

Markets

SFE 200 Futures (9.30am AEST)	6202	0	0.0
NZX 50	8870	-6	-0.1
DJIA Futures	25604	4	0.0
S&P 500 Futures	2859	0	0.0
NASDAQ Futures	7473	-4	-0.1

Local Markets Commentary

The Australian market commences mid-week trade on mostly positive overnight key international trade ahead of influential data out of China and with full year corporate reports from major domestic stocks.

China's July trade figures are anticipated 1pm AEST.

Post-trade yesterday, China reported July foreign reserves had grown to \$US3.118 trillion from \$US3.112 trillion in June.

Regionally also today, the Bank of **Japan** publishes the opinions summary from its late-July policy meeting, 9.50am AEST.

Locally today, Reserve Bank of Australia (**RBA**) governor Philip Lowe is scheduled to speak publicly on *Demographic Change & Recent Monetary Policy* **1.05pm AEST.**

The Australian Bureau of Statistics (**ABS**) releases June housing finance figures **11.30am AEST.**

AFI and **OGC** are among a batch of stocks trading ex-dividend today. *Details can be found on p3.*

In overnight commodities trade, **oil** gains varied, WTI rising slightly and Brent continuing to rally.

US **gold** futures settled essentially flat.

Iron ore (China port, 62% Fe) added to this week's gains.

LME **copper** turned higher and **nickel** continued so.

The **\$A** pulled back below US74.20c after being propelled to ~US74.35c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25629	127	0.5
S&P 500	2858	8	0.3
NASDAQ	7884	24	0.3
FTSE 100	7718	55	0.7
DAX 30	12648	50	0.4
Shanghai Comp	2779	74	2.7

Overseas Markets Commentary

Major European and US equities markets rallied on opening overnight, sentiment hardly looking seriously threatened throughout trade.

Earlier, **China** had continued its media accusations against the US trade stance, while the **US** had warned anyone doing business with **Iran** in contravention of the newly-imposed US sanctions relating to automobiles, metals trade and aerospace business would be locked out of US trade deals.

Later, the US revealed the new list of imports (\$US16B worth across ~280 products, including

China – July trade balance **1pm AEST**

RBA – governor Philip Lowe speaks on *Demographic Change & Recent Monetary Policy*, **1.05pm AEST**, Sydney

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

6% lower, \$9.3B NPAT. 3% higher. \$26.1B revenue. 4.8% lower, \$9.23B cash profit (continuing operations). \$2.31 fully franked final dividend.

\$700M expense included in relation to the AUSTRAC penalty.

AMP Ltd (AMP)

74% lower, \$115M interim NPAT. 6% lower, \$7.17B revenue. 10c, 50%-franked interim dividend. \$1.30 NTA. \$A1.8B surplus capital, against minimum regulatory requirements.

In addition, AMP has appointed John Fraser, former secretary to the Australian treasurer, as a non-executive director.

Mr Fraser is also a former CEO and chair of UBS Global Asset Management.

Tabcorp Holdings (TAH)

\$28.7M full year NPAT, following a \$20.8M net loss a year ago. 71% higher, \$3.8B revenue. 10c fully franked final dividend.

Investa Office Fund (IOF)

10.6%, \$521.6M full year NPAT. 4.7% lower, \$200.1M revenue. \$5.47 NTA, against \$4.79 a year ago. 10.15c final distribution.

Sky City Entertainment (SKC)

227.9% higher, \$NZ169.5M full year NPAT. 7.4% higher, \$NZ996.8M revenue. NZ48.3c NTA.

Pacific Current Group (PAC)

Selling the company's 24.3% holding in Aperio Group for \$73M. PAC outlaid \$31.8M for this holding in January 2016.

Completion is anticipated within eight weeks.

Reliance Worldwide Corporation (RWC)

New and proposed US trade taxes are expected to impact RWC's FY 2019 result by less than \$US1.5M.

In FY 2018 accounts, RWC expects to include a one-off \$US4.5M reclassification charge.

The a2Milk Company (A2M)

A2M's UK and Europe CEO Scott Wotherspoon is leaving the company in favour of other opportunities, after ~five years with A2M. A2M GM international development Simon Hennessy will take on Mr Wotherspoon's duties prior to a new CEO appointment.

Roots Sustainable Agricultural Technologies (ROO)

Re-seller agreement secured with Korean-headquartered production and distribution company Ezfarm.

Under the initial one-year deal, Ezfarm will import and sell ROO temperature optimisation technology in South Korea.

CannPal Animal Therapeutics (CP1)

MoU secured with the University of Melbourne for research using indications to date from CP1's CPAT proposed pain control treatment to develop a potential epilepsy treatment for dogs.

Resources

Rio Tinto (RIO)

Trading ex-dividend (~\$1.71) tomorrow.

semiconductors) from China that will attract 25% tax from 23 August.

Among US data releases, a June job opportunities report indicated mixed hirings across industry, the rate of available jobs remaining at 4.3%.

Consumer credit rose to \$US10.21B, against forecasts of ~\$US15B, after jumping by \$US24.3B in May.

In **Germany**, June exports came in flat following a 1.7% rise in May. Imports rose 1.2%, after a 0.7% May gain.

The trade surplus slipped €1B to €19.3B

June industrial production also disappointed, falling 0.9% after improving 2.4% in May.

Orders reportedly fell by the most in a month for ~18 months.

For the June quarter, industrial output rose 0.4%.

All up, the data was viewed as pointing to mild June quarter GDP growth, this due to be reported next week.

Tonight in the US, weekly mortgage applications are due.

Companies scheduled to report earnings or provide an update later today and tonight include: AirXpanders, Autohome, Cars.com, Cathay Pacific, CVS Health, Glencore, Korea Gas, Mylan, Office Depot, Michael Kors, Occidental Petroleum, Prudential, Shiseido, Twenty-First Century Fox and Weibo.

In overnight corporate news, **Domino's Pizza's** half-year report received a mixed response, on improving sales (supported by UK support during the World Cup) but higher costs.

Later, **Tesla** drew a definitively positive response on news the company may go private.

In addition, reports revealed Saudi Arabia's sovereign wealth fund has supported the company with a \$US2B investment to date.

Tesla trade was temporarily halted before the stock ultimately closed ~10% higher for the session.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1218	oz	0.03	0.0
Silver (NY) (Sep)	15.4	oz	0.04	0.3
Gold (LON)	1210	oz		
Platinum	828	oz	8	1.0
WTI Crude (Sep)	69.2	bbbl	0.2	0.2
Brent Crude (Oct)	74.65	bbbl	0.9	1.2
Iron Ore (CHN port 62%)	70.4	t	0.85	1.2
Copper (LME, 3mth, PM)	6175	t	42	0.7
Nickel	13850	t	165	1.2
Aluminium	2038	t	-5	-0.2
Lead	2149	t	35	1.6
Zinc	2600	t	31	1.2
Tin	19575	t	50	0.2
CBT Wheat (Sep)	5.88	bshl	-0.07	-1.1

Commodities Commentary

Oil – pushed and pulled overnight by: international trade commentary; a report US 2018 daily crude output would likely rise by just 1.31MMbbl against an earlier forecast of 1.44MMbbl; and further figures regarding international production and profits despite various sanctions and price fluctuations.

Russia's Rosneft reported a 228B rubles (\$US3.6B)

Pre-Open Announcements

MGC Pharmaceuticals (* MXC)

MXC cannabidiol anti-aging skin products are now available in two additional UK stores.

Select Harvests (SHV)

SHV GM finance and company secretary Vanessa Huxley has resigned, effective 24 August.

SHV CFO Brad Crump has been appointed company secretary in addition to his CFO role. Mr Crump has been with SHV since November 2017.

Resources

CleanTeq Holdings (CLQ)

New South Wales Sunrise Ni-Co project technical report, as prepared by SRK, lodged post-trade yesterday.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AMP	Interim
	CBA	Full year
	SKC	Full year
	TAH	Full year
Tomorrow	AGL	Full year
	CWN	Full year
	NWS (US ET)	Jun Q
	MFG	Full year
	SUN	Full year
Fri	BBN	Full year
	JHX	Q1
	NWS	Jun Q (7am tconf)
	REA	Full year
Mon	AZJ	Full year
	BEN	Full year
	BSL	Full year
	DHG	Full year
	JBH	Full year
	Tue (14 Aug)	ANZ
	CGF	Full year
	COH	Full year
	GPT	Interim
	NAB	Q3 trading
	SGF	Full year
	WHC	Full year

Trading Halts

Company	Code	Resuming
Carnarvon Petroleum	CVN	8 Aug
Matador Mining	MZZ	8 Aug
Medical Developments International	MVP	8 Aug
Spectrum Rare Earths	SPX	8 Aug
Venture Minerals	VMS	8 Aug
Fremont Petroleum Corporation	FPL	9 Aug
G Medical Innovations	GMV	9 Aug
Serko Ltd	SKO	9 Aug

June quarter profit and 48% higher year-on-year, 2.07 trillion rubles revenue.

In addition, Rosneft claimed capability to lift current quarter daily production by 200,000bbl, and by the end of the year, by 250,000bbl.

Venezuela, which has been reported to be transferring export oil cargoes at sea, in order to circumvent major industry players looking to seize assets, still owed Rosneft \$US3.6B, according to Rosneft.

A weekly US government agency-compiled petroleum inventories report is due tonight.

Gold – trading volumes have reportedly decreased in line with the northern hemisphere summer holiday season over the past week.

Some short covering was reported overnight amid ongoing international trade relationship flux.

Base metals – reports of increased infrastructure spending out of China supported some overnight trade, in particular for key construction metals.

Meanwhile, Citigroup has warned **China's** administrators could restrict winter steel production across 80 cities this year, rather than the 28 reported last year. Citi estimates this would affect ~30% of national steel capacity.

China's July foreign reserves reported post-ASX trade yesterday, came in at \$US3.118 trillion, against \$US3.112 trillion in June.

July trade figures, due today, will influence some of tonight's trade.

July CPI and producer prices are expected out of China tomorrow.

Yesterday, **Japan's** household spending was reported to have grown by 2.9% during June following a 0.2% slip in May.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7424	0.0004	0.06
EUR – USD	1.1604	0.0005	0.04

Australian Data Today

ABS	Housing finance	Jun
RBA	Reserve assets (4.30pm AEST)	Jul

US Data Tonight

MBA mortgage applications	3 Aug
---------------------------	-------

Other Overseas Data Today & Tonight

China	Trade balance	Jul
<i>China</i>	FDI	Jul
Japan	BoJ policy meeting opinions	Jul
Japan	Machine tool orders (4pm AEST)	Jul
Japan	Eco watchers survey	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.

Authorised Investment Fund	AIY	10 Aug
----------------------------	-----	--------

Suspensions *(select)*

Company	Code	Since
Admedus Ltd	AHZ	6 Aug
Athena Resources	AHN	2 Aug
Auctus Alternative Investments	AVC	7 Aug
Canyon Resources	CAY	6 Aug
Challenger Energy	CEL	7 Aug
Benjamin Hornigold	BHD	30 Jul
Cape Range	CAG	30 Jul
Connected IO	CIO	19 Jul
Eastern Goldfields	EGS	25 Jul
Indoor Skydive Australia	IDZ	23 Jul
JustKapital Ltd	JKL	19 Jul
Lanka Graphite	LGR	3 Aug
Omni Market Tide	OMT	31 Jul
Queensland Bauxite	QBL	1 Aug
Questus Ltd	QSS	30 Jul
RCR Tomlinson	RCR	1 Aug
Sumatra Copper & Gold	SUM	27 Jul
Syntonic Ltd	SYT	3 Aug
Tikforce Ltd	TKF	24 Jul
Wolf Petroleum	WOF	1 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AFI	Today	14	100	3.80
AYK	Today	29	100	5.38
AYZ	Today	76	100	3.75
FRI	Today	3	100	6.12
OGC	Today	2	0	0.95
MEC	Tomorrow	1	100	0.92
MLT	Tomorrow	10.2	100	3.95
RIO	Tomorrow	170.84	100	5.23
BKI	Fri	3.7	100	4.63
JHG	Fri	36	0	4.53
OCA	Fri	2.03	0	3.51
TCL	Fri	28	8.92	tbc

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.