

# **Financial Markets**

**Reporting for periods ending  
August 2009**

# Sharemarkets, fixed interest and currency

## Sharemarket and fixed income scoreboard for period ending August 2009

	Month return	Quarter return	Financial year return	1 year return	5 years return	10 years return
S&P 500 in \$US	3.6%	11.7%	11.4%	-18.3%	0.5%	-0.8%
S&P 500 in \$A	2.2%	6.0%	6.9%	-16.5%	-3.0%	-3.5%
NASDAQ in \$US	1.5%	13.2%	9.5%	-15.1%	1.8%	-3.1%
NASDAQ in \$A	0.1%	7.5%	5.0%	-13.3%	-1.8%	-5.7%
FTSE 100 Accumulation Index in GBP	7.2%	12.4%	16.4%	-8.9%	5.8%	0.9%
FTSE 100 Accumulation Index in \$A	3.9%	7.8%	10.4%	-16.8%	0.1%	-1.8%
MSCI AC ASIA EX JAPAN Accumulation Index in Local Currency	-2.7%	9.3%	9.2%	2.0%	13.4%	
MSCI AC ASIA EX JAPAN Accumulation Index in A\$	-4.6%	3.3%	4.8%	-0.7%	9.7%	
MSCI Emerging Markets Accumulation Index in Local Currency	0.1%	8.5%	10.0%	-2.3%	15.7%	10.9%
MSCI Emerging Markets Accumulation Index in \$A	-1.7%	3.9%	6.4%	-7.7%	12.9%	7.3%
MSCI EUROPE Accumulation Index in Local Currency	5.9%	13.5%	15.6%	-13.5%	4.5%	0.7%
MSCI EUROPE Accumulation Index in \$A	4.8%	9.4%	12.6%	-15.8%	2.5%	-0.1%
MSCI JAPAN Accumulation Index in Yen	1.3%	7.2%	4.2%	-23.2%	-1.3%	-2.9%
MSCI JAPAN Accumulation Index in \$A	2.5%	4.7%	3.9%	-8.2%	-1.4%	-4.0%
MSCI World ex Aust Accum Index in Local Currencies	3.7%	11.2%	11.4%	-17.2%	2.2%	-0.3%
MSCI World Ex Australia Accumulation Index in \$A	2.6%	6.5%	8.2%	-15.2%	-0.2%	-2.1%
S&P/ASX 200 Accumulation Index	6.6%	18.9%	14.4%	-8.1%	9.5%	8.9%
S&P/ASX 200 Property Accumulation Index	16.0%	24.3%	18.8%	-34.5%	-6.0%	
UBSWA Composite Bond Index	0.7%	0.4%	1.0%	7.7%	5.9%	6.2%
SBWGB Accumulation Index currency hedged \$A	1.0%	3.0%	2.0%	10.1%	7.5%	7.8%

## Australian interest rates and currency

	31 August 2009	31 May 2009	30 June 2009	31 August 2008	31 August 2004	31 August 1999
RBA cash rate target	3.00	3.00	3.00	7.25	5.25	4.75
Australian 90 day bank bill yield (%)	3.40	3.15	3.20	7.23	5.45	4.96
Australian 10 year bond yield (%)	5.41	5.27	5.52	5.73	5.54	6.35
Australian dollar (in euros)	0.59	0.56	0.58	0.59	0.58	
Australian dollar (in Japanese yen)	77.88	76.38	77.76	94.18	76.85	70.68
Australian dollar (in US cents)	83.93	79.12	81.14	86.39	70.11	63.79

Source: Datastream

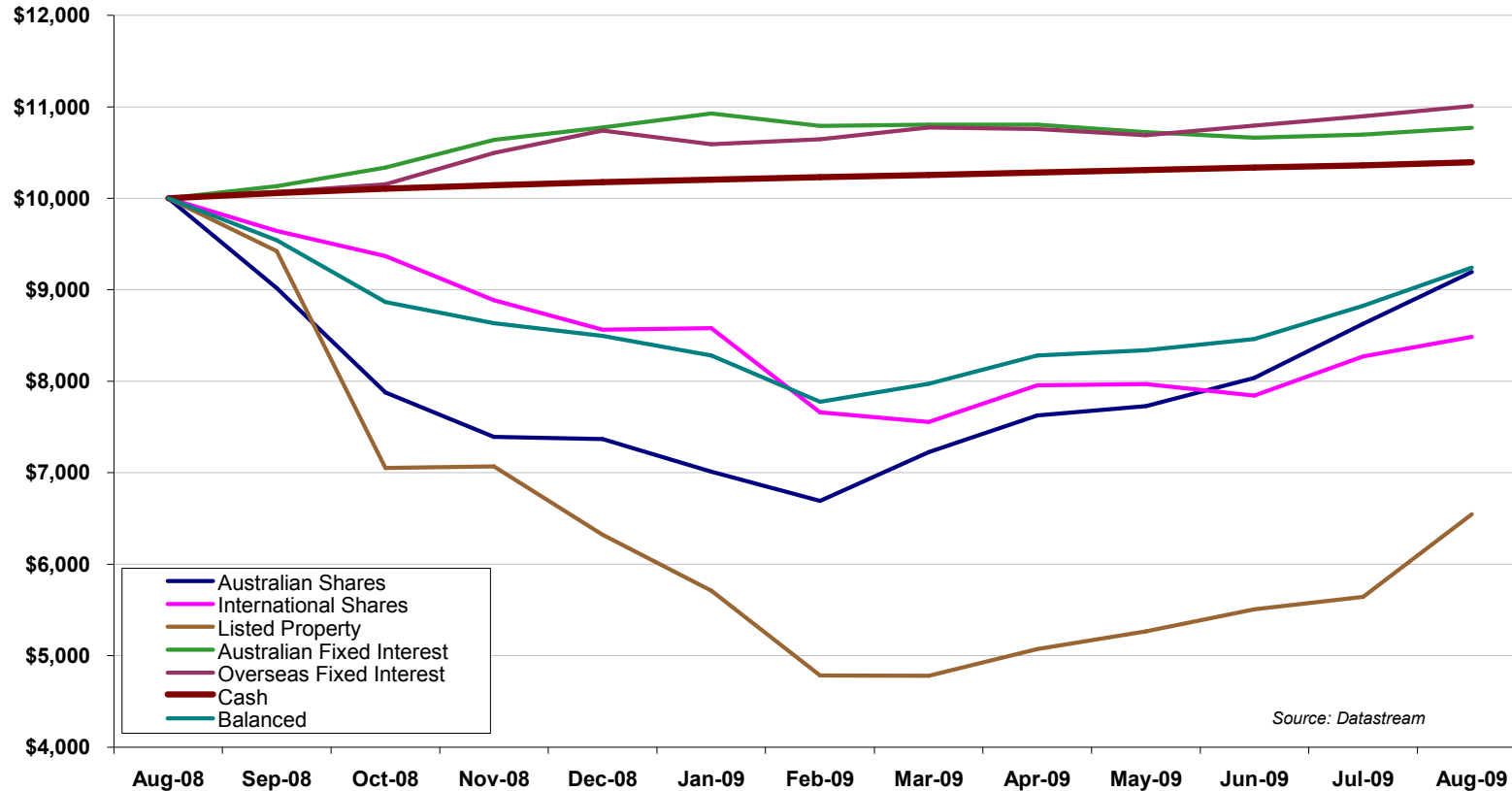


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# Market returns – 12 months

Asset Class Performance over 12 months to August 2009

(based on investment of \$10,000)



Source: Datastream

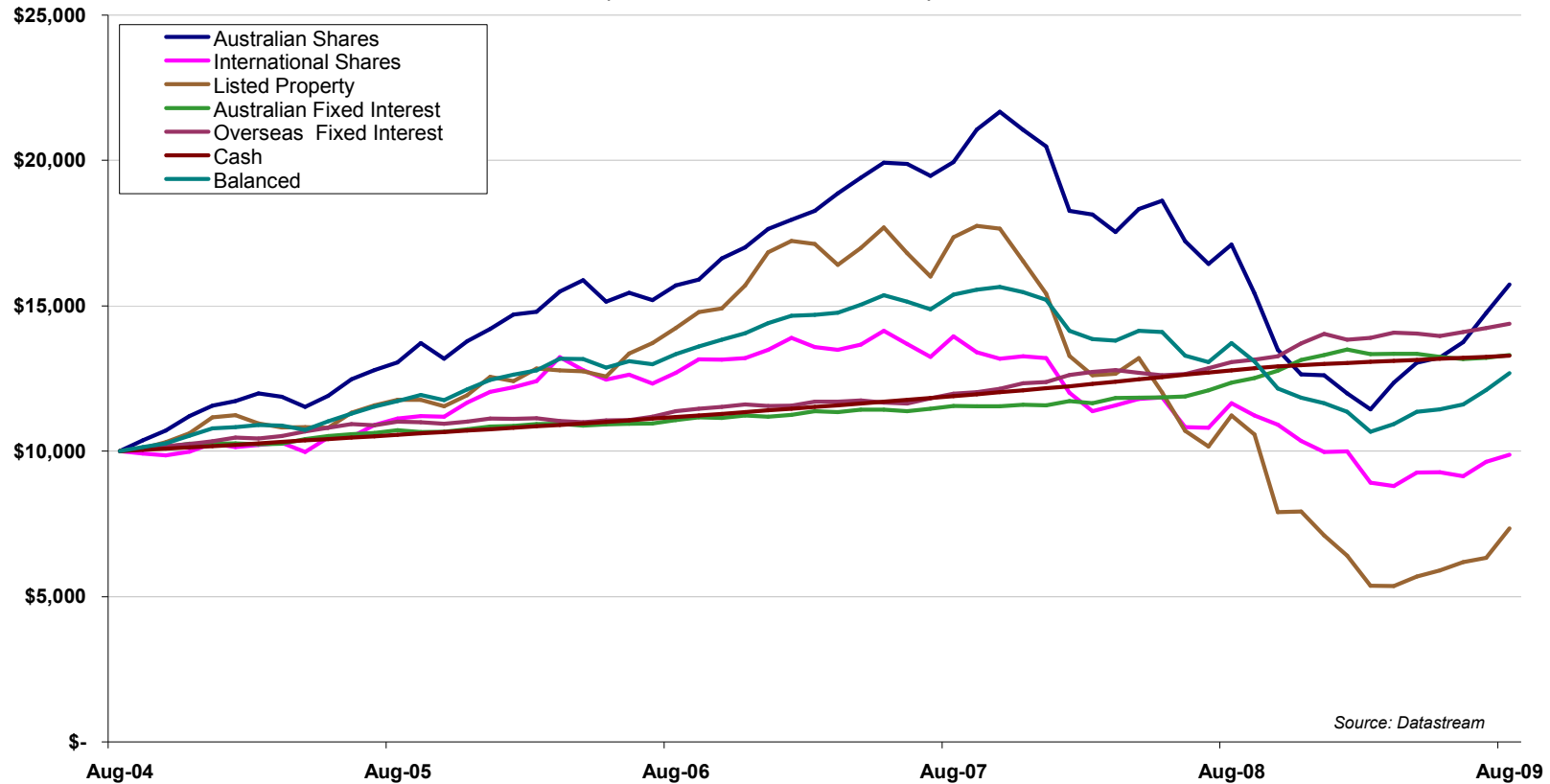


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# Market returns – five years

## Asset Class Performance over 5 years to August 2009

(based on investment of \$10,000)

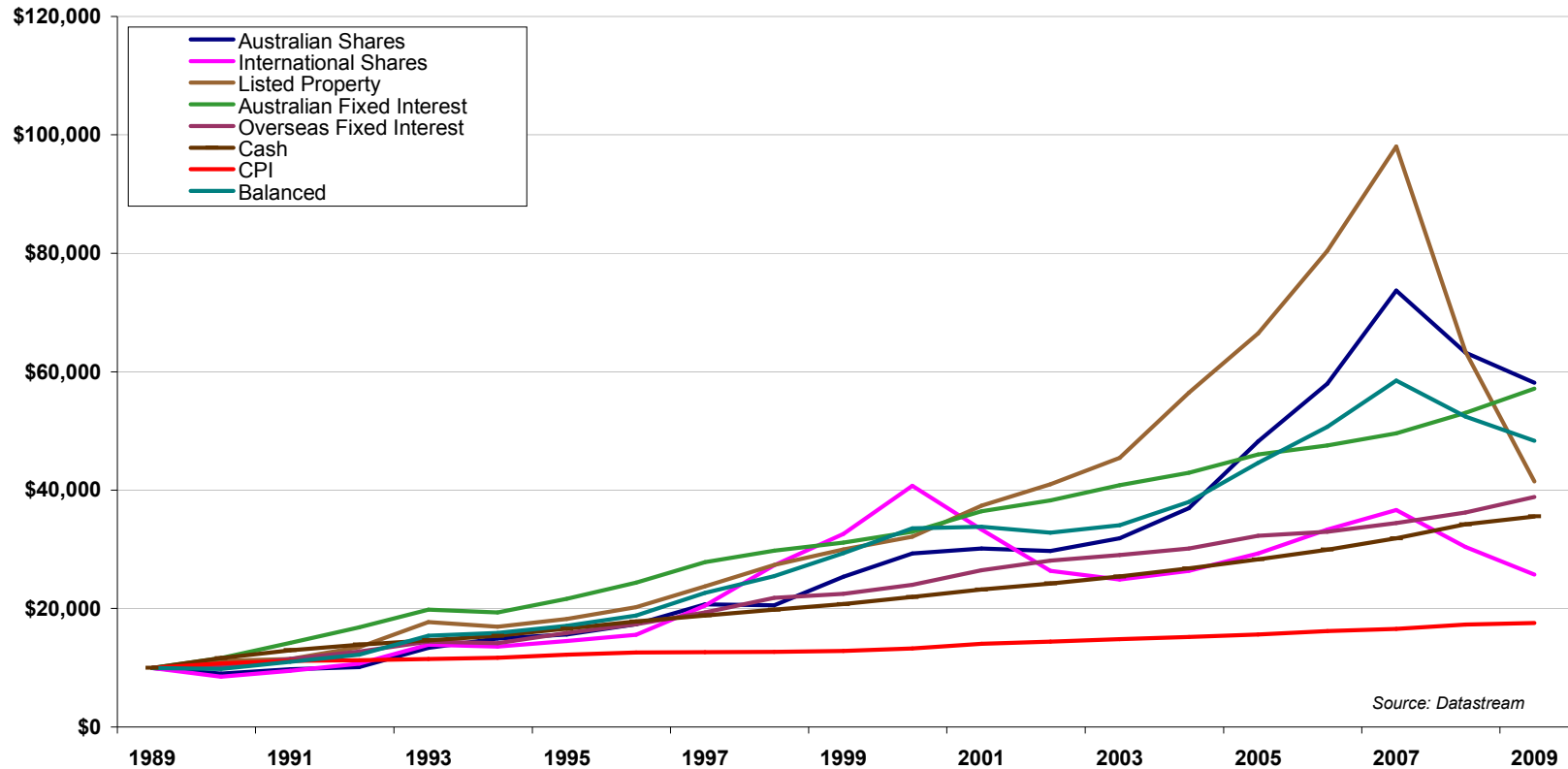


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# Market returns – 20 years

Asset Class Performance over 20 years to August 2009 (before fees and tax)

(based on investment of \$10,000)



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# Australian sharemarket sector returns

Australian sharemarket sector returns for the 12 months ending August							
	2009	2008	2007	2006	2005	2004	2003
Energy	-9.7%	33.1%	23.3%	17.7%	75.2%	44.0%	5.8%
Materials	-19.0%	5.7%	36.9%	30.5%	42.4%	21.1%	21.6%
Industrials	-19.8%	-25.9%	33.6%	6.8%	32.6%	24.7%	-5.3%
Consumer Discretionary	-8.3%	-34.6%	20.6%	6.7%	12.6%	8.9%	23.4%
Consumer Staples	2.1%	-7.6%	27.3%	19.5%	27.0%	16.2%	3.0%
Healthcare	-11.5%	11.1%	45.5%	11.4%	43.0%	19.5%	-1.8%
Information Technology	19.2%	-12.3%	27.8%	14.6%	50.8%	21.8%	-8.4%
Telecommunication Services	-17.2%	2.3%	33.2%	-14.6%	5.7%	3.6%	9.5%
Utilities	-18.8%	-20.1%	22.4%	27.6%	28.7%	25.1%	15.7%
Property Trusts	-34.5%	-35.3%	21.9%	21.0%	17.6%	24.2%	10.9%
Financials (ex Property Trusts)	11.6%	-27.7%	20.6%	24.9%	31.1%	11.3%	-0.7%
S&P/ASX 200 Accumulation Index	-8.1%	-14.2%	27.1%	20.3%	30.5%	16.0%	7.1%

## Notes:

The benchmark index used in this table is the S&P/ASX 200 Accumulation Index.

The returns are total returns.

Source: Datastream



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# Overseas sharemarket sector returns

World sharemarket sector returns for the 12 months ending August										
<i>Unhedged in Australian dollars</i>	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>Total Market</b>	-13.0%	-16.3%	14.6%	17.3%	15.3%	8.1%	-2.7%	-17.8%	-19.6%	26.5%
<b>Oil &amp; Gas</b>	-22.2%	0.7%	11.5%	22.1%	45.8%	19.7%	-1.2%	-5.4%	6.7%	19.5%
<b>Basic Materials</b>	-20.2%	-3.4%	36.4%	30.7%	18.6%	16.7%	2.4%	-6.3%	5.9%	-0.4%
<b>Industrials</b>	-15.2%	-20.9%	25.3%	18.8%	14.0%	8.0%	-1.5%	-17.1%	-21.8%	38.5%
<b>Consumer Goods</b>	-5.6%	-14.8%	14.9%	21.8%	7.4%	10.1%	-3.5%	-5.6%	-11.5%	9.9%
<b>Health Care</b>	-6.7%	-6.9%	-0.9%	9.5%	10.2%	7.2%	-11.2%	-12.4%	10.2%	12.6%
<b>Consumer Services</b>	-8.6%	-20.5%	11.4%	7.4%	9.0%	1.7%	-0.6%	-19.8%	-9.1%	13.4%
<b>Telecom</b>	-10.5%	-15.4%	32.7%	10.0%	11.2%	6.5%	2.8%	-29.7%	-40.0%	23.5%
<b>Utilities</b>	-16.6%	-6.9%	22.2%	23.0%	26.4%	18.6%	-5.8%	-21.8%	7.2%	19.0%
<b>Financials</b>	-13.4%	-27.0%	7.0%	23.7%	13.0%	13.3%	-5.2%	-15.3%	1.1%	21.3%
<b>Technology</b>	-6.7%	-17.4%	14.6%	7.5%	10.4%	-9.1%	11.9%	-35.0%	-61.6%	76.9%

**Notes:**

The benchmark index used in this table is a Datastream calculated index.

The returns are total returns.

Source: Datastream

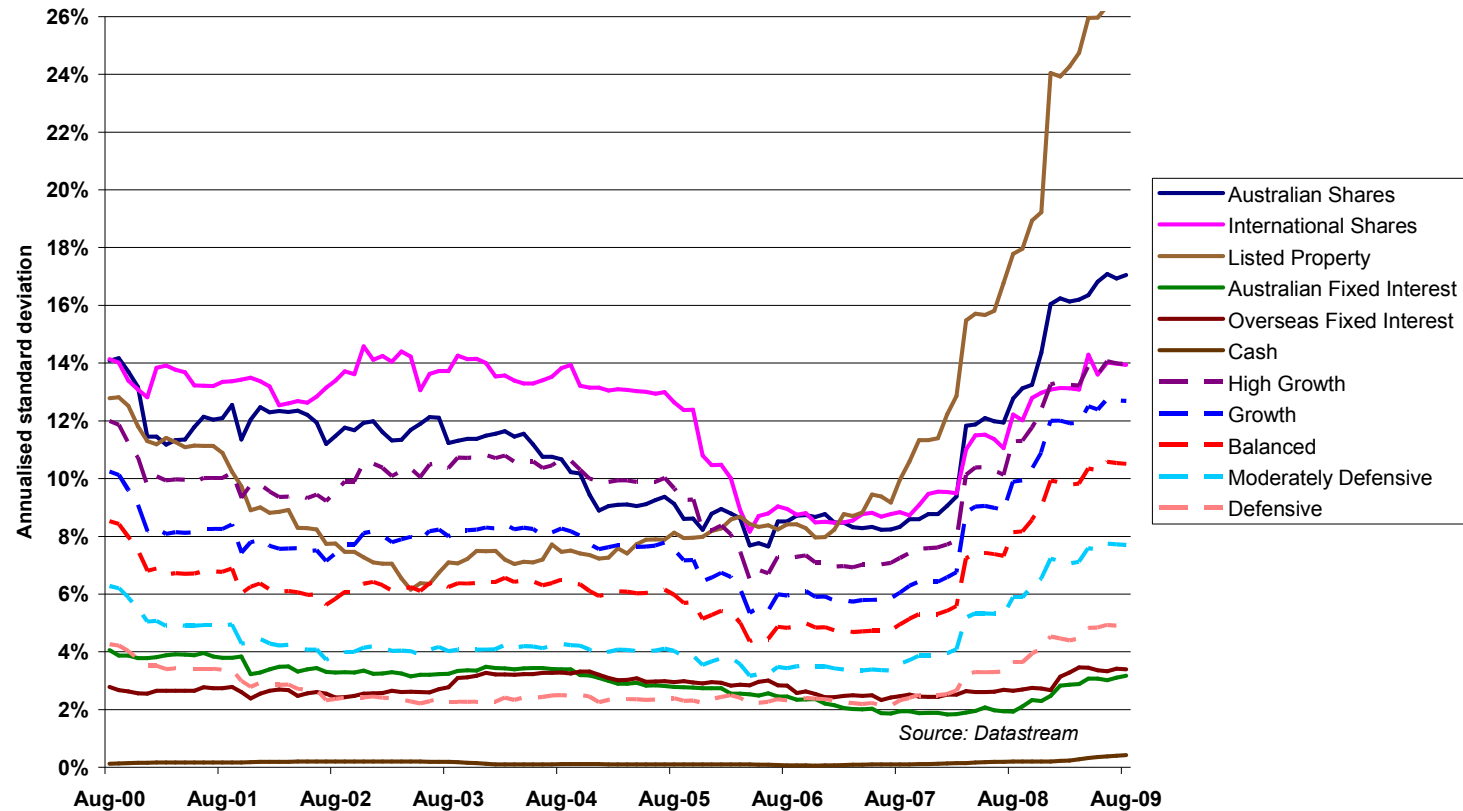


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# Asset class and risk profile volatility

## Asset Class & Risk Profile Volatility to Aug 09

based on monthly returns over rolling 3 year periods

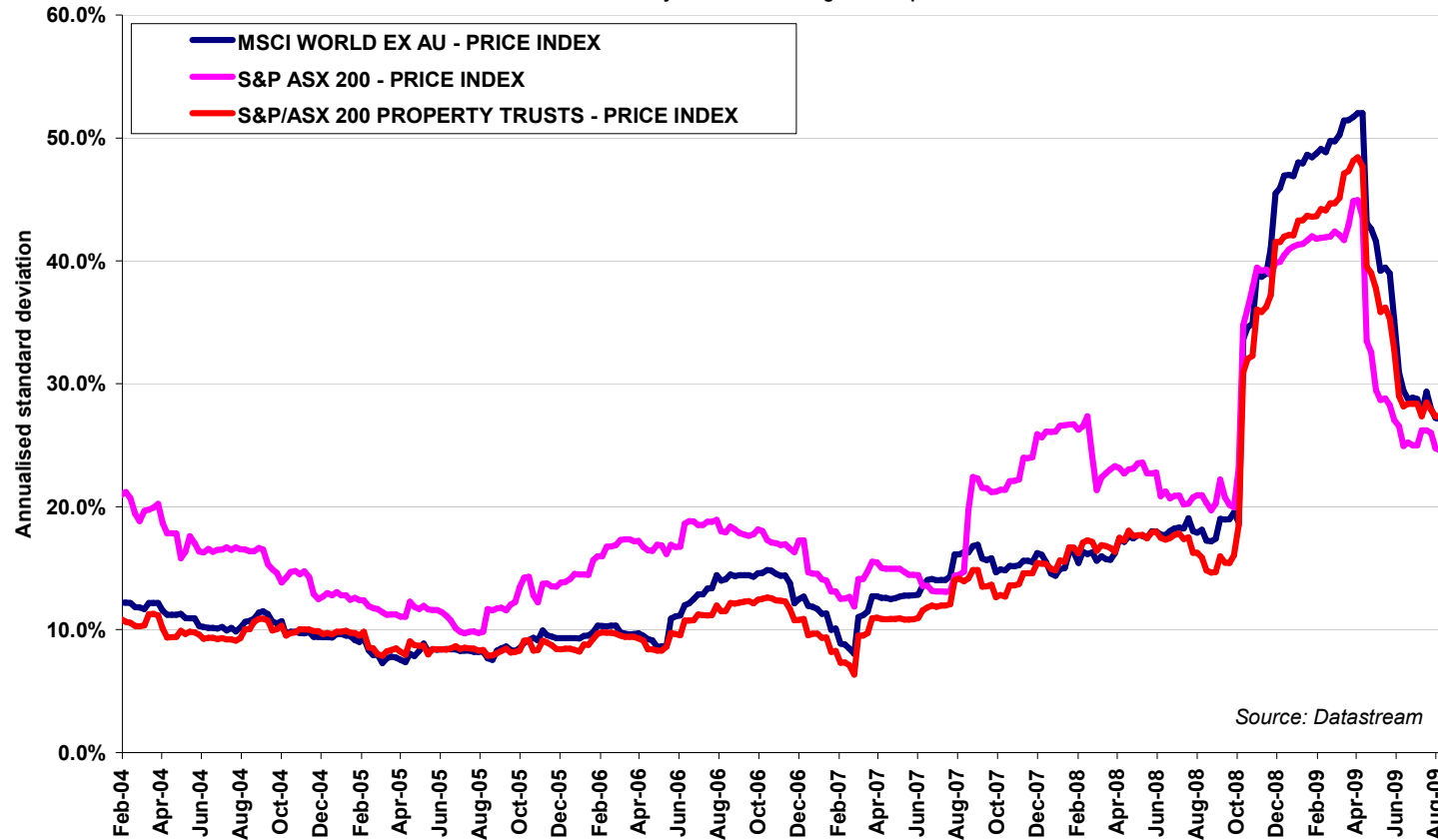


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# Sharemarket volatility

## Sharemarket volatility

based on weekly returns over rolling 6 month periods



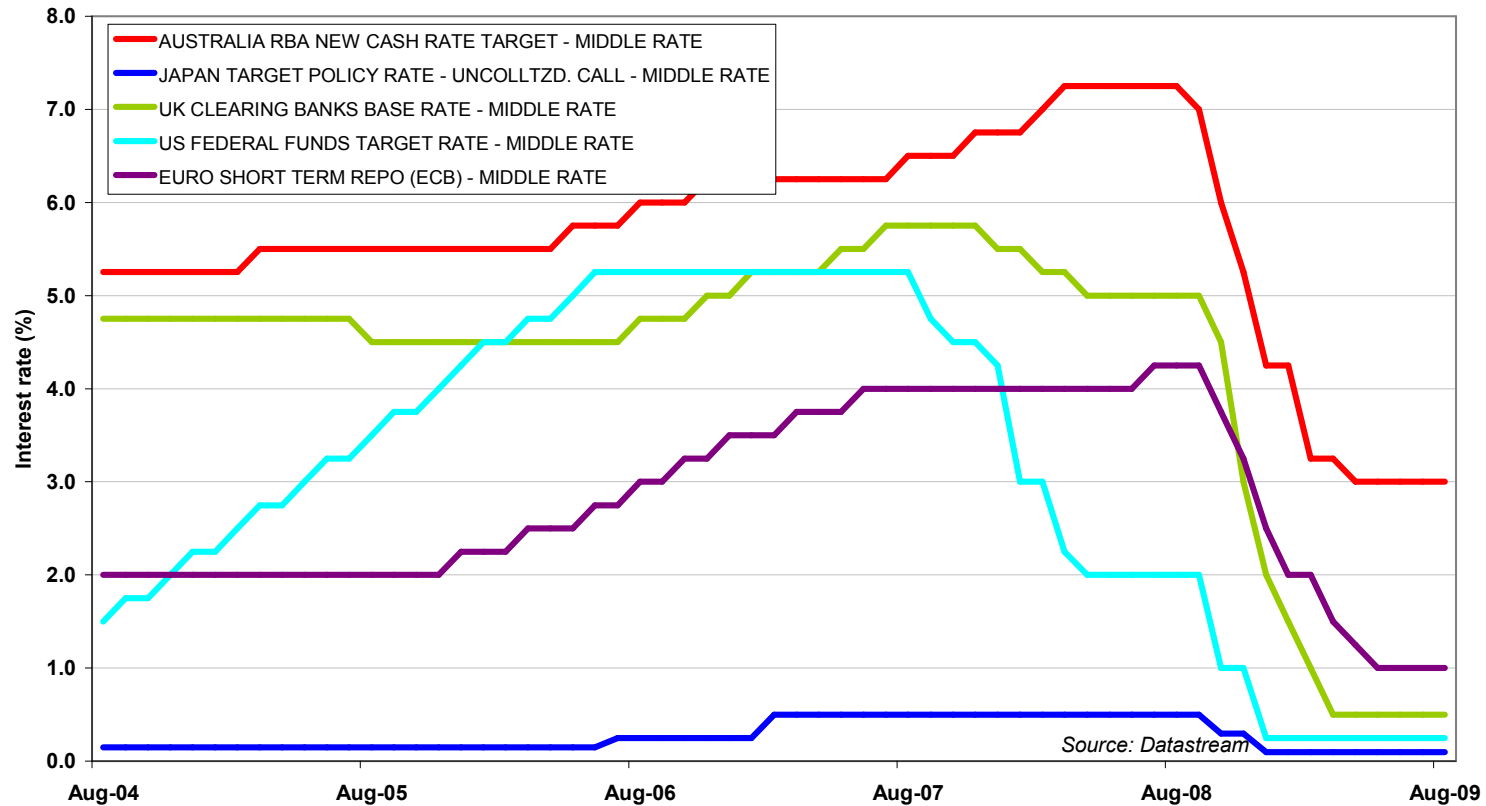
Source: Datastream



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# Global interest rates

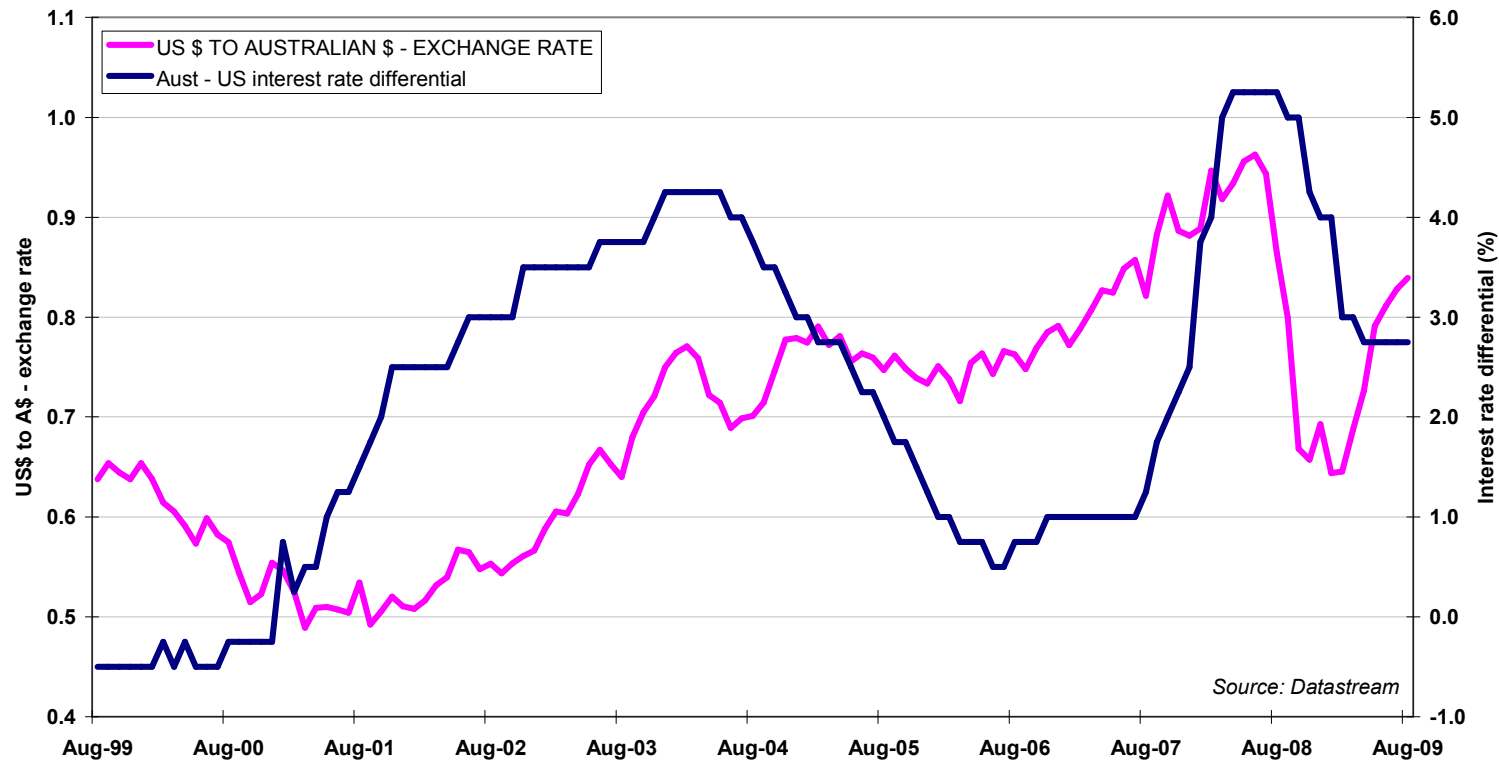
Global interest rates for the five years ending Aug 09



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# Currency movements and interest rate differentials

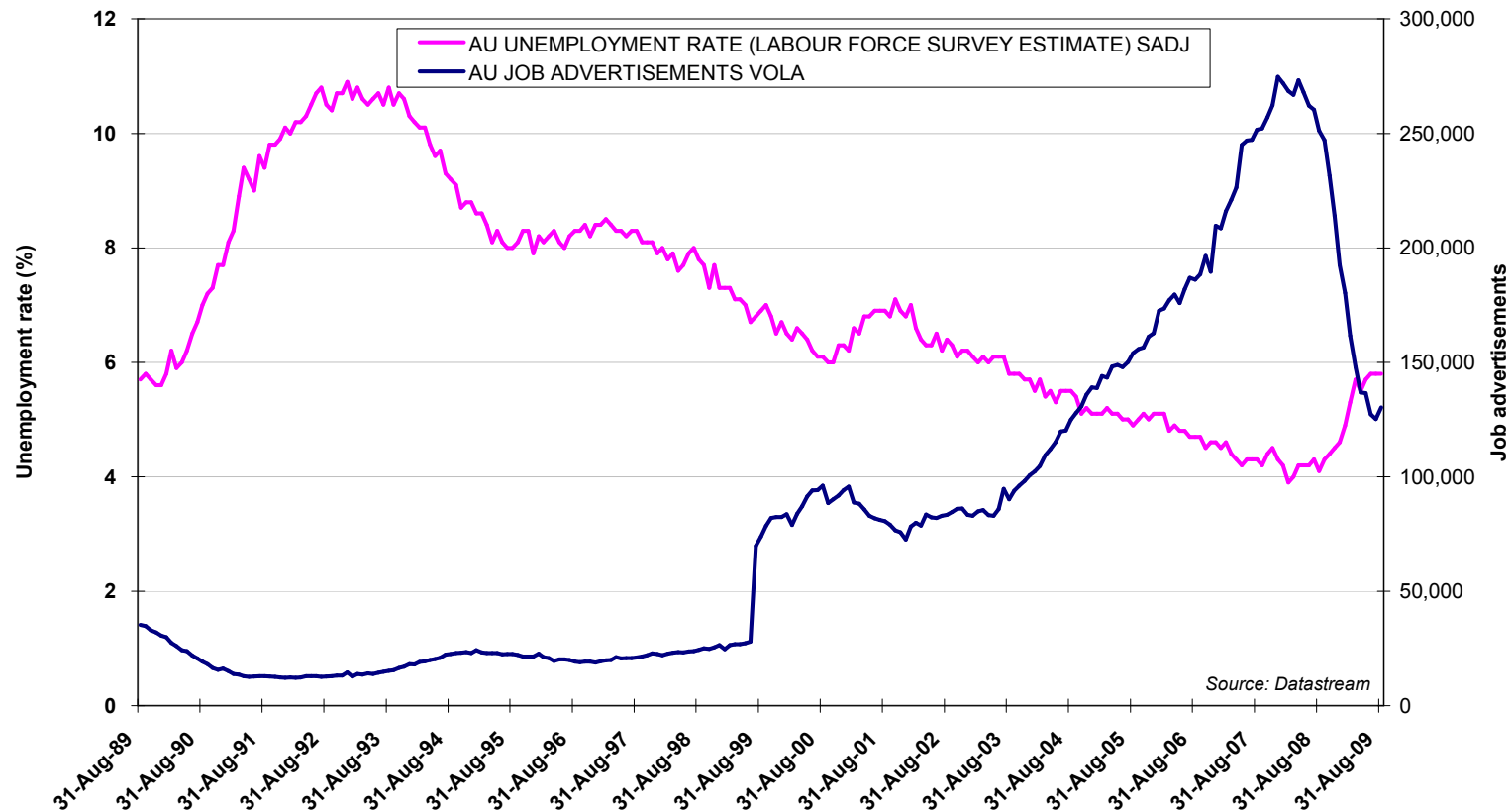
Currency movements and interest rate differentials for Australia and the US for the 10 years ending Aug 09



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# Unemployment and job advertisements

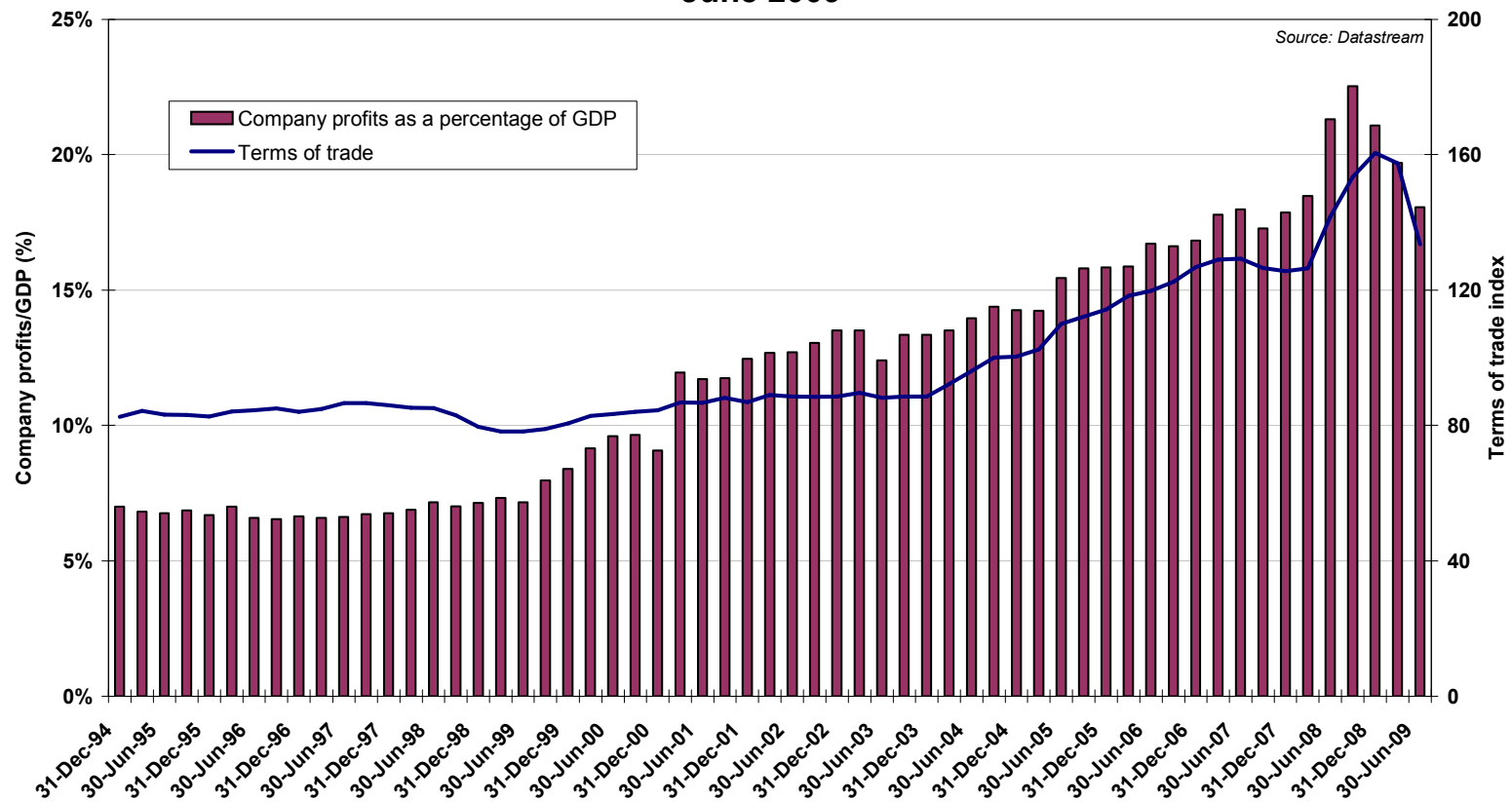
Australian unemployment rate and job advertisements to August 2009



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# Company profits and the terms of trade

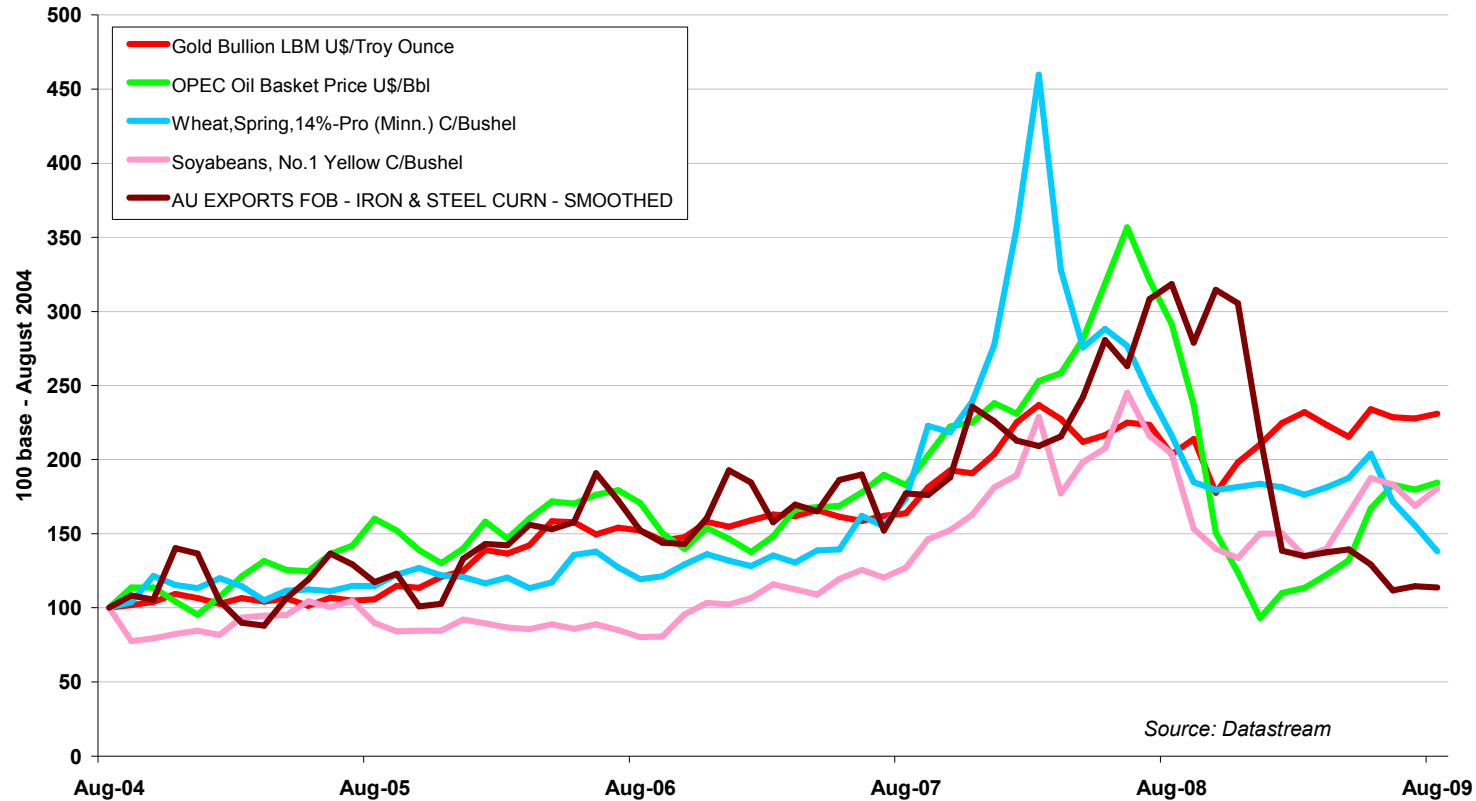
Company profits as a percentage of GDP compared to the terms of trade to June 2009



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# Commodity indices

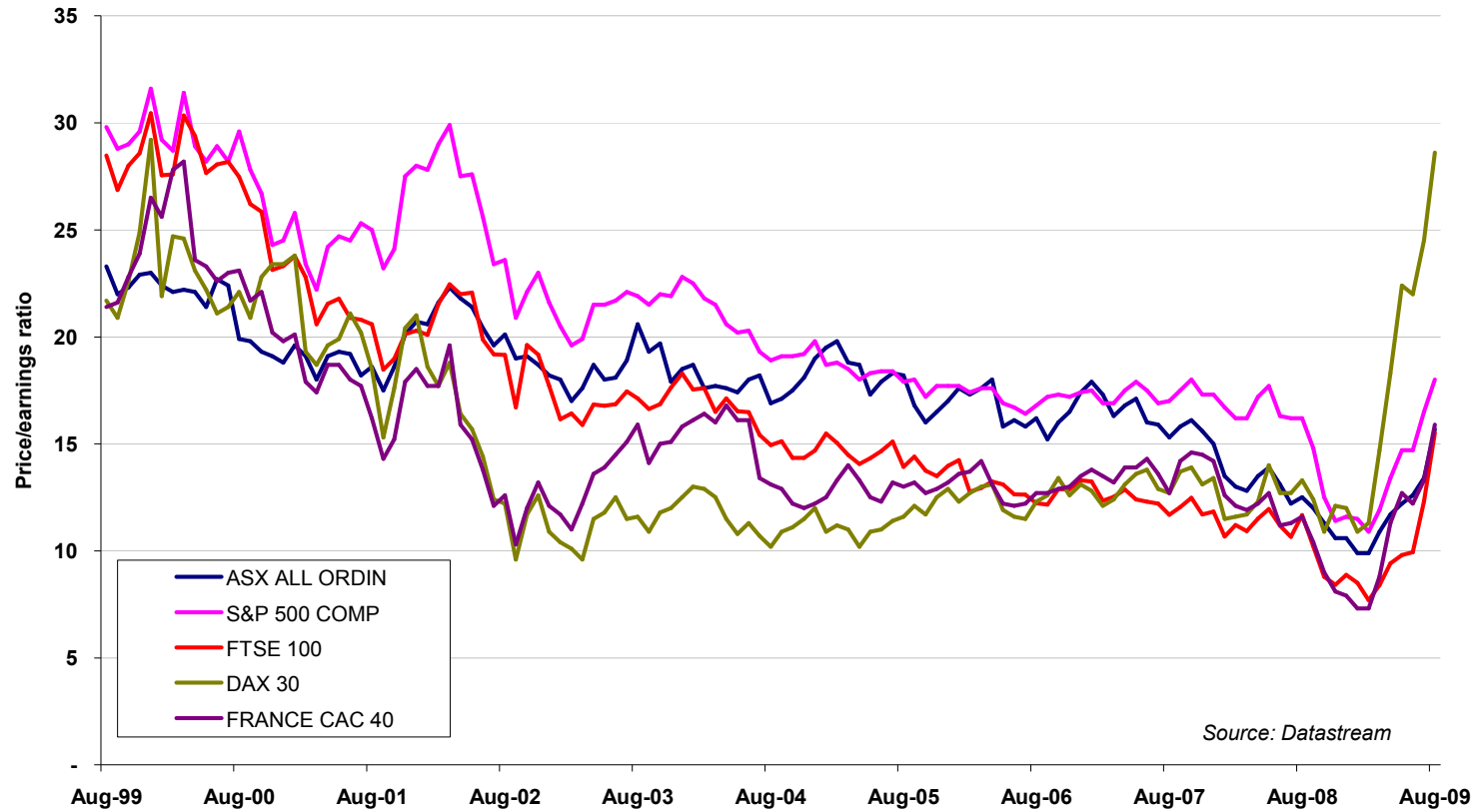
Commodity indices for the five years to August 2009



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# Price to earnings

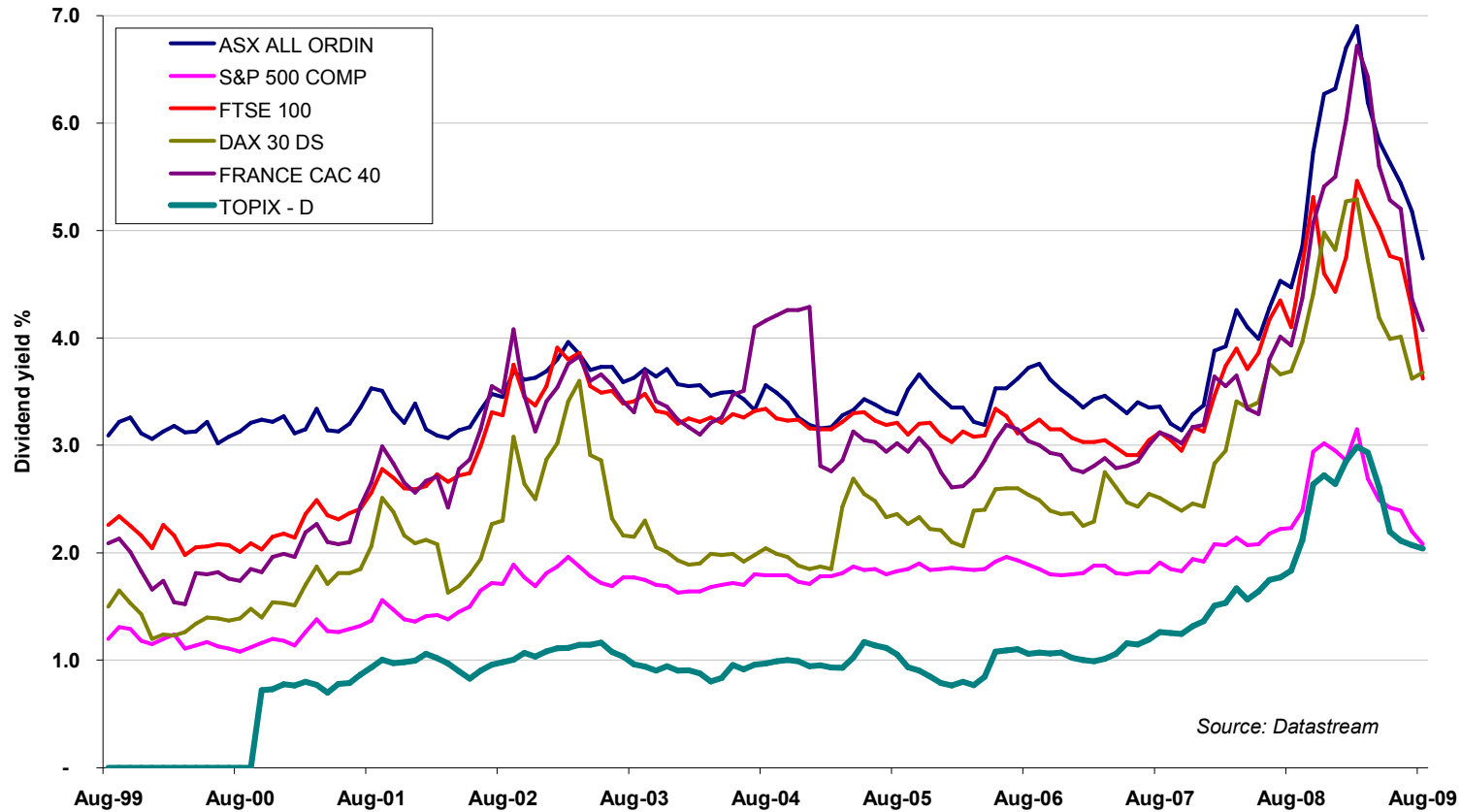
Price to earnings ratios to August 2009



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# Dividend yields

Dividend yields to August 2009



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# Asset class indices used in this report

- Australian shares: S&P/ASX 200 Accumulation Index. History before April 2000 was the All Ordinaries Accumulation Index
- International shares: MSCI World ex-Australia Accumulation (net dividends re-invested) Index in \$A
- Property: S&P/ASX 200 Property Accumulation Index. History before April 2000 is the ASX Property Trust Accumulation Index
- Australian fixed interest: UBS Warburg Australian Composite Bond Index
- International fixed interest: Salomon Brothers World Government Bond Hedged Index \$A
- Cash: UBS Warburg Australian Bank Bill Index
- International/regional indices: S&P 500 in \$US, S&P 500 in \$A, NASDAQ in \$US, NASDAQ in \$A, FTSE 100 Accumulation Index in GBP, FTSE 100 Accumulation Index in \$A, MSCI AC ASIA EX JAPAN Accumulation Index in Local Currency, MSCI AC ASIA EX JAPAN Accumulation Index in A\$, MSCI Emerging Markets Accumulation Index in Local Currency, MSCI Emerging Markets Accumulation Index in \$A, MSCI EUROPE Accumulation Index in Local Currency, MSCI EUROPE Accumulation Index in \$A, MSCI JAPAN Accumulation Index in Yen, MSCI JAPAN Accumulation Index in \$A, MSCI World ex Aust Accum Index in Local Currencies
- Interest rates: Australia RBA New Cash Rate Target – Middle Rate, Japan Target Policy Rate Uncolltzed. Call - Middle Rate, UK Clearing Banks Base Rate – Middle Rate, US Federal Funds Target Rate – Middle Rate, Euro Short Term Repo (ECB) – Middle Rate
- Credit/Fixed Interest: UBS AU Treasury 0-3 Years - RED. Yield, UBS AU Treasury 3-5 Years - RED. Yield, UBS AU Treasury 5-10 Years - RED. Yield, UBS AU Treasury 10+ Years - RED. Yield, Australia Interbank 3 Mth (LDN:BBA) – Offered Rate, UK Interbank 3 Mth (LDN:BBA) - Offered Rate, US Interbank 3 Mth (LDN:BBA) - Offered Rate, UK Treasury Bill Tender 3M – Middle Rate, US Treasury Bill 2nd Market 3 Month - Middle Rate, Barclays USD FRN AAA RTD (\$) - RED. Yield, Barclays USD FRN AA RTD (\$) - RED. Yield, Barclays USD FRN A RTD (\$) - RED. Yield, Barclays USD FRN BBB RTD (\$) - RED. Yield
- Dividend yield: ASX All Ordinary DS-Calculated – Dividend Yield, S&P 500 Composite – Dividend Yield, FTSE 100 – Dividend Yield, TOPIX – Dividend Yield, DAX 30 DS-Calculated – Dividend Yield, France CAC 40 DS-Calculated – Dividend Yield
- Price/Earnings: ASX All Ordinary DS-Calculated – PER, S&P 500 Composite DS Calculated – PER, FTSE 100 – PER, DAX 30 DS-Calculated – PER, France CAC 40 DS-Calculated - PER
- Commodities: Gold Bullion LBM US\$/Troy Ounce, OPEC Oil Basket Price US\$/Bbl, Wheat, Spring, 14%-Pro (Minn.) C/Bushel, Live Steers, USDA 5 Area Wtd. Avge., Soyabeans, No.1 Yellow C/Bushel
- Miscellaneous: Baltic Exchange Dry Index (BDI) – Price Index, AU Unemployment Rate (Labour Force Survey Estimate) SADJ, AU Job Advertisements VOLA
- Source: Datastream

