Market Opener

Monday 11 September 2017

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Markets

SFE 200 Futures (9.30am AEST)	**5667**	**-2**	**-0.0**
NZX 50	7834	-18	-0.2
DJIA Futures	21892	90	0.4
S&P 500 Futures	2471	9	0.4
NASDAQ Futures	5943	27	0.5

Local Markets Commentary

The Australian market commences a new week's trade on influential data releases from China over the weekend, amid local ex-dividend season, and on mostly negative key commodities leads.

China reported 1.8% August **CPI** year-on-year growth and a 6.3% higher **PPI**, following 1.4% and 5.5% respectively in July, and 1.6% and 5.6% respective forecasts.

In overnight Friday commodities trade, **oil** fell. US gold futures settled slightly higher. LME **copper** and **nickel** dropped. **Iron ore** continued to fall.

The **$A** pulled back to ~US80.55c after trading beyond ~US80.95c early Friday evening.

Locally today, the ABS releases July lending finance, including for residential, the figures for which were released Friday. A weekly capital city house price report is due pre-trade.

Ex-dividend season continues unabated this week, with **BKL**, **CTX**, **DOW**, **EQT**, **ORA**, **QUB**, **RFG** and **SFR** among high-profile stocks trading ex-dividend today. *Please see p3 for a detailed list.*

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	**21798**	13	**0.1**
S&P 500	2461	-4	-0.2
NASDAQ	6360	-38	-0.6
FTSE 100	7378	-19	-0.3
DAX 30	12304	7	0.1
Shanghai Comp	3365	-0.25	-0.0

Overseas Markets Commentary

Major European and US equities markets found little positive traction after mostly opening lower overnight Friday.

In the **US**, Hurricane Irma's impacts as it approached the US coast constrained sentiment, as estimates began rolling in for the cost of Hurricane Harvey to the national economy.

Southern **Mexico** in the meantime, faced hurricane weather in the aftermath of Thursday's exceptionally strong earthquake.

In US data releases, July wholesale inventories were reported 0.6% higher for the month in a final reading.

July consumer credit grew by $US18.5B, following an $US11.8B increase in June, and forecasts of a $US15.1B rise.

Across the Atlantic, the **UK**'s July trade deficit came in at $US11.6B following $US12.7B for June.

Industrial output grew 0.2% for the month and

Today's Stock Watch

Macquarie Group (MQG)

Anticipating performance fees growth during 1H FY 2018, higher year-on-year 1H profit, and on-par full-year profit. Outlook confirmations and statements contained in a Hong Kong investor forum presentation lodged this morning. The forum is scheduled for Monday through Friday this week.

Mirvac Group (MGR)

Moody's has raised MGR's credit rating from Baa1 to A3, citing an improvement in the quality of the group's office, retail and industrial investment portfolio assets, and a strong residential sector market base.

Navitas Ltd (NVT)

The International College Wales Swansea is to become a JV with NVT under the name The College, Swansea University. NVT will be equally represented on the college's board.

Dotz Nano (DTZ)

DTZ says it has developed a process to tag petroleum and fuel products, that can be used in anti-counterfeiting activities involving kerosene, petrol and diesel.

Eden Innovations (EDE)

US West Virginia Department of Transportation approval in hand for EDE's EdenCrete to be added to the department's approved product list for Type S concrete admixtures.

In addition, EDE has reached the US field trial phase of a new EdenCrete product boasting a higher concentration.

Smartgroup Corporation (SIQ)

Proposing to outlay $34M for RACV Salary Solutions. In addition, SIQ is spending $6.2M for leasing provider ABM Pty Ltd, known as Aspire.

$7.6M of the combined consideration is escrowed. Details and EBITDA impacts lodged with a presentation this morning.

Tatts Group (TTS) / Tabcorp Holdings (TAH)

TTS shareholder meeting scheduled for 18 October, to consider the scheme of arrangement supporting the proposed TTS-TAH merger.

TTS and TAH expect the merger to be approved and anticipate a 1 November completion.

Resources

Newcrest Mining (NCM)

Presenting at an investor forum in Hong Kong today. Presentation lodged this morning.

BHP Billiton (BHP)

US tender offer pricing lodged this morning. BHP is conducting three US offers and intending to outlay up to $US1 trillion.

Energy

Origin Energy (ORG)

Lattice Energy will acquire Benaris's 27.77% interest in the Otway gas JV. Under an agreement whereby ORG will pay Benaris $190M, Lattice will also acquire Bernaris's 29.93% holding in the adjacent T/30P JV and VIC/P43 JV. On completion, Lattice will hold 95% of the Otway JV and full ownership of T/30P and VIC/P43.

Additional details lodged this morning.

manufacturing production 0.5%.

Germany's July trade surplus was calculated $US1.7B lower for the month, at $US19.5B, after exports increased just 0.2%.

Greece's PM urged the International Monetary Fund (IMF) to deliver a definitive decision on funding for the nation's bailout program by winter, in time to finalise another review.

Tonight, the US remembers '9/11' 2001.

In overnight Friday and weekend corporate news, **Apple** iPhone operating system information was reported to have been leaked, ahead of tomorrow night's launch of a new phone.

Glencore confirmed its consortium with **Qatar Investment Authority** was selling 14.16% of Russian oil producer **Rosneft** to China's **CEFC**.

Commodities

COMMODITY	CLOSE	$US/	+/-	%
Gold (NY) (Dec)	**1351**	oz	1	0.1
Silver (NY) (Sep)	18.1	oz	0.0	0.0
Gold (LON)	1346	oz	3	0.2
Platinum	1007	oz	-9	-0.9
WTI Crude (Oct)	**47.5**	bbl	-1.6	-3.3
Brent Crude (Nov)	**53.8**	bbl	-0.1	-1.3
Iron Ore (CHN port 62%)	**74.4**	t	-1.2	-1.7
Copper	**6693**	t	-206	-3.0
Nickel	11590	t	-560	-4.6
Aluminium	2099	t	-8	-0.4
Lead	2265	t	-75	-3.2
Zinc	3031	t	-98	-3.1
Tin	20550	t	-200	-1.0
CBT Wheat (Dec)	**4.38**	bshl	0.04	0.1

Commodities Commentary

Oil – Hurricane Irma battered the Caribbean overnight Friday as it approached Cuba and the Florida coast. Two additional hurricanes (Jose, Katia), behind Irma, added to trade considerations.

Meanwhile, Hurricane Harvey recovery continued in Texas and Louisiana.

A US weekly petroleum rig count revealed three fewer oil rigs in operation.

Gold – vacillating trade reported overnight Friday as the $US fell to more than 2.5-year lows.

The second hurricane (Irma) in weeks to make landfall in the US, is expected to add to US economic growth pressure through to the end of the year, bolstering views there could be no further US interest rate rises anytime soon.

This week's gold trade is expected to also be impacted by North Korea considerations and key US data updates from mid-week. Investors will also be watching any US Congress argy-bargy.

Base metals – bruised sentiment obvious across Friday's trade.

China's August trade figures, reported Friday, revealed exports slowed from June (5.5% v 7.2%), in $US terms, while imports grew (13.3% v 11%).

Japan's revised June quarter GDP growth, also released Friday, undershot expectations, coming in at 0.6% for the quarter and 2.5% annually.

China's August CPI (+1.8% year-on-year) and producer prices (+6.3%), released over the weekend, could swing some of tonight's trade.

Select trade figures out of China could continue to influence sentiment throughout the week, however.

Pre-Open Announcements

CropLogic Ltd (* CLI)

Agronomy-focused professional services firm scheduled to list 11am AEST tomorrow following an $8M IPO at 20c per share. ~79.79M shares. JP Morgan Nominees Australia 4.39%.

Fonterra Shareholders Fund (FSF)

Fonterra Co-op director David MacLeod intends to retire his board position at the 2 November AGM.

Ian Farrelly will also stand down as an FSF director at the AGM, after retiring from the board last year before returning, on invitation, to fill a casual vacancy.

Zenith Energy (ZEN)

ZEN has appointed Phylogica Ltd (ASX: PYC) CEO and MD Stephanie Unwin as an independent non-executive director, effective today. Ms Unwin is also a former executive GM retail of WA government-owned electricity provider Synergy.

Resources

Ardiden Ltd (ADV)

Ontario, Canada Seymour Lake lithium project update lodged post-trade Friday, highlighting both stakeholder consultations and exploration. Audio webcast access details also lodged for a 6pm AEST Friday presentation by ADV CEO Brad Boyle.

Mineral Commodities (MRC)

Proposing to acquire 51% of the southern WA Munglinup graphite project for $A3.2M cash plus 10M shares. Details lodged this morning.

Energy

Triangle Energy (TEG)

TEG subsidiary State Gas will conduct a $5.25M 20c-per-share IPO ahead of a proposed ASX listing. TEG proposes to hold 35.47% of State Gas as it lists. TEG MD Rob Towner is a State Gas director. TEG is resuming from suspended trade, having last traded at 11c.

Trading Halts

Company	Code	Resuming
Allegiance Coal	AHQ	11 Sep
Australian Dairy Groups	AHF	11 Sep
Reffind Ltd	RFN	11 Sep
Venture Minerals	VMS	11 Sep
MACA Ltd	MLD	12 Sep
Pacific Bauxite	PBX	12 Sep
Rision Ltd	RNL	12 Sep

Suspensions *(selected)*

Company	Code	Since
AnaeCo Ltd	ANQ	31 Aug
BBX Minerals	BBX	23 Aug
Brierty Ltd	BYL	8 Sep
Eastern Goldfields	EGS	16 Aug
Empire Oil & Gas	EGO	30 Aug
JustKapital Ltd	JKL	6 Sep
MacPhersons Resources	MRP	8 Sep
NMG Corporation	NMG	28 Aug
Peak Resource	PEK	1 Sep
SMS Management & Technology	SMX	8 Sep

August *copper* imports, for example, have already been reported as flat, compared with July. This has been mostly attributed to price appreciations.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.8049	-0.0008	-0.09
EUR – USD	1.2014	-0.0005	-0.04

Australian Data Today

CLogic	Capital city house prices	9 Sep
ABS	Lending finance	Jul

US Data Tonight

Consumer inflation expectations	Aug

Other Overseas Data Today & Tonight

Japan	Machinery orders	Jul
Japan	Tertiary industry index	Jul

Need More Information?

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Teranga Gold Corporation	TGZ	9 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
ACQ	Today	**2**	100	3.65
BKL	Today	**140**	100	2.41
CTX	Today	**60**	100	3.47
DOW	Today	**12**	100	3.48
EQT	Today	**36**	100	3.89
MTO	Today	**7.5**	100	3.50
MWY	Today	**9**	100	7.38
NBL	Today	**4**	100	1.83
ORA	Today	**6**	30	3.51
QUB	Today	**2.8**	100	2.18
RFG	Today	**15**	100	6.41
RWC	Today	**3**	100	1.67
SDF	Today	**4.4**	100	2.63
SFR	Today	**13**	100	2.80
TNK	Today	**4**	100	4.66
VELCP	Today	**0.5**	0	0.04
VELIN	Today	**5.6**	0	7.47
ASB	Tomorrow	2	100	2.38
AXL	Tomorrow	2.2	100	1.40
CIM	Tomorrow	60	100	2.79
CSL	Tomorrow	~91.53	0	1.34
CVW	Tomorrow	2.75	100	1.90
ING	Tomorrow	9.5	100	3.20
NWS	Tomorrow	~8.89	0	1.07
NWSLV	Tomorrow	~8.89	0	1.09
PEP	Tomorrow	3	100	2.37
RRL	Tomorrow	8	100	3.49
SRG	Tomorrow	4	100	4.90