

Monday 29 August 2016

Markets

SFE 200 Futures (9.25am AEST)	5482	-4	-0.1
NZX 50	7383	-8	-0.1
DJIA Futures	18366	-14	-0.1
S&P 500 Futures	2166	-3	-0.1
NASDAQ Futures	4779	-7	-0.2

Local Markets Commentary

The Australian market commences Monday's trade on mixed international equities leads.

Over the weekend, **China** reported an 11% rise in July industrial profits, the steepest in four months, and a 6.9% year-on-year gain for January – July.

In overnight Friday commodities trade, US **gold** futures settled slightly higher. **Oil** also ultimately advanced. **Copper** continued a little lower. **Iron ore** fell.

The **\$A** was pushed beyond US76.50c after trading at ~US76.35c early Friday evening.

Locally today, companies trading ex-dividend include **AZJ**, **WES** and **WPL**. The HIA releases July new home sales.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	18395	-53	-0.3
S&P 500	2169	-3	-0.2
NASDAQ	5219	7	0.1
FTSE 100	6838	21	0.3
DAX 30	10588	58	0.6
Shanghai Comp	3070	2	0.1

Overseas Markets Commentary

Major European and US equities markets settled mixed, US equities falling on a key monetary policy forum speech by US Federal Reserve chair Janet Yellen.

Ms Yellen spoke of a stronger case for a US rate rise. Fellow US central bankers at the forum were prepared to offer stronger indications that this could be before the end of the year, pending key data, and one mentioned 20 September as a possibility.

In the meantime, in US data releases overnight Friday, a second estimate (of three) for June quarter GDP growth came in 0.1% lower than the original figure, at 1.1%. The consumer spending component was revised 2.4% higher, however, to a 4.4% improvement.

An 89.8 final August reading of the University of Michigan consumer sentiment index represented a mere 0.2% slip, but forecasts had averaged 91 and the reading was the lowest in four months.

UK June quarter GDP growth was confirmed at 0.6% and 2.2% at an annual rate.

In **Germany**, another consumer sentiment reading came in higher than anticipated, in addition representing an improvement on the previous month.

* Gaming listing **11am** AEST – **SVH** *

* Cyber security software listing **midday** AEST – **FZO** *

UK - markets **closed tonight**. Hence, no **LME** trade.

Today's Stock Watch

Auckland International Airport (AIA)

17.4% higher, \$NZ262.1M full-year NPAT. 12.9% higher, \$NZ573.9M revenue. NZ9c fully-franked final dividend. Paying a \$NZ1500 (pre-tax) employee performance bonus, to permanent employees who are not part of a short-term incentive scheme.

Austal Ltd (ASB)

\$84.3M full-year net loss, following a \$53.2M FY 2015 NPAT. 5.3% lower, \$1.3B revenue. Results impacted by US navy ship design modifications. 2c fully-franked final dividend, down 1c. \$224.3M cash at bank. \$172.6M gross debt. Anticipating \$45M - \$55M FY 2017 EBIT (\$120.9M FY 2016 EBIT loss; \$85.3M FY 2015 EBIT profit). Teleconference scheduled to commence 9.30am AEST. Access details lodged this morning.

Estia Health (EHE)

\$27.6M full-year NPAT, following a \$22.5M net loss for FY 2015. 56.8% higher, \$446.8M total revenue. 12.8% fully-franked final dividend. 15.1c EPS.

Eden Energy (EDE)

Georgia's (US) Department of Transportation is intending to use EDE's EdenCrete for several slab replacement projects.

Alexium International (AZJ)

Anticipating an additional \$US2M revenue after securing two new Alexicool clients, one in the US and the other in Europe.

Retail Food Group (RFG)

UBS has placed a sell on RFG, cancelling buy advice.

Coca-Cola Amatil (CCL) / Super Retail Group (SUL)

Deutsche Bank is recommending CCL and SUL as 'buy's.

Monash IVF (MVF)

Macquarie has cancelled an MVF outperform rating, reassessing the stock as neutral.

Silver Heritage Group (* SVH)

Asia-focused casino operator scheduled to list **11am** AEST following a \$25M IPO at 40c per share. Citicorp 9.24%; Regal Funds ~6.45%; HSBC ~3.94%.

Family Zone Cyber Safety (* FZO)

Cyber security software specialist scheduled to list **midday** AEST following a \$6M IPO at 20c per share.

Resources

Evolution Mining (EVN)

Resuming from a trading halt having raised \$311M in a \$2.05-per-share two-for-15 entitlement offer. A (~14%) shortfall bookbuild achieved \$2.22 per share. La Mancha subscribed for 50% of its entitlement. EVN last traded at ~\$2.39.

Energy

Beach Energy (BPT)

\$588.8M full-year net loss. 23% lower, \$564.6M revenue. 5c fully-franked final dividend. 58c NTA. 69.8MMboe (2P) reserves; 205.2MMboe 2C resources.

Tonight in the US, July personal income and spending figures will be keenly anticipated. A manufacturing index for Texas is also due.

AirAsia and Angang Steel are among companies scheduled to report earnings today and tonight.

The London Metals Exchange (LME) will not trade tonight as UK markets are closed for a Monday public holiday.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1326	oz	1	0.1
Silver (NY) (Sep)	18.7	oz	0.1	0.7
Gold (LON)	1319	oz	-3	-0.2
Platinum	1072	oz	1	-0.1
WTI Crude (Oct)	47.6	bbl	0.3	0.7
Iron Ore (Tianjin)	59.1	t	-2.0	-3.3
Copper (LME)	4615	t	-11	-0.2
Nickel	9810	t	-35	-0.4
Aluminium	1643	t	-2	-0.1
Lead	1875	t	13	0.7
Zinc	2315	t	17	0.7
Tin	18890	t	140	0.7
CBT Wheat (Sep)	3.84	bshl	-0.18	-4.4

Commodities Commentary

Oil – prices swung overnight Friday, amid **\$US** turns in relation to the US Federal Reserve chair's statement, reports a missile from Yemen had hit petroleum industry power infrastructure in **Saudi Arabia** and a possible **Gulf of Mexico** hurricane watch.

A weekly US drill rig count concluded the number of operational oil rigs had remained steady.

Brent crude settled 1.9% lower for the week, at \$US49.92/bbl and WTI 3% down.

Gold – overnight Friday trade proved volatile, given the US Federal Reserve chair's public claim that the case for another US rate rise had strengthened. This pushed the \$US higher and gold lower, but gold futures recovered.

Several key US economic indicator releases are due this week, including monthly employment statistics on Friday.

Base metals – \$US swings impacted some trade overnight Friday, ahead of China's July industrial profits on the weekend, and a Monday public holiday which will keep the **LME closed tonight**.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7657	-0.0002	-0.03
EUR – USD	1.1200	0.0022	0.20

Australian Data Today

HIA	New home sales	Jul
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US Data Tonight

Personal income & spending	Jul
Dallas Fed manufacturing	Aug

Pre-Open Announcements

McAleese Ltd (* MCS)

Voluntary administrators appointed.

Hills Ltd (HIL)

COO David Lenz appointed CEO, effective 1 September (Thursday). Mr Lenz is also HIL building technologies head. He replaces Grant Logan who previously flagged his retirement at the end of his contract.

Vicinity Centres (VCX)

Selling the Tweed Mall, NSW for \$81.25M, to Elanor Investors. VCX says the property book value as at 30 June was recorded at \$70.0M.

Chorus Ltd (* CNU)

CEO and MD Mark Ratcliffe is intending to resign ~mid-201. Flat, \$NZ91M full-year NPAT. \$NZ1.008B operating revenue, following \$NZ1.006B for FY 2015. NZ 12c fully-franked final dividend. Teleconference and webcast scheduled commenced 10am NZ time.

NetComm Wireless (* NTC)

17.7% lower, \$2.0M full-year NPAT. 14.8% higher, \$85.3M revenue.

Reliance Worldwide Corporation (* RWC)

\$1.6M interim net loss. \$98.3M sales revenue. 23c NTA. \$35.6M cash and equivalents.

Euroz Ltd (* EZL)

\$2.6M full-year NPAT, following a \$7.1M net loss a year ago. 8% higher, \$41.9M revenue. 2.25c fully-franked final dividend. 1.61c EPS. \$34.2M cash and equivalents.

Matrix Composites & Engineering (MCE)

Former Kresta Holdings (ASX: KRS) CFO Brendan Cocks has been appointed MCE CFO, effective 12 September. Mr Cocks replaces Peter Tazewell who has been with MCE ~five years.

Avexa Ltd (AVX)

45% take-up in the targeted \$2.2M, 2.2c-per-share rights issue, resulting in \$925,000 being initially raised. An additional ~\$1.285M was raised from the shortfall.

Frontier Digital Ventures (FDV)

Online classifieds developer completed its ASX listing Friday following a \$30M IPO at 50c per share. Opened at 55c and traded at 50c – 59c before settling at 51c. ~8.4M shares changed hands across 221 transactions. Trading commenced on a deferred settlement basis. Normal (T+2) trade is expected to commence tomorrow.

Resources

Perseus Mining (* PRU)

\$35.6M full-year net loss, following a \$87.8M a year earlier. 24.4% lower, \$252.2M revenue. 86c NTA. \$151.3M cash and equivalents. Nil third-party debt.

Metals X (* MLX)

\$23.6M full-year net loss, following a \$40.9M net profit for FY 2015. \$1.75% higher \$325.3M revenue. 82c NTA. \$39.2M cash.

Silver Lake Resources (* SLR)

Company resources measured 54.8Mt @ 2.8g/t Au for 4.92Moz of gold as at 30 June. Reserves were estimated at 11.2Mt @ 2.3g/t Au for 830,000oz of gold.

Other Overseas Data Today & Tonight

Japan	BoJ review	2016
UK	Nationwide house prices	Aug

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Energy
AWE Ltd (* AWE)

Macquarie has re-rated AWE as underperform, cancelling a neutral assessment.

Trading Halts

Company	Code	Resuming
Santana Minerals	SMI	29 Aug
Tasman Resources	TAS	29 Aug
Gage Roads Brewing	GRB	30 Aug
Wangle Technologies	WGL	30 Aug
Zinc of Ireland	ZMI	30 Aug
Interim Resources	IRC	31 Aug

Suspensions (selected)

Company	Code	Since
Australia China Holdings	AAK	25 Aug
Brierty Ltd	BYL	26 Aug
Excalibur Mining Corporation	EXM	15 Aug
G8 Communications	G8C	10 Aug
India Resources	IRL	19 Aug
Indus Energy	IND	5 Aug
McAleese Ltd	MCS	29 Aug
New Guinea Energy	NGE	12 Aug
Topbetta Holdings	TBH	18 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AZJ	Today	13.3	70	5.35
FSA	Today	4	100	6.14
OML	Today	4	100	2.22
WES	Today	95	100	4.20
WPL	Today	~44.09	100	3.50
ALI	Tomorrow	2.5	0	1.59
AOD	Tomorrow	0.37	100	5.08
AWC	Tomorrow	~3.80	100	4.49
BAP	Tomorrow	6	100	1.76
BGA	Tomorrow	5	100	1.44
BLD	Tomorrow	11.5	100	3.30
FSI	Tomorrow	3.75	100	4.41
GXL	Tomorrow	9.5	100	2.75
NMS	Tomorrow	6.4	100	6.40
SAI	Tomorrow	9.5	100	4.70
AMP	Wed	14	90	5.12
CIN	Wed	75	100	3.51
FSF	Wed	~8.04	100	5.52
IDX	Wed	4	100	2.40
MIN	Wed	21	100	2.62
MOC	Wed	8.5	100	6.93
MRN	Wed	2	100	4.04
NVT	Wed	9.9	100	3.71
PTM	Wed	16	100	5.48
TTS	Wed	8	100	4.38
TWE	Wed	12	0	1.79

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Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AIA	Full-year
	ASB	Full-year
	BPT	Full-year
	CDD	Full-year
	EHE	Full-year
	IFN	Full-year
	RIC	Full-year
Tomorrow	BDR	Interim
	FWD	Full-year
	FXL	Full-year
	GTY	Full-year
	MQA	Interim
	RHC	Full-year
	SFR	Full-year
	SGH	Full-year
VIT	Full-year	
Wed	ABC	Interim
	EHL	Full-year
	IGO	Full-year
	MTS	AGM
	WEC	Full-year