

Thursday 9 March 2017

Markets

SFE 200 Futures (9.30am AEDST)	5735	-12	-0.2
NZX 50	7175	-4	-0.1
DJIA Futures	20868	0	0.0
S&P 500 Futures	2364	0	0.0
NASDAQ Futures	5363	0	0.0

Local Markets Commentary

The Australian market opens today's trade with significant stocks trading ex-dividend, ahead of key figures out of China.

Overnight international equities leads are uninspiring and key commodities leads mostly negative.

China is due to publish February CPI and producer prices **12.30pm** AEDST.

Locally, **ASX, BHP, FXL, MND, OZL, QBE, S32, SRV** and **VTG** are among several large-cap companies trading ex-dividend. *Please see p2 for a detailed list.*

In overnight commodities trade, **gold** fell further. **Oil** dropped. **Iron ore** picked up the pace of its latest decline. LME **copper** settled slightly lower.

The **\$A** dropped below US75.35c after falling to ~US75.55c yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	20856	-69	-0.3
S&P 500	2363	-5	-0.2
NASDAQ	5838	4	0.1
FTSE 100	7335	-4	-0.1
DAX 30	11967	1	0.0
Shanghai Comp	3241	-2	-0.1

Overseas Markets Commentary

Vacillating trade again featured across major European and US equities markets overnight, amid slippery oil prices, mostly positive economic reports and mixed corporate fortunes.

Key US indices notably settled at or near session lows.

A **US** private payrolls report well-exceeded expectations, estimating 298,000 jobs were created in February.

December quarter annual productivity growth was confirmed in a final reading at 1.3%.

In **Germany**, January industrial production improved 2.8% for the month following a 2.4% fall in December.

The **UK** government's last budget scheduled for a Spring session boosted social care spending, raised the 2017 UK GDP growth forecast by 0.6% to 2%, and predicted government spending would come in £16.8B lower than previously anticipated.

Most tax and spending announcements are reserved for the Autumn budget, ahead of a change to a once-a-year budget delivery.

The European Central Bank (**ECB**) commenced a

China - CPI anticipated **12.30pm** AEDST

* **China food grower listing 11am** AEDST - **JJF** *

Today's Stock Watch

Tabcorp Holdings (TAH) / Tatts Group (TTS)

The Australian Competition & Consumer Commission (ACCC) has determined 'complex competition issues' regarding the proposed TAH-TTS merger. The ACCC is now seeking submissions on a TAH proposal to sell its Queensland electronic gaming machine monitoring business Odyssey.

Mayne Pharma Group (MYX)

US rights acquired for the fentanyl TDS (patch) which is effectively a generic equivalent to Duragesic in pain management for patients able to tolerate opioids on a daily basis.

Osprey Medical (OSP)

US FDA clearance in hand for the Dyevert PLUS management system which manages the administration of dye during coronary procedures. The system enables reduced dye use while maintaining image quality.

NEXTDC Ltd (NXT)

NXT has appointed Sharon Warburton as a non-executive director, effective 1 April. Ms Warburton chairs the Northern Australia Infrastructure Facility, is a Western Power director and non-executive director of Fortescue Metals Group (ASX: FMG) and Gold Road Resources (ASX: GOR).

APN News & Media (APN) / QMSMedia Ltd (QMS)

In response to media reports, APN advises 'it is not considering a potential acquisition of QMSMedia'.

Spark New Zealand (SPK)

Offering NZ80c per share for TeamTalk. SPK had previously flagged its intention to launch a bid.

ALE Property Group (LEP)

LEP subsidiary ALE Direct Property Trust is issuing \$150M worth of 5.5-year notes. Funds will redeem \$110M worth of notes due for payment by 20 May.

Global Construction Services (GCS) / Scentre Group (SCG)

\$27.5M framework and concrete contract secured by GCS with SCG for the suburban Perth Carousel shopping centre redevelopment.

Jiajiafu Modern Agriculture (* JJF)

Shandong, China-focused organic vegetable grower scheduled to list 11am AEDST following a \$5.1M IPO at 30c per share.

Resources

Lepidico Ltd (LPD)

Ore access agreement secured with Portugal Alvarroes lepidolite mine owner Grupo Mota. LPD is planning near-mine drilling and targeting feed for the proposed L-Max processing facility.

Energy

Universal Coal (UNV)

UNV has delivered first Mpumalanga province New Clydesdale colliery coal to utility company Eskom. Details lodged this morning.

two-day policy meeting.

Tonight in the US, weekly new unemployment claims and a February job cuts report are due ahead of tomorrow night's February employment report.

The European Central Bank (**ECB**) will reveal outcomes of a two-day policy meeting which commenced late yesterday.

Aviva, Domino's Pizza, Legal & General and WM Morrison (Morrisons supermarket chain, UK) are scheduled to report full-year earnings.

Shire Pharmaceuticals, BHP Billiton and CRH trade ex-dividend on the FTSE 100.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1209	oz	-7	-0.6
Silver (NY) (Mar)	17.3	oz	-0.3	-1.6
Gold (LON)	1209	oz	-7	-0.6
Platinum	943	oz	-15	-1.6
WTI Crude (Apr)	50.3	bbl	-2.9	-5.4
Brent Crude (Apr)	53.1	bbl	-2.8	-5.0
Iron Ore (CHN port 62%)	87.2	t	-2.6	-2.9
Copper (LME)	5766	t	-8	-0.1
Nickel	10200	t	-445	-4.2
Aluminium	1877	t	1	0.1
Lead	2251	t	17	0.8
Zinc	2710	t	15	0.6
Tin	19375	t	0	0.0
CBT Wheat (May)	4.47	bshl	-0.1	-2.1

Commodities Commentary

Oil – WTI settled at the lowest price for 2017, trading at three-month lows intra-session. Brent traded as low as \$US52.93/bbl.

The **\$US** continued higher as a US private sector payrolls report indicated the national February employment report, due tomorrow night, will support the chances of a rate rise next week.

In addition, a (US) EIA weekly petroleum **inventories** report included an 8.2Mmmbbl rise for crude.

In the meantime Kuwait's oil minister Essam Al-Marzouq maintained OPEC nations signed on to the production cut agreement had complied and overall 140% in February, but non-OPEC nations' compliance stood at 50% - 60%.

Gold – prices dropped on the US private payrolls report which pushed the \$US higher after boosting expectations the Federal Reserve will decide for another rate rise next week.

Base metals – **China's** February trade statistics, reported yesterday, included a 10.5% February fall in copper imports, compared with January, and 19% year-on-year drop.

\$US strength constrained trade in general. *Nickel* suffered, reportedly mostly from repositioning by funds.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7519	-0.0009	-0.12
EUR – USD	1.0542	0.0001	0.01

US Data Tonight

Initial jobless claims 4 Mar

Pre-Open Announcements

Nine Entertainment Group (* NEC)

Macquarie has re-rated NEC as outperform.

Neurotech International (NTI)

NTI has demonstrated a prototype of its Mente Pro professional EEG recording system this week at a four-day International Brain Stimulation conference in Barcelona, Spain.

Opthea Ltd (* OPT)

Regulatory guidance meeting completed with the US FDA. Further outcomes from a Phase 2A OPR-302 clinical trial are anticipated by the end of the month. Details lodged this morning.

Resources

Anson Resources (* ASN)

Purchasing the Hooley Well nickel-cobalt laterite project, located 300km east of Carnarvon, Western Australia, pending a 30-day objection period. ASN is paying \$50,000.

White Cliff Minerals (WCN)

Investor briefings planned for 14-15 March in Sydney and Melbourne, respectively. Details lodged this morning.

Matador Mining (* MZZ)

Minerals explorer completed a successful ASX listing yesterday following a \$3.35M IPO at 20c per share. Opened at 25c and slipped to 24c before settling at 26c. 122,500 shares were traded across 10 transactions. Four WA projects featuring gold, copper, nickel and lithium/tungsten/tin/tantalum prospectivity.

Trading Halts

Company	Code	Resuming
Platina Resources	PGM	9 Mar
RNI NI	RNI	9 Mar
1-Page Ltd	1PG	10 Mar
Orion Gold	ORN	10 Mar
SML Corporation	SOP	10 Mar
Ephraim Resources	EPA	13 Mar

Suspensions (selected)

Company	Code	Since
Capital Mining	CMY	6 Mar
Classic Minerals	CLZ	6 Mar
Cott Oil & Gas	CMT	3 Mar
Gateway Mining	GML	10 Feb
Mobilarm Ltd	MBO	15 Feb
Onterran Ltd	OTR	14 Feb
Pixie Group	PEG	22 Feb
Tiger Resources	TGS	22 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AEF	Today	50	100	2.54
AIZ	Today	9.32	100	8.56
APO	Today	12.5	100	3.35
ASX	Today	102	100	3.89



Import & export prices	Feb
Challenger job cuts	Feb

Other Overseas Data Today & Tonight

China	CPI	Feb
China	PPI	Feb
Japan	Machine tool orders	Feb

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BFG	Today	3.75	100	7.69
BHP	Today	52.16	100	2.80
BST	Today	1	100	2.98
EDC	Today	3.5	100	3.13
FXL	Today	3.85	100	4.74
GLB	Today	3	100	5.77
IGO	Today	1	100	0.83
ING	Today	2.6	100	0.81
JIN	Today	3.5	100	4.76
LIC	Today	1.5	100	0.77
MIL	Today	3.5	100	4.65
MND	Today	24	100	4.32
OZL	Today	14	100	2.33
PGC	Today	1.1	100	3.52
PME	Today	1.5	0	0.67
QBE	Today	33	50	4.20
QMS	Today	0.8	100	2.15
RWC	Today	3	40	1.05
S32	Today	4.68	0	2.15
SFC	Today	12	100	3.70
SRV	Today	13	50	3.57
TME	Today	7.92	0	3.39
TOX	Today	4.5	100	4.04
VGL	Today	3.67	0	0.72
VTG	Today	9.2	100	4.96
GTN	Tomorrow	5.6	100	2.02
WTC	Tomorrow	1	100	0.19
ACQ	Mon	1.5	100	3.00
AHX	Mon	0.8	100	0.68
ALU	Mon	11	0	2.84
CBL	Mon	1.87	0	1.56
EGI	Mon	1	100	2.04
EQT	Mon	35	100	3.65
GNG	Mon	5	100	6.64
GZL	Mon	6	100	5.65
IGL	Mon	6.3	100	6.12
LOV	Mon	10	100	3.28
MEA	Mon	1	100	6.77
SGM	Mon	20	100	2.50
SRG	Mon	3	100	4.58