Market Opener

Monday 20 November 2017

Need more information?

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

Markets

SFE 200 Futures (9.30am AEDST)	**5959**	**-4**	**-0.1**
NZX 50	8070	8	0.1
DJIA Futures	23316	0	0.0
S&P 500 Futures	2576	0	0.0
NASDAQ Futures	6313	0	0.0

Local Markets Commentary

The Australian market opens a new week's trade on overnight Friday gains for key commodities, but negative international equities leads, and amid new domestic and regional data.

In overnight Friday commodities trade, **oil** swung higher and rallied. US **gold** futures were also propelled higher.

LME **copper** and **nickel** turned higher, nickel resuming rally mode.

The **$A** was pushed to ~US75.65c after dropping below US75.45c Friday evening.

Locally today, a capital city residential property price report is due pre-trade.

Later, the IMF publishes its annual economic assessment of Australia.

Two Reserve Bank of Australia (**RBA**) officials speak publicly, one on Australia-China property development, investment and financing (**12.35pm** AEDST), and the other regarding local equities markets (**2.50pm**).

Meanwhile, **AST** and **ELD** trade ex-dividend.

Regionally today, **Japan** publishes October trade figures **10.50am** AEDST.

Over the weekend, **China** revealed a 0.3% rise in average October home prices, following a 0.2% rise for September.

On Friday, China's regulators proposed further asset management 'guidelines' for financial institutions.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	**23358**	-100	**-0.4**
S&P 500	2579	-7	-0.3
NASDAQ	6783	-11	-0.2
FTSE 100	7381	-6	-0.1
DAX 30	12994	-53	-0.4
Shanghai Comp	3383	-16	-0.5

Overseas Markets Commentary

Sentiment fell across major European and US equities markets overnight Friday, in part due to adverse analyst reassessments of select stocks across all markets and sectors, and following new investment asset guidelines unleashed for China.

In addition, European Central Bank president Mario Draghi told a European banking congress that low rates remained necessary for the **euro zone**.

Among data releases, **US** October housing starts were reported 13.7% higher. Building permits rose 5.9%.

Japan – October trade balance **10.50am** AEDST

RBA – Financial stability head Jonathan Kearns speaks at an Australia-China property developers, investors and financiers event, Sydney, **12.35pm** AEDST

RBA – Domestic markets head Marion Kohler speaks at the Australian Securitisation Forum, Sydney, **2.50pm** AEDST

Today's Stock Watch

Baby Bunting (BBN)

Today's AGM update includes an expected $A23M FY 2018 EBITDA, against previous $A25.3M - $A27M guidance.
Select trading and margin figures lodged this morning.
A teleconference was scheduled to commence 9am AEDST. Access details and AGM speeches lodged this morning.

GUD Holdings (GUD) / Coventry Group (CYG)

GUD is proposing to outlay $A22M for CYG subsidiary AA Gaskets, including the NZ Gaskets business. 1 December completion anticipated.

carsales.com Ltd (CAR)

MoU in hand to purchase the balance 50.1% of South Korean site SKEncar.com for ~$A244M.

Noxopharm Ltd (NOX)

Promising safety and disease control interim outcomes reported for a trial involving NOX66 as a treatment for patients with metastatic, late-stage cancer. NOX is resuming from a trading halt having presented the data at a European Society of Medical Oncology Asia conference Saturday. Last traded at 64.5c.

Macquarie Atlas Roads (MQA) / Macquarie Group (MQG)

MQA's management will transition to an internalised model, as opposed to being managed by MQG.

Creso Pharma (CPH)

Strategic partnership and commercial distribution agreement secured with Chinese hemp producer Zhejiang Kingdom Creative Co. In association CPH has established four sales, marketing and distribution offices in China, namely in Beijing, Shanghai, Shenzhen and Guangzhou. Further details lodged this morning.

Wattle Health Australia (WHA)

The China Food & Drug Administration has officially accepted WHA's application to supply the company's infant formula range within China, and is conducting a final review.
WHA appreciated 11.1% (23c) Friday, settling at $2.30.
Today's AGM chairman's speech lodged.

AuMake International (AU8)

Year-on-year October sales grew 109.5%.

Resources

Altona Mining (AOH)

TSX-listed Copper Mountain Mining Corporation is planning to acquire AOH under an agreed merger deal. Details lodged this morning.

Lucapa Diamond Company (LOM)

The Angola Lulo diamond JV has sold a further 4216 carats of diamonds for a gross $US7.3M, representing ~$US1770/carat.
Sales for 2017-to-date total $US31.6M, with a $US1668/carat average.

Tonight in the US, a monthly leading index report is due.

In overnight Friday corporate news, some better-than-anticipated quarterly figures from specialist retailers Gap, Abercrombie & Fitch and Foot Locker appeared the lift the US **retail** sector in general.

Twenty-First Century Fox was reported in the meantime to be attracting broader asset interest, including from Comcast and Verizon.

Meanwhile, banks reportedly due to negotiate settlements with the European Commission following four years of forex market investigations included: Barclays, Citigroup, HSBC, JPMorgan Chase, Royal Bank of Scotland and UBS.

US market investors face an interrupted trading week due to **Thanksgiving**. Markets will be **closed Thursday** and will close early (1pm ET) Friday.

Commodities

COMMODITY	CLOSE	$US/	+/-	%
Gold (NY) (Dec)	**1297**	oz	19	1.4
Silver (NY) (Sep)	17.4	oz	0.3	1.8
Gold (LON)	1280	oz		
Platinum	948	oz	17	1.8
WTI Crude (Nov)	**56.6**	bbl	1.4	2.6
Brent Crude (Nov)	**62.7**	bbl	1.4	2.2
Iron Ore (CHN port 62%)	**62.6**	t	1.0	1.7
Copper	**6777**	t	40	0.6
Nickel	11575	t	225	2.0
Aluminium	2104	t	2	0.1
Lead	2432	t	29	1.2
Zinc	3180	t	36	1.1
Tin	19475	t	125	0.6
CBT Wheat (Dec)	**4.27**	bshl	0.06	1.3

Commodities Commentary

Oil – optimism remained for positive outcomes from the 30 November OPEC meeting, at which a possible extension of the production constraint agreement is due to be debated.

A weekly US petroleum drill rig count report included no additional oil rigs in operation.

Gold – proposed US tax system change will remain in focus this week, with the Senate set to follow the House of Representatives in debating its own legislation ahead of a possible December vote. This is expected to influence sentiment across most trade, including the gold sector.

In addition, the US Federal Reserve releases minutes of its last monetary policy meeting, amid speculation of another rate rise out of next month's meeting.

Thanksgiving week may also mean lower-volume trade from early-week, and hence could amplify any volatility.

Overnight Friday, a weaker $US supported gold trade, futures settling at a one-month peak.

Base metals – in an absence of major new relevant data releases, comparative $US softness appeared the major factor in overnight Friday LME trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7562	-0.0005	-0.07
EUR – USD	1.1796	0.0006	0.05

Pre-Open Announcements

Sydney Airport (* SYD)

October international passenger numbers grew 5.8% year-on-year, and domestic 2.8%. For the year-to-date, overall passenger numbers are up 3.5%, with 7.4% and 1.4% respective international and domestic growth.

Breville Group (BRG)

Joint company secretary Mervyn Cohen has resigned, effective Friday.

5G Networks (* 5GN)

Investor presentation lodged this morning.

The ICT services and network rollout company completed a successful ASX listing Friday following a $4M IPO at 25c per share.

Opened at 28c and traded at 25c – 30c before settling at 26c.

~1.65 shares changed hands across 152 transactions.

20.45M shares.

Resources

Gold Road Resources (* GOR)

Deals secured with two banks to forward-sell up to 200,000oz of gold. The hedging facilities expire 30 June 2018 and while they are unsecured, will require cash backing if mark-to-market grows beyond $A25M. ~Today's AGM presentation lodged.

Jervois Mining (JRV)

NSW Young cobalt-nickel project resource updated to 167.8Mt @ 0.59% Ni & 0.06% Co. Breakdown statistics also lodged this morning.

Trading Halts

Company	Code	Resuming
Ardiden Ltd	ADV	20 Nov
MMA Offshore	MRM	20 Nov
Primary Opinion	POP	20 Nov
TNG Ltd	TNG	20 Nov
Battery Minerals	BAT	21 Nov
BidEnergy Ltd	BID	21 Nov
Draig Resources	DRG	21 Nov
King River Copper	KRC	21 Nov
Marindi Metals	MZN	21 Nov
MSM Corporation	MSM	21 Nov
West Wits Mining	WWI	21 Nov

Suspensions *(selected)*

Company	Code	Since
Bisan Ltd	BSN	2 Nov
Blackham Resources	BLK	8 Nov
Caeneus Minerals	CAD	30 Oct
First Growth Funds	FGF	17 Nov
iCandy Interactive	ICI	15 Nov
Marquee Resources	MQR	15 Nov
Oriental Technologies	OTI	1 Nov
Red Emperor Resources	RMP	8 Nov
ServTech Global Holdings	SVT	1 Nov
Wolf Petroleum	WOF	30 Oct

Australian Data Today

CLgc	Capital city resdntl property prices	17Nov
IMF	Australian economy	Annual

US Data Tonight

Conference Board leading index	Oct

Other Overseas Data Today & Tonight

Japan	Trade balance	Oct
Germany	PPI	Oct

Need More Information?

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Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AST	Today	**4.63**	0	4.89
ELD	Today	**15**	100	1.24
AEG	Wed	2.5	100	2.25
IPL	Thu	4.9	0	2.37
TLT	Thu	1.25	0	0.00
WLE	Thu	2	100	2.59
ZEL	Thu	9.38	0	4.03
DLX	Fri	13.5	100	3.31
RHL	Fri	6	100	5.21
WHF	Fri	8.75	100	3.55

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	**APT**	AGM
	AAD	AGM
	BBN	AGM
	IPH	AGM
	QRX	AGM
	SYD	Oct update
Tomorrow	A2M	AGM
	ACX	Investor day
	ALQ	Interim
	BBG	AGM
	CAB	AGM
	FPH	Interim
	GNC	Full-year
	MND	AGM
	SFH	AGM
	TNE	Full-year
Wed	GOZ	AGM
	IFN	AGM
	MTR	AGM
	MIN	AGM
	NXT	AGM
	PRG	Interim
	QUB	AGM
	REA	AGM
	RES	AGM
	SCP	AGM
	SHL	AGM
	VRT	AGM
	WEB	AGM
	WTC	AGM
Thu	BCI	AGM
	BPT	AGM
	EHL	AGM
	EVN	AGM
	IOF	AGM
	IFL	AGM
	ISD	AGM
	KCN	AGM
	PLS	AGM
	PRY	AGM

	RRL	AGM
	S32	AGM
	SAR	AGM
	WSA	AGM
	WOW	AGM
Fri	AHG	AGM
	AWE	AGM
	MYR	AGM
	SHV	AGM
	VRL	AGM