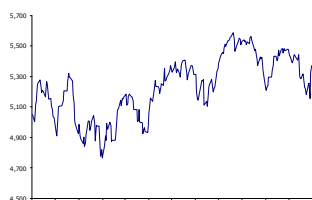


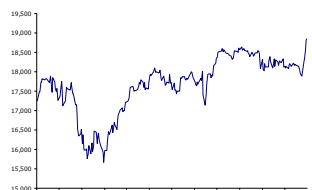
STATE ONE SPINNAKER

13 November 2016
Issue 346

12 month XJO chart



12 month Dow Jones chart



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Overview

For more research visit:

www.stateone.com.au/research

State One Stockbroking Ltd

Head Office

Level 14, State One House

172 St George's Terrace

Perth WA 6000

Perth Tel: (+61 8) 9288 3388

Sydney Tel: (+61 2) 9024 9105

Email: broker@stateone.com.au

Web: www.stateone.com.au

Global Wrap – 13 November 2016

World Markets	13/11/2016	6/11/2016	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5371	5181	3.7%	-1.2%	2.0%
Dow Jones	18848	17888	5.4%	3.5%	7.8%
Nasdaq	5284	5284	0.0%	-0.2%	21.9%
S&P 500	2164	2085	3.8%	0.9%	5.5%
FTSE 100	6730	6693	0.6%	-4.2%	5.6%
DAX30	10668	10259	4.0%	0.2%	-2.4%
Shanghai Composite	3196	3133	2.0%	3.6%	-5.1%
Nikkei 225	17375	17177	1.2%	0.8%	-5.8%
Hang Seng	22531	22643	-0.5%	-3.3%	-1.4%
Currency					
AUD/USD	0.7546	0.7728	-2.4%	-1.8%	5.8%
Commodities					
Oil (\$/bbl)	43.1	44.9	-4.0%	-14.8%	5.8%
Gas (\$/gal)	2.9	2.9	-3.4%	-20.2%	26.3%
Iron Ore (\$/t)	53.9	53.9	0.0%	6.9%	7.8%
Copper (\$/t)	5900	4943	19.4%	27.1%	11.9%
Lead (\$/t)	2152	2071	3.9%	9.5%	24.0%
Zinc (\$/t)	2452	2441	0.5%	8.0%	43.0%
Aluminium (\$/t)	1777	1719	3.4%	9.6%	20.1%
Nickel (\$/t)	11735	10385	13.0%	14.2%	12.8%
Tin (\$/t)	21750	21405	1.6%	8.8%	36.2%
Gold (\$/oz)	1227	1305	-6.0%	-3.4%	5.3%
Silver (\$/oz)	17.4	18.4	-5.8%	-1.8%	9.6%
Platinum (\$/oz)	946	1000	-5.4%	0.2%	-6.5%
Wheat (\$/t)	403.000	414.250	-2.7%	-4.1%	-17.9%

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

No-one can be certain which policies might change, or how or when anything new will be effected.

Markets were quick to react this week however, to a suggestion more would be spent on domestic infrastructure and expectations that certain financial sector legislation will be repealed.

While improved domestic productivity and overall economic progress were anticipated post-election by some, others pointed to constraints such as budget regulations.

Plenty bemoaned likely trade battles, not the least with China, and hence international economic progress.

The chances of a 14 December US rate rise were initially seen reduced.

Since then, at least one Federal Reserve regional president has promoted the need for a near-term rate rise.

This week Federal Reserve chair Janet Yellen is due to meet with a parliamentary economic committee. In addition, at least seven public speeches are scheduled for regional presidents, so a spectrum of thoughts and views is sure to be well-canvassed.

A swag of economic indicators will also help firm thoughts. A CPI update, retail sales, manufacturing output, business inventories and housing and construction data are all due, Thursday's October CPI seen the most influential.

This past week across the national labour market, weekly new unemployment claims fell by 11,000 to 254,000. The four-week moving average came in 1750 higher however, at 259,750.

An October job openings report estimated 5.486M vacancies, following 5.435M in September, and forecasts of 5.508M.

The US will officially have a new president 20 January 2017.

Europe

An initial September quarter euro zone GDP estimate Tuesday will provide the highlight of regional data releases this coming week.

'Euro Finance Week' is also sure to deliver plenty of varied opinion and on external matters, commentary on any likely impacts of US political change.

Friday, European Central Bank (ECB) president Mario Draghi will speak at the event, ahead of the last ECB policy meeting for the year, scheduled for 8 December.

UK CPI is also keenly anticipated this week, given criticism of the Bank of England's swag of policy support, followed by this past month's rationale for likely status quo for months to come.

During the past week, the UK's September trade deficit was reported at £5.2B from £3.8B in August, partially due to a record high £8.7B deficit with the European Union (EU).

September industrial output also disappointed, rising 0.3% year-on-year, against 0.7% in August and expectations of a further 0.8% gain. On the flip side, the manufacturing component was expected to pull back 0.1%, but rose 0.2%.

Across in Germany, October CPI growth was confirmed at 0.2% for the month. The year-on-year rate came in at 0.8%, the best rate since October 2014.

September industrial production fell 1.8%, the most in a month in ~two years. September quarter output came in 0.3% higher for the quarter.

Further, September exports fell 0.7% and imports 0.5%, producing a €21.3B trade surplus against August's €21.6B.

In the meantime, Germany's finance minister Wolfgang Schaeuble appeared keen to debunk any perceived benefits from governments extending debt levels during times of low interest rates.

In bond markets, 10-year German yields rose to an eight-month peak, and Italian yields to 15-month highs.

This week's currency shifts were hard to predict, but notably, the British pound appreciated to its strongest against the \$US in ~five weeks.

China

October industrial production, retail sales, lending figures, fixed assets investment and property prices will complete the latest monthly data snapshot this week.

This past week, October trade statistics, CPI and producer prices were generally judged acceptable following well-received PMIs earlier this month.

Exports and imports fell 7.3% and 1.4% respectively (\$US terms), following forecasts for 6.0% and 1.4% falls. In September, exports had dropped 10.0%.

The trade surplus slipped to \$US49.06B from \$US51.7B.

Inflation rose 2.1% for the year, following a 1.9% annual rise in September. Food was up 3.7% and non-food prices 1.7%.

Producer prices were calculated 1.2% higher for the year, after swinging to a 0.1% rise in September, supported by rallying coal prices.

Vehicle sales rose 20.3% year-on-year, SUVs reportedly particularly in favour.

Some administrative changes surprised this week. Finance minister Lou Jiwei, seen as a reform promoter, was sacked in favour of deputy finance minister Xiao Jie.

Last week, China's vice finance minister Zhu Guangyao had maintained national debt remained under control, amid reports some officials were advocating lowering China's 2017 GDP growth target to 6.0%, so as to accommodate debt control and additional restructuring.

September new bank lending had also been reported last month at 1.22 trillion yuan (~\$US180 B), supported by residential property loans.

The People's Bank of China (central bank) this week assured liquidity would remain sufficient but that asset bubbles and risks would be addressed.

In the meantime, China has reportedly agreed with the UK on plans to strengthen financial services links.

Japan

September quarter GDP figures, due Monday, will set the scene for this week's commentary on monetary policy and its perceived effectiveness, or otherwise.

Industrial production and residential property lending will be the other most noteworthy reports to become available.

As expected, Japan took a relative back seat this past week, although Thursday during US trade, the \$US traded at an ~four-month high against the yen.

Bank of Japan (BoJ) policy meeting minutes, and the central bank's 'summary of opinions', each published this past week, revealed most, but not all, policy committee members agreed on the inflation target timeline being extended.

September machinery orders fell 3.3% for the month but were 4.3% higher year-on-year.

Australia

November Reserve Bank of Australia (RBA) November policy meeting minutes will attract attention this week, despite the release of the quarterly policy report in the meantime. This is seen mostly due to the post-meeting statement having suggested a shift in the length of an expected status quo period.

October employment statistics will be thoroughly examined Thursday, given September's concerns, in part due to the removal of at least part of one State's sample.

This past week, a national construction sector activity index dropped into contraction mode, ceding 5.9 points to land at 45.9. A glance at the shift away from apartment building, and reduced engineering construction, soon explained the slide.

Perhaps more surprisingly, October job advertisements were reported 5.2% higher than a year ago.

In its monthly business conditions report, the National Australia Bank noted a softening trend and a below-

trend confidence index fall.

November consumer sentiment, as reported by the Melbourne Institute and Westpac, remained in optimism territory but nonetheless fell 1.1%, in part attributed to international geopolitical uncertainty.

Moreover, considerably more people were expecting to spend less on Christmas this year than those predicting they would maintain or even increase their outlay.

September residential loan approvals rose 1.6% for the month by volume. The number of owner-occupier approvals slid 6.2% in Western Australia, however. By value, overall national residential investment lending appreciated 4.6% and owner-occupied mortgages climbed 0.9%.

AGM season continues this week. Hence corporate and sector outlooks are well-anticipated, not the least from the likes of BHP Billiton, Harvey Norman and Seven Group Holdings. A smattering of agribusiness stocks also reveals full-year results.

Commodities

Oil - The International Energy Agency (IEA) had plenty to say in its monthly report, released overnight Thursday (AEDST).

The IEA is predicting a third consecutive year of crude over-supply should OPEC not come to some sort of output curb agreement.

The IEA report estimated OPEC members had produced a total record daily 33.83MMbbl during October and that global daily output reached 97.8MMbbl. Global supply came in 800,000bbl/d higher for the month.

The IEA anticipates non-OPEC nations will produce 500,000bbl more each day during 2017 than they did this year. Non-OPEC output fell a daily 900,000bbl during 2016, the IEA estimated.

Meanwhile, OPEC members and even the Secretary-General lined up from early-week to express optimism regarding a 30 November OPEC deal.

In the US, stored crude was estimated 2.44MMbbl higher for the week, at 485MMbbl. Earlier in the week Genscape reported Cushing, Oklahoma stockpiles had fallen by 663,916bbl.

Also this week, the (US) EIA lowered its forecast falls for daily domestic crude production for both 2016 and 2017.

The agency anticipated 2016 daily output will fall by 580,000bbl, but had previously predicted a 690,000bbl/d decline.

2017 production will likely pull back 110,000bbl/d, the EIA estimated, against a previous forecast 140,000bbl/d fall.

The EIA calculated US crude demand growth would come in for 2016 at a daily 110,000bbl, and that for 2017, would increase by 260,000bbl/d.

In corporate sector news, Russia's Rosneft September quarter profit slid 77% to 26B roubles, against expectations of 45B roubles.

In other energy sector developments, coking coal prices sparked a flurry of commentary, reportedly rising ~10% in China Tuesday and continuing higher again late-week.

Iron ore (China port, 62% Fe) prices surpassed \$US74/t this week and futures \$US90/t, in tandem with coking coal price jumps. Port iron prices were trading at their best in two years. Steel prices were pushed 5% higher Wednesday.

Forecasts began changing, RBC opting for \$US59/t for the 2017 average and an early-2017 \$US65/t.

In corporate sector news, ArcelorMittal reported a year-on-year swing to a September quarter profit, but sounded a warning due to higher coking coal costs. ArcelorMittal is estimated to account for 6% of global steel production, so the warning was not discounted.

Gold swung through the week, but not entirely as anticipated. Comex futures rose as much as 5% within a session but also traded at both six-week highs and three-week lows.

As expected, US election speculation influenced Monday trade, and as election results came in during Asian

trade Wednesday, prices and gold sector stocks were propelled higher.

Prices soon pulled lower however, on expectations of US inflation growth and hence higher rates.

As with select equities trade, anticipation of prolonged uncertainty prompted both profit-taking and dip-buying.

London Metals Exchange (LME) base metals trade volumes returned to normal early-week, following the reduced trade during LME week the previous week.

Copper price rallying prompted a 'bubble' call this week. LME copper traded at 16-month highs and Wednesday's (copper) trade volumes a 22-month high.

Apologetics for the gains were not lacking. Increased infrastructure spending was promised by the US president-elect Wednesday. In addition, LME inventories had declined and China reported encouraging CPI and producer prices.

China's October copper imports dropped 14.7% for the month to 290,000t, but while this represented the least in 21 months, a fall was anticipated due to the Spring holiday season.

Stock prices for large producers such as Antofagasta appreciated as much as 10% in a session.

Zinc was pushed to 5.5-year highs on potential greater industrial metals demand in the US. For the year-to-date, zinc traded ~45% higher.

In the meantime, nickel achieved an ~20% gain for the year-to-date, trading at 16-month peaks.

LME aluminium traded at its best 17-months.

In other commodity news, palm oil prices could fall, as Malaysia's late-year production is predicted to come in better than anticipated. Total production for 2017 across Malaysia and Indonesia was also predicted to likely reach a record.

As palm oil is an ingredient for high-volume consumer products including biscuits and cosmetics, this has raised flow-on expectations over the coming year.

Not too many are holding their breath that Mondelez will lower Toblerone prices, even though new bars are being produced with longer gaps between the raised triangles.

























Cocoa prices had continued to rise, as had the cost of Toblerone production, Mondelez reported. The bars are manufactured in Switzerland where the Swiss franc appreciated considerably against the euro early last year.

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%		-0.8%	
Tuesday November 15 2016		Actual	Previous	Consensus	Forecast	
08:30 AM	AU RBA Meeting Minutes					
03:00 PM	DE GDP Growth Rate QoQ Flash Q3		0.4%	0.3%	0.2%	
03:00 PM	DE GDP Growth Rate YoY Flash Q3		3.1%	1.8%	2.2%	
05:00 PM	IT GDP Growth Rate QoQ Adv Q3		0%	0.2%	0.2%	
05:00 PM	IT GDP Growth Rate YoY Adv Q3		0.8%	0.8%	1%	
05:30 PM	GB Inflation Rate YoY OCT		1%	1.1%	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	8.9	9.2	
09:30 PM	US Retail Sales MoM OCT		0.6%	0.5%	0.4%	
Wednesday November 16 2016		Actual	Previous	Consensus	Forecast	
05:30 PM	GB Claimant Count Change OCT		0.7K	2.0K	0.9K	
05:30 PM	GB Unemployment Rate SEP		4.9%	4.9%	5%	
	EA ECB Non-Monetary Policy Meeting					
Thursday November 17 2016		Actual	Previous	Consensus	Forecast	
08:30 AM	AU Employment Change OCT		-9.8K	20K	14K	
08:30 AM	AU Unemployment Rate OCT		5.6%	5.6%	5.6%	
02:30 PM	FR Unemployment Rate Q3		9.9%		9.8%	
08:30 PM	EA ECB Monetary Policy Meeting Accounts					
09:30 PM	US Core Inflation Rate YoY OCT		2.2%	2.2%	2.2%	
09:30 PM	US Inflation Rate YoY OCT		1.5%	1.6%	1.5%	
Friday November 18 2016		Actual	Previous	Consensus	Forecast	
09:30 PM	CA Inflation Rate YoY OCT		1.3%	1.5%	1.3%	

Source: www.tradingeconomics.com

Economic Calendar 21/11/2016 – 25/11/2016

Monday November 21 2016	Actual	Previous	Consensus	Forecast
07:50 AM  JP Balance of Trade OCT		¥498B		¥581B 
Tuesday November 22 2016	Actual	Previous	Consensus	Forecast
11:00 PM  EA Consumer Confidence Flash NOV		-8		-8.1 
11:00 PM  US Existing Home Sales OCT		5.47M		5M 
Wednesday November 23 2016	Actual	Previous	Consensus	Forecast
04:30 PM  DE Markit Manufacturing PMI Flash NOV		55.0		54.7 
11:00 PM  US New Home Sales OCT		593K		450K 
Thursday November 24 2016	Actual	Previous	Consensus	Forecast
02:00 AM  US FOMC Minutes				
05:00 PM  DE Ifo Business Climate NOV		110.5		109.9 
08:00 PM  DE GfK Consumer Confidence DEC		9.7		10.2 
Friday November 25 2016	Actual	Previous	Consensus	Forecast
07:30 AM  JP Inflation Rate YoY OCT		-0.5%		-0.1% 
05:30 PM  GB GDP Growth Rate QoQ 2nd Est Q3		0.7%	0.5%	0.5% 
05:30 PM  GB GDP Growth Rate YoY 2nd Est Q3		2.1%	2.3%	2.3% 
09:30 PM  US Durable Goods Orders MoM OCT		-0.1%		0.5% 

Source: www.tradingeconomics.com

All Ords Top 10 Week Ending 11 November 2016

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
WSA	Western Areas Ltd	33.3	MQA	Macq Atlas Roads Grp	-7.5
SGM	Sims Metal Mgmt Ltd	23.9	EVN	Evolution Mining Ltd	-6.9
IGO	Independence Group	19.7	IPH	IPH Limited	-6.4
FMG	Fortescue Metals Grp	18.7	CHC	Charter Hall Group	-6.3
BSL	BlueScope Steel Ltd	17.7	APA	APA Group	-6.1
MYX	Mayne Pharma Ltd	16.7	GMG	Goodman Group	-5.5
SFR	Sandfire Resources	15.5	HVN	Harvey Norman	-5.1
MND	Monadelphous Group	15.3	IFN	Infigen Energy	-4.3
APO	Apn Outdoor Grp	13.4	DUE	Duet Group	-4.3
STO	Santos Ltd	13.1	JBH	JB Hi-Fi Limited	-4.2

Source: IRESS

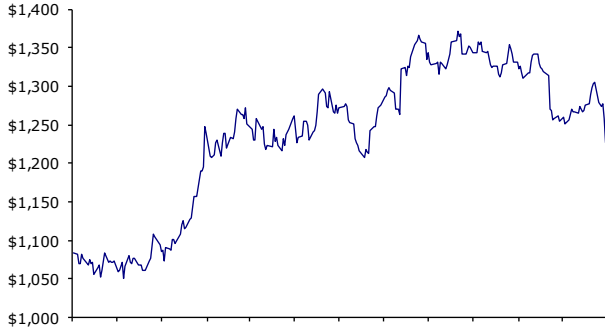
S & P Indices Week Ending 11 November 2016

S&P Indices	13/11/2016	6/11/2016	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	8299	8016	3.5%	-3.6%	-8.3%
S&P 200 Materials	9732	9052	7.5%	7.6%	18.6%
S&P 200 Industrials	4914	4894	0.4%	-4.7%	3.4%
S&P 200 Consumer Disc.	2007	2004	0.2%	-7.2%	9.5%
S&P 200 Consumer Staples	8684	8488	2.3%	-6.3%	-0.9%
S&P 200 Healthcare	20249	19387	4.4%	-5.1%	12.1%
S&P 200 Financials	6100	5739	6.3%	1.1%	0.3%
S&P 200 Info Technology	779	745	4.6%	-2.4%	8.4%
S&P 200 Telecommunicatic	1689	1746	-3.3%	-7.2%	-14.6%
S&P 200 Utilities	6792	7112	-4.5%	-4.8%	1.0%
S&P 200 Property Trusts	1259	1308	-3.8%	-7.7%	-0.6%
S&P 200 Financials ex PT	6803	6401	6.3%	1.1%	-2.2%

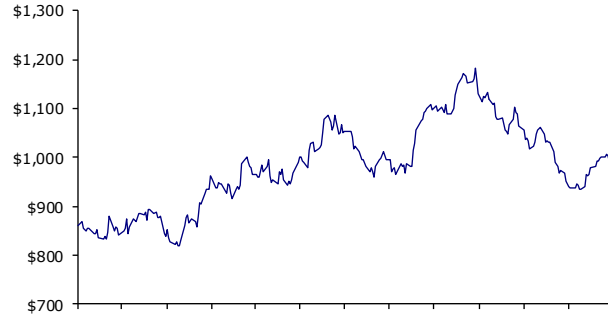
Source: IRESS

1 Year Commodity Price Charts

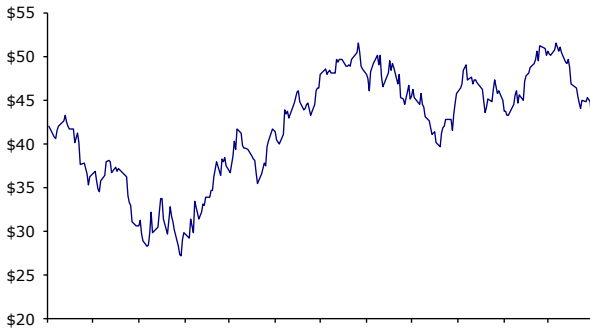
1 Year Gold



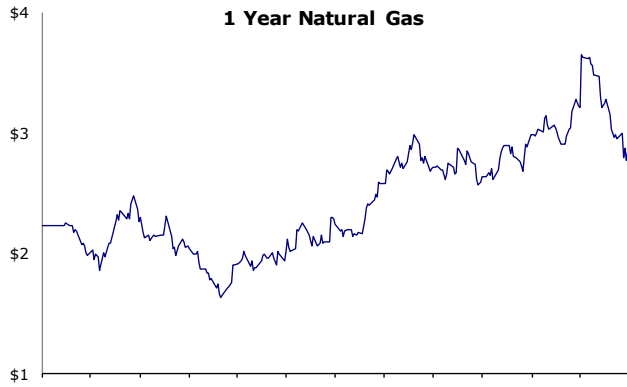
1 Year Platinum



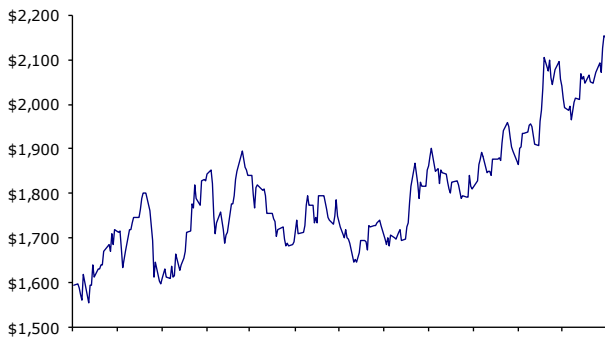
1 Year Oil



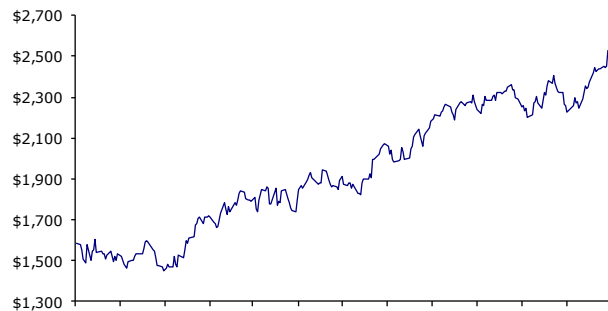
1 Year Natural Gas



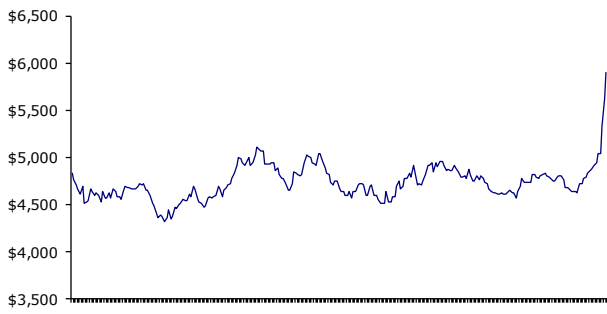
1 Year Lead



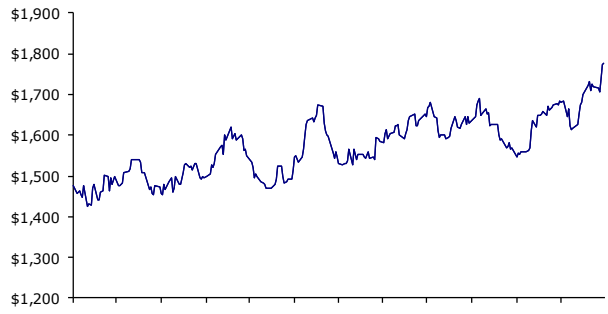
1 Year Zinc



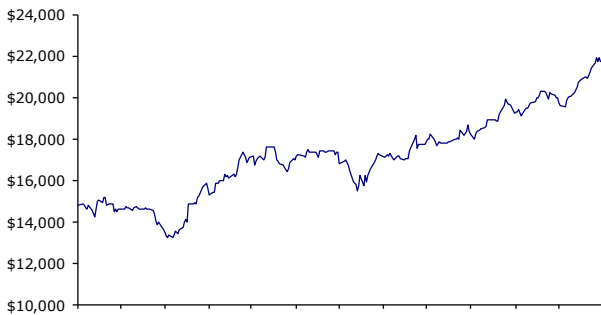
1 Year Copper



1 Year Aluminium

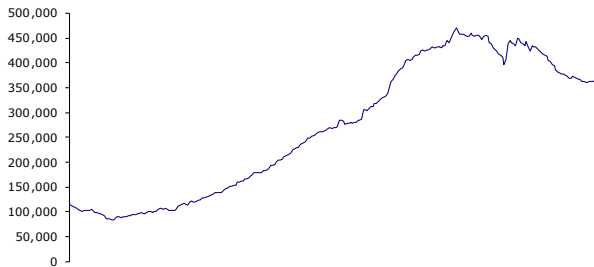


1 Year Tin

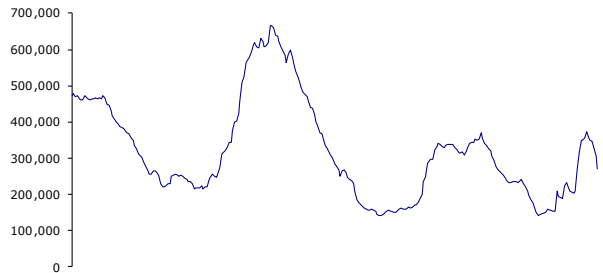


5 Year Metals Stockpiles

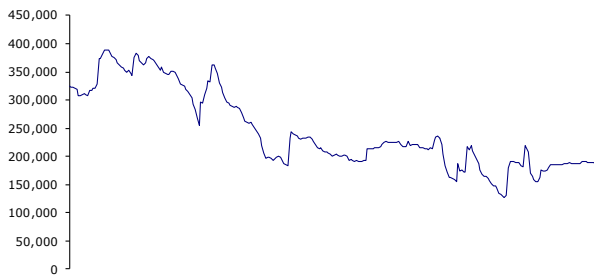
Nickel LME Stockpiles - 5 Year



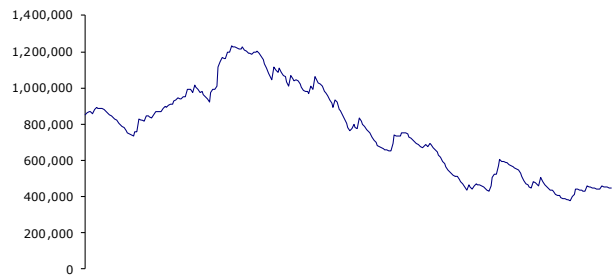
Copper LME Stockpiles - 5 Year



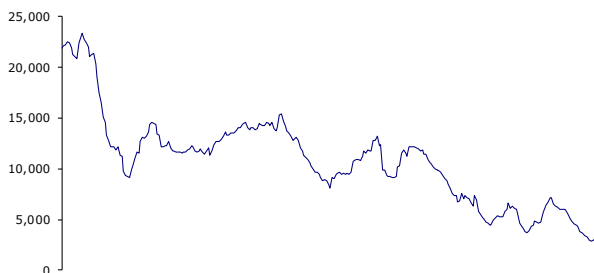
Lead LME Stockpiles - 5 Year



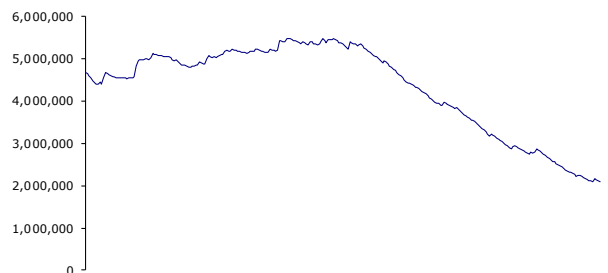
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year



Peter Curtis
Head of Institutional Sales
Phone: +61 2 9024 9106
gjohnson@stateone.com.au

Alan Hill
Executive Chairman
Phone: +61 8 9288 3388
ahill@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

Karen Tan
Equities Advisor
Phone: +61 8 9288 3303
ktan@stateone.com.au

David Zhang
Equities Advisor
Phone: +61 2 9024 9130
dzhang@stateone.com.au

Alexander Bax
Equities Advisor
Phone: +61 8 9288 3340
abax@stateone.com.au

Tammie Wong
Equities Advisor
Phone: +61 2 9024 9133
twong@stateone.com.au

Ric Heydon
Equities & Derivatives Advisor
Phone: +61 8 9288 3307
rheydon@stateone.com.au

Robert Chen
Equities Advisor
Phone: +61 2 9024 9132
rchen@stateone.com.au

Morris Levitzke
Equities Advisor
Phone: +61 8 9288 3315
mlevitzke@stateone.com.au

David Brennan
Senior Investment Analyst
Phone: +61 2 9024 9142
DBrennan@stateone.com.au

Graeme Johnson
Equities & Derivatives Advisor
Phone: +61 8 9288 3316
gjohnson@stateone.com.au

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