

Wednesday 15 August 2018

Markets

SFE 200 Futures (9.30am AEST)	6239	-7	-0.1
NZX 50	8972		
DJIA Futures	25297	0	0.0
S&P 500 Futures	2841	0	0.0
NASDAQ Futures	7458	0	0.0

Local Markets Commentary

The Australian market opens mid-week trade with several major stocks reporting earnings, as a quintet of large-cap stocks trades ex-dividend.

Overnight commodities leads are largely negative but US equities turned higher.

Locally today, Westpac and the Melbourne Institute publish their monthly consumer confidence report 10.30am AEST.

The Australian Bureau of Statistics (ABS) releases the June quarter **wage price index 11.30am** and the Department of Jobs an employment indicator, ahead of tomorrow's July workforce figures.

Also today, **CBA, GMA, RMD, SUN** and **TAH** trade ex-dividend. *Details can be found on p4.*

Regionally, **China's** July residential property price report is anticipated **11.30am** AEST.

In overnight commodities trade, **oil** slipped a little further.

US **gold** futures settled slightly higher.

LME **copper** and other base metals fell in unison.

The **\$A** headed to ~US72.40c after falling below US72.60c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25300	112	0.5
S&P 500	2840	18	0.6
NASDAQ	7871	51	0.7
FTSE 100	7612	-31	-0.4
DAX 30	12359	0.1	0.0
Shanghai Comp	2781	-5	-0.2

Overseas Markets Commentary

Major European and US equities markets opened higher overnight, but key European indices were unable to retain initial gains.

The resources sector dragged on the FTSE 100, after a batch of data out of China earlier yesterday failed to match forecasts.

Among currencies, Turkey's lira recouped up to 6% against the \$US and the British pound traded at ~\$US1.28.

Among several key data releases, **Germany's** initial June quarter GDP reading represented 2.0% year-on-year growth.

The nation's final July CPI growth estimate remained at 2.1% on an annual basis.

A ZEW economic sentiment index improved to -13.7 from -24.7.

The **euro zone's** June quarter GDP reading came in

China – residential property prices **11.30am** AEST

* Mineral exploration listing **midday** AEST – **TMR** *

Today's Stock Watch

Wesfarmers Ltd (WES)

58.3% drop in full year NPAT to \$A1.197B. 3% higher, \$A66.9B continuing operations revenue. \$1.20 fully franked final dividend. In addition, WES has appointed Kmart MD Ian Bailey as head of the department store division, replacing Guy Russo.

CSL Ltd (CSL)

29% higher, \$US1.73B full year NPAT. 12% higher, \$US7.4B underlying sales revenue. US93c final dividend. Anticipating 10% - 14% FY 2019 NPAT growth (constant currency basis).

Insurance Australia Group (IAG)

0.6% lower, \$A923M full year NPAT. 2.6% higher, \$A16.4B revenue. 20c fully franked final dividend. AGM 26 October.

Fairfax Media (FXJ)

\$63.8M full year net loss, against a \$147.7M net loss a year ago. 3.1% lower, \$1.69B revenue. 1.8c 50%-franked final dividend.

Seek Ltd (SEK)

84% lower, \$53.2M full year NPAT. 25% higher, \$1.31B revenue. 22c fully franked final dividend.

FlexiGroup Ltd (FXL)

Computershare Ltd (CPU)

13% higher, \$US300.1M full year NPAT.

Dexus Property Group (DXS)

36.8% higher, \$1.73B full year NPAT. 4.7% lower, \$840.6M revenue. 24.1c final distribution. \$9.64 NTA, up 14/1%.

Acquiring three industrial sites worth a total combined \$700M. The sites are in Brisbane, Melbourne and Sydney. Details lodged post-trade yesterday.

Ausdrill Ltd (ASL)

Proposing to purchase Barmenco Holdings for \$25.4M cash plus 150.7M ASL shares. In association, conducting a \$250M entitlement offer. Details lodged this morning.

ASL 95.7% higher, \$61.1M full year NPAT. 16.4% higher, \$890.3M sales revenue. 1.5c final and 2c special dividends, each fully franked. Trading halt called this morning.

McMillan Shakespeare Group (MMS)

A class action has been lodged against MMS in the Federal Court of Australia in relation to Davantage Group, a subsidiary of Presidian Holdings which MMS acquired in February 2015.

Davantage offered warranties for which class action members are seeking recompense. MMS says Davantage 'intends to vigorously defend the proceedings'.

Resources

Tempus Resources (* TMR)

Explorer scheduled to list **midday** AEST following a \$5M IPO at 20c per share.

Copper and IOCG assets in the Northern Territory and South Australia respectively. 27.35M quoted securities.

Energy

Woodside Petroleum (WPL)

at 0.4% growth for the three months and 2.2% year-on-year.

June industrial production rose 2.5% year-on-year.

In the **UK**, June quarter average earnings grew 2.7% year-on-year. Productivity rose by 1.5%. Unemployment fell by 0.2% to 4.0%.

US July import prices were estimated unchanged for the month, following a 0.1% slip in June.

Export prices rose 4.3% year-on-year, but sectors varied widely. For the month, export prices fell 0.5% after rising 0.2% in June.

Tonight in the US, July industrial production and retail sales, June business inventories, June quarter productivity, a New York region business activity index, home builders' sentiment index and weekly mortgage applications are due.

Companies scheduled to report earnings include Balfour Beatty, Cisco Systems, US retailer Macy's, Tencent and Triumph.

In overnight corporate news, home improvement specialist **Home Depot's** key quarterly figures exceeded expectations and full year sales guidance received a boost, but the stock settled slightly lower.

Chile copper producer **Antofagasta** dropped 7% on the FTSE 100 after reporting a 16% drop in interim core earnings.

Food retailer **Kroger** meanwhile revealed it would sell on an **Alibaba** site.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1201	oz	1	0.2
Silver (NY) (Sep)	15.1	oz	0.1	0.5
Gold (LON)	1200	oz		
Platinum	800	oz	-2	-0.3
WTI Crude (Sep)	67.0	bbl	-0.16	-0.2
Brent Crude (Oct)	72.5	bbl	-0.15	-0.2
Iron Ore (CHN port 62%)	68.8	t		
Copper (LME, 3mth, PM)	6044	t	-110	-1.8
Nickel	13425	t	-130	-1.0
Aluminium	2070	t	-12	-0.6
Lead	2074	t	-51	-2.4
Zinc	2454	t	-29	-1.2
Tin	19020	t	-375	-1.9
CBT Wheat (Sep)	5.60	bshl	0.06	1.1

Commodities Commentary

Oil – prices swung overnight amid plenty of production commentary and a mid-US session \$US rise, but ultimately slipped and continued lower post-US trade.

A US weekly petroleum inventories report is due tonight.

Gold – the \$US index rallied to a 14-month peak in second-half trade, but some renewed gold interest appeared to remain.

Base metals – **China's** July industrial production (+6% year-on-year; +6% in June), January – July fixed assets investment (+5.5%; 6%) and retail sales (8.8%; 9%), revealed yesterday, each undershot forecasts.

Property prices are due today.

\$US541M interim NPAT, against \$US511M a year ago. 27% higher, \$US2.25B sales revenue. US53c interim dividend. \$US1.13B cash and equivalents.

A teleconference commenced 9.30am AEST.

Pre-Open Announcements

Bingo Industries (** BIN)

In response to media articles, confirming potential acquisition discussions with Dial-A-Dump.

Telstra Corporation (* TLS)

Non-executive director Steve Vamos is planning to retire from the TLS board at the 16 October AGM, due to his appointment earlier this year as Xero (ASX: XRO) CEO.

TLS and XRO are each scheduled to lodge full year results tomorrow.

Fonterra Shareholders' Fund (* FSF)

Fonterra Co-op has appointed the group's farm source COO Miles Hurrell as interim CEO, effective immediately, replacing Theo Spierings. Mr Spierings will remain with the co-op until 1 September.

Inghams Group (ING)

Planning to lodge full year results 22 August (Wednesday next week) and to host a webcast teleconference commencing 10.30am AEST that day.

Access details lodged post-trade yesterday.

Resources

Mineral Resources (MIN)

Mt Gibson Iron (** MGX)

3c fully franked final dividend.

277% higher, \$A99.1M full year NPAT. 37% higher, \$A266.3M revenue (\$254.1M sales revenue). 45.3c NTA.

\$457.5M cash, term deposits and liquid investments.

Orocobre Ltd (ORE)

75% Cauchari lithium project JV parent Advantage Lithium Corp has lodged a preliminary technical and economic Cauchari study with the TSX-V.

ORE says the study contains some non-ASX compliant information.

ORE confirms feasibility is planned for completion by 30 June 2019. ORE 25%.

Sultan Resources (* SLZ)

Multi-minerals explorer scheduled to list **1pm** AEST tomorrow following a \$4.8M IPO at 20c per share.

26M quoted securities.

Energy

Senex Energy (** SXY) / Beach Energy (** BPT)

Heralding Cooper Basin Breguet-1 as an oil discovery. Details lodged this morning.

SXY 60% and operator; BPT 40%.

Beach Energy (BPT)

Planning to lodge full year results pre-trade Monday next week and to host a webcast teleconference commencing 11am that day.

Reports & Events

(selected scheduled)

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7241	-0.0003	-0.04
EUR – USD	1.1349	-0.0006	-0.05

Australian Data Today

Wstpc/MI	Consumer confidence	Aug
ABS	Wage price index	Jun Q
DptoJobs	Employment indicator	Aug

US Data Tonight

NY Fed (Empire State) manufacturing	Aug
Industrial production	Jul
Retail sales	Jul
Productivity	Jun Q
Business inventories	Jun
NAHB sentiment	Aug
MBA mortgage applications	10 Aug

Other Overseas Data Today & Tonight

China	House price index	Jul
UK	CPI	Jul
UK	PPI	Jul
UK	Nationwide house price index	Jun

Need More Information?

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When	Company	Report/Event
Today	AOG	Full year
	CSL	Full year
	DXS	Full year
	FXJ	Full year
	HT1	Interim
	IAG	Full year
	MGX	Full year
	MIN	Full year
	PGH	Full year
	SEK	Full year
	VCX	Full year
	WES	Full year
	WPL	Interim
Tomorrow	ASX	Full year
	BCI	Full year
	BLX	Full year
	DOW	Full year
	EHE	Full year
	GOZ	Full year
	GWA	Full year
	ILU	Interim
	IRI	Full year
	IVC	Interim
	IPH	Full year
	NCK	Full year
	ORG	Full year
	OZL	Interim
	QBE	Interim
	SHL	Full year
	TLS	Full year
	XRO	Full year
	Fri	ABP
GMG		Full year
IFN		Full year
PRY		Full year
Mon	ALU	Full year
	ANN	Full year
	BPT	Full year
	FMG	Full year
	GXL	Full year
	IMD	Full year
	NHF	Full year
	OML	Interim
	SYD	July
	WOW	Full year
Tue	AHY	Interim
	BHP	Full year
	EHL	Full year
	FXL	Full year
	HSO	Full year
	MND	Full year
	SXY	Full year
	SWM	Full year

Trading Halts

Company	Code	Resuming
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Estrella Resources	ESR	15 Aug
Navarre Minerals	NML	15 Aug
Sensera Ltd	SE1	15 Aug
Tanga Resources	TRL	15 Aug
Visioneering Technologies	VTI	15 Aug
Cirralto Ltd	CRO	16 Aug
Global Energy Ventures	GEV	16 Aug
Ausdrill Ltd	ASL	17 Aug

Suspensions (*select*)

Company	Code	Since
Admedus Ltd	AHZ	6 Aug
Animoca Brands	AB1	10 Aug
Arafura Resources	ARU	15 Aug
Challenger Energy	CEL	7 Aug
Benjamin Hornigold	BHD	30 Jul
Cape Range	CAG	30 Jul
Connected IO	CIO	19 Jul
Eastern Goldfields	EGS	25 Jul
Environmental Clean Technologies	ECT	14 Aug
Indoor Skydive Australia	IDZ	23 Jul
JustKapital Ltd	JKL	19 Jul
Lanka Graphite	LGR	3 Aug
Millennium Ltd	MHD	13 Aug
Omni Market Tide	OMT	31 Jul
Queensland Bauxite	QBL	1 Aug
RCR Tomlinson	RCR	1 Aug
Sumatra Copper & Gold	SUM	27 Jul
Syntonic Ltd	SYT	3 Aug
Tikforce Ltd	TKF	24 Jul
Wolf Petroleum	WOF	1 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CBA	Today	231	100	5.68
GMA	Today	12	100	6.85
RMD	Today	3.51	0	0.89
SUN	Today	48	100	4.71
TAH	Today	10	100	4.32
BFG	Tomorrow	2.75	100	7.16
GUD	Tomorrow	28	100	3.48
NGI	Tomorrow	12.12	0	3.48
PL8	Tomorrow	0.5	100	5.48
DHG	Fri	4	70	1.18
FSI	Mon	4	100	4.34
IFL	Mon	27	100	6.21
REA	Tue (21 Aug)	62	100	1.24