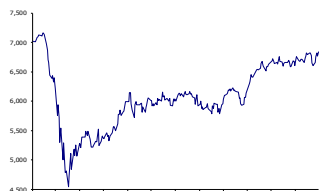


Issue 538
12-month XJO chart

12-month Dow Jones chart

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Global Wrap – 7 February 2021

World Markets	7/02/2021	31/01/2021	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	6841	6607	3.5%	2.3%	23.4%
S&P 500	3887	3714	4.6%	2.0%	73.0%
FTSE 100	6489	6407	1.3%	-3.8%	-6.4%
DAX30	14050	13719	2.4%	3.6%	3.6%
Shanghai Composite	3496	3505	-0.3%	-2.0%	8.7%
Nikkei 225	28779	28091	2.4%	0.3%	53.4%
Hang Seng	29289	28284	3.6%	3.7%	28.1%
Currency					
AUD/USD	0.7677	0.7648	0.4%	0.2%	11.7%
Commodities					
Oil (\$/bbl)	56.9	52.2	8.9%	7.5%	10.3%
Gas (\$/gal)	2.9	2.6	11.7%	6.5%	48.7%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	7937	7877	0.8%	-0.3%	35.9%
Lead (\$/t)	2031	2013	0.9%	0.6%	-12.9%
Zinc (\$/t)	2585	2565	0.8%	-6.1%	-5.8%
Aluminium (\$/t)	2008	1987	1.0%	-0.1%	15.9%
Nickel (\$/t)	17954	17727	1.3%	1.6%	57.9%
Tin (\$/t)	23985	23657	1.4%	12.0%	12.1%
Gold (\$/oz)	1813	1850	-2.0%	-2.3%	54.6%
Silver (\$/oz)	27.0	26.9	0.4%	5.7%	58.1%
Platinum (\$/oz)	1133	1079	5.0%	2.5%	20.8%
Wheat (\$/t)	641.250	662.500	-3.2%	-2.7%	57.1%

Source: Iress

Key points

1. US earnings, stimulus package and vaccine rollout lifts markets
2. Reserve Bank of Australia confirms interest rates to stay low for some time.
3. What to watch next week

US stocks climbed on Friday, wrapping up a strong week on Wall Street as investors hoped a disappointing January jobs report would increase the likelihood of further stimulus, CNBC reported.

The **Dow Jones Industrial Average** rose 92.38 points, or 0.3%, to 31,148.24, led by **Nike** and **Cisco**. The **S&P 500** climbed 0.4% to a record close of 3,886.83 as 10 of the 11 sectors posted gains. The **Nasdaq Composite** advanced 0.6% to 13,856.30, also hitting a fresh closing high.

All three major benchmarks notched their best week since November. The blue-chip Dow gained 3.9% for the week, while the S&P 500 and the tech-heavy Nasdaq jumped 4.7% and 6%, respectively. The small-cap Russell 2000 rallied 7.7% for its best weekly performance since June.

The Labor Department said the US added 49,000 jobs in January, slightly below the 50,000 payrolls expected by economists. The unemployment rate fell to 6.3%, better than projections of 6.7%.



The Senate passed a budget resolution early Friday, as Democrats move forward with the process to pass a \$1.9 trillion coronavirus relief bill without Republican votes.

Meanwhile the **Cboe Volatility Index**, known as the **VIX**, fell more than 12 points this week to around 21 on Friday with a speculative trading frenzy dissipating.

Some on Wall Street believe if the fear gauge breaks below 20, it could send a big “risk on” signal as the level would trigger buying from algorithmic traders and other big players.

Wall Street was also in the middle of a solid earnings season. Of the 184 companies in the S&P 500 that have reported earnings to date, 84.2% topped analyst expectations, according to Refinitiv.

This means the rally’s three pillars actually got stronger: strong Q4 earnings, more stimulus being poured into the economy and the accelerating pace of COVID-19 vaccinations.

Shares in Asia rose on Friday following the US gains on Thursday, Shares of China’s Kuaishou Technology (and **Tik Tok rival**) soared in their Hong Kong debut, rocketing nearly 200% from their issue price of 115 Hong Kong dollars (about US\$14.83) per share. The stock later pared those initial gains, but was still up about 160.87% on the day.

Meanwhile, the benchmark **Hang Seng index** in Hong Kong gained 0.6% to close at 29,288.68. Mainland Chinese stocks lagged as they closed lower: The **Shanghai composite** was down 0.16% to 3,496.33 while the Shenzhen component declined 0.653% to about 15,007.30.

In Japan, the **Nikkei 225** gained 1.54% to close at 28,779.19 while the Topix index rose 1.38% to finish its trading day at 1,890.95.

South Korea’s Kospi advanced 1.07% to close at 3,120.63.

European stocks were modestly higher Friday as investors look to vaccine rollouts for hopes of normalization, while global markets flirt with record highs.

The **pan-European Stoxx 600** was up 0.3% during afternoon trading in Europe. Banks climbed 1.6% to lead gains while telecoms fell 0.7%.

In corporate news, concerns are growing about a shortage of semiconductors for the automotive industry, after Ford and Stellantis announced production cuts due to the issue, while German supplier Robert Bosch and chipmaker Infineon issued warnings.

The **ASX200** nudged 11-month highs throughout Friday’s session, with tech and banking stocks leading the index to gains of 3.5% for the week. The index ended up at 6840, up 1.1%

The **financials sector** finished the session up 1.8%, with NAB, Westpac, ANZ and Commonwealth Bank up at least one per cent each.

The **IT index** gained 2.2%, powered by Afterpay which touched near record highs at \$151.

A strong quarterly result from News Corporation led shares close to 13.9% higher for the session to \$28.41, while South32 lost 3.3% to \$2.64 after its planned expansion of the Dendrobium coal project was rejected by the NSW independent planning commission.

Investors had plenty of **economic data** to digest, with Reserve Bank Governor Philip Lowe addressing the House of Representatives economics committee, while ABS retail figures showed sales in December fell four per cent month-on-month.

However analysts told The Sydney Morning Herald expect sales to make a strong contribution to GDP in the fourth quarter.

Dr Lowe confirmed the RBA will continue to buy government bonds beyond April, when its current \$100 billion plan ends, revealing the buy-ups have so far lowered yields on longer-term Australian Government bonds by around 30 basis points.

He confirmed interest rates will continue to be low “for quite a while yet”.

This coming week, the Westpac Consumer Confidence index will be out on Tuesday. The US and China will release their CPI readings on Wednesday.

**Economic Calendar 8/02/2021 – 12/02/2021**

Tuesday February 09 2021		Actual	Previous	Consensus	Forecast	
08:30 AM	AU NAB Business Confidence JAN		4		5	
03:00 PM	DE Balance of Trade DEC		€17.2B		€16.2B	
Wednesday February 10 2021		Actual	Previous	Consensus	Forecast	
09:30 AM	CN Inflation Rate YoY JAN		0.2%	-0.1%	0.5%	
09:30 PM	US Core Inflation Rate YoY JAN		1.6%	1.6%	1.6%	
09:30 PM	US Inflation Rate YoY JAN		1.4%	1.5%	1.4%	
Thursday February 11 2021		Actual	Previous	Consensus	Forecast	
07:30 AM	AU Westpac Consumer Confidence Change FEB		-4.5%		1%	
07:30 AM	AU Westpac Consumer Confidence Index FEB		107		108	
Friday February 12 2021		Actual	Previous	Consensus	Forecast	
03:00 PM	GB Balance of Trade DEC		£-5B		£-4.2B	

Economic Calendar 15/02/2021 – 19/02/2021

Tuesday February 16 2021		Actual	Previous	Consensus	Forecast	
06:00 PM	DE ZEW Economic Sentiment Index FEB		61.8			
Wednesday February 17 2021		Actual	Previous	Consensus	Forecast	
07:50 AM	JP Balance of Trade JAN		¥751B			
03:00 PM	GB Inflation Rate YoY JAN		0.6%		0.4%	
09:30 PM	CA Inflation Rate YoY JAN		0.7%			
09:30 PM	US Retail Sales MoM JAN		-0.7%			
Thursday February 18 2021		Actual	Previous	Consensus	Forecast	
03:00 AM	US FOMC Minutes					
Friday February 19 2021		Actual	Previous	Consensus	Forecast	
07:30 AM	JP Inflation Rate YoY JAN		-1.2%			
08:01 AM	GB Gfk Consumer Confidence FEB		-28			

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 5 February 2021**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
VUK	Virgin Money Uk PLC	22.7	WOR	Worley Limited	-8.3
Z1P	Zip Co Ltd.	19.4	NST	Northern Star	-7.6
CCP	Credit Corp Group	17.1	URW	Unibailrodawestfield	-7.4
NWS	News Corp..	16.9	SSM	Service Stream	-6.8
TAH	TABCORP Holdings Ltd	15.0	BWP	BWP Trust	-6.0
NEA	Nearmap Ltd	14.0	RMS	Ramelius Resources	-4.9
CTD	Corp Travel Limited	13.8	ORG	Origin Energy	-4.4
NEC	Nine Entertainment	13.3	WGX	Westgold Resources.	-4.3
BLD	Boral Limited	13.0	KGN	Kogan.Com Ltd	-3.9
APT	Afterpay Limited	12.0	OBL	Omni Bridgeway Ltd	-3.5

Source: IRESS

S & P Indices Week Ending 5 February 2021

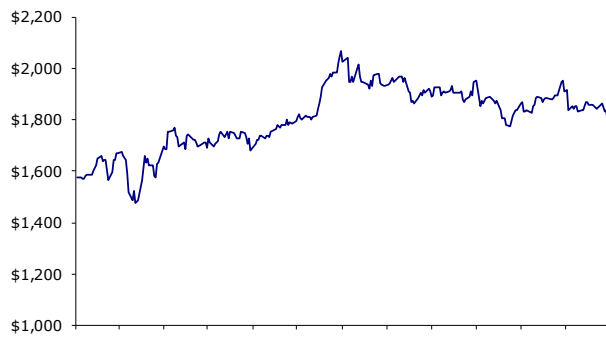
S&P Indices	7/02/2021	31/01/2021	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	8394	8163	2.8%	-7.5%	-5.6%
S&P 200 Materials	15793	15496	1.9%	-4.2%	59.5%
S&P 200 Industrials	6020	5795	3.9%	3.3%	18.0%
S&P 200 Consumer Disc.	3180	3045	4.4%	7.5%	51.9%
S&P 200 Consumer Staples	12982	12907	0.6%	3.9%	51.7%
S&P 200 Healthcare	41905	41069	2.0%	3.9%	117.4%
S&P 200 Financials	5872	5558	5.7%	3.7%	-7.8%
S&P 200 Info Technology	2341	2207	6.0%	16.1%	201.0%
S&P 200 Telecommunicatic	1359	1303	4.3%	6.2%	-22.6%
S&P 200 Utilities	6331	6395	-1.0%	-1.3%	-16.0%
S&P 200 Property Trusts	1412	1384	2.0%	2.7%	5.3%
S&P 200 Financials ex PT	6549	6199	5.7%	3.7%	-7.8%

Source: IRESS

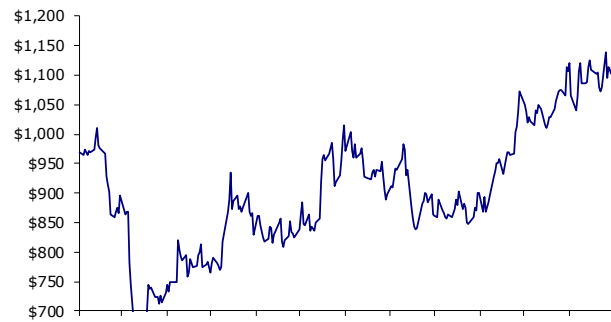


1 Year Commodity Price Charts

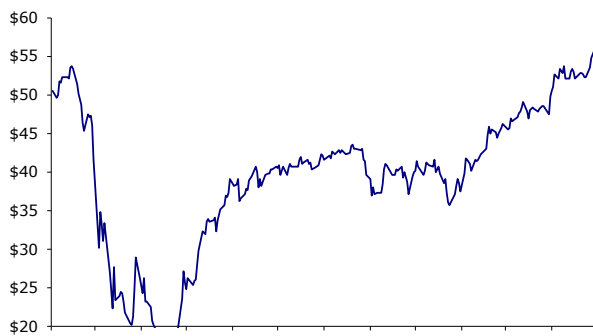
1 Year Gold



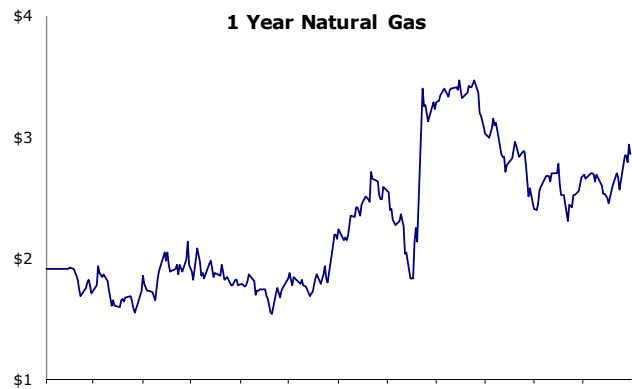
1 Year Platinum



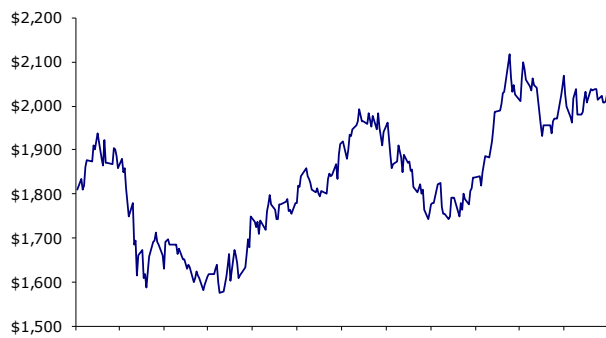
1 Year Oil



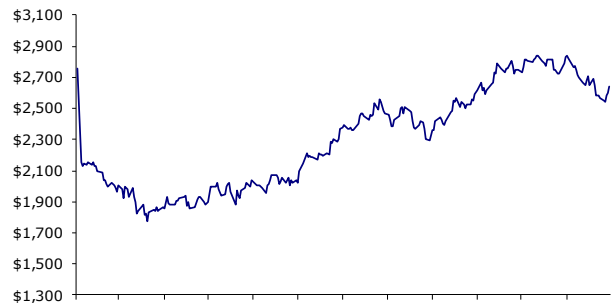
1 Year Natural Gas



1 Year Lead

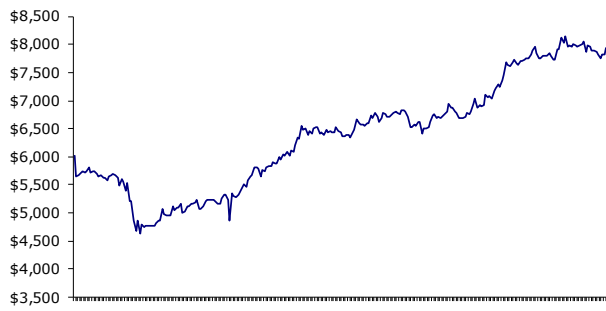


1 Year Zinc

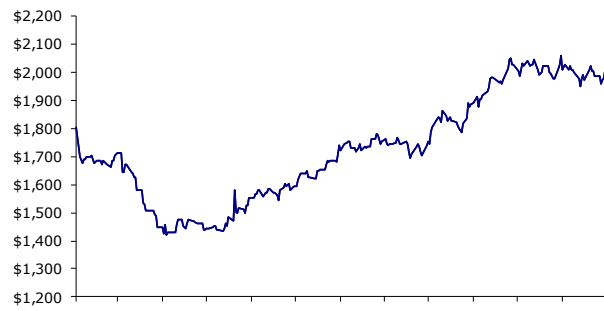




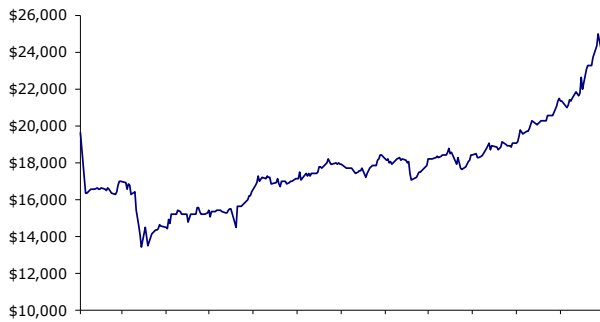
1 Year Copper



1 Year Aluminium

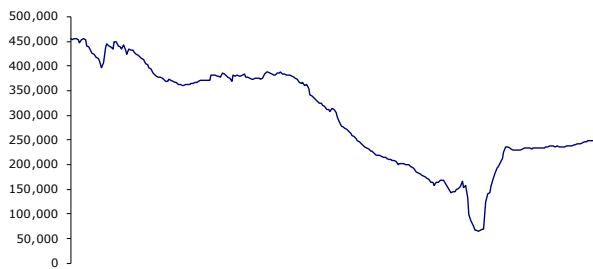


1 Year Tin

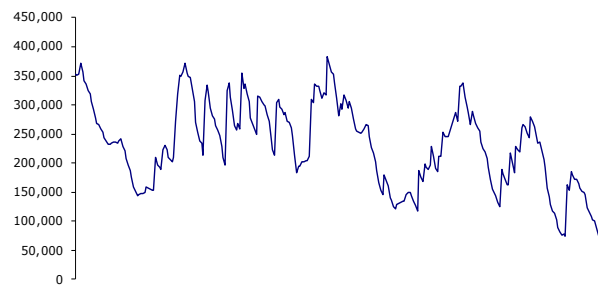


5 Year Metals Stockpiles

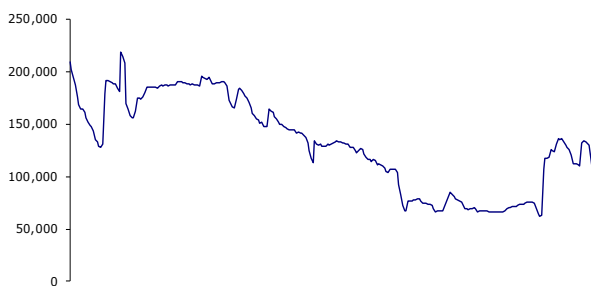
Nickel LME Stockpiles - 5 Year



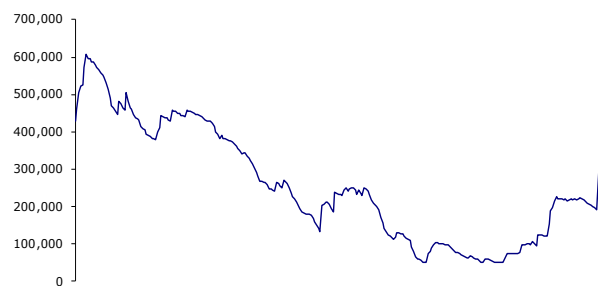
Copper LME Stockpiles - 5 Year



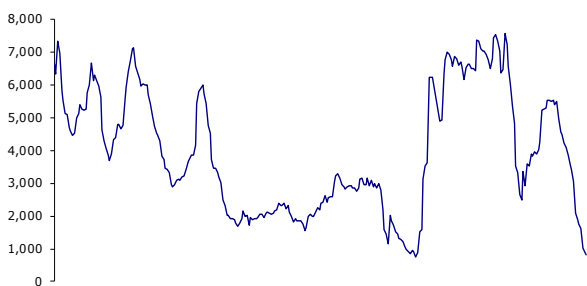
Lead LME Stockpiles - 5 Year



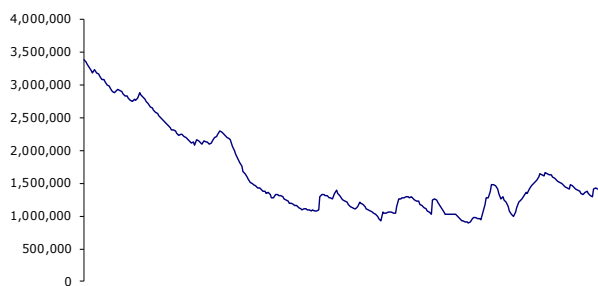
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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