

Friday 20 April 2018

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document.

Markets

SFE 200 Futures (9.30am AEDST)	5844	-10	-0.2
NZX 50	8403	30	0.4
DJIA Futures	24602	-35	-0.1
S&P 500 Futures	2691	-3	-0.1
NASDAQ Futures	6769	-12	-0.2

Local Markets Commentary

The Australian market opens Friday trade following vacillating overnight international equities and commodities trade.

Regionally today, **Japan** could deliver some spark with a March **CPI** report at **9.30am** AEST.

In overnight commodities trade, **US gold** futures turned moderately lower. **WTI crude** pulled back a little, while **Brent** settled higher.

Iron ore (China port, 62% Fe) forged a third consecutive gain, further picking up the pace of the latest move higher.

LME copper, nickel and **aluminium** settled lower.

The **\$A** dropped to ~US77.30c after approaching US78.0c early yesterday evening.

Locally today, a business sales indicator based on card transactions is expected.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24665	-83	-0.3
S&P 500	2693	-16	-0.6
NASDAQ	7238	-57	-0.8
FTSE 100	7329	12	0.2
DAX 30	12567	-23	-0.2
Shanghai Comp	3117	26	0.8

Overseas Markets Commentary

Most major European and US equities markets headed lower from the outset overnight, the FTSE 100 again the exception.

Choppy trade prevailed amid currency and commodity price swings, and mixed reactions to corporate quarterly headline figures, margins and outlooks.

In **US** data releases, weekly new unemployment claims fell by 1000, but a decline of 3000 had been anticipated.

The Philadelphia Fed April manufacturing index rose by 0.9 to 23.2.

The Conference Board's March leading economic index came in just 0.3 higher, at 109.0, following a 0.7 gain in February.

Across the Atlantic, **UK** March retail sales fell 1.2% for the month following a 0.8% gain in February. For the year, sales were 1.1% higher, against 1.5% in February.

As anticipated, **Bank of England** governor Mark Carney sought to confirm any rate rise was now considered not likely for May, due to 'mixed data'.

The British pound accordingly fell against the \$US,

Japan – March CPI 9.30am AEST

Today's Stock Watch

AMP Ltd (AMP)

CEO Craig Meller is stepping down, effective immediately, in recognition of AMP 'misconduct and failures' while he has been CEO.

AMP director and former Insurance Australia Group (ASX: IAG) CEO Mike Wilkins has been appointed interim AMP CEO.

Adairs Ltd (ADH)

Anticipating \$310M - \$315M, FY 2018 sales, following a previous guidance upgrade to \$300M - \$310M in February. Net debt is expected to come in at \$12M - \$16M.

ADH says it has achieved 16% growth in like-for-like sales for the financial year-to-date, and 18% for 2H-to-date.

MYOB Group (MYO) / Reckon Ltd (RKN)

The Australian Competition and Consumer Commission (ACCC) and New Zealand Commerce Commission (NZCC) have extended their review periods for MYO's proposed acquisition of RKN's accountant group assets. Decisions are anticipated 21 June.

Sydney Airport (SYD)

Passenger numbers grew 6.1% in March, and for the year to date are 4.1% higher.

In addition, SYD has completed a €500M 10-yr bond issue.

APN Outdoor (APO)

Today's AGM presentation lodged.

Fletcher Building (FBU)

Resuming from a trading halt having completed the institutional component of a \$NZ750M fully-underwritten entitlement offer at \$NZ4.80 per share.

2.2M shares were sold in a shortfall book-build at \$NZ6.15 each.

A retail offer is scheduled for 23 April (Monday next week) – 11 May. The \$A retail offer price is \$A4.51 per share.

FBU last traded on the ASX at \$A6.00.

Resources

Northern Star Resources (NST)

Non-executive director David Flanagan has resigned, due to his MD commitments at Battery Minerals (ASX: BAT).

Silver Lake Resources (SLR)

Produced a record 46,780oz of gold during the March quarter at a \$A1168/oz AISC.

Sold 45,206oz at \$A1692/oz.

\$A87.4M cash and bullion. Nil bank debt.

142,500oz of gold hedged at \$A1720/oz.

Energy

Senex Energy (SXY)

SXY has appointed Origin Energy (ASX: ORG) acting CFO Gary Mallett as SXY CFO.

SXY CFO Graham Yerbury is leaving SXY in favour of a private equity-backed mining and resources business, but will remain with SXY for some months.

even though the governor also ventured a rate rise remained likely sometime this year.

Baker Hughes, Cleveland-Cliffs, General Electric, Honeywell, Procter & Gamble, Reckitt Benckiser, Schlumberger and Tokyo Steel are among companies scheduled to report earnings or provide updates later today and tonight.

In overnight corporate news, Japan's **Takeda** reportedly finalised a bid for Ireland's pharmaceuticals major **Shire**, offering £42.2B.

Meanwhile, **Allergan** announced it had now declined to bid for Shire, which reportedly remained unimpressed by Takeda's latest offer. Shire stock rose more than 5%.

For its part, **Procter & Gamble** revealed it was outlaying \$US4.2B for Germany's **Merck's** consumer healthcare division. P&G's quarterly sales disappointed in the meantime.

Chip manufacturers suffered after an **Apple** supplier which makes semiconductors in Taiwan delivered a disappointing forecast based on reduced demand for smartphones.

Strong results from **American Express** post-US trade Wednesday pushed that stock more than 7.5% higher.

Iuka also benefited from a late-Wednesday quarterly report containing better-than-anticipated profit and a forecast of higher aluminium demand.

The S&P 500 was impacted, however, by a disappointing report from **Philip Morris** which subsequently dropped more than 15%.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1349	oz	-5	-0.4
Silver (NY) (May)	17.25	oz	0.0	0.0
Gold (LON)	1351	oz		
Platinum	934	oz	-6	-0.6
WTI Crude (May)	68.3	bbl	-0.2	-0.3
Brent Crude (Jun)	73.8	bbl	0.3	0.4
Iron Ore (CHN port 62%)	68.5	t	2.6	3.9
Copper	6984	t	-38	-0.5
Nickel	15075	t	-200	-1.3
Aluminium	2485	t	-52	-2.1
Lead	2337	t	-40	-1.7
Zinc	3223	t	-42	-1.3
Tin	21450	t	-25	-0.1
CBT Wheat (May)	4.77	bshl	0.02	0.3

Commodities Commentary

Oil – prices headed higher early, but then swung, in part due to expected OPEC commentary and a new weekly US petroleum status report tonight, and as the \$US strengthened.

A monitoring committee meeting in Jeddah, Saudi Arabia tonight, will assess the OPEC-led production clamp agreement. Committee members come from both OPEC and non-OPEC exporters.

OPEC's joint technical committee has already been meeting this week and has released varying views of global inventories in relation to five-year average stockpiles.

A weekly US petroleum drill rig count is also due tonight.

Gold – swung lower as the \$US index headed higher.

Pre-Open Announcements

Nufarm Ltd (* NUF)

Pricing completed for this week's earlier announcement of a \$US475M, 5.75% pa unsecured notes offer in the US.

Atlas Pearls (* ATP)

\$2.4M worth of pearls sold at a private auction in Kobe, Japan 10 – 11 April.

Fatfish Internet Group (FFG)

Retracted yesterday's earlier announcement post-trade, replacing it with a revised operations update.

FFG traded 21.2% higher yesterday, on the first announcement, settling at 4c before being forced to call a trading halt, and after forfeiting 1.1c over the three previous sessions.

The trading halt is now lifted.

HUB24 Ltd (HUB)

Two new roles created and appointments to these completed.

Former Colonial First State (CFS) institutional sales head Shane Muscat has been appointed HUB strategic sales head.

In addition, former CFS strategic accounts head Paula Day has been appointed HUB key accounts head.

Resources

Mt Gibson Iron (** MGX)

WA Koolan Island ore reserves have been boosted ~50% to 21Mt @ 65.5% Fe. This extends the mine life by ~ five years. Additional statistics lodged this morning.

MGX expects to recommence Koolan iron ore sales during the March quarter 2019.

White Cliff Minerals (* WCN)

WA Coglia Well cobalt-nickel project air core drilling has delivered near-surface, significant-width Intersections. Assays lodged this morning.

Cobalt mineralisation is currently determined to be 400m wide and 16m – 20m thick.

Additional assays expected in the near-term.

Energy

Sino Gas & Energy (* SEH)

March quarter operational statistics lodged this morning, including record daily March production totalling ~26MMscf of gas.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	APO	AGM
	GEM	AGM
	SYD	Mar
Tue	BPT	Mar Q
	BKL	Mar Q
	FMG	Mar Q
	ILU	AGM
	MQA	Mar Q
	OZL	AGM
Thu	BXB	Mar Q
	NCM	Mar Q



Base metals – overnight analyst cautions regarding some of this week's price gains combined with a stronger \$US to ultimately turn select metals lower. Japan's CPI, due today, will be watched closely.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7725	-0.0004	-0.05
EUR – USD	1.2346	0.0001	0.01

Australian Data Today

CommBank	Business sales indicator	Mar
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Overseas Data Today & Tonight

Japan	CPI	Mar
Japan	Steel production	Mar
Japan	Tankan index	Apr
Japan	Department store sales	Mar
Japan	Tertiary industry index	Feb
UK	Aluminium production	Mar
Germany	Producer prices	Mar
Euro zone	Consumer confidence	Apr

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OGC	Mar Q
WES	Mar Q

Trading Halts

Company	Code	Resuming
Argonaut Resources	ARE	23 Apr
Atcor Medical Holdings	ACG	23 Apr
Brookside Energy	BRK	23 Apr
Ensurance Ltd	ENA	23 Apr
iCandy Interactive	ICI	23 Apr

Suspensions (selected)

Company	Code	Since
Astro Resources	ARO	17 Apr
BPH Energy	BPH	13 Apr
Carnavale Resources	CAV	19 Apr
eSense-Lab Ltd	ESE	23 Mar
Mount Ridley Mines	MRD	17 Apr
Resources & Energy Group	REZ	12 Apr
Rision Ltd	RNL	17 Apr
Samson Oil & Gas	SSN	16 Apr
Skin Elements	SKN	17 Apr
TopBetta Holdings	TBH	16 Apr
Wangle Technologies	WGL	13 Apr
Wattle Health Australia	WHA	6 Apr

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
RIC	Mon	1.5	100	3.36
EGI	Tue	2.5	100	2.70
BOQ	Thu	38	100	7.23
AMA	Fri (27 Apr)	0.5	100	2.51
MFF	Fri	1.5	100	1.06
SST	Fri	13.59	0	2.00
PMV	30 Apr	29	100	3.51