

# Monthly Market Snapshot

April 2021

The Monthly Market Snapshot publication provides commentary on the global economy and the performance of financial markets

# Market Commentary

The global economy continues to recover with GDP rebounding as vaccine rollouts progress and restrictions start to ease. Industrial production and business fixed investment has improved. Manufacturing and services Purchasing Managers Index (PMI) surveys in key economic regions have continued to trend upwards, with the US and Australia being at high levels.

Inflation has started to rise driven both by supply-side issues, commodity price rises and increasing demand as restrictions are eased. It remains to be seen if this is only a temporary increase or more structural inflationary pressures.

In the US, more than 140 million people have taken the first dose of vaccination for COVID-19. The economy continues to recover, and the labour market is improving. Wage growth and employment is recovering. However, the fallout from COVID-19 is far from gone; permanent job losses concentrated in certain industries are at elevated levels and have yet to show signs of improvement. Businesses are more positive about the economy with surveys showing that the planned expenditure is likely to increase. Monetary conditions remain favorable with the US central bank retaining the current level of rates at near zero.

In Europe, the economic recovery remains weak. Industrial production has picked up but retail sales lag as the COVID-19 situation continues to impact. However, manufacturing and services PMIs have picked up in April, suggesting some potential improvement. The European Central Bank (ECB) has continued to pledge its support for accommodative monetary conditions.

In Japan, growth is gradually improving. Industrial production growth is positive and export growth has recovered led by strong demand from China. Manufacturing PMI is positive in April, but services PMI remains at contractionary levels. The Bank of Japan (BOJ) continues to run an ultra-accommodative monetary policy to support growth and induce inflationary pressure.

On the domestic front, the economic recovery has been strong. The labour market has continued to recover with total jobs being added, the unemployment rate improving and the underemployment rate declining to pre-pandemic levels. The rollout of vaccines has been at a much slower pace compared to other key countries but the very limited cases of transmission of the virus in the community means the domestic economy has little restrictions.

Equities have continued the trend of strong positive returns. US equities were again the standout performing in the month, while Japanese equities produced a small negative return. Australian Resources equities produced particularly strong returns for the month as commodity prices increased materially.

Government bond yields marginally declined providing small positive returns for fixed interest over the month.

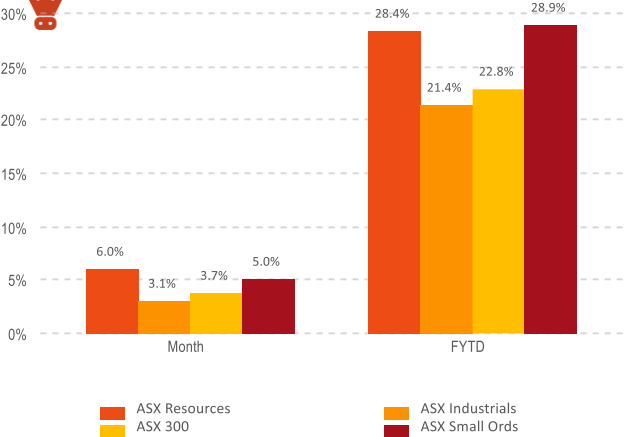
The AUD continued to gradually move higher against the USD over the month, supported by ongoing strength in the price of iron ore.

Listed property and infrastructure also produced positive returns, along with the broad equity market.

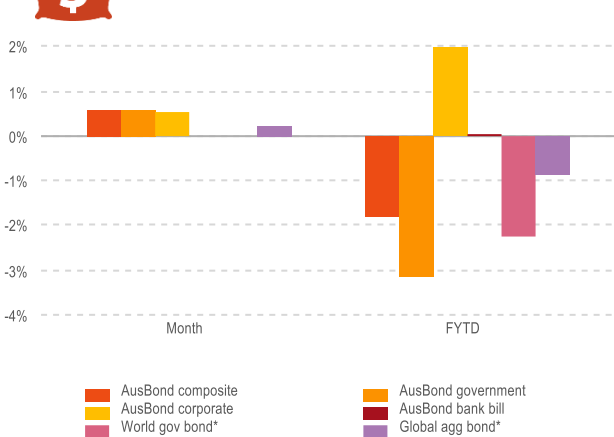
# April 2021



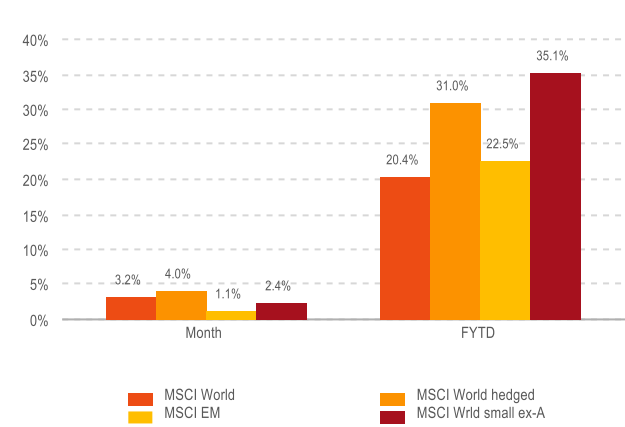
## Australian Equities



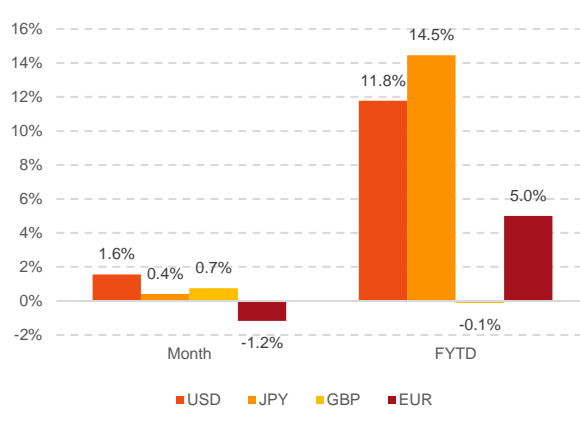
## Fixed Income



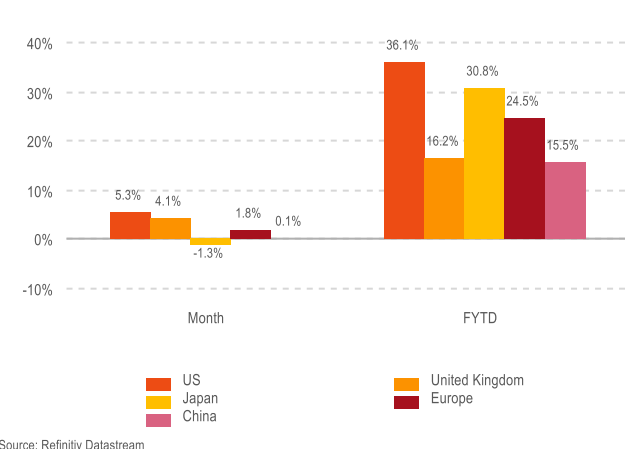
## International Equities (\$A)



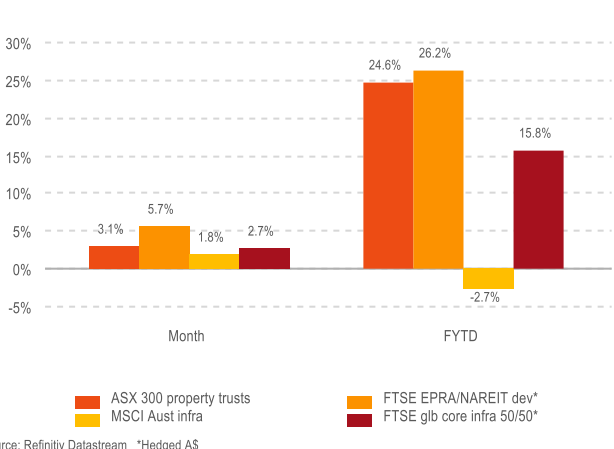
## Australian Dollar



## International Equities



## Real Assets



Details of the indices are in the table on the next page

# Apr 2021

Index Value    Month    3 Months    FYTD    1 Year    5 Yr p.a.



## Australian Equities

S&P/ASX 300 Accum. Index	7,022	3.7%	7.6%	22.8%	31.6%	10.4%
S&P/ASX 300 Accum. Industrials Index	10,710	3.1%	7.3%	21.4%	29.2%	8.8%
S&P/ASX 300 Accum. Resources Index	5,414	6.0%	8.9%	28.4%	41.2%	17.9%
ASX Small Caps Accum. Index	3,286	5.0%	7.4%	28.9%	39.8%	11.1%



## International Equities

MSCI World Index (\$A)	4,261	3.2%	10.2%	20.4%	23.2%	13.8%
MSCI World Index (Hedged \$A)	3,842	4.0%	11.2%	31.1%	40.4%	13.8%
MSCI Emerging Markets Index (\$A)	1,260	1.1%	1.0%	22.5%	26.0%	12.2%
MSCI World ex-Aus Small Cap Index (\$A)	597	2.4%	10.7%	35.1%	40.7%	13.7%
US (S&P 500 Index in USD)*	4,181	5.2%	12.6%	34.9%	43.6%	15.1%
US Tech (NASDAQ Index in USD)*	13,963	5.4%	6.8%	38.8%	57.1%	23.9%
United Kingdom (FTSE 100 Index in GBP)*	6,970	3.8%	8.8%	13.0%	18.1%	2.2%
Japan (Nikkei 225 Index in JPY)*	28,813	-1.3%	4.2%	29.3%	42.7%	11.6%
Europe (Stoxx 50 Index in EUR)*	3,975	1.4%	14.2%	22.9%	35.8%	5.6%
China (Shanghai Composite Index in CNY)*	3,447	0.1%	-1.0%	15.5%	20.5%	3.2%



## AUD versus ...

USD	0.78	2.3%	1.7%	13.3%	18.4%	0.3%
JPY	84.63	0.4%	5.9%	14.5%	21.1%	0.6%
GBP	0.56	0.7%	0.0%	-0.1%	6.0%	1.3%
EUR	0.64	-1.2%	1.6%	5.0%	6.2%	-0.9%



## Real Assets

ASX 300 Listed Property Trusts Accum. Index	1,466	3.1%	6.9%	24.6%	31.8%	6.0%
FTSE EPRA / NAREIT Dev. Index (Hedged \$A)	1,755	5.7%	14.0%	26.2%	29.1%	4.9%
MSCI Australia Infrastructure	1,162	1.8%	4.5%	-2.7%	0.2%	2.7%
FTSE Global Core Infra 50/50 Index (Hedged \$A)	2,400	2.7%	9.9%	15.8%	17.4%	8.9%



## Oil and Commodities

Crude Oil (US\$/bbl)	65.0	9.9%	24.6%	65.5%	245.1%	7.2%
Copper Spot (US\$/tonne)	9,829	11.8%	25.0%	63.7%	90.5%	14.2%
Gold Spot (US\$/ounce)	1,770	3.9%	-4.7%	-0.7%	3.9%	6.5%



## Australian Fixed Interest

Bloomberg AusBond Composite Index	10,413	0.6%	-2.3%	-1.8%	-1.2%	3.5%
Bloomberg AusBond Government Index	10,784	0.6%	-2.7%	-3.1%	-2.9%	3.4%
Bloomberg AusBond Corporate Index	11,005	0.5%	-0.9%	2.0%	3.5%	4.4%
Bloomberg AusBond Bank Bill Index	9,021	0.0%	0.0%	0.1%	0.1%	1.4%



## Global Fixed Interest

FTSE WGBI ex-Aus (Hedged \$A)	2,568	0.0%	-2.4%	-2.2%	-2.1%	3.0%
Barclay's Global Agg. Bond Index (Hedged \$A)	1,087	0.2%	-1.7%	-0.9%	-0.1%	3.3%



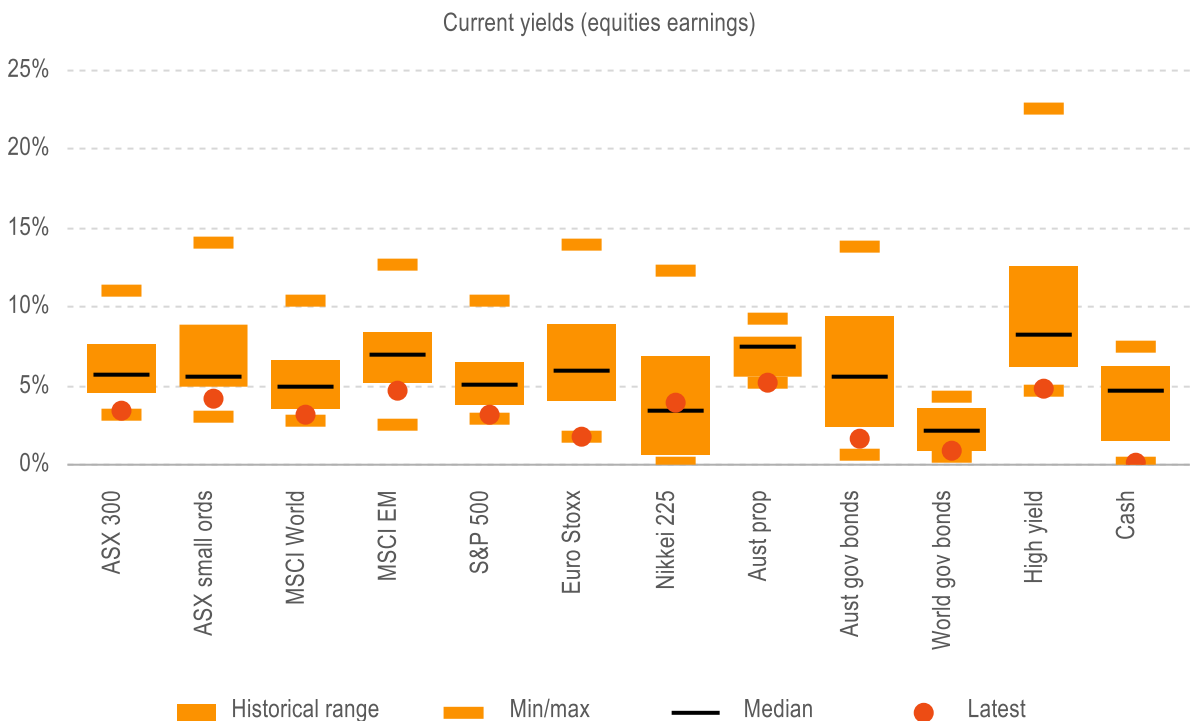
## Fixed Income (yields) as at ...

	Apr 2021	Mar 2021	Jan 2021	Jun 2020	Apr 2020	Apr 2016
Australia Bank Bill	0.02	0.01	0.01	0.09	0.10	2.02
Australia 10-Year Government Bond	1.70	1.81	1.10	0.88	0.91	2.52
US 10-Year Government Bond	1.63	1.75	1.09	0.65	0.63	1.82
UK 10-Year Government Bond	0.84	0.85	0.33	0.17	0.23	1.60
Germany 10-Year Government Bond	-0.20	-0.30	-0.52	-0.46	-0.59	0.28
Japan 10-Year Government Bond	0.09	0.10	0.05	0.03	-0.04	-0.08

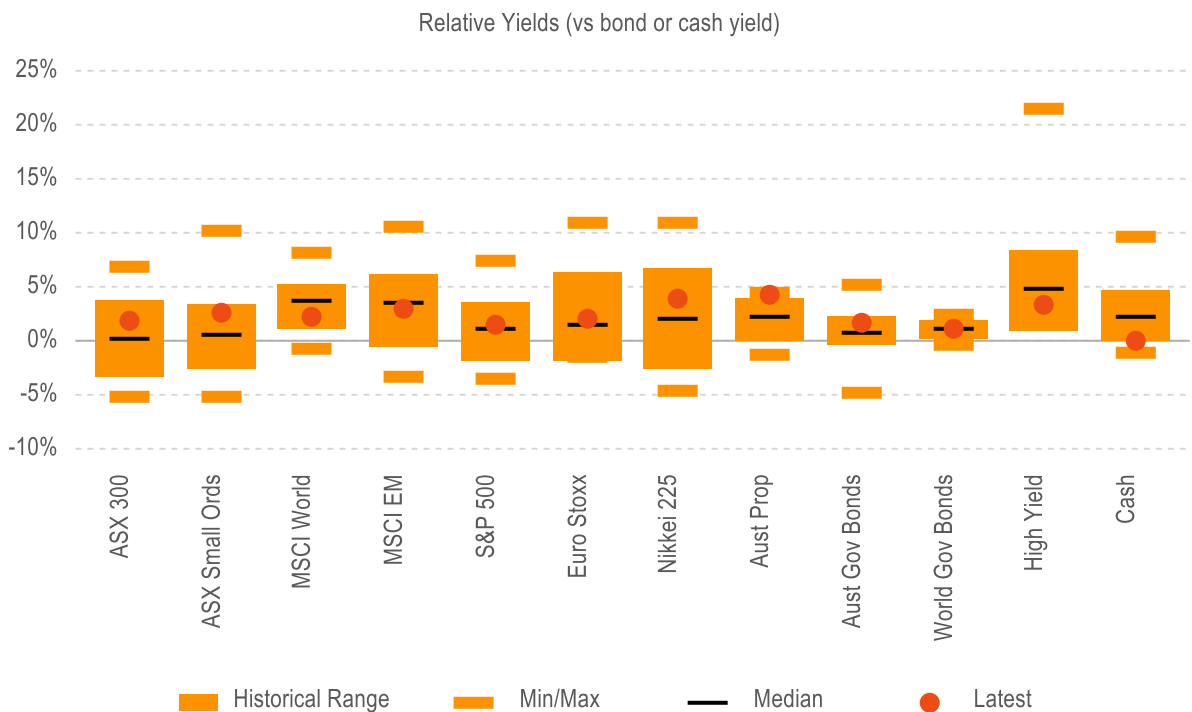
Source: Refinitiv Datastream

\*Price Index

# Asset class yields relative to history

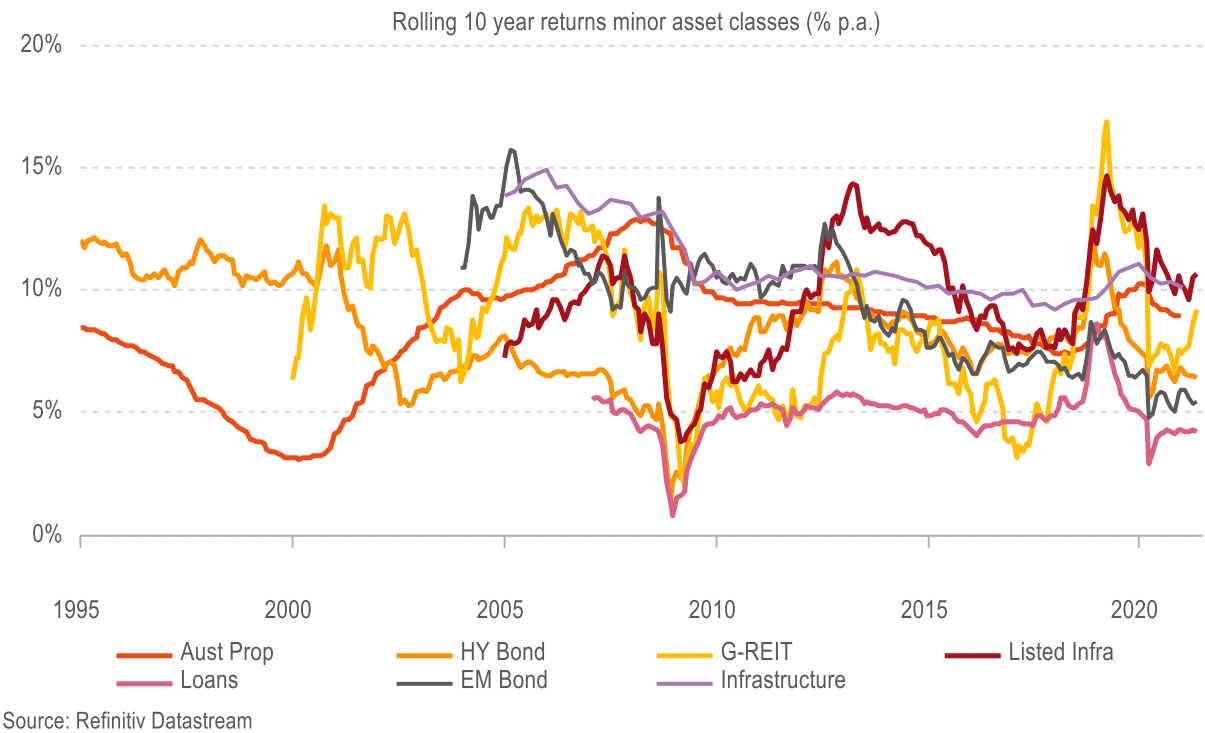
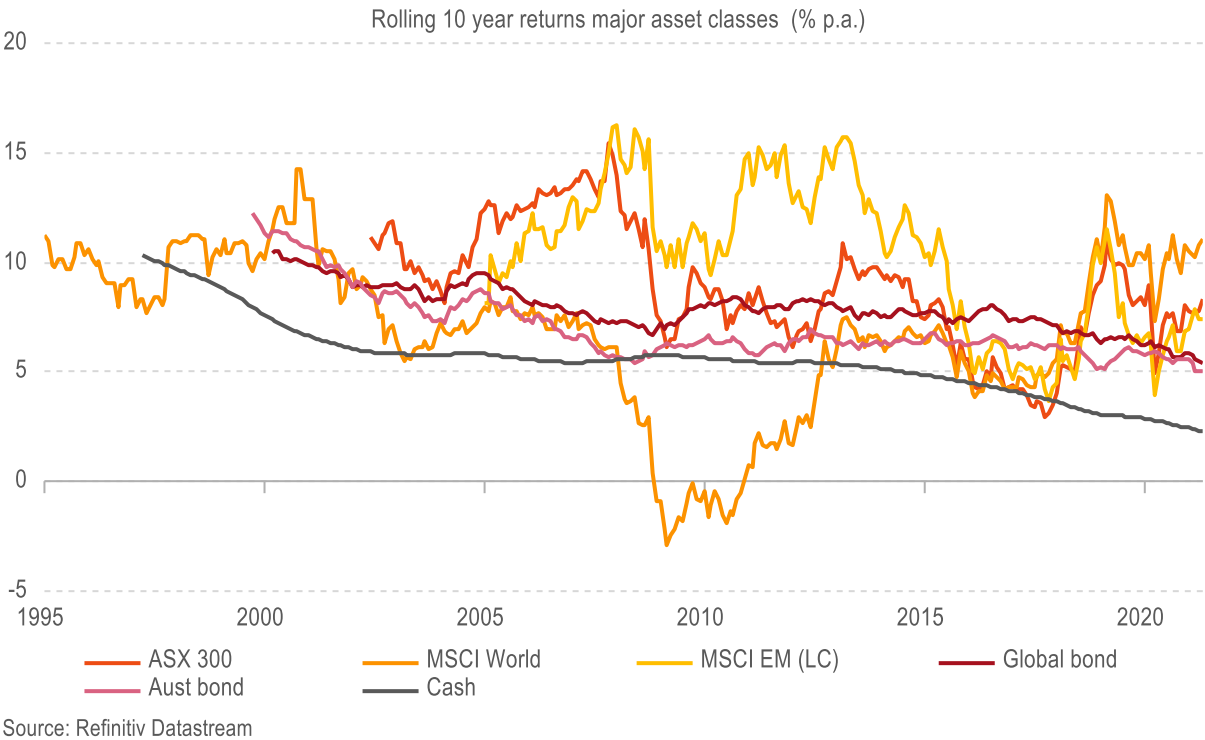


Source: Refinitiv Datastream

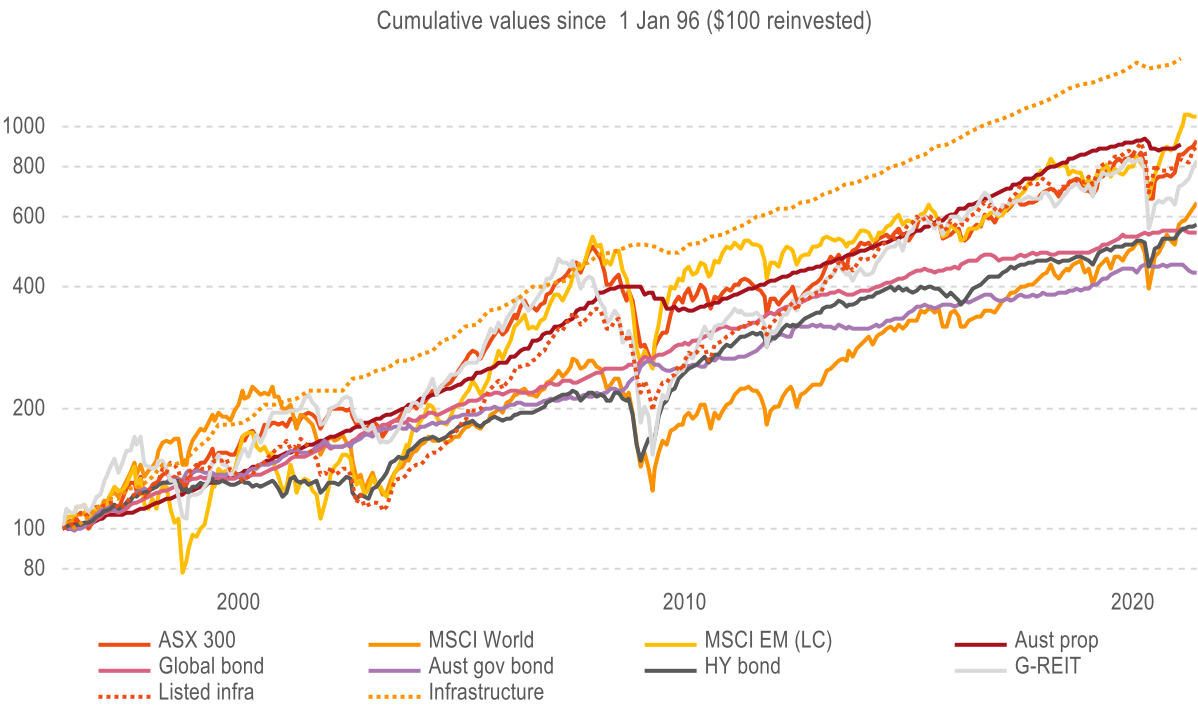


Source: Refinitiv Datastream

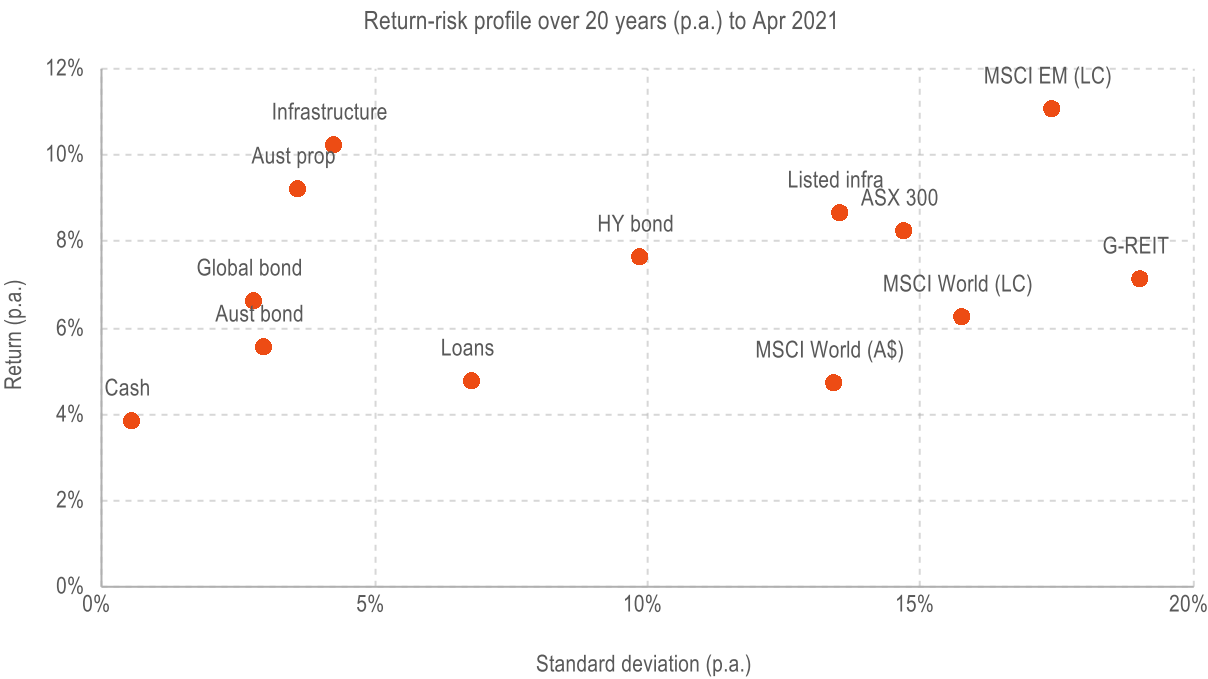
# Asset class long-term returns



# Asset class long-term returns



Source: Refinitiv Datastream



Source: Refinitiv Datastream



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