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Market Opener

Tuesday 2 May 2017

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Markets

SFE 200 Futures (9.30am AEDST)	**5945**	**9**	**0.2**
NZX 50	7390	8	0.1
DJIA Futures	20871	-2	0.0
S&P 500 Futures	2387	0	0.0
NASDAQ Futures	5631	0	0.0

Local Markets Commentary

The Australian market commences Tuesday trade ahead of another manufacturing PMI for China and an RBA policy announcement, and on mixed US equities and commodities leads.

In overnight commodities trade, US **gold** futures and **WTI crude** traded at three- and four-week lows respectively. Comex **copper** rallied. The London Metals Exchange did not trade overnight, and nor did China yesterday, due to public holidays.

The **$A** gained after trading at US75.05c yesterday evening.

Locally today, the Reserve Bank of Australia (**RBA**) holds a policy meeting from which outcomes will be announced **2.30pm** AEST.

Pre-trade, a weekly consumer sentiment reading is due.

Regionally today, Caixin releases an April manufacturing PMI for **China 11.45am** AEST and Nikkei a services PMI for **Japan** at 10.30am.

Pre-ASX trade, the Bank of Japan (BoJ) releases April policy meeting minutes. At 10.20am, BoJ governor Haruhiko Kuroda is scheduled to speak publicly.

Japan's markets will be closed tomorrow through Friday due to public holidays.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	**20913**	-27	**-0.1**
S&P 500	2388	4	0.2
NASDAQ	6092	44	0.7
FTSE 100	7204	Public	Holiday
DAX 30	12438	Public	Holiday
Shanghai Comp	3155	Public	Holiday

Overseas Markets Commentary

US equities markets were largely influenced by sub-forecast domestic data and variable corporate sentiment overnight, the DJIA chopping and swinging through trade, and the S&P 500 and NASDAQ heading higher on comparatively smooth trajectories.

UK and major western European markets remained closed due to public holidays.

The ISM's **US** April manufacturing index fell 2.4 to 54.8, but the reading represented retained strength and an eighth consecutive month of expansion. Markit's final April manufacturing PMI slipped 0.5 to 52.8.

March construction spending also fell, by 0.2% following a 1.8% rise in February and predictions of

RBA – policy statement **2.30pm** AEST

China – Caixin manufacturing PMI **11.45am** AEST

***** Telecommunications listing **midday** AEST - **MOB ***

Today's Stock Watch

Australia & New Zealand Banking Group (ANZ)

6.3% higher, $2.91B interim NPAT. 23% higher, $3.41B cash profit. Net interest margin down 0.07% to 2.00%. 10.1% higher tier one capital. 80c fully-franked, flat interim dividend. 96.7c EPS. Promoting a new operational structure.

Woolworths Ltd (WOW)

4.4% higher, $13.8B March quarter sales. 5.1% higher, $9.3B Australian food sales; 5.6% when adjusting for the 2016 and 2017 Easter dates. Big W sales dropped 6.1%; 'a work in progress' and the potential turnaround 'a multi-year journey'.

Sydney Airport (SYD)

Scrapping plans to develop and operate the proposed western Sydney airport, following a right-of-first-refusal offer from the Australian Government, and subsequent negotiations. SYD had been hoping for more favourable terms, but the Government says terms to be provided today will mirror the December 2016 ones. Presenting at a high-profile conference in Sydney today.

MG Unit Trust (MGC)

Closing three manufacturing facilities within three years, two of these reducing output from August this year. Suspending dividends and forgiving the milk supply support package. Anticipated write-down details also lodged this morning. Webcast scheduled to commence 11.30am AEST.

Admedus Ltd (AHZ)

US FDA approval in hand to market AHZ's CardioCel 3D patch.

Vicinity Centres (VCX)

Moving annual turnover growth (MAT) rose 0.4% for the year to 31 March, against 1.3% for the year to 31 December 2016. Excluding Dick Smith, Payless Shoes and Pumpkin Patch (*each in administration*) impacts, however, MAT rose 1.2%. Planning an investor day and associated tours 7 – 8 June in Perth.

RCR Tomlinson (RCR) / APA Group (APA)

$175M design and construction contract secured by RCR with APA's Darling Downs solar farm project, Queensland.

Breville Group (BRG) / Boral Ltd (BLD) / Medibank Private (MPL) / GUD Holdings (GUD)

Several large-cap companies, including the above, have this morning lodged presentations for a high-profile conference over the next three days.

Mobilicom Ltd (* MOB)

Israel-based telecommunications equipment provider scheduled to list **midday** AEST following a $7.5M IPO at 20c per share. IBI holds 48.54%; Morgan Stanley Australia Securities 4.67%.

Resources

Pilbara Minerals (PLS)

WA Pilgangoora lithium-tantalum 10-year off-take agreement secured with Jiangxi Ganfeng Lithium Co, which will also help fund development. PLS last traded at 34c.

a further 0.5% gain.

Personal income and spending also disappointed, income rising 0.2% but spending coming in flat.

The March year-on-year core PCE deflator slipped 0.2% for the month to 1.6%.

In US administrative developments, late-weekend, Congress heads had approved a $US1 trillion funding bill covering government commitments through to the end of September, after initially ensuring funding for just this week. The proposed legislation requires approval votes in both houses of parliament by the end of the week.

Meanwhile, the US treasury secretary predicted 3% national GDP growth within two years, and the president flagged an investigation into splitting consumer and investment banking.

Tonight in the US, the **Federal Reserve** commences a two-day policy meeting from which outcomes will be known early Thursday AEST.

ISM's New York April business activity index and April vehicle sales are also due tonight.

Apple, Archer-Daniels Midland, BP, ConocoPhillips, Kraft Heinz, Mastercard, Merck, Pfizer and Shire are among companies due to report earnings or provide a trading update.

In overnight corporate news, **Twitter** appreciated 6%, following last week's pleasing results, with expectations the company with stream news in a partnership with **Bloomberg**.

21st Century Fox's news division lost its second senior executive in less than a year, following the departure of a drawcard presenter last month.

Commodities

COMMODITY	CLOSE	$US/	+/-	%
Gold (NY) (Jun)	**1256**	oz	-12	-1.0
Silver (NY) (Jun)	16.9	oz	-0.4	-2.3
Gold (LON)	1266	oz	Public	Holiday
Platinum	928	oz	-16	-1.6
WTI Crude (Jun)	**48.8**	bbl	-0.5	-1.0
Brent Crude (Jul)	**51.5**	bbl	-0.5	-1.0
Iron Ore (CHN port 62%)	**68.0**	t	Public	Holiday
Copper	**5736**	t	Public	Holiday
Nickel	9450	t	`	`
Aluminium	1912	t	`	`
Lead	2249	t	`	`
Zinc	2623	t	`	`
Tin	19900	t	`	`
CBT Wheat (May)	**4.43**	bshl	0.24	3.4

Commodities Commentary

Oil – fell to the least in more than four weeks on demand and stockpile concerns, and US data which largely came in sub-expectations.

Libya has reported 700,000bbl/d production, the most since December 2014.

South Korea has in the meantime reported a 7.9% year-on-year fall in April oil imports. This follows **Japan**'s significant recent import drop, revealed last week.

Gold – prices swung overnight, futures trading as high as $US1269.7/oz intra-session.

Overall caution was demonstrated, with several major markets closed due to public holidays in a week featuring a US Federal Reserve policy meeting and influential US economic indicators.

Base metals – Comex copper rallied 2% to

Pre-Open Announcements

Asaleo Care (* AHY)

AGM today.

Melbourne IT (** MLB)

Proposing to acquire digital marketing specialist WME Group for $39M. In association, MLB will conduct a $30.7M fully-underwritten one-for-seven rights offer at $2.10 per share. MLB plans to use $9M debt to complete the purchase. MLB traded at $2.15 - $2.23 last week and remains in a trading halt.

Greencross Ltd (* GXL)

GXL has outlaid $NZ4.1M, completing the acquisition of four additional clinics within Animates stores in New Zealand.

In addition, GXL has opened eight other in-store clinics and the discussing the construction of 10 further clinics.

GXL has also opened another three retail stores.

Conference presentation lodged post-trade yesterday.

Fiducian Group (FID)

Using cash to pay ~$700,000 for the client base of a financial planner. The acquisition will supplement FID's funds-under-management by $17M. FID says the group has $5.5B funds under management, administration and advice.

Fletcher Building (FBU)

Conference presentation lodged pre-trade.

Computershare Ltd (CPU)

Yesterday's investor day investor and analyst presentation transcripts lodged post-trade. CPU traded at $14.715 - $15.04 yesterday, settling at $14.91.

Stemcell Ltd (SCU)

Gained 59.33% yesterday, on the largest number of trades since 22 March, phenomenally more than for a regular trading session. In replying to an ASX query, SCU has pointed to three possible factors from Friday 29 April – a media article, the release of a quarterly report and convertible notes cleansing statement. SCU settled at 19.12c after closing out last week at 12c.

Big River Industries (* BRI)

Timber and building products manufacturer and distributor completed a successful ASX listing yesterday following a $17M IPO at $1.46 per share. Opened at $1.475 and was pushed to $1.54 before settling at $1.51. 138,942 shares were traded across 61 transactions.

Resources

Alacer Gold Corporation (AQG)

March quarter statistics anticipated.

Artemis Resources (* ARV)

High-grade copper assays lodged following initial drilling within the Whundo copper project, WA Pilbara region.

Western Areas (WSA)

Conference presentation lodged post-trade yesterday. WSA settled at $2.13 yesterday, 4.1% higher for the session, after trading as high as $2.265c intraday.

Cudeco Ltd (* CDU)

Resuming quotation today following an extended suspension.

European Metals (EMH)

A preliminary mining permit, an additional exploration licence and a dewatering permit have been granted for the Cinovec lithium-tin project, Czech Republic.

~$US2.66/lb. Reports continue regarding potential industrial action at the Papua Grasberg mine, which was impacted over several months by an export licence hiatus.

The London Metals Exchange (**LME**) did not trade overnight, due to a UK public holiday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7527	0.0001	0.02
EUR – USD	1.0908	0.0010	0.09

Australian Data Today

RBA	Policy statement	May
ANZ/RyMgn	Consumer sentiment	30Apr

US Data Tonight

ISM New York	Apr
Vehicle sales	Apr

Other Overseas Data Today & Tonight

China	Caixin PMI manufacturing	Apr
Japan	PMI services	Apr
Japan	BoJ policy meeting minutes	Apr
UK	PMI manufacturing (final)	Apr
Germany	PMI manufacturing (final)	Apr
Germany	Unemployment	Mar
Euro zone	PMI manufacturing (final)	Apr
Euro zone	Unemployment	Mar

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Redstone Resources (RDS)

WA West Musgrave Tollu copper project cobalt resource calculated at 3.8Mt @ 0.01% Co, for 535t of cobalt.

Energy

Origin Energy (ORG)

Conference presentation lodged this morning.

Nido Petroleum (NDO)

Philippines Galoc-7ST-1 results will be incorporated, once determined, within modelling designed to support potential Phase III Galoc field development. Hydrocarbons indicated. NDO 55.88% participating interest.

Trading Halts

Company	Code	Resuming
Global Energy Ventures	GEV	2 May
Global Geoscience	GSC	2 May
Oklo Resources	OKU	2 May
3D Resources	DDD	3 May
Bligh Resources	BGH	3 May
Cape Lambert Resources	CFE	3 May
Catapult Group International	CAT	3 May
Department 13 International	D13	3 May
Energia Minerals	EMX	3 May
Kin Mining	KIN	3 May
Latin Resources	LRS	3 May
Melbourne IT	MLB	3 May
MGC Pharmaceuticals	MXC	3 May
MMJ Phytotech	MMJ	3 May
Newzulu Ltd	NWZ	3 May
Petrel Energy	PRL	3 May
Riva Resources	RIR	3 May
Simavita Ltd	SVA	3 May
Sky & Space Global	SAS	3 May
Thred Ltd	THD	3 May
Troy Resources	TRY	3 May
YPB Group	YPB	3 May

Suspensions *(selected)*

Company	Code	Since
Activistic Ltd	ACU	26 Apr
AssembleBay Ltd	ASY	12 Apr
Aurora Funds Management	AOD	27 Apr
Birimian Ltd	BGS	1 May
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
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	3.03
HGG	Thu	11	0	3.67
WAT	Thu	2	100	3.14

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ANZ	8 May	80	100	tbc
RMD	10 May	3.3	0	1.34

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	**AQG**	Mar Q
	AHY	AGM
	ANZ	Interim
	WOW	Mar Q
Tomorrow	GMA	Mar Q
	SIP	AGM
	SIQ	AGM
	QBE	AGM
Thu	APN	AGM
	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
	QAN	Investor Day
	WPL	AGM
Mon (8 May)	WBC	Interim
Tue	CBA	Mar Q
	IPL	Interim
	NWS	Mar Q