

# Australian Market Outlook - 29 May 2023

The local share market has finished slightly higher amid reports US politicians were close to avoiding a catastrophic default, but the stand-off has still led to the worst week in two months for the bourse.

The benchmark S&P/ASX200 index finished Friday up 16.6 points, or 0.23 per cent, to 7,154.8, while the broader All Ordinaries closed up 18.2 points, or 0.25 per cent, to 7,334.9.

Tech companies collectively gained 1.6 per cent with printed circuit board company Altium adding 3.6 per cent, NextDC growing 3.5 per cent and Appen climbing 1.2 per cent as new-ish chief executive Armughan Ahmad used an artificial intelligence chatbot to welcome investors to the AI training company's annual general meeting in Sydney.

The heavyweight mining sector was up 0.9 per cent after five straight days of losses amid concerns about China's recovery. BHP gained 1.4 per cent to \$42.75, Fortescue Metals added 3.3 per cent to \$19.62 and Rio Tinto climbed 2.3 per cent to 107.77.

All of the Big Four banks finished higher, with NAB the best performer, adding 0.7 per cent to \$26.23. Latitude Financial Group fell 3.5 per cent to a seven-week low of \$1.25 after the personal finance company said it was unlikely to pay a half-year dividend and had set aside \$46 million to pay for fallout from the massive hack of customer data from its systems in March.

Australian rental affordability has dropped to its worst levels in nearly a decade, with the average household spending a third of its income on rent, as the impacts of the Covid pandemic continue to be felt on the market.

Lower income households pay even more, with more than half of their income going towards their rent, according to new research from ANZ and CoreLogic.

Australia's big supermarket chains persistently increased their margins on their food businesses throughout the pandemic and cost-of-living crisis, with critics arguing the pricing decisions are evidence of inflationary profiteering.

Guardian Australia analysis of Coles and Woolworths financial accounts over a five-year period show the dominant supermarkets were able to use the pandemic to not just sell more goods, but also increase the amount they profited from sales.

But the increasing profit margins of the supermarket sector shows that it is charging shoppers more than enough to cover any additional costs it pays to suppliers and to account for other rising business expenses, such as energy bills. Supermarket representatives also cited the war in Ukraine affecting canned goods, fertilizers and other inputs.

The Australian dollar is trading at \$0.653

Top Gainers		
Company	Last Price (\$)	Change%
MEGAPORT LTD	\$6.84	6.2%
BRAINCHIP HOLDINGS LTD	\$0.43	6.2%
ADBRI LTD	\$2.06	5.6%
COSTA GROUP HOLDINGS LTD	\$2.64	3.9%
ALTium LTD	\$39.85	3.6%

Top Losers		
Company	Last Price (\$)	Change%
FISHER & PAYKEL HEALTHCARE C	\$22.48	-6.3%
CSR LTD	\$5.08	-5.0%
BLOCK INC - CDI	\$90.40	-4.8%
NEW HOPE CORP LTD	\$4.95	-2.6%
MONADELPHOUS GROUP LTD	\$12.52	-2.4%

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