

1. Weekly Market Performance

The Australian market ended the week firmer, with the **ASX 200 closing at 8,976.80** and the **All Ordinaries at 9,137.00**, supported by strength in resources, defensives, and select energy names. Breadth improved modestly as large-cap miners and consumer staples outperformed.

2. Technical Structure & Market Leadership

Technical structure remained **broad-based**, with leadership rotating toward resources, energy, and defensives. The ASX 200 held comfortably above key moving averages, supported by strong commodity-linked earnings and stable domestic demand. Miners led the charge, while financials were mixed and tech lagged. The near-term technical catalyst is the continuation of earnings season, particularly across materials and consumer sectors.

3. Macro & Monetary Policy Context

Australia's **June 2026 inflation** eased to **3.8%**, below the 4.0% consensus and marking the softest print since February. Goods inflation moderated, transport inflation collapsed (0.1% vs 3.3% in May), and services inflation remained sticky at 4.0%. Core measures were mixed, with trimmed mean at 3.6% and weighted median at 3.7%. The RBA remains in a **data-dependent holding pattern**, with rate-cut expectations pushed into late 2026. Key catalysts next week include retail sales, labour market indicators, and updated RBA commentary.

4. Fiscal or Domestic Economic Factors

Fiscal conditions were stable, with ongoing federal infrastructure spending supporting construction and materials demand. Household budget pressures persisted, reinforcing defensive sector flows and supporting supermarket valuations.

5. Notable Stock-Specific Movements

- **Woodside Energy (WDS)** rose **0.32% to A\$32.845**, supported by strong Q2 LNG production (454 Mboe/d) and **US\$4.185B operating revenue**. Heavy capex (US\$784M) reflects progress on Scarborough, Trion, and Browse. This move is **structural**, tied to multi-year project expansion.
- **Woolworths (WOW)** gained **2.56% to A\$40.81**, extending a medium-term uptrend and trading above both 50- and 200-day moving averages. Defensive flows remain strong amid household budget pressures. This move is **structural**, driven by sustained defensive demand.
- **Rio Tinto (RIO)** rallied to **A\$165.39** after a strong half-year earnings beat, with net profit up **47% YoY** and a **43% dividend uplift**. Copper EBITDA surged **84%**

on higher prices and Oyu Tolgoi volumes. This move is **structural**, reflecting commodity-cycle strength and operational momentum.

6. Structural vs Cyclical Drivers of Market Performance

Structural drivers included strong commodity fundamentals, LNG output, and defensive consumer demand. Cyclical forces were seen in rate-sensitive sectors, where mixed inflation data and delayed RBA cuts kept financials subdued. Materials benefited from copper's surge, while consumer staples outperformed on macro uncertainty.

7. Geopolitical Risk Assessment

Structural risk remains tied to Middle East energy supply disruption, while cyclical risk stems from short-term oil volatility. Brent crude's drop to **~\$84** eased cost pressures for transport and logistics. The key catalyst is **stability of US-Iran negotiations**, which will determine whether July's supply disruptions unwind.

Specific geopolitical event: US-Iran peace talks resumed, reducing immediate energy-market stress.

8. Investor Positioning Rationale

Investors maintained a **balanced risk posture**, rotating into resources and defensives while trimming exposure to domestic cyclicals. Flows into miners strengthened on earnings momentum, while supermarkets attracted capital as household pressures persisted. Cash allocations remained stable as rate-cut timing stayed uncertain.

9. Market Outlook

The coming week will hinge on domestic data (retail, labour), commodity price stability, and earnings momentum across materials and defensives. Structural leaders in resources and staples remain well-supported, while cyclicals face macro-driven headwinds. **The expected tone for the week ahead is moderately constructive.**