

Daily Resources Overview

Commodity price movement

Commodity	Price	1D %ch	1M %ch	1Y %ch	YTD %ch
Precious Metals (COMEX)					
Gold (US\$/oz)	1331.12	0.1	-0.3	7.4	2.9
Silver (US\$/oz)	16.61	-0.2	-2.4	-7.9	-1.9
Platinum (US\$/oz)	996.90	0.3	0.0	-0.7	7.1
Industrial Metals (LME)					
Copper (US\$/t)	7126.50	0.7	1.4	18.3	-1.1
Aluminium (US\$/t)	2201.50	-0.4	-1.9	17.4	-2.4
Lead (US\$/t)	2536.50	-0.4	-3.2	11.9	2.1
Zinc (US\$/t)	3572.00	0.1	3.9	24.9	7.0
Tin (US\$/t)	21575.00	-0.2	4.0	11.6	7.7
Nickel (US\$/t)	13767.00	-0.1	8.4	28.2	8.5
Bulks					
Iron Ore (US\$/t)	77.37	0.2	7.2	-11.4	6.8
Coking Coal (US\$/t)	233.00	0.6	4.0	48.0	-10.4
Thermal Coal (US\$/t)	102.47	-4.4	-2.6	24.2	-1.4
Energy					
Brent Crude (US\$/bbl)	66	1.4	-3.4	19.0	-0.2
Natural Gas (US\$/MMBtu)	2.68	-0.7	-11.2	-1.4	-7.3
Uranium (US\$/lb)	22.20	1.1	-5.9	-10.5	-8.5
Softs					
Wheat (US\$/bu)	464	1.0	5.9	-10.8	5.5
Sugar (US\$/lb)	14	2.3	2.0	-30.8	-9.6
Corn (US\$/bu)	375	0.2	4.0	-8.3	4.4
Soy (US\$/bu)	1,043		4.8	2.4	7.2
Cotton (US\$/lb)	81	2.1	-3.4	8.6	2.4
Other					
CRB Comdty Index	442	0.2	1.2	2.0	2.3

Global resource share price movement

Company Name	Sector	1D %ch	1M %ch	1Y %ch	YTD %ch
Barrick Gold	Gold	-1.4	-14.0	-37.2	-13.8
Newmont	Gold	-1.4	-5.1	4.5	0.3
Goldcorp	Gold	-1.5	-11.8	-24.5	-0.2
Anglo Platinum	Platinum	-0.8	-4.3	12.7	1.6
Anglo American	Diversified	0.2	0.4	37.5	16.2
BHP Billiton PLC	Diversified	1.8	-1.9	16.9	2.1
Rio Tinto PLC	Diversified	0.2	0.6	11.5	2.1
Teck Resources	Diversified	0.6	2.3	32.9	12.9
Glencore	Diversified	-0.6	0.0	25.6	3.2
Vale	Iron Ore	1.9	7.1	31.7	13.4
Fortescue	Iron Ore	-0.2	1.2	-25.0	4.5
South32	Diversified	0.3	-17.6	25.6	-10.0
China Shenhua	Coal	2.0	-1.5	62.7	12.6
Freeport McMoRan	Copper	2.3	-4.2	39.5	1.1
Antofagasta	Copper	0.0	-9.3	6.0	-10.2
Alcoa	Aluminium	1.0	-9.3	31.2	-10.9
Chinalco	Aluminium	0.0	-15.6	17.6	-11.6
Rusal	Aluminium	0.6	-7.7	32.4	-1.6
Norilsk Nickel	Nickel	2.0	-0.1	21.0	7.4
Timah PT	Tin	-2.3	9.1	8.6	38.7
Boliden	Zinc	-0.4	-0.2	1.9	3.0
Cameco	Uranium	0.3	-4.5	-23.4	-1.2
Arcelor Mittal	Steel	-0.2	-4.7	10.5	5.3

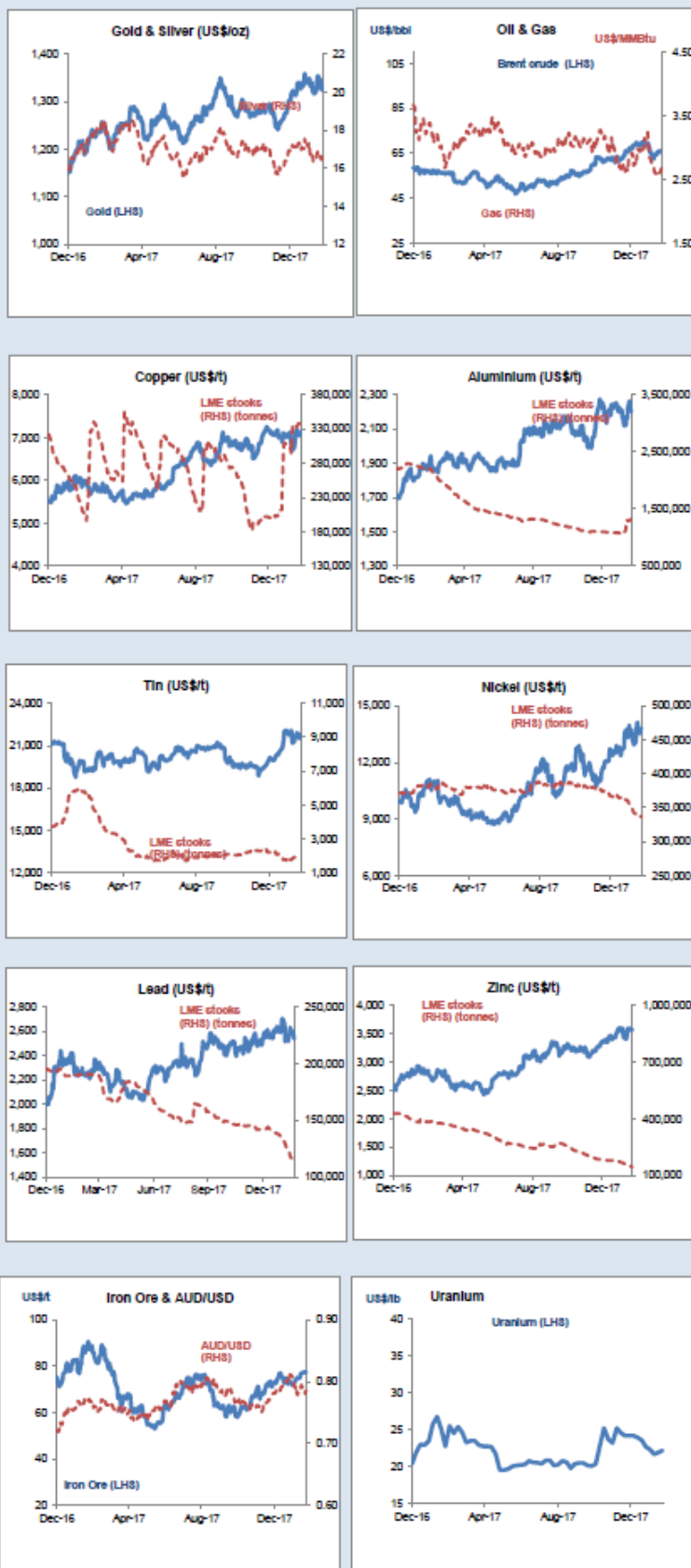
Commodity currency exchange rates (note: red = weakness against US\$)

Cross-rate	Spot	1D %ch	1M %ch	1Y %ch	YTD %ch
AUD/USD	0.78	0.5	-2.2	1.8	0.4
USD/ZAR	11.67	0.0	3.3	11.2	6.1
USD/BRL	3.25	0.4	-1.5	-5.8	1.9
USD/CAD	1.27	-0.1	-2.1	3.5	-1.1
USD/RUB	56.50	0.5	0.0	2.7	2.1
USD/CNY	6.35	-0.2	0.8	8.3	2.4

LME warehouse inventories

Commodity	Tonnes	1D %ch	1M %ch	1Y %ch	YTD %ch
Copper	334,675	-0.7	58.0	52.5	65.9
Aluminium	1,314,225	0.0	20.7	-40.0	19.3
Lead	115,300	0.2	-16.9	-39.3	-18.9
Zinc	143,750	-2.0	-20.1	-62.8	-21.0
Tin	1,860	0.0	-5.1	-68.0	-16.2
Nickel	337,008	0.0	-7.2	-12.2	-8.4

Friday 23 February 2018



PRECIOUS METALS COMMENTARY

Gold and **silver** prices were ending the U.S. day session not far from unchanged levels on the day. Both safe-haven metals saw some early selling pressure in the present environment of not much risk aversion in the marketplace. However, a sell-off in the **U.S. dollar index** as Thursday's trading day progressed was a bullish outside market force supporting the precious metals. **April Comex gold** futures were last up \$0.70 an ounce at \$1,332.70. **March Comex silver** was last up \$0.012 at \$16.605 an ounce.

The marketplace has digested Wednesday afternoon's FOMC minutes that said stronger-than-expected U.S. economic growth in recent weeks is keeping the Federal Reserve on pace to keep gradually raising U.S. interest rates. The minutes prompted choppy trading in the stock and currency markets, and pushed U.S. Treasury yields up. The FOMC minutes contained elements that could be deemed as both hawkish and dovish on U.S. monetary policy. The other key outside market on Thursday saw **Nymex crude oil** prices higher and trading just below \$63.00 a barrel. The higher oil market today was also a bullish element for the metals markets.

Don't expect uncertainty in the gold market to go away anytime soon as analysts see potential for upswings and downswings while prices continue to hover in the middle of a short-term trading channel. In a note to clients, Ole Hansen, head of commodity strategy at Saxo Bank, said that risks are growing in the gold market and prices could see a prolonged correction, falling to key support around \$1,300 an ounce in the near term. Hansen added that the yellow metal's recent price decline is the fifth time since 2014 that the market was unable to push through to new highs. To the frustration of many investors, prices were unable to move above January's highs despite renewed momentum last week. Hansen said that renewed strength in the U.S. dollar and rising 10-year bond yields are weighing on the yellow metal. Source: Kitco



US Market

US stocks extended their gains by midday and looked poised to finish higher for the first time in three days as a rally in the energy sector fuelled the S&P 500's advance. The S&P 500 climbed as 1.1 per cent to 2,728.39. Energy was the biggest gainer, up 2.3 per cent, while real estate followed closely behind up 1.8 per cent. Financials posted the slimmest gain, up 0.6 per cent.

Chesapeake Energy was the biggest gainer on the benchmark index, up more than 20 per cent after the shale oil producer said higher oil and gas prices helped it swing to a profit in the fourth quarter. The moves also came as the energy sector was buoyed by a jump in oil prices following a surprise draw in US crude stockpiles. The Dow Jones Industrial Average was up 1.4 per cent to 25,142.20, while the Nasdaq Composite was up 0.8 per cent to 7,275.70. Stocks looked poised to finish higher for the first time in three days.



Chesapeake Daily Chart (Source: Thomson Reuters)

Australian Market

The S&P/ASX 200 climbed up by 7 points or by 0.1 per cent and reached to 5950 points while All Ordinaries rose by 10 points or by 0.2 per cent and traded at 6057 as earnings from big companies helped to offset the losses in the energy sectors where a handful of firm started to trade at ex-dividend.

Qantas climbed up by 5.9 per cent and traded at \$5.58 as its underlying profits soared by 14.6 per cent and committed to its shareholders that it will return them \$378 million of capital via a share buyback. Flight Centre rose by 10.4 per cent and closed at \$55.26 as its half-yearly net profits boosted by 37.2 per cent and the Group performed really well in the UK. Webjet shares rose by 16 per cent and closed at \$12.01 after the company reported a 63 per cent surge in its first-half adjusted operated earnings and the Company expects a stronger trading in 2H18 than 1H18. Blackmore shares plunged by 14.7 per cent and traded at \$136 as its first-half profits climbed up by 20 per cent but warned a soft second half due to the supply issues and a weaker Australian market.

Bellamy's Australia lost by 5.9 per cent and closed at \$14.90 after its first-half yearly profit tripled but it is still waiting for the license so that it can sell more products in China. Fund Manager Perpetual climbed up by 1.9 per cent and ended the session at \$53.89 after high performance fees and a stronger equity market lifted its first-half results. Television group Nine Entertainment shot up by 16.2 per cent and traded at \$1.97 as it reported a net profit of \$174 million which offset the loss of \$236.8 million in last year. Revenue from high-roller gamblers rocketed nearly by 40 per cent at billionaire James Packer's flagship casino, Crown Melbourne. Its Melbourne-based VIP program increased by 37.5 per cent in the six months to December.



General Advice Warning

The contents of this document have been prepared without taking account of your objectives, financial situation or needs. 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 believes information 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 officer, agent or employee of State One Stockbroking Ltd. 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.

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. State One Stockbroking Ltd has also received a commission on the preparation of this research note. The Research Analyst who prepared this report hereby certifies that the views expressed in this research document accurately reflect the analyst's personal views about the company and its financial products. The research analyst has not been and will not be receiving direct or indirect compensation for expressing the specific recommendations or views in this report. This research at all times remains the property of State One Stockbroking Ltd. And as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from an Executive Director of State One Stockbroking Ltd.

Alan Hill
Executive Chairman
Phone: +61 8 9288 3388
ahill@stateone.com.au

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

Mark Sullivan
Institutional Dealer
Phone: +61 2 9024 9134
msullivan@stateone.com.au

Thomas Tan
Equities Advisor
Phone: +61 2 9024 9131
ttan@stateone.com.au

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

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

Yitz Barber
Equities Advisor
Phone: +61 2 9024 9107
ybarber@stateone.com.au

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

Dawn Chia
Business Development Manager
Phone: +61 8 9288 3336
Dawn.Chia@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

Disclosure: State One Stockbroking Ltd ABN 95 092 989 083 is holder of AFS Licence Number 247100 and an ASX and Chi-X Market Participant. State One Stockbroking Ltd and/or its associated entities, directors, authorised representatives, employees and associated persons of State One 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. Further, State One Stockbroking Ltd and/or its affiliated companies may have acted as manager or co-manager of a public offering of any such securities or may have provided corporate finance to the companies referred to in the report. Whilst State One Stockbroking Ltd and its related companies believes information 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 or any officer, agent or employee of State One Stockbroking Ltd or any related company. Nor do they accept any liability or responsibility arising in any way (including negligence) for errors in, or omissions from, this document or advice.