

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>5789</b>	<b>7</b>	<b>0.121</b>
<b>NZX 50</b>	7440.0	0.00	0.0
<b>DJIA Futures</b>	21322	0	0.0
<b>S&amp;P 500 Futures</b>	2440	0	0.0
<b>NASDAQ Futures</b>	5751.2	0	0

## Local Markets Commentary

Australian shares are set for a strong start after Wall Street shook of Monday's tech sector jitters overnight and the Dow Jones hit an all-time high ahead of an expected Federal Reserve interest rate hike Wednesday (US time).

SPI futures were pointing to a 0.2 per cent or 10 point higher open at 5792 points.

The ASX surged to its best daily performance in seven months yesterday, as investors flooded back into bank stocks.

Oil rebounded after dipping below \$US46 a barrel as estimates that US supplies declined distracted investors from higher OPEC production.

The **\$A** slipped to US\$0.7535 overnight.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>21328.47</b>	92.8	<b>0.437</b>
<b>S&amp;P 500</b>	2440.35	10.96	<b>0.4511</b>
<b>NASDAQ</b>	6220.369	44.9041	<b>0.7271</b>
<b>FTSE 100</b>	7500.44	-11.43	<b>-0.1522</b>
<b>DAX 30</b>	12764.98	74.54	<b>0.7271</b>
<b>Shanghai Comp</b>	3153.7429	13.8663	<b>0.4416</b>

## Overseas Markets Commentary

The Dow Jones Industrial Average set a new intraday high overnight and the S&P 500 Index rose to within inches of a record, while the Nasdaq 100 Index bounced back from its biggest two-day drop since September.

US stocks recovered from a two-day slide and approached records as technology shares rebounded from their worst drop of the year. The dollar weakened and Treasuries were steady as the Federal Reserve policy meeting kicked off.

Drama in Washington continued to demand attention, with US Attorney General Jeff Sessions beginning his testimony to lawmakers.

European and emerging-market equities advanced. A recovery in tech stocks and fresh optimism over troubled Italian banks lifted European shares from seven-week lows. The pan-European STOXX 600 index ended up 0.6 per cent, almost fully recovering losses from the previous session.

Asian stocks rose following Monday's tumble in major tech stocks.

The U.S. Federal Reserve is widely expected to raise its benchmark interest rate overnight to a target range of 1.00% to 1.25%.

## Today's Stock Watch

### Bellamy's (BAL)

Infant formula supplier BAL will raise \$60.4 million through a new issue of shares and acquire a canning facility that the company hopes will help improve margins and satisfy Chinese regulatory demands. Bellamy's, which is seeking to turn around a disappointing financial performance, has also renegotiated its supply contract with dairy processor Fonterra which, along with Bega, manufactures Bellamy's products.

### Ardent Leisure (AAD)

In a further development at embattled theme park and arcade group Ardent Leisure, substantial shareholder Ariadne (with the backing of Craig Coleman's Viburnum Funds) has requisitioned an extraordinary general meeting for September. It will attempt to appoint four new directors to the board: Ariadne's Gary Weiss and Kevin Seymour, plus two independents - American restaurant executive Carl Richmond and the Lowy family's former shopping centre lieutenant Andrew Hedges.

### Australian Bauxite Limited (ABX)

ABX announced it has received a letter of intent for at least one further shipment of high grade bauxite from Tasmania. We see this as the start of a sustained series of shipments for an extended period, and a provider of internal funding for an ongoing business in bauxite sales for years to come. ABX has as many as six separate bauxite projects down the east coast of Australia. We believe that every portfolio open to carrying a modest amount of risk, should have some ABX.

## Resources

### Cooper Energy (COE)

COE has said that Callawonga-16, a development well drilled by the PEL 92 joint venture in PPL 220, is to be cased and suspended as a future oil producer. Cooper holds a 25% interest in the PEL 92, in South Australia, with the balance held by the operator, Beach Energy.

### Aeon Metals Limited (AML)

AML has announced high-grade cobalt assay results for two more holes at Walford Creek outside of its Vardy Cu-Co-Zn Project in Queensland.

### VDM Group Limited (VDM)

VDM advises that the exploration program for its Cachoeiras do Binga copper project, in Angola, has experienced delays, mainly due to potential safety hazards identified at the site. VDM reports that the CdB partners are receiving co-operation from the Angolan Government, and contractors Shandong Geo Mineral International and SRK.

### 88 Energy Ltd (88E)

88E has told investors it is on schedule to start fracture stimulation at Project Icewine on June 17, with production testing due either late in the month or early July.

The company yesterday afternoon said that the sundry application for execution of the main stimulation work at Icewine-2 has been approved by the Alaska Oil and Gas Conservation Commission (AOGCC).

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1268.5</b>	oz	-0.4	<b>-0.031</b>
<b>Silver (NY) (Jul)</b>	16.815	oz	-0.129	<b>-0.761</b>
<b>Gold (LON)</b>	1261.3	oz	-7.95	<b>-0.626</b>
<b>Platinum</b>	925.5	oz	-19	<b>-2.011</b>
<b>WTI Crude (Jul)</b>	<b>46.16</b>	bbbl	-0.16	<b>-0.345</b>
<b>Brent Crude (Aug)</b>	<b>48.23</b>	bbbl	-0.001	<b>-0.002</b>
<b>Iron Ore (CHN port 62%)</b>	<b>57</b>	t	0.5	<b>0.885</b>
<b>Copper</b>	<b>5685.5</b>	t	-57.5	<b>-1.001</b>
<b>Nickel</b>	8738.5	t	3	<b>0.034</b>
<b>Aluminium</b>	1878.5	t	-1	<b>-0.053</b>
<b>Lead</b>	2032.5	t	2	<b>0.098</b>
<b>Zinc</b>	2454.25	t	-21.75	<b>-0.878</b>
<b>Tin</b>	19520	t	340	<b>1.772</b>
<b>CBT Wheat (Jul)</b>	445	bshl	11	<b>2.534</b>

**Commodities Commentary**

*Gold* – Gold prices notched a fifth-straight decline, as the Fed was widely tipped to wrap up its meeting on Wednesday with an increase to interest rates.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7536	-0.0001	<b>-0.0153</b>
<b>EUR – USD</b>	1.1209	-0.0001	<b>-0.01</b>

**Australian Data Today**

Westpac Consumer Sentiment June

**US Data Tonight**

CPI May

**Other Overseas Data Today & Tonight**

<b>China</b>	Industrial production	May
<b>China</b>	Retail sales	May
China	Fixed asset investment	May
Eurozone	Industrial production	April
<b>UK</b>	Unemployment	Apr
<b>US</b>	Retail sales	May

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Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au).

**Pre-Open Announcements****Village Roadshow (VRL)**

VRL has announced the sale of its stake in Golden Village Singapore. Proceeds of sale will initially be used to reduce VRL's debt levels. Net proceeds after tax and transactions costs to VRL are anticipated to be about A\$175 million to be recorded as material item in FY7 or FY18.

**Starpharma Holdings Ltd (SPL)**

Spl has completed a transaction to sell its agrochemicals and Priostar business (Starpharma Agrochemicals) to Agrium, Inc., (Agrium) (NYSE: AGU, TSE: AGU) for A\$35 million in cash. The Starpharma Agrochemical business will be operated by Agrium's wholly-owned subsidiary, Loveland Products, Inc.

**Trading Halts**

Company	Code	Resuming
Ten Network Holdings	TEN	15 Jun
Vector Resources Limited	VEC	15 Jun
Anglo Resources Limited	AAR	15 Jun
Tawana Resources	TAW	15 June
Spicers Limited	SRS	16 June

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