

Markets

SFE 200 Futures (9.30am AEST)	6270	-6	-0.1
NZX 50	9270	56	0.6
DJIA Futures	26107	22	0.1
S&P 500 Futures	2902	2	0.1
NASDAQ Futures	7586	8	0.1

Local Markets Commentary

The Australian market commences mid-week trade amid a swag of domestic corporate earnings reports and high-cap stocks trading ex-dividend, and on lacklustre overnight international equities and mixed commodities trade leads.

In overnight commodities trade, **oil** and US **gold** futures turned lower.

Iron ore (China port, 62% Fe) turned slightly higher.

LME **copper** headed higher in initial trade for the week, **nickel** and **aluminium** likewise, but more in rally mode.

The **\$A** covered little ground after trading at ~US73.40c early yesterday evening.

Locally today, July new home sales are expected.

Large-cap stocks trading ex-dividend today include: **DOW**, **SGR**, **SUL** and **TLS**. Details can be found on pp4-5.

Regionally today, **Bank of Japan** governor Haruhiko Kuroda is due to speak publicly 11.30am AEST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26064	14	0.1
S&P 500	2898	0.8	0.0
NASDAQ	8030	12	0.2
FTSE 100	7617	40	0.5
DAX 30	12527	-11	-0.1
Shanghai Comp	2778	-3	-0.1

Overseas Markets Commentary

Choppy trade featured across major European and US equities markets, most key indices struggling to maintain opening gains. The FTSE proved the exception, opening much stronger, in catch-up mode from a Monday public holiday weekend.

Even so, the British pound traded at one-year lows against the euro, due to concerns no definitive deals would be effected as the UK separated from the European Union (EU).

European Central Bank (ECB) chief economist Peter Praet assured the monetary policy support offered over recent years by the bank would continue to be closely monitored, due a cocktail of its success, the bank's plan to end bond purchases by year's end, and also signs of a weakening of the pace of regional growth and associated lending demand.

In **US** data releases, the July goods trade deficit swelled 6.3% to \$US72.20B from \$US67.92B,

* Resources sector listing **midday** AEST – **BDG** *

Today's Stock Watch

Suncorp Group (SUN)

Proposing to conduct an \$A unsecured notes issue, in support of Tier 2 capital.

Virgin Australia Holdings (VAH)

\$681.0M full year net loss, following a \$220.3M net loss a year ago. 7.4% higher, \$5.42B revenue. 6c NTA, against 5c. \$1.42B cash and equivalents.

Boral Ltd (BLD)

48.5% higher, \$441.0M full year NPAT. 33.7% higher, \$5.87B revenue. 14c, 50%-franked final dividend, against 12c, 50% franked a year ago.

Bega Cheese (BGA)

79% drop in full year NPAT to \$28.77M. 17% higher, record \$1.44B revenue. Flat, 5.5c fully franked final dividend. \$1.192 NTA, against \$3.134.

Bellamy's Ltd (BAL)

\$43.27M full year NPAT, following an \$809,000 net loss a year ago. 37% higher, \$328.70M revenue. \$1.476 NTA, against 89.8c.

Appreciated 8% yesterday, settling at \$11.13.

BWX Ltd (BWV)

42.9% higher, \$19.22M full year NPAT. 104.6% higher, \$148.71M revenue. Flat, 4.2c fully franked final dividend.

Cabcharge Australia (CAB)

\$1.86M full year net loss, following a \$13.70M net profit a year ago. 22.1% higher, \$185.54M revenue. 4c fully franked final dividend, against 10c. 86c NTA.

Aveo Group (AOG)

Strategic review underway, under Merrill Lynch. Update promised at the 14 November AGM.

Speedcast International (SDA) / RCR Tomlinson (RCR)

Morgans has removed SDA from its add list, in favour of hold advice.

In addition, Morgans has re-rated RCR as neutral, from overweight.

Blackmores Ltd (BKL)

Credit Suisse has re-rated BKL as underperform, from neutral. JPMorgan has reassessed BKL as neutral, from overweight.

Metcash Ltd (MTS)

AGM today.

Resources

Independence Group (IGO)

209.7% higher, \$52.69M full year NPAT. 64.8% higher, \$777.95M revenue. 2c fully franked final dividend. \$3.03 NTA, against \$2.85.

Regis Resources (RRL)

JPMorgan has re-rate RRL as neutral, from underweight.

Energy

Caltex Australia (CTX)

Credit Suisse has re-rated CTX as neutral, from outperform.

impacted by a fall in agricultural exports, this attributed mostly to a drop in soybean deliveries to China.

July wholesale inventories rose by 0.7% for the month and 5.2% year-on-year. Forecasts had included a 0.2% increase.

The Case-Shiller June house price index came in at 0.11% growth against 0.21% for May.

The Richmond Fed manufacturing index improved by four points to 24, against an expected fall to 17.

The Conference Board's consumer sentiment index rose by 5.5 to 133.4.

Tonight in the US, a (second of three) June quarter GDP growth reading, July pending home sales and weekly mortgage applications are due.

Petrofac and Salesforce.com are among companies scheduled to report earnings.

In overnight corporate news, **Best Buy's** profit guidance warning bruised sentiment, despite 6.2% higher same-store sales and \$US9.38B worth of overall sales, the stock pushed 5% lower.

Not so for specialist retailer **Tiffany & Co** however, which rose 0.8%.

Shoe seller **DSW** bolted 20%, on better-than-anticipated quarterly figures coupled with a guidance boost.

Meanwhile, US markets are heading towards a Monday public holiday weekend.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1207	oz	-9	-0.7
Silver (NY) (Sep)	14.77	oz	-0.2	-1.4
Gold (LON)	1212	oz	15	1.2
Platinum	788	oz	-13	-1.6
WTI Crude (Oct)	68.5	bbl	-0.34	-0.5
Brent Crude (Oct)	76.0	bbl	-0.26	-0.3
Iron Ore (CHN port 62%)	65.88	t	0.04	0.1
Copper (LME, 3mth, PM)	6147	t	42	0.7
Nickel	13675	t	260	1.9
Aluminium	2134	t	39	1.8
Lead	2082	t	-3	-0.1
Zinc	2540	t	6	0.2
Tin	19055	t	55	0.3
CBT Wheat (Sep)	5.23	bshl	0.08	0.1

Commodities Commentary

Oil – prices attained seven-week highs overnight, but ultimately settled lower for the session.

Workers at France's Total North Sea operations were reported to have called off plans for industrial action which had been scheduled to commence next week.

In other industry news, smaller refiners in China had reportedly begun purchasing greater quantities of crude, following the end of summer maintenance and ahead of the traditional winter increase in fuel demand. Records appear to show a 10% increase on last year's August buying, and a 40% ramp up from July.

A report also estimated Iran has exported just 64Mmbbl of crude for August to date, despite price reductions by National Iranian Oil Co (some grades to reported 10-year lows), and against an April high of 92.8Mmbbl.

Industry statistics suggested exports had fallen to

Pre-Open Announcements

Prime Media Group (* PRT)

\$12.275M full year net loss, following a \$48.52M loss a year ago. 8.7% lower, \$219.16M revenue. 8.2c NTA. Full year impairments totalled \$52M, including \$12M associated with TV broadcast licences for 2H FY 2018. \$14.8M net interest-bearing debt.

A teleconference was scheduled to commence 9am AEST.

Access details, plus presentation, lodged post-trade yesterday.

New Energy Solar (* NEW)

\$38.82M interim NPAT (for the combined company and trust), following an \$18.77M net loss a year ago.

\$40.44M total net income (ordinary activities revenue). 3.75c interim distribution. \$1.53 NTA. \$1.41M cash and equivalents.

Noni B (* NBL)

\$17.29M full year NPAT. 17.6% higher, \$372.43M revenue. Flat 4c fully franked final dividend.

Fletcher Building (* FBU)

FBU has appointed Adelaide Brighton (ASX: ABC) CEO and MD Martin Brydon as an independent non-executive director, effective 1 September (Saturday).

Mr Brydon flagged his retirement from his ABC roles earlier this year.

As previously announced, FBU chair Sir Ralph Norris is also retiring his FBU role. Hence, when Mr Brydon commences as an FBU director, Bruce Hassall will be FBU chair.

Spark New Zealand (SPK)

Spark Finance is conducting a \$NZ100M bond offer. The offer opens today.

Fastbrick Robotics (* FBR)

Heralding successful testing of the company's dynamic stabilisation technology. Details lodged this morning.

Results also anticipated.

Emeco Holdings (* EHL)

EHL has extended MD and CEO Ian Testrow's appointment beyond 31 March 2020.

In association, EHL is proposing to grant Mr Testrow 45M EHL performance shares over five years, pending shareholder approval.

Meanwhile, Mr Testrow has this past week sold 11.3% of his EHL holding (~13.87M EHL shares) for personal reasons, including to meet tax obligations.

Mr Testrow retains ~108.67M EHL performance shares.

Creso Pharma (CPH)

\$7.58M interim net loss, following a \$3.53M loss a year ago. \$183,865 revenue, against \$9369.

Resources

Perseus Mining (* PRU)

\$25.85M full year net low, following a \$79.61M loss a year ago. 36.5% higher, \$378.08M revenue. 88c NTA, against 80c. Updated reserves and resources, plus a revised mine plan, also lodged this morning.

Atlas Iron (* AGO)

\$162.91M full year net loss, following a \$47.98M net profit a year ago. 37% lower, \$546.82M sales revenue. 2c NTA. Results included a \$92M impairment. \$57M cash on hand.

China, India and Japan, and that South Korea had imported no crude from Iran during August.

A weekly US petroleum inventories report from government agency the EIA is due tonight. An industry report released post-settlement overnight, indicated a slight rise in crude stocks.

Gold – US equities sentiment vacillated overnight, but nonetheless new records were reached, detracting from gold interest.

A revised US June quarter GDP growth estimate, due tonight, is keenly anticipated for its potential influence on \$US moves.

Base metals – LME trade resumed for the first time this week overnight.

The \$US was weaker than late last week, helping support trade sentiment, as did Monday's reports of US progress on a trade deal with Mexico, and last night, possibly also with Canada by week's end.

Monday, **China** reported a third consecutive month of slowing industrial profits, this time 16.2% year-on-year higher for July, following a 20% gain in June.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7338	0.0001	0.01
EUR – USD	1.1692	-0.0001	-0.01

Australian Data Today

HIA	New home sales	Jul
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US Data Tonight

GDP (2 nd of three estimates)	Jun Q
Pending home sales	Jul
MBA mortgage applications	24 Aug

Other Overseas Data Today & Tonight

Japan	Consumer confidence (3pm)	Aug
Germany	GfK consumer confidence	Sep

Need More Information?

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Grange Resources (* GRR)

372% higher \$67.46M interim NPAT. 90% higher, \$189.31M revenue. 1c interim dividend. 29c NTA.

Black Dragon Gold Corp (** BDG)

Project developer scheduled to list **midday** AEST following a \$6M IPO at 20c per share/CDI. 30.48M quoted securities. Incorporated in British Columbia, Canada.

Coolgardie Minerals (* CM1)

WA goldfields-focused explorer scheduled to list 12.30pm AEST tomorrow following an ~\$4.25M IPO at 20c per share. ~83.1M quoted securities. Neil Warburton non-executive chairman.

State One Analyst Comment

Quickstep Holdings (ASX: QHL)

SP 9.7c, TP 15c

Recommendation: **Buy** (Higher Risk)

Quickstep Holdings, Australia's leading independent carbon fibre composites manufacturer, is hosting a FY18 full year results teleconference for investors and analysts today, at **11am** AEST.

If you would like to listen to the briefing, and to have an opportunity to ask questions of CEO Mark Burgess and CFO Alan Tilley, the teleconference access details are:

Dial: 1800 093 431

PIN: 35500273#

State One comments:

Areas of particular interest for us include: revenue profile, cost-cutting initiatives, impact of weakening \$A, margin development and new business opportunities.

State One executive chairman Alan Hill

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	AGI	Full year
	BGA	Full year
	BAL	Full year
	BLD	Full year
	BWX	Full year
	CAB	Full year
	DCG	Full year
	IGO	Full year
	MTS	AGM
	SRX	Full year
	VAH	Full year
Tomorrow	AGI	Teleconfnce
	ASB	Full year
	FNP	Full year
	GXY	Interim
	KCN	Full year
	PPT	Full year
	RHC	Full year
	SFR	Full year
Fri	REG	Full year



QMS

Full year

Trading Halts

Company	Code	Resuming
Aspire Mining	AKM	29 Aug
Hardey Resources	HDY	29 Aug
Pacifico Minerals	PMY	29 Aug
Resonance Health	RHT	29 Aug
TV2U International	TV2	29 Aug
YPB Group	YPB	29 Aug
Medibio Ltd	MEB	30 Aug
Rumble Resources	RTR	30 Aug
Valor Resources	VAL	30 Aug

Suspensions *(select)*

Company	Code	Since
Admedus Ltd	AHZ	6 Aug
Antilles Oil & Gas	AVDDD	24 Aug
Challenger Energy	CEL	7 Aug
The BetMakers Holdings	TBH	22 Aug
Triton Minerals	TON	28 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ASW	Today	2.1	100	5.68
CEN	Today	17.1	0	5.57
DOW	Today	14	50	3.46
KSL	Today	3.4	0	6.73
SDF	Today	4.7	100	2.48
SGR	Today	13	100	3.69
SUL	Today	27.5	100	4.94
TLS	Today	11	100	4.72
AOD	Tomorrow	0.28	0	6.58
BAP	Tomorrow	8.5	100	2.11
BPT	Tomorrow	1	100	1.11
CD1	Tomorrow	14	0	0.00
D20	Tomorrow	2.5	75	3.47
GCI	Tomorrow	0.62	100	0.78
HT1	Tomorrow	3	100	2.35
IBC	Tomorrow	0.85	100	3.79
ILU	Tomorrow	10	100	3.54
JIN	Tomorrow	11	100	2.81
MRN	Tomorrow	4	100	3.50
MVP	Tomorrow	2	100	0.93
PTM	Tomorrow	16	100	5.52
RND	Tomorrow	10	100	0.00
SFC	Tomorrow	39.1	100	2.62
SKC	Tomorrow	9.1	0	4.72
TBR	Tomorrow	20	100	0.00
WLL	Tomorrow	11	100	4.00
AFG	Fri	5.7	100	6.50
CDA	Fri	8.5	100	2.70
CGF	Fri	18	100	3.20
CIN	Fri	70	100	3.47
CVF	Fri	4.5	100	6.49
EAS	Fri	2	100	1.90
FMG	Fri	12	100	5.68
HLO	Fri	11	100	3.38
IDX	Fri	4	100	2.85
LMW	Fri	2	100	7.73

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MIN	Fri	40	100	3.99
MOC	Fri	9	100	10.34
MXT	Fri	0.96	0	3.84
NVT	Fri	8	70	3.78
OZL	Fri	8	100	2.31
RSG	Fri	2	0	1.41