STATE ONE STOCKBROKING LTD
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Market Opener

Friday 16 December 2016

Need more information?

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Please see disclaimer at end of document.

Markets

SFE 200 Futures (9.30am AEDST)	**5495**	**10**	**0.2**
NZX 50	6773	25	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

* 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 €15.47M 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 (trade-marked 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	oz	-35	-3.0
Platinum	893	oz	-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 10.5-month 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

Need More Information?

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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

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	**ANZ**	AGM
	BTT	AGM
	ELD	AGM
	IPL	AGM
	NAB	AGM