

WEEKLY MARKET recap

12 - 16 May 2025

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Highlights of the week

- The US and China have agreed to suspend the recent reciprocal and retaliatory tariffs for 90 days.
- The Australian Wage Price Index rose 0.9% over the March quarter and 3.4% for the year to the March quarter.

Market Action

Sector	Returns % (excluding distributions)		
	16-May-25	9-May-25	Change (%)
S&P/ASX 200	8335.7	8239.3	1.2%
All Ordinaries	8571.4	8469.0	1.2%
Small Ordinaries	3174.8	3192.5	-0.6%
S&P 500 *	5916.9	5663.9	4.5%
NASDAQ *	19112.3	17928.1	6.6%
FTSE 100 *	8633.8	8531.6	1.2%
Hang Seng *	23453.2	22775.9	3.0%
Nikkei *	37755.5	36928.6	2.2%

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

US equity markets rallied with the S&P 500 and the NASDAQ up 4.5% and 6.6% respectively as the US announced a 90-day pause of 'reciprocal' and retaliatory tariffs with China, and a US\$600 billion investment commitment from Saudi Arabia. The FTSE100 rose 1.2% as the UK economy grew 0.7% in the first quarter and UK retail sales unexpectedly reached a four year high in April.

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

ASX Code	Company	Closing Price	Change*
LTR	Liontown Resources	\$0.83	53.7%
360	Life360 Inc	\$30.50	31.0%
MIN	Mineral Resources	\$26.59	28.2%
XYZ	Block Inc	\$87.97	17.6%
AAI	Alcoa Corporation	\$44.07	14.5%

*Prices as at 3.00PM on 16/05/2025

Liontown Resources continued to rally after securing a \$15 million loan under the Western Australian Government's lithium industry support program. Life360 jumped after reporting a 43% increase in revenue in the first quarter compared to the prior corresponding period. Mineral Resources gained on an improved demand outlook for its commodities (lithium, iron ore, energy) and services after the US-China trade deal. Similarly, Block Inc rebounded on the trade deal with further spending and retail activity expected in the US following the removal of tariffs.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng rose 3.0% on the pausing of the US-China trade war, whilst the Nikkei gained 1.3% despite a strengthening yen and its economy contracting in the first quarter. The S&P/ASX 200 returned 1.2%, driven by the Energy and Information Technology sectors. Small cap stocks underperformed large caps, down -0.6% for the week.

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

ASX Code	Company	Closing Price	Change*
OBM	Ora Banda Mining	\$0.99	-15.8%
VAU	Vault Minerals	\$0.42	-14.0%
RMS	Ramelius Resources	\$2.50	-13.4%
IFL	Insignia Financial	\$3.44	-13.1%
WGX	Westgold Resources	\$2.56	-12.9%

Gold producers Ora Banda Mining, Vault Minerals, Ramelius Resources, and Westgold Resources retreated, tracking the fall in gold price as geopolitical tensions ease. The temporary pause in the US-China tariff war, the truce between India and Pakistan and planned ceasefire talks between Russia and Ukraine has reduced demand for the safe haven asset. Insignia Financial fell after private equity firm Bain Capital decided to withdraw its takeover offer citing macro uncertainty and volatility in global markets. CC Capital remains in the running to acquire Insignia Financial.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
AAI	Alcoa Corporation	19/05/2025	\$0.11	0%
MQG	Macquarie Group Limited	19/05/2025	\$3.90	35%
AMC	Amtcor Plc	21/05/2025	\$0.20	0%
ALL	Aristocrat Leisure Limited	22/05/2025	\$0.44	0%
ORI	Orica Limited	22/05/2025	\$0.25	0%

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%	4.42%	0.64	0.48	0.57	4.63	93.37

*Rates as at 3.00PM on 16/05/2025

Topic of the week

US President Donald Trump has signed a new executive order to reduce the costs of prescription drugs in America. A study has found that the US was responsible for around 70% of global pharmaceutical profits despite accounting for less than 5% of the world's population. Research from 2021 has shown that the US often pays between two and four times the cost of the same branded prescription drugs in other developed nations. This is due to the complex US healthcare system that results in middlemen adding their own premiums, increasing the drug price between the manufacturers and the consumer. Meanwhile, other countries with

a national health care system sees officials negotiate with drug manufacturers directly and keeping prices lower.

The executive order plans to reduce drug prices by enabling sales from the manufacturer directly to the consumer establishing and Most Favoured Nation (MFN) pricing in the US. MFN pricing will push for manufacturers to bring prices down to the lowest price available abroad in another developed nation. Officials will be providing price targets to manufacturers within 30 days with the threat of further regulatory measures if "significant progress" towards the target is not delivered.

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%	5.44%	5.79%	6.71%	5.59%	5.99%
Macquarie	5.89%	5.19%	5.39%	5.99%	5.35%	5.55%

*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 Reserve Bank of Australia (RBA) will hold its next Monetary Policy Board Meeting. The market is expecting the RBA to make a 0.25% rate cut.
- The US Conference Board will release its leading economic index for April, providing insight into the near-term outlook of the business cycle and economy.



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