

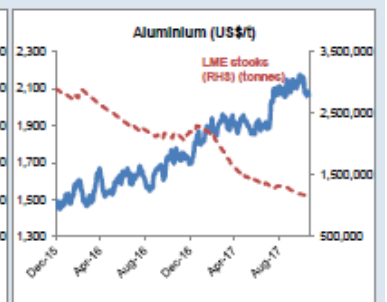
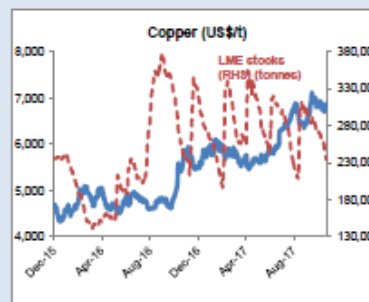
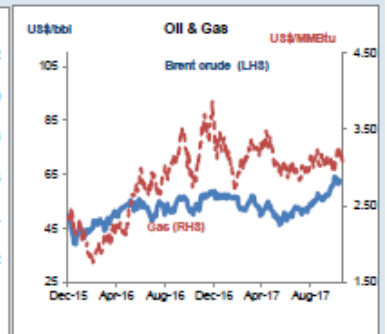


# Daily Resources Overview

Wednesday 22 November 2017

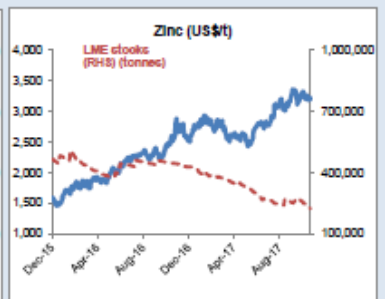
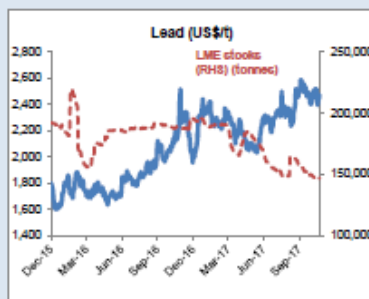
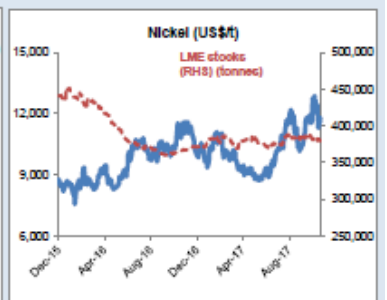
## Commodity price movement

Commodity	Price	1D %ch	1M %ch	1Y %ch	YTD %ch
<b>Precious Metals (COMEX)</b>					
Gold (US\$/oz)	1280.36	0.3	0.2	5.7	12.0
Silver (US\$/oz)	16.97	0.6	-0.4	2.2	6.6
Platinum (US\$/oz)	934.15	1.3	1.2	-0.5	3.4
<b>Industrial Metals (LME)</b>					
Copper (US\$/t)	6877.50	1.2	-0.6	24.1	24.5
Aluminium (US\$/t)	2065.50	-0.2	-2.8	19.2	21.2
Lead (US\$/t)	2467.75	0.6	0.4	14.4	23.4
Zinc (US\$/t)	3221.00	0.8	2.2	25.7	25.9
Tin (US\$/t)	19280.00	-1.0	-1.5	-7.5	-8.7
Nickel (US\$/t)	11810.50	1.8	1.2	4.0	18.5
<b>Bulks</b>					
Iron Ore (US\$/t)	62.50	-1.5	0.1	-11.2	-20.8
Coking Coal (US\$/t)	193.70	2.3	8.9	-37.3	-14.3
Thermal Coal (US\$/t)	95.21	-3.5	0.4	-13.2	0.8
<b>Energy</b>					
Brent Crude (US\$/bbl)	63	0.5	8.6	16.0	6.6
Natural Gas (US\$/MMBtu)	3.08	-0.5	-0.2	0.6	-16.1
Uranium (US\$/lb)	25.75	2.0	27.5	38.8	25.9
<b>Softs</b>					
Wheat (US\$/bu)	441	0.6	-0.7	-11.5	-7.6
Sugar (US\$/lb)	15	-0.7	6.3	-20.6	-19.9
Corn (US\$/bu)	356	-0.1	-0.6	-9.8	-8.4
Soy (US\$/bu)	989	-0.1	0.0	-2.1	-0.4
Cotton (US\$/lb)	71	-0.7	6.0	-3.7	0.4
<b>Other</b>					
CRB Comdty Index	428	-0.1	0.0	3.8	1.1



## Global resource share price movement

Company Name	Sector	1D %ch	1M %ch	1Y %ch	YTD %ch
Barrick Gold	Gold	0.1	-13.2	-9.6	-12.9
Newmont	Gold	0.1	-3.8	10.0	6.8
Goldcorp	Gold	-0.4	1.1	-2.5	-2.7
Anglo Platinum	Platinum	-0.3	1.5	25.0	41.4
Anglo American	Diversified	0.4	1.8	29.8	25.6
BHP Billiton PLC	Diversified	1.8	2.1	7.9	8.7
Rio Tinto PLC	Diversified	0.7	-0.8	20.3	13.1
Teck Resources	Diversified	1.3	-0.2	-10.5	6.6
Glencore	Diversified	0.6	-4.3	37.3	32.8
Vale	Iron Ore	3.8	3.6	35.6	36.2
Fortescue	Iron Ore	0.2	-4.9	-23.4	-20.4
South32	Diversified	1.2	4.4	22.4	21.1
China Shenhua	Coal	1.3	1.6	38.5	54.5
Freeport McMoRan	Copper	1.4	-4.6	-2.5	7.3
Antofagasta	Copper	0.5	-3.5	41.6	43.0
Alooa	Aluminium	-1.9	-13.6	34.9	47.4
Chinalco	Aluminium	3.6	-23.6	54.4	64.1
Rusal	Aluminium	-2.4	0.4	63.6	61.6
Norilsk Nickel	Nickel	0.1	-5.2	9.7	7.6
Timah PT	Tin	-0.6	8.0	-27.6	-18.1
Boliden	Zinc	1.6	-5.0	21.4	18.7
Cameco	Uranium	2.6	9.2	1.2	-11.5
Arcelor Mittal	Steel	2.4	-2.5	23.3	16.6

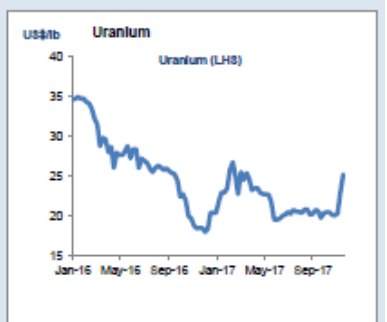
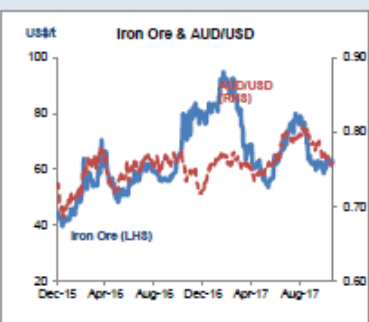


## Commodity currency exchange rates (note: red = weakness against US\$)

Cross-rate	Spot	1D %ch	1M %ch	1Y %ch	YTD %ch
AUD/USD	0.76	0.4	-2.9	2.9	5.2
USD/ZAR	13.97	0.5	-1.9	2.0	-1.7
USD/BRL	3.25	0.1	-0.6	3.0	0.0
USD/CAD	1.28	0.3	-1.1	5.0	5.2
USD/RUB	59.16	0.4	-2.7	8.1	4.0
USD/CNY	6.63	0.1	0.2	4.0	4.8

## LME warehouse inventories

Commodity	Tonnes	1D %ch	1M %ch	1Y %ch	YTD %ch
Copper	234,375	-2.9	-18.5	-5.1	-27.3
Aluminium	1,141,700	-0.8	-5.0	-47.0	-48.2
Lead	148,875	0.7	-2.1	-22.2	-24.7
Zinc	224,025	-0.5	-16.7	-49.7	-47.6
Tin	2,210	-0.5	4.7	-28.4	-41.0
Nickel	379,278	-0.2	-2.2	3.5	2.2



## PRECIOUS METALS COMMENTARY

**Gold and silver prices** were ending the U.S. day session moderately higher Tuesday, on mild corrective bounces from the strong selling pressure seen Monday. **December Comex gold** was last up \$6.10 an ounce at \$1,281.30. **December Comex silver** was last up \$0.113 at \$16.955 an ounce.

World stock markets were mostly firmer Tuesday and U.S. stock indexes set record highs. That did mitigate the rally potential for gold and silver markets, which are competing assets with equities.

Many markets are still reacting somewhat to the failed efforts by German Chancellor Angela Merkel to form a coalition government on Sunday. Reports late Monday said Merkel would rather hold another election than form a coalition. This has created uncertainty in world markets but especially in the European markets. The European Union's largest economy appears to be in leadership crisis.

The important outside markets on Tuesday were in a mildly bullish posture for the precious metals. The **U.S. dollar index** was slightly lower. The greenback bulls still have the slight overall near-term technical advantage. Meantime, **Nymex crude oil** futures prices were slightly higher. Oil bulls still have the overall near-term technical advantage, but stiff chart resistance layers lie just above the market. Traders are looking ahead to next week's OPEC meeting.

Look for trading activity in many markets start to taper off later today and the rest of this week, ahead of the U.S. Thanksgiving holiday on Thursday.

For months we have indicated that there is a **direct correlation and relationship between gold, silver and the Bitcoin**. This was never more evident than Monday, when the Bitcoin soared through \$8,000, making new all-time highs, while gold and silver got clobbered. Money either came out of the metals and/or all the new money went to Bitcoin; either way they are related.

The old guard continues to fight against the cryptocurrencies while the young guns continue to profit. There are many that call Bitcoin a bubble, fraud and Ponzi scheme. However, for now they are real products. We need no more proof than the CME and CBOE have created derivative products for them.

The other big argument is whether Bitcoin is a currency. The old-timers continue to say no. The cryptocurrencies may not be the currency we remember like the central bank manipulated fiat currencies or the classic currency of gold, but if I can get value and exchange Bitcoin for something else, is that not a currency? Source: Kitco

## AUSTRALIA MARKET COMMENTARY

The S&P/ASX 200 index added 18 points or 0.3 per cent to finish at 5964, while the All Ordinaries Index gained 16 points to 0.3 per cent. The local bourse took inspiration from an upbeat night on global markets, after investors largely shrugged off growing political instability in Germany, while the widely anticipated resignation of US Federal Reserve chair Janet Yellen also failed to make waves.

Infant formula firm A2 Milk impressed investors with a trading update that showed net profits had more than doubled over the first four months of the year. The stock added 5.5 per cent after boss Geoffrey Babidge said the New Zealand-based firm was considering paying dividends.

Less impressed were GrainCorp shareholders, who sent the stock down 4.9 per cent after the grains handler reported a four-fold increase in annual profits, but flagged a more downbeat earnings outlook. Investors in ALS were even less forgiving as they reacted to the laboratory testing firm's half-year earnings result on Monday evening, which also included a profit downgrade. The stock fell 7.4 per cent on Tuesday.



Graincorp Daily Chart (Source: Thomson Reuters)

## US MARKET COMMENTARY

**On Tuesday, the S&P 500 rocketed past the 2,600 mark for the first time, as all three major US equities indices notched new record highs in an otherwise quiet, holiday-shortened week.** The S&P 500 gained more than 0.66 per cent to cross the 2,600 line thanks in part to strong gains in the tech, healthcare and energy sectors. The Dow Jones Industrial Average was buoyed by a 2 per cent gain for tech giant Apple, climbing 0.7 per cent to a new record high of 23,602. The Nasdaq Composite increased 1 per cent to a new peak of 6,859.7.

The difference between US short and long-term bond yields has dropped below the 1 per cent mark for the first time in a decade, sparking concerns that the post-crisis economic expansion may be approaching its end. The so-called yield curve made up by the US government's borrowing costs is one of the most widely followed financial indicators, since its shape tends to augur economic downturns. The yield curve has flattened and ultimately inverted ahead of nearly every recession in the US after the second world war. On Tuesday the difference between two and 30-year US Treasury yields slipped to 98.8 basis points, below the 100 bps (or 1 per cent) level for the first time since November 2007.



Apple Daily Chart (Source: Thomson Reuters)

### General Advice Warning

The contents of this document have been prepared without taking account of your objectives, financial situation or needs. You should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs. Whilst State One Stockbroking Ltd believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One Stockbroking Ltd or any officer, agent or employee of State One Stockbroking Ltd. If applicable, you should obtain the Product Disclosure Statement relating to the relevant financial product mentioned in this document (which contains full details of the terms and conditions of the financial product) and consider it before making any decision about whether to acquire the financial product.

### Disclosure

The directors and associated persons of State One Stockbroking Ltd may have an interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. State One Stockbroking Ltd has also received a commission on the preparation of this research note. The Research Analyst who prepared this report hereby certifies that the views expressed in this research document accurately reflect the analyst's personal views about the company and its financial products. The research analyst has not been and will not be receiving direct or indirect compensation for expressing the specific recommendations or views in this report. This research at all times remains the property of State One Stockbroking Ltd. And as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from the Executive Director of State One Stockbroking Ltd.

Alan Hill  
Executive Chairman  
Phone: +61 8 9288 3388  
[ahill@stateone.com.au](mailto:ahill@stateone.com.au)

Ric Heydon  
Equities & Derivatives Advisor  
Phone: +61 8 9288 3307  
[rheydon@stateone.com.au](mailto:rheydon@stateone.com.au)

Mark Sullivan  
Institutional Dealer  
Phone: +61 2 9024 9134  
[msullivan@stateone.com.au](mailto:msullivan@stateone.com.au)

Thomas Tan  
Equities Advisor  
Phone: +61 2 9024 9131  
[ttan@stateone.com.au](mailto:ttan@stateone.com.au)

Morris Levitzke  
Equities Advisor  
Phone: +61 8 9288 3315  
[mlevitzke@stateone.com.au](mailto:mlevitzke@stateone.com.au)

Graeme Johnson  
Equities & Derivatives Advisor  
Phone: +61 8 9288 3316  
[gjohnson@stateone.com.au](mailto:gjohnson@stateone.com.au)

Yitz Barber  
Equities Advisor  
Phone: +61 2 9024 9107  
[ybarber@stateone.com.au](mailto:ybarber@stateone.com.au)

Tammie Wong  
Equities Advisor  
Phone: +61 2 9024 9133  
[twong@stateone.com.au](mailto:twong@stateone.com.au)

Dawn Chia  
Business Development Manager  
Phone: +61 8 9288 3336  
[Dawn.Chia@stateone.com.au](mailto:Dawn.Chia@stateone.com.au)

David Zhang  
Equities Advisor  
Phone: +61 2 9024 9130  
[dzhang@stateone.com.au](mailto:dzhang@stateone.com.au)

David Brennan  
Senior Investment Analyst  
Phone: +61 2 9024 9142  
[dbrennan@stateone.com.au](mailto:dbrennan@stateone.com.au)

**Disclosure:** State One Stockbroking Ltd ABN 95 092 989 083 is holder of AFS Licence Number 247100 and an ASX and Chi-X Market Participant. State One Stockbroking Ltd and/or its associated entities, directors, authorised representatives, employees and associated persons of State One may have an interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Further, State One Stockbroking Ltd and/or its affiliated companies may have acted as manager or co-manager of a public offering of any such securities or may have provided corporate finance to the companies referred to in the report. Whilst State One Stockbroking Ltd and its related companies believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One Stockbroking Ltd or any related company. Nor do they accept any liability or responsibility arising in any way (including negligence) for errors in, or omissions from, this document or advice.