

WEEKLY MARKET recap

20 – 24 January 2025



Highlights of the week

- US President Donald Trump has called on the Organization of Petroleum Exporting Countries (OPEC) to bring down crude oil prices.
- The Labor government has rescued Rex Airlines by taking on \$50 million of its debt.

Market Action

Sector	Returns % (excluding distributions)		
	24-Jan-25	17-Jan-25	Change (%)
S&P/ASX 200	8408.2	8314.4	1.1%
All Ordinaries	8660.7	8560.4	1.2%
Small Ordinaries	3199.9	3156.8	1.4%
S&P 500 *	6118.7	5937.3	3.1%
NASDAQ *	20053.7	19338.3	3.7%
FTSE 100 *	8565.2	8391.9	2.1%
Hang Seng *	19700.6	19522.9	0.9%
Nikkei *	39958.9	38572.6	3.6%

*US, UK, European and Asian prices refer to the previous day's close

US equity markets rallied this week with the S&P 500 gaining 3.1% to reach a new record high and the NASDAQ returning 3.7%. Gains were led by the Industrials and Communication Services sectors whilst the Energy sector lagged. The FTSE100 rose 2.1% as the UK unemployment rate rose to 4.4%, boosting the likelihood of a rate cut. Concurrently, UK consumer confidence fell to a new record low.

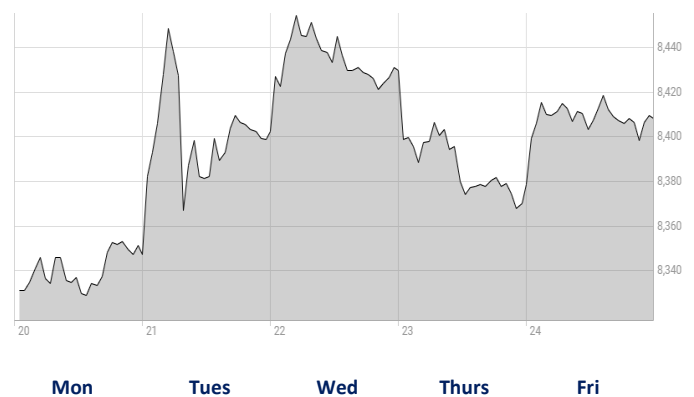
S&P/ASX 200 - Top five of the week

ASX Code	Company	Closing Price	Change*
MP1	Megaport	\$8.58	25.6%
NEU	Neuren Pharma.	\$14.74	20.0%
LTR	Liontown Resources	\$0.58	17.2%
HUB	Hub24	\$76.92	17.1%
BOE	Boss Energy	\$3.21	15.5%

*Prices as at 3.00PM on 24/01/2025

Megaport jumped 25.6% over the week, benefiting from a global rally in the artificial intelligence stocks. Neuren Pharmaceuticals climbed 20.0% after its partner Acadia submitted a 'trofinetide' marketing application for approval in Europe. Liontown Resources rallied 17.2% after reporting a 215% increase in quarter-on-quarter production and a 674% increase in revenue. HUB24 rebounded 17.1% after reporting net inflows of \$5.5 billion for the second quarter. HUB24's total funds under administration reached \$120.9 billion at the end of 2024, a 33% increase from a year prior.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng returned 0.9% with the government easing stock repurchase requirements to support its share market whilst the Nikkei gained 3.6%, helped along by a weaker yen. The S&P/ASX 200 rose 1.1%, driven by the Financials and Information Technology sectors but slightly offset by the Energy sector. Small caps outperformed both mid and large caps, returning 1.4%.

S&P/ASX 200 - Bottom five of the week

ASX Code	Company	Closing Price	Change*
VUL	Vulcan Energy	\$5.25	-12.1%
ILU	Iluka Resources	\$4.71	-11.6%
LYC	Lynas Rare Earths	\$6.56	-7.5%
CSC	Capstone Copper	\$9.35	-7.1%
TPG	TPG Telecom	\$4.28	-7.0%

Vulcan Energy Resources dropped -12.1% after completing a share purchase plan to raise funds for its Lionheart Project in Germany. Iluka Resources lost -11.6% after its quarterly review revealed a 22.4% decrease in year-on-year production and an 8.9% fall in mineral sands revenue. Lynas Rare Earths retreated -7.5% after reporting lower than expected rare earth oxide production in December. Capstone Copper fell -7.1% despite recording a 12% increase in annual copper production and forecasting both increasing volumes and lower costs for 2025.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
No upcoming dividends this week.				

Key Rates Table

Aus. 10-yr Bond Yield	US 10-yr Bond Yield	AUD/USD	AUD/GBP	AUD/EUR	AUD/CNY	AUD/JPY
4.52%	4.62%	0.63	0.51	0.61	4.58	98.22

*Rates as at 3.00PM on 24/01/2025

Topic of the week

On the first day of his second presidential term, President Donald Trump signed forty-two executive orders. Executive orders are presidential directives that are legally binding, but are not law, as they do not have to pass through congress. This has allowed Trump to quickly implement his policies and even rescind 78 executive actions implemented by his predecessor, Joe Biden.

One of the first executive orders was to end birthright citizenship. Under the 14th Amendment, all persons born in the United States are automatically citizens. The order looks to restrict citizenship “when that person’s mother was unlawfully present in the United States and the person’s father was not a United States citizen or lawful permanent resident at the time of said person’s birth, or when that person’s mother’s presence in the United States was lawful but temporary, and the person’s father was not a United States citizen or lawful permanent resident at the time of said person’s birth.” However, a federal judge has temporarily blocked this executive order.

Another executive order was used to declare a national energy emergency, allowing the government to expedite permits for fossil fuel infrastructure. In addition, Trump unwound drilling restrictions and pauses on gas exports to boost US production. To further help boost the fossil fuel industry, Trump also suspended offshore wind leasing and ended electric vehicle targets set by Biden.

President Trump issued an executive order to withdraw the US from the Paris climate agreement. Trump previously withdrew the US from the agreement in his first term before Biden rejoined in 2021. Trump also exited the US from the World Health Organization (WHO). The US is currently the largest backer of the WHO but will now be leaving the agency and ceasing funding for the WHO in 12 months’ time.

Other executive orders included directives to declare a national border emergency, rename the Gulf of Mexico to the Gulf of America, to recognise only two genders, pardon convictions related to the January 6 Capital riots.

Home Loan Rates

Lender	Owner Occupier (Variable)	Owner Occupier (2 Year Fixed)	Owner Occupier (5 Year Fixed)	Investor (Variable)	Investor (2 Year Fixed)	Investor (5 Year Fixed)
CBA	6.49%	6.44%	6.84%	6.69%	6.49%	6.94%
NAB	6.44%	6.04%	6.29%	6.96%	6.24%	6.49%
Macquarie	6.14%	5.69%	5.69%	6.34%	5.85%	5.85%

*Based on a 25-year, \$450,000 loan with principal and interest repayments and a Loan to-Value ratio of 70%

What to expect for the week ahead

- The US 2024 4th Quarter Corporate Earnings Season will continue with Meta, Microsoft, Tesla, and Apple all expected to report.
- The Reserve Bank of Australia (RBA) will release their quarterly bulletin on the economy and financial system.



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