STATE ONE STOCKBROKING LTD
Participant of ASX Group AFSL 247 100
ABN 95 092 989 083

Market Opener

Thursday 10 November 2016

Need more information?

Contact your State One advisor on 1300 651 898 or advice@stateone.com.au

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Markets

SFE 200 Futures (9.30am AEDST)	**5306**	**154**	**3.0**
NZX 50	6842	178	2.7
DJIA Futures	18532	0	0.0
S&P 500 Futures	2160	0	0.0
NASDAQ Futures	4821	18	0.4

Local Markets Commentary

The Australian market opens on positive international equities leads and mostly higher key commodities, amid a plethora of commentary and predictions out of a resounding US Republican party election victory.

In overnight commodities trade, US **gold** futures settled slightly lower and **oil** higher. **Iron ore** and **copper** extended their rallying.

The **$A** remained supported after trading at ~US76.35c – US76.55c early yesterday evening.

Locally today, housing finance and consumer inflation expectations reports are due.

This morning the **Reserve Bank of New Zealand** has cut its cash rate by 0.25% to 1.75%, a record low.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	**18590**	257	**1.4**
S&P 500	2163	24	1.1
NASDAQ	5251	58	1.1
FTSE 100	6912	69	1.0
DAX 30	10646	164	1.6
Shanghai Comp	3128	-20	-0.6

Overseas Markets Commentary

US equities markets rallied at the conclusion of the US election process, a US conservative victory declared across both houses of parliament, in addition to the presidential vote.

US sentiment appeared to drag major European markets to positive settlements.

At least one major investment house advised clients to sit and wait.

In overnight data releases, the **UK**'s September trade deficit was reported at £5.2B, from £3.8B in August, imports increasing £1.2B and exports falling £0.2B.

The September quarter deficit came in at £11B, from £12.6B at the end of June.

US September wholesale inventories were finalised at a 0.1% gain, after an initial estimate of a 0.2% rise.

Weekly mortgage applications fell 1.2%.

Tonight in the US, weekly new unemployment claims are due, together with an October budget statement.

AstraZeneca, ITV, Macy's, Noble Group, Petrobras, Siemens, Singapore Telecommunications (Optus owner) and Walt Disney are scheduled to report

Today's Stock Watch

Wesfarmers Ltd (WES)

Coal outlook and retail plans anticipated at today's AGM.

Westfield Corporation (WFD)

September quarter statistics lodged this morning, including $US29.3B AUM, 1.5% higher specialty retail sales, and 3.6% higher average specialty store rent.

Cover-More Group (CVO)

Binding HoA secured with Berkshire Hathaway Specialty Insurance Company's Australian division, for a five-year underwriting deal and new business partnership. Details lodged this morning, in addition to today's AGM presentation and address.

Virtus Health (VRT)

September quarter fresh cycle IVF activity fell 5.9% on a like-for-like basis in Australia, in part due to increased competition. Cycle activity grew 5.8% at the Sims Clinic, Ireland.

Swick Mining Services (SWK)

Resuming from a trading halt after being named by TSX-listed Newmarket Gold preferred tenderer for a three-year underground diamond drilling contract. SWK plans to initially deploy eight rigs from the March quarter 2017. SWK last traded at 23.5c.

Tag Pacific (TAG)

Subsidiary MPower has incorporated cloud-protection technology into a battery storage unit. Details lodged post-trade yesterday.

Medlab Clinical (MDC)

Australian Department of Health/Therapeutic Goods Administration (TGA) licence in hand to import cannabis. MDC is planning a clinical trial using cannabis, from Canada, to treat pain in cancer patients.

Goodman Group (GMG) / Mirvac Group (MGR)

CLSA is recommending GMG and MGR as 'buy's, replacing outperform ratings.

Treasury Wine Estates (TWE)

AGM today.

Commonwealth Bank of Australia (CBA)

CBA's annual remuneration report was voted down (50.91:49.09) at yesterday's AGM.

Orica Ltd (ORI)

Trades ex-dividend (29c) today.

Resources

BlueScope Steel (BSL)

New outlook and international market commentary anticipated at today's AGM.

Renascor Resources (RNU)

99% total graphitic carbon (TGC) produced using flotation without chemical or thermal purification, when testing ore from RNU's Siviour graphite project. Metallurgical testing to continue.

Energy

Cue Energy (CUE)

Proposing to sell the company's 80% holding in the Texas, USA Pine Mills oil field for $US975,000. Field partners hold a 20-day option to exercise pre-emptive rights.

today and tonight.

Overnight, UK supermarket group **Sainsbury** reported a 10.1% drop in interim profit, in part due to increase competition from international operators.

General Motors announced shift cuts at two US manufacturing sites, due to reduced domestic vehicle demand.

Tomorrow is Veterans Day in the US. Bond markets will be closed but equities will trade as normal.

Commodities

COMMODITY	CLOSE	$US/	+/-	%
Gold (NY) (Dec)	**1274**	oz	-0.5	-0.1
Silver (NY) (Dec)	18.4	oz	0.1	0.5
Gold (LON)	1283	oz		
Platinum	999	oz	-3	-0.3
WTI Crude (Dec)	**45.3**	bbl	0.5	1.0
Brent Crude (Jan)	**46.4**	bbl	0.3	0.7
Iron Ore (Tianjin)	**71.0**	t	2.2	**4.7**
Copper (LME)	**5413**	t	178	**3.4**
Nickel	11575	t	315	2.8
Aluminium	1753	t	22	1.3
Lead	2141	t	16	0.8
Zinc	2490	t	12	0.5
Tin	21275	t	-270	-1.3
CBT Wheat (Dec)	**4.07**	bshl	-0.09	-2.1

Commodities Commentary

Oil – prices swung, as did currencies, crude dropping as much as $US2/bbl before settling higher.

Weekly US petroleum inventories were reported overnight to have increased by 2.4MMbbl.

Gold – volatile trade, spot prices rising almost 5%, before turning. Comex futures traded as high as $US1338.3/oz.

Base metals – China's October CPI (+2.1% year-on-year) and producer prices (+1.2% for the year to 31 October) were well-received yesterday.

Promises of increased infrastructure in the US in particular supported *copper* sentiment to 15-month highs, sparking warnings, although inventories and other figures also appeared to benefit outlooks.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7655	0.0018	0.23
EUR – USD	1.0918	0.0009	0.08

Australian Data Today

Melb Inst	Consumer inflation expectations	Nov
ABS	Housing finance	Sep

US Data Tonight

Initial jobless claims	5 Nov
Treasury budget	Oct

Other Overseas Data Today & Tonight

Japan	BoJ opinions summary	Nov
Japan	Machinery orders	Sep

Pre-Open Announcements

Dexus Property Group (DXS)

Proposing to outlay $110.2M for the 1.9ha mixed-use development known as The Mill in the Sydney suburb of Alexandria, near Sydney Airport.

GDI Property Group (GDI)

Selling a Grenfell St, Adelaide property for $125.1M and expecting to net $124M. FIRB approval is required, but settlement is anticipated early-January. GDI also has on the market, a Queen St, Brisbane property and one in Goulburn St, Sydney.

Ellex Medical Lasers (ELX)

Heralding customer reimbursement arrangements in the US for the year commencing 1 January. ELX expects these to support iTrack sales.

Gateway Lifestyle (GTY)

Director, CFO and company secretary John Wong has resigned. GTY deputy CFO Owen Kemp has been appointed acting CFO.

Suncorp Group (SUN)

CFO Steve Johnston is a guest speaker at a Trans Tasman Business Circle lunch in Sydney today.

Elanor Retail Property Fund (* ERF)

Commercial property fund completed its ASX listing yesterday, following an ~$109M IPO at $1.35 per stapled security. Opened at $1.35 and slipped to $1.30 before returning to $1.35 where the stock settled. 38,350 shares were traded across six transactions. Trading commenced on a deferred settlement basis. Normal (T+2) trade is expected to begin tomorrow.

Resources

Kingsgate Consolidated (KCN)

Produced 15,461oz of Chatree gold during October. Sold 17,504oz at $US1265/oz. Holding $A45.7M cash.

WPG Resources (WPG) / Tyranna Resources (TYX)

Western Gawler Craton JV Campfire Bore gold prospect RC drilling results lodged this morning. Mineralisation appears continuous along strike.

Davenport Resources

Davenport Resources is a multi-mineral exploration company seeking to list on the ASX in mid-December.

The company is conducting a $5M - $6M IPO at 20c per share.

Once the IPO is completed, Davenport will hold two exploration licences in a potash production region in central Germany.

Based on exploration records for the licences, Davenport anticipates proving a JORC-compliant potash resource within three years.

Davenport knows the licences and their potential well. They are held mostly by Potash West, whose MD Patrick McManus is Davenport Resources' non-executive chairman. Davenport's MD will be Potash West director Christopher Bain.

Due to its recent history as an Arunta Resources subsidiary, Davenport Resources also holds the Southern Cross Bore copper-gold project in the Arunta province, Northern Territory.

State One holds firm stock in the Davenport Resources offer.

Japan	Machine tool orders (prelim)	Oct
UK	RICS house prices	Oct

Need More Information?

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

For further information, please contact your advisor, or email davenport @amscot.com.au.

Trading Halts

Company	Code	Resuming
Ashley Services Group	ASH	10 Nov
Carbon Energy	CNX	10 Nov
Red Metal	RDM	10 Nov
Stavely Minerals	SVY	10 Nov
Cellnet Group	CLT	11 Nov
Entek Energy	ETE	11 Nov

Suspensions (selected)

Company	Code	Since
BGD Corporation	BGD	7 Nov
Cabral Resources	CBS	19 Oct
Cardinal Resources	CDV	4 Nov
Emergent Resources	EMG	9 Nov
Estrella Resources	ESR	3 Nov
Eve Investments	EVE	3 Nov
Finders Resources	FND	4 Nov
Nkwe Platinum	NKP	18 Oct
Nuheara Ltd	NUH	27 Oct
Omni Market Tide	OMT	19 Oct
RNI NI	RNI	31 Oct
Transerv Energy	TSV	25 Oct
TV2U International	TV2	2 Nov
TW Holdings	TWH	31 Oct
Volta Mining	VTM	17 Oct
XPED Ltd	XPE	9 Nov

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
ORI	Today	**29**	27.58	3.05
CSR	Tomorrow	13	0	6.38
KMD	Tomorrow	~7.76	84.99	5.60
MGP	Tomorrow	0.2	0	2.67
NAC	Tomorrow	2.5	100	4.17
WAT	Tomorrow	3	100	3.45
ANZ	Mon	80	100	6.04
WBC	Mon	94	100	6.34
IPL	Tue	4.6	0	2.86
CBC	Wed	1.5	100	3.56
DLX	Wed	12.5	100	4.02
TWD	Wed	15	100	6.53
AYD	18 Nov	10	100	3.46
AYH	18 Nov	5	100	4.53
AYJ	18 Nov	54	100	3.73
AYK	18 Nov	37	100	3.25
AYZ	18 Nov	54	100	3.50
SOL	18 Nov	31	100	3.42

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	**ACR**	AGM
	BPT	AGM
	BSL	AGM
	CVO	AGM
	NSR	AGM
	TME	AGM
	TWE	AGM
	WES	AGM
	WFD	Sep Q
Tomorrow	CQR	AGM
	LLC	AGM
	TFC	AGM
Mon	ELD	Full-year
	HVN	AGM
	SMX	AGM
Tue	AGI	AGM
	NEC	AGM
	SCO	AGM