

Asset Class	Asset Class	1 Week (%)	1 Mth (%)	3 Mths (%)	6 Mths (%)	1 Yr (% p.a.)
Aust Eq (lge)	S&P/ASX 200 (Accum)	3.4%	5.6%	3.5%	4.8%	8.6%
Aust Eq (sml)	S&P/ASX Sml Ords (Accum)	3.4%	5.6%	3.5%	2.2%	3.7%
Aust Industrials	S&P/ASX 200 Industrials (Accum)	3.0%	5.6%	3.8%	5.7%	8.1%
Aust Resources	S&P/ASX 200 Resources (Accum)	4.3%	5.6%	2.7%	2.5%	9.8%
Global Eq (unh)	MSCI AC World (unh) Accum	-0.1%	1.1%	0.8%	6.9%	17.4%
Global Eq (hdg)	MSCI AC World (hdg) Accum	1.7%	3.6%	4.3%	4.9%	18.3%
Global Eq (sml unh)	MSCI World SMID Cap Index	3.8%	7.7%	6.4%	4.2%	11.7%
Global Eq (EM unh)	MSCI Emerging Markets (unh) Accum	0.5%	-0.7%	-1.6%	0.7%	6.6%
AREITs	S&P/ASX 200 AREIT (Accum)	5.2%	8.1%	7.9%	11.5%	12.3%
GREITs	EPRA NAREIT (ex-Aust) hdg (Accum)	4.6%	9.4%	7.1%	5.5%	6.5%
Global Infra (A\$ hdg)	S&P Gbl Infrastructure A\$ (Hdg) TR	1.9%	4.1%	2.6%	-0.2%	2.8%
Global Infra (A\$ unhdg)	S&P Gbl Infrastructure A\$ TR	0.4%	1.8%	-0.1%	2.3%	4.1%
Aust Fixed Income	BBerg AusBond Composite Index (0+yrs)	1.0%	2.1%	1.7%	2.6%	1.4%
Global Fixed Income	Bar Cap Global Agg Index (AUD hdg)	1.7%	3.2%	3.9%	2.7%	2.9%
Aust Cash	BBerg Aust Bond Bank Bill Index	0.0%	0.3%	1.0%	2.1%	3.8%

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	3.87	-17 bps	3.77	-18 bps	3.80	-20 bps	4.10	-24 bps	Barclays Cmnty Index (TR US\$)	1.7%	-2.6%	-6.7%
US	4.44	-27 bps	4.12	-34 bps	3.91	-34 bps	3.91	-32 bps	Gold US\$/oz	1.9%	2.0%	4.4%
UK	4.29	-32 bps	3.91	-40 bps	3.74	-41 bps	3.69	-39 bps	Crude Oil (Brent) US\$/bbl	0.7%	-4.9%	-15.9%
Japan	0.08	-1 bps	0.10	-1 bps	0.30	-4 bps	0.70	-7 bps	Copper	2.5%	3.5%	1.9%
Europe	2.50	-21 bps	2.22	-22 bps	2.00	-24 bps	2.02	-25 bps	Iron Ore (Qingdao 62% fines)	-1.3%	--	9.2%

S&P/ASX Sectors	1 Week (%)	1 Mth (%)	3 Mths (%)	6 Mths (%)	1 Yr (%)	Currencies	FX Rate (%)	1 Week (%)	1 Mth (%)	3 Mths (%)
Energy	2.5%	2.1%	-10.8%	-5.6%	-5.6%	AUD/USD	66.98	2.0%	2.8%	4.1%
Materials	4.6%	6.2%	6.4%	2.3%	7.4%	AUD/GBP	52.75	0.8%	0.9%	1.5%
Industrials	2.2%	3.7%	1.3%	-1.3%	3.9%	AUD/EUR	61.44	0.7%	2.9%	2.1%
Consumer Disc	2.4%	3.5%	1.6%	7.6%	12.0%	AUD/JPY	95.1780	-0.8%	-2.4%	0.2%
Consumer Staples	1.7%	2.8%	-2.1%	-6.8%	-4.7%	GBP/USD	1.2692	1.1%	1.8%	2.5%
Healthcare	3.7%	8.0%	6.2%	-0.3%	-1.6%	EUR/USD	109.00	1.3%	-0.1%	1.9%
Financials	2.8%	6.3%	2.9%	7.1%	2.8%	USD/JPY	142.1000	-2.8%	-5.0%	-3.7%
AREITs	5.2%	8.1%	7.8%	9.0%	7.2%	Aust TWI	61.7000	1.1%	1.8%	1.8%
IT	5.1%	6.3%	1.2%	-1.2%	24.4%	Source: Bloomberg, Infinity Asset Management				
Comm Services	2.8%	4.1%	3.0%	-0.2%	7.3%					
Utilities	1.2%	-3.6%	-5.9%	-8.5%	-0.4%					
Banks	3.1%	7.3%	3.8%	11.2%	1.9%					

Commentary

The December Xmas rally continued over the week with equity and bond markets higher, although domestic equities stole the show with exceptionally strong investment performance by the resources sector. In addition, the rebound in the A\$ (+2.0% v's US\$) also contributed to solid returns from both hedged global equities and GREITs. The rally in equities has been driven by falling bond yields and the market's view that the US Fed along with other major central banks are now on hold, with the next move in cash rates to be lower. While we are of the view that the US Fed has finished with raising cash rates, domestically, we believe we will need to wait for the 4q23 CPI data (due in January) before reaching a more concrete view from the RBA. However, the fact that the major central banks are now on hold has provided the impetus for a rally in bond markets (lower yields) that has continued to support growth assets. While markets are forecasting the Fed to cut rates by 100-125bps over 2024, we are expecting fewer rate cuts (75-100bps) with the Fed remaining on hold for the 1h24. This week will see the market focused on building and housing data as well as consumer confidence data, jobless claims (f'cst 215k), PCE data and durable goods orders (Nov). Overall, we continue to forecast that the data will continue to point to a sound economic outlook for the US. In Europe, the release of Nov CPI figures (f'cst 2.4% y/y, flat pcp) will ensure that the ECB remains on hold into 2024. However, the ECB has been reticent to proactively talk about the possibility of rate cuts. In China, the better than f'cst industrial production figures may indicate that the economy may be bottoming, despite the fact that the all-important housing market continues to remain challenged. In the UK, CPI data (Nov) will also be closely watch (f'cst 0.1% m/m, 5.6% y/y). The benign monthly figure will be an important barometer for the BoE heading into 2024. While domestically, the RBA minutes of its Dec meeting along with private sector credit data will round out the Xmas week. The tone of the RBA minutes will provide a further look through on the direction of rates into the 1q24. As this will be our last note for 2023, we wish all our investors a wonderful and safe Xmas as we look forward in doing it all over again in 2024.

Piers Bolger

Chief Investment Officer

Infinity Asset Management