HAS INFLATION PEAKED?

IMAP Independent Thought Conference

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GLOBAL ECONOMY

Shifting winds on trade, energy transition and geopolitics

Source: Office of the United States Trade Representative. TPP: Trans-Pacific Partnership, NAFTA: North American Free Traded Agreement, T-TIP: Transatlantic Trade and Investment Partnership.

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STARTING POINT...

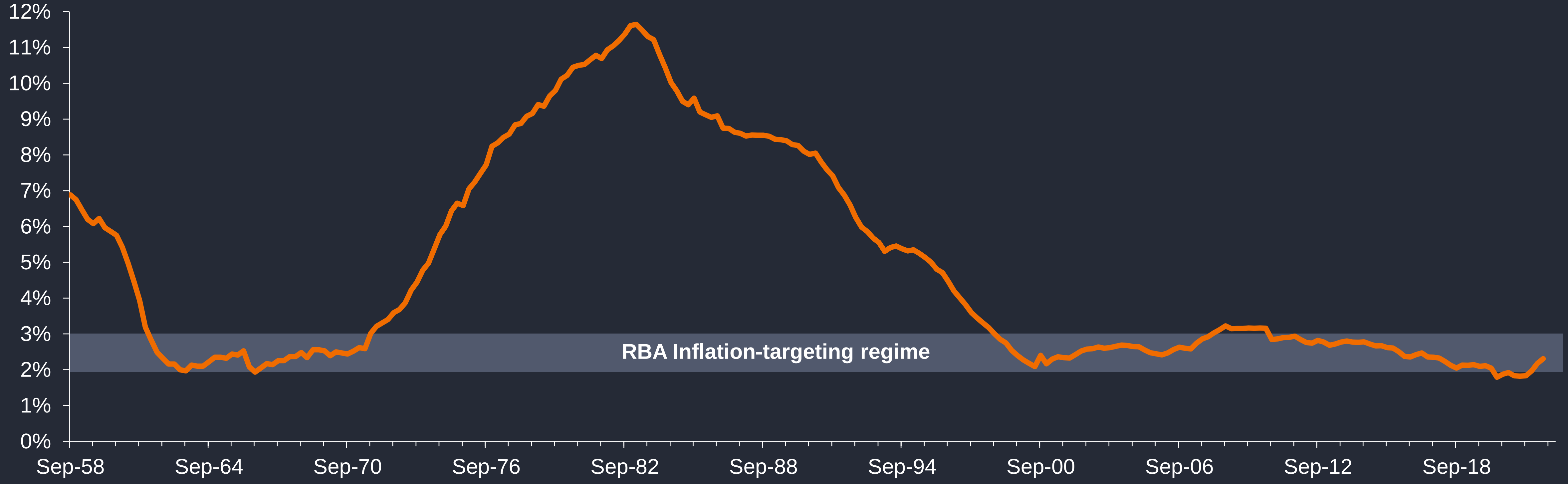
Sowing the seeds for the perfect inflation storm

- 100, 200, 300 year low in bond yields
- Excessive use of unconventional policy (Q/E)
- Once in a century pandemic shock
- Policy aimed to ‘over-do-it’
- Rebound like no other
- Throw in a war and energy spike
- Inflation not seen for decades
- Second and third round effects

INFLATION

Australia’s longer term inflation experience

Rolling 10-year p.a.



Source: Janus Henderson Investors, ABS Headline CPI to June quarter 2022

RISK FREE YIELDS

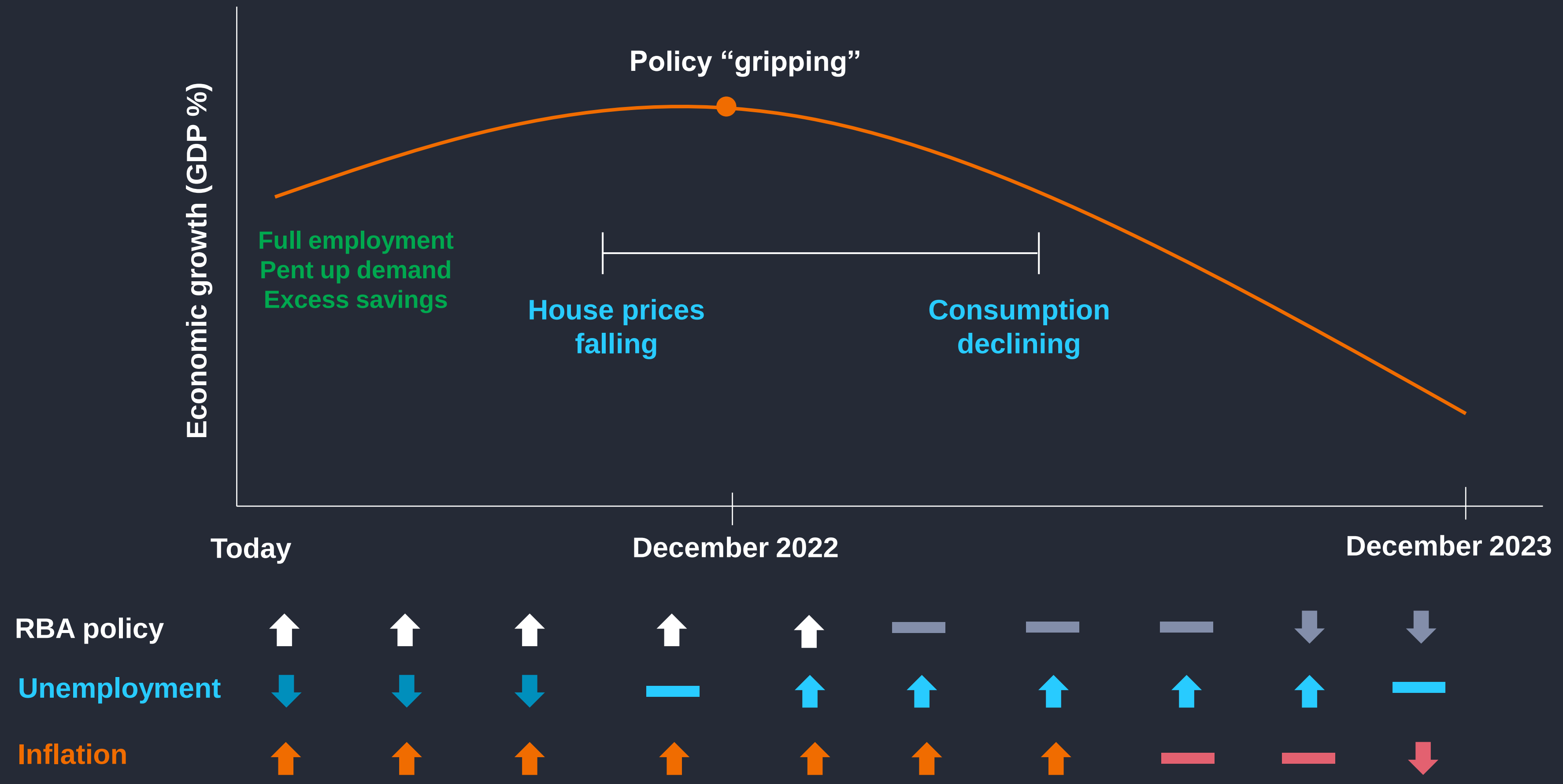
The big central bank experiment

History of US 10-year treasury yields
From 1960-2022

Source: Federal Reserve Economic Data, Janus Henderson Investors, as at 30 September 2022

ECONOMIC CYCLE

Looking forward: Managing peak inflation



Source: Janus Henderson Investors, as at 14 June 2022

Note: For illustrative purposes only. The above are the Portfolio Managers' views as of the date published and are subject to change without notice.

BOND MARKETS LEAD CASH RATES

Markets typically fully priced around the first hikes

Australian interest rates

%

Source: Bloomberg, monthly to end August 2022, spot 26 September 2022, Bloomberg AusBond Composite 0+ Yr Index . Past performance is not a guide to future performance.

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