

Markets

SFE 200 Futures (9.30am AEST)	6253	17	0.3
NZX 50	9148	-15	-0.2
DJIA Futures	25742	25	0.1
S&P 500 Futures	2863	2	0.1
NASDAQ Futures	7439	6	0.1

Local Markets Commentary

The Australian market opens today's trade with no hiatus expected in national domestic leadership battles, ongoing international trade tensions, mixed overnight international equities and commodities trade leads, another swag of high-profile domestic stocks reporting earnings, and several trading ex-dividend.

Regionally, **China** is due to raise import taxes on \$US16B worth of US goods, as representatives continue two days of trade talks in Washington. The US is scheduled to do the same with goods from China.

Japan's initial August manufacturing PMI is expected **10.30am** AEST.

In addition, **locally** today, Reserve Bank of Australia (**RBA**) assistant governor (business services) Lindsay Boulton is scheduled to speak on *The Reserve Bank's Government Banking Business* at **1.45pm** AEST.

Large-cap domestic stocks trading ex-dividend today include **JBH**, **QBE** and **WPL**. Details can be found on pp4-5.

In overnight commodities trade, **oil** rallied.

US gold futures settled slightly higher.

LME copper retreated some, **nickel** slipped, and **aluminium** turned higher.

The **\$A** was pushed ~US0.10c higher, after dropping beneath US73.40c early yesterday evening, but has been heading lower again this morning.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25734	-89	-0.3
S&P 500	2862	-1	-0.0
NASDAQ	7889	30	0.4
FTSE 100	7574	9	0.1
DAX 30	12386	1	0.0
Shanghai Comp	2715	-19	-0.7

Overseas Markets Commentary

Choppy, swinging trade featured across most major European and US equities markets overnight, the NASDAQ retrieving the greatest ultimate composure, followed by the FTSE 100.

The euro traded at almost two-week highs, the \$US index swung before touching three-week lows, and 10-year German sovereign bond yields fell to a record low (~0.33%).

US Federal Reserve policy meeting minutes indicated expectations that wages could soon trend

RBA - assistant governor (business services) Lindsay Boulton is scheduled to speak on *The Reserve Bank's Government Banking Business* at a Business Banking Summit, **12.45pm** AEST, Sydney

Today's Stock Watch

Qantas Airways (QAN)

15.0% higher, \$980M full year NPAT. 6.2% higher, \$17.06B revenue. 10c fully franked final dividend, against 3c, unfranked a year ago. \$2.23 NTA.

Flight Centre (FLT)

13.9% higher, \$262.93M full year NPAT. 6.5% higher, \$2.95B revenue. \$1.07 fully franked final dividend. \$9.32 NTA.

Qube Holdings (QUB)

158% higher, \$199.3M full year NPAT. 17% higher, \$1.77B revenue. 2.8c fully franked final dividend, plus a 2c special dividend. \$1.19 NTA.

Webjet Ltd (WEB)

21% lower, \$41.47M full year NPAT. 277% higher, \$751.78M revenue.

IRESS Ltd (IRE)

8.5% higher, \$32.03M interim NPAT. 8.4% higher, \$229.67M revenue. Flat, 16c, 60%-franked interim dividend.

Quickstep Holdings (QHL)

Five-year aircraft component parts supply contract extension MoU secured with Lockheed Martin.

Resources

Newcrest Mining (NCM)

34% lower, \$US202M full year NPAT. 2% higher, \$US3.56B revenue. US11c fully franked final dividend, against US7.5c, 70%-franked a year ago. \$US9.66 NTA.

\$US188M WA Telfer project impairment.

NSW Cadia project expansion pre-feasibility outcomes also lodged post-trade yesterday. Feasibility is expected to be completed during 1H FY 2020.

South32 Ltd (S32)

8% higher, \$US1.33B full year NPAT. 9% higher, \$US7.55B revenue. US6.2c fully franked final dividend. \$US2.05 NTA.

Northern Star Resources (NST)

10% lower, \$194.11M full year NPAT. 11% higher, \$964.025M revenue. 5c fully franked final dividend, up 0.5c (11%). \$1.31 NTA.

Energy

Santos Ltd (STO) / Wesfarmers Ltd (WES)

STO \$US104M interim NPAT, following a \$US506M net loss a year ago. 16% higher, \$US1.68B revenue. US3.5c fully franked interim dividend.

In addition, STO is purchasing WES's 13.2% indirect holding in Quadrant Energy Holdings, pending Australian Competition & Consumer (ACCC) approval, for \$US2.15B.

STO says it will fund the acquisition with existing cash and new debt. The Quadrant interest is expected to boost STO 2P reserves by 26% (220MMboe), and annual production by 32% (19MMboe).

WES is anticipating a net \$US170M from the sale and a pre-tax profit of \$US98M.

higher, but also unanimous fear that trade argy-bargy could damage US economic progress.

Companies could need fewer employees and consumers could face notable price increases.

However, should data support a strong outlook, it appeared most FOMC members were supportive of another rate rise this year, in order to prevent an inflation breakout.

In addition, the minutes suggested bond purchases could be revisited during the northern hemisphere autumn.

Among new data releases, **US** July existing home sales fell further, this time by 0.7% for the month and 1.5% year-on-year, mostly due to fewer homes available and associated higher prices. This, even though forecasters had predicted a rise in sales.

Tonight in the US, weekly new unemployment claims are due, together with July new home sales, a June house price index, a regional manufacturing index and Markit's initial August PMI estimates.

The annual global central bankers' conference officially commences in Jackson Hole, Wyoming.

Elsewhere, the **European Central Bank** publishes the minutes of its July policy meeting.

Companies scheduled to report earnings tonight include Alibaba, Asda, Dollar Tree, Gap, HP Inc, John Laing Group, Premier Oil, Quantum Corp and WH Ireland.

Prudential and the Royal Bank of Scotland are among stocks trading ex-dividend on the FTSE 100.

In overnight corporate news, video game producer **Zynga** was propelled 8% higher on agreement with Walt Disney for the development of a mobile *Star Wars* game.

US retailer **Target** appreciated 3% on improved guidance and quarterly figures which exceeded expectations.

Home improver **Lowe's** rose 6%, even though same-store sales undershot forecasts. The company venture 3% same-store sales full year growth.

Meanwhile, **Credit Suisse** revealed it had attempted during the June quarter to avoid falling foul of US sanctions against Russia, by freezing ~5B swiss francs worth of assets linked to Russia.

Numerous markets are closed throughout the Middle East, due to Eid observance.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1202	oz	2	0.2
Silver (NY) (Sep)	14.8	oz	-0.04	-0.3
Gold (LON)	1191	oz		
Platinum	793	oz	-1	-0.1
WTI Crude (Oct)	67.9	bbl	2.0	3.1
Brent Crude (Oct)	74.8	bbl	2.2	3.0
Iron Ore (CHN port 62%)	67.95	t		
Copper (LME, 3mth, PM)	6005	t	-40	-0.7
Nickel	13525	t	-35	-0.3
Aluminium	2065	t	10	0.5
Lead	2013	t	5	0.2
Zinc	2467	t	41	1.7
Tin	19370	t	325	1.7
CBT Wheat (Sep)	5.48	bshl	-0.03	-0.1

Commodities Commentary

Pre-Open Announcements

Air New Zealand (** AIZ)

2.1% higher, \$NZ390M full year NPAT. 7.4% higher, record \$NZ5.5B operating revenue. NZ11c fully franked final dividend.

Auckland International Airport (* AIA)

95.3% higher, \$NZ650.1M full year NPAT. 8.7% higher, \$NZ683.9M revenue. NZ11c, ~NZ4.28c-franked final dividend. \$NZ4.73 NTA. July traffic statistics also lodged this morning.

NRW Holdings (** NWH)

\$42.17M full year NPAT, against \$28.53M a year ago. \$685.43M revenue, following \$344.56M. \$58.85M cash and equivalents.

Isentia Group (** ISD)

\$1.285M full year NPAT, against a \$13.52M net loss a year ago. 11.6% lower, \$137.14M revenue. Nil final dividend, against 3.08c, 50%-franked a year ago, and a 0.647c fully-franked interim dividend.

IDP Education (** IEL)

24.12% higher, \$51.52M full year NPAT. 23.58% higher, \$487.16M revenue. 6.5c, 3.9c-franked final dividend, against 5.5c, 3.03c-franked a year ago. 40.46c NTA.

Smartgroup Corporation (** SIQ)

76% higher, \$29.17M interim NPAT. 25% higher, \$122.76M revenue. 20.5c fully franked interim dividend, up 24% (4c). \$44.81M cash and equivalents.

Collection House (** CLH)

50% higher, \$26.12M full year NPAT. 8% higher, \$143.86M revenue. \$1.2589 NTA.

Finbar Group (** FRI)

171.83% higher, \$13.76M full year NPAT. 21.85% higher, \$150.74M revenue. Flat, 3c final dividend. \$57.75M cash.

BWX Ltd (BWX)

Planning to lodge full year results 29 August (Wednesday next week) and to subsequently host a teleconference commencing 9am AEST.

Access details lodged post-trade yesterday.

Resources

Iluka Resources (** ILU)

CFO and strategy and planning head Doug Warden has resigned, in favour of a CFO appointment with CBH Group.

ILU GM finance, investor relations and corporate affairs Adele Stratton has been appointed CFO.

Mr Warden has been with ILU for 13 years.

BCI Minerals (* BCI)

Proposing to sell iron ore assets, in favour of salt and potash projects.

Poseidon Nickel (* POS)

POS has granted diligence access to Black Mountain Metals which last week presented POS with a confidential proposal which it has now withdrawn.

POS intends to continue with a planned capital raising and is also keeping talks open with Black Mountain Metals.

Kidman Resources (KDR)

Thomas Wilcox has been appointed KDR company secretary.

In association, KDR joint company secretaries Melanie Leydin and Justin Mouchacca have resigned.

Oil – A weekly US petroleum inventories report, published overnight by government agency IEA, calculated a 5.8Mmmbbl net draw on crude stocks, almost four times the amount forecast.

Net imports fell by a daily 1.1MMbbl.

In the meantime, Kuwait's oil minister Bakhit al-Rashidi said he expected an official output monitoring process would be set up an agreement monitoring committee which was scheduled to next meet in September, in Algeria.

Gold – US Federal Reserve policy meeting minutes, published overnight, revealed growing concern at the positive adverse consequences for the US economy from ongoing international trade disagreements.

Some overnight gains were attributed to US political angst.

Base metals – increased import taxes on goods from US and China into each nation are scheduled to commence today.

Yesterday, China's central bank assured it would support businesses seeking finance, but said it did not intend to introduce major stimulus measures.

PMIs due for the euro zone and US later today and tonight, and out of Japan today, could influence at least some of tonight's trade.

Overnight, the \$US was a little higher in early LME trade, but was later pushed lower again.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7345	-0.0007	-0.10
EUR – USD	1.1591	-0.0006	-0.06

US Data Tonight

Markit PMIs (init)	Aug
New home sales	Jul
FHFA house prices	Jun
Initial jobless claims	18 Aug

Other Overseas Data Today & Tonight

Japan	Manufacturing PMI (init)	Aug
UK	CBI distributive trades	Aug
Germany	PMIs (init)	Aug
Euro zone	ECB policy meeting minutes	26 Jul
Euro zone	PMIs (init)	Aug
Euro zone	Consumer confidence (init)	Aug

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au.

Kingwest Resources (* KWR)

Scheduled to list midday AEST tomorrow following a \$5M IPO at 20c per share.

31.455M quoted securities.

Orocobre Ltd (ORE)

Planning to lodge full year results 28 August (Tuesday next week) and to subsequently host a live audio webcast commencing 11.30am AEST.

Access details lodged post-trade yesterday.

Independence Group (IGO)

Planning to lodge full year results 29 August (Wednesday next week) and to subsequently host a live webcast commencing 10am AEST. Access details lodged post-trade yesterday.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AWC	Interim
	AIZ	Full year
	APO	Interim
	AIA	Full year; Jul
	BLY	Interim
	CLH	Full year
	EVT	Full year
	FPH	AGM
	FLT	Full year
	IDX	Full year
	IRE	Interim
	ISD	Full year
	NEC	Full year
	NST	Full year
	NZM	Interim
	QAN	Full year
	QUB	Full year
	RCR	Full year
	STO	Interim
	SIQ	Interim
S32	Full year	
SXL	Full year	
SGP	Full year	
VRL	Full year	
WEB	Full year	
Tomorrow	AHG	Full year
	BXB	Full year
	CGC	Full year
	MAH	Full year
	MYX	Full year
	MPL	Full year
	MYO	Interim
	SGM	Full year
	SKT	Full year
	SDF	Full year
SGR	Full year	
TGR	Full year	
Mon	CNU	Full year
	IFN	Full year
	JHC	Full year
	MHJ	Full year
	SHV	Full year



	SKI	Interim
Tue	APX	Interim
	BKL	Full year
	CTX	Interim
	ORE	Full year
	SHV	Teleconf
	SFH	Full year
	SDA	Interim
Wed	AGI	Full year
	BGA	Full year
	BAL	Full year
	BLD	Full year
	BWX	Full year
	DCG	Full year
	IGO	Full year
	MTS	AGM
	SRX	Full year
	VAH	Full year

Trading Halts

Company	Code	Resuming
Bingo Industries	BIN	23 Aug
Black Rock Mining	BKT	23 Aug
CSG Ltd	CSV	23 Aug
Envirosuite Ltd	EVS	23 Aug
Marindi Metals	MZN	23 Aug
Peninsula Mines	PSM	23 Aug
SportsHero Ltd	SHO	23 Aug
Thor Mining	THR	23 Aug
Altech Chemicals	ATC	24 Aug
Investa Office Fund	IOF	24 Aug
National Storage REIT	NSR	24 Aug
Pental Ltd	PTL	24 Aug
Superior Lake Resources	SUP	24 Aug

Suspensions *(select)*

Company	Code	Since
Admedus Ltd	AHZ	6 Aug
Challenger Energy	CEL	7 Aug
Benjamin Hornigold	BHD	30 Jul
Cape Range	CAG	30 Jul
Lanka Graphite	LGR	3 Aug
Poseidon Nickel	POS	22 Aug
Queensland Bauxite	QBL	1 Aug
RCR Tomlinson	RCR	1 Aug
Roto-Gro International	RGI	22 Aug
Sihayo Gold	SIH	20 Aug
Surefire Resources	SRN	21 Aug
The BetMakers Holdings	TBH	22 Aug
Wolf Petroleum	WOF	1 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
BBN	Today	2.5	100	2.19
CAA	Today	0.5	100	8.06
CGL	Today	9	100	1.88
JBH	Today	46	100	5.08
KGN	Today	6.1	100	2.02

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KOV	Today	7	100	4.72
MYS	Today	14.5	100	5.98
OML	Today	3.5	100	2.87
QBE	Today	22	30	2.40
WPL	Today	53	100	3.71
ANN	Tomorrow	25	0	1.96
ARG	Tomorrow	16	100	3.80
BIN	Tomorrow	2	100	1.30
CL1	Tomorrow	2.5	100	2.33
EAX	Tomorrow	4	100	4.79
INA	Tomorrow	5.65	0	3.47
PAI	Tomorrow	6	100	7.84
PMC	Tomorrow	6	100	5.25
AZJ	Mon	13.1	60	6.15
GWA	Mon	9.5	100	5.14
GXL	Mon	5.5	100	3.87
HIT	Mon	4	100	7.11
PRY	Mon	5.5	100	3.71
SHM	Mon	4	100	9.87
SNZ	Mon	4.61	0	1.50