

Markets

SFE 200 Futures (9.30am AEDST)	6057	-22	-0.4
NZX 50	8396	12	0.1
DJIA Futures	24746	7	0.0
S&P 500 Futures	2682	0	0.0
NASDAQ Futures	6489	0	0.0

Local Markets Commentary

The Australian market commences today's trade on price gains for some key commodities, but scant encouragement from overnight equities trade, ahead of a Bank of Japan policy statement this afternoon, and GDP update in the US tonight.

In overnight commodities trade, **US gold** futures turned moderately higher. **Oil** continued to gain.

Iron ore (China port, 62% Fe) extended Tuesday's pullback, but remained above \$US72.5/t.

LME **copper**, **nickel** and **aluminium** rallied.

The **\$A** was contained within a comparatively narrow range after trading at ~US76.70c early yesterday evening.

Locally today, monthly forex transactions and asset holdings are expected out of the Reserve Bank of Australia (RBA).

Regionally, the **Bank of Japan** releases outcomes of this week's policy meeting **2pm** AEDST.

New Zealand has this morning reported 0.6% September quarter GDP growth, and a 2.7% year-on-year rise, each figure better than anticipated.

Late yesterday, **China's** administrators revealed plans to boost imports and to further contain financial system risk.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24727	-28	-0.1
S&P 500	2679	-2	-0.1
NASDAQ	6961	-3	-0.0
FTSE 100	7525	-19	-0.3
DAX 30	13069	-147	-1.1
Shanghai Comp	3288	-9	-0.3

Overseas Markets Commentary

Major European equities markets declined notably in late-session overnight trade, mostly attributed to holiday season positioning.

Key US equities indices settled little changed, however, with a batch of influential economic indicators yet to be released this week.

New **US tax** legislation has been approved by both houses of parliament (224-201; 51-48), paving the way for a 21% corporate tax rate from next month, against the current 35%.

A 5% rise in the S&P 500 index over the past six weeks has largely been attributed to anticipation of the slashed tax rates.

In new data releases, US November existing home sales were reported 5.6% higher, representing the

ASX Trading 22 December – 2 January

22 December	10am – 4.10pm AEDST
25 December	CLOSED
26 December	CLOSED
27 - 29 December	10am – 4.10pm AEDST
1 January 2018	CLOSED
2 January 2018	10am – 4.10pm AEDST

State One's Market Opener will resume Tuesday 2 January

The State One Spinnaker will resume 13 January

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

Trades executed today will settle 27 December (Wednesday next week).

Tomorrow's trades will settle 28 December.

Next week's trades (Wednesday – Friday) will settle 29 December, 2 January and 3 January respectively.

Early **volatility** possible, as S&P/ASX24 SPI 200 quarterly **futures contracts expire today**.

Group **opening times** will be **extended** as follows:

Group 1 (A – B) 10.00 am +/- 15 secs

Group 2 (C – F) 10.04 am +/- 15s

Group 3 (G – M) 10.08 am +/- 15s

Group 4 (N – R) 10.12 am +/- 15s

Group 5 (S – Z) 10.16 am +/- 15s

Today's Stock Watch

Australia & New Zealand Banking Group (ANZ)

The New Zealand Overseas Investment Office has decline to approve the proposed \$NZ660M sale of the ANZ's asset-finance business UDC Finance to China's HNA Group.

The ANZ says the move does not impact plans for a \$A1.5B on-market share buy-back.

Westpac Banking Corporation (WBC)

WBC subsidiary Hastings Management will sell its international (UK and US-managed) business to Northhill Capital.

CommsChoice Group (* CCG)

Software and ICT managed service provider scheduled to list **11am** AEDST following a \$7.5M IPO at 25c per share. 102.9M shares.

Resources

BlueScope Steel (↓ BSL)

Lifting interim EBIT guidance by \$40M to \$460M.

best growth in more than 10 years.

Across the Atlantic, **Bank of England** governor Mark Carney warned against central bank digital currency creation for use by the general public.

He also ventured that bitcoin volatility represented no threat to global financial stability.

In the meantime, the International Monetary Fund (IMF) had reduced its 2017 UK GDP growth forecast by 0.1% to 1.6% and predicted a 1.5% rise for 2018.

Tonight in the US, a third and final estimate of September quarter GDP growth is keenly anticipated.

Weekly new unemployment claims, the Chicago Fed national activity index, a regional manufacturing index, a house price update and leading indicators report are also due.

Elsewhere, **Spain's** Catalonia votes for a new government tonight.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1270	oz	6	0.4
Silver (NY) (Mar)	16.2	oz	0.1	0.5
Gold (LON)	1265	oz	4	0.3
Platinum	918	oz	6	0.7
WTI Crude (Feb)	58.1	bbl	0.5	0.9
Brent Crude (Feb)	64.6	bbl	0.8	1.2
Iron Ore (CHN port 62%)	72.8	t	-1.1	-1.5
Copper	7044	t	102	1.5
Nickel	12040	t	285	2.4
Aluminium	2122	t	23	1.1
Lead	2525	t	-27	-1.1
Zinc	3218	t	17	0.5
Tin	19475	t	120	0.6
CBT Wheat (Mar)	4.24	bshl	0.04	0.8

Commodities Commentary

Oil – Kuwait's oil minister Bakhit al-Rashidi claimed overnight that overall compliance with the oil curb agreement exceeded obligations by 2%.

Meanwhile, the EIA's weekly US petroleum inventories report included a 6.5MMbbl drop in stored crude, following forecasts of a 3.8MMbbl draw. Petrol stocks rose by 1.2MMbbl, but this was by less than predicted.

Output rose to another weekly record, however, this time 9.79MMbbl/d.

Exports rose to 1.86MMbbl/d, pushing the four-week average to a daily 1.42MMbbl.

Gold – reduced risk sentiment ahead of end-of-year season disrupted trade helped spawn increased interest in gold.

Reduced-volume trade is anticipated tonight, but with a final September quarter US GDP reading also due, some volatility is forecast.

Base metals – at least some LME trade was put down to growth optimism: in part from China's leaders' annual planning meeting which produced a promise of greater imports; and from US corporate tax change, and this week's positive housing sector figures.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7664	-0.0002	-0.02

Pre-Open Announcements

Incitec Pivot (IPL)

AGM this afternoon (AEDST).

DuluxGroup Ltd (DLX)

AGM this morning.

Southern Cross Electrical Engineering (* SXE)

Heralding ~\$93M worth of new contract awards. Details lodged this morning.

Primary Health Care (* PRY)

Acquiring Brisbane Private Imaging for an undisclosed amount.

Fonterra Shareholders' Fund (* FSF)

Update lodged this morning, including a 28% year-on-year increase in China's dairy imports for October, and a 13% rise for the 12 months to 31 October. Middle East, Africa and Latin America imports have been mostly declining, however.

Austal Ltd (ASB)

ASB has delivered to the US Navy a ninth ship as part of a \$US1.9B contract for 12 vessels. ASB has delivered two ships during 2017 under this agreement.

AusWide Bank (ABA)

Retaining Moody's ratings but asking Standard & Poor's (S&P) to withdraw its ABA ratings.

Elders Ltd (ELD)

\$180M debtor finance facility refinanced with Rabobank.

Villa World (VLW) / CVC Ltd (CVC)

The Donnybrook JV (VLW 51%; CVC 49%) is selling the majority of a balance holding in the 960 Donnybrook Rd, Victoria site to Blueways Holdings, in four stages, over three years. Details lodged post-trade yesterday.

Mesoblast Ltd (MSB)

~20M shares will be released from voluntary escrow 6 January.

Genesis Energy (GEN)

Generator #3 for the Tekapo B unit is expected to be operating at full capacity again early-March 2018.

The generator suffered a fault last month and has been out of operation while a complete assessment was undertaken.

GEN is promising an update on the outage impact when it releases interim results 14 February.

Resources

Mt Gibson Iron (* MGX)

Second mid-west WA Iron Hill project off-take agreement secured with SCIT Trading, boosting SCIT's take to 82% of available lump iron and 83% of fines through to 8 July 2018.

Red Metal (RDM) / OZ Minerals (* OZL)

RDM has attracted OZL as a JV partner for the Punt Hill and Pernatty Lagoon copper-gold projects, located 30km south of OZL's Carrapateena deposit. Details lodged this morning.

Sheffield Resources (SFX)

A full Federal Court has upheld an appeal lodged by a Thunderbird project land claimant group, in association with matters the National Native Title Tribunal (NNTT) was alleged to have been obliged to consider.

Consequently, a decision to grant SFX a Thunderbird mining lease has been deferred.

Greenland Minerals & Energy (GGG)

Heralding metallurgy work using ore from the Kvanefjeld rare earths project.



EUR – USD 1.1872 -0.0000 -0.00

Australian Data Today

RBA Assets; forex transactions Nov

US Data Tonight

GDP (3rd & final) Sep Q
 Chicago Fed national activity index Nov
 Initial jobless claims 16 Dec
 Philadelphia Fed manufacturing Dec
 FHFA house prices Oct
 Conf Board leading index Nov

Other Overseas Data Today & Tonight

Japan Policy statement Dec
UK GfK consumer confidence Dec
 UK Public sector finances Nov
Euro zone Consumer confidence Dec

Need More Information?

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Trading Halts

Company	Code	Resuming
Base Resources	BSE	21 Dec
Six Sigma Metals	SI6	21 Dec
TasFoods Ltd	TFL	21 Dec
Queensland Bauxite	QBL	22 Dec

Suspensions (selected)

Company	Code	Since
Blackham Resources	BLK	18 Dec
China Dairy Corporation	CDC	11 Dec
Dawine Ltd	DW8	30 Nov
Eastern Iron	EFE	20 Dec
Jatenergy Ltd	JAT	13 Dec
Mobilarm Ltd	MBO	6 Dec
Mount Ridley Mines	MRD	13 Dec
OrotonGroup Ltd	ORL	30 Nov
ServTech Global Holdings	SVT	6 Dec
Vector Resources	VEC	20 Dec
Winha Commerce & Trade	WQW	1 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AAD	28 Dec	2	0	1.55
APA	28 Dec	21	0	5.14
APW	28 Dec	~0.05	0	2.79
ARF	28 Dec	3.2	0	5.43
AYF	28 Dec	8.75	43.08	5.60
BWP	28 Dec	8.75	0	5.51
CHC	28 Dec	15.6	39.74	4.91
CIP	28 Dec	4.85	0	tbc
CLW	28 Dec	6.5	0	6.00
CNI	28 Dec	4.1	41.46	6.43
CQR	28 Dec	14	0	6.53
CRR	28 Dec	4.88	0	2.75
DXS	28 Dec	23.7	0	4.68
ECX	28 Dec	7.75	100	3.73
EMF	28 Dec	3	0	2.86
FET	28 Dec	3.77	0	5.10
GCM	28 Dec	0.94	0	3.99
GDI	28 Dec	3.88	0	5.87
GOZ	28 Dec	11	0	6.13
GPT	28 Dec	12.3	0	4.62
GTY	28 Dec	3.75	0	4.29
HPI	28 Dec	9.8	0	5.95
IDR	28 Dec	4.1	0	6.35
IOF	28 Dec	10.15	0	4.33
LEP	28 Dec	10.35	0	4.23
MGG	28 Dec	3	0	1.83
MGR	28 Dec	5	0	4.27
NSR	28 Dec	4.7	0	5.94
PLG	28 Dec	3.6	0	7.01
RCT	28 Dec	15.5	0	6.74
RFF	28 Dec	~2.51	0	4.27
SCP	28 Dec	6.8	0	5.60
SGP	28 Dec	13	0	5.53
SYD	28 Dec	18	0	4.67
TCL	28 Dec	28	8.92	4.23
URF	28 Dec	5	0	5.41



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VCX	28 Dec	8.1	0	5.94
CAM	3 Jan	1.25	100	5.50
TGA	4 Jan	1	100	4.67

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	DLX	AGM
	IPL	AGM
16 Jan	RIO	Dec Q
18 Jan	BHP	Dec Q