

G'day investors!

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

In tonight's session, here is an overview of the course content:

1. We will review the main trends in today's market. Through an analysis of today's market movements, we will look ahead to the upcoming market directions. By delving into today's data, we will explore the potential development paths of the market over the next few days.
2. The RBA's meeting minutes released today provide important clues about the future direction of monetary policy. While the minutes contain both hawkish and dovish elements, the overall tone appears to lean more towards hawkish. What does this mean for the sharemarket? We will discuss in detail how these minutes impact investor sentiment and market trends.
3. In light of the latest developments in monetary policy, we will discuss which sectors in the current market exhibit investment value and are worth closely monitoring and researching. This includes identifying which sectors might benefit from the current economic and policy environment, and how investors should adjust their portfolios to maximise potential returns.

Tonight, we will engage in discussions on the above topics, aiming to deepen our understanding of sharemarket mechanisms through tonight's explanations and discussions, and effectively apply this knowledge to optimise our investment decisions.

Are you ready, investors?



Today, all three major indices of the Australian Securities Exchange experienced slight adjustments. The Reserve Bank of Australia released the minutes of its May monetary policy meeting this morning, which exhibited a hawkish stance, reducing the market's expectations for a

pause in interest rate hikes by the RBA. This new outlook caused the three major indices to hover near the early trading lows for most of the day.

In terms of sector performance, the information technology, industrial, and staples sectors performed well today, showing the largest gains. Conversely, the materials sector, which led gains yesterday, turned into the leading decliner today. Additionally, the telecommunications, healthcare, and real estate sectors also experienced declines. This market volatility reflects investors' reassessment of the future direction of monetary policy. For investors in the Australian market, understanding and interpreting the RBA's policy signals is crucial, as it directly affects market sentiment and capital flows.

In today's financial market, two major events have significantly impacted our future investment decisions. Firstly, the minutes released by the RBA have provided the market with key insights into the direction of monetary policy. These minutes are crucial for understanding the current state of the Australian economy and the RBA's assessment of future economic prospects. Therefore, they have a direct impact on any investment decisions that rely on interest rates and macroeconomic indicators.

Secondly, today's broad rally in the cryptocurrency market has once again highlighted the high volatility of this asset class and its growing significance in the global financial markets. The significant fluctuations in cryptocurrencies not only reflect investors' reactions to technological and regulatory developments in this field but also indicate broader shifts in market sentiment and risk appetite.

Before formulating future market strategies, we need to have a deep understanding of these two events. These events provide important clues about the future investment environment. As investors, we should actively use this information to optimise our strategies while remaining vigilant about other potential market-changing factors. By adopting this approach, we will be better able to navigate the complex financial markets and achieve long-term investment goals.

Today's RBA minutes show a mix of hawkish and dovish signals, though the overall bias is probably closer to hawkish:

Hawkish Signals:

Labour Market Tighter Than Expected:

This indicates a strong employment market, which is usually a sign of economic vitality. It can lead to wage increases, further driving inflation, and typically supports a tighter monetary policy.

Considerable Uncertainty in Inflation and Employment Market Outlook:

This uncertainty might prompt the central bank to maintain its current policy stance to prevent inflation from spiralling out of control, which is a hawkish factor.

Restoring Inflation to Target Levels Remains the Top Priority:

This indicates that the Reserve Bank of Australia is still focused on curbing inflation, a hawkish stance since higher interest rates may be necessary to achieve this goal.

Dovish Signals:**Weaker Consumer Demand:**

Indicating weak domestic demand, which might prompt the central bank to take a more cautious approach to raising interest rates to avoid further suppressing economic growth.

Australia's Financial Conditions are Considered Tight:

A tight financial environment means high financing costs and borrowing difficulties, usually requiring more accommodative monetary policy to alleviate this situation.

Global Growth Risks Have Become More Balanced, with Upgraded US Outlook:

This may suggest that the global economic environment is improving, reducing the need for extreme monetary policy measures.

Overall, today's monetary policy minutes contained some dovish elements. However, the focus on the tightness of the labour market and the ongoing emphasis on controlling inflation suggest that the RBA may lean towards maintaining or increasing interest rates to ensure inflation remains under control. This stance undoubtedly carries a hawkish inclination, leading the market to believe that the likelihood of future rate hikes persists, although the specific path remains uncertain. This expectation is the main factor restraining the indices from further gains today.

However, it is worth noting that despite the somewhat negative impact of today's monetary policy minutes on the sharemarket, there was no significant correction. This indicates that the market's reaction to the contents of the minutes was largely anticipated. Such a market response demonstrates that investors have already factored in the RBA's policy statements, believing that the RBA uses such language to provide flexibility for future monetary policy operations.

Another significant event in today's financial market is the rumour regarding the

approval of an Ethereum ETF. This news has greatly stimulated the cryptocurrency market. With the widespread expectation that the US Securities and Exchange Commission (SEC) might soften its stance against an Ethereum ETF, rumours suggest that the approval of an Ethereum ETF (Exchange Traded Fund) is imminent. This news has triggered a strong market reaction, pushing the price of Bitcoin above the \$70,000 mark today, while Ethereum recorded its largest gain in 18 months. The entire cryptocurrency market exhibited a broad-based rally.

Trading Pair	Last Price	Price Change
★ BTC/USDT	71160.78	6.159%
★ USDC/USDT	0.9998	-0.01%
★ ETH/USDT	3660.01	17.782%
★ EOS/USDT	0.8624	8.287%
★ ETC/USDT	31.7800	12.775%
★ ATOM/USDT	8.8570	6.301%
★ LINK/USDT	17.0610	0.75%
★ IOTA/USDT	0.2341	11.742%
★ DCR/USDT	21.3000	8.84%
★ ADA/USDT	0.499500	5.424%
★ TRX/USDT	0.123190	1.174%
★ ZEC/USDT	24.77	5.18%
★ LTC/USDT	88.31	5.432%
★ DASH/USDT	30.97	6.025%
★ BCH/USDT	521.00	7.025%
★ DOGE/USDT	0.16348000	7.751%

The cryptocurrency market is gradually becoming a highly sought-after field for both global institutional investors and individual investors. Recent rumours about the approval of an Ethereum ETF have particularly garnered widespread attention, leading to a significant rise in the cryptocurrency market. This potential market dynamic is driven primarily by the following factors:

Increased Market Demand:

The approval of an ETF would enable more traditional investors (such as institutional investors and retail investors) to conveniently invest in Ethereum, thereby increasing market demand.

Price Surge:

Due to increased demand, interest in Ethereum and other cryptocurrencies rises, leading to price increases. For example, Bitcoin has surged past \$70,000, setting a new all-time high.

Improved Market Sentiment:

The approval of an ETF is seen as another step towards mainstream financial market acceptance of cryptocurrencies, continually boosting global investor confidence.

Enhanced Liquidity:

ETFs bring more funds and trading activities to the market, improving the liquidity and stability of the cryptocurrency market.

Overall, the rumours of the Ethereum ETF approval have had a positive impact on the cryptocurrency market. They have boosted market activity, increased security, and created more trading opportunities. With the participation of institutional investors and improved market liquidity, market investors can leverage this event to seek more trading and investment opportunities. The enhanced security of the market and strengthened regulation have also increased investor confidence, making the cryptocurrency market more attractive and profitable.



The above chart is the daily chart of the XJO Index.

Despite the RBA's monetary policy meeting minutes conveying a hawkish signal today, the XJO Index did not experience a significant decline. This indicates that market investors had already anticipated the contents of the minutes, preventing excessive market volatility. Additionally, the market's attention is gradually shifting towards the Fed's monetary policy minutes, which are scheduled to be released tomorrow evening. This is expected to be a key factor influencing market movements in the coming days.

From a technical perspective, the XJO Index underwent minor consolidation and fluctuations while maintaining its high position today, indicating a strong upward trend overall. The index remains stable above the 5-day moving average (MA5), reflecting a healthy market state. Following last Thursday's significant surge, the index has been consolidating at high levels over the past few days, accumulating strength with the potential to break through previous historical highs.

Looking ahead, if the XJO Index can continue to stay above the key moving averages, it is likely to test and break through its historical highs, thereby initiating a new upward cycle.

In last night's session, we delved into how investors should adjust their strategies to cope with market uncertainties when the index approaches historical highs. We discussed several key tactics, including diversifying investments to reduce risk, employing sector diversification strategies to capture different market opportunities, allocating hedging assets to stabilise the portfolio, selecting high-quality stocks, and focusing on sectors and stocks that have lagged or experienced smaller gains in the previous periods.

Today, I would like to introduce three stock concept sectors worth paying attention to: education services, lithium and cobalt concepts, and interactive media and services. These sectors not only represent hot areas in the current market but also show potential for future growth.

Particularly, the two stocks in our portfolio—PLS and IEL—belong to the lithium and cobalt concepts and education services sectors, respectively. These two sectors currently exhibit unique investment value:



The above chart shows the daily chart of the lithium and cobalt concept (BK7504) and the weekly chart of PLS.

With the rapid development of the electric vehicle and renewable energy sectors, the demand for battery raw materials such as lithium and cobalt continues to grow. In this context, PLS, as a leading company in the lithium and cobalt concept sector, has become an ideal choice for investors due to its superior market position and strong resource development capabilities.

However, it is important to note that after four to five weeks of continuous gains, the market's risks are gradually accumulating, and highly elevated sectors may face the risk of adjustment. Meanwhile, the lithium and cobalt concept sector successfully established a weekly double-bottom support near previous lows and has shown signs of stabilising and rebounding, indicating that its upward momentum is not yet exhausted. If the broader market faces pressure and undergoes adjustment at high levels, it is expected that the adjustment space for the lithium and cobalt concept sector will be relatively limited.

Observing the economic environment, with the gradual improvement of the economy and the increased market demand for a rebound in lithium prices after a significant adjustment period, PLS's stock price has been supported by its continuously improving fundamentals, demonstrating further upward potential. Technically, PLS's stock price has been consolidating and building momentum around the weekly MA89 moving average for four weeks. This week, it is likely to break through this resistance level, thereby opening up a broader upward space.

Therefore, PLS perfectly aligns with the strategy we discussed in yesterday's session of selecting high-quality stocks, especially those in sectors or individual stocks that have lagged or experienced smaller gains previously. This is also why I have been emphasising the need to reallocate underperforming parts of our portfolio into PLS. In the current market environment, lithium and cobalt concept stocks are worth our close attention and focused investment in the future.



The above chart shows the weekly charts of the XJO Index and the Education Services sector (BK1732).

The education industry has a long-term stable growth outlook, especially as globalisation and technological advancements drive increasing demand for education services. From the charts, we can see that the XJO Index exhibits a strong upward trend, while the Education Services sector index is just stabilising at the bottom. Over time, as the XJO Index has experienced continuous gains for four to five weeks, the risk of a market pullback increases. In contrast, for the Education Services index, stabilising and rebounding at the bottom suggests limited downside potential due to the lack of significant profit-taking. When the broader market needs to adjust, related concept stocks in the education sector have less room to decline. Instead, these indices, having technically corrected at the bottom, are more likely to attract market funds, pushing stock prices further up. Therefore, such related concept stocks are also worth our focused attention in the future.



The above chart is the daily chart of IEL.

As a leading company in the education services sector, IEL has benefited from the continuous improvement of online education services, significantly strengthening its fundamentals, which provides solid support for the stock price's rise. Technically, as we previously discussed with the investors, after more than a month of low-level consolidation, the stock price has now attracted sustained institutional investment near a key support level. Recently, this dynamic indicates that the stock price may experience an upward movement.

This is why I have been recommending that investors with lighter positions continue to increase their holdings, and encouraging those with suboptimal portfolio allocations to reallocate their investments. Concept stocks in the education services sector have significant potential for future growth, and investors should continue to monitor the development of these stocks closely.

Yesterday, many investors followed my suggestion to increase their holdings in IEL around AUD 16 and used a strategy of maintaining a core position for swing trading. Today, these investors have already achieved gains of over 4%. I am very pleased to see your insight. By following my trading rhythm in your practical operations during the learning process, you have not only improved your learning efficiency but also increased the returns on your investment portfolios.

Continue to maintain this positive learning attitude and practical spirit, and we will achieve more success together on our investment journey.

Due to time constraints, today's session will conclude here. I sincerely thank each investor for their enthusiastic involvement!

Please note that the Fed's monetary policy minutes will be released early Thursday morning, which is an important event. Therefore, in tomorrow night's session, we will focus on discussing two key topics: the strategy and unique appeal of swing trading, and analysing the potential impact of the Fed's monetary policy minutes on financial markets.

Good night, dear investors!