

Markets

SFE 200 Futures (9.30am AEST)	6158	27	0.4
NZX 50	9237	-12	-0.1
DJIA Futures	26168	8	0.0
S&P 500 Futures	2905	0	0.0
NASDAQ Futures	7569	4	0.1

Local Markets Commentary

The Australian market opens Friday trade ahead of influential data out of China, together with the strongest overnight US equities leads for the week, but mixed commodities price moves.

China is scheduled to publish August **industrial production, fixed asset investment and retail sales** figures **midday** AEST.

Some are anticipating FDI to also be reported today.

In overnight commodities trade, **oil** turned and fell.

US (December) **gold** futures settled slightly lower.

LME **copper** continued higher, but not so **nickel** and **aluminium**.

The **\$A** headed a little higher after trading at US71.90c early yesterday evening.

Locally today, **ASB** is among stocks trading ex-dividend. *Please see p2 for additional stocks and details.*

Over the weekend, China is expected to publish August residential property prices.

Japan is heading into a Monday public holiday weekend, so the nation's markets will be **closed Monday**.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26146	147	0.6
S&P 500	2904	15	0.5
NASDAQ	8014	59	0.8
FTSE 100	7282	-32	-0.4
DAX 30	12056	23	0.2
Shanghai Comp	2687	30	1.2

Overseas Markets Commentary

US equities markets achieved their best sessional gains for the week to date overnight, opening higher and sentiment never looking seriously threatened.

Significant chop continued across major European indices.

Earlier, China had officially welcomed an approach from the US to recommence trade talks, but a subsequent comment from the US president appeared to indicate the US move should not be interpreted as a soft shuffle.

Among **US** data releases, August CPI growth surprised, estimated at 0.2% for the month, the same as for July, against expectations of a 0.3% rise.

Year-on-year, CPI came in 2.7% higher, following 2.9% at the end of July.

The figures subsequently pushed the \$US lower against key currencies.

China – industrial production, fixed asset investment and retail sales **midday** AEST

Today's Stock Watch

IOOF Holdings (IFL)

IFL and 100% subsidiary Australian Executor Trustees are selling the AET Corporate Trust business to Sargon Capital for \$51.6M.

AuMake International (AU8)

Acquiring 50% of Herbsmart Pharmaceutical.

Herbsmart is developing dairy-based supplements for the Chinese market, in particular for potential customers aged 60 or over.

AU8 is also acquiring an option to purchase a further 40% of Herbsmart.

Updater Inc (UPD)

Performance update presentation lodged this morning.

Pro-Pac Packaging (PPG)

CFO and company secretary Mark Saus has resigned.

Recent SMS Management & Technology CEO Rick Rostolis has been appointed PPG CFO.

PPG plans to appoint a company secretary. Mr Saus, who has been with PPG for 13 years, will remain with PPG until the new company secretary appointment.

Fonterra Shareholders' Fund (FSF)

Credit Suisse has upgraded its FSF rating to neutral.

Resources

Mt Gibson Iron (MGX)

MGX CFO Peter Kerr has been appointed to take over from Jim Beyer as MGX CEO at the end of the month.

Chalice Gold Mines (CHN) / Saracen Mineral Holdings (SAR)

Former CHN chairman Tony Kiernan has resigned from the CHN board, effective yesterday.

Mr Kiernan has been appointed SAR non-executive chairman, also effective yesterday.

Mr Kiernan also chairs the boards of Pilbara minerals (ASX: PLS) and Venturex Resources (ASX: VXR).

SAR's most recent chairman Geoff Clifford is remaining on the SAR board as a non-executive director.

Alumina Ltd (AWC)

Berlin conference presentation lodged this morning.

AWC has traded at \$2.69 - \$2.785 for the week to date.

Silver Lake Resources (SLR)

Heralding drilling results which indicate significant plunge extensions within WA Daisy project prospects.

Lucapa Diamond Company (LOM)

Mothae diamonds (~2500 carats) have been sent to Antwerp, Belgium, for sale, for the first time.

Initial weekly unemployment claims also defied forecasters, falling by 1000 against expectations of a 5000 increase.

The **European Central Bank** retained its set of rates, as anticipated, president Mario Draghi subsequently indicating inflation uncertainty had diminished some and that perhaps this no longer represented one of the major risks for the region.

The **Bank of England** (BoE) retained policy status quo, including a 0.75% interest rate.

BoE governor Mark Carney appeared keen to reaffirm the bank's perceived threat to international economic progress from the US-China trade spat, and expectations of significant economic flux in the UK should it separate from the European Union with no definitive agreements in place.

Turkey's central bank raised its key rate by 6.25%, to 24%, the lira subsequently trading as much as 5% higher against the \$US.

Germany's final August CPI reading remained at 0.1% growth for the month, and 2.2% year-on-year.

Tonight in the US, a raft of economic indicators is due, including import and export prices, industrial production, retail sales, business inventories and a University of Michigan consumer sentiment reading.

Investec, JD Wetherspoon, Jimmy Choo and Sthree are scheduled to report earnings or provide an update.

In overnight corporate news, **Apple** was pushed more than 2% higher, as investors digested the scope and likely growth impacts of the company's new product offerings.

Chip manufacturer **Qualcomm** appreciated 4% on plans for a \$US16 buy-back.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1208	oz	-3	-0.2
Silver (NY) (Sep)	14.2	oz	-0.08	-0.6
Gold (LON)	1210	oz	14	1.2
Platinum	801	oz	2	0.3
WTI Crude (Oct)	68.6	bbl	-1.8	-2.5
Brent Crude (Nov)	78.2	bbl	-1.6	-2.0
Iron Ore (CHN port 62%)	67.9	t		
Copper (LME, 3mth, PM)	6033	t	36	0.6
Nickel	12605	t	-15	-0.1
Aluminium	2064	t	0	0.0
Lead	2038	t	18	0.9
Zinc	2360	t	-10	-0.4
Tin	19025	t	-25	-0.1
CBT Wheat (Oct)	4.97	bshl	-0.10	-2.0

Commodities Commentary

Oil – the International Energy Agency's (IEA) monthly report calculated OPEC August production at a daily 100MMbbl, up 420,000/d from July.

The IEA also predicted global demand could rise to that same amount within three months.

Further, the IEA cited 'trade disputes' and currency drops for emerging economies' as potentially adversely impacting oil demand, hence increasing planning and investment difficulties for producers, and risking the accuracy of forecasts.

Meanwhile, US energy secretary Rick Perry suggested during a meeting with Russia's energy head Alexander Novak, that both nations could co-

Pre-Open Announcements

Opthea Ltd (OPT)

OPR-302 Phase 1/2a clinical trial data analysis has been presented at the Retina Society annual meeting, San Francisco California.

OPT has traded at 58c – 62c for the week to date.

Meridian Energy (MEZ)

Electricity demand across New Zealand in August came in 1.3% higher than a year earlier.

MEZ's retail sales volumes remained the same as for August 2017.

Resources

Salt Lake Potash (SO4) / Australian Potash (APC)

SO4 has secured an MoU with APC to investigate infrastructure sharing for each company's projects in the WA Lake Wells area.

Aldoro Resources (* ARN)

Minerals explorer completed a successful ASX listing yesterday following a \$5M IPO at 20c per share.

Opened at 21c and rose to 22c before settling at 21.5c.

819,320 shares were changed hands across 68 trades.

26.475 quoted securities.

Trading Halts

Company	Code	Resuming
Aksesstoday Ltd	AXL	14 Sep
Winchester Energy	WEL	14 Sep
Comet Ridge	COI	17 Sep
Contrarian Value Fund	CVF	17 Sep
Imagion Biosystems	IBX	17 Sep
Kidman Resources	KDR	17 Sep
Metminco Ltd	MNC	17 Sep
Poseidon Nickel	POS	17 Sep

Suspensions (select)

Company	Code	Since
AFT Corporation	AFT	11 Sep
Alice Queen	AQX	10 Sep
Antilles Oil & Gas	AVD	24 Aug
AustSino Resources Group	ANS	6 Sep
Hardey Resources	HDY	10 Sep
Sundance Resources	SDL	10 Sep
Syngas Ltd	SYS	6 Sep
Victory Mines	VIC	11 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ASB	Today	3	0	2.63
AVJ	Today	3	100	6.90
EPW	Today	4	100	4.63
EXP	Today	1	100	2.70
MA1	Today	1	100	1.17
MPX	Today	0.25	0	0.83
NBL	Today	4	100	3.75
PGC	Today	2	100	4.19
AQZ	Mon	6.3	100	3.74
COH	Mon	160	100	1.48

operate in support of a competitive and stable international market.

In sanctions-related news, two ships loaded with condensate from Iran were reported to have effectively stalled off the United Arab Emirates since sometime last month, due to Asian customers' hesitation in taking Iranian exports.

In addition, a growing number of ships loaded with Iran's oil have also been reported idling just off a key Iranian port.

Venezuela in the meantime has reportedly recommenced crude supply to Cuba.

A US weekly petroleum drill rig count is due tonight.

Gold – early relative \$US weakness, in part due to softer-than-anticipated US CPI growth, supported further overnight price gains, but a \$US swing higher appeared the main influence on a subsequent fall in gold sentiment.

Base metals – overnight LME trade appeared impacted by mixed signals regarding potential new US-China talks, plus data and central bank pronouncements which swung currencies.

China's August industrial production, fixed assets investment and retail sales, due today, are expected to influence at least some of tonight's trade.

Overnight Wednesday AEST, China reported a total 1.28 trillion yuan (\$US186.4B) in new lending in August, against 1.45 trillion yuan for July.

New bank lending for January – August came in at 11.76 trillion yuan, however, 19% higher than for the same period in 2018.

Yesterday, **Japan** reported a 13.9% year-on-year rise in July machinery orders, following a 0.3% gain in June. For the month, orders rose 11%, after tumbling 8.8% in June.

Producer prices, also published yesterday, remained static for the month, and were 3% higher year-on-year, following 0.5% and 3.1% respective rises during June.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7193	0.0002	0.03
EUR – USD	1.1694	0.0003	0.03

Australian Data Today

RBA	Liabilities and assets (4.30pm)	Aug
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US Data Tonight

Industrial production	Aug
Retail sales	Aug
Import & export prices	Aug
Business inventories	Jul
Uni of Michigan consumer sentiment (prelim)	Sep

Other Overseas Data Today & Tonight

China	Industrial production	Aug
China	Fixed asset investment	Aug
China	Retail sales	Aug
Japan	Industrial production (final)	Jul
Euro zone	Trade balance	Jul
Euro zone	Labour costs (incl wages)	Jun Q

CWY	Mon	1.4	100	1.33
FFI	Mon	10	100	4.87
HUB	Mon	3.5	0	0.00
OTW	Mon	1.5	100	0.55



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