

Monthly market snapshot

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



Monthly market snapshot

January 2024 market commentary

Rally continued despite pushbacks against Fed cuts

The global financial markets in January 2024 were characterised by a continued upward trajectory in equity markets. This was led by developed markets, with notable performances from Japan and Europe, excluding the UK. US equities also reached several all-time highs during the month despite emerging markets equities lagging due to ongoing weakness in China. The preference for large caps and growth equities was evident in January. However, bond markets couldn't sustain the late 2023 euphoria, as expectations for policy rate cuts were pared down, leading to a rise in yields. High-yield assets with lower duration outperformed their investment-grade counterparts. Commodities, particularly oil, fared better than in recent months despite fears of supply disruptions in the Middle East. Currency markets saw the US dollar and UK sterling strengthen while the yen declined, and the euro had a mixed performance.

In terms of equity indices, the S&P 500 in the US saw a moderate increase of 1.7%, while the Nikkei Index in Japan outperformed with an 8.4% rise, which likely indicates strong investor confidence in the Japanese market. The Euro Stoxx Index in Europe also saw a healthy increase of 2.9%. However, the UK market, as represented by the FTSE 100 Index, experienced a slight decline of 1.3%. The Chinese market, indicated by the CSI 300 Index, faced a significant downturn, declining by 6.3%. The Australian market, represented by the ASX 300, showed a modest increase of 1.1%, with the ASX 300 Industrials Index outperforming within the region, rising by 2.9%.

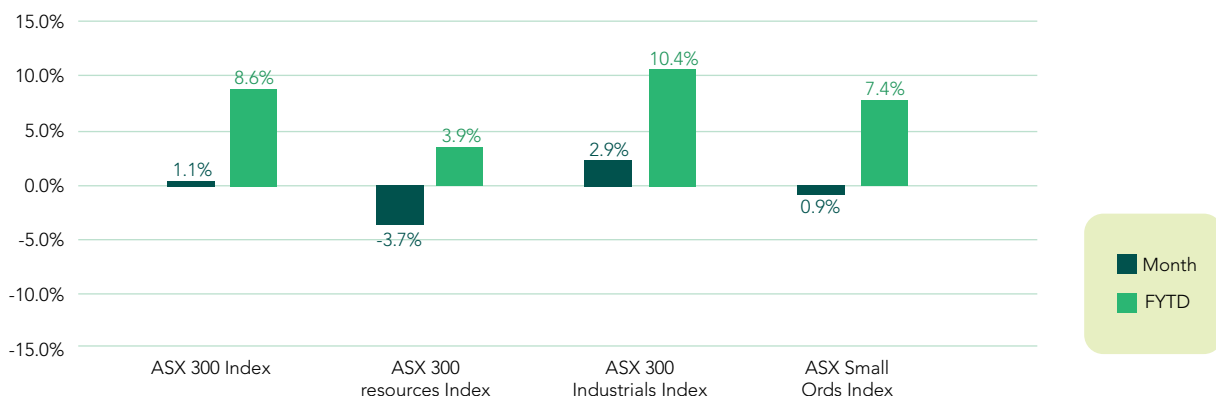
In other global markets, the currency sector saw the Australian dollar weaken against major currencies, with the AUD/USD rate declining by 3.6%. The bond market experienced a downturn, with the Bloomberg Barclays Global Aggregate Index decreasing by 1.4%. In contrast, the Australian bond market, as indicated by the Bloomberg Ausbond Composite Index, saw a slight increase of 0.2%. The property and infrastructure sectors had a mixed performance. The Australian ASX 300 Listed Property Index witnessed a 1.2% rise, whereas the global FTSE EPRA Nareit Developed Index experienced a notable decline of 4%. Meanwhile, the infrastructure indices, namely the MSCI Australia Infrastructure Index and the FTSE Global Core Infra 50/50 Index, registered losses of 0.6% and 2.4%, respectively.

Focusing on the Australian economy, the property market showed signs of resilience, with the 5 capital city aggregate index indicating steady growth. The Reserve Bank of Australia maintained a cautious stance, closely monitoring inflation and economic growth indicators. The major Australian banks did not announce significant changes to mortgage rates during the month.

In summary, January 2024 was marked by a continued rise in global equity markets, driven by strong performances in developed markets, particularly in Japan and Europe. The downturn in bond markets and mixed performances in currency, property, and infrastructure sectors reflected a complex global economic landscape. As always, it is important for investors to stay informed and consider a diversified investment approach in the face of ongoing global economic uncertainties.

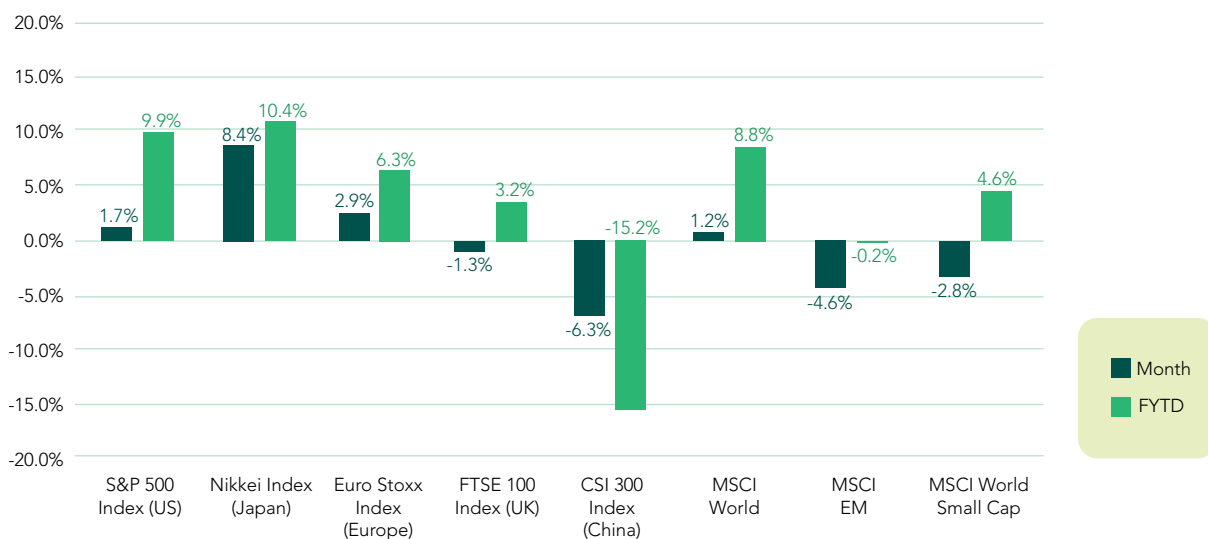
January 2024

Australian equities



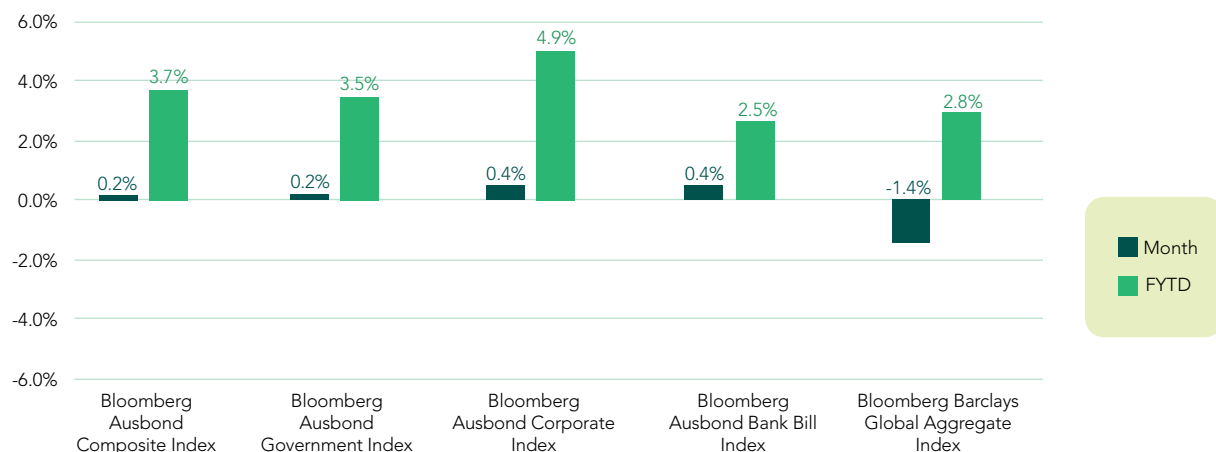
Source: Bloomberg

International equities (local currencies)



Source: Bloomberg

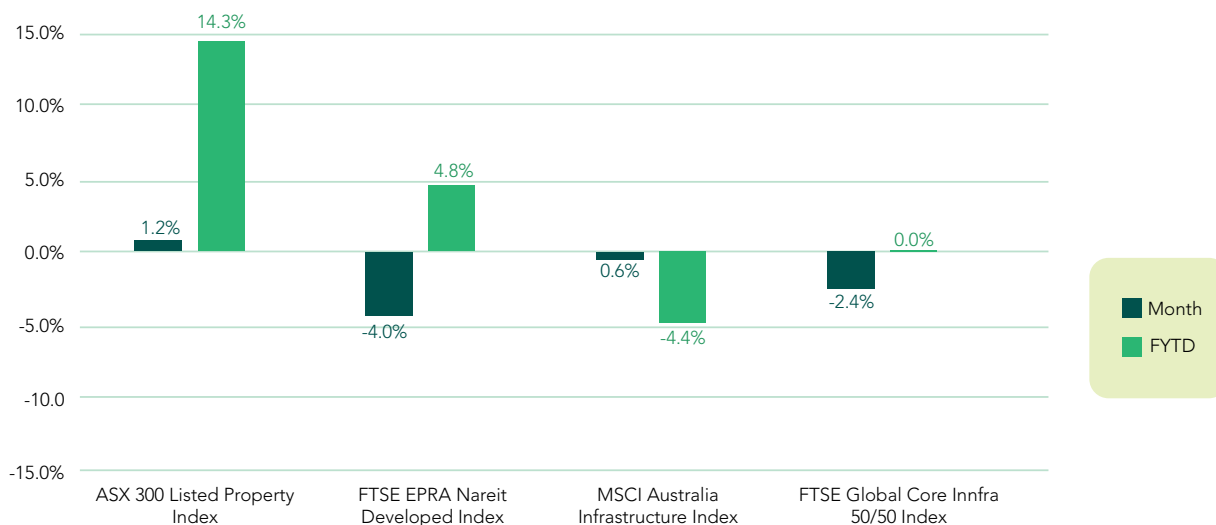
Fixed income



Source: Bloomberg

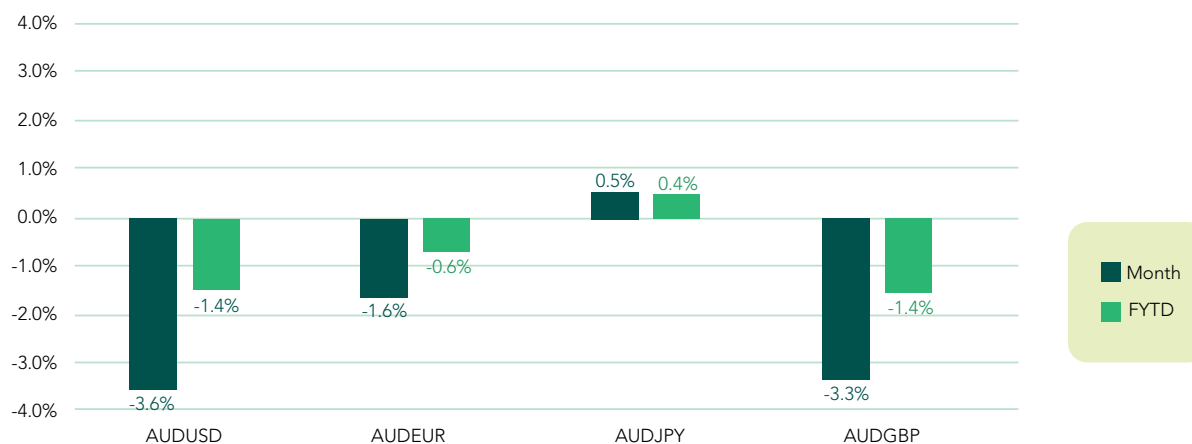
January 2024

Property and infrastructure



Source: Bloomberg

Australian dollar against major local currencies



Source: Bloomberg

NGS Super Investment Performance Summary

To 31 January 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) | 6.82 | 6.29 | 5.64 | 6.44 | 3.97 | 0.74 | 6.73 | Oct 1999 | 9374.40 |
| | High Growth | 7.53 | 7.03 | 6.08 | 7.04 | 4.23 | 1.02 | 6.20 | Jul 2007 | 648.90 |
| | Balanced | 5.67 | 5.04 | 4.45 | 5.33 | 3.47 | 0.47 | 5.25 | Jul 2007 | 472.50 |
| | Defensive | 4.78 | 3.93 | 3.41 | 4.41 | 2.96 | 0.30 | 5.52 | Feb 2003 | 304.30 |
| | Indexed Growth | 7.06 | 6.88 | 6.29 | 7.90 | 6.05 | 1.03 | 8.09 | Oct 2011 | 144.70 |
| SECTOR-SPECIFIC | Australian Shares | 7.87 | 9.03 | 8.81 | 6.98 | 7.74 | 0.63 | 9.24 | Feb 2003 | 438.90 |
| | International Shares | 9.34 | 8.58 | 5.27 | 16.08 | 6.78 | 2.94 | 7.90 | Mar 2003 | 298.20 |
| | Infrastructure | n/a | n/a | 1.93 | -5.12 | -1.82 | -1.94 | 2.90 | May 2019 | 7.90 |
| | Property | 6.74 | 3.70 | 6.18 | 1.36 | 3.81 | -2.20 | 7.48 | Sep 2002 | 78.20 |
| | Diversified Bonds | 1.78 | 0.71 | -1.59 | 2.27 | 2.50 | -0.07 | 3.94 | Oct 1999 | 35.30 |
| | Cash and Term Deposits | 1.85 | 1.55 | 1.77 | 3.77 | 2.34 | 0.35 | 3.42 | Oct 1999 | 286.40 |

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 31 January 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 (MySuper) | 7.10 | 6.29 | 5.64 | 6.44 | 3.97 | 0.74 | 7.06 | Jul 2005 | 9374.40 |
| | High Growth | 7.85 | 7.03 | 6.08 | 7.04 | 4.23 | 1.02 | 6.44 | Jul 2007 | 648.90 |
| | Balanced | 5.92 | 5.04 | 4.45 | 5.33 | 3.47 | 0.47 | 5.58 | Jul 2007 | 472.50 |
| | Defensive | 5.02 | 3.93 | 3.41 | 4.41 | 2.96 | 0.30 | 5.74 | Jul 2005 | 304.30 |
| | Indexed Growth | 7.32 | 6.88 | 6.29 | 7.90 | 6.05 | 1.03 | 8.57 | Oct 2011 | 144.70 |
| SECTOR-SPECIFIC | Australian Shares | 8.11 | 9.03 | 8.81 | 6.98 | 7.74 | 0.63 | 7.99 | Jul 2005 | 438.90 |
| | International Shares | 9.65 | 8.58 | 5.27 | 16.08 | 6.78 | 2.94 | 7.85 | Jul 2005 | 298.20 |
| | Infrastructure | n/a | n/a | 1.93 | -5.12 | -1.82 | -1.94 | 2.90 | May 2019 | 7.90 |
| | Property | 7.02 | 3.70 | 6.18 | 1.36 | 3.81 | -2.20 | 6.78 | Jul 2005 | 78.20 |
| | Diversified Bonds | 1.95 | 0.71 | -1.59 | 2.27 | 2.50 | -0.07 | 3.55 | Jul 2005 | 35.30 |
| | Cash and Term Deposits | 1.99 | 1.55 | 1.77 | 3.77 | 2.34 | 0.35 | 3.50 | Jul 2005 | 286.40 |

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 31 January 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 (MySuper) | 7.40 | 6.78 | 6.24 | 7.47 | 4.58 | 0.87 | 6.99 | Nov 2001 | 1129.50 |
| | High Growth | 8.06 | 7.37 | 6.74 | 8.34 | 4.74 | 1.14 | 6.57 | Aug 2007 | 93.10 |
| | Balanced | 6.17 | 5.39 | 4.92 | 6.21 | 3.93 | 0.53 | 5.74 | Aug 2007 | 397.90 |
| | Defensive | 5.29 | 4.24 | 3.82 | 5.12 | 3.39 | 0.36 | 5.72 | Nov 2001 | 381.10 |
| | Indexed Growth | 7.63 | 7.31 | 6.61 | 9.09 | 6.72 | 1.13 | 8.83 | Sept 2011 | 95.30 |
| | Retire Plus | n/a | 6.66 | 7.01 | 5.60 | 3.19 | 0.29 | 7.13 | Aug 2017 | 161.70 |
| SECTOR-SPECIFIC | Australian Shares | 7.87 | 8.73 | 9.34 | 7.52 | 8.69 | 0.70 | 8.47 | Sept 2004 | 80.70 |
| | International Shares | 9.82 | 8.52 | 4.53 | 16.84 | 7.55 | 3.26 | 7.99 | Sept 2004 | 52.30 |
| | Infrastructure | n/a | n/a | 2.28 | -4.66 | -1.93 | -2.22 | 3.36 | May 2019 | 2.80 |
| | Property | 7.46 | 4.19 | 6.83 | 1.13 | 4.60 | -2.56 | 8.20 | Dec 2002 | 19.40 |
| | Diversified Bonds | 2.16 | 0.99 | -1.56 | 2.73 | 3.00 | -0.08 | 4.06 | May 2004 | 22.10 |
| | Cash and Term Deposits | 2.18 | 1.83 | 2.07 | 4.41 | 2.74 | 0.41 | 3.71 | Jul 2004 | 145.80 |

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

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 February 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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CARBON
NEUTRAL
BY 2030


Climate
Active
NETWORK MEMBER



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