



## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5489</b>	<b>-4</b>	<b>-0.1</b>
<b>NZX 50</b>	6783	23	0.3
<b>DJIA Futures</b>	19795	1	0.0
<b>S&amp;P 500 Futures</b>	2256	0	0.0
<b>NASDAQ Futures</b>	4916	0	0.0

## Local Markets Commentary

The Australian market opens Christmas-week trade on mixed international equities and commodities leads, ahead of influential domestic and regional announcements.

Locally today, the Australian government presents its **mid-year budget** update (MYEFO) **midday AEDST**.

The Conference Board also publishes its October leading index report.

**China** is due to report November property prices **12.30pm AEDST**.

In **Japan**, November trade figures are expected, **10.50am**. The Bank of Japan also commences its last policy meeting of the year. Outcomes will be announced later tomorrow.

In overnight Friday commodities trade, US **gold** futures and **oil** swung higher. **Copper** fell. **Iron ore** climbed again.

The **\$A** has fallen below US73.0c this morning, after trading at ~US73.45c early Friday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>19843</b>	-9	<b>-0.0</b>
<b>S&amp;P 500</b>	2258	-4	<b>-0.2</b>
<b>NASDAQ</b>	5437	-20	<b>-0.4</b>
<b>FTSE 100</b>	7012	13	0.2
<b>DAX 30</b>	11404	38	0.3
<b>Shanghai Comp</b>	3123	5	0.2

## Overseas Markets Commentary

Major European equities markets appeared supported by corporate activity overnight Friday. US indices waxed and waned on data, rate rise commentary, corporate reports and concerns regarding US-China relations.

**Euro zone** November CPI growth was confirmed at an annual 0.6%.

The October trade surplus slipped to €19.7B from €24.4B in September. Exports were reported to have fallen 5% year-on-year, and imports 3%.

In the UK, the **Bank of England**'s quarterly bulletin contained considerations of banking sector restructuring in the event of a broad financial crisis.

**US** November housing starts surprised, plunging 18.7% following a 27.4% jump in October. Building permits dropped 4.7%.

**Tonight** in the US, initial December Markit services and composite PMIs are due.

**Federal Reserve** chair Janet Yellen is also

# Market Opener

Monday 19 December 2016

Need more information?

Contact your State One advisor on 1300 651 898 or advice@stateone.com.au

Please see disclaimer at end of document.

**Australia** - Mid-year Economic & Fiscal Outlook (mini budget **midday AEDST**).

**China** - property prices **12.30pm AEDST**.

**Japan** - trade balance - **10.50am AEDST**.

\* Financial services listing **10.30am AEDST - 1PT \***

## Today's Stock Watch

### Flight Centre (FLT)

FLT has completed the previously advised acquisitions of businesses in Denmark, Finland, Germany, Norway and Sweden. FLT settled at \$30.92 Friday after trading at \$29.80 - \$32.95 across the week, and closing out the previous week at \$32.99.

### Duet Group (DUE)

DUE's DBP Development Group (DDG) is proposing to build WA's largest gas storage facility, with a capacity of ~42PJ. The foundation customer is CITIC. Other contracts are under negotiation. The \$69M facility is expected to be commissioned by June 2017. Funding will come from DUE (\$38M) plus a DDG bank debt facility.

### Chorus Ltd (CNU) / Telstra Corporation (TLS)

CNU has appointed former TLS COO Kate McKenzie as CEO, effective February, replacing Mark Ratcliffe.

### Phylogica Ltd (PYC)

Roche group's Genentech has agreed with PYC an extension to an exclusivity period for collaborative research and a licence agreement over potential antibiotics developed with the assistance of PYC's Phylomer drug discovery system. PYC will receive a \$US2M milestone payment from the agreement.

### 9 Spokes (9SP)

9SP's white label dashboard has gone live with Barclays Bank, UK. 9SP will host a teleconference 11am AEDST tomorrow.

### Veriluma Ltd (VRI)

VRI has won a contract with Australia's Department of Defence, covering the creation of a climate and disaster 'Indicators & Warnings' model prototype. VRI will incorporate the firm's patented Intelfuze software within the model. VRI expects to deliver the prototype mid-2017.

### Alexium International Group (AJX)

AJX's Australia-New Zealand distributor Chemiplas has received orders worth \$US1M from a new customer which produces window covering and other products for commercial and residential properties.

### Boral Ltd (BLD) / Mayne Pharma Group (MYX)

Credit Suisse has re-rated BLD as outperform, from neutral, and MYX as neutral, from outperform.

### Integrated Payment Technologies (\* 1PT)

Superannuation, payroll and tax payments specialist scheduled to list 10.30am AEDST following a \$5M IPO at 20c per share.

## Energy

### Xstate Resources (X ST)

Proposing to complete a \$A25M placement at 3.8c per share. XST traded at 1.6c - 1.9c Friday.

delivering a commencement address at the University of Baltimore.

In overnight Friday corporate news, **BP** revealed a \$US2.4B deal through which the company will gain 10% of Abu Dhabi company ADCO, and via which Abu Dhabi will pick up a 2% of BP and a top-10 BP shareholder ranking. Blackrock reportedly retains 5.4% of BP.

In the US, **Oracle**'s quarterly revenue undershot expectations, and appeared to impact broader technology sector trade.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1137</b>	oz	6	<b>0.6</b>
<b>Silver (NY) (Mar)</b>	16.1	oz	0.2	<b>0.2</b>
<b>Gold (LON)</b>	1132	oz	5	<b>0.4</b>
<b>Platinum</b>	925	oz	32	<b>3.6</b>
<b>WTI Crude (Jan)</b>	<b>51.9</b>	bbl	1.0	<b>2.0</b>
<b>Brent Crude (Feb)</b>	<b>55.2</b>	bbl	1.2	<b>2.2</b>
<b>Iron Ore (Tianjin)</b>	<b>81.3</b>	t	0.4	<b>0.5</b>
<b>Copper (LME)</b>	<b>5636</b>	t	-97	<b>-1.7</b>
<b>Nickel</b>	11170	t	-130	<b>-1.2</b>
<b>Aluminium</b>	1717	t	-19	<b>-1.1</b>
<b>Lead</b>	2245	t	-103	<b>-4.4</b>
<b>Zinc</b>	2730	t	-88	<b>-3.1</b>
<b>Tin</b>	21230	t	0	0.0
<b>CBT Wheat (Mar)</b>	<b>4.09</b>	bshl	0.00	0.0

### Commodities Commentary

**Oil** – prices were pushed higher in spite of increased speculation about the overall effectiveness of the coming year's planned production cuts, due to reports **Iraq** had secured larger and/or new supply contracts with companies in China, India and the US.

A weekly **US** petroleum drill rig count estimated 12 more operational oil rigs.

**Gold** – volatility is anticipated this week with data releases including a final US September quarter GDP, and durable goods orders, just as trade volumes decrease with the onset of the end-of-year holiday season.

**Base metals** – LME copper (on-warrant) warehouse stocks were calculated 445 higher for the week overnight Friday.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7281	-0.0009	<b>-0.12</b>
<b>EUR – USD</b>	1.0448	0.0007	<b>0.07</b>

### Australian Data Today

Conf Board Leading index Oct

### US Data Tonight

Markit PMI services, composite (initial) Dec

### Other Overseas Data Today & Tonight

<b>China</b>	Property prices	Nov
<b>Japan</b>	Trade balance (provisional)	Nov
Japan	Department store sales	Nov

### Pre-Open Announcements

#### Clarius Group (CND)

CND non-executive director and former StudentEdge CEO Julian Sallabank has been appointed CND CEO following the resignation of Peter Wilson last week. In addition, form Snap Franchising (contract) CFO Mahendra Tharmarajah has been appointed CFO.

#### Forager Australian Shares Fund (FOR)

Completed its ASX listing Friday. Opened at \$1.81 and traded at \$1.71 - \$1.83 before settling at \$1.71. 55,900 shares were traded across 21 transactions.

#### Murray River Organics Group (MRG)

Food producer completed its ASX listing Friday following a \$35M IPO at \$1.30 per share. Opened at \$1.32 and slipped to \$1.14 before closing at 120. ~7.6M shares changed hands across 1188 trades.

### Resources

#### TNG Ltd (\* TNG)

SPP boosted to \$7M, from \$4M, due to demand. The SPP has also been extended by four days, until Friday.

#### Triton Minerals (\* TON)

Metallurgical testing has produced 97.2% TGC – 98.4% TGC concentrate using samples from TON's Ancuabe graphite project, Mozambique.

### Energy

#### Key Petroleum (KEY) / Rey Resources (REY) / Pilot Energy (PGY)

The EP437 JV has approved a work program and budget for the drilling of Wye Knot-1, northern Perth Basin. KEY ~43.47% and operator; REY ~43.47%; PGY ~13.06%.

### Trading Halts

Company	Code	Resuming
Carnarvon Petroleum	CVN	19 Dec
MOD Resources	MOD	19 Dec
Carnegie Clean Energy	CCE	20 Dec
Dotz Nano	DTZ	20 Dec
Marindi Metals	MZN	20 Dec
Metalicity Ltd	MCT	20 Dec

### Suspensions (selected)

Company	Code	Since
Bass Metals	BSM	16 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



<b>Germany</b>	IFO business expectations	Dec
<b>Euro zone</b>	Construction output	Oct

### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au).

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Pegasus Metals	PUN	22 Nov
Surefire Resources	SRN	16 Dec

### Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
JHX	Tomorrow	~10.59	0	1.97
RFF	28 Dec	2.41	0	5.63
RFP	28 Dec	~2.51	100	0.00

## December quarter S&P/ASX indices re-balance

The following changes were effected **close of trade Friday** (16 December):

### 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



## ASX Trading 23 December – 3 January

**23 December**

10am – 2.10pm AEDST

**26 December**

CLOSED

**27, 28 December**

10am – 4.10pm AEDST

**30 December**

10am – 2.10pm AEDST

**2 January 2017**

CLOSED

**3 January 2017**

10am – 4.10pm AEDST

State One's *Market Opener* will continue until Wednesday and resume Monday 9 January.

**Best wishes from all at State One for a safe and happy holiday season.**

