



Highlights of the week

- The Reserve Bank of Australia (RBA) increased the cash rate by 0.25% to 3.85%
- Eurozone inflation rose 0.1% to 7.0% in April, despite core inflation falling to 5.6%.

Market Action

Sector	Returns % (excluding distributions)		
	5-May-23	28-Apr-23	Change (%)
S&P/ASX 200	7214.2	7317.3	-1.4%
All Ordinaries	7406.7	7489.1	-1.1%
Small Ordinaries	2898.4	2899.7	0.0%
S&P 500	4061.2	4170.1	-2.6%
NASDAQ	11966.4	12227.6	-2.1%
FTSE 100	7702.6	7864.6	-2.1%
Hang Seng	19948.7	19950.0	0.0%
Nikkei	29158.0	28879.2	1.0%

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

US equity markets fell this week with the S&P 500 and the NASDAQ closing -2.6% and -2.1% lower respectively. Markets were responding to the Federal Reserve raising its interest rate by a 0.25% and the collapse of First Republic Bank, now the second biggest US bank collapse. The Energy and Financial sectors led losses, falling -6.6% and -2.3% respectively. The FTSE 100 lost -2.1%, also weighed down by the energy sector as global oil prices fell.

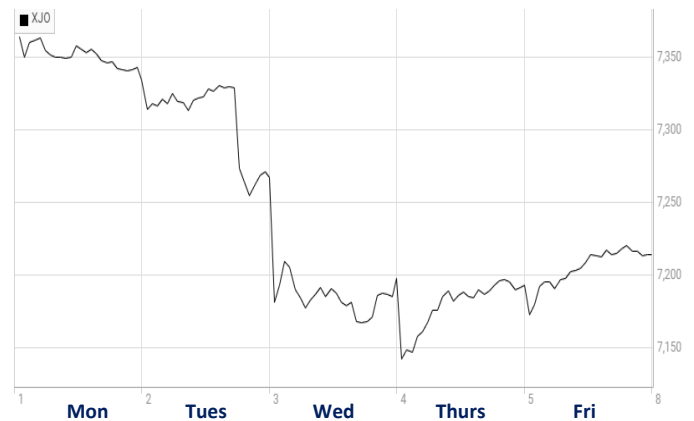
S&P/ASX 200 - Top five of the week

ASX Code	Company	Closing Price	Change*
MP1	Megaport	\$5.36	34.7%
LKE	Lake Resources	\$0.50	19.1%
PLS	Pilbara Minerals	\$4.39	10.9%
FLT	Flight Centre Travel	\$21.22	10.6%
EVN	Evolution Mining	\$3.97	10.1%

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

Megaport jumped 34.7% after upgrading its EBITDA from \$9 million in FY23 and \$30 million in FY24 to \$16-18 million and \$41-46 million respectively. Lithium producers Lake Resources and Pilbara rose 19.1% and 10.9% respectively after releasing their quarterly activities update including an inaugural interim dividend by Pilbara. Flight Centre gained 10.6% after reaching more than \$1 billion of total transaction value in a month for the first time. Evolution Mining benefited from the rising gold price, increasing by 10.1% over the week.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng was flat as Chinese factory activity contracted in April which offset market optimism from Hong Kong's GDP growing at 2.7%. The Nikkei outperformed other international markets, rallying 1.0% on the back of positive corporate earnings reports. The S&P/ASX 200 fell -1.4% as the RBA surprised markets with another rate hike, with losses driven by the Financials sector. Small caps outperformed both large and mid-caps, remaining flat.

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

ASX Code	Company	Closing Price	Change*
SYR	Syrah Resources	\$1.02	-20.7%
PNV	Polynovo	\$1.49	-10.7%
RHC	Ramsey Healthcare	\$60.27	-8.1%
IEL	IDP Education	\$26.22	-7.5%
WHC	Whitehaven Coal	\$6.78	-7.0%

Syrah fell -20.7% after announcing flat quarter on quarter sales, inventory and operational issues as well as a \$150 million convertibles notes issue to AustralianSuper. Polynovo dropped -10.7% despite receiving clearance for a major new product and a 48.2% increase in March 2023 revenue compared to 2022. Ramsey Healthcare fell -8.1% despite reporting a 16.7% increase in profit for the 9 months ended March 31 on the prior corresponding period. IDP Education and Whitehaven Coal fell -7.5% and -7.0% despite no significant news being released from either company.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
BOQ	Bank of Queensland Limited	10/05/2023	\$0.20	100%
RMD	ResMed Inc.	10/04/2023	\$0.05	0%

Topic of the week

Germany has officially closed its nuclear power plants, marking the end of over 6 decades of nuclear energy generation. The original decision to renounce nuclear energy was made in 2011 after the Fukushima Disaster reignited concerns of the public about the safety of nuclear power plants. 8 of 17 reactors were closed immediately despite Germany producing almost a quarter of its electricity with nuclear energy at that time. Others were gradually phased out until the final three power plants were shut down on the 15th of April. These last plants were originally planned to be closed by 2022 but were kept in operation to assist with the reduced supply of natural gas from Russia following the conflict with Ukraine.

Responses to the decision were mixed with nuclear energy being a clean source of energy production as the world battles climate change. Germany will instead be developing its wind and solar energy infrastructure but if these renewable sources are unable to keep up with demand, Germany will be relying on natural gas to

make up the shortfall, which will increase greenhouse gas emissions. On the other hand, the decommissioning of nuclear power plants prevents another nuclear disaster from occurring and stops the creation of further radioactive waste.

Interestingly, Japan is moving in the other direction as opinions on nuclear energy has shifted since the Fukushima disaster. Prime Minister Fumio Kishida announced in July 2022 that he planned to increase the number of active nuclear reactors to meet energy demand and further develop the next generation of power plants in the medium to longer term. South Korea has also outlined plans to improve their nuclear energy capacity, with four reactors to be built by the end of the decade and for existing plants to have their lives extended whilst Poland has engaged the US Government and Westinghouse to build its first nuclear power plant. Clearly, the world remains divided as to whether nuclear energy has a role in the shift towards clean energy.

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%.

What to expect for the week

- The US Corporate Reporting Season continues with Berkshire Hathaway and Walt Disney expected to report next week.
- The Reserve Bank of Australia (RBA) will release their quarterly Statement on Monetary Policy.



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