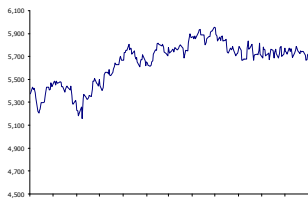


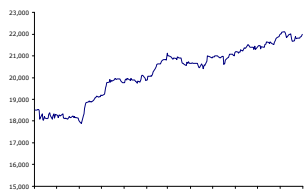
STATE ONE SPINNAKER

2 September 2017
Issue 381

12 month XJO chart



12 month Dow Jones chart



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Overview

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Global Wrap – 2 September 2017

World Markets	2/09/2017	26/08/2017	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5725	5744	-0.3%	-0.7%	5.7%
Dow Jones	21988	21814	0.8%	-0.3%	19.4%
Nasdaq	5284	5284	0.0%	-0.2%	21.9%
S&P 500	2477	2443	1.4%	0.1%	14.1%
FTSE 100	7439	7401	0.5%	-0.8%	10.3%
DAX30	12143	12168	-0.2%	-0.1%	16.9%
Shanghai Composite	3367	3363	0.1%	3.2%	9.9%
Nikkei 225	19691	19450	1.2%	-0.2%	16.3%
Hang Seng	27953	27848	0.4%	0.7%	20.7%
Currency					
AUD/USD	0.7970	0.7964	0.1%	0.9%	5.3%
Commodities					
Oil (\$/bbl)	47.3	47.8	-1.1%	-4.7%	8.8%
Gas (\$/gal)	3.1	2.9	5.0%	6.6%	2.6%
Iron Ore (\$/t)	53.9	53.9	0.0%	6.9%	7.8%
Copper (\$/t)	6776	6714	0.9%	4.8%	46.7%
Lead (\$/t)	2408	2342	2.8%	1.7%	25.8%
Zinc (\$/t)	3119	3118	0.0%	5.8%	33.8%
Aluminium (\$/t)	2114	2097	0.8%	4.7%	33.2%
Nickel (\$/t)	12005	11610	3.4%	12.1%	23.1%
Tin (\$/t)	21000	20675	1.6%	2.6%	9.7%
Gold (\$/oz)	1330	1298	2.5%	3.7%	1.0%
Silver (\$/oz)	17.8	17.1	4.0%	5.2%	-5.9%
Platinum (\$/oz)	1009	979	3.1%	3.0%	-3.8%
Wheat (\$/t)	439.000	435.000	0.9%	-9.8%	11.2%

Source: Iress

RIU Resources Investor Roadshow 2017

State One Stockbroking Ltd is proud to be joint sponsor

Sydney – Tuesday 26 September – Intercontinental Hotel Sydney
Melbourne – Thursday 28 September – Grand Hyatt Hotel Melbourne

State One invites you to attend the upcoming RIU Resources Investor Roadshow 2017. Registration is Free. Companies presenting offer insights into a broad range of commodities including coal, bauxite, cobalt, copper, gold, graphite, iron ore, lithium, nickel, silver, zinc, potash and phosphate. For more information and registration please [click here](#).

Global Wrap

Key points

- Weak US jobs data boosts market**
- Sentiment up in China**
- Miners up in Australia as CBA and retail woes continue**
- Oil sags despite Hurricane Harvey**
- Stock picks for week ahead**

US

Stocks were mostly higher on Friday, even after fewer jobs were added to the US economy in August than expected.

Last month 156,000 jobs were added, according to the Labor Department, and the US unemployment rate increased to 4.4% from 4.3%. It was a surprise to economists looking for an unchanged reading. Hourly wages rose by 2.5% over the past 12 months, a flat reading from July.

One analyst explained the sanguine mood to TheStreet.com: "After all, the lazy days of August are typically reflected in the jobs report, with hiring taking a backseat to the beach. But with solid GDP growth, a blockbuster ADP report earlier this week, low unemployment, and momentum on the wages side - albeit slight -there's a lot to be pleased with overall."

The softer-than-expected figures were also seen as weakening the case for the Federal Reserve to raise interest rates again this year.

Also yesterday it was revealed that manufacturing activity in the US rose at a faster pace than anticipated in August, according to the Institute for Supply Management. The ISM Manufacturing Index rose to 58.8 in August, up from 56.3 in July. Analysts expected a reading of 56.6.

Markets will be closed for Labor Day on Monday in the US (and Canada).

On investors' watch list later this coming week will be the trade balance, PMI figures and the Fed's Beige Book (a gathering of anecdotal information on current economic conditions) released on Wednesday.

China

China stocks edged up on Friday, capping a third week of gains, the Daily Mail Australia reported.

Robust corporate earnings and signs of accelerated reforms of state firms bolstered the market.

Investor confidence has also been buoyed by expectations that markets will remain bullish in the lead-up to a once-in-five-years Communist Party congress starting October 18, which could give more clues on the government's policy priorities to 2022.

Sentiment was also lifted on Friday by a private survey showing China's manufacturing activity had expanded at the fastest pace in six months in August, echoing robust findings in a similar official survey published on Thursday.

The Caixin manufacturing PMI reading beat expectations, rising from 51.1 in July to 51.6 in August, and ahead of consensus estimated of 51.

The official manufacturing PMI published on Thursday also surprised, rising to 51.7 in August from 51.4 the previous month.

UBS strategist Gao Ting said in a report that profitability at major industrial firms could improve further, thanks to Beijing's efforts to shut more excess capacity and reduce pollution.

Of interest next week will be the Caixin services PMI released on Tuesday and foreign exchange reserve figures on Thursday. The trade balance and PPI is out on Friday.

Japan

Tokyo shares closed higher for a third straight day on Friday as a weaker yen boosted the outlook for exporters, Business Recorder said.

The gains topped off a volatile week for Japanese markets after a North Korean missile test flew over the north of the country fuelling geopolitical fears and a flight to the yen, a haven in times of turmoil.

A tempered reaction by US President Donald Trump to Pyongyang's provocation eased traders' nerves, helping investors focus on fundamentals again.

Foreign reserves and investment figures will be released this coming Wednesday. Q2 GDP will be released and the Leading Economic Index flashed on Thursday.

Europe

European stocks closed higher for a third straight session on Friday, boosted by a Bloomberg report saying the European Central Bank will likely wait until December to unveil a plan to taper its asset purchases, MarketWatch said.

Analysts were expecting the central bank to reveal the future for its easing program at the September monetary policy meeting next week or in October. But the policy makers could wait until December to make their decision, just a few weeks before the current program expires at the end of the year.

Eurozone PPI will be released on Monday then PMI on Tuesday.

On Thursday Eurozone Q2 GDP will be released and there's an ECB monetary policy statement. The UK trade balance is out on Friday.

Australia

Friday's limited gains after choppy trade trimmed the week's losses to 19 points, or 0.3%, landing the S&P/ASX 200 firmly back within its multi-month range of 5700-800 points.

Miners lifted the benchmark index again and there was buying in three of the four major banks in the final days of the reporting season, the Australian Financial Review reported.

Commonwealth Bank suffered after the prudential regulator APRA compounded the bank's woes by announcing an independent inquiry into the lender's culture. CBA ended the week down 2.9%.

Harvey Norman shares fell another 4.2% on Friday, following Thursday's sell-off when investors reacted badly to the company's results, for the slowing fourth quarter in particular. The retailer cut its final dividend by 5¢ to 12¢ a share to preserve cash – despite a 29% jump in profits.

Galaxy Resources shares jumped 15.3% on Friday after a week of positive earnings and production announcements by the lithium miner.

On Monday TD securities inflation for August and Q2 Company Gross Operating Profits will be released.

A big data release on Tuesday will be the Q2 current account balance plus the RBA announcement on the cash rate, with the chances of a rise “slim to none” according to most experts.

On Wednesday GDP will be out, followed by retail sales and the trade balance on Thursday. Home and investment property loan data will be released on Friday.

Commodities

Chinese rebar *steel* futures rose more than 2% on Friday after the Caixin manufacturing PMI reading reinforced Thursday's upbeat official PMI data on the Chinese economy.

The positive data also lifted Chinese iron ore futures. The most active iron ore contract on the Shanghai Futures Exchange jumped 4.5% to 584 yuan a tonne in late Friday trade. The spot iron price climbed 3.7% on Thursday night to \$US78.91 a tonne.

Hurricane Harvey is still the major story in the energy world, with a huge number of refineries still offline.

Oil prices continue to sag, while gasoline prices soared this week.

As of Friday, an estimated 3 mb/d of refining capacity is still offline, a slight improvement from earlier in the week, oilprice.com reported.

Reuters reported that OPEC officials have been bewildered by the lack of movement in crude prices even after the US Gulf Coast was inundated by the worst rain event in the country's history. "It seems no event will move the oil price up much," an OPEC official told Reuters.

Gold prices lost much of their early gains early "non-farm payroll Friday" that came in the wake of the weaker-than-expected US jobs report. December gold was last up \$1.30 at \$1,323.70.

In *base metals* news, nickel carved out a new nine-month peak on Friday after further gains in steel prices and strong factory data in top metals consumer China.

Nickel and zinc markets are heavily influenced by steel prices since they are mainly used in the steel sector.

Copper also rose after inventories in LME-approved warehouses fell on Friday after a rise on Thursday. This interrupted weeks of falling stocks, which have dropped by about 30% over the past two months, Reuters reported.

Stock picks for trading week ahead

Boral Limited (ASX:BLD) Buy. CEO Mike Kane stated after the release of a strong set of FY17 numbers that he is looking for "strong underlying demand for infrastructure and housing in Australia and in the US". We note that Texas is an important market for Boral's products. Reconstruction here after the unfortunate effects of Hurricane Harvey could provide a significant near-term lift to sales. At current share price levels, BLD offers some 7% upside potential to an IRESS consensus target price of A\$7.04. Including a FY18E dividend yield of 4%, BLD offers a one-year total return of around 11%.

Ramsay Health Care (ASX:RHC) Buy. Although we saw share price weakness in the past week on RHC's guidance of slower earnings growth (8-10% in FY18E vs 13% in FY17), we like the group's investment thematic of exposure to a growing and ageing population, increased chronic disease, as well as ongoing growth in hospital utilisation rates. At current share price levels, RHC offers some 12% upside potential to an IRESS consensus target price of A\$75.35. Including a FY18E dividend yield of 2.25%, BLD offers a one-year total return of around 14%.

Alumina (ASX: AWC) Hold. The share price has ramped up strongly over the past 18 months on the back of restructuring at the parent company level (AWAC) and an improvement in the aluminium price. However, we believe that supply-side constraints (environmental cutbacks in China) and increased demand (light-weight EV vehicles) could see prices for the light-weight metal increase beyond the current price of US\$2,100/t. While AWC's share price looks fully valued, a FY18E dividend yield of 6.4% will maintain strong investor interest.

Economic Calendar 4/09/2017 – 8/09/2017

Tuesday September 05 2017		Actual	Previous	Consensus	Forecast	
12:30 PM	AU RBA Interest Rate Decision		1.5%	1.5%	1.5%	—
01:45 PM	CH GDP Growth Rate QoQ Q2		0.3%	0.5%	0.6%	▮ ▮ ▮
01:45 PM	CH GDP Growth Rate YoY Q2		0.7%	1.1%	1.5%	▮ ▮ ▮
Wednesday September 06 2017		Actual	Previous	Consensus	Forecast	
09:30 AM	AU GDP Growth Rate QoQ Q2		0.3%	0.8%	0.7%	▮ ▮ ▮
09:30 AM	AU GDP Growth Rate YoY Q2		1.7%	1.8%	1.8%	▮ ▮ ▮
08:30 PM	CA Balance of Trade JUL		C\$-3.60B	C\$-3.3B	C\$-4B	▮ ▮ ▮
08:30 PM	US Balance of Trade JUL		\$-43.6B	\$-44.6B	\$-44.2B	▮ ▮ ▮
10:00 PM	CA BoC Interest Rate Decision		0.75%	0.75%	0.75%	—
10:00 PM	US ISM Non-Manufacturing PMI AUG		53.9	55.3	55.2	▮ ▮ ▮
Thursday September 07 2017		Actual	Previous	Consensus	Forecast	
09:30 AM	AU Balance of Trade JUL		A\$0.86B	A\$0.875B	A\$0.9B	▮ ▮ ▮
05:00 PM	EA GDP Growth Rate QoQ 3rd Est Q2		0.5%	0.6%	0.6%	▮ ▮ ▮
05:00 PM	EA GDP Growth Rate YoY 3rd Est Q2		1.9%	2.2%	2.2%	▮ ▮ ▮
07:45 PM	EA ECB Interest Rate Decision		0%	0%	0%	—
08:30 PM	EA ECB Press Conference					—
10:00 PM	CA Ivey PMI s.a AUG		60		61	▮ ▮ ▮
Friday September 08 2017		Actual	Previous	Consensus	Forecast	
10:00 AM	CN Balance of Trade AUG		\$46.74B		\$48B	▮ ▮ ▮
10:00 AM	CN Exports YoY AUG		7.2%			▮ ▮ ▮
10:00 AM	CN Imports YoY AUG		11.0%			▮ ▮ ▮
02:00 PM	DE Balance of Trade JUL		€22.3B		€21.1B	▮ ▮ ▮
04:30 PM	GB Balance of Trade JUL		£-4.56B		£-4.7B	▮ ▮ ▮
08:30 PM	CA Employment Change AUG		10.9K	15K	26K	▮ ▮ ▮
08:30 PM	CA Unemployment Rate AUG		6.3%	6.3%	6.3%	▮ ▮ ▮

Source: www.tradingeconomics.com

Economic Calendar 11/09/2017 – 15/09/2017

Monday September 11 2017		Actual	Previous	Consensus	Forecast
03:00 PM	🇹🇷 TR GDP Growth Rate QoQ Q2		1.4%	0.9%	
03:00 PM	🇹🇷 TR GDP Growth Rate YoY Q2		5%	5.5%	
Tuesday September 12 2017		Actual	Previous	Consensus	Forecast
09:30 AM	🇦🇺 AU NAB Business Confidence AUG		12	9	
04:30 PM	🇬🇧 GB Inflation Rate YoY AUG		2.6%	2.55%	
Wednesday September 13 2017		Actual	Previous	Consensus	Forecast
08:30 AM	🇦🇺 AU Westpac Consumer Confidence Index SEP		95.5		
08:30 AM	🇦🇺 AU Westpac Consumer Confidence Change SEP		-1.2%		
04:30 PM	🇬🇧 GB Claimant Count Change AUG		-4.2K	8.8K	
04:30 PM	🇬🇧 GB Unemployment Rate JUL		4.4%	4.4%	
Thursday September 14 2017		Actual	Previous	Consensus	Forecast
09:30 AM	🇦🇺 AU Employment Change AUG		27.9K	24.1K	
09:30 AM	🇦🇺 AU Unemployment Rate AUG		5.6%	5.6%	
03:30 PM	🇨🇭 CH SNB Interest Rate Decision		-0.75%	-0.75%	
07:00 PM	🇬🇧 GB MPC Meeting Minutes				
07:00 PM	🇬🇧 GB BoE Interest Rate Decision		0.25%	0.25%	
07:00 PM	🇬🇧 GB BoE Quantitative Easing		£435B	£435B	
08:30 PM	🇺🇸 US Core Inflation Rate YoY AUG		1.7%	1.8%	
08:30 PM	🇺🇸 US Inflation Rate YoY AUG			1.9%	
Friday September 15 2017		Actual	Previous	Consensus	Forecast
08:30 PM	🇺🇸 US Retail Sales MoM AUG		0.6%	0.25%	
10:00 PM	🇺🇸 US Michigan Consumer Sentiment Prel SEP		96.8	96.95	

Source: www.tradingeconomics.com

All Ords Top 10 Week Ending 1 September 2017

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
BKL	Blackmores Limited	24.8	JHC	Japara Healthcare Lt	-15.8
ORE	Orocobre Limited	19.1	CNU	Chorus Limited	-15.8
ALU	Altium Limited	17.9	HVN	Harvey Norman	-10.7
RSG	Resolute Mining	17.7	NEC	Nine Entertainment	-9.3
GXY	Galaxy Resources	15.3	REG	Regis Healthcare Ltd	-9.2
SYR	Syrah Resources	12.3	RHC	Ramsay Health Care	-8.7
SAR	Saracen Mineral	8.1	VOC	Vocus Group Ltd	-7.3
WEB	Webjet Limited	8.0	JBH	JB Hi-Fi Limited	-7.2
SFR	Sandfire Resources	7.4	TLS	Telstra Corporation.	-6.4
RWC	Reliance Worldwide	7.1	SKC	Skycity Ent Grp Ltd	-6.3

Source: IRESS

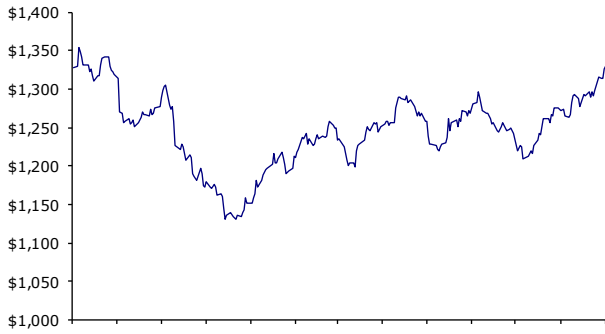
S & P Indices Week Ending 1 September 2017

S&P Indices	2/09/2017	26/08/2017	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	9221	9222	0.0%	4.7%	11.3%
S&P 200 Materials	10606	10462	1.4%	3.1%	24.6%
S&P 200 Industrials	5761	5777	-0.3%	1.2%	8.8%
S&P 200 Consumer Disc.	2128	2173	-2.0%	-2.8%	-3.8%
S&P 200 Consumer Staples	9522	9465	0.6%	2.3%	6.4%
S&P 200 Healthcare	22638	22546	0.4%	0.0%	3.2%
S&P 200 Financials	6351	6438	-1.3%	-3.1%	6.4%
S&P 200 Info Technology	885	861	2.8%	0.7%	5.8%
S&P 200 Telecommunicatic	1290	1374	-6.1%	-11.0%	-33.4%
S&P 200 Utilities	8462	8167	3.6%	1.4%	11.8%
S&P 200 Property Trusts	1320	1306	1.1%	0.0%	-11.3%
S&P 200 Financials ex PT	7083	7180	-1.3%	-3.1%	7.6%

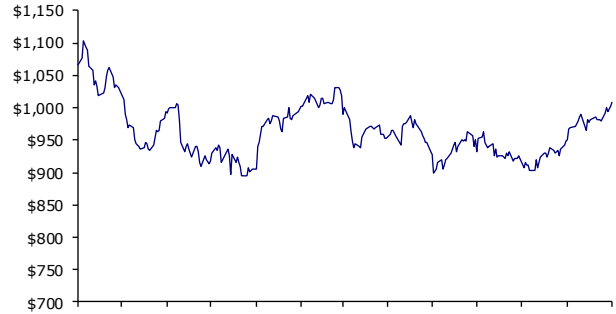
Source: IRESS

1 Year Commodity Price Charts

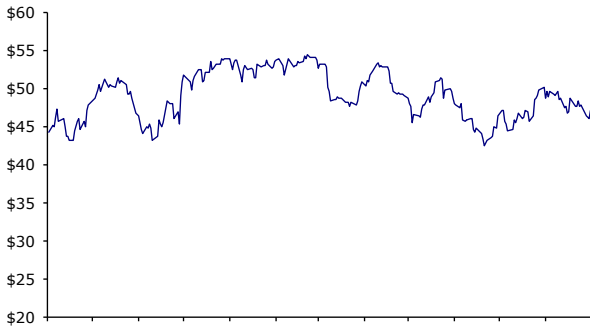
1 Year Gold



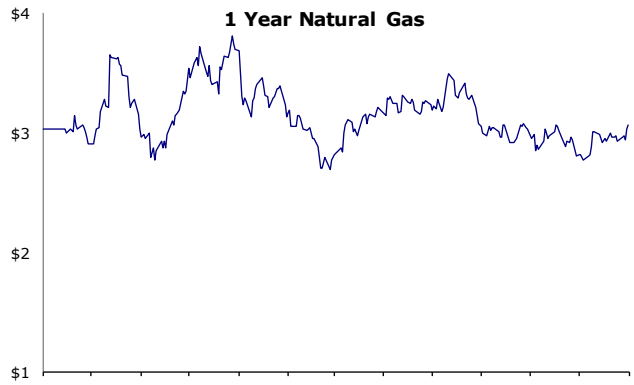
1 Year Platinum



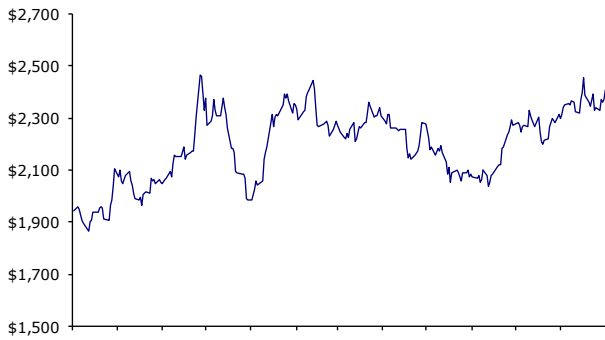
1 Year Oil



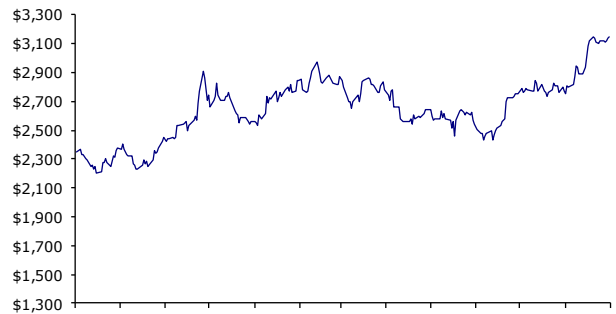
1 Year Natural Gas



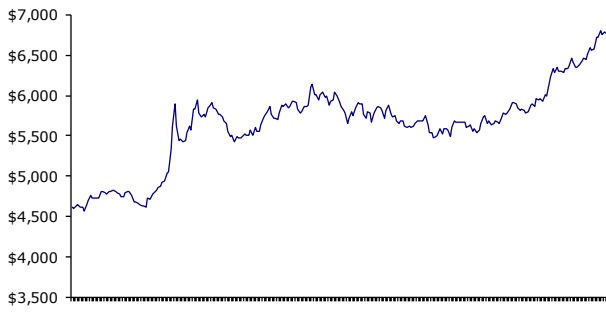
1 Year Lead



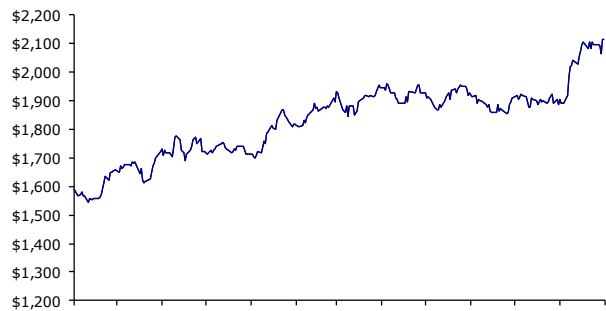
1 Year Zinc



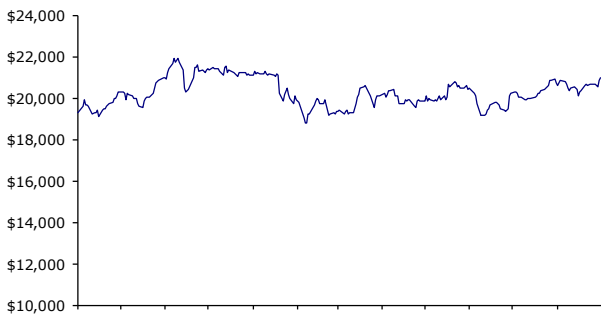
1 Year Copper



1 Year Aluminium

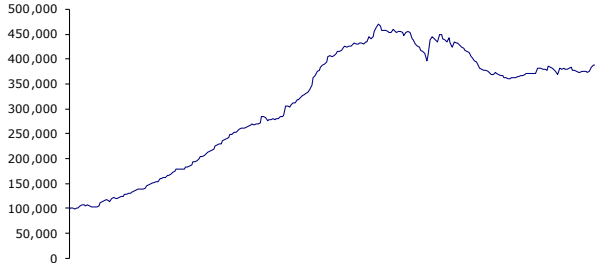


1 Year Tin

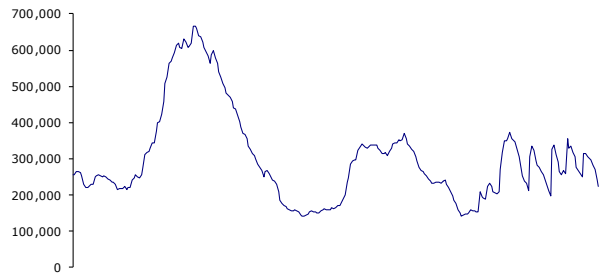


5 Year Metals Stockpiles

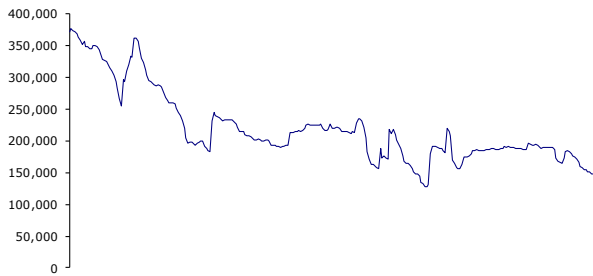
Nickel LME Stockpiles - 5 Year



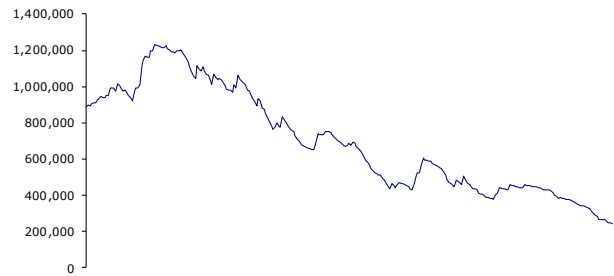
Copper LME Stockpiles - 5 Year



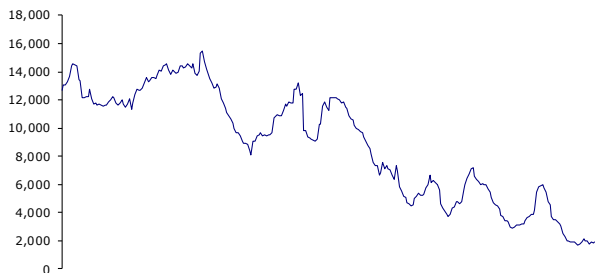
Lead LME Stockpiles - 5 Year



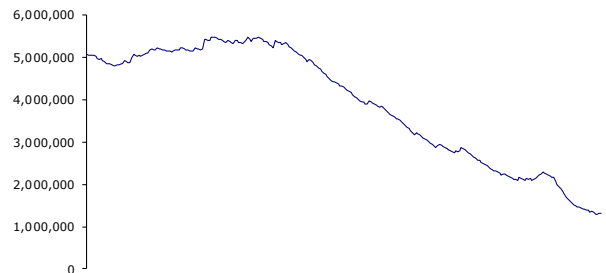
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year



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