

# Australian Market Outlook - 12 July 2023

The Australian stock market is significantly higher on Tuesday, recouping some of the losses in the previous four sessions, with the benchmark S&P/ASX 200 staying above the 7,000 mark, following the broadly positive cues from Wall Street overnight, with gains across most sectors, led by gold miners and technology stocks, after data showed domestic consumer confidence improving marginally in July.

The benchmark S&P/ASX 200 Index is gaining 71.30 points or 1.02 percent to 7,075.30, after touching a high of 7,077.80 earlier. The broader All Ordinaries Index is up 73.10 points or 1.01 percent to 7,280.00. Australian stocks closed notably lower on Monday. Among the major miners, Rio Tinto, BHP Group and Fortescue Metals are adding almost 1 percent each, while Mineral Resources is gaining 1.5 percent.

Woodside Energy is gaining more than 1 percent and Beach energy is adding more than 2 percent, while Santos is edging up 0.5 percent and Origin Energy is flat. Among tech stocks, Afterpay owner Block is advancing more than 4 percent and Xero is edging up 0.5 percent, while Appen, Zip and WiseTech Global are gaining more than 1 percent each.

Gold miners are mostly higher. Gold Road Resources is gaining more than 2 percent, Resolute Mining is edging up 0.5 percent, Northern Star resources is adding almost 2 percent, Evolution Mining is advancing almost 3 percent and Newcrest Mining is up more than 1%.

Australia's NAB business confidence index increased to 0 in June 2023 from a downwardly revised -3 in the prior month, beating market forecasts of -1. Meanwhile, business conditions steadied at above-average levels (at 9), as the survey's measure of sales fell a point to a still-strong 14, while the employment index stayed at 5 and profits rose two points to 9.

Forward orders, a leading indicator of demand, rose three points to -2. In a sign of easing supply chain pressures, the survey's measure of capacity utilization fell to its lowest since early last year at 83.5%. Labor costs jumped to 2.6% in quarterly terms, possibly reflecting firms factoring in minimum and award wage increases, while input cost growth remained at 2.3%. "We continue to see warning signs in the survey about the outlook for growth but as of June firms were yet to see a real deterioration," said NAB chief economist Alan Oster.

The Australian dollar rose toward \$0.67 amid a general greenback weakness, as US Federal Reserve officials signaled that the end of the current monetary policy tightening cycle is getting close despite indicating that they will likely raise interest rates further to bring down inflation. Still, the aussie remains down more than 3% from its June peak as the Reserve Bank of Australia left its cash rate unchanged at 4.1% during its July 4 policy meeting, defying market expectations for a 25 basis point increase

## Top Gainers

Company	Last Price (\$)	Change%
Megaport Ltd.	\$8.99	33.78%
Race Oncology Ltd.	\$1.51	16.15%
Bellevue Gold Ltd.	\$1.67	15.22%
EMvision Medical Devices Ltd.	\$1.30	15.04%
Booktopia Group Ltd.	\$0.16	14.81%

## Top Losers

Company	Last Price (\$)	Change%
Imricor Medical Systems Inc.	\$0.40	-9.20%
Damstra Holdings Ltd.	\$0.11	-8.70%
PPK Group Ltd.	\$1.49	-7.19%
AVZ Minerals Ltd.	\$0.78	-7.14%
Openpay Group Ltd.	\$0.20	-7.14%

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