

Markets

SFE 200 Futures (9.30am AEST)	6663	26	0.4
NZX 50	10935	11	0.1
DJIA Futures	27298	154	0.6
S&P 500 Futures	3017	15	0.5
NASDAQ Futures	7948	58	0.7

Local Markets Commentary

The Australian market commences today's trade ahead of a European Central Bank policy meeting tonight, the last for president Mario Draghi, plus a 'goodwill gesture' to China from the US president, and a CPI reading for the US tonight.

The US president has announced he will push back to 15 October new import taxes on some goods from China.

Post-yesterday's ASX close, **China** reported a 6.9% fall in August with vehicle sales, and 1210B yuan worth of new lending for the month, against 1060B yuan in July.

Locally today, stocks trading **ex-dividend** include **BRG, FLT, IFL, IGO, MND, S32** and **WSA**. *Please see p3 for a detailed list.*

In overnight commodities trade, **oil** dropped.

US **gold** futures (December) turned to settle modestly higher.

Iron ore (Nymex CFR China, 62% Fe) rallied.

LME **copper** and **nickel** continued lower. **Aluminium** turned so.

The **\$A** again remained within a relatively narrow range after trading at ~US68.65c early yesterday evening, but is appreciating this morning.

China's markets will be closed due to an Autumn festival holiday tomorrow.

Japan's markets are scheduled to be closed Monday, also due to a public holiday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27137	228	0.9
S&P 500	3001	22	0.7
NASDAQ	8170	86	1.1
FTSE 100	7338	70	1.0
DAX 30	12359	90	0.7
Shanghai Comp	3009	-12	-0.4

Overseas Markets Commentary

Overnight trade across major European and US equities markets demonstrated improved risk sentiment from opening.

Yesterday, **China** announced it would not apply new import taxes to a select range of US goods, viewed variously as a negotiating move and a concession.

Meanwhile, the **US** president promoted negative interest rates

Today's Stock Watch
Elders Ltd (ELD)

The Australian Competition & Consumer Commission (ACCC) will not oppose ELD's proposed acquisition of wholesale buyer Australian Independent Rural Retailers.

Synlait Milk (SM1)

10% higher \$NZ82.2M full year NPAT.

17% higher, \$NZ1.02B revenue.

Establishing an additional 30,000sq m of warehousing at the New Zealand Dunsandel facility, at an anticipated \$NZ32M cost.

5GN Networks (5GN)

Proposing to acquire Australian Pacific Data Centres (APDC) for \$3.5M cash.

Details lodged this morning.

YPB Group (YPB)

YPB has achieved smartphone readability of a high security authentication mark, on curved surfaces, and at a distance.

YPB has deemed this 'a world first achievement' and has lodged a demonstration on the company's YouTube channel.

Service Stream (SSM)

CFO Bob Grant is planning to retire at the end of the 2020 financial year.

SSM has traded lower the past three sessions, settling at \$2.58 yesterday after closing out August at \$2.87.

Resources
St George Mining (SGQ) / Western Areas (WSA)

WA north east goldfields Mt Alexander project drilling has indicated significant massive sulphides mineralisation down-plunge within the Stricklands prospect.

Reverse circulation drilling assays include: 17.45m @ 3.01% Ni, 1.31% Cu, 0.13% Co & 1.68g/t PGEs from 37.45m.

Downhole electromagnetic (DHEM) surveying is expected to identify extensions.

Stricklands diamond drilling indications also lodged this morning.

DHEM within the Radar and Investigators prospects has delivered positive indications, including new drilling targets.

Ramelius Resources (RMS)

Updated resources and reserves, based on drilling results, have indicated the WA Vivien underground gold mine will continue through at least the end of the 2021 financial year.

Vivien underground resources are estimated at 660,000t @ 5.7g/t Au, for 120,000oz of gold.

Reserves have been calculated at 420,000t @ 5.5g/t Au, for 74,000oz.



while continuing to complain about the Federal Reserve.

In the **UK**, Scotland's Court of Session (its highest court of appeal) ruled the suspension of parliament until 14 October was unlawful and that it ought be annulled.

The PM's office said the decision would be appealed in the UK Supreme Court, which will hear an appeal of a High Court challenge rejection of a separate challenge Monday 17 September.

Another challenge was lodged in Belfast's High Court, from which a ruling is anticipated Thursday next week, 20 September.

Among overnight **US** data releases, August producer prices rose 0.1% for the month, following a 0.2% July increase. Year-on-year, prices were 1.8% higher.

July wholesale inventories grew 0.2%, against a 0.1% June decline.

Weekly new mortgage applications rose by 2%, as 30-year rates declined to 3.82% from 3.97%.

Earlier **China** reported August new lending had tallied 1210B yuan, against 1060B for July.

In addition, vehicle sales were estimated to have dropped by 6.9% year-on-year, following a 4.3% July fall.

Tonight in the US, an August CPI growth estimate and budget statement are due, together with weekly new unemployment claims.

Elsewhere, the **European Central Bank** convenes its last policy meeting under president Mario Draghi.

Mr Draghi's post-meeting press conference is hence more keenly anticipated than usual.

A final August CPI reading for Germany and July industrial production for the euro zone are also due tonight.

Also tonight, Adobe Systems, Broadcom Inc, Kroger, UK supermarket chain Morrisons and Oracle Corp are scheduled to report earnings.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1503.2	oz	4	0.3
Silver (NY) (Dec)	18.17	oz	0.016	-0.1
Gold (LON)	1498	oz		
Platinum	942	oz	14	1.5
WTI Crude (Oct)	55.75	bbbl	-1.65	-2.9
Brent Crude (Nov)	60.81	bbbl	-1.57	-2.5
Iron Ore (NYMEX,CHN,62%)	92.34	t	0.97	1.1
Copper (LME,3mth,PM)	5783	t	-22	-0.4
Nickel	17870	t	-170	-0.9
Aluminium	1817	t	-6	-0.3
Lead	2080	t	-18	-0.9
Zinc	2356	t	10	0.4
Tin	17625	t	230	1.3

Commodities Commentary

Oil – overnight trade was pushed and pulled by several factors. Reports emerged that the **US** president, keen to be able to announce a meeting with **Iran's** president, had entertained easing some sanctions on Iran.

Pre-Open Announcements

Recce Pharmaceuticals (* RCE)

RCE has secured a \$350,000 short term loan at 3.7%pa interest. In addition, RCE has raised \$500,000 in a placement at 20c per share.

RCE has traded at 20.5c – 22.5c over the past five trading sessions.

MMA Offshore (MRM)

Conference presentation lodged this morning.

MRM is presenting today.

Resources

Andromeda Metals (* ADN) / Evolution Mining (* EVN)

EVN has opted to go ahead of the northern Queensland Drummond gold project Stage 2 joint venture with ADN.

EVN will spend \$4M over the next two years and pay ADN \$200,000 cash.

Blackham Resources (* BLK)

\$4M raised in a select placement at 1c per share.

BLK is also seeking \$3M in an SPP at the same price.

BLK has traded at 1.1c – 1.3c over the past five trading sessions.

Energy

Carnarvon Petroleum (CVN)

Dorado-3 drilling update lodge this morning, highlighting pending flow testing.

Trading Halts

Company	Code	Resuming
Chesser Resources	CHZ	12 Sep
Strategic Elements	SOR	12 Sep
88 Energy	88E	13 Sep
Cougar Metals	CGM	13 Sep
Mithril Resources	MTH	13 Sep
Paladin Energy	PDN	13 Sep
Qualitas Real Estate Income Fund	QRI	13 Sep
SciDev Ltd	SDV	13 Sep

Suspensions (select)

Company	Code	Since
G Medical Innovations Holdings	GMV	10 Sep
Golden Cross Resources	GCR	19 Aug
Havilah Resources	HAV	12 Sep
Heron Resources	HRR	16 Aug
Homestay Care	HSC	20 Aug
iBuyNew Group	IBN	9 Sep
Kollakorn Corporation	KKL	2 Sep



The US president wants lower oil prices.

A monthly **OPEC** report, published overnight, included a reduction in the organisation's expected 2020 international oil demand growth, by a daily 60,000bbl to 1.08MMbbl/d.

Demand for OPEC oil was expected to fall 1.2MMbbl/d from this year's demand to ~29.40MMbbl/d, OPEC also offered.

OPEC cited economic growth as one reason for the new forecasts, predicting 3.1% 2020 global growth, against the previously predicted 3.2%.

OPEC also reported the organisation's August output had grown 136,000bbl/d, to 29.74MMbbl/d.

Saudi Arabia's August production rose ~200,000bbl/d, to 9.789Mmbbl/d, against the kingdom's agreed ~10.3MMbbl/d.

The **EIA's** weekly US petroleum inventories, also released overnight, revealed a fourth consecutive fall in crude stockpiles, this time by 6.9MMbbl fall to ~416.1MMbbl, 14% lower than ~three months ago.

Weekly exports also grew, by 234,000bbl/d, to 3.3MMbbl/d. Imports fell by a daily 413,000bbl.

Stored petrol was reported lower, by 682,000bbl.

The **IEA** is due to release a monthly report **tonight**.

The **OPEC+** agreement monitoring committee is also scheduled to meet in Abu Dhabi, which is hosting the World Energy Congress.

Overnight, Iraq's oil minister asserted any need for greater (than the current 1.2MMbbl/d) production cuts would be considered.

Russia's energy minister confirmed slowing demand was on the agenda, but Saudi Arabia's (newly-appointed) energy minister said he believed demand would increase when US-China trade argy-bargy eased.

Meanwhile, Iran said the 2.1MMbbl of oil on board the *Adrian Darya 1*, seized by the UK 4 July and held in Gibraltar until 15 August, had been sold at sea and unloaded at a Mediterranean port. The UK maintained the load had been transferred to Syria, against sanctions imposed by the European Union.

Gold – bond yields rose for a third consecutive session in the US, but Comex gold futures were this time supported to a positive settlement.

The US president had promoted zero and even negative rates, and with the Federal Reserve set to hold a policy meeting next week, this benefited gold.

Prices oscillated however, due to China's move to offer a reprieve on new import taxes for some US goods, and speculation ahead of the European Central Bank policy meeting and post-meeting press conference, scheduled for later today and tonight.

Further, the US is due to report August CPI, and this could influence \$US trade.

Base metals - early yesterday evening (~5pm AEST), **China** reported another significant fall in vehicle sales, this time for August.

In addition, Antaike reported China's key smelters had produced 0.5% less refined *copper* cathode in August than for July.

Lead output was calculated 3.6% higher year-on-year, at 242,000t. Recycled lead production was reported to have grown 9.1%, to 196,000t.

A BSI large manufacturing index for **Japan** improved to -0.2 from

Latin Resources	LRSDA	9 Sep
Okapi Resources	OKR	10 Sep
Pioneer Credit	PNC	28 Aug
Syntonic Ltd	SYT	10 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AMA	Today	2.25	100	1.81
BRG	Today	18.5	60	2.12
CGO	Today	0.5	100	2.50
EAS	Today	2	100	1.11
FLT	Today	98	100	3.41
IFL	Today	19	100	4.29
IGO	Today	8	97	0.61
LAU	Today	1.1	100	5.41
LBL	Today	0.5	100	1.29
MCY	Today	8.81	0	2.77
MEQ	Today	5.83	0	0.00
MHJ	Today	1.5	100	10.0
MND	Today	23	100	3.54
PME	Today	4.5	0	0.11
RXP	Today	3.0	0	6.25
S32	Today	4.13	100	5.70
SHJ	Today	2.5	100	1.45
URB	Today	4	100	1.59
VEE	Today	0.36	100	0.26
VGL	Today	0.96	0	0.78
VTG	Today	4	100	7.38
WSA	Today	2	100	0.62
ASB	Tomorrow	3	0	1.39
CCX	Tomorrow	1.5	100	1.15
CGR	Tomorrow	1.4	100	3.37
DTL	Tomorrow	7.1	100	3.54
EPW	Tomorrow	4.5	100	3.44
PL8	Tomorrow	0.5	100	5.15
SVW	Tomorrow	21	100	2.32
VRL	Tomorrow	5	100	0.00
AQZ	Mon	8.8	100	5.12
BWR	Mon	3.5	0	7.81
FFI	Mon	12	100	4.24
HUB	Mon	2.6	0	0.15
ORA	Mon	6.5	30	2.27
RHL	Mon	84	100	3.64



-10.4 one quarter earlier.

Meanwhile, new industrial action in Peru has reportedly had little impact on major mining operations within the first couple of days.

Some positioning is anticipated tonight, due to a public holiday in China tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6871	0.0007	0.11
EUR – USD	1.1014	0.0003	0.02

Australian Data Today

RBA	Card transactions	Jul
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US Data Tonight

CPI	Aug
Initial jobless claims	7 Sep
Budget statement	Aug

Other Overseas Data Today & Tonight

Japan	Tankan index	Sep
Japan	Producer prices	Aug
Japan	Machinery orders	Jul
Germany	CPI (final)	Aug
Euro zone	Industrial production	Jul

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