

Economic and market update

December 2017

Top 3 themes



Global shares: Solid gains in December

British shares surged by 5.0% with the UK government finally making an initial agreement on the divorce terms for separating from the European Union (Brexit). American shares reached new record highs with President Trump's plan to cut the corporate tax rate from 35% to 21% finally being passed by Congress.



Commodity prices: Strong rises

Optimism on global growth prospects saw strong commodity price rises in December. Iron ore prices surged (12.5%) to US\$71 per tonne while copper (5.9%) and oil prices (5.3%) recorded robust gains.

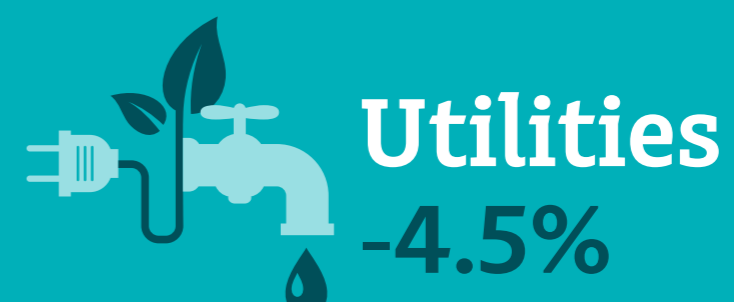
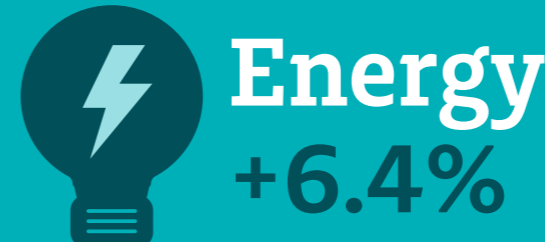


Australian dollar: Rebounded

The Australian dollar rebounded strongly given higher commodity prices. Australia's currency made a circa 3% gain against the US dollar, euro and Japanese yen.

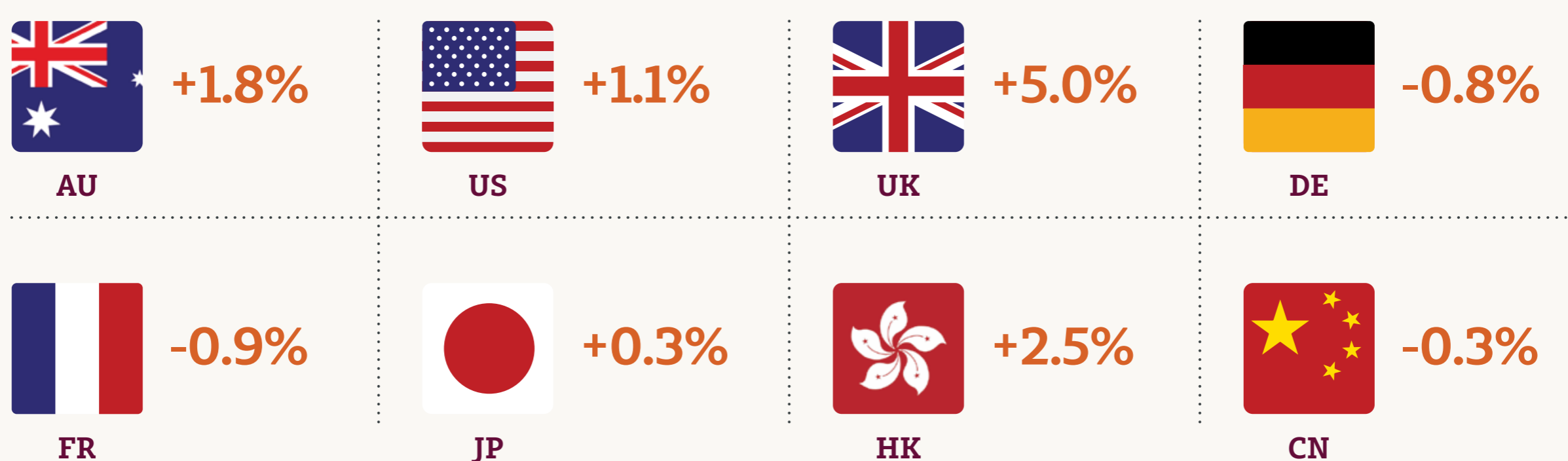
Australia

Australian shares made a solid 1.8% return for December. Strong gains were recorded in the Resources and Energy sectors given the robust gains in commodity prices. The Telecommunications sector managed to revive after a tough 2017. However the Utilities sector disappointed after a strong run in previous months as investors become more cautious.



Performance for the month of December 2017. Sector returns are for the S&P/ASX 200 Accumulation GICS indices.

Share market performance – December



Performance for the month of December 2017. 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).

working with nab



Important information

This communication is provided by MLC Investments Limited (ABN 30 002 641 661, AFSL 230705) (MLC), a member of the National Australia Bank Limited (ABN 12 004 044 937, AFSL 230686) group of companies (NAB Group), 105-153 Miller Street, North Sydney 2060. An investment with MLC does not represent a deposit or liability of, and is not guaranteed by, the NAB Group.

The information in this communication may constitute general advice. It has been prepared without taking account of individual objectives, financial situation or needs and because of that you should, before acting on the advice, consider the appropriateness of the advice having regard to your personal objectives, financial situation and needs. MLC believes that the information contained in this communication is correct and that any estimates, opinions, conclusions or recommendations are reasonably held or made as at the time of compilation. However, no warranty is made as to the accuracy or reliability of this information (which may change without notice). MLC relies on third parties to provide certain information and is not responsible for its accuracy, nor is MLC liable for any loss arising from a person relying on information provided by third parties.

This information is directed to and prepared for Australian residents only.

Past performance is not a reliable indicator of future performance.

A140381-0118