



## Daily Resources Overview

### Commodity News

JAN 18 WTI Crude sold off \$0.22, or 0.38%, to US\$57.89 a barrel.

JAN 18 Brent Crude lost \$0.36, or 0.56%, to US\$63.48 a barrel.

DEC 17 Natural Gas rose \$0.15, or 4.99%, to US\$3.074 per mmBtu.

Iron Ore added \$0.49, or 0.73%, to US\$67.76 a tonne.

DEC 17 Gold sold off \$2.50, or 0.19%, to US\$1291.9 an ounce.

LME Base Metal Futures: Aluminium fell 1.52%. Copper slumped 1.97%. Nickel collapsed 1.9%. Zinc retreated 0.91%.

DEC 17 COMEX Copper sold off \$0.06, or 2.03%, to 3.071/lb.

Premium Hard Coking Coal gained US\$0.015, or 0.75%, to US\$202/tonne.

### Australian Stocks

#### London

**BLT:** BHP Billiton down 0.93%, or 13.00p, which leaves BHP at a 12.9% premium. Volume was 6.9mln.

**CYBG:** Clydesdale Bank up 1.57%, or 4.90p, to 317p (A\$5.57) from the Australian close of \$5.51. Volume was 1.0mln.

**S32:** South32 down 0.13%, or 0.25p, to 187.75p (A\$3.30) from the Australian close of \$3.32. Volume was 5.9mln.

**RIO:** Rio Tinto down 0.72%, or 26.00p, which leaves RIO at a 13.5% premium. Volume was 3.7mln.

Company	Offshore close	%	A\$ equiv	A\$ close	Diff %
BHP (US)	42.00	+0.3	27.64	27.38	+1.0
BHP (UK)	13.80	-0.9	24.26	27.38	-11.4
Rio Tinto (US)	48.71	-0.3	64.12	71.54	-10.4
Rio Tinto (UK)	35.85	-0.7	63.03	71.54	-11.9
South32 (UK)	1.88	-0.1	3.30	3.32	-0.6

**NOTE: Our Daily Resources Overview sheet is not available today due to technical difficulties.**

## PRECIOUS METALS COMMENTARY

**Gold** held its own and finished near steady Tuesday amid a rally in the competing asset class of equities that saw the U.S. stock indexes push to record highs. **Silver** could not weather the storm and prices sold off, hitting a four-week low. **February Comex gold** was last down \$0.80 an ounce at \$1,298.10. **March Comex silver** was last down \$0.219 at \$16.90 an ounce. World stock markets were also mostly higher Tuesday. The general strength in world equity markets continues to keep quite a bit of investor monies away from the precious metals markets. When the major bull run in stock markets starts to fizzle (and it most certainly will, at some point), then safe-haven gold and silver markets will benefit significantly.

Buying interest in gold and silver was also squelched a bit Tuesday after a U.S. report on consumer confidence hit its highest level in 17 years. The report supports the U.S. monetary policy hawks who want to see interest rates rise. The key “outside markets” were in a daily bearish posture for the precious metals markets today, as the **U.S. dollar index** was higher and **crude oil** prices were a bit lower.

Fed Chairman nominee Jerome Powell testified Tuesday at his confirmation hearing in front of the Senate Banking Committee. Powell made no remarks that were surprising or markets-moving.

**The OPEC oil cartel meets on Thursday**, where already imposed production cuts are expected to be extended.

**The U.S. Senate Budget Committee voted along party lines on Tuesday to send a Republican tax bill to the full Senate for a vote.** The 12-to-11 vote “moves us one step closer to a simpler, fairer, and more transparent tax system,” Budget Committee Chairman Mike Enzi said in a statement. The full Senate is expected to begin debating the tax bill and vote on it sometime this week. The Republican-controlled House of Representatives has already passed its version of a package of tax cuts.

**North Korea fired a ballistic missile** that landed close to Japan on Wednesday, the first test by Pyongyang since a missile fired over its neighbour in mid-September, officials said. North Korea launched the missile a week after President Donald Trump put North Korea back on a U.S list of countries that Washington says support terrorism. The designation allows the United States to impose more sanctions, although some experts said it risked inflaming tensions on the Korean Peninsula, Japan’s government estimated that the missile flew for about 50 minutes and landed in the sea in Japan’s exclusive economic zone, Japanese broadcaster NHK said. An Aug. 29 missile fired by North Korea that flew over Japan was airborne for 14 minutes. Minutes after the North fired the missile, South Korea’s military conducted a missile-firing test in response, the South Korean military added. Source: Kitco

## AUSTRALIA MARKET COMMENTARY

**Australian shares are poised to open higher as banks paced a renewed bull market in New York.**

**ASX futures up 41 points. \$A edges higher.** The benchmark S&P/ASX 200 index ended the day down 4 points, or 0.1 per cent, at 5984 while the All Ordinaries finished the session down 3 points, or 0.1 per cent, at 6066. The Australian dollar traded at US76.11 cents. Banks and miners were some of the big weights on the Australian benchmark on Tuesday, with BHP down 2 per cent as investors parsed an update on unit costs at its Australian mines and copper prices from the heavyweight miner.

Other metal extractors were also lower following weakness in copper and nickel prices, with copper down 1.1 percent to \$US6,863 a tonne, while Nickel dropped 1.7 percent on the London Metals Exchange. Westpac lost 0.9 per cent, NAB also fell 0.9 per cent, ANZ declined 0.8 per cent and CBA slid 0.2 per cent. Woolworths jumped 1.9 per cent and rival Wesfarmers rose 1 per cent. Origin Energy also climbed on Tuesday, with the energy provider up 2.4 per cent after announcing it was targeting cost reductions at its Australia Pacific LNG liquefied natural gas project and reaffirming its 2018 earnings forecast.



Woolworths Daily Chart (Source: Thomson Reuters)

## US MARKET COMMENTARY

Wall Street trimmed some of its gains in mid-afternoon trading but remained at record levels amid reports that North Korea had fired a ballistic missile that is likely to heighten tensions between Pyongyang and Washington once again. The S&P 500, which was up as much as 0.8 per cent to notch a fresh-all time high of 2,621.31 was trading 0.5 per cent higher at pixel time. The Dow Jones Industrial Average trimmed its gains to trade 0.5 per cent higher at 23,683.38. It hit a new intraday high of 23,773.91 earlier in the day. The Nasdaq Composite was flat at 6,879.41. The Pentagon said it was “probable” that North Korea had launched a ballistic missile but that it was still assessing the launch.

Shares US movie-theatre chain Regal Entertainment leapt higher on Tuesday after a report that British cinema operator Cineworld Group had approached it about a possible takeover. Regal Entertainment shares rose as much as 12 per cent to \$20.52 on the report from Reuters, which said that Cineworld’s offer would value Regal shares at about \$23 apiece. The report cautioned that there was no certainty that the talks would lead to a deal.



Regal Entertainment Daily Chart (Source: Thomson Reuters)

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