

## Wall Street bulls keep charging

- Global shares rose 0.8% on a hedged basis with the US market driving the biggest share of returns once again. The US market continues to deliver strong earnings supported by tax cuts.
- Strong US share market performance remained even as the trade war ramped up with President Trump broadening his imposition of new tariffs, albeit initially at below 25% on China imports.
- The slowing pace of Chinese credit growth, US dollar value strengthening, tighter US monetary policy and ongoing trade tensions continued to weigh on emerging markets which returned -0.6% in the month.
- Australian growth and labour force data remained strong and the ASX 300 returned -1.2%. Resources had a particularly good run in September although Financials were lower, likely related to the continued fall-out from the Banking Royal Commission.
- The US Federal Reserve continued to respond to US macroeconomic strength with a steady program of quarterly rate hikes. The range is now 2% to 2.25% with markets expecting another rise of 25 basis points in December.
- In China, GDP growth was steady. Policymakers are playing a difficult balancing act given the large build up in debt and are now modestly erring on the side of growth rather than restraint.

## Major asset class performance (%)

Asset classes	1 month	12 months	5 years (p.a.)
Australian Shares	-1.2	14.0	8.2
Global Shares (hedged)	0.8	12.9	12.6
Global Shares (unhedged)	0.6	20.8	15.3
Global Emerging Markets (unhedged)	-0.6	7.6	9.1
Global Small Companies (unhedged)	-1.5	19.5	15.5
Global Listed Property	-2.2	2.2	5.4
Cash	0.2	1.9	2.2
Australian Fixed Income	-0.4	3.7	4.3
International Fixed Income	-0.4	0.9	4.6

Source: JP Morgan & ANZ Wealth, 30 September 2018.

Indices: Australian Shares - S&P / ASX 300 Accumulation, Global Shares (hedged/unhedged) - MSCI World ex Australia Net, Global Emerging Markets - MSCI Emerging Markets Net in AUD (unhedged), Global Small Companies (unhedged) - MSCI World Small Cap ex Australia, Global Listed Property - FTSE EPRA/NAREIT Developed Rental Index ex Australia (hedged), Cash - Bloomberg Bank Bill, Australian Fixed Income - Bloomberg AusBond Composite 0+ Yr Index, International Fixed Income - Barclays Global Aggregate Bond Index (hedged).

Please note: Past performance is not indicative of future performance.

## Currency

Exchange rates	At close on 30/09	% change 1 month	% change 12 months
AUD/USD	0.72	0.5	-7.8
AUD/euro	0.62	0.4	-6.1
AUD/yen	82.1	2.9	-6.8
Trade weighted index	62.2	0.0	-6.0

Source: Bloomberg & ANZ Wealth, 30 September 2018. All foreign exchange rates are rounded to two decimal places where appropriate.

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