

Wednesday 10 January 2018

Markets

SFE 200 Futures (9.30am AEDST)	6111	23	0.4
NZX 50	8439	6	0.1
DJIA Futures	25361	-12	-0.1
S&P 500 Futures	2752	0	0.0
NASDAQ Futures	6687	0	0.0

Local Markets Commentary

The Australian market commences mid-week trade on mixed overnight commodities and some mildly encouraging equities leads ahead of influential data out of China.

China is scheduled to release December CPI and PPI 12.30pm AEDST. December lending figures are anticipated anytime from today.

In overnight commodities trade, **oil** rallied. US **gold** futures extended Monday's pull back.

LME **copper** headed lower but **nickel** rallied.

The **\$A** ultimately changed little after falling below US78.25c early yesterday evening.

Locally today, the Australian Bureau of Statistics (ABS) is expected to release a November job vacancies report. NAB is also scheduled to report December business confidence.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25386	103	0.4
S&P 500	2751	4	0.1
NASDAQ	7164	6	0.1
FTSE 100	7731	35	0.5
DAX 30	13386	18	0.1
Shanghai Comp	3414	4	0.1

Overseas Markets Commentary

Choppy trade featured across most major European and US equities markets overnight, some positive data supporting new records for several indices and financial and health care stocks returning to favour in the US.

Among new data releases, **euro zone** November unemployment was reported at a nine-year low of 8.7%, 0.1% lower than for October and 1.1% lower than a year earlier.

Germany reported a 3.4% rise in November industrial production, 5.6% on an annual basis.

November exports rose 4.1% and imports 2.3%, producing a €22.3B trade surplus.

In the **US**, a job opportunities report revealed fewer people voluntarily left their jobs in November amid fewer opportunities (~5.88M).

Tonight in the US, December import and export prices plus November wholesale inventories are due. Companies scheduled to report earnings or provide trading updates include UK supermarket chain Sainsbury's and Tullow Oil.

In overnight corporate news, **Target Corp** reported a 3.4% improvement in December comparable store

China - December CPI and PPI 12.30pm AEDST

Today's Stock Watch

QBE Insurance Group (QBE)

QBE has appointed inaugural icare CEO and MD Vivek Bhatia as Australian and New Zealand CEO.

icare is the NSW government's management agency for social insurance and care schemes.

QBE CFO Inder Singh has been interim CEO for Australia and New Zealand following Pat Regan's appointment last September as QBE group CEO.

Commonwealth Bank of Australia (CBA)

\$US1.25B worth of notes issued in support of tier two capital.

Adairs Ltd (ADH)

Expecting \$149.1M 1H FY2018 sales revenue, representing 19.8% growth. 14.8% (unaudited) like-for-like sales growth achieved.

\$21.0M - \$21.5M EBIT anticipated, against \$12.0M for 1H FY 2017.

Full-year sales are expected to come in at \$300M - \$310M and EBIT at \$40M - \$44M.

Planning to publish audited interim results 26 February.

Nuheara Ltd (↓ NUH)

Launching a sub-\$US200 'active noise cancellation' smart personal wireless earbud known as LiveIQ in conjunction with development partner ams AG.

LiveIQ is being promoted at the Consumer Electronics Show in Las Vegas this week.

Aristocrat Leisure (ALL)

ALL has completed the acquisition of Big Fish Games from Churchill Downs.

Pushpay Holdings (PPH)

\$US106.4M annualised committed monthly revenue (ACMR) achieved during December, against a \$US100M target.

In addition, PPH added 1047 customers over the 12 months to 31 December, representing 17% growth.

Resources

BCI Minerals (BCI)

MoU secured with Sinosteel Australia covering engineering services, funding, and marketing and offtake support for BCI's Buckland iron ore project.

An initial resource, based on Kumina deposit drilling, is anticipated this quarter.

Breaker Resources (BRB)

WA Lake Roe gold project Bombara prospect drilling has determined new high-grade lodes. Assays lodged this morning.

BRB anticipates releasing an initial resource before 31 March.

Lepidico Ltd (LPD) / Galaxy Resources (GXY)

LPD has appointed Conseil Advisory Services principal and founder Cynthia Thomas and GXY Mt Cattlin GM Brian Talbot as non-executive directors.

GXY holds 11.9% of LPD.

sales.

Boeing announced a record 763 jetliner deliveries for 2017 and (net) orders for 912 aircraft.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1312	oz	-7	-0.5
Silver (NY) (Mar)	17.0	oz	-0.1	-0.8
Gold (LON)	1311	oz	-9	-0.7
Platinum	964	oz	-6	-0.6
WTI Crude (Feb)	63.0	bbl	1.2	2.0
Brent Crude (Mar)	68.8	bbl	1.0	1.5
Iron Ore (CHN port 62%)	77.7	t		
Copper	7102	t	-23	-0.3
Nickel	12695	t	160	1.3
Aluminium	2153	t	-22	-1.0
Lead	2545	t	-59	-2.3
Zinc	3335	t	-51	-1.5
Tin	19950	t	-50	-0.3
CBT Wheat (Mar)	4.32	bshl	-0.05	-1.1

Commodities Commentary

Oil – traded at three-year peaks overnight. Some attributed at least some of the rally to expectations the US administration could tonight reimpose some sanctions that would restrict Iran's oil exports.

Meanwhile, US government agency EIA predicted national daily crude output would rise by 970,000bbl this year and a further 580,000bbl during 2019, reaching 10.85MMbbl/d. The EIA's previous 2018 daily crude production forecast was for 780,000bbl. The EIA ventured 2018 March quarter daily production would average 10.04MMbbl.

US demand was likely to reach a daily 20.65MMbbl during 2019, the EIA said.

Weekly US petroleum inventories are due tonight from the EIA.

Gold – a further \$US appreciation appeared to damage overnight gold trade, ahead of the official commencement of a new US reporting season late-week, together with a CPI and retail sales update.

Base metals – overnight trade partly influenced by a stronger \$US, *nickel* remaining generally supported by electric vehicle demand expectations and deficit forecasts.

China's December CPI and PPI figures, due today, are likely to influence some of tonight's trade, ahead of December trade statistics Friday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7824	-0.0000	-0.00
EUR – USD	1.1937	-0.0000	-0.00

Australian Data Today

ABS	Job vacancies	Nov
NAB	Business confidence	Dec

US Data Tonight

MBA mortgage applications	6 Jan
Import & export prices	Dec
Wholesale inventories	Nov

Pre-Open Announcements

Cadence Capital (CDM)

Top-20 holdings as at 31 December lodged post-trade yesterday. \$1.312 NTA (post-tax).

Resources

Force Commodities (* 4CE)

Democratic Republic of Congo Kitotolo lithium project update lodged this morning, highlighting exploration which has extended known mineralisation.

Australian Vanadium (AVL)

Heralding initial results from leach testing conducted by Neomet, using ore from AVL's WA Gabanintha vanadium project.

AVL appreciated 15.8% Friday last week, 9.1% on Monday and 16.7% yesterday, settling at 2.8c.

Energy

Senex Energy (SXY)

December drilling report lodged this morning, highlighting Mimas-2 activity, Surat Basin, Queensland.

Trading Halts

Company	Code	Resuming
Pegasus Metals	PUN	10 Jan
YPB Group	YPB	10 Jan
Dark Horse Resources	DHR	11 Jan
Lucapa Diamond Company	LOM	11 Jan

Suspensions (selected)

Company	Code	Since
Blackham Resources	BLK	18 Dec
Black Mountain Resources	BMZ	27 Dec
BMG Resources	BMG	10 Jan
Dampier Gold	DAU	8 Jan
Strategic Minerals Corporation	SMC	4 Jan
Success Global Media	SGU	27 Dec

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
BEL	Tomorrow	0.5	100	12.0
TGH	Tomorrow	3.14	0	6.16
CYB	18 Jan	~1.74	0	0.31
EDC	18 Jan	~1.93	100	6.25
OZG	31 Jan	0.25	100	2.70
WIC	31 Jan	3	100	5.11

Reports & Events

(selected scheduled)

When	Company	Report/Event
16 Jan	RIO	Dec Q
18 Jan	BHP	Dec Q
23 Jan	SBM	Dec Q

**Other Overseas Data Today & Tonight**

China	CPI	Dec
China	PPI	Dec
<i>China</i>	<i>New yuan loans</i>	Dec
UK	Trade balance	Nov
UK	Industrial production	Nov
UK	Construction output	Nov

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24 Jan	API STO	AGM Dec Q
25 Jan	BCI	Dec Q
30 Jan	NVT NCM	Interim Dec Q
31 Jan	AWE SYR	Dec Q Dec Q

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