

Markets

SFE 200 Futures (9.30am AEST)	6723	-29	-0.4
NZX 50	10839	-19	-0.2
DJIA Futures	26796	-59	-0.2
S&P 500 Futures	2975	-8	-0.3
NASDAQ Futures	7842	-25	-0.3

Local Markets Commentary

The Australian market opens a new month's trade ahead of further China data late-morning, and a Bank of England policy meeting later today, with a US rate cut in hand.

Caixin is due to release its June **manufacturing PMI for China 11.45am AEST**.

Locally, the AiG is scheduled to publish its July **manufacturing PMI** pre-trade.

June quarter **export and import prices** are due from the Australian Bureau of Statistics (ABS) **11.30am AEST**.

A July **residential property price** report is also expected from CoreLogic today.

Post-trade, the Reserve Bank of Australia (RBA) publishes its monthly **commodity prices** report.

In addition, Rio Tinto's (ASX: **RIO**) interim report is anticipated later today.

In overnight commodities trade, **oil** extended this week's gains.

US **gold** futures (December) turned lower.

Iron ore (Nymex CFR China, 62% Fe) continued to seesaw, this time losing US7c to remain just above US120.00/t.

LME **copper** settled almost flat. **Nickel** swung to a rally-mode gain.

The **\$A** has dropped to ~US68.50c after appreciating to US68.95c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26864	-334	-1.2
S&P 500	2980	-33	-1.1
NASDAQ	8175	-98	-1.2
FTSE 100	7587	-60	-0.8
DAX 30	12189	42	0.3
Shanghai Comp	2933	-20	-0.7

Overseas Markets Commentary

Major European equities markets vacillated in overnight sessions, amid key data releases and geopolitical agitation, and which concluded before the US Federal Reserve post-policy meeting announcement.

US equities traded steady until the announcement, which immediately swung major indices lower.

China – Caixin manufacturing PMI – 11.45am AEST

Today's Stock Watch

Janus Henderson Group (JHG)

Reporting \$US109.4M June quarter net income, against \$US140.6M a year earlier and \$US94.1M for the March quarter. June quarter revenue came in at \$US535.9M, against \$US592.4M and \$US519.3M respectively.

Net income for the six months to 30 June dropped 33% year-on-year to \$US203.5M, on a US GAAP basis.

Revenue fell 11% to \$US1.055B.

\$US359.8B AUM, with 80% of these outperforming relevant benchmarks on a five-year basis, and 72% on a three-year basis.

Paying a US36c quarterly dividend.

\$US1.53 NTA, against \$US1.18 for 30 June 2018.

Pro Medicus (PME) / DuluxGroup Ltd (DLX)

PME will replace DLX on the S&P/ASX 200, effective ASX-open 7 August. DLX is being removed due to its pending acquisition by Nippon Paint Holdings Co.

Althea Group Holdings (AGH)

The first UK patient prescribed AGH's medicinal cannabis received this yesterday, following the grant of a UK import licence. AGH anticipates additional shipments within weeks as multiple UK patients have now been prescribed AGH's product. In association, AGH has secured another UK provider, Cannvalate.

Resources

Resolute Mining (RSG)

Planning to acquire Toro Gold for \$US274M, comprising \$US130M cash plus 142.5M RSG shares.

All regulatory approvals are in hand, and 94% of Toro shareholders have committed to accepting RSG's offer.

RSG will effectively control Toro from tomorrow.

Toro holds the Senegal Mako gold mine, which produced 156,926oz of gold during 2018, at a \$US655/oz AISC.

In association, RSG is revising FY 2019 (to 31 December) production guidance to 400,000oz at a \$US960/oz AISC.

Presentation lodged post-trade yesterday.

RSG is resuming from a trading halt, having last traded at \$1.775.

For the five trading sessions through to calling the trading halt, RSG traded at \$1.68 - \$1.805.

Energy

Strike Energy (♣ STX) / Warrego Energy (♣ WGO)

Declaring a 'significant gas discovery' in the Wagina sandstone of WA EP 469 West Erregulla-2, while yet to drill to the basal Wagina and gas wet sands. STX operator and 50%; WGO 50%.



The US Federal Reserve decided on a 0.25% interest rate cut, citing international economic ‘uncertainties’, some associated with strained trade relations.

The decision to lower the headline figure to 2.25% was not unanimous however, with high-profile Kansas City Fed president Esther George and Boston Fed president Eric Rosengren voting to retain the status quo.

Chairman Jerome Powell appeared keen to point out the cut did not necessarily foreshadow a series of similar moves, describing the committee’s decision as an ‘adjustment’.

Geopolitical issues also remained forefront overnight.

North Korea had reportedly tested several missiles earlier yesterday, according to officials from South Korea.

China called for ‘integrity’ in US-China trade talks as high-level meetings appeared to conclude earlier than anticipated in Shanghai. The republic’s commerce ministry officially described the discussions as ‘candid’, ‘constructive’, ‘deep’ and highly effective’.

For its part, the US administration confirmed talks were expected to move to Washington sometime early September and that China would boost its US agricultural imports.

Germany effectively called out other nations in stating it could not back a naval protection scheme led by the US for the Strait of Hormuz, as it did not want to fuel tensions with **Iran** and believed military intervention would not deliver a solution.

Later, the US administration announced it had officially sanctioned Iran’s foreign minister who it asserted was primarily effecting the leader’s orders.

In **US data** releases, a private sector jobs report estimated 156,000 new jobs during July, against a revised 112,000 for June.

The July Chicago PMI dropped further into contraction mode, with a 44.4 reading against 49.7 for June.

Weekly mortgage applications fell for a third consecutive week, this time 1.4% on steady mean 4.08% 30-year mortgage rates.

Earlier, **euro zone** June quarter GDP growth was reported at 0.2% for the three months and 1.1% year-on-year, following respective 0.4% and 1.2% gains for the March quarter.

July CPI growth was estimated in a preliminary reading at 1.1% for the month, against 1.3% in June.

Meanwhile, **Germany’s** June retail sales encouraged, jumping 3.5% for the month after falling 1.7% in May.

Year-on-year, sales were 1.6% lower.

Tonight in the US, a job cuts report and weekly new unemployment claims are due, ahead of tomorrow night’s national employment figures. In addition, ISM’s manufacturing activity index for July, Markit’s final July manufacturing PMI and June construction spending are due.

Elsewhere, the Bank of England holds a policy meeting, from which firm comments are expected in response to increased broad agitation regarding likely UK-European Union separation scenarios.

Companies scheduled to report earnings later today and tonight include: ArcelorMittal, Archer Daniels Midland, AXA, Barclays, BMW, DuPont, General Motors, ING, Kellogg, Kraft Heinz, Marathon Petroleum, Mazda Motor, Merlin Entertainments, Motorola, Petrobras, Royal Dutch Shell, Rio Tinto, Siemens, Société

Pre-Open Announcements

Wellcom Group (♣ WLL)

WLL has agreed to a proposed \$6.70 cash-per-share offer from Innocean Worldwide Inc.

Innocean plans to acquire 85%, the balance 15% to remain with an entity related to WLL chairman Wayne Sidwell.

WLL has traded at \$5.20 - \$5.35 this week.

Downer EDI (* DOW)

As previously announced, DOW’s Murra Warra wind farm partner Senvion has filed for self-administration in Germany.

In association, DOW expects to realise \$31.5M worth of post-tax losses.

However, DOW is still retaining \$352M FY 2019 NPAT guidance.

Crown Resorts (CWN) / Fairfax Media (FXJ)

CWN has lodged a board rebuttal of several aspects of last weekend’s television program and subsequent FXJ articles regarding CWN operations and activity in Australia and China.

CWN settled at \$12.67 Friday last week, and at \$11.86 yesterday.

Regis Healthcare (REG)

CFO David Noonan has resigned, effective in three months.

Clean Seas Seafood (* CSS)

16% higher, \$46.1M FY 2019 sales revenue.

Sales volumes grew 13%, excluding frozen clearance stock.

Sold 2698t, 1.9% lower than guidance, mostly due to some shipments not occurring until July.

Overall June quarter sales volumes (714t) represented a 12% year-on-year increase.

Fresh quarterly product sales (522t) rose 9%.

PointsBet Holdings (* PBH)

June quarter revenue rose 172% year-on-year to \$A25.6M.

Eclix Group (* ECX)

Confirming the \$A60M sale of GraysOnline and AreYouSelling.

ECX intends to use the net proceeds to pay down debt.

Sezzle Inc (SZL)

Buy now-pay later specialist completed a robust ASX listing Tuesday following a \$43.57M IPO at \$1.22 per CDI/share.

SZL opened at \$2.50 Tuesday and traded at \$1.99 - \$2.58 before closing at \$2.20. Yesterday, SZL settled ~24% higher for the session, at \$2.73 after trading as high as \$2.86.

Trading commenced on a deferred settlement basis.

Normal (T+2) trade is expected to commence today.

Quickstep Holdings (* QHL)

QHL has appointed Brambles Ltd’s (ASX: BXB) CHEP Australia GM Elisabeth Mannes as a non-executive director, effective from the next QHL board meeting.

YPB Group (* YPB)

June quarter cash receipts fell 33% against those for the March quarter.



Générale, Sojitz, Standard Chartered, United States Steel Corp, Veolia, Verizon, Yamaha and Yum! Brands.

In overnight corporate news, **Samsung** reported a 56% drop in June quarter profit, but this exceeded group guidance.

Credit Suisse grew June quarter profit by 45% (to 937M Swiss francs), surpassing expectations.

Chip manufacturer **Advanced Micro Devices** warned of weakening revenue due to reducing demand for gaming console chips, and was pushed 10% lower.

Apple appreciated 2% on its late-Tuesday report, which pleased with both profit and revenue plus majority divisional growth.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1437.8	oz	-4	-0.3
Silver (NY) (Sep)	16.405	oz	0.153	-0.9
Gold (LON)	1426	oz		
Platinum	862	oz	-7	-0.8
WTI Crude (Sep)	58.58	bbl	0.53	0.9
Brent Crude (Sep)	65.17	bbl	0.45	0.7
Iron Ore (CHN port 62%)	120.02	t	-0.07	-0.1
Copper (LME,3mth,PM)	5935	t	-5	-0.1
Nickel	14530	t	250	1.8
Aluminium	1800	t	-3	-0.2
Lead	2011	t	13	0.7
Zinc	2440	t	-7	-0.3
Tin	17315	t	-165	-0.9
CBT Wheat (Jul)	4.87	bshl	-0.11	-2.2

Commodities Commentary

Oil – Libya’s Sharara oil field again forced national Oil Corp to declare force majeure yesterday, following a pipeline valve malfunction.

Meanwhile, a media survey estimated OPEC’s July production had fallen to an eight-year low of 29.42MMbbl/d, down 280,000bbl/d for the month.

A weekly US petroleum inventories report, published overnight by the EIA, included an 8.496MMbbl fall in stored crude and 1.791MMbbl draw on petrol stocks.

The EIA released a monthly report also, estimating US crude production had fallen by a daily 26,000bbbl in May, to 12.11MMbbl/d. Exports had risen to 2.9MMbbl/d, the EIA calculated.

Brent September futures expired at the end of overnight trade. October futures also settled 0.7% higher, at \$US65.05/bbl.

Gold – Comex December futures fell on news of the US Federal Reserve’s 8-2 vote for a 0.25% rate cut, which came post-Comex settlement.

The policy meeting delivered, as anticipated, a 0.25% rate cut, this seemingly assuaging fears of a national economic slowdown, and supporting \$US gains.

Key US and international data is due tonight and through tomorrow night, and a range of geopolitical scenarios continues unresolved, meaning gold sentiment could swing.

Additional June quarter statistics lodged this morning.

MFF Capital Investments (MFF)

MFF has amended the executive employment agreement, including remuneration arrangements, for MD and portfolio manager Chris Mackay.

Details lodged post-trade yesterday.

Resources

Altura Mining (↓ AJM)

Five-year 50,000tpa offtake agreement secured for 6% spodumene concentrate with Guangdong Weihua Corporation. The first shipment (10,000t) is anticipated this month.

In addition, AJM has agreed with Lionenergy to reduce its offtake from a minimum 100,000tpa to a minimum 65,000tpa.

Saracen Mineral Holdings (* SAR)

32% increase in gold reserves over the year to 30 June, to 3.3Moz.

Anticipating producing 350,000oz – 370,000oz of gold during FY 2020, at a \$A1025/oz - \$A1075/oz AISC.

Blackham Resources (* BLK)

Anticipating producing 70,000oz – 80,000oz of gold during FY 2020 at a \$A1550/oz - \$A1750/oz AISC.

September quarter 2019 guidance also lodged this morning.

Red 5 (* RED)

King of the Hills gold project maiden open pit probable ore reserve estimated at 36.0Mt @ 1.25g/t Au, for 1.45Moz of gold.

Venus Metals (* VMC)

VMC plans to issue 6M shares at 20c each to QCoal MD and QCoal Foundation chairman Christopher Wallin, following a request from Mr Wallin.

The funds are earmarked for the WA Youanmi gold project and for general working capital.

Mr Wallin will hold ~5.03% of VMC.

VMC has traded at 18c – 24c this week, after settling at 14c 28 June.

Energy

New Century Resources (NCZ)

June quarter teleconference scheduled to commence 10.30am AEST. Access details lodged post-trade yesterday.

Trading halt called this morning.

Reports & Events

(selected)

When	Company	Report/Event
Today	CSC	Jun Q
	RIO	Interim
Tue (6 Aug)	PNI	Full year



Base metals – economic indicators, stockpiles, US-China trade talks, corporate news and the wait for central bank policy statements again influenced overnight trade.

A string of PMI updates, due today and tonight, and including another for China, is expected to influence some trade tonight.

Yesterday, **China** reported a 49.7 July manufacturing PMI, from 49.4 for June.

The services sector activity index slipped to 53.7 from 54.2.

Caixin's July manufacturing PMI for China is due today.

China's July foreign exchange reserves are anticipated anytime from this evening.

In corporate news, Korea Zinc revealed maintenance would reduce *lead* output by ~18,000t through to the end of this month.

Glencore conceded *copper* operations in Africa had disappointed in the six months to 30 June. Overall copper output fell 5%, but *cobalt* production grew 28%.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6850	0.0003	0.04
EUR – USD	1.1079	0.0002	0.02

Australian Data Today

AiG	PMI	Jul
CoreLogic	Residential property prices	Jul
ABS	Import, export prices	Jun Q
RBA	Commodity prices (4.30pm AEST)	Jul

US Data Tonight

ISM manufacturing	Jul
Markit manufacturing PMI (final)	Jul
Construction spending	Jun
Challenger job cuts	Jul
Initial jobless claims	27 Jul
Vehicle sales	Jul

Other Overseas Data Today & Tonight

China	Caixin manufacturing PMI	Jul
<i>China</i>	<i>Forex reserves (post-ASX trade)</i>	Jul
Japan	Manufacturing PMI (final)	Jul
UK	BoE post-policy meeting statement	Jul
UK	Manufacturing PMI	Jul
Germany	Manufacturing PMI (final)	Jul
Euro zone	Manufacturing PMI (final)	Jul

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Wed	CBA	Full year
	JHX	AGM (Dublin)

Trading Halts

Company	Code	Resuming
Auroch Minerals	AOU	1 Aug
Botanix Pharmaceuticals	BOT	1 Aug
Equus Mining	EQE	1 Aug
Regeneus Ltd	RGS	1 Aug
Spectrum Metals	SPX	1 Aug
Tinybeans Group	TNY	1 Aug
Alt Resources	ARS	2 Aug
Clancy Exploration	CLY	2 Aug
Droneshield Ltd	DRO	2 Aug
Liontown Resources	LTR	2 Aug
Metalicity Ltd	MCT	2 Aug
Peak Resources	PEK	2 Aug
Sabre Resources	SBR	2 Aug
South Pacific Resources	SPB	2 Aug
SportsHero Ltd	SHO	2 Aug

Suspensions (select)

Company	Code	Since
AuStar Gold	AUL	31 Jul
Global Vanadium	GLV	31 Jul
High Grade Metals	HGM	18 Jul
Jiajiafu Modern Agriculture	JJF	22 Jul
Keybridge Capital	KBC	16 Jul
Mobecom Ltd	MBM	29 Jul
Podium Minerals	POD	31 Jul
West Wits Mining	WWI	26 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AMH	Today	3.5	100	6.68
NBI	Today	0.9	0	4.52
DJW	Mon	10	100	5.49
WQG	Mon	2	0	0.00
AFI	Tue	14	100	3.69
MLT	Thu	10.4	100	3.95
BKI	Fri (9 Aug)	4.7	100	4.27
OCA	Fri	2.12	0	3.55
OZG	Fri	0.25	100	2.94
WIC	Fri	3	100	5.36



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