


Quarterly Market Commentary as at 30 Sept 2020*

Market Indices	Returns as at 30 Sept 2020					
	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	-0.4	16.0	-10.2	4.8	7.3	14.3
International Shares						
MSCI All Countries World Net Index (AUD)	3.9	10.1	3.9	10.4	9.9	25.1
Australian Fixed Interest						
Bloomberg AusBond Composite 0+ Yr Index	1.0	1.6	3.2	6.0	4.5	11.5
International Fixed Interest						
FTSE World Broad Investment Grade Index AUD Hedged	0.8	3.2	4.0	4.9	4.6	5.7
Property						
S&P/ASX 200 A-REIT Accumulation Index	7.0	28.3	-16.6	3.7	5.6	20.0
Cash						
Bloomberg AusBond Bank Bill Index	0.0	0.1	0.6	1.4	1.6	5.2
Currency						
AUD/USD	4.1	17.1	6.3	-3.0	0.4	-5.8

Financial markets commentary:

Over the September quarter, the Reserve Bank of Australia left rates unchanged at 0.25%. With inflation being so low for the June quarter at -0.3% and GDP falling at a record-breaking -7.0% over the June quarter, it is very unlikely of any interest rate increases in the foreseeable future. Overall, the data releases underlined the need for ongoing stimulus and support. Over the September quarter, the Australian dollar rose 4.1% against the US dollar to 71.7 cents.

The S&P/ASX 200 Accumulation Index returned -0.44% over the September quarter. For most of the quarter Australian equity markets were experiencing gains boosted by Australian government support and improved sentiment, however in the month of September there was weakness in the markets resulting from extended lockdowns in Victoria, uncertainty stemming from the US election and a global sell-off in energy and technology stocks. The IT sector was the best performer over the period returning 12.3% over the quarter. Energy Sector was the worst performing sector returning -15.2%, due to falling oil prices.

The MSCI All Country World Index rose 3.9% over the 3-month period in AUD terms, 8.1% in USD terms. With support from the governments and central banks saw global equity markets rally over the quarter. September saw equity markets decline led by a fall in technology stocks and new Covid cases surging.

September quarter was relatively mixed for Australian and global bond markets. While global central bank policy settings provided downward pressure on yields over the quarter, in the month of August government bond yields rose in all major markets following poor economic data releases that were not as bad as anticipated suggesting conditions may be steadily improving. US 10-year government bond yields increased slightly over the quarter by 3 basis points, finishing the period at 0.68%. German 10-year yields had fallen over the quarter by 7 basis points, ending down the period at -0.52%. Australian 10-year government bond yields decreased by 8 basis points to 0.79%.

*Source: This commentary has been prepared by The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035 (CMLA) and is general information only.