

28-December-2018

Morningnote

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Overseas Market Report

Foreign Equities	Latest Price	Time/Date (AEST)	Change	% Change
▲ Dow Jones (US)	23139	8:35am 28/12/2018	260	1.14
▲ S&P 500	2489	8:35am 28/12/2018	21	0.86
▲ NASDAQ	6579	9:00am 28/12/2018	25	0.38
▼ FTSE 100 Index	6585	4:00am 28/12/2018	-101	-1.52
▼ DAX 30	10382	4:00am 28/12/2018	-252	-2.37
▼ CAC 40	4599	4:15am 28/12/2018	-28	-0.60
▲ Nikkei 225 (Japan)	20078	5:20pm 27/12/2018	751	3.88
▼ HKSE	25479	7:23pm 27/12/2018	-172	-0.67
▼ SSE Composite Index	2483	6:15pm 27/12/2018	-15	-0.61
▲ NZ 50	8775	4:50pm 27/12/2018	60	0.69

International Markets Roundup

Morningstar with AAPJ: US stocks have roared back to finish the day in positive territory, following steep losses earlier, as equities rebounded for a second day.

Asia

The Hang Seng index fell 0.6 per cent to 25,478.88 points, its lowest close since 1 November, while the Hang Seng China Enterprises index shed 0.7 per cent to market its lowest close since May 2017.

The Shanghai Composite index fell 0.6 per cent to 2483.09 points, while the blue-chip CSI300 index was down 0.4 per cent. The Shanghai stock index marked its lowest close since November 2014. The index now sits below both its 50-day moving average and its 100-day moving average.

Shares of China Petroleum & Chemical (Sinopec), the world's largest oil refiner, fell 4.7 per cent on Thursday after the sudden suspension of two senior executives in its trading unit. Its mainland China shares fell 6.8 per cent.

China's economy slowed for a seventh straight month in December, as the trade war, subdued domestic demand and decelerating factory inflation combined to undercut growth, according to Bloomberg.

Europe

In European markets, where trading resumed after a Christmas holiday break.

Losses in utility companies and carmakers weighed on the Stoxx Europe 600 Index, which fell 1.7 per cent to the lowest in more than two years on the biggest fall in more than a week.

The German DAX slid 2.4 per cent, while France's CAC 40 gave up 0.6 per cent.

Britain's FTSE 100 fell 1.5 per cent.

Magellan Global Trust (MGG) -Magellan Global Trust Announces Dividend

(MIC) -Michelago Announces Dividend

Northern Minerals Limited (NTU)
-Northern Minerals Announces First Heavy Rare Earth Carbonate Shipment from Browns Range Pilot Plant Project Living Site

Rand Mining Limited (RND) -Rand Mining Announces Pause in Trading

WTI crude oil prices gave up a slice of the more than 8 per cent gain from the previous day.

The euro rose 0.8 per cent to \$1.1438.

North America

US stocks have roared back to finish the day in positive territory, following steep losses earlier, as equities rebounded for a second day.

The gains come a day after the major indexes posted their biggest daily percentage increases in nearly a decade, feeding some hope that a Wall Street swoon may be coming to an end. The S&P 500's two-day percentage gain of 5.9 per cent is the best performance for the benchmark index since late August 2015 when the market was in the midst of a downturn over a slowing China.

Even so, all three major indexes remain down more than 9 per cent for December. The S&P 500 is on track for its biggest annual percentage drop since 2008.

Stocks were lower for most of Thursday's session, with the S&P 500 dropping as much as 2.8 per cent. Strategists said such a pullback was to be expected following the huge jump on Wednesday, when the Dow Jones Industrial Average rose 1000 points for the first time.

Losses on Thursday reversed in the last hour of trading, with stocks almost across the board churning higher. All 11 sectors finished in positive territory.

The Dow Jones Industrial Average rose 260.37 points, or 1.14 per cent, to 23,138.82, the S&P 500 gained 21.13 points, or 0.86 per cent, to 2488.83 and the Nasdaq Composite added 25.14 points, or 0.38 per cent, to 6579.49.

President Donald Trump said he was prepared to wait as long as it takes to get funding for his US-Mexico border wall, a demand that has triggered a partial shutdown of the federal government that is now in its fifth day.

Separately, Reuters reported Trump is considering an executive order in the new year that would bar US companies from using telecommunications equipment made by China's Huawei Technologies and ZTE.

This comes as China and the US plan face-to-face consultations to resolve their trade dispute, which has rocked stock markets, along with concerns over slowing economic growth and rising interest rates.

Commodities	Latest Price	Time/Date (AEST)	Change	% Change
▼ Aluminium	1857	5:21am 28/12/2018	-41	-2.17
▲ Copper	5969	5:21am 28/12/2018	37	0.63
▼ Nickel	10673	5:21am 28/12/2018	-128	-1.19
▲ Gold	1276	9:00am 28/12/2018	3	0.25
▲ Silver	15.2	8:59am 28/12/2018	0.2	1.38
▼ Oil - West Texas crude	44.6	9:00am 28/12/2018	-1.6	-3.48
▲ Lead	2033	5:21am 28/12/2018	50	2.50
▲ Zinc	2557	5:21am 28/12/2018	27	1.07
Ore	70	9:10am 27/12/2018	0	--

Currency	Latest Price	Time/Date (AEST)	Change	% Change
▼ \$A vs \$US	0.7029	9:00am 28/12/2018	-0.0043	-0.61
▼ \$A vs GBP	0.5560	9:00am 28/12/2018	-0.0031	-0.55
▼ \$A vs YEN	78.06	9:00am 28/12/2018	-0.58	-0.74
▼ \$A vs EUR	0.6151	9:00am 28/12/2018	-0.0075	-1.20
▼ \$A vs \$NZ	1.0483	9:00am 28/12/2018	-0.0003	-0.03
▼ \$US vs Euro	0.8747	9:00am 28/12/2018	-0.0053	-0.60
▲ \$US vs UK	0.7907	9:00am 28/12/2018	0.0003	0.04
▼ \$US vs CHF	0.9877	9:00am 28/12/2018	-0.0064	-0.65
▼ \$A vs \$CA	0.9569	9:00am 28/12/2018	-0.0028	-0.29

Australian Market Report

Australian Equities	Latest Price	Time/Date (AEST)	Change	% Change
▲ All Ordinaries	5662	7:20pm 27/12/2018	103	1.84
▲ S&P/ASX 200	5597	7:20pm 27/12/2018	103	1.88
▼ 10-year Bond Rate	2.36	9:00am 28/12/2018	-0.02	-0.84
▲ 90 Day Bank Accepted Bills SFE-Day	1.97	8:41am 28/12/2018	0.01	0.51
▼ 3-yr Bond Rate	1.83	9:00am 28/12/2018	-0.02	-1.08

Local Markets Are Expected to Open Flat

Ahead of the local open SPI futures were flat at 5,553.

Thursday 27 December - close [Morningstar with AAP]: Christmas has come late for the Australian share market, with a Santa rally lifting the S&P/ASX200 index to its biggest single-day gains in over two years.

The benchmark index closed up 103.4 points, or 1.88 per cent, to finish at 5597.2 at 1615 AEDT.

Gains in the final hour of trading pushed the index over its previous biggest day of the year, December 3, when it gained 1.86 per cent.

It was the biggest daily percentage jump since November 10, 2016, when the index gained 3.34 per cent.

The index is still down 2.7 per cent on the month, however.

The broader All Ordinaries was up by 102.5 points, or 1.84 per cent, to close at 5562.1.

The gains came across the board, with financials up 1.77 per cent and the metals and mining sector gaining 1.72 per cent.

"Obviously the question everyone's asking is, is this sustainable, a tremendous buying opportunity, or a snap back after very oversold conditions?" said Chris Weston, head of research with Pepperstone Group in Melbourne.

He was encouraged by the strength of the market late in the day and similar gains in Asia but said the light volume was "not brilliant".

It would take a few more days of gains and higher oil prices before anyone could say there had been a market reversal, Mr Weston said.

The biggest gainer, percentagewise, was metal mining company Ausdrill, which was up 8 cents, or 7.37 per cent, to \$1.165.

Health care company CSL gained \$6.03, or 3.38 per cent, to finish at \$184.29.

Woodside Petroleum was up \$1.24, or 4.16 per cent, to \$31.06, after the Perth company said it had hired US engineering firm Bechtel to design a second LNG production train at its Pluto plant in the Pilbara.

BHP closed up 65 cents, or 1.94 per cent, to \$34.15, while Afterpay was up 71 cents, or 6.06 per cent, to \$12.42, as shoppers headed to sales.

The Australian moves mirrored similar gains overseas. The Dow Jones Industrial Average soared more than 1000 points for the first time ever, while the NASDAQ gained 5.84 per cent.

Oil prices gained, with West Texas crude selling for \$46.61, up \$4.08, or 9.59 per cent.

The Aussie edged lower, buying 70.55 US cents, down from 70.68 on Wednesday.

ON THE ASX:

The benchmark S&P/ASX200 index was up 103.4 points, or 1.88 per cent to 5,597.2

The All Ordinaries was up 102.5 points, or 1.84 per cent, at 5662.1.

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

- ▶ Abacus Property Group
- ▶ ALE Property Group
- ▶ APA Group
- ▶ Arena REIT
- ▶ Aventus Retail Property Fund
- ▶ BWP Trust
- ▶ Centuria Industrial REIT
- ▶ Centuria Metropolitan Reit
- ▶ Charter Hall Education Trust
- ▶ Charter Hall Group
- ▶ Charter Hall Long Wale REIT
- ▶ Charter Hall Retail REIT
- ▶ Cromwell Property Group
- ▶ Dexus Prop
- ▶ GDI Property Group
- ▶ Goodman Group
- ▶ GPT Group
- ▶ Growthpoint Properties Australia
- ▶ Hotel Property Investments
- ▶ Industria REIT
- ▶ Mirvac Group
- ▶ National Storage REIT
- ▶ Propertylink Group
- ▶ Rural Funds Group
- ▶ Shopping Centres Australasia Property Group
- ▶ Stockland
- ▶ Sydney Airport
- ▶ Transurban Group
- ▶ Vicinity Centres
- ▶ Viva Energy REIT

Companies Reporting Today (ASX 300):

ASX Code	Company Name	Report
ECX*	Eclixp Group Limited	Annual

* Estimated based on release date of previous report

Market Sensitive Announcements

08:40 AM

Laramide Resources Ltd (LAM) -Laramide Resources Announces Increase to Credit Facility

Laramide Resources announced its Lenders, represented by Extract Advisers, have agreed to increase the Company's existing term loan (the Loan) by US\$1.50m (the Additional Advance) increasing the outstanding principal under the Loan to US\$6m. All other terms of the Loan will remain the same including, the maturity date of 29 December 2021; interest rate of 7% p.a; and providing that the outstanding principal be convertible into common shares of the Company at a price of C\$0.60 per common share. The effective date of the Additional Advance is 21 December 2018. A 2.5% commitment fee was paid on the Additional Advance.

08:49 AM

Consolidated Zinc Limited (CZL) -Consolidated Zinc Increases Ownership in Plomosas Mine to 90%

Consolidated Zinc advised that the Company owns 90% of the Plomosas Mine through an increased shareholding in Minera Latin American Zinc SAPI CV (MLAZ). A MLAZ shareholder meeting held on 14 December 2018 approved the increase of issued shares in MLAZ such that the Company, through its wholly own subsidiary Arena Exploration Arena, holds 90% of all issued shares in MLAZ. The consideration given to the Mexican Partners for the acquisition of the additional 39% interest in MLAZ is in accordance with the MLAZ shareholders agreement being cash payment of A\$0.75m; and issue of shares in the Company to the value of A\$1.70m at a share price of 2.34 cps.

09:20 AM

Stanmore Coal Limited (SMR) -Stanmore Coal Notes Regarding Second Supplementary Bidder's Statement

Stanmore Coal noted regarding the Second Supplementary Bidder's Statement by Golden Investments (Australia) (Golden Investments), a company owned by Golden Energy and Resources and Ascend Global Investment Fund SPC, in relation to its off-market takeover offer to acquire all of the ordinary shares in the Company. Golden Investments will extend the Offer Period so that the Offer will remain open for acceptance until 22 January 2019. Golden Investments encourages the Company Shareholders to accept the Offer as soon as possible.

09:39 AM

Stanmore Coal Limited (SMR) -Stanmore Coal Notes Regarding the Notice of Variation in Relation to Takeover Offer by Golden Investments

Stanmore Coal noted that Golden Investments (Australia) (Golden Investments) gives notice that, Pursuant to section 650C of the Corporations Act, it varies its takeover offer (Offer) for all the ordinary shares in the Company that is contained in the bidder's statement dated 19 November 2018 (Bidder's Statement) by extending the period during which the Offer will remain open so that the Offer will close on 22 January 2019. The Offer is varied by replacing 3 January 2019 with 22 January 2019 in the inside front cover of the Bidder's Statement, page 4 (Directors' Letter), page 5 (Summary of the Offer and How to Accept), page 13 (Frequently Asked Questions), page 40 (Definitions) and page 46 (Terms and Conditions of the Offer).

09:42 AM

Castillo Copper Limited (CCZ) -Castillo Copper Suspends from Official Quotation

The securities of Castillo Copper will be suspended from quotation immediately under Listing Rule 17.2, at the request of the Company, pending the release of an announcement regarding the status of its exploration tenements.

09:54 AM

Helios Energy Ltd (HE8) -Helios Energy Conducts Capital Raising of \$10.10m

Helios Energy advised that it has conducted a capital raising of \$10.10m by the issue of 77.10m shares at a price of 13.1 cps (Placement). The Placement was made to sophisticated and professional investors under the provisions of section 708 of the Corporations Act 2001 (Cth). The settlement of the Placement will be completed by 7 January 2019. The funds raised from the Placement will be used to continue the Company's leasing of additional acres of oil and gas mineral rights in Presidio County in close proximity to the Company's Presidio Oil Project; to complete its current 2D seismic program; and to pay for the costs of drilling the third well into the Presidio Oil Project and for working capital.

10:02 AM

Helios Energy Ltd (HE8) -Helios Energy Reinstates to Official Quotation

The suspension of trading in the securities of Helios Energy will be lifted immediately, following the release by the Company of an announcement regarding a capital raising.

10:11 AM

Alliance Minerals Assets Limited (A40) -Alliance Minerals Assets Suspends from Official Quotation

The securities of Alliance Mineral Assets will be suspended from quotation immediately under Listing Rule 17.2, at the request of the Company, pending the release of an announcement regarding its offtake arrangements.

10:37 AM

Frontier Diamonds Limited (FDX) -Frontier Diamonds Suspends from Official Quotation

The securities of Frontier Diamonds will be suspended from quotation immediately under Listing Rule 17.2, at the request of the Company, pending the release of an announcement regarding fundraising.

10:39 AM

(B2Y) -Bounty Mining Reinstates to Official Quotation

The suspension of trading in the securities of Bounty Mining will be lifted immediately, following the release by the Company of an announcement regarding a funding event.

10:47 AM

Magellan Global Trust (MGG) -Magellan Global Trust Announces Dividend

Magellan Global Trust announced an unfranked dividend of 3 cps for a period of six months ending 31 December 2018, with a record date of 3 January 2019 and a payment date of 15 January 2019. The Company's DRP will apply to this dividend.

11:09 AM

(MIC) -Michelago Announces Dividend

Michelago announced an unfranked dividend of 3.66 cps for a period of six months ending on 31 December 2018, with the record date of 3 January 2019 and payment date of 15 January 2019. The Company's DRP will apply to this dividend.

11:33 AM

Northern Minerals Limited (NTU) -Northern Minerals Announces First Heavy Rare Earth Carbonate Shipment from Browns Range Pilot Plant Project Living Site

Northern Minerals announced that the first heavy rare earth carbonate shipment from the Browns Range Pilot Plant Project in the East Kimberley region of WA has left site bound for customers in China. The first shipment of 2,578kg constitutes RE carbonate that has been produced during the commissioning phase as the various components of the circuit are tested and operated. The shipment sizes will be larger as commissioning is completed and the plant moves to steady state production.

11:54 AM

Rand Mining Limited (RND) -Rand Mining Announces Pause in Trading

Trading in the securities of Rand Mining will be temporarily paused pending a further announcement.

Recommendation Updates Over the Last Week

ASX Code	Company Name	Morningstar Rating	Date Changed	Latest Report
▼ MND	Monadelphous	★★	27/12/2018	Downgrade due to price change
▼ GNE-NZ	Genesis Energy	★★	24/12/2018	Downgrade due to price change
▲ SOL	Washington H. Soul Pat	★★	24/12/2018	Upgrade due to price change
▼ FXL	FlexiGroup	★★★★	22/12/2018	Macroeconomic and Regulatory Headwinds Conspire to Reduce FlexiGroup's FVE
▲ BOQ	Bank of Queensland	★★★★	21/12/2018	Upgrade due to price change
▲ CPU	Computershare	★★★★	21/12/2018	Upgrade due to price change
▲ GMA	Genworth Mortgage Insurance Australia	★★★★	21/12/2018	Upgrade due to price change
▲ MND	Monadelphous	★★★	21/12/2018	Upgrade due to price change
▲ ORG	Origin Energy	★★★★	21/12/2018	Upgrade due to price change
▲ SDF	Steadfast Group	★★★★	21/12/2018	Upgrade due to price change
▲ VOC	Vocus Group	★★★	21/12/2018	Upgrade due to price change
▲ DHG	Domain Holdings	★★★★	20/12/2018	Upgrade due to price change
▲ IPL	Incitec Pivot	★★★	20/12/2018	Upgrade due to price change
▲ IVC	InvoCare	★★★★★	20/12/2018	Upgrade due to price change
▲ MCY	Mercury NZ	★★★	20/12/2018	Upgrade due to price change
▲ WHC	Whitehaven Coal	★★★	20/12/2018	Upgrade due to price change

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