

Thursday 30 November 2017

Markets

SFE 200 Futures (9.30am AEDST)	6012	-7	-0.1
NZX 50	8126	-16	-0.2
DJIA Futures	23921	3	0.0
S&P 500 Futures	2625	0	0.0
NASDAQ Futures	6306	0	0.0

Local Markets Commentary

The Australian market opens today's end-of-month trade on decidedly mixed overnight international equities and commodities leads, and ahead of influential regional data.

China is expected to publish November PMIs **midday** AEDST.

Japan releases several October figures, including industrial production, due **10.50am** AEDST.

In overnight commodities trade, **gold** fell. **Oil** extended this week's retreat. **Iron ore** (China port, 6% Fe) rose slightly. LME **copper** and **aluminium** continued lower. **Nickel** swung higher.

The **\$A** fell to ~US75.75c after slipping to US75.85c early yesterday evening.

Locally today, September quarter financial aggregates, including private capital expenditure are due, ahead of the Reserve Bank of Australia's (RBA) policy meeting next week.

October private sector credit, building approvals and new home sales are also expected.

Post-trade, the RBA is due to publish foreign exchange liquidity and reserves for October.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	23941	104	0.4
S&P 500	2626	-1	-0.0
NASDAQ	6824	-88	-1.3
FTSE 100	7394	-67	-0.9
DAX 30	13062	2	0.0
Shanghai Comp	3338	4	0.1

Overseas Markets Commentary

Major European and US equities trade diverged markedly overnight, the FTSE 100 and NASDAQ pushed lower on their respective opens and other markets variously gaining or settling flat.

Tech stocks were decidedly out of favour in the US, but financial stocks appreciated as US president Donald Trump promoted tax reform and the progress of proposed legislation.

Also in the **US**, Federal Reserve chair Janet Yellen's prepared Senate economic committee testimony promoted US economic growth and further rate rises. Noting historically-high US asset valuations, Ms Yellen described overall financial sector vulnerabilities as 'moderate'.

Meanwhile, the Federal Reserve's 'beige book' region-by-region economic assessment again concluded modest - moderate growth, and cited increasing constriction, transport and manufacturing

China - NBS PMIs expected **midday** AEDST

Japan - October industrial production **10.50am** AEDST

* Cobalt project developer listing **1pm** AEDST - **FCC** *

* Gold miner listing **2pm** AEDST - **KLA** *

* Business software developer listing **2.30pm** AEDST - **CAG** *

Last trading day of the month

Today's Stock Watch

Australia & New Zealand Banking Group (ANZ) / Commonwealth Bank of Australia (CBA) / National Australia Bank (NAB) / Westpac Banking Corporation (WBC)

Formally requesting the Australian Government to establish a financial services sector inquiry. Letter lodged this morning.

Aristocrat Leisure (ALL)

41.3% higher, \$495.1M full-year NPAT. 15.3% higher, \$2.45B revenue. 20c fully-franked final dividend, against 15c unfranked a year ago.

In addition, ALL is proposing to outlay ~\$US990M for digital business social gaming group Big Fish.

ALL will use existing cash and a \$US890M seven-year term loan B debt facility to fund the purchase. Details lodged this morning.

Bank of Queensland (BOQ)

Today's AGM chairman's address and CEO's presentation lodged. BOQ has increased its capital notes offer by \$25M to \$325M, with a 3.75% margin.

Fluence Corporation (FLC)

Framework agreement secured to supply six FLC MABR technology-based wastewater treatment plants in the Guizhou province, in conjunction with partner Jiangsu Jinzi Environmental Science & Technology Company.

Southern Cross Media Group (SXL)

Three year-syndicated \$500M revolving debt facility secured.

Dicker Data (DDR)

DDR has been appointed Hewlett Packard Enterprise distributor for New Zealand, effective tomorrow.

Cape Range (* CAG)

Accounting and business intelligence software developer scheduled to list **2.30pm** AEDST following a \$5.6M IPO at 20c per share. ~34.74M shares. iFREE Group (International) holds 36.66%.

Resources

First Cobalt Corp (* FCC)

Explorer and cobalt project developer scheduled to list **1pm** AEDST. The former Cobalt One has merged with British Columbia-headquartered First Cobalt Corp. Trading will commence on a deferred settlement basis. Normal (T+2) trade is expected to commence Monday. ~106.97M CDIs/shares.

Kirkland Lake Gold (* KLA)

Gold miner and explorer scheduled to list **2pm** AEDST as a foreign-exempt listing. KLA is listed on the TSX. 1M CDIs/shares.

sector costs in noting strengthening inflation pressure.

Among other encouraging US economic indicators released overnight, second of three estimates for September quarter GDP growth came in at 3.3%, the strongest rate in three years.

October pending home sales were reported 3.5% higher for the month, following three consecutive monthly falls. Forecasters expecting an improvement had capped this at ~1%.

Earlier, **Germany's** 1.8% preliminary November year-on-year CPI growth, followed a 1.6% final estimate for October. For the month, CPI was reported 0.3% higher.

In a financial stability report, Germany's Bundesbank (central bank) noted some property market participants had become more vulnerable due to easy lending practices and high property valuations.

In the **UK**, perceived progress with payment details for the UK's planned separation from the European Union was cited as one reason the British pound traded at a two-month peak against the \$US.

Tonight in the US, October personal income and spending, a Chicago PMI update and weekly new unemployment claims are due.

In overnight corporate news, Germany's **Siemens** revealed plans to spin out a €40B medical imaging and diagnostics division, and to list this exclusively in Frankfurt.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Feb)	1286	oz	-13	-1.0
Silver (NY) (Mar)	16.6	oz	-0.4	-2.1
Gold (LON)	1284	oz	-8	-0.6
Platinum	938	oz	-9	-0.9
WTI Crude (Jan)	57.3	bbl	-0.7	-1.2
Brent Crude (Jan)	63.1	bbl	-0.5	-0.8
Iron Ore (CHN port 62%)	67.9	t	0.1	0.1
Copper	6760	t	-45	-0.7
Nickel	11520	t	170	1.5
Aluminium	2068	t	-35	-1.6
Lead	2435	t	8	0.3
Zinc	3157	t	-1	-0.0
Tin	19525	t	-25	-0.1
CBT Wheat (Dec)	4.17	bshl	0.06	1.4

Commodities Commentary

Oil – prices swung amid anticipation of confirmation of further production caps led by OPEC and on a US petroleum inventories report.

Some representatives of producer nations from within OPEC and without met to discuss likely recommendations for tonight's meetings, one a regular scheduled OPEC event, and another also including participants in the current production curb agreement.

In the meantime, the EIA's weekly US inventories report included a 3.4MMbbl fall in stored crude, and rises for both petrol and distillate stocks.

Gold – prices dropped overnight amid some pleasing data releases on both sides of the Atlantic. Federal Reserve chair Janet Yellen met with a Congress economics committee, promoting US growth and further rate rises. New US economic indicator reports also supported her commentary.

Base metals – caution evident in overnight trade

Pre-Open Announcements

OrotonGroup Ltd (ORL)

Administrators appointed. Details lodged this morning. Tomorrow's scheduled AGM has consequently been deferred.

Appen Ltd (* APX)

Resuming from a trading halt with a \$A25M institutional placement at \$5.80 per share.

A \$5M fully-underwritten SPP is also planned to commence next week.

APX last traded at \$5.83.

Collection House (* CLH)

The CLH board has elected Arrow Global external affairs & development director Leigh Berkley as chairman.

Mr Berkley is the public affairs head of the UK's Credit Services Association and is the association's immediate past president.

HotCopper Holdings (* HOT)

Heralding record select sales, registered members, and unique monthly site visitors. Details lodged this morning.

Bio-Gene Technology (* BGT)

Agricultural insecticide developer completed its ASX listing yesterday following a \$7.1M IPO at 20c per share.

Opened at 20.5c and traded at 19c – 24c before settling at 20c. 2.2M shares were traded across 123 transactions. ~104.5M shares.

BGT has extended a collaborative research agreement with the CSIRO. Details lodged this morning.

Bojun Agriculture Holdings (* BAH)

Fruit food and beverage manufacturer scheduled to list 11am AEDST tomorrow following a targeted \$7.66M IPO at 30c per share.

121.5M shares.

Resources

Heron Resources (* HRR)

HRR has appointed Toho Zinc metallurgy manager for Australia Ian Pattison as a non-executive director.

Winmar Resources (* WFE)

Resuming from a trading halt with the appointment of Jason Brewer as a non-executive director and as WFE chairman.

A mining engineer by initial training, Mr Brewer is CEO of African Phosphate, but has also held positions with several investment banks and funds.

WFE last traded at 0.2c.

AIC Resources (* A1C)

Explorer scheduled to list 11.30am AEDST tomorrow following a \$10M IPO at 20c per share.

56.5M shares.

Energy

Buru Energy (BRU)

A WA Canning Basin State agreement established when BRU and Mitsubishi were in JV over several permits will be mutually terminated.

No additional work commitments are required and relinquishments are not due until respective dates in 2023 and 2024.



amid industry considerations and not a little geopolitical flux during LME trade. The \$US traded mixed against key currencies, complicating moves.

November PMIs for **China**, expected today, will likely influence tonight's end-of-month trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7573	0.0003	0.04
EUR – USD	1.1850	0.0001	0.01

Australian Data Today

RBA	Financial aggregates	Sep Q
ABS	Private sector spending	Oct
ABS	Building approvals	Oct
HIA	New home sales	Oct
RBA	International reserves	Oct
RBA	Forex liquidity	Oct

US Data Tonight

Personal income & spending	Oct
Chicago PMI	Nov
Initial jobless claims	25 Nov

Other Overseas Data Today & Tonight

China	CFLP/NBS PMIs	Nov
Japan	Industrial production	Oct
Japan	Construction orders	Oct
Japan	Housing starts	Oct
UK	GfK consumer confidence	Nov
Germany	Unemployment	Nov
Euro zone	CPI (prelim)	Nov
Euro zone	Unemployment	Oct

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Trading Halts

Company	Code	Resuming
Capricorn Metals	CMM	30 Nov
Dark Horse Resources	DHR	30 Nov
Dawine Ltd	DW8	30 Nov
Draig Resources	DRG	30 Nov
OrotonGroup Ltd	ORL	30 Nov
Winmar Resources	WFE	30 Nov
WPG Resources	WPG	30 Nov
Cokal Ltd	CKA	1 Dec
Getswift Ltd	GSW	1 Dec
PS & C Ltd	PSZ	1 Dec
Tanga Resources	TRL	1 Dec
Triangle Energy (Global)	TEG	1 Dec
Tyranna Resources	TYX	1 Dec
Cann Group	CAN	4 Dec

Suspensions (selected)

Company	Code	Since
Bisan Ltd	BSN	2 Nov
FE Ltd	FEL	22 Nov
Genera Biosystems	GBI	29 Nov
iCandy Interactive	ICI	15 Nov
Ishine International Resources	ISH	28 Nov
JustKapital Ltd	JKL	22 Nov
Marquee Resources	MQR	15 Nov
Red Emperor Resources	RMP	8 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
OFX	Today	2.4	100	3.99
USR	Tomorrow	15	0	3.92
EVO	Mon	2.26	0	6.53
MSG	Mon	0.1	0	4.55
FPH	Tue	~7.90	0	1.58
BTT	Thu (7 Dec)	26	25	4.06

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	ALL	Full year
	BOQ	AGM
	MAH	AGM
	RFG	AGM
	RIC	AGM
	TTS	AGM
Tomorrow	PMV	AGM
Mon	RIO (Plc)	Investor seminar
Tue	CSL	R&D briefing
Wed	SGH	AGM
	TPM	AGM



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