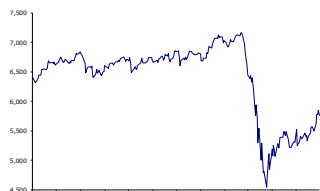


Issue 502
12-month XJO chart

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Global Wrap – 31 May 2020

World Markets	31/05/2020	24/05/2020	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5756	5497	4.7%	6.9%	3.8%
S&P 500	3044	2955	3.0%	6.9%	35.5%
FTSE 100	6077	5993	1.4%	3.8%	-12.3%
DAX30	11587	11074	4.6%	9.2%	-4.7%
Shanghai Composite	2852	2818	1.2%	-0.7%	-11.3%
Nikkei 225	21878	20742	5.5%	11.2%	16.6%
Hang Seng	22961	22930	0.1%	-4.9%	0.4%
Currency					
AUD/USD	0.6668	0.6546	1.9%	1.1%	-3.9%
Commodities					
Oil (\$/bbl)	35.2	33.7	4.4%	41.9%	-34.0%
Gas (\$/gal)	1.8	1.9	-1.7%	-4.9%	-20.5%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	5333	5243	1.7%	4.3%	-8.7%
Lead (\$/t)	1616	1604	0.7%	0.3%	-30.7%
Zinc (\$/t)	1938	1963	-1.3%	2.1%	-29.4%
Aluminium (\$/t)	1515	1487	1.9%	5.4%	-12.5%
Nickel (\$/t)	12120	12124	0.0%	2.7%	6.6%
Tin (\$/t)	15602	15495	0.7%	1.4%	-27.1%
Gold (\$/oz)	1752	1754	-0.1%	3.7%	49.4%
Silver (\$/oz)	18.5	17.7	4.6%	23.2%	8.2%
Platinum (\$/oz)	875	886	-1.3%	14.3%	-6.7%
Wheat (\$/t)	521.500	508.750	2.5%	1.0%	27.7%

Source: Iress

Key points
1. The week and month in review
2. What happened on Friday
3. What happens next
The week and month in review

All major indices rose strongly in the month to date as investors position for a V-shaped recovery from the coronavirus lockdown.

Last week the European Commission proposed a EUR 750 billion coronavirus response plan to counter the expected 8% to 12% decline in the European Union economy this year.

Meanwhile US consumer confidence rose following a two-month decline. Tensions between Washington and Beijing weighed on the buoyant mood, as President Trump spoke against China's imposition on Hong Kong's partial autonomy.

The MSCI World Index (AUD) was up 1.6% for the week and the S&P 500 Index is up 2.5% for the week after reaching an 11-week high on Wednesday.

US

The Dow Jones Industrial Average fell 17.53 points, or 0.07%, to 25,383.11. The S&P 500 climbed 0.48% to 3,044.31. The Nasdaq Composite advanced 1.29% to 9,489.87.

Stocks closed well off their session lows after President Donald Trump's much-awaited news conference on China, CNBC reported.

During the news conference, Trump said he would take action to eliminate special treatment towards Hong Kong. However, he did not indicate the US would pull out of the phase one trade agreement reached with China earlier this year, easing trader concerns for the time being.

Shares of semiconductor companies rose broadly following Trump's news conference. The iShares PHLX Semiconductor ETF (SOXX) closed 2.56% higher. Micron, Nvidia and Qorvo climbed 3.10%, 4.58% and 3.94%, respectively.

Manufacturing and construction spending data are set for release Monday.

Asia

Stocks were mixed on Friday as investors watched for market reaction to China's controversial national security law for Hong Kong that was approved on Thursday.

Mainland Chinese stocks edged higher on the day, with the Shenzhen component up 0.869% to about 10,746.08 while the Shanghai composite gained 0.22% to around 2852.35.

Hong Kong's Hang Seng index dipped 0.7%, as of its final hour of trading, as shares of HSBC fell 2.97%.

China's National People's Congress on Thursday approved a national security bill for Hong Kong to tackle what Beijing has labelled secession, subversion, terrorism and foreign interference in the semi-autonomous city.

In Japan, the Nikkei 225 declined 0.18% on the day to 21,877.89 as shares of robot maker Fanuc fell 2.76%.

South Korea's Kospi finished its trading day slightly higher at 2,029.60.

On the economic data front, Japan's retail sales fell 13.7% year-on-year in April, according to data released Friday by the country's Ministry of Economy, Trade and Industry.

Europe

European markets retreated on Friday as escalating tensions between the US and China pushed back on the week's positive sentiment amid the reopening of economies across the continent.

The pan-European Stoxx 600 was down 0.9% by early afternoon. Auto stocks dropped 2.1% to lead losses while the tech sector bucked the downward trend to add 0.6%.

In Europe, France is set to enter the second phase of its coronavirus lockdown easing, with restaurants, bars and cafes to reopen from June 2. Meanwhile in the UK, groups of six people from different households will be allowed to meet in gardens as well as parks from Monday, provided households remain two meters apart.

European Union Trade Commissioner Phil Hogan told lawmakers on Thursday that the bloc is willing to move forward when Brexit negotiations with the UK resume next week, and urged his British counterparts to do the same.

The biggest movers reflected the impact of COVID-19 on lives and livelihoods.

Anglo-German travel operator Tui shed more than 14% after announcing that it had cancelled all overseas beach holidays from the UK until July 1 due to the pandemic.

Rolls-Royce shares continued to tumble on Friday, dropping 7.4% after S&P downgraded the luxury car and airplane engine manufacturer's credit rating to "junk."

At the top of the European benchmark, British online supermarket Ocado climbed 5.3%.

**Australia**

Australian shares eased 1.6% on Friday, though gained for the fifth straight week. Hopes of a faster-than-expected economic recovery from coronavirus-induced disruptions outweighed worries of a deepened Sino-U.S. rift.

The S&P/ASX 200 closed at 5,755.7 and endured its worst day in two weeks, as markets nervously awaited a response from the United States after China pushed ahead with a new national security law on Hong Kong.

Profit-taking also pulled stocks lower, according to Reuters, as dealers cashed in on solid gains booked earlier in the week.

That was still a minor blip for the index in an otherwise fruitful week during which it advanced 4.7%, its best performance since the week ended April 10, and hit a two-and-a-half-month high.

Australian equities were given a shot in the arm on Thursday by the central bank's estimate that the economic downturn from the pandemic will likely be less severe than initially feared, with restrictions being lifted.

Financial stocks have been the biggest beneficiaries of the recovery rhetoric, with a sub-index enjoying its best week on record after gaining almost 11.1%.

The Big Four lenders surged this week to their highest in more than two months, but eased between 2.1%-5.7% on Friday.

Bendigo and Adelaide Bank dropped 6.1% and was among the biggest losers in the Aussie benchmark after brokerages slashed their earnings estimates on the mid-sized lender.

What happens next?

The coronavirus curve has flattened globally, despite notable laggards such as the UK, and a flow of economic data is demonstrating the potential for a faster and stronger recovery than previously anticipated.

In Australia for example, research from the Commonwealth Bank of Australia derived from credit and debit card spend data showed an increase in spending on services, personal care, clothing, household furnishing, retail, non-retail and recreation since April.












Positive data, combined with strong fiscal and monetary stimulus and the absence of asset bubbles or cyclical excess, are leading to revisions of the economic outlook prepared using March and April data.

The picture has improved significantly however the threat of a second wave of coronavirus infections and the rising tension between the world's two largest economies provide strong reasons for caution.

The Reserve Bank of Australia will announce its interest rate decision Tuesday, with no change expected, followed by the GDP reading release on Wednesday.

More employment data will come out of the US next week.

**Economic Calendar 1/06/2020 – 5/06/2020**

Monday June 01 2020		Actual	Previous	Consensus	Forecast	
09:45 AM	CN Caixin Manufacturing PMI MAY		49.4	49.6	49.5	
Tuesday June 02 2020		Actual	Previous	Consensus	Forecast	
12:30 PM	AU RBA Interest Rate Decision		0.25%		0.25%	
Wednesday June 03 2020		Actual	Previous	Consensus	Forecast	
09:30 AM	AU GDP Growth Rate QoQ Q1		0.5%		-0.8%	
09:30 AM	AU GDP Growth Rate YoY Q1		2.2%		-1.2%	
10:00 PM	CA BoC Interest Rate Decision		0.25%		0.25%	
Thursday June 04 2020		Actual	Previous	Consensus	Forecast	
09:30 AM	AU Balance of Trade APR		A\$10.60B		A\$8.4B	
08:30 PM	CA Balance of Trade APR		C\$-1.41B		C\$-1.2B	
08:30 PM	US Balance of Trade APR		\$-44.4B	\$-38.0B	\$-40.0B	
Friday June 05 2020		Actual	Previous	Consensus	Forecast	
07:01 AM	GB Gfk Consumer Confidence Final MAY		-33	-34	-34	
08:30 PM	US Non Farm Payrolls MAY		-20500K	-4250K	-4870K	
10:00 PM	CA Ivey PMI s.a MAY		22.8		25	

Source: www.tradingeconomics.com

**Economic Calendar 8/06/2020 – 12/06/2020**

Monday June 08 2020		Actual	Previous	Consensus	Forecast
07:50 AM	JP GDP Growth Rate QoQ Final Q1		-1.9%		-0.9%
Tuesday June 09 2020		Actual	Previous	Consensus	Forecast
09:30 AM	AU NAB Business Confidence MAY		-46		-38
02:00 PM	DE Balance of Trade APR		€17.4B		€17.9B
05:00 PM	EA GDP Growth Rate YoY 3rd Est Q1		1%		-3.3%
05:00 PM	EA GDP Growth Rate QoQ 3rd Est Q1		0.1%	-3.8%	-3.8%
	SA OPEC Meeting				
Wednesday June 10 2020		Actual	Previous	Consensus	Forecast
08:30 AM	AU Westpac Consumer Confidence Change JUN		16.4%		2.2%
08:30 AM	AU Westpac Consumer Confidence Index JUN		88.1		90
09:30 AM	CN Inflation Rate YoY MAY		3.3%		2.7%
02:00 PM	GB Balance of Trade APR		£-6.7B		£5.4B
08:30 PM	US Core Inflation Rate YoY MAY		1.4%		
08:30 PM	US Inflation Rate YoY MAY		0.3%		
Thursday June 11 2020		Actual	Previous	Consensus	Forecast
02:00 AM	US Fed Interest Rate Decision				0.0%

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 29 May 2020**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
SXL	Sthn Cross Media	62.1	TNE	Technology One	-7.4
VUK	Virgin Money Uk PLC	23.2	WOR	Worley Limited	-7.2
BLD	Boral Limited	21.0	SAR	Saracen Mineral	-5.4
ASB	Austal Limited	20.1	CSL	CSL Limited	-5.1
MMS	McMillan Shakespeare	18.8	LYC	Lynas Corporation	-2.8
URW	Unibailrodawestfield	18.6	NCM	Newcrest Mining	-2.8
NEA	Nearmap Ltd	18.3	NWH	NRW Holdings Limited	-2.3
SIQ	Smartgrp Corporation	18.3	NXT	Nextdc Limited	-1.9
ANZ	ANZ Banking Grp Ltd	17.5	RMD	ResMed Inc.	-1.9
CCP	Credit Corp Group	16.8	SPK	Spark New Zealand	-1.7

Source: IRESS

S & P Indices Week Ending 29 May 2020

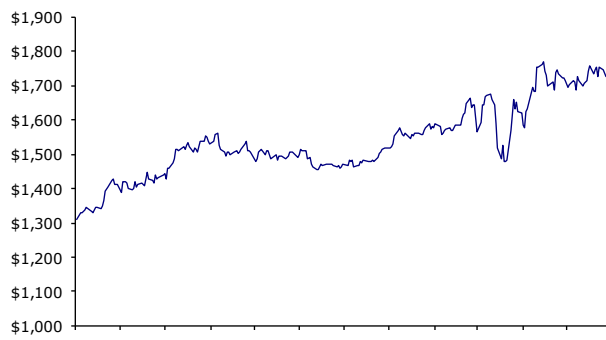
S&P Indices	31/05/2020	24/05/2020	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	7683	7336	4.7%	7.0%	-13.6%
S&P 200 Materials	13011	12773	1.9%	12.9%	31.4%
S&P 200 Industrials	5825	5607	3.9%	7.6%	14.2%
S&P 200 Consumer Disc.	2311	2218	4.2%	9.7%	10.4%
S&P 200 Consumer Staples	11908	11559	3.0%	0.9%	39.2%
S&P 200 Healthcare	40756	41788	-2.5%	-4.9%	111.4%
S&P 200 Financials	4592	4132	11.1%	8.2%	-27.9%
S&P 200 Info Technology	1482	1430	3.7%	8.6%	90.6%
S&P 200 Telecommunicatic	1180	1115	5.8%	9.0%	-32.8%
S&P 200 Utilities	7725	7474	3.4%	1.7%	2.5%
S&P 200 Property Trusts	1243	1174	5.9%	11.1%	-7.3%
S&P 200 Financials ex PT	5121	4608	11.1%	8.2%	-27.9%

Source: IRESS

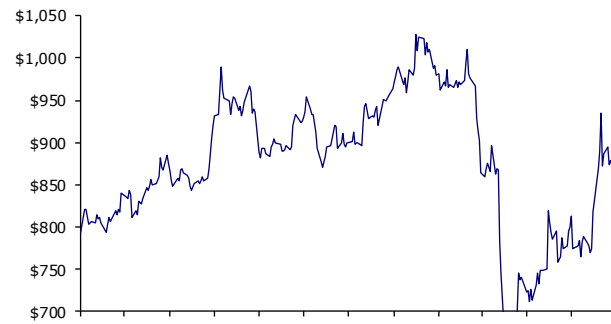


1 Year Commodity Price Charts

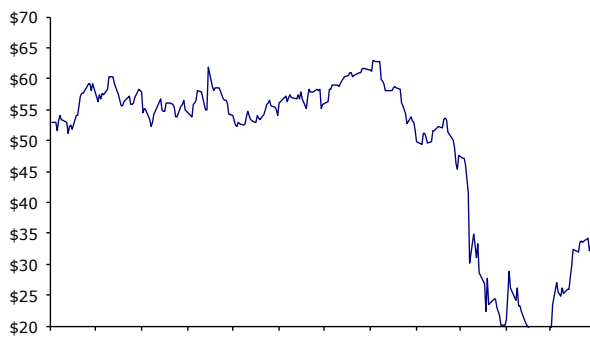
1 Year Gold



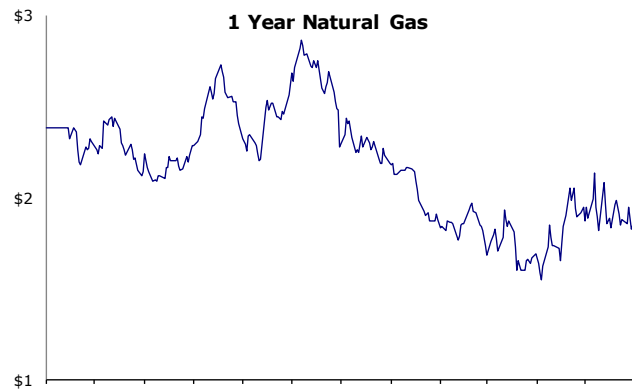
1 Year Platinum



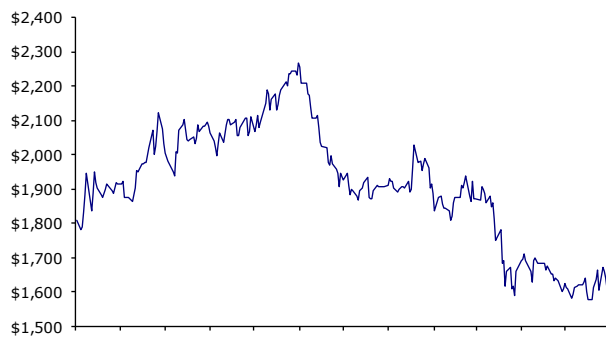
1 Year Oil



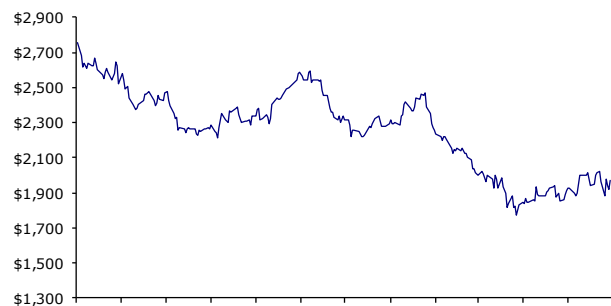
1 Year Natural Gas



1 Year Lead

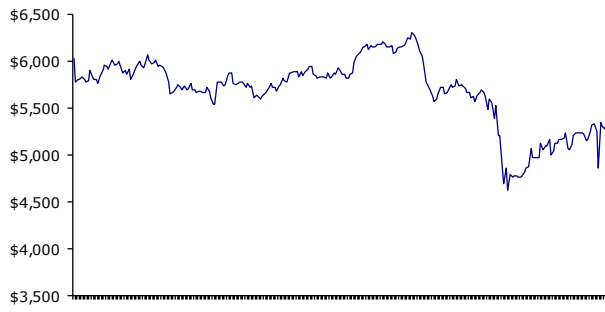


1 Year Zinc

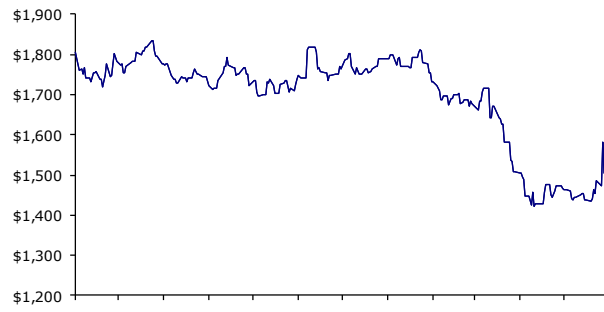




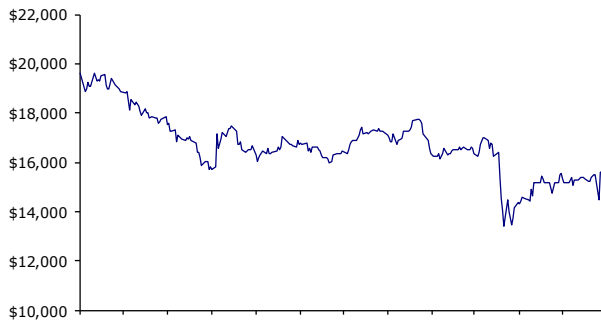
1 Year Copper



1 Year Aluminium

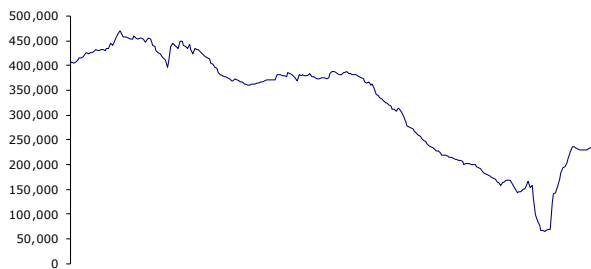


1 Year Tin

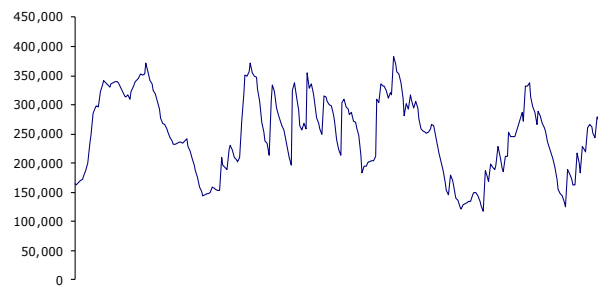


5 Year Metals Stockpiles

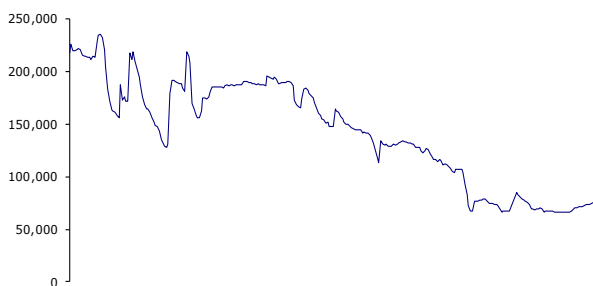
Nickel LME Stockpiles - 5 Year



Copper LME Stockpiles - 5 Year



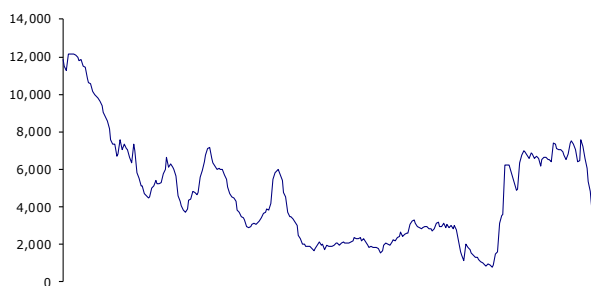
Lead LME Stockpiles - 5 Year



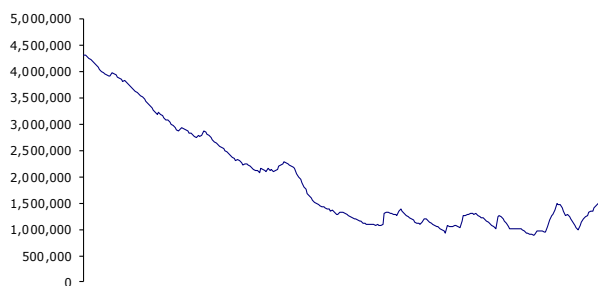
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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