



ENERGY INDUSTRIES®
SUPERANNUATION SCHEME

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In his role as Investment Analyst, Chris closely monitors fund managers in terms of performance, operational activities and compliance as well as performing internal analytics on the fund.



September 2011

During the September quarter, equity markets around the world continued their slide, due likely to weak economic data.

Global review

Ignoring the impact of the Australian currency, the MSCI World Index was up 0.95%. Taking our currency into account, the index fell 6.1% in September.

European and emerging market shares fell by over 20%, a common definition of a bear market.

In the United States, high unemployment continues to hamper economic recovery. Employers added no jobs in August, the first time since 1945 that the government reported a net job change of zero. The unemployment rate, meanwhile, held steady at 9.1 percent. Slow employment growth and poor consumer sentiment affected US market sentiment, with the S&P 500 losing 14% (in USD) in the September quarter.

Bonds beat shares in September as the European debt crisis continued to drive investors into US treasuries, the world's biggest and most liquid bond market. Global government bonds returned 1.57% in September, on a hedged basis.

Australian review

In September, the Australian share market fell by 6.13%. Weighing on the market was European debt crisis, and the related fear that the global economy is slipping back into recession.

Australian government bonds returned 1.00%.

Once again the Reserve bank of Australia (RBA) elected to keep interest rates unchanged at 4.75%. The question that the RBA seems to be grappling with is this: to what extent will a weak global economy and softer domestic growth contain inflation? While the early signs are that the Australian economy is beginning to slow, the RBA decided that it was prudent to continue with its wait-and-see approach.

Australian households and business' poured funds into bank accounts as worries about the global economy intensified during August. The Australian Prudential Regulation Authority reported that \$27 billion in deposits was channelled into the banking system during August, with most of the growth coming from business customers. The two biggest banks, Commonwealth Bank and Westpac, also had a surge in household savings, having experienced a combined lift of \$4 billion in household funds.

Investment markets snapshot

Investment type	September performance
Australian Equities	-6.13%
International Equities (Unhedged)	0.95%
Australian Listed Property Trusts	-4.50%
Australian Government Bonds	1.00%
International Government Bonds	1.57%