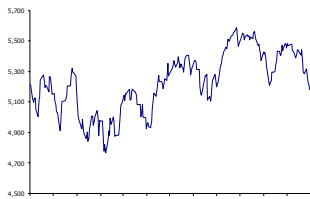


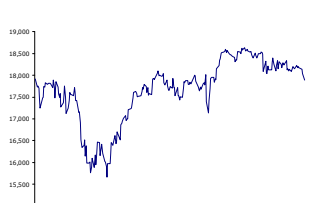
STATE ONE SPINNAKER

6 November 2016
Issue 345

12 month XJO chart



12 month Dow Jones chart



State One Research Products

Spinnaker Free Weekly

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Daily Resources [Clients Only](#)

Overview

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Global Wrap – 6 November 2016

World Markets	6/11/2016	30/10/2016	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5181	5284	-1.9%	-5.4%	-1.6%
Dow Jones	17888	18161	-1.5%	-1.4%	2.3%
Nasdaq	5284	5284	0.0%	-0.2%	21.9%
S&P 500	2085	2126	-1.9%	-2.5%	1.6%
FTSE 100	6693	6996	-4.3%	-4.7%	5.0%
DAX30	10259	10696	-4.1%	-2.5%	-6.5%
Shanghai Composite	3125	3100	0.8%	2.1%	-7.2%
Nikkei 225	16905	17425	-3.0%	0.8%	-8.3%
Hang Seng	22643	22955	-1.4%	-3.3%	-0.9%
Currency					
AUD/USD	0.7677	0.7608	0.9%	1.1%	9.0%
Commodities					
Oil (\$/bbl)	44.1	46.8	-5.7%	-12.7%	-0.9%
Gas (\$/gal)	2.9	3.3	-9.9%	-8.2%	22.8%
Iron Ore (\$/t)	53.9	53.9	0.0%	6.9%	7.8%
Copper (\$/t)	4943	4787	3.3%	2.9%	-6.3%
Lead (\$/t)	2071	2048	1.1%	1.4%	19.3%
Zinc (\$/t)	2423	2374	2.1%	7.2%	41.3%
Aluminium (\$/t)	1719	1702	1.0%	2.0%	16.1%
Nickel (\$/t)	10385	10340	0.4%	-1.8%	-0.2%
Tin (\$/t)	21405	20875	2.5%	7.0%	34.0%
Gold (\$/oz)	1305	1276	2.3%	3.9%	11.9%
Silver (\$/oz)	18.4	17.8	3.8%	5.3%	16.3%
Platinum (\$/oz)	1000	980	2.0%	5.8%	-1.2%
Wheat (\$/t)	414.250	408.500	1.4%	4.4%	-15.6%

Source: Iress

Davenport Resources Limited IPO

IPO Offer of 25-30m shares at A\$0.20 per share to raise up to A\$6m. Proposing to list on ASX as "DAV" by mid-Dec 2016. Closes 25 Nov 2016.

[Read More](#) or [View Prospectus](#) at <https://www.stateone.com.au/>.

Global Wrap

US

Should there be a clear result, the outcome of the US presidential election could be known from ~3pm AEDST Wednesday.

In the meantime, a mix of market wariness and angst is likely to remain. This past week, across major US indices alone, sessional trading volumes largely came in at least 10% higher than for the previous three weeks.

Friday's October employment statistics included some weaker-than-anticipated progress for the US jobs market, but were regarded as more than satisfactory, given the trend towards full employment remains sufficiently steep to account for working-age population growth.

161,000 jobs were created, following forecasts averaging 173,000. September's total was revised 35,000 higher than the initial estimate, to 191,000. August's tally was raised 9000, to 176,000.

The unemployment rate came in 0.1% lower than for September, at 4.9%, in part due to fewer people looking for work. Those employed, or looking for paid work, slipped 0.1% to 62.8%.

Those wanting to work more, or who had given up looking for employment, fell 0.2% to 9.5%, the least proportion in 8.5 years.

Average hourly earnings were calculated 0.4% (US10c) higher for the month, following a 0.3% increase in September.

The Federal Reserve policy meeting this past week produced a statement revealing an 8-2 vote to keep rates steady until at least 14 December, but the suggestion that a rate rise could well be considered prudent at the December meeting appeared more sinewy.

During the past week, a private sector employment report calculated 55,000 fewer jobs were added in October than in September, the tally coming to 147,000.

In other data released during the week, the US services sector was judged to remain relatively sound.

The ISM non-manufacturing index pulled back 2.3 points nonetheless, to 54.8, and the new orders and employment components each fell. As this sector accounts for 60% of the US economy, these figures are keenly analysed.

Manufacturing, estimated to be worth 12% of overall GDP, has continued to prove mixed across regions, the obvious challenges remaining weakening international demand and \$US strength.

This week, the overall ISM manufacturing October index was estimated 0.4 higher, at 51.9.

The coming week offers relatively few economic indicator updates, but in any case, Federal Reserve policy expectations will likely depend on whatever happens in politics.

Europe

The UK began Guy Fawkes weekend with plenty of spark and spot fires.

Thursday, Britain's High Court placed in question the proposed separation of the UK from the European Union (EU), ruling the triggering of the process must first be approved by the UK parliament.

The government will appeal at a Supreme Court hearing set for 3 – 8 December, meaning plans and deadlines already in place are likely now rubbery at best.

The ruling and appeal also mean a heightening of uncertainty for businesses operating in the UK and doing business in the EU.

The High Court ruling pushed the British pound higher, but not before the Bank of England (BoE) had produced a new inflation and GDP growth report, based in part on the depreciation of the pound since the 23 June vote in favour of the UK leaving the EU.

The BoE had plenty to say Thursday, in fact, also convening a policy meeting and hence delivering a post-meeting statement, in addition to the inflation report.

The statement suggested the recent policy changes had been sufficient and that no further change ought be expected in the near-term. In light of the High Court ruling, monetary policy committee members may indeed find criticism of the recent new policy support package could quieten a little.

Earlier in the week, BoE governor Mark Carney had announced he would serve five years before stepping down, in 2019, after the UK-EU separation had been effected. Some speculated the timing was also determined in line with parliamentary elections due in Canada (the governor's home).

Except for Canada's elections perhaps, none of this now remains assured.

Some of the UK PM's agenda during a three-day official visit to India, commencing Sunday, may also require some diffusion.

Expect plenty of commentary this coming week.

At least some of this will likely also refer to new industrial, trade and manufacturing figures from both sides of the channel.

This past week, Deutsche Bank suffered again, this time at the hands of Fitch Ratings, which placed the German institution's debt assignments on negative watch.

Further north, Sweden had good news to tell, September industrial output rising 5.8% for the month, following a 4.1% drop in August. Forecasters had tipped a 2.8% gain.

China

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Japan

While the US, UK-EU and China will provide the main focus for markets this week, Bank of Japan (BoJ) policy meeting minutes, trade figures and machine tool orders will provide a sufficient mix to fuel further argument regarding the BoJ's inflation target timeline and associated policies.

Indications came in generally positive this past week.

Japan's services sector returned to expansion mode in October, according to the Nikkei PMI, which was estimated 2.3 points higher for the month, at 50.5.

The final October manufacturing PMI was estimated 0.3 lower than the initial estimate, at 51.4, but

nonetheless represented a one-point improvement on September.

BoJ governor Haruhiko Kuroda announced Tuesday that the central bank's policy committee had agreed at this week's meeting to push back the 2% inflation target to FY 2018, from FY2017.

Australia

The Reserve Bank of Australia's (RBA) quarterly monetary policy statement, released Friday, appeared to acknowledge no foreseeable need for any significant policy change.

Rather, the report suggested a level of comfort with 2% - 3% domestic inflation growth through 2017 and 2018 and GDP growth at ~3%, on recent appreciation in key export commodities prices, and decreasing risk for China, in part based on government support for infrastructure development and bank lending.

The RBA did not fail to note the underemployment trend and subscribed to the view current levels were likely due to insufficient, suitable full-time work as opposed to individuals' work preferences.

Nonetheless, the RBA's Tuesday post-policy meeting statement had likewise discredited any need for near-term rate cuts, retaining the 1.5% cash rate. As with the quarterly report, the statement cited economic growth appearing sustainable and a likely rise in inflation.

Statistics painting a broad view of national economics were in no short supply this past week, and there will be more to come this week.

September retail sales were reported 0.6% higher than for August, during which sales rose 0.5%.

A \$1.23B September trade deficit also encouraged, after \$1.89B for August, and following forecasts of \$1.7B.

Exports, by value, rose 1.6%, supported by coal, which appreciated 12% to \$3.2B.

Imports fell 0.8%.

The last time Australia produced a trade surplus was for March 2014.

A Deloitte Access Economics 'Investment Monitor' update, released this week, calculated \$812.8B worth of projects 'in the pipeline' as at 30 September, against \$822.5B at 30 June.

~1100 projects were each judged to be worth a minimum \$20M.

Definite (under construction, or committed) projects totalled \$434.7B, \$3.6B more than at the end of June and \$28.2B more than a year ago.

The value of definite public transport projects came in at \$100B, against \$54.6B a year ago.

September housing approvals dropped 8.7% for the month and 6.4% year-on-year, largely due to a pullback in new projects for the currently oversupplied apartment market.

In the meantime, Fitch Ratings helped bolster finance sector morale, affirming debt ratings for five regional banks and retaining stable outlooks for each. Standard & Poor's on the other hand, assigned a negative outlook to AMP Ltd and its insurance subsidiaries.

This coming week will begin with the release of a construction sector activity index and job advertisements report.

Monthly business conditions, consumer confidence and consumer inflation expectation reports will follow through mid-week, together with October lending figures.

Commodities

Oil prices slid below \$US45/bbl this week, after US stored crude was calculated to have increased a record 14.4MMbbl during the previous week.

Saudi Aramco president Amin al-Nasser proffered however that the international crude market would stabilise by mid-2017.

OPEC and individual members remained in focus, ahead of the organisation's 30 November meeting.

Last weekend, Iraq backed up its claim of inaccurate OPEC production figures, by releasing Iraqi-controlled individual oil field statistics, plus those for the northern Iraq Kurdish region.

This put Iraq's September production at a daily 4.7MMbbl, thousands of barrels higher than estimates supplied by OPEC.

Nigeria reported it had regrown output to a daily 2.1MMbbl, while Libya reported 590,000bpd production, representing a 100% increase since mid-September.

An industry survey placed October daily OPEC output at 33.8MMbbl.

In the meantime, a report estimated December daily North Sea shipments are likely to tally 2.16MMbbl, the most since May 2012.

In other energy sector news, Anglo Pacific Group reported £4.7M September quarter royalty income, against £1.9M a year ago, mostly due to coal price gains, but also on account of a weaker British pound.

Glencore, for its part, revealed it was reopening an Australian (coking) coal mine acquired from Vale last year. Vale had closed the mine in July 2014 when prices were languishing.

Iron ore (China port, 62% Fe) prices traded at six-month peaks this week, but some analysts warned the ~20% gain in the four weeks belies supply and expected production levels.

Coal, iron ore and steel price appreciations were at least in part fuelled by speculation supported by margin loans, one report surmised.

In the corporate steel sector, insolvency firm KordaMentha revealed an agreement to sell Arrium's steel consumables business Moly-Cop for ~\$US1.2B.

Moly-Cop makes steel grinding balls, which are used to process minerals such as gold and copper.

Comex gold futures appreciated on safe-haven buying as US presidential election jitters set in early-week.

By mid-week however, the general dis-ease prompted profit-taking, pushing prices lower again.

Using World Gold Council figures, Capital Economics in the meantime estimated central banks had acquired a net 13t of gold during October. Russia's central bank reportedly purchased 16t, the People's Bank of China ~5t, and Kazakhstan ~4t, while Turkey offloaded 13t.

London Metals Exchange (LME) base metals trade volumes were notably lower this week, due to LME week.

Copper trade was supported in general however by China's PMIs.

Zinc prices appreciated to five-year highs, helped this week by news out of Glencore, that the conglomerate was closing one of its Mt Isa mines. Glencore had been winding down the operation over the past three years however, as the zinc-lead reserves dwindled.

Tin settled mid-week at two-year highs, a drop in stockpiles to 12-year lows suggesting a possible upcoming shortage.

November is barely underway, but speculation is already rife as to which hard or soft commodity will make it to the winner's stand for the greatest price appreciation of the year.

Economic Calendar 7/11/2016 – 11/11/2016

Monday November 07 2016		Actual	Previous	Consensus Forecast		
12:00 PM	ID GDP Growth Rate QoQ Q3		4.02%	3.22%	3.6%	
12:00 PM	ID GDP Growth Rate YoY Q3		5.18%	5.04%	5.0%	
01:00 PM	ID Business Confidence Q3		110.24		104.0	
Tuesday November 08 2016		Actual	Previous	Consensus Forecast		
08:30 AM	AU NAB Business Confidence OCT		6		5	
10:00 AM	CN Balance of Trade OCT		\$41.99B	\$51.7B	\$48.9B	
10:00 AM	CN Exports YoY OCT		-10.0%		-6%	
10:00 AM	CN Imports YoY OCT		-1.9%		-1%	
03:00 PM	DE Balance of Trade SEP		€20.0B		€ 20.5B	
	US Presidential Elections		Obama		Hillary	
Wednesday November 09 2016		Actual	Previous	Consensus Forecast		
07:30 AM	AU Westpac Consumer Confidence Index NOV		102.4		102.50	
07:30 AM	AU Westpac Consumer Confidence Change NOV		1.1%			
09:30 AM	CN Inflation Rate YoY OCT		1.9%	2.1%	2%	
05:30 PM	GB Balance of Trade SEP		£-4.7B		£ -1.7B	
Friday November 11 2016		Actual	Previous	Consensus Forecast		
11:00 PM	US Michigan Consumer Sentiment Prel NOV		87.2	89.5	90.3	

Source: www.tradingeconomics.com

Economic Calendar 14/11/2016 – 18/11/2016

Monday November 14 2016		Actual	Previous	Consensus	Forecast
07:50 AM	JP GDP Growth Rate QoQ Prel Q3		0.2%	0.2%	0.2%
07:50 AM	JP GDP Growth Annualized Prel Q3		0.7%	0.9%	1%
09:00 PM	RU GDP Growth Rate YoY Prel Q3		-0.6%		-0.9%
Tuesday November 15 2016		Actual	Previous	Consensus	Forecast
03:00 PM	DE GDP Growth Rate QoQ Flash Q3		0.4%		0.2%
03:00 PM	DE GDP Growth Rate YoY Flash Q3		3.1%		2.2%
05:00 PM	IT GDP Growth Rate QoQ Adv Q3		0%		0.2%
05:00 PM	IT GDP Growth Rate YoY Adv Q3		0.8%		1%
05:30 PM	GB Inflation Rate YoY OCT		1%		1.1%
06:00 PM	EA GDP Growth Rate QoQ 2nd Est Q3		0.3%	0.3%	0.3%
06:00 PM	EA GDP Growth Rate YoY 2nd Est Q3		1.6%	1.6%	1.6%
06:00 PM	DE ZEW Economic Sentiment Index NOV		6.2		9.2
09:30 PM	US Retail Sales MoM OCT		0.6%		0.42%
Wednesday November 16 2016		Actual	Previous	Consensus	Forecast
05:00 PM	EA ECB Non-Monetary Policy Meeting				
05:30 PM	GB Claimant Count Change OCT		0.7K		-0.9K
05:30 PM	GB Unemployment Rate SEP		4.9%		5%
Thursday November 17 2016		Actual	Previous	Consensus	Forecast
08:30 AM	AU Employment Change OCT		-9.8K		-4K
08:30 AM	AU RBA Meeting Minutes				
08:30 AM	AU Unemployment Rate OCT		5.6%		5.9%
02:30 PM	FR Unemployment Rate Q3		9.9%		9.8%
09:30 PM	US Core Inflation Rate YoY OCT		2.2%		2.2%
09:30 PM	US Inflation Rate YoY OCT		1.5%		1.5%
Friday November 18 2016		Actual	Previous	Consensus	Forecast
09:30 PM	CA Inflation Rate YoY OCT		1.3%		1.3%

Source: www.tradingeconomics.com

All Ords Top 10 Week Ending 4 November 2016

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
SAR	Saracen Mineral	15.3	WEB	Webjet Limited	-16.9
ORE	Orocobre Limited	13.5	MYX	Mayne Pharma Ltd	-13.8
EVN	Evolution Mining Ltd	12.9	FLT	Flight Centre Travel	-11.3
NCM	Newcrest Mining	10.6	SYR	Syrah Resources	-10.7
OZL	OZ Minerals	10.6	NXT	Nextdc Limited	-10.6
NST	Northern Star	9.1	WSA	Western Areas Ltd	-10.3
NEC	Nine Entertainment	8.7	ACX	Aconex Limited	-10.2
RRL	Regis Resources	7.0	SKT	Sky Network	-9.9
CYB	Cybg PLC	6.3	CWY	Cleanaway Waste Ltd	-9.1
CSR	CSR Limited	6.3	BLD	Boral Limited	-9.0

Source: IRESS

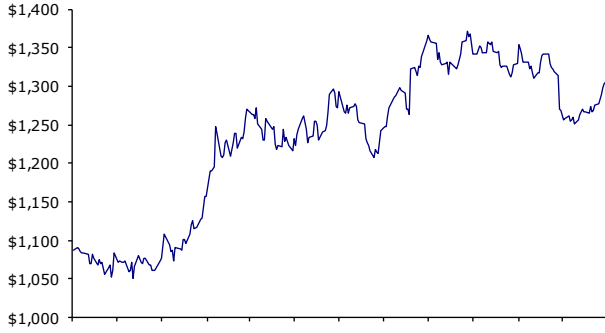
S & P Indices Week Ending 4 November 2016

S&P Indices	6/11/2016	30/10/2016	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	8016	8245	-2.8%	-9.5%	-11.5%
S&P 200 Materials	9052	9108	-0.6%	-0.8%	10.3%
S&P 200 Industrials	4894	4953	-1.2%	-4.6%	3.0%
S&P 200 Consumer Disc.	2004	2063	-2.9%	-8.6%	9.3%
S&P 200 Consumer Staples	8488	8651	-1.9%	-7.9%	-3.2%
S&P 200 Healthcare	19387	19724	-1.7%	-9.9%	7.3%
S&P 200 Financials	5739	5940	-3.4%	-5.8%	-5.6%
S&P 200 Info Technology	745	780	-4.6%	-10.1%	3.6%
S&P 200 Telecommunicatic	1746	1767	-1.2%	-3.9%	-11.7%
S&P 200 Utilities	7112	6990	1.8%	0.8%	5.7%
S&P 200 Property Trusts	1308	1296	1.0%	-4.4%	3.3%
S&P 200 Financials ex PT	6401	6625	-3.4%	-5.8%	-8.0%

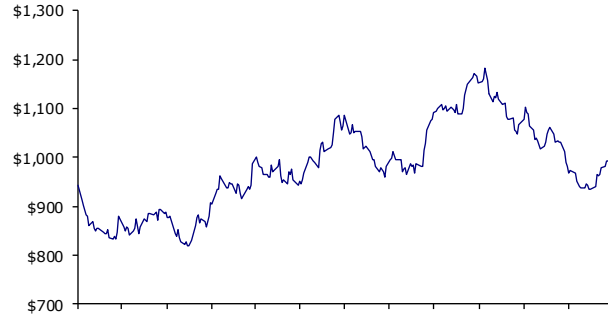
Source: IRESS

1 Year Commodity Price Charts

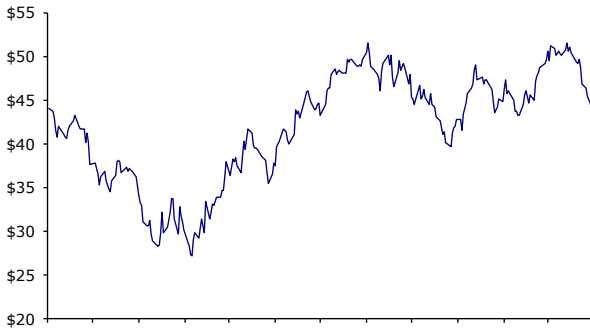
1 Year Gold



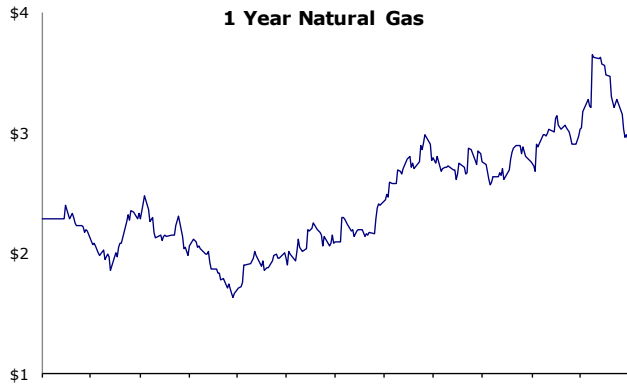
1 Year Platinum



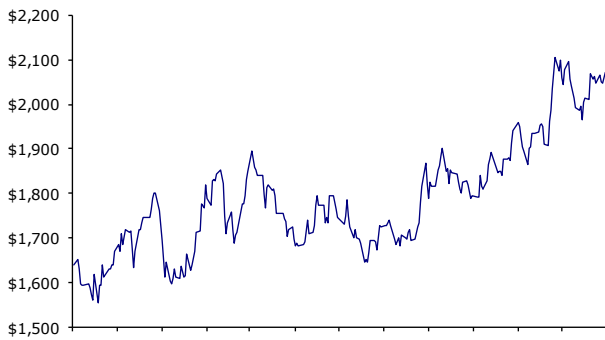
1 Year Oil



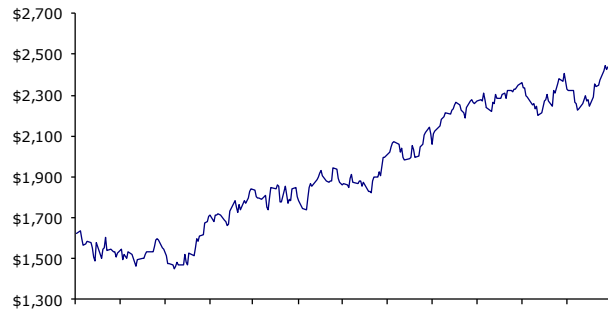
1 Year Natural Gas



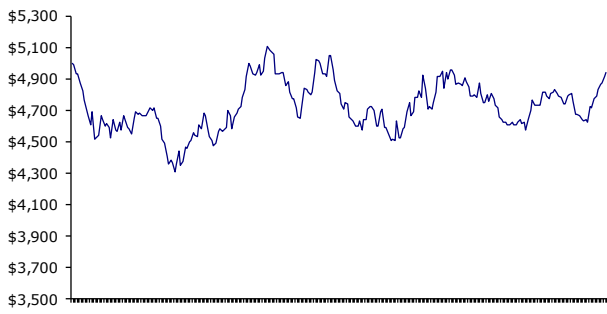
1 Year Lead



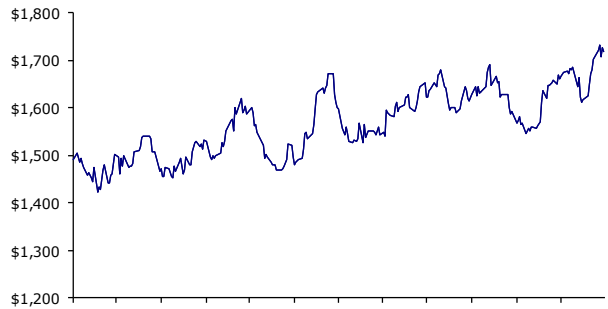
1 Year Zinc



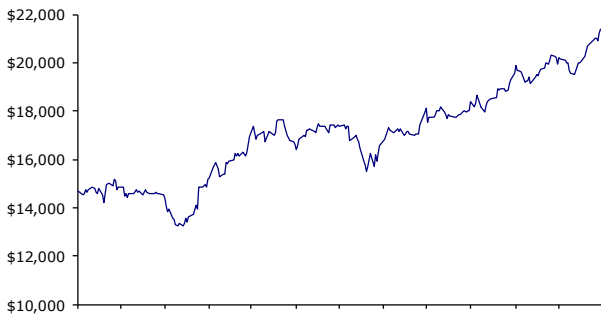
1 Year Copper



1 Year Aluminium

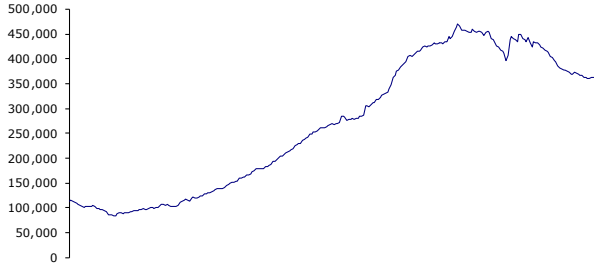


1 Year Tin

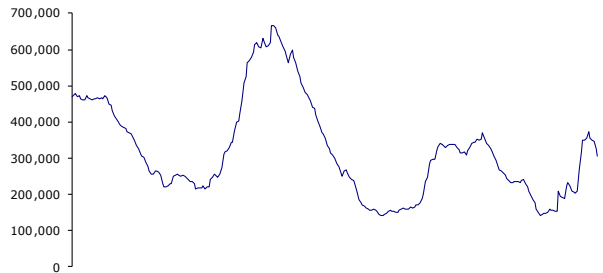


5 Year Metals Stockpiles

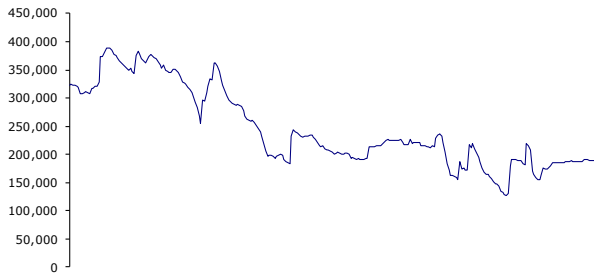
Nickel LME Stockpiles - 5 Year



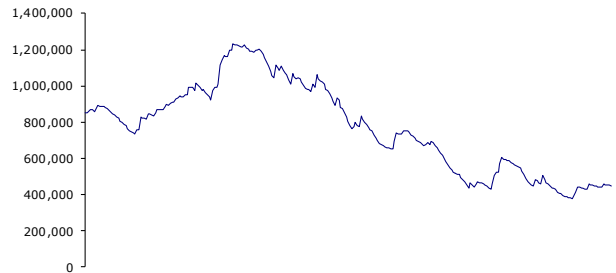
Copper LME Stockpiles - 5 Year



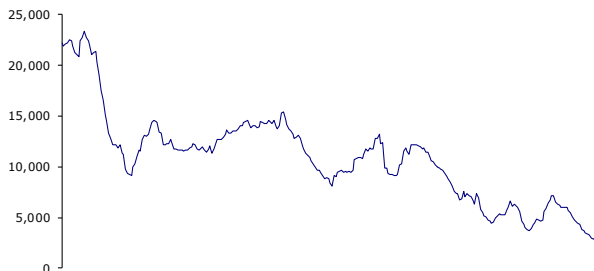
Lead LME Stockpiles - 5 Year



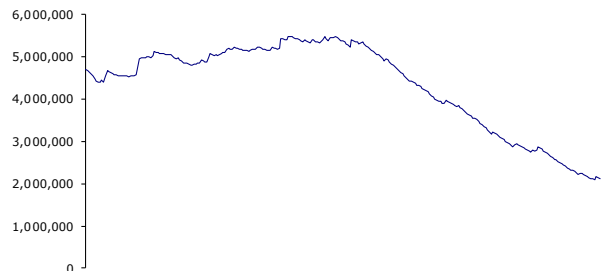
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year



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