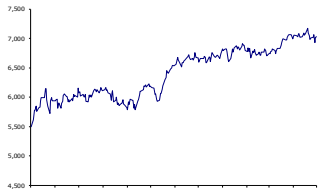
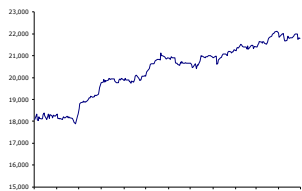


Issue 553
12-month XJO chart

12-month Dow Jones chart

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State One Stockbroking Ltd

 Head Office
 Level 14,
 172 St George's Terrace
 Perth WA 6000
 Tel: +61 (8) 9288 3388 or
 1300 651 898
 Email: advice@stateone.com.au
 Web: www.stateone.com.au
Global Wrap – 23 May 2021

World Markets	23/05/2021	16/05/2021	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	7030	7014	0.2%	-0.5%	26.8%
S&P 500	4156	4174	-0.4%	-0.7%	85.0%
FTSE 100	7018	7044	-0.4%	0.8%	1.2%
DAX30	14050	13719	2.4%	3.6%	3.6%
Shanghai Composite	3487	3518	-0.9%	0.3%	8.4%
Nikkei 225	28318	27825	1.8%	-2.5%	50.9%
Hang Seng	28458	28028	1.5%	-2.1%	24.5%
Currency					
AUD/USD	0.7729	0.7773	-0.6%	0.0%	12.4%
Commodities					
Oil (\$/bbl)	63.6	65.4	-2.7%	-0.4%	19.3%
Gas (\$/gal)	3.0	3.0	-0.8%	-0.2%	65.4%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	10011	10212	-2.0%	1.8%	71.5%
Lead (\$/t)	2224	2149	3.5%	7.1%	-4.6%
Zinc (\$/t)	2969	2924	1.5%	2.1%	8.2%
Aluminium (\$/t)	2403	2438	-1.4%	0.4%	38.8%
Nickel (\$/t)	17047	17404	-2.1%	-1.0%	49.9%
Tin (\$/t)	32362	31180	3.8%	7.7%	51.3%
Gold (\$/oz)	1879	1838	2.2%	5.9%	60.3%
Silver (\$/oz)	27.5	27.4	0.4%	5.2%	60.8%
Platinum (\$/oz)	1169	1223	-4.4%	-3.5%	24.7%
Wheat (\$/t)	674.250	707.750	-4.7%	-6.3%	65.2%

Source: Iress

Key points

- 1. Inflation jitters run hot**
- 2. Ford takes off on EV news**
- 3. Iron ore and oil prices cool**

The **S&P 500** erased earlier gains and finished Friday near the flatline as the tech sector came under pressure again while there was another drop in bitcoin price, CNBC reported.

The broad equity benchmark dipped less than 0.1% to 4,155.86 after rising as much as 0.7% earlier in the day.

The **Dow Jones Industrial Average** climbed 123.69 points, or 0.4%, to 34,207.84, thanks to a jump in Boeing shares.

The **Nasdaq Composite** dipped 0.5% to 13,470.99.

For the week, the S&P 500 fell 0.4% to register its first back-to-back weekly losses since February.

The blue-chip Dow dipped 0.5% on the week, while the Nasdaq Composite eked out a 0.3% gain this week, breaking a four-week losing streak.



This came amid further evidence that monetary policy would be normalised with the release of US Federal Reserve minutes noting the elevated “risk appetite in capital markets”.

The commencement of tapering signals mirrors the solid economic data released in recent weeks and a strong reporting season in which 87% of S&P 500 companies deliver positive earnings surprises.

Cryptocurrencies dropped again on Friday after Chinese Vice Premier Liu He warned about bitcoin mining and trading behaviour, saying tighter regulation is needed to protect the financial system.

Helping sentiment Friday was a gauge for **US manufacturing activity** that surged to a record high this month. The IHS Markit Flash US Manufacturing Purchasing Managers’ Index jumped to an all-time high of 61.5 in May from 60.5 in April. Economists polled by Dow Jones had expected the index to hold steady.

Boeing popped 3.2% after Reuters reported the aircraft manufacturer discussed increasing 737 MAX output to as many as 42 jets per month by late 2022.

Ford, which said it has 20,000 reservations for its new electric F-150 pickup, gained 6.7%. In another sign of market confidence, new IPO **Oatly** (oat milk company), which jumped 18% on Thursday in its Nasdaq debut, climbed more than 11% on Friday.

Investors also cheered a new pandemic low in **jobless claims** on Thursday. The procession of Americans heading to the unemployment line fell last week, with jobless claims totalling a fresh pandemic-era low of 444,000, the Labor Department reported. Economists surveyed by Dow Jones had been expecting 452,000 new claims as the jobs picture improves thanks to an accelerated economic reopening across the country. The total represented a decline from the previous week’s 478,000.

Mainland Chinese markets closed lower, with the **Shanghai composite** down 0.58% to 3,486.56 while the **Shenzhen component** slipped 0.809% to 14,417.46.

In Hong Kong, the **Hang Seng index** closed little changed at 28,458.44. Shares of Tencent in Hong Kong dropped 3.37% on Friday, despite the Chinese tech behemoth posting a 65% surge in its quarterly profit on Thursday.

Japan’s Nikkei 225 rose 0.78% to close at 28,317.83 while the Topix index gained 0.46% to end the trading day at 1,904.69.

The pan-European **Stoxx 600** rose 0.6% on Friday, with autos adding 1% to lead gains as nearly all sectors and major bourses finished in positive territory.

UK economic activity posted its strongest growth on record in May, according to flash PMI (purchasing managers’ index) readings published Friday. The IHS Markit composite PMI hit 62.0, its highest since the survey was launched in 1998 and up from 60.7 the previous month. This came as British services firms reopened following a prolonged lockdown period and manufacturers benefited from the global demand recovery.

In the euro zone, **business growth** hit its fastest pace for more than three years as the vaccine rollout gathered pace and more businesses in the bloc’s dominant services sector reopened. The initial flash composite PMI came in at 56.9 compared to April’s 53.8.

UK retail sales also jumped 9.2% in April, double the average projection in a Reuters poll of economists, official data showed Friday, indicating that pent-up consumer demand is beginning to kick in.

Richemont shares jumped 5% after the Swiss luxury goods company proposed doubling its dividend after a 38% rise in net profit for its fiscal year 2020/21.

Lufthansa shares fell more than 6% after the Thiele family, its second-largest shareholder, offloaded more than half of its stake in the airline following the death of Heinz Hermann Thiele.

Gains for the technology and healthcare sectors helped keep the Australian sharemarket in positive territory, The Sydney Morning Herald reported.

The **ASX 200** added 10.7 points or 0.2% in its week-ending session to close at 7030.3.

Biotech giant **CSL** added 2.2% to \$284.30, its best finish in three months. Fellow healthcare names **ResMed** and **Fisher and Paykel** were up 3.1% and 2.8% respectively.



The tech sector was also strong to rise by a collective 1.6%.

Buy now, pay later firm **Afterpay** edged lower and **Appen** lost 5.1%, but **EML Payments** rebounded with 15.8% rise and **Nuix**, **Xero**, **Altium** and **Wisetech Global** also gained.

The **miners and energy stocks** were again weak as commodity prices continued to cool.

Resources-related stocks - including iron ore giants BHP Rio Tinto and Fortescue Metals - were significant drags on the wider bourse this week.

Commonwealth Bank also backed away from Thursday's record high close, while online retailer Kogan.com plunged 14.3% to \$8.70 on an earnings downgrade.

The ASX 200 nosed 16.1 points ahead for the week, adding 0.2% across the five sessions.

While seemingly narrow, the weekly rise comes after the market clawed back ground from Wednesday's \$41 billion nosedive.

Iron ore prices cooled from last week's record highs with traders spooked by moves in China to keep a lid on the key steelmaking ingredient.

Oil also dipped as Iran signalled that it would soon be free of various sanctions on oil, banking and shipping.

Meanwhile the data dump last week added weight to the view that wages and inflation outcomes will be stronger than the **Reserve Bank of Australia** has forecast.

The wage price index came in better than expected, while the unemployment rate dropped in April as underutilisation fell to its lowest since December 2019.

This coming week will be a slow one for data. The main gauge investors will be watching is Australia's Westpac-Melbourne Institute Leading Economic Index, to be released on Wednesday.

**Economic Calendar 24/05/2021 – 28/05/2021**

Tuesday May 25 2021		Actual	Previous	Consensus	Forecast	
04:00 PM	DE Ifo Business Climate MAY		96.8	98.1	98.5	
Thursday May 27 2021		Actual	Previous	Consensus	Forecast	
02:00 PM	DE GfK Consumer Confidence JUN		-8.8	-5.3	-3	
08:30 PM	US Durable Goods Orders MoM APR		0.5%	0.7%	0.7%	
Friday May 28 2021		Actual	Previous	Consensus	Forecast	
08:30 PM	US Personal Income MoM APR		21.1%	-14.8%	-14%	
08:30 PM	US Personal Spending MoM APR		4.2%	0.5%	0.5%	

Economic Calendar 31/05/2021 – 4/06/2021

Monday May 31 2021		Actual	Previous	Consensus	Forecast	
09:00 AM	CN NBS Manufacturing PMI MAY		51.1			
01:00 PM	JP Consumer Confidence MAY		34.7			
Tuesday June 01 2021		Actual	Previous	Consensus	Forecast	
09:45 AM	CN Caixin Manufacturing PMI MAY		51.9			
12:30 PM	AU RBA Interest Rate Decision		0.1%		0.1%	
Thursday June 03 2021		Actual	Previous	Consensus	Forecast	
09:30 AM	AU Balance of Trade APR		A\$5.574B		A\$6B	
Friday June 04 2021		Actual	Previous	Consensus	Forecast	
08:30 PM	US Non Farm Payrolls MAY		266K	621K	550K	
10:00 PM	CA Ivey PMI s.a MAY		60.6		65	

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 21 May 2021**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
APX	Appen Limited	19.4	EML	EML Payments Ltd	-34.6
XRO	Xero Ltd	13.1	KGN	Kogan.Com Ltd	-14.0
CTD	Corp Travel Limited	11.9	MND	Monadelphous Group	-10.0
ALU	Altium Limited	11.5	ILU	Iluka Resources	-9.8
GOR	Gold Road Res Ltd	9.8	SBM	St Barbara Limited	-8.5
NWH	NRW Holdings Limited	9.4	CAR	Carsales.Com Ltd.	-8.2
ALD	Ampol Limited	9.2	GNC	GrainCorp Limited	-7.9
ALL	Aristocrat Leisure	8.9	ELD	Elders Limited	-7.8
PRU	Perseus Mining Ltd	8.5	BSL	BlueScope Steel Ltd	-6.6
RMS	Ramelius Resources	8.3	NUF	Nufarm Limited	-6.5

Source: IRESS

S & P Indices Week Ending 21 May 2021

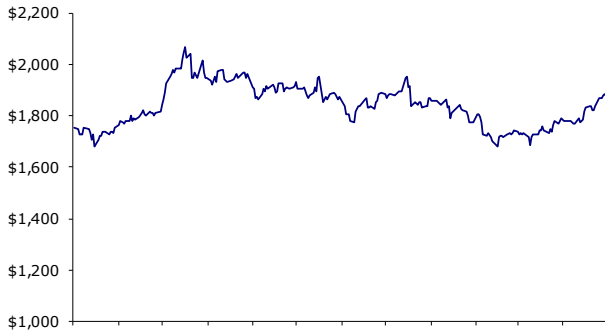
S&P Indices	23/05/2021	16/05/2021	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	7699	7869	-2.2%	-3.3%	-13.4%
S&P 200 Materials	16864	17237	-2.2%	-0.5%	70.3%
S&P 200 Industrials	5988	5991	-0.1%	-1.3%	17.3%
S&P 200 Consumer Disc.	3233	3190	1.3%	-0.2%	54.4%
S&P 200 Consumer Staples	12472	12298	1.4%	-0.2%	45.8%
S&P 200 Healthcare	42540	41878	1.6%	1.3%	120.6%
S&P 200 Financials	6375	6330	0.7%	1.3%	0.1%
S&P 200 Info Technology	1884	1778	6.0%	-11.0%	142.3%
S&P 200 Telecommunicatic	1373	1377	-0.3%	-2.1%	-21.8%
S&P 200 Utilities	5804	5942	-2.3%	-4.7%	-23.0%
S&P 200 Property Trusts	1465	1458	0.5%	-1.0%	9.2%
S&P 200 Financials ex PT	7111	7060	0.7%	1.3%	0.1%

Source: IRESS

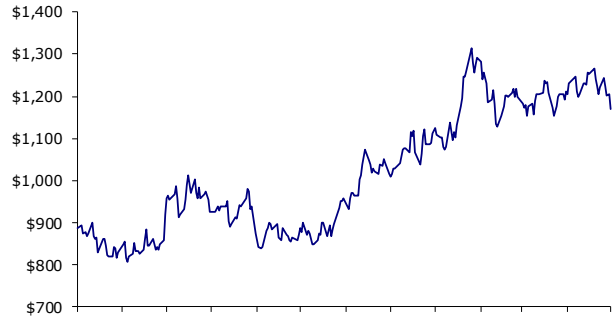


1 Year Commodity Price Charts

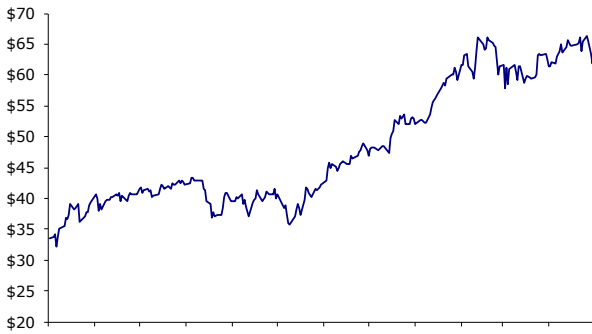
1 Year Gold



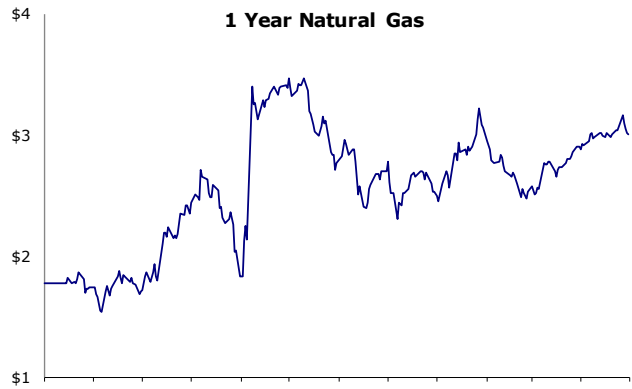
1 Year Platinum



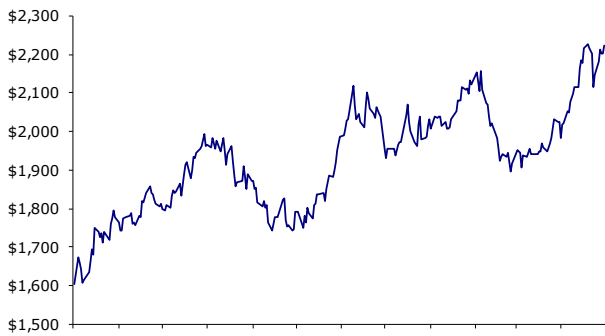
1 Year Oil



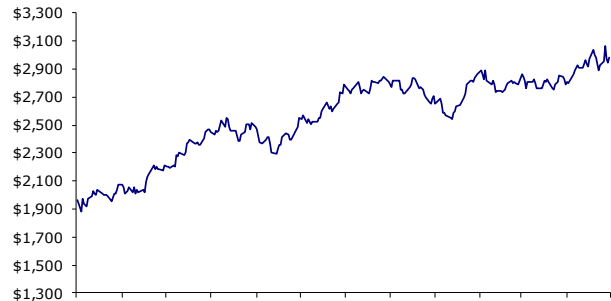
1 Year Natural Gas



1 Year Lead

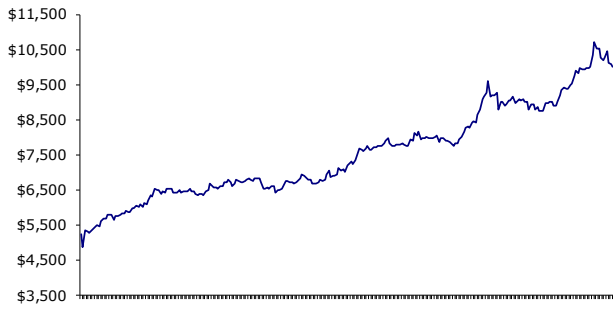


1 Year Zinc

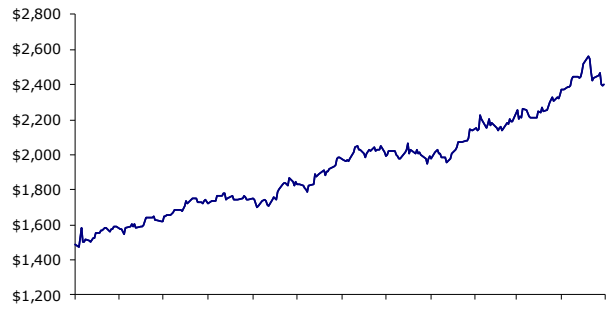




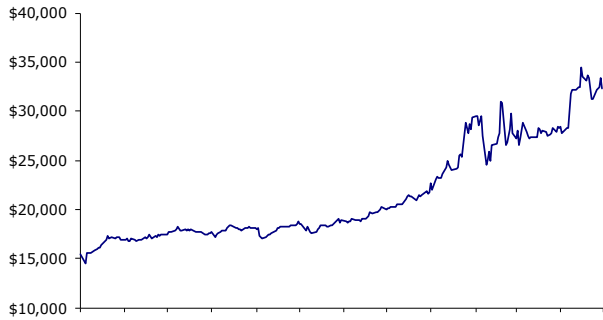
1 Year Copper



1 Year Aluminium

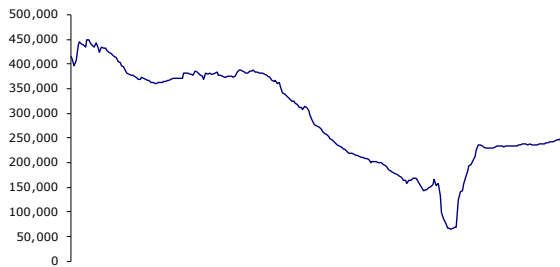


1 Year Tin

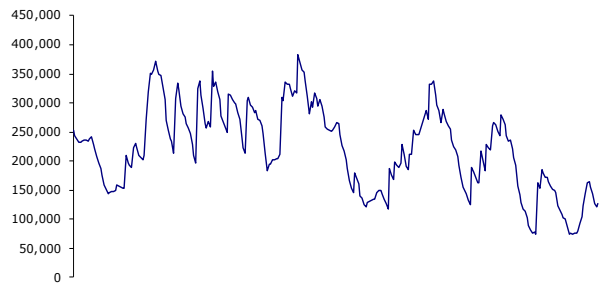


5 Year Metals Stockpiles

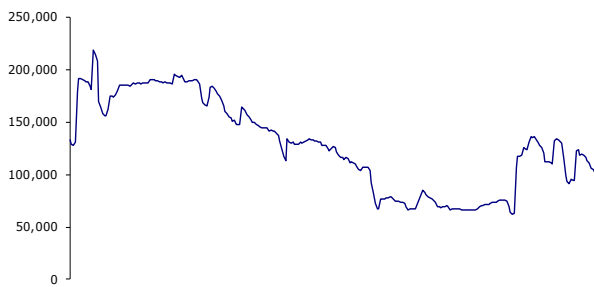
Nickel LME Stockpiles - 5 Year



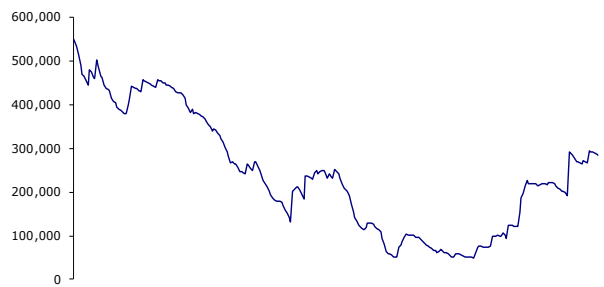
Copper LME Stockpiles - 5 Year



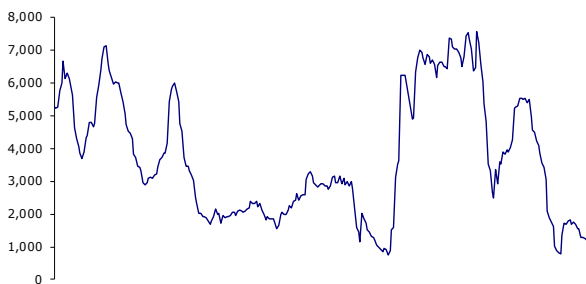
Lead LME Stockpiles - 5 Year



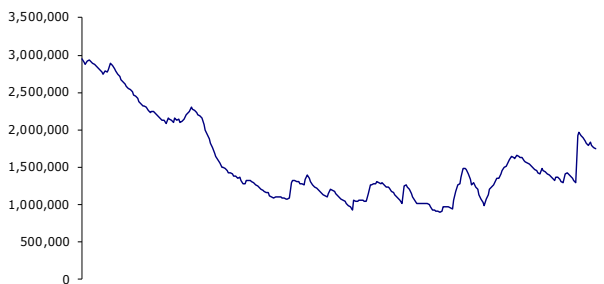
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





Alan Hill
Executive Chairman
Phone: +61 8 9288 3388
ahill@stateone.com.au

Ric Heydon
Equities & Derivatives Advisor
Phone: +61 8 9288 3307
rheydon@stateone.com.au

Mark Sullivan
Institutional Dealer
Phone: +61 2 9024 9134
msullivan@stateone.com.au

Thomas Tan
Equities Advisor
Phone: +61 2 9024 9131
ttan@stateone.com.au

Morris Levitzke
Equities Advisor
Phone: +61 8 9288 3315
mlevitzke@stateone.com.au

Graeme Johnson
Equities & Derivatives Advisor
Phone: +61 8 9288 3316
gjohnson@stateone.com.au

Yitz Barber
Equities Advisor
Phone: +61 2 9024 9124
ybarber@stateone.com.au

Tammie Wong
Equities Advisor
Phone: +61 2 9024 9133
twong@stateone.com.au

David Zhang
Equities Advisor
Phone: +61 2 9024 9130
dzang@stateone.com.au

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