

# Australian Market Outlook - 5 July 2023

The Australian stock market is slightly higher on Tuesday, extending the gains in the previous two sessions, with the benchmark S&P/ASX 200 staying above the 7,200 level, following the broadly positive cues from Wall Street overnight, as traders remain cautious ahead of the Reserve Bank of Australia's monetary policy decision later in the day.

The benchmark S&P/ASX 200 Index is gaining 1.70 points or 0.02 percent to 7,247.80, after touching a high of 7,264.10 earlier. The broader All Ordinaries Index is up 3.60 points or 0.05 percent to 7,446.40. Australian stocks closed notably higher on Monday.

Among the major miners, Fortescue Metals and Mineral Resources are gaining almost 1 percent each, while Rio Tinto and BHP Group are edging up 0.3 to 0.4 percent each.

Oil stocks are mixed. Woodside Energy and Beach energy are edging up 0.2 percent each, while Santos and Origin Energy are edging down 0.3 percent each.

Among tech stocks, Afterpay owner Block, Xero and WiseTech Global are edging down 0.4 to 0.5 percent each, while Appen is losing almost 1 percent. Zip is gaining almost 3 percent. Among the big four banks, Commonwealth Bank, Westpac and ANZ Banking are edging down 0.1 percent each, while National Australia Bank is edging up 0.3 percent.

The services sector in Australia continued to expand in June, albeit at a slower pace, the latest survey from Judo Bank revealed on Wednesday with a services PMI score of 50.3.

That's down from 52.1 in May, although it remains above the boom-or-bust line of 50 that separates expansion from contraction.

This marked a third consecutive month of service sector expansion but was the slowest in the current sequence and only marginal. Three of the five sub-services categories saw higher activity in June, led by information and communication firms.

New business growth was sustained for a third straight month in June. However, the rate of expansion was modest and lower than in May. Anecdotal evidence suggested that higher charges and constrained client budgets due to higher interest rates led to the softer expansion in new work.

The survey also showed that the composite index slipped to 50.1 in June from 51.6 in May.

A sustained contraction of manufacturing output and slowdown in service activity expansion underpinned the easing of overall business activity growth in June.

Similarly, manufacturing new orders registered a sharper fall while services new business growth also decelerated.

Top Gainers		
Company	Last Price (\$)	Change%
PYC Therapeutics Ltd.	\$0.08	29.03%
RedBubble Ltd.	\$0.41	15.49%
Opthea Ltd.	\$0.64	15.32%
Austal Ltd.	\$2.62	12.93%
PPK Group Ltd.	\$1.62	12.89%

Top Losers		
Company	Last Price (\$)	Change%
Ecofibre Ltd.	\$0.19	-7.50%
Openpay Group Ltd.	\$0.20	-7.14%
AVZ Minerals Ltd.	\$0.78	-7.14%
Dubber Corp. Ltd.	\$0.22	-6.52%
Booktopia Group Ltd.	\$0.15	-6.25%

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