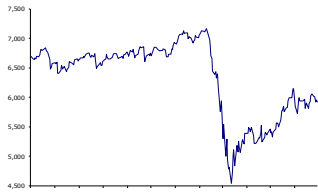


Issue 508
12-month XJO chart

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Global Wrap – 12 July 2020

World Markets	12/07/2020	5/07/2020	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5919	6058	-2.3%	-1.2%	6.8%
S&P 500	3185	3130	1.8%	2.3%	41.8%
FTSE 100	6095	6157	-1.0%	-2.5%	-12.1%
DAX30	12634	12528	0.8%	2.0%	1.1%
Shanghai Composite	3383	3333	1.5%	15.1%	5.2%
Nikkei 225	22291	22714	-1.9%	-0.3%	18.8%
Hang Seng	25727	25373	1.4%	5.1%	12.5%
Currency					
AUD/USD	0.6950	0.6973	-0.3%	0.3%	-1.0%
Commodities					
Oil (\$/bbl)	40.6	40.6	0.0%	4.5%	-32.7%
Gas (\$/gal)	1.8	1.8	5.5%	6.9%	-16.8%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	6323	6023	5.0%	10.3%	8.3%
Lead (\$/t)	1842	1756	4.9%	3.7%	-21.0%
Zinc (\$/t)	2095	2020	3.7%	4.0%	-23.7%
Aluminium (\$/t)	1640	1582	3.7%	4.2%	-5.3%
Nickel (\$/t)	13070	13040	0.2%	1.3%	15.0%
Tin (\$/t)	17080	16960	0.7%	-0.5%	-20.2%
Gold (\$/oz)	1802	1787	0.8%	3.8%	53.7%
Silver (\$/oz)	19.1	18.3	4.1%	7.2%	11.5%
Platinum (\$/oz)	846	826	2.4%	0.7%	-9.8%
Wheat (\$/t)	535.250	492.000	8.8%	8.4%	31.1%

Source: Iress

Key points

1. The week in review
2. What happened on Friday
3. What to watch next week

Week in review

US equity markets edged higher for the week despite fears of a second wave that has led to some states re-entering lockdown.

The NASDAQ Composite Index reached a record high on Thursday, bolstered by gains made across technology giants Microsoft, Apple, (Google owner) Alphabet and Amazon, which reached a record share price of USD3,000 on Monday.

Meanwhile, growing expectations of a strong economic rebound in China led to an eight-day rally and a five-year high in the blue-chip CSI 300 Index.

The MSCI World Index (AUD) and S&P 500 Index are up 0.6% and 0.7% for the week.



Reserve Bank of Australia Governor Philip Lowe pledged the central bank's accommodative stance would last "for some time", holding the benchmark cash rate unchanged at 0.25%.

The S&P/ASX All Ordinaries Accumulation Index closed down 2.1% for the week.

Friday's markets

US stocks rose on Friday as news about a potential coronavirus treatment increased hope for an economic recovery following the outbreak. Tech stocks also continued their winning week.

The Dow Jones Industrial Average traded 369.21 points higher, or 1.4%, to 26,075.30. The S&P 500 climbed 1%, or 32.99 points, to 3,185.04. The Nasdaq Composite rose 0.6%, or 69.69 points, to another record closing high of 10,617.44,

Gilead Sciences said its coronavirus treatment candidate, remdesivir, showed an improvement in clinical recovery and a 62% reduction in the risk of mortality compared with standard care.

The news sent Gilead shares up more than 2%.

BioNTech's CEO also told The Wall Street Journal the company's coronavirus vaccine candidate could be ready for approval by December.

Shares of companies that would benefit from the economy reopening outperformed.

American Airlines and United popped 6.8% and 8.2%, respectively, while Delta traded 5.6% higher.

Cruise operator Carnival surged 10.8% after the company said it can break even in cash flow with capacity between 30% and 50%.

This happened even as US infections are on the rise again.

A Reuters tally indicated that more than 60,500 new cases were confirmed nationwide on Thursday, a fresh daily record.

Netflix jumped 8% to a record. Amazon also gained 0.5% to an all-time high after Citi hiked its target on the e-commerce giant to a Street high of \$3,550 per share.

Big banks, which are set to kick off earnings season next week, also gained.

Shares of Tesla jumped more than 7% to hit a session high of \$1,503.00, marking the first time the electric carmaker's stock topped the \$1,500 threshold. Tesla shares have surged lately, soaring 39% this month alone and bringing its 2020 gains to a whopping 259%. The company beat delivery estimates in the latest quarter. Last week, the company surpassed Toyota to become the largest automaker in terms of valuation.

Meanwhile Asia Pacific markets fell across the board Friday as the region's investors remained cautious due to the growing number of coronavirus cases around the world.

Hong Kong's Hang Seng fell 2.26% in late-afternoon trade. Reuters reported the city will suspend all schools from Monday following a recent spike in coronavirus cases.

The **Nikkei 225** in Japan dropped 1.06% to 22,290.81. In South Korea, the **Kospi** index was down 0.81% at 2,150.25.

Mainland Chinese markets also fell: The **Shanghai composite** was down 1.95% at 3,383.32, the **Shenzhen composite** was down 0.3% at 2,251 while the Shenzhen component was down 0.61% at 13,671.24.

Friday's session followed a mixed overnight on Wall Street where coronavirus concerns pushed investors into tech stocks.

The **pan-European Stoxx 600** gained 0.6% by early afternoon, autos adding 1.5% to lead gains as all sectors except household goods advanced into positive territory.

Markets across the continent received a boost after data showed Italian industrial production jumped 42.1% in May from the previous month, as the country emerged from lockdown, outstripping the median forecast of 22.8% by analysts polled by Reuters.

French industry output climbed by 19.6% in May, surpassing economist expectations of a 15.1% rise. France only began lifting its comparatively strict lockdown measures on May 11.

The UK announced on Thursday that indoor gyms and swimming pools will reopen from July 25, while outdoor pools and performances will be allowed from this weekend as the country continues to unwind its lockdown measures.

Beauticians, tattooists, spas, tanning salons and other close-contact services can open from Monday subject to certain restrictions.

In terms of individual stocks, Carlsberg climbed 5.4% after the Danish brewer signalled that the slump in beer sales across Western Europe is slowing.

The **Australian sharemarket** shed \$10.8 billion on Friday to finish the week 2.4% lower amid heightened US-China tensions and a worsening coronavirus situation both here and abroad, The Sydney Morning Herald reported.

The benchmark index lost 36.3 points to close at 5919.2 - its lowest finish for the month so far. Coronavirus fears and the reimposition of lockdowns in Melbourne ensured it would be the local bourse's worst week in four.

Consumer staples, health care, and property were the only local sectors to gain in another day of weak volumes. Just 560 million shares were traded, down from the 960 million daily three-month average.

Health shares added 0.3% for the day to limit the sector's losses to 4.3%.

CSL jumped 0.6% to \$282.37, **ResMed** rose 1% to \$27.86, and **Fisher and Paykel** added 1.2% to \$33.50.

The consumer staples sector finished marginally ahead for the week thanks to Friday's climb.

Woolworths added 0.8% to \$38.51 and **Coles** jumped 1.4% to \$17.72.

Both supermarkets came out ahead for the week, Coles by 3.5% and Woolworths by 1.8%.

The heavyweight financials fell 0.7% and the materials sector dropped 0.9% on Friday.

Commonwealth Bank was the only of the Big Four to finish higher, adding 0.3% to \$70.63. **Westpac**, **ANZ**, and **NAB** each declined by between 1% and 1.4%. Macquarie Group lost 1.5% to \$119.80.

Iron ore giants **BHP** and **Rio Tinto** lost 0.7%, dropping to \$36.19 and \$97.99 respectively. **Fortescue Metals** fell 0.1% to \$14.85.

Tech shares gave up an early lead to close 0.8% lower, even after investors had again piled into the NASDAQ on rising worries of a persistent COVID-19 crisis.

The local tech sector still added 1.4% for the week. **Afterpay**, **Appen** and **Xero** touched new record highs on Friday before cooling off.

The pandemic was an overarching theme for the local market this week.

What to watch

This coming week investors turn their attention to **earnings season**.

Pepsico, Netflix and the major banks among the first to report.

Earnings for the S&P 500 are expected to decline by 44%, the worst drop since the fourth quarter of 2008, when profits fell 67%.

Investors will continue to watch the impact of the virus on the economy's ability to reopen and recover, so monthly retail sales to be announced on Thursday will be important.

In other data releases the UK's GDP will be out on Tuesday and its CPI on Wednesday, along with the US CPI.

The Bank of Japan's monetary statement will be released on Wednesday as well as UK CPI.

On Thursday Australia's employment figures will be announced, as will Chinese GDP.

European leaders will meet for a special summit on Friday.

Economic Calendar 13/07/2020 – 17/07/2020

Tuesday July 14 2020		Actual	Previous	Consensus	Forecast
09:30 AM	AU NAB Business Confidence JUN		-20		-15
02:00 PM	GB Balance of Trade MAY		£0.31B		£4.6B
05:00 PM	DE ZEW Economic Sentiment Index JUL		63.4	62.5	61
08:30 PM	US Core Inflation Rate YoY JUN		1.2%		1.2%
08:30 PM	US Inflation Rate YoY JUN		0.1%	0.3%	0.4%
Wednesday July 15 2020		Actual	Previous	Consensus	Forecast
08:30 AM	AU Westpac Consumer Confidence Index JUL		93.7		96
08:30 AM	AU Westpac Consumer Confidence Change JUL		6.3%		2.5%
02:00 PM	GB Inflation Rate YoY JUN		0.5%		0.4%
10:00 PM	CA BoC Interest Rate Decision		0.25%		0.25%
Thursday July 16 2020		Actual	Previous	Consensus	Forecast
10:00 AM	CN GDP Growth Rate YoY Q2		-6.8%		1%
02:00 PM	GB Claimant Count Change JUN		528.9K		-140K
08:30 PM	US Retail Sales MoM JUN		17.7%	4.5%	3.8%
Friday July 17 2020		Actual	Previous	Consensus	Forecast
07:01 AM	GB GfK Consumer Confidence Flash JUL		-30		-26
	EU EU Meeting on Common Recovery Plan				

Source: www.tradingeconomics.com

Economic Calendar 20/07/2020 – 24/07/2020

Monday July 20 2020		Actual	Previous	Consensus	Forecast
07:50 AM	JP Balance of Trade JUN		¥-833.4B		¥ -200B
09:30 AM	CN Loan Prime Rate 1Y		3.85%		3.85%
Tuesday July 21 2020		Actual	Previous	Consensus	Forecast
07:30 AM	JP Inflation Rate YoY JUN		0.1%		-0.7%
Wednesday July 22 2020		Actual	Previous	Consensus	Forecast
08:30 PM	CA Inflation Rate YoY JUN		-0.4%		-0.5%
Thursday July 23 2020		Actual	Previous	Consensus	Forecast
02:00 PM	DE GfK Consumer Confidence AUG		-9.6		-7

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 10 July 2020**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
NWL	Netwealth Group	18.4	CTD	Corp Travel Limited	-15.2
PRU	Perseus Mining Ltd	12.3	DHG	Domain Holdings Aus	-12.5
SBM	St Barbara Limited	10.3	APE	AP Eagers Limited	-10.7
GOR	Gold Road Res Ltd	9.3	MND	Monadelphous Group	-10.6
MSB	Mesoblast Limited	8.9	IEL	Idp Education Ltd	-10.1
MP1	Megaport Limited	8.4	CUV	Clinuvel Pharmaceut.	-9.9
ORE	Orocobre Limited	7.6	LLC	Lendlease Group	-9.8
SLR	Silver Lake Resource	7.4	WEB	Webjet Limited	-9.6
APT	Afterpay Limited	7.1	BIN	Bingo Industries Ltd	-9.2
NST	Northern Star	6.1	AVH	Avita Therapeutics	-9.1

Source: IRESS

S & P Indices Week Ending 10 July 2020

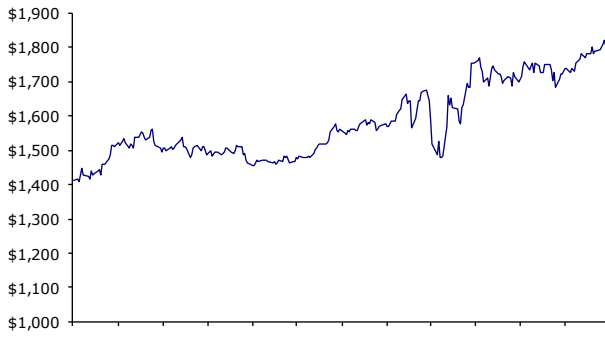
S&P Indices	12/07/2020	5/07/2020	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	7327	7557	-3.0%	-5.3%	-17.6%
S&P 200 Materials	13598	13501	0.7%	2.0%	37.4%
S&P 200 Industrials	5530	5796	-4.6%	-7.9%	8.4%
S&P 200 Consumer Disc.	2408	2503	-3.8%	-1.9%	15.0%
S&P 200 Consumer Staples	12868	12816	0.4%	2.5%	50.4%
S&P 200 Healthcare	41686	43632	-4.5%	-0.6%	116.2%
S&P 200 Financials	4779	4935	-3.2%	-1.9%	-25.0%
S&P 200 Info Technology	1697	1665	1.9%	7.9%	118.2%
S&P 200 Telecommunicatic	1248	1237	0.9%	3.7%	-28.9%
S&P 200 Utilities	7539	7797	-3.3%	-3.1%	0.0%
S&P 200 Property Trusts	1201	1265	-5.1%	-8.0%	-10.5%
S&P 200 Financials ex PT	5331	5504	-3.2%	-1.9%	-25.0%

Source: IRESS

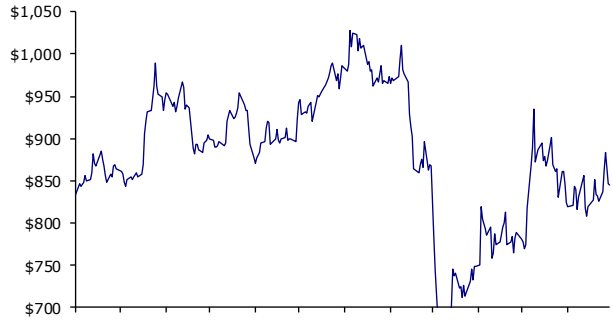


1 Year Commodity Price Charts

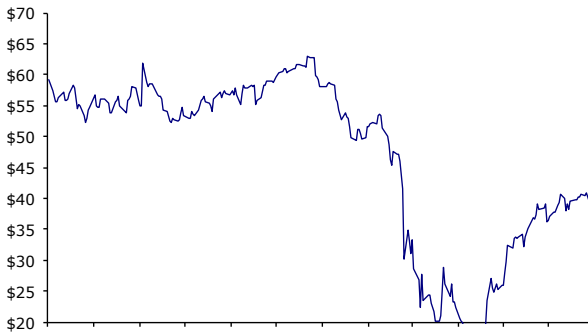
1 Year Gold



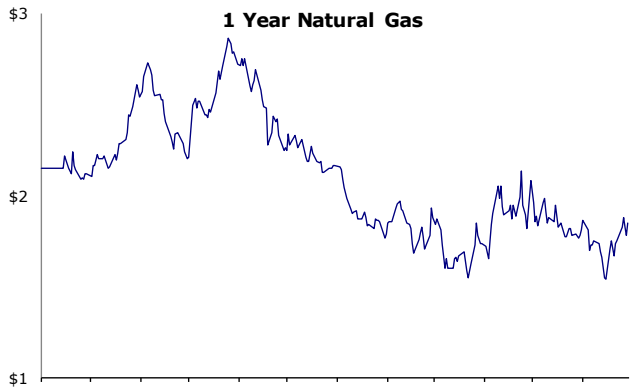
1 Year Platinum



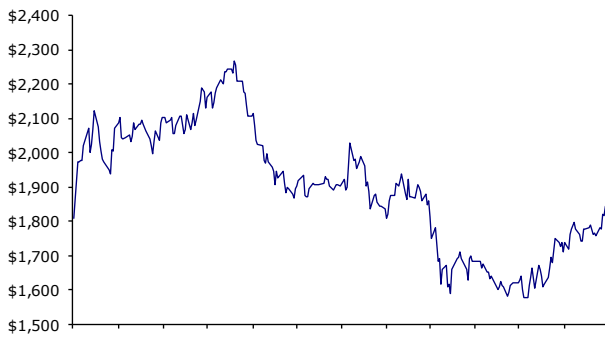
1 Year Oil



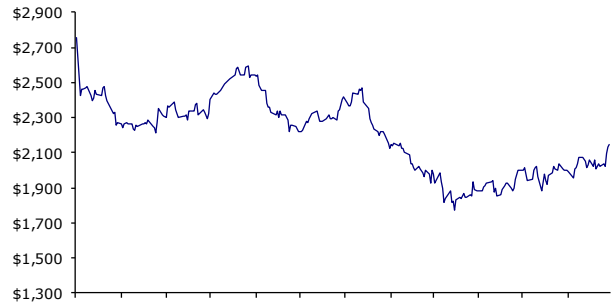
1 Year Natural Gas



1 Year Lead

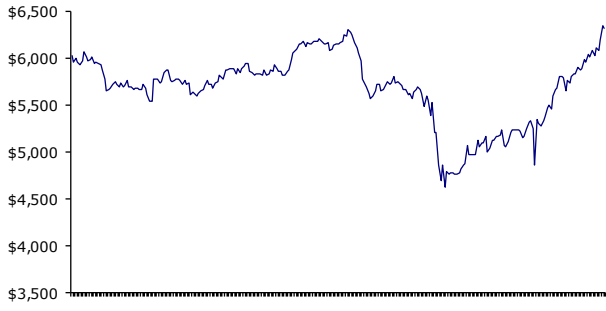


1 Year Zinc

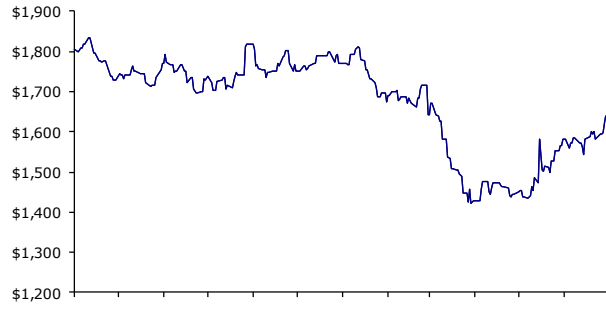




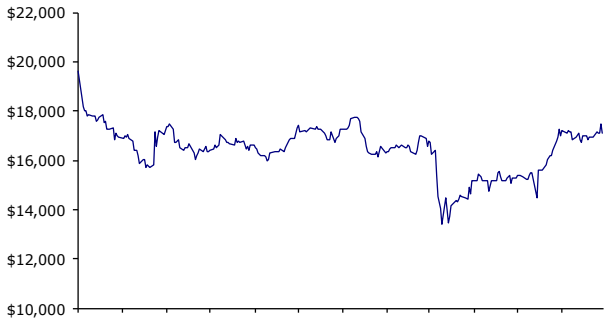
1 Year Copper



1 Year Aluminium

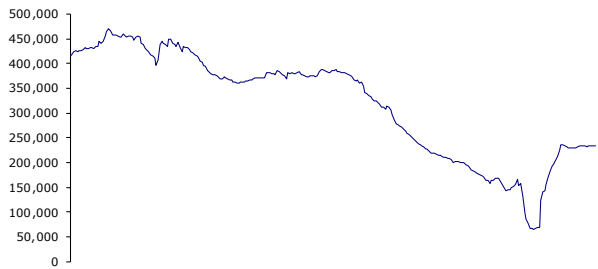


1 Year Tin

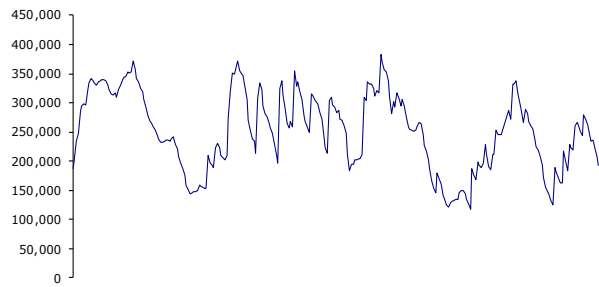


5 Year Metals Stockpiles

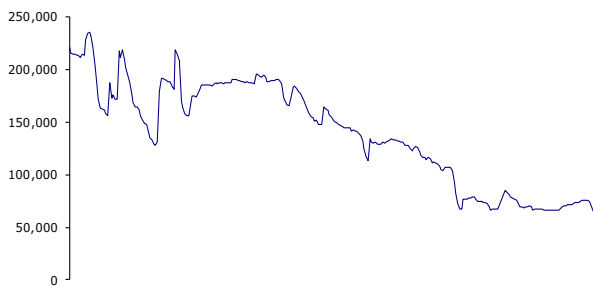
Nickel LME Stockpiles - 5 Year



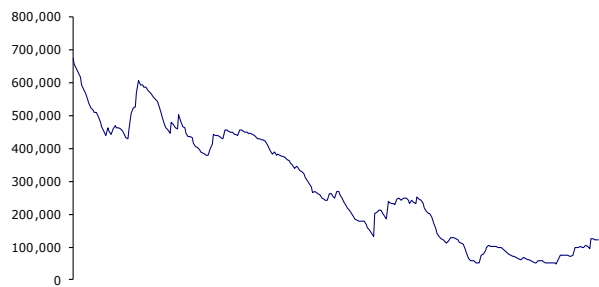
Copper LME Stockpiles - 5 Year



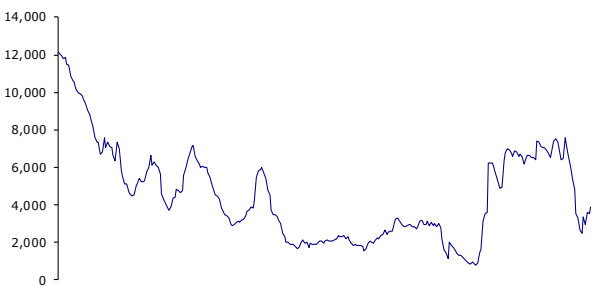
Lead LME Stockpiles - 5 Year



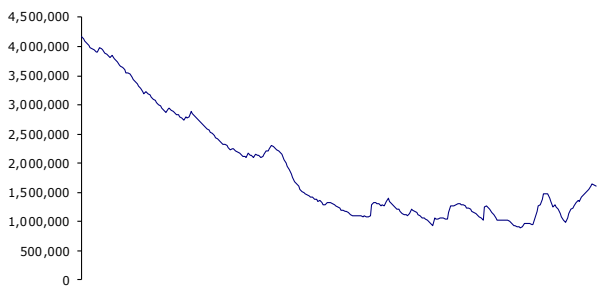
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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