

Asset Class	Asset Class	1 Week (%)	1 Mth (%)	3 Mths (%)	6 Mths (%)	1 Yr (% p.a.)
Aust Eq (lge)	S&P/ASX 200 (Accum)	-2.4%	-2.6%	2.5%	11.8%	7.4%
Aust Eq (sml)	S&P/ASX Sml Ords (Accum)	-2.9%	-2.9%	4.2%	14.4%	5.4%
Aust Industrials	S&P/ASX 200 Industrials (Accum)	-2.4%	-4.4%	2.3%	15.0%	9.4%
Aust Resources	S&P/ASX 200 Resources (Accum)	-2.4%	3.3%	3.2%	3.7%	2.1%
Global Eq (unh)	MSCI AC World (unh) Accum	-1.4%	-3.4%	5.0%	13.9%	18.6%
Global Eq (hdg)	MSCI AC World (hdg) Accum	-2.0%	-4.3%	3.5%	16.0%	16.4%
Global Eq (sml unh)	MSCI World SMID Cap Index	-1.6%	-5.2%	0.5%	15.9%	7.6%
Global Eq (EM unh)	MSCI Emerging Markets (unh) Accum	-2.0%	-1.7%	7.4%	7.8%	9.4%
AREITs	S&P/ASX 200 AREIT (Accum)	-2.9%	-6.8%	9.1%	25.3%	19.7%
GREITs	EPRA NAREIT (ex-Aust) hdg (Accum)	-1.5%	-4.8%	-5.0%	9.4%	-0.1%
Global Infra (A\$ hdg)	S&P Gbl Infrastructure A\$ (Hdg) TR	0.9%	-0.2%	3.8%	12.3%	-1.2%
Global Infra (A\$ unhdg)	S&P Gbl Infrastructure A\$ TR	1.5%	0.7%	5.4%	11.5%	2.5%
Aust Fixed Income	BBerg AusBond Composite Index (0+yrs)	0.0%	-0.7%	0.9%	4.6%	0.9%
Global Fixed Income	Bar Cap Global Agg Index (AUD hdg)	-0.1%	-1.3%	-0.8%	4.7%	1.4%
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 (%)
	Aust	3.94	5 bps	3.89	5 bps	3.96	5 bps	4.32		6 bps	Barclays Cmnty Index (TR US\$)	0.3%
US	4.99	7 bps	4.82	6 bps	4.67	5 bps	4.62	2 bps	Gold US\$/oz	0.0%	10.1%	17.9%
UK	4.38	-3 bps	4.21	-2 bps	4.13	-1 bps	4.23	-1 bps	Crude Oil (Brent) US\$/bbl	-3.4%	2.6%	10.0%
Japan	0.27	-1 bps	0.28	0 bps	0.47	-2 bps	0.85	-1 bps	Copper	3.1%	11.9%	18.7%
Europe	3.00	9 bps	2.68	9 bps	2.52	8 bps	2.50	6 bps	Iron Ore (Qingdao 62% fines)	3.3%	8.2%	-6.6%

S&P/ASX Sectors	1 Week (%)	1 Mth (%)	3 Mths (%)	6 Mths (%)	1 Yr (%)	Currencies	FX Rate (%)	1 Week (%)	1 Mth (%)	3 Mths (%)
Energy	-2.4%	1.0%	-1.6%	-9.2%	-0.8%	AUD/USD	64.21	-0.3%	-1.4%	-2.3%
Materials	-2.5%	2.3%	1.0%	5.1%	-1.7%	AUD/GBP	51.90	0.3%	0.4%	0.4%
Industrials	-2.1%	-1.1%	2.5%	10.9%	1.5%	AUD/EUR	60.23	-0.7%	-0.1%	-0.2%
Consumer Disc	-2.6%	-5.5%	1.5%	14.9%	9.6%	AUD/JPY	99.2770	-0.1%	0.6%	2.0%
Consumer Staples	-1.8%	-2.6%	-3.6%	-2.4%	-13.4%	GBP/USD	1.2372	-0.6%	-1.8%	-2.7%
Healthcare	-2.8%	-4.2%	-4.8%	15.7%	-8.6%	EUR/USD	106.59	0.3%	-1.4%	-2.1%
Financials	-2.4%	-4.5%	2.7%	14.0%	11.5%	USD/JPY	154.6300	0.2%	2.1%	4.4%
AREITs	-2.9%	-6.9%	8.4%	22.9%	14.8%	Aust TWI	60.9000	-1.1%	-0.8%	-1.0%
IT	-1.5%	-8.5%	13.4%	26.8%	34.0%	Source: Bloomberg, Infinity Asset Management				
Comm Services	-1.9%	-4.7%	-6.9%	0.3%	-3.9%					
Utilities	0.5%	5.6%	11.6%	1.6%	1.0%					
Banks	-2.4%	-4.1%	2.9%	15.2%	13.9%					

Commentary

It was a poor week for financial markets, which sold off on the back of geopolitical risks in the Middle East along with higher than f'cst inflation prints out of the US, which absolutely confirms that the Fed is in no rush to cut cash rates. With so much occurring on the geopolitical front, economic data took a back seat over the week. The rising tensions in the Middle East provided a catalyst for investors to take profits from equity market exposures after a very strong 1q24. With the US reporting season in full swing, markets are likely to remain volatile in the near term as the situation in the Middle East plays out. However, while Israel responded to Iran's initial attack, we do not believe that this will pre-empt a 'tit-for-tat' approach between the two countries. Iran has already confirmed to the UN that it views its drone attack response to Israel's attack in Damascus as 'concluded', while Israel's small show of force in its retaliatory response is reflective of not seeking to further escalate tensions between the two countries. In addition, the US is also keen to ensure that the situation doesn't deteriorate further in an election year along with the avoidance of further increases in oil prices that can impact the near term outlook for inflationary expectations. Over the weekend, the US Congress finalised its additional aid package (US\$95bn) to both Israel and Ukraine. Given the stalemate situation in Ukraine and the desperate need for additional military hardware, the confirmation of the new package will be an important psychological and tangible benefit to Ukraine's efforts in holding its current position given that Russian industrial capacity has pivoted to a war footing. In terms of data this week, US PMI data (f'cst 52 pts, +1 pt pcp) along with PCE (CPI) data (f'cst 2.6% y/y, +0.1% pcp) for the 1q24 will be the main focus. While monthly PCE data is expected to be flat, near term declines in inflation seem to have stalled highlighting the Fed 'wait and see' approach. Domestically, we also have CPI data for 1q24 (f'cst 3.5% y/y, -0.6% pcp), while monthly data (March) is f'cst to be 0.8%. The y/y CPI decline will provide further support to the RBA reducing rates through the 2h24, although the release of the PPI price data is f'cst to show that input costs continue to remain elevated and challenging the RBA narrative of lower rates.

Piers Bolger
Chief Investment Officer
Infinity Asset Management