

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>5684</b>	<b>-9</b>	<b>-0.2</b>
<b>NZX 50</b>	7623	12	0.2
<b>DJIA Futures</b>	21507	-2	0.0
<b>S&amp;P 500 Futures</b>	2445	0	0.0
<b>NASDAQ Futures</b>	5798	0	0.0

## Local Markets Commentary

The Australian market opens Friday trade on unconvincing international equities leads.

Overnight commodities trade was mixed. **Oil** continued to settle higher. US **gold** futures turned to close a little lower. LME **copper** was also pushed lower, but **iron ore** swung higher again.

The **\$A** barely moved after approaching US77.30c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>21553</b>	21	<b>0.1</b>
<b>S&amp;P 500</b>	2448	5	0.2
<b>NASDAQ</b>	6274	13	0.2
<b>FTSE 100</b>	7413	-3	-0.1
<b>DAX 30</b>	12641	15	0.1
<b>Shanghai Comp</b>	3218	21	0.6

## Overseas Markets Commentary

Overall sentiment proved comparatively weak and fickle across most major European and US equities markets overnight.

In the US, Republican senators put forward a revised healthcare bill, drawing quick reactions from practitioners and industry stakeholders.

Federal Reserve chair Janet Yellen met with a Senate banking panel, underscoring her seemingly inclusive and disciplined comments to a different committee the previous day. In response to questioning, Ms Yellen predicted the US administration's 3% GDP target would prove a 'challenge' and that inflationary trends would turn.

Among **US** data releases, June producer prices were calculated 0.1% higher than for May, and 2% higher year-on-year, against May's 2.4% rise.

The government's June budget was reported as \$US90B in deficit.

Earlier, **Germany's** final June CPI reading confirmed the initially estimated 1.6% year-on-year growth.

Meanwhile, the **UK's** independent Office for Budget Responsibility determined State finances would significantly fail the stress testing put in place for the banking sector.

**Tonight** in the US, June CPI, retail sales and industrial production are due, together with a preliminary University of Michigan consumer sentiment reading.

Companies scheduled to report earnings include JPMorgan Chase, Citigroup and Wells Fargo. UK-headquartered online retailer ASOS and employment group Hays are due to provide trading

## Today's Stock Watch

### Integrated Research (IRI)

Anticipating a record \$18M - \$19M full-year profit and record \$90M - \$92M revenue. The expected profit represents 13% - 19% annual growth. Licence sales growth is expected to come in at 14% - 18%.

Planning to publish audited full-year results 17 August.

### Collins Foods (CKF)

74% take-up achieved and \$18.3M raised in the retail entitlement offer. Sub-underwriters will be allocated the balance. Together with the institutional offer, CKF has raised \$44.1M in support of plans to acquire 28 KFC restaurants. CKF has traded at \$4.87 - \$5.98 this past week.

### Growthpoint Properties (GOZ)

Outlaying \$46M for four fully-leased adjoining industrial warehouses at Perth Airport, Western Australia.

### Collection House (CLH)

Writing off \$2.45M worth of computer software development costs in the company's FY 2017 accounts. CLH says fully-franked dividends will not be affected.

Planning to release audited full-year results 24 August.

### Buddy Platform (BUD)

Distribution, sales and installation agreement secured with Digicel Group covering BUD's Buddy Ohm across the Caribbean and Central America.

### Pioneer Credit (PNC)

Anticipating \$10.7M FY 2017 NPAT, and a minimum \$16M (49% growth) for FY 2018.

### DroneShield Ltd (DRO)

Two additional drone acoustic detection patents secured with the US Patent & Trademark Office, and another 'allowed'. DRO is applying for further patents.

## Resources

### Northern Star Resources (NST)

Deutsche Bank has cancelled an NST sell recommendation, replacing it with a neutral rating.

### Regis Resources (RRL)

Reserves have grown 3% to 2.18Moz as at 31 March. Resources are 1% higher, at 8.05Moz.

### Poseidon Nickel (POS)

Expecting the nickel market to 'remain in the doldrums' in the short-medium term. Refined nickel demand is anticipated to recover in accordance with green energy industry, including electric vehicle, growth.

Given Kidman Resources' (ASX: KDR) recent disappointment regarding perceived regional lithium rights, POS is looking at alternatives for the company's Lake Johnston facility. KDR had been considering using Lake Johnston but its lease option will expire 31 August.

POS held \$A1.6M cash as at 30 June.

updates.

In overnight corporate news, **Target Corp** appreciated 4% after predicting better-than-anticipated quarterly sales. Other retailers also then appeared in favour.

**Snap** recovered 3% following a buy recommendation.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1217</b>	oz	-1.8	-0.2
<b>Silver (NY) (Jul)</b>	15.7	oz	-0.2	-1.4
<b>Gold (LON)</b>	1219	oz	0.1	0.0
<b>Platinum</b>	902	oz	-13	-1.4
<b>WTI Crude (Aug)</b>	<b>46.1</b>	bbl	0.6	1.3
<b>Brent Crude (Aug)</b>	<b>48.4</b>	bbl	0.7	1.4
<b>Iron Ore</b> (CHN port 62%)	<b>65.9</b>	t	1.8	2.9
<b>Copper</b>	<b>5876</b>	t	-29	-0.5
<b>Nickel</b>	9210	t	5	0.1
<b>Aluminium</b>	1923	t	34	1.8
<b>Lead</b>	2294	t	-33	-1.4
<b>Zinc</b>	2804	t	-30	-1.0
<b>Tin</b>	19805	t	-95	-0.5
<b>CBT Wheat (Sep)</b>	<b>5.12</b>	bshl	-0.25	-4.7

### Commodities Commentary

**Oil** – prices again swung in overnight trade.

The International Energy Agency (**IEA**) published a monthly report featuring a new 1.5% 2017 international demand growth forecast of 98MMbbl/d. A US weekly petroleum rig count is due tonight.

**Gold** – traded as high as \$US1223.6/oz, but swung to settle lower as the \$US appreciated and held.

**Base metals** – China's June headline trade figures, reported yesterday, exceeded expectations, but this prove insufficient to support general sentiment.

China's June *copper* imports (including products) were reported flat for the month.

*Aluminium* benefited from reports China was planning to further reduce capacity.

One competing producer predicted an up to 1.8Mt deficit next year.

In addition, LME warehouse stocks were again reported lower.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7734	0.0004	0.05
<b>EUR – USD</b>	1.1402	0.0004	0.04

### US Data Tonight

CPI	Jun
Industrial production	Jun
Retail sales	Jun
Uni of Michigan consumer confidence (prelim)	Jul

### Other Overseas Data Today & Tonight

<b>Japan</b>	Industrial production (rev)	May
<b>Euro zone</b>	Trade balance	May

## Pre-Open Announcements

### National Veterinary Care (NVL)

Proposing to acquire four additional clinics, pushing this year's number of purchases to seven. Details lodged this morning.

### Redflex Energy (\* RFX)

Resuming from a trading halt with a \$10.5M placement and the proposed issue of \$4M worth of shares in a notes conversion deal. Each share will be issued at 10c. The second part of the placement is conditional on shareholder approval, as the notes conversion.

Investor presentation also lodged this morning.

RFX last traded at 15.5c.

### Stargroup Ltd (\* STL)

June quarter revenue grew 144% year-on-year. Year-to-date revenue has improved 164%. Additional statistics lodged this morning.

### Dimerix Ltd (DXB)

DXB has lodged access details for a recording of the conference call which outlined positive Phase IIa trial results for the company's proposed chronic kidney disease treatment DMX-200.

## Resources

### Teranga Gold Corporation (TGZ)

Produced a record 57,557oz of gold during the June quarter. Preparing an official June quarter report for release 28 July (US). A webcast teleconference is planned. Access details lodged this morning.

## Trading Halts

Company	Code	Resuming
Centaurus Metals	CTM	14 Jul
Centuria Metropolitan REIT	CMA	14 Jul
Eastern Goldfields	EGS	14 Jul
Clime Investment Management	CIW	17 Jul
Cokal Ltd	CKA	17 Jul
Force Commodities	4CE	17 Jul
OpenDNA Ltd	OPN	17 Jul
Race Oncology	RAC	17 Jul
Trek Metals	TKM	17 Jul
Victory Mines	VIC	17 Jul
Xstate Resources	XST	17 Jul

## Suspensions (selected)

Company	Code	Since
Baralaba Coal Company	BCL	10 Jul
Bellamy's Australia	BAL	11 Jul
Clancy Exploration	CLY	13 Jul
Coventry Resources	CYY	12 Jul
European Lithium	EUR	7 Jul
Magnis Resources	MNS	5 Jul
Magnum Gas & Power	MPE	12 Jul
MSM Corporation International	MSM	12 Jul
Novo Lito	NLI	26 Jun
Peak Resources	PEK	6 Jul
Premiere Eastern Energy	PEZ	11 Jul

**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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**Ex-Dividends**

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
8IH	Tue	0.25	0	1.67
EZL	Tue	5.5	100	6.65

**Reports & Events**

(selected scheduled)

When	Company	Report/Event
<b>Tue</b>	CIM	Interim
	ORE	Jun Q
	PDN	Jun Q
	RIO	Jun Q
	SAR	Jun Q
<b>Wed</b>	AZJ	Jun Q
	BHP	Jun Q
	RSG	Jun Q
	SXY	Jun Q
<b>Thu</b>	ALQ	AGM
	AST	AGM
	EVN	Jun Q
	MQA	Jun Q
	OZL	Jun Q
	STO	Jun Q
	S32	Jun Q
	SYD	Jun
	WPL	Jun Q