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Morning Market Pulse - RIO commits ahead of production update

Mike van Dulken at Accendo Markets, commented to clients this morning:

Markets Overview:

FTSE 100 called to open flat at 7440, still consolidating 7400-7460. Bulls need a break above last week's 7475 highs to extend a 4-month rising channel towards 7600. Bears require a breach of 7390 for a fall back towards the channel floor at 7300. **Watch levels: Bullish 7475, Bearish 7390**

Calls for a flat start to the new trading week derive from a mixed session in Asia where stocks benefited from last week's trade data, hopes of a US trade deal and a good start to the US quarterly earnings season. Note, however, Australia's ASX and the dual listed FTSE Miners mixed ahead of Q1 operations updates. Oil prices flat around recent highs, Copper holding up well, GBP flat.

In corporate news this morning;

Rio Tinto commits extra \$302m to Resolution Copper project in Arizona for drilling, ore studies, infrastructure and final stage permitting. Group Quarterly Operations update at 11.30pm tonight.

FTSE Housebuilders may be sensitive to April Rightmove House Prices +1.1% versus March and down 0.1% over the past year.

S&P affirms Next at 'BBB'; Outlook Negative. Shift toward online would likely cause a slight decline in earnings over the next year and pose a long-term challenge to retail profitability. Online sales rely on consumer credit from highly leveraged captive credit division.

Responding to Sunday Times speculation, Brewin Dolphin says it is in talks to buy Investec's Irish wealth-management unit. Other suitors could include AIB and Rathbone Brothers

Kier Group says new CEO Andrew Davies will lead a strategic review to simplify the company, better allocate capital, improve cash generation and reduce leverage. Conclusions expected July.

IWG announces strategic partnership with Japan's TKP, divesting its Japanese assets to TKP. Robert Walters Q1 gross profits seen +11% with an increasing contribution from outside the UK.

Acacia Mining announces Q1 gold production of 105koz (-13% YoY), impacted by issues at North Mara mine (-14%). Confident of hitting FY guidance of 500-550 koz.

In focus today:

In terms of data we have only Empire State Manufacturing (1.30pm) from across the pond, while for companies reporting listen out for Citigroup and Goldman Sachs and, of course, Rio Tinto late tonight (Quarterly operations review; 11.30pm).

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