

Tuesday 29 May 2018

Markets

SFE 200 Futures (9.30am AEDST)	6002	-14	-0.2
NZX 50	8631	-14	-0.2
DJIA Futures	24771	41	0.2
S&P 500 Futures	2723	4	0.2
NASDAQ Futures	6991	31	0.5

Local Markets Commentary

The Australian market commences today's trade on scant overnight international trade leads.

In overnight commodities trade, **oil** continued lower, US trade shortened due to a public holiday. The UK was also observing a public holiday.

US **gold** futures closed modestly lower, also following light, truncated trade.

Iron ore (China port, 62% Fe) slipped slightly.

The LME remained closed due to the UK public holiday.

The **\$A** fell to ~US75.45c after trading at ~US75.60c early yesterday evening.

Locally today, a weekly consumer sentiment report is due pre-trade.

Regionally, Japan is scheduled to release April employment statistics, also pre-ASX trade.

The Singapore Exchange (SGX) will be closed today due to a public holiday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24753	Public	Holiday
S&P 500	2721	"	"
NASDAQ	7434	"	"
FTSE 100	7730	Public	Holiday
DAX 30	12863	-75	-0.6
Shanghai Comp	3135	-6	-0.2

Overseas Markets Commentary

UK and US equities markets did not trade last night due to public holidays.

In Germany, the DAX 30 opened higher but generally headed lower from there.

The euro traded at new 2018 lows against the \$US.

Italy's president had named a PM-designate, but it remained uncertain when a new national election would be required, pending the ability of the new, transition-period head to form a government.

Meanwhile, significant numbers of vineyards in France's south west were reporting major hail damage.

Tonight in the US, house prices, a consumer sentiment reading and regional manufacturing index are due.

Hewlett Packard is scheduled to report earnings.

In overnight corporate news, **Prêt à Manger's** private equity owner announced it was selling the sandwich specialty business to **JAB Holdings** for £1.5B.

* Business software and services listing **11.30am** AEST - **PYG** *

* Mineral exploration listing **midday** AEST - **GAL** *

Today's Stock Watch

ALS Ltd (ALQ)

36.5% lower, \$A51.8M NPAT. 9.5% higher, \$1.5B revenue. 9c, 40%-franked final dividend, against 8c, 40%-franked a year ago. 29c NTA.

Half-year guidance promised at the 1 August AGM.

Tower Ltd (TWR)

\$NZ11.6M interim net loss. 5% higher, \$NZ163.97M revenue. \$NZ142.6M cash and equivalents.

Monadelphous Group (MND)

\$200M wind farm construction contract secured by MND investee company Zenviron in a consortium with GE Renewable Energy. Zenviron anticipates 30% of contract revenue.

Gage Roads Brewing (GRB)

Cricket Victoria has appointed GRB as official beer and cider partner, to offer products at all Cricket Victoria events over three years.

Aristocrat Leisure (A ALL)

Trading ex-dividend (19c) today.

PayGroup Ltd (* PYG)

Human resources software and services specialist scheduled to list **11.30am** AEST following an \$8.5M IPO at 50c per share. 51.67M quoted shares.

Resources

Galaxy Resources (GXY)

Planning to sell Argentine Salar del Hombre Muerto northern tenements to POSCO for \$US280M. A non-binding agreement has been secured for now.

GXY proposes to use the sale funds to develop the Sal de Vida project to the south.

Pilbara Minerals (PLS)

Pilgangoora tantalum-lithium project resource boosted 36% to 213Mt @ 1.32% Li₂O (spodumene), 116ppm Ta₂O₅ & 0.69% Fe₂O₃, for 2.82Mt of lithium oxide and 54.6Mlb of Ta₂O₅.

The measured and indicated component contains 1.75Mt of lithium oxide and 35.1Mlb of Ta₂O₅, representing a 35% increase.

PLS expects the resource to grow as mineralisation remains open and drilling continues.

PLS recouped 2.3% yesterday, settling at 88.5c.

Galileo Mining (* GAL)

Explorer scheduled to list **midday** AEST following a \$15M IPO at 20c per share. 88.68M quoted securities.



VONEX LIMITED (ASX:VN8)

State One is Lead Manager for the IPO of Vonex Limited - an innovative Australian telecom company currently generating revenue of +\$A8M.

Please find below a link to the IPO information pack:

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1297	oz	-4	-0.3
Silver (NY) (May)	16.5	oz	-0.01	-0.4
Gold (LON)	1304	oz	Public Holiday	
Platinum	902	oz	3	0.3
WTI Crude (Jul)	66.5	bbl	-1.4	-2.2
Brent Crude (Jul)	75.3	bbl	-1.1	-1.5
Iron Ore (CHN port 62%)	63.9	t	-0.04	-0.1
Copper (LME,3m,pm)	6885	t	Public Holiday	
Nickel	14780	t	"	"
Aluminium	2263	t	"	"
Lead	2439	t	"	"
Zinc	3051	t	"	"
Tin	20150	t	"	"
CBT Wheat (Jul)	5.43	bshl	"	"

Commodities Commentary

Oil – following weekend reports Russia and Saudi Arabia were forecasting a possible near-term easing of OPEC-led production curbs, new reports emerged, estimating the US would likely export a daily 1.3MMbbl of crude to Asia during June.

Sinopec was reported to be taking 533,000bbl/d of US crude after cutting back on exports from Saudi Arabia.

Customers in India and South Korea were committed to taking 6MMbbl - 7MMbbl each from the US during June, the reports claimed.

Nymex trade closed early (1pm ET) overnight during a US public holiday. Hence, trading volumes were relatively light.

Gold – US futures slipped below \$US1300/oz, also in light and shortened public holiday trade.

The \$US appreciated a little, also dampening some interest.

Base metals – the LME remained closed last night, due to a UK public holiday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7547	0.0001	0.01
EUR – USD	1.1625	0.0001	0.01

Australian Data Today

ANZ/RyMgn	Consumer sentiment	27 May
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US Data Tonight

Case-Shiller house prices	Mar
Conference Board consumer confidence	May
Dallas Fed manufacturing	May

Overseas Data Today & Tonight

Japan	Employment	Apr
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<https://www.stateone.com.au/Vonex-IPO.html>

Application can be made online or by completing the Application Form which can be found at the back of the Prospectus. CLOSING DATE FOR APPLICATIONS: 4 JUNE 2018 (Monday next week).

Vonex, founded in 2009, is a Perth-based telecom company specialising in innovative Voice over Internet Protocol (VoIP) solutions and feature-rich Private Branch Exchange (PBX) technology.

A "once-in-a-lifetime" opportunity: we believe that the rollout of the National Broadband Network (NBN) will require millions of customers having to disconnect from Telstra's copper/landline network and reconnect to the new (government-owned) fibre-optic network; this will act as a catalyst to spread market share more evenly and provide opportunities for nimble technology-driven telco players like Vonex.

Vonex has also developed an innovative telecommunications/social media application – Oper8tor. Management is targeting a soft-launch of the App in Europe in 2018/2019.

For further information, call your State One adviser at 08 9288 3388 or 1300 651 898 or Email: vonex@stateone.com.au

Pre-Open Announcements

Collection House (* CLH)

Anticipating \$80M - \$84M FY 2018 purchase debt ledger guidance, against previous \$70M - \$75M guidance.

Brickworks Ltd (* BKW)

Deed of call option secured with a potential buyer of a Punchbowl, Sydney property. The option covers a possible 1H FY 2019 sale at \$41M and includes a 10-year 2ha brick plant lease back to Austral Bricks.

Promising an update with full year results, expected to be reported 20 September.

Zenith Energy (* ZEN)

Two power stations, built and commissioned by ZEN within two WA gold projects, are expected to 'materially' boost ZEN's FY 2019 earnings.

Details lodged this morning.

MyFiziq Ltd (* MYQ)

MYQ has removed its consumer application from the Apple app store ahead of a commercial partner release of an updated product. Details lodged this morning.

MotorCycle Holdings (MTO)

MTO has appointed former Clark Rubber CEO Eddie Macdonald as CFO and joint company secretary.

Resources

Centaurus Metals (CTM)

Heralding a 'significant' nickel-cobalt discovery from initial drilling within the Itapitanga project, Brazil. Assays and additional details lodged this morning.

Battery Minerals (BAT) / Mincor Resources (MCR)

Conference presentations lodged this morning.

Koppar Resources (* KRX)

Mineral explorer scheduled to list 12.30pm AEST **tomorrow** following a \$4.5M IPO at 20c per share.

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au.

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Energy

New Hope Corporation (* NHC)

Total saleable coal production for the nine months to 30 April is 1.5% higher than a year earlier, at 6.554Mt.

Total coal sold increased 3.1% to 6.32Mt.

April quarter figures, including a 12% year-on-year sales drop, also lodged this morning. The sales were impacted by maintenance outages and Commonwealth Games rail restrictions.

Planning to publish full year results 18 September.

Reports & Events

(selected)

When	Company	Report/Event
Today	CGF	Investor day
	DRO	AGM
	TWR	Interim
Tomorrow	GRR	AGM
	YAL	AGM
Wed	ACW	Alzhmrs trial teleconf
Fri	BLT	Q teleconference
	OGC	AGM

Trading Halts

Company	Code	Resuming
Axiom Mining	AVQ	30 May
Cynata Therapeutics	CYP	30 May
Dark Horse Resources	DHR	30 May
Gateway Mining	GML	30 May
Kin Mining	KIN	30 May
Metalsearch Ltd	MSE	30 May
Nzuri Copper	NZC	30 May
Compumedics Ltd	CMP	31 May

Suspensions (select)

Company	Code
Antilles Oil & Gas	AVD
Emergent Resources	EMG
Enhanced Oil & Gas Recovery	EOR
HearMeOut Ltd	HMO
Impact Minerals	IPT
Mobecom Ltd	MBM
Queensland Bauxite	QBL

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
ALL	Today	19	100	1.27
AOD	Tomorrow	0.3	100	8.51
CSR	Thu	13.5	75	5.20
MXT	Thu	0.81	0	2.97
NMT	Thu	1	0	0.00
OCP	Thu	3	100	1.36
ORI	Thu	20	0	2.70



RBD	Thu	16.98	0	3.63
RHL	Thu	9	100	4.70
TNE	Thu	2.86	75.17	1.90
ECX	Fri	8	100	4.54
ED1	Fri	5	100	2.02