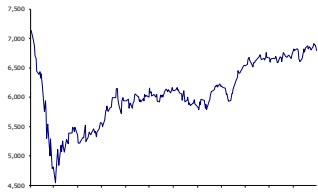
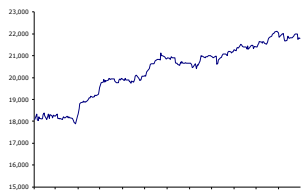


Issue 540
12-month XJO chart

12-month Dow Jones chart

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Global Wrap – 21 February 2021

World Markets	21/02/2021	14/02/2021	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	6794	6807	-0.2%	0.2%	22.6%
S&P 500	3907	3935	-0.7%	4.2%	73.9%
FTSE 100	6624	6590	0.5%	0.9%	-4.4%
DAX30	14050	13719	2.4%	3.6%	3.6%
Shanghai Composite	3696	3655	1.1%	5.4%	15.0%
Nikkei 225	30018	30084	-0.2%	6.5%	60.0%
Hang Seng	30645	30174	1.6%	4.6%	34.0%
Currency					
AUD/USD	0.7870	0.7761	1.4%	1.9%	14.5%
Commodities					
Oil (\$/bbl)	59.2	60.1	-1.5%	13.5%	11.1%
Gas (\$/gal)	3.1	2.9	5.4%	13.6%	73.2%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	8807	8271	6.5%	11.5%	50.8%
Lead (\$/t)	2122	2117	0.3%	4.0%	-9.0%
Zinc (\$/t)	2810	2794	0.6%	8.7%	2.4%
Aluminium (\$/t)	2135	2076	2.8%	6.6%	23.3%
Nickel (\$/t)	19496	18363	6.2%	9.4%	71.5%
Tin (\$/t)	29349	25290	16.0%	26.1%	37.2%
Gold (\$/oz)	1777	1823	-2.5%	-3.9%	51.6%
Silver (\$/oz)	27.3	27.3	-0.1%	7.5%	59.7%
Platinum (\$/oz)	1293	1259	2.7%	19.8%	37.9%
Wheat (\$/t)	650.750	637.500	2.1%	-0.9%	59.4%

Source: Iress

Key points

- 1. Strong results continue in reporting season**
- 2. Profit taking reverses some gains**
- 3. US stimulus and vaccine rollout lift sentiment**

The week in review

This week corporate earnings and vaccination roll-out progress remained front and centre for the Australian.

Globally, progress on the roll-out of vaccines, combined with stimulus measures continues to support consumer spending and a positive outlook for general economic recovery. This week 142,000 doses of the Pfizer (NYSE: PFE) vaccine arrived in Australia, the UK reported that approximately 23% of residents had received at least the first dose of the two-part vaccine and 12% of the US population have received at least one dose of the vaccine.



Friday's markets

US stocks came under pressure Friday afternoon, reversing early gains.

The Dow Jones Industrial Average finished the day up less than 1 point at 31,494.32 after climbing more than 150 points earlier in the session. The S&P 500 finished down 0.19% at 3,906.71 while the Nasdaq Composite gained less than 0.1% to finish at 13,874.46, CNBC reported.

A combination of rising interest rates and profit taking in some of the market's largest technology companies appeared to dampen optimism after noon.

Cyclical stocks outperformed the broader market with the materials, energy and industrials sectors up 1.8%, 1.7% and 1.6%, respectively. Utilities and consumer staples stocks were among the biggest laggards. Small-cap stocks, which also tend to track the ups and downs of the broader economy, clinched solid gains Friday at the expense of some of the market's largest members. Facebook, Amazon, Netflix, and Microsoft all fell. Apple ended the week down 4%.

Applied Materials, which makes the equipment used to manufacture semiconductors, gave a better-than-expected second-quarter forecast after the bell Thursday. The shares gained 5.3% on Friday.

The strength among economically sensitive stocks came after Treasury Secretary Janet Yellen told CNBC on Thursday that more stimulus is necessary even as some economic data suggested a rebound is already underway. She added a \$1.9 trillion stimulus deal could help the US get back to full employment in a year.

Against this backdrop the stock market's rally to records stalled a bit this week as fears of rising rates and higher inflation crept in.

The 10-year Treasury yield this week rose to the highest in nearly a year, and on Friday rose another 5 basis points to 1.34%.

Yields tend to rise with inflation expectations as bond investors start to believe central banks will take their foot off the gas and reduce their asset purchases.

Higher yields can also mean more debt servicing for major firms, which tends to knock stock markets as traders reassess the environment for investing.

Stocks in Asia were mixed on Friday following declines for the major indexes on Wall Street on Thursday. In Japan, the **Nikkei 225** declined 0.72% to close at 30,017.92 while the Topix index shed 0.67% to finish its trading day at 1,928.95.

Japan's core consumer prices declined 0.6% in January as compared with a year earlier, according to data released Friday by the country's Statistics Bureau. That marked the sixth straight month of annual declines, according to Reuters.

Mainland Chinese markets were higher on the day: The **Shanghai composite** rose 0.57% to 3,696.17 while the **Shenzhen component** advanced 0.35% to about 15,823.11. Hong Kong's **Hang Seng** index was fractionally higher, as of its final hour of trading.

South Korea's Kospi gained 0.68% to close at 3,107.62.

European markets closed higher Friday as investors reacted to a fresh batch of corporate earnings and economic data, as well as comments from US Treasury Secretary Janet Yellen calling for fiscal stimulus.

The **pan-European Stoxx 600** ended the session up 0.5%, with basic resources shares surging 2.8% to lead the gains as most sectors and major bourses closed in positive territory.

Investors are also reacting to a slew of economic data, most notably February's closely-watched Markit flash PMI (purchasing managers' index). Readings out of France and Germany were all up.

Corporate earnings will remain a key driver of individual share price action Friday, with Danone, Hermes International, Renault, Allianz and Swiss Re among the blue chip companies reporting before the bell.

Allianz posted a 14% decline in full-year net profit as business claims spiked due to lockdowns and demand for car and travel insurance dwindled. The German insurer said it sees operating profit rising in 2021, leading shares to climb slightly by the close.

Renault reported a record annual loss of 8 billion euros (\$9.7 billion) in 2020, sending shares 4.4% lower, toward the bottom of the Stoxx 600.



The most upbeat earnings report came from luxury brand Hermes International, beating expectations on the back of 16% sales growth in the fourth quarter, sending its shares 3.1% higher.

At the top of the European blue chip index, Swedish cloud computing firm Sinch gained 8.5% after Nordea Bank raised the stock's target price and rated it as a "buy." Sinch announced a \$1.14 billion acquisition of US communications company Inteligent on Thursday.

Italy-based high-tech aerospace and defence company Leonardo shares also jumped 10% to the top of the Stoxx 600 after Italian newspaper reports that the company could raise up to 2.1 billion euros from listing its US unit DRS on the New York Stock Exchange.

Italian luxury fashion brand Moncler climbed 5.4% after its full-year earnings report.

The Australian market wiped off its weekly gains in Friday's session as a round of profit-taking after a series of largely positive interim results weakened blue-chip stocks.

The **ASX200** finished the day down 1.34% at 6793 points, 0.2% below where the index opened on Monday morning, though this marked a slight recovery from the bourse's lows of 6770 in the mid-afternoon, The Sydney Morning Herald reported.

Lower retail sales and weak overnight performance on Wall Street may have also contributed to some pessimism in the market. However much of Friday's fall could just be attributed to volatility, with many investors believing it was due for some pull-back.

Preliminary retail sales for January, released by the Australian Bureau of Statistics on Friday morning, showed retail trade grew 0.6% for the month, well below economists' expectations of a 2% rise.

A slew of blue-chip companies reported significant falls on Friday, led by biotech CSL, the big four banks, and energy and industrials companies BHP, Rio Tinto, Fortescue and Woodside.

Cochlear finished the day as the session's largest gainer, up 8.4%, as the business reinstated its interim dividend, declaring payment of \$1.15 per share for the six months to March.

The ASX's poor performance looks likely to be replicated by Wall Street on Monday, with **NASDAQ futures** indicating a near 1% fall in the index, and Dow Jones futures are heralding a 0.7% drop.

Strong results continue in reporting season

Australian reporting season continues this week, with many results supporting growing optimism towards economic recovery, including National Australia Bank and BHP Group.

NAB provided a solid first quarter FY2021 trading update despite continued headwinds of low interest rates and competition, highlighting an improving economic outlook and a reduction in home loan deferrals to approximately \$2 billion from a peak of \$38 billion, which bodes well for the remainder of the year.

BHP reported a 21% increase in underlying earnings before interest depreciation and amortisation (EBITDA) aided by strong iron ore demand from China driving record production levels.

The company beat expectations with the announcement of an interim dividend of USD1.01 per share, equivalent to 100% of free cash flow. BHP, unlike Rio Tinto, has greater exposure to oil, nickel and copper in particular.

Spotlight on Seven West Media

Seven West Media is one of Australia's largest diversified media businesses, comprising The Seven Network, newspapers The West Australian and the Sunday Times and Seven Studios. Seven West Media has benefitted from the appointment of Chief Executive Officer James Warburton and his strategy to improve ratings, sell non-core assets and the implementation of a cost-out program during the onset of the coronavirus when advertising spend was reduced across the media sector. This week, the company reported a profit of \$116.3 million in the six months to 31 December 2020, with earnings before interest, tax, depreciation and amortisation (EBITDA) up 24% on the prior year to \$165.7 million. Seven West Media also announced it has entered into a long-term partnership with Google, to provide news content to the Google Showcase product, which launched this month.

**Economic Calendar 22/02/2021 – 26/02/2021**

Monday February 22 2021		Actual	Previous	Consensus	Forecast
09:30 AM	CN Loan Prime Rate 1Y		3.85%		3.85%
05:00 PM	DE Ifo Business Climate FEB		90.1	90.4	91.5
Tuesday February 23 2021		Actual	Previous	Consensus	Forecast
03:00 PM	GB Claimant Count Change JAN		7K		25K
Thursday February 25 2021		Actual	Previous	Consensus	Forecast
03:00 PM	DE GfK Consumer Confidence MAR		-15.6		-10.7
09:30 PM	US Durable Goods Orders MoM JAN		0.2%	1.4%	1.2%
Friday February 26 2021		Actual	Previous	Consensus	Forecast
09:30 PM	US Personal Income MoM JAN		0.6%	8%	7%
09:30 PM	US Personal Spending MoM JAN		-0.2%	0.5%	1%

Economic Calendar 1/03/2021 – 5/03/2021

Monday March 01 2021		Actual	Previous	Consensus	Forecast
09:45 AM	CN Caixin Manufacturing PMI FEB		51.5		
07:00 PM	IT Government Budget 2020		-1.6%		-10%
Thursday March 04 2021		Actual	Previous	Consensus	Forecast
08:30 AM	AU Balance of Trade JAN		A\$6.785B		
01:00 PM	JP Consumer Confidence FEB		29.6		
Friday March 05 2021		Actual	Previous	Consensus	Forecast
09:30 PM	CA Balance of Trade JAN		C\$-1.67B		
09:30 PM	US Balance of Trade JAN		\$-66.6B		
09:30 PM	US Non Farm Payrolls FEB		49K		
11:00 PM	CA Ivey PMI s.a FEB		48.4		

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 19 February 2021**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
EML	EML Payments Ltd	24.2	NWH	NRW Holdings Limited	-15.0
NEA	Nearmap Ltd	21.3	GWA	GWA Group Ltd	-14.9
LYC	Lynas Rare Earths	15.7	NST	Northern Star	-13.9
Z1P	Zip Co Ltd.	14.0	NWL	Netwealth Group	-13.8
DMP	Domino Pizza Enterpr	12.0	BPT	Beach Energy Limited	-12.3
TWE	Treasury Wine Estate	10.1	CHC	Charter Hall Group	-11.8
OZL	OZ Minerals	9.9	EVN	Evolution Mining Ltd	-10.6
WBC	Westpac Banking Corp	8.8	RMS	Ramelius Resources	-10.6
BEN	Bendigo and Adelaide	8.6	SLR	Silver Lake Resource	-9.8
MIN	Mineral Resources.	7.8	SBM	St Barbara Limited	-9.8

Source: IRESS

S & P Indices Week Ending 19 February 2021

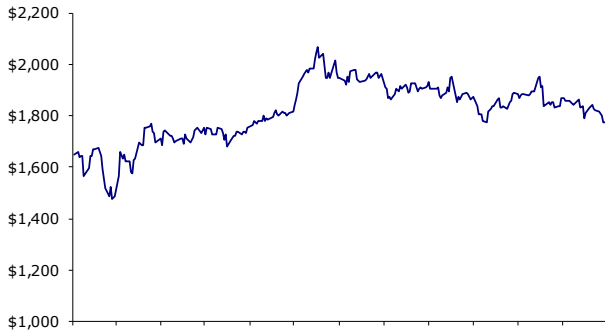
S&P Indices	21/02/2021	14/02/2021	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	8124	8261	-1.6%	-5.0%	-8.6%
S&P 200 Materials	16328	16035	1.8%	1.3%	64.9%
S&P 200 Industrials	5725	5791	-1.1%	-2.2%	12.2%
S&P 200 Consumer Disc.	3128	3137	-0.3%	1.4%	49.4%
S&P 200 Consumer Staples	12540	12950	-3.2%	-3.8%	46.6%
S&P 200 Healthcare	41563	41656	-0.2%	-0.2%	115.6%
S&P 200 Financials	5861	5833	0.5%	2.2%	-8.0%
S&P 200 Info Technology	2301	2333	-1.4%	-1.4%	195.8%
S&P 200 Telecommunicatic	1382	1388	-0.4%	5.2%	-21.3%
S&P 200 Utilities	5952	6209	-4.1%	-6.7%	-21.1%
S&P 200 Property Trusts	1340	1384	-3.2%	-4.3%	-0.1%
S&P 200 Financials ex PT	6538	6505	0.5%	2.2%	-8.0%

Source: IRESS

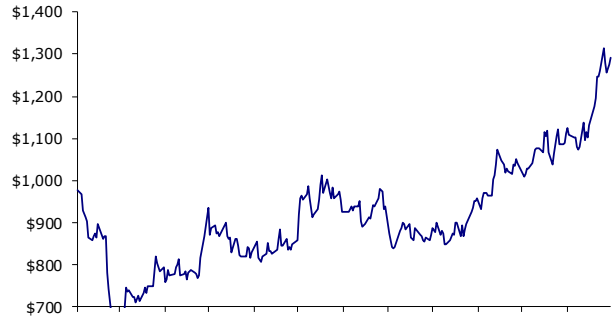


1 Year Commodity Price Charts

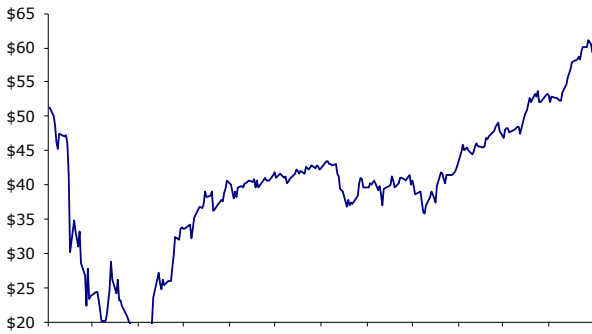
1 Year Gold



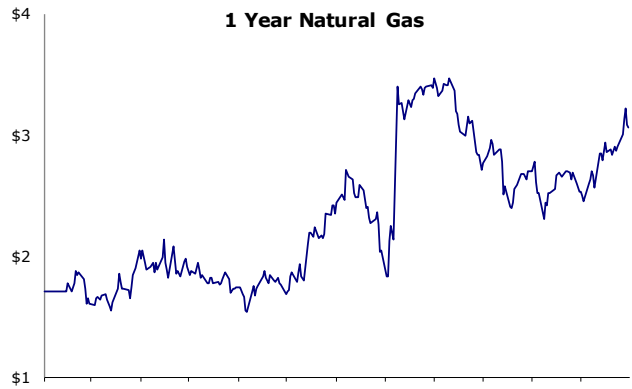
1 Year Platinum



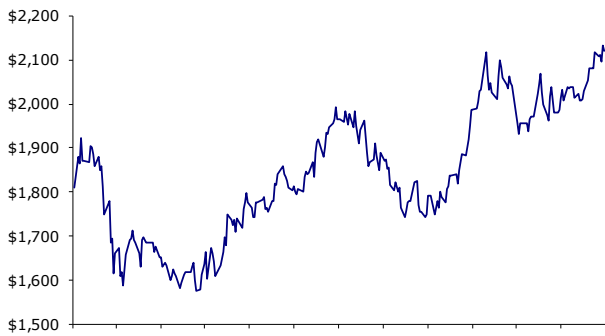
1 Year Oil



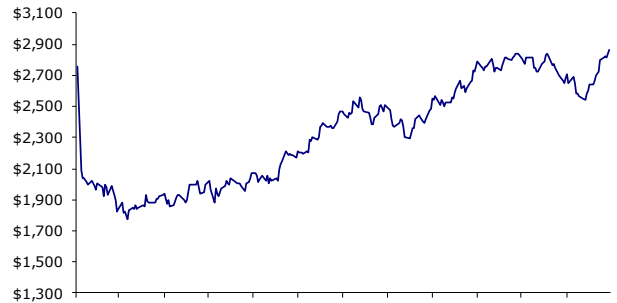
1 Year Natural Gas



1 Year Lead

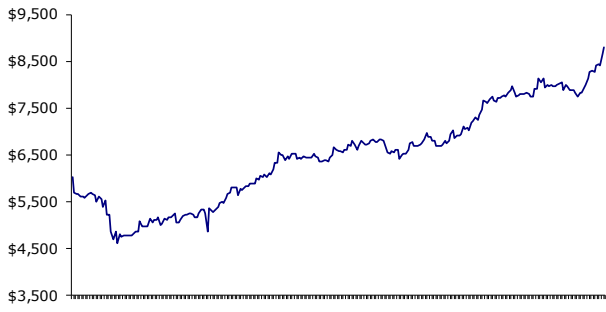


1 Year Zinc

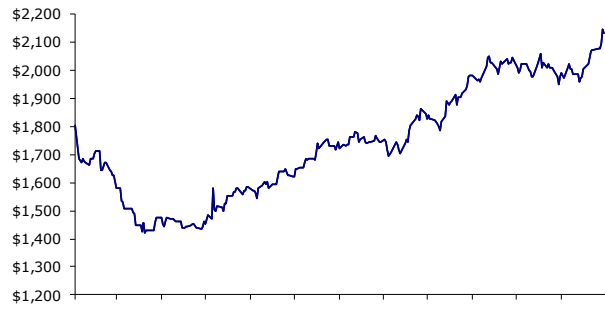




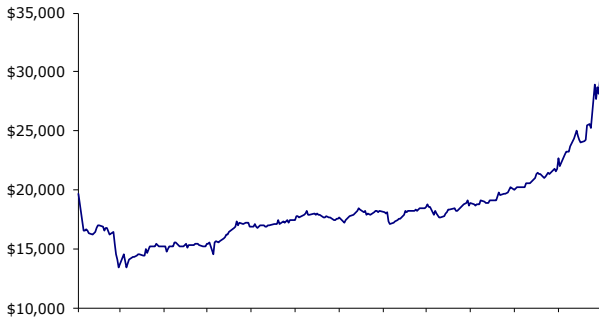
1 Year Copper



1 Year Aluminium

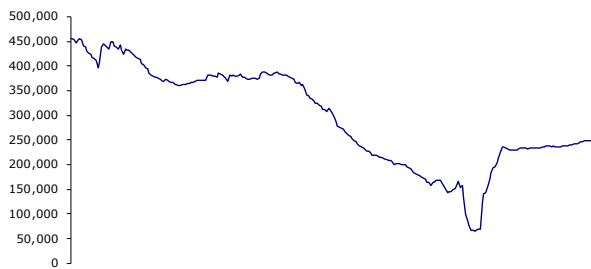


1 Year Tin

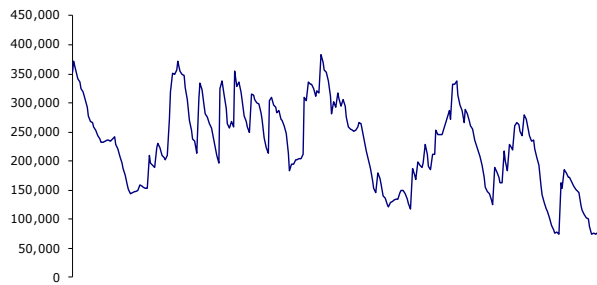


5 Year Metals Stockpiles

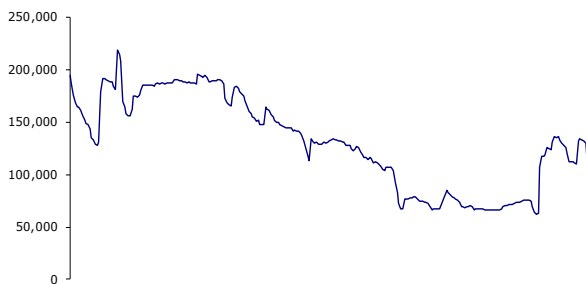
Nickel LME Stockpiles - 5 Year



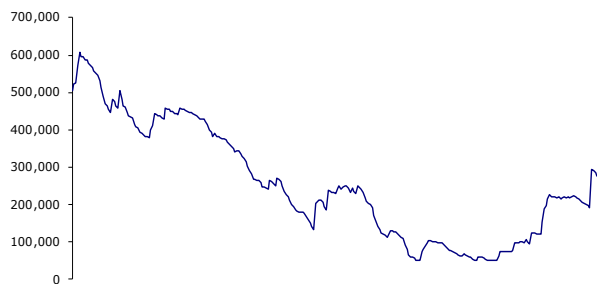
Copper LME Stockpiles - 5 Year



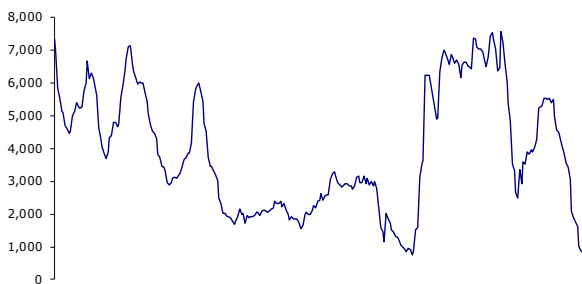
Lead LME Stockpiles - 5 Year



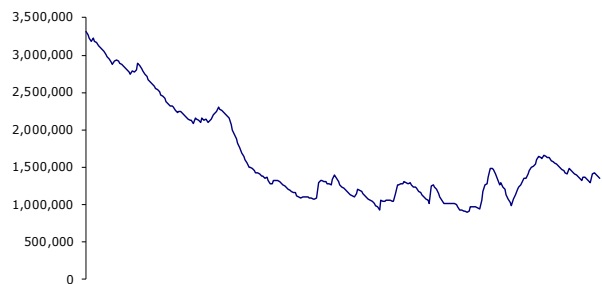
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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