

# WEEKLY MARKET recap

22 – 26 April 2024

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## Highlights of the week

- UK Prime Minister Rishi Sunak has announced \$144 billion in new funding for the UK defence industry.
- The Federal Government has committed \$5 million in funding to telehealth research.

## Market Action

Sector	Returns % (excluding distributions)		
	26-Apr-24	19-Apr-24	Change (%)
<b>S&amp;P/ASX 200</b>	7581.5	7555.7	0.3%
<b>All Ordinaries</b>	7842.2	7806.0	0.5%
<b>Small Ordinaries</b>	2966.0	2968.0	-0.1%
<b>S&amp;P 500 *</b>	5070.6	5011.1	1.2%
<b>NASDAQ *</b>	15696.6	15601.5	0.6%
<b>FTSE 100 *</b>	8044.8	7877.1	2.1%
<b>Hang Seng *</b>	17201.3	16385.9	5.0%
<b>Nikkei *</b>	38460.1	38079.7	1.0%

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

US equity markets closed higher this week with the S&P 500 and the NASDAQ up 1.2% and 0.6% respectively despite a higher-than-expected personal consumption expenditure reading and lower-than-expected US December quarter GDP growth. The Utilities sector led gains, rising 4.1%. The FTSE100 rallied 2.1%, reaching new record highs, buoyed by an improving economic outlook.

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

ASX Code	Company	Closing Price	Change*
<b>TLX</b>	Telix Pharmaceuticals	\$14.85	18.5%
<b>NCK</b>	Nick Scali	\$15.85	12.1%
<b>IRE</b>	Iress	\$8.56	9.7%
<b>PME</b>	Pro Medicus	\$109.55	9.3%
<b>CIA</b>	Champion Iron	\$7.10	8.3%

\*Prices as at 3.00PM on 26/04/2024

Telix Pharmaceuticals continued the rally following its quarterly update where it reported a 18% increase in quarter-on-quarter revenue. Nick Scali gained 12.1% after announcing an institutional placement and a share purchase plan to raise funds for the acquisition of Fabb Furniture, a UK home furniture retailer. Iress is up 9.7% after announcing the sale of its platform business. Champion iron climbed 8.3% after better-than-expected quarterly results and a rising iron ore price. Pro Medicus rose 9.3% despite no significant news being released by the company.

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



The Hang Seng rebounded 5.0% with increased buying from mainland China whilst the Nikkei gained 1.0% as the Bank of Japan signalled another interest rate increase to support the yen. The S&P/ASX 200 rose 0.3% as the above expectations year-on-year inflation reading of 3.6% pushed back hopes of a rate cut. Small caps underperformed both mid and large caps, falling by -0.1%.

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

ASX Code	Company	Closing Price	Change*
<b>LIC</b>	Lifestyle Communities	\$11.67	-16.6%
<b>KAR</b>	Karoon Energy	\$1.96	-13.4%
<b>BGL</b>	Bellevue Gold	\$1.72	-10.0%
<b>BXB</b>	Brambles	\$14.23	-9.0%
<b>PDN</b>	Paladin Energy	\$13.34	-8.5%

Lifestyle Communities dropped -16.6% after downgrading its settlement guidance of new homes from 350 down to 290 - 310 after slower settlements in beachside and northwest Melbourne. Uranium producers, Karoon Energy and Paladin Energy lost -13.4% and -8.5% respectively this week. Karoon Energy downgraded its production guidance from 11.2 - 13.5 MMboe to 10.5 - 12.5 MMboe. Bellevue Gold is down -10.0% as the gold price retreated following easing tensions in the Middle East. Brambles fell -9.0% after reporting slower growth in the March quarter.

## Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
BOQ	Bank of Queensland Limited	2/05/2024	\$0.17	100%

## Key Rates Table

Aus. 10-yr Bond Yield	US 10-yr Bond Yield	AUD/USD	AUD/GBP	AUD/EUR	AUD/CNY	AUD/JPY
4.59%	4.70%	0.65	0.52	0.61	4.63	101.95

\*Rates as at 3.00PM on 26/04/2024

## Topic of the week

The Australian Bureau of Statistics (ABS) released the Consumer Price Index (CPI) for the March 2024 quarter during the week. This is the first release to use the new CPI weight baskets derived from the Household Final Consumption Expenditure data. The ABS makes yearly updates to the CPI weightings to ensure they more accurately represent contemporary household spending.

This year's changes included increased weightings to recreation and culture and transport expenditure, higher by 1.7% and 0.4% respectively. Meanwhile, alcohol and tobacco, household equipment & services, and housing weightings were reduced by 0.9%, 0.5% and 0.5% respectively.

The CPI rose 1.0% in the March quarter and 3.6% for the twelve months to the end of March. This was above expectations of 0.8% for the quarter and a jump from December's result of 0.6%. The main drivers were rents, secondary and tertiary education, and medical and hospital services. On the other hand, falls in clothing and footwear and communication expenditure offset some of the increase.

The higher-than-expected rate of inflation is expected to push back interest rate cuts by the Reserve Bank of Australia (RBA). The RBA holds its next Reserve Bank Board Meeting on 6-7 May with markets now forecasting the cash rate to be left at 4.35%.

## 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 Australian Bureau of Statistics (ABS) will release Selected Living Cost Indexes for the March quarter.
- The US Bureau of Labor Statistics will release the latest US Employment Situation Data. A strong labour market has pushed back expectations of near-term rate cuts in the US.



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