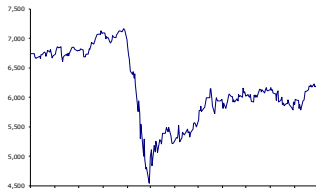
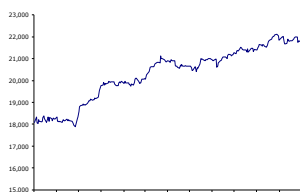


Issue 523
12-month XJO chart

12-month Dow Jones chart

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Global Wrap – 25 October 2020

World Markets	25/10/2020	18/10/2020	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	6167	6177	-0.2%	6.0%	11.2%
S&P 500	3465	3484	-0.5%	3.0%	54.3%
FTSE 100	5860	5920	-1.0%	-0.1%	-15.5%
DAX30	12646	12909	-2.0%	-0.9%	-3.8%
Shanghai Composite	3278	3313	-1.0%	1.9%	1.9%
Nikkei 225	23517	23671	-0.7%	1.4%	25.3%
Hang Seng	24919	24387	2.2%	6.2%	9.0%
Currency					
AUD/USD	0.7140	0.7072	1.0%	0.6%	4.7%
Commodities					
Oil (\$/bbl)	39.9	40.7	-2.1%	3.1%	-29.6%
Gas (\$/gal)	3.3	3.4	-2.4%	1.7%	19.3%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	6880	6728	2.3%	4.1%	17.8%
Lead (\$/t)	1793	1757	2.0%	-0.5%	-23.1%
Zinc (\$/t)	2547	2417	5.4%	5.6%	-7.2%
Aluminium (\$/t)	1829	1866	-2.0%	5.3%	5.6%
Nickel (\$/t)	15768	15603	1.1%	9.6%	38.7%
Tin (\$/t)	18530	18390	0.8%	6.1%	-13.4%
Gold (\$/oz)	1905	1906	-0.1%	0.5%	62.5%
Silver (\$/oz)	24.7	24.4	1.1%	5.0%	44.3%
Platinum (\$/oz)	902	864	4.3%	0.1%	-3.8%
Wheat (\$/t)	634.500	626.500	1.3%	9.8%	55.4%

Source: Iress

Key points

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

Week in review

Global indexes fell this week as negotiations on a second US coronavirus relief package continue to weigh on equities. Amid the political impasse in Washington, the yield on the US 10-year Treasury bonds continued its ascent, reaching the highest level in four months on Thursday.

Also in the US the September quarter earnings season is underway, with expectations that companies will report weaker earnings on a year-on-year basis. Those listed on the S&P 500 Index are projected to report a 21% fall in aggregate. We expect this earnings season to be mixed and see faster recoveries being factored into various sectors' earnings forecasts, only some of which appear realistic.

Media streaming and production company Netflix disappointed on Tuesday, declaring that the 2.2 million subscribers gained during the quarter fell short of forecasts, with the previous momentum for new customers subsiding since the onset of the pandemic. Some large technology companies are facing additional challenges, such as the antitrust case lodged against multinational technology conglomerate Alphabet (owner of Google) this week by the US Justice Department.

Friday's markets

The **Dow Jones Industrial Average** fell slightly on Friday to end a downbeat week as investors weighed the potential for additional fiscal stimulus, CNBC reported.

The 30-stock average slid 28.09 points, or 0.1%, to 28,335.57 as Intel shares struggled. The **S&P 500** gained 0.3% to close at 3,465.39 and the **Nasdaq Composite** closed 0.4% higher at 11,548.28.

Investors seem to be in wait-and-see mode, with a lot of back and forth on the second US stimulus package. The Dow and S&P 500 snapped a three-week winning streak and the Nasdaq posted its first weekly loss in five weeks. The S&P 500 lost 0.5% for the week. The Dow and Nasdaq dipped 0.95% and 1.1%, respectively.

Intel shares fell 10.6% following the release of mixed quarterly numbers for the chipmaker. It was a tough week for the tech sector, falling more than 2%, amid concerns that a Democratic win on 3 November could put tax and regulation pressure on the high-flying stock group.

On the coronavirus front, the US Food and Drug Administration on Thursday approved Gilead Sciences' antiviral drug remdesivir for the virus. The intravenous drug has helped shorten the recovery time of some hospitalized Covid-19 patients.

In China the **Shanghai composite** closed 1.04% lower at about 3,278 while the Shenzhen component dropped 1.999% on the day to approximately 13,128.46. Hong Kong's **Hang Seng** index edged 0.46% higher, as of its final hour of trading.

In Japan, the **Nikkei 225** rose 0.18% to close at 23,516.59. South Korea's **Kospi** also rose 0.24% to close at 2,360.81.

European markets closed higher on Friday as investors monitored signs of progress toward a US stimulus deal and digested a raft of major corporate earnings.

The pan-European Stoxx 600 provisionally closed about 0.5% higher, with banks jumping over 2.5% on the back of strong earnings to lead the gains while retail stocks slumped around 0.9%.

Meanwhile the UK and European Union ramped up daily talks on Thursday as time ticks away for both sides to agree on a post-Brexit trading arrangement.

On the data front, the flash euro zone PMI composite output index, which looks at activity in both manufacturing and services sectors, dropped to a four-month low in October to 49.4, versus 50.4 in September. A reading below 50 represents a contraction in activity.

Barclays on Friday reported a net profit of 611 million pounds for the third quarter, more than double analyst expectations of 273.5 million pounds, in part due to a sharp reduction in coronavirus-related impairment charges. Barclays shares added over 8% by the afternoon, leading a broad rally for banks.

Daimler upped its 2020 profit outlook on Friday as strong third-quarter demand in China helped boost margins at its Mercedes-Benz cars division. The German automaker's shares edged slightly higher.

The ASX 200 closed Friday's session down 0.1% to 6167.

There was plenty of business news for investors to digest despite a public holiday in Victoria, including the final presidential debate between President Donald Trump and former vice president Joe Biden.

Gains from all **four big banks** pushed the financials sector 0.5% higher. However this was offset by falls of 1% in the materials sector, with **BHP** losing 1.3% to \$36 on Friday.

Blood plasma giant **CSL** lead healthcare lower, closing down 0.5% to \$294.82.

The day's trade leaves the sector 10 points lower, or 0.2%, compared with the start of the week, with the ASX200 continuing to toy with the 6,200 mark but failing to stay above it.

Qantas shares finished the day ahead 2.7% to \$4.45, with management revealing at the company's annual general meeting that border closures had cost it \$100 million in the first quarter of 2021.



Prime Minister Scott Morrison flagged on Friday afternoon that national cabinet had agreed to a “reopening” framework by Christmas.

ASX debutantes Adore Beauty and personal protective equipment maker CleanSpace both had strong first days on the boards. Online beauty retailer Adore opened up 9% on its offer price to \$7.40 before settling more 2.5% ahead, while CleanSpace gained more than 60% to \$7.42.

What to watch next week

On Monday Australia’s preliminary trade balance will be released, followed by Australian CPI on Wednesday; preliminary US GDP will be out on Thursday, then euro zone CPI and GDP on Friday.

**Economic Calendar 26/10/2020 – 30/10/2020**

Monday October 26 2020		Actual	Previous	Consensus	Forecast	
05:00 PM	DE Ifo Business Climate OCT		93.4	92.9	91.1	
Tuesday October 27 2020		Actual	Previous	Consensus	Forecast	
08:30 PM	US Durable Goods Orders MoM SEP		0.4%	0.3%	0.1%	
Wednesday October 28 2020		Actual	Previous	Consensus	Forecast	
10:00 PM	CA BoC Interest Rate Decision		0.25%	0.25%	0.25%	
Thursday October 29 2020		Actual	Previous	Consensus	Forecast	
01:00 PM	JP Consumer Confidence OCT		32.7		34.8	
08:30 PM	US GDP Growth Rate QoQ Adv Q3		-31.4%	32.5%	32%	
Friday October 30 2020		Actual	Previous	Consensus	Forecast	
02:30 PM	FR GDP Growth Rate QoQ Prel Q3		-13.8%		15.1%	
03:00 PM	DE GDP Growth Rate QoQ Flash Q3		-9.7%	6.9%	8.5%	
03:00 PM	DE GDP Growth Rate YoY Flash Q3		-11.3%		-5.8%	
04:00 PM	ES GDP Growth Rate QoQ Flash Q3		-17.8%		14.2%	
04:00 PM	ES GDP Growth Rate YoY Flash Q3		-21.5%		-12.3%	
06:00 PM	EA GDP Growth Rate QoQ Flash Q3		-11.8%	7.8%	7.5%	
06:00 PM	EA GDP Growth Rate YoY Flash Q3		-14.7%		-8%	
07:00 PM	IT GDP Growth Rate QoQ Adv Q3		-13.0%		10.5%	
07:00 PM	IT GDP Growth Rate YoY Adv Q3		-18.0%		-10.3%	
08:30 PM	US Personal Income MoM SEP		-2.7%	0.5%	0.6%	
08:30 PM	US Personal Spending MoM SEP		1%	1%	0.8%	

**Economic Calendar 2/11/2020 – 6/11/2020**

Monday November 02 2020		Actual	Previous	Consensus	Forecast	
09:45 AM	CN	Caixin Manufacturing PMI OCT	53.0		52.8	
Tuesday November 03 2020		Actual	Previous	Consensus	Forecast	
11:30 AM	AU	RBA Interest Rate Decision	0.25%		0.10%	
	US	Presidential Election				
Wednesday November 04 2020		Actual	Previous	Consensus	Forecast	
09:30 PM	CA	Balance of Trade SEP	C\$-2.45B		C\$ -1.8B	
09:30 PM	US	Balance of Trade SEP	\$-67.1B		\$ -59B	
Thursday November 05 2020		Actual	Previous	Consensus	Forecast	
08:30 AM	AU	Balance of Trade SEP	A\$2.643B		A\$ 4.2B	
08:00 PM	GB	BoE Interest Rate Decision			0.1%	
Friday November 06 2020		Actual	Previous	Consensus	Forecast	
03:00 AM	US	Fed Interest Rate Decision	0.25%		0.25%	
09:30 PM	US	Non Farm Payrolls OCT	661K		600K	
11:00 PM	CA	Ivey PMI s.a OCT	54.3		54	

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 23 October 2020**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
PME	Pro Medicus Limited	12.0	ILU	Iluka Resources	-47.2
BSL	BlueScope Steel Ltd	9.2	RSG	Resolute Mining	-11.5
QAN	Qantas Airways	8.1	MP1	Megaport Limited	-11.2
CGF	Challenger Limited	7.8	GNC	GrainCorp Limited	-10.0
NWH	NRW Holdings Limited	7.7	RRL	Regis Resources	-9.0
WSA	Western Areas Ltd	7.5	RMS	Ramelius Resources	-8.1
SGM	Sims Limited	7.5	PRU	Perseus Mining Ltd	-8.0
CIM	Cimic Group Ltd	7.5	GOR	Gold Road Res Ltd	-6.7
ORA	Orora Limited	7.5	URW	Unibailrodawestfield	-6.3
LYC	Lynas Corporation	6.7	SBM	St Barbara Limited	-6.3

Source: IRESS

S & P Indices Week Ending 23 October 2020

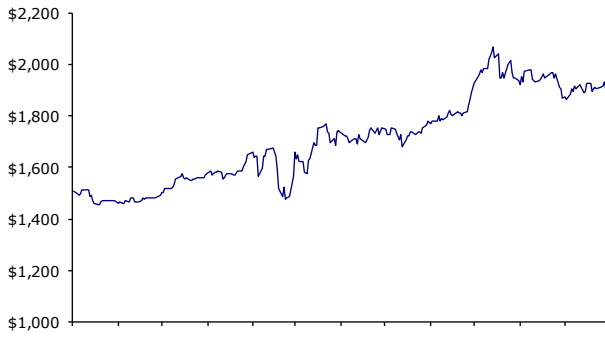
S&P Indices	25/10/2020	18/10/2020	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	6783	6746	0.6%	6.2%	-23.7%
S&P 200 Materials	14047	14142	-0.7%	3.3%	41.9%
S&P 200 Industrials	5837	5810	0.5%	2.2%	14.4%
S&P 200 Consumer Disc.	2805	2826	-0.7%	7.0%	34.0%
S&P 200 Consumer Staples	12470	12633	-1.3%	4.8%	45.8%
S&P 200 Healthcare	43912	44100	-0.4%	3.7%	127.8%
S&P 200 Financials	4925	4893	0.7%	10.3%	-22.7%
S&P 200 Info Technology	2022	1986	1.8%	14.7%	159.9%
S&P 200 Telecommunicatic	1165	1184	-1.5%	3.1%	-33.6%
S&P 200 Utilities	7015	7167	-2.1%	1.8%	-7.0%
S&P 200 Property Trusts	1333	1344	-0.8%	3.3%	-0.6%
S&P 200 Financials ex PT	5493	5457	0.7%	10.3%	-22.7%

Source: IRESS

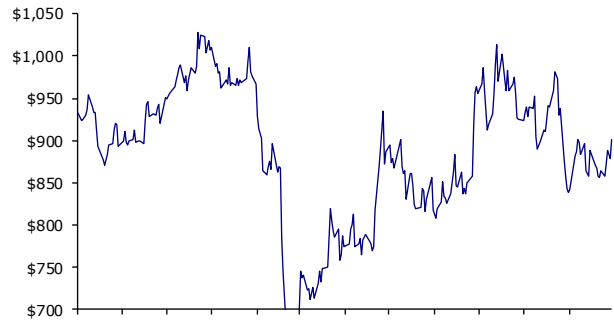


1 Year Commodity Price Charts

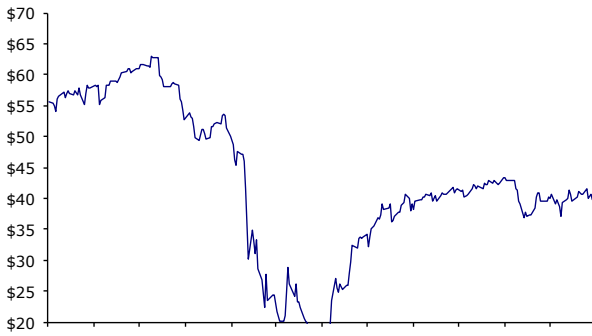
1 Year Gold



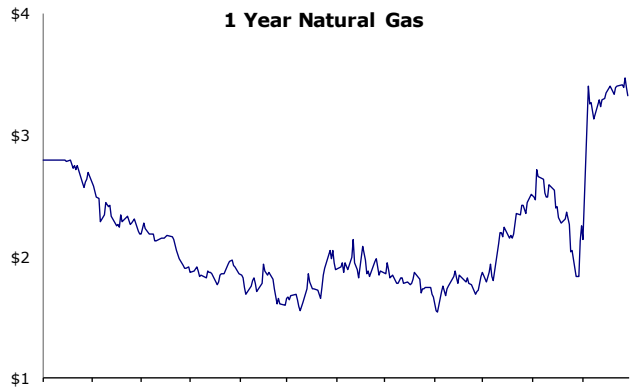
1 Year Platinum



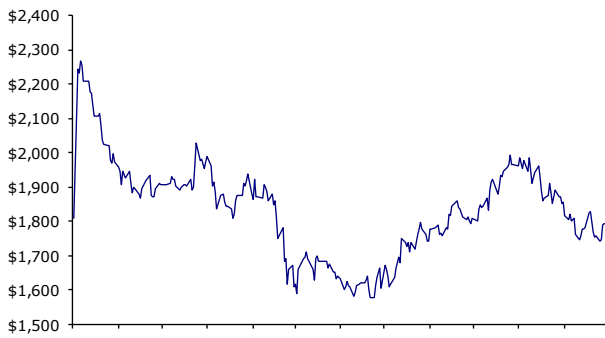
1 Year Oil



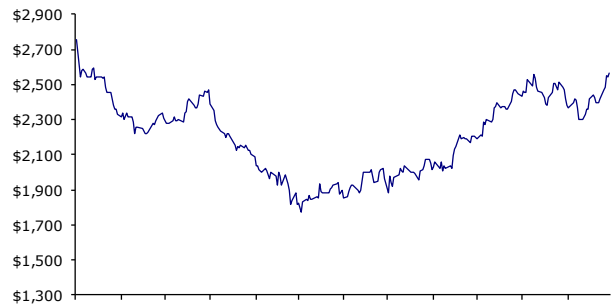
1 Year Natural Gas



1 Year Lead

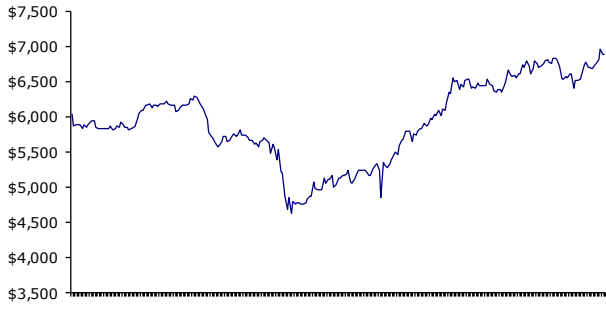


1 Year Zinc

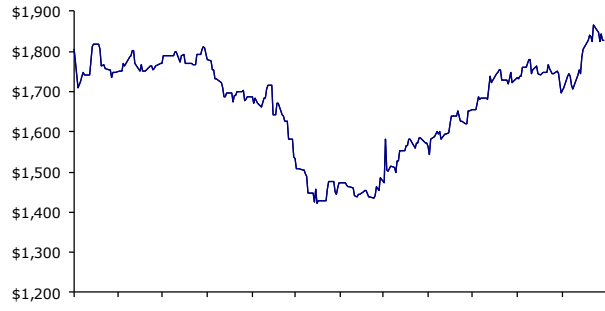




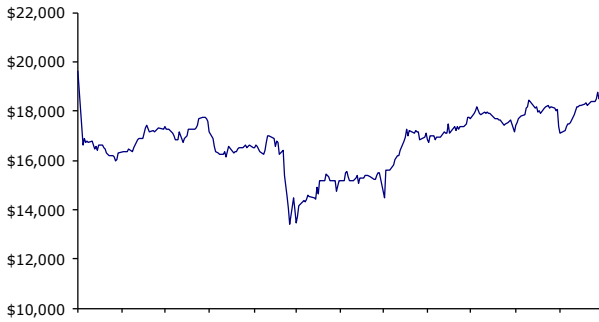
1 Year Copper



1 Year Aluminium

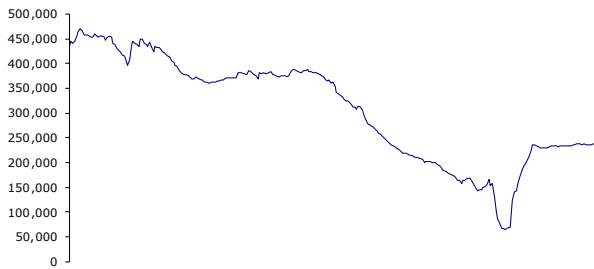


1 Year Tin

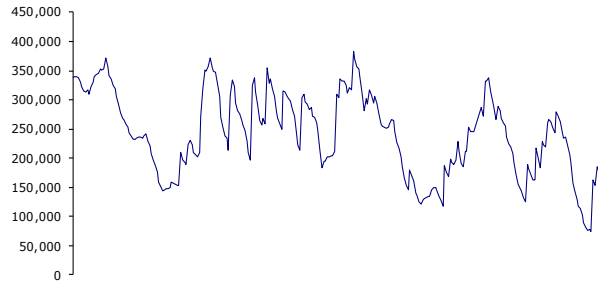


5 Year Metals Stockpiles

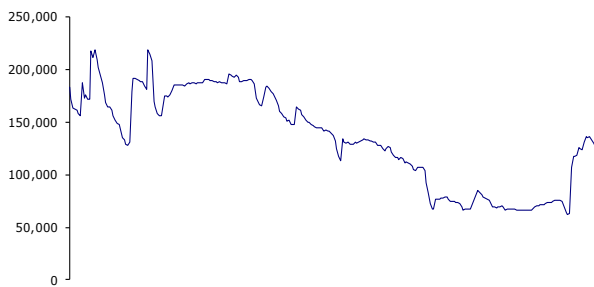
Nickel LME Stockpiles - 5 Year



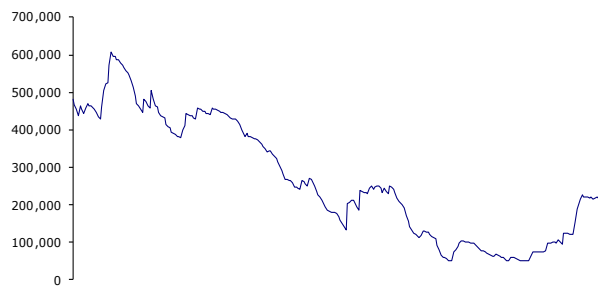
Copper LME Stockpiles - 5 Year



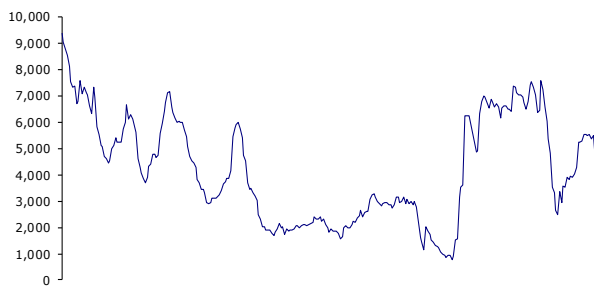
Lead LME Stockpiles - 5 Year



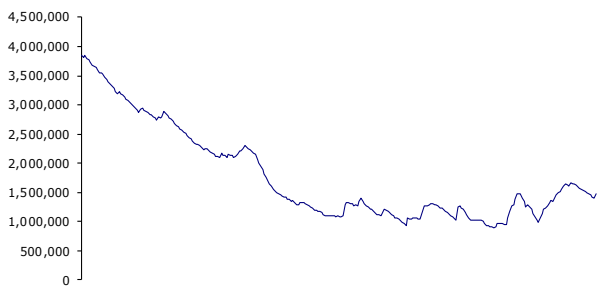
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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