

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>5670</b>	<b>-5</b>	<b>-0.1</b>
<b>NZX 50</b>	7634	6	0.1
<b>DJIA Futures</b>	21379	12	0.1
<b>S&amp;P 500 Futures</b>	2426	1	0.0
<b>NASDAQ Futures</b>	5720	0	0.0

## Local Markets Commentary

The Australian market opens mid-week trade on mostly positive commodities leads, but lacklustre international equities trade and amid broad geopolitical tension.

In overnight commodities trade, **oil** rallied, building on Monday's gains. **US gold** futures settled slightly higher. **LME copper** turned higher. **Iron ore** (China port 62% Fe) rallied for a third consecutive session.

The **\$A** was pushed beyond \$US76.35c, after trading at ~\$US76.20c early yesterday evening.

Locally today, Westpac and the Melbourne Institute publish their monthly consumer sentiment report 10.30am AEST.

An employment indicator is due this afternoon, and the Reserve Bank of Australia (RBA) will release card transactions.

**China** is expected to report June trade figures tomorrow. Some anticipate foreign direct investment (FDI) anytime from today.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>21409</b>	0.6	<b>0.0</b>
<b>S&amp;P 500</b>	2426	-2	<b>-0.1</b>
<b>NASDAQ</b>	6193	17	<b>0.3</b>
<b>FTSE 100</b>	7330	-40	<b>-0.6</b>
<b>DAX 30</b>	12437	-9	<b>-0.1</b>
<b>Shanghai Comp</b>	3203	-10	<b>-0.3</b>

## Overseas Markets Commentary

Major European and US equities markets mostly opened lower, or on par with, Monday's close, US indices briefly tumbling ~two hours into trade on reports further indicating **Russian** support for the Trump network during last year's presidential election.

This in turn spawned new speculation regarding the ability of the new administration to effect its proposed reforms.

Meanwhile, **China** objected to the US push for China to do more to contain North **Korea's** nuclear weapons aspirations.

Reports emerged of the US being prepared to act independently, even in the face of South Korean opposition to the potential deployment of the US's THAAD missile defence system, assembled in South Korea.

Among **US** data releases, a monthly job openings report came in sub-expectations and below the previous month's opportunities tally.

## Today's Stock Watch

### Tabcorp Holdings (TAH) / Tatts Group (TTS)

TAH is opposing the Australian Competition & Consumer Commission's (ACCC) Federal Court application for a review of the Australian Competition Tribunal's (ACT) approval of the proposed TAH-TTS merger.

TAH is also seeking an expedited hearing.

TAH considers a successful merger could still be effected before year's end.

### Adairs Ltd (ADH)

Anticipating \$140.4M 2H FY 2017 sales, pushing FY 2017 total sales to \$264.9M.

Full-year EBIT is now anticipated to come in at \$30.5M - \$31.0M.

### Pushpay Holdings (PPH)

Planning a \$US25M private placement. A book-build outcome is anticipated by pre-trade tomorrow. PPH traded at \$1.59 - \$1.615 yesterday before calling a trading halt this morning. Road-show presentation also lodged this morning.

### iSignthis Ltd (ISX)

ISX subsidiary iSignthis eMoney has partnered with Worldline to offer the company's identity products across Worldline's European Union electronic payment network.

### Industria REIT (IDR) / Growthpoint Properties (GOZ) / 360 Capital Total Return Fund (TOT) / 360 Capital Group (TGP)

GOZ has outlaid ~\$68.1M for 18.2% of IDR at \$2.31 per security. GOZ acquired its holding from TOT, which has received \$63.4M and TGP, which held less than 2%.

## Resources

### Resolute Gold (RSG)

Produced 329,834oz of gold during FY 2017, at a \$A1130/oz AISC and for a realised \$A1717/oz. Sold 317,242oz. Held \$A290M worth of cash, bullion and listed investments as at 30 June. Expecting a \$A1280/oz AISC for FY 2018 cost and to produce 300,000oz of gold. Sydney Mining Club presentation lodged this morning.

### Lynas Corporation (LYC)

June quarter operating and investing cash flow, excluding interest, grew to a record \$15.8M, from \$11.6M during the March quarter.

Invoiced sales totalled \$A75.6M, 35% higher year-on-year, and cash receipts a record \$A75.5M.

Produced 1343t of NdPr, 17.6% more than a year earlier.

Total rare earth oxides output reached 4093t, representing 9.8% year-on-year growth.

LYC held \$A35.9M unrestricted cash as at 30 June.

## Energy

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

ERA produced 449t of uranium oxide during the June quarter, 25% fewer tonnes than for the March quarter. Production came from existing stockpiles.

ERA anticipates producing 2000t - 2400t of U3O8 for calendar 2017.

A small business optimism index slipped 0.9 of a point from May to 103.6.

May wholesale inventories rose 0.4% for the month and sales fell 0.5%.

Meanwhile, a US Federal Reserve regional president promoted a stay on interest rate rises this year.

**Tonight** in the US, Federal Reserve chair Janet Yellen commences two days of parliamentary committee testimony.

The Fed's region-by-region economic summary 'beige book' report is due for release, together with weekly mortgage applications.

The Bank of Canada holds a policy meeting, amid expectations of the first interest rate rise in almost 10 years.

In overnight corporate news, **Snap** dropped ~8%, trading well below its March IPO price.

**PepsiCo** exceeded June quarter expectations, but this was largely attributed to price increases.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1215</b>	oz	2	0.1
<b>Silver (NY) (Jul)</b>	15.8	oz	0.2	1.2
<b>Gold (LON)</b>	1211	oz	-1	-0.1
<b>Platinum</b>	901	oz	2	0.2
<b>WTI Crude (Aug)</b>	<b>45.0</b>	bbl	0.6	1.4
<b>Brent Crude (Aug)</b>	<b>47.5</b>	bbl	0.6	1.4
<b>Iron Ore</b> (CHN port 62%)	<b>65.4</b>	t	1.3	2.1
<b>Copper</b>	<b>5875</b>	t	51	0.9
<b>Nickel</b>	9130	t	130	1.4
<b>Aluminium</b>	1900	t	3	0.2
<b>Lead</b>	2305	t	-15	-0.7
<b>Zinc</b>	2821	t	40	1.4
<b>Tin</b>	19775	t	-105	-0.5
<b>CBT Wheat (Sep)</b>	<b>5.53</b>	bshl	0.03	0.6

### Commodities Commentary

**Oil** – prices swung into rally mode following early falls.

The **EIA** (US government agency) dropped its 2017-end price forecast 3.6% to \$US48/95/bbl and 2018 prediction by 7.5% to \$US49.58/bbl.

The EIA also cut its 2018 crude production outlook to a daily 9.9MMbbl.

Earlier, **Saudi Arabia's** June output (~10.07MMbbl/d) was estimated ~12,000bbl beyond its current daily OPEC agreement production cap.

US weekly petroleum inventories are due from the EIA tonight.

Meanwhile, the International Energy Association (**IEA**) said it expected shale investment to grow 53% for the year.

**Gold** – a \$US dip, following early appreciation, helped support overnight gold interest.

**Base metals** – copper benefited from potential strike action at the Zaldivar operation in Chile. The Centinela mine, also operated by Antofagasta, is also under threat.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7638	0.0001	0.02
<b>EUR – USD</b>	1.1471	0.0005	0.05

## Pre-Open Announcements

### Royal Wolf Holdings (\*\* RWH)

RWH has agreed to a \$1.83 cash-per-share conditional takeover offer from ~50% RWH shareholder GFN Asia Pacific Holdings. RWH shareholders will also receive a fully-franked 2.65c-per-share special dividend.

Details lodged this morning.

RWH last traded at \$1.30.

### Meridian Energy (MEZ)

June operating statistics lodged this morning, featuring 7.6% year-on-year sales growth, against 2.3% higher electricity demand across New Zealand.

### Xero Ltd (XRO)

Presentations lodged for this morning's pre-ASX trade AGM (New Zealand).

### Downer EDI (DOW) / Spotless Group (SPO)

DOW has extended its SPO offer by 10 days to 21 July.

### ALS Ltd (ALQ)

20 July (Thursday next week) AGM audio webcast link lodged post-trade yesterday.

## Resources

### Kin Mining (\* KIN)

WA Leonora gold project high-grade, significant width intersections lodged this morning.

### Beacon Minerals (\* BCN)

Gold resource update lodged this morning.

### New Talisman Gold Mines (\* NTL)

Resuming from a trading halt with a 100% for Dubbo gold resources. NTL last traded at 0.7c.

### Highlands Pacific (HIG)

PNG Ramu nickel-cobalt project resources and reserves, as at 31 December 2016, lodged post-trade yesterday.

HIG 8.56% and potentially 11.3% should HIG pay its project debt.

HIG also holds an option to acquire an additional 9.25%.

## Energy

### Vimy Resources (\* VMY)

WA Mulga Rock uranium project resource upgraded to 71.2Mt @ 570ppm U<sub>3</sub>O<sub>8</sub> for 90.1Mlb of uranium oxide. 50% qualifies for measured and indicated status.

A high-grade resource within Mulga Rock East measures 25Mlb @ 1500ppm U<sub>3</sub>O<sub>8</sub>.

### FAR Ltd (\* FAR)

Offshore Senegal FAN South-1 well oil samples have been recovered. Analysis is ongoing but initial indications suggest 31° API oil quality. SNE North-1 will be drilled next.

## Trading Halts

Company	Code	Resuming
Coventry Resources	CYY	12 Jul
Kairos Metals	KAI	12 Jul
Lithium Power International	LPI	12 Jul
Magnum Gas & Power	MPE	12 Jul
MetalsTech Ltd	MTC	12 Jul
MSM Corporation International	MSM	12 Jul

**Australian Data Today**

Wstpc/MI	Consumer sentiment	Jul
DoEmplyt	Employment indicator	Jun
RBA	Card transactions	Jun

**US Data Tonight**

Fed beige book	Jun
Weekly mortgage applications	7 Jul

**Other Overseas Data Today & Tonight**

<b>China</b>	<i>FDI</i>	Jun
<b>Japan</b>	Producer prices	Jun
Japan	Tertiary industry index	May
<b>UK</b>	ILO unemployment	May
UK	Average earnings	May
UK	Unemployment count	Jun
<b>Euro zone</b>	Industrial production	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](mailto:advice@stateone.com.au).

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Clancy Exploration	CLY	13 Jul
Dimerix Ltd	DXB	13 Jul
Pushpay Holdings	PPH	14 Jul

**Suspensions** *(selected)*

Company	Code	Since
Baralaba Coal Company	BCL	10 Jul
Bellamy's Australia	BAL	11 Jul
Black Rock Mining	BKT	5 Jul
European Lithium	EUR	7 Jul
Image Resources	IMA	10 Jul
Kibaran Resources	KNL	5 Jul
Magnis Resources	MNS	5 Jul
Novo Lito	NLI	26 Jun
Peak Resources	PEK	6 Jul
Premiere Eastern Energy	PEZ	11 Jul
Wattle Health Australia	WHA	7 Jul

**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>TGH</b>	Today	<b>~3.94</b>	0	5.84
8IH	18 Jul	0.25	0	1.32

**Reports & Events***(selected scheduled)*

When	Company	Report/Event
<b>Today</b>	<b>XRO</b>	AGM
<b>18 Jul</b>	ORE	Jun Q
	PDN	Jun Q
	RIO	Jun Q
<b>20 Jul</b>	ALQ	AGM