

Asset Class	Asset Class	1 Week (%)	1 Mth (%)	3 Mths (%)	6 Mths (%)	1 Yr (% p.a.)
Aust Eq (lge)	S&P/ASX 200 (Accum)	0.0%	1.6%	5.2%	12.6%	10.1%
Aust Eq (sml)	S&P/ASX Sml Ords (Accum)	-0.1%	1.9%	7.3%	16.4%	8.5%
Aust Industrials	S&P/ASX 200 Industrials (Accum)	-0.8%	-0.3%	6.5%	15.4%	13.4%
Aust Resources	S&P/ASX 200 Resources (Accum)	2.5%	7.7%	1.8%	5.2%	1.7%
Global Eq (unh)	MSCI AC World (unh) Accum	0.4%	1.3%	8.9%	13.1%	21.4%
Global Eq (hdg)	MSCI AC World (hdg) Accum	-1.1%	0.6%	7.3%	16.2%	19.7%
Global Eq (sml unh)	MSCI World SMID Cap Index	-2.8%	-0.9%	3.3%	15.9%	10.5%
Global Eq (EM unh)	MSCI Emerging Markets (unh) Accum	1.3%	2.4%	8.3%	7.5%	11.0%
AREITs	S&P/ASX 200 AREIT (Accum)	-2.3%	-1.2%	11.5%	27.1%	25.5%
GREITs	EPRA NAREIT (ex-Aust) hdg (Accum)	-2.6%	-0.7%	-4.0%	8.4%	4.0%
Global Infra (A\$ hdg)	S&P Gbl Infrastructure A\$ (Hdg) TR	-1.7%	0.9%	0.3%	9.6%	-1.1%
Global Infra (A\$ unhdg)	S&P Gbl Infrastructure A\$ TR	-0.6%	1.4%	1.9%	7.8%	2.0%
Aust Fixed Income	BBerg AusBond Composite Index (0+yrs)	-0.4%	-0.2%	0.2%	3.2%	0.1%
Global Fixed Income	Bar Cap Global Agg Index (AUD hdg)	-0.3%	-0.2%	-1.0%	4.0%	1.6%
Aust Cash	BBerg Aust Bond Bank Bill Index	0.0%	0.3%	1.0%	2.2%	4.2%

Bond Mkts	2yr Ylds (%)	Wkly Change	3yr Ylds (%)	Wkly Change	5yr Ylds (%)	Wkly Change	10yr Ylds (%)	Wkly Change	Commodities	1 Week (%)	1 Mth (%)	3 Mths (%)
										1 Week (%)	1 Mth (%)	3 Mths (%)
Aust	3.86	5 bps	3.81	5 bps	3.87	4 bps	4.21	2 bps	Barclays Cmnty Index (TR US\$)	0.1%	4.2%	6.5%
US	4.90	11 bps	4.73	13 bps	4.56	13 bps	4.52	10 bps	Gold US\$/oz	0.9%	9.4%	14.7%
UK	4.35	12 bps	4.15	12 bps	4.05	10 bps	4.14	5 bps	Crude Oil (Brent) US\$/bbl	-0.2%	6.5%	16.6%
Japan	0.27	6 bps	0.28	6 bps	0.49	10 bps	0.86	5 bps	Copper	0.6%	4.1%	12.7%
Europe	2.86	-7 bps	2.53	-7 bps	2.37	-7 bps	2.36	-8 bps	Iron Ore (Qingdao 62% fines)	5.9%	11.5%	-10.0%

S&P/ASX Sectors	1 Week (%)	1 Mth (%)	3 Mths (%)	6 Mths (%)	1 Yr (%)	Currencies	FX Rate (%)	1 Week (%)	1 Mth (%)	3 Mths (%)
							FX Rate (%)	1 Week (%)	1 Mth (%)	3 Mths (%)
Energy	0.2%	4.5%	-1.8%	-4.8%	-1.0%	AUD/USD	64.74	-2.0%	-1.3%	-2.8%
Materials	2.5%	7.1%	0.0%	5.8%	-1.7%	AUD/GBP	51.95	-0.5%	0.9%	-0.7%
Industrials	0.6%	3.3%	5.5%	11.2%	5.4%	AUD/EUR	60.79	0.0%	0.9%	0.0%
Consumer Disc	-0.7%	-2.0%	7.4%	14.5%	13.6%	AUD/JPY	99.2220	-1.1%	1.5%	2.2%
Consumer Staples	-0.4%	-1.3%	-1.2%	-2.8%	-12.8%	GBP/USD	1.2463	-1.5%	-2.1%	-2.1%
Healthcare	-0.5%	0.2%	-0.4%	16.3%	-4.9%	EUR/USD	106.49	-1.9%	-2.2%	-2.7%
Financials	-1.0%	0.0%	7.4%	14.8%	16.0%	USD/JPY	153.2600	0.9%	2.8%	5.2%
AREITs	-2.3%	-1.3%	10.8%	24.7%	20.3%	Aust TWI	61.8000	-0.5%	0.8%	-0.3%
IT	-1.1%	-4.9%	21.3%	24.4%	37.8%					
Comm Services	-1.1%	-1.9%	-4.0%	1.3%	-1.5%					
Utilities	2.1%	5.1%	9.1%	-0.8%	1.3%					
Banks	-1.1%	0.5%	7.5%	16.1%	18.3%					

Source: Bloomberg, Infinity Asset Management

Commentary

Financial markets started the week on a nervous tone with the events in the Middle East over the weekend causing increased geopolitical instability, which is likely to continue to play out over time. Post the drone attack on Israel by Iran, we have now seen a further uptick in oil prices as well as both gold and the US\$ continuing to move higher. Gold touched over 2400 US\$/oz on the back of a sustained rally in recent periods before ending the week slightly lower. In addition to the increased geopolitical tensions, markets were already on under pressure from the higher than f'cst inflation print out of the US (+0.4%, 3.5% y/y). The higher inflation print further reinforces our view that the first rate cut out of the US will be at the latter part of the 3q24, with only two rate cuts (f'cst 50bps) over the course of 2024. While the inflation print underscores the strength of the US economy, the focus over the next few weeks in the US will be the upcoming reporting season (1q25), which kicked off at the end of last week starting with financials with results from both JPM and Wells Fargo. While both companies recorded solid EPS growth, it was clear from the company commentary that personal consumption may be peaking given lower credit card spending combined with increased deterioration in credit quality. This week the release of retail sales data along housing data for March and the NAHB Index (f'cst 51 pts) will be the major focus for investors along side corporate earnings. Domestically, the Un rate for Mar is likely to push higher (f'cst 3.9%, +0.2%) to the psychological 4.0% level. While we do not see any rate cuts on the horizon locally, further weakness in labour markets is going to challenge the position of the RBA given we would continue to expect a further contraction in consumer spending. In the Eurozone, the inflation print for Mar (f'cst 0.8% m/m, 2.4% y/y) is likely to highlight the challenge for the ECB to cut rates before the 3q24. While in Japan (f'cst 2.9 y/y steady) and the UK (f'cst 4.1% y/y, -0.4% pcp), the release of core inflation data for Mar is likely to show CPI remaining steady over the year and points to the fact that while inflationary pressures have moderated over the last 12 months, the ability for central banks to aggressively cut rates is being restricted by inflation that continues to remain elevated. This will continue to put pressure on both bond yields and equity markets should the earnings outlook begin to disappoint with fewer central bank rate cuts over 2024.

Piers Bolger

Chief Investment Officer

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