

Tuesday 1 August 2017

Please see disclaimer at end of  
document.

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>5660</b>	<b>-1</b>	<b>-0.0</b>
<b>NZX 50</b>	7693	-1	-0.0
<b>DJIA Futures</b>	21861	19	0.1
<b>S&amp;P 500 Futures</b>	2468	0	0.0
<b>NASDAQ Futures</b>	5881	-1	0.0

## Local Markets Commentary

An RBA policy meeting and statement, plus influential domestic and regional data, will feature during Australian market trade today. Overnight key commodity price leads are also largely positive.

In **China**, Caixin is due to release a final July manufacturing PMI **11.45am** AEST.

A final manufacturing PMI is due out of **Japan** 10.30am.

**Locally** today, the Reserve Bank of Australia (**RBA**) holds a policy meeting from which outcomes will be revealed **2.30pm** AEST.

Pre-trade, AiG's July manufacturing index and a weekly consumer sentiment reading are due. A commodity price index is scheduled for release post-trade.

In overnight commodities trade, **iron ore** (China port 62% Fe) settled sharply higher, beyond \$US73.5/t. **Oil** prices posted a further gain. US **gold** futures fell slightly. LME **copper** turned higher.

The **\$A** was pushed higher, after slipping below US79.75c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>21891</b>	61	<b>0.3</b>
<b>S&amp;P 500</b>	2470	-2	<b>-0.1</b>
<b>NASDAQ</b>	6348	-27	<b>-0.4</b>
<b>FTSE 100</b>	7372	4	<b>0.1</b>
<b>DAX 30</b>	12118	-44	<b>-0.4</b>
<b>Shanghai Comp</b>	3273	20	<b>0.6</b>

## Overseas Markets Commentary

Major European and US equities markets mostly traded higher on opening, but largely failed to hold gains in end-of-month trade amid mixed corporate reports and economic indicators.

A final July CPI reading for the **euro zone** confirmed 1.4% growth. Unemployment fell 0.2% to 9.1%, however.

**Germany's** June retail sales rose 1.1%, following a 0.5% gain for May and expectations of a further 0.2% improvement.

In the **US**, June pending home sales were reported 1.5% for the month.

The Chicago PMI fell 6.8 points to a nonetheless robust 58.9.

A Texas region manufacturing index rose 1.8 points to 16.8, representing a 10<sup>th</sup> consecutive monthly improvement.

**China** – Caixin manufacturing PMI **11.45am** AEST

**RBA** – policy meeting outcomes **2.30pm** AEST

\* Investment fund listing **11am** AEST – **EGD** \*

\* Surveillance business listing **midday** AEST – **SP3** \*

## Today's Stock Watch

### Isentia Group (↑ **ISD**)

Anticipating \$41.5M FY 2017 underlying EBITDA, against \$44M previous guidance, and \$15.1M revenue, against \$162M. Supporting detail lodged this morning.

Hosting a teleconference which commenced 9am AEST. Access details were lodged earlier this morning.

Planning to publish audited full-year results pre-trade 23 August, and to host a webcast conference call that day, commencing 9.30am AEST.

### Credit Corp (↓ **CCP**)

20% higher, \$55.15M full-year NPAT. 17% higher, \$265.95M revenue. 31c fully-franked final dividend, against 27c a year ago. Anticipating 9% - 14% FY 2018 NPAT growth, \$1.26 - \$1.32 EPS and 63c - 66c in total dividends per share.

### Navitas Ltd (NVT)

10.8% lower, \$80.3M full-year NPAT. 5.5% lower, \$955.2M revenue. 10.1c fully-franked final dividend. Presentation lodged this morning.

### Flight Centre (FLT)

Acquiring two New Zealand businesses, Travel Managers Group and Executive Travel Group. As with other recent FLT acquisitions, consideration remains undisclosed. FLT expects settlement during the September quarter.

### Quickstep Holdings (QHL)

Simplifying the company's organisational structure, capping FY 2018 net investment at \$2.8M, and proposing to reduce employee numbers by 12 by year's end, following a strategic and operational review targeting optimal growth and profits. Presentation lodged this morning. *Please also see p2.*

### Evans & Partners Global Disruption Fund (\* **EGD**)

Scheduled to list **11am** AEST following a \$167.2M IPO at \$1.60 per unit. Top two shareholdings: JP Morgan Nominees Australia 1.55%; Pershing Australia Nominees 0.87%.

### Spectur Ltd (\* **SP3**)

Surveillance equipment and services provider scheduled to list **midday** AEST following a \$4.5M IPO at 20c per share.

## Resources

### Doray Minerals (DRM)

Heralding new WA Deflector gold-copper project drilling results.

## Energy

### Energy Resources of Australia (ERA) / Rio Tinto (RIO)

ERA interim results expected today.

### Buru Energy (BRU)

Targeting \$10.2M in a one-for-five entitlement offer at 15c per share. BRU has traded at 19.5c - 23c over the past week.

In domestic political news, the White House communications director was let go, less than two weeks after the announcement of his appointment, and within two days of the arrival of a new White House chief of staff.

**Tonight** in the US, ISM's July manufacturing activity index, June personal income and spending, personal consumption expenditure (PCE), construction sector spending and a final Markit July manufacturing PMI are due.

Apple, BP, Honda Motor, Hyundai, Mitsubishi UFJ, Rolls-Royce, Sony and Yamaha are among companies scheduled to report earnings today or tonight. CYBG is due to provide a trading update.

In overnight corporate news, cable TV specialists **Discovery Communications** and **Scripps Networks** have agreed to a merger whereby Discovery will pay ~\$US14.6B in cash and scrip for Scripps. Discovery quarterly results, also released overnight, helped push the stock 8% lower.

**Boeing** traded at new heights following a positive research report, plus pleasing select sales expectations and plans for a new business unit.

**HSBC** added a \$US2B buy-back to quarterly profit revelations.

China's **Sohu** appreciated 11% on both quarterly figures and an upbeat revenue outlook.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1267</b>	oz	-1.8	-0.1
<b>Silver (NY) (Sep)</b>	16.8	oz	0.1	0.7
<b>Gold (LON)</b>	1268	oz	3	0.2
<b>Platinum</b>	939	oz	4	0.4
<b>WTI Crude (Sep)</b>	<b>50.2</b>	bbl	0.5	0.9
<b>Brent Crude (Aug)</b>	<b>52.7</b>	bbl	0.13	0.3
<b>Iron Ore</b> (CHN port 62%)	<b>73.7</b>	t	5	7.3
<b>Copper</b>	<b>6369</b>	t	44	0.7
<b>Nickel</b>	10215	t	15	0.2
<b>Aluminium</b>	1918	t	11	0.6
<b>Lead</b>	2334	t	14	0.6
<b>Zinc</b>	2776	t	-25	-0.9
<b>Tin</b>	20650	t	50	0.2
<b>CBT Wheat (Sep)</b>	<b>4.75</b>	bshl	-0.07	-1.4

### Commodities Commentary

**Oil** – prices swung, but ultimately traded higher, WTI notably achieving a post-\$US50/bbl settlement. The **EIA** (US government agency) revised lower its initial estimates for May oil output.

**Iraq** was reported as 'facing challenges' in limiting daily production, but intended to maintain compliance.

Meanwhile, some late profit-taking was reported, and a tropical storm in Florida remains under close monitoring.

**Gold** – traded at seven-week peaks, initially supported by international security commentary, but settled lower.

Post-US trade, prices have been pushed a little higher, some attributing this to White House staffing instability.

**Base metals** – China's official July manufacturing PMI slip, released yesterday, plus end-of-month positioning, produced mixed overnight trade.

Manufacturing PMIs due today and tonight for China (Caixin), Japan, the US, UK and euro zone could influence some of tonight's trade.

### Pre-Open Announcements

#### Downer EDI (\* DOW) / Spotless Group (SPO)

DOW has extended its SPO offer by one week to 7 August. DOW is expected to publish full-year results Thursday. In the meantime, Macquarie has re-rated DOW as outperform, from neutral.

#### Macquarie Group (\* MQG)

CEO Nicholas Moore is guest speaker at an Australia-Israel Chamber of Commerce event today.

#### Ozforex Group (OFX)

Former BT Financial Group Australia head of finance – platforms, superannuation & investments Selena Verth has been appointed OFZ CFO, effective 1 November. Mark Ledsham has resigned his CFO role.

#### Alcidion Group (ALC)

Brian Leedman and Nathan Buzza have resigned from the ALC board.

In association, ALC has appointed Geoff Rohrsheim and Rebecca Wilson as non-executive directors.

Mr Rohrsheim is an awarded entrepreneur with three start-ups to his credit, and one with which he was recently involved (Kloud Solutions) being sold into Telstra.

Ms Wilson is CEO of WE Buchan.

### Resources

#### Millennium Minerals (\* MOY)

WA Nullagine gold project expansion study preliminary results include a potential significant reduction in processing costs. Details lodged this morning.

#### Mineral Resources (MIN)

Planning to publish full-year results 16 August and to host a teleconference that day, commencing midday AEST. Access details lodged post-trade yesterday.

### Energy

#### Sundance Energy (SEA)

\$US30M revenue advance facility secured with Vitol Inc. June quarter operational statistics also lodged, including 6600boe daily production.

### Quickstep Holdings (QHL)

*Quickstep – public presentation by new QHL management*

Quickstep Holdings Ltd (ASX: QHL) is offering a unique opportunity to hear and discuss current operations and future growth plans with the company's recently appointed MD and CEO, CFO and EGM technology, at a presentation this month in Perth.

16 August  
2.15pm – 2.30pm  
The Orelia Room, Mercure Hotel  
10 Irwin Street, Perth

Please RSVP by COB Friday 11 August  
to [lhill@stateone.com.au](mailto:lhill@stateone.com.au)  
or 0447 447 897

**State One Executive Chairman Alan Hill**

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.8002	-0.0001	<b>-0.02</b>
<b>EUR – USD</b>	1.1823	-0.0020	<b>-0.17</b>

### Australian Data Today

RBA	Policy statement	Jun
AiG	Manufacturing PMI	Jul
ANZ/RyMgn	Consumer sentiment	30 Jul
RBA	Commodity price index	Jul

### US Data Tonight

ISM manufacturing	Jul
Personal income & spending	Jun
PCE price index	Jun
Construction spending	Jun
Markit manufacturing PMI (final)	Jul

### Other Overseas Data Today & Tonight

<b>China</b>	Caixin manufacturing PMI (final)	Jul
<b>Japan</b>	Nikkei manufacturing PMI (final)	Jul
<b>UK</b>	Markit manufacturing PMI (final)	Jul
<b>Germany</b>	Markit manufacturing PMI (final)	Jul
Germany	Unemployment	Jul
<b>Euro zone</b>	GDP (initial)	JunQ
Euro zone	Markit manufacturing PMI (final)	Jul

### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au).

#### Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client

### Trading Halts

Company	Code	Resuming
American Patriot Oil & Gas	AOW	2 Aug
European Cobalt	EUC	2 Aug
Family Zone Cyber Safety	FZO	2 Aug
LiveTiles Ltd	LVT	2 Aug
Marmota Ltd	MEU	2 Aug
Powerhouse Ventures	PVL	2 Aug
ResApp Health	RAP	2 Aug
WestStar Industrial	WSI	2 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
Magnis Resources	MNS	5 Jul
Magnum Gas & Power	MPE	12 Jul
Manalto Ltd	MTL	28 Jul
Molopo Energy	MPO	27 Jul
MSM Corporation International	MSM	12 Jul
Peak Resources	PEK	6 Jul
Premiere Eastern Energy	PEZ	11 Jul
Realm Resources	RRP	14 Jul
Wattle Health Australia	WHA	27 Jul
Yancoal Australia	YAL	31 Jul

### Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
GEG	Thu	5.67	10	0.85
BKI	Fri	3.7	100	4.26
DJW	Fri	10	100	5.22
AMH	7 Aug	3.5	100	3.74
OZG	7 Aug	0.25	100	3.13
WIC	7 Aug	3	100	6.06

### Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>AQG</b>	Jun Q
	<b>CCP</b>	Full-year
	<b>ERA</b>	Interim
	<b>NVT</b>	Full-year
<b>Tomorrow</b>	BWP	Full-year
	GMA	Interim
	OFX	AGM
	RMD	Full-year
	RIO	Interim
<b>Thu</b>	DOW	Full-year
	SUN	Full-year
<b>Fri</b>	CWN	Full-year
	TAH	Full-year



in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.