

WEEKLY MARKET recap

18 – 22 March 2024

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Highlights of the week

- The US Justice Department has filed a lawsuit against Apple for violating antitrust laws.
- The Australian unemployment rate has fallen to 3.7% in February.

Market Action

Sector	Returns % (excluding distributions)		
	22-Mar-24	15-Mar-24	Change (%)
S&P/ASX 200	7763.8	7653.1	1.4%
All Ordinaries	8019.9	7908.9	1.4%
Small Ordinaries	3062.2	3033.5	0.9%
S&P 500 *	5241.5	5165.3	1.5%
NASDAQ *	16401.8	16177.8	1.4%
FTSE 100 *	7882.6	7772.2	1.4%
Hang Seng *	16863.1	16961.7	-0.6%
Nikkei *	40815.7	38807.4	5.2%

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

US equity markets rose this week with the S&P 500 and the NASDAQ gaining 1.5% and 1.4% respectively as the Federal Reserve maintained interest rates at 5.25 – 5.5%. Gains were driven by the Energy and Industrials sectors. The FTSE100 also rallied 1.4%, with inflation in the UK falling to the lowest rate since September 2021 and the Bank of England holding interest rates at 5.25%.

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

ASX Code	Company	Closing Price	Change*
DYL	Deep Yellow	\$1.40	20.4%
ZIP	Zip Co	\$1.47	17.8%
PDN	Paladin Energy	\$1.38	15.5%
BGL	Bellevue Gold	\$1.91	14.8%
WEB	Webjet	\$8.66	12.7%

*Prices as at 3.00PM on 22/03/2024

Uranium producers, Deep Yellow and Paladin Energy climbed 20.4% and 15.5% respectively due to renewed market optimism around uranium. Zip rallied 17.8% after being upgraded by Citi to a buy rating. Bellevue Gold rose 14.8% after the discovery of an extremely high-grade gold shoot at its Deacon ore body with potential of another six similar shoots. Webjet has gained 12.7% after reaffirming its earnings guidance and presenting its strategy for WebBeds, its global marketplace and recently also its main driver of growth.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng slipped -0.6% despite Chinese factory output and retail sales data for January – February being above expectations, whilst the Nikkei climbed 5.2% on the change in monetary policy by the Bank of Japan. The S&P/ASX 200 rallied 1.4% as the Reserve Bank of Australia also left the cash rate unchanged. Small caps underperformed both mid and large caps, returning 0.9%.

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

ASX Code	Company	Closing Price	Change*
EMR	Emerald Resources	\$2.79	-12.3%
LTR	Liontown Resources	\$1.24	-9.5%
BRG	Breville Group	\$25.96	-9.5%
BKW	Brickworks	\$27.70	-7.8%
IGO	IGO	\$7.22	-7.4%

Emerald Resources lost -12.3% as it extends its unconditional offer to acquire Bullseye Mining Limited for an additional three weeks. Liontown Resources fell -9.5% after revealing a net loss before tax of \$31 million for the half year. Brickworks dropped -9.5% after reporting a 6% fall in half year revenue on the previous corresponding period and an underlying net loss of \$37 million. Breville Group and IGO slid -9.5% and -7.4% respectively despite no major news being released by either company.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
FLT	Flight Centre Travel Group Limited	26/03/2024	\$0.10	100%
CIP	Centuria Industrial REIT	27/03/2024	\$0.04	0%
REH	Reece Limited	27/03/2024	\$0.08	100%
WPR	Waypoint REIT Limited	27/03/2024	\$0.04	0%

Key Rates Table

Aus. 10-yr Bond Yield	US 10-yr Bond Yield	AUD/USD	AUD/GBP	AUD/EUR	AUD/CNY	AUD/JPY
4.06%	4.25%	0.65	0.52	0.60	4.66	98.90

*Rates as at 3.00PM on 22/03/2024

Topic of the week

The Bank of Japan (BOJ) has increased its key interest rate for the first time in 17 years. Japan's interest rate has been negative for the last eight years at -0.1% as the central bank attempted to increase consumer spending and boost Japan's economy after the country experienced periods of deflation and stagnation in the economy. The new interest rate is a range of 0-0.1% and marks the end of an era for the BOJ.

Another policy change by the BOJ was the removal of the yield curve control policy where the central bank would purchase government bonds to maintain interest rates. Whilst the policy has been abandoned, the BOJ will still be purchasing a similar amount of

government bonds and will purchase more if bond yields change rapidly.

Expectations of a change in monetary policy had been on the cards since markets saw an improvement in Japan's economic indicators. Core consumer inflation has come in at 2%, the BOJ's target. Wage growth is occurring after decades of stagnation, with major companies negotiating with unions and agreeing to raise salaries by 5.28, the largest increase since 1991. With both these factors seeing substantial increases not seen for decades, the BOJ can begin normalising its policies. However, the BOJ is expected to take a cautious approach, making changes gradually.

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	6.69%	6.99%	6.84%	6.75%	7.04%	6.94%
NAB	6.84%	6.59%	6.79%	7.36%	6.74%	6.89%
Macquarie	6.15%	6.09%	6.19%	6.34%	6.29%	6.39%

*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 Economic Analysis will release their US personal income/spending data for February which includes the core personal consumption expenditure deflator which is the Federal Reserve's primary measure of inflation.
- The Australian Bureau of Statistics (ABS) will release the Monthly Consumer Price Index Indicator for February with an expectation of a 0.3% increase.