

Friday 31 March 2017

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document.

## Markets

<b>SFE 200 Futures</b> (9.30am AEDST)	<b>5889</b>	<b>9</b>	<b>0.2</b>
<b>NZX 50</b>	7169	-0.2	-0.0
<b>DJIA Futures</b>	20668	8	0.0
<b>S&amp;P 500 Futures</b>	2365	0	0.0
<b>NASDAQ Futures</b>	5439	2	0.0

## Local Markets Commentary

The Australian market commences the last trading session of the March quarter on mixed commodities leads, ahead of the release of significant regional economic indicators.

**China** is due to publish official March PMIs **midday** AEDST.

**Japan** trades for the last session of the financial year amid a plethora of February data including CPI and industrial production.

In overnight commodities trade, US **gold** futures pulled back further. **Oil** continued to rise and **iron ore** to fall. LME **copper** extended a run of gains.

The **\$A** declined after trading at ~US76.60c early yesterday evening.

Locally today, February financial aggregates, including private sector credit, are due. Post-trade, international reserves and liquidity figures are also due from the RBA.

Ex-dividend season continues. *A detailed list is available pp3-4.*

China's markets will be closed Monday, due to a public holiday.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>20728</b>	69	<b>0.3</b>
<b>S&amp;P 500</b>	2368	7	<b>0.3</b>
<b>NASDAQ</b>	5914	17	<b>0.3</b>
<b>FTSE 100</b>	7370	-4	<b>-0.1</b>
<b>DAX 30</b>	12256	53	<b>0.4</b>
<b>Shanghai Comp</b>	3210	-31	<b>-1.0</b>

## Overseas Markets Commentary

Choppy trade featured across major European and US equities markets overnight, but most again achieved modest gains.

In the **US**, financial stocks remained in favour, as did the energy sector as oil prices continued higher.

A final, third reading of US December quarter GDP revised the growth rate 0.2% higher to 2.1%, but overall 2016 growth remained at 1.6%.

Weekly new jobless claims fell 3000, but the four-week average rose 7750.

Meanwhile in **Germany**, March CPI growth was reported at 1.6% year-on year, and just 0.2% for the month. This followed an initial 2.0% estimate, and 2.2% for February.

**Tonight** in the US, February personal income and spending, the March Chicago PMI, and a final February University of Michigan consumer confidence reading are due.

**March quarter** - last trading day

**China** - NBS March PMIs **midday** AEDST

Daylight saving ends over the weekend.

Hence, from **Monday** (3 April), **ASX trade commences** local time in: **Western Australia** at 8am; **Queensland** at 10am; and the **Northern Territory** at 9.30am.

## Today's Stock Watch

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

Confirming the Australian Prudential Regulation Authority (APRA) is planning to constrain interest-only loans to 30% of the total new residential mortgages. A 10% yearly cap on investor property lending remains.

### Investa Office Fund (IOF)

IOF is issuing \$A150M worth of seven-year 'green' bonds, in association with the November expiry of \$A125M worth of bonds. 4.262% pa fixed. The new bonds are backed by an IOF package of low-carbon buildings. IOF said the inaugural green offer was over-subscribed.

### ERM Power (EPW)

Expecting a \$A3.50/MWh FY 2017 (Australian) retail gross margin, against previous guidance of \$A3.00/MWh.

### Quintis Ltd (QIN)

Deputy QIN chair Julius Matthys has been appointed interim CEO following the resignation earlier this week of MD Frank Wilson. Mr Wilson said he was likely to be a partner in a potential international bid for QIN. QIN has traded at \$1.04 - \$1.27 the past four trading sessions, settling at \$1.09 yesterday.

### Queensland Bauxite (QBL)

Approval in hand for Medical Cannabis Ltd (MCL) to transfer genetically-competitive plants for MCL's Tabulam cannabis project.

## Resources

### Perseus Mining (PRU)

Côte d'Ivoire Sissingué gold project life-of-mine update lodged this morning. Initial gold production is anticipated during the March quarter 2018.

### OceanaGold Corporation (OGC)

Carolina, US Haile gold mine resources and reserves update lodged post-trade yesterday.

### Argosy Minerals (AGY)

MoU secured with Shanghai Greatpower Industry Co for potential investment in the Rincon lithium project, Argentina. AGY says it is continuing discussions with other interested parties.

## Energy

### Cooper Energy (COE)

Resuming from a trading halt having raised \$116M in total in an institutional placement and entitlement offer. COE said the 31.5c-per-share placement was 'multiple times' oversubscribed. Fully-underwritten \$35M retail entitlement offer also planned. COE last traded at ~36.17c.

Meanwhile, in the **UK** a final December quarter GDP reading is published as markets trade for the last session of the UK financial year.

Companies due to report results later today and tonight include Bank of China, Blackberry, CVS and Yanzhou Coal Mining.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Jun)</b>	<b>1248</b>	oz	-9	-0.7
<b>Silver (NY) (May)</b>	18.1	oz	-0.1	-0.6
<b>Gold (LON)</b>	1249	oz	-2	-0.2
<b>Platinum</b>	947	oz	-5	-0.5
<b>WTI Crude (May)</b>	<b>50.3</b>	bbl	0.8	1.7
<b>Brent Crude (May)</b>	<b>53.0</b>	bbl	0.5	1.0
<b>Iron Ore</b> (CHN port 62%)	<b>81.6</b>	t	-0.6	-0.7
<b>Copper (LME)</b>	<b>5956</b>	t	49	0.8
<b>Nickel</b>	10135	t	90	0.9
<b>Aluminium</b>	1972	t	126	0.6
<b>Lead</b>	2352	t	2	0.1
<b>Zinc</b>	2870	t	12	0.4
<b>Tin</b>	20145	t	-30	-0.2
<b>CBT Wheat (May)</b>	<b>4.21</b>	bshl	-0.05	-1.1

### Commodities Commentary

*Oil* – WTI notably settled higher than \$US50/bbl, but the **IEA** revealed overnight that it did not expect any significant growth in oil prices this year, due to stocks and overall production plans.

Kuwait added its support to a potential extension past six months of the production cut agreement.

A weekly US petroleum drill rig count is due tonight.

*Gold* – a well-received US GDP reading supported equities sentiment, detracting from gold interest. Ongoing \$US appreciation also kept any gains in check.

*Base metals* – risk appetite remained intact ahead of China's official PMI figures today, and a swag of data out of Japan.

Some end-of-quarter (and for the UK and Japan, end-of-financial year) positioning is expected later today and tonight.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7644	-0.0002	-0.03
<b>EUR – USD</b>	1.0682	0.0002	0.02

### Australian Data Today

RBA	Financial aggregates	Feb
RBA	Counterfeits (past 6mths)	31Mar
RBA	Reserves & forex liquidity	Feb

### US Data Tonight

Personal income and spending	Feb
Chicago PMI	Mar
Uni of Michigan consumer confidence (final)	Feb

### Other Overseas Data Today & Tonight

<b>China</b>	NBS/CFLP PMIs	Mar
<b>Japan</b>	CPI	Feb

## Pre-Open Announcements

### Mesoblast Ltd (\* MSB)

An independent data monitoring committee is to analyse data, in particular with regards to efficacy, from MSB's ongoing Phase 3 trial of MPC-150-IM for chronic heart failure.

### YPB Group (YPB)

MoU secured with Guangzhou Panyu MCP Industries covering the potential marketing of YPB products to Guangzhou customers, and to investigate jointly developing custom-made products.

### James Hardie Industries (JHX)

Road-show presentation lodged this morning.

### IMF Bentham (IMF)

An Australian family law case has been settled on confidential terms, but IMF expects \$4.175M revenue and \$2.1M pre-tax profit.

### OpenDNA Ltd (OPN)

Consulting (and former) ASG Group company secretary Peter Torre has been appointed OPN company secretary, effective today. Mr Torre is taking over from Kevin Hart who resigned.

### I Synergy Group (IS3)

Malaysian-focused business strategy and marketing firm scheduled completed its ASX listing yesterday following a \$3.56M IPO at 20c per share. Opened at 21c and traded at 19.75c – 22c before settling at 20c. 415,000 shares were traded across 39 trades.

## Resources

### Musgrave Minerals (\* MGV) / Silver Lake Resources (SLR)

Heralding results from initial metallurgical test work using WA Cue gold project Break of Day ore. Details lodged this morning.

### CopperMoly Ltd (\* COY)

Ever Leap Services is exercising all its COY unlisted options for \$666,667.

### TerraCom Ltd (TER)

\$13.5M in hand to enable the potential transfer of the mining lease for the Queensland Blair Athol coal mine.

### Australian Vanadium (\* AVL)

A review of drilling data from the WA Gabanintha vanadium project has indicated sufficient cobalt mineralisation for planned resource modelling.

### Galaxy Resources (GXY)

Full-year results anticipated. GXY has settled lower the past seven trading sessions.

### Atlas Iron (AGO)

Proposing to fund the WA Pilbara Corunna Downs iron ore project from cash-flow, in association with the amendment of a loan facility, enabling AGO to accumulate an additional \$A45M in cash.

As part of the amendment, the principal will be conditionally raised \$US2.3M, all interest will be paid in cash and the lenders receive ~107.99M AGO shares. The principal will not increase if the facility is refinanced or paid in full within 120 days.

AGO traded at 2.85c – 3.1c yesterday.

## Energy

### Liquefied Natural Gas (LNG)

Interim results investor presentation lodged this morning.



Japan	Industrial production	Feb
Japan	Household spending	Feb
Japan	Vehicle production	Feb
Japan	Unemployment	Feb
Japan	Housing starts	Feb
Japan	Construction orders	Feb
<b>UK</b>	GDP (final)	DecQ
UK	GfK consumer sentiment	Mar
<b>Germany</b>	Retail sales	Feb
Germany	Unemployment	Mar
<b>Euro zone</b>	CPI (prelim)	Mar

### 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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### Trading Halts

Company	Code	Resuming
Draig Resources	DRG	31 Mar
Beacon Minerals	BCN	3 Apr
Bod Australia	BDA	3 Apr
Chesser Resources	CHZ	3 Apr
De Grey Mining	DEG	3 Apr
Eden Innovations	EDE	3 Apr
GBM Resources	GBZ	3 Apr
iCollege Ltd	ICT	3 Apr
Opthea Ltd	OPT	3 Apr
Spitfire Materials	SPI	3 Apr
Tasman Resources	TAS	3 Apr
Triangle Energy (Global)	TEG	3 Apr

### Suspensions (selected)

Company	Code	Since
Blackham Resources	BLK	30 Mar
Connexion Media	CXZ	21 Mar
Cudeco Ltd	CDU	16 Mar
Eumeralla Resources	EUM	22 Mar
Eve Investments	EVE	27 Mar
Navigator Resources	NAV	27 Mar
Norwood Systems	NOR	29 Mar
Paladin Energy	PDN	13 Mar
Range Resources	RRS	14 Mar
South American Iron & Steel	SAY	29 Mar
Surefire Resources	SRN	15 Mar
Titanium Sands	TSL	20 Mar
Transcendence Technologies	TTL	23 Mar

### Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>CWP</b>	Today	<b>12</b>	100	5.00
<b>CYC</b>	Today	<b>0.5</b>	0	1.23
<b>DFM</b>	Today	<b>5</b>	0	5.68
<b>FNP</b>	Today	<b>2</b>	100	0.97
<b>GBT</b>	Today	<b>3.7</b>	100	3.14
<b>PFG</b>	Today	<b>0.4</b>	100	6.15
ACK	Mon	1	100	3.45
HHV	Mon	3.5	100	5.65
NCC	Mon	3.5	100	5.00
VOC	Mon	6	100	3.23
CAM	Tue	1.2	100	5.33
CVO	Tue	5	100	1.30
FSF	Tue	~15.53	0	4.26
ARB	Thu	16	100	2.24
AUB	Thu	12.5	100	3.46
FGX	Thu	2.1	100	3.50
HVN	Thu	14	100	6.94
MLB	Thu	6	100	3.57
NUF	Thu	5	0	1.24
SIP	Thu	3	100	4.25
WAX	Thu	4.5	100	5.59
ALR	Fri	1	100	4.43
GVF	Fri	3.15	50	5.57