

Tuesday 21 August 2018

Markets

SFE 200 Futures (9.30am AEST)	6311	-3	-0.1
NZX 50	9096	-13	-0.2
DJIA Futures	25749	-9	0.0
S&P 500 Futures	2857	-2	-0.1
NASDAQ Futures	7381	-7	-0.1

Local Markets Commentary

The Australian market commences today's trade ahead of Reserve Bank of Australia (RBA) offerings, with another batch of earnings reports from influential domestic stocks, and other high-profile stocks trading ex-dividend, following broadly positive overnight international commodities trade.

Oil rose after closing out last week with two consecutive higher settlements.

US gold futures turned and rallied, while iron ore (China port 62% Fe) was also confirmed higher.

LME **copper** and **aluminium** swung higher, while **nickel** continued so.

The **\$A** was propelled to ~US73.40c after trading at ~US73.05c early yesterday evening.

Locally today, a weekly consumer sentiment reading is due pre-trade.

The RBA publishes the minutes of its 7 August policy meeting **11.30am** AEST.

Earlier this morning, RBA governor Philip Lowe again highlighted household debt concerns, ahead of any rate rise, at an Australian Securities & Investment Commission strategy launch.

Stocks trading ex-dividend today include **CPU**, **IAG** and **REA**. Details are listed on p4.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25759	89	0.4
S&P 500	2857	7	0.2
NASDAQ	7821	5	0.1
FTSE 100	7591	33	0.4
DAX 30	12331	121	1.0
Shanghai Comp	2698	29	1.1

Overseas Markets Commentary

Major European and US equities markets opened higher, DJIA and DAX gains subsequently never looking seriously threatened, but other indices vacillating variously.

Support came in part from corporate activity and price gains for oil, gold and base metals.

Earlier, China further underscored infrastructure spending plans announced over the past month.

The \$US fell after the US president again bemoaned the Federal Reserve's bent for higher rates, Federal Reserve Atlantic president Raphael Bostic proffered his view of at least one further rate rise before year's end.

Turkey's lira also fell again, due to a snatch of investment bank downgrades, including some

RBA – policy meeting minutes 11.30am AEST

RBA – governor Philip Lowe spoke at the ASIC national financial capability strategy launch, Parliament House, Canberra, 8am

Today's Stock Watch

Ancor Ltd (AMC)

21.3% higher, \$US724M full year NPAT. 2.4% higher, \$US9.32B revenue. US24c final dividend, up 0.5c. \$US542.1M cash and equivalents.

Monadelphous Group (MND)

24% higher, \$71.48M full year NPAT. 39% higher, \$1.74B revenue. 32c fully franked final dividend, up 2c. \$4.1586 NTA. AGM 20 November.

Seven West Media (SWM)

\$135.78M full year NPAT, following a \$744.33M net loss a year ago. 3.2% lower, \$1.62B revenue. Nil final dividend, against 2c a year ago.

Super Retail Group (SUL)

26% higher, \$101.8M full year NPAT. 4.2% higher, \$2.57B revenue. 27.5c fully franked final dividend.

Scentre Group (SCG)

3.6% higher, \$1.46B interim NPAT. 6.5% higher, \$1.28B revenue. 11.08c interim dividend/distribution.

Healthscope Ltd (HSO)

49.9% lower, \$75.8M full year NPAT. 3.7% higher, \$2.34B revenue. 3.5c final dividend. 34c NTA.

Setting up an unlisted property trust to hold most of HSO's freehold hospital property holdings. The trust will lease these back to HSO. Seeking a trust co-investor.

Asaleo Care (AHY)

\$101.46M interim net loss, following a \$27.68M net profit a year ago. 9% lower, \$267.25M revenue. Nil interim dividend, against 4c 50% franked. 6.1c NTA.

Virtus Health (VRT)

6.7% higher, \$32.0M full year NPAT. 2.2% higher, \$262.06M revenue. 12c fully franked final dividend.

Woolworths Ltd (WOW) / Primary Health Card (PRY)

Deutsche Bank has cancelled WOW and PRY buy recommendations in favour of hold advice. UBS has also cancelled WOW buy advice, assigning a neutral rating.

Ansell Ltd (ANN)

Morgans has replaced an ANN add recommendation, with 'hold'.

Resources

BHP Billiton (BHP)

37% lower, \$YS3.705B full year NPAT. 21% higher, \$US43.64B revenue. \$US11.25 NTA. US63c fully franked, record final dividend. \$US10.9B net debt.

Energy

Oil Search (OSH)

39% lower, \$US79.2M interim NPAT. 18% lower, \$US557.8M revenue. US2c interim dividend, against US4c a year ago.

Senex Energy (SXY)

\$94M full year net loss, following a \$22.7M loss a year ago. 61% higher, \$70.3M revenue. 24c NTA.

negative outlooks.

Germany reported July producer prices had risen 3% year-on-year and 0.2% for the month, following a 0.3% rise in June.

Euro zone June construction output improved 0.19% for the month, following a 0.28% gain in May.

As with last night, no key data releases are scheduled in the US tonight.

Companies scheduled to report earnings today and tonight include BHP Billiton, John Wood Group, Kohl's, Medtronic and Urban Outfitters.

In overnight corporate news, **PepsiCo's** proposed \$US3.2B purchase of Israel's **SodaStream** pushed SodaStream ~10% higher.

Tyson Foods appreciated 1.6% on a planned \$US2.16B acquisition of Brazil's chicken nugget specialist **Marfrig Global Foods**.

Estee Lauder gained ~3% on quarterly earnings that exceeded expectations and a 5% - 6% further improvement in sales for the current quarter.

Nike advanced 3% on an analyst upgrade.

Numerous markets are closed throughout the Middle East and in select other nations today and/or through to the end of the week, due to Eid observance.

Singapore's markets are scheduled to be closed tomorrow.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1197	oz	13	1.1
Silver (NY) (Sep)	14.7	oz	0.1	0.7
Gold (LON)	1178	oz		
Platinum	794	oz	7	0.9
WTI Crude (Sep)	66.4	bbl	0.5	0.8
Brent Crude (Oct)	72.2	bbl	0.4	0.5
Iron Ore (CHN port 62%)	67.95	t	5	0.7
Copper (LME, 3mth, PM)	5992	t	66	1.1
Nickel	13560	t	80	0.6
Aluminium	2055	t	25	1.2
Lead	1973	t	-16	-0.8
Zinc	2378	t	-12	-0.5
Tin	18800	t	95	0.5
CBT Wheat (Sep)	5.64	bshl	-0.16	-2.7

Commodities Commentary

Oil – industry insiders confirmed **Iran's** largest crude customer, **China**, was actively planning to continue taking oil, already using Iran's tankers for delivery. Chinese clients, including traders, reportedly imported a daily 623,000bbl from Iran during 2017.

Meanwhile, Iran again appealed to the European Union for support against planned November-start US sanctions.

In other industry news, ConocoPhillips and Venezuela's PDVSA agreed on a way to implement an April court ruling in favour of \$US2B worth of debt being repaid to ConocoPhillips, notably enabling PDVSA to resume exports from the Caribbean, pending staged payments.

A Genscape report indicated stockpiles growth had slowed last week at a key storage centre in Cushing, Oklahoma.

Gold – a further \$US pullback supported overnight

Pre-Open Announcements

Emeco Holdings (** EML)

\$A20.1M full year NPAT, following a \$A90.9M net loss a year ago. 94.4% higher, \$A381.0M revenue. 5c NTA.

EML Payments (* EML)

200% higher, \$4.825M full year NPAT. 23% higher, \$71.02M revenue. 26c NTA.

WorleyParsons Ltd (** WOR)

EPC contract secured with Chevron's China Zhejiang province oronite additives manufacturing plant.

WOR is due to report for the full year tomorrow.

GR Engineering Services (* GNG) / Saracen Mineral Holdings (SAR)

GNG has secured a \$17.9M EPC contract with SAR's WA goldfields Carosue gold Dam project. Work commences immediately and is expected to conclude during 2H FY 2019.

Creso Pharma (** CPH)

Pharmacare Europe sill market and distribute CPY cannaQIX and other products in the UK under the Pharmacare Naturopathica brand.

Yellow Brick Road Holdings (YBR)

YBR considers the unsolicited off-market 9c cash-per-share bid by Mercantile OFM as 'opportunistic in its nature, timing and pricing'.

YBR has traded at 8.9c – 9.5c over the past five trading sessions.

Resources

Gulf Magnesium Corporation (* GMC)

Acuity Capital is purchasing 100M GMC shares at 1.26c each, in support of working capital, pending shareholder approval.

GMC has traded at 1.2c – 2.0c over the past five trading sessions.

PolarX Ltd (* PXX)

Alaska Range Zackly copper-gold high-grade copper and gold assays lodged this morning.

Nickel Mines (NIC)

Miner NIC completed its ASX listing yesterday following a \$200M IPO at 35c per share.

Opened at 30c and slipped to 26c before settling at 28c. 15.78M shares changed hands across 707 transactions.

\$US9.15M nickel ore sales revenue for the half year to 31 December 2017. \$US635,888 net loss. ~\$US17.6M cash and equivalents. 1.046B quoted securities.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AHY	Interim
	BHP	Full year
	EML	Full year
	EHL	Full year
	FXL	Full year
	HSO	Full year
	MND	Full year
	SCG	Interim
	SXY	Full year



gold interest, this time delivering a rally. Apart from the Federal Reserve's release tomorrow night of policy meeting minutes, China-US developments also remain on watch.

Thursday this week was the date nominated earlier this month for the commencement of 25% US import tariffs on an additional \$16B worth of goods from China.

However, China-US trade talks have subsequently been scheduled for Wednesday-Thursday this week in Washington, albeit not between the nations' top administrators.

Base metals – China's yuan trading at 0.3% higher against the \$US, and China's confirmation of increased infrastructure development, helped support overnight metals trade.

A reported jump in firm orders (hence cancelling warrants) from traders in Singapore and Taiwan also supported *copper* sentiment.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7336	-0.0003	-0.04
EUR – USD	1.1488	0.0004	0.03

Australian Data Today

ANZ/RyMgn	Consumer sentiment	19 Aug
RBA	Policy meeting minutes	7 Aug

Overseas Data Today & Tonight

Japan	All industry activity index	Jun
UK	Public sector finances	Jul
UK	CBI industrial trends (orders)	Aug

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SWM

Full year

SUL

Full year

VRT

Full year

Tomorrow

ABC	Interim
APA	Full year
ARB	Full year
AAD	Full year
BAP	Full year
CAR	Full year
CWY	Full year
CCL	Interim
CTD	Full year
FBU	Full year
ING	Full year
LOV	Full year
MMS	Full year
NCM	Full year
SBM	Full year
SAR	Full year
SIQ	Interim
SPK	Full year
SYD	Interim
TRS	Full year
TME	Full year
WSA	Full year
WTC	Full year
WOR	Full year

Thu

AIZ	Full year
APN	Interim
AIA	Full year
BLY	Interim
EVT	Full year
FPH	AGM
FLT	Full year
IDX	Full year
IRE	Interim
NEC	Full year
NZM	Interim
QAN	Full year
QUB	Full year
RCR	Full year
STO	Interim
SIQ	Interim
S32	Full year
SXL	Full year
SGP	Full year
VRL	Full year
WEB	Full year

Fri

BXB	Full year
MPL	Full year
MYO	Full year
SGM	Full year
SKT	Full year
SDF	Full year
SGR	Full year
TGR	Full year

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Trading Halts

Company	Code	Resuming
Bathurst Resources	BRL	21 Aug
Canyon Resources	CAY	21 Aug
Dawine Ltd	DW8	21 Aug
High Grade Metals	HGM	21 Aug
Surefire Resources	SRN	21 Aug
BMG Resources	BMG	22 Aug
Intiger Group	IAM	22 Aug
Poseidon Nickel	POS	22 Aug
Primary Health Care	PRY	22 Aug
Roto-Gro International	RGI	22 Aug
Symbol Mining	SL1	22 Aug
The BetMakers Holdings	TBH	22 Aug

Suspensions *(select)*

Company	Code	Since
Admedus Ltd	AHZ	6 Aug
Caeneus Minerals	CAD	20 Aug
Challenger Energy	CEL	7 Aug
Benjamin Hornigold	BHD	30 Jul
Cape Range	CAG	30 Jul
Lanka Graphite	LGR	3 Aug
Queensland Bauxite	QBL	1 Aug
RCR Tomlinson	RCR	1 Aug
Sihayo Gold	SIH	20 Aug
Wolf Petroleum	WOF	1 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CPU	Today	21	100	2.07
FXJ	Today	1.8	50	3.31
IAG	Today	20	100	4.34
IAM	Today	1.7	100	2.51
IPH	Today	11	50	4.05
REA	Today	62	100	1.17
AGL	Tomorrow	63	80	5.36
AMP	Tomorrow	10	50	7.00
CVC	Tomorrow	8	100	5.60
LNK	Tomorrow	13.5	100	2.61
MGX	Tomorrow	3	100	6.06
PGH	Tomorrow	11.5	65	5.32
BBN	Thu	2.5	100	2.24
CAA	Thu	0.5	100	7.81
JBH	Thu	46	100	5.04
KGN	Thu	6.1	100	2.08
KOV	Thu	7	100	4.62
MYS	Thu	14.5	100	5.87
QBE	Thu	22	30	2.36
WPL	Thu	53	100	3.63
ARG	Fri	16	100	3.80
EAX	Fri	4	100	5.00
PAI	Fri	6	100	7.87
PMC	Fri	6	100	5.05