

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

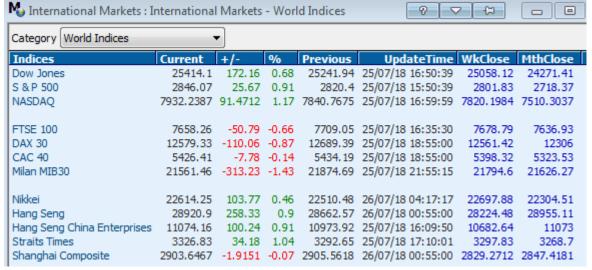
Suite 606, Level 6 83 York Street SYDNEY NSW 2000 PO Box R1931 P: +61 2 9024 9100

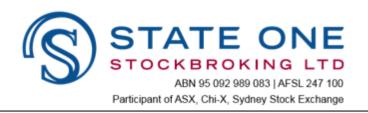
Daily Resources Overview

Level 14

26 July 2018







PRECIOUS METALS COMMENTARY

Gold and silver prices are modestly higher in early-afternoon U.S. trading Wednesday. Some mild more short covering by the shorter-term futures traders is featured again today in both metals, following recent strong selling pressure that drove both to 12-month lows last week. A lack of major market news so far this week is keeping trading lacklustre in many markets. August gold futures were last up \$4.20 an ounce at \$1,229.70. September Comex silver was up \$0.05 at \$15.575 an ounce.

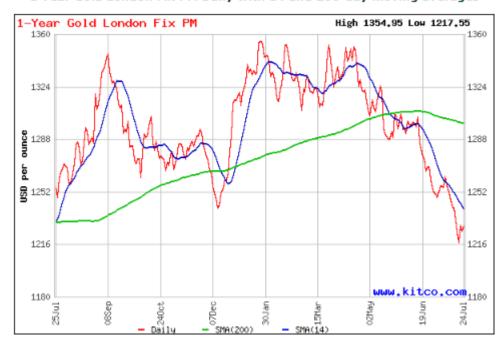
World stock markets were mixed to weaker overnight. U.S. stock indexes also mixed in midday trading today. There remains little risk aversion in the marketplace at present, which is bearish for safe-haven gold and silver.

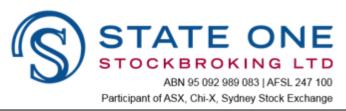
U.S. President Trump is meeting with the European Union Commission leader Juncker today to try to deescalate trade tensions between the U.S. and the EU. The U.S. has threatened EU automobiles with import tariffs.

The key "outside markets" today find Nymex crude oil prices higher and trading just around \$68.50 a barrel. Meantime, the U.S. dollar index is slightly lower today.

The big U.S. economic data point of the week is Friday's first estimate of gross domestic product (GDP). The number is expected to come in at up a strong 4.4%. However, some analysts are even calling for a number of 5.0% or just above. Source: Kitco

1 Year Gold London Fix PM Daily with 14 and 200-day moving averages





US Market

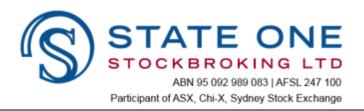
Ford Motor became the third big automaker to cut full year earnings guidance on Wednesday, citing the impact of a supplier fire and weakness in China where Ford's profits have been hit by a dearth of new models and also by tariffs. Ford's announcement, coming after similar announcements from GM and Fiat Chrysler earlier in the day, highlighted the toll that the global trade war is taking on the world's largest carmakers.

Shares in **Facebook** dropped as much as 10 per cent in after-hours trading, falling from an all-time high after the social network missed revenue expectations and saw the number of European users fall. In the first full quarter since the Cambridge Analytica scandal, total revenue was \$13.2bn, lower than the consensus forecast for revenue of \$13.4bn in the quarter ending in June. Sales grew 42 per cent year-on-year.

Wall Street turned sharply higher in late afternoon trade with the Nasdaq Composite closing at a record high after a report that US President Donald Trump and European Commission President Jean-Claude Juncker had reached a deal to ease trade tensions. The S&P 500 ended the day 0.9 per cent higher at 2,846.05 pushed higher by a 1.5 per cent advance in tech and a 1.3 per cent rise in industrials, with telecoms off by 2.9 per cent, the only sector to end the day in the red.



Facebook Daily Chart (Source: Thomson Reuters)



Australian Market

Australian shares appear poised to open higher as Wall St extended a rally on a reported trade deal between the US and the EU. ASX futures were up 12 points at about 7.10am AEST, paring in half early gains. The Australian dollar was 0.5 per cent higher. The yield on the US 10-year note reached 2.97 per cent.

At the end of trading the S&P/ASX200 was up 38.2 points to close at 6265.8. Volumes were slightly higher than yesterday. The biggest rises were Lynas, up 11.2 per cent, Treasury Wine up 5.6 per cent, Ausdrill up 4.9 per cent, Estia Health up 3.8 per cent, and Ansell up 3.5 per cent. This is a mixed basket of industries, showing the market sentiment had no clear economic direction today.

Treasury Wine was up on news that wine exports had jumped 20 per cent to \$2.7 billion. and Ansell had a favourable report from UBS analysts, expecting it to exceed consensus expectations when it reports full year results. Meanwhile Afterpay's rapid rise has slowed down with the stock coming off 3.8 per cent, or 57 cents, to close at \$14.47.



Treasury Wine 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 <u>dbrennan@stateone.com.au</u> 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, 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.