

Wednesday 21 December 2016

Markets

SFE 200 Futures (9.30am AEDST)	5564	12	0.2
NZX 50	6806	16	0.2
DJIA Futures	19911	74	0.4
S&P 500 Futures	2267	7	0.3
NASDAQ Futures	4956	17	0.4

Local Markets Commentary

The Australian market opens mid-week trade as for yesterday - on positive international equities and mixed commodities leads.

In overnight commodities trade, US **gold** futures turned lower. WTI **crude** extended recent gains and Brent turned to settle higher. **Copper** swung to close slightly higher. **Iron ore** fell.

The **\$A** has approached US72.60c after trading at ~US72.40c yesterday evening.

Locally today, a flurry of companies **debuts** on the ASX from 10.45am through 1pm AEDST.

Westpac and the Melbourne Institute publish their monthly leading economic indices report 10.30am.

November job vacancies are expected 11am.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	19975	92	0.5
S&P 500	2271	8	0.4
NASDAQ	5484	27	0.5
FTSE 100	7044	27	0.4
DAX 30	11465	38	0.3
Shanghai Comp	3103	-15	-0.5

Overseas Markets Commentary

Major European and US equities markets settled higher overnight, again in lower-volume pre-holiday weekend trade as the \$US traded at new 14-year highs.

The **euro zone's** October current account surplus was reported at €28.4B from €27.7B in September.

Germany's November producer prices surprised on the upside, rising 0.1% year-on-year, following a 0.4% decline in October and forecasts of a 0.2% further pull back.

In **Italy**, the government was preparing to seek parliamentary approval to borrow up to €20B to support the banking sector.

Tonight in the US, weekly mortgage applications and November existing home sales are due, ahead of a final September quarter GDP reading and durable goods orders **tomorrow**, and new home sales Friday.

Chip-maker Micron Technology is among companies listed to report earnings.

In overnight corporate news, **Ford Motor** Co revealed it expected to export (to the US), by late 2017, SUVs made by the company in India.

US and German markets will be closed Monday next week (26 December).

- * Finance sector listing **10.45am** AEDST - **AXL**
- * LIC listing **11am** AEDST - **WGF**
- * Minerals exploration listing **midday** AEDST - **TMT**
- * Retail and services listing **12.30am** AEDST - **4WD**
- * WA gold exploration listing **1pm** AEDST - **HRN**



ASX Trading 23 December - 3 January

23 December	10am - 2.10pm AEDST
26, 27 December	CLOSED
28, 29 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 resume Monday 9 January.

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



 **Trades** executed **tomorrow settle** 28 December (Wednesday next week).

 **Friday's** trades will settle 29 December.

Next week's trades Wednesday - Friday will settle 30 December, 3 January and 4 January respectively.

Today's Stock Watch

Slater & Gordon (SGH)

The Australian Securities and Investment Commission (ASIC) yesterday moved to acquire SGH financial records for the period 1 December 2014 - 29 September 2015. SGH will provide some of these before year's end and the remainder in early January. ASIC wants to check that no records were falsified or manipulated and that no SGH officers have committed offences.

Axesstoday Ltd (AXL)

Equipment finance provider scheduled to list **10.45am** AEDST following a \$10M IPO at \$1.00 per share.

Watermark Global Leaders Fund (WGF)

LIC scheduled to list **11am** AEDST, following an ~\$91.1M IPO at \$1.10 per share.

Automotive Solutions Group (4WD)

After-market vehicle products and services retailer scheduled to list **12.30pm** AEDST, following a \$30.9M IPO at \$1.00 per share. JP Morgan Nominees Australia holds ~16.5%.

Resources

Technology Metals Australia (TMT)

Minerals exploration company scheduled to list **midday** AEDST, following a \$4M IPO at 20c per share.

Horizon Gold (HRN)

Western Australia-focused gold explorer, holding assets formerly belonging to Panoramic Resources, scheduled to list **1pm** AEDST. Follows a \$15M IPO at 40c per share.

UK markets will be closed Monday and Tuesday.
Japan's markets will be closed Friday, 23 December.
China's markets will trade as normal.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1134	oz	-9	-0.8
Silver (NY) (Mar)	16.1	oz	0.0	0.2
Gold (LON)	1126	oz	-11	0.9
Platinum	921	oz	7	0.8
WTI Crude (Jan)	52.2	bbl	0.1	0.2
Brent Crude (Feb)	55.4	bbl	0.4	0.8
Iron Ore (China port)	79.6	t	-1.6	-2.0
Copper (LME)	5502	t	6	0.1
Nickel	10925	t	45	0.4
Aluminium	1721	t	9	0.5
Lead	2195	t	25	1.2
Zinc	2637	t	30	1.2
Tin	20920	t	-280	-1.3
CBT Wheat (Mar)	4.03	bshl	-0.02	-0.4

Commodities Commentary

Oil – Brent crude notably swung higher overnight. The WTI January contract expired overnight, with February delivery settling 0.5% higher, at \$US53.3/bbl.

Weekly US petroleum inventories are due tonight.

Gold – \$US strength and positive equities trade constrained prices overnight.

Base metals – a more optimistic outlook appeared evident in the Bank of Japan's post-policy meeting statement, released yesterday.

Detailed November commodities trade figures are anticipated out of **China** today. These could influence tonight's trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7258	-0.0001	-0.02
EUR – USD	1.0389	-0.0001	-0.01

Australian Data Today

Wstpc/MInst	Leading indices	Dec
DoEmplymt	Vacancies	Nov

US Data Tonight

Existing home sales	Nov
MBA mortgage applications	16 Dec

Other Overseas Data Today & Tonight

Japan	All-industry index	Oct
Japan	Economic report	Dec
UK	Public sector finances	Nov
Euro zone	Consumer confidence	Dec

Pre-Open Announcements

REA Group (* REA)

Selling European businesses Athome Group and REAItalia to Oakley Capital Private Equity, for ~€115.2M profit.

Cimic Group (CIM) / Transurban Group (TCL)

Queensland Logan Enhancement project design and construct contractual close achieved by CIM's CPB Contractors with TCL Queensland. CPB Contractors anticipates ~\$420M revenue from the ~two-year contract. Construction is expected to commence mid-2017.

Vocus Communications (VOC)

VOC has appointed former Recall Holdings CFO Mark Wratten as VOC CFO, effective 16 January.

Inghams Group (* ING)

Credit Suisse and Macquarie have commenced ING coverage, each assigning an outperform rating. Morgan Stanley has assessed ING as equal-weight.

Touchcorp Ltd (* TCH)

Expecting \$14M - \$16M pre-tax profit for the full year to 31 December against \$8M a year ago. Revenue is expected to come in at \$36M - \$38M following \$42M for 2015. Targeting the appointment of a new CEO by 31 March 2017. Chairman Mike Jefferies remains acting CEO following the passing of Adrian Cleeve early November.

Robo 3D (* RBO)

The former Falcon Minerals is resuming quotation as a RBO, 3D printer designer and distributor, at market open.

Techniche Ltd (TCN)

Plans to sell Urgent Technology have been scrapped by mutual agreement between TCN and the would-be buyer.

Dragontail Systems (DTS)

Restaurant and fast food dispatch management specialist completed its ASX listing yesterday, following a \$6M IPO at 20c per share and various offers related to the acquisition of DTS Israel. No trades were recorded.

Resources

Newcrest Mining (* NCM) / Perseus Mining (PRU) / Oz Minerals (OZL)

Macquarie is rerating NCM as outperform, from neutral; and PRU and OZL as neutral, from outperform.

Atlas Iron (* AGO)

WA Corunna Downs iron ore project DFS outcomes include a \$A47M - \$A53M capex. AGO is targeting an investment decision by 31 March 2017 and says it can likely load Corunna DSO by 31 March 2018.

Dacian Gold (* DCN)

\$A150M WA Mt Morgans gold project debt finance facility secured with Westpac, ANZ and BNP Paribas.

Highlands Pacific (HIG)

PNG Frieda River copper-gold JV project environmental impact statement lodged with the PNG Conservation & Environment Protection Authority. HIG 20%.

Energy

Whitehaven Coal (* WHC)

Macquarie has reassessed WHC as neutral, from underperform.

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Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au.

Sino Gas & Energy (* SEH)

Combined Linxing and Sanjiaobei gross pilot production has reached a daily 16MMscf. Details lodged this morning. SEH holds 64.75% of Linxing and 49% of Sanjiaobei.

Lion Energy (LIO)

The spudding of Amanah Timur-1 has been pushed back to ~30 December, in order to allow the rig operator to better secure equipment following earthquake activity and heavy rain. LIO 40.7%. LIO slipped 18.1% yesterday, settling at 5.9c after closing at 8c Wednesday last week.

Trading Halts

Company	Code	Resuming
TV2U International	TV2	21 Dec
Quantum Resources	QUR	22 Dec

Suspensions (selected)

Company	Code	Since
Bass Metals	BSM	16 Dec
Bellamy's Australia	BAL	14 Dec
Dampier Gold	DAU	15 Dec
Dragon Energy	DLE	12 Dec
EVE Investments	EVE	14 Dec
Gulf Manganese Corporation	GMC	13 Dec
Kingsrose Mining	KRM	14 Dec
Netlinkz Ltd	NET	13 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
RFF	28 Dec	2.41	0	5.38
RFP	28 Dec	~2.51	100	0.00
AAD	29 Dec	2	0	3.26
AGF	29 Dec	~16.74	0	142.92
AJA	29 Dec	21	0	5.87
AJD	29 Dec	2.43	0	6.29
APA	29 Dec	20.5	0	5.01
ARF	29 Dec	~2.93	0	6.25
AYF	29 Dec	8.75	42	6.09
BPA	29 Dec	6	0	tbc
BWP	29 Dec	8.6	0	5.74
CHC	29 Dec	14.4	0	5.97
CLW	29 Dec	3.4	0	0.86
CQR	29 Dec	14.1	0	6.62
DUE	29 Dec	9.25	0	6.52
DXS	29 Dec	21.71	0	4.45
ECX	29 Dec	7	100	3.67
EMF	29 Dec	3	0	3.35
FET	29 Dec	3.55	0	5.70
GCM	29 Dec	~0.98	0	2.06
GDF	29 Dec	2.35	0	8.72
GDI	29 Dec	~3.88	0	7.83
GHC	29 Dec	~4.49	0	5.24
GMG	29 Dec	12.7	0	3.53
GOZ	29 Dec	10.6	0	6.39
GTY	29 Dec	3.5	0	4.20
IOF	29 Dec	10	0	4.24
LEP	29 Dec	10.15	0	4.74

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MGR	29 Dec	4.9	0	4.81
NSR	29 Dec	4.6	0	tbc
PLG	29 Dec	3.6	0	3.60
RCT	29 Dec	12	0	6.16
SCP	29 Dec	6.4	0	5.73
SGP	29 Dec	12.6	0	5.53
SYD	29 Dec	16	0	4.84
TCL	29 Dec	25	14	4.61
TGP	29 Dec	~1.63	0	7.46
TIX	29 Dec	5.4	0	8.66
TOF	29 Dec	4.25	0	7.87
TOT	29 Dec	1.9	0	6.18
URF	29 Dec	5	0	4.81
VCX	29 Dec	8.7	0	5.97
ABW	30 Dec	0.84	0	tbc
AOD	30 Dec	0.35	0	tbc
AUP	30 Dec	10.9	0	tbc