

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>5708</b>	<b>16</b>	<b>0.3</b>
<b>NZX 50</b>	7774	11	0.2
<b>DJIA Futures</b>	22230	11	0.1
<b>S&amp;P 500 Futures</b>	2500	3	0.1
<b>NASDAQ Futures</b>	6003	7	0.1

## Local Markets Commentary

The Australian market opens a new week's trade on positive US equities leads.

Overnight Friday commodities trade was mixed, however.

WTI **crude** settled flat. US **gold** futures turned lower. LME **copper** settled slightly higher. **Iron ore** (Qingdao 62% Fe) continued to fall.

The **\$A** fell to ~US80.05c after appreciating to ~US80.30c early Friday yesterday evening.

**Locally** today, August motor vehicle sales are scheduled for release. Pre-trade, a weekly capital city house price report is due.

Regionally, **China's** August residential property prices are expected **11.30am** AEST.

China's August bank lending, reported post-ASX trade Friday, reached 1.09 trillion yuan (~\$US166.5B), exceeding forecasts which were in part based on this year's administrative credit constraints. July's bank lending had been reported at 825.5B yuan.

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

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>22268</b>	65	<b>0.3</b>
<b>S&amp;P 500</b>	2500	5	0.2
<b>NASDAQ</b>	6448	19	0.3
<b>FTSE 100</b>	7215	-80	-1.1
<b>DAX 30</b>	12519	-22	-0.2
<b>Shanghai Comp</b>	3354	-18	-0.5

## Overseas Markets Commentary

Major European equities markets continued lower overnight Friday, but key US indices each turned higher.

Economic data releases were in plentiful supply ahead of a US Federal Reserve policy meeting this week.

The **euro zone's** August trade balance was calculated at €23.2B, from €26.6B in July, but against forecasts of €21.4B.

June quarter wages were reported 2% higher year-on-year, following a 1.4% for the March quarter. Labour costs rose 1.8% on an annual basis.

Meanwhile in the **UK**, the British pound continued to rally.

A Bank of England monetary policy committee member, usually viewed as cautious, appeared comfortable speaking of a rate rise within months.

**S&P/ASX** quarterly **indices rebalance** comes into effect at market open. Please see p3 for details.

**China** - August property prices **11.30am** AEST

\* Security IT listing **11am** AEST - **RCW** \*

## Today's Stock Watch

### Air New Zealand (AIZ) / Qantas Airways (QAN) / Virgin Australia Holdings (VAH)

A temporary shutdown of a fuel pipeline into Auckland is impacting jet fuel supplies. AIZ expects flight cancellations to affect 2000 AIZ passengers today. In addition, some longer flights will make additional stops for refuelling. Other airlines are similarly impacted.

### Australia & New Zealand Banking Group (ANZ)

Confirming the bank remains in talks regarding the potential sale of its Wealth Australia division. Several parties are involved, but ANZ says it will not comment on media speculation.

### Telstra Corporation (TLS)

Information meetings scheduled for this afternoon (Sydney), tomorrow (Brisbane), Wednesday (Adelaide) and Friday (Perth). Times and locations, plus presentation, lodged this morning. Today's meeting will be webcast live.

### Zelda Therapeutics (ZLD)

An observational trial treating autism symptoms with medicinal cannabis extracts that ZLD plans to progress to clinical trials has produced positive results. ZLD sponsored the trial, which was conducted in Chile.

The results from are being presented at the 16 - 21 September World Congress of Neurology, Kyoto, Japan.

### Vault Intelligence (VLT)

Three-year contract secured to provide 121 NSW local government entities with VLT's environmental, health and safety online products. The contract has been secured with workers' compensation insurer StateCover Mutual.

### RightCrowd Ltd (\* RCW)

Security, safety and compliance software developer scheduled to list 11am AEST following a \$10M IPO at 30c per share. ~64M shares.

## Resources

### Rio Tinto (RIO)

CFO Chris Lynch has resigned from his RIO CFO role effective by the end of September 2018. Mr Lynch has been with RIO six years, and has held the CFO position the past ~4.5 years.

### Evolution Mining (EVN) / Ramelius Resources (RMS)

EVN is lowering FY 2018 production and AISC guidance after agreeing to sell the WA Edna May gold mine to RMS for up to \$A90M.

Upfront consideration comprises \$40M cash. The balance, capped at \$50M, will come from a \$20M milestone payment and a royalty.

EVN now anticipates producing 750,000oz - 805,000oz at a \$A820/oz - \$A870/oz AISC.

Previous guidance was for 820,000oz - 880,000oz at \$A850/oz - \$A900/oz.

**US** economic indicators came in mixed.

August retail sales slipped 0.2%. Excluding motor vehicle sales would have produced a 0.2% rise, but excluding both petrol and vehicle sales, sales fell 0.4%. Petrol sales had jumped on Hurricane Harvey impacts.

Next month's sales figures are expected to be supported by demand for building and other as business and communities recover from the two hurricanes which made landfall.

Industrial production fell 0.9% after several monthly rises, but the result was also attributed to hurricane activity.

A New York (State) business conditions index came in at 24.4, 0.8 lower for the month, but some forecasts had been set as low as 19.

The University of Michigan's initial August consumer sentiment estimate represented another fall.

July business inventories rose 0.2% following a 0.5% gain for June

**Tonight** in the US, a monthly home builders' sentiment report is due, together with July capital figures from the national treasury department.

Elsewhere, **Bank of England** Mark Carney is scheduled to speak publicly at an International Monetary Fund (IMF) event.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1325</b>	oz	-9	-0.3
<b>Silver (NY) (Sep)</b>	17.7	oz	-0.1	-0.5
<b>Gold (LON)</b>	1323	oz	-2	-0.1
<b>Platinum</b>	968	oz	-15	-1.5
<b>WTI Crude (Oct)</b>	<b>49.9</b>	bbl	0.0	0.0
<b>Brent Crude (Nov)</b>	<b>55.6</b>	bbl	0.1	0.3
<b>Iron Ore</b> <small>(CHN port 62%)</small>	<b>72.1</b>	t	-1.9	-2.5
<b>Copper</b>	<b>6507</b>	t	9	0.1
<b>Nickel</b>	11090	t	-110	-1.0
<b>Aluminium</b>	2086	t	-12	-0.6
<b>Lead</b>	2359	t	52	2.3
<b>Zinc</b>	3031	t	25	0.8
<b>Tin</b>	20540	t	5	0.0
<b>CBT Wheat (Dec)</b>	<b>4.49</b>	bshl	0.06	1.4

### Commodities Commentary

**Oil** – a new hurricane approaching the Caribbean Islands is the latest industry focus.

Seven fewer oil rigs were reported operational in a weekly US petroleum rig count, this mostly attributed to the impacts of recent hurricanes.

**Gold** – this week's trade is expected to be pushed and pulled by central bank speculation, geopolitical moves and a rash of economic indicators.

Some industry watchers expect a correction as early as this week.

Others are anticipating a \$US tumble on expectations the US Federal Reserve will indicate in its post-policy meeting statement (early AEST Thursday) that further rate rises this year are unlikely.

This would normally support gold trade, but statements on reducing the Federal Reserve's assets are also considered risky for gold sentiment.

**Base metals** – China's August bank-lending figures, reported late-Friday, could support some sentiment tonight.

## Pre-Open Announcements

### Austal Ltd (\* ASB)

ASB has delivered a sixth Littoral Combat Ship (LCS) to the US Navy under a \$US4B contract covering the design, construction and delivery of 11 vessels.

### Eden Innovations (\* EDE)

Denver Public Works is commencing a second round of trials of EDE's EdenCrete following trials in areas where de-icing salts and other chemicals traditionally breaks down conventional concretes.

### Nine Entertainment Group (NEC)

NEC has completed the \$134M (post-tax) sale of its Willoughby, Sydney headquarters.

NEC continues to lease the site ahead of the expected completion of new company facilities in North Sydney during 2020.

### Thorney Technologies (TEK)

Proposing to raise up to \$15M in a two-tranche placement, each at 23.5c per share. Shareholder approval is required for the second tranche to follow one targeting \$6.5M.

TEK is resuming from a trading halt having last traded at 26.5c.

### TPG Telecom (\* TPM)

Full-year results anticipated tomorrow.

### Cochlear Ltd (\* COH)

Trading ex-dividend (\$1.40) tomorrow.

## Resources

### OZ Minerals (OZL)

Investor presentation lodged post-trade Friday.

OZL traded at \$7.83 - \$8.34 last week, settling Friday at \$7.88 after closing out the previous week at \$8.31.

### Westgold Resources (WGX)

Denver Gold Forum presentation, including a company update, lodged post-trade Friday.

WGX traded at \$1.87 - \$2.07 last week, settling at \$1.965 Friday, after closing the previous week at \$2.00.

### Gascoyne Resources (\* GCY)

Commonwealth Bank and National Australia Bank will arrange/provide a 50:50 debt facility of up to \$60M for the WA Dalganga gold project development.

GCY is anticipating initial gold production by 30 June 2018.

## Energy

### New Hope Corporation (NHC)

Full-year results expected tomorrow.

### Trading Halts

Company	Code	Resuming
Dubber Corporation	DUB	18 Sep
GB Energy	GBX	18 Sep
Golden Rim Resources	GMR	18 Sep
Intrepid Mines	IAU	18 Sep
Lion Selection Group	LSX	18 Sep
Manalto Ltd	MTL	18 Sep
Quantum Resources	QUR	18 Sep
Sequoia Financial Group	SEQ	18 Sep
Triangle Energy	TEG	18 Sep

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.8003	0.0003	0.04
<b>EUR – USD</b>	1.1941	0.0016	0.14

**Australian Data Today**

CLogic	Capital city house prices	16 Sep
ABS	New motor vehicle sales	Aug
ConfBoard	Leading indicators	Jul

**US Data Tonight**

NAHB housing market index	Aug
Treasury capital flows	Jul

**Other Overseas Data Today & Tonight**

<b>China</b>	Property prices	Aug
<b>Germany</b>	Bundesbank report	Aug
<b>Euro zone</b>	CPI (final)	Aug

**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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Parkway Minerals	PWN	18 Sep
Elk Petroleum	ELK	19 Sep
Valor Resources	VAL	19 Sep

**Suspensions (selected)**

Company	Code	Since
AnaeCo Ltd	ANQ	31 Aug
BBX Minerals	BBX	23 Aug
Brierty Ltd	BYL	8 Sep
Empire Oil & Gas	EGO	30 Aug
Finders Resources	FND	14 Sep
JustKapital Ltd	JKL	6 Sep
NMG Corporation	NMG	28 Aug
Peak Resource	PEK	1 Sep
SMS Management & Technology	SMX	8 Sep

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>AQZ</b>	Today	<b>3</b>	100	2.49
<b>AYS</b>	Today	<b>5.1</b>	100	4.33
<b>FFI</b>	Today	<b>10</b>	100	5.00
<b>OTW</b>	Today	<b>1.25</b>	100	1.03
CHR	Tomorrow	3.5	100	1.11
COH	Tomorrow	140	100	1.71
HOM	Tomorrow	0.75	100	3.37
IS3	Tomorrow	0.3	0	1.71
SIG	Tomorrow	2.5	100	6.29
WEB	Tomorrow	10	100	1.51

**S&P/ASX Indices Re-balance**

*The following changes come into effect as today's trade opens...*

**S&P/ASX100**

*Out:* PRY

*In:* CHC

**S&P/ASX200**

*Out:* ISD, SKT, VRT

*In:* CLW, NHF, SOL

**S&P/ ASX300**

*Out:* CSV, DRM, MGC, MHJ, QIN, TRS

*In:* APT, APX, BIN, CLQ, CMA, COE, HUB, IMD, NCK, XRO

**S&P/ASX All Australian 200**

*Out:* ASB, QIN, RCG

*In:* CLW, NHF, SOL