

Thursday 22 September 2016

## Markets

<b>SFE 200 Futures</b> (9.25am AEST)	<b>5355</b>	<b>32</b>	<b>0.6</b>
<b>NZX 50</b>	7321	40	0.6
<b>DJIA Futures</b>	18203	-15	-0.1
<b>S&amp;P 500 Futures</b>	2154	-2	-0.1
<b>NASDAQ Futures</b>	4846	-4	-0.1

## Local Markets Commentary

The Australian market opens following overnight US equities, gold and oil rallies.

Since the close of US trade however, the US government has revealed its troops may have been targeted in a chemical-laden rocket attack in Iraq.

In other commodities trade, **copper** turned and fell. **Iron ore** rose slightly.

The **\$A** surpassed US76.3c after approaching ~US76.0c yesterday evening.

Locally today, further detail will be released by the ABS regarding August workforce statistics. The ABS will also publish March quarter demographic statistics.

Several high-profile and large-cap stocks trade **ex-dividend** today. Please see **p3** for a detailed list.

This morning the **Reserve Bank of New Zealand** has retained a 2.0% cash rate.

**Japan's** markets will not trade **today** due to a public holiday.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>18294</b>	164	<b>0.9</b>
<b>S&amp;P 500</b>	2163	23	1.1
<b>NASDAQ</b>	5295	54	1.0
<b>FTSE 100</b>	6835	4	0.1
<b>DAX 30</b>	10436	43	0.4
<b>Shanghai Comp</b>	3026	3	0.1

## Overseas Markets Commentary

Major European equities markets avoided declines overnight and US indices rallied in the last 90 minutes of trade, after the Bank of Japan targeted a 0% floor for 10-year sovereign bond yields, and the US Federal Reserve opted not to raise rates this month.

The Federal Reserve statement argued an improving case for raising rates in the near-term, however, and three monetary policy committee members voted for a September rise.

Tonight in the **US**, weekly new unemployment claims are due, together with August existing home sales, a house price index, the Chicago national activity index, a regional manufacturing index and a leading indicators report.

In Frankfurt, a **European Systemic Risk Board** conference will be addressed by chairman (and European Central Bank president) Mario Draghi.

## 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  
[www.stateone.com.au](http://www.stateone.com.au).

**RBA** - governor Philip Lowe meets with the House of Representatives economics committee today.

**WBC** - chief economist Bill Evans is guest speaker at an Association of Superannuation Funds of Australia lunch, Sydney.

## Today's Stock Watch

### Australia & New Zealand Banking Group (ANZ)

Confidential, commercial settlement achieved for the Burrup Fertilisers receivership and sale dispute with Pankaj and Radhika Oswal. ANZ says full-year 2016 results will include an ~\$145M provision related to the settlement.

### Vocus Communications (VOC)

The ACCC is not opposing VOC's proposed acquisition of Nextgen Networks Group.

### Premier Investments (PMV)

25c fully-franked final dividend, against 21c for FY 2015. 17.9% higher, \$103.9M (53-week) full-year NPAT. 10.1% higher, \$1.1B revenue. \$3.08 NTA. 65.78c EPS. \$283.2M cash and equivalents.

### Brickworks Ltd (BKW)

32c fully-franked final dividend, following 32c for FY 2015. \$78.2M full-year NPAT, following \$78.1M for FY 2015. 4% higher, \$750.99M revenue. \$10.96 NTA. 52.6c EPS. \$30.8M cash and equivalents.

### Washington H Soul Pattinson (SOL)

31c fully-franked final dividend, up 1c. 79.3% higher, \$149.4M full-year NPAT. 3.3% lower, \$620.7M revenue. \$12.21 NTA. 62.42c EPS. SOL's results included a 34.9% appreciation on the company's TPG Telecom (ASX: TPM) investment, and 20.8% for Australian Pharmaceutical Industries (API).

### Fonterra Shareholders' Fund (FSF)

\$NZ143M FSF full-year revenue, following -\$NZ158M for FY 2015. NZ10c final dividend. Fonterra Co-operative Group full-year NPAT rose 73.8% to \$NZ810M. Revenue fell 8.7% to \$NZ17.2M.

### Strategic Elements (SOR)

Silicon transistor technology licensing and commercialisation agreement secured with the university of New South Wales.

### MyState Ltd (MYS)

MyState Bank is issuing \$10M worth of 10-year notes. Details lodged post-trade yesterday.

### Suncorp Group (SUN)

AGM today.

## Resources

### South32 Ltd (S32)

Barclays has reassessed S32 as overweight, from equalweight.

### Alumina Ltd (AWC)

Standard & Poor's has re-rated AWC debt as BB, from BBB-.

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1331</b>	oz	13	1.0
<b>Silver (NY) (Dec)</b>	19.8	oz	0.5	2.6
<b>Gold (LON)</b>	1326	oz	12	0.9
<b>Platinum</b>	<b>1050</b>	oz	22	2.1
<b>WTI Crude (Oct)</b>	<b>45.6</b>	bbl	2.2	3.4
<b>Iron Ore (Tianjin)</b>	<b>55.4</b>	t	0.1	0.2
<b>Copper (LME)</b>	<b>4763</b>	t	-30	-0.6
<b>Nickel</b>	10350	t	40	0.4
<b>Aluminium</b>	1584	t	7	0.4
<b>Lead</b>	1936	t	-45	-2.3
<b>Zinc</b>	2273	t	-27	-1.2
<b>Tin</b>	19300	t	-175	-0.9
<b>CBT Wheat (Dec)</b>	<b>4.08</b>	bshl	0.02	0.4

**Commodities Commentary**

*Oil* – prices rose early after a late-Tuesday API report estimated US crude stockpiles had fallen by 7.5MMbbl last week.

Overnight, the EIA's weekly inventories report contained a 6.2MMbbl fall for stored crude.

*Gold* – Comex futures continued higher in post-settlement electronic trade, approaching \$US1339/oz, following the US Federal Reserve decision to maintain rates status quo.

*Base metals* – Japan's August exports were reported (yesterday morning) 10% lower year-on-year, and profit-taking was noted for *copper*.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7632	0.0006	0.08
<b>EUR – USD</b>	1.1188	-0.0003	-0.02

**Australian Data Today**

ABS	Workforce – additional detail	Aug
ABS	National demographics	Mar Q

**US Data Tonight**

Initial jobless claims	17 Sep
Existing home sales	Aug
Chicago Fed national activity index	Aug
FHFA house price index	Jul
Leading indicators	Aug
Kansas City Fed manufacturing	Sep

**Other Overseas Data Today & Tonight**

<b>UK</b>	CBI trends	Sep
<b>Euro zone</b>	Consumer confidence	Sep
Euro zone	ECB economic bulletin	Sep

**Pre-Open Announcements**
**OrotonGroup Ltd (\* ORL)**

31.4% higher, \$3.4M full-year NPAT. 3.3% higher, \$136.4M revenue. 2c fully-franked final dividend.

**Vicinity Centres (\* VCX)**

VCX has appointed former Grocon CEO Carolyn Viney as executive GM development, effective October.

**Fastbrick Robotics (\* FBR)**

New animated video available for FBR's truck-mounted, fully-automated bricklaying system named Hadrian X.

**eServGlobal Ltd (ESV)**

ESV's HomeSend JV with MasterCard and BICS has agreed a remittance service with the Commercial Bank of Ethiopia, enabling direct remittance of funss to mobile numbers in Ethiopia.

**Etherstack Plc (ESK)**

ESK's Australian subsidiary has secured a \$US2.6M five-year digital radio network support services contract with Ergon Energy.

**Resources**
**Black Rock Mining (\*\* BKT)**

Battery-grade spherical graphite achieved in testing, using conventional milling and purification. Details lodged this morning.

**Alkane Resources (ALK)**

Resources updated to 10.32Mt @ 1.75g/t Au, for 579,000oz of gold. Reserves are estimated at 4.31Mt @ 1.8g/t Au, for 253,000oz of gold.

**Eastern Goldfields (EGS)**

High-grade, significant-width drilling results lodged this morning for the WA Siberia Mining Centre Sandking and Missouri deposits.

**Citation Resources (CTR)**

Voluntary administrators appointed.

**Trading Halts**

Company	Code	Resuming
Latin Resources	LRS	22 Sep
Pureprofile Ltd	PPL	22 Sep
Alliance Resources	AGS	23 Sep
Compumedics Ltd	CMP	23 Sep
Core Exploration	CXO	23 Sep
Drake Resources	DRK	23 Sep
Emeco Holdings	EHL	23 Sep
Greenland Minerals & Energy	GGG	23 Sep
Maverick Drilling & Exploration	MAD	23 Sep
Ram Resources	RMR	23 Sep
Red Mountain Mining	RMX	23 Sep
TerraCom Ltd	TER	23 Sep
Tyranna Resources	TYX	23 Sep
Venus Metals Corporation	VMC	23 Sep
Vimy Resources	VMY	23 Sep

**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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**Suspensions (selected)**

Company	Code	Since
ATC Alloys	ATA	2 Sep
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
Windward Resources	WIN	20 Sep

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>ALU</b>	Today	<b>10</b>	99	2.14
<b>CNU</b>	Today	<b>~11.50</b>	0	4.96
<b>CWN</b>	Today	<b>39.5</b>	70	5.36
<b>FBU</b>	Today	<b>~16.04</b>	0	2.93
<b>GEM</b>	Today	<b>6</b>	100	7.69
<b>GFY</b>	Today	<b>3.8</b>	39.47	14.13
<b>GLB</b>	Today	<b>3</b>	100	5.71
<b>HHV</b>	Today	<b>3.5</b>	100	4.56
<b>LTN</b>	Today	<b>0.5</b>	0	0.00
<b>MWR</b>	Today	<b>1.3</b>	0	2.24
<b>RCO</b>	Today	<b>0.5</b>	100	4.55
<b>SLK</b>	Today	<b>7.5</b>	100	2.66
<b>SPK</b>	Today	<b>~11.82</b>	0	5.69
<b>XIP</b>	Today	<b>7</b>	100	2.03
CAF	Tomorrow	1.2	100	4.78
CII	Tomorrow	8	100	3.73
GAP	Tomorrow	1	0	4.61
SND	Tomorrow	2	100	6.96
IMF	Mon	7.5	100	4.05
CGC	Tue	6	100	3.02
JHC	Tue	5.75	100	5.78
NST	Tue	4	100	1.65
SRX	Tue	30	77.66	0.97

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>AIA</b>	August statistics
	<b>BKW</b>	Full-year
	<b>ORL</b>	Full-year
	<b>PMV</b>	Full-year
	<b>SOL</b>	Full-year
	<b>SUN</b>	AGM