

Wednesday 27 September 2017

Markets

SFE 200 Futures (9.30am AEST)	5675	16	0.3
NZX 50	7883	-5	-0.1
DJIA Futures	22247	-12	-0.1
S&P 500 Futures	2495	0	0.0
NASDAQ Futures	5891	-2	0.0

Local Markets Commentary

The Australian market opens mid-week trade on weak overnight international trade leads ahead of new data out of China.

In overnight commodities trade, US **gold** futures and **oil** turned lower. **Iron ore** (China port, 62% Fe) swung higher. LME **copper** and other key base metals fell.

The **\$A** dropped below US78.90c after trading at US79.25c early evening.

Regionally today, **China** is expected to report August industrial profits **11.30am** AEST.

Locally, the ABS is due to release a March quarter report on State-by-State demographics.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	22284	-12	-0.1
S&P 500	2497	0.2	0.0
NASDAQ	6380	10	0.2
FTSE 100	7286	-16	-0.2
DAX 30	12605	10	0.1
Shanghai Comp	3344	2	0.1

Overseas Markets Commentary

Vacillating trade featured across major European and US equities markets overnight, key indices coming off session peaks to mostly settle little changed.

In the **US**, **Federal Reserve** chair Janet Yellen told attendees at a business and economics event that the domestic labour market and inflation progress may not be as marked as anticipated in the nearer term, underscoring caution when adjusting policy.

Nonetheless, Ms Yellen also described weak inflation as 'likely temporary', and warned that policy that was too slow to change represented a risk, bolstering the views of those who predict another interest rate rise this year as more likely than not.

In the meantime, August new home sales were reported 3.4% lower, following a July decline.

A July house price index estimated prices had appreciated 5.9% year-on-year across 20 key cities.

The Conference Board's consumer confidence reading came in at 119.8, from 120.4 in August, largely influenced by responses from hurricane-impacted Texas and Florida.

Tonight in the US, more information on proposed new **tax** rules is keenly anticipated from the president and/or representatives. Associated promotion is also expected, as the latest attempt to change **health care** legislation appeared

China – industrial profits **11.30am** AEST

* Business management listing **11am** AEST – **RBD** *

Today's Stock Watch

APA Group (APA)

Chairman Leonard Bleasel AM is retiring as from the October AGM and will be succeeded by APA non-executive director Michael Fraser. In addition, John Fletcher and Patricia McKenzie are retiring from the APA board, respectively by the February 2018 interim results announcement and as from the AGM.

Brambles Ltd (BxB)

€500M 10-year fixed-rate bond issue, in support of funding diversification and maturity extensions. Details lodged this morning.

Monadelphous Group (MND)

\$220M worth of new construction and maintenance contracts secured in the mining and oil and gas sectors. The contracts are with projects operated by Rio Tinto (ASX: RIO), Woodside Petroleum (ASX: WPL) and Santos Ltd (ASX: STO).

Noxopharm Ltd (NOX)

All approvals in hand to commence recruitment for a Phase 1b clinical study using NOX66 to treat late-stage prostate cancer. The trial will be conducted across five radiation oncology clinic in New South Wales and Queensland.

LBT Innovations (LBT)

St Vincent's Hospital, Melbourne in evaluating on-site the LBT and Clever Culture Systems 'APAS Independence' machine, which provides imaging, analysis, interpretation and growth data for samples collected in infectious disease evaluation.

Paragon Care (PGC)

Danaher Corporation's Radiometer Asia director Andrew Just has been appointed CEO, to take over from founding employee Mark Simari in January 2018. Mr Simari will also resign as a PGC director and assume a consultancy role with PGC, focusing on potential mergers and acquisitions.

Restaurant Brands New Zealand (* RBD)

New Zealand-headquartered food retail chain manager scheduled to commence ASX trade **11am** AEST. As an ASX foreign exempt listing no IPO was required. ~122.8M shares.

Resources

De Grey Mining (DEG)

Resuming from suspended trade claiming a new gold discovery within the WA Pilbara E47/2720. The rationale, lodged post-trade yesterday, includes 91 outcropping gold nuggets. DEG last traded at 6c.

Energy

Yancoal Australia (YAL)

Exercising a call option to acquire a 28.9% holding in the Warkworth JV for \$US230M. This will lift YAL's Mount Thorley Warkworth coal production interest to 82.9%. YAL is purchasing its additional interest from Mitsubishi Development. Conditions include FIRB approval.

AGL Energy (AGL)

Energy market debate anticipated at today's AGM.

unsuccessful overnight.

Also tonight, further Federal Reserve commentary is promised from two officials scheduled to speak publicly.

Among economic indicator reports, durable goods orders, existing home sales and weekly mortgage applications are due.

In overnight corporate news, renowned small appliance specialist **Dyson** revealed plans to outlay £2B to have an electric car ready for market by 2020.

Toyota Motor Corp for its part said it was preparing to expand hybrid engine production to include a US facility.

France's **Alstom** and Germany's **Siemens** announced agreement on a rail operations merger.

Post-US trade, **Nike** dropped 4% after posting quarterly results which included disappointing sales.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1302	oz	-10	-0.8
Silver (NY) (Sep)	16.8	oz	-0.3	-1.8
Gold (LON)	1300	oz	7	0.5
Platinum	922	oz	-17	-1.8
WTI Crude (Nov)	51.6	bbl	-0.6	-1.1
Brent Crude (Nov)	58.4	bbl	-0.6	-1.1
Iron Ore (CHN port 62%)	65.0	t	1.9	3.0
Copper	6413	t	-37	-0.6
Nickel	10480	t	-100	-1.0
Aluminium	2126	t	-22	-1.0
Lead	2488	t	16	0.7
Zinc	3116	t	20	0.6
Tin	20710	t	10	0.1
CBT Wheat (Dec)	4.54	bshl	-0.00	-0.1

Commodities Commentary

Oil – overnight falls were attributed in part to profit-taking.

Others said a threat from Turkey to block regional Kurdish oil exports, issued late Monday, was also dismissed by some.

A US weekly petroleum inventories report is due tonight.

Gold – an overnight pullback was attributed to remarks by US Federal Reserve Janet Yellen and a comparatively strong \$US index.

Base metals – Caution, combined with relative \$US strength, constrained overnight trade sentiment.

China's August iron ore imports were reported late yesterday at 88.7Mt, 1.1% higher year-on-year. January-August iron ore imports rose 6.7% to 714Mt.

China's August industrial profits, due today, could add to this week's trade influences.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7882	-0.0006	-0.07
EUR – USD	1.1786	-0.0007	-0.06

Australian Data Today

ABS	State-by-State demographics	Mar Q
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Pre-Open Announcements

Breville Group (* BRG)

Non-executive director Steven Klein is planning to step down from the BRG board at the 13 November AGM. Mr Klein was appointed a BRG director in 2003.

BRG plans to appoint an independent director before results due February 2018.

Centuria Capital (* CNI)

Centuria Property Funds is selling the 10 Spring Street office building for \$270.05M. Associated guidance and board and management updates also lodged post-trade yesterday.

DroneShield Ltd (* DRO)

Military and law enforcement agencies in Spain will begin evaluating DRO's DoroneGun MKII in October. Government entities testing the product include Guardia Civil and Policia National.

Updater Inc (* UPD)

\$US5M placement completed at \$US25 per common stock share, equivalent to \$A1.25 per CDI. UPD traded on the ASX at \$1.25 - \$1.30 yesterday.

Panorama Synergy (* PSY)

Select agricultural customers are field-testing PSY's custom prototype spectrometer.

However, a PSY application for a \$1M Stage 2 BRII grant to develop a prototype device to detect pesticide residue in aircraft has been unsuccessful.

Midway Ltd (MWY)

Former chairman Thorold Gunnensen is planning to retire from the MWY board at the company's AGM. Mr Gunnensen has been an MWY director since November 1996.

VGI Partners Global Investments (* VG1)

Listed investment company scheduled to list on the ASX 11.30am AEST tomorrow following a \$550M IPO at \$2.00 per share.

Resources

Millennium Minerals (* MOY)

WA Nullagine gold project drilling north of the Shearers deposit indicates significant mineralised extensions. Details lodged this morning.

European Cobalt (* EUC)

EUC's Dobsina Co-Ni-Cu project has been extended by the grant of the 6.66sq km Rakovec licence located on the east of the previous project boundary. EUC says the grant has boosted cumulative strike length beyond 25km.

In addition, EUC has secured Australian-headquartered GBF group for underground development and operational assistance.

Canyon Resources (CAY)

Agreement secured with CPS Capital to underwrite unlisted options to up to ~\$2.6M.

Energy

Bathurst Resources (BRL)

New Zealand Canterbury mine resources grew from 5.3Mt to 7.1Mt over the year to 30 June. Marketable reserves grew from 200,000t to 1.4Mt.

Presentation also lodged post-trade yesterday.

**US Data Tonight**

Durable goods orders	Aug
Pending home sales	Aug
MBA mortgage applications	22 Sep

Other Overseas Data Today & Tonight

China	Industrial profits	Aug
Japan	Machine tool orders (rev)	Aug
Japan	Small business confidence	Sep

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Trading Halts

Company	Code	Resuming
Eve Investments	EVE	27 Sep
NSL Consolidated	NSL	27 Sep
Global Geoscience	GSC	28 Sep
Magnum Gas & Power	MPE	28 Sep
Sayona Mining	SYA	28 Sep
Silver Mines	SVL	28 Sep
Xanadu Mines	XAM	28 Sep

Suspensions *(selected)*

Company	Code	Since
AnaeCo Ltd	ANQ	31 Aug
Brierty Ltd	BYL	8 Sep
Connected IO	CIO	26 Sep
iCandy Interactive	ICI	25 Sep
Intrepid Mines	IAU	18 Sep
Manalto Ltd	MTL	18 Sep
Petrel Energy	PRL	26 Sep
SMS Management & Technology	SMX	8 Sep
Target Energy	TEX	25 Sep
Veriluma Ltd	VRI	20 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
MXI	Today	1.5	100	5.00
MYR	Today	2	100	6.90
PFG	Today	0.45	100	3.78
ABW	Tomorrow	0.69	0	7.23
AIB	Tomorrow	1.24	0	11.70
AOD	Tomorrow	0.31	100	8.29
AOF	Tomorrow	3.9	0	6.55
APW	Tomorrow	~1.17	0	3.46
ARF	Tomorrow	3.2	0	5.34
AUP	Tomorrow	9.32	0	9.04
AVN	Tomorrow	4.05	0	6.96
AYF	Tomorrow	8.75	45.87	5.60
BWF	Tomorrow	1.8	100	4.00
CAB	Tomorrow	10	100	10.18
CIP	Tomorrow	4.85	0	7.95
CMA	Tomorrow	~4.53	0	7.22
CMW	Tomorrow	~2.09	0	8.73
CRR	Tomorrow	3.25	0	1.13
EBO	Tomorrow	~26.85	95.77	3.21
EOL	Tomorrow	1	0	1.67
FET	Tomorrow	~3.78	0	5.17
GBT	Tomorrow	2.5	100	3.33
GCM	Tomorrow	~0.94	0	4.50
GDF	Tomorrow	2.25	0	7.95
GNE	Tomorrow	7.51	0	6.73
IDR	Tomorrow	4.1	0	8.10
JHC	Tomorrow	5.75	70	6.23
LGD	Tomorrow	0.6	100	6.00
LYL	Tomorrow	9	100	3.87
MAQ	Tomorrow	25	100	3.45
MEZ	Tomorrow	~9.73	0	4.36
MGX	Tomorrow	2	100	5.26
MMS	Tomorrow	35	100	4.52
RFF	Tomorrow	~2.51	0	4.37



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RFP	Tomorrow	~2.51	100	0.00
RSG	Tomorrow	2	0	1.84
TGP	Tomorrow	0.75	0	5.86
TOT	Tomorrow	2.25	0	6.91
CII	Fri	7	100	5.78
IPC	Fri	6.25	100	5.84
LCE	Fri	~1.38	100	3.93

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AGL	AGM
Tomorrow	AIZ	AGM
Fri	ORL	Full-year
	RRS	Full-year