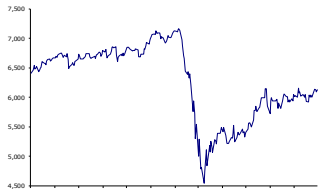
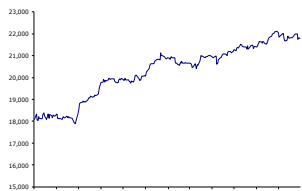


Issue 513
12-month XJO chart

12-month Dow Jones chart

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Global Wrap – 16 August 2020

World Markets	16/08/2020	9/08/2020	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	6126	6005	2.0%	0.8%	10.5%
S&P 500	3373	3351	0.6%	3.0%	50.2%
FTSE 100	6090	6032	1.0%	-1.9%	-12.1%
DAX30	12901	12675	1.8%	-1.5%	10.0%
Shanghai Composite	3360	3379	-0.6%	1.1%	4.5%
Nikkei 225	23289	22330	4.3%	2.4%	24.1%
Hang Seng	25183	24532	2.7%	0.5%	10.2%
Currency					
AUD/USD	0.7172	0.7149	0.3%	-0.9%	5.8%
Commodities					
Oil (\$/bbl)	42.0	42.0	-0.1%	2.5%	-23.3%
Gas (\$/gal)	2.4	2.2	5.3%	37.1%	3.1%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	6343	6437	-1.5%	-2.8%	8.6%
Lead (\$/t)	1946	1921	1.3%	8.1%	-16.5%
Zinc (\$/t)	2377	2393	-0.7%	7.9%	-13.4%
Aluminium (\$/t)	1730	1722	0.5%	4.8%	-0.1%
Nickel (\$/t)	14235	14335	-0.7%	7.7%	25.2%
Tin (\$/t)	17665	17935	-1.5%	-0.5%	-17.4%
Gold (\$/oz)	1950	2028	-3.9%	4.5%	66.3%
Silver (\$/oz)	26.1	27.5	-5.3%	12.7%	52.6%
Platinum (\$/oz)	959	970	-1.2%	0.2%	2.3%
Wheat (\$/t)	500.250	496.000	0.9%	-6.3%	22.5%

Source: Iress

Key points

1. What happened Friday
2. Earnings season summary for the week
3. What to watch next week

US stocks finished Friday mostly flat as traders also pored over mixed economic data and looked to Washington for clues on further coronavirus stimulus, CNBC reported.

The **S&P 500** lost less than 0.1% to finish at 3,372.85, while the **Nasdaq Composite** lost 0.21% to end the day at 11,019.3. The **Dow Jones Industrial Average** gained 34.3 points, or 0.12%, and finished at 27,931.02.

Big tech came under modest pressure in late-day trading as shares of **Amazon** and Google owner **Alphabet** dropped 0.41% and 0.79%.

Stocks that would benefit most from economic reopening, however, helped offset some of the losses.

United Airlines, **Delta** and **Southwest** were each up at least 0.5%. **Carnival Corp** and **Norwegian Cruise Line** rose 1.6% and 2.6%, respectively. **Nordstrom** shares advanced more than 2%.



The major stock indexes all clinched weekly gains despite Friday's muted trading action. The S&P 500 added 0.64% for the week, its third straight weekly gain. The Dow advanced 1.8% this week. The Nasdaq, the relative laggard, climbed less than 0.1% since last Friday's close.

This week's back-and-forth action came as investors rotated between the major tech stocks — Facebook, Amazon, Apple, Alphabet, Netflix and Microsoft — and shares of companies that would benefit from the economy reopening.

US retail sales for July rose 1.2%, below a Dow Jones estimate of 2.3%. Excluding autos, however, retail sales rose 1.9% to top a forecast of 1.2%.

In Washington, lawmakers seem unable to move forward with a coronavirus stimulus bill. This could drag on for weeks as the Senate is in recess until after Labor Day on Monday 7 September and House members have already left for the rest of the month.

Asia-Pacific markets traded mostly higher on Friday but investors remained cautious after US lawmakers seemed unable to move forward with the coronavirus stimulus bill.

In Japan, the **Nikkei 225** added 0.17% to 23,289.36 while the Topix index gave up earlier gains to finish near flat at 1,623.38.

South Korea's Kospi index declined 1.23% to 2,407.49 and **Hong Kong's Hang Seng** index was near flat in late-afternoon trade.

Chinese mainland shares rose: The **Shanghai composite** was up 1.19% at 3,360.1, the **Shenzhen component** index added 1.49% to 13,489.01 and the Shenzhen composite was up 1.25% at 2,244.17.

Major indexes in India and Indonesia also rose while Singapore's Straits Times Index fell 0.34% in afternoon trade.

European markets closed lower on Friday as investors monitored concerns over a second wave of coronavirus cases, which caused the UK to implement quarantine measures impacting arrivals from more countries.

The **pan-European Stoxx 600** closed down 1.2%, with travel and leisure stocks dropping more than 2.3% on the back of new travel restrictions as all sectors and major bourses slid into negative territory.

European Union statistics agency Eurostat on Friday confirmed that the euro zone experienced a 12.1% contraction in GDP (gross domestic product) in the second quarter, and had its worst fall in employment ever recorded. The bloc's trade surplus surged to 21.2 billion euros (\$25 billion) due to a sharp fall in imports.

The European Commission has entered contract negotiations with US pharmaceutical giant **Johnson & Johnson** over the purchase of 200 million doses of a potential COVID-19 vaccine to be distributed among its 27 member states.

The **ASX 200** capped off its best week in six with a 0.6% rise on Friday, fuelled by gains for the tech sector, health stocks and a lustrous performance by the gold miners.

The benchmark index rose 35.2 points to 6126.2 as investors sifted through more earnings season confessions for any whiff of a positive outlook.

The day's gains meant the local bourse finished ahead 2% for the week - its best since early July - with consumer staples, financials, and property stocks strongest across the five sessions.

The market's rise on Friday came after it brushed off a soft Wall Street lead, while investors appeared little moved by underwhelming retail and factory data out of China, The Sydney Morning Herald reported.

Not even a sobering reminder from **RBA Governor Philip Lowe** could turn the index into the red, with the head of the central bank warning Parliament that the path to economic recovery will be long and winding.

NAB finished 1.2% higher at \$18.22 on Friday after a better-than-expected third-quarter result, though chief executive Ross McEwan flagged a highly uncertain year ahead. **Commonwealth Bank** lost 0.9% to finish at \$71.76.

Afterpay led tech stocks higher, adding 6.3% to \$75.80, supported by a 5.4% rise for **Xero** to \$94.31 and a 7.8% climb for **Computershare** to \$14.11.



In the mining sector, **BHP** added 0.3% to \$40.01 while gold miners were strong on improved precious metals prices. Among the gold miners **Perseus** was up 6% at \$1.50, **Evolution** rose 6.5% to \$6.09, **Northern Star** was 0.8% higher at \$14.24, **Saracen** was 3.5% ahead at \$5.61 and **Newcrest** dipped 0.9% to \$34.16 after forecasting softer production for the year ahead.

Among **health stocks**, stem cell firm **Mesoblast** stole the show with a 39% rise to \$4.70 following a regulatory win in the US for its flagship product.

CSL finished 0.6% higher at \$279.34, **ResMed** added 2% to \$25, **Ramsay Healthcare** rose 1% to \$67.67 and **Cochlear** finished 0.9% higher at \$199.77.

Consumer discretionary were also solid. **Wesfarmers** touched a record high \$47.97 and finished 0.8% higher at \$47.61. **Collins Foods** rose 3.1%, **Dominos Pizza** climbed 1.9%, **Harvey Norman** gained 2.2%, **JB Hi-Fi** was up 2%, **Super Retail Group** added 1.7% and **ARB Corp** was ahead by 2.7%, including touching a record high \$22.66.

Gambling firms were also firmly in the black with the **Star**, **Crown**, **Tabcorp**, and **Aristocrat Leisure** each up by between 1% and 1.5%.

Earnings season summary for the week

The Australian reporting season stepped up this week and continued to create clear winners and losers, with rewards for those companies who give investors any reason to hope for the future.

Telstra, **AGL**, **Transurban**, and **Newcrest** have been punished for a weak outlook. In contrast, **Treasury Wines**, even though it had been struggling, flagged strong growth in China and its share price improved drastically.

Homewares retailer **Adairs** and home appliances manufacturer **Breville** delivered strong sales for FY2020. **Commonwealth Bank** confirmed a higher-than-expected final dividend and a 12% increase in its full year net profit while insurance company **QBE** announced an improving outlook and confirmed a 4 cents per share dividend.

The US entered final stages of its reporting season with the average company beating downgraded analyst estimates by 22%, above the historic average of 3%.

In Europe, global meal-kit provider **HelloFresh** reported a surge in earnings this week as the company's second-quarter revenue more than doubled year-on-year.

In the week ahead investors will be watching Japan's GDP reading on Monday, the RBA monthly meeting minute on Tuesday and UK CPI on Wednesday.

**Economic Calendar 17/08/2020 – 21/08/2020**

Monday August 17 2020		Actual	Previous	Consensus	Forecast	
07:50 AM	JP GDP Growth Rate QoQ Prel Q2		-0.6%	-7.6%	-4.2%	
Wednesday August 19 2020		Actual	Previous	Consensus	Forecast	
07:50 AM	JP Balance of Trade JUL		¥-268.8B		¥-260B	
02:00 PM	GB Inflation Rate YoY JUL		0.6%			
08:30 PM	CA Inflation Rate YoY JUL		0.7%		0.7%	
Thursday August 20 2020		Actual	Previous	Consensus	Forecast	
09:30 AM	CN Loan Prime Rate 1Y		3.85%		3.85%	
Friday August 21 2020		Actual	Previous	Consensus	Forecast	
07:01 AM	GB Gfk Consumer Confidence AUG		-27			
07:30 AM	JP Inflation Rate YoY JUL		0.1%		0.1%	

Source: www.tradingeconomics.com**Economic Calendar 24/08/2020 – 28/08/2020**

Tuesday August 25 2020		Actual	Previous	Consensus	Forecast	
02:00 PM	DE GDP Growth Rate YoY Final Q2		-2.3%		-11.4%	
02:00 PM	DE GDP Growth Rate QoQ Final Q2		-2.0%	-10.1%	-10.1%	
04:00 PM	DE Ifo Business Climate AUG		90.5			
Wednesday August 26 2020		Actual	Previous	Consensus	Forecast	
08:30 PM	US Durable Goods Orders MoM JUL		7.3%		2%	
Thursday August 27 2020		Actual	Previous	Consensus	Forecast	
08:30 PM	US GDP Growth Rate QoQ 2nd Est Q2		-5%		-32.9%	
Friday August 28 2020		Actual	Previous	Consensus	Forecast	
02:00 PM	DE GfK Consumer Confidence SEP		-0.3		-2.2	
02:45 PM	FR GDP Growth Rate QoQ Final Q2		-5.9%	-13.8%	-13.8%	
08:00 PM	BR GDP Growth Rate YoY Q2		-0.3%		-10%	
08:30 PM	CA GDP Growth Rate Annualized Q2		-8.2%		-38%	
08:30 PM	CA GDP Growth Rate QoQ Q2		-2.1%		-15%	
08:30 PM	US Personal Income MoM JUL		-1.1%			
08:30 PM	US Personal Spending MoM JUL					

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 14 August 2020**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
TWE	Treasury Wine Estate	17.6	SLR	Silver Lake Resource	-10.7
CTD	Corp Travel Limited	17.0	NST	Northern Star	-10.4
FLT	Flight Centre Travel	15.0	BRG	Breville Group Ltd	-9.1
SXL	Sthn Cross Media	12.9	AGL	AGL Energy Limited.	-8.8
NWH	NRW Holdings Limited	12.7	CGF	Challenger Limited	-8.6
WEB	Webjet Limited	12.5	SEK	Seek Limited	-8.6
RWC	Reliance Worldwide	11.7	TPG	TPG Telecom Limited	-8.0
QAN	Qantas Airways	10.8	TLS	Telstra Corporation.	-7.7
QBE	QBE Insurance Group	10.5	RSG	Resolute Mining	-7.3
AMP	AMP Limited	10.2	GOR	Gold Road Res Ltd	-7.2

Source: IRESS

S & P Indices Week Ending 14 August 2020

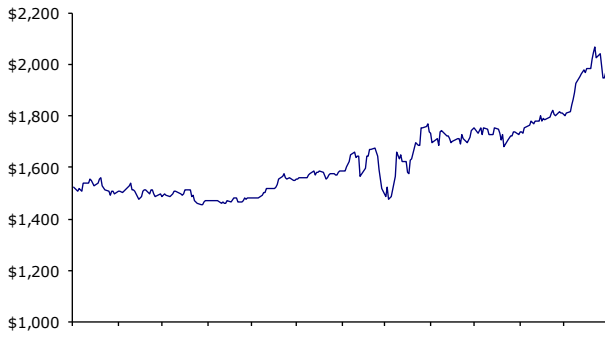
S&P Indices	16/08/2020	9/08/2020	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	7515	7380	1.8%	1.2%	-15.5%
S&P 200 Materials	14660	14701	-0.3%	2.5%	48.1%
S&P 200 Industrials	5670	5536	2.4%	1.0%	11.1%
S&P 200 Consumer Disc.	2607	2535	2.8%	4.8%	24.5%
S&P 200 Consumer Staples	13556	13011	4.2%	4.2%	58.4%
S&P 200 Healthcare	41813	40890	2.3%	-0.4%	116.9%
S&P 200 Financials	4881	4699	3.9%	-1.1%	-23.4%
S&P 200 Info Technology	1729	1681	2.9%	1.0%	122.3%
S&P 200 Telecommunicatic	1176	1236	-4.9%	-4.9%	-33.0%
S&P 200 Utilities	7479	7657	-2.3%	-2.6%	-0.8%
S&P 200 Property Trusts	1266	1224	3.4%	3.3%	-5.6%
S&P 200 Financials ex PT	5444	5241	3.9%	-1.1%	-23.4%

Source: IRESS

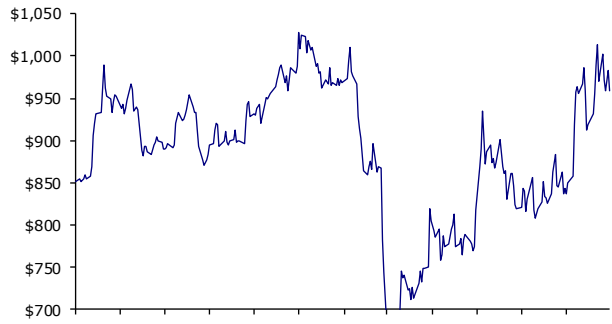


1 Year Commodity Price Charts

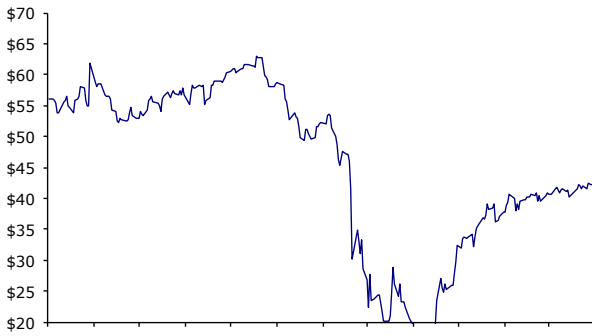
1 Year Gold



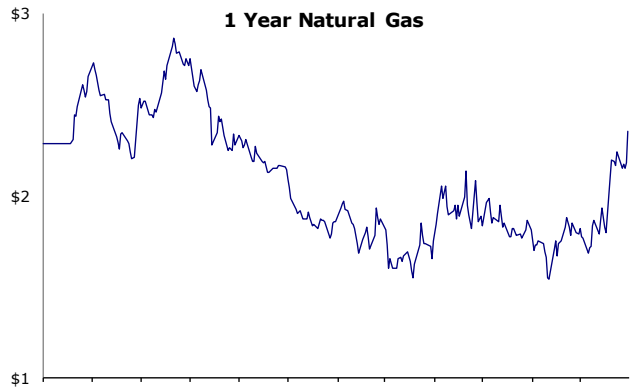
1 Year Platinum



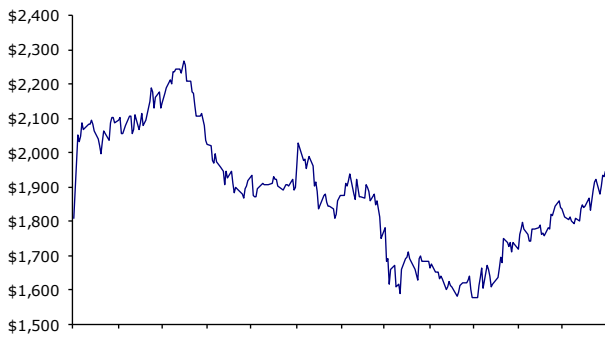
1 Year Oil



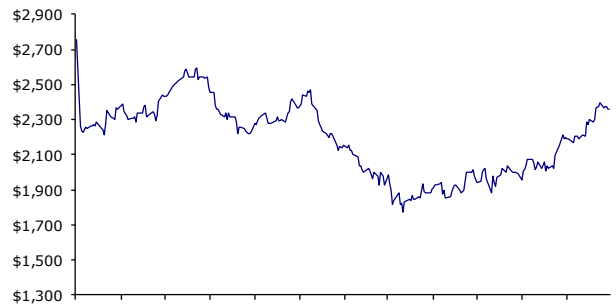
1 Year Natural Gas



1 Year Lead

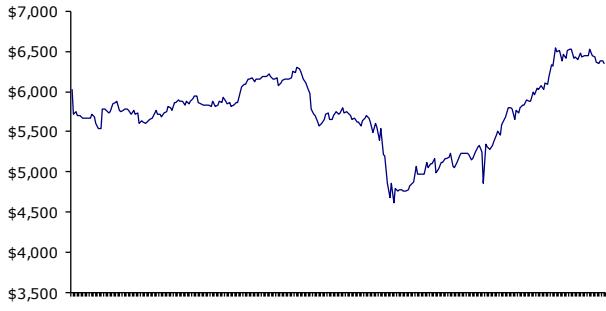


1 Year Zinc

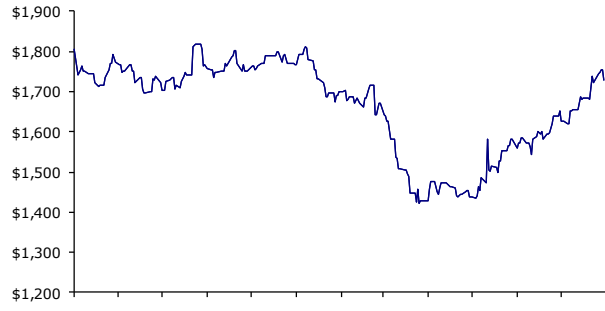




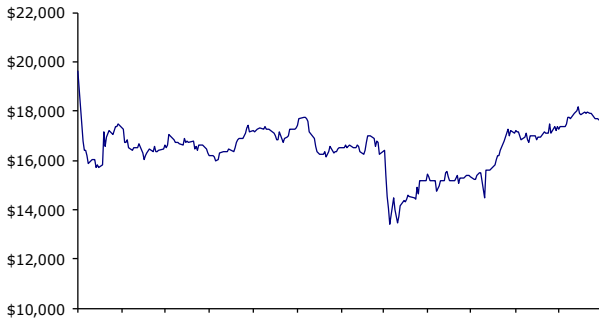
1 Year Copper



1 Year Aluminium

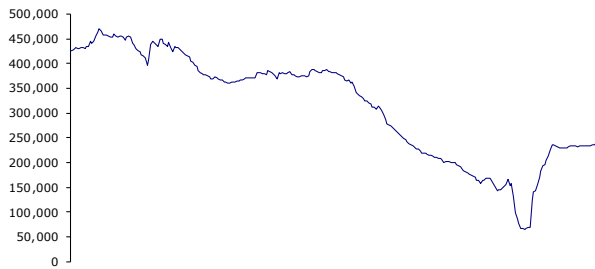


1 Year Tin

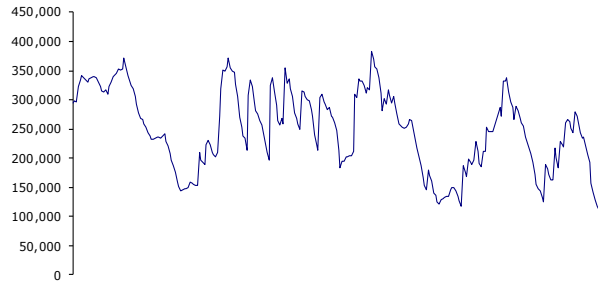


5 Year Metals Stockpiles

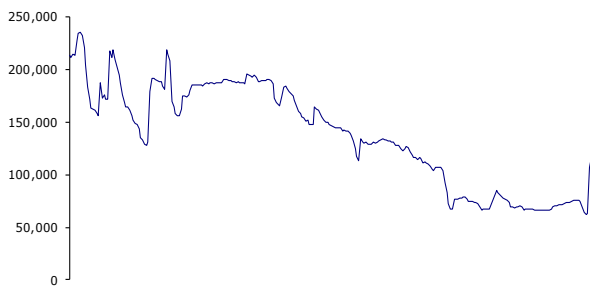
Nickel LME Stockpiles - 5 Year



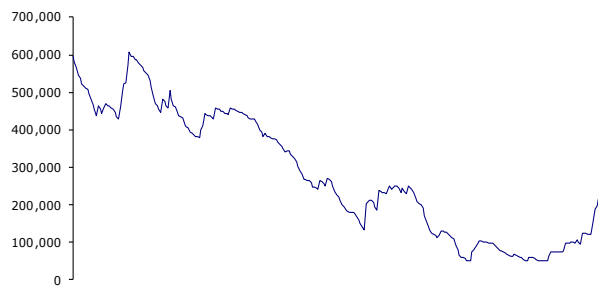
Copper LME Stockpiles - 5 Year



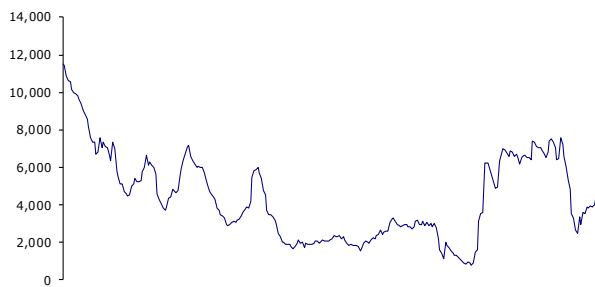
Lead LME Stockpiles - 5 Year



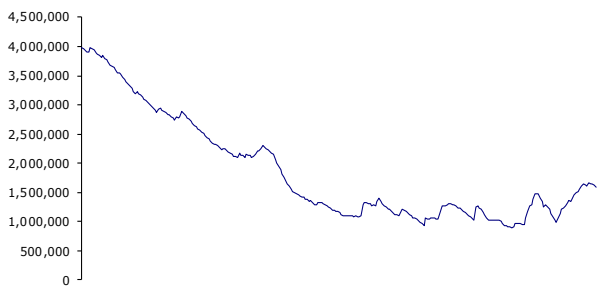
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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