



SUCCESSFULLY  
NAVIGATING  
UNCERTAIN TIMES

2024 YEAR IN REVIEW



The many unpredictable events of 2024 could easily have been disastrous for investment markets. Instead, we saw remarkable resilience and growth despite occasional volatility as investors reacted to the extraordinary times.

While economic growth in Australia and overseas was underwhelming, share markets rode out the ups and downs to finish 2024 strongly. Super funds benefitted from rising share prices, cementing their growth since the pandemic slump with returns the third best in a decade. SuperRatings analysis found the median balanced option returned 11.5 per cent for the year.<sup>i</sup>

**The big picture**

2024 was the ‘super election year’, when almost 2.5 billion people in 70 countries voted.<sup>ii</sup> One result that has captured the attention of governments and analysts around the world is Donald Trump’s return to office in the United States. He has promised massive tariffs, tax cuts and increased spending on defence. All measures are likely to increase inflation and budget deficits which will affect global markets and economies.<sup>iii</sup>

Continuing geopolitical upheaval also marked the year. Tension in the Middle East grew as Israel expanded its campaign and European Union economies came under increased pressure when Ukraine stopped the flow of Russian gas.

The US dollar ended the year on a two-year high but that, and a weakening Chinese Yuan, led to a two-year low for the Australian dollar, which ended the year just below 62 US cents.<sup>iv</sup>

**Cost of living falls but interest rates steady**

Around the world, interest rates fell during the year but in Australia, after five interest rate increases in 2023, the Reserve Bank (RBA) held steady at 4.35 per cent, believing inflation is still too high.

Nonetheless, the cost of living has fallen significantly, down to 2.8 per cent in the September quarter from a high of 7.8 per cent two years ago and 3.8 per cent in the June quarter.<sup>v</sup>

Falls in electricity and petrol prices contributed to the easing.

Australia’s economy grew by 0.8 per cent in the three quarters to the end of September – it’s slowest in decades.<sup>vi</sup>

**House prices mixed across the country**

The housing market appeared to cool by the end of the year with average national

Australian Key Indices December			Share markets (% change) Year to December		
	2023	2024		2023	2024
Economic growth	1.5%	*2.1%	ASX All Ordinaries	8.4%	7.5%
RBA cash rate	4.35%	4.35%	US S&P 500	24.2%	23.3%
Inflation (annual rate)	4.1%	^2.8%	Euro Stoxx 50	19.2%	8.3%
Unemployment (seasonally adjusted)	3.9%	#3.9%	Shanghai Composite	-3.7%	12.7%
Consumer confidence	82.1	92.8	Japan Nikkei 225	28.2%	19.0%

\* Year to September, ^September quarter # November Sources: RBA, ABS, Westpac Melbourne Institute, Trading Economics



home values falling by 0.1 per cent in December to a median of \$815,000.<sup>vii</sup>

CoreLogic's Home Value Index data shows four of the eight capitals recording a decline in values between July and December. These included Melbourne, Sydney, Hobart and Canberra. While in Perth, Brisbane, Adelaide and Darwin, home values increased.

In annual terms, Australian home values were up 4.9 per cent in 2024, adding approximately \$38,000 to the median value of a home.

## Share markets survive and prosper

Global share markets were unsinkable in a year of stormy economic and political conditions.

While markets were volatile at times, the year ended with strong gains overall despite a disappointing December after a tech driven sell-off.

The Nasdaq surged more than 30 per cent for the year. The S&P 500 was up 25 per cent – pushed along by the 'magnificent seven' tech stocks – and the Dow rose 14 per cent.

Although not quite in the same league, the ASX performed strongly, recording 24 new record highs during 2024. The S&P/ASX 200 closed the year at 8159, up 7.5 per cent, with some analysts predicting 2025 will close around 8800.

## Commodities

Gold came into its own as a safe haven for those concerned about events around the globe, reaching an all-time high in October and adding more than 28 per cent for the year.

Oil prices were subdued with investors cautious about a glut, the risks of wider conflict in the Middle East, the war in Ukraine and the change of government in the US. Although there is some optimism for improved growth in China in 2025.

Iron ore prices have continued to decline, now down to about half of the peak US\$200 a tonne in 2021.

## Looking ahead

Economists' forecasts vary on the timing of a cut in interest rates in 2025 but some believe there will be as many as four cuts, reducing the rate to 3.35 per cent by year end. Although, as RBA Chief Economist Sarah Hunter points out, "all forecasts turn out to be at least partially wrong".<sup>viii</sup>

In any case, the RBA believes there is a high level of uncertainty about the outlook overseas.<sup>ix</sup>

For example, any move by China to increase spending or bolster its economy would likely lift demand for our exports and flow through to the Australian economy. The Trump administration's promise to increase tariffs is also likely to have some effect on businesses here, although the RBA believes it would be "small".<sup>x</sup> And, the wars in Ukraine and the Middle East are also likely to continue to contribute to instability.

Share price volatility is expected to continue as investors roll with the global political and economic punches and the upcoming Australian Federal Election is likely to introduce uncertainty until the results are in.

If you'd like to review your goals for the coming year in the light of recent and expected developments, don't hesitate to get in touch.

Note: all share market figures are live prices as at 31 December 2023 and 2024 sourced from: <https://tradingeconomics.com/stocks>.

- i <https://www.theaustralian.com.au/business/financial-services/australian-super-funds-post-115pc-return-in-2024-despite-volatile-year/news-story/b6b5daf2514e5ed2a5fb794b37d6c411>
- ii <https://www.weforum.org/stories/2023/12/2024-elections-around-world/>
- iii <https://www.afr.com/policy/economy/the-economy-and-markets-will-boom-under-trump-or-will-they-20241107-p5konn>
- iv <https://www.abc.net.au/news/2025-01-01/australian-dollar-at-risk-of-falling-to-pandemic-lows/104776470>
- v <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release>
- vi <https://www.abs.gov.au/media-centre/media-releases/australian-economy-grew-03-cent-september-quarter>
- vii <https://www.corelogic.com.au/news-research/news/2024/national-home-values-record-first-decline-in-almost-two-years>
- viii <https://www.rba.gov.au/speeches/2024/sp-ag-2024-12-13.html>
- ix <https://www.rba.gov.au/media-releases/2024/mr-24-27.html>
- x <https://www.rba.gov.au/speeches/2024/sp-dg-2024-12-11.html>

**Centaur Financial Services**  
Suite 1103, Level 11  
203 Robina Town Centre Drive  
Robina QLD 4226

PO Box 3197  
Robina Town Centre QLD 4230

**P** 07 5559 5760

**F** 07 5601 0356

**E** [info@centaurfinancial.com.au](mailto:info@centaurfinancial.com.au)

**W** [www.centaurfinancial.com.au](http://www.centaurfinancial.com.au)

**Facebook** /CentaurFinancial

**Twitter** @CentaurWealth

**Linkedin** /company/centaur-financial-services

**Instagram** /centaurfinancial/

Centaur Financial Services Pty Ltd is a Corporate Authorised Representative (CAR) of Australian Advice Network Pty Ltd. ABN 13 602 917 297, Australian Financial Service Licence holder number 472901. The advisers of Centaur Financial Services Pty Ltd provide financial services advice on behalf of the CAR as Sub Authorised Representatives of Australian Advice Network Pty Ltd.

General Advice Warning: This advice may not be suitable to you because it contains general advice that has not been tailored to your personal circumstances. Please seek personal financial advice prior to acting on this information. Investment Performance: Past performance is not a reliable guide to future returns as future returns may differ from and be more or less volatile than past returns.