

Markets

SFE 200 Futures (9.30am AEST)	6592	-5	-0.1
NZX 50	10671	4	0.0
DJIA Futures	27353	11	0.0
S&P 500 Futures	3019	1	0.0
NASDAQ Futures	7990	3	0.0

Local Markets Commentary

The Australian market opens today's trade with keen interest in a Reserve Bank of Australia (RBA) report, ahead of a swag of high-profile stocks reporting quarterly earnings in the US tonight, together with several key economic indicator reports and a conference speech by the Federal Reserve chair.

Locally today, the RBA publishes the minutes of its 2 July policy meeting, 11.30am AEST.

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

In overnight commodities trade, **oil** turned lower.

US **gold** futures (August) settled slightly higher.

Iron ore (China port, 62% Fe) swung higher again.

Overnight, the US president was reportedly planning to order a lift (from 50% to 95%) in the domestic iron content for US-manufactured iron and steel products destined for national government contracts.

LME **copper, nickel** and **aluminium** rallied.

The **\$A** appreciated a little after trading at US70.35c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27359	27	0.1
S&P 500	3014	0.5	0.0
NASDAQ	8258	14	0.2
FTSE 100	7532	26	0.3
DAX 30	12387	64	0.5
Shanghai Comp	2942	12	0.4

Australia – RBA July policy meeting minutes – 11.30am AEST

Today's Stock Watch

HUB24 Ltd (HUB)

June quarter net inflows rose 32.4% year-on-year to \$979M. \$12.9B FUM as at 30 June, up 54.3% year-on-year. Additional June quarter statistics lodged this morning.

Navigator Global Investments (NGI)

Updating FY 2019 EBITDA guidance from \$36M to \$37.5M. \$US14.19B AUM as at 30 June against \$US16.72B. Planning to publish full year results 8 August. A teleconference was scheduled to commence 9am AEST.

Resources

Rio Tinto (RIO)

Shipped 24% more WA Pilbara iron ore (85.4Mt) during the June quarter than a year earlier.

For January through June, Pilbara iron ore production and shipments (154.6Mt; 155.7Mt) fell 8% year-on-year.

Iron pellets and concentrate output grew 55% however to 5.0Mt.

Statistics for additional metal operations also lodged this morning, together with a Mongolia Oyu Tolgoi underground project update, including a potential May 2022 – June 2023 sustainable production start.

Galaxy Resources (GXY)

Produced 56,460t of 6.0% Li₂O during the June quarter, at \$US337/t cash cost FOB. Shipped 29,439t. \$US176.3M cash. Nil debt.

Energy

Oil Search (OSH)

OSH has established two discrete business units – one each for PNG operations and Alaska activity – and created a central technology and value assurance group.

In association, former BP operations VP John Kurz has been appointed to the new role of COO for the PNG unit.

In addition, OSH has appointed two executive VPs – Dale Rollins for the PNG unit and Bart Lismont for technology and value assurance.

Mr Rollins and Mr Lismont are each former Shell executives.

Rio Tinto (RIO)

Namibia Rössing uranium mine sale completed to China National Uranium Corporation. Consideration comprises an initial \$US6.5M cash, plus up to \$US100M in spot price- and net income-related contingent payments over seven calendar years.



Overseas Markets Commentary

Some pronounced swings and/or chop featured across most major European and US equities markets overnight, following material data out of China and with US earnings season in focus.

The US banking sector suffered some, following a mixed earnings report from Citigroup ahead of some major stocks reporting tonight.

Earlier yesterday, China reported 6.2% year-on-year June quarter GDP growth, and 6.3% for January – June, following 6.6% for 2018 and 6.4% for the March quarter.

China's June industrial production, retail sales, fixed asset investment and a house price index mostly pleased however, delivering plenty for investors to digest.

Overnight in the **US**, the New York manufacturing index encouraged, estimated at 4.3 against June's -8.6.

Meanwhile in **Turkey**, a new central bank governor indicated reduced rates would be considered if needed.

Tonight in the US, June retail sales, industrial production, import prices, May business inventories and a home builders' sentiment index are due.

Elsewhere, **US Federal Reserve** chair Jerome Powell is scheduled to speak publicly at a conference hosted in Paris by France's central bank.

May trade figures for the euro zone are keenly anticipated.

Companies scheduled to report earnings include: BlackRock, Burberry, CSX, Domino's Pizza, Goldman Sachs, Johnson & Johnson, JPMorgan Chase, Morgan Chase, Rio Tinto, United Airlines, UnitedHealth and Wells Fargo.

In overnight corporate news, **Amazon** commenced 48 hours of Prime Day sales amid industrial action by workers in select order processing centres in Minnesota (US), Germany, Poland and Spain.

Chip manufacturer **Broadcom** was reported to have ended potential takeover talks with cybersecurity specialist **Symantec**.

For its part, **American Airlines** again extended a hold period on **Boeing** 737 MAX orders, this pushing Boeing ~1% lower and **Airbus** ~1.6% higher.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1413.5	oz	1.3	0.1
Silver (NY) (Sep)	15.365	oz	0.129	0.9
Gold (LON)	1408	oz		
Platinum	841	oz	12	1.4
WTI Crude (Aug)	59.58	bbl	-0.63	-1.1
Brent Crude (Sep)	66.48	bbl	-0.24	-0.4
Iron Ore (CHN port 62%)	121.18	t	0.93	0.8
Copper (LME,3mth,PM)	5998	t	43	0.7
Nickel	13665	t	165	1.2
Aluminium	1841	t	15	0.8
Lead	1979	t	0	0.0
Zinc	2440	t	6	0.2
Tin	17945	t	-255	-1.4
CBT Wheat (Jul)	5.09	bshl	-0.14	-2.7

Pre-Open Announcements

ServTech Global Holdings (** SVT)

An augmented reality hardware and software agreement secured with Volvo Car Italy is expected to deliver up to \$A430,000 worth of revenue over two years.

Tinybeans Group (TNY)

12% higher FY 2019 revenue totalling \$3.9M. June quarter operational revenue reached a record \$1.25M, 26% more than for the March quarter.

Elixinol Global (EXL)

EXL has appointed EXL chief commercial and legal officer Stratos Karousos as CEO, taking over from Paul Benhaim who is to become chief innovation officer.

Mr Karousos will rejoin the EXL board and Linda McLeod will step down from her board position. Mr Benhaim will remain an EXL director.

Codan Ltd (* CDA)

CDA revealed post-trade yesterday that the East African government department with which CDA has secured a tactical communications supply contract is a department servicing the Government of the Republic of Kenya.

CropLogic Ltd (CLI)

Oregon, US hemp trial farm planting completed. Planning to eventually plant up to 500 acres with CBD-producing hemp.

Resources

BHP Billiton (* BHP)

Due to report for the June quarter tomorrow.

De Grey Mining (DEG)

Total gold resources updated to 29.65Mt @ 1.8g/t Au, for 1.6797Moz.

The resources have grown 21% in a year for contained gold, and 11% for the gold grade.

Artemis Resources (* ARV)

Planning to pay \$A2.7M in ARV shares, plus performance payments, to acquire Rincon Resources and hence increase the company's holding in the WA Paterson province region.

Bardoc Gold (BDC)

Heralding high-grade intersections from diamond core drilling beyond the current Bardoc gold project Zoroastrian deposit resource.

Expecting to lodge an updated project resource by 31 August.

Mincor Resources (* MCR) / BHP Billiton (BHP)

MCR is heralding progress on an ore tolling and concentrate purchase agreement with BHP's Nickel West.

Meanwhile, the deadline for execution of the offtake agreement has been pushed back to 18 August.

**Commodities Commentary**

Oil – pushed lower overnight following relatively soft China June quarter GDP growth, reported yesterday, and a series of forecasts second-half last week of near-medium term oversupply.

Traders considered these factors as Gulf of Mexico producers commenced restarts following the first tropical storm of the season. Analysts also quoted a technical pull back after prices were deemed to reach resistance levels last week.

In addition to China growth, retail sales, industrial production and other updates, the nation's NBS yesterday estimated national June crude output at 3.92MMbbl/d, up 1% year-on-year, and January – June production up 0.8% at 5.39Mt.

June oil throughput was calculated 7.7% higher year-on-year, at a record 13.07MMbbl/d, mostly due to the commencement of operations at two new large refineries.

In industry news, Callon Petroleum says it was offering stock for Carrizo Oil & Gas, in a bid valuing Carrizo at \$US1.2B (\$US13.12/share). Callon said it also proposed to pay \$US1.7B of Carrizo debt.

Gold – pushed and pulled by overnight by mixed China data, and US earnings season commentary, ahead of a swag of US economic indicators and plenty of public appearances by Federal Reserve officials this week.

Base metals – overnight LME trade moves were mostly attributed to mixed headline data out of China, and analysis of metal-specific output figures as revealed the past few days by the NBS.

China's 6.2% year-on-year June quarter GDP growth, reported yesterday, followed 6.4% year-on-year growth for the March quarter. For the three months, GDP rose 1.6% against 1.4% during the March quarter.

June industrial production grew 6.3% year-on-year (v 5%) and retail sales 9.8% (8.6%). January – June fixed asset investment rose 5.8% against 5.9% during first half 2018. A June home price index rose 10.3% after increasing by 10.7% in May.

Meanwhile, June *aluminium* output was reported by the NBS at 2.97Mt, 1.3% higher than for June 2018 and against 2.98Mt for May 2019.

Overall non-ferrous production was reported 3.4% higher for the month and 5.7% higher year-on-year, at 4.9Mt.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7041	0.0001	0.01
EUR – USD	1.1261	0.0004	0.03

Australian Data Today

RBA	Policy meeting minutes	2 Jul
ANZ/RoyMgn	Consumer sentiment	14 Jul

Trading Halts

Company	Code	Resuming
Black Cat Syndicate	BC8	16 Jul
4DS Memory	4DS	17 Jul
CCP Technologies	CT1	17 Jul
Elders Ltd	ELD	17 Jul
Lindian Resources	LIN	17 Jul
Santana Minerals	SMI	17 Jul
Spectrum Metals	SPX	17 Jul
Telix Pharmaceuticals	TLX	17 Jul
XTEK Ltd	XTE	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	Today	0.5	100	5.06
MIR	25 Jul	6.5	100	3.89



US Data Tonight

Retail sales	Jun
Industrial production	Jun
Import price index	Jun
NAHB housing market index	Jul
Business inventories	May

Other Overseas Data Today & Tonight

UK	Wages growth; ILO unemployment claims	May
Germany	ZEW investor sentiment	Jul
Euro zone	Trade balance	May
Euro zone	ZEW investor sentiment	Jul

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