

Markets

SFE 200 Futures (9.30am AEST)	5705	8	0.1
NZX 50	7792	-7	-0.1
DJIA Futures	22015	-3	0.0
S&P 500 Futures	2472	-1	0.0
NASDAQ Futures	5919	-4	-0.1

Local Markets Commentary

The Australian market opens today's trade on scant overnight equities encouragement, but mixed commodities leads, amid simmering geopolitical tension and ahead of key data out of the US and Europe tomorrow.

In overnight commodities trade, **gold** rallied. **Oil** swung higher. LME **copper** pulled back. **Nickel** continued to rally.

Due to a public holiday in Singapore yesterday, no new China port prices were recorded for **iron ore**. Dalian futures fell, however.

The **\$A** settled into relatively narrow-range trade. Early yesterday evening it slipped below US78.75c before being propelled beyond US78.90c again.

Locally today, the Melbourne Institute publishes a monthly inflation expectations report.

Regionally, **Japan** is scheduled to release July producer prices **9.50am** AEST.

This morning, the **Reserve Bank of New Zealand** has held the overnight cash rate at 1.75% and confirmed previous forecasts.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	22049	-37	-0.2
S&P 500	2474	-1	-0.0
NASDAQ	6352	-18	-0.3
FTSE 100	7498	-45	-0.6
DAX 30	12154	-138	-1.1
Shanghai Comp	3276	-6	-0.2

Overseas Markets Commentary

US equities markets settled a little lower again overnight, pushed and pulled by oil and gold price gains, mixed corporate revelations, further Federal Reserve commentary and a batch of economic indicators.

US-North Korea tension did not appear to significantly influence equities trade.

Major European equities markets traded lower, however, another security breach in Paris seeming to add to early jitters.

In **US** data releases, a June quarter productivity report estimated growth at 0.9%, following 0.1% for the March quarter. Labour costs came in 1.2% higher.

June wholesale inventories rose 0.7% for the month.

Weekly mortgage applications increased by 3% on more favourable rates, following a 2.8% drop the previous week and

Today's Stock Watch

Woolworths Ltd (WOW)

The Australian Competition & Consumer Commission (ACCC) has published a list of concerns regarding BP's planned acquisition of WOW service stations. The ACCC is due to deliver a final decision 26 October, but will release a draft decision before the end of this month.

AMP Ltd (AMP)

15% lower, \$445M interim NPAT. 25% higher, \$7.6B revenue. 14.5c, 90%-franked interim dividend. \$1.40 NTA. A teleconference was scheduled to commence 9.15am AEST. Access details lodged this morning.

Orora Ltd (ORA)

1.5% higher, \$171.1M full-year NPAT. 4.9% higher, \$4.0B revenue. 6c, 30%-franked final dividend, up 20%. 91c NTA. 14.1c EPS. \$53.4M cash and equivalents.

Virgin Australia Holdings (VAH)

\$220.3M full-year net loss. 0.5% higher, \$5.0B revenue. 5c NTA. \$1.4B cash. Heralding late-year improved business. Director David Baxby is retiring from the VAH board today, due to commencing a Wesfarmers (ASX: WES) executive management position.

Magellan Financial Group (MFG)

47.2c fully-franked final dividend. 15% higher, \$215.5M full-year NPAT. 1% higher, \$338.3M revenue. \$2.60 NTA. \$1.141 EPS.

Elders Ltd (ELD)

\$75M multi-option facility refinanced for three years, on improved terms, with the ongoing support of Rabo, ANZ and NAB.

Aristocrat Leisure (ALL)

Acquiring digital social gaming specialist Plarium Global for ~\$US500M upfront cash plus earn-outs. ALL will fund the purchase from existing cash and a debt facility. Completion anticipated by year's end.

News Corporation (NWS)

Due to report in the US pre-ASX trade tomorrow.

Resources

Rio Tinto (RIO)

Trading ex-dividend (\$1.3772) today. RIO settled at \$66.42 yesterday, after closing out 30 June at \$63.27.

Energy

AGL Energy (AGL)

\$539M full-year NPAT, following a \$408M loss a year ago. 12.9% higher \$12.6M revenue. 50c, 80%-franked final dividend. \$6.54 NTA. 80.5c (basic) EPS. Webcast teleconference commencing 10.30am AEST. Access details lodged this morning.

Origin Energy (ORG)

Anticipating a post-tax \$1.2B impairment for 2H FY 2017, pushing full-year impairments to \$3.1B. Planning to release full-year results 16 August.

In the meantime, a US Federal Reserve regional president promoted near-term trimming of the bank's asset holdings, and caution on any new rates moves.

Tonight in the US, weekly new unemployment claims are due, together with July producer prices and the July budget statement. A CPI update is keenly anticipated tomorrow night.

Across the Atlantic, the UK will report trade and industrial output figures in the same session a significant number of large-profile stocks trades ex-dividend on the FTSE 100.

Acer, Glencore, Kohl's Macy's, News Corporation, Petrobras, Prudential, Snap and Yokohama Rubber are among companies scheduled to report earnings later today and tonight.

Anglo American, AstraZeneca, Barclays, BP, BT, Diageo, GKN, GlaxoSmithKline, Lloyds, Rio Tinto, ThyssenKrupp and Shell trade **ex-dividend** on the FTSE 100.

In overnight corporate news, **Mylan** deferred this year's planned launch of two new generic drugs, citing regulatory uncertainty.

A weak **Priceline** (travel specialist) outlook pushed the stock 7% lower on the S&P 500.

Meanwhile, **Disney** was pushed ~4% lower on its late-Tuesday quarterly figures, including revenue which undershot expectations.

Disney's plans to directly broadcast products, rather than use **Netflix**, sent Netflix also lower.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1279	oz	13	1.3
Silver (NY) (Sep)	16.9	oz	0.5	3.3
Gold (LON)	1271	oz	9	0.7
Platinum	974	oz	5	0.5
WTI Crude (Sep)	49.6	bbl	0.4	0.8
Brent Crude (Aug)	52.7	bbl	0.6	1.1
Iron Ore (CHN port 62%)	75.5	t		
Copper	6455	t	-25	-0.4
Nickel	10760	t	130	1.2
Aluminium	2028	t	-2	-0.1
Lead	2350	t	-33	-1.4
Zinc	2932	t	6	0.2
Tin	20205	t	-5	-0.0
CBT Wheat (Sep)	4.60	bshl	-0.03	-0.5

Commodities Commentary

Oil – prices turned higher, buoyed by a 6.5MMbbl weekly fall in US stored crude, as estimated by the EIA. Petrol stocks grew, however.

Gold – supported overnight by safe-haven buying, prices reaching seven-week peaks on menacing US-North Korea talk.

Base metals – China's July CPI (+1.4% year-on-year) and producer prices (+0.2% for the month; +5.5% year-on-year), plus further figures on July metals trade, toyed with overnight trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7889	0.0001	0.01
EUR – USD	1.1760	0.0001	0.01

Pre-Open Announcements

Nick Scali (* NCK)

20c fully-franked final dividend, following 14c a year ago. 42.4% higher \$37.2M full-year NPAT. 14.7% higher, \$232.9M revenue. 83.96c NTA. 46c (basic) EPS. \$18.8M net cash. Teleconference scheduled to commence 10.30am AEST. Access details lodged this morning.

Alliance Aviation Services (* AQZ)

\$18.5M full-year NPAT, following \$13.5M a year ago. 12% higher, \$203.2M revenue. 3c fully-franked final dividend. \$1.19 NTA. 15.26c (basic) EPS.

ResApp Health (* RAP)

Teleconference scheduled to commence 10.30am AEST, following yesterday's revelation of exceptional data recording failures during a SMARTCOUGH-C clinical study. The alleged bungles produced significant adverse study outcomes.

RAP returned from suspended trade yesterday, slumping 77.4% to settle at 7c.

Teleconference access details lodged post-trade yesterday.

Meanwhile, Morgans has cancelled a RAP 'add' recommendation, in favour of 'hold' advice.

Ardent Leisure (* AAD)

Planning to release preliminary unaudited full-year results and a strategic update tomorrow, supported by a teleconference scheduled to commence 9.30am AEST. Access details lodged post-trade yesterday.

The a2 Milk Company (A2M)

Appointment announced this morning for the newly created A2M position of executive VP Greater China.

Capitol Health (CAJ)

Unaudited, preliminary full-year results lodged this morning. Planning to publish audited results 28 August.

AirXpanders Inc (AXP)

Interim results lodged this morning. \$27.2M cash, cash equivalents plus investments.

McMillan Shakespeare (MMS)

Planning to publish full-year results 23 August and to host a webcast presentation that day commencing 9.30am AEST. Access details lodged post-trade yesterday.

MMS settled at \$14.55 yesterday after closing out 30 June at \$13.40. Intraday Tuesday, MMS traded at \$14.63.

Resources

Volt Resources (VRC)

Test work using Namangale North ore to produce graphite concentrate has raised scalability expectations. Details lodged this morning.

Metalicity Ltd (MCT)

Planning a SPP at 3.6c per share, commencing mid-August and closing 31 August. MCT traded at 3.5c – 3.8c yesterday, after announcing commitments for a \$A1.5M placement at 3.6c per share.

Trading Halts

Company	Code	Resuming
Sensera Ltd	SE1	10 Aug
Aeon Metals	AML	11 Aug

Australian Data Today

MInst	Inflation expectations	Aug
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US Data Tonight

Initial unemployment claims	5 Aug
PPI	Jul
Budget statement	Jul

Other Overseas Data Today & Tonight

Japan	PPI	Jul
Japan	Machinery orders	Jun
Japan	Tertiary industry index	Jun
UK	Trade balance	Jun
UK	Industrial production	Jun
UK	Construction output	Jun

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Anglo Australian Resources	AAR	11 Aug
Cre8Tek Ltd	CR8	11 Aug
Elsight Ltd	ELS	11 Aug
Konekt Ltd	KKT	11 Aug
ZipTel Ltd	ZIP	11 Aug

Suspensions (selected)

Company	Code	Since
AVZ Minerals	AVZ	9 Aug
Azonto Petroleum	APY	21 Jul
BKM Management	BKM	28 Jul
Manalto Ltd	MTL	28 Jul
Molopo Energy	MPO	27 Jul
Northern Mining	NMI	1 Aug
Premiere Eastern Energy	PEZ	11 Jul
Realm Resources	RRP	14 Jul
Surefire Resources	SRN	1 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AYJ	Today	48	5	10.80
AYK	Today	34	90	3.72
AYZ	Today	69	60	3.71
MLT	Today	10	100	4.07
RIO	Today	137.72	100	4.54
8IH	Tomorrow	0.25	0	1.19
MGP	Tomorrow	0.2	0	2.35
SCG	Tomorrow	10.86	0	5.22
TAH	Tomorrow	12.5	100	5.95
WFD	Tomorrow	12.75	0	3.75

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AGL	Full-year
	AMP	Interim
	MFG	Full-year
	ORA	Full-year
	VAH	Full-year
Tomorrow	AAD	Strategic update
	BBN	Full-year
	NAB	Trading update
	NWS	Jun Q
	REA	Full-year
	RNY	Interim
Mon	ANN	Full-year
	AZJ	Full-year
	BEN	Full-year
	JBH	Full-year
	NCM	Full-year
	OML	Interim