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: S&P 200 intraday market review and tomorrow's trend analysis: Analyze the reasons for today's decline and predict the future trend of the index

2: Interpreting the US bond yield inversion phenomenon: Since 2022, the US 2-year and 10-year Treasury bond yields have inverted, and we will explore the market economic implications behind this phenomenon.

3: Explanation of the operation of individual stocks in the portfolio: For our portfolio, we will provide specific advice on the operation of individual stocks

The three major indexes of the Australian Stock Exchange continued yesterday's weakness, showing a low opening pattern today, and the market's willingness to do more is significantly depressed, resulting in the index to be shaken at a lower level throughout the day. In the 11 major industry sectors, in addition to the energy sector due to news stimulation and rose, the other 10 sectors are not performing well, especially the resource sector continues to be depressed, while the public utilities, information technology, industrial sectors fell ahead.

The reason why the market remained weak today is mainly because the market is on the eve of several key economic data releases. The US CPI data to be released in the evening and the Fed interest rate resolution in the early morning, as well as the Australian employment data and unemployment rate for April to be released tomorrow morning, are the focus of the market. Investors have generally taken a cautious approach ahead of the release of these key economic indicators, a precautionary action that has dampened bullish sentiment in the market.

In today's trading, the S&P 200 continued yesterday's correction trend, and the index is now running near the MA89 moving average. Today, the MA34, MA55 and MA89 moving averages have all lost ground, which is a clear sign of market weakness in the short term. From the point of view of technical indicators, the J value in the KDJ indicator shows a downward trend through the K/D value, while the appearance of the red kinetic energy column in the MACD indicator and the formation of a dead cross under the DEA of DIF further confirms the short-term bearish trend of the market.

Based on the current technical analysis, the short-term trend of the S&P 200 index shows a bearish trend, and the future index may continue to find support, and the strong support below is around 7660, which is the support line of the previous low trend line.

In the current market environment where the broad market is underperforming, the right stock selection has become especially important. When the overall market is weak, most stocks are likely to experience price declines; However, when market conditions begin to improve, the companies that will attract market funds and drive stock prices higher tend to be those with excellent performance, sound fundamentals and a clear competitive advantage in their main business.

Although the market as a whole shows a weak adjustment trend today, the performance of individual stocks in our portfolio is mixed, especially IEL stock, which achieved an effective overfall rebound after the sharp lower opening in the early stage, and today's stock price successfully recovered the MA5 average line. From the technical point of view, KDJ shows a continuous upward trend of the gold fork, the MACD red kinetic energy column has contracted, and the DIF line has flattened, which indicates that IEL shares have the potential to continue to maintain the rebound potential energy.

Looking ahead to tomorrow's trading, watch to see if IEL shares continue to stabilize above the MA5 moving average. If the stock is able to hold steady on the back of volume, the MA5 moving average may approach the pressure level of the MA13 moving average in the short term. In terms of operational strategy, in view of the current healthy upward trend of the stock price, we recommend holding the stock until it rises and continue to observe the further reaction of the market.

Overall, despite the poor performance of the broader market, the strong rebound of IEL is a positive signal for our portfolio, and we should continue to monitor its performance closely and adjust our strategy to maximize investment returns.

In today's discussion, some investors raised doubts about the fundamentals of PLS stock, believing that its poor fundamentals are the reason for the sharp fall in the share price. However, I want to make it clear that the fundamentals of PLS are actually solid. PLS's share price decline is not caused by fundamental issues, but because the entire resource stocks, including market leaders such as BHP and RIO, are going through a deep period of adjustment.

From the point of view of technical analysis, the stock price of PLS today is running near the lower track of the weekly BOLL indicator. So far this year, the BOLL line has been stable, indicating that the market is in a state of turbulence. At present, the stock is close to the support point below the BOLL, which is what I mentioned to the investors yesterday, and the index may fall back to around 3.42, which is already reflected in today's price. In this case, what we need to do is to see if the market shows signs of stabilizing over the next few days. Once the market shows a signal of stability, it is an opportunity for us to make swing trades to optimize the cost of holding positions.

In view of the current price point and the overall adjustment of the resource sector, it is expected that the stock price will stop falling and stabilize in the near future. Therefore, I advise investors to be patient and wait a day or two to see if the market gives a clear signal to stop the decline and stabilize. Once there is such a signal, I will guide you to further operations.

The decline in stock prices is not scary in itself, the real challenge is how to properly control the position, effective money management, and develop a viable response strategy when the stock price falls. This is the key to avoiding losses. Investors , do you agree with me?

In the U.S. bond market, one striking phenomenon is the persistent inversion of the yield curve between 2-year and 10-year U.S. Treasury bonds since 2022. This situation has surpassed the historical record of 624 days set in 1978. This phenomenon has not only attracted widespread attention in the financial markets but also provides an important economic signal. Today, we will interpret the current market economic situation in the United States based on the inversion of the U.S. Treasury yield curve.

In understanding the basic logic of investing in U.S. Treasury securities, we generally expect that in a healthy economic environment, economic growth and inflation will rise, which in turn may lead to higher interest rates. Therefore, to compensate for the potential rise in interest rates in the future, the yield on long-term bonds is usually higher than that on short-term bonds.

However, since 2022, we have observed an inversion of the US 2-year and 10-year Treasury yields, which has to attract our attention. We need to understand why this is happening and what it means for the U.S. economy.

The reason for the phenomenon of inverted yield curve is mainly caused by the Fed's interest rate hike, and the inverted yield curve reflects the intermediate result of monetary policy transmission. Since March 2022, the Fed has raised interest rates 10 times in a row, totaling 500 basis points.

When there are abnormal conditions in the market such as recession expectations or monetary policy tightening, the phenomenon of inverted yield curve often occurs, in which the yield of short-term bonds is higher than that of long-term bonds.

There are two main reasons for this:

1: Recession expectations: When investors predict that the economy may slow down in the future or enter a recession phase, they will tend to buy long-term bonds to lock in higher yields today. This pushed up the price of long-term bonds and correspondingly lowered their yields.

2: Monetary policy tightening: In the fight against inflation, the Fed may raise short-term interest rates, which will directly push up short-term bond yields. If markets believe such tightening will lead to a future economic slowdown or even recession, long-term bond yields could fall.

The US economy is already showing signs of recession, as seen in last week's bizarre non-farm data, where average hourly earnings are up but take-home pay is down. The situation is not unique to the United States. Australia's economy is currently faltering, China's housing market crisis is still unresolved, Europe is also facing debt problems, and the global economic situation is looking grim.

Regarding the Fed interest rate resolution tonight, it is highly likely to continue to maintain the existing hawkish monetary policy stance, making the possibility of interest rate cuts in the short term increasingly remote, which will continue to push up Treasury yields. As I discussed with my investors, the US currently faces a $35 trillion national debt, which is doubling every eight years and will have to pay down $9 trillion this year. In this case, interest rate cuts should be one of the effective means to reduce the debt burden, but the Fed does not appear to be taking this approach.

In this global economic context, we as investors need to deeply understand and analyze the internal logic of macroeconomic factors, so that we can better cope with the upcoming market challenges and ensure that our asset portfolio can remain stable in the volatile market.

When we look at the Fed's monetary policy, we find that movements in the money markets since the Ukrainian-Russian war have been particularly complex. When war broke out between Ukraine and Russia in February, the Fed raised interest rates in March, rather than cutting them, to address economic challenges. The logic behind this decision was that war-induced financial flows could send European capital to the United States and China, and that the United States, by raising interest rates, competed to become the destination for these funds.

In addition, another important factor for the United States to choose to maintain a high interest rate environment is the intention to exert pressure on China's real estate market, by detonating China's real estate crisis to transfer the debt pressure of the United States national debt and the means of preventing inflation.

In this geopolitical and economic environment, the outlook for financial markets is not optimistic. Therefore, the financial crisis may happen at any time, in today's global economy is full of uncertainties, we as investors must continue to learn, expand our financial vision, develop a strategic vision of the global financial market. This will allow us to be more robust on our investment path, hedging against the risks of the single market through a diversified portfolio. That's why I stress the importance of teaching investors about finance beyond the sharemarket. I want to develop investors with a global perspective before a possible bear market in stocks, so that they can identify opportunities and risks in different markets and make smarter investment choices.

Last week we set out to explore the cryptocurrency space as the first topic in our expanded series on financial literacy. In order to thank investors for your support in expanding our visibility and influence in Australia, our Group has launched a special event where participants can accumulate points through lectures, which can be exchanged for AUMT tokens on June 24. When AUMT tokens are lifted, you will have a choice: withdraw cash or continue to invest in the cryptocurrency market using these USDTs. This is not only a reward for your support, but also a great opportunity to gain a risk-free insight into the cryptocurrency market

Recently, many investors have shown great interest and curiosity in AUMT tokens, hoping to understand its value and practical application value. Today, I will explain the value of AUMT tokens in detail to the students:

What is an AUMT token?

AUMT token (Automatic CAR) is an automotive big data platform based on blockchain technology. Through blockchain technology, Automatic CAR builds an immutable, lifelong digital profile of each vehicle. These files cover the various data of the car, including the condition of the car, the estimated value, etc. The platform aims to eliminate information asymmetry and provide a fair, transparent and decentralized automotive data sharing system.

Automatic cars have the following values in our life scenarios:

1: Information query service: Users can query a number of vehicle data at any point in time to help users fully understand the vehicle condition.

2: Used car trading services: use the transparency and imtamability of blockchain technology to eliminate information asymmetry to the maximum extent, prevent fraud, achieve fair trading, and promote the development of the used car market.

3. Automobile evaluation and valuation services: Based on massive automobile data around the world, Automatic CAR can dynamically evaluate the value of vehicles in real time, provide reliable valuation information for car owners and buyers, and support the financial services of insurance companies, consumer finance companies and other institutions.

4: Car security and tracking: Through the data mapping on the big data chain, to help solve the problem of vehicle theft, improve the efficiency of vehicle tracking and recovery.

5. Auto financial service platform: By establishing professional financial assessment and risk control models, we can provide car rental, mortgage, loan and other services to expand the auto market.

Automatic CAR is committed to becoming the "first chain in the global automotive industry", promoting the progress of the automotive industry through continuous development of blockchain applications in the field of automotive data, creating revolutionary innovations and changes, attracting more people to join the "blockchain +" project, and promoting social development. If there are people in our community who run the auto service industry, then this project would be a good startup for you.

AUMT is the same as Bitcoin, both of them use decentralized blockchain technology, data records are jointly maintained by multiple nodes in the network, rather than being managed by a single centralized institution, and the data recorded on the blockchain can not be tampered with once it is written, which provides protection for the security and transparency of the data.

Second, Bitcoin encourages nodes to participate in bookkeeping and maintaining network security through a mining reward mechanism, while Automatic CAR encourages users (such as car owners, 4S stores, insurance companies, etc.) to upload car data through a data upload reward mechanism, and rewards these contributors using AUMT.

Our group is not only the fund investor of the project, but also holds the original equity. As a result, the Group was able to decide to reward those students who have contributed to the expansion of our business School in Australia and share in our success.

After the ban on AUMT tokens is lifted on June 24, investors who participate in the process will be able to enjoy the economic value of AUMT tokens. This is not only a reward for our participants' efforts, but also a way for us to encourage our investor to continue to be actively involved in financial education and practice. We hope that through such measures, more students will be encouraged to explore the depth of the financial market with us and grow together.

Due to the lack of time, today's session discussion is over. Thank you for your enthusiastic participation!

Before we conclude tonight's session, I want to leave you with two questions to think about in order to more deeply digest and understand today's discussion:

1. Under what market conditions will the yield curve invert?

2. What is the value of Automatic cars in our life scenarios?

May you have a quiet and wonderful time tonight, and tomorrow we will continue our in-depth discussions and exchanges. Have a good night and look forward to seeing you again!