

Markets

SFE 200 Futures (9.30am AEST)	6207	-18	-0.3
NZX 50	8899	-56	-0.6
DJIA Futures	25073	43	0.2
S&P 500 Futures	2805	4	0.1
NASDAQ Futures	7368	8	0.1

Local Markets Commentary

The Australian market opens a new week's trade on positive key commodities leads, ahead of a significant week in the northern hemisphere corporate reporting season and a busy week for local quarterly reports and major reporting season guidance.

In overnight Friday commodities trade, both Brent and WTI crude gained.

US **gold** futures turned higher.

Iron ore (China port, 62% Fe) settled slightly lower.

LME **copper, nickel** and aluminium swung higher.

The **\$A** was propelled to ~US74.25c after surpassing US73.60c early Friday evening, and has appreciated further this morning.

Locally today, a weekly capital city residential property price report is due pre-trade. A leading economic index report is expected this afternoon.

Over the weekend, **G20** finance ministers and central bankers concluded global economic growth was at risk from broad geopolitical issues and agitated trade relations.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25058	-6	-0.0
S&P 500	2802	-3	-0.1
NASDAQ	7820	-5	-0.1
FTSE 100	7679	-5	-0.1
DAX 30	12561	-125	-1.0
Shanghai Comp	2829	57	2.1

Overseas Markets Commentary

Choppy trade featured across major European and US equities markets overnight Friday amid ongoing international relationship flux, and ahead of a major week for earnings reporting season and hence risk sentiment.

Earlier, the **US** president said he was prepared to place tariffs on all imports from **China**, alleged China and the European Union were manipulating currencies and further criticised the Federal Reserve's view that interest rate rises were appropriate.

Friday morning, the People's Bank of China was reported to have moved the yuan 0.9% lower against the \$US.

Among new data releases, **Germany's** June producer prices rose 0.3% for the month and 3.0% year-on-year, in line with forecasts.

In the **UK**, June public sector borrowing came in at

Today's Stock Watch

Westpac Banking Corporation (WBC)

WBC's BT financial Group is planning to launch online adviser services in October, and to simplify and change prices structure for BT Panorama.

WBC is anticipating a BT revenue impact, pending client reaction and customer and funds growth.

Wesfarmers Ltd (WES)

WES has appointed Gresham Partners founder and chair James Graham as Coles chairman on completion of the planned Coles demerger, which WES anticipates by the end of November.

Under the proposal, WES intends to retain 15% of Coles and 50% of FlyBuis.

In association, Mr Graham is stepping down from the WES board. Further, former Walmart International president and CEO David Cheeswright has been appointed as WES's Coles board nominee.

McKinsey Consulting RTS advisor Jacqueline Chow and former Foxtel CEO Richard Freudenstein have also been appointed as Coles non-executive directors.

WES board, regulatory, court and shareholder approvals remain outstanding for the demerger plans.

Nufarm Ltd (↑ NUF)

Continuing relatively dry weather across key Australian regions has adversely impacted NUF's anticipated FY 2018 results, the group this morning lowering expected underlying EBIT to \$A255M - \$A270M.

Mayne Pharma (MYX)

MYX is paying \$US20M cash, \$US4M worth of MYX shares, and up to a further \$US10M over three years, to acquire the generic 5% fluorouracil cream Efudex from Spear Pharmaceuticals. MYX will use cash and existing debt to fund the purchase.

Estia Health (EHE)

EHE has appointed EHE COO Ian Thorley as CEO and MD, to take over when Norah Barlow voluntarily steps down in November.

Creso Pharma (CPH)

Having completed satisfactory due diligence, CPH has agreed to forward \$US85,000 in working capital support to proposed acquisition, Kunna Canada.

CPH is also expecting to pay \$US375,000 less overall consideration for Kunna than initially expected.

The deadline for the proposed acquisition HoA has been extended to 30 September, to enable CPH to secure approvals, including from shareholders.

AJ Lucas Group (AJL)

Confirming the sale of the group's engineering and construction business with anticipated \$25M cash proceeds through to the end of the year.

AJL announced earlier this year that it was considering options for the business. The sale is to Spiecapag Australia.

Orora Ltd (ORA) / NextDC Ltd (NXT)

Deutsche Bank has placed a 'sell' on ORA and NXT.

Coca-Cola Amatil (CCL)

Macquarie has re-assessed CCL as underperform from outperform.

£5.4B against £6.2B a year earlier. For the year to date, borrowing was reported at £16.8B, £5.4B less than for January – June 2017.

Tonight in the US, June existing home sales and the Chicago Fed national activity index are due.

Companies due to report earnings or provide an update include Alphabet, Halliburton, Hasbro, Philips Electronics, POSCO, Ryanair, Sthree and Whirlpool.

In overnight Friday corporate news, **Microsoft** appreciated more than 1.5% however, trading at record highs, following earnings support from the company's cloud business.

General Electric fell more than 4.4% after reporting for the June quarter, the group's power division seeming to particular deliver concern.

Schlumberger's \$US8.3B revenue failed to impress and the stock was pushed 1% lower.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1231	oz	9	0.7
Silver (NY) (Jul)	15.5	oz	0.15	1.0
Gold (LON)	1229	oz	11	0.9
Platinum	825	oz	20	2.5
WTI Crude (Aug)	70.5	bbl	1	1.4
Brent Crude (Sep)	73.1	bbl	0.5	0.7
Iron Ore <small>(CHN port 62%)</small>	65.1	t	0.15	-0.2
Copper <small>(LME,3mth,PM)</small>	6148	t	83	1.4
Nickel	13530	t	190	1.4
Aluminium	2029	t	28	1.4
Lead	2136	t	19	0.9
Zinc	2575	t	30	1.2
Tin	19485	t	-10	-0.1
CBT Wheat (Jul)	5.16	bshl	0.12	2.3

Commodities Commentary

Oil – a weaker \$US, and Saudi Arabia indicating August exports would be lower than analyst expectations (down ~100,000bbl/d), were cited as the main influences on overnight Friday trade.

Brent crude ended the week 3.1% lower and WTI ~1% down.

Meanwhile, Italy was reported to have increased its US oil exports, from 3.3MMbbl in May to up to a 4.93MMbbl in June, after major ports were again shut down in Libya. Libya's Italy shipments were estimated to have fallen from 9.73MMbbl in May to 3.45MMbbl in June.

A US petroleum rig count, released overnight Friday, revealed the number of operational oil rigs had fallen for a third consecutive week, this time by five. 858 oil rigs remain in operation.

Gold – overnight Friday trade appeared mostly supported by a relatively soft \$US.

Industry insiders are divided on gold's direction this week, but a first estimate of June quarter US GDP due Friday is expected to prove the most influential data of the week for \$US moves.

High-profile industrial companies due to report earnings this week are also considered likely to impact general risk sentiment.

Base metals – a further \$US fall helped push base metals prices higher overnight Friday.

Friday, **Japan** reported 0.1% June CPI growth for the month and 0.7% growth year-on-year, on par with May's figures.

Pre-Open Announcements

Innate Immunotherapeutics (* IIL)

European patent granted for IIL's AMP-886, covering composition and preparation processes and potential use in cancer and pulmonary fibrosis treatments.

Similar patents have been secured in Australia, China, Japan and the US.

Fluence Corporation (FLC)

FLC has appointed Macquarie Group (ASX: MQG) executive director Paul Donnelly as a non-executive director.

Resources

Poseidon Nickel (POS)

POS has appointed POS non-executive director and former COO Robert Dennis as CEO and MD, effective 1 August.

Encounter Resources (ENR) / Newcrest Mining (NCM)

Extending for another year an alliance formed a year ago for the purpose of project generation.

Mincor Resources (MCR)

WA Kambalda region nickel drilling update lodged this morning.

Focus Minerals (FML)

WA far eastern goldfields Lancefield gold project resource updated to 3.9Mt @ 6.3g/t Au, for 793,000oz.

Energy

Yancoal Australia (YAL)

Produced 9.16Mt of saleable coal during the June quarter and sold 9.92Mt.

Yanzhou Coal Mining Company holds 65.46% of YAL.

Sino Gas & Energy (SEH)

June quarter production and first-half drilling activity update lodged this morning.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Tomorrow	ALX	Jun Q
	AIA	Jun
	ILU	Jun Q
	SXY	Jun Q
Wed	SBM	Jun Q
Thu	BPT	Jun Q
	FMG	Jun Q
	NCM	Jun Q
	MQG	AGM
	OGC	Jun Q
Fri	GUD	Full year
	SFR	Jun Q

Trading Halts

Company	Code	Resuming
Dotz Nano	DTZ	23 Jul
Indoor Skydive Australia	IDZ	23 Jul



A May all industry activity index rose just 0.1% following a 1% gain in April.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7433	0.0012	0.16
EUR – USD	1.1738	0.0010	0.09

Australian Data Today

CLgc	Cap city rsdntl propty prices	20Jul
Conf Board	Leading economic index	Jun

US Data Tonight

Chicago Fed National Activity Index	Jun
Existing home sales	Jun

Other Overseas Data Today & Tonight

Euro zone	Consumer confidence	Jul
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Classic Minerals	CLZ	24 Jul
Inca Minerals	ICG	24 Jul
King River Copper	KRC	24 Jul
Mineral Resources	MIN	24 Jul
The BetMakers Holdings	TBH	24 Jul
Velpic Ltd	VPC	24 Jul

Suspensions *(select)*

Company	Code	Since
American Patriot Oil & Gas	AOW	18 Jul
Connected IO	CIO	19 Jul
Crowdspark Ltd	CSK	6 Jul
Genera Biosystems	GBI	4 Jul
JustKapital Ltd	JKL	19 Jul
Rey Resources	REY	20 Jul
Vector Resources	VEC	6 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
KAT	Today	1	100	3.59
VVR	Tomorrow	6.99	0	6.18
MIR	Thu	8.5	100	3.60

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