

Markets

SFE 200 Futures (9.25am AEST)	5465	-35	-0.6
NZX 50	7321	-87	-0.1
DJIA Futures	18236	-12	-0.1
S&P 500 Futures	2151	-2	-0.1
NASDAQ Futures	4710	-4	-0.1

Local Markets Commentary

The Australian market will open on negative international equities leads.

Overnight commodities trade offers support for select stocks, however.

Gold rallied. **Oil** fell further. **Copper** rose a little. **Iron ore** continued higher.

The **\$A** traded beyond US76.00c after surpassing ~US75.75c yesterday evening.

Locally pre-trade, AiG publishes its July services sector activity index. July vehicle sales are scheduled for release midday AEST.

Regionally, the **Bank of Japan** is expected to release July monetary policy meeting minutes **9.50am** AEST.

Services PMIs are also due for both **China** (**11.45am** AEST) and Japan (**midday**) today.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	18314	-91	-0.5
S&P 500	2157	-14	-0.6
NASDAQ	5138	-46	-0.9
FTSE 100	6645	-49	-0.7
DAX 30	10144	-186	-1.8
Shanghai Comp	2971	18	0.6

Overseas Markets Commentary

Major European and US equities markets fell on opening overnight.

Worrying Commerzbank results, plus Monte dei Paschi di Siena exposure fears for other European financial institutions damaged European sentiment.

Oil continued to fall, underscoring international growth disquiet and individual US monthly vehicle sales reports largely underwhelmed.

In the **US**, June consumer spending pleased for a second consecutive month, increasing 0.4% against a 0.2% personal income rise.

An ISM business conditions index for New York jumped 15.3 points to 60.7.

Euro zone June producer prices also surprised on the upside, rising 0.7% for the month following 0.4% forecasts, although the index is down 3.1% year-on-year.

The **UK's** construction sector activity index slipped 0.1 to 45.9, but 43.8 had been feared.

Tonight in the US, ISM's July services sector activity index, a private sector jobs report, Markit final July services PMI and weekly mortgage applications are due.

Companies scheduled to report earnings include:

Japan – Bank of Japan monetary policy minutes **9.50am** AEST.
China – services, composite PMIs **11.45am** AEST.

* REIT listing **midday** AEST – **VVR** *

Today's Stock Watch

Seven Group Holdings (SVW)

\$197.8M full-year NPAT, following a \$359.1M net loss for FY 2015. 2.1% higher, \$2.8B revenue. 20c fully-franked final dividend. Underlying FY 2017 EBIT expected to represent little change. Presentation lodged this morning. In addition, SVW plans to buy back up to 496,364 transferable extendable listed yield shares (TELYS4) over 12 months commencing 17 August.

Genworth Mortgage Insurance Australia (GMA)

14c interim dividend, plus 12.5c special dividend, each fully-franked. 20% higher, \$135.8M interim NPAT. 16.7% higher, \$369.6M revenue. \$3.97 NTA. 3.2c EPS. \$37.8M cash and equivalents.

Updater Inc (UPD)

July statistics published this morning, including achieving 5.35% of US household moves, by market share of processed moves.

MMJ Phytotech (MMJ)

LoI in hand to lease 13 acres of land adjacent to the Duncan manufacturing facility, Canada, with the aim of boosting output capacity. MMJ says an expanded plant could produce up to 26,000kg of cannabis each year. MMJ also proposes to secure an option to lease the balance 27 acres of the adjacent property.

Seven West Media (SWM)

Credit Suisse has reassessed SWM as neutral, from outperform. Macquarie has re-rated the company as neutral, from underperform.

Navitas Ltd (NVT)

Macquarie has re-rated NVT as underperform, from neutral.

Viva Energy REIT (* VVR)

Petrol station leasing specialist and owner Viva Energy REIT and Viva Energy REIT Trust will commence ASX trade midday AEST, as one company share stapled to one unit, following an ~\$911M offer at \$2.20 per stapled unit. Trading will commence on a conditional and deferred settlement basis. Normal (T+2) trade is expected to commence 12 August.

Resources

Rio Tinto (RIO)

Interim results anticipated later today. In the meantime, development of the WA Pilbara Silvergrass iron ore mine has been approved. RIO expects to add 10Mt of capacity and pay-back in less than three years from the \$338M worth of additional spend. Some regulatory approvals remain outstanding.

Energy

Oil Search (OSH) / Santos Ltd (STO) / AWE Ltd (AWE)

UBS is replacing its OSH sell recommendation with a neutral rating. Morgan Stanley has reassessed STO as overweight, from equal-weight. Macquarie has re-rated AWE as neutral, from outperform.

Rio Tinto, HSBC Holdings, Société Générale, Standard Chartered, Aggreko, Time Warner, Suzuki and Noble Energy.

Overnight, **Pfizer** bettered revenue and profit expectations, supported by new offerings. **Procter & Gamble** reported falling revenue that nonetheless defied more dour forecasts, but sales guidance remained soft.

General Motors and **Ford** reported lower July US vehicle sales and **Fiat Chrysler** just a 0.3% improvement. Overall US sales were supported to an eight-month high by SUV and 'truck' sales, however.

Earlier, **Honda** had reported a 6% fall in June quarter profit.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1373	oz	13	1.0
Silver (NY) (Jul)	20.7	oz	0.2	1.0
Gold (LON)	1350	oz	8	1.0
Platinum	1164	oz	8	0.7
WTI Crude (Sep)	39.5	bbl	-0.6	-1.4
Iron Ore (Tianjin)	60.7	t	0.2	0.3
Copper (LME)	4892	t	10	0.2
Nickel	10725	t	-10	-0.1
Aluminium	1625	t	-10	-0.6
Lead	1823	t	0	0.0
Zinc	2275	t	8	0.4
Tin	17990	t	115	0.6
CBT Wheat (Jul)	4.02	bshl	-0.05	-1.2

Commodities Commentary

Oil – a falling \$US produced some early gains, but no new news followed to improve demand/supply expectations. Brent crude fell 0.8% to \$US41.80/bbl.

US weekly petroleum inventories are due tonight from the EIA.

Gold – little risk appetite for equities, plus the \$US trading at a five-week low against a general basket of currencies further supported gold sentiment overnight.

Base metals – overnight trade pushed and pulled by a weaker \$US and international growth fears.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7602	-0.0006	-0.08
EUR – USD	1.1220	-0.0005	-0.05

Australian Data Today

AiG	PSI	Jul
VFACTS	Vehicle sales	Jul

US Data Tonight

ISM non-manufacturing	Jul
ADP private employment	Jul
Markit PMI services (final)	Jul
MBA mortgage applications	29 Jul

Pre-Open Announcements

OzForex Ltd (OFX)

AGM later today. OFX recouped 2.5% yesterday, settling at \$2.51 after trading as high as \$2.53.

Anteo Diagnostics (* ADO)

Releasing three coupling kits (magnetic separation, lateral flow and antibody) at a three-day clinical laboratory forum which commenced in Pennsylvania, USA overnight. ADO immunoassay subsidiary DIASource is also releasing Vitamin D and Zika virus assays at the forum.

RBR Group (* RBR)

First commercial training contract secured, with Sasol, by RBR's Futuro Skills Mozambique subsidiary. Training is expected to commence in September. In addition, RBR says Sasol has requested a quote for an additional training contract.

Reva Medical (RVA)

(European) CE Mark application submitted for RVA's Fantom bio-scaffolding.

PharmAust Ltd (PAA)

PAA is due to gain additional rights to monepantel (MPL) and related compounds under a new agreement with the University of NSW's NewSouth Innovations commercialisation company. Details lodged this morning.

Flight Centre (FLT)

Seeking to appoint a non-executive director following the resignation of non-executive director Cassandra Kelly, who returned to the US last year. Planning to release full-year results 25 August.

Resources

Lucapa Diamond Company (LDM)

A record 59 large (>10.8 carats), special diamonds recovered during July. Production totalled 3164 carats, at an average 15 carats/100cum. LOM processed a record 21,114 bulk cubic metres.

Graphex Mining (* GPX)

Heralding a 're-commitment' by China National Building Material Group Corporation and China Gold Group Investment Co to an MoU covering potential off-take and financing deals for the Chilalo graphite project.

Australian Bauxite (* ABX)

ABX recouped 5.1% yesterday, settling at 20.5c. The company has boosted orders from 5000t in early 2016 to up to 35,000 – 40,000t. State One analyst David Brennan has assigned a 40c target price.

Excelsior Gold (EXG)

EXG's rights issue is now fully-underwritten. In addition, EXG is placing a further \$500,000 worth of shares at 5c each. EXG traded at 5.5c yesterday.

OceanaGold Corporation (OGC)

Teleconference and webcast rescheduled to 7.30am AEST Friday. Access details lodged this morning.

Energy

Boss Resources (* BOE)

Positive South Australia Honeymoon uranium project option study results lodged this morning.

**Other Overseas Data Today & Tonight**

China	Caixin PMIs services, composite	Jul
Japan	BoJ monetary policy minutes	Jul
Japan	Nikkei PMIs services, composite	Jul
UK	Markit PMIs services, composite	Jul
UK	Official reserves	Jul
UK	BRC shop price index	Jul
Euro zone	Markit PMIs services, composite	Jul

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Trading Halts

Company	Code	Resuming
Atrum Coal	ATU	3 Aug
Magnetic Resources	MAU	3 Aug
Maximus Resources	MXR	3 Aug
Cougar Metals	CGM	4 Aug
Hawkley Oil & Gas	HOG	4 Aug
MacPhersons Resources	MRP	4 Aug
Metals X	MLX	4 Aug
Montezuma Mining Company	MZM	4 Aug
Osprey Medical	OSP	4 Aug
Petrel Energy	PRL	4 Aug
Primary Gold	PGO	4 Aug
Inca Minerals	ICG	5 Aug

Suspensions (selected)

Company	Code	Since
Agenix Ltd	AGX	29 Jul
ATC Alloys	ATA	28 Jul
Bass Metals	BSM	29 Jul
Gleneagle Gold	GLN	25 Jul
Kasbah Resources	KAS	21 Jul
MHM Metals	MHM	14 Jul
MinQuest Ltd	MNQ	18 Jul
Mount Magnet South	MUM	27 Jul
Namibian Copper	NCO	16 Jul
Nickelore Ltd	NIO	22 Jul
Odin Energy	ODN	21 Jul
Parmelia Resources	PML	13 Jul
Regalpoint Resources	RGU	14 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
AYD	Fri	7	100	5.25
AYH	Fri	50	100	3.23
AYJ	Fri	79	100	3.60
AYK	Fri	21	100	3.36
AYZ	Fri	71	100	3.50
BKI	Fri	3.65	100	4.42
DJW	Fri	14	100	6.03
AMH	Mon	3.5	100	3.38
OZG	Mon	0.25	100	3.45
WIC	Mon	3	100	6.52
AFI	Tue	14	100	4.08

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	GMA	Interim
	OFX	AGM (4pm AEST)
	RIO	Half-year
	SVW	Full-year
Tomorrow	BWP	Full-year
	DOW	Full-year
	SUN	Full-year



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	TAH	Full-year
Fri	RNY	Interim
	VAH	Full-year
Mon	BEN	Full-year
	NWS	Jun Q
Tue	ANZ	Trading update
	IFL	Full-year
	REA	Full-year
	TCL	Full-year