

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	6755	-28	<b>-0.4</b>
<b>NZX 50</b>	10881	2	<b>0.0</b>
<b>DJIA Futures</b>	27191	27	0.1
<b>S&amp;P 500 Futures</b>	3014	2	0.1
<b>NASDAQ Futures</b>	7983	20	0.3

## Local Markets Commentary

The Australian market commences mid-week trade on the last trading day of the month, with influential domestic and regional data due late morning, key euro zone data this evening, US-China trade talks expected to continue for a second day through today in Shanghai, and a US Federal Reserve rates decision by early tomorrow (AEST).

Among regional data updates expected today, **China's official July PMIs** are scheduled for release **11am AEST**.

**Locally**, the Australian Bureau of Statistics (ABS) releases June quarter **CPI growth 11.30am AEST**.

The Reserve Bank of Australia (RBA) publishes financial aggregates, including **private sector credit**, also at **11.30am AEST**.

Being 31 July, a plethora of June quarter corporate reports will also feature throughout the day.

In overnight commodities trade, oil continued higher, Brent crude returning to a rally-sized gain.

**US gold** futures (August) rose further, to approach \$US1430.0/oz.

**Iron ore** (Nymex CFR China, 62% Fe) seesawed slightly higher.

LME **copper** turned and fell. **Nickel** and **aluminium** also settled lower.

The **\$A** traded at ~US68.75c after falling to ~US68.90c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	27198	-23	<b>-0.1</b>
<b>S&amp;P 500</b>	3013	-8	<b>-0.3</b>
<b>NASDAQ</b>	8274	-20	<b>-0.2</b>
<b>FTSE 100</b>	7647	-40	<b>-0.5</b>
<b>DAX 30</b>	1217	-270	<b>-2.2</b>
<b>Shanghai Comp</b>	2952	11	<b>0.4</b>

## Overseas Markets Commentary

Major European equities markets trended lower from early overnight trade, settling at or near session lows.

US equities markets subsequently largely trended higher towards sessional peaks, but nonetheless could not reach positive settlements.

**China – NBS PMIs – 11am AEST**

**Australia – June quarter CPI and monthly private sector credit – 11.30am AEST**

**Last trading day for July**

## Today's Stock Watch

### Genworth Mortgage Insurance Australia (GMA)

110.3% higher, \$88.113M interim NPAT. 30.8% higher, \$299.94M revenue. 9c fully franked interim dividend; 21.9c special dividend. \$4.14 NTA.

20.7% rise in new insurance written, to \$12.5B.

### Insurance Australia Group (IAG)

IAG has appointed Commonwealth Bank of Australia (ASX: CBA) business and private banking and institutional banking and markets GM Christine Stasi as people, performance and reputation group executive, effective late October.

### CYBG Plc (CYB)

Trading update for the June quarter and nine months to 30 June lodged post-trade yesterday, including a 14.6% CET1.

### Crown Resorts (CWN)

In response to media reports and the subsequent Australian Government referral of some allegations to the Australian Commission for Law Enforcement Integrity, CWN says it will 'fully co-operate in any investigation'.

CWN also pointed out it was defending a class action in relation to employees having been detained in China in October 2016. CWN has fallen from \$12.67 to \$12.03, in relatively high-volume trade, over the first two trading sessions of this week.

## Resources

### Independence Group (IGO)

Anticipating \$A792.9M FY 2019 income and \$76.1M after-tax profit.

June quarter income and after-tax profit fell 12% and 33% respectively for the three months.

June quarter production included 7906t of (Nova) nickel-in-concentrate, 3462t of (Nova) copper-in-concentrate and 280t of cobalt-in-concentrate; plus 132,945oz of (Tropicana) gold at a \$A950/oz AISC.

In addition, FY 2019 production guidance figures have been met for each commodity.

\$A263M net cash. \$85.7M debt.

A live webcast of a June quarter presentation is scheduled to commence 10am AEST. Access details lodged yesterday.

### Rio Tinto (RIO)

Interim report anticipated later tomorrow.



International issues remained among investors' major considerations, despite not inconsiderable anticipation of select major corporate earnings.

US-China high-level face-to-face talks commenced yesterday in Shanghai, as the US president again berated China's stance (pre-US equities trade), suggesting a deliberate stalling and questioning commitments to purchase US agricultural goods.

Also yesterday, the Bank of Japan appeared keen to point out it was prepared to introduce easing should international events sufficiently adversely impact its economy.

Meanwhile, the British pound fell further, to \$US1.2154, on the chance the UK will leave the European Union (EU) with no key agreed arrangements in place.

The US Federal Reserve also commenced a two-day policy meeting, again under renewed criticism and pressure from the US president.

In overnight data releases, **Germany's** preliminary July CPI estimate encouraged, inflation rising 0.5% during the month, following a 0.3% June rise. Year-on-year, July CPI growth was calculated at 1.7%.

A GfK consumer confidence reading slipped from 9.8 to 9.7.

In the **euro zone**, business confidence was reported at -0.12, from +0.17 a month earlier.

Consumer confidence improved to -6.6 from -7.2.

Among mixed **US** indicators, June personal income and spending disappointed, Income rising 0.4% for the month but spending growing by only 0.3%. May spending had increased by 0.5% against a 0.4% rise in income.

June pending home sales improved 2.8% for the month, following a 1.1% increase in May. Year-on-year, sales were 1.6% higher, against May's 0.7% decline.

The Conference Board's July consumer sentiment reading jumped to 135.7 from 124.3.

A Case-Shiller May house price index estimated prices had increased by 0.6% during the month and 2.4% year-on-year, following a 0.8% rise in April.

**Tonight** in the US, the Federal Reserve concludes a two-day policy meeting, and will announce outcomes early tomorrow (AEST).

In US data releases, (US) a private sector employment report and the July Chicago PMI are due, together with weekly mortgage applications.

Elsewhere, GDP and CPI updates are keenly anticipated for the **euro zone**.

Companies scheduled to report earnings later today and tonight include: Airbus, Automatic Data Processing, Baker Hughes, BNP Paribas, BAE Systems, Credit Suisse, Fiat Chrysler, General Electric, Lloyds Banking, Mitsubishi UFJ Financial, Mitsui, NEC, Qualcomm, Spotify and Vale.

Glencore and Next are scheduled to provide trading updates.

In overnight corporate news, **Apple** Inc's market cap reached \$US1 trillion in post-US settlement trade, following forecast-beating quarterly profit and revenue figures.

Apple's CEO cited a 'marked improvement in greater China' business.

Apple's China sales were estimated 4% lower at \$US9.16B, but had dropped 22% during the previous quarter.

## Pre-Open Announcements

### Australian Agricultural Company (\* AAC)

AAC has secured a 10-year lease of the central Queensland 17,500ha Rewan Station, pending Foreign Investment Review Board (FIRB) and Queensland government approval.

In addition, AAC has this morning lodged today's AGM chairman and CEO speeches.

### iSignthis Ltd (\* ISX)

ISX has appointed National Australia Bank (ASX: NAB) GM finance, consumer banking Elizabeth Warrell as CFO, effective 2 September.

Current ISX CFO Todd Richards has been appointed the group's anti money laundering compliance officer.

Mr Richards will also retain the company secretary role.

### Sezzle Inc (\* SZL)

Buy now-pay later specialist completed a robust ASX listing yesterday following a \$43.57M IPO at \$1.22 per CDI/share.

Opened at \$2.50 and traded at \$1.99 - \$2.58 before settling at \$2.20.

12.96M shares/CDIs changed hands across 5038 transactions.

Trading commenced on a deferred settlement basis.

Normal (T+2) trade is expected to commence tomorrow.

78.57M CDIs/shares.

### Phoslock Environmental Technologies (PET)

Customer receipts totalled \$18.6M for the six months to 30 June, against \$4.3M a year earlier.

\$18.0M cash at bank.

### Lifestyle Communities (LIC)

Anticipating \$54.5M - \$55.5M FY 2019 NPAT and \$40.5M - \$41.5M underlying net profit.

Chairman Tim Poole will retire from the LIC board at the conclusion of the 14 August LIC board meeting.

Deakin University deputy chancellor and LIC director Philippa Kelly has been appointed to take over as LIC chair.

Mr Poole has been a member of the LIC board since November 2007 and chairman since December 2012.

Ms Kelly has been an LIC board member since September 2013 and has chaired the audit committee.

She is not related to LIC MD James Kelly.

LIC plans to lodge full year results 14 August.

### Supply Network (SNL)

Anticipating \$8.7M FY 2019 PAT, \$12.8M EBIT and \$123.9M sales revenue. Paying an 8.5c final dividend, up 0.5c.

### BARD1 Life Sciences (BD1)

June quarter business update lodged this morning, highlighting a \$7.55M cash balance and testing timetables.



While China iPhone sales continued disappointing, Apple reported 17% overall revenue growth for other China business.

**Merck** and **Procter & Gamble** were also cheered, due to better-than-anticipated figures, plus a guidance boost and stock buy-back respectively.

Earlier, **BP** reported 6.5% higher June quarter production, but an almost on-par profit with a year earlier, due to reduced oil prices and refiner margins.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1429.7</b>	oz	9.3	<b>0.7</b>
<b>Silver (NY) (Sep)</b>	16.558	oz	0.118	<b>0.7</b>
<b>Gold (LON)</b>	1419	oz		
<b>Platinum</b>	869	oz	-10	<b>-1.2</b>
<b>WTI Crude (Sep)</b>	<b>64.72</b>	bbl	1.18	<b>2.1</b>
<b>Brent Crude (Sep)</b>	<b>64.72</b>	bbl	1.01	<b>1.6</b>
<b>Iron Ore (CHN port 62%)</b>	<b>120.09</b>	t	0.07	<b>0.1</b>
<b>Copper (LME,3mth,PM)</b>	<b>5941</b>	t	-80	<b>-1.3</b>
<b>Nickel</b>	14290	t	-65	<b>-0.5</b>
<b>Aluminium</b>	1803	t	-10	<b>-0.6</b>
<b>Lead</b>	2000	t	-50	<b>-2.4</b>
<b>Zinc</b>	2447	t	-18	<b>-0.8</b>
<b>Tin</b>	17500	t	-100	<b>-0.6</b>
<b>CBT Wheat (Jul)</b>	<b>4.98</b>	bshl	-0.05	<b>-1.0</b>

### Commodities Commentary

**Oil** – reporting overnight for the June quarter, BP also mentioned it had not allowed any of its oil tankers through the Strait of Hormuz since 10 July, when an approach was made to seize a BP vessel.

A US official also confirmed the US had requested that Germany, in addition to France and the UK, help provide safe passage within the Strait of Hormuz.

In the meantime, Iran's daily crude exports were reported as low as 100,000bbl during July, and as high as 120,000bbl including condensate.

June exports from Iran were estimated at 300,000bbl/d – 500,000bbl/d. 56MMbbl were also calculated to be held by Iran in storage on tankers, against ~half that amount in May.

A weekly US petroleum inventories report is due from the EIA tonight.

The American Petroleum Institute has released a weekly stockpiles report post-overnight US settlement, this estimating an ~6MMbbl draw on stored crude and ~3.1MMbbl fall in petrol stocks. This has pushed WTI futures higher.

**Gold** – overnight gains were attributed in part to the US president's China statements, indicating healthy trade relations were unlikely in the near term.

The US Federal Reserve's policy meeting outcomes, to be revealed early tomorrow (AEST) are expected to influence late-US trade.

Other influential international data could swing currencies trade in the meantime and hence potentially affect gold sentiment.

**Base metals** – an overnight media report quoted falls for the December quarter price forecasts for several base metals.

### Resources

#### Alacer Gold Corporation (\* AQG)

\$US4.8M June quarter profit after selling 192,260oz of gold for \$252M sales revenue.

\$US125M cash. \$US315M debt, down \$US54M from 1 January. A webcast teleconference was scheduled for 7am AEST.

#### Alita Resources (\* A40)

Expecting 10,000t of Bald Hill lithium concentrate to leave the (WA) Port of Esperance by Friday, for delivery to Jiangxi Bao Jiang Lithium Industrial, now that a letter of credit is in hand.

#### European Lithium (\* EUR)

Binding agreement secured with Winance Investment for a \$A10M convertible securities-based finance facility in support of Wolfsberg lithium project development, Austria.

#### Marmota Ltd (MEU)

Latest Aurora Tank gold project drilling has delivered a new zone of mineralisation, high-grade assays and a new find within a reconnaissance exploration region.

### Energy

#### Central Petroleum (\* CTP)

Sales volumes rose 8.6% to 4.0PJE during the June quarter. (Attributable) gas, crude and condensate revenue totalled \$20.555M.

\$17.8M cash, against \$19.3M as at 31 March, and following \$7.25M worth of debt principal repayments.

#### Byron Energy (BYE)

Produced an attributable 112,302bbl of oil and 210,864mmbtu of gas during the June quarter.

\$US6.78M cash at bank.

### Reports & Events

(selected)

When	Company	Report/Event
<b>Today</b>	<b>AAC</b>	AGM
	<b>FLN</b>	Interim
	<b>GMA</b>	Interim
	<b>IGO</b>	Jun Q
<b>Tomorrow</b>	CSC	Jun Q
	RIO	Interim (post-ASX trade)

### Trading Halts

Company	Code	Resuming
Alpha HPA	A4N	31 Jul



In addition, traders considered new stockpile figures and some key economic indicator updates.

Official PMI updates, expected out of **China** today, will likely influence at least some of tonight's trade.

**Japan's** June industrial production, reported yesterday, dropped 3.6% for the month and 4.1% year-on-year. During May, industrial output had risen 2%.

Meanwhile, Japan's June *zinc* exports have been reported 8.2% lower year-on-year, at 5198t. Refined *copper* exports reportedly fell 3.8%, to 55,469t.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6875	0.0003	<b>0.04</b>
<b>EUR – USD</b>	1.1157	0.0002	<b>0.02</b>

### Australian Data Today

ABS	CPI	Jun Q
RBA	Financial aggregates (incl private sector credit)	Jun

### US Data Tonight

Fed Reserve policy statement	Jul
ADP employment change	Jun
Chicago PMI	Jul
Employment cost index	Jun Q
MBA mortgage applications	26 Jul

### Other Overseas Data Today & Tonight

<b>China</b>	NBS/CFLP PMIs	Jul
<b>Japan</b>	Consumer confidence (3pm AEST)	Jul
<b>UK</b>	GfK consumer sentiment	Jul
<b>Germany</b>	Retail sales	Jun
Germany	Unemployment	Jul
<b>Euro zone</b>	GDP (initial)	Jun Q
Euro zone	CPI (prelim)	Jul
Euro zone	Unemployment	Jun

### Need More Information?

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Anglo Australian Resources	AAR	31 Jul
AuStar Gold	AUL	31 Jul
Global Vanadium	GLV	31 Jul
Greenland Minerals	GGG	31 Jul
Mako Gold	MKG	31 Jul
Podium Minerals	POD	31 Jul
Superior Resources	SPQ	31 Jul
TV2U International	TV2	31 Jul
Zinc of Ireland	ZMI	31 Jul
Auroch Minerals	AOU	1 Aug
Botanix Pharmaceuticals	BOT	1 Aug
Equus Mining	EQE	1 Aug
Kyckr Ltd	KYK	1 Aug
Neuroscientific Biopharmaceuticals	NSB	1 Aug
ReadCloud Ltd	RCL	1 Aug
Regeneus Ltd	RGS	1 Aug
Spectrum Metals	SPX	1 Aug
Strike Energy	STX	1 Aug
Tinybeans Group	TNY	1 Aug
Warrego Energy	WGO	1 Aug
YPB Group	YPB	1 Aug

### Suspensions *(select)*

Company	Code	Since
High Grade Metals	HGM	18 Jul
Jiajiafu Modern Agriculture	JJF	22 Jul
Keybridge Capital	KBC	16 Jul
Mobecom Ltd	MBM	29 Jul
West Wits Mining	WWI	26 Jul

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>MXT</b>	Today	<b>0.77</b>	0	5.56
AMH	Tomorrow	3.5	100	6.76
NBI	Tomorrow	0.9	0	4.54
DJW	5 Aug	10	100	5.46
WQG	5 Aug	2	0	0.00
AFI	6 Aug	14	100	3.70
MLT	8 Aug	10.4	100	3.97
BKI	9 Aug	4.7	100	4.28
OCA	9 Aug	2.12	0	3.55
OZG	9 Aug	0.25	100	3.03
WIC	9 Aug	3	100	5.43



whether that is appropriate having regard to your own objectives, financial situation and needs.

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