

Friday 18 August 2017

Markets

SFE 200 Futures (9.30am AEST)	5695	-51	-0.9
NZX 50	7830	-40	-0.5
DJIA Futures	21727	-6	0.0
S&P 500 Futures	2429	-1	0.0
NASDAQ Futures	5798	-2	0.0

Local Markets Commentary

Friday Australian market trade will be largely pushed and pulled by negative international equities sentiment, mixed overnight commodity price leads, and domestic corporate results.

In overnight commodities trade, **gold** picked up the pace in a second consecutive positive session. **Oil** turned to settle higher. LME **copper** flipped and fell. **Iron ore** (China port 62% Fe) swung higher and rallied.

The **\$A** dropped below US78.90c after trading at ~US79.30c early yesterday evening.

Regionally today, **China's** July property prices are anticipated **11.0am** AEST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	21751	-274	-1.2
S&P 500	2430	-38	-1.5
NASDAQ	6222	-123	-1.9
FTSE 100	7388	-45	-0.6
DAX 30	12203	-60	-0.5
Shanghai Comp	3268	22	0.7

Overseas Markets Commentary

Major European and US equities markets fell on or near opening overnight, amid: disappointing reports and data; central bank musings; currency swings; abundant commentary regarding US administration wherewithal to support domestic and international growth; and a deadly civilian attack in a western Europe tourist precinct.

First up, **European Central Bank** (ECB) July policy meeting minutes revealed concern at euro strength over the past few months, pushing the euro lower in overnight trade.

Meanwhile, a final July CPI reading for the **euro zone** added to policy complications, coming in at a 0.5% pull back for the month and 1.3% annual rise.

Across in the **UK**, July retail sales were reported just 0.3% higher for the month and 1.3% higher year-on-year.

In the **US**, July industrial production rose 0.2% following a 0.4% improvement in June. Manufacturing output slipped 0.1% after a 0.2% June rise.

The Philadelphia Fed business index fell 0.6 to 18.9, although a 1.5-point fall had been anticipated.

Weekly new unemployment claims fell by 12,000 influenced by summer holiday season.

In Barcelona, **Spain**, a rogue vehicle drove through pedestrians.

China – July property prices **11.30am** AEST

Today's Stock Watch

Telstra Corporation (TLS) / News Corporation (NWS)

TLS and NWS propose to merge Foxtel and Fox SPORTS Australia in a new company held 65% by NWS and 35% by TLS. Targeting completion by mid-2018.

Primary Healthcare (PRY)

\$516.8M full-year net loss, following a \$74.9M net profit a year ago. 1% higher, \$1.66B revenue. \$587M worth of write-downs. 5.8c fully franked final dividend, against 6.4c. \$95.5M cash. Positive long-term outlook.

Spark Infrastructure (SPK)

13% higher, \$NZ418M full-year NPAT. 3.3% higher, \$NZ3.6B revenue. NZ11c final and NZ1.5c special dividend, respectively fully- and 75%-franked (in NZ only). NZ22.8c EPS.

SPK chairman Mark Verbiest will retire from the SPK board before year's end.

SPK director Justine Smyth has been appointed as Mr Verbiest's successor.

Abacus Property Group (ABP)

53% higher, \$285.1M full-year NPAT. 17% higher, \$463.4M revenue. 8.75c previously-declared final distribution. \$3.02 NTA. Positive outlook. Targeting 3% FY 2018 distribution growth.

Link Administration Holdings (LNK)

101.2% higher, \$84.6M full-year NPAT. 0.5% higher, \$779.98M revenue. 8c fully franked final dividend, against 8c 18.7%-franked a year ago. 22.6c EPS. Webcast teleconference commencing 10am AEST.

Sydney Airport (SYD)

3.6% overall passenger growth for the year to 30 June, 7.6% international and 1.4% domestic.

Vita Group (VTG)

11.4% higher, \$39.4M full-year NPAT. 4.6% lower, \$674.6M revenue. 7.4c fully franked final dividend, against 8.21c a year ago. Paid a 9.2c interim dividend against 5.76c, helping push FY 2017 total dividends 19% higher. 25.88c EPS. \$29.7M cash.

Integrated Research (IRI)

16% higher, \$18.5M full-year NPAT. 8% higher, \$91.2M revenue. 3.5c fully franked final dividend, against 3.5c, 60%-franked a year ago. 16.76c NTA.

WiseTech Global (WTC)

Proposing to purchase 100% of German shipping sector software specialist Softship. WTC holds 76.97%, having previously outlaid a total €14.3M, and is now offering €10 each for the balance 432,221 shares.

Ansell Ltd (ANN)

Trading ex-dividend (~30.22c) today.

Resources

BHP Billiton (BHP)

Proposing to outlay ~\$US2.5B to extend the mine life of the Chile Spence copper open cut operation by 50 years.

Tonight in the US, a University of Michigan consumer sentiment reading is expected.

Companies scheduled to report earnings later today and tonight include Deere, Foot Locker and Lenovo.

In overnight corporate news, **Cisco Systems**, which had reported post-US trade Wednesday, led tech sector sentiment lower.

Walmart's quarterly profit slipped, but revenue rose, containing a stock price slip to ~1.5%.

Earlier, **Alibaba's** quarterly report exceeded expectations.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1292	oz	8	0.7
Silver (NY) (Sep)	17.0	oz	0.1	0.5
Gold (LON)	1285	oz	12	1.0
Platinum	973	oz	-3	-0.3
WTI Crude (Sep)	47.1	bbl	0.3	0.7
Brent Crude (Aug)	51.0	bbl	0.8	1.5
Iron Ore (CHN port 62%)	75.4	t	2.4	3.3
Copper	6490	t	-42	-0.6
Nickel	10725	t	-35	-0.3
Aluminium	2076	t	-18	-0.9
Lead	2414	t	-103	-4.1
Zinc	3062	t	-57	-1.8
Tin	20200	t	175	0.9
CBT Wheat (Sep)	4.14	bshl	-0.05	-1.2

Commodities Commentary

Oil – a Genscape report estimating a 1MMbbl weekly drawdown on crude stocks at the major Cushing, Oklahoma delivery centre was cited as oil prices turned higher overnight.

Meanwhile, China reported a fire at a large PetroChina refinery in the country's north-east.

A US weekly petroleum count is due tonight.

Gold – the euro fell, and major US equities markets declined, favouring select gold trade.

European Central Bank policy meeting minutes, like those for the US Federal Reserve the previous session, indicated likely supportive near-term policy, due to low inflation considerations. A euro zone CPI update released overnight, underscored the issues.

Base metals – LME sentiment appeared impacted by a general swing to risk considerations. ECB caution, euro zone and UK data, and questions regarding international co-operation towards growth exacerbated caution.

Earlier yesterday, Japan reported a 13.4% rise in July exports and 16.3% for imports.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7889	0.0004	0.05
EUR – USD	1.1721	-0.0003	-0.03

US Data Tonight

Uni of Michigan consumer sentiment (prelim) Aug

Other Overseas Data Today & Tonight

China	Property prices	Jun
Germany	Producer prices	Jul

Pre-Open Announcements

Platinum Capital (* PMC)

\$49.9M full-year NPAT. \$77.1M investment income. 6c fully franked final dividend.

iCar Asia (* ICQ)

\$7.1M full-year net loss, following a \$6.4M loss a year ago. 41% higher, \$4.5M revenue. \$5.26 NTA. \$8.78M cash.

GDI Property Group (* GDI)

Selling a Goulburn St, Sydney property for a net \$228M. Details lodged this morning. Settlement anticipated ~19 October. Planning to publish full-year results Monday.

Capitol Health (* CAJ)

Planning an ~\$14.4M on-market share buy-back involving up to 52.3M shares

Wesfarmers Ltd (WES)

Full-year results 'quick guide' lodged post-trade yesterday. WES reported pre-trade yesterday.

Cedar Woods Properties (CWP)

CWP has appointed Lenox Hill MD Jane Muirsmith as a non-executive director, effective 2 October.

Fleetwood Corporation (FWD)

FWD has appointed Norton Rose Fulbright Australia partner Adrienne Parker as a non-executive director, effective 23 August.

Resources

Greenpower Energy (* GPP)

Nine mineral exploration licences granted in the Northern Territory over territory hosting brine and potash potential.

Trading Halts

Company	Code	Resuming
Orion Minerals	ORN	18 Aug
Great Western Exploration	GTE	18 Aug
GR Engineering	GNG	18 Aug
iCollege Ltd	ICT	18 Aug
Anatara Lifesciences	ANR	21 Aug
Ardiden Ltd	ADV	21 Aug
Australia Pacific Coal	AQC	21 Aug
Botanix Pharmaceuticals	BOT	21 Aug
Corazon Mining	CZN	21 Aug
Hastings Technology Metals	HAS	21 Aug
Kabuni Ltd	KBU	21 Aug
Lawson Gold	LSN	21 Aug
Sundance Resources	SDL	21 Aug

Suspensions (selected)

Company	Code	Since
Azonto Petroleum	APY	21 Jul
BKM Management	BKM	28 Jul
Capital Mining	CMY	14 Aug
Eastern Goldfields	EGS	16 Aug
LWP Technologies	LWP	14 Aug
Manalto Ltd	MTL	28 Jul
Molopo Energy	MPO	27 Jul



Euro zone	Current account	Jun
Euro zone	Construction output	Jun

Need More Information?

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

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This morning note and its contents at all times remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

Northern Mining	NMI	1 Aug
Surefire Resources	SRN	1 Aug
ZipTel Ltd	ZIP	11 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
ANN	Today	~30.22	0	2.59
CL1	Today	2	100	1.65
DDR	Today	4	100	6.40
OML	Today	4.5	100	3.30
DMP	Mon	44.9	50	2.13
BFG	Tue	2	100	8.78
CPU	Tue	19	0	2.60
ISU	Tue	4	100	3.24
PAI	Tue	1	100	0.95
REA	Tue	51	100	1.33
AGL	Wed	50	80	3.75
AMP	Wed	14.5	90	5.53
PGH	Wed	11.5	65	4.21

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	ABP	Full-year
	KGN	Full-year
	LNK	Full-year
	PRY	Full-year
	SPK	Full-year
	SYD	July
Mon	APN	Interim
	BPT	Full-year
	BSL	Full-year
	BXB	Full-year
	CDD	Full-year
	FMG	Full-year
	GDI	Full-year
	GMG	Full-year
	GOZ	Full-year
	GWA	Full-year
	IMD	Full-year
NHF	Full-year	
Tue	ACX	Full-year
	BHP	Full-year
	CTD	Full-year
	GXL	Full-year
	ING	Full-year
	MND	Full-year
	PDN	Full-year
	SXY	Full-year
	SIQ	Interim
	SYD	Interim
	VRT	Full-year
WSA	Full-year	