

Markets

SFE 200 Futures (9.30am AEDST)	5855	1	0.0
NZX 50	7424	16	0.2
DJIA Futures	20887	-48	-0.2
S&P 500 Futures	2390	-7	-0.3
NASDAQ Futures	5711	-14	-0.2

Local Markets Commentary

The Australian market commences mid-week trade on quite varied overnight international equities and commodities leads.

In commodities trade, US **gold** futures continued a little higher. **Oil** slipped. **Iron ore** turned higher. LME **copper** settled almost flat.

The **\$A** was pushed higher after trading at ~US74.10c yesterday evening.

Locally today, Westpac and the Melbourne Institute's monthly consumer confidence report is due.

The ABS is also expected to publish a March quarter wage price index and overall March lending finance.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	20980	-2	-0.0
S&P 500	2401	-2	-0.1
NASDAQ	6170	20	0.3
FTSE 100	7522	68	0.9
DAX 30	12805	-3	-0.0
Shanghai Comp	3113	23	0.7

Overseas Markets Commentary

Mixed data and sector sentiment meant most major European and US equities markets chopped and swung overnight, but not the FTSE 100.

UK April CPI growth was reported at 2.7% year-on-year, in part attributed to a late Easter, which in turn pushed April airfares higher. Core inflation was estimated at 2.4%.

UK inflation had grown 2.3% in March and core inflation 1.8%.

Euro zone March quarter GDP was confirmed in a second reading at 1.7% year-on-year, and 0.5% for the quarter.

In the meantime, **Greece** reported 0.1% lower March quarter GDP, following a 1.2% drop for the December quarter 2016, hence slipping into recession.

Earlier, **China** was reported to have made available an additional \$US24.7B to the banking sector, the most in the one day in ~four months.

In **US** data releases, April industrial production rose 1.0%, the best rate in 3.25 years.

Housing starts dropped 2.6%, but came in 0.7% higher year-on-year.

Building permits fell 2.5%.

Tonight in the US, weekly mortgage applications are due.

Today's Stock Watch

Wesfarmers Ltd (WES)

WES has decided against an Officeworks IPO. The decision follows a strategic review announced mid-February.

CYBG Plc (CYB)

£30M interim NPAT, against £36M a year ago. 15% higher, £123M underlying profit. 1.7p EPS.

Credit Suisse has reassessed CYB as neutral, from outperform.

DuluxGroup Ltd (DLX)

14.2% higher, \$72.7M interim NPAT. 3.5% higher, \$881.2M revenue. 13c fully-franked interim dividend, up 1.5c. 42c NTA. 18.7c EPS. \$32.8M cash. Anticipating FY 2017 profit growth, flowing \$130.4M for FY 2016.

OrotonGroup Ltd (ORL)

Assessing options, and resuming from a trading halt with a \$2M - \$3M FY 2017 underlying EBITDA forecast, against \$12.9M for FY 2016. Half-year revenues have fallen 10%.

Coca-Cola Amatil (CCL)

As previously flagged, four CCL board members including chairman David Gonski, and non-executive directors Tony Froggatt, Wal King and David Meiklejohn retired at the conclusion of yesterday's AGM.

In addition, counsel and company secretary Katie Newton-John has resigned, effective 19 May (Friday).

Fisher & Paykel Healthcare (FPH) / ResMed Inc (RMD)

RMD has applied to withdraw US International Trade Commission action against FPH.

TPG Telecom (TPM)

93.1% take-up achieved in TPM's retail entitlement offer, which raised \$A320.3M.

MegaPort Ltd (MP1)

MP1's Singapore subsidiary has secured a partnership agreement with Alibaba Cloud, to provide access to Alibaba Cloud via MP1's network interconnection services.

zipMoney Ltd (ZML) / Webjet Ltd (WEB)

WEB has decided to use ZML's payments system on Webjet Exclusives.

Resources

Rio Tinto (RIO) / BHP Billiton (BHP)

Global Metals & Mining presentations lodged post-trade yesterday. RIO and BHP presented in Barcelona, Spain late yesterday/overnight. A RIO audio webcast is also available.

Energy

Paladin Energy (PDN)

PDN is resuming from extended suspended trade this morning after lodging an alternative restructuring proposal post-trade yesterday. The plan allows for the possibility that PDN will not retain 75% of the Langer Heinrich uranium operation.

A teleconference was scheduled to commence 9.30am AEST today. Access details lodged 8 May. Operational and financial statistics for the nine months to 31 March were also lodged post-trade yesterday. \$US21.8M cash. PDN last traded at 10.5c.

Cisco Systems and Target are among companies scheduled to publish earnings or an update.

In overnight corporate news, **Home Depot** quarterly results exceeded expectations.

Staples, **Dick's Sporting Goods** and other retailers undershot some forecasts, however, further weakening US retail sentiment. Dick's was pushed 13% lower.

Yahoo! appreciated 2% on a planned \$US3M buy-back.

Vodafone supported the FTSE 100, rising 4% on an encouraging outlook.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1236	oz	6	0.5
Silver (NY) (Jun)	16.8	oz	0.2	1.5
Gold (LON)	1234	oz	1	0.1
Platinum	939	oz	12	1.3
WTI Crude (Jun)	48.7	bbl	-0.2	-0.4
Brent Crude (Jul)	51.7	bbl	-0.17	-0.4
Iron Ore (CHN port 62%)	61.2	t	0.4	0.6
Copper	5611	t	-2	-0.0
Nickel	9120	t	-115	-1.3
Aluminium	1923	t	18	0.9
Lead	2084	t	-51	-2.4
Zinc	2546	t	-25	-1.0
Tin	19925	t	50	0.3
CBT Wheat (Jul)	4.24	bshl	0.01	0.2

Commodities Commentary

Oil – prices retreated from session highs (\$US49.38/bbl for WTI) in second-half US trade, falling post-settlement on the API (US industry) weekly stockpile report.

A monthly IEA (International Energy Agency) report ventured global oil markets were rebalancing and that excess supply concerns would ease.

The US government agency EIA publishes weekly petroleum inventories tonight.

Gold – the \$US index traded at a six-month low overnight, supporting gold trade.

Base metals – overnight trade mostly pushed and pulled by flux across different national regulatory regimes. \$US weakness appeared of little influence.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7428	0.0001	0.02
EUR – USD	1.1093	0.0013	0.12

Australian Data Today

Wstpc/MInst	Consumer confidence	May
ABS	Wage price index	Mar Q
ABS	Lending finance	Mar

US Data Tonight

MBA mortgage applications	12 May
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Other Overseas Data Today & Tonight

Japan	Industrial production (rev)	Mar
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Pre-Open Announcements

The a2M Milk Company (* A2M)

Former Johnson & Johnson China chairman Jesse Wu is joining the A2M board as an independent non-executive director.

ASX Ltd (* ASX)

ASX has appointed former JP Morgan Australia & New Zealand CEO Rob Priestley as a non-executive director, effective today.

JC International (JCI)

\$3.5M labour services contract secured with China Railway Construction Engineering Group for a correctional facility in Oran, Algeria.

PharmAust Ltd (* PAA)

New Australian patent in hand, expanding PAA compound use to non-cancer treatments, including for neurogenerative and age-related diseases, and diabetes.

Reva Medical (RVA)

RVA has reported 12-month Fantom II clinical trial results at a revascularisation forum in Paris this week. RVA says these include positive safety statistics. Presentation lodged this morning.

Bank of Queensland (BOQ)

Chairman's letter lodged this morning.

Resources

Fortescue Metals Group (* FMG)

Global Metals & Mining presentations lodged this morning. FMG recouped 2.3% yesterday, settling at \$4.82.

Doray Minerals (* DRM)

WA Deflector gold-copper project diamond drilling has delivered numerous high-grade intersections. Ongoing drilling with two rigs on double shift.

MetalsTech Ltd (MTC)

Proposing to acquire 11 mineral claims contiguous to the company's Bay Lake cobalt project, Ontario, Canada. The new land will boost the project area by 2072ha.

Dacian Gold (DCN)

DCN has appointed former Independence Group (ASX: IGO) operations manager as Mt Morgans project GM. Former Fluor Australia EPC and EPCM manager Michael Mulholland has been appointed Mt Morgans construction manager. In addition, former St Ives geologist Calvin Ferguson has been appointed Mt Morgans chief geologist.

Avanco Copper (AVB)

London investor presentation lodged post-trade yesterday.

Reward Minerals (RWD)

MD Gary Lethridge has resigned, effective immediately. RWD director Michael Ruane has been appointed interim MD.

Energy

Central Petroleum (CTP)

Chairman's letter lodged post-trade yesterday, in association with two groups of shareholders wanting to install two differing sets of non-executive directors on the CTP board.

TerraCom Ltd (TER)

Former Leighton Holdings CEO Wal King AO has been appointed as a TER director. Mr King retired from the Coca-Cola AMatil (ASX: CCL) board yesterday.



Japan	Machinery orders	Mar
UK	ILO unemployment	MarQ
UK	Average earnings	MarQ
Euro zone	CPI (2nd)	Apr

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Trading Halts

Company	Code	Resuming
AVZ Minerals	AVZ	17 May
Danakali Ltd	DNK	17 May
Kalium Lakes	KLL	17 May
Minbos Resources	MNB	17 May
Strandline Resources	STA	17 May

Suspensions *(selected)*

Company	Code	Since
Activistic Ltd	ACU	26 Apr
Aurora Funds Management	AOD	27 Apr
Birimian Ltd	BGS	1 May
Hawkley Oil & Gas	HOG	12 May
Quintis Ltd	QIN	17 May

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AUF	Tomorrow	5	100	1.52
ECX	Tomorrow	7.5	100	3.76
SNC	Tomorrow	3.5	100	6.33
WBC	Tomorrow	94	100	5.71
IPL	22 May	4.5	0	2.49

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	DLX	Interim
	PDN	Mar Q
Tomorrow	BDR	AGM
	GXY	AGM
	JHX	Q4; Full-year
	SEH	AGM
Fri	IVC	AGM
	OSH	AGM (Pt Moresby)
	SYD	Apr
	SYR	AGM