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APSL 247 100 ABN 95 092 989 083

Markets

| SFE 200 Futures (9.30am AEDST) NZX 50 | 5495 6773 | 10 25 | 0.2 0.4 |
|--|---------------------|-----------------|-------------------|
| DJIA Futures | 19803 | 0 | 0.0 |
| S&P 500 Futures | 2264 | 7 | 0.3 |
| NASDAQ Futures | 4935 | 2 | 0.1 |

Local Markets Commentary

The Australian market opens Friday trade on mixed commodities and positive international equities leads.

In overnight commodities trade, **gold** fell. WTI **crude** settled a little lower and LME **copper** a little higher. **Iron ore** (62% Fe, China port) traded above \$US80/t again.

The **\$A** fell ~US0.5c after trading at ~US74.0c yesterday evening.

Locally today, plenty of corporate updates are anticipated, not the least because **ANZ**, **BTT**, **ELD**, **IPL** and **NAB** are hosting AGMs.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|---------------|-------|-----|------|
| Dow Jones | 19852 | 60 | 0.3 |
| S&P 500 | 2262 | 9 | 0.4 |
| NASDAQ | 5457 | 20 | 0.4 |
| FTSE 100 | 6999 | 50 | 0.7 |
| DAX 30 | 11366 | 122 | 1.1 |
| Shanghai Comp | 3118 | -23 | -0.7 |

Overseas Markets Commentary

Major European equities markets notably gained in late trade. US equities maintained sufficient financial sector support to close higher.

The \$US continued higher, as did bond yields.

In the UK, the **Bank of England** held a policy meeting and unanimously kept a 0.25% key rate and £435B asset purchase plan. The £ traded as low as US1.25 as the central bank pulled back its expectations for the rate at which inflation will increase.

US November CPI gained 0.2% for the month, pushing the annual rate to 1.7%.

Weekly new unemployment claims fell by 4000 and the four-week average rose 5250, to 257,750.

An initial December Markit manufacturing PMI was estimated at 54.2, 0.4 higher than the final November reading.

The Philadelphia manufacturing index came in at 21.5, the highest in two years. This came after forecasts of 9.0 following 7.6 for October. The New York (Empire State) index rose 7.5 points to 9.0.

A home builders' sentiment index rose seven points to 70, defying expectations of little change.

Tonight in the US, November housing starts and building permits are due.

In overnight corporate news, **21st Century Fox** confirmed an agreed \$14.6B 100% acquisition of UK

Friday 16 December 2016

Market Opener

* Financial sector listing **11am** AEDST – FOR *

* Food manufacturing listing midday AEDST - MRG *

Today's Stock Watch

Australia & New Zealand Banking Group (ANZ)

AGM today. Non-executive director Ian Macfarlane is retiring from the ANZ board at the conclusion of the meeting. Mr Macfarlane has been an ANZ board member for 10 years.

National Australia Bank (NAB)

AGM today.

Crown Resorts (CWN)

Resuming from a trading halt confirming a sell-down of the group's holding in the Melco Crown Entertainment JV, for an anticipated total \$1.9B. Details of various agreements and prices lodged this morning. CWN last traded at \$11.37.

Elders Ltd (ELD)

This morning's AGM CEO and chairman addresses and presentation lodged.

Austal Ltd (ASB)

ASB has won a ${\in}15.47\text{M}$ design and build passenger ferry contract from Germany's Forde Reederei Seetouristik.

Forager Australian Shares Fund (* FOR)

Scheduled to list **11am** AEDST.

Murray River Organics Group (* MRG)

Food producer scheduled to list **midday** AEDST following a \$35M IPO at \$1.30 per share.

Resources

Fortescue Metals Group (FMG)

Paying down \$US1B of debt due for repayment in 2019, and consequently saving ~\$US38Mpa interest.

Lithium Australia (LIT) / Pilbara Minerals (PLS)

Pilot-testing has recommenced at ANSTO. LIT's Sileach (trademarked process) circuit will be run over 24 hours form today, producing spodumene concentrate from the PLS WA Pilgangoora project. A run of pilot programs is expected through January. **Energy**

Sino Gas & Energy (SEH)

Sanjiaobei CGS and Linxing PSC gas prices have been boosted 20% (RMB basis). Operational update also lodged this morning.

December quarter S&P/ASX indices re-balance

The following changes will be effected at **close of trade today**:

S&P/ASX 100

Out: INM In: LNK S&P/ASX 200 Out: OFX In: NAN S&P/ASX All Australian 200 Out: CAB, MSB, VRL

In: IFN, NAN, WEB



satellite broadcaster **Sky**. Fox already holds 39%. **Yahoo!** stock suffered after revelations of another, and substantially larger data breach, put at risk **Verizon** Communications' \$US4.8B offer.

A rumoured near-term agreement on a **Kraft Heinz** purchase of **Mondelez** (Oreo, Cadbury, Nabisco, Trident, Philadelphia) propelled Mondelez higher.

Brewer **Heineken** has offered in the meantime to buy 1900 UK pubs from **Punch** Taverns.

Commodities

| COMMODITY | CLOSE | \$US/ | +/- | % |
|--------------------|-------|-------|-------|------|
| Gold (NY) (Feb) | 1130 | oz | -34 | -2.9 |
| Silver (NY) (Mar) | 16.0 | oz | -1.2 | -5.2 |
| Gold (LON) | 1127 | οz | -35 | -3.0 |
| Platinum | 893 | οz | -29 | -3.2 |
| WTI Crude (Jan) | 50.9 | bbl | -0.1 | -0.3 |
| Brent Crude (Feb) | 54.0 | bbl | 0.1 | 0.2 |
| Iron Ore (Tianjin) | 80.9 | t | 1.6 | 2.1 |
| Copper (LME) | 5732 | t | 10 | 0.2 |
| Nickel | 11300 | t | -120 | -1.1 |
| Aluminium | 1736 | t | -11 | -0.6 |
| Lead | 2348 | t | 32 | 1.4 |
| Zinc | 2818 | t | 8 | 0.3 |
| Tin | 21230 | t | 130 | 0.6 |
| CBT Wheat (Mar) | 4.09 | bshl | -0.09 | -2.1 |

Commodities Commentary

Oil – prices swung amid a barrel-load of commentary and opinion surrounding next year's likely global production.

A weekly US petroleum drill rig count is due tonight. *Gold* – \$US strength on the Fed Reserve's rates decision and projections helped gold find 10.5month lows overnight. Silver futures were also heavily sold, at eight-month lows.

Base metals – copper notably rosed from session lows. \$US strength dampened some interest.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------|--------|--------|------|
| AUD – USD | 0.7360 | 0.0000 | 0.00 |
| EUR – USD | 1.0416 | 0.0002 | 0.02 |

US Data Tonight

| Housing starts | Nov |
|------------------|-----|
| Building permits | Nov |

Other Overseas Data Today & Tonight

| UK | BoE bulletin (quarterly) | Dec |
|-----------|--------------------------|-----|
| UK | CBI trends | Dec |
| Euro zone | CPI (final) | Nov |
| Euro zone | Trade balance | Oct |

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Pre-Open Announcements

Investa Office Fund (* IOF)

Portfolio re-evaluation as at 31 December is expected to show an 8% - 8.6% increase on book value, equivalent to a \$150M - \$160M boost.

Resources

Triton Minerals (* TON)

Drilling is boosting TON's Mozambique Ancuabe graphite resource expectations. An updated resource model is anticipated early-2017 and will included results, yet to come, from targets # 12 and 16. Details lodged this morning.

Volt Resources (* VRC)

Resuming from suspended trade with pre-feasibility outcomes for the Namangale graphite project, Tanzania. VRC last traded at 6.4c.

Energy

Eden Innovations (EDE) / Tasman Resources (TAS)

EDE is boosting Edencrete expansion plans by purchasing for \$US1.525M a facility next door to the company's existing plant in Colorado, US TAS holds ~39.3% of EDE shares and 47.48% of EDE options.

Trading Halts

| Company | Code | Resuming |
|-----------------------|------|----------|
| Azure Minerals | AZS | 16 Dec |
| Bass Metals | BSM | 16 Dec |
| Silver Mines | SVL | 16 Dec |
| Surefire Resources | SRN | 16 Dec |
| Carnarvon Petroleum | CVN | 19 Dec |
| MOD Resources | MOD | 19 Dec |
| Carnegie Clean Energy | CCE | 20 Dec |

Suspensions (selected)

| Company | Code | Since |
|----------------------------|------|--------|
| Atrum Coal | ATU | 14 Dec |
| Bellamy's Australia | BAL | 14 Dec |
| CMI Ltd | CMI | 18 Nov |
| Dampier Gold | DAU | 15 Dec |
| Dragon Energy | DLE | 12 Dec |
| EVE Investments | EVE | 14 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 |
| Vango Mining | VAN | 15 Dec |

Ex-Dividends

| Code | Ex-Div | Div (c) | Fr (%) | Yield (%) |
|------|--------|---------|--------|-----------|
| LTN | Today | 2 | 0 | 0.00 |
| JHX | Tue | ~10.59 | 0 | 1.98 |

| RFF | 28 Dec | 2.41 | 0 | 5.74 |
|-----|--------|-------|-----|------|
| RFP | 28 Dec | ~2.51 | 100 | 0.00 |

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Reports & Events

| | (selected scheduled) | | |
|-------|----------------------|--------------|--|
| When | Company | Report/Event | |
| Today | ANZ | AGM | |
| | BTT | AGM | |
| | ELD | AGM | |
| | IPL | AGM | |
| | NAB | AGM | |