

Markets

SFE 200 Futures (9.25am AEST)	5352	-13	-0.2
NZX 50	7519	-16	-0.2
DJIA Futures	18456	-3	-0.0
S&P 500 Futures	2178	0	0.0
NASDAQ Futures	4796	0	0.0

Local Markets Commentary

The Australian market opens Friday's trade on mostly negative international equities leads. Key commodities settled mixed.

Regionally today, **China** is due to release August CPI and PPI **11.30am** AEST.

Locally, housing finance figures are due from the ABS 11.30am.

Highly-traded stocks turning **ex-dividend** include **BSL, RFG** and **SFR**. Please see **pp2-3** for a detailed list.

In overnight commodities trade, **oil** was propelled higher, significantly extending the previous session's gains, and favouring today's energy sector trade.

US **gold** futures continued lower for a second consecutive session. LME **copper** settled modestly higher. **Iron ore** fell further.

The **\$A** dropped below US76.50c after surpassing US77.25c yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	18480	-46	-0.3
S&P 500	2181	-5	-0.2
NASDAQ	5259	-24	-0.5
FTSE 100	6859	12	0.2
DAX 30	10675	-78	-0.7
Shanghai Comp	3096	4	0.1

Overseas Markets Commentary

Major European equities markets fell in second-half overnight trade and US indices traded lower on opening.

The sentiment busters appeared to be reserve bank policy and outlook concerns.

Specifically overnight: a possible US Federal Reserve rate rise weighed against a recent string of unsettling data; and the European Central Bank (**ECB**) offered no definitive update on potential policy moves, despite lowering regional forecasts for the next two years, and repeating that rates would remain lower for longer.

In the meantime, **US** new unemployment claims were reported 4000 lower for the previous week, and the four-week moving average down 1750, supporting those pushing for a near-term rate rise.

July consumer credit rose \$US17.7B and June's increase was revised \$US2.3B higher, to \$US14.5B. The annual July rate came in at 5.8%.

Tonight in the US, July wholesale inventories are due.

Sovereign rating updates are anticipated for

China – CPI anticipated **11.30am** AEST.

Today's Stock Watch

Austal Ltd (ASB)

ASB has delivered a second high-speed vessel to the Royal Navy of Oman, under a \$124M.9M contract. ASB has settled higher the past four trading sessions, closing at \$1.535 yesterday.

Cabcharge Australia (CAB)

Anticipating \$700,000 less annual service fee income should the Northern Territory (NT) impose a 5% services fee cap on non-cash payments. NT service fee income usually totals ~\$1.2M.

Medical Developments International (MVP)

Penthrox regulatory approval and marketing authorisation in hand for the United Arab Emirates (UAE), enabling sales to commence.

Strategic Elements (SOR)

SOR and the University of NSW have coated memory cells onto flexible plastic with an ink awaiting patent grant. The 'memory' was retained after the plastic was rotated more than 2000 times at up to 1000rpm.

SMS Management & Technology (SMX)

Awarded an \$8.7M contract to replace the Australian Capital Territory's (ACT) education department school administration system with a centralised system plus services.

Swift Networks Group (SW1)

Telecommunications services and upgrade contract secured for Compass Group's 800-room Gateway Village, Port Hedland.

Infratil Ltd (IFT)

FIRB approval in hand for IFT to acquire 48% of Canberra Data Centres for \$A392M cash. Settlement is anticipated by the end of the month.

Sigma Pharmaceuticals (SIP)

UBS is recommending SIP as a buy, cancelling a neutral rating. SIP appreciated 11.3% yesterday, settling at \$1.285.

Aurizon Holdings (AZJ)

Macquarie has re-rated AZJ as outperform, from neutral.

Resources

Rio Tinto (RIO)

RBC Capital Markets has re-assessed RIO as outperform, from sector perform.

MZI Resources (MZI)

Anticipating positive cash-flow for the September quarter from the WA Keysbrook minerals sands project.

Syrah Resources (SYR)

Mozambique Balama graphite project update lodged this morning, highlighting the commencement of mine development work. Half-year financial report also lodged this morning.

Energy

Carnarvon Petroleum (CVN)

Preliminary logging has confirmed hydrocarbons within good quality rock within Roc-2, WA 437-P. Currently drilling at ~4610m. 5250m total depth targeted. CVN 20%; Quadrant Energy 80% and operator.

Kazakhstan and Finland, and Russia is expected to release June quarter GDP anytime from tonight.

Overnight, **Ford** Motor Company lowered its full-year profit forecast \$US0.6B to \$US10.2B.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1341	oz	-8	-0.6
Silver (NY) (Dec)	19.7	oz	-0.2	-0.8
Gold (LON)	1343	oz	-5	-0.4
Platinum	1082	oz	-5	-0.5
WTI Crude (Oct)	47.6	bbl	2.1	4.7
Iron Ore (Tianjin)	57.4	t	-0.9	-1.5
Copper (LME)	4664	t	14	0.3
Nickel	10345	t	135	1.3
Aluminium	1591	t	-3	-0.2
Lead	1925	t	6	0.3
Zinc	2314	t	-9	-0.4
Tin	19575	t	25	0.1
CBT Wheat (Sep)	3.75	bshl		

Commodities Commentary

Oil – the EIA (US government agency) reported domestic crude stockpiles had dropped 14.5Mmbbl the previous week, representing the largest weekly draw since January 1999.

Brent crude appreciated 4.2%, to \$US49.99/bbl.

A weekly US petroleum rig count is due tonight.

Gold – the \$US traded higher again, on hangover from bullish comments out of Federal Reserve officials the previous day. In addition, the ECB lowered 2017 and 2018 regional economic forecasts, favouring a stronger \$US against the euro.

Base metals – **China's** August trade figures, released yesterday, disappointed in terms of month-on-month copper imports. Overall imports increased 1.5% year-on-year, however, supporting copper to another higher close. August CPI and PPI are expected for China today, and lending figures anytime from the weekend.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7649	0.0006	0.08
EUR – USD	1.1269	0.0008	0.07

Australian Data Today

ABS	Housing finance	Jul
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US Data Tonight

Wholesale inventories	Jul
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Other Overseas Data Today & Tonight

China	CPI	Aug
China	PPI	Aug
Japan	Tertiary industry index	Jul
UK	Trade balance	Jul
UK	BoE inflation outlook	Aug
UK	Construction output	Jul
Germany	Trade balance	Jul

Pre-Open Announcements

Factor Therapeutics (* FTT)

Materials needed for FTT's VF001 venous leg ulcer US Phase II clinical trial have been manufactured and packaged under US FDA rules. FTT describes this is a company milestone.

iSelect Ltd (ISU)

ISU co-founder and non-executive director Damien Waller has sold 9.5% of his ISU shares, leaving him with ~12% of the company. Mr Waller previously held ~13.3% of ISU. The sale is the first ISU stock sale by Mr Waller since ISU's June 2013 listing. Mr Waller's roles with ISU have also included those of MD, CEO and chairman.

Catapult Group (CAT)

Rhonda O'Donnell has resigned as a CAT director, effective immediately. Ms O'Donnell has been with CAT since the company's IPO.

Resources

KBL Mining (KBL)

Administrators appointed.

Energy

Cooper Energy (COE)

Sole gas project presentation lodged post-trade yesterday.

Trading Halts

Company	Code	Resuming
A-Cap Resources	ACB	12 Sep
Avanco Resources	AVB	12 Sep
Carpentaria Exploration	CAP	12 Sep
Dragon Energy	DLE	12 Sep
Pura Vida Energy	PVD	12 Sep
Stonewall Resources	SWJ	12 Sep

Suspensions (selected)

Company	Code	Since
ATC Alloys	ATA	2 Sep
Aura Energy	AEE	7 Sep
Australia China Holdings	AAK	25 Aug
Diploma Group	DGX	1 Sep
Excalibur Mining Corporation	EXM	15 Aug
HJB Corporation	HJB	8 Sep
India Resources	IRL	19 Aug
KBL Mining	KBL	9 Sep
Krakatoa Resources	KTA	8 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
BSL	Today	3	100	0.70
EPW	Today	6	0	11.88
FLK	Today	2.5	100	2.53
HHL	Today	14.6	100	6.16
INM	Today	~45.38	0	1.76
IRI	Today	3.5	60	2.75
PTL	Today	1.95	100	4.68
RFG	Today	14.5	100	3.96
SFR	Today	9	100	2.06

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SHJ	Today	2.5	0	1.92
VII	Today	3	0	15.38
WDE	Today	2	100	3.82
ABA	Mon	16	100	5.64
CIM	Mon	48	100	3.30
GC1	Mon	3	100	3.71
OPG	Mon	2	100	5.61
ORA	Mon	5	30	3.10
PEP	Mon	3	100	2.24
QMS	Mon	1.5	100	1.29
QUB	Mon	2.8	100	2.23
SDF	Mon	3.6	100	2.63