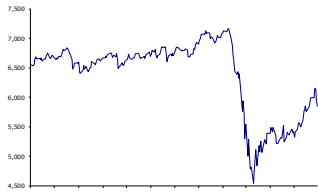


**Issue 504**
**12-month XJO chart**

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**Global Wrap – 14 June 2020**

World Markets	14/06/2020	7/06/2020	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5848	5999	-2.5%	4.9%	5.5%
S&P 500	3041	3194	-4.8%	2.3%	35.4%
FTSE 100	6105	6484	-5.8%	0.6%	-11.9%
DAX30	11949	12848	-7.0%	6.5%	-2.3%
Shanghai Composite	2920	2938	-0.6%	1.8%	-9.2%
Nikkei 225	22062	22062	0.0%	7.3%	17.6%
Hang Seng	24301	24770	-1.9%	-0.4%	6.3%
<b>Currency</b>					
AUD/USD	0.6871	0.7019	-2.1%	-1.1%	0.0%
<b>Commodities</b>					
Oil (\$/bbl)	36.5	38.2	-4.4%	8.0%	-30.4%
Gas (\$/gal)	1.9	1.8	4.7%	-2.3%	-19.7%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	5786	5588	3.5%	8.9%	-0.9%
Lead (\$/t)	1740	1750	-0.6%	6.2%	-25.4%
Zinc (\$/t)	2001	2039	-1.8%	-0.8%	-27.1%
Aluminium (\$/t)	1560	1554	0.4%	6.6%	-9.9%
Nickel (\$/t)	12733	12785	-0.4%	3.5%	12.0%
Tin (\$/t)	17200	16425	4.7%	11.7%	-19.6%
Gold (\$/oz)	1737	1683	3.2%	-0.8%	48.2%
Silver (\$/oz)	17.5	17.5	0.0%	-3.0%	2.3%
Platinum (\$/oz)	819	830	-1.4%	-12.4%	-12.7%
Wheat (\$/t)	507.250	515.250	-1.6%	-1.6%	24.2%

Source: Iress

**Key points**

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

**Week in review**

Global equity markets ended their recent rally on Thursday as investors responded to a cautionary outlook statement from US Federal Reserve Chairman Jerome Powell and a growing number of new coronavirus cases globally.

After clearing its losses for the calendar year on Wednesday, the S&P 500 Index fell 5.9% on Thursday while the Dow Jones Industrial Average Index fell 6.9%, its greatest one-day fall since March when all indexes plunged at least 12%. The Nasdaq posted a weekly loss of 2.30%.

The MSCI World Index (AUD) is down 5.2% and the S&P 500 is down 6.0% for the week.

The Australian equity market followed the global course as the S&P/ASX All Ordinaries Accumulation Index closed down 2.6% for the week, ending a seven-session streak on Thursday.



On the economic front, improvements were observed in the National Australia Bank business confidence index during May and the June consumer confidence index return to pre-coronavirus levels.

## US

On Friday the **Dow** gained 477.37 points, or 1.90, to close at 25,605.54. The **S&P 500** climbed 1.31% to 3,041.31. The **Nasdaq Composite** advanced 1.01% to 9,588.81. Stocks were volatile as they struggled to regain their footing following their biggest sell-off in three months during the previous session, CNBC reported.

Shares of major tech companies were under pressure, dragging down the broader market. Netflix lost 1.76 and Amazon slid 0.51%.

## Asia

Stocks in Asia Pacific dropped in Friday afternoon trade after Thursday's plunge on Wall Street amid fears of a second wave resurgence of the coronavirus pandemic.

In Hong Kong, the **Hang Seng** index dropped 1.08% by the afternoon as shares of HSBC fell 1.59%. Mainland Chinese stocks also edged lower, with the **Shanghai composite** closing almost flat to 2,919.74 while the Shenzhen component edged up marginally to close at 11,251.71. In Japan, the **Nikkei 225** shed 0.75% to 22,305.48.

## Europe

European shares closed slightly up on Friday after heavy losses in the previous session, but marked their worst week since the peak of the coronavirus sell-off due to persistent concerns over the pace of an economic recovery.

The **pan-European STOXX 600** index ended 0.3% higher, after clocking its worst single-day loss since March 23 in the previous session.

The index has lost about 5.7% for the week, with travel and leisure stocks the worst performers as fears of a second wave of coronavirus infections in the United States rattled sentiment.

Data also showed that euro zone industrial output fell the most on record in April as lockdowns halted activity across the region, with analysts pointing to an arduous recovery for the sector.

Britain's economy shrank by a record 20.4% in April as the first full month of the coronavirus lockdown set the country on course for the worst recession in more than three centuries.

Andrew Bailey, the Bank of England governor, said he stood ready to take further action to support jobs and growth if necessary, although added that there were "signs of the economy now beginning to come back to life".

## Australia

The Australian sharemarket ended a six-week run of gains after the fresh coronavirus news spooked investors who were already grappling with the prospect of a rally-ending correction.

The benchmark **ASX 200** finished 112.8 points, or 1.9%, lower on Friday at 5847.8, extending Thursday's steep decline to finish 2.5% lower for the week, The Sydney Morning Herald reported.

Just 11 companies finished higher after fears of a second wave of COVID-19 infections in the US sparked a flurry of selling after the US Federal Reserve poured cold water on stimulus-gorged equity markets.

**Westpac** led losses for the big four, down 3.3% to \$17.89 after the financial crimes watchdog announced it will conduct a deeper probe into Westpac over its failure to properly vet international transactions potentially linked to child exploitation.

The banks lost 3.8% for the week, halting a run of gains that included rises of 11.1% and 7.4% over the preceding fortnight.

**Energy stocks** also plunged on Friday as oil prices fell on fears over global demand. The sector dipped 4%.



The **big miners** were also in the doldrums after iron ore softened slightly. BHP lost 2.1% to \$35.99, Rio Tinto fell 1.1% to \$97.81, and Fortescue Metals dropped 0.5% to \$14.81. CSL shed 0.18% to \$284.32 to keep the health care sector flat.

**Tech stocks** were down 1.7% for the day and 2.6% for the week. US counterparts on the NASDAQ had been tearing into new highs before hitting a wall and losing 5% on Thursday. Supermarket **Coles** and gold miner **Newcrest** mining were among the rare blue-chips in the ASX winner's circle, up 0.17% and 0.51% respectively.

#### **AUD's hot streak**

Last week, the Australian dollar rose above USD0.70 for the first time since January, surging more than 20% against the US dollar from its lowest level in 18 years on March 17, as the risk currency was sold off amid heightened volatility.

The rise in the Australian dollar can be attributed to the Reserve Bank of Australia's firm stance against negative rates, the reopening of pockets of the Australian economy as coronavirus cases decline and the resilience of Australian commodity prices, in particular the price of iron ore.

In addition, the US dollar has been diminished by negative US interest rates, contributing to the rise in our domestic currency.

While the Australian dollar seems to be on a strong foothold for now, caution is warranted over continuing risks, including the escalation of geopolitical tensions between China and the US.

#### **What happens next?**

The Reserve Banks of Australia's June meeting minutes will be released on Tuesday.

US retail sales data are set for release next week. Federal Reserve Chairman is set to speak Tuesday and Wednesday.

## 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	57	55
08:30 PM	US Retail Sales MoM MAY		-16.4%	7%	6.5%
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%		-0.8%
Thursday June 18 2020		Actual	Previous	Consensus	Forecast
07:00 PM	GB BoE Interest Rate Decision		0.1%	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](http://www.tradingeconomics.com)

## Economic Calendar 22/06/2020 – 26/06/2020

Monday June 22 2020		Actual	Previous	Consensus	Forecast
09:30 AM	CN Loan Prime Rate 1Y		3.85%		3.7%
Wednesday June 24 2020		Actual	Previous	Consensus	Forecast
04:00 PM	DE Ifo Business Climate JUN		79.5		78
Thursday June 25 2020		Actual	Previous	Consensus	Forecast
02:00 PM	DE GfK Consumer Confidence JUL		-18.9		
08:30 PM	US Durable Goods Orders MoM MAY				
08:30 PM	US GDP Growth Rate QoQ Final Q1		2.1%		-4.8%
Friday June 26 2020		Actual	Previous	Consensus	Forecast
08:30 PM	US Personal Income MoM MAY		10.5%		
08:30 PM	US Personal Spending MoM MAY		-13.6%		

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

**All Ords Top 10 Week Ending 12 June 2020**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
IPH	IPH Limited	6.6	URW	Unibailrodawestfield	-14.2
TPM	TPG Telecom Limited	3.9	EHE	Estia Health Ltd	-13.7
MIN	Mineral Resources.	3.8	SXL	Sthn Cross Media	-13.0
CCL	Coca-Cola Amatil	3.7	MYX	Mayne Pharma Ltd	-12.9
NCM	Newcrest Mining	3.6	ORE	Orocobre Limited	-12.9
SAR	Saracen Mineral	3.3	NWH	NRW Holdings Limited	-12.8
PME	Pro Medicus Limited	3.2	PLS	Pilbara Min Ltd	-12.7
WPR	Waypoint REIT	3.1	MND	Monadelphous Group	-12.3
CLW	Chtr H Lwr	2.8	AVH	Avita Medical Ltd	-12.2
FPH	Fisher & Paykel H.	2.7	WHC	Whitehaven Coal	-12.2

Source: IRESS

**S & P Indices Week Ending 12 June 2020**

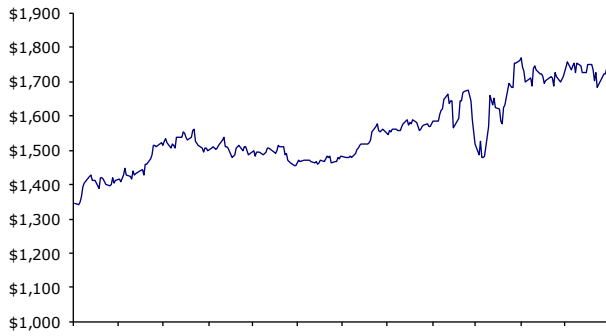
S&P Indices	14/06/2020	7/06/2020	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	7489	8054	-7.0%	1.1%	-15.8%
S&P 200 Materials	13233	13423	-1.4%	2.2%	33.7%
S&P 200 Industrials	5851	6037	-3.1%	4.4%	14.7%
S&P 200 Consumer Disc.	2387	2422	-1.5%	6.4%	14.0%
S&P 200 Consumer Staples	12257	12300	-0.3%	4.3%	43.3%
S&P 200 Healthcare	41127	41442	-0.8%	-4.1%	113.3%
S&P 200 Financials	4744	4931	-3.8%	12.9%	-25.5%
S&P 200 Info Technology	1479	1519	-2.6%	4.0%	90.2%
S&P 200 Telecommunicatic	1158	1184	-2.1%	3.2%	-34.0%
S&P 200 Utilities	7713	7755	-0.5%	0.8%	2.3%
S&P 200 Property Trusts	1253	1301	-3.7%	6.0%	-6.6%
S&P 200 Financials ex PT	5292	5499	-3.8%	12.9%	-25.5%

Source: IRESS

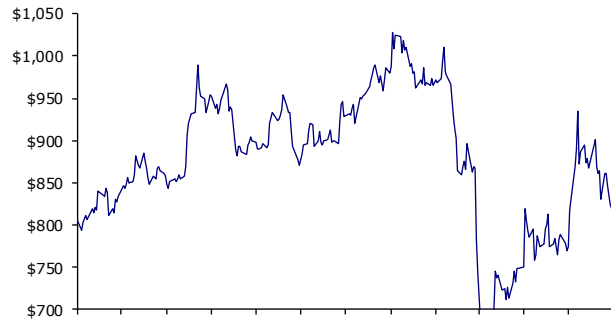


### 1 Year Commodity Price Charts

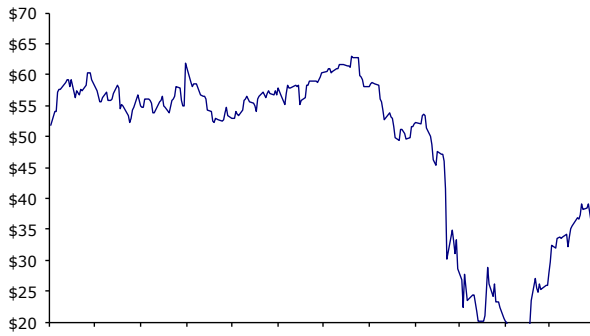
**1 Year Gold**



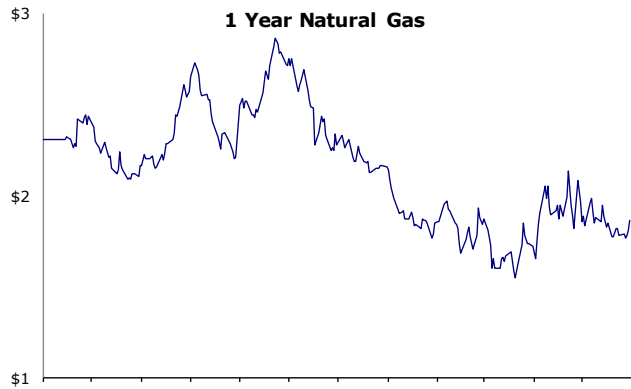
**1 Year Platinum**



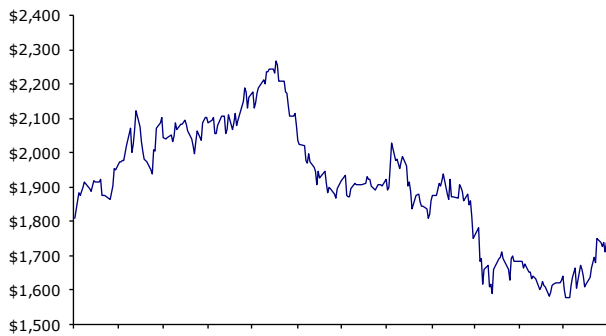
**1 Year Oil**



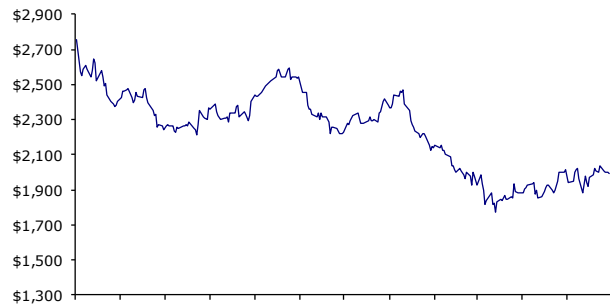
**1 Year Natural Gas**



**1 Year Lead**

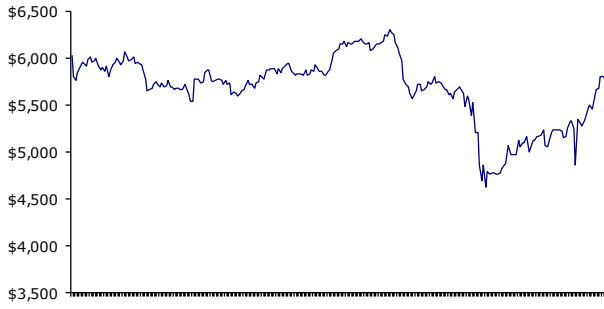


**1 Year Zinc**

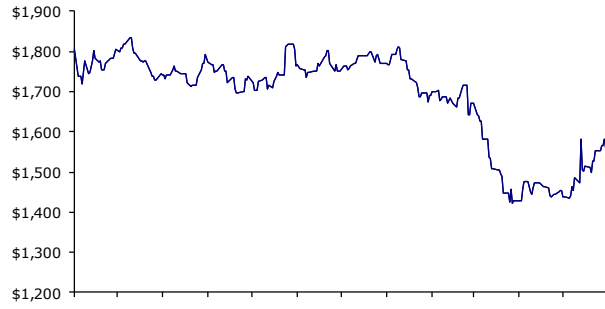




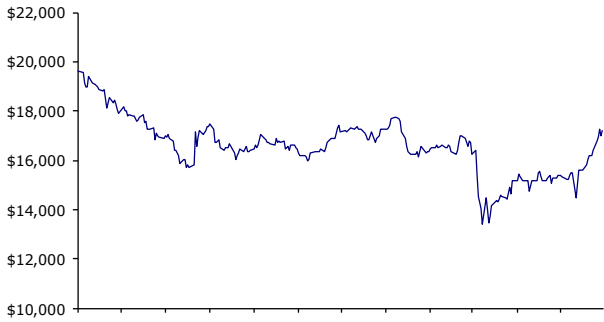
**1 Year Copper**



**1 Year Aluminium**

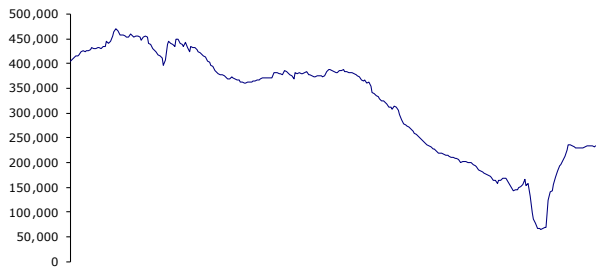


**1 Year Tin**

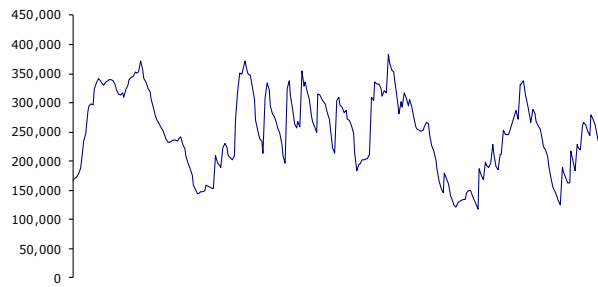


**5 Year Metals Stockpiles**

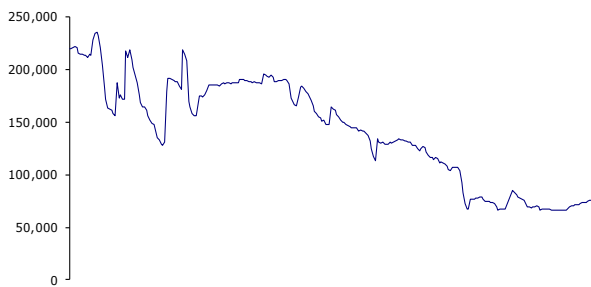
**Nickel LME Stockpiles - 5 Year**



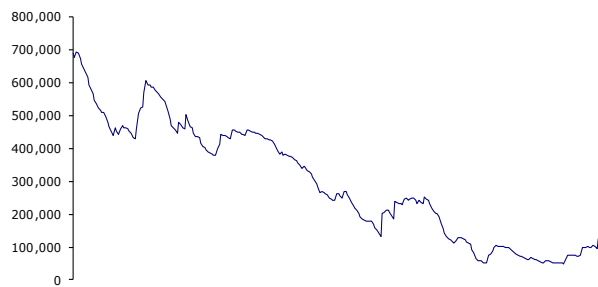
**Copper LME Stockpiles - 5 Year**



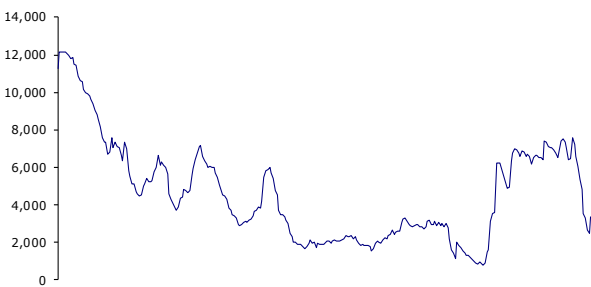
**Lead LME Stockpiles - 5 Year**



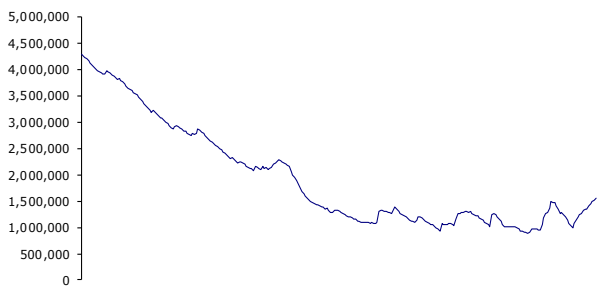
**Zinc LME Stockpiles - 5 Year**



**Tin LME Stockpiles - 5 Year**



**Aluminium LME Stockpiles - 5 Year**





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