



**HEALTHIER, LONGER,
BETTER LIVES**

Quarterly Market Commentary as at 31 Mar 2021*

Market Indices	Returns as at 31 Mar 2021					
	3 mth (%)	6 mth (%)	1 yr (%)	3 yr (% p.a.)	5 yr (% p.a.)	10 yr (% p.a.)
Australian Shares						
S&P/ASX 200 Accumulation Index	4.3	18.5	37.5	9.7	10.2	8.0
International Shares						
MSCI All Countries World Net Index (AUD)	5.9	12.9	24.2	12.4	13.4	12.5
Australian Fixed Interest						
Bloomberg AusBond Composite 0+ Yr Index	-3.2	-3.3	-1.8	4.0	3.5	5.0
International Fixed Interest						
FTSE World Broad Investment Grade Index AUD Hedged	-2.8	-2.0	1.1	3.9	3.3	5.5
Property						
S&P/ASX 200 A-REIT Accumulation Index	-0.5	12.8	44.7	7.6	5.6	10.6
Cash						
Bloomberg AusBond Bank Bill Index	0.0	0.0	0.1	1.1	1.4	2.3
Currency						
AUD/USD	-1.3	6.3	24.4	-0.2	-0.2	-3.0

Financial markets commentary:

Over the March quarter, the Reserve Bank of Australia (RBA) kept the cash rate the same at 0.10%. The RBA suggested rates will remain unchanged and will also continue its bond purchase program. The Australian dollar had briefly traded above 80 US cent during the March quarter, however had lost ground against the US dollar towards the end of the quarter. Over the quarter the Australian dollar fell -1.3% against the US dollar to 76.2 cents.

The S&P/ASX 200 Accumulation Index returned 4.3% over the March quarter. Positive earnings results, improving economic data along with ongoing stimulus plan supported the Australian markets. The Financials sector was the strongest performing sector returning 11.3% over the quarter, gaining from the improving economic outlook. The Information Technology was the worst performing sector returning -11.3% with investors shifting from 'growth' to 'value' stocks.

The MSCI All Country World Index rose 5.9% over the 3-month period in AUD terms, 4.6% in USD terms. In the US, the focus was on the continued vaccine program and distribution of stimulus cheque which had boosted consumer confidence. European markets also had a positive quarter, following ongoing fiscal policy support and signs of strong economic recovery.

Inflation was the focus for the March quarter. Some market commentators are suggesting interest rates are too low given the strength of the global economic rebound and the likelihood of an increase in inflation. US Federal Reserve expect rates to remain unchanged until at least the end of 2023. In all major regions, yield curves had steepened with longer-dated yields moving higher and shorter-dated yields remaining anchored at lower levels. US 10-year government bond yields increased over the quarter by 83 basis points, finishing the period at 1.74%. The UK and German 10-year yields had risen over the quarter by 65 and 28 basis points, ending down the period at 0.85% and -0.29% respectively. Australian 10-year government bond yields increased by 82 basis points to 1.79%.

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