

Thursday 15 September 2016

## Markets

<b>SFE 200 Futures</b> (9.25am AEST)	<b>5214</b>	<b>-19</b>	<b>-0.4</b>
<b>NZX 50</b>	7210	-1	-0.0
<b>DJIA Futures</b>	18026	26	0.1
<b>S&amp;P 500 Futures</b>	2123	3	0.1
<b>NASDAQ Futures</b>	4739	6	0.1

## Local Markets Commentary

The Australian market opens today's trade on mixed and mostly lacklustre international equities leads.

In overnight commodities trade, **oil** extended the previous session's drop. US **gold** futures turned a little higher. **Copper** rallied on both sides of the Atlantic.

The **\$A** ultimately barely changed after trading at ~US74.75c early yesterday evening.

Locally today, the ABS releases August **workforce** statistics, including unemployment, **11.30am** AEST.

The Reserve Bank of Australia (**RBA**) also publishes its quarterly bulletin, the Melbourne Institute its monthly inflation expectations report and the ACCC-Westpac a quarterly industrial trends survey.

August vehicle sales, forex transactions and reserve assets are also expected.

Companies trading **ex-dividend** include: **AHG, BRG, FLT, S32, SEK** and **VRT**. Please see **pp2-3** for a detailed list.

**China's** markets will be **closed today and tomorrow** for mid-Autumn festival public holidays. Meanwhile, **Japan's** markets are heading towards a **Monday** public holiday weekend.

This morning, **New Zealand** has reported 3.6% June quarter GDP growth, 2.8% for the year, on par with expectations.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>18035</b>	-32	<b>-0.2</b>
<b>S&amp;P 500</b>	2126	-1	-0.1
<b>NASDAQ</b>	5174	19	0.4
<b>FTSE 100</b>	6673	8	0.1
<b>DAX 30</b>	10378	-8	-0.1
<b>Shanghai Comp</b>	3003	-19	-0.6

## Overseas Markets Commentary

Choppy trade featured across major European and US equities markets overnight.

**US** August import prices were reported 0.2% lower for the month, largely on reduced petroleum product and communications equipment prices and a relatively strong \$US. Both import and export prices had been expected to slip 0.1%, but export prices fell 0.8%

Weekly mortgage applications rose 4.2%.

Earlier in the **euro zone**, July industrial output came in 1.1% lower, after improving 0.8% in June. The year-on-year fall was 0.5%.

Tonight in the **US**, weekly new employment claims are due, together with a swag of other data,

## 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).

## ASX24 September SPI200 futures contracts expire today.

Market open will consequently take longer than usual. Group opening times will be as follows:

**Group 1 (A-B) 10:00 +/- 15s**

**Group 2 (C-F) 10:04 +/- 15s**

**Group 3 (G-M) 10:08 +/- 15s**

**Group 4 (N-R) 10:12 +/- 15s**

**Group 5 (S-Z) 10:16 +/- 15s**

\* Online ASX forum listing **11am** AEST - **HOT** \*

## Today's Stock Watch

### Myer Holdings (MYR)

\$60.5M full-year (53-week) NPAT, following \$29.8M a year ago. 2.9% higher, \$3.3B sales. 7.6% lower EBITDA. 3c fully-franked final dividend, after a 2c interim dividend and nil FY 2015 final dividend. 21c NTA. 7.7c EPS. \$45.2M cash and equivalents. Briefing and live webcast scheduled to commence 10am AEST.

### Flight Centre Travel Group (FLT)

Paying (undisclosed) cash for 49% of Gold Coast-based Ignite Travel Group. Ignite FY 2017 TTV (total transaction value) is expected to reach \$100M. FLT trades ex-dividend (92c) today.

### ResApp Health (RAP)

RAP and UniQuest have shipped smart phones to an international humanitarian organisation, for field-testing of RAP's respiratory disease diagnosis product. UniQuest is a University of Queensland commercialisation company.

### HotCopper Holdings (\* HOT)

ASX online forum provider scheduled to list 11am AEST following an ~\$12M IPO at 20c per share. Owners hold at least 40%.

### Commonwealth Bank of Australia (CBA) / APA Group (APA) / The Reject Shop (TRS)

Macquarie has replaced a **CBA** underperform assessment with a neutral rating. Credit Suisse has re-rated **APA** as underperform, from neutral. Morgan Stanley has reassessed **TRS** as overweight, from equal-weight.

## Resources

### Northern Star Resources (NST) / St Barbara (SBM)

Likely to benefit from conference presentations lodged this morning.

## Energy

### Origin Energy (ORG)

Shareholder review and annual report lodged this morning.

including industrial production, retail sales, existing home sales, two regional manufacturing and business activity indices and business inventories.

In the UK, the **Bank of England** convenes a policy meeting.

UK supermarket group WM Morrison, UK online retailer Next and Oracle Corp are due to report earnings.

Overnight, **Bayer** and **Monsanto** confirmed an agreed deal whereby Monsanto becomes part of Germany's Bayer for an estimated \$US56B - \$US66B, pending regulatory approvals.

Meanwhile, **Allergan** is proposing to spend \$US639M for skincare-focused biotech firm Vitae Pharmaceuticals.

**Ford Motor** warned self-drive and electric vehicle investment could hurt short-term profit.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1326</b>	oz	2	0.2
<b>Silver (NY) (Dec)</b>	19.1	oz	0.1	0.5
<b>Gold (LON)</b>	1322	oz	-2	-0.1
<b>Platinum</b>	<b>1034</b>	oz	2	0.2
<b>WTI Crude (Oct)</b>	<b>43.6</b>	bbl	-1.3	-2.9
<b>Iron Ore (Tianjin)</b>	<b>56.1</b>	t		
<b>Copper (LME)</b>	<b>4772</b>	t	122	2.6
<b>Nickel</b>	9840	t	-20	-0.2
<b>Aluminium</b>	1586	t	21	1.3
<b>Lead</b>	1961	t	68	3.6
<b>Zinc</b>	2274	t	40	1.8
<b>Tin</b>	19200	t	150	0.8
<b>CBT Wheat (Dec)</b>	<b>4.03</b>	bshl	0.02	0.5

### Commodities Commentary

*Oil* – fell overnight on an EIA report which showed **US** petrol and distillate inventories had risen, and on news out of **Libya** that another shut-in port would recommence oil exports.

US crude inventories were reported 600,000bbl lower, defying forecasts and API figures released Tuesday, but domestic production rose a daily 35,000bbl. Total petroleum stocks were up 6MMbbl. Brent crude settled 2.7% lower for the session, at \$US45.85/bbl.

*Gold* – a softer **\$US** supported overnight prices, but appreciating bond yields were again cited as capping gains. Some short-covering was reported.

*Base metals* – benefited in general overnight from a weaker **\$US**. China's better-than-anticipated industrial production, fixed assets investment and retail sales figures, reported Tuesday, also remained supportive overnight.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7474	0.0006	0.08
<b>EUR – USD</b>	1.1246	-0.0003	-0.02

### Australian Data Today

ABS	Workforce (incl unemployment)	Aug
RBA	Quarterly bulletin	Sep
ACCI/WBC	Industrial trends	SepQ
MelbInst	Inflation expectations	Sep

## Pre-Open Announcements

### Phoslock Solutions (PHK)

Chinese Research Academy of Environmental Sciences certification in hand, recognising PHK's products as environmentally friendly and non-toxic. PHK has previously gained similar certification in North America.

### Manalto Ltd (MTL)

Integration of MTL's social media product Soshir into Microsoft Office 365 is underway. Details lodged this morning.

## Resources

### Orion Gold (ORN)

Maiden ORN drilling within the Prieska project, South Africa has returned high-grade zinc and copper assays. Details lodged post-trade yesterday.

### Lucapa Diamond Company (LOM)

August update lodged, highlighting record processed volume, 39 large-special diamonds, and a total 2882 carats produced.

### Teranga Gold Corporation (TGZ)

Sabadala mill successfully recommissioned following optimisation supporting TGZ towards targeted 2016 production and costs. Presenting tonight at a precious metals summit in Colorado, US.

## Energy

### Buru Energy (BRU)

Presentation lodged post-trade yesterday.

### Range Resources (RRS)

Colombia legal update lodged this morning.

## Trading Halts

Company	Code	Resuming
Eden Energy	EDE	15 Sep
Tasman Resources	TAS	15 Sep
Allegiance Coal	AHQ	16 Sep
Disruptive Investment Group	DVI	16 Sep
JB Hi-Fi	JBH	16 Sep
Niuminco Group	NIU	16 Sep

## Suspensions (selected)

Company	Code	Since
ATC Alloys	ATA	2 Sep
Australia China Holdings	AAK	25 Aug
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

## Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>ADA</b>	Today	<b>1.75</b>	0	1.10
<b>AHG</b>	Today	<b>13</b>	100	4.97
<b>APE</b>	Today	<b>13</b>	100	3.07



ABS	Motor vehicle sales	Aug
RBA	Forex transactions	Aug
RBA	Reserve assets	Aug

### US Data Tonight

Initial jobless claims	10 Sep
Existing home sales	Aug
Retail sales	Aug
Industrial production	Aug
PPI	Aug
Business inventories	Jul
Current account	Jun Q
Empire State (NY) manufacturing	Sep
Philadelphia Fed manufacturing	Sep

### Other Overseas Data Today & Tonight

<b>UK</b>	BoE policy statement	Sep
UK	Retail sales	Aug
<b>Euro zone</b>	CPI (final)	Aug
Euro zone	Trade balance	Jul

### 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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<b>AYS</b>	Today	<b>5.3</b>	0	3.93
<b>BRG</b>	Today	<b>14</b>	70	3.54
<b>CGR</b>	Today	<b>0.5</b>	100	3.92
<b>CIW</b>	Today	<b>3</b>	100	8.96
<b>CVW</b>	Today	<b>2.5</b>	100	2.54
<b>CYA</b>	Today	<b>1.6</b>	100	4.07
<b>DTL</b>	Today	<b>5.5</b>	100	5.10
<b>EMB</b>	Today	<b>27</b>	100	4.56
<b>FLT</b>	Today	<b>92</b>	100	4.18
<b>GZL</b>	Today	<b>7</b>	100	4.86
<b>LMW</b>	Today	<b>3.25</b>	100	6.52
<b>PGC</b>	Today	<b>1.4</b>	100	2.69
<b>PGR</b>	Today	<b>2.6</b>	100	7.17
<b>PSI</b>	Today	<b>2.5</b>	100	1.85
<b>PSQ</b>	Today	<b>3.5</b>	100	2.40
<b>RWH</b>	Today	<b>2.5</b>	100	4.20
<b>RXP</b>	Today	<b>2</b>	100	3.75
<b>S32</b>	Today	<b>~1.31</b>	0	0.60
<b>SEK</b>	Today	<b>19</b>	100	2.64
<b>SRG</b>	Today	<b>4</b>	100	4.43
<b>VRT</b>	Today	<b>15</b>	100	3.76
<b>VTG</b>	Today	<b>8.21</b>	100	2.74
<b>XRF</b>	Today	<b>0.3</b>	100	2.86
PNW	Tomorrow	1.05	100	10.43
SXE	Tomorrow	1.35	100	5.09
FFI	Mon	11	100	5.65
RSG	Mon	1.7	0	0.77
SKB	Mon	1	100	1.68
VOC	Mon	8	100	2.22

## S&P S&P/ASX Indices Re-balance

*The following changes will be effected from close of trade tomorrow ...*

### S&P/ASX200

*Out:* ASB, CVO, MSB, PRG, SHV, VRL

*In:* GXY, IFN, NXT, ORE, RSG, WEB

### S&P/ ASX300

*Out:* 1PG, 3PL, BBG, BNO, CLH, DCG, MRM, NZM, PAC, PRT, RKN, SGH, SMX, WLD

*In:* AVN, BBN, CL1, DCN, DRM, EML, EQT, FNP, GXY, MNS, NTC, SIV, SSM, VTG, WTC

### S&P/ASX All Australian 200

*Out:* KAR, LNG

*In:* GXY, RSG