

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>5650</b>	<b>7</b>	<b>0.12</b>
<b>NZX 50</b>	7554.77	-8.9	-0.14
<b>DJIA Futures</b>	21359	11	0.05
<b>S&amp;P 500 Futures</b>	2432.25	0.5	0.02
<b>NASDAQ Futures</b>	5787	1.25	0.02

## Local Markets Commentary

The **Australian market** looks set for a slight improvement at the open on the final trading day of the week, with ASX futures up 7 points.

The shine came off the major lenders' rebound in late trade yesterday as the South Australian Government made a shock announcement in its Budget to impose its own bank levy.

The SA levy is forecast to raise \$370 million over the next four years from Commonwealth Bank, National Australia Bank, ANZ Bank, Westpac and Macquarie. Westpac owns Bank of South Australia and will be most affected.

In **overnight commodities trade**, *oil* snapped out of its rout, bouncing from November lows, though there remains concern that crude could plunge below US\$40 in the near term.

*Gold* futures extending gains after halting a five-day slide on Wednesday as crude slumped, fuelling concerns that deflation will remain lacklustre.

Investors remain focused on inventories that work against OPEC-led efforts to reduce a glut.

*Iron ore* dipped then ended flat, and *aluminium* prices held near six-week lows as the market focused on rising supplies and exports from China, lower output costs and higher inventories.

The **\$A** dipped 0.1% against the greenback, then ended almost flat at US75.38c, at 8.30am AEST.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>21397.29</b>	-12.74	-0.06
<b>S&amp;P 500</b>	2434.5	-1.11	-0.04
<b>NASDAQ</b>	6236.68	2.73	0.4
<b>FTSE 100</b>	7439.29	-8.5	-0.11
<b>DAX 30</b>	12794	19.74	0.15
<b>Shanghai Comp</b>	3147.45	-8.76	-0.27

## Overseas Markets Commentary

Major **European and US equities** markets posted mainly modest gains overnight. The weakness in the oil price is renewing fears about central bankers' ability to boost inflation.

US stocks pared gains in late trading to end the day little changed as financial shares slumped ahead of the results of the Fed's stress tests overnight.

The S&P 500 Index traded in a narrow band as the bank slump was offset by a rally in health-care stocks.

The Senate Republicans' proposal to replace Obamacare would provide an extra \$US50 billion

## Today's Stock Watch

### ★ Recce Limited (RCE) ★

The Perth-based pre-clinical-stage pharmaceutical company engaged in the development of a new class of synthetic antibiotics, yesterday announced it has completed construction of a wholly owned production facility in Sydney with expected outputs capable of supporting RECCE 327 through Phase 1 and Phase 2 human trials. The completion of construction works, procurement and equipment testing is a critical milestone for producing a higher standard of product accordingly to the US Food and Drug Administration's (FDA) good laboratory practice guidelines for remaining pre-clinical tests and beyond.

### Cimic (CIM)

CIMIC Group company CPB Contractors, with its joint venture partners, has been selected to deliver a new metro railway crossing deep under Sydney Harbour. The NSW Government yesterday awarded a \$2.81 billion contract to deliver twin 15.5km tunnels and associated civil works on Stage 2 of the Sydney Metro project – Australia's biggest public transport project. The joint venture comprises CPB Contractors (45%), John Holland (45%) and Ghella (10%).

## Resources

### Metro Mining Ltd (MMI)

The Queensland Government has granted Environmental Approvals for the Bauxite Hills Project, with MMI expecting Final Federal Government Approval in near future. The Bauxite Hills Mine is 95km north of Weipa, in the internationally acclaimed Weipa Bauxite Region. Metro has an initial four-year, 7 million tonne Binding Off-take Agreement with Xinfu Group - one of the largest integrated aluminium companies in China. The company has also secured an Offtake Letter-of-Intent with Lubei Chemicals - China's fifth largest bauxite importer.

## Energy

### Orocobre (ORE)

Severe weather in the Puna region of Argentina and Chile has impacted on production at ORE's Olaroz Lithium Facility and Borax Argentina operations. ORE has revised down its lithium carbonate production for the June quarter to approximately 2,400-2,500 tonnes. This will result in FY17 production of approximately 11,700- 11,800 tonnes of lithium carbonate, down from a forecast 12,000 and 12,500 tonnes in March.

## Pre-Open Announcements

### ★ Oil Search (OSH)

OSH has signed documentation with a 14-member bank group for a five-year, non-amortising, revolving credit facility of US\$600 million. The banking group includes all four major Australian domestic banks, one Papua New Guinean bank and nine international banks. This takes OSH's total liquidity is currently in excess of US\$1.7 billion. Managing Director Peter Botten said the new facility would provide OSH with funding flexibility for the next phase of LNG development and expansion in Papua New Guinea.

### Kyckr Limited (KYK)

Kyckr has launched on the MYDATA Malaysian registry portal, allowing its users to access company registry information from 186 official registries across 128 countries and ~80 million companies. MYDATA users are now able to purchase international company information via the MYDATA portal.

### Alexium Specialty Chemicals and Solutions (AJX)

AJX reports shipments of its AlexiCool fire-retardant product are tracking to succeed 90,000kg for June. This represents an eight-fold



over four years to stabilise insurance exchanges, boosting health insurers. The Nasdaq's biotech ETF pushed its four-day rally to 10 per cent.

Euro zone consumer confidence jumped much more than expected in June, rising to -1.3 points from -3.3 points in May, a flash estimate from the European Union's statistics office Eurostat showed.

European equities ended the session little changed as energy companies pared losses amid a rebound in oil prices. Pharmaceutical stocks widened their advance by 2%, tracking a rally in US peers, after Senate Republican leaders revealed a draft of health-care plan.

Hong Kong stocks changed little yesterday as investors digested the potential impact of MSCI's decision to include more mainland China stocks in a key benchmark index.

By contrast, China's blue-chips extended gains to hit a new 18-month high.

However most of the gains were wiped out in late trade as investors took profits and as weakness in small-caps dampened sentiment.

Japan's Nikkei share average erased early modest gains on Thursday and edged down, as a stronger yen took its toll on market sentiment.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1251.2</b>	oz	5.4	<b>0.43</b>
<b>Silver (NY) (Jul)</b>	16.57	oz	0.14	<b>0.83</b>
<b>Gold (LON)</b>	1251.4	oz	4.35	<b>0.35</b>
<b>Platinum</b>	925.5	oz	-1.5	<b>-0.16</b>
<b>WTI Crude (Jul)</b>	<b>42.78</b>	bbl	-2.5	<b>0.58</b>
<b>Brent Crude (Aug)</b>	<b>45.23</b>	bbl	-0.02	<b>-0.04</b>
<b>Iron Ore</b> (CHN port 62%)	<b>57</b>	t	0	<b>0</b>
<b>Copper</b>	<b>5723.5</b>	t	6	<b>0.1</b>
<b>Nickel</b>	8967.5	t	15	<b>0.16</b>
<b>Aluminium</b>	1861.25	t	3.5	<b>0.18</b>
<b>Lead</b>	2186	t	22.5	<b>1.04</b>
<b>Zinc</b>	2697.25	t	65.75	<b>2.4</b>
<b>Tin</b>	19335	t	-290	<b>-1.48</b>
<b>CBT Wheat (Jul)</b>	475.25	bshl	-4.25	<b>-0.88</b>

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7538	0	<b>-0.03</b>
<b>EUR – USD</b>	1.1151	0	<b>-0.008</b>

### Other Overseas Data Today & Tonight

<b>Japan</b>	Nikkei manufacturing PMI	June
<b>Eurozone</b>	Markit PMIs	June
<b>US</b>	Markit manufacturing PMI	June
<b>US</b>	New home sales	May

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increase for monthly shipments from January. AJX has also recently visited its newest finishing partner in Shanghai to aid a full-scale manufacturing rollout of AlexiCool onto a wide range of production fabrics.

## Resources

### AusQuest Limited (AQD)

AQD has identified a high-conductivity EM target (+3000 siemens) from reconnaissance electromagnetic (EM) surveys at its Jimberlana nickel prospect, 130km west of Norseman in WA. The Jimberlana Project is the first of several exploration prospects to be tested under the recently signed Strategic Alliance with South32.

## Biotech

### Resonance Health (RHT)

RHT's new technology, Bone Marrow R2-MRI, for the assessment of iron levels in bone marrow, is now available for clinical application in Europe, Australia, and New Zealand. This will allow expansion from the research setting to marketing to the clinical community in these jurisdictions, in line with the targets announced on 23 September 2016. The new technology has application in bone marrow transplants, where quantitative assessment of bone marrow iron levels prior to transplant is thought to assist with the prediction of complications and the prognosis of patients post-transplant.

### Trading Halts

Company	Code	Resuming
Cobalt One Limited	CO1	26 Jun
Kasbah Resources Limited	KAS	26 Jun
Novo Litio Limited	NLI	26 Jun
Viva Energy REIT	VVR	26 Jun

### Suspensions (selected)

Company	Code	Since
Agua Resources Limited	AGR	22 June

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