

Monthly Market Snapshot

March 2024

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

Market commentary

In March 2024 global markets recorded moderate growth with most major stock and bond markets producing positive returns. The rally in risk assets continued, fuelled by resilient economic data and expectation for most central banks moving toward an easing cycle.

Global equities performed strongly in March with the US S&P 500 hitting record highs during the month. Japanese equities continued its rally but with a slower growing speed, reflecting the concerns of overvaluations and changes in monetary policy.

US and European stock markets both produced positive returns. The US economy's resilience has continued, but the US tech sector lagged, potentially due to valuation concerns. European and UK stock markets were at the forefront of growth in developed markets, driven by improved economic data and expectation around interest rate cuts.

Australian equities delivered positive returns in March, aligned with the global market. Resources and small-caps were among the outperformers.

Emerging markets produced positive returns despite flat results from Chinese equities following mixed economic data. China's GDP target for 2024 was set at 5% in an annual meeting in March. The announcements indicated that government policy would continue supporting economic growth but reaching the target is likely to require fiscal stimulus beyond the measures unveiled by policymakers to date.

Global government bond yields fell as the market traded on the premise that rate cuts are approaching. Both the Federal Reserve and the RBA left interest rates unchanged in their March meeting, but there were indications that rates could be cut this year if inflation trended down towards targets. The Bank of England (BoE) also said the economy was heading in the right direction for rate cuts.

Global inflation has continued moderating across developed markets, while core inflation that excluded food and energy remained sticky.

In Japan, the Bank of Japan (BOJ) increased interest rates for the first time in 17 years. In addition, it is ending the policy of yield curve control. The Yen depreciated following the announcement, suggesting that the market was underwhelmed by the measures from the BOJ.

Oil rallied sharply in March, driven by renewed investor concerns about supply disruptions due to conflict in the Middle East. Gold prices saw a notable surge. This was reportedly primarily fuelled by aggressive gold purchases from China.

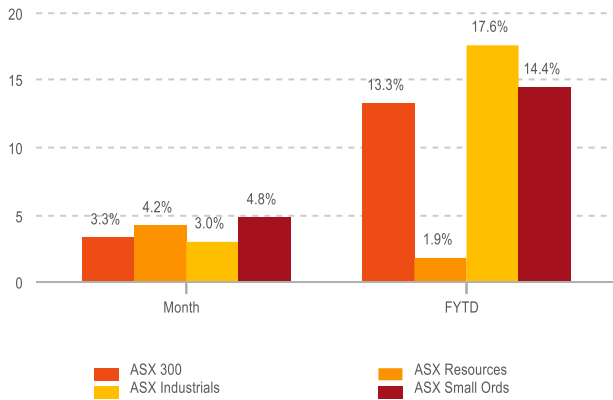
The Australian dollar rallied sharply against the US dollar at certain points in March but retreated to near its starting position at the end of the month. Still, AUD ended the month better than most major currencies, driven by dovish views from major central banks and improved Chinese data.

Australian listed property produced strong positive returns while global listed property and infrastructure were flat over the month. Housing values have been resilient in the face of higher interest rates and cost of living pressures. The focus of the infrastructure sector has been on maintaining existing projects rather than announcing new ones.

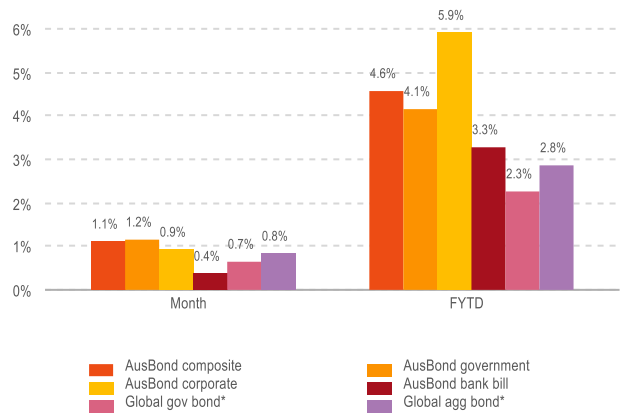
March 2024



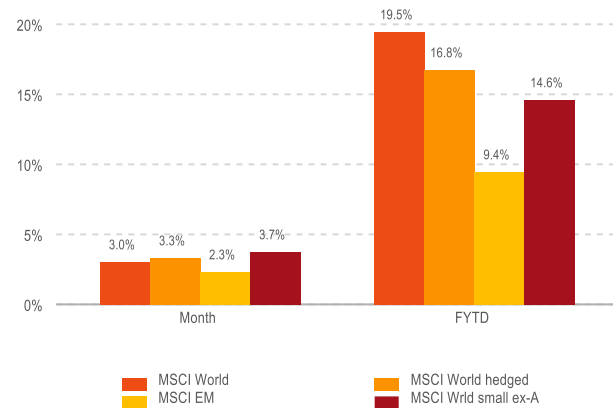
Australian equities



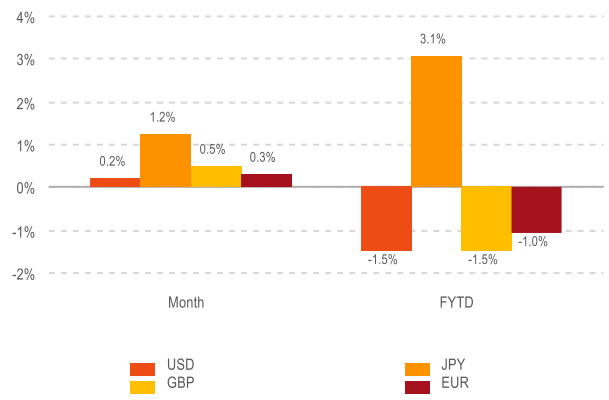
Fixed income



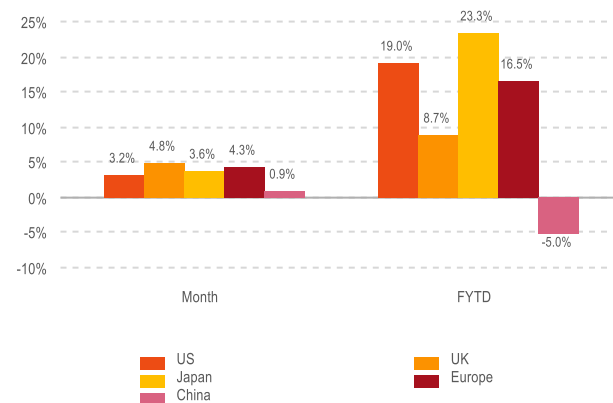
International equities (\$A)



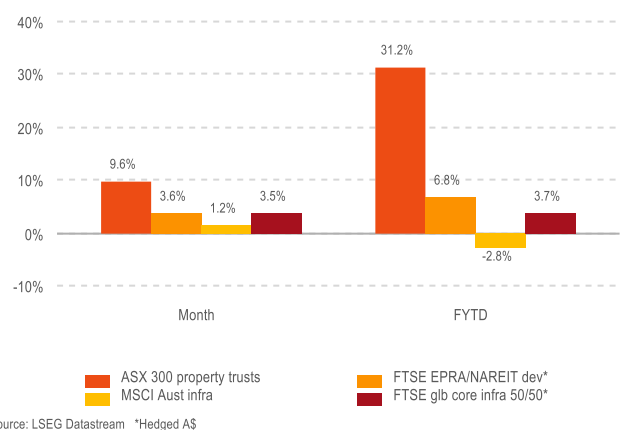
Australian dollar



International equities











Real assets



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

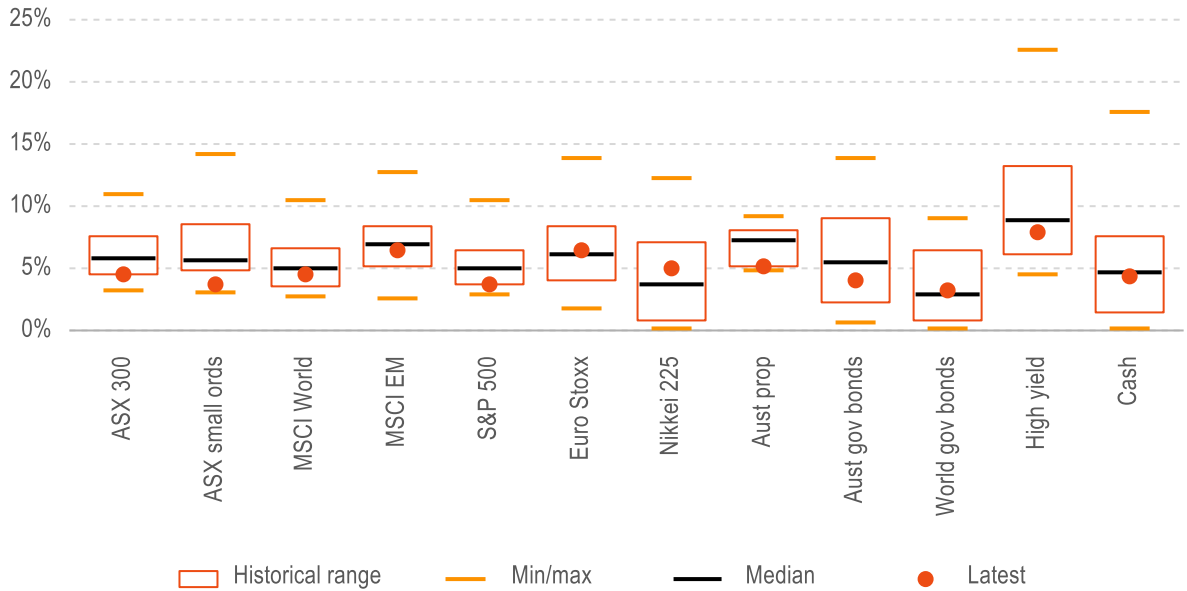
March 2024

	Index Value	Month	3 Months	FY24	1 Year	5 Yr p.a.	
Australian Equities							
	S&P/ASX 300 Accum. Index	7,848	3.3%	5.4%	13.3%	14.4%	9.2%
	S&P/ASX 300 Accum. Industrials Index	12,105	3.0%	9.6%	17.6%	20.1%	8.8%
	S&P/ASX 300 Accum. Resources Index	5,837	4.2%	-5.6%	1.9%	-0.1%	10.3%
	ASX Small Caps Accum. Index	3,124	4.8%	7.5%	14.4%	13.8%	5.4%
International Equities							
	MSCI World Index (\$A)	5,901	3.0%	13.9%	19.5%	28.4%	14.0%
	MSCI World Index (Hedged \$A)	4,738	3.3%	10.0%	16.7%	24.8%	11.1%
	MSCI Emerging Markets Index (\$A)	1,154	2.3%	7.1%	9.4%	11.0%	4.0%
	MSCI World ex-Aus Small Cap Index (\$A)	677	3.7%	9.3%	14.6%	19.1%	9.8%
	US (S&P 500 Index in USD)*	5,254	3.1%	10.2%	18.1%	27.9%	13.1%
	US Tech (NASDAQ Index in USD)*	16,379	1.8%	9.1%	18.8%	34.0%	16.2%
	United Kingdom (FTSE 100 Index in GBP)*	7,953	4.2%	2.8%	5.6%	4.2%	1.8%
	Japan (Nikkei 225 Index in JPY)*	40,369	3.1%	20.6%	21.6%	44.0%	13.7%
	Europe (Stoxx 50 Index in EUR)*	5,083	4.2%	12.4%	15.6%	17.8%	8.7%
	China (Shanghai Composite Index in CNY)*	3,041	0.9%	2.2%	-5.0%	-7.1%	-0.3%
AUD versus ...							
	USD	0.65	0.2%	-4.5%	-1.5%	-2.7%	-1.6%
	JPY	98.87	1.2%	2.2%	3.1%	11.0%	4.7%
	GBP	0.52	0.5%	-3.6%	-1.5%	-4.5%	-0.9%
	EUR	0.60	0.3%	-2.4%	-1.0%	-2.0%	-0.9%
Real Assets							
	ASX 300 Listed Property Trusts Accum. Index	1,739	9.6%	16.2%	31.2%	35.4%	6.7%
	FTSE EPRA / NAREIT Dev. Index (Hedged \$A)	1,494	3.6%	-0.1%	6.8%	7.7%	-0.8%
	MSCI Australia Infrastructure	1,198	1.2%	0.6%	-2.8%	-4.2%	3.2%
	FTSE Global Core Infra 50/50 Index (Hedged \$A)	2,341	3.5%	2.7%	3.7%	3.0%	3.8%
Oil and Commodities							
	Crude Oil (US\$/bbl)	84.0	6.0%	16.8%	18.9%	11.0%	6.9%
	Copper Spot (US\$/tonne)	8,767	4.3%	3.6%	5.3%	-2.6%	6.2%
	Gold Spot (US\$/ounce)	2,214	8.3%	7.2%	15.6%	12.0%	11.3%
Australian Fixed Interest							
	Bloomberg AusBond Composite Index	9,959	1.1%	1.0%	4.6%	1.5%	0.2%
	Bloomberg AusBond Government Index	10,208	1.2%	0.9%	4.1%	0.3%	-0.2%
	Bloomberg AusBond Corporate Index	11,030	0.9%	1.4%	5.9%	4.7%	1.7%
	Bloomberg AusBond Bank Bill Index	9,594	0.4%	1.1%	3.3%	4.2%	1.5%
Global Fixed Interest							
	Bloomberg Global Gov. Bond Index (Hedge \$A)	347	0.7%	-0.3%	2.3%	1.9%	-0.3%
	Bloomberg Global Agg. Bond Index (Hedge \$A)	1,009	0.8%	-0.3%	2.8%	2.5%	-0.1%
Fixed Income (yields) as at ...							
		Mar 2024	Feb 2024	Dec 2023	Jun 2023	Mar 2023	Mar 2019
	Australia Bank Bill	4.30	4.30	4.31	4.14	3.63	1.80
	Australia 10-Year Government Bond	3.98	4.15	3.96	4.00	3.31	1.78
	US 10-Year Government Bond	4.21	4.24	3.87	3.81	3.48	2.41
	UK 10-Year Government Bond	3.94	4.12	3.54	4.39	3.49	1.00
	Germany 10-Year Government Bond	2.29	2.40	2.03	2.39	2.31	-0.07
	Japan 10-Year Government Bond	0.74	0.71	0.63	0.40	0.35	-0.09

*Price Index

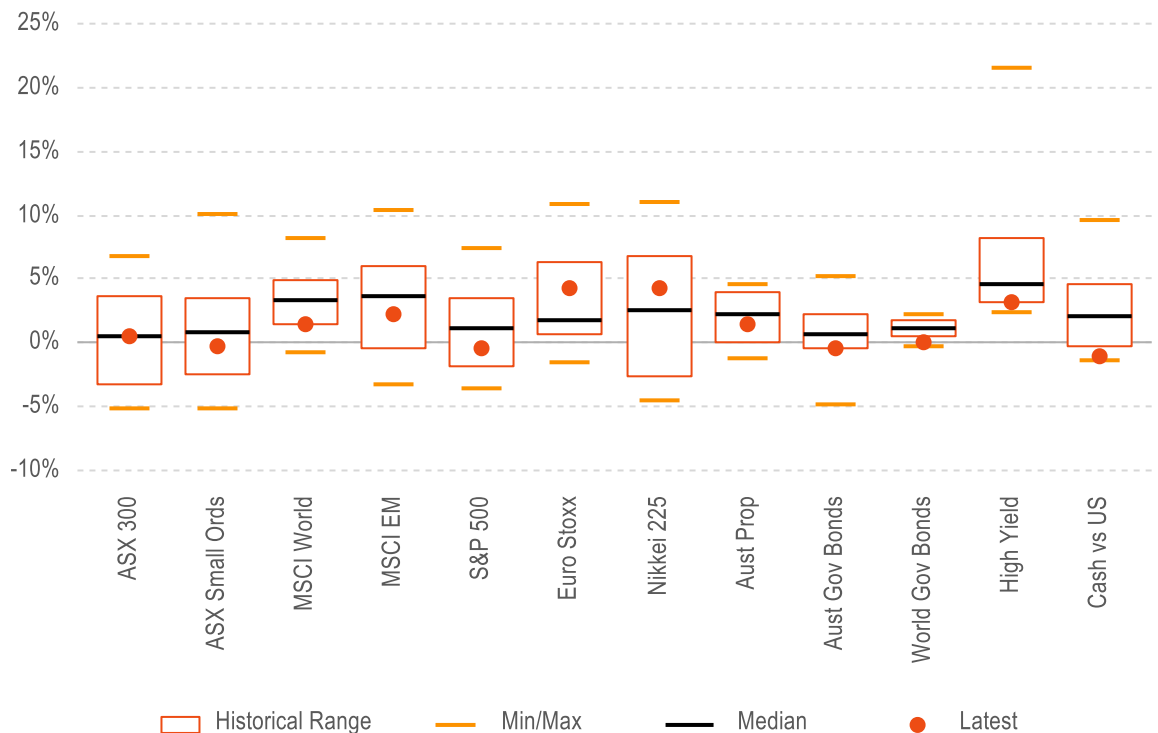
Asset class yields relative to history

Yields (equities earnings) at Mar 2024



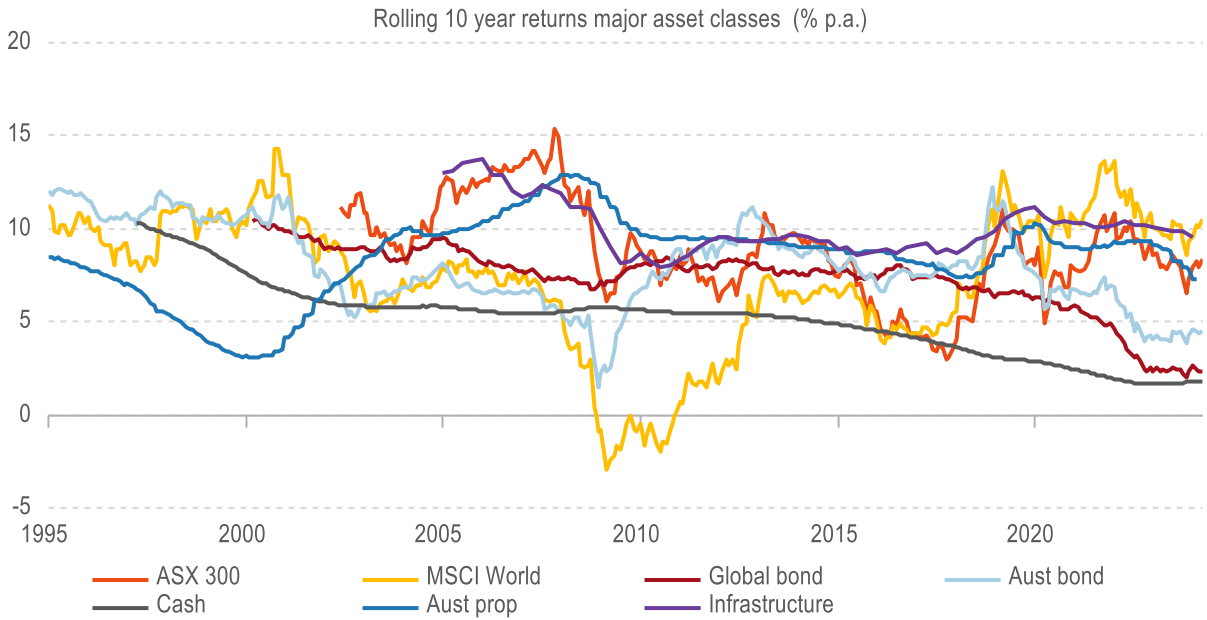
Source: LSEG Datastream

Relative yields (vs bond or cash yield) at Mar 2024

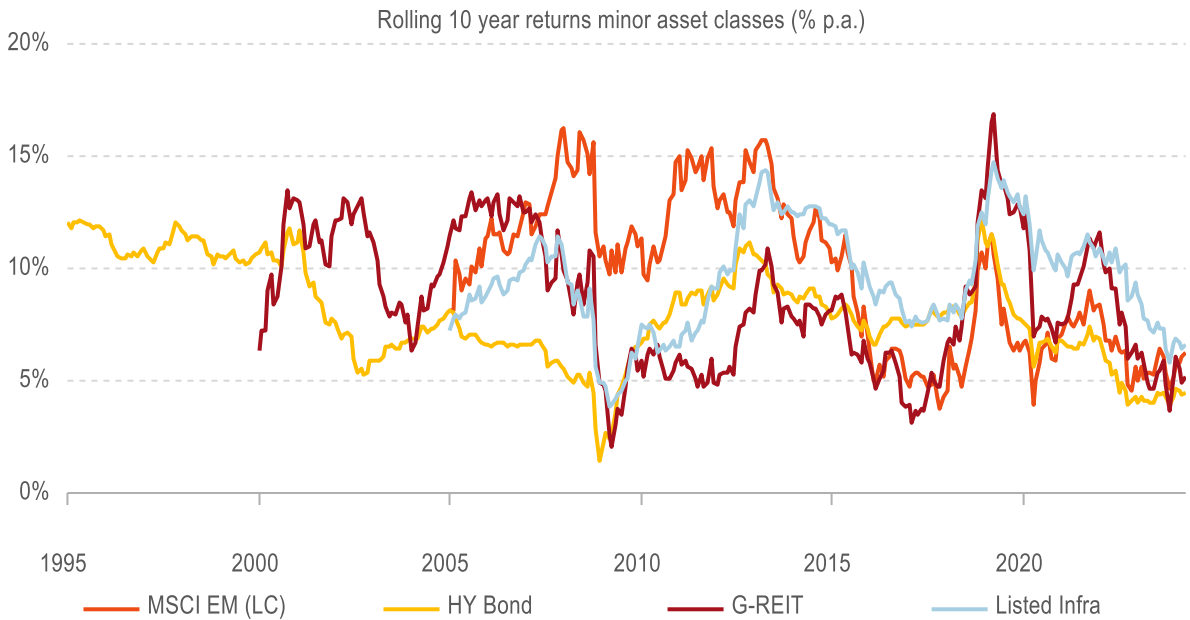


Source: LSEG Datastream

Asset class long-term returns



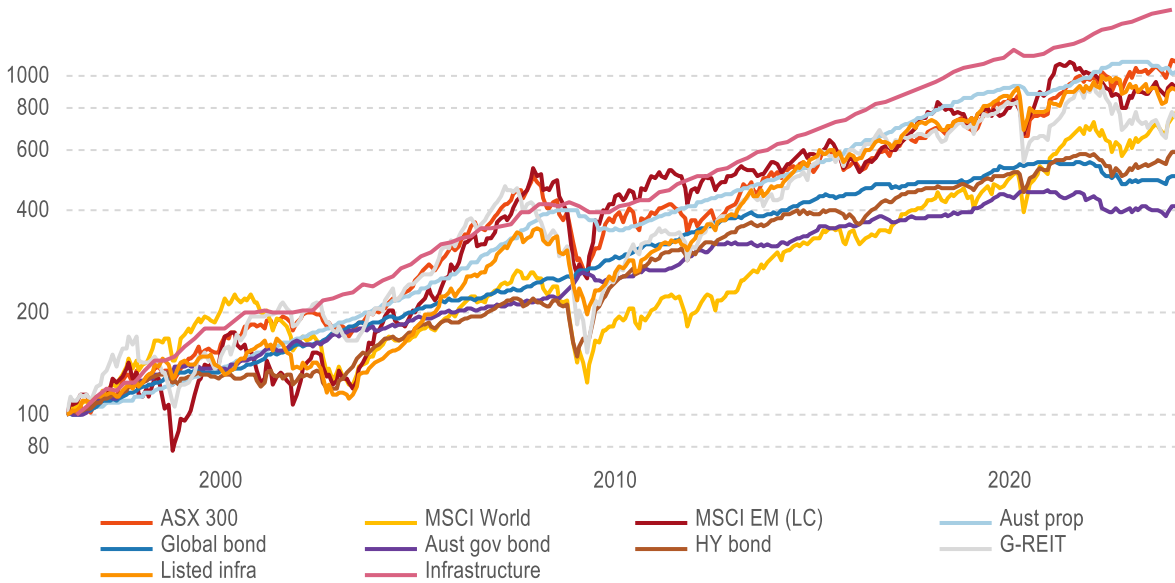
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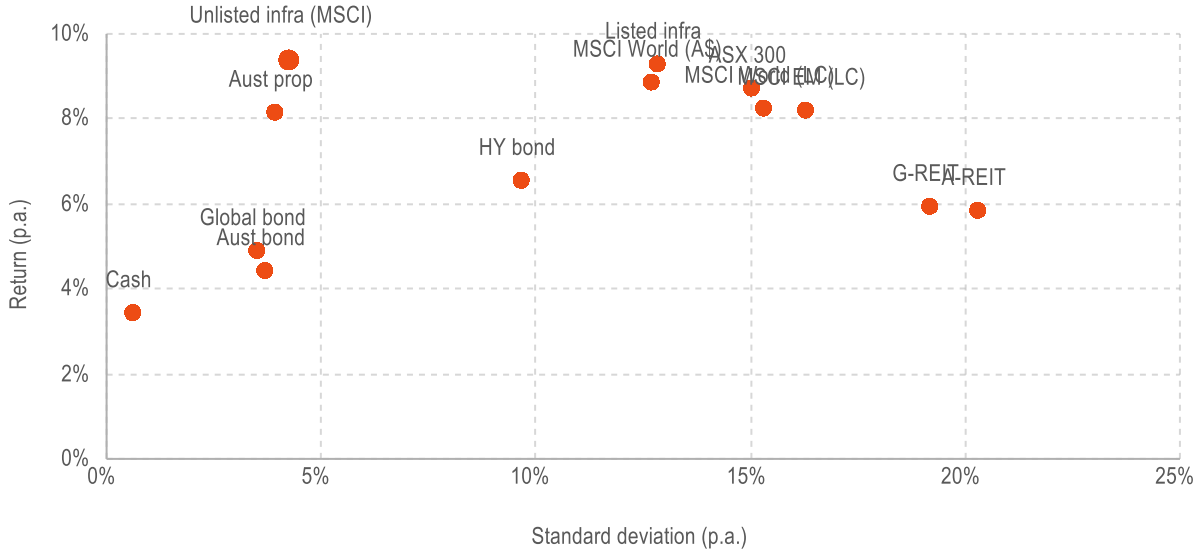
Asset class long-term returns

Cumulative values since 1 Jan 96 (\$100 reinvested)



Source: LSEG Datastream

Return-risk profile over 20 years (p.a.) to Mar 2024



Source: LSEG Datastream



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