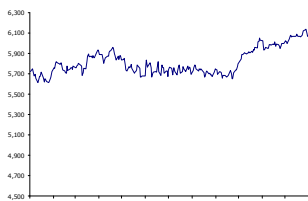


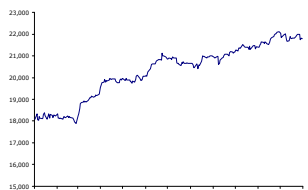
STATE ONE SPINNAKER

14 January 2018
Issue 396

12 month XJO chart



12 month Dow Jones chart



State One Research Products

Spinnaker Free Weekly

Market Opener Free Daily

Daily Resources [Clients Only](#)

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 – 14 January 2018

World Markets	14/01/2018	7/01/2018	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	6070	6122	-0.9%	-0.1%	9.5%
Dow Jones	21798	21988	-0.9%	-1.0%	18.0%
Nasdaq	5284	5284	0.0%	-0.2%	21.9%
S&P 500	2786	2743	1.6%	4.0%	24.0%
FTSE 100	7779	7724	0.7%	3.4%	12.2%
DAX30	13245	13320	-0.6%	1.3%	14.2%
Shanghai Composite	3429	3409	0.6%	3.9%	6.6%
Nikkei 225	23654	23715	-0.3%	3.4%	26.0%
Hang Seng	31413	30815	1.9%	7.5%	37.4%
Currency					
AUD/USD	0.7909	0.7841	0.9%	0.6%	5.4%
Commodities					
Oil (\$/bbl)	64.4	61.9	4.0%	10.5%	22.6%
Gas (\$/gal)	3.0	2.8	7.1%	13.1%	-11.1%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	7071	7097	-0.4%	2.1%	21.1%
Lead (\$/t)	2536	2590	-2.1%	-0.3%	8.8%
Zinc (\$/t)	3381	3396	-0.4%	5.1%	23.2%
Aluminium (\$/t)	2215	2206	0.4%	5.9%	27.9%
Nickel (\$/t)	12670	12500	1.4%	6.3%	11.4%
Tin (\$/t)	20275	20020	1.3%	4.8%	-5.2%
Gold (\$/oz)	1335	1322	1.0%	5.2%	13.9%
Silver (\$/oz)	17.1	17.3	-0.8%	5.5%	0.3%
Platinum (\$/oz)	996	975	2.2%	7.8%	6.2%
Wheat (\$/t)	420.750	430.500	-2.3%	-0.5%	3.1%

Source: Iress

Global Wrap

Key points

1. More record highs in US
2. China posts generally strong 2017 trade data
3. Pound skyrockets, USD slumps against stronger euro
4. Aussie miners up, retailers down
5. Bond market jitters

***** Stock picks back next week *****

US

Wall Street continued its rally on Friday with record closing highs. The fourth-quarter earnings season kicked off with solid results from banks while robust retail sales drove investor optimism about economic growth.

The S&P 500 and Nasdaq both registered eight record closing highs out of the first nine trading days of the year. The Dow boasted its sixth closing high of the year.

JPMorgan, the biggest US lender by assets, told Reuters the US tax overhaul would help future profits by reducing its tax bill and stimulating more business. The bank's shares rose 1.7%.

Investors were also hopeful 2018 financial forecasts from US companies would beat Wall Street estimates because many analysts may not have tax savings fully reflected in their models given the tax bill was signed into law so late in December.

Earnings for S&P 500 companies are expected to increase on an average by 12.1% in the quarter, with profit for financial services companies likely to increase 13.2%, according to Thomson Reuters.

The world's largest asset manager BlackRock rose 3.3% as it reported profit that beat estimates and investors flooded into the relatively low-cost funds.

Bank stocks were helped by a rise in Treasury yields after underlying US consumer prices for December posted the biggest gain in 11 months, data on Friday showed, signalling a pickup in inflation.

US equities and bond markets will be closed for Martin Luther King Day this coming Monday, meaning that the kick-off of this corporate earnings season will span a long weekend.

The markets will swing into action again on Tuesday when the Federal Reserve's Beige Book is released, along with industrial production and mortgage data. The Beige Book reports on the current US economic situation through interviews with key business contacts, economists, market experts, and other sources gathered by each of the 12 Federal Reserve Districts.

China

The Hang Seng Index rose for a 14th straight day on Friday, the longest winning streak since its inception in 1969, The South China Morning Post reported.

The Hong Kong stock market capped its record-breaking week boosted by energy and insurers.

Oil and gas shares were the biggest gainers after the price of oil climbed above US\$70 a barrel in London overnight for the first time in three years, as production cuts by OPEC and rising global demand ate away at supplies.

On the mainland, data released on Friday revealed that China's exports rose 10.9% from a year earlier, beating analysts' forecast of a 9.1% increase. Imports grew at 4.5% year-on-year in December, missing analysts' forecast of 13.0% growth.

The trade surplus reached \$54 billion for the month, the highest since January 2016.

CNBC concluded it was generally strong data for 2017 on the back of a broad global recovery. That was despite wide ranging concerns about the Chinese economy, including high debt levels, asset bubbles and a slowdown in industrial sectors.

The Shanghai Composite Index edged up 0.11% on Friday, or 3.6 points, to 3,428.94, while the CSI 300 – which tracks big companies listed in Shanghai and Shenzhen – gained 0.46%, or 19.41 points, to 4,225.00.

However the Shenzhen Component Index fell 0.02%, or 2.21 points, to 11,461.99 while the Nasdaq-style ChiNext lost 1.02%, or 18.52 points, to 1,785.71.

Next week fixed asset investment, new loans and foreign direct investment data will be released on Monday.

Then Thursday will be a big day for Chinese data when GDP, house price, retail sales and industrial production figures will be released.

Japan

Stocks lost ground on the Tokyo Stock Exchange on Friday, weighed down by the yen's strengthening against the dollar, The Japan Times reported.

The 225-issue Nikkei average lost 56.61 points, or 0.24%, to end at 23,653.82, after falling 77.77 points Thursday.

The yen's rise triggered profit-taking, but this was tempered by brisk earnings reported on Thursday by clothing store operator Fast Retailing, a heavyweight component of the key market gauge, brokers said.

This Monday Japan's Domestic Corporate Goods Price Index will be released, followed by industrial production data on Thursday.

Europe

European stocks ended in positive territory on Friday as investors digested new earnings, data and a political breakthrough in Germany.

The pan-European STOXX 600 finished up 0.31% provisionally, CNBC reported, with the majority of Europe's sectors closing in the black.

For the week, the STOXX 600 ended on a positive note, up 0.29%.

US trade also boosted sentiment.

Germany's DAX ended up 0.32% leaders cleared a key hurdle in the way of a coalition government, while the euro also rose against the US dollar on the back of the news. The UK's FTSE 100 rose 0.2% while France's CAC 40 popped 0.52%.

Autos was Europe's top-performing sector Friday, closing up 1.24%, boosted by British multinational automotive firm GKN, which soared more than 26% after it rejected an acquisition proposal. German automakers Volkswagen and Porsche also posted solid gains.

Retail stocks closed up 1% as a sector.

In the currency markets, the British pound soared Friday afternoon, up 1% against the US dollar at \$1.3677 around the London market close. The move comes after Bloomberg News reported that the Netherlands and Spain are open to a softer Brexit deal for Britain.

The euro zone trade balance will be released on Monday.

Australia

Australian shares ended with slight gains on Friday but lost ground over the week, Fairfax Media reported. An advance in the mining sector was not enough to offset weakness in consumer staples and real estate stocks.

The S&P/ASX 200 index rose 2 points, or less than 0.1%, to end the session at 6070 on Friday, with the move paring a weekly loss for the index to 0.9%.

The All Ordinaries added half a point during Friday's trading session to end the day at 6176, while the Australian dollar traded at US78.85¢.

Miners performed well on Friday, with BHP Billiton shares jumping 2.2% to \$31.53, Rio Tinto shares up 1.7% to \$80.62 and South32 shares higher by 4% to \$3.87, pushing the ASX mining index to its highest level in almost five years.

This was on the back of data out on Friday showing that China's December imports missed market expectations, rising only 4.5% year-on-year, while exports beat forecasts with 10.9% growth.

The mining sector was one of a handful of sectors to gain over the week, rising 0.8%, with investors also focusing on iron ore prices after cyclone warnings prompted the closure of a top export in WA hub on Thursday.

Consumer staples stocks had a weekly loss of 2.2%, with Woolworths and Wesfarmers sliding 0.6% to \$27.25 and Wesfarmers down 1% to \$43.73 on Friday. Real estate stocks ending the week down 1.9% and industrials fell 2.2%.

Those sectors can act as bond proxies for investors and bond markets had a turbulent week after US 10-year Treasury yields surged and ignited fears that bonds are headed for a bear market.

This coming Monday, TD Securities Inflation figures will be released by The University of Melbourne - Faculty of Economics and Commerce.

New motor vehicle sales will be out on Tuesday, and home loan data on and the Westpac Consumer Confidence reading on Wednesday. HIA new home sales figures will be released on Thursday.

Commodities

Oil

Oil prices eased on Friday after hitting their highest levels since December 2014 the previous day, Fairfax Media reported. Despite the dip, analysts said market fundamentals going into 2018 were strong due to ongoing production cuts led by the Organisation of the Petroleum Exporting Countries (OPEC) and Russia. These are coinciding with healthy demand growth.

Iron ore

Chinese steel futures on Friday posted their biggest daily loss in one month after gaining for three straight days as cooling winter demand dented prices and weighed on iron ore, the key steelmaking raw material, Reuters reported.

Steel traders and end users are reluctant to restock on expectations that faltering demand in winter months would continue to dent prices.

Gold

Gold prices rose for a third straight session on Friday to their highest level since September as the slumping dollar drew investors to the yellow metal.



















The rise in the gold price came after the euro jumped against the dollar following signals from the European Central Bank that it could begin to wind down its 2.5 trillion euro (\$3.01 trillion) stimulus program this year. A stronger euro potentially boosts demand for gold by making dollar-priced bullion cheaper for investors outside the US. Bullion is on track for its fifth weekly gain. Spot gold edged up 0.5% to \$1,329.03 an ounce on Friday.

Base metals

Base metals prices on the London Metal Exchange closed the week on divergent paths on Friday, with aluminium leading the upside and most other base metals consolidating, Metal Bulletin reported.




















Zinc hit fresh highs above \$3,400 a tonne, the best level since August 2007 as supply worries intensify and the base metal complex finds support from a robust outlook for global growth, mining.com said.

Economic Calendar 15/01/2018 – 19/01/2018

Tuesday January 16 2018		Actual	Previous	Consensus	Forecast	
05:30 PM	 GB Inflation Rate YoY DEC		3.1%	3%	3%	
Wednesday January 17 2018		Actual	Previous	Consensus	Forecast	
11:00 PM	 CA BoC Interest Rate Decision		1%	1.25%	1.25%	
Thursday January 18 2018		Actual	Previous	Consensus	Forecast	
07:30 AM	 AU Westpac Consumer Confidence Change JAN		3.6%			
07:30 AM	 AU Westpac Consumer Confidence Index JAN		103.3		102	
08:30 AM	 AU Employment Change DEC		61.6K	18K	15K	
08:30 AM	 AU Unemployment Rate DEC		5.4%	5.4%	5.4%	
10:00 AM	 CN GDP Growth Rate QoQ Q4		1.7%	1.6%	1.70%	
10:00 AM	 CN GDP Growth Rate YoY Q4		6.8%	6.7%	6.8%	
Friday January 19 2018		Actual	Previous	Consensus	Forecast	
11:00 PM	 US Michigan Consumer Sentiment Prel JAN		95.9	97	95.30	

Source: www.tradingeconomics.com

Economic Calendar 22/01/2018 – 26/01/2018

Tuesday January 23 2018			Actual	Previous	Consensus	Forecast	
11:00 AM	JP	BoJ Interest Rate Decision		-0.1%			—
01:00 PM	JP	BoJ Quarterly Outlook Report					—
06:00 PM	DE	ZEW Economic Sentiment Index JAN		17.4	18.0	17.17	
11:00 PM	EA	Consumer Confidence Flash JAN		0.5		0.29	
Wednesday January 24 2018			Actual	Previous	Consensus	Forecast	
07:50 AM	JP	Balance of Trade DEC		¥113B	¥55B	¥ 429.1B	
04:30 PM	DE	Markit Manufacturing PMI Flash JAN		63.3	62.0	62.91	
05:30 PM	GB	Claimant Count Change DEC		5.9K	3.2K	5.2K	
05:30 PM	GB	Unemployment Rate NOV		4.3%	4.2%	4.3%	
11:00 PM	US	Existing Home Sales DEC		5.81M	5.71M		
Thursday January 25 2018			Actual	Previous	Consensus	Forecast	
07:00 AM	KR	GDP Growth Rate QoQ Adv Q4		1.5%		1.30%	
07:00 AM	KR	GDP Growth Rate YoY Adv Q4		3.8%		4.50%	
03:00 PM	DE	GfK Consumer Confidence FEB		10.8	10.8		
05:00 PM	DE	IFO Business Climate JAN		117.2	117.5	116.9	
08:45 PM	EA	ECB Interest Rate Decision		0.0%		0.0%	—
09:30 PM	EA	ECB Press Conference					—
11:00 PM	US	New Home Sales DEC		0.733M	0.704M		
Friday January 26 2018			Actual	Previous	Consensus	Forecast	
07:30 AM	JP	Inflation Rate YoY DEC		0.6%		0.70%	
07:50 AM	JP	BoJ Monetary Policy Meeting Minutes					—
05:30 PM	GB	GDP Growth Rate QoQ Prel Q4		0.4%		0.5%	
05:30 PM	GB	GDP Growth Rate YoY Prel Q4		1.7%		1.8%	
09:30 PM	CA	Inflation Rate YoY DEC		2.1%	2%	2.20%	
09:30 PM	US	Durable Goods Orders MoM DEC		1.3%		0.42%	
09:30 PM	US	GDP Growth Rate QoQ Adv Q4		3.2%	2.9%	3%	
10:00 PM	MX	Balance of Trade DEC		\$0.399B		\$ -0.65B	

Source: www.tradingeconomics.com

All Ords Top 10 Week Ending 12 January 2018

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
JBH	JB Hi-Fi Limited	8.8	BKL	Blackmores Limited	-10.3
S32	South32 Limited	6.0	API	Australian Pharm.	-8.6
BPT	Beach Energy Limited	5.7	MQA	Macq Atlas Roads Grp	-7.6
ALU	Altium Limited	5.3	A2M	The A2 Milk Company	-7.0
PTM	Platinum Asset	5.3	ABP	Abacus Property Grp.	-6.9
MFG	Magellan Fin Grp Ltd	4.6	HT1	Ht&E Limited	-6.7
WHC	Whitehaven Coal	4.4	FPH	Fisher & Paykel H.	-6.7
SGM	Sims Metal Mgmt Ltd	4.1	DHG	Domain Holdings Aus	-6.7
MND	Monadelphous Group	4.0	GNC	GrainCorp Limited	-6.3
SUL	Super Ret Rep Ltd	3.6	SAR	Saracen Mineral	-5.5

Source: IRESS

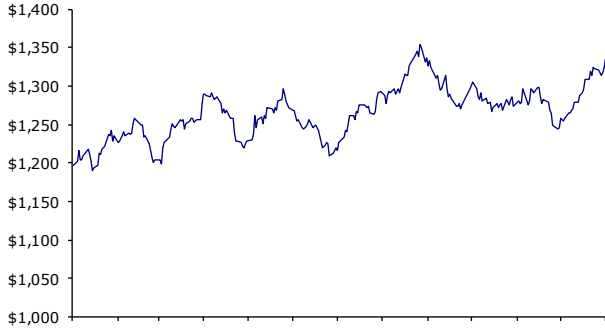
S & P Indices Week Ending 12 January 2018

S&P Indices	14/01/2018	7/01/2018	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	11240	11217	0.2%	5.9%	26.4%
S&P 200 Materials	11987	11894	0.8%	6.0%	21.1%
S&P 200 Industrials	5765	5897	-2.2%	-4.0%	13.0%
S&P 200 Consumer Disc.	2302	2348	-2.0%	-1.8%	9.9%
S&P 200 Consumer Staples	10015	10241	-2.2%	-3.0%	17.1%
S&P 200 Healthcare	24441	24731	-1.2%	-0.8%	26.8%
S&P 200 Financials	6521	6572	-0.8%	-0.7%	2.4%
S&P 200 Info Technology	1007	1024	-1.7%	-2.8%	29.4%
S&P 200 Telecommunicatic	1345	1342	0.2%	2.0%	-23.4%
S&P 200 Utilities	8063	8169	-1.3%	-4.1%	6.9%
S&P 200 Property Trusts	1365	1396	-2.2%	-5.6%	1.8%
S&P 200 Financials ex PT	7274	7330	-0.8%	-0.7%	2.4%

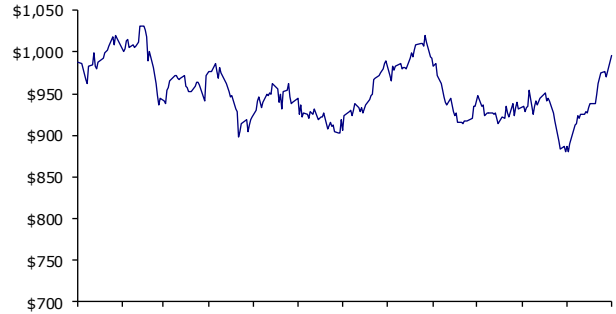
Source: IRESS

1 Year Commodity Price Charts

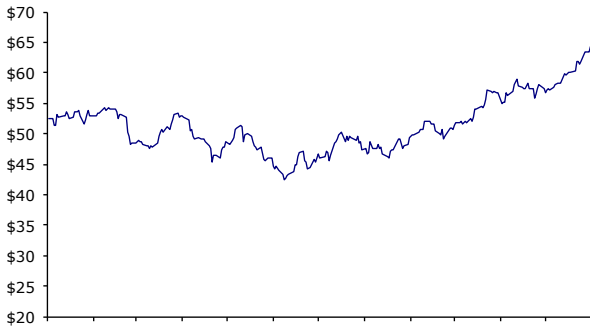
1 Year Gold



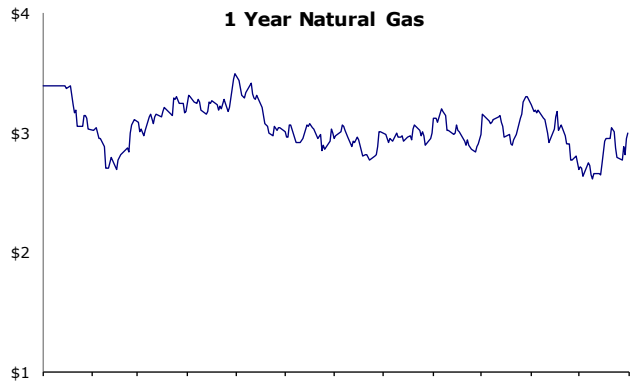
1 Year Platinum



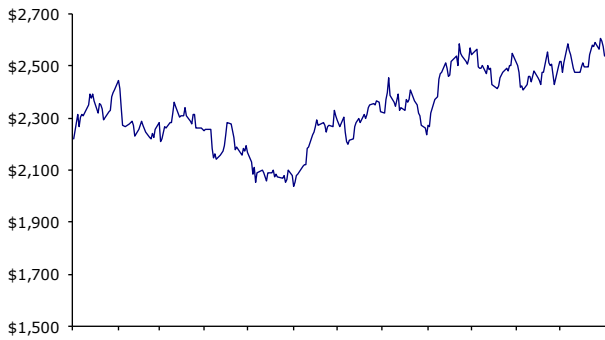
1 Year Oil



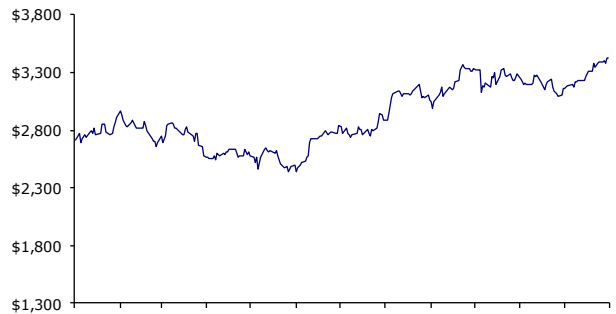
1 Year Natural Gas



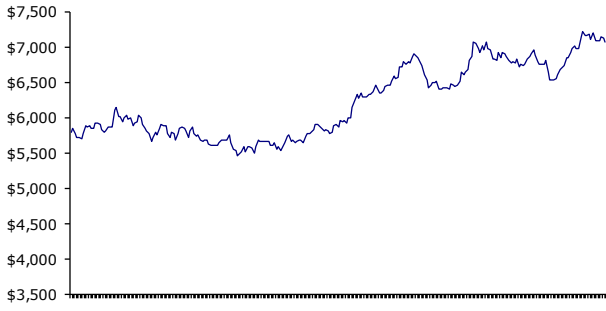
1 Year Lead



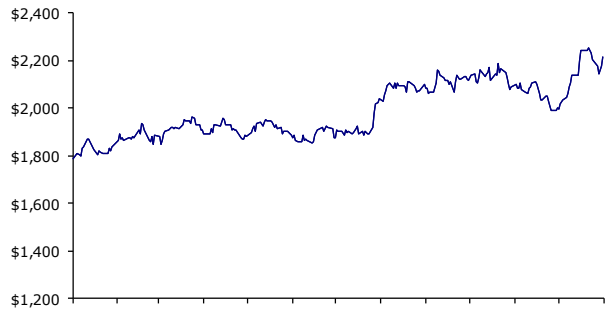
1 Year Zinc



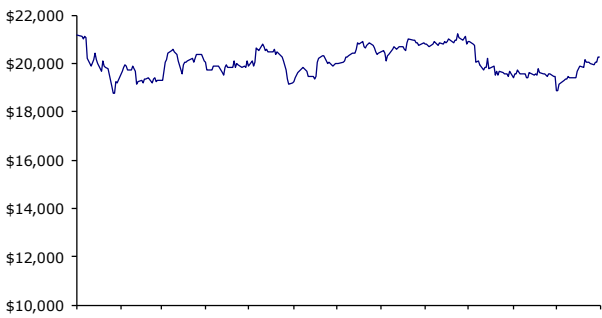
1 Year Copper



1 Year Aluminium

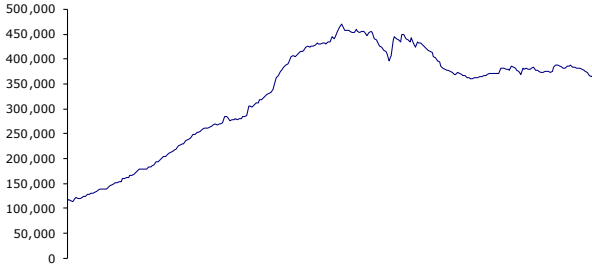


1 Year Tin

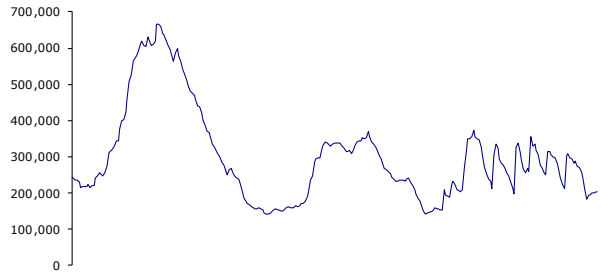


5 Year Metals Stockpiles

Nickel LME Stockpiles - 5 Year



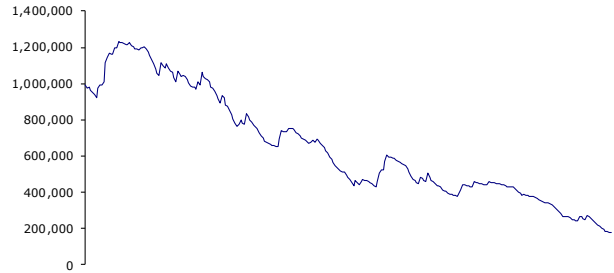
Copper LME Stockpiles - 5 Year



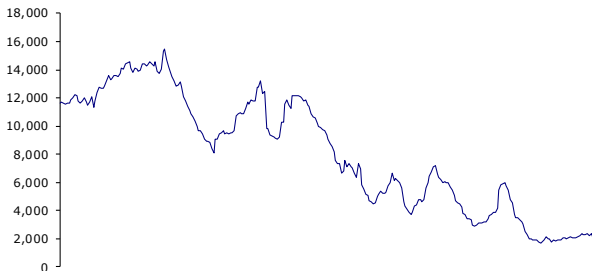
Lead LME Stockpiles - 5 Year



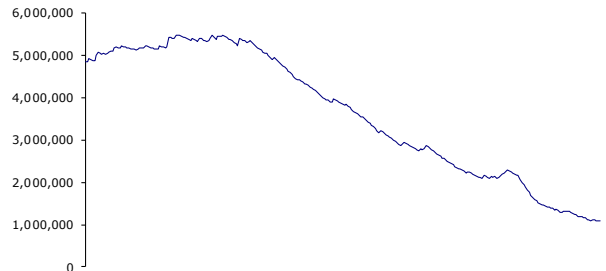
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year



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

Graeme Johnson
Equities & Derivatives Advisor
Phone: +61 8 9288 3316
gjohnson@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

David Brennan
Senior Investment Analyst
Phone: +61 2 9024 9142
DBrennan@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

General Advice Warning

The contents of this document have been prepared by State One Stockbroking Ltd (ABN 95 092 989 083, Australian Financial Services Licence ("AFSL") 247100) without taking account of your objectives, financial situation or needs. To the extent that any of the content constitutes advice, it is general advice. You should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

Whilst State One Stockbroking Ltd believe the data and content contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One Stockbroking Ltd or any of their officers, agents or employees. Some material is copyright and published under licence from ASX Operations Pty Limited ACN 004 523 782 ("ASXO").

If applicable, you should obtain the Product Disclosure Statement relating to the relevant financial product mentioned in this document (which contains full details of the terms and conditions of the financial product) and consider it before making any decision about whether to acquire the financial product.

For more information please refer to the State One Stockbroking Ltd Financial Services Guide (FSG) at https://www.stateone.com.au/Download/Download?file=stateone_fsg.pdf

Disclosure

The directors and associated persons of State One Stockbroking Ltd may have an interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products.

This research at all times remains the property of State One Stockbroking Ltd and is not for public circulation or reproduction whether in whole or in part and is not to be disclosed to any person other than the intended recipient, without obtaining prior written consent.