

Market wrap



April: EM Holds Up

- April saw a reversal from March's solid performance. Only Global emerging market shares and cash produced positive returns.
- **Global shares** on an unhedged basis lost 3.2%, while global shares on a hedged basis lost 2.8%. The best performing styles were Value-Weighted and Equal Weight. It should be noted that the differentiation between styles was relatively small this month and all styles produced negative returns.
- **Global emerging market shares** was the best performing asset class for the month returning 1.2%.
- **Australian shares** lost almost the same amount this month that they gained last month, with the broad market index, the S&P/ASX 200 Accumulation Index losing 2.9% for the month. The best performing styles for the month, although negative, were Momentum and Small Caps.
- **Fixed income** lost ground this month with Australian Fixed Interest losing 2.0%, while global fixed interest lost 1.7%.
- The **Australian dollar** lost 0.5% against the U.S. dollar over the month, but gained 3.5% against the Yen.

Unemployment Rises Slightly

Globally

- The unemployment rate in the United States edged up to 3.9% in April 2024 from 3.8% in the previous month and surprising the market, which had forecasted the rate to remain unchanged. The number of unemployed individuals increased by 63,000 to 6.492 million, while employment levels went up by 25,000 to reach 161.491 million.
- The Federal Reserve kept the target range for the federal funds rate unchanged at 5.25%-5.50% during its early May meeting, which was the sixth consecutive time it remained unchanged. Fed Chair Powell stated that he does not foresee a hike as likely and believes that the current policy is sufficiently restrictive to achieve the 2% inflation target.

Locally

- The monthly Consumer Price Index (CPI) indicator in Australia increased by 3.5% in the year to March 2024, up from 3.4% in the previous three months, which had been the lowest since November 2021. The latest reading pointed to the highest in 4 months, mainly due to faster rises in housing and transport prices.
- Australia's seasonally adjusted unemployment rate ticked higher to 3.8% in March 2024 from February's five-month low of 3.7%, but below market forecasts of 3.9%.

Major asset class performance

Asset classes	1 month %	1 year %	5 years (p.a.) %
Australian Shares	-2.9%	9.1%	8.0%
Australian small companies	-3.1%	7.4%	3.9%
Global shares (hedged)	-2.8%	18.1%	8.6%
Global shares (unhedged)	-3.2%	20.7%	12.3%
Global small companies (unhedged)	-4.6%	11.9%	7.8%
Global emerging markets (unhedged)	1.2%	11.8%	3.5%
Global listed property (hedged)	-5.4%	-0.1%	-1.7%
Cash	0.4%	4.2%	1.5%
Australian fixed income	-2.0%	-0.7%	-0.3%
International fixed income	-1.7%	0.4%	-0.5%

Source: FactSet, Lonsec & Insignia Financial, 30 April 2024

Indices used: Australian Shares: S&P/ASX 200 Accumulation Index, Australian small companies: S&P/ASX Small Ordinaries Accumulation Index, Global shares (hedged): MSCI World ex Australia Net Total Return (in AUD), Global shares (unhedged): MSCI World ex Australia Hedged AUD Net Total Return Index; Global small companies (unhedged): MSCI World Small Cap Net Total Return USD Index (in AUD); Global emerging markets (unhedged): MSCI Emerging Markets EM Net Total Return AUD Index; Global listed property (hedged): FTSE EPRA/NAREIT Developed Index Hedged in AUD Net Total Return; Cash: Bloomberg AusBond Bank Bill Index; Australian fixed income: Bloomberg AusBond Composite 0+ Yr Index; International fixed income: Bloomberg Barclays Global Aggregate Total Return Index Value Hedged AUD

Please note: Past performance is not indicative of future performance.

Currency markets

Exchange rates	At close on 30/04 %	1 month change %	1 year change %
USD/AUD	0.6494	-0.5%	-1.7%
Euro/AUD	0.6073	0.5%	1.5%
Yen/AUD	102.18	3.5%	13.6%

Source: FactSet & Insignia Financial, 30 April 2024.

All foreign exchange rates are rounded to two decimal places where appropriate.

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