



## Highlights of the week

- King Charles was crowned at his coronation ceremony at Westminster Abbey.
- Treasurer Jim Chalmers delivered the 2023-2024 Federal Budget.

## Market Action

Sector	Returns % (excluding distributions)		
	12-May-23	5-May-23	Change (%)
<b>S&amp;P/ASX 200</b>	7255.0	7214.2	0.6%
<b>All Ordinaries</b>	7450.7	7406.7	0.6%
<b>Small Ordinaries</b>	2915.1	2898.4	0.6%
<b>S&amp;P 500</b>	4130.6	4061.2	1.7%
<b>NASDAQ</b>	12328.5	11966.4	3.0%
<b>FTSE 100</b>	7730.6	7702.6	0.4%
<b>Hang Seng</b>	19743.8	19948.7	-1.0%
<b>Nikkei</b>	29126.7	29158.0	-0.1%

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

US equity markets rallied with the S&P 500 and the NASDAQ closing 1.7% and 3.0% higher respectively this week. Markets were buoyed by the year-on-year inflation rate falling to 4.9% and a strong labour market. Gains were driven by the Communication Services, Consumer Discretionary and Information Technology sectors. The FTSE 100 edged 0.4% as the Bank of England made its 12<sup>th</sup> straight rate hike, bringing its cash rate to 4.5%, a 15-year high.

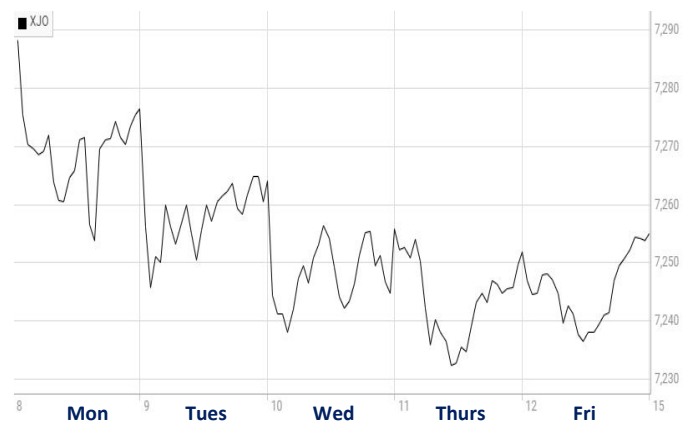
### S&P/ASX 200 - Top five of the week

ASX Code	Company	Closing Price	Change*
<b>LKE</b>	Lake Resources	\$0.64	33.3%
<b>AKE</b>	Allkem	\$15.10	25.9%
<b>CXO</b>	Core Lithium	\$1.16	23.4%
<b>GNC</b>	Graincorp	\$8.25	19.0%
<b>LYC</b>	Lynas Rare Earths	\$7.37	14.5%

\*Prices as at 3.00PM on 12/05/2023

Lithium producers rallied with Lake Resources, Allkem and Core Lithium up 33.3%, 25.9% and 23.4% respectively. Allkem will merge with US-based Livent Corp, to form the 3<sup>rd</sup> largest global lithium company. Core Lithium has begun loading of its first spodumene concentrate shipment and has been granted mining authorisation from the NT Government for a second mine at its Finnis Project. Graincorp jumped 19.0% after upgrading its FY23 profit guidance by \$40 million. Lynas Rare Earths rose 14.5% after the Malaysian government extended its operating licence by 6 months.

### S&P/ASX 200 Index - 1 Week Performance



The Hang Seng fell -1.0% with concerns over the Chinese economy. Chinese year-on-year imports fell -7.9% in April whilst an inflation reading of 0.1% brought on deflation fears. The Nikkei remained relatively flat, remaining at a near nine-month high. The S&P/ASX 200 rose 0.6%, driven by gains in the Information Technology and Healthcare sectors. Small caps performed in line with both large and mid-cap companies, also returning 0.6%.

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

ASX Code	Company	Closing Price	Change*
<b>SLR</b>	Silver Lake Resources	\$1.02	-16.5%
<b>DEG</b>	De Grey Mining	\$1.45	-9.0%
<b>CRN</b>	Coronado Global	\$1.52	-7.8%
<b>BGL</b>	Bellevue Gold	\$1.28	-7.1%
<b>CMM</b>	Capricorn Metals	\$4.19	-6.5%

Gold producers, Silver Lake Resources, De Grey Mining, Bellevue Gold and Capricorn Metals fell -16.5%, -9.0%, -7.1% and -6.5% respectively as the gold price eased lower. Silver Lake Resources also submitted a revised proposal to acquire Leonora Assets from St. Barbara Limited. De Grey Mining upgraded its resource definition to high grade after extensional drilling at Toweranna intrusion. Coronado Global Resources lost -7.8% as coal miners also sold off as the price of coal fell.

## Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
ANZ	ANZ Group Holdings Limited	15/05/2023	\$0.81	100%
MQG	Macquarie Group Limited	15/05/2023	\$4.50	40%

## Topic of the week

Treasurer Jim Chalmers delivered the 2023-2024 Federal Budget earlier this week. The new budget aims to provide cost-of-living relief and fund critical programs and services including Medicare in addition to returning the budget to a cash surplus over this financial year. However, the budget is forecasted to return to a deficit as the costs of the National Disability Insurance Scheme (NDIS) and Defence are projected to continue to rise.

The major concern the budget tackled was the cost-of-living crisis given the high rate of inflation over the last two years. The first instance of relief is a \$1.5 billion Energy Bill Relief Fund that will rebate \$500 in energy bills to every low-income household and \$650 to eligible small businesses. Another \$1.3 billion will be spent on household upgrades to improve energy efficiency e.g. solar panels and double glazed windows.

Health costs will also be reduced with dispensing rules changed to allow the purchase of two month's supply per prescription for over

320 prescription medicines. A decrease in GP visits is also anticipated from this change and is estimated to save patients \$1.6 billion over the next four years. Bulk billing incentives for GPs will also be tripled for concession cardholders.

The budget will also aim to help with the housing and rental crisis with the Commonwealth Rent Assistance being increased by 15%, aiding 1.1 million households. An additional \$2 billion in funding will be allocated to building at least 1,200 social and affordable housing in each state and territory over the next five years. The withholding tax for managed investment trusts will be halved to 15% to incentivise the construction of new build-to-rent housing.

Other cost-of-living support include expanding eligibility of the Single Parenting Payment and expanding availability of the higher JobSeeker rate to include recipients that are 55 or older. Jobseeker payments will also be increased by \$40 per fortnight from September 20 onwards.

## 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 13/04/2023

## What to expect for the week

- The Australian Bureau of Statistics (ABS) will release the latest Labour Force data with unemployment remaining near historic lows.
- The Reserve Bank of Australia (RBA) will release the minutes from their Monthly Monetary Policy Meeting, providing their reasoning behind the surprise rate hike.



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