Thursday, 22 January 2026

Support / Potential "buy" levels	**$8,700.**
Resistance	$8,900.

Key Takeaways

Australian shares climb as strong jobs data lifts confidence

Australian shares finished Thursday on a firmer footing, with the S&P/ASX 200 up 0.75%, as investors leaned back into risk and volatility eased. Energy, Consumer Discretionary and Utilities led the gains, while stock-specific moves were pronounced. Premier Investments (ASX:PMV) jumped 10.11% ahead of its $0.50 fully franked dividend payment, while DroneShield (ASX:DRO) and Mesoblast (ASX:MSB) extended recent rallies. Gold stocks lagged as bullion pulled back from record highs, with Vault Minerals (ASX:VAU), Northern Star Resources (ASX:NST) and Emerald Resources (ASX:EMR) all sharply lower. Market breadth was positive and the ASX 200 VIX slid to 10.06, pointing to calmer conditions as the market edges into the February reporting season and digests a steady flow of ex-dividend moves and operational updates.

The macro backdrop did much of the heavy lifting. December jobs data showed employment jumping 65,200 and the unemployment rate falling to 4.1%, strengthening the case for tighter policy. Bond yields pushed towards 4.79%, the Australian dollar climbed to around $0.679 and markets lifted the odds of a February rate hike. Offshore, easing US-Europe tensions supported global sentiment, oil held near US$61 a barrel and US equities rebounded, giving local investors a more constructive lead into the end of the week.

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Market Movers

Australian equities closed higher on Thursday, with the S&P/ASX 200 rising 0.75%, as renewed risk appetite and strength across Energy, Consumer Discretionary and Utilities lifted the benchmark despite lingering global and domestic policy uncertainty. The advance reflected a market increasingly prepared to look through near-term volatility as investors position for the early stages of the February reporting season and reassess interest-rate expectations following a decisive set of labour market data.

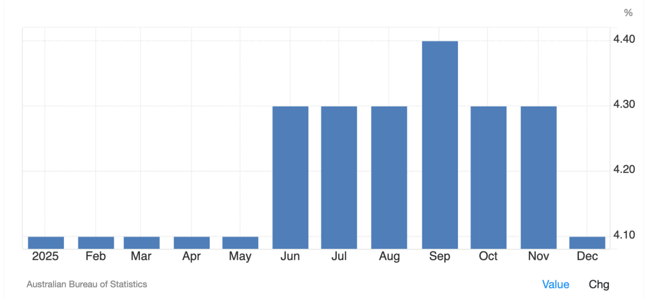
At the stock level, gains were broad but selective. Premier Investments (ASX:PMV) surged 10.11% to 14.05, outperforming the market ahead of a significant dividend payment scheduled for Friday. DroneShield (ASX:DRO) added 9.26% to 4.72, extending momentum in defence and security-linked technology names, while Mesoblast (ASX:MSB) rose 7.20% to 2.68 as investors rotated back into higher-risk healthcare exposures. On the downside, gold-linked names bore the brunt of selling as bullion prices retreated from record highs. Vault Minerals (ASX:VAU) fell 9.54% to 5.69, Northern Star Resources (ASX:NST) declined 7.97% to 26.31, and Emerald Resources (ASX:EMR) dropped 7.54% to 7.36. Market breadth was positive, with 648 stocks advancing against 549 decliners, while 377 ended unchanged. Volatility continued to compress, with the S&P/ASX 200 VIX falling 7.32% to 10.06, signalling calmer conditions after recent swings.

Beyond the index move, Thursday marked an important inflection point in the local calendar as the ASX enters the early phase of the February reporting season. While the bulk of blue-chip earnings will arrive from the second week of February, this week has delivered a steady flow of ex-dividend movements and quarterly operational updates that provide investors with a valuable pre-read on balance sheet health, cash generation and potential dividend trajectories. Plato Income Maximiser (ASX:PL8) went ex-dividend for its monthly distribution of $0.0055, fully franked, while the Betashares Australian Dividend Harvester (ASX:HVST) also traded ex-dividend, reinforcing the steady cadence of income flows even as headline market yields remain below long-term averages.

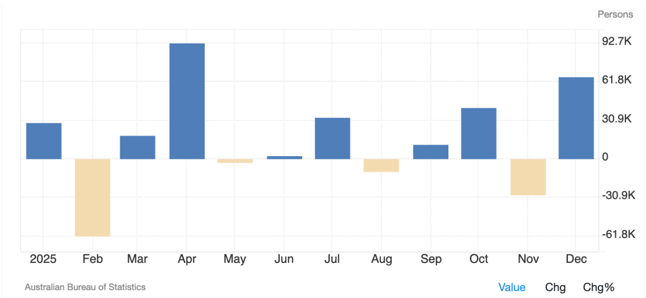
Several price-sensitive updates added further texture. Genesis Energy (ASX:GNE) released its FY26 second-quarter performance report, including an update to earnings guidance that will shape expectations for its eventual final dividend. Auckland International Airport (ASX:AIA) published December traffic data, a critical lead indicator for revenue and margins ahead of its upcoming earnings release, while Contact Energy (ASX:CEN) issued its December operating report, detailing generation volumes and wholesale pricing trends that will feed directly into analyst models for its February interim result.

Attention now turns to Friday, when dividends move from entitlement to cash. Premier Investments (ASX:PMV) is due to pay its substantial $0.50 per share dividend, fully franked, underscoring why the stock attracted strong buying interest during the session. Ricegrowers, trading under the SunRice brand as Ricegrowers Ltd (ASX:SGLLV), will also pay its $0.20 interim dividend. At the same time, Mirrabooka Investments (ASX:MIR) will go ex-dividend for its $0.045 interim payout, fully franked, meaning investors needed to be on the register by Thursday's close to secure the distribution. These flows come against a broader backdrop in which the ASX 200 and ASX 300 dividend yield is estimated at around 3.3% to 3.5%, well below the 10-year average of roughly 4.3%, reflecting elevated equity valuations, particularly among banks, and a cautious stance from companies as the Reserve Bank weighs its next move.

Macro data provided a decisive catalyst. Figures from the Australian Bureau of Statistics showed the labour market tightening further in December.



The seasonally adjusted unemployment rate fell to 4.1% from 4.3% in November, below expectations of 4.4% and the lowest level since May. The number of unemployed people declined by 29,800 to 628,600, with full-time job seekers down by 21,400 and those seeking part-time work falling by 8,400. Employment surged by 65,200 to a record 14.68 million, more than double market expectations and marking the fastest monthly increase since April. Full-time employment rose by 54,800 to 10.10 million, while part-time employment increased by 10,400 to 4.58 million. The participation rate edged up to 66.7%, the employment-to-population ratio rose to 64.0%, underemployment fell to 5.7%, and total monthly hours worked climbed by 8 million to 2,001 million. On an annual basis, employment was up 165,400, or 1.1%, reinforcing the picture of a resilient labour market.



Financial markets moved swiftly to price the implications. **Australia's 10-year government bond yield climbed to around 4.79%, close to a two-year high, as traders increased bets on tighter monetary policy.**

Money markets now see close to a 60% chance of a rate hike at the Reserve Bank's February meeting, compared with less than one-third before the data, with a move fully priced by May. Investors are now focused on next week's December-quarter inflation figures, a key determinant of whether the central bank acts sooner rather than later, particularly after RBA deputy governor Andrew Hauser reiterated earlier this month that inflation remains too high and policy needs to remain cautious.

Bonds	Yield		Day	Month	Year	Date
Australia 10Y	4.7960	▲	0.04%	0.030%	0.317%	13:32
Australia 52W	4.03	▲	0.089%	0.092%	-0.019%	Jan/22
Australia 20Y	5.27	▲	0.015%	0.036%	0.337%	Jan/22
Australia 2Y	4.15	▲	0.092%	0.109%	0.213%	Jan/22
Australia 30Y	5.32	▲	0.009%	0.045%	0.347%	Jan/22
Australia 3Y	4.21	▲	0.095%	0.089%	0.296%	Jan/22
Australia 5Y	4.36	▲	0.073%	0.072%	0.331%	Jan/22
Australia 7Y	4.57	▲	0.055%	0.044%	0.312%	Jan/22

The currency reflected the shift in expectations. The Australian dollar strengthened to around $0.679, approaching a sixteen-month high, supported by the domestic data and an improvement in global risk sentiment.

Crosses	Price			Day	Year	Date
AUDUSD	0.68018	▲	0.00402	0.59%	8.19%	13:32
EURAUD	1.7191	▼	-0.0089	-0.51%	3.73%	Jan/22
GBPAUD	1.9743	▼	-0.0117	-0.59%	0.46%	Jan/22
AUDNZD	1.1612	▲	0.0047	0.41%	4.80%	Jan/22
AUDJPY	107.9660	▲	0.9345	0.87%	10.09%	Jan/22
AUDCNY	4.7313	▲	0.0251	0.53%	3.35%	Jan/22
AUDCHF	0.5403	▲	0.0024	0.44%	-5.26%	Jan/22
AUDCAD	0.9397	▲	0.0043	0.45%	3.96%	Jan/22

Easing tensions between the US and Europe added to the tailwinds after President Donald Trump ruled out the use of force over Greenland and signalled that punitive tariffs on

European nations would be shelved following progress toward a framework agreement.

In Asia, mainland Chinese equities were mixed as regulatory concerns tempered optimism around potential stimulus. The Shanghai Composite edged up 0.2% to above 4,120, while the Shenzhen Component slipped 0.1% to 12,245.

Authorities intensified scrutiny of trading activity, highlighted by a roughly $12 million fine imposed on a social media influencer for market manipulation, alongside measures targeting high-frequency trading and higher margin requirements. Despite the crackdown, investors continue to anticipate fiscal and monetary support from Beijing later in the year.

US equity futures pointed modestly higher, building on a strong Wall Street session in which the Dow gained 1.21%, the S&P 500 rose 1.16% and the Nasdaq advanced 1.18%.

Sentiment was buoyed by easing trade tensions and optimism ahead of key earnings, including from Procter & Gamble, GE Aerospace and Intel. In extended trading, Intel shares jumped nearly 12% as investors positioned for its quarterly results.

Commodities sent a mixed signal. WTI crude edged up toward US$61 per barrel, extending a four-session rally as geopolitical risks eased and supply disruptions persisted at a major Kazakh oilfield, alongside weak Venezuelan exports.

These factors were partly offset by oversupply concerns after the International Energy Agency reiterated that global supply is likely to exceed demand this year, even after a modest upgrade to demand growth, and by data showing a roughly 3-million-barrel rise in US crude inventories.

Gold, by contrast, fell more than 1% to around US$4,780 per ounce after retreating from a fresh record, as reduced geopolitical anxiety dampened safe-haven demand, though lingering uncertainty around trade agreements and fiscal developments in Japan continued to offer some support.

As the local market looks ahead, attention will increasingly turn to heavyweight resource names such as BHP Group (ASX:BHP) and Rio Tinto (ASX:RIO). While their earnings are still weeks away, ongoing volatility in iron ore and copper prices is already shaping expectations around dividend outcomes, raising the prospect of either positive surprises or notable disappointments when results land next month. For now, the combination of stronger domestic data, improving global sentiment and the steady rhythm of dividends has given Australian equities a firmer footing, even as the path for interest rates becomes more finely balanced.

Regards,
Mark Elzayed
Investor Pulse

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Market Data

ASX Top 20

CBA	Commonwealth Bank	150.61	+3.39 +2.30%
BHP	BHP	48.08	−0.40 −0.83%
CSL	CSL	178.41	+2.30 +1.31%
WBC	Westpac Bank	38.91	+0.80 +2.10%
NAB	National Australia Bank	42.43	+1.25 +3.04%
ANZ	ANZ	36.40	+0.23 +0.64%
FMG	Fortescue Metals	21.48	−1.16 −5.12%
WES	Wesfarmers	83.12	+2.00 +2.47%
MQG	Macquarie Group	210.87	+5.02 +2.44%
RIO	Rio Tinto	151.02	+0.92 +0.61%
WOW	Woolworths	30.76	+0.28 +0.92%
TLS	Telstra	4.72	−0.02 −0.42%
GMG	Goodman Group	30.71	+0.59 +1.96%
TCL	Transurban	13.81	+0.05 +0.36%
SQ2	Block Inc		
ALL	Aristocrat Leisure	57.73	+2.07 +3.72%
NCM	Newcrest Mining		
REA	REA Group	185.90	+4.29 +2.36%
WDS	Woodside Energy	24.20	+0.68 +2.89%
XRO	Xero	97.76	−1.14 −1.15%

Commodities & Forex

TIO1!	IRON ORE
GC1!	GOLD
SI1!	SILVER
HG1!	COPPER
ZW1!	WHEAT
CL1!	CRUDE OIL
NG1!	NATURAL GAS
NCF1!	COAL
LTH1!	LITHIUM

AUDUSD	Australian Dollar / U.S. Dollar	0.68014	+0.60% +0.00
AUDGBP	AUSTRALIAN DOLLAR / BRITISH POUND	0.5062	+0.62% +0.0031
AUDEUR	AUSTRALIAN DOLLAR / EURO	0.5818	+0.57% +0.00
AUDNZD	Australian Dollar / New Zealand Dollar	1.16134	+0.46% +0.01
AUDJPY	Australian Dollar / Japanese Yen	108.010	+0.95% +1.01
AUDCNY	AUSTRALIAN DOLLAR / CHINESE YUAN	4.7332	+0.53% +0.0249
AUDTHB	AUSTRALIAN DOLLAR / THAI BAHT	21.325	+1.05% +0.222
AUDIDR	AUSTRALIAN DOLLAR / INDONESIAN ...	11,490.8	+0.34% +38.4

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Economic Calendar

+3

January 22	Event	Actual	Forecast	Prior
20:30	GDP Cons Spending Final			2.5%
	GDP Final		4.3%	3.8%
	Initial Jobless Clm *		212 K Person	198 K Person
January 23		**Actual**	**Forecast**	**Prior**
04:45	CPI QQ		0.5%	1%
	CPI YY		3%	3%
21:45	S&P Global Comp PMI Flash			53 Index (diffusion)
22:00	Consumer Confid. Flash *		−12.9 Net balance	−14.6 Net balance
January 28		**Actual**	**Forecast**	**Prior**
07:30	CPI Index*			
	CPI QQ			1.3%
	CPI YY			3.2%
January 29		**Actual**	**Forecast**	**Prior**
02:00	Fed Funds Tgt Rate			
17:00	Consumer Confid. Final *			−13.1 Net balance