

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5628</b>	<b>27</b>	<b>0.5</b>
<b>NZX 50</b>	7045	-4	-0.1
<b>DJIA Futures</b>	19752	7	0.0
<b>S&amp;P 500 Futures</b>	2267	0	0.0
<b>NASDAQ Futures</b>	5061	3	0.1

## Local Markets Commentary

The Australian market commences a holiday-interrupted week's trade, ahead of a swag of international and domestic PMI, CPI and GDP updates.

Overnight Friday, the US installed a new president, and major US equities indices swung higher.

In overnight Friday commodities trade, **gold** turned higher and **oil** continued so. LME **copper** settled with a slight gain. **Iron ore** continued to pull back.

Since then, **China's** NBS has published detailed statistics associated with Friday's December quarter GDP figures. These included 3.8% financial sector growth, against 5.8% in the September quarter; and 7.7% for the housing sector, following 8.8% during July - September.

The **\$A** was pushed higher after trading at ~US75.30c Friday evening.

Locally today, November lending finance figures are due. Housing finance components were revealed last week.

The **ASX** will not trade **Thursday**, due to Australia Day. Friday's trade is expected to be light.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>19827</b>	95	<b>0.5</b>
<b>S&amp;P 500</b>	2271	8	<b>0.3</b>
<b>NASDAQ</b>	5555	15	<b>0.3</b>
<b>FTSE 100</b>	7198	-10	<b>-0.1</b>
<b>DAX 30</b>	11630	33	<b>0.3</b>
<b>Shanghai Comp</b>	3123	22	<b>0.7</b>

## Overseas Markets Commentary

Choppy trade featured across major European and US equities markets overnight Friday, as the US presidential inauguration commandeered headlines.

In data releases, **UK** December retail sales disappointed, falling 0.9% for the month and rising 4.3%. Forecasters had anticipated a 0.1% monthly pullback and 7.1% year-on-year increase.

**Germany's** December producer prices rose 1% following a 0.1% gain in November.

**Tonight** in the US, no major economic reports are scheduled for release, but earnings season continues.

**European Central Bank** (ECB) president Mario Draghi is scheduled to speak publicly in Torino, Italy.

Halliburton, McDonald's Corp, Philips Lighting, Sthree and Yahoo! are due to report earnings. Alliance Pharma is expected to provide a trading

\* Mineral exploration listing 1pm AEDST - **BSX** \*

## Today's Stock Watch

### Brambles Ltd (📈 **BXB**)

BXB expects FY 2017 results to come in below guidance, due to the likelihood that 1H FY 2017 underlying profit (constant currency basis) will increase 3% and sales revenue (constant currency) 5%. BXB had forecast 7% - 9% improved full-year sales revenue and 9% - 11% higher underlying profit.

Planning to release interim results 20 February and to update full-year guidance then, having in hand a more comprehensive assessment of January trading.

Teleconference scheduled for today, commencing 10am AEDST. Link available on the BXB website.

### Village Roadshow (VRL) / Ardent Leisure (AAD)

VRL's Australian theme parks business has been impacted by reduced visitor numbers on the Gold Coast and in Sydney during December and January. Ticket sales revenue is only minimally lower, but food, beverage and other revenue has 'deteriorated'. VRL plans to release interim results 23 February and to provide a further update the same day.

### Blue Sky Alternative Investments (BLA)

LGIAsuper is planning to invest in BLA water entitlement, agribusiness and agriculture infrastructure assets.

### Cedar Woods Properties (CWP)

Non-executive CWP director Stephen Pearce has resigned, effective Friday. Mr Pearce has been appointed as Anglo American's finance director and is consequently relocating to London.

## Resources

### Dacian Gold (DCN)

Reconnaissance drilling has identified further mineralisation within the Mt Morgans gold project South Cornwall and East Hefernans targets, located immediately adjacent to the Jupiter deposit. Assays lodged this morning.

### Gascoyne Resources (GCY)

93.3% recovery achieved in initial metallurgical test work using Dalgaranga gold project Gilbeys South prospect ore. Details lodged this morning.

### Syrah Resources (SYR)

Expected to report for the December quarter today.

### Blackstone Minerals (\* BSX)

Scheduled to list 1pm AEDST following a \$3.5M IPO at 20c per share. Initially focusing on three gold projects within Western Australia.

### Sandfire Resources (SFR)

December quarter operational statistics anticipated tomorrow.

## Energy

### Liquefied Natural Gas (📈 **LNG**)

LNG subsidiary Magnolia LNG has secured a HoA with Vessel Gasification Solutions for a 20-year supply of up to 4Mtpa of Magnolia project LNG.

### FAR Ltd (FAR)

Offshore Senegal JV SNE-5 drilling underway. SNE-6 is planned to follow immediately on completion. FAR 15%.



update.

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1204</b>	oz	2	0.3
<b>Silver (NY) (Mar)</b>	17.1	oz	0.1	0.7
<b>Gold (LON)</b>	1201	oz	5	0.4
<b>Platinum</b>	978	oz	22	2.3
<b>WTI Crude (Feb)</b>	<b>52.4</b>	bbl	1.1	2.0
<b>Brent Crude (Feb)</b>	<b>55.5</b>	bbl	1.3	2.5
<b>Iron Ore (China port)</b>	<b>80.4</b>	t	-0.6	-0.7
<b>Copper (LME)</b>	<b>5748</b>	t	9	0.1
<b>Nickel</b>	9700	t	-225	-2.3
<b>Aluminium</b>	1845	t	19	1.0
<b>Lead</b>	2309	t	24	1.1
<b>Zinc</b>	2767	t	-2	-0.1
<b>Tin</b>	20210	t	-540	-2.6
<b>CBT Wheat (Mar)</b>	<b>4.28</b>	bshl	0.05	1.1

**Commodities Commentary**

*Oil* – since Friday's trade, US president Donald Trump has pledged to significantly boost **US** shale oil and gas production.

A US weekly petroleum drill rig report, released Friday, estimated 29 more **oil rigs** were in operation, and that an additional six were exploring for gas.

**Saudi Arabia's** energy minister Khalid al-Falih yesterday repeated his assertion that those who signed production the cut agreement remain in compliance, and that could stockpiles could return to a five-year average come mid-year.

**Russia's** energy minister Alexander Novak also reiterated his nation's expectation of \$50/bbl - \$US60/bbl prices this year. Mr Novak also ventured that those who had agreed to the six-months of curtailed production could reduce output by a daily 1.7Mmbbl by the end of the month.

An agreement monitoring committee met over the weekend, scheduled another meeting for 17 March, and planned a third prior to OPEC's May meeting.

*Gold* – the **\$US** fell and gold futures jumped following the US president's inauguration speech Friday.

Key data, high-profile company earnings and first-week US presidential activity are likely to mostly influence this week's trade.

Trading interest out of China is also expected to diminish ahead of Lunar NYE Friday.

*Base metals* – China's week of spring festival holidays commences with Lunar New Year's Eve Friday. Hence, trading volumes are expected to decrease from this week.

This past Friday, China's GDP, fixed asset investment, industrial production and retail sales reports came in largely in line with expectations. Some slowing in industrial output and investment reportedly impacted some LME sentiment.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7560	0.0002	0.03
<b>EUR – USD</b>	1.0704	-0.0000	-0.00

**Pre-Open Announcements****Westfield Corporation (\* WFD)**

Macquarie has reassessed WFD as underperform, from outperform.

**Recce Ltd (REC)**

Director Dominic Barnes has resigned, effective immediately.

**Air New Zealand (AIZ)**

Planning to release interim results 23 February.

**Resources****OceanaGold Corporation (\* OGC)**

First gold (445oz) poured at the Haile project, South Carolina, US.

**Blackham Resources (BLK)**

Produced 8773oz of gold during the December quarter. \$10.7M cash. 11,079oz of gold hedged at \$A1709/oz.

**Millennium Minerals (\* MOY)**

Reconnaissance drilling within the Nullagine gold project Middle Creek and Camel Creek prospects has confirmed new gold trends. Assays lodged this morning.

**Duketon Mining (DKM) / Regis Resources (\* RRL)**

Duketon gold JV drilling has returned some significant-width and high-grade assays. Details lodged this morning. RRL is earning up to 75%.

**Primary Gold (PGO) / Northern Star Resources (NST)**

NST GM and PGO non-executive director Garry Mills has been appointed PGO MD, effective 1 March. Mr Mills has been a PGO director since March 2016.

**Davenport Resources (DAV)**

Mineral exploration company completed its ASX listing Friday following a \$5.1M IPO at 20c per share. Opened at 18c and slipped to 16c before closing at its day one high of 19.5c. 258,329 shares changed hands across 28 trades. Focusing on potash territory in Germany, but also retaining some of the former Arunta Resources Northern Territory assets.

**Energy****New Hope Corporation (NHC)**

Australian Government environmental approval in hand for the Acland open-cut coal mine. NHC is awaiting several other approvals.

**Carnarvon Petroleum (CVN)**

Non-executive director and former CVN MD and CEO Ted Jacobson is retiring from the CVN board, effective today. Mr Jacobson has been a CVN director since 2005.

**Nido Petroleum (NDO)**

December quarter report lodged post-trade Friday, highlighting Galoc production.

**Trading Halts**

Company	Code	Resuming
Cynata Therapeutics	CYP	23 Jan
Hill End Gold	HEG	23 Jan
Leaf Resources	LER	23 Jan
Norwood Systems	NOR	23 Jan
Latitude Consolidated	LCD	24 Jan

**Australian Data Today**

ABS Lending finance Nov

**Other Overseas Data Today & Tonight**

<b>China</b>	Conf Board leading index	Dec
<b>Japan</b>	All-industry activity index	Nov
Japan	Economic report	Jan
Japan	Business conditions (final)	Nov
Japan	Steel production	Dec
<b>Euro zone</b>	EC consumer confidence	Jan

**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).

Xped Ltd	XPE	24 Jan
Yojee Ltd	YOJ	24 Jan
Sumatra Copper & Gold	SUM	25 Jan

**Suspensions** (selected)

Company	Code	Since
Kimberley Diamonds	KDL	19 Jan
Pura Vida Energy	PVD	18 Jan
Skyland Petroleum Group	SKP	12 Jan

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>MIR</b>	Today	<b>3.5</b>	100	3.41
APZ	Wed	2.1	0	6.38
DJW	30 Jan	10	100	6.12
OZG	1 Feb	0.25	100	2.94
WIC	1 Feb	3	100	5.88
BKI	10 Feb	3.6	100	4.42

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.