

Monthly market snapshot

The monthly market snapshot provides commentary on financial markets' performance and the global economy



Monthly market summary

September 2024

Mixed market reactions amid global policy shifts

Global equity markets reached new highs in September, due to accelerated interest rate cuts from central banks worldwide. The Federal Reserve implemented a larger-than-expected rate cut of 50 basis points and signalled further easing, which helped build market confidence. In China, stock markets surged, driven by coordinated government policy aimed at stimulating the economy. However, concerns continue around inflation and softer labour data in the US leaving uncertainty about the longer-term direction of monetary policy.

In the equity markets, the US (S&P 500) posted a 2.1% gain for the month, bringing the financial year-to-date (FYTD) return to 5.9%. Chinese equities (CSI 300) had an impressive rally, gaining 21.1% in September, which helped recover from a weak start to the year, bringing FYTD returns to 17.9%. Meanwhile, Japanese equities (Nikkei) declined by 1.2%, and UK stocks (FTSE 100) fell 1.5%. Emerging markets (MSCI EM) saw robust performance, rising 6.7% in September.

In Australia, the ASX 300 gained 3.1% for the month, driven by a remarkable 11.4% rise in resource stocks, while industrials posted a modest 0.8% increase. Smaller companies, tracked by the Small Ordinaries Index, climbed 5.1%, reflecting positive momentum in that segment of the market.

Bond markets saw steady gains, with the Bloomberg Barclays Global Aggregate Index up 1.7% in USD terms. Australian fixed income markets had modest growth, with the Bloomberg Ausbond Composite Index rising 0.3% for the month and 3.0% FYTD. The Australian dollar strengthened by 2.2% against the US dollar and by 1.4% against the EUR, though it remained relatively flat against the Yen and the GBP.

In the property and infrastructure sectors, Australian listed property (ASX 300 Listed Property Index) increased by 6.5% in September, bringing its FYTD return to 14.3%. Global property markets performed well, with the FTSE EPRA Nareit Developed Index gaining 3.1% in USD terms. Infrastructure assets also performed strongly, with the FTSE Global Core Infrastructure Index up 13.8% FYTD. However, the MSCI Australia Infrastructure Index saw a slight decline of 0.7% for the month. Commodities showed strong results, with gold rising 5.2% in September and 13.2% FYTD. The broader Bloomberg Commodity Index returned 4.9% in September, bringing the FYTD return to 0.7%.

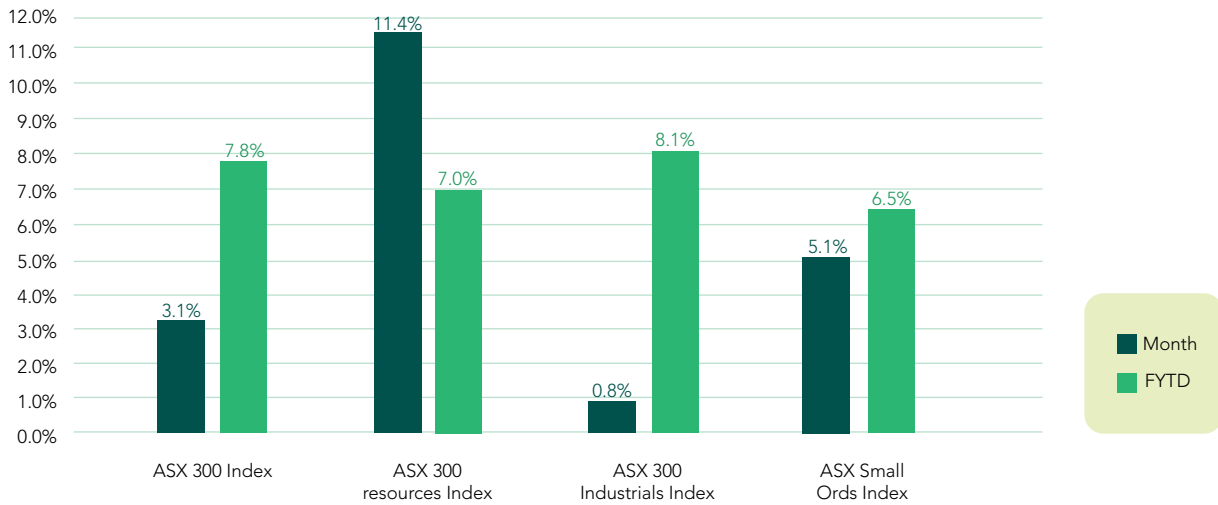
On the domestic front, Australian property prices continued their steady growth, with capital city house prices rising 0.5% month-over-month (m/m) and year-over-year (y/y) price growth easing to 6.7%. Perth, Brisbane, and Adelaide led the gains, while Sydney and Melbourne experienced softer growth. Auction clearance rates remained in the mid-60% range but have been declining since the start of the year.

At its September meeting, the Reserve Bank of Australia (RBA) left the cash rate unchanged at 4.35%. The RBA is seen as more hawkish compared to other central banks, continuing to resist market pricing of rate cuts in 2024. However, without discussions on further rate hikes in September, this suggests a possible shift in the RBA's stance. The August consumer price index (CPI) report showed inflation easing to 2.7% year-over-year, largely due to government subsidies on energy costs, though the broader inflation trend remains sluggish.

Overall, September saw significant market gains fuelled by central bank actions, particularly in the US and China. Despite lingering inflation concerns and economic uncertainties, global markets remain resilient. Investors continue to closely watch monetary policy developments and their potential impact on future growth.

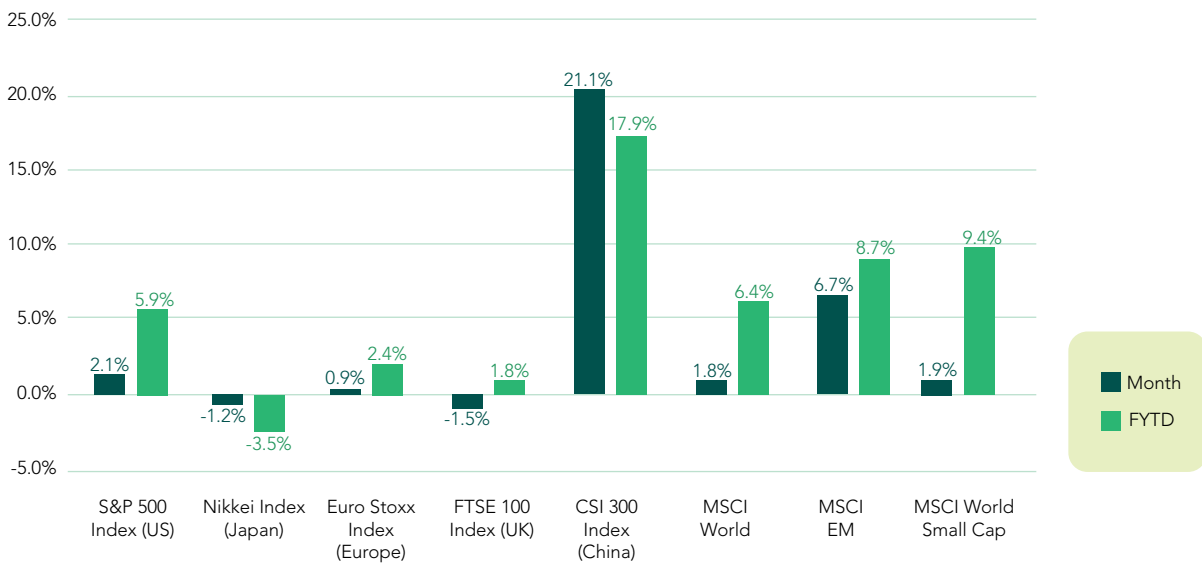
September 2024

Australian equities



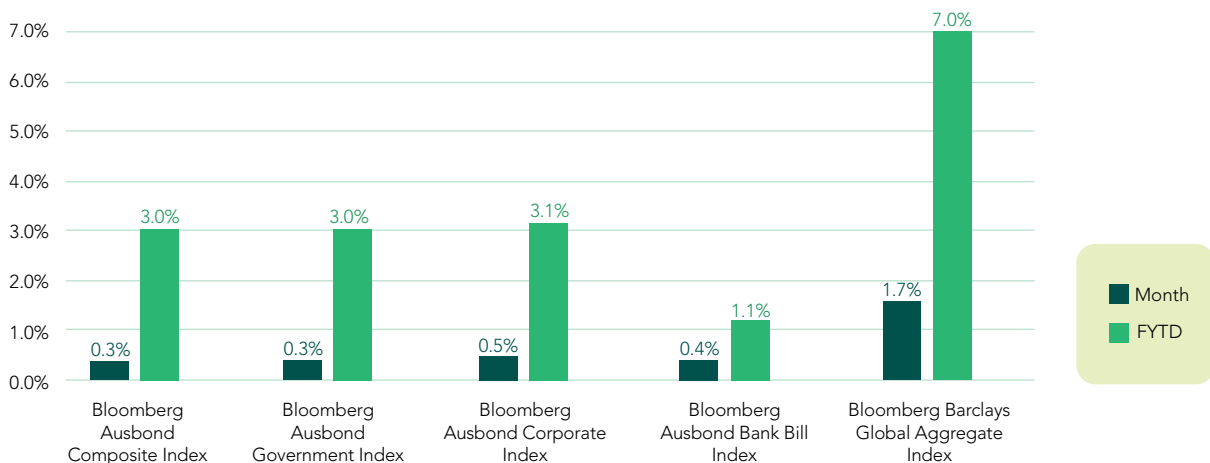
Source: Bloomberg

International equities (local currencies)



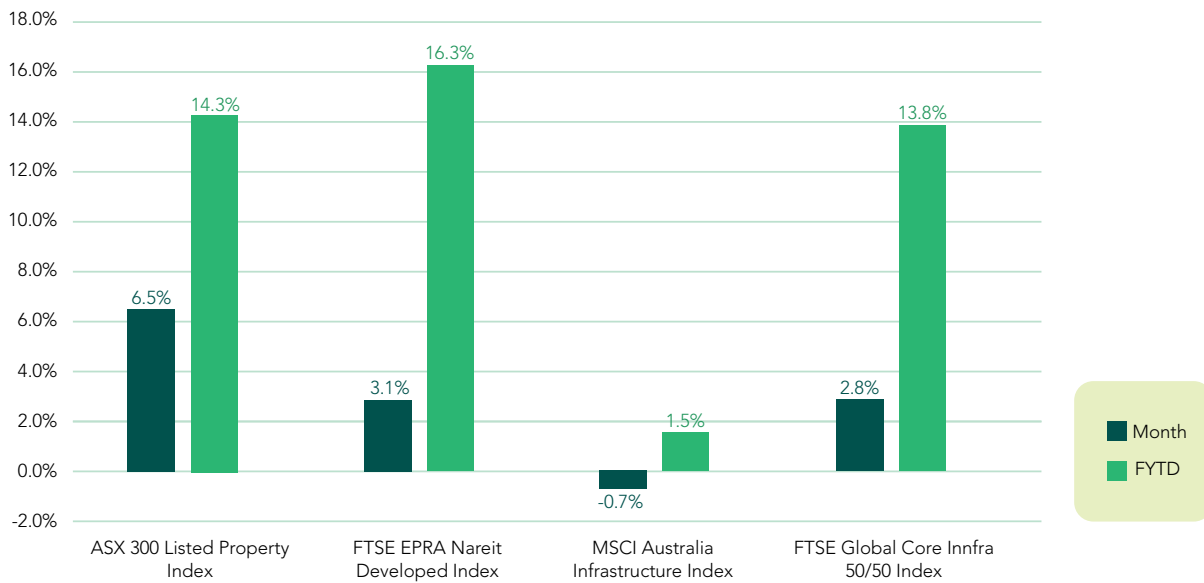
Source: Bloomberg

Fixed income



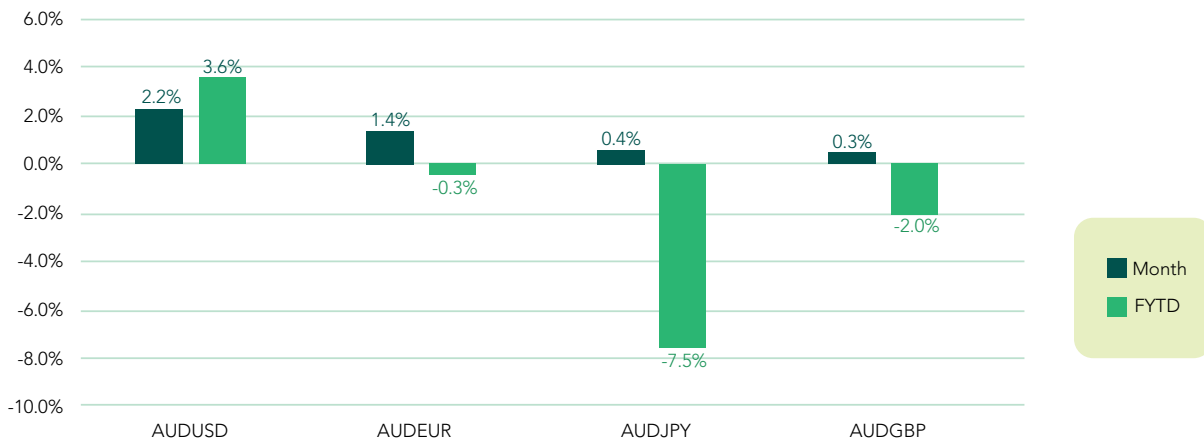
September 2024

Property and infrastructure



Source: Bloomberg

Australian dollar against major local currencies



Source: Bloomberg

NGS Super Investment Performance Summary

To 30 September 2024

Superannuation

NGS Accumulation account returns

	NGS Super investment option	10 years % p.a.	5 years % p.a.	3 years % p.a.	1 year %	Financial year to date %	Month %	Since commencement % p.a. return	Commencement date	Funds under management (FUM) \$M
PRE-MIXED	Diversified (MySuper)	6.98	5.92	4.29	12.04	2.90	1.12	6.83	Oct 1999	9901.80
	High Growth	7.68	6.44	4.13	12.46	2.46	1.11	6.38	Jul 2007	692.60
	Balanced	5.75	4.73	3.67	9.78	2.59	0.82	5.36	Jul 2007	475.90
	Defensive	4.81	3.66	2.91	8.09	2.28	0.63	5.56	Feb 2003	295.90
	Indexed Growth	7.60	6.69	6.30	19.16	5.42	1.72	8.51	Oct 2011	170.60
SECTOR-SPECIFIC	Australian Shares	8.55	8.37	7.80	21.57	7.98	3.27	9.50	Feb 2003	478.80
	International Shares	9.70	8.21	4.55	19.68	2.16	0.34	8.11	Mar 2003	325.90
	Infrastructure	n/a	4.75	3.68	19.90	10.13	1.80	4.99	May 2019	8.70
	Property	7.54	6.11	8.27	25.20	11.57	2.61	7.97	Sep 2002	86.90
	Diversified Bonds	1.72	0.48	-0.72	7.94	3.11	0.29	3.95	Oct 1999	35.70
	Cash and Term Deposits	1.97	1.86	2.68	4.23	1.06	0.35	3.44	Oct 1999	280.40

The above table shows the net return after investment fees, tax and the asset-based fee.

We recommend that you seek financial advice before making any changes to your investment strategy. In particular we recommend that you seek financial advice before making any short-term changes to your long-term investment strategy. Investment returns are not guaranteed as all investments carry some risk. Past performance is not necessarily a guide to future performance.

¹ If you are in a *Transition to retirement account*, your returns prior to 1 July 2017 were tax free and were reflected in the Income account returns.

This information is provided by NGS Super Pty Limited ABN 46 003 491 487, AFSL No 233 154, the trustee of NGS Super ABN 73 549 180 515

NGS Super Investment Performance Summary

To 30 September 2024

Transition to Retirement

NGS Transition to Retirement account returns

	NGS Super investment option	10 years % p.a.	5 years % p.a.	3 years % p.a.	1 year %	Financial year to date %	Month %	Since commencement % p.a. return	Commencement date	Funds under management (FUM) \$M
PRE-MIXED	Diversified	7.19	5.92	4.29	12.04	2.90	1.12	7.17	Jul 2005	9901.80
	High Growth	7.93	6.44	4.13	12.46	2.46	1.11	6.62	Jul 2007	692.60
	Balanced	5.94	4.73	3.67	9.78	2.59	0.82	5.68	Jul 2007	475.90
	Defensive	4.99	3.66	2.91	8.09	2.28	0.63	5.78	Jul 2005	295.90
	Indexed Growth	7.79	6.69	6.30	19.16	5.42	1.72	8.96	Oct 2011	170.60
SECTOR-SPECIFIC	Australian Shares	8.75	8.37	7.80	21.57	7.98	3.27	8.33	Jul 2005	478.80
	International Shares	9.92	8.21	4.55	19.68	2.16	0.34	8.08	Jul 2005	325.90
	Infrastructure	n/a	4.75	3.68	19.90	10.13	1.80	4.99	May 2019	8.70
	Property	7.74	6.11	8.27	25.20	11.57	2.61	7.35	Jul 2005	86.90
	Diversified Bonds	1.83	0.48	-0.72	7.94	3.11	0.29	3.57	Jul 2005	35.70
	Cash and Term Deposits	2.07	1.86	2.68	4.23	1.06	0.35	3.53	Jul 2005	280.40

The above table shows the net return after investment fees, tax and the asset-based fee.

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NGS Super Investment Performance Summary

To 30 September 2024

Income account

Returns on income account (pension) investments are tax free. Income account investment returns will exceed equivalent (taxed) super investment returns in periods when investment earnings are positive. In periods when investment earnings are negative, super returns will exceed equivalent income account returns. A negative return (loss) means that less tax is payable on taxed super investments than has already been accrued, so there is a tax adjustment that can be credited back to accumulation members. There is no equivalent adjustment for income account members because income account returns are tax free.

NGS Income account returns

	NGS Super investment option	10 years % p.a.	5 years % p.a.	3 years % p.a.	1 year %	Financial year to date %	Month %	Since commencement % p.a. return	Commencement date	Funds under management (FUM) \$M
PRE-MIXED	Diversified	7.57	6.43	4.90	13.60	3.23	1.23	7.12	Nov 2001	1212.40
	High Growth	8.21	6.84	4.71	13.80	2.71	1.20	6.78	Aug 2007	107.90
	Balanced	6.25	5.11	4.15	10.95	2.91	0.90	5.86	Aug 2007	407.90
	Defensive	5.31	4.01	3.27	9.14	2.58	0.67	5.77	Nov 2001	399.80
	Indexed Growth	8.22	7.18	7.04	21.30	5.93	1.87	9.29	Sept 2011	112.40
	Retire Plus	n/a	6.08	5.24	9.37	2.48	0.83	7.21	Aug 2017	254.80
SECTOR-SPECIFIC	Australian Shares	8.66	8.23	8.69	24.47	9.02	3.62	8.85	Sept 2004	89.70
	International Shares	10.20	8.32	4.67	22.00	2.34	0.35	8.26	Sept 2004	56.20
	Infrastructure	n/a	5.70	4.83	24.45	11.62	2.08	5.96	May 2019	2.70
	Property	8.46	6.95	9.15	30.34	13.78	3.06	8.80	Dec 2002	21.80
	Diversified Bonds	2.11	0.78	-0.79	9.68	3.67	0.35	4.10	May 2004	20.60
	Cash and Term Deposits	2.31	2.19	3.14	4.95	1.24	0.40	3.75	Jul 2004	156.00

The above table shows the net return after investment fees and the asset-based fee (no tax applies).

We recommend that you seek financial advice before making any changes to your investment strategy. In particular we recommend that you seek financial advice before making any short-term changes to your long-term investment strategy. Investment returns are not guaranteed as all investments carry some risk. Past performance is not necessarily a guide to future performance.

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Further information

If you are thinking about making changes to your investments in NGS Super, consider obtaining professional advice to understand which investment option might be right for you.

We offer single-issue advice limited to your NGS Super account at no cost:

- over the phone through our Financial Advice Helpline
- through our **Super Specialists** who you can talk to over the phone or meet either virtually or face-to-face.

We also offer low-cost tailored advice through NGS Financial Planning.

To make an appointment phone us on **1300 133 177** or complete the **Financial planning enquiry form** at ngssuper.com.au/advice

NGS financial planning service

NGS Super members are also entitled to a free initial consultation for general advice relating to your personal circumstances through our financial planning service.

Important information

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