

Markets

SFE 200 Futures (9.30am AEDST)	5730	9	0.2
NZX 50	6986	15	0.2
DJIA Futures	19886	65	0.3
S&P 500 Futures	2272	7	0.3
NASDAQ Futures	5004	42	0.9

Local Markets Commentary

The Australian market opens the first full week's trade of 2017 on positive international equities and mixed commodities leads, plus new data out of China.

China's December foreign exchange reserves have been reported over the weekend as \$US41B lower for December, at ~\$US3.01 trillion, against expectations of up to a \$US51B fall. Foreign direct investment figures are anticipated anytime from today.

In overnight Friday commodities trade, **gold** traded lower. **Oil** settled moderately higher. **Copper** gained a little. **Iron ore** fell.

The **\$A** traded at ~US73.0c and has fallen below this morning.

Locally today, a construction sector activity index is due pre-trade.

11.30am, the ABS is due to release November residential building approvals and the ANZ a monthly job advertisements report.

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

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	19964	65	0.3
S&P 500	2277	8	0.4
NASDAQ	5521	33	0.6
FTSE 100	7210	15	0.2
DAX 30	11599	14	0.1
Shanghai Comp	3154	-11	-0.4

Overseas Markets Commentary

Major European equities markets largely vacillated through Friday's trade, while key US indices rose definitively following an uncertain start.

In US data reports, the December employment report revealed 156,000 jobs were created during the month, following forecasts of 175,000.

November's tally was revised to 204,000, from 178,000.

December's unemployment rate came in 0.1% higher, at 4.7%. Average hourly earnings rose 2.7% year-on-year.

In **Germany**, November retail sales were reported 3.2% higher year-on-year and industrial orders down 2.5% for the month.

The **euro zone's** overall November retail sales growth came in at 2.3% higher year-on-year.

Tonight in the US, a monthly labour market

State One wishes all readers a safe and successful 2017.

Today's Stock Watch

CSL Ltd (CSL)

CSL has received European Commission marketing authorisation for the CSL-Behring AFSTYLA treatment for haemophilia A. CSL-Behring has previously achieved similar approval in the US and Canada, and is awaiting the outcomes of marketing applications in Australia and Switzerland.

AdAlta Ltd (1AD)

Pre-clinical data for 1AD's proposed AD-114 drug to treat fibrosis has indicated in mice that both lung and liver fibrosis can potentially be improved. Details lodged this morning.

Manalto Ltd (MTL)

US-headquartered Mosquito Joe has signed on to use MTL's mosquito-control enterprise product from today. In addition, Mosquito Joe has invited MTL to present at the Mosquito Joe franchise annually conference this month. Mosquito Joe operates 170 franchises across 28 US States.

YPB Group (YPB)

Maiden military contract in hand for the YPB-Affyrmx JV 'vital records' product. Mexico's defence forces have ordered an initial 10,000 units.

Resources

Liontown Resources (LTR)

Heralding geochemical identification of a 2km long lithium trend within the company's Lake Percy project, Southern Cross, WA. First RC drilling is planned to commence early February.

Volt Resources (VRC)

Potential customers in receipt of VRC's Namangale project graphite samples are reporting positive testing results. Details lodged this morning. The planned DFS is expected to be fast-tracked this year, following finalisation of the scope and budget.

Lucapa Diamond Company (LOM)

Electromagnetic surveying has defined lamproite and kimberlite drilling targets within the Brooking project, WA and also the Orapa Area F, Botswana. Details lodged this morning.

Energy

Aspire Mining (AKM)

China Railway First Survey & Design Institute Group Co has determined the proposed Erdenet - Ovoot railway is financially feasible, supporting AKM's plans for the company's Ovoot coal project, Mongolia.

Grand Gulf Energy (GGE)

Testing is scheduled for next week after workover activity and logging resulted in indications of untapped oil within the primary zone of well 31-11, in addition to oil shows. GGE is earning a 50% working interest.

Empire Oil & Gas (EGO)

Planning to test the Upper D sand of Red Gully North-1, northern Perth Basin, as soon as regulatory approval is in hand. Workover details and well plans lodged this morning.

conditions report is due.

Salesforce.com is due to report full-year earnings, and Alcoa for the December quarter and half-year.

In overnight Friday corporate news, **Apple** gained after a Canada's competition regulator ruled in favour of the company following a two-year investigation.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1173	oz	-8	-0.7
Silver (NY) (Mar)	16.5	oz	-0.1	-0.7
Gold (LON)	1177	oz	12	1.1
Platinum	966	oz	0	0.0
WTI Crude (Feb)	53.9	bbl	0.2	0.4
Brent Crude (Feb)	57.1	bbl	0.2	0.4
Iron Ore (China port)	76.3	t	-2.7	-3.4
Copper (LME)	5590	t	10	0.2
Nickel	10245	t	-50	-0.5
Aluminium	1713	t	11	0.6
Lead	2056	t	25	1.2
Zinc	2637	t	2	0.1
Tin	21005	t	-70	-0.3
CBT Wheat (Mar)	4.23	bshl	-0.03	-0.7

Commodities Commentary

Oil – prices swung intra-session overnight Friday, WTI crude traded at \$US53.46/bbl - \$US54.32/bbl. \$US strength capped gains.

Four additional oil rigs were reported operational in a weekly US report.

Gold – impacted overnight Friday by a positive US December employment report and hence stronger \$US. In addition, Federal Reserve officials ventured possible higher-than-anticipated inflation growth and up to three rate rises during 2017.

Futures nonetheless ended the week more than 1% higher.

This week's trade could be impacted by a slurry of public appearances by Federal Reserve officials, including chair Janet Yellen.

Key data and traditionally influential earnings reports will mostly come late-week.

Base metals – a Chinese official's expectations of a 6.7% official GDP growth rate for 2017, espoused over the weekend, could support tonight's trade.

Also over the weekend, China's December forex reserves were reported at almost six-year lows. December FDI figures are expected anytime from today.

Meanwhile, Indonesia reported exporting 4% more tin year-on-year during December.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7292	-0.0003	-0.04
EUR – USD	1.0530	0.0001	0.01

Australian Data Today

AiG/HIA	PCI	Dec
ABS	Dwelling approvals	Nov
ANZ	Job advertisements	Dec
RBA	Reserve assets	Dec

Pre-Open Announcements

Thred Ltd (THD)

Discussions continuing with software development group Lateral. THD is wanting to finalise a proposed strategic investment by Lateral, which lists AHG, CBH Group, Crown Perth, Curtin University of Technology, Honda Australia, Samsung and Wesfarmers as clients.

Skin Elements (* SKN)

Natural and organic skincare manufacturer completed its ASX listing Friday following a \$4M IPO at 20c per share. Opened at 20.5c and traded as high as 22c before settling at 20c. 122,500 shares changed hands across 14 transactions.

Resources

Excelsior Gold (* EXG)

EXG lower-grade stockpiles totalling 39,177t were toll-treated during December, in order to reduce stockpiles and also boost cash flow. The mine grade had been estimated at 1.26g/t Au and the mill grade came in at 1.23g/t Au.

Pantoro Ltd (PNR)

Produced 9599oz of gold during the December quarter, 30% more than for the September quarter. December output totalled 4627oz. \$11.7M cash and gold. 7779oz gold net debt.

Castle Minerals (CTD)

\$US400,000 in hand from the sale of the Ghana Akoko gold project to Terrex Ltd. A further \$US100,000 is due on mining commencement plus royalties for the first 50,000oz produced plus any subsequent production.

Danakali Ltd (DNK)

DNK has appointed Fluor to head FEED and optimisation activity for the Colluli potash project, Eritrea.

Heron Resources (HRR)

Ardea Resources project updates lodged in relation to the previously-lodged prospectus.

Energy

Sino Gas & Energy (SEH)

China's five-year energy plan is indicating almost twice as much natural gas consumption by 2020, supporting SEH JV plans.

Peninsula Energy (PEN)

Pleading ignorance, apart from a general overnight Thursday appreciation of uranium companies during US trade, in response to an ASX price-volume query. PEN's price rose 36.4% Friday to 75c, with 1546 transactions recorded. The previous week, PEN had settled at 56c.

Trading Halts

Company	Code	Resuming
Canaeus Minerals	CAD	10 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
HNG	Today	1.5	100	4.63



TGH	Thu	3.32	0	2.41
-----	-----	------	---	------

US Data Tonight

Fed labour market conditions	Dec
------------------------------	-----

Other Overseas Data Today & Tonight

China	Foreign direct investment	Dec
UK	Halifax house prices	Dec
Germany	Industrial production	Nov
Euro zone	Sentix investor confidence	Jan
Euro zone	Unemployment	Nov

Need More Information?

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

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that 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.

While State One 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. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short 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. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.