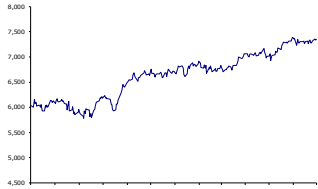
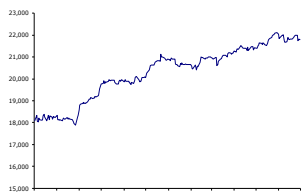


12-month XJO chart

12-month Dow Jones chart

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Global Wrap – 18 July 2021

World Markets	18/07/2021	11/07/2021	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	7348	7273	1.0%	0.7%	32.6%
S&P 500	4327	4370	-1.0%	2.0%	92.6%
FTSE 100	7008	7122	-1.6%	-0.9%	1.1%
DAX30	14050	13719	2.4%	3.6%	3.6%
Shanghai Composite	3539	3548	-0.2%	-0.8%	10.1%
Nikkei 225	28003	28569	-2.0%	-3.0%	49.2%
Hang Seng	28005	27345	2.4%	-2.8%	22.5%
Currency					
AUD/USD	0.7399	0.7483	-1.1%	-1.2%	7.6%
Commodities					
Oil (\$/bbl)	71.8	74.6	-3.7%	-2.0%	34.7%
Gas (\$/gal)	3.7	3.7	0.0%	9.4%	100.0%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	9397	9438	-0.4%	1.2%	61.0%
Lead (\$/t)	2327	2343	-0.7%	6.9%	-0.2%
Zinc (\$/t)	2928	2955	-0.9%	2.0%	6.7%
Aluminium (\$/t)	2493	2470	0.9%	4.5%	44.0%
Nickel (\$/t)	18895	18673	1.2%	5.8%	66.2%
Tin (\$/t)	34177	33076	3.3%	6.5%	59.7%
Gold (\$/oz)	1815	1811	0.2%	1.8%	54.8%
Silver (\$/oz)	25.8	26.2	-1.7%	-1.4%	50.9%
Platinum (\$/oz)	1109	1096	1.2%	2.0%	18.2%
Wheat (\$/t)	692.500	615.000	12.6%	4.6%	69.6%

Source: Iress

Key points

- 1. US stocks fall on inflation fears**
- 2. Aussie buy now pay later stocks tumble**
- 3. What to watch next week**

US stocks fell on Friday, pushing the Dow Jones Industrials Average into the red for the week, as inflation fears overshadowed strong retail sales numbers and better-than-expected earnings reports.

The **Dow** lost 299.17 points, or 0.86%, to close at 34,687.85. The **S&P 500** dipped 0.75% to 4,327.16 and the **Nasdaq Composite** shed 0.8% to 14,427.24.

For the week, the three averages closed lower to each snap three-week win streaks. The Dow ended the week down 0.52%, while the S&P 500 dipped 0.97% and the Nasdaq Composite fell 1.87% during the same period.

A **US consumer sentiment index** from the University of Michigan came in at 80.8 for the first half of July, down from 85.5 last month and worse than estimates from economists, who projected an increase.



The report released Friday showed inflation expectations rising, with consumers believing prices will increase 4.8% in the next year, the highest level since August 2008.

The Dow gave up its gains early Friday shortly after the report came out 30 minutes into the session.

Despite the week's losses, the Dow is still up 13% for the year and sits just 1.15% from an all-time high. The S&P 500 is up 15% on the year and is 1.51% below its record level.

Energy stocks, the hottest part of the market in 2021, fell into correction territory on Friday as **oil prices pulled back from their highs**.

The Energy Select Sector SPDR Fund fell more than 2% on Friday, the worst of any group, dropping 14% from its high.

Still, the sector is up about 28% in 2021, making it the top performer of any of the 11 main industry groups.

Weaker performance from **technology stocks** also weighed on the market Friday. Shares of **Apple** closed 1.4% lower after notching a record close just two days prior. **Netflix** shares fell ahead of the streaming giant's second-quarter earnings report next week.

Investors digested **strong earnings results** from the first major week of second-quarter reports. Though some of the nation's largest companies posted healthy earnings and revenues amid the economic recovery the reaction in the stock market has so far been muted, with some investors taking profits.

Shares in Asia were mixed on Friday as the Bank of Japan held steady on monetary policy.

The **Nikkei 225** in Japan fell 0.98% to close at 28,003.08 while the Topix index slipped 0.38% to finish the trading day at 1,932.19.

Japan's central bank downgraded its real GDP forecast for 2021 to 3.8% growth, as compared with the 4% growth forecast made in April.

The Bank of Japan also kept its yield curve control target at -0.1% for short-term interest rates and 0% for 10-year Japanese government bond yields. Yield curve control is a policy to stimulate the country's economy, and entails keeping the 10-year Japanese government bond yield at zero.

In other markets, South Korea's **Kospi** declined 0.28% to close at 3,276.91.

In mainland China, the **Shanghai composite** dipped 0.71% on the day to 3,539.30 while the **Shenzhen component** dropped 1.299% to close at 14,972.21. The Hang Seng index in Hong Kong rose 0.2%, as of its final hour of trading.

European stocks closed lower on Friday as investors monitored economic data, corporate earnings and the spread of the delta Covid-19 variant.

The **pan-European Stoxx 600** ended the session down 0.3%, with miners tumbling 2.8% to lead losses as the majority of sectors and major bourses finished in the red. The benchmark was down about 0.7% on the week, having hit a record high on Monday.

Euro zone inflation slowed in June, official data confirmed on Friday, with consumer prices rising 1.9% annually after a 2% climb in May, marking the first slowdown since September 2020.

A surge in Covid-19 cases across the continent caused by the highly transmissible delta variant continues to weigh on investor sentiment, with several major European countries forced to reimplement social restrictions, while the UK will take the gamble of removing its last layer of safeguards from Monday.

The UK reported 51,870 new coronavirus cases Friday, marking the first time since mid-January that daily infections have risen above 50,000.

In Australia the major miners led the gains on the local sharemarket. **BHP Group** firmed 4.8% to \$51.87, a record close. Rio Tinto advanced 4.1% to \$130.60 and **Fortescue Metals Group** rose 8% to \$25.78. **Champion Iron** climbed 8.6% to \$6.93.



Spark Infrastructure soared 17.4% to \$2.63 after opening the door to KKR and a major Canadian pension fund to improve on a \$5 billion cash takeover bid.

Other utility and infrastructure stocks also traded higher through the week. **APA Group** advanced 5.3% to \$9.59, **Aurizon Holdings** firmed 5.1% to \$3.94 and **Atlas Arteria** climbed 2.2% to \$6.44.

Australian Pharmaceutical Industries soared 21.7% to \$1.40 after it received a \$687 million takeover offer from **Wesfarmers**. **Washington H. Soul Pattinson** granted Wesfarmers a call option over its 19.3% stake.

The major banks led the losses on the local sharemarket. **Commonwealth Bank** dipped 0.4% to \$98.19, **Westpac** declined 1.8% to \$24.91, **ANZ** slid 1.5% to \$27.43 and **NAB** fell 0.5% to \$25.96.

Buy now, pay later stocks were hit hard this week, with **Afterpay** and **Zip Co** tumbling after Apple announced it was working on a competing offering for Apple Pay customers. Afterpay slid 12.2% to \$103.21 and Zip Co declined 14.5% to \$7.10.

Other tech stocks were also in the firing line. **Altium** dipped 3.2% to \$36.55, **Nuix** slid 2.3% to \$2.56, **Megaport** declined 1.1% to \$16.14 and **Tyro Payments** lost 5.8% to \$3.44.

Healthcare stocks also drifted lower through the week. **Polynovo** fell 11.6% to \$2.06, **Mesoblast** dipped 5.4% to \$1.9, **Ansell** declined 3.7% to \$39.63 and **Cochlear** slid 1.6% to \$239.29.

This coming week, along with monitoring the Covid lockdowns in Australia's two major cities, investors will be waiting on the **Reserve Bank of Australia's** monthly minutes release on Tuesday, which will likely give more clues as to when interest rates will start to rise again.

On Wednesday, **Australian retail sales data** will be released, along with the **Westpac Leading Index**, which tracks nine gauges of economic activity, including share prices, to provide an indication of how the economy will perform.

This will be followed by the **National Australia Bank** Business Confidence survey results on Thursday.

Sources: *CNBC, Australian Financial Review, FX Street*

**Economic Calendar 19/07/2021 –23/07/2021**

Tuesday July 20 2021		Actual	Previous	Consensus	Forecast
07:30 AM	JP Inflation Rate YoY JUN		-0.1%		0%
07:50 AM	JP Balance of Trade JUN		¥-187.1B		¥ -300B
09:30 AM	CN Loan Prime Rate 1Y		3.85%		3.85%
Friday July 23 2021		Actual	Previous	Consensus	Forecast
07:01 AM	GB Gfk Consumer Confidence JUL		-9		-7

Economic Calendar 26/07/2021 – 30/07/2021

Monday July 26 2021		Actual	Previous	Consensus	Forecast
04:00 PM	DE Ifo Business Climate JUL		101.8		102.5
Tuesday July 27 2021		Actual	Previous	Consensus	Forecast
08:30 PM	US Durable Goods Orders MoM JUN		2.3%		1.2%
Wednesday July 28 2021		Actual	Previous	Consensus	Forecast
02:00 PM	DE GfK Consumer Confidence AUG		-0.3		
08:30 PM	CA Inflation Rate YoY JUN		3.6%		
Thursday July 29 2021		Actual	Previous	Consensus	Forecast
02:00 AM	US Fed Interest Rate Decision		0.25%	0.25%	0.25%
02:30 AM	US Fed Press Conference				
08:30 PM	US GDP Growth Rate QoQ Adv Q2		6.4%		9%
Friday July 30 2021		Actual	Previous	Consensus	Forecast
08:30 PM	US Personal Income MoM JUN		-2%		0.5%
08:30 PM	US Personal Spending MoM JUN		0.0%		0.3%

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 16 July 2021**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
SKI	Spark Infrastructure	17.4	Z1P	Zip Co Ltd.	-14.5
NWH	NRW Holdings Limited	16.5	APT	Afterpay Limited	-12.2
ARB	ARB Corporation.	12.1	PNV	Polynovo Limited	-11.6
NEA	Nearmap Ltd	11.2	MSB	Mesoblast Limited	-5.7
ORE	Orocobre Limited	10.3	PTM	Platinum Asset	-4.6
BKL	Blackmores Limited	10.2	ANN	Ansell Limited	-3.7
SVW	Seven Group Holdings	9.4	SGR	The Star Ent Grp	-3.5
CIA	Champion Iron Ltd	8.6	URW	Unibailrodawestfield	-3.4
FMG	Fortescue Metals Grp	8.0	SCG	Scentre Grp	-3.3
BSL	BlueScope Steel Ltd	7.5	CGF	Challenger Limited	-3.2

Source: IRESS

S & P Indices Week Ending 16 July 2021

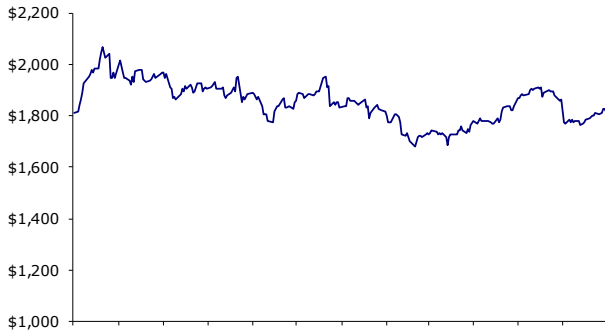
S&P Indices	18/07/2021	11/07/2021	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	8167	8266	-1.2%	-0.6%	-8.2%
S&P 200 Materials	18098	17324	4.5%	7.1%	82.8%
S&P 200 Industrials	6511	6419	1.4%	4.5%	27.6%
S&P 200 Consumer Disc.	3438	3380	1.7%	0.2%	64.2%
S&P 200 Consumer Staples	13311	13202	0.8%	4.1%	55.6%
S&P 200 Healthcare	43275	43010	0.6%	-3.8%	124.5%
S&P 200 Financials	6394	6418	-0.4%	-1.7%	0.4%
S&P 200 Info Technology	2076	2141	-3.1%	-6.4%	166.9%
S&P 200 Telecommunicatic	1490	1488	0.1%	1.4%	-15.1%
S&P 200 Utilities	6169	5921	4.2%	1.1%	-18.2%
S&P 200 Property Trusts	1540	1545	-0.3%	-2.3%	14.8%
S&P 200 Financials ex PT	7131	7159	-0.4%	-1.7%	0.4%

Source: IRESS

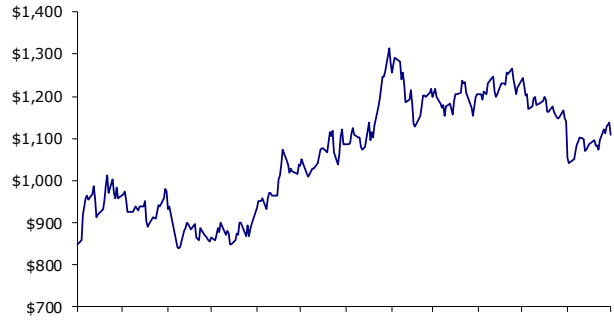


1 Year Commodity Price Charts

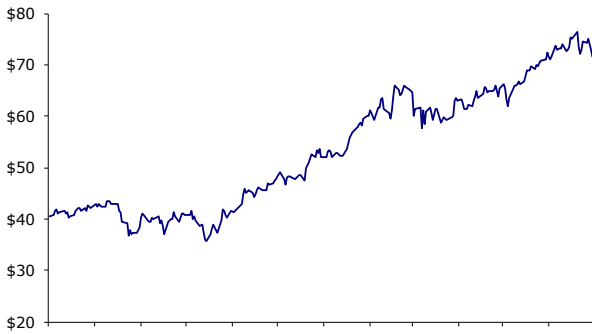
1 Year Gold



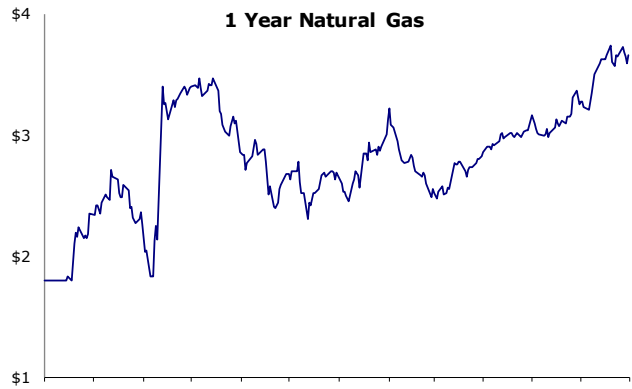
1 Year Platinum



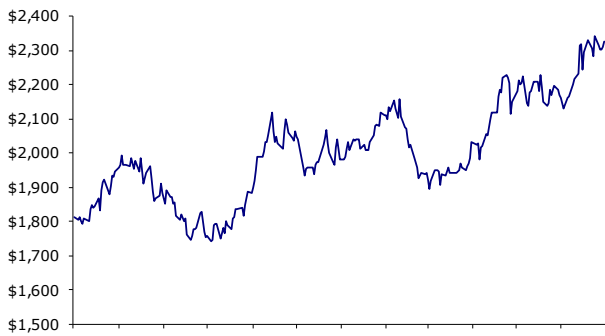
1 Year Oil



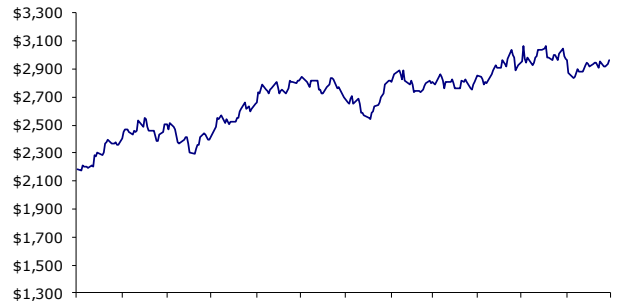
1 Year Natural Gas



1 Year Lead

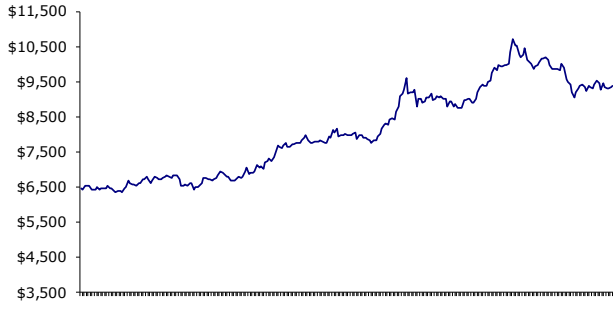


1 Year Zinc

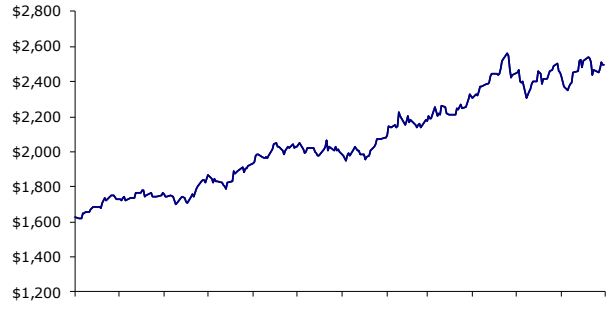




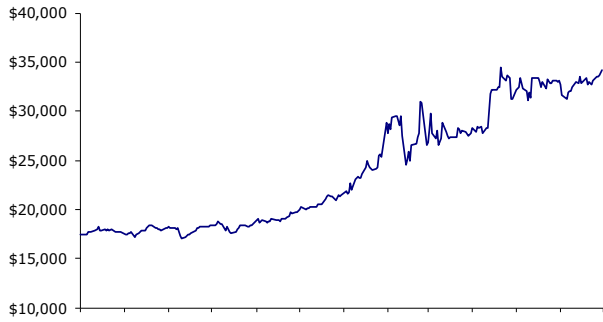
1 Year Copper



1 Year Aluminium

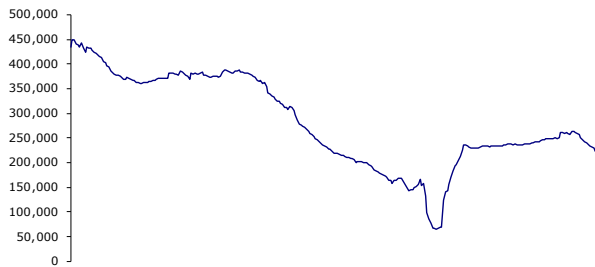


1 Year Tin

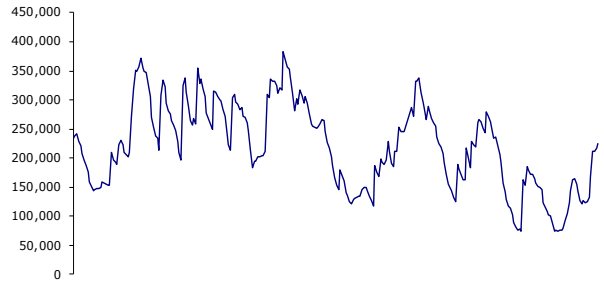


5 Year Metals Stockpiles

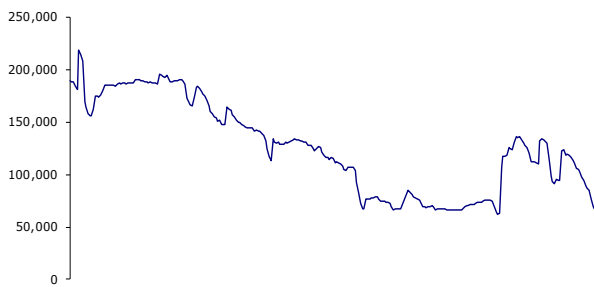
Nickel LME Stockpiles - 5 Year



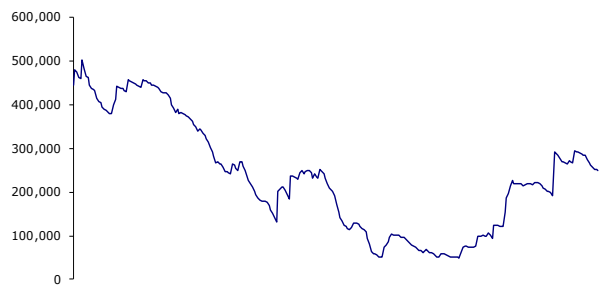
Copper LME Stockpiles - 5 Year



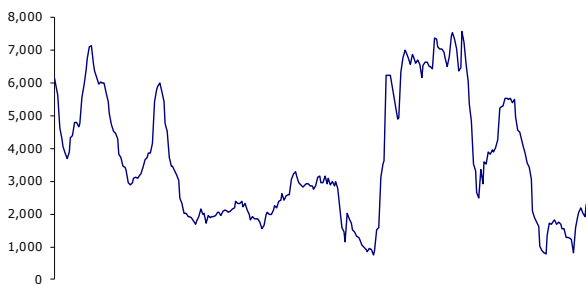
Lead LME Stockpiles - 5 Year



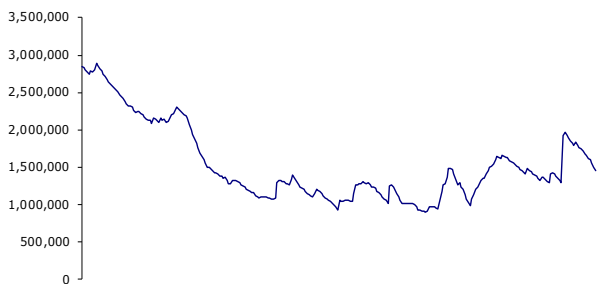
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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