

WEEKLY MARKET recap

2 - 6 June 2025

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Highlights of the week

- US President Donald Trump has doubled tariffs on steel and aluminium imports to 50%.
- The Fair Work Commission will increase minimum award rates by 3.5% from July 1.

Market Action

Sector	Returns % (excluding distributions)		
	6-Jun-25	30-May-25	Change (%)
S&P/ASX 200	8517.5	8435.7	1.0%
All Ordinaries	8743.1	8660.5	1.0%
Small Ordinaries	3244.7	3228.1	0.5%
S&P 500 *	5939.3	5912.2	0.5%
NASDAQ *	19298.5	19175.9	0.6%
FTSE 100 *	8811.0	8716.5	1.1%
Hang Seng *	23907.0	23573.4	1.4%
Nikkei *	37554.5	38433.0	-2.3%

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

US equity markets rose over the week with the S&P 500 and the NASDAQ up 0.5% and 0.6% respectively with President Trump and Chinese President Xi Jinping agreeing to progress further with trade discussions. The FTSE100 was up 1.1% as miners rallied on higher commodity prices. Miners also benefitted from being exempt from the US steel and aluminium tariffs due to the recent trade deal.

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

ASX Code	Company	Closing Price	Change*
DRO	DroneShield	\$1.56	20.5%
BKW	Brickworks	\$32.26	18.0%
LYC	Lynas Rare Earths	\$9.16	17.5%
CAT	Catapult Group	\$6.15	17.0%
JHX	James Hardie	\$40.42	16.8%

*Prices as at 3.00PM on 06/06/2025

DroneShield jumped on news that the UK will spend an additional £2 billion on drones, with £350 million to increase tenfold the number of drones to be delivered to Ukraine this year. Brickworks rallied after announcing it would merge with Washington H. Soul Pattinson, ending a 56-year mutual ownership structure. Catapult Group advanced on its acquisition of Perch, an athlete performance monitoring company. Lynas Rare Earths gained as China tightened export controls on rare earth materials. James Hardie rose after securing new credit facilities to fund its acquisition of AZEK.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng index returned 1.4% with optimism over trade talks whilst the Nikkei lost -2.3% with the Bank of Japan likely to hike rates as core inflation in Tokyo reached a two-year high. The S&P/ASX 200 advanced 1.0% as Australia recorded weaker than expected GDP growth. Gains were led by the Financials and Energy sectors. Small cap stocks underperformed large caps, up 0.5%.

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

ASX Code	Company	Closing Price	Change*
IEL	IDP Education	\$3.55	-55.5%
DMP	Domino's Pizza	\$21.45	-11.0%
LNW	Light & Wonder Inc	\$129.91	-10.7%
WAF	West African Resources	\$2.44	-9.3%
NUF	Nufarm	\$2.16	-8.1%

IDP Education crashed after noting that global government policies are expected to cause a 28%-30% fall in student volumes and an 18%-20% fall in language testing volumes compared to the previous financial year. Domino's Pizza slid following leadership changes whilst Light & Wonder returned the previous week's gains when it announced its multi-year growth strategy. West African Resources retreated after announcing it would give up an additional 5% stake in its mining projects to the Burkina Faso Government. To comply with the new mining code.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
IFT	Infratil Limited	11/06/2025	\$0.10	0%
CIA	Champion Iron Limited	12/06/2025	\$0.11	0%
DNL	Dyno Nobel Limited	13/06/2025	\$0.02	0%

Key Rates Table

Aus. 10-yr Bond Yield	US 10-yr Bond Yield	AUD/USD	AUD/GBP	AUD/EUR	AUD/CNY	AUD/JPY
4.27%	4.39%	0.65	0.48	0.57	4.67	93.53

*Rates as at 3.00PM on 06/06/2025

Topic of the week

The German government has announced a €46 billion corporate tax break package to stimulate its economy. Germany's economy has alternated between growth and contraction in each quarter for the past two and a half years. Full year GDP growth saw a -0.3% fall in 2023 and a -0.2% fall in 2024 whilst recent forecasts predict zero growth in 2025 and 1% growth in 2026.

The stimulus package adds favourable measures for companies including the ability to claim depreciation of 30% per year between 2025 and 2027 which is expected to entice more investment into machinery and equipment. The package also includes a cut to the

corporate tax rate from 15% to 10%, to be implemented by a 1% reduction in each year from 2028 to 2032. Companies will also be able to claim a 75% depreciation in the first year when buying electric cars.

The package has yet to be passed by parliament but is expected to be drafted for deliberation later this month. The new policy is in addition to a €500 billion fund for defence and infrastructure that was passed earlier this year, which should also spur economic activity.

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	5.99%	5.89%	6.44%	6.19%	6.04%	6.59%
NAB	5.94%	5.44%	5.79%	6.46%	5.59%	5.99%
Macquarie	5.64%	5.19%	5.39%	5.74%	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 US Bureau of Labor Statistics will release the Consumer Price Index and the Producer Price Index for May.
- The Australian Bureau of Statistics (ABS) will release the Monthly Business Turnover Indicator for April. The index was up 0.4% in March.



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