

Markets

SFE 200 Futures (9.25am AEST)	5474	-11	-0.2
NZX 50	7363	-0.3	-0.0
DJIA Futures	18531	8	0.0
S&P 500 Futures	2180	-1	0.0
NASDAQ Futures	4806	1	0.0

Local Markets Commentary

The Australian market commences a big corporate reporting week with an update from NAB and full-year results from NCM.

Key regional economic indicators are also due.

Japan releases June quarter GDP 9.50am AEST (ie pre-ASX trade). **China** is expected to publish July foreign direct investment (FDI) figures **midday**.

Overnight Friday leads are lacklustre for international equities and mixed for commodities.

In commodities trade, **gold** continued lower. **Oil** extended Thursday's gains. **Copper** swung lower. **Iron ore** turned higher.

The **\$A** fell to ~US76.50c after slipping below ~US76.80c Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	18576	-37	-0.2
S&P 500	2184	-2	-0.1
NASDAQ	5233	4	0.1
FTSE 100	6916	1	0.0
DAX 30	10713	-30	-0.3
Shanghai Comp	3051	48	1.6

Overseas Markets Commentary

Choppy trade featured across major European and US equities markets overnight Friday, as traders reacted to weaker-than-anticipated US data and key metals price falls, amid ongoing gains for oil.

Among the early data releases, **Germany's** second July CPI reading came in as for the first estimate, with a 0.4% rise, the same also as for June.

Euro zone second quarter GDP growth was estimated at 1.6, as anticipated, following the March quarter's 1.7%.

June industrial production disappointed with a 0.4% improvement against an anticipated 0.7% lift. May industrial output had risen 0.3%.

In the **UK**, construction output fell 2.2% in June, but a 2.7% drop had been forecast following May's 1.6% fall.

US July retail sales concerned, reported as flat, following forecasts of a 0.4% rise, just half the ultimate June result.

Producer prices fell 0.4% against expectations of a 1% gain. The year-on-year PPI gain came in at 0.7%, following expectations of 1.2%.

June business inventories were reported 0.2% higher, against a 0.1% forecast.

Tonight in the US, a New York region manufacturing index and housing market index are

Japan – June quarter GDP due **9.50am AEST**.

China – July FDI anticipated **midday AEST**.

Today's Stock Watch

National Australia Bank (NAB)

3% lower, \$US1.6B June quarter cash profit. 21% higher, \$228M bad and doubtful debt. 1% lower expenses. 9.5% CET 1, against 9.7% for the March quarter.

JB Hi-Fi (JBH)

11.5% higher, \$152.2M full-year NPAT. 8.3% higher, \$3.95B revenue. 37c fully-franked final dividend. \$3.02 NTA. \$1.5213 EPS. \$51.9M cash and equivalents. Proposing to buy back, on – market up to 429,371 (0.4%) shares at a cost of ~\$11.8M.

Ansell Ltd (ANN)

15.1% lower, \$US159.1M full-year NPAT. 4.4% lower, \$US1.6B revenue. US23c final dividend. US30c NTA. \$US1.045 EPS. \$US272.7M cash and equivalents.

Orora Ltd (ORA)

28.3% higher, \$168.6M full-year NPAT. 13% higher, \$3.4B revenue. 5c, 30%-franked final dividend, up 1c. 93c NTA. 13.9c EPS. \$66.1M cash and equivalents.

Aurizon Holdings (AZJ)

88% drop in full-year NPAT to \$72M. 9% lower, \$3.5B revenue. 13.3c, 70%-franked final dividend, against 13.9c a year ago. 3.4c EPS. Anticipating a \$900M - \$950M improvement in FY 2017 underlying EBIT and at least \$100M in restructuring costs.

GPT Group (GPT)

39% higher, \$586.4M interim NPAT. 39% higher, \$817.5M revenue. 11.5c interim dividend. \$4.38 NTA.

Downer EDI (DOW)

\$350M, four-year contract extension secured with the Karara magnetite iron project, mid-west WA.

Resources

Newcrest Mining (NCM)

12% lower, \$US332M full-year NPAT. 9% lower, \$US3.3B revenue. US7.5c final dividend (first dividend since 2013). \$US9.23 NTA. 43c EPS. \$US53M cash. \$US2.1B net debt. Meanwhile, Richard Knight has resigned as an NCM non-executive director, effective tomorrow. In association, Vickki McFadden has been appointed as an NCM non-executive director, effective 1 October. Ms McFadden is president of the Takeovers Panel, chair of eftpos Payments Australia, a non-executive director of The Myer Family Investments and a recently-appointed Tabcorp Holdings (ASX: TAH) non-executive director (pending approvals). She is also a former Merrill Lynch investment banking Australia MD. Her past directorships have included chairing Skilled Group. Mr Knight has been an NCM director for eight years.

BHP Billiton (* BHP)

Full-year results due tomorrow.

Energy

Santos Ltd (STO)

Anticipating a \$US1.05B post-tax impairment for the Gladstone LNG project in 1H 2016 accounts. Planning to lodge interim results 19 August (Friday this week).

due.

Sysco Corp is among companies scheduled to report earnings tonight.

Overnight Friday, AP **Moeller Maersk** reported a quarterly profit drop, but maintained full-year guidance, producing a 6% early appreciation in its stock price.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1343	oz	-7	-0.5
Silver (NY) (Sep)	19.7	oz	-0.3	-1.6
Gold (LON)	1352	oz	-3	-0.2
Platinum	1120	oz	-17	-1.5
WTI Crude (Sep)	44.5	bbl	1.0	2.3
Iron Ore (Tianjin)	60.2	t	0.6	1.0
Copper (LME)	4761	t	-87	-1.8
Nickel	10305	t	-430	-4.0
Aluminium	1655	t	2	0.1
Lead	1837	t	4	0.2
Zinc	2239	t	-38	-1.6
Tin	18195	t	-145	-0.8
CBT Wheat (Sep)	4.23	bshl	0.06	1.5

Commodities Commentary

Oil – WTI crude traded at three-week highs Friday and swelled 6.4% over the week. Brent crude settled at \$US46.97/bbl, 6.1% higher for the week and 2% for the session.

A weekly US rig count showed 15 more oil rigs were operational.

Gold – traded higher early Friday on US retail and producer price reports that appeared to concern, but pulled back, despite a softer \$US.

Summer holiday reduced volume trade was reported and is expected to continue through to early September.

US data and Federal Reserve July policy meeting meetings are expected to swing trade this week. One analyst has ventured any data-related push to \$US1375/oz could single the commencement of a new uptrend.

Base metals – LME copper traded at five-week lows overnight Friday.

Friday, China's 6% year-on-year July industrial output growth and 10.2% higher retail sales had each come in a little below forecasts. FDI is expected today.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7652	-0.0006	-0.08
EUR – USD	1.1159	-0.0010	-0.09

US Data Tonight

NY Fed manufacturing	Aug
NAHB housing market index	Aug

Other Overseas Data Today & Tonight

China	FDI	Jul
Japan	GDP (preliminary)	Jun Q
Japan	Industrial production (final)	Jun
Japan	Retail sales (final)	Jun

Pre-Open Announcements

Ruralco Ltd (** RHL)

Anticipating a \$40M - \$44M underlying EBITDA fall for the year to 30 September and \$2M - \$5M lower NPAT. Expecting \$3M - \$5M restructuring costs associated with the closure of the Melbourne Frontier International Agri office following the loss of a southern live export licence. Proposing further restructuring and promising details with the release of full-year results 15 November.

Alexium International Group (** AJX)

Additional sales contracts secured for Alexicool in the Middle East, Europe and Asia, through distribution partner iTextiles. AJX says new customer business referred by iTextiles represents \$1.7M of revenue for CY 2016.

Emefcy Group (* EMC)

First Chinese sales distribution partnership secured with Wuxi Municipal Design Institute, for EMC's membrane aerated biofilm reactor-based (MABR) wastewater treatment.

Freelancer Ltd (FLN)

Acquiring online business Escrow Angel, including the Protecti automotive brand.

MMJ Phytotech (MMJ)

PTL 101 capsules Phase 2 clinical trial confirmed to commence during the December quarter. In addition, former Mundipharma business development and corporate affairs director Catherine Harvey has been appointed MMJ COO, effective 1 September.

Premium Ltd (PPS)

\$144,300 full-year net loss. 27.6% higher, \$28.4M revenue. 3c NTA.

Aurora Labs (* A3D)

3D metal printers designer and manufacturer scheduled to list 12.30pm AEST tomorrow following a \$2.855M IPO at 20c per share.

Resources

Northern Star Resources (** NST)

Plutonic gold mine sale agreement secured for \$A66.2M consideration comprising cash and scrip. NST proposes to pay a subsequent 3c, fully-franked special dividend.

Perseus Mining (PRU)

Update lodged this morning.

Excelsior Gold (EXG)

79% take-up achieved in EXG's recent 5c-per-share rights issue, raising an initial \$3.8M. The shortfall placement (to the principal underwriter) will add \$1.04M. A separate placement has raised \$1.95M. EXG traded at 5.4c – 5.5c Friday.

State One Analyst Comment

Australian Bauxite Ltd (ABX): Long Term Buy (22.5c) A steady improvement in the ABX share price, after it delivery of its first large (35,000 tonne) shipment of high value Tasmanian bauxite, is moving ABX out of the speculative category. The ABX share price should at least double before the end of 2016, with two further large shiploads to be completed. ABX holds at least five or six

UK Rightmove house prices Aug

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other mineable targets in NSW and Queensland, which will provide a very significant platform for profitable long term growth. Technically, ABX has now traced out four “rising lows” since March 2016, a very positive sign.

Leigh Creek Energy Ltd (LCK): Speculative Buy (14c) The share price of this emerging In-Situ Gasification (ISG) play has weakened over the past quarter, on the lack of news flow on key project developments. The market awaits the planned Stage 1 gas production demonstration, targeted for end 2016/beginning 2017, and associated progress on customer offtake or farm-in agreements. We expect that progress here will be forthcoming, acting as a significant share price catalyst.

Admedus Limited (AHZ): Speculative Buy (34.5c) A recent \$10M fundraising at 33c has placed AHZ back on a firmer growth footing, after a disastrous five year meltdown. I now feel comfortable recommending AHZ as a speculative buy, based on ongoing growth of sales under licence agreements, and a substantial and growing portfolio of own products with considerable upside. These include materials for cardiovascular repairs. AHZ is building an advanced immunotherapies division.

State One executive chairman Alan Hill

Trading Halts

Company	Code	Resuming
Breaker Resources	BRB	15 Aug
Latin Resources	LRS	15 Aug
St George Mining	SGQ	15 Aug
Wingara AG	WNR	15 Aug
Greenpower Energy	GPP	16 Aug
Vital Metals	VML	16 Aug

Suspensions (selected)

Company	Code	Since
Agenix Ltd	AGX	29 Jul
ATC Alloys	ATA	28 Jul
Bass Metals	BSM	29 Jul
Excalibur Mining Corporation	EXM	15 Aug
G8 Communications	G8C	10 Aug
Gleneagle Gold	GLN	25 Jul
Gulf Manganese Corporation	GMC	9 Aug
Indus Energy	IND	5 Aug
Mount Magnet South	MUM	27 Jul
New Guinea Energy	NGE	12 Aug
Nickelore Ltd	NIO	22 Jul
Odin Energy	ODN	21 Jul
Rox Resources	RXL	12 Aug
Wellard Ltd	WLD	9 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
SIH	Today	0.5	0	1.87
ASW	Today	2.25	100	5.07
KAM	Today	0.5	100	3.85
KAT	Today	1.5	50	7.84
CPU	Tomorrow	17	20	3.28



GMA	Tomorrow	26.5	100	8.67
IBC	Tomorrow	0.95	100	4.53
NMT	Tomorrow	2	0	0.00
RKN	Tomorrow	2	0	3.13
CBA	Wed	222	100	5.53
DOW	Wed	12	100	4.67
MFG	Wed	38	100	3.54
RMD	Wed	~3.07	0	1.28
GUD	Thu	23	100	4.25
FXJ	Fri	2	70	4.15

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	ANN	Full-year
	AZJ	Full-year
	GPT	Interim
	IMD	Full-year
	JBH	Full-year
	NAB	Trading update
	NCM	Full-year
	ORA	Full-year
Tomorrow	BHP	Full-year
	BKN	Full-year
	CGF	Full-year
	DMP	Full-year
	IVC	Interim
	MGR	Full-year
	SCP	Full-year
	SGF	Full-year
Wed	ARB	Full-year
	ARI	Full-year
	AOG	Full-year
	CWN	Full-year
	CSL	Full-year
	DXS	Full-year
	FBU	Full-year
	PRY	Full-year
	QBE	Interim
	SHL	Full-year
SGP	Full-year	
VCX	Full-year	
Thu	AMP	Interim
	ASX	Full-year
	BRS	Full-year
	BXB	Full-year
	IOF	Full-year
	MIN	Full-year
	ORG	Full-year
	SYD	Interim
	TTS	Full-year
	TWE	Full-year
	WEB	Full-year
WHC	Full-year	
Fri	AHG	Full-year
	AYS	Full-year
	DUE	Full-year
	EVN	Full-year

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IAG	Full-year
MPL	Full-year
MHJ	Full-year
STO	Interim
TGR	Full-year
WPL	Interim