

Australian Market Outlook - 3 July 2023

The Australian stock market is notably lower on Friday, extending the slight losses in the previous session, with the benchmark S&P/ASX 200 staying below the 7,200 level.

The benchmark S&P/ASX 200 Index is losing 27.20 points or 0.38 percent to 7,167.70, after hitting a low of 7,165.70 earlier. The broader All Ordinaries Index is down 27.40 points or 0.37 percent to 7,362.20.

Among major miners, Mineral Resources is gaining almost 1 percent and BHP Group is edging up 0.3 percent, while Fortescue Metals is edging down 0.4 percent. Rio Tinto is flat.

Oil stocks are mixed. Santos is edging down 0.2 percent, while Beach energy is edging up 0.4 percent. Origin Energy and Woodside Energy are flat.

Among tech stocks, Afterpay owner Block is losing almost 2 percent, while Xero and WiseTech Global are edging down 0.3 to 0.4 percent each. Zip and Appen are flat.

Among the big four banks, Commonwealth Bank is edging up 0.1 percent, Westpac and National Australia Bank are edging down 0.1 percent each. ANZ Banking is flat.

Gold miners are mixed. Northern Star Resources is edging up 0.3 percent, while Evolution Mining.

The manufacturing sector in Australia continued to contract in June, and at a faster pace, the latest survey from Judo Bank revealed on Monday with a manufacturing PMI score of 48.2.

That's down from 48.4 in May and it moves further beneath the boom-or-bust line of 50 that separates expansion from contraction.

Incoming new orders for Australian manufactured goods declined again in June on the back of weak underlying demand and pressure on client budgets from higher interest rates.

The pace of decline was sharp and among the fastest in the current seven-month sequence of contraction. Foreign sales likewise fell and at a pace comparable to total new orders.

As a result of the fall in overall new work, lower output was recorded within the manufacturing sector at mid-year. Firms were also able to clear their backlogs at one of the fastest rates on record in June.

Concurrently, buying activity was reduced in tandem with the fall in order book volumes. This led to lower levels of pre-production inventory holdings, though firms were also keen to reduce their stocks in the current climate of deteriorating demand.

In the currency market, the Aus dollar is trading at \$0.665

Top Gainers

Company	Last Price (\$)	Change%
DOWNER EDI LTD	\$4.11	4.3%
ST BARBARA LTD	\$0.48	3.2%
HEALIUS LTD	\$3.18	2.9%
COLLINS FOODS LTD	\$9.83	2.8%
CLEANAWAY WASTE MANAGEMENT L	\$2.59	2.4%

Top Losers

Company	Last Price (\$)	Change%
LINK ADMINISTRATION HOLDINGS	\$1.67	-13.9%
ABACUS PROPERTY GROUP	\$2.69	-3.2%
CENTURIA CAPITAL GROUP	\$1.65	-2.7%
CENTURIA INDUSTRIAL REIT	\$3.10	-2.5%
BEGA CHEESE LTD	\$2.85	-2.4%

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