

Monday 1 May 2017

Markets

| | | | |
|---------------------------------------|-------------|-----------|-------------|
| SFE 200 Futures (9.30am AEDST) | 5905 | -8 | -0.1 |
| NZX 50 | 7356 | -22 | -0.3 |
| DJIA Futures | 20861 | -13 | -0.1 |
| S&P 500 Futures | 2378 | -2 | -0.1 |
| NASDAQ Futures | 5578 | -3 | -0.1 |

Local Markets Commentary

The Australian market commences a new month's trade on new data out of China over the weekend, influential figures published in the US, Europe and UK overnight Friday, and some positive commodities leads.

China's April manufacturing PMI, reported yesterday, fell 0.6 to 51.2, against forecasts of 51.6. March's reading had been the best in almost five years.

In overnight Friday commodities trade, US **gold** futures, **oil** and LME **copper** turned higher. **Iron ore** (China port, 62% Fe) gained.

The **\$A** was pushed modestly higher after trading at ~US74.75c early Friday evening.

Locally today, a manufacturing PMI, independent inflation report and monthly and weekly residential property prices are due, ahead of the Reserve Bank of Australia (RBA) policy meeting tomorrow.

For its part, the RBA publishes a commodity price index post-trade.

Trade volumes could be lighter than usual, due to Monday public holidays in China, the UK and Europe, and also in Queensland and the Northern Territory.

Regionally today, an April manufacturing PMI is due for **Japan**.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|--------------|-----|-------------|
| Dow Jones | 20941 | -41 | -0.2 |
| S&P 500 | 2384 | -5 | -0.2 |
| NASDAQ | 6048 | -1 | -0.0 |
| FTSE 100 | 7204 | -33 | -0.5 |
| DAX 30 | 12438 | -6 | -0.1 |
| Shanghai Comp | 3155 | 2 | 0.1 |

Overseas Markets Commentary

Choppy trade featured across major European and US equities markets overnight Friday, amid some key data releases and corporate reports from influential stocks.

US March quarter GDP growth was estimated, in the first of three readings, at a three-year-low of 0.7% year-on-year, following 2.1% for the December quarter.

Employment costs rose 0.3% to 0.8%.

The April Chicago PMI rose 0.6 to 58.3, defying expectations of a pullback.

The University of Michigan's final 97 April consumer sentiment reading represented a 0.1 point rise for the month.

* Manufacturer listing **11am AEST - BRI ***

Public holidays in Queensland and the Northern Territory today

Today's Stock Watch

Charter Hall Group (CHC)

Resuming from a trading halt having completed a \$275M institutional placement at \$5.48 per security. CHC traded at \$5.64 - \$5.73 last week.

CIMIC Group (CIM)

\$A436M Hong Kong, East Kowloon cultural centre construction contract secured by CIM's Leighton Asia

Watpac Ltd (WTP)

Managing contractor contract secured for the first stage of the North Queensland stadium construction, Townsville.

Genesis Energy (GNE)

Proposing to pay \$NZ192M for Nova Energy's retail LPG business, boosting GNE market share 3% to 19%.

Macquarie Atlas Roads (MQA)

MQA's UK West Midlands M6 Toll interest is set to be transferred to lenders ~11 May. MQA is anticipating a £2.6M final management fee.

Consolidated Operations Group (COG)

Planning to pay \$21.98M for 95% of an equipment finance broker, pending due diligence and ACCC and finance approvals. In association, COG plans to conduct a \$31M one-for-four rights offer at 12c per share. COG traded at 13.5c - 14.5c last week.

Quintis Sandalwood (QIN)

A 2014 put option for the sale of 400ha of plantations to QIN has been renegotiated. The option was amended in 2016 and exercisable yesterday. Details, plus an operational update, lodged this morning.

Prescient Therapeutics (PTX)

US FDA orphan drug designation in hand for PTX's acute myeloid leukaemia treatment PTX-200.

Big River Industries (* BRI)

Timber and building products manufacturer and distributor scheduled to list **11am AEST** following a \$17M IPO at \$1.46 per share.

Resources

Dacian Gold (DCN)

Anticipating a third major gold system within the WA Mt Morgans gold project following Cameron Well prospect infill drilling. Assays lodged this morning.

Saracen Mineral Holdings (SAR)

High-grade, significant width Carosue Dam and Thunderbox project drilling results lodged this morning.

Energy

Caltex Ltd (CTX)

Setting up a \$20M assistance fund for franchisee employees who have not been paid due entitlements by Caltex franchisees. CTX says it will seek to recover costs from the recalcitrant franchisees.

March and March quarter refiner margins lodged this morning.

In the **euro zone**, a preliminary April CPI rose to 1.9%, year-on-year, from 1.5% in March.

Ahead of next weekend's presidential poll decider, France's March quarter GDP growth was reported at 0.3% for the quarter, against 0.5% for the December quarter.

The **UK's** initial March quarter GDP growth came in at 0.3% for the quarter and 2.1% year-on-year, following 0.7% and 1.9% respectively for the December quarter.

Tonight in the US, March personal income and spending, and construction spending, are due, together with ISM's influential manufacturing PMI for April and a final April manufacturing PMI from Markit.

In overnight Friday corporate news, Exxon Mobil, Starbucks, General Motors, Intel, Microsoft, Alphabet and Amazon represented just a few of the high-profile companies pushed and pulled by mixed results and interpretations.

Qualcomm issued a significant sales and profit warning on a stoush with Apple.

In Europe and the UK, UBS, Barclays and Royal Bank of Scotland published figures that appeared to impress.

UK and mainland European markets will remain closed later today and tonight, due to public holidays.

Commodities

| COMMODITY | CLOSE | \$US/ | +/- | % |
|---|-------------|-------|------|------|
| Gold (NY) (Jun) | 1268 | oz | 2 | 0.2 |
| Silver (NY) (Jun) | 17.2 | oz | -0.1 | -0.7 |
| Gold (LON) | 1266 | oz | 4 | 0.3 |
| Platinum | 944 | oz | 2 | 0.2 |
| WTI Crude (Jun) | 49.3 | bbbl | 0.4 | 0.7 |
| Brent Crude (Jun) | 51.7 | bbbl | 0.3 | 0.6 |
| Iron Ore <small>(CHN port 62%)</small> | 68.0 | t | 1.6 | 2.1 |
| Copper | 5736 | t | 44 | 0.8 |
| Nickel | 9450 | t | 115 | 1.2 |
| Aluminium | 1912 | t | -13 | -0.6 |
| Lead | 2249 | t | 44 | 2.0 |
| Zinc | 2623 | t | 26 | 1.0 |
| Tin | 19900 | t | 75 | 0.4 |
| CBT Wheat (May) | 4.19 | bshl | 0.02 | 1.2 |

Commodities Commentary

Oil – over the weekend, Iran said it would back a possible extension of the production cut agreement, following indications from both fellow OPEC members, and also non-OPEC nations that they thought an extension appropriate.

A weekly US petroleum rig count raised the number of oil rigs in operation by nine to 697.

Gold – any geopolitical developments and the French second round of presidential polling next Sunday aside, a US Federal Reserve monetary policy meeting, together with key data from tonight through to Friday's monthly jobs figures, will keep gold interest alive this week.

Investors are reportedly taking heart that prices are holding at a 200-day moving average, even though futures settled negative for last week.

Some disappointing economic indicators, reported Friday, supported late-week gains.

Base metals – supported overnight Friday by a softer \$US and some end-of-month positioning. A

Pre-Open Announcements

Platinum Asset Management (PTM) / Village Roadshow (VRL)

Ord Minnett has placed a 'sell' on PTM, and cancelled a VRL buy recommendation, in favour of hold advice.

Mayne Pharma (MYX)

Investor day today.

Living Cell Technologies (* LCT)

Treatment of the third and final group of patients in LCT's NTCELL Parkinson's treatment Phase IIb clinical trial has been completed. Anticipating results in November.

Admedus Ltd (AHZ)

HSV-2 Phase IIa clinical study results, plus business overview, webinar scheduled for Thursday (4 May), 9am AEST. Access details lodged this morning.

Range International (* RAN)

Recycled plastic pallets manufacturer has lodged a clarification of a 27 April (Thursday last week) announcement.

Mobilicom Ltd (* MOB)

Communications provider scheduled to list midday AEST tomorrow following a \$7.5M IPO at 20c per share. IBI Trust Management holds 48.54%; Morgan Stanley Australia Securities 4.67%.

UUV Aquabotix (UUV)

Underwater vehicle and equipment developer completed its ASX listing Friday, following a \$7M IPO at 20c per share. Opened at 21.5c and traded as high as 23c before settling at 19.5c. 4.67M shares were traded across 233 transactions.

Resources

Greenpower Energy (* GPP)

Morabisi lithium and tantalum phase 1 filed program completed on-time and within budget. Promising information regarding follow-up work.

Bass Metals (* BSM)

Conditional terms sheet agreed for the sale of all BSM's Tasmanian mining interests to NQ Minerals Plc.

Energy

Prairie Mining (PDZ)

Heralding Jan Karski coal project analysis and test work. Statistics lodged this morning.

Trading Halts

| Company | Code | Resuming |
|-----------------------------|------|----------|
| Acacia Coal | AJC | 1 May |
| Birimian Ltd | BGS | 1 May |
| Consolidated Zinc | CZL | 1 May |
| NAOS Emerging Opportunities | NCC | 1 May |
| Superior Resources | SPQ | 1 May |
| Azonto Petroleum | APY | 2 May |
| Cokal Ltd | CKA | 2 May |
| Emerald Resources | EMR | 2 May |
| Global Energy Ventures | GEV | 2 May |
| Global Geoscience | GSC | 2 May |
| Oklo Resources | OKU | 2 May |
| Pilbara Minerals | PLS | 2 May |



euro zone CPI reading also pleased, and another deficit prediction supported *zinc*.

The LME will not trade tonight, due to a UK public holiday.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|-------|
| AUD – USD | 0.7485 | 0.0014 | 0.18 |
| EUR – USD | 1.0909 | -0.0003 | -0.03 |

Australian Data Today

| | | |
|-----------|-----------------------------|-------|
| AiG | PMI manufacturing | Apr |
| MI/TDsec | Inflation gauge | Apr |
| CoreLogic | Residential property prices | Apr |
| CoreLogic | Capital city house prices | 29Apr |
| RBA | Commodity price index | Apr |

US Data Tonight

| | |
|----------------------------------|-----|
| Personal income & spending | Mar |
| ISM manufacturing | Apr |
| Markit PMI manufacturing (final) | Apr |
| Construction spending | Mar |

Other Overseas Data Today & Tonight

| | | |
|--------------|-------------------|-----|
| Japan | PMI manufacturing | Apr |
|--------------|-------------------|-----|

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au.

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Suspensions (selected)

| Company | Code | Since |
|-------------------------|------|--------|
| Activistic Ltd | ACU | 26 Apr |
| Arrowhead Resources | AR1 | 6 Apr |
| AssembleBay Ltd | ASY | 12 Apr |
| Aurora Funds Management | AOD | 27 Apr |
| Brierty Ltd | BYL | 20 Apr |
| Classic Minerals | CLZ | 26 Apr |
| Magnum Gas & Power | MPE | 13 Apr |
| Moreton Resources | MRV | 28 Apr |
| Salt Lake Potash | SO4 | 1 May |
| Tasmania Mines | TMM | 10 Apr |
| Torian Resources | TNR | 28 Apr |
| Triton Minerals | TON | 26 Apr |
| Unilife Corporation | UNS | 13 Apr |
| Zeta Petroleum | ZTA | 21 Apr |

Ex-Dividends

| Code | Ex-Div | Div (c) | Fr (%) | Yield (%) |
|------|--------|---------|--------|-----------|
| API | Thu | 3.5 | 100 | 3.14 |
| HGG | Thu | 11 | 0 | 3.65 |
| WAT | Thu | 2 | 100 | 3.14 |

Reports & Events

(selected scheduled)

| When | Company | Report/Event |
|-----------------|------------|--------------|
| Today | EHL | Mar Q |
| | MYX | Investor Day |
| Tomorrow | AQG | Mar Q |
| | AHY | AGM |
| | ANZ | Interim |
| | WOW | Mar Q |
| Wed | GMA | Mar Q |
| | SIP | AGM |
| | SIQ | AGM |
| | QBE | AGM |
| | Thu | APN |
| CTX | | AGM |
| COH | | Investor Day |
| IRE | | AGM |
| MDL | | AGM |
| NAB | | Interim |
| QAN | | Mar Q |
| RIO | | AGM (LON) |
| STO | | AGM |
| TCL | | Investor Day |
| Fri | MQG | Full-year |
| | WPL | AGM |