

Markets

SFE 200 Futures (9.30am AEST)	6719	-34	-0.5
NZX 50	10841	-57	-0.5
DJIA Futures	27114	18	0.1
S&P 500 Futures	3008	2	0.1
NASDAQ Futures	7991	9	0.1

Local Markets Commentary

The Australian market opens Friday trade amid simmering regional tensions, following generally negative overnight international equities sentiment, a dour assessment of euro zone economic growth prospects, and some positive key US data in hand, ahead of a US GDP reading tonight.

In addition, post-US trade, the US House of Representatives has approved a debt ceiling and budget deal agreed late-Monday between the US administration and leaders of each house.

Since then, North Korea has also confirmed that yesterday's launch of a new guided missile was in part in protest at South Korea's weapons imports and joint military exercises with the US.

Locally today the Reserve Bank of Australia (RBA) releases its Low Wages Growth conference papers and discussion summaries, 3pm AEST.

Regionally, China's June industrial profits are due for release tomorrow.

In overnight commodities trade, **oil** turned modestly higher.

US gold futures (August) swung lower.

Iron ore (China port, 62% Fe) again edged slightly lower, approaching \$US120.00/t.

LME **copper** was pushed a little lower. **Nickel** dropped after rallying Wednesday.

The **\$A** fell towards US69.50c after trading at US69.65c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27141	-129	-0.5
S&P 500	3004	-16	-0.5
NASDAQ	8239	-83	-1.0
FTSE 100	7489	-12	-0.2
DAX 30	12362	-161	-1.3
Shanghai Comp	2937	14	0.5

Overseas Markets Commentary

Sapped sentiment influenced most overnight major European and US equities markets, some of this due to corporate earnings reports from both late-Wednesday and pre-trade.

In geopolitical news, China confirmed **US-China** in-person high-level trade talks in Shanghai from Tuesday next week.

Today's Stock Watch

GUD Holdings (GUD)

41.5% drop in full year NPAT to \$59.56M.

9% higher, \$434.08M revenue.

31c fully franked final dividend, up 3c.

\$132.72M net debt, from \$92.4M.

Positive medium-long term outlook. Anticipating further revenue growth in FY 2020.

Audio webcast of an analyst and broker briefing scheduled to commence 11am AEST.

Access details and briefing presentation lodged this morning.

ResMed Inc (RMD)

28% higher, \$US404.6M full year profit.

11% higher, \$2.6B revenue.

June quarter revenue totalled \$US704.96M, against \$US623.63M for the June quarter 2018.

Resources

OceanaGold Corporation (OGC)

Appealing a Nueva Vizcaya provincial court decision to deny an injunction on the restraint of Didipio gold and copper project operations, Philippines.

OGC will appeal to the Philippine Court of Appeals, Manila.

Post-trade yesterday, OGC reported \$US27.7M 1H calendar 2019 NPAT. \$US365.5M revenue. \$135.1M EBITDA.

Produced 254,972oz of gold and 7871t of copper January – June, at a \$1073/oz AISC.

Sold 246,753oz of gold and 6921t of copper.

Comprehensive June quarter statistics also lodged post-trade yesterday. \$84.7M cash.

OGC has traded lower the past three trading sessions.

Mineral Resources (MIN)

Produced 2.53Mt of iron ore and shipped 3.29Mt during the June quarter, shipping against 3.31Mt in the March quarter, and 49% more than for the June quarter 2018.

Produced 90,000t of Mt Marion lithium project spodumene concentrate, against 107,000t during the March quarter.

Shipped 81,000t, against 111,000t.

Aeon Metals (AML)

Heralding Queensland Walford Creek copper-cobalt Vardy infill resource drilling results.

High-grade intersections lodged this morning.

Energy

Origin Energy (ORG)

Planning to redeem €1B worth of Luxembourg Stock Exchange-listed securities 16 September.



In the meantime, **North Korea** tested a new guided missile.

The **European Central Bank** (ECB) post-policy meeting statement indicated a possible rate cut in September, this immediately pushing the euro lower.

Further, during the post-policy press conference, president Mario Draghi did not shy away from suggestions new stimulus was likely, including the reintroduction of asset buying.

Mr Draghi described the economic outlook for the euro zone as becoming 'worse and worse', after the official statement predicted rates through to mid-2020 would not exceed present levels.

These comments came as speculation continued to foam regarding the US Federal Reserve's policy meeting next week.

In the **UK**, the new PM emphasised his determination that the UK separate from European Union (EU) by the 31 October scheduled deadline.

An IFO business climate index for **Germany** was estimated at 95.7, against 97.4 in June.

Among **US** data releases, June durable goods orders surprised on the upside, improving by 2% for the month, following a 2.3% May drop, and forecasts of a 0.7% bounce.

A Kansas Fed manufacturing index tumbled to -6 from -3.

Weekly new unemployment claims fell by 10,000, against expectations of an ~4000 increase.

Post-overnight US trade, the US House of Representatives approved (284 – 149) a two-year debt ceiling and budget funding plan agreed between US administrative officials and the two key parliamentary leaders.

Meanwhile, **Turkey's** central bank had lowered its key lending rate by 4.25 per cent, to 19.75%. This followed the previous central bank head's departure for not following the president's rate cut orders.

Tonight in the US, an initial estimate of June quarter GDP growth is expected to draw plenty of commentary ahead of next week's Federal Reserve policy meeting.

Companies scheduled to report earnings later today and tonight include: Audi, Colgate-Palmolive, Daewoo Engineering & Construction, ENI, Goodyear, McDonald's, Nestlé, Phillips 66, Renault, Ssangyong Motor and Twitter. Vodafone is expected to provide an update.

In overnight corporate news, **Apple** revealed it was planning to buy most of **Intel's** modem business, raising speculation about alliances with **Qualcomm** and **Global Unichip** (supported by Apple supplier **Taiwan Semiconductor**), and also possible deals with 5G patent holders **Ericsson**, **Huawei**, **Nokia**.

Bristol-Myers Squibb provided some earnings season encouragement with both quarterly profit and full-year guidance. Traders in turn pushed the stock 5% higher.

Facebook, **Ford** and **Tesla** had reported post-Wednesday US settlement and led early falls after undershooting expectations and/or providing weaker-than-hoped for outlooks.

Several new results are likely to influence tonight's early trade, including **Alphabet**, **Amazon** and **Intel** which feature among stocks having reported post-US settlement.

Pre-Open Announcements

Micro-X Ltd (* MX1)

The Federal Court has approved MX1 plans to rectify an administrative oversight in association with the issue of MX1 shares in June and July.

Details lodged this morning.

MX1 is resuming from trading halt, having last traded at 32.5c.

Resources

Black Rock Mining (BKT)

Resuming from a trading halt with the results of a second Tanzania Mahenge graphite project DFS, extended from the initial DFS (released October 2018), to include a fourth production module in response to requests from customers for a quicker than initially planned ramp.

The targeted steady state annual production has been increased by 90,000t to 340,000t.

Total project capex has come in at \$US337.4M, from \$US268.7M. The expected post-tax IRR is 44.8%.

BKT last traded at 8.4c.

Tanami Gold (TAM)

\$28.35M cash as at 30 June.

Holding 500,000 Northern Star Resources (ASX: NST) shares.

Energy

Buru Energy (* BRU)

BRU's WA onshore Canning Basin Ungani oil field (L20, L21) JV produced 88,000bbl of oil (gross) during the June quarter, and sold 74,000bbl, 50% of these totals attributable to operator BRU. Attributable revenue totalled \$US2.46M.

\$58.8M cash.

Reports & Events

(selected)

When	Company	Report/Event
Today	GUD	Full year
	RMD	Jun Q
Tue	AQG	Jun Q (post-ASX trade)
	NST	Jun Q
Wed	GMA	Interim
	IGO	Jun Q
Thu (1 Aug)	CSC	Jun Q

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1414.7	oz	-8.9	-0.6
Silver (NY) (Sep)	16.411	oz	-0.215	-1.3
Gold (LON)	1427	oz		
Platinum	866	oz	-10	-1.2
WTI Crude (Sep)	56.02	bbl	0.14	0.3
Brent Crude (Sep)	63.39	bbl	0.21	0.3
Iron Ore (CHN port 62%)	120.09	t	-0.16	-0.1
Copper (LME,3mth,PM)	5982	t	-19	-0.3
Nickel	14010	t	-535	-3.7
Aluminium	1826	t	0.5	0.0
Lead	2097	t	21	1.0
Zinc	2426	t	-28	-1.2
Tin	17790	t	-135	-0.8
CBT Wheat (Jul)	5.00	bshl	0.02	0.5

Commodities Commentary

Oil – overnight prices again reached intra-session peaks notably beyond settlement figures, WTI crude trading as high as \$US64.23/bbl and Brent at \$US56.99/bbl.

Reports abounded on geopolitical and production issues.

China offered that top-level **US-China** trade negotiators would meet in Shanghai for two days from Tuesday next week.

The UK government confirmed a warship was on its way to travel with other UK vessels through the **Strait of Hormuz**, and that officials from the UK, US and other nations were meeting on the US east coast Thursday to discuss safe Gulf of Iran passage.

In addition, Saudi Arabia was reported to be talking production levels with select **OPEC** colleagues.

A weekly US petroleum drill rig count is due tonight.

Gold – Comex gold futures were pushed to as high as \$US1434.1/oz, but prices retreated following the **European Central Bank (ECB)** policy meeting and subsequent policy statement release.

The ECB indicated stimulus was needed but did retained status quo.

Comex silver futures also swung lower overnight.

Base metals – the previous session's PMI releases, plus the European Central Bank's dour comments regarding regional economic growth prospects, influenced at least some overnight LME trade.

In metal-specific news, a Henan province, China *lead* smelter was reportedly due to recommence operations today following maintenance, and amid concerns at relatively low LME stockpile levels.

Among the forecasters, Poland's KGHM predicted ~\$US6000/t *copper* prices for late-2019.

Meanwhile, research firm Antaika revealed it expected China's planned 1.5Mt reduction in alumina refinery capacity to produce a bottom for *aluminium* prices.

China's June industrial profits are scheduled for release over the weekend.

Trading Halts

Company	Code	Resuming
Kalium Lakes	KLL	26 Jul
Oventus Medical	OVN	26 Jul
Alt Resources	ARS	29 Jul
Classic Minerals	CLZ	29 Jul
GBST Holdings	GBT	29 Jul
Kingwest Resources	KWR	29 Jul
Moreton Resources	MRV	29 Jul
Respiri Ltd	RSH	29 Jul
Variscan Mines	VAR	29 Jul

Suspensions (select)

Company	Code	Since
Golden Rim Resources	GMR	1 Jul
High Grade Metals	HGM	18 Jul
Jiajiafu Modern Agriculture	JJF	22 Jul
Keybridge Capital	KBC	16 Jul
Marenica Energy	MEY	25 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GCI	Tue	0.84	0	4.66
MXT	Wed	0.77	0	5.59
AMH	Thu (1 Aug)	3.5	100	6.79
DJW	5 Aug	10	100	5.51
WQG	5 Aug	2	0	0.00
AFI	6 Aug	14	100	3.77
MLT	8 Aug	10.4	100	3.98



Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6952	-0.0002	-0.03
EUR – USD	1.1147	0.0000	0.00

Australian Data Today

RBA	Low wage growth conf papers; discussn summaries	Jul
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US Data Tonight

GDP (initial)	Jun Q
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Other Overseas Data Today & Tonight

Germany	Import prices	Jun
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