



Highlights of the week

- The Victorian Government will pay out \$15 million in support to families affected by the collapse of Porter Davis.
- Eurozone inflation has fallen 1.6% to 6.9% in March, however core inflation, which excludes food and energy, rose 0.1% to 5.7%, a record high.

Market Action

Sector	Returns % (excluding distributions)		
	21-Apr-23	14-Apr-23	Change (%)
S&P/ASX 200	7331.3	7363.1	-0.4%
All Ordinaries	7524.1	7561.6	-0.5%
Small Ordinaries	2895.2	2923.4	-1.0%
S&P 500	4129.8	4146.2	-0.4%
NASDAQ	12059.6	12166.3	-0.9%
FTSE 100	7902.6	7843.4	0.8%
Hang Seng	20397.0	20344.5	0.3%
Nikkei	28657.6	28157.0	1.8%

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

Weaker economic data drove US equity markets down with the S&P 500 and the NASDAQ closing -0.4% and -0.9% lower respectively. Higher initial jobless claims, falls in house prices, lower permits and starts, as well as factory activity declining to a near three-year low all point towards an impending recession. The FTSE 100 rose 0.8% despite the UK unemployment rate rising to 3.8% and UK inflation stubbornly remaining above 10%.

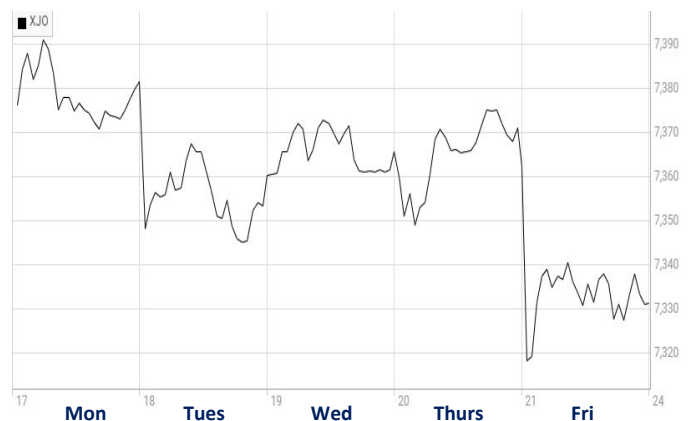
S&P/ASX 200 - Top five of the week

ASX Code	Company	Closing Price	Change*
TLX	Telix Pharmaceuticals	\$10.00	34.7%
PLS	Pilbara Minerals	\$3.93	9.5%
IFL	Insignia Financial	\$3.08	8.3%
CXO	Core Lithium	\$0.97	7.8%
CKF	Collins Food	\$8.83	7.7%

*Prices as at 3.00PM on 21/04/2023

Telix Pharmaceuticals jumped 34.7% this week after announcing the successful preclinical development of antibody olaratumab and announcing a 27% increase in revenue over the first quarter. Pilbara Minerals and Core Lithium climbed 9.5% and 7.8% respectively on improved lithium sentiment after the government's release of the National Electric Vehicle Strategy. Pilbara also received broker upgrades from UBS and Morgans. Insignia Financial and Collins Food rose 8.3% and 7.7% respectively despite no news being released by either company.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng edged another 0.3% higher as Chinese GDP beat consensus forecasts, up 4.5% year on year to the end of the March quarter. The Nikkei climbed 1.8%, spurred on by inbound tourism numbers with 1.8 million foreigners travelling to Japan in March. The S&P/ASX 200 fell -0.4% driven by declines in the Energy and Materials sectors as commodity prices fell. Small caps underperformed both mid and large cap companies, falling -1.0%.

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

ASX Code	Company	Closing Price	Change*
PNV	Polynovo	\$1.62	-10.5%
NHC	New Hope Corporation	\$5.29	-10.3%
KAR	Karooon Energy	\$2.15	-10.0%
CMM	Capricorn Metals	\$4.47	-9.1%
BRN	Brainchip Holdings	\$0.42	-8.7%

New Hope fell -10.3% after trading ex-dividend for a fully franked 30c per share payment. Liquefied Natural Gas producer Karooon Energy sold off (-10.0%) as prices dived due to oversupply and the Labor government indicating an increase to the petroleum resource rent tax. Capricorn Metals fell -9.1% despite confirming 1.45 million ounces of gold at its Mt Gibson gold ore reserve. Polynovo and Brainchip Holdings fell -10.5% and -8.7% respectively despite no news being released by either company. The latter remains one of the most shorted companies on the ASX200.

Upcoming Dividend Dates

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

Topic of the week

As announced by Treasurer Jim Chalmers in July last year, the Reserve Bank of Australia (RBA) has been independently reviewed in order to improve its corporate governance and monetary policy framework with the intention of strengthening its monetary policy decision making capability and accountability. Named "An RBA fit for the future", the review was conducted by former Senior Deputy Governor of the Bank of Canada, Carolyn Wilkins, Australian National University economics professor Renee Fry-McKibbin and Secretary for Public Sector Reform Gordon de Brouwer.

The review details 51 recommendations including major changes such as creating a second board. One board of experts would specialise in research and form monetary policy decisions whilst the other would support and oversee the bank's management and operations. This structure would match the structure of the Bank of Canada and the Bank of England. The current RBA board was also scrutinised for its uniquely high proportion of businesspeople,

with concerns that they were unable to adequately challenge or provide alternative viewpoints to ideas floated by the Governor or the Deputy Governor. In the interim, two board members will be added to the current committee.

Other changes include reducing the frequency of board meetings to allow the effects of previous monetary policy decisions to become more visible before further decisions are made and introducing a regular press conference following each board meeting, allowing for greater transparency into and accountability for the board's decision making.

The full recommendations including those that require legislation could come into effect as early as the 1st of July 2024. Further details of all the recommendations can be found in the full 294-page report, the link available from the RBA website.

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	5.57%	6.24%	6.84%	5.82%	6.34%	6.94%
NAB	5.59%	6.04%	6.44%	5.99%	6.14%	6.79%
Macquarie	5.29%	5.35%	5.35%	5.54%	5.59%	5.59%

*Based on a 25-year, \$450,000 loan with principal and interest repayments and a Loan-to-Value ratio of 70%. As of 13/04/23.

What to expect for the week

- The US Corporate Reporting Season continues with Microsoft, Alphabet, Amazon, and Visa all expected to report next week.
- The Australian Bureau of Statistics (ABS) will publish the first release of "New insights into the rental market", especially important given the current rental crisis.



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