

Markets

SFE 200 Futures (9.30am AEST)	6169	-23	-0.4
NZX 50	9322	-54	-0.6
DJIA Futures	26692	-62	-0.2
S&P 500 Futures	2928	-6	-0.2
NASDAQ Futures	7520	-31	-0.4

Local Markets Commentary

The Australian market opens a new week's trade on heightened US – Middle East tensions and an \$A pull back, as key regional markets remain closed for public holidays, and ahead of a significant reorganisation of US S&P equities sectors tonight.

In addition, overnight Friday international equities trade proved notably mixed.

In overnight Friday commodities trade, **oil** settled higher, more so WTI crude than Brent.

US (December) **gold** futures swung lower.

Iron ore (62% Fe, China port) continued slightly lower.

LME **copper** and other key base metals were pushed sharply higher.

The **\$A** moved around US72.90c after trading at ~US73c early Friday evening, but has fallen this morning.

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

Stocks trading ex-dividend today include **CAR** and **CNU**. Please see p3 for additional companies and details.

Markets in China, Japan and South Korea will be closed today due to public holidays.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26744	87	0.3
S&P 500	2930	-1	-0.0
NASDAQ	7987	-41	-0.5
FTSE 100	7490	123	1.7
DAX 30	12431	104	0.9
Shanghai Comp	2797	68	2.5

Overseas Markets Commentary

Major European and US equities markets diverged overnight Friday, the S&P 500 and NASDAQ notably heading lower in early trade.

In the **UK**, public sector borrowing rose by more than anticipated in August, reaching £6.8B from £4.4B a year earlier.

Meanwhile, the PM challenged the European Union (EU) to start offering compromise suggestions rather than just outright reject the UK's proposal for regulations governing key business, finance, trade and immigration relationships following the UK's planned separation from the EU.

Otherwise, the PM suggested, there was currently no way forward. The British pound subsequently fell.

Germany's initial September manufacturing PMI fell

ASX – normal trade and settlement
Public holiday in Western Australia

Today's Stock Watch

Sims Metal Management (S) SGM)

Anticipating \$58M - \$63M first quarter FY 2019 underlying EBIT, against \$45M a year ago, but less than for the fourth quarter FY 2018.

Details, regarding for Zorba sales, lodged this morning.

Ainsworth Gaming Technology (AGI)

CEO Danny Gladstone is planning to resign after 30 June 2019.

Mr Gladstone intends to continue in a different role with AGI following the appointment of a new CEO.

Auckland International Airport (AIA)

As previously flagged, AIA is conducting a six-year, fixed rate bond offer.

AIA is targeting \$NZ125M but will accept up to \$NZ50M in oversubscriptions.

The offer is restricted to clients of joint lead managers ANZ and Westpac, NZX participants and approved financial operators and institutional investors.

Immutep Ltd (IMM)

Clinical trial collaboration and supply agreement with Merck and Pfizer in hand. Details lodged this morning.

MGC Unit Trust (MGC)

Murray Goulburn Co-operative confirms the Endeavour River class action has not yet been scheduled for trial.

The Webster action has been scheduled for ~four weeks from 5 February.

A further case management hearing for both actions is scheduled for 26 October.

In the meantime, MGC says it remains in discussions with the Australian Competition & Consumer Commission (ACCC).

oOh!media Ltd (OML)

OML has appointed former Virgin Mobile CEO David Scribner to the newly-created OML position of chief customer officer, effective 8 October.

Prescient Therapeutics (PTX)

Canada patent to be granted for proposed cancer treatment PTX-200.

Resources

Lynas Corporation (LYC)

In response to media articles, confirming licence renewals and variations are required, in order to continue operations in Malaysia.

TNG Ltd (TNG)

Vimsom Goup is subscribing for ~\$10M worth of TNG shares at 10.4c each, in part pending TNG shareholder approval. TNG traded at 13c – 14.5c last week.

Energy

Strike Energy (STX) / Energy World Corporation (EWC)

Jaws-1 bulk dewatering completed, with bottom hole pressure reduced by 65%. STX 66.7% and operator; EWC 33%.

2.2 to 53.7, but the services PMI rose 1.5 to 56.5.

For the overall **euro zone** region, the PMIs came in respectively at 53.3 (down 1.3) and 54.7 (up 0.3).

Markit estimated a 55.6 initial September manufacturing PMI for **US**, following 54.7 in August, and 52.9 for the services sector, after 54.8.

The ISM's figures are now more keenly anticipated, given services industries are estimated to account for ~67% of the US economy.

Tonight in the **US**, the Chicago Fed national activity and Dallas Fed manufacturing indices are due.

Elsewhere, **European Central Bank** (ECB) president Mario Draghi is again scheduled to speak publicly, after last week promoting co-operative bank liquidity regulations and a regional crisis fund to euro zone governments.

In corporate news since Friday's ASX close, **Comcast** outbid competitor **Twenty-First Century** Fox, and in association **Walt Disney**, in an auction for the balance of Sky Plc.

Twenty-First Century Fox holds 39% of Sky. The auction was initiated by the UK Takeover Panel, but the final outcome hangs on shareholder approvals.

Comcast will pay ~\$US40B and gain status as the largest operator of pay TV networks.

Amid the overnight Friday corporate earnings reporters, chip manufacturing **Micron** suffered after delivering a disappointing forecast

In the meantime, another **Tesla** executive, this time VP global supply management, was reported to have resigned.

Appetite for **McDonald's** rose ~2% on a 15% quarterly dividend boost.

This week, new **Apple** phone and watch sales will be closely monitored.

A major change comes into effect tonight (ie prior to the commencement of Monday trade) for the S&P Dow Jones Indices' Global Industry Classification Standard (GICS), in particular regarding technology, media and consumer classifications.

Google parent Alphabet, Amazon, Facebook an, Netflix move from the IT sector into 'communications services', which also includes large entertainment/media stocks currently residing in the consumer discretionary sector.

Apple remains within the S&P technology index with a 20% weighting against the former 16%.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1204	oz	-7	-0.6
Silver (NY) (Sep)	14.3	oz	0.0	0.1
Gold (LON)	1199	oz	-10	-0.8
Platinum	826	oz	-7	-0.8
WTI Crude (Nov)	70.8	bbl	0.5	0.7
Brent Crude (Nov)	78.8	bbl	0.1	0.1
Iron Ore (CHN port 62%)	69.1	t	0.08	-0.1
Copper (LME,3mth,PM)	6383	t	281	4.6
Nickel	13250	t	625	5.0
Aluminium	2091	t	48	2.4
Lead	2039	t	35	1.7
Zinc	2496	t	41	1.7
Tin	19000	t	40	0.2
CBT Wheat (Oct)	5.22	bshl	-0.02	-0.4

Pre-Open Announcements

RCR Tomlinson (* RCR)

Reporting 47% take-up in the retail component of the company's \$100M entitlement offer. The retail offer initially raised \$14.4M at \$1.00 per share, the balance going to underwriters under the raising agreement. RCR traded at \$1.0675 - \$1.155 last week.

Althea Group Holdings (* AGH)

Medicinal cannabis product developer completed a stellar ASX listing Friday following a \$19.65M IPO at 20c per share. Opened at 60c, fell to 50c, but settled at 56c. 12M shares changed hands. 131.72M quoted shares.

archTIS Ltd (AR9)

Cyber security consultancy completed its ASX listing Friday following an \$8M IPO at 20c per share. Opened at 20.5c and slipped to 17c before settling at 18.5c. 2.15M shares were traded. 83.93M quoted securities.

Resources

South32 Ltd (* S32)

Positive Cerro Matoso court action update lodged this morning.

RED 5 (* RED)

\$A11.9M full year net loss. \$77.1M sales revenue. \$12.9M in cash and metal accounts. WA eastern goldfields Darlot gold production began in October 2017.

Birimian Ltd (* BGS)

CFO and company secretary Noel McAuliffe has left BGS, in association with a commercial restructuring involving moving some accounting and administrative work to Mali, from Perth. Endeavour Corporate partner Mark Pitts has been appointed company secretary, and BGS commercial manager Alan Cumming as acting CFO.

Northern Star Resources (NST) / Silver Lake Resources (SLR)

Among several ASX-listed companies presenting at this week's influential Denver Gold Forum. Presentations lodged this morning.

Alkane Resources (* ALK)

NSW Tomingley gold project underground development approved by the ALK board. Portal work is expected to begin by year's end and development early-2019.

Energy

Karoon Gas Australia (KAR)

Anticipating the Brazil Neon light oil well will be developed before Goiá, each through a FPSO. Goiá's development will depend on a successful Neon development. Confirming also, that force majeure has been lifted from Peru Block Z-38, and that KAR and farm-in partner Tullow plan to drill Marina-1 within the block dearly 2020. Details lodged post-trade Friday.

Paladin Energy (PDN)

Presentation lodged post-trade Friday.

Commodities Commentary

Oil – large-volumes and swinging prices reportedly featured in overnight Friday, ahead of a key weekend meeting between representatives of signatories to the OPEC-led higher production agreement achieved mid-year.

New figures have revealed **OPEC** and other nations who had last year agreed to reduce production, did so in August by 600,000bbl each day more than required by the new, higher-output agreement.

Notably, **Iran** reported maintaining national production at a daily 3.8MMbbl during August. The nation also revealed previous customer South Korea had placed no orders for oil from Iran for ~three months.

A weekly **US** petroleum rig report, published overnight Friday, included one fewer operational oil rig.

Over the weekend, OPEC released a series of **forecasts**, including 101.9MMbbl/d daily global demand for oil in 2020. This represented a 1.2MMbbl/d increase on last year's 2020 prediction. OPEC has also forecast 2017 – 2023 demand for crude and liquids produced by non-OPEC members to grow by 4MMbbl/d more than the organisation had previously predicted.

OPEC also predicted non-OPEC output would reach a daily 66.1MMbbl by 2023, following an original forecast last year of 57.5MMbbl.

In association, OPEC said it anticipated demand for OPEC output would fall to 31.6MMbbl/d in 2023, from last year's 32.6MMbbl/d demand. Last year, OPEC had predicted demand for OPEC crude would remain at ~33MMbbl/d through to the mid-2020s.

OPEC estimated it had provided 34% of the world's oil in 2017, and, despite falls in the meantime, said it expected this to grow to 36% by 2040.

Meanwhile, Saudi Arabia and Russia each maintained late weekend that increased crude **production** was not needed this year, Saudi Arabia adding that it could readily lift output if needed.

Saudi Arabia cited refinery demand levels, while explaining that although those bound by the agreement wished to make up for reduced production from Iran, while producing at agreement target levels, supply currently met demand.

A media report suggested, however, that Saudi Arabia had little room to increase premium-grade output.

The next official OPEC-led agreement monitoring committee has been scheduled for 11 November and the regular OPEC meeting has been moved back from 3 December to 6 – 7 December.

Gold – a US Federal Reserve policy meeting this week is expected by a majority of economists to deliver another rate rise, but some anticipate the central bank will soften economic growth outlooks.

Among the forecasters, Goldman Sachs has reduced its three-, six- and 12-month forecasts to \$US1250/oz, \$US1300/oz and \$US1325/oz; these prices from \$1350/oz, \$US1375/oz and \$US1450/oz respectively.

Base metals – the magnitude of Friday's rallies appeared unexpected, *copper* trading at six-week peaks. A \$US index at ~two-month lows in early LME trade offered support.

In additional, BHP Billiton had revealed late-week that a fire in a Chile copper mine had temporarily

Reports & Events

(selected scheduled)

When	Company	Report/Event
Tomorrow	AIA	August statistics
Wed	AGL	AGM
	AIZ	AGM
	NUF	Full year

Trading Halts

Company	Code	Resuming
Scottish Pacific Group	SCO	24 Sep
Tawana Resources	TAW	24 Sep
Trustees Australia	TAU	24 Sep
Aeris Resources	AIS	25 Sep
Alderan Resources	AL8	25 Sep
Lakes Oil	LKO	25 Sep
MGC Pharmaceuticals	MXC	25 Sep
MSM Corporation International	MSM	25 Sep
Pancontinental Oil & Gas	PCL	25 Sep

Suspensions (select)

Company	Code	Since
AFT Corporation	AFT	11 Sep
Alice Queen	AQX	10 Sep
ApplyDirect Ltd	AD1	21 Sep
Aurora Dividend Income Trust	AOD	21 Sep
AustSino Resources Group	ANS	6 Sep
Axesstoday Ltd	AXL	14 Sep
Black Star Petroleum	BSP	21 Sep
Hardey Resources	HDY	10 Sep
Horizon Gold	HRN	21 Sep
Jacka Resources	JKA	21 Sep
Sundance Resources	SDL	10 Sep
Syngas Ltd	SYS	6 Sep
Victory Mines	VIC	11 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CAR	Mon	23.7	100	2.99
CNU	Mon	11.91	0	4.44
SGF	Mon	9.96	100	4.83
VLS	Mon	1.5	100	3.57
BWR	Tomorrow	5	0	6.62
GDG	Tomorrow	1	12.51	1.75
RND	Tomorrow	125	100	0.00
TBR	Tomorrow	350	100	0.00
WPP	Tomorrow	2.3	100	7.30
BKL	Wed	155	100	2.20
CAJ	Wed	0.4	100	2.76
CWP	Wed	18	100	4.84
GAP	Wed	1	0	5.63
MXI	Wed	1.5	100	6.31
ACF	Thu	0.5	0	0.93
AJD	Thu	2	0	6.37
ARF	Thu	3.38	0	5.34
BSA	Thu	0.5	100	1.89

shut down mine production.
Copper options were traded for the first time in Shanghai Friday, volumes also exceeding expectations, in particular in early trade.
The US has confirmed an extension until 12 November for its sanctions against those holding Rusal (Russian *aluminium* producer) interests, while maintaining a 23 October deadline for Gaz Group.
Among Friday's data releases, Japan report August inflation growth of 0.5% for the month (following 0.3% in July) and 1.3% year-on-year growth (0.9%).
An initial September manufacturing PMI was estimated at 52.9, from 52.5 in August.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7270	-0.0005	-0.06
EUR – USD	1.1747	0.0001	0.01

Australian Data Today

CLgc	Captl city rsdntl prpty prices	21 Sep
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US Data Tonight

Chicago Fed national activity index	Aug
Dallas Fed manufacturing	Sep

Other Overseas Data Today & Tonight

UK	CBI industrial trends	Sep
Germany	IFO business survey	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.

BWF	Thu	2.1	100	4.00
CAB	Thu	4	100	3.33
CI1	Thu	0.12	0	6.32
CIP	Thu	4.6	0	6.72
CLW	Thu	6.4	0	6.05
CMA	Thu	4.53	0	6.99
CRR	Thu	5.22	0	7.21
CUP	Thu	1	100	1.49
EBO	Thu	28.7	95.77	2.74
EOL	Thu	2	0	1.82
GBT	Thu	2.5	100	2.53
GCM	Thu	1	0	4.05
GDF	Thu	2.25	0	6.95
IDR	Thu	4.25	0	5.99
JHC	Thu	3.75	50	5.64
KLA	Thu	2.55	0	0.30
LGD	Thu	0.75	100	4.14
LYL	Thu	18	100	6.52
MAQ	Thu	25	100	2.10
MEZ	Thu	9.89	0	4.00
PFG	Thu	0.45	100	7.20
PNC	Thu	7.71	100	4.12
RFF	Thu	2.61	0	4.54
RFP	Thu	2.51	100	0.00
TRS	Thu	11	100	7.14
WDE	Thu	2	100	4.28
CII	Fri	5	100	5.00
GVF	Fri	3.15	70	5.70

S&P / ASX Indices Re-balance

The following changes come into effect as trading opens **today** ...

S&P/ASX100

Out: PPT

In: RWD

S&P/ASX200

Out: GMA, GXL

In: BIN, ELD

S&P/ ASX300

Out: AGI, BDR, IPD, ISD, ISU, MNS, MOC, RFG, SKT

In: AMI, CUV, IGL, JMS, KGN, MNY, MP1, NEA, OMH, PNI, PNV, PPS, SEA, WGN

S&P/ASX All Australian 200

Out: AHY, GMA

In: EHL, HUB



The 2018 RIU Resources Investor Roadshow will be held at the Intercontinental Hotel Sydney **tomorrow 25 September** and the Hyatt Hotel Melbourne **Thursday 27 September**.

This event is the third of its type run by Vertical Events for the resources industry and follows the success of its Techknow Investor Roadshows run in the technology sector over the past year.



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The event features presentations from 21 companies.

The companies presenting offer insights into a broad range of commodities including **base metals** - copper, nickel, lead, zinc; **precious metals** - gold; **green technology plays** - graphite, lithium, cobalt; **industrial materials** - mineral sands, kaolin (HPA), iron ore, potash; and **energy plays** - gas and wave energy.

No suppliers will be at the event making it a very high-powered investment event.

Co-sponsor of the event, **State One Stockbroking** will be making the official conference opening speech.

As valued clients of State One/amscot, it would be great to see you attend.

For further information, and to register to attend, please click on the link [here](https://resourcesinvestorroadshow.riu.com.au/). (<https://resourcesinvestorroadshow.riu.com.au/>)