

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

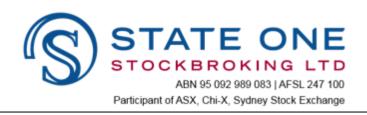
Suite 606, Level 6 83 York Street SYDNEY NSW 2000 PO Box R1931 P: +61 2 9024 9100

Daily Resources Overview

1 November 2018







PRECIOUS METALS COMMENTARY

Gold and silver prices are lower and have hit three-week and four-week lows, respectively, in early-afternoon U.S. trading Wednesday. Improving trader and investor risk appetite in the marketplace at mid-week is bearish for the safe-haven metals. Also, a stronger U.S. dollar index that scored a new for-the-move high today is pressuring the precious metals markets this week. December gold futures were last down \$9.00 an ounce at \$1,216.30. December Comex silver was last down \$0.177 at \$14.28 an ounce.

Global stock markets were mixed to mostly higher today. U.S. stock indexes are solidly higher in afternoon dealings. There is still near-term technical evidence the U.S. stock indexes have put in market tops. Volatility in the U.S. stock market could still appear at any time, as seen with Monday afternoon's price swoon.

Today is the last trading day of the month (US), which makes it a more important trading day, from a technical chart perspective. Today's U.S. ADP national employment report for October came in at up 227,000 jobs. That much better than the reading of up 180,000 that was expected. The key U.S. economic data point of the week, if not the month, will be Friday's November employment report from the Labor Department.

Turkey's central bank on Wednesday raised its inflation forecasts for this year and next-predicting a 23.5% rate by the end of 2018. The central bank said the negative impact on the Turkish economy from the Turkish lira depreciation on the foreign exchange market is the main reason for the dire inflation forecast. The Chinese yuan has dropped to a 10-year low against the U.S. dollar this week. There is a debate on whether the Chinese government wants the yuan to depreciate to gain world trade advantages. Or, the government may want to stem the yuan's slide due to fears of capital flight out of China. These matters warrant close attention in the coming weeks, as it could prompt financial and currency markets turmoil.

The other key outside markets today finds November Nymex crude oil prices weaker and trading around \$66.00 a barrel after hitting a nine-week low on Tuesday. Source: Kitco

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.