

Markets

SFE 200 Futures (9.30am AEDST)	6185	13	0.2
NZX 50	9019	21	0.2
DJIA Futures	24244	24	0.1
S&P 500 Futures	2719	0	0.0
NASDAQ Futures	7056	-5	-0.1

Local Markets Commentary

The Australian market opens Friday trade, on the last trading day of the financial year, on ultimately positive overnight US equities leads, but falls for most major commodities, ahead of key data out of China over the weekend, and the euro zone and UK tonight.

In overnight commodities trade, **WTI** crude remained in rally mode, but Brent's rise proved moderate.

US **gold** futures extended this week's falls.

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

LME **copper** fell. **Nickel** and **aluminium** turned lower.

The **\$A** was contained within a relatively narrow range after trading at ~US73.45c early yesterday evening.

Locally today, the Reserve Bank of Australia (**RBA**) releases May financial aggregates, including private sector credit, **11.30am** AEST - one of several key reports ahead of next Tuesday's policy meeting.

May new home sales, as calculated by the HIA, are also due, ~11am.

Post-trade, the RBA will update international reserves and foreign currency liquidity figures.

Regionally, **Japan** publishes May workforce statistics and industrial production, from **9.30am** AEST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	24216	98	0.4
S&P 500	2716	17	0.6
NASDAQ	7504	59	0.8
FTSE 100	7616	-6	-0.1
DAX 30	12177	-171	-1.4
Shanghai Comp	2787	-26	-0.9

Overseas Markets Commentary

Choppy trade featured variously across major European and US equities markets overnight, as investors considered potential risks associated with:

- end-of-half year/quarter positioning through tonight;
- US-North Korea and US-Korea announcements;
- sharp divisional talk reported from the first of a two-day quarterly European Union (EU) summit; and
- surprise data.

Oil prices were pushed yet higher and tech stocks

Last trading day of the financial year

Today's Stock Watch

Sims Metal Management (SGM) / Fletcher Building (FBU)

SGM is outlaying \$NZ42M for FBU's 50% holding in Sims Pacific Metals. SGM is anticipating completion, and hence 100% ownership, today.

SGM plans to report full year results 24 August.

Wattle Health Australia (WHA)

Term sheet secured with Shandong Weihai Port International Trade Co, for Shandong to purchase a minimum \$A34M worth of WHA formulae products over three years, including \$6.6M during the first year.

Shandong's online channels include Alibaba and JD.com.

The term sheet remains non-binding.

Virtus Health (VRT)

Paying up to \$A43M for Trianglen Fertility Clinic, Copenhagen, Denmark.

Department 13 International (D13)

D13 strategic partner EPE has ordered an additional two MESMER v1.5 units from D13, following an initial order for five units.

Praemium Ltd (PPS)

Five-year contract secured with CMC Markets Stockbroking, to provide CMC with PPS's tax reporting system Tax Tools.

Gentrack Group (GTK)

Anticipating \$NZ30M - \$NZ32M FY 2018 EBITDA, and expecting FY 2019 EBITDA growth, due to new customer relationships.

The Port Authority of New York and New Jersey (PANYNJ) has awarded GTK a contract to supply its guest predictability system, BlipTrack.

Further, GTK is negotiating final terms after having been awarded preferred vendor status with Orlando International Airport.

An un-named Australian utility has also appointed GTK as preferred supplier.

GrainCorp Ltd (GNC)

Trading ex-dividend (8c) today.

Resources

BHP Billiton (BHP)

Paying up to \$US211M for Samarco remediation and compensation programs.

\$US158M will go to the Renova Foundation.

A short-term facility of up to \$US53M will be used for repairs, maintenance and re-start planning. Funds will be released on certain achievements and as required.

Atlas Iron (AGO) / Fortescue Metals Group (FMG)

Suspending Mt Dove iron ore processing and reducing Mt Webber mining from 9Mtpa to 7Mtpa from late July.

Pending an independent expert's report and the release of the company's target statement, AGO is recommending a \$A390M (4.2c per share) Hancock Prospecting bid over one from FMG.

Hancock Prospecting holds ~20% of AGO.

AGO has traded at 4.3c - 4.4c over the past five trading sessions.

gained.

The US announced an official visit to North Korea, amid claims North Korea was not acting in the spirit of its claims that it would progress national denuclearisation.

In addition, a meeting between the US and Russian presidents was scheduled for 16 July in Helsinki, Finland.

Meanwhile at the EU summit, Italy retained a non-majority stance on immigration, threatening accord achieved between France, Germany, Greece and Spain.

A **US** final March quarter GDP reading disappointed, revised to 2% from previous 2.2% and 2.3% estimates. Consumer spending was cited as the major factor in the ultimate figure, due to its accounting for ~0.67% of economic activity, but all levels of government spending also reportedly declined.

Weekly new unemployment claims rose by 9000, following forecasts of a 2000 increase.

The Kansas City Fed manufacturing index fell three points to 38.

Earlier **Germany** June CPI was initially estimated at just 0.1% higher for the month, following 0.5% growth during May.

In the UK, **Bank of England** chief economist Andy Haldane publicly debunked suggestions central banks ought prioritise productivity targets.

Tonight in the US, a May personal income and spending report is sure to not go unnoticed. The June Chicago PMI and the University of Michigan's final June consumer sentiment reading are also due.

Constellation Brands and Serco are among companies scheduled to report earnings or provide trading updates.

In overnight corporate news, US Federal Reserve stress tests resulted in a fail for **Deutsche Bank** and orders for **Goldman Sachs** and **Morgan Stanley** to bolster capital by curbing dividends and buy-backs.

Walgreens Boots Alliance exceeded quarterly expectations, but was pushed 9.5% lower, in part due to **Amazon's** announcement that it was outlaying \$US1B for **PillPac**, an online pharmacy.

Other pharmacy retailers fell.

Amazon gained 2.5%, also revealing a plan for other businesses to manage their own deliveries via Amazon.

Earlier, the UK's **BAE Systems** was awarded a \$US35B Australian Navy nine-strong frigate construction contract.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1251	oz	-5	-0.4
Silver (NY) (Jul)	16.05	oz	-0.2	-1.2
Gold (LON)	1255	oz	-6	-0.5
Platinum	848	oz	-9	-1.1
WTI Crude (Aug)	73.45	bbl	0.7	1.0
Brent Crude (Jul)	77.85	bbl	0.2	0.3
Iron Ore (CHN port 62%)	64.44	t	-0.2	-0.2
Copper (LME, 3mth, PM)	6623	t	-70	-1.0
Nickel	14785	t	-95	-0.6
Aluminium	2155	t	-21	-1.0
Lead	2398	t	-38	-1.6
Zinc	2897	t	21	0.7

Pre-Open Announcements

Mirvac Group (MGR)

Revising FY 2018 EPS guidance to 15.6c from 15.3c – 15.6c.

Money3 Corporation (MNY)

MNY director Ray Malone has been appointed executive chairman. Mr Malone will be paid \$300,000pa plus 3% of EBITDA (normalised) improvement.

APN Property Group (APD)

Establishing another direct property fund, known as the APN Nowra Property Fund.

Details lodged post-trade yesterday.

Wellard Ltd (WLD)

Non-executive director and former chairman David Griffiths has resigned from the WLD board.

Resources

Panoramic Resources (** PAN)

New, four-year concentrate sales agreement secured for the supply of 100% of PAN's northern WA Savannah project nickel-copper-cobalt concentrate to Sino Nickel.

A previous agreement was due to expire 31 March 2020.

Sino Nickel is 60% held by Jinchuan Group and 40% by Sino Mining International.

Birimian Ltd (* BGS)

Mali Goulamina lithium project revised to 103.2Mt @ 1.34% Li₂O.

Lucapa Diamond Company (LOM)

The Mothae diamond JV in Lesotho has recovered an 89-carat yellow diamond during bulk sampling.

LOM 70%.

Energy

Greenpower Energy (GPP)

Individuals and entities holding a minimum combined 5% of GPP have requested a shareholders' meeting to replace GPP chairman Gerard King and director Simon Peters.

Company secretary Matthew Suttling is the only other GPP director.

GPP is promising a near-term update but has first requested legal advice.

Trading Halts

Company	Code	Resuming
Skin Elements	SKN	29 Jun
Fastbrick Robotics	FBR	2 Jul
Greenpower Global	GPP	2 Jul
Pearl Global	PG1	2 Jul
Pro-Pac Packaging	PPG	2 Jul
Rift Valley Resources	RVY	2 Jul
Suda Pharmaceuticals	SUD	2 Jul
Tikforce Ltd	TKF	2 Jul

Suspensions (select)

Company	Code	Since
Allegiance Coal	AHQ	27 Jun
Bojun Agriculture Holdings	BAH	28 Jun
Centennial Mining	CTL	25 Jun
Elixir Petroleum	EXR	14 Jun



Tin	19600	t	-255	-1.3
CBT Wheat (Jul)	4.80	bshl	0.00	0.0

Commodities Commentary

Oil – prices continued higher overnight, although there was no new major commentary or news.

A weekly US petroleum drill rig count is due tonight.

Gold – prices fell to 12-month lows overnight, some asserting India's all-time rupee lows against the \$US are damaging physical demand. The world's largest buyer, China, was this week reported to have boosted its buying, however.

Comex futures traded as low as \$US1249.6/oz.

Technical analysts claim a bounce is overdue.

Base metals – general caution appeared to prevail overnight.

Zinc benefited from claims smelters in China could cut production by up to 10%, in part due to reduced smelting revenue.

Third quarter **copper** smelting charges reportedly could not be agreed between major operators in China.

The LME will trade for the last time for first-half calendar 2018 and the June quarter tonight.

China's official June PMIs, scheduled to be published tomorrow, will also be in focus, however.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7351	-0.0003	-0.04
EUR – USD	1.1566	-0.0003	-0.02

Australian Data Today

RBA	Financial aggregates	May
RBA	International reserves	May
RBA	Foreign currency liquidity	May
HIA	New home sales	May

US Data Tonight

Personal income & spending	May
Chicago PMI	Jun
Uni of Michigan consumer sentiment (final)	Jun

Other Overseas Data Today & Tonight

Japan	Industrial production	May
Japan	Employment statistics	May
Japan	Consumer confidence (3pm AEST)	Jun
UK	GDP (final)	MarQ
UK	GfK consumer confidence	Jul
UK	BoE consumer credit	May
Germany	Retail sales	May
Germany	Import & export prices	May
Germany	Unemployment	Jun
Euro zone	CPI (prelim)	Jun

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Global Fortune Investment	GFI	13 Jun
Murray River Organics Group	MRG	4 Jun
Pursuit Minerals	PUR	18 Jun
Winmar Resources	WFE	7 Jun
WPG Resources	WPG	27 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CLF	Today	2.25	100	4.38
EDC	Today	1.93	100	7.27
GNC	Today	8	100	2.92
MXT	Today	1.01	0	3.46
NAM	Mon	1.9	19.47	3.80
TRA	Mon	3.89	0	4.04
HNG	Tue	1.5	100	6.00
CAM	Thu	1.25	100	5.78
MPP	Fri (6 Jul)	3.48	0	7.92

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