

Wednesday 29 November 2017

Markets

SFE 200 Futures (9.30am AEDST)	6029	40	0.7
NZX 50	8158	16	0.2
DJIA Futures	23805	-6	0.0
S&P 500 Futures	2626	0	0.0
NASDAQ Futures	6420	0	0.0

Local Markets Commentary

The Australian market commences today's trade on positive overnight international equities, but mixed commodities, leads.

Also overnight, North Korea launched an intercontinental ballistic missile which landed in Japanese waters after traversing ~1000km over ~50 minutes.

South Korea claimed its military subsequently also tested a missile.

Japan sought a UN Security Council meeting.

In overnight commodities trade, **oil** extended Monday's fall a little. US **gold** futures settled marginally higher. **Iron ore** swung higher. LMC **copper** and other major base metals fell.

The **\$A** traded in a narrow range after falling beneath ~US75.95c early yesterday evening.

Locally today, **ALQ** and **GNC** are among stocks trading ex-dividend. *Please see p3 for a detailed list.*

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	23837	256	1.1
S&P 500	2627	26	1.0
NASDAQ	6912	34	0.5
FTSE 100	7461	77	1.0
DAX 30	13060	59	0.5
Shanghai Comp	3334	11	0.3

Overseas Markets Commentary

Positive settlements all round overnight, but major European and US equities trade diverged, some indices chopping and swinging, but others opening higher and never looking seriously headed.

Reports of a North Korean missile test produced varying dips.

In the US, a Senate budget committee further considered and approved tax legislation that may be put to a vote late-week.

The financial sector was in association well-supported in the US, in part also due to generally optimistic and non-controversial Senate committee testimony by Federal Reserve chair-elect Jerome Powell.

Among **US** economic indicators, the Conference Board's consumer confidence index reached a 17-year high of 129.5, from 125.9 in October.

The October trade deficit rose to \$US68.3B from \$US64.1B in September.

A Case-Shiller house price index rose 0.7% during the September quarter and 6.2% on an annual basis.

* Agriculture product developer listing **11am AEDST - BGT ***

2nd last trading day of the month

Today's Stock Watch

Collins Foods (CKF)

Interim results anticipated.

Capitol Health (CAJ) / Integral Diagnostics (IDX)

CAJ is intending to launch an off-market offer for IDX. CAJ will offer 36c cash plus 6.9 CAJ shares for each IDX share.

IDX traded at \$1.79 - \$1.93 yesterday, and CAJ at 30c - 31c.

Bingo Industries (BIN)

Resuming from a trading halt having raised ~\$106M in the \$1.90-per-share institutional entitlement offer designed to support the acquisitions of National Recycling Group and Patons Lane Recycling Centre & Landfill.

A retail entitlement offer, at the same price, is scheduled for 4 - 14 December. BIN last traded at ~\$2.044.

Synlait Milk (SM1)

Founder, CEO and MD John Penno is planning to step down within a year.

Zelda Therapeutics (ZLD)

Australian regulatory approvals in hand for a clinical trial of ZLD medicinal cannabis formulations for patients suffering chronic insomnia. The trial is expected to commence before 31 March 2018.

Noxopharm Ltd (NOX)

NOX US subsidiary Nyrada is releasing NYX-104 data today that indicates the drug can potentially limit brain damage from strokes. The proof-of-concept claim comes from using a mouse model, and will be presented to the Cerebral Vascular Biology International Conference, Melbourne.

Creso Pharma (CPH)

CPH has secured a binding LoI with LGC Capital (Canada) and Baltic Beer Company (UK) for the three groups to form a beverage production JV. Details lodged this morning.

Praemium Ltd (PPS)

Financial planning and investment management firm Merchant Group has signed on as a PPS administration service client.

Auckland International Airport (AIA)

Deutsche Bank has cancelled AIA sell advice, in favour of a hold recommendation.

Bio-Gene Technology (* BGT)

Agricultural insecticide developer scheduled to list **11am AEDST** following a \$7.1M IPO at 20c per share. ~104.5M shares.

Resources

Galaxy Resources (GXY)

GXY will supply 200000tpa of southern WA Mt Cattlin project lithium concentrate, each year for five years, under binding off-take agreements secured with several customers in Asia. The shipments are due to commence next year. Additional details lodged this morning.

St Barbara (SBM)

Today's AGM chairman's speech and MD presentation lodged. The meeting will be webcast from 11am AEDST.

Releasing a **Bank of England** financial stability report, governor Mark Carney said a 0.5% special capital buffer was being doubled, requiring banks to hold an additional collective £6B to mitigate risk.

Mr Carney said the central bank was also suggesting the UK and European parliaments design legislation to reduce risk in derivatives and insurance markets.

The Bank of England's review also included stress testing, which proved positive for the seven major UK banks.

Tonight in the US, Federal Reserve chair Janet Yellen's comments on inflation, central bank's assets and general economic indicators are all keenly anticipated as she meets with a Senate economic committee.

US data releases are expected to include, the Federal Reserve's 'beige book' region-by-region economic assessment, October pending home sales and a second (of three) September quarter GDP estimate.

In corporate news, Royal Dutch **Shell** pleased with plans to pay dividends in cash rather than scrip and to conduct a \$US25B buy-back.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1299	oz	5	0.1
Silver (NY) (Sep)	16.9	oz	-0.2	-1.2
Gold (LON)	1295	oz		
Platinum	947	oz	1	0.1
WTI Crude (Jan)	58.0	bbl	-0.1	-0.2
Brent Crude (Jan)	63.7	bbl	-0.2	-0.4
Iron Ore (CHN port 62%)	67.8	t	0.5	0.7
Copper	6805	t	-137	-2.0
Nickel	11350	t	-220	-1.9
Aluminium	2103	t	-23	-1.5
Lead	2427	t	-38	-1.5
Zinc	3158	t	-29	-0.9
Tin	19550	t	25	0.1
CBT Wheat (Dec)	4.11	bshl	0.01	0.3

Commodities Commentary

Oil – signatories to the current production curb agreement were reported to be considering an extension of caps through next year, but with the proviso of a mid-year review. OPEC members are scheduled to come together late tomorrow for an organisation-only meeting, but will also meet with relevant non-OPEC oil producers.

Weekly US petroleum inventories estimates are due tonight from the EIA.

Gold – prices swung but maintained a positive settlement despite a well-received US consumer sentiment report, an appreciating \$US and generally positive equities sentiment.

Comex *silver* futures notably traded at four-week lows.

US GDP, housing and regional economic figures could influence tonight's precious metals sentiment. Federal Reserve chair Janet Yellen is also scheduled to meet with a Congress economics committee tonight.

Base metals – pushed lower in 'risk-off' trade as the \$US rose and ahead of key data releases during the second half of the week, including out of China. November PMIs for China are scheduled for release tomorrow.

Pre-Open Announcements

Empired Ltd (EPD)

Anticipating \$7M - \$7.3M 1H FY 2018 underlying EBITDA, and a 'significantly stronger' 2H EBITDA. Today's AGM presentation lodged.

Cape Range (* CAG)

Accounting and business intelligence software developer scheduled to list 2.30pm AEDST tomorrow following a \$5.6M IPO at 20c per share. ~34.74M shares. iFREE Group (International) holds 36.66%.

Resources

Pursuit Minerals (* PUR)

North-west Queensland Paperbark project drilling has intersected 68m of zinc-lead mineralisation from 271m down-hole. Assays lodged this morning.

Northern Cobalt (N27)

Heralding Northern Territory Stanton cobalt deposit drilling results. Assays lodged this morning. Additional results are anticipated through early-February. A resource upgrade is expected by 31 March.

Havilah Resources (HAV)

Aircore drilling results lodged post-trade yesterday for the South Australia North Portia copper-gold deposit.

Golden Rim Resources (GMR)

Former chairman Rick Crabb has resigned as a GMR non-executive director, effective at the conclusion of today's AGM. Mr Crabb has been a member of the GMR board since 2001.

Trading Halts

Company	Code	Resuming
Actinogen Medical	ACW	29 Nov
Genera Biosystems	GBI	29 Nov
Spectur Ltd	SP3	29 Nov
Traka Resources	TKL	29 Nov
Velpic Ltd	VPC	29 Nov
Winchester Energy	WEL	29 Nov
BidEnergy Ltd	BID	30 Nov
Capricorn Metals	CMM	30 Nov
Dark Horse Resources	DHR	30 Nov
Dawine Ltd	DW8	30 Nov
Draig Resources	DRG	30 Nov
OrotonGroup Ltd	ORL	30 Nov
Winmar Resources	WFE	30 Nov
WPG Resources	WPG	30 Nov

Suspensions (selected)

Company	Code	Since
Bisan Ltd	BSN	2 Nov
FE Ltd	FEL	22 Nov
iCandy Interactive	ICI	15 Nov
Ishine International Resources	ISH	28 Nov
JustKapital Ltd	JKL	22 Nov
Marquee Resources	MQR	15 Nov
Red Emperor Resources	RMP	8 Nov

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7599	0.0004	0.05
EUR – USD	1.1846	0.0005	0.04

US Data Tonight

GDP (2 nd)	Sep Q
Pending home sales	Oct
Fed beige book	Nov

Other Overseas Data Today & Tonight

Japan	Retail sales (rev)	Oct
UK	Mortgage approvals	Oct
Germany	CPI (prelim)	Nov
Euro zone	Business, economic confidence	Nov

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Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
ALQ	Today	8	40	2.24
AOD	Today	0.33	48.48	7.83
GNC	Today	15	100	3.88
KBC	Today	0.5	100	4.17
OFX	Tomorrow	2.4	100	3.94
USR	Fri	15	0	4.04
EVO	4 Dec	2.26	0	6.35
MSG	4 Dec	0.1	0	4.55
FPH	5 Dec	~7.90	0	1.56

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	CKF	Interim
	CMW	AGM
	PPC	AGM
	SBM	AGM
	SFR	AGM
	SEK	AGM
	SPO	AGM
Tomorrow	ALL	Full year
	BOQ	AGM
	MAH	AGM
	RFG	AGM
	RIC	AGM
	TTS	AGM
Fri	PMV	AGM