

Markets

SFE 200 Futures (9.30am AEDST)	5649	-2	-0.0
NZX 50	7099	-14	-0.2
DJIA Futures	20052	49	0.2
S&P 500 Futures	2294	0	0.0
NASDAQ Futures	5148	1	0.0

Local Markets Commentary

The Australian market commences Friday trade on lacklustre equities and mixed commodities leads.

In overnight commodities trade, **gold** continued lower. **Oil** swung higher and rallied. **Copper** fell. **Iron ore** gained.

The **\$A** dropped below US75.40c after trading at ~US75.60c early yesterday evening.

Locally today, December quarter producer prices, plus export and import prices, are due 11.30am AEDST.

A swag of December quarter reports is also anticipated as the end-of-month deadline approaches.

Japan is due to report December CPI 10.30am AEDST.

China's markets are closed today (Lunar NYE) and Monday through Thursday next week (Spring Festival holiday season).

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	20101	32	0.2
S&P 500	2297	-2	-0.1
NASDAQ	5655	-1	-0.0
FTSE 100	7161	-3	-0.0
DAX 30	11849	43	0.4
Shanghai Comp	3159	10	0.3

Overseas Markets Commentary

Choppy trade featured across major European and US equities markets overnight, amid a plethora of high-profile company earnings reports.

In **US** data releases, December new home sales dropped 10.4% for the month.

Weekly new unemployment claims rose 22,000, but the four-week moving average fell 2000.

In the **UK**, December quarter GDP growth, was reported at 0.6%. For 2016, UK GDP rose 2.0%, the most of any G7 economy.

Tonight in the US, an initial December quarter GDP estimate is keenly anticipated.

December durable goods orders and a final January reading for the University of Michigan consumer sentiment index are also due.

In addition, UK PM Theresa May will continue her trade visit to the US.

American Airlines, BT Group, Chevron, Colgate-Palmolive, Honeywell and UBS are expected to report earnings.

In overnight corporate news, **Johnson & Johnson**

Japan - CPI expected 10.30am AEDST

Tuesday's trades **settle** today.
Wednesday's trades will settle Monday (30 January).

Today's Stock Watch

Macmahon Holdings (MAH) / Cimic Group (CIM)

MAH's board has rejected CIM's 14.5c-per-share offer, stating that, on initial assessment, it undervalues the company.

ResMed Inc (RMD)

December quarter results, as prepared for US regulators, lodged post-trade Wednesday. RMD lodged a sales-focused announcement on the ASX earlier in the week, trading 7.2% higher Tuesday and 3.4% Wednesday, to settle at \$9.22.

Chorus Ltd (CNU)

CNU has secured an agreement with Crown Fibre Holdings, enabling an extension of the ultra-fast broadband (UFB) rollout, to an additional 200,000 homes and businesses.

Investa Office Fund (IOF)

IOF has secured 27% of income for 126 Philip Street, Sydney with an agreement on commercial terms for Allens Linklaters to renew a lease for 7.5 years from the June 2019 expiry of the current lease agreement. IOF says the expiry had represented the fourth largest lease expiry over the next three years. IOF holds 25% of the property.

OBJ Ltd (OBJ)

The Japanese Patent Office has formally notified OBJ of the award of a magnetic microarray patent to the company, under the title 'Delivery of Skincare Products'.

Air New Zealand (AIZ)

Macquarie has rerated AIZ as neutral, from outperform.

Resources

Perseus Mining (PRU)

Lowering 2H FY 2017 output guidance to 90,000oz - 110,000oz, from 125,000oz - 145,000oz. Raising AISC guidance to \$US1000/oz - \$US1220/oz, from \$US995/oz - \$US1135/oz.

December quarter production has come in largely in line with PRU's late-2016 downgrade. PRU produced 32,223oz against 43,776oz for the September quarter. The AISC rose to \$US1847/oz, from \$US1388/oz. PRU sold 22,431oz of gold at \$US1115/oz, against 43,952oz at \$US1223/oz.

\$A67.5M cash and bullion.

Doray Minerals (DRM)

FY 2017 output forecast and operational updates lodged this morning. DRM is anticipating producing 100,000oz - 110,000oz of gold and 4200t - 4600t of copper.

High-grade, significant-width drilling assays also lodged, for the WA Gnaweeda gold project Turnberry prospect. The results extend known mineralisation at depth.

Tawana Resources (TAW)

High-grade lithium and tantalum assays lodged this morning following resource drilling across the WA Bald Hill project. Targeting the completion of a feasibility study by the end of March and spodumene production by year's end.

Northern Star Resources (NST)

Macquarie has rerated NST as neutral, from outperform.

revealed it had agreed to pay \$US30B cash (US\$280 per share) for biotech firm **Actelion**.

Ford Motor Co suffered after reporting a December quarter loss, and **Caterpillar** after recording 13% lower revenue and issuing sales warning.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1190	oz	-8	-0.7
Silver (NY) (Mar)	16.8	oz	-0.2	-1.1
Gold (LON)	1190	oz	-5	-0.4
Platinum	976	oz	-2	-0.2
WTI Crude (Mar)	53.8	bbl	1.0	2.0
Brent Crude (Mar)	56.2	bbl	1.2	2.1
Iron Ore (China port)	83.3	t	0.9	1.0
Copper (LME)	5857	t	-85	-1.4
Nickel	9410	t	-290	-3.0
Aluminium	1820	t	-14	-0.7
Lead	2327	t	-64	-2.7
Zinc	2763	t	-38	-1.4
Tin	19975	t	-450	-2.2
CBT Wheat (Mar)	4.24	bshl	-0.01	-0.1

Commodities Commentary

Oil – traded lower on oversupply concerns plus \$US strength.

A weekly US petroleum drill rig count is due tonight.

Gold – traded at two-week lows overnight, as the \$US strengthened. Key US data, including a first estimate of December quarter GDP, is expected to influence some trade tonight.

Base metals – a stronger \$US impacted sentiment overnight, as Chinese trade decreased ahead of Lunar New Year (today). China's markets will be closed today and through to Thursday next week, inclusive.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7531	-0.0001	-0.02
EUR – USD	1.0680	-0.0001	-0.01

Australian Data Today

ABS	Producer prices	Dec Q
ABS	Export, import prices	Dec Q

US Data Tonight

GDP (1 st of three)	Dec Q
Durable goods orders	Dec
Uni of Michigan consumer sentiment (rev)	Jan

Other Overseas Data Today & Tonight

Japan	CPI	Dec
UK	GfK consumer confidence	Jan

Pre-Open Announcements

Range International (* RAN)

Expecting to install a new production line every six weeks through 2017. 320% increase in December quarter receipts, against the September quarter. RAN manufactures plastic pellets and listed on the ASX ~six months ago.

Resources

Poseidon Nickel (POS) / Lefroy Exploration (LEX) / Lithium Australia (* LIT)

Airborne geophysics data acquired by LIT has identified lithium-tantalum pegmatites within the Mt Day project and also POS's and LEX's Lake Johnston projects. Details lodged this morning.

Champion Iron (* CIA)

\$21.1M cash as at 31 December. CIA acquired the Bloom Lake project, Canada, in April 2016 and is continuing care and maintenance while looking at potentially re-starting mining and also the concentrator.

CIA settled at \$1.31 Wednesday after closing at 75c Thursday last week. Over the next four trading sessions, CIA respectively appreciated 6.7%, 12.5%, 17.8% and 23.6%.

Trading Halts

Company	Code	Resuming
Echo Resources	EAR	27 Jan
First Graphite	FGR	27 Jan
GTI Resources	GTR	30 Jan
Magnis Resources	MNS	30 Jan
AVZ Minerals	AVZ	31 Jan
Laconia Resources	LCR	31 Jan

Suspensions (selected)

Company	Code	Since
AirXpanders Inc	AXP	25 Jan
Ausnet Financial Services	AU1	25 Jan
De Grey Mining	DEG	25 Jan
Moko Social Media	MKB	25 Jan
Pura Vida Energy	PVD	18 Jan
Suda Ltd	SUD	27 Jan
Sumatra Copper & Gold	SUM	25 Jan

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
KAT	Today	0.5	50	5.06
AOD	Mon	0.35	0	6.13
DJW	Mon	10	100	6.12
OZG	Wed	0.25	100	2.86
WIC	Wed	3	100	5.85



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