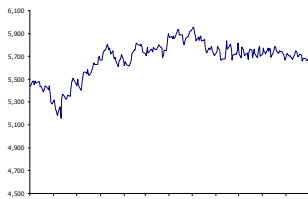


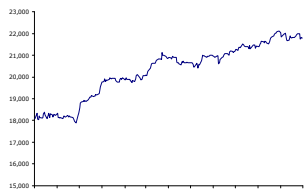
STATE ONE SPINNAKER

1 October 2017
Issue 384

12 month XJO chart



12 month Dow Jones chart



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Overview

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Global Wrap – 1 October 2017

World Markets	1/10/2017	24/09/2017	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5682	5682	0.0%	-0.1%	8.4%
Dow Jones	21798	21988	-0.9%	-1.0%	18.0%
Nasdaq	5284	5284	0.0%	-0.2%	21.9%
S&P 500	2519	2502	0.7%	2.2%	17.3%
FTSE 100	7373	7311	0.8%	0.3%	9.5%
DAX30	12829	12592	1.9%	5.0%	21.3%
Shanghai Composite	3349	3342	0.2%	-0.5%	11.5%
Nikkei 225	20356	20398	-0.2%	4.9%	24.1%
Hang Seng	27554	27881	-1.2%	-0.2%	18.1%
Currency					
AUD/USD	0.7829	0.7937	-1.4%	-1.3%	2.2%
Commodities					
Oil (\$/bbl)	51.6	52.1	-0.9%	5.1%	7.5%
Gas (\$/gal)	3.0	3.0	-0.5%	0.0%	-17.8%
Iron Ore (\$/t)	53.9	53.9	0.0%	6.9%	7.8%
Copper (\$/t)	6485	6405	1.2%	-5.5%	36.0%
Lead (\$/t)	2519	2478	1.7%	8.6%	30.1%
Zinc (\$/t)	3150	3114	1.2%	2.1%	40.2%
Aluminium (\$/t)	2111	2137	-1.2%	2.0%	35.3%
Nickel (\$/t)	10585	10580	0.0%	-11.2%	8.6%
Tin (\$/t)	20995	20845	0.7%	0.7%	8.2%
Gold (\$/oz)	1285	1298	-1.0%	-4.1%	-2.5%
Silver (\$/oz)	16.7	17.0	-1.8%	-7.1%	-12.4%
Platinum (\$/oz)	916	936	-2.2%	-9.1%	-11.4%
Wheat (\$/t)	448.000	450.500	-0.6%	0.4%	12.1%

Source: Iress

Global Wrap

Key points

1. US tax cut plan boosts S&P at quarter's end
2. Iron ore declines
3. Oil bulls worry OPEC
4. Stock picks for trading week ahead.
5. And a fun stock fact for the weekend: Angry Birds take flight on Finnish exchange

Remember that daylight savings starts this Sunday (October 1).

US

The S&P 500 notched a fresh intraday high on Friday that left it closing in on its eighth straight quarterly rise, The Financial Times reported.

The benchmark for large-cap US stocks is up 1.6% in September, its sixth straight monthly rise and longest winning streak since May 2013.

That helped push its advance for the quarter to 3.7%, putting it on track to record eight successive quarters of gains for only the fifth time since S&P Dow Jones Indices data began in 1928.

The gains in the quarter were powered by an 8% rise in the technology sector, which remains this year's best performer, up 25%. As hopes for an acceleration in US growth dimmed earlier in the year, investors have been willing to pay more for the earnings and revenue growth that tech stocks offer.

This week's gains have been propelled by the Republicans unveiling a sweeping tax reform proposal aimed at lowering the corporate tax rate from 35% to 20%.

If Congress can pass such a cut, investors are hopeful it will feed through to companies' bottom lines.

At the same time, investors appear - at least for now - to have moved beyond the geopolitical tensions between the US and North Korea.

But having seen tax reform hopes dashed earlier in the year, investors also acknowledge that any legislation will be tricky to pass.

On Tuesday, the Federal Reserve chair laid out the case for why this year's unexpected inflation slowdown shouldn't be too concerning, Bloomberg reported. Three days later, a report showed price gains drifting further from the central bank's target, but investors still saw a December rate hike as likely.

The Federal Open Market Committee's primary inflation measure, which is tied to consumer spending, rose a below-forecast 1.4% in the year ended in August, Commerce Department figures showed Friday. Excluding food and energy prices, core inflation slowed to 1.3%, the smallest gain in nearly two years.

Federal Reserve Chair Janet Yellen said "low inflation likely reflects factors whose influence should fade over time." She made these comments amid a tightening labour market.

The odds of a quarter-point interest-rate hike by December have risen in recent days to about two-thirds, based on fed funds futures, and remained steady on Friday in the wake of Friday's data.

Next week PMI data will be released on Monday and Yellen will deliver a speech on Wednesday.

Australia

The benchmark S&P/ASX 200 index ended Friday up 11 points, or 0.2%, at 5682. For the month it ended with a 0.6% loss and it ended the quarter with a 0.7% loss. The broader All Ordinaries index is down 0.3% since June 30 and ended Friday's session up 0.2% at 5745 points, Fairfax Media reported .

This week was one of the quietest of the year as the market traded sideways during school holidays and a selection of state public holidays.

That sideways pattern has been a feature of ASX trading since the middle of May, when the index has been unable to break out of a rough 100-point range.

On Monday TD Securities Inflation data will be released by The University of Melbourne Faculty of Economics and Commerce.

Tuesday is RBA interest rate statement day, when the cash rate is widely expected to remain unchanged.

HIA new home sales and building permits data also on Tuesday.

Retail sales and trade balance figures will be released on Thursday.

China

Hong Kong stocks ended higher on Friday, but the benchmark index posted its first monthly loss this year, an indication the market's upward momentum may be slowing amid worries over US monetary tightening and a Chinese economic slowdown, Reuters reported.

Investors are also awaiting China's 19th Communist Party Congress next month and the country's third-quarter economic data.

The Hang Seng index rose 0.5%, to 27,554.30, but posted a 1.5% loss for September - its first monthly loss in 2017 - reducing this year's gain so far to 25%.

The China Enterprises Index gained 0.3 % to 10,910.04 points. For the month, it was up 0.2%, and for the quarter, the gauge gained 8.6%.

Investors will be keenly watching China's upcoming Communist Party Congress, which starts on October 18, a once-every-five-years meeting where new leaders are appointed and the government's key political and economic initiatives are laid out, though details are usually not announced until much later.

Investors will also be looking for any indication from upcoming data releases on whether China's strong recovery that started late last year is running out steam. They also weigh the impact of US Federal Reserve's plan to shrink its balance sheet and raise interest rates later this year.

Mainland Chinese markets are closed all next week for National Day holidays. Hong Kong's markets are shut on Monday and again for another holiday on Thursday.

Japan

Stocks turned moderately lower on the Tokyo Stock Exchange on Friday, with investor sentiment damped by the yen's firming against the dollar, The Japan Times reported.

The benchmark Nikkei 225 average lost 6.83 points, or 0.03%, to close at 20,356.28. On Thursday, the key market gauge rose 96.06 points.

Selling outpaced buying as the dollar weakened against the yen and some investors moved to lock in profits by selling stocks that had been upbeat recently.

On Sunday the Bank of Japan will release Tankan manufacturing indices, which indicate business indications.

More data on construction and vehicle production out on Monday.

The Nikkei Manufacturing PMI will be released on Tuesday followed by a Consumer Confidence Index and foreign investment data on Wednesday.

The Leading Economic Index released by the Cabinet Office will be flashed on Friday. The index is an economic indicator that consists of 12 indices such as account inventory ratios, machinery orders, stock prices and other leading economic indicators

Europe

European stocks closed higher on Friday amid improved global sentiment and new data releases.

The pan-European Stoxx 600 closed 0.36% higher provisionally, with gains accelerating during the day and most sectors finishing in positive territory. For the week it finished up 1% and had a mild climb of over 2% for the whole quarter, CNBC said.

Investors also monitored inflation numbers from across the Eurozone on Friday.

For the entire Euro zone, inflation data came in below expectations at 1.5% in September. This is still below the European Central Bank's target of close to but below 2%.

Retail sales in Germany came in lower-than-expected in August, down by 0.4% on the month, the national statistics office said.

UK consumer confidence grew by one point in September, a GfK survey showed Friday, after having fallen two points in the previous month.

House prices in London dropped for the first time since 2009, Nationwide figures revealed on Friday. At the same time, prices across Britain rose at their slowest pace for the last four years.

Meanwhile Rovio, the maker of Angry Birds, hit 12.0 euros a share early on Friday on its market debut at the Finnish stock exchange. Its IPO price was 11.5 euros per share — at the top of its price range.

Main data out of Eurozone next week will be Markit Manufacturing PMI on Monday, then Services PMI on Wednesday, as well as retail sales data.

Tuesday is a public holiday in Germany for the Day of German Unity. Eurozone PPI figures will also be released on Tuesday.

ECB Monetary Policy Meeting Accounts - which contain an overview of financial market, economic and monetary developments - will be released on Thursday.

Commodities

China iron ore futures are on pace for their biggest monthly decline since May 2016 amid increasing concerns about rising supply and falling demand as government inspections have curtailed steel production and ample inventories, Fairfax Media said.

Dalian Commodity Exchange's most-traded iron ore contract, for January delivery, was down 2.2% on Thursday night, bringing its losses for the month to over 20%. Over the quarter it's down 3.2 %.

Oil markets in the past five days have experienced one of the most bullish weeks so far this year, oilprice.com said.

But as Brent neared the much talked about \$60 mark, OPEC has begun to talk oil prices down in order to halt a possible shale production spike.

Brent flirted with \$60 per barrel this week, but declined on Thursday after looking a bit overstretched.

An OPEC official told Reuters: "I think a range of \$50-\$55 a barrel is good, you don't want to see prices rising to \$60 or higher because then it will bring in more shale."

Gold settled lower Friday, posting losses for the week and month in reaction to a stronger dollar, but still notched a gain for the third quarter, MarketWatch reported.

Traders weighed the likelihood of success for Republican tax-cut proposals as well as expectations for another rate increase by the Federal Reserve before year-end.

The more hawkish shift in Fed policy expectations this week, good economic data, and optimism about tax reform are supporting the reflation argument, which is bad for gold prices in the months ahead

Base metals prices on the London Metal Exchange mainly strengthened on Friday morning ahead of China's week-long National Day holiday next week.

"The base metals are looking somewhat stronger following Thursday's rebounds, but the overall tone in recent weeks has been one of correction and consolidation," Metal Bulletin senior analyst William Adams said.

"That said, we have viewed the weakness as the market reacting to overbought conditions and have expected dips to attract buying that seems to be emerging now. With China's National Day Golden Week holiday kicking off next week we expect choppy trading as liquidity thins. We would remain on the lookout for buying opportunities," he added.

Lead and zinc prices continued to bounce higher this morning still supported by tight supply. Zinc's cash/three-month spread is still in backwardation, meaning the futures price is below the spot price.

Commodities prices also earned a reprieve as a lack of further details on recent tax reform plans proposed by US President Donald Trump put a lid on the dollar's recent climb.

Still, the increased possibility of a US rate increase at the end of the year is expected to continue providing support to the dollar, some market observers noted.

Aluminium and nickel prices remained little changed as they continued to consolidate.

State One Stockbroking was proud to be co-sponsor of last week's RIU Resources Investor Roadshow held in Sydney and Melbourne.

Stocks which caught our eye included:

Antipa Minerals (ASX:AZY) Speculative Buy

4,000km² tenements in WA.

An active drilling program at the 100% owned Minyari/WACC Cu-Au Project is targeting a Scoping Study development opportunity by year end. The potential tier-1 Cu-Au Citadel Project has attracted the interest of Rio Tinto via a 75% farm-in for A\$60m; the group's Patterson Project is on historically underexplored tenements surrounding the Telfer Mine and is highly prospective for gold. AZY has a strong balance sheet (A\$6m cash) and offers, we believe, exciting news flow potential.

Auroch Minerals (ASX: AOU) Speculative Buy

The flagship Tisova Project in the Czech Republic is targeting gold and cobalt at a large (30km u/g development) discontinued copper-only focused mine. Drilling commenced in mid-September and is targeting a significant 200m wide portion of sulphide mineralisation. Assay results are expected by November. Drilling at the Alcoutim Cu-Zn Project – along strike of the Super Giant Neves Corvo deposit - and the Karibib Lithium Project in Namibia also offer share price catalyst potential.

Sovereign Metals (ASX:SVM) Speculative Buy

SVM's Malingunde Graphite Project in Malawi is one of the world's lowest cost (opex/capex) saprolitic or soft-ore graphite project. The group is targeting initial modest production for steel refractory clients before including the growing (but more demanding) battery market. We like the margins associated with the project - even in a significantly lower than current spot price environment. Product sales agreement discussions are underway and a successful outcome here could be a major share price catalyst.

Economic Calendar 2/10/2017 – 6/10/2017

Monday October 02 2017			Actual	Previous	Consensus
07:50 AM	JP	Tankan Large Manufacturers Index Q3		17	18
05:00 PM	EA	Unemployment Rate AUG		9.1%	9.0%
10:00 PM	US	ISM Manufacturing PMI SEP		58.8	58.0
Tuesday October 03 2017			Actual	Previous	Consensus
11:30 AM	AU	RBA Interest Rate Decision		1.5%	1.50%
01:00 PM	JP	Consumer Confidence SEP		43.3	
Wednesday October 04 2017			Actual	Previous	Consensus
05:00 PM	IN	RBI Interest Rate Decision		6%	6%
08:15 PM	US	ADP Employment Change SEP		237K	140K
10:00 PM	US	ISM Non-Manufacturing PMI SEP		55.3	55.5
	EA	ECB Non-Monetary Policy Meeting			
Thursday October 05 2017			Actual	Previous	Consensus
08:30 AM	AU	Balance of Trade AUG		A\$0.46B	A\$0.875B
07:30 PM	EA	ECB Monetary Policy Meeting Accounts			
08:30 PM	CA	Balance of Trade AUG		C\$-3.04B	C\$-2.65B
08:30 PM	US	Balance of Trade AUG		\$-43.7B	\$-42.80B
Friday October 06 2017			Actual	Previous	Consensus
08:30 PM	CA	Employment Change SEP		22.2K	15.0K
08:30 PM	CA	Unemployment Rate SEP		6.2%	6.3%
08:30 PM	US	Non Farm Payrolls SEP		156K	100K
08:30 PM	US	Unemployment Rate SEP		4.4%	4.4%
10:00 PM	CA	Ivey PMI s.a SEP		56.3	

Source: www.tradingeconomics.com

Economic Calendar 9/10/2017 – 13/10/2017

Tuesday October 10 2017		Actual	Previous	Consensus
02:00 PM	DE Balance of Trade AUG		€19.5B	
04:30 PM	GB Balance of Trade AUG		£-2.87B	
Wednesday October 11 2017		Actual	Previous	Consensus
07:30 AM	AU Westpac Consumer Confidence Index OCT		97.9	
07:30 AM	AU Westpac Consumer Confidence Change OCT		2.5%	
08:30 AM	AU NAB Business Confidence SEP		5	
Thursday October 12 2017		Actual	Previous	Consensus
02:00 AM	US FOMC Minutes			
Friday October 13 2017		Actual	Previous	Consensus
08:30 AM	AU RBA Financial Stability Review			
10:30 AM	CN Balance of Trade SEP		\$41.99B	
10:30 AM	CN Exports YoY SEP		5.5%	
10:30 AM	CN Imports YoY SEP		13.3%	
08:30 PM	US Core Inflation Rate YoY SEP		1.7%	1.8%
08:30 PM	US Inflation Rate YoY SEP		1.9%	2.0%
08:30 PM	US Retail Sales MoM SEP		-0.2%	0.3%
10:00 PM	US Michigan Consumer Sentiment Prel OCT		95.1	

Source: www.tradingeconomics.com

All Ords Top 10 Week Ending 29 September 2017

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
SDA	Speedcast Int Ltd	9.0	NUF	Nufarm Limited	-8.5
BPT	Beach Energy Limited	8.6	MTS	Metcash Limited	-6.9
MYR	Myer Holdings Ltd	7.6	PMV	Premier Investments	-5.4
A2M	The A2 Milk Company	6.0	RRL	Regis Resources	-4.5
MND	Monadelphous Group	5.7	NHF	NIB Holdings Limited	-3.9
MFG	Magellan Fin Grp Ltd	5.5	QBE	QBE Insurance Group	-3.8
CGC	COSTA GROUP HOLDINGS	5.5	NEC	Nine Entertainment	-3.8
BRG	Breville Group Ltd	5.4	RSG	Resolute Mining	-3.7
REG	Regis Healthcare Ltd	4.8	IRE	IRESS Limited	-3.4
CSR	CSR Limited	4.6	CNU	Chorus Limited	-3.2

Source: IRESS

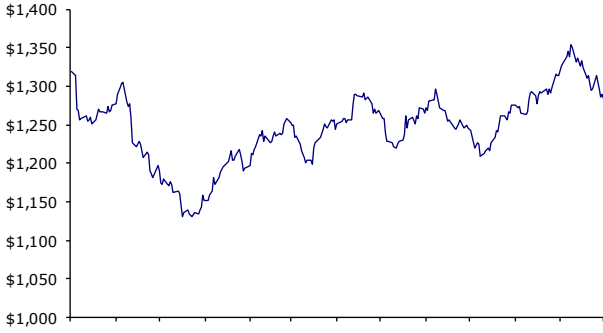
S & P Indices Week Ending 29 September 2017

S&P Indices	1/10/2017	24/09/2017	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	9252	9183	0.8%	0.1%	18.6%
S&P 200 Materials	10264	10265	0.0%	-4.0%	20.6%
S&P 200 Industrials	5659	5633	0.5%	-1.7%	13.5%
S&P 200 Consumer Disc.	2127	2127	0.0%	0.2%	-1.5%
S&P 200 Consumer Staples	9309	9332	-0.2%	-1.9%	6.0%
S&P 200 Healthcare	22674	22559	0.5%	0.3%	9.7%
S&P 200 Financials	6400	6419	-0.3%	2.6%	10.5%
S&P 200 Info Technology	875	883	-0.9%	0.7%	10.0%
S&P 200 Telecommunicatic	1230	1259	-2.3%	-3.6%	-33.5%
S&P 200 Utilities	8059	7922	1.7%	-1.9%	17.1%
S&P 200 Property Trusts	1322	1309	1.0%	-0.9%	-4.1%
S&P 200 Financials ex PT	7138	7160	-0.3%	2.6%	10.6%

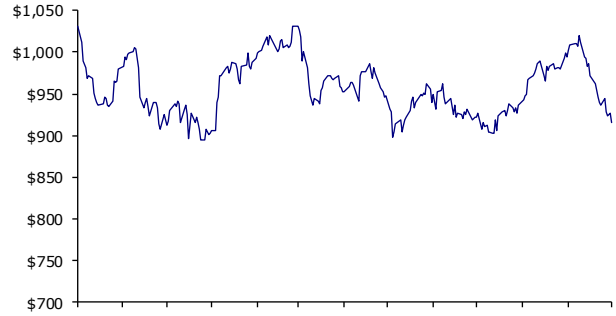
Source: IRESS

1 Year Commodity Price Charts

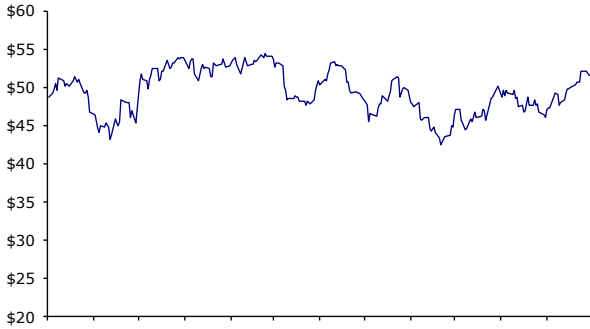
1 Year Gold



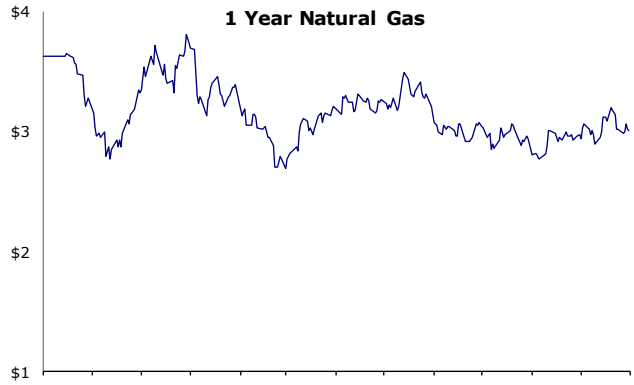
1 Year Platinum



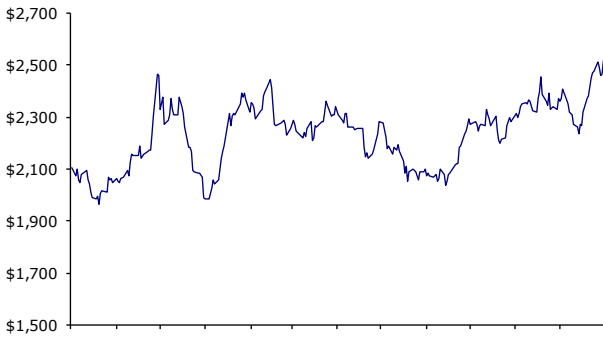
1 Year Oil



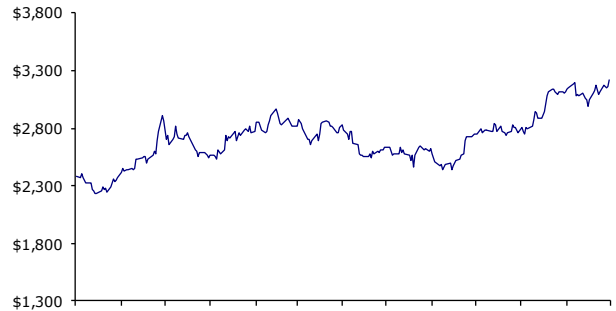
1 Year Natural Gas



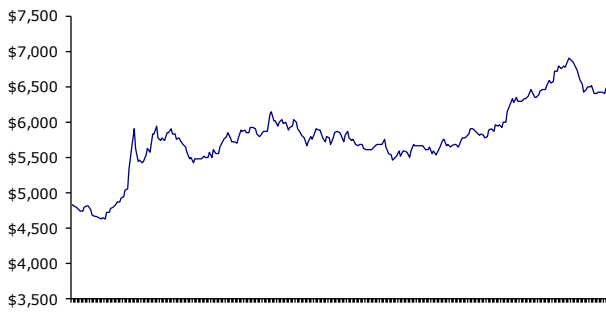
1 Year Lead



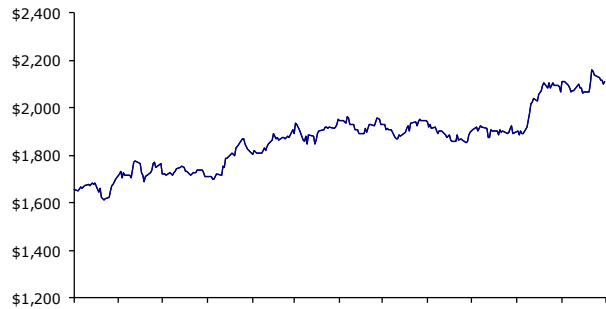
1 Year Zinc



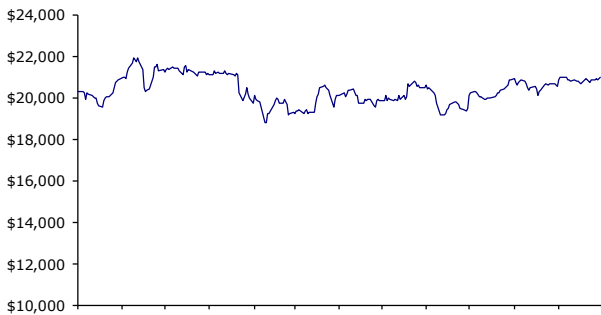
1 Year Copper



1 Year Aluminium

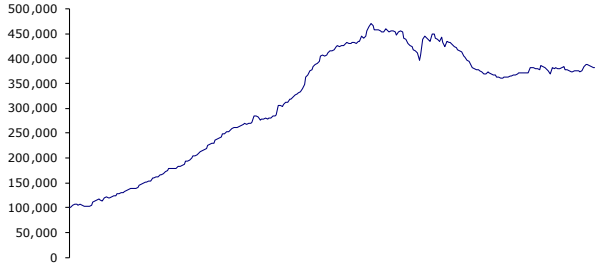


1 Year Tin

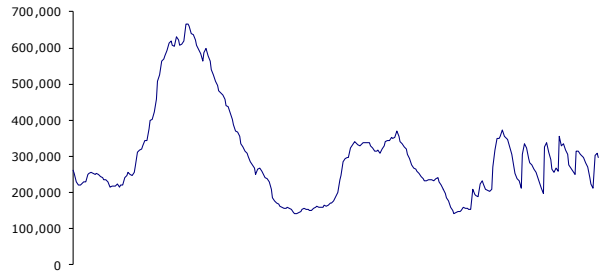


5 Year Metals Stockpiles

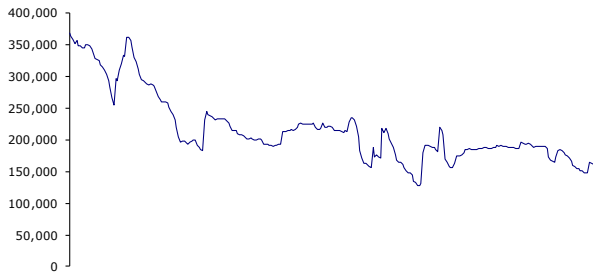
Nickel LME Stockpiles - 5 Year



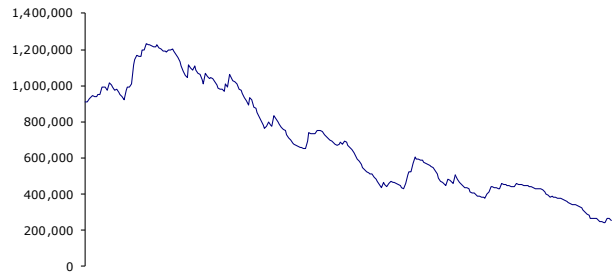
Copper LME Stockpiles - 5 Year



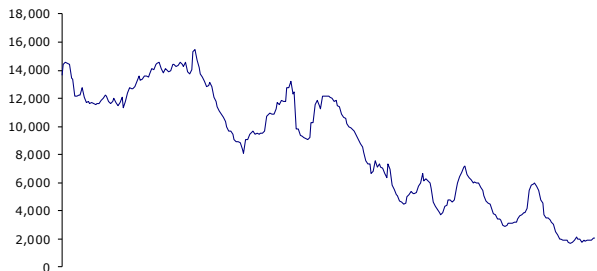
Lead LME Stockpiles - 5 Year



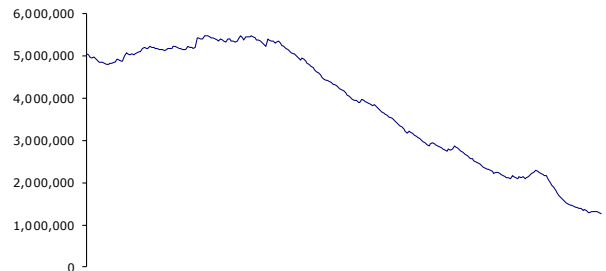
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year



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