

Markets

SFE 200 Futures (9.30am AEST)	5747	1	0.0
NZX 50	7827	-1	-0.0
DJIA Futures	22135	-14	-0.1
S&P 500 Futures	2494	-2	-0.1
NASDAQ Futures	5996	-6	-0.1

Local Markets Commentary

The Australian market opens today's trade ahead of a batch of influential regional economic indicators, on lacklustre international equities leads and mostly lower key commodities prices.

China's August industrial production, retail sales and fixed asset investment figures are expected **midday** AEST.

Japan is due to report (final) July industrial production 2.30pm.

Meanwhile, the heads of the **central banks** of China, Japan and South Korea are meeting in Seoul.

In overnight commodities trade, US **gold** futures settled lower for a third consecutive session. **Oil** rallied. LME **copper** continued to fall. **Iron ore** reportedly gained a little.

The **\$A** slipped well below US80.0c after being pushed beyond US80.35c early yesterday evening.

Locally today, the Australian Bureau of Statistics (ABS) releases its August employment report **11.30am** AEST.

The Melbourne Institute also publishes a monthly inflation expectations report, and the Australian Chamber of Commerce & Industry and Westpac their quarterly business survey, highlighting the manufacturing sector.

In addition, a plethora of stocks trades **ex-dividend**, including **BRG, FLT, S32, SEK** and **VRT**. Please see p3 for a detailed list.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	22158	39	0.2
S&P 500	2498	2	0.1
NASDAQ	6460	6	0.1
FTSE 100	7380	-21	-0.3
DAX 30	12554	29	0.2
Shanghai Comp	3384	5	0.1

Overseas Markets Commentary

Early falls for major European and US equities markets were mostly negated, except again for the FTSE 100.

In a yearly State of the Union address, European Commission president Jean-Claude Juncker claimed the UK would rue its decision to separate from the European Union.

The **euro zone** in the meantime reported 3.2% annual growth in July industrial output following 2.8% for June and forecasts for a 3.4% rise.

In **Germany**, August year-on-year CPI growth was confirmed at 1.8%.

China – industrial production, fixed asset investment, retail sales **midday** AEST

Australia – employment statistics **11.30am** AEST

RBA – deputy governor Guy Debelle is speaking at a King & Wood Mallesons workshop, Sydney, 9.15am AEST

Today's Stock Watch

Asia Pacific Data Centre (AJD) / 360 Capital Group (TGP) / NEXTDC Ltd (NXT)

AJD is recommending TGP's proposed offer, deeming it superior to NXT's, which it had previously recommended.

TGP is proposing an off-market \$1.95 cash-per-share offer for AJD, funded from cash reserves and debt.

NXT has offered \$1.87 cash per AJD share.

AJD traded at \$1.87 - \$1.99 yesterday.

Myer Holdings (MYR)

80.3% lower, \$A11.9M full-year NPAT. 2.7% lower, \$3.2B sales. 2c fully-franked final dividend, down 33.3%. 21c NTA. 1.4c EPS. \$30.6M cash and equivalents. Results impacted by restructuring and impairments. Disappointing FY 2018 sales to date.

Macquarie Atlas Roads (MQA)

Exercising a right to acquire an additional 4.86% of French motorway APRR for €440M, raising the group's indirect holding to 25.00%.

In association, MQA will conduct a \$A450M underwritten entitlement offer, and also take on a €150M seven-year debt facility, secured over select interests.

Consequent to the greater holding, MQA expects to pay 22.5c - 23.5c in 2018 distributions, 4.4% more than previously forecast and 17.5% greater than for 2017.

Further, and separately, MQA will pay 0.85%pa management fees, down from 1.00%, on a market cap basis, from 1 October.

Trading halt called this morning.

Asaleo Care (AHY)

Former Cochlear (ASX: COH) finance head Lyndal York has been appointed AHY CFO, effective 8 November.

The Reject Shop (TRS)

Former Kmart (Wesfarmers) GM marketing Michele Teague has been appointed as a TRS director, effective 18 September (Monday). Ms Teague is also a former marketing officer for Metcash (ASX: MTS), Pacific Retail, Restaurant Brands and Woolworths (ASX: WOW).

Genworth Mortgage Insurance Australia (GMA)

Moody's has revised its GMA unsolicited 'insurer financial strength rating' (IFSR) to Baa1 with a stable outlook, from A3 with a negative outlook. Fitch Ratings and Standard & Poor's (S&P) have not changed their GMA IFSRs.

Resources

Rio Tinto (RIO)

RIO's presentation at the Deutsche Bank Metals & Mining conference in London overnight has been lodged this morning.

South32 Ltd (S32)

'Our approach to climate change' presentation lodged this morning. S32 trades ex-dividend (~8.11c) today.

Among **UK** economic indicator updates, July quarter average weekly earnings remained at 2.1% annual higher and July unemployment claims fell 2.8%.

Overnight **US** data releases included a \$US108B August trade deficit, 9.9% increase in weekly mortgage applications and 0.2% higher producer prices.

The PPI reading followed a 0.1% pull back in July, and was mainly credited to higher petrol prices, these having drawn forecasts of a 0.3% rise. The core (excluding the energy and food sectors) reading was calculated 0.2% higher for the month.

Tonight's US August CPI reading is expected to come in at 0.4%. Weekly new unemployment claims are also due.

Elsewhere, the **Bank of England** holds a policy meeting.

The overnight rate is expected to remain at 0.25%, but post-meeting comments are keenly anticipated in terms of the inflation outlook and the impacts of UK negotiations to leave the European Union.

Also in the UK, WM Morrison (Morrisons supermarket chain) reports earnings.

In overnight corporate news, major department store **Nordstrom** was reported to be near to finalising a favourable agreed sale, and appreciated 6%.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1328	oz	-5	-0.4
Silver (NY) (Sep)	17.8	oz	-0.1	-0.3
Gold (LON)	1328	oz	1	0.1
Platinum	979	oz	-9	-0.9
WTI Crude (Oct)	49.3	bbl	1.1	2.2
Brent Crude (Nov)	55.2	bbl	0.9	1.6
Iron Ore (CHN port 62%)	76.6	t	0.1	0.3
Copper	6553	t	-115	-1.7
Nickel	11360	t	-630	-5.3
Aluminium	2110	t	-27	-1.3
Lead	2290	t	-22	-0.9
Zinc	3024	t	-37	-1.2
Tin	20515	t	-160	-0.8
CBT Wheat (Dec)	4.43	bshl	0.14	0.3

Commodities Commentary

Oil – overnight prices were supported by the International Energy Agency's (**IEA**) monthly report, which estimated global August daily production had fallen by 720,000bbl to 97.7MMbbl.

In addition, the IEA raised its 2017 daily demand prediction from 1.5MMbbl to 1.6MMbbl.

The EIA's (US government agency) weekly US petroleum inventories report confirmed a rise in crude stocks, due to lower refinery demand, but the 5.9MMbbl gain contrasted with forecasts of up to a 10.1MMbbl surge.

Petrol (gasoline) stockpiles fell the most on record (8.4MMbbl), again due to refinery outages.

Gold – a **\$US** index bounce pushed prices lower again overnight.

Base metals – a much stronger \$US detracted from overnight interest, particularly as **China's** August industrial production, retail sales and fixed asset investment figures are due today.

In addition, LME warehouse figures, together with China's August imports, continued to impact *copper*.

Pre-Open Announcements

Transurban Ltd (* TCL)

AGM today, Melbourne.

Meridian Energy (* MEZ)

8.6% higher year-on-year August retail sales volumes. August electricity demand in New Zealand fell 2.3% compared with a year earlier, in part due to the third warmest August on record.

Mitula Group (* MUA)

3.1% greater site traffic recorded for August, representing an 8.4% rise year-on-year.

Resources

Valor Resources (VAL)

Peru Berenguela copper-silver project drilling has returned some high-grade and significant width intersections. Assays lodged this morning.

NSL Consolidated (* NSL)

Wet plant thickener circuit successfully commissioned and fully operational. Production is expected to reach 200,000tpa next month.

Kula Gold (KGD)

Former Adamus Resources CEO Mark Bojanjac has been appointed KGD chairman.

Energy

FAR Ltd (* FAR)

Refuting several claims contained in a recent media article and investigating motives behind its publication.

Trading Halts

Company	Code	Resuming
Castillo Copper	CCZ	14 Sep
Pioneer Resources	PIO	14 Sep
Torian Resources	TNR	14 Sep
Astro Japan Property Group	AJA	15 Sep
Cougar Metals	CGM	15 Sep
Egan Street Resources	EGA	15 Sep
Kairos Minerals	KAI	15 Sep
Liontown Resources	LTR	15 Sep
Macquarie Atlas Roads	MQA	15 Sep
Mitchell Services	MSV	15 Sep
Vital Metals	VML	15 Sep
Yojee Ltd	YOJ	15 Sep
Lion Selection Group	LSX	18 Sep

Suspensions (selected)

Company	Code	Since
AnaeCo Ltd	ANQ	31 Aug
Ardea Resources	ARL	13 Sep
BBX Minerals	BBX	23 Aug
Brierty Ltd	BYL	8 Sep
Empire Oil & Gas	EGO	30 Aug
JustKapital Ltd	JKL	6 Sep
NMG Corporation	NMG	28 Aug
Peak Resource	PEK	1 Sep
SMS Management & Technology	SMX	8 Sep

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7984	-0.0002	-0.03
EUR – USD	1.1889	0.0003	0.03

Australian Data Today

MelbInst	Inflation expectations	Sep
Wstpc/ACCI	Business survey	SepQ
ABS	Employment	Aug

US Data Tonight

CPI	Aug
Initial jobless claims	9 Sep

Other Overseas Data Today & Tonight

China	Industrial production	Aug
China	Fixed asset investment	Aug
China	Retail sales	Aug
Japan	Industrial production (final)	Jul
UK	BoE policy statement	Sep
UK	Retail sales	Aug
UK	RICS house prices	Aug

Need More Information?

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Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
ADA	Today	10	0	1.40
AMA	Today	2	100	2.78
APE	Today	13.5	100	4.49
BLX	Today	2.4	100	3.22
BRG	Today	15	60	2.90
BRI	Today	3.5	100	1.75
CDA	Today	7	100	2.92
CGR	Today	0.75	100	3.57
DTL	Today	5.55	100	4.94
EGL	Today	0.06	100	0.92
EHH	Today	0.5	0	1.37
EMB	Today	27	100	3.39
EPW	Today	3.5	100	5.19
FLT	Today	94	100	2.93
GCS	Today	1	100	3.31
GFY	Today	2.5	0	6.71
GZL	Today	8	100	5.93
INM	Today	~47.85	0	4.03
KME	Today	1.4	0	5.48
LBL	Today	0.3	100	3.13
LMW	Today	2.25	100	5.94
MEQ	Today	~4.50	0	0.00
MHJ	Today	2.5	0	4.44
MIL	Today	5.4	100	5.31
PGR	Today	1.5	100	8.82
PSI	Today	4	100	2.22
PSQ	Today	3.7	100	3.34
QMS	Today	1.2	100	2.00
RXP	Today	3	100	5.26
S32	Today	~8.11	100	3.99
SEK	Today	21	100	2.59
SIQ	Today	16.5	100	3.46
SNL	Today	5.5	100	3.34
VRT	Today	12	100	4.55
VTG	Today	7.4	100	9.85
WSA	Today	2	100	0.74
XRF	Today	0.24	100	1.30
SKB	Tomorrow	1	100	1.67
AQZ	Mon	3	100	2.56
AYS	Mon	5.1	100	4.53
FFI	Mon	10	100	5.00
OTW	Mon	1.25	100	1.00