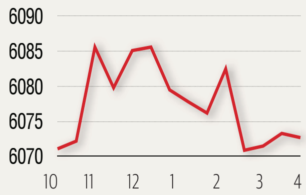
ASX 200	ALL ORDINARIES	BEST ASX 50	WORST ASX 50	$A	OIL BRENT	IRON ORE
		SANTOS LTD	QANTAS AIRWAYS	US CENTS	$US PER BARREL	$US PER TONNE
6069.90	6169.70	$5.39	$5.06	77.45 ¢	$66.83	$71.01
+0.20 +0.00%	+2.40 +0.03%	+.08 1.51%	-.13 -2.50%	+0.24 +0.31%	+1.79 +2.75%	+0.14 +0.19%

The market closed flat after its first day of post-Christmas trade, despite strength in mining and energy stocks.



Oroton, which slid into administration last month, has been lined up for purchase by a prominent fund manager.

an textiles for the emerging Australian fashion industry.

Before the failure of the chain last month, the Lane family was Oroton's biggest shareholder with a stake of slightly more than 21 per cent.

Ross Lane was Oroton's interim chief and managing director when it collapsed.

In a statement last month, Mr Lane said directors were disappointed that they had to put the group in administration, but had to act to "protect the Oroton business and the future of this iconic Australian brand".

Shares in the group last traded at 43.5c and had lost more than 80 per cent of their value in the past year.

At that price, the group had a market value of $18 million.

Oroton's rescue will give some much-needed confidence to Australia's $300 billion retail sector, which has suffered from some of the worst trading conditions in decades and the collapse of dozens of high-profile retailers.

Among the names to have failed over the past two years are Pumpkin Patch, Rhodes & Beckett, Topshop and Topman Australia, Herringbone, Marcs, David Lawrence and Payless Shoes.

THE AUSTRALIAN

MARKET WRAP

STOCKS SUFFER A CHRISTMAS HANGOVER

THE Australian share market closed flat yesterday in its first post-Christmas session despite strength in mining and energy stocks.

The benchmark ASX 200 index ended the day steady at 6069.9 points while the broader All Ordinaries was up 2.4 points — just 0.04 per cent — at 6169.7.

Analysts said what investor confidence there was had centred on higher oil and commodity prices.

CommSec market analyst Steven Daghlian said trading was likely to remain quiet over the next week, with little economic data scheduled for release here or overseas.

"I wouldn't expect a huge amount (of trading volume) in the next week or two but even if volumes remain weak, December tends to be a pretty good month for the markets," Mr Daghlian said.

Energy stocks led the way yesterday, after oil prices rose following news of an explosion on a Libyan crude pipeline as well as voluntary supply cuts among key oil-producing nations.

Woodside Petroleum closed 0.6 per cent, or 19c, higher at $32.92, while **Santos** jumped 1.5 per cent, or 8c, to $5.39.

Strength in iron ore and gold prices supported the miners, with **BHP Billiton** up 0.9 per cent at $29.35, **Rio Tinto** 0.5 per cent stronger at $74.62 and gold miner **Newcrest Mining** climbing 1.3 per cent to to $22.71.

Retailers gained momentum on expectation of strong Boxing Day sales, with **Kogan** one of the best, soaring 6.8 per cent to $6.62.

However, banking stocks gave up early gains, with **ANZ**, the **Commonwealth Bank** and **National Australia Bank** all trading lower, weighing on the overall index.

Another year full of surprise

SHORT CUT with ANDREW MACKEN

AS we round out 2017, it is timely to reflect on the year that was.

In particular, it is always interesting to identify the year's surprises.

Starting with the global equity market index, the first 11 months of 2017 delivered a return of more than 20 per cent.

A year of big returns was not necessarily surprising given the combination of a Republican clean-sweep in the US election last year combined with low prevailing interest rates. What has been a surprise is the unusually low variability with which these returns have been delivered.

Throughout the year, the returns of the global equity market have been delivered with an annualised volatility of just 3 per cent.

By comparison, the long-run average volatility of the global market is closer to 14 per cent. The persistency of this low variability has been surprising — particularly in the context of some significant geopolitical uncertainties among the US, Russia, Saudi Arabia, the UK and North Korea.

The strength of commodity prices has also been surprising.

Take copper, for example. By October, the price of copper was up more than 30 per cent since January.

The combination of resilient Chinese demand growth and a weaker US dollar has supported the copper price to levels that most did not expect at the beginning of the year.

In Australia, the ongoing strength of the property markets in Melbourne and Sydney has been a surprise.

Given the sharp acceleration in property prices in prior years, most would have expected a moderating in price appreciation this year. Yet prices in many suburbs have continued to charge higher.

Similarly, the strength of the Australian dollar was surprising. Given Australia's persistently low interest rates and lacklustre growth in household incomes, one could be forgiven for expecting downward pressure on the Aussie.

Having commenced the year at US72c, it almost reached as high as US81c in September.

This was certainly a head-scratcher for many, though common sense has since prevailed with the Aussie now back down to around US77c.

In the US, many investors started the year with expectations of genuine fiscal stimulus.

These expectations were correctly centred on the analysis that a Republican-controlled White House and Congress would be able to effect meaningful tax cuts.

While this has played out, 2017 remains a year full of surprises in US politics. From reports of Russian election-meddling, to numerous federal indictments of the campaign staff of US President Donald Trump: this year has surely set some sort of record for the frequency of major breaking-news stories.

THE biggest surprise of 2017, of course, is the near-vertical appreciation of something called Bitcoin. While few know what a Bitcoin is, many want to buy one.

At the start of the year, one Bitcoin could be acquired for about $US1000. At the time of writing, one would need at least 16 times this amount to buy a mysterious Bitcoin.

It may surprise people to learn that a Bitcoin is nothing more than one of a finite number of possible solutions to an arbitrary mathematical equation.

It is surprising that people are willing to pay so much for a solution to a random maths problem. But 2017 has been one of those years.

All of this tells us that predicting the future is hard.

In 2018, keep an open mind and beware the prophetic forecasts of others.

ANDREW MACKEN IS MONTGOMERY GLOBAL INVESTMENT MANAGEMENT CHIEF INVESTMENT OFFICER