

Markets

SFE 200 Futures (9.30am AEST)	5691	11	0.2
NZX 50	7793	-15	-0.2
DJIA Futures	21936	-44	-0.2
S&P 500 Futures	2470	-5	-0.2
NASDAQ Futures	5979	-10	-0.2

Local Markets Commentary

The Australian market commences today's trade on no new US equities or commodities leads, mixed leads otherwise, and ahead of an RBA policy meeting outcomes statement and updated regional data.

Regionally today, Caixin releases its final August services sector and composite PMIs for **China 11.45am AEST**.

Japan's final August PMI readings are expected 10.30am.

Locally today, the Reserve Bank of Australia (RBA) holds a policy meeting from which a statement will be released **2.30pm**.

Pre-trade, an August services sector activity index and weekly consumer sentiment reading are due.

The ABS publishes June quarter current account figures **11.30am**. August vehicle sales are due midday.

Large-cap stocks trading ex-dividend today include **BEN, BLD, RHC** and **SRV**. Please see pp3-4 for a detailed list.

In overnight commodities trade, LME **gold** futures rallied. Brent **crude** was pushed lower. LME **copper** continued higher. **Iron ore** (China port, 62% Fe) declined.

The **\$A** traded lower again after approaching ~US79.55c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	21988	Public	Holiday
S&P 500	2477		
NASDAQ	6435		
FTSE 100	7411	-27	-0.4
DAX 30	12102	-40	-0.3
Shanghai Comp	3380	12	0.4

Overseas Markets Commentary

Major European equities markets headed lower on opening overnight, amid response uncertainty regarding North Korea's weekend bomb test, and as South Korea warned the north was preparing to launch an ICBM.

US equities markets did not trade due to a public holiday.

At the **BRICS** annual summit, hosted by China, China pledged co-operative development funding and the group stated its opposition to trade protectionism.

Separately, China reacted negatively to the US president's threat to curtail US-China trade in

China – Caixin August services, composite PMIs – **11.45am AEST**

RBA – policy meeting outcomes statement **2.30pm AEST**

RBA – governor Philip Lowe is scheduled to speak at the RBA board's annual dinner **7.15pm AEST**

Today's Stock Watch

IMF Bentham (IMF) / Commonwealth Bank of Australia (CBA)

IMF has agreed to fund an open class action against CBA, on a conditional basis. The action will cater for shareholders who purchased CBA shares 17 August – 3 August 2017 inclusive, and held some or all of the shares to 1pm AEST 3 August.

Insurance Australia Group (IAG)

Non-executive director Alison Deans is retiring from the IAG board at the close of the 20 October AGM.

LiveTiles Ltd (LVT)

LVT has appointed Pottinger Global founder Cassandra Kelly as a non-executive director.

TPI Enterprises (TPE)

TPE has secured a second raw material source in Europe, pending regulatory approvals. The new, UK supplier has agreed to deliver 230t of poppy straw to TPE during 2017, at least 1500t in 2018 and up to 2500t in 2019.

Austal Ltd (ASB)

\$A44M, inaugural Taiwan commercial contract secured. Under the contract, ASB will design and build two passenger catamarans for Brave Line, and possibly a third. The vessels will be designed in Australia and built at ASB's Philippines facilities, for which a \$US30M expansion.

Dubber Corporation (DUB)

CDK Global Llc has chosen DUB recording and intelligence products for its 28,000 international auto industry dealerships. CDK plans to connect 40,000 users over three years.

NRW Holdings (NWH)

\$25M, 12-month Queensland Broadlea open-cut coal mine mining services contract secured by NWH subsidiary Golding Contractors. NWH will be the mine operator.

CSR Ltd (CSR)

Investor presentation lodged this morning.

Resources

Musgrave Resources (MGV)

Reporting 11m @ 54.0g/t Au from WA Cue project Break of Day extensional drilling. The intersection includes 5m @ 109.6g/t Au from 2917m down hole, and 4m @ 10.9g/t Au from 223m.

Energy

TerraCom Ltd (TER)

Queensland Blair Athol mine resources and reserves have been respectively updated to 21.9Mt (+9.5Mt) and 15.6Mt. The reserves effectively extend the expected mine life by one year to eight years on a 2Mtpa basis. TER says the new resource estimate indicates the mine life could be extended by three – five years.

response to China continuing to export to North Korea.

Other statements are keenly anticipated in association with today's conclusion of the BRICS summit.

Among overnight **euro zone** data releases, July producer prices were reported steady for the month following a 0.2% fall in June. Prices were 2% higher for the year.

An investor sentiment index represented an improvement on June and exceeded forecasts.

Tonight in the **US**, July factory orders are due, together with ISM's New York business activity index and an economic optimism report.

Public speeches by three Federal Reserve officials will be parsed for definitive clues ahead of next week's policy meeting.

Hewlett Packard Enterprise is among companies scheduled to report earnings.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1330	oz	Public Holiday	
Silver (NY) (Sep)	17.8	oz		
Gold (LON)	1333	oz	13	1.0
Platinum	1006	oz	Public Holiday	
WTI Crude (Oct)	47.3	bbbl	Public Holiday	
Brent Crude (Nov)	52.5	bbbl	-0.3	-0.4
Iron Ore (CHN port 62%)	77.9	t	-1	-1.3
Copper	6917	t	82	1.2
Nickel	12250	t	215	1.8
Aluminium	2120	t	-16	-0.8
Lead	2393	t	-2	-0.1
Zinc	3205	t	20	0.6
Tin	20790	t	165	0.8
CBT Wheat (Sep)	4.21	bshl	Public Holiday	

Commodities Commentary

Oil – a hurricane has formed off the **Florida**, US coast, a category upgrade spawning an official 'state of emergency' call.

No official WTI crude settlement was recorded overnight due to the US public holiday, during which limited electronic Nymex trade was conducted.

Brent crude settled lower, opposing the Nymex trend.

Meanwhile, **Saudi Arabia** has increased October crude prices for sale to Asia and the US, and cut prices for north-west Europe.

Gold – no official Comex settlement was recorded overnight, due to the US public holiday.

As during Asian trade yesterday, however, LME gold continued to rally on safe-haven interest.

Base metals – **copper** was reported to be benefiting in part from electric vehicle considerations, following a spate of internationally-co-operative corporate announcements regarding development and manufacturing plans.

In addition, China's growth (88.9Mt of iron ore imported by sea in August, the most in any month this year) and expected optimism ahead of the five-year administrative conference next month, also continues to support copper on both sides of the Atlantic.

Further, the \$US softened during overnight European trading sessions.

A final August services sector (Caixin) PMI reading

Pre-Open Announcements

ASX Ltd (ASX)

August activity report lodged this morning. Relatively low volatile trade again noted.

Milton Corporation (MLT)

Investment portfolio worth \$2.8B as at 31 August. Top 20 investments lodged this morning. AGM scheduled for 12 October, Sydney.

Orthocell Ltd (OCC)

OCC's Ortho-ATI clinical trial, comparing the proposed treatment with corticosteroid injections, has treated its first patient. The patient has a shoulder tear and/or rotator cuff tendinopathy.

Mitchell Services (MSV) / BHP Billiton (BHP)

MSV's contract with BHP's Olympic Dam, South Australia operation has been varied and extended by 12 months to include a greater scope of work through to April 2019. MSV says the contract could be further extended.

Dimerix Ltd (DXB)

DXB will commence production of the propagermanium (DMX-200) tablet by month's end. The tablet will be used in a Phase 2b trial treating patients with chronic kidney disease.

Resources

Westgold Resources (* WGX)

Reserves calculated, as at 30 June, at 46Mt @ 2.28g/t Au, for 3.38Moz of gold. Resources are estimated at 237Mt @ 2.09g/t Au, for 15.96Moz of gold.

Lucapa Diamond Company (LOM)

LOM has appointed COO Nick Selby as executive director operations.

State One Analyst Comment

Tassal Group Ltd (ASX: TGR) Long Term Buy (\$3.88)

The past 18 months has been a challenging period for this Tasmanian fin-fish farmer, as licensing conditions relating to environmental management attracted ongoing concerns. Signs of relief from the bad publicity were finally evident on 30 August when EPA Tasmania posted confirmation on its web site that TGR had full compliance across all three of its Macquarie Harbour leases. Further evidence of a turnaround was evident when TGR posted its first ever fully franked dividend for the year ending 30 June 2017.

The company now yields a relatively attractive 3.9% historical dividend yield which justifies a place in a long term portfolio.

Alumina Ltd (ASX: AWC) Hold (\$2.16)

I have recommended AWC several times over the past 18 months on the back of restructuring at the parent company level (AWAC) and an improvement in aluminium prices. I continue to support the stock, with the view that supply-side constraints (environmentally induced cutbacks in China) and strong ongoing increases in demand (light-weight EV vehicles) could see prices for the light-weight metal surge through six-year highs. A FY17 dividend yield of 4.3% with growth ahead will maintain strong



is due for China today.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7945	0.0000	0.00
EUR – USD	1.1896	-0.0001	-0.01

Australian Data Today

RBA	Post-policy meeting statement	Sep
AiG	PSI	Aug
RyMgn	Consumer sentiment	3Sep
ABS	Current account	JunQ
VFACTS	Vehicle sales	Aug

US Data Tonight

ISM New York	Aug
Factory orders	Jul
IBD/TIPP economic optimism	Sep

Other Overseas Data Today & Tonight

China	PMI services (Caixin)	Aug
Japan	PMIs composite, services (rev)	Aug
UK	PMI services	Aug
Germany	PMI services, composite (final)	Aug
Euro zone	GDP (final)	JunQ
Euro zone	PMI services, composite (final)	Aug
Euro zone	Retail sales	Jul

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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Blackham Resources (ASX: BLK) Speculative Buy (\$0.265)

A recently announced PFS shows robust economics for a 200kozpa long-life operation at the Matilda & Wiluna Projects. In addition, BLK announced last week that it had secured a \$A72M debt facility with New York-based institutional investor The Lind Partners. Funds will be used to progress with feasibility studies and for expansionary/pre-production capex. At current share price levels, BLK offers potential for 100% upside to an IRESS consensus target price of A55c.

State One executive chairman Alan Hill

Trading Halts

Company	Code	Resuming
Alice Queen	AQX	5 Sep
Invin Ltd	IVX	5 Sep
Volt Resources	VRC	5 Sep
Australian Mines	AUZ	6 Sep
JustKapital Ltd	JKL	6 Sep
Latin Resources	LRS	6 Sep
Metallica Minerals	MLM	6 Sep
Red Mountain Mining	RMX	6 Sep
Saunders International	SND	6 Sep
Triangle Energy	TEG	6 Sep

Suspensions (selected)

Company	Code	Since
AnaeCo Ltd	ANQ	31 Aug
BBX Minerals	BBX	23 Aug
Capital Mining	CMY	14 Aug
Cougar Metals	CGM	29 Aug
Eastern Goldfields	EGS	16 Aug
Empire Oil & Gas	EGO	30 Aug
Hammer Metals	HMX	5 Sep
LWP Technologies	LWP	14 Aug
NMG Corporation	NMG	28 Aug
Orinoco Gold	OGX	4 Sep
Peak Resource	PEK	1 Sep
YPB Group	YPB	1 Sep
ZipTel Ltd	ZIP	11 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
BEN	Today	34	100	5.67
BLD	Today	12	50	3.64
BST	Today	1.5	100	2.84
BWX	Today	4.2	100	1.17
CMI	Today	3	100	5.22
EGI	Today	1.5	100	2.43
GLB	Today	5	100	6.99
ISD	Today	3.08	50	3.58
MOC	Today	9	100	7.06
MRC	Today	0.5	0	14.17
OSH	Today	~4.29	0	1.06
PEA	Today	1.5	100	3.97
RHC	Today	81.5	100	2.03



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SLO	Today	~7.63	0	5.53
SRV	Today	13	50	4.66
APO	Tomorrow	6.7	100	4.33
EGN	Tomorrow	0.5	100	1.67
EVT	Tomorrow	31	100	4.04
GTN	Tomorrow	4.8	100	4.19
HSO	Tomorrow	3.5	0	4.08
IAG	Tomorrow	20	100	5.12
IEL	Tomorrow	5.5	55	2.21
IGO	Tomorrow	1	100	0.56
IRE	Tomorrow	16	60	3.65
IVC	Tomorrow	18.5	100	2.94
MLD	Tomorrow	4.5	100	4.50
MLX	Tomorrow	1	0	1.18
MPL	Tomorrow	6.75	100	3.93
MVF	Tomorrow	4.5	100	5.62
NZK	Tomorrow	~2.74	0	2.23
OCL	Tomorrow	5	80	1.77
OZL	Tomorrow	6	100	2.39
PGF	Tomorrow	1.8	100	3.14
PPT	Tomorrow	135	100	4.85
SBM	Tomorrow	6	100	2.05
VEE	Tomorrow	1.23	100	2.07