

# Weekly Market Update

## Week ending 8 October 2021

Equity markets performed strongly across the past week due to a mixture of rising energy prices and alleviated concerns after the US Senate came to a short term agreement to lift the debt ceiling mentioned in the prior week's market recap until early December. This will see the US federal government's previous debt ceiling of \$28.4 trillion temporarily increase by \$48bn. Domestically all sectors with the exception of healthcare had a positive week driven by energy, financials, utilities and material sectors which outperformed the largest.

Always in a doctor's best interest

# Weekly Market Recap



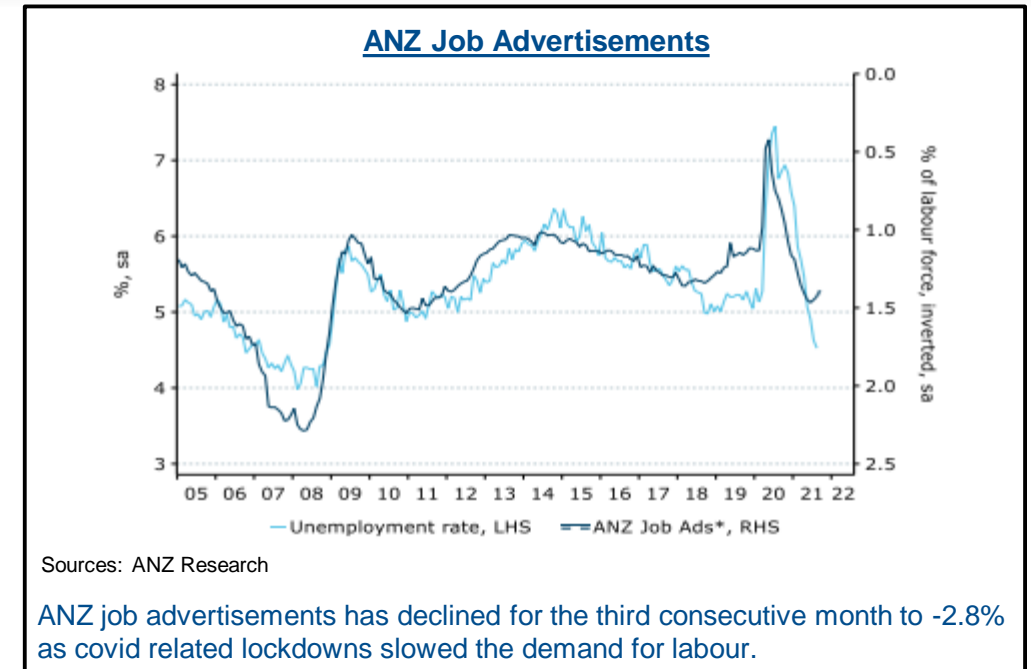
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Long term bond yields rallied off the back of concerns that inflation may not be as transitory as previously expected. This coupled with the ongoing rise in energy commodity prices as the UK and parts of Europe experience supply disruptions has seen the Australian 10Y yield finish the week 15bps higher at 1.64% and the US 10Y 15bps higher at 1.61%.

Domestic economic data released across the week point to the effects of the lockdowns in the east coast. As expected, retail sales in August fell to -1.7% month on month and job advertisements declined to a 6 month low of -2.8% month on month. It's expected these figures will rebound as NSW and Victoria reopen through the last quarter of 2021.

Happy freedom day to NSW as they start to ease restrictions after hitting the 70% full vaccination rate earlier last week. Despite surging daily cases of over 1800 a day in Victoria, it's anticipated that their restrictions will start to ease towards the end of the month when they hit the 70% full vaccination rate. Over 60% of Australians are now fully vaccinated with over 80% having received their first dose, and if vaccinations continue at this pace, the Australian government will look to transition to COVID normal by the holiday period.



# Economic data released across the prior week

## Australia

	Current	Market expectations	Prior Period
Markit Services Final PMI (Sep)	45.5		42.9
Markit Composite Final PMI (Sep)	46.5		43.3
Exports MoM (Aug)	4%		4.9%
Imports MoM (Aug)	-1%		3.6%
ANZ Job Advertisements MoM (Sep)	-2.8%	0.7%	-2.7%
Retail Sales MoM (Aug)	-1.7%	-2.7%	-1.7%

### The Week Ahead

- NAB Business Confidence Index
- Westpac Consumer Confidence Index
- Unemployment Rate

## USA

	Current	Market expectations	Prior Period
Markit Services Final PMI (Sep)	54.9	54.4	55.1
Markit Composite Final PMI (Sep)	55	54.5	55.4
Unemployment Rate (Sep)	4.8%	5.1%	5.2%
Participation Rate (Sep)	61.6%		61.7%

### The Week Ahead

- Retail Sales
- Import Prices
- Export Prices

## Europe

	Current	Market expectations	Prior Period
Markit Services Final PMI (Sep)	56.4	56.3	59
Markit Composite Final PMI (Sep)	56.2	56.1	59
Retail Sales MoM (Aug)	0.3%	0.8%	-2.6%

### The Week Ahead

- Industrial Production

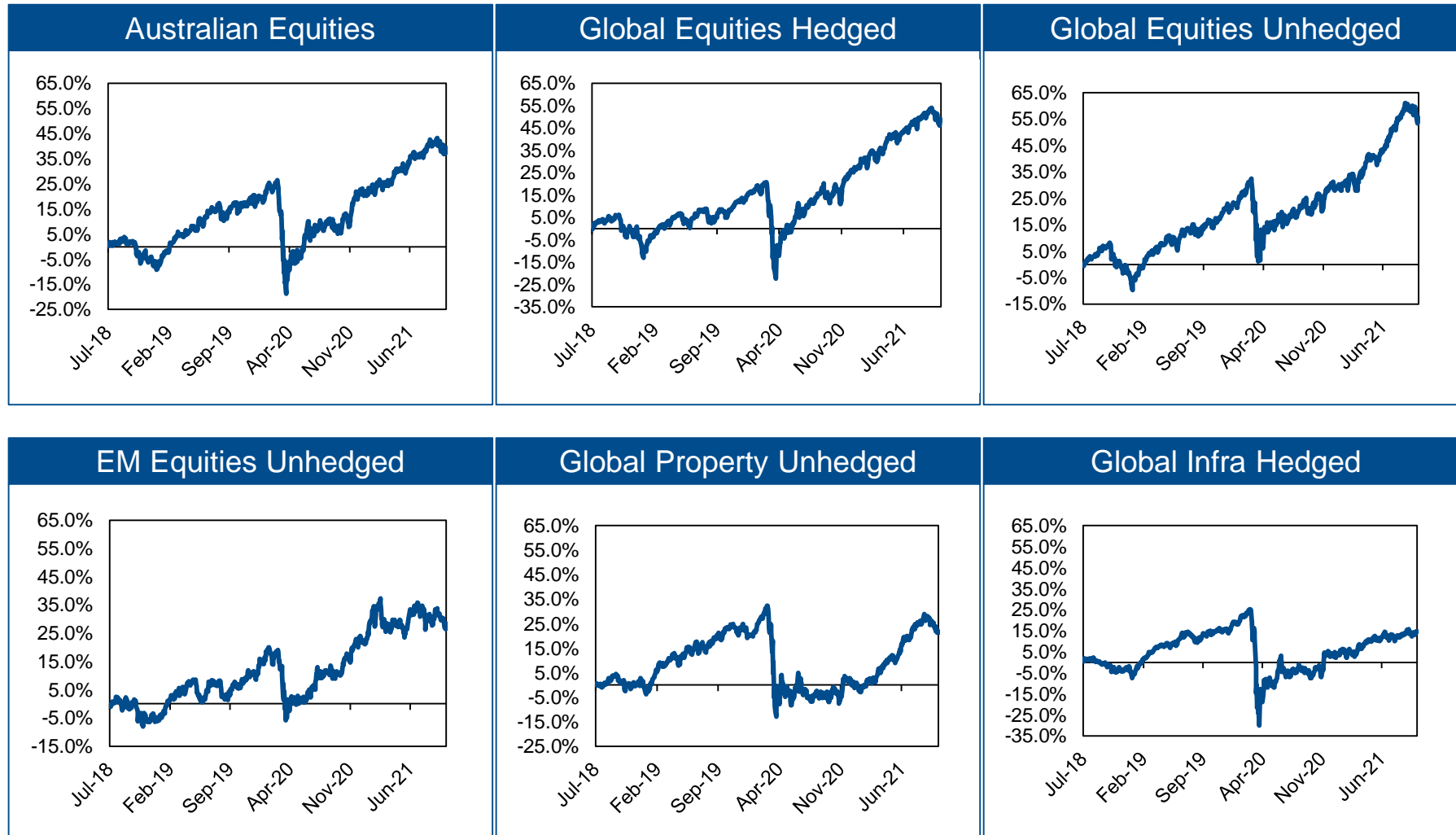
## China

	Current	Market expectations	Prior Period
Caixin Services PMI (Sep)	53.4		46.7
Caixin Composite PMI (Sep)	51.4		47.2

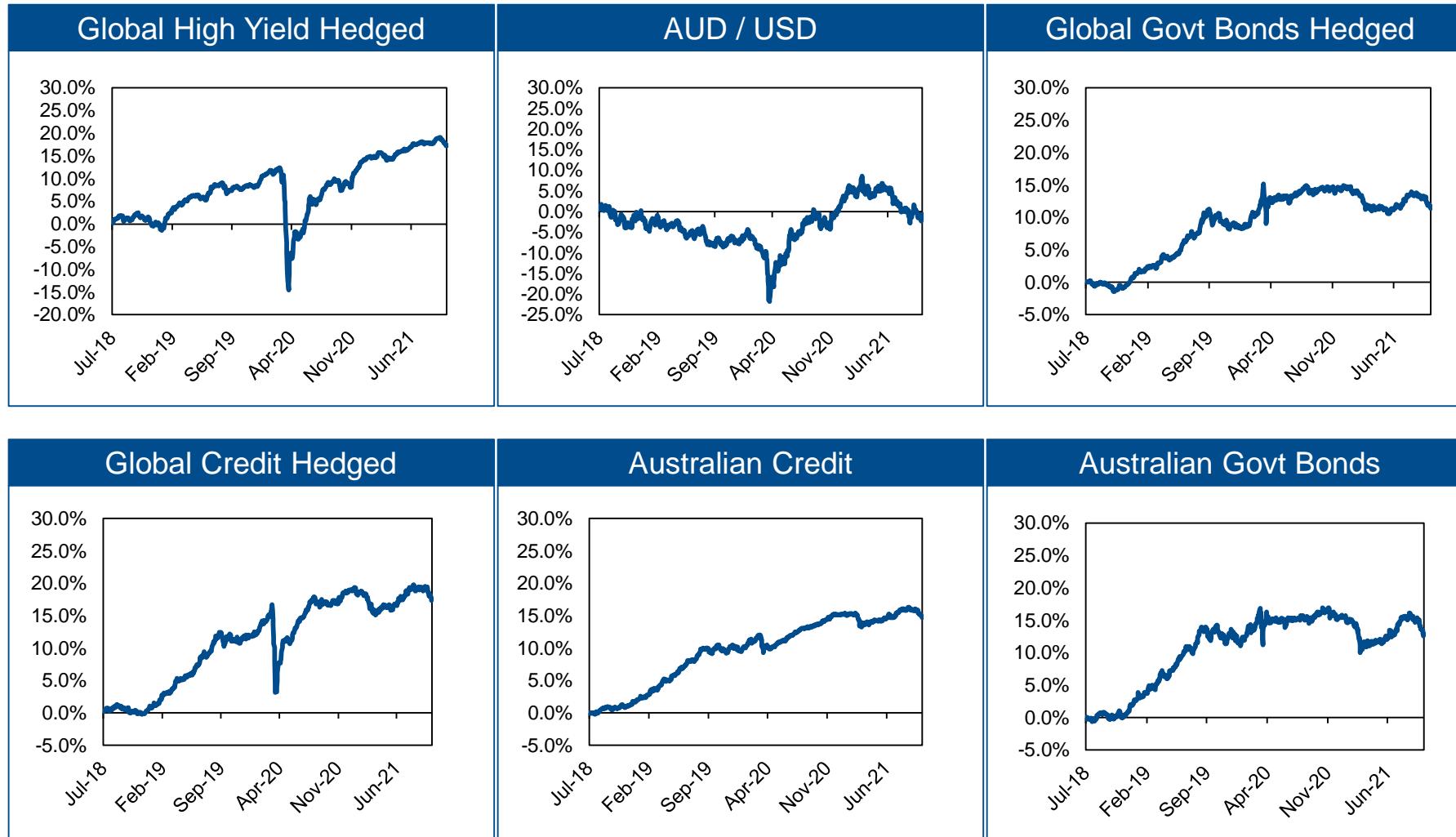
### The Week Ahead

- Vehicle Sales
- Inflation Rate

# Historical market returns



# Historical market returns



# Market performance

Australian Shares	Index Returns (%)								Index Characteristics			
	Price	1 week	MTD	YTD	FYTD	1 yr	3 yrs pa	5yrs pa	Div Yld	Trailing PE	Forward PE	10Y Average PE
Top 50	7,019	2.02	-0.07	15.03	1.04	25.85	12.63	11.29	3.83	22.31	17.37	18.72
Top 200	7,320	1.88	-0.16	14.60	1.53	25.54	12.84	11.60	3.49	24.56	17.81	20.24
Top 300	7,323	1.86	-0.13	14.81	1.64	25.87	13.06	11.69	3.42	32.32	17.97	22.93
Small Caps	3,461	1.23	-0.31	14.20	3.11	24.90	12.41	11.14	2.10		21.72	20.35
<b>Overseas Shares - local currency</b>												
Global Equities	3,044	0.73	1.28	14.86	1.36	28.70	16.73	14.99	1.73	23.67	19.54	20.31
US Top 500	4,391	0.83	1.99	20.21	2.76	37.35	19.29	17.66	1.35	26.29	21.57	19.41
Europe Top 600	457	1.04	0.62	17.60	1.58	28.77	11.78	9.62	2.69	22.19	16.23	23.28
UK Top 100	7,096	0.15	0.15	13.20	2.08	23.70	4.34	4.07	4.08	19.63	12.41	28.04
Emerging Market	1,257	0.86	0.34	-0.84	-7.72	16.06	12.46	9.60	2.35	15.60	13.29	14.07
<b>Overseas Shares in AUD</b>												
Global Equities ex Aus (UH)	14,167	-0.13	-0.02	20.87	3.97	25.00	15.08	15.19	1.69	23.70	19.60	20.44
Global Equities ex Aus (H)	2,466	0.65	1.17	16.16	1.74	27.53	14.56	13.80	1.69	23.70	19.60	20.44
Emerging Markets (UH)	470	0.04	-0.94	4.50	-5.38	12.96	11.04	9.92	2.35	15.60	13.29	14.07
<b>Listed Real Assets</b>												
Australian REITs	1,600	1.12	-1.16	14.07	3.59	23.53	10.02	8.44	3.77	13.95	19.19	26.18
Global REITs (H)	3,010	0.01	0.72	19.95	0.51	27.06	6.81	5.55	3.16	40.44	28.64	26.21
Global Infrastructure (H)	5,535	0.82	-1.16	14.07	3.59	23.53	6.26	5.75	3.11	32.12	24.30	22.15

Domestic Fixed Income	Index Returns (%)								Levels			
	Yield	1 week	MTD	YTD	FYTD	1 yr	3 yrs pa	5yrs pa	Aus OAS	08-Oct-21	30-Jun-21	31-Mar-21
Australian Composite	1.16	-0.70	-0.72	-2.15	-0.41	-2.28	3.97	12.31	AAA	0.363	0.346	0.441
Australian Treasury	1.11	-0.84	-0.85	-2.56	-0.48	-3.10	4.08	11.67	AA	0.487	0.469	0.539
Australian Credit	1.43	-0.33	-0.38	-0.47	-0.12	0.78	4.44	13.64	A	0.759	0.703	0.714
Australian Bank Bills	0.03	0.00	0.00	0.02	0.01	0.04	0.77	5.90	BBB	1.190	0.984	1.102
<b>Global Fixed Income</b>												
Global Agg (UH)	1.22	-0.66	-0.36	-4.41	-1.24	-1.62	4.28	2.32	Global OAS	08-Oct-21	30-Jun-21	31-Mar-21
Global Agg (H)	1.22	-0.59	-0.41	-1.96	-0.36	-1.15	4.09	2.77	AAA	0.483	0.434	0.467
Global Agg credit (UH)	1.62	-0.79	-0.52	-3.22	-1.32	0.20	5.65	3.81	AA	0.532	0.501	0.555
Global High Yield (UH)	4.78	-0.49	-0.50	1.19	-0.87	7.37	5.93	5.23	A	0.723	0.678	0.753
									BBB	0.984	0.960	1.017
<b>Rates</b>												
RBA cash rate	0.10	0.10	0.10	0.10	0.10	0.25	0.25	0.50	Currency	08-Oct-21	30-Jun-21	31-Mar-21
90 day BBSW	0.02	0.02	0.03	0.04	0.01	0.09	0.10	0.37	AUD/USD	0.73	0.75	0.76
Aus 3 yr yield	0.47	0.31	0.41	0.12	0.11	0.16	0.25	0.24	AUD/EUR	0.63	0.63	0.65
Aus 10 yr yield	1.64	1.49	1.53	1.79	0.97	0.79	0.87	0.76	AUD/JPY	82.0	83.3	84.1
Fed Funds Target rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	EUR / USD	1.16	1.19	1.17
US 2 yr yield	0.32	0.28	0.25	0.16	0.12	0.13	0.15	0.25	GDP / USD	1.36	1.38	1.38
US 3 yr yield	0.58	0.51	0.46	0.35	0.16	0.16	0.17	0.29	CNY/ USD	6.44	6.46	6.55
US 10 yr yield	1.61	1.49	1.47	1.74	0.91	0.68	0.66	0.67	Commodity	08-Oct-21	30-Jun-21	31-Mar-21
ECB Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Gold (US\$)	\$1,757	\$1,770	\$1,708
10 yr German Bund	-0.15	-0.20	-0.21	-0.29	-0.57	-0.52	-0.46	-0.47	WTI Crude (US\$)	\$79	\$71	\$57
									Iron Ore (US\$)	\$123	\$215	\$167

# Contact Us

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