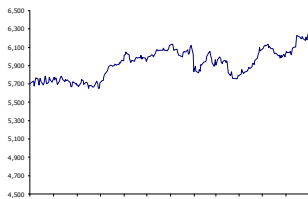


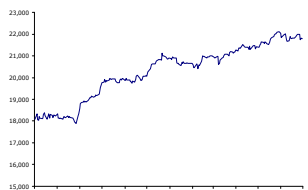
STATE ONE SPINNAKER

8 July 2018
Issue 418

12 month XJO chart



12 month Dow Jones chart



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Overview

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Global Wrap – 8 July 2018

World Markets	8/07/2018	1/07/2018	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	6272	6195	1.3%	4.1%	13.1%
Dow Jones	21798	21988	-0.9%	-1.0%	18.0%
Nasdaq	5284	5284	0.0%	-0.2%	21.9%
S&P 500	2760	2718	1.5%	-0.6%	22.9%
FTSE 100	7618	7637	-0.3%	-1.1%	9.9%
DAX30	12496	12306	1.5%	-3.1%	0.5%
Shanghai Composite	2747	2776	-1.0%	-9.8%	-14.6%
Nikkei 225	21788	21812	-0.1%	-4.2%	16.1%
Hang Seng	28316	28955	-2.2%	-7.8%	23.9%
Currency					
AUD/USD	0.7429	0.7340	1.2%	1.0%	-2.3%
Commodities					
Oil (\$/bbl)	73.9	74.0	-0.2%	10.3%	66.6%
Gas (\$/gal)	2.9	2.9	-2.3%	-3.4%	-5.5%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	6326	6646	-4.8%	-12.2%	8.4%
Lead (\$/t)	2321	2432	-4.6%	-5.7%	-0.4%
Zinc (\$/t)	2797	2948	-5.1%	-13.4%	1.9%
Aluminium (\$/t)	2099	2183	-3.9%	-7.9%	21.2%
Nickel (\$/t)	13760	14910	-7.7%	-9.4%	21.0%
Tin (\$/t)	19425	19675	-1.3%	-7.1%	-9.2%
Gold (\$/oz)	1256	1255	0.1%	-3.6%	7.1%
Silver (\$/oz)	16.1	16.2	-0.8%	-5.8%	-6.0%
Platinum (\$/oz)	849	858	-1.1%	-6.2%	-9.5%
Wheat (\$/t)	514.250	506.500	1.5%	-3.3%	26.0%

Source: Iress

Global Wrap

Key points

- Markets digest start of tariff war**
- ASX hits 10 and a half year high**
- Telstra, Resolute stand outUS**

Stocks rose on Friday after the release of stronger-than-expected employment data, CNBC reported.

Investors also shrugged off concerns over an escalating trade war between the US and China.

The Dow Jones Industrial Average jumped 99.74 points to 24,456.48, with Apple and Microsoft outperforming.

The S&P 500 closed 0.8% higher at 2,759.82, with health care rising 1.5%.

The Nasdaq composite climbed 1.3% to 7,688.39 as the iShares Nasdaq Biotechnology ETF (IBB) surged 3.8%.

Facebook rose to an all-time high, also boosting the Nasdaq.

Data released on Friday showed the US economy added 213,000 jobs in June, while economists polled by Reuters expected a gain of 195,000.

Unemployment, however, rose slightly to 4% from 3.8%. Economists believe this is because more people are now looking for work.

Wage growth also missed expectations, climbing 2.7% on a year-over-year basis. Economists expected growth of 2.8%.

The jobs report comes a day after the Federal Reserve released a revealing summary from its most-recent meeting. The minutes showed some officials were concerned that "a prolonged period in which the economy operated beyond potential could give rise to heightened inflationary pressures".

Investors will therefore keep a close eye on next Friday's CPI and more jobs figures.

US-China tariffs begin: Also on Friday US tariffs on \$34 billion worth of Chinese goods began, with retaliatory tariffs from China immediately implemented.

China said the US has now initiated the largest trade war in history.

The escalation of the trade war is showing no signs of reaching a resolution and it comes at a time when global trade is slowing down anyway, raising threats to global economic growth.

President Donald Trump, however, floated the idea of slapping tariffs on an additional \$500 billion worth in Chinese goods.

Trade-war fears have been simmering for months, keeping market gains in check as investors fret over the impact of tariffs on corporate profits.

China

China's stocks rebounded from a 28-month low on Friday, led by gains in companies reliant on domestic consumers.

Consumer and health care companies helped with the recovery as traders began to load up on stocks they believe were least exposed to overseas sales.

Agricultural producers also gained on expectations that Beijing will levy retaliatory tariffs on US goods from soybean to pork.

"The materialisation of US\$34 billion of tariffs on both sides has led to market relief and a rebound in stocks, although the market is likely to remain volatile on expectations that Trump may launch new measures as early as in the coming week or so," a director of securities brokerage AMTD told The South China Morning Post.

The Shanghai Composite rose 13.35 points to end at 2,747.23, paring its weekly loss to 3.5 %. However the benchmark of 1,400-plus stocks capped a seventh straight weekly loss, the longest losing streak in six years. Hong Kong's Hang Seng Index climbed 0.5% to 28,315.62.

China's CPI will be released on Tuesday.

Europe

European equities closed slightly in the green on Friday afternoon as investors monitored trade developments coming out of the US and China, CNBC reported.

The pan-European Stoxx 600 closed 0.2% higher. While all major bourses were positive by a small margin, business sectors pointed in different directions.

Autos ended trade 0.8% lower after a turbulent week. Carmakers had jumped 3% on Thursday after comments from the US ambassador to Germany that President Donald Trump would halt threats of tariffs on imported European Union cars if the bloc in turn lifted its duties on US vehicles.

A slew of euro data will be released next Thursday including the zone's industrial production data, European Central Bank policy meeting accounts, and French and German CPI.

Japan

The start of US tariffs on Chinese imports had the effect of helping Tokyo stocks on Friday. As the measures were within expectations and removed an uncertain factor from the market, they attracted buybacks in Japan.

Strong Chinese stocks also supported the market's recovery, brokers told The Japan Times.

In index futures trading on the Osaka Exchange, the key September contract on the Nikkei average climbed 310 points to end at 21,800.

Australia

The Australian sharemarket has ended the week with a fresh 10 and a half year high on Friday, despite the US going ahead with tariffs that could potentially begin an all-out trade war with China.

The S&P/ASX 200 index closed the week 77.7 points, or 1.3% higher at 6272.3, the highest since January 2008, in a week that was rattled by geopolitical tensions, Fairfax reported.

The finance sector lifted 2% this week on the back of positive performances from the four major banks, while the materials sector closed the week 1.2% lower following a mid-week base metal retreat amid trade tariff talks.

Resolute Mining was able to lift against its sector counterparts however, ending the week 11.8% higher at \$1.43. The company announced it had delivered lower costs and longer mine life at its Syama Underground gold operation in southern Mali.

Telstra rebounded from seven-year lows at the start of the week to close the week 6.7% higher at \$2.80. The telco was able to end the week with five consecutive sessions without loss, helped in part by a merger with private equity powerhouse HarbourVest.

With no major data releases next week the local market will be closely watching the fallout from US-China trade tensions.

Zinc prices on the London Metal Exchange hit their lowest point in 12 months on Thursday, driven lower by rising inventories and the expectation that global trade tensions, or a full blown trade war, will weigh on industrial metals. The metal closed the session unchanged at \$2,700 but dipped to \$2,667 during the session, its lowest level since June 23, 2017, Fairfax said.

Oil prices dipped on Thursday and in early trading on Friday following a disappointing report from the Energy Information Administration (EIA), which showed an unexpected build in crude inventories, oilprice.com reported.

Trade war fears also raised concerns about a slowdown in demand while an increase in oil production from Saudi Arabia added a further dragged on prices.

And as China moves to put tariffs on US crude, Chinese refiners are looking elsewhere for oil imports.

After seeing a minor reprieve this week on slightly weaker US dollar, the **gold** market's main concerns are now the potential economic fallout from the escalating trade war rhetoric and the hawkishness of the Federal Reserve's rate hike path.

"*Uncertainty is the new normal*," RBC Capital Markets commodity strategist Christopher Louney told Kitco

News on Friday.

For gold to really recover following last week's major selloff, "actuality" of a trade war is required as opposed to just "risk," Louney noted, explaining that markets turned their minds away from gold as a risk-off option while the US dollar rallied.

Economic Calendar 9/07/2018 – 13/07/2018

Monday July 09 2018		Actual	Previous	Consensus	Forecast	
02:00 PM	DE Balance of Trade MAY		€20.4B	+	€21.2B	
Tuesday July 10 2018		Actual	Previous	Consensus	Forecast	
09:30 AM	AU NAB Business Confidence JUN		6	8	9	
09:30 AM	CN Inflation Rate YoY JUN		1.8%	1.9%	2%	
04:30 PM	GB Balance of Trade MAY		£-5.28B	+	£-2.2B	
04:30 PM	GB Monthly GDP MAY					
05:00 PM	DE ZEW Economic Sentiment Index JUL		-16.1	-18.2	-20.1	
Wednesday July 11 2018		Actual	Previous	Consensus	Forecast	
08:30 AM	AU Westpac Consumer Confidence Index JUL		102.2	+	100	
08:30 AM	AU Westpac Consumer Confidence Change JUL		0.3%	+		
10:00 PM	CA BoC Interest Rate Decision		1.25%	1.5%	1.5%	
	EA ECB Non-Monetary Policy Meeting					
Thursday July 12 2018		Actual	Previous	Consensus	Forecast	
07:30 PM	EA ECB Monetary Policy Meeting Accounts					
08:30 PM	US Core Inflation Rate YoY JUN		2.2%	2.3%	2.2%	
08:30 PM	US Inflation Rate YoY JUN		2.8%	2.9%	2.9%	
Friday July 13 2018		Actual	Previous	Consensus	Forecast	
11:00 AM	CN Balance of Trade JUN		\$24.92B	\$27.5B	\$ 29B	
11:00 AM	CN Exports YoY JUN		12.6%	10.2%		
11:00 AM	CN Imports YoY JUN		26%	22%		
10:00 PM	US Michigan Consumer Sentiment Prel JUL		98.2	98.3	97.7	

Source: www.tradingeconomics.com

Economic Calendar 16/07/2018 – 20/07/2018

Monday July 16 2018		Actual	Previous	Consensus	Forecast	
10:00 AM	CN GDP Growth Rate QoQ Q2		1.4%	1.6%	1.4%	
10:00 AM	CN GDP Growth Rate YoY Q2		6.8%	6.7%	6.7%	
08:30 PM	US Retail Sales MoM JUN		0.8%	0.6%	0.1%	
	US US-Russia Summit					
Tuesday July 17 2018		Actual	Previous	Consensus	Forecast	
04:30 PM	GB Claimant Count Change JUN		-7.7K	+	11K	
04:30 PM	GB Unemployment Rate MAY		4.2%	+	4.3%	
Wednesday July 18 2018		Actual	Previous	Consensus	Forecast	
04:30 PM	GB Inflation Rate YoY JUN		2.4%	2.5%	2.6%	
Thursday July 19 2018		Actual	Previous	Consensus	Forecast	
07:50 AM	JP Balance of Trade JUN		¥-578B	¥-235B	¥ 315.7B	
09:30 AM	AU Employment Change JUN		12K	18K	18.8K	
09:30 AM	AU Unemployment Rate JUN		5.4%	5.5%	5.5%	
Friday July 20 2018		Actual	Previous	Consensus	Forecast	
07:30 AM	JP Inflation Rate YoY JUN		0.7%	+	0.9%	
08:30 PM	CA Inflation Rate YoY JUN		2.2%	2.5%	2.2%	

Source: www.tradingeconomics.com

All Ords Top 10 Week Ending 6 July 2018

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
RSG	Resolute Mining	11.8	BAL	Bellamy'S Australia	-19.6
CYB	Cybg PLC	10.3	API	Australian Pharm.	-13.2
PLS	Pilbara Min Ltd	8.1	AHG	Automotive Holdings.	-10.9
TLS	Telstra Corporation.	6.9	LYC	Lynas Corporation	-9.0
SBM	St Barbara Limited	6.4	CGC	COSTA GROUP HOLDINGS	-6.9
APT	Afterpay Touch	6.4	GMA	Genworth Mortgage	-6.2
QAN	Qantas Airways	6.0	DMP	Domino Pizza Enterpr	-6.0
DOW	Downer EDI Limited	5.9	IEL	Idp Education Ltd	-5.6
BPT	Beach Energy Limited	5.7	IGO	Independence Group	-4.5
AST	AusNet Services Ltd	5.6	APX	Appen Limited	-4.3

Source: IRESS

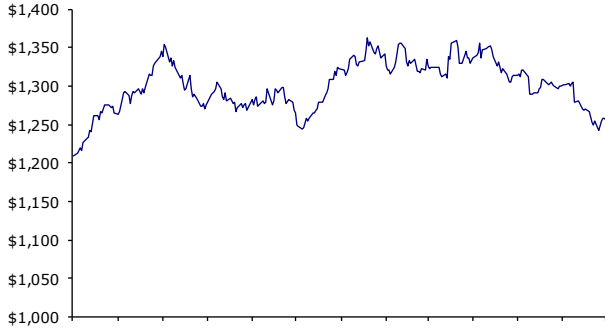
S & P Indices Week Ending 6 July 2018

S&P Indices	8/07/2018	1/07/2018	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	12201	12039	1.3%	6.8%	37.2%
S&P 200 Materials	12119	12267	-1.2%	-0.2%	22.4%
S&P 200 Industrials	6009	5881	2.2%	1.2%	17.8%
S&P 200 Consumer Disc.	2470	2461	0.4%	1.7%	18.0%
S&P 200 Consumer Staples	11410	11305	0.9%	4.7%	33.4%
S&P 200 Healthcare	30854	30285	1.9%	2.8%	60.0%
S&P 200 Financials	6344	6217	2.0%	8.0%	-0.4%
S&P 200 Info Technology	1123	1130	-0.5%	1.4%	44.5%
S&P 200 Telecommunicatic	1044	984	6.1%	1.7%	-40.6%
S&P 200 Utilities	8462	8193	3.3%	5.1%	12.2%
S&P 200 Property Trusts	1433	1409	1.7%	2.6%	6.8%
S&P 200 Financials ex PT	7075	6934	2.0%	8.0%	-0.4%

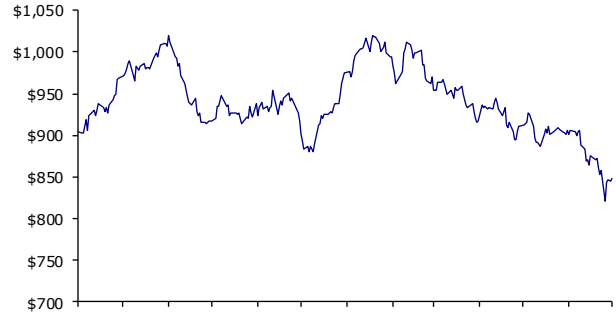
Source: IRESS

1 Year Commodity Price Charts

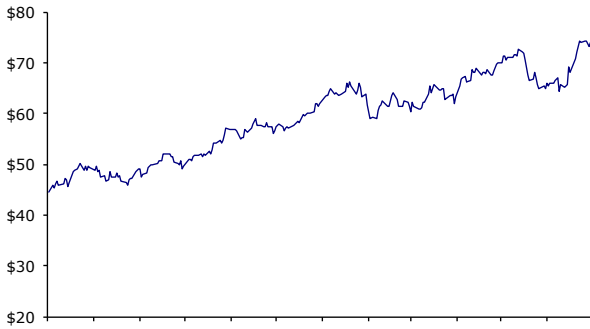
1 Year Gold



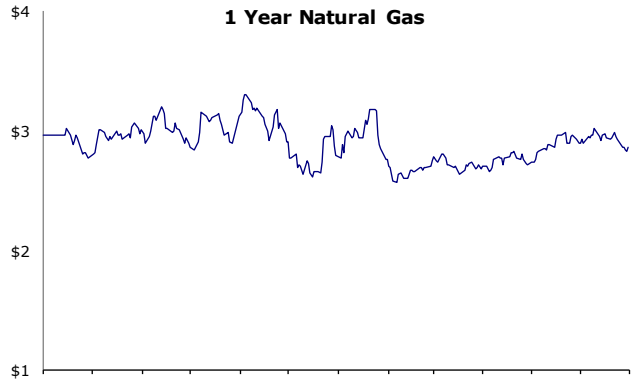
1 Year Platinum



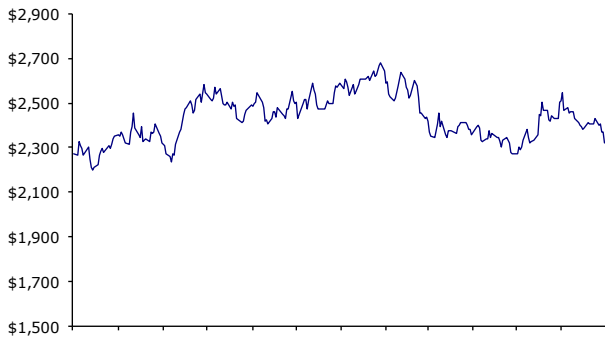
1 Year Oil



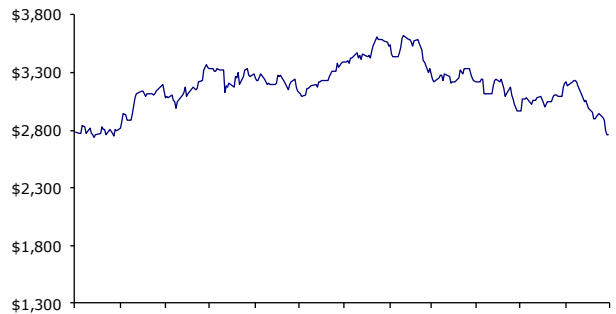
1 Year Natural Gas



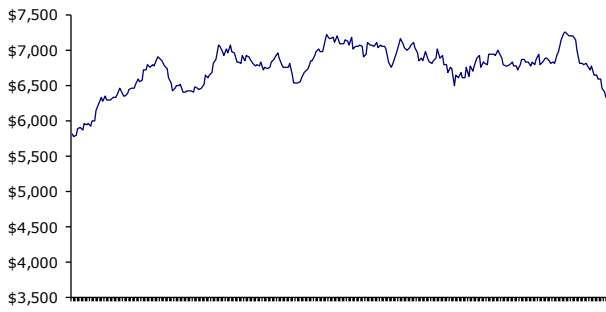
1 Year Lead



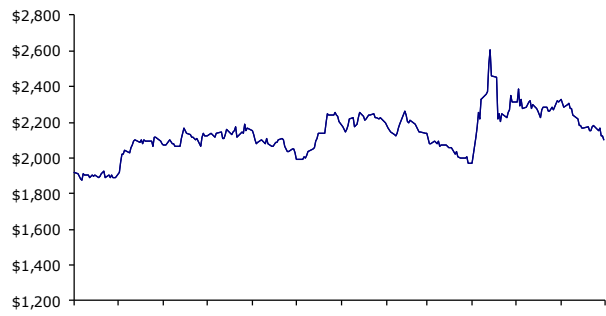
1 Year Zinc



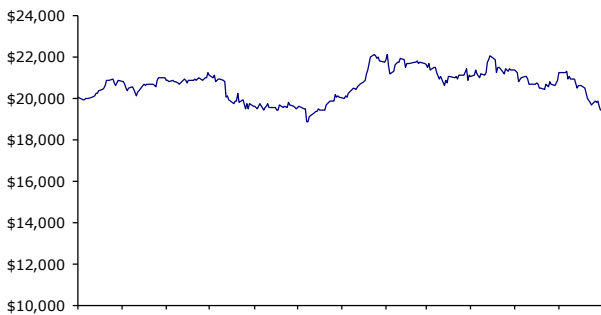
1 Year Copper



1 Year Aluminium

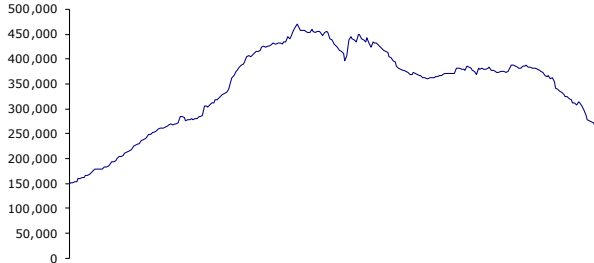


1 Year Tin

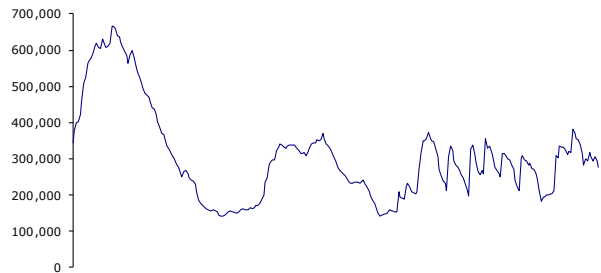


5 Year Metals Stockpiles

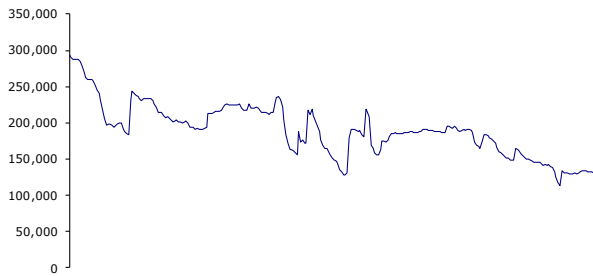
Nickel LME Stockpiles - 5 Year



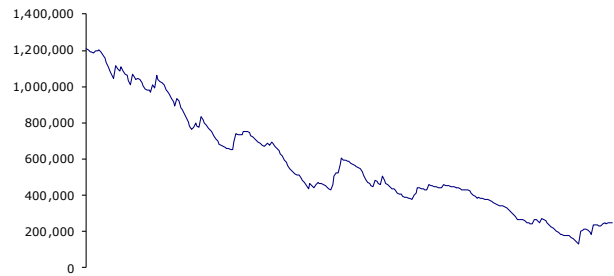
Copper LME Stockpiles - 5 Year



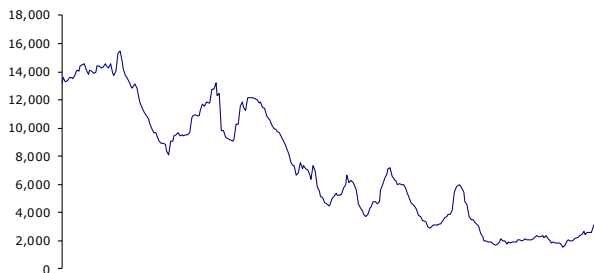
Lead LME Stockpiles - 5 Year



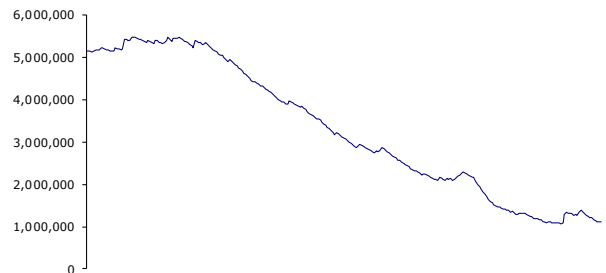
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year



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