

G' day investors!

Welcome to Wilma Wealth Management , I am White Green, your most trusted investment companion!

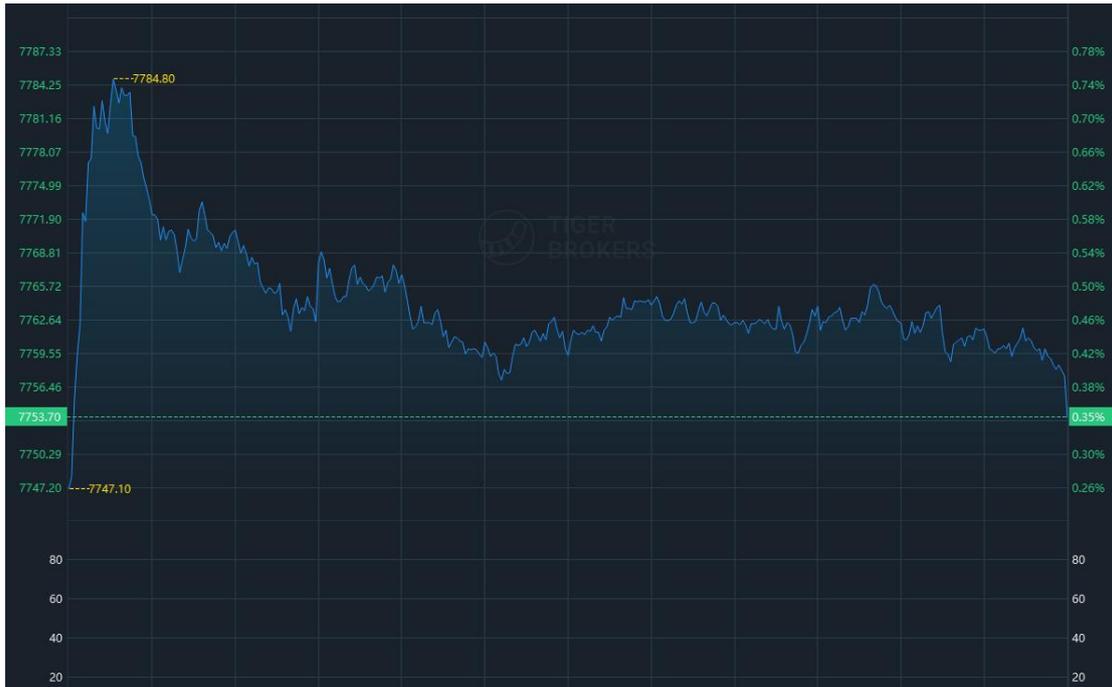
The three major indices on the ASX showed a general upward trend today. How should the future performance of the XJO index be assessed?

How should the future trends of the stocks in our investment portfolio be analysed? What is the logic behind IEL's significant rise today?

Tonight, the United States will release CPI and retail sales data. These indicators are crucial for measuring inflation and consumer spending, directly influencing the Fed's monetary policy. If the CPI exceeds expectations, it might intensify market concerns about inflation, leading to the Fed possibly maintaining or strengthening its current tight monetary policy. This would impact the global financial markets, including the bond and sharemarkets, foreign exchange, and cryptocurrencies. Thus, analysing and interpreting the CPI and retail sales data becomes particularly important.

In tonight's session, we'll delve into the economic rationale behind these data and explore the potential market impacts they could generate. Through detailed explanations and forecasts this evening, I hope each investor will enhance their understanding of the markets, enabling our investment strategies to be both scientific and robust.

Are you all ready, investors?



The graph illustrates the intraday trend of the XJO index.

Today's performance of the XJO reflects a composite reaction to multiple factors, notably the positive impact of the federal budget and the overall upward momentum in the U.S. market. The rapid rise in the index during the early trading hours was primarily due to strong performances in the real estate, retail, and materials sectors, which significantly drove market sentiment and the initial surge in the index. Later, as heavyweights like BHP saw a rise and subsequent fallback, it influenced the XJO to exhibit a high-reaching pullback trend. On the market, materials, healthcare, and retail sectors led the gains, while industrials, energy, and financial sectors faced the steepest declines today, making them the only three sectors among the eleven to drop.

Despite some sectors performing poorly today, the overall market structure and future economic indicators will provide us with more upward momentum.



The graph is a daily chart of the XJO index.

Today's market performance has once again confirmed our accurate forecast for the XJO index. In our morning analysis, we anticipated that, with strong support from the MA55 moving average, the index was likely to break through the pressure of the MA5 moving average. Indeed, our grasp of market timing has proven accurate, not only validating our analytical method but also providing clear direction for our selection of industry sectors and individual stocks.

In terms of technical analysis, today's XJO index not only successfully overcame the pressure of the MA5 moving average, but the moving average indicators have also started to show a bullish alignment. This suggests that the index has the momentum to continue rising. This technical trend gives us further confidence to increase our holdings and also reminds us of the need to stay alert to market dynamics.

It's especially important to note that tonight's release of the CPI and retail sales data is among the most crucial economic indicators this month and will significantly impact the trajectory of global financial markets. The release of these figures will not only affect the Australian stock and forex markets but also have wider implications for the international financial landscape, including government bonds, foreign exchange, and cryptocurrencies. Therefore, we must pay close attention to the performance of these indicators, allowing us to adjust our investment strategies timely and maintain an advantage in a volatile market environment.

In financial markets, the essence of investment lies in anticipating and forecasting the future. Yesterday's Producer Price Index (PPI) data served as a sophisticated appetizer, but today's forthcoming U.S. Consumer Price Index (CPI) and retail sales data are undoubtedly the main course. These indicators are not only crucial for measuring the current level of inflation in the U.S. but will also greatly influence the Fed's future monetary policy adjustments. The release of these figures tonight is set to create significant waves across global financial markets, signaling potential market movements and investment opportunities.

When investing in financial products such as stocks, futures, foreign exchange, or cryptocurrencies, understanding and predicting market expectations is crucial. This requires not only a deep understanding of current economic data but also the ability to accurately forecast and analyze the future financial environment. Therefore, meticulous prediction and analysis of data like tonight's CPI and retail sales figures are particularly important. Such analysis will help us more precisely grasp future financial market trends, enabling us to make informed investment decisions.

Tonight, we will delve into the meanings and potential impacts of these key economic indicators, analyzing how they shape market expectations and influence investment strategies. Through this

comprehensive and detailed analysis, we aim for each investor to enhance their understanding of market dynamics and improve their ability to predict changes in the financial environment. This preparation will enable them to more effectively face upcoming market challenges and seize investment opportunities.

The U.S. CPI (Consumer Price Index) and monthly retail sales are two key economic indicators that significantly impact the financial markets, as these data provide crucial insights into the health of the economy and inflation trends. I will now explain in detail the importance of these indicators and their potential impact on the financial markets:

The Consumer Price Index

Consumer price index (CPI) reflects changes over time in the price level of consumer goods and services. It is commonly used to measure a country's inflation level. Changes in the CPI have significant impacts on the following aspects:

Inflation: The CPI is a critical indicator for measuring changes in the price level within the economy. High inflation typically reduces purchasing power, affecting consumer spending and business costs, thereby impacting overall economic activity.

Monetary Policy: Central banks, such as the Fed System in the USA, use the CPI as a primary basis for adjusting interest rates and other monetary policy tools. For example, if the CPI indicates inflation above the target level, the Fed might raise interest rates to curb inflation.

Investor Sentiment: CPI data that is higher or lower than expected can cause fluctuations in the stock and bond markets. For instance, high inflation may lead to rising bond yields, as investors demand higher returns to offset the decline in purchasing power.

Monthly Retail Sales

The monthly retail sales rate reflects changes in the total sales of the retail sector over a specific period and is a direct indicator of consumer spending. Given the significant proportion of consumer spending in the U.S. GDP, this indicator is particularly important for economic analysis.

Economic Activity: Retail sales data provide an immediate view of consumer confidence and economic vitality. Strong retail sales typically indicate high consumer confidence and a healthy economic state, while weaker sales may suggest an economic slowdown.

sharemarket Reaction: The performance of retail sales data directly impacts the performance of retail and consumer-related stocks, thereby affecting the overall sharemarket.

Policy Making: Governments and central banks may adjust economic policies based on trends in retail sales, such as implementing stimulus measures to boost sluggish consumer spending.

Impact of CPI and Retail Sales Data on Financial Markets

When CPI and monthly retail sales data are released, they often cause significant volatility in the financial markets, especially if these figures deviate markedly from market expectations. For example:

Bond Market: A CPI higher than expected can lead to an increase in bond yields as investors anticipate higher inflation and require higher returns to offset inflation risk.

sharemarket: Strong growth in retail sales may boost consumer stocks, but if CPI data indicate rising inflation, it could cause market concerns, thereby affecting sharemarket performance.

Currency Market: Strong economic data (such as high CPI or retail sales growth) may drive the appreciation of the domestic currency, as this might lead to central bank actions.

Cryptocurrency: The cryptocurrency market, particularly Bitcoin and other major cryptocurrencies, is often seen by investors as a hedge tool. Its market performance is influenced by economic data and changes in macroeconomic policies.



The image above displays the one-minute candlestick charts for the U.S. Dollar Index and London gold, following the release of the April CPI data.



The image above displays the trend charts for the XJO index futures and Bitcoin following the release of the April CPI data.

From the charts, we can see that yesterday's Producer Price Index (PPI) data had a significant impact on global financial markets, including the Australian sharemarket. The Consumer Price Index (CPI) and retail sales data, which are set to be released tonight, are expected to trigger even greater market volatility. The CPI, as a key measure of inflation, plays a crucial role in the adjustment of the Fed's monetary policy, subsequently influencing the short-term trends in the U.S. dollar exchange rate.

Additionally, the monthly retail sales data, often referred to by the market as "scary data" due to its direct reflection of consumer spending, is highly indicative of economic trends. The volatility of these data not only impacts monetary policy and exchange rates but also indirectly affects the performance of the stock and bond markets.

Therefore, close attention to tonight's CPI and monthly retail sales data is crucial. It's necessary to conduct a thorough analysis of the potential impacts of these data to more accurately predict the future trends of the Australian sharemarket and other financial markets.

According to market forecasts, the U.S. CPI data set to be released tonight is expected to be 3.4%, slightly lower than last month's 3.5%. Meanwhile, April's monthly retail sales rate is anticipated to be 0.4%, down from March's 0.7%. These figures are crucial for understanding the current economic situation and will have a significant impact on the Fed's future monetary policy decisions.

If tonight's CPI data exceeds expectations, it could be interpreted by the market as bearish news because it suggests that inflation remains stubborn, heightening concerns about the Fed continuing to raise interest rates in the future. Such a scenario could put pressure on the sharemarket, especially in the short term. Conversely, if the April monthly retail sales data surpass expectations, it is generally seen as a positive economic signal because it indicates strong consumer confidence and healthy spending, key factors supporting sustained economic growth.

Tonight, we will closely monitor the specific figures of the CPI and retail sales data, as well as their impact on financial markets. These two indicators are crucial for the Fed when formulating future monetary policies, so the release of this data tonight will undoubtedly cause significant fluctuations in global financial markets. As investors, we must remain vigilant, keep abreast of market developments, and make timely and informed investment decisions.



This is the weekly chart for IEL.

IEL's performance today has brought significant gains to our investment portfolio. I'd like to know, are you all pleased with this outcome?

Remember when we initially decided to invest in IEL, we conducted an in-depth analysis and discussion of both the fundamentals and technical aspects of the stock. Although some investors had reservations about my views at that time, I greatly appreciated this spirit of independent thinking. In the financial markets, having the ability to judge independently and analyze information on your own is an extremely valuable quality. I hope everyone continues to develop this ability.

I want to emphasize that when faced with various types of information, we must conduct comprehensive analysis and judgment. Take IEL as an example; many investors initially were concerned about the high short-selling ratio and changes in international investor visa policies, thinking these factors could affect IEL's performance, and thus were cautious about investing in this stock. Last Saturday, I sent out a research report on IEL, which detailed the company's main business operations and analyzed from different perspectives the potential opportunities and risks associated with the high short-selling phenomenon.

For those investors who have invested in IEL, I have always emphasized the importance of maintaining patience. As it has turned out, my judgment was correct. For those who previously questioned my views, I hope we can have more communication and interaction, as this will aid in your progress and growth.

In the current market environment, I also recommend everyone maintain patience. Even if IEL's stock price seems ready to rise, it is essential to remain calm amid market fluctuations. While managing risks effectively, follow market trends to maximize our profits.

As discussed in our sharemarket morning review, the market trends of COL and PLS stocks in our portfolio remain consistent with the time of purchase, and currently, there are no signs of any trend reversal. This sustained stable trend suggests that maintaining patience is the best strategy at the moment. For investors with lighter positions, any significant stock price pullback should be viewed as an opportunity to increase holdings. This approach is based on our confidence in the long-term trend of the stocks and a deep understanding of their fundamental and technical analyses.

Please note, effective investing is not just about choosing the right stocks, but more importantly, about maintaining consistency in your strategy amidst market fluctuations. Our strategy is based on careful observation of industry trends and strict assessment of financial health, ensuring that our decisions withstand market scrutiny.

Therefore, I encourage everyone to continue to be patient, maintain a stable investment perspective, and keep faith in our existing investment strategy.

Thank you all for your enthusiastic participation tonight!

Given that this Friday, China will release a series of important economic data, including the annual rate of urban fixed asset investment and the annual rate of total retail sales of consumer goods for April, our class tomorrow will not only summarize the impact of today's released U.S. CPI and retail data on the markets but will also delve into the upcoming Chinese data and its potential impact on our Australian market. As Australia's largest trading partner, the economic trends in China undoubtedly have a profound influence on the Australian economy and sharemarket.

Please come prepared to tomorrow's class with your questions and thoughts. We will explore together the deeper meanings behind these economic data and their impacts on future market trends.

Have a pleasant evening, everyone, and I look forward to meeting you all again in tomorrow's class.

Good night, see you tomorrow!