

Monthly market snapshot

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



Monthly market summary

May 2025

Global markets surge as trade tensions ease in May 2025

Global trade tensions fluctuated in May. A temporary 90-day pause in US-China tariff escalation initially calmed markets and lowered expectations for near-term Federal Reserve rate cuts. However, optimism faded when the US later accused China of violating the agreement. Simultaneously, US-EU trade relations worsened, with President Trump proposing 50% tariffs on EU goods, citing negotiation delays. Legal challenges also emerged as US courts questioned the legitimacy of many recent tariffs, though enforcement was postponed. Trump further signalled plans to double metal tariffs in June, emphasising the continued unpredictability of trade policy.

Meanwhile, US interest rates spiked amid fiscal concerns. Moody's downgraded US credit rating, and a new tax proposal - potentially adding \$3 trillion to the federal deficit - contributed to a selloff in bonds. As a result, 30-year Treasury yields climbed above 5%, underscoring market apprehension around the country's fiscal trajectory. Despite the volatile policy landscape, global equities rallied, particularly US tech and growth stocks. This was driven by strong earnings from the "Magnificent 7" (seven of the world's biggest and most influential tech companies). This lifted US markets into positive territory for the year. The S&P 500 rose by 6.3% during the month. The MSCI World Index gained 5.9%, indicating widespread optimism across major developed markets. Emerging markets, represented by the MSCI Emerging Markets Index, increased by 4.3%. Australia's ASX 300 climbed by 4.2%, reflecting positive sentiment particularly in industrial and smaller-company sectors. Chinese equities advanced, initially boosted by momentum toward a trade deal with the United States. However, Chinese stocks gave back most of those gains as economic data disappointed, including weak domestic demand, softening business activity, and continued deflation. Overall, the CSI 300 Index increased 2.0% in May.

Performance of fixed income was mixed. Australian bonds, represented by the Bloomberg AusBond Composite Index, returned 0.2%, while the Bloomberg Barclays Global Aggregate Index saw a slight decline of 0.4%, as global yields rose amid continued concerns about government borrowing. In currency markets, the Australian dollar appreciated 0.5% against the US dollar and 1.2% against the Japanese yen, but edged 0.5% lower against the British pound. Real assets saw stronger performance, with the ASX 300 Listed Property Index gaining 4.9% and the MSCI Australia Infrastructure Index rising 1.9%, supported by investor confidence in economic stability. Commodity markets were relatively subdued, with gold prices flat and the Bloomberg Commodity Index dipping 0.6%.

In May, the RBA cut the cash rate by 25bps to 3.85%, marking a dovish shift in policy as inflation risks were seen to have diminished and both growth and inflation forecasts were revised lower. While the 25bps cut was widely anticipated, the discussion of a potential 50bps cut underscored the Board's increasing concern over softer economic conditions, with Governor Bullock highlighting the broader willingness to ease policy further if required. On the inflation front, April's CPI rose 2.4% year-over-year, slightly above expectations, driven by seasonal holiday costs and rising health insurance premiums. Nonetheless, the trimmed mean inflation rate edged up to 2.8% year-over-year, staying comfortably within the RBA's 2–3% target band, providing further justification for the rate cut.

In the housing market, CoreLogic's national Home Value Index (HVI) rose 0.5% in May, bringing cumulative gains to 1.7% for the first five months of 2025. All capital cities recorded price increases, with Darwin outperforming at 1.6%, while others posted at least 0.4% growth. Despite this continued monthly strength, the pace of annual HVI growth moderated to 3.3%, its slowest rate since August 2023, suggesting a gradual cooling in property price momentum.

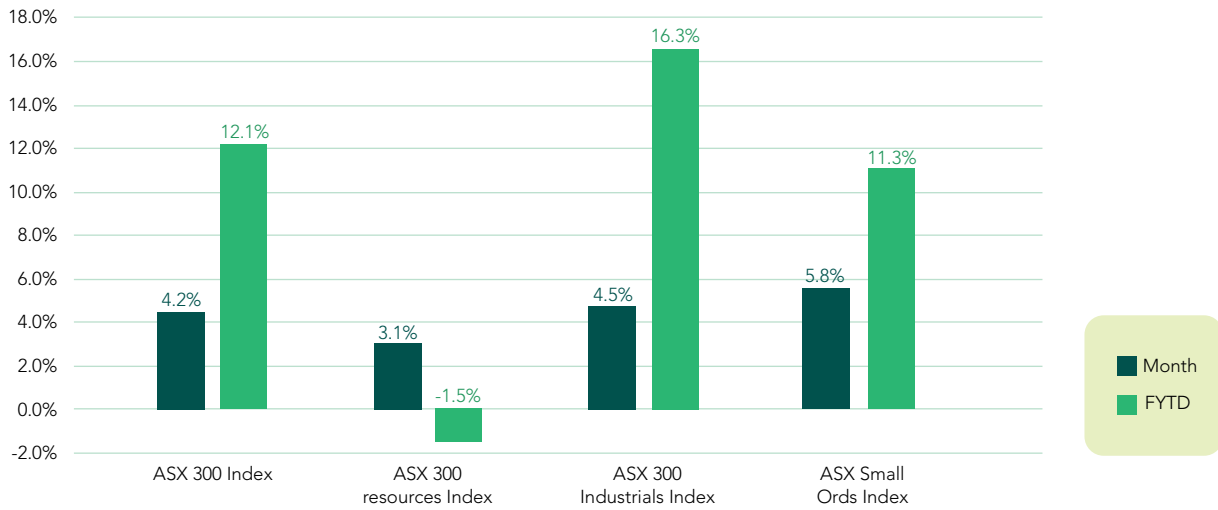
Together, the monetary easing and resilient housing data reflect a balancing act between managing inflation within target and supporting a slowing domestic economy.

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Market projections are based on current assumptions and are subject to change. These are not guarantees of future results. This information is current as at 24 June 2025.

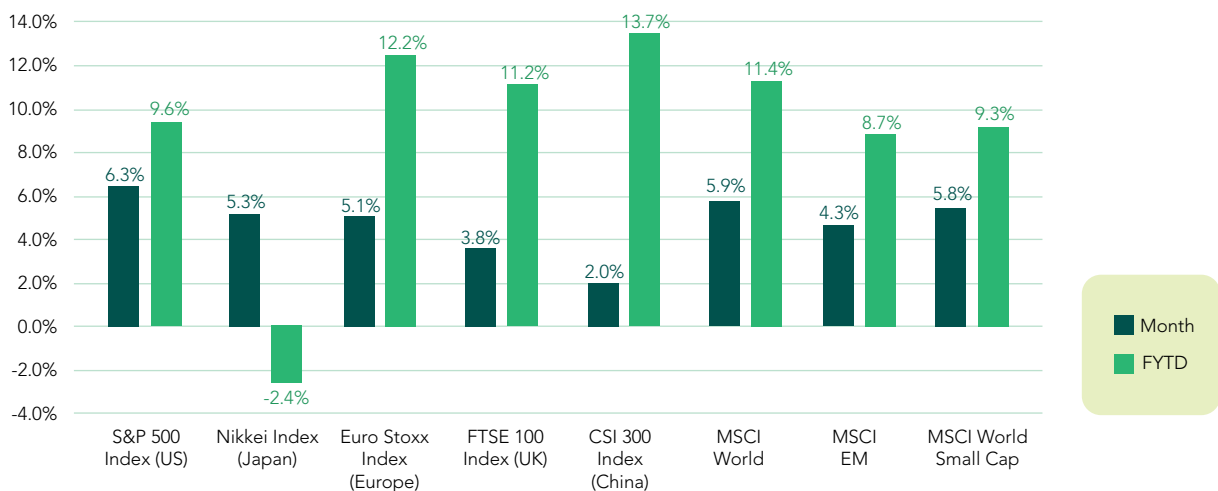
May 2025

Australian equities



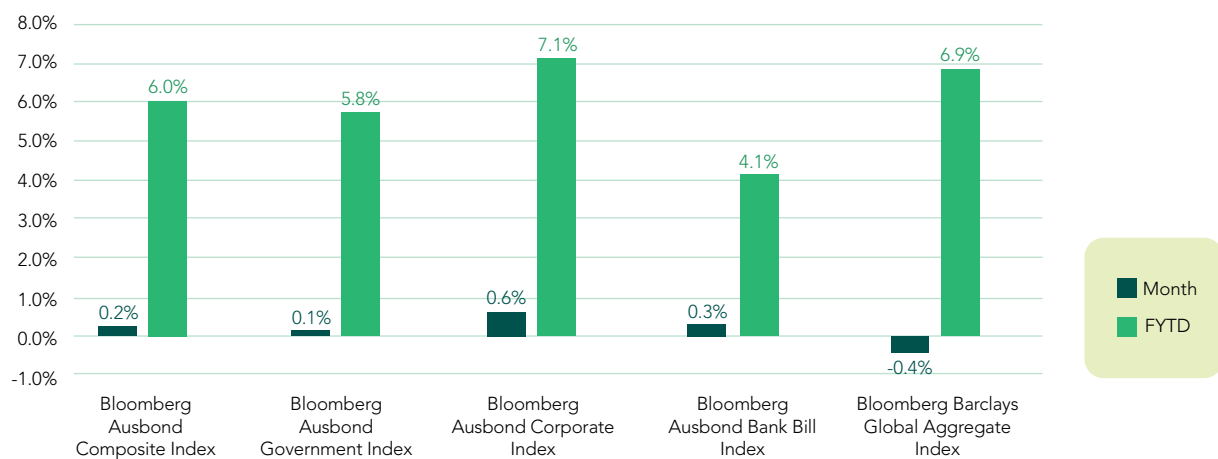
Source: Bloomberg Index Services Limited.

International equities (local currencies)



Source: Bloomberg Index Services Limited.

Fixed income

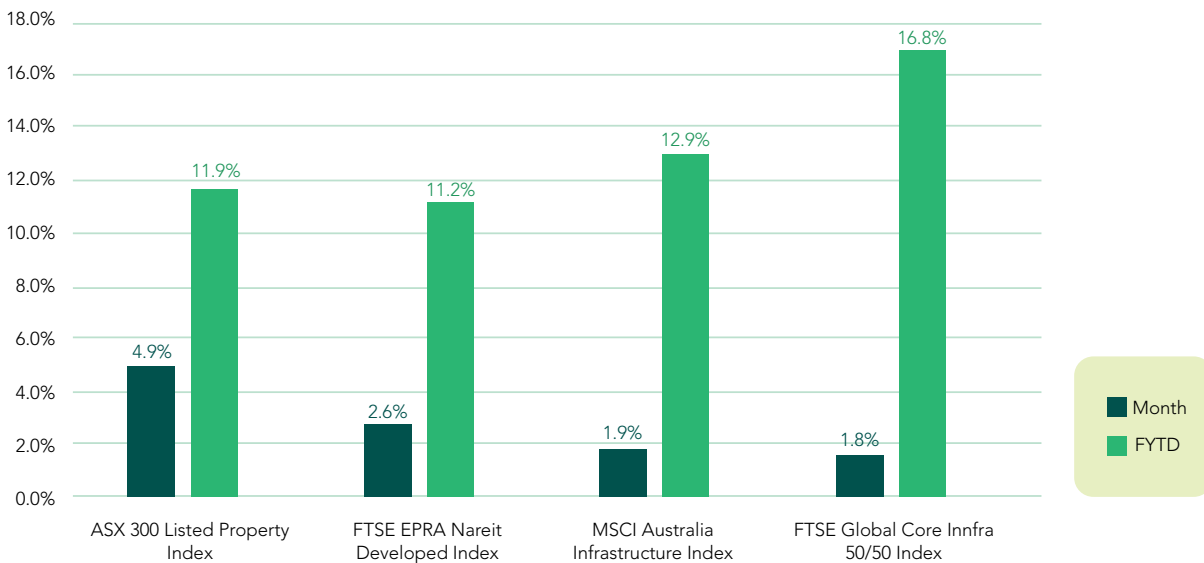


Source: Bloomberg Index Services Limited.

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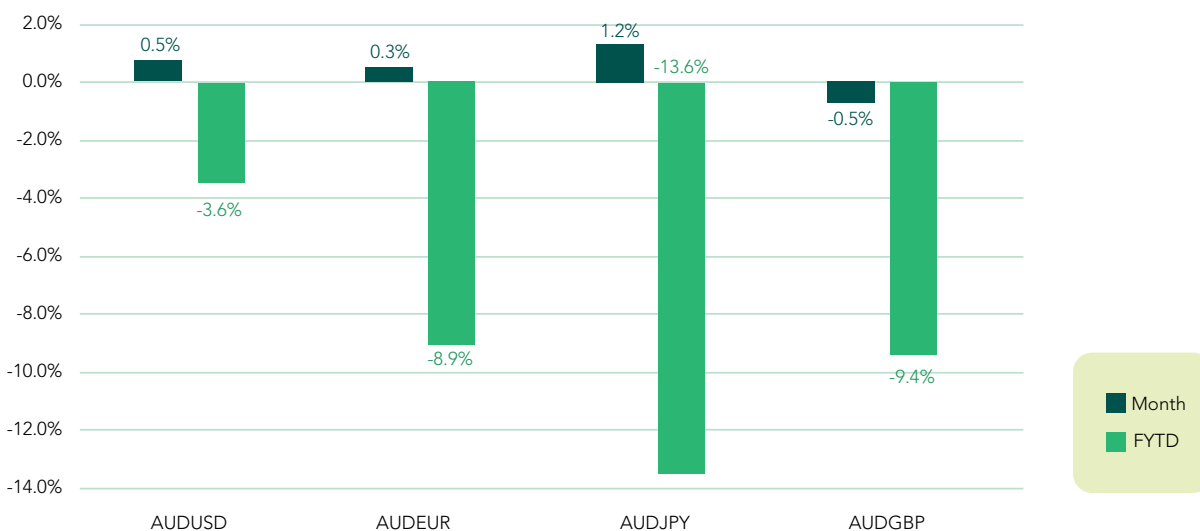
May 2025

Property and infrastructure



Source: Bloomberg Index Services Limited.

Australian dollar against major local currencies



Source: Bloomberg Index Services Limited.

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NGS Super Investment Performance Summary

To 31 May 2025

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)	6.80	7.95	7.72	10.42	9.92	2.28	6.92	Oct 1999	10367.40
	High Growth	7.45	8.77	8.30	11.09	10.43	2.59	6.58	Jul 2007	743.90
	Balanced	5.61	6.23	6.33	8.58	8.21	1.55	5.47	Jul 2007	472.80
	Defensive	4.72	4.82	5.10	7.41	7.01	0.99	5.61	Feb 2003	321.40
	Indexed Growth	6.90	8.74	8.37	11.14	10.30	2.84	8.44	Oct 2011	203.60
SECTOR-SPECIFIC	Australian Shares	8.01	11.67	10.09	14.10	13.07	3.92	9.43	Feb 2003	484.80
	International Shares	9.10	10.42	12.90	15.15	13.73	4.84	8.38	Mar 2003	355.10
	Infrastructure	n/a	5.43	3.34	11.15	13.64	1.15	4.97	May 2019	10.60
	Property	6.16	6.11	4.22	7.88	7.22	2.62	7.54	Sep 2002	83.30
	Diversified Bonds	1.61	0.52	1.23	5.65	4.95	0.24	3.92	Oct 1999	37.00
	Cash and Term Deposits	2.07	2.24	3.54	4.16	3.80	0.33	3.46	Oct 1999	308.20

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.

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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 May 2025

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	6.91	7.95	7.72	10.42	9.92	2.28	7.28	Jul 2005	10367.40
	High Growth	7.58	8.77	8.30	11.09	10.43	2.59	6.81	Jul 2007	743.90
	Balanced	5.70	6.23	6.33	8.58	8.21	1.55	5.78	Jul 2007	472.80
	Defensive	4.82	4.82	5.10	7.41	7.01	0.99	5.82	Jul 2005	321.40
	Indexed Growth	6.98	8.74	8.37	11.14	10.30	2.84	8.87	Oct 2011	203.60
SECTOR-SPECIFIC	Australian Shares	8.10	11.67	10.09	14.10	13.07	3.92	8.29	Jul 2005	484.80
	International Shares	9.13	10.42	12.90	15.15	13.73	4.84	8.39	Jul 2005	355.10
	Infrastructure	n/a	5.43	3.34	11.15	13.64	1.15	4.97	May 2019	10.60
	Property	6.27	6.11	4.22	7.88	7.22	2.62	6.89	Jul 2005	83.30
	Diversified Bonds	1.67	0.52	1.23	5.65	4.95	0.24	3.54	Jul 2005	37.00
	Cash and Term Deposits	2.15	2.24	3.54	4.16	3.80	0.33	3.55	Jul 2005	308.20

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 May 2025

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	7.36	8.62	8.74	11.64	11.07	2.50	7.24	Nov 2001	1262.50
	High Growth	7.94	9.41	9.38	12.25	11.50	2.84	7.01	Aug 2007	114.00
	Balanced	6.08	6.76	7.15	9.60	9.17	1.73	5.99	Aug 2007	418.20
	Defensive	5.21	5.35	5.85	8.48	8.02	1.11	5.83	Nov 2001	432.40
	Indexed Growth	7.44	9.45	9.36	12.19	11.28	3.10	9.21	Sept 2011	142.10
	Retire Plus	n/a	8.12	7.76	9.69	9.68	1.67	7.51	Aug 2017	333.60
SECTOR-SPECIFIC	Australian Shares	8.06	11.78	11.19	15.85	14.71	4.30	8.82	Sept 2004	94.60
	International Shares	9.51	10.74	13.95	16.65	15.07	5.27	8.60	Sept 2004	63.10
	Infrastructure	n/a	6.50	4.59	12.89	15.76	1.21	5.92	May 2019	3.70
	Property	6.93	6.98	4.87	9.69	8.87	3.07	8.31	Dec 2002	20.00
	Diversified Bonds	1.98	0.83	1.53	6.69	5.83	0.25	4.07	May 2004	23.30
	Cash and Term Deposits	2.43	2.63	4.15	4.86	4.44	0.38	3.79	Jul 2004	171.40

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

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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

This information is general information only and does not take into account your objectives, financial situation or needs. Before acting on this information, or making an investment decision, consider whether it is appropriate to you and read our **Product Disclosure Statement** and **Target Market Determination**. You should also consider obtaining financial, taxation and/or legal advice tailored to your personal circumstances before making a decision. Financial products are issued by NGS Super Pty Ltd ABN 46 003 491 487 RSE Licence L0000567 and AFSL 233 154.

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