

Markets

SFE 200 Futures (9.30am AEST)	5668	2	0.0
NZX 50	7589	-6	-0.1
DJIA Futures	21373	5	0.0
S&P 500 Futures	2437	1	0.0
NASDAQ Futures	5780	2	0.0

Local Markets Commentary

Australian market trade could be beholden to regional influences today, opening on mixed commodities and relatively lacklustre international equities leads.

In overnight commodities trade, US **gold** futures turned lower. **Oil** continued to gain. LME **copper** slipped slightly. No final iron ore (China port, 62% Fe) spot price was recorded, due to a public holiday in Singapore. Dalian futures climbed, however.

The **\$A** appreciated towards US75.85c after being pushed to ~US75.75c early yesterday evening.

Regionally today, **China** is expected to publish May industrial profits **11.30am** AEST.

Premier Li Keqiang is also scheduled to speak publicly at 12.30pm, at an annual World Economic Forum 'summer' event hosted in Dalian.

Locally, a weekly consumer sentiment reading is due pre-trade.

This morning, New Zealand has revealed a \$NZ3.75B trade deficit for the year to 31 May, against expectations of \$NZ3.32B. May imports were valued at \$NZ4.85B and exports at \$NZ4.95B.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	21410	15	0.1
S&P 500	2439	0.8	0.0
NASDAQ	6247	-18	-0.3
FTSE 100	7447	23	0.3
DAX 30	12771	37	0.3
Shanghai Comp	3185	28	0.9

Overseas Markets Commentary

Major European and US equities markets again diverged some overnight, the (**UK's**) FTSE 100 notably settling higher on a deal enabling the Conservatives to govern with the parliamentary support of the minority Democratic Unionist Party.

Italy's government supported mainland European sentiment, producing a rabbit enabling 'good' assets of two northern Italian banks to transfer to a large retail bank. Friday, the European Central Bank had declared the pair in breach of regulations.

In **Germany**, IFO calculated business confidence at a record high of 115.1, supported by the expectations and conditions sub-components.

In a set of disappointing **US** data releases, May durable goods orders fell 1.1% following a 0.9% decline in April.

The May Chicago Fed national activity dropped from 0.57 in April to -0.26.

China – industrial profits **11.30am** AEST

RBA – deputy governor Guy Debelle speaks (via video link) at another Global FX Code of Conduct launch, this time in Singapore, **6.30pm** AEST

Today's Stock Watch

Blackmores Ltd (BKL)

CEO and MD Christine Holgate has been appointed Australia Post CEO and will leave BKL 29 September.

BKL chairman Marcus Blackmore will return from sabbatical leave to be interim CEO.

Interim BKL chairman Stephen Chapman will become chairman once a new BKL CEO has been appointed, as Mr Blackmore will become brand president.

Collins Foods (CKF)

CKF has achieved 96% take-up and raised \$25.7M in the institutional component of a fully-underwritten entitlement offer at \$4.55 per share. The retail component is scheduled for 3 – 12 July. CKF is resuming from a trading halt having last traded at ~\$5.126.

Fonterra Shareholders' Fund (FSF)

Fonterra Co-op has appointed Bruce Hassall as an independent director, due to David Jackson's decision to retire from the board from the 2 November AGM. Mr Hassall is a former PricewaterhouseCoopers New Zealand CEO.

National Storage REIT (NSR)

Acquiring three Brisbane freehold storage centres for a total \$28M comprising cash plus NSR stapled securities. The cash will come from an NSR debt facility. NSR trades ex-dividend Thursday.

Crown Resorts (CWN)

Paying a combined \$A1.67M in fines for employees deemed guilty of contravening China's gambling laws.

Resources

Fortescue Metals Group (FMG)

Proposing to convert a further 12 trucks to autonomous (haulage) status for use within the WA Solomon Hub iron ore operations.

In addition, planning to use 100 autonomous haulage vehicles at the Chichester Hub from FY 2018.

FMG is also trialling a relocatable conveyor at the Cloudbreak project, for potential use at Firetail.

Energy

Rio Tinto (RIO) / Yancoal Australia (YAL)

RIO has again stated its preference for YAL to acquire Coal & Allied Industries, which holds RIO's Australian thermal coal assets.

YAL offered an improved \$2.69B on Sunday, comprising \$2.45B cash plus \$240M in unconditional guaranteed royalties. A deposit has also been boosted by \$US125M to \$US225M. NSW Government approvals are in hand for YAL's potential purchase. Post-trade Friday, Glencore also made a new offer - \$2.65B cash plus seven monthly payments and a royalty.

In addition, RIO has appointed existing director Ann Godbehere as senior independent director, to head the process of appointing a successor to chairman Jan du Plessis.

A June Texas region manufacturing index was reported 2.2 points lower for the month at 15.0.

Tonight in the US, a regional manufacturing, house price and consumer confidence indices are due, together with a US economic review from the International Monetary Fund (IMF).

US Federal Reserve chair Janet Yellen is scheduled to speak publicly in London (5pm UK time), on global economic issues.

Bank of England governor Mark Carney is also due to speak on financial stability.

In Portugal, **European Central Bank** (ECB) president Mario Draghi is due to speak at the second of a three-day ECB-hosted central bankers' forum.

In overnight corporate news, **Google** was reported to be facing a European Union-imposed fine of up to \$US1B anytime from later today.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1246	oz	-10	-0.8
Silver (NY) (Jul)	16.6	oz	-0.1	-0.5
Gold (LON)	1245	oz	-10	-0.8
Platinum	915	oz	-13	-1.4
WTI Crude (Jul)	43.4	bbl	0.4	0.9
Brent Crude (Aug)	45.8	bbl	0.3	0.6
Iron Ore (CHN port 62%)	56.8	t		
Copper	5795	t	-6	-0.1
Nickel	9025	t	-55	-0.6
Aluminium	1862	t	-3	-0.2
Lead	2255	t	26	1.1
Zinc	2719	t	15	0.6
Tin	19290	t	65	0.3
CBT Wheat (Sep)	4.66	bshl	-0.08	-1.5

Commodities Commentary

Oil – prices turned lower early, but were ultimately pushed to positive settlements for a third consecutive session.

Gold – futures fell overnight despite ongoing \$US softness.

An early single 1.8Moz sell order was blamed, and considered by some to have perhaps been placed in error.

Base metals – general sentiment for key metals waned, attributed by some to interim and quarterly positioning.

China's May industrial profits are expected today and could influence tonight's trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7583	-0.0002	-0.02
EUR – USD	1.1180	-0.0001	-0.01

Australian Data Today

ANZ/RoyMgn	Consumer sentiment	25 Jun
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US Data Tonight

Conf Board consumer confidence	Jun
Case-Shiller house prices	Apr
Richmond Fed manufacturing	Jun

Pre-Open Announcements

Innate Immunotherapeutics (IIL)

Disappointing results for IIL's MIS416 Phase2B trial. Conference call scheduled for 10.30am AEST. Access details lodged this morning. IIL is resuming from a trading halt having last traded at 64c.

Thred Ltd (* THD)

THD's 'Add-in' has been integrated into Microsoft Word and is live within the Microsoft App store.

Spicers Ltd (SRS)

Acquiring New Zealand-headquartered LED and neon sign component supplier Sign Technology.

Cutting SRS back-office jobs in a restructure expected to cost \$900,000 but save \$1.3M during FY 2018.

Expecting FY 2017 underlying EBIT to be in line with the \$4.5M reported for FY 2016.

Tegel Group Holdings (TGH)

\$NZ34.2M full-year NPAT, following \$NZ22.9M a year ago. 5.4% higher, \$NZ614M revenue. NZ4.1c final dividend. Anticipating FY 2018 underlying EBITDA growth, given 4% - 5% domestic consumption growth.

Prima BioMed (PRR)

Updates lodged post-trade yesterday for PRR's two IMP321 clinical trials.

Senetas Corporation (SEN)

Customer testing and local (Eastern Europe) certification underway for SEN's custom algorithm encryption product.

NetComm Wireless (NTC)

RBC Capital Markets has commenced NTC coverage with an outperform rating.

Resources

Newcrest Mining (* NCM) / Evolution Mining (* EVN)

Presenting at an exploration forum in Sydney today. Presentations lodged this morning.

Pilbara Minerals (* PLS)

The Australian Government's Clean Energy Finance Corporation is considered a cornerstone investor following PLS's recent \$US100M bond offer.

CuDeco Ltd (* CDU)

Two short-term loan facility agreements secured in order to repay \$US15M to China Minsheng Banking Corporation by 30 June (Friday). HKD80M (~\$US10.2M) is available to CDU until 21 July and \$US4.8M until 10 July.

CDU is negotiating a longer-term restructured finance facility and expects to repay both new loans on time.

OceanaGold Corporation (* OGC)

Haile gold project (NZ) process commissioning is behind schedule, although the operation remains cash-flow positive, with mining from Snake pit commencing four months ahead of schedule. Project output guidance has been reduced but overall OGC gold production guidance has increased slightly.

OGC copper production guidance has grown by 200,000t - 300,000t.

Overall company AISC expectations remain steady at \$US600/oz - \$US650/oz.

OGC also lodged Haile optimisation study outcomes, plus drilling results for Haile, and projects in the US and Philippines post-



IMF economic review Jun

Other Overseas Data Today & Tonight

China	Industrial profits	Jun
UK	BoE financial stability report	Jun
UK	CBI sales	Jun

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trade yesterday.
Investor day presentation lodged this morning.

Alkane Resources (* ALK)

Lifting 2H FY 2017 gold production guidance from 31,000oz – 36,000oz to 43,000oz – 45,000oz and revising expected AISC to \$A1000/oz - \$A1100/oz, from \$A1350/oz - \$A1550/oz. This follows April – May production totalling 17,000oz. ALK anticipated producing 65,000oz – 70,000oz at a \$A1100/oz - \$A1200/oz AISC for FY 2018.

Gold Road Resources (GOR)

Sydney exploration forum presentation and WA Yamarna region drilling results lodged this morning.

Trading Halts

Company	Code	Resuming
Sky & Space Global	SAS	27 Jun
Connexion Media	CXZ	28 Jun
Tower Ltd	TWR	28 Jun
Updater Inc	UPD	28 Jun
XTEK Ltd	XTE	28 Jun
Heron Resources	HRR	29 Jun
Link Administration Holdings	LNK	29 Jun

Suspensions (selected)

Company	Code	Since
Delta SBD	DSB	31 May
Manalto Ltd	MTL	24 Jun
Molopo Energy	MPO	31 May
Novo Litorio	NLI	26 Jun
Rumble Resources	RTR	24 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
APZ	Today	2.5	0	4.22
CMA	Today	~4.38	0	7.00
CNI	Today	5.2	0	6.15
CUA	Today	3.75	0	6.84
AAD	Thu	1	0	1.55
ABW	Thu	0.82	0	7.03
AID	Thu	1.54	0	7.49
AJA	Thu	21	0	6.49
AOD	Thu	0.33	0	6.07
AOF	Thu	3.8	0	6.85
AOG	Thu	9	0	3.32
APA	Thu	23	0	4.50
APW	Thu	~1.51	0	4.37
ARF	Thu	~3.08	0	5.24
AUP	Thu	10	0	9.94
AVN	Thu	4.02	0	6.54
AYF	Thu	8.75	40.45	5.69
BWP	Thu	8.85	0	5.53
CHC	Thu	15.6	0	5.24
CIP	Thu	4.85	0	8.01
CLW	Thu	6.4	0	3.78
CMW	Thu	~2.09	0	8.38
CQR	Thu	14	0	6.53
CZZ	Thu	40	100	2.71
DXS	Thu	23.76	0	4.52

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FET	Thu	3.55	0	5.04
GCM	Thu	~0.98	0	4.60
GDF	Thu	2.35	0	8.47
GDI	Thu	~3.88	0	7.35
GOZ	Thu	10.9	0	6.34
GPT	Thu	12.3	0	4.77
GTY	Thu	5.6	0	4.51
HPI	Thu	9.9	0	6.36
IDR	Thu	8	0	6.75
IOF	Thu	10.2	0	4.36
LEP	Thu	10.25	0	4.33
MGR	Thu	5.5	0	4.60
NSR	Thu	4.6	0	5.94
PLG	Thu	3.62	0	7.18
RCT	Thu	7	0	6.03
RFF	Thu	2.41	0	5.09
RFP	Thu	~2.51	100	0.00
SCP	Thu	6.7	0	5.60
SGP	Thu	12.9	0	5.41
SYD	Thu	16.5	0	4.29
TCL	Thu	26.5	13.2	4.10
TGP	Thu	~1.63	0	6.74
TOT	Thu	4.8	0	8.97
VCX	Thu	8.6	0	6.31
GNC	Fri	15	100	1.90