STATE ONE STOCKBROKING LTD
Participant of ASX Group AFSL 247 100
ABN 95 092 989 083

Market Opener

Wednesday 3 May 2017

Need more information?

Contact your State One advisor on 1300 651 898 or advice@stateone.com.au

Markets

SFE 200 Futures (9.30am AEDST)	**5930**	**-4**	**-0.1**
NZX 50	7418	-5	-0.1
DJIA Futures	20859	-6	0.0
S&P 500 Futures	2384	-2	-0.1
NASDAQ Futures	5623	-17	-0.3

Local Markets Commentary

The Australian market opens mid-week trade on lacklustre US equities and mixed commodities leads, ahead of a US Federal Reserve policy statement tonight (early tomorrow AEST).

In overnight commodities trade, **oil** dropped further. US **gold** futures turned to settle slightly higher. LME **copper** rallied. **Iron ore** (China port, 62% Fe) was pushed lower.

The **$A** strengthened a little after slipping below ~US75.30c yesterday evening.

Locally pre-trade, AiG releases its April services sector activity index. April vehicle sales are due midday AEST.

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

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	**20949**	36	**0.2**
S&P 500	2391	3	0.1
NASDAQ	6095	3	0.1
FTSE 100	7250	46	0.6
DAX 30	12508	70	0.6
Shanghai Comp	3144	-11	-0.4

Overseas Markets Commentary

Major European and US equities markets diverged overnight, European markets trading for the first time this week and on some encouraging local data.

In the **euro zone**, April manufacturing PMIs generally pleased, the overall regional reading at 56.7.

In the **UK**, the final April manufacturing PMI represented a 3.1-point rise to 57.3.

In addition, **Greece** achieved approval of its economic reform progress, sufficiently to qualify for ongoing rescue funding and to potentially achieve some debt relief.

In **US** data releases, ISM's New York business activity index slipped 0.7 to 55.8.

National motor vehicle sales continued to fall during April.

Tonight in the US, the **Federal Reserve** announces outcomes from its policy meeting.

A private sector employment report, ISM's April services sector activity index, Markit's final April services PMI and weekly mortgage applications are also due.

AIG, Facebook, Groupon, Sainsbury's, Time Warner, Volkswagen and Yum Brands are among companies

* Investment company listing **midday** AEST - **MEC** *

Today's Stock Watch

QBE Insurance Group (QBE)

This morning's AGM presentation and addresses lodged. Includes negotiating a non-London location for QBE EU business, due to the UK's proposed separation from the European Union (EU). QBE is targeting a decision by 2018 renewals season.

Vocus Communications (VOC)

Revising anticipated FY 2017: underlying NPAT to $160M - $165M, from $205M - $215M; revenue to ~$1.8B, from ~$1.9B; and underlying EBITDA to $365M - $375M, from $430M - $450M. Expecting $1B - $1.1B net debt.

A teleconference was scheduled for 8.30am AEST. Conference presentation also lodged. Presenting today.

Fairfax Media (FXJ) / NZME Ltd (NZM)

The New Zealand Commerce Commission has opposed the proposed merger of FXJ's New Zealand business with NZM.

FXJ says it needs to consolidate publications and change publishing frequency, to achieve cost efficiencies.

Amcor Ltd (AMC)

Acquiring Colombia manufacturing business Plasticos Team, which boasts ~$US13M in annual sales.

Genworth Mortgage Insurance Australia (GMA)

22% lower, $A52.2M March quarter NPAT. 3.8% higher, $88.2M gross written premium but 4.9% lower, $107.9M net earned premium. New written insurance grew 9.7% to $6.8B. Predicting FY 2017 gross and net premium will drop 10% - 15%. Teleconference scheduled to commence 10.30am AEST.

Meanwhile, UBS has placed a 'sell' on GMA.

Oncosil Medical (OSL)

Former Cochlear (ASX: COH) CEO and president, ResMed (ASX: RMD) executive VP and Sirtex Medical (ASX: SRX) chairman Chris Roberts AO has been appointed non-executive OSL chairman.

Downer EDI (DOW) / Spotless Group (SPO)

DOW is declaring its $1.15-per-share SPO offer as final. SPO traded at $1.0875 - $1.10 yesterday.

Coca-Cola Amatil (CCL) / Seek Ltd (SEK)

Today's Sydney conference presentations lodged.

Melbourne IT (MLB)

98% take-up and $19M achieved in the $2.10-per-share institutional entitlement offer. The retail offer commences 8 May. MLB last traded at ~$2.14.

Morphic Ethical Equities Fund (* MEC)

Investment company scheduled to list **midday** AEST following a $48.9M IPO at $1.10 per share. HSBC Custody Nominees (Australia) 13.75%.

Resources

Alacer Gold Corporation (AQG)

32,918oz March quarter gold production. Cash costs totalled $US711/oz and AISC $US898/oz. 132,000oz remain hedged at prices averaging $US1281/oz. Statistics and discussion, as lodged in US and Canada overnight, lodged this morning.

due to report earnings or provide a trading update.

In overnight corporate news, **BP** reported an ~200% profit increase.

General Motors, **Ford** and **Fiat Chrysler** fell on weak sales, GM also suffering a $US100M charge on its Venezuelan manufacturing business.

Apple's quarterly iPhone sales fell, viewed as likely due to a customer preference to own the 10th anniversary version. Apple reported post-US trade, so reactions will come in tonight's trade.

Earlier in Italy, **Alitalia** (previously rescued by **Etihad**) requested administration proceedings.

Commodities

COMMODITY	CLOSE	$US/	+/-	%
Gold (NY) (Jun)	**1257**	oz	1	0.1
Silver (NY) (Jun)	16.8	oz	-0.0	-0.0
Gold (LON)	1255	oz	-11	-0.9
Platinum	924	oz	-5	-0.5
WTI Crude (Jun)	**47.7**	bbl	-1.2	-2.4
Brent Crude (Jul)	**50.5**	bbl	-1.1	-2.1
Iron Ore (CHN port 62%)	**68.0**	t	-0.8	-1.2
Copper	**5802**	t	88	1.5
Nickel	9515	t	-15	-0.2
Aluminium	1930	t	18	0.9
Lead	2248	t	3	0.1
Zinc	2655	t	30	1.1
Tin	19960	t	60	0.3
CBT Wheat (May)	**4.42**	bshl	-0.01	-0.3

Commodities Commentary

Oil – supply glut concerns prevailed in late trade, Brent crude trading at its least this year.

Weekly US petroleum inventories are due tonight.

Gold – swinging trade as the US Federal Reserve commenced a two-day policy meeting.

Base metals – euro zone and UK PMIs continued to please and $US trade remained relatively calm.

The London Metals Exchange (**LME**) traded overnight for the first time this week, hence reacting to China's official April PMIs, reported Sunday, and the Caixin manufacturing PMI for China, which came in 50.3, a seven-month low.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7541	0.0005	0.07
EUR – USD	1.0929	-0.0003	-0.03

Australian Data Today

AiG	PSI	Apr
VFACTS	Vehicle sales	Apr

US Data Tonight

ADP employment report	Apr
ISM non-manufacturing	Apr
Markit services PMI (final)	Apr
MBA mortgage applications	28 Apr

Other Overseas Data Today & Tonight

Euro zone	GDP (initial)	MarQ

Pre-Open Announcements

Lovisa Holdings (* LOV)

Today's Sydney conference presentation lodged.

Meanwhile, Morgan Stanley has lifted its LOV target price 14% to $4.05. LOV traded at $3.70 - $3.95 yesterday.

BWP Trust (BWP)

Issuing $A110M worth of five-year 3.50% notes, in support of debt reduction and general funds.

Sigma Pharmaceuticals (* SIP)

AGM today.

Smartgroup Corporation (SIQ)

Today's AGM presentation and addresses lodged post-trade yesterday.

Pact Group (PGH)

Conference presentation lodged post-trade yesterday. PGH is presenting today.

IPH Ltd (IPH)

IPH's Spruson & Ferguson CEO Andrew Blattman has been appointed IPH MD- and CEO-designate. Dr Blattman will take over after the November AGM at which David Griffith will retire his executive roles. Mr Griffith plans to remain associated with IPH as an advisor.

Mobilicom Ltd (* MOB)

Israel-based telecommunications equipment provider completed its ASX listing yesterday following a $7.5M IPO at 20c per share. Opened at 20c and traded at 18c – 21c before settling on-par. 2.15M shares changed hands across 115 transactions.

Resources

Dakota Minerals (* DKO)

Portugal Sepeda lithium project diamond drilling has extended known mineralisation down plunge. This remains open at depth. High-grade assays lodged this morning.

Lithium Power International (* LPI) / WorleyParsons Ltd (WOR)

Chile Maricunga lithium brine JV project feasibility engineering consultant contract awarded, to WOR. LPI 50%.

Birimian Ltd (** BGS)

An ongoing internal BGS review has identified potential governance, disclosure and liability issues. MD Kevin Joyce has resigned, effective immediately. Greg Walker has been appointed acting CEO and as a BGS executive director. In addition, BGS chairman James McKay has taken on executive duties on a part-time basis. Mr Joyce will be a BGS technical consultant.

BGS trade remains suspended.

Troy Resources (TRY)

MD Martin Purvis has resigned, effective 31 May. TRY chairman Fred Grimwade is assuming an executive role, overseeing an operational committee.

In addition, CFO and company secretary Stacey Apostolou is leaving TRY for personal reasons.

TRY is resuming from a trading halt. Immediately prior, TRY traded at 12.5c.

OZ Minerals (* OZL)

Conference presentation lodged post-trade yesterday. OZL settled at $6.94 yesterday after closing out March at $7.83.

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Energy

88 Energy (88E)

Icewine #2 drilling is proceeding as planned. Production testing is scheduled for late June – early July.

Trading Halts

Company	Code	Resuming
Bligh Resources	BGH	3 May
Cape Lambert Resources	CFE	3 May
Department 13 International	D13	3 May
Kin Mining	KIN	3 May
Petrel Energy	PRL	3 May
Riva Resources	RIR	3 May
Simavita Ltd	SVA	3 May
Sky & Space Global	SAS	3 May
YPB Group	YPB	3 May
Hill End Gold	HEG	4 May
Intiger Group	IAM	4 May
Phoslock Water Solutions	PHK	4 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
Magnum Gas & Power	MPE	13 Apr
Moreton Resources	MRV	28 Apr
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	Tomorrow	3.5	100	2.97
DUE	Tomorrow	3	0	6.04
HGG	Tomorrow	11	0	3.72
WAT	Tomorrow	2	100	2.98
ANZ	Mon	80	100	tbc
RMD	10 May	3.3	0	1.35

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	**GMA**	Mar Q
	SIP	AGM
	SIQ	AGM
	QBE	AGM
Tomorrow	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