

Markets

SFE 200 Futures (9.30am AEST)	5693	16	0.3
NZX 50	7818	14	0.2
DJIA Futures	21789	-15	-0.1
S&P 500 Futures	2465	-2	-0.1
NASDAQ Futures	5966	-4	-0.1

Local Markets Commentary

The Australian market opens Friday trade on mixed overnight international equities and commodities leads, ahead of influential regional data.

China is due to release August trade figures **midday** AEST.

A final June quarter **GDP** reading is due for **Japan** 9.50am.

In overnight commodities trade, US **gold** futures turned higher. Brent **crude** continued so, but WTI settled slightly lower. **Iron ore** (China port, 62% Fe) fell for a second consecutive session. LME **copper** again settled little changed.

The **\$A** gained considerable further strength after trading above US80.15c early yesterday evening.

Locally today, July housing finance figures are due 11.30am AEST.

BSL, **QAN** and **SHL** are among large-cap stocks trading ex-dividend today. Please see pp3-4 for a detailed list.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	21785	-23	-0.1
S&P 500	2465	-0.4	-0.0
NASDAQ	6398	5	0.1
FTSE 100	7397	43	0.6
DAX 30	12297	82	0.7
Shanghai Comp	3365	-20	-0.6

Overseas Markets Commentary

International equities trade diverged overnight, major European equities markets chopping but generally heading higher.

US trading sentiment appeared held back by: reports of Hurricane Irma's approach to the US coast, and another storm behind that, as Harvey recovery continues; data associated with storm damage; and the US president's view that perhaps the national debt ceiling concept ought be scrapped.

Away from the US, the **European Central Bank's** post-policy meeting underscored ongoing discussions regarding the timing of any easing, but in the meantime, president Mario Draghi played up the adverse effects of a robust euro.

Euro zone June quarter GDP growth was revised 0.1% higher, to 2.3% year-on-year, in a final reading. For the quarter, GDP rose 0.6%.

Germany's July industrial production came in flat following a 1.1% fall in June. Energy sector activity was reported as the main contributor to the weak result.

China – August imports and exports **midday** AEST

Japan – June Q GDP (final) **9.50am** AEST

RBA – deputy governor Guy Debelle is an 'interest rates benchmark' panel member at a FINSIA *The Regulators* lunch, **1pm** AEST

RBA – governor Philip Lowe is offering opening remarks at a Bank of China dinner, Sydney, **6.30pm** AEST

Today's Stock Watch

Pharmaxis Ltd (PXS)

Boehringer Ingelheim will pay PXS €10M in a Phase II study representing a commitment to the clinical development of PXS's proposed (BI 1467335) treatment for diabetic retinopathy. PXS qualifies for the milestone payment when the first Phase II study patient receives a BI 1467335 dose. Boehringer Ingelheim acquired the proposed treatment from PXS in 2015.

Village Roadshow (VRL)

Proposing to sell and lease back the 154ha of Gold Coast land which host the company's theme parks.

Michael Hill (MHJ)

Andrew Lowe has been appointed to take over from Phil Taylor as MHJ CFO.

Citadel Group (CGL)

CGL has appointed former Westpac and ANZ executive Anne Templeman-Jones as an independent non-executive director, effective today.

Ardent Leisure (AAD)

AAD director Melanie Willis has resigned, effective immediately, in favour of other board commitments. AAD says it will appoint another female director.

Treasury Wine Estates (TWE)

Confirming the company's share buy-back will be suspended whenever TWE's CEO or other key personnel sell shares on-market.

Resources

Syrah Resources (SYR)

Binding sales agreement secured with Jixi BTR Graphite Industrial Co for 30,000t of Balama graphite during the initial production year.

Westgold Resources (WGX)

WGX has negotiated for an additional 22,500oz of gold to be added to its Citibank pre-pay arrangement, effectively delivering \$36.15M cash to the company.

In addition, WGX has hedged 15,000oz of September-December delivery gold at \$A1656.30/oz.

Energy

Santos Ltd (STO)

Issuing \$US800M worth of 10-year bonds paying 4.125%. Proceeds are ear-marked in part for debt repayment.

Sacgasco Ltd (SGC) / Pancontinental Oil & Gas (PCL) / Xstate Resources (XST)

Heralding the most significant gas shows to date while Dempsey1-15 drilling continues in the Sacramento Basin, California. SGC 50% and operator; PCL 10%; XST 10%.

In **US** data releases, weekly new unemployment claims unexpectedly jumped by 62,000, to 298,000. The gain was attributed to Hurricane Harvey, but the magnitude appeared to surprise.

A final June quarter productivity growth reading came in at 1.5%, from an initial 0.9% estimate.

Tonight in the US, July wholesale inventories and consumer credit are due.

In overnight corporate news, a **Walt Disney** full-year profit warning, and **Comcast** (cable TV specialist) subscriber warning, damaged the stocks and broader trade stability.

A media report in the meantime speculated on production problems leading to shipping delays and hence stock shortages for **Apple's** next iPhone launch, scheduled for next week.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1350	oz	11	0.8
Silver (NY) (Sep)	18.2	oz	0.3	1.6
Gold (LON)	1344	oz	6	0.4
Platinum	1016	oz	13	1.3
WTI Crude (Oct)	49.1	bbl	-0.07	-0.1
Brent Crude (Nov)	54.5	bbl	0.3	0.5
Iron Ore (CHN port 62%)	75.6	t	-1.2	-1.6
Copper	6899	t	-3	-0.0
Nickel	12150	t	-15	-0.1
Aluminium	2107	t	3	0.1
Lead	2340	t	0	0.0
Zinc	3129	t	34	1.1
Tin	20750	t	-40	-0.2
CBT Wheat (Sep)	4.14	bshl	-0.08	-2.0

Commodities Commentary

Oil – Hurricane Irma, and Jose, another storm approaching the US behind Irma, drew extra attention following new domestic industry data.

EIA (government agency) US weekly petroleum inventories report estimated crude stocks had grown by 4.6MMbbl, against expectations of a 4MMbbl increase.

A weekly US petroleum rig count is due tonight.

Gold – the \$US index dropped to 2.5-year lows overnight, supporting another turn higher for gold. Prices traded at one-year peaks. Ongoing geopolitical and US domestic uncertainties are touted as near - medium term supports.

Base metals – some general positioning reported overnight, initially ahead of the ECB post-policy meeting news conference and on yesterday's reports of significant People's Bank of China liquidity support.

The trade trend continued due to **China's** August trade figures, which are due today.

CPI and producer prices are expected out of China tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.8053	0.0006	0.08
EUR – USD	1.2025	0.0005	0.04

Australian Data Today

ABS	Housing finance	Jul
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Pre-Open Announcements

Iron Mountain (INM)

INM confirms the firm's 10-year notes offer will raise \$US1B, with the notes paying 4.875%.

In addition, INM a conditional redemption of 2020 6.000% notes is scheduled for 18 September, at \$US1031.55 each.

Diploma Group (DGX)

Liquidators appointed.

Resources

Teranga Gold Corporation (* TGZ)

Burkina Faso Banfora gold project feasibility statistics include: a \$US232M pre-production capex; \$US90M post-tax NPV (5%); and 15.4% post-tax IRR. The figures, lodged this morning, are based on a nine-year mine life.

Millennium Minerals (* MOY)

A scoping study for the potential underground development of the WA Nullagine gold project Bartons deposit has proved sufficiently positive for fast-tracked feasibility to begin. MOY is targeting development commencement by 31 March 2018. Study details lodged this morning.

Peel Mining (* PEX)

Proposing to sell the WA Apollo Hill gold project into a new 100% PEX held subsidiary, namely Saturn Metals. Pending shareholder approval at a 10 October meeting, PEX then proposes to conduct a Saturn IPO and to list Saturn on the ASX.

Technology Metals Australia (TMT)

Heralding preliminary metallurgical test work using Gabanintha vanadium project RC drill samples.

Lynas Corporation (LYC)

LYC has appointed former Ernst & Young Queensland corporate finance head Grant Murdoch as a non-executive director, effective 30 October. Non-executive director Liam Ford standing down from the LYC board from the 28 November AGM.

Galena Mining (* G1A)

Lead-focused WA project developer completed a successful ASX listing yesterday following a \$6M IPO at 20c per share. Opened at 24.5c and traded at 22.5c – 25c before settling at 24c. 5.16M shares changed hands across 211 trades.

Energy

Strike Energy (STX)

The expiry date of a term sheet agreed with Orica International Pte Ltd for a potential new gas sales and supply agreement has been extended by two weeks to 22 September.

State One Analyst Comment

Quickstep Holdings (ASX: QHL)

Quickstep Holdings has joined the 'Team Reaper Australia' initiative, formed by General Atomics Aeronautical Systems (GA-ASI) to support the optimal development, for the RAAF, of armed and unmanned aircraft.

Hence, Quickstep's inclusion in the industry partners team will enhance and develop Quickstep's potential to supply specialist aircraft parts over the longer term, in addition to the supplier agreements Quickstep holds with JSF-35

**US Data Tonight**

Wholesale inventories	Jul
Consumer credit	Jul

Other Overseas Data Today & Tonight

China	Trade balance	Aug
Japan	GDP (final)	JunQ
Japan	Current account	Jul
Japan	Bank lending	Aug
Japan	Economic outlook	Aug
UK	Trade balance	Jul
UK	Industrial production	Jul
UK	Construction output	Jul
Germany	Trade balance	Jul

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development partner Northrop Grumman.

CAE Australia, Cobham, Flight Data Systems and Raytheon joined the GA-ASI alliance in February.

As of this week, together with Quickstep, Airspeed, Rockwell Collins, TAE Aerospace and Ultra Electronics Australia have also been welcomed into the partnership.

State One executive chairman Alan Hill

Trading Halts

Company	Code	Resuming
MacPhersons Resources	MRP	8 Sep
Allegiance Coal	AHQ	11 Sep
Pro-Pac Packaging	PPG	11 Sep
Reffind Ltd	RFN	11 Sep
Robo 3D	RBO	11 Sep
Venture Minerals	VMS	11 Sep

Suspensions (selected)

Company	Code	Since
AnaeCo Ltd	ANQ	31 Aug
BBX Minerals	BBX	23 Aug
Brierty Ltd	BYL	8 Sep
Capital Mining	CMY	14 Aug
Cougar Metals	CGM	29 Aug
Eastern Goldfields	EGS	16 Aug
Empire Oil & Gas	EGO	30 Aug
JustKapital Ltd	JKL	6 Sep
LWP Technologies	LWP	14 Aug
NMG Corporation	NMG	28 Aug
Peak Resource	PEK	1 Sep
SMS Management & Technology	SMX	8 Sep
Triangle Energy	TEG	6 Sep
ZipTel Ltd	ZIP	11 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
ALI	Today	2.5	0	1.97
APD	Today	0.75	100	4.82
BSL	Today	5	100	0.83
CBL	Today	~1.38	0	1.16
CDM	Today	4	100	5.95
FLK	Today	3.25	100	2.33
NVL	Today	3	100	1.15
PTL	Today	2.1	100	4.74
QAN	Today	7	100	2.48
RCG	Today	3	0	6.86
SDA	Today	2.4	100	1.33
SHL	Today	46	100	3.60
SMX	Today	10.2	20	2.50
SST	Today	70	100	1.96
SXL	Today	4	0	5.98
TGR	Today	7.5	100	3.82
WDE	Today	1	100	1.20
WTC	Today	1.2	100	0.27
ACQ	Mon	2	100	3.68
BKL	Mon	140	100	2.36
CTX	Mon	60	100	3.49
DOW	Mon	12	100	3.41

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EQT	Mon	36	100	3.90
MTO	Mon	7.5	100	3.54
MWY	Mon	9	100	7.23
NBL	Mon	4	100	1.82
ORA	Mon	6	30	3.49
QUB	Mon	2.8	100	2.17
RFG	Mon	15	100	6.17
RWC	Mon	3	100	1.67
SDF	Mon	4.4	100	2.63
SFR	Mon	13	100	2.83
TNK	Mon	4	100	4.62
VELCP	Mon	0.5	0	0.04
VELIN	Mon	5.6	0	7.47