

Markets

SFE 200 Futures (9.30am AEST)	5692	11	0.2
NZX 50	7747	-1	-0.0
DJIA Futures	21955	-2	0.0
S&P 500 Futures	2472	-1	0.0
NASDAQ Futures	5908	-3	-0.1

Local Markets Commentary

The Australian market opens today's trade on mixed commodities leads and with little inspiration from overnight international equities trade.

Local and regional data, plus corporate reports, may hence prove the major influences on today's moves.

In overnight commodities trade, **oil** swung higher again. US **gold** futures settled lower. **Iron ore** (China port, 62% Fe) traded lower for a second consecutive session, but remained above \$US72/t. LME **copper** turned slightly higher.

The **\$A** was pushed a little higher, after trading at ~US79.60c early yesterday evening, but has fallen this morning.

Locally today, July trade figures are due **11.30am** AEST.

Pre-trade, the AiG releases its July services sector activity index. July vehicle sales are also expected today.

Regionally, final July services and composite PMIs are due out of **China** and **Japan**, **11.45am** and **10.30am** respectively.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	22016	52	0.2
S&P 500	2478	1	0.1
NASDAQ	6363	-0.3	-0.0
FTSE 100	7411	-12	-0.2
DAX 30	12181	-70	-0.6
Shanghai Comp	3285	-8	-0.2

Overseas Markets Commentary

Vacillating trade featured across major European and US equities markets overnight, as high-profile corporates and some undershooting economic indicators continued to influence intra-session sentiment.

Among **US** data releases, a private sector employment report estimated 178,000 new jobs for July, following forecasts of 185,000 and June's 191,000.

Euro zone June producer prices rose 0.1% for the month, but slowed to 2.5% year-on-year, from 3.4% for May.

The **UK's** July construction PMI fell 2.9 points to 51.9, following forecasts of 54.5.

Tonight in the US, ISM's July services sector activity index, June factory orders and Markit's final July services PMI are due, together with weekly new unemployment claims.

Across the Atlantic, the **Bank of England** convenes

Australia - July trade balance **11.30am** AEST

* Biotech listing **11am** AEST - **SDX** *

Today's Stock Watch

Suncorp Group (SUN)

3.6% higher, \$1.1B full-year NPAT. 12.3% higher, \$17.4B revenue. 40c fully-franked final dividend, up 2c. A recorded webcast commenced 9am AEST. Access details lodged this morning.

Downer EDI (DOW)

Due to report full-year results.

Kathmandu Holdings (KMD)

Anticipating \$37.4M - \$38.0M full-year NPAT, following \$33.5M for FY 2016. EBIT is expected to come in at \$56M - \$57M, against \$50.9M.

Sales rose 4.6% to \$445.3M. Planning to lodge audited full-year results 26 September.

Australian Pharmaceutical Industries (API)

Revising expected full-year NPAT growth to 5%, against previous minimum 10% guidance. API says that while consumer sentiment has fallen, API has maintained market share.

Select Harvests (SHV)

Anticipating \$7.5M - \$8.5M FY 2017 NPAT. Forex and leasing costs have adversely impacted results.

SHV's 2017 almond crop has totalled 14,100t, against 13,500t - 14,000t guidance. 72% is committed in sales averaging \$A7.91/kg. Total sales, including lower grades, could average \$A7.40/kg - \$A7.50/kg.

Planning to publish audited full-year results 25 August. Meanwhile, Morgans has placed a 'reduce' on SHV, cancelling hold advice.

CSL Ltd (CSL)

CSL has completed its \$US352M acquisition of 80% of Wuhan Zhong Yuan Rui De Biological Products Co, taking over operational responsibility. Humanwell Healthcare Group holds 20%.

ResMed Inc (RMD)

Credit Suisse has re-rated RMD as neutral, from outperform.

Sienna Cancer Diagnostics (* SDX)

Scheduled to list **11am** AEST following a \$4.6M IPO at 20c per share.

Resources

Rio Tinto (RIO)

93% higher, \$US3.31B interim NPAT. \$US19.3B sales revenue, following \$US15.5B for 1H 2016.

\$A1.3772 interim dividend, against A59.13c a year ago.

Increasing the company's buy-back (LSE stock) spend by \$US1B.

\$US7.6B net debt.

Northern Star Resources (NST)

Gold reserves have grown by 2.3Moz to 3.5Moz (26Mt @ 4.2g/t Au). Resources have risen by 2.7Moz to 10.2Moz (92Mt @ 3.5g/t Au), including 6.3Moz qualifying for measured and indicated status (a 58% increase).

a policy meeting and will release an outcomes statement.

Adidas, Aviva, Kellogg, Kraft Heinz, Mitsubishi UFJ, Mitsui, Shire, Siemens, Sumitomo and Yum Brands are among companies scheduled to report earnings today or tonight.

Unilever and HSBC trade ex-dividend on the FTSE 100.

In overnight corporate news, **Apple's** quarterly results and outlook, released post-US trade Tuesday, supported some sentiment, the DJIA trading slightly higher to a sixth consecutive record settlement, this time above 22,000 after attaining this for the first time early-session. Apple traded ~4.5% higher, recording a new intra-session peak.

Rio Tinto's underlying interim profit undershot expectations, despite impressive overall profit and revenue gains, but these were attributed to select commodity price appreciations, in particular iron ore. The stock was pushed ~3% lower, constraining general minerals sector sentiment.

On a day when major stocks from across varied sectors reported, **Time Warner** and **Mondelez International** each pleased.

Tesla reported post-US trade and could influence tonight's trade. The company's loss came in slimmer than expected.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1273	oz	-7	-0.5
Silver (NY) (Sep)	16.6	oz	-0.2	-1.1
Gold (LON)	1270	oz	-1	-0.1
Platinum	945	oz	2	0.2
WTI Crude (Sep)	49.6	bbl	0.4	0.9
Brent Crude (Aug)	52.4	bbl	0.6	1.1
Iron Ore (CHN port 62%)	72.3	t	-1.3	-1.7
Copper	6352	t	7	0.1
Nickel	10350	t	60	0.6
Aluminium	1926	t	19	1.0
Lead	2353	t	15	0.6
Zinc	2802	t	22	0.8
Tin	20590	t	65	0.3
CBT Wheat (Sep)	4.61	bshl	-0.005	-0.1

Commodities Commentary

Oil – the EIA (US government agency) weekly petroleum inventories report estimated 1.5MMbbl less stored crude, less than half the forecast fall, but petrol stocks dropped by 9.8MMbbl.

Meanwhile, new US sanctions against Russia reportedly appear to have spared the petroleum sector. Reluctant final signatory, US president Donald Trump, reportedly labelled the new legislation as 'seriously flawed' and 'unconstitutional'.

Gold – a remaining soft, but swinging, \$US index (new 13-month low before turning a little higher) failed to sufficiently support overnight gold trade.

Base metals – early lower oil prices impacted LME copper trade.

Anticipated further capacity reductions in China supported *aluminium*.

Regulatory mood in the Philippines supported *nickel* on expectations of a fall in output and hence exports.

Pre-Open Announcements

Austal Ltd (ASB)

ASB's JV with Guandong Jianglong Shipbuilding has secured a \$A5.6M contract to design and build a high-speed, 35m, 260-passenger ferry for mainland China ferry operator Blue Sea Jet. Construction is expected to commence next month, following the completion of a 42m ferry for Blue Sea Jet.

ASX Ltd (ASX)

June operational statistics lodged this morning.

Wattle Health Australia (** WHA)

Resuming from suspended trade with commitments for a total \$12.4M, 56c-per-share placement, to be conducted in two tranches, the second pending shareholder approval.

WHA last traded at 58c.

Lycopodium Ltd (LYL) / Lepidico Ltd (LPD)

LPD has awarded LYL subsidiary Lycopodium Minerals the engineering services contract for the Phase 1L-Max plant feasibility study. In association, LYL is granting 45M LYL shares to LPD.

FlexiGroup Ltd (FXL)

Planning to lodge full-year results 15 August and to host a webcast teleconference that day, commencing 10.30am AEST. Access details lodged post-trade yesterday.

Appen Ltd (APX)

Proposing to publish interim results 28 August and to host a teleconference that day, commencing 11am AEST.

Resources

Doray Minerals (DRM)

WA Deflector gold-copper project resource estimated at 2.83Mt @ 6.2g/t Au & 0.7% Cu.

Kibaran Resources (* KNL)

Epanko project graphite has been used to produce battery anode material at a lithium-ion battery facility in Germany.

KNL's battery graphite feasibility study is expected to be completed by 30 September.

Prospect Resources (* PSC)

Zimbabwe Arcadia lithium deposit resource estimated at 66.6Mt @ 1.13% Li₂O, representing the largest reported JORC lithium resource in Africa.

Nusantara Resources (NUS)

Indonesian-focused gold project developer completed a successful ASX listing yesterday following a \$16.2M IPO at 42c per share. Opened at 45c and slipped to its 43c settlement price. 34,500 shares changed hands across seven trades.

Trading Halts

Company	Code	Resuming
Azumah Resources	AZM	4 Aug
Osprey Medical	OSP	4 Aug
Primary Gold	PGO	4 Aug
Webjet Ltd	WEB	4 Aug

Suspensions (selected)

Company	Code	Since
Azonto Petroleum	APY	21 Jul

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7956	-0.0011	-0.14
EUR – USD	1.1851	-0.0005	-0.04

Australian Data Today

AiG	PSI	Jul
ABS	Trade balance	Jun
VFACTS	Vehicle sales	Jul

US Data Tonight

ISM non-manufacturing	Jul
Markit services & composite PMIs (final)	Jul
Initial jobless claims	29 Jul
Factory orders	Jun

Other Overseas Data Today & Tonight

China	Caixin services & composite PMIs	Jul
Japan	Nikkei services PMI	Jul
UK	BoE (post-policy meeting) statement	Aug
UK	Markit services PMI (final)	Jul
Euro zone	Markit services PMI (final)	Jul
Euro zone	ECB economic bulletin	Aug

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au.

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

Baralaba Coal Company	BCL	10 Jul
BKM Management	BKM	28 Jul
Clancy Exploration	CLY	13 Jul
IODM Ltd	IOD	3 Aug
Manalto Ltd	MTL	28 Jul
Molopo Energy	MPO	27 Jul
MSM Corporation International	MSM	12 Jul
Northern Mining	NMI	1 Aug
Premiere Eastern Energy	PEZ	11 Jul
Realm Resources	RRP	14 Jul
ResApp Health	RAP	2 Aug
Surefire Resources	SRN	1 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
GEG	Today	5.67	10	0.86
BKI	Tomorrow	3.7	100	4.26
DJW	Tomorrow	10	100	5.21
AMH	Mon	3.5	100	3.76
OZG	Mon	0.25	100	3.13
WIC	Mon	3	100	6.09
AFI	Tue	14	100	3.92

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	DOW	Full-year
	SUN	Full-year
Tomorrow	CWN	Full-year
	TAH	Full-year
Tue	IFL	Full-year
	JHX	AGM; Jun Q
	SCP	Full-year
	TCL	Full-year
Wed	CBA	Full-year

Quickstep Holdings (QHL)*Quickstep – public presentation by new QHL management*

Quickstep Holdings Ltd (ASX: QHL) is offering a unique opportunity to hear and discuss operations and growth plans with the company's recently appointed MD and CEO, CFO and EGM technology, at a presentation this month in Perth.

16 August

2.15pm – 2.30pm

The Orelia Room, Mercure Hotel
10 Irwin Street, PerthPlease RSVP by COB Friday 11 August
to lhill@stateone.com.au
or 0447 447 897**State One Executive Chairman Alan Hill**