

Australian Market Outlook - 1 June 2023

The Australian stock market is significantly lower on Wednesday, extending the losses in the previous session, with the benchmark S&P/ASX 200 falling below the 7,200 level, following the mixed cues from Wall Street overnight, with weakness in energy and mining stocks amid tumbling commodity prices.

The benchmark S&P/ASX 200 Index is losing 59.20 points or 0.82 percent to 7,150.10, after hitting a low of 7,149.20 earlier. The broader All Ordinaries Index is down 59.90 points or 0.81 percent to 7,327.40. Australian stocks ended slightly lower on Tuesday.

Among major miners, Fortescue Metals is losing almost 2 percent and BHP Group is declining 1.5 percent, while Mineral Resources and Rio Tinto are down more than 1 percent each.

Oil stocks are lower. Beach energy is declining more than 3 percent, Woodside Energy is losing more than 2 percent and Santos is down 1.5 percent, while Origin Energy is flat.

In the tech space, Afterpay owner Block and Zip are declining more than 1 percent each, while WiseTech Global and Xero are adding almost 1 percent each. Appen is soaring more than 9 percent. Among the big four banks, Westpac, ANZ Banking and National Australia Bank are edging down 0.1 to 0.5 percent each, while Commonwealth Bank is losing almost 1 percent.

The manufacturing sector in Australia continued to contract in May, albeit at a slower rate, the latest survey from Judo Bank revealed on Thursday with a manufacturing PMI score of 48.4.

That's up from 48.0, although it remains beneath the boom-or-bust line of 50 that separates expansion from contraction.

Sales for Australian manufactured goods fell again midway into the second quarter. Tighter global monetary policies and weak underlying demand undermined buying interest, according to panelists.

That said, the pace at which new orders declined was softer than in April. Foreign demand likewise contracted at a shallower pace in May. The fall in new orders meant that production levels were reduced for a sixth straight month in May. Labor constraints were also mentioned by panelists as a reason for reduced output.

Australia will on Thursday release April figures for retail sales, highlighting a busy day for Asia-Pacific economic activity. Sales are expected to be flat on month after rising 0.4 percent in March.

Australia also will see Q1 number for capital spending. Building capex is expected to jump 8.4 percent on quarter from 3.6 percent, while plant and machinery capex is expected to ease 0.1 percent after rising 0.6 percent and private new capex is seen higher by 1.3 percent - down from 2.2 percent in the three months prior.

Top Gainers		
Company	Last Price (\$)	Change%
Yojee Ltd.	\$0.02	21.43%
Catalyst Metals Ltd.	\$0.75	11.94%
Paladin Energy Ltd.	\$0.61	11.47%
Carbon Revolution Ltd.	\$0.16	10.71%
Electro Optic Systems Holdings Ltd.	\$0.90	10.43%

Top Losers		
Company	Last Price (\$)	Change%
Hastings Technology Metals Ltd.	1.35	-0.2088
Aurelia Metals Ltd.	\$0.10	-14.35%
Hutchison Telecommunications (Australia) Ltd.	\$0.04	-10.64%
Flinders Mines Ltd.	\$0.41	-9.89%
AVZ Minerals Ltd.	\$0.78	-7.14%

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