

Markets

SFE 200 Futures (9.30am AEST)	5664	-1	-0.0
NZX 50	7748	-6	-0.1
DJIA Futures	21964	-10	-0.1
S&P 500 Futures	2469	-3	-0.1
NASDAQ Futures	5886	-4	-0.1

Local Markets Commentary

The Australian market commences Friday trade ahead of a key Reserve Bank of Australia (RBA) report and on mostly negative US equities leads.

Overnight commodities leads are mixed.

Oil swung lower again, following a single-session gain. US **gold** futures pulled back for a second consecutive session. **Iron ore** turned to settle higher. LME **copper** settled flat.

The **\$A** was pushed to ~US79.50c, after trading at ~US79.30c early yesterday evening, and has risen further this morning.

Locally today, the RBA publishes its quarterly monetary policy statement, including updated CPI and GDP forecasts, at **11.30am** AEST.

June retail sales are also due then.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	22026	10	0.0
S&P 500	2472	-5	-0.2
NASDAQ	6340	-22	-0.4
FTSE 100	7475	63	0.9
DAX 30	12155	-27	-0.2
Shanghai Comp	3273	-12	-0.4

Overseas Markets Commentary

Choppy trade featured across most major European and US equities markets overnight amid plenty of mixed corporate news and a new US political development.

The FTSE 100 stood out, gaining on a **Bank of England** (BoE) dousing of any near-term rate rise expectations, amid claims businesses were delaying investment and market expansion on uncertainty regarding UK-EU separation outcomes.

The post-policy meeting statement and remarks, plus a 0.2% lower 2017 GDP growth forecast of 0.7%, also pushed the British pound significantly lower against the \$US.

Two of eight policy committee members had nevertheless voted for a 0.25% base rate rise from 0.25%, and governor Mark Carney warned rates would rise faster than anticipated when the moves began.

Meanwhile, a Special Counsel-led investigation into last year's **US** presidential election has decided on a grand jury route.

In US data releases, ISM's July services sector activity index dropped 3.4 points to 53.9, three points below forecasts, but nonetheless remained in solid expansion mode.

RBA – quarterly policy statement, including forecasts, **11.30am** AEST

Today's Stock Watch

Sims Metal Management (SGM)

Anticipating \$180M - \$185M full-year EBIT and ~\$370 net cash. This would mean an ~\$10M miss on guidance that had pointed to improved 2H earnings.

MD and CEO Galdino Claro and CFO Fred Knechtel have left SGM and been replaced by internal appointees, effective immediately. SGM MD of Australia-New Zealand Metals Alistair Field has been appointed to replace Mr Claro, based in New York.

Amit Patel is acting CFO. 20-year SGM employee John Glyde is taking over Mr Fields' ANZ Metals leadership.

SGM plans to report full year results 25 August.

Tabcorp Holdings (TAH)

\$20.8M full-year net loss, against a \$169.7M net profit a year ago. 2% higher, \$2.2B revenue. 12.5c fully-franked final dividend. Results impacted mostly by legal proceedings, UK expansion and costs related to the proposed merger with TTS.

Tatts Group (TTS) / Tabcorp Holdings (TAH) / Crown Resorts (** CWN)

The scheme booklet for the proposed TTS-TAH merger will not be published until full-year results can be included. TTS plans to release its FY 2017 results 17 August.

The Federal Court is scheduled to hear applications for a review of the Australian Competition Tribunal's decision to allow the merger on 28 and 29 August. These applications come from CrownBet (part of Crown Resorts, ASX: CWN) and the Australian Competition & Consumer Commission (ACCC).

NB: CWN results are keenly anticipated this morning.

Webjet Ltd (↓ WEB)

Resuming from a trading halt having achieved 98% take-up and raised \$A93M in the \$10-per-share entitlement offer, in support of the JacTravel acquisition.

The retail offer is scheduled for 10 – 22 August. WEB last traded at ~\$10.94.

Meanwhile, Morgans is recommending WEB as an 'add'.

Computershare Ltd (↑ CPU)

Selling the company's 50% holding in Karvy Computershare Private to General Atlantic for an estimated post-tax \$US90M. Completion is anticipated by year's end.

CIMIC Group (CIM)

Moody's has raised CIM's long-term issuer rating, plus CIM Finance (USA) notes, to Baa2 from Baa3. Outlooks remain stable. Moody's cited 'strong operating performance and balance sheet management'.

Suncorp Group (SUN)

Goldman Sachs has cancelled a SUN buy recommendation, replacing it with a neutral rating.

Resources

Fortescue Metals Group (FMG)

Morgans has replaced an FMG add recommendation with 'hold' advice.

Northern Star Resources (NST)

Macquarie has re-rated NST as outperform, from neutral.

June factory orders jumped 3%, following a 0.8% fall in May.

Weekly new unemployment claims were reported 5000 lower and the four-week average to have eased by 2500.

Tonight in the US, official national monthly employment statistics are due, together with June trade figures.

Alliance, Asics, Inpex, Isuzu, Merlin Entertainments, Royal Bank of Scotland and Toyota Motor are among companies scheduled to report earnings today or tonight.

In overnight corporate news, Germany's **Siemens** fell early on a weaker-than-expected quarterly report plus a delay in plans to separately list one division.

Tesla, which reported a better-than-feared loss post-US trade Wednesday, appreciated more than 6% on income expectations for the company's new electric vehicle.

Commodities

COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Dec)	1274	oz	-4	-0.3
Silver (NY) (Sep)	16.65	oz	-0.1	-0.5
Gold (LON)	1268	oz	-2	-0.1
Platinum	962	oz	17	1.8
WTI Crude (Sep)	49.0	bbl	-0.6	-1.1
Brent Crude (Aug)	52.0	bbl	-0.4	-0.7
Iron Ore (CHN port 62%)	72.9	t	0.6	0.9
Copper	6352	t	0	0.0
Nickel	10380	t	30	0.3
Aluminium	1916	t	-10	-0.5
Lead	2367	t	14	0.6
Zinc	2792	t	-10	-0.3
Tin	20650	t	60	0.3
CBT Wheat (Sep)	4.58	bshl	-0.03	-0.7

Commodities Commentary

Oil – early gains were decisively negated amid OPEC agreement non-compliance talk and reported fear of relatively regular output gains by Libya and Nigeria.

A weekly US petroleum drill rig count is due tonight.

Gold – unlike equities trade (amid reporting season), interest reportedly waned, ahead of tonight's US monthly jobs report and in the absence of major new geopolitical moves.

Base metals – LME *copper* notably settled flat, on mixed demand/supply signals and a turn lower again for oil.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7958	0.0011	0.14
EUR – USD	1.1881	0.0013	0.11

Australian Data Today

RBA	Policy statement (qtrly)	Aug
ABS	Retail sales	Jun

US Data Tonight

Employment (new jobs; earnings; u/employmt)	Jul
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Pre-Open Announcements

Decmil Group (↓ DCG)

\$NZ60M contract secured with the New Zealand Department of Corrections, for the design and construction of modular prison units.

The a2 Milk Company (A2M) / Synlait Milk (SM1)

Confident of their applications to export baby formula to china from 1 January 2018. Details lodged this morning.

Sienna Cancer Diagnostics (SDX)

Completed its ASX listing yesterday, following a \$4.6M IPO at 20c per share. Opened at 20c and settled at its lowest price of 14c. 4.48M shares changed hands across 275 transactions.

Resources

Red 5 (** RED) / Saracen Mineral Holdings (SAR)

RED is proposing to pay Gold Fields \$18.5M in staged cash and share payments for the operating Darlot gold mine in WA's far eastern goldfields.

In addition, RED proposes to pay \$16M in cash and shares for SAR's King of the Hills gold mine, located ~80km south of the Darlot operation.

In association, RED is conducting a \$12.7M one-for-three rights issue at 5c per share.

Goldfields is underwriting the issue to \$8.5M, which includes a \$1.5M SAR sub-underwriting.

RED plans to seek shareholder approval for the acquisition proposals in September.

As at 24 July, RED held \$16M cash. RED is resuming from a trading halt called in afternoon trade yesterday after the company had traded at 3.4c – 3.7c.

Force Commodities (4CE)

Trading halt called yesterday ahead of an announcement regarding the potential acquisition of lithium, tin and tantalum-prospective interests in the Democratic Republic of Congo.

Trading Halts

Company	Code	Resuming
Azumah Resources	AZM	4 Aug
Primary Gold	PGO	4 Aug
eSports Mogul Asia Pacific	ESH	4 Aug
Force Commodities	4CE	4 Aug

Suspensions (selected)

Company	Code	Since
Azonto Petroleum	APY	21 Jul
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



Trade balance Jun

Other Overseas Data Today & Tonight

Japan	Imported vehicle sales	Jun
Germany	Factory orders	Jun
Germany	Construction PMI	Jun
Euro zone	Retail PMI	Jul

Need More Information?

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Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
BKI	Today	3.7	100	4.28
DJW	Today	10	100	5.24
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
AYJ	Wed	48	5	10.69
AYK	Wed	34	90	3.72
AYZ	Wed	69	60	3.72
MLT	Wed	10	100	4.08
RIO	Wed	137.72	100	4.69

Reports & Events

(selected scheduled)

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