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

Market Opener

Wednesday 26 July 2017

Need more information?

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

Markets

SFE 200 Futures (9.30am AEST)	**5705**	**42**	**0.7**
NZX 50	7705	-8	-0.1
DJIA Futures	21568	8	0.0
S&P 500 Futures	2475	1	0.0
NASDAQ Futures	5934	0	0.0

Local Markets Commentary

The Australian market commences mid-week trade ahead of key domestic data and a keenly anticipated speech by the head of the Reserve Bank of Australia (**RBA**), and on largely positive commodity price leads.

The Australian Bureau of Statistics (ABS) reports June quarter **CPI** growth **11.30am** AEST.

A speech by Reserve Bank of Australia (**RBA**) governor Philip Lowe is scheduled to commence **1.05pm**.

A monthly job vacancies update is also expected today.

In overnight commodities trade, **oil** continued its latest rally. US **gold** futures were pushed slightly lower. LME **copper** picked up the pace of its recent positive run. **Iron ore** (China port, 62% Fe) rose for a second consecutive day.

The **$A** ultimately moved slightly higher, after trading at ~US79.30c early yesterday evening. Comparable demeanour is not assured today, given a CPI release and RBA speech.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	**21613**	100	**0.5**
S&P 500	2477	7	0.3
NASDAQ	6412	1	0.0
FTSE 100	7435	57	0.8
DAX 30	12264	55	0.5
Shanghai Comp	3244	-7	-0.2

Overseas Markets Commentary

Major European and most US equities markets recovered support overnight from a mix of select corporate earnings and outlooks, the breaking of a domestic US political deadlock and some encouraging economic indicators.

US Republican lawmakers voted by the slimmest margin to renew efforts to put in place new healthcare legislation.

In US data releases, the Conference Board's consumer sentiment reading came in at 121.1, following forecasts of 116.

A Case-Shiller house price report indicated 5.7% higher prices over the May quarter.

The Richmond Fed's manufacturing index rose three points to 14, following forecasts of seven.

In **Germany**, an IFO business sentiment index was calculated at a record high.

Tonight in the **US**, the Federal Reserve concludes a two-day policy meeting and releases a statement.

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

RBA – governor Philip Lowe is speaking on *The Labour Market & Monetary Policy* at an Anika Foundation lunch, **1.05pm** AEST

Today's Stock Watch

Suncorp Group (SUN) / Tower Ltd (TWR)

The New Zealand Commerce Commission has decided not to approve the proposed SUN acquisition of TWR.

SUN's $NZ1.40-per-share proposal was made via SUN subsidiary Vero Insurance New Zealand. Sun is assessing options.

Sigma Healthcare (SIG)

SIG has commenced a formal negotiation period with My Chemist/Chemist Warehouse Group, in an attempt to resolve a supply agreement dispute.

The parties have agreed that should this fail, they will initiate a confidential and binding mediation and arbitration process.

Retail Food Group (RFG)

JVs secured with AL Hathboor Group and HKO Group, to secure commercial coffee opportunities across the Middle East and North Africa. RFG 50%.

Acrux Ltd (ACR)

FY 2017 Axiron net sales totalled $US143.0M, against $US149.3M for FY 2016.

Axiron sales netted $US36.8M during the June quarter, following $US27.3M in the March quarter.

Bapcor Ltd (BAP)

Hellaby acquisition optimisation benefits teleconference scheduled to commence 10.30am AEST. Statistics lodged pre-trade. Planning to publish full-year results 2.30pm 23 August.

Sky City Entertainment (SKC)

FY 2017 results will include a $NZ95M impairment for SKYCITY Darwin. Adelaide Casino $330M expansion project presentation also lodged this morning.

Resources

Independence Group (IGO)

Produced 8433t of nickel during FY 2017, at a $A3.28/lb cash cost. Zinc and copper (in concentrate) totalled 32,638t and 4565t respectively, at a A76c/lb (Zn) cash cost. Nova project resource estimated at 11.4Mt @ 2.4% Ni, 1.0% Cu & 0.08% Co. In addition, the Jaguar project Triumph deposit resource has been calculated at 2.2Mt @ 6.2% Zn, 0.5% Cu, 0.5% Pb, 84g/t Ag & 0.3g/t Au. FY2018 guidance also lodged. Webcast teleconference 10am AEST.

St Barbara (SBM)

Produced 381,101oz of gold during the year to 30 June, at a $A907/oz AISC. $A161M cash. Nil debt. FY 2018 guidance also lodged this morning. Webcast teleconference 11am AEST.

Energy

Senex Energy (SXY)

Produced ~170,000boe during the June quarter, boosting the FY 2017 total to 750,000boe. Sold 720,000boe over the year for $43.6M revenue, and 160,000boe during the June quarter, for $9.9M. $134.8M cash as at 30 June.

Live-streamed (audio) teleconference 10am AEST.

Among data releases, June new home sales and Markit's initial July services PMI are due, together with weekly mortgage applications.

Amazon, Boeing, Coca-Cola, Daewoo Engineering & Construction, Facebook, Ford Motor Co, Hyundai Motor, ITV, Nintendo and Samsung C&T are among companies scheduled to report earnings today or tonight.

In overnight corporate news, **McDonald's** traded ~5% higher on a better-than-anticipated June quarter, bolstered by new offerings.

Alphabet, which had reported late-Monday, was pushed ~3% lower on cost-v-profit margin fears.

Another outlook upgrade from **Caterpillar** propelled this stock almost 6% higher.

General Motors booked a 42% quarterly net profit drop.

The FTSE 100 was buoyed by a $US1.2B price secured by shoemaker **Jimmy Choo**, in a sales process 'won' by US business **Michael Kors**. Jimmy Choo shares jumped ~17%.

Commodities

COMMODITY	CLOSE	$US/	+/-	%
Gold (NY) (Aug)	**1252**	oz	-2	-0.2
Silver (NY) (Sep)	16.5	oz	0.03	0.2
Gold (LON)	1254	oz	-1	-0.1
Platinum	925	oz	-4	-0.4
WTI Crude (Sep)	**47.9**	bbl	1.6	3.3
Brent Crude (Aug)	**50.2**	bbl	1.6	3.3
Iron Ore (CHN port 62%)	**69.5**	t	1.6	2.4
Copper	**6225**	t	198	3.3
Nickel	10005	t	225	2.3
Aluminium	1930	t	18	0.9
Lead	2318	t	58	2.6
Zinc	2836	t	48	1.7
Tin	20305	t	150	0.7
CBT Wheat (Sep)	**4.74**	bshl	-0.15	-3.0

Commodities Commentary

Oil – pushed to levels not seen since early June, on the previous day's demonstrative support, and admonishment, from Saudi Arabia for the current output curb agreement.

Brent crude notably settled above $US50/bbl.

A (US) government agency weekly US petroleum inventories report is due tonight.

Gold – profit-taking was cited as a major factor in overnight price moves, ahead of the US Federal Reserve's post-policy meeting statement tonight.

Better-than-expected regional manufacturing and consumer confidence indices supported small select $US appreciation from a new 13-month low.

Base metals – growth expectations, in particular for the euro zone, Japan and China, were considered the main push behind positive overnight sentiment.

Copper was well-supported, due to China's historic high demand, industrial-related output uncertainty in Chile, and rallying oil prices.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7935	-0.0002	-0.03
EUR – USD	1.1647	0.0001	0.00

Pre-Open Announcements

Transurban Group (TCL)

Financial close achieved for the $US475M 395 Express Lanes extension project.

Mirvac Group (MGR)

Selling a 50% interest in a Collins St, Melbourne office development for $414M.

Mitula Group (👍 MUA)

MUA board confidence confirmed this morning following yesterday's 45% share-price plunge following lowered guidance.

MUA board members and management hold 45% of MUA.

Planning to release interim results 10 August.

Resources

BC Iron (* BCI)

June quarter activities report lodged post-trade yesterday.

Blackham Resources (* BLK)

$39.1M debt. $17M due at the end of the year. June quarter statistics lodged post-trade yesterday.

Energy

Karoon Gas Australia (* KAR)

Brazil Santos Basin Echidna light oil project development concept approved, including a leased FPSO, two horizontal production wells and one gas injection well.

This enables FEED to commence, ahead of anticipated daily peak production totalling 14,000bbl for each well.

Trading Halts

Company	Code	Resuming
Blackstone Resources	BSX	26 Jul
Riedel Resources	RIE	26 Jul
9 Spokes International	9SP	27 Jul
Echo Resources	EAR	27 Jul
G Medical Innovations	GMV	27 Jul
Memphasys Ltd	MEM	27 Jul
Molopo Energy	MPO	27 Jul
Wattle Health Australia	WHA	27 Jul

Suspensions *(selected)*

Company	Code	Since
Azonto Petroleum	APY	21 Jul
Baralaba Coal Company	BCL	10 Jul
Clancy Exploration	CLY	13 Jul
Dotz Nano	DTZ	24 Jul
European Lithium	EUR	7 Jul
Magnis Resources	MNS	5 Jul
Magnum Gas & Power	MPE	12 Jul
MSM Corporation International	MSM	12 Jul
Peak Resources	PEK	6 Jul
Premiere Eastern Energy	PEZ	11 Jul
Realm Resources	RRP	14 Jul
Sundance Resources	SDL	26 Jul

Australian Data Today

ABS	CPI	Jun Q
DoEmplyt	Skilled job vacancies	Jul

US Data Tonight

New home sales	Jun
Markit services PMI	Jul
MBA mortgage applications	21 Jul

Other Overseas Data Today & Tonight

UK	GDP (1st)	Jun Q

Need More Information?

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

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
MIR	Today	**10.5**	100	3.55
AOD	Fri	0.31	0	7.67
WQW	Fri	3.52	0	7.91

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	**IGO**	Jun Q
	SBM	Jun Q
	SXY	Jun Q
Tomorrow	BPT	Jun Q
	FMG	Jun Q
	GUD	Full-year
	MQG	AGM
	OGC	Jun Q
Fri	AWE	Jun Q
	PRG	AGM
	SFR	Jun Q
Mon	IFN	Jun Q
	ORG	Jun Q
	SYR	Jun Q
Tue	AQG	Jun Q
	CCP	Full-year
	ERA	Interim
	NVT	Full-year