Good evening, mates!
Welcome to Wilma Wealth Management , I'm White Green, your closest investment mate!

A new week, a fresh start! In tonight’s lesson, we will kick off with several key points to deeply analyse market dynamics and refine effective investment strategies:

1: **Key news over the weekend and economic data for the coming week**: We will discuss key news released over the weekend and the important economic data set to be announced, analysing how they will impact the sharemarket tomorrow and next week.

2: **XJO Index rose 1.57% last week**: After three consecutive weeks of gains, how should we interpret the market next week? Which industry sectors might become hot spots chased by market investors next week?

3: **Next week's market outlook and trading strategies for PLS and IEL**

Tonight, I will share the above content with the participants. Through these discussions, we will not only review and analyse past market performance but also better predict future trends, thereby making wiser investment decisions.

Participants, are you ready?

The image above shows the weekly chart of the XJO Index. From the XJO weekly chart, last week’s performance exhibited a significant bullish trend, with the index not only successfully reclaiming the MA5 and MA13 moving averages but also stabilizing above these lines, forming an upward bullish signal. This arrangement of moving averages generally indicates that market participants hold positive expectations for future trends.

Specifically, last week's daily level MA55 moving average provided solid support around 7720 points, giving upward momentum to the XJO Index. Looking ahead to next week, if the index can break through the key round number resistance at 7800 points, we may see an accelerated upward movement. Such a breakthrough would further confirm the strength of the bullish market, creating more opportunities for gains in the upcoming trading week.

Given the current market conditions and technical indicators, next week's focus for the XJO Index will be on the psychologically and technically significant 7800 point mark, which will be a key factor in assessing the overall market trend.

In today's discussion, we first reviewed some important news from the weekend and how it might impact the market's performance next week:

1: The decline in the U.S. May Consumer Confidence Index and rising inflation expectations

The recently released University of Michigan's May Consumer Confidence Index fell from 77.2 in April to 67.4, marking a significant downturn. This not only shows consumers' concerns about the economic outlook but could also foreshadow a decrease in consumer spending, which has potential negative impacts on economic growth. Simultaneously, consumers' inflation expectations for the coming year rose from 3.2% in April to 3.5%, indicating they expect prices to continue rising. Expectations for inflation over the next 5-10 years also increased to 3.1%. These heightened inflation expectations could prompt consumers to reduce spending or adjust their investment portfolios in the short term to cope with anticipated inflation risks. For the U.S. sharemarket, particularly consumer-driven sectors, these data might bring pressure.

2: The United States issues the highest-level geomagnetic storm warning

Geomagnetic storms are particularly critical for the technology industry as they can affect near-Earth orbit and ground-based infrastructure such as communications, power grids, navigation, radio, and satellite operations. Such disruptions could significantly impact the normal operations of technology companies, such as communication breakdowns or navigation system failures. Therefore, when the United States issues the highest-level geomagnetic storm warning, investors in technology stocks need to be particularly vigilant, as this situation could lead to volatility in the prices of tech stocks.

Next week we need to keep an eye on a number of important economic data and events that will have a significant impact on market movements next week:
Monday:
1: Australia NAB Monthly business Climate Index for April
2: New Zealand Q2 Inflation Expectations for the next two years (%)
3: New Zealand Inflation Expectations for the next year in Q2 (%)

Tuesday:
1: Australia ANZ Consumer Confidence Index for the week ended May 12
2: US April PPI Y/Y (%)
3: Federal Reserve Chairman Jerome Powell and European Central Bank governing Council member Janet Yellen participate in a conference and speak

Wednesday:
1: Australia Q1 quarterly adjusted Wage Price Index rate (%)
2: Australia JSA Online Job Vacancy Rate in April (%)
3: US April CPI Annualized no quarter (%)
4: US April Retail sales Y/Y (%)

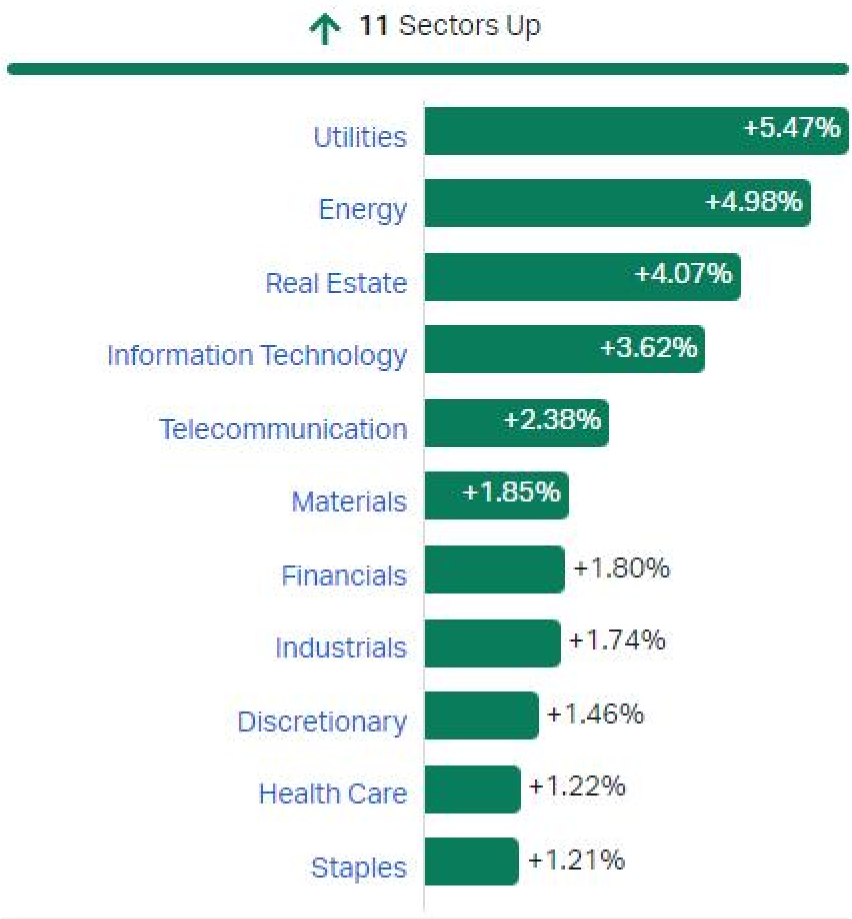
Thursday:
1: RBA Assistant Governor Hunt speaks
2: Australia April seasonally Adjusted Unemployment rate (%)
3: Employment Change in Australia in April (10,000)
4: U.S. initial jobless claims and annualized monthly U.S. housing starts for April

Friday:
1: China April Urban Fixed Asset Investment Y/Y - year-to-date (%)
2: China April Retail Sales Y/Y (%)
3:24 FOMC Committee member and Cleveland Fed President Loretta Mester speaks on the economic outlook
4:24 FOMC Committee member, Atlanta Fed President Bostic, speaks on the economic outlook

In the coming week, the economic data and statements from key officials will significantly impact the Australian stock and currency markets. For instance, Australia will release the seasonally adjusted unemployment rate data for April, which is crucial as it will reveal the current state of the Australian labour market. At the same time, economic data from the United States, particularly the Producer Price Index (PPI) and Consumer Price Index (CPI), will also be published next week. These data are key indicators for measuring inflation and have a profound impact on global markets, especially expectations for monetary policy. Investors will closely analyse these indicators to predict possible future moves by the Fed, such as cutting interest rates or maintaining the current rate levels.

Additionally, China's economic data, particularly the annual rate of urban fixed asset investment for April, is crucial for interpreting the state of China's economic growth. Given that China is Australia's largest trading partner, these data not only affect the Chinese stock and commodity markets but also directly impact Australia's export performance. Whether China's economic growth accelerates or slows down will have a significant impact on the Australian economy, making this data particularly important for Australian investors.

Next week's economic data and policy developments will be a focal point that global and Australian investors need to closely monitor. By deeply analysing these data, we can better understand market trends and accordingly adjust our investment strategies to respond to potential market changes in the future.



The image above shows the performance chart of the 11 industry sectors on the ASX last week.

From the chart, we can see that all 11 industry sectors on the ASX experienced gains last week, with the utilities sector leading the way with a 5.47% increase. Our positioning in AGL turned out to be a leading performer in this sector, bringing us considerable returns. At the same time, the energy, real estate, and information technology sectors also showed strong performance. In contrast, the healthcare, staples, and non-essential consumer goods sectors performed relatively weaker, not outperforming the overall market index trend.

Looking ahead, as the Chinese economy gradually recovers, the forthcoming data on China's urban fixed asset investment annual rate and the annual rate of total retail sales of consumer goods for April, expected to be released next week, are anticipated to provide positive signals to the market. These indicators not only reflect the current health of China's economy but could also have a significant impact on the resource-related sectors of the Australian market. Particularly, the materials, energy, non-essential consumer goods, and staples sectors may show stronger performance opportunities in the coming week.

The image above is the daily chart of PLS.

In last Tuesday's lesson, we conducted a detailed analysis of the fundamentals of PLS. As a leader in the Australian lithium market, PLS holds a significant position in the global lithium market. Today, we will not delve deeper into the company's fundamentals but will instead focus on the technical chart of PLS.

From the daily chart of PLS, the stock price shows an upward trend. Particularly after the stock price retraced to around AUD 4.58, it formed a "W" bottom pattern on the daily chart, which is a classic reversal pattern that often indicates a potential upward trend. More crucially, the neckline support of this "W" bottom pattern is closely aligned with the MA13 moving average. The upward alignment and divergence of the moving average system further strengthen the robust bullish signal.

With the stock price's lateral consolidation last week, the MA13 moving average price also moved up, forming a strong double support near AUD 4.05. Considering the fundamental and technical aspects of PLS, Monday's market offered an excellent buying opportunity for investors. The support near AUD 4.05 not only provides a low-risk entry point but also, if the stock price can maintain above the neckline of the "W" bottom pattern, it is expected to further validate the sustainability of the bullish trend.

Therefore, for those investors who did not manage to buy PLS in time, Monday still presents an excellent opportunity to buy.

The image above is the weekly chart of IEL.

Yesterday, we sent a research report on the fundamentals of IEL to our investors. Through these analyses, we observed that IEL's market valuation, after undergoing significant stock price adjustments over the past two years, has now significantly recovered and is expected to return to the average levels of last year. This valuation recovery provides a certain level of bottom support for the stock price, offering potential for upward movement.

Technically, IEL's stock price is currently operating near the lower boundary of the channel. Historical performance shows that whenever the stock price touches the lower boundary of the channel, it usually gains strong support and subsequently rebounds, attempting to test the pressure at the upper boundary of the channel. The repetition of this pattern indicates that the stock price has begun to stabilize.

Additionally, observing recent changes in trading volume, we've noticed that during the stock price consolidation period at the bottom, IEL's trading volume has become more active than before, reflecting increased market interest in this stock. An increase in trading volume is typically a signal of heightened market participation, which not only supports the stock's price stabilization at the bottom but also lays the foundation for future price increases.

Combining fundamental and technical analysis, IEL's current price and its strong support position at the lower boundary of the channel, along with increased market activity and trading volume, taking these factors into account, I believe that IEL's stock is attractive at its current price. New investors who have not bought this stock in time should consider using this opportunity to buy, anticipating that the stock price will rebound and test higher levels of resistance.

As I shared with everyone last week, for those stocks that are trending well, we need to show great patience. In this investment marathon, patience is not only a virtue, it is key to profiting.

As long as the reasons we initially chose these stocks still hold, we should stand our ground and follow the trend. It's like following a herd of wild horses across the plains; only by keeping up with their pace can we reach our desired destination. During the rise in stock prices, patience is our strongest ally. It helps us not to be distracted by minor fluctuations and to wait for the ultimate substantial returns.

Remember, investing is like planting a tree; it takes time to nurture and wait for it to mature. Being too hasty often only yields unripe fruit. So, when you find that your investments are still on the right track, let patience be your companion. Stick to your investment strategy, let time work for you, and ultimately, you will be able to reap the profits you have long awaited.

Thank you to all the investors for your active participation and engaging discussions. Before we conclude tonight's lesson, I would like to leave you with a question to further ponder on today's discussion:

In the trading of financial markets, we know there are many factors that affect an investment portfolio, but usually the most fundamental are the depth of financial knowledge and the stability of investment mindset. Please consider, for you personally, which factor has the greatest impact on your investments? In the future, what changes do you plan to make to enhance your investment outcomes?

I hope this question will spark deep thought and further help you understand the complex mechanisms of the sharemarket. We will continue our discussion and exchange on financial knowledge in tomorrow's lesson.

Wishing everyone a pleasant evening, and see you tomorrow!