

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>5638</b>	<b>13</b>	<b>0.2</b>
<b>NZX 50</b>	7678	-5	-0.1
<b>DJIA Futures</b>	21492	-7	0.0
<b>S&amp;P 500 Futures</b>	2468	-1	0.0
<b>NASDAQ Futures</b>	5927	-7	-0.1

## Local Markets Commentary

The Australian market commences today's trade on largely negative international equities leads, but overnight price gains for most key commodities

US **gold** futures settled almost flat, but **oil** and **iron ore** swung higher, and LME **copper** extended Friday's gain.

The **\$A** was pushed lower, after briefly rising beyond US79.60c early yesterday evening.

Locally pre-trade, a weekly consumer sentiment report is due.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	<b>21513</b>	-67	<b>-0.3</b>
<b>S&amp;P 500</b>	2470	-3	-0.1
<b>NASDAQ</b>	6411	23	0.4
<b>FTSE 100</b>	7378	-75	-1.0
<b>DAX 30</b>	12209	-31	-0.3
<b>Shanghai Comp</b>	3251	13	0.4

## Overseas Markets Commentary

Major European and US equities markets trade vacillated and diverged as investors digested corporate earnings and economic indicator updates, ahead of key reports and a US Federal Reserve meeting yet to come this week.

An initial July manufacturing PMI for the **euro zone** came in at 55.8, against expectations of 56.2. While nonetheless robust, the reading was the lowest in six months, and hence represented a growth slowdown.

In the **US**, Markit initially estimated the July composite PMI at a 53.2 four-month peak, up 1.2 points from June.

June existing home sales were reported 1.8% lower. Meanwhile, the International Monetary Fund (IMF) adjusted its 2017 economic forecasts, revising the UK's 0.3% lower to 1.7% and the US's by 0.2% to 2.1%. The euro zone 2017 prediction was boosted 0.2% to 1.9%.

The IMF's overall global growth prediction for 2017 remained at 3.5%. The fund also published 2018 outlook updates.

Tonight in the **US**, the Federal Reserve commences a policy meeting from which outcomes will be announced early Thursday AEST.

Two house prices indices, a monthly consumer confidence report and a regional manufacturing index are also due tonight.

Akzo Nobel, Caterpillar, Domino's Pizza, DuPont, General Motors, McDonald's, Mitsubishi Motors, PZ

**ACCC** - first of a series of 'electricity pricing and supply' public forums, Brisbane, **5pm**.  
The series will be continued in Adelaide, Melbourne, Townsville and Sydney, 31 July - 14 August.

## Today's Stock Watch

### Super Retail Group (SUL)

Anticipating FY 2017 EBIT will come in at the upper end of 16% - 18% growth guidance.

In addition, Amart Sports stores will be re-branded as Rebel by the end of October, meaning SUL will have ~160 sporting goods outlets, exclusively branded Rebel. Gross margins are expected to rise and benefits of up to \$15Mpa realised from late-2019. The change is expected to cost SUL ~\$34M post-tax. Fit outs to convert the Amart stores are likely to total ~\$9M. Presentation lodged this morning.

Planning to report full-year results 25 August.

### Kathmandu Holdings (KMD)

Appointing Philip Bowman and Brent Scrimshaw as directors, to replace Christine Cross and John Holland, who will retire from the KMD board in September.

Mr Bowman is a director of Burberry and Ferrovial and is relocating from the UK at the end of the year.

Mr Scrimshaw co-founded, and is CEO of, Unscriptd.com, and is a former Nike regional VP and chief executive.

### ePat Technologies (EPT)

nViso has agreed to grant EPT an exclusive, perpetual, global licence for the use of nViso's AI pain assessment software development kit - in EPT pain assessment and monitoring applications.

Under the deal, EPT is paying nViso 32.5M shares plus \$A392,500 cash.

nViso has assisted EPT over the past three years with prototype app development, under a previously negotiated five-year non-exclusive licence agreement.

## Resources

### Rio Tinton (RIO)

The UK Serious Fraud Office (SFO) is investigating RIO over alleged possible corrupt practice by associates and employees in the Republic of Guinea, where the company held a stake in the Simandou iron ore JV.

### OZ Minerals (OZL)

OZL produced 53,242t of copper and 58,271oz of gold during January - June, at a US90c/lb C1 cash cost

June quarter copper production rose 12% for the three months, and gold output by 23%, with an US81c/lb C1 cash cost and US115c/lb AISC. \$625M cash as at 30 June.

## Energy

### Wesfarmers Ltd (WES)

Produced 12.5% more Curragh metallurgical coal (8.227Mt) and 16.5% more steaming coal (3.801Mt) for the year to 30 June.

During the June quarter, compared with the March quarter, WES produced 3.2% less coal (3.055Mt). Steaming coal output (1.015Mt) rose 14.4%, and metallurgical coal fell 10.1%.

From the Bengalla JV, WES attributable June quarter output rose 25.5% for the three months, to 959,000t. Over the full year, WES's output grew an attributable 1.6%, to 3.437Mt.

Cussons and Telecom Italia are scheduled to report earnings.

In overnight corporate news, equity group **KKR** revealed a \$US2.8B purchase price for **WebMD Health Corp**, propelling WebMD stock 20% higher.

Improved sales boosted **Caterpillar**.

Toy and game maker **Hasbro** dropped ~9% after undershooting expected sales growth.

Post-US trade, **Alphabet** has reported 21% higher quarterly revenue, and earnings which exceeded expectations, even though significantly impacted by a fine imposed by European Union (EU) regulators. The NASDAQ had already settled at a new peak.

Earlier, **Reckitt Benckiser** fell more than 3%, dragging the FTSE 100 lower, after quantifying the sales impact extent of a June cyber attack.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1254</b>	oz	-0.6	<b>-0.0</b>
<b>Silver (NY) (Sep)</b>	16.5	oz	0.0	<b>0.1</b>
<b>Gold (LON)</b>	1256	oz	7	<b>0.6</b>
<b>Platinum</b>	929	oz	-5	<b>-0.5</b>
<b>WTI Crude (Sep)</b>	<b>46.3</b>	bbl	0.6	<b>1.3</b>
<b>Brent Crude (Aug)</b>	<b>48.6</b>	bbl	0.5	<b>1.1</b>
<b>Iron Ore</b> (CHN port 62%)	<b>67.9</b>	t	0.8	<b>1.1</b>
<b>Copper</b>	<b>6027</b>	t	23	<b>0.4</b>
<b>Nickel</b>	9780	t	260	<b>2.7</b>
<b>Aluminium</b>	1912	t	-3	<b>-0.2</b>
<b>Lead</b>	2260	t	21	<b>0.9</b>
<b>Zinc</b>	2788	t	35	<b>1.3</b>
<b>Tin</b>	20155	t	-70	<b>-0.4</b>
<b>CBT Wheat (Sep)</b>	<b>4.89</b>	bshl	-0.1	<b>-2.1</b>

### Commodities Commentary

**Oil** – traded higher early again, Saudi Arabia assuring it would cap August daily exports at 6.6MMbbl, and Nigeria reportedly being prepared to limit production growth once output reached a daily 1.8MMbbl.

**Gold** – prices largely marked time on a \$US appreciation and ahead of the US Federal Reserve policy meeting. Traded as high as \$US1259/oz intra-session.

**Base metals** – generally positive sentiment continued, in part due to expectations the \$US could largely remain range-bound until Wednesday US time.

Manufacturing PMIs, published yesterday and overnight, generally pleased.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7924	0.0001	<b>0.01</b>
<b>EUR – USD</b>	1.1639	-0.0002	<b>-0.01</b>

### Australian Data Today

RoyMgn/ANZ	Consumer sentiment	23 Jul
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### US Data Tonight

Case Shiller house price index	May
FHFA house prices	May
Richmond Fed manufacturing index	Jul

## Pre-Open Announcements

### Yowie Group († YOW)

Heralding 51% (unaudited) full-year net sales growth.

June quarter net sales grew 23% year-on-year.

Additional figures, featuring mixed results, lodged this morning.

### Vicinity Centres (\* VCX)

On-market buy-back of up to 5% of VCX shares commencing 17 August.

Planning to release full-year results 16 August. Expecting 3.3% higher, \$2.82 NTA.

VCX's directly-owned retail properties (comprising 52% by value), valued independently, plus the balance of the VCX portfolio, returned an estimated 2.3% growth to \$345M for the six months to 30 June. Break-down statistics lodged this morning.

A 16 August webcast briefing is scheduled to commence 10.30am AEST.

### Templeton Global Growth Fund (\* TGG)

TGG has estimated a 23.3% gross return for FY 2017. Details and commentary lodged post-trade yesterday. TGG is planning to lodge audited full-year results 22 August.

TGG proposes to host a teleconference that day, commencing 3pm AEST. Access details also lodged post-trade yesterday.

### Creso Pharma (\* CPH)

June quarter operational summary lodged post-trade yesterday, highlighting the first medicinal cannabis products imported into Australia. \$9.23M cash as at 30 June.

### Red Bubble (RBL)

Transcript of yesterday's June quarter teleconference lodged post-trade yesterday. RBL traded at 80c – 91c yesterday, settling 6.3% lower for the session at 89c.

### Brierty Ltd (BYL)

CEO and MD Ray Bushnell's total fixed remuneration, including superannuation, will rise 7.8% to \$550,000, due to his recent appointment as MD.

## Resources

### Matsa Resources (\* MAT)

WA Fortitude gold project mining underway, from the North Pit, on a single-shift basis. Double shifts are scheduled to commence Monday next week (31 July).

### Trading Halts

Company	Code	Resuming
Blackstone Resources	BSX	26 Jul
Riedel Resources	RIE	26 Jul
Silver City Minerals	SCI	26 Jul
Sundance Resources	SDL	26 Jul

### Suspensions (selected)

Company	Code	Since
Azonto Petroleum	APY	21 Jul
Baralaba Coal Company	BCL	10 Jul
Clancy Exploration	CLY	13 Jul
Dotz Nano	DTZ	24 Jul
European Lithium	EUR	7 Jul



Conf Board consumer confidence	Jul
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### Other Overseas Data Today & Tonight

<b>Japan</b>	BoJ policy meeting minutes	Jul
<b>UK</b>	CBI industrial trends	Jul
<b>Germany</b>	Import prices	Jun
Germany	IFO business expectations	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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Magnis Resources	MNS	5 Jul
Magnum Gas & Power	MPE	12 Jul
MSM Corporation International	MSM	12 Jul
Peak Resources	PEK	6 Jul
Premiere Eastern Energy	PEZ	11 Jul
Realm Resources	RRP	14 Jul

### Ex-Dividends

Code	Ex-Div	Div (c)	Fr (%)	Yield (%)
<b>VVR</b>	Today	<b>6.6</b>	0	5.35
MIR	Tomorrow	10.5	100	3.47
WQW	Fri	3.52	0	7.91

### Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>OZL</b>	Jun Q
<b>Tomorrow</b>	IGO	Jun Q
	SBM	Jun Q
	SXY	Jun Q
<b>Thu</b>	BPT	Jun Q
	FMG	Jun Q
	GUD	Full-year
	MQG	AGM
	OGC	Jun Q
<b>Fri</b>	AWE	Jun Q
	PRG	AGM
	SFR	Jun Q
<b>31 Jul</b>	ERA	Interim
	IFN	Jun Q
	NVT	Full-year
	ORG	Jun Q
	SYR	Jun Q