

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>6158</b>	<b>21</b>	<b>0.3</b>
<b>NZX 50</b>	8981	38	0.4
<b>DJIA Futures</b>	24280	-6	0.0
<b>S&amp;P 500 Futures</b>	2726	-1	0.0
<b>NASDAQ Futures</b>	7110	-7	-0.1

## Local Markets Commentary

The Australian market commences today's trade with a Reserve Bank of Australia (RBA) policy meeting on the agenda, following mixed international overnight equities trade and decidedly negative commodities prices, and ahead of the mid-week Independence Day hiatus for US markets.

Locally today, outcomes from the RBA's policy meeting are due **2.30pm** AEST.

This morning the Australian Bureau of Statistics publishes May building approvals and NAB publishes its monthly business survey report.

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

In overnight commodities trade, **oil** and **iron ore** (China port, 62% Fe) turned lower, amid varying reports regarding both recent and likely demand and supply for each commodity.

US **gold** futures dropped.

LME **copper**, **nickel** and **aluminium** fell.

The **\$A** traded sub-US73.40c after falling below US73.75c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	24307	36	<b>0.2</b>
<b>S&amp;P 500</b>	2727	8	<b>0.3</b>
<b>NASDAQ</b>	7568	57	<b>0.8</b>
<b>FTSE 100</b>	7548	-89	<b>-1.2</b>
<b>DAX 30</b>	12238	-68	<b>-0.6</b>
<b>Shanghai Comp</b>	2776	-72	<b>-2.5</b>

## Overseas Markets Commentary

US equities markets headed lower on opening overnight, but closed at session high, following encouraging domestic economic indicators and a notable few days' official silence on new US Chinese vehicle import taxes and other tariffs due to come into effect Friday.

Major European indices dropped, Friday's optimism regarding European immigration talks eroded by associated ongoing threats to the stability of the coalition government in Germany, and UK political outlook talk turning more negative.

Earlier, major equities indices in China, Japan and South Korea had traded at respective new two -year and multi-month lows.

US data releases included a 2.5-point rise in the ISM manufacturing index to 60.2.

May construction spending also heartened, rising 0.4% on top of a 1.8% gain in April.

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

## Today's Stock Watch

### Domain Holdings Australia (DHG)

DHG has appointed Google Australia and New Zealand MD Jason Pellegrino as DHG MD and CEO, effective 27 August.

DHG's chairman Nick Falloon will revert to holding a non-executive chairman's role on Mr Pellegrino's commencement.

### Sonic Healthcare (SHL)

Acquiring German-headquartered Pathologie Trier for undisclosed consideration.

SHL says Pathologie Trier's annual revenue is ~€20M, and that the majority of the purchase price is tax deductible in Germany over 15 years.

SHL say it will fund the initial purchase from existing debt facilities.

A three-year revenue-based earnout provision is also applicable.

### Ainsworth Game Technology (AGI)

Confirming the Churchill Downs order was delivered by 30 June, and that hence FY 2018 pre-tax profit (exclusive of forex) will come in at ~\$36M.

In addition, the March 2019 expiry of a debt facility has been extended on similar commercial terms to September 2021.

AGI plans to publish full year results post-ASX trade 29 August.

AGI has traded lower the past two sessions, settling at \$1.01 yesterday.

### Atlas Arteria (ALX)

ALX manager/adviser Macquarie Fund Advisers (MFA) earned a \$A54.71M performance fee for the 12 months to 30 June, due to ALX outperforming the S&P/ASX 300 Industrials Accumulation Index by 10.8%.

Total performance fees came to \$115.30M. \$90.3M of this will be paid in new ALX securities (at \$A6.700906 each), and the balance in cash.

MFA will earn base management fees from 30 June through May 2019, based on 0.85% of ALX market value.

ALX traded at \$6.42 - \$6.75 for the five sessions through to close of trade 29 June.

### Synlait Milk (SML) / The a2 Milk Company (A2M)

SML has agreed to boost production capacity under a revised manufacturing and supply agreement secured with A2M in August 2016.

In addition, the agreement has been extended by two years, essentially enabling a minimum five years of production and supply through to 31 July 2023.

## Resources

### Westgold Resources (WGX) / Musgrave Minerals (MGV)

Non-binding mining and profit-sharing term sheet agreed between WGX and MGV for operations located proximal to WGX's WA Tuckabianna and Bluebird processing facilities.

WGX holds 15% of MGV.

### Independence Group (IGO)

Proposing to acquire for \$21M a JV interest in three entities owned by the (Mark) Creasy Group. Consideration comprises \$5.3M cash and the balance in IGO shares.

June manufacturing PMIs for **Germany** and the **euro zone** as a whole were reported respectively at 55.9 and 54.9, following 56.9 and 55.5 in May.

The **UK's** June manufacturing PMI remained at a flat 54.4, defying forecasts of a decline.

In the meantime, some political commentators tipped political turmoil by week's end on a parliamentary vote on further proposed details for the UK's separation from the European Union (EU).

**Tonight** in the US, May factory orders, ISM's June business activity index for New York, and June vehicle sales are due.

In overnight corporate news, **Dell** Technologies news helped support the tech sector, majority-owned investee company **VMware** appreciating 9% on a share and cash-swap offer arising from greater-than-anticipated growth.

UK supermarket chain **Tesco** and European retailer **Carrefour** announced a three-year purchase alliance in a bid to boost profitability.

Meanwhile, **Pfizer** revealed price rises for 100 products including Viagra.

**Tesla** trade ebbed and waned on an achieved production goal mixed with more target promotion, sales angst and the imminent departure of a head engineer.

**US markets will not trade Wednesday** (tomorrow night AEST), due to the **Independence Day holiday**.

*That is, after tonight's trade, US markets will not trade again until Thursday.*

*Tonight's trade volumes could consequently be relatively light.*

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1245</b>	oz	-10	-0.8
<b>Silver (NY) (Jul)</b>	15.9	oz	-0.3	-2.0
<b>Gold (LON)</b>	1250	oz		
<b>Platinum</b>	816	oz	-36	-4.4
<b>WTI Crude (Aug)</b>	<b>73.9</b>	bbl	-0.2	-0.3
<b>Brent Crude (Jul)</b>	<b>77.3</b>	bbl	-1.9	-2.4
<b>Iron Ore</b> (CHN port 62%)	<b>64.5</b>	t	-0.5	-0.7
<b>Copper</b> (LME,3mth,PM)	<b>6523</b>	t	-103	-1.6
<b>Nickel</b>	14550	t	-350	-2.4
<b>Aluminium</b>	2098	t	-35	-1.6
<b>Lead</b>	2386	t	-24	-1.0
<b>Zinc</b>	2822	t	-32	-1.1
<b>Tin</b>	19750	t	0	0.0
<b>CBT Wheat (Jul)</b>	<b>4.82</b>	bshl	Public Holiday	

### Commodities Commentary

**Oil** – a plethora of reports and commentary regarding international June output estimates and US stored crude, together with ongoing \$US strength, appeared to be the major factors pushing overnight prices lower.

Among other reports, at least two buyers from key Iran customer South Korea have reportedly held back on new purchase plans, commencing August-September, due to the threat of US sanctions.

One report estimated Saudi Arabia production had grown a daily 700,000bbl during June, and overall OPEC output by 320,000bbl.

**Gold** – the \$US remained strong in the face of international trade uncertainties, further damaging

## Pre-Open Announcements

### Swick Mining (\* SWK) / Saturn Metals (STN)

Maiden commercial agreement secured with STN for SWK's Orexplore mineral scanning equipment and associated technology.

STN plans to use SWK's Orexplore GeoCore X10 core scanning machine at the WA goldfields Apollo Hill gold project.

### Redflow Ltd (RFX)

CEO Tim Harris has been appointed MD, effective yesterday.

Mr Harris has been RFX's CEO since 27 March.

### RMA Global (\* RMY)

Real estate online marketing specialist scheduled to list 11am AEST Thursday 5 July following a \$12M IPO at 25c per share.

~136M quoted shares.

## Resources

### Resolute Mining (\* RSG)

Updating Mali Syama underground DFS figures to include a \$US746/oz AISC, against the former \$US881/oz.

Reserves have been boosted 38% to 3Moz of gold.

## Trading Halts

Company	Code	Resuming
MGM Wireless	MWR	3 Jul
Azure Minerals	AZS	4 Jul
Birimian Ltd	BGS	4 Jul
Broken Hill Prospecting	BPL	4 Jul
Change Financial	CCA	4 Jul
Cobalt Blue Holdings	COB	4 Jul
Genera Biosystems	GBI	4 Jul
Netlinkz Ltd	NET	4 Jul
Petrel Energy	PRL	4 Jul
Phoslock Water Solutions	PHK	4 Jul
Six Sigma Metals	SI6	4 Jul
Tikforce Ltd	TKF	4 Jul
Vango Mining	VAN	4 Jul
Wangle Technologies	WGL	4 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
Global Fortune Investment	GFI	13 Jun
Greenpower Global	GPP	2 Jul
Pursuit Minerals	PUR	18 Jun
WPG Resources	WPG	27 Jun

## Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>HNG</b>	Today	<b>1.5</b>	100	6.00
<b>CAM</b>	Today	<b>1.25</b>	100	5.71



gold sentiment, and supporting fears the currency is the current preferred safe-haven holding.

A euro drop, on regional political tensions, also boosted the \$US, although this was contained on news of an immigration-related compromise.

Other precious metals also fell overnight, silver futures trading at seven-month lows.

**Base metals** – copper traded at seven-month lows as traders held back in a Canada Monday and US mid-week holiday environment, amid government stability fears for Germany and disappointment with data out of China yesterday.

A Caixin June manufacturing PMI, reported for China yesterday, came in at 51.0 after forecasts of 51.2, and 51.1 estimated in May.

PMIs for the euro zone, UK and US exceeded expectations, however.

Japan's 53.0 June manufacturing PMI, also published yesterday, followed a 52.8 for May, but as with China's figures, included a pullback in exports.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7339	-0.0002	-0.02
<b>EUR – USD</b>	1.1641	0.0003	0.02

### Australian Data Today

RBA	Policy statement	Jun
ANZ/RyMgn	Consumer sentiment	1 Jul
ABS	Building approvals	Jun

### US Data Tonight

Factory orders	May
ISM New York	Jun
Vehicle sales	Jun

### Other Overseas Data Today & Tonight

<b>UK</b>	Construction PMI	Jun
<b>Euro zone</b>	Retail sales	May
Euro zone	Producer prices	May

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MPP	Fri	3.48	0	7.92
PYG	9 Jul	1.45	0	0.00
CKF	10 Jul	9	100	3.09
MTS	10 Jul	7	100	5.02
BEL	12 Jul	0.5	100	tbc

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