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Market Opener

Wednesday 22 November 2017

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Markets

SFE 200 Futures (9.30am AEDST)	**5995**	**16**	**0.3**
NZX 50	8073	-15	-0.2
DJIA Futures	23548	5	0.0
S&P 500 Futures	2596	0	0.0
NASDAQ Futures	6380	0	0.0

Local Markets Commentary

The Australian market opens mid-week trade on positive overnight international equities leads and prices gains for several key commodities.

In addition, as the ASX commences today's trade, **US Federal Reserve** chair Janet Yellen is scheduled to speak at the Stern Business School. Ahead of the Fed's November policy meeting minutes due to be released tonight, the $US could swing on anything which buoys views of a 0.25% US rate rise mid-December.

Overnight, **Reserve Bank of Australia** (RBA) governor Philip Lowe indicated the bank expected to maintain policy status quo for the near-term, lamenting low wages growth and high debt levels.

In overnight commodities trade, US **gold** futures and **oil** turned higher. **Iron ore** (China port, 62% Fe) swung lower. LME **copper** and **nickel** rallied further.

The **$A** appreciated to ~US75.80c after trading at ~US75.40c – ~US75.50c early yesterday evening.

Locally today, a leading indicators report, skilled vacancies update, and September quarter construction sector details from the Australian Bureau of Statistics are due.

Another batch of high-profile stocks also holds AGMs.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	**23591**	161	**0.7**
S&P 500	2599	17	0.7
NASDAQ	6862	72	1.1
FTSE 100	7411	22	0.3
DAX 30	13168	109	0.8
Shanghai Comp	3410	18	0.5

Overseas Markets Commentary

US equities markets rallied on opening overnight, helping pull major European equities indices beyond early gains, and seemingly spreading new record peak contagion.

New regulations imposed yesterday on China's smaller online lenders again damaged some Chinese and associated stock sentiment, but health and technology shares buoyed overall outcomes.

Among **US** data releases, October existing home sales rose 2% for the month, following forecasts for a 0.7% improvement, but came in 0.9% lower than a year ago.

The Chicago Fed October national activity index rose to 0.65 from 0.36 in September and against

* Employment services listing **midday** AEDST – **PPE** *

Today's Stock Watch

Downer EDI (DOW)

Selling the DOW rail freight business to Caterpillar's Progress Rail for $109M.

DOW expects a $40M write-down of goodwill and legacy assets. Completion is scheduled for January.

Promising updated guidance, including for Spotless, 27 November (Monday next week).

CYBG Plc (CYB)

£182M full-year (to 30 September) NPAT, following a £164M net loss a year ago, and representing the first such profit in more than five years. Paying an inaugural, 1p dividend. 12.4% CET1 ratio.

CYB hosted a webcast presentation 7.30pm AEDST yesterday.

Macquarie Telecom (MAQ) / Bulletproof Group (BPF)

BPF 16.11% shareholder MAQ is intending to launch an 11c cash-per-share full takeover bid for BPF.

MAQ and BPF are resuming from trading halts having last traded respectively at $14.10 and 6.7c.

WiseTech Global (WTC)

Today's AGM update includes anticipated 35% - 41% FY 2018 revenue growth totalling $207M - $217M. EBITDA is expected to rise 32% - 39%, to $71M - $75M.

Webjet Ltd (WEB)

Today's AGM update includes an expected 14% rise for FY 2018 profit to $80M

Creso Pharma (CPH)

CPH Australian distribution partner Health House International will import and distribute the chronic pain treatment lozenge cannaQIX®50 to pharmacies across Australia in early 2018.

Eve Investments (EVE)

Meluka Health subsidiary Medic Honey has demonstrated hemp seed honey production capability and is planning to distribute the honey wholesale by year's end. Direct consumer distribution is anticipated by 31 March 2018. EVE is acquiring 50% of Meluka Health.

Queensland Bauxite (QBL)

55% QBL-held Medical Cannabis is proposing to acquire 55% of Hemp Hulling Co. Details lodged this morning. Hemp Hulling processes Australian grown food-grade hemp seed.

Prima BioMed (PRR)

Eleven-year European patent granted for PRR's IMP321, used to elicit a cancer treatment immune response.

People Infrastructure (* PPE)

Labour hire company scheduled to list **midday** AEDST following a $25M IPO at $1.00 per share. PPE's top-10 shareholders include HSBC Custody Nominees Australia, National Nominees and JP Morgan Nominees Australia. ~64M shares.

Resources

Hazer Group (HZR)

On-line injection of (iron ore) fresh catalyst has been successfully achieve in HZR's pre-pilot plant. Graphite has been produced with 87% raw purity.

forecasts of 0.2.

In the **UK**, the October national deficit was reported at £8B, from £7.5B a year earlier.

Meanwhile, in **Greece**, the European Commission approved a Greek government social support distribution totalling €1.4B.

Tonight in the US, the minutes of the Federal Reserve's November policy meeting are keenly anticipated. Weekly new unemployment claims are also due, together with October durable goods orders and the University of Michigan's November consumer sentiment estimate.

Deere & Co and United Utilities are among companies scheduled to report earnings.

In overnight corporate news, China's tech star **Tencent** appreciated 2.4%, such that the resulting $US500B market cap rivalled Facebook's ~$US520B.

UK airline **easyJet** reported 8.1% higher, £5B full-year revenue. Pre-tax profit dropped 17.3% to £408M.

US home improvement retailer **Lowe's** booked 6.5% year-on-year quarterly sales growth, but the company's stock price was pushed lower.

Campbell Soup Co dropped ~8%, in part due to disappointing full-year guidance.

US markets will be **closed tomorrow night** and will close early (1pm ET) Friday, due to Thanksgiving.

Commodities

COMMODITY	CLOSE	$US/	+/-	%
Gold (NY) (Dec)	**1282**	oz	6	0.5
Silver (NY) (Sep)	17.0	oz	0.1	0.6
Gold (LON)	1283	oz	-3	-0.2
Platinum	932	oz	11	1.2
WTI Crude (Nov)	**56.4**	bbl	0.3	0.5
Brent Crude (Nov)	**62.4**	bbl	0.2	0.3
Iron Ore (CHN port 62%)	**62.5**	t	-1.0	-1.5
Copper	**6909**	t	81	1.2
Nickel	11870	t	210	1.8
Aluminium	2082	t	-4	-0.2
Lead	2479	t	19	0.8
Zinc	3190	t	27	0.9
Tin	19280	t	-195	-1.0
CBT Wheat (Dec)	**4.25**	bshl	0.03	0.7

Commodities Commentary

Oil – supported in part overnight by a softer $US.

Russia media reported a six-month, rather than nine-month extension to the OPEC-led output curb agreement had recently been discussed.

In the meantime, a US energy consultancy predicted US production would increase more rapidly than drill rig counts suggest.

A weekly US government agency (EIA) petroleum inventories report is due tonight.

Gold – the $US index weakened a little, but equities were in favour again, constraining gold gains.

Tonight's trade could be influenced by US Federal Reserve policy meeting minutes. In addition, a speech by chair Janet Yellen, due to commence on ASX opening today, will be analysed in terms of near-term policy change clues.

Base metals – a researcher has reported increased Chinese *copper* investment this week.

Pre-Open Announcements

Mirvac Group (* MGR)

Outlaying for $86.3M 75 George St, Parramatta, Sydney. St George Bank leases 68% of the six-level building.

Fisher & Paykel Healthcare (* FPH)

Macquarie has re-rated FPH as underperform.

Sonic Healthcare (SHL)

Today's AGM update includes confirmation of previously anticipated 6% - 8% FY 2018 underlying EITDA growth.

LiveTiles Ltd (* LVT)

Non-executive LVT director and Victoria Treasury Corporation chair Cassandra Kelly has been appointed LVT board chair. Ms Kelly is based in New York (city), where LVT has established its headquarter business.

Andrew Gray is consequently stepping down as LVT chairman and from the LVT board today.

Cash Converters International (CCV)

Extending an existing funding facility with Fortress Investment Group by $50M to $150M. Details lodged this morning.

Propel Funeral Partners (* PFP)

Funeral services provider scheduled to list 11am AEDST tomorrow following a $131.2M IPO at $2.70 per share. PFP's top-10 shareholders include BNP Paribas, Citicorp, CS Fourth, HSBC, JP Morgan, National and UBS nominees. 98.16M shares.

Resources

Montezuma Mining Co (MZM)

Positive Butcherbird manganese project purification test work results lodged this morning.

Inca Minerals (* ICG)

Resuming from a trading halt having secured a $260,000 placement at 0.86c per share.

ICG traded at 0.6c – 0.7c Monday before calling the trading halt.

Trading Halts

Company	Code	Resuming
Algae.Tec Ltd	AEB	22 Nov
Gascoyne Resources	GCY	22 Nov
Lithium Power International	LPI	22 Nov
Quantify Technology Holdings	QFY	22 Nov
Aurelia Metals	AMI	23 Nov
Imugene Ltd	IMU	23 Nov
Sensera Ltd	SE1	23 Nov
Spectrum Rare Earths	SPX	23 Nov
Thorney Opportunities	TOP	23 Nov
Zelda Therapeutics	ZLD	23 Nov
BPS Technology	BPS	24 Nov
Helix Resources	HLX	24 Nov
Kalium Lakes	KLL	24 Nov

Suspensions *(selected)*

Company	Code	Since
Bisan Ltd	BSN	2 Nov
Blackham Resources	BLK	8 Nov

Monday, the International Copper Study Group (ICSG) estimated a 50,000t refined copper deficit for January – August.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7577	-0.0001	-0.02
EUR – USD	1.1735	-0.0003	-0.02

Australian Data Today

Wstpc/MI	Leading index	Oct
ABS	Construction work done	Sep Q
DoEmplyt	Skilled vacancies	Nov

US Data Tonight

Federal Reserve policy meeting minutes	Nov
Initial jobless claims	18Nov
Durable goods orders	Oct
Uni of Michigan consumer sentiment	Nov

Other Overseas Data Today & Tonight

UK	Budget (Chancellor delivery)	Autumn
Euro zone	Consumer confidence (prelim)	Nov

Need More Information?

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Caeneus Minerals	CAD	30 Oct
FE Ltd	FEL	22 Nov
First Growth Funds	FGF	17 Nov
iCandy Interactive	ICI	15 Nov
Marquee Resources	MQR	15 Nov
Oriental Technologies	OTI	1 Nov
Red Emperor Resources	RMP	8 Nov
ServTech Global Holdings	SVT	1 Nov
Wolf Petroleum	WOF	30 Oct

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AEG	Today	**2.5**	100	2.26
IPL	Tomorrow	4.9	0	2.34
TLT	Tomorrow	1.25	0	0.00
WLE	Tomorrow	2	100	2.61
ZEL	Tomorrow	9.38	0	4.00
AQF	Fri	3	100	3.08
DLX	Fri	13.5	100	3.25
RHL	Fri	6	100	5.21
WHF	Fri	8.75	100	3.56

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	**GOZ**	AGM
	IFN	AGM
	MTR	AGM
	MIN	AGM
	NXT	AGM
	PRG	Interim
	QUB	AGM
	REA	AGM
	RES	AGM
	SCP	AGM
	SHL	AGM
	VRT	AGM
	WEB	AGM
	WTC	AGM
Tomorrow	BCI	AGM
	BPT	AGM
	EHL	AGM
	EVN	AGM
	IOF	AGM
	IFL	AGM
	ISD	AGM
	KCN	AGM
	PLS	AGM
	PRY	AGM
	RRL	AGM
	S32	AGM
	SAR	AGM
	WSA	AGM
	WOW	AGM
Fri	AHG	AGM
	AWE	AGM
	GBG	AGM
	IGO	AGM

KMD	AGM
MYR	AGM
PRU	AGM
RXM	AGM
SHV	AGM
VRL	AGM