

Thursday 15 June 2017

## Markets

|   |             |            |             |
|---|-------------|------------|-------------|
| <b>SFE 200 Futures</b><br>(9.30am AEST) | <b>5805</b> | <b>-32</b> | <b>-0.5</b> |
| <b>NZX 50</b>                           | 7493.4      | 9.44       | 0.1261      |
| <b>DJIA Futures</b>                     | 21364       | -7         | -0.032      |
| <b>S&amp;P 500 Futures</b>              | 2435.75     | -1.5       | -0.061      |
| <b>NASDAQ Futures</b>                   | 5723.5      | -1.7       | -0.03       |

## Local Markets Commentary

Australian shares are expected to be pushed lower at the open on Thursday following a pullback on Wall Street after the US Fed raised interest rates by 0.25% to a new range of 1-1.25%. There was also a slide in the oil and gold price.

Yesterday Australia's S&P/ASX 200 Index climbed 1.1 per cent to its highest since May 16.

In overnight commodities trade, gold slipped and oil fell to the lowest price since November as weaker demand at the start of the US summer driving season led to another increase in stockpiles.

By contrast China's iron ore futures bounced back from a seven-month low yesterday, tracking a recovery in steel prices. Analysts believe the rebound may help stabilise spot iron ore prices that hit their lowest level in a year this week.

The **\$A** rose 0.7% to US75.88¢ after Wall Street's close.

## Overseas Markets

| INDEX                | CLOSE           | +/-      | %              |
|----------------------|-----------------|----------|----------------|
| <b>Dow Jones</b>     | <b>21374.56</b> | 46.09    | <b>0.216</b>   |
| <b>S&amp;P 500</b>   | 2437.92         | -2.43    | <b>-0.099</b>  |
| <b>NASDAQ</b>        | 6194.892        | -25.477  | <b>-0.409</b>  |
| <b>FTSE 100</b>      | 7474.4          | -26.04   | <b>-0.347</b>  |
| <b>DAX 30</b>        | 12805.95        | 40.97    | <b>0.321</b>   |
| <b>Shanghai Comp</b> | 3130.674        | -23.0689 | <b>-0.7315</b> |

## Overseas Markets Commentary

US stocks edged lower after the US central bank announced its second interest rise in three months.

The Fed cited continued domestic economic growth and job market strength as it proceeded with its first tightening cycle in more than a decade.

It said it would begin cutting holdings of bonds and other securities this year.

Technology stocks also slid back overnight, which pulled down the Nasdaq Composite.

In Europe, energy stocks fell on tumbling crude prices and banks were hit after weak US data raised questions over future rate hikes in the world's biggest economy.

The STOXX 600 index fell 0.3 per cent. The banks, whose lending business gets a boost in margins when rates rise, took off most points from the pan-European index, with a fall of 1.3 per cent. The oil sector fell 1.6 per cent to six-month lows. Earlier shares had been supported by data showing that

## Australian unemployment rate release

**\* 11.30am today AEST \***

## Today's Stock Watch

### AusCann (AC8)

AC8 has said it welcomes changes that assist Australian medical practitioners to prescribe cannabinoid medicines to critically ill patients, flowing Senator Di Natale's disallowance motion in Parliament on Tuesday. This restores the rights of terminally ill patients to access cannabinoid medicines through the TGA's Special Access Scheme Category A.

## Resources

### Dacian Gold Limited (DCN)

DCN has entered into its first gold hedging contract for the 100%-owned Mount Morgan's Gold Project in WA, forward selling 52,000oz at an average price of A\$1,782/oz. Dacian has announced it can deliver into the contract between July 1, 2019, and June 30, 2020, with the hedge representing 26% of forecast gold production at Mount Morgans during this period.

### Northern Minerals (NTU)

Perth-based heavy rare earths developer NTU has announced it has executed an agreement with an entity managed by The Lind Partners for a funding agreement of up to \$14 million.

### Gascoyne Resources Limited (GCY)

GCY has announced a maiden Mineral Resource estimate for the Company's 100% owned Sly Fox gold deposit located less than 2km from the proposed Dalgaranga Gold Project mill. The maiden Sly Fox Mineral Resource is 1.5Mt @ 1.6 g/t Au for 77,000 ounces of gold. The addition of this new Resource increases the global Dalgaranga Gold Project Resource to 31.1Mt @ 1.3 g/t Au for 1,310,000 ounces of contained gold including Proved and Probable Ore Reserve of 552,000 ounces of gold.

### Syndicated Metals Limited (SMD)

Syndicated has advised all conditions relating to the sale of the Company's 50% share of the Barbara Copper Project in North Queensland have now been satisfied and the consideration of A\$2.3 million received. Syndicated entered into an agreement with its Joint Venture partner, CopperChem Limited (CopperChem) in April under which CopperChem agreed to acquire Syndicated's 50% share of the Barbara Copper Project for A\$2.3 million in cash plus a production royalty.

### Golden Rim Resources Ltd (GMR)

GMR has received highly encouraging assay results from its recent Reverse Circulation drilling program at the Patricia Zinc-Silver-Lead Prospect at its Paguanta Project in Chile. Discovery of further high grade mineralisation demonstrates potential to increase the tonnage and grade of the current Measured, Indicated and Inferred Mineral Resource of 2.4Mt at 8.0% Zinc Equivalent.

### Aus Tin Mining Limited (ANW)

ANW has advised that EPA Tasmania has determined the Company's proposed expansion of the Granville Tin Project (Tasmania) can be operated in an environmentally appropriate way subject to certain conditions being met. EPA Tasmania has provided the relevant permit conditions to the West Coast Council for its consideration ahead of its meeting on June 20.



euro zone industrial output grew in April and employment had risen in the first quarter of the year to reach a record high.

Chinese equity markets there fell on concerns about a crackdown on the insurance industry in addition to its central bank's tightening of credit. However data showed resilience in retail sales and industrial output.

China's steel output rose 1.8 per cent in May from a year earlier, government data showed, near April's record level as mills ramped up production amid robust margins.

Japan's Topix Index closed down 0.1% at 1591.77.

### Commodities

| COMMODITY                     | CLOSE         | \$US/ | +/-   | %             |
|-------------------------------|---------------|-------|-------|---------------|
| <b>Gold (NY) (Aug)</b>        | <b>1262.5</b> | oz    | -6.1  | <b>-0.480</b> |
| <b>Silver (NY) (Jul)</b>      | 16.875        | oz    | 0.108 | <b>0.6441</b> |
| <b>Gold (LON)</b>             | 1268.25       | oz    | 6.95  | <b>0.551</b>  |
| <b>Platinum</b>               | 937.1         | oz    | 12.9  | <b>1.3958</b> |
| <b>WTI Crude (Jul)</b>        | <b>44.89</b>  | bbl   | -1.78 | <b>-3.814</b> |
| <b>Brent Crude (Aug)</b>      | <b>46.89</b>  | bbl   | -0.07 | <b>-0.149</b> |
| <b>Iron Ore</b>               | <b>55.5</b>   | t     | -1.5  | <b>-2.631</b> |
| <small>(CHN port 62%)</small> |               |       |       |               |
| <b>Copper</b>                 | <b>5668.5</b> | t     | -17   | <b>-0.299</b> |
| <b>Nickel</b>                 | 8883          | t     | 144.5 | <b>1.653</b>  |
| <b>Aluminium</b>              | 1872.5        | t     | -6    | <b>-0.319</b> |
| <b>Lead</b>                   | 2056          | t     | 23.5  | <b>1.1562</b> |
| <b>Zinc</b>                   | 2476          | t     | 21.75 | <b>0.886</b>  |
| <b>Tin</b>                    | 19347         | t     | -173  | <b>-0.886</b> |
| <b>CBT Wheat (Jul)</b>        | 443           | bshl  | -2    | <b>-0.449</b> |

### Exchange Rates

| CURRENCIES       | LAST   | +/-     | %              |
|------------------|--------|---------|----------------|
| <b>AUD – USD</b> | 0.7588 | -0.0002 | <b>-0.0323</b> |
| <b>EUR – USD</b> | 1.1218 | 0       | <b>0.004</b>   |

### Australian Data Today

|     |              |     |
|-----|--------------|-----|
| ABS | Unemployment | May |
|-----|--------------|-----|

### US Data Tonight

|  |  |       |
|--|--|-------|
|  |  | 3 Jun |
|--|--|-------|

### Other Overseas Data Today & Tonight

|                  |   |       |
|------------------|---|-------|
| <b>Euro zone</b> | Trade balance                               | April |
| <b>UK</b>        | Retail sales                                | May   |
| <b>NZ</b>        | GDP   | Q1    |
| <b>UK</b>        | BoE policy meeting                          |       |
| <b>US</b>        | Housing sentiment                           | June  |
| <b>US</b>        | Industrial production                       | June  |
| <b>US</b>        | Empire State and Philadelphia Fed mfg index | June  |

### Need More Information?

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).

## Energy

### Peninsula Energy (PEN)

Australian-based PEN is seeing improved operational performance during the current June quarter at its flagship Lance Projects located in Wyoming, US. The daily rate of uranium production has now increased to above 400 pounds per day, a 40% increase from the March 2017 quarter daily average.

## Pre-Open Announcements

### Carnegie Clean Energy (CCE)

Wave and solar energy, and battery storage project developer CCE, based in Perth, has announced it has been selected as the company to lead global business in achieving the United Nations Sustainable Development goal number 7 – Affordable and Clean Energy.

### Trading Halts

| Company                     | Code | Resuming |
|-----------------------------|------|----------|
| Sequoia Financial Group     | SEQ  | 19 Jun   |
| Pacific Current Group       | PAC  | 19 Jun   |
| Paradigm Biopharmaceuticals | PAR  | 19 Jun   |

### Suspensions (selected)

| Company                        | Code | Since   |
|--------------------------------|------|---------|
| Nido Petroleum                 | NDO  | 21 June |
| Brookfield Prime Property Fund | BPA  | 14 June |

## Reports & Events

(selected scheduled)

| When         | Company | Report/Event |
|--------------|---------|--------------|
| <b>Today</b> | SGP     | Investor day |

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