

Asset Class	Asset Class	1 Week (%)	1 Mth (%)	3 Mths (%)	6 Mths (%)	1 Yr (% p.a.)
Aust Eq (lge)	S&P/ASX 200 (Accum)	1.5%	3.4%	5.6%	9.3%	14.9%
Aust Eq (sml)	S&P/ASX Sml Ords (Accum)	1.0%	3.4%	3.4%	8.4%	11.7%
Aust Industrials	S&P/ASX 200 Industrials (Accum)	1.6%	3.7%	8.3%	11.9%	23.3%
Aust Resources	S&P/ASX 200 Resources (Accum)	0.8%	2.2%	-3.6%	0.3%	-9.0%
Global Eq (unh)	MSCI AC World (unh) Accum	1.4%	2.0%	9.8%	15.4%	22.7%
Global Eq (hdg)	MSCI AC World (hdg) Accum	0.8%	2.4%	5.4%	12.2%	20.3%
Global Eq (sml unh)	MSCI World SMID Cap Index	0.4%	3.0%	3.6%	9.0%	13.8%
Global Eq (EM unh)	MSCI Emerging Markets (unh) Accum	1.3%	1.4%	3.2%	8.4%	18.4%
AREITs	S&P/ASX 200 AREIT (Accum)	-0.5%	2.2%	1.5%	6.7%	20.4%
GREITs	EPRA NAREIT (ex-Aust) hdg (Accum)	-0.4%	1.0%	-1.8%	0.8%	7.9%
Global Infra (A\$ hdg)	S&P Gbl Infrastructure A\$ (Hdg) TR	0.3%	0.5%	3.9%	10.4%	22.9%
Global Infra (A\$ unhdg)	S&P Gbl Infrastructure A\$ TR	0.7%	0.2%	7.6%	13.3%	26.3%
Aust Fixed Income	BBerg AusBond Composite Index (0+yrs)	0.5%	0.2%	1.9%	1.1%	2.7%
Global Fixed Income	Bar Cap Global Agg Index (AUD hdg)	0.1%	0.5%	0.9%	0.2%	3.2%
Aust Cash	BBerg Aust Bond Bank Bill Index	0.1%	0.3%	1.1%	2.2%	4.5%

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	3.81	-8 bps	3.84	-8 bps	4.01	-6 bps	4.46	-2 bps	Barclays Cmnty Index (TR US\$)	0.5%	4.2%	5.5%
US	4.20	0 bps	4.24	-1 bps	4.33	-1 bps	4.54	0 bps	Gold US\$/oz	2.1%	6.0%	2.3%
UK	4.22	-7 bps	4.02	-10 bps	4.22	-6 bps	4.54	-5 bps	Crude Oil (Brent) US\$/bbl	-0.7%	-0.3%	4.6%
Japan	0.73	3 bps	0.74	3 bps	0.91	3 bps	1.25	3 bps	Copper	-0.5%	1.8%	-5.5%
Europe	2.12	-13 bps	2.12	-12 bps	2.24	-11 bps	2.46	-7 bps	Iron Ore (Qingdao 62% fines)	2.0%	8.1%	4.3%

S&P/ASX Sectors	1 Week (%)	1 Mth (%)	3 Mths (%)	6 Mths (%)	1 Yr (%)	Currencies	FX Rate (%)	1 Week (%)	1 Mth (%)	3 Mths (%)
Materials	1.1%	3.1%	-3.6%	0.3%	-10.0%	AUD/GBP	50.17	-0.3%	0.3%	-1.2%
Industrials	0.7%	2.1%	9.4%	12.0%	15.2%	AUD/EUR	60.23	0.4%	-0.1%	-0.5%
Consumer Disc	4.3%	6.2%	14.3%	12.6%	25.4%	AUD/JPY	95.3440	-1.9%	-2.5%	-5.0%
Consumer Staples	1.6%	0.3%	2.7%	-7.0%	-5.2%	GBP/USD	1.2279	-1.8%	-1.2%	-5.0%
Healthcare	2.6%	2.4%	5.3%	1.5%	5.0%	EUR/USD	102.30	-2.5%	-0.8%	-5.6%
Financials	1.6%	4.9%	8.7%	15.8%	30.3%	USD/JPY	154.7400	0.1%	-1.6%	1.1%
AREITs	-0.6%	2.2%	0.5%	5.0%	16.2%	Aust TWI	59.6000	-1.2%	-0.5%	-3.1%
IT	2.6%	3.6%	10.4%	23.1%	51.1%	Source: Bloomberg, Infinity Asset Management				
Comm Services	1.4%	1.2%	4.3%	6.6%	2.2%					
Utilities	-4.5%	-2.9%	5.9%	-2.8%	11.1%					
Banks	1.6%	4.6%	7.4%	15.4%	31.6%					

## Commentary

While financial markets were able to push higher the events of the weekend with President Trump implementing new tariffs against the US' two largest trading partners in Canada as well as China from Tuesday this week has set the scene for a destabilising and in our view, ultimately a destructive trade war that risks the outlook for continued global growth, while impacting the downward move in inflation and shifting the focus of central banks to a higher 'neutral' cash rate position. With the US signalling a 25% tariff on all goods from Canada and Mexico, excluding copper (for the time being) and some Canadian energy, vital for US manufacturing, both Canada and Mexico have already signalled they will retaliate. For China, the tariffs come in at 10%, but the overall impact to China may indeed be less given the potential for China to continue to devalue the RMB, which will lessen the impact with most of the tariff increases absorbed through the currency. For Canada and Mexico the ability to 'manage' their currencies is more difficult, and with close to 30% of all US imports coming from Mexico and Canada, this move has the potential to impact global growth and the trade outlook significantly. The downside risk to global supply chains is real. We have already seen major US industry bodies call (i.e. auto sector) call for a review of the policy. We expect that chorus to get louder the longer and more widespread these policies are in place. For financial markets, the decision by the Fed to remain on hold we believe will be extended should inflationary pressures rise. This would be despite any shift in labour markets, which have enjoyed a stellar period post covid. The downward move in the A\$ (-2.1% w/w) highlights the risk to higher US cash rates. In the US this week the focus will be on the ISM, PMI and labour force data, all of which are set to remain sound. In China, the release of PMI and inflation data (CPI and PPI) will be monitored for signs of a shift in the deflationary outlook, which continues to impede domestic demand. Domestically, economic data is mute, although household spending and retail data will provide some context around household expenditures, but with the Feb reporting season kicking off, markets will be looking to company results and outlook statements as key to near term trading conditions.

**Piers Bolger**

**Chief Investment Officer**

**Infinity Asset Management**

This publication was issued by Infinity Asset Management (Infinity). Infinity is a Corporate Authorised Representative (CAR) (CAR No. 1254420) of Infinity Capital Solutions (AFSL No. 515762). The material contained in this publication is an overview or summary only and it should not be considered a comprehensive statement on any matter or relied upon as such. Information in this publication that has been provided by third parties has not been independently verified and Infinity is not in any way responsible for the accuracy or completeness of, or endorses, that information. To the maximum extent permitted by law: (a) no guarantee, representation or warranty is given that any information or advice in this publication is complete, accurate, up to date, error, or fault free or fit for any purpose; and (b) no member of Infinity is in any way liable to any person (including for negligence) or otherwise for any loss or damage arising as a result of any reliance upon such information. This information may be regarded as general advice only and does not take into consideration individual circumstances.