

Asset Class	Asset Class	1 Week (%)	1 Mth (%)	3 Mths (%)	6 Mths (%)	1 Yr (% p.a.)
Aust Eq (lge)	S&P/ASX 200 (Accum)	1.3%	1.6%	0.7%	11.2%	14.7%
Aust Eq (sml)	S&P/ASX Sml Ords (Accum)	-0.1%	-0.9%	-1.3%	10.3%	10.9%
Aust Industrials	S&P/ASX 200 Industrials (Accum)	2.1%	2.5%	0.5%	15.3%	19.6%
Aust Resources	S&P/ASX 200 Resources (Accum)	-1.2%	-0.9%	1.5%	0.4%	2.1%
Global Eq (unh)	MSCI AC World (unh) Accum	2.0%	1.7%	3.7%	13.6%	21.8%
Global Eq (hdg)	MSCI AC World (hdg) Accum	0.9%	1.6%	4.4%	15.1%	20.9%
Global Eq (sml unh)	MSCI World SMID Cap Index	-1.2%	-1.2%	-1.2%	8.5%	10.7%
Global Eq (EM unh)	MSCI Emerging Markets (unh) Accum	1.7%	0.5%	5.0%	11.2%	12.4%
AREITs	S&P/ASX 200 AREIT (Accum)	1.8%	2.2%	3.0%	22.1%	30.6%
GREITs	EPRA NAREIT (ex-Aust) hdg (Accum)	-0.4%	-0.6%	-1.6%	2.2%	3.3%
Global Infra (A\$ hdg)	S&P Gbl Infrastructure A\$ (Hdg) TR	-0.5%	-1.0%	7.2%	8.7%	7.8%
Global Infra (A\$ unhdg)	S&P Gbl Infrastructure A\$ TR	0.5%	-0.6%	7.3%	8.9%	10.7%
Aust Fixed Income	BBerg AusBond Composite Index (0+yrs)	0.7%	0.7%	-0.3%	2.2%	3.5%
Global Fixed Income	Bar Cap Global Agg Index (AUD hdg)	0.0%	0.4%	-0.6%	1.3%	2.4%
Aust Cash	BBerg Aust Bond Bank Bill Index	0.0%	0.3%	1.1%	2.2%	4.3%

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	3.98	-11 bps	3.90	-12 bps	3.94	-13 bps	4.22		-15 bps	Barclays Cmnty Index (TR US\$)	-0.8%
US	4.88	7 bps	4.67	6 bps	4.46	6 bps	4.44	5 bps	Gold US\$/oz	-2.3%	-2.7%	5.4%
UK	4.40	4 bps	4.26	3 bps	4.15	3 bps	4.26	4 bps	Crude Oil (Brent) US\$/bbl	1.6%	-3.3%	-0.8%
Japan	0.38	-3 bps	0.39	-4 bps	0.59	-5 bps	1.02	-5 bps	Copper	-3.8%	-2.6%	13.6%
Europe	3.08	6 bps	2.86	6 bps	2.68	6 bps	2.62	4 bps	Iron Ore (Qingdao 62% fines)	-2.7%	-7.4%	-4.1%

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%	-4.7%	-4.2%	-1.3%	-7.7%	AUD/USD	65.80	-1.6%	-0.4%	-0.7%
Materials	-0.9%	-0.9%	1.0%	-1.6%	-0.2%	AUD/GBP	51.71	-1.0%	-1.9%	0.4%
Industrials	1.3%	0.6%	-1.8%	6.3%	4.5%	AUD/EUR	61.06	-0.5%	-0.4%	0.8%
Consumer Disc	2.6%	2.5%	-2.5%	14.1%	21.5%	AUD/JPY	103.1820	-1.2%	0.3%	5.9%
Consumer Staples	3.2%	4.6%	0.4%	2.6%	-4.7%	GBP/USD	1.2724	-0.7%	1.6%	-1.0%
Healthcare	2.6%	2.6%	1.6%	10.0%	-0.8%	EUR/USD	107.77	-1.2%	0.1%	-1.5%
Financials	2.3%	3.4%	0.6%	18.1%	27.0%	USD/JPY	156.8100	0.5%	0.7%	6.6%
AREITs	1.8%	2.2%	2.8%	19.8%	25.3%	Aust TWI	63.2000	0.2%	0.8%	2.4%
IT	0.0%	1.6%	0.1%	32.9%	31.3%	Source: Bloomberg, Infinity Asset Management				
Comm Services	2.7%	-0.4%	-5.8%	-0.4%	-1.5%					
Utilities	1.0%	1.7%	13.2%	15.3%	5.5%					
Banks	2.5%	4.0%	0.8%	19.8%	32.7%					

Commentary

Markets enjoyed a relatively strong week led by domestic and global equities. The weak A\$ saw hedged exposures (GREITs/Infrastructure) struggle, while global bonds were flat. Domestically, the weak (q/q) GDP print (0.1%, -0.2% pcp) highlights the ongoing challenges across the economy. On a per capita basis, the GDP number would have been negative and with household savings ratio falling to 0.9%, it is clear that the domestic economy is getting weaker. While the Governments tax cuts come in from the 1st of July we believe these will have little impetus, with most expenditure to cover ongoing cost of living pressures. However, with inflation still running well above the RBA's preferred target, we see little chance of a rate cut until the latter stages of 2024 into 2025. This will increase pressure on the economy, with the additional likelihood that the jobless rate will continue to rise. Overall, it was a disappointing number for the economy, with stagflation a real risk going forward. This week the focus will be on household spending and business conditions data along with the jobless numbers (f'cst 4.0%, -0.1% pcp), with an expected 8.5k drop in employment numbers (f'cst 30k v's 38.5k pcp) over the period. Globally, markets digested the first of rate cuts from both the ECB (-0.25%) and the BoC (-0.25%). Both cuts were widely expected although the comments from the ECB reiterate the view that future rates cuts will be data dependant, and this is unlikely to signal an ongoing trend. In the US, CPI data will be the major focus this week with headline data (f'cst 0.1% m/m, -0.2% pcp) set to move lower, while the annual rate (f'cst 3.4%, flat pcp) should remain steady. While US inflation continues to trend in the right direction, with the solid non-farm payroll data (272k) from last week we continue to expect that the Fed will retain a cautious approach to any rate cuts. However, US economic data continues to point to moderating economic activity, and we remain of the view that the Fed will start to reduce rates through the 2H24. On the political front the election cycle continues to heat up. While Narendra Modi secured an historic third term, Emmanuel Macron has also called a snap Presidential Election after a disappoint defeat in the European Parliament elections to Marie Le Pen. The global political cycle is just heating up.

Piers Bolger
Chief Investment Officer
Infinity Asset Management