

Markets

SFE 200 Futures (9.30am AEDST)	5707	18	0.3
NZX 50	7057	10	0.1
DJIA Futures	19818	-14	-0.1
S&P 500 Futures	2273	0	0.0
NASDAQ Futures	5061	0	0.0

Local Markets Commentary

Australian market trade could prove hesitant today, amid a Monday holiday long weekend in the **US**, and ahead of a week promising high-profile events, influential economic indicators and major earnings reports.

Regionally today, **China's** December foreign direct investment figures, expected **1pm AEDST**, will attract some attention.

Over the weekend, late-week comments by China's premier Li Keqiang, acknowledging increased international challenges and pressure, were published on a government website.

In overnight Friday commodities trade, **US gold** futures slipped a little. **Oil** turned lower. **Copper** continued to rally. **Iron ore** (China port, 62% Fe) prices pulled back. Futures rose again, however.

The **\$A** maintained ~US75.0c after trading at US74.95c Friday evening, but fell early this morning.

Locally today, a monthly inflation report is expected 11am.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	19886	-5	-0.0
S&P 500	2275	4	0.2
NASDAQ	5574	27	0.5
FTSE 100	7338	45	0.6
DAX 30	11629	108	0.9
Shanghai Comp	3113	-7	-0.2

Overseas Markets Commentary

Major European and US equities markets trade varied overnight Friday, amid key financial earnings reports out of the US, and ahead of a significant week scheduled to include major political events and speeches, central bank pronouncements, influential data, and additional major corporate reports.

In new **US** data releases, December retail sales were reported 0.6% higher for the month, supported by automobile sales, but following expectations of a 0.7% gain.

The University of Michigan initial January consumer sentiment reading came in at 9.1, against 98.2 for December and forecasts of 98.5.

Producer prices rose 0.3% in December, 1.6% year-on-year.

US equities markets will remain **closed tonight**, due to Martin Luther King Day. COMEX will trade for a shortened session.

China – December FDI expected 1pm AEDST

* Chile-focused minerals sector listing **11am AEDST – FHS ***

* WA-focused mineral exploration listing **1pm AEDST – KZR ***

Today's Stock Watch

Duet Group (DUE)

Recommending a takeover proposal from a consortium comprising Cheung Kong Infrastructure Holdings (owned by Li Ka-Shing), Cheung Kong Property Holdings and Power Assets Holdings, under which DUE security holders would receive \$3.00 cash per stapled security, plus a 3c special distribution. DUE traded at \$2.76 - \$2.79 Friday.

Suncorp Group (SUN)

SUN chief transformation officer Clayton Herbert is leaving SUN this month, after ~17 years with SUN. Mr Herbert was appointed in March last year to lead the implementation SUN's new operating model. Former Microsoft Australia MD Pip Marlow has consequently been appointed as CEO strategic innovation, and will commence with SUN in March.

Downer EDI (DOW)

DOW New Zealand CEO Cos Bruyn has resigned after 13 years with DOW, in favour of a CEO position with Fulton Hogan. DOW executive manager strategy and development has been appointed acting DOW New Zealand CEO.

Mayne Pharma Group (MYX)

MYX has appointed MYX USA president Stefan Cross as chief commercial officer. John Ross will take over as president of MYX USA. Mr Ross has been executive VP for MYX metrics contract services, and his role change has initiated several MYX executive VP changes. Details lodged this morning.

Robo 3D Ltd (RBO)

Taiwan-headquartered Hon Hai Precision Industry Co (trading as Foxconn Technology) will be RBO's Robo R2 smart 3D printer production partner.

Resources

Regis Resources (RRL)

Produced 154,702oz of gold during the six months to 31 December, including 80,090oz for the December quarter. During the December quarter, RRL sold 71,092oz at \$A1719/oz, against a \$951/oz AISC. \$129.7M cash and bullion.

Freehill Mining (* FHS)

Scheduled to list 11am AEDST following a \$4M IPO at 20c per share. Proposing to finalise the completion of a magnetite sands mining operation in Chile.

Kalamazoo Resources (* KZR)

Gold and base metals explorer scheduled to list 1pm AEDST following a \$5M IPO at 20c per share. Initially planning to focus on the Snake Well project, WA.

Rio Tinto (RIO)

December quarter activities report anticipated tomorrow.

Energy

Whitehaven Coal (WHC)

Due to report for the December quarter.

In overnight Friday corporate news, **JP Morgan Chase** reported an almost 100% increase in December quarter profit, supported by investment activity, and despite retail banking challenges.

Bank of America profit rose 48%, also in part on increased trading, and sweetened the result with a \$US1.8B share buy-back.

Wells Fargo earnings undershot expectations, however.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1196	oz	-4	-0.3
Silver (NY) (Mar)	16.8	oz	0.01	0.1
Gold (LON)	1205	oz		
Platinum	982	oz	8	0.8
WTI Crude (Feb)	52.4	bbl	-0.6	-1.2
Brent Crude (Feb)	55.5	bbl	-0.6	-1.0
Iron Ore (China port)	80.5	t	-0.5	-0.6
Copper (LME)	5909	t	67	1.1
Nickel	10450	t	175	1.7
Aluminium	1809	t	19	1.1
Lead	2305	t	105	4.8
Zinc	2791	t	64	2.3
Tin	21145	t	75	0.4
CBT Wheat (Mar)	4.26	bshl	-0.00	-0.1

Commodities Commentary

Oil – OPEC member **Venezuela** is preparing a new proposal to put to major oil producers, president Nicolas Maduro proclaimed yesterday, also repeating a call for an international summit of government leaders to be convened in Qatar before the end of March.

Meanwhile, over the weekend, the **International Energy Agency** (IEA) predicted increased price volatility through 2017.

Seven fewer oil rigs were reported operational in a **US** weekly petroleum drill rig count report.

Gold – limited trade tonight, due to Martin Luther King Jr Day. Futures closed Friday's trade with a second consecutive weekly gain.

US CPI, housing market and manufacturing reports, plus high-profile corporate results, will likely influence some trade this week, together with commentary and developments surrounding the lead-up to the US presidential inauguration, scheduled for Friday (early Saturday AEDST).

UK PM Theresa May has promised more details on plans to exit the European Union in a speech due tomorrow. This could well influence currency markets and hence precious metals trade.

US Federal Reserve chair Janet Yellen is scheduled to speak publicly, twice, but economic and policy comments are not expected to carry as much influence as over the past several months.

A European Central Bank (**ECB**) policy meeting Thursday, is also not expected to move markets significantly, unless the post-meeting statement proves more cautious than normal.

Plenty of commentary is also anticipated from the **World Economic Forum** in Davos, Switzerland, commencing tomorrow.

Base metals – **China's** December trade figures, reported Friday, supported overnight Friday trade, with robust imports for *oil*, *copper* and *iron ore*. Overall export and import values disappointed, however. A comparatively weak \$US also benefited

Pre-Open Announcements

Sirtex Medical (SRX)

SRX COO Nigel Lange has been appointed acting CEO. The SRX board terminated CEO Gilman Wong's employment following a commissioned investigation into SRX share trading by Mr Wong in October 2016.

Primary Health Care (PRY)

CEO and MD Peter Gregg has resigned, in the wake of the ASIC notice regarding former Leighton Holdings activity.

Alexium International Group (AJX)

AJX Level 1 ADRs, that were trading on the (US) OTC market, have been admitted to NASDAQ International Designation, and will trade under the code AXXIY.

DroneShield Ltd (DRO)

DroneSentry development work underway. The new product will be an integrated drone detection and countermeasure device. Details lodged this morning.

Nanosonics Ltd (* NAN)

December quarter sales totalled a record \$18.3M, boosting half-year sales to \$36.1M, 131% higher than for the six months to 31 December 2015. Additional details lodged this morning.

Resources

Western Areas (WSA) / Independence Group (IGO)

Macquarie has re-rated WSA and IGO as neutral, from outperform.

Lepidico Ltd (LPD)

99.75% lithium carbonate produced using LPD's L-Max technology.

St Barbara (SBM)

December quarter activities report expected Wednesday.

Energy

Uranium Resources (URI)

IPO of 4.8M common shares priced at \$2.01 per share. Details lodged this morning.

Trading Halts

Company	Code	Resuming
Victory Mines	VIC	16 Jan

Suspensions (selected)

Company	Code	Since
Skyland Petroleum Group	SKP	12 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
ABP	Tomorrow	8.75	0	5.85
AGD	Tomorrow	0.9	0	0.00
CUP	Wed	2	100	9.30
EZL	Wed	1.75	100	3.77



trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7491	0.0010	0.13
EUR – USD	1.0617	0.0012	0.11

Australian Data Today

MInst/TDSec	Inflation gauge	Dec
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Overseas Data Today & Tonight

China	Foreign direct investment	Dec
Japan	Machine tool orders (prelim)	Dec
Japan	Tertiary industry index	Nov
Japan	Retail sales (rev)	Nov
Japan	Department store sales	Dec
UK	Rightmove house prices	Jan
Euro zone	Trade balance	Nov

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