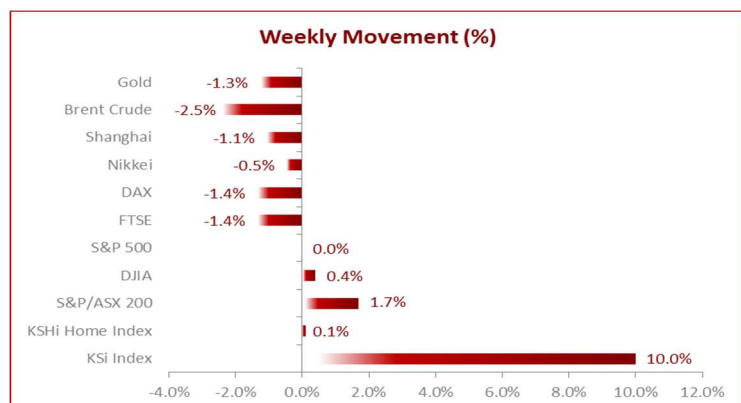


Prices as at POM Close on Friday	16-Jun-17	% change for the:		
		Week	Month	YTD
Domestic				
KSI Index	5,365.54	10.0%	5.3%	11.5%
KSI Home Index	11,057.97	0.1%	-0.4%	4.0%
<i>POMSox shares (K/share) Arbitrage POMSox</i>				
Bank South Pacific	9.51	0.1%	-0.3%	5.7%
Credit Corporation	1.78	0.0%	-1.1%	-5.3%
City Pharmacy	0.98	0.0%	0.0%	-2.0%
Kina Asset Management Limited	0.96	0.0%	-1.0%	-1.0%
Kina Securities Limited	1.91	2.56	-1.5%	-1.5%
Oil Search Limited	16.33	18.00	-0.1%	0.0%
Highlands Pacific Limited	0.14	0.18	0.0%	0.0%
Newcrest Mining Limited	51.09	55.00	19.6%	10.0%
Australia				
S&P/ASX 200	5,774.00	1.7%	0.8%	1.9%
S&P/ASX 50	5,728.90	1.7%	0.5%	1.2%
USA*				
DJIA	21,359.90	0.4%	2.7%	8.1%
S&P 500	2,432.46	0.0%	2.1%	8.6%
NASDAQ	6,165.50	-0.7%	1.3%	14.5%
Europe*				
FTSE	7,419.36	-1.4%	-0.7%	3.9%
DAX	12,691.81	-1.0%	0.4%	10.5%
CAC 40	5,216.88	-1.6%	-2.0%	7.3%
Asia*				
Nikkei	19,916.02	-0.5%	1.7%	4.2%
Hang Seng	25,643.99	-1.5%	1.9%	16.6%
Shanghai	3,122.67	-1.1%	1.0%	0.6%
Commodities*				
Light Crude (WTI)	44.45	-3.0%	-11.7%	-17.3%
Brent Crude	46.94	-2.5%	-12.4%	-17.4%
Gold	1,255.20	-1.3%	0.1%	9.0%
Currencies*				
PGK/USD	0.31	0.0%	0.0%	-0.2%
PGK/AUD	0.41	-0.7%	-2.1%	-4.8%
AUD/USD	0.76	0.7%	2.2%	4.9%
USD/JPY	111.18	0.8%	-0.2%	-4.7%
EUR/USD	1.11	-0.4%	0.3%	5.7%
GBP/USD	1.28	0.5%	-1.4%	3.9%
Ten year Government Bond yields*				
United States	2.17%	-0.03%	-0.07%	-0.28%
Australia	2.41%	0.01%	-0.07%	-0.36%
Japan	0.06%	0.00%	0.02%	0.01%
PNG	10.51%	0.00%	0.00%	0.26%

* Reported as at POM close Friday; Hence North American and European markets Thursday night close.

Disclaimer:

This report was prepared as a private communication to clients and was not intended for public circulation or publication or for the use of any third party, without the approval of Kina Funds Management Ltd ("KFM"). While this report is based on information from sources, which KFM consider reliable, its accuracy and completeness cannot be guaranteed. KFM, its directors and employees do not accept any liability for the result of any actions taken on the basis of/w/without consideration of any specific client's investment objectives, financial situation or needs. Those acting upon such information without first consulting KFM do so at their own risk. It is recommended that any persons who wish to act upon this report consult with KFM before doing so.



Sources: Bloomberg, Reuters, Post Courier, The National, Sydney Morning Herald, Loop PNG, POMSoX Release

Domestic

- The Minister for Apec, Justin Tkatchenko expressed that the construction of the K120.0m APEC Haus will be completed by the end of July 2018 as planned despite changes in the country's future Government. He added that the Apec Authority, which is an independent body of the Government will start the proceedings after its completion in preparation for the summit to commence by November 2018
- CEO of PNG Tourism Promotion Authority, Jerry Agus mentioned that the World Bank approved a K64.0m tourism project which will be piloted in East New Britain and Milne Bay Province. Tourism Industry has been providing job and development opportunities over the past decade hence the project will leverage the International Finance Corporations relationship with cruise lines inbound operators with more inclusive travel packages
- Mr Wapu Sonk, Managing Director of Kumul Petroleum Holdings (KPHL) announced the company's purchase of 40.1% stake in the block Petroleum Development License (PDL) 3 in Southern Highlands. He said that sale agreement and ministerial clearance were finalized and that it was a back-to-back deal with Petroleum Resources Gobe (one of MRDC's subsidiary company's), who takes on 75.0% of the purchased equity
- Coca Cola Amatil PNG Ltd general manager, Somu Battacharya, has urged business houses in Lae to remember the importance social-corporate responsibility in their operating environments. Mr Battacharya said that businesses are faced with a lot of environmental challenges in PNG, but as a business, we ensure that we operate with consideration to this. He further stated that this was the only way to safeguard the future of the environment
- The Minister for Public Enterprise and State Investment, Charles Abel announced the appointment of Chey Scovell of PNG Manufactures Council and Mark Chan as the new Board of Directors of PNG Power Limited
- Oil Search maintains positive outlook for 2017 despite low world oil prices in 2016. According to Oil Search Chairman, Rick Lee, revealed that the company's operated fields performed well above expectation, contributing 6.8 million barrels of oil equivalent to the PNG LNG Project reassuring shareholders that the company had entered 2017 with a strong operational and financial position to deliver substantial value for its shareholders
- Kina Asset Management Limited announced an NTA of K1.27 for the month ending 31 May 2017 with a closing price of K0.96 per share
- This week's BPNG auctions in Central Bank Bills offered for 28 days was under-subscribed by K47.0m of the total amount of K326.0m offered with a weighted average yield of 1.25%
- This week's BPNG auctions in Treasury Bills was under-subscribed by K73.2m out of a total amount of K334.2m on offer. Weighted average yields for terms 91 days, 182 days, 273 days and 364 days were 2.50%, 4.72% and 6.64% 7.92% respectively for the week
- The KSI Index has increased by 10.0% from the previous week to end at 5,365.54 points. The KSI Home Index rose 0.1% to conclude at 11,057.97 points, reflecting increase in share price of banking and financial stock BSP and mining giant Newcrest Mining

International

- Australian shares** fell on Thursday due to weak energy and basic material stocks and also the overnight dip on Wall Street after US Federal Reserve hiked interest rates. The Australian shares fell by 1.2% or 67.6 points to close at 5,766.30.
- Asian stocks** were mixed on Friday as a tech sell-off overnight shaded sentiment among investors who continued to focus on central bank policies, including Japan's decision Friday to keep its ultra-lax monetary stance intact. Japan's Nikkei 225 stock index rose by 0.6% to close at 19,940.56
- Major US benchmarks** ended lower. The Standard & Poor's 500 index lost 0.2% to close at 2,432.46. The Dow Jones industrial average dipped 0.1% to 21,359.90 after Wednesday's record high close. The tech-heavy Nasdaq composite dropped 0.5% to 6,165.50.
- European stocks** came to a lowest close on Thursday as investors examined the monetary policy outlook for US Federal Reserve with signs of consumer demand cropped up. Meanwhile the Germany's DAX fell by 0.9% to end at 12,691.81 while France's CAC declined 0.5% to end at 5,216.88
- PGK/USD remained unchanged for the week to close at 0.3145 while PGK/AUD depreciated 0.7% to end at 0.4146 and AUD/USD escalating 0.7% to end the week at 0.7580

KINA FUNDS MANAGEMENT LIMITED TEAM

Executive General Manager- Wealth

Deepak Gupta deepak.gupta@kina.com.pg

Investment Research Manager

Will Osborne will.osborne@kina.com.pg

Team Leader, Portfolio Administration & Compliance

Mary Tamarua mary.tamarua@kina.com.pg

Quantitative Financial Analyst

Noelyne Togs noelyne.togs@kina.com.pg

Risk Management

Michael Van Dorssen michael.vandorssen@kina.com.pg
Tangaloa Kema tangaloa.kema@kina.com.pg

Investment Analysis & Research

Charles Wama charles.wama@kina.com.pg
Lawrence M. Kote lawrence.kote@kina.com.pg
Meagan Namaliu meagan.namaliu@kina.com.pg
Gareth Rus gareth.rus@kina.com.pg

Portfolio Administration & Compliance

Mareta Moang mareta.moang@kina.com.pg
Dagu Hebore dagu.hebore@kina.com.pg
Daisy Yinanguie daisy.yinanguie@kina.com.pg
Teddy Aipeta teddy.aipeta@kina.com.pg
Gaius Muruket gaius.muruket@kina.com.pg
Serah Kokun serah.kokun@kina.com.pg

Administration Support

Kamate Rapilla kamate.rapilla@kina.com.pg

DISCLAIMER

General Disclosure

This report is for our clients only. All information contained herein is obtained by Kina Funds Management Limited (KFM) and/or Kina Group of Companies (Kina Group) from sources believed by it to be accurate and reliable. Whilst every care has been taken in the compilation of this Report and all information is believed to be accurate, No liability is accepted by KFM and/or Kina Group or its subsidiaries, or any of their officers, employees or agents for any errors or omissions in this Report. All information is provided "as is" without warranty of any kind and KFM and/or Kina Group, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, or fitness for any particular purpose of any such information. Opinions and recommendations are subject to change without notice and cannot be relied on without independent confirmation. This report is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this report is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments. Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors.

This document is confidential and intended only for authorised clients of KFM and/or Kina Group.

Conflict Disclosures

KFM and/or Kina Group, its Directors, officers, employees or agents may own shares in the Companies stated in this Report, but under no circumstances shall KFM and/or Kina Group have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstances or contingency within or outside the control of KFM and/or Kina Group or any of its Directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication, or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory, or incidental damages whatsoever (including without limitation, lost profits), even if KFM and/or Kina Group is advised in advance of the possibility of such damages, resulting from the use of or inability to use any such information. Past performance of Companies reviewed herein are not, and should not be held as indicators of the of the entities future performance. The information contained herein is, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities.

KFM and/or Kina Group seek to do business with companies mentioned in research reports. Accordingly, KFM and/or Kina Group employees and/or directors may have a conflict of interest. Investors should be aware of this potential for conflicts of interest, and should consider KFM and/or Kina Group research reports as just one aspect of their investment decisions.