

## Markets

<b>SFE 200 Futures</b> (9.25am AEST)	<b>5275</b>	<b>0</b>	<b>0.0</b>
<b>NZX 50</b>	7276	25	0.4
<b>DJIA Futures</b>	18109	56	0.3
<b>S&amp;P 500 Futures</b>	2140	7	0.3
<b>NASDAQ Futures</b>	4829	15	0.3

## Local Markets Commentary

The Australian market opens a new week's trade on negative international equities leads.

Since then, BIS Shrapnel has warned of increasing risks for a banking crisis in China, and demonstrated a further slowdown in global lending, particularly in \$US-credit to emerging markets during the March quarter.

Commodities leads are also mostly negative. Overnight Friday, oil swung lower. Gold continued lower. LME copper settled with a third consecutive slight gain.

The \$A slipped a little after trading at ~US75.0c Friday evening, but has been climbing this morning.

Regionally today, China's markets resume trade. August property prices are expected 11.30am AEST.

Locally today, the monthly Conference Board leading index report is due.

Companies trading ex-dividend include RSG and VOC. Please see p3 for a detailed list.

Japan's markets will be closed today due to a public holiday.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>18124</b>	-89	<b>-0.5</b>
<b>S&amp;P 500</b>	2139	-8	-0.4
<b>NASDAQ</b>	5245	-5	-0.1
<b>FTSE 100</b>	6710	-20	-0.3
<b>DAX 30</b>	10276	-155	-1.5
<b>Shanghai Comp</b>	3003	Public	Holiday

## Overseas Markets Commentary

Major European and US equities markets turned lower overnight Friday.

Sentiment was down across the energy and finance sectors, and a surprise US data release unsettled. US futures and options also expired.

Pre-US trade, 0.2% August CPI growth was reported double expectations, following a flat result for July.

Annually, CPI was 1.1% higher, the core (excluding food and energy) reading climbing to 2.3%.

This complicated predictions for US rate rise timing, three sessions ahead of a new Federal Reserve policy statement early Thursday AEST.

Later Friday, an 89.9 University of Michigan initial September consumer sentiment reading represented no change from August and was one point lower than forecasts.

Meanwhile, Russia's central bank reduced its key

## RIU Resources Investor Roadshow

No cost for State One clients

Sydney - Tuesday 27 September Intercontinental Hotel

Melbourne - Thursday 29 September Grand Hyatt Hotel

[Click here for more information and registration](#) or visit  
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## Today's Stock Watch

### Macquarie Group (MQG)

Hong Kong investor forum presentation, containing a short-term outlook update, lodged this morning. MQG retains expectations of a FY 2017 result largely on par with FY 2016 and for 1H FY 2017 to come in conditionally and 'broadly' consistent with 2H FY 2016. The forum is scheduled for tomorrow and Wednesday.

### Cardno Ltd (CDD)

Selling the company's XP Solutions software business for \$US49M. Proceeds are earmarked for debt reduction.

### Wellard Ltd (WLD)

WLD major shareholder WGH Holdings has agreed to repay a \$A15.8M separation payment, plus \$500,000 interest, on refinancing closure, anticipated within seven days. In association, WGH will transfer ~66.3M WLD shares to Fulida, giving Fulida 16.58% of WLD. Fulida established the WLD-Fulida JV company Wellao in China last year. WGH is controlled by WLD CEO Mauro Balzarini.

### Redflow Ltd (RFX)

An initial shipment of ZBM2 batteries for RFX's ZCell system has arrived in Australia, enabling ZCell systems to be installed from October.

### Slater & Gordon (SGH)

Proposing to lodge legal claims against Watchstone Group in relation to the SGH purchase of the Quindell professional services business.

## Resources

### Newcrest Mining (NCM)

NCM is selling Newcrest PNG 1 Ltd to a Harmony Gold subsidiary, for an anticipated \$10M loss. Newcrest PNG 1 holds NCM's 50% interest in the Hidden Valley gold JV, giving Harmony full ownership. NCM and Harmony remain 50:50 partners in the Wafi-Golpu project.

### S2 Resources (S2R)

Reviewing Monsoon project drilling plans following disappointing results from follow-up diamond drilling.

### Mustang Resources (MUS)

Bulk sampling stockpiling underway for Montepuez ruby project plant commissioning, planned to commence within 10 - 15 days.

## Energy

### Carnarvon Petroleum (CVN)

WA 437-P Roc-2 wireline logging will be conducted over the coming seven - 10 days. Positive indications of hydrocarbons are noted in the deeper Milne sands, but not expected to be commercial. The shallower, larger Dorado structure is viewed as Roc-2's main potential. CVN 20%; Quadrant Energy 80% and operator.

interest rate 0.5% to 10%, stated it would retain this rate at least until year's end, but also suggested further reductions could be required during 2017.

Tonight in the **US**, a housing market index is due.

Also overnight Friday, **Deutsche Bank** shares dropped in US and European trade, impacting financial sector sentiment. Deutsche Bank vowed to negotiate a lesser penalty than the \$US14B proposed by the UIS Department of Justice following an MBS investigation.

**Intel** cited an improvement in personal computer demand while lifting September quarter sales guidance.

Late Thursday, reports emerged, **Unilever** was considering outlaying ~\$US1B for Honest Co, which owns the Dove brand of personal consumer products.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1310</b>	oz	-8	<b>-0.6</b>
<b>Silver (NY) (Dec)</b>	18.9	oz	-0.2	<b>-0.9</b>
<b>Gold (LON)</b>	1308	oz	-2	<b>-0.2</b>
<b>Platinum</b>	<b>1016</b>	oz	-12	<b>-1.2</b>
<b>WTI Crude (Oct)</b>	<b>43.0</b>	bbl	-0.9	<b>-2.0</b>
<b>Iron Ore (Tianjin)</b>	<b>56.1</b>	t	Public	Holiday
<b>Copper (LME)</b>	<b>4788</b>	t	7	<b>0.1</b>
<b>Nickel</b>	9725	t	10	<b>0.1</b>
<b>Aluminium</b>	1576	t	4	<b>0.2</b>
<b>Lead</b>	1937	t	-11	<b>-0.5</b>
<b>Zinc</b>	2215	t	-16	<b>-0.7</b>
<b>Tin</b>	19100	t	55	<b>0.3</b>
<b>CBT Wheat (Dec)</b>	<b>4.03</b>	bshl	0.04	<b>0.9</b>

### Commodities Commentary

*Oil* – Friday's falls on both sides of the Atlantic were in part attributed to the lifting of force majeure in Nigeria by both Exxon Mobil and Royal Dutch Shell.

In addition, a stronger \$US, and a weekly US petroleum rig count, which revealed two more oil rigs in operation, helped push WTI prices to one-month lows.

Brent crude settled 1.8% lower for the sessions, at \$US45.77/bbl.

*Gold* – the US Federal Reserve and Bank of Japan policy meetings will influence currencies, and hence gold trade, this week. Overnight Friday, comparative \$US strength, in part due to the higher-than-anticipated US August CPI reading, pushed prices lower again.

*Base metals* – swinging trade reported overnight Friday, during a second consecutive China public holiday. **China's** August house prices are expected today.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7505	0.0024	<b>0.32</b>
<b>EUR – USD</b>	1.1159	0.0006	<b>0.05</b>

### Australian Data Today

Conference Board	Leading index	Aug
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## Pre-Open Announcements

### Chorus Ltd (CNU) / HRL Holdings (\* HRL)

CNU shareholders will vote on the appointment of Milford Asset Management chairman Mark Cross as a CNU non-executive director at today's AGM. Meanwhile, CNU has appointed HRL to complete hazardous material surveying across CNU's properties in New Zealand. Details lodged this morning.

### Velpic Ltd (VPC)

Heralding client, sales and revenue growth in an update lodged this morning.

### Linus Technologies (LNU)

Heralding interest generated by the recent road show in Europe, the UK and US. Australian road show planned for 28 September – 12 October. Presentation lodged this morning.

### PharmAust Ltd (PAA)

Recruitment underway for the Phase II clinical trial of PAA's MPL capsule treatment for dogs with cancer. Details lodged this morning.

### Duxton Water (D2O)

Australian water entitlement-focused firm completed its ASX listing Friday following a \$41.7M IPO at \$1.10 per share. Opened at \$1.085 and slipped to \$1.08 before settling at \$1.10. 82,500 shares changed hands across 15 transactions.

## Resources

### Galaxy Resources (\* GXY)

Southern WA Mt Cattlin commissioning update lodged this morning.

### OceanaGold Corporation (OGC)

Haile gold mine site visit presentation lodged this morning. OGC has traded lower for the past three sessions, settling at \$4.39 Friday.

### Panterra Gold (PGI)

Dominican Republic Las Laguna project July-August production update lodged this morning.

### Anson Resources (ASN)

Heralding graphite determined from first-pass trenching along strike of where ASN collected high-grade rock chip samples (up to 4.3% TGC) within the Ajana project Warribanno prospect. ASN says costeans are up to 90m long. Details, including photographs, lodged post-trade Friday. ASN recouped 23.5% in three transactions Friday, closing at 2.1c.

### Orion Gold (ORN)

\$227,500 raised in a private placement at 2.5c per share, in support of exploration and due diligence activity. ORN traded at 2.1c – 2.3c last week, closing at 2.1c Friday.

## Energy

### Universal Coal (\* UNV)

Water-use licence in hand for the Brakfontein coal project, enabling development to proceed. UNV 50.29%.

## Trading Halts

Company	Code	Resuming
AVZ Minerals	AVZ	19 Sep
Metal Bank	MBK	19 Sep
Cleveland Mining Company	CDG	20 Sep

**US Data Tonight**

NAHB housing market index Sep

**Other Overseas Data Today & Tonight**

<b>China</b>	Property prices	Aug
UK	Rightmove house prices	Sep
<b>Euro zone</b>	Current account	Jul
Euro zone	Construction output	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](mailto:advice@stateone.com.au).

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Dart Mining	DTM	20 Sep
Elysium Resources	EYM	20 Sep
Greenpower Energy	GPP	20 Sep
Intiger Group	IAM	20 Sep
Windward Resources	WIN	20 Sep

**Suspensions (selected)**

Company	Code	Since
ATC Alloys	ATA	2 Sep
Australia China Holdings	AAK	25 Aug
Diploma Group	DGX	1 Sep
HJB Corporation	HJB	8 Sep
KBL Mining	KBL	9 Sep
Krakatoa Resources	KTA	8 Sep
Oakajee Corporation	OKJ	12 Sep
Realm Resources	RRP	13 Sep

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>FFI</b>	Today	<b>11</b>	100	5.43
<b>RSG</b>	Today	<b>1.7</b>	0	0.80
<b>SKB</b>	Today	<b>1</b>	100	1.68
<b>VOC</b>	Today	<b>8</b>	100	2.18
CWY	Tomorrow	0.9	100	1.57
ONT	Tomorrow	11.5	100	3.21
SIP	Tomorrow	2.5	100	4.00
SWK	Tomorrow	0.4	100	1.43
AQZ	Wed	2	100	2.47
BEL	Wed	0.5	100	7.14
CAR	Wed	19.5	100	3.10
DGH	Wed	2.25	100	5.70
NCM	Wed	~9.75	0	0.46
PMP	Wed	2.4	0	5.58
VSC	Wed	1.5	0	2.70
WEB	Wed	8	100	1.40

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>CM8</b>	Full-year
	<b>ORE</b>	Full-year
	<b>TLS</b>	Shareholder meeting, Melb
<b>Tomorrow</b>	NHC	Full-year
	TLS	Shareholder meeting, Syd
	TPM	Full-year
	SYD	August statistics
<b>Wed</b>	KMD	Full-year
	NUF	Full-year
	TLS	Shareholder meeting
<b>Thu</b>	AIA	August statistics
	BKW	Full-year
	ORL	Full-year
	PMV	Full-year
	SOL	Full-year
	SUN	AGM

**S&P S&P/ASX Indices Re-balance**

*The following changes were effected from close of trade Friday ...*

**S&P/ASX200**

*Out:* ASB, CVO, MSB, PRG, SHV, VRL

*In:* GXY, IFN, NXT, ORE, RSG, WEB

**S&P/ ASX300**

*Out:* 1PG, 3PL, BBG, BNO, CLH, DCG, MRM, NZM, PAC, PRT,  
RKN, SGH, SMX, WLD

*In:* AVN, BBN, CL1, DCN, DRM, EML, EQT, FNP, GXY, MNS,  
NTC, SIV, SSM, VTG, WTC

**S&P/ASX All Australian 200**

*Out:* KAR, LNG

*In:* GXY, RSG