

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5899</b>	<b>25</b>	<b>0.4</b>
<b>NZX 50</b>	7268	45	0.6
<b>DJIA Futures</b>	20935	-10	-0.1
<b>S&amp;P 500 Futures</b>	2383	-2	-0.1
<b>NASDAQ Futures</b>	5547	-2	0.0

## Local Markets Commentary

The Australian market resumes this week's trade ahead of key domestic data, on some positive equities leads and following an extended US equities rally.

**March quarter CPI growth will be published 11.30am AEST.**

A skilled vacancies report is also due this morning. In overnight commodities trade, US **gold** futures extended Monday's fall. **Oil** turned to settle higher. LME **copper** and other key base metals rallied. The **\$A** gained after trading at US75.25c yesterday evening, and will react to today's **CPI** report.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>20996</b>	232	<b>1.1</b>
<b>S&amp;P 500</b>	2389	14	0.6
<b>NASDAQ</b>	6025	42	0.7
<b>FTSE 100</b>	7276	11	0.2
<b>DAX 30</b>	12467	12	0.1
<b>Shanghai Comp</b>	3135	5	0.2

## Overseas Markets Commentary

Choppy trade featured across major European equities markets overnight.

Key US indices rallied decisively for a second consecutive session, bolstered by corporate results and data, plus the prospect of attractive business and personal tax change.

In addition, president Trump reportedly made at least one major concession to help ensure the US debt ceiling could be lifted by Friday's deadline, enabling government services to continue.

In data releases, US March new home sales rose 5.8%.

The Case-Shiller February quarter house price index rose 5.9%.

A Conference Board consumer confidence index fell 4.6 to 120.3, but remained in second place after March's highest reading since December 2000.

**Tonight** in the US, information regarding proposed tax changes is promised. Weekly mortgage applications are due.

Antofagasta, Banco Santander, Boeing, Canon, Credit Suisse, Fiat Chrysler, Fujitsu General, GlaxoSmithKline, Hyundai Motor, LG Display, Northrop Grumman, PepsiCo, Samsung C&T, Standard Chartered and Twitter are among companies listed to report earnings or provide updates today and tonight.

## Australia – March quarter CPI 11.30am AEST

**Monday's trades** (including ETOs) **settle tomorrow.**

Trades completed Friday (21 April) will settle today.

## Today's Stock Watch

### a2 Milk Company (A2M)

Seeking to raise production for the remainder of FY 2017 in response to better-than-expected sales of 'a2Platinum' baby milk formula. Lifting FY 2017 revenue guidance to \$NZ525M, following \$NZ388.5M achieved for the nine months to 31 March.

### Acrux Ltd (↓ ACR)

March quarter Axiron net sales totalled \$US27.3M, against \$US37M a year earlier. For the financial year-to-date, sales total \$US106.2M, against \$US149.3M.

### MMJ Phytotech (↓ MMJ)

Harvest One Capital, the company seeking to acquire MMJ subsidiaries United Greeneries Holdings and Satipharm, has secured conditional TSX Venture Exchange (TSX-V) approval. This will enable the subsidiaries to list under Harvest One Cannabis, in association with the release of \$C25M worth of funding. MMJ will hold 60% of Harvest One.

### Ausdrill Ltd (ASL)

ASL's 50:50 JV African Underground Mining Services has secured a \$US280M, five-year contract with Newmont's Ahafo project.

## Resources

### BHP Billiton (BHP)

For the nine months to 31 March, BHP produced 15% less petroleum (157MMboe), 3% more iron ore (171Mt), 20% less copper (939,000t), 2% more metallurgical coal (31Mt) and in-line energy coal (21Mt).

Revising iron ore full-year guidance from 228Mt – 237Mt to 231Mt – 234Mt. Reducing metallurgical coal output guidance from 44Mt to 39Mt – 41Mt. Cutting copper guidance from 1.62Mt to 1.33Mt – 1.36Mt. Goldman Sachs has in the meantime placed a 'sell' on BHP.

### Strandline Resources (↓ STA) / Rio Tinto (RIO)

RIO will spend up to \$US9M to earn up to 75% of STA heavy mineral sands holdings, southern Tanzania. In addition, RIO will pay cash totalling up to \$US1.75M. Details lodged this morning.

### Independence Group (\* IGO)

\$A83.9M March quarter revenue. \$A12.3M NPAT. Production statistics also lodged this morning.

### Western Areas (WSA)

Produced 5672t of nickel in concentrate during the March quarter and sold 5397t. Cash costs totalled \$A2.23/lb and realised prices averaged \$A6.14/lb, pre-payability. \$112M cash at bank. \$11.1M sales receivables.

### Lynas Corporation (LYC)

Record \$A69.3M March quarter, 6.6% higher than for the December quarter 2016. Produced a record 1373t of NdPr, 61.5% more than a year earlier. LYC says it is the second largest NdPr producer. \$A52.6M cash, \$24.3M unrestricted.



In overnight corporate news, better-than-anticipated quarterly reports from the likes of **McDonald's** (rose 5%), **DuPont** (+3%) and **Caterpillar** (+8%) supported DJIA gains.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Jun)</b>	<b>1268</b>	oz	-9	-0.7
<b>Silver (NY) (May)</b>	17.6	oz	-0.3	-1.7
<b>Gold (LON)</b>	1268	oz	-2	-0.1
<b>Platinum (live)</b>	952	oz	-7	-0.7
<b>WTI Crude (Jun)</b>	<b>49.6</b>	bbl	0.3	0.7
<b>Brent Crude (Jun)</b>	<b>52.1</b>	bbl	0.5	1.0
<b>Iron Ore</b> (CHN port 62%)	<b>66.5</b>	t	2	3.1
<b>Copper</b>	<b>5706</b>	t	51	0.9
<b>Nickel</b>	9320	t	60	0.7
<b>Aluminium</b>	1963	t	17	0.9
<b>Lead</b>	2170	t	7	0.3
<b>Zinc</b>	2606	t	2	0.1
<b>Tin</b>	19625	t	-25	-0.1
<b>CBT Wheat (May)</b>	<b>4.09</b>	bshl	0.06	1.6

### Commodities Commentary

*Oil* – swinging prices featured overnight, WTI crude trading at three-week lows intra-session.

US (EIA) weekly petroleum inventories are due tonight.

*Gold* – a weaker \$US (5.5-month low) offered some support but prices continued to fall from Monday's settlement, due to improved risk sentiment.

*Base metals* – supported by a \$US fall and relatively buoyant risk sentiment, in part supported by Caterpillar's sales optimism.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7537	0.0001	0.02
<b>EUR – USD</b>	1.0926	-0.0003	-0.02

### Australian Data Today

ABS	CPI	Mar Q
ABS	Skilled vacancies	Apr

### US Data Tonight

MBA mortgage applications	21 Apr
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### Other Overseas Data Today & Tonight

<b>Japan</b>	All-industry activity index	Feb
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### 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).

## Pre-Open Announcements

### IoT Group (IOT)

Agreement secured with manufacturing partner Shenzhen AEE Technology for exclusive distribution rights for AirSelfie in the US and Australia.

### Resources

#### Lucapa Diamond Company (LOM)

March quarter Angola Lulo diamond JV production and sales statistics lodged this morning, within LOM's activities report. \$US2.1M cash.

#### Breaker Resources (BRB)

WA Lake Roe gold project infill RC drilling has delivered several high-grade, shallow intersections. Assays lodged this morning. Resource drilling underway. Three rigs on site, and a fourth is due to arrive in the coming week, to commence new target testing.

#### Millennium Minerals (\* MOY)

Boosting the 2017 WA Nullagine gold project exploration budget by \$7M to \$22M, due to this year's drilling results. Assays lodged this morning for four prospects. Six rigs are on site.

#### Argosy Minerals (AGY)

AGY has completed pumping lithium brine into four initial evaporation ponds at the Rincon Lithium JV, Argentina. Natural solar evaporation is expected to take nine months. Following this, the JV plans to process concentrated lithium from the brine, in a laboratory-scale plant, to produce lithium carbonate equivalent.

### Energy

#### Senex Energy (SXY)

Produced 170,000boe during the March quarter, 15% less than for the December quarter 2016 and 32% fewer barrels than a year ago. Sales revenue totalled \$11.8M, down 14% and 34% respectively.

#### African Energy Resources (AFR)

Manufacturing development approval order in hand for the Sese JV's planned 450MW power plant, Botswana. This enables the JV to establish a tax agreement with the Botswana government.

#### 88 Energy (88E)

Alaska North Slope Icewine #2 drilling underway. Production testing remains on schedule for late June – early July.

#### FAR Ltd (FAR)

Plans in place to drill FAN South-1, offshore Senegal, the first pure exploration well since the SNE-1 discovery in 2014.

### Trading Halts

Company	Code	Resuming
Activistic Ltd	ACU	26 Apr
Alchemy Resources	ALY	26 Apr
Ardea Resources	ARL	26 Apr
Classic Minerals	CLZ	26 Apr
Spookfish Ltd	SFI	26 Apr
Tawana Resources	TAW	26 Apr
Triton Minerals	TON	26 Apr
White Rock Minerals	WRM	26 Apr
Collaborate Corporation	CL8	27 Apr
Invigor Group	IVO	27 Apr

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**Suspensions** (selected)

Company	Code	Since
Arrowhead Resources	AR1	6 Apr
AssembleBay Ltd	ASY	12 Apr
Brierty Ltd	BYL	20 Apr
Equator Resources	EQU	20 Apr
iCollege Ltd	ICT	3 Apr
Magnum Gas & Power	MPE	13 Apr
OBJ Ltd	OBJ	24 Apr
Tasmania Mines	TMM	10 Apr
Unilife Corporation	UNS	13 Apr
Zeta Petroleum	ZTA	21 Apr

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>CUP</b>	Today	<b>1</b>	100	10.22
<b>KAT</b>	Today	<b>0.5</b>	50	4.00
AOD	Tomorrow	0.35	100	6.16
PMV	Tomorrow	26	100	3.73
SST	Tomorrow	~11.93	0	1.95
WMC	Tomorrow	0.59	0	6.32
MFF	Fri	1	85	1.08

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>BHP</b>	Mar Q
	<b>HGG</b>	AGM (post- trade)
	<b>IGO</b>	Mar Q
	<b>LYC</b>	Mar Q
	<b>SXY</b>	Mar Q
	<b>WSA</b>	Mar Q
<b>Tomorrow</b>	BPT	Mar Q
	CPU	Investor Day
	NCM	Mar Q
	NST	Mar Q
	SFR	Mar Q
	MDL	Mar Q
	MGR	Mar Q
	MYO	AGM
	OGC	Mar Q
	S32	Mar Q
	SGP	Mar Q
	TEN	Interim
	WES	Mar Q
<b>Fri</b>	AWE	Mar Q
	HTA	AGM
	IFN	Mar Q
	ILU	AGM
	ORG	Mar Q
	RMD	Mar Q