

Markets

SFE 200 Futures (9.30am AEST)	5725	24	0.4
NZX 50	7820	-2	-0.0
DJIA Futures	21923	-57	-0.3
S&P 500 Futures	2465	-9	-0.4
NASDAQ Futures	5963	-25	-0.4

Local Markets Commentary

The Australian market opens a new week's trade amid heightened geopolitical tension, with US markets remaining closed until Tuesday, due to a Monday public holiday.

Yesterday, North Korea has claimed a successful test of a hydrogen bomb, following a major earth tremor recorded in the region where previous tests have been conducted.

In addition, the **BRICS** (Brazil, Russia, India, China, South Africa) annual summit commenced in Xiamen, Fujian province, China and will continue through tomorrow.

Locally today, a monthly data dump commences, ahead of the Reserve Bank of Australia's (RBA) policy meeting tomorrow.

June quarter business indicators from the ABS, August job advertisements, as reported by the ANZ, and the Melbourne Institute's monthly inflation report are due this morning.

A weekly capital city residential property price report will be published pre-trade.

In addition, several high-profile stocks trade ex-dividend today, including **AMC** and **SUL**. Please see [p3](#) for a detailed list.

In overnight Friday commodities trade, **gold** continued to settle higher. Brent and WTI **crude** prices closed mixed and little changed. LME **copper** extended Thursday's gain.

A public holiday in Singapore Friday, meant no updated price for **iron ore** (China port, 62% Fe), but futures continued to rally on the Dalian Commodities Exchange.

The **\$A** was pushed to US79.70c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	21988	39	0.2
S&P 500	2477	5	0.2
NASDAQ	6435	7	0.1
FTSE 100	7439	8	0.1
DAX 30	12143	87	0.7
Shanghai Comp	3367	6	0.2

Overseas Markets Commentary

Major European and US equities markets opened higher overnight Friday and mostly never looked seriously headed, despite mixed US economic indicators.

The **US** is observing a national Monday public holiday weekend, so later-session trade proved relatively quiet.

Today's Stock Watch

Stargroup Ltd (STL) / DigitalX Ltd (DCC)

STL and DCC have agreed to a joint venture to develop Bitcoin ATMs.

Ansell Ltd (ANN)

\$US600M sale of the sexual wellness division completed, exclusive of the Brazil condom business, for which \$US10M will be held in escrow, likely until the end of the month. ANN is expecting to realise a net \$US529M cash, and \$US365M post-tax profit.

Citadel Group (CGL)

Proposing to acquire Brisbane-headquartered oncology e-health data system specialist Charm Health International for \$8.2M. Completion is anticipated mid-month.

ResApp Health (RAP)

Follow-up, revised SmartCough-C study planned after RAP and principal investigators concluded the initial study was 'not an accurate nor reliable evaluation of ResApp's algorithms'. RAP representatives plan to be onsite during the new study which is scheduled for the northern hemisphere winter.

Ardent Leisure Group (AAD)

Today's requisitioned board-spill EGM has been cancelled, in favour of an agreement to appoint two proposed new directors and enable two directors to step down on or by the November AGM.

Resources

Argosy Minerals (AGY)

The option agreement to purchase the Mina Teresa & Pocitos projects has expired, AGY having determined via commissioned consultants that the acquisitions could not be recommended.

Black Rock Mining (BKT)

Heralding battery performance test results incorporating flake graphite from BKT's Mahenge project.

Alkane Resources (ALK)

Tomingley gold project resources updated, as at 30 June, to 9.23Mt @ 1.7g/t Au, for 508,000oz. Reserves are estimated at 2.68Mt @ 1.9g/t Au, for 166,000oz.

Mustang Resources (MUS)

176,522 carats in hand for the planned October ruby auction. MUS produced a record 15,613 carats during August, from the Montepuez project, Mozambique.

Gindalbie Metals (GBG)

The WA mid-west Karara iron concentrate project JV partners have extended a \$US400M loan facility with China Development Bank and Bank of China for another year, until August 2018. GBG is providing a limited recourse guarantee to partner Ansteel. GBG 47.84%; Ansteel 52.16%.

Energy

CIMIC Group (CIM)

CIM's Thiess has secured a new mining services contract in East Kalimantan, Indonesia, this time with the Gunung Bara Utama coal mine.

CIM expects \$A437M revenue from the new work.

Before then, however, the monthly jobs report revealed 156,000 jobs were created in August, at least 14,000 fewer than anticipated.

Further, the July jobs tally was revised 20,000 lower, to 189,000 and June's by 21,000, to 210,000.

Unemployment rose 0.1% to 4.4%.

Weekly average earnings rose 0.1%, following a 0.3% gain in July.

ISM's influential manufacturing index pleased, rising 2.5 points for the month to 58.8, the strongest reading since April 2011.

July construction spending was reported 0.6% lower, after a 1.4% fall for June, and following expectations of a 0.6% rise.

August vehicle sales were reported 2% lower than a year earlier, but industry watchers expect future sales to at least temporarily pick up on replacement demand from Texas.

A revised August University of Michigan consumer sentiment reading came in at 96.8, against the initially estimated 97.6.

Across the Atlantic, the **UK** August manufacturing PMI was calculated at 56.9.

In the **euro zone** a final reading confirmed a 57.4 August manufacturing PMI.

Meanwhile, Brazil reported a second consecutive quarter of GDP growth, officially ending what has been recorded as the nation's worst recession. June quarter GDP rose 0.2% for the three months, and 0.3% year-on-year.

Tonight, US markets will remain closed due to a public holiday.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1330	oz	6	0.6
Silver (NY) (Sep)	17.8	oz	0.2	1.4
Gold (LON)	1320	oz	9	0.7
Platinum	1006	oz	8	0.8
WTI Crude (Oct)	47.3	bbl	0.1	0.1
Brent Crude (Nov)	52.8	bbl	-0.1	-0.2
Iron Ore (CHN port 62%)	78.9	t		
Copper	6835	t	47	0.7
Nickel	12035	t	235	2.0
Aluminium	2136	t	19	0.9
Lead	2395	t	1	0.0
Zinc	3185	t	39	1.2
Tin	20625	t	-45	-0.2
CBT Wheat (Sep)	4.21	bshl	0.11	2.5

Commodities Commentary

Oil – prices swung overnight Friday. WTI crude traded as low as \$US46.56/bbl.

US petrol (gasoline) futures traded 1.8% lower.

A US government department reported 17% of national refining capacity off-line in the aftermath of Hurricane Harvey as at late Thursday

Meanwhile, Iraq announced it was fully-compliant with agreed production curbs.

A weekly US petroleum drilling rig count was largely discounted due to Hurricane Harvey disruption, but for the records, the number of operational oil rigs was reported as steady.

Gold – the number of US jobs created in August undershot expectations, produced a \$US swing lower, supporting higher gold prices.

Pre-Open Announcements

IMF Bentham (IMF)

An IMF-funded confidential case in Hong Kong has settled, with IMF expecting to recognise \$A17.2M revenue and \$A1M pre-tax profit.

TV2U International (* TV2)

Indonesia plans pushed back. Details lodged this morning.

PharmAust Ltd (PAA)

Nihon Nohyaku Co has agreed to assign its interests in a joint patent portfolio to PAA in return for sales royalties.

Resources

Ardea Resources (* ARL)

~\$4.4M raised in the 72.5c-per share SPP. ARL traded at 83c – 89.5c last week.

Inca Minerals (ICG)

Cerro Rayas project underground mapping and sampling underway. ICG is targeting zinc.

Energy

TerraCom Ltd (* TER)

TER director Wal King has been appointed non-executive chairman, replacing Cameron McRae. Mr McRae was executive chair, but will remain with TER as a non-executive director.

Further, David Stone has resigned as an executive director.

TER does not plan to appoint replacement executive directors.

In addition, the TER board has approved a 10:1 share consolidation, pending shareholder and regulatory approvals. TER has 3.01B shares on issue.

Trading Halts

Company	Code	Resuming
Estrella Resources	ESR	4 Sep
Orinoco Gold	OGX	4 Sep
Venus Metals Corporation	VMC	4 Sep
Alice Queen	AQX	5 Sep
Celsius Resources	CLA	5 Sep
Hammer Metals	HMX	5 Sep
Invion Ltd	IVX	5 Sep
New Talisman Gold Mines	NTL	5 Sep
Sky & Space Global	SAS	5 Sep
Volt Resources	VRC	5 Sep

Suspensions (selected)

Company	Code	Since
AnaeCo Ltd	ANQ	31 Aug
BBX Minerals	BBX	23 Aug
Capital Mining	CMY	14 Aug
Cougar Metals	CGM	29 Aug
Eastern Goldfields	EGS	16 Aug
Empire Oil & Gas	EGO	30 Aug
iBuyNew Group	IBN	30 Aug
LWP Technologies	LWP	14 Aug
NMG Corporation	NMG	28 Aug
Peak Resource	PEK	1 Sep
YPB Group	YPB	1 Sep
ZipTel Ltd	ZIP	11 Aug

Some view this week's scheduled public speeches by US Federal Reserve officials, in particular outlook comments, as possible major influences on gold moves this week, but others cite geopolitical tensions and US politics.

A European Central Bank policy meeting and some key ISM reports will also hold some sway.

Base metals – China's Caixin-calculated final August manufacturing PMI, reported Friday, continued to indicate expansion, coming in at 51.6, and following 51.1 for July.

Japan's August manufacturing PMI was revised to 52.2, from an initial 52.8.

A final August services sector (Caixin) PMI reading is due for China tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7968	0.0021	0.27
EUR – USD	1.1880	-0.0005	-0.05

Australian Data Today

ABS	Business indicators	Jun Q
ANZ	Job advertisements	Aug
MInst	Inflation gauge	Aug
CLogic	Capital city house prices	2 Sep

Other Overseas Data Today & Tonight

UK	PMI construction	Aug
Euro zone	Sentix investor confidence	Sep
Euro zone	Producer prices	Jul

Need More Information?

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

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
ABA	Today	17	100	5.69
AMC	Today	29.85	0	3.43
AWQ	Today	3.5	100	5.5
FWD	Today	5	100	1.52
HSN	Today	3	100	1.84
MTR	Today	6	100	3.68
NEC	Today	5	100	6.96
PBP	Today	1.5	100	4.17
PHI	Today	5	100	0.48
PPG	Today	1	100	5.88
PWH	Today	4.7	100	2.33
SKT	Today	~11.54	0	11.40
SUL	Today	25	100	5.83
VLW	Today	10.5	100	7.43
BEN	Tomorrow	34	100	5.65
BLD	Tomorrow	12	50	3.63
BST	Tomorrow	1.5	100	2.84
BWX	Tomorrow	4.2	100	1.18
CMI	Tomorrow	3	100	5.22
EGI	Tomorrow	1.5	100	2.43
GLB	Tomorrow	5	100	6.99
ISD	Tomorrow	3.08	50	3.51
MOC	Tomorrow	9	100	7.23
MRC	Tomorrow	0.5	0	14.17
OSH	Tomorrow	~4.29	0	1.05
PEA	Tomorrow	1.5	100	3.91
RHC	Tomorrow	81.5	100	2.01
SLO	Tomorrow	~7.63	0	5.47
SRV	Tomorrow	13	50	4.68

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.