

Markets

| | | | |
|--------------------------------------|-------------|----------|------------|
| SFE 200 Futures (9.30am AEST) | 6207 | 0 | 0.0 |
| NZX 50 | 8899 | 27 | 0.3 |
| DJIA Futures | 25522 | -14 | -0.1 |
| S&P 500 Futures | 2855 | -1 | 0.0 |
| NASDAQ Futures | 7466 | -5 | -0.1 |

Local Markets Commentary

The Australian market opens today's trade on largely lacklustre overnight equities and mixed commodities leads, again ahead of key data out of China.

In overnight commodities trade, **oil** swung lower.

US **gold** futures closed slightly higher.

LME **copper** settled barely changed. **Nickel** continued higher. **Aluminium** turned and rallied.

The **\$A** surpassed US74.35c after trading at ~US74.15c early yesterday evening.

China is due to report July CPI and PPI **11.30am** AEST.

Locally today, **MLT** and **RIO** are among stocks trading ex-dividend today. *Details can be found on p4.*

This morning, New Zealand's central bank has retained a 1.75% overnight cash rate and underscored its flexibility in either lifting or lowering rates.

Elsewhere, **Singapore's** markets will remain closed today.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|-----|-------------|
| Dow Jones | 25584 | -45 | -0.2 |
| S&P 500 | 2858 | -1 | -0.0 |
| NASDAQ | 7888 | 5 | 0.1 |
| FTSE 100 | 7777 | 58 | 0.8 |
| DAX 30 | 12634 | -15 | -0.1 |
| Shanghai Comp | 2744 | -35 | -1.3 |

Overseas Markets Commentary

There was plenty again for investors to consider overnight, this demonstrated by choppy, swinging trade across most major European and US equities markets.

The FTSE remained supported by the British pound which fell further against the \$US and euro.

Oil fell decisively, hurting the energy sector.

Earlier, China revealed it planned to place 25% import tariffs, commencing 23 August, on another \$US16B worth of goods from the US, including fuels, medical equipment, steel products and vehicles.

Further, both China and Germany voiced opposition to US threats against others doing business with Iran.

The US administration announced plans for select sanctions against Russia, in relation to an alleged attempted poisoning assassination on UK soil. Further, it warned of further action after 90 days,

China – July CPI 11.30am AEST

APOLOGY – some readers have not been receiving their *Market Opener* recently.

State One has identified an ISP issue and is sorting an effective solution.

Today's Stock Watch

Suncorp Ltd (SUN)

1.5% lower, \$1.06B full year NPAT. 11.17% lower, \$15.45B revenue. Paying 40c final and 8c special dividends, each fully franked.

In addition, SUN is planning to sell its Australian life insurance division to TAL Dai-ichi Life Australia for \$725M. A non-binding HoA is in place, but legal documents are anticipated by month's end.

Crown Ltd (CWN)

70% drop in full year NPAT to \$558.9M. 4.5% higher, \$3.49B revenue. Flat, 30c, 18c-franked final dividend. \$5.26 NTA.

Orora Ltd (ORA)

24% higher, \$A171.1M full year NPAT. 5.2% higher, \$A4.04B revenue. 6.5c fully franked final dividend, up 5c. 94c NTA.

Avita Medical (AVH)

The US FDA has granted AVH approval to treat 108 patients, rather than the current 82, with the RECELL burns treatment. Further, the number of centres that are approved to be involved in the compassionate use program has been raised to 26.

News Corporation (NWS)

Due to report in the US overnight tonight.

Resources

Rio Tinto (RIO)

Trading ex-dividend (~\$1.71) today.

BHP Billiton (BHP)

New York District Court class action settlement agreed, with BHP admitting no liability and paying \$US50M.

Newcrest Mining (NCM)

Expecting a \$260M - \$270M adverse FY 2018 earnings impact following a carrying value review.

Planning to lodge full year results 22 August.

Independence Group (IGO) / Evolution Mining (EVN)

Morgan Stanley has reassessed IGO as underweight, from equal-weight, and EVN as equal-weight, from underweight.

Energy

AGL Energy (AGL)

194.4% higher, \$A1.59B full year NPAT. 1.8% higher, \$12.82B revenue. 63c final dividend.

Carnarvon Petroleum (CVN)

Phoenix South-3 update lodged this morning, highlighting 'positive observations' warranting wireline logging from 5200m - 5393m.

CVN added 29.9% yesterday, settling at 63c.

WorleyParsons Ltd (WOR)

UK Buzzard phase two development EPC contract in hand from CNOOC.

pending 'reliable assurances' and UN inspection co-operation.

Meanwhile, the US treasury conducted a \$US26B 10-year bond auction, both 10-year and 30-year yields slipping.

In scant new data releases, US weekly mortgage applications fell further, this time by 3%, in part due to higher prices.

Tonight in the US, weekly new unemployment claims, July producer prices and final June wholesale inventories are due.

In addition, the US treasury conducts an \$US18B 30-year **bond** auction.

Elsewhere, the **European Central Bank** publishes a bulletin containing updated forecasts.

Companies scheduled to report earnings or provide an update later today and tonight include: Adidas, Bridgestone, Brookfield Asset Management, G4S, Inpex, Jaguar Land Rover, Macy's, Merck, News Corporation, San Miguel Corp, Thyssenkrupp, Viacom and Worldpay.

BT Group trades ex-dividend on the FTSE 100, perhaps influencing telecommunications risk sentiment.

In overnight corporate news, high-profile stocks including **Snap**, **Papa John's**, **Tesla** and **Walt Disney** fell on results disappointment and/or growth and, in the case of Tesla, funding and regulatory compliance speculation.

CVS Health and drug manufacturer **Mylan** gained however on outlook and review news that appeared to satisfy.

Commodities

| COMMODITY | CLOSE | \$US/ | +/- | % |
|---|-------------|-------|-------|------|
| Gold (NY) (Dec) | 1222 | oz | 0.3 | 0.3 |
| Silver (NY) (Sep) | 15.4 | oz | 0.06 | 0.4 |
| Gold (LON) | 1210 | oz | -3 | -0.2 |
| Platinum | 830 | oz | 2 | 0.2 |
| WTI Crude (Sep) | 66.9 | bbl | -2.23 | -3.2 |
| Brent Crude (Oct) | 72.3 | bbl | -2.37 | -3.2 |
| Iron Ore <small>(CHN port 62%)</small> | 70.4 | t | | |
| Copper <small>(LME,3mth,PM)</small> | 6173 | t | -2 | -0.0 |
| Nickel | 14050 | t | 200 | 1.4 |
| Aluminium | 2106 | t | 68 | 3.3 |
| Lead | 2137 | t | -12 | -0.6 |
| Zinc | 2612 | t | 12 | 0.5 |
| Tin | 19400 | t | -175 | -0.9 |
| CBT Wheat (Sep) | 5.91 | bshl | 0.05 | 0.1 |

Commodities Commentary

Oil – China's July crude imports were reported at a daily 8.48MMbbl, against 8.18MMbbl/d for July 2017.

In June, China's oil imports fell for a second consecutive month, to 8.36MMbbl/d.

A weekly US petroleum inventories report, published overnight by the EIA, estimated a 1.4MMbbl decline in stored crude, following forecasts of a 3.3Mmbbl fall.

Production fell a daily 100,000bbl to 10.8MMbbl/d.

Refinery demand rose by 118,000bbl/d.

Imports were reduced by a daily 358,000bbl, while exports rose by 540,000bbl/d to 1.9MMbbl/d.

Petrol stockpiles grew by 2.9MMbbl, unexpected for the northern hemisphere holiday season, hence

Pre-Open Announcements

Magellan Financial Group (* MFG)

Full year results scheduled for release today, ahead of a 2pm AEST teleconference.

Fluence Corporation (* FLC)

\$US3.5M water treatment plant design and build contract secured in Buenos Aires, Argentina.

Alliance Aviation Services (* AQZ)

\$18.1M full year NPAT, against \$18.5M a year ago. 23.4% higher, \$248M revenue. 6.3c fully franked final dividend. \$53.4M net debt. 14.72c NTA. Positive FY 2019 outlook.

IGE Solutions (* IGE)

Proposing to boost production capacity at a plastic waste-to-road fuel facility in Amsterdam, the Netherlands, from the initially planned 100t/day to 400t/d.

Foundation and structural design changes can be effected while the facility is under construction.

Star Combo Pharma (* S66)

S66 is proposing to acquire dietary supplements distributor Ausway Group, pending due diligence and approvals.

In addition to business in Australia, Ausway offers online sales to China.

FlexiGroup Ltd (FXL)

Planning to lodge full year results pre-trade 21 August and to host a webcast from 10.30am AEST that day.

Access details lodged post-trade yesterday.

Healthscope Ltd (HSO)

Planning to lodge full year results pre-trade 21 August and to host a live webcast briefing at 10am AEST that day.

Access details lodged post-trade yesterday.

HSO has scheduled its AGM for 31 October, 10am, Melbourne.

Select Harvests (SHV)

Planning to release FY 2018 results post-trade 27 August and to host a live webcast briefing commencing 8.30am AEST 28 August.

Access details lodged post-trade yesterday.

Resources

Altura Mining (* AJM)

Planning to ramp the WA Pilgangoora lithium project, rather than pursue a potential control transaction.

Doray Minerals (* DRM)

WA Deflector gold-copper project underground operations were suspended early Wednesday morning due to a fire involving an underground loader.

No employees were injured and underground workers were safely escorted from the mine.

Black Earth Minerals (* BEM)

Madagascar Maniry graphite project Razafy maiden resource estimated at 11.2Mt @ 7.10% TGC.

The indicated component measures 8.0Mt @ 7.22% TGC.

Champion Iron (CIA)

Unaudited June quarter financial results, as prepared for Canadian regulators, lodged post-trade yesterday.

\$C20.7M net income, following a \$C7.8M net loss a year earlier. Iron ore concentrate sales (1.74Mt at \$C86.61/t) realised \$C150.7M revenue.



defying predictions of a 1.7MMbbl drawdown.

In the meantime, Iran expressed concern at OPEC members altering output without OPEC approval. The next production agreement compliance committee meeting is scheduled for 23 September.

Gold – prices reportedly waxed and waned in a small range overnight, indicating ongoing reduced interest.

Base metals – Data and conflicting supply/demand speculation appeared to produce cautious overnight trade.

China's July trade figures, published yesterday, included 12.2% higher year-on-year exports (following 11.2% in June) against a 27.3% rise (14.1%) in imports.

The trade surplus fell to \$US28.05B from \$US41.47B.

Copper concentrate imports were estimated at a record monthly high, and **aluminium** exports (+4.6%) to the second highest, supported by yuan softening.

Iron ore imports were reported 4.3% higher year-on-year, but for 2018-to-date, down 0.5%.

China is due to report July CPI and producer prices today.

Meanwhile, Alcoa's Western Australia **alumina** refinery workers have commenced industrial action.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|-------|
| AUD – USD | 0.7432 | -0.0001 | -0.02 |
| EUR – USD | 1.1613 | 0.0002 | 0.02 |

US Data Tonight

| | |
|-------------------------------|-------|
| Initial jobless claims | 4 Aug |
| Producer prices | Jul |
| Wholesale inventories (final) | Jun |

Other Overseas Data Today & Tonight

| | | |
|------------------|--------------------------------|-----|
| China | CPI | Jul |
| China | PPI | Jul |
| Japan | Machinery orders | Jun |
| Japan | Machine tool orders (4pm AEST) | Jul |
| Euro zone | ECB bulletin | Aug |

Need More Information?

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

Reports & Events

(selected scheduled)

| When | Company | Report/Event |
|-----------------|----------------------------------|-------------------|
| Today | AGL | Full year |
| | CWN | Full year |
| | NWS (US ET, o/night AEST) | Jun Q |
| | MFG | Full year |
| | MGR | Full year |
| | ORA | Full year |
| | SUN | Full year |
| Tomorrow | BBN | Full year |
| | JHX | Q1 |
| | NWS | Jun Q (7am tconf) |
| | REA | Full year |
| Mon | AZJ | Full year |
| | BEN | Full year |
| | BSL | Full year |
| | DHG | Full year |
| | JBH | Full year |
| Tue | ANZ | Trading |
| | CGF | Full year |
| | COH | Full year |
| | GPT | Interim |
| | NAB | Q3 trading |
| | SGF | Full year |
| | WHC | Full year |
| Wed | DXS | Full year |
| | FXJ | Full year |
| | HT1 | Interim |
| | IAG | Full year |
| | MGX | Full year |
| | MIN | Full year |
| | PGH | Full year |
| | SEK | Full year |
| | VCX | Full year |
| | WES | Full year |
| | WPL | Interim |
| | Thu (16 Aug) | ASX |
| BCI | | Full year |
| BLX | | Full year |
| EHE | | Full year |
| GOZ | | Full year |
| ILU | | Interim |
| IPH | | Full year |
| ORG | | Full year |
| QBE | | Interim |
| SHL | | Full year |
| TLS | | Full year |
| XRO | | Full year |

Trading Halts

| Company | Code | Resuming |
|-------------------------------|------|----------|
| Fremont Petroleum Corporation | FPL | 9 Aug |
| Animoca Brands | AB1 | 10 Aug |
| Armour Energy | AJQ | 10 Aug |

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| | | |
|----------------------------|-----|--------|
| AuStar Gold | AUL | 10 Aug |
| Authorised Investment Fund | AIY | 10 Aug |
| Helios Energy | HE8 | 10 Aug |
| LiveTiles Ltd | LVT | 10 Aug |
| Protean Energy | POW | 10 Aug |
| Sunstone Metals | STM | 10 Aug |
| Tap Oil | TAP | 10 Aug |

Suspensions (select)

| Company | Code | Since |
|--------------------------------|------|--------|
| Admedus Ltd | AHZ | 6 Aug |
| Auctus Alternative Investments | AVC | 7 Aug |
| Canyon Resources | CAY | 6 Aug |
| Challenger Energy | CEL | 7 Aug |
| Benjamin Hornigold | BHD | 30 Jul |
| Cape Range | CAG | 30 Jul |
| Connected IO | CIO | 19 Jul |
| Eastern Goldfields | EGS | 25 Jul |
| Indoor Skydive Australia | IDZ | 23 Jul |
| JustKapital Ltd | JKL | 19 Jul |
| Lanka Graphite | LGR | 3 Aug |
| Omni Market Tide | OMT | 31 Jul |
| Queensland Bauxite | QBL | 1 Aug |
| Questus Ltd | QSS | 30 Jul |
| RCR Tomlinson | RCR | 1 Aug |
| Sumatra Copper & Gold | SUM | 27 Jul |
| Syntonic Ltd | SYT | 3 Aug |
| Tikforce Ltd | TKF | 24 Jul |
| Wolf Petroleum | WOF | 1 Aug |

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------------|--------------|---------------|--------------|-----------|
| MEC | Today | 1 | 100 | 0.93 |
| MLT | Today | 10.2 | 100 | 3.96 |
| RIO | Today | 170.84 | 100 | 5.17 |
| BKI | Tomorrow | 3.7 | 100 | 4.60 |
| JHG | Tomorrow | 36 | 0 | 4.57 |
| OCA | Tomorrow | 2.03 | 0 | 3.51 |
| TCL | Tomorrow | 28 | 8.92 | tbc |
| RKN | Tue | 3 | 100 | 3.11 |
| GMA | Wed | 12 | 100 | 7.02 |
| RMD | Wed | 3.51 | 0 | 0.90 |
| GUD | Thu (16 Aug) | 28 | 100 | 3.44 |
| PL8 | Thu (16 Aug) | 0.5 | 100 | 5.40 |