

Markets

SFE 200 Futures (9.30am AEST)	6351	-23	-0.4
NZX 50	10677	-27	-0.3
DJIA Futures	25636	61	0.2
S&P 500 Futures	2857	9	0.3
NASDAQ Futures	7524	27	0.4

Local Markets Commentary

The Australian market commences Friday trade following vacillating overnight international equities and commodities trade.

Post-ASX trade yesterday, China confirmed it was planning to retaliate should the US introduce additional import taxes come 1 September, but also promoted a return to consensus negotiations.

Locally today, another batch of high-profile stocks reports earnings.

In addition, **ANN**, **DDR** and **MFG** trade **ex-dividend** today. *Please see pp3-4 for a detailed list.*

In overnight commodities trade, **oil** fell for a second consecutive session.

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

Iron ore (Nymex CFR China, 62% Fe) swung lower.

LME **copper** closed slightly down. **Nickel** returned to rally mode.

The **\$A** remained constrained within a relatively narrow range after trading at US67.70c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25579	100	0.4
S&P 500	2848	7	0.3
NASDAQ	7767	-7	-0.1
FTSE 100	7067	-81	-1.1
DAX 30	11413	-80	-0.7
Shanghai Comp	2816	7	0.3

Overseas Markets Commentary

Volatile trade featured across major European and US equities markets overnight.

Late yesterday, Chinese officials had confirmed it would retaliate should the US introduce new tariffs on goods exported from China to the US.

At the same time, Ministry of Foreign Affairs officials expressed some hope.

In the meantime, US Department of Agriculture figures, released overnight, indicated Chinese companies had purchased an additional 10,211t of US pork during 2 - August. 5 August, China's Commerce Ministry stated companies from China were no longer ordering agricultural products from the US.

* Insurance software specialist listing 1pm AEST – FCL *

Today's Stock Watch

Australia & New Zealand Banking Group (ANZ)

Capital and credit report lodged this morning, together with a transcript of comments from Australia head of retail and commercial banking Mark Hand.

Cochlear Ltd (COH)

13% higher, full year \$A276.7M NPAT.

7% higher, \$A1.446B sales revenue.

\$1.75 fully franked final dividend, up 15c.

Anticipating \$290M - \$300M FY 2020 net profit.

AGM scheduled for 22 October.

Telstra Corporation (TLS) / Charter Hall Group (CHC)

TLS is establishing, and selling off part of, an unlisted property trust holding 37 TLS exchange properties. A CHC-led consortium is outlaying \$700M for a 49% share.

Healius Ltd (HLS)

The former Primary Health Care is reporting \$55.9M full year NPAT and 5.9% higher, \$1.805B revenue.

3.4c fully franked final dividend.

Star Entertainment (SGR)

33.7% higher, \$198M full year NPAT.

3.6% higher, \$2.158B revenue. 10c fully franked final dividend.

\$2.05 NTA.

In addition, SGR is restructuring its executive team. In association, CFO Chad Barton is leaving SGR, effective 1 November, and will hand over for SGR CCO Harry Theodore.

Resources

Newcrest Mining (NCM)

178% higher, \$US561M full year NPAT. 5% higher, \$US3.74B revenue. US14.5c fully franked final dividend. \$US9.89 NTA.

\$US395M net debt, down 62% from a year ago.

Yesterday, NCM completed its 70% acquisition of the Red Chris gold-copper operation, Canada.

Energy

Oil Search (OSH)

The PNG government is seeking to renegotiate the terms of the Papua LNG agreement signed by the previous government 19 April. A government-led negotiating team is in Singapore, but will return early next week and report progress to the National Executive Council next week.

The Papua LNG development is a JV between Exxon Mobil, Total and OSH.



This, as the Chicago Fed revealed in a new report that regional agribusinesses struggling to repay debt on a 'major' or 'severe' basis had reached a two-decade peak during the June quarter.

Bond demand remained, US 10-year note yields falling below 1.5% and 30-year yields below 2%.

US sentiment was buoyed in part by some better-than-anticipated reports, including national retail sales figures and select retail company reports.

Among a plethora of mixed overnight **US** data releases, July retail sales were estimated 0.7% higher, following forecasts of a 0.3% rise and after June's 0.3% gain.

Year-on-year, sales were 3.4% in front.

Industrial production pulled back by 0.2% during July however, after improving 0.2% in June.

Manufacturing output declined by 0.4%, against a 0.6% June gain.

July industrial production was 0.5% higher year-on-year.

The New York Fed manufacturing index was also calculated 0.5% higher, at 4.8, but the Philadelphia Fed Manufacturing index dropped to 16.8 from 21.8.

June business inventories were estimated flat after swelling by 0.3% in May.

A home builders' housing market index rose from 65 to 66.

Weekly new unemployment claims rose by 9000.

In the **UK**, July retail sales rose by 0.2% for the month, following a 0.9% June increase.

Year-on-year, sales were 3.3% higher.

The figures defied generally gloomy forecasts, and consequently helped boost the British pound.

Tonight in the US, a preliminary August reading of the University of Michigan consumer sentiment, July building permits and housing starts are due.

Elsewhere, euro zone June trade figures will attract attention.

Deere & Co is among companies scheduled to report earnings tonight. The stock is expected to further reveal the impacts of the China-US trade dispute and this year's flooding on the agricultural sector.

In overnight corporate news, **Alibaba** quarterly revenue surprised on the upside, revenue supported more by cloud and e-commerce business than by online retailing.

US retailer **Walmart** also pleased, with quarterly profit and improved full year profit guidance, and was pushed more than 5% higher.

In addition, **JC Penney's** loss was less than feared.

Nvidia has reported post-US trade and appears to have pleased with profit gains.

Cisco Systems, which had reported post-Wednesday US trade, dropped more than 8% after warning the US-China trade restrictions would damage the company's sales and hence reduce profits.

Meanwhile, Germany's **E.ON** announced it was outlaying \$US500M to build a wind farm in Texas and had already sold rights to 200MW for 12 years.

Pre-Open Announcements

Domain Holdings Australia (** DHG)

\$137.6M full year net loss, following a \$2.75M net loss a year ago.

19.8% higher, \$343.3M revenue.

4c fully franked final dividend.

Baby Bunting (** BBN)

43% higher, \$12.41M full year NPAT.

21% higher, \$368.01M revenue.

5.1c fully franked final dividend, against 2.65c a year ago.

38c NTA.

5.2% comparable store sales growth achieved for FY 2020 to 9 August.

A teleconference was scheduled to commence 9.15am AEST.

Sky TV (** SKT)

Outlaying \$US40M for Dublin-headquartered online rugby live-streaming network RugbyPass.

Consideration comprises \$US10M cash, \$US20M worth of SKT shares and a \$US cash earn-out.

Vonex Ltd (* VN8)

31,000 registered daily active PBX users achieved.

Additional statistics lodged this morning.

Previously-flagged Qantas Business Rewards program underway.

FINEOS Corporation Holdings (* FCL)

Life, accident and health insurance software specialist scheduled to list **1pm** AEST following a \$211M IPO at \$2.50 per CDI. Trading commences on a deferred settlement basis. Normal (T+2) trade is expected to commence 20 August (Tuesday next week). ~264.38M quoted CDIs.

Energy

Sundance Energy (** SEA)

\$US3.8M June quarter net profit.

84% higher (year-on-year), \$US52.9M revenue.

Reports & Events

(selected)

When	Company	Report/Event
Today	ANZ	Update
	ABP	Full year
	COH	Full year
	DHG	Full year
	HLS	Full year
	KGN	Full year
	NCM	Full year
	SIQ	Full year
	SGR	Full year

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1531.2	oz	3.4	0.2
Silver (NY) (Sep)	17.214	oz	0.066	-0.4
Gold (LON)	1515	oz	2	0.2
Platinum	837	oz	-5	-0.6
WTI Crude (Sep)	54.47	bbl	-0.76	-1.4
Brent Crude (Oct)	58.23	bbl	-1.25	-2.1
Iron Ore (CHN port 62%)	93.76	t	-1.95	-2.1
Copper (LME,3mth,PM)	5753	t	-11	-0.2
Nickel	16245	t	400	2.5
Aluminium	1783	t	4	0.2
Lead	2063	t	15	0.7
Zinc	2265	t	-5	-0.2
Tin	17145	t	50	0.3

Commodities Commentary

Oil – overnight, Gibraltar was reported to have agreed to release an Iranian tanker alleged to have been carrying crude to Syria in breach of EU sanctions (against Syria). The tanker was seized by the UK in early July, but the US has been seeking to gain control.

Prices swung on various commentary and data, WTI crude trading intra-session as low as \$US53.77/bbl, and Brent at \$US57.67/bbl.

OPEC's monthly report is keenly anticipated tonight.

A weekly US petroleum drill rig count is also due.

Genscape figures were reported overnight to indicate Cushing, Oklahoma crude stockpiles had fallen ~2MMbbl during the week to Tuesday.

In other overnight news, Venezuelan parliamentarians were proposing to allow state-owned PDVSA to offer some refinery ownership to private companies.

In the US, crude was reportedly flowing for the first time down the new 40,000bbl/d Permian Basin-Gulf Coast pipeline

Gold – prices swung overnight as equities trade reacted to a plethora of mixed economic indicators and China-US trade commentary.

Some volatility is anticipated, but most gold market watchers anticipate further upward support.

Base metals – sentiment appeared impacted overnight similarly to other commodities and equities trade.

China's July house price index, reported yesterday, rose 9.7% year-on-year following a 10.3% June increase.

Japan's June production was finalised at a 3.3% fall for the month, but the decline was 0.3% better than feared. Year-on-year, output fell 3.8%, following forecasts of a 4.1% drop.

In industry news, ArcelorMittal revealed a Krakow, Poland 1.5Mtpa steel facility's blast furnace would be out of operation for up to three days following a facility fire.

Late-Wednesday, the European Commission revealed it planned to reduce steel import quotas from 5% to 3%, effective 1 October.

Mon		
	ALU	Full year
	AUB	Full year
	BSL	Full year
	CLI	AGM
	GWA	Full year
	LLC	Full year
	NHF	Full year
	SGH	Full year
	SWM	Full year
	TRS	Full year
	WGN	Full year (tel 5.30pm AEST)
	WBC	Jun Q

Trading Halts

Company	Code	Resuming
Amani Gold	ANL	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
Beacon Minerals	BCN	19 Aug
Kingston Resources	KSN	19 Aug
MRG Metals	MRQ	19 Aug
Rafaela Resources	RFR	19 Aug
Tempus Resources	TMR	19 Aug

Suspensions (select)

Company	Code	Since
Alita Resources	A40	14 Aug
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 (%)
ANN	Today	38.18	0	2.33
DDR	Today	5	100	3.35
MFG	Today	111.4	75	1.44
CCP	Mon	36	100	2.99
IAG	Mon	20	70	4.07

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.6774	-0.0003	-0.04
EUR – USD	1.1111	0.0000	0.00

US Data Tonight

Uni of Michigan consumer sentiment (prelim)	Aug
Housing starts	Jul
Building permits	Jul

Other Overseas Data Today & Tonight

Euro zone	Trade balance	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

CPU	Tue	23	30	2.92
HT1	Tue	4	100	4.00
LGD	Tue	7	100	4.32
AGL	Wed	64	80	6.28
TAH	Wed	11	100	4.72
JBH	Thu	51	100	4.42
KOV	Thu	13	100	4.57
ARG	Fri (23 Aug)	17	100	3.89
CRN	Fri (23 Aug)	11.51	100	7.96

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This market opener and its contents always 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.