

WEEKLY MARKET recap

29 April – 3 May 2024

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Highlights of the week

- The US Federal Reserve has kept cash rates unchanged at 5.25% – 5.5%.
- The Federal Budget will include a \$925 million package to provide financial support for those leaving violent situations.

Market Action

Sector	Returns % (excluding distributions)		
	3-May-24	26-Apr-24	Change (%)
S&P/ASX 200	7633.7	7581.5	0.7%
All Ordinaries	7902.2	7842.2	0.8%
Small Ordinaries	3000.8	2966.0	1.2%
S&P 500 *	5064.2	5070.6	-0.1%
NASDAQ *	15841.0	15696.6	0.9%
FTSE 100 *	8172.2	8044.8	1.6%
Hang Seng *	18207.1	17201.3	5.8%
Nikkei *	38236.1	38460.1	-0.6%

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

US equity markets were mixed with the S&P 500 down -0.1% and the NASDAQ up 0.9%, as the Federal Reserve kept rates unchanged at its meeting. Gains were led by the Communication Services and the Consumer Discretionary sectors whilst Energy and Financials lagged. The FTSE100 returned 1.6% as UK consumer confidence rebounds as inflation eases and anticipated tax cuts.

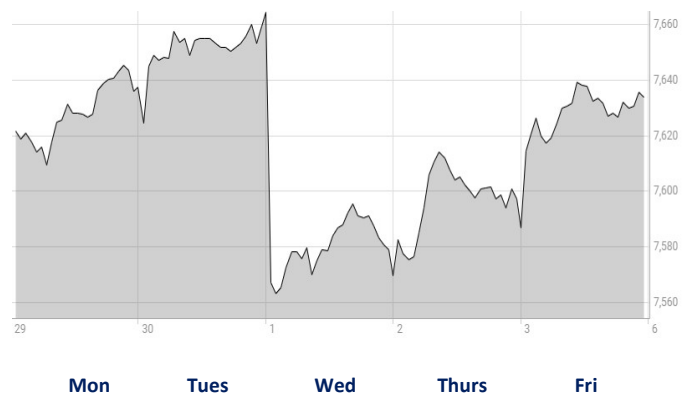
S&P/ASX 200 - Top five of the week

ASX Code	Company	Closing Price	Change*
LTM	Arcadium Lithium	\$7.12	16.7%
BOE	Boss Energy	\$5.29	15.8%
DYL	Deep Yellow	\$1.56	13.9%
PDN	Paladin Energy	\$15.45	12.6%
ZIP	Zip Co	\$1.28	10.9%

*Prices as at 3.00PM on 03/05/2024

Lithium producers rallied this week with the Chinese government introducing incentives for its electric vehicle market. Arcadium Lithium led the sector, returning 16.7%. Uranium producers also rallied following a jump in the uranium price. The US government has banned uranium imports from Russia this week, benefitting western suppliers like Australia. Deep Yellow, Boss Energy and Paladin Energy rose 15.8%, 13.9% and 12.6% respectively. Zip rose 10.9% after reporting \$216.8 million in receipts from customers and net cash of \$90.4 million for the quarter.

S&P/ASX 200 Index - 1 Week Performance



The Hang Seng rallied another 5.8% on improving investor sentiment and increased foreign investment whilst the Nikkei slipped -0.6% as the Bank of Japan left its monetary policy unchanged. The S&P/ASX 200 rose 0.7%, driven by the rate sensitive Information Technology and Real Estate sectors as bond yields fell. Small caps outperformed both mid and large caps, rising by 1.2%.

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

ASX Code	Company	Closing Price	Change*
BAP	Bapcor	\$4.52	-21.2%
SIQ	Smartgroup Corp.	\$8.75	-12.6%
ALD	Ampol	\$35.51	-8.4%
HLI	Helia Group	\$3.76	-7.2%
RRL	Regis Resources	\$2.04	-7.1%

Bapcor, owner of brands Autobarn, Autopro and Burson lost -21.2% after downgrading its guidance due to weaker consumer spending on cars as living costs rise. Ampol dropped -8.4% on its first quarter update which reported a Lytton Refiner Margin 21% lower than the prior corresponding period (pcp). Helia Group retreated -7.2% after it reported a \$12.6 million fall in gross written premiums and a \$21.2 million fall in insurance revenue on the pcp. Smartgroup Corporation and Regis Resources fell -12.6% and -7.1% respectively, despite no major news being released by either company.

Upcoming Dividend Dates

ASX Code	Company	Estimated Dividend Ex-date	Dividend Per Share (\$)	Franking (%)
LNK	Link Administration Holdings Limited	6/05/2024	\$0.16	25%
RMD	Resmed CDI	8/05/2024	\$0.05	0%

Key Rates Table

Aus. 10-yr Bond Yield	US 10-yr Bond Yield	AUD/USD	AUD/GBP	AUD/EUR	AUD/CNY	AUD/JPY
4.46%	4.58%	0.66	0.52	0.61	4.65	100.54

*Rates as at 3.00PM on 03/05/2024

Topic of the week

The Commonwealth Scientific and Industrial Research Organisation (CSIRO) and investment firm Alphinity have collaborated to create 'The intersection of Responsible AI and ESG: A Framework for Investors' report, aimed to 'bridge the gap between emerging RAI considerations and traditional ESG principles.' With Artificial Intelligence (AI) growing rapidly and its enormous potential to improve efficiencies and productivity in businesses, the framework provides tools for investors to evaluate the AI risks and opportunities and improve their investment practices.

The framework describes three main steps:

Step 1 is the AI use case analysis and assesses 27 key AI use cases across 9 key sectors. Three materiality factors are evaluated into

high, medium, and low risk for each use case: regulatory risk, environment and social impacts, and impact scope.

Step 2 involves the use of 10 indicators to assess a company's level of Responsible AI (RAI) governance. The governance indicators include, board accountability and capability, a public RAI policy, a RAI target, and RAI metrics.

Step 3 is a deep dive into the company's AI governance and RAI practices. This section is flexible depending on ESG interests and material principles but 8 principle and 52 sub-principle questions are provided as a template.

The report also provides an example of applying the framework and case studies of companies that are successful in responsibly including AI into their business. The full report with examples and the detailed framework are available on the CSIRO website.

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 hold its Reserve Bank Board Meeting and make its decision on Monetary Policy. The RBA has kept rates unchanged at 4.35% at its last three meetings.
- The RBA will also be releasing its quarterly Statement on Monetary Policy.



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