

## Transcript

# THE ARTFUL TRADER

## Episode 6: The Trading Story. Behind the finance news with Ticky Fullerton

Michael McCarthy: What's the story behind the finance story? What happens when a big news story breaks, and the markets crash also.

Ticky Fullerton: I myself have been staggered at how the market has reacted to some of these heightened geopolitical risk, i.e. how little. I find it very difficult to see why some market reactions have happened, and some haven't.

Michael McCarthy Today we chat to Ticky Fullerton, one of Australia's top business journalists who now hosts her own finance news program on the Sky Business Channel.

Hi, and welcome to The Artful Trader. I'm Michael McCarthy, the Chief Market Strategist at CMC Markets Asia Pacific. In each episode we'll hear the highs and lows from the trading experts, and discover their journey to mastering the art of the financial markets. In this episode we talk to Ticky Fullerton, Host of the daily finance news report called Ticky on the Sky Business Channel. She worked for two decades for the Australian Broadcasting Corporation as a senior finance reporter, and investigative reporter for Four Corners. But Ticky actually began her career at Credit Suisse. Ticky is considered one of the top business journalists in Australia, and her reputation ensures that the program has a rolling roster of the country's corporate and political leaders. The idea of the hour long TV program being to provide some analysis to the nightly two minute finance news, and to investigate further the intersection between business and politics.

Ticky Fullerton, welcome to The Artful Trader.

Ticky Fullerton: Thank you Michael.

Michael McCarthy How did you get into finance journalism? Didn't you start off as an investment banker at Credit Suisse?

Ticky Fullerton: I did. That was quite a big jump, and it was at a time...All this sort of stuff is a long time ago Michael. But it was at a time when the ABC in Sydney in the early 90s was looking for financial journalists. In those days they were everything on the ground. Journalists aplenty, investigative journalists aplenty. But there was something about business journalism that was just, I don't know whether it was the jargon, it was difficult to find. So of course all I knew about television was the on/off

button. I had been working in banking. It was really through a contact at Four Corners. I ended up moving into Four Corners as their business researcher on long form investigative journalism. Working to start with Paul Barry, who at the time was doing all the great Bond stories, and [? 02:49 Elliott]. So it was great fun.

Michael McCarthy A great introduction to it I imagine.

Ticky Fullerton: It was.

Michael McCarthy So now you've got your own show, Ticky, on Sky News, which is on every day for an hour. To some extent this is a return to long form for you. Why do you think that's necessary in business news?

Ticky Fullerton: It's long form in the sense that it goes for a fairly long time, i.e. one hour every night. It's not long form in the way that journalists would talk about long form journalism. It's a news program. It's a flagship news program that Sky has started this year. They didn't have one, and they wanted to have appointment viewing every night. So we try and get in there something of the day, in addition to other business news, and stuff that we create ourselves perhaps. But there's tagline of where business and politics meet, which is terrific for me, because it gives me a very broad mandate. But I try to get in whatever the big story of the day is, politically or business wise, and then we build it from there.

Michael McCarthy So you say there's no gap between politics and the business world anymore. Can you explain what you mean by that?

Ticky Fullerton: Well there's an extraordinary overlap, isn't there? You only have to look at the crises in Australia at the moment over things like energy. So much of our economy at the moment is built on what the political strategies are. For example, our infrastructure stimulus at the moment is so important for the economy. I think a lot of our business leaders have, whether they like it or not, being pulled into politics. Some in a way that they've become almost pawns. But I think you've got, by necessity, business being pulled in partly because people are much more aware of what's going on in business. So you look at what has happened in banking, for example, here, and the backlash, and how banks are trying to come back. How politicians have been using banks as a bit of a punching bag, actually I think recently. It started I think for the right reasons, but I think they're now a bit of a punching bag.

Michael McCarthy Ticky, one of our guests, Raoul Pal said in an earlier episode that finance news can degenerate into entertainment. Is that fair?

Ticky Fullerton: I think it depends on what you're watching. I wouldn't use the word degenerate. I think to attract an important audience, a broader audience, a thinking audience, it's quite good if you can throw a bit of entertainment in with business. It

has got to be watchable. If it's dry you'll only get those that really either have to do it, or who are wonks basically.

Michael McCarthy Market tragics.

Ticky Fullerton: Yeah, market tragics. We certainly want a broader view than that. So I really love, for example, contrarians. People like Jim Rickards out of the US, who has got an enormous Twitter following, and is very entertaining. But he's also a very good businessman, highly respected. A contrarian though. Generally from the point of view of looking at the show, I like having light and shade in the show. We can have something really serious, really technical. Then we can have something softer. I wouldn't say it's all entertainment all the way through, but it needs to have some pull. It goes right down to the energy in your voice, and who you have on the show. People like you Michael.

Michael McCarthy You're far too kind. But thank you.

Ticky Fullerton: You're a real pick me up for a Friday.

Michael McCarthy Why thank you. Ticky, in the short time that the show has been on the air, a relatively short time, the roll call that we've seen in your guests is extraordinary. Everybody from the treasurer, the finance minister, to [? 06:39 shadow ministries], to the top business people from not only Australia, but around the globe. What is it like to move in that world?

Ticky Fullerton: Well I love it. I'm delighted having kicked off the show this year that both senior politicians and the C-suite in Australia, and indeed some globally, are on the show every night. We try and get at least one person of that stature every night. I'm glad that here we are nine months in, and they're still coming. It's on the business channel, not the main news channel. I think the reason they come is because of the people that are watching. So while it may not have the audience of [? 07:22] or whatever, it has a very important and influential following. I think that has created a little bit of a hub, which is great. So moving in that area, I'm very privileged really. Part of it is because I think I'm quite old, and therefore I've grown up with some of these people. But I also have an enormous amount of respect for many of our business leaders.

I think it's very difficult at the moment. We touched on it before, but it's very difficult at the moment with big business being somewhat on the nose, and an easy target for government, as well as the opposition to go for. Whether it's bank taxes, or hitting out at energy, or indeed, big supermarkets, wherever you're going. That said, I really think it's important to talk about people who build this country.

I'll take an example of somebody I interviewed, James Fazzino at Incitec Pivot. Now he has grown that company in 14 years. He is just stepping down. He has grown it from I think about 400 million to about eight billion in market cap, and he has

changed, transformed the company. It is now a global company. He is fascinating to talk to about why he spent a billion dollars in Louisiana and not here on a plant. Part of it, of course, is the gas story. So I like meeting these people because they've got stories, and many of them are so important to the fabric of Australia. It's a great privilege.

Michael McCarthy So Ticky, I'd like to drill into that a little more. Who is your audience?

Ticky Fullerton: Our main audience are, apart from the people who are involved with the show, so as I say, the C-suite. I think very much the business end of town, and the financial end of town. I think also interestingly there are, as I would say, interested A listeners, if you like. Because it's a way to come in once a day. We do it at 6, and then again at 9:30, and for an hour you get a really good dose of business politics. So I think you've got the hardcore business, but then you've got the finance community as well. And I think some interested generalists who are becoming more and more interested in business.

Michael McCarthy So Ticky, I'm going to ask you to take us behind the scenes when a big news story breaks. How does it start?

Ticky Fullerton: Well it starts with a break.

Michael McCarthy Is that a tip? Is it a phone call?

Ticky Fullerton: It can come from anywhere. It can be a general thing that breaks on the news generally. Then you're all rushing around to see how you can take it further. Because we're part of a continuous news channel, you'll find breaking stories come over the straps. Usually when I arrive I'm like, what are these ruddy straps everywhere? But they flash up as breaking news. In terms of the breaks that one creates oneself, they are really exciting, and really important. For me they can come occasionally in an actual interview.

For example, this year John Mullen. I was interviewing the chairman of Telstra. In that interview it was a long way ahead of, maybe a month ahead of the results. I asked him about the dividend. He said, obviously being the chairman of the board he wouldn't say what the dividend policy was going to be. But he made some very strong points about...He said he'd be carried out in a box, I think, if he did do that. But he made some very strong points about how Telstra's major competitor in the future, Amazon, which is interesting in and of itself, was a company that didn't pay dividends at all. It had a growth model. That if Telstra was going to compete, those are the sorts of models it was competing against. To me that was a very big aha moment. Then sure enough, it was a big whack in the dividend, as you and I have spoken about, which was a big shock. But I think we got it there in that interview for the first time.

So you build around that, and you make something of that. But if you're going to really break something on the show, which we have done a couple of times this year as well. I am very proud of my reporter, Leo Shanahan, Dennis's son. He both broke the story of the budget really, which was the bank levy, and indeed subsequently he broke that internal review of the commonwealth bank on the monitoring of the institutional division more recently. Now both of those were, I have no idea, through his contacts, not mine. So that's obviously why I hired him at the beginning of the year, really to break stories, and boy has he delivered.

Michael McCarthy He certainly has. He wouldn't tell me either, how he got the story Ticky. So what is it like? You go into work. You know you've got an important story that nobody is aware of yet. How does that feel?

Ticky Fullerton: Terrific of course. One of the ways the show is structured is that I have a little bit of...It's a double edged sword, Michael, being both the anchor and the EP. But I have got a little sort of piece up the front for a minute or two to sort of set the scene on something. That means you have to talk and have an opinion every night on something, which maybe some people won't appreciate. But there's so much going on it's very important. So of course if we got a breaking story, then that's the way to couch that straight into it. You blow it out. You make sure people realize it is what it is.

Very often I'll get, on those stories we've had Leo at the desk with me, because it's a great way of being able to get the information out talking to somebody about things. As you would know, even talking markets, you can get a lot more out than if I produced a package on it, and it has to be sort of technically correct. Whereas if you and I are having a convo there's a lot of innuendo, and asides, and everything else, which goes to entertainment as well actually.

Michael McCarthy This is a highly intense business. There's a lot of pressure. There are similarities with being a trader here I imagine.

Ticky Fullerton: Well I have never been a trader. I went up through capital markets corporate advisory. I think the pressures are similar, but different if you like. I think being a trader, you are there, and you are waiting on markets. You're waiting on markets. You've got plans. But things move very, very fast when they move. Doing a same day show, and a one hour show, it is a sort of constant pressure, to fill that show with something really meaningful and important. Given the Sky model of course, we're pretty lean. So it is making sure you've got that pipeline of things that you've got booked going forward, but equally you've got to have the flexibility, which you can do on a one hour show, of moving when you need to.

So no, I have never worked so hard in my life at the moment. That includes investment banking in the late 80s at CSFB, where you worked very long hours. But I think it's the combination of the hours and the intensity. But it's great. I'm sitting there

surrounded by the folks at the Australian newspaper. I'm sitting there in Holt Street. These people eat what they kill. It's a terrific environment.

Michael McCarthy You don't seem unhappy about it Ticky. Do you thrive on it?

Ticky Fullerton: Well you have to, don't you. Otherwise you get out of the kitchen.

Michael McCarthy Yes. So you're at the higher risk end of the news cycle to some extent too. When you break a story, and it turns out to have legs, it must be great. But betting high risk, there must be a danger that a story could blow up on you as well.

Ticky Fullerton: Well of course. Touch wood, that hasn't happened to me in a major way to date. Being the executive producer of the show as well, you do have a responsibility to get things right. If you proffer an opinion, which we can do on Sky, as opposed to my old job at the ABC. But if you proffer an opinion, you have got to be able to support it. Because people get very cross if you're just flying your opinions around the place, and there's no basis for them. So I think we take that quite seriously.

One of the things about good business journalism is that it should be based on some pretty big facts. I think that's where the challenge lies with business journalism, as opposed to journalism. There is not that much difference between the two. But with business journalism, there is a lot of material. Whereas you and I could talk about gay marriage until the cows come home, but in terms of the hard numbers, statistics, fact, evidence, there's not a lot that you need to get your head around to actually have an opinion. Business journalism, you've actually got to do a bit of work.

Michael McCarthy So one of the conundrums for traders, Ticky, is understanding how a news event will affect the market. Sometimes we see something happen over the weekend. I'll often think, gee, that's really going to move the markets, and we get barely a ripple. On the other hand, sometimes what seem to be the most insignificant news stories have a large market effect.

Ticky Fullerton: Well what are you doing Michael? This is my question for you.

Michael McCarthy I'm turning the tables Ticky.

Ticky Fullerton: I mean I myself have been staggered at how the market has reacted to some of these heightened geopolitical risks, i.e., how little. Whereas if something bends small in the property market somewhere around the world, who knows, that could suddenly send everybody off. I find it very difficult to see why some market reactions have happened, and some haven't. Particularly there has been a lot of in recent reporting there has been a lot of jumping around of share prices on results day. Then things calm down, and you just see this. If you look back at the share price you see this incredibly ziggy blip right in the middle there, and it just carries on



where it started before the results. So I think things are shifting a little bit, whether that's, again I'd turn the tables back on you Michael, whether it's the shorters, or the type of trading that's going on. I think it's very hard to tell.

Michael McCarthy You preempted my next question, which was around the idea of being at the center of the news cycle. Do you get a better of understanding of what will affect the market?

Ticky Fullerton: I think that said, some, of course because of the people you get on talk, and you talk to. Another thing about business journalism, and it's true, it should be true of all journalism, is if you don't know, find a man or a girl who does. People who are saying, watch for this. Being at the center of things, and having access to people who know what they're talking about is so important I think.

Michael McCarthy But you haven't been tempted to open a trading account yourself yet.

Ticky Fullerton: Again, it's the hangover from 20 years at the ABC, where we weren't allowed to. I just haven't got my act together yet, Michael, this year. But I think there are some tremendous companies at the moment, and tremendous people to be involved with, both on the startup side, and on the big company side. I think we're going through a really interesting change at the moment in terms of capital management of a lot of companies, and that should make a lot of people jump up and look at things.

Michael McCarthy Ticky, what's your most memorable reporting day?

Ticky Fullerton: Golly, that is such a difficult one. Because in terms of same day TV, it's all a blur. There's a great phrase, you're only as good as your last story. That is so true. I think this year the bank tax story was very exciting for Leo and I to work our way through, and push that along. In terms of the great crashes, I was around for two of them. One at CSFB in the 80s, and then one at the ABC, more recently obviously in the 90s. Honestly those events were a bit of a blur I have to say, Michael, because you just watch the market. So it wasn't your news. You were just thinking, my goodness, like everybody else. Making sure you're in a room with closed windows and all that. But again, I didn't have skin in the game then, unlike people in the markets. I was just commentating. I think some of the Four Corners investigative reports we did went on Multiplex, which I think led to a 3000 million dollar fine. One on Westpoint. They were a couple of really good stories. I was pretty proud of that investigative journalism.

Michael McCarthy So journalism can be a force for good in markets.

Ticky Fullerton: I would like to think so. Otherwise what the hell am I doing Michael?

Michael McCarthy Well I appreciate your perspective Ticky. But surely there are some who have more nefarious intents. There are people who tried to manipulate the news cycle in an attempt to manipulate the markets. Have you come across this?

Ticky Fullerton: Yeah, sure. I mean you only have to look, from the business side of manipulation you only have to look at the basic press release, and how that works. But equally that comes back to robust journalism I think. Now the world is full of opinion as well. There are those who make a career out of being, knocking in business too, which I suppose has its place, but it's not my shop. I think there are now forces within the market. I talked about shorting, for example. There are [21:15] activists. There are some forces outside of journalism, but closer to business now, which then push journalists. That's a very interesting new area I think of influence.

Michael McCarthy What other changes have you noticed, either in journalism or in markets over your time?

Ticky Fullerton: I think the big one is the rise of opinion. Everybody has got an opinion, don't they?

Michael McCarthy At least one.

Ticky Fullerton: That to me, it goes to entertainment, this increase in opinion journalism. Of course it's very frustrating for some people to listen to I'm sure. Go no further, for example, this is not in business, but it's in politics, but goodness he talks about a lot of economics as well. Look at Paul Kelly at The Australian. Now there is somebody, he is in his 70s. He is read by leaders. He's an extraordinary influencer. So his opinion is fabulous. I think equally it's really important on a show like mine to, yeah, you can have an opinion, but to get the sources from the top, and to get them on air talking about, as close as you can, to the issue. If not, then go to the source, if you can get him, or her.

Michael McCarthy It's one of the strengths of Ticky. Even though it's named after you, at the center of the show is the story, not the personality.

Ticky Fullerton: Well I hope so. Look, not my idea, this is a very Sky idea. But yes, in fact, I probably have to change my name. But it is very important. Wouldn't it be incredible to know what Catherine Livingstone, Chairman of Commonwealth Bank is thinking right now. What her long term plan is. Who she is looking for. Goodness me, she has moved fast. The board is moving fast. You crave those real stories behind the news, if you can get them. Again, it goes back to trying to get the people closest as you can to the story.

Michael McCarthy Ticky, you're reporting on matters that affect people's investments, their life savings. What you say can affect the markets. Do you think there's more responsibility on finance journalists to get it right?



Ticky Fullerton: I do. I do think there's more responsibility on finance journalists to get it right. It makes me very cross when either we get something wrong. There's a mistake in the date. But it's a problem for same day television inevitably if you're doing something on a weekly, or a monthly show that has got a lot of production behind it, and you make mistakes, that's more serious. It's one of the problems in same day television when everybody is moving incredibly fast, and it goes back to, I think this is where experience comes in a lot. You can get some very clever young people, but I think one of the great assets in this game of fast news, and getting things right, is actually experience. You can't buy that. You can throw yourself into things.

The one thing I would say to clever people starting in business, and business journalism, and indeed in markets, is your network is absolutely critical. Even if you're on the trading floor doing FX or something, if your girlfriend's father is in a business somewhere, or you're at a dinner party, and somebody a little weird in the entertainment area. Nevermind. Find out all that you can about them. Swap your business cards, do your LinkedIn, get your social network going. Because it is extraordinary, particularly in a place like Australia, how small this fishbowl is, and how valuable that is. We talk about the value of data, and who has got data, and how important it is, and artificial intelligence. The value of human networks, and when you're a journalist it's like this in spades.

So here I am at 54, having been in banking, and then journalism for many years now. It goes all the way back to university. I was very lucky. I had a bunch of Rhode Scholars at Oxford, and they've all done incredibly well, and that has been very, very interesting to watch. Just piling on though, as I say, I've been around for a while, and you kind of grow up with a lot of these very important business people who were just sitting there in the ether 20 years ago. But the experience, to give yourself some context for something that has happened. Then you can give the audience some context, which in a way goes to entertainment as well.

Michael McCarthy I'm going to have to pick you up on something you said earlier, about being old. Ticky, it turns out we're the same age.

Ticky Fullerton: We're that young.

Michael McCarthy So [? 26:17] the old stuff if you don't mind. Yes, we're that young. So Ticky, for traders, mistakes are an important part of the process of becoming successful. Traders learn from their mistakes. Is it the same for journalists?

Ticky Fullerton: I think it has to be. From a presenter point of view it's very interesting, because it's a bit like being an actor or an actress. You can have 110 million great reviews, and then you've got one. A phone call, or an email that says that was appalling, that's a new low, or you've completely lost the plot, you missed the main point. You get one of those, and it keeps you up at night. In a way it should

do. I think the other things, for me, I've been reasonably lucky. I think as an investigative journalist it's very interesting. You've got to be very careful about business coverage, and getting sued. That's very important. I learned a great deal at Four Corners doing business investigative journalism.

Michael McCarthy So it's not just a matter of saying allegedly before every sentence.

Ticky Fullerton: No no no. I do think one of the lessons learned if you're doing investigative journalism is that you've got to be so careful in business stories because of the potential legal action. If you are going to somebody's reputation. There are plenty of kooks around the place, and there's plenty of opportunity to lift the mat on businesses that aren't working right. But having spent time at a place like Four Corners, five years there, you do learn by your stories that you put out there. Again, you've had the time to do the research as well, that you put out there. If they then go off to court, or there are complaints that come through that have to be dealt with, it is hours, weeks, months of your life when you are still working on the next story that you have to deal with. So there are lessons learnt there. I've been off to court, very much supported by the organizations that I worked for. But when you push things along, you've got to make sure that you are right on as much as you can be.

Michael McCarthy Ticky, you've also spent time reporting on general news. You've done a lot of investigative journalism. But you're essentially now a finance journalist. How is it different being a finance journalist?

Ticky Fullerton: I tried very hard to get out of finance journalism.

Michael McCarthy Did you?

Ticky Fullerton: Yeah. I tried to. I went down to Canberra. I went up to Brisbane for a couple years, presented the national farming program for the ABC. Actually that was really important because it gave me... We're talking about context, but the rural industry and agriculture, which is now I think going to underpin a new... Everybody keeps saying, it's coming, it's coming, but you're seeing the beginnings of it in dairy and agri. No, I tried to get away from it for many years. In part it was because finance journalism 15, 20 years ago was quite narrow. It goes back to what we were talking about at the beginning. That business and politics now, it has become so incredibly interconnected that the business seems to me anyway to be at the heart of everything.

Michael McCarthy So you've talked about how journalism has changed over the years. But how has business changed? How have business attitudes changed over the years?

Ticky Fullerton: Well business itself has been transformed in terms of how accessible it has been to the media. So for example, 20 years ago if I tried to get a market

analyst to talk to about some move in a bank, or BHP, not only would they not have time for you, but no way would they come out and talk on the record, on air, on TV. Now it is completely different. People, for whatever reason, they have become much more open and accessible. Indeed the market's players are much more... You couldn't have run a continuous business channel like we do today 20 years ago. No way. You wouldn't have had the commentators who would have been out there speaking. I think that's very important for markets. Because it's another way that markets are looking at things, isn't it? That you've got that on in the background, and it's a very different thing I think from 20 years ago.

Michael McCarthy What do you see as the big news stories in finance right now?

Ticky Fullerton: I think capital management, and the change in capital management. It's a very, very big story that is happening right now in boardrooms all over the world. I think the bashing of the big end of town. I'm talking about general stories, general themes, thematics. The bashing of the big end of town, and how that will play out.

Michael McCarthy business people are the last villains left in the world.

Ticky Fullerton: Things like salary packages, that sort of stuff. I think some of the scandals are still very big stories. Banking does not need one more scandal. Just saying. I think the energy crisis in Australia is a massive story. I think Trump will be interesting. My dear father who is 87 now says he has got his money on Trump for a second term. Now he's the first person who has called that. Very, very interesting to see if he's right on that one. But there are so many big thematics going on at the moment. More almost I think than at any time I can remember in business, both at a global level, but also at a national crisis level. A fantastic place for a business journalist to be I must say.

Michael McCarthy Absolutely. Although it can be very dry, Ticky. The business world. A lot of numbers being thrown around. Some of the concepts are a little arcane. How do you keep making it fresh and interesting?

Ticky Fullerton: Well I think the news changes every day. As I say, I think there's just so much of it around. In fact, I quite like the occasional dry technical interview say on the [? 32:57].

Michael McCarthy Any fascinating topic like that, yes.

Ticky Fullerton: In fact, debt markets, ETFs, currencies. Probably we don't do enough of them actually. The dead zone for me is less a dry story, which I think it's the challenge of the journalist to make it interesting. It's when you get someone who is very dry on air. That's quite hard to lift up, especially if they're very important. I just think from the point of view of people out there in markets who are trading markets,

they are so close to the specific trends. It's a great grounding, I think. People in markets who spend time in markets, they think fast, they get their networks.

I think people in markets who are coming up can go on to do pretty much anything, including journalism. It would be great if we had some more markets people in journalism. I had a fantastic producer at the ABC, Peter Robinson. He loved markets. He used to follow blogs, he followed anybody involved in markets. Global markets, any commodity, any instrument, he was interested in it. Having someone like that sitting close to you is extraordinarily valuable. I think getting people from the markets, from the interface of where that really is going on would be very valuable for journalism.

Michael McCarthy Ticky Fullerton, thank you very much for your time, and generous sharing of your stories today.

Ticky Fullerton: It's great to talk to you Michael. I love your input on my show on Friday. So thank you.

Michael McCarthy Thanks again.

That was Ticky Fullerton. For a special blog post by Ticky, Drawing Back the Curtain on the Nightly Finance News, go to our website [theartfultraderpodcast.com](http://theartfultraderpodcast.com), where new and existing clients can also access some limited time offers. The Artful Trader is an original podcast series by CMC Markets, a global leader in online trading. To stay up to date with the new episodes, subscribe now on Apple podcasts, or wherever you get your favorite podcasts from. Make sure you share it with your friends, and leave us a rating. I'm Michael McCarthy, and this is The Artful Trader.