

Markets

SFE 200 Futures (9.30am AEST)	6604	-30	-0.5
NZX 50	10716	14	0.1
DJIA Futures	27312	3	0.0
S&P 500 Futures	3015	0	0.0
NASDAQ Futures	7957	-3	0.0

Local Markets Commentary

The Australian market commences a new week's trade with a raft of influential China data, some released post-trade Friday and more anticipated today.

Among the new figures, **China's June quarter GDP, plus June industrial production and retail sales, and January – June fixed asset investment** are expected **midday AEST**.

A June home price index is expected 11.30am.

Post-ASX trade Friday, China reported a 1.3% year-on-year fall in June **exports**, after a 1.1% May increase, plus a 7.8% decline in **imports**, following an 8.5% May drop.

The trade surplus rose from **\$US41.66B to \$US50.98B**.

In addition, China's reported 1660B yuan worth of June **new lending**, against 1180B yuan in May.

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

In overnight Friday commodities trade, WTI **crude** settled essentially flat and Brent slightly higher.

US **gold** futures (August) turned to post a moderate gain.

Iron ore (China port, 62% Fe) slipped US7c, remaining above \$US120.0/t.

Meanwhile, China reported a 5.9% year-on-year fall in January – June iron ore imports, the total coming in at 499.09Mt.

LME **copper** and **aluminium** settled slightly higher. **Nickel** rallied.

The **\$A** ultimately headed towards US70.20c after vacillating early Friday evening, approaching US70.10c before pulling back below US69.95c.

Japan's markets are closed today due to a public holiday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27332	244	0.9
S&P 500	3014	14	0.5
NASDAQ	8244	48	0.6
FTSE 100	7506	-4	-0.1
DAX 30	12323	-9	-0.1
Shanghai Comp	2931	13	0.4

China – June Q GDP; June industrial production, retail sales and fixed asset investment – midday AEST

Today's Stock Watch

AMP Ltd (AMP)

The proposed sale of AMP Life to Resolution Life has hit a snag in gaining approval from the Reserve Bank of New Zealand.

AMP says new terms will have to be negotiated and any resulting sale is now 'not certain'.

Elders Ltd (ELD)

Proposing to acquire Australian Independent Rural Retailers (AIRR) in a 50% cash and 50% scrip (\$A79M) arrangement, equivalent to \$A10.85 per AIRR share.

In association, ELD is conducting a \$A97M entitlement offer and \$A40M fully underwritten institutional placement, each at \$5.55 per share. ELD traded at \$6.01 - \$6.34 last week.

Trading halt called.

Integrated Research (IRI)

Anticipating a record \$21.2M - \$22.0M FY 2019 PAT, up 10% - 15%, plus 10% - 12% higher, record revenue tallying \$100.0M - \$101.5M.

Resources

OZ Minerals (OZL) / Investigator Resources (IVR)

OZL is planning to spend up to \$10M on exploration within IVR's Maslins IOCG project over five year, in order to earn up to 70%. Diamond drilling is expected to commence early 2020.

First Graphene (FGR)

FGR has commenced sales shipments of PureGRAPH from Perth, WA to Germany, Ireland and the UK ahead of development programs.

Mt Gibson Iron (MGX)

Produced 2.9Mt of iron ore during FY 2019. Sold 3.2Mt for \$240M FOB revenue.

June quarter sales totalled 600,000t for \$72M revenue.

\$385M cash and liquid investments.

In addition to the Koolan Island high-grade DSO operations and exports, MGX expects to keep shipping low-grade Extension Hill iron through to the December quarter.

Energy

Carnarvon Petroleum (CVN)

WA 437P Roc South-1 log interpretation has concluded no producible hydrocarbons. Dorado-3 is next, within the same permit. Meanwhile Dorado (gross unrisked) 2C resources have been independently assessed at 283MMboe of liquids and gas. CVN 20%.

**Overseas Markets Commentary**

Major European and US equities markets diverged markedly overnight Friday, key US indices opening higher and achieving session-high settlements. European indices chopped and swung across mostly negative trade.

Early Friday evening (AEST), China reported June trade statistics which included a \$US29.92B trade surplus with the US, against \$US26.9B at the end of May.

Among other data releases, the **euro zone's** May industrial production came in better than anticipated, improving 0.9% for the month after a 0.4% April decline.

Year-on-year, output was 0.5% lower.

In the **US**, June producer prices were reported 0.1% higher, as for May, and against 0.2% in April. Forecasters had expected a 0.1% June fall, and the ultimate figure appeared to support the \$US.

Tonight in the US, the New York Fed manufacturing index is due.

Citigroup (pre-US trade), POSCO and Charles Schwab are listed to report earnings tonight.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1412.2	oz	5.5	0.4
Silver (NY) (Sep)	15.236	oz	0.09	0.6
Gold (LON)	1408	oz	-6	-0.4
Platinum	829	oz	7	0.9
WTI Crude (Aug)	60.21	bbl	0.01	0.0
Brent Crude (Sep)	66.72	bbl	0.20	0.3
Iron Ore (CHN port 62%)	120.25	t	-0.07	-0.1
Copper (LME,3mth,PM)	5959	t	11	0.2
Nickel	13500	t	390	3.0
Aluminium	1826	t	4	0.2
Lead	1979	t	11	0.6
Zinc	2437	t	42	1.8
Tin	18200	t	-145	-0.8
CBT Wheat (Jul)	5.23	bshl	0.02	0.3

Commodities Commentary

Oil – a media report asserted Friday that **Iran** was viewing the seizure of a tanker carrying Iranian crude to a Syrian refinery customer as 'a dangerous game'.

Iran's leader has since repeated (late-weekend) that Iran would negotiate with the US if it first lifted sanctions and renewed initial support for the 2015 international nuclear agreement.

For their part, signatories France, Germany and the UK cited concerns at potential consequences from the current tension, when calling yesterday for all participants to 'act responsibly', try to reduce tension and resume meaningful talk.

The **International Energy Agency's** (IEA) monthly report, published overnight Friday, included a prediction of crude oversupply through to at least the end of the March quarter 2020, based on expected US output and 'indications of deteriorating trade and manufacturing activity'.

Pre-Open Announcements**Osprey Medical (* OSP)**

64% June quarter year-on-year increase in DyeVert sales, to 2922 units.

Sales grew 18% from the March quarter.

A teleconference was scheduled to commence 9am AEST.

Telix Pharmaceuticals (* TLX)

Heralding a US FDA meeting ahead of a planned Phase III Zircon clinical trial.

PharmAust Ltd (PAA)

NSW Department of Primary Industry Animal Care & Ethics Committee ethics approval in hand to recommence Phase II clinical trials in dogs, using PAA's reformulated cancer treatment tablet.

Recommencement is anticipated August-September.

Praemium Ltd (PPS)

\$9.53M FUM as at 30 June.

Additional statistics lodged this morning.

MG Unit Trust (MGC)

\$271.933M total cash and, term deposits plus interest, as at 30 June.

WPP AUNZ (* WPP)

Majority WPP AUNZ shareholder WPP Plc is planning to sell 60% of data and analytics business Kantar to Bain Capital Private Equity in a deal valuing Kantar at ~\$US4B.

For its part, WPP AUNZ says discussions with WPP Plc are at an advanced stage for the WPP AUNZ sale of the Australia and New Zealand Kantar business in line with WPP's proposed international deal.

Should discussions result in a final sale, WPP AUNZ anticipates a net \$150M in proceeds.

BWX Ltd (BWV)

BWX (owns several brands including Sukin) has extended a debt facility with lower margins.

The facility was due to expire June 2020 but has been extended by two years.

Resources**Rio Tinto (* RIO) / BHP Billiton (* BHP)**

Due to report for the June quarter tomorrow and Wednesday respectively.

Dacian Gold (* DCN)

Produced 36,658oz of gold during the June quarter, at \$A1519/oz AISC.

Comprehensive June quarter report yet to come.

Silver Lake Resources (* SLR)

Non-executive director Leigh Junk has resigned.



Daily demand for OPEC output during the 2020 March quarter would fall to 28MMbbl, the IEA forecast.

Earlier Friday, **China** reported importing a daily 9.63Mmbbl of crude during June, 1.7% more than in May and against 8.36MMbbl/a year earlier.

For January through June, China's oil imports rose 8.8% to 244.6Mt (~9.87MMbbl/d).

China's June oil products exports rose 13.5% year-on-year, to 5.43Mt. For the six months to 30 June, exports increased 7.3%, to 32.52Mt.

A weekly US petroleum drill rig count from Baker Hughes, also released overnight Friday, included four fewer operational oil rigs. End-of-week traders were also considering the likely impacts of Gulf of Mexico tropical storm Barry, which prompted the shutdown of an estimated ~70% of regional oil production.

The storm crossed the Louisiana coast Saturday and has since weakened. Yesterday, Phillips 66 announced it would resume operations at a 253,600bbl/d Louisiana refinery, located along the Mississippi River, refinery tonight.

Five of seven refineries in south east Louisiana were said to be operating yesterday.

Prices later from today through tonight, could be influenced by a raft of material data out of China.

WTI crude notably settled this past week above \$US60.00/bbl, climbing 4.7% for the week. Brent crude finished the week 3.9% higher.

Gold – prices reportedly fell in the wake of the June US producer prices report, which pushed the \$US lower, but bargain-hunters were the reason gold soon rose again, industry onlookers claimed. China's June imports dropped 7.3% year-on-year.

Base metals – supported in part, overnight Friday, but relative \$US softness and some of China's June trade statistics.

China's June trade figures, published post-ASX trade Friday, included a \$US50.98B trade surplus, against \$US41.66B for May.

Exports fell 1.3% after rising 1.1% in May.

Imports declined 7.3% following an 8.5% May drop.

June new lending totalled 1660B yuan, against 1180B yuan for May.

China is scheduled to report June quarter GDP today, together with June industrial production and retail sales and January – June fixed asset investment. A home price index is also expected.

In industry news, Chile's Codelco announced it had appointed a company engineering employee of 33-years, and current VP, Octavio Araneda as CEO, to take over on the expected retirement this year of the current CEO.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7019	0.0004	0.06
EUR – USD	1.1271	0.0001	0.01

Australian Data Today

CoreLogic	Capital city home prices	12 Jul
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Galaxy Resources (GXY)

Due to report for the June quarter tomorrow.

Energy

Allegiance Coal (* AHQ)

Acquiring New Elk Coal Company Llc for \$US1.

Trading Halts

Company	Code	Resuming
Graphex Mining	GPX	15 Jul
Homestay Care	HSC	15 Jul
Strike Resources	SRK	15 Jul
Black Cat Syndicate	BC8	16 Jul
Titanium Sands	TSL	16 Jul
Elders Ltd	ELD	17 Jul

Suspensions (select)

Company	Code	Since
Cycliq Group	CYQ	9 Jul
Golden Rim Resources	GMR	1 Jul
Mindax Ltd	MDX	26 Jun
Titan Minerals	TTM	28 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PL8	Tomorrow	0.5	100	5.19
MIR	25 Jul	6.5	100	3.92



US Data Tonight

NY Fed (Empire State) manufacturing Jul

Other Overseas Data Today & Tonight

China	GDP	Jun Q
China	Industrial production	Jun
China	Retail sales	Jun
China	Fixed asset investment	Jan - Jun
China	Home price index (11.30am AEST)	Jun

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