



Research Insights
with Wealth Planning Solutions

Market Commentary October 2024

In October a rise in bond yields, coupled with a rising US dollar and waning impacts of the Chinese stimulus in September saw growth assets generally fall with bonds also producing negative returns.

Despite the US FED starting the easing cycle in September with a 50bps cash rate cut, longer dated bond yields rose in October by ~50bps as markets priced in a more pro-growth agenda from China and also potential higher inflationary pressures in the US post the election. All eyes in the US are on the US election (5th November) and whilst the polls show a very close call between Trump and Harris, the market implications for a new US President remain unclear. The ability of the future President to enact policy will be dependent on control of the House of Representatives and Senate and the willingness to push through policy.

After five months of gains Australian large cap equities fell by 1.5% in the month with Financials and Healthcare the major positives, conversely Energy, Materials, Consumer Staples and Utilities all sold off aggressively. Currency hedged global equities fell by 0.9% and with the Australian dollar falling versus the US Dollar by 3.3 cents (-4.8%) to close the month buying US\$0.65872, unhedged equities were up returning 3.9%.

The Australian 10-year government bond yield rose by 51bps to 4.50% and the Australian 2-year government bond yield rose by 43bps to 4.05%. The US 10-year government bond yield rose by 50bps to close at 4.28% and the US 2-year government bond yield rose by 53bps to 4.17%.

Benchmark Returns

Period Ended: 31st October 2024	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
	%	%	%	%	% (pa)	% (pa)	% (pa)
Australian Shares							
Large Caps	-1.54	1.99	8.59	24.63	8.73	8.54	8.51
Broad Caps	-1.30	2.19	8.30	24.86	7.62	8.10	8.33
Small Caps	0.80	3.77	5.84	26.65	-0.61	4.65	7.11
International Shares							
World ex-Australia in AUD Hedged (Net)	-0.93	2.23	10.10	31.63	6.16	11.07	10.24
World ex-Australia in AUD unhedged (Net)	3.92	2.14	10.20	29.31	11.39	13.27	13.18
Australian Cash and Bonds							
Bank Bill Index	0.37	1.12	2.23	4.45	2.94	1.87	1.92
Australian Bond Index	-1.88	-0.39	2.26	7.08	-0.62	-0.68	2.11
Australian Property							
A-REIT – Accumulation	-2.51	4.46	14.20	52.18	8.02	6.24	9.27

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