

Markets

SFE 200 Futures (9.30am AEST)	5703	-4	-0.1
NZX 50	7856	-17	-0.2
DJIA Futures	21708	29	0.1
S&P 500 Futures	2430	4	0.1
NASDAQ Futures	5810	8	0.1

Local Markets Commentary

The Australian market commences a new week's trade on uninspiring international equities sentiment but positive moves for some key commodities. Domestic corporate reporting season continues unabated.

Overnight Friday, **oil** extended Thursday's gain with a decisive rally. **Iron ore** achieved a rally for a second consecutive session. US **gold** futures and LME **copper** settled slightly lower.

The **\$A** was pushed a little higher after trading at ~US79.20c early Friday evening.

Locally today, a weekly capital city house price report is due pre-trade.

The CBA will also publish a business sales report based on card transactions, and the Conference Board a leading index update.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	21675	-76	-0.4
S&P 500	2426	-4	-0.2
NASDAQ	6217	-5	-0.1
FTSE 100	7324	-64	-0.9
DAX 30	12165	-38	-0.3
Shanghai Comp	3269	0.3	0.0

Overseas Markets Commentary

Major European and US equities markets chopped through overnight Friday trade, amid international security disquiet and further speculation regarding the US administration's ability to progress its domestic economic agenda and support global trade.

The US also commenced a formal investigation into China's investment and trade policies associated with intellectual property, following a review announced last week to determine if an investigation was warranted.

Earlier, China had published an official list of prohibited and restricted international investment for the nation's corporate sector. This was viewed as an attempt to further encourage domestic private sector investment.

Meanwhile, the US, South Korea and allies prepared for this week's scheduled yearly military exercises.

In scant data releases, the University of Michigan's preliminary August US consumer sentiment estimate represented a 4.2-point rise from July's final reading, to 97.6.

Tonight in the US, the Chicago Fed national activity index is due.

Today's Stock Watch

Vocus Group (VOC)

VOC has terminated discussions with two potential acquirers, including KKR. Anticipating \$1.9B - \$2B FY 2018 revenue and \$370M - \$390M EBITDA. Full year results due Wednesday.

Brambles Ltd (BXB)

69% lower, \$US182.9M full-year NPAT. 4% higher, \$US5.1B sales revenue. 14.5c, 30%-franked final dividend.

Goodman Group (GMG)

39% lower, \$778.1M full-year NPAT. 13.4% lower, \$2.5B income. 13.2c final dividend, against 12.1c a year ago. \$4.206 NTA. Anticipating \$828M FY 2018 operating profit; EPS up 6%.

nib Holdings (NHF)

29% higher, \$119.6M full-year NPAT. 8% higher, \$2.0B revenue. 10.5c fully-franked final dividend. Earnings growth not likely to continue as in recent years, due to expected margin pullbacks to 5% - 6%.

Pharmaxis Ltd (PXS)

Australia's Pharmaceutical Benefits Advisory Committee (PBAC) has recommended PXS's Bronchitol be funded by the PBS in conjunction with the (reimbursed) use of Pulmozyme in treating cystic fibrosis.

Domino's Pizza Enterprises (📈 DMP)

Trading ex-dividend (44.9c) today.

Resources

Fortescue Metals Group (📈 FMG)

113% higher, \$US2.1B full-year NPAT. 19% higher, \$US8.4B revenue. A25c fully-franked final dividend, against A12c a year ago. \$US3.12 NTA. Expecting the company's dividend payout ratio to grow to 50% - 80% of net profit, from 52% for FY 2017. *Please also see p2 FMG announcement.*

BlueScope Steel (📈 BSL)

1H FY 2018 underlying EBIT is expected to represent 0.8 of that for 2H FY 2017. Domestic and US steel margins are lower and energy costs are increasing.

102% higher, \$715.9M full-year NPAT. 17% higher, \$10.6B sales revenue. 5c fully-franked final dividend, against 3c a year ago. \$6.06 NTA. \$232.2M net debt.

New, \$150M share buy-back during 1H FY 2018.

BSL Australia & New Zealand CEO Mark Vassella has been appointed to take over from Paul O'Malley as BSL MD and CEO, effective 31 December. Mr O'Malley is retiring after 12 years with BSL, 10 as CEO.

In addition, Jennifer Lambert has been appointed as a BSL non-executive director, effective 1 September.

Energy

Caltex Australia (CTX)

Chairman Greg Gailey has retired from the CTX board for health reasons. CTX non-executive director Steven Gregg is taking over as chairman.

Beach Energy (BPT)

\$387.5M full-year NPAT. 17% higher, \$662.4M revenue. 1c fully-franked interim dividend. 75c NTA. \$150M worth of pre-tax impairments has been reversed and \$79M recognised as a deferred tax. Webcast teleconference 11am AEST. *Please see p2.*

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1292	oz	-0.8	-0.1
Silver (NY) (Sep)	17.0	oz	-0.1	-0.3
Gold (LON)	1285	oz		
Platinum	977	oz	4	0.4
WTI Crude (Sep)	48.5	bbl	1.4	3.0
Brent Crude (Aug)	52.7	bbl	1.7	3.3
Iron Ore (CHN port 62%)	77.9	t	2.5	3.4
Copper	6486	t	-4	-0.1
Nickel	10980	t	255	2.4
Aluminium	2062	t	-14	-0.7
Lead	2361	t	-53	-2.2
Zinc	3124	t	62	2.0
Tin	20240	t	40	0.2
CBT Wheat (Sep)	4.16	bshl	0.02	0.5

Commodities Commentary

Oil – an ExxonMobil 560,500bbl/d refinery in Texas was reported to have shut down for emergency maintenance, sparking an overnight Friday price rally.

A softer \$US and a US weekly petroleum rig count, which estimated five fewer oil rigs were operational, also supported trade.

Operations within Libya's largest oil field have reportedly been again shut down due to a pipeline blockade, and force majeure declared on activity at the oil terminal used by field operators National Oil Corporation.

Gold – volatile trade reported Friday, prices reaching \$US1306.90/oz on safe-haven demand, before being pushed lower, this largely attributed to US domestic political considerations.

Base metals – pushed and pulled largely by risk sentiment, vacillating currencies and end-of-week positioning overnight Friday.

A new round of PMI updates commences this week. Access to Freeport McMoRan's Grasberg copper operation in Papua will be reportedly be restored today, but injuries were reported over the weekend in clashes between enforcement agencies and the community, including contractors and former workers.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7926	-0.0005	-0.06
EUR – USD	1.1754	-0.0004	-0.04

Australian Data Today

CLogic	Capital city house prices	19 Aug
ConfBoard	Leading index	Jun
CBA	Business sales indicator	Jul

US Data Tonight

Chicago Fed national activity index	Jul
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Other Overseas Data Today & Tonight

Japan	Tankan index	Aug
Japan	All-industry index	Jun

Pre-Open Announcements
QBE Insurance Group (QBE)

Deutsche Bank has placed a 'sell' on QBE.

Austal Ltd (* ASB)

Rather than having determined a definite sale and purchase agreement, as indicated in a statement from Fjord Line, ASB is still negotiating the potential \$100M contract for the construction of a commercial ferry for the Norwegian company.

Telstra Corporation (* TLS)

TLS has lodged a transcript of the analyst briefing hosted following the release of its full-year results and amended capital management (including dividend policy) Thursday last week.

G8 Education (* GEM)

23% higher, \$30.5M full-year NPAT. 3% higher, \$368.3M revenue. Will pay half-yearly rather quarterly dividends.

Southern Cross Electrical Engineering (SXE)

\$20M, three-year inspection and maintenance services agreement secured with Ergon Energy's north Queensland distribution network.

Mirvac Group (* MGR)

MGR has acquired the balance 50.1% of East Village, Zetland, Sydney for \$155.3M.

In addition, MGR is planning to acquire the balance 50% of the proposed South Village shopping centre, Kirrawee, Sydney, with the price to be determined on completion.

MGR settled for the week at \$2.30 after closing out the previous week at \$2.17.

APN Outdoor Group (APO)

Rail and billboard advertising contract extended with the WA Public Transport Authority.

Austin Engineering (ANG)

CEO Peter Forsyth has been appointed MD.

Resources
Fortescue Metals Group #2 (* FMG)

Haematite iron ore reserves (within FMG operating assets) totalled 2.19Bt @ 57.2% Fe as at 30 June, against 2.17Bt @ 57.2% Fe a year earlier. Resources were calculated at 5.28Bt @ 56.0% Fe, against 5.26Bt @ 56.0% Fe.

Magnetite iron ore reserves totalled a flat 705Mt @ 67.2% Fe, the tonnage being dry in-situ ore and the grade an estimate for produced concentrate. Resources were estimated at 7.89Bt @ 30.3% Fe, against 6.71Bt @ 31.4% Fe.

Reserves and resources also lodged post-trade Friday for FMG's development assets.

Alkane Resources (* ALK)

Nic Earner is replacing MD Ian Chalmers 1 September. Ian Gandel will be chairman on John Dunlop's retirement, also 1 September. Details lodged this morning.

Energy
Beach Energy # 2 (BPT)**

26.3MMbbl of oil and 48.4MMbbl of gas and gas liquids 2P (proved and probable) reserves as at 30 June, the total 74.7MMboe representing a 7% increase for the year.

2C contingent resources fell 25% to 152.9MMboe. These comprise 29MMbbl of oil, 86.2MMboe in conventional gas and liquids and 37.7MMboe in unconventional gas and gas liquids.



UK

Public sector finances

Jul

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Yancoal Australia (* YAL)

\$13.9M interim net loss following a \$180.4M loss a year ago. 78.8% higher, \$832.3M revenue.

Trading Halts

Company	Code	Resuming
Australia Pacific Coal	AQC	21 Aug
Hastings Technology Metals	HAS	21 Aug
Lawson Gold	LSN	21 Aug
Draig Resources	DRG	22 Aug
IOT Group	IOT	22 Aug
Sky & Space Global	SAS	22 Aug

Suspensions (selected)

Company	Code	Since
BKM Management	BKM	28 Jul
Capital Mining	CMY	14 Aug
Eastern Goldfields	EGS	16 Aug
GR Engineering	GNG	18 Aug
LWP Technologies	LWP	14 Aug
Manalto Ltd	MTL	28 Jul
Northern Mining	NMI	1 Aug
Surefire Resources	SRN	1 Aug
ZipTel Ltd	ZIP	11 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
DMP	Today	44.9	50	2.07
BFG	Tomorrow	2	100	8.52
CPU	Tomorrow	19	0	2.61
IPH	Tomorrow	10.5	100	4.90
ISU	Tomorrow	4	100	3.06
PAI	Tomorrow	1	100	0.95
PMC	Tomorrow		100	5.75
REA	Tomorrow	51	100	1.33
WES	Tomorrow	120	100	5.28
AGL	Wed	50	80	3.80
AMP	Wed	14.5	90	5.56
PGH	Wed	11.5	65	4.22
BBN	Thu	4.3	100	4.00
JBH	Thu	46	100	4.61
KOV	Thu	3	100	5.63
QBE	Thu	22	30	5.11
WPL	Thu	~62.40	100	4.36

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	APN	Interim
	BPT	Full-year
	BSL	Full-year
	BXB	Full-year
	CDD	Full-year
	FMG	Full-year
	GMG	Full-year
	GOZ	Full-year

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	GWA	Full-year
	IMD	Full-year
	NHF	Full-year
Tomorrow	ACX	Full-year
	BHP	Full-year
	CTD	Full-year
	GXL	Full-year
	ING	Full-year
	MND	Full-year
	PDN	Full-year
	SXY	Full-year
	SVW	Full-year
	SKT	Full-year
	SIQ	Interim
	SYD	Interim
	VRT	Full-year
	WSA	Full-year
Wed	A2M	Full-year
	AIZ	Full-year
	AMC	Full-year
	APA	Full-year
	AAC	AGM
	BAP	Full-year
	CHC	Full-year
	CCL	Interim
	HSO	Full-year
	IAG	Full-year
	ISD	Full-year
	MMS	Full-year
	NSR	Full-year
	OZL	Interim
	QUB	Full-year
	RIC	Full-year
	SRX	Full-year
	SDF	Full-year
	TRS	Full-year
	SGR	Full-year
VOC	Full-year	
WTC	Full-year	
WOW	Full-year	