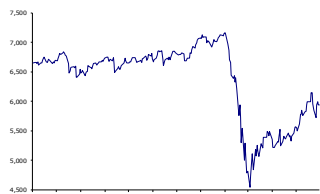


Issue 505
12-month XJO chart

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Global Wrap – 21 June 2020

World Markets	21/06/2020	14/06/2020	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5943	5848	1.6%	2.9%	7.2%
S&P 500	3098	3041	1.9%	2.0%	37.9%
FTSE 100	6293	6105	3.1%	2.4%	-9.2%
DAX30	12331	11949	3.2%	5.8%	-1.6%
Shanghai Composite	2967	2890	2.7%	4.2%	-7.7%
Nikkei 225	22479	21531	4.4%	2.6%	19.8%
Hang Seng	24644	24301	1.4%	5.8%	7.8%
Currency					
AUD/USD	0.6835	0.6920	-1.2%	-0.3%	-1.3%
Commodities					
Oil (\$/bbl)	39.4	37.1	6.3%	17.1%	-31.5%
Gas (\$/gal)	1.7	1.9	-6.3%	-7.3%	-23.0%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	5836	5786	0.9%	9.9%	0.0%
Lead (\$/t)	1778	1740	2.2%	8.3%	-23.7%
Zinc (\$/t)	2014	1991	1.2%	3.9%	-26.6%
Aluminium (\$/t)	1587	1582	0.3%	5.5%	-8.4%
Nickel (\$/t)	12855	12733	1.0%	5.9%	13.1%
Tin (\$/t)	16858	17200	-2.0%	8.0%	-21.2%
Gold (\$/oz)	1753	1737	0.9%	1.5%	49.5%
Silver (\$/oz)	18.0	17.5	3.1%	1.5%	5.4%
Platinum (\$/oz)	830	819	1.4%	-5.4%	-11.5%
Wheat (\$/t)	485.500	507.250	-4.3%	-3.9%	18.9%

Source: Iress

Key points
1. What happened this week
2. What happened Friday
3. What to watch next week
The week in review

Global equity markets rebounded after last week's fall despite growing fears of a second wave of coronavirus outbreaks.

In the US, President Trump announced his intention to deploy a **USD1 trillion infrastructure stimulus plan** and Federal Reserve Chair Jerome Powell said the central bank would keep its "foot on the gas".

A resurgence of coronavirus cases was reported around the globe including in Beijing, forcing the capital city to limit inbound flights.

The MSCI World Index (AUD) is up 2.1% for the week and the S&P 500 Index is up 2.4% for the week.



The **Australian equity market rose this week** overlooking Thursday's unemployment data jumping to a 19-year high of 7.1% in May, up from 6.4% in April. Australia and the UK officially announced a post-Brexit free trade agreement on Wednesday that could expand its current value of \$15.1 billion recorded in 2018-19. The S&P/ASX All Ordinaries Accumulation Index closed up 1.8% for the week.

Friday's markets

US stocks finished Friday lower, after swinging wildly throughout the session due to technical factors. A number of headlines also raised concern about a resurgence in the coronavirus and a slowdown in the economy's recovery.

The **Dow Jones Industrial Average** ended the day down 208.64 points, or 0.8%, at 25,871.46, after gaining as much as 371 points earlier in the session.

The **S&P 500** traded 0.5% lower, or 17.42 points, at 3,097.92. The **Nasdaq Composite** finished the session just 3.07 points higher at 9,946.12.

A slew of negative news surrounding the pandemic knocked stocks to their session lows earlier in the day:

- **Apple** said it was reclosing a total of 11 stores in Florida, Arizona, South Carolina and North Carolina. All the stores had been re-opened since Apple initially closed them in March amid the outbreak. Shares of the tech giant traded 0.5% lower.
- Shares of **cruise line operators** took a loss after the Cruise Lines International Association announced suspension of cruise operations from US ports, citing the ongoing situation with the pandemic. Norwegian Cruise Line and Carnival dropped more than 5% each, while Royal Caribbean fell 6.8%.
- Arizona and Florida reported record spikes in confirmed COVID-19 cases on Friday as states continued their phased reopenings and ramping up testing. Meanwhile, California on Thursday reported more than 4,000 new cases in a single day, the highest daily number ever.

Other stocks benefiting from the economy reopening were under pressure following Apple's announcement. Nordstrom dropped 6.3%, while Kohl's fell 4.7%. United Airlines slid 6.3% and Delta dropped 4.1%.

Stocks started the day with strong gains after a report by Bloomberg News said that China was set to increase its purchases of US farm products to comply with the **phase-one trade deal**. The report eased concerns about US-China trade relations as the two countries exchange heated rhetoric regarding the coronavirus.

Earlier this week, a **record surge in US retail sales** and the Federal Reserve's extra stimulus lifted the market.

An analyst told CNBC that periods of volatility were likely to remain elevated as earnings must meet expectations given the strong rebound in valuations and continued uncertainties around COVID-19.

Stocks in Asia were higher on Friday as investors continued to monitor the situation surrounding a recent uptick in coronavirus cases in some countries.

Mainland Chinese stocks were higher by the afternoon, with the **Shanghai composite** up 0.96% to around 2,967.63 while the **Shenzhen component** added 1.51% to about 11,668.13. **Hong Kong's Hang Seng index** rose 0.97%, as of its final hour of trading.

Japan's Nikkei 225 closed 0.55% higher at 22,478.79. Over in South Korea, the **Kospi** closed 0.37% higher at 2,141.32.

One local analyst told CNBC that markets' resilience was best explained by the 'hall of mirrors' belief: where bets are that the Fed be cornered into easing for the fear of disappointing markets.

European markets closed higher on Friday afternoon as investors remained focused on new coronavirus spikes, economic data and the European Union's proposed fiscal stimulus.

The **pan-European Stoxx 600** provisionally ended up around 0.6%, with most sectors in positive territory.

The 27 European Union governments kicked off negotiations Friday over a proposal for a 750 billion euro (\$841 billion) recovery fund to tackle the COVID-19 crisis, but the stimulus plan has caused some division among EU member states.

Borrowing in the UK surged to £103.7 billion in the April-May period, figures revealed Friday. This means public sector debt surpassed GDP (gross domestic product) for the first time since 1963 as the impact of the coronavirus pandemic becomes starkly apparent.

UK retail sales for May were down 13.1% year on year, significantly outstripping expectations of a 17.1% decline in a Reuters poll of analysts. However on a monthly basis, retail sales were up 12% as lockdown measures eased slightly, according to the Office for National Statistics.

Aussie shares started strong but ran out of steam as the big banks and miners kept the index flat in the week's final session, The Sydney Morning Herald reported.

The benchmark **S&P/ASX 200** finished just 6.1 points, or 0.1% higher, at 5942.6 on Friday, having been up by as much as 1.1% in the wake of astonishing May retail figures.

Preliminary Australian Bureau of Statistics data showed retail sales jumped by a record 16.3% for the month as shoppers embraced the lifting of coronavirus lockdowns.

"This is the largest seasonally adjusted rise ever published in the 38 years of the Retail Trade survey, following the largest ever seasonally adjusted fall of 17.7% in April 2020," the Australian Bureau of Statistics said in a media release.

The news gave the ASX a mid-morning boost to peek above 6000 for the first time in more than a week. That sugar hit wore off, however, with the big banks joining the miners in negative territory during the afternoon.

There were 118 companies higher and 74 lower in a day of significantly heightened activity. More than 1.95 billion shares were traded on Friday - nearly double the 10-day average.

The reopening of major Brazilian iron ore operations again hurt bulk metals prices and, in turn, Australia's mining titans.

Rio Tinto finished 1.4% lower at \$96.28, **BHP** fell 1.9% to \$35.01, and **Fortescue Metals** shed 1.5% to \$13.79.

The financial sector was up by as much as 1.3% on Friday but fell completely flat after lunch.

ANZ was the worst of the big four banks, down 1.73% to \$18.75. **NAB** lost 0.6% to \$18.67 and **Commonwealth Bank** shed 0.5% to \$68.68.

Westpac finished 0.4% higher at \$18.17 and **Macquarie Group** added 1.5% to \$121.53.

Health benchmark **CSL** rose 0.8% to \$288.25 to keep the sector ahead by 0.7% for the day, assisted by a 0.9% rise for **ResMed** to \$25.28.

An overnight oil price recovery fuelled a strong early performance for the energy sector, but it too lost ground in the afternoon to finish just 0.5% higher. It had been up by a collective of 1.2%.

Consumer discretionary were strong, rising by 1.8%, as **Wesfarmers** gained 1.4% to \$43.14 and gaming giant **Aristocrat Leisure** rose 1.5% to \$26.88.

The sector was also helped higher by car retailer **AP Eagers**, up 9.9%, and **Dominos Pizza**, up 6.25%. Tech shares were strong, with **Altium** rising 6.6% and **Wisetech Global** jumping 7.8%. **Afterpay** added 1.5% to hit \$58.96.

What to watch next week

Reserve Bank of Australia Governor Philip Lowe will present a speech today (Sunday).

On Monday the People's Bank of China will announce its interest rate decision. European manufacturing figures will be released on Tuesday, followed by the European Central Bank Monetary Policy Meeting Accounts on Thursday, as well as the closely watched US jobs numbers and GDP.

**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	84.3	85.1	
Thursday June 25 2020		Actual	Previous	Consensus	Forecast	
02:00 PM	🇩🇪 DE	GfK Consumer Confidence JUL	-18.9	-15	-12	
08:30 PM	🇺🇸 US	Durable Goods Orders MoM MAY	-17.2%	7.1%	8.5%	
08:30 PM	🇺🇸 US	GDP Growth Rate QoQ Final Q1	2.1%	-5%	-5%	
Friday June 26 2020		Actual	Previous	Consensus	Forecast	
08:30 PM	🇺🇸 US	Personal Income MoM MAY	10.5%	-5%	-5.6%	
08:30 PM	🇺🇸 US	Personal Spending MoM MAY	-13.6%	3.0%	4.1%	

Source: www.tradingeconomics.com**Economic Calendar 29/06/2020 – 3/07/2020**

Monday June 29 2020		Actual	Previous	Consensus	Forecast	
05:00 PM	🇪🇺 EA	Business Confidence JUN	-2.43		-2	
Tuesday June 30 2020		Actual	Previous	Consensus	Forecast	
09:00 AM	🇨🇳 CN	NBS Manufacturing PMI JUN	50.6		49.7	
02:00 PM	🇬🇧 GB	GDP Growth Rate YoY Final Q1	1.1%	-1.6%	-1.6%	
02:00 PM	🇬🇧 GB	GDP Growth Rate QoQ Final Q1	0.0%	-2%	-2%	
03:00 PM	🇪🇸 ES	GDP Growth Rate YoY Final Q1	1.8%	-4.1%	-4.1%	
03:00 PM	🇪🇸 ES	GDP Growth Rate QoQ Final Q1	0.4%	-5.2%	-5.2%	
Wednesday July 01 2020		Actual	Previous	Consensus	Forecast	
07:01 AM	🇬🇧 GB	GfK Consumer Confidence JUN	-36		-32	
07:50 AM	🇯🇵 JP	Tankan Large Manufacturers Index Q2	-8		-40	
09:45 AM	🇨🇳 CN	Caixin Manufacturing PMI JUN	50.7		49.8	
01:00 PM	🇯🇵 JP	Consumer Confidence JUN	24.0		30	
Thursday July 02 2020		Actual	Previous	Consensus	Forecast	
08:30 PM	🇨🇦 CA	Balance of Trade MAY	C\$-3.25B			
08:30 PM	🇺🇸 US	Balance of Trade MAY	\$-49.4B		\$-43.7B	
08:30 PM	🇺🇸 US	Non Farm Payrolls JUN	2509K		-600K	
Friday July 03 2020		Actual	Previous	Consensus	Forecast	
09:30 AM	🇦🇺 AU	Balance of Trade MAY	A\$8.8B			

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 19 June 2020**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
CUV	Clinuvel Pharmaceut.	21.3	PLS	Pilbara Min Ltd	-14.5
HLS	Healius	19.8	MYX	Mayne Pharma Ltd	-13.6
APX	Appen Limited	14.7	FMG	Fortescue Metals Grp	-6.9
VEA	Viva Energy Group	14.2	SYD	SYD Airport	-6.3
APE	AP Eagers Limited	13.3	SGR	The Star Ent Grp	-6.1
APT	Afterpay Limited	13.2	CTD	Corp Travel Limited	-5.7
BRG	Breville Group Ltd	13.1	CSR	CSR Limited	-5.0
NHF	NIB Holdings Limited	12.5	S32	South32 Limited	-5.0
NWL	Netwealth Group	12.5	NST	Northern Star	-4.9
SEK	Seek Limited	11.3	FLT	Flight Centre Travel	-4.8

Source: IRESS

S & P Indices Week Ending 19 June 2020

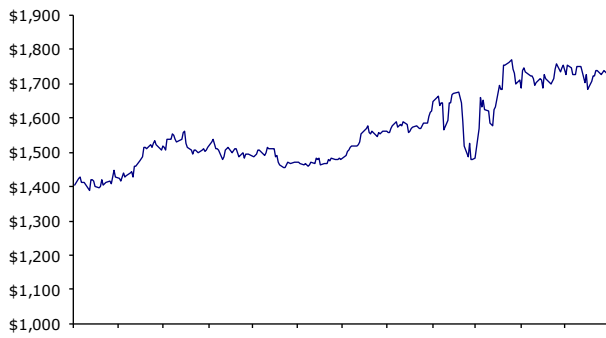
S&P Indices	21/06/2020	14/06/2020	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	7755	7489	3.5%	-1.3%	-12.8%
S&P 200 Materials	13012	13233	-1.7%	1.6%	31.4%
S&P 200 Industrials	5994	5851	2.4%	2.7%	17.5%
S&P 200 Consumer Disc.	2449	2387	2.6%	4.3%	17.0%
S&P 200 Consumer Staples	12445	12257	1.5%	6.0%	45.5%
S&P 200 Healthcare	41952	41127	2.0%	0.3%	117.6%
S&P 200 Financials	4843	4744	2.1%	4.9%	-24.0%
S&P 200 Info Technology	1595	1479	7.8%	7.9%	105.1%
S&P 200 Telecommunicatic	1194	1158	3.1%	2.3%	-32.0%
S&P 200 Utilities	7788	7713	1.0%	2.9%	3.3%
S&P 200 Property Trusts	1276	1253	1.8%	0.0%	-4.9%
S&P 200 Financials ex PT	5402	5292	2.1%	4.9%	-24.0%

Source: IRESS

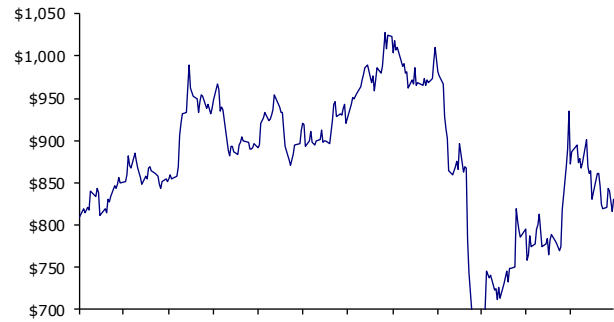


1 Year Commodity Price Charts

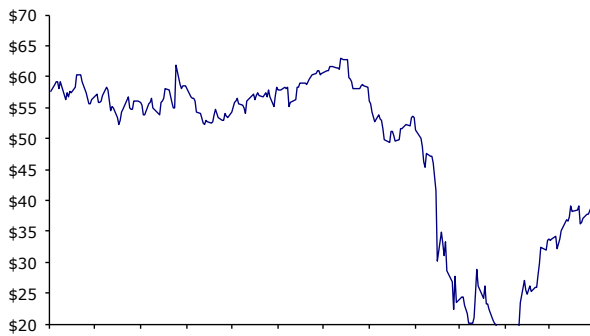
1 Year Gold



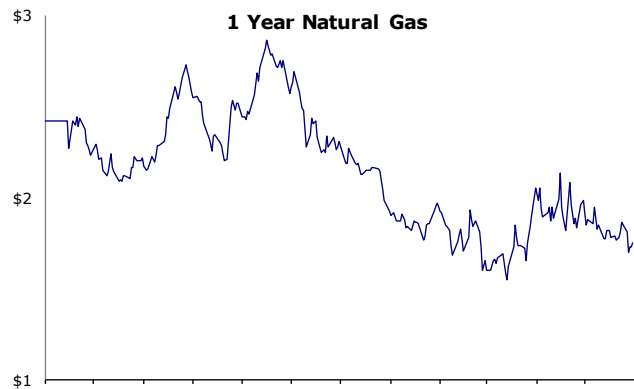
1 Year Platinum



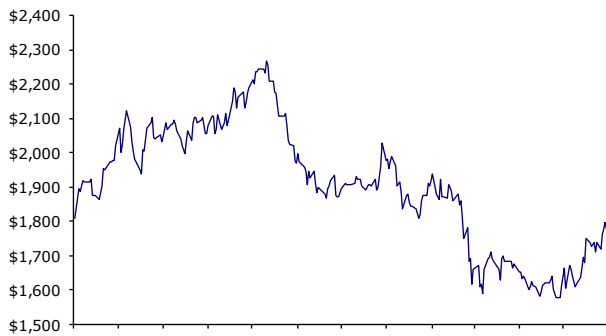
1 Year Oil



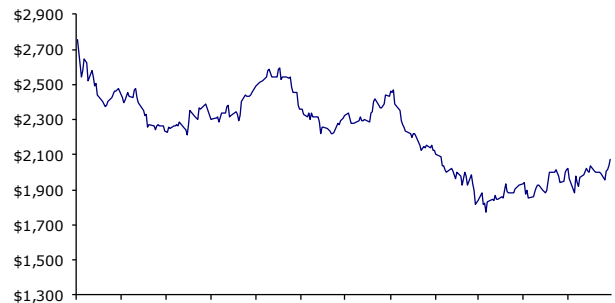
1 Year Natural Gas



1 Year Lead

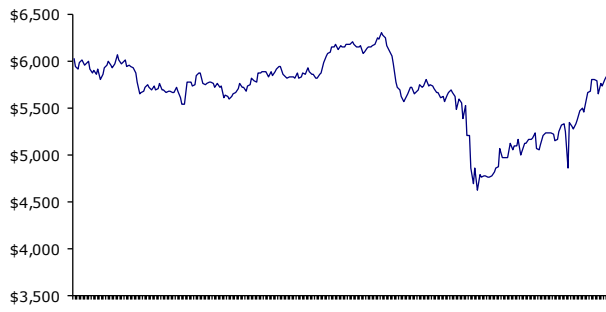


1 Year Zinc

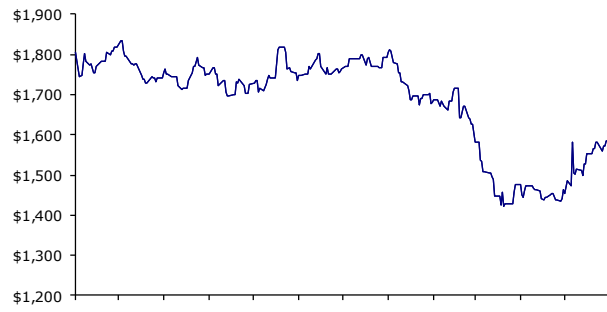




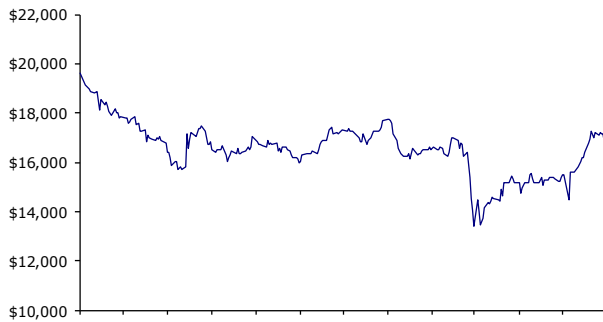
1 Year Copper



1 Year Aluminium

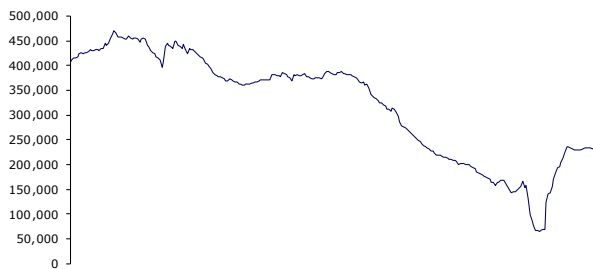


1 Year Tin

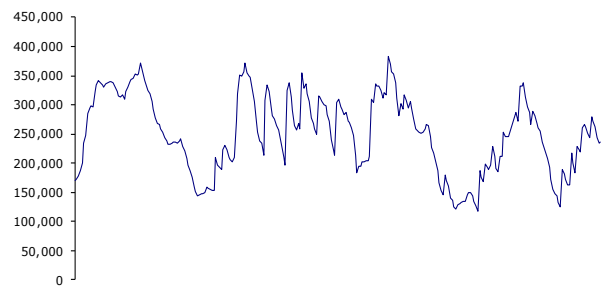


5 Year Metals Stockpiles

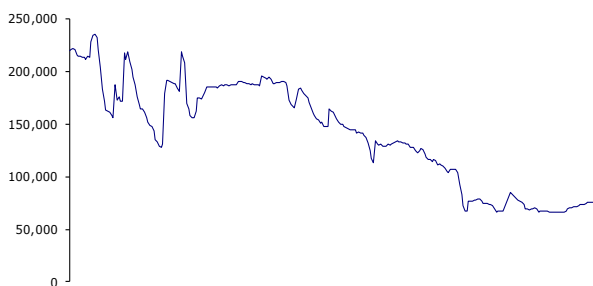
Nickel LME Stockpiles - 5 Year



Copper LME Stockpiles - 5 Year



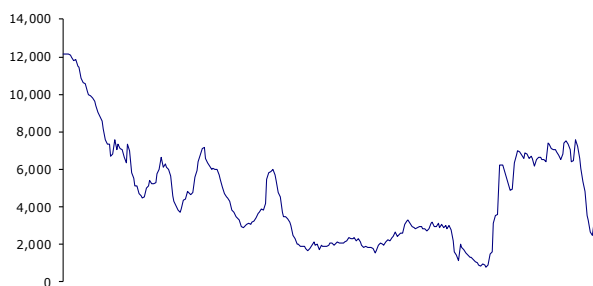
Lead LME Stockpiles - 5 Year



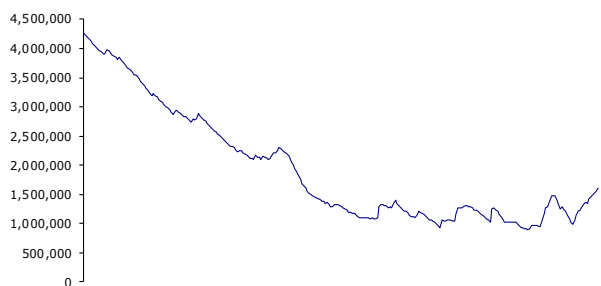
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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