

Wednesday 6 December 2017

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5948</b>	<b>-32</b>	<b>-0.5</b>
<b>NZX 50</b>	8157	-19	-0.2
<b>DJIA Futures</b>	24182	7	0.0
<b>S&amp;P 500 Futures</b>	2628	0	0.0
<b>NASDAQ Futures</b>	6272	0	0.0

## Local Markets Commentary

The Australian market commences mid-week trade on uninspiring overnight international equities and commodities trade, ahead of influential domestic data.

Australia's September quarter **GDP** growth rate is due **11.30am** AEDST.

The HIA also publishes October new home sales this morning.

In overnight commodities trade, **oil** swung higher. **Gold** futures continued to fall. **Iron ore** (China port, 62% Fe) turned lower, but remained above \$US71.5/t. LME **copper** and **nickel** dropped.

The **\$A** was pushed to ~US76.10c after trading at ~76.45c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>24181</b>	-109	<b>-0.5</b>
<b>S&amp;P 500</b>	2630	-10	-0.4
<b>NASDAQ</b>	6762	-13	-0.2
<b>FTSE 100</b>	7328	-11	-0.2
<b>DAX 30</b>	13049	-10	-0.1
<b>Shanghai Comp</b>	3304	-6	-0.2

## Overseas Markets Commentary

Vacillating trade featured across major European and US equities markets overnight, amid US tax legislation negotiations between Senators and House of Representatives, disappointing data releases, ongoing political disquiet in the UK and US, and reports bank details associated with the US president could be sought by the alleged Russian election interference investigation.

Among economic indicator reports, the **US** ISM services activity index was estimated at a strong 57.4, but 60.1 was reported last month and forecasters had predicted 59.0.

A 1.6% rise in October imports against little change for exports pushed the US trade deficit 8.6% higher to \$US48.7B.

The value of January - October imports were reported 6.5% higher year-on-year and exports 5.3% higher.

**Euro zone** October retail sales rose 0.4% year-on-year, following 3.7% in September and forecasts of a further 1.5% gain.

In **Germany**, final November PMIs disappointed, the services PMI falling from 54.9 in October to 54.3 and the composite hence pushed 0. Lower to 57.3.

In the **UK**, the final services PMI came in at 53.8 from 55.6 in October and against predictions of

**Australia** - September quarter GDP **11.30am** AEDST

\* Industrial services listing **1pm** AEDST - **PKD** \*

## Today's Stock Watch

### Incitec Pivot (IPL) / BHP Billiton (BHP)

BHP will not be renewing IPL's ammonium nitrate prill supply contract as from the 28 November 2019 expiry of the current contract.

IPL secures the prill from a third-party supplier and hence expects a one-off impact.

IPL estimates the NPAT maximum impact is \$10M for FY 2020 and \$25M for 2021 and minimal impact thereafter. Update likely at IPL's 21 December AGM.

### Eve Investments (EVE)

Expecting to complete the 50% Meluka Health acquisition within two weeks, and in addition, to execute option agreements to secure Meluka's EcoBotanicals and the Jendale and Robyndale tea tree plantations.

EVE fell 21.4% yesterday, after appreciating 55.6% Monday.

### Noxopharm Ltd (NOX)

NOX and Nyrada Inc (NOX US subsidiary) presentations lodged ahead of today's shareholder and investor open briefing.

The briefing is scheduled to commence 12.30pm AEDST, in Sydney. Address lodged this morning.

NOX fell 4.5% yesterday, after adding 9.2% Monday.

### SelfWealth Ltd (SWF)

November trades grew a compounded 29% for the month. Traders increase 33%. SWF listed on the ASX 23 November.

### TPG Telecom (TPM)

Today's AGM presentation and chairman's speech lodged.

### Audio Pixels Holdings (AKP)

AKP's fabrication partner is pushing back the delivery of wafers, in order to address an issue determined during post-process testing. Delivery is now expected by late-March 2018.

AKP has traded lower seven out of the past eight sessions.

### Parkd Ltd (\* PKD)

Modular lightweight concrete parking system developer scheduled to list **1pm** AEDST following a \$6M IPO at 20c per share. 39M shares.

## Resources

### Tawana Resources (TAW)

WA Bald Hill project extensional drilling and mapping has boosted known lithium and tantalum mineralisation.

Details, including assays from several zones, lodged this morning.

Expecting to commence production by 31 March 2018.

### Corazon Mining (CZN)

NSW Mount Gilmore cobalt-copper-gold project conventional flotation testing has delivered 93.6% cobalt and 98.4% copper using ore from the Cobalt Ridge deposit.

### South32 Ltd (S32)

Today's WA Worley alumina refinery and Boddington bauxite mine site tour presentation lodged. S32 recouped 3.7% yesterday, settling at \$3.38 following a coal update.

55.0.

**Bank of England** financial policy committee meeting minutes revealed considerations to further raise banking sector capital buffer requirements by a total £5B, in part to cover UK-European Union separation capital access risk.

**Tonight** in the US, a private sector employment report is due, together with a productivity and labour costs update.

In overnight corporate news, **Nestlé** revealed plans to outlay \$US2.3B for Canadian-headquartered nutritional support and supplements manufacturer **Atrium Innovations**.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Feb)</b>	<b>1269</b>	oz	-9	<b>-0.7</b>
<b>Silver (NY) (Mar)</b>	16.1	oz	-0.2	<b>-1.5</b>
<b>Gold (LON)</b>	1266	oz	-7	<b>-0.6</b>
<b>Platinum</b>	914	oz	-10	<b>-1.1</b>
<b>WTI Crude (Jan)</b>	<b>57.6</b>	bbl	0.15	<b>0.3</b>
<b>Brent Crude (Feb)</b>	<b>62.9</b>	bbl	0.4	<b>0.7</b>
<b>Iron Ore (CHN port 62%)</b>	<b>71.8</b>	t	-0.9	<b>-1.3</b>
<b>Copper</b>	<b>6543</b>	t	-283	<b>-4.2</b>
<b>Nickel</b>	10865	t	-520	<b>-4.6</b>
<b>Aluminium</b>	2052	t	-17	<b>-0.8</b>
<b>Lead</b>	2500	t	-7	<b>-0.3</b>
<b>Zinc</b>	3112	t	-661	<b>-2.1</b>
<b>Tin</b>	19525	t	0	0.0
<b>CBT Wheat (Dec)</b>	<b>4.06</b>	bshl	-0.04	<b>-1.0</b>

### Commodities Commentary

**Oil** – relative \$US strength constrained overnight gains.

Post-trade Monday, Goldman Sachs lifted its 2018 price forecasts to \$US62/bbl for Brent crude and \$US57.5/bbl for WTI.

Earlier yesterday, Saudi Arabia was reported to be charging more for all crude exports to Asia from January.

A weekly government US petroleum inventories report is due tonight. Platts has predicted an ~4MMbbl crude drawdown and 3MMbbl rise in petrol stocks.

**Gold** – traded at four-month lows overnight, some citing technical chart selling which then triggered pre-ordered selling.

The \$US had appreciated further, and key data is yet to come this week, but equities trade was proving choppy

**Base metals** – a stronger \$US, some disappointing data, further influential data releases to come this week including November China trade and general caution damaged sentiment.

Caixin's final November services PMI for China, reported yesterday, rose 0.7 to 51.9.

Japan's services and composite PMIs were reported at 51.2 and 52.2 respectively, each from 53.4 in October.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7607	0.0000	0.00
<b>EUR – USD</b>	1.1827	0.0001	<b>0.01</b>

## Pre-Open Announcements

### CYBG Plc (CYB)

CYB's non-executive chairman Jim Pettigrew has also been appointed non-executive chair of Miton Group Plc.

### Ruralco Holdings (RHL)

RHL has appointed cattle breeder and former Accenture regional MD Andrew Macpherson as a non-executive director. AGM scheduled for 2 February 2018.

### Boart Longyear (BLY)

BLY has appointed Robert Closner as company secretary, following Fabrizio Rasetti's resignation, effective 31 October.

### NZME Ltd (NZM)

Investor presentation lodged this morning.

### Brisbane Broncos (BBL)

Chairman Dennis Watt has resigned his position and from the BBL board.

Mr Watt has been a BBL director for almost 14 years.

Ord Minnett executive chair Karl Morris is BBL's new chairman.

### Skin Elements (SKN)

Scrapping plans for a potential JV with Ageless Products.

### Spheria Emerging Companies (SEC)

Investment company completed its ASX listing yesterday following a \$132.675M IPO at \$2.00 per share.

Opened at \$2.00 and slipped to \$1.97 where it settled. 194,867 shares changed hands across 43 transactions. 66.3M shares.

## Resources

### Arrow Minerals (\* AMD) / Segue Resources (SEG)

Segue Resources has changed its name to Arrow Minerals and will trade as AMD as from today's open.

### Strategic Minerals Corporation (SMC)

Urging shareholders take no action in relation to 70.54% SMC shareholder QGold's 40c-per-share on-market bid.

SMC was trading at 35c Monday, when the offer was made, but traded at 40c – 40.5c yesterday.

## Trading Halts

Company	Code	Resuming
Force Commodities	4CE	6 Dec
Ausnet Financial Services	AU1	6 Dec
Centuria Metropolitan REIT	CMA	6 Dec
Cougar Metals	CGM	6 Dec
MetalsTech Ltd	MTC	6 Dec
PharmAust Ltd	PAA	6 Dec
Robo 3D	RBO	6 Dec
ServTech Global Holdings	SVT	6 Dec
Argent Minerals	ARD	7 Dec
Emu NL	EMU	7 Dec
European Lithium	EUR	7 Dec
Golden Deeps	GED	7 Dec
Novo Latio	NLI	7 Dec
Reffind Ltd	RFN	7 Dec
Vector Resources	VEC	7 Dec
Volt Power Group	VPR	7 Dec
Walkabout Resources	WKT	7 Dec
Wattle Health Australia	WHA	7 Dec

**Australian Data Today**

ABS	GDP	Sep Q
HIA	New home sales	Oct

**US Data Tonight**

ADP payrolls	Nov
Productivity (final)	Sep Q
Labour costs (final)	Sep Q
MBA mortgage applications	1 Dec

**Other Overseas Data Today & Tonight**

<b>Germany</b>	Factory orders	Oct
Germany	Construction PMI	Nov
<b>Euro zone</b>	Retail PMI	Nov

**Need More Information?**

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au).

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.

**Suspensions** *(selected)*

Company	Code	Since
Bod Australia	BDA	5 Dec
Cokal Ltd	CKA	1 Dec
Dawine Ltd	DW8	30 Nov
Dimerix Ltd	DXB	5 Dec
FE Ltd	FEL	22 Nov
Global Energy Ventures	GEV	30 Nov
iCandy Interactive	ICI	15 Nov
Ishine International Resources	ISH	28 Nov
NetLinkz Ltd	NET	5 Dec
OrotonGroup Ltd	ORL	30 Nov
Tanga Resources	TRL	1 Dec
Winha Commerce & Trade	WQW	1 Dec

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>CKF</b>	Today	<b>8</b>	100	2.96
BTT	Tomorrow	26	25	4.04
CIE	Mon	1.6	50	8.31
GTK	Tue (12 Dec)	7.75	8.5	2.02
JHX	Tue	10.45	0	1.89
PL8	13 Dec	0.45	100	1.23
BPS	14 Dec	2.25	100	15.00
INM	14 Dec	53.27	0	3.80
MTS	14 Dec	6	100	3.40
TRA	14 Dec	2.31	100	0.00
GDF	18 Dec	2.25	0	7.80

**Reports & Events***(selected scheduled)*

When	Company	Report/Event
<b>Today</b>	<b>NOX</b>	Investor briefing
	<b>SGH</b>	AGM
	<b>S32</b>	Investor site tour
	<b>TPM</b>	AGM
<b>Tomorrow</b>	NUF	AGM
<b>Fri</b>	SOL	AGM
	WBC	AGM
<b>12 Dec</b>	TTS	AGM
<b>14 Dec</b>	ELD	AGM
<b>15 Dec</b>	BTT	AGM
	NAB	AGM
	ORI	AGM
<b>19 Dec</b>	ANZ	AGM
<b>20 Dec</b>	SYD	Nov
<b>21 Dec</b>	DLX	AGM
	IPL	AGM