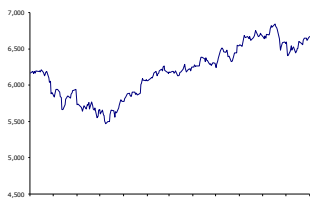


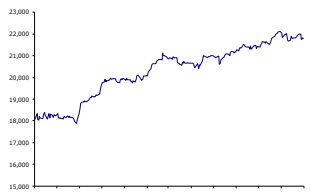
STATE ONE SPINNAKER

15 September 2019
Issue 471

12 month XJO chart



12 month Dow Jones chart



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Overview

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Global Wrap – 15 September 2019

World Markets	15/09/2019	8/09/2019	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	6669	6647	0.3%	2.9%	20.3%
Dow Jones	21798	21988	-0.9%	-1.0%	18.0%
Nasdaq	5284	5284	0.0%	-0.2%	21.9%
S&P 500	3007	2979	1.0%	2.8%	33.9%
FTSE 100	7367	7282	1.2%	2.3%	6.3%
DAX30	12469	12192	2.3%	5.6%	0.8%
Shanghai Composite	3031	3025	0.2%	5.1%	-5.7%
Nikkei 225	21988	21318	3.1%	6.6%	17.2%
Hang Seng	27353	26691	2.5%	4.1%	19.6%
Currency					
AUD/USD	0.6878	0.6864	0.2%	0.9%	-3.9%
Commodities					
Oil (\$/bbl)	54.9	58.0	-5.4%	-0.9%	-20.5%
Gas (\$/gal)	2.7	2.5	6.7%	22.1%	-13.2%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	5870	5777	1.6%	3.0%	0.5%
Lead (\$/t)	2094	2036	2.8%	0.4%	-10.2%
Zinc (\$/t)	2365	2312	2.3%	4.8%	-13.8%
Aluminium (\$/t)	1768	1755	0.8%	1.0%	2.1%
Nickel (\$/t)	17820	17500	1.8%	13.1%	56.7%
Tin (\$/t)	17275	17075	1.2%	6.8%	-19.3%
Gold (\$/oz)	1500	1515	-1.0%	-0.9%	27.9%
Silver (\$/oz)	17.5	18.3	-4.2%	1.6%	2.4%
Platinum (\$/oz)	952	953	-0.1%	11.4%	1.5%
Wheat (\$/t)	482.750	463.750	4.1%	3.2%	18.2%

Source: Iress

Global Wrap

Key points

1. Trade hopes boost global markets

2. Euro bank cuts rates

3. What to watch next week

Week in review

The S&P 500 Index is up 1.0% for the week in local terms as China and the US extended olive branches ahead of their scheduled trade talks in October. China announced a one-year exemption for tariffs on 16 American products due to begin on 17 September 2019 and President Trump postponed an increase in tariffs on USD 250 billion worth of Chinese goods by two weeks as the original date coincided with the 70th anniversary of the founding of the People's Republic of China.

The European Central Bank cut its benchmark deposit rate by 10 basis points to negative 0.5% and reintroduced a quantitative easing program which involves buying 20 billion euros in bonds every month. The bank's president Mario Draghi said the cash rate would remain at current levels or lower until the bank achieves its inflation target of just under 2.0% inflation.

The National Australia Bank August Business Survey results were released on Tuesday and showed business conditions and confidence have declined since July, despite the Reserve Bank of Australia's two consecutive cash rate reductions and the Commonwealth Government's income tax cuts. The Westpac-Melbourne Institute Index of Consumer Sentiment also fell 1.7% in August, finding the majority of consumers plan to save their recent tax refunds as their confidence in the economy has fallen.

Despite the negative economic data, the S&P/ASX All Ordinaries Accumulation Index (including dividends) closed up 0.5% for the week as the trade news from the US and China provided a positive macro-economic uplift for investment sentiment.

US

On Friday the Dow Jones Industrial Average rose, posting its first eight-day winning streak in more than a year, amid improving sentiment around US-China trade relations, CNBC reported.

The 30-stock index closed 37.07 points higher, or 0.1% at 27,219.52. The S&P 500 and Nasdaq Composite struggled, however. The S&P 500 slipped 0.1% to 3,007.39. The Nasdaq ended the day down 0.2% at 8,176.71.

The Dow finished Friday's session 0.7% below an intraday record high of 27,398.68. The S&P 500 was also within striking distance of its all-time high of 3,027.98.

Trade bellwethers Caterpillar and Boeing rose 1.5% and 1.1%, respectively on the positive US-China news. Those gains were slightly offset by a 1.9% drop in Apple. The tech giant's stock fell after an analyst at Goldman Sachs cut his price target on Apple to \$165 per share from \$187.

The upbeat sentiment around the trade war pushed the major indexes to their third straight weekly gain. The Dow rose 1.6% week to date while the S&P 500 and Nasdaq both rose about 0.9%. It also led to a massive sell-off in US sovereign bonds as investors moved their money into equities from other safe haven assets such as US treasuries. The benchmark 10-year Treasury yield shot up more than 30 basis points this week, going to around 1.89% from 1.57% earlier in the week, staving off inversion fears.

On the data front, consumer sentiment for September topped expectations as consumers felt better about the economy.

China/HongKong

Hong Kong's Hang Seng closed at 27,352.69 after gaining nearly 1% Friday, The South China Morning Post reported.

This month the index has posted gains of 6.3% in just two weeks as traders grow more optimistic that the US and China will work out their differences on trade.

The gains came despite China's markets being closed for the Mid-Autumn Festival, meaning there was no southbound traffic on the Stock Connect. Southbound flow from the mainland generally accounts for roughly a tenth of the main board turnover.

Therefore when the southbound trading starts back up next week, that could support further upwards momentum in the index.

Japan

The benchmark Nikkei average topped 22,000 in Tokyo trading on Friday, The Japan Times reported. Buying sentiment was reinvigorated by stepped-up easing from the European Central Bank and rosier prospects for a US-China trade deal.

The 225-issue Nikkei average rose 228.68 points, or 1.05%, to end at 21,988.29 on the Tokyo Stock Exchange, advancing for the ninth straight market day, the longest winning streak since a 16-session rise in October 2017. On Thursday, the key market gauge gained 161.85 points.

Europe

European banks advanced on Friday, continuing a rally as the European Central Bank cut rates and reintroduced its quantitative easing, CNBC reported.

The Euro Stoxx banks index rose as the central bank also made more holdings eligible for refinancing and introducing an exemption of part of the deposits that have been hit with a negative rate (so-called tiering).

The bank index has now climbed 12% over the last month, though it's still down 16% over the last 52 weeks.

The broader market gauges were less active, as the Stoxx Europe 600 gained 0.12% to 390.94.

The German DAX added 0.25% to 12441.44, the French CAC 40 increased 0.31% to 5660.59 and the UK FTSE 100 increased 0.06% to 7348.99,

Australia

Australian shares edged up on Friday, with the benchmark set for its fourth week of gains, buoyed by signs of progress in the US-China trade war and stimulus measures announced by the European Central Bank, Reuters reported.

The S&P/ASX 200 index rose 0.2%, or 10.4 points, to 6,667.10 by 0212 GMT, with financials leading gains. The benchmark closed 0.3% higher on Thursday.

Commonwealth Bank of Australia was the best performer among the "Big Four" lenders, climbing about 1% to a near six-week high.

Energy Stocks gained about 0.1%, heading towards their second consecutive weekly gain, with industry heavyweights **Santos Ltd** and **Woodside Petroleum** climbing around 0.2% each.

Meanwhile, the mining sector slipped 0.5%, dented by **Syrah Resources'** more than 8% fall, after the **graphite** miner said it would reduce production in the third quarter and posted a huge rise in half-yearly losses.

Gold stocks were on their way to a second weekly decline as improving global risk sentiment lowered prices for the precious metal.

The week ahead

US Federal Reserve interest rate decision: Wednesday, 18 September

The Federal Reserve lowered the target range for the federal funds rate to 2.0% to 2.25% during its July meeting, the first rate cut since the financial crisis. Markets are pricing in a 96.9% chance of a 0.25% cut to the cash rate. On Wednesday this week, President Trump urged the Fed to cut rates to zero or less.

Australian unemployment rate: Thursday, 19 September

Australia's seasonally adjusted unemployment rate stood at 5.2% in July 2019, unchanged from the previous month and in-line with market expectations. We will be looking to see if unemployment has been impacted by the RBA's two cash rate reductions and the Morrison Government's income tax cuts, given recent data suggesting the impact has been minimal.

Economic Calendar 16/09/2019 – 20/09/2019

Tuesday September 17 2019		Actual	Previous	Consensus	Forecast	
09:30 AM	AU RBA Meeting Minutes					
05:00 PM	DE ZEW Economic Sentiment Index SEP		-44.1	-38	-42	
Wednesday September 18 2019		Actual	Previous	Consensus	Forecast	
07:50 AM	JP Balance of Trade AUG		¥-249.6B	¥-355.9B	¥-430B	
04:30 PM	GB Inflation Rate YoY AUG		2.1%	1.9%	1.9%	
08:30 PM	CA Inflation Rate YoY AUG		2%	2%	1.9%	
Thursday September 19 2019		Actual	Previous	Consensus	Forecast	
02:00 AM	US Fed Interest Rate Decision		2.25%	2%	2%	
02:00 AM	US FOMC Economic Projections					
05:00 AM	BR Interest Rate Decision		6%	5.50%	5.50%	
09:30 AM	AU Unemployment Rate AUG		5.2%	5.3%	5.3%	
07:00 PM	GB BoE Quantitative Easing		£435B	£435B	£435B	
07:00 PM	GB MPC Meeting Minutes					
07:00 PM	GB BoE Interest Rate Decision		0.75%	0.75%	0.75%	
Friday September 20 2019		Actual	Previous	Consensus	Forecast	
07:30 AM	JP Inflation Rate YoY AUG		0.5%		0.8%	
09:30 AM	CN Loan Prime Rate 1Y		4.25%		4.15%	
10:00 PM	EA Consumer Confidence Flash SEP		-7.1	-7.0	-7.8	

Source: www.tradingeconomics.com

Economic Calendar 23/09/2019 – 27/09/2019

Monday September 23 2019		Actual	Previous	Consensus	Forecast	
03:30 PM	DE Markit Manufacturing PMI Flash SEP		43.5		45.9	
Tuesday September 24 2019		Actual	Previous	Consensus	Forecast	
04:00 PM	DE Ifo Business Climate SEP		94.3		94.4	
07:00 PM	BR BCB Copom Meeting Minutes					
Thursday September 26 2019		Actual	Previous	Consensus	Forecast	
02:00 PM	DE GfK Consumer Confidence OCT		9.7		9.8	
08:30 PM	US GDP Growth Rate QoQ Final Q2		3.1%	2%	2%	
Friday September 27 2019		Actual	Previous	Consensus	Forecast	
05:00 PM	EA Business Confidence SEP		0.11		0.19	
08:30 PM	US Personal Spending MoM AUG		0.6%		0.3%	
08:30 PM	US Personal Income MoM AUG		0.1%			
08:30 PM	US Durable Goods Orders MoM AUG		2.1%			

Source: www.tradingeconomics.com

All Ords Top 10 Week Ending 13 September 2019

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
SIG	Sigma Health Ltd	12.7	APX	Appen Limited	-16.4
TPM	TPG Telecom Limited	10.6	PME	Pro Medicus Limited	-16.1
AWC	Alumina Limited	10.4	BVS	Bravura Solution Ltd	-13.6
ABC	Adelaide Brighton	10.2	IEL	Idp Education Ltd	-12.9
BLD	Boral Limited	9.3	CUV	Clinuvel Pharmaceut.	-12.4
CYB	Cybg PLC	9.3	NAN	Nanosonics Limited	-10.7
FBU	Fletcher Building	8.6	EVN	Evolution Mining Ltd	-10.5
JHG	Janus Henderson	8.4	RRL	Regis Resources	-10.1
FMG	Fortescue Metals Grp	7.6	A2M	The A2 Milk Company	-9.2
CSR	CSR Limited	7.2	NST	Northern Star	-9.0

Source: IRESS

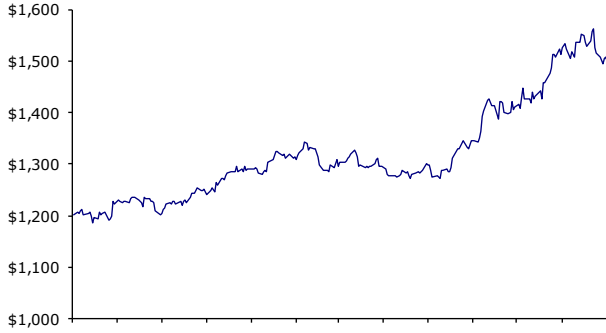
S & P Indices Week Ending 13 September 2019

S&P Indices	15/09/2019	8/09/2019	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	10583	10546	0.4%	2.4%	19.0%
S&P 200 Materials	13375	13215	1.2%	4.5%	35.1%
S&P 200 Industrials	6735	6805	-1.0%	-0.1%	32.0%
S&P 200 Consumer Disc.	2589	2575	0.5%	2.8%	23.6%
S&P 200 Consumer Staples	12358	12744	-3.0%	2.3%	44.4%
S&P 200 Healthcare	35354	36880	-4.1%	-2.1%	83.4%
S&P 200 Financials	6464	6296	2.7%	5.7%	1.5%
S&P 200 Info Technology	1366	1443	-5.4%	4.8%	75.6%
S&P 200 Telecommunicatic	1291	1284	0.6%	0.6%	-26.5%
S&P 200 Utilities	8026	7895	1.7%	0.5%	6.5%
S&P 200 Property Trusts	1600	1612	-0.7%	-1.5%	19.3%
S&P 200 Financials ex PT	7210	7022	2.7%	5.7%	1.5%

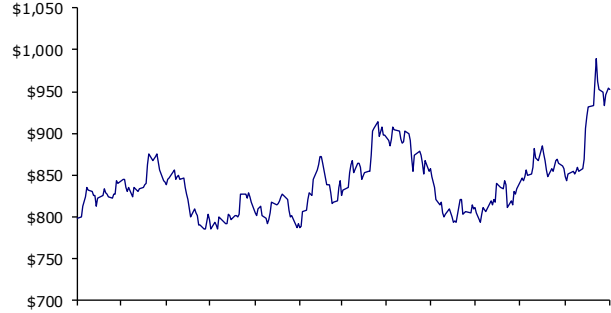
Source: IRESS

1 Year Commodity Price Charts

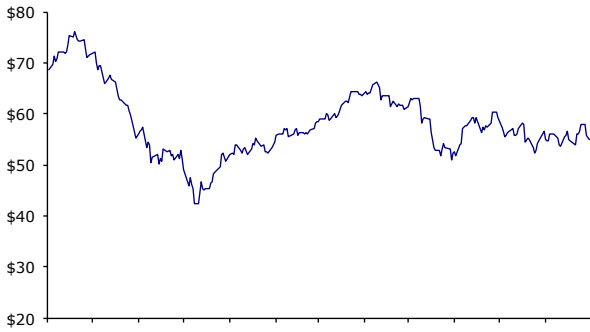
1 Year Gold



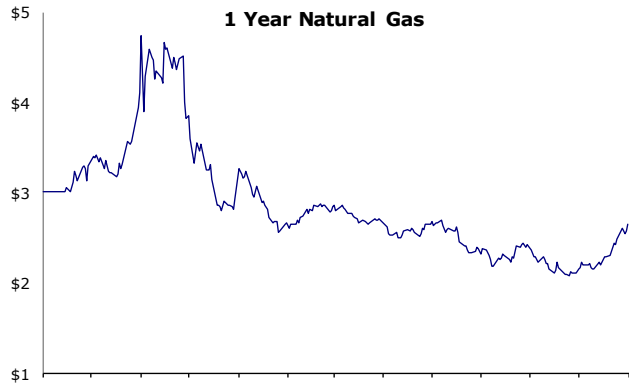
1 Year Platinum



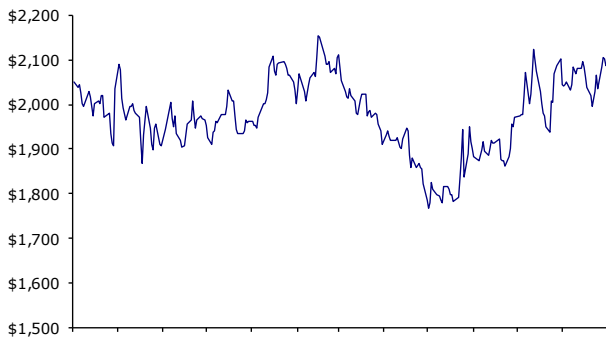
1 Year Oil



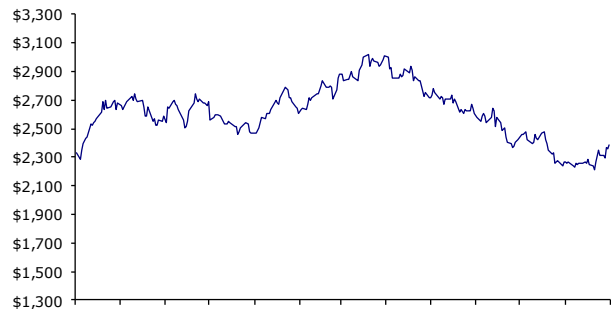
1 Year Natural Gas



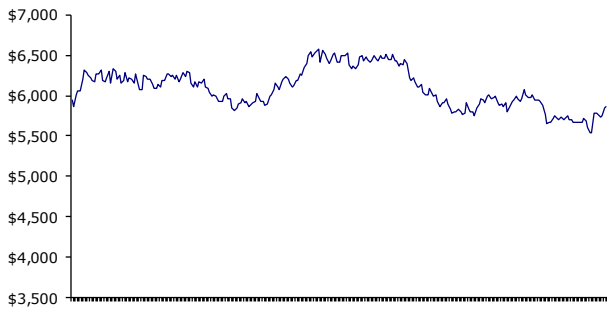
1 Year Lead



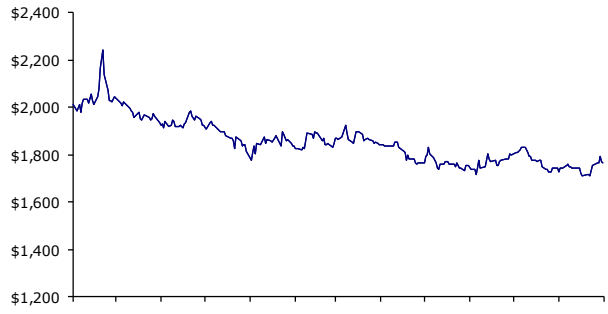
1 Year Zinc



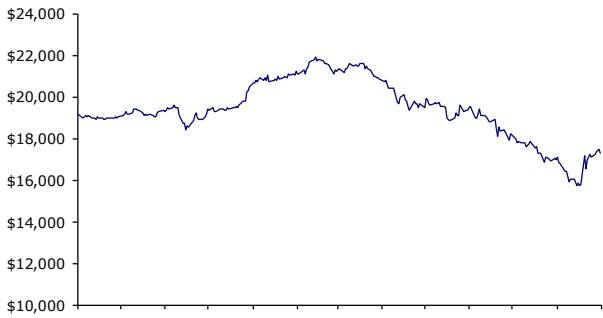
1 Year Copper



1 Year Aluminium

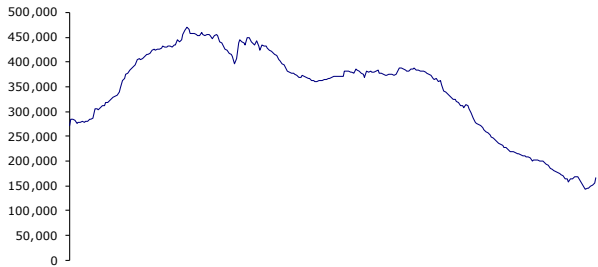


1 Year Tin

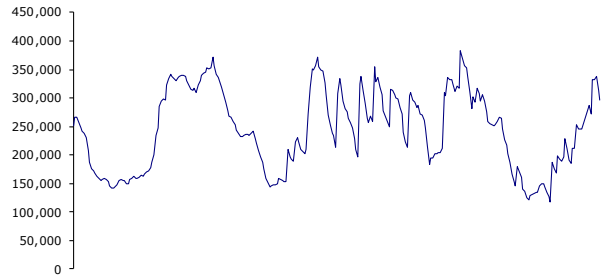


5 Year Metals Stockpiles

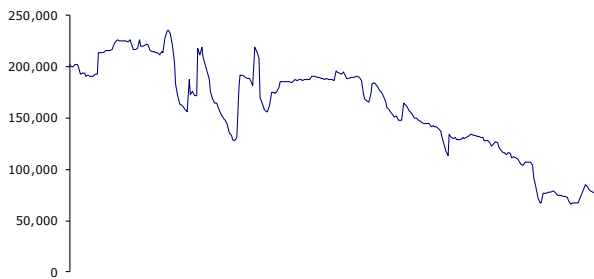
Nickel LME Stockpiles - 5 Year



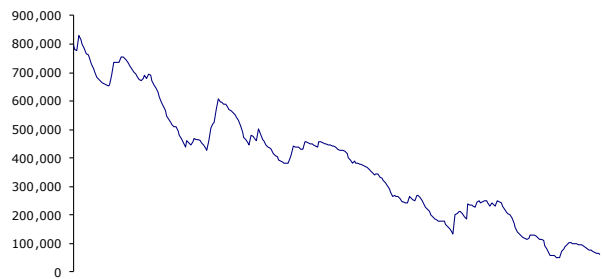
Copper LME Stockpiles - 5 Year



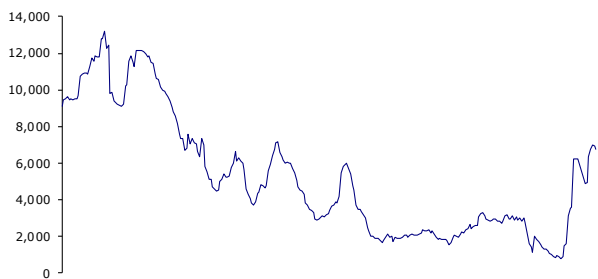
Lead LME Stockpiles - 5 Year



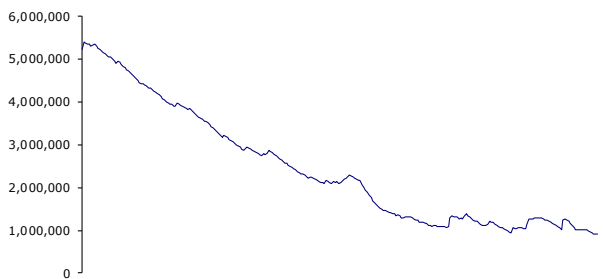
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year



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