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

1. Following significant gains across the three major indices on the ASX, the XJO is now approaching its historical peak. How should tomorrow's market be assessed? What factors have driven today's substantial rise in the market?

2. The shares in our investment portfolio have had mixed performance today. How should we assess the future trends of stocks like Coles Group Limited (COL), Pilbara Minerals Limited (PLS), and IDP Education Limited (IEL)?

3. Among the eleven major industry sectors on the ASX, how should we better analyse the inherent investment logic within these sectors? When investing in these industry sectors, how should we select our benchmarks?

Tonight, I will primarily share the above topics with the investors, hoping that through tonight's presentation, every investor will enhance their understanding of the Australian sharemarket and grasp the investment logic between different market sectors from a macroeconomic perspective.

Investors, are you ready?

The substantial rise in the three major indices of the ASX today reflects the market's reaction to current economic signals and expectations for future monetary policy. The primary drivers come from the following three aspects:

1. Impact of Unemployment Rate Data on Market Expectations:
Although Australia's unemployment rate has risen to 4.1%, indicating that the economy may be slowing down, this scenario has instead strengthened market expectations that the Reserve Bank of Australia (RBA) might cut interest rates within the year.

2. Dynamics of the Bond Market:
Concurrent with the release of the unemployment rate data, the yield on Australian 1-year government bonds has declined, further supporting market expectations of a low interest rate environment. Lower bond yields make the sharemarket a more attractive investment venue, particularly for sectors that are more sensitive to interest rate changes.

3. Impact of U.S. CPI Data:
The CPI data released the previous day in the United States showed a slowdown in inflation, reinforcing market expectations that the Fed might cut interest rates in September. The anticipation of looser monetary policy in the world's largest economy typically has a positive impact on global markets, boosting investors' risk appetite.

On the trading floor today, aside from a slight weakness in the energy sector, other sectors showed strong upward momentum. Particularly, sectors sensitive to interest rate changes, such as real estate, information technology, retail, financial, and healthcare sectors, led the gains. These sectors directly contributed to the overall rise in the indices.

With market sentiment bolstered and technical indicators strengthening, the XJO index is highly likely to break through its previous historical highs and set new records. As the market further absorbs these positive factors, we can anticipate that the market will continue to exhibit an optimistic investment atmosphere.

Many investors have discussed with me why I often focus on the U.S. sharemarket and economy when our focus is on Australian stocks. I want to explain to the investors that in this era of global economic integration, it is very important for investors in Australian stocks to pay attention to the trends of the U.S. sharemarket and the U.S. economy, for the following reasons:

1. Global Market Leader: The United States is the world’s largest economy, and its sharemarket is one of the largest and most active globally. The performance of the

U.S. sharemarket often has a profound impact on global market sentiment and capital flows.

2. Market Confidence and Sentiment: The strength or weakness of the U.S. sharemarket typically influences the confidence and sentiment of global investors, including those in Australia.

3. Capital Flows: Since much of the global capital is closely linked to the U.S. market, changes in the U.S. market can directly affect the flow of capital worldwide. For instance, instability in the U.S. market could lead to capital withdrawal from emerging markets, including the Australian market.

4. Macroeconomic Factors: U.S. economic indicators, such as GDP growth rate, unemployment rate, inflation rate, and interest rate decisions, all directly impact global economic expectations and policy-making.

5. Monetary Policy: Decisions made by the Fed regarding monetary policy, such as adjusting interest rates, quantitative easing, or tightening policies, have a significant impact on global investment strategies.

6. Commodity Prices: Given that the Australian economy is heavily reliant on resource exports, including minerals and energy, and these commodity prices are largely influenced by global economic conditions, the economic status of the United States, as one of the world's largest economies, has a significant impact on resource prices.

After the release of the CPI data, here is the one-minute trend chart of the USD Index.

After the release of the CPI data, here is the one-minute trend chart of the Australian Dollar.

After the release of the CPI data, here is the five-minute trend chart for the Dow Jones 30 futures.

After the release of the CPI data, here is the one-minute trend chart of the XJO Index futures.

After the release of the CPI data, here is the one-minute trend chart of Bitcoin.

After the release of the CPI data, here is the one-minute trend chart for London gold.

From the charts above, we can see that yesterday's release of the CPI data had a significant impact on global financial markets, which is evident from the trends across various financial instruments. CPI, as a key indicator measuring inflation in the United States, extends its influence far beyond the U.S. borders, affecting global financial markets including our Australian stock and forex markets. From the charts we analyzed, it is clear that upon the release of the CPI data, not only were the USD Index, the Australian Dollar, XJO index futures, gold, and cryptocurrency markets all significantly impacted, but Bitcoin experienced the largest volatility, with its price soaring by over 8%.

This phenomenon highlights the importance of having a global perspective in the field of financial investment. As investors, it is crucial not only to pay attention to domestic economic data but also to broaden our view globally and understand the potential impact of various economic indicators on the markets. Through extensive market observation and in-depth data analysis, we can more accurately grasp market dynamics and seize various financial investment opportunities.

Yesterday's market dynamics clearly demonstrated Bitcoin's status as one of the most active investment vehicles globally, with its significant price increase highlighting its unique value and broad appeal in the current financial markets. The main reasons Bitcoin is favored by global investors include:

1. Decentralization and Limited Supply: Bitcoin is a decentralized digital currency, not controlled by any single entity, such as governments or financial institutions. Its total supply is capped at 21 million coins, which offers a scarcity similar to gold, thus attracting the attention of investors.

2. High Liquidity and Market Activity: Bitcoin has a large trading volume and high liquidity, allowing investors from all over the world to easily buy and sell Bitcoin. This high liquidity makes Bitcoin a very active investment vehicle.

3. Inflation Resistance: Due to Bitcoin's limited supply, it is viewed by some investors as a tool to hedge against fiat currency devaluation and inflation. In countries where the economy is unstable or currency devaluation is severe, Bitcoin is particularly popular.

3. Technological Innovation and Security: Bitcoin is based on blockchain technology, which provides a high level of security and transparency. The decentralized ledger of blockchain technology records all transactions, making them nearly impossible to alter, thereby increasing investor trust.

5. Increasing Global Acceptance: More companies and merchants are beginning to accept Bitcoin as a form of payment, and an increasing number of financial institutions and investment platforms are introducing Bitcoin-related investment products, further promoting its popularity and acceptance. This includes the launch of Bitcoin ETFs (Exchange Traded Funds) by the Australian Securities Exchange.

6. High Return Potential: Although the price of Bitcoin is highly volatile, it has

historically seen several significant price increases, attracting investors seeking high returns.

7. Safe Haven Asset: In times of increased global economic and geopolitical uncertainty, some investors view Bitcoin as a safe haven asset to diversify risks in their investment portfolios.

Under the influence of these factors, Bitcoin has become one of the highest-gaining and most active investment assets globally in 2023, securing a unique position in the global capital markets.

To fully understand the dynamics of the Australian sharemarket, it is not sufficient to focus only on U.S. economic data, especially for a resource-exporting country like Australia. China, as Australia's largest trading partner, also has a direct and profound impact on Australia's economy and sharemarket due to its economic health.

China's demand for Australian resources such as iron ore, coal, and natural gas is crucial to Australia's resource industry. Therefore, for Australian investors, it is essential to closely monitor Chinese economic indicators, such as GDP growth rate, the Manufacturing Purchasing Managers' Index (PMI), as well as forthcoming data like the annual rate of urban fixed asset investment and the annual rate of total retail sales of consumer goods. These indicators not only provide a snapshot of China's current economic health but also help predict future trends in resource demand.

Therefore, understanding these key economic indicators not only helps investors better assess the prospects of Australia's resource sector but also allows for more informed investment decisions against the backdrop of the global economy. In the investment world, having the right information equates to having a head start in trading.

Economic data from the United States and China have a widespread impact on industry sectors within the Australian sharemarket, with the following sectors particularly affected:

1. Impact of U.S. economic data on Australian industries:
a. Technology Sector:
As a global leader in the technology industry, the U.S.'s tech policies and market

performance significantly influence global markets, especially Australian tech stocks. Decisions on interest rates by the Fed, innovations in technology, and changes in the regulatory environment directly affect the profit outlook and investment appeal of technology companies.

b. Financial Sector:
The interest rate policies and performance of the financial markets in the United States have a significant impact on global capital flows and exchange rate fluctuations. Consequently, U.S. economic data such as GDP growth rates, employment rates, and consumer confidence can affect Australian financial stocks, particularly banks and insurance companies.

c. Healthcare Sector:
U.S. healthcare policies and drug approval processes play a leading role in the global healthcare market. As such, changes in U.S. policies and health data can significantly impact the performance of Australian healthcare companies.

2. The impact of Chinese economic data on the Australian industry:
a. Resources and Materials Sector:
As China is the world's largest consumer of raw materials, its economic growth and manufacturing activity have a particularly significant impact on Australia's mineral resources and materials industry. Chinese economic indicators, such as the Manufacturing PMI and import and export data, directly influence Australia's mining and related industries, such as steel, copper, and coal.

b. Energy Sector:
China's demand for energy significantly impacts the global energy market, particularly in the consumption of iron ore, natural gas, and coal. The economic expansion of China and changes in its energy policies, such as the promotion of green energy, directly affect Australia's energy exports and related stocks.

c. Consumer Goods Sector:
The purchasing power and consumption trends of Chinese consumers significantly influence Australia's fast-moving consumer goods (FMCG) industry and the luxury goods market. Chinese retail sales data and consumer confidence indices are crucial for assessing the performance of Australian export companies in these sectors.

Therefore, when investing in the sharemarket, it's not only essential to pay attention to our own country's economic data but also to understand the connections between these specific sectors and the economic data of the world's two largest economies. This understanding is crucial for formulating targeted investment strategies, optimizing investment portfolios, and reducing potential risks.

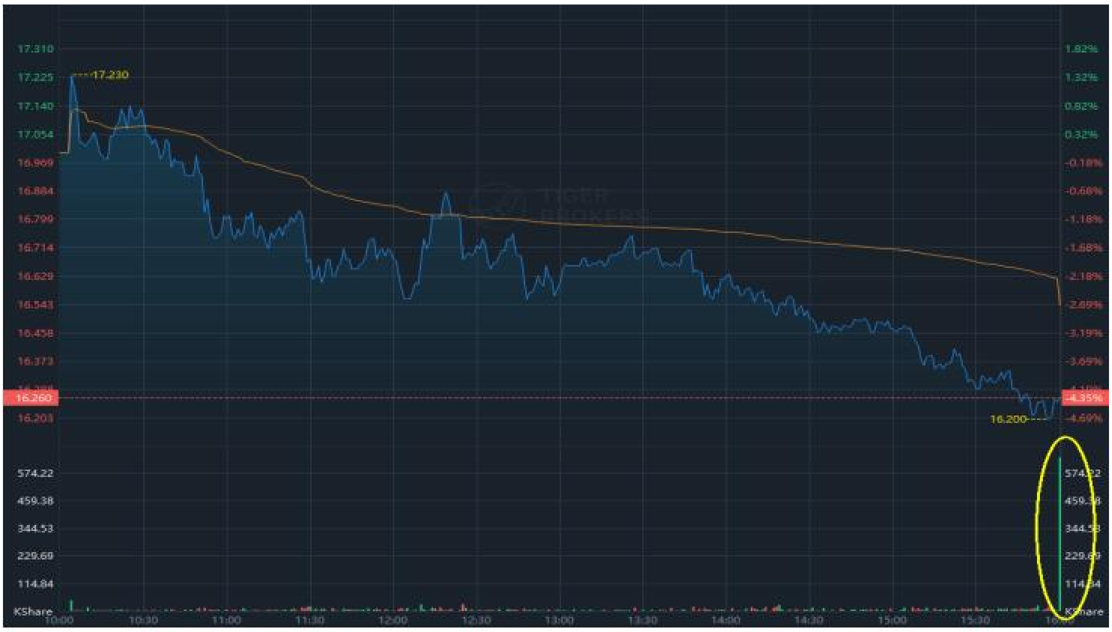
The chart above shows both the daily and weekly charts for Coles Group Limited (COL).
From the daily chart, it is evident that COL's performance today was particularly noteworthy. The stock gapped up at the open and, during the trading session, broke through the daily level box range consolidation, choosing to break upward. This breakout has altered the recent anxious state of the moving average indicators. The moving averages are now showing a bullish upward divergence, indicating potential for further upward momentum.

Tomorrow, as the last trading day of the week and a critical moment for the closing of the weekly candlestick chart, it is crucial to closely monitor whether the stock price can continue to stabilize above the top of the box. If the stock price can remain stable above the top of the box, this will confirm that the stock has successfully broken out of the long-term box consolidation pattern. As the moving average indicators continue to strengthen, this will stimulate more bullish sentiment in the market, providing momentum for further stock price increases next week.

Above is the PLS daily chart

From the daily chart of Pilbara Minerals Limited (PLS), the stock price is currently in an upward trend and has recently approached the support level of the upward trend line. This position is often seen as a potential buying point because it provides technical support, suggesting that the stock price is likely to continue its upward trajectory along the trend line. Today, PLS's stock price has stabilized and rebounded around the MA34 moving average at approximately 3.95 AUD, further confirming its overall positive trend.

Analyzing PLS at the daily chart level, although the stock experienced some downward pressure earlier in the week, as the bearish forces gradually diminished, the stock found support near the MA34 moving average. It is expected that tomorrow, the stock price will rely on this moving average support to initiate a rebound.



Above is the IEL intraday chart and weekly chart

IEL is down more than 4% today, and many investors may be uneasy, wondering if they should opt to take profits and leave after a small gain. I understand your concerns, but let us carefully analyze the current market situation and the behavior of institutional investors, so that we can make a more informed decision.

Yesterday, IEL's official website announced that Goldman Sachs Group Inc. had further increased its stake in IEL between May 2 and May 10, which pushed up the stock price. However, despite spending about $40 million to prop up the share price in early trading yesterday, the share price subsequently showed a downward trend. Entering today, the stock price rose slightly and then continued to shrink down until the end of the day there was more than 10 million Australian dollars of active buying, more than 10 million Australian dollars accounted for nearly a quarter of the day's turnover. So this phenomenon is not due to a broad market sell-off, but some institutions are deliberately driving down the share price to accumulate more leverage at a lower price.

In addition, from the perspective of technical analysis, IEL's weekly MA5 moving average has shifted from a 45 degree Angle to a flat position. Combined with the current market movements and flows, it is reasonable to believe that the MA5 moving average will cross the MA13 moving average in the second half of May as a probability event.

So with IEL, our strategy should be to be patient. After understanding the intention of institutional funds, we do not need to rush to action, but should wait for the concentration of institutional chips. At that point, we can expect an institutionally-driven rise in share prices that will bring us the expected market gains.

Thank you very much for your enthusiastic participation tonight!

Before I conclude tonight's session, before I conclude tonight's session, I want to leave you with a question that I hope will stimulate deeper thought and deepen understanding of what we've been talking about:
As the world's two largest economies, the economic status of the United States and China has what specific impact on various industries in Australia?

I hope these questions will stimulate your thinking and help deepen your understanding of the mechanics of the sharemarket.

Have a great evening and look forward to seeing you again tomorrow in class.

Good night. See you tomorrow!