

# Monthly Market Snapshot

April 2022

The Monthly Market Snapshot publication provides commentary on the global economy and the performance of financial markets



# Market commentary

Global equity markets experienced a significant decline during the month of April on the back of the ongoing war in Ukraine, expectations of further increases in interest rates due to high inflation and lockdowns in China.

Inflation in the US is at particularly high levels, prompting the US Federal Reserve Board to signal its intention to increase rates more quickly to bring the level of inflation down. While US GDP fell over the first quarter of the year, this was driven by an increase in imports, as consumer and business demand remains strong. Other US economic data is mixed with mild consumer confidence, falling home sales but strong home price gains and increase in durable goods orders. US equities, particularly the Technology sector experienced a significant decline during the month of April.

The war in Ukraine has started to impact European economic data, particularly given Europe's significant energy dependency on Russia. The European equity market produced another month of negative performance. Conversely, the UK equity market posted a small positive performance in April, given the strong returns of its large cap stocks, several which are operating within the Energy and Consumer Staples sectors. In April, Emmanuel Macron was re-elected for a second five-year term as the President of France, defeating Marine Le Pen in the second round in a repeat of the 2017 French presidential elections.

The Australian equity market exhibited a small negative performance over the month of April, with the Resources sector being the key detractor to

overall performance. Conversely, the Utilities, Industrials, Healthcare and Consumer Staples sectors produced positive returns. The latest inflation figure released during the month was higher than expected, leading to expectations that the RBA would increase interest rates at its meeting in early May, as it did.

Rising bond yields caused by the increase in market expectations of further interest rate rises led to the continued negative performance of major bond indices. Furthermore, credit spreads also widened over the course of the month.

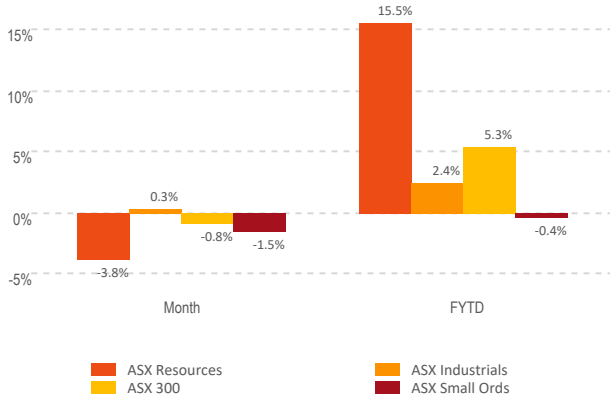
The Australian dollar underperformed against the US dollar, but this was due to US dollar strength. The Australian dollar continued to outperform other major currencies over the month, particularly the Japanese Yen, which has materially devalued over the financial year to date.

Australian listed real assets outperformed international listed real assets over the month, with Australian listed infrastructure in particular exhibiting strong performance.

# April 2022



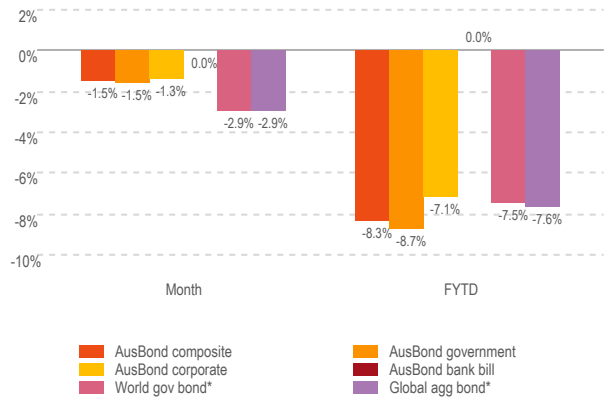
## Australian equities



Source: Refinitiv Datastream



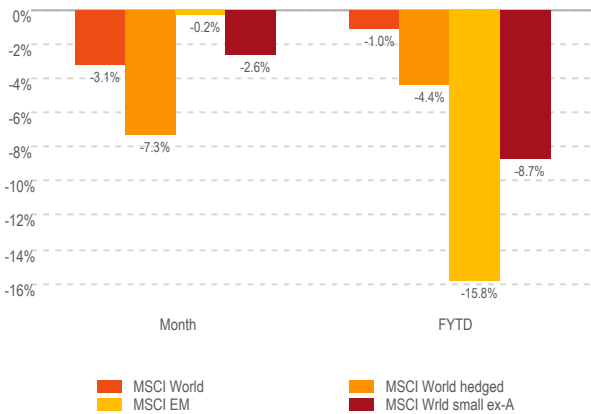
## Fixed income



Source: Refinitiv Datastream



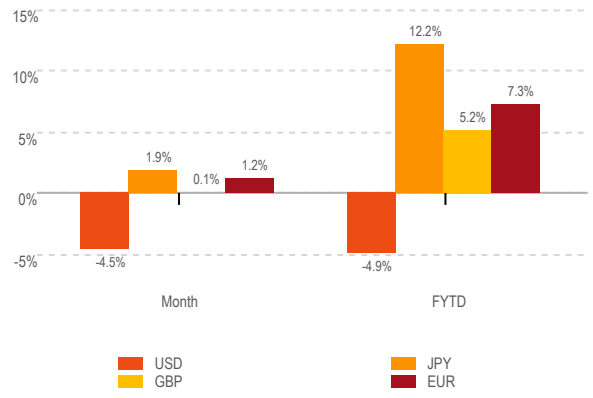
## International equities (\$)



Source: Refinitiv Datastream



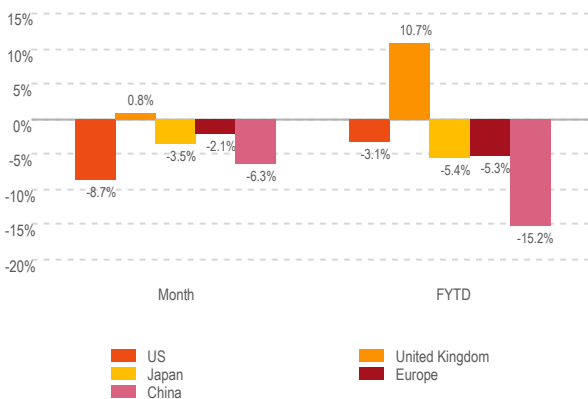
## Australian dollar



Source: Refinitiv Datastream



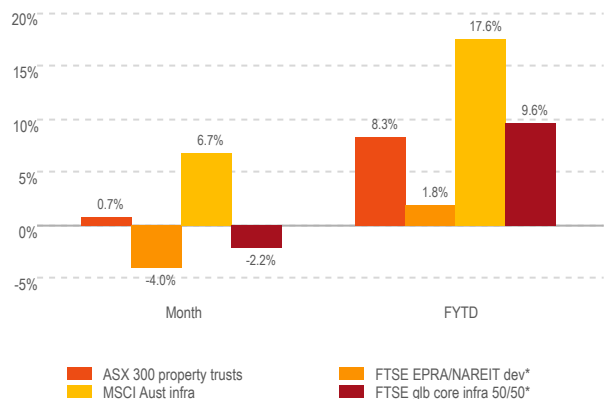
## International equities



Source: Refinitiv Datastream











## Real assets



Source: Refinitiv Datastream \*Hedged A\$

Details of the indices are in the table on the next page

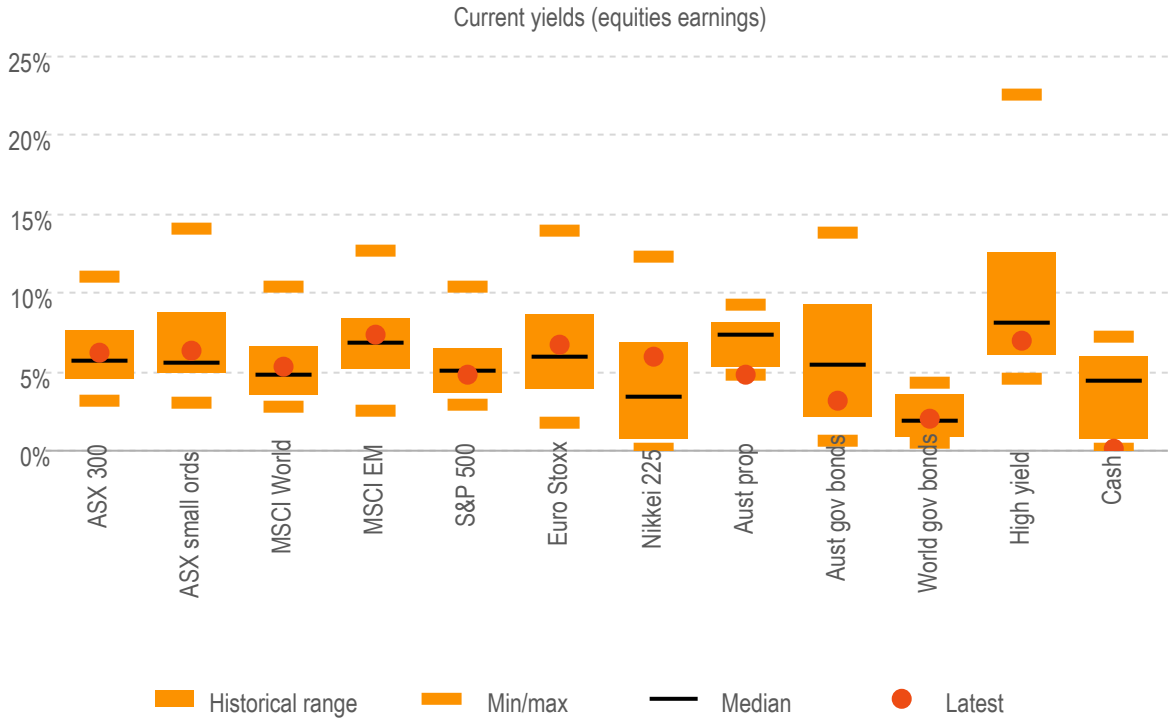
# April 2022

	Index Value	Month	3 Months	FYTD	1 Year	5 Yr p.a.
 <b>Australian Equities</b>						
S&P/ASX 300 Accum. Index	7,435	-0.8%	8.0%	5.3%	9.3%	9.0%
S&P/ASX 300 Accum. Industrials Index	11,216	0.3%	6.6%	2.4%	7.3%	7.0%
S&P/ASX 300 Accum. Resources Index	5,919	-3.8%	12.3%	15.5%	15.6%	17.5%
ASX Small Caps Accum. Index	3,299	-1.5%	5.0%	-0.4%	2.2%	9.6%
 <b>International Equities</b>						
MSCI World Index (\$A)	4,406	-3.1%	-8.0%	-1.0%	4.6%	11.3%
MSCI World Index (Hedged \$A)	3,799	-7.3%	-11.8%	-4.4%	2.7%	9.6%
MSCI Emerging Markets Index (\$A)	1,093	-0.2%	-10.6%	-15.8%	-11.8%	5.4%
MSCI World ex-Aus Small Cap Index (\$A)	559	-2.6%	-6.6%	-8.7%	-5.6%	8.5%
US (S&P 500 Index in USD)*	4,132	-8.8%	-6.8%	-3.9%	-1.9%	11.6%
US Tech (NASDAQ Index in USD)*	12,335	-13.3%	-10.4%	-15.0%	-12.4%	15.3%
United Kingdom (FTSE 100 Index in GBP)*	7,545	0.4%	1.1%	7.2%	8.4%	0.9%
Japan (Nikkei 225 Index in JPY)*	26,848	-3.5%	0.5%	-6.8%	-7.6%	6.9%
Europe (Stoxx 50 Index in EUR)*	3,803	-2.6%	-8.1%	-6.4%	-4.9%	1.3%
China (Shanghai Composite Index in CNY)*	3,047	-6.3%	-9.4%	-15.2%	-12.3%	-0.7%
 <b>AUD versus ...</b>						
USD	0.71	-4.5%	1.7%	-4.9%	-8.3%	-0.9%
JPY	93.21	1.9%	14.9%	12.2%	10.1%	2.3%
GBP	0.57	0.1%	8.9%	5.2%	2.2%	-0.3%
EUR	0.68	1.2%	7.6%	7.3%	5.6%	-0.3%
 <b>Real Assets</b>						
ASX 300 Listed Property Trusts Accum. Index	1,644	0.7%	5.3%	8.3%	15.7%	8.0%
FTSE EPRA / NAREIT Dev. Index (Hedged \$A)	1,801	-4.0%	-1.0%	1.8%	5.1%	4.8%
MSCI Australia Infrastructure	1,322	6.7%	14.3%	17.6%	17.9%	4.9%
FTSE Global Core Infra 50/50 Index (Hedged \$A)	2,552	-2.2%	4.9%	9.6%	10.1%	7.9%
 <b>Oil and Commodities</b>						
Crude Oil (US\$/bbl)	104.7	4.4%	18.7%	42.2%	61.0%	16.2%
Copper Spot (US\$/tonne)	9,771	-5.8%	2.2%	4.5%	-1.2%	11.3%
Gold Spot (US\$/ounce)	1,908	-1.7%	6.9%	8.1%	7.9%	8.5%
 <b>Australian Fixed Interest</b>						
Bloomberg AusBond Composite Index	9,635	-1.5%	-6.3%	-8.3%	-7.5%	1.4%
Bloomberg AusBond Government Index	9,975	-1.5%	-6.7%	-8.7%	-7.5%	1.3%
Bloomberg AusBond Corporate Index	10,277	-1.3%	-5.4%	-7.1%	-6.6%	2.2%
Bloomberg AusBond Bank Bill Index	9,022	0.0%	0.0%	0.0%	0.0%	1.0%
 <b>Global Fixed Interest</b>						
FTSE WGBI ex-Aus (Hedged \$A)	2,393	-2.9%	-6.1%	-7.5%	-6.8%	1.2%
Barclay's Global Agg. Bond Index (Hedged \$A)	1,011	-2.9%	-6.3%	-7.6%	-7.0%	1.2%
 <b>Fixed Income (yields) as at ...</b>	<b>Apr 2022</b>	<b>Mar 2022</b>	<b>Jan 2022</b>	<b>Jun 2021</b>	<b>Apr 2021</b>	<b>Apr 2017</b>
Australia Bank Bill	0.21	0.02	0.01	0.01	0.00	1.61
Australia 10-Year Government Bond	3.18	2.90	1.94	1.51	1.66	2.59
US 10-Year Government Bond	2.89	2.40	1.78	1.44	1.64	2.28
UK 10-Year Government Bond	1.91	1.65	1.24	0.72	0.84	1.09
Germany 10-Year Government Bond	0.94	0.64	-0.04	-0.20	-0.19	0.33
Japan 10-Year Government Bond	0.22	0.25	0.16	0.05	0.10	0.02

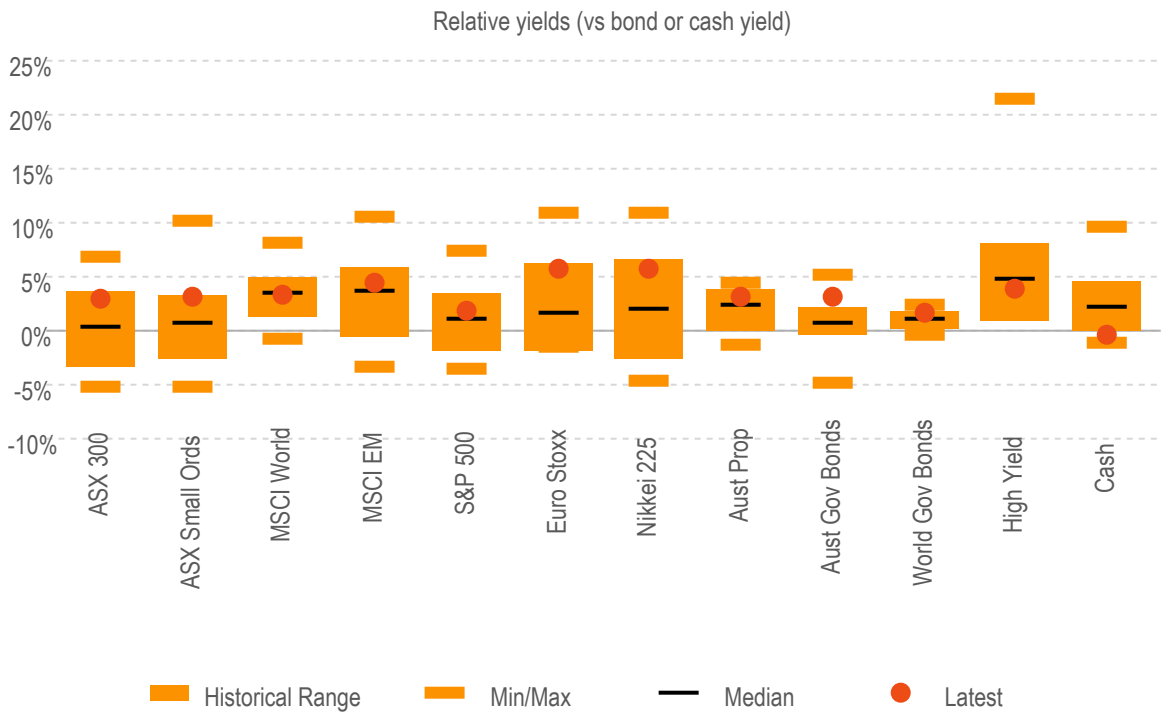
Source: Refinitiv Datastream

\*Price Index

# Asset class yields relative to history

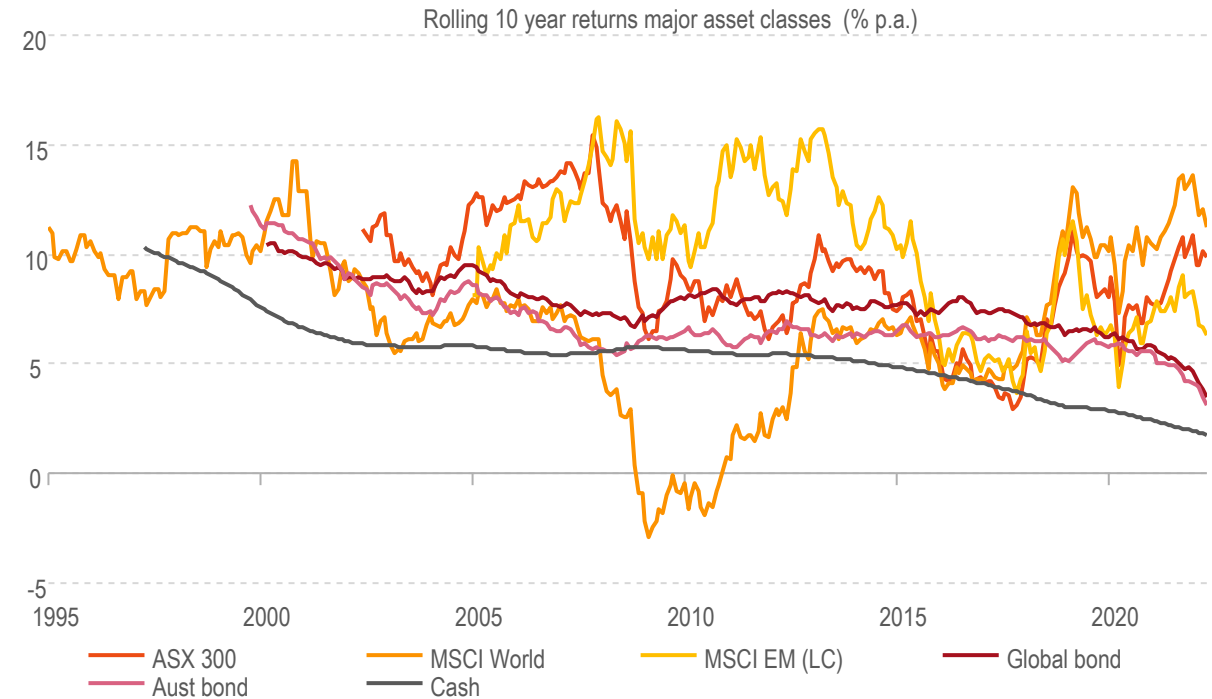


Source: Refinitiv Datastream



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# Asset class long-term returns



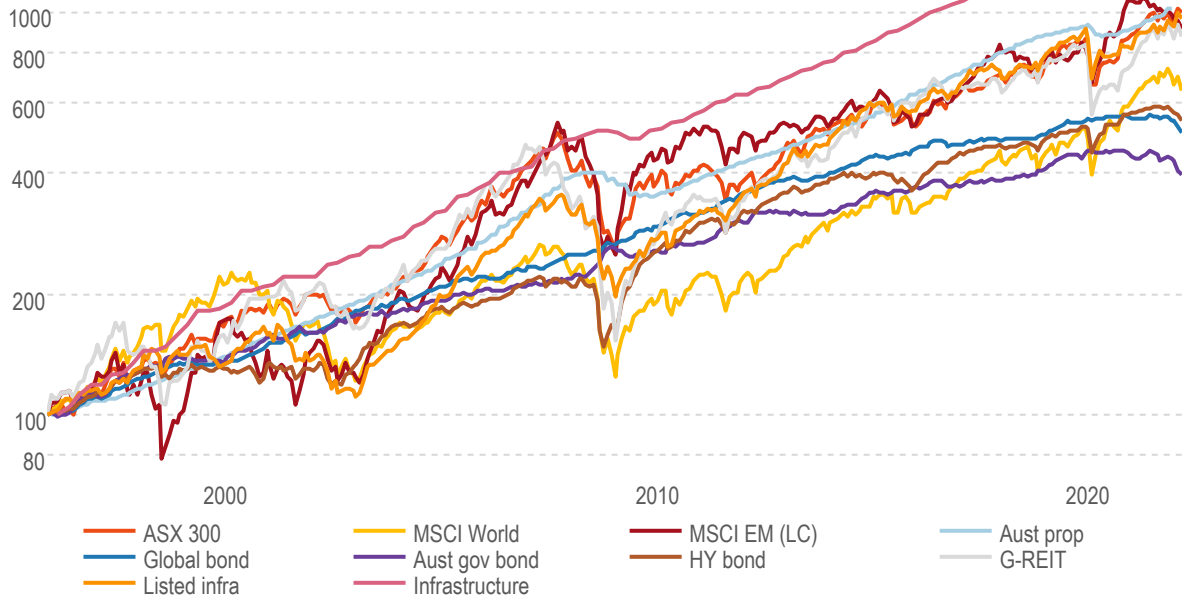
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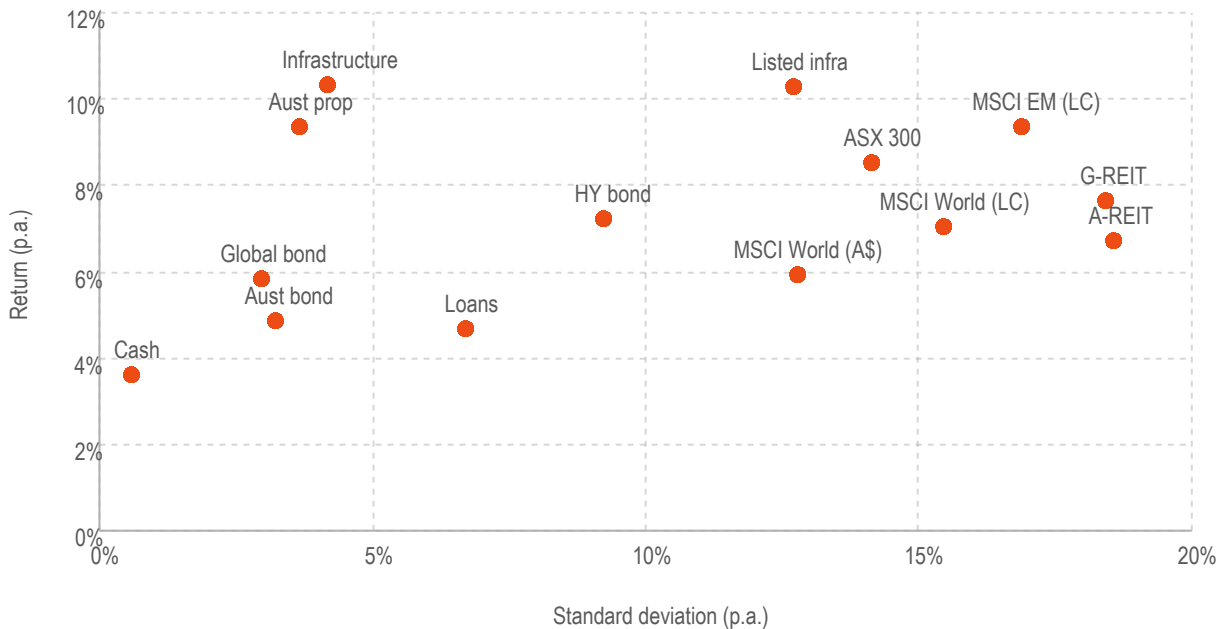
# Asset class long-term returns

Cumulative values since 1 Jan 96 (\$100 reinvested)



Source: Refinitiv Datastream

Return-risk profile over 20 years (p.a.) to Apr 2022



Source: Refinitiv Datastream



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