

Australia Market Outlook - 5 June 2023

The local share market has gained ground after the US finally put its debt ceiling drama in the rear window with Senate passage of a compromise measure that avoids a catastrophic default.

But markets were also digesting the possibility of even more interest rate hikes in Australia, perhaps as soon as Tuesday, following the biggest increase in minimum award pay in decades.

The benchmark S&P/ASX200 index on Friday finished up 34.3 points, or 0.48 per cent, to 7,145.1, while the broader All Ordinaries rose 40.5 points, or 0.56 per cent, to 7,331.2.

For the week, the ASX200 fell 9.7 points, or 0.13 per cent - its second weekly loss in a row, although it is yet to fall in June.

BHP added 2.8 per cent to \$43.25, Rio Tinto climbed 2.5 per cent to \$110.15 and Fortescue Metals grew 1.7 per cent to \$19.69 as the iron ore miner appointed a new chief financial officer, Christine Morris.

Gold miners and lithium miners also rose, with Newcrest up 4.6 per cent and Pilbara climbing 3.0 per cent.

The big banks were mixed, with CBA and ANZ edging slightly higher, Westpac down 0.3 per cent and NAB falling 1.0 per cent to \$25.79. Consumer-facing stocks where labour costs are a big expense were lower following the Fair Work Commission ruling.

Only 1% of Australian taxpayers own nearly a quarter of all property investments across the country, amid concerns over escalating rates of wealth concentration.

Almost 2.75 million Australians will receive a pay rise of 5.75% from 1 July after the Fair Work Commission announced its decision for those on minimum and award wages.

Exploration spending in the resources sector slumped 17 per cent in the first quarter to the lowest level in almost two years, as the era of cheap money dries up and commodity prices retreat, turning one-time prospectors into attractive takeover targets.

The sharp rebound in house prices is likely to wane and even reverse unless interest rates start falling in the next six months, warns TCorp chief economist Brian Redican.

Small Business Organisations Australia Chair Matthew Addison says small businesses are really "concerned" with the broad language being used around Labor's industrial relations reforms.

The Aussie was buying 66.10 US cents, from 64.92 US cents at Thursday's ASX close.

Top Gainers

Company	Last Price	Change%
Elders Ltd.	\$6.67	4.55%
Nickel Industries Ltd.	\$0.91	3.71%
Unibail-Rodamco-Westfield SE CDI	\$3.62	3.58%
Reliance Worldwide Corp. Ltd.	\$4.24	3.16%
Arcor PLC	\$15.18	3.16%

Top Losers

Company	Last Price	Change%
Gold Road Resources Ltd.	\$1.84	-2.00%
Appen Ltd.	\$3.69	-1.86%
Regis Resources Ltd.	\$2.08	-1.66%
EML Payments Ltd.	\$0.68	-1.46%
Xero Ltd.	\$110.36	-1.35%

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