

Thursday 16 March 2017

Markets

SFE 200 Futures (9.30am AEDST)	5818	36	0.6
NZX 50	7164	33	0.5
DJIA Futures	20942	-2	0.0
S&P 500 Futures	2383	0	0.0
NASDAQ Futures	5414	-1	0.0

Local Markets Commentary

The Australian market opens today's trade on positive international equities and commodities leads, ahead of a domestic employment report and central bank bulletin.

In addition, results are expected to confirm the ruling centre-right party will remain the dominant parliamentary force following the well-supported overnight national election in the **Netherlands**.

Regionally, the Bank of **Japan** is expected to announce outcomes from its policy meeting ~1pm AEDST.

Locally today, the February **employment** report, as compiled by the Australian Bureau of Statistics (ABS), is due **11.30am** AEDST.

In addition, the Reserve Bank of Australia (RBA) publishes a quarterly bulletin.

A swag of stocks also trades ex-dividend today. Please see p3 for a detailed list.

In overnight commodities trade, US **gold** futures and **oil** swung higher. LME **copper** continued to appreciate. **Iron ore** extended the previous session's gains, rallying beyond \$US90/t again.

The **\$A** was propelled to ~US77.0c after being pushed to ~US75.85c yesterday evening.

Meanwhile, Japan's markets are heading for a Monday public holiday long weekend.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	20950	113	0.5
S&P 500	2385	20	0.8
NASDAQ	5900	43	0.7
FTSE 100	7369	11	0.2
DAX 30	12010	21	0.2
Shanghai Comp	3242	2	0.1

Overseas Markets Commentary

Major European and US equities markets gained on opening overnight, US indices rising sharply in afternoon trade on the **US Federal Reserve** rate rise announcement.

The central bank raised its overnight interest rate 0.25%, as anticipated, to a 0.75% - 1.00% range.

Further, the bank reaffirmed another likely two rises before year's end and said it expected three moves higher in 2018.

The \$US index subsequently fell 1.2%, due to the forecast of gradual increases, rather than an acceleration.

Meanwhile, early indications from the **Netherlands** national election suggested the ruling centre-right

Australia – February employment **11.30am** AEDST
RBA quarterly bulletin **11.30am** AEDST

Japan – Bank of Japan policy statement **1pm** AEDST

Today's Stock Watch

Myer Ltd (MYR)

5.3% higher, \$62.8M interim NPAT. 0.6% lower, \$1.8B sales. 3c fully-franked interim dividend, up 50%. 28c NTA. 7.7c (basic) EPS.

Second quarter sales fell 1.3% to \$1.065B, declining 0.5% on a comparable store basis.

Webcast briefing scheduled to commence 10am AEDST. Access details lodged this morning.

Department 13 International (D13)

Booz Allen Hamilton is licensing D13's Mesmer counter-drone system, ahead of likely inclusion in field prototype demonstrations to the US Navy and Marine Corps.

CSL Ltd (CSL)

Credit Suisse has cancelled CSL buy advice in favour of a neutral rating.

Seek Ltd (SEK)

CEO Andre Bassat is speaking at a business leaders' forum in Brisbane, today.

Resources

Tawana Resources (TAW)

TAW anticipates a 'simple, low-capital, low-risk' startup plus a short construction period for the Bald Hill lithium and tantalum mine.

This is largely due to 6% Li₂O production from larger-scale metallurgical test work, plus 60% - 70% of feed mass being rejected during first-pass dense media separation.

Australian Vanadium (AVL)

A review of WA Gabanintha vanadium project drilling data has identified significant cobalt mineralisation. Details lodged this morning.

St Barbara (SBM) / Catalyst Metals (CYL)

SBM is purchasing \$1.5M worth of CYL shares at 50c each. CYL traded at 43c yesterday and 47c - 50c Monday.

Sheffield Resources (SFX)

The northern WA Thunderbird mineral sands project resource has been updated to 680.5Mt @ 11.3% HM. The proved category has doubled to 235.8Mt @ 13.3% HM. Proved category zircon is grading 1.00%.

Energy

Caltex Australia (CTX)

The Australian Competition & Consumer Commission (ACCC) has published concerns regarding CTX's proposed acquisition of 46 Victorian service stations from Milemaker Petroleum.

In particular, the ACCC has identified a risk of higher petrol prices at the Milemaker outlets.

The ACCC will consider additional submissions lodged by 30 March, and plans to publish a final decision 20 April.

Santos Ltd (STO)

Credit Suisse has re-rated STO as neutral, from underperform.

party would remain the dominant party in the new government. More than 80% voter turnout was reported.

In US data releases, February CPI was reported 0.1% higher for the month, and 2.7% higher year-on-year. January's respective figures had come in at 0.6% and 2.5%.

February retail sales grew the least in six months, in part attributed to delays in issuing tax refunds.

A home builders' sentiment rose six points to 71 following expectations of a flat result.

In the **UK**, average weekly earnings disappointed, rising 2.3% on an annual basis for the January quarter, against 2.6% during the December quarter, and following forecasts of a 2.5% improvement.

The self-employed benefited however, after plans for a targeted insurance increase, announced in last week's budget, were scrapped.

Tonight in the US, weekly new unemployment claims are due.

The **Bank of England** holds a policy meeting two days after a deputy governor resigned on an adverse government agency report.

Adobe Systems, Dollar General and J Sainsbury (Sainsbury's UK supermarket chain) are due to release results and/or an update.

In overnight corporate news, four people were charged in relation to two separate **Yahoo** user account breaches following system hackings.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Apr)	1212	oz	0.9	0.8
Silver (NY) (Mar)	17.4	oz	0.5	2.7
Gold (LON)	1199	oz	-6	-0.5
Platinum	952	oz	17	1.8
WTI Crude (Apr)	48.9	bbl	1.1	2.4
Brent Crude (Apr)	51.8	bbl	0.9	1.7
Iron Ore (CHN port 62%)	90.9	t	2.8	3.2
Copper (LME)	5864	t	44	0.8
Nickel	10205	t	-25	-0.2
Aluminium	1887	t	27	1.5
Lead	2249	t	26	1.2
Zinc	2808	t	59	2.1
Tin	19875	t	-95	-0.5
CBT Wheat (May)	4.36	bshl	0.05	1.3

Commodities Commentary

Oil – benefited from several factors overnight, including a late **\$US** drop.

In a monthly report, the International Energy Agency (**IEA**) predicted crude demand would exceed supply before mid-year should the OPEC-led production cut agreement hold.

Stockpiled crude in OECD nations rose 48MMbbl in January, however, to ~3MMbbl, the IEA said.

The weekly **US** (EIA) petroleum inventories report calculated a decline (237,000bbl) in US stocks for the first time in 10 weeks, largely due to reduced imports.

Meanwhile, two major export terminals in **Libya** were reported to be totally controlled by a dissident Libyan commander's forces.

Gold – traded at one-week highs, supported by a weaker **\$US**.

Base metals – benefited overnight from production cutbacks and **\$US** weakness.

Pre-Open Announcements

Orotongroup Ltd (ORL)

Due to report half-year results.

Mach7 Technologies (M7T)

MD and CEO Albert Liong has resigned, effective on the appointment of a replacement

Wattle Health Australia (* WHA)

Health food and drinks specialist completed a successful ASX listing yesterday following an \$8M IPO at 20c per share. Opened at 22c and slipped to 19c before settling at 20c. 2M shares changed hands across 87 trades. Selling baby formula, but intending to expand the company's range into supplements and drinks.

Resources

Ardea Resources (* ARL)

Initial WA Lewis Ponds project diamond drilling has intersected more than 50m of massive sulphide zinc mineralisation. Details lodged this morning. ARL is also targeting cobalt.

Inca Minerals (* ICG)

Peru Riqueza project mapping and sampling is continuing to uncover additional zinc-silver-lead mineralisation.

Marquee Resources (* MQR)

US-focused lithium explorer completed a successful listing yesterday following a \$3.5M IPO at 20c per share. Opened at 22.5c and traded at 21c – 23c before settling at 22c. 1.2M shares were traded across 73 transactions.

Energy

Peninsula Energy (PEN)

\$US44.2M interim net loss. Accounts include a \$US39.0M impairment. \$US5.5M cash.

Uranium Equities (UEQ)

Expecting to raise \$320,000 in a 1c-per-share placement. UEQ traded at 0.8c – 1c yesterday and 1.1c – 1.2c for Monday-Tuesday.

Trading Halts

Company	Code	Resuming
Global Value Fund	GVF	16 Mar
Magnetite Mines	MGT	16 Mar
Nzuri Copper	NZC	16 Mar
Prairie Mining	PDZ	16 Mar
Segue Resources	SEG	16 Mar
Seymour Whyte	SWL	16 Mar
Equus Mining	EQE	17 Mar
MGC Pharmaceuticals	MXC	17 Mar
MOD Resources	MOD	17 Mar
Overland Resources	OVR	17 Mar
Rumble Resources	RTR	17 Mar
TTA Holdings	TTA	17 Mar
Updater Inc	UPD	17 Mar

Suspensions (selected)

Company	Code	Since
1-Page Ltd	1PG	10 Mar
Cott Oil & Gas	CMT	3 Mar

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7707	0.0002	0.03
EUR – USD	1.0732	-0.0005	-0.05

Australian Data Today

MelbInst	Inflation expectations	Mar
ABS	Employment	Feb
RBA	Bulletin	Mar Q
ACCI	Survey	Mar Q

US Data Tonight

Initial jobless claims	11 Mar
Housing starts	Feb
Building permits	Feb
Philadelphia Fed manufacturing	Mar
JOLTS job openings	Jan

Other Overseas Data Today & Tonight

Japan	BoJ policy statement	Mar
UK	BoE policy statement	Mar
Euro zone	CPI (final)	Feb

Need More Information?

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Cudoco Ltd	CDU	16 Mar
Ephraim Resources	EPA	13 Mar
GB Energy	GBX	14 Mar
MetalsTech Ltd	MTC	15 Mar
Mobilarm Ltd	MBO	15 Feb
Oilex Ltd	OEX	15 Mar
Paladin Energy	PDN	13 Mar
Pixie Group	PEG	22 Feb
Range Resources	RRS	14 Mar
Surefire Resources	SRN	15 Mar
Tiger Resources	TGS	22 Feb

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AHG	Today	9.5	100	5.45
ASL	Today	2	100	1.48
BAP	Today	5.5	100	2.04
BWF	Today	1.8	100	3.91
BWR	Today	4.5	0	6.93
DTL	Today	3.35	100	5.15
EBO	Today	~24.84	95.77	3.03
EMB	Today	19	100	3.42
GFY	Today	2.5	0	8.69
LAU	Today	0.8	100	5.28
LBL	Today	0.2	100	2.86
LGD	Today	0.6	100	5.58
MEQ	Today	~1.79	0	0.00
MTO	Today	7.5	100	1.67
MWY	Today	9	100	3.59
ONT	Today	11.25	100	3.20
PGR	Today	2.6	100	7.43
PSI	Today	2	100	2.31
SIV	Today	12.9	100	4.61
SMX	Today	1.5	100	2.74
SNL	Today	4.5	100	4.13
SPK	Today	~11.65	0	6.28
VSC	Today	2.25	0	3.13
ZGL	Today	0.15	0	2.50
CIW	Tomorrow	1.5	50	8.04
GAP	Tomorrow	1	0	4.82
PRY	Tomorrow	4.8	100	3.37
QVE	Tomorrow	2	100	2.83
RFG	Tomorrow	14.75	100	5.20
SVW	Tomorrow	20	100	3.81
SWM	Tomorrow	2	100	8.33
TRS	Tomorrow	24	100	5.25
XIP	Tomorrow	1.6	100	3.75