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Market Opener

Wednesday 6 September 2017

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Markets

SFE 200 Futures (9.30am AEST)	**5662**	**-30**	**-0.5**
NZX 50	7726	-52	-0.7
DJIA Futures	21753	-11	-0.1
S&P 500 Futures	2459	-1	0.0
NASDAQ Futures	5935	-4	-0.1

Local Markets Commentary

The Australian market opens mid-week trade on mostly negative overnight international equities leads, ahead of influential domestic data, and amid a heating ex-dividend season.

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

The **$A** has traded beyond US80.0c after rising to ~US79.70c early yesterday evening.

Locally today, June quarter **GDP** is due **11.30am** AEST.

EVT, **IAG**, **IRE**, **IVC**, **MPL**, **OZL** and **PPT** are among large-cap stocks trading ex-dividend. *Please see pp3-4 for a detailed list.*

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	**21753**	-234	**-1.1**
S&P 500	2458	-19	-0.8
NASDAQ	6376	-60	-0.9
FTSE 100	7373	-39	-0.5
DAX 30	12124	22	0.2
Shanghai Comp	3384	5	0.1

Overseas Markets Commentary

Major European equities markets chopped overnight, suffering significant late-trade drag when key US equities indices commenced a new week's trade in a definite 'risk on' mood.

Among **US** data releases, July factory orders dropped 3.3%, the worst monthly fall in ~three years.

ISM's New York business conditions index dropped 6.2 points to 56.6.

Meanwhile, three Federal Reserve regional presidents sounded rate rise impact warnings.

US 10-year treasury yields fell to their lowest for the calendar year, 2.072%.

In the euro zone, **July** retail sales came in 0.3% lower for the month, as expected, and 2.6% higher year-on-year.

Tonight in the **US**, ISM's services sector activity index, the Federal Reserve's region-by-region economic (beige book) report, July trade figures and a Markit final August services PMI are due.

In overnight corporate news, **Hewlett Packard Enterprise** appreciated immediately after reporting post-US trade.

US newspaper publisher **Tronc** acquired the *New York Daily News* for $US1 plus liabilities, adding to

Australia – June quarter GDP **11.30am** AEST

RBA – economic analysis head Alex Heath is speaking at an Economic Society of Australia lunch, Tasmania, **12.30pm** AEST

* Minerals exploration listing **midday** AEST – **G1A** *

Today's Stock Watch

Acrux Ltd (ACR)

ACR and Eli Lilly have mutually agreed to terminate the Axiron licensing agreement, meaning global rights will return to ACR. The licence has been immediately terminated in the US but elsewhere, the licence will remain effective for 90 days. Rationale, relating to a US court decision regarding patents, and other market considerations, lodged this morning.

Integrated Research (IRI)

Chairman Steve Killelea has sold 7.393% of his IRI holding to institutions, meaning he retains ~45.127% of IRI. IRI has traded at $3.26 - $3.45 for the week to date.

Megaport Ltd (MP1)

Former Twitter global network head Tim Hoffman has been appointed MP1 chief technology officer, effective 1 October.

iCar Asia (ICQ)

Former iProperty Group (ASX: IPP) MD and CEO Georg Chmiel has been appointed executive chairman.

Resources

Metallica Minerals (MLM) / Australian Mines (AUZ)

MLM is proposing to sell the North Queensland SCONI project to JV agreement partner AUZ for $10M in cash and shares. Details lodged this morning. MLM and AUZ are resuming from trading halts, having last traded at 6.6c and 1.8c respectively.

Castillo Copper (CCZ)

Maiden Jackaderry project Cangai copper mine resource estimated at 3.2Mt @ 3.35% Cu, for 108,000t of copper.

BHP Billiton (BHP)

Trading ex-dividend (~54.29c) tomorrow.

Galena Mining (* G1A)

Lead-focused project developer scheduled to list **midday** AEST following a $6M IPO at 20c per share. Adrian Byass non-executive chair. Seeking to develop the Abra base metals project, Ashburton Basin, WA. LME lead prices fell overnight.

Energy

AGL Energy (AGL)

Re-confirming plans to close the Liddell power facility in 2022, as initially advised in April 2015. AGL says it 'continues to assess the capacity that will be needed post 2022 to replace Liddell'.

Buru Energy (BRU)

Keen to work with the WA Government during its inquiry into hydraulic fracturing, including the interim moratorium across WA, announced yesterday. BRU noted a government investigation into fraccing, conducted over 2013 – 2015, concluded 'negligible risk if properly regulated'.

BRU pulled back 8.7% to 21c yesterday, after adding 21% Monday and recording four consecutive positive trading sessions.

Senex Energy (SXY)

Macquarie has re-rated SXY as outperform, from neutral.

its stable of well-established newspapers in Chicago and Los Angeles.

Lego reported its first revenue tumble in 13 years, on a drop in half-year sales, announcing it would knock off 8% of employee positions.

Commodities

COMMODITY	CLOSE	$US/	+/-	%
Gold (NY) (Dec)	**1345**	oz	15	1.1
Silver (NY) (Sep)	18.0	oz	-0.0	-0.1
Gold (LON)	1336	oz	2	0.2
Platinum	1006	oz	1	0.1
WTI Crude (Oct)	**48.7**	bbl	1.4	2.9
Brent Crude (Nov)	**53.4**	bbl	1.0	2.0
Iron Ore (CHN port 62%)	**78.4**	t	0.5	0.7
Copper	**6900**	t	-17	-0.3
Nickel	12080	t	-170	-1.4
Aluminium	2096	t	-24	-1.1
Lead	2334	t	-59	-2.5
Zinc	3140	t	-65	-2.0
Tin	20730	t	-60	-0.3
CBT Wheat (Sep)	**4.31**	bshl	0.10	-2.4

Commodities Commentary

Oil – category 5 Hurricane Irma, in the Atlantic and heading towards the Virgin Islands, remained in focus, as did a new developing low in the Gulf of Mexico's south-west region.

Meanwhile, crude rallied on resuming US refinery activity, WTI trading as high at $US48.98/bbl intra-session. US petrol (gasoline) futures pulled back a further 3.15%.

Gold – traded at new 11-month highs overnight, prices benefiting from a weaker $US and safe-haven buying.

Base metals – a soft $US proved insufficient to support overnight LME trade, the euro also pulling back and speculative interest struggling.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.8008	0.0012	0.15
EUR – USD	1.1924	0.0012	0.10

Australian Data Today

ABS	GDP	Jun Q

US Data Tonight

Fed beige book	Sep
Trade balance	Jul
ISM non-manufacturing	Aug
Markit services, composite PMIs (final)	Aug
MBA mortgage applications	1 Sep

Other Overseas Data Today & Tonight

Japan	Average cash earnings	Jul
Germany	Factory orders	Jul
Germany	Construction PMI	Aug
Euro zone	Retail PMI	Aug

Pre-Open Announcements

Pharmaxis Ltd (PXS)

Lysyl oxidase type 2 (LOXL2) Phase 1 clinical trials are scheduled to commence during the December quarter. PXS is targeting a treatment for fibrosis and liver cirrhosis.

PMP Ltd (PMP)

Fraser & Neave PMP board representative Anthony Cheong is stepping down from the PMP board 30 September, due to his retirement from Fraser & Neave. Fraser & Neave does not plan to recommend another representative for the PMP board.

Range International (RAN)

Hayco marketing and business development VP Jon Guyett has been appointed RAN CEO, effective 11 October.

Contango Income Generator (CIE)

Planning to pay quarterly dividends, rather than half-yearly, commencing with the current quarter.

Resources

West African Resources (* WAF)

High-grade diamond drilling results lodged this morning for the Sanbrado gold project, Burkina Faso.

Three drill rigs are supporting double shifts.

A resource update is anticipated by month's end.

Calidus Resources (* CAI)

WA Pilbara Warrawoona gold project mineralisation has now been determined along 2.6km of continuous strike.

Significant-width and/or grade Gap zone assays lodged this morning.

Duketon Mining (DKM)

Thompson Bore prospect drilling results lodged this morning. Follow-up drilling is planned to commence in the near-term.

Middle Island Resources (MDI)

Heralding recovery rates using WA Sandstone gold project Two Mile Hill ore.

Plymouth Minerals (PLH)

San Jose lithium project drilling continues to determine high-grade mineralisation at depth and along strike.

Inca Minerals (ICG)

Humaspunco prospect drilling has produced 10.37% Zn, 68.7g/t Ag and 7.81% Pb. Details lodged this morning. Additional asays pending.

Castillo Copper (CCZ)

CCZ has completed the acquisition of Total Iron, adding four areas prospective for cobalt-copper-zinc-nickel. Details lodged post-trade yesterday.

Broker presentation lodged this morning.

Hexagon Resources (HXG)

Promoting a battery test work and marketing strategy interview conducted with CEO Mike Rosenstreich.

Access details lodged this morning.

Energy

Carnarvon Petroleum (CVN)

Loyz Energy has paid CVN $US3.95M worth of shares as a final payment for 20% of onshore Thailand oil concessions.

Need More Information?

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

Trading Halts

Company	Code	Resuming
JustKapital Ltd	JKL	6 Sep
Latin Resources	LRS	6 Sep
Red Mountain Mining	RMX	6 Sep
Saunders International	SND	6 Sep
Triangle Energy	TEG	6 Sep
Lodestar Minerals	LSR	7 Sep
PNX Metals	PNX	7 Sep
Sacgasco Ltd	SGC	7 Sep
Updater Inc	UPD	7 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 (%)
APO	Today	**6.7**	100	4.33
EGN	Today	**0.5**	100	1.67
EVT	Today	**31**	100	4.04
GTN	Today	**4.8**	100	4.03
HSO	Today	**3.5**	0	4.08
IAG	Today	**20**	100	5.12
IEL	Today	**5.5**	55	2.23
IGO	Today	**1**	100	0.54
IRE	Today	**16**	60	3.67
IVC	Today	**18.5**	100	2.93
MLD	Today	**4.5**	100	4.56
MLX	Today	**1**	0	1.20
MPL	Today	**6.75**	100	3.92
MVF	Today	**4.5**	100	5.62
NZK	Today	**~2.74**	0	2.23
OCL	Today	**5**	80	1.77
OZL	Today	**6**	100	2.37
PGF	Today	**1.8**	100	3.13
PPT	Today	**135**	100	4.79
SBM	Today	**6**	100	2.08
VEE	Today	**1.23**	100	2.07
AEF	Tomorrow	210	100	2.24
AIZ	Tomorrow	~10.14	0	5.99
ARA	Tomorrow	2.5	0	2.61
ASX	Tomorrow	99.8	0	3.73
BHP	Tomorrow	~54.29	100	3.89
CTD	Tomorrow	18	100	1.41
EBG	Tomorrow	3.25	100	6.32
EHE	Tomorrow	8	100	2.56

FXL	Tomorrow	3.85	100	4.61
GXL	Tomorrow	9.5	100	3.30
LIC	Tomorrow	2	100	0.83
MLB	Tomorrow	3.5	100	3.11
MND	Tomorrow	30	100	3.64
NHF	Tomorrow	10.5	100	3.07
PAC	Tomorrow	18	100	2.28
PGC	Tomorrow	1.9	100	3.33
PME	Tomorrow	2.5	100	0.79
SCO	Tomorrow	8.5	100	5.89
SDG	Tomorrow	6	100	4.44
SDI	Tomorrow	1.3	100	3.59
SIV	Tomorrow	25.1	100	5.35
TCN	Tomorrow	0.35	0	7.00
TGG	Tomorrow	4.5	100	3.36
TME	Tomorrow	~9.17	0	4.10
VGL	Tomorrow	1.87	0	1.02
WOW	Tomorrow	50	100	3.25