

Markets

SFE 200 Futures (9.30am AEST)	6216	16	0.3
NZX 50	8907	6	0.1
DJIA Futures	25202	-12	-0.1
S&P 500 Futures	2818	-3	-0.1
NASDAQ Futures	7409	-8	-0.1

Local Markets Commentary

The Australian market opens mid-week trade on generally positive overnight international trade leads, ahead of influential domestic data late-morning, a plethora of international earnings reports later today and tonight, and election news out of Pakistan.

In overnight commodities trade, both Brent and WTI **crude** settled higher.

US **gold** futures closed little changed.

Iron ore (China port, 62% Fe) turned slightly lower.

LME **copper** and **nickel** swung higher. **Aluminium** recorded a third consecutive higher settlement.

The **\$A** appreciated to ~US74.25c after trading at ~US73.75c early yesterday evening.

Locally today, June quarter **CPI** growth is keenly anticipated **11.30am** AEST.

A skilled jobs vacancies index is also due today.

Regionally, this morning, **New Zealand** has reported a \$NZ113M June trade deficit against expectations of \$NZ200M.

Meanwhile, it's national election day in **Pakistan**.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25242	198	0.8
S&P 500	2820	13	0.5
NASDAQ	7841	-1	-0.0
FTSE 100	7709	53	0.7
DAX 30	12689	141	1.1
Shanghai Comp	2906	46	1.6

Overseas Markets Commentary

Major European and US equities markets mostly opened higher overnight, trade reacting to earnings reports, manufacturing data, domestic economic growth initiatives announced earlier by **China's** State Council, and national agriculture sector support flagged by the US administration.

The administrators introduced plans for bonds that local governments could use for infrastructure development, plus corporate tax reductions to help offset research costs and to support small business.

In addition, the US administration revealed plans to offer significant support to the domestic agriculture sector, pending impacts from changing international trade tariffs.

Among data releases, an initial **US** Markit July manufacturing PMI rose 0.1 to 55.5, and the services sector index declined 0.3 to 56.2, both

Australia – June quarter **CPI 11.30am** AEST

Today's Stock Watch

CSR Ltd (CSR)

Reviewing options, including a potential sale, for the Viridian glass business.

CSR says other parties have expressed interest and CSR will consider this 'over the next few months'.

Unibail Rodamco-Westfield (URW)

Selling the Capital 8 office building, Paris to Invesco for €789M. Closure is anticipated by year's end.

DroneShield Ltd (DRO)

Human exposure certification in hand for DRO's DroneGun Tactical.

SomnoMed Ltd (SOM)

FY 2018 revenue grew 30% to \$64.2M, supported by 22% higher, \$17.4M June quarter revenue growth.

Anticipating a lower-end FY 2018 \$6.6M - \$7.4M EBITDA loss.

Nuheara Ltd (NUH)

The University of Melbourne Centre for Auditory Neuroscience is investigating whether NUH's IQbuds might improve sensory experience in children diagnosed with autism spectrum disorder (ASD).

Alliance Aviation Services (AQZ) / Incitec Pivot (IPL)

AQZ has secured a five-year contract extension with IPL for the Phosphate Hill project.

AQZ has flown continuously for the project since 2002.

Resources

Artemis Resources (ARV)

RC and diamond drilling within ARV's WA Pilbara Carlow Castle Co-Au-Cu project has delivered several significant width and high-grade intersections.

These include 6.5m @ 23.44g/t Au, 2.32% Co and 10.35% Cu from 47m.

Base Resources (BSE)

Produced a record 24,451t of rutile during the June quarter.

Pioneer Resources (PIO)

WA Sinclair caesium mining and project management plan approvals in hand.

Gascoyne Resources (GCY)

Expecting to commence WA Dalgara gold project commercial production by early-September.

\$A25.1M cash as at 30 June.

First Graphene (FGR)

Collaboration agreement secured with FlexeGRAPH.

Under the agreement, FGR will supply graphene that will be tested for suitability in the development of FlexeGRAPH's coolant technology, for use in vehicle engines, batteries, data centres and drilling and cutting fluids.

The University of Canberra-based FlexeGRAPH is using graphene-enhanced heat transfer fluids and is looking for competitively-priced graphene, potentially in large supply.

regarded as strong figures.

The Richmond Fed manufacturing index slipped to 20 from 21, but a 14% fall had been anticipated.

Earlier, the **euro zone's** initial July manufacturing PMI came in at 55.1, 0.2 higher for the month and defying forecasts of a 0.3-point slip. The services sector index slipped 0.8 however, to a nonetheless remaining sturdy 54.4.

Germany's July manufacturing PMI was calculated 1.4 points higher, at a robust 57.3.

Meanwhile in **Turkey**, the central bank surprised by retaining its key interest rate, raising questions of its independence and propelling the lira lower.

Tonight in the US, June new home sales and weekly mortgage applications are due.

Companies due to report earnings later today or tonight, or provide an update, include: Antofagasta, Boeing, Coca-Cola, Deutsche Bank, Facebook, Fiat Chrysler, Ford Motor, Freeport-McMoran, General Motors, Gilead Sciences, GlaxoSmithKline, ITV, Mattel, Mondelez International, Northrop Grumman, PayPal, Qualcomm, Samsung C&T, Tullow Oil, Visa and Vodafone.

In overnight corporate news, **Verizon Communications** surpassed quarterly expectations and helped push the telecom sector higher.

United Technologies was pushed ~3.5% higher on pleasing numbers and boosts to annual revenue and profit guidance, delivering a positive aura to large industrial stocks.

Likewise, **Lockheed Martin** impressed with figures and guidance.

Among those releasing interim results, luxury retailer **LVMH** delivered pleasing revenue.

Biogen and **Eli Lilly** supported biotechs and pharmaceuticals with a mix of better-than-anticipated quarterly results, outlooks and research news which pushed the stocks to multi-year peaks.

Alphabet's impressive figures, released post-Monday US trade, buoyed general earnings sentiment, as anticipated, as its stock traded at a new peak.

Notably, the **NASDAQ** traded at record highs early overnight.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1226	oz	-0.1	-0.1
Silver (NY) (Sep)	15.5	oz	0.09	0.6
Gold (LON)	1228	oz	3	0.3
Platinum	831	oz	0	0.0
WTI Crude (Sep)	68.5	bbl	0.6	0.9
Brent Crude (Sep)	73.4	bbl	-0.4	0.5
Iron Ore <small>(CHN port 62%)</small>	65.57	t	-0.18	-0.3
Copper <small>(LME, 3mth, PM)</small>	6295	t	165	2.7
Nickel	13600	t	200	1.5
Aluminium	2085	t	16	0.8
Lead	2162	t	27	1.3
Zinc	2616	t	61	2.4
Tin	19675	t	200	1.0
CBT Wheat (Jul)	5.10	bshl	-0.04	-0.7

Commodities Commentary

Oil – a publicly pro-active stance from China's administrators benefited demand expectations overnight, swinging prices higher.

Pre-Open Announcements

McPherson's Ltd (* MCP)

MCP has appointed Centre for Biopharmaceutical Excellence director and consultant Alison Mew as an independent non-executive director, effective immediately.

Ms Mew is a former CEO and COO of Genetic Technologies (ASX: GTG).

Voltara Health Technologies (* VHT)

\$NZ22.8M cash as at 30 June, following a 16% increase in cash receipts and a \$A20M placement.

Arena REIT (ARF)

Planning to publish FY 2018 results 21 August and to host a teleconference that day from 11.30am AEST.

Access details lodged post-trade yesterday.

Resources

Mincor Resources (* MCR)

WA Widgiemooltha project first gold pour achieved.

Cazaly Resources (* CAZ)

Samples collected during initial ground reconnaissance work within CAZ's Kaoko Kobalt project, Namibia indicate high-grade copper.

Lucapa Diamond Company (LOM)

June quarter operational statistics lodged this morning, including a 20% increase in diamond production from the Lulo JV, Angola. Production totalled 5058 carats.

Rafaella Resources (* RFR)

WA-headquartered explorer scheduled to list 1pm AEST tomorrow following a \$5M IPO at 20c per share.

RFR's top-10 shareholders list includes JPMorgan Nominees Australia (3.97%), UBS Nominees (2.32%) and CS Third Nominees (2.06%). 28.13M quoted securities.

Energy

Petsec Energy (PSA)

Offshore Louisiana Hummer field Main Pass 270 B-2 drilling is expected to commence mid-August.

PSA expects its share of initial drilling costs to come in at \$US2.6M and for completion and production costs to reach \$US1.0M - \$1.2M.

PSA 12.5% working interest.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	SBM	Jun Q
Tomorrow	BCI	Jun Q
	BPT	Jun Q
	FMG	Jun Q
	NCM	Jun Q
	MQG	AGM
	OGC	Jun Q
	SXY	Jun Q
Fri	GUD	Full year
	SFR	Jun Q



A US weekly petroleum inventories report, by government agency the EIA, is due tonight.

WTI has appreciated further post-settlement, on an industry-published report, which early this morning (AEST) indicated a 3.2MMbbl fall in stored US crude.

Gold – the \$US softened some overnight, but gold sentiment appeared to remain weak.

Base metals – China’s plans to increase support for local government infrastructure spending, small business growth and additional research helped buoy overnight sentiment.

Initial July manufacturing PMIs out of Japan, the euro zone and US yesterday and overnight came in mixed.

Japan’s fell 1.4 points to 51.6, but mid-50s readings for the euro zone and US indicated sector vigour.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7429	0.0012	0.16
EUR – USD	1.1685	0.0003	0.03

Australian Data Today

ABS	CPI	Jun Q
Deptof Jobs	Skilled job vacancies	Jun

US Data Tonight

MBA mortgage applications	21 Jul
New home sales	Jun

Other Overseas Data Today & Tonight

UK	CBI retail survey	Jun
UK	Mortgage approvals	Jun
Germany	Ifo business climate	Jul

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Mon (30 Jul)	IGO	Jun Q
	SEH	Jun Q
	SYR	Jun Q
Tue	AQG	Jun Q
	AAC	AGM
	CCP	Full year
	IFN	Jun Q
	ORG	Jun Q
Wed	ALQ	AGM
	BWP	Full year
	GMA	Interim
	RIO	Interim

Trading Halts

Company	Code	Resuming
A-Cap Resources	ACB	25 Jul
Castillo Copper	CCZ	25 Jul
Eastern Goldfields	EGS	25 Jul
EVZ Ltd	EVZ	25 Jul
Golden Mile Resources	G88	25 Jul
IPB Petroleum	IPB	25 Jul
Korab Resources	KOR	25 Jul
PNX Metals	PNX	25 Jul
Six Sigma Metals	SI6	25 Jul
Protean Energy	POW	26 Jul
Triangle Energy	TEG	26 Jul

Suspensions (select)

Company	Code	Since
Connected IO	CIO	19 Jul
Crowdspark Ltd	CSK	6 Jul
Genera Biosystems	GBI	4 Jul
Indoor Skydive Australia	IDZ	23 Jul
JustKapital Ltd	JKL	19 Jul
Rey Resources	REY	20 Jul
Tikforce Ltd	TKF	24 Jul
Velpic Ltd	VPC	24 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MIR	Tomorrow	8.5	100	3.56
OZG	3 Aug	0.25	100	2.70
WIC	3 Aug	3	100	5.11



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