

# Monthly market snapshot

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



# Monthly market snapshot

December 2023 market commentary

## Navigating the winds of change

The financial landscape in December 2023 was significantly shaped by developments in US monetary policy and their global implications. The US Federal Reserve's (Fed's) final policy meeting of the year was a pivotal event, signalling a potential shift in monetary policy. Although the Fed maintained rates steady in December 2023, it indicated the possibility of more rate cuts in 2024 than previously anticipated — a total of 75 basis points (0.75%) in 2024, which, if fully implemented, would lower the policy rate to 4.6%. This projection marked a substantial decline from the previously projected policy rate of 5.1%, reflecting a shift in the Fed's stance since earlier in the year, amid changing economic conditions. This decision came against a backdrop of slowing inflation, but resilient economic growth, which relieved some of the recession fears that had been looming over the market. The Fed's dovish stance appeared to pave the way for a more accommodative monetary environment in the upcoming year.

In terms of equity market performance, December saw varied results across different regions. The S&P 500 Index in the US reported a moderate gain of 4.5% for the month, which is likely to be a reflection of the market's positive response to the Fed's policy stance and its implications for corporate earnings and valuations. Meanwhile, the MSCI World Index, tracking global developed markets, rose by 4.9%, and the MSCI EM, tracking emerging markets, increased by 3.9%.

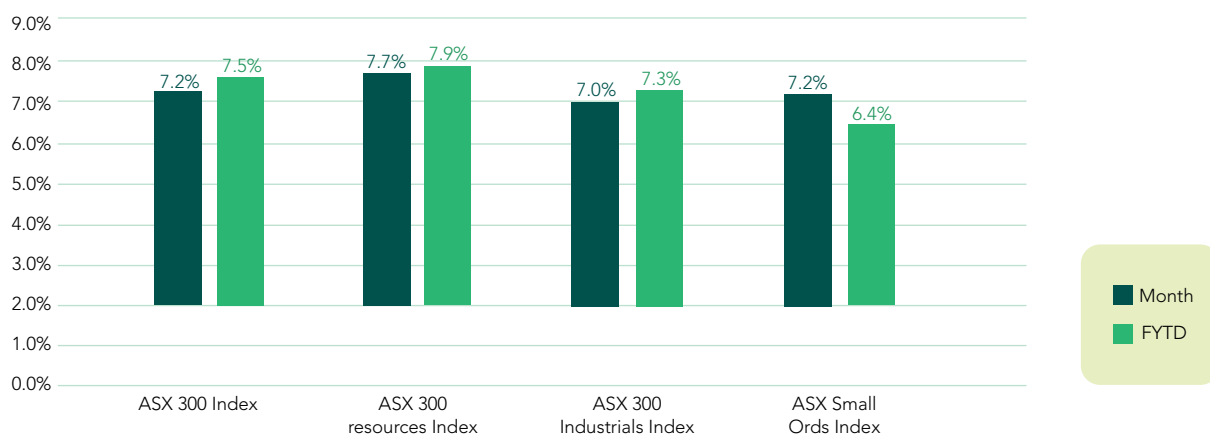
Australian markets showed robust growth, rallying by 7.2% over the month. This performance points to the resilience of — and specific factors influencing — the Australian market relative to global trends. In contrast to these gains, the CSI 300 Index in China experienced a decline of 1.8%, highlighting the unique economic challenges faced by the Chinese market. Other global markets, including currencies and bonds, presented a mixed picture. The Bloomberg Barclays Global Aggregate Index, a benchmark for global bonds, increased by 5.0% in December, indicating a shift in investor preference towards fixed-income assets in some regions. The Bloomberg Ausbond Composite Index, tracking the Australian bond market, also saw a rise, with a monthly return of 3.0%. In currency markets, the Australian Dollar (AUD) showed relative strength against major currencies like the US Dollar (USD), Euro (EUR), and Japanese Yen (JPY). The property and infrastructure sectors also witnessed notable movements, with the ASX 300 Listed Property Index and the FTSE Global Core Infra 50/50 Index reporting significant gains, consistent with a global risk relief rally.

Focusing on the Australian housing market, CoreLogic's National Home Value Index (HVI) rose 8.1% in 2023, a significant turnaround from the 4.9% drop seen in 2022. December's 0.4% increase saw 2023 finish with a relatively soft monthly rise in home values, showing signs of slowing momentum amid higher mortgage rates. There was increased variation at the state capital level as house prices remained strong in Brisbane (+1.0%), Adelaide (+1.3%) and Perth (+1.6%) but were stable in Sydney (+0.2%) and fell for the second consecutive month in Melbourne (-0.3%).

In summary, December 2023 was marked by recovered optimism in global equity and bond markets driven by a dovish pivot from the US Federal Reserve as disinflation continues to materialise. However, resilient labour markets, strong service sectors, and geopolitical supply shocks kept uncertainty around growth and inflation high heading into 2024.

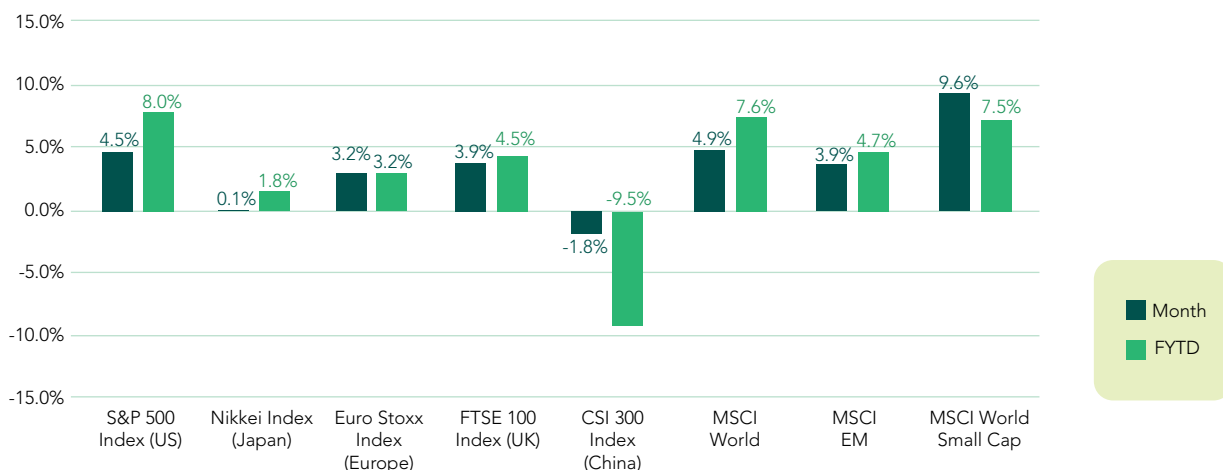
## December 2023

### Australian equities



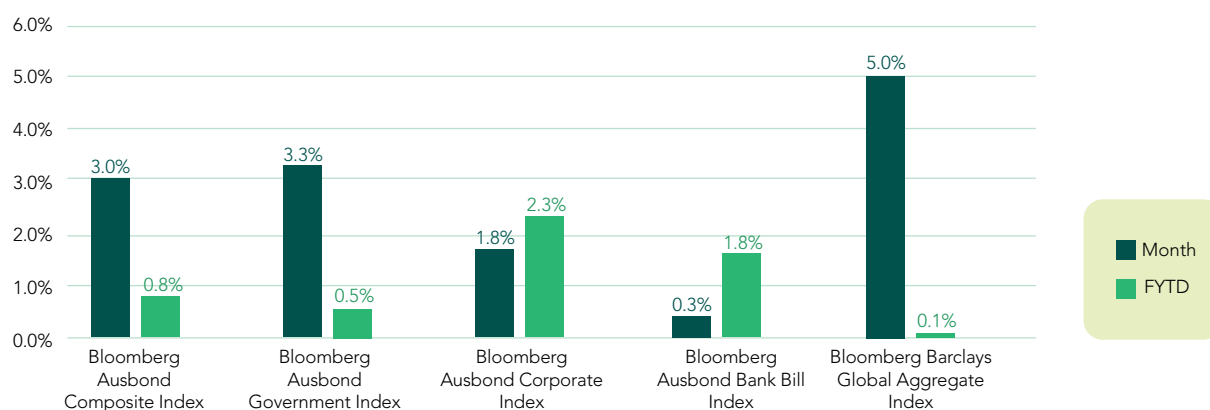
Source: Bloomberg

### International equities (local currencies)



Source: Bloomberg

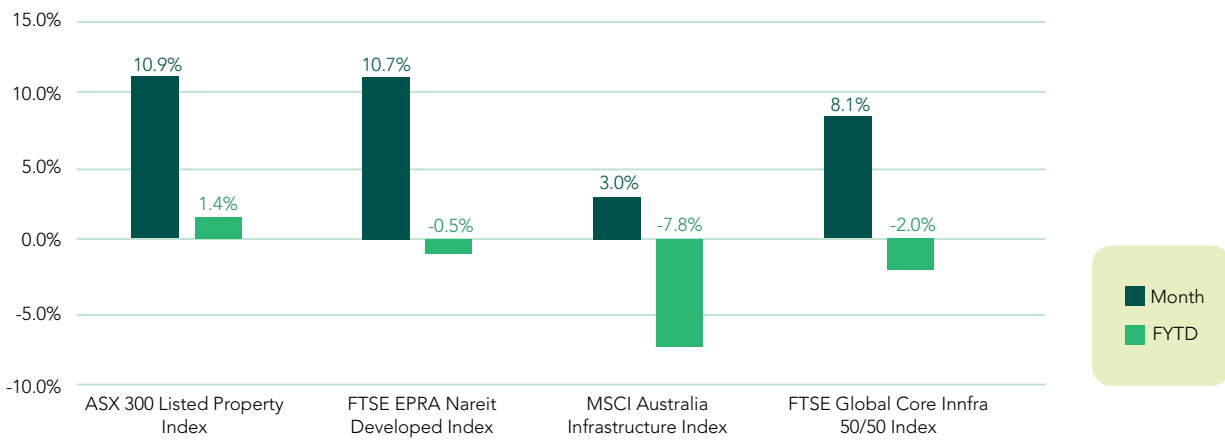
### Fixed income



Source: Bloomberg

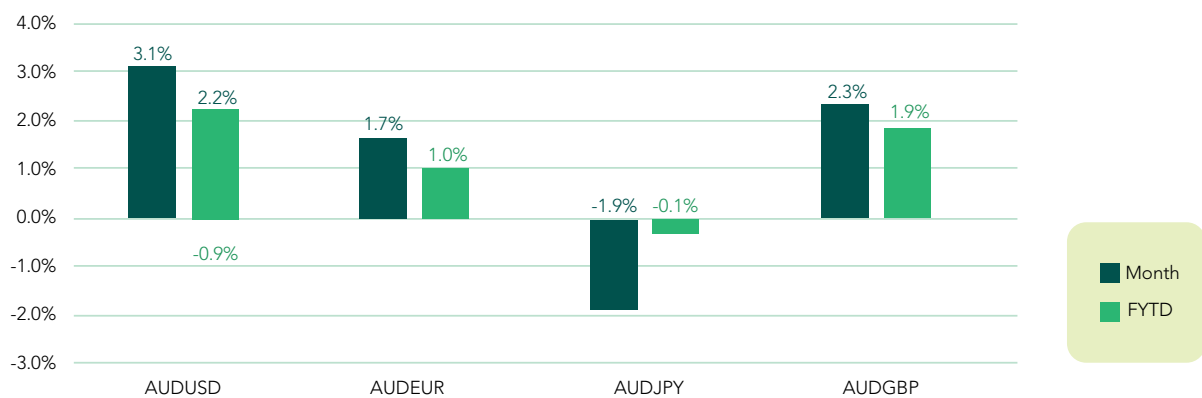
## December 2023

### Property and Infrastructure



Source: Bloomberg

### Australian dollar against major local currencies



Source: Bloomberg

# NGS Super Investment Performance Summary

To 31 December 2023

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)	6.65	6.58	5.45	8.96	3.20	2.56	6.72	Oct 1999	9311.00
	High Growth	7.30	7.27	5.82	9.28	3.17	2.44	6.16	Jul 2007	639.40
	Balanced	5.55	5.28	4.32	7.45	2.99	2.22	5.24	Jul 2007	473.20
	Defensive	4.72	4.12	3.35	6.05	2.66	1.82	5.53	Feb 2003	306.20
	Indexed Growth	6.88	7.40	5.77	10.96	4.96	3.97	8.06	Oct 2011	144.30
SECTOR-SPECIFIC	Australian Shares	7.58	9.65	8.69	12.79	7.07	6.52	9.24	Feb 2003	434.30
	International Shares	8.84	9.02	4.13	18.64	3.73	2.41	7.79	Mar 2003	288.50
	Infrastructure	n/a	n/a	2.98	-1.04	0.13	2.04	3.39	May 2019	8.20
	Property	7.11	4.39	7.03	11.62	6.14	6.08	7.62	Sep 2002	79.60
	Diversified Bonds	1.82	0.82	-1.67	4.00	2.57	2.76	3.96	Oct 1999	34.90
	Cash and Term Deposits	1.84	1.52	1.66	3.65	1.98	0.34	3.42	Oct 1999	290.60

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.

<sup>1</sup> 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 31 December 2023

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 (MySuper)	6.92	6.58	5.45	8.96	3.20	2.56	7.05	Jul 2005	9311.00
	High Growth	7.60	7.27	5.82	9.28	3.17	2.44	6.41	Jul 2007	639.40
	Balanced	5.79	5.28	4.32	7.45	2.99	2.22	5.58	Jul 2007	473.20
	Defensive	4.96	4.12	3.35	6.05	2.66	1.82	5.75	Jul 2005	306.20
	Indexed Growth	7.12	7.40	5.77	10.96	4.96	3.97	8.54	Oct 2011	144.30
SECTOR-SPECIFIC	Australian Shares	7.79	9.65	8.69	12.79	7.07	6.52	8.00	Jul 2005	434.30
	International Shares	9.12	9.02	4.13	18.64	3.73	2.41	7.72	Jul 2005	288.50
	Infrastructure	n/a	n/a	2.98	-1.04	0.13	2.04	3.39	May 2019	8.20
	Property	7.41	4.39	7.03	11.62	6.14	6.08	6.94	Jul 2005	79.60
	Diversified Bonds	1.99	0.82	-1.67	4.00	2.57	2.76	3.57	Jul 2005	34.90
	Cash and Term Deposits	1.98	1.52	1.66	3.65	1.98	0.34	3.50	Jul 2005	290.60

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 31 December 2023

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 (MySuper)	7.20	7.05	6.03	10.28	3.68	2.87	6.98	Nov 2001	1123.80
	High Growth	7.81	7.59	6.48	10.82	3.56	2.70	6.53	Aug 2007	90.40
	Balanced	6.04	5.63	4.80	8.63	3.38	2.50	5.73	Aug 2007	396.70
	Defensive	5.22	4.43	3.76	7.02	3.02	2.07	5.72	Nov 2001	381.90
	Indexed Growth	7.43	7.89	6.03	12.52	5.53	4.42	8.79	Sept 2011	93.70
	Retire Plus	n/a	6.93	7.05	7.87	2.89	1.99	7.18	Aug 2017	152.40
SECTOR-SPECIFIC	Australian Shares	7.55	9.26	9.31	13.95	7.93	7.33	8.47	Sept 2004	81.0
	International Shares	9.26	9.03	3.27	19.81	4.15	2.68	7.85	Sept 2004	51.0
	Infrastructure	n/a	n/a	3.50	0.04	0.30	2.39	3.92	May 2019	2.90
	Property	7.89	5.00	7.84	13.19	7.35	7.19	8.37	Dec 2002	19.90
	Diversified Bonds	2.20	1.11	-1.66	4.80	3.08	3.28	4.08	May 2004	22.20
	Cash and Term Deposits	2.16	1.78	1.94	4.28	2.31	0.40	3.71	Jul 2004	144.10

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](https://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

This document has been issued by NGS Super Pty Limited ABN 46 003 491 487 AFSL 233 154 as trustee of NGS Super ABN 73 549 180 515. Any information contained in this document is of a general nature only and does not take into account your personal objectives, financial situations or needs. Please read the **Product Disclosure Statement** and consider the **target market determination** before making a decision about NGS Super. The information in this document is current as at 12 January 2024. Past performance is not a guarantee of future results. The forward-looking statements in this document are not guarantees or predictions of future performance and subject to change. Care should be taken before relying on these statements.

The Monthly market snapshot contains general information only and should not be regarded as financial, legal or other advice. If you require further information on any of the content please contact NGS Super or seek professional advice.





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BY 2030



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