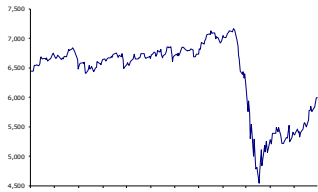


Issue 503
12-month XJO chart

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Global Wrap – 7 June 2020

World Markets	7/06/2020	31/05/2020	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5999	5756	4.2%	10.6%	8.2%
S&P 500	3194	3044	4.9%	13.3%	42.2%
FTSE 100	6484	6077	6.7%	9.8%	-6.5%
DAX30	12848	11587	10.9%	21.9%	4.2%
Shanghai Composite	2931	2915	0.5%	2.1%	-8.9%
Nikkei 225	22062	22062	0.0%	10.8%	17.6%
Hang Seng	24770	22961	7.9%	2.4%	8.3%
Currency					
AUD/USD	0.6966	0.6798	2.5%	4.9%	-0.5%
Commodities					
Oil (\$/bbl)	39.1	35.6	9.7%	39.9%	-27.8%
Gas (\$/gal)	1.8	1.8	-3.6%	-4.0%	-18.8%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	5588	5333	4.8%	6.8%	-4.3%
Lead (\$/t)	1750	1616	8.3%	6.8%	-24.9%
Zinc (\$/t)	2009	1972	1.9%	-0.5%	-26.8%
Aluminium (\$/t)	1554	1515	2.5%	6.8%	-10.3%
Nickel (\$/t)	12785	12120	5.5%	4.2%	12.4%
Tin (\$/t)	16425	15602	5.3%	6.5%	-23.2%
Gold (\$/oz)	1683	1752	-3.9%	-1.9%	43.6%
Silver (\$/oz)	17.5	18.5	-5.5%	11.5%	2.2%
Platinum (\$/oz)	830	875	-5.1%	7.9%	-11.4%
Wheat (\$/t)	515.250	521.500	-1.2%	2.7%	26.2%

Source: Iress

Key points

1. What happened this week
2. What happened on Friday
3. What happens next

Week in review

Equity markets delivered a solid start to June, building on the unseasonably strong performance in May.

In the US, investors looked through the worst civil unrest in recent memory and growing tensions with China, focusing on slight improvements in coronavirus and economic data. The S&P 500 Index is up 39.1% from its March lows. The MSCI World (AUD) Index is up 2.6% this week.

European markets received significant stimulus as the European Central Bank increased its bond-buying program by EUR 600 billion to a total of EUR 1.35 trillion. The Stoxx Europe 600 Index is up 4.5% for the week.



Domestically, Federal Treasurer Josh Frydenberg confirmed Australia entered its first recession in almost three decades on Wednesday, with an economic contraction of 0.3% in the March 2020 quarter and a further contraction expected for the June 2020 quarter.

Meanwhile the Australian dollar reached a four-month high on Wednesday as the Reserve Bank of Australia Chairman Philip Lowe confirmed Australia would avoid the global trend towards negative interest rates. The S&P/ASX All Ordinaries Accumulation Index closed up 4.2% for the week.

Friday's markets

US stocks rallied on Friday after an unexpected surge in that nation's jobs raised hopes the economy is starting to recover from the coronavirus pandemic, CNBC reported.

The **Nasdaq Composite** became the first of the three major averages to climb back to an all-time high, advancing 2.0%, or 198.27 points, to 9,814.08 on Friday and touching an intraday record of 9,845.69. After tumbling as much as 25% earlier this year, the tech-heavy index is now 9.3% higher for 2020.

The **Dow Jones Industrial Average** jumped 829.16 points, or 3.1%, to 27,110.98. The S&P 500 rose 2.6%, or 81.58 points, to 3,193.93.

Friday's rally put the S&P 500 down just 1.1% for 2020. The Dow was only down 5.0% year to date after dropping as much as 34.6% in 2020.

The Dow was up 6.8% for the week, while the S&P 500 gained 4.9% and the Nasdaq Composite was up 3.4%.

US employers added a shocking **2.5 million jobs** last month — the largest gain on record — while the unemployment rate slid to 13.3%, the Labor Department said Friday. However economists polled by Dow Jones had expected a drop of more than 8 million jobs and the unemployment rate to nearly reach 20%, which would have been the highest since the 1930s.

The report boosted confidence of a swift economic recovery among traders, leading them into stocks that would benefit the most from a broad reopening.

Airline shares jumped, adding to their big gains this week, as the industry added more summer flights. American Airlines jumped 11.1% Friday, while United Airlines shares gained 8.5%. Cruise-line operators such as Norwegian Cruise Line and Carnival both advanced more than 14% while Royal Caribbean gained 20.3%.

Mall operator Simon Property gained 15.4%. **Retailers** Kohl's and Nordstrom advanced 11% and 6%, respectively.

Bank stocks, which have been hit hard during the pandemic as lending activity and margins dried up, soared as the jobs report suggested a quick bounce back for the economy. JPMorgan Chase, Citigroup, Wells Fargo and Bank of America all rose at least 4%.

Friday's gains put the S&P 500 up more than 45% from a March 23 intraday low and less than 6% from its February 19 record.

Stocks in Asia Pacific were higher on Friday, even as investors awaited the US nonfarm payrolls report expected later that day stateside.

Mainland Chinese stocks gained on the day. The **Shanghai composite** rose 0.4% to about 2,930.80 while the Shenzhen component added 0.371% to approximately 11,180.60. **Hong Kong's Hang Seng** index jumped 1.66%, as of its final hour of trading, with shares of HSBC jumping about 3.2%.

Asian markets appeared to be in 'Friday mode', according to analysts, as investors took profits off the table ahead of the US and Canadian jobs figures.

In Japan, the **Nikkei 225** rose 0.74% to close at 22,863.73. **South Korea's Kospi** jumped 1.43% to close at 2,181.87 as shares of LG Chem surged 3.95%.

Asian airline stocks surged also. In Japan, shares of Japan Airlines skyrocketed 9.74% while ANA Holdings jumped 7.06%. Similar gains were seen in South Korea, where Korean Air Lines soared 7.57% while Asiana Airlines gained 4.87%.

In Hong Kong, China Southern Airlines jumped 10.43% in afternoon trade. Shares of Singapore Airlines in Singapore, however, dipped 0.68%.

Overall, the MSCI Asia ex-Japan index rose 0.86%.



In Europe Britain's **FTSE 100** ended up over 2.3%, Germany's **DAX** gained 3.4% and France's **CAC 40** jumped 3.6%, as most major bourses held in positive territory.

The ASX 200 closed 6.9 points, or 0.12%, higher to nudge the bourse to another three-month high 5998.7 close.

The index has now closed higher for six straight weeks.

A choppy session of subdued volume finished with 86 companies higher and 95 lower, 20 were flat, The Sydney Morning Herald reported.

The heavyweight banks all had a big day, leaping on a positive analysts' note to reach near three-month highs. The sector added 7.4% for the week, following an 11.1% rise the week before and a possible market "re-rating" of bank shares. This comes after recent signs the economic damage from coronavirus may not be as severe as feared.

On Friday Commonwealth Bank added 1.58% to \$68.75, NAB rose 2.96% to \$19.48 and ANZ was up 2.92% to \$19.77.

Westpac outperformed the lot with a 3.36% leap to \$18.79. Macquarie finished 0.42% higher at \$118. The health sector pulled in the opposite direction, losing a collective 2.75%.

Blood giant CSL retraced some of its earlier gains this week to fall 3% to \$285.33.

Other big players in the sector were also subdued: ResMed, Fisher and Paykel, Ramsay Health Care, Sonic and Cochlear each falling by between 0.62% and 3.3%.

The miners recovered from an early stumble but were flat at best amid softening iron ore, albeit still a price of near \$US100 per tonne. BHP finished up 0.06%, Rio Tinto gaining 0.2% and Fortescue Metals down 0.41%.

Gold miner Newcrest ended flat at \$29.05 after a horrid early run, though the outlook for gold is softer.

Energy stocks rose 1.14% on steadying oil prices.

The tech sector followed the NASDAQ lower with Altium, Afterpay, and Appen each losing between 3% and 4.6%.

E-tailer Kogan finished 8.6% higher at \$12.38 on a positive trading update and Qantas rose another 3.1%.

For the remaining blue-chip stocks, Wesfarmers lost 1.39% to \$41.71, Woolworths added 1.26% to \$37.06, Transurban Group lost 1.34% to \$14.68 and Telstra slipped 1.53% to \$3.22.

The Australian dollar rose above US70c for the first time since January, hitting a high of US70.04c at 4pm AEST.

This coming week

The ASX will reopen on Tuesday after the Queen's Birthday holiday. The Westpac Consumer Confidence Index and home loan data will be released on Wednesday.

Also this coming week, Japanese GDP will be released on Monday, with the euro zone reading to come on Tuesday and the UK's on Friday.

On Wednesday the US Federal Reserve will announce its interest rate decision.

Also being watched will be developments on economic stimulus as countries attempt to recover from the coronavirus pandemic.

Economic Calendar 8/06/2020 – 12/06/2020

Monday June 08 2020		Actual	Previous	Consensus	Forecast
07:50 AM	JP GDP Growth Rate QoQ Final Q1		-1.9%		-0.9%
Tuesday June 09 2020		Actual	Previous	Consensus	Forecast
09:30 AM	AU NAB Business Confidence MAY		-46		-38
02:00 PM	DE Balance of Trade APR		€17.4B		€17.9B
05:00 PM	EA GDP Growth Rate YoY 3rd Est Q1		1%	-3.2%	-3.3%
05:00 PM	EA GDP Growth Rate QoQ 3rd Est Q1		0.1%	-3.8%	-3.8%
	SA OPEC Meeting				
Wednesday June 10 2020		Actual	Previous	Consensus	Forecast
08:30 AM	AU Westpac Consumer Confidence Change JUN		16.4%		2.2%
08:30 AM	AU Westpac Consumer Confidence Index JUN		88.1		90
09:30 AM	CN Inflation Rate YoY MAY		3.3%		2.7%
08:30 PM	US Core Inflation Rate YoY MAY		1.4%	1.3%	1.2%
08:30 PM	US Inflation Rate YoY MAY		0.3%		0.2%
Thursday June 11 2020		Actual	Previous	Consensus	Forecast
02:00 AM	US Fed Interest Rate Decision		0.25%		0.25%
Friday June 12 2020		Actual	Previous	Consensus	Forecast
02:00 PM	GB Balance of Trade APR		£-6.7B		£-7.8B

Source: www.tradingeconomics.com

Economic Calendar 15/06/2020 – 19/06/2020

Tuesday June 16 2020		Actual	Previous	Consensus	Forecast
02:00 PM	GB Claimant Count Change MAY		856.5K		290K
05:00 PM	DE ZEW Economic Sentiment Index JUN		51		30
08:30 PM	US Retail Sales MoM MAY		-16.4%		-2%
Wednesday June 17 2020		Actual	Previous	Consensus	Forecast
07:50 AM	JP Balance of Trade MAY		¥-930B		¥-880B
02:00 PM	GB Inflation Rate YoY MAY		0.8%		0.5%
08:30 PM	CA Inflation Rate YoY MAY		-0.2%		
Thursday June 18 2020		Actual	Previous	Consensus	Forecast
07:00 PM	GB BoE Interest Rate Decision		0.1%		0.1%
Friday June 19 2020		Actual	Previous	Consensus	Forecast
07:30 AM	JP Inflation Rate YoY MAY		0.1%		

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 5 June 2020**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
PLS	Pilbara Min Ltd	36.5	GOR	Gold Road Res Ltd	-14.4
URW	Unibailrodawestfield	28.0	SAR	Saracen Mineral	-11.2
ABC	Adbri Limited	27.6	SLR	Silver Lake Resource	-10.7
PRN	Perenti Global Ltd	23.5	NST	Northern Star	-8.9
ORE	Orocobre Limited	19.1	NUF	Nufarm Limited	-8.7
BEN	Bendigo and Adelaide	19.0	EVN	Evolution Mining Ltd	-8.2
FLT	Flight Centre Travel	17.7	PME	Pro Medicus Limited	-8.0
BOQ	Bank of Queensland.	17.2	TPM	TPG Telecom Limited	-7.2
BLD	Boral Limited	16.1	PNV	Polynovo Limited	-6.5
QAN	Qantas Airways	16.0	RRL	Regis Resources	-6.3

Source: IRESS

S & P Indices Week Ending 5 June 2020

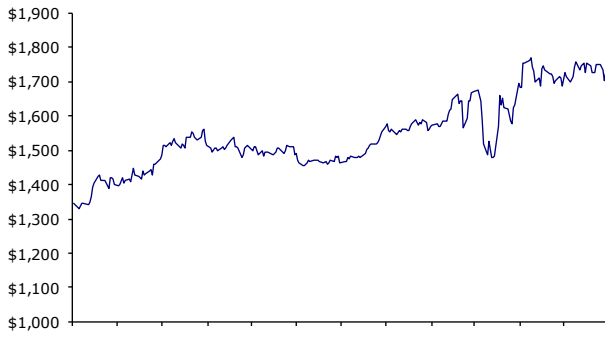
S&P Indices	7/06/2020	31/05/2020	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	8054	7683	4.8%	14.2%	-9.4%
S&P 200 Materials	13423	13011	3.2%	14.4%	35.6%
S&P 200 Industrials	6037	5825	3.6%	10.5%	18.3%
S&P 200 Consumer Disc.	2422	2311	4.8%	12.1%	15.7%
S&P 200 Consumer Staples	12300	11908	3.3%	4.6%	43.8%
S&P 200 Healthcare	41442	40756	1.7%	-5.0%	114.9%
S&P 200 Financials	4931	4592	7.4%	17.3%	-22.6%
S&P 200 Info Technology	1519	1482	2.5%	8.0%	95.3%
S&P 200 Telecommunicatic	1184	1180	0.3%	7.0%	-32.6%
S&P 200 Utilities	7755	7725	0.4%	2.4%	2.9%
S&P 200 Property Trusts	1301	1243	4.7%	15.0%	-3.0%
S&P 200 Financials ex PT	5499	5121	7.4%	17.3%	-22.6%

Source: IRESS

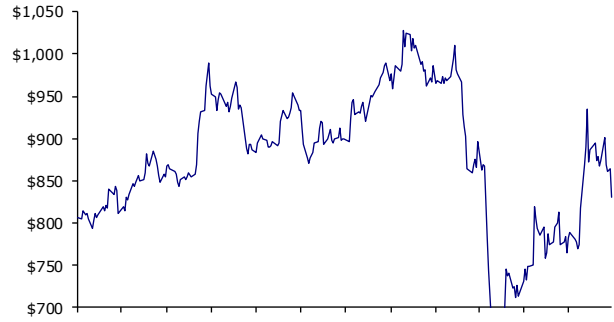


1 Year Commodity Price Charts

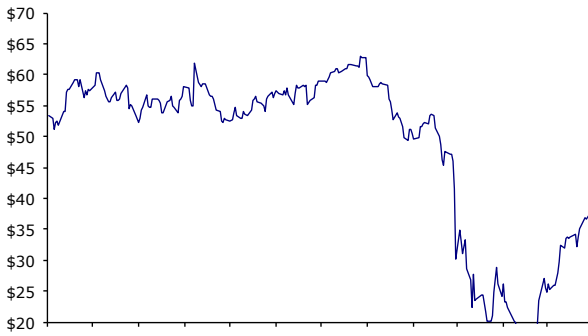
1 Year Gold



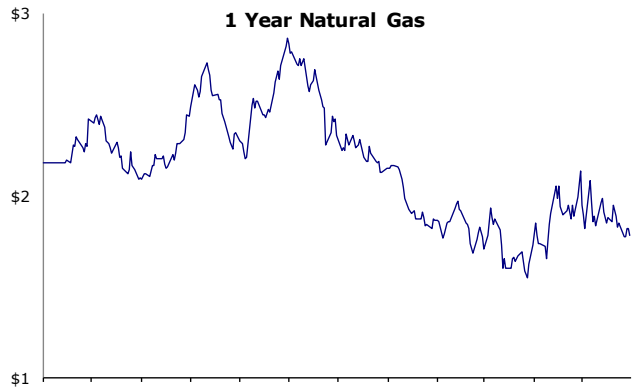
1 Year Platinum



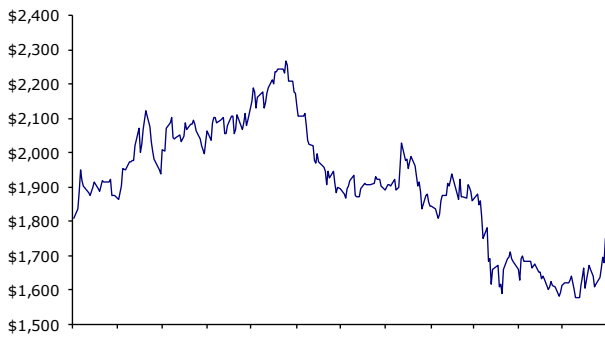
1 Year Oil



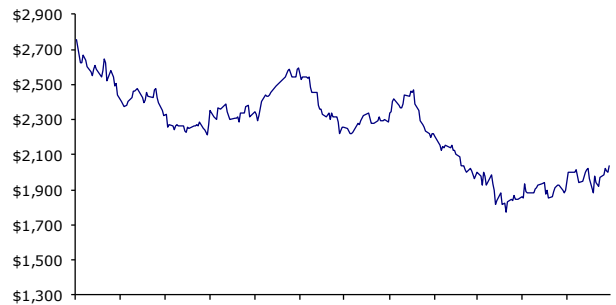
1 Year Natural Gas



1 Year Lead

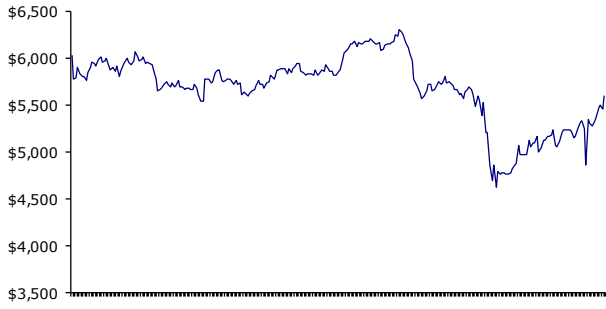


1 Year Zinc

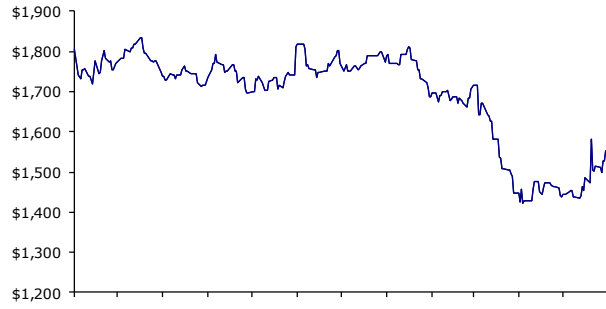




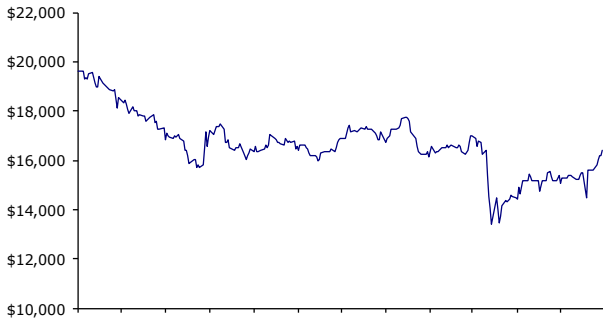
1 Year Copper



1 Year Aluminium

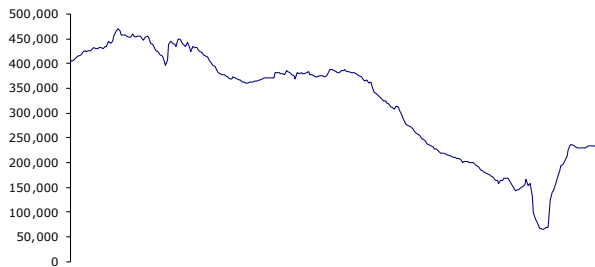


1 Year Tin

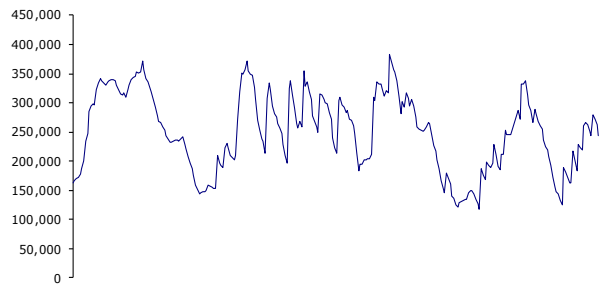


5 Year Metals Stockpiles

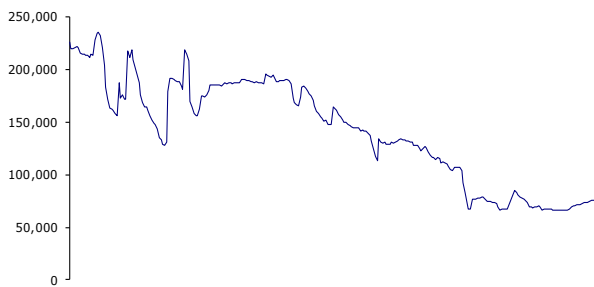
Nickel LME Stockpiles - 5 Year



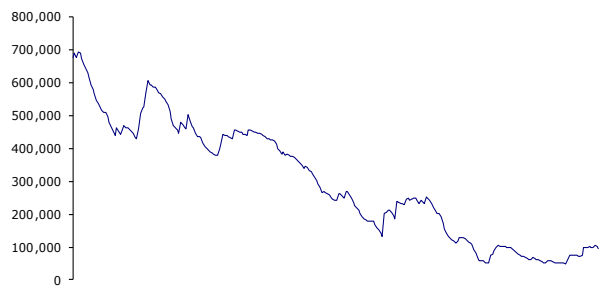
Copper LME Stockpiles - 5 Year



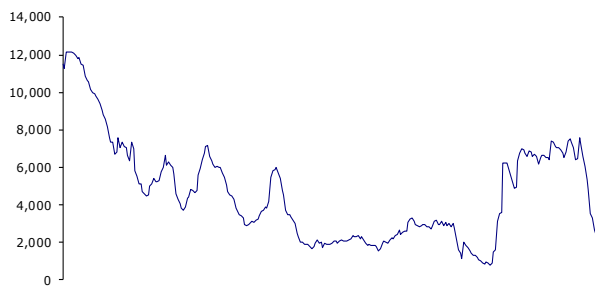
Lead LME Stockpiles - 5 Year



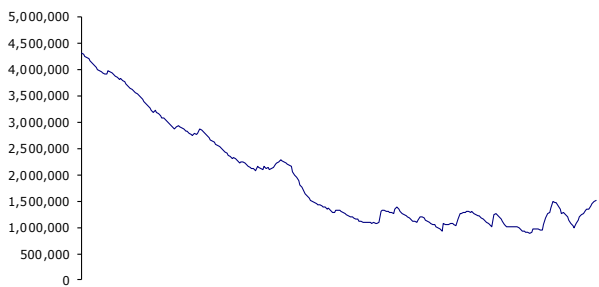
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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