

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	6400	-135	<b>-2.1</b>
<b>NZX 50</b>	10678	-172	<b>-1.6</b>
<b>DJIA Futures</b>	25469	14	0.1
<b>S&amp;P 500 Futures</b>	2843	2	0.1
<b>NASDAQ Futures</b>	7489	0	0.0

## Local Markets Commentary

The Australian market opens today's trade with a risk-focused speech from the Reserve Bank of Australia's deputy governor pre-trade, several domestic large-cap companies having reported earnings, ahead of material domestic data late-morning, and following a decisive demonstration of international economic growth fears across major international equities markets overnight. This, ahead of a swag of data releases out of the US tonight.

**Locally today, Reserve Bank of Australia (RBA) deputy governor Guy Debelle was scheduled to speak on Risks to the Outlook at a Risk Australia conference, Sydney, 9am AEST.**

**The Australian Bureau of Statistics is due to release July employment figures, including wages and jobs growth, 11.30am AEST.**

**Meanwhile, GUD trades ex-dividend today. Please see p4 for a detailed list.**

**Regionally, China's July home price index is expected 11.30am AEST.**

**In overnight commodities trade, oil swung lower following four consecutive higher settlements.**

**US gold futures (December) turned higher, closing above \$US1527.5/oz.**

**Iron ore (Nymex CFR China, 62% Fe) gained.**

**LME copper was pushed lower. Nickel achieved a positive close.**

**The \$A approached US67.50c after trading at ~US67.35c early yesterday evening.**

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25479	-800	<b>-3.1</b>
<b>S&amp;P 500</b>	2841	-86	<b>-2.9</b>
<b>NASDAQ</b>	7774	-242	<b>-3.0</b>
<b>FTSE 100</b>	7148	-103	<b>-1.4</b>
<b>DAX 30</b>	11493	-257	<b>-2.2</b>
<b>Shanghai Comp</b>	2809	12	<b>0.4</b>

## Overseas Markets Commentary

Major European and US equities markets descended overnight, sentiment walloped by a series of concerning data, amid several unresolved geopolitical scenarios.

## Australia – July employment statistics – 11.30am AEST

## Today's Stock Watch

### QBE Insurance (QBE)

29% higher, \$US479M interim NPAT. 2% lower, \$US7.23B revenue. A25c, 60%-franked interim dividend.

In addition, QBE has appointed former Willis Towers Watson head of global corporate risk and broking Todd Jones as CEO North America, due to the resignation of Russ Johnston.

Mr Jones will commence with QBE 1 October.

### Telstra Corporation (TLS)

40% lower, \$2.15B full year NPAT. 3.6% lower, \$27.81B income. 5c final and 3c special dividend, each fully franked. 61.7c NTA.

### Treasury Wine Estates (TWE)

16% higher, \$419.5M full year NPAT. 15.5% higher, \$2.88B revenue. 20c fully franked final dividend, up 3c. \$3.54 NTA.

Webcast teleconference commencing 10.30am AEST.

### Sydney Airport (SYD)

14.8% higher, \$199.8M interim NPAT. 3.4% higher, \$797.1M revenue. 19.5c interim distribution, up 1c.

An audio webcast teleconference is scheduled to commence 11am AEST.

### Orora Ltd (ORA)

24% lower, \$A161.2M full year NPAT. 12.1% higher, \$A4.76B revenue. Flat, 6.5c fully franked final dividend.

### Super Retail Group (SUL)

8.6% higher, \$139.3M full year NPAT. 5.4% higher, \$2.71B revenue. 28.5c fully franked final dividend.

### Cleanaway Waste Management (CWY)

19.3% higher, \$123.2M full year NPAT. 33.2% higher, \$2.28B revenue. 1.9c fully franked final dividend. 11.8c NTA.

### Breville Group (BRG)

15.2% higher, \$A67.385M full year NPAT. 17.5% higher, \$759.97M sales revenue.

18.5c, 60%-franked final dividend, up 2c. \$1.437 NTA.

## Resources

### Evolution Mining (EVN)

17% lower, \$218.19M full year NPAT. 2% lower \$1.51B revenue. 6c fully franked final dividend, up 50%. \$1.45 NTA.

## Energy

### Woodside Petroleum (WPL)

23% lower, \$US419.3M interim NPAT. 5% lower, \$US2.26B revenue. US36c interim dividend.

A teleconference was scheduled to commence 9.30am AEST.



Earlier yesterday, China had reported the slowest industrial production growth in 17+ years, later yesterday, Germany's June quarter GDP was revealed to have retreated over the three months, and then the yield for US two-year bonds traded a little (0.001%) above that for 10-year treasuries for the first time since June 2017.

The bond yield inversion was interpreted, as it has been previously, as one indication of a potential looming recession.

In addition, 30-year US bond yields dropped to record lows, as investors headed for low-risk assets.

The US president consequently again lambasted the Federal Reserve, claimed the upper hand in China-US trade negotiations, and again expressed concern at Hong Kong – administrative China relations.

Further dampening mood, US commerce secretary Wilbur Ross could not confirm top-level US and China trade negotiators had set a date for a new telephone conference.

In overnight data releases, a final **euro zone** June quarter GDP reading confirmed 0.2% growth for the three months, following a 0.4% March quarter advance.

Industrial production fell 1.6% during June, against a 0.8% May rise. Year-on-year, June output dropped 2.6%.

**Germany's** initial June quarter GDP reading represented a 0.1% contraction for the three months, following 0.4% March quarter growth.

Year-on-year, June quarter GDP was 0.4% higher.

In the **UK**, July CPI growth was reported as generally expected, remaining flat for the month, but up 2.1% year-on-year.

The figures immediately pushed the British pound ~0.2% higher against the \$US. The pound also ultimately traded ~0.23% higher against the euro.

**US** import and export prices were each reported to have risen 0.2% during July, following respective 1.1% and 0.6% June falls. July import prices were 1.8% lower year-on-year, and export prices down 0.9%.

Weekly mortgage applications jumped 21.7%, as 30-year rates fell to 3.93% from 4.01%.

**Tonight** in the US, July retail sales and industrial production, two regional manufacturing indices, June business inventories, a home builders' housing market sentiment index and weekly new unemployment claims are due.

Elsewhere, UK retail sales are keenly anticipated.

Companies scheduled to report earnings later today and tonight include: Alibaba, Carlsberg, Lenovo, NVIDIA, JC Penney and Walmart.

AngloAmerican, HSBC, Royal Bank of Scotland and Shell are among companies trading ex-dividend on the FTSE 100.

In overnight corporate news, property specialist **WeWork** announced an anticipated IPO, ahead of a possible listing by the end of September.

**Macy's** dropped more than 10% after underwhelming with quarterly profit and updated full-year outlook.

Popular cannabis company **Tilray** was punished ~15% after undershooting quarterly expectations.

**Cisco Systems** reported post-US trade, guidance appearing to disappoint.

## Pre-Open Announcements

### Invocare Ltd (\*\* IVC)

97% higher, \$41.08M interim NPAT. 7.5% higher, \$244.175M revenue. 17.5c fully franked interim dividend. 92c NTA.

### Downer EDI (\* DOW)

\$154.5M, four-year contract extension secured by a DOW consortium with the Australian Department of Defence joint systems division critical systems branch.

### Ausdrill Ltd (\* ASL)

Results anticipated.

Director and Gresham Private Equity-nominee Keith Gordon will resign from the ASL board, effective 1 September.

Update also lodged this morning on the intentions of the holders of 150.67M shares (~22.1% of ASL) due for escrow 29 August.

### Nine Entertainment Group (\* NEC)

CFO Greg Barnes is leaving NEC at the end of the month.

### Elders Ltd (ELD)

Debt facilities refinanced with ANZ, NAB and Rabobank. Details lodged post-trade yesterday.

### MNF Group (MNF)

MNF has appointed David Stewart as an independent non-executive director.

Mr Stewart founded Banksia Technology, which acquired NetComm and was a NetComm Wireless non-executive director until it was acquired by NASDAQ-listed Casa Systems mid-year.

Mr Stewart was the 2016 recipient of the Australian Communications Ambassador award.

## Resources

### Millennium Minerals (\* MOY)

MOY has appointed Warren Hallam as MD and CEO, effective 27 August. Peter Cash is stepping down.

## Energy

### Whitehaven Coal (\*\* WHC)

0.6% higher, \$527.9M full year NPAT. 10% higher, \$2.48B sales revenue. 13c, 50%-franked final dividend (down 1c from a year ago), plus 17c special dividend (up 4c).

\$161.6M net debt.

Resources and reserves also lodged this morning.

### Buru Energy (BRU)

One zone of onshore WA Canning Basin Adoxa 1 has been interpreted to hold the potential to flow oil.

BRU 50%; Roc Oil 50%.

### Liquefied Natural Gas (LNG)

Denver conference presentation lodged post-trade yesterday.

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1527.8</b>	oz	13.7	<b>0.9</b>
<b>Silver (NY)</b> (Sep)	17.28	oz	0.295	<b>1.7</b>
<b>Gold (LON)</b>	1498	oz		
<b>Platinum</b>	842	oz	-10	<b>-1.2</b>
<b>WTI Crude</b> (Sep)	<b>55.23</b>	bbl	-1.87	<b>-3.3</b>
<b>Brent Crude</b> (Oct)	<b>59.48</b>	bbl	-1.82	<b>-3.0</b>
<b>Iron Ore</b> (CHN port 62%)	<b>95.71</b>	t	0.6	<b>0.6</b>
<b>Copper</b> (LME,3mth,PM)	<b>5768</b>	t	-67	<b>-1.2</b>
<b>Nickel</b>	15875	t	45	<b>0.3</b>
<b>Aluminium</b>	1783	t	-4	<b>-0.3</b>
<b>Lead</b>	2044	t	-32	<b>-1.5</b>
<b>Zinc</b>	2269	t	-59	<b>-2.5</b>
<b>Tin</b>	17125	t	25	<b>0.2</b>

**Commodities Commentary**

**Oil** – our data from both sides of the Atlantic, and associated global economic slowdown fears, were mostly held responsible for overnight price falls.

A mixed weekly US petroleum inventories report, published overnight by the EIA, included a second consecutive rise in stored crude (1.58MMbbl) in association with a 475,000bbl/d fall in refinery runs.

Net crude imports declined by 252,000bbl/d and production remained unchanged, at a daily 12.3MMbbl.

Petrol stocks fell 1.41MMbbl, demand coming in at a record 9.93MMbbl/d.

OPEC's monthly report is expected tomorrow night, as is a weekly US petroleum drill rig count.

**Gold** – Comex futures benefited overnight from a decidedly risk-off session.

A swag of data due out of the US tonight could potentially further push investors towards safe-haven assets.

**Base metals** – overnight economic indicators from Germany and the euro zone compounded the effects of weaker-than-anticipated figures out of China, reported earlier yesterday.

**China's** July year-on-year industrial production (+4.8%, from +6.3% in June), January – July fixed assets investment (+5.7%; +5.8%) and July retail sales retail sales (7.6%; 9.8%) adversely impacted early trade sentiment.

January – July foreign direct investment rose 5.8%, following 6% for January – June.

In overnight export news, *copper* was reportedly being shipped from a key Peru port following protective action against community protests.

Meanwhile, China had reportedly issued further quotas for metals imports, including 87,680t of high-grade copper scrap.

A media data-mining survey in the meantime concluded *aluminium* and *crude steel* production had fallen in China during July.

**Reports & Events**

(selected)

When	Company	Report/Event
<b>Today</b>	<b>ASX</b>	Full year
	<b>ASL</b>	Full year
	<b>BKL</b>	Full year
	<b>BRG</b>	Full year
	<b>CWY</b>	Full year
	<b>EVN</b>	Full year
	<b>ILU</b>	Full year
	<b>IVC</b>	Interim
	<b>ORA</b>	Full year
	<b>QBE</b>	Interim
	<b>SEK</b>	Full year
	<b>SUL</b>	Full year
	<b>SYD</b>	Interim
	<b>TLS</b>	Full year
<b>TWE</b>	Full year	
<b>WHC</b>	Full year	
<b>WPL</b>	Interim	
<b>Tomorrow</b>	ANZ	Update
	COH	Full year
	DHG	Full year
	KGN	Full year
	NCM	Full year
	SGR	Full year

**Trading Halts**

Company	Code	Resuming
Calidus Resources	CAI	15 Aug
Global Energy Ventures	GEV	15 Aug
Golden Rim Resources	GMR	15 Aug
Lefroy Exploration	LEX	15 Aug
Sabre Resources	SBR	15 Aug
Alice Queen	AQX	16 Aug
Amani Gold	ANL	16 Aug
Black Rock Mining	BKT	16 Aug
CV Check	CV1	16 Aug
Ora Banda Mining	OBM	16 Aug
OreCorp Ltd	ORR	16 Aug
Powerhouse Ventures	PVL	16 Aug
Schrole Group	SCL	16 Aug

**Suspensions (select)**

Company	Code	Since
Alita Resources	A40	14 Aug

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6753	0.0005	0.07
<b>EUR – USD</b>	1.1143	0.0006	0.05

**Australian Data Today**

ABS	Employment (incl jobs, wages growth)	Jul
MelbInstitute	Consumer inflation expectations	Aug

**US Data Tonight**

NY Fed (Empire State) manufacturing	Aug
Philadelphia Fed manufacturing	Aug
Retail sales	Jul
Industrial production	Jul
Productivity	Jun Q
Business inventories	Jun
NAHB market sentiment	Aug
Initial jobless claims	10 Aug

**Other Overseas Data Today & Tonight**

<b>China</b>	Residential property prices	Jul
<b>Japan</b>	Industrial production (final, 2.30pm AEST)	Jun
<b>UK</b>	Retail sales	Jul

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Athena Resources	AHN	14 Aug
AuStar Gold	AUL	31 Jul
CFOAM Ltd	CFO	6 Aug
Freedom Oil & Gas	FDM	8 Aug
Gooroo Investments	GOO	1 Aug
Mobecom Ltd	MBM	29 Jul
Redbank Copper	RCP	7 Aug
South Pacific Resources	SPB	2 Aug
West Wits Mining	WWI	26 Jul

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>GUD</b>	Today	<b>31</b>	100	5.72
<b>PL8</b>	Today	<b>0.5</b>	100	5.21
ANN	Tomorrow	38.18	0	2.28
DDR	Tomorrow	5	100	3.27
MFG	Tomorrow	111.4	75	2.94
CCP	Mon	36	100	2.93
IAG	Mon	20	70	4.09
LGD	Tue	7	100	4.38
AGL	Wed	64	80	6.19

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