

# Australian Market Outlook - 25 May 2023

The Australian stock market is notably lower on Wednesday, extending the losses in the previous two sessions, with the benchmark S&P/ASX 200 staying above the 7,200 level, following the broadly negative cues from global markets overnight, with weakness across most sectors, led by technology and financial stocks.

The benchmark S&P/ASX 200 Index is losing 27.00 points or 0.37 percent to 7,232.90, after hitting a low of 7,227.30 earlier. The broader All Ordinaries Index is down 29.00 points or 0.39 percent to 7,418.40. Australian stocks ended slightly lower on Tuesday.

Among major miners, Fortescue Metals, Mineral Resources and Rio Tinto are edging down 0.2 to 0.3 percent each, while BHP Group is flat.

Oil stocks are higher. Beach energy, Woodside Energy and Santos are gaining almost 1 percent each, while Origin Energy is edging up 0.2 percent.

In the tech space, Appen is losing more than 2 percent, Zip is declining more than 3 percent and WiseTech Global is edging down 0.1 percent, while Afterpay owner Block is gaining almost 1 percent. Xero is flat.

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

The manufacturing sector in Australia continued to contract in May, and at a steady pace, the latest survey from Judo Bank revealed on Tuesday with a manufacturing PMI score of 48.0.

That's unchanged from the April reading and it remains beneath the boom-or-bust line of 50 that separates expansion from contraction.

Underpinning the latest decline in the health of the manufacturing sector was a persistent reduction in new orders. Foreign demand likewise remained subdued, moderating for a sixth straight month and at a solid pace. In turn, manufacturing production shrank for the sixth month in a row and at the quickest rate in 21 months.

The survey also showed that the services PMI fell from 53.7 in April to 51.8 in May.

Faster new business growth drove the latest rise in services activity, which led firms to further expand their workforce capacity. The rate of employment growth decelerated, however, amid reports of difficulties in acquiring labor. The composite index slipped from 53.0 in April to 51.2 in May.

The Australian dollar held around \$0.66, hovering at its lowest levels in a month as soft economic data bolstered bets that the Reserve Bank of Australia would pause its interest rate hikes next month. Latest data showed that manufacturing activity in Australia stayed contractionary in May, while services activity slowed.

## Top Gainers

Company	Last Price (\$)	Change%
Carbon Revolution Ltd.	\$0.18	40.00%
AnteoTech Ltd.	\$0.04	21.21%
Limeade Inc.	\$0.14	16.67%
CleanSpace Holdings Ltd.	\$0.29	13.73%
Plenti Group Ltd.	\$0.43	11.69%

## Top Losers

Company	Last Price (\$)	Change%
Universal Store Holdings Ltd.	\$3.15	-23.91%
Cettire Ltd.	\$1.96	-10.09%
Starpharma Holdings Ltd.	\$0.39	-9.30%
Accent Group Ltd.	\$2.04	-8.52%
AMA Group Ltd.	\$0.13	-7.41%

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