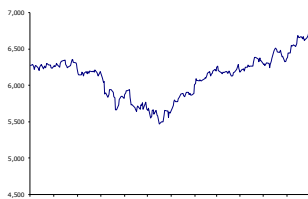


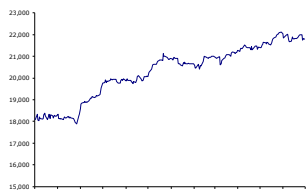
STATE ONE SPINNAKER

7 July 2019
Issue 463

12 month XJO chart



12 month Dow Jones chart



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Overview

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Global Wrap – 7 July 2019

World Markets	7/07/2019	30/06/2019	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	6751	6619	2.0%	3.2%	21.8%
Dow Jones	21798	21988	-0.9%	-1.0%	18.0%
Nasdaq	5284	5284	0.0%	-0.2%	21.9%
S&P 500	2990	2942	1.7%	3.8%	33.1%
FTSE 100	7553	7426	1.7%	2.5%	9.0%
DAX30	12569	12399	1.4%	3.7%	-0.7%
Shanghai Composite	3011	3045	-1.1%	3.4%	-6.4%
Nikkei 225	21746	21730	0.1%	3.4%	15.9%
Hang Seng	28775	28543	0.8%	5.4%	25.9%
Currency					
AUD/USD	0.6980	0.6965	0.2%	-0.4%	-6.0%
Commodities					
Oil (\$/bbl)	57.7	59.2	-2.5%	10.6%	-21.9%
Gas (\$/gal)	2.4	2.3	4.8%	1.6%	-11.6%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	5857	5972	-1.9%	0.5%	0.3%
Lead (\$/t)	1863	1914	-2.7%	-2.9%	-20.1%
Zinc (\$/t)	2507	2581	-2.8%	-5.1%	-8.7%
Aluminium (\$/t)	1780	1774	0.3%	1.5%	2.8%
Nickel (\$/t)	12300	12665	-2.9%	4.7%	8.2%
Tin (\$/t)	18350	18805	-2.4%	-5.0%	-14.2%
Gold (\$/oz)	1400	1414	-1.0%	4.7%	19.4%
Silver (\$/oz)	15.0	15.3	-2.2%	1.6%	-12.2%
Platinum (\$/oz)	811	841	-3.5%	0.1%	-13.5%
Wheat (\$/t)	513.500	526.000	-2.4%	-2.2%	25.8%

Source: Iress

Global Wrap

Key points

1. Strong US jobs figures cloud Fed rate cut hopes

2. Aussie banks up on RBA rates cut

3. What to watch next week

US

US stocks fell from all-time highs, Treasuries tumbled and the dollar rallied after a strong jobs report clouded the Federal Reserve's rate cut plans, Reuters reported.

The S&P 500 Index fell in thin post-holiday trading to pare a weekly advance to 1.7%.

The measure slumped by as much as 0.9% after the jobs data signalled a vibrant labor market, but ground higher in the afternoon.

Banks then led the recovery after the 10-year Treasury yield retook 2% and two-year rates hit 1.85%. The dollar surged versus major peers. Gold fell toward \$1,400 an ounce.

Non-farm payrolls rose by 224,000 in June, outstripping early predictions of 160,000 according to a Reuters poll.

The latest labor report delivered signs that the economy remains on track, countering some recent data that showed weakness in manufacturing.

Stocks had rallied to records and bonds surged on market expectations that the central bank would lower interest rates by at least a quarter of a percentage point at its July meeting, though fed fund futures showed traders trimming the amount of easing they expect.

China

China shares ended a tick higher on Friday and posted weekly gains, as Beijing and Washington prepared for a fresh round of trade talks due next week, the South China Morning Post reported. However the rise was capped as it remained unclear whether the two nations could strike a durable trade deal. The Shanghai Composite index closed 0.2% firmer at 3,011.06 points, up 1.1% week-on-week. The blue-chip CSI300 index was up 0.5% on the day, and closed 1.8% higher on the week.

Meanwhile ratings agency Moody's affirmed China's rating at A1 with a stable outlook on Thursday, citing the country's financial and policy means to contain any rise in its economy-wide leverage and mobilise resources to support its stressed public sector entities and maintain financial stability.

Japan

Stocks bounced back on the Tokyo Stock Exchange on Friday, with investor sentiment lifted by US equities' continued advance overnight on Thursday.

The 225-issue Nikkei average added 110.67 points, or 0.53 percent, to end at 20,884.71. On Thursday, the key market gauge edged down 2.06 points.

The gains came after the Dow Jones industrial average extended its rally to a fourth day Thursday on a media report that the United States is considering postponing tariffs on imports from Mexico, brokers said.

Europe

European stocks traded lower on Friday afternoon following the stronger-than-expected US non-farm payrolls report, which weakened the likelihood that the Federal Reserve will cut interest rates at July's monetary policy meeting.

The pan-European Stoxx 600 closed provisionally 0.7% lower in the end of week session, with basic resources shedding 2% while banks and retail stocks were the only sectors trading in positive territory, each up just 0.2%, Reuters reported.

Dismal German industrial orders data on Friday morning compounded a woeful week for Europe's largest economy, which provided further cause for investors to lock in. Industrial stocks were down 1.8% following the release.

In corporate news, Deutsche Bank on Friday announced that investment banking chief Garth Ritchie would step down. The move comes as Deutsche prepares a sweeping multi-billion dollar overhaul that will see substantial cuts to its investment banking division. The German lender's shares climbed 2.49% on Friday as investors reacted to the news.

Geopolitical tensions in the Middle East were also in focus after British Royal Marines seized a large Iranian oil tanker on Thursday for trying to take oil to Syria in violation of EU sanctions, evoking fury in Tehran.

Meanwhile, European Central Bank Vice President Luis de Guindos said on Thursday that the bank was keeping all monetary policy options on the table for dealing with an economic slowdown and reaching its inflation goals.

Australia

Australian shares edged up on Friday and were set for strong weekly gains as easier monetary policy and recent strength in commodity prices helped lift the largest sectors on the index, Reuters reported.

The S&P/ASX 200 index tacked on 0.1% or 7 points to 6,723.80 by 0157 GMT. The benchmark was on track to gain 1.6% for the week and was a few 100 points shy of a record high touched in 2007.

Financial and real estate stocks led the way, cheered by a lowering in borrowing costs as the Reserve Bank of Australia (RBA) cut interest rates twice in the past two months, and is expected to ease further.

The lower rates are seen boosting demand for a housing market that has been hit by a lengthy downturn,

with bank stocks also set to reap some of the benefits from increased home loan volumes.

Three of the country's big four banks rose in the range of 0.1% to 0.7%, with Commonwealth Bank of Australia leading gains.

On the downside, mining stocks pulled back from a recent rally. BHP Group and Rio Tinto dropped 1% and 1.8%, respectively.

The two stocks had clocked large gains earlier in the week, tracking strength in iron ore prices. Fortescue Metals Group, the fourth-largest iron ore miner in the world, fell 2.4%.

What moved the market last week

The Reserve Bank of Australia (RBA) delivered a second consecutive cash rate cut on Tuesday – the last time the RBA did that was in 2012 – setting the new record low interest rate at 1.0%.

RBA Governor Philip Lowe again cited rising unemployment and a slowing economy as his primary concerns, and said the rate cut should lift inflation to the 2.0-3.0% target band.

The S&P/ASX All Ordinaries Accumulation Index (taking dividends into account) closed up 2.0% in the first trading week of the 2020 financial year.

European bond and equity markets rallied on the announcement that the former Head of the International Monetary Fund, Christine Lagarde, will take over the European Central Bank and continue President Draghi's stimulus program. In the US, President Trump stated he is planning to nominate interventionists Dr Christopher Waller and Dr Judy Shelton to serve on the board of the Federal Reserve. The MSCI World Index (AUD) is up 1.7% this week.

What to watch in the week ahead

NAB Business Confidence Index and Westpac Consumer Confidence Index: Tuesday, 9 July and Wednesday, 10 July

The NAB Business Confidence Index and the Westpac Consumer Confidence Index will be released on 9 and 10 July respectively, granting insight into consumer and business sentiment and providing an important read on the impact of the most recent interest rate cuts.

China's CPI will be released on Wednesday and the US reading on Thursday.

Economic Calendar 8/07/2019 – 12/07/2019

Monday July 08 2019		Actual	Previous	Consensus	Forecast
02:00 PM	DE Balance of Trade MAY		€17.9B		€15.9B
Tuesday July 09 2019		Actual	Previous	Consensus	Forecast
09:30 AM	AU NAB Business Confidence JUN		7	2	3
Wednesday July 10 2019		Actual	Previous	Consensus	Forecast
08:30 AM	AU Westpac Consumer Confidence Index JUL		100.7		101
08:30 AM	AU Westpac Consumer Confidence Change JUL		-0.6%		0.3%
09:30 AM	CN Inflation Rate YoY JUN		2.7%	2.7%	2.6%
04:30 PM	GB Balance of Trade MAY		£-2.740B		£-2.6B
Thursday July 11 2019		Actual	Previous	Consensus	Forecast
02:00 AM	US FOMC Minutes				
02:00 PM	DE Inflation Rate YoY Final JUN		1.4%	1.6%	1.6%
07:30 PM	EA ECB Monetary Policy Meeting Accounts				
08:30 PM	US Inflation Rate YoY JUN		1.8%	1.5%	1.7%
08:30 PM	US Core Inflation Rate YoY JUN		2%	2%	2%
Friday July 12 2019		Actual	Previous	Consensus	Forecast
11:00 AM	CN Balance of Trade JUN		\$41.66B	\$45B	\$49B
11:00 AM	CN Exports YoY JUN		1.1%	-2%	
11:00 AM	CN Imports YoY JUN		-8.5%	-3%	

Source: www.tradingeconomics.com

Economic Calendar 15/07/2019 – 19/07/2019

Monday July 15 2019		Actual	Previous	Consensus	Forecast	
10:00 AM	CN GDP Growth Rate YoY Q2		6.4%	6.3%	6.3%	
Tuesday July 16 2019		Actual	Previous	Consensus	Forecast	
09:30 AM	AU RBA Meeting Minutes					
04:30 PM	GB Claimant Count Change JUN		23.2K	22.9K	15K	
05:00 PM	DE ZEW Economic Sentiment Index JUL		-21.1	-5.9	-17.2	
08:30 PM	US Retail Sales MoM JUN		0.5%	0.3%	0.4%	
Wednesday July 17 2019		Actual	Previous	Consensus	Forecast	
04:30 PM	GB Inflation Rate YoY JUN		2%	2%	2.1%	
08:30 PM	CA Inflation Rate YoY JUN		2.4%	2.1%	2.2%	
Thursday July 18 2019		Actual	Previous	Consensus	Forecast	
07:50 AM	JP Balance of Trade JUN		¥-967.1B	¥-979.2B	¥ 510B	
09:30 AM	AU Unemployment Rate JUN		5.2%		5.10%	
Friday July 19 2019		Actual	Previous	Consensus	Forecast	
07:30 AM	JP Inflation Rate YoY JUN		0.7%		0.7%	
10:00 PM	US Michigan Consumer Sentiment Prel JUL		98.2		96.9	

Source: www.tradingeconomics.com

All Ords Top 10 Week Ending 5 July 2019

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
ECX	Eclipx Group Ltd	18.3	SDA	Speedcast Int Ltd	-48.3
NUF	Nufarm Limited	12.2	BVS	Bravura Solution Ltd	-8.4
CSR	CSR Limited	10.2	PLS	Pilbara Min Ltd	-8.3
VCX	Vicinity Centres	9.8	ALL	Aristocrat Leisure	-5.1
SIQ	Smartgrp Corporation	9.2	BXB	Brambles Limited	-4.0
OML	Ooh!Media Limited	9.2	BPT	Beach Energy Limited	-4.0
GXY	Galaxy Resources	9.0	NAN	Nanosonics Limited	-3.9
MFG	Magellan Fin Grp Ltd	8.5	VOC	Vocus Group Ltd	-3.4
SUL	Super Ret Rep Ltd	8.4	NEA	Nearmap Ltd	-2.6
CYB	Cybg PLC	8.2	ORE	Orocobre Limited	-2.5

Source: IRESS

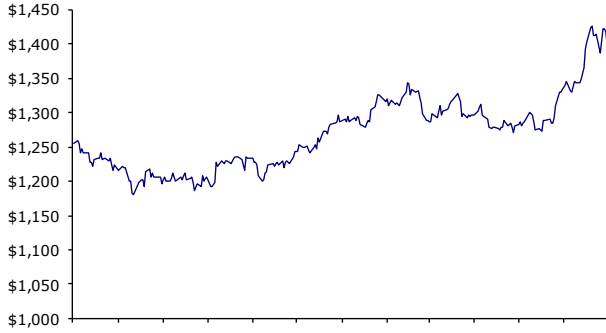
S & P Indices Week Ending 5 July 2019

S&P Indices	7/07/2019	30/06/2019	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	11008	10946	0.6%	1.8%	23.8%
S&P 200 Materials	14160	14051	0.8%	3.9%	43.0%
S&P 200 Industrials	6932	6752	2.7%	3.7%	35.8%
S&P 200 Consumer Disc.	2475	2446	1.2%	-1.7%	18.2%
S&P 200 Consumer Staples	11753	11402	3.1%	3.8%	37.4%
S&P 200 Healthcare	34892	33577	3.9%	6.7%	81.0%
S&P 200 Financials	6416	6354	1.0%	2.5%	0.7%
S&P 200 Info Technology	1386	1331	4.2%	2.7%	78.3%
S&P 200 Telecommunicatic	1341	1326	1.1%	1.3%	-23.6%
S&P 200 Utilities	8524	8201	3.9%	4.4%	13.1%
S&P 200 Property Trusts	1712	1605	6.7%	5.5%	27.7%
S&P 200 Financials ex PT	7156	7087	1.0%	2.5%	0.7%

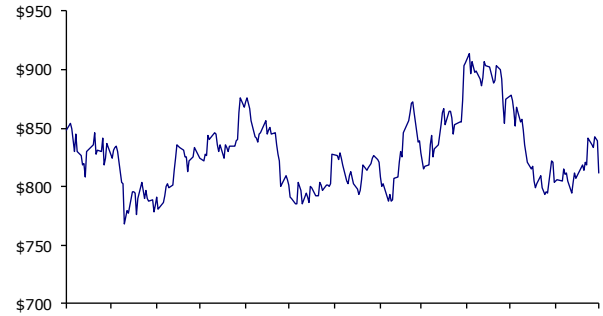
Source: IRESS

1 Year Commodity Price Charts

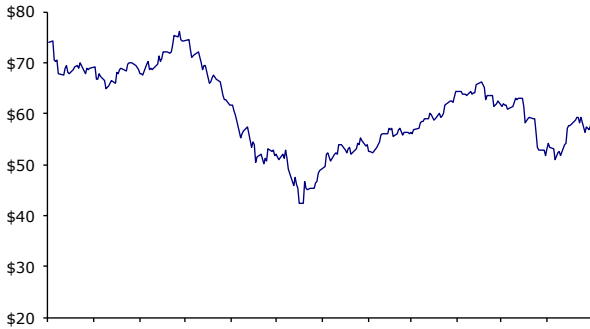
1 Year Gold



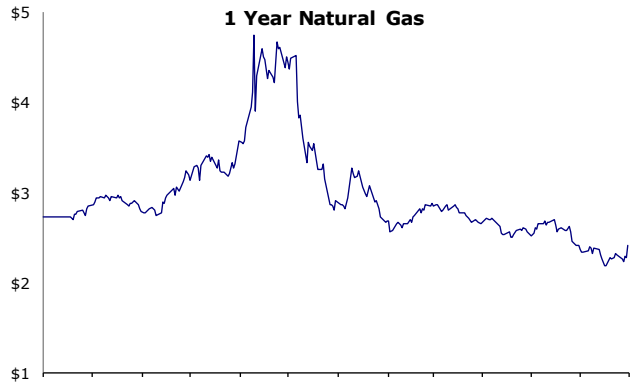
1 Year Platinum



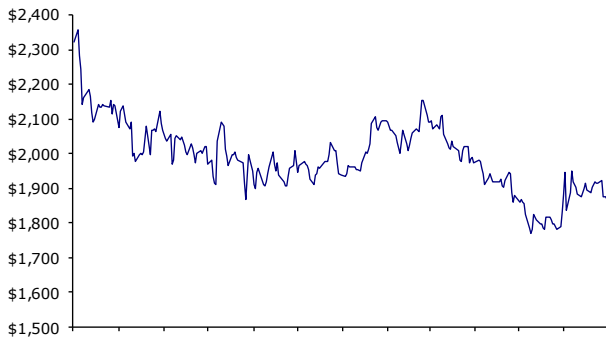
1 Year Oil



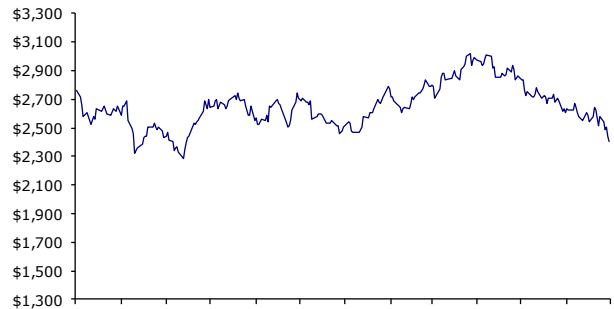
1 Year Natural Gas



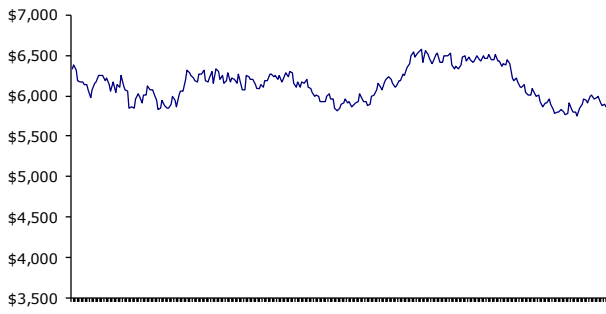
1 Year Lead



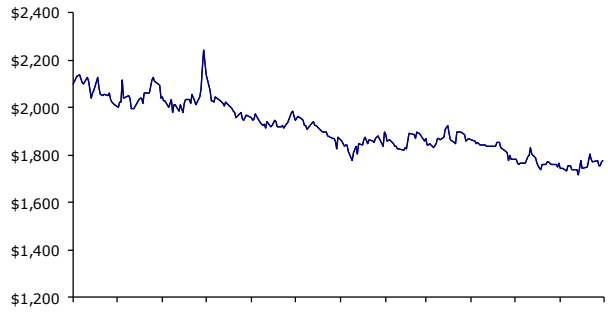
1 Year Zinc



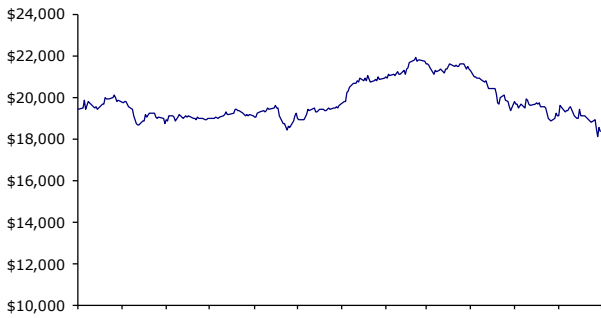
1 Year Copper



1 Year Aluminium

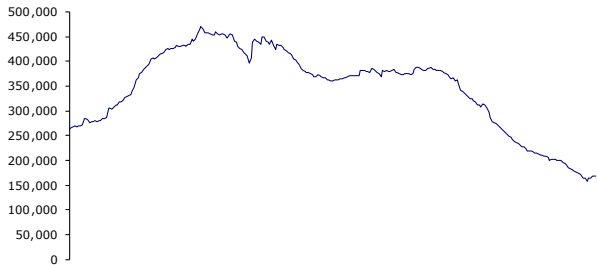


1 Year Tin

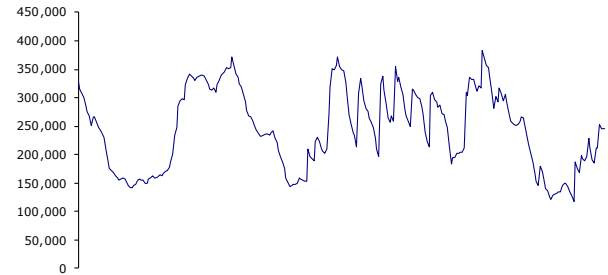


5 Year Metals Stockpiles

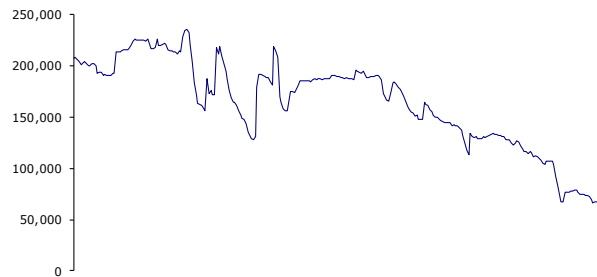
Nickel LME Stockpiles - 5 Year



Copper LME Stockpiles - 5 Year



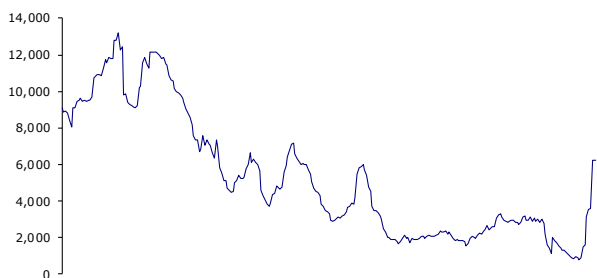
Lead LME Stockpiles - 5 Year



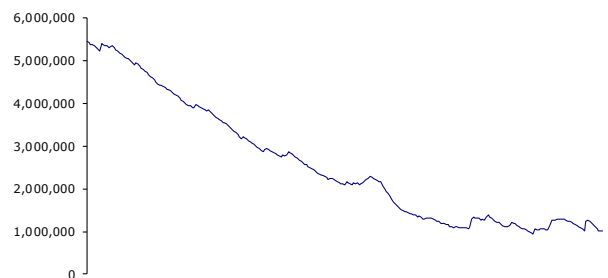
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year



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