

Monthly Market Snapshot

November 2024

The Monthly Market Snapshot publication provides commentary on the global economy and the performance of financial markets.

Market commentary

November was an eventful month for markets. Global markets reacted to the re-election of Donald Trump as US president, several central banks further cut rates, long term bond yields dropped across most major economies, and mixed economic signals impacted market sentiment.

Most equity indices posted gains. US equities rose but were volatile, as markets reacted to the re-election of Donald Trump as president and expectations of key policy changes including increased tariffs. Economic data continues to indicate a resilient US economy, backed by employment and wage growth, services demand and stable household consumption, despite consumer confidence remaining low.

European equity markets fell for the second month in a row, impacted by soft domestic demand and weak trade, especially in larger economies such as Germany. Japan's equity markets were down in November, off historic high levels reached in previous months.

Australian equities rose in most sectors, reaching new record highs, driven by strong performance in mining and banking stocks. The resource sector continued to post losses, impacted by slowing Chinese demand. September quarterly headline inflation dropped to 2.8%, down from 3.8% in the June quarter and within the RBA target band of 2-3%. Excluding the energy relief measures, trimmed mean inflation is at 3.5%, still above the RBA target.

Emerging market equities were down slightly. Mexico and Brazil responded negatively to the outcome of the US election, dragging down positive returns in India and Indonesia. Chinese equities were up, with some market expectation of potential additional Chinese stimulus.

Longer term bond yields decreased materially in most major markets, reversing a rising yield trend of the previous two months. This shift reflected investor reassessments of growth and the inflation outlook, and the potential for greater expansionary policy under a Trump government.

Commodity prices remained volatile during November. Copper prices declined in response to

tariff rhetoric from president elect Trump. Gold prices were volatile, with a mix of investor risk on and risk off sentiment driven by geopolitical concerns and the outcome of the US election. Natural gas prices were up, as the northern hemisphere increases usage as it transitions into winter.

Most central banks have transitioned to cutting rates as the inflation outlook has improved. The US, UK and Sweden all cut rates further in their November meetings. The Reserve Bank of Australia has retained a more hawkish posture. Current market pricing indicates rate cuts being pushed out further in 2025.

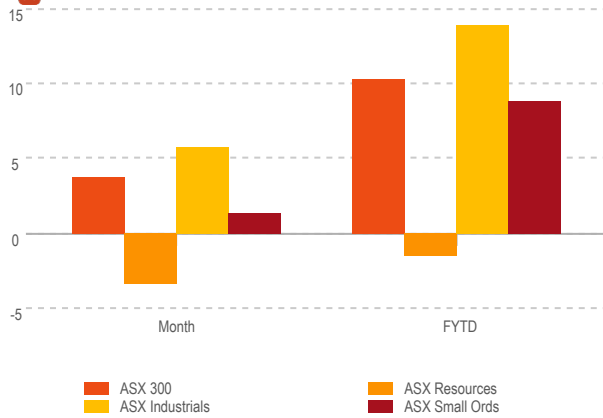
The Australian dollar fell against the US dollar, reflecting weaker growth sentiment. The US dollar strengthened, fueled by adjustments in expectations for US monetary policy settings and the relative differential in rate paths across other major central banks.

Listed property and listed infrastructure sector returns were positive, buoyed by decreasing bond yields.

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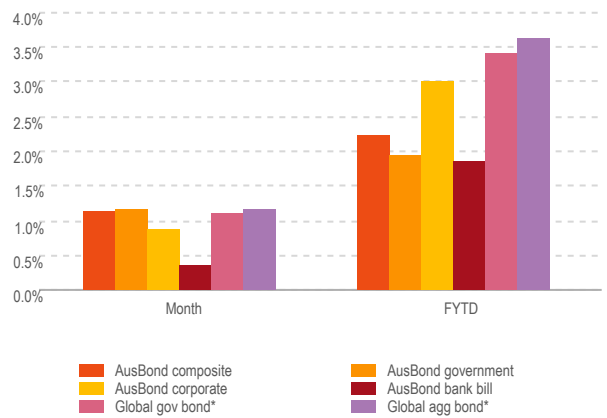
Australian equities



Source: LSEG Datastream



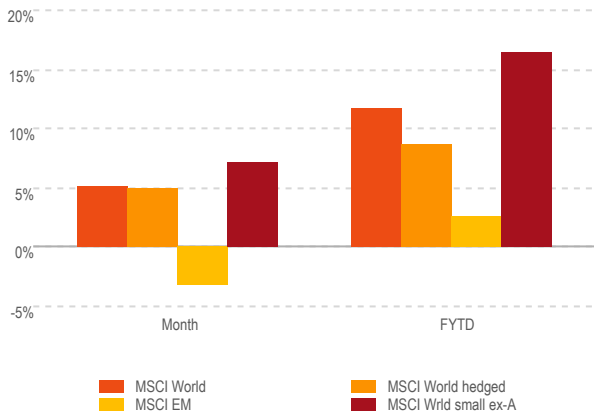
Fixed income



Source: LSEG Datastream



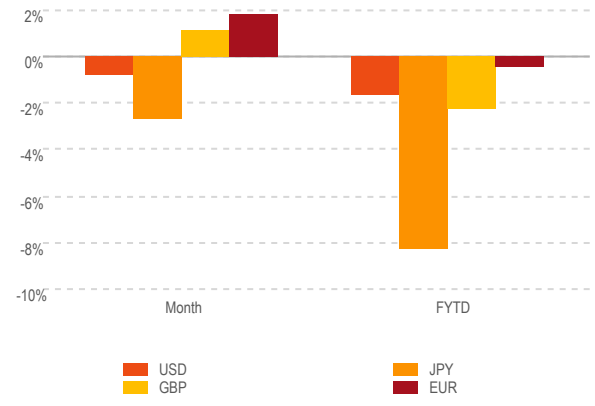
International equities (\$A)



Source: LSEG Datastream



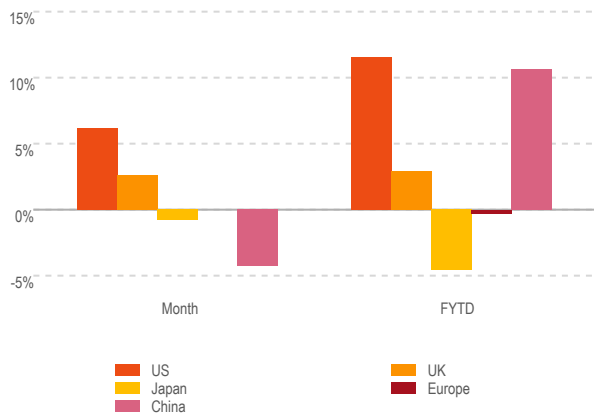
Australian dollar



Source: LSEG Datastream



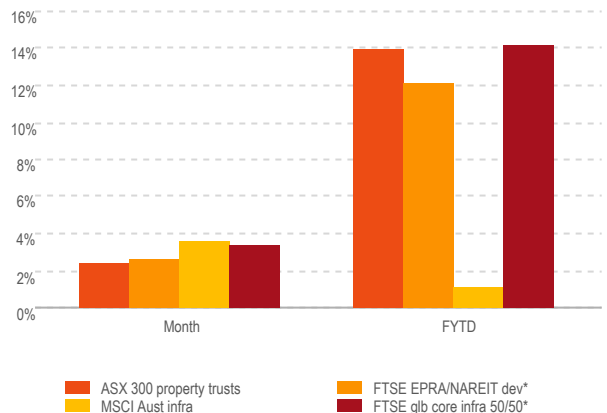
International equities



Source: LSEG Datastream



Real assets



Source: LSEG Datastream *Hedged AS



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