

WEEKLY MARKET recap

3 – 7 March 2025

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Highlights of the week

- Global oil prices fell to their lowest level since 2021 as the OPEC+ confirmed plans to increase production.
- Australia's Gross Domestic Product (GDP) rose by 0.6% in the December quarter.

Market Action

Sector	Returns % (excluding distributions)		
	7-Mar-25	28-Feb-25	Change (%)
S&P/ASX 200	7950.2	8162.2	-2.6%
All Ordinaries	8180.5	8394.1	-2.5%
Small Ordinaries	3056.4	3138.0	-2.6%
S&P 500 *	5738.5	5861.6	-2.1%
NASDAQ *	18069.3	18544.4	-2.6%
FTSE 100 *	8682.8	8756.2	-0.8%
Hang Seng *	24369.7	23718.3	2.7%
Nikkei *	37704.9	38256.2	-1.4%

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

US equity markets fell this week with the S&P 500 and the NASDAQ down 2.1% and 2.6% respectively. 10 of the 11 US market sectors were down for the week with losses led by the Information Technology sector. Health Care was the lone positive sector. The FTSE100 retreated 0.8%, falling from record highs as services firms reduced staff due to labour costs and construction activity declines.

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

ASX Code	Company	Closing Price	Change*
WAF	West African Res.	\$2.18	24.5%
SPR	Spartan Resources	\$1.43	8.5%
IFL	Insignia Financial	\$4.69	8.3%
BGL	Bellevue Gold	\$1.29	7.5%
OBM	Ora Banda Mining	\$0.99	6.5%

*Prices as at 3.00PM on 07/03/2025

Insignia Financial rose 8.3% after Bain Capital and CC Capital each made separate increased takeover bids at \$5 per share. Gold producers West African Resources, Spartan Resources, Bellevue Gold, and Ora Banda Mining have rallied 24.5%, 8.5%, 7.5%, and 6.5% respectively following a jump in the gold price due to its appeal as a safe haven asset given the geopolitical conflict and trade policy uncertainty. In addition, West African Resources reported a 46% increase in net profit after tax for the 2024 calendar year and that its Kiaka Gold project was nearing completion.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng rose 2.7% on new Chinese government policies intended to support domestic consumption, the property sector and the stock market whilst the Nikkei was down 1.4% as sentiment regarding the Japanese economy turned negative. The S&P/ASX 200 fell 2.6% to a 6-month low, and below the 8,000-point mark. Small caps performed in line with large companies, also down 2.6%.

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

ASX Code	Company	Closing Price	Change*
CU6	Clarity Pharma.	\$2.81	-21.3%
ZIP	Zip Co	\$2.06	-21.2%
APX	Appen	\$1.30	-21.0%
IEL	IDP Education	\$9.10	-16.5%
MSB	Mesoblast	\$2.09	-15.0%

Clarity Pharmaceuticals dropped 21.3%, continuing to fall since reporting a \$23.5 million loss for the half year. Zip Co reversed gains from the previous week, down 21.2% on weakening consumer confidence and US economy sentiment. Appen is down another 21.0% after reporting a 14.2% drop in revenue and a net loss of \$20 million for FY24 last week. IDP Education has lost 16.5% since reporting a 16% decrease in revenue, driven by lower testing volumes due to government policy changes. Mesoblast dropped 15.0% on profit taking after being officially added to the ASX 200.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
CSL	CSL Limited	10/03/2025	\$2.07	0%
IRE	IRESS Limited	10/03/2025	\$0.10	25%
NEC	Nine Entertainment Co.Holdings Limited	10/03/2025	\$0.04	100%
PRU	Perseus Mining Limited	10/03/2025	\$0.03	0%
SGH	SGH Limited	10/03/2025	\$0.30	100%
SUL	Super Retail Group Limited	10/03/2025	\$0.32	100%
NWS	News Corporation	11/03/2025	\$0.11	0%
QAN	Qantas Airways Limited	11/03/2025	\$0.26	100%
BRG	Breville Group Limited	11/03/2025	\$0.18	100%
BXB	Brambles Limited	11/03/2025	\$0.30	30%
PPT	Perpetual Limited	13/03/2025	\$0.61	0%
REG	Regis Healthcare Limited	13/03/2025	\$0.08	60%
YAL	Yancoal Australia Limited	13/03/2025	\$0.52	100%
CAR	CAR Group Limited	14/03/2025	\$0.39	50%
WTC	Wisetech Global Limited	14/03/2025	\$0.11	100%

Key Rates Table

Aus. 10-yr Bond Yield	US 10-yr Bond Yield	AUD/USD	AUD/GBP	AUD/EUR	AUD/CNY	AUD/JPY
4.45%	4.25%	0.63	0.49	0.58	4.57	93.04

*Rates as at 3.00PM on 07/03/2025

Topic of the week

Tariffs were back in the spotlight as US President Donald Trump's previously planned tariffs on Canadian and Mexican imports were due to come into effect. He delayed most of them for another month but did increase tariffs on imports from China to 20%.

Tariffs are a form of customs tax placed by a government on imports from other countries but are paid by the importer. In addition to increasing revenue for the government, they are used to promote domestic production by creating a price advantage relative to imports. It is speculated that Trump is using tariffs as a negotiation tactic, but he has justified them as a method to balance trade, punish other countries and to make America 'rich again'. However, research has shown that the costs of tariffs are usually borne by domestic consumers and businesses.

Once tariffs are in place, foreign producers may reduce their prices to remain competitive with domestic producers, sharing some of the cost. Whilst this may be accurate in part, most evidence suggests tariffs are predominantly paid by domestic consumers and businesses. Faced with higher input costs after paying the tariff, companies typically raise their prices, passing through the costs to domestic consumers.

Studies on Trump's tariffs from his first term as president were found to have almost entirely been passed through to US companies and consumers. A study by economists on the tariffs for 'washing machines, solar panels, aluminium and goods from the European Union and China' found the tariff burden was entirely passed through, creating a \$16 billion net loss annually for the US economy. A separate study found that for every dollar increase from the tariff, the price of a complete solar panel system rose by \$1.34. Similarly, another study found that washing machines rose by \$86 following the tariffs. Interestingly, dryer prices also rose by \$92 despite not being targeted by tariffs.

Most of the tariff burden in Trump's first term was found to have been absorbed by affected US companies, resulting in lower profit margins. However, the impending tariffs are broader creating concern that companies will be forced to pass on the costs to consumers. Cars, alcohol, houses, maple syrup, fuel prices and avocados are some of the products most likely to see significant price increases.

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	6.24%	6.14%	6.69%	6.44%	6.24%	6.79%
NAB	6.19%	5.89%	6.24%	6.71%	5.99%	6.44%
Macquarie	5.89%	5.55%	5.69%	6.09%	5.69%	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 Bureau of Labor Statistics will release the Consumer Price Index for February. Headline inflation has seen an uptick over recent months.
- Westpac will release its consumer confidence index which is expected to rise following the Reserve Bank of Australia's rate cut last month.



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