

Friday 16 March 2018

Markets

SFE 200 Futures (9.30am AEDST)	5923	12	0.2
NZX 50	8458	-9	-0.1
DJIA Futures	24941	-18	-0.1
S&P 500 Futures	2754	2	0.1
NASDAQ Futures	7078	7	0.1

Local Markets Commentary

The Australian market opens Friday trade following vacillating overnight international equities sentiment. In mixed overnight commodities trade, **oil** continued moderately higher. US **gold** futures settled lower for a second consecutive session.

LME **copper** headed lower and **nickel** continued so. **Iron ore** (China port, 62% Fe) extended Wednesday's gain.

The **\$A** dropped just below US78.0c after trading at ~US78.70c early yesterday evening.

Locally today, **PRY** and **TRS** are among stocks trading **ex-dividend**. Please see **pp3-4** for detailed information.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24874	116	0.5
S&P 500	2747	-2	-0.1
NASDAQ	7482	-15	-0.2
FTSE 100	7140	7	0.1
DAX 30	12346	108	0.9
Shanghai Comp	3291	-0.3	-0.0

Overseas Markets Commentary

Choppy trade featured across major European and US equities markets overnight, but outcomes varied as global geopolitical tensions and the tally for this month's US domestic political developments increased.

The **US** announced sanctions against 19 Russians and five **Russian** entities in relation to alleged cyber interference.

In addition, **Saudi Arabia** was reportedly admonishing the US to support greater Saudi nuclear capability in the event **Iran** reacts significantly to any adverse US changes to the 2015 international deal which lifted sanctions against Iran.

In the meantime, a report was published claiming US special counsel Robert Mueller had subpoenaed select documents relating to the US president's business operations.

US February import prices surprised, rising 0.4% for the month, following a 0.8% hike in January.

Weekly new unemployment claims fell by 4000 after rising more than anticipated the previous week.

A Philadelphia region manufacturing conditions and outlook index came in at 22.3 from 25.8, and a similar New York region index at 22.5, from 13.1.

Tonight in the US, February industrial production,

RBA – deputy governor Guy Debelle scheduled to speak publicly on financial risk from **9.45am** AEDST, Sydney

* Business tech advisory listing **midday** AEDST – **TGO** *

* US-focused exploration listing **1pm** AEDST – **EM2** *

Today's Stock Watch

Wesfarmers Ltd (WES)

Proposing a Coles spin-off, pending shareholder, third-party and regulatory approvals.

In addition, Coles MD John Durkan is planning to relinquish his position after 10 years as a Coles executive.

Metcash (ASX: MTS) CEO supermarkets and convenience Steven Cain has been appointed to succeed Mr Durkan.

A webcast investor briefing is scheduled for 11am AEDST. Briefing presentation lodged pre-trade.

Metcash Ltd (MTS) / Wesfarmers Ltd (WES)

MTS has appointed MTS liquor division CEO Scott Marshall as supermarkets and convenience CEO, due to Steven Cain's planned move to WES, to head Coles.

Premier Investments (PMV)

9.4% higher, \$78.6M interim NPAT. 6.8% higher, \$634.4M revenue. 29c fully-franked record interim dividend, up 3c.

\$3.29 NTA. 49.47c EPS. \$185.5M cash and equivalents. PMV holds 27.5% of Breville Group (ASX: BRG).

In addition, PMV has appointed Sylvia Falzon as an independent non-executive director, effective today.

Ms Falzon is also a director of Regis Healthcare (ASX: REG) and Perpetual Ltd (ASX: PPT).

Mayne Pharma Group (MYX)

Launching in the US doxycycline monohydrate IR capsules in three doses, as a generic alternative to Monodox.

Nuheara Ltd (NUH)

NUH has been registered as an approved supplier to the Australian Government's hearing service providers, and can hence supply IQBuds and IQBuds Boost as free and subsidised assisted listening devices for government clients.

Trimantium Growth Ops (* TGO)

Business technology advisory firm scheduled to list **midday** AEDST following a \$70M IPO at \$1.00 per share.

Trading will commence on a deferred settlement basis. Normal (T+2) trade is expected to commence 20 March (Tuesday next week). 94.87M shares. 47.8M convertible redeemable preference shares.

Resources

TNG Ltd (TNG)

A McMahon Services-Clough Projects JV has been secured to review the DFS for TNG's Northern Territory Mount Peake vanadium-titanium-iron project.

Eagle Mountain Mining (* EM2)

Explorer scheduled to list **1pm** AEDST following an \$8M IPO at 20c per share and 0.1c per option. Chasing copper and gold in Arizona, USA. Rick Crabb non-executive chairman. ~68.57M shares.

building permits and housing starts are due, together with an initial March University of Michigan consumer sentiment reading and a January job openings report.

In overnight corporate news, UK financial technology firm **Nex Group** revealed futures exchange **CME Group** had approached Nex regarding a potential takeover.

US retailer **Dollar General** reported better-than-expected quarterly results, together with a pleasing outlook and bigger buy-back.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Mar)	1317	oz	-7	-0.6
Silver (NY) (Mar)	16.4	oz	-0.1	-0.9
Gold (LON)	1319	oz	-5	-0.5
Platinum	952	oz	-8	-0.8
WTI Crude (Apr)	61.2	bbl	0.2	0.4
Brent Crude (Apr)	65.1	bbl	0.2	0.4
Iron Ore (CHN port 62%)	72.1	t	0.5	0.7
Copper	6920	t	-69	-1.0
Nickel	13630	t	-205	-1.5
Aluminium	2085	t	-4	-0.2
Lead	2410	t	6	0.3
Zinc	3235	t	9	0.3
Tin	21025	t	-125	-0.6
CBT Wheat (Mar)	4.79	bshl	-0.10	-2.1

Commodities Commentary

Oil – the International Energy Agency’s (IEA) monthly report, published overnight, contained new forecasts for 2018 global oil demand and supply growth.

The IEA estimated demand would rise by 1.5MMbbl/d to 99.3MMbbl/d, and that non-OPEC output alone would increase by a daily 1.8MMbbl to 97.9MMbbl/d.

A weekly US petroleum drill rig report is due tonight.

This morning, Royal Dutch Shell has announced plans to sell its New Zealand assets to OMV. Pending regulatory approvals, OMV will pay \$US578M for the oil and gas interests.

Gold – a rising \$US index, together with a batch of US data releases, detracted from gold interest overnight.

Base metals –LME warehouse inventory updates, a stronger \$US against key currencies, a potential rise in fees for copper miners in the Democratic republic of Congo, and the expiry of China’s orders for aluminium smelters to reduce production over winter combined to pressure overnight trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7798	-0.0002	-0.02
EUR – USD	1.2305	-0.0000	-0.00

US Data Tonight

Industrial production	Feb
Housing starts	Feb
Building permits	Feb

Pre-Open Announcements

The Hydroponics Company (THC)

Resuming from a trading halt with the election of Steven Xu as interim chairman, following an EGM yesterday and the resignation of THC’s CEO Wednesday.

THC holds its inaugural AGM 23 March (Friday next week).

Resources

Kingsrose Mining (* KRM)

\$3.16M NPAT for the six months to 31 December following a \$13.13M net loss a year earlier.

\$26.9M revenue, against \$8.96M.

\$9.65M cash, bullion and receivables. Debt-free.

Energy

AWE Ltd (AWE)

Mitsui & Co has extended the period of its offer for AWE until 6 April.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	PMV	Interim
Mon	ASIC	Annual forum
Tue	KMD TPM	Interim Interim
Wed	MYR NUF	Interim Interim
Thu	BKW SIG	Interim Full year
Fri	SOL THC	Interim AGM

March quarter S&P/ASX indices re-balance

The following changes will be effected as trade opens Monday:

S&P/ASX 20:

Out: QBE

In: S32

S&P/ASX 100

Out: FXJ, VOC

In: CWY, XRO

S&P/ASX 200

Out: AAC, HT1, MYR

In: ASL, BAL, SIQ, XRO

S&P/ASX 300

Out: AQG, BBN, CAB, GBT, HFR, NTC, SIV, SLR, TGA, VTG

In: AJM, BVS, EHL, GSC, IRI, KDR, LOV, MLB, NCZ, NWH, PME, UPD

S&P/ASX All Ordinaries

Out: ADJ, AFA, AHX, AJX, APD, ATU, AVG, BBG, BFC, BLK,



JOLTS job openings	Jan
Uni of Michigan consumer sentiment	Mar

Other Overseas Data Today & Tonight

Japan	Industrial prodctn (final; 3.30pm)	Jan
UK	BoE bulletin (qrtrly)	Mar
Euro zone	CPI (final)	Feb

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In: AGY, AMI, AQZ, ARV, ATS, AUZ, AVZ, BLY, BRL, BRN, BUB, BUL, CAJ, CAN, CRD, CRR, DNK, EHL, EOS, ESV, FBR, FDM, FID, FMS, FWD, GCS, GDF, GSC, GSW, HAS, HRR, JIN, JLG, LVH, LYL, MDC, MDL, MMI, MOE, MRM, NCZ, NEU, NEW, NVL, NWL, NZM, OMH, PAC, PAN, PCG, PFP, PNC, PPG, PPH, REX, RUL, SGH, SXE, TAW, TTM, WGN, XAM, YOJ, Z1P, 1AL, 88E

S&P/ASX All Australian 200

Out: FXL, ISD, SHV

In: ASL, BAL, SIQ, XRO

Trading Halts

Company	Code	Resuming
Crusader Resources	CAS	16 Mar
Hardey Resources	HDY	16 Mar
Sundance Energy Australia	SEA	16 Mar
Tikforce Ltd	TKF	16 Mar
Triton Minerals	TON	16 Mar
Broken Hill Prospecting	BPL	19 Mar
Carnavale Resources	CAV	19 Mar
Cobalt Blue Holdings	COB	19 Mar
Draig Resources	DRG	19 Mar
Marenica Energy	MEY	19 Mar
ServTech Global Holdings	SVT	19 Mar
Field Solutions Holdings	FSG	20 Mar
GTI Resources	GTR	20 Mar
Intermin Resources	IRC	20 Mar

Suspensions (selected)

Company	Code	Since
BidEnergy Ltd	BID	9 Mar
Big Un	BIG	21 Feb
Calima Energy	CE1	15 Mar
Clancy Exploration	CLY	13 Mar
Connected IO	CIO	15 Mar
Cudeco Ltd	CDU	15 Mar
Department 13 International	D13	5 Mar
Greatcell Solar	GSL	1 Mar
Kula Gold	KGD	14 Mar
Mincor Resources	MCR	15 Mar
Netlinkz Ltd	NET	1 Mar
Raven Energy	REL	7 Mar
Tianmei Beverage Group	TB8	21 Feb
Winmar Resources	WFE	16 Mar

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
BWR	Today	5	0	8.27
FFI	Today	10	100	4.82
PRY	Today	5.1	100	2.79
PSQ	Today	2.3	100	3.42
QVE	Today	2.1	100	3.36
SND	Today	1	100	3.36
TRS	Today	24	100	3.21
ZNT	Today	1	0	0.87



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ACK	Mon	11	100	1.56
AIA	Mon	10.03	0	3.36
AQZ	Mon	2.5	100	3.24
CNU	Mon	8.38	0	5.21
COH	Mon	140	100	1.47
NAC	Mon	2.75	100	5.15
ONT	Mon	12	100	3.62
REH	Mon	6	100	1.84
VLS	Mon	2.25	100	5.03
BBL	Tue	0.75	100	1.44
BWF	Tue	1.9	100	3.68
CII	Tue	3	100	5.56
CWN	Tue	30	60	4.44
KSC	Tue	2	100	2.37
PBP	Tue	0.75	100	2.33
PIC	Tue	3	100	4.80
CGR	Wed	0.75	100	2.86
CIW	Wed	1.5	100	6.19
IPE	Wed	3.75	0	27.78
NCM	Wed	9.52	100	0.95
RSP	Wed	1.5	100	8.74
SNL	Wed	5.5	100	3.24
XIP	Wed	3	100	5.36