

Market Wrap

Global markets continue rising

- **Global shares** rose 4% and 3.2% in hedged and unhedged terms, respectively. The rotation to stocks benefitting from a strong economic recovery faltered in April. Strong profit results for major US tech companies such as Google saw growth sectors such as technology outperform.
- **Australian shares** underperformed global shares slightly, rising 3.5% in April. The leading sectors were technology (up 9.7%) and miners (up 6.8%). Energy (down 4.9%), Consumer Staples (down 2.6%) and Utilities (down 1.2%) were the only areas of the market to fall in April. Consumer Staples struggled as sentiment soured on Woolworths amidst slowing sales. Board turnover and scepticism over its demerger dragged on the AGL share price and the Utilities sector.
- The **Australian dollar (AUD)** rose 0.8% against major currencies and 1.6% against the US dollar.
- **Fixed income** returns improved as bond yields fell. Australian bonds benefitted from the RBA commitment to keeping rates lower until at least 2024. In the US, a similar commitment to keep rates low by the Federal Reserve also saw supported bond returns.

As the pandemic lingers

Globally

- Coronavirus vaccine progress has proceeded in a welcome fashion. After initial logistical challenges, EU vaccinations are climbing, contributing to a decline in coronavirus cases.
- The coronavirus pandemic has escalated in India sparking lockdowns and a national crisis with the death toll climbing at an alarming rate and sparking travel bans around the world including Australia.
- The Global Composite PMI survey (a proxy for economic activity) rose to an eleven-year high in April suggesting the global economic recovery is continuing.

Locally

- The RBA left interest rates unchanged in its May meeting at 0.1% and flagged staying at this level until 2024.
- The unemployment rate fell to 5.6% in March, continuing to decline from its high of 7.5% in July thanks to continued strong jobs growth with job vacancies also rising. April figures should highlight how well the jobs market has handled the end of JobKeeper in March.
- Australia's vaccination program continues albeit at a slower pace with 2.6m doses administered as of early May.
- Potential small outbreaks occurred in both Sydney and Perth triggering new restrictions but do not appear to be escalating at this juncture.

Major asset class performance

Asset classes	1 month %	1 year %	5 years (p.a.) %
Australian shares	3.5%	30.8%	10.3%
Global shares (hedged)	4.0%	40.6%	13.8%
Global shares (unhedged)	3.2%	23.0%	13.8%
Global small companies (unhedged)	2.6%	40.6%	13.6%
Global emerging markets (unhedged)	1.1%	26.0%	12.2%
Global listed property (hedged)	5.7%	29.1%	4.9%
Cash	0.0%	0.1%	1.4%
Australian fixed income	0.6%	-1.2%	3.5%
International fixed income	0.2%	-0.1%	3.3%

Source: Bloomberg & IOOF, 30 April 2021

Indices used: Australian Shares: S&P/ASX 200 Accumulation Index, Global shares (hedged): MSCI World ex Australia Net Total Return (in AUD), Global shares (unhedged): MSCI World ex Australia Hedged AUD Net Total Return Index; Global small companies (unhedged): MSCI World Small Cap Net Total Return USD Index (in AUD); Global emerging markets (unhedged): MSCI Emerging Markets EM Net Total Return AUD Index; Global listed property (hedged): FTSE EPRA/NAREIT Developed Index Hedged in AUD Net Total Return; Cash: Bloomberg AusBond Bank Bill Index; Australian fixed income: Bloomberg AusBond Composite 0+ Yr Index; International fixed income: Bloomberg Barclays Global Aggregate Total Return Index Value Hedged AUD
Please note: Past performance is not indicative of future performance

Currency markets

Exchange rates	At close on 30/4	1 month change %	1 year change %
USD/AUD	0.77	1.6%	18.5%
Euro/AUD	0.64	-1.0%	7.9%
Yen/AUD	84.3	0.3%	20.8%
Trade weighted index	64.4	0.8%	11.4%

Source: Bloomberg & IOOF, 30 April 2021.

All foreign exchange rates are rounded to two decimal places where appropriate.
Please note: Past performance is not indicative of future performance.