

Markets

SFE 200 Futures (9.30am AEDST)	6025	3	0.1
NZX 50	8436	38	0.5
DJIA Futures	24789	21	0.1
S&P 500 Futures	2693	0	0.0
NASDAQ Futures	6515	0	0.0

Local Markets Commentary

The Australian market commences day two of 2018 trade on positive US equities and mixed international commodities leads, ahead of influential reports in the US tonight.

In commodities trade, US **gold** futures continued to gain. **Oil** turned lower. **Iron ore** (China port, 62% Fe) continued to rally.

LME **copper** and **aluminium** pulled back further. **Nickel** swung lower.

The **\$A** slipped to ~US78.35c after being propelled to ~US78.45c early yesterday evening.

Japan's markets remain closed today due to a public holiday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24824	105	0.4
S&P 500	2696	22	0.8
NASDAQ	7007	104	1.5
FTSE 100	7648	-40	-0.5
DAX 30	12871	-46	-0.4
Shanghai Comp	3348	41	1.2

Overseas Markets Commentary

Major European and US equities markets diverged overnight, the NASDAQ closing at a new record peak and the FTSE 100 adversely impacted by British pound strength against the \$US.

Select retail stocks were also in favour in the US, following a positive research assessment of the new US tax regime.

In US data releases, a final Markit manufacturing PMI was reported at 55.1, against 53.9, representing the best monthly rise in ~two years.

Earlier in the **euro zone**, the December manufacturing PMI was confirmed at a record 60.6 and Germany's at 63.3.

A **European Central Bank** (ECB) monetary policy committee member was reported to have conditionally ventured bond purchases could be wound down completely by year's end, the second such official to suggest this, although the comments were reportedly offered in a pre-Christmas interview.

These were the second such reported comments from an ECB official over three days.

The **UK's** December manufacturing PMI came in at 56.3, following 58.2 for November.

Influential reports and data are expected to be released in the US **tonight** in the US, including the minutes of the Federal Reserve's December policy

Trades executed Friday last week (29 December) settle today.

Today's Stock Watch

Insurance Australia Group (IAG)

2018 calendar year catastrophe reinsurance finalised with up to \$8B worth of gross main catastrophe reinsurance protection.

Aggregate sideways cover details also lodged this morning.

12.5% total quota share agreements are in place with Munich re, Swiss Re and Hannover Re as of 1 January, in addition to the 20% with Berkshire Hathaway, agreed from 1 July 2015. Consequently, IAG has reduced its cover to 67.5%, from 80% in 2017.

DuluxGroup Ltd (DLX)

51% DLX-held DGL Camel International is planning to sell most of its coatings business in Hong Kong and mainland China to Yip's Chemical Holdings.

DGL Camel is proposing to retain the Selleys business and some of the coatings business.

DGL Camel FY 2018 EBIT for China and Hong Kong is not expected to change much from FY 2017.

Completion is anticipated by 30 June.

Promising additional details with the release of interim results in May.

Pushpay Holdings (PPH)

PPH achieved \$US100M annualised committed monthly revenue (ACMR) in December.

The New Zealand-headquartered company is planning to lodge a December quarter operational update 10 January.

iSignthis Ltd (ISX)

ISXPay® services are now live, with first revenue expected this month.

ISX is providing identity verification, payment authentication and processing services initially to National Australia Bank (ASX: NAB).

Details lodged this morning.

Opthea Ltd (OPT)

A Phase 1b/2a clinical trial is underway across centres in Australia and the US, to assess the safety and efficacy of OPT's OPT-302 proposed treatment for diabetic macular oedema.

Resources

Orinoco Gold (OGX)

OGX has paid an initial 380oz of Brazil Cascavel gold project production to streaming partner Cartesian Royalty Holdings (CRH).

Pending March quarter output, the next minimum payment to CRH is due 30 April.

OGX recouped 73.9% Thursday last week, trading as high as 4.8c.

Yesterday, OGX settled at 3.8c.

meeting, ISM's December manufacturing PMI and November construction spending figures.

In overnight corporate news, **Founders Fund** was reported to have purchased significant quantities of bitcoin, supporting the cryptocurrency market.

BP revealed it anticipated at \$US1.5B December quarter US tax charge due to the new US tax laws, but benefits thereafter.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1314	oz	5	0.6
Silver (NY) (Mar)	17.2	oz	0.1	0.5
Gold (LON)	1312	oz	21	1.6
Platinum	942	oz	14	1.5
WTI Crude (Feb)	60.2	bbl	-0.2	-0.4
Brent Crude (Feb)	66.4	bbl	-0.5	-0.7
Iron Ore (CHN port 62%)	73.3	t	1.5	2.0
Copper	7205	t	-42	-0.6
Nickel	12620	t	-140	-1.1
Aluminium	2265	t	-3	-0.2
Lead	2570	t	83	3.3
Zinc	3349	t	30	0.9
Tin	20040	t	15	0.1
CBT Wheat (Mar)	4.34	bshl	-0.07	-1.5

Commodities Commentary

Oil – traded at 2.5-year highs before being pushed lower.

Ongoing deadly government-civilian conflict in OPEC oil-producer Iran, work on a key North Sea pipeline, and a softer \$US combined to produce the early gains.

However, the UK pipeline owners announced a full restart had been achieved over the weekend, and Libya reported one of its lines that had been shut down was being restarted, albeit at reduced volume. Brent crude traded as high as \$US67.29/bbl.

Gold – traded at three month-highs, supported by the \$US, which weakened against several currencies, and some safe-haven demand, in part attributed to remarks from Iran's Supreme Leader Ayatollah Ali Khamenei.

Tonight's Federal Reserve December policy meeting minutes release, plus a December manufacturing PMI from ISM, could swing the \$US and hence influence gold trade.

Base metals – pushed and pulled overnight by a weaker \$US, vacillating oil prices and new data out of China.

China's official December PMIs, released over the weekend, and a Caixin manufacturing PMI reported yesterday, differed, yesterday's release indicating improved growth among the private sector.

Caixin December services and composite PMIs for China are expected tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7829	-0.0000	-0.00
EUR – USD	1.2056	-0.0003	-0.02

US Data Tonight

Federal Reserve policy meeting minutes	Dec
ISM manufacturing	Dec

Pre-Open Announcements

SportsHero Ltd (SHO)

Pleading ignorance to an ASX price and volume query. SHO appreciated 55% yesterday, settling at 15.5c following high-volume trade.

Resources

Helix Resources (HLX)

In response to an ASX price and volume query, HLX is pleading ignorance. HLX added 11.9% yesterday on comparatively large volume after gaining 20% Friday, also on high volume. HLX settled at 4.7c yesterday, after trading as high as 4.8c.

BMG Resources (BMG)

Former Norwest Energy (ASX: NWE) CEO Peter Munachen has been appointed as a BMG non-executive director.

Lincoln Minerals (LML)

In addition to Allan John Parker stepping down as LML MD as of yesterday, Dr Parker has resigned from the LML board.

Dr Parker remains an LML top-20 shareholder with ~0.27%.

Trading Halts

Company	Code	Resuming
Yowie Group	YOW	3 Jan
Blaze International	BLZ	4 Jan
Monax Mining	MOX	4 Jan
Strategic Minerals Corporation	SMC	4 Jan

Suspensions (selected)

Company	Code	Since
AJ Lucas Group	AJL	29 Dec
Blackham Resources	BLK	18 Dec
Black Mountain Resources	BMZ	27 Dec
China Dairy Corporation	CDC	11 Dec
Dawine Ltd	DW8	30 Nov
Eastern Iron	EFE	20 Dec
Jatenergy Ltd	JAT	13 Dec
Mobilarm Ltd	MBO	6 Dec
Mount Ridley Mines	MRD	13 Dec
OrotonGroup Ltd	ORL	30 Nov
Success Global Media	SGU	27 Dec
Vector Resources	VEC	20 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
CAM	Today	1.25	100	5.47
TGA	Tomorrow	1	100	4.52
ALR	Fri	1	100	3.91
HNG	Mon (8 Jan)	1.5	100	5.45
MPP	Mon (8 Jan)	3.25	0	7.72

Reports & Events

(selected scheduled)

When	Company	Report/Event
16 Jan	RIO	Dec Q



ISM New York business activity	Dec
Construction spending	Nov
Vehicle sales	Dec

Other Overseas Data Today & Tonight

UK	Construction PMI	Dec
Germany	Unemployment	Dec

Need More Information?

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

18 Jan	BHP	Dec Q
24 Jan	API STO	AGM Dec Q
25 Jan	BCI	Dec Q
30 Jan	NVT NCM	Interim Dec Q
31 Jan	AWE SYR	Dec Q Dec Q

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