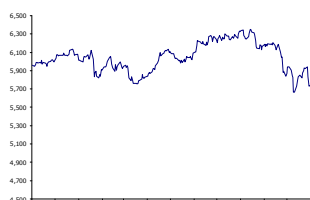


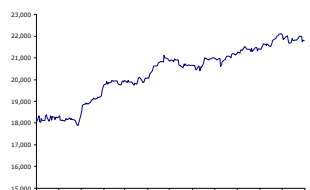
STATE ONE SPINNAKER

18 November 2018
Issue 437

12 month XJO chart



12 month Dow Jones chart



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Overview

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Global Wrap – 18 November 2018

World Markets	18/11/2018	11/11/2018	Wkly Chg	Mthly Chg	Yearly Chg
ASX 200	5731	5922	-3.2%	-1.7%	3.4%
Dow Jones	21798	21988	-0.9%	-1.0%	18.0%
Nasdaq	5284	5284	0.0%	-0.2%	21.9%
S&P 500	2736	2781	-1.6%	3.0%	21.8%
FTSE 100	7014	7105	-1.3%	0.7%	1.2%
DAX30	11341	11529	-1.6%	1.3%	-13.2%
Shanghai Composite	2679	2631	1.8%	2.9%	-16.7%
Nikkei 225	21680	22270	-2.6%	1.9%	15.5%
Hang Seng	26184	25602	2.3%	3.7%	14.5%
Currency					
AUD/USD	0.7330	0.7173	2.2%	1.0%	-3.1%
Commodities					
Oil (\$/bbl)	56.9	58.8	-3.2%	-14.9%	0.3%
Gas (\$/gal)	4.3	3.7	15.3%	32.3%	41.9%
Iron Ore (\$/t)	0.0	53.9	-100.0%	-100.0%	-100.0%
Copper (\$/t)	6181	6088	1.5%	-0.5%	5.9%
Lead (\$/t)	1960	1957	0.2%	-2.2%	-15.9%
Zinc (\$/t)	2542	2556	-0.5%	-7.2%	-7.4%
Aluminium (\$/t)	1940	1965	-1.2%	-2.4%	12.0%
Nickel (\$/t)	11280	11470	-1.7%	-8.3%	-0.8%
Tin (\$/t)	19400	19310	0.5%	-0.2%	-9.3%
Gold (\$/oz)	1223	1209	1.2%	-1.1%	4.3%
Silver (\$/oz)	14.4	14.1	1.7%	-2.2%	-15.9%
Platinum (\$/oz)	847	856	-1.1%	1.6%	-9.7%
Wheat (\$/t)	515.500	504.500	2.2%	3.4%	26.3%

Source: Iress

Global Wrap

Key points

1. ASX plummets

2. Boost for Shanghai stocks

3. Stock analysis: How Brexit can affect your portfolio

US

US stocks rose for the first time in six days, with beaten-down technology shares leading the rebound on speculation trade tensions will ease, Fairfax reported.

The dollar was little changed, while oil and Treasuries jumped.

Trade-sensitive industrial shares led the S&P 500 Index higher in afternoon trading amid hope that China and the US would de-escalate their trade spat before the G20 summit late this month, even as the threat of new tariffs looms.

Technology, materials and energy stocks also reacted positively to the news, offsetting a decline in consumer stocks brought on by disappointing results from department stores.

The S&P 500 Index gained 1.1% as of 4:01pm New York time; the Nasdaq Composite Index added 1.7%.

With the APEC summit on in Papua New Guinea this weekend, investors listening closely to messages coming from US Vice President Mike Pence and Chinese President Xi Jinping over trade ahead of the G20.

On Wednesday there will be a raft of US data releases including durable goods orders and initial jobless claims.

China

China stocks rose about half a percent on Friday, helped by banks as comments from the central bank eased pressure on them to lend.

Reuters further reported that shares of Shanghai-based companies also advanced following a report that China plans to expand the free trade zone. The Shanghai Composite index ended 0.4% higher at 2,679.11, gaining 3.1% for the week.

The blue-chip CSI300 index was up 0.5%, posting a weekly gain of 2.8%.

Japan

Stocks lost ground in thin trading on the Tokyo Stock Exchange on Friday, with active buying held in check amid a dearth of fresh positive incentives.

The 225-issue Nikkei average lost 123.28 points, or 0.57%, to end at 21,680.34, after losing 42.86 points on Thursday, The Japan Times reported.

Despite an overnight rally in US stocks, both indexes moved on a weak note for most of Friday's session as investor sentiment was dampened by disappointing sales projections for November-January by major US chipmakers Nvidia Corp. and Applied Materials Inc., released on Thursday.

Europe

The pound plunged as Brexit again threw the UK government into turmoil. However European shares recovered on Friday as investors licked their wounds somewhat after a tumultuous week.

The pan-European stocks index was still on course for a weekly loss after two straight weeks of gains though, as Brexit chaos, Italy's budget showdown with the European Commission, and anxious oil markets sapped risk appetite.

The STOXX 600 was up 0.7%, with Germany's DAX up 0.6%, CNBC reported.

Britain's FTSE 100 and FTSE 250 both recovered, also rising 0.6% after Thursday's sharp selloff in domestic stocks on ministerial resignations over Brexit.

And shareholders in the Finnish maker of Angry Birds mobile game, Rovio Entertainment, will be happy. Shares jumped 9.8% after its third-quarter results.

The Bank of England is likely to be the only distraction from Brexit for UK investors this coming week as its governor, Mark Carney, and other Monetary Policy Committee members will testify before the Treasury Select Committee in Parliament on Wednesday.

Also on Wednesday the OECD will release its euro zone economic outlook. Then on Thursday the European Central Bank will publish the account of its October policy meeting.

Australia

Australian shares plummeted this week after a "risk off" market sent the market into a nose-dive on Tuesday and Wednesday, wiping \$54 billion from the boards in the past five sessions.

The S&P/ASX 200 Index closed the week 191.3 points, or 3.2%, lower at 5730.6 while the broader All Ordinaries Index slipped 188.2 points, or 3.1%, to 5822.8, Fairfax reported.

The energy sector was volatile this week as oil prices recorded their steepest one-day loss in three years on Tuesday before recovering on Wednesday. Woodside Petroleum closed 2.2% lower at \$33.02, Santos fell 3.9% to \$6.17 and Oil Search slid 2.6% to \$7.50. Beach Energy was able to close the week higher

however, lifting 2.7% to \$1.72.

The major banks were among the biggest weights on the market. Westpac fell 8.8% to \$25.27, Commonwealth Bank slid 2.9% to \$68.90, NAB closed 4.5% lower at \$23.77 and ANZ went down 6.5% to close at \$25.36.

Index heavyweights across the mining and healthcare sectors were also a drag on the market. BHP Billiton closed 3.1% lower at \$32.36, Rio Tinto fell 2.3% to \$79.31 and South32 slid 4.5% to \$3.38. Healthcare giant CSL fell 3.6% to \$183.67 while Cochlear closed 8.8% lower at \$160.63.

On Tuesday the Reserve Bank of Australia will publish its November 6 meeting minutes. The Westpac Leading Index will also be released on Tuesday.

OPEC production

Forecasts from OPEC this week suggest the cartel will cut output by roughly 1.4 million barrels per day in order to balance an oil market that is in danger of falling further.

While Venezuela and Iran have seen their production levels shrink slightly in recent months, their losses have been more than offset by improved production elsewhere, with the number of barrels produced per day rising in the past five months.

Palladium

The two platinum group metals were stronger on Wednesday, buoyed by reports the Trump Administration would hold off on imposing new tariffs on automobile imports from Europe and Asia. According to Bloomberg, top US officials are weighing revisions to a report on the national security implications.

The news lifted palladium 3% to a record high \$US1162 an ounce while platinum rose 1.2%.

Shares in Asian car-makers Toyota, Honda, Subaru, Mazda and Nissan also jumped on the back of the reports. The spread between palladium and platinum is growing, showing a diverging outlook for gasoline and diesel vehicle markets, respectively.

Stock analysis - Brexit

Late week chaos

Although British Prime Minister cleared a crucial Brexit hurdle winning cabinet approval for a Brexit deal, subsequent events indicate there is a lot of unhappiness within the ruling Conservative Party. It is now looking increasingly unlikely that the deal will pass in Parliament.

David Davis, the former Brexit Secretary said there is a "big majority" ready to reject Mrs May's proposals. He urged the PM to urgently change course and renegotiate for a free trade deal which "doesn't give up all the powers which we promised to take back".

Mr Davis' successor, Dominic Raab, resigned on Thursday over the Brexit plan.

He accused the EU of "blackmail" over Britain's draft deal and warned signing up to the terms could threaten the integrity of the UK.

Theresa May's first choice for a replacement Brexit Secretary - Environment Secretary Michael Grove - will resign instead of taking the job, The Times reported.

Esther McVey heaped more pressure by quitting as Work and Pensions Secretary shortly after Mr Raab. Meanwhile, Brexiteer Tories furious at the PM's draft deal have called for her to step down as leader.

Jacob Rees-Mogg added to the Prime Minister's misery by tabling a letter of no confidence in Mrs May as rumours grow of an imminent vote on her leadership. A total of 48 letters are needed to trigger a vote on her position. If that happens, Mrs May will require support from 50% of the 315 Conservative MPs to stay in office.

What it means for stocks

UK stocks fell sharply in response to the chaos. Royal Bank of Scotland fell 9.1%, Lloyds dropped 6.1%, while Barclays fell 4.9%.

Those companies, along with shares of British homebuilders, were among the biggest decliners in the European benchmark Stoxx 600 Index.

Barclays at one point touched levels not seen since June 2016, the month of the Brexit vote.

Budget airline Easyjet fell 8%, on fears the carrier might have to stop flying some routes in the event of a no-deal Brexit.

"The market has taken a big red pen to stocks which are heavily exposed to the UK economy like the banks, retailers and housebuilders," according to Laith Khalaf, senior analyst at Hargreaves Lansdown.

"The potential for an orderly Brexit to unravel in the next few days is causing further distress."

How it affects ASX stocks

ASX-listed companies that have direct exposure to Britain and Europe, or will be likely affected by currency movements, include:

Ansell, Brambles, Breville, BT Investment Management, Clydesdale, Flight Centre, Goodman, Henderson, Insurance Australia Group, Lend Lease, Macquarie Atlas, Macquarie Group, QBE Insurance, Ramsay Health Care, Sonic Healthcare, and Treasury Wine Estate.

The move may also be disastrous for airlines exposed to Europe although a sharp drop in the pound could help fill seats on Qantas flights to Heathrow in the short term.
























Economic Calendar 19/11/2018 – 23/11/2018

Monday November 19 2018			Actual	Previous	Consensus
07:50 AM	JP	Balance of Trade OCT		¥140B	¥-70B
Tuesday November 20 2018			Actual	Previous	Consensus
02:30 PM	FR	Unemployment Rate Q3		9.1%	9.3%
Wednesday November 21 2018			Actual	Previous	Consensus
09:30 PM	US	Durable Goods Orders MoM OCT		0.8%	-2.5%
11:00 PM	US	Existing Home Sales OCT		5.15M	5.2M
Thursday November 22 2018			Actual	Previous	Consensus
07:30 AM	JP	Inflation Rate YoY OCT		1.2%	+
11:00 PM	EA	Consumer Confidence Flash NOV		-2.7	-2.7
Friday November 23 2018			Actual	Previous	Consensus
04:30 PM	DE	Markit Manufacturing PMI Flash NOV		52.2	52.2
09:30 PM	CA	Inflation Rate YoY OCT		2.2%	2.2%

Source: www.tradingeconomics.com

Economic Calendar 26/11/2018 – 30/11/2018

Monday November 26 2018			Actual	Previous	Consensus
05:00 PM	 DE	Ifo Business Climate NOV		102.8	+
Wednesday November 28 2018			Actual	Previous	Consensus
08:00 PM	 DE	GfK Consumer Confidence DEC		10.6	10.5
09:30 PM	 US	GDP Growth Rate QoQ 2nd Est Q3		4.2%	3.5%
11:00 PM	 US	New Home Sales OCT		0.553M	0.575M
Thursday November 29 2018			Actual	Previous	Consensus
04:55 PM	 DE	Unemployment Change NOV		-11K	-12K
04:55 PM	 DE	Unemployment Rate NOV		5.1%	5.1%
06:00 PM	 EA	Business Confidence NOV		1.01	1.14
09:00 PM	 DE	Inflation Rate YoY Prel NOV		2.5%	2.4%
09:30 PM	 US	Personal Income MoM OCT		0.2%	0.4%
09:30 PM	 US	Personal Spending MoM OCT		0.4%	0.4%
Friday November 30 2018			Actual	Previous	Consensus
03:00 AM	 US	FOMC Minutes			+
07:30 AM	 JP	Unemployment Rate OCT		2.3%	2.4%
08:01 AM	 GB	GfK Consumer Confidence NOV		-10	-10
09:00 AM	 CN	NBS Manufacturing PMI NOV		50.2	50.6
01:00 PM	 JP	Consumer Confidence NOV		43.0	+
06:00 PM	 EA	Unemployment Rate OCT		8.1%	+
07:00 PM	 BR	GDP Growth Rate YoY Q3		1%	+
07:00 PM	 BR	GDP Growth Rate QoQ Q3		0.2%	+
08:00 PM	 IN	GDP Growth Rate YoY Q3		8.2%	7.6%
09:30 PM	 CA	GDP Growth Rate Annualized Q3		2.9%	3%
09:30 PM	 CA	GDP Growth Rate QoQ Q3		0.7%	+

Source: www.tradingeconomics.com

All Ords Top 10 Week Ending 16 November 2018

10 Best Performing Stocks Weekly (%)			10 Worst Performing Stocks Weekly (%)		
GEM	G8 Education Limited	20.3	AOG	Aveo Group	-13.1
APX	Appen Limited	11.9	MIN	Mineral Resources.	-11.7
HSO	Healthscope Limited	11.5	SYR	Syrah Resources	-10.8
CTD	Corp Travel Limited	8.3	SDF	Steadfast Group Ltd	-10.4
ORE	Orocobre Limited	6.7	BAP	Bapcor Limited	-10.0
CGC	COSTA GROUP HOLDINGS	5.7	MMS	McMillan Shakespeare	-9.2
LYC	Lynas Corporation	5.5	COH	Cochlear Limited	-8.8
FLT	Flight Centre Travel	4.3	WBC	Westpac Banking Corp	-8.8
ALU	Altium Limited	4.0	SDA	Speedcast Int Ltd	-8.5
AGL	AGL Energy Limited.	3.7	AHG	Automotive Holdings.	-7.9

Source: IRESS

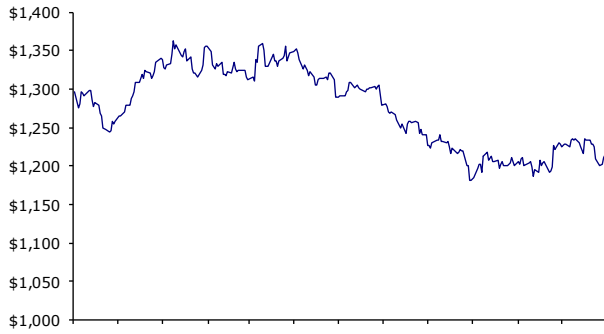
S & P Indices Week Ending 16 November 2018

S&P Indices	18/11/2018	11/11/2018	Wkly Chg	Mthly Chg	Yearly Chg
S&P 200 Energy	10592	10836	-2.2%	-4.7%	19.1%
S&P 200 Materials	11248	11608	-3.1%	-0.8%	13.6%
S&P 200 Industrials	5747	5832	-1.5%	-0.6%	12.6%
S&P 200 Consumer Disc.	2231	2273	-1.8%	-5.3%	6.6%
S&P 200 Consumer Staples	10375	10784	-3.8%	-1.5%	21.3%
S&P 200 Healthcare	28349	29436	-3.7%	-1.0%	47.0%
S&P 200 Financials	5636	5911	-4.7%	-1.2%	-11.5%
S&P 200 Info Technology	1133	1154	-1.8%	2.2%	45.7%
S&P 200 Telecommunicatic	1107	1124	-1.5%	-3.4%	-37.0%
S&P 200 Utilities	7301	7192	1.5%	-2.0%	-3.2%
S&P 200 Property Trusts	1372	1394	-1.6%	-1.5%	2.3%
S&P 200 Financials ex PT	6286	6593	-4.7%	-1.2%	-11.5%

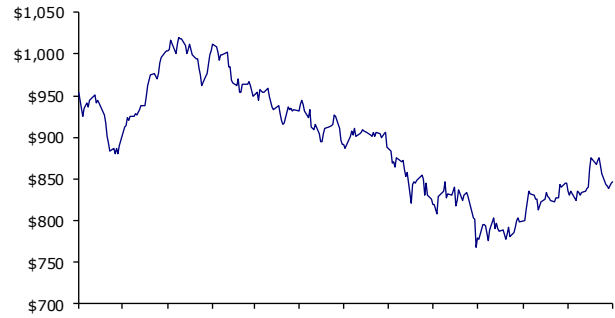
Source: IRESS

1 Year Commodity Price Charts

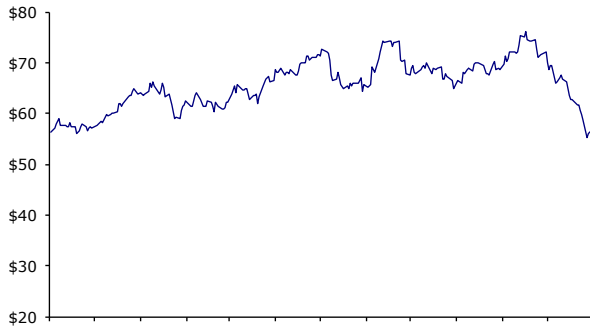
1 Year Gold



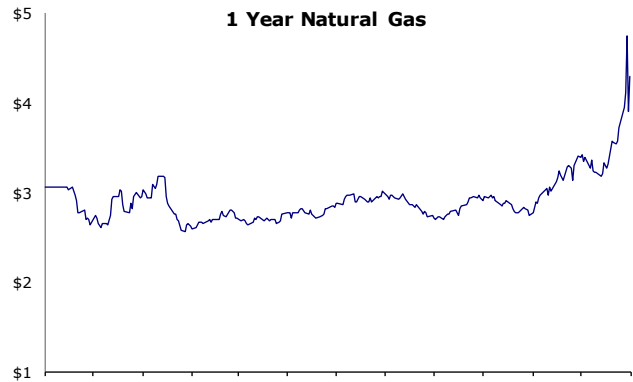
1 Year Platinum



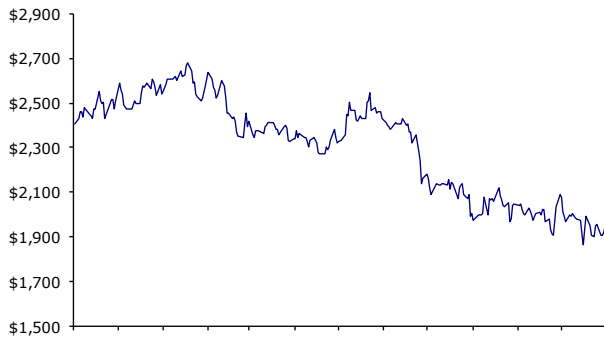
1 Year Oil



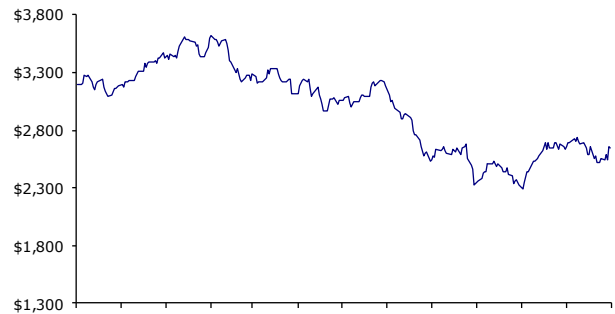
1 Year Natural Gas



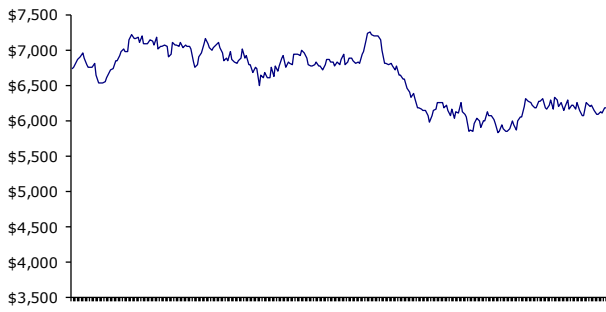
1 Year Lead



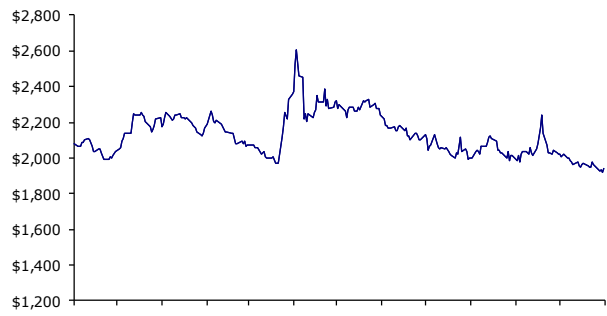
1 Year Zinc



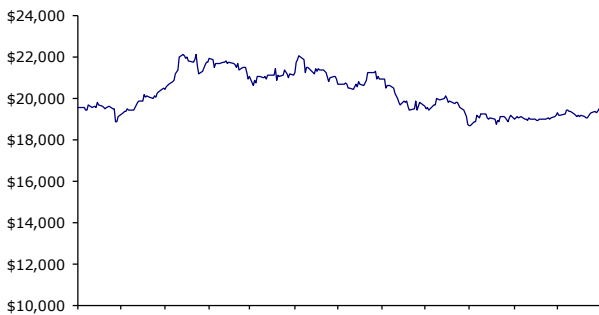
1 Year Copper



1 Year Aluminium

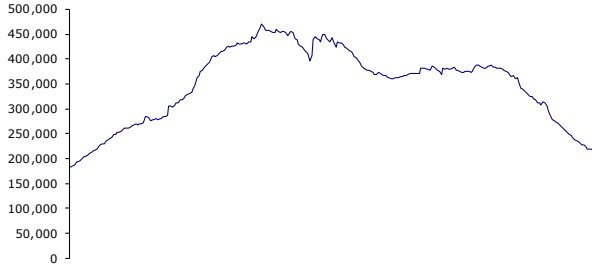


1 Year Tin

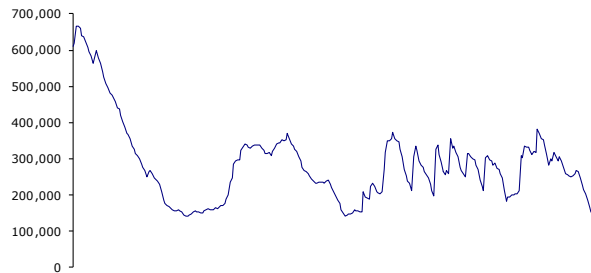


5 Year Metals Stockpiles

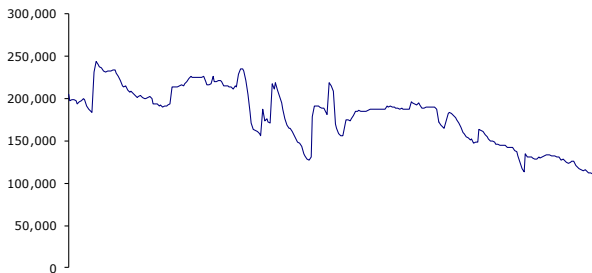
Nickel LME Stockpiles - 5 Year



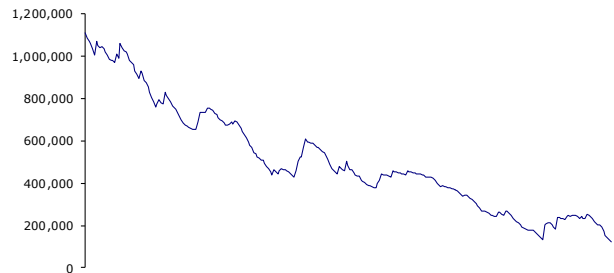
Copper LME Stockpiles - 5 Year



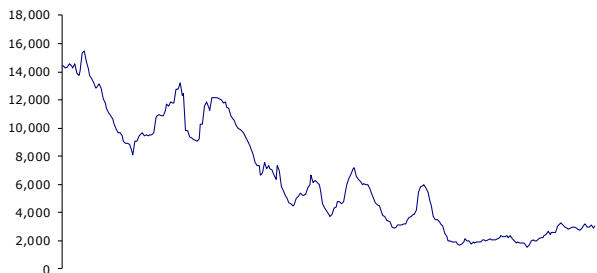
Lead LME Stockpiles - 5 Year



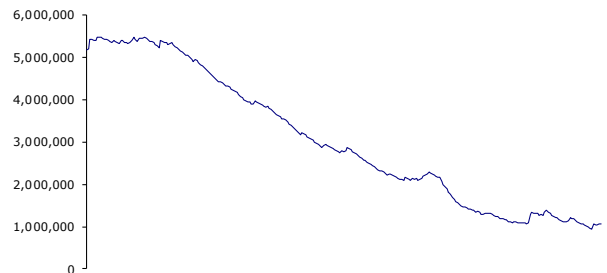
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year



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