeks, the border between the two most populous states in Australia closed, and some commentators reminding investors there has never been a vaccine for a coronavirus, it is worth revisiting just where some countries stand in their fight against the virus.

The fact is that more than half a year has passed since the coronavirus emerged and many of the world's most populous countries are failing at their attempts to flatten their curves.

Collectively the Pan Asian nations of India, Bangladesh, Pakistan and Indonesia, the North and South American nations of Brazil, Mexico and the US, and Nigeria in Africa are home to almost 38 per cent of the world's population and new cases rose month-on-month in June.

One reasonable assumption is that the populations of these countries are so large that control of disparate outbreaks cannot be nationally co-ordinated.

Under-resourced local law enforcement and health regulators are left to take control. Millions of tests are required and contact tracing in some of these countries is simply impossible.

There is some good news. While Russian infection cases remain above 6000 per day, the rate is falling.

Meanwhile, in Italy, Spain, the UK and Thailand, numbers are falling. And in contrast to its neighbour Brazil, Uruguay appears to have gained the upper hand.

But countries such as Singapore, South Korea, and the Netherlands, where cases are also under control, are much smaller and measures to contain the spread of the virus can be more easily co-ordinated.

In India's population of 1.3 billion people, however, only 1 per cent of the country has been tested.

India is also home to a large portion of the world's extremely impoverished, who live in densely packed multi-generation housing conditions. With an inability to self-isolate, the virus's spread becomes not only unstoppable but its impact uncountable.

Bangladesh is about two and half times the size of Tasmania, but Tasmania has a population of 537,000. Bangladesh's is 162 million, so social distancing is impossible.

We are witnessing in Melbourne the effects of local attempts to contain the virus in the face of popular indifference or opposition to virus control measures.

Victoria has seen the consequences of a lack of contact tracers and an inability to train them in sufficient numbers.

One cannot help but wonder how New York, which is re-emerging from lockdowns, will fare if travellers from Texas, Arizona or Florida — where cases are surging — fail to heed requirements to self-isolate for 14 days, just as some Victorians did.

The US however, not unlike like Brazil, botched early testing attempts, mishandled reopenings, faced vehement opposition to restrictions on personal freedoms and both have presidents who initially dismissed the seriousness of the outbreak.

The Brazilian president has now been confirmed as COVID-19 positive.

The US is currently setting records for daily new coronavirus cases. Since June 25, US daily infection rates have been above 40,000 — well above the April peaks — and from July 1 to July 4, daily cases surged above 50,000.

Back in April, the virus epidemic was most acutely experienced in Washington state and the northeast. Today, the outbreaks are occurring in the south and west of the US.

In Florida, 14.1 per cent of those tested for the virus were positive. That figure is 13.1 per cent in Texas.

In all cases the number is well above the 5 per cent level that the World Health Organisation says is a safe level for business to reopen.

Despite this, US President Donald Trump is urging for state lockdown or "stay-at-home" orders to be lifted and urging children to return to school.

Consequently, retailers, restaurants and bars, personal care, and entertainment venues are all reopening.

A growing number of states, however, are reversing their reopening plans. And like Victoria here in Australia, several US states including Michigan, Florida, Texas, California, Colorado and Arizona are reimposing restrictions.

These reversals — coupled with the fact that many businesses still operate under restrictions such as allowing fewer customers, requiring the use of masks, and enforcing social distancing — are likely to limit the recovery in revenues and profits for many retail and service businesses, and further the delay any attempts to resume normal levels of air transport and leisure travel.

Along with extended banking and government support packages for the unemployed and those experiencing financial hardship, the return to restricted levels of social and outdoor activity will be a boost to providers of online shopping platforms.

A recent MasterCard SpendingPulse report, which measured retail sales across all payment types, revealed US e-commerce spending grew 93 per cent year over year in the month of May.

And this brings us to the equity markets.

No doubt aided by a healthy band of locked-down new day traders, irrational exuberance about a return to normal levels of economic activity, and business revenues and profits may soon turn to dismay if viral first waves accelerate or second waves emerge more broadly.

There will be winners but investors should be cautious especially if the number of COVID-19 cases continues to increase and hospital capacity — previously assumed sufficient — is found to be inadequate.

The pandemic appears far from over which means equity investors who have enjoyed multi-year returns in just a few months would be wise to reconsider their exposure to growth assets.

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