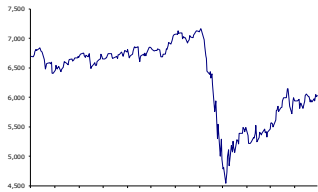


**Issue 509**
**12-month XJO chart**

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**Global Wrap – 19 July 2020**

World Markets	19/07/2020	12/07/2020	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	6034	5919	1.9%	1.1%	8.8%
S&P 500	3225	3185	1.2%	5.7%	43.6%
FTSE 100	6290	6095	3.2%	2.7%	-9.3%
DAX30	12920	12634	2.3%	6.8%	6.4%
Shanghai Composite	3214	3443	-6.7%	7.9%	0.0%
Nikkei 225	22696	22785	-0.4%	2.0%	20.9%
Hang Seng	25089	25727	-2.5%	1.2%	9.7%
<b>Currency</b>					
AUD/USD	0.6996	0.6939	0.8%	0.5%	-0.7%
<b>Commodities</b>					
Oil (\$/bbl)	40.6	39.6	2.5%	3.9%	-27.2%
Gas (\$/gal)	1.8	1.8	-4.4%	6.3%	-18.6%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	6455	6323	2.1%	9.9%	10.6%
Lead (\$/t)	1811	1842	-1.7%	3.9%	-22.3%
Zinc (\$/t)	2199	2146	2.5%	9.1%	-19.9%
Aluminium (\$/t)	1627	1640	-0.8%	4.0%	-6.0%
Nickel (\$/t)	13281	13070	1.6%	6.2%	16.8%
Tin (\$/t)	17400	17080	1.9%	3.4%	-18.7%
Gold (\$/oz)	1810	1802	0.4%	2.0%	54.4%
Silver (\$/oz)	19.8	19.1	3.7%	11.0%	15.6%
Platinum (\$/oz)	850	846	0.4%	3.9%	-9.4%
Wheat (\$/t)	535.000	535.250	0.0%	10.3%	31.0%

Source: Iress

**Key points**

1. The week in review
2. Friday's markets
3. What to watch next week

**The week in review**

The Australian equity market increased marginally this week, lifted by global optimism for a coronavirus vaccine which offset news of an increase in domestic coronavirus cases.

The Australian unemployment rate reached 7.4% as the participation rate increased in June as employers added 210,800 roles as lockdown measures eased.

Credit and debit card spending declined as Victoria re-instated lockdown measures.

US earnings season commenced with major banks **Goldman Sachs**, **JPMorgan Chase** and **Citigroup** beating market expectations while setting aside billions in provisions for loan defaults.

China's gross domestic product increased 3.2% in the June quarter and in a further sign of strength - or stimulus - the nation reported on Wednesday it had imported 101.6 million tonnes of iron ore in June, its second greatest monthly total in history.

The increase in demand for iron ore from Chinese steel makers sent the commodity's price to its highest levels in almost a year. The soaring iron ore price has so far led to a rally in **BHP Group**, **Rio Tinto** and **Fortescue Metals Group**.

Rio Tinto on Friday reported a 1.5% rise in iron ore shipments, citing improving demand from China.

#### Friday's markets

The **Dow** slid 62.76 points, or 0.23%, to 26,671.95. The **S&P 500** gained 0.28% to 3,224.73. The **Nasdaq Composite** advanced 0.28% to 10,503.19. The major averages posted a muted performance as a decline in Netflix weighed on major tech stocks, CNBC reported.

**Netflix** reported second-quarter earnings that missed analyst expectations, pushing the stock down 6.52%. The company's weak guidance for third-quarter subscriber growth — a key metric for the streaming giant — also contributed to the steep sell-off in the stock. Shares of other major tech companies also struggled. **Amazon** pulled back by 1.26%. **Microsoft** dipped 0.51% and **Apple** slid 0.20%.

Adding to a sense of nervousness in the market was the 77,200 US coronavirus cases on reported on Thursday, a record, according to Johns Hopkins University. That spike brought the total number of confirmed US infections to more than 3.57 million. Covid-related deaths in the US now total more than 138,000.

US unemployment claims data also slightly underwhelmed on Thursday, as the initial jobless claims figure came in at 1.3 million for the week ending July 11, the Labor Department said, missing expectations from economists polled by Dow Jones for 1.25 million new filings.

Sino-US tensions have also weighed on sentiment after Reuters reported on Thursday that US President Donald Trump's administration is considering a stateside travel ban on all members of the ruling Chinese Communist Party and their families.

Stocks in Asia mostly edged higher on Friday following Thursday's plunge of more than 4% in China. The **Shanghai composite** added 0.13% to about 3,214.13 while the **Shenzhen component** advanced 0.913% to around 13,114.94. **Hong Kong's Hang Seng** index rose 0.69%, as of its final hour of trading.

**South Korea's Kospi** advanced 0.8% to close at 2,201.19.

Japan stocks bucked the overall trend among the region's major markets. The **Nikkei 225** dipped 0.32% to close at 22,696.42.

Meanwhile, **Singapore's** trade data released Friday showed a surge in non-oil domestic exports (NODX) for June. NODX for June soared 16.1% as compared to a year ago, beating expectations of a 6.2% increase by economists in a Reuters poll. The data release came after the country's latest gross domestic product numbers, released earlier this week, came in worse than analysts' forecast and showed the nation's economy entering a technical recession.

European stocks were mixed on Friday afternoon as European Union leaders prepared to discuss a deal on the bloc's 750 billion euro (USD 853.8 billion) coronavirus recovery package. The pan-European Stoxx 600 index gained 0.2%.

Later on Friday the EU leaders meeting in Brussels ended in acrimony with the deal facing opposition from the "frugal four" member states of Austria, Denmark, Sweden and particularly the Netherlands.



The meeting continues this weekend but the leaders may need longer to reach a deal.

The benchmark **ASX 200** was subdued for most of Friday's session before a sharp rise in the final 10 minutes helped it close 22.7 points, or 0.4%, higher at 6033.6.

Sobering coronavirus updates from Victoria and NSW knocked the wind out of an early rise but the iron ore giants proved a pillar of strength, as they have for much of the week. **BHP** and **Rio Tinto** both finished higher again while **Fortescue Metals** closed at another record high \$16.39.

It was Fortescue's best week since June 2019, with gains coming to 10.4% and pushing it closer to a market cap of \$50 billion, The Sydney Morning Herald reported.

Total trading volumes were again low on Friday at 580 million shares traded, continuing a theme that has played out over the past two weeks.

Only the tech sector closed in the red on Friday as the wider index recovered from four coronavirus updates.

**Materials** were the strongest performer, up 0.8% for the session, and closing up 4.2% for the week.

Strong **iron ore** prices have fuelled this rise, while **gold** also remains elevated at near \$US1800 levels.

The health sector rose 0.5% for the week as blood giant **CSL** recovered from an early slump to finish 0.7% higher at \$283.42.

**Commonwealth Bank** and **ANZ** both edged 0.1% lower while **Westpac** rose 0.5% to \$17.89 and **NAB** added 0.2% to \$18.10. **Macquarie Group** finished 0.4% higher at \$125.18.

Other blue-chip gainers on Friday included **Transurban**, up 1.7% to \$13.94.

### What happens next?

On Tuesday the Reserve Bank of Australia's mostly minutes will be released and Governor Philip Lowe will present a speech, which will be watched for indications on interest rate moves.

Australian retail sales data will be released on Wednesday and NAB's business confidence reading on Thursday.

US earnings season continues next week with IBM, Coca-Cola and Microsoft, among others, set to report.

## Economic Calendar 20/07/2020 – 24/07/2020

Monday July 20 2020		Actual	Previous	Consensus	Forecast
07:50 AM	JP Balance of Trade JUN		¥-833.4B		¥650B
09:30 AM	CN Loan Prime Rate 1Y		3.85%		3.85%
Tuesday July 21 2020		Actual	Previous	Consensus	Forecast
07:30 AM	JP Inflation Rate YoY JUN		0.1%		0.3%
Wednesday July 22 2020		Actual	Previous	Consensus	Forecast
08:30 PM	CA Inflation Rate YoY JUN		-0.4%		0.3%
Thursday July 23 2020		Actual	Previous	Consensus	Forecast
02:00 PM	DE GfK Consumer Confidence AUG		-9.6	-5	-2
Monday July 27 2020		Actual	Previous	Consensus	Forecast

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

## Economic Calendar 27/07/2020 – 31/07/2020

Monday July 27 2020		Actual	Previous	Consensus	Forecast
04:00 PM	DE Ifo Business Climate JUL		86.2		
08:30 PM	US Durable Goods Orders MoM JUN		15.8%		0.5%
Thursday July 30 2020		Actual	Previous	Consensus	Forecast
02:00 AM	US Fed Interest Rate Decision		0.25%		0.25%
08:30 PM	US GDP Growth Rate QoQ Adv Q2		-5%		-27%
Friday July 31 2020		Actual	Previous	Consensus	Forecast
09:00 AM	CN NBS Manufacturing PMI JUL		50.9		
01:00 PM	JP Consumer Confidence JUL		28.4		
01:30 PM	FR GDP Growth Rate QoQ Prel Q2		-5.3%		-19.7%
03:00 PM	ES GDP Growth Rate YoY Flash Q2		-4.1%		-17%
03:00 PM	ES GDP Growth Rate QoQ Flash Q2		-5.2%		-14.6%
04:00 PM	IT GDP Growth Rate YoY Adv Q2		-5.4%		-18%
04:00 PM	IT GDP Growth Rate QoQ Adv Q2		-5.3%		-13.2%
05:00 PM	EA GDP Growth Rate YoY Flash Q2		-3.1%		-14.7%
05:00 PM	EA GDP Growth Rate QoQ Flash Q2		-3.6%		-12.5%
08:30 PM	US Personal Income MoM JUN		-4.2%		-2.3%
08:30 PM	US Personal Spending MoM JUN		8.2%		-3%

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

**All Ords Top 10 Week Ending 17 July 2020**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
AWC	Alumina Limited	12.9	AVH	Avita Therapeutics	-19.0
CCP	Credit Corp Group	10.8	MSB	Mesoblast Limited	-9.5
COE	Cooper Energy Ltd	10.5	PNV	Polynovo Limited	-7.0
FMG	Fortescue Metals Grp	10.4	MP1	Megaport Limited	-6.9
ORE	Orocobre Limited	9.4	APT	Afterpay Limited	-6.8
NWL	Netwealth Group	9.3	EML	EML Payments Ltd	-6.3
ALQ	ALS Ltd	9.1	OML	Ooh!Media Limited	-5.1
S32	South32 Limited	8.8	IEL	Idp Education Ltd	-4.9
JHX	James Hardie Indust	8.1	PRU	Perseus Mining Ltd	-4.4
ABP	Abacus Property Grp.	7.8	NEA	Nearmap Ltd	-4.3

Source: IRESS

**S & P Indices Week Ending 17 July 2020**

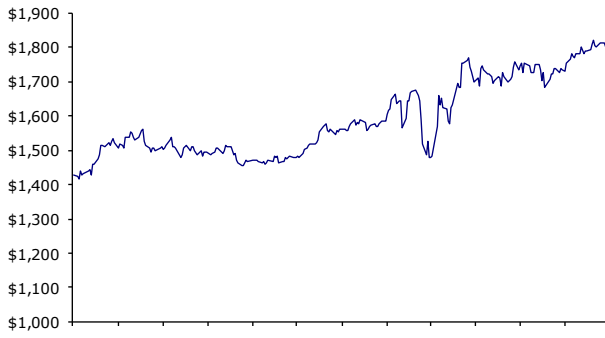
S&P Indices	19/07/2020	12/07/2020	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	7380	7327	0.7%	-3.1%	-17.0%
S&P 200 Materials	14170	13598	4.2%	5.5%	43.1%
S&P 200 Industrials	5659	5530	2.3%	-2.6%	10.9%
S&P 200 Consumer Disc.	2472	2408	2.7%	1.2%	18.1%
S&P 200 Consumer Staples	13047	12868	1.4%	6.0%	52.5%
S&P 200 Healthcare	41825	41686	0.3%	-1.9%	116.9%
S&P 200 Financials	4878	4779	2.1%	0.7%	-23.4%
S&P 200 Info Technology	1637	1697	-3.6%	2.9%	110.4%
S&P 200 Telecommunicatic	1250	1248	0.2%	5.6%	-28.8%
S&P 200 Utilities	7768	7539	3.0%	-1.2%	3.0%
S&P 200 Property Trusts	1220	1201	1.6%	-4.8%	-9.1%
S&P 200 Financials ex PT	5441	5331	2.1%	0.7%	-23.4%

Source: IRESS

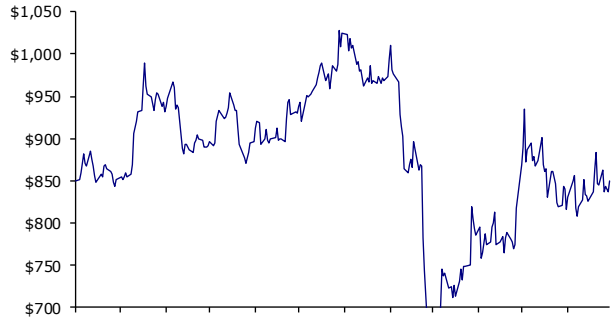


### 1 Year Commodity Price Charts

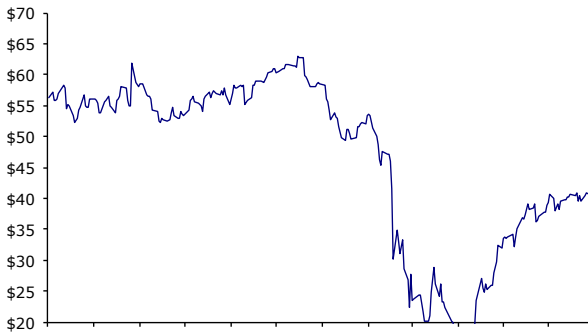
**1 Year Gold**



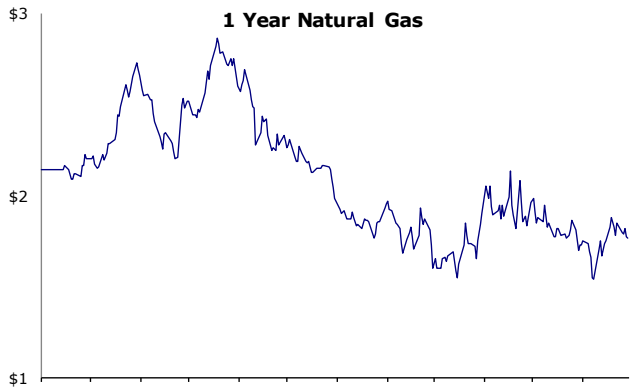
**1 Year Platinum**



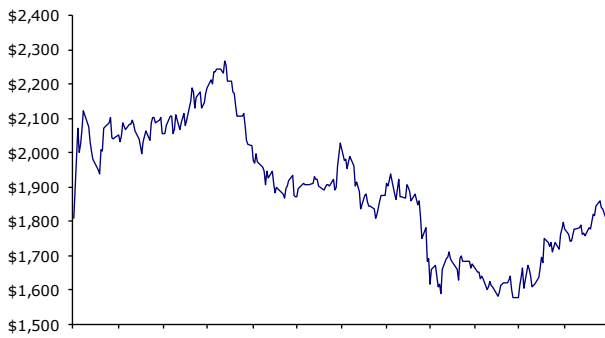
**1 Year Oil**



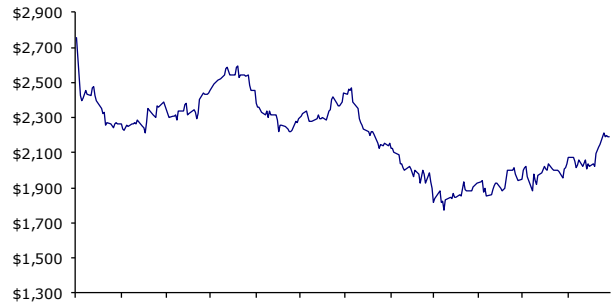
**1 Year Natural Gas**



**1 Year Lead**

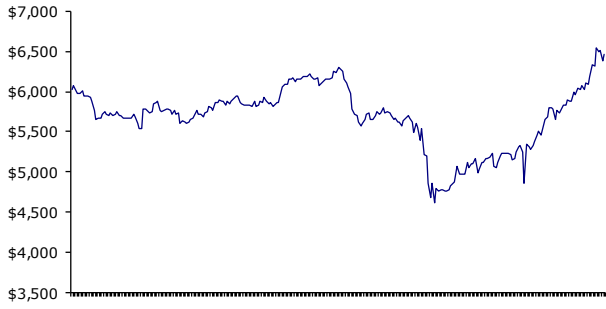


**1 Year Zinc**

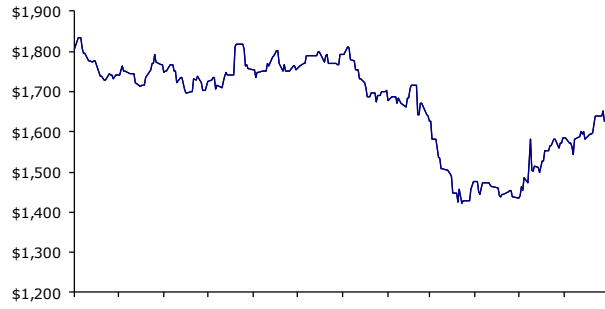




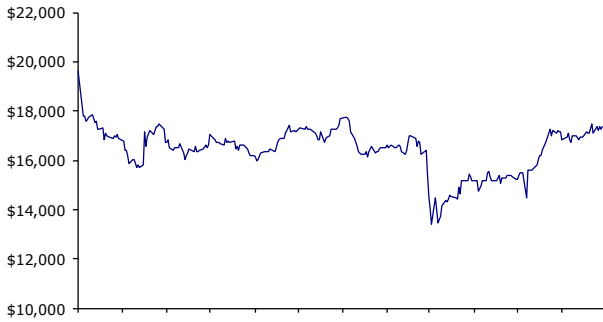
**1 Year Copper**



**1 Year Aluminium**

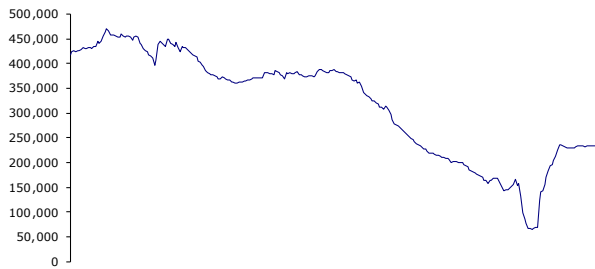


**1 Year Tin**

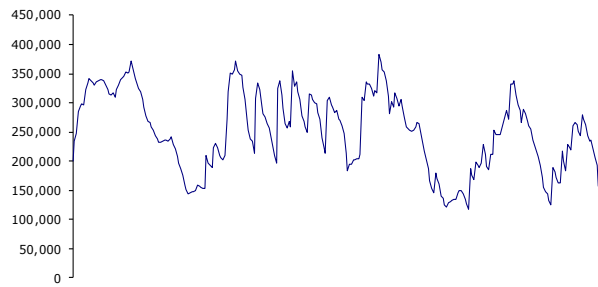


**5 Year Metals Stockpiles**

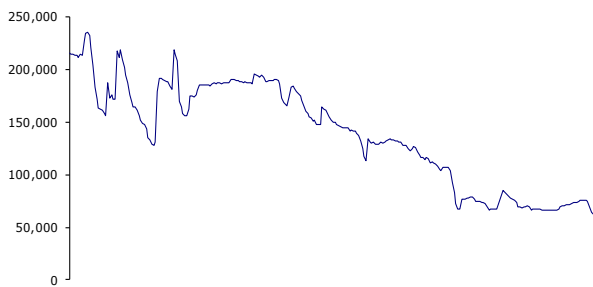
**Nickel LME Stockpiles - 5 Year**



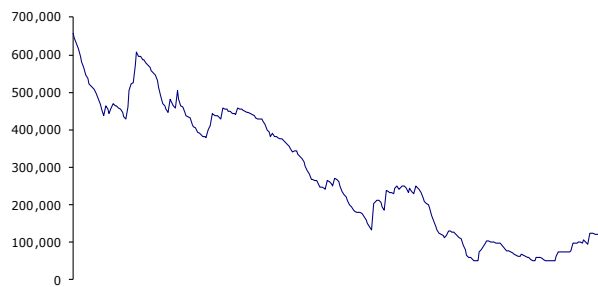
**Copper LME Stockpiles - 5 Year**



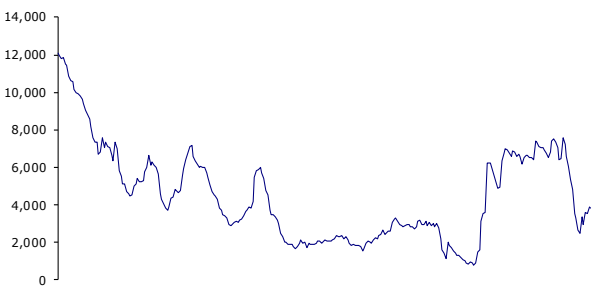
**Lead LME Stockpiles - 5 Year**



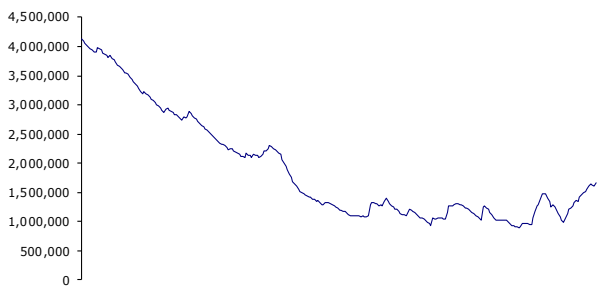
**Zinc LME Stockpiles - 5 Year**



**Tin LME Stockpiles - 5 Year**



**Aluminium LME Stockpiles - 5 Year**





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