

Tuesday 3 April 2018

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document.

Markets

SFE 200 Futures (9.30am AEDST)	5746	0	0.0
NZX 50	8271	-48	-0.6
DJIA Futures	23592	40	0.2
S&P 500 Futures	2581	6	0.2
NASDAQ Futures	6405	12	0.2

Local Markets Commentary

The Australian market commences June quarter trade ahead of a Reserve Bank of Australia (RBA) policy meeting and economic data releases, and following comprehensive overnight falls across US equities markets.

In overnight commodities trade, US gold futures were pushed decisively higher. **Oil** fell.

Iron ore (China port, 62% Fe) extended a rally which commenced late Thursday.

The LME remained closed.

The **\$A** reached appreciated overnight Thursday after trading at US76.75c early Thursday evening AEDST last week, but has since fallen to ~US76.60c in risk-averse trade .

Locally today, the **RBA** will release a post-policy meeting statement **2.30pm** AEDST.

Pre-trade, a March **manufacturing activity** index has been reported at a record **63.1**, following 57.5 for February.

A weekly consumer sentiment reading is also expected by some pre-trade.

The monthly TD Securities-Melbourne Institute **inflation gauge** report will be published 11am.

The ANZ releases monthly **job advertisements** 11.30am.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	23644	-459	-1.9
S&P 500	2582	-59	-2.2
NASDAQ	6870	-193	-2.7
FTSE 100 (29 Mar)	7057	Public	Holiday
DAX 30 (29 Mar)	12097	Public	Holiday
Shanghai Comp	3163	-6	-0.2

Overseas Markets Commentary

US equities markets opened almost steady but then headed lower throughout overnight trade.

Influential economic data was estimated weaker than anticipated, oil fell, the tech sector was again generally out of favour, and select major stocks dragged on indices following negative commentary.

The major influence on the risk-off trade appeared to be increased import taxes announced by **China** on some US foods, wine and scrap aluminium.

This came as official data out of China also revealed China had effectively ceased exports of petroleum products, coal and other key supplies to North Korea in the lead-up to the recent visit to China by North Korea's leader Kim Jong Un.

RBA - policy meeting outcomes statement 2.30pm AEDST

Settlements - trades executed 28 March settle today
Thursday 29 March trades settle tomorrow

Daylight saving ended over the weekend

Hence from **today**, **ASX trade commences** local time in:
Western Australia at 8am; **Queensland** at 10am; and the
Northern Territory at 9.30am

Today's Stock Watch

Westfield Corporation (WFD)

Australia's Foreign Investment Review Board (FIRB) has approved the proposed acquisition of WGD by Unibail-Rodamco. The proposal is yet to be put to both groups' security holders.

CSR Ltd (CSR)

CSR has sold 10ha of NSW Horsley Park land for an expected \$30M contribution to EBIT. Settlement is anticipated in April 2019, but the deal will be accounted in accounts for the full year ending 31 March 2019.

CSR intends to sell an additional 20ha of Horsley Park land.

Resources

Newcrest Mining (NCM)

Processing has resumed at the NSW Cadia gold project at ~8Mtpa. Tailings are being sent to a restricted-capacity southern tailings facility.

NCM is promising new guidance at a later date.

Pilbara Minerals (PLS)

POSCO has completed an \$A80M purchase of PLS shares at 97c each, as part of an agreement including Pilgangoora lithium project off-take. POSCO now holds 4.75% of PLS.

PLS traded at 82c - 90c last week.

Argosy Minerals (AGY)

The Argentina Rincon lithium project Stage 1 pilot plant is operational. Lithium brine concentrate will be processed during commissioning through this month.

Perseus Mining (PRU)

Commercial production achieved at the Côte d'Ivoire Sissingué gold project.

Westgold Resources (WGX)

First gold poured at WGX's WA Tuckabianna facility, representing the commencement of commercial production.

In addition, WGX has hedged an additional 120,000oz of gold, for monthly 10,000z delivery during 2019 at \$A1763/oz.

Dacian Gold (DCN)

Initial gold poured at DCN's Mt Morgans gold project, WA.

Energy

Santos Ltd (** STO)

Considering an unsolicited, indicative proposal from Harbour Energy, for Harbour to acquire all of STO at \$US4.98 per share. The price comprises \$US4.70 cash (~\$A6.13) plus a US28c special dividend.

STO traded at \$A5.04 - \$A5.19 last week.

STO has granted Harbour due diligence.

In addition, on Sunday, messages from the US president appeared to place North American trade negotiations in jeopardy.

Meanwhile, major European equities markets remained closed due to Easter public holidays.

Among US data releases, ISM's March manufacturing index came in at 59.3, 1.5 points below the February reading, but nonetheless remaining robust.

February construction spending was reported just 0.1% higher for the month, but on a year-on-year basis represented a 3% increase.

Tonight in the US, an ISM New York business activity index, an economic optimism reading and March vehicle sales are due.

In overnight corporate news, **Tesla** suffered an ~4% ultimate fall on ongoing fallout related to driverless vehicles, but intra-session fell greater than 7%.

Amazon also fell ~4% on continuing threatening talk from the US president, in part alleging unfair advantage related to postal services.

US retailer **Walmart** lost ~3% o reports it was considering acquiring major health insurer **Humana**.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Jun)	1347	oz	20	1.5
Silver (NY) (May)	16.6	oz	0.3	2.0
Gold (LON)	1332	oz		
Platinum	930	oz	-5	-0.5
WTI Crude (May)	63.0	bbl	-1.9	-3.0
Brent Crude (Jun)	67.6	bbl	-1.7	-2.5
Iron Ore (CHN port 62%)	65.8	t	1.1	1.2
Copper (29 Mar)	6714	t	49	0.7
Nickel	13300	t	170	1.3
Aluminium	2005	t	-22	-1.1
Lead	2395	t	-30	-1.2
Zinc	3274	t	-10	-0.3
Tin	21100	t	210	1.0
CBT Wheat (May)	4.46	bshl	-0.05	-1.1

Commodities Commentary

Oil – reports Saudi Arabia was preparing to again cut prices for Asian customers and that a major oil and gas field discovery had been declared in Bahrain added to general overnight negative sentiment.

In addition, Russia was reported to have produced 10.97MMbbl/d during March against a daily 10.95MMbbl in February.

On Friday, official statistics for the US showed a daily 6000bbl increase in January.

In other new figures since Australia's markets last traded, WTI crude (May delivery) rose 7.5% for the March quarter.

In coming weeks, Iran's position as an exporter will be considered, in light of a 12 May 'fix it' deadline the US president has determined for other western participants in the 2015 agreement which lifted Iran's export sanctions.

Gold – safe-haven buying was noted overnight, for the \$US and yen, but also for gold as equities dropped out of favour amid shifting international trade relationships.

Overnight Friday, June futures fell \$US2.70 (0.2%) to \$US1327.30/oz. Futures appreciated 0.7%

Pre-Open Announcements

Murray River Organics Group (MRG)

MRG has appointed former Angel Seafood Holdings (ASX: AS1) chairman Michael Porter as an independent non-executive director. Mr Porter remains an AS1 director.

Eureka Group Holdings (EGH)

EGH director and former chairman Robin Levison resigned from the EGH board effective 29 March (Thursday last week).

When Mr Levison was appointed to the EGH board December 2013, he was appointed as chairman.

Immutep Ltd (IMM)

Initial TACTI-mel Phase 1 clinical trial data anticipated mid-year. IMM is developing TACT-mel as potential immunotherapy against melanoma.

Family Zone (FZO)

Commercial software licensing and collaboration agreements secured with Hong Kong-headquartered edutech firm 180C for FZO to supply cyber-safety systems for 180C's eSchoolPad. Details lodged this morning.

Resources

OceanaGold Corporation (OGC)

Proven and probable reserves totalled 5.88Moz of gold, 3.57Moz of silver and 0.15Mt of copper as at 31 December 2017.

Measured and indicated resources tallied 8.68Moz of gold, 4.23Moz of silver and 0.03Mt of copper.

Energy

Australis Oil & Gas (ATS)

\$39.2M raised in ATS's 34c-per-share placement.

ATS traded at 37c – 40.5c last week.

Trading Halts

Company	Code	Resuming
Antisense Therapeutics	ANP	3 Apr
Apollo Minerals	AON	3 Apr
Blue Sky Alternatives Access	BAF	3 Apr
Blue Sky Alternative Invstmnts	BLA	3 Apr
DigitalX Ltd	DCC	4 Apr
PLC Financial Solutions	PLC	4 Apr
Prospect Resources	PSC	4 Apr
Stemcell United	SCU	4 Apr

Suspensions (selected)

Company	Code	Since
Alloy Resources	AYR	28 Mar
AssetOwl Ltd	AO1	29 Mar
Buddy Platform	BUD	26 Mar
Chapmans Ltd	CHP	26 Mar
Clancy Exploration	CLY	13 Mar
Connected IO	CIO	15 Mar
Cudeco Ltd	CDU	15 Mar
eSense-Lab Ltd	ESE	23 Mar
JV Global	JVG	21 Mar
Matador Mining	MZZ	28 Mar
Poseidon Nickel	POS	22 Mar
Silver Mines	SVL	26 Mar
Tikforce Ltd	TKF	21 Mar



during the March quarter.

Base metals – the LME last traded Thursday last week.

Official **China** March manufacturing and services PMIs, reported over the weekend, respectively rose to 51.1 from 50.3 in February, and to 54.6 from 54.4.

A Caixin manufacturing PMI, released yesterday, declined 0.6 to 51.0, against expectations of a slight rise to 51.7.

These figures will be considered in tonight's LME trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7658	-0.0000	-0.01
EUR – USD	1.2297	-0.0003	-0.03

Australian Data Today

CLogic	Cap city Rsdntl prop prices	29Mar
ANZ/RyMgn	Consumer sentiment	1 Apr
AiG	Manufacturing index	Mar
TDSec/MI	Inflation gauge	Mar
ANZ	Job advertisements	Mar
RBA	Policy statement	Apr

US Data Tonight

ISM New York	Mar
IBC/TIPP economic optimism	Apr
Vehicle sales	Mar

Other Overseas Data Today & Tonight

UK	PMI manufacturing	Mar
Germany	Retail sales	Feb
Germany	PMI manufacturing (final)	Mar
Euro zone	PMI manufacturing (final)	Mar

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Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
CAM	Today	1.25	100	5.81
EDC	Today	1.93	100	7.50
FNP	Today	2.25	100	0.86
ARB	Thu	17.5	100	1.79
AUB	Thu	13.5	100	3.04
FSF	Thu	7.97	0	4.23
GNE	Thu	7.49	0	6.73
HVN	Thu	12	100	6.50
MLB	Thu	7.5	100	3.26
NUF	Thu	5	0	1.51
SIG	Thu	2.5	100	6.41
SIV	Thu	10	100	9.00
SLK	Thu	6.5	100	3.62
ALR	Fri	1.25	100	4.23
CYC	Fri	0.5	0	0.84

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