

Markets

| | | | |
|--------------------------------------|-------------|-----------|------------|
| SFE 200 Futures (9.30am AEST) | 6227 | 16 | 0.3 |
| NZX 50 | 9024 | 1 | 0.0 |
| DJIA Futures | 24707 | -220 | -0.9 |
| S&P 500 Futures | 2775 | -22 | -0.8 |
| NASDAQ Futures | 7247 | -55 | -0.8 |

Local Markets Commentary

The Australian market opens mid-week trade amid new tit-for-tat import tax announcements from China and the US, and on largely negative commodities overnight trade leads.

From today, China will impose 33.3% - 78.2% import taxes on select optical fibre products from the US, against previous 4.7% - 18.6% levies.

In overnight commodities trade, **Brent** crude continued to rally.

US gold futures closed lower.

Iron ore (China port, 62% Fe) settled flat.

LME copper and **aluminium** swung lower. **Nickel** recorded a modest gain.

The **\$A** has continued significantly lower after falling below US74.40c early yesterday evening.

Locally today, May **housing finance** is due 11.30am AEST.

Westpac and the Melbourne Institute also publish a monthly consumer confidence report.

Regionally, Japan is reporting June producer prices and May machinery orders this morning, just prior to ASX open.

China's June lending figures and foreign direct investment are expected anytime from tomorrow.

Meanwhile, plenty of commentary is anticipated as NATO leaders gather in Brussels for a summit which officially commences later today and concludes overnight tomorrow.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|-----|------------|
| Dow Jones | 24920 | 143 | 0.6 |
| S&P 500 | 2794 | 10 | 0.4 |
| NASDAQ | 7759 | 3 | 0.0 |
| FTSE 100 | 7692 | 4 | 0.1 |
| DAX 30 | 12610 | 66 | 0.5 |
| Shanghai Comp | 2828 | 13 | 0.4 |

Overseas Markets Commentary

Major European and US equities markets each opened higher overnight, but most chopped and swung their way to varied settlements.

Earlier, **China** had announced significant increases in import taxes for some US optic fibre products.

As anticipated, post-US trade, the US confirmed it was preparing a new list of import tariffs totalling up to \$US200B to be imposed on goods from China.

Among a batch of **UK** data releases, May GDP was estimated to have grown 0.3% following 0.2% growth reported for April.

Today's Stock Watch

Ruralco Holdings (RHL)

Anticipating a \$26M - \$29M FY 2018 underlying NPAT, following \$26.2M for FY 2017.

Resonance Health (RHT)

TGA and CE Mark approval in hand for RHT's liver ion concentration recording system FerriSmart, enabling sales in Europe and Australia.

Gateway Lifestyle Group (GTY)

Rejecting the Hometown Australia and Hometown America proposed \$2.25 - \$2.30-per-stapled security bid, describing conditions and other provisions as not in the best interests of GTY stakeholders. Advising security holders to take no action regarding the bid.

Following GTY's response, Hometown has advised it will retain its offer at the initial \$2.25, and not conditionally increase the price to \$2.30 as stated last week.

Fatfish Internet Group (FFG)

As previously flagged, FFG is boosting its investment in technology fund management specialist Epsilon Capital Management.

Subsidiary Fatfish Disruptive Ventures (FDV) is subscribing for 10% for a total \$US500,000.

Under arrangements recognising FDV's previous support, the transaction will result in FDV holding 20% of Epsilon Capital.

FFG also qualifies for Epsilon Capital board representation.

Cellmid Ltd (CDY)

Expecting to be selling Evolis in Neiman Marcus and Bloomingdales stores on a permanent basis in September.

Smartpay Holdings (SMP)

Resuming from a trading halt having completed a \$A7.5M convertible note raising at \$500,000 per note.

The Hydroponics Company (THC)

THC has appointed Ken Charteris as CEO from today.

Mr Charteris has been working with THC since pre-listing days and over 30 years in the biotech and pharmaceutical sectors has held positions including CEO, chairman and MD.

Southport manufacturing facility update also lodged this morning, including a \$14.58M asset valuation.

Resources

Neometals Ltd (NMT)

WA Barrambie titanium-vanadium project ore has produced 92% combined titanium vanadium and iron mineral concentrate in metallurgical testing in China. Details lodged this morning.

Dacian Gold (DCN)

Trading halt called this morning ahead of a \$A37M - \$A40M institutional placement at \$2.70 per share.

DCN is also planning to raise up to \$A5M in a SPP.

DCN has traded at \$2.67 - \$3.08 over the past five trading sessions.

First Cobalt Corp (FCC)

Canada cobalt camp drilling has identified a second cobalt trend proximal to the Kerr #2 zone.

May exports and imports reduced the trade deficit to £12.79B from £14.04B at the end of April.

May industrial production improved 0.8% year-on-year after a 1.6% gain in April.

For the month, output declined 0.4% after falling 0.8% in April. Manufacturing output notably rose 1.0% during May.

Construction output rose 2.9% following a 0.5% rise during April.

A BRC retail sales index rose 1.1% year-on-year in June, following a 2.8% gain in May.

The overall **euro zone** ZEW economic sentiment index fell to -18.7 following -12.6 in June.

Germany's slid to -24.7 from -16.1.

In the **US**, a May job openings report indicated 6.64M vacancies following 6.84M in April, a 2.4% resignation rate and 1.1% layoffs, against 1.2% in April.

A 107.2 small business optimism index represented a slight 0.6 decline.

Tonight in the US, May wholesale inventories and June producer prices are due, together with weekly mortgage applications.

Elsewhere, NATO leaders commence a two-day talkfest in Brussels.

Bank of England governor Mark Carney also speaks publicly.

Companies scheduled to report earnings or provide trading updates include luxury retailer Burberry and Toys R Us.

In overnight corporate news, **Lockheed Martin**, **Northrop Grumman** and **Raytheon** were reported by the US administration to be the winners of a comprehensive \$US4B US defence ballistic missile contract.

PepsiCo's quarterly profit and net revenue, reported pre-trade, exceeded expectations and supported some consumer staples sentiment, the stock gaining ~4.5%.

Twenty-First Century Fox was reported to be near finalising a new £25B offer for **Sky**.

Commodities

| COMMODITY | CLOSE | \$US/ | +/- | % |
|---|--------------|-------|-------|------|
| Gold (NY) (Aug) | 1256 | oz | -4 | -0.3 |
| Silver (NY) (Jul) | 16.1 | oz | -0.04 | -0.3 |
| Gold (LON) | 1262 | oz | 7 | 0.5 |
| Platinum | 845 | oz | -4 | -0.5 |
| WTI Crude (Aug) | 74.1 | bbbl | 0.3 | 0.4 |
| Brent Crude (Sep) | 78.9 | bbbl | 0.8 | 1.2 |
| Iron Ore <small>(CHN port 62%)</small> | 63.91 | t | -0.01 | -0.0 |
| Copper <small>(LME, 3mth, PM)</small> | 6333 | t | -57 | -0.9 |
| Nickel | 14155 | t | -60 | -0.4 |
| Aluminium | 2090 | t | -31 | -1.5 |
| Lead | 2313 | t | -26 | -1.1 |
| Zinc | 2630 | t | -75 | -2.8 |
| Tin | 19775 | t | 130 | 0.7 |
| CBT Wheat (Jul) | 4.90 | bshl | -0.16 | -3.6 |

Commodities Commentary

Oil – prices vacillated overnight, the US administration offering that it would consider some countries' requests to be exempt from threatened Iranian oil sanctions.

Petroleum sector Norway and Gabon industrial

Pre-Open Announcements

Jumbo Interactive (📈 JIN)

Morgans has places JIN on its 'add' list.

Tikforce Ltd (* TKF)

TKF note holders are converting \$2M worth of notes, at ~0.283c per share.

TKF is resuming from suspended trade, and traded at 0.3c – 0.4c in the five sessions immediately prior to ceasing trade.

Adherium Ltd (* ADR)

The Connecticut Children's Medical Center will include ADR's Haile sensor device in a program designed to support patients' asthma management.

Haile records when a patient's inhaler is used and transmits this information to the patient's smartphone or tablet. The device also produces reminders.

Janus Henderson Group (JHG)

Planning to publish June quarter results 6pm AEST 1 August and to host a webcast teleconference four hours later.

Access details lodge post-trade yesterday.

XTV Networks (XTV)

Voluntary administrators appointed.

Resources

European Metals Holdings (** EMH)

Heralding recoveries which have boosted Cinovec lithium-tin project lithium carbonate production modelling rates.

Resolute Mining (* RSG)

Heralding WA Ravenswood (gold) expansion project statistics, including a \$A1097/oz life-of-mine AISC.

Doray Minerals (* DRM)

Gold resources have grown by 176,000oz to 1.6Moz over the year to 30 June.

Copper resources are estimated at 16,000t.

Gold reserves stand at 250,000oz and copper reserves at 5000t.

Altech Chemicals (ATC)

SPP at 16.5c per share set to commence today and concluded 31 July.

Core Exploration (CXO)

13M shares will be released from escrow following close-of-trade 24 July.

Energy

Energy Resources of Australia (ERA) / Rio Tinto (RIO)

ERA produced 400t of Northern Territory Ranger project uranium oxide during the June quarter, 10% less than for the March quarter, due in part to annual maintenance.

For the six months to 30 June, ERA produced 20% less uranium oxide (842t).

ERA expects to complete Ranger closure feasibility studies by the end of the year.



action was one factor cited in support of gains, pushing session-high prices to new 3.5-year peaks. In addition, a US industry report estimated crude stocks had declined by 6.8MMbbl last week.

A weekly US petroleum inventories report from government agency EIA is due tonight.

Gold – impacted overnight mostly by comparative \$US strength.

Base metals – production predictions hurt zinc prices overnight.

Copper initially headed higher, but general vacillating equities sentiment and a relatively stronger \$US combined to turn sentiment.

China's June CPI and producer prices (1.9% and 4.7% higher, respectively, year-on-year, following 1.8% and 4.1%), were published yesterday.

The 0.1% inflation slip for the month followed a 0.2% pullback in May.

China's readiness to impose new import taxes on some US goods, supported views that administrators would manage economic growth, but also prompted others to urge caution.

June trade figures, due Friday, are keenly anticipated.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|--------------|
| AUD – USD | 0.7418 | -0.0042 | -0.56 |
| EUR – USD | 1.1728 | -0.0016 | -0.14 |

Australian Data Today

| | | |
|----------|---------------------|-----|
| Wstpc/MI | Consumer confidence | Jul |
| ABS | Housing finance | May |

US Data Tonight

| | |
|---------------------------|-------|
| Wholesale inventories | May |
| Producer prices | Jun |
| MBA mortgage applications | 6 Jul |

Other Overseas Data Today & Tonight

| | | |
|--------------|------------------|-----|
| Japan | Producer prices | Jun |
| Japan | Machinery orders | 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.

Trading Halts

| Company | Code | Resuming |
|----------------------------|------|----------|
| Animoca Brands Corporation | AB1 | 11 Jul |
| Collerina Cobalt | CLL | 11 Jul |
| Kopore Metals | KMT | 11 Jul |
| Village Roadshow | VRL | 11 Jul |
| Anson Resources | ASN | 12 Jul |
| Chapmans Ltd | CHP | 12 Jul |
| Velpic Ltd | VPC | 12 Jul |
| Dacian Gold | DCN | 13 Jul |
| Enterprise Metals | ENT | 13 Jul |

Suspensions (select)

| Company | Code | Since |
|-------------------|------|--------|
| Centennial Mining | CTL | 25 Jun |
| Crowdspark Ltd | CSK | 6 Jul |
| Genera Biosystems | GBI | 4 Jul |
| Netlinkz Ltd | NET | 4 Jul |
| Pursuit Minerals | PUR | 18 Jun |
| Vector Resources | VEC | 6 Jul |
| WPG Resources | WPG | 27 Jun |

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------|----------|---------|--------------|-----------|
| BEL | Tomorrow | 0.5 | 100 | 8.70 |
| PL8 | 16 Jul | 0.5 | 100 | tbc |

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