STATE ONE STOCKBROKING LTD
Participant of ASX Group AFSL 247 100
ABN 95 092 989 083

Market Opener

Tuesday 8 August 2017

Need more information?

Contact your State One advisor on 1300 651 898 or advice@stateone.com.au

Please see disclaimer at end of document.

Markets

SFE 200 Futures (9.30am AEST)	**5718**	**12**	**0.2**
NZX 50	7757	-15	-0.2
DJIA Futures	22063	1	0.0
S&P 500 Futures	2477	-1	0.0
NASDAQ Futures	5934	0	0.0

Local Markets Commentary

The Australian market opens today's trade ahead of influential regional data and on select positive overnight commodity price leads.

China reports July trade figures **midday** AEST. Foreign direct investment (FDI) may also be released.

Japan is expected to reveal June current account, bank lending and early-July trade figures 9.50am.

In overnight commodities trade, **oil** headed a little lower. US **gold** futures turned to settle barely higher. **Iron ore** (China port 62% Fe) continued higher, trading beyond $US76.0/t. LME **copper** extended late-week gains and **nickel** and **aluminium** turned to rally.

The **$A** traded in a narrow range, after slipping to ~US79.10c early yesterday evening.

Locally today, NAB publishes its monthly business survey report 11.30am AEST.

Pre-trade, a weekly consumer sentiment index is due.

Day two of the Diggers & Dealers forum will provide additional minerals sector announcements, presentations, and recommendations.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	**22118**	26	**0.1**
S&P 500	2481	4	0.2
NASDAQ	6384	32	0.5
FTSE 100	7532	20	0.3
DAX 30	12257	-41	-0.3
Shanghai Comp	3279	17	0.5

Overseas Markets Commentary

Major European and US equities markets mostly headed higher overnight on relatively light volume, but sector trade reacted to corporate news and some surprise data sent Germany's major index lower ahead of trade figures tonight.

Industrial production in **Germany** fell 1.1% during June, after improving 1.2% in May. For the June quarter, output rose 1.8% compared with the March quarter.

US June consumer credit rose $US12.4B, against expectations of a $US15.3B increase, and following an $US18.3B rise in May.

Meanwhile, a US Federal Reserve regional president offered the view that no further short-term rates moves were likely necessary, due to relatively static inflation.

Tonight in the US, a job opportunities report plus

China – July trade balance expected midday AEST

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

In association with risk and reputation considerations, the CBA board has determined 'full confidence' in CEO Ian Narev, but will not pay FY 2017 'performance' bonuses to any CBA executives. CBA is due to release full-year results tomorrow.

Transurban Ltd (TCL)

$209M full-year NPAT, against $22M a year ago. 23.6% higher, $2.7B revenue. Previously declared 23c final distribution, and 3.5c fully-franked final dividend. 11.7c EPS. $988M cash and equivalents.

Shopping Centres Australasia Property Group (SCP)

73% higher, $319.6M full-year NPAT; 115.1% higher, $320.9M excluding discontinued activities. 13.1% higher, $211.4M revenue. 6.7c final distribution. $2.20 NTA. 43.2c EPS. $3.6M cash and equivalents.

FY 2018 distributions are expected to total 13.7c following 13.1c for FY 2017.

Webcast investor briefing commencing 10am AEST.

James Hardie (JHX)

34% lower $US57.4M June quarter NPAT. 6% higher, $US507.7M sales. US13c EPS. $US112.3M cash.

Expecting $US240M - $US280M FY 2018 net operating profit, against analyst forecasts of $US248M - $US297M. AGM today.

IOOF Holdings (IFL)

27c fully-franked final dividend, against 26c a year ago. 16% lower, $115.99M full-year NPAT. Flat, $907.52M revenue. 156% higher, $4.6B net inflows.

Australian Foundation Investment Company (AFI)

Trading ex-dividend (14c) today.

Trade Me Group (TME)

Deutsche Bank has placed a 'sell' on TME, cancelling hold advice.

Resources

Dacian Gold (DCN)

Reporting confirmation of a 1.5km long mineralised structure following diamond drilling within the WA Mt Morgans project Cameron Well prospect. Assays include 2.3m @ 311.3g/t Au. Visible gold has been intersected in two of the first six diamond holes drilled. Bedrock gold is evident in all six holes. DCN appreciated 2.4% yesterday after lodging assays.

CuDeco Ltd (CDU)

July's 8620t Queensland Rocklands copper concentrate shipment represents a project record.

Energy

FAR Ltd (FAR)

Hydrocarbons determined in three discrete levels of the SNE North-1 exploration well, Sirius prospect, offshore Senegal. Potential commerciality yet to be determined.

general economic optimism and small business optimism indices are due.

Daikin, Disney, CVS Health, Icahn Enterprises, InterContinental, Michael Kors, Ralph Lauren, Standard Life, Valeant Pharma and Yamaha Motor are among companies scheduled to report earnings later today and tonight.

In overnight corporate news, **BlackBerry** was pushed 3% lower on a sell recommendation.

Aerospace parts manufacturer **United Technologies** also fell, following reports of a possible acquisition of Rockwell Collins.

Tyson Foods rallied however, on better-than-expected quarterly figures fed by chicken and bacon demand.

Netflix confirmed the acquisition of comic publisher Millarworld.

Alibaba secured a deal to enable customers to use the Alibaba site to make bookings with the **Marriott** group.

In the meantime, **Renault** revealed plans for a new manufacturing operation in Iran.

Commodities

COMMODITY	CLOSE	$US/	+/-	%
Gold (NY) (Dec)	**1265**	oz	0.1	0.1
Silver (NY) (Sep)	16.3	oz	0.0	0.0
Gold (LON)	1258	oz	0.3	0.0
Platinum	966	oz	3	0.3
WTI Crude (Sep)	**49.4**	bbl	-0.2	-0.4
Brent Crude (Aug)	**52.4**	bbl	0.05	-0.1
Iron Ore (CHN port 62%)	**76.2**	t	2.1	2.8
Copper	**6414**	t	42	0.7
Nickel	10400	t	150	1.5
Aluminium	1964	t	54	2.8
Lead	2361	t	0	0.0
Zinc	2858	t	46	1.6
Tin	20600	t	90	0.4
CBT Wheat (Sep)	**4.59**	bshl	0.04	0.9

Commodities Commentary

Oil – traders appeared in a relative hiatus, with the agenda for a two-day OPEC meeting which commenced in Abu Dhabi overnight including production curb compliance, and China trade figures due today.

Prices recovered from earlier larger falls.

Gold – unlike during Friday trade, there was no $US rally, and comparatively scant interest in both equities and commodities.

Base metals – **China**'s July foreign reserves ($US3.08 trillion), released post-ASX trade yesterday, represented a nine-month high, supported by a weaker $US and capital outflow restrictions.

Trade figures, due today, will influence tonight's trade. Germany's trade statistics could also sway some sentiment.

China's CPI and producer prices are expected tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7912	-0.0002	-0.03
EUR – USD	1.1797	0.0001	0.01

Pre-Open Announcements

Bingo Industries (* BIN)

In response to media commentary regarding the Queensland waste levy debate and some waste companies, BIN confirms it has no ownership interest in the Mangrove Mountain landfill. Further, BIN says it supports waste management initiatives, and specifically would support a Queensland waste levy, to prevent the transfer of NSW waste across the border at night.

Reckon Ltd (* RKN)

11% lower, $5.5M interim NPAT. $50.1M revenue, down ~$100,000.

Mantra Group (* MTR)

Citigroup is recommending MTR as a buy.

TechnologyOne Ltd (* TNE)

50 customer projects went live over the past eight weeks, including 12 during the first weekend in July.

Downer EDI (DOW) / Spotless Group (SPO)

DOW has extended its $1.15 cash-per-share offer for SPO by a further week, to 14 August (Monday next week). DOW held 86.7% of DOW by late yesterday.

Isentia Group (ISD)

Planning to publish full-year results pre-trade 23 August, and to host a webcast teleconference that day, commencing 9.30am AEST. Access details lodged post-trade yesterday.

Resources

Northern Star Resources (NST)

Diggers & Dealers presentation lodged post-trade yesterday.

Barra Resources (* BAR) / Conico Ltd (* CNJ)

Hearlding WA Mt Thirsty cobalt JV project metallurgical testwork recovery statistics. A scoping study is nearing completion for the 50:50-held project.

Energy

Yancoal Ltd (* YAL)

YAL will conduct its entitlement offer at A24.6c per share. YAL has traded at 13.5c to 40c over the past four sessions.

TerraCom Ltd (TER)

Queensland Blair Athol thermal coal mine expected production lodged this morning, covering August 2017 – January 2018. A purchase agreement covers this output, supporting the targeted late-2017 2Mtpa rate.

Trading Halts

Company	Code	Resuming
Atcor Medical Holdings	ACG	8 Aug
Eastern Goldfields	EGS	8 Aug
Fluence Corporation	FLC	8 Aug
3D Resources	DDD	9 Aug
AusCann Group	AC8	9 Aug
AVZ Minerals	AVZ	9 Aug
Funtastic Ltd	FUN	9 Aug
MinRex Resources	MRR	9 Aug
Yogee Ltd	YOJ	9 Aug
Golden Rim Resources	GMR	10 Aug

Australian Data Today

ANZ/RyMgn	Consumer sentiment	6 Aug
NAB	Business survey report	Jul
RBA	Reserve assets	Jul

US Data Tonight

JOLTS job openings	Jun
NFIB small business optimism	Jul
IBD/TIPP economic optimism	Aug

Other Overseas Data Today & Tonight

China	Trade balance	Jul
China	Foreign direct investment (FDI)	Jul
Japan	Current account	Jun
Japan	Bank lending	Jun
Japan	Corporate insolvencies	Jul
Japan	Trade 1st 20 days	Jul
Japan	Eco watchers survey	Jul
UK	BRC retail sales	Jul
Germany	Trade balance	Jun

Need More Information?

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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
Metalicity Ltd	MCT	7 Aug
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 (%)
AFI	Today	**14**	100	3.93
AYJ	Thu	48	5	10.80
AYK	Thu	34	90	3.72
AYZ	Thu	69	60	3.72
MLT	Thu	10	100	4.07
RIO	Thu	137.72	100	4.54
8IH	Fri	0.25	0	1.16
MGP	Fri	0.2	0	2.35
TAH	Fri	12.5	100	5.81

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	**IFL**	Full-year
	JHX	AGM; Jun Q
	SCP	Full-year
	TCL	Full-year
Tomorrow	CBA	Full-year
Thu	AGL	Full-year
	AMP	Interim
	MFG	Full-year
	ORA	Full-year
	VAH	Full-year
Fri	BBN	Full-year
	NAB	Trading update
	NWS	Jun Q
	REA	Full-year
	RNY	Interim
14 Aug	ANN	Full-year
	AZJ	Full-year
	BEN	Full-year
	JBH	Full-year
	NCM	Full-year
	OML	Interim