

WEEKLY MARKET recap

10 – 14 February 2025



Highlights of the week

- US President Donald Trump introduced a 25% tariff on all imported steel and aluminium into the US.
- Australian Consumer Sentiment steadies at a 'cautiously pessimistic' level as rate cut expectations were offset by global tensions and cost of living concerns.

Market Action

Sector	Returns % (excluding distributions)		
	14-Feb-25	7-Feb-25	Change (%)
S&P/ASX 200	8562.7	8513.4	0.6%
All Ordinaries	8831.3	8781.7	0.6%
Small Ordinaries	3234.6	3227.8	0.2%
S&P 500 *	6115.1	6083.6	0.5%
NASDAQ *	19945.6	19792.0	0.8%
FTSE 100 *	8764.7	8727.3	0.4%
Hang Seng *	21814.4	20891.6	4.4%
Nikkei *	39461.5	39066.5	1.0%

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

US equity markets rose this week with the S&P 500 and the NASDAQ up 0.5% and 0.8% respectively. Markets reacted to stronger than expected inflation, the announcement of further tariffs, and corporate reporting. Gains were led by the Information Technology sector. The FTSE100 rose 0.4% with the UK economy returning to growth with GDP growth of 0.1% for the fourth quarter.

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

ASX Code	Company	Closing Price	Change*
TPW	Temple & Webster	\$17.85	26.9%
CPU	Computershare	\$42.73	21.3%
NEC	Nine Entertainment	\$1.50	15.4%
CIA	Champion Iron	\$6.17	13.7%
DMP	Domino's Pizza	\$33.47	12.7%

*Prices as at 3.00PM on 14/02/2025

Temple & Webster jumped 26.9% after reporting a 23.6% increase in revenue and a 117.9% increase in net profit after tax. Computershare climbed 21.3% after reporting a 27.9% increase in year-on-year earnings before interest and tax, excluding margin in come, and increased its interim dividend payment from last year by 12.5% to 45 cents per share. Nine Entertainment rose 15.4% with the industry rallying on peer, Seven West Media's better than expected results. Domino's Pizza Enterprise continues to rally, up 12.7% since announcing the closure of 205 loss-making stores.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng rallied 4.4% driven by artificial intelligence (AI) stocks, particularly technology giants Alibaba and Baidu whilst the Nikkei rebounded 1.0% on a weaker yen. The S&P/ASX 200 returned 0.6%, driven by the Industrials and Consumer Discretionary sectors. Small caps underperformed both mid and large caps, gaining 0.2% for the week.

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

ASX Code	Company	Closing Price	Change*
SLX	Silex Systems	\$5.15	-16.3%
AMP	AMP	\$1.47	-16.2%
COH	Cochlear	\$262.95	-16.0%
YAL	Yancoal Australia	\$5.76	-12.5%
IAG	Insurance Australia	\$7.83	-11.8%

Cochlear dropped -16.3% after reporting its services division saw a 13% fall in revenue. Demand for new upgraded devices declined as patients face cost-of-living pressures. AMP lost -16.2% after warning of potentially reducing its payout ratio to conserve capital for growth. Yancoal Australia fell -12.5%, tracking a sharp fall in coal prices due to an expected oversupply. Insurance Australia Group retreated -11.8% after forecasting gross written premium growth to be at the low end of its guidance range due to a moderation in premium increases from lower reinsurance costs.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
CPU	Computershare Limited	18/02/2025	\$0.45	0%
IAG	Insurance Australia Group Limited	18/02/2025	\$0.12	60%
CBA	Commonwealth Bank of Australia	19/02/2025	\$2.25	100%
JBH	JB Hi-Fi Limited	20/02/2025	\$1.70	100%
ASX	ASX Limited	21/02/2025	\$1.11	100%

Key Rates Table

Aus. 10-yr Bond Yield	US 10-yr Bond Yield	AUD/USD	AUD/GBP	AUD/EUR	AUD/CNY	AUD/JPY
4.47%	4.53%	0.63	0.50	0.60	4.61	96.62

*Rates as at 3.00PM on 14/02/2025

Topic of the week

The US Federal Reserve (Fed) published its semi-annual Monetary Policy Report, with Fed Chair Jerome Powell presenting the findings to Congress. The Monetary Policy Report reviews the current economic situation and the Fed's monetary policy actions before providing an update on its policy stance and outlook.

The Federal Reserve noted that inflation had gently moderated over 2024, albeit at a much slower pace than in 2023 and remained above the target rate of 2%. The Fed's preferred measure of inflation, the personal consumptions (PCE) index sat at 2.6% for the 12 months to December 2024.

The US labour market remained strong with the unemployment rate settling around 4.1%, a low level historically. Nominal wage

growth returned to a pace in line with the targeted inflation rate. Real gross domestic product (GDP) rose 2.5% over the year, driven by consumer spending and real business fixed investment. Manufacturing output was flat with weaker production in interest rate sensitive sectors.

Over the second half of last year, the Fed reduced its target interest range by 1% following easing inflation and labour market data. With the rate less restrictive and the economy growing, the Fed's stance is to remain patient in making any further changes. Cutting interest rates too quickly may undo the easing of inflation whereas maintaining high rates for too long may hinder economic activity and employment.

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 Block, Newmont, Walmart and Berkshire Hathaway all expected to report.
- The Australian Corporate Reporting Season will continue with BHP, Rio Tinto, Wesfarmers, and Telstra all expected to report.



WEALTH PARTNERS

The information provided in this publication does not constitute financial product advice. The information is of a general nature only and does not take into account your individual objectives, financial situation or needs. It should not be used, relied upon, or treated as a substitute for specific professional advice. Apt Wealth Partners (AFSL and ACL 436121 ABN 49 159 583 847) and Apt Wealth Home Loans (powered by Smartline ACL 385325) recommends that you obtain professional advice before making any decision in relation to your particular requirements or circumstances.

PROFESSIONAL PRACTICE
 FINANCIAL ADVICE ASSOCIATION AUSTRALIA