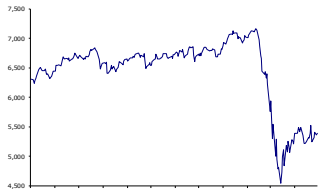


Issue 499
12-month XJO chart

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Global Wrap – 10 May 2020

World Markets	10/05/2020	3/05/2020	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5391	5246	2.8%	-1.4%	-2.8%
S&P 500	2930	2831	3.5%	5.3%	30.4%
FTSE 100	5936	5763	3.0%	6.0%	-14.4%
DAX30	10904	10862	0.4%	6.1%	-10.2%
Shanghai Composite	2895	2860	1.2%	2.7%	-10.0%
Nikkei 225	20179	19619	2.9%	4.6%	7.5%
Hang Seng	24230	24644	-1.7%	0.4%	6.0%
Currency					
AUD/USD	0.6532	0.6427	1.6%	0.3%	-6.7%
Commodities					
Oil (\$/bbl)	26.1	23.5	11.2%	31.7%	-57.7%
Gas (\$/gal)	1.8	1.9	-3.5%	4.3%	-29.6%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	5228	5061	3.3%	3.4%	-10.5%
Lead (\$/t)	1620	1583	2.3%	-2.7%	-30.5%
Zinc (\$/t)	1946	1899	2.4%	1.9%	-29.1%
Aluminium (\$/t)	1450	1461	-0.7%	-0.4%	-16.3%
Nickel (\$/t)	12247	11853	3.3%	4.6%	7.7%
Tin (\$/t)	15298	15169	0.9%	-0.3%	-28.5%
Gold (\$/oz)	1714	1701	0.8%	-1.5%	46.2%
Silver (\$/oz)	15.8	14.9	5.6%	0.8%	-7.7%
Platinum (\$/oz)	789	774	2.0%	-1.9%	-15.8%
Wheat (\$/t)	523.000	515.500	1.5%	-3.2%	28.1%

Source: Iress

Key points

1. What happened this week
2. What happened Friday
3. What's new in global earnings season

The week in review

The raft of grim economic data released this week was offset by the steady reopening of economies globally.

Seasonally adjusted jobless claims in the US have totalled 33.5 million since mid-March with 3.2 million initial claims made last week.

The Labor Department said a record 20.5 million jobs were lost in April, adding the unemployment rate jumped to 14.7% from 4.4%.

Both the spike in job losses and the unemployment-rate surge are post-World War II records.

Despite that, all three US averages posted their first weekly advance in three. The Dow and S&P 500 were up 2.5% and 3.5% for the week, respectively, while the Nasdaq jumped 6%.

In Europe, as many countries have begun easing lockdown measures, the European Commission warned of “permanent scars through bankruptcies and long-lasting damage to the labour market”. The EU forecast a 7.4% plunge in economic activity this year.

These comments followed the release of the Eurozone’s manufacturing purchasing manager’s index (PMI), an indicator of the impact of containment measures on business activity for April, which sank to 33.4 points, its lowest level since the survey began in 1997.

Amid fresh signs of a deterioration in relations between the US and China weighing on sentiment, Beijing reported a better-than-expected 3.5% rise in exports in April compared to a year earlier.

For the week the MSCI World Index (AUD) is up 2.2%, the S&P 500 Index is up 1.8%, the European Stoxx 600 Index is up 0.2% and the UK FTSE 100 Index is up 3.0%.

A late week rally in the US FAANG stocks had the NASDAQ Composite Index enter positive territory for the calendar year.

In Australia the S&P/ASX All Ordinaries Accumulation Index closed up 3.1% for the week as the Morrison Government announced the orderly reopening of the economy.

The Reserve Bank of Australia (RBA) kept the official cash rate on hold at 0.25% and predicted that the unemployment rate would reach 10% with a decline in GDP of “around 10% from peak to trough”.

Already the Australian Bureau of Statistics data is showing a total loss of 976,000 jobs since 14 March, with accommodation and food service providers being hit the hardest.

Earlier in the week, Westpac joined the Australia and New Zealand Banking Group in deferring its interim dividend and revealed a 70% slump in half year cash profit ended 31 March.

What happened Friday

US stocks rose on Friday even after the ugliest monthly jobs report ever as investors bet the worst of the coronavirus and its impact on the economy has passed, CNBC reported.

The **Dow Jones Industrial Average** jumped 455.43 points, or 1.9%, to 24,3331.32, closing near its session high. The **S&P 500** gained 1.6%, or 48.61 points, to 2,929.80, while the **Nasdaq Composite** climbed 1.5%, or 141.66 points, to 9,121.32.

Stocks have rallied aggressively off their March lows as investors wager on an eventual reopening of the economy and that many tech companies would have solid revenue.

Apple said on Friday it would reopen stores starting next week, with temperature checks and a limited number of customers in the location at one time.

The S&P 500 has bounced more than 30% from its virus low and is just 13.6% away from its record high. The Nasdaq Composite is more than 35% off its lows and is now up 1.6% for 2020.

Gains from **Facebook, Amazon Alphabet and Apple** helped lift the index back into positive territory for 2020. At one point, the Nasdaq was down more than 25% year to date.

Stocks that would benefit from reopening the economy rose again Friday. **Airline stocks** such as Delta, American and United all gained at least 4.8%. Disney climbed 3.4% while MGM Resorts advanced 4.4%.

Sentiment on Wall Street was also aided after Treasury Secretary Steven Mnuchin and US Trade Representative Robert Lighthizer spoke to Chinese Vice Premier Liu He late on Thursday about the **phase one trade deal** signed in January.

In a statement, they said both sides “agreed that in spite of the current global health emergency, both countries fully expect to meet their obligations under the agreement in a timely manner.”

The call and subsequent statement came amid rising tensions between both countries, as US officials criticised China’s initial handling of the coronavirus outbreak.

Stocks in Asia rose on Friday ahead of the release of the US jobs report for April, expected later in the day stateside.

Japanese stocks led gains among the region’s major markets, with the **Nikkei 225** jumping 2.56% to close at 20,179.09 as shares of index heavyweights Fast Retailing and Softbank Group each rose more than 3%.



Mainland Chinese stocks rose on the day with the **Shanghai composite** up 0.83% to about 2,895.34 while the **Shenzhen composite** gained 1.172% to around 1,809.17. **Hong Kong's Hang Seng index** also added 0.89%, as of its final hour of trading.

European stocks closed higher on Friday.

Germany's DAX closed up 1.4%, while **France's CAC 40** was around 1% higher and **Italy's FTSE MIB** was also up 1%.

The **UK's FTSE 100** was closed Friday because of the Victory in Europe Day holiday marking 75 years since the day at the end of World War II when fighting against Nazi Germany ceased.

German exports plunged 12% in March, according to data released Friday — a much sharper drop than expected. The fall marked the steepest drop in German exports since records began in 1990, Reuters reported.

ING was also higher, up 3.4%, after reporting earnings. The Netherlands-based banking group said pre-tax profit fell 36% in the first quarter.

The **ASX200** posted gains of 0.5% on Friday as blue chip stocks were buoyed by news that Australia has a plan to emerge from coronavirus shutdowns.

The index finished the day up 26.9 points to 5391.1, led by gains in the Financials and Consumer Discretionary subsectors.

The gains pushed the local bourse ahead 2.8% for the week.

Retail stocks were some of the biggest movers on Friday, with the consumer discretionary sector leading the afternoon charge to be up 2.2% at market close, The Sydney Morning Herald reported.

Standout performers included department store **Myer**, rising 45% to 29c, and electronics retail **Harvey Norman**, which jumped 6.7% to \$3.03.

Real estate companies also ended higher, with **Vicinity** up 5.15% to \$1.43 and **Westfield owner Scentre** ending the day up 3.7% at \$2.20.

Consumer staples didn't fare so well, ending the day down 0.26% thanks to falls in both **Coles** and **Woolworths**.

The financials sector also dragged the market higher, clawing back some losses from earlier in the week to finish up by 0.7%.

These gains were driven by **Macquarie Group**, which ended the day 5.7% ahead at \$105.19, and **AMP**, which gained 3.3% to \$1.41.

The rally in consumer discretionary stocks was largely fuelled by an increase in confidence and certainty following the government's announcement of a three-point plan for ending pandemic shutdowns, with the first stage looking at an opening up of retailers, restaurants and cafes.

**What's new in global earnings season**

More than two-thirds of US companies have now reported quarterly earnings and 34% have pulled their guidance in the face of significant uncertainty.

So far, the narrative dominating the international earnings season has been the dispersion of winners and losers of the 'stay at home' market.

International gold miner **Newmont Corporation** announced a 43% increase in revenue during the March 2020 quarter due to higher gold prices and increased production from newly acquired mines.

Global online payments company **PayPal** reported its first quarter 2020 results with an increase in total payment volume of 18% and increase in revenue of 12%. PayPal added 7.4 million accounts in April, a monthly record, and on 1 May the company marked its largest single day of transactions in its history. This pushed the stock up 14% on Thursday.

Financial services technology provider **Fidelity National Information Services** announced a 50% increase in revenue, primarily driven by the acquisition of payment processor **Worldpay**, and raised cost synergies from the deal by USD 100 million.

Outside the US, German listed meal-kit provider **HelloFresh** raised guidance and reported strong revenue growth during the first quarter of 2020 as demand for its products were bolstered by global lockdown measures.

Frozen foods company **Nomad Foods** reported a 10.5% increase in revenue driven by the unprecedented consumer demand for frozen food during the early stages of the lockdown.

**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%		3.7%
08:30 PM	US Inflation Rate YoY APR		1.5%	0.8%	0.7%
08:30 PM	US Core Inflation Rate YoY APR		2.1%	1.7%	1.6%
Wednesday May 13 2020		Actual	Previous	Consensus	Forecast
08:30 AM	AU Westpac Consumer Confidence Index MAY		75.6		65
08:30 AM	AU Westpac Consumer Confidence Change MAY		-17.7%		-14%
02:00 PM	GB Balance of Trade MAR		£-2.8B		£-1.7B
02:00 PM	GB GDP Growth Rate QoQ Prel Q1		0.0%	-2%	-2.4%
02:00 PM	GB GDP Growth Rate YoY Prel Q1		1.1%	-1.6%	-2%
Friday May 15 2020		Actual	Previous	Consensus	Forecast
02:00 PM	DE GDP Growth Rate QoQ Flash Q1		0%	-2.0%	-2.4%
02:00 PM	DE GDP Growth Rate YoY Flash Q1		0.4%	-2.0%	-2.6%
05:00 PM	EA GDP Growth Rate QoQ 2nd Est Q1		0.1%	-3.8%	-3.8%
05:00 PM	EA GDP Growth Rate YoY 2nd Est Q1		1%	-3.3%	-3.3%
08:30 PM	US Retail Sales MoM APR		-8.4%	-10%	-9.8%

Source: www.tradingeconomics.com**Economic Calendar 18/05/2020 – 22/05/2020**

Monday May 18 2020		Actual	Previous	Consensus	Forecast
07:50 AM	JP GDP Growth Rate QoQ Prel Q1		-1.8%		-3.8%
Tuesday May 19 2020		Actual	Previous	Consensus	Forecast
02:00 PM	GB Claimant Count Change APR		12.2K		650K
05:00 PM	DE ZEW Economic Sentiment Index MAY		28.2		-18
09:00 PM	RU GDP Growth Rate YoY Prel Q1		2.1%		0.3%
Wednesday May 20 2020		Actual	Previous	Consensus	Forecast
09:30 AM	CN Loan Prime Rate 1Y		3.85%		3.85%
02:00 PM	GB Inflation Rate YoY APR		1.5%		1.1%
08:30 PM	CA Inflation Rate YoY APR		0.9%		0.7%
Thursday May 21 2020		Actual	Previous	Consensus	Forecast
07:50 AM	JP Balance of Trade APR		¥4.9B		¥-40B
Friday May 22 2020		Actual	Previous	Consensus	Forecast
07:30 AM	JP Inflation Rate YoY APR		0.4%		0.2%

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 8 May 2020**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
APT	Afterpay Limited	36.8	ING	Inghams Group	-6.5
EML	EML Payments Ltd	28.7	ORE	Orocobre Limited	-6.5
PNV	Polynovo Limited	28.1	AWC	Alumina Limited	-6.2
APX	Appen Limited	18.3	QAN	Qantas Airways	-6.1
QUB	Qube Holdings Ltd	15.9	NSR	National Storage	-5.9
DHG	Domain Holdings Aus	15.6	IAG	Insurance Australia	-5.7
MMS	McMillan Shakespeare	15.5	IPL	Incitec Pivot	-5.6
MFG	Magellan Fin Grp Ltd	14.5	SYD	SYD Airport	-5.2
EVN	Evolution Mining Ltd	14.2	CTD	Corp Travel Limited	-5.0
HVN	Harvey Norman	13.5	MTS	Metcash Limited	-4.9

Source: IRESS

S & P Indices Week Ending 8 May 2020

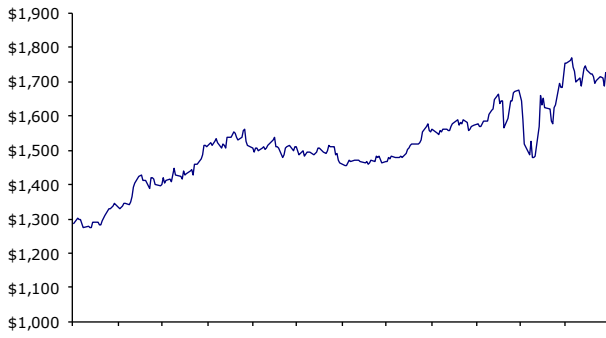
S&P Indices	10/05/2020	3/05/2020	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	7151	6883	3.9%	5.1%	-19.6%
S&P 200 Materials	11707	11226	4.3%	-1.3%	18.2%
S&P 200 Industrials	5369	5322	0.9%	0.2%	5.2%
S&P 200 Consumer Disc.	2151	2077	3.6%	3.0%	2.7%
S&P 200 Consumer Staples	11701	11561	1.2%	-4.6%	36.8%
S&P 200 Healthcare	42335	41863	1.1%	-5.1%	119.6%
S&P 200 Financials	4208	4137	1.7%	-3.3%	-34.0%
S&P 200 Info Technology	1386	1245	11.3%	13.9%	78.2%
S&P 200 Telecommunicatic	1088	1058	2.8%	0.1%	-38.0%
S&P 200 Utilities	7623	7354	3.7%	-1.2%	1.1%
S&P 200 Property Trusts	1148	1093	5.0%	0.1%	-14.4%
S&P 200 Financials ex PT	4693	4614	1.7%	-3.3%	-34.0%

Source: IRESS

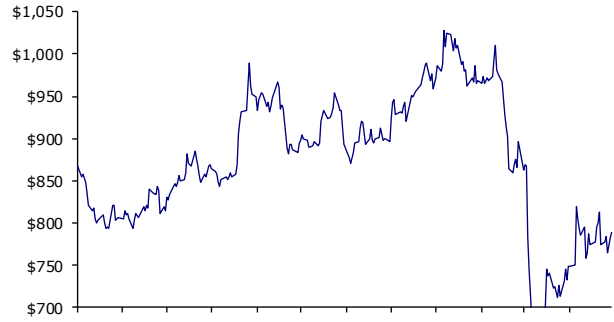


1 Year Commodity Price Charts

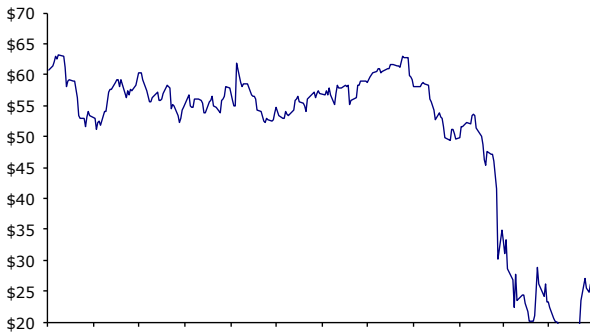
1 Year Gold



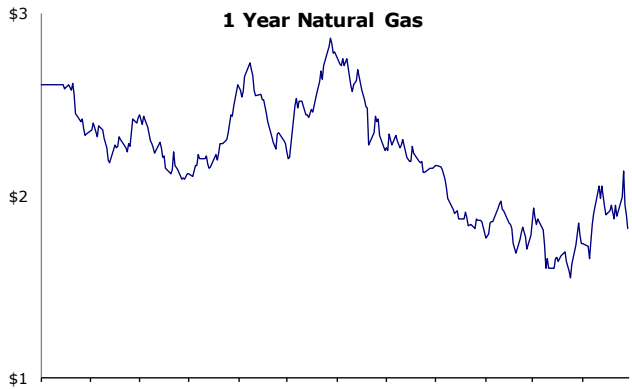
1 Year Platinum



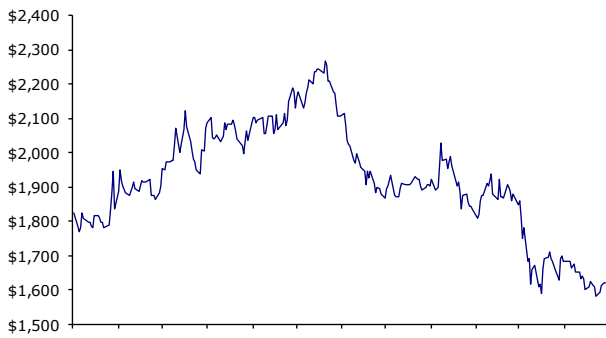
1 Year Oil



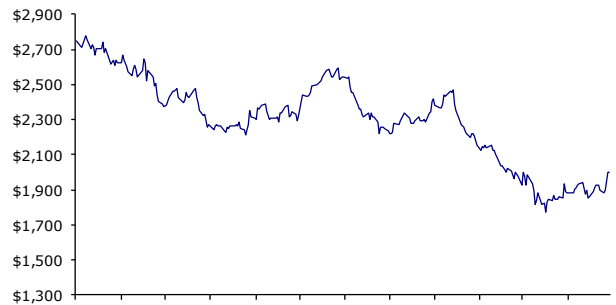
1 Year Natural Gas



1 Year Lead

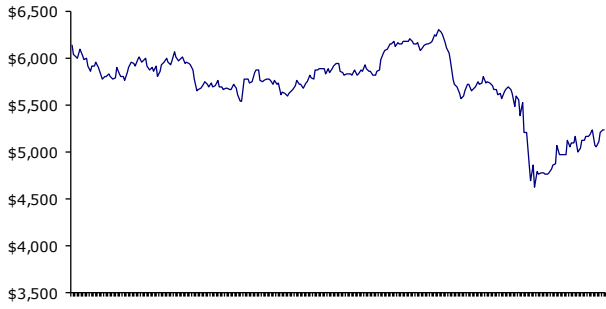


1 Year Zinc

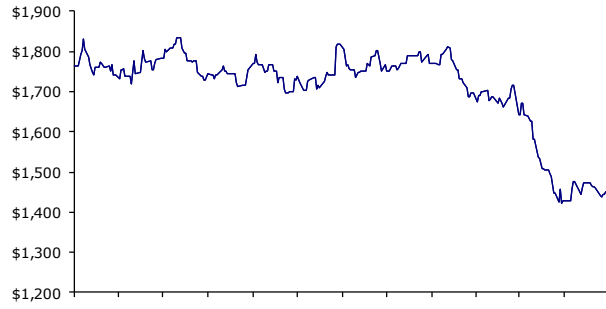




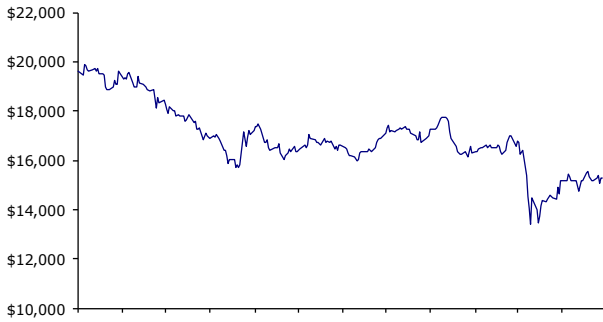
1 Year Copper



1 Year Aluminium

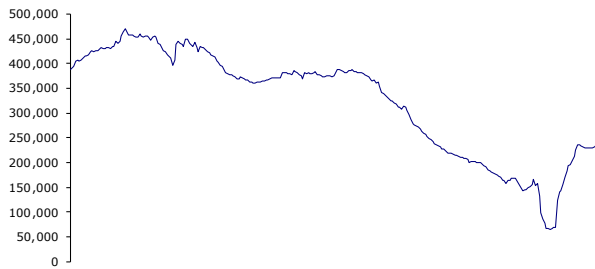


1 Year Tin

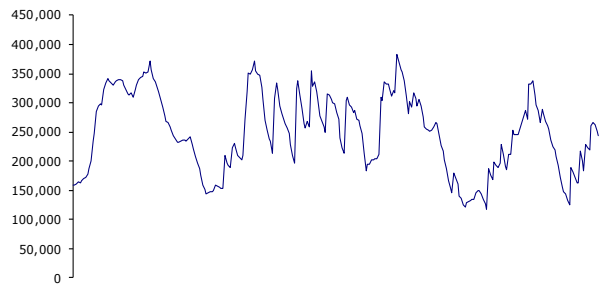


5 Year Metals Stockpiles

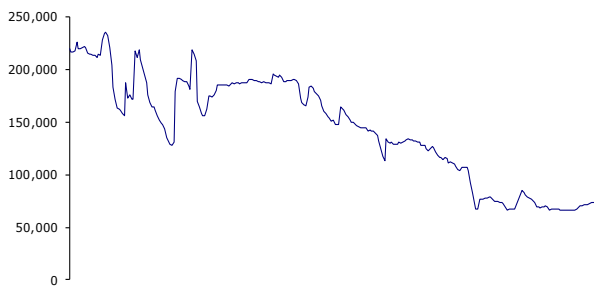
Nickel LME Stockpiles - 5 Year



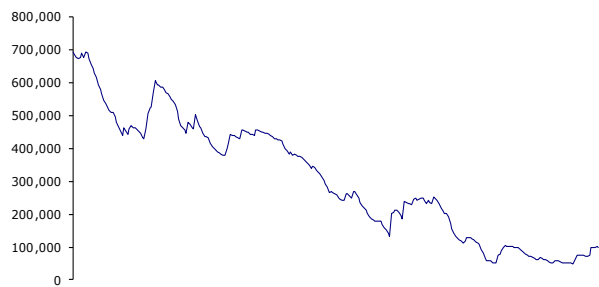
Copper LME Stockpiles - 5 Year



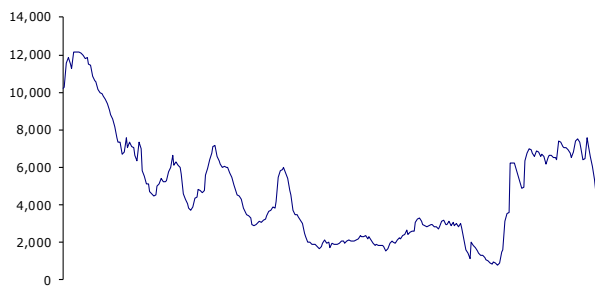
Lead LME Stockpiles - 5 Year



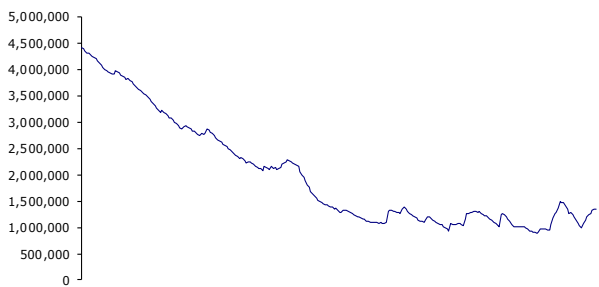
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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