

Markets

SFE 200 Futures (9.30am AEST)	6182	-6	-0.1
NZX 50	9328	-10	-0.1
DJIA Futures	26616	6	0.0
S&P 500 Futures	2926	0	0.0
NASDAQ Futures	7587	1	0.0

Local Markets Commentary

The Australian market commences today's trade on largely negative overnight international equities trade leads as US domestic and international political issues continue to stew.

In overnight commodities trade, **oil** picked up the pace of Friday's gains.

US (December) **gold** futures turned higher.

Iron ore (62% Fe, China port) remained steady during a public holiday in China.

LME **copper** settled a little lower. **Nickel** and **aluminium** swung to decisive falls.

The **\$A** fell to ~US72.50c after trading at ~US72.75c early yesterday evening, but has fallen this morning.

Locally today, a weekly consumer sentiment report is due pre-trade.

In addition, Australia's national government is expected to reveal finalised 2017-2018 national budget figures.

Regionally, the **Bank of Japan** (BoJ) publishes the minutes from its September policy meeting **9.50am** AEST. BoJ governor Haruhiko Kuroda is scheduled to speak publicly ~3.30pm.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26562	-181	-0.7
S&P 500	2920	-10	-0.4
NASDAQ	7993	6	0.1
FTSE 100	7458	-32	-0.4
DAX 30	12351	-80	-0.6
Shanghai Comp	2797	Public	Holiday

Overseas Markets Commentary

Major European and US equities markets fell on opening overnight, but the NASDAQ soon headed higher, ultimately proving a notable overnight exception.

New **China-US** import taxes for each other's goods came into effect yesterday and overnight.

Earlier yesterday, un-named sources were cited as claiming China had scrapped plans for trade talks in Washington, arranged for this week following a reported invitation weeks earlier from the US treasury secretary. The US president's threats of additional tariffs were also cited as a reason.

Meanwhile in the US, reports emerged the deputy Attorney General was prepared to resign, and/or had actually resigned, further escalating domestic political tensions.

Japan – BoJ policy meeting minutes and governor's speech
Australia – final 2017-18 national budget figures anticipated

Today's Stock Watch

Orica Ltd (ORI)

CFO Vince Nicoletti has resigned, but will remain with ORI until the end of 2018. ORI VP finance Christopher Davis has been appointed CFO, effective 1 October. Mr Davis is a former Anglo American executive.

ORI plans to lodge full year results 2 November.

NZME Ltd (NZM) / Fairfax Ltd (FXJ)

The New Zealand Court of Appeal has backed the New Zealand Commerce Commission's May 2017 decision to reject the planned FXJ-NZM merger.

NZM says it will review options once it has been able to assess the court's full judgment.

Invion Ltd (IVX)

In vitro data shows IVX-P02 can more effectively kill ovarian cancer cells than Photosoft Oral.

IVX and research partner Hudson Institute of Medical Research are presenting relevant statistics, including regarding toxicity, at the four-day ComBio biochemistry and molecular biology conference which commenced in Sydney on Sunday.

IVX traded at 3.5c – 3.7c yesterday, the same as for last week.

Farm Pride Foods (FRM)

CEO and executive director Bruce De Lacy has resigned, effective 30 November. Mr De Lacy will remain with FRM as a non-executive director, however. Daryl Bird has been appointed FRM CFO, effective 8 October and will become CEO 1 December.

Sims Metal Management (SGM)

Credit Suisse has re-rated SGM as outperform, from neutral.

Resources

Black Rock Mining (BKT)

Strategic co-operation agreement secured with Yantai Jinyuan Group company Yantai Jinyuan Mining Machinery.

Yantai intends to supply processing machinery and other infrastructure for BKT's Mahenge graphite project.

In addition, Yantai will help BKT source up to \$US40M in project financing from groups in China, including the Chinese Government's import export credit agency.

BKT added 9.7% Friday, settling at 3.4c, and maintained that gain yesterday.

Battery Minerals (BAT)

Heralding Mozambique Montepuez graphite project drill results including 31m @ 13.97% TGC from 5m and 26m @ 15.31% TGC from 6m.

Planning to lodge a project reserve and updated resource late October-early November.

Energy

Real Energy Corporation (RLE)

Cooper Basin Tamarama-3 stimulation is expected to commence this week. RLE plans four-stage fracking over ~one week. Promising to release results as they come to hand. Tamarama-2 stimulation is planned to follow. RLE traded at 8.1c – 8.6c yesterday, after settling at 8.3c Friday last week.

The deputy Attorney General has been responsible for governing the ongoing special counsel investigation into any Russian influence on the US 2016 presidential election.

Elsewhere, **European Central Bank** (ECB) president Mario Draghi appeared positive regarding the euro zone economy, in particular underlying inflation growth, when meeting with a European Parliament committee.

Mr Draghi's comments helped push the euro higher to trade at three-month peaks against the \$US.

Mr Draghi also appeared keen to quell fears of any major impact from the UK's planned departure from the European Union, except in the case of central derivatives clearances should the separation occur without any agreement on regulations governing financial transactions.

In **US** data releases, the Chicago Fed August national activity was reported flat, at 0.18, following an upward revision of the July reading from 0.13.

A Texas region manufacturing index fell to 28.1 from 30.9, markedly undershooting forecasts of 31.0.

Earlier, IFO released the results of its monthly business survey for **Germany**, indicating just slightly lower sentiment over the month for the current climate, conditions and expectations components.

Tonight in the **US**, two house price indices, a consumer sentiment report and regional manufacturing index are due.

In addition, the Federal Reserve commences a two-day policy meeting. Outcomes will be announced early Thursday morning (AEST).

The United Nations General Assembly will also attract further attention, with the US president scheduled to speak.

UK retailer Next, Nike and Manchester United are scheduled to lodge results.

Trading updates are anticipated from travel specialists Carnival and Thomas Cook.

M&A activity featured in overnight corporate news, **Barrick Gold** and **Randgold Resources** announcing a merger under which Barrick shareholders will hold 64% of the new ~\$US18B entity.

Barrick consideration comprises \$US6.5B worth of shares.

Sirius XM also revealed an all-stock acquisition of **Pandora Media**.

In addition, **Michael Kors** was reported to be prepared to outlay \$US~2.4B for control of **Versace**.

A major change was effected prior to last night's US 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 and Netflix joined a new 'communications services' grouping, which also includes large entertainment/media stocks previously belonging to the consumer discretionary sector.

Apple has been retained within the S&P technology index, with a 20% weighting against the former 16%.

Pre-Open Announcements

Blackmores Ltd (BKL)

Trading ex-dividend (\$1.55) tomorrow.

Bod Australia (** BOD)

Australian Government Research grant in hand for the Phase 1 clinical trial of BOD's sublingual cannabis wafer.

Bigtincan Holdings (* BTH)

Planning to pay an initial \$US1.8M and possible deferred \$US1.2M for FatStax.

Details lodged this morning.

Resources

Corazon Mining (* CZN)

Presenting at the RIU Resources Investor Roadshow in Sydney today. Presentation lodged pre-trade.

Please see below (this page) for details regarding the roadshow. State One is a co-sponsor.

Energy

Whitehaven Coal (* WHC)

Director and former WHC MD Tony Haggarty is retiring at the WHC 25 October AGM.

Mr Haggarty was WHC's MD October 2006 – March 2013 and has been a WHC board member since 2007.

Lakes Oil (* LKO)

Considering whether to appeal an unfavourable 21 September court judgment, which effectively delays resumption of onshore Victoria exploration activity until a ban expires mid-2020.

LKO is resuming from a trading halt with this announcement. The stock last traded at 0.2c.



The 2018 RIU Resources Investor Roadshow will be held at the Intercontinental Hotel Sydney **today** 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.

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/>)

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1203	oz	2	0.2
Silver (NY) (Sep)	14.3	oz	-0.1	-0.5
Gold (LON)	1203	oz	4	0.3
Platinum	825	oz	-1	-0.1
WTI Crude (Nov)	72.1	bbl	1.3	1.8
Brent Crude (Nov)	81.2	bbl	2.4	3.1
Iron Ore (CHN port 62%)	69.1	t	China	Holiday
Copper (LME,3mth,PM)	6353	t	-10	-0.2
Nickel	12955	t	-295	-2.2
Aluminium	2060	t	-31	-1.5
Lead	2044	t	5	0.3
Zinc	2564	t	68	2.7
Tin	18925	t	-75	-0.4
CBT Wheat (oct)	5.27	bshl	0.05	1.0

Commodities Commentary

Oil – the OPEC monitoring agreement committee's decision over the weekend not to push for increased production supported an overnight price rally.

Brent traded at four-year highs, reaching \$US81.39/bbl intrasession.

Forecasters, including Trafigura and Mercuria, proffered \$US90/bbl and \$US100/bbl prices within three – six months.

Mercuria predicted a daily international 2MMbbl shortfall, and JPMorgan 1.5MMbbl.

Among the producers, Iran questioned Saudi Arabia's claim of untapped capacity.

Separately, in New York, Iran's president indicated his nation remained conditionally open to US discussions, at the same time claiming US oil sanctions would prove unsuccessful.

Gold – the US Federal Reserve's policy meeting is firmly in focus, with an outcome statement and chairman's press conference, due late-Wednesday US trade, expected to at least influence \$US trade.

In addition, a final US June quarter GDP growth reading due Thursday (US time) and one for the UK, expected Friday, are likely to affect late-week currency moves and hence some gold trade.

Overnight prices seesawed intra-session, commencing higher on an early fall in the \$US and equities sentiment.

Base metals – sentiment swayed as additional import tariffs came into effect for both the US and China, by each other.

Moves had been expected to potentially become exaggerated due to public holidays in China, Japan and South Korea.

Aluminium trade appeared to react to an extended deadline for US sanctions against those invested in Rusal.

Copper received some support from warehouse levels and a production disruption in Chile at a BHP operation.

Zinc similarly benefited from supply considerations.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7252	0.0000	0.00
EUR – USD	1.1752	0.0006	0.05

Reports & Events

(selected scheduled)

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

Trading Halts

Company	Code	Resuming
Aeris Resources	AIS	25 Sep
MGC Pharmaceuticals	MXC	25 Sep
MSM Corporation International	MSM	25 Sep
Australian Vanadium	AVL	26 Sep
Beadell Resources	BDR	26 Sep
Cougar Metals	CGM	26 Sep
Norwood Systems	NOR	26 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
Aksesstoday Ltd	AXL	14 Sep
Black Star Petroleum	BSP	21 Sep
buyMyplace.com.au Ltd	BMP	24 Sep
Hardey Resources	HDY	10 Sep
Jacka Resources	JKA	21 Sep
Sundance Resources	SDL	10 Sep
Syngas Ltd	SYS	6 Sep
Tawana Resources	TAW	24 Sep
Victory Mines	VIC	11 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
BWR	Today	5	0	6.67
GDG	Today	1	12.51	1.82
RND	Today	125	100	0.00
TBR	Today	350	100	0.00
WPP	Today	2.3	100	7.22
BKL	Tomorrow	155	100	2.21
CAJ	Tomorrow	0.4	100	2.76
CWP	Tomorrow	18	100	4.89
GAP	Tomorrow	1	0	5.59
MXI	Tomorrow	1.5	100	6.42
ABW	Thu	0.19	0	4.95
ACF	Thu	0.5	0	0.91
AIB	Thu	0.13	0	12.65
AJD	Thu	2	0	6.37
AOD	Thu	0.29	0	6.66
AOF	Thu	3.95	0	5.80
ARF	Thu	3.38	0	5.45
AUP	Thu	3.45	0	9.89
AVN	Thu	4.09	0	7.41

**Australian Data Today**

ANZ/Ry Mgn Consumer sentiment 24 Sep

US Data Tonight

Case Shiller house prices Jul
 FHFA house prices Jul
 Richmond Fed manufacturing Sep
 Conf Board consumer confidence Sep

Other Overseas Data Today & Tonight

Japan BoJ policy meeting minutes Sep
 Japan Leading economic index (final) Jul

Need More Information?

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BSA	Thu	0.5	100	1.89
BWF	Thu	2.1	100	3.92
CAB	Thu	4	100	3.38
CI1	Thu	0.12	0	6.32
CIP	Thu	4.6	0	6.74
CLW	Thu	6.4	0	6.06
CMA	Thu	4.53	0	7.10
CRR	Thu	5.22	0	7.21
CUP	Thu	1	100	1.50
EBO	Thu	28.7	95.77	2.78
EOL	Thu	2	0	1.82
FET	Thu	4	0	5.42
GBT	Thu	2.5	100	2.54
GCI	Thu	0.74	0	1.16
GCM	Thu	1	0	4.05
GDF	Thu	2.25	0	6.82
IDR	Thu	4.25	0	5.99
JHC	Thu	3.75	50	5.62
KLA	Thu	2.55	0	0.30
LGD	Thu	0.75	100	4.14
LYL	Thu	18	100	6.62
MAQ	Thu	25	100	2.10
MEZ	Thu	9.89	0	4.02
PFG	Thu	0.45	100	7.20
PNC	Thu	7.71	100	4.20
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	5.75