

Australian Market Outlook - 24 March 2023

The Australian stock market is significantly lower on Thursday, giving up the gains in the previous two sessions, following the broadly negative cues from Wall Street overnight, as traders reacted to the US Fed's decision to continue raising interest rates despite recent turmoil in the banking industry.

The benchmark S&P/ASX 200 Index is losing 37.50 points or 0.54 percent to 6,978.10, after hitting a low of 6,950.30 earlier. The broader All Ordinaries Index is down 41.10 points or 0.57 percent to 7,159.60.

Oil stocks are mostly lower. Origin Energy, Santos and Woodside Energy are edging down 0.2 to 0.3 percent each, while Beach energy is edging up 0.2 percent.

In the tech space, Appen and Zip are losing almost 3 percent each, while Xero is down almost 2 percent, WiseTech Global is slipping almost 1 percent and Afterpay owner Block is declining more than 5 percent.

Among the big four banks, Commonwealth Bank and Westpac are edging down 0.3 to 0.4 percent each, while National Australia Bank and ANZ Banking are losing almost 1 percent each.

Among major miners, BHP Group and Rio Tinto are losing more than 1 percent each, while Fortescue Metals and Mineral Resources are declining almost 4 percent each.

The manufacturing sector in Australia slipped into contraction territory in March, the preliminary survey from Judo Bank revealed on Friday with a manufacturing PMI score of 48.7.

That's down from 50.5 in February, and it slips beneath the boom-or-bust line of 50 that separates expansion from contraction.

Manufacturing output shrank for a fourth straight month on the back of falling new orders. The rate at which new orders contracted was the fastest since August 2021.

Anecdotal evidence suggested that higher interest rates and inflationary pressures affected client interest at the end of the first quarter. The survey also showed that the composite PMI fell from 50.7 to 48.2 and the composite index sank from 50.6 to 48.1.

New business at Australian service providers deteriorated at the fastest pace since September 2021 as high costs and slowing market conditions weighed on demand. International demand expanded for a third straight month, however.

The slowdown in growth reflects the lagged effects of rising interest rates, a deep shock to real wages, a bottoming out of the savings rate and easing house prices.

The Aussie dollar is trading at \$0.673 on Thursday.

Top Gainers		
Company	Last Price (Rs)	Change%
UNITED MALT GRP LTD	\$3.44	5.5%
BRICKWORKS LTD	\$23.76	3.1%
G.U.D. HOLDINGS LTD	\$9.44	2.5%
PERSEUS MINING LTD	\$2.24	2.3%
EVOLUTION MINING LTD	\$2.87	2.1%

Top Losers		
Company	Last Price (Rs)	Change%
MEGAPORT LTD	\$4.08	-8.5%
LAKE RESOURCES NL	\$0.46	-8.1%
SAYONA MINING LTD	\$0.19	-7.5%
BRAINCHIP HOLDINGS LTD	\$0.41	-5.7%
LIONTOWN RESOURCES LTD	\$1.43	-5.6%

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