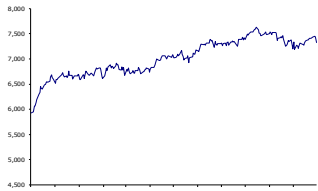
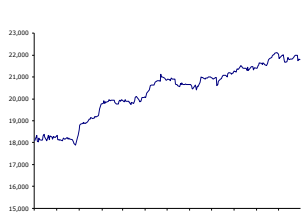


12-month XJO chart

12-month Dow Jones chart

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Global Wrap – 31 October 2021

World Markets	31/10/2021	24/10/2021	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	7324	7415	-1.2%	1.6%	32.1%
S&P 500	4605	4545	1.3%	5.5%	105.0%
FTSE 100	7238	7205	0.5%	3.5%	4.4%
DAX30	14050	13719	2.4%	3.6%	3.6%
Shanghai Composite	3547	3610	-1.7%	-0.6%	10.3%
Nikkei 225	28893	28600	1.0%	4.4%	54.0%
Hang Seng	25377	26127	-2.9%	5.9%	11.0%
Currency					
AUD/USD	0.7513	0.7463	0.7%	0.0%	9.3%
Commodities					
Oil (\$/bbl)	83.6	83.8	-0.2%	7.9%	56.8%
Gas (\$/gal)	5.5	5.6	-0.6%	-2.6%	78.7%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	9955	9992	-0.4%	9.4%	70.5%
Lead (\$/t)	2449	2439	0.4%	11.5%	5.1%
Zinc (\$/t)	3386	3495	-3.1%	12.3%	23.4%
Aluminium (\$/t)	2695	2946	-8.5%	-6.4%	55.6%
Nickel (\$/t)	19480	20355	-4.3%	7.7%	71.3%
Tin (\$/t)	38750	38850	-0.3%	5.4%	81.1%
Gold (\$/oz)	1784	1796	-0.7%	1.3%	52.2%
Silver (\$/oz)	23.9	24.4	-2.0%	6.3%	40.1%
Platinum (\$/oz)	1021	1052	-3.0%	4.5%	8.9%
Wheat (\$/t)	772.750	758.250	1.9%	3.8%	89.3%

Source: Iress

Key points

1. More record highs on Wall Street
2. ASX slumps on inflation fears
3. What to watch next week amid preparations for potential capital reallocations following COP26

The **US stock market** set another round of record highs on Friday as Wall Street looked past disappointing results from major companies to wrap up its best month of the year.

The **S&P 500** rose 0.19% to close at 4,605.38 and the **Dow Jones Industrial Average** added 89.08 points, or 0.25%, to finish at 35,819.56. The **Nasdaq Composite** rose 0.33% to close at 15,498.39. All three closed at record highs, and the S&P 500 and Nasdaq clinched their best months since November 2020.

The positive performance came despite weak **third-quarter reports** from two of the market's biggest companies.

Amazon shares dropped 2.1% after the e-commerce giant badly missed earnings and revenue expectations for the third quarter. **Apple** stock fell 1.8% after the tech giant's quarterly revenue fell short of expectations amid larger-than-expected supply constraints on iPhones, iPads and Macs.

However, **Microsoft** rose 2.2% to surpass Apple as largest listed company in the world by market cap. Nike and Intel also had solid days to boost the Dow.



Despite the disappointing results from Big Tech, the stock market has been raking in records amid solid earnings even with global supply chain concerns. About half the S&P 500 companies have reported **quarterly results** and more than 80% of them beat earnings estimates from Wall Street analysts. S&P 500 companies are expected to grow profit by 38.6% year over year.

Market sentiment was also helped by developments in Washington. On Thursday, President Joe Biden announced a framework for a **US\$1.75 trillion social spending deal**. The agreement, which is expected to make it easier to pass the separate infrastructure spending bill currently stalled on Capitol Hill, came in lighter on spending and taxes than earlier proposals.

Treasury Secretary Janet Yellen said she was hopeful the administration's infrastructure package would be approved soon, adding she does not believe it will add to the inflation problems the US has been experiencing.

"It will boost the economy's potential to grow, the economy's supply potential, which tends to push inflation down, not up," Ms Yellen said.

Shares in Asia were mixed on Friday as investors monitored stocks of Apple suppliers after the tech giant's revenue miss.

Mainland Chinese stocks closed higher as the **Shanghai composite** advanced 0.82% to 3,547.34 and the **Shenzhen component** gained 1.45% to 14,451.38.

Hong Kong's **Hang Seng** index shed 0.8%, as of its final hour of trading.

Trading in the Hong Kong-listed shares of consumer electronics, financial services, and gaming hardware **Razer** was halted on Friday "pending the release of an announcement in relation to inside information of the Company and pursuant to the Hong Kong Code on Takeovers and Mergers," according to an exchange filing.

The **Nikkei 225** in Japan recovered from earlier losses to rise 0.25% on the day to 28,892.69. South Korea's **Kospi** slipped 1.29%, finishing its trading day at 2,970.68.

The **pan-European Stoxx 600** provisionally ended 0.06% higher, with sectors and major bourses pointing in opposite directions. Utilities stocks led losses, shedding more than 1%. Tech stocks also closed the session in negative territory following disappointing earnings from Apple and Amazon.

European traders reacted to a busy morning of earnings, with **BNP Paribas, Natwest, Glencore** and **Bank of Ireland** just some of those reporting before the bell.

Inflation in the euro zone rose to 4.1% in October, hitting a 13-year high.

This comes after the **European Central Bank** decided Thursday to keep interest rates and its monetary policy stance unchanged, despite ongoing inflationary pressures. President Christine Lagarde tried to play down the chances of a rate hike for 2022, hinting that market players might be getting ahead of themselves with their predictions.

Meanwhile **Volvo Cars** made its market debut on Friday, with shares surging 22% upward from their offer price. The company's listing marks Europe's biggest IPO this year.

Australian shares suffered their worst day in a month on Friday, ending a streak of weekly gains. The bond sell-off struck blue chips sensitive to rising yields and lower commodity prices hit energy and mining companies.

The **S&P/ASX 200** dropped 1.4% to 7323.7 points on Friday, ending the week 1.2% lower to notch its first weekly loss in a month. The broader **S&P All Ordinaries** benchmark fell 1.3% to 7639.1 points.

The declines were initially concentrated in sectors that act as proxies for the bond market, including real estate and utilities, but spread to all corners of the sharemarket in an afternoon of broad-based selling. **Real estate** shares fared worst, tumbling 2.5%, followed by **communication services** which dropped 1.9%, and financials, down 1.8%.

Companies that offer durable returns such as property, infrastructure, utilities and insurers were among the victims of the selling pressure on Friday.



These companies can insulate portfolios from losses in a down market as investors push into safe stocks and government bonds, sending yields higher, but are susceptible to the reverse.

Unibail Rodamco Westfield tumbled 6.2% to \$4.82, the biggest decline among blue chips, while **Mirvac Group**, another property company, fell 3.7% to \$2.82 and was among Friday's 10 worst performers. Among financials, **Suncorp** fell 2.5% to \$11.72 and **QBE** dropped 2.2% to \$11.83, while **NAB's** 2.5% decline to \$28.71 was the worst among the big four banks.

The **yield on the three-year government bonds** expiring in April 2024 skyrocketed to five times the RBA's desired level this week as financial markets bring forward estimates for interest rate increases, driven by rising consumer prices across the economy.

Tech stocks, which are sensitive to higher inflation, fell 1.7% on Friday. Higher inflation weakens the value of the future earnings that anchor the lofty valuation many tech groups achieve relative to the market.

Megaport tumbled 4.2% to \$17.91 while **Xero** shed 3% to \$149.51.

Materials companies, which include the **big miners**, fell 1%, following a 6% **decline in the price of iron ore** overnight. **Energy** shares dropped 1.8% after growing pressure on the price of oil pushed **West Texas Intermediate**, the US oil benchmark, lower.

The **healthcare** sector was 0.1% lower by the close despite positive news from **ResMed**, one of the biggest companies in the sector.

The sleep apnoea device maker reported a 20% uptick in sales to \$1.2 billion for the September quarter and its shares gained 4.2% on Friday to \$37.17.

GUD Holdings led the market with a 6.9% advance to \$12.20, ahead of the 5.6% boost to **Reece** shares following news on Thursday that the company's sales rose 13% to \$1.8 billion in the September quarter.

This coming week investors will be watching the outcomes of the 2021 United Nations Climate Change Conference, or **COP26**, starting Sunday, and preparing for **potential capital reallocations**.

On Monday the Chinese and US **manufacturing purchasing managers index (PMI) readings** will be out, indicating price movements in the world's two largest economies.

Tuesday is **interest rates day in Australia**, with no changes expected but the Reserve Bank's statement and Assistant Governor Guy Debelle's speech likely to give clues as to the timing of future rises.

On Wednesday the **US and the Chinese CPI** readings will be released, followed by Australian jobs data on Thursday.

Sources: *CNBC, Australian Financial Review, FXStreet, Iress, FNARENA*

**Economic Calendar 1/11/2021 – 5/11/2021**

Monday November 01 2021		Actual	Previous	Consensus	Forecast	
09:45 AM	CN	Caixin Manufacturing PMI OCT	50	50	50	
10:00 PM	US	ISM Manufacturing PMI OCT	61.1	60.4	60.3	
Tuesday November 02 2021		Actual	Previous	Consensus	Forecast	
11:30 AM	AU	RBA Interest Rate Decision	0.1%	0.1%	0.1%	
Thursday November 04 2021		Actual	Previous	Consensus	Forecast	
02:00 AM	US	Fed Interest Rate Decision	0.25%	0.25%	0.25%	
02:30 AM	US	Fed Press Conference				
08:30 AM	AU	Balance of Trade SEP	A\$15.077B		A\$ 16B	
08:00 PM	GB	BoE Interest Rate Decision	0.1%	0.1%	0.1%	
08:30 PM	US	Balance of Trade SEP	\$-73.3B	\$-74.1B	\$ -75B	
09:30 PM	CA	Balance of Trade SEP	C\$1.94B		C\$ 2.1B	
Friday November 05 2021		Actual	Previous	Consensus	Forecast	
08:30 PM	US	Non Farm Payrolls OCT	194K	385K	300K	
11:00 PM	CA	Ivey PMI s.a OCT	70.4		65	

Economic Calendar 8/11/2021 – 12/11/2021

Tuesday November 09 2021		Actual	Previous	Consensus	Forecast	
03:00 PM	DE	Balance of Trade SEP	€10.7B		€ 17.7B	
06:00 PM	DE	ZEW Economic Sentiment Index NOV	22.3			
Wednesday November 10 2021		Actual	Previous	Consensus	Forecast	
08:30 AM	AU	NAB Business Confidence OCT	13			
09:30 AM	CN	Inflation Rate YoY OCT	0.7%			
09:30 PM	US	Core Inflation Rate YoY OCT	4%		4.1%	
09:30 PM	US	Inflation Rate YoY OCT	5.4%		5.5%	
Thursday November 11 2021		Actual	Previous	Consensus	Forecast	
07:30 AM	AU	Westpac Consumer Confidence Index NOV	104.6			
07:30 AM	AU	Westpac Consumer Confidence Change NOV	-1.5%			
03:00 PM	GB	Balance of Trade SEP	£-3.7B		£ -0.1B	
Friday November 12 2021		Actual	Previous	Consensus	Forecast	
11:00 PM	US	Michigan Consumer Sentiment Prel NOV				
11:00 PM	US	JOLTs Job Openings SEP	10.439M		10.1M	

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 29 October 2021**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
RWC	Reliance Worldwide	11.2	CDA	Codan Limited	-23.3
REH	Reece Limited	10.0	PBH	Pointsbet Holdings	-22.3
GUD	G.U.D. Holdings	7.5	KGN	Kogan.Com Ltd	-10.5
LYC	Lynas Rare Earths	7.2	IFL	IOOF Holdings Ltd	-10.5
JBH	JB Hi-Fi Limited	5.6	RRL	Regis Resources	-9.9
PLS	Pilbara Min Ltd	5.3	WHC	Whitehaven Coal	-9.7
ELD	Elders Limited	5.0	A2M	The A2 Milk Company	-9.3
GOR	Gold Road Res Ltd	4.9	PPT	Perpetual Limited	-8.0
SGR	The Star Ent Grp	4.9	AZJ	Aurizon Holdings Ltd	-7.7
RMD	ResMed Inc.	4.8	AMP	AMP Limited	-7.3

Source: IRESS

S & P Indices Week Ending 29 October 2021

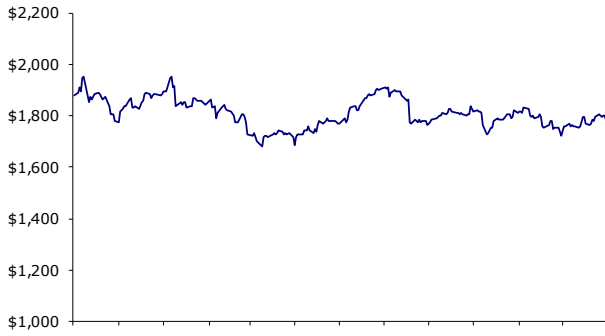
S&P Indices	31/10/2021	24/10/2021	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	8432	8550	-1.4%	-5.6%	-5.2%
S&P 200 Materials	14816	15143	-2.2%	1.4%	49.6%
S&P 200 Industrials	6357	6496	-2.2%	-1.9%	24.6%
S&P 200 Consumer Disc.	3538	3551	-0.4%	3.2%	69.0%
S&P 200 Consumer Staples	13298	13861	-4.1%	-1.6%	55.4%
S&P 200 Healthcare	45658	45062	1.3%	4.2%	136.8%
S&P 200 Financials	6814	6874	-0.9%	2.2%	7.0%
S&P 200 Info Technology	2325	2357	-1.3%	6.0%	199.0%
S&P 200 Telecommunicatic	1537	1530	0.5%	0.7%	-12.4%
S&P 200 Utilities	6045	6231	-3.0%	-2.3%	-19.8%
S&P 200 Property Trusts	1617	1663	-2.7%	2.7%	20.6%
S&P 200 Financials ex PT	7600	7667	-0.9%	2.2%	7.0%

Source: IRESS

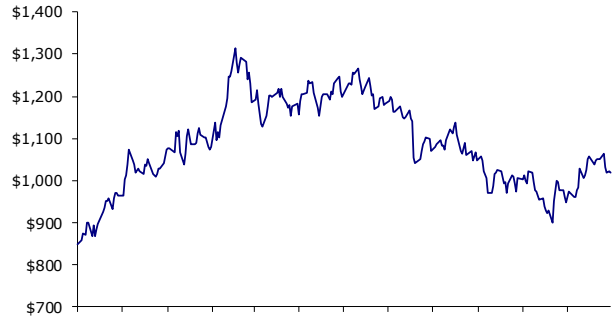


1 Year Commodity Price Charts

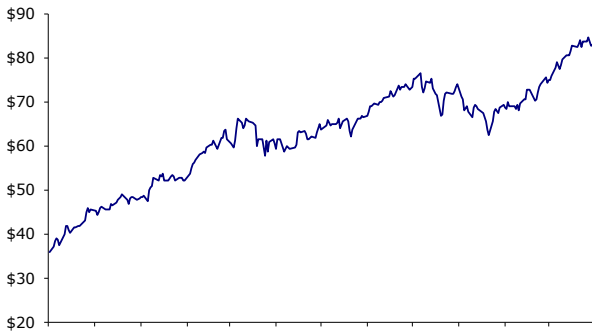
1 Year Gold



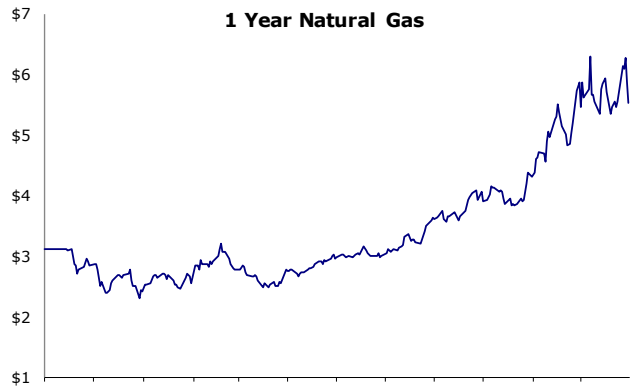
1 Year Platinum



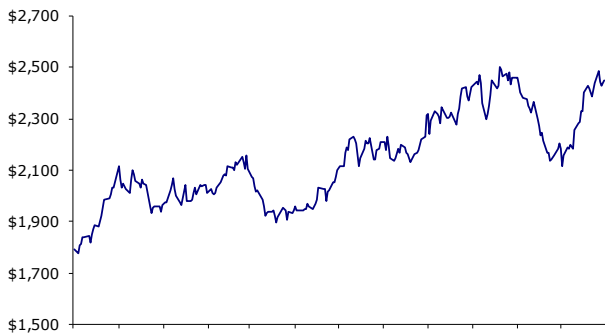
1 Year Oil



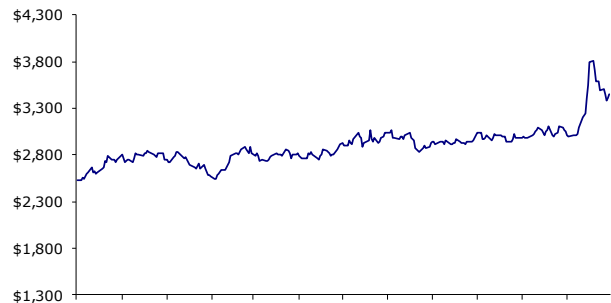
1 Year Natural Gas



1 Year Lead

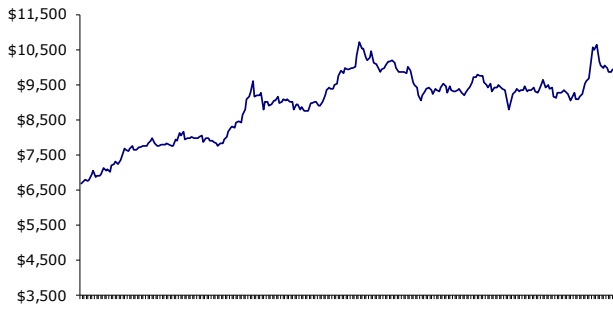


1 Year Zinc

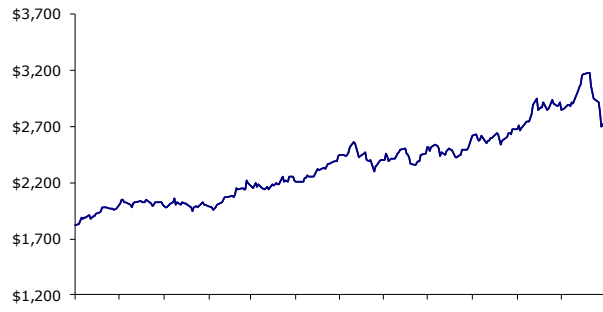




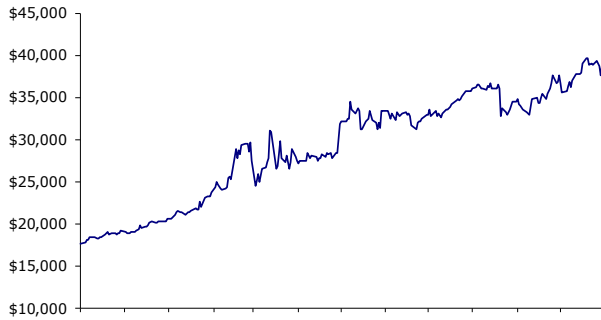
1 Year Copper



1 Year Aluminium

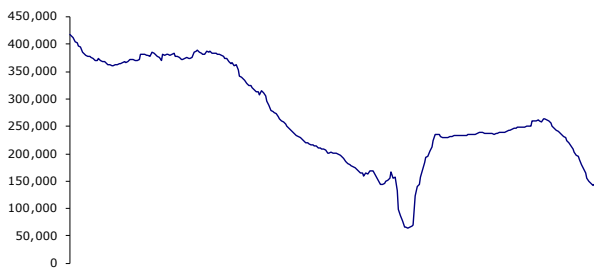


1 Year Tin

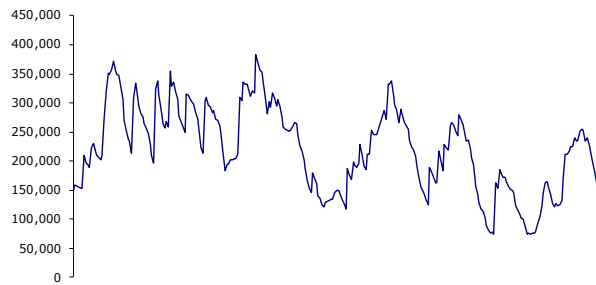


5 Year Metals Stockpiles

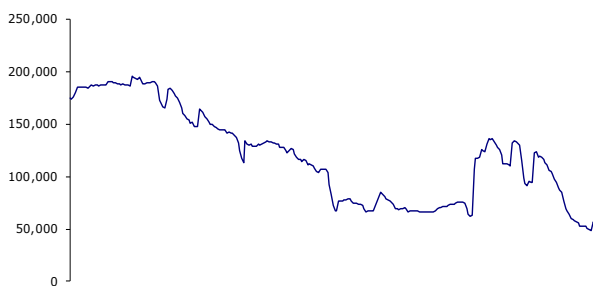
Nickel LME Stockpiles - 5 Year



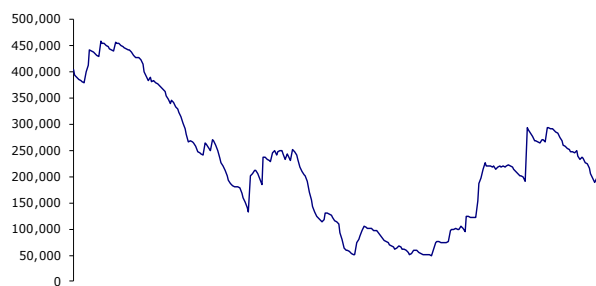
Copper LME Stockpiles - 5 Year



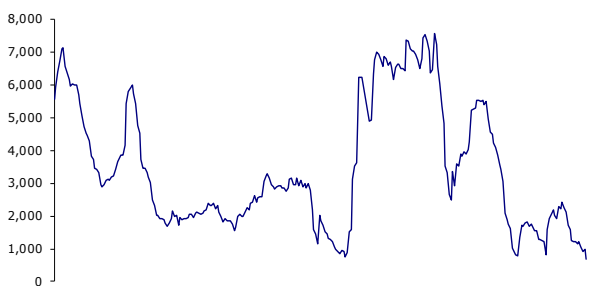
Lead LME Stockpiles - 5 Year



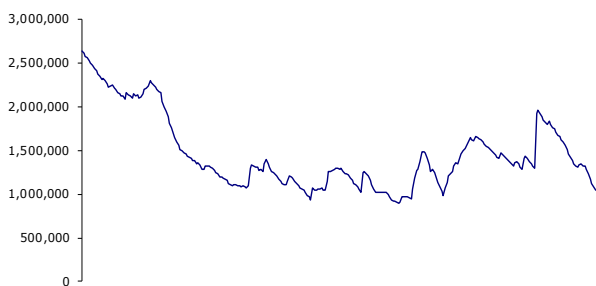
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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