

Markets

SFE 200 Futures (9.30am AEST)	6211	3	0.1
NZX 50	8900	-3	-0.0
DJIA Futures	25473	5	0.0
S&P 500 Futures	2850	0	0.0
NASDAQ Futures	7444	0	0.0

Local Markets Commentary

The Australian market opens today's trade on mostly lacklustre overnight international equities and mixed commodities trade leads, ahead of a Reserve Bank of Australia (RBA) policy meeting and subsequent statement.

The **RBA** will release its post-meeting outcomes statement **2.30pm** AEST.

Pre-trade, AiG's July **construction sector activity** index is due, together with a weekly consumer sentiment reading.

Regionally, **China's** July foreign reserves are anticipated today, but as late as **6pm** AEST.

In overnight commodities trade, **oil** turned higher.

US **gold** futures swung lower.

LME **copper** was pushed lower but **nickel** continued to rally and **aluminium** appreciated.

The **\$A** fell beneath US73.90c after trading below ~US73.95c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25502	40	0.2
S&P 500	2850	10	0.4
NASDAQ	7860	48	0.6
FTSE 100	7664	5	0.1
DAX 30	12598	-18	-0.1
Shanghai Comp	2705	-35	-1.3

Overseas Markets Commentary

Choppy trade featured across major European equities markets overnight. Key US indices largely trended higher from open, however.

The **\$US** traded at one-year highs and the British pound at 11-month lows (-0.5%) against the \$US.

US 10-year government bond yields fell despite a series of offerings coming up this week.

Earlier yesterday, China used state media to belittle the US approach to international trade.

In overnight data releases, **Germany's** June factory orders had been anticipated to pull back 0.7% following a 2.6% gain in May, but instead dropped 4% for the month.

The July construction PMI fell to 50, the cut-off between expansion and contraction mode, from 53 in June.

An overall **euro zone** Sentix investor confidence reading pleased however, gaining 2.6 points to 14.7.

UK July new vehicle sales also encouraged, improving 1.2% after falling 3.5% in June.

Reserve Bank of Australia – policy meeting outcomes 2.30pm AEST

Today's Stock Watch

Amcor Ltd (AMC)

AMC confirms it will pay 5.1 shares for each Bemis share in order to acquire 71% of the new entity comprising AMC and Bemis. The new entity will be listed, as a primary listing, on the NYSE, and will retain an ASX listing. AMC is resuming from a trading halt, having last traded at \$15.28.

Neuren Pharmaceuticals (NEU)

Exclusive licence agreement secured with NASDAQ-listed Acadia Pharmaceuticals, for Acadia to conduct a phase three clinical trial of NEU's trofinetide treatment for Rett Syndrome.

NEU will retain non-north American trofinetide rights, be paid \$US10M upfront, and also receive royalties, plus milestone payments totalling up to \$US455M.

Eclixp Group (ECX)

Revising FY 2018 NPATA growth from 27% - 30% to 13% - 17% (~\$77M - \$80M). Details lodged post-trade yesterday.

Shopping Centres Australasia (SCP)

45.2% fall in full year profit to \$175.2M. 1.9% higher, \$215.4M revenue. 7.1c final distribution. \$2.30 NTA.

Transurban Group (TCL)

102.5% higher \$485M full year NPAT. 20.7% higher, \$3.3B revenue. 25.5c final distribution and 2.5c fully franked final dividend, each previously declared. \$2.82 NTA.

IOOF Holdings (IFL)

24% lower, \$191.4M full year NPAT. 1% higher, \$919.1M revenue. Flat 27c fully franked final dividend,

In addition, IFL subsidiary Australian Executor Trustees has settled claims relating to two proceedings in the NSW Supreme Court, and is consequently expecting to pay \$44.25M.

Two additional cross-claim settlements have been agreed.

Reckon Ltd (RKN)

5% lower, \$5.2M interim NPAT. 20% lower, \$39.9M revenue. 3c fully franked interim dividend.

Djerriwarrh Investments (DJW)

\$3.34 post-tax NTA as at 31 July, against \$3.29 for 30 June. Top-10 31 July investments lodged post-trade yesterday, including CBA, WBC, NAB, ANZ, MQG and SUN at positions 1, 2, 4, 5, 8 and 16 respectively.

Trading ex-dividend (10c) today.

NB CBA and SUN report for the full year tomorrow and Thursday respectively.

Vicinity Centres (VCX) / Fletcher Building (FBU)

Credit Suisse has re-rated VCX as outperform, from neutral, and FBU as underperform, from outperform.

Energy

Wesfarmers Ltd (WES) / New Hope Corporation (NHC)

WES is selling its New South Wales Bengalla coal JV 40% interest, for \$860M, to fellow 40% JV partner NHC.

WES anticipates a \$670M - \$680M pre-tax profit. Completion is anticipated by year's end. Mitsui and Taipower are each retaining 10% of Bengalla.

Tonight in the US, a June job openings report, consumer credit update and economic optimism index are due.

Companies due to report earnings or provide an update later today and tonight include: Commerzbank, Daikin, Domino's Pizza, Intercontinental Hotels, Kirin Holdings, Snap, Takada and Walt Disney.

In overnight corporate news, **Tyson Foods** supported the S&P 500 with an ~3% gain, due to a quarterly profit gain and despite last week's softer outlook warning.

PepsiCo confirmed its long-term CEO would step down in October, in favour of the company president, but keep chairing the PepsiCo board until early-2019.

Berkshire Hathaway appreciated ~3.5% on its quarterly earnings, released over the weekend.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1218	oz	-5.5	-0.5
Silver (NY) (Sep)	15.3	oz	-0.15	-1.0
Gold (LON)	1216	oz		
Platinum	820	oz	-8	-0.7
WTI Crude (Sep)	69.0	bbl	0.5	0.8
Brent Crude (Oct)	73.8	bbl	0.6	0.7
Iron Ore (CHN port 62%)	67.45	t		
Copper (LME,3mth,PM)	6133	t	-73	-1.2
Nickel	13685	t	135	1.0
Aluminium	2043	t	15	0.7
Lead	2115	t		
Zinc	2569	t	-62	-2.4
Tin	19525	t	-75	-0.4
CBT Wheat (Sep)	5.95	bshl	0.16	2.7

Commodities Commentary

Oil – traders appeared to react overnight to late-Friday reports of Saudi Arabia's July production falling from a daily 10.49MMbbl to 10.3bbl/d, even though these conflicted with the OPEC-led agreement to begin ramping supply in July and other calculations of Saudi output as high as 10.8MMbbl/d.

OPEC's official July figures are due 13 August (Monday next week).

The US reimposition of select sanctions against Iran overnight also re-focused attention on the proposed oil sanctions, scheduled to commence in November.

Gold – the \$US at new 12-month peaks (0.3% - 0.6% against key currencies) detracted from overnight gold interest.

A mix of geopolitical factors and key international data releases this week mean industry analysts are divided regarding any significant gold price moves.

Base metals – a cocktail of \$US strength, China's comments against the US yesterday, and renewed US sanctions against Iran seemed to dilute some overnight risk sentiment.

This, despite indications from LME and futures exchange warehousing in China of ongoing robust demand for *copper*.

In addition, a workers' union representing Escondida copper project employees set a Monday deadline for BHP talks amid threatened renewed industrial action.

In *aluminium* news, Rusal reported a \$US440M

Pre-Open Announcements

AuMake International (* AU8)

AU8 has secured a supply agreement with New Zealand-headquartered Pure Nutrition, for the development of an exclusive range of AU8 milk powder products.

Product launches are planned for October-November 2018 and April-May 2019.

Navitas Ltd (* NVT)

\$55.8M full year loss. 8c, 5.6c-franked final dividend.

Fluence Corporation (* FLC)

Initial US commercial sale of FLC's Aspiral wastewater treatment plant achieved ahead of a planned commissioning by January 2019.

Immutep Ltd (* IMM)

Canadian patent in hand for IMM's cytotoxic anti-LAG-3 monoclonal antibody, including for its use in preventing organ transplant rejection and for the treatment of autoimmune disease.

IDT Australia (IDT) / Cann Group (CAN)

IDT has secured a manufacturing support partnership with CAN, whereby the company will make available its manufacturing facilities to CAN.

Ozforex Group (* OFX)

AGM today.

Genesis Energy (GNE)

Chair (Dame) Jenny Shipley will step down from her GNE position after nine years at the October AGM.

GNE director Barbara Chapman has been appointed to take over as GNE chair.

Serko Ltd (SKO)

\$NZ15M underwritten placement at \$NZ2.75 per share.

Trading halt called this morning to enable a book-build.

No SPP is planned.

SKO has traded on the ASX at \$A2.58 - \$A2.70 over the past five trading sessions.

Synlait Milk (SM1)

Planning to lodge full year (to 31 July) results 18 September.

Vonex Ltd (* VN8)

A one-year co-operative marketing and master partnering agreement with NASDAQ- and TSX-listed 'unified' communications specialist CounterPath Corporation expands VN8's offerings to a broader clientele.

Under the deal, VN8 will initially offer 10,000 licences for two CounterPath products.

In addition, CounterPath clients will be offered VN8 VoIP services.

VN8 is well placed to achieve its targeted 300 customer-per-month growth rate, with a recent \$6M capital raising at 14c per share well supported.

State One has determined a 68c VN8 target price and is rating the stock a 'speculative buy'.

Resources

Arafura Resources (ARU)

Northern Territory Nolans neodymium-praseodymium project phase four acid bake pilot plant commissioning successfully completed, using 2.6t of project feedstock from the phase three



quarterly profit. This indicated demand in spite of sanctions.

A June quarter current account update out of China yesterday revealed a return to a small surplus, \$US5.8B (0.2% GDP) from -\$US34.1B (-1.1% GDP) for the March quarter.

July foreign reserves are due later today, possibly post-ASX trade.

China's July trade figures are anticipated tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7386	-0.0002	-0.02
EUR – USD	1.1557	0.0004	0.03

Australian Data Today

RBA	Policy statement	Aug
AiG	PCI	Jul
ANZ/RyMgn	Consumer sentiment	5 Aug

US Data Tonight

JOLTS job openings	Jun
Consumer credit	Jun
IBD/TIPP economic optimism	Aug

Other Overseas Data Today & Tonight

China	Foreign reserves (6pm AEST)	Jul
Japan	Household spending	Jun
Japan	Leading index (3pm AEST)	Jun
Japan	Cash earnings	Jun
Germany	Trade balance	Jun
Germany	Industrial production	Jun

Need More Information?

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pre-leach pilot plant.

Details lodged this morning.

De Grey Mining (DEG)

WA Pilbara gold project Amanda and Amanda East RC drilling results, including several significant-width and/or grade assays, lodged this morning.

New resource estimate underway.

Lucapa Diamond Company (LOM)

Lesotho Mothae JV bulk sampling has delivered additional 'special' (>10.8 carats) diamonds, including one 28 carat stone.

Pantoro Ltd (PNR)

Initial Mary River gold project diamond and RC drilling has delivered 'encouraging' results. Details lodged this morning.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	IFL	Full year
	NVT	Full year
	OFX	AGM
	RKN	Interim
	SCP	Full year
Tomorrow	CBA	Full year
	SKC	Full year
	TAH	Full year
	TCL	Full year
Thu	AGL	Full year
	CWN	Full year
	NWS (US ET)	Jun Q
	MFG	Full year
	SUN	Full year
Fri	BBN	Full year
	JHX	Q1
	NWS	Jun Q (7am tconf)
	REA	Full year
Mon	AZJ	Full year
	BEN	Full year
	BSL	Full year
	DHG	Full year
	JBH	Full year
Tue (14 Aug)	ANZ	Trading
	CGF	Full year
	COH	Full year
	GPT	Interim
	NAB	Q3 trading
	SGF	Full year
	WHC	Full year

Trading Halts

Company	Code	Resuming
Freedom Oil & Gas	FDM	6 Aug
Santa Fe Minerals	SFM	6 Aug
Auctus Alternative Investments	AVC	7 Aug
Bulletin Resources	BNR	7 Aug

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Challenger Energy	CEL	7 Aug
Inabox Group	IAB	7 Aug
MOD Resources	MOD	7 Aug
Pharmaxis Ltd	PXS	7 Aug
Carnarvon Petroleum	CVN	8 Aug
Matador Mining	MZZ	8 Aug
Medical Developments International	MVP	8 Aug
Spectrum Rare Earths	SPX	8 Aug
Venture Minerals	VMS	8 Aug
Serko Ltd	SKO	9 Aug

Suspensions *(select)*

Company	Code	Since
Admedus Ltd	AHZ	6 Aug
Advance Braking Technology	ABV	6 Aug
Athena Resources	AHN	2 Aug
Avenira Ltd	AEV	6 Aug
Canyon Resources	CAY	6 Aug
Benjamin Hornigold	BHD	30 Jul
Cape Range	CAG	30 Jul
Connected IO	CIO	19 Jul
Eastern Goldfields	EGS	25 Jul
Indoor Skydive Australia	IDZ	23 Jul
JustKapital Ltd	JKL	19 Jul
Lanka Graphite	LGR	3 Aug
Omni Market Tide	OMT	31 Jul
Queensland Bauxite	QBL	1 Aug
Questus Ltd	QSS	30 Jul
RCR Tomlinson	RCR	1 Aug
Sumatra Copper & Gold	SUM	27 Jul
Syntonic Ltd	SYT	3 Aug
Tikforce Ltd	TKF	24 Jul
Velpic Ltd	VPC	24 Jul
Wolf Petroleum	WOF	1 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
DJW	Today	10	100	5.63
OPG	Today	13	100	2.96
AFI	Tomorrow	14	100	3.77
AYK	Tomorrow	29	100	5.38
AYZ	Tomorrow	76	100	3.75
FRI	Tomorrow	3	100	6.15
OGC	Tomorrow	2	0	0.95
MEC	Thu	1	100	0.93
MLT	Thu	10.2	100	3.96
RIO	Thu	170.84	100	5.19
BKI	Fri	3.7	100	4.62
JHG	Fri	36	0	4.56
OCA	Fri	2.03	0	3.51
TCL	Fri	28	n/a	tbc