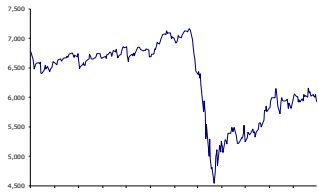
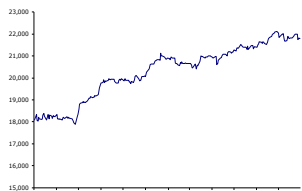


**Issue 511**
**12-month XJO chart**

**12-month Dow Jones chart**

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**Global Wrap – 2 August 2020**

World Markets	2/08/2020	26/07/2020	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5928	6024	-1.6%	0.1%	6.9%
S&P 500	3271	3216	1.7%	3.2%	45.6%
FTSE 100	5898	6124	-3.7%	-4.2%	-14.9%
DAX30	12313	12838	-4.1%	-1.5%	4.8%
Shanghai Composite	3310	3205	3.3%	-4.1%	2.9%
Nikkei 225	21710	22716	-4.4%	-3.6%	15.7%
Hang Seng	24595	24705	-0.4%	-5.9%	7.6%
<b>Currency</b>					
AUD/USD	0.7142	0.7150	-0.1%	0.6%	5.1%
<b>Commodities</b>					
Oil (\$/bbl)	40.4	41.6	-2.9%	2.3%	-26.8%
Gas (\$/gal)	1.8	1.9	-3.6%	-1.4%	-19.2%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	6447	6413	0.5%	4.1%	10.4%
Lead (\$/t)	1843	1808	1.9%	1.3%	-20.9%
Zinc (\$/t)	2286	2194	4.2%	9.1%	-16.7%
Aluminium (\$/t)	1686	1655	1.9%	5.6%	-2.7%
Nickel (\$/t)	13756	13430	2.4%	2.5%	21.0%
Tin (\$/t)	17880	17695	1.0%	4.4%	-16.4%
Gold (\$/oz)	1986	1925	3.2%	9.1%	69.4%
Silver (\$/oz)	24.2	22.9	6.0%	26.4%	41.7%
Platinum (\$/oz)	919	956	-3.9%	3.9%	-2.0%
Wheat (\$/t)	530.750	540.250	-1.8%	2.6%	30.0%

Source: Iress

**Key points**

1. Weekly review
2. What happened Friday
3. What happens next week

**Week in review**

Data confirming Australia's largest quarterly fall in consumer prices in 72 years, combined with rising domestic coronavirus cases, caused a lacklustre week in equities.

In Victoria, which represents 23% of the domestic economy, 1.4% of all jobs were cut in the week to 11 July, as the state struggles to contain the coronavirus while enacting lockdown measures.

Queensland closed its borders to Greater Sydney on Saturday as the pandemic weighs on the nation's largest city.



In the US, **Federal Reserve Chair Jerome Powell held rates near zero**, pledging to continue its accommodative stance as *“the path of the economy is going to depend to a very high extent on the course of the virus, on the measures that we take to keep it in check”*.

Chief Executive Officers from the world’s largest technology companies, **Apple, Amazon, Alphabet and Facebook** faced bi-partisan criticism in a House of Representatives Subcommittee investigation into antitrust behaviour in digital markets, the first of its kind.

The Australian reporting season commenced on Friday, with mining giant Rio Tinto announcing an increased dividend with its half-year net profit of \$4.6 billion.

**In the US** The **Dow Jones Industrial Average** rose 114.67 points, or 0.44%, to 26,428.32. The S&P 500 rose 0.77% to 3,271.12. The **Nasdaq Composite** finished the day up 1.49% to 10,745.27, CNBC reported.

The market also wrapped up the month of July with decent gains. The 30-stock benchmark gained 2.38% this month, while S&P 500 rose 5.51% for its fourth consecutive positive month. The tech-heavy Nasdaq outperformed, climbing 6.82%.

Four of the biggest American tech companies all reported earnings or revenue that crushed Wall Street expectations. **Apple** posted a historically strong quarter, with revenue jumping 11% amid strong online sales during the pandemic. **Amazon** and **Facebook** both reported double-digit revenue growth. **Alphabet** posted better-than-expected earnings, but the Google parent-company reported its first revenue decline in history.

Shares of **Apple** jumped 10.47%, **Facebook** rose 8.17%, while **Amazon** popped 3.70%. **Alphabet**, however, dropped 3.28%.

Stocks in Asia Pacific were mixed on Friday following a record contraction in US gross domestic in the second quarter.

Japanese stocks led losses among Asia’s major markets, with the **Nikkei 225** down 2.82% to close at 21,710 as shares of conglomerate **Softbank Group** dropped 4.39%.

Mainland Chinese stocks were higher on the day, with the **Shanghai composite** up 0.71% to about 3,310.01 while the **Shenzhen component** gained 1.27% to around 13,637.88.

**China’s official manufacturing Purchasing Managers’ Index** for July came in above expectations at 51.1, according to the country’s National Bureau of Statistics. Analysts polled by Reuters expected a reading of 50.7.

Meanwhile, the **Hang Seng** index in Hong Kong slipped 0.14%, as of its final hour of trading. The Kospi in South Korea shed 0.78% to close at 2,249.37.

Overall, the MSCI Asia ex-Japan index dipped 0.16%.

Markets in Singapore, Malaysia and Indonesia were closed for a holiday on Friday.

The **pan-European Stoxx 600** closed down by nearly 0.9%, registering its first month-to-date drop in four months. Airlines and travel-related stocks were some of the worst impacted components of the blue-chip index, with easyJet falling 22% and British Airlines parent IAG down 20% in July.

Both companies suffered their worst month since March. It comes amid investor fears over a recent jump in Covid-19 infections across Europe and the subsequent implications for travel.

Data releases showed the **euro zone economy contracted by 12.1% in the second quarter of 2020**, compared to the first three months of the year, according to preliminary data from the region’s statistics office. Friday’s reading is the lowest since records began in 1995.

In France, the statistics office said GDP fell by 13.8% in the second quarter of the year, slightly better than estimates, but still the worst on record.

On Thursday, the German statistics office announced the German economy contracted by 10.1% in the second quarter — the worst reading since records began in 1970.

**BNP Paribas** reported a net income drop of about 7% for the second quarter in comparison with the same period a year ago. However, the French bank experienced higher trading volumes and beat market expectations. The stock closed almost 1% lower, paring back gains earlier in the session.



**Nokia** led the gains across Europe, up by almost 13%, after beating profit expectations in the second quarter. The CEO said that the firm is seeing concrete midterm opportunities on the back of geopolitical trends.

In Australia all sectors bled red on Friday as the **ASX 200** shed 123.3 points, or 2%, to close at 5927.8 amid dour US data and mounting coronavirus panic, The Sydney Morning Herald reported. That's the biggest drop since June 25 and a AUD 36 billion blow to the market cap, according to Refinitiv data.

The index lost 1.6% for the week but still managed to close 0.5% ahead for July, its fourth straight monthly gain.

Friday's sell-off gathered pace into the afternoon with blue-chip stocks dragging heavily. Just three of the top 25 companies closed higher: **Fisher and Paykel**, **Aristocrat Leisure** and **Brambles**.

The fall came after a record number of deaths in Texas, outbreaks in Japan, and another high caseload out of Victoria as the global health and economic toll continues to spiral.

Local energy stocks were the hardest hit on Friday, with the sector down 3% as **oil prices** plunged.

The heavyweight financials weren't far behind, recording its worst session in just over five weeks.

The sector lost a collective 2.8% with **AMP** the clear loser. It dropped 12.8% to \$1.47 after flagging a significant decline in first-half underlying profit on account of COVID-19 impacts.

**Westpac** led losses for the big four banks, dropping 3.3% to \$17.09.

**Commonwealth Bank**, **NAB** and **ANZ** each lost between 2.2% and 2.8%.

For the big miners, iron ore giant **BHP** lost 2.9% to \$36.75, **Rio Tinto** fell 2.4% to \$102, and **Fortescue Metals** retreated from its record high to finish 0.8% lower at \$17.41.

Plasma giant **CSL** fell 1.6% to \$270.10 as health stocks plummeted by the same amount.

The best performer of the day was **Super Retail Group**, which added 9.5% to \$8.88 after flagging a super profit result was in the wings on strong sales during virus lockdowns.

**Harvey Norman** also had a decent day, rising 3.6% to \$3.72.

#### What happens next

On the data front, investors will monitor the US Manufacturing Purchase Manager Index (PMI) to gauge the pace of the recovery in the world's largest economy. Clorox and [Virgin Galactic](#) also report quarterly earnings on Monday US time.

This coming week Tuesday is a big day for Australian data with retail sales, the trade balance and Reserve Bank's interest rate decision to be announced.

On Wednesday Japan's gross domestic product (GDP) will be released along with euro zone retail sales.

The Bank of England will announce its interest rate on Thursday and it's non-farm payroll release day in the US on Friday.

**Economic Calendar 3/08/2020 – 7/08/2020**

Monday August 03 2020		Actual	Previous	Consensus	Forecast	
07:50 AM	JP GDP Growth Rate QoQ Final Q1		-1.9%		-0.6%	
09:45 AM	CN Caixin Manufacturing PMI JUL		51.2	51.3	51.6	
Tuesday August 04 2020		Actual	Previous	Consensus	Forecast	
09:30 AM	AU Balance of Trade JUN		A\$8.025B		A\$ 7.5B	
12:30 PM	AU RBA Interest Rate Decision		0.25%		0.25%	
Wednesday August 05 2020		Actual	Previous	Consensus	Forecast	
08:30 PM	CA Balance of Trade JUN		C\$-0.68B		C\$ -1B	
08:30 PM	US Balance of Trade JUN		\$-54.6B	\$-53.7B	\$-50.7B	
Thursday August 06 2020		Actual	Previous	Consensus	Forecast	
02:00 PM	GB BoE Interest Rate Decision		0.1%	0.1%	0.1%	
02:15 PM	IN RBI Interest Rate Decision		4%	3.75%	3.75%	
Friday August 07 2020		Actual	Previous	Consensus	Forecast	
02:00 PM	DE Balance of Trade JUN		€7.1B		€ 1.4B	
08:30 PM	US Non Farm Payrolls JUL		4800K	2260K	2200K	
10:00 PM	CA Ivey PMI s.a JUL		58.2		58.5	

Source: [www.tradingeconomics.com](http://www.tradingeconomics.com)

**Economic Calendar 10/08/2020 – 14/08/2020**

Monday August 10 2020		Actual	Previous	Consensus	Forecast
09:30 AM	CN Inflation Rate YoY JUL		2.5%	2.5%	
02:00 PM	GB Balance of Trade JUN		£4.3B	£ 2.8B	
02:00 PM	GB GDP Growth Rate YoY Prel Q2		-1.7%	-23%	
02:00 PM	GB GDP Growth Rate QoQ Prel Q2		-2.2%	-20.4%	
Tuesday August 11 2020		Actual	Previous	Consensus	Forecast
09:30 AM	AU NAB Business Confidence JUL		1	3	
02:00 PM	GB Claimant Count Change JUL		-28.1K	120K	
05:00 PM	DE ZEW Economic Sentiment Index AUG		59.3	25	
Wednesday August 12 2020		Actual	Previous	Consensus	Forecast
08:30 PM	US Core Inflation Rate YoY JUL		1.2%		
08:30 PM	US Inflation Rate YoY JUL		0.6%	0.7%	
09:00 PM	RU GDP Growth Rate YoY Prel Q2		1.6%	-9.6%	
Friday August 14 2020		Actual	Previous	Consensus	Forecast
08:30 AM	AU Westpac Consumer Confidence Change AUG		-6.1%	1.8%	
08:30 AM	AU Westpac Consumer Confidence Index AUG		87.9	89.5	
05:00 PM	EA GDP Growth Rate YoY 2nd Est Q2		-3.1%	-14.7%	
05:00 PM	EA GDP Growth Rate QoQ 2nd Est Q2		-3.6%	-12.5%	
08:30 PM	US Retail Sales MoM JUL		7.5%	4%	

Source: [www.tradingeconomics.com](http://www.tradingeconomics.com)

**All Ords Top 10 Week Ending 31 July 2020**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
APE	AP Eagers Limited	12.2	IFL	IOOF Holdings Ltd	-16.0
CCP	Credit Corp Group	11.3	SFR	Sandfire Resources	-15.5
GWA	GWA Group Ltd	10.9	IGO	IGO Limited	-15.1
SUL	Super Ret Rep Ltd	10.7	AMP	AMP Limited	-14.3
ALQ	ALS Ltd	9.4	QAN	Qantas Airways	-11.3
MSB	Mesoblast Limited	7.7	OML	Ooh!Media Limited	-11.2
FMG	Fortescue Metals Grp	6.9	SBM	St Barbara Limited	-10.9
MIN	Mineral Resources.	5.6	AVH	Avita Therapeutics	-10.1
BAP	Bapcor Limited	5.6	PPT	Perpetual Limited	-9.8
CHC	Charter Hall Group	4.6	AWC	Alumina Limited	-9.0

Source: IRESS

**S & P Indices Week Ending 31 July 2020**

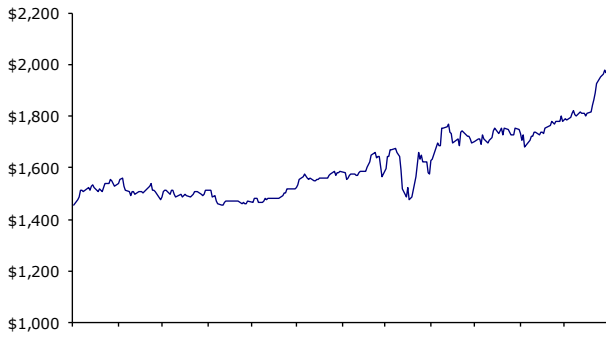
S&P Indices	2/08/2020	26/07/2020	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	7035	7435	-5.4%	-3.6%	-20.9%
S&P 200 Materials	14079	14173	-0.7%	4.3%	42.2%
S&P 200 Industrials	5512	5592	-1.4%	-0.8%	8.0%
S&P 200 Consumer Disc.	2500	2501	0.0%	3.0%	19.4%
S&P 200 Consumer Staples	12925	12985	-0.5%	0.0%	51.1%
S&P 200 Healthcare	40548	41362	-2.0%	-2.4%	110.3%
S&P 200 Financials	4741	4872	-2.7%	-1.5%	-25.6%
S&P 200 Info Technology	1643	1668	-1.5%	-0.9%	111.3%
S&P 200 Telecommunications	1221	1222	-0.1%	-1.1%	-30.4%
S&P 200 Utilities	7603	7721	-1.5%	0.3%	0.8%
S&P 200 Property Trusts	1217	1227	-0.8%	1.0%	-9.3%
S&P 200 Financials ex PT	5288	5434	-2.7%	-1.5%	-25.6%

Source: IRESS

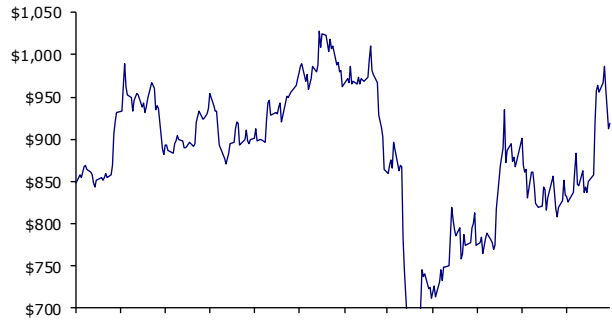


### 1 Year Commodity Price Charts

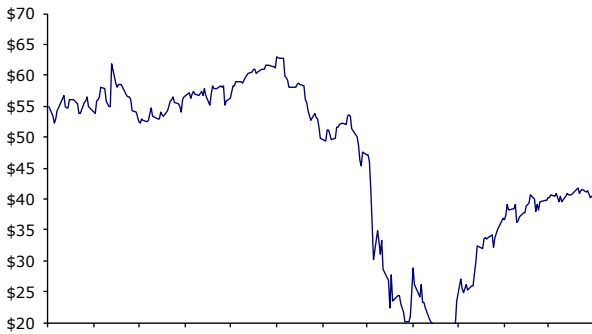
**1 Year Gold**



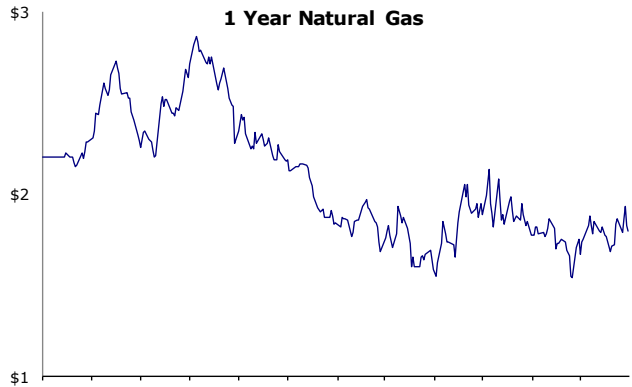
**1 Year Platinum**



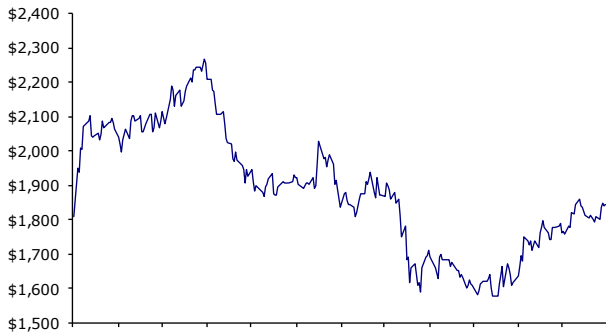
**1 Year Oil**



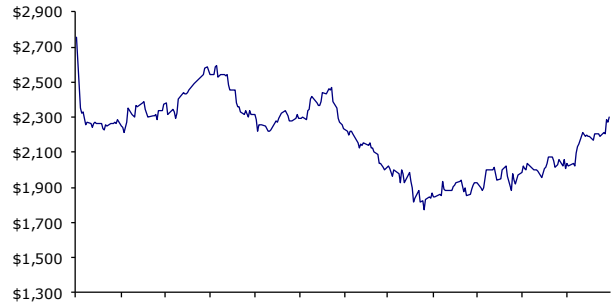
**1 Year Natural Gas**



**1 Year Lead**

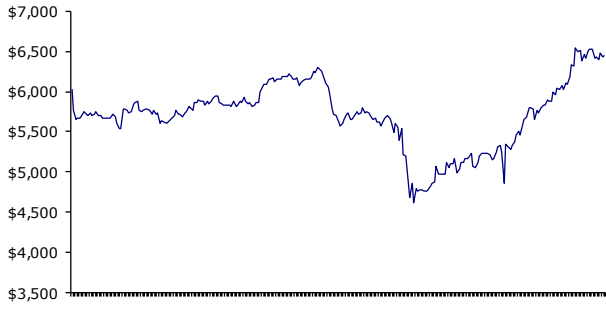


**1 Year Zinc**

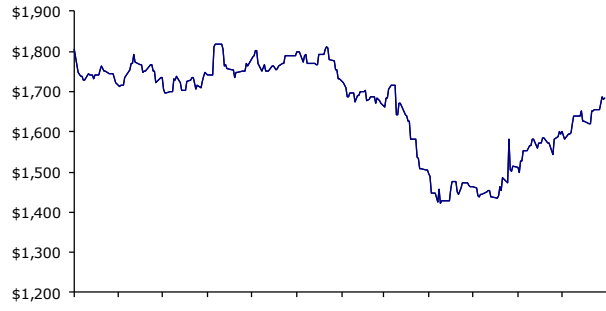




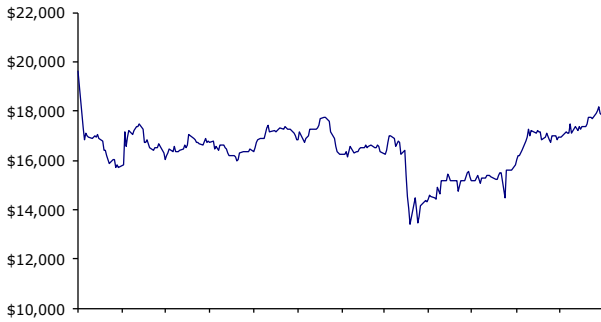
**1 Year Copper**



**1 Year Aluminium**

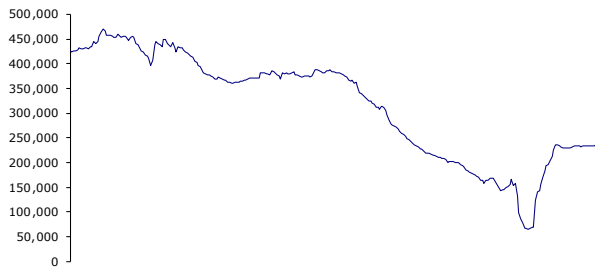


**1 Year Tin**

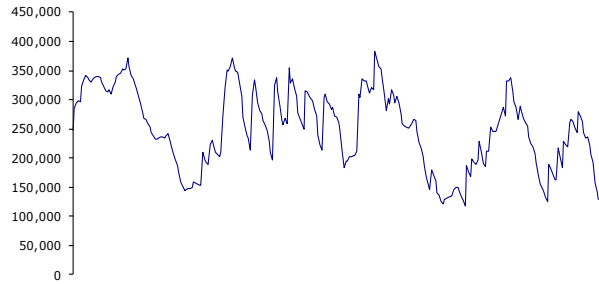


**5 Year Metals Stockpiles**

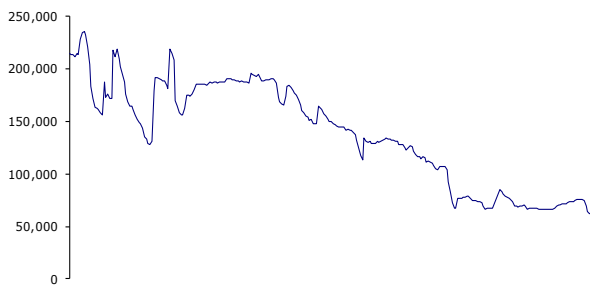
**Nickel LME Stockpiles - 5 Year**



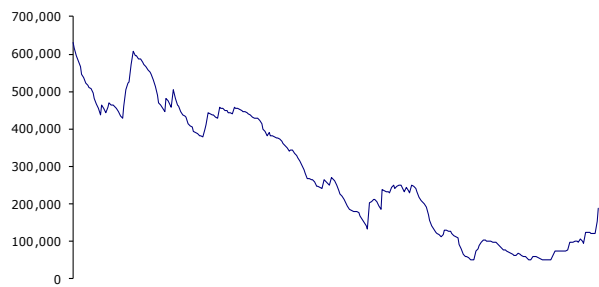
**Copper LME Stockpiles - 5 Year**



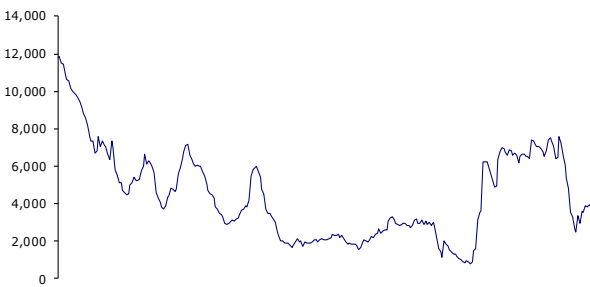
**Lead LME Stockpiles - 5 Year**



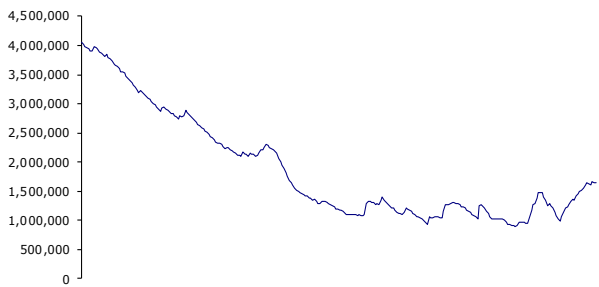
**Zinc LME Stockpiles - 5 Year**



**Tin LME Stockpiles - 5 Year**



**Aluminium LME Stockpiles - 5 Year**







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