

Markets

SFE 200 Futures (9.30am AEST)	5670	35	0.6
NZX 50	7590	2	0.0
DJIA Futures	21451	15	0.1
S&P 500 Futures	2426	0	0.0
NASDAQ Futures	5585	-4	-0.1

Local Markets Commentary

The Australian market opens today's trade ahead of a Reserve Bank of Australia (RBA) policy meeting, on mostly improved international equities sentiment, but with US equities markets closed tonight, and rather mixed commodities leads.

The RBA is due to release an outcomes statement from the monthly policy meeting at **2.30pm** AEST. Once again, the language and emphases are keenly anticipated, with no immediate rates change expected.

Meanwhile, the Australian Bureau of Statistics is scheduled to publish national June retail sales 11.30am.

Pre-trade, a weekly consumer sentiment index is due.

In overnight commodities trade, **gold** and other precious metals dropped. **Oil** rallied further. LME **copper** settled a little lower. **Iron ore** (China port, 62% Fe) turned lower.

The **\$A** appeared comparatively range-bound after trading at ~US76.55c yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	21479	130	0.6
S&P 500	2429	6	0.2
NASDAQ	6110	-30	-0.5
FTSE 100	7377	64	0.9
DAX 30	12475	150	1.2
Shanghai Comp	3196	3	0.1

Overseas Markets Commentary

The **NYSE** and **NASDAQ** will be **closed tonight**, due to **4 July** US Independence Day commemorations.

NYMEX and **COMEX** will trade but will **close early**. Canada's markets are also closed tonight, due to a public holiday.

Full trade resumes across all North American exchanges tomorrow night.

Overnight, major European and US equities markets mostly traded higher from opening overnight, the energy sector continuing to bolster general indices.

The **UK's** final June manufacturing PMI came in at 54.3, down two points for the month.

Germany's was calculated at a more than six-year high, at 59.6.

In the **US**, ISM's June manufacturing index was reported 2.9 points higher for the month, at 57.8, representing an almost three-year peak.

Markit's 52.0 final June manufacturing PMI estimate

RBA – policy meeting outcomes statement 2.30pm AEST

Today's Stock Watch

Bellamy's Australia (BAL)

Confirming the completed acquisition of 90% of Camperdown Powder.

In association, BAL raised \$45.5M in the \$4.75-per-share retail entitlement offer which closed Thursday last week. Overall, BAL completed a \$60.4M capital raising.

BAL has traded at \$6.81 - \$7.075 since completing the retail entitlement offer.

Hansen Technologies (HSN)

Resuming trade having raised \$A40M in an institutional placement at \$3.70 per share.

A \$10M SPP is also planned.

Funds will in part support the Enoro Holdings acquisition.

HSN last traded at \$4.04.

ePAT Technologies (EPT)

A peer review study has confirmed EPT's face-recognition electronic pain assessment tool (ePAT) provides valid and reliable results when used with people suffering moderate - severe dementia.

Further, the study details and findings have been selected for publication in the Journal of Alzheimer's Disease.

Bapcor Ltd (BAP)

New \$500M triple-tranche debt facility secured with pre-existing BAP lenders ANZ and Westpac (ASX: WBC), plus The Bank of Tokyo-Mitsubishi UFJ and The Hong Kong & Shanghai Banking Corporation (HSBC).

Norwood Systems (NOR)

NOR's 'World Phone' services, designed to avoid traditional global roaming charges will be promoted to RAC WA customers under an initial 12-month distribution agreement expected to commence before the end of September.

YPB Group (YPB)

CEO Jens Michel has resigned, effective immediately. YPB founder, executive chairman and major shareholder John Houston is resuming operational responsibilities.

Collins Foods (CKF)

Trading ex-dividend (9c) today.

Resources

South32 Ltd (S32)

S32 has bought back and cancelled ~48.1M shares since 1 June, outlaying ~\$126.7M. ~5.2B S32 shares remain on issue.

Syrah Resources (SYR)

Confirming Mozambique Balama graphite project initial production is expected to commence before the end of next month.

Ardea Resources (ARL)

Heralding Goongarrie South cobalt-nickel metallurgical test work-targeted diamond drilling results. Assays lodged this morning.

Pre-feasibility hydro-metallurgical leach testing is scheduled to commence by week's end.

proved a contrast, falling 0.7 for the month.

May construction spending remained essentially flat however, despite expectations of a 0.3% rise following a 0.7% fall in April.

Tonight, UK supermarket chain Sainsbury's is due to provide a trading update tonight.

In overnight corporate news, major vehicle manufacturers reported US June sales. **General Motors** revealed 5% fewer sales than a year earlier, while **Ford's** sales dropped 13.9% year-on-year. **Fiat Chrysler** reported a 7% fall.

Expectations were comparatively low however, and General Motors and Ford shares were pushed 1.8% and 3.3% higher respectively.

Asian-headquartered manufacturers fared better with sales, **Toyota** unveiling a 2.1% rise, buoyed by RAV4 demand. **Nissan** also claimed a 2% gain, supported by 'crossover' sales together with SUV interest. **Honda** reported a 0.8% improvement.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1219	oz	-23	-1.9
Silver (NY) (Jul)	16.1	oz	-0.5	-3.1
Gold (LON)	1229	oz	-13	-1.1
Platinum	904	oz	-20	-2.2
WTI Crude (Aug)	47.1	bbl	1.0	2.2
Brent Crude (Aug)	49.7	bbl	0.9	1.9
Iron Ore (CHN port 62%)	64.3	t	-0.7	-1.0
Copper	5928	t	-9	-0.2
Nickel	9390	t	0	0.0
Aluminium	1927	t	8	0.4
Lead	2337	t	45	2.0
Zinc	2805	t	47	1.7
Tin	20150	t	175	0.9
CBT Wheat (Jul)	5.37	bshl	0.26	4.9

Commodities Commentary

Oil – pushed higher overnight, despite a strengthening \$US.

OPEC's daily June output was reported at 32.72MMbbl however, 280,000bbl/d higher than during May.

In addition, Iraq spoke publicly in London of a 'right' to produce in line with reserves.

NYMEX trade closed earlier than normal ahead of the 4 July commemorations.

NYMEX trade will continue tonight but in another shortened session.

Gold – overnight trade mostly demonstrated a risk-off mood, propelling gold futures sharply lower. This was in part attributed to US manufacturing optimism.

COMEX trade closed earlier than normal ahead of the 4 July commemorations.

COMEX trade will continue tonight but in another shortened session.

Base metals – overnight sentiment appeared pushed and pulled by mixed data and relative \$US strength.

Caixin's final June manufacturing PMI for China, published yesterday, represented a return to expansion mode.

An influential industry report in Japan was also viewed as generally encouraging.

Meanwhile, the People's Bank of China was reported to have made available \$US73M to the banking sector via medium-term loans during June.

Pre-Open Announcements

Dexus Property Group (* DXS)

DXS's planned \$50M SPP will be conducted 18 July – 8 August. DXS traded at \$9.38 - \$9.625 yesterday.

Auckland International Airport (AIA)

AIA Americas aeronautical commercial head Scott Tasker has been appointed group GM aeronautical commercial. Mr Tasker has recently been the acting incumbent in his new position.

SkyCity Entertainment (SKC)

Planning to release annual results 9 August and to host a teleconference that day, at 10am AEST. Access details lodged this morning.

Eagle Health Holdings (EHH)

China-focused health foods and dietary supplements specialist completed a successful ASX listing yesterday following a \$25M IPO at 40c per share. Opened at 45c and slipped to 40c before settling at 43.5c. 909,883 shares were traded across 99 transactions.

Resources

Metals X (* MLX)

AN updated DFS for MLX's Renison tailings retreatment JV project, Tasmania has produced a \$A260M pre-tax NPV (8%) and 37% IRR. Additional statistics lodged this morning. MLX 50%.

Saracen Mineral Holdings (SAR)

SAR has appointed HiSeis principal consultant Roric Smith as an independent non-executive director. Dr Smith is also a Sandfire Resources (ASX: SFR) non-executive director and is a member of Macquarie University's Core-to-Crust Fluid Systems CRC advisory board.

Mark Connelly is planning to step down as an SAR director at the company's November AGM.

Reward Minerals (RWD)

~\$2.6M worth of Australian Government R&D incentive rebate funds in hand.

Energy

Paladin Energy (PDN)

Administrators appointed.

88 Energy (88E)

Alaska Icewine stimulation update lodged this morning.

Trading Halts

Company	Code	Resuming
Cradle Resources	CXX	4 Jul
Jervois Mining	JRV	4 Jul
Red Mountain Mining	RMX	4 Jul
Valor Resources	VAL	4 Jul
Avalon Minerals	AVI	5 Jul
BARD1 Life Sciences	BD1	5 Jul
Black Rock Mining	BKT	5 Jul
Graphex Mining	GPX	5 Jul
Kibaran Resources	KNL	5 Jul
Magnis Resources	MNS	5 Jul
Maximus Resources	MXR	5 Jul
OreCorp Ltd	ORR	5 Jul
ShareRoot Ltd	SRO	5 Jul



Tonight's trade is expected to be lighter, due to holidays in the US and Canada. US commodities markets will nonetheless trade, albeit in truncated sessions.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7663	0.0002	0.03
EUR – USD	1.1372	0.0008	0.07

Australian Data Today

RBA	Policy meeting outcomes	Jun
ANZ/RoyMgn	Consumer sentiment	2 Jly
ABS	Retail sales	Jun

Overseas Data Today & Tonight

UK	BoE policy meeting minutes	Jun
UK	Construction PMI	Jun
Euro zone	PPI	May

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au.

Strandline Resources	STA	5 Jul
Volt Resources	VRC	5 Jul

Suspensions *(selected)*

Company	Code	Since
Novo Litio	NLI	26 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
CKF	Today	9	100	2.89
HNG	Today	1.25	100	4.70
EDC	Tomorrow	~1.79	100	6.29
CAM	Thu	1.25	100	5.51
MPP	Thu	~3.76	0	5.47
MTS	Thu	4.5	100	1.87
PRG	Thu	3.5	100	3.89
RND	Thu	10	100	0.00
TBR	Thu	20	100	0.00

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.