

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%	2.3%	5.0%	7.5%	17.9%
Aust Eq (sml)	S&P/ASX Sml Ords (Accum)	0.0%	0.7%	0.6%	3.2%	10.3%
Aust Industrials	S&P/ASX 200 Industrials (Accum)	0.6%	3.0%	9.6%	10.7%	25.3%
Aust Resources	S&P/ASX 200 Resources (Accum)	1.5%	-3.0%	-11.4%	-5.5%	-5.1%
Global Eq (unh)	MSCI AC World (unh) Accum	-0.1%	0.1%	2.8%	5.8%	17.0%
Global Eq (hdg)	MSCI AC World (hdg) Accum	0.5%	2.5%	4.1%	9.5%	24.1%
Global Eq (sml unh)	MSCI World SMID Cap Index	2.0%	2.5%	4.7%	8.0%	18.3%
Global Eq (EM unh)	MSCI Emerging Markets (unh) Accum	-1.0%	-0.4%	0.6%	5.7%	9.6%
AREITs	S&P/ASX 200 AREIT (Accum)	-0.8%	1.2%	5.5%	10.3%	26.7%
GREITs	EPRA NAREIT (ex-Aust) hdg (Accum)	2.2%	5.3%	12.2%	12.6%	17.0%
Global Infra (A\$ hdg)	S&P Gbl Infrastructure A\$ (Hdg) TR	0.3%	3.1%	4.7%	15.1%	16.1%
Global Infra (A\$ unhdg)	S&P Gbl Infrastructure A\$ TR	0.0%	1.3%	3.8%	12.6%	12.2%
Aust Fixed Income	BBerg AusBond Composite Index (0+yrs)	0.1%	2.3%	3.1%	3.0%	5.9%
Global Fixed Income	Bar Cap Global Agg Index (AUD hdg)	0.3%	2.0%	3.9%	4.0%	7.0%
Aust Cash	BBerg Aust Bond Bank Bill Index	0.0%	0.3%	1.1%	2.2%	4.4%

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	3.60	-8 bps	3.48	-8 bps	3.52	-6 bps	3.87		-5 bps	Barclays Cmdty Index (TR US\$)	0.3%
US	3.88	-18 bps	3.70	-17 bps	3.62	-13 bps	3.79	-9 bps	Gold US\$/oz	0.4%	5.3%	7.7%
UK	3.68	-1 bps	3.81	-1 bps	3.73	-1 bps	3.91	-1 bps	Crude Oil (Brent) US\$/bbl	2.4%	-0.9%	-1.7%
Japan	0.36	-1 bps	0.38	-2 bps	0.50	-2 bps	0.88	-1 bps	Copper	0.3%	2.0%	-10.1%
Europe	2.37	-6 bps	2.15	-5 bps	2.13	-4 bps	2.23	-2 bps	Iron Ore (Qingdao 62% fines)	2.7%	-4.4%	-18.4%

S&P/ASX Sectors	1 Week (%)	1 Mth (%)	3 Mths (%)	6 Mths (%)	1 Yr (%)	Currencies	FX Rate (%)	1 Week (%)	1 Mth (%)	3 Mths (%)
Energy	-1.5%	-4.4%	-9.0%	-9.0%	-19.9%	AUD/USD	67.91	0.9%	3.7%	2.5%
Materials	3.1%	-1.5%	-9.8%	-6.1%	-4.3%	AUD/GBP	51.39	-0.8%	1.0%	-1.3%
Industrials	2.6%	5.4%	7.2%	6.2%	11.1%	AUD/EUR	60.66	-0.1%	0.6%	-0.7%
Consumer Disc	1.3%	5.2%	15.1%	9.9%	26.0%	AUD/JPY	97.5520	-1.2%	-3.1%	-6.3%
Consumer Staples	0.8%	2.0%	10.1%	8.0%	3.4%	GBP/USD	1.3214	1.7%	2.7%	3.7%
Healthcare	0.1%	0.2%	8.4%	6.9%	17.9%	EUR/USD	111.95	1.0%	3.1%	3.2%
Financials	-0.4%	2.3%	10.8%	12.0%	30.1%	USD/JPY	143.6600	-2.0%	-6.6%	-8.5%
AREITs	1.1%	2.8%	5.8%	10.4%	24.4%	Aust TWI	62.1000	0.5%	0.0%	-1.0%
IT	8.9%	13.9%	12.5%	22.8%	40.3%					
Comm Services	2.2%	6.7%	12.4%	2.5%	6.6%					
Utilities	-1.0%	-0.4%	-3.3%	10.3%	4.2%					
Banks	-1.2%	1.9%	11.3%	13.3%	33.8%					

Source: Bloomberg, Infinity Asset Management

Commentary

Markets were broadly positive over the week with only AREITs and EM equities lower. Global equities (unhdg) were flat for the week as the A\$ rallied with investors focused on the US Jackson Hole symposium and comments from Fed Chair Jerome Powell on the next move in the cash rate. As widely expected, Powell indicated that inflationary pressures had moderated sufficiently for the Fed to begin the process of lowering cash rates at its Sept FOMC meeting. We believe the Fed will stick to two rate cuts this calendar year. Given the rally that we have seen in bonds over the past quarter, we envisage that only major negative economic data could see a further step down in the yield curve near term. That said, the dye has been cast, and as we head into the back end of the year into 2025, markets will be looking to further declines in global cash rates. However, while we forecast that cash rates will move lower through the 4q24 into 2025, we do expect that central banks will not be on a pre-determined path to reducing cash rates. As they were 'data dependant' on the way up, central banks will be data dependant on the way down. With a reasonably sound labour market, combined with the potential for inflation to move higher again, we do not see an argument for central banks to be aggressively reducing cash rates. With this backdrop, bond markets may continue to see periods of volatility as cash rates look to normalise over the course of 2025. Domestically, the focus this week will be on the July inflation print (f'cst 3.4%, -0.4% pcp). While still above the RBA's (upper) target level, the size of the f'cst downward shift supports our view that the RBA will have the capacity to cut cash rates in 2024. Additionally, retail sales and private sector credit data will provide further insights into consumer behaviour. Through reporting season we have seen many corporates point to a slowing of discretionary spend along with a shift to cheaper priced goods, with much of the recent (personal) tax cuts being used to pay down debt or replenish drawn down savings as opposed to further spending. In the US, the major focus will be the PCE CPI data for July (f'cst 2.7% y/y, +0.1% pcp) along with weekly jobless claims (f'cst 230k) and U. of Mich economic surveys, which are set to point to ongoing strength across the US economy.

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