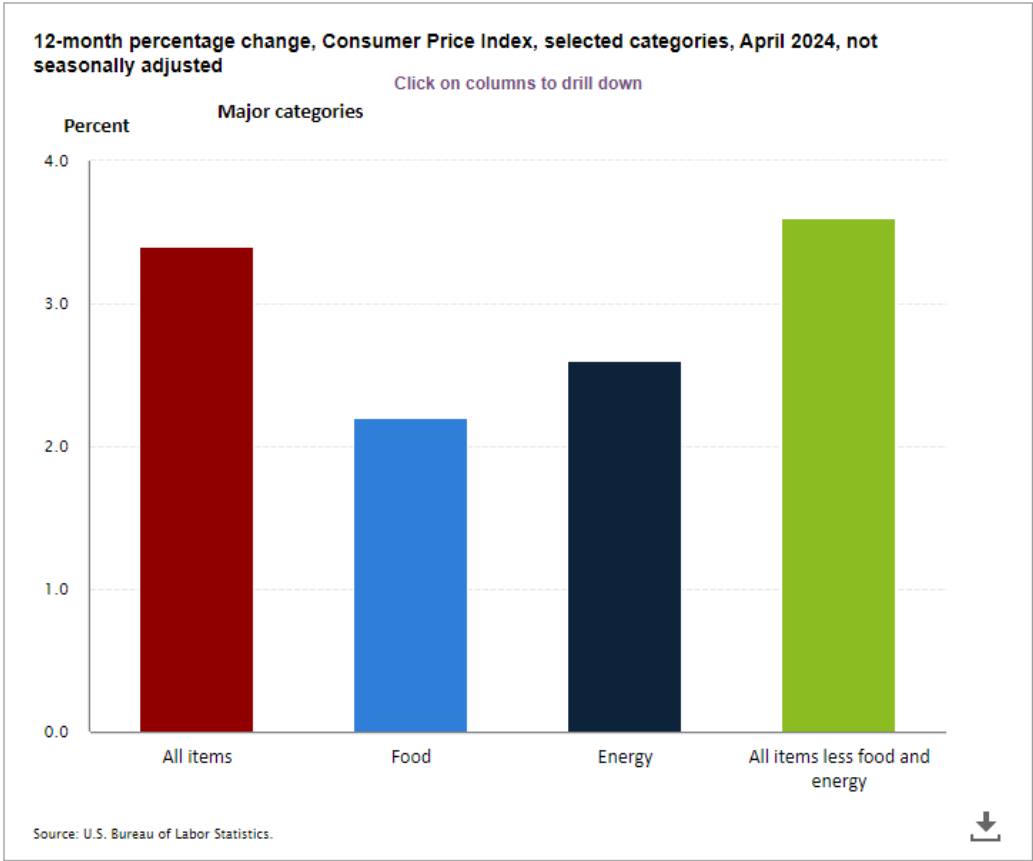


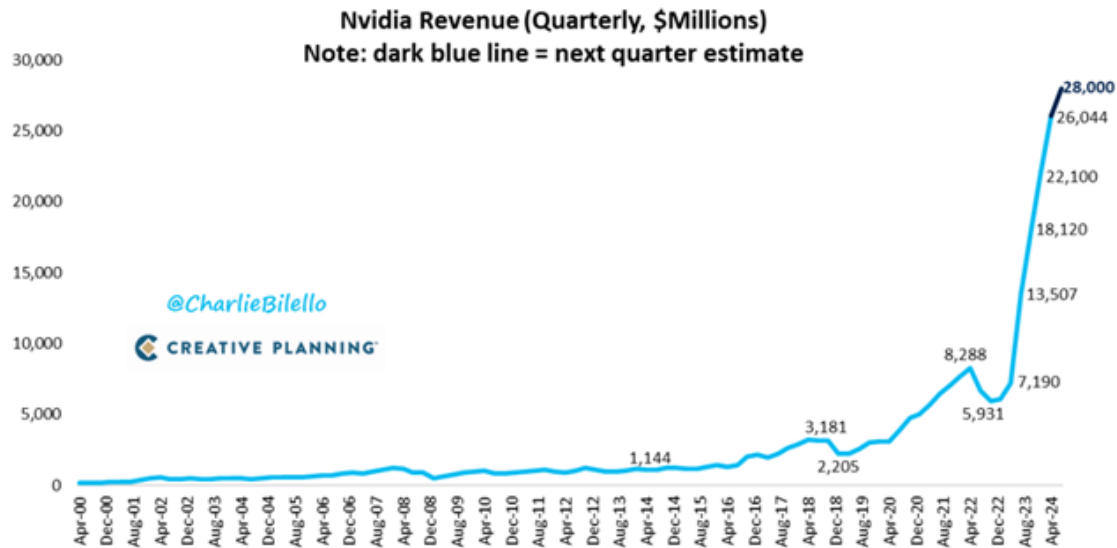
Stating with US CPI Numbers this month



1) The AI Show Goes On

All eyes were on Nvidia last week as they reported Q1 earnings. Expectations could not have been any higher. And once again, they blew those expectations out of the water:

- Nvidia revenues surged to a record \$26 billion in Q1, up 262% over the prior year. Their revenue projection for Q2 is \$28 billion, which would be a 107% YoY increase.

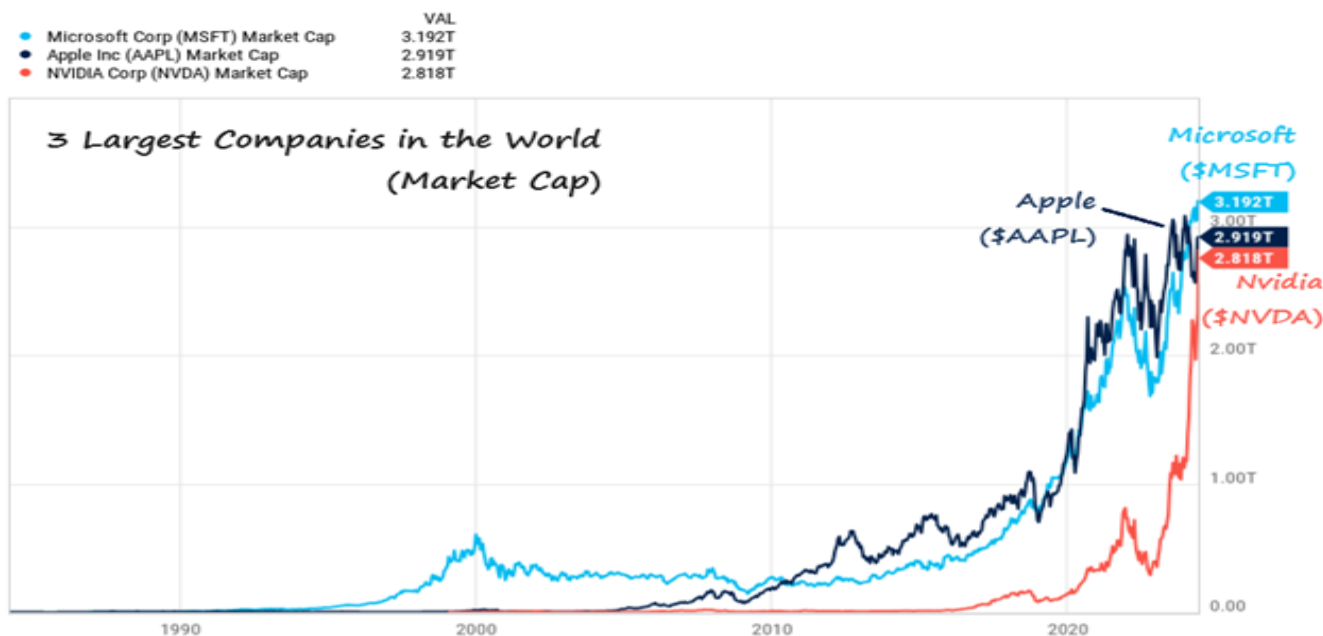


That question would've seemed absurd just a few years ago.

For at the start of 2020, Nvidia had a market cap of \$144 billion.

Fast forward to today and it's market cap stands at \$2.82 trillion, over 19x higher.

The only companies in the world with a bigger market cap than Nvidia: Microsoft (\$3.19 trillion) and Apple (\$2.92 trillion).

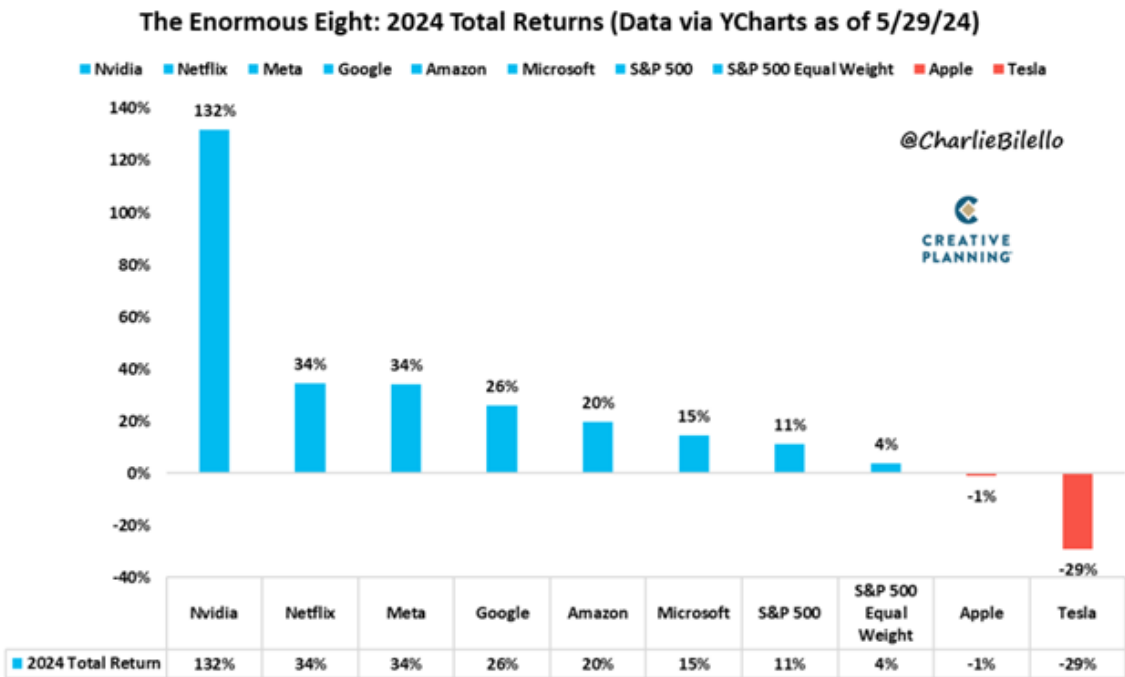


A Few Interesting Stats...

a) Semiconductor gains from the AI boom haven't been evenly distributed. Exhibit A: Nvidia's stock has advanced 613% over the past 3 years versus a 42% decline for Intel (\$INTC).



As compared to the other members of the Enormous Eight, Nvidia is in a league of its own, both in terms of performance and valuation.



Target’s loss has been Walmart’s gain as consumers feeling pinched by inflation have increasingly moved to the discount retailer.

In the past 3 years Walmart’s stock (\$WMT) has advanced 44% versus a 30% decline for Target (\$TGT).

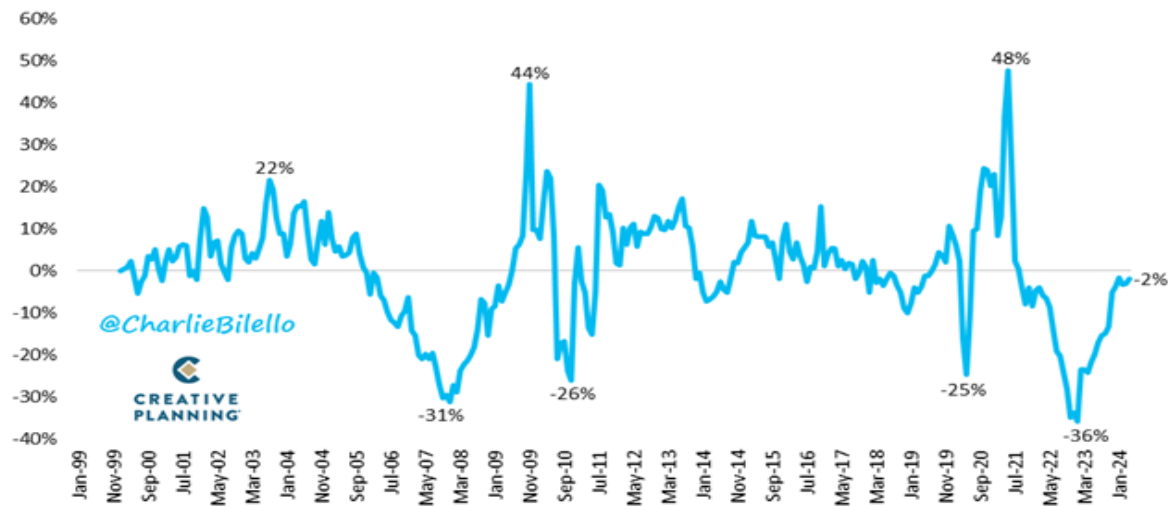


3) The Groundhog Day Housing Market

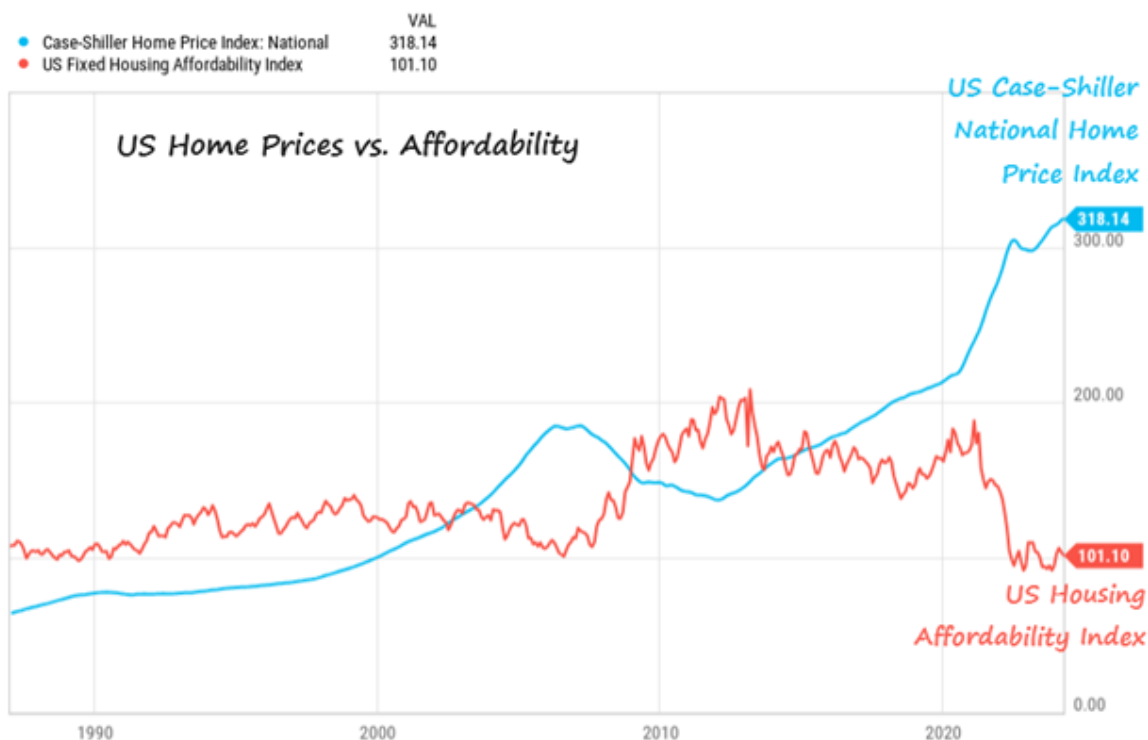
Just like Bill Murray in the movie “Groundhog Day,” Americans seem to be waking up to the same housing market every single day: one with low activity, low demand, low supply, and affordability at record lows.

US Existing Home Sales fell 2% over the last year. That was the 32nd consecutive month with a YoY decline, the longest down streak in activity since 2007-2009.

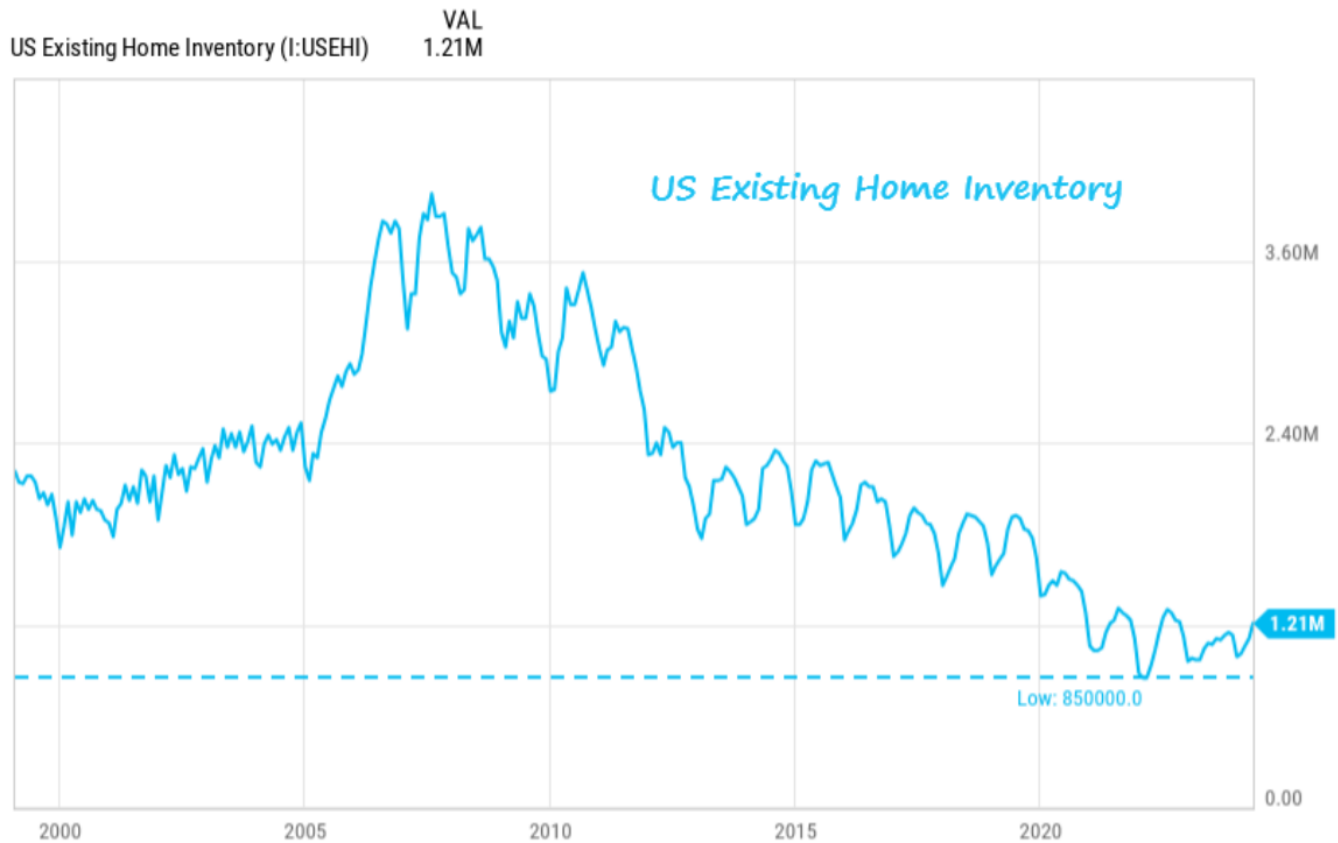
US Existing Homes Sales (YoY % Change)



But unlike 2007-09, home prices are not going down but instead are hitting record highs month after month. The Case-Shiller National Index is up 6% over the last year and all 20 cities in the Case-Shiller 20-City Index are higher than a year ago.



Naturally, this has led to a collapse in demand. So why are prices still going up? Supply has gone down even more, hitting a record low in 2022 as many would-be sellers could not afford to move. Only recently has the inventory of existing homes started to trend higher, but not enough yet to bring prices down.



Market Summary > Dow Jones Industrial Average

38,686.32

+10.64 (0.03%) ↑ past month

31 May, 5:21 pm GMT-4 • Disclaimer



Market Summary > Dow Jones Industrial Average

38,686.32

+5,123.46 (15.27%) ↑ past year

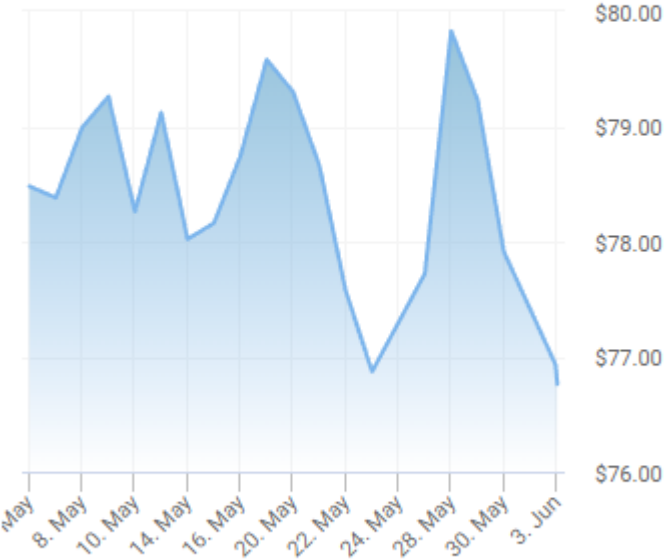
31 May, 5:21 pm GMT-4 • Disclaimer



00:53 am CDT 03/06/2024

Technicals

WTI Crude (June Contract)
76.76 -0.30%



1D | 1WK | 1M | 1YR | Max

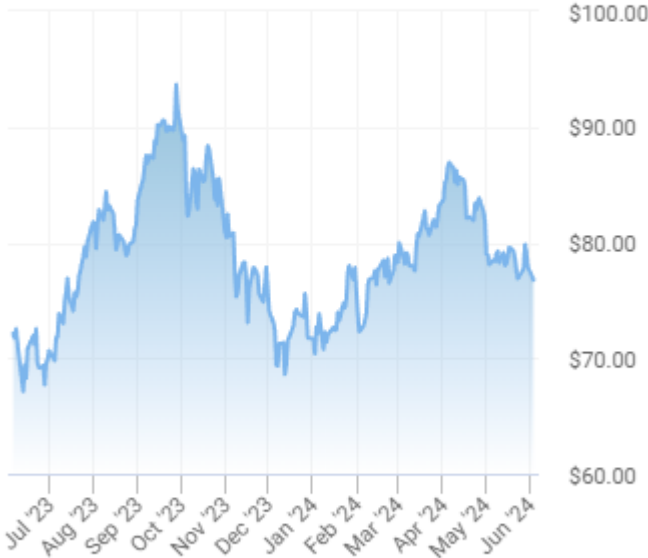
Copy

Share

00:54 am CDT 03/06/2024

Technicals

WTI Crude (June Contract)
76.80 -0.30%



1D | 1WK | 1M | 1YR | Max

Copy

Share

World Container Index - 30 May

Drewry's World Container Index increased 4% to \$4,226 per 40ft container this week.

Drewry World Container Index (WCI) - 30 May 24 (US\$/40ft)

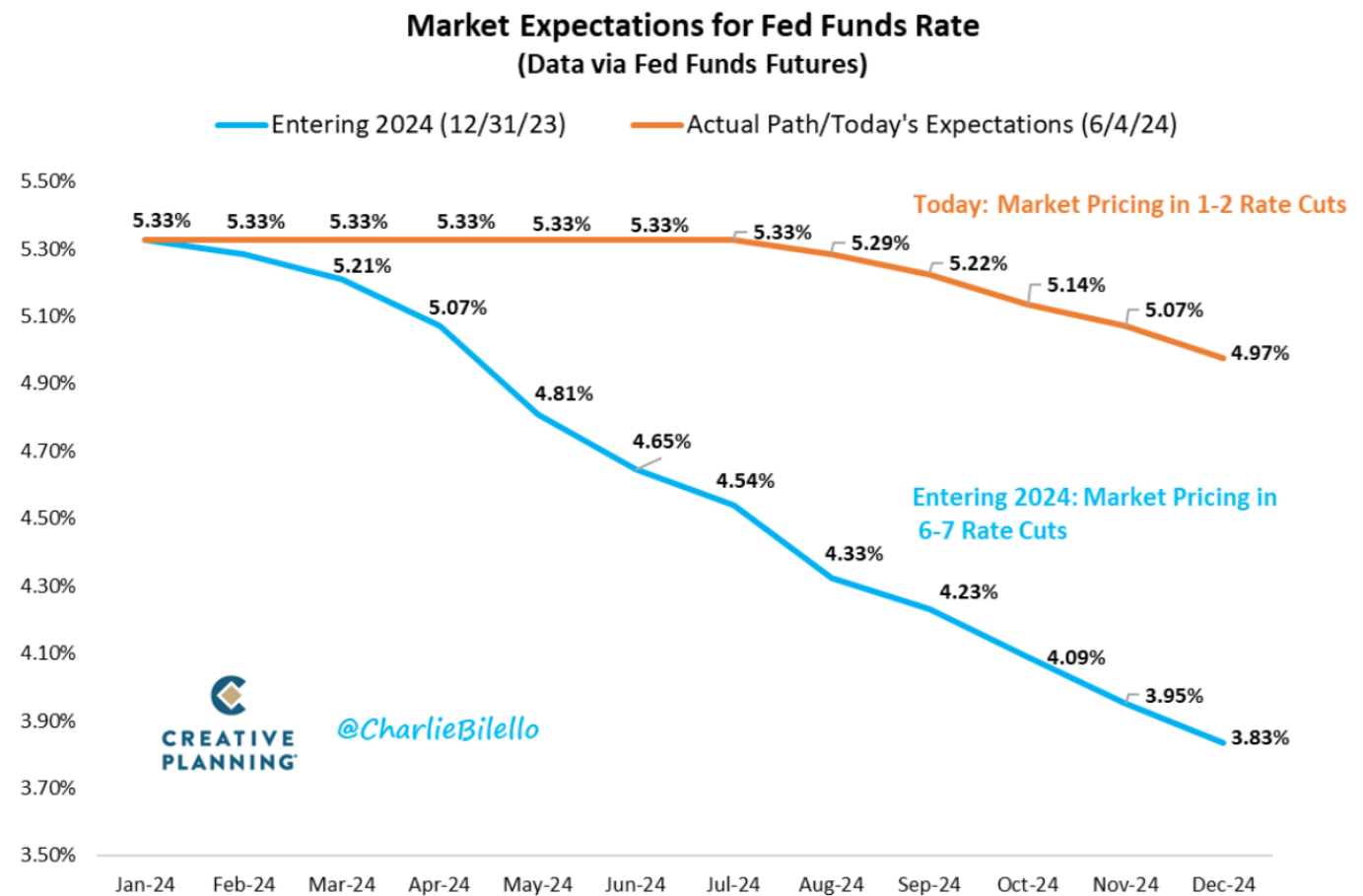
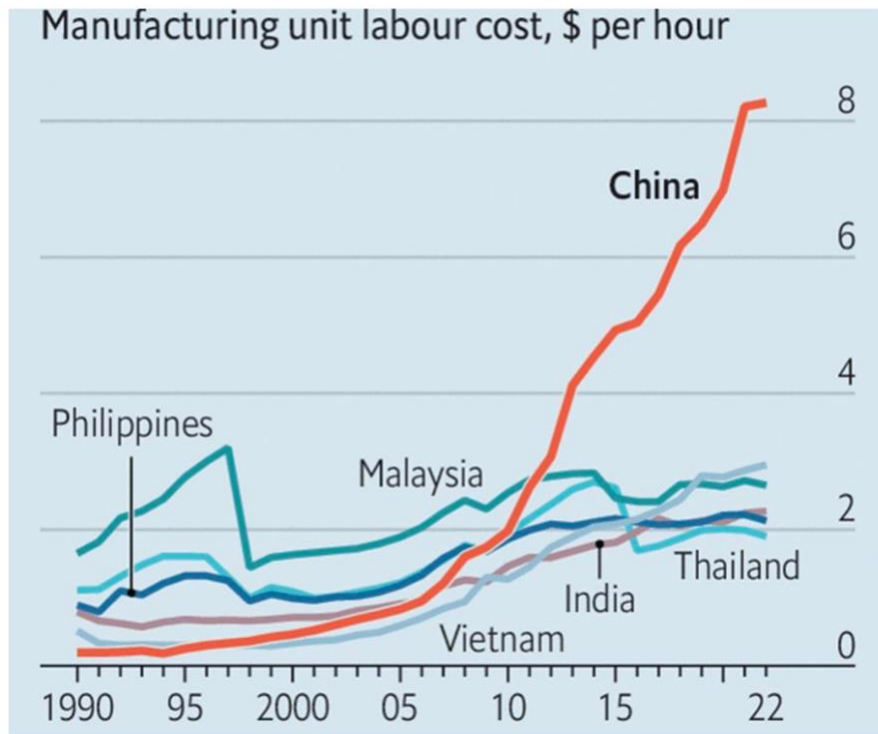


Source: Drewry World Container Index, [Drewry Supply Chain Advisors](#)

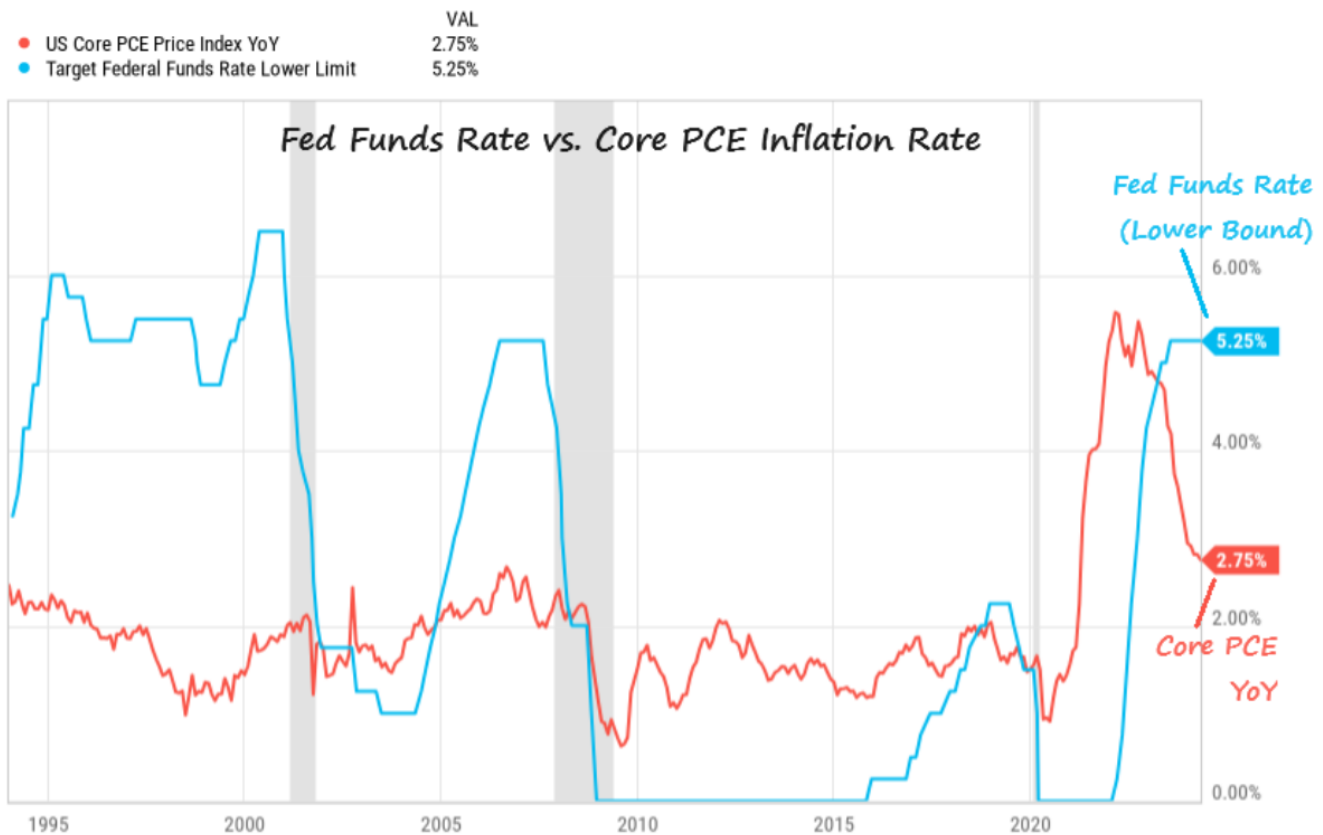
Our detailed assessment for Thursday, 30 May 2024

- The composite index increased 4% to \$4,226 per 40ft container this week and has increased 151% when compared with the same week last year.
- The latest Drewry WCI composite index of \$4,226 per 40ft container is 198% more than average 2019 (pre-pandemic) rates of \$1,420.
- The average composite index for the year-to-date is \$3,323 per 40ft container, which is \$598 higher than the 10-year average rate of \$2,725 (which was inflated by the exceptional 2020-22 Covid period).
- Freight rates from Shanghai to New York increased 6% or \$372 to \$6,835 per 40ft container. Likewise, rates from Shanghai to Rotterdam swelled 5% or \$271 to \$5,270 per feu. Similarly, rates from Shanghai to Genoa rose 4% or \$199 to \$5,693 per 40ft box. Also, rates from Shanghai to Los Angeles increased 2% or \$113 to \$5,390 per feu. Also, rates from Rotterdam to Shanghai inched up 1% or \$4 to \$677 per 40ft box. Conversely, rates from Rotterdam to New York decreased 1% or \$19 to \$2,222 per 40ft container. Meanwhile, rates from Los Angeles to Shanghai and New York to Rotterdam remain stable. Drewry expects freight rates ex-China to continue rising next week due to the onset of the early peak season.

Lots of talk about Western companies leaving China due to geopolitical risk. Looks like it might also be cheaper (in labour cost per hour) to move elsewhere!



With the Fed Funds Rate now 2.5% above their preferred measure of inflation (Core PCE), monetary policy is at its most restrictive level since September 2007, and many are expecting the Fed's next move to be a rate cut.



But when that first cut occurs and how aggressive the Fed is in bringing down rates remains to be seen. Entering the year, the market was expecting the Fed to cut rates 6-7 times in 2024 with the first cut occurring in March. After stubbornly high inflation readings (overall CPI still at 3.4%), we've seen a dramatic shift, and the market is now pricing in only 1-2 cuts with the first cut not happening until

Welcome to the Australian Bureau of Statistics

Population

26,821,557

30 September 2023

Consumer price index

3.6%

Annual change Mar 2024
quarter

Gross domestic product

0.2%

Quarterly change, Dec 2023

Average weekly earnings

\$1,888.80

November 2023

Unemployment rate

4.1%

April 2024

Unemployment

In trend terms, in April 2024:

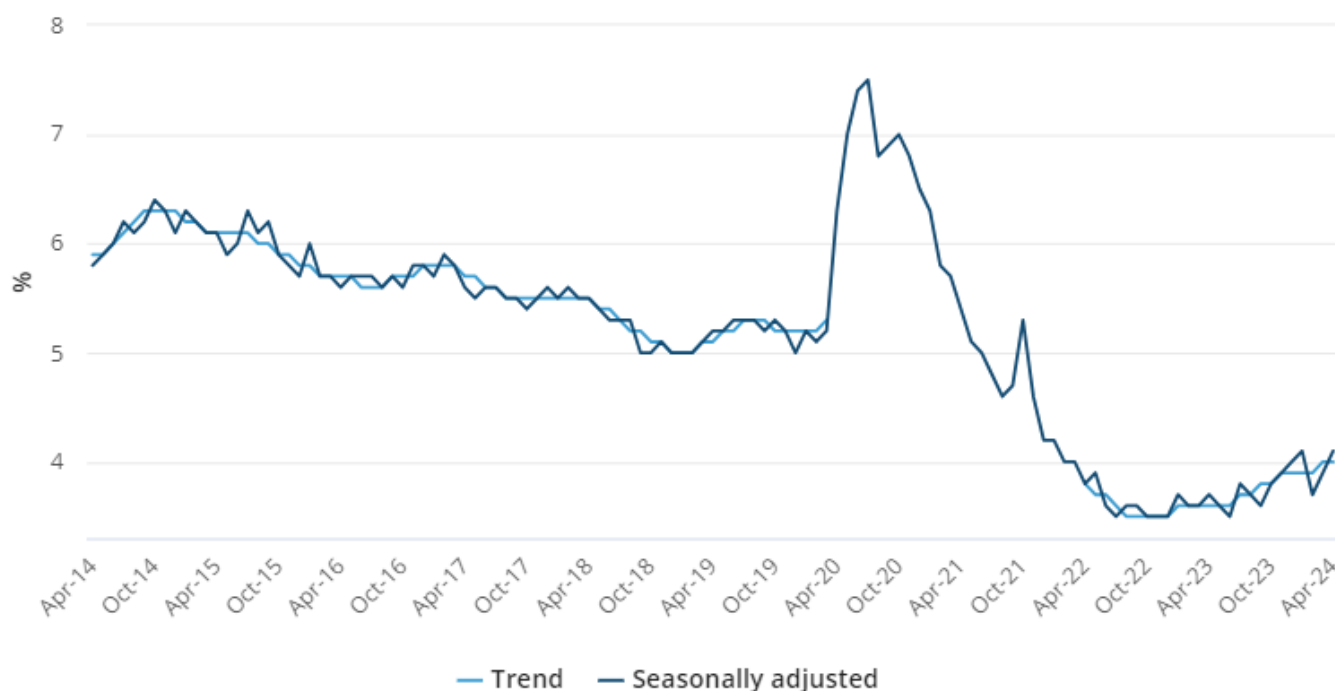
- unemployment rate remained at 4.0%.
- unemployed people increased by 3,900 to 592,800.
- youth unemployment rate remained at 9.6%.

Unemployment rate

Graph

Table

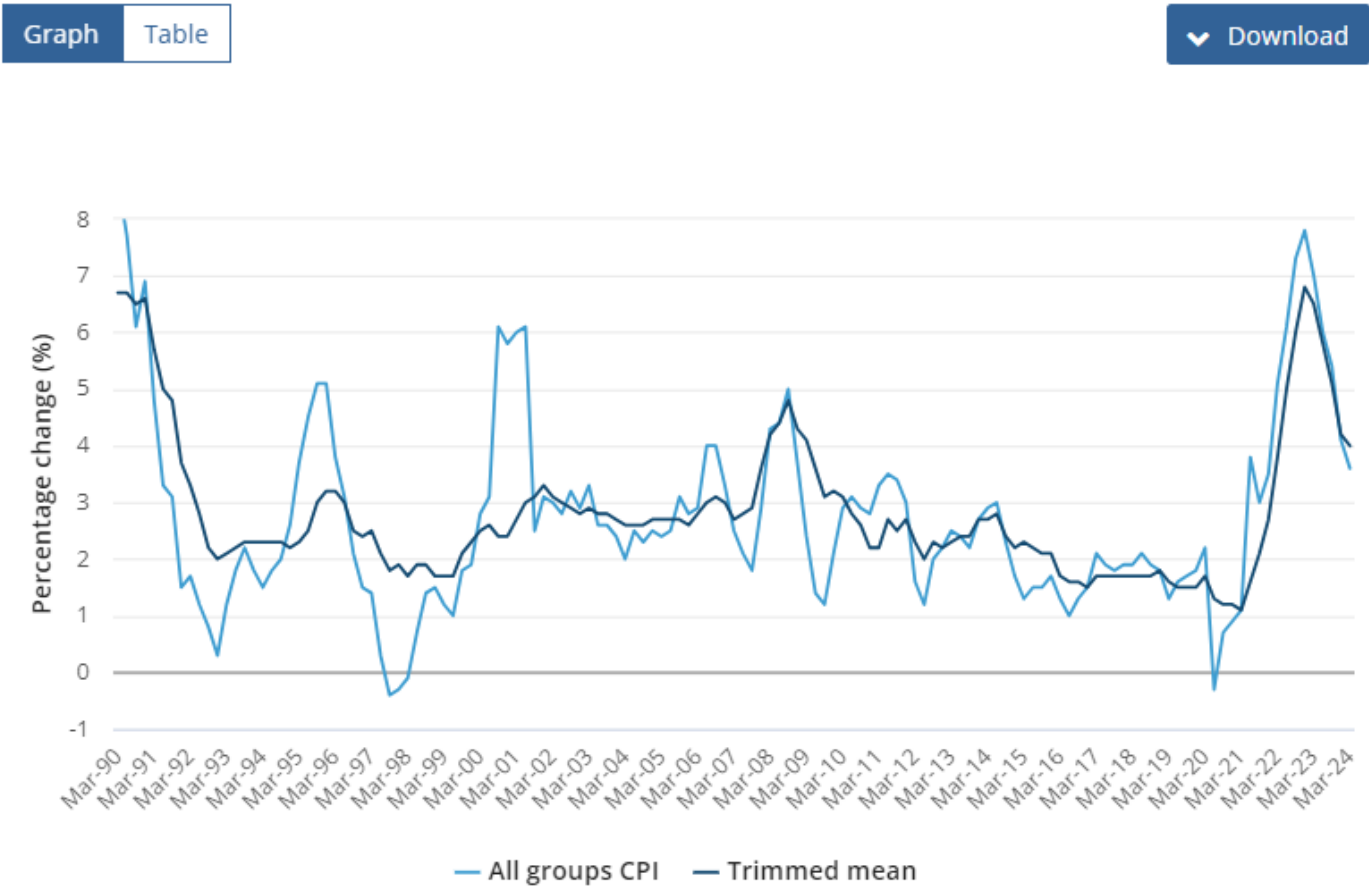
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Annual CPI inflation continues to ease in the March quarter

Annual CPI inflation was 3.6 per cent in the March 2024 quarter, lower than the 4.1 per cent annual rise in the previous quarter. This marks the fifth consecutive quarter of lower annual inflation since the peak of 7.8 per cent in the December 2022 quarter. Trimmed mean annual inflation of 4.0 per cent was also lower in the March quarter compared to the previous quarter of 4.2 per cent and the peak in December 2022 of 6.8 per cent.

All groups CPI and Trimmed mean, Australia, annual movement (%)

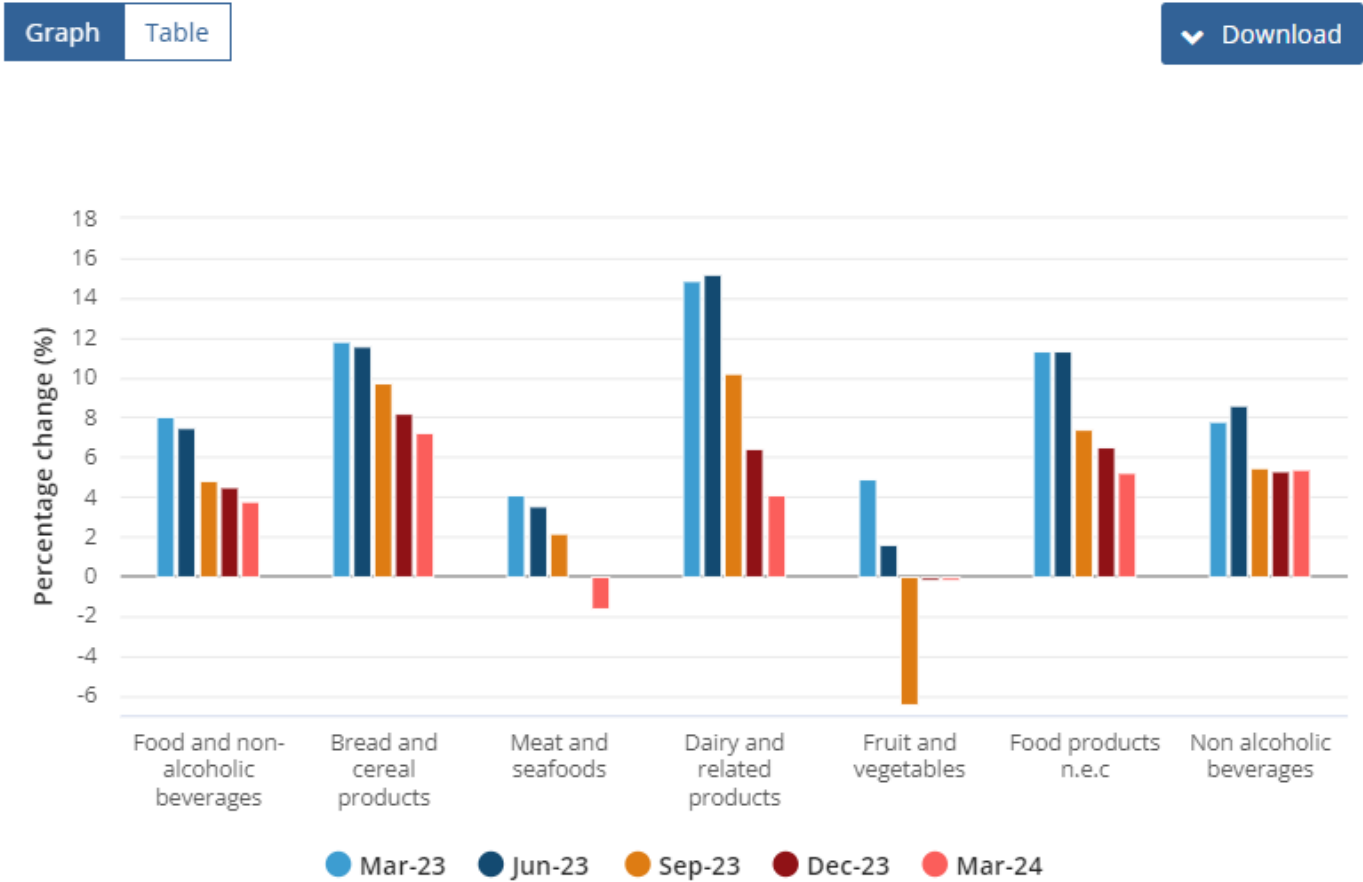


Annual food inflation eases for the fifth consecutive quarter

Annual food inflation eased to 3.8 per cent in the March quarter, down from 4.5 per cent in the previous quarter and the peak of 9.2 per cent in December 2022. Over the past 12 months, prices have risen for bread and cereal products, dairy products and other food products such as condiments, albeit at a lower annual rate than in previous quarters.

Meat and seafood prices fell 1.6 per cent compared to 12 months ago, which is the first annual fall in Meat and seafood since 2013. Price falls for lamb and goat (-16.8 per cent) and beef and veal (-5.8 per cent) offset price rises in pork, seafood and chicken.

Grocery products, annual movement (%)



Market Summary > All Ordinaries

8,018.60

+66.30 (0.83%) ↑ past month

3 June, 3:59 pm AEST • Disclaimer

1D 5D 1M 6M YTD 1Y 5Y Max



Open	7,970.80	Low	7,970.80	52-wk high	8,168.00
High	8,044.80	Prev close	7,970.80	52-wk low	6,938.50

Feedback

See more details →

8,018.10

+616.90 (8.34%) ↑ past year

3 June, 4:00 pm AEST • Disclaimer

1D 5D 1M 6M YTD 1Y 5Y Max



Open	7,970.80	Low	7,970.80	52-wk high	8,168.00
High	8,044.80	Prev close	7,970.80	52-wk low	6,938.50

Auction Results & Recent Sales

Australian auction results, clearance rates and recent sales for the week ending Sun 02 Jun 2024

Victoria



Clearance rate*

Mon 3 Jun 3:30 PM AEST

Auction results available 1,130

Private sales 1,156

VIC auction results

New South Wales



Clearance rate*

Mon 3 Jun 3:30 PM AEST

Auction results available 1,121

Private sales 1,591

NSW auction results

Queensland



Clearance rate*

Mon 3 Jun 3:30 PM AEST

Auction results available 222

Private sales 1,051

QLD auction results

South Australia



Clearance rate*

Mon 3 Jun 3:30 PM AEST

Auction results available 133

Private sales 316

SA auction results

Western Australia



Clearance rate*

Mon 3 Jun 3:30 PM AEST

Auction results available 6

Private sales 679

WA auction results

Northern Territory



Clearance rate*

Mon 3 Jun 3:30 PM AEST

Auction results available 3

Private sales 28

NT auction results

ACT



Clearance rate*

Mon 3 Jun 3:30 PM AEST

Auction results available 80

Private sales 111

ACT auction results

Tasmania



Clearance rate*

Mon 3 Jun 3:30 PM AEST

Auction results available 1

Private sales 165

TAS auction results