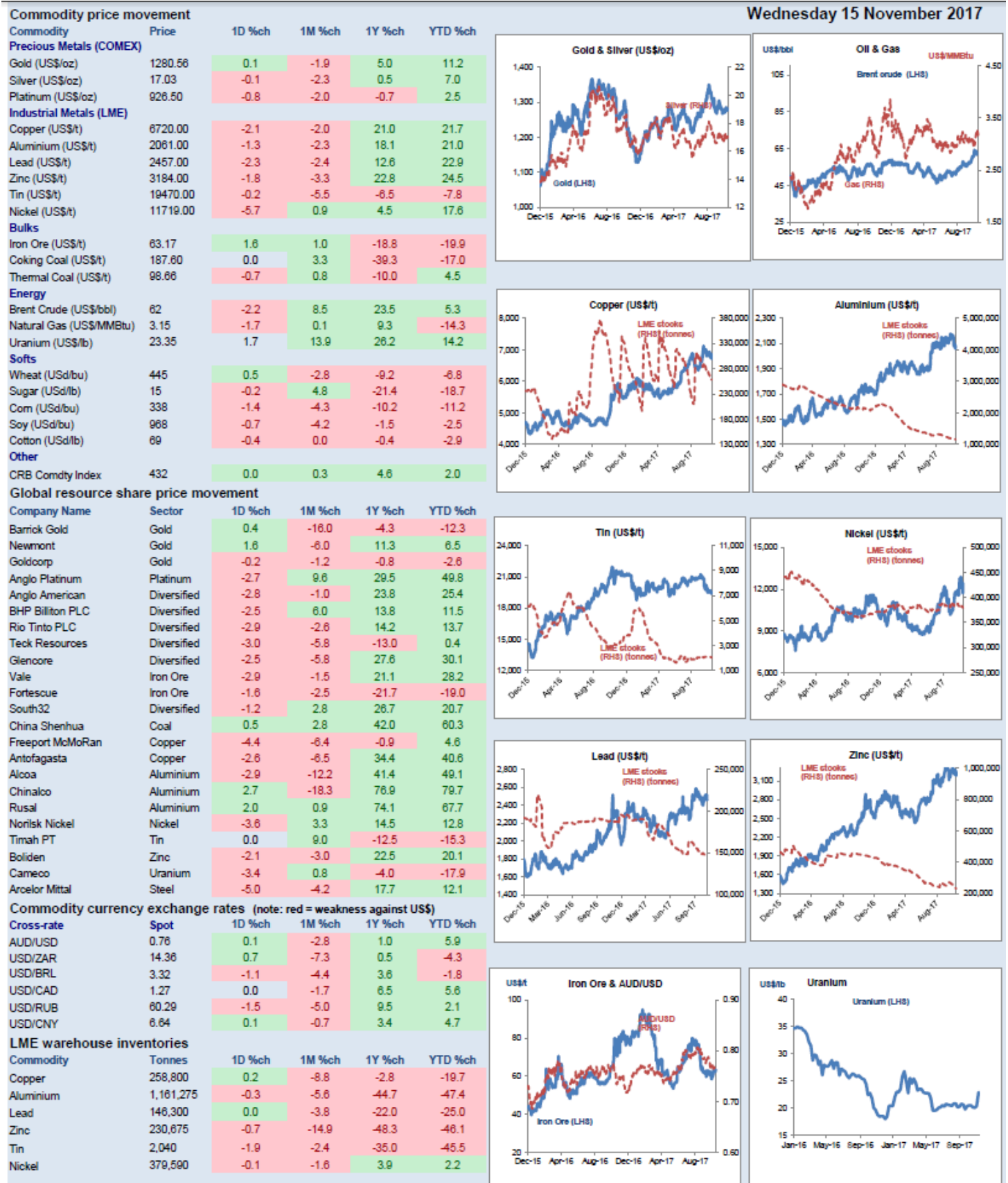




Daily Resources Overview



PRECIOUS METALS COMMENTARY

Gold prices ended the U.S. day session modestly higher Tuesday. Early price weakness in the yellow metal gave way to a mild rally as the U.S. dollar index and U.S. stock indexes dropped today. **December Comex gold** was last up \$3.60 an ounce at \$1,282.50. **December Comex silver** was last up \$0.013 at \$17.06 an ounce.

A hotter-than-expected U.S. October producer price index released this morning pushed gold and silver prices to their daily lows. The PPI came in at up 0.4%, which was much higher than the consensus forecast of up 0.1%. The PPI report is one of the more important reports of the week.

However, in late morning action the **U.S. dollar index** and U.S. stock indexes started to slide, and then gold and silver prices quickly moved up from their daily lows.

Gains in the precious metals were tempered by a sell-off in raw commodity sector leader crude oil Tuesday. **Nymex crude oil** futures prices were trading around \$55.50 a barrel in afternoon trading. The International Energy Agency warned on Tuesday the oil price rally is in jeopardy because of weaker-than-expected demand this year and likely next year, too. Source: Kitco

10 Year Gold London Fix PM Daily with 60 and 200-day moving averages



AUSTRALIA MARKET COMMENTARY

Australian shares are set to drop as a retreat in base metals hit BHP and Rio. ASX futures were 29 points lower. Oil shed 2 per cent. The \$A was steady as the greenback fell to its lowest in two weeks.

The S&P/ASX 200 index immediately dropped below 6000 points at the open before heading lower through early trade. Shares regained some equilibrium later in the session but still ended the day down 56 points, or 0.9 per cent, at 5969 - their worst day in approaching two months. The wider All Ordinaries index lost 49 points to close at 6049.

Retailers were also under pressure as the market readjusted for a possibly earlier-than-expected entrance by Amazon into the local market, possibly before Christmas. Harvey Norman lost 1.3 per cent and JB Hi-Fi dropped 2.6 per cent.

A highlight was Incitec Pivot's full-year earnings, which came in ahead of the market's expectations. Investors were particularly impressed with news of a \$300 million share buyback, pushing shares in the chemicals, fertiliser and explosives manufacturer up 4.8 per cent over the session.



Incitec Pivot Daily Chart (Source: Thomson Reuters)

US MARKET COMMENTARY

Wall Street ended lower dragged down by energy and telecoms, while the dollar index was set for its worst day since June. The S&P 500 ended the day 0.2 per cent lower at 2,578.87. Utilities were up 1.2 per cent, but those gains were offset by a 1.5 per cent drop in the energy sector and a 1.4 per cent slide in telecoms. The Dow Jones Industrial Average fell 0.1 per cent to 23,409.47, while the Nasdaq Composite declined 0.3 per cent to 6,737.87.

The Dow was weighed down by a second day of sharp declines for **General Electric**, which closed at its lowest level since 2011 amid concerns about the industrial conglomerate's business after it cut its dividend by half and issued disappointing guidance. Meanwhile, the energy sector declined alongside a sharp fall in oil prices. Tax reform also continued to dominate market attention, as Senate Republicans added a partial repeal of Obamacare to their legislative tax package.



GE Daily Chart (Source: Thomson Reuters)

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