

Markets

SFE 200 Futures (9.30am AEST)	5667	-29	-0.51
NZX 50	7570.2	-16.3	-0.21
DJIA Futures	21436	-1	0.0
S&P 500 Futures	2436.75	-0.75	-0.03
NASDAQ Futures	5732.75	0	0

Local Markets Commentary

Australian shares look set to fall at the open, weighed by a plunge in the oil price.

Oil prices fell nearly 3 per cent to seven-month lows overnight after increases in supply by several key producers overshadowed high compliance by OPEC and non-OPEC oil producers with a deal to cut global output amid a continued sell-off driven by funds.

Investors took profits in the big banks and sold off property stocks.

In mergers and acquisitions news yesterday, the Australian Competition Tribunal approved the \$11.3b merger of Australia's two dominant wagering and gaming businesses, Tabcorp and Tatts.

Tabcorp's board has said the deal will return \$1.4 billion in business improvements and cost savings.

In other **overnight commodities trade**, the seaborne *iron ore* market continued to see moderate trading activity on Tuesday, Metal Bulletin reported, despite retreating ferrous futures in China, which kept buying subdued at Chinese ports.

Meanwhile the world's second largest supplier to the world's iron ore trade, Rio Tinto, yesterday used Glencore's late entrance to the Coal & Allied auction to extract a \$400m better deal from Yancoal.

Gold prices marked their lowest settlement in five weeks, as comments from Federal Reserve officials raised expectations for further increases in interest rates this year. The US dollar strengthened against that backdrop, dulling appeal for the yellow metal.

The **\$A** is trading at US75.78c at 9.20am AEST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	21467.14	-61.85	-0.28
S&P 500	2437.03	-16.43	-0.67
NASDAQ	6188.03	-50.98	-0.817
FTSE 100	7472.71	-51.1	-0.68
DAX 30	12814.79	-74.16	-0.57
Shanghai Comp	3140.01	-4.36	-0.138

Overseas Markets Commentary

Major **European and US equities** markets fell yesterday as investors dumped energy and mining shares after crude-oil prices sank.

The US-listed shares of BHP Billiton and Rio Tinto were more than 3% lower.

Sentiment also took a hit as the previous session's rebound in tech stocks faded.

The US dollar strengthened for a second day, hitting a one-month high of 97.871 against a basket of

**** The WA Government late yesterday announced a ban on uranium mining in the state, but four previously approved projects can proceed: Toro Energy's (TOE) Wiluna, Cameco's (NYSE:CCJ) Kintyre and Yeelirrie, and Vimy Resources' (VMY) Mulga Rock. ****

Today's Stock Watch

★ Australian Bauxite Limited (ABX)

After being sold down for 12 months while a significant shareholder exited, ABX continued its rebound yesterday on the back of director purchases. This comes after ABX received a letter of intent on 25 May for a significant shipment of cement grade bauxite from its Bald Hill Bauxite Project near Campbell Town, northern Tasmania.

Resources

Neometals (NMT)

Neometals has confirmed that the Mt Marion operations have shipped a total of 79,000t of concentrates from February to the end of May, including 30,055t in May (majority 6% Li2O). A shipment of 35,000t of similar quality is expected to depart on or about 27 June with another 15,000t expected the first week of July. The Mt Marion project, near Kalgoorlie, is a JV with one of China's biggest lithium producers Ganfeng Lithium Co's (GFL).

Technology

Swift Networks Group Limited (SW1)

Telecommunications and content solutions has won a contract to design and construct a networking solution for Rio Tinto's Hope Downs 1 Village in WA's Pilbara. The contract expands Swift's project-based revenue with the potential for recurring revenue to follow the infrastructure deployment.

Vivid Technology Limited (VIV)

VIV has signed an MOU with Honeywell Building Solutions Australia Limited, the Australian arm of Honeywell International Inc (NYSE: HON), to supply smart lighting technologies on a number of strategic projects. This comes after the successful completion of northern NSW Health and RMIT projects where VIV supplied integrated solutions with the Honeywell team.

Biopharma

Paradigm Biopharmaceuticals (PAR)

PAR has expanded its drug development pipeline by in-licensing Pentosan Polysulfate Sodium (PPS) from the University of Oslo, Norway, for the treatment of heart failure. PAR will utilise PPS's well-established safety data to fast-track development under the FDA 505(b)(2) pathway (drug repurposing) to positions the Company within the US\$18 billion global heart failure market. The agreement comes ahead of Paradigm presenting and holding discussions with potential commercial partners at the 2017 BIO International Convention this week in San Diego.

Oventus Medical Ltd (OVN)

OVN has entered into a worldwide distribution agreement with Hong Kong based Modern Dental Group, the world's largest dental prosthetic device provider. This is in addition to the recent announcement of the co-manufacturing agreement between Oventus and Modern Dental. The agreement relates to Oventus' O2Vent products used in the treatment of snoring and obstructive sleep apnoea. It is exclusive for the US and non-exclusive in other regions including Australia.

major currencies after Chicago Federal Reserve Bank president Charles Evans said he was increasingly concerned that a recent softness in inflation was a sign the Fed would struggle to reach its 2% objective.

The central bank could wait until December before deciding whether to raise rates again, Evans said, adding the Fed was “pretty close” to reducing its balance sheet. The Stoxx Europe 600 Index fell 0.7%, the most in a week.

Energy stocks extended a decline after oil dropped to \$US43 a barrel after a revival in output from Libya and rising volumes of fuel held in tankers. Mining and energy shares closed at the lowest levels since November.

Hong Kong stocks dropped, the banks among the biggest weight on the city's benchmark.

Link REIT, which traded ex-dividend Tuesday, pulled the benchmark down the most.

Japan's Nikkei share average pared gains after probing its highest levels since August 2015.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1244.1	oz	-2.6	-0.21
Silver (NY) (Jul)	16.43	oz	-0.072	-0.44
Gold (LON)	1246.5	oz	-4.6	-0.36
Platinum	921.2	oz	-5.7	-0.61
WTI Crude (Jul)	43.36	bbl	-1.07	-2.4
Brent Crude (Aug)	45.8	bbl	0.02	0.04
Iron Ore (CHN port 62%)	56.5	t	0	0
Copper	5630.5	t	-72.25	-1.26
Nickel	8768.5	t	-184	-2.05
Aluminium	1876.5	t	2	0.1
Lead	2105	t	-2	-0.09
Zinc	2545	t	0.25	0.01
Tin	19625	t	-50	-0.25
CBT Wheat (Jul)	487.75	bshl	4.75	0.9834

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7578	-0.0002	-0.031
EUR – USD	1.1135	0.0001	0.01

Australian Data Today

WBC	Leading index	May
ABS	Skilled vacancies	May

Overseas Data Today & Tonight

US	Existing home sales	May
Japan	BoJ meeting minutes	June

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Pre-Open Announcements

Resources

Walkabout Resources Ltd (WKT)

WKT has reported the conclusion of a series of Agreements to contract at least 30,000 tonnes per annum of a range of natural flake graphite products from the developing Lindi Jumbo mine to European and Chinese traders and end-users. The project is within the highly prospective Mozambique belt which hosts some of the world's highest grade, coarse flake graphite deposits. Negotiations for sales of the remaining 10,000 tonnes per annum of production are continuing.

Energy

Blue Energy Limited (BUL)

BUL has executed a Memorandum of Understanding with **APA Group (APA)** to negotiate a Gas Transportation Agreement for the delivery of Blue Energy's Bowen Basin gas reserves to southern market gas buyers. BUL Managing Director John Phillips said it was anticipated that further successful negotiation with APA would yield detailed design and preferred route options, together with cost estimates, and result in construction of the new pipeline infrastructure needed to connect the central Queensland gas province to the southern manufacturing and residential demand centres.

Trading Halts

Company	Code	Resuming
Tabcorp Holdings Limited	TAH	22 June
Tatts Group Limited	TTS	22 June
Oilex	OEX	21 June
Truscott Mining Corporation	TRM	21 June

Suspensions (selected)

Company	Code	Since
Nido Petroleum	NDO	21 June

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