

WEEKLY MARKET recap

15 – 19 April 2024



Highlights of the week

- A Senate committee hearing was held with the CEO's of the major supermarkets.
- The second G20 Finance Ministers Meeting of the year was held in Washington, United States.

Market Action

Sector	Returns % (excluding distributions)		
	19-Apr-24	12-Apr-24	Change (%)
S&P/ASX 200	7555.7	7787.5	-3.0%
All Ordinaries	7806.0	8049.8	-3.0%
Small Ordinaries	2968.0	3087.7	-3.9%
S&P 500 *	5011.1	5160.6	-2.9%
NASDAQ *	15601.5	16170.4	-3.5%
FTSE 100 *	7877.1	7961.2	-1.1%
Hang Seng *	16385.9	17095.0	-4.1%
Nikkei *	38079.7	39442.6	-3.5%

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

US equity markets retreated this week as government bond yields rose due to declining market expectations of near-term rate cuts. The S&P 500 and the NASDAQ lost -2.9% and -3.5% respectively with losses driven by the Real Estate, Consumer Discretionary, and Energy sectors. The FTSE100 has dropped -1.1% whilst its unemployment rate rose to a 6-month high of 4.2%.

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

ASX Code	Company	Closing Price	Change*
WGX	Westgold Resources	\$2.34	11.2%
RRL	Regis Resources	\$2.28	10.1%
TLX	Telix Pharmaceuticals	\$13.70	8.6%
RMS	Ramelius Resources	\$2.06	6.4%
CRN	Coronado Global	\$1.25	5.9%

*Prices as at 3.00PM on 19/04/2024

Gold producers continue to drive gains on the ASX 200 with Westgold Resources, Regis Resources and Ramelius Resources gaining 11.2%, 10.1% and 6.4% respectively. Gold prices reached another new record high this week, with demand driven by concerns of further conflict in the Middle East. Telix Pharmaceuticals jumped 8.6% on its quarterly update where it reported a 18% increase in quarter-on-quarter revenue. Telix Pharmaceuticals also reaffirmed its market guidance of FY24 revenue of US\$445 - \$465 million.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng gave up -4.1% despite China reporting a 5.3% increase in GDP over the first quarter of 2024, beating expectations. The Nikkei lost -3.5% as Japan's annual core inflation rate eased to 2.6% in March. The S&P/ASX 200 fell -3.0% driven by the Healthcare and Real Estate sectors. Small caps underperformed both mid and large caps, falling by -3.9%.

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

ASX Code	Company	Closing Price	Change*
SGR	Star Entertainment	\$0.41	-24.8%
ZIP	Zip Co	\$1.10	-16.5%
LTR	Liontown Resources	\$1.12	-15.6%
DMP	Domino's Pizza	\$37.22	-14.3%
LTM	Arcadium Lithium	\$5.86	-11.9%

Star Entertainment dropped another -24.8% as its Sydney casino undergoes a second inquiry. The inquiry revealed that Star misconstrued its financials, made false welfare checks and a host of other issues. Zip Co has lost -16.5% after reporting a 12.6% fall in quarter-on-quarter transaction volumes. Domino's Pizza fell -14.3% lower after its latest strategy update disappointed investors. Lithium producers, Liontown Resources and Arcadium Lithium fell -15.6% and -11.9% respectively with Goldman Sachs forecasting weak prices over the next four years.

Upcoming Dividend Dates

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

Key Rates Table

Aus. 10-yr Bond Yield	US 10-yr Bond Yield	AUD/USD	AUD/GBP	AUD/EUR	AUD/CNY	AUD/JPY
4.29%	4.55%	0.64	0.52	0.60	4.54	98.77

*Rates as at 3.00PM on 19/04/2024

Topic of the week

Last week, Prime Minister Anthony Albanese announced plans to build out a Future Made in Australia Act, similar to the US Inflation Reduction Act introduced by President Biden in August 2022. The Act will organise both new and old initiatives with the goals of boosting investment and creating jobs for the future prosperity of Australia. Included in the Act will be investment into domestic manufacturing, the development of new infrastructure for clean energy and training for these new technologies.

Existing initiatives that will be incorporated include the National Reconstruction Fund, the Net Zero Authority and Solar SunShot Program. The National Reconstruction Fund consists of \$15 billion

in investment for the seven focus areas of Resources, Transport, Medical Science, Defence Capabilities, Renewables and Low Emission Technologies, Agriculture, Forestry and Fisheries, and Enabling Capabilities. The Net Zero Authority aims to help transition industries and workers towards net zero, whilst the Solar SunShot Program provides \$1 billion in funding to support Australia's manufacturing of solar panels and related technologies.

The Government has since announced \$600 million in loans to help develop an alumina processing facility and a graphite mine, with both considered critical metals for renewable technologies. Additional policies will be announced in the Federal Budget in May.

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 Personal Income and Outlays data, including the PCE Core Deflator which the US Federal Reserve uses as its primary measure of inflation.
- The Australian Bureau of Statistics will release the quarterly Consumer Price Index and the monthly Consumer Price Index Indicator.



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