

Markets

SFE 200 Futures (9.30am AEDST)	5695	-8	-0.1
NZX 50	7079	4	0.1
DJIA Futures	19784	-48	-0.2
S&P 500 Futures	2266	-7	-0.3
NASDAQ Futures	5050	-11	-0.2

Local Markets Commentary

The Australian market commences today's trade on mixed commodities leads.

US equities markets remained closed during a public holiday. European equities markets traded lower overnight.

In overnight commodities trade, **gold** and **oil** gained. **Iron ore** (62% Fe, Qingdao) turned to rally again, as futures continued higher. **Copper** and other base metals turned lower.

The **\$A** moved in a comparatively narrow range after trading at US74.75c early yesterday evening.

Locally pre-trade, a weekly consumer sentiment report is due.

The ABS will release November housing finance and December new vehicle sales reports 11.30am AEDST.

China's December property prices are expected tomorrow.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	19886	Public	Holiday
S&P 500	2275		
NASDAQ	5574		
FTSE 100	7327	-11	-0.2
DAX 30	11555	-74	-0.6
Shanghai Comp	3103	-9	-0.3

Overseas Markets Commentary

Major mainland European equities markets dropped on opening overnight. The FTSE chopped and swung before remaining in negative territory the last two hours of trade.

US equities markets remained closed, due to Martin Luther King Day.

In the **UK**, Bank of England governor Mark Carney told the London Stock Exchange that direction of the next move for domestic rates was not certain, but that inflation would rise.

The British pound notably traded below \$US1.20, but this was mostly attributed to expectations of difficult UK-European negotiations.

In the **euro zone**, the November trade surplus was reported at €25.9B (adjusted) against €22.9B for November 2015, exports rising 6% and imports falling 5%.

The **International Monetary Fund** (IMF) in the meantime released a new world economic outlook, maintaining a previous forecast of 3.4% global growth for 2017, but lifting its UK estimate to 1.5%, from 1.1%.

Today's Stock Watch

BT Investment Management (BTT)

Gavin Rochussen has resigned from BTIM group in favour of becoming CEO of a UK boutique asset management firm, in which he also intends to invest. Mr Rochussen is required to step down immediately, for six months of 'garden leave'.

IDP Education (IEL)

Proposing to acquire digital marketing and online student recruitment business Hotcourses, for an initial £30.1M plus £4.9M on completion, anticipated 31 January. 75% of the £30.1M will be paid upfront, and 25% over 12 months, conditional on performance. IEL says it will fund the purchase with debt. Held \$35.4M cash at 30 June 2016. IEL is planning to release interim results 9 February and promises an acquisition update the same day. IEL has traded lower the past five sessions.

Perpetual Ltd (PPT)

\$31.9B FUM as at 31 December, against \$30.7B at the end of the September quarter.

RCR Tomlinson (RCR)

\$100M worth of new contracts secured in New South Wales, Victoria and New Zealand. Details lodged this morning.

AirXpanders Ltd (AXP)

The first commercial procedure using AXP's AeroForm breast reconstruction tissue expander system has been performed in the US. Details lodged this morning.

Recce Ltd (RCE)

Trading halt called yesterday, pending an announcement regarding the results of an animal study. RCE says these are still under interpretation. Immediately before calling the halt, RCE was trading 84.4c higher for the session, at 29.5c, but had traded as high as 37c earlier, prompting an ASX query. RCE traded at 16 - 17c last week.

Resources

Rio Tinto (RIO)

Expecting to ship 330Mt - 340Mt of iron ore during 2017, pending weather conditions. Produced 329.5Mt of iron ore during 2016 and shipped 325.6Mt, representing respective 6% and 3% increases. Bauxite production rose 9% and aluminium 10%. Copper (mined) production rose 4%. Semi-soft and thermal coal output fell 4%, as did titanium dioxide slag, but hard coking coal production rose 4%.

Fortescue Metals Group (FMG)

FMG executive director Elizabeth Gaines appointed as CFO, effective 6 February. Ms Gaines is a former Heytesbury and Helloworld CEO and remains a WA Tourism commissioner.

Kidman Resources (KDR)

89.5% lithium oxide recoveries recorded in initial metallurgical testing using ore from the Early Grey project, WA.

Energy

Energy World Corporation (EWC)

The LNG carrier due to be based at EWC's Pagbilao terminal in the Philippines has arrived at site. The 'Ocean Quest' is designed to carry up to 128,000cu m of LNG. EWC appreciated 9.7% yesterday, settling at 34c, and trading higher for a fifth consecutive session. EWC settled 2016 trade at 26c.

The IMF predicted US growth of 2.3% for 2017 and 2.5% for 2018, but attached a political uncertainty rider.

China's economy would likely grow by 6.5% during 2017, the IMF said, scrapping a previous estimate of 6.2% on expectations of continued stimulus.

Tonight in the US, a New York region manufacturing index is due.

UK PM Theresa May is due later today to unveil further plans on the proposed UK separation from the European Union.

Meanwhile, the annual **World Economic Forum** commences officially, also later today, in Davos, Switzerland, comments from first-time attendee, China's president Xi Jinping, keenly anticipated.

Morgan Stanley, UnitedHealth and CSX are among companies scheduled to report earnings.

In overnight corporate news, **Noble Energy** revealed it was planning to acquire **Clayton Williams Energy** for \$US2.7B.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1203	oz	7	0.5
Silver (NY) (Mar)	16.8	oz	0.06	0.4
Gold (LON)	1203	oz	13	1.1
Platinum	981	oz	-1	-0.1
WTI Crude (Feb)	52.6	bbl	0.3	0.5
Brent Crude (Feb)	55.9	bbl	0.4	0.7
Iron Ore (China port)	83.7	t	3.15	3.9
Copper (LME)	5865	t	-44	-0.7
Nickel	10260	t	-190	-1.8
Aluminium	1792	t	-17	-0.9
Lead	2268	t	-37	-1.6
Zinc	2750	t	-41	-1.5
Tin	21025	t	-120	-0.6
CBT Wheat (Mar)	4.24	bshl	-0.02	-0.5

Commodities Commentary

Oil – during truncated Nymex trade (due to the Martin Luther King holiday) traders considered Saudi energy minister Khalid al-Falih's claim that OPEC compliance with the six-month production pullback would mean the agreement would not likely need to be extended.

Gold – in a shortened Comex session, futures traded at seven-week highs. US president-elect Donald Trump comment on NATO and China was cited by some as a major consideration.

Base metals – a stronger \$US damaged some overnight sentiment. Japan's machinery orders also disappointed yesterday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7473	-0.0004	-0.05
EUR – USD	1.0603	0.0001	0.01

Australian Data Today

ANZ/RyMgn	Consumer sentiment	15 Jan
ABS	Housing finance	Nov
ABS	New vehicle sales	Dec

US Data Tonight

Pre-Open Announcements

Aurizon Holdings (AZJ)

RBC Capital Markets has reassessed AZJ as underperform, from sector perform.

Trade Me Group (TME)

Planning to release interim results 23 February.

BWP Trust (BWP)

Planning to release interim results 8 February and to host a teleconference the same day commencing 11.30am AEDST. Access details lodged this morning.

Resources

Lithium Power (* LPI)

Chile Maricunga lithium brine project drilling from two additional holes has returned high-grade assays, with drilling finishing in high-grade lithium brine at depth, as with other holes.

Base Resources (BSE)

Produced 152,259t of heavy metal sands from the Kwale mineral sands project, Kenya during the December quarter. Sold 97,047t of ilmenite, 19,773t of rutile, 9432t of zircon and a further 3397t of low-grade zircon. Reduced net debt by \$US18.1M to \$US129.5M. BSE gained 6.7% yesterday, closing at 24c.

Zenith Minerals (ZNC)

26,000 acres of salt lake ground staked within the Zacatecas emerging lithium brine district, Mexico, boosting ZNC territory 100%.

Vector Resources (VEC)

Maiden Maniema gold project Kabotshome prospect resource estimated at 6.996Mt @ 1.9g/t Au, for 421,000oz.

Freehill Mining (FHS)

Completed its ASX listing yesterday following a \$4M IPO at 20c per share. Traded at 15c, 12,000 shares changing hands across just two transactions. Proposing to finalise the completion of a magnetite sands mining operation in Chile.

Kalamazoo Resources (KZR)

Completed a successful ASX listing yesterday following a \$5M IPO at 20c per share. Opened and closed at 21c, slipping to 19.5c in the interim. 674,256 shares were traded across 39 transactions. Initially planning to focus on the Snake Well project, WA.

St Barbara (* SBM)

December quarter activities report expected tomorrow.

Trading Halts

Company	Code	Resuming
Anson Resources	ASN	18 Jan
Creso Pharma	CPH	18 Jan
Empire Oil & Gas	EGO	18 Jan
Pancontinental Oil & Gas	PCL	18 Jan
Pura Vida Energy	PVD	18 Jan
Recce Ltd	RCE	18 Jan
Sagasco Ltd	SGC	18 Jan
Stonewall Resources	SWJ	18 Jan
Walkabout Resources	WKT	18 Jan



NY Fed (Empire State) manufacturing Jan

Other Overseas Data Today & Tonight

Japan	Industrial production (rev)	Nov
UK	CPI	Dec
Euro zone	ZEW expectations	Jan

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Suspensions (selected)

Company	Code	Since
Skyland Petroleum Group	SKP	12 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
ABP	Today	8.75	0	5.79
AGD	Today	0.9	0	0.00
CUP	Tomorrow	2	100	9.30
EZL	Tomorrow	1.75	100	3.77

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