

Markets

| | | | |
|---|-------------|-----------|--------------|
| SFE 200 Futures (9.30am AEST) | 5723 | 19 | 0.333 |
| NZX 50 | 7518.5 | 2.15 | 0.0286 |
| DJIA Futures | 21358 | -5 | -0.023 |
| S&P 500 Futures | 2433.5 | -0.7 | -0.030 |
| NASDAQ Futures | 5700.75 | -1.7 | -0.03 |

Local Markets Commentary

Local shares are set to open flat as Wall Street stumbled with tech shares extending this week's retreat.

Yesterday a two-day rally on the ASX came to an abrupt end on Thursday, as a sharp fall in oil prices and a US rate hike sent shares retracing some of their recent gains.

This was in spite of positive local data showing the unemployment rate had unexpectedly dropped to its lowest level in more than four years. The national jobless figure is 5.5% as employers added four times as many workers in May as was forecast.

In commodities trade, iron ore was 1.5% higher, while continued doubts about OPEC's ability to implement agreed production cuts and high global inventories pressured oil prices.

Gold prices swung from gains to losses yesterday. Soft US CPI and retail sales figures sent the yellow metal higher, but the Fed's rate rise reversed that.

The **\$A** is US758¢ though it briefly spiked above US76¢.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|----------------|----------|----------------|
| Dow Jones | 21359.9 | -14.66 | -0.068 |
| S&P 500 | 2432.46 | -5.46 | -0.224 |
| NASDAQ | 6165.5012 | -29.3908 | -0.4744 |
| FTSE 100 | 7419.36 | -55.04 | -0.7364 |
| DAX 30 | 12691.81 | -114.14 | -0.8913 |
| Shanghai Comp | 3132.4863 | 1.8123 | 0.0579 |

Overseas Markets Commentary

World stock indexes fell overnight as technology shares extended their selloff, while the prospect of tighter monetary policy in the US and Britain lifted the US dollar.

Wall Street's mood soured further in overnight trade following reports that US President Trump is being personally targeted in obstruction of justice investigation.

There was a broad decline in the S&P 500 and the NASDAQ was down 0.7%, pulled down by heavyweights including Apple and Google parent company Alphabet. The tech index is down about 4 per cent in the past week as investors continued a recent move away from the year's best-performing sector.

The Stoxx Europe 600 Index fell 0.4%, with 16 of

Today's Stock Watch

★Syrah Resources (SYR)

Swiss investment bank UBS has put a "buy" recommendation on graphite hopeful Syrah Resources, following its forecasts that electric vehicle sales will rise to 13.7 per cent of world sales by 2025.

Resources

Gold Road Resources Limited (GOR)

GOR has signed a \$298m engineering, procurement and construction contract for the Gruyere Gold Project with the Amec Foster Wheeler Civmec Joint Venture. This will allow for work on the design, procurement and installation of the process plant and associated infrastructure to commence in WA's Goldfields.

Westgold Resources Limited (WGX)

Further to the announcement of 8 June 2017 advising of the successful commissioning of the Fortnum Gold Plant, WGX has poured its first gold. The ramp-up to nameplate capacity is continuing and all parts of the process plant and infrastructure are fully commissioned and operating.

Sheffield Resources Limited (SFX)

SFX has advised that the National Native Title Tribunal has determined that the mining lease upon which its flagship Thunderbird Mineral Sands Project is located, can be granted. The WA Department of Mines and Petroleum (DMP) will now be able to finalise the grant of this mining lease in the Kimberley.

Thor Mining PLC (THR)

THR has acquired 25% of US Lithium Pty Ltd (USL), a private Australian company with interests in lithium-focused projects in Arizona and New Mexico, in the US. It has also entered into an agreement that gives it the option to acquire a further 75% of USL for a period of 45 business days.

Golden Rim Resources Ltd (GMR)

GMR has received highly encouraging assay results from its recent Reverse Circulation drilling program at the Patricia Zinc-Silver-Lead Prospect at its Paguanta Project in Chile.

Discovery of further high grade mineralisation demonstrates potential to increase the tonnage and grade of the current Measured, Indicated and Inferred Mineral Resource of 2.4Mt at 8.0% Zinc Equivalent.

Centaurus Metals Limited (CTM)

The Brazilian Mines Department has approved the first of two exploration licence applications which cover a total area of 120km² in the Carajas Mineral Province. The Company says this is a highly prospective copper-gold ground. CTM has engaged Alan King, former chief geophysicist for Global Exploration at Vale, to review regional data.

Duketon Mining Limited (DKM)

DKM has announced that significant assays have been received for all outstanding holes at the Lancefield North and Golden Star gold prospects. Additional holes will be drilled in the next campaign within the Eastern Goldfields.

Pre-Open Announcements

Novatti Group Limited (NOV)

Software technology and payment services provider NOV has reported a rise in the use of WeChat Wallet payments in Australia, from which it receives a commission through the RoyalPay system. RoyalPay Australia grew its revenue to \$50m in June, with a growth rate of approximately 20% per month. Its net processing fees to Novatti are circa \$150k pa and growing in line with RoyalPay's growth.

19 industry groups lower. The benchmark has closed below its 50-day moving average in recent sessions as this year's gains have eased since a peak in mid-May.

Europe's retail index fell 2.2%, the biggest sectoral faller in Europe.

Britain's mid-caps suffered their sharpest fall this year, as investors became more nervous about consumer spending in Britain, with inflation up mainly because of a weak pound.

The Hong Kong Monetary Authority raised borrowing costs by 25 basis points to 1.5% after the US Fed raised its target range by the same amount. This move was felt swiftly on markets, with the city's one-month interbank rate, the Hibor, rising the most it has in six months. A gauge of property stocks in Hong Kong retreated more than 1%.

The Hang Seng index fell 1.2%, to 25,565.34, while the China Enterprises Index lost 1.6%, to 10,346.15 points. The Shanghai Composite Index added 0.1 per cent to 3132.49 points.

In choppy trade Japan's Nikkei share average fell yesterday, ended down 0.3% at 19,831.82, after entering positive territory in the morning. The Topix dropped 0.2% to 1588.09.

Commodities

| COMMODITY | CLOSE | \$US/ | +/- | % |
|-----------------------------------|---------------|-------|--------|---------------|
| Gold (NY) (Aug) | 1255.5 | oz | -20.4 | -1.598 |
| Silver (NY) (Jul) | 16.72 | oz | -0.416 | -2.427 |
| Gold (LON) | 1260.25 | oz | -8 | -0.630 |
| Platinum | 922.9 | oz | -29 | -3.046 |
| WTI Crude (Jul) | 44.47 | bbl | -0.46 | -1.023 |
| Brent Crude (Aug) | 46.79 | bbl | 0.06 | 0.1284 |
| Iron Ore (CHN port 62%) | 56 | t | 0.5 | 0.9009 |
| Copper | 5636.2 | t | -32.25 | -0.568 |
| Nickel | 8790 | t | -93 | -1.046 |
| Aluminium | 1861.25 | t | -11.25 | -0.600 |
| Lead | 2072.25 | t | 16.25 | 0.7904 |
| Zinc | 2489.25 | t | 13.25 | 0.5351 |
| Tin | 19623 | t | 276 | 1.4266 |
| CBT Wheat (Jul) | 469 | bshl | 11.75 | 2.5697 |

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|----------------|
| AUD – USD | 0.7584 | 0.0004 | 0.0541 |
| EUR – USD | 1.1148 | -0.0001 | -0.0054 |

Other Overseas Data Today & Tonight

| | | |
|------------------|--------------------|------|
| Euro zone | CPI | May |
| Japan | BoJ policy meeting | June |
| US | Housing starts | May |

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au.

Zelda Therapeutics Ltd (ZLD)

ZLD has entered into a strategic manufacturing and distribution agreement with Knop Laboratorios SA (Knop Laboratories). This agreement forms an important part of Zelda's Chilean activities and locks in a high-quality supply of Zelda's formulated medicinal-cannabis medicines initially, for its planned clinical trials, and subsequently a secure, scalable and GMP-grade source of commercial quantities following product registration.

Reports & Events

(selected scheduled)

| When | Company | Report/Event |
|---------------|---------|-------------------|
| 16 Jun | GMG | Investor briefing |

Trading Halts

| Company | Code | Resuming |
|-----------------------------|------|----------|
| Sequoia Financial Group | SEQ | 19 Jun |
| Pacific Current Group | PAC | 19 Jun |
| Paradigm Biopharmaceuticals | PAR | 19 Jun |
| Pilbara Minerals Limited | PLS | 19 Jun |
| Thundelarra Limited | THX | 20 Jun |

Suspensions (selected)

| Company | Code | Since |
|--------------------------------|------|---------|
| Nido Petroleum | NDO | 21 June |
| Brookfield Prime Property Fund | BPA | 14 June |

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