March Monthly Market Review

How the different asset classes have fared:
(As at 30th March 2019)

Asset Class	10 Yr % p.a.	5 Yr % p.a.	3 Yr % p.a.	1 Yr %	YTD %	6 Mo %	3 Mo %	1 Mo %
Cash[1]	3.02	2.13	1.90	2.02	0.52	1.00	0.52	0.17
Australian Bonds[2]	5.51	5.07	4.17	7.20	3.43	5.75	3.43	1.82
International Bonds[3]	6.58	4.84	3.21	4.58	2.79	4.50	2.79	1.74
Australian Shares[4]	10.48	7.49	11.27	11.25	11.06	1.09	11.06	0.70
Int. Shares Unhedged[5]	12.23	12.89	13.80	12.57	11.63	-0.74	11.63	1.51
Int. Shares Hedged[6]	14.74	9.75	12.04	6.77	12.74	-2.57	12.74	1.67
Emerging Markets Unhedged[7]	8.36	8.92	13.16	-0.38	8.97	3.31	8.97	0.91
Listed Infrastructure Unhedged[8]		13.57	12.16	23.17	13.03	12.18	13.03	3.11
Australian Listed Property[9]	15.29	14.90	10.19	25.92	14.38	12.43	14.38	6.04
Int. Listed Pty Unhedged[10]	14.60	12.30	7.13	22.88	13.31	9.53	13.31	3.08

[1]Bloomberg AusBond Bank 0+Y TR AUD, [2]Bloomberg AusBond Composite 0+Y TR AUD, [3]Bloomberg Barclays Global Aggregate TR Hdg AUD, [4]S&P/ASX All Ordinaries TR, [5]Vanguard International Shares Index, [6]Vanguard Intl Shares Index Hdg AUD TR, [7]Vanguard Emerging Markets Shares Index, [8]FTSE Developed Core Infrastructure 50/50 NR AUD, [9]S&P/ASX 300 AREIT TR, [10]FTSE EPRA/NAREIT Global REITs NR AUD

Overview

The month of March saw markets continue in their rebound following the decline at the end of last year. The continued market recovery is encouraging, helped by growing hopes around US-China trade talks and dovish rhetoric from the US Federal Reserve. While a range of global growth indicators have slowed, overall growth is still holding up. Volatility remains, with several market indicators pointing to elevated levels of risk.

Key developments

Residential property market

Index results as at March 31, 2019

CoreLogic change in dwelling values chart

	Change in dwelling values			Total	Median
	Month	Quarter	Annual	return	value
Sydney	-0.9%	-3.2%	-10.9%	-7.8%	$782,473
Melbourne	-0.8%	-3.4%	-9.8%	-6.6%	$624,425
Brisbane	-0.6%	-1.1%	-1.3%	2.7%	$489,832
Adelaide	-0.2%	-0.5%	0.8%	5.1%	$426,990
Perth	-0.4%	-2.9%	-7.7%	-4.0%	$442,716
Hobart	0.6%	1.2%	6.0%	11.2%	$464,168
Darwin	-0.6%	-3.9%	-6.8%	-1.3%	$400,316
Canberra	0.0%	0.0%	3.1%	7.8%	$595,212
Combined capitals	-0.7%	-2.7%	-8.2%	-4.8%	$597,860
Combined regional	-0.4%	-1.0%	-2.1%	2.7%	$376,728
National	-0.6%	-2.3%	-6.9%	-3.3%	$524,149

In Australia house prices continued to fall, but at a slightly slower pace. The median house price across Australia fell 0.6% in March. Sydney values have fallen 13.9% since their peak. Australia's slowing economy, exacerbated by the property downturn, makes it increasingly likely that the RBA will cut interest rates after the federal election. A cut in rates will provide some positive stimulus for the housing market.

Australian dollar

The Aussie dollar remains in a thin trading range, despite investor risk appetite being far stronger than earlier in the year, and notwithstanding firmer commodity prices. That said there are many factors at play such as interest rate differentials and the fortunes of Asian economies, particularly China.

Financial markets

Markets have been quite volatile over the past 14 months. Investing should be focused on the longer term. Diversification is always a key consideration as it is unlikely that returns from each asset will move in exactly the same way. A broad range of assets tend to be less volatile and help deliver the steadier, longer-term returns most investors seek.