

# Economic and market update

March 2018

## Top 3 themes



### Global shares: Fell again

Concerns over a potential trade war between the US and China saw global shares fall again. President Trump’s assertive rhetoric that “trade wars are good and easy to win” generated consternation in financial markets. The White House has proposed tariffs on steel and aluminium, as well as targeted products from China.



### Technology shares: Weakened sharply

The NASDAQ fell -2.8% given Facebook’s privacy scandal and the European Commission’s proposal of a 3.0% tax on the revenue of technology companies.



### Australian dollar: Declined

Lower iron ore and metal prices penalised the Australian dollar as well as the cautious risk appetites prevailing with global trade concerns.

## Australian shares fell sharply in March

There were weak performances from the Financials sector given the intense scrutiny of the Royal Commission on misconduct. Resource shares also fell sharply given lower iron ore and metal prices with concerns over potential global trade conflict. The Telecommunications sector continues to struggle with intense competitive pressures.



**Resources**  
-4.3%



**Financials**  
-5.9%



**Telecommunications**  
-6.1%

Performance for the month of March 2018. Sector returns are for the S&P/ASX 200 Accumulation GICS indices.

## Share market performance – March



-3.8%

AU



-2.6%

US



-2.0%

UK



-2.7%

DE



-2.7%

FR



-2.0%

JP



-2.4%

HK



-2.8%

CN

Performance for the month of March 2018. S&P/ASX 200 Accumulation Index; S&P 500 Index; FTSE 100 Index; German Aktien Index (DAX); France CAC40 Index; Nikkei 225 Index; Hang Seng Index; Shanghai Composite Index (all in local currency and unhedged).

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