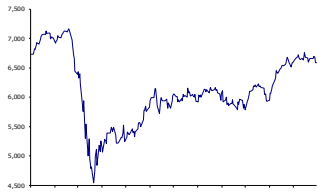
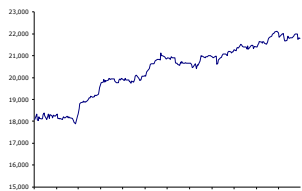


Issue 533
12-month XJO chart

12-month Dow Jones chart

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Global Wrap – 3 January 2021

| World Markets | 3/01/2021 | 27/12/2020 | Wkly Chg | Mthly Chg | Yearly Chg |
|--------------------|-----------|------------|----------|-----------|------------|
| ASX 200 | 6587 | 6665 | -1.2% | -2.1% | 18.8% |
| S&P 500 | 3756 | 3703 | 1.4% | 2.3% | 67.2% |
| FTSE 100 | 6461 | 6502 | -0.6% | -1.6% | -6.8% |
| DAX30 | 13719 | 13587 | 1.0% | 2.8% | 1.9% |
| Shanghai Composite | 3473 | 3397 | 2.2% | 3.0% | 8.0% |
| Nikkei 225 | 27444 | 26854 | 2.2% | 2.6% | 46.2% |
| Hang Seng | 27231 | 26387 | 3.2% | 2.7% | 19.1% |
| Currency | | | | | |
| AUD/USD | 0.7696 | 0.7578 | 1.6% | 1.4% | 10.8% |
| Commodities | | | | | |
| Oil (\$/bbl) | 48.5 | 47.7 | 1.7% | 3.4% | -23.0% |
| Gas (\$/gal) | 2.5 | 2.5 | 0.3% | 3.4% | 23.5% |
| Iron Ore (\$/t) | 0.0 | 53.9 | -100.0% | -100.0% | -100.0% |
| Copper (\$/t) | 7742 | 7793 | -0.7% | 0.5% | 32.6% |
| Lead (\$/t) | 1972 | 1957 | 0.8% | -6.1% | -15.4% |
| Zinc (\$/t) | 2749 | 2817 | -2.4% | -2.4% | 0.2% |
| Aluminium (\$/t) | 1978 | 2022 | -2.2% | -1.6% | 14.2% |
| Nickel (\$/t) | 16540 | 16951 | -2.4% | 0.4% | 45.5% |
| Tin (\$/t) | 20540 | 20277 | 1.3% | 5.9% | -4.0% |
| Gold (\$/oz) | 1895 | 1883 | 0.6% | 3.3% | 61.6% |
| Silver (\$/oz) | 26.4 | 25.9 | 1.9% | 10.4% | 54.5% |
| Platinum (\$/oz) | 1075 | 1029 | 4.5% | 5.6% | 14.7% |
| Wheat (\$/t) | 640.500 | 627.000 | 2.2% | 10.2% | 56.9% |

Source: Iress

Key points

1. US ends 2020 on record highs
2. Travel drags on ASX
3. What to watch in first week of 2021

In the US the **Dow Jones Industrial Average** and **S&P 500** rose to all-time highs on Thursday as Wall Street wrapped up one of the most volatile years for the market in recent memory, CNBC reported.

The Dow closed 196.92 points higher, or 0.7%, at 30,606.48. The S&P 500 climbed 0.6% to 3,756.07, while the **Nasdaq Composite** advanced 0.1% to 12,888.28.

Intel rose 2.2% to lead the Dow higher. Financials and utilities advanced more than 1% each to lift the S&P 500.

Thursday's moves came after the release of a better-than-expected reading on **US weekly jobless claims**. The number of first-time unemployment-benefits filers totalled 787,000 for the week ending 26 December, the Labor Department said on Thursday. Economists polled by Dow Jones were expecting 828,000.



The tech-heavy Nasdaq Composite gained 43.6% this year, posting its best one-year performance since 2009. The S&P 500 closed 2020 with a 16.3% gain suffered its most rapid 30% drawdown on record earlier in March. The Dow rose 7.3% in 2020.

The rebounds from the March lows came amid massive action by the Federal Reserve to shore up the credit markets, setting off a series of record highs before the end of year. The latest moves into record territory came amid the rollout of several Covid-19 vaccines and a new economic relief package from Congress.

In Asia, mainland Chinese stocks surged on New Year's Eve: the **Shanghai composite** climbed 1.72% to 3,473.07 while the **Shenzhen component** gained 1.895% to 14,470.68. The **Hang Seng** index in Hong Kong advanced 0.31% to 27,231.13.

China on Thursday said its **factory activity** expanded in December. The country's official manufacturing **Purchasing Managers' Index (PMI)** for December came in at 51.9, according to data from the National Bureau of Statistics. Analysts had expected the December figure to come in at 52, according to Reuters. It was a slight decline compared to November's reading of 52.1, but the December figure was above the 50-level that separates expansion from contraction.

China and the European Union also agreed on Wednesday to an investment deal that will give firms in Europe greater access to Chinese markets, Reuters reported.

Markets in Singapore and Hong Kong closed earlier than usual on Thursday due to New Year's Eve. Markets in Japan and South Korea were closed on Thursday for a holiday.

The **pan-European Stoxx 600** index closed 0.14% lower on New Year's Eve after a shorter trading session.

London's FTSE index closed 1.45% lower on the final day that the UK is a de facto member of the EU's single market and customs union before Brexit is definitively implemented.

UK banks, retailers and home builders were among the stocks trading lower Thursday. Sentiment was likely affected by both Brexit uncertainty and further restrictions on public life announced by the UK government on Wednesday due to the rate of coronavirus infection.

Year-to-date, the Stoxx 600 index closed down 3.8%, however it was up nearly 11% for the quarter. Looking at individual indexes, the FTSE was down over 14% year-to-date, marking its worst year since 2008.

On the coronavirus front, the vaccine developed by the University of Oxford and AstraZeneca received authorisation on Wednesday for emergency use in the UK. Still, the UK government outlined plans on Wednesday to impose stricter coronavirus restrictions on millions of people across England as a new strain of the virus spreads across the country.

In individual stocks news, Airbus shares slipped 1.6% after US trade officials said they were increasing tariffs on certain EU products, including aircraft-related parts and wines from France and Germany. The move is the latest action in a 16-year dispute over civil aviation subsidies involving Europe-based Airbus and its US-based competitor [Boeing](#).

In Australia the benchmark **S&P/ASX 200** index fell 1.4%, or 95 points, to close at 6587 despite US stocks moving up on the back of stimulus and vaccine optimism.

Investor sentiment was weighed down by the rising local COVID-19 cases, with travel-related stocks the hardest hit during the shortened session. Flight Centre Travel fell 3.8% to \$15.88, Webjet Limited slid 3.2% to \$5.09 and Helloworld Travel slumped 3.82%. Qantas Airways lost 1.8% to close the year at \$4.87.

Having hit highs of 7162.5 points in February, the index tumbled to a low of 4546 points in March as COVID-19 spread beyond China. The market has since managed to pick itself up, rising 45% since the low of March 23 and closed out the year at almost level pegging to where it started.

The All Ordinaries closed for the year 1.3%, or 92.3 points weaker at 6850.60.

Market analysts told The Sydney Morning Herald they expect investors to switch back to a buying mood in the new year.



Analysts that the combination of vaccines being made available by mid-year and central banks looking likely to keep interest rates on hold for several years, which is the big difference from coming out of typical recessions, bodes well for the market.

The new year will kick off next week with the following data releases:

The US Federal Reserve's minutes on Wednesday; Australia's trade balance on Wednesday and non-farm payrolls in the US on Friday.

Economic Calendar 4/01/2021 – 8/01/2021

| Monday January 04 2021 | | Actual | Previous | Consensus | Forecast | |
|---------------------------|---------------------------------|--------|-----------|-----------|----------|--|
| 09:45 AM | CN Caixin Manufacturing PMI DEC | | 54.9 | 54.8 | 54.6 | |
| Wednesday January 06 2021 | | Actual | Previous | Consensus | Forecast | |
| 01:00 PM | JP Consumer Confidence DEC | | 33.7 | | 35 | |
| Thursday January 07 2021 | | Actual | Previous | Consensus | Forecast | |
| 08:30 AM | AU Balance of Trade NOV | | A\$7.456B | | | |
| 09:30 PM | CA Balance of Trade NOV | | C\$-3.76B | C\$-3.3B | C\$-3.2B | |
| 09:30 PM | US Balance of Trade NOV | | \$-63.1B | \$-64.5B | \$-67.6B | |
| 11:00 PM | CA Ivey PMI s.a DEC | | 52.7 | | 53.2 | |
| Friday January 08 2021 | | Actual | Previous | Consensus | Forecast | |
| 03:00 PM | DE Balance of Trade NOV | | €19.4B | | €17.6B | |
| 09:30 PM | US Non Farm Payrolls DEC | | 245K | 100K | 112K | |

Economic Calendar 11/01/2021 – 15/01/2021

| Monday January 11 2021 | | Actual | Previous | Consensus | Forecast | |
|---------------------------|---|--------|----------|-----------|----------|--|
| 09:30 AM | CN Inflation Rate YoY DEC | | -0.5% | | -0.7% | |
| Tuesday January 12 2021 | | Actual | Previous | Consensus | Forecast | |
| 07:30 AM | AU Westpac Consumer Confidence Change JAN | | 4.1% | | | |
| 07:30 AM | AU Westpac Consumer Confidence Index JAN | | 112 | | | |
| Wednesday January 13 2021 | | Actual | Previous | Consensus | Forecast | |
| 09:30 PM | US Core Inflation Rate YoY DEC | | 1.6% | | 1.6% | |
| 09:30 PM | US Inflation Rate YoY DEC | | 1.2% | | 1.2% | |
| Thursday January 14 2021 | | Actual | Previous | Consensus | Forecast | |
| 05:00 PM | DE Government Budget 2020 | | 1.5% | | -7% | |
| Friday January 15 2021 | | Actual | Previous | Consensus | Forecast | |
| 03:00 PM | GB Balance of Trade NOV | | £-1.7B | | £-1.2B | |
| 09:30 PM | US Retail Sales MoM DEC | | -1.1% | 0.0% | 0.2% | |

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 1 January 2021**

| 10 Best Performing Stocks Weekly (%) | | | 10 Worst Performing Stocks Weekly (%) | | |
|--------------------------------------|---------------------|------|---------------------------------------|----------------------|------|
| OBL | Omni Bridgeway Ltd | 10.8 | GUD | G.U.D. Holdings | -4.2 |
| SGM | Sims Limited | 5.1 | QBE | QBE Insurance Group | -3.7 |
| MIN | Mineral Resources. | 4.6 | BIN | Bingo Industries Ltd | -3.6 |
| A2M | The A2 Milk Company | 4.6 | SHL | Sonic Healthcare | -3.5 |
| PRU | Perseus Mining Ltd | 4.4 | CTD | Corp Travel Limited | -3.5 |
| GOR | Gold Road Res Ltd | 4.3 | RHC | Ramsay Health Care | -3.4 |
| OSH | Oil Search Ltd | 4.2 | IEL | Idp Education Ltd | -3.4 |
| ABC | Adbri Limited | 4.0 | BPT | Beach Energy Limited | -3.2 |
| RSG | Resolute Mining | 3.2 | CUV | Clinuvel Pharmaceut. | -3.1 |
| IGO | IGO Limited | 3.2 | MSB | Mesoblast Limited | -3.0 |

Source: IRESS

S & P Indices Week Ending 1 January 2021

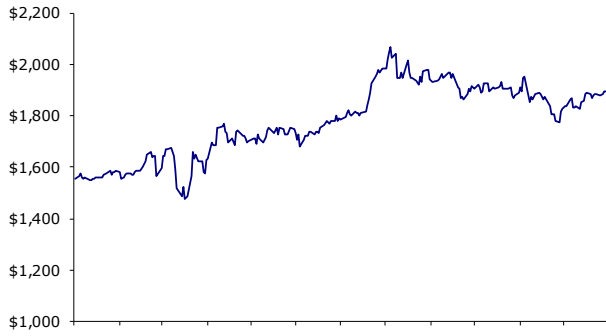
| S&P Indices | 3/01/2021 | 27/12/2020 | Wkly Chg | Mthly Chg | Yearly Chg |
|--------------------------|-----------|------------|----------|-----------|------------|
| S&P 200 Energy | 8059 | 8078 | -0.2% | -3.1% | -9.4% |
| S&P 200 Materials | 15669 | 15746 | -0.5% | -0.2% | 58.3% |
| S&P 200 Industrials | 5974 | 6060 | -1.4% | -4.1% | 17.1% |
| S&P 200 Consumer Disc. | 2910 | 2952 | -1.4% | 0.0% | 39.0% |
| S&P 200 Consumer Staples | 12642 | 12740 | -0.8% | -2.1% | 47.8% |
| S&P 200 Healthcare | 41843 | 42716 | -2.0% | -6.3% | 117.0% |
| S&P 200 Financials | 5438 | 5512 | -1.3% | -2.8% | -14.7% |
| S&P 200 Info Technology | 2199 | 2192 | 0.3% | 5.6% | 182.8% |
| S&P 200 Telecommunicatic | 1269 | 1279 | -0.8% | -1.5% | -27.7% |
| S&P 200 Utilities | 6401 | 6604 | -3.1% | -7.4% | -15.1% |
| S&P 200 Property Trusts | 1443 | 1475 | -2.2% | -0.7% | 7.6% |
| S&P 200 Financials ex PT | 6065 | 6147 | -1.3% | -2.8% | -14.7% |

Source: IRESS

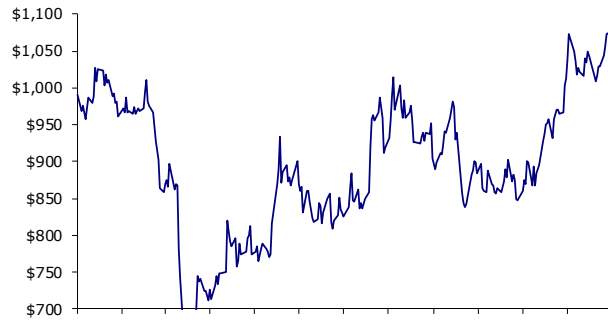


1 Year Commodity Price Charts

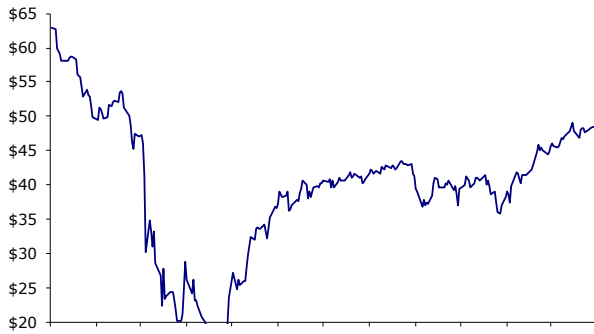
1 Year Gold



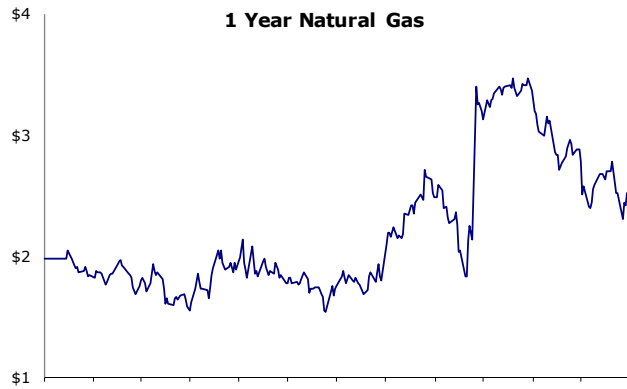
1 Year Platinum



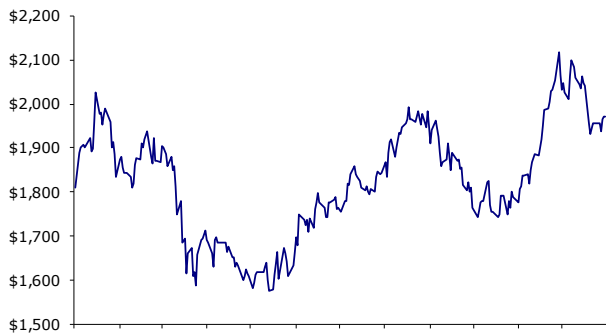
1 Year Oil



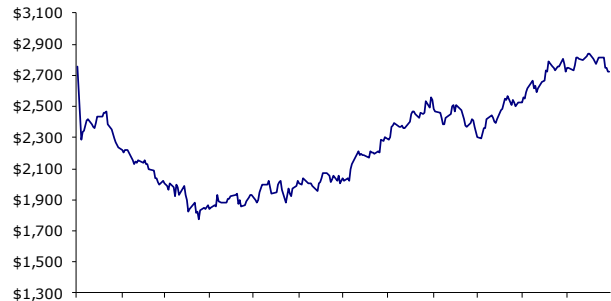
1 Year Natural Gas



1 Year Lead

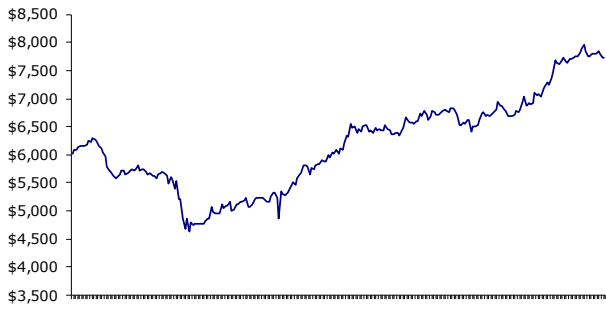


1 Year Zinc

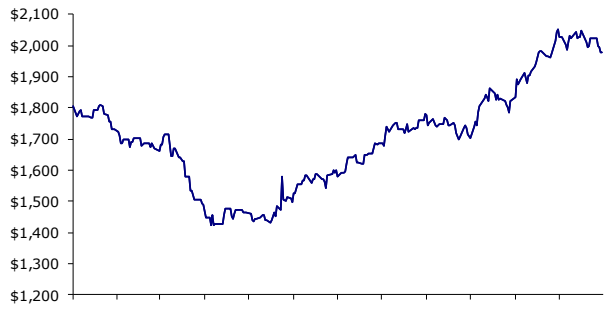




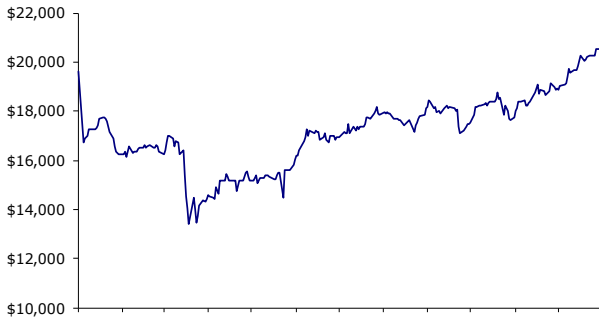
1 Year Copper



1 Year Aluminium

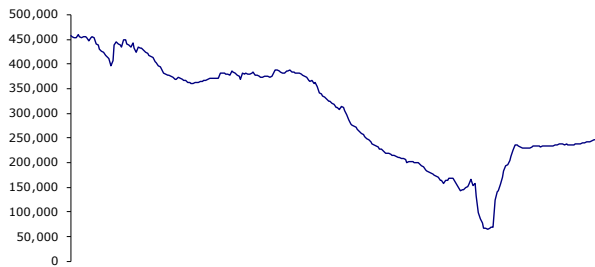


1 Year Tin

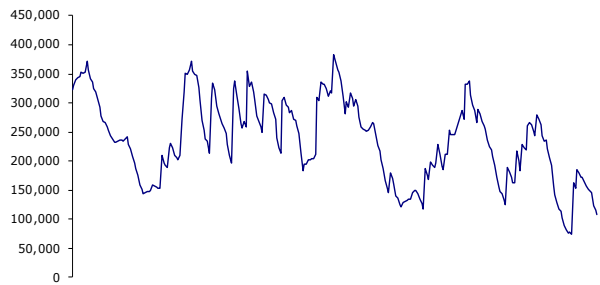


5 Year Metals Stockpiles

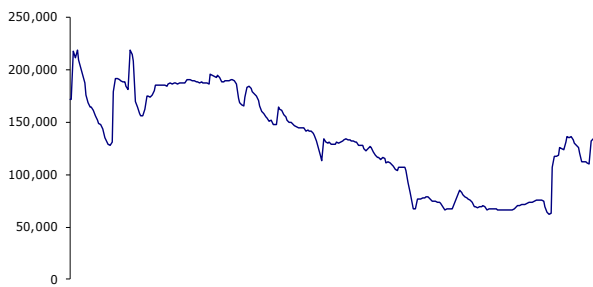
Nickel LME Stockpiles - 5 Year



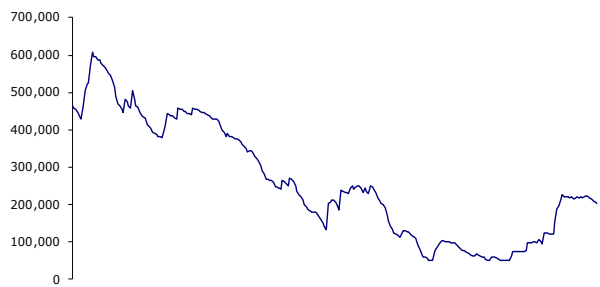
Copper LME Stockpiles - 5 Year



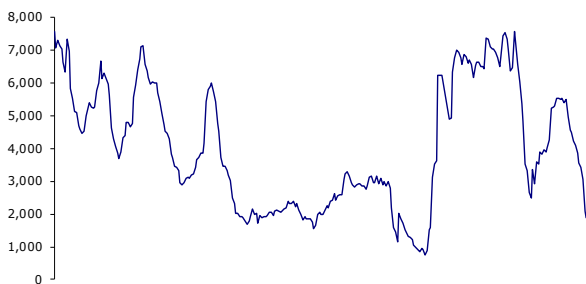
Lead LME Stockpiles - 5 Year



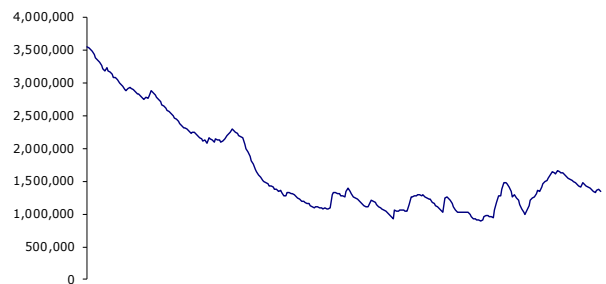
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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