

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>6108</b>	<b>-23</b>	<b>-0.4</b>
<b>NZX 50</b>	9058	-37	-0.4
<b>DJIA Futures</b>	25971	12	0.1
<b>S&amp;P 500 Futures</b>	2876	1	0.0
<b>NASDAQ Futures</b>	7445	7	0.1

## Local Markets Commentary

The Australian market commences a new week's trade with influential data out of China over the weekend, ahead of further key regional data today.

In addition, an official China response to new US trade threats is also anticipated anytime from today.

**Saturday, China** reported a \$US27.91B August trade surplus, against \$US28.05B in July.

Imports had grown 20% year-on-year, following a 27.3% rise in July, while exports had risen just 9.8%, following a 12.2% increase for July.

Post-ASX trade Friday, China reported **forex reserves** at \$US3.11 trillion, against \$US3.118 trillion as at 31 July.

China's August **CPI** and **PPI** are expected **11.30am** AEST.

Japan's final June quarter **GDP** reading is due **9.50am**.

**Locally** today, a weekly capital city residential property price report is due pre-trade.

In addition, several large-cap stocks trade **ex-dividend** today. Please see p3 for details.

In overnight Friday commodities trade, WTI **crude** settled slightly lower and Brent modestly higher.

US **gold** futures turned lower.

**Iron ore** (China port, 62% Fe) gained further, but slightly.

LME **copper** settled little changed. **Nickel** turned lower again. **Aluminium** seesawed higher.

The **\$A** fell below US71.10c after trading at US71.55c early Friday evening.

In domestic political news, Australia's national parliament resumes sittings following last month's leadership spill.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25917	-79	<b>-0.3</b>
<b>S&amp;P 500</b>	2872	-6	<b>-0.2</b>
<b>NASDAQ</b>	7903	-20	<b>-0.3</b>
<b>FTSE 100</b>	7278	-41	<b>-0.6</b>
<b>DAX 30</b>	11960	4	<b>0.0</b>
<b>Shanghai Comp</b>	2702	11	<b>0.4</b>

## Overseas Markets Commentary

Major European and US equities markets again demonstrated vacillating sentiment overnight Friday, even before a trade warning from the US president produced a notable chill across US indices.

The US administration threatened to impose new import taxes on an additional \$US267B worth of

## China - CPI 11.30am AEST

**RBA** - Assistant governor (financial system) Michele Bullock is scheduled to speak on *The Evolution of Household Sector Risks*, at an AiG event, Albury, **1.05pm** AEST

## Today's Stock Watch

### Investa Office Fund (IOF)

As flagged last week, Blackstone Group is bolstering its proposed scheme consideration takeover of IOF to \$5.52 per unit, from \$5.3485.

Last week, IOF also revealed a competing proposal.

IOF will resume from a trading halt, having traded at \$5.32 - \$5.54 over three trading sessions last week.

### Pact Group Holdings (PGH)

CEO and MD Malcolm Bunday has resigned. Mr Bunday is taking leave but will remain available to PGH until 8 March.

Raphael Geminder has been appointed PGH executive chairman in the meantime.

### Brickworks Ltd (BKW)

BKW subsidiary Austral Brick has received notice of protected industrial action regarding attempts to negotiate a new enterprise agreement.

### Cimic Group (CIM)

CIM's Thies has secured a \$190M underground mining services contract with BHP Billiton's Nickel West Leinster operation. The work represents a continuing relationship, for at least two years.

### BrainChip Holdings (BRN)

Making available the company's Akida AI chip product for select customers from today.

### Incitec Pivot (IPL)

Credit Suisse has raised its IPL assessment to neutral.

## Resources

### Ramelius Resources (RMS) / Explaurum Ltd (EXU)

RMS is offering one RMS share for every four EXU shares in an off-market takeover bid for 100% of EXU.

RMS says it has unsuccessfully tried to negotiate an agreed deal with EXU, but has been forced to approach EXU shareholders directly.

Rationale and plans lodged this morning, including in presentation format.

RMS traded at 45.25c - 50c last week, and EXU at 7.4c - 8c.

### Sheffield Resources (SFX)

Co-existence agreement secured with traditional land owners in relation to the proposed development of the WA Kimberley region Thunderbird mineral sands project.

### Millennium Minerals (MOY)

Expecting to boost Nullagine gold project resources, following the receipt of high-grade assays from Golden Eagle deposit RC drilling. Details lodged this morning.

### Castillo Copper (CCZ)

Anticipating drilling will confirm extended mineralisation within the Cangai copper project, due assays received from soil and rock-chip sampling within the Canberra and Sydney prospects.

Details lodged this morning.

goods from China, as speculation continued a previously planned increase on tariffs for \$US200B worth of goods could be implemented in the near-term.

This appeared the main negative influence on tech sector sentiment, select stocks falling again.

Economic indicators proved mixed.

For the **US**, the monthly employment report pushed the \$US higher.

The estimated number of jobs created in August (210,000) exceeded expectations (190,000).

Average earnings rose 0.4% for the month, following 0.3% in July, and came in 2.9% higher, year-on-year, representing the best annual boost in nine years.

The number of jobs created in July was revised from 157,000 to 147,000.

In the **euro zone**, a final June quarter GDP reading remained at 0.4% growth for the quarter, but 2.1% year-on-year, against 2.4%.

In **Germany**, July exports were estimated to have fallen 0.9% against a 2.8% rise in imports, shrinking the trade surplus from €19.3B to €15.8B.

Industrial production dropped 1.1% for the month, following a 0.7% decline in June.

**Tonight** in the US, July consumer credit figures are due.

Associated British Foods and Taiwan Semiconductor are due to report.

In overnight Friday corporate news, **Tesla** stock suffered further, falling ~6%, in part due to revelations the chief accounting officer was leaving after four weeks with the company. Some analysts cited CEO and chairman Elon Musk as the major influence on Friday's price, following a podcast which showed 'concerning' behaviour.

In the meantime, China's **HNA** Group was reported to be selling its 7.6% holding in **Deutsche Bank**, prompting a 1.5% Deutsche Bank push lower.

**Toyota Motor** announced the recent earthquake in northern Japan had impacted a parts manufacturing plant and that the company was suspending operations at several assembly facilities in Japan.

## Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1200</b>	oz	-4	-0.3
<b>Silver (NY) (Sep)</b>	14.21	oz	0.02	0.2
<b>Gold (LON)</b>	1199	oz	-6	-0.5
<b>Platinum</b>	780	oz	-11	-1.4
<b>WTI Crude (Oct)</b>	<b>67.75</b>	bbl	-0.02	-0.1
<b>Brent Crude (Nov)</b>	<b>76.8</b>	bbl	0.3	0.4
<b>Iron Ore</b> (CHN port 62%)	68.5	t	0.1	0.1
<b>Copper</b> (LME,3mth,PM)	<b>5933</b>	t	6	0.1
<b>Nickel</b>	12355	t	-90	-0.7
<b>Aluminium</b>	2070	t	30	1.5
<b>Lead</b>	2078	t	42	2.0
<b>Zinc</b>	2420	t	-21	-0.9
<b>Tin</b>	19055	t	205	1.1
<b>CBT Wheat (Oct)</b>	<b>5.10</b>	bshl	-0.04	-0.8

## Commodities Commentary

**Oil** – trade tensions and \$US strength continued to influence overnight Friday trade.

Meanwhile, a consultancy firm estimated crude exports from the US to Asia had reached

## Pre-Open Announcements

### Bega Cheese (\* BGA)

Trading halt called this morning, ahead of a capital raising announcement.

### DWS Ltd (\* DWS)

Executive director Jodie Moule has resigned, effective immediately.

Ms Moule is leaving her Symplicit Pty Ltd executive role following leave.

### DigitalX Ltd (DCC)

Non-executive director and former DCC chairman Toby Hicks retired from the DCC board Friday.

### SenSen Networks (SNS)

SNS has appointed former Echo Entertainment Group/The Star (ASX: SGR) executive Heather Scheibenstock as an independent, non-executive director.

Ms Scheibenstock is also a former senior VP table games with Bloomberry Resorts Corporation and a current Ainsworth Game Technology (ASX: AGI) non-executive director.

### Immutep Ltd (IMM)

Conference presentation lodged post-trade Friday.

IMM presented in New York overnight Friday.

IMM settled at 4.1c Friday after adding 10.8% for the session and 8.8% Thursday, and closing out the previous week at 3.6c.

### Woolworths Ltd (WOW) / Amcor Ltd (AMC)

AGMs confirmed for 21 November and 11 October, respectively.

## Resources

### Mincor Resources (\* MCR)

MCR-Bacchus Resources NSW Tottenham JV resources updated to 7.37Mt @ 1.2% Cu & 0.4g/t Au.

### PepinNini Lithium (PNN)

\$116,000 better off following a 0.8c-per-share placement.

PNN traded at 0.9c – 1.1c last week.

### Gascoyne Resources (GCY)

Extending the SPP closing date from 12 September (Wednesday) until 21 September (Friday next week).

## Trading Halts

Company	Code	Resuming
Alice Queen	AQX	10 Sep
Bluechiip Ltd	BCT	10 Sep
Hardey Resources	HDY	10 Sep
Kalina Power	KPO	10 Sep
PepinNini Lithium	PNN	10 Sep
The Food Revolution Group	FOD	10 Sep
Todd Resources	TRT	10 Sep
Barra Resources	BAR	11 Sep
Phylogica Ltd	PYC	11 Sep
Victory Mines	VIC	11 Sep

## Suspensions (select)

Company	Code	Since
Antilles Oil & Gas	AVD	24 Aug
AustSino Resources Group	ANS	6 Sep
Nex Metals Exploration	NME	7 Sep

~1.1MMbbl/d last week.

Saturday, China's August oil imports were reported 6.5% higher for the month, at 9.04MMbbl/d, and against a daily 8.0MMbbl a year earlier.

Mexico also predicted boosting oil production from 1.8MMbbl/d to 2.6MMbbl/d, as it announced a new tender period from December.

A weekly US petroleum inventories report, published overnight Friday, estimated two fewer operational oil rigs.

**Gold** – sentiment appeared mostly impacted overnight Friday by a positive US employment report, which propelled the \$US higher, and further lifted expectations of at least one more US rate rise before year's end.

US trade negotiations with Canada, and any moves against China, will remain a key focus this week.

Further influential data releases, including US CPI and retail sales are scheduled.

Bank of England and European Central Bank policy meetings Thursday this week, in particular post-meeting statements, are also expected to toy with currencies, and hence influence some gold trade.

**Base metals** – a \$US rally and pending key data out of China were considered the major influences on general LME trade sentiment overnight Friday.

Meanwhile, employees at Alcoa's south Western Australian *bauxite* mining and *aluminium* refinery operations had voted to extend month-long industrial action.

**China's** August trade figures, published Saturday, included a reduced surplus and **imports** which for a second consecutive month, far outweighed **exports**. Notably, China's trade surplus with the US grew, however, exports rising 13.2% year-on-year, after an 11.2% rise in July, and imports increasing just 2.7%, against 11.1%.

Post-ASX trade Friday, forex reserves were reported at \$US3.11 trillion, following \$US3.118 trillion at the end of July.

CPI and PPI are due today.

In addition, Japan releases a final June quarter GDP reading, which could also prove influential should it differ markedly from the initial estimate.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	<b>0.7113</b>	<b>0.0009</b>	<b>0.13</b>
<b>EUR – USD</b>	<b>1.1557</b>	<b>0.0008</b>	<b>0.07</b>

### Australian Data Today

CLgc Capital city resdntl prop prices 7 Sep

### US Data Tonight

Consumer credit Jul

### Other Overseas Data Today & Tonight

<b>China</b>	CPI	Aug
China	PPI	Aug
<b>Japan</b>	GDP (final)	Jun Q
Japan	Bank lending	Aug
Japan	Eco watchers survey	Aug

Silver Heritage Group	SVH	5 Sep
Sundance Resources	SDL	10 Sep
Syngas Ltd	SYS	6 Sep

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>ABA</b>	Today	<b>18</b>	100	5.81
<b>CTX</b>	Today	<b>57</b>	100	3.97
<b>EQT</b>	Today	<b>42</b>	100	3.42
<b>FLK</b>	Today	<b>3</b>	100	2.14
<b>MRC</b>	Today	<b>0.6</b>	15	6.84
<b>NWL</b>	Today	<b>10.56</b>	100	0.66
<b>ORA</b>	Today	<b>6.5</b>	30	3.56
<b>PPG</b>	Today	<b>1</b>	100	10.00
<b>RWC</b>	Today	<b>3</b>	100	1.22
<b>SFR</b>	Today	<b>19</b>	100	3.90
<b>TGR</b>	Today	<b>8</b>	100	3.69
<b>VRS</b>	Today	<b>0.5</b>	100	2.22
ADH	Tomorrow	8	100	5.60
BXB	Tomorrow	14.5	30	2.66
CSL	Tomorrow	127.82	0	1.08
CVW	Tomorrow	3	100	2.94
GRR	Tomorrow	1	100	8.89
ING	Tomorrow	11.6	100	5.51
MTO	Tomorrow	6.5	100	3.58
NWS	Tomorrow	9.41	0	1.01
NWSLV	Tomorrow	9.41	0	1.05
NZK	Tomorrow	2.76	0	1.92
PSI	Tomorrow	4.5	100	2.53
REG	Tomorrow	8.65	100	5.04
SXE	Tomorrow	3	100	4.20
TOP	Tomorrow	0.9	100	2.22
WTC	Tomorrow	1.65	100	0.13
ADA	Wed	7.5	0	2.82
AX1	Wed	3.75	100	4.15
CGC	Wed	8.5	100	1.97
CIM	Wed	70	100	2.97
FSA	Wed	4	100	5.19
LOV	Wed	14	100	2.64
MCY	Wed	8.25	0	4.49
NTD	Wed	2.3	100	2.70
PAF	Wed	2	100	3.85
PPT	Wed	140	100	6.44
RRL	Wed	8	100	3.80
SEK	Wed	22	100	2.16
SHL	Wed	49	30	3.17
SSM	Wed	4.5	100	4.31
VGL	Wed	1.25	0	0.71



<b>UK</b>	GDP	Jul
UK	Industrial production	Jul
UK	Trade balance	Jul
UK	Construction output	Jul
<b>Germany</b>	Trade balance	Jul
<b>Euro zone</b>	Sentix investor confidence	Sep

### 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.