

WEEKLY MARKET recap

25 – 28 March 2024

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Highlights of the week

- The UN Security Council passed a resolution for an immediate ceasefire in Gaza.
- Cocoa prices have reached US\$10,000 per tonne due to unfavourable weather and disease in key growing regions.

Market Action

Sector	Returns % (excluding distributions)		
	28-Mar-24	22-Mar-24	Change (%)
S&P/ASX 200	7894.9	7763.8	1.7%
All Ordinaries	8151.7	8019.9	1.6%
Small Ordinaries	3120.5	3062.2	1.9%
S&P 500 *	5203.6	5241.5	-0.7%
NASDAQ *	16315.7	16401.8	-0.5%
FTSE 100 *	7931.0	7882.6	0.6%
Hang Seng *	16392.8	16863.1	-2.8%
Nikkei *	40762.7	40815.7	-0.1%

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

US equity markets edged lower over the shortened week with the S&P 500 and the NASDAQ down -0.7% and -0.5% respectively. US economic indicators were disappointing with a fall in consumer confidence, manufacturing, and new home sales. The FTSE100 rose 0.6%, with the Bank of England Governor confirming that markets were correct to expect multiple rate-cuts this year.

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

ASX Code	Company	Closing Price	Change*
AWC	Alumina	\$1.43	17.7%
RMS	Ramelius Resources	\$1.84	13.6%
RED	Red 5	\$0.38	12.5%
RRL	Regis Resources	\$2.02	11.6%
GMG	Goodman Group	\$33.87	11.3%

*Prices as at 3.00PM on 28/03/2024

Alumina jumped 17.7%, following the share price of Alcoa, which is poised to acquire Alumina in an all-stock deal of 0.02854 Alcoa shares for each Alumina share. Gold miners, Ramelius Resources, Red 5 and Regis Resources rallied 13.6%, 12.5%, and 11.6% respectively as the price of gold rose. Demand for the 'safe haven' asset has increased due to geopolitical conflict and expectations of interest rate cuts by central banks. Goodman Group has risen 11.3% after its proposal to relinquish management rights to the Goodman Property Trust for \$272.4 million was approved.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng lost -2.8% despite a rebound in Chinese industrial profits whilst the Nikkei remained relatively flat as the Japanese yen fell to a 34-year low. The S&P/ASX 200 rallied 1.7% as the February annual rate of inflation reading remained flat at 3.4%, lower than economist expectations. Small caps outperformed both mid and large caps, returning 1.9%.

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

ASX Code	Company	Closing Price	Change*
IGO	IGO	\$7.04	-7.1%
LTR	Liontown Resources	\$1.18	-5.5%
EBO	EBOS Group	\$31.60	-5.2%
SPK	Spark New Zealand	\$4.39	-5.2%
AD8	Audinate Group	\$21.01	-4.9%

Lithium companies, IGO and Liontown Resources dropped -7.1% and -5.5% respectively as the lithium price retreated. IGO's other commodities nickel, copper and cobalt also saw falls in price as Chinese demand weakens. Spark New Zealand is down -5.2% after going ex-dividend for a NZ\$0.135 dividend per share and having announced an on-market share buyback to return proceeds from its sale of TowerCO to its shareholders. EBOS Group and Audinate Group are down -5.2% and -4.9% respectively despite no major news released by either company.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
HVN	Harvey Norman Holdings Limited	2/04/2024	\$0.10	100%
ARB	ARB Corporation Limited	4/04/2024	\$0.34	100%

Key Rates Table

Aus. 10-yr Bond Yield	US 10-yr Bond Yield	AUD/USD	AUD/GBP	AUD/EUR	AUD/CNY	AUD/JPY
3.99%	4.21%	0.65	0.52	0.60	4.64	98.83

*Rates as at 3.00PM on 28/03/2024

Topic of the week

The Digital ID bill was put to the Senate on Wednesday, having already passed the House of Representatives. Announced last year, the Bill encompasses the creation and use of a new digital ID scheme. The new online system will be able to verify a user's identity without physical identification such as a driver licence, photo card, passport, or Medicare card.

The current myGov portal has fifteen linked services and myGovID allows access to 130 Commonwealth, state, and territory government services. The new scheme will further expand the number of government services available and eventually allow private businesses to use the same system with applications for private companies to begin within two years of the Act becoming legislation. The first businesses to receive access to these new services are expected to be banks, credit card operators and Australia Post.

The bill is also part of the government's cyber resilience strategy and will legislate digital ID service providers to improve, privacy, security and authentication standards and embed stronger consumer safeguards. As a result, the scheme is expected to reduce identity theft, online frauds, scams, and data breaches.

There are opportunities for services to become more streamlined with online passport renewal already slated to be introduced. Statutory declarations are also expected to become available online, removing the need to print and sign with a physical witness.

The digital ID will not be made compulsory, with businesses required to retain a traditional method of confirming ID for those who do not wish to use the service.

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 Reserve Bank of Australia (RBA) will release the Minutes from their Monetary Policy Meeting.
- The US Bureau of Labor Statistics will release the latest employment situation data. February's data saw an uptick in the unemployment rate.