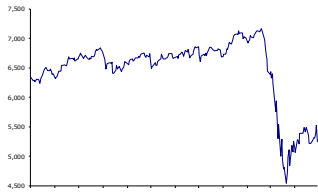


**Issue 498**
**12-month XJO chart**

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**Global Wrap – 3 May 2020**

World Markets	3/05/2020	26/04/2020	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5246	5243	0.1%	0.7%	-5.4%
S&P 500	2831	2837	-0.2%	2.9%	26.0%
FTSE 100	5763	5752	0.2%	1.5%	-16.9%
DAX30	10862	10336	5.1%	5.1%	-9.4%
Shanghai Composite	2860	2815	1.6%	1.2%	-11.0%
Nikkei 225	19619	19783	-0.8%	1.4%	4.6%
Hang Seng	24644	23831	3.4%	2.8%	7.8%
<b>Currency</b>					
AUD/USD	0.6421	0.6463	-0.7%	0.8%	-8.6%
<b>Commodities</b>					
Oil (\$/bbl)	19.7	13.1	50.8%	-15.0%	-68.2%
Gas (\$/gal)	1.9	1.9	-0.3%	6.0%	-29.3%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	5061	5118	-1.1%	1.7%	-13.3%
Lead (\$/t)	1583	1601	-1.1%	-6.8%	-32.1%
Zinc (\$/t)	1930	1864	3.5%	2.1%	-29.7%
Aluminium (\$/t)	1440	1473	-2.2%	1.3%	-16.8%
Nickel (\$/t)	11853	12073	-1.8%	3.7%	4.2%
Tin (\$/t)	15169	15200	-0.2%	3.4%	-29.1%
Gold (\$/oz)	1701	1736	-2.0%	1.0%	45.1%
Silver (\$/oz)	14.9	15.4	-3.3%	-1.8%	-12.6%
Platinum (\$/oz)	774	774	0.0%	5.5%	-17.5%
Wheat (\$/t)	515.500	532.500	-3.2%	-6.2%	26.3%

Source: Iress

**Key points**

1. The week in review
2. What happened Friday
3. What happens next week

**The week in review**

Global equity markets rallied this week, until Friday, as governments signalled the beginning of an end to lockdown measures.

Buoyed by central bank stimulus, markets looked through stark evidence of the epidemic's damage to the global economy, with annual gross domestic product contractions of 4.8% in the US and 3.8% in the Eurozone for the March 2020 quarter.

Retailers, hair and beauty salons, and other non-essential businesses reopened in some US states.

Meanwhile hard-hit European countries, including Italy and Spain, began lifting their stringent social measures as the coronavirus outbreak showed signs of slowing.



The MSCI World Index (AUD), UK FTSE 100 Index, European Stoxx 600 Index and US S&P 500 Index were up 3.0%, 2.6%, 3.2% and 2.7% for the week.

The S&P/ASX All Ordinaries Accumulation Index closed up 0.7% for the week as the Morrison Government pressed plans for an orderly reopening of the domestic economy.

Two of the big four Australian banks reported earnings this week with both citing an uncertain environment due to the coronavirus pandemic.

The National Australia Bank raised \$3.5 billion to strengthen its balance sheet in the event of a prolonged and severe economic downturn. The Australian and New Zealand Bank took credit impairment charges of \$1.7 billion and deferred its dividend without raising additional capital.

Despite predictions of deflation to occur in the June 2020 quarter, annualised inflation rose by 2.2% in the March 2020 quarter, reflecting the impact of drought, bushfires and panic buying in the early weeks of the coronavirus pandemic.

### **Friday's trade - US**

The Dow closed 622.03 points lower, or 2.55%, at 23,723.69, CNBC reported. The S&P 500 fell 2.81% to 2,830.71. The Nasdaq Composite slid 3.20% to close at 8,604.95. Stocks slumped on Friday as shares of Amazon led the major indexes lower on the month's first day of trading.

**Amazon, Apple fall on quarterly announcements**

Amazon shares fell 7.6% after it said it will spend all its second-quarter profits on its coronavirus response. The e-commerce behemoth also posted a first-quarter profit that missed analyst expectations. Apple also slid 1.6% after announcing flat revenue growth and not giving guidance for the current quarter amid the coronavirus pandemic. The possibility of another skirmish between China and the US also pressured stocks after White House economic advisor Larry Kudlow said the Chinese will be held accountable for the coronavirus.

**'Reopening' trade takes a hit**

Shares that would benefit from an economic reopening took a hit on Friday. Carnival shares dropped 12.39% while MGM Resorts closed 10.81% lower. Kohl's department store slid 4.44%.

US Federal Reserve Chair Jerome Powell predicted this June quarter would see some of the most dire economic numbers in history while roughly 30 million people have so far filed for the unemployment benefit in the US.

### **Asia**

The Nikkei 225 in Japan slipped 2.84% to close at 19,619.35, with shares of Tokyo Electron dropping 5.51%. The Topix index also shed 2.24% to end its trading day at 1,431.26.

Major markets across the region — including China, Hong Kong, South Korea, India and Singapore — were closed on Friday for holidays.

On the economic data front, South Korean exports fell in April at their sharpest pace since the global financial crisis, Reuters reported on Friday.

Exports fell 24.3% year-on-year in April, the worst contraction since May 2009. Still, it was slightly smaller than expectations of a 25.4% drop in a Reuters survey.

The data release from South Korea, a major Asian economy and exporting powerhouse, could provide clues on the scale of the economic hit from the coronavirus pandemic.

Globally, more than 3.2 million people have been infected while at least 233,000 lives have been lost, according to data compiled by Johns Hopkins University.



## Europe

The pan-European Stoxx 600 closed down by over 2% provisionally with all sectors and most major bourses in the red.

The European Central Bank (ECB) held rates but said it stood ready to increase stimulus in order to fight the economic fallout from the coronavirus pandemic. The central bank also announced that it had eased lending conditions for banks.

Euro zone GDP contracted by a record 3.8% in the first quarter, compared to the last three months of 2019, official figures showed on Thursday, as lockdowns resulting from the coronavirus pandemic ravage the 19-member bloc's economy.

France entered a technical recession with a contraction of 5.8% in the first three months of the year, the sharpest decline for Europe's second-largest economy since records began in 1949.

## Australia

The ASX200 finished down by more than 5% on Friday as May provided a reality check to those hoping for more of April's record gains, The Sydney Morning Herald reported.

The index finished the trading day down 276 points or 5.01%, at 5245.9.

All sectors finished in the red but it was energy and financial stocks that dragged the most, down 6.8% and 5.6% respectively.

Analysts and experts said investors shouldn't be surprised that the momentum in gains did not continue.

The banking sector dragged the market lower throughout the session with all four big banks posting losses of between three and five per-cent. NAB was trading ex-dividend while investors were trying to make sense of ANZ's decision to defer its interim dividend.

At the same time, a slew of concerning economic data including the jobless numbers and early indications of the housing sector slowdown added to volatility, experts said.

The lack of policy detail about how the economy will open back up after the pandemic was a recipe for volatility,

Meanwhile, oil prices rose in the afternoon of Asian trading hours, as international benchmark Brent crude futures gained 1.6% to \$26.91 per barrel. US crude futures also rose, increasing 2.65% to \$19.34 per barrel.

**This coming week**, the Reserve Bank of Australia will release its interest rate decision, with the cash rate widely expected to be left at 0.25%. The RBA's decision will be released on Friday. Also on Friday key non-farm payroll figures will be released in the US.

**Economic Calendar 4/05/2020 – 8/05/2020**

Tuesday May 05 2020		Actual	Previous	Consensus	Forecast
12:30 PM	AU RBA Interest Rate Decision		0.25%		0.25%
08:30 PM	CA Balance of Trade MAR		C\$-0.98B		C\$ -1.5B
08:30 PM	US Balance of Trade MAR		\$-39.9B	\$-38B	\$-44.2B
Thursday May 07 2020		Actual	Previous	Consensus	Forecast
09:30 AM	AU Balance of Trade MAR		A\$4.36B		A\$ 2.6B
07:00 PM	GB BoE Interest Rate Decision		0.1%		0.1%
10:00 PM	CA Ivey PMI s.a APR		26		20
Friday May 08 2020		Actual	Previous	Consensus	Forecast
07:01 AM	GB Gfk Consumer Confidence Flash MAY		-34		-42
02:00 PM	DE Balance of Trade MAR		€20.8B		€ 25B
08:30 PM	US Non Farm Payrolls APR		-701K	-20000K	-20980K

Source: [www.tradingeconomics.com](http://www.tradingeconomics.com)**Economic Calendar 11/05/2020 – 15/05/2020**

Tuesday May 12 2020		Actual	Previous	Consensus	Forecast
09:30 AM	AU NAB Business Confidence APR		-66		-75
09:30 AM	CN Inflation Rate YoY APR		4.3%		5.4%
02:00 PM	GB Balance of Trade MAR		£-2.8B		£ 6.7B
02:00 PM	GB GDP Growth Rate YoY Prel Q1		1.1%		-4.2%
02:00 PM	GB GDP Growth Rate QoQ Prel Q1		0.0%		-4.4%
08:30 PM	US Core Inflation Rate YoY APR		2.1%		
08:30 PM	US Inflation Rate YoY APR				
Wednesday May 13 2020		Actual	Previous	Consensus	Forecast
08:30 AM	AU Westpac Consumer Confidence Index MAY		75.6		
08:30 AM	AU Westpac Consumer Confidence Change MAY		-17.7%		
Friday May 15 2020		Actual	Previous	Consensus	Forecast
02:00 PM	DE GDP Growth Rate YoY Flash Q1		0.4%		-2.2%
02:00 PM	DE GDP Growth Rate QoQ Flash Q1		0%		-2.2%
05:00 PM	EA GDP Growth Rate YoY 2nd Est Q1		1%	-3.3%	-3.3%
05:00 PM	EA GDP Growth Rate QoQ 2nd Est Q1		0.1%	-3.8%	-3.8%
08:30 PM	US Retail Sales MoM APR		-8.4%		-9.8%

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

**All Ords Top 10 Week Ending 1 May 2020**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
CTD	Corp Travel Limited	38.4	NCM	Newcrest Mining	-11.8
APE	AP Eagers Limited	31.7	GOR	Gold Road Res Ltd	-11.2
OML	Ooh!Media Limited	29.2	NST	Northern Star	-10.9
NEA	Nearmap Ltd	24.9	SAR	Saracen Mineral	-9.8
IFL	IOOF Holdings Ltd	22.9	EVN	Evolution Mining Ltd	-8.9
WOR	Worley Limited	20.0	ASB	Austal Limited	-8.2
DHG	Domain Holdings Aus	19.5	SLR	Silver Lake Resource	-8.1
NEC	Nine Entertainment	19.1	SBM	St Barbara Limited	-6.6
EML	EML Payments Ltd	18.8	IGO	IGO Limited	-6.6
SKC	Skycity Ent Grp Ltd	17.1	RRL	Regis Resources	-6.4

Source: IRESS

**S & P Indices Week Ending 1 May 2020**

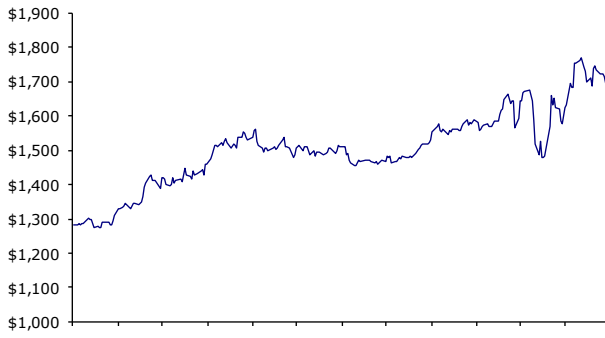
S&P Indices	3/05/2020	26/04/2020	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	6883	6532	5.4%	2.9%	-22.6%
S&P 200 Materials	11226	11485	-2.3%	-1.4%	13.4%
S&P 200 Industrials	5322	5131	3.7%	7.6%	4.3%
S&P 200 Consumer Disc.	2077	1977	5.0%	5.7%	-0.8%
S&P 200 Consumer Staples	11561	12011	-3.7%	-2.8%	35.1%
S&P 200 Healthcare	41863	43131	-2.9%	-1.7%	117.1%
S&P 200 Financials	4137	4122	0.4%	0.2%	-35.1%
S&P 200 Info Technology	1245	1168	6.6%	13.7%	60.1%
S&P 200 Telecommunicatic	1058	1051	0.7%	-0.3%	-39.7%
S&P 200 Utilities	7354	7604	-3.3%	0.2%	-2.5%
S&P 200 Property Trusts	1093	1083	1.0%	-1.0%	-18.5%
S&P 200 Financials ex PT	4614	4597	0.4%	0.2%	-35.1%

Source: IRESS

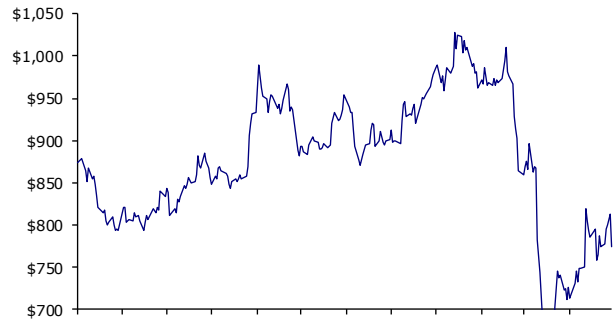


### 1 Year Commodity Price Charts

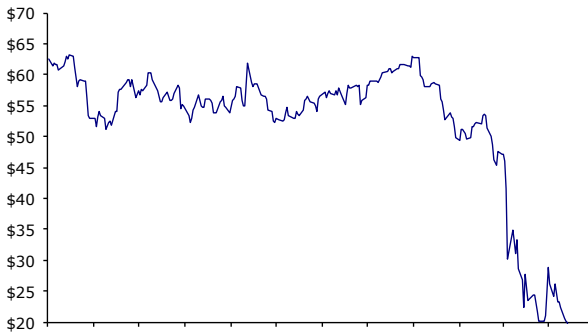
**1 Year Gold**



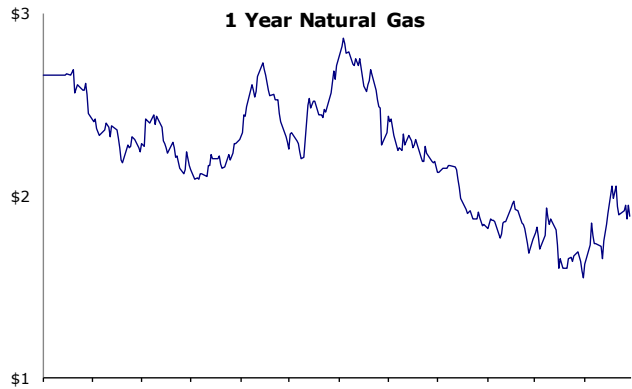
**1 Year Platinum**



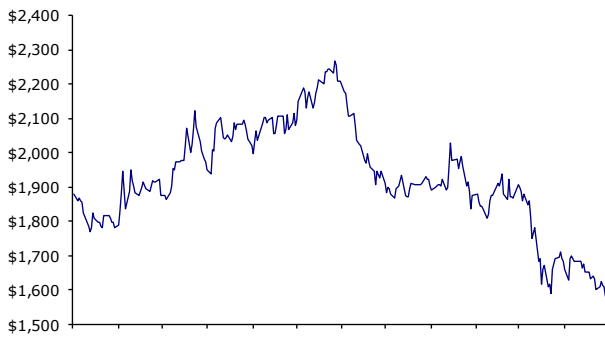
**1 Year Oil**



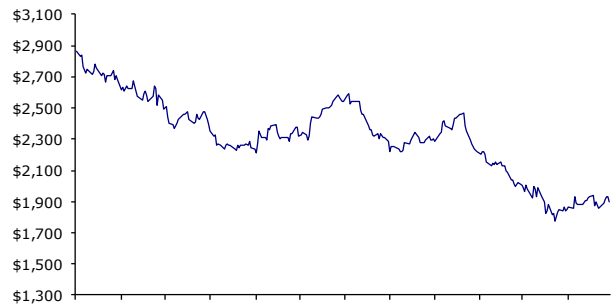
**1 Year Natural Gas**



**1 Year Lead**

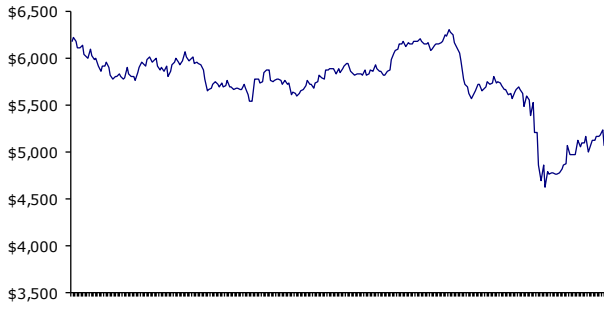


**1 Year Zinc**

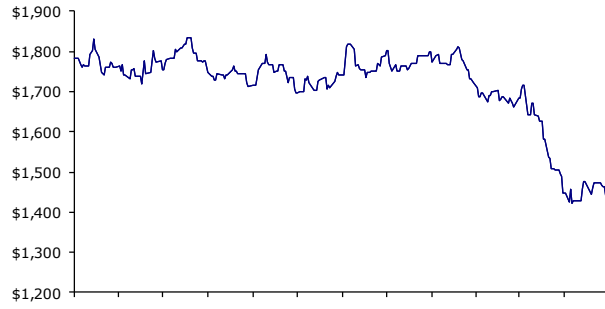




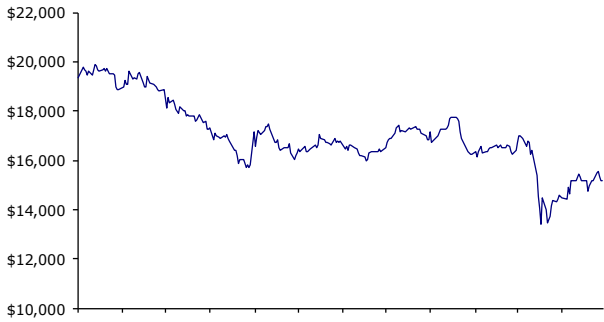
**1 Year Copper**



**1 Year Aluminium**

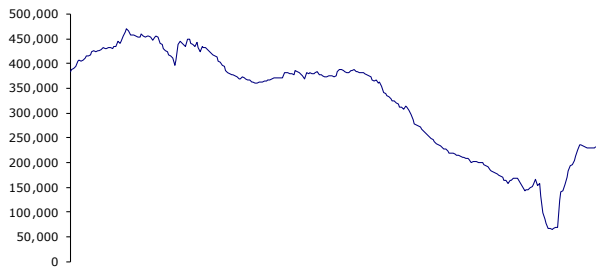


**1 Year Tin**

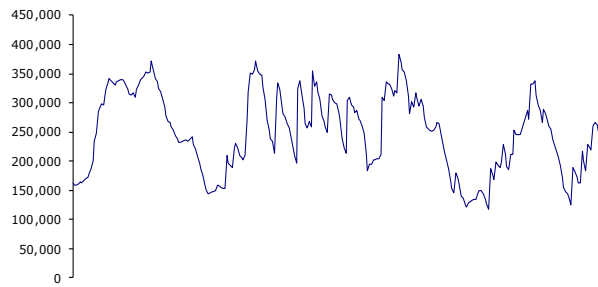


**5 Year Metals Stockpiles**

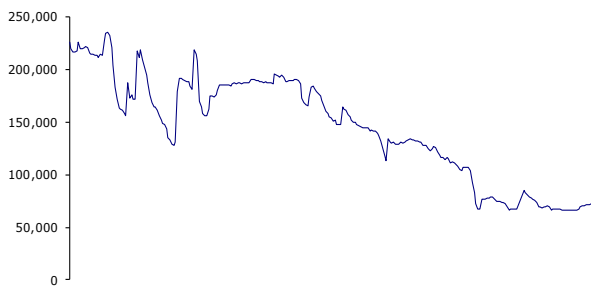
**Nickel LME Stockpiles - 5 Year**



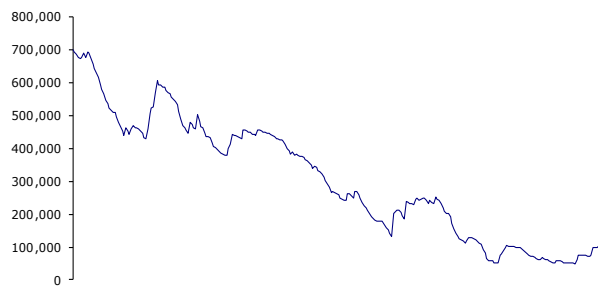
**Copper LME Stockpiles - 5 Year**



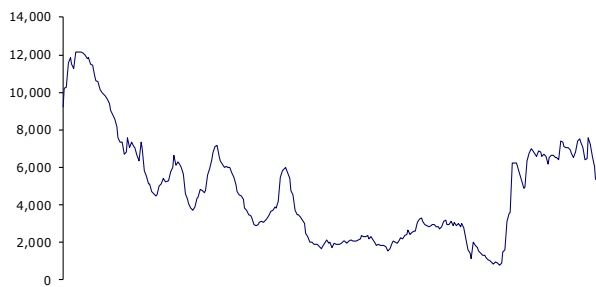
**Lead LME Stockpiles - 5 Year**



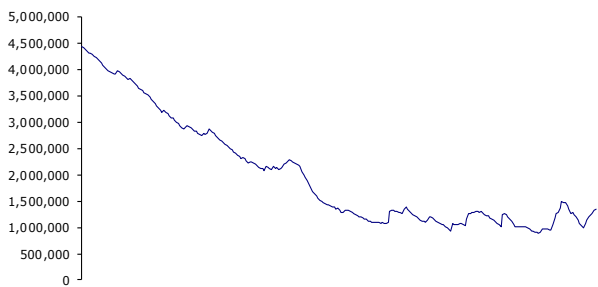
**Zinc LME Stockpiles - 5 Year**



**Tin LME Stockpiles - 5 Year**



**Aluminium LME Stockpiles - 5 Year**





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