



# Monthly Market Review

## NOVEMBER 2024

Investor sentiment soared in November after the decisive victory of U.S. President-elect Donald Trump. Trump's proposed policies, including the prospect of lower taxes, a pro-business environment and more America-centric trade policies fuelled optimism and risk appetite. The S&P 500 Index rallied 5.7% in November, while the NASDAQ Composite Index rose 6.2%. The S&P/ASX 200 Accumulation Index also hit new all-time highs, closing the month 3.8% higher.

U.S. inflation picked up a little in October (although in line with expectations). Concerns also grew around the potentially inflationary impacts of Trump's proposed policies which may limit the extent of U.S. rate cuts by the Federal Reserve Board (Fed). Bond markets experienced heightened volatility, with the U.S. 10-year Treasury yield closing the month at 4.17%, down 11 basis points. The USD Index experienced its best monthly performance since March 2020, climbing 1.7%. Commodity markets were mixed. Oil prices fell amid easing of geopolitical tensions and the potential of weakening global demand. Gold prices also fell as investors shifted to riskier assets.

### Australia

- The Australian equity market, as measured by the S&P/ASX 200 Accumulation climbed 3.8% in November. Information Technology (+10.4%), Utilities (+9.1%) and Consumer Discretionary (+6.7%) outperformed, while Materials (-2.7%) and Energy (-0.7%) lagged the Index.
- Australian bonds rose in November, with the Bloomberg AusBond Composite Index (AUD) rising 1.1% over the month.
- Monthly CPI was 2.1% in the 12 months to October, unchanged from September. The most significant price rises were Food and non-alcoholic beverages (+3.3%) and Recreation and culture (+4.3%). Annual Trimmed mean inflation, which excluded significant falls in Automotive fuel and Electricity was 3.5% in October, up from 3.2% in September.
- As expected, the Reserve Bank of Australia (RBA) kept the cash rate steady at 4.35% in the November meeting. The Board reaffirmed "sustainably returning inflation to target within a reasonable timeframe" as its highest priority. The Board did not rule anything in or out, however has a strong focus on the downward progress on underlying inflation being sustainable.
- The Westpac-Melbourne Institute Consumer Sentiment Index rose 5.8% to 94.9 in November, reaching a three-year high. Optimism was driven by the U.S. election outcome and signs of moderating inflation in Australia.
- The Wage Price Index rose 0.8% in the September quarter, and 3.5% over the year. Meanwhile Household spending fell 0.1% month-on-month at current price levels (seasonally adjusted).
- The Westpac-Melbourne Institute Unemployment Expectations Index fell 7.2% to 120.5 in November (a lower index means more consumers expect unemployment to fall over the year ahead). The unemployment rate remained at 4.1% in October – this is 0.6% higher than the cycle low, however is still a full 1.0% lower than the pre-COVID rate.
- Nationally, residential property price growth continued, increasing 0.1% as measured by the CoreLogic five capital city aggregate. Perth prices climbed 1.1%, followed by Adelaide (+0.8%) and Brisbane (+0.6%). Nationally, residential property prices increased 5.6% over the past 12 months.

## International

- U.S. equity markets hit new all-time highs in November. The S&P 500 Index climbed 5.7% over the month (+26.5% CYTD). Similarly, the NASDAQ Composite Index closed up 6.2% (+28.0% CYTD). Within the S&P 500, Consumer Discretionary (+13.2%), Financials (+10.2%) and Industrial (7.3%) led the index, while Healthcare (0.1%) Materials (1.4%) and Communication Services (3.1%) lagged.
- Headline U.S. inflation rose by 0.2% in October, rising for the fourth consecutive month. Year-over-year inflation increased to 2.6% (up from 2.4% in September). Core CPI (excluding food and energy) rose by 3.3% in the 12 months to October.
- The Fed lowered its target Federal Funds Rate by 0.25% to between 4.5% and 4.75% in its November meeting. Fed Chair Jerome Powell reiterated that the U.S. economy has made significant progress towards the Fed's dual mandate of maximum employment and stable prices.
- U.S. 10-year bonds were volatile over the month, falling 11 basis points to 4.17% (versus 4.28% at the end of October). The Bloomberg Global-Aggregate TR Index (AUD) climbed 1.2%.
- The U.S. third quarter earnings season was broadly positive, with the S&P 500 reporting earnings growth of 5.8% according to FactSet data. For Q4 2024, it is estimated earnings the growth rate for the Index is expected to more than double to 12.0%.
- The Euro Stoxx 600 Index rose 1.0% in November, underperforming other developed markets. Annual inflation in the Eurozone rose to 2.3% in November up from 2.0% in October.
- Emerging markets underperformed in November, with the MSCI Emerging Markets Index (USD) falling 3.7%. The declines were largely driven by weakness in China and a strong US dollar.
- The USD Index (the value of the U.S. dollar against a basket of widely recognised, publicly traded currencies) rose 1.7% in November. The Australian dollar closed at 65.12¢ (vs 65.82¢ in August).

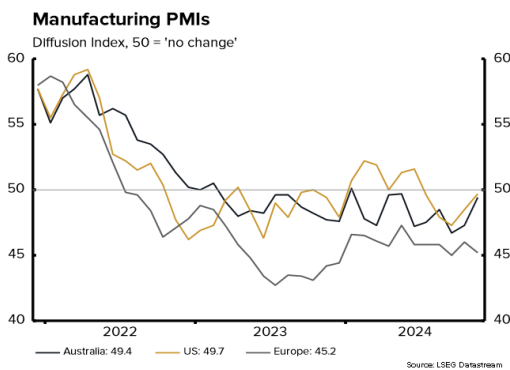
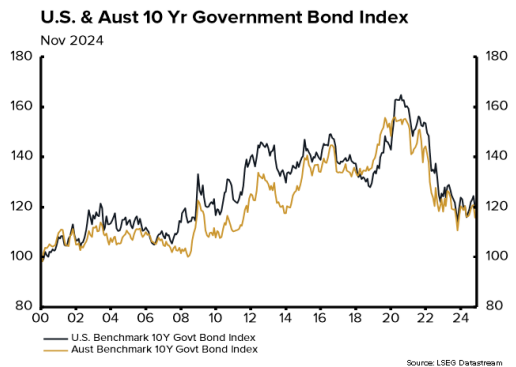
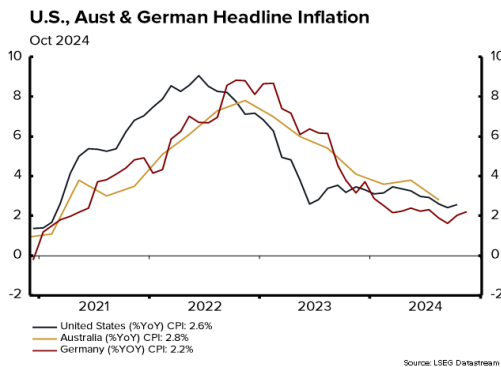
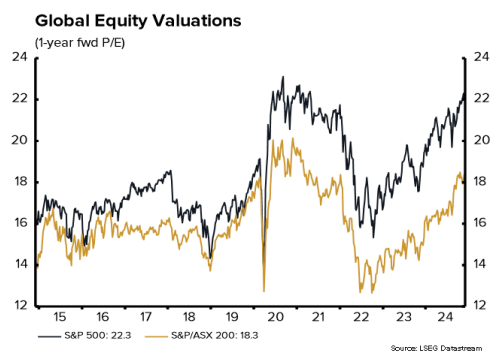
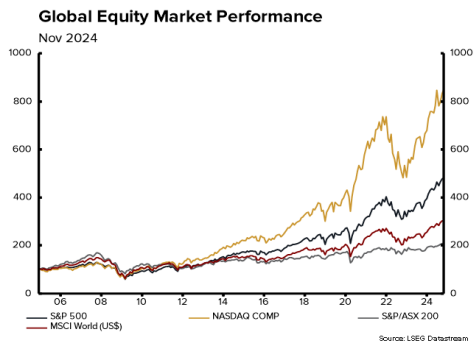
## Commodities

- Commodity markets remained volatile. Oil prices retreated on the back of lower demand and subsiding geopolitical risks. West Texas Intermediate Crude fell 1.8% over the month, closing at US\$68.00/bbl. Brent crude fell 0.3% to close at US\$72.94/bbl.
- Gold (USD) retreated from all-time highs, falling 3.7% In November as investors moved into riskier assets. Over the calendar year, gold is up 28.1%. Silver underperformed falling 6.2% (+38.7% CYTD).

### Global Markets – 30 November 2024

Equities	YTD	1 Month	3 Months	1 Year	3 Years (p.a.)	5 Years (p.a.)
S&P /ASX 200 Accumulation Index (AUD)	15.1%	3.8%	5.5%	23.4%	9.6%	8.3%
S&P/ASX Small Ordinaries Index (AUD)	9.2%	1.3%	6.4%	16.8%	-2.9%	1.9%
S&P 500 Index (USD)	26.5%	5.7%	6.8%	32.1%	9.7%	13.9%
NASDAQ Composite Index (USD)	28.0%	6.2%	8.5%	35.1%	7.3%	17.3%
Russell 3000 Index (USD)	26.1%	6.5%	7.7%	32.7%	8.9%	13.5%
FTSE 100 Index (GBP)	7.2%	2.2%	-1.1%	11.2%	5.5%	2.4%
Euro Stoxx 600 (EUR)	6.5%	1.0%	-2.8%	10.5%	3.3%	4.6%
Nikkei 225 (JPY)	14.2%	-2.2%	-1.1%	14.1%	11.2%	10.4%
Hang Seng (HKD)	13.9%	-4.4%	8.0%	14.0%	-6.1%	-5.9%
MSCI Emerging Markets Index (USD)	5.4%	-3.7%	-1.9%	9.3%	-3.8%	0.7%
MSCI World Ex Australia (AUD)	27.9%	5.2%	8.8%	30.2%	11.9%	13.4%
Bonds						
Bloomberg AusBond Composite Index (AUD)	2.4%	1.1%	-0.5%	5.2%	-0.9%	-0.6%
Bloomberg Global Agg Bond TR Index (AUD)	3.1%	1.2%	0.7%	6.2%	-1.8%	-0.3%
Currency						
AUD/JPY	1.5%	-2.6%	-1.4%	-0.4%	6.5%	5.7%
AUD/USD	-4.4%	-1.1%	-3.7%	-1.4%	-3.0%	-0.8%

Source: Bloomberg 30 November 2024 (All returns are in local currency terms.)



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