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# Morningnote

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## Overseas Market Report

Foreign Equities	Latest Price	Time/Date (AEST)	Change	% Change
▲ Dow Jones (US)	25975	7:32am 06/09/2018	23	0.09
▼ S&P 500	2889	7:32am 06/09/2018	-8	-0.28
▼ NASDAQ	7995	7:31am 06/09/2018	-96	-1.19
▼ FTSE 100 Index	7383	1:50am 06/09/2018	-75	-1.00
▼ DAX 30	12040	2:00am 06/09/2018	-170	-1.39
▼ CAC 40	5260	2:15am 06/09/2018	-82	-1.54
▼ Nikkei 225 (Japan)	22581	4:20pm 05/09/2018	-116	-0.51
▼ HKSE	27244	6:23pm 05/09/2018	-729	-2.61
▼ SSE Composite Index	2704	5:16pm 05/09/2018	-46	-1.68
▼ NZ 50	9228	3:21pm 05/09/2018	-64	-0.69

## International Markets Roundup

**NEW YORK** [Morningstar with AAP]: The Nasdaq has fallen more than 1.0 per cent, dented by technology stocks after Facebook and Twitter executives defended their companies before sceptical US lawmakers.

Adding to pressure on technology stocks, the Justice Department later said it would meet with state attorneys general to discuss worries that social media platforms were "intentionally stifling the free exchange of ideas." Facebook and Twitter were not specifically named.

Twitter shares dropped 6.1 per cent. Facebook shares fell 2.3 per cent, contributing heavily to both the Nasdaq's and the S&P 500's declines. The Dow, however, eked out a slight gain.

Shares of other tech companies, including Alphabet, Snap and Microsoft Corp, also fell. In the consumer discretionary sector, investors also sold off shares of Amazon.com and Netflix, two members of the group of stocks known as FANG.

Tech and consumer discretionary stocks were the biggest weights on the S&P 500. The S&P 500 technology index fell 1.5 per cent, and the S&P 500 consumer discretionary index fell 1.1 per cent.

"Because these companies have become so prominent, they're attracting scrutiny on the part of regulators and legislators," said John Carey, managing director at Amundi Pioneer Asset Management in Boston. "They remain market leaders, but there are potential risks."

The Dow Jones Industrial Average rose 22.51 points, or 0.09 per cent, to 25,974.99, the S&P 500 lost 8.12 points, or 0.28 per cent, to 2,888.6 and the Nasdaq Composite dropped 96.07 points, or 1.19 per cent, to 7,995.17.

Energy stocks added to the S&P 500's losses.

Halliburton fell nearly 6.0 per cent after the oilfield services provider warned third-quarter earnings could be hurt

**Clinuvel Pharmaceuticals Limited (CUV)**

-Clinuvel Pharmaceuticals Provides US FDA Update

**Far Limited (FAR)** -Far Provides Investor Presentation**Crown Resorts Limited (CWN)** -Crown Resorts Announces Regarding Pause in Trading**US Masters Residential Property Fund (URF)** -US Masters Residential Property Fund Announces Regarding Changes Relating to Buy-Back -Appendix 3D**Starpharma Holdings Limited (SPL)**

-Starpharma Holdings Announces DEP  
Irinotecan Outperforms in Pancreatic Cancer Model

from moderating activity in the Permian Basin and a slower-than-expected ramp-up of new Middle East contracts.

Rival Schlumberger NV dropped 1.5 per cent and Baker Hughes, the oilfield services arm of General Electric, fell 2.2 per cent.

With concerns over trade simmering, Commerce Department data showed that the US trade deficit hit a five-month high in July, which economists said could heighten the White House's resolve to aggressively pursue an "America First" approach to trade.

The data comes amid concerns that a US proposal to impose tariffs on \$US200 billion (\$A279 billion) more in Chinese imports could go into effect soon after a public comment period ends on Thursday, even as the US-Canada talks to renegotiate the North American Free Trade Agreement continue.

China's JD.com slid 10.6 per cent, down for the second day in a row, after police said the retailer's chief executive officer Richard Liu was arrested in Minneapolis last week after a rape allegation. Liu has denied any wrongdoing and was released on Saturday.

Declining issues outnumbered advancing ones on the NYSE by a 1.30-to-1 ratio; on Nasdaq, a 1.63-to-1 ratio favoured decliners.

The S&P 500 posted 45 new 52-week highs and nine new lows; the Nasdaq Composite recorded 97 new highs and 51 new lows.

Volume on US exchanges was 7.03 billion shares, compared to the 6.15 billion average over the last 20 trading days.

Commodities	Latest Price	Time/Date (AEST)	Change	% Change
▲ Aluminium	2036	3:22am 06/09/2018	5	0.26
▲ Copper	5854	3:22am 06/09/2018	58	1.00
▼ Nickel	12358	3:23am 06/09/2018	-22	-0.18
▲ Gold	1197	8:05am 06/09/2018	0	0.01
▲ Silver	14.2	8:04am 06/09/2018	0.1	0.35
▼ Oil - West Texas crude	68.7	7:10am 06/09/2018	-1.1	-1.65
▼ Lead	2032	3:23am 06/09/2018	-33	-1.60
▲ Zinc	2428	3:22am 06/09/2018	4	0.14
▲ Ore	67	7:10am 06/09/2018	1	0.87

Currency	Latest Price	Time/Date (AEST)	Change	% Change
▲ \$A vs \$US	0.7192	8:05am 06/09/2018	0.0013	0.18
▼ \$A vs GBP	0.5568	8:05am 06/09/2018	-0.0016	-0.29
▲ \$A vs YEN	80.20	8:05am 06/09/2018	0.14	0.18
▼ \$A vs EUR	0.6182	8:05am 06/09/2018	-0.0016	-0.25
▼ \$A vs \$NZ	1.0915	8:05am 06/09/2018	-0.0050	-0.45
▼ \$US vs Euro	0.8595	8:05am 06/09/2018	-0.0035	-0.41
▼ \$US vs UK	0.7742	8:05am 06/09/2018	-0.0034	-0.44
▼ \$US vs CHF	0.9712	8:05am 06/09/2018	-0.0024	-0.25
▲ \$A vs \$CA	0.9474	8:05am 06/09/2018	0.0012	0.13

### Australian Market Report

Australian Equities	Latest Price	Time/Date (AEST)	Change	% Change
▼ All Ordinaries	6339	7:21pm 05/09/2018	-60	-0.93
▼ S&P/ASX 200	6230	7:21pm 05/09/2018	-63	-1.00
▲ 10-year Bond Rate	2.56	7:10am 06/09/2018	--	0.20
90 Day Bank Accepted Bills	1.97	6:48am 06/09/2018	--	--
SFE-Day				
3-yr Bond Rate	2.03	7:07am 06/09/2018	--	--

## Local Markets Are Expected to Open Lower

Ahead of the local open SPI futures were 25 points lower at 6,190.

Wednesday 05 September - close [Morningstar with AAP]: The Australian share market closed lower on Wednesday, dragged down by a slump in the heavyweight mining sector as worries about a possible escalation of trade tensions hit commodity prices.

The benchmark S&P/ASX200 index ended the day down 62.7 points, or one per cent, at 6,230.4 points, while the broader All Ordinaries index was down 59.7 points, or 0.93 per cent, at 6,339.2 points.

Bell Direct equities analyst Julia Lee said the trade tension between the US and other major economies impacted the ASX, particularly the materials sector which came under pressure after base metal prices slid overnight.

"Commodities are driven by mainly growth out of China, and given that the US is talking about slapping more tariffs on China this week, that's a major risk not only for the Australian economy but the materials sector," Ms Lee said.

The Australian dollar had a brief lift when data showed the domestic economy grew faster than expected last quarter.

The economy expanded by 0.9 per cent in the June quarter and 3.4 per cent over the 12 months to June, according to ABS national accounts data released on Wednesday.

The growth exceeded economists' expectations for quarterly growth of 0.7 per cent and an annual improvement of 2.8 per cent.

The latest annual growth is the steepest since September 2012, when the mining boom reached its peak.

But strains in emerging markets and a broadly rising US dollar put pressure on the Aussie, which pushed above 72 US cents before falling back.

Mrs Lee said the market usually follows the Australian dollar when it spikes up after positive data but this did not happen on Wednesday.

"It looks like the share market has taken a bit more of a global view," she said.

The Aussie dollar was buying 71.75 US cents at 1630 AEST, down from 72.05 US cents on Tuesday.

The big four banks were down with Westpac leading the losses, falling 1.3 per cent to \$27.94, while NAB suffered the least, down 0.7 per cent to \$28.03.

In company news, Investa Office Fund has adjourned a shareholder meeting set to vote on a takeover bid by Blackstone Group after receiving a rival offer from Canada's Oxford Properties group.

Investa shares closed 2.3 per cent higher at \$5.44.

On the ASX:

- \* The S&P/ASX200 closed down 62.7 points, or one per cent, at 6,230.4 points
- \* The All Ordinaries was down 59.7 points, or 0.93 per cent, at 6,339.2 points

**Companies Holding Annual General Meeting (ASX 300):**

- Collins Foods Limited

**Companies Commencing Ex-Dividend Trading Today (ASX 300):**

- ARQ Group Limited
- ASX Limited
- BHP Billiton Limited
- Corporate Travel Management Limited
- Estia Health Limited
- FlexiGroup Limited
- Healthscope Limited
- IDP Education Limited
- Monash IVF Group Limited
- NIB Holdings Limited
- Northern Star Resources Ltd
- Pacific Current Group Limited
- Pro Medicus Limited
- Sky Network Television Limited
- Trade Me Group Limited

**Companies Reporting Today (ASX 300):**

ASX Code	Company Name	Report
SIG*	Sigma Healthcare Limited	Interim

\* Estimated based on release date of previous report

## Market Sensitive Announcements

08:28 AM

### **Neometals Limited (NMT) -Neometals Announces Regarding Successful Conversion of Leach Residue**

Neometals announced successful conversion of leach residue into an advanced material called zeolite. This result comes from laboratory test-work conducted by CSIRO Mineral Resources (CSIRO), using a Company's designed process aimed at developing a saleable product and minimising waste generation and disposal costs. Having investigated the novelty of the process, the Company has filed an application for International Patent Protection, that follows an existing Australian Provisional Patent application from 2017. Zeolites are microporous, aluminosilicate minerals commonly used as commercial adsorbents, molecular sieves and catalysts. Zeolites can be used to remove carbon dioxide (CO<sub>2</sub>) in air purification, moisture and hydrogen sulphide.

08:31 AM

### **AVZ Minerals Limited (AVZ) -AVZ Minerals Continues to Drill Thick High Grade Lithium Intercepts**

AVZ Minerals provided an update on its Mineral Resource drilling of the Manono Lithium Project in the Democratic Republic of Congo. The Company has recently received new drilling results, resulting in this public announcement reporting the results from 7 drill-holes. These new drilling results were not included in the maiden JORC Mineral Resource estimate reported in early August 2018. The new drilling results reported here are from a combination of infill holes within the area recently reported as the maiden Mineral Resource, as well as from new holes drilled towards the edge of this area. Recent assays from the 7 newly validated cored drill holes reported include data from drill holes M018DD035 to M018DD041, excluding the recently deepened hole M018DD036.

08:37 AM

### **Oceania Healthcare Limited (OCA) -Oceania Healthcare Trading Halted, Pending Company Announcement**

The securities of Oceania Healthcare will be placed in trading halt session state at the request of the Company, until the earlier of the commencement of normal trading on 7 September 2018 or when the announcement is released to the market.

08:51 AM

### **Transurban Group (TCL) -Transurban Group Announces Regarding Successful Completion of Institutional Entitlement Offer**

Transurban Group announced the successful completion of the institutional component (Institutional Entitlement Offer) of its \$4.2bn fully underwritten accelerated pro rata renounceable 10 for 57 entitlement offer with retail entitlements trading (Entitlement Offer) of new Company's stapled securities (New Securities). The Entitlement Offer was announced on 31 August 2018. The Institutional Entitlement Offer raised gross proceeds of \$3.0bn and will result in the issue of 278m New Securities.

09:28 AM

### **Downer EDI Limited (DOW) -Downer EDI Announces Being Awarded Five Year Mining Contract Extension**

Downer EDI announced that it had been awarded a contract by Millmerran Power Partners to continue the provision of mining services at the Commodore open cut coal mine in South East Qld. The project is located adjacent to the Millmerran Power Station 200 kms west of Brisbane. The contract extension is for an additional five-year term and is valued at \$286m. This will see the Company continue operations at Commodore until the end of August 2024. It has been providing a total mining service at Commodore since 2001 to deliver coal to the Millmerran Power Station.

09:31 AM

### **BHP Billiton Limited (BHP) -BHP Billiton Provides Copper Update**

BHP Billiton announced that it has entered into an agreement with Guyana Goldfields (Guyana) to acquire its 6.1% interest in SolGold the majority owner and operator of the Cascabel porphyry copper-gold project in Ecuador. Under the terms of the agreement with Guyana, it will acquire 103.1m shares in SolGold. The purchase price payable by the Company is 26.592 pence per SolGold share, representing a 20% premium to the 20-day volume-weighted average LSE price of 22.16 pence per share as determined on 4 September 2018.

09:34 AM

**Syrah Resources Limited (SYR) -Syrah Resources Announces Regarding Successful Completion of A\$94m Institutional Placement**

Syrah Resources announced that it has successfully completed an institutional placement to professional and sophisticated investors (Placement) of 42.2m new FPO shares (Shares) to raise A\$94m. The Placement was well supported with bids by both existing and new investors. The Shares issued under the Placement (Placement Shares) will represent 12.4% of its undiluted share capital immediately following completion of the Placement. The Settlement of the Placement is expected to occur on 7 September 2018.2 New Shares issued under the Placement will rank equally with existing Company's Shares on issue and are expected to commence trading on the ASX on 10 September 2018.

09:40 AM

**Transurban Group (TCL) -Transurban Group Issues Retail Information Booklet**

Transurban Group issued retail information booklet. The Company launched a fully underwritten pro rata accelerated renounceable entitlement offer of new securities to raise \$4.2bn. The proceeds under the entitlement offer will be used to fund Company's equity contribution for the WestConnex acquisition and for general corporate purposes.

09:43 AM

**Fastbrick Robotics Ltd (FBR) -Fastbrick Robotics Signs Global Partnership Agreement with Wienerberger AG**

Fastbrick Robotics announced that it has entered into a global partnership with European block-making giant Wienerberger AG to develop, manufacture and test clay blocks optimised for the Hadrian X construction robot, for introduction into global markets where Wienerberger is active. These newly developed clay blocks will be tested in a pilot project in Europe and will be launched in Wienerberger markets together with the Hadrian X upon successful completion. The first phase of the multi-stage partnership agreement primarily involves an intensive exchange of information between the two partners in order to develop optimised clay block solutions for the Hadrian X construction robot.

09:45 AM

**Clinuvel Pharmaceuticals Limited (CUV) -Clinuvel Pharmaceuticals Provides US FDA Update**

Clinuvel Pharmaceuticals announced that the US Food and Drug Administration (FDA) has issued a request for further documentation to support its new drug application (NDA) for SCENESSE (afamelanotide 16mg). This additional information covers product manufacturing information and details from the European post-authorisation use of SCENESSE.

10:18 AM

**Far Limited (FAR) -Far Provides Investor Presentation**

Far provided investor presentation. The net cash forecast to increase by A\$20m (September 2018). The Mauritania-Senegal-Guinea-BissauConakry Basin has emerged as a global hotspot for oil and gas exploration. The Company introduced Cairn Energy and ConocoPhillips to the joint venture in 2012.

10:19 AM

**Crown Resorts Limited (CWN) -Crown Resorts Announces Regarding Pause in Trading**

Trading in the securities of the Crown Resorts will be temporarily paused pending a further announcement.

10:24 AM

**US Masters Residential Property Fund (URF) -US Masters Residential Property Fund Announces Regarding Changes Relating to Buy-Back -Appendix 3D**

US Masters Residential Property Fund provided an Appendix 3D announcing changes relating to its buy-back. The Company reported that it intends to buy back up to 35,038,298 units. The buy-back will commence on May 2018 and expire on 17 May 2019 unless the maximum number of Units are bought back prior to that date or if determined that it is no longer in the best interest of the unitholders to proceed with the buy-back. The reason for change is due to the operation of ASIC Regulatory Guide 101 (Managed investment scheme buy-backs).

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10:33 AM

**Starpharma Holdings Limited (SPL) -Starpharma Holdings Announces DEP Irinotecan Outperforms in Pancreatic Cancer Model**

Starpharma Holdings announced that its proprietary DEP irinotecan development candidate showed efficacy and safety benefits over standard irinotecan in combination with 5-FU in a mouse xenograft model of human pancreatic cancer. The human pancreatic tumour model used in this study virtually did not respond to the traditional irinotecan regimen (irinotecan + 5-FU), whereas complete tumour regression and 100% survival was achieved using its DEP irinotecan.

## Recommendation Updates Over the Last Week

ASX Code	Company Name	Morningstar Rating	Date Changed	Latest Report
▼ CNU-NZ	Chorus	★★	05/09/2018	Downgrade due to price change
▲ LLC	LendLease	★★★	05/09/2018	Upgrade due to price change
▼ ARF	Arena REIT	★★★	04/09/2018	Downgrade due to price change
▼ CNU	Chorus	★★	04/09/2018	Downgrade due to price change
▼ MGR	Mirvac Group	★★	04/09/2018	Downgrade due to price change
▲ GNE	Genesis Energy	★★★	03/09/2018	Upgrade due to price change
▲ MIN	Mineral Resources	★★★	31/08/2018	Upgrade due to price change
▼ ORA	Orora	★	31/08/2018	Downgrade due to price change
▼ RHC	Ramsay Health Care	★★★★	31/08/2018	Downgrade due to price change
▼ BKW	Brickworks	★★	30/08/2018	Downgrade due to price change
▼ BPT	Beach Energy	★★	30/08/2018	Downgrade due to price change
▲ GNE-NZ	Genesis Energy	★★★	30/08/2018	Upgrade due to price change
▼ MMS	McMillan Shakespeare	★★	30/08/2018	Downgrade due to price change
▼ RMD	ResMed	★★	30/08/2018	Downgrade due to price change
▼ SOL	Washington H. Soul Pat	★	30/08/2018	Downgrade due to price change
▼ MIN	Mineral Resources	★★	29/08/2018	Downgrade due to price change
▼ MTS	Metcash	★★	29/08/2018	Downgrade due to price change

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