

Monthly Market Review

April 2024

Author



Kerry Craig
Global Market Strategist

Can you take me higher?

April was a tough month for both equity and fixed income investors, as expectations for rate cuts were pushed into the future or revised away completely. The progress on disinflation appeared to have stalled in many markets in the first quarter, while private demand remained resilient, fueling fears of 'higher for longer' or even a need to raise rates again. Stocks and bonds reacted badly to the change in sentiment. The MSCI World Index fell 3.2% over the month, and the Global Aggregate bond index was down 2.5%. Emerging market equities gained 1.7%, driven by strong performance in China and Hong Kong (all total returns in local currency).

Three stronger-than-expected U.S. inflation figures in a row constituted a trend and a stalling of progress on disinflation. This resulted in a change of tune by central bankers who are willing to be patient on cutting rates. The markets were quick to adjust with only one rate cut expected this year, down from three at the start of the month. Meanwhile, the Reserve Bank of Australia (RBA) pricing shows the potential for a further rate hike.

The shift in rate expectations was reflected in the sharp movement in currencies. The U.S. dollar gained another 1.6% on a trade weighted basis and is 4.8% higher this year. The Japanese yen (JPY) felt the greatest pressure and depreciated by 3.5% against U.S. dollar over the month. The U.S. dollar cross rate briefly touched 160, its weakest in 35 years, before recovering. A stronger U.S. dollar creates issues for small open economies that may be forced to defend currencies, and the performance of Emerging market (EM) assets more broadly.

Meanwhile, the expected rate cuts in economies with a weaker growth trajectory, such as Europe, may be paired back in response to a Federal Reserve cut that is on hold for longer. This could curb expectations for improving economic momentum and rising corporate earnings in that region.

April reinforced that inflation is the key risk to the market outlook, and has the potential to unwind the rally in risk assets. While a soft landing remains the modal view, investors should consider all potential scenarios—soft landing, no landing and recession—in managing portfolio risk. Equities can continue to move higher in a world with stronger nominal growth and earnings upside, but a shallower cutting cycle adds to the valuation challenge. Longer duration government bonds can add to returns in the event of a growth or deflationary shock. But with more clarity required on the path for inflation, and therefore rates, longer dated yields are likely to be range bound for the time being, which suggests positioning in shorter duration bonds.

Australian economy:

- Retail sales growth has become notoriously volatile and fell by 0.4% month-over-month for March, after gaining 0.2% in February. The trend in spending is not very clear given the impact of seasonality, and Taylor Swift, on the monthly data. However, year-over-year comparisons still show positive increase in retail spending, suggesting that consumption is slowing rather than collapsing.
- Consumer price index inflation for the first quarter was higher than expected at 3.6% and 4.0% year-over-year for core inflation. Services inflation continues to dominate pricing pressures along with rental prices. This makes the current set of RBA economic projections difficult to achieve. Compared to the U.S., inflation may be slower to fall, but it should be noted that inflation was never as high in Australia, nor is the policy rate, which suggests a more gradual return to the RBA's target band. (GTM AUS page 5)
- The unemployment rate rose by 0.1% to 3.8%, and employment contracted by 7,000 jobs in March. Weaker domestic demand suggests that the unemployment rate should rise. The level of vacancies is only slowly falling and hiring intentions are steady, implying any rise in unemployment will be gradual. (GTM AUS page 9)
- House prices across the eight capital cities rose 0.6% month-over-month or 9.4% year-over-year in April. Auction clearance rates continue to rise, pointing towards underlying strength in the property market. However, expectations for a further rate hike may curb activity over the typically quieter winter months. (GTM AUS page 10 and 11)

Equities:

- The ASX 200 fell 2.9% in April to be up 2.2% for the year. Australian small caps fell by a larger 3.1% for the month. The Australian equity market managed to outperform the U.S. S&P 500 for the month (-4.1%), but was beaten by Europe (-0.6%) and Japan (-0.9%) in local currency terms. (GTM AUS page 32)
- Speculation about a frothy U.S. equity market came to a head in April, as rising bond yields challenged the lofty valuations applied to the U.S. market. However, the economic backdrop remains supportive for earnings growth, and the first quarter U.S. earnings season has seen companies beat expectations, albeit against a low bar. (GTM AUS page 33)
- European markets are coming into focus given the relatively attractive valuations compared to other

developed economies and the improving economic outlook for the region. Economic surveys suggest a pick-up in economic activity, while fading inflation should see the European Central Bank begin its easing cycle by mid-year. (GTM AUS page 16)

- In a reversal from prior months, EM equities were the outperformers as the MSCI EM index gained 1.4%, and Asia ex-Japan was 2.1% higher as low valued Chinese and Hong Kong markets gained attention from investors.
- At the sector level, only utilities (4.8%) and materials (0.6%) ended the month in the green. The changing rate environment was most visible on the rate sensitive sectors such as real estate investment trusts (-7.7%) and consumer discretionary (-5.1%). The energy sector (-4.7%) was also weaker despite supportive oil prices.

Fixed income:

- Government bond yields underwent large moves during the month. The Australian 10-year government bond yield rose 46 basis points (bps) to 4.42%. Meanwhile the U.S. 10-year Treasury was 48bps higher to 4.68%. The spread to the policy sensitive 2-year bond yield remains negative (-33bps) as the shorter duration end of the curve rose to 5.03% to reflect higher rate expectations. (GTM AUS page 48)
- The rise in government bond yields weighed on the performance of corporate credit, even as spreads remain tight. Global investment grade bonds fell 2.3%, while the higher yield mitigated losses on global high yield bonds to -0.7%. (GTM AUS page 47)

Other assets:

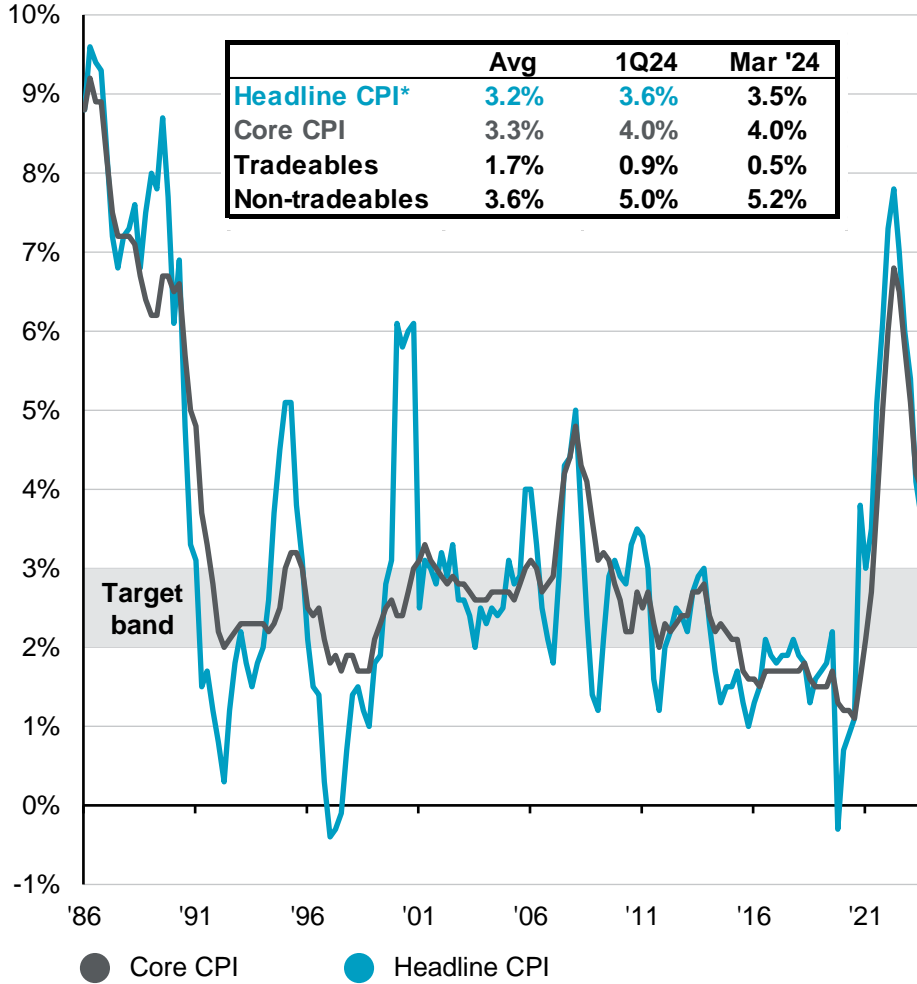
- The resilient economic outlook and the rising risk of escalation in the Middle East boosted commodity prices in April. The Bloomberg Commodity Index was 2.2% higher over the month.
- Gold rallied to a new high of USD 2,330 during the month before falling back. The performance of gold continues to confound as the historical relationship to real yields fails to hold and the precious metal is up 11% year-to-date. (GTM AUS page 66)
- Other metals were also higher over the month, notably copper, which was 13.8% higher. The price of iron ore increased to USD 110 per ton. (GTM AUS page 63)
- The U.S. dollar index was 1.6% higher and gained 0.5% against the Australian dollar over the month. (GTM AUS page 68)



Inflation

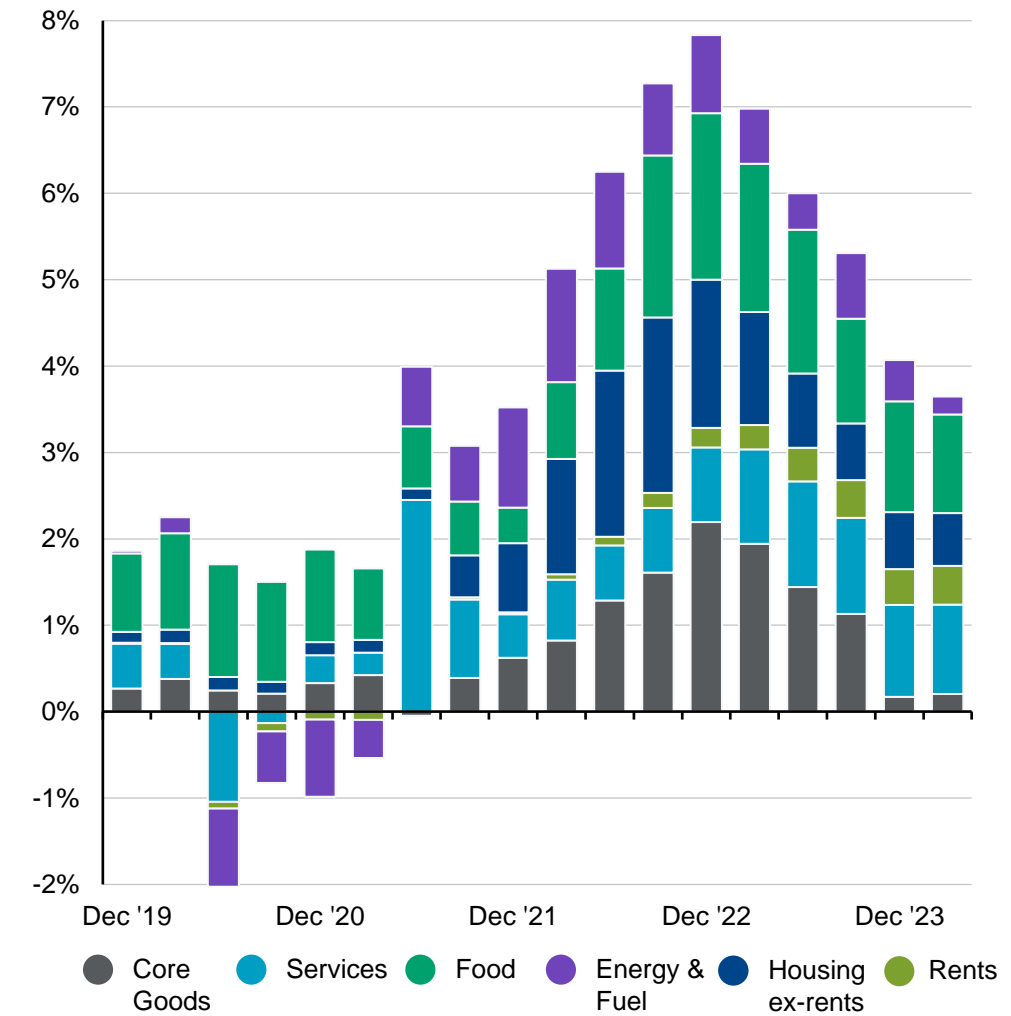
CPI and core CPI inflation

Year-over-year



Inflation components contribution

Year-over-year



Source: Australian Bureau of Statistics, FactSet, J.P. Morgan Asset Management. *CPI is the Consumer Price Index, core CPI is the trimmed mean measure of inflation. Tradeables represent approximately 35% of the CPI basket and non-tradeables 65%. Core goods CPI is goods CPI excluding volatile items. Monthly CPI series not shown on chart.
 Guide to the Markets – Australia. Data as of 30 April 2024.



Labour market

Local economy

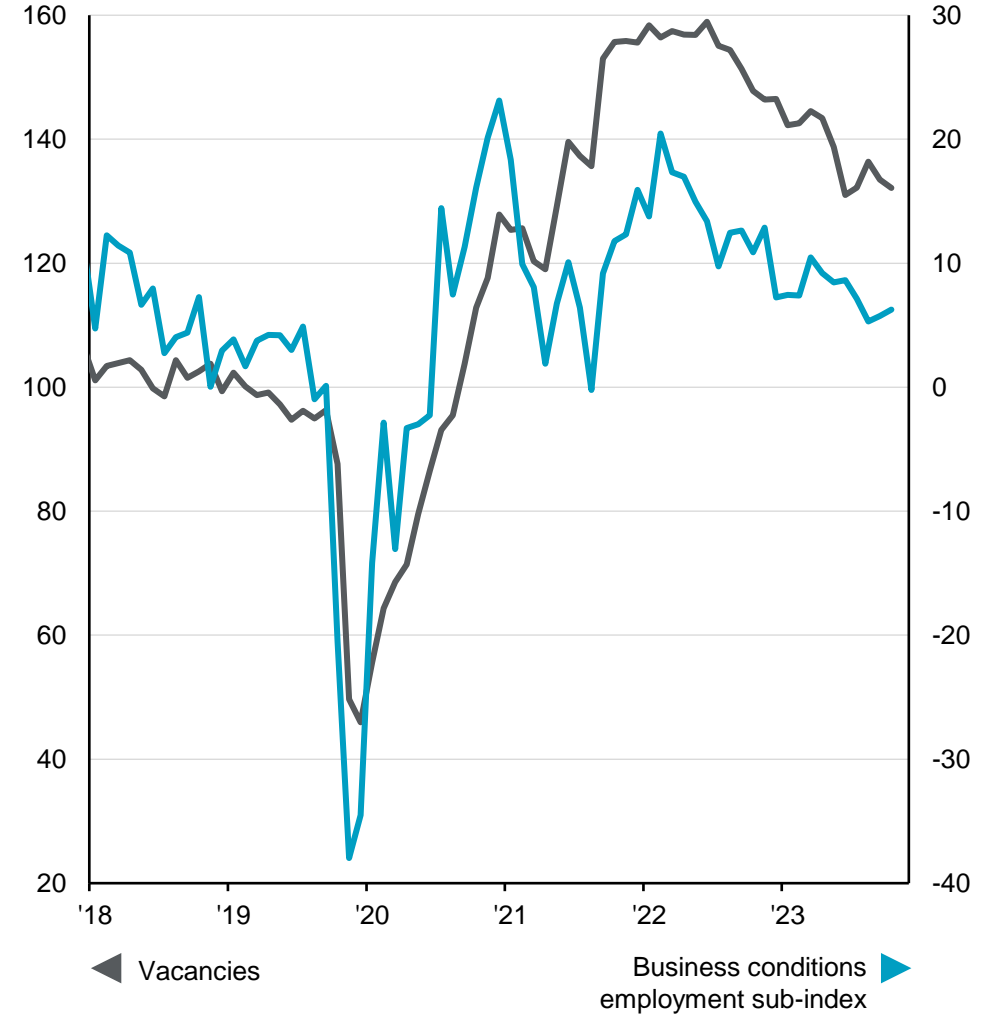
Unemployment and wage growth

Seasonally adjusted



Vacancies and employment

Index



Source: FactSet, J.P. Morgan Asset Management; (Left) Australian Bureau of Statistics; (Right) ANZ-Indeed, National Australia Bank. Guide to the Markets – Australia. Data as of 30 April 2024.

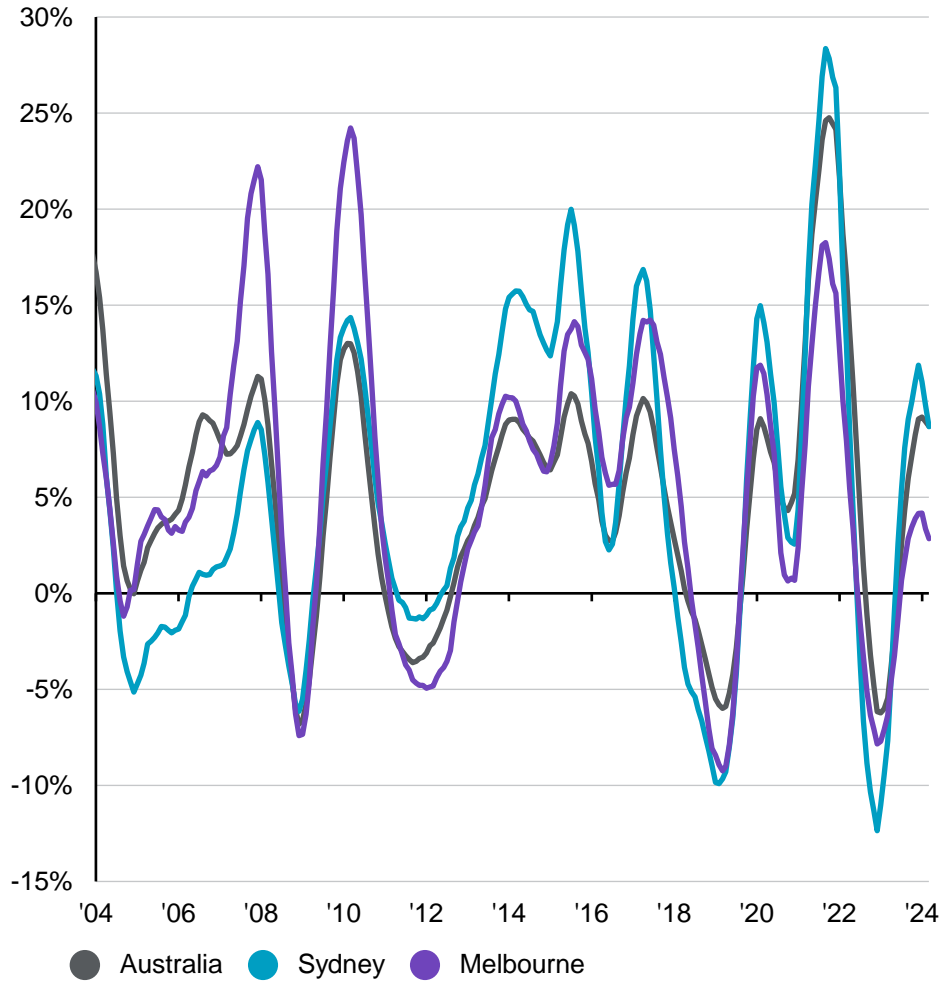


Residential real estate prices

GTM AUS 10

House prices

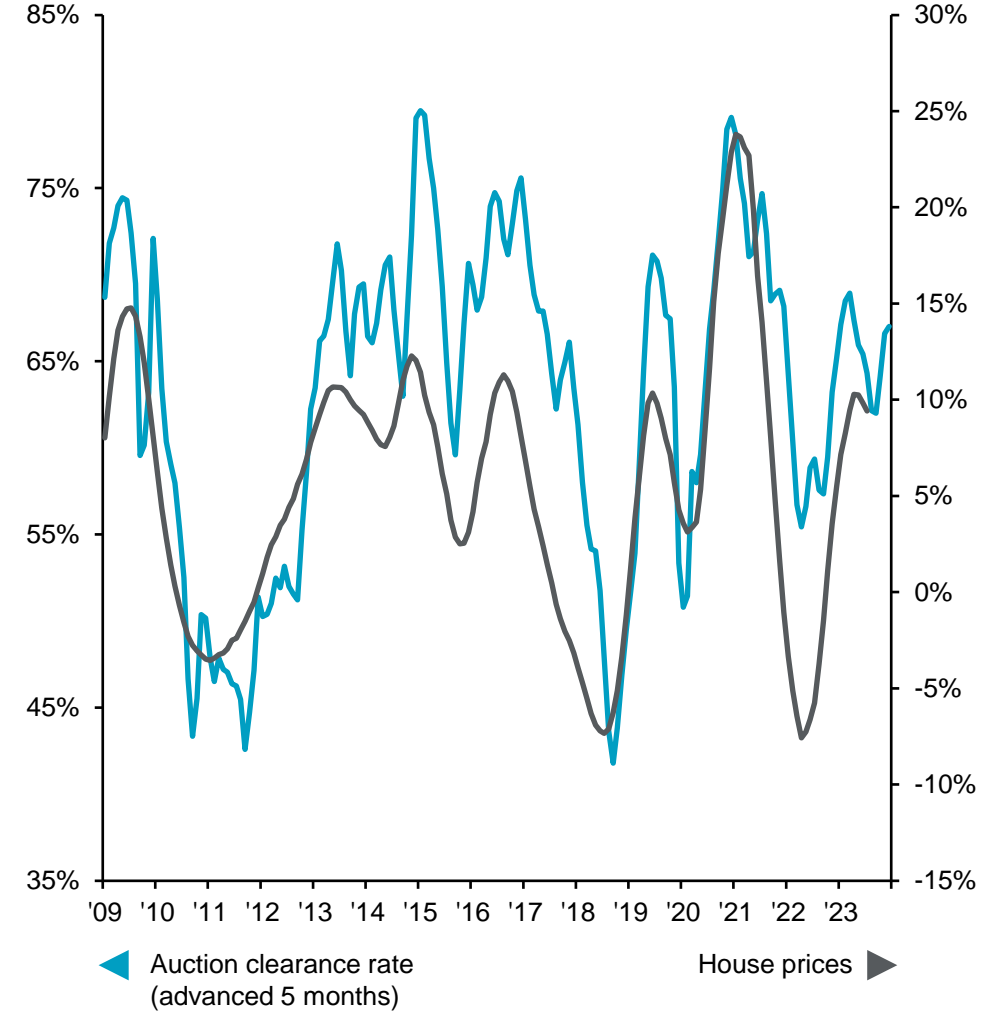
Year-on-year



Auction clearance rate and house prices

3-month moving average

Year-over-year



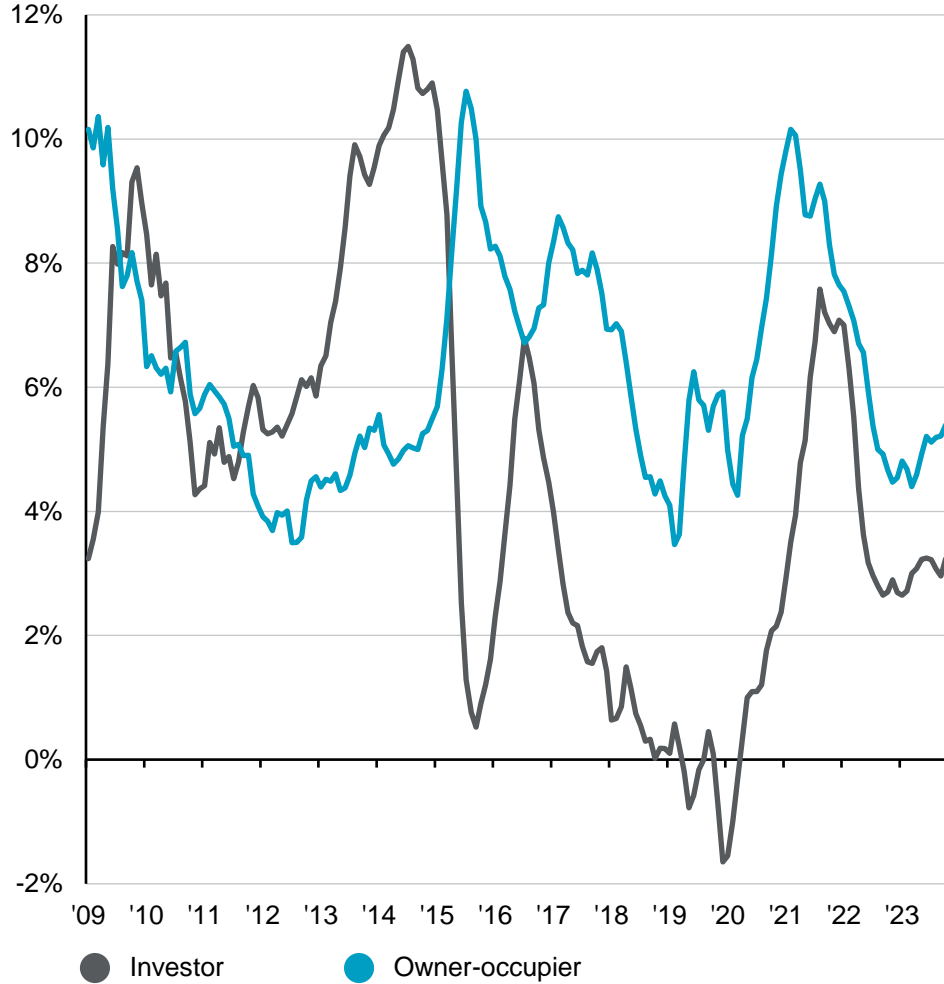
Source: RPD CoreLogic, J.P. Morgan Asset Management. Guide to the Markets – Australia. Data as of 30 April 2024.



Residential real estate financing

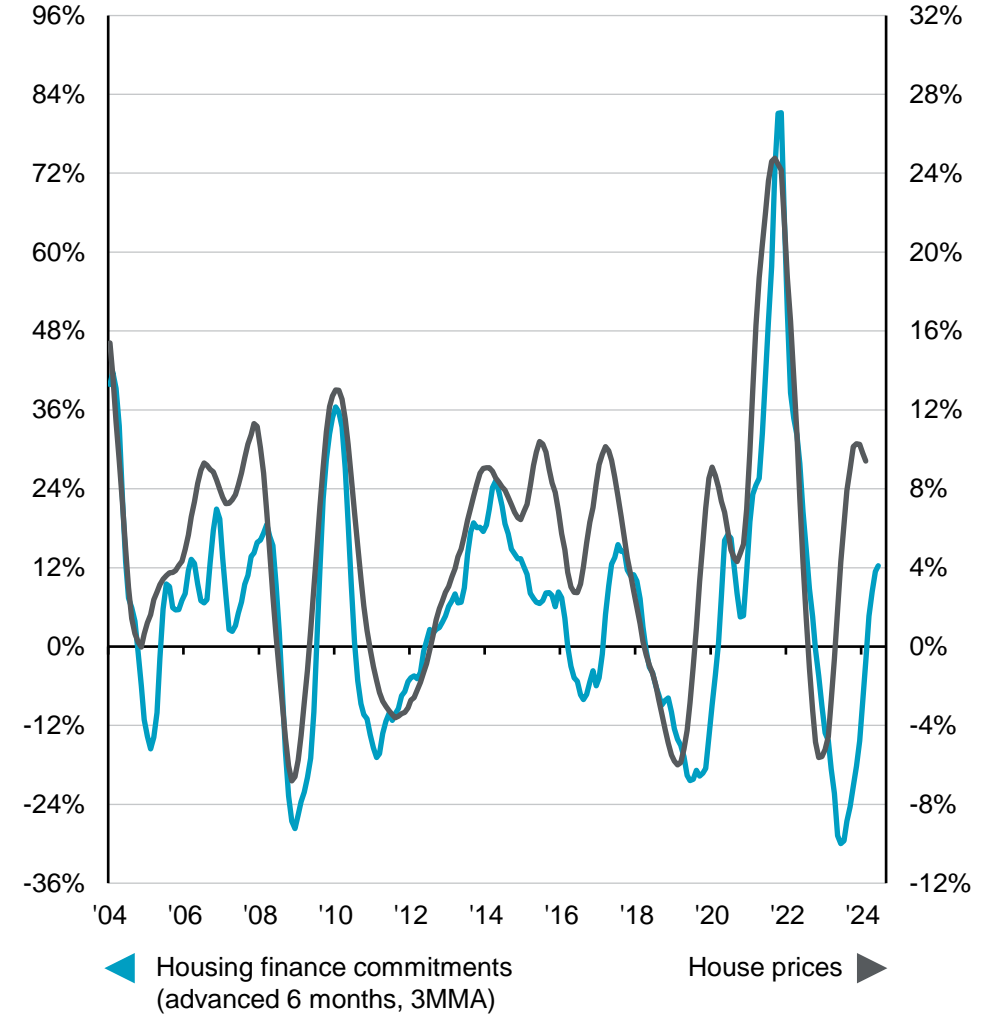
Mortgage lending

3-month annualised growth rate



Housing finance and house prices

Year-over-year



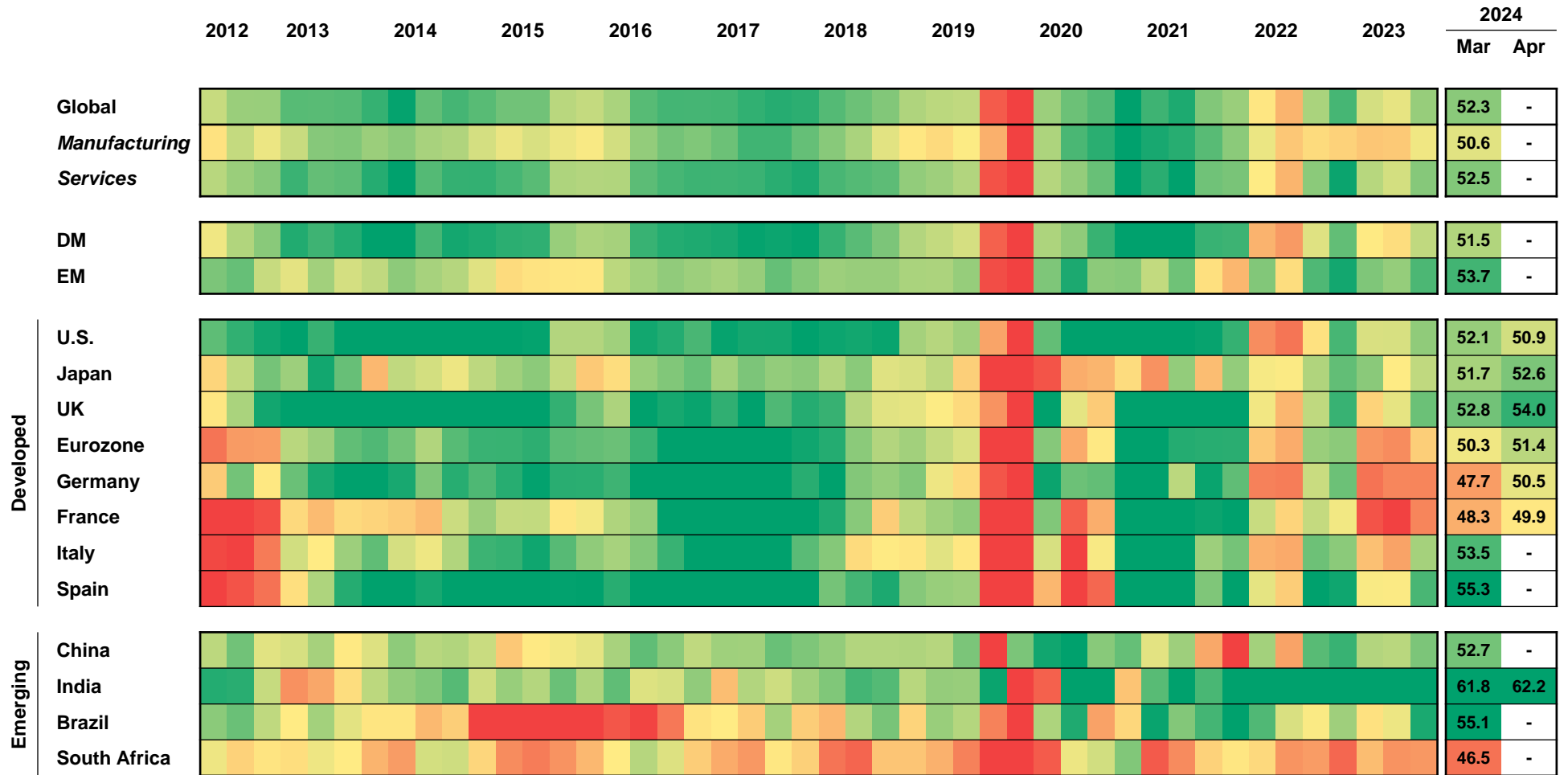
Source: Australian Bureau of Statistics, J.P. Morgan Asset Management; (Right) RPD CoreLogic.
 House price is the year-over-year change in the hedonic index for national dwelling prices. Past performance is not a reliable indicator of current and future results.
 Guide to the Markets – Australia. Data as of 30 April 2024.



Global economic momentum

Global economy

Composite Purchasing Managers' Index



Source: FactSet, Markit, J.P. Morgan Asset Management. Heatmap colours are based on PMI relative to the 50 level, which indicates acceleration or deceleration of the sector, for the time period shown. Heatmap is based on quarterly averages, with the exception of the two most recent figures, which are single month readings. DM and EM represent developed markets and emerging markets, respectively. Guide to the Markets – Australia. Data as of 30 April 2024.

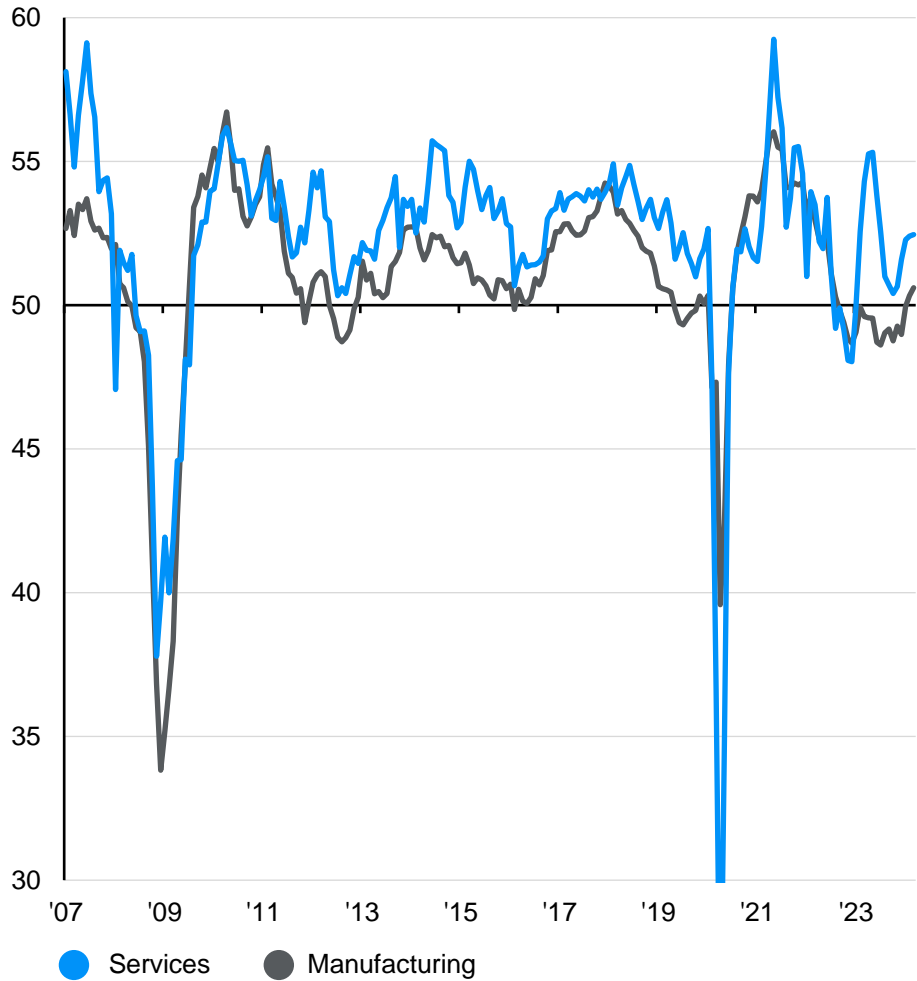


Global manufacturing

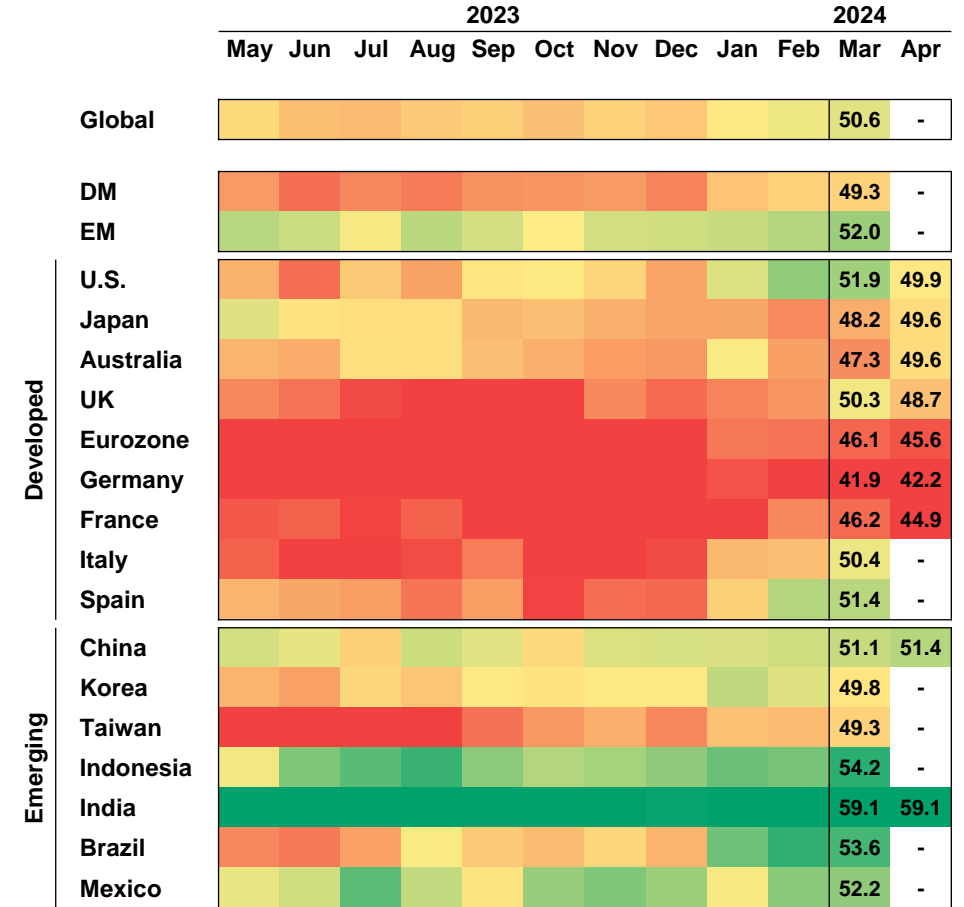
Global economy

Global PMI for manufacturing and services

Index



Global PMI for manufacturing by country



Source: FactSet, Markit, J.P. Morgan Asset Management. Heatmap colours are based on PMI relative to the 50 level, which indicates acceleration or deceleration of the sector, for the time period shown. DM and EM represent developed markets and emerging markets, respectively. *Guide to the Markets – Australia*. Data as of 30 April 2024.



Global inflation heatmap

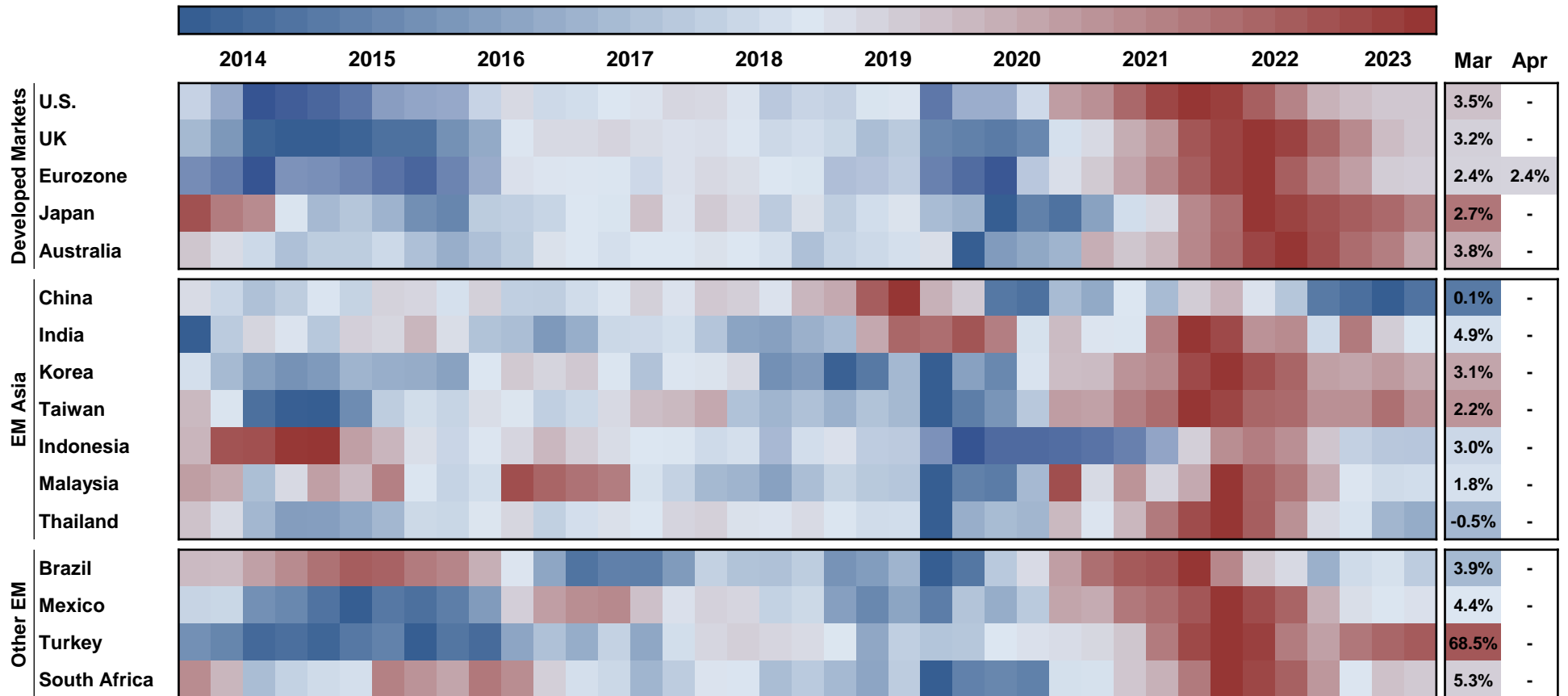
GTM AUS 20

Global economy

Headline consumer prices

Year-over-year, quarterly

Below trend ← Inflation running → Above trend



Source: ABS, Department of Statistics Malaysia, DGBAS, Eurostat, FactSet, Goskomstat of Russia, IBGE, India Ministry of Statistics & Programme Implementation, INEGI, J.P. Morgan Economic Research, Korean National Statistical Office, Ministry of Commerce Thailand, Ministry of Internal Affairs & Communications Japan, National Bureau of Statistics China, Office for National Statistics UK, Statistics Indonesia, Statistics Institute Turkey, Statistics South Africa, U.S. Department of Labor, J.P. Morgan Asset Management. Quarterly averages, except for the two most recent figures, which are single month readings, are shown. Colours are based on z-score of year-over-year inflation rate relative to each country's own 10-year history where red (blue) indicates inflation above (below) long-run trend. EM represents emerging markets. *Guide to the Markets – Australia*. Data as of 30 April 2024.



World equity market returns

Equities

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD	Apr '24	10-years '14 - '23	
														Ann.	Vol.
AUD Local		24.3% U.S. 13.7%	25.6% Japan 12.1%	13.2% Small Cap 13.2%	31.5% Asia ex JP 35.9%	6.2% U.S. -4.4%	31.7% U.S. 31.5%	14.2% Asia ex JP 22.7%	36.6% U.S. 28.7%	-1.1% Australia -1.1%	25.5% U.S. 26.3%	11.4% U.S. 6.0%	1.7% Asia ex JP 2.1%	15.1% U.S. 12.0%	Small Cap 17.2%
		14.9% Asia ex JP 7.7%	14.0% U.S. 1.4%	12.5% U.S. 12.0%	27.5% EM 31.0%	-2.3% Portfolio -7.3%	24.8% Europe 24.6%	9.2% Small Cap 9.2%	24.1% Europe 23.3%	-8.4% Europe -8.0%	19.9% Europe 15.0%	10.2% Japan 17.1%	0.9% EM 1.4%	9.1% Portfolio 8.3%	U.S. 15.2%
		8.7% Portfolio 6.8%	10.2% Small Cap 10.2%	12.1% EM 10.1%	20.0% Small Cap 20.0%	-2.8% Australia -2.8%	24.0% Portfolio 23.7%	8.1% EM 19.5%	19.0% Portfolio 17.2%	-8.7% Japan -2.5%	19.3% Japan 28.3%	9.0% Asia ex JP 6.7%	-1.3% Europe -0.6%	8.3% Japan 8.6%	Japan 14.7%
		7.3% EM 5.6%	9.8% Europe 5.4%	11.8% Australia 11.8%	17.2% Japan 22.2%	-4.2% Japan -16.0%	23.4% Australia 23.4%	7.9% U.S. 18.4%	17.2% Australia 17.2%	-8.8% Portfolio -9.5%	15.8% Portfolio 16.2%	8.8% Europe 7.8%	-2.3% Portfolio -1.9%	7.9% Australia 7.9%	Asia ex JP 14.6%
		5.7% Japan 10.3%	8.4% Portfolio 3.3%	9.4% Portfolio 9.8%	16.9% Europe 13.7%	-4.6% Asia ex JP -12.0%	21.4% Small Cap 21.4%	4.2% Portfolio 8.6%	16.9% Small Cap 16.9%	-12.2% U.S. -18.1%	12.4% Australia 12.4%	8.1% EM 6.1%	-2.9% Australia -2.9%	7.6% Europe 7.0%	Portfolio 14.5%
		5.6% Australia 5.6%	2.6% Australia 2.6%	6.3% Asia ex JP 6.4%	16.7% Portfolio 19.1%	-4.7% EM -9.7%	19.4% Japan 18.1%	3.0% Japan 7.4%	7.3% Japan 12.7%	-13.5% Asia ex JP -15.1%	9.6% EM 10.3%	7.0% Portfolio 6.1%	-3.1% Small Cap -3.1%	7.0% Asia ex JP 5.2%	Australia 14.1%
		3.1% Europe 5.2%	2.5% Asia ex JP -5.3%	4.0% Japan 0.3%	12.8% U.S. 21.8%	-4.8% Europe -10.0%	19.1% EM 18.5%	1.4% Australia 1.4%	3.8% EM 0.1%	-13.9% EM -15.2%	7.8% Small Cap 7.8%	4.3% Small Cap 4.3%	-3.6% U.S. -4.1%	6.0% Small Cap 6.0%	EM 13.5%
		-3.8% Small Cap -3.8%	-3.9% EM -5.4%	0.7% Europe 7.9%	11.8% Australia 11.8%	-8.7% Small Cap -8.7%	18.7% Asia ex JP 18.2%	-3.5% Europe -1.7%	1.4% Asia ex JP -2.8%	-18.4% Small Cap -18.4%	5.7% Asia ex JP 6.8%	2.2% Australia 2.2%	-4.3% Japan -0.9%	5.9% EM 5.6%	Europe 13.2%

Source: FactSet, MSCI, Standard & Poor's, TOPIX, J.P. Morgan Asset Management. Annualised return (Ann.) and volatility (Vol.) covers the period 2014 to 2022. Volatility is based on local currency returns. Small Cap: S&P ASX Small Ordinaries; Asia ex JP: MSCI AC Asia ex Japan; EM: MSCI EM Index; Europe: MSCI Europe Index; Japan: TOPIX first section; Australia: ASX 200 Index; U.S.: S&P 500 Index. Hypothetical portfolio (for illustrative purposes only and should not be taken as a recommendation): 20% U.S.; 30% Australia; 15% EM; 15% Europe; 10% Japan; 10% small cap. All indices are total returns. Past performance is not a reliable indicator of current and future results.

Guide to the Markets – Australia. Data as of 30 April 2024.

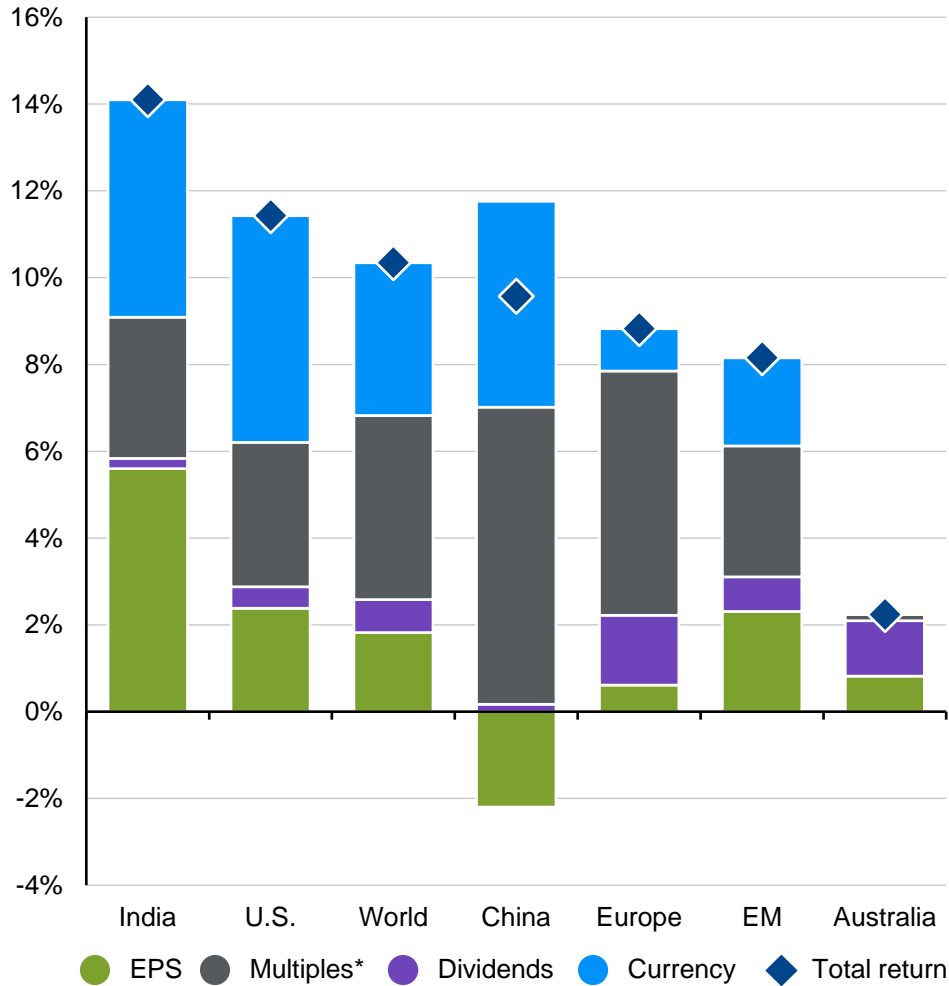


Global equities: Source of return and valuations

Equities

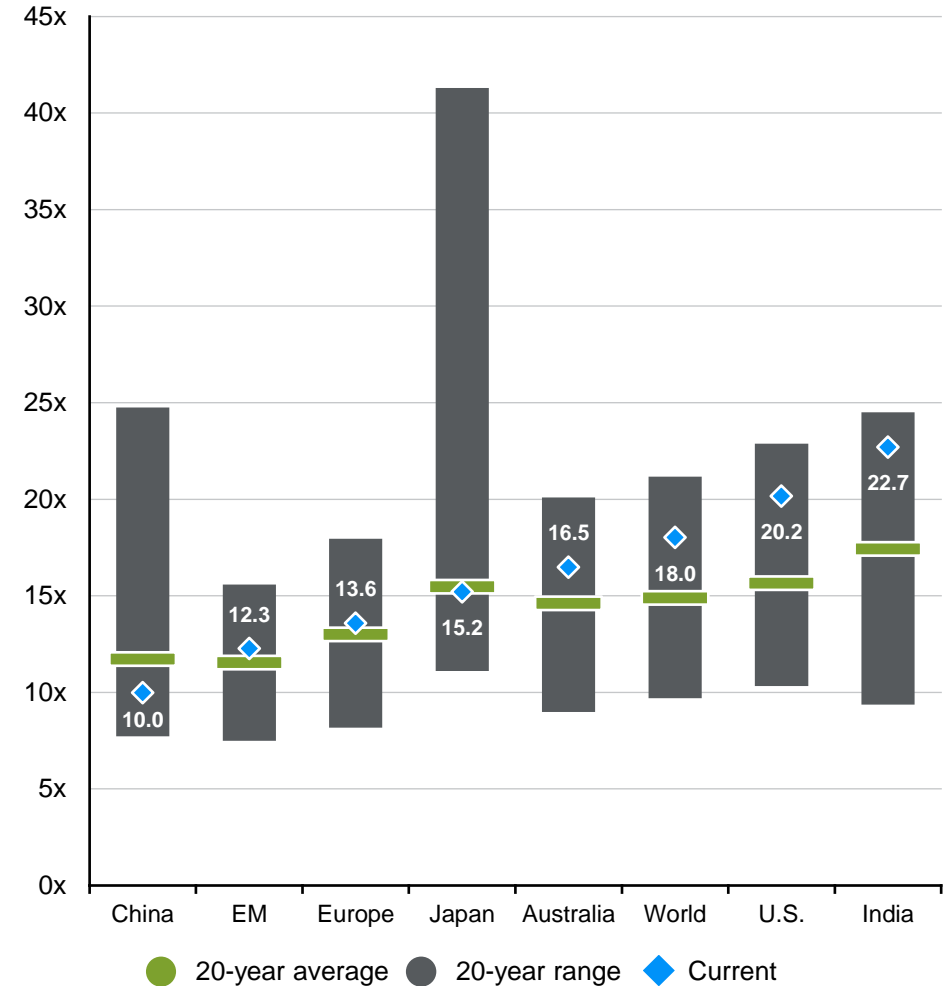
Source of return

2024 AUD



Global valuations

Current and 20-year historical price-to-earning valuations*



Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
 All return values are MSCI indices except the U.S. and Australia, which are the S&P 500 and ASX 200, respectively. *Multiple expansion is based on the forward P/E ratio and EPS growth outlook is based on NTMA earnings estimates. Chart is for illustrative purposes only. Past performance is not indicative of future results.
 Guide to the Markets – Australia. Data as of 30 April 2024.

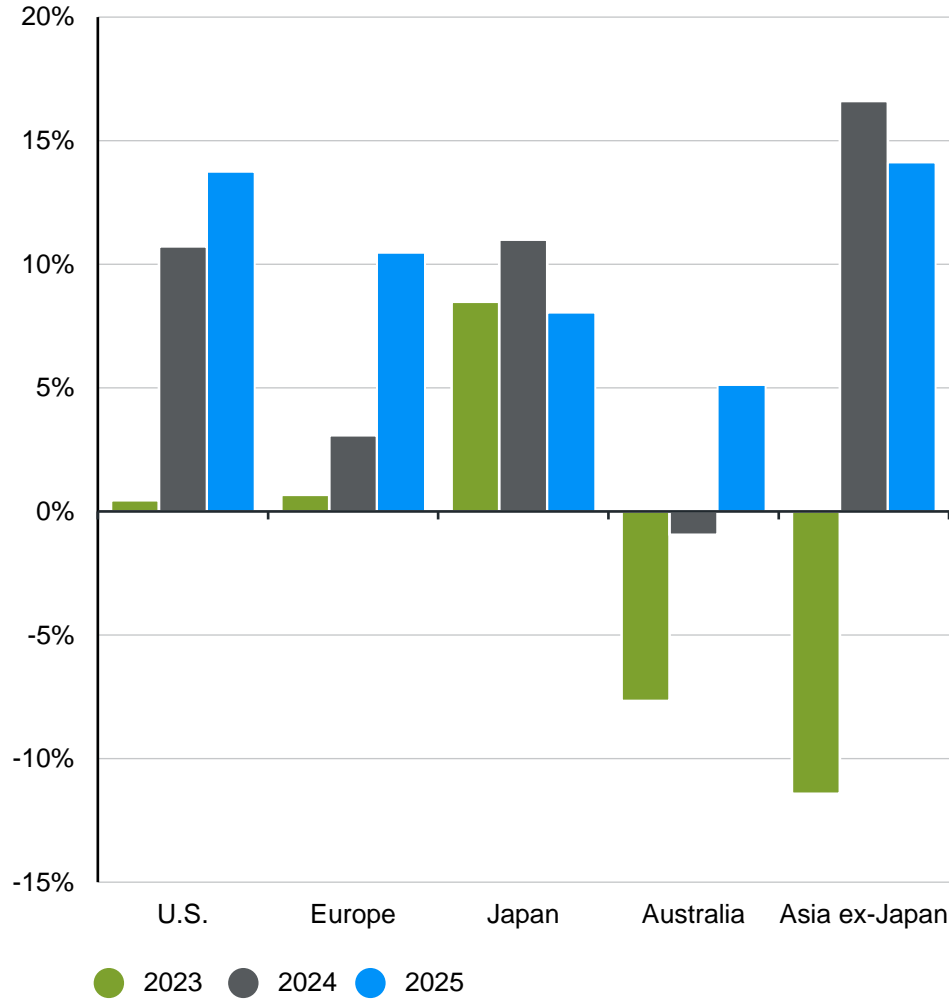


Global equities: Earnings and revisions

Equities

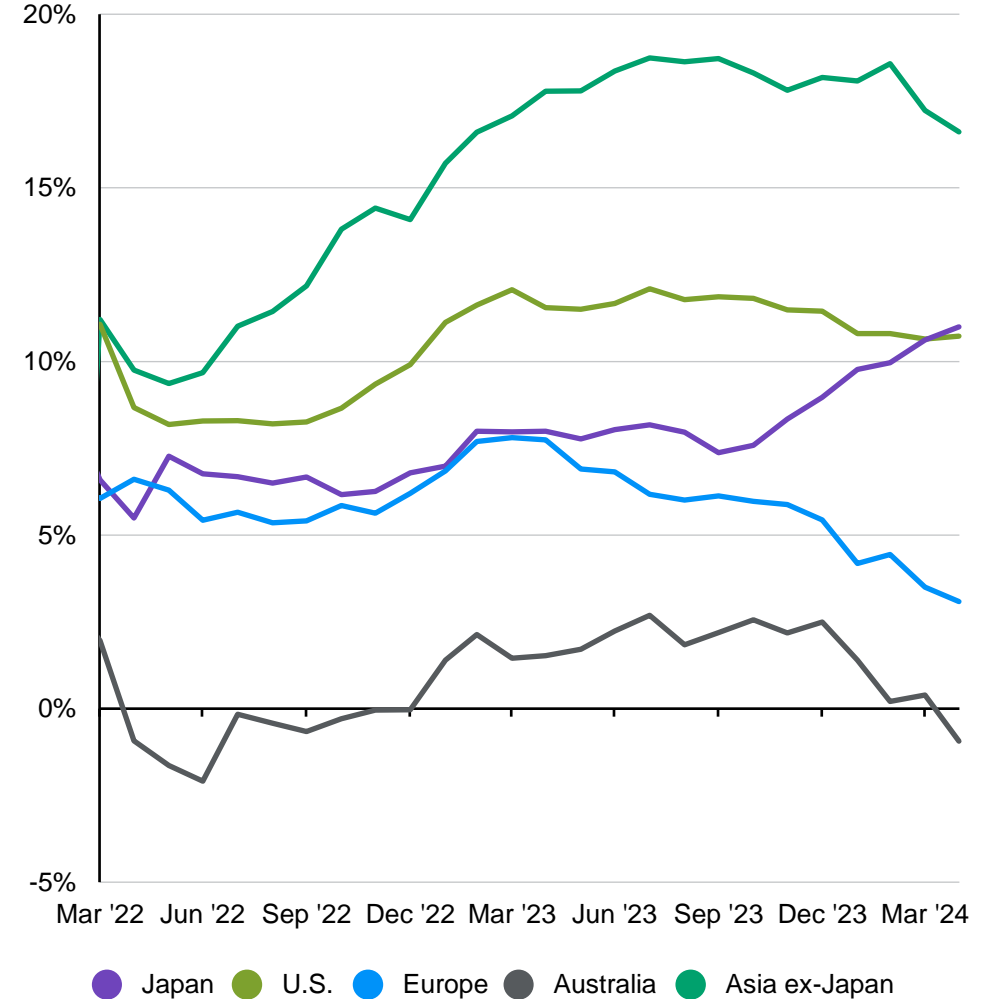
Earnings growth

Earnings per share, year-over-year



Earnings growth estimates

2024 CY, year-on-year EPS growth



Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management. Guide to the Markets – Australia. Data as of 30 April 2024.



Fixed income sector returns

GTM | AUS | 47

Fixed income

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD	Apr '24	Ten-yr Ann.
AUD	25.3%	16.0%	14.2%	15.3%	5.1%	12.2%	14.6%	5.3%	12.5%	-5.5%	12.7%	5.6%	-0.5%	5.6%
Local	Global HY 7.1%	U.S. MBS 6.1%	U.S. MBS 1.5%	Global HY 15.9%	Aus IG 5.1%	U.S. MBS 1.0%	EM Debt 14.4%	Aus IG 5.3%	U.S. TIPS 6.0%	U.S. MBS -11.8%	Global HY 12.4%	Global HY 1.2%	Global HY -0.7%	Global HY 3.9%
	16.4%	15.4%	13.9%	10.7%	3.5%	12.1%	13.9%	4.1%	7.6%	-6.2%	9.8%	4.4%	-0.9%	4.4%
	Global IG 0.3%	EM Debt 5.5%	EM Debt 1.2%	EM Debt 10.2%	Aus Gov 3.5%	U.S. Treas. 0.9%	Global HY 14.0%	Aus Gov 4.1%	Global HY 2.9%	U.S. Treas. -12.5%	EM Debt 10.5%	EM Debt -0.6%	Aus IG -0.9%	EM Debt 2.5%
	14.4%	14.8%	13.4%	5.6%	2.0%	9.7%	11.7%	1.1%	5.0%	-6.7%	8.9%	3.2%	-1.2%	3.3%
	U.S. MBS -1.4%	U.S. Treas. 5.1%	U.S. Treas. 0.8%	Portfolio 5.4%	Global HY 7.6%	U.S. TIPS -1.3%	Global IG 11.5%	U.S. TIPS 11.0%	U.S. MBS -1.0%	Aus IG -6.7%	Global IG 9.6%	U.S. TIPS -1.8%	U.S. TIPS -1.7%	Global IG 1.4%
	12.9%	13.3%	10.9%	5.2%	1.2%	7.4%	9.5%	0.8%	4.5%	-7.0%	6.8%	1.9%	-1.5%	2.7%
	U.S. Treas. -2.7%	U.S. TIPS 3.6%	U.S. TIPS -1.4%	U.S. TIPS 4.7%	EM Debt 9.3%	Global HY -2.4%	Portfolio 9.2%	Portfolio 6.1%	EM Debt -1.5%	Global HY -11.8%	Aus IG 6.8%	Global IG -3.0%	Portfolio -1.6%	Portfolio 2.0%
	9.9%	12.8%	8.5%	4.8%	1.0%	7.2%	8.6%	0.5%	3.7%	-10.2%	6.8%	1.7%	-1.5%	2.6%
	Portfolio 0.3%	Global IG 3.1%	Global IG -3.6%	Global IG 4.3%	Global IG 9.1%	Portfolio 0.7%	U.S. TIPS 8.4%	Global IG 10.4%	U.S. Treas. -2.3%	Aus Gov -10.2%	Portfolio 6.8%	Portfolio -1.0%	EM Debt -2.0%	U.S. MBS 0.8%
	8.4%	11.7%	7.8%	3.8%	0.9%	7.1%	7.8%	-1.6%	3.1%	-10.4%	4.4%	1.7%	-1.8%	2.6%
	EM Debt -6.6%	Portfolio 6.0%	Global HY -2.1%	Aus IG 3.8%	Portfolio 5.1%	Global IG -3.6%	Aus Gov 7.8%	Global HY 6.3%	Global IG -2.9%	EM Debt -16.5%	U.S. MBS 5.0%	U.S. Treas. -3.3%	Global IG -2.3%	U.S. Treas. 0.8%
	6.1%	10.3%	7.7%	2.5%	-4.6%	6.0%	7.1%	-1.6%	2.3%	-10.7%	4.3%	0.8%	-1.9%	2.6%
	U.S. TIPS -8.6%	Aus Gov 10.3%	Portfolio 0.5%	Aus Gov 2.5%	U.S. TIPS 3.0%	EM Debt -4.6%	Aus IG 7.1%	U.S. Treas. 8.0%	Portfolio -1.1%	Global IG -16.7%	Aus Gov 4.3%	U.S. MBS -4.0%	U.S. Treas. -2.3%	Aus IG 2.6%
	4.3%	9.2%	3.0%	2.2%	-5.1%	5.1%	7.0%	-3.5%	-1.6%	-11.7%	3.4%	0.4%	-2.0%	1.5%
	Aus IG 4.3%	Global HY 2.5%	Aus IG 3.0%	U.S. MBS 1.7%	U.S. MBS 2.5%	Aus Gov 5.1%	U.S. Treas. 6.9%	EM Debt 5.9%	Aus IG -1.6%	Portfolio -11.1%	U.S. Treas. 4.1%	Aus IG 0.4%	Aus Gov -2.0%	Aus Gov 1.5%
	0.3%	8.1%	2.3%	1.5%	-5.3%	3.9%	6.5%	-5.4%	-3.1%	-76.2%	3.3%	-1.1%	-2.6%	-9.5%
	Aus Gov 0.3%	Aus IG 8.1%	Aus Gov 2.3%	U.S. Treas. 1.0%	U.S. Treas. 2.3%	Aus IG 3.9%	U.S. MBS 6.4%	U.S. MBS 3.9%	Aus Gov -3.1%	U.S. TIPS -11.8%	U.S. TIPS 3.9%	Aus Gov -1.1%	U.S. MBS -3.0%	U.S. TIPS 2.1%

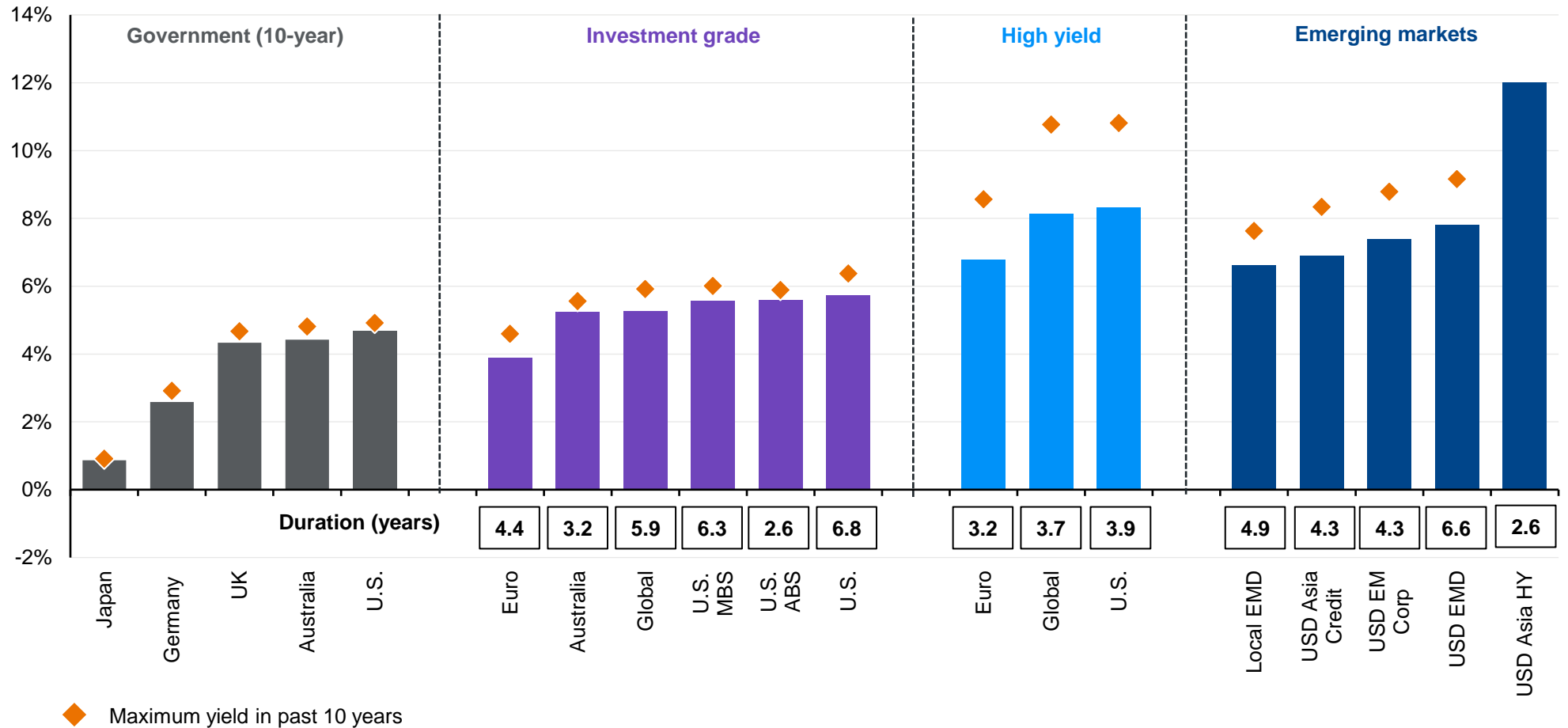
Source: Bloomberg L.P., FactSet, ICE BofA, J.P. Morgan Asset Management. Aus Gov: AusBond Treasury (0+Y); U.S. Treas.: Barclays U.S. Aggregate Government – Treasury; Global IG: Barclays Global Aggregate – Corporate – Investment Grade; Aus IG: Bloomberg AusBond Credit (0+Y); Global HY: BoA/ML Global High Yield; EM Debt: J.P. Morgan EMBI Global; U.S. TIPS: Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS); U.S. MBS: Bloomberg Barclays U.S. Aggregate Securitised – MBS. Hypothetical portfolio (for illustrative purposes only and should not be taken as a recommendation): 25% Aus Gov, 15% Aus IG, 10% Global IG, 15% Global HY, 10% EM Debt, 15% U.S. Treas., 5% U.S. TIPS, 5% U.S. MBS. Past performance is not a reliable indicator of current and future results. Guide to the Markets – Australia. Data as of 30 April 2024.



Fixed income yields

Fixed income

Nominal yields



Source: Bloomberg L.P., FactSet, ICE BofA, J.P. Morgan Asset Management. Euro IG: Bloomberg Barclays Euro-Aggregate – Corporate; Global IG: Bloomberg Barclays Global Aggregate – Corporate; Aus IG: Bloomberg AusBond Credit (0+Y); U.S. IG: Bloomberg Barclays U.S. Aggregate Corporate. Euro HY: ICE BofA Euro Developed Markets Non-Financial High Yield Constrained Index; Global HY: ICE BofA Global High Yield; U.S. HY: ICE BofA U.S. High Yield Constrained Index; USD EM Corp: CEMBI Broad Diversified; Local EMD: GBI-EM Global Diversified; USD EMD EMBI Global; USD Asia Credit: JPM Asia Credit; Local Asia EMD: JPM JADE; USD Asia HY: JPM Asia HY. Positive yield does not imply positive return. Past performance is not a reliable indicator of current and future results. Max yield on USD Asia HY is 19.1% *Guide to the Markets – Australia*. Data as of 30 April 2024.



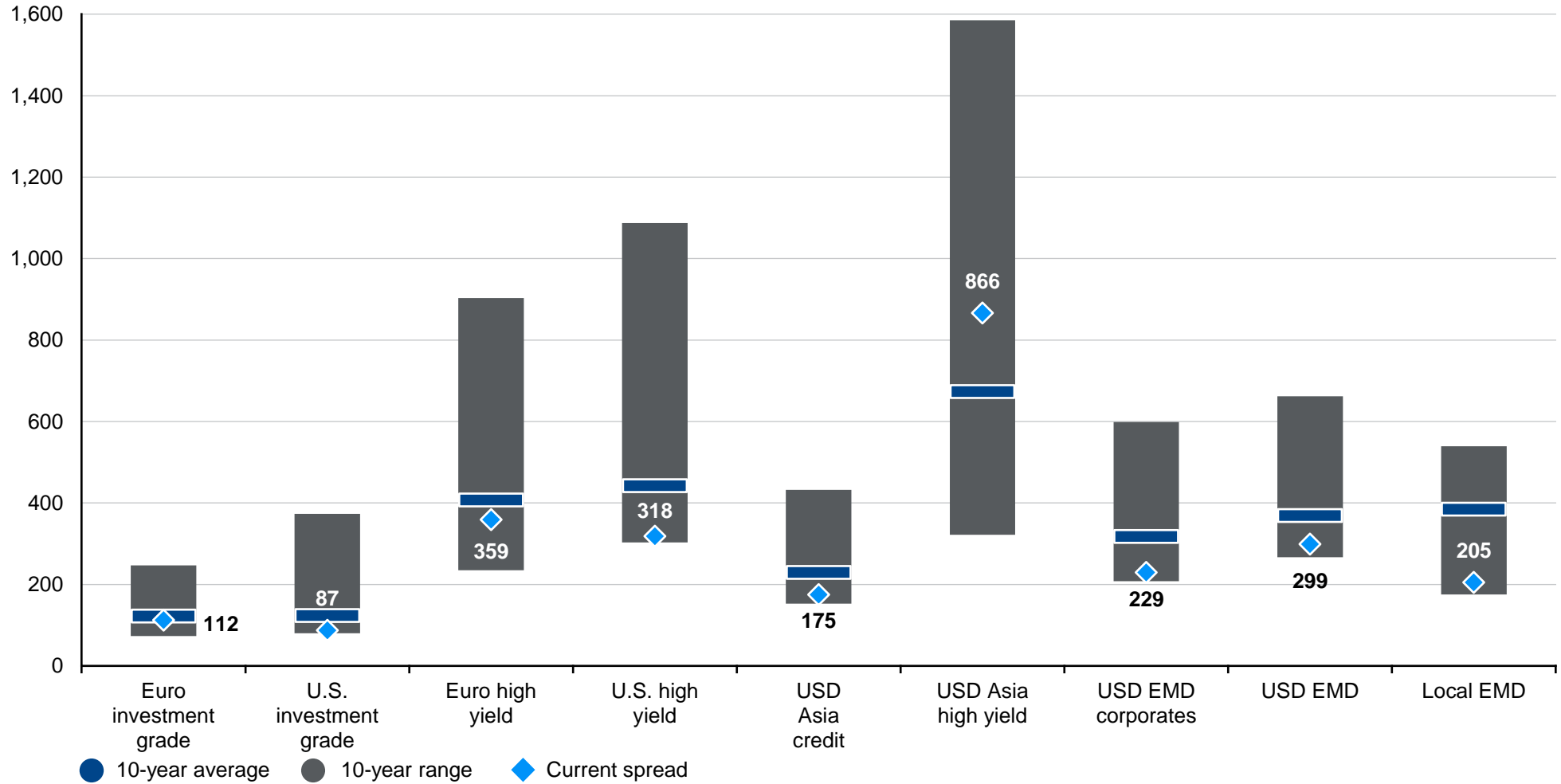
Fixed income valuations

GTM AUS 50

Fixed income

Spreads across fixed income sub-sectors

Basis points



Source: Bloomberg L.P., FactSet, ICE BofA, J.P. Morgan Securities, J.P. Morgan Asset Management. Past performance is not a reliable indicator of current and future results. Guide to the Markets – Australia. Data as of 30 April 2024.



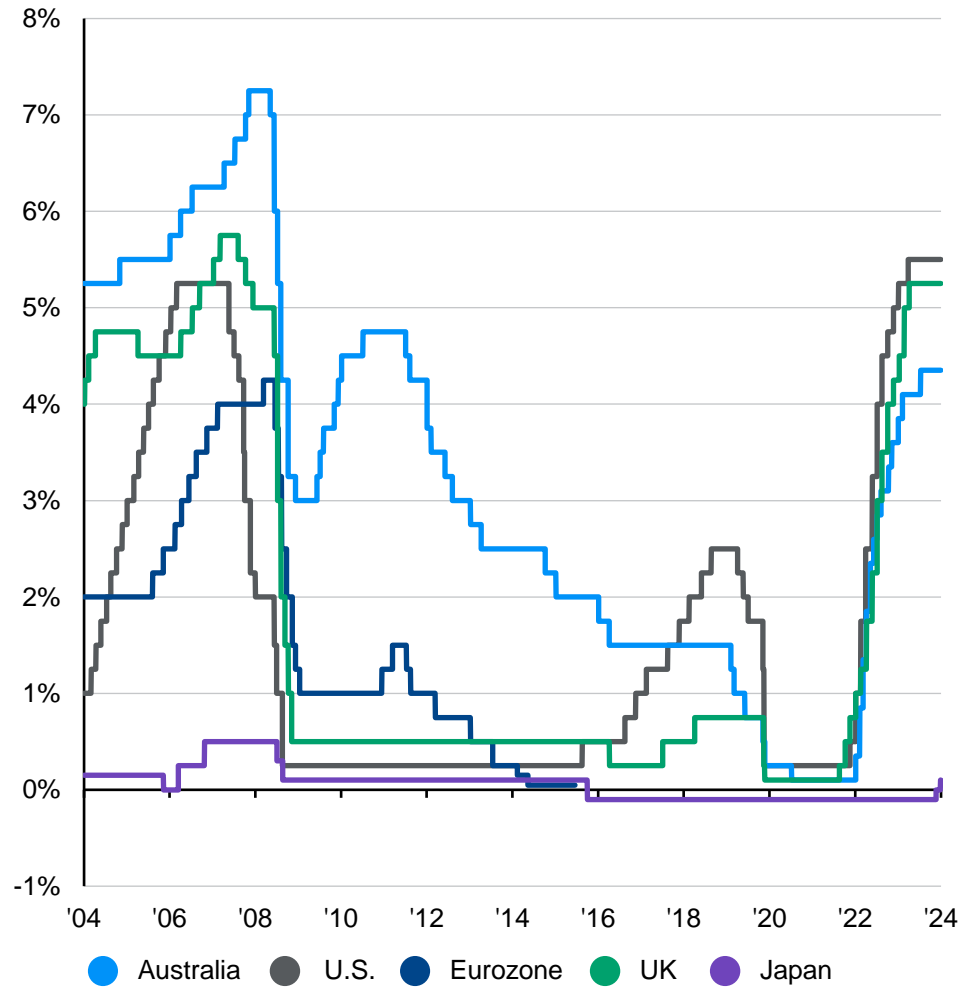
Central bank policy rates

GTM AUS 53

Fixed income

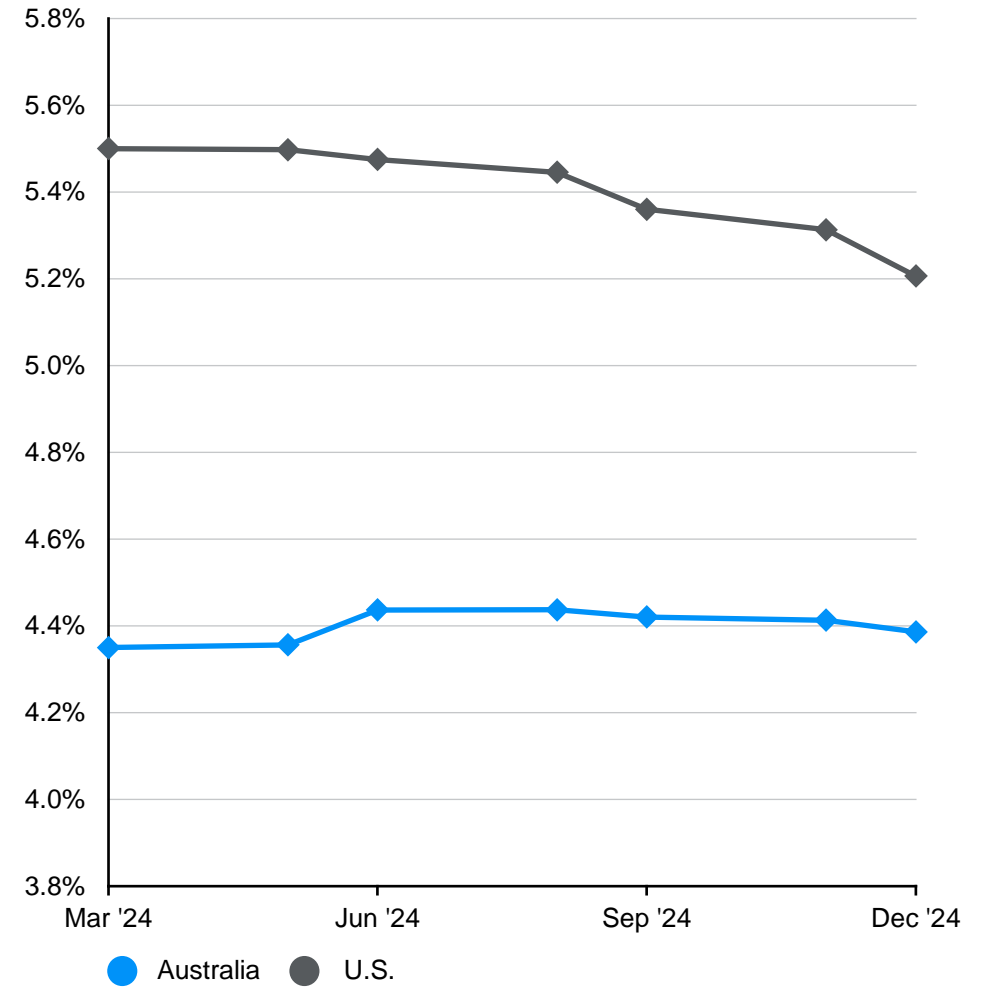
Central bank key policy rates

Target rates



Market implied policy rates

Expected policy rate at coming central bank meetings



Source: Bank of Japan, European Central Bank, FactSet, Reserve Bank of Australia, U.S. Federal Reserve, J.P. Morgan Asset Management. Past performance is not a reliable indicator of current and future results.
 Guide to the Markets – Australia. Data as of 30 April 2024.

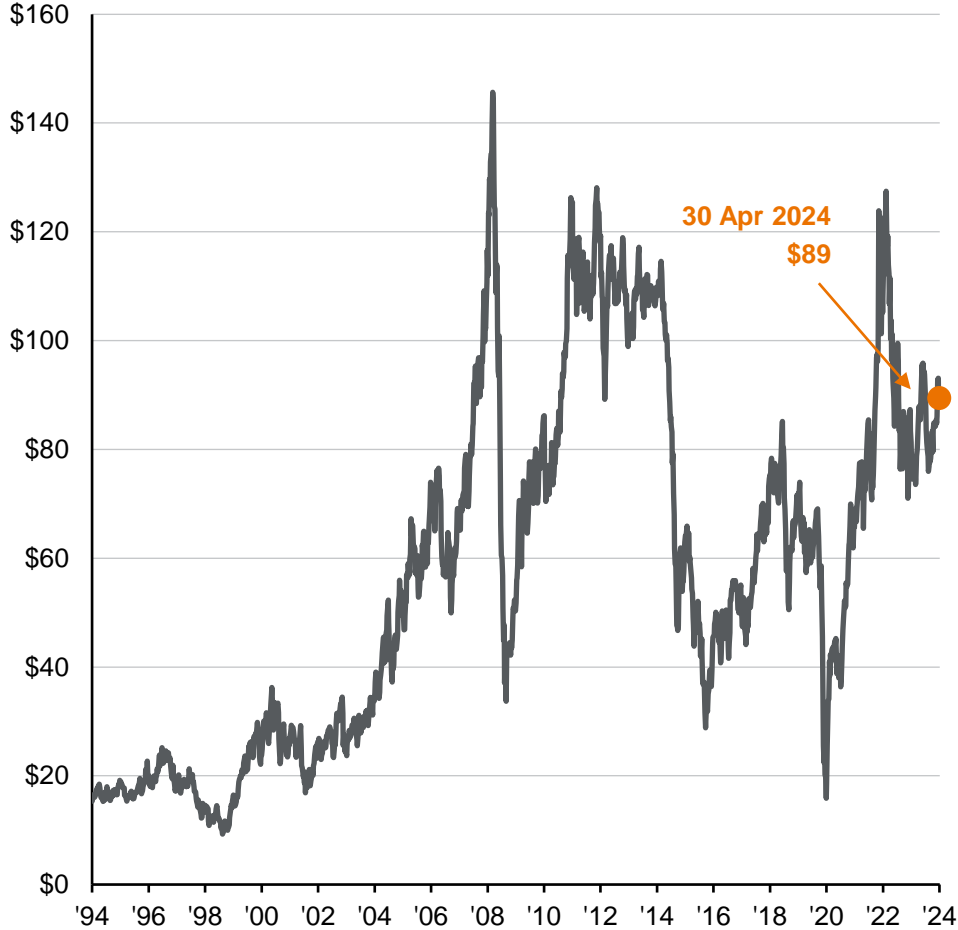


Energy prices

Other asset classes

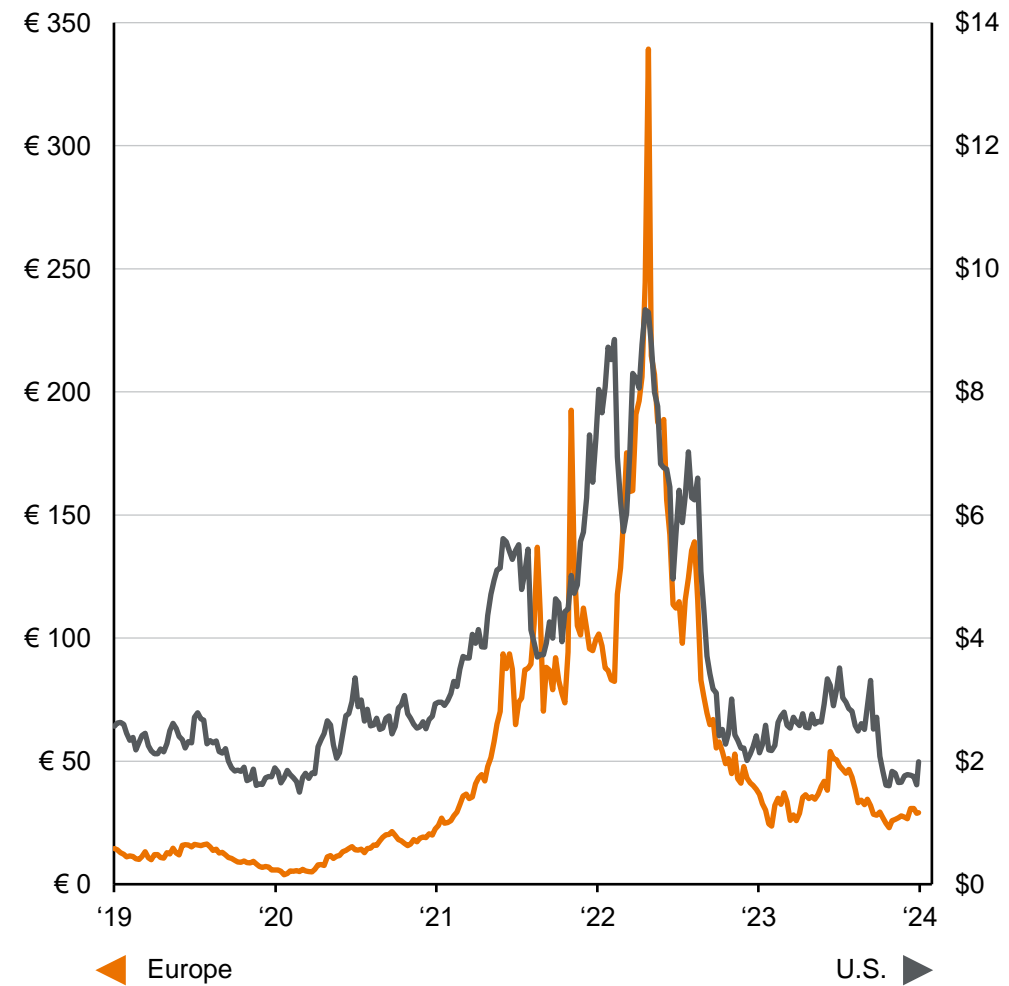
Price of oil

Brent crude, USD/barrel



Natural gas prices

EUR per MWh / USD per Mmbtu



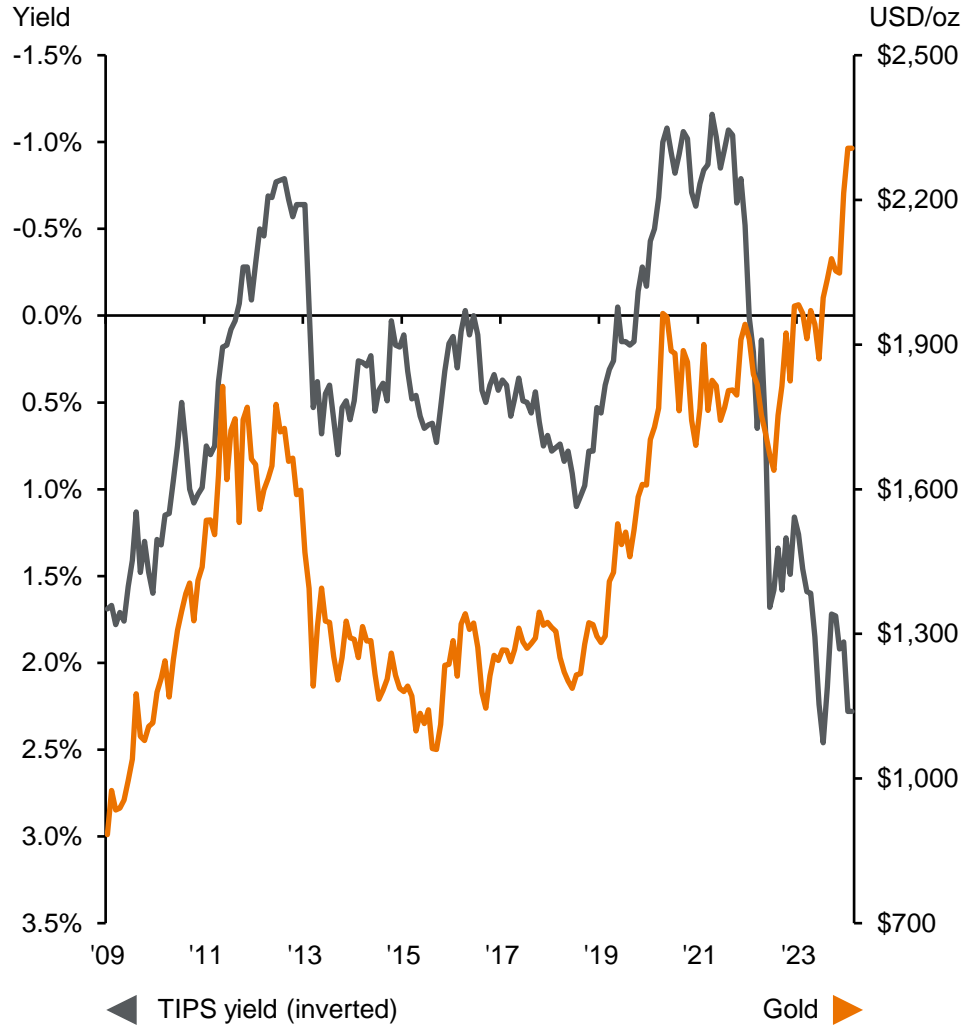
Source: FactSet, ICE, Nymex, J.P. Morgan Asset Management. Past performance is not a reliable indicator of current and future results. Guide to the Markets – Australia. Data as of 30 April 2024.



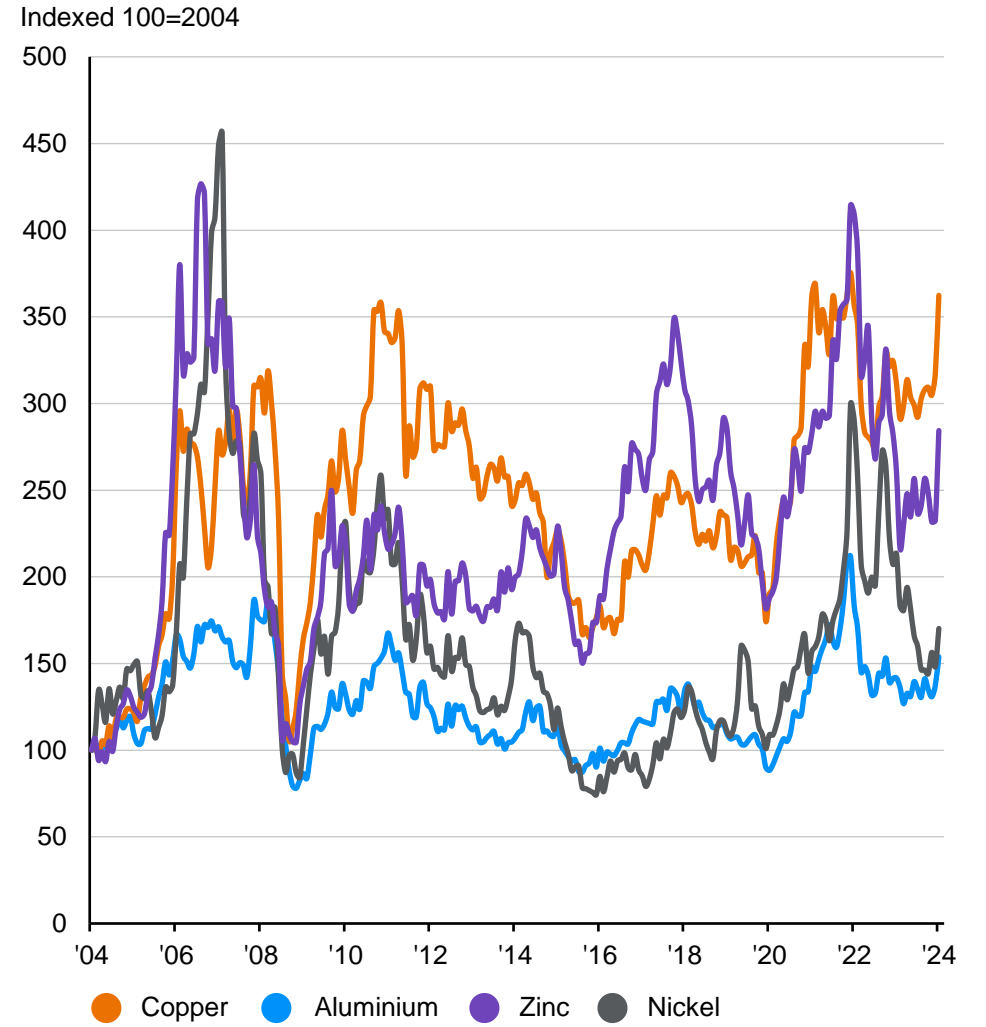
Metals

Other asset classes

Gold and real rates



Metals prices



Source: FactSet, J.P. Morgan Asset Management; (Left) U.S. Federal Reserve; (Right) London Metals Exchange. Past performance is not a reliable indicator of current and future results.
 Guide to the Markets – Australia. Data as of 30 April 2024.

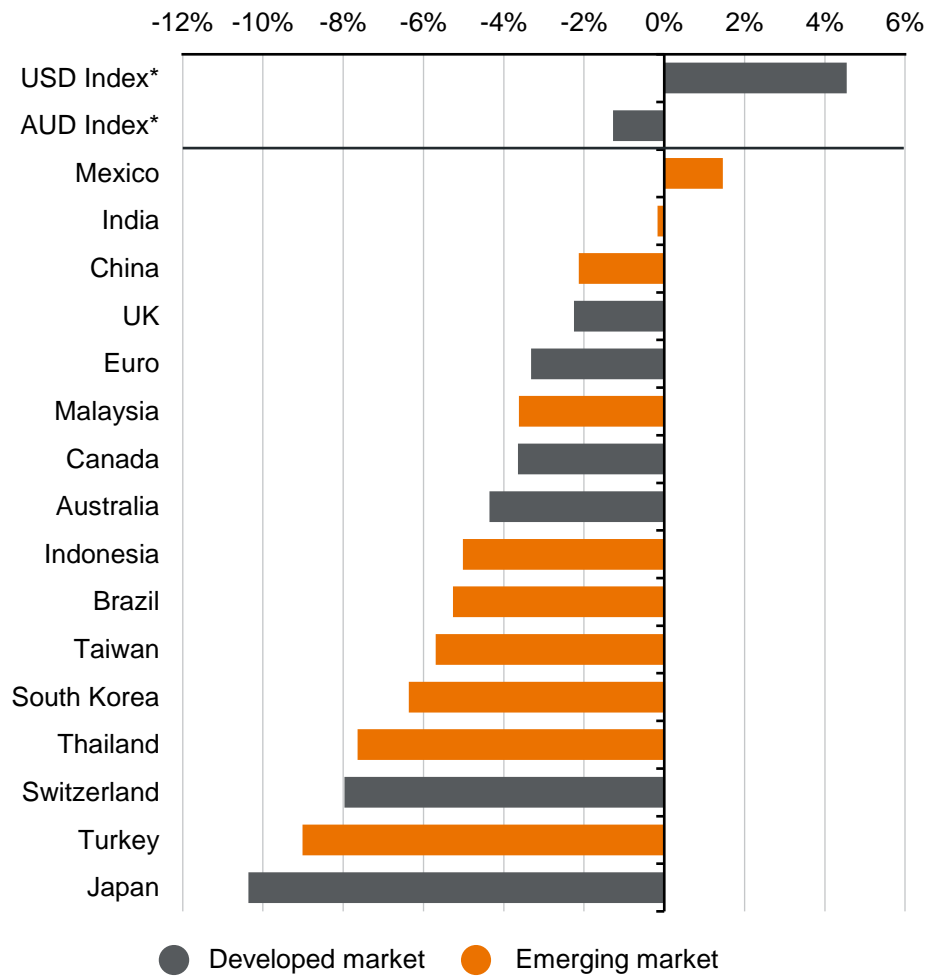


Global currencies

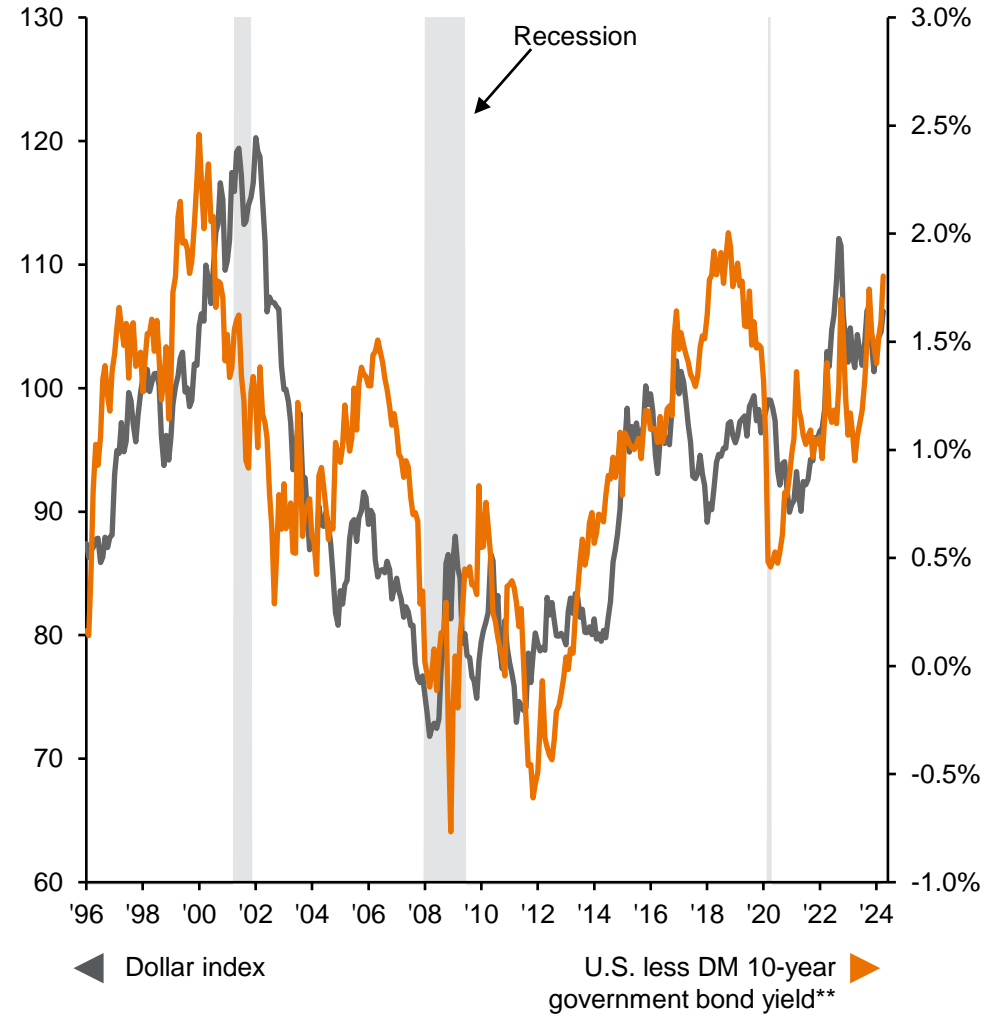
Other asset classes

Currency movements

YTD, vs. USD



U.S. dollar index and interest rate differential



Source: FactSet, J.P. Morgan Asset Management; (Left) Reserve Bank of Australia; (Right) OECD.

*USD and AUD Index shows performance vs. a basket of trading partners. **DM is developed markets and the yield is a GDP-weighted average of the 10-year government bond yields of Australia, Canada, France, Germany, Italy, Japan, Switzerland and the UK. Past performance is not a reliable indicator of current and future results.

Guide to the Markets – Australia. Data as of 30 April 2024.



J.P. Morgan Asset Management – Risks & disclosures

The Market Insights program provides comprehensive data and commentary on global markets without reference to products. Designed as a tool to help clients understand the markets and support investment decision-making, the program explores the implications of current economic data and changing market conditions.

For the purposes of MiFID II, the JPM Market Insights and Portfolio Insights programs are marketing communications and are not in scope for any MiFID II / MiFIR requirements specifically related to investment research. Furthermore, the J.P. Morgan Asset Management Market Insights and Portfolio Insights programs, as non-independent research, have not been prepared in accordance with legal requirements designed to promote the independence of investment research, nor are they subject to any prohibition on dealing ahead of the dissemination of investment research.

This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature or other purpose in any jurisdiction, nor is it a commitment from J.P. Morgan Asset Management or any of its subsidiaries to participate in any of the transactions mentioned herein. Any examples used are generic, hypothetical and for illustration purposes only. This material does not contain sufficient information to support an investment decision and it should not be relied upon by you in evaluating the merits of investing in any securities or products. In addition, users should make an independent assessment of the legal, regulatory, tax, credit, and accounting implications and determine, together with their own financial professional, if any investment mentioned herein is believed to be appropriate to their personal goals. Investors should ensure that they obtain all available relevant information before making any investment. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice. All information presented herein is considered to be accurate at the time of production, but no warranty of accuracy is given and no liability in respect of any error or omission is accepted. It should be noted that investment involves risks, the value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements and investors may not get back the full amount invested. Both past performance and yields are not reliable indicators of current and future results.

J.P. Morgan Asset Management is the brand for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide.

To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our privacy policies at <https://am.jpmorgan.com/global/privacy>.

This communication is issued by the following entities:

In the United States, by J.P. Morgan Investment Management Inc. or J.P. Morgan Alternative Asset Management, Inc., both regulated by the Securities and Exchange Commission; in Latin America, for intended recipients' use only, by local J.P. Morgan entities, as the case may be. In Canada, for institutional clients' use only, by JPMorgan Asset Management (Canada) Inc., which is a registered Portfolio Manager and Exempt Market Dealer in all Canadian provinces and territories except the Yukon and is also registered as an Investment Fund Manager in British Columbia, Ontario, Quebec and Newfoundland and Labrador. In the United Kingdom, by JPMorgan Asset Management (UK) Limited, which is authorized and regulated by the Financial Conduct Authority; in other European jurisdictions, by JPMorgan Asset Management (Europe) S.à r.l. In Asia Pacific ("APAC"), by the following issuing entities and in the respective jurisdictions in which they are primarily regulated: JPMorgan Asset Management (Asia Pacific) Limited, or JPMorgan Funds (Asia) Limited, or JPMorgan Asset Management Real Assets (Asia) Limited, each of which is regulated by the Securities and Futures Commission of Hong Kong; JPMorgan Asset Management (Singapore) Limited (Co. Reg. No. 197601586K), this advertisement or publication has not been reviewed by the Monetary Authority of Singapore; JPMorgan Asset Management (Taiwan) Limited; JPMorgan Asset Management (Japan) Limited, which is a member of the Investment Trusts Association, Japan, the Japan Investment Advisers Association, Type II Financial Instruments Firms Association and the Japan Securities Dealers Association and is regulated by the Financial Services Agency (registration number "Kanto Local Finance Bureau (Financial Instruments Firm) No. 330"); in Australia, to wholesale clients only as defined in section 761A and 761G of the Corporations Act 2001 (Commonwealth), by JPMorgan Asset Management (Australia) Limited (ABN 55143832080) (AFSL 376919). For all other markets in APAC, to intended recipients only.

For U.S. only: If you are a person with a disability and need additional support in viewing the material, please call us at 1-800-343-1113 for assistance.

Copyright 2024 JPMorgan Chase & Co. All rights reserved.

Prepared by: Kerry Craig, Tai Hui, Marcella Chow, Agnes Lin, Shogo Maekawa, Chaoping Zhu, Ian Hui, Raisah Rasid, Adrian Tong and Jennifer Qiu.

Unless otherwise stated, all data are as of 30 April 2024 or most recently available.

Material ID: 0903c02a82674e7f