

**Markets**

|                                      |       |    |            |
|--------------------------------------|-------|----|------------|
| <b>SFE 200 Futures</b> (9.30am AEST) | 6670  | 22 | <b>0.3</b> |
| <b>NZX 50</b>                        | 10923 | 17 | <b>0.2</b> |
| <b>DJIA Futures</b>                  | 27207 | 9  | 0.0        |
| <b>S&amp;P 500 Futures</b>           | 3013  | 1  | 0.0        |
| <b>NASDAQ Futures</b>                | 7927  | 6  | 0.1        |

**Local Markets Commentary**

The Australian market opens Friday trade with new data from China late yesterday, further indications the US and China could be seeking to warm trade relations, and an overnight announcement of monetary policy easing for the euro zone.

Post-ASX trade yesterday, **China** reported 6.9% higher January – August **foreign direct investment (FDI)**, compared with a year ago, and against 7.3% growth for January through July.

**Locally** today, stocks trading **ex-dividend** include **ASB, DTL, SVW** and **VRL**. *Please see p3 for a detailed list.*

In overnight commodities trade, **oil** continued to pull back.

US **gold** futures (December) extended Wednesday's modest gain.

**Iron ore** (Nymex CFR China, 62% Fe) continued to rally.

LME **copper** and **nickel** swung higher. **Aluminium** fell.

The **\$A** was pushed back to ~US68.65c after appreciating beyond US68.85c early yesterday evening.

*China's markets are closed today due to a public holiday.*

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

**Overseas Markets**

| INDEX                | CLOSE | +/- | %          |
|----------------------|-------|-----|------------|
| <b>Dow Jones</b>     | 27182 | 45  | <b>0.2</b> |
| <b>S&amp;P 500</b>   | 3010  | 9   | <b>0.3</b> |
| <b>NASDAQ</b>        | 8194  | 25  | <b>0.3</b> |
| <b>FTSE 100</b>      | 7345  | 7   | <b>0.1</b> |
| <b>DAX 30</b>        | 12410 | 51  | <b>0.4</b> |
| <b>Shanghai Comp</b> | 3031  | 22  | <b>0.8</b> |

**Overseas Markets Commentary**

Volatility hit major European and US equities markets overnight, during second-half trade in Europe and the first couple of hours of trade in the US.

Yesterday, reports emerged Chinese companies had purchased a combined ~600,000t of US soybeans this week, the most since June.

US pork purchases by Chinese buyers for the week to 5 September were calculated at 10,878t, the most in a week since May.

The reports followed announcements, from China late-Tuesday and the US Wednesday, of pushing back of import taxes on certain

**Today's Stock Watch**
**Eclix Ltd (ECX)**

Selling the group's Commercial Equipment Finance Australia business to Grow Asset Finance for \$A14.6M.

Completion is anticipated within days.

**James Hardie Industries (JHX)**

Annual investors' tour presentation, promoting growth in Europe and the Asia Pacific, lodged post-trade yesterday.

JHX hosted investors in Düsseldorf overnight and will do so again tonight.

The company is hosting investors in New York City Monday (16 September).

**Seven Group Holdings (SVW)**

Trading ex-dividend (21c) today after settling higher five of the past six trading sessions. SVW traded as high as \$18.30 yesterday before closing at \$18.01, after ending August on \$16.64.

**Resources**
**Havilah Resources (HAV)**

In receipt of a Section 249D notice, seeking a shareholders' meeting in order to replace chairman Mark Stewart and director Martin Janes with Victor Previn and Richard Buckley.

**Coronado Global Resources (CRN) / CIMIC Group (CIM)**

CRN has awarded a \$A1.3B, six-year Curragh mining services contract to CIM's Thiess.

**OceanaGold Corporation (OGC)**

US South Carolina Haile gold project infill and extensional drilling has delivered several significant assays.

Details lodged post-trade yesterday.

**Sunstone Metals (STM)**

\$4.6M worth of options funding in hand, to support Ecuador Bramaderos gold-copper project drilling.

Assays anticipated later this month and in October.

**Fenix Resources (FEX)**

Heralding metallurgical testing results from CSIRO assessment of an ore sample from FEX's WA Iron Ridge DSO project.

**Energy**
**Senex Energy (SXY)**

SXY has completed the \$50M cash sale of the greenfield Roma North gas processing facility and pipeline to infrastructure operator Jemena, following successful commissioning.

SXY has completed capacity agreements for up to 2050.



of each other's goods.

Further, a China commerce ministry spokesperson yesterday acknowledged the US move and expressed hopes for 'favourable conditions for negotiations'.

All up, this buoyed hopes of progress in the China-US trade talks between high-level officials scheduled to resume next month, and highlighted concerted behind-the-scenes action between 'foot' negotiators.

Subsequently, a US administration official rejected a media report suggesting the US would accept an 'interim' agreement with China.

Meanwhile, the International Monetary Fund (IMF) proffered that the US-China trade dispute could shave 0.8% from 2020 global GDP. Earlier this year, the IMF had predicted a 0.5% adverse impact.

A **European Central Bank (ECB)** policy meeting delivered multiple easing measures, most notably a resumption of monthly bond purchases, with these to continue until just prior to any rate increase.

With a rate increase considered years away, onlookers consequently perceived the asset buying would continue indefinitely. This pushed regional bond prices higher and subsequently yields lower.

The ECB also reduced its deposit rate from -0.4% to -0.5%, introduced tiered longer-term funding rates and cut forecast euro zone growth for 2019 and 2020.

In addition, at his last post-policy meeting as ECB president, Mario Draghi repeated his call for governments to spend more in order to boost growth.

In the meantime, a final August CPI reading for **Germany** confirmed 0.2% deflation for the month, but 1.4% growth year-on-year.

The **euro zone's** July industrial production fell 0.4% for the month, following a 1.4% June drop.

Output was 2% lower than for July 2018.

In the meantime in the **UK**, the Belfast High Court dismissed a challenge to the possibility of the UK separating from the European Union (EU) without agreed arrangements in place, suggesting it was a matter for politicians and not courts.

Across the Atlantic, **US** August CPI growth was estimated at 0.1% for the month, following a 0.3% July rise. Year-on-year, the US CPI had grown 1.7%.

The August national budget statement revealed a \$US200B deficit against a \$US120B July shortfall.

Weekly new unemployment claims tumbled by 15,000 to 204,000.

**Tonight** in the US, August **retail sales**, import and export prices, July business inventories and a University of Michigan consumer sentiment reading are due.

Elsewhere, July **trade figures** are due for the euro zone.

### Commodities

| COMMODITY                | CLOSE         | \$US/ | +/-   | %   |
|--------------------------|---------------|-------|-------|-----|
| <b>Gold (NY) (Dec)</b>   | <b>1507.4</b> | oz    | 4.2   | 0.3 |
| <b>Silver (NY) (Dec)</b> | 18.177        | oz    | 0.007 | 0.0 |

## Pre-Open Announcements

### Integrated Research (IRI)

IRI has appointed CEO John Ruthven as MD.

Mr Ruthven has been IRI's CEO since July.

### SportsHero Ltd (SHO)

Additional \$1.862M in hand following the exercise of 37.25M options, including by Australian institutional investors.

### Resources

#### Black Cat Syndicate (BC8)

WA Bulong gold project RC drilling high-grade and significant-width assays lodged this morning.

Resource upgrades are anticipated by month's end, based on the Trump and Boundary prospects.

New Greater Woodline target drilling is planned to commence early October.

#### Stavelly Minerals (SVY)

Tasmania Mathinna gold project four-year exploration licence in hand, covering the New Golden Gate and Consols Gold Mines.

#### Silver Mines (SVL)

Denver gold forum presentation lodged this morning.

### Trading Halts

| Company                          | Code | Resuming |
|----------------------------------|------|----------|
| 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   |
| Agrimin Ltd                      | AMN  | 16 Sep   |
| Candy Club Holdings              | CLB  | 16 Sep   |
| Kalina Power                     | KPO  | 16 Sep   |
| OpenDNA Ltd                      | OPN  | 16 Sep   |
| Warrego Energy                   | WGO  | 16 Sep   |

### Suspensions *(select)*

| Company                        | Code  | Since  |
|--------------------------------|-------|--------|
| G Medical Innovations Holdings | GMV   | 10 Sep |
| Golden Cross Resources         | GCR   | 19 Aug |
| iBuyNew Group                  | IBN   | 9 Sep  |
| Kollakorn Corporation          | KKL   | 2 Sep  |
| Latin Resources                | LRSDA | 9 Sep  |
| Okapi Resources                | OKR   | 10 Sep |
| Pioneer Credit                 | PNC   | 28 Aug |
| Syntonic Ltd                   | SYT   | 10 Sep |



|                                 |              |     |       |      |
|---------------------------------|--------------|-----|-------|------|
| <b>Gold (LON)</b>               | 1491         | oz  |       |      |
| <b>Platinum</b>                 | 949          | oz  | 7     | 0.7  |
| <b>WTI Crude (Oct)</b>          | <b>55.09</b> | bbl | -0.66 | -1.2 |
| <b>Brent Crude (Nov)</b>        | <b>60.38</b> | bbl | -0.43 | -0.7 |
| <b>Iron Ore (NYMEX,CHN,62%)</b> | 94.14        | t   | 1.89  | 1.9  |
| <b>Copper (LME,3mth,PM)</b>     | <b>5861</b>  | t   | 77    | 1.3  |
| <b>Nickel</b>                   | 17985        | t   | 115   | 0.6  |
| <b>Aluminium</b>                | 1794         | t   | -23   | -1.3 |
| <b>Lead</b>                     | 2087         | t   | 8     | 0.4  |
| <b>Zinc</b>                     | 2349         | t   | -4    | -0.2 |
| <b>Tin</b>                      | 17145        | t   | -480  | -2.7 |

### Commodities Commentary

**Oil** – prices gained early on indications relations between China and the US were thawing a little ahead of the planned resumption of high-level face-to-face talks early next month.

The **OPEC+** agreement monitoring committee (Joint Ministerial Monitoring Committee – JMMC) met in Abu Dhabi, delivering promises of more agreement-compliant, reduced output from Iraq and Nigeria (by 175,000bbl/d and 57,000bbl/d respectively) by October, but no indication of a potential new umbrella agreement designating further overall cuts.

The post-meeting JMMC statement reiterated the need for ongoing commitment to the current pullback on production, however, and vowed to remain ‘responsible and responsive’.

The **IEA’s** monthly oil market report, published overnight, included a description of the task of achieving a balanced oil market in 2020 as ‘daunting’, given US production levels.

The IEA retained forecasts that international oil demand would prove to have grown by 1.1MMbbl/d this year, and would increase by 1.3MMbbl/d during 2020.

A weekly US petroleum drill rig count is due tonight.

The JMMC is scheduled to next meet 4 December, in Vienna, ahead of the OPEC and OPEC+ meetings scheduled for 5 – 6 December.

**Gold** – Comex futures traded as high as \$US1532.2/oz overnight, after bond yields fell following the **European Central Bank’s** announcement of a deposit rate cut (from -0.4% to -0.5%) and the resumption of monthly bond purchases.

A perceived thawing of some tensions surrounding US-China trade negotiations pushed prices back however, due to reduced safe-haven interest.

The **US Federal Reserve** convenes a policy meeting next week, from which outcomes will be known early Thursday AEST (Wednesday US time).

The **Bank of England** and **Bank of Japan** also hold policy meetings next week, on Thursday.

**Base metals** – LME copper traded at six-week peaks overnight on hopes for **China-US** trade talks progress.

Prices pulled back, however, on the **European Central Bank’s** moves to support regional economic growth in the face of an extended US-China trade dispute and the uncertainties of how the **UK** will leave the **European Union (EU)**.

Yesterday, **Japan** reported a 6.6% drop in machinery orders during July, but a 0.3% increase on July 2018.

August producer prices notably fell 0.3% for the month after

### Ex-Dividends

| Code       | Ex-Div | Div (c)    | Franking (%) | Yield (%) |
|------------|--------|------------|--------------|-----------|
| <b>ASB</b> | Today  | <b>3</b>   | 100          | 1.40      |
| <b>CCX</b> | Today  | <b>1.5</b> | 60           | 1.18      |
| <b>CGR</b> | Today  | <b>1.4</b> | 100          | 3.37      |
| <b>DTL</b> | Today  | <b>7.1</b> | 100          | 3.45      |
| <b>EPW</b> | Today  | <b>4.5</b> | 100          | 3.43      |
| <b>PL8</b> | Today  | <b>0.5</b> | 100          | 5.28      |
| <b>SVW</b> | Today  | <b>21</b>  | 100          | 2.33      |
| <b>VRL</b> | Today  | <b>5</b>   | 100          | 0.00      |
| AQZ        | Mon    | 8.8        | 100          | 5.14      |
| BWR        | Mon    | 3.5        | 0            | 7.63      |
| FFI        | Mon    | 12         | 100          | 4.24      |
| HUB        | Mon    | 2.6        | 0            | 0.15      |
| ORA        | Mon    | 6.5        | 30           | 2.26      |
| RHL        | Mon    | 84         | 100          | 3.64      |
| BWF        | Tue    | 2.1        | 100          | 4.10      |
| IGL        | Tue    | 7.7        | 100          | 7.45      |
| ING        | Tue    | 10.5       | 100          | 2.74      |
| PSI        | Tue    | 5.2        | 100          | 1.13      |
| QUB        | Tue    | 2.9        | 100          | 1.71      |
| SSM        | Tue    | 5.5        | 100          | 3.13      |
| KKT        | Wed    | 1          | 100          | 3.57      |
| PEA        | Wed    | 1.5        | 100          | 0.90      |
| PPC        | Wed    | 3          | 100          | 4.24      |
| PSQ        | Wed    | 3.5        | 100          | 3.86      |
| SGF        | Wed    | 9.52       | 100          | 7.55      |
| WEB        | Wed    | 13.5       | 100          | 1.67      |



remaining flat in July. Year-on-year, August prices were 0.9% lower.

*Lower trading volumes are anticipated today/tonight, due to a public holiday for China.*

*Some caution could also set in due to China's August **industrial production**, January – August **fixed asset investment** and August **retail sales**, expected **Monday**.*

### Exchange Rates

| CURRENCIES       | LAST   | +/-     | %            |
|------------------|--------|---------|--------------|
| <b>AUD – USD</b> | 0.6863 | -0.0002 | <b>-0.03</b> |
| <b>EUR – USD</b> | 1.1058 | -0.0005 | <b>-0.05</b> |

### US Data Tonight

|   |     |
|---|-----|
| Import & export prices                              | Aug |
| Retail sales  | Aug |
| University of Michigan consumer confidence (prelim) | Sep |
| Business inventories                                | Jul |

### Other Overseas Data Today & Tonight

|                  |  |       |
|------------------|--|-------|
| <b>Japan</b>     | Industrial production (final; 2.30pm AEST) | Jul   |
| <b>Euro zone</b> | Trade balance                              | Jul   |
| Euro zone        | Wages growth                               | Jun Q |

### 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)

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