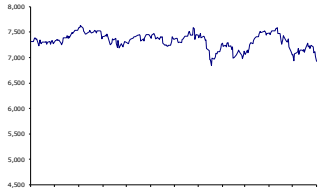
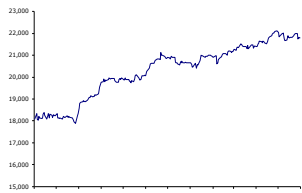


12-month XJO chart

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 – 12 June 2022

World Markets	12/06/2022	5/06/2022	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	6932	7239	-4.2%	-3.5%	25.0%
S&P 500	3901	4109	-5.1%	-0.6%	73.7%
FTSE 100	7318	7533	-2.9%	-1.6%	5.6%
DAX30	14050	13719	2.4%	3.6%	3.6%
Shanghai Composite	3285	3236	1.5%	6.1%	2.2%
Nikkei 225	27824	27916	-0.3%	5.4%	48.3%
Hang Seng	21806	21082	3.4%	5.6%	-4.6%
Currency					
AUD/USD	0.7067	0.7207	-2.0%	-1.5%	2.8%
Commodities					
Oil (\$/bbl)	120.7	118.9	1.5%	10.1%	126.4%
Gas (\$/gal)	8.8	8.5	3.8%	4.6%	158.5%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	9537	9455	0.9%	2.9%	63.4%
Lead (\$/t)	2151	2144	0.3%	3.6%	-7.7%
Zinc (\$/t)	3822	3896	-1.9%	4.8%	39.3%
Aluminium (\$/t)	2695	2702	-0.2%	-5.3%	55.6%
Nickel (\$/t)	27570	27710	-0.5%	5.3%	142.5%
Tin (\$/t)	36550	35250	3.7%	7.7%	70.8%
Gold (\$/oz)	1876	1850	1.4%	2.9%	60.0%
Silver (\$/oz)	21.9	21.9	0.1%	1.8%	28.3%
Platinum (\$/oz)	971	1016	-4.5%	5.0%	3.6%
Wheat (\$/t)	1084.750	1041.000	4.2%	-11.8%	165.7%

Source: Iress

Key points

1. Stocks fall on stagflation fears
2. Shanghai lockdown sparks sell-off of ASX resources stocks
3. Main events to watch next week

Stocks dropped sharply on Friday after a highly anticipated inflation report showed a faster-than-expected rise in prices while consumer sentiment hit a record low.

The **Dow Jones Industrial Average** shed 880 points, or 2.73%, to close at 31,392.79. The **S&P 500** fell 2.91% to settle at 3,900.86. The **Nasdaq Composite** sank 3.52% to 11,340.02.

The sell-off was broad, with nearly every member of the 30-stock Dow in the red. **Apple** dropped nearly 3.9%, while **Microsoft** and **Dow, Inc** slid about 4.5% and 6.1%, respectively. **Salesforce** sank 4.6% and **Amazon** fell more than 5%.

The May consumer price index report came in at its highest level since 1981, putting pressure on the stock market. The report showed **prices rising 8.6% year over year**, and **6% excluding food and energy prices**.

The hot inflation readings have flamed concerns about a potential recession for the US economy among investors and the general public. The preliminary June reading for the University of Michigan **consumer sentiment index** came in well below expectations, hitting a record low.



Traders appeared to be preparing for a **more aggressive Federal Reserve** in response to the surge in prices. The 2-year Treasury yield, which is seen as one of the most sensitive to Fed rate hikes, jumped above 3% on Friday to hit its highest level since 2008.

Tech stocks were under pressure as investors grappled with higher rates and a potential recession. Shares of **Netflix** dropped more than 5% following a downgrade from Goldman Sachs. Chip giant **Nvidia** slid nearly 6%.

Banks and cyclical stocks also moved lower, possibly reflecting recession fears. Shares of **Wells Fargo** retreated by 6%, **Goldman Sachs** shed more than 5%. Boeing dropped 5%.

In Asia Hong Kong's **Hang Seng index** slipped 0.29% to close at 21,806.18.

Hong Kong-listed shares of **Alibaba** turned around, closing 1.35% higher after falling nearly 4% earlier. That was in contrast to **US-listed shares of Alibaba**, which dropped 8.13% on Thursday after Jack Ma's Ant Group and Chinese regulators quashed talk of reviving Ant's public listing.

In mainland China, the **Shanghai Composite** gained 1.42% to close at 3,284.83 while the **Shenzhen component** jumped 1.901% to 12,035.15. Chinese producer inflation in May rose in line with expectations, official data showed Friday. The Chinese producer price index for May jumped 6.4% as compared with a year earlier, according to data by the country's Bureau of Statistics. That matched expectations in a Reuters poll.

The rise in Chinese stocks came despite authorities reimposing some restrictions in the major cities of Beijing and Shanghai.

Meanwhile the consumer price index climbed 2.1% from a year ago, just below the forecast in a Reuters poll for a 2.2% increase.

Japan's **Nikkei 225** shed 1.49% to close at 27,824.29 as shares of **SoftBank Group** dropped 2.01%, while the Topix index declined 1.32% to 1,943.09.

In Europe stocks closed lower on Friday as investors reacted to the **European Central Bank's** latest policy decisions and a hotter-than-expected US inflation print.

The pan-European **Stoxx 600** ended the day down 2.7%, with banks shedding 4.9% to lead losses as all sectors and major bourses closed in negative territory.

The **ECB on Thursday confirmed its intention to hike interest rates by 25 basis points** at its July meeting, with a further hike expected in September, the scale of which will be determined by the medium-term inflation outlook.

The central bank also raised its inflation expectations for the euro zone significantly and downgraded its growth forecasts.

In terms of individual share price movement in Europe, **Credit Suisse** closed down 5.7% after **State Street** dismissed rumours that it is considering a takeover of the embattled Swiss lender.

Dutch online food ordering giant **Just Eat Takeaway** climbed 5.3% after Bloomberg News reported that private equity firm Apollo is interested in acquiring its US unit, GrubHub.

Australian shares endured their worst week since 2020 as markets digested the fallout from the Reserve Bank's surprise double rate hike, which intensified a sell-off in the country's largest lenders.

The **S&P/ASX 200** index fell 1.25% to 6932 points on Friday, extending the weekly loss for the blue-chip benchmark to 4.2%, its biggest weekly tumble since April 2020 and one of the worst since the pandemic began.

Steep weekly declines for **Australian banks** led the downdraft for local shares with the financials sector, which accounts for a third of the S&P/ASX 200 by market value, cratering 9% this week as the big four banks all fell. It was the worst week for the sector since March 2020.



Commonwealth Bank, Australia's second-largest listed company, **Westpac** and **NAB** ended the week in correction territory, marking a 10% drop from their June peak. **ANZ**, which has the lowest market share of mortgages, shed 8.9% during that same period.

The pain for the banks reflected investor concerns about the effects of tighter monetary policy from the **Reserve Bank of Australia (RBA)**, which surprised economists and investors with a 50 basis point increase to the cash rate on Tuesday. Higher rates are expected to weigh on Australia's property market, in turn affecting lenders' mortgage books.

Meanwhile, the **resources sector**, which has been a shining light amid the recent market volatility, retreated on Friday following reports that parts of Shanghai will lock down this weekend for mass testing as COVID-19 cases continue to emerge.

The news comes just 10 days after strict lockdowns across the Chinese city were lifted, and sparked concerns about demand for commodities in the world's second-largest economy.

Fortescue dropped 0.5% to \$21.45, **BHP** edged 0.04% lower to \$46.22 and **Rio Tinto** tumbled 1.3% to \$115.90.

The **local technology sector** tracked a weak lead from Wall Street as the prospect of rising interest rates weighed further on growth stocks. **Block** was among the benchmark's biggest laggards on Friday, dropping 5.7% to \$109.67.

Investor sentiment was also dampened by Thursday's decision from the European Central Bank to signal imminent interest rate increases alongside higher projections for inflation and lower growth forecasts.

Additionally, the revised growth outlook from the ECB echoed scaled back forecasts from the **World Bank** and **OECD** earlier in the week that have reignited fears of **stagflation**, a noxious combination of low growth and steep consumer price increases.

This coming week investors will be tuning into RBA Governor Philip Lowe's speech on Tuesday, which is also when this month's meeting minutes will be released.

UK inflation data will be released on Wednesday, followed by the US bank stress test on Thursday.

Sources: *CNBC, AFR, FXStreet*

**Economic Calendar 13/06/2022 – 17/06/2022**

Monday June 13 2022		Actual	Previous	Consensus	Forecast	
02:00 PM	GB GDP MoM APR		-0.1%	0.1%	0%	
Tuesday June 14 2022		Actual	Previous	Consensus	Forecast	
09:30 AM	AU NAB Business Confidence MAY		10		12	
02:00 PM	GB Claimant Count Change MAY		-56.9K		-29K	
02:00 PM	GB Unemployment Rate APR		3.7%	3.6%	3.7%	
05:00 PM	DE ZEW Economic Sentiment Index JUN		-34.3	-27.5	-31.8	
08:30 PM	US PPI MoM MAY		0.5%	0.8%	0.7%	
Wednesday June 15 2022		Actual	Previous	Consensus	Forecast	
08:30 AM	AU Westpac Consumer Confidence Change JUN		-5.6%		-0.5%	
08:30 AM	AU Westpac Consumer Confidence Index JUN		90.4		90	
10:00 AM	CN Industrial Production YoY MAY		-2.9%	-0.5%	-0.8%	
08:30 PM	US Retail Sales MoM MAY		0.9%	0.2%	0.3%	
Thursday June 16 2022		Actual	Previous	Consensus	Forecast	
02:00 AM	US Fed Interest Rate Decision		1%	1.5%	1.5%	
02:00 AM	US FOMC Economic Projections					
02:30 AM	US Fed Press Conference					
07:50 AM	JP Balance of Trade MAY		¥-839.2B	¥-202.6B	¥-1750B	
09:30 AM	AU RBA Bulletin					
09:30 AM	AU Unemployment Rate MAY		3.9%	3.8%	3.9%	
07:00 PM	GB BoE Interest Rate Decision		1%	1.25%	1.25%	
08:30 PM	US Building Permits MAY		1.823M	1.787M	1.79M	
08:30 PM	US Housing Starts MAY		1.724M	1.7M	1.69M	
Friday June 17 2022		Actual	Previous	Consensus	Forecast	
11:00 AM	JP BoJ Interest Rate Decision		-0.1%	-0.1%	-0.1%	

Economic Calendar 20/06/2022 – 24/06/2022

Tuesday June 21 2022		Actual	Previous	Consensus	Forecast	
09:30 AM	AU RBA Meeting Minutes					
10:00 PM	US Existing Home Sales MAY		5.61M	5.39M		
Wednesday June 22 2022		Actual	Previous	Consensus	Forecast	
02:00 PM	GB Inflation Rate YoY MAY		9%		9%	
08:30 PM	CA Inflation Rate YoY MAY		6.8%			
Thursday June 23 2022		Actual	Previous	Consensus	Forecast	
03:30 PM	DE S&P Global Manufacturing PMI Flash JUN		54.8		53.7	
04:30 PM	GB S&P Global/CIPS Manufacturing PMI Flash JUN		54.6			
Friday June 24 2022		Actual	Previous	Consensus	Forecast	
07:01 AM	GB Gfk Consumer Confidence JUN				-35	
07:30 AM	JP Inflation Rate YoY MAY		2.5%			
02:00 PM	GB Retail Sales MoM MAY		1.4%		-0.3%	
04:00 PM	DE Ifo Business Climate JUN		93		92.5	
10:00 PM	US New Home Sales MAY		0.591M			

Source: www.tradingeconomics.com

**All Ords Top 10 Week Ending 10 June 2022**

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
ALX	Atlas Arteria	13.0	ZIP	ZIP Co Ltd..	-20.3
WDS	Woodside Energy	9.5	MFG	Magellan Fin Grp Ltd	-17.7
TAH	TABCORP Holdings Ltd	8.0	PBH	Pointsbet Holdings	-16.5
GNC	GrainCorp Limited	6.0	CHN	Chalice Mining Ltd	-16.3
ING	Inghams Group	2.9	APX	Appen Limited	-15.0
TLC	The Lottery Corp	2.7	NVX	Novonix Limited	-14.8
BPT	Beach Energy Limited	2.5	WBC	Westpac Banking Corp	-13.1
ALL	Aristocrat Leisure	2.4	CCX	City Chic Collective	-12.8
BLD	Boral Limited	2.4	HMC	Homeco Limited	-12.8
RMD	ResMed Inc.	2.1	APE	Eagers Automotive	-12.7

Source: IRESS

S & P Indices Week Ending 10 June 2022

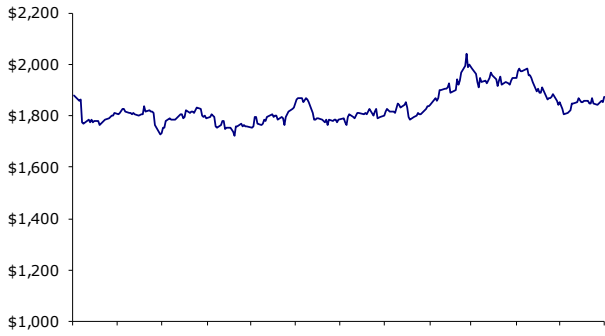
S&P Indices	12/06/2022	5/06/2022	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	11019	10497	5.0%	7.9%	23.9%
S&P 200 Materials	17810	18268	-2.5%	3.5%	79.9%
S&P 200 Industrials	6481	6639	-2.4%	-1.4%	27.0%
S&P 200 Consumer Disc.	2747	2875	-4.4%	-6.0%	31.2%
S&P 200 Consumer Staples	12622	12847	-1.8%	-6.1%	47.5%
S&P 200 Healthcare	40132	40202	-0.2%	-1.4%	108.2%
S&P 200 Financials	5960	6550	-9.0%	-9.9%	-6.5%
S&P 200 Info Technology	1406	1477	-4.8%	-5.8%	80.7%
S&P 200 Telecommunicatic	1363	1418	-3.9%	-5.9%	-22.3%
S&P 200 Utilities	7937	7901	0.5%	-4.8%	5.3%
S&P 200 Property Trusts	1356	1469	-7.7%	-7.7%	1.1%
S&P 200 Financials ex PT	6648	7306	-9.0%	-9.9%	-6.5%

Source: IRESS

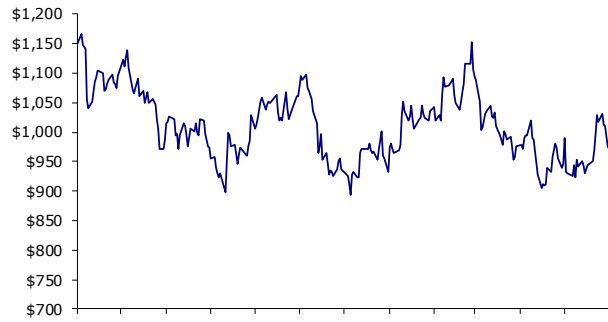


1 Year Commodity Price Charts

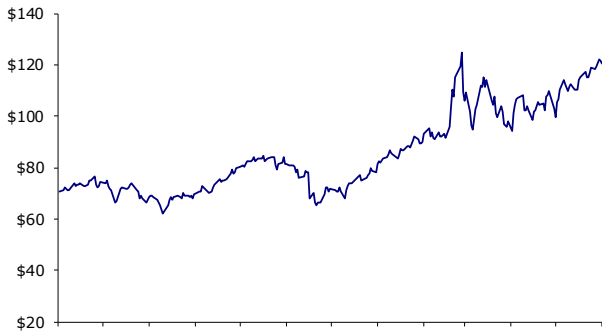
1 Year Gold



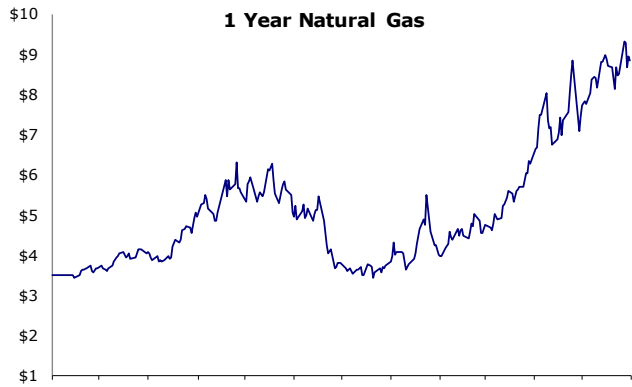
1 Year Platinum



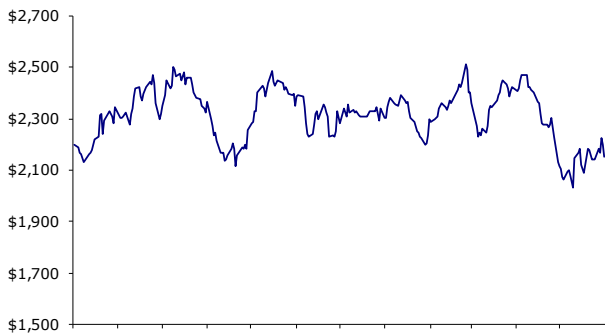
1 Year Oil



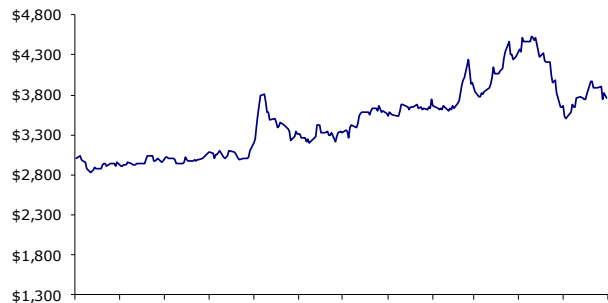
1 Year Natural Gas



1 Year Lead

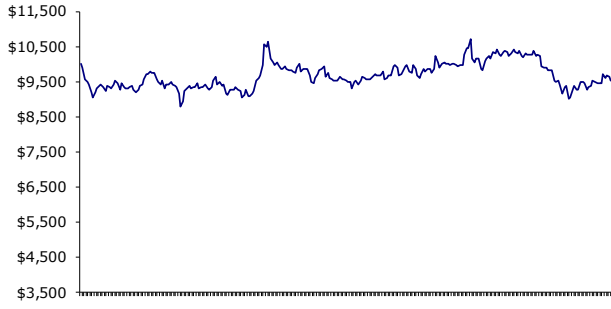


1 Year Zinc

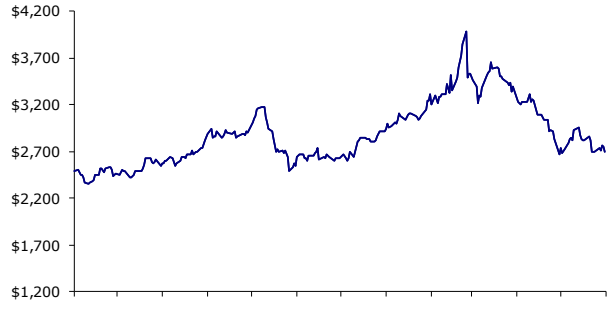




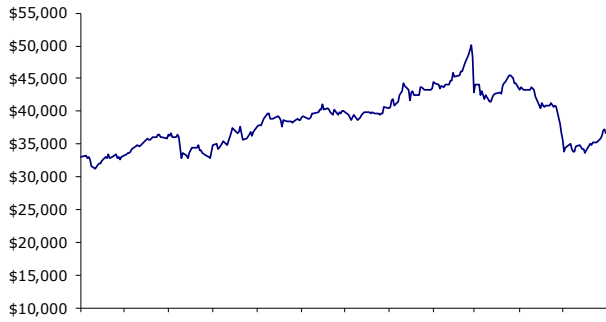
1 Year Copper



1 Year Aluminium

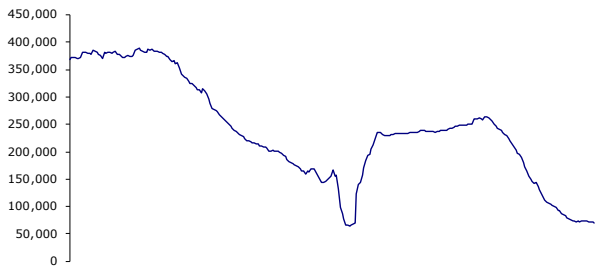


1 Year Tin

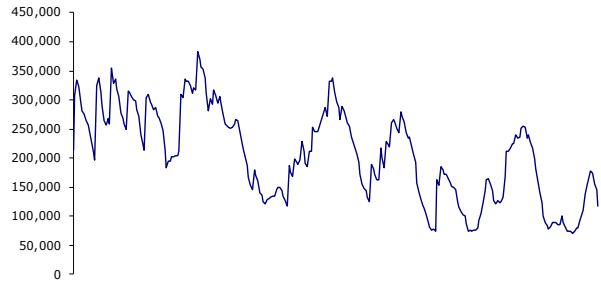


5 Year Metals Stockpiles

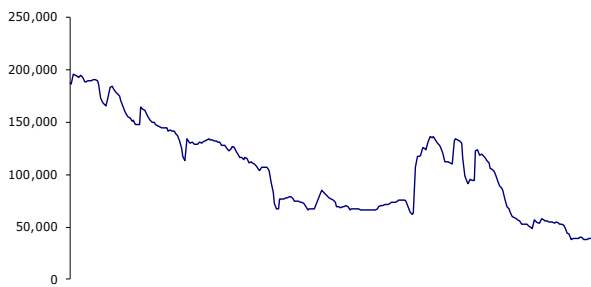
Nickel LME Stockpiles - 5 Year



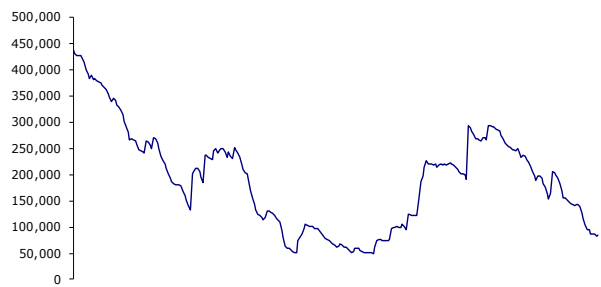
Copper LME Stockpiles - 5 Year



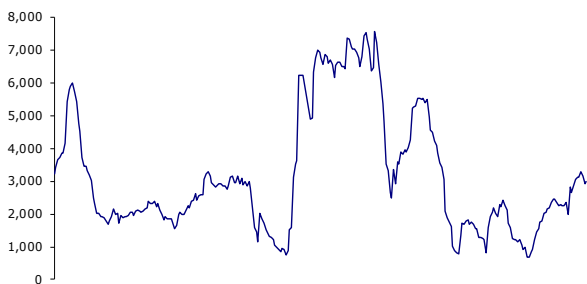
Lead LME Stockpiles - 5 Year



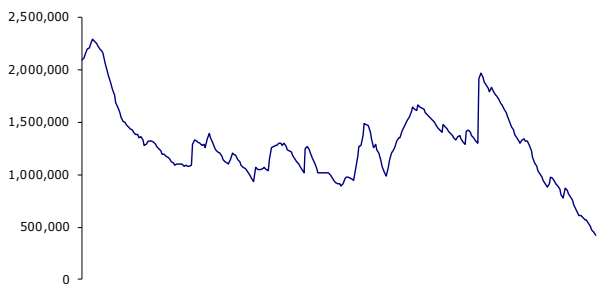
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year





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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