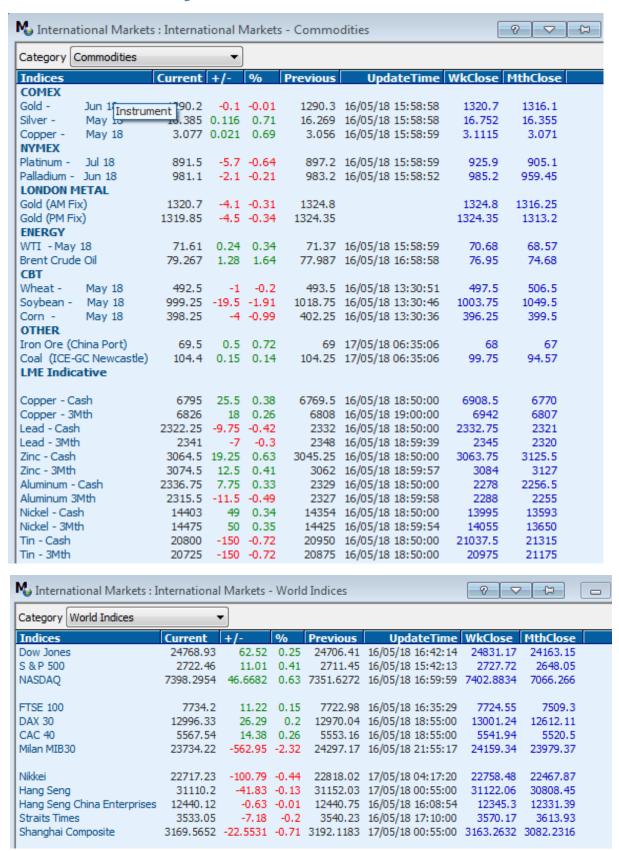
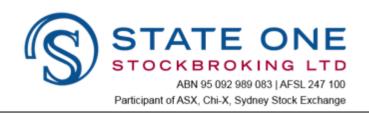


172 St Georges Terrace PERTH WA 6000 PO Box 7625 CLOISTERS SQUARE WA 6850 ROYAL EXCHANGE NSW 1225 P: +61 8 9288 3388

Suite 606, Level 6 83 York Street SYDNEY NSW 2000 PO Box R1931 P: +61 2 9024 9100

Daily Resources Overview





PRECIOUS METALS COMMENTARY

Gold and silver prices are steady to slightly up in early-afternoon U.S. trading Tuesday. Earlier in the session, both metals saw follow-through selling pressure after strong losses posted Tuesday. Gold prices hit a five-month low overnight. June Comex gold futures were last up \$0.60 an ounce at \$1,291.00. July Comex silver was last up \$0.081 at \$16.35 an ounce.

The surging U.S. dollar has been a major factor working against the precious metals market bulls over the past few weeks. The U.S. dollar index hit another five-month high overnight, but had backed off its daily highs as of midday today, which lent just a bit of support to the precious metals.

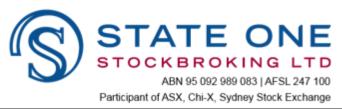
The gold and silver bulls need a dose of geopolitical unrest to wrestle their metals away from the grip of the appreciating greenback. Their wish may be granted as it appears the U.S.-North Korea summit in June is unraveling, which is not surprising to many. North Korea has cancelled talks with South Korea and now says it will not completely disarm its nuclear arsenal. The U.S. has not formally responded. This development could flare up into a markets-moving geopolitical event in the near term.

Attention of the marketplace this week is also on U.S. trade meetings with China in Washington, D.C. Also, a possible U.S. decision on the NAFTA trade agreement with Canada and Mexico could be announced late this week, but many are skeptical it will happen so soon.

Something else to keep an eye on: The Turkish currency, the lira, fell to a record low against the U.S. dollar overnight, which prompted the Turkish central bank to issue a warning about "unhealthy" developments in the markets. In years past, unstable secondary currency markets have produced a contagion effect in the major currencies. This is not the case now, but it still warrants monitoring. Any tensions in the currency markets would likely prompt safe-haven demand for gold and silver.

The other key "outside market" today finds Nymex crude oil prices weaker and near \$71.00 a barrel, and not far below Tuesday's 3.5-year high.

Source: Kitco



US Market

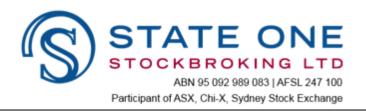
US stocks bounced back on Wednesday, with optimism over the state of American consumer spending driving retailers higher while small-cap stocks notched another record high. The S&P 500 ended the day up 0.4 per cent at 2,722.46. Consumer discretionary, materials and consumer staples were the day's top performing sectors, booking gains of 1.3 per cent, 1.1 per cent and 0.7 per cent.

The Dow Jones Industrial Average closed 0.3 per cent higher at 24,768.93 while the Nasdaq Composite advanced 0.6 per cent to 7,398.30. While concerns about a trade war erupting between the US and China have weighed upon a number of blue-chips, such as Boeing, Caterpillar and 3M, which in turn have kept a lid on the Dow, small-caps have been on a tear. The Russell 2000 index clocked another new closing high of 1,616.36 after rising 1 per cent.

Retail sales data released earlier this week showed that Americans — emboldened by a tighter jobs market and steady wage growth — have been loosening their purse strings. The resilience in US consumer spending, which accounts for more than two-thirds of US economic activity, was further underscored by Macy's first-quarter results today. The stock was the top gainer on the S&P 500, climbing 10.8 per cent. Its better than expected performance also helped lift shares in other US retailers, with JC Penney up 5.5 per cent and Target up 2.9 per cent.



Macy's Daily Chart (Source: Thomson Reuters)



Australia Market

The S&P/ASX 200 index was up by 9.2 points and reached at 6107 while All Ordinaries were up by 9.4 points and reached at 6208.1.

ANZ and Westpac were up by 0.108 and by 0.66 per cent per cent and traded at \$27.77 and at \$30.21 respectively. AMP was up by 1.03 per cent and closed at \$3.91. CYBG was down by 4.96 per cent and closed at \$5.55. Blue Sky Alternative Investments Limited was down by 5.5 per cent and closed at \$2.70.

Noni B Limited was up by 15.74 per cent and traded at \$2.72 and the Group announced the successful completion of an institutional entitlement offer and placement of new shares, raising \$37.8 million to fund the acquisition of Millers, Katies, Crossroads, Autograph and Rivers from Specialty Fashion Group. **Seven West Media** was up by 2.15 per cent and traded at \$0.71. Ainsworth was up by 5.39 per cent and traded at \$1.27. Super Retail Group was up by 3.75 per cent and traded at \$8.29. **Healthscope** was down by 1.99 per cent and traded at \$2.46. Myer was up by 16 per cent and closed at \$0.435.

BHP and Rio were up by 1.37 per cent and by 1.28 per cent and traded at \$34.01 and at \$84.68 respectively. Whitehaven Cola was up by 6.8 per cent and closed at \$5.33. Afterpay Touch was down by 2.68 per cent and traded at \$7.25. A2 Milk Company was down by 13.10 per cent and closed at \$10.54 and Bellamy's was down by 9.8 per cent and closed at \$17.31. Dominos Pizza was up by 4.22 per cent and closed at \$44.37. Australian shares are poised to edge higher, in line with gains on Wall Street.



State One Stockbroking Ltd

MYER Daily Chart (Source: Thomson Reuters)

Participant of ASX, Chi-X, Sydney Stock Exchange

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 an Executive Director of State One Stockbroking Ltd.

Alan Hill Executive Chairman Phone: +61 8 9288 3388 ahill@stateone.com.au

Morris Levitzke Equities Advisor Phone: +61 8 9288 3315 mlevitzke@stateone.com.au

Dawn Chia Business Development Manager Phone: +61 8 9288 3336 Dawn.Chia@stateone.com.au Ric Heydon Equities & Derivatives Advisor Phone: +61 8 9288 3307 rheydon@stateone.com.au

Graeme Johnson Equities & Derivatives Advisor Phone: +61 8 9288 3316 gjohnson@stateone.com.au

David Zhang Equities Advisor Phone: +61 2 9024 9130 dzhang@stateone.com.au Mark Sullivan Institutional Dealer Phone: +61 2 9024 9134 msullivan@stateone.com.au

Yitz Barber Equities Advisor Phone: +61 2 9024 9107 ybarber@stateone.com.au

David Brennan Senior Investment Analyst Phone: +61 2 9024 9142 dbrennan@stateone.com.au Thomas Tan Equities Advisor Phone: +61 2 9024 9131 ttan@stateone.com.au

Tammie Wong Equities Advisor Phone: +61 2 9024 9133 twong@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, accorpted 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.