

Markets

SFE 200 Futures (9.30am AEST)	6199	8	0.1
NZX 50	8939	5	0.1
DJIA Futures	25413	10	0.0
S&P 500 Futures	2836	-5	-0.2
NASDAQ Futures	7416	-54	-0.7

Local Markets Commentary

The Australian market commences today's trade on mixed overnight international trade leads, amid a swag of reports from large-cap domestic stocks.

In overnight commodities trade, **oil** extended Tuesday's gains.

US **gold** futures headed higher.

Iron ore (China port, 62% Fe) turned again to post a gain.

LME **copper** settled almost flat. **Aluminium** swung lower.

The **\$A** appreciated to ~US74.50c after trading at ~US74.20c early yesterday evening.

Locally today, June quarter **export** and **import** prices are due **11.30am** AEST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25414	172	0.7
S&P 500	2846	26	0.9
NASDAQ	7932	91	1.2
FTSE 100	7658	-51	-0.7
DAX 30	12579	-110	-0.9
Shanghai Comp	2904	-2	-0.1

Overseas Markets Commentary

Major European equities markets generally opened lower overnight, before declining further amid a deluge of corporate earnings reports and while waiting for a statement from trade talks in Washington between the European Commissioner's president and the US president.

Major US indices mostly meandered before jumping in the last half hour of trade, on reports, since confirmed, that the **US** and **EU** had progressed trade discussions towards a potential deal for industrial goods.

Vehicles were excluded from the potential removal of trade taxes, subsidies and barriers.

Earlier, the EU's trade commissioner said the EU was listing possible new import taxes on up to \$US20B worth of US goods, to counter US tariffs on metals, and a proposed new tax on vehicles, imported from the EU.

In new US economic releases, June new home sales dropped 5.3% during the month, following forecasts of an ~3% fall.

In **Germany**, IFO's business climate index came in at 101.7 from 101.8 in June. Expectations slipped to 98.2 from 98.5, however.

Meanwhile in **Iran**, the central bank governor was

* Mineral exploration listing **1pm** AEST - **RFR** *

Today's Stock Watch

Macquarie Group (MQG)

MQG asset management head (Ms) Shemara Wikramanayake has been appointed to take over from MQG CEO and MD Nicholas Moore, who is planning to retire 30 November.

This morning's AGM chairman's address and June quarter update lodged pre-trade. Little FY 2019 financial change is anticipated.

Nine Entertainment Co (NEC) / Fairfax Media (FXJ)

NEC is proposing to pay \$A2.16B in cash and shares for FXJ. NEC will hold 51.1% of the merged entity and FXJ shareholders 48.9%. Details lodged this morning.

Teleconference scheduled to commence 10am AEST. Access details lodged pre-trade.

NEC settled at \$2.52 yesterday, and FXJ at 77c after trading lower for three consecutive sessions.

Treasury Wine Estates (TWE)

Credit Suisse has re-rated TWE as underperform, from neutral.

James Hardie Industries (JHX) / Isentia Ltd (ISD) / SpeedCast International (SDA)

UBS is recommending JHX and ISD as 'buy's, but has cancelled an SDA buy recommendation in favour of a neutral rating.

Unibail-Rodamco-Westfield (URW) / Domain Holdings Australia (DHG)

JPMorgan has assessed URW and DHG as overweight.

Resources

Newcrest Mining (NCM)

Produced 1% lower, 2.35Moz of gold and 7% lower, 78,000t of copper during FY 2018. The AISC rose 6% to \$835/oz.

Fortescue Metals Group (FMG)

Shipped 170Mt (wet) of iron ore during the year to 30 June, including a record 46.5Mt during the June quarter.

\$US863M cash. \$US3.1B net debt.

Expecting to ship 165Mt - 173Mt during FY 2019, at a \$US12/t - \$US13/t C1 cost, and with \$US1.2B total capex.

Altura Mining (AJM)

In response to questions from the ASX, AJM confirms it knew in May that some bank accounts of Shaanxi, a company to which it hopes to supply spodumene concentrate, had been frozen.

In addition, AJM acknowledges it was aware of Shaanxi's annual and quarterly net losses, and that Shaanxi had suspended battery production for six months due to a drop in orders.

In addition, AJM is retracting some peer group financial comparison forecasts contained in a 27 June announcement.

Rafaella Resources (* RFR)

WA-headquartered explorer scheduled to list **1pm** AEST following a \$5M IPO at 20c per share.

RFR's top-10 shareholders list includes JPMorgan Nominees Australia (3.97%), UBS Nominees (2.32%) and CS Third Nominees (2.06%). 28.13M quoted securities.

Energy

Beach Energy (BPT)

Produced 19MMboe during FY 2018. Sold 20.1MMboe for revenue totalling \$1.25B. June quarter statistics also lodged.

pushed from his job.

Tonight in the US, weekly new jobless claims are due, together with June durable goods orders, June wholesale inventories and a regional manufacturing index.

Elsewhere, the **European Central Bank** convenes a policy meeting in Frankfurt, after which it will release a statement and host a press conference

Another avalanche of corporate earnings and update reports is due later today and tonight. Companies due to report include: Airbus, Amazon, Amgen, Anheuser-Busch Inbev, Allergan, Anglo American, AstraZeneca, Banco Santander, Bristol-Meyers Squibb, Comcast, ConocoPhillips, Daimler, Diageo, Hyundai Motor, Intel, Johnson Matthey, Mastercard, McDonald's, Nestlé, Nissan Motor, Nokia, Raytheon, Royal Dutch Shell, Singapore Airlines, Spotify, Starbucks and Total.

In overnight corporate news, **General Motors** revealed it had lowered its 2018 profit forecast due to increased input costs directly related to higher taxes on goods imported into the US. GM was pushed ~4% lower ahead of tonight's scheduled earnings report.

Fiat Chrysler dropped ~10% on earnings which undershot industry forecasts. In addition, the group announced the death of its respected long-term CEO who had just recently stepped down due to illness.

Boeing's margin and full-year profit guidance disappointed.

Meanwhile, **Coca-Cola** bubbled 2% higher despite an 8% revenue drop (to \$US8.9B), as this proved less than feared.

Facebook reported post-US trade, post-settlement prices falling up to 20% after-hours on lower-than-expected revenue and fewer active users. This is expected to impact at least some of tonight's sentiment.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1231	oz	5	0.6
Silver (NY) (Sep)	15.6	oz	0.11	0.7
Gold (LON)	1232	oz	3	0.3
Platinum	842	oz	11	1.3
WTI Crude (Sep)	69.3	bbl	0.8	1.1
Brent Crude (Sep)	73.9	bbl	0.5	0.7
Iron Ore (CHN port 62%)	66.0	t	0.5	0.7
Copper (LME, 3mth, PM)	6290	t	-5	-0.1
Nickel	13680	t	80	0.6
Aluminium	2062	t	-23	-1.1
Lead	2152	t	-9	-0.4
Zinc	2585	t	-31	-1.2
Tin	19750	t	75	0.4
CBT Wheat (Jul)	5.44	bshl	0.34	6.5

Commodities Commentary

Oil – Saudi Arabia has declared it will halt oil shipments through the Red Sea region Bab El-Mandeb strait after an attack on a tanker, attributed to Yemeni, reportedly Iran-backed Houthi militia.

A **US** weekly petroleum inventories report, published by the EIA overnight, included a larger-than-anticipated 6.1Mmbbl fall in crude stockpiles to a 3.5-year low of 404.9Mmbbl.

In addition, petrol stocks fell, appropriate for the northern hemisphere summer, by 2.3Mmbbl.

Pre-Open Announcements

Sirtex Medical (SRX)

CEO Andrew McLean is moving from Sydney to Boston, Massachusetts, where SRX established its Americas head office and a manufacturing facility.

NeuroScientific Biopharmaceuticals (* NSB)

Scheduled to list midday AEST tomorrow following a \$6M IPO at 20c per share.

NSB's top-10 shareholders include Edith Cowan University (3.47%) and Australian Alzheimer's Research Foundation Inc (2.62%).

McRae Technology holds 25.20% and McRae Investments 7.88%.

52.3M quoted securities.

Resources

Rio Tinto (* RIO)

RBC Capital Markets has reassessed RIO as underperform from sector perform.

RIO is scheduled to report interim results Wednesday next week (1 August).

Independence Group (** IGO)

Resources and reserves update lodged this morning.

IGO is scheduled to report for the June quarter 30 July (this coming Monday).

MetalsTech Ltd (* MTC)

Resuming from a trading halt with the proposed acquisition of the Bay Lake North cobalt project, Ontario, Canada.

MTC last traded at 12c.

Energy

Triangle Energy (Global) (TEG)

Resuming from a trading halt with notice of an offshore Perth Basin Cliff Head CH6 flow meter crack and resulting oil spill and production loss.

Production from other Cliff Head Alpha offshore platform wells has also been shut down.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	BCI	Jun Q
	BPT	Jun Q
	FMG	Jun Q
	NCM	Jun Q
	MQG	AGM
	OGC	Jun Q
	SXY	Jun Q
Tomorrow	GUD	Full year
	SFR	Jun Q
Mon	IGO	Jun Q
	SEH	Jun Q
	SYR	Jun Q
Tue	AQG	Jun Q
	AAC	AGM
	CCP	Full year
	IFN	Jun Q



Further, US crude imports fell 2.5MMbbl and exports rose a daily 1.2MMbbl to 2.7MMbbl/d.

Meanwhile, **Russia** cautiously predicted 2018 output would grow to 11.02MMbbl/d, against 10.98MMbbl/d for 2017, noting the forecast remained 'preliminary'.

Elsewhere, speculation grew regarding the expected impact of threatened US sanctions, with news that **Iran** had replaced its central bank governor following financial sector scandals and as the nation's currency (rial) continued to flail.

Gold – a continuing softer \$US index was cited as one support for overnight gold prices.

Base metals – currency moves appeared to exert limited influence on overnight trade.

Stockpiles bruised *aluminium* sentiment.

Meanwhile, Morgan Stanley pronounce *zinc* had been oversold.

China's June industrial profits are expected tomorrow.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7456	0.0001	0.01
EUR – USD	1.1736	0.0008	0.07

Australian Data Today

ABS	Export & import prices	Jun Q
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US Data Tonight

Durable goods orders	Jun
Initial jobless claims	21 Jul
Kansas City Fed manufacturing	Jul
Wholesale inventories	Jun

Other Overseas Data Today & Tonight

Germany	GfK consumer confidence	Aug
Euro zone	ECB policy statement	Jul

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	ORG	Jun Q
Wed	ALQ	AGM
	BWP	Full year
	GMA	Interim
	RIO	Interim

Trading Halts

Company	Code	Resuming
Advanced Braking Technologies	ABV	27 Jul
Fleetwood Corporation	FWD	27 Jul
Magnetic Resources	MAU	27 Jul
PolarX Ltd	PXX	27 Jul
Sumatra Copper & Gold	SUM	27 Jul
Tando Resources	TNO	27 Jul
Tesserent Ltd	TNT	27 Jul

Suspensions (select)

Company	Code	Since
Connected IO	CIO	19 Jul
Crowdspark Ltd	CSK	6 Jul
Eastern Goldfields	EGS	25 Jul
Genera Biosystems	GBI	4 Jul
Indoor Skydive Australia	IDZ	23 Jul
JustKapital Ltd	JKL	19 Jul
Rey Resources	REY	20 Jul
Tikforce Ltd	TKF	24 Jul
Velpic Ltd	VPC	24 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MIR	Today	8.5	100	3.62
GCI	Mon	0.48	0	0.47
OZG	3 Aug	0.25	100	2.70
WIC	3 Aug	3	100	5.04
AMH	6 Aug	4.25	100	4.40
DJW	7 Aug	10	100	5.68
OPG	7 Aug	13	100	3.01

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