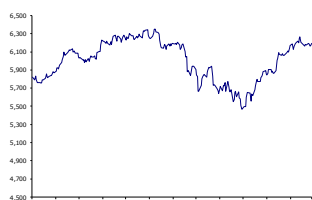


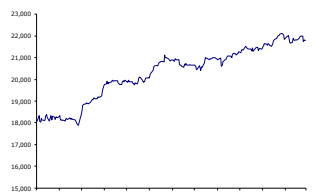
STATE ONE SPINNAKER

24 March 2019
Issue 453

12 month XJO chart



12 month Dow Jones chart



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Overview

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Global Wrap – 24 March 2019

| World Markets | 24/03/2019 | 17/03/2019 | Wkly Chg | Mthly Chg | Yearly Chg |
|--------------------|------------|------------|----------|-----------|------------|
| ASX 200 | 6195 | 6175 | 0.3% | 0.7% | 11.8% |
| Dow Jones | 21798 | 21988 | -0.9% | -1.0% | 18.0% |
| Nasdaq | 5284 | 5284 | 0.0% | -0.2% | 21.9% |
| S&P 500 | 2801 | 2822 | -0.8% | 0.3% | 24.7% |
| FTSE 100 | 7208 | 7228 | -0.3% | 1.4% | 4.0% |
| DAX30 | 11364 | 11686 | -2.8% | -1.1% | -5.3% |
| Shanghai Composite | 3104 | 3096 | 0.2% | 5.5% | -3.5% |
| Nikkei 225 | 21627 | 21585 | 0.2% | 1.1% | 15.3% |
| Hang Seng | 29113 | 29012 | 0.3% | 1.2% | 27.3% |
| Currency | | | | | |
| AUD/USD | 0.7087 | 0.7103 | -0.2% | 0.3% | -8.0% |
| Commodities | | | | | |
| Oil (\$/bbl) | 58.8 | 59.0 | -0.2% | 2.8% | -10.6% |
| Gas (\$/gal) | 2.8 | 2.8 | -1.2% | -1.6% | 3.3% |
| Iron Ore (\$/t) | 0.0 | 53.9 | -100.0% | -100.0% | -100.0% |
| Copper (\$/t) | 6375 | 6410 | -0.5% | -2.4% | 9.2% |
| Lead (\$/t) | 2020 | 2054 | -1.6% | -4.1% | -13.3% |
| Zinc (\$/t) | 2876 | 2839 | 1.3% | 3.8% | 4.8% |
| Aluminium (\$/t) | 1867 | 1868 | -0.1% | -1.7% | 7.8% |
| Nickel (\$/t) | 12930 | 12845 | 0.7% | 0.4% | 13.7% |
| Tin (\$/t) | 21600 | 21340 | 1.2% | -0.5% | 1.0% |
| Gold (\$/oz) | 1319 | 1303 | 1.2% | -0.2% | 12.5% |
| Silver (\$/oz) | 15.4 | 15.3 | 0.5% | -2.3% | -9.9% |
| Platinum (\$/oz) | 853 | 832 | 2.6% | -2.1% | -9.0% |
| Wheat (\$/t) | 466.250 | 462.500 | 0.8% | -0.3% | 14.2% |

Source: Iress

Global Wrap

Key points

1. *Asx-listed miners hold firm*
2. *China lifts on growth policy hopes*
3. *Growth jitters hit US, Europe*
4. *Stock analysis: What business leaders say*

US

Stocks tumbled on Friday as global growth fears and the Federal Reserve's more cautious economic forecast sparked investor angst into the weekend, CNBC reported.

The Dow Jones Industrial Average sank to its session lows heading into the close and finished down 460.19 points at 25,502.32.

Bank stocks led the decline thanks to a sharp pullback in long-term Treasury yields. The S&P 500 fell 1.9% to 2,800.71, its biggest one-day drop since January 3.

The Nasdaq Composite declined 2.5% to 7,642.67 as shares of Facebook, Amazon, Netflix, Alphabet and Apple all closed lower.

Sending bank stocks lower was an inversion of the so-called yield curve. The spread between the three-month Treasury bill yield and the 10-year note rate turned negative for the first time since 2007, thus inverting the curve.

An inverted yield curve occurs when short-term rates surpass their longer-term counterparts, putting a dampener on bank lending profits. An inverted curve is also considered a recession indicator.

Friday's moves come after Fed surprised investors by adopting a sharp dovish stance on Wednesday, projecting no further interest rate hikes this year and ending its balance sheet roll-off.

Though investors often dislike higher borrowing costs and rate hikes, the motivation for the central bank's restraint rekindled worries of a GDP growth slowdown.

The Fed justified its more temperate outlook by cutting its US economic growth outlook for 2019.

It announced on Wednesday it is to keep its benchmark rate in a range of 2.25% to 2.5%.

Alongside this Fed officials are now forecasting economic growth of 2.1% for 2019, lowered from a 2.3% projection made at the Fed's December meeting.

This coming week a key US consumer confidence reading will be released on Tuesday, the trade balance on Wednesday and GDP on Thursday.

China

Stocks ended almost flat on Friday ahead of a new round of Sino-US trade talks next week, but posted weekly gains of about 2.5% on expectations of more policy measures to spur growth in the world's second largest economy.

The blue-chip CSI300 index fell 0.1%, to 3,833.80, while the Shanghai Composite Index was flat, at 3,104.15 points.

For the week, CSI300 rose 2.4%, while SSEC gained 2.7%.

With hopes for a Sino-US trade deal largely priced in, news of a new round of talks failed to excite the market, Reuters reported.

A US trade delegation headed by Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin will visit China on 28-29 March for the next round of negotiations, China's commerce ministry said on Thursday.

Japan

Stocks closed marginally higher after mixed trading on the Tokyo Stock Exchange on Friday, thanks to a ripple effect of Thursday's rally on Wall Street led by technology buying, The Japan Times reported.

The 225-issue Nikkei average gained 18.42 points, or 0.09%, to end at 21,627.34, the best finish since 5 March. On Wednesday, the key market gauge gained 42.07 points. The market was closed Thursday due to a national holiday.

Next week Japan's jobless rate, industrial production figures and retail sales data will be released on Thursday.

Europe

European stocks slipped Friday as worse-than-expected economic data intensified concerns around slowing global growth.

The pan-European Stoxx 600 dropped provisionally 1.29%, with all sectors and bourses turning negative. Equities were initially positive earlier in the session.

A slew of negative economic data weighed on investor sentiment on the final trading day of the week.

IHS Markit's flash euro zone composite Purchasing Managers' Index (PMI) fell to 51.3 in March from 51.9 the previous month — analysts were expecting a reading of 52.

French and German numbers also disappointed, with PMI figures for both economies coming in below expectations. Germany's manufacturing sector contracted for the third month in a row, data showed. The yield on the country's 10-year government bond turned negative for the first time since October 2016 as a result.

Apart from continuing Brexit machinations, investors will be watching European Central Bank President Mario Draghi's speech in Frankfurt on Wednesday.

Australia

Australian shares closed a mixed week of trading higher on Friday, as a firm rebound on the final day of trading offset a nervous start to the week, The Sydney Morning Herald reported.

The S&P/ASX 200 Index rose 20 points, or 0.3%, to 6195.2 for the week while the broader All Ordinaries advanced 15.8 points, or 0.3%, to 6280.9.

The major miners remained firm this week, lifting the market through the week. BHP Group closed the week 3.1% higher at \$37.61, Rio Tinto rose 2.7% to \$94.17 and Newcrest Mining advanced 2.7% to \$25.39.

Commodities

Copper prices rose to an eight-month high on Thursday following a fall in stocks on the London Metal Exchange before retreating later in the session on a stronger US dollar.

Benchmark copper on the LME hit a session high of \$US6,555.50 a tonne before closing at \$US6,433 a tonne, down 0.8% for the day.

The base metal was helped higher on Thursday by the softer US dollar, which fell on the back of the Federal Reserve's more dovish comments.

A fall in the greenback makes dollar-priced commodities cheaper for holders of other currencies.

US **oil** output is expected to reverse its recent falls in April according to the Energy Information Administration.

While rising US oil output is negative for oil prices, evidence of compliance with the OPEC-led deal to sideline 1.2% of global supply in the first half of 2019 should buoy oil prices lift, The Sydney Morning Herald reported.

Stock analysis: Listening to what the business leaders say

CEO and business leader comments help in understanding the current investment environment and can aid in identifying important emerging trends.

Below are quotes from last week, which in our view, detail some important industry trends and economic factors.

Source: Naos Asset Management

Agriculture

"Across the board everything has increased in price. We used to pay \$15 for a box of eggplants, now they're \$45. Peas used to be \$60 per box, now they are double that."

Brent Savage, Co-owner, Bentley Bar, Monopole, Yellow and Cirrus Restaurants Sydney

"We're preparing the business to deal with tough conditions in the second half. Farmers on the east coast of Australia are facing continued dry conditions and we'll be scaling back manufacturing and running down inventories in anticipation of another difficult season."

Greg Hunt, CEO, Nufarm

"The demand for dairy remains strong with governments around the world encouraging dairy as a natural source of good nutrition. Increasing wealth in developing countries continues to drive increased demand."
 Market Announcement, Synlait Milk Ltd (NZ-based)

Domestic Economy

"We are quite cautious at the moment with asset prices remaining high while some early warning signs are emerging with respect to consumer sentiment and economic activity."

Todd Barlow, CEO, Washington H Soul Pattinson
 Lending

"This is a self-imposed credit squeeze [by the lenders to SMEs]. This squeeze does not come from the regulators."

David Gandolfo, President, Commercial & Asset Finance Brokers Association of Australia [CAFBA]

Global Economy

"The labour market [in the US] is going to be tough this year. It will probably also be tough next year."

Steve Joyce, CEO, Dine Brands [Global Restaurant Conglomerate]

"If there's not some solution to Brexit and some resolution of the China-US trade dispute, it's unlikely to see much global growth in our fiscal '20 or the remainder of calendar 2019."

Fred Smith, CEO, FedEx

"Now we see a situation where the European economy has slowed substantially and so has the Chinese economy, although the European economy more."

Jerome Powell, Chairman, US Federal Reserve

Mining & Resources

"Rio Tinto is committed to being part of the solution to address the challenge of climate change and is aiming for a substantial decarbonisation of its business by 2050 as part of the transition to a low carbon future. Our new targets from 2020 will reflect this ambition."

Simon Thompson, Chairman, Rio Tinto

"We have totally quit the coal business and will no longer invest in thermal power plants in China."
Wang Huisheng, Chairman, China State Development & Investment Corp [the largest state-owned investment company in China] Dairy

Telecommunications

"Should NBN continue its approach without any regulatory intervention, we will be probably having to stop selling our \$60 product, and this is due to the fact that the costs have simply increased to a point which makes it difficult to continue to sell."

Stephen Banfield, CFO, TPG Telecom Ltd

"In relation to competition [reselling NBN], it's still crazy out there. We see people doing some things that just don't make economic sense."

Craig Levy, COO, TPG Telecom Ltd

Transport Infrastructure

"Double digit passenger growth continues from a number of Asian markets with South Korea and India growing 18.7% and 11.9% respectively, in February."

Geoff Culbert, CEO, Sydney Airport Ltd

Automotive

"Australian new vehicle sales for the five months to 28 February 2019 declined 9% when compared to the first five months of FY18. This has resulted in lower than expected new car sales and trade-in activity."

Eclipix Market Statement

Property

"We are seeing a significant shift in valuation across the property sector, with industrial focused stocks trading at a premium. This reflects a structural change within the economy, as companies modernise their supply chains in response to consumer preferences, such as on-line shopping. Well-located industrial facilities are increasingly becoming critical components of the supply chain of the new economy."

Lindsay Partridge, CEO, Brickworks Ltd

"With fewer foreign buyers, pre-sales are much harder to achieve. A developer who may have sold 10 apartments off the plan per month, may now only sell one per month,"

Luke Mackintosh, Partner, EY Real Estate Advisory

Retail

"I think the world is changing all the time, so I think Costco has got to think about doing some e-commerce business too, at some point in the future, here in Australia. We're very successful in the US, and we're looking to launch our first foray in that later this year."

Patrick Noone, CEO, Costco Australia

"Particularly Asia-Pacific [was] impacted by the slowdown [in sales]. And within Asia-Pacific Hong Kong and Macau."

Alessandra Cozzani, CFO, Prada

"I think, a lot of things have changed in the industry and in retail overall. Obviously, the whole impact of e-commerce into sales and how the customer is shopping today has been pretty fundamental and very, very challenging for many companies to adopt."

Carlos Alberini, CEO, Guess Clothing Inc

"Nobody pays full price for anything these days."

Marcus Blackmore, Chairman, Blackmores Ltd

"We haven't seen a material shift in the competitive landscape from Amazon in the past 12 months."

Sarah Hunter, Managing Director, Officeworks

Economic Calendar 25/03/2019 – 29/03/2019

| Monday March 25 2019 | | | Actual | Previous | Consensus |
|-------------------------|----|-----------------------------|--------|-----------|-----------|
| 05:00 PM | DE | Ifo Business Climate MAR | | 98.5 | 98.7 |
| Tuesday March 26 2019 | | | Actual | Previous | Consensus |
| 03:00 PM | DE | GfK Consumer Confidence APR | | 10.8 | 10.8 |
| Wednesday March 27 2019 | | | Actual | Previous | Consensus |
| 08:30 PM | CA | Balance of Trade JAN | | C\$-4.59B | C\$-3.85B |
| 08:30 PM | US | Balance of Trade JAN | | \$-59.8B | \$-57.5B |
| Thursday March 28 2019 | | | Actual | Previous | Consensus |
| 06:00 PM | EA | Business Confidence MAR | | 0.69 | 0.66 |
| 09:00 PM | DE | Inflation Rate YoY Prel MAR | | 1.5% | 1.5% |
| | CN | US-China Trade Talks | | | |
| Friday March 29 2019 | | | Actual | Previous | Consensus |
| 08:01 AM | GB | Gfk Consumer Confidence MAR | | -13 | -14 |
| 08:30 PM | US | Personal Income MoM FEB | | -0.1% | 0.3% |
| 08:30 PM | US | Personal Spending MoM JAN | | -0.5% | 0.3% |
| | CN | US-China Trade Talks | | | |

Source: www.tradingeconomics.com

Economic Calendar 1/04/2019 – 5/04/2019

| Monday April 01 2019 | | | Actual | Previous | Consensus |
|-------------------------|----|-------------------------------------|--------|-----------|-----------|
| 07:50 AM | JP | Tankan Large Manufacturers Index Q1 | | 19 | |
| 08:30 AM | AU | NAB Business Confidence MAR | | 2 | |
| 09:45 AM | CN | Caixin Manufacturing PMI MAR | | 49.9 | |
| 03:55 PM | DE | Markit Manufacturing PMI Final MAR | | 47.6 | 44.7 |
| 08:30 PM | US | Retail Sales MoM FEB | | 0.2% | |
| 10:00 PM | US | ISM Manufacturing PMI MAR | | 54.2 | |
| Tuesday April 02 2019 | | | Actual | Previous | Consensus |
| 08:30 PM | US | Durable Goods Orders MoM FEB | | 0.4% | |
| Wednesday April 03 2019 | | | Actual | Previous | Consensus |
| 08:30 AM | AU | Balance of Trade FEB | | A\$4.549B | |
| 10:00 PM | US | ISM Non-Manufacturing PMI MAR | | 59.7 | |
| Thursday April 04 2019 | | | Actual | Previous | Consensus |
| 10:00 PM | CA | Ivey PMI s.a MAR | | 50.6 | |
| Friday April 05 2019 | | | Actual | Previous | Consensus |
| 08:30 PM | US | Non Farm Payrolls MAR | | 20K | |

Source: www.tradingeconomics.com

All Ords Top 10 Week Ending 22 March 2019

| 10 Best Performing Stocks Weekly (%) | | | 10 Worst Performing Stocks Weekly (%) | | |
|--------------------------------------|----------------------|------|---------------------------------------|----------------------|-------|
| EHE | Estia Health Ltd | 17.3 | ECX | Eclixp Group Ltd | -60.5 |
| NAN | Nanosonics Limited | 9.4 | SBM | St Barbara Limited | -26.9 |
| ALL | Aristocrat Leisure | 7.0 | NHC | New Hope Corporation | -26.3 |
| CTD | Corp Travel Limited | 6.5 | NUF | Nufarm Limited | -13.6 |
| HLS | Healius | 6.1 | PTM | Platinum Asset | -12.0 |
| URW | Unibailrodawestfield | 4.9 | BIN | Bingo Industries Ltd | -8.3 |
| SFR | Sandfire Resources | 4.8 | BLD | Boral Limited | -5.9 |
| SDA | Speedcast Int Ltd | 4.8 | HUB | HUB24 Ltd | -5.9 |
| API | Australian Pharm. | 4.7 | GUD | G.U.D. Holdings | -5.8 |
| OML | Ooh!Media Limited | 4.7 | NHF | NIB Holdings Limited | -4.9 |

Source: IRESS

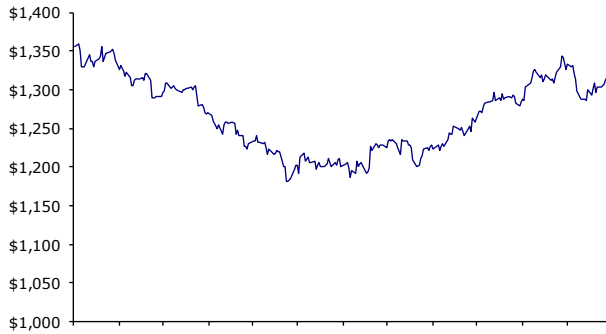
S & P Indices Week Ending 22 March 2019

| S&P Indices | 24/03/2019 | 17/03/2019 | Wkly Chg | Mthly Chg | Yearly Chg |
|--------------------------|------------|------------|----------|-----------|------------|
| S&P 200 Energy | 11455 | 11370 | 0.7% | -0.4% | 28.8% |
| S&P 200 Materials | 12909 | 12723 | 1.5% | -0.3% | 30.4% |
| S&P 200 Industrials | 6252 | 6251 | 0.0% | 1.1% | 22.5% |
| S&P 200 Consumer Disc. | 2340 | 2309 | 1.3% | 1.9% | 11.8% |
| S&P 200 Consumer Staples | 10767 | 10745 | 0.2% | 2.2% | 25.8% |
| S&P 200 Healthcare | 30696 | 30490 | 0.7% | 4.4% | 59.2% |
| S&P 200 Financials | 5868 | 5908 | -0.7% | -1.4% | -7.9% |
| S&P 200 Info Technology | 1316 | 1299 | 1.3% | 5.8% | 69.3% |
| S&P 200 Telecommunicatic | 1162 | 1167 | -0.4% | 2.4% | -33.8% |
| S&P 200 Utilities | 8196 | 8143 | 0.7% | 1.6% | 8.7% |
| S&P 200 Property Trusts | 1557 | 1544 | 0.9% | 5.4% | 16.1% |
| S&P 200 Financials ex PT | 6545 | 6589 | -0.7% | -1.4% | -7.9% |

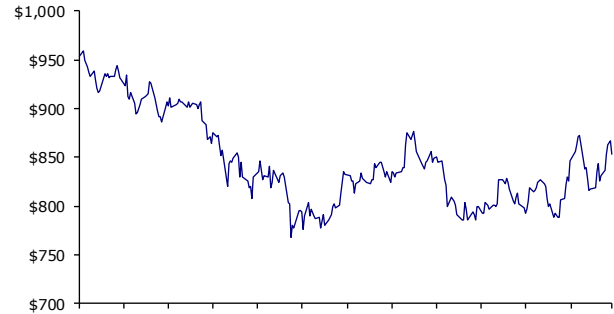
Source: IRESS

1 Year Commodity Price Charts

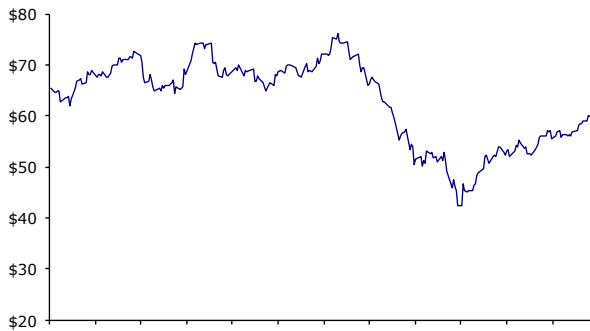
1 Year Gold



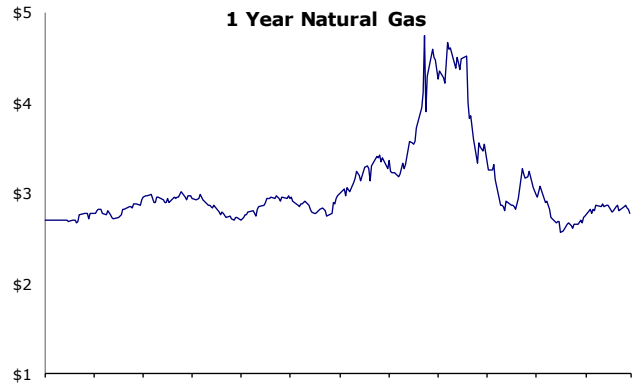
1 Year Platinum



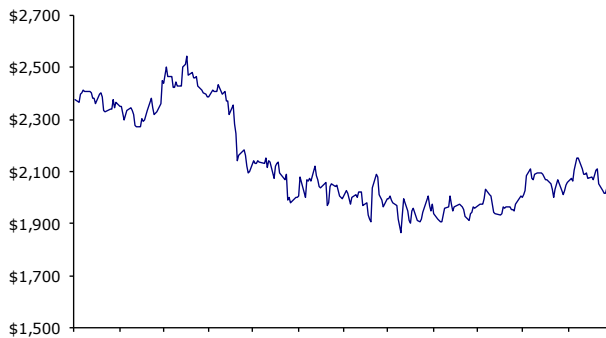
1 Year Oil



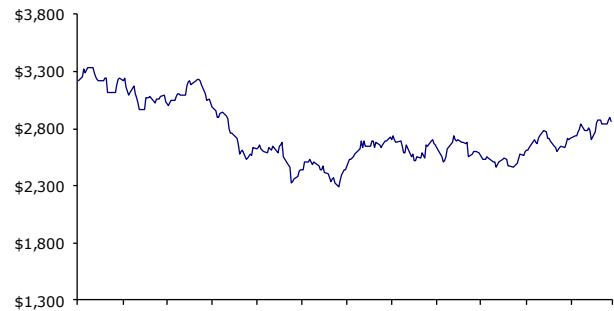
1 Year Natural Gas



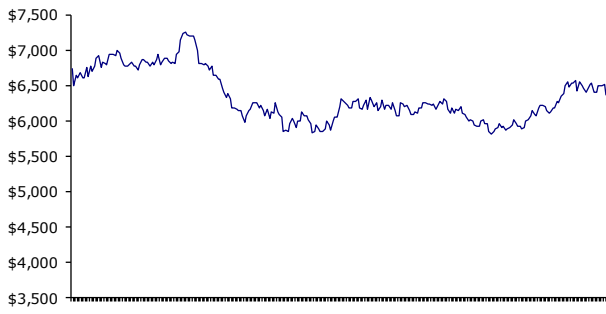
1 Year Lead



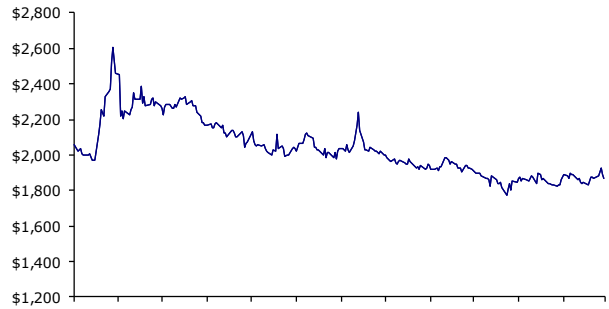
1 Year Zinc



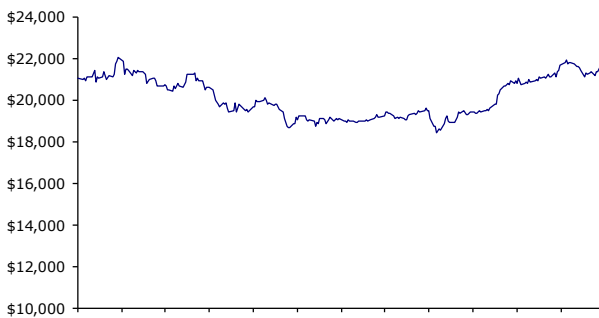
1 Year Copper



1 Year Aluminium

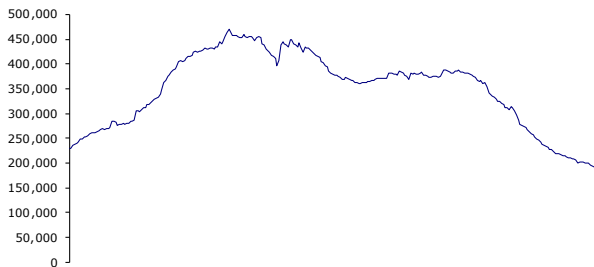


1 Year Tin

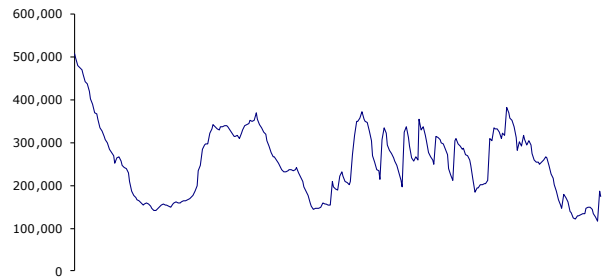


5 Year Metals Stockpiles

Nickel LME Stockpiles - 5 Year



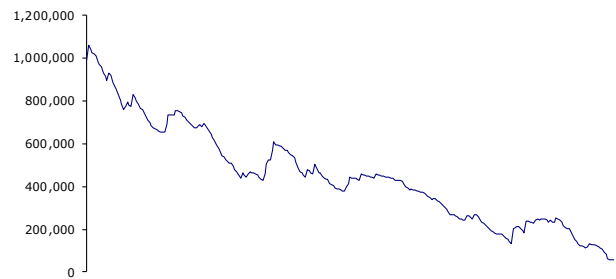
Copper LME Stockpiles - 5 Year



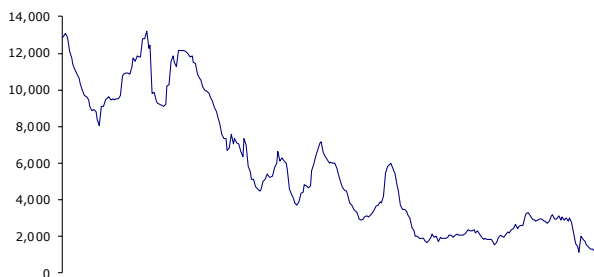
Lead LME Stockpiles - 5 Year



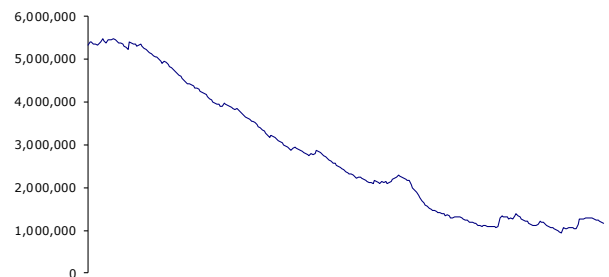
Zinc LME Stockpiles - 5 Year



Tin LME Stockpiles - 5 Year



Aluminium LME Stockpiles - 5 Year



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