

Wednesday 11 October 2017

Markets

SFE 200 Futures (9.30am AEST)	5733	15	0.3
NZX 50	8035	-3	-0.0
DJIA Futures	22782	-2	0.0
S&P 500 Futures	2548	0	0.0
NASDAQ Futures	6064	-1	0.0

Local Markets Commentary

The Australian market commences mid-week trade on mostly supportive commodities trade leads, in part due to confident growth talk out of China yesterday.

Gold and **oil** continued decidedly higher. **LME copper** rallied. **Iron ore** fell.

The **\$A** slipped after appreciating to ~US77.90c early yesterday evening.

Locally today, Westpac and the Melbourne Institute's monthly consumer confidence report is due **11.30am** AEDST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	22831	70	0.3
S&P 500	2551	6	0.2
NASDAQ	6587	8	0.1
FTSE 100	7538	30	0.4
DAX 30	12949	-27	-0.2
Shanghai Comp	3383	9	0.3

Overseas Markets Commentary

Major European and US equities markets each swung at some stage during overnight trade, amid mixed data, corporate revelations and economic outlooks.

A **US** small business optimism index slipped 2.3 points to 103.

IBD/TIPP's economic optimism index fell across all components, producing a 50.3 reading against last month's 53.4.

Germany's trade surplus grew €2.3B in August to €21.6B, supported by as 3.1% monthly rise in exports. Imports rose 1.2%.

In the **UK**, the August quarter national trade deficit grew £2.9B to £10.8B.

August industrial production rose 0.2%, following a 0.3% improvement in July.

Manufacturing output rose 0.4%.

Construction output was estimated to have fallen 0.8% during the August quarter.

Meanwhile, the International Monetary Fund's (**IMF**) latest bi-annual outlook report cut expected 2017 UK GDP by 0.3% to 1.7%.

This, against 3.6% international growth, which represented a 0.1% upwards revision.

The IMF warned however, 'that the global recovery may not be sustainable'.

In **Spain**, Catalan's leader proposed the region commence talks towards becoming a republic,

Australian Banks – Respective WBC and ANZ CEOs Brian Hartzler and Shayne Elliott meet with an Australian parliament House of Representatives economic committee today

Today's Stock Watch

Myer Holdings (MYR)

MYR deputy chair Gary Hounsell has been appointed MYR chairman, effective at the close of the 24 November AGM. MYR has scheduled a strategy day for 1 November.

BT Investment Management (BTT)

\$95.8M FUM as at 30 September, up \$1.4M for the quarter. Details lodged this morning.

Pushpay Holdings (PPH)

PPH's \$US100M target for annualised committed monthly revenue (ACMR) has been brought forward to 31 December, due to market growth achievements. September quarter figures lodged this morning, including an ~97% year-on-year ACMR increase. Planning to publish interim results 16 November.

A teleconference scheduled to commence 9am AEDST today. Access and replay details lodged this morning.

Bapcor Ltd (BAP)

Selling the company's contract resources and New Zealand footwear (Hannahs and Number 1 Shoes) footwear businesses. Completion is anticipated by 31 October.

BAP is also planning to sell another business considered non-core, New Zealand-based TBS.

\$54M inventory provision balance as at 30 June. Rationale and details lodged post-trade yesterday.

Decmil Group (DCG)

\$60M Princes Highway construction contract secured with VicRoads.

IPH Ltd (IPH)

Outlaying ~\$NZ66M for IP company AJ Park, ~60% to be paid in \$US cash and the balance in IPH shares which will be escrowed for two years. Anticipating completion by month's end.

IPH has traded at \$4.73 - \$4.96 for the week to date.

Resources

BlueScope Steel (BSL)

AGM this morning.

Galaxy Resources (GXY) / Lepidico Ltd (LPD)

GXY is outlaying \$2.9M for 12% of LPD at 1c per share. LPD also plans to conduct a \$4M one-for-six entitlement offer at the same price. LPD has traded at 1.1c - 1.3c for the week to date. Meanwhile, Macquarie has re-rated GXY as neutral, from outperform.

New Century Resources (NCZ)

\$US45M debt facility secured, enabling NCZ to commence Century zinc mine development and plant commissioning. NCZ will pay 10%pa interest over a three-year fixed term to facility provider Sprott Resource Lending.

Energy

Energy Resources of Australia (ERA) / Rio Tinto (RIO)

ERA produced 638t of uranium oxide from existing stockpiles during the September quarter, following 449t for the June quarter. Ranger project area rehabilitation continues.

rather than 'declare' independence in the near-term.

Tonight in the US, **Federal Reserve** September policy meeting minutes and a job openings report are due, together with weekly mortgage applications.

In overnight corporate news, **Wal-Mart** appreciated 3% on international expansion plans, cost cuts, and an expected 3% improvement sales during 2019.

BAE Systems confirmed it was slashing its workforce, but by 2000 positions, twice as much as muted Monday.

Earlier, **Kobe Steel** admitted to providing false durability data for copper and aluminium parts shipped to clients.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1294	oz	9	0.7
Silver (NY) (Sep)	17.1	oz	0.2	1.0
Gold (LON)	1291	oz	13	1.0
Platinum	931	oz	16	1.8
WTI Crude (Nov)	50.9	bbl	1.3	2.7
Brent Crude (Nov)	56.6	bbl	0.8	1.5
Iron Ore (CHN port 62%)	61.0	t	-1.7	-2.6
Copper	6760	t	94	1.4
Nickel	11055	t	40	0.4
Aluminium	2163	t	-11	-0.5
Lead	2557	t	45	1.8
Zinc	3279	t	46	1.4
Tin	20725	t	-45	-0.2
CBT Wheat (Dec)	4.35	bshl	-0.01	-0.2

Commodities Commentary

Oil – Monday's respective reduced exports and balancing comments out of Saudi Arabia and from OPEC's leader were cited as reasons for overnight price rallies.

A weaker \$US also supported trade.

A US government agency weekly petroleum inventories report is due tonight.

Gold – a further \$US (index 0.5% lower) softening favoured overnight precious metals trade.

US Federal Reserve policy meeting minutes are expected to sway some sentiment tonight.

Base metals – overnight trade in general supported by a \$US depreciation, and **China's** National Bureau of Statistics claim yesterday that targeted 6.5% growth may be exceeded this year.

Some trade moves were attributed to *copper* potential shortage talk, and the sale of 3% of *aluminium* producer Rusal by two Russian tycoons.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7778	-0.0002	-0.02
EUR – USD	1.1809	-0.0004	-0.03

Australian Data Today

Wstpc/MInst Consumer sentiment Sep

US Data Tonight

MBA mortgage applications 7 Oct
Federal Reserve policy meeting minutes Sep

Pre-Open Announcements

Sims Metal Management (* SGM)

Macquarie has reclassified SGM as outperform, from neutral.

Charter Hall Group (CHC)/ Dexus Prop (DXS)

Guest speakers at an Australia-Israel Chamber of Commerce event in Sydney today include CHC CEO David Harrison DXS funds management executive GM Deborah Coakley and Crown Group Holdings CEO Iwan Sunito.

Speedcast International (* SDA)

Communications services contract secured with a US-headquartered oil and gas operator's land-based production platform on Bioko Island, Equatorial Guinea.

Benitec Biopharma (BLT)

Chief business and operations officer Cliff Holloway has resigned in favour of interests outside of Australia.

Mirrabooka Investments (MIR)

Confirming MD and CEO Ross Barker is retiring these MIR roles 31 December, but will remain with MIR as a non-executive director.

PMP Ltd (* PMP)

PMP has appointed former Just Group operations director Wai Tang and former Service Stream (ASX: SSM) MD Terry Sinclair as non-executive PMP directors.

Ms Tang and Mr Sinclair each are each directors on the boards of other high-profile companies.

Zoono Group (ZNO)

September quarter financial details lodged post-trade yesterday.

Fat Prophets Global Property Fund (FPP)

Investment fund completed its ASX listing yesterday following a \$16.68M IPO at \$1.10 per unit.

Resources

Western Areas (* WSA) / Saracen Mineral Holdings (SAR)

Macquarie has reclassified WSA and SAR as outperform, from neutral.

Argosy Minerals († AGY)

AGY has terminated a placement agreement with Qingdao Qianyun High-Tech New Material Co.

Under the agreement AGY had planned for Qianyun to gain up to 19.9% of AGY at 8.5c per share.

Qianyun has requested that associated off-take agreements be terminated.

AGY will repay Qianyun a \$US750,000 off-take pre-payment deposit under the placement agreement, but does not wish to end two proposed off-take agreements.

AGY traded at 24.5c – 25.5c yesterday.

Plymouth Minerals (* PLH)

PLH has achieved the planned 50% earn-in to Valoriza Minería's San Jose lithium-tin project, Spain.

Scoping study outcomes imminent.

Altech Chemicals (ATC)

Pointing to a media article and company announcement lodged with the ASX in response to a price and volume query received from the ASX.

ATC closed out September at 13c but settled at 18c yesterday.



JOLTS job openings

Aug

Other Overseas Data Today & Tonight

Japan	Machine tool orders	Sep
Japan	Machinery orders (final)	Aug

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Riversgold Ltd (* RGL) / Evolution Mining (EVN)

Gold explorer RGL completed a successful ASX listing yesterday following a \$6.1M IPO at 20c per share.

Opened at 24c and slipped to 20.5c before closing at 22c.

180,000 shares changed hands across 17 transactions.

Assets in Alaska, Cambodia and Western Australia.

EVN held 15.10% on listing.

Energy**88 Energy (88E)**

September quarter operational report lodged post-trade yesterday.

State Gas (* GAS) / Triangle Energy (Global) (TEG)

Gas explorer and former TEG subsidiary GAS completed a stellar ASX listing yesterday following an oversubscribed \$5.25M IPO at 20c per share.

Opened at 39c and slipped to 30c before settling at 35c. ~1.94M shares were traded across 190 transactions.

GAS holds 60% of the Bowen Basin, Queensland PL 231. TEG MD Rob Towner is a GAS non-executive director. TEG held 35.47% on listing. 29.3M shares on issue.

Trading Halts

Company	Code	Resuming
Avita Medical	AVH	11 Oct
Kyckr Ltd	KYK	11 Oct
Novatti Group	NOV	11 Oct
Plukka Ltd	PKA	11 Oct
Skydive the Beach	SKB	11 Oct
WorleyParsons Ltd	WOR	11 Oct
Caeneus Minerals	CAD	12 Oct
Incremental Oil & Gas	IOG	12 Oct
MSM Corporation	MSM	12 Oct
Navarre Minerals	NML	12 Oct
Estrella Resources	ESR	13 Oct

Suspensions (selected)

Company	Code	Since
Arrowhead Resources	AR1	9 Oct
Cudeco Ltd	CDU	28 Sep
Emmerson Resources	ERM	9 Oct
Kinetiko Energy	KKO	5 Oct
Lantern Hotel Group	LTN	2 Oct
Manalto Ltd	MTL	18 Sep
Nzuri Copper	NZC	10 Oct
SIV Asset Management	SAM	10 Oct
Veriluma Ltd	VRI	20 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
BSA	Today	0.5	10	1.47
GOW	Today	6	100	3.63
MFF	Tomorrow	1	100	1.00
NUF	Tomorrow	8	0	1.55
ASG	Mon	4.6	100	1.92
NCC	Mon	3.5	100	4.83
NZM	Mon	3.21	0	10.71
TPM	Mon	2	100	2.01
FGG	Tue	1	100	0.90

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FGX	Tue	2.2	100	3.71
WAA	Tue	2.75	100	4.72
WAM	Tue	7.5	100	5.98
WAX	Tue	4.5	100	5.57

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	BLX	AGM
	BSL	AGM
	ERA	Sep Q
Tomorrow	BOQ	Full year
	MFG	AGM
	TCL	AGM; Sep
	WHC	Sep Q
Mon	EVN	Sep Q
	OZL	Sep Q
Tue	CGF	Sep Q
	COH	AGM
	ORA	AGM
	RIO	Sep Q
	SBM	Sep Q
	TLS	AGM
Wed	AZJ	AGM; Sep Q
	BHP	Sep Q
	BXB	AGM
	CSL	AGM
	ORG	AGM
	SSM	AGM
	TRS	AGM
	TWE	AGM