

Thursday 6 July 2017

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document.

Markets

SFE 200 Futures (9.30am AEST)	5726	21	0.4
NZX 50	7606	10	0.1
DJIA Futures	21436	14	0.1
S&P 500 Futures	2430	2	0.1
NASDAQ Futures	5649	-3	-0.1

Local Markets Commentary

The Australian market opens today's trade amid growing international security concerns and on varied international equities and commodities leads.

In overnight commodities trade, US **gold** futures settled slightly higher. **Oil** turned and dropped. LME **copper** fell further. **Iron ore** (China port, 62% Fe) barely changed.

The **\$A** fell after trading at ~US76.15c early yesterday evening.

Locally today, May **trade** figures are due **11.30am** AEST. These will spawn further June quarter GDP growth conjecture.

Stocks trading **ex-dividend** today include **ABP**, **MTS** and **PRG**.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	21478	-1	-0.0
S&P 500	2433	4	0.2
NASDAQ	6151	41	0.7
FTSE 100	7368	10	0.1
DAX 30	12454	17	0.1
Shanghai Comp	3207	24	0.8

Overseas Markets Commentary

Choppy and/or swinging trade featured overnight across major European and US equities markets, amid: a swag of data releases; revelations of a divided US Federal Reserve; another oil price fall; and differing views of appropriate responses to, and likely implications of, North Korea's nuclear missile development program.

In the **US**, the Federal Reserve's June policy meeting revealed general consensus that additional rate rises and the commencement of asset trimming were appropriate.

However, timing appeared divisive, with less agreement among FOMC members on whether soft inflation growth ought be viewed as temporary or otherwise.

ISM's New York business activity index rose 8.8 points to 55.5.

An IBD/TIPP economic optimism index fell to 50.2, however, approaching a return to pessimism mode.

May factory orders continued lower by an additional 0.8% following a 0.3% pullback in April.

Meanwhile, **euro zone** and **UK** final June services sector PMIs remained encouraging.

The euro zone's May retail sales were calculated 2.6% higher year-on-year.

Australia – May trade figures **11.30am** AEST

Today's Stock Watch

CIMIC Group (CIM) / Macmahon Holdings (MAH)

CIM has offloaded its 23.64% MAH holding at 16.5c per share, for a total \$46.85M.

MAH has traded at 16.5c – 17c since 19 June.

Select Harvests (SHV)

SHV has appointed Fiona Bennett as a non-executive director. Ms Bennett is a non-executive director of Hills Ltd (ASX: HIL) and Beach Energy (ASX: BPT).

A previously flagged, Ross Herron is retiring as an SHV board member prior to the company's AGM.

SHV has traded above \$5.00 again the past two sessions.

Trade Me Group (TME)

June quarter job listings grew to be 12% higher than a year ago. TME also reports the average construction sector wage has risen 21% over the past year.

Advertisements for this sector, plus automotive, manufacturing and transport have grown the most year-on-year.

The TME job categories which have shrunk in advertisement terms include executive and management, IT and marketing and communications.

Flight Centre (FLT)

Credit Suisse has re-assessed FLT as underperform, from outperform.

Magellan Financial Group (MFG)

Credit Suisse is re-rating MFG as neutral, cancelling an outperform assessment.

Resources

Mount Gibson Iron (MGX)

MGX has reacted to non-compliance by Sinogiant Steel Holdings Group, terminating a WA Iron Hill mine off-take agreement negotiated last year.

Sinogiant was to have taken 25% of planned first-year production, but MGX is confident it can place all production without Sinogiant's custom.

Hazer Group (HZR)

HZR's clean hydrogen and synthetic graphite pre-pilot plant has been successfully commissioned in Sydney. Fully-continuous operations are anticipated before year's end.

OceanaGold Corporation (OGC)

New Zealand Macraes and Waihi site visit presentations lodged this morning. OGC is hosting the respective tours today and tomorrow.

Energy

Buru Energy (BRU)

BRU has renegotiated debt repayments with Alcoa of Australia. Details of amounts and dates of a series of 2017 – 2020 payments lodged this morning.

The debt remains unsecured.

Initial Ungani oil sales proceeds are anticipated later this year, due to an ~80,000bbl cargo scheduled for export from Wyndham in September.

BRU calculated the company held \$18.7M cash as at 30 June.

Tonight in the US, private employment and job cuts reports plus weekly new unemployment claims are due, ahead of the national monthly employment statistics tomorrow night.

ISM's June services sector activity index and May trade balance figures are also due tonight.

Supposition will likely explode at possible change in the agenda or outcome emphases ahead of the commencement of the **G20** leaders' forum in Hamburg tomorrow and Saturday.

In overnight corporate news, US-headquartered credit card payments processor **Vantiv** confirmed it was willing to outlay £7.7B for UK competitor **Worldpay**.

Commodities

COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Aug)	1222	oz	2.5	0.2
Silver (NY) (Jul)	16.1	oz	0.0	0.0
Gold (LON)	1220	oz	-3	-0.3
Platinum	908	oz	4	0.4
WTI Crude (Aug)	45.1	bbl	-1.9	-4.1
Brent Crude (Aug)	47.8	bbl	-1.8	-3.7
Iron Ore (CHN port 62%)	63.3	t	0.1	0.1
Copper	5841	t	-51	-0.8
Nickel	9160	t	-20	-0.2
Aluminium	1929	t	1	0.1
Lead	2275	t	-25	-1.1
Zinc	2782	t	-12	-0.4
Tin	19680	t	-270	-1.4
CBT Wheat (Jul)	5.39	bshl	0.02	0.5

Commodities Commentary

Oil – Russia was reported to be opposed to any further production cuts should OPEC members suggest this at this month's regular meeting.

In the meantime, Saudi Arabia's Aramco announced it would reduce August prices to Asia, the extension to a series of price cuts seen as a sign of increased competition.

Weekly US petroleum inventories are due tonight.

Gold – prices initially swung, trading as low as \$US1216.5/oz, but in addition to heightened global security angst, short-covering and bargain-buying were reported to have ultimately boosted overnight trade.

Friday's release of the monthly US employment report will return to focus tonight.

Base metals – Caixin's June services PMI for China, reported yesterday, disappointed, falling 1.2 points.

In addition, investors appeared burdened by a stronger \$US, the end of an oil price rally (which contributed to the magnitude of *copper's* decline), and international security considerations.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7604	0.0000	0.00
EUR – USD	1.1349	-0.0003	-0.03

Australian Data Today

ABS	Trade balance	May
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Pre-Open Announcements

Global Construction Services (* GCS)

GCS 51%-held Gallery Façades has secured a \$40M contract with Multiplex Constructions for supply and installation façade work at the 72-storey Swanston Central development, Melbourne.

Family Zone (* FZO)

Distribution agreement secured with Learning With Technologies. Details lodged this morning.

Resources

Ardiden Ltd (* ADV)

MoU secured with landowners Whitesand First Nation regarding Ontario, Canada Seymour Lake lithium project plans.

Under the MoU, the parties will develop an 'impact and benefits' agreement prior to mine development and feasibility completion.

This is in association with Whitesand having provided earthmoving equipment and field staff in support of drilling and exploration work.

Energy

Meridian Energy (MEZ)

MEZ GM retail Neal Barclay has been appointed to replace Mark Binns as CEO. MEZ previously announced Mr Binns' planned retirement.

Mr Barclay has held several positions since joining MEZ from Telecom NZ in 2008. These include CFO and GM markets and production.

A teleconference was scheduled to commence at 8.30am AEST.

Sagasco Ltd (* SGC) / Pancontinental Oil & Gas (PCL) / Xstate Resources (XST)

Drilling of the Sacramento gas basin Dempsey-1 well is expected to commence late this month. SGC 50% and operator; PCL and XST 10% each.

Berkeley Energy (BKY)

Expected Salamanca uranium mine construction capex has fallen 1% to €82.3M. Details lodged this morning.

Trading Halts

Company	Code	Resuming
8Common Ltd	8CO	6 Jul
Lindian Resources	LIN	6 Jul
Peak Resources	PEK	6 Jul
Swift Networks Group	SW1	6 Jul
Tanga Resources	TRL	6 Jul
Walkabout Resources	WKT	6 Jul
Caravel Minerals	CVV	7 Jul
European Lithium	EUR	7 Jul
Wattle Health Australia	WHA	7 Jul
Vector Resources	VEC	10 Jul

Suspensions (selected)

Company	Code	Since
Black Rock Mining	BKT	5 Jul
Cradle Resources	CXX	4 Jul
Graphex Mining	GPX	5 Jul

**US Data Tonight**

ISM non-manufacturing	Jun
ADP private employment	Jun
Challenger job cuts	Jun
Initial jobless claims	1 May
Trade balance	May
Markit services PMI (final)	Jun
MBA mortgage applications	30 Jun

Other Overseas Data Today & Tonight

Germany	Construction PMI	Jun
Euro zone	ECB policy minutes	Jun
Euro zone	Retail PMI	Jun

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Kibaran Resources	KNL	5 Jul
Magnis Resources	MNS	5 Jul
Novo Latio	NLI	26 Jun
OreCorp Ltd	ORR	5 Jul
Strandline Resources	STA	5 Jul
Valor Resources	VAL	4 Jul
Volt Resources	VRC	5 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
ABP	Today	8.75	0	5.52
CAM	Today	1.25	100	5.48
MPP	Today	~3.76	0	5.45
MTS	Today	4.5	100	1.84
PRG	Today	3.5	100	3.83
RND	Today	10	100	0.00
TBR	Today	20	100	0.00
RGWB	11 Jul	33	100	0.00
TGH	12 Jul	~3.94	0	5.66

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