

Asset Class	Asset Class	1 Week (%)	1 Mth (%)	3 Mths (%)	6 Mths (%)	1 Yr (% p.a.)
Aust Eq (lge)	S&P/ASX 200 (Accum)	0.9%	-0.3%	1.0%	6.9%	15.5%
Aust Eq (sml)	S&P/ASX Sml Ords (Accum)	1.1%	-0.8%	-2.8%	6.9%	11.3%
Aust Industrials	S&P/ASX 200 Industrials (Accum)	0.4%	0.1%	2.1%	11.0%	20.2%
Aust Resources	S&P/ASX 200 Resources (Accum)	2.8%	-1.7%	-2.2%	-4.2%	2.9%
Global Eq (unh)	MSCI AC World (unh) Accum	0.4%	0.7%	3.0%	12.8%	20.4%
Global Eq (hdg)	MSCI AC World (hdg) Accum	1.5%	3.1%	5.9%	15.5%	23.5%
Global Eq (sml unh)	MSCI World SMID Cap Index	0.9%	-0.3%	-2.1%	3.4%	9.5%
Global Eq (EM unh)	MSCI Emerging Markets (unh) Accum	0.5%	1.3%	4.2%	12.1%	14.5%
AREITs	S&P/ASX 200 AREIT (Accum)	0.6%	-1.4%	-0.4%	16.1%	28.8%
GREITs	EPRA NAREIT (ex-Aust) hdg (Accum)	1.1%	1.5%	0.1%	-1.4%	5.1%
Global Infra (A\$ hdg)	S&P Gbl Infrastructure A\$ (Hdg) TR	1.2%	-0.4%	3.8%	5.3%	7.9%
Global Infra (A\$ unhdg)	S&P Gbl Infrastructure A\$ TR	0.3%	-2.3%	2.0%	4.4%	7.4%
Aust Fixed Income	BBerg AusBond Composite Index (0+yrs)	-0.1%	-0.6%	-0.4%	0.7%	4.4%
Global Fixed Income	Bar Cap Global Agg Index (AUD hdg)	0.8%	0.7%	1.0%	0.6%	4.1%
Aust Cash	BBerg Aust Bond Bank Bill Index	0.0%	0.3%	1.0%	2.1%	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	4.20	0 bps	4.12	-1 bps	4.12	-1 bps	4.36		-2 bps	Barclays Cmdty Index (TR US\$)	1.2%
US	4.60	-15 bps	4.39	-18 bps	4.23	-20 bps	4.28	-18 bps	Gold US\$/oz	2.3%	4.0%	2.0%
UK	4.13	-7 bps	4.07	-11 bps	3.98	-13 bps	4.13	-16 bps	Crude Oil (Brent) US\$/bbl	0.1%	9.2%	-1.0%
Japan	0.35	-1 bps	0.39	3 bps	0.58	-2 bps	1.08	2 bps	Copper	3.3%	1.6%	5.5%
Europe	2.89	-4 bps	2.67	-4 bps	2.53	-6 bps	2.56	-5 bps	Iron Ore (Qingdao 62% fines)	0.6%	1.8%	7.0%

S&P/ASX Sectors	1 Week (%)	1 Mth (%)	3 Mths (%)	6 Mths (%)	1 Yr (%)	Currencies	FX Rate (%)	1 Week (%)	1 Mth (%)	3 Mths (%)
Energy	3.7%	4.3%	-3.2%	-2.8%	-2.7%	AUD/USD	67.45	1.3%	2.5%	2.1%
Materials	2.3%	-3.0%	-2.9%	-7.1%	-0.7%	AUD/GBP	52.65	0.0%	1.8%	0.9%
Industrials	-0.2%	-3.3%	-5.0%	-0.4%	1.6%	AUD/EUR	62.30	0.5%	2.3%	2.4%
Consumer Disc	0.5%	0.3%	0.1%	11.0%	23.4%	AUD/JPY	108.4200	0.8%	5.1%	8.1%
Consumer Staples	0.7%	1.1%	3.0%	1.7%	-5.5%	GBP/USD	1.2811	1.3%	0.7%	1.2%
Healthcare	1.6%	1.5%	4.2%	5.6%	10.9%	EUR/USD	108.27	0.8%	0.2%	-0.3%
Financials	0.0%	0.6%	3.4%	13.8%	25.0%	USD/JPY	160.7300	-0.5%	2.5%	5.9%
AREITs	0.6%	-2.7%	-1.8%	13.9%	23.8%	Aust TWI	64.2000	0.8%	1.6%	3.4%
IT	1.2%	1.1%	5.5%	34.2%	31.6%	Source: Bloomberg, Infinity Asset Management				
Comm Services	0.6%	-0.4%	-3.3%	-3.4%	-1.7%					
Utilities	-1.2%	-0.3%	8.4%	12.2%	4.4%					
Banks	0.0%	0.4%	4.2%	14.8%	30.0%					

Commentary

Markets were solid over the week with most major asset classes higher. Domestically, an uptick in the resources sector led by copper, silver and gold assisted the broader market, while the strength of the A\$ resulted in hedged global equities and infrastructure moving higher. Aust bonds were the only laggard for the week as yields moved slightly higher in the front end of the curve. The inflation outlook for Aust continues to take a different path relative to many other developed market economies. While the most recent US payroll data was slightly ahead of markets estimates (209k v's 190k f'cst), May numbers were revised lower (218k v's 272 original), which continues to point to a slowing labour market. This resulted in both US yields and the US\$ moving lower and continues to reaffirm the slowdown in the US economy. With the Un rate inching above market estimates to 4.1% (+0.1% pcp) and inflation steadily moving back into the US Fed's target band, we continue to expect the Fed will begin to cut rates at its Sept FOMC meeting. This is likely to see the US\$ continue to track lower over the 2h24, although the challenges facing the Aust economy is also likely to put a ceiling on the A\$ given that the domestic growth outlook remains anaemic, while Chinese demand for commodities also remains muted given the excess capacity and a continued slower growth outlook across the country. In addition, with inflation still remaining stubbornly high there is no chance that the RBA will be looking to cut rates. While m/m data is creating a difficult policy backdrop for the RBA, it will be waiting for the 2q24 CPI figure (late July), which will provide the most complete picture of the local inflationary front. With consumer and business data due this week along with retail spending, we expect a further slowing in discretionary spend as well as business confidence. In Europe, the election cycle continues, with the second round of the French elections to dominate European markets, while in the UK, the (center left) Labor Party, recorded a landslide victory, providing the new government a strong platform for change. However, a defiant Joe Biden remains unbowed against continued calls for him to step down as the Democratic nominee. Our view is he won't go the distance, but only time will tell, keeping markets on edge in the interim.

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