

Markets

SFE 200 Futures (9.30am AEDST)	5574	24	0.4
NZX 50	6852	2	0.0
DJIA Futures	19912	0	0.0
S&P 500 Futures	2273	17	0.8
NASDAQ Futures	4938	70	1.4

Local Markets Commentary

The Australian market opens mid-week trade following overnight rallies across key international equities markets.

In commodities trade, **oil** settled slightly higher. **US gold** futures turned lower. **Copper** fell further. **Iron ore** was reported to have pulled back slightly.

The **\$A** breached US75.0c after trading at ~US74.80c yesterday evening.

Locally today, Westpac and the Melbourne Institute publish a monthly consumer sentiment report. The ABS also reports November new vehicle sales.

A December quarter Tankan manufacturing index is due for **Japan** ~10.50am AEDST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	19911	115	0.6
S&P 500	2272	15	0.7
NASDAQ	5464	51	1.0
FTSE 100	6969	78	1.1
DAX 30	11285	94	0.8
Shanghai Comp	3155	2	0.1

Overseas Markets Commentary

Major European and US equities markets rallied overnight, well-received data, corporate activity and new record peaks for key US indices fuelling sentiment as the US Federal Reserve commenced a two-day policy meeting.

In the **UK**, November year-on-year CPI growth was revised 0.3% higher in a second reading, to 1.2%.

Germany's November year-on-year CPI growth was confirmed at 0.8%.

Italy's new PM assured the caretaker government was prepared to support the nation's banking sector.

In the **US**, November import prices were reported to have fallen 0.3% after a 0.5% rise for October. Export prices pulled back 0.1% following no change in October.

Tonight in the US, the **Federal Reserve** will announce outcomes from its policy meeting (early Thursday AEDST). A rate rise is expected, and investors are keen for information on the likely timing of any subsequent moves.

In overnight corporate news, Italy's **UniCredit** revealed further survival plans, including a €13B entitlement offer, up to 14,000 job cuts and bad debt sale.

The UK government revealed it now held less than 7% of **Lloyds Banking** Group, and **Barclays** that it

Australia – PM Malcolm Turnbull is guest speaker at a Financial Services Council breakfast, Sydney.

Today's Stock Watch

APN Outdoor Group (APO) / Ooh!media Ltd (OML)

OML is raising full-year 2016 EBITDA guidance from \$68M - \$72M to \$72M - \$74M. In addition, OML is proposing to merge with APO via an agreed scheme of arrangement whereby OML shareholders will received 0.83 of an APO share for each OML share. APO traded at \$5.36 - \$5.48 yesterday and OML at \$4.25 - \$4.38. Presentation lodged this morning.

Corporate Travel Management (CTD)

Resuming from a trading halt expecting 33% - 41% FY 2017 underlying EBITDA growth to \$92M - \$97M, due in part to two proposed acquisitions. CTD has agreed to acquire U - headquartered Redfern Travel for ~£40M and Tasmanian-based Andrew Jones Travel for ~\$A5.6M. Consideration for each purchase will be paid in a mix of stock and cash. In association, CTD is conducting an ~\$A71M fully-underwritten one-for-21 entitlement offer, at \$15 per share, 22 December - 17 January. CTD last traded at \$16.08.

Boral Ltd (BLD)

~50% of entitlements (~\$A242M) were taken up in BLD's retail offer, following an institutional entitlement offer and placement in support of the proposed \$US2.6B Headwaters acquisition. The offers were conducted at \$A4.80 per share, and a retail shortfall book-build was planned for overnight. BLD has traded at \$5.17 - \$5.40 for the two sessions to date this week.

Goodman Group (GMG)

GMG has appointed Brambles (ASX: BXB) chairman Stephen Johns as a non-executive director, effective 1 January.

Investa Office Fund (IOF) / Cromwell Property Group (CMW)

IOF executive director Jonathan Callaghan is stepping aside to avoid the perception of any conflict of interest while particular corporate activity, including CMW's interest in due diligence, has been completed.

Premier Investments (PMV)

John Bryce has been appointed CFO and a director of PMV's Just Group. Mr Bryce has been acting Just Group CFO since June, and joined the company, in the finance division, in 2013.

DuluxGroup Ltd (DLX)

AGM today.

Resources

Independence Group (IGO)

Former Commonwealth Bank of Australia (CBA) executive manager, head of mining and metals origination Debra Bakker has been appointed as an IGO independent non-executive director.

Iluka Resources (ILU)

Susan Wilson has been appointed ILU company secretary, effective today, following the resignation of Cameron Wilson.

Energy

Caltex Australia (CTX)

UBS is recommending CTX as a buy.

had offloaded the balance of its European retail banking business.

Meanwhile, Fitch Ratings maintained a **Deutsche Bank** negative watch, citing 'a sluggish business environment, particularly in Europe but also in Asia Pacific'.

Earlier, Japan's **Asahi** reached a €7.3B deal to purchase five European beer brands from would-be SABMiller acquirer **AB InBev**.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1159	oz	-7	-0.6
Silver (NY) (Mar)	16.9	oz	-0.3	-1.0
Gold (LON)	1159	oz	2	0.2
Platinum	933	oz	3	0.3
WTI Crude (Jan)	53.0	bbl	0.2	0.3
Brent Crude (Feb)	55.7	bbl	0.03	0.0
Iron Ore (Tianjin)	83.4	t	-0.2	-0.2
Copper (LME)	5690	t	-78	-1.4
Nickel	11390	t	90	0.8
Aluminium	1741	t	10	0.6
Lead	2323	t	-29	-1.2
Zinc	2705	t	-27	-1.0
Tin	21325	t	300	1.4
CBT Wheat (Mar)	4.18	bshl	0.00	0.1

Commodities Commentary

Oil – prices swung intra-session.

The International Energy Agency (IEA) meanwhile raised its 2016 demand forecast by a daily 120,000bbl to 1.4MMbbl/d.

The IEA also estimated OPEC November output 500,000bbl/d above that reported by OPEC.

Weekly US petroleum inventories are due tonight.

Gold – tonight's US Federal Reserve announcement is regarded as the key factor in this week's trade.

Base metals – China's November industrial output, slightly higher for the month, and reported yesterday, produced mixed results as the \$US softened further.

Potential adverse political relationships seemed to spawn future trade uncertainty.

Copper also appeared to be pushed and pulled by shifting oil prices.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7494	-0.0006	-0.08
EUR – USD	1.0628	0.0002	0.02

Australian Data Today

Wstpc/MInst	Consumer sentiment	Dec
ABS	Vehicle sales	Nov
DoEmplyt	Employment indicator	Dec

US Data Tonight

MBA mortgage applications	9 Dec
Fed Reserve policy statement	Dec
Industrial production	Nov
Retail sales	Nov
Producer prices	Nov

Pre-Open Announcements

GI Dynamics (GID)

Resuming from a trading halt having completed a \$A1.5M private placement at 2.2c per CDI, ahead of a planned \$A987,910 SPP. GID last traded at 2.5c.

Litigation Capital Management (LCA)

Litigation funder and associated services provider completed its ASX listing yesterday following a \$15M IPO at 70c per share. Opened at 79.5c and slipped to 61c before settling at 68c. 375,137 shares were traded across 21 transactions. Post-trade yesterday, LCA said it was funding a new commercial case in the Federal Court. In addition, the firm was anticipating \$528,000 revenue from a partially settled case.

Resources

Pilbara Minerals (* PLS)

Native title agreement in hand for the WA Pilgangoora lithium-tantalum project.

Gold Road Resources (* GOR)

GOR has completed the sale of 50% of its WA Gruyere gold project to Gold Fields, forming a JV over the project. GOR has received \$A250M cash from Gold Fields and will be paid a 1.5% net smelter royalty, uncapped, for Gold Fields' share of output once total production surpasses 2Moz. Gold Fields is also paying GOR \$A100M worth of cash calls during project construction.

Energy

Cooper Energy (* COE) / Santos Ltd (STO)

Fourth sales agreement in place for the Sole gas project, boosting total annual Sole sales commitments to 14.6PJ. Details lodged this morning. In addition, agreements have been finalised for COE to exit from its Tunisia JVs.

Trading Halts

Company	Code	Resuming
Atrum Coal	ATU	14 Dec
Bellamy's Australia	BAL	14 Dec
Emeco Holdings	EHL	14 Dec
EVE Investments	EVE	14 Dec
Metals Australia	MLS	14 Dec
Sovereign Gold Company	SOC	14 Dec
Strike Resources	SRK	14 Dec
Carajas Copper Company (The)	CJC	15 Dec
Connected IO	CIO	15 Dec
Dampier Gold	DAU	15 Dec
Mustang Resources	MUS	15 Dec
NTM Gold	NTM	15 Dec
Skyfii Ltd	SKF	15 Dec
Stanmore Coal	SMR	15 Dec
Vango Mining	VAN	15 Dec
Volt Resources	VRC	15 Dec
Boral Ltd	BLD	16 Dec

Suspensions (selected)

Company	Code	Since
CMI Ltd	CMI	18 Nov

**Other Overseas Data Today & Tonight**

Japan	Tankan large manufacturing	DecQ
Japan	Industrial production (rev)	Oct
UK	ILO unemployment	Oct
UK	Average earnings	Oct
UK	Unemployment claims	Nov
Euro zone	Industrial production	Oct

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Dragon Energy	DLE	12 Dec
Fe Ltd	FEL	6 Dec
Gulf Manganese Corporation	GMC	13 Dec
Horseshoe Metals	HOR	22 Nov
Kingsrose Mining	KRM	14 Dec
Kollakorn Corporation	KKL	28 Nov
Mission NewEnergy	MBT	28 Nov
Netlinkz Ltd	NET	13 Dec
Pegasus Metals	PUN	22 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
IBC	Today	1	100	5.00
SST	Today	24.94	0	2.11
GEM	Tomorrow	6	100	6.67
JHX	20 Dec	~10.59	0	1.98
RFF	28 Dec	2.41	0	5.74
RFP	28 Dec	~2.51	100	0.00

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	DLX	AGM
Tomorrow	ORI	AGM
Fri	ANZ	AGM
	BTT	AGM
	ELD	AGM
	IPL	AGM
	NAB	AGM