

## Markets

<b>SFE 200 Futures</b> (9.25am AEST)	<b>5446</b>	<b>30</b>	<b>0.6</b>
<b>NZX 50</b>	7345	-16	-0.2
<b>DJIA Futures</b>	18216	-3	0.0
<b>S&amp;P 500 Futures</b>	2160	-1	0.0
<b>NASDAQ Futures</b>	4871	0	0.0

## Local Markets Commentary

The Australian market commences a new quarter's trade amid public holidays across four States and Territories, and on mostly positive international equities, but mixed commodities, leads.

During the weekend, the **UK** has confirmed it will commence formal negotiations to leave the **European Union** by 31 March 2017.

Also over the weekend, **China** reported a steady 50.4 September manufacturing **PMI** and a 53.7 services **PMI**, up 0.2. China's **markets** will remain **closed** all through **this week**, for the annual National Day holiday season.

Regionally today, a manufacturing **PMI** is due for **Japan 11.30am** AEST. The quarterly Tankan manufacturing survey is also due.

In overnight Friday commodities trade, **gold** slipped. **WTI crude** continued to settle higher. **Copper** also extended gains. **Iron ore** dropped ahead of the extended holiday season in China.

The **\$A** appreciated beyond US76.55c after trading at ~US76.10c early Friday evening.

Locally today, a manufacturing **PMI**, house price index and inflation report are due, ahead of the Reserve Bank of Australia's (**RBA**) policy meeting tomorrow.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>18308</b>	165	<b>0.9</b>
<b>S&amp;P 500</b>	2168	17	<b>0.8</b>
<b>NASDAQ</b>	5312	43	<b>0.8</b>
<b>FTSE 100</b>	6899	-20	<b>-0.3</b>
<b>DAX 30</b>	10511	105	<b>1.0</b>
<b>Shanghai Comp</b>	3005	6	<b>0.2</b>

## Overseas Markets Commentary

Major European and US equities markets mostly bounced overnight Friday during end-of-quarter trade.

An ~15% lift in Deutsche Bank shares in German and US trade also helped raise financial sector sentiment. The turn came on reports the bank would pay the US Department of Justice a \$US5.4B penalty rather than the initially determined \$US14B.

**Germany's** August retail sales grew 3.7% year-on-year, following a 1.5% drop in July.

Meanwhile, the **euro zone's** initial 0.4% September CPI growth reading represented a two-year peak.

In the **UK**, a 2.1% final June quarter GDP growth reading undershot expectations by 0.1%. but bettered the previous estimate by 0.2%.

**Daylight saving** commenced in New South Wales, Victoria, South Australia, Tasmania and the ACT yesterday.

Hence from **today**, **ASX trade** will commence **local time** in **Western Australia** at **7am**, **Queensland** at **9am** and the **Northern Territory** at **8.30am**.

**Today** is a **non-settlement** day (except for ETOs) due to **public holidays** in New South Wales, Queensland, South Australia and the ACT.

Trades executed Thursday last week settle tomorrow.  
Friday's and today's will settle Wednesday.

## Today's Stock Watch

### Woolworths Ltd (WOW) / Metcash Ltd (MTS)

The WOW-Lowe's JV company Hydrox Group has completed the \$165M sale of *Home Timber & Hardware* to MTS. IN addition,

### Telstra Corporation (TLS)

\$US1.25B off-market share buy-back completed at \$4.43. ~282.2M (2.3%) shares were bought back, following tender demand which necessitated an 84.16% scale-back. TLS traded at \$5.13 - \$5.21 Friday.

### Bapcor Ltd (BAP)

Hellaby's board is recommending shareholders reject the initial ~\$300M offer from BA, but has also appointed an independent advisor to assess the proposed deal.

### nib Holdings (NHF)

Ten-year white-labelling distribution agreement secured with New Zealand Automobile Association.

## Resources

### Neometals Ltd (NMT) / Mineral Resources (MIN)

MoU agreed for an investigation into the technical and commercial feasibility of establishing a lithium chemical facility in the WA goldfields. The plant would be designed to produce lithium hydroxide from Mt Marion JV lithium project concentrate. Lithium hydroxide can be sold directly to battery cathode manufacturers. MIN holds 43.1% of the Mt Marion JV, as does Ganfeng Lithium Co. NMT owns the balance 13.8%.

### Pilbara Minerals (PLS) / Mineral Resources (MIN)

MIN has lodged another Supreme Court of WA writ regarding WA Pilgangoora lithium project sales plans.

### Kidman Resources (KDR)

WA Earl Grey lithium project assays lodged this morning. Mineralisation has now been determined across a 1400m x 750m area.

### Genesis Minerals (GMD)

WA goldfields Ulysses gold project mining underway. Cash-flow is anticipated by mid-November. Ore will be processed at the Paddington facility, under a toll agreement.

## Energy

### Yancoal Australia (YAL)

YAL has issued \$US775M worth of nine-year bonds under the planned \$US950M total issue. BOCI Asia Financial Products intends to take the balance, and has secured a six-month extension to do so by 31 March 2017.

A GfK UK consumer confidence estimate rose to -1 from -7.

**US** August personal spending (inflation-adjusted) fell 0.1%, the first decline in seven months, against a 0.2% rise for income.

The final September University of Michigan consumer sentiment reading came in at 91.2.

**Tonight** in the **US**, the ISM's September manufacturing index, a final September Markit PMI and August construction spending are due.

Zojirushi and Tata Motors are among companies scheduled to report earnings or provide sales updates.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1317</b>	oz	-9	<b>-0.7</b>
<b>Silver (NY) (Dec)</b>	19.3	oz	0.1	<b>0.3</b>
<b>Gold (LON)</b>	1323	oz	4	<b>0.3</b>
<b>Platinum</b>	1025	oz	1	<b>0.1</b>
<b>WTI Crude (Nov)</b>	<b>48.2</b>	bbl	0.4	<b>0.6</b>
<b>Iron Ore (Tianjin)</b>	<b>55.2</b>	t	-0.9	<b>-1.6</b>
<b>Copper (LME)</b>	<b>4865</b>	t	24	<b>0.5</b>
<b>Nickel</b>	10575	t	140	<b>1.3</b>
<b>Aluminium</b>	1673	t	2	<b>0.1</b>
<b>Lead</b>	2124	t	61	<b>3.0</b>
<b>Zinc</b>	2377	t	21	<b>0.9</b>
<b>Tin</b>	20025	t	0	<b>0.0</b>
<b>CBT Wheat (Dec)</b>	<b>4.02</b>	bshl	0.03	<b>0.8</b>

### Commodities Commentary

*Oil* – prices diverged overnight Friday, Brent crude falling 0.4% for the session, to \$US49.06/bbl.

A weekly US petroleum drill rig count revealed seven additional oil rigs in action, producing a 35-rig gain for the quarter.

Reports also emerged that **Nigeria** is commencing legal action against large producers, alleging illegal exports to the US.

*Gold* – Comex futures settled lower for the September quarter after two consecutive quarterly gains. Overnight Friday, prices swung, falling from initial highs produced by safe-haven trade.

This week's trade will be influenced, at least in part, by any Deutsche Bank developments, US jobs (national figures due Friday) speculation

*Base metals* – a softer **\$US** and some end-of-quarter positioning largely supported overnight Friday trade.

In addition, Caixin's preliminary September manufacturing PMI for **China** (reported Friday), remained in expansion mode. China's official PMI figures released over the weekend, are expected to influence some trade tonight.

Lead's 16-month peak, Friday, was reportedly supported by the South Australian power outage which caused the Nyrstar lead smelter to temporarily shut down, plus reports of a sole holding of half the LME's on-warrant lead inventory.

LME trade is expected to be relatively quiet this week, due to the week-long National Day holidays, and hence market closures, for China.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7660	-0.0000	<b>-0.00</b>
<b>EUR – USD</b>	1.1237	0.0009	<b>0.08</b>

## Pre-Open Announcements

### 4DS Memory (4DS)

Unable to bring to mind any other reason for Friday's 25.9% high-volume leap, apart from a combination of two weeks' worth of investor marketing, a media article this past week and a research report earlier this month. 4DS closed out the week at 3.4c, having settled the previous week at 2.9c.

### The Food Revolution Group (FOD)

Audited full-year results lodged this morning, including changes to fair value and deferred tax liability calculations.

### Noxopharm Ltd (NOX)

An audit has determined NOX's full-year net loss to be \$704,725, rather than the initially reported \$1.54M.

### Boston Global Food Company (BFC)

BFC's full-year net loss is \$345,000 more than initially reported. Details lodged post-trade Friday.

### Ding Sheng Xin Finance Co (DXF)

Paying a maiden 1c dividend. Details lodged this morning.

## Resources

### Caeneus Minerals (\* CAD)

Nevada, US Lida Valley lithium brine project drilling approval in hand.

### MRG Metals (MRQ)

Approval in hand to claim a \$550,000 R&D rebate from the Australian Government.

## Energy

### Dark Horse Resources (\* DHR) / Lakes Oil (\* LKO)

DHR is paying \$400,000 for 40,000 LKO ASX-listed converting notes, and LKO \$400,000 for 4% of DHR's NavGas.

### Armour Energy (AJQ)

CEO Robbert de Weijer has resigned. COO Roger Cressey is acting CEO.

### Bounty Oil & Gas (BUY)

Full-year results lodged post-trade Friday. Anticipating \$3.5M FY 2017 revenue, following \$1.1M for FY 2016.

## Trading Halts

Company	Code	Resuming
Jameson Resources	JAL	3 Oct
ResApp Health	RAP	3 Oct
Zamia Metals	ZGM	3 Oct
Core Exploration	CXO	4 Oct
Pioneer Resources	PIO	4 Oct

## Suspensions (selected)

Company	Code	Since
Cudoco Ltd	CDU	30 Sep
Drake Resources	DRK	23 Sep
HJB Corporation	HJB	8 Sep
KBL Mining	KBL	9 Sep
Krakatoa Resources	KTA	8 Sep
Magnum Gas & Power	MPE	30 Sep
Oakajee Corporation	OKJ	12 Sep
Realm Resources	RRP	13 Sep

**Australian Data Today**

AIG	PMI manufacturing	Sep
RPData/CLogic	House prices	Sep
TD Securities/MI	Inflation gauge	Sep

**US Data Tonight**

ISM manufacturing		Sep
Markit manufacturing PMI (final)		Sep
Construction spending		Aug

**Other Overseas Data Today & Tonight**

<b>Japan</b>	PMI manufacturing	Sep
Japan	Tankan survey	Q3
Japan	Vehicle sales	Sep
<b>UK</b>	PMI manufacturing (final)	Aug
<b>Germany</b>	PMI manufacturing (final)	Sep
<b>Euro zone</b>	PMI manufacturing (final)	Sep

**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).

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

Unilife Corporation	UNS	30 Sep
Windward Resources	WIN	20 Sep
Wolf Minerals	WLF	30 Sep

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
CAM	Tomorrow	1.2	100	5.96
DNA	Tomorrow	1	0	2.11
MYO	Tomorrow	5.5	0	2.82
NCK	Tomorrow	17	100	3.92
WMK	Tomorrow	3	75	5.16
CWP	Wed	16.5	100	5.82
GOW	Wed	6	100	3.40
ARB	Thu	17	100	1.73
EBG	Thu	0.33	100	6.40
GJT	Thu	261	0	6.47
GVF	Thu	3	100	5.58
MNY	Thu	2.5	100	3.06
QVE	Thu	1.8	100	2.66
SGM	Thu	12	100	2.37
WBA	Thu	1	100	0.87
ALR	Fri	1	100	4.55
AUB	Fri	28	100	3.60
TFC	Fri	3	100	2.01