

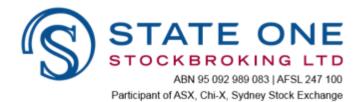
Level 14 172 St Georges Terrace PERTH WA 6000 PO Box 7625 CLOISTERS SQUARE WA 6850 ROYAL EXCHANGE NSW 1225 P: +61 8 9288 3388

Suite 606, Level 6 83 York Street SYDNEY NSW 2000 PO Box R1931 P: +61 2 9024 9100

# **Dailv Resources Overview**

					Commodi			
Category C	ommodities		-					
Indices		Current	+/-	%	Previous	UpdateTime	WkClose	MthClose
COMEX								
Gold -	Jun 18	1290.1	-28.1	-2.13	1318.2	15/05/18 15:58:59	1320.7	1316.1
Silver -	May 18	16.27	-0.375	-2.25		15/05/18 15:58:57	16.752	16.355
Copper -	May 18	3.0585	-0.0345	-1.12	3.093	15/05/18 15:58:57	3.1115	3.071
NYMEX								
Platinum -	Jul 18	897	-17.9	-1.96	914.9	15/05/18 15:58:59	925.9	905.1
Palladium -	Jun 18	976.5	-19.2	-1.93	995.7	15/05/18 15:58:51	985.2	959.45
LONDON M	ETAL							
Gold (AM Fix	<)	1320.7	-4.1	-0.31	1324.8		1324.8	1316.25
Gold (PM Fix	c)	1319.85	-4.5	-0.34	1324.35		1324.35	1313.2
ENERGY								
WTI - May	18	71.04	0.05	0.07		15/05/18 15:58:59	70.68	68.57
Brent Crude	Oil	78	-0.46	-0.59	78.46	15/05/18 16:58:54	76.95	74.68
CBT								
Wheat -	May 18	494	2.75	0.56		15/05/18 13:30:32	497.5	506.5
Soybean -	May 18	1018	0.25	0.02		15/05/18 13:30:28	1003.75	1049.5
Corn -	May 18	401.75	5.25	1.32	396.5	15/05/18 13:30:15	396.25	399.5
OTHER								
Iron Ore (Cł		69	1	1.47		16/05/18 06:31:44	68	67
	GC Newcastle)	104.25	1.4	1.36	102.85	16/05/18 06:31:43	99.75	94.57
LME Indica	ative							
Copper - Ca	sh	6769.5	-86.75	-1.27	6856.25	15/05/18 18:50:00	6908.5	6770
Copper - 3Mth		6808	-77	-1.12		15/05/18 18:59:55	6942	6807
Lead - Cash		2332	-41.5	-1.75		15/05/18 18:50:00	2332.75	2321
Lead - 3Mth		2348	-37	-1.55		15/05/18 18:59:50	2345	2320
Zinc - Cash		3045.25	9.5	0.31	3035.75	15/05/18 18:50:00	3063.75	3125.5
Zinc - 3Mth		3062	7	0.23	3055	15/05/18 18:59:57	3084	3127
Aluminum - Cash		2329	13	0.56	2316	15/05/18 18:50:00	2278	2256.5
Aluminum 3Mth		2327	8	0.34		15/05/18 18:59:06	2288	2255
Nickel - Casł	n	14354	-77	-0.53	14431	15/05/18 18:50:00	13995	13593
Nickel - 3Mt	n	14425	-75	-0.52		15/05/18 18:59:44	14055	13650
Tin - Cash		20950	-68	-0.32	21018	15/05/18 18:50:00	21037.5	21315
Tin - 3Mth		20875	-75	-0.36	20950	15/05/18 18:57:09	20975	21175

Category World Indices Ŧ % Previous UpdateTime WkClose MthClose Indices Current +/-24899.41 15/05/18 16:58:12 Dow Jones 24706.41 -193 -0.78 24831.17 24163.15 -18.68 -0.68 2730.13 15/05/18 15:58:12 S & P 500 2711.45 2727.72 2648.05 7351.6272 -59.688 -0.81 7411.3152 15/05/18 17:00:00 7402.8834 NASDAQ 7066.266 FTSE 100 7722.98 12 0.16 7710.98 15/05/18 16:35:30 7509.3 7724.55 DAX 30 12970.04 -7.67 -0.06 12977.71 15/05/18 18:55:00 13001.24 12612.11 CAC 40 5553.16 12.48 0.23 5540.68 15/05/18 18:55:00 5541.94 5520.5 Milan MIB30 24297.17 75.7 0.31 24221.47 15/05/18 21:55:12 24159.34 23979.37 22818.02 -47.84 -0.21 22865.86 16/05/18 04:17:19 Nikkei 22758.48 22467.87 31152.03 -389.05 -1.23 31541.08 16/05/18 00:55:00 31122.06 30808.45 Hang Seng Hang Seng China Enterprises 12440.75 -103.8 -0.83 12544.55 15/05/18 16:09:36 12345.3 12331.39 Straits Times 3540.23 -22.23 -0.62 3562.46 15/05/18 17:10:01 3570.17 3613.93 Shanghai Composite 3192.1183 18.0863 0.57 3174.032 16/05/18 00:55:00 3163.2632 3082.2316



## PRECIOUS METALS COMMENTARY

Gold's drop below its critical psychological level of \$1,300 an ounce was in the cards for some time amid fading geopolitical risks and rallying U.S. dollar, according to analysts.

Gold prices breached the carefully watched support of \$1,300 earlier on Tuesday, as the U.S. dollar index climbed to a five-month high and 10-year bond yields pushed above 3% for the first time since 2011.

June Comex futures were last trading at \$1,290.20, down 2.12% on the day, while the U.S. dollar index was last seen at 93.16, up 0.63% on the day, after touching 93.40 earlier in the session.

Analysts told Kitco News on Tuesday that they were not caught off guard by the drop in gold prices and said that the move could be sustainable if the yellow metal fails to recover in the next couple of days. "Gold is seeing a significant move down today," said Capital Economics analyst Simona Gambarini. "The dollar is up, which is what's driving gold prices down." Geopolitical risks played a key role in supporting gold prices in the first four months of the year and now that the risks are not as acute, markets are pricing out the geopolitical tensions.

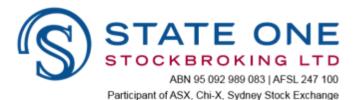
"It doesn't appear that the support that was benefiting prices in the first half of the year — geopolitical risks — is here to stay and that certainly is pushing prices down. We always believed there was a sizeable geopolitical premium priced in," said Gambarini.

### What's Next For Gold

Capital Economics analyst noted that prices are likely to remain at these levels and end the year around \$1,300 an ounce. "We've never been particularly bullish on gold this year. Based on fundamentals prices should have been much lower. We've revised up our price outlook based on geopolitical risks. But, we've always believed that Federal Reserve tightening would put downward pressure on prices," Gambarini added.

Gold can avoid getting stuck below the \$1,300 level once again if markets see a swift recovery above \$1,305 level in the next 48 hours, said Colin Cieszynski, chief market strategist at SIA Wealth Management. "At this point, this is a very significant breakdown for gold. It is trading decisively below \$1,300. The new resistance level is now between \$1,300-\$1,305. And gold needs to get above that level in a day or two or it could be a signal for a more significant move down," Cieszynski said.

### Source: Kitco



## **US Market**

Wall Street had its worst day in nearly three weeks but managed to finish off of its session lows, as Treasury yields jumped after retail sales data fuelled expectations that the Federal Reserve could adopt a more hawkish policy stance.

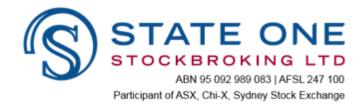
The S&P 500 clawed back losses of as much as 1 per cent to end the day 0.7 per cent lower at 2,711.45 — its steepest one-day drop in more than two weeks. Energy was the only major sector to buck the decline, ending the day roughly flat. Real estate was the biggest laggard, off 1.7 per cent, followed by healthcare, which ended the day 1.3 per cent lower.

The Dow Jones Industrial Average, which fell as much as 1.1 per cent, trimmed some of its losses to end 0.8 per cent lower at 24,706.41, snapping its longest winning streak in eight months and clocking its worst one-day showing in three weeks. The Nasdaq Composite ended 0.8 per cent lower at 7,351.63 for its biggest daily drop in three weeks as well.

Meanwhile, the yield on the US 10-year Treasury jumped to as much as 3.0926 per cent — its highest level since 2011. Yields move inversely to price. The dollar index, a gauge of the buck against a weighted basket of peers, was in its best day in three weeks, up 0.7 per cent to 93.23.



S&P 500 Daily Chart (Source: Thomson Reuters)



# Australia Market

The S&P/ASX 200 index was down by 37.5 points and reached at 6097.8 while All Ordinaries were down by 36.3 points and reached at 6198.7.

**CBA** was up by 0.16 per cent and traded at \$70.92 and NAB was down by 3.40 per cent and closed at \$27.52. AMP was up by 0.51 per cent and closed at \$3.87. CYBG was up by 0.69 per cent and closed at \$5.84. Blue Sky Alternative Investments Limited was up by 6.7 per cent and closed at \$2.86 as the Company made a series of downward asset revisions including one fund that saw its value slashed by 35 per cent.

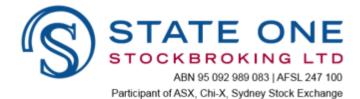
**IPH** was up by 1.41 per cent and traded at \$4.3. Seven West Media was down by 7.3 per cent and traded at \$0.69. Ainsworth was down by 1.23 per cent and traded at \$1.20. Super Retail Group was down by 2.56 per cent and traded at \$7.9. Healthscope was down by 2.71 per cent and traded at \$2.51. Bluescope was down by 1.38 per cent and closed at \$17.78.

**Rio and South32** were down by 1.05 per cent and by 1.24 per cent and traded at \$83.61 and at \$3.96 respectively. Pendal Group was up by 1.99 per cent and traded at \$10.21. GWA was down by 4.8 per cent and traded at \$3.74. Telstra was down by 5 per cent and traded at \$2.87. Link Administration was up 5.3 per cent and traded at \$7.15. Afterpay Touch was up 7.04 per cent and traded at \$7.45 as the Company announced that it would expand into the US market this week through fashion retailer Urban Outfitters.

Shares on the Australian stock exchange are set to open lower on Wednesday as US stocks fell the most in three weeks, while 10-year Treasury yields pushed to 3.08 per cent as investors weigh the prospect for higher Federal Reserve rates. SPI futures are down 5 points at 6095.



TELSTRA Daily Chart (Source: Thomson Reuters)



#### **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

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

Dawn Chia Business Development Manager Phone: +61 8 9288 3336 Dawn.Chia@stateone.com.au Ric Heydon Equities & Derivatives Advisor Phone: +61 8 9288 3307 rheydon@stateone.com.au

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

David Zhang Equities Advisor Phone: +61 2 9024 9130 dzhang@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

David Brennan Senior Investment Analyst Phone: +61 2 9024 9142 <u>dbrennan@stateone.com.au</u> Thomas Tan Equities Advisor Phone: +61 2 9024 9131 ttan@stateone.com.au

Tammie Wong Equities Advisor Phone: +61 2 9024 9133 twong@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 is 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.