

**Markets**

|                                      |       |     |            |
|--------------------------------------|-------|-----|------------|
| <b>SFE 200 Futures</b> (9.30am AEST) | 6702  | 14  | <b>0.2</b> |
| <b>NZX 50</b>                        | 10899 | 37  | <b>0.3</b> |
| <b>DJIA Futures</b>                  | 26947 | -11 | 0.0        |
| <b>S&amp;P 500 Futures</b>           | 2984  | -3  | -0.1       |
| <b>NASDAQ Futures</b>                | 7809  | -11 | -0.1       |

**Local Markets Commentary**

The Australian market opens today's trade with three central bank heads due to speak publicly later today and tonight, and a US GDP reading also keenly anticipated, amid ongoing UK parliamentary turmoil and several simmering geopolitical scenarios.

Post-US trade, Saudi Arabia has reportedly confirmed it is awaiting the determinations of an investigation, and also consulting with allies, regarding a response to mid-September attacks on the kingdom's oil operations.

The attacks were quickly claimed by Yemen's Houthi militia, but attributed by Saudi Arabia and some allies to Iran.

**Locally** today, several high-profile companies trade ex-dividend. *Please see pp4-5 for a detailed list.*

**Regionally**, Bank of Japan governor Haruhiko Kuroda is again scheduled to speak publicly, but post-ASX trade.

In overnight commodities trade, **oil** headed lower.

US **gold** futures (December) fell.

**Iron ore** (Nymex CFR China, 62% Fe) was pushed modestly lower.

LME **copper** turned to climb a little. **Nickel** swung to resume a more rally-like finish. **Aluminium** continued to decline.

The **\$A** slipped further, to ~US67.50c, after dropping to ~US67.80c early yesterday evening.

**Overseas Markets**

| INDEX                | CLOSE | +/- | %           |
|----------------------|-------|-----|-------------|
| <b>Dow Jones</b>     | 26971 | 163 | <b>0.6</b>  |
| <b>S&amp;P 500</b>   | 2985  | 18  | <b>0.6</b>  |
| <b>NASDAQ</b>        | 8077  | 84  | <b>1.1</b>  |
| <b>FTSE 100</b>      | 7290  | -1  | <b>-0.0</b> |
| <b>DAX 30</b>        | 12234 | -73 | <b>-0.6</b> |
| <b>Shanghai Comp</b> | 2955  | -30 | <b>-1.0</b> |

**Overseas Markets Commentary**

Major European equities markets headed lower on opening overnight.

By contrast, key US equities opened higher and rose further to settle at or near session highs, after the US president promoted a 'sooner-than-expected' US trade agreement with China.

Further, Department of Agriculture figures revealed Chinese companies had purchased a further 581,000t of US soybeans.

**\* Income fund listing 11am AEST – PGG \***

**Today's Stock Watch**
**FlexiGroup Ltd (FXL)**

Buy now-pay later *humm* platform transactions have grown 25% year-on-year for the financial year-to-date. Planning to launch new products, *bundll* and *wired money*, during FY 2020.

**Starpharma Ltd (SPL)**

US FDA approval in hand for AstraZeneca's DEPBC12/xL conjugate AZD0466 to be used in clinical trials. AZD0466 uses SPL's DEP delivery technology, for which SPL holds a multi-product licence with AstraZeneca.

**Spark New Zealand (SPK)**

The New Zealand Commerce Commission has determined no need for additional regulation of the domestic mobile market. In addition the commission has decided no regulatory intervention is needed to promote a fourth national mobile network operator.

SPK has traded higher on the ASX each session this week, yesterday settling at \$4.19.

**Fonterra Shareholders' Fund (FSF)**

FSF is reporting a 69% drop in revenue for the full year to 31 July. \$NZ3.77 NTA, against \$NZ5.12 a year ago.

The Fonterra Co-operative Group is reporting a \$NZ605M full year net loss, and 2% lower, \$NZ20.114M revenue.

**MMJ Group Holdings (MMJ)**

MMJ is purchasing \$C6M worth of convertible debenture units in WeedMD Inc.

MMJ is funding the purchase from existing cash.

Further, MMJ has gained rights to purchase 3.75M WeedMD shares at \$C1.80 each over three years. The convertible units purchase is expected to settle as early as tonight.

**Marley Spoon (MMM) / Woolworths Group (WOW)**

MMM has successfully negotiated a combined additional \$A8M of debt funding from Union Square Ventures and a WOW subsidiary. Details lodged this morning.

**Immutep Ltd (IMM)**

A positive safety and efficacy data review has prompted IMM to recruit an additional 19 patients for Part A of the TACTI-002 phase II clinical trial, in association with Merck & Co Inc.

IMM plans to present trial data at the Society for Immunotherapy of Cancer AGM, 6 – 10 November.

**ReaApp Health (RAP)**

CE Mark approval in hand for version two of the smartphone-based respiratory disease diagnostic test ResAppDx-EU.



In the **UK**, the House of Commons resumed following a Supreme Court ruling (Tuesday evening AEST) that the suspension of parliament was unlawful.

Following emotional and boisterous debate, and a further push for a national election, the PM has earlier this morning walked out during a ‘point of order’.

In overnight **data** releases, **US** August new home sales jumped 7.1% for the month, following an 8.6% July drop.

Weekly mortgage applications tumbled 10.1%. Mean 30-year mortgage rates rose from 4.01% to 4.02%.

Meanwhile, the **International Monetary Fund** (IMF) has confirmed former World Bank CEO Kristalina Georgieva as its new MD, effective 1 October (Tuesday next week).

Ms Georgieva is to taking over from Christine Lagarde, who is the European Central Bank’s (ECB) president-elect.

**Tonight** in the **US**, a final June quarter GDP reading is anticipated, together with weekly new unemployment claims, August pending home sales, a goods trade balance, preliminary August wholesale inventories, and a regional manufacturing index.

Up to half a dozen Federal Reserve officials are listed to speak publicly.

Elsewhere, both **European Central Bank** president Mario Draghi and **Bank of England** governor Mark Carney are scheduled to speak in Frankfurt, which hosts the ECB headquarters.

In the UK parliament tonight, a House of Commons a democracy and electorate rights debate is scheduled.

| Commodities                     |               |       |        |             |
|---------------------------------|---------------|-------|--------|-------------|
| COMMODITY                       | CLOSE         | \$US/ | +/-    | %           |
| <b>Gold (NY)</b> (Dec)          | <b>1512.3</b> | oz    | -27.9  | <b>-1.8</b> |
| <b>Silver (NY)</b> (Dec)        | 18.073        | oz    | -0.555 | <b>-3.0</b> |
| <b>Gold (LON)</b>               | 1521          | oz    |        |             |
| <b>Platinum</b>                 | 925           | oz    | -27    | <b>-2.9</b> |
| <b>WTI Crude</b> (Nov)          | <b>56.49</b>  | bbbl  | -0.80  | <b>-1.4</b> |
| <b>Brent Crude</b> (Nov)        | <b>62.39</b>  | bbbl  | -0.71  | <b>-1.1</b> |
| <b>Iron Ore</b> (NYMEX,CHN,62%) | 92.97         | t     | -0.24  | <b>-0.3</b> |
| <b>Copper</b> (LME,3mth,PM)     | <b>5786</b>   | t     | 15     | <b>0.3</b>  |
| <b>Nickel</b>                   | 17325         | t     | 150    | <b>0.9</b>  |
| <b>Aluminium</b>                | 1755          | t     | -8     | <b>-0.4</b> |
| <b>Lead</b>                     | 2107          | t     | 44     | <b>2.1</b>  |
| <b>Zinc</b>                     | 2288          | t     | 8      | <b>0.4</b>  |
| <b>Tin</b>                      | 16565         | t     | -30    | <b>-0.2</b> |

### Commodities Commentary

**Oil** – prices fell overnight, as the \$US appreciated, and with Saudi Arabia’s current daily production capacity reported at 11.3MMbbl/d against an estimated 9.9MMbbl/d for August.

In addition, Bahrain offered its refinery operations had not been adversely affected by the Saudi oil operations attack initial impact and that Bahrain’s Saudi crude imports had been restored to regular levels.

A weekly US petroleum inventories report, published overnight by government agency the EIA, included a 2.412MMbbl rise in stored crude and 519,000bbl increase in stockpiled petrol.

## Pre-Open Announcements

### Partners Group Global Income Fund (\* PGG)

Managed investment scheme scheduled to list **11am** AEST following a \$550M IPO at \$2.00 per unit. 275M quoted securities.

### Pacific Energy (\* PEA)

The Takeovers Panel has declined to declare ‘unacceptable circumstances’ in response to an application by one of PEA’s bidders.

### DWS Ltd (DWS)

Planning to outlay \$4.3M to acquire select assets of software services and products, State Government department-focused company Object Consulting (in liquidation).

### FBR Ltd (FBR)

The pilot program stage of the three-phase strategic collaboration agreement secured with GP Vivienda in June is underway, house structure building having commenced. Details lodged this morning.

### Tower Ltd (TWR)

Expected impacts on underwriting profit, NPAT and net earned premium, from the Youi NZ purchase, lodged this morning.

### XTEK Ltd (XTE)

In response to an ASX price query XTE has explained the Australian Defence Force’s Aus Tender released details of a contract awarded to XTE before XTE had been notified the contract could be announced.

XTE had been informed it could not announce the contract until it had approval from the Australian Defence Force.

XTE said the Defence Minister also had not known the details had been released by Aus Tender.

XTE closed out last week at 59c but settled at 70c yesterday, ~9.4% higher for the session, after trading as high as 74.5c intra-session, and having added ~7.6% Tuesday.

### P2P Transport (P2P)

Existing shareholders are purchasing P2P convertible notes issued 28 February.

### HotCopper Ltd (HOT)

HOT has amended reported full year results due to an audit not having occurred until the annual report, lodged post-trade yesterday, was prepared.

One of the changes is for the initially reported \$264,625 full year net profit, which has been amended to a \$35,375 net loss.

HOT reported a \$1.179M full year net profit for FY 2018.

In addition, HOT is resuming from suspended trade with a proposal to acquire Stockhouse Publishing.

Consideration comprises \$C17M cash, plus \$C2M worth of HOT shares, and a potential revenue-related \$C1M in four equal instalments.

In association, HOT is proposing to conduct a \$A6.95M capital raising and to negotiate a debt facility.



Daily production was reported 100,000bbl higher, at 12.5MMbbl/d.

Daily net imports were estimated 480,000bbl lower.

**Gold** – an ~0.7% higher \$US (ICE index) bruised overnight gold sentiment. The \$US was supported by US-China trade deal optimism and some encouraging US economic data.

**Base metals** – the US president's China trade comments late-Tuesday at the United Nations general assembly dented some early sentiment.

However, also Tuesday, a Chinese official stated that administrators were planning to ease vehicle purchase restrictions and also fast-track some investment projects.

Meanwhile, more quotas were revealed for China's scrap metals output, high-grade copper scrap boosted by 31,658t.

China's stainless steel futures traded for the first time yesterday, reportedly dropping as much as 2%.

In corporate news, ArcelorMittal in South Africa announced a review ahead of the likely closure of some operations, due to a range of factors including weak demand, higher costs and price competition.

China's August industrial profits are anticipated tomorrow.

#### Exchange Rates

| CURRENCIES | LAST   | +/-    | %    |
|------------|--------|--------|------|
| AUD – USD  | 0.6756 | 0.0006 | 0.08 |
| EUR – USD  | 1.0952 | 0.0008 | 0.07 |

#### US Data Tonight

|                                 |        |
|---------------------------------|--------|
| GDP (3 <sup>rd</sup> and final) | Jun Q  |
| Initial jobless claims          | 21 Sep |
| Pending home sales              | Aug    |
| Kansas City Fed manufacturing   | Sep    |
| Wholesale inventories (prelim)  | Aug    |
| Goods trade balance             | Aug    |

#### Other Overseas Data Today & Tonight

|           |                         |     |
|-----------|-------------------------|-----|
| Germany   | GfK consumer confidence | Oct |
| Euro zone | Economic bulletin       | 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)

Additional details, including these conditions, lodged post-trade yesterday, together with a presentation.

#### Resources

##### Rio Tinto (RIO)

UK Bernstein Strategic Decisions conference presentation lodged post-trade yesterday. RIO presented overnight.

##### Hawkstone Mining (\* HWK)

Arizona, US Big Sandy lithium project resource initially estimated at 32.5Mt @ 1850ppm Li, for 60,300t of contained lithium, the same as 320,800t of lithium carbonate equivalent (LCE).

HWK says the resource has been calculated from just 4% of the area hosted by the Big Sandy project.

##### Red 5 (\* RED)

\$A3.03M full year net loss. \$153.51M sales revenue.

\$24.87M combined cash and gold bullion.

##### Metals Australia (\* MLS)

Resuming from suspended trade with the proposed acquisition of three gold exploration projects in northern Quebec, Canada.

MLS last traded Friday last week, at 0.3c.

##### Encounter Resources (ENR) / Newcrest Mining (NCM)

Assays anticipated in November from RC drilling within the WA Tanami region Hutch's Find JV.

##### Focus Minerals (FML) / Horizon Minerals (HRZ)

FML has confirmed it is still focused on the proposed sale of the Coolgardie gold project to HRZ, and does not consider China Hanking Holdings' unsolicited cash offer a superior proposal to the agreed HRZ plan.

HRZ was forced to address the matter in a response to and ASX price query following Hanking publicity this week.

FML and HRZ are each resuming from trading halts.

##### Syrah Resources (SYR)

UK Bernstein Strategic Decisions conference presentation lodged post-trade yesterday.

#### Energy

##### Central Petroleum (\* CTP)

\$14.08M full year net loss, following a \$19.08M FY 2018 net loss. 70% higher, \$34.94M sales revenue.

#### Trading Halts

| Company                     | Code | Resuming |
|-----------------------------|------|----------|
| First Wave Cloud Technology | FCT  | 26 Sep   |
| Golden Deeps                | GED  | 26 Sep   |
| Red Mountain Mining         | RMX  | 26 Sep   |
| Superloop Ltd               | SLC  | 26 Sep   |
| Terrain Minerals            | TMX  | 26 Sep   |
| Vault Intelligence          | VLT  | 26 Sep   |
| Whitebark Energy            | WBE  | 26 Sep   |



|                  |     |        |
|------------------|-----|--------|
| Calix Ltd        | CXL | 27 Sep |
| Canyon Resources | CAY | 27 Sep |
| Corum Group      | COO | 27 Sep |
| De.mem Ltd       | DEM | 27 Sep |
| Smiles Inclusive | SIL | 27 Sep |
| XTEK Ltd         | XTE | 27 Sep |

**Suspensions** *(select)*

| Company                        | Code  | Since  |
|--------------------------------|-------|--------|
| Ark Mines                      | AHK   | 25 Sep |
| Creso Pharma                   | CPH   | 18 Sep |
| Dampier Gold                   | DAU   | 24 Sep |
| European Cobalt                | EUC   | 24 Sep |
| G Medical Innovations Holdings | GMV   | 10 Sep |
| GR Engineering Services        | GNG   | 24 Sep |
| Hexagon Resources              | HXG   | 25 Sep |
| iBuyNew Group                  | IBN   | 9 Sep  |
| Kollakorn Corporation          | KKL   | 2 Sep  |
| Latin Resources                | LRSDA | 9 Sep  |
| Okapi Resources                | OKR   | 10 Sep |
| Stavelly Minerals              | SVY   | 25 Sep |
| Stonehorse Energy              | SHE   | 18 Sep |
| Syntonic Ltd                   | SYT   | 10 Sep |
| Thred Ltd                      | THD   | 26 Sep |
| Torian Resources               | TNR   | 24 Sep |
| Transcendence Technologies     | TTL   | 24 Sep |
| Vietnam Industrial Investments | VII   | 16 Sep |
| White Rock Minerals            | WRM   | 25 Sep |

**Ex-Dividends**

| Code       | Ex-Div   | Div (c)      | Franking (%) | Yield (%) |
|------------|----------|--------------|--------------|-----------|
| <b>A2B</b> | Today    | <b>4</b>     | 100          | 5.30      |
| <b>ALX</b> | Today    | <b>15</b>    | 0            | 1.91      |
| <b>BWX</b> | Today    | <b>2.7</b>   | 100          | 0.00      |
| <b>CUP</b> | Today    | <b>1</b>     | 100          | 2.11      |
| <b>EBO</b> | Today    | <b>31.05</b> | 95.77        | 2.55      |
| <b>HUO</b> | Today    | <b>3</b>     | 50           | 0.67      |
| <b>JHC</b> | Today    | <b>3.35</b>  | 50           | 5.48      |
| <b>LYL</b> | Today    | <b>15</b>    | 100          | 5.91      |
| <b>MYE</b> | Today    | <b>4</b>     | 100          | 0.00      |
| <b>NEC</b> | Today    | <b>5</b>     | 100          | 2.55      |
| <b>PFG</b> | Today    | <b>0.2</b>   | 100          | 8.13      |
| <b>QRI</b> | Today    | <b>0.95</b>  | 0            | 2.88      |
| <b>VEA</b> | Today    | <b>2.1</b>   | 100          | 2.49      |
| ADI        | Tomorrow | 4.38         | 0            | 5.78      |
| APW        | Tomorrow | 0.54         | 0            | 1.72      |
| AQR        | Tomorrow | 5.45         | 0            | 6.15      |
| ARF        | Tomorrow | 3.58         | 0            | 4.79      |
| AVN        | Tomorrow | 4.22         | 0            | 6.03      |
| AYF        | Tomorrow | 8            | 51.27        | 5.66      |



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|     |          |       |     |       |
|-----|----------|-------|-----|-------|
| BSA | Tomorrow | 0.5   | 100 | 1.14  |
| CIP | Tomorrow | 4.67  | 0   | 5.66  |
| CLF | Tomorrow | 1.5   | 100 | 3.97  |
| CLW | Tomorrow | 7     | 0   | 4.54  |
| CMA | Tomorrow | 4.45  | 0   | 5.71  |
| CMW | Tomorrow | 1.88  | 0   | 5.65  |
| CQE | Tomorrow | 4.17  | 0   | 4.37  |
| GCI | Tomorrow | 0.76  | 0   | 4.89  |
| GCM | Tomorrow | 1.25  | 0   | 4.43  |
| KLA | Tomorrow | 5     | 0   | 0.19  |
| KMD | Tomorrow | 11.1  | 100 | 4.72  |
| MEZ | Tomorrow | 11.88 | 0   | 2.55  |
| PCI | Tomorrow | 0.39  | 0   | 0.76  |
| RDC | Tomorrow | 2.2   | 0   | 4.75  |
| RFF | Tomorrow | 2.71  | 0   | 6.05  |
| TGP | Tomorrow | 1     | 0   | 1.79  |
| TOT | Tomorrow | 2.25  | 0   | 10.04 |