

# Australian Market Outlook - 30 May 2023

The Australian stock market is significantly higher on Monday, extending the gains in the previous session, with the benchmark S&P/ASX 200 moving above the 7,200 level, following the broadly positive cues from global markets on Friday, with gains across all sectors as traders react to the news of an "agreement in principle" reached on the US debt ceiling over the weekend.

The benchmark S&P/ASX 200 Index is gaining 73.60 points or 1.03 percent to 7,228.40, after touching a high of 7,254.80 earlier. The broader All Ordinaries Index is up 73.90 points or 1.01 percent to 7,408.40. Australian stocks closed modestly higher on Friday.

Among the major miners, BHP Group, Mineral Resources and Fortescue Metals are gaining more than 2 percent each, while Rio Tinto is adding almost 2 percent.

Oil stocks are mostly higher. Santos and Woodside Energy are gaining more than 1 percent each, while Beach energy is adding almost 2 percent and Origin Energy is edging up 0.3 percent.

Among tech stocks, Zip is gaining more than 2 percent, Appen is skyrocketing more than 18 percent and Afterpay owner Block is adding almost 2 percent, while Xero and WiseTech Global are up almost 1 percent each.

The Australian dollar appreciated past \$0.65 after the US government reached a tentative debt ceiling deal, allaying fears of a default in the world's largest economy and lifting market sentiment. Still, the aussie remains close to its lowest levels in over six months as hawkish signals from the Federal Reserve and signs of an unstable economic recovery in China, Australia's largest trading partner, weighed on the currency.

Domestically, softening 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. The country's unemployment rate also unexpectedly increased to 3.7% in April, compared with market forecasts for no change at 3.5% which was the lowest in 50 years.

Retail sales in Australia were unchanged from the prior month at AUD 35.3 billion in April 2023, after a 0.4% rise in March, flash data showed. The latest result came following growth in the previous three months, as an increase in spending on winter clothing in response to cooler and wetter weather offset less expenditure on discretionary goods in response to cost-of-living pressures and rising interest rates.

Sales of other retailing were flat after falling 0.1% previously, while turnover fell for food retailing (-0.1% vs 0.9%), and in cafes, restaurants and takeaway food (-0.2% vs 1.5%).

Top Gainers		
Company	Last Price (\$)	Change%
Carnarvon Energy Ltd.	\$0.14	12.50%
Limeade Inc.	\$0.14	12.50%
Geopacific Resources Ltd.	\$0.02	11.11%
Appen Ltd.	\$2.71	10.61%
Medical Developments International Ltd.	\$0.78	9.09%

Top Losers		
Company	Last Price (\$)	Change%
IDP Education Ltd.	\$21.71	-15.92%
Flinders Mines Ltd.	\$0.40	-13.04%
Zoono Group Ltd.	\$0.05	-10.00%
EMvision Medical Devices Ltd.	\$1.40	-9.39%
AVZ Minerals Ltd.	\$0.78	-7.14%

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