

1. Weekly Market Performance — Mandatory Opening Sentence

The ASX 200 closed at **8,668**, up **0.87%** for the week, supported by broad gains across large caps as falling oil prices improved risk sentiment.

2. Technical Structure & Market Leadership

The ASX showed **broad but uneven** leadership: staples and discretionary outperformed modestly, while materials, financials, and technology lagged. Breadth remains mixed, with only two sectors finishing higher on the week. The near-term technical catalyst is whether resources stabilise after sharp declines in gold and energy names.

3. Macro & Monetary Policy Context

Australia's April inflation eased to **4.2%** (vs 4.6% prior), below expectations, driven by cooling goods inflation and a sharp drop in transport costs following the fuel excise cut. Services inflation edged slightly lower to **3.5%**.

Underlying inflation remains firm: trimmed mean CPI at **3.4%**, weighted median at **3.5%**.

The RBA remains in a **data-dependent holding pattern**, with markets watching next week's retail sales and monthly CPI indicator for signs of durable disinflation.

4. Fiscal or Domestic Economic Factors

The fuel excise reduction from **52.6c to 20.6c per litre** materially lowered transport inflation and supported consumer sentiment. No major new fiscal measures were introduced this week.

5. Notable Stock-Specific Movements

- **Woodside (WDS)** eased ~5% into the mid-A\$30s, a **cyclical** pullback driven by weaker global energy prices despite stable production and long-duration LNG project momentum.
- **Newmont (NEM)** traded between **A\$151–A\$155**, showing **structural** strength supported by high gold prices and strong free cash flow, though rising production costs caused short-term volatility.

6. Structural vs Cyclical Drivers of Market Performance

Structural drivers: Long-term investment in AI-related data-centre infrastructure (Australia now a top global destination for hyperscale builds) continues to support sentiment.

Cyclical drivers: Falling oil prices, sharp declines in gold miners, and sector-specific volatility in financials and materials. The ASX benefited from global risk-on flows as geopolitical tensions eased.

7. Geopolitical Risk Assessment

Structural risk: Potential disruption to global energy supply if US–Iran negotiations falter.

Cyclical risk: Short-term swings in Brent crude, which slipped toward **\$93** on ceasefire optimism.

Catalyst: Confirmation (or breakdown) of the proposed 60-day ceasefire extension and mine-clearing commitments, which would directly influence energy-linked ASX sectors.

8. Investor Positioning Rationale

Investors rotated into **domestic defensives** and **consumer-linked sectors** as inflation moderated, while trimming exposure to resources amid falling commodity prices. Flows into AI-infrastructure-linked industrials and REITs increased as Australia's data-centre investment pipeline expanded.

9. Market Outlook

The coming week's ASX outlook will be shaped by retail sales, monthly CPI, commodity price stabilisation, and geopolitical clarity around Hormuz. Earnings updates from energy and gold producers will also influence sector rotation. **The expected tone for the week ahead is cautiously neutral with a slight upside bias.**