Good evening, mates!Welcome to Wilma Wealth Management , I'm White Green, your closest investment buddy!

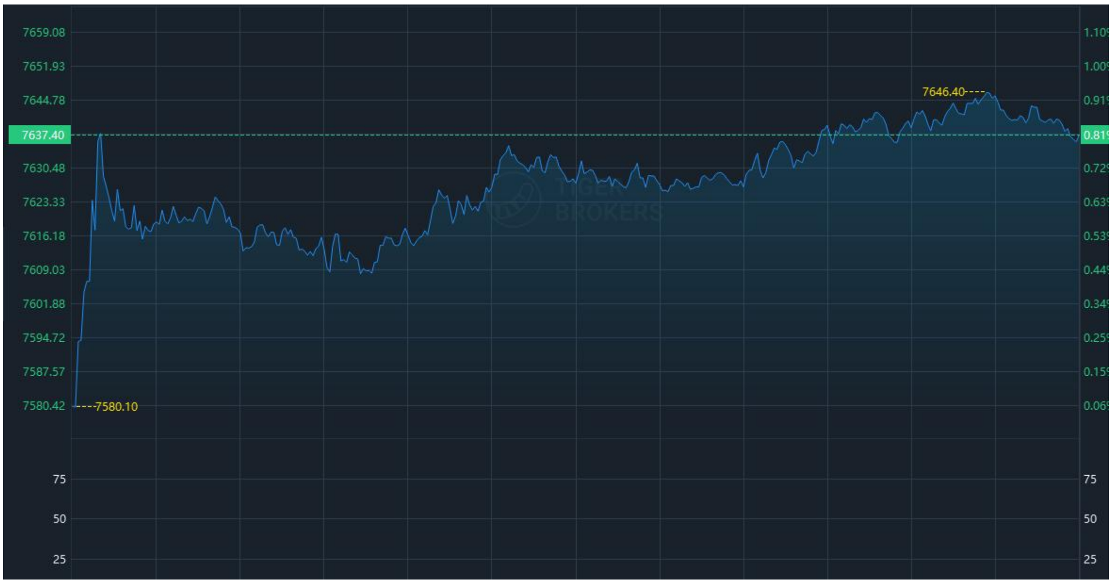
Today, all three major indices of the ASX showed a general uptrend, which is largely in line with our market forecasts. With the market bouncing back, do we expect the indices to continue their upward momentum tomorrow, or should we be cautious of a potential pullback?

In our recommended stock portfolio, two stocks have shown mixed results today. What impact does today's market performance have on tomorrow's stock prices, and how should we analyse tomorrow's market?

On another note, considering that U.S. inflation remains high, the Fed may maintain its high-interest rate policy. With last week's shutdown of the Republican Bank in the U.S., we need to be vigilant about whether this could trigger a similar wave of regional bank closures like those we saw in March last year. Should such a scenario unfold, it might lead to further turbulence in the financial markets. Where then, might the investment opportunities lie in the market?

In tonight ' s session, I'll delve deep into these issues, sharing strategies on how to seize opportunities and mitigate risks in a complex market environment. I hope everyone will actively participate and collectively enhance our market responsiveness.

Are you ready, mates?



This chart depicts the intraday movement of the XJO Index. From the chart, we can observe that under the widespread gains across major sectors like finance, real estate, and resources in the early trading session, the index rapidly surged past the 7600 point mark. Subsequently, the index continued to oscillate upwards. Looking at today's market, all 11 sectors displayed a general uptrend, with real estate, information technology, telecommunications, and healthcare leading the gains; whereas energy, staples, and utilities showed relatively smaller increases. Utilities and consumer staples recorded smaller gains, which is typical as defensive sectors tend not to attract market capital during periods of overall market rises. In contrast, these sectors become more favoured by market capital during downturns.

Mates, is last year's banking turmoil still fresh in your memory? The closure of five consecutive banks in the US was inextricably linked to liquidity strains and financial pressures. To combat inflation, the Fed's interest rate hikes and the bond market's volatility heightened the liquidity risks for banks' capital. Moreover, when customer confidence wavers and bank runs occur, it exacerbates the already fragile banking system, leading it down an irreversible path.

For each bank, we identified several common critical issues:
- The pressure on market value due to rising interest rates reduced banks' capital buffers, increasing financial stress;
- Asset-liability mismatches meant that banks could not maintain adequate liquidity under the pressure of customer withdrawals, making operations more challenging;
- Once financial issues were exposed, the loss of market and customer confidence led to bank runs.

This series of issues led to the successive closures of Silicon Valley Bank, Signature Bank, and First Republic Bank in 2023, destabilising the financial markets and stirring up significant fluctuations in stocks, bonds, forex, and digital asset markets. In such an environment, investors began seeking safe havens. Gold, government bonds, and digital assets became refuges, often providing safe returns amid market turbulence and economic downturns.

Last Sunday, at the World Economic Forum held in Saudi Arabia, the President of the World Economic Forum, Borge Brende, highlighted a critical issue in his remarks: the global debt burden is approaching 100% of global GDP. The high ratio of debt to global GDP that he pointed out showcases the risks faced by the global economy. Indeed, if major central banks, including the Fed, do not adjust their current policies, we might encounter prolonged economic stagnation similar to that of the 1970s.

Furthermore, the closure of the Republican Bank in the US underscored the liquidity and financial stability issues faced by regional banks, especially against the backdrop of high national debt yields. This not only increases borrowing costs for smaller banks but could also shake the confidence of investors and depositors. Should this sentiment spread to more banks, we might witness a wave of regional bank closures.

Such financial turbulence brings not only risks but also potential market opportunities. Investors will look for safe havens in such volatility, investments that can hedge against uncertainty. For those market participants who can foresee and respond to such fluctuations, turbulence could mean opportunity.

From last year's performance in the global financial markets, it's evident that bank closures often trigger a revaluation of broader financial assets, particularly gold, government bonds, and digital assets. In times of market instability or uncertainty, these assets are frequently regarded as safe havens or hedging instruments, and thus, tend to attract greater investor attention and capital inflows during such periods. This scenario provides new opportunities for investors seeking stable returns, as wisely allocating between these traditional and emerging assets can better manage potential market risks.

This chart represents the daily gold price in London. Historically, gold has been considered a safe asset during periods of market instability. For instance, during banking crises or heightened economic uncertainty, the price of gold tends to rise as investors seek to avoid systemic financial risks. In such situations, the allure of gold increases because it is seen as a hedging tool capable of preserving capital. Consequently, when the global economy or financial markets face challenges, the demand for and price of gold typically rise, reflecting its stability and protective value.

This chart shows the weekly price movement of a digital currency (Bitcoin). When the traditional financial system is under pressure, digital assets like Bitcoin and other cryptocurrencies, due to their decentralised nature, may be favoured by market capital. These assets offer an investment avenue independent of the traditional financial system, attracting investors looking to hedge against inflation and financial crisis risks. During periods of global economic instability or currency devaluation, the demand for cryptocurrencies may increase, as investors consider them a potential means of preserving assets to protect their wealth from the fluctuations of the traditional financial system.

During periods of market instability and inflation, digital assets like Bitcoin have become popular investment choices, mainly for the following reasons:

1. **Safe Haven Asset:** During times of economic uncertainty or inflation, investors often seek safe-haven assets to protect their capital. Gold has long been considered the traditional safe-haven asset, while Bitcoin, due to its independence from the traditional financial system, is viewed by some investors as "digital gold," used to combat currency devaluation.

2. **Decentralized Nature:** Bitcoin's decentralized nature means it does not rely on any central authority, such as a government or central bank. This feature allows Bitcoin to maintain its independence during changes in government policy or financial crises, providing an alternative for investors concerned about government intervention or the impact of monetary policies.

3. **Global Access and Liquidity:** As a global asset, Bitcoin is tradable across many countries and regions, offering high liquidity. During periods of market volatility, assets with high liquidity are especially popular because they are easy to buy and sell, providing flexibility.

4. **Inflation Resistance:** The total supply of Bitcoin is fixed at 21 million coins. This supply cap theoretically offers inflation-resistant properties, similar to gold, helping it maintain value during times of currency depreciation.

As I share these dynamics of the global financial markets with my mates, my goal is to help everyone make more informed investment decisions in the financial markets. A deep understanding of the macro context of the financial markets enables us to remain robust in the face of market volatility and uncertainty. Through this approach, we can not only seize opportunities across various markets but also swiftly adjust and optimise our investment portfolios when specific markets perform poorly.

A diversified investment strategy helps us spread risk and enhance the resilience of our investment portfolios, ensuring the safety and continuous growth of our wealth in a complex and volatile market environment. This way, we can navigate the tumult of the financial markets steadily, without being overwhelmed by the turbulence of any single market.

Investing is a process that requires careful thought and time. Only by thoroughly understanding market logic can we precisely adjust our portfolios in this financial ocean, safeguarding and enhancing our assets.

This chart shows the daily price movements of AGL and COL.

Today, AGL's daily chart shows a very positive trend, with the stock price steadily rising along the MA5 moving average line. The alignment and divergence of moving averages indicate typical bullish characteristics. The ongoing rise in stock price and trading volume suggest a healthy and positive market dynamic. Therefore, for AGL, the current trend is very favourable, and we should continue to follow this trend to maximise profits.

On the other hand, COL's daily chart today appears relatively weaker. Last Friday, the stock price momentarily reached the resistance level of the MA34 moving average before retreating. Currently, the stock price is oscillating between the MA13 and MA34 moving averages, with a strong support level forming near $16. While I won't elaborate further on COL's trends and value in today's discussion, today's trading prompts another discussion point: how to interpret today's market dynamics with institutional thinking. Despite significant buying activity during the trading session, the stock price did not show a significant increase, which suggests what potential strategies or intentions? If you were an institutional trader, what deeper purposes might you have? We will explore this question in detail in tomorrow's class, and I hope you are prepared to delve into the underlying market logic behind it.

As we near the end of today's discussion, I'd like to leave you with two questions to help deepen your understanding and digestion of the topics we've covered. You can send your answers to my assistant, and I will highlight constructive responses in tomorrow night's class for further discussion with everyone:

1. When the global economy faces a crisis or the financial markets experience turbulence, which markets or asset classes might become safe havens for investors?
2. Analysing the intraday stock price movements of COL from an institutional investor's perspective, what possible market behaviours or strategies can you infer?

I hope today's insights have been enlightening, and we'll continue our journey into finance learning tomorrow.

Goodnight, mates!