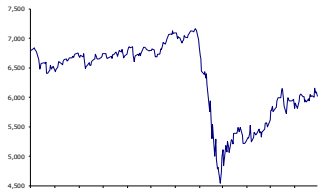


Issue 510
12-month XJO chart

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Global Wrap – 26 July 2020

World Markets	26/07/2020	19/07/2020	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	6024	6034	-0.2%	1.5%	8.7%
S&P 500	3216	3225	-0.3%	3.2%	43.2%
FTSE 100	6124	6290	-2.6%	-0.6%	-11.7%
DAX30	12838	12920	-0.6%	4.7%	11.0%
Shanghai Composite	3197	3314	-3.5%	3.4%	-0.6%
Nikkei 225	22752	22717	0.2%	2.7%	21.2%
Hang Seng	24705	25089	-1.5%	1.1%	8.1%
Currency					
AUD/USD	0.7105	0.7017	1.3%	1.9%	2.8%
Commodities					
Oil (\$/bbl)	41.2	40.7	1.4%	2.4%	-26.6%
Gas (\$/gal)	1.9	1.8	5.8%	11.7%	-12.1%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	6413	6455	-0.7%	6.6%	9.8%
Lead (\$/t)	1808	1811	-0.2%	2.7%	-22.4%
Zinc (\$/t)	2202	2188	0.6%	9.7%	-19.8%
Aluminium (\$/t)	1655	1627	1.7%	3.8%	-4.4%
Nickel (\$/t)	13430	13281	1.1%	7.0%	18.1%
Tin (\$/t)	17695	17400	1.7%	4.6%	-17.3%
Gold (\$/oz)	1925	1810	6.4%	8.2%	64.2%
Silver (\$/oz)	22.9	19.8	15.6%	25.4%	33.7%
Platinum (\$/oz)	956	850	12.5%	14.6%	2.0%
Wheat (\$/t)	540.250	535.000	1.0%	8.3%	32.3%

Source: Iress

Key points

1. The week in review
2. The markets on Friday
3. What to watch this week

The week in review

The Australian equity market continued its ascent in the early part of the week, with the S&P/ASX 200 Index reaching a six-week high on Tuesday, buoyed by coronavirus vaccine hopes and an extension of fiscal stimulus. The Morrison government announced it will prolong and tighten the JobKeeper and JobSeeker payments, while Reserve Bank of Australia Governor Philip Lowe reiterated that negative interest rates are unlikely in Australia.

The market fell on Thursday when Treasurer Josh Frydenberg stated unemployment could reach 9.25% before Christmas and projected a \$184.5 billion federal budget deficit in the 2021 fiscal year, the largest since World War II.



Global equity markets rose on the news of pharmaceutical company AstraZeneca and Oxford University's promising results in the initial trials for its coronavirus vaccine candidate.

In the US, market confidence lifted for the week on hopes for a new stimulus package and many companies so far beating a low bar of earnings estimates. After a four-day discussion, European Union leaders agreed on a EUR750 billion recovery plan aimed at containing an unprecedented economic downturn and a EUR1 trillion budget for the bloc from 2021 to 2027.

Friday's markets

Stocks fell on Friday as Wall Street wrapped up a volatile week of trading, with tech shares struggling and US-China tensions rising, CNBC reported.

The **Dow Jones Industrial Average** slid 182.44 points, or 0.6%, to 26,469.89.

The **S&P 500** fell 0.6%, or 20.03 points, to 3,215.63, and the Nasdaq Composite dipped 0.9%, or 98.24 points, to 10,363.18.

Dow-component **Intel** plunged more than 16% after the chipmaker offered disappointing guidance for the third quarter and delayed the release of its next-generation chips.

The 30-stock benchmark dropped 0.7% for the week, snapping a three-week winning streak.

The S&P 500 dipped 0.2% this week, posting its first weekly decline in four. The **Nasdaq**, meanwhile, lost 1.3% this week for its first back-to-back weekly losses since May.

The **Cboe Volatility Index (VIX)**, seen by many investors as the best "fear gauge" on Wall Street, traded above 25 on Friday.

Gold, meanwhile, surged to a record closing high, settling 0.4% higher at \$1,897.50 per ounce.

Shares of **Facebook, Alphabet, Apple and Microsoft** all traded lower.

Tesla dropped more than 6%. **Amazon and Netflix** bucked the negative trend, rising at least 0.6% each.

Big Tech has been the market leader this year as investors grappled with the coronavirus pandemic and its impact on corporate profits. Amazon and Netflix are up 62% and 48% year to date, respectively.

Alphabet and Facebook are up over 12% each over that time.

Last week, however, this group has struggled. Facebook dropped more than 4% this week and Apple shed 3.8%. Netflix slipped 2.5% during that time period. Microsoft and Alphabet are both down at least 0.5% this week.

The week's volatile trading action comes amid rising tensions between China and the US. China ordered the closure of a US consulate in Chengdu, retaliating after Washington shut the Chinese consulate in Houston earlier this week.

Preceding that, Secretary of State Mike Pompeo also slammed China in a speech on Thursday. He said Washington will no longer tolerate Beijing's attempts to usurp global order.

Mainland Chinese stocks mostly deepened losses by the close, with other Asia Pacific markets also moving lower as US-China tensions worsened on Friday.

In mainland China, the **Shanghai composite** pared some losses, but still ended the day 3.86% lower at 3,196.77, while the **Shenzhen composite** tumbled 5% to close at 2,138.36. The Shenzhen component dived 5.31% to close at 12,935.70.

Over in Hong Kong, the **Hang Seng** index declined 2.51%. Tech stocks fell across the board, with **Tencent** tumbling 5.57% and **Alibaba** down 3.16%. Gaming stocks also saw steep losses.

Over in South Korea, the Kospi slipped 0.71% to 2,200.44.

Markets in Japan are closed for a holiday on Friday.

European markets closed lower on Friday as escalating diplomatic tensions between the world's two largest economies continued to weigh on sentiment.

The **pan-European Stoxx 600** provisionally ended 1.7% lower, with tech stocks tumbling 3.8% to lead losses as all sectors and major bourses slid into negative territory.

Global investors will be reacting to China's retaliation to the US decision to force the closure of the Chinese consulate in Houston, which it accused of being a hotspot for espionage and intellectual property theft.



In Europe, the UK and the European Union continue to diverge on a prospective deal over their post-Brexit trading relationship as the deadline to reach an agreement is pushed back to September.

Flash Markit PMI (purchasing managers' index) readings on Friday suggested that euro zone business activity rebounded in July, coming in at 54.8 and indicating that economic activity grew for the first time since February.

UK retail sales also came in much better than expected before the opening bell.

Australian shares finished the week lower amid a worsening diplomatic spat between two global superpowers, while investors were also nervous over the strength of the economic rebound from COVID-19, The Sydney Morning Herald reported.

The benchmark **ASX 200** lost 70.5 points, or 1.2%, on Friday to close a low-volume day at 6024.0.

The index lost 0.2% over the week to continue a volatile July, but is still ahead 2.1% for the month.

There were 43 companies higher, 152 lower, and 5 flat after trade on Friday.

The biggest gainers were:

- **IGO +4.8%**
- **TPG Telecom +4.7%**
- **Avita Medical +3.9%**
- **Elders +2.9%**
- **Healius +2.3%**

The biggest declines were:

- **IAG -7.8%**
- **Evolution Mining -7.8%**
- **Megaport -6.6%**
- **Cooper Energy -6%**
- **Western Areas -5.2%**

In WA medical cannabis producer **Little Green Pharma** was given the green light by the Office of Drug Control to start growing plants in its expanded South West facility, paving the way for it to be one of the biggest in the country.

What to watch this week

This coming week investors will be watching the release of Australian Consumer Price Index (CPI) and a US Federal Reserve monetary statement on Wednesday. US and German Gross Domestic Product (GDP) will be announced on Thursday. European GDP and CPI and Chinese non-manufacturing Purchasing Managers Index (PMI) are out on Friday.

**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	89.3	88.5	
08:30 PM	US Durable Goods Orders MoM JUN		15.8%	6.5%	5%	
Thursday July 30 2020		Actual	Previous	Consensus	Forecast	
02:00 AM	US Fed Interest Rate Decision		0.25%	0.25%	0.25%	
02:00 PM	DE GDP Growth Rate QoQ Flash Q2		-2.2%	-8.8%	-9.6%	
02:00 PM	DE GDP Growth Rate YoY Flash Q2		-2.3%	-10.9%	-11.4%	
08:30 PM	US GDP Growth Rate QoQ Adv Q2		-5%	-32.6%	-32%	
Friday July 31 2020		Actual	Previous	Consensus	Forecast	
09:00 AM	CN NBS Manufacturing PMI JUL		50.9		51	
01:00 PM	JP Consumer Confidence JUL		28.4		26	
01:30 PM	FR GDP Growth Rate QoQ Prel Q2		-5.3%		-19.7%	
03:00 PM	ES GDP Growth Rate QoQ Flash Q2		-5.2%		-14.6%	
03:00 PM	ES GDP Growth Rate YoY Flash Q2		-4.1%		-17%	
04:00 PM	IT GDP Growth Rate QoQ Adv Q2		-5.3%		-13.2%	
04:00 PM	IT GDP Growth Rate YoY Adv Q2		-5.4%		-18%	
05:00 PM	EA GDP Growth Rate QoQ Flash Q2		-3.6%	-11.2%	-12.5%	
05:00 PM	EA GDP Growth Rate YoY Flash Q2		-3.1%	-13.9%	-14.7%	
08:30 PM	US Personal Spending MoM JUN		8.2%	5.8%	5.3%	
08:30 PM	US Personal Income MoM JUN		-4.2%	0.4%	0.3%	

Source: www.tradingeconomics.com

**Economic Calendar 3/08/2020 – 7/08/2020**

Monday August 03 2020		Actual	Previous	Consensus	Forecast
07:50 AM	JP GDP Growth Rate QoQ Final Q1		-1.9%		-0.6%
09:45 AM	CN Caixin Manufacturing PMI JUL		51.2		51.6
Tuesday August 04 2020		Actual	Previous	Consensus	Forecast
12:30 PM	AU RBA Interest Rate Decision		0.25%		0.25%
Wednesday August 05 2020		Actual	Previous	Consensus	Forecast
08:30 PM	CA Balance of Trade JUN		C\$-0.68B		C\$ -3B
08:30 PM	US Balance of Trade JUN		\$-54.6B		\$ -50B
Thursday August 06 2020		Actual	Previous	Consensus	Forecast
09:30 AM	AU Balance of Trade JUN		A\$8.025B		A\$ 4.5B
02:15 PM	IN RBI Interest Rate Decision		4%		
07:00 PM	GB BoE Interest Rate Decision		0.1%		0.1%
Friday August 07 2020		Actual	Previous	Consensus	Forecast
02:00 PM	DE Balance of Trade JUN		€7.1B		€ 1.4B
08:30 PM	US Non Farm Payrolls JUL		4800K		2200K
10:00 PM	CA Ivey PMI s.a JUL		58.2		58.5

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 24 July 2020**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
RSG	Resolute Mining	17.7	AWC	Alumina Limited	-7.2
APE	AP Eagers Limited	16.8	COE	Cooper Energy Ltd	-7.1
ORE	Orocobre Limited	13.2	WSA	Western Areas Ltd	-6.6
SLR	Silver Lake Resource	11.6	TPG	TPG Telecom Limited	-6.1
QBE	QBE Insurance Group	11.0	URW	Unibailrodawestfield	-6.0
NWH	NRW Holdings Limited	9.8	IAG	Insurance Australia	-6.0
OZL	OZ Minerals	9.4	BXB	Brambles Limited	-5.5
LYC	Lynas Corporation	9.0	MP1	Megaport Limited	-4.6
TAH	TABCORP Holdings Ltd	9.0	CSR	CSR Limited	-4.4
PRN	Perenti Global Ltd	7.8	EVN	Evolution Mining Ltd	-4.3

Source: IRESS

S & P Indices Week Ending 24 July 2020

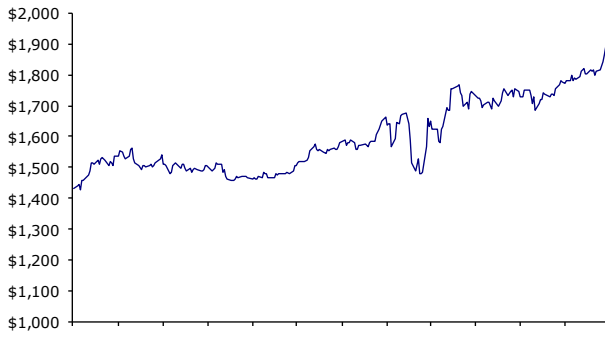
S&P Indices	26/07/2020	19/07/2020	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	7435	7380	0.8%	-0.9%	-16.4%
S&P 200 Materials	14173	14170	0.0%	5.7%	43.2%
S&P 200 Industrials	5592	5659	-1.2%	-2.7%	9.6%
S&P 200 Consumer Disc.	2501	2472	1.2%	1.7%	19.5%
S&P 200 Consumer Staples	12985	13047	-0.5%	4.1%	51.8%
S&P 200 Healthcare	41362	41825	-1.1%	-1.2%	114.5%
S&P 200 Financials	4872	4878	-0.1%	0.6%	-23.5%
S&P 200 Info Technology	1668	1637	1.9%	4.6%	114.5%
S&P 200 Telecommunicatic	1222	1250	-2.3%	2.8%	-30.4%
S&P 200 Utilities	7721	7768	-0.6%	1.3%	2.4%
S&P 200 Property Trusts	1227	1220	0.6%	-1.0%	-8.5%
S&P 200 Financials ex PT	5434	5441	-0.1%	0.6%	-23.5%

Source: IRESS

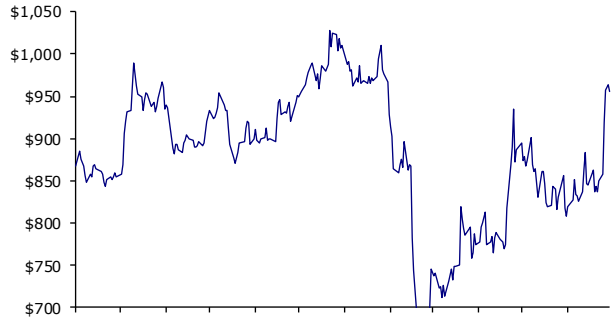


1 Year Commodity Price Charts

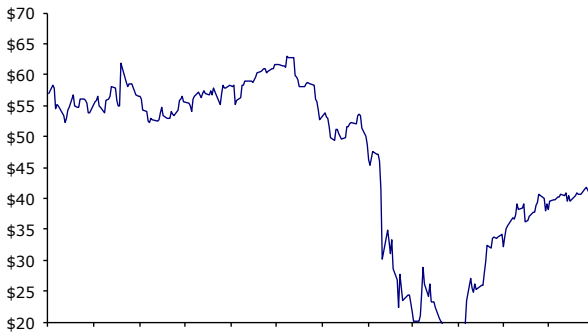
1 Year Gold



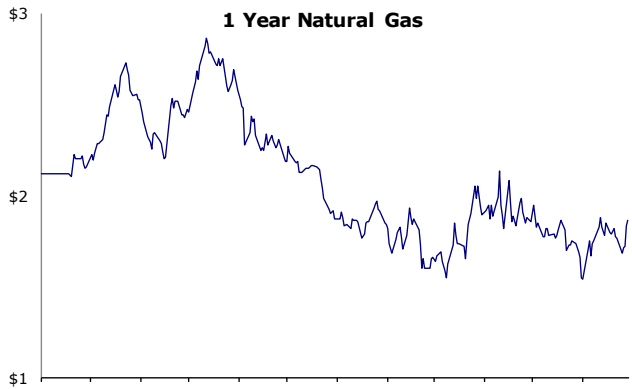
1 Year Platinum



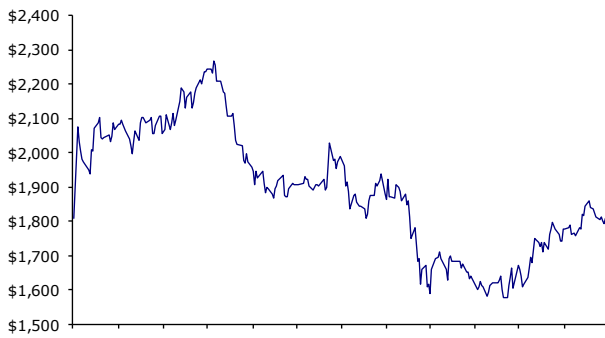
1 Year Oil



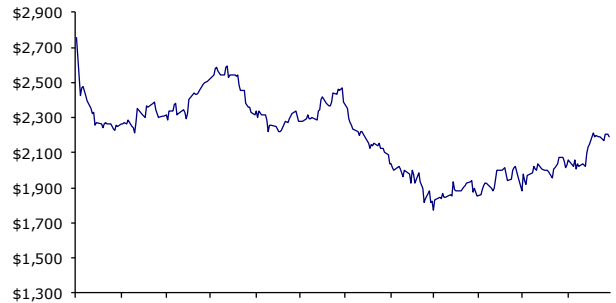
1 Year Natural Gas



1 Year Lead

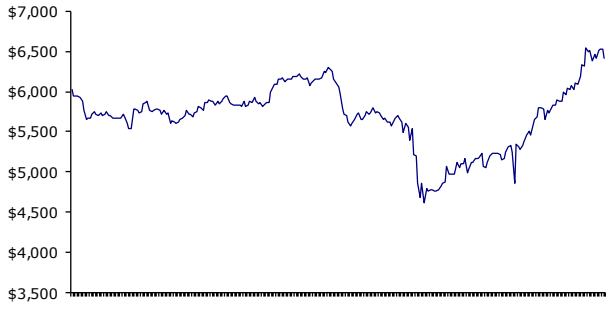


1 Year Zinc

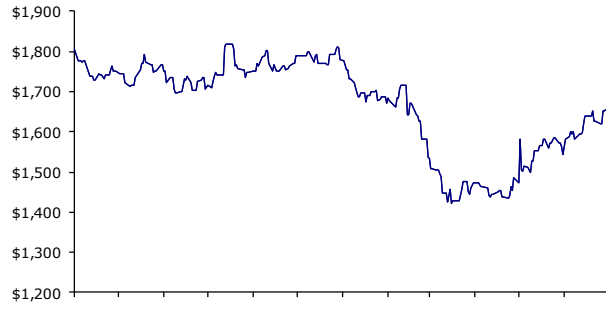




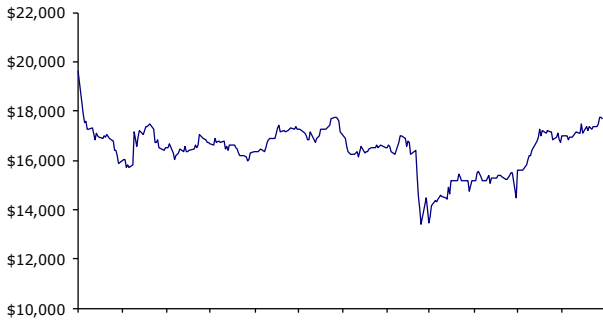
1 Year Copper



1 Year Aluminium

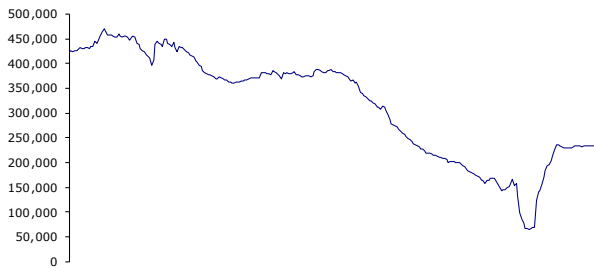


1 Year Tin

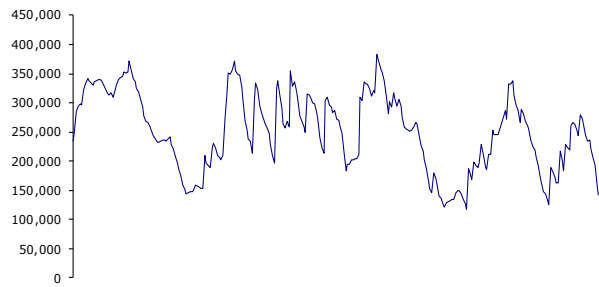


5 Year Metals Stockpiles

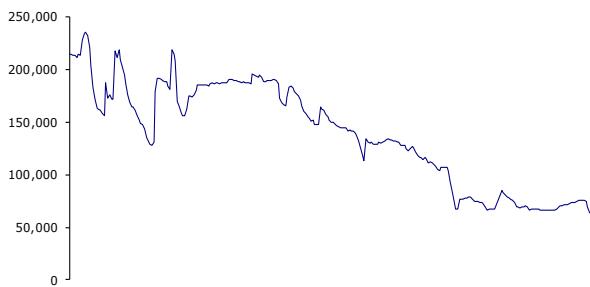
Nickel LME Stockpiles - 5 Year



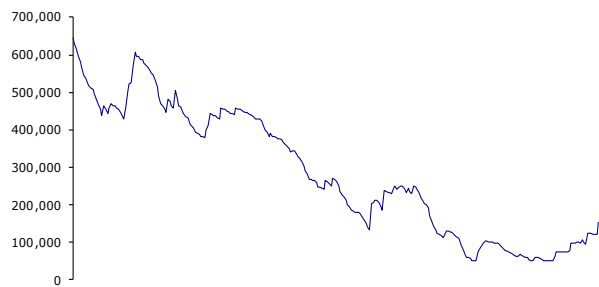
Copper LME Stockpiles - 5 Year



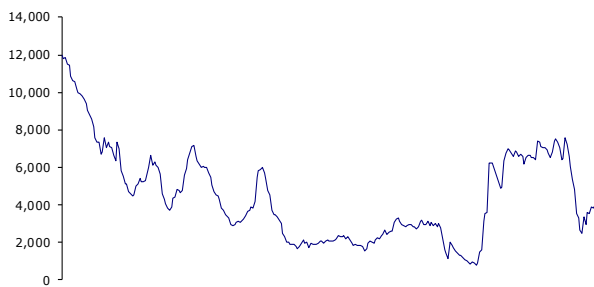
Lead LME Stockpiles - 5 Year



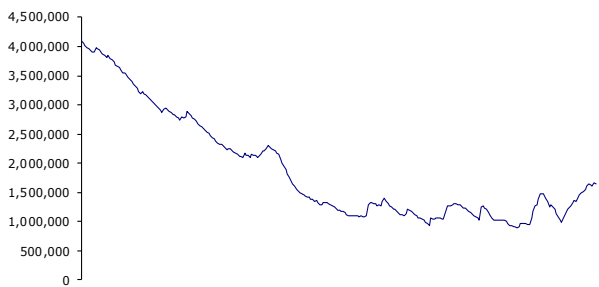
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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