

Markets

SFE 200 Futures (9.30am AEST)	6120	-25	-0.4
NZX 50	9097	-4	-0.1
DJIA Futures	26006	-19	-0.1
S&P 500 Futures	2878	-2	-0.1
NASDAQ Futures	7453	-5	-0.1

Local Markets Commentary

The Australian market opens Friday trade on continuing weak international equities sentiment, ahead of key data out of the US tonight and China over the weekend and Monday.

Overnight commodities trade again proved mixed.

Oil ultimately extended Wednesday's decline.

US gold futures again settled modestly higher.

Iron ore (China port, 62% Fe) rallied, notably scoring a third consecutive gain.

LME **copper** extended Wednesday's rally. **Nickel** settled barely changed. **Aluminium** fell.

The **\$A** ultimately changed little after trading at US71.95c early yesterday evening.

Locally today, the Australian Bureau of Statistics (ABS) releases July **housing finance 11.30am AEST**.

Pre-trade, the AiG publishes its August **construction sector activity** index.

Post-trade, the Reserve Bank of Australia (RBA) reports reserve assets.

ABC, AMC and **BSL** are among companies trading **ex-dividend**. Please see p3 for additional stocks and details.

Regionally, **China** is scheduled to report August foreign reserves post-ASX trade.

August trade figures are expected tomorrow, and CPI and PPI Monday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25996	21	0.1
S&P 500	2878	-11	-0.4
NASDAQ	7923	-72	-0.9
FTSE 100	7319	-64	-0.9
DAX 30	11955	-85	-0.7
Shanghai Comp	2692	-13	-0.5

Overseas Markets Commentary

Intra-session sentiment varied markedly across major European and US equities markets overnight, amid broad geopolitical uncertainty and indications of a possibly disappointing US employment report tonight.

Earlier, **China** had warned it would retaliate should the US implement, as previously threatened, new import taxes on a further \$US200B worth of goods.

International concerns regarding a heightened offensive in **Syria**, involving several nations, appeared also to grow.

The US Treasury in the meantime announced

S&P/ASX - September quarter **indices rebalance** published this morning. Please see lists below.

Today's Stock Watch

Incitec Pivot (IPL)

Today's investor day presentation lodged pre-trade.

IPL expects fertiliser margins to fall, due to drought in eastern Australia.

James Hardie Industries (JHX)

JHX is proposing to appoint JHX president international operations Jack Truong to take over as CEO from Louis Gries.

Mr Gries is planning to step down late-FY2019.

Six months prior to this, Dr Truong will be appointed president and COO.

Jatenergy Ltd (JAT)

Supply agreement secured with China National Pharmaceutical Group Corporation (Sinopharm).

Under the deal, customers in China will potentially be able to purchase JAT products online and have them home-delivered.

Aveo Group (AOG)

Proposing to buy back up to 10% of shares over 12 months, commencing 24 September.

Resources

Lithium Australia (LIT)

Heralding initial SiLeach pilot plant trials.

Planning to commence second stage trialling next week, during which the facility will process a lithium pregnant liquor to produce lithium chemicals.

Intrepid Mines (IAU)

Planning to sell Intrepid Mines Zambia Ltd to Consolidated Mining & Investments subsidiary Vulcan Copper for \$US5M cash.

Energy

Santos Ltd (STO)

\$US144M in hand from the sale of Asian assets to Ophir Energy Plc.

STO net debt \$US2.2B as at 31 August.

S&P S&P/ASX Indices Re-balance

The following changes will be effected as trade opens 24 September ...

S&P/ASX100

Out: PPT

In: RWD

S&P/ASX200

Out: GMA, GXL

In: BIN, ELD

S&P/ASX300

Out: AGI, BDR, IPD, ISD, ISU, MNS, MOC, RFG, SKT

In: AMI, CUV, IGL, JMS, KGN, MNY, MP1, NEA, OMH, PNI, PNV, PPS, SEA, WGN

S&P/ASX All Australian 200

Out: AHY, GMA

In: EHL, HUB

sanctions against four people and five entities which had supported petroleum shipments to Syria and helped finance Syrian government activity.

Meanwhile, the US Department of Justice revealed it had charged a North Korean with hacking offences, including against Sony Pictures in 2014, and Bangladesh's Central Bank, and with the broader WannaCry malware attack.

Oil prices fell further, impacting the energy sector.

The tech sector continued to suffer, from expected trade dispute supply and sales impacts, coupled with a potentially tougher social media regulatory environment.

Among a swag of **US** data releases, the ISM's services sector activity index rose by 2.8 points to a robust 58.5

July factory orders fell 0.8%, however, after a 0.6% rise in June. Civilian aircraft and parts orders dropped 35.4% and defence ones by 34.4%.

A private sector employment report estimated 163,000 new jobs for August, against expectations of at least 20,000 more than this.

A job cuts report calculated layoffs rose by 13.7% year-on-year, following a 4.2% fall in July.

Germany's July factory orders fell 0.9% for the month, following a 3.9% drop in June. Forecasters expected a 1.8% improvement.

An August construction PMI came in at 51.5, after touching the 50.0 cut-off point for contraction into expansion in July. Predictions had included a stronger move higher, to 52.8.

Tonight in the US, the monthly national employment report is anticipated.

In addition, three Federal Reserve officials are scheduled to speak publicly.

Quantum Corp is due to report earnings.

In overnight corporate news, despite revelations of plans to outlay \$US1B for a new data facility in Singapore, **Facebook** was pushed yet 2.8% lower.

Twitter dropped another 5.8%.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1204	oz	3	0.3
Silver (NY) (Sep)	14.19	oz	-0.04	-0.3
Gold (LON)	1197	oz		
Platinum	791	oz	7	0.9
WTI Crude (Oct)	67.77	bbbl	-0.95	-1.4
Brent Crude (Nov)	76.5	bbbl	-0.77	-1.0
Iron Ore (CHN port 62%)	68.4	t	1.6	2.4
Copper (LME, 3mth, PM)	5928	t	57	1.0
Nickel	12445	t	5	0.0
Aluminium	2040	t	-28	-1.4
Lead	2037	t	-12	-0.6
Zinc	2441	t	22	0.9
Tin	18850	t	25	0.1
CBT Wheat (Oct)	5.15	bshl	-7	-1.4

Commodities Commentary

Oil – pushed and pulled overnight, by a vacillating \$US, industry commentary and data.

OPEC secretary general Mohammad Barkindo was quoted late Wednesday as expecting 100MMbbl/d international oil consumption before year's end.

Mr Barkindo also confirmed OPEC was seeking a sustainable arrangement with non-OPEC producers

Pre-Open Announcements

Investa Office Fund (** IOF)

Trading halt called pre-trade.

IOF has been considering two competing proposals.

Nearmap Ltd (* NEA)

Due to resume trade today, having completed a 'strongly oversubscribed' \$A70M fully-underwritten, \$1.60-per-share institutional placement.

NEA last traded at \$1.80.

Telstra Corporation (TLS)

Yesterday morning's guidance update teleconference transcript lodged post-trade yesterday.

TLS gained 3.3% yesterday, settling at \$3.12 after trading at a week-to-date high of \$3.16 intraday.

Zip Co (Z1P)

Late yesterday, Z1P revealed it had appointed former Westfield and Scentre Group marketing and digital director John Baristich as a non-executive director, effective yesterday.

My Baristich's professional career also includes senior regional roles with Wrigley Company and PepsiCo.

Z1P has traded lower the past three sessions, settling at \$1.015 yesterday, after closing out last week at \$1.135.

Huon Aquaculture (HUO)

Conference presentation lodged in late trade yesterday.

HUO recovered a further 3.3% yesterday, settling at the company's session high of \$4.65.

Resources

Iluka Resources (ILU)

Conference presentation lodged post-trade yesterday.

ILU recouped 2.2% yesterday, settling at \$9.41 after trading as high as \$9.52 intraday.

Energy

Caltex Australia (CTX)

Trading ex-dividend (57c) Monday.

Trading Halts

Company	Code	Resuming
Peel Mining	PEX	7 Sep
Alice Queen	AQX	10 Sep
Bluechiip Ltd	BCT	10 Sep
Hardey Resources	HDY	10 Sep
Kalina Power	KPO	10 Sep
Leigh Creek Energy	LCK	10 Sep
Neuroscientific Biopharmaceuticals	NSB	10 Sep
Pepinini Lithium	PNN	10 Sep
Sundance Resources	SDL	10 Sep
The Food Revolution Group	FOD	10 Sep
Todd Resources	TRT	10 Sep

Suspensions (select)

Company	Code	Since
Antilles Oil & Gas	AVD	24 Aug
AustSino Resources Group	ANS	6 Sep
Raiden Resources	RDN	31 Aug
Silver Heritage Group	SVH	5 Sep
Syngas Ltd	SYS	6 Sep

to provide output that would ensure market stability and sufficient confidence to boost industry investment.

He also warned that trade disputes between major world economies could eventually damage global oil demand.

Overnight, Qatar supported the OPEC leader's call for greater petroleum sector investment, given improved oil price stability.

The US in the meantime, indicated, some temporary waivers could be considered for nations unable to cease all Iranian oil imports by the scheduled 4 November commencement of US sanctions in association with Iran's petroleum sector.

A weekly **US** petroleum inventories report, published overnight, revealed overall crude stocks fell by more than anticipated, 4.3MMbbl all up, but increased at a key storage centre. In addition, petrol stocks rose, by 1.8MMbbl.

US net imports were reported to have grown by a daily 500,000bbl.

Gold – the \$US fell on disappointing US factory orders, supporting gold prices, but as it rose again, in part due to a strong US services sector activity report, gold interest appeared to wane.

A Federal Reserve official meanwhile offered that the central bank was enjoying near perfect conditions, with ongoing economic recovery but no threat of an inflation spike.

The US monthly employment report release, and public speeches from three Federal Reserve officials, all scheduled for tonight, are next expected to influence \$US, and hence gold, trade.

In the meantime, some industry analysts expect increased gold interest following Goldman Sachs' decision not to trade cryptocurrencies, in particular Bitcoin.

Base metals – a porridge of sanctions, import tariffs, current stockpiles, currency vacillations, FTSE quarterly index changes and key near-term data toyed with overall LME sentiment overnight.

Un-named sources have claimed the threat of US sanctions would force customers in Europe to avoid *aluminium* 2019 supply agreements with Russia's Rusal at regional negotiations in Berlin next week.

A weaker \$US during early LME trade again benefited overnight *copper* trade. BHP Billiton's success in gaining a holding in the Cascabel copper-gold project also supported sentiment.

China's August trade figures are expected over the weekend, and will likely influence at least some of Monday's trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7193	-0.0004	-0.05
EUR – USD	1.1621	-0.0003	-0.03

Australian Data Today

AiG	PCI	Aug
ABS	Housing finance	Jul
RBA	Official reserve assets	Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ABC	Today	13	100	3.33
ALI	Today	2.5	100	1.95
AMC	Today	32.65	0	4.11
APD	Today	1	100	5.17
AUB	Today	32	100	3.25
BAF	Today	4	65	5.38
BSL	Today	8	0	0.82
CDM	Today	4	100	6.30
CYC	Today	0.5	0	1.11
MNF	Today	4.05	100	1.63
PTL	Today	0.9	100	4.62
SDA	Today	2.4	100	1.60
SHV	Today	7	100	2.18
SXL	Today	4	100	5.72
ABA	Mon	18	100	5.80
CTX	Mon	57	100	3.91
EQT	Mon	42	100	3.46
FLK	Mon	3	100	2.14
MRC	Mon	0.6	15	6.50
NWL	Mon	10.56	100	0.66
ORA	Mon	6.5	30	3.53
PPG	Mon	1	100	9.30
RWC	Mon	3	100	1.18
SFR	Mon	19	100	3.88
TGR	Mon	8	100	3.68
VRS	Mon	0.5	100	2.17

**US Data Tonight**

Employment (incl jobs, wages) Aug

Other Overseas Data Today & Tonight

China	Foreign reserves (6pm AEST)	Aug
Japan	Household spending	Jul
Japan	Average cash earnings	Jul
Japan	Leading economic index (prelim)	Jul
UK	Inflation expectations	SepQ
Germany	Industrial production	Jul
Germany	Trade balance	Jul
Euro zone	GDP (final)	JunQ

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, 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.