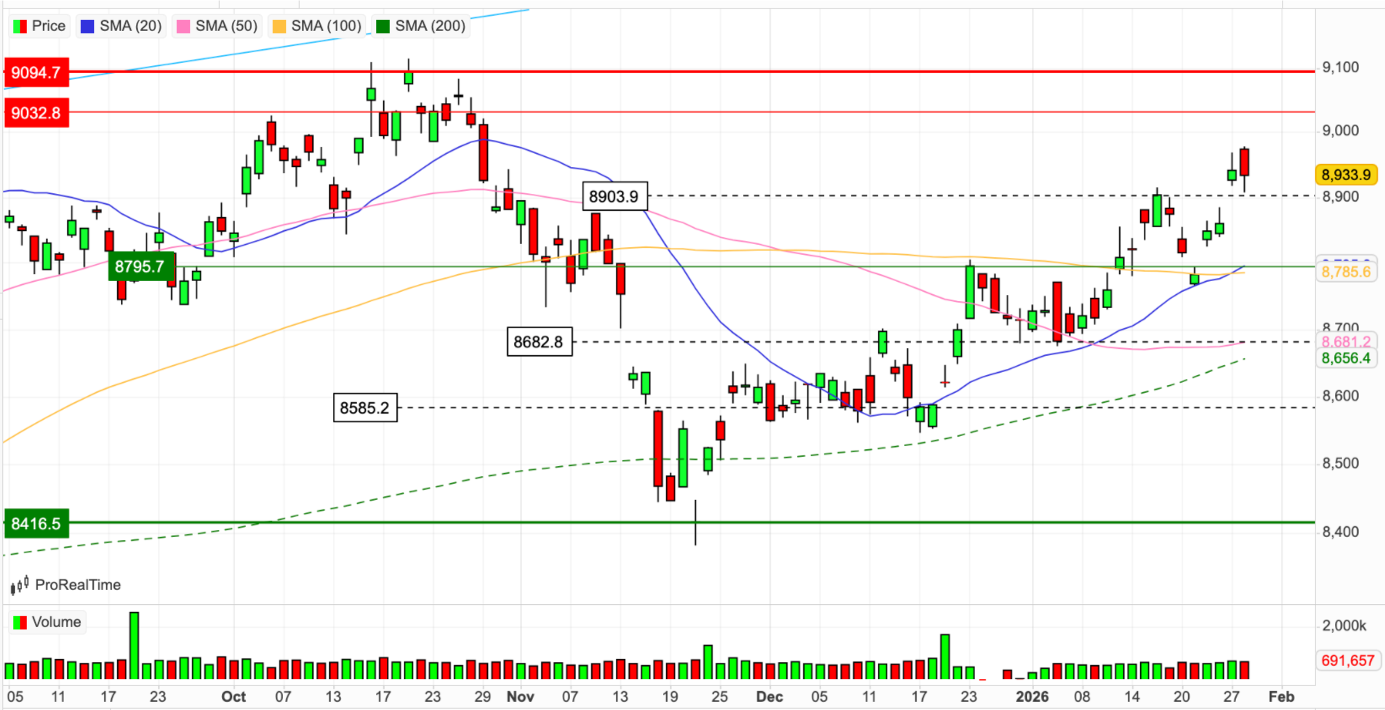
Wednesday, 28 January 2026



Support / Potential "buy" levels	**$8,900.**
Resistance	$9,000.

Key Takeaways

Market slips as defensives fail to offset pressure from IT, healthcare and discretionary stocks

Australian shares edged lower on Wednesday, with the S&P/ASX 200 slipping 0.09% as weakness in IT, healthcare and consumer discretionary stocks outweighed strength in resources. Market breadth was negative and investors showed little appetite to take on fresh risk ahead of the February reporting season and next week's RBA meeting. That caution persisted despite volatility easing, with the ASX 200 VIX down 1.07% to 10.51, suggesting the pullback was more about positioning than rising fear.

Within the market, resources again did the heavy lifting. Paladin Energy Ltd (ASX: PDN) rose 5.67% to a 52-week high, while Capstone Copper Corp DRC (ASX: CSC) and Evolution Mining Ltd (ASX: EVN) both closed at all-time highs. Macro signals remain mixed. Inflation re-accelerated to 3.8%, lifting rate hike odds to about 72% and pushing the Australian dollar toward US$0.699, while bond yields eased and gold surged above US$5,200 an ounce. For us, it is a market waiting for earnings to break the stalemate.

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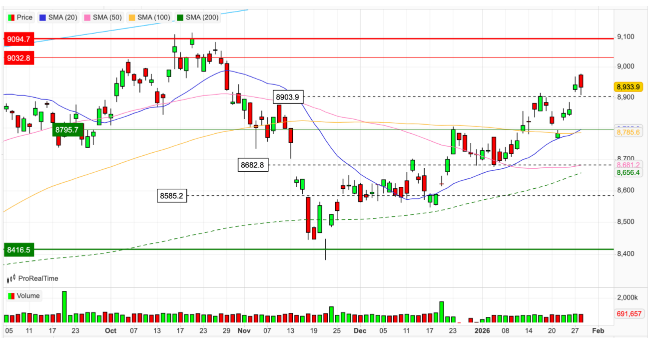
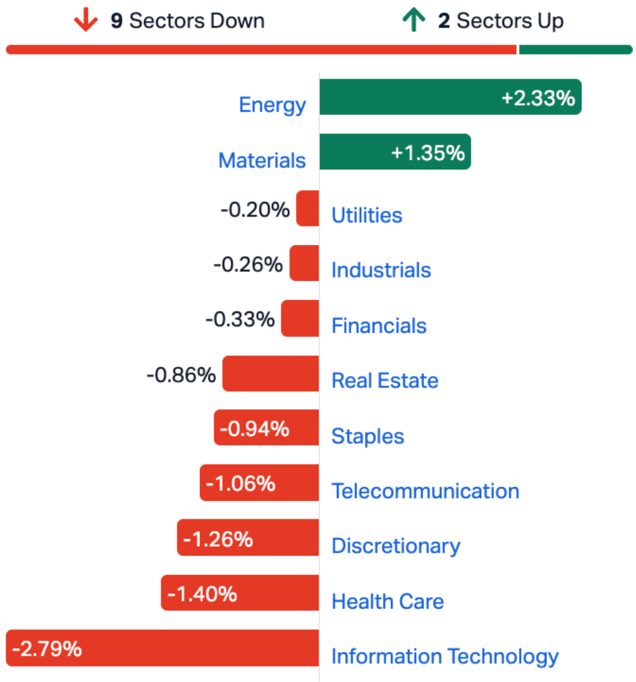
Market Movers

Australian equities ended Wednesday marginally lower, with the S&P/ASX 200 slipping 0.09% by the close in Sydney. The index struggled to find direction as losses across IT, healthcare and consumer discretionary stocks outweighed strength in selected resource names, leaving the market treading water ahead of a busy February reporting season and a pivotal Reserve Bank decision.



Market breadth leaned negative. Falling stocks outnumbered advancers by 692 to 508 on the Sydney Stock Exchange, while 386 stocks finished unchanged. The subdued close reflected investor caution rather than wholesale risk aversion, with volatility remaining compressed and selective buying evident in uranium, copper and gold-linked names.



Resource strength stands out as Paladin, Capstone and Evolution hit fresh highs

The standout performers of the session were concentrated in the resources sector, underscoring the market's continued preference for hard assets and earnings visibility.

Paladin Energy Ltd (ASX: PDN) surged 5.67%, rising 0.75 points to close at 13.98. The uranium producer touched fresh 52-week highs as investors continued to position for tightening supply dynamics and renewed interest in nuclear power across developed markets.

Capstone Copper Corp DRC (ASX: CSC) advanced 4.54%, gaining 0.73 points to finish at 16.80. The stock closed at an all-time high, supported by buoyant copper prices and sustained optimism around long-term electrification demand.

Evolution Mining Ltd (ASX: EVN) climbed 4.34%, adding 0.64 points to end the session at 15.40, also marking an all-time high. Gold equities broadly tracked the strength in bullion, with Evolution benefiting from both price leverage and improving sentiment toward producers with scale and balance sheet flexibility.

Technology and discretionary names drag as profit-taking accelerates

On the downside, losses were led by high-multiple growth and consumer-facing names, where valuations remain sensitive to interest rate expectations.

Life360 Inc (ASX: 360) fell 7.42%, shedding 2.29 points to close at 28.58, following a period of strong performance that left the stock vulnerable to profit-taking. Temple & Webster Group Ltd (ASX: TPW) declined 6.62%, down 0.91 points to 12.83, as discretionary retailers remained under pressure amid persistent cost-of-living concerns. DroneShield Ltd (ASX: DRO) dropped 5.50%, losing 0.23 points to end at 3.95, reflecting a broader pullback in speculative technology exposures.

Volatility remains subdued despite macro uncertainty

The S&P/ASX 200 VIX fell 1.07% to 10.51, highlighting the market's continued calm even as investors grapple with rising inflation risks and shifting central bank expectations. Volatility levels remain near cycle lows, suggesting that downside protection remains relatively inexpensive but also pointing to a degree of complacency ahead of key macro and earnings catalysts.

ASX Limited earnings update highlights growth but raises cost concerns

Corporate news was headlined by an update from ASX Limited (ASX: ASX), which released unaudited half-year figures ahead of the reporting season. The market operator delivered solid earnings momentum, with revenue supported by strong cash market trading and robust demand for interest rate futures.

However, sentiment was tempered by a notable upgrade to cost guidance. Management now expects FY26 total expenses, excluding ASIC costs, to rise by 13% to 15%, reflecting heavy structural investment in technology infrastructure, risk management systems and regulatory compliance. While these investments are aimed at strengthening market resilience, they introduce near-term margin pressure and prompted a cautious market response.

Energy and mining developments support selective buying

In the resources complex, Woodside Energy Group Ltd (ASX: WDS) reported a quarterly production and revenue beat. Performance was underpinned by steady output and progress across its major growth projects, including Scarborough and Trion, both of which remain on schedule. The update reinforced confidence in Woodside's medium-term cash flow outlook amid a supportive oil price environment.

Gold miner St Barbara Ltd (ASX: SBM) gained more than 4% after confirming a long-term mining lease extension for its Simberi Gold Project in Papua New Guinea through to 2038. The extension provides the regulatory certainty required to advance toward a final investment decision on the project's planned expansion into sulphide ore mining later this year.

Dividend activity gathers pace ahead of reporting season

Dividend flows were also in focus. Metcash Ltd (ASX: MTS) paid its fully franked interim dividend of 8.5 cents per share, providing income support for yield-focused investors. Attention is also turning to a cluster of stocks trading ex-dividend around this period, including Alternative Investment Trust (ASX: AIQ) and several CD Private Equity Funds.

Within real assets, Region Group (ASX: RGN) and Centuria Industrial REIT (ASX: CIP) are approaching record dates later this week, with distributions scheduled for late February, keeping REITs on the radar for income-oriented portfolios.

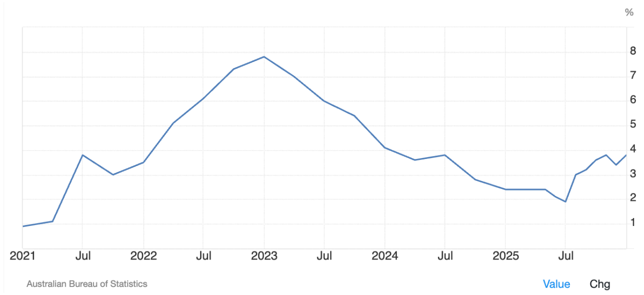
February reporting season looms large for market heavyweights

Looking ahead, the February reporting season is expected to set the tone for Australian equities. The major banks will again dominate attention, with Commonwealth Bank of Australia (ASX: CBA) scheduled to release interim results on February 11. Investors will be closely scrutinising net interest margins for signs of stabilisation or renewed pressure as funding costs adjust.

ASX Limited is due to deliver its formal half-year results on February 12, when it is also expected to declare its interim dividend, with an ex-dividend date pencilled in for February 20. Telstra Group Ltd (ASX: TLS) and CSL Ltd (ASX: CSL) are also among the key names reporting, with markets focused on dividend guidance and margin trends into the remainder of 2026.

Inflation re-accelerates, complicating the policy outlook

On the macro front, Australian inflation data surprised to the upside. Annual CPI climbed to 3.8% in December 2025, up from November's 3.4% and above market expectations of 3.6%, keeping inflation firmly above the Reserve Bank's 2 to 3% target range.



Services inflation accelerated to a two-year high of 4.1%, driven by year-end holiday travel, accommodation costs and elevated rents. Goods inflation edged higher to 3.4%, reflecting a sharper rise in electricity prices, which surged 21.5% as state rebates expired. Price pressures remained broad-based across food and non-alcoholic drinks at 3.4%, alcohol and tobacco at 4.9%, clothing at 3.4%, furnishings at 2.0%, health at 3.6%, transport at 1.6%, communication at 1.1%, recreation at 4.4%, education at 5.4% and financial services at 2.5%.

The trimmed mean CPI ticked up to 3.3% year-on-year from 3.2%, in line with expectations, while monthly inflation rose 1.0% after a flat November. The data reinforced the view that underlying inflation remains sticky, complicating the path back to target.

Australian dollar strengthens as rate hike odds rise

The Australian dollar traded around US$0.699, hovering near a three-year high, as the inflation print boosted expectations of tighter monetary policy. Traders rapidly lifted the implied probability of a 25-basis point rate hike at the RBA's February 3 meeting to around 72%, up from 63% prior to the CPI release.

Crosses	Price			Day	Year	Date
AUDUSD	0.70092	▼	0.00019	-0.03%	12.40%	13:32
EURAUD	1.7134	▼	-0.0038	-0.22%	2.45%	Jan/28
GBPAUD	1.9717	▼	-0.0039	-0.20%	-1.34%	Jan/28
AUDNZD	1.1617	▲	0.0018	0.16%	5.42%	Jan/28
AUDJPY	106.8630	▲	0.1325	0.12%	10.49%	Jan/28
AUDCNY	4.8579	▼	-0.0032	-0.07%	7.39%	Jan/28
AUDCHF	0.5359	▲	0.0021	0.40%	-5.16%	Jan/28
AUDCAD	0.9511	▼	-0.0006	-0.07%	5.85%	Jan/28

The currency's strength was further supported by signs of a resilient domestic economy, including a recent unexpected fall in unemployment, suggesting limited spare capacity. Offshore, the US dollar remained under pressure after President Donald Trump played down concerns about its decline, adding to the appeal of higher-yielding currencies such as the Australian dollar.

Bond yields ease despite firmer inflation signals

Bonds	Yield		Day	Month	Year	Date
Australia 10Y	4.7960	▼	-0.07%	0.030%	0.431%	13:31
Australia 52W	4.06	▼	-0.024%	0.103%	0.119%	Jan/28
Australia 20Y	5.27	▼	-0.026%	0.045%	0.416%	Jan/28
Australia 2Y	4.18	▼	-0.043%	0.125%	0.388%	Jan/28
Australia 30Y	5.32	▼	-0.030%	0.043%	0.414%	Jan/28
Australia 3Y	4.22	▼	-0.079%	0.077%	0.447%	Jan/28
Australia 5Y	4.38	▼	-0.074%	0.069%	0.482%	Jan/28
Australia 7Y	4.57	▼	-0.077%	0.041%	0.444%	Jan/28

Australian government bonds moved in the opposite direction to rate expectations, with the 10-year yield falling back to around 4.81% after touching a more than two-year high. The pullback reflected position adjustment and ongoing global demand for duration, even as investors priced in a higher likelihood of near-term tightening.

RBA Deputy Governor Andrew Hauser reiterated that inflation above 3% remains "too high," reinforcing the central bank's vigilance. Markets continue to balance the risk of further tightening against signs that financial conditions are already restrictive.

Mixed signals from Asia and steady tone in US markets

Indexes	Price			Day	Month	Year	Date
HK50	27,797.00	▲	670.05	2.47%	8.43%	37.49%	Jan/28
SHANGHAI	4161	▲	22	0.52%	4.95%	28.86%	13:32
CSI 300	4,734.34	▲	28.65	0.61%	2.05%	24.75%	Jan/28
SHANGHAI 50	3,069.96	▲	17.57	0.58%	1.16%	19.83%	Jan/28
CH50	14,901.53	▲	19.62	0.13%	-3.24%	16.63%	Jan/28

In Asia, mainland Chinese equities delivered mixed performances. The Shanghai Composite rose 0.4% to above 4,150, while the Shenzhen Component slipped 0.2% to around 14,300. Investors weighed expectations of fresh policy support, including potential interest rate cuts to boost consumption, against a tightening regulatory stance aimed at curbing speculative trading and high-frequency activity.

US stock futures were little changed, with the S&P 500 holding near record levels ahead of the Federal Reserve's policy decision and a heavy slate of technology earnings. The Fed is expected to hold rates steady, with attention focused on guidance around the timing of potential rate cuts. On Tuesday, the S&P 500 rose 0.41% to a fresh all-time high, while the Nasdaq Composite gained 0.91%. The Dow lagged, falling 0.83%, dragged lower by a sharp decline in UnitedHealth Group following a profit warning.

Indexes	Price			Day	Month	Year	Date
US30	49075	▲	71	0.15%	1.24%	9.73%	13:33
US400	3,484.13	▲	0.80	0.02%	3.92%	7.39%	Jan/27
US2000	2,666.70	▲	7.03	0.26%	5.83%	16.51%	Jan/27
US500	7019.64	▲	41.04	0.59%	1.58%	16.16%	13:33
US100	26228	▲	288	1.11%	2.64%	22.36%	13:33
USVIX	16.35	▲	0.20	0.20%	2.15%	-0.06%	Jan/27

Commodities surge as oil and gold extend gains

Commodity markets remained a key source of momentum. WTI crude oil futures climbed toward US$63 per barrel, extending a near 3% gain from the previous session and reaching an almost four-month high. Supply disruptions caused by a severe winter storm in the US, which cut production by up to 2 million barrels per day, combined with geopolitical tensions in the Middle East to support prices. A weaker US dollar and an unexpected draw in crude inventories added further tailwinds.

	Price			Day	Month	Year	Date
Crude Oil	62.739	▲	0.348	0.56%	8.09%	-13.56%	13:33
Brent	67.964	▲	0.394	0.58%	10.58%	-10.07%	13:33
Natural gas	3.6978	▼	0.1222	-3.20%	-7.17%	16.72%	13:33
Gasoline	1.8833	▲	0.0048	0.26%	9.09%	-7.46%	13:33
Heating Oil	2.6349	▼	0.0113	-0.43%	23.63%	7.45%	13:33
Coal	108.80	▲	0.15	0.14%	0.79%	-5.43%	Jan/27
Ethanol	1.62	▼	-0.0350	-2.11%	-2.11%	-6.90%	Jan/27
Urals Oil	56.10	▲	0.59	1.06%	8.70%	-20.04%	Jan/26

Gold surged above US$5,200 per ounce, hitting new record highs as the sharp decline in the US dollar fuelled demand for safe-haven assets. Policy uncertainty in Washington, including renewed tariff threats and pressure on the Federal Reserve’s independence, underpinned investor interest. Gold is now up roughly 20% year-to-date, while silver has rallied nearly 60%, reinforcing the strength of the precious metals complex.

	Price			Day	Month	Year	Date
Gold	5259.07	▲	77.94	1.50%	21.26%	90.36%	13:33
Silver	114.368	▲	2.232	1.99%	58.30%	269.99%	13:33
Copper	5.9764	▲	0.1149	1.96%	7.86%	39.58%	13:33
Steel	3,109.00	▼	-2.00	-0.06%	0.06%	-4.57%	Jan/28
Lithium	172,000.00	▼	-500	-0.29%	45.76%	121.51%	Jan/28
Platinum	2,667.00	▲	129.70	5.11%	24.69%	174.07%	Jan/28
Iron Ore	106.03	▼	-0.12	-0.11%	-0.98%	4.67%	Jan/27

In sum, the modest decline in Australian equities belied increasingly powerful crosscurrents beneath the surface. Firm inflation, rising rate hike expectations and a resilient currency are colliding with strong commodity prices and selective earnings momentum. With reporting season imminent and monetary policy finely balanced, markets appear poised for greater dispersion, even as headline indices remain tightly range-bound.

Regards,
Mark Elzayed
Investor Pulse

Market Data

ASX Top 20

CBA	Commonwealth Bank	150.36	+0.29	+0.19%
BHP	BHP	50.60	+0.85	+1.71%
CSL	CSL	180.19	−2.10	−1.15%
WBC	Westpac Bank	38.87	−0.09	−0.23%
NAB	National Australia Bank	42.87	−0.01	−0.02%
ANZ	ANZ	36.40	−0.19	−0.52%
FMG	Fortescue Metals	21.63	−0.24	−1.10%
WES	Wesfarmers	84.19	−0.55	−0.65%
MQG	Macquarie Group	212.84	−2.35	−1.09%
RIO	Rio Tinto	154.82	+3.62	+2.39%
WOW	Woolworths	30.41	−0.23	−0.75%
TLS	Telstra	4.81	−0.02	−0.41%
GMG	Goodman Group	30.60	−0.34	−1.10%
TCL	Transurban	13.79	−0.02	−0.14%
SQ2	Block Inc			
ALL	Aristocrat Leisure	55.01	−1.61	−2.84%
NCM	Newcrest Mining			
REA	REA Group	190.76	−5.06	−2.58%
WDS	Woodside Energy	24.98	+0.66	+2.71%
XRO	Xero	97.91	−1.92	−1.92%

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	0.70062	−0.06%	−0.00
AUDGBP	AUSTRALIAN DOLLAR / BRITISH POUND	0.5068	+0.18%	+0.0009
AUDEUR	AUSTRALIAN DOLLAR / EURO	0.5835	+0.22%	+0.0013
AUDNZD	Australian Dollar / New Zealand Dollar	1.16216	+0.28%	+0.00
AUDJPY	Australian Dollar / Japanese Yen	106.959	+0.23%	+0.25
AUDCNY	AUSTRALIAN DOLLAR / CHINESE YUAN	4.8601	−0.32%	−0.0154
AUDTHB	AUSTRALIAN DOLLAR / THAI BAHT	21.658	−0.32%	−0.070
AUDIDR	AUSTRALIAN DOLLAR / INDONESIAN ...	11,691.5	−0.75%	−88.7

Wednesday, 28 January 2026

Economic Calendar

+3

January 29				
02:00		Fed Funds Tgt Rate	3.625%	
17:00		Consumer Confid. Final *	−12.4 Net balance	−13.2 Net balance
20:30		Initial Jobless Clm *	205 K Person	200 K Person
January 30				
17:00		Unemployment Rate	6.3%	6.3%
January 31				
08:30		NBS Manufacturing PMI*	50 Index (diffusion)	50.1 Index (diffusion)
February 2				
22:00		ISM Manufacturing PMI	48.3 Index	47.9 Index
February 3				
22:00		JOLTS Job Openings		7.146 M Person
February 4				
04:45		HLFS Unemployment Rate		5.3%
16:30		S&P GLOBAL SERVICE PMI		51.4 Index (diffusion)
20:15		ADP National Employment		41 K Person
21:45		S&P Global Comp PMI Final		52.7 Index (diffusion)