STATE ONE STOCKBROKING LTD
Participant of ASX Group AFSL 247 100
ABN 95 092 989 083

Market Opener

Friday 11 November 2016

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Contact your State One advisor on 1300 651 898 or advice@stateone.com.au

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Markets

SFE 200 Futures (9.30am AEDST)	**5336**	**-4**	**-0.1**
NZX 50	6763	29	0.4
DJIA Futures	18786	0	0.0
S&P 500 Futures	2167	7	0.3
NASDAQ Futures	4744	-77	-1.6

Local Markets Commentary

The Australian market commences Friday trade on mixed international equities and commodities leads.

In overnight commodities trade, **gold** and **oil** fell. **Copper** picked up the pace of its rally. **Iron ore** (China port, 62% Fe) remained robust.

The **$A** slid towards US76.0c after surpassing ~US77.0c yesterday evening.

Locally today, no major economic statistics are due.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	**18807**	218	**1.2**
S&P 500	2167	4	0.2
NASDAQ	5209	-42	-0.8
FTSE 100	6828	-84	-1.2
DAX 30	10630	-16	-0.2
Shanghai Comp	3171	43	1.4

Overseas Markets Commentary

Major European and US equities markets traded mixed overnight, financial and industrial stocks appearing the most in favour and the US tech sector shunned.

Oil fell, hurting the energy sector as BP and Royal Dutch Shell traded ex-dividend on the FTSE100.

In **US** data releases, weekly new unemployment pleased, falling 11,000 to 254,000.

The October budget deficit dropped 68% year-on-year to $US44B, against expectations of ~$US80B.

Tonight, a November University of Michigan preliminary US consumer sentiment reading is due.

Allianz, Brookfield Asset Management and JC Penney are scheduled to report.

Overnight, US department stores **Macy's** and **Kohl's** again reported falling sales.

In the UK, **AstraZeneca** dropped ~4% on a drop in sales for a drug facing increased competition.

Tonight is Veterans Day in the US. Bond markets will be closed but equities will trade as normal.

Commodities

COMMODITY	CLOSE	$US/	+/-	%
Gold (NY) (Dec)	**1266**	oz	-0.8	-0.6
Silver (NY) (Dec)	18.7	oz	0.3	0.6
Gold (LON)	1268	oz	-14	-1.1
Platinum	972	oz	-27	-2.7
WTI Crude (Dec)	**44.7**	bbl	-0.6	-1.4
Brent Crude (Jan)	**45.8**	bbl	-0.5	-1.1
Iron Ore (Tianjin)	**74.2**	t	3.2	**4.5**

Remembrance Day

RBA – deputy governor Guy Debelle is a participant in the FINSIA's regulators panel, Melbourne, **1.15pm** AEDST.

Today's Stock Watch

Link Administration Holdings (LNK)

LNK has submitted a firm proposal for Pillar Administration, the trading name of the NSW Government's Superannuation Administration Corporation.

Sky Network Television (SKT)

The NZ Commerce Commission decision date for the proposed SKT-Vodafone New Zealand has been pushed back to 21 December, to enable sufficient review of new and multiple third-party submissions.

Silex Systems (SLX)

The US Department of Energy and SILEX technology licensee Global Laser Enrichment (GLE) have agreed on the sale of 300,000t of depleted uranium hexafluoride (DUF_6) to GLE, ahead of a potential first laser enrichment facility in Kentucky, US. The SILEX technology will be used to re-enrich the depleted uranium.

Living Cell Technologies (LCT)

Data Safety Monitoring Board approval in hand, enabling the treatment of six group two Parkinson's disease patients in LCT's NTCELL Phase IIb clinical trial, Auckland City Hospital.

LBT Innovations (LBT)

Automated Plate Assessment System image capture and lighting apparatus patent issued by the US Patent & Trademark Office.

CSR Ltd (CSR) / Kathmandu Holdings (KMD)

Trading ex-dividend (13c and ~7.8c) today.

National Australia Bank (NAB) / Woolworths Ltd (WOW)

Macquarie has re-rated NAB as outperform, from neutral, and WOW as neutral, from underperform.

Westfield Corporation (WFD)

UBS is recommending WFD as a 'buy'

Resources

BlueScope Steel (BSL)

UBS is recommending BSL as a 'buy'.

South32 Ltd (S32)

Jefferies is recommending S32 as a buy, cancelling previous hold advice. S32 appreciated 8.1% yesterday, settling at $2.68 after trading as high as $2.715 intra-session.

Energy

Paladin Energy (PDN)

PDN's proposed $US175M sale of 24% of the Langer Heinrich uranium mine is unlikely to achieve close by year's end. Further, PDN's sale of 75% of the Manyingee project is not likely to settle before late March – April 2017.

Lithium Power International (LPI)

Resuming from a trading halt with a high-grade lithium – potassium assay from initial drilling within the Maricunga brine JV project Cocina tenement, Chile. LPI last traded at 33c.

Copper (LME)	**5635**	t	222	**4.1**
Nickel	11725	t	150	1.3
Aluminium	1773	t	20	1.1
Lead	2170	t	29	1.4
Zinc	2548	t	58	2.3
Tin	21700	t	425	2.0
CBT Wheat (Dec)	**4.05**	bshl	-0.02	-0.6

Commodities Commentary

Oil – the International Energy Agency (**IEA**) estimated record **OPEC** October output and predicted ongoing glut should OPEC not come to some sort of production agreement late this month.

A weekly US petroleum rig count is due tonight.

Gold – a strengthening $US during US trade ultimately damaged overnight gold sentiment. Comex futures traded as high as $US1280.6/oz intra-session, however.

Base metals – select trade again buoyed by expectations of a greater infrastructure spend in the US, some metals variously trading at one - 5.5-year peaks.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7604	-0.0006	-0.08
EUR – USD	1.0885	-0.0007	-0.07

US Data Tonight

Uni of Michigan consumer sentiment (prelim)	Nov

Other Overseas Data Today & Tonight

Japan	Tertiary industry index	Sep
UK	Construction output	Sep
Germany	CPI (final)	Oct

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au.

Pre-Open Announcements

Westpac Banking Corporation (* WBC) / Australia & NZ Banking Group (* ANZ)

Trading ex-dividend Monday, 94c and 80c respectively.

Lantern Hotel Group (* LTN)

Selling the Ambarvale Hotel for $21.2M, 50.2% more than the 30 June book value. Completion is anticipated in mid-December.

Charter Hall REIT (* CQR)

AGM today. CQR has appointed former property sector executive Michael Gorman as an independent non-executive director. Mr Gorman is also a director of GPT Funds Management.

Neurotech International (NTI)

Mente Autism marketing is underway in Europe, with registration of the device also underway in Italy. An initial shipment is anticipated before year's end.

Virtus Health (VRT)

Director Dennis O'Neill has resigned, effective Wednesday (9 November).

Botanix Pharmaceuticals (BOT)

Maiden human study of the synthetic cannabis-based proposed acne treatment BTX-1503 is scheduled to commence by the end of the month. The study will target safety and irritation information and also further assess BOT's Permetrex drug delivery method.

Alcidion Group (ALC)

18.6M shares will be released from escrow 16 November (Wednesday next week), and ~76.1M contingent share rights. ALC appreciated 26.4% yesterday, settling at its day high of 11c.

Prima BioMed (PRR)

CEO November investor update lodged this morning.

Elders Ltd (ELD)

Full-year results anticipated Monday.

Resources

Independence Group (IGO) / Windward Resources (WIN)

IGO is commencing compulsory acquisition of WIN, having gained 90% in a 19c-per-share bid.

Metals Australia (MLS)

Heralding historical Lac Rainy Nord graphite project exploration results.

Energy

Sun Resources (SUR)

MD and CEO Matthew Battrick has resigned at the end of his two-year contract, effective yesterday.

Strike Energy (STX)

Today's AGM and chairman's address lodged. Chasing $4.5M in a 7c-per-share rights issue. STX traded at 8.6c – 9c yesterday.

Davenport Resources

Davenport Resources is a multi-mineral exploration company seeking to list on the ASX in mid-December.

The company is conducting a $5M - $6M IPO at 20c per share.

Once the IPO is completed, Davenport will hold two exploration licences in a potash production region in central Germany.

Based on exploration records for the licences, Davenport anticipates proving a JORC-compliant potash resource within three years.

Davenport knows the licences and their potential well. They are held mostly by Potash West, whose MD Patrick McManus is Davenport Resources' non-executive chairman. Davenport's MD will be Potash West director Christopher Bain.

Due to its recent history as an Arunta Resources subsidiary, Davenport Resources also holds the Southern Cross Bore copper-gold project in the Arunta province, Northern Territory.

State One holds firm stock in the Davenport Resources offer.

For further information, please contact your advisor, or email davenport @amscot.com.au.

Trading Halts

Company	Code	Resuming
Cellnet Group	CLT	11 Nov
Ardiden Ltd	ADV	14 Nov
Central Petroleum	CTP	14 Nov
Excelsior Gold	EXG	14 Nov
Kangaroo Island Plantation	KPT	14 Nov

Suspensions (selected)

Company	Code	Since
Ashley Services Group	ASH	10 Nov
BGD Corporation	BGD	7 Nov
Cabral Resources	CBS	19 Oct
Carbon Energy	CNX	10 Nov
Cardinal Resources	CDV	4 Nov
Estrella Resources	ESR	3 Nov
Nkwe Platinum	NKP	18 Oct
Nuheara Ltd	NUH	27 Oct
Omni Market Tide	OMT	19 Oct
Red Metal	RDM	10 Nov
RNI NI	RNI	31 Oct
Transerv Energy	TSV	25 Oct
TV2U International	TV2	2 Nov
TW Holdings	TWH	31 Oct
Volta Mining	VTM	17 Oct
XPED Ltd	XPE	9 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
CSR	Today	**13**	0	6.13
KMD	Today	**~7.76**	84.99	5.60
MGP	Today	**0.2**	0	2.67

NAC	Today	**2.5**	100	4.09
WAT	Today	**3**	100	3.45
ANZ	Mon	80	100	5.80
WBC	Mon	94	100	6.07
IPL	Tue	4.6	0	2.59
CBC	Wed	1.5	100	3.56
DLX	Wed	12.5	100	3.91
TWD	Wed	15	100	6.39
AYD	Fri	10	100	3.46
AYH	Fri	5	100	4.52
AYJ	Fri	54	100	3.73
AYK	Fri	37	100	3.25
AYZ	Fri	54	100	3.50
SOL	Fri	31	100	3.37

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	**CQR**	AGM
	LLC	AGM
	TFC	AGM
Mon	ELD	Full-year
	HVN	AGM
	SMX	AGM
Tue	AGI	AGM
	NEC	AGM
	RHL	Full-year
	SCO	AGM
Wed	BXB	AGM
	GNC	Full-year
	NVT	AGM
	SRF	AGM
	VAH	AGM
Thu	AYS	AGM
	BHP	AGM
	JHX	Interim
	MGR	AGM
	SVW	AGM
	SHL	AGM
	VRL	AGM
Fri	AHG	AGM
	ISU	AGM
	MYR	AGM
	VCX	AGM