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Five Key Factors Driving ASX 200 Market Sentiment on Monday

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– Categories: Finance



The Australian Securities Exchange 200 (ASX 200) is bracing for a weaker open on Monday, with futures pointing to a 49-point or 0.55 percent dip. This anticipated decline follows Wall Street's mixed finish last week, where the Dow Jones Industrial Average lost 0.3 percent, the Standard and Poor's 500 (S&P 500) edged slightly lower, and the Nasdaq Composite managed to inch marginally higher. With global markets still responding to conflicting economic signals and shifting geopolitical landscapes, the local bourse is likely to reflect that uncertainty at the start of the week.

Energy stocks on the ASX 200 such as Santos Limited and Woodside Energy Group Limited may struggle for momentum, as oil prices weakened over the weekend. West Texas Intermediate (WTI) crude dipped by 0.3 percent to settle at 67.34 US dollars per barrel, while Brent crude fell 0.35 percent to 69.28 US dollars. The pressure on oil prices came as markets digested new European Union sanctions against Russia, which were offset by patchy United States economic data. This pullback may put a lid on optimism in the local energy sector, despite its recent resilience.

In contrast, shares of Block Incorporated, listed locally as XYZ, could be in for a notable uptick. The US-based payments company saw its shares surge in after-hours trading on the New York Stock Exchange following news that it would join the benchmark S&P 500 index. This inclusion comes after Hess Corporation's acquisition by Exxon Mobil, freeing up a in the index. Block, the owner of Afterpay and Cash App, stands to benefit from increased investor visibility and capital inflows tied to index funds, potentially lifting sentiment in Australia's tech sector.



Meanwhile, ASX-listed gold producers such as Newmont Corporation and Northern Star Resources Limited may see gains as gold prices advanced by 0.3 percent to 3,355.5 US dollars per ounce. This rally was supported by a weaker US dollar and mounting global uncertainty, reigniting interest in safe haven assets. Lastly, analysts at Bell Potter reiterated a buy rating for Pilbara Minerals Limited, maintaining a two-dollar price target. Highlighting the miner's low-cost operations and strong positioning in the lithium value chain, the broker pointed to long-term demand for electric vehicles as a key driver of sustained growth. With volatile commodities and shifting investor sentiment, smart capital will follow where fundamentals remain strong and future-focused.