

Australian Market Outlook - 3 August 2021

On Monday, Australian stocks hit a new high, with buy-now-pay-later behemoth Afterpay leading the charge after agreeing to a \$29 billion takeover by Jack Dorsey's Square Inc, the country's largest ever deal, which also boosted its rivals.

The Australian stock market set a new high, spearheaded by technology stocks.

The benchmark S&P/ASX 200 Index rose 98.80 points, or 1.3 percent, to 7,491.40, while the All Ordinaries Index rose 96.30 points, or 1.3 percent, to 7,760.50.

Miners moved back and forth between gains and losses throughout the session, ending up 0.1 percent despite lower iron ore prices, with Fortescue Metals down 2.1 percent.

Afterpay's stock soared about 19 percent after Square Inc., located in the United States, agreed to buy the buy-now, pay-later company for \$29 billion in an all-stock deal. The stock of Zip Co. increased by 9%, while Sezzle rose by 3.7 percent.

Tech stocks climbed 6.5 percent in the greatest session since late March 2020, while banking stocks rose 1.9 percent to their biggest closing since June 22, with all four of the "Big Four" banks in the black.

On Monday, brokers had a busy day buying and selling Afterpay stock, with fund managers taking advantage of the liquidity to cash out ahead of the expected stock transfer to Square.

According to IRESS data, \$1.03 billion in shares were exchanged on Monday, accounting for nearly 15% of all Australian shares moved by value. On a typical day, around \$140 million in Afterpay is transacted.

The versatile 26-year-old from King Island qualified for the Tokyo Olympics in three events, but has opted to focus primarily on the 1500m, believing it will give him the best opportunity of placing on the podium.

Even if Australia meets its national vaccination targets of 70% to 80% of the adult population, individuals will continue to die from COVID-19 every day as limitations are relaxed.

The Reserve Bank of Australia is expected to hold off on cutting its bond-buying programme and may even boost it, though economists see either conclusion as a mostly symbolic "Team Australia" moment.

Mr Bassanese believes the central bank will postpone a reduction in weekly bond purchases from \$5 billion to \$4 billion scheduled for early September, and, less likely, will expand purchases to \$6 billion.

Top Gainers

Company	Last Price	Change%
Afterpay Ltd.	\$129.17	12.52%
Chalice Mining Ltd.	\$7.48	4.47%
Appen Ltd.	\$12.17	3.14%
Kogan.com Ltd.	\$10.74	2.78%
Monadelphous Group Ltd.	\$11.17	2.20%

Top Losers

Company	Last Price	Change%
Pointsbet Holdings Ltd.	\$9.92	-9.50%
Whitehaven Coal Ltd.	\$2.15	-4.02%
Perseus Mining Ltd.	\$1.63	-3.85%
Evolution Mining Ltd.	\$4.15	-2.81%
Ramelius Resources Ltd.	\$1.73	-2.54%

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