

Support / Potential "buy" levels

\$8,200.

Resistance

\$8,400.

KEY TAKEAWAYS

Oil Shock Ripples Through Markets as BHP and RIO Slide, WDS Stands Firm

It was a bruising start to the week for Australian equities, with the S&P/ASX 200 (ASX:XJO) closing down 0.74% at 8,365.9, after briefly sliding 1.7% intraday to a six-month low. The trigger is less about domestic weakness and more about geopolitics feeding directly into inflation: oil has surged to US\$112, unsettling rate expectations and risk appetite. That pressure was most visible in materials, where BHP Group (ASX:BHP) and Rio Tinto (ASX:RIO) slipped, while gold names such as Newmont (ASX:NEM) sold off sharply as investors favoured the US dollar over bullion.

There were few places to hide. Banks including Commonwealth Bank (ASX:CBA) weakened as markets brace for persistent inflation and possibly another rate hike, while breadth was decisively negative. The exception remains energy, with Woodside Energy (ASX:WDS) edging higher alongside crude. For now, the tone is cautious rather than capitulative, but with volatility rising and macro risks intensifying, markets are clearly repricing for a higher-for-longer world.

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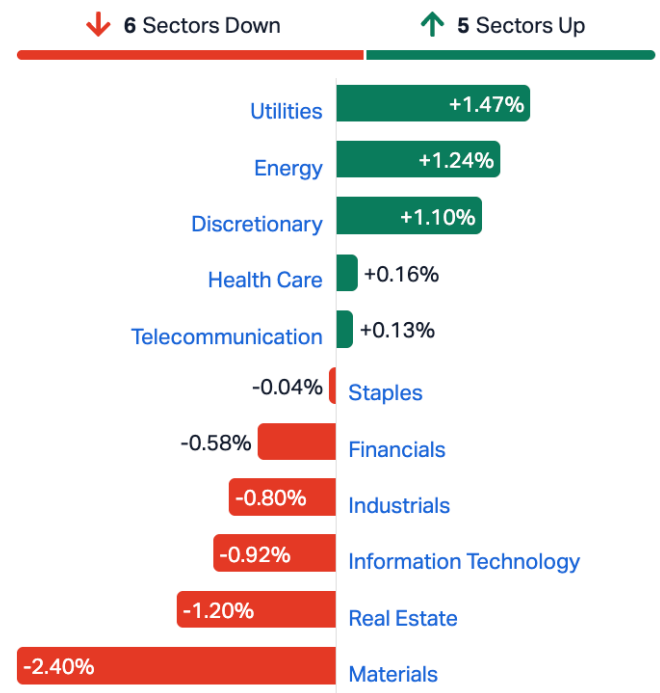
MARKET MOVERS

The Australian market opened the week under acute pressure, reflecting a rapid repricing of geopolitical risk and inflation expectations. At the close in Sydney, the benchmark S&P/ASX 200 (ASX:XJO) declined 0.74% to 8,365.9, marking a fresh six-month low and extending the drawdown from recent highs to more than 9%. Intraday price action underscored the fragility of sentiment, with the index falling as much as 1.7% to 8,262.4 before a late-session recovery.



The proximate catalyst is clear. Escalation in the Middle East, centred on threats to energy infrastructure and the continued closure of the Strait of Hormuz, has driven Brent crude to US\$112 per barrel. This represents an inflationary shock rather than a conventional demand-led upswing, with implications that ripple across asset classes. Since the onset of the conflict, close to \$300bn has been erased from the All

Ordinaries, highlighting the speed with which geopolitical risk is being capitalised into equity valuations.



Volatility is rising in tandem. The S&P/ASX 200 VIX surged 8.53% to 18.83, also a six-month high, signalling an increasingly defensive posture among institutional investors.

Sector Rotation: Energy Ascendant, Materials Capitulate

The session revealed a decisive rotation rather than indiscriminate selling. Energy stocks emerged as the sole area of resilience, while traditional cyclicals bore the brunt of the sell-off.

Within the resources complex, heavyweights such as BHP Group (ASX:BHP) and Rio Tinto (ASX:RIO) declined 1.1% and 1.5% respectively. More striking was the capitulation in gold equities. Despite gold's historical role as a hedge, the current environment has favoured the US dollar as the primary safe haven. Producers including Newmont (ASX:NEM), Evolution Mining (ASX:EVN), and Northern Star (ASX:NST) fell between 6% and 8%.

This divergence reflects a nuanced macro shift. Rising oil prices are not being interpreted as growth-positive but rather as a tax on global demand, compressing margins and tightening financial conditions.

By contrast, Woodside Energy (ASX:WDS) gained 0.8%, extending its outperformance as crude prices have risen more than 80% year-to-date. Energy equities are

increasingly functioning as a direct hedge against geopolitical supply shocks, attracting both tactical and structural inflows.

Financials Under Pressure: Higher-for-Longer Reasserted

The banking sector, a cornerstone of the Australian market, also traded lower as rate expectations reset. Commonwealth Bank (ASX:CBA) declined 1.1% to \$174.25, while National Australia Bank (ASX:NAB) fell 1.8%.

The underlying concern is not credit quality in isolation but the broader macro trajectory. Markets are now recalibrating towards a prolonged period of restrictive monetary policy. Following the Reserve Bank of Australia's recent decision to lift the cash rate to 4.10%, attention turns to Wednesday's CPI release, where headline inflation is expected to remain elevated at 3.8%.

The risk is increasingly asymmetric. A further acceleration in energy costs could entrench inflation expectations, forcing the RBA into a third consecutive rate increase as early as May. For the banks, this raises questions around funding costs, loan growth, and ultimately asset quality should economic momentum deteriorate.

Market Breadth and Micro Signals: Capitulation Characteristics

Market internals reinforce the negative tone. Decliners outnumbered advancers by 1031 to 257 on the Sydney exchange, a breadth profile consistent with late-stage liquidation rather than orderly rotation.

Among individual names, dispersion remained elevated. AP Eagers (ASX:APE) rose 6.34%, while Premier Investments (ASX:PMV) and AUB Group (ASX:AUB) gained 5.59% and 5.49% respectively, suggesting selective positioning in domestically leveraged and defensive growth exposures.

Conversely, losses were acute among smaller resource names. Greatland Resources (ASX:GGP) fell 9.30%, IperionX (ASX:IPX) declined 9.09%, and Emerald Resources (ASX:EMR) dropped 8.65%. The magnitude of these moves highlights both liquidity constraints and the market's aversion to higher-risk balance sheets in periods of macro stress.

Currency and Rates: The Dollar Squeeze



Crosses	Price		Day	Year	Date	
AUDUSD	0.69631	▼	0.00584	-0.83%	10.75%	14:49
EURAUD	1.6571	▲	0.0100	0.61%	-3.56%	Mar/23
GBPAUD	1.9107	▲	0.0124	0.65%	-7.06%	Mar/23
AUDNZD	1.2010	▼	-0.0035	-0.29%	9.38%	Mar/23
AUDJPY	111.0580	▼	-0.8290	-0.74%	17.23%	Mar/23
AUDCNY	4.8104	▼	-0.0402	-0.83%	5.35%	Mar/23
AUDCHF	0.5494	▼	-0.0042	-0.76%	-1.01%	Mar/23
AUDCAD	0.9555	▼	-0.0088	-0.91%	6.17%	Mar/23

The Australian dollar weakened to around US\$0.69, reflecting both external and domestic pressures. The strengthening US dollar, supported by safe-haven demand, has compounded the decline in risk-sensitive currencies.

At the same time, falling Asian equities have reduced appetite for cyclical exposures. The interplay between currency weakness and elevated imported inflation presents an additional policy challenge for the RBA, reinforcing the likelihood of a tighter stance for longer.



Indexes	Price		Day	Month	Year	Date	
HK50	24,373.00	▼	-904.32	-3.58%	-8.34%	1.96%	Mar/23
SHANGHAI	3,813.07	▼	-143.98	-3.64%	-7.39%	13.15%	Mar/23
CSI 300	4,417.77	▼	-149.25	-3.27%	-6.16%	12.27%	Mar/23
SHANGHAI 50	2,792.93	▼	-90.93	-3.15%	-8.17%	3.70%	Mar/23
CH50	14,489.84	▼	-343.50	-2.32%	-1.86%	7.55%	Mar/23

Global Context: Synchronous Risk Repricing

The sell-off in Australia is part of a broader global adjustment. Chinese equities registered sharp declines, with the Shanghai Composite falling 3.63% to 3,813 and the Shenzhen Component down 3.76% to 13,346, both at three-

month lows. Technology names led the declines, while energy-linked sectors showed relative resilience.

In the US, futures edged lower following four consecutive weekly declines across major indices. The Dow Jones Industrial Average fell 2.11% last week, the S&P 500 lost 1.9%, and the Nasdaq Composite dropped 2.07%. Markets are increasingly focused on forward indicators such as PMI data to gauge the resilience of corporate activity amid rising uncertainty.



Indexes	Price	Day	Month	Year	Date	
US30	45322	▼ 255	-0.56%	-7.92%	6.33%	14:49
US400	3,296.29	▼ -75.63	-2.24%	-6.97%	11.90%	Mar/20
US2000	2,438.45	▼ -56.26	-2.26%	-6.96%	18.55%	Mar/20
US500	6453.89	▼ 52.69	-0.81%	-6.40%	11.82%	14:49
US100	23672	▼ 226	-0.94%	-5.34%	17.16%	14:49
USVIX	30.76	▲ 3.98	3.98%	11.21%	13.28%	Mar/23

Oil remains the central transmission mechanism. WTI crude trading above US\$101 per barrel, alongside Brent at US\$112, underscores the scale of the supply shock. Prices have risen roughly 50% since the conflict began, despite attempts to stabilise markets through strategic reserve releases.



	Price	Day	Month	Year	Date	
Crude Oil	101.483	▲ 3.253	3.31%	54.53%	46.75%	14:49
Brent	114.001	▲ 1.81	1.61%	60.91%	56.00%	14:49
Natural gas	3.1433	▲ 0.0483	1.56%	11.00%	-20.53%	14:49
Gasoline	3.3385	▲ 0.0523	1.59%	49.67%	51.36%	14:49
Heating Oil	4.7234	▲ 0.115	2.50%	75.92%	108.25%	14:49
Coal	146.50	▲ 1.30	0.90%	25.75%	51.03%	Mar/20
Ethanol	2.00	▼ -0.0050	-0.25%	14.94%	10.96%	Mar/20
Urals Oil	104.84	▼ -5.89	-5.32%	78.91%	63.53%	Mar/20

Gold, notably, has broken down, falling more than 8% towards US\$4,100 per ounce and over 10% last week. This reflects a regime shift in which liquidity expectations and

currency strength are dominating traditional hedging dynamics.



	Price	Day	Month	Year	Date	
Gold	4212.07	▼ 276.65	-6.16%	-18.19%	39.72%	14:50
Silver	63.476	▼ 4.12	-6.10%	-27.27%	92.39%	14:50
Copper	5.2491	▼ 0.0934	-1.75%	-11.56%	3.77%	14:50
Steel	3,154.00	▲ 6.00	0.19%	3.99%	-1.56%	Mar/23
Lithium	146,500.00	▼ -2500	-1.68%	-3.62%	97.71%	Mar/23
Platinum	1,778.70	▼ -191.80	-9.73%	-18.68%	84.63%	Mar/23
Iron Ore	105.89	▲ 0.25	0.24%	6.67%	3.81%	Mar/20

Income Flows: A Counterbalance to Volatility

Amid the turbulence, dividend distributions provide a partial offset. ASX Limited (ASX:ASX) is distributing a 101.8-cent interim dividend, alongside payments from Aussie Broadband (ASX:ABB) and Australian Ethical Investment (ASX:AEF).

In addition, multiple tranches of Westpac capital notes are delivering income, while upcoming distributions from Nick Scali (ASX:NCK), Challenger (ASX:CGF), Santos (ASX:STO), and Aurizon (ASX:AZJ) will continue to support cash returns.

For income-focused investors, these flows offer a degree of insulation, particularly as capital volatility rises.

Strategic Outlook: Opportunity Emerging Through Dislocation

The current environment is defined by a shift from cyclical optimism to geopolitical and inflation-driven uncertainty. Markets are adjusting to a world in which supply shocks, rather than demand cycles, dominate price action.

Three themes stand out.





















First, energy is reasserting its strategic importance, both as an economic input and as an investment hedge. Second, monetary policy is likely to remain restrictive, with central banks prioritising inflation containment overgrowth support. Third, cross-asset correlations are evolving, with traditional hedges such as gold proving less reliable in the face of dollar strength.

For long-term investors, periods of forced deleveraging and indiscriminate selling often create entry points. However, selectivity is critical. Balance sheet strength, pricing power, and exposure to structural rather than cyclical growth will increasingly differentiate performance.


















In that context, the present dislocation may prove less a systemic breakdown than a repricing phase, albeit one that demands discipline, liquidity, and a clear framework for navigating elevated volatility.

Regards,
Mark Elzayed
Investor Pulse

MARKET DATA
ASX Top 20




















 CBA^D* Commonwealth Bank	174.25 -1.39 -0.79%	 WOW^D* Woolworths	36.48 +0.06 +0.16%
 BHP^D* BHP	47.11 -0.36 -0.76%	 TLS^D* Telstra	5.30 +0.01 +0.19%
 CSL^D* CSL	139.79 +1.29 +0.93%	 GMG^D* Goodman Group	25.02 -0.48 -1.88%
 WBC^D* Westpac Bank	40.35 -0.35 -0.86%	 TCL^D* Transurban	13.72 -0.03 -0.22%
 NAB^D* National Australia Bank	44.74 -0.83 -1.82%	 SQ2 Block Inc	
 ANZ^D* ANZ	36.27 -0.33 -0.90%	 ALL^D* Aristocrat Leisure	46.43 +1.16 +2.56%
 FMG^D* Fortescue Metals	19.05 +0.09 +0.47%	 NCM Newcrest Mining	
 WES^D* Wesfarmers	73.04 +0.01 +0.01%	 REA^D* REA Group	158.07 +1.16 +0.74%
 MQG^D* Macquarie Group	194.46 -0.53 -0.27%	 WDS^D* Woodside Energy	34.79 +0.75 +2.20%
 RIO^D* Rio Tinto	144.41 -2.51 -1.71%	 XRO^D* Xero	76.65 -0.35 -0.45%

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Commodities & Forex

 TIO1!^o IRON ORE	 AUDUSD Australian Dollar / U.S. Dollar	0.69619 -0.80% -0.01
 GC1!^o GOLD	 AUDGBP AUSTRALIAN DOLLAR / BRITISH POUND	0.5232 -0.61% -0.0032
 SI1!^o SILVER	 AUDEUR AUSTRALIAN DOLLAR / EURO	0.6033 -0.60% -0.0036
 HG1!^o COPPER	 AUDNZD Australian Dollar / New Zealand Dollar	1.20077 -0.24% -0.00
 ZW1!^o WHEAT	 AUDJPY Australian Dollar / Japanese Yen	111.053 -0.62% -0.70
 CL1!^o CRUDE OIL	 AUDCNY AUSTRALIAN DOLLAR / CHINESE YUAN	4.8063 -0.61% -0.0295
 NG1!^o NATURAL GAS	 AUDTHB AUSTRALIAN DOLLAR / THAI BAHT	22.936 -0.36% -0.082
 NCF1!^o COAL	 AUDIDR AUSTRALIAN DOLLAR / INDONESIAN ...	11,832.7 -0.80% -95.1
 LTH1!^o LITHIUM		

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Economic Calendar

 	
March 23	
22:00	  Consumer Confid. Flash * ▾ -14.4 Net balance -12.2 Net balance
March 24	
20:45	  S&P Global Comp PMI Flash ▾ 52.3 Index (diffusion)
March 25	
14:00	  Core CPI MM ▾ -0.6%
	 Core CPI YY ▾ 3.1% 3.1%
	 CPI MM ▾ 0.4% -0.5%
	 CPI YY ▾ 3% 3%
	 RPI MM* ▾ 0.6% -0.5%
	 RPI YY* ▾ 3.7% 3.8%
March 26	
19:30	  Initial Jobless Clm * ▾ 210 K Person 205 K Person
March 30	
17:00	  Consumer Confid. Final * ▾ -12.2 Net balance
March 31	
08:30	  NBS Manufacturing PMI* ▾ 49 Index (diffusion)