



Market Update

June 2020

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Jigsaw Talent Management

Current Market Demand - June 2020

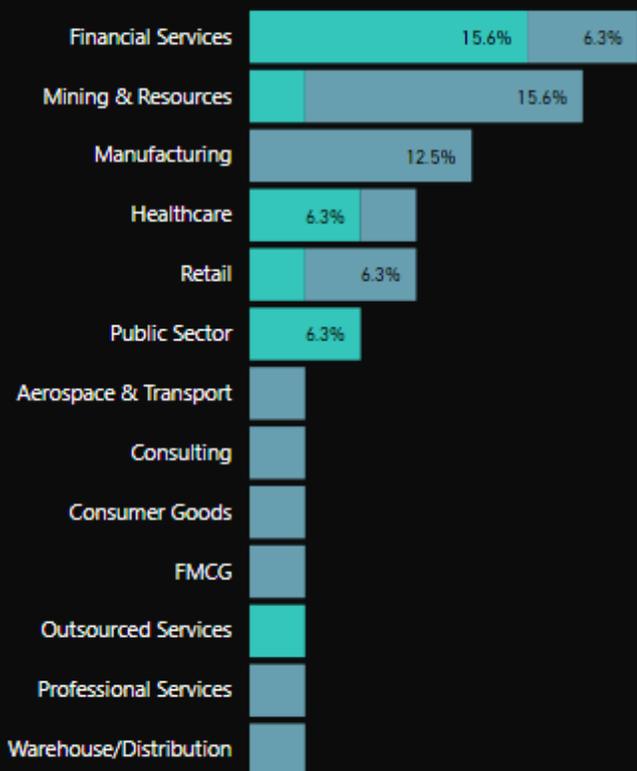
Open Jobs

Type ● Contract ● Permanent



Open Jobs by Industry

Type ● Contract ● Permanent

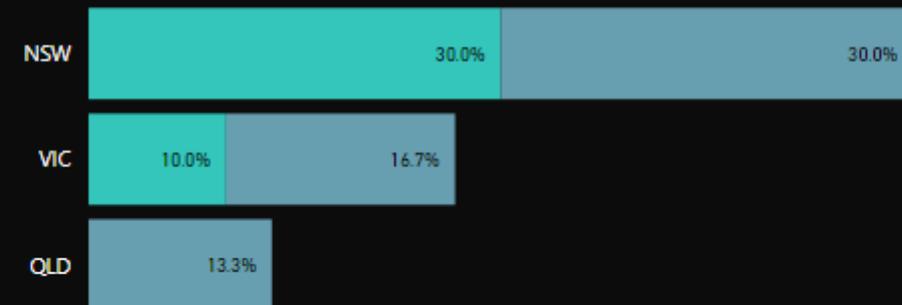


Open Jobs by State



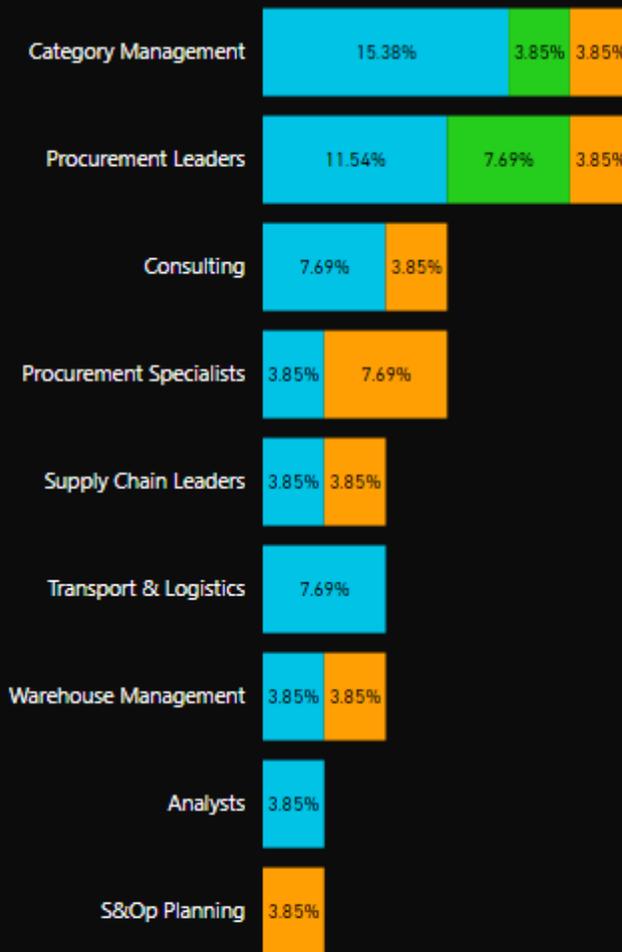
Open Jobs by Type & State

Type ● Contract ● Permanent



Open Jobs by Category & State

State ● NSW ● QLD ● VIC



Market Insights

Financial Services – Jigsaw are working with banks across categories that include ICT and Banking Operations. Most opportunities are contract with a view to perm. This gives the banks a less committed approach to on-boarding as we enter the 3rd quarter. Key issues facing the banks will be balance sheet exposure to both residential and commercial real estate. Jigsaw believe there could be large changes to the banking sectors investment in both headcount and commercial space over the next 12 -24 months. Many industry sectors could contract commercial real estate by circa 30% and consumer habits may also change post COVID-19. Jigsaw are still forecasting big investment for banking sector in integrated systems and technology to better manage geopolitical and operational risks in addition to optimised headcount.

Mining & Resources – Jigsaw are seeing steady demand across the mining sector. Large big cap players are still heavily investing in automation and technology to optimise the supply chain and improve health and safety across the workforce. Strategic metals will expand and be important to future energy systems. It is very exciting as China is being removed from the supply chain. China has played a key role in being the leading supplier of strategic metals such as neodymium-praseodymium, which are a critical component of high strength magnets utilised in electric vehicles. Australia is in a prime position to exploit the changing geopolitical and economic situation, and is in a strong position to take a seat at the table to export to the US and Japan. Jigsaw also sees Hydrogen and Uranium being major plays across the energy sector, again adding to Australia's exports, as China and the US will drive nuclear energy, with smaller, less volatile uranium operations taking a foot hold to provide clean and efficient energy.

Precious metals is another key segment of the mining sector that is getting the spot light. Silver and Gold are grossly under-valued due to manipulation in futures contracts. As countries continue to QE in efforts to restore liquidity into fiscal markets and control long term rates, the value of these precious metals will continue to push higher in values. Jigsaw are seeing huge amounts of M&A activity across the junior miners, as consolidation is creating production efficiencies. With the low price of oil and the high price of gold per ounce, the gold and silver sectors have never looked more bullish. The ROI across junior miners has gone up 10% over the COVID-19 crisis and Jigsaw predict this bull market will last for at least 5 - 10 years.



The trend re supply chain recruitment in mining for the big cap players is to appoint candidates with a strong mix of consulting experience covering either strategy or broad based supply chain. These candidates typically have strong project management experience, polished engagement skills and a complete understanding of inputs and outputs across the business. Relationships will always be the dominant trait of creating successful engagement in mining, with processes requiring steady implementation in line with operational need to ensure advancements in supply chain maturity stick long term.

Manufacturing – Jigsaw are getting mixed messages across manufacturing. For some, times have never been better, whilst for others, productivity has dropped 50% or more. FMCG sectors linked to perishable consumables seem to have come out best over the 1st two quarters. According to our networks, manufacturing operations have struggled to meet demand. This was especially evident in March, when toilet rolls etc were being bought by the ton. The silver lining for many of these manufacturing businesses is the realisation they have over invested in commercial real estate and possibly headcount. Jigsaw forecast a large re-structuring of opex costs for this segment. Overall, manufacturing growth in Australia will be at the mercy of government policy. The high cost of energy, land, real estate, employment and a strong \$ are all working against local manufacturing contributing a larger share to the Australian economy. Forecasted stagflation and high un-employment will also be contributing factors that will effect consumer demand for non-essential items.

Jigsaw are predicting Australia will continue to support globalised supply chains as the changes required to promote local manufacturing will be difficult and complex. Less emphasis will be placed on China as a trade partner as the tension continues to rise between the two countries. In truth, Jigsaw are confident that demand from China was easing anyway as its economy slows, and the posturing is timely in sync with this slow down. India, will likely be a large trading partner of the future and Indonesia will potentially be a key focus for exports and capital flows. India are culturally more aligned to Australia than China (shared love of cricket as an example) who are still factoring in strong economic growth. India are the 10th biggest importer, have the 2nd largest population and 3rd largest GDP (PPP). Indonesia has zero sovereign debt, 4th largest population/ labour force and rank 9th for Capex investment. Truth is, Australia is too reliant on overseas suppliers as it stands today. This puts the country at risk across many verticals from defence, medical and overall economic health.



Healthcare – Jigsaw are seeing strong growth across the Health sector, which has been maturing its supply chain aggressively over the past 8 years. Healthcare is without doubt one of the most political and complex supply chains to manage. Jigsaw believe e-procurement (Amazon like) model is key to delivering stakeholder empowerment and SKU management. COVID-19, as with manufacturing above, highlighted the true supply risk of an overly globalised JIT supply chain. Key question is how will the government bring medical production back on shore? Countries are in a race to devalue the cost of production and distribution, with China proving its smarts as it controlled the entire PPE landscape when COVID-19 hit. The heavy cost of holding inventory has been frowned upon of late as poor supply chain practice. In a risk free world, this could be true. Issue is, as recent events have refreshed our views, the world is volatile and not risk free. Is the purpose of supply chain for a business to improve ROCE or to best manage supply to customer demands in an unpredictable world. The WHO have recommended at least 40% production of PPE and other medical SKU's to be localised. Raw material supply is another factor that makes the situation complex, as well as the lag time to invest and develop on shore capital to produce from a standing start. Then there is the costs associated with a local supply chain. How inflationary will this be if the government make no advancements in their policies re investment, land, energy and employment.

Retail – Overall retail is getting smashed as consumers turn to on-line. COVID-19 lockdown essentially forced this change of behaviour, even the most technically challenged consumers had to change their behaviour and gain confidence in digital shopping. Leading digital retailers profits have soared as a result. Jigsaw believe the retail sector can take advantage of this change and invest in technologies to adapt to these changes. Jigsaw predict a 35% reduction in high street stores which will heavily impact commercial real estate funds and the banking sector. The top 4 banks are facing a \$60 billion risk issue re commercial real estate debt and the last two quarters of the calendar year will be interesting to how things play out. According to the ABS, April retail sales slumped 17.9%, which is the biggest fall on record. This, according to ABS is in part due to high household debts, weak wage growth and employment volatility.

Public Sector – Jigsaw has worked across Transport and Healthcare sectors over the 1st two quarters placing mostly category managers that handle projects across MRO, Civil and ICT. As the government's deficit spending increases with JobKeeper, JobFinder, Homebuilder etc, Jigsaw are forecasting demand to drop off for resources as we approach Xmas and the potential for Public Sector headcount to contract as the Government attempt to tighten expenditure. Universities/Education are also caught up in the geopolitical turmoil with China. Export revenue seems to be switched off for the near future as China is pushing an agenda to put off students selecting Australia. Latest news is the government will be re-opening travel to Chinese students in an attempt to save the education sector, although this policy will be topical as Australians will still be unable to take part in overseas travel until at least September.

