



Financial Markets

**Reporting for periods ending
July 2010**



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Sharemarkets, fixed interest and currency

Sharemarket and fixed income scoreboard for period ending July 2010						
	Month return	Quarter return	Financial year return	1 year return	5 years return	10 years return
S&P 500 in \$US	7.0%	-6.7%	7.0%	13.8%	-0.2%	-0.8%
S&P 500 in \$A	-0.2%	-4.1%	-0.2%	4.5%	-3.6%	-5.1%
NASDAQ in \$US	6.9%	-8.4%	6.9%	14.0%	0.6%	-5.0%
NASDAQ in \$A	-0.3%	-5.8%	-0.3%	4.7%	-2.8%	-9.2%
FTSE 100 Accumulation Index in GBP	7.1%	-4.5%	7.1%	18.2%	3.7%	1.5%
FTSE 100 Accumulation Index in \$A	4.6%	0.5%	4.6%	2.5%	-2.2%	-2.5%
MSCI AC ASIA EX JAPAN Accumulation Index in Local Currency	4.6%	0.6%	4.6%	11.3%	11.3%	
MSCI AC ASIA EX JAPAN Accumulation Index in A\$	-1.3%	1.3%	-1.3%	5.0%	7.4%	
MSCI AC World Ex Australia Accumulation Index in Local currencies	5.9%	-5.3%	5.9%	11.1%	1.3%	-0.1%
MSCI AC World Ex Australia Accumulation Index in \$A	0.8%	-2.2%	0.8%	2.3%	-1.2%	-3.3%
MSCI Emerging Markets Accumulation Index in Local Currency	6.2%	0.2%	6.2%	16.1%	12.8%	11.6%
MSCI Emerging Markets Accumulation Index in \$A	1.1%	1.0%	1.1%	10.4%	9.5%	6.9%
MSCI EUROPE Accumulation Index in Local Currency	5.9%	-2.8%	5.9%	13.0%	1.2%	-0.8%
MSCI EUROPE Accumulation Index in \$A	4.2%	0.1%	4.2%	-1.9%	-1.7%	-2.7%
MSCI JAPAN Accumulation Index in Yen	1.4%	-14.0%	1.4%	-8.9%	-4.7%	-4.1%
MSCI JAPAN Accumulation Index in \$A	-3.4%	-4.1%	-3.4%	-8.1%	-3.1%	-6.2%
MSCI World ex Aust Accum Index in Local Currencies	5.8%	-6.2%	5.8%	10.4%	0.2%	-0.9%
MSCI World Ex Australia Accumulation Index in \$A	0.8%	-2.6%	0.8%	1.1%	-2.2%	-4.1%
S&P/ASX 200 Accumulation Index	4.5%	-5.9%	4.5%	10.1%	4.9%	7.6%
S&P/ASX 200 Property Accumulation Index	1.0%	-3.9%	1.0%	18.8%	-8.3%	
FTSE EPRA/NAREIT Developed - Total Return in Local Currencies	3.1%	0.5%	3.1%	35.6%	-0.2%	
FTSE EPRA/NAREIT Global EX Aust - Total Return in \$A	2.4%	1.8%	2.4%	14.1%		
UBSWA Composite Bond Index	0.3%	3.3%	0.3%	7.8%	6.0%	6.4%
SBWGB Accumulation Index currency hedged \$A	0.9%	3.8%	0.9%	9.2%	7.4%	8.0%

Australian interest rates and currency

	31 July 2010	30 April 2010	30 June 2010	31 July 2009	31 July 2005	31 July 2000
RBA cash rate target	4.50	4.25	4.50	3.00	5.50	6.00
Australian 90 day bank bill yield (%)	4.76	4.60	4.89	3.16	5.64	6.33
Australian 10 year bond yield (%)	5.19	5.72	5.09	5.61	5.14	6.25
Australian dollar (in euros)	0.69	0.70	0.70	0.59	0.63	
Australian dollar (in Japanese yen)	77.67	87.49	75.46	78.95	85.19	63.65
Australian dollar (in US cents)	89.86	93.00	85.23	82.81	75.95	58.22

Source: Datastream

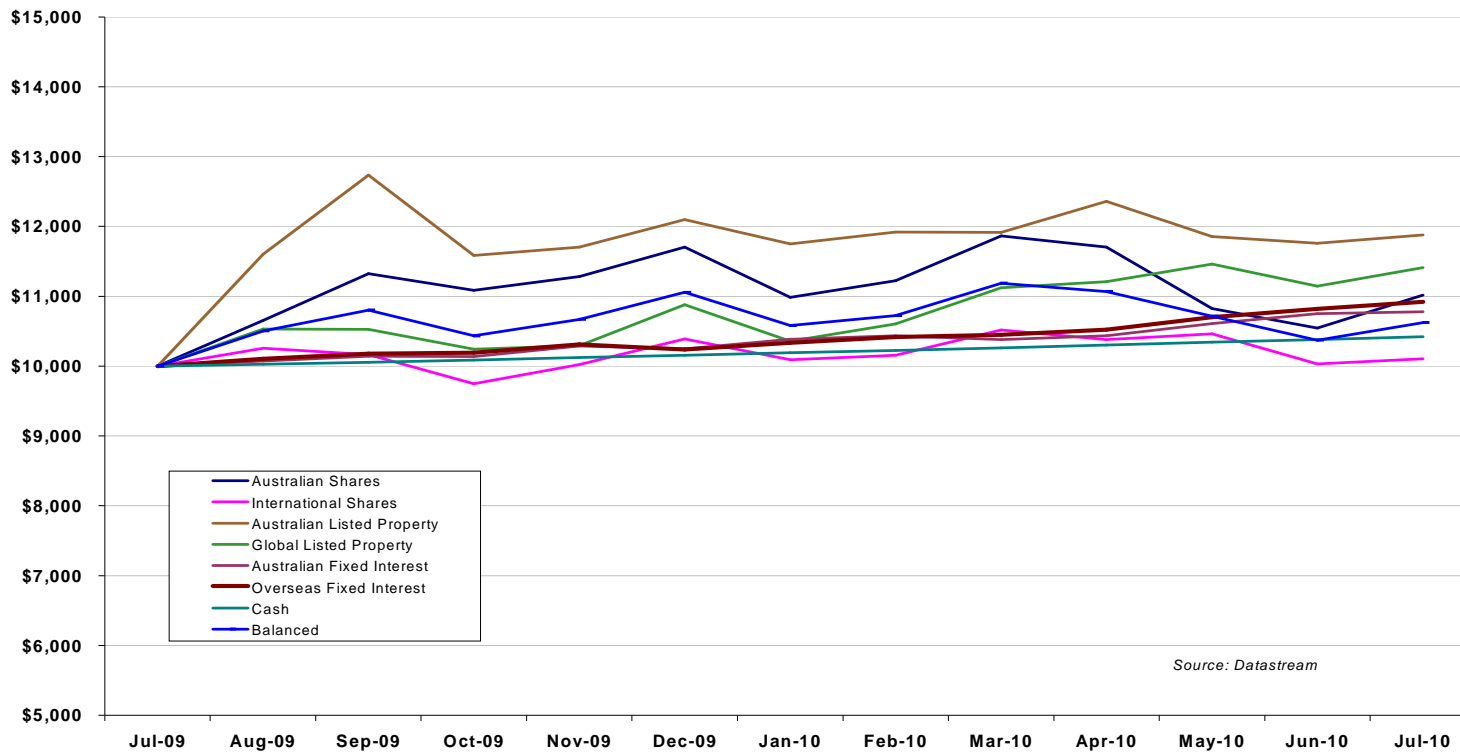


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Market returns – 12 months

Asset Class Performance over 12 months to July 2010

(based on investment of \$10,000)



Source: Datastream

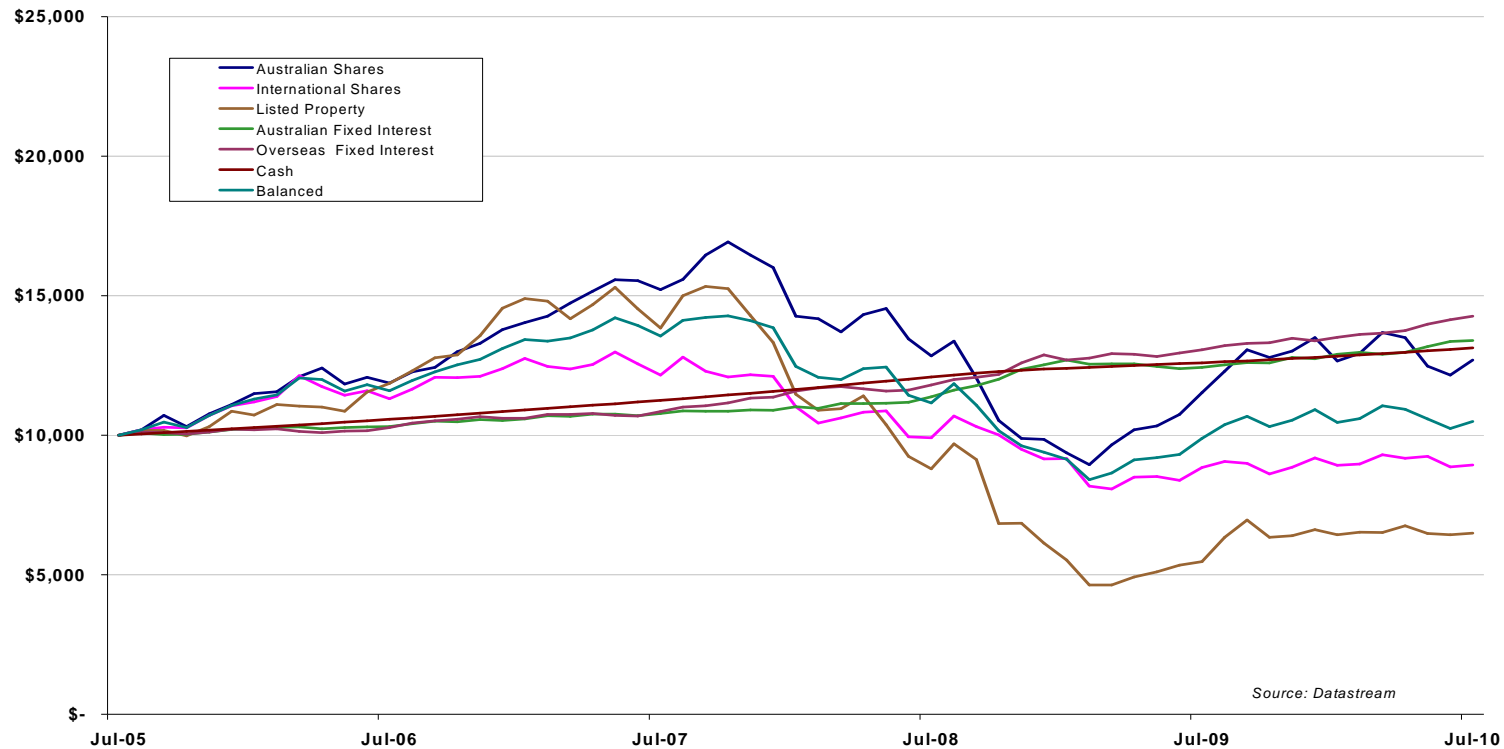


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Market returns – five years

Asset Class Performance over 5 years to July 2010

(based on investment of \$10,000)



Source: Datastream

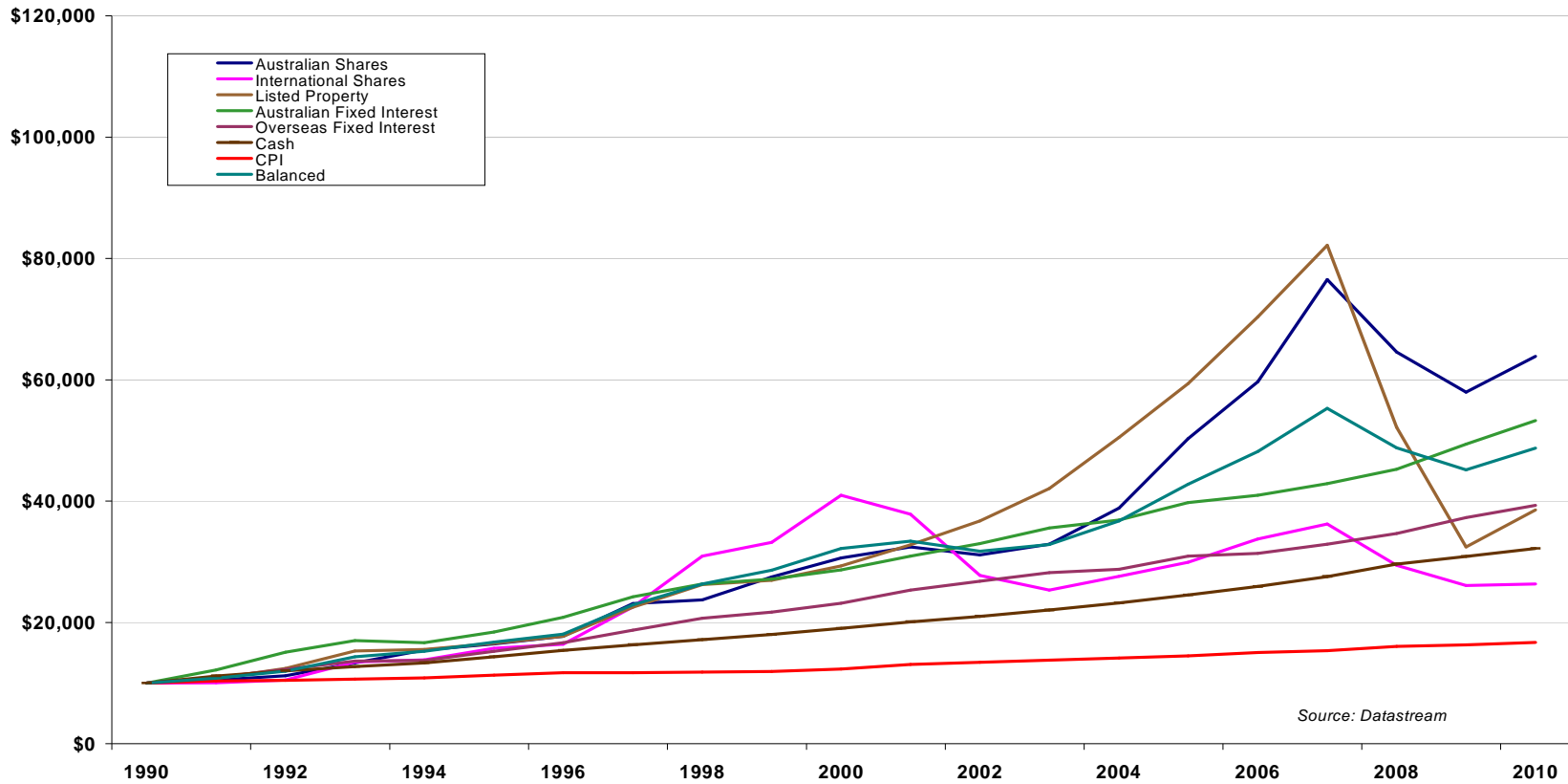


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Market returns – 20 years

Asset Class Performance over 20 years to July 2010

(based on investment of \$10,000)



Source: Datastream



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Australian sharemarket sector returns

Australian sharemarket sector returns for the 12 months ending July							
	2010	2009	2008	2007	2006	2005	2004
Energy	-2.5%	-8.2%	23.1%	17.8%	30.6%	61.2%	44.6%
Materials	10.2%	-18.6%	6.8%	36.2%	33.7%	39.9%	28.7%
Industrials	6.9%	-25.4%	-27.1%	34.5%	7.3%	35.1%	21.4%
Consumer Discretionary	9.2%	-4.1%	-41.8%	29.2%	3.5%	7.8%	23.3%
Consumer Staples	10.3%	5.3%	-6.5%	32.5%	11.1%	27.8%	12.3%
Healthcare	6.8%	-2.9%	0.2%	36.6%	18.1%	37.6%	27.3%
Information Technology	9.3%	17.6%	-14.3%	25.7%	19.4%	60.4%	39.9%
Telecommunication Services	-2.6%	-15.1%	1.4%	35.8%	-19.8%	9.6%	13.1%
Utilities	5.7%	-16.1%	-20.9%	30.1%	25.6%	32.4%	19.3%
Property Trusts	18.8%	-37.8%	-36.5%	16.7%	18.6%	17.5%	20.1%
Financials (ex Property Trusts)	14.9%	2.9%	-28.8%	23.7%	20.2%	31.7%	9.1%
S&P/ASX 200 Accumulation Index	10.1%	-10.2%	-15.6%	28.2%	18.7%	29.4%	18.1%

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 July										
<i>Unhedged in Australian dollars</i>	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Market	4.0%	-9.8%	-17.2%	12.9%	16.5%	12.4%	11.6%	-6.5%	-23.5%	-8.8%
Oil & Gas	-1.0%	-18.3%	-1.0%	6.6%	34.2%	33.2%	28.5%	-6.9%	-9.7%	19.2%
Basic Materials	10.2%	-20.9%	0.3%	35.1%	30.7%	18.4%	21.2%	-5.1%	-8.3%	10.5%
Industrials	9.9%	-13.2%	-23.1%	25.2%	17.6%	10.8%	16.7%	-11.4%	-21.2%	-8.0%
Consumer Goods	6.4%	2.8%	-16.8%	12.6%	19.8%	3.7%	19.5%	-10.5%	-15.0%	1.1%
Health Care	-3.4%	1.3%	-9.9%	-4.3%	9.0%	7.9%	6.4%	-11.0%	-16.0%	16.3%
Consumer Services	9.7%	-1.5%	-23.9%	9.1%	4.1%	7.6%	7.5%	-5.6%	-27.0%	-0.2%
Telecom	0.1%	-6.2%	-11.6%	25.2%	8.2%	9.5%	8.5%	0.7%	-39.6%	-32.2%
Utilities	-3.0%	-14.4%	-6.0%	20.4%	21.9%	24.7%	17.3%	-4.4%	-26.2%	17.0%
Financials	2.6%	-14.2%	-27.9%	7.0%	22.1%	12.7%	12.0%	-6.0%	-18.8%	11.9%
Technology	4.4%	1.1%	-19.4%	15.0%	1.4%	4.7%	1.7%	1.2%	-43.3%	-49.2%

Notes:

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

Source: Datastream

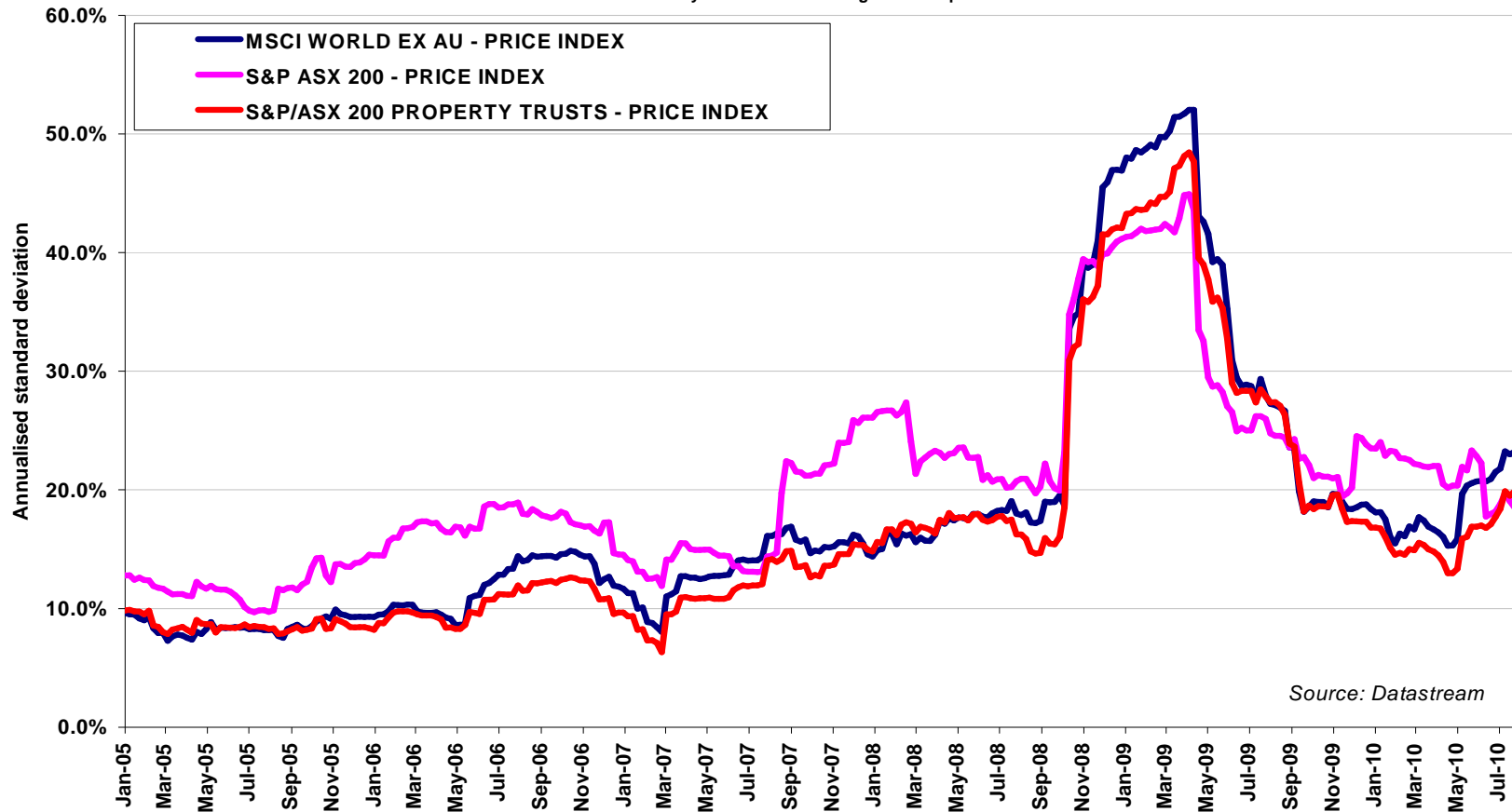


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Sharemarket volatility

Sharemarket volatility

based on weekly returns over rolling 6 month periods



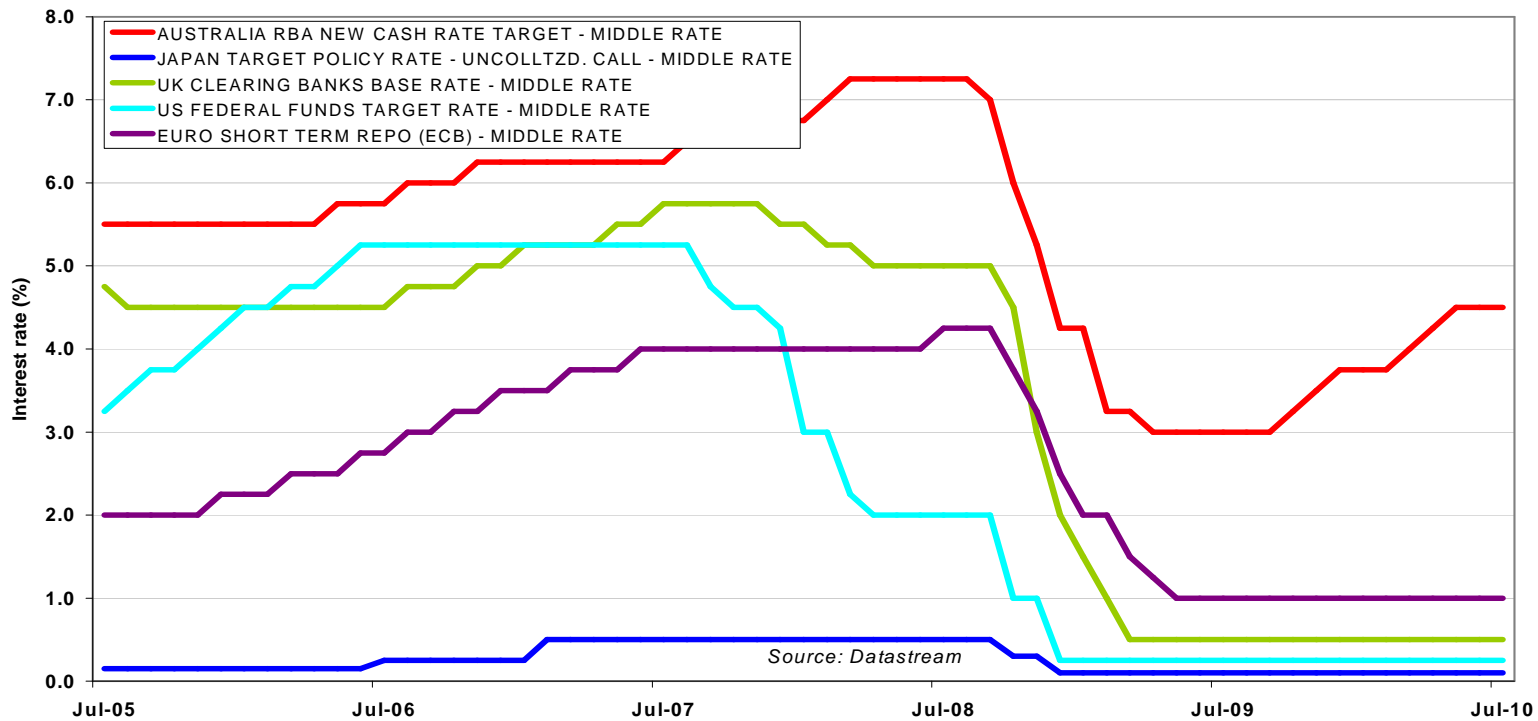
Source: Datastream



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Global interest rates

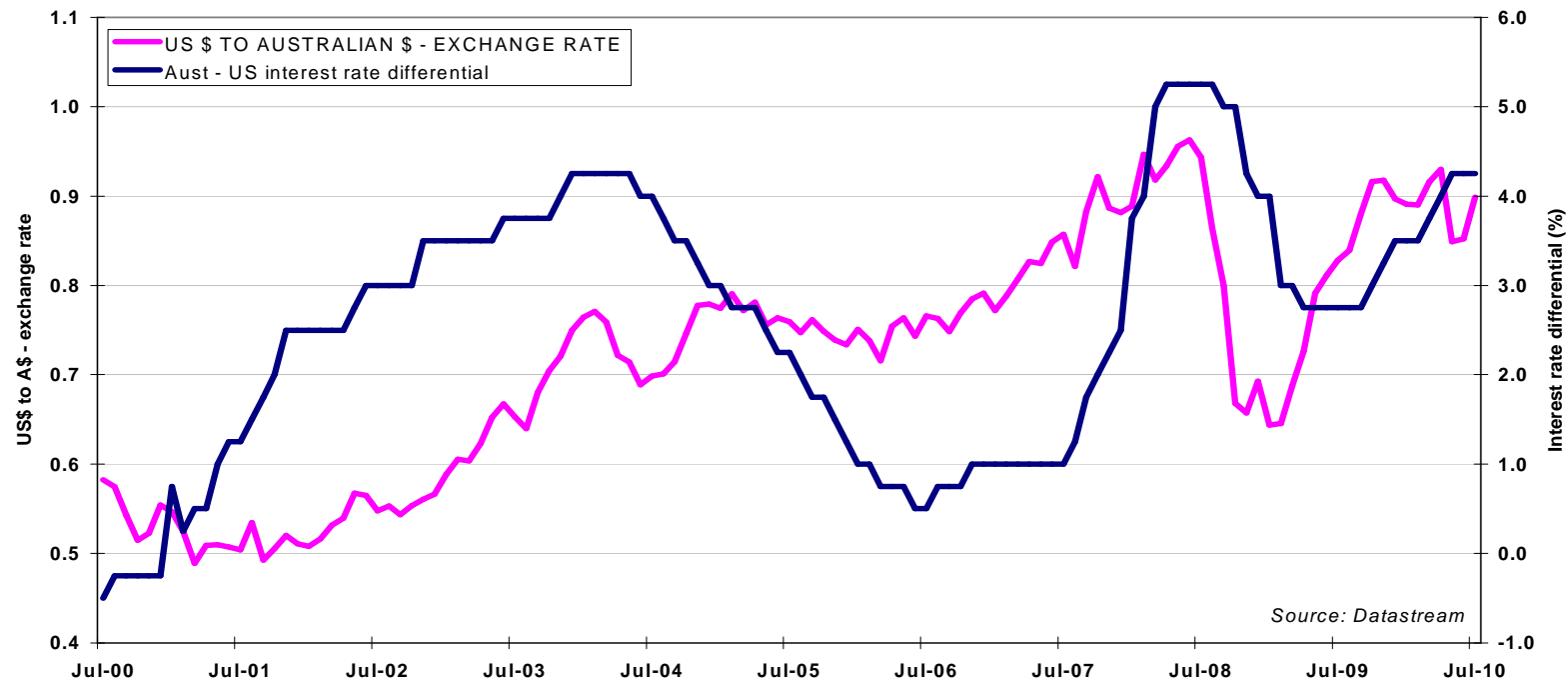
Global interest rates for the five years ending Jul 2010



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Currency movements and interest rate differentials

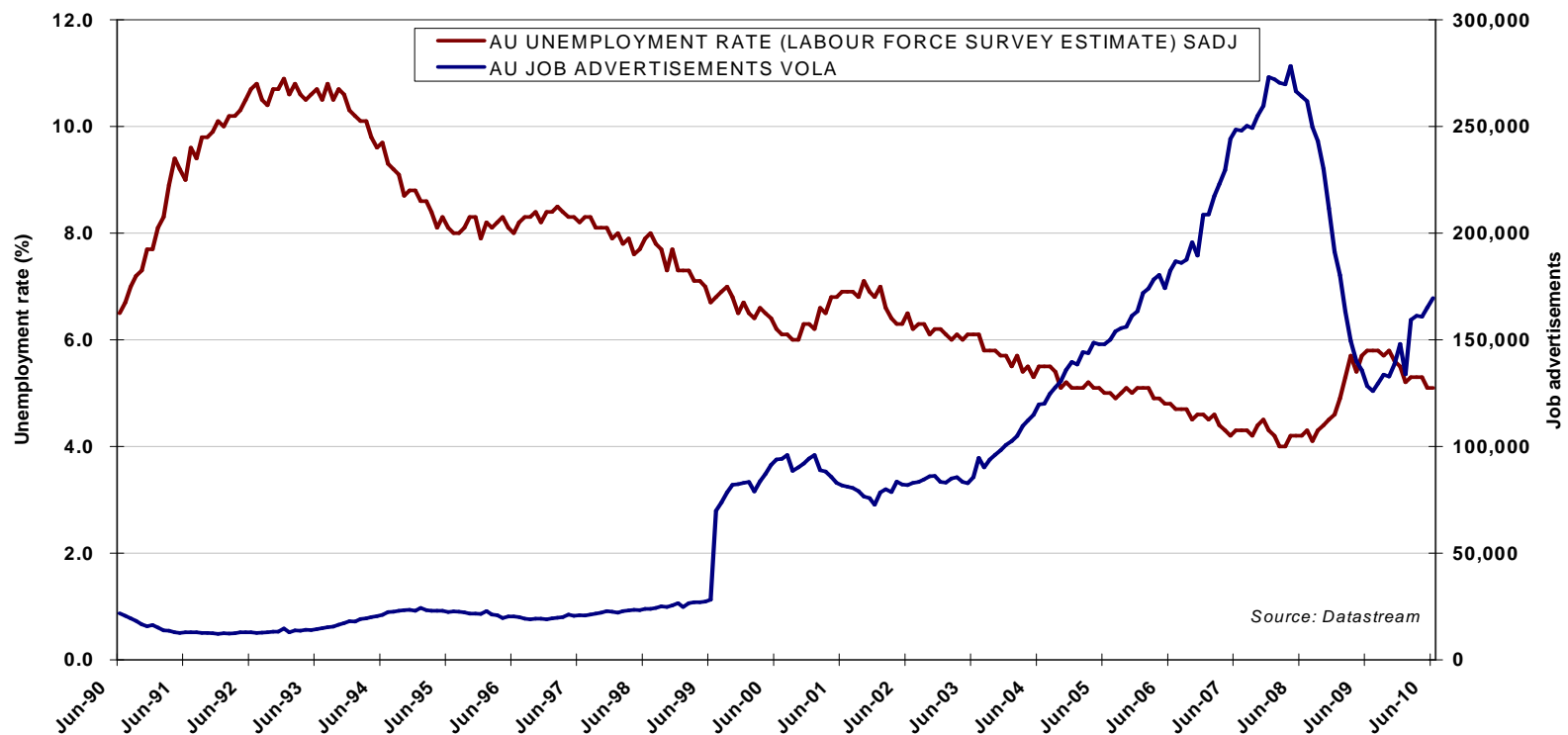
Currency movements and interest rate differentials for Australia and the US for the 10 years ending Jul 2010



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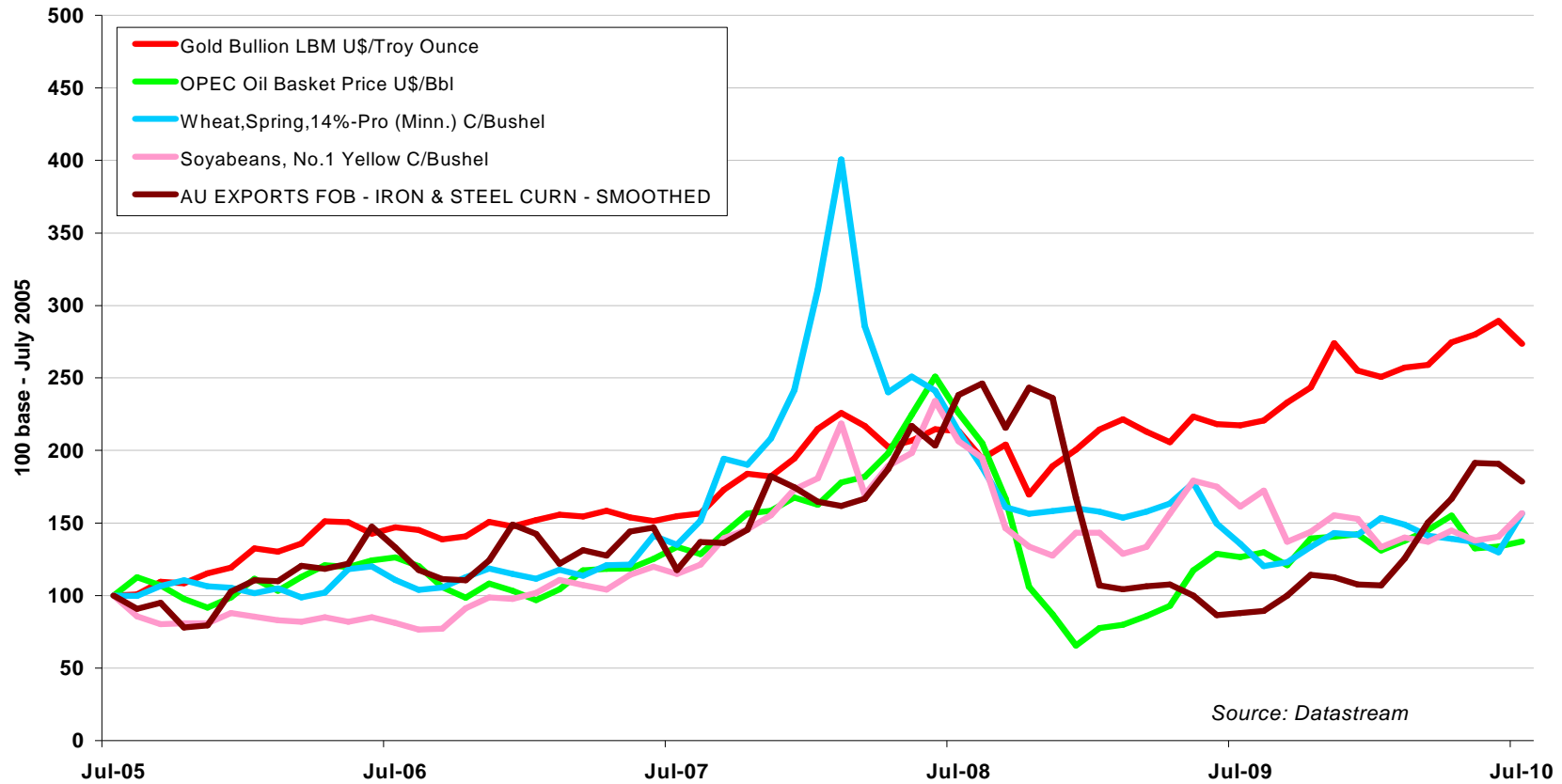
Unemployment and job advertisements

Australian unemployment rate and job advertisements to June 2010



Commodity indices

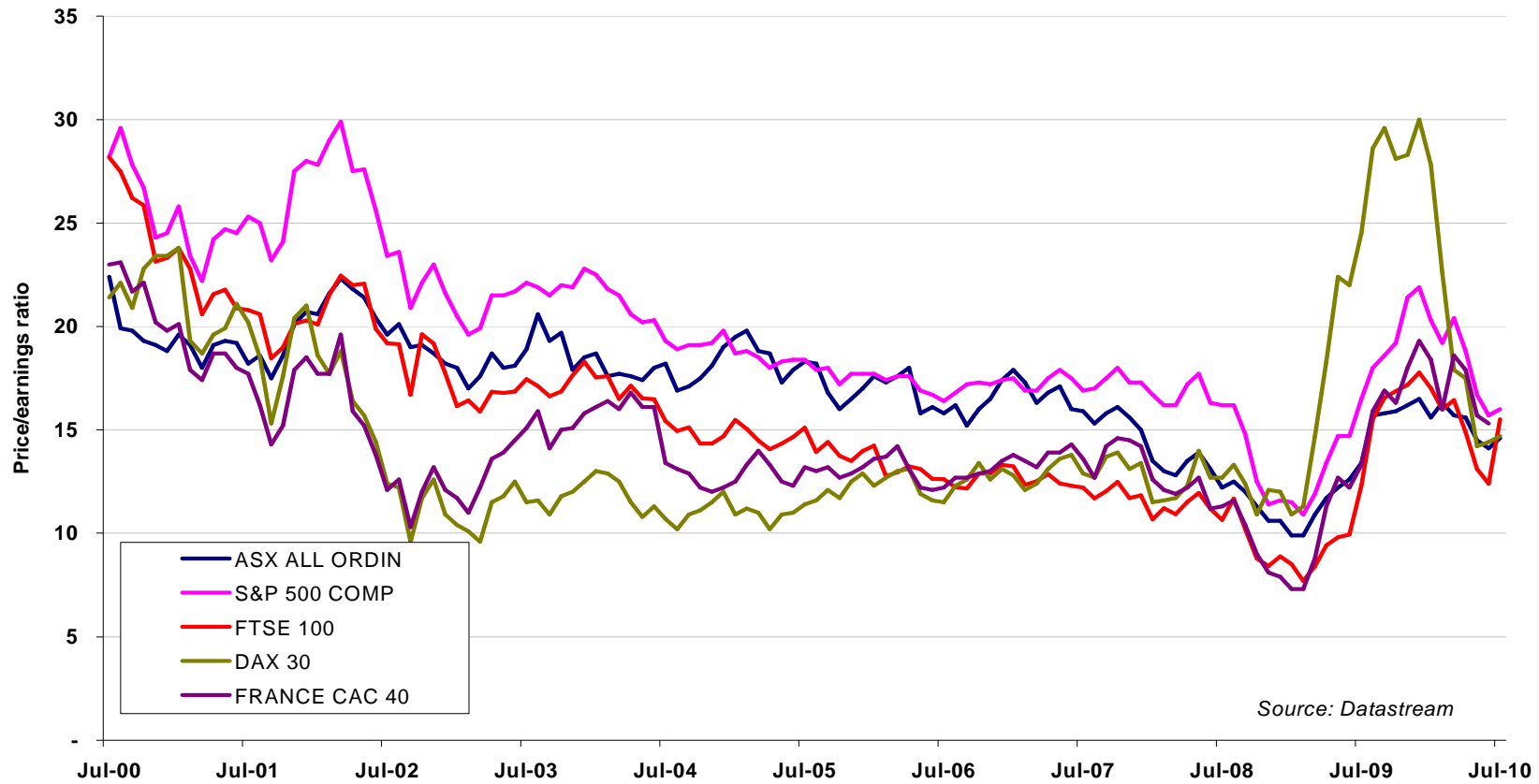
Commodity indices for the five years to July 2010



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Price to earnings

Price to earnings ratios to July 2010



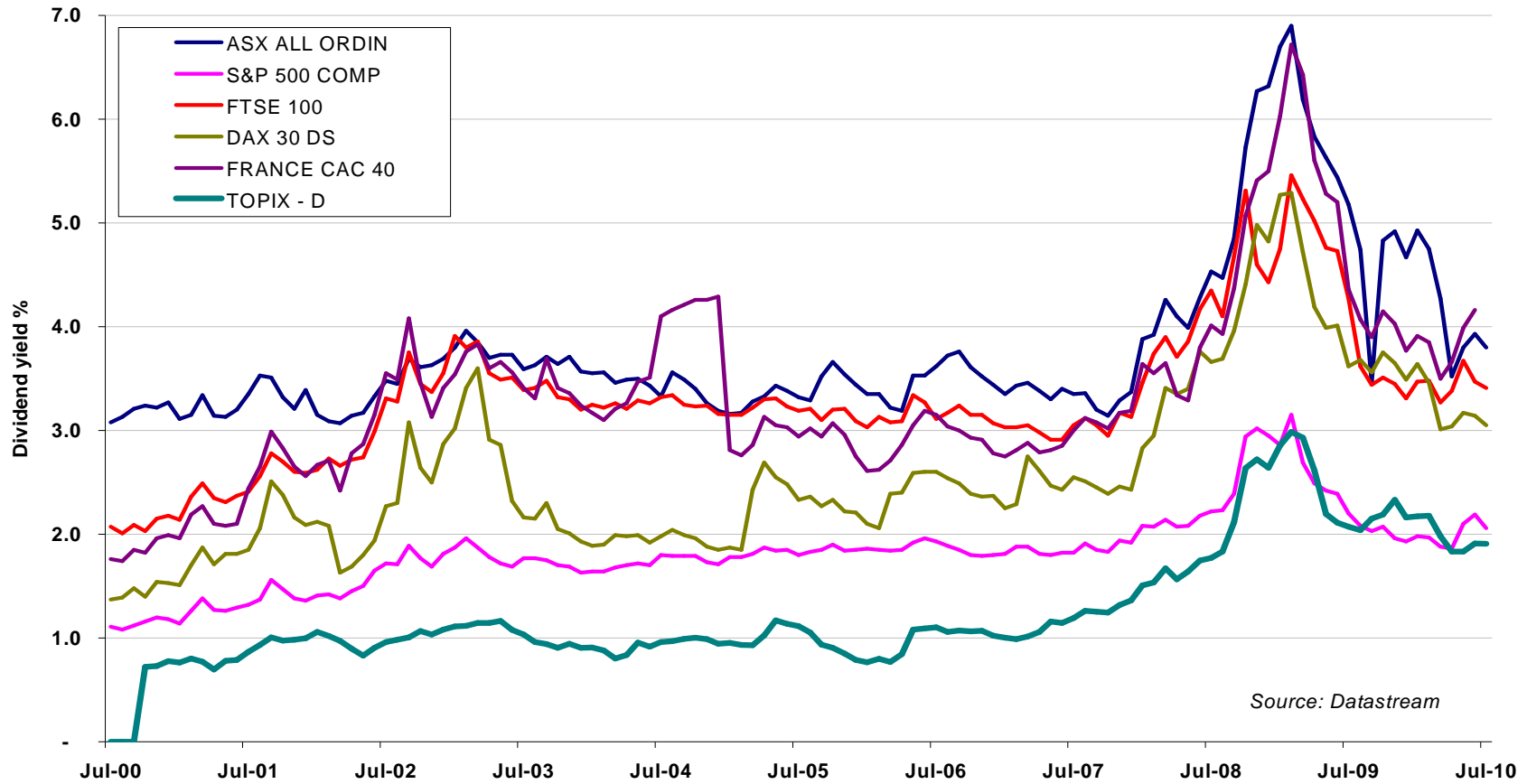
Source: Datastream



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Dividend yields

Dividend yields to July 2010



Source: Datastream



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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 U\$/Troy Ounce, OPEC Oil Basket Price U\$/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

