

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>6237</b>	<b>19</b>	<b>0.3</b>
<b>NZX 50</b>	8903	-19	-0.2
<b>DJIA Futures</b>	25374	-21	-0.1
<b>S&amp;P 500 Futures</b>	2816	-1	0.0
<b>NASDAQ Futures</b>	7266	21	0.3

## Local Markets Commentary

The Australian market commences mid-week trade following an overnight turn higher for major international equities markets, ahead of further key domestic and regional data today, and ahead of a post-policy meeting statement from the US Federal Reserve pre-ASX trade tomorrow.

In overnight commodities trade, **oil** swung lower.

US **gold** futures turned to settle higher.

LME **copper** and **nickel** were pushed higher. **Aluminium** pulled back.

The **\$A** strengthened a little after appreciating to ~US74.20c early yesterday evening.

**Regionally** today, Caixin is scheduled to publish its July manufacturing PMI for **China 11.45am AEST**.

A final July manufacturing PMI is due for **Japan 10.30am AEST**.

**Locally** today, AiG's July national **manufacturing activity index** and a capital city residential property price report are expected **pre-trade**.

An inflation gauge report is also anticipated this morning.

The Reserve Bank of Australia (RBA) releases its monthly commodity price report post-trade.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25415	108	<b>0.4</b>
<b>S&amp;P 500</b>	2816	14	<b>0.5</b>
<b>NASDAQ</b>	7672	42	<b>0.6</b>
<b>FTSE 100</b>	7749	48	<b>0.6</b>
<b>DAX 30</b>	12806	7	<b>0.1</b>
<b>Shanghai Comp</b>	2876	7	<b>0.3</b>

## Overseas Markets Commentary

Major European and US equities markets turned higher overnight, most maintaining or improving on early gains during the last trading session for July.

Some big-name reporting supported overall sentiment, but economic indicators came in mixed.

In addition, the industrial sector benefited from talk the US and China were proactively seeking ways to sort trade issues.

Tech sector appetite also improved.

Among new data releases, an initial June quarter GDP reading for the **euro zone** came in at 0.3% growth for the three months and 2.1% for the year, following a respective 0.4% and 2.5% for the March quarter.

An initial July CPI growth reading rose to 2.1% from 2.0% in June.

**China** - Caixin PMI manufacturing **11.45am AEST**

**Australia** - PMI **9.30am AEST**

**Japan** - PMI **10.30am AEST**

\* RE trust listing **midday AEST - VTH** \*

## Today's Stock Watch

### Genworth Mortgage Insurance Australia (GMA)

Interim NPAT dropped 52.8% to \$A41.9M. Revenue fell 23% to \$A229.3M.

Paying 8c interim and 4c special dividends, each fully franked. Teleconference commencing 10.30am AEST. Access details lodged this morning.

### Janus Henderson Group (JHG)

\$US140.6M June quarter net income, against \$US41.7M a year ago and \$US165.2M for the March quarter 2018. Paying a US36c quarterly dividend.

In addition, JHG has appointed Dick Weil as sole CEO, effective today, following the resignation of co-CEO and director Andrew Formica. A teleconference commenced 8am AEST.

### Unibail-Rodamco-Westfield (URW)

URW is selling four shopping centres in Spain for a total €489M transaction cost, equivalent to a 5.6% net initial yield.

### Xero Ltd (XRO)

Outlaying an ultimate \$US70M for Canadian-headquartered Hubdoc.

XRO will pay \$US60M comprising 35% cash and 65% XRO stock. This will be followed within 18 months by an additional \$US10M of XRO stock. Completion is anticipated this month.

### Leaf Resources (LER)

MoU secured with Petronas Chemicals Group for Petronas to potentially take fermentable sugars from LER's proposed biorefinery, Segamat Johor, Malaysia.

LER plans to convert plant material into industrial sugars.

### Scout Security (SCT)

Partnership deal secured with Stanley Black & Decker, for Stanley B&D to license and sell SCT's home security product.

Stanley is paying an initial \$A408,000 fee.

SCT is resuming from a trading halt, having last traded at 17.5c.

### Dicker Data (DDR)

DDR has been appointed as an LG commercial display products distributor across Australia, commencing today.

### Vitalharvest Freehold Trust (\* VTH)

Real estate investment trust scheduled to list on the ASX **midday** following a \$185M IPO at \$1.00 per unit.

Trading will commence on a conditional and deferred settlement basis. Normal (T+2) trade is expected to commence 8 August (Wednesday next week). 185M quoted units.

## Resources

### Rio Tinto (RIO)

Interim results scheduled for release later today.

### Regis Resources (RRL) / Saracen Mineral Holdings (SAR)

Macquarie has re-assessed RRL and SAR as outperform, from neutral.

Meanwhile, **Germany's** June retail sales rose 1.2% for the month and 3% year-on-year, following a 1.5% monthly fall in May.

In the **US**, June personal and income spending were each reported to have risen 0.4%.

A June quarter employment cost index rose by 0.6%.

A robust 65.5 Chicago region manufacturing index represented a 1.4 improvement for the month, and the highest reading in six months.

A national house price index climbed 0.4% in May, and 6.4% year-on-year.

The Conference Board's July consumer confidence reading came in 0.9 higher, at 127.4.

**Tonight** in the US, the Federal Reserve will release a statement at the end of its policy meeting (4am tomorrow AEST).

In addition, a private sector jobs report is sure to also gain attention, ahead of Friday night's July employment statistics.

ISM's July manufacturing index, a Markit manufacturing PMI, June construction spending and weekly mortgage applications are also due.

Companies due to report earnings or provide an update later today and tonight include: Aggreko, Arcelor Mittal, Automatic Data Processing, BNP Paribas, BAE Systems, Humana, Lloyds, Mazda Motor, Next, Prudential Financial, Restaurant Brands, Rio Tinto, Tesla, T-Mobile, Volkswagen, Wynn Resorts and Yamaha.

In overnight corporate news, **BP** revealed it had quadrupled underlying profit year-on-year.

**Procter & Gamble** and **Pfizer** each exceeded at least some expectations, but margins and hence outlooks appeared to deliver some caution.

**Sony** also benefited from a substantial profit increase.

**Apple** reported post-US trade, surprising with 17% higher year-on-year \$US53.3B revenue and 32% higher profit, boosted by appreciating product prices.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1224</b>	oz	1.9	0.2
<b>Silver (NY) (Sep)</b>	15.5	oz	-0.00	-0.0
<b>Gold (LON)</b>	1221	oz	-3	-0.2
<b>Platinum</b>	837	oz	11	1.3
<b>WTI Crude (Sep)</b>	<b>68.8</b>	bbl	-1.3	-2.0
<b>Brent Crude (Sep)</b>	<b>74.25</b>	bbl	-0.75	-1.1
<b>Iron Ore</b> <small>(CHN port 62%)</small>	<b>67.65</b>	t		
<b>Copper</b> <small>(LME,3mth,PM)</small>	<b>6300</b>	t	50	0.8
<b>Nickel</b>	14030	t	170	1.2
<b>Aluminium</b>	2081	t	-13	-0.6
<b>Lead</b>	2155	t	2	0.1
<b>Zinc</b>	2625	t	68	2.7
<b>Tin</b>	20080	t	55	0.3
<b>CBT Wheat (Sep)</b>	<b>5.54</b>	bshl	0.08	1.3

### Commodities Commentary

**Oil** – prices ultimately dropped amid uncertainty and a myriad of reports commenting on likely supply, demand and pricing over the next 12 months.

Brent crude September futures expired overnight. October futures fell \$US1.34 to \$US74.21/bbl.

## Pre-Open Announcements

### ALS Ltd (ALQ)

AGM this morning.

### Decmil Group (\* DCG)

\$6.1M full year net loss. 14.5% higher, \$349.255M revenue. 75.27c NTA.

### CYBG Plc (\* CYB)

Virgin Money Holdings proposed acquisition documents lodged this morning, following approval from the UK Listing Authority.

### Abacus Property Group (ABP)

Forming 50:50 JVs with ISPT over ABP's Ashfield Mall, Sydney and Lutwyche City Shopping Centre, Brisbane. ABP will use the proceeds to reduce debt.

### Zenith Energy (ZEN) / Incitec Pivot (IPL)

ZEN has secured a one-year extension to its manage, operate and maintain contract with IPL's Phosphate Hill power facilities, Mount Isa region, Queensland.

## Resources

### Mincor Resources (\* MCR)

WA goldfields initial Cassini resource estimated at 550,000t @ 3.4% Ni, for 18,700t of nickel, 93% of this qualifying for indicated status.

The resource boosts MCR's Kambalda region nickel resources to 3.3Mt @ 3.6% Ni, for 118,000t of nickel.

### Prospect Resources (PSC)

PSC has filled three management positions for the Arcadia mine, Zimbabwe.

## Energy

### Cooper Energy (COE)

COE has determined MD David Maxwell's appointment will no longer be 'fixed term'.

## Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>ALQ</b>	AGM
	<b>BWP</b>	Full year
	<b>GMA</b>	Interim
	<b>JHG</b>	Jun Q
	<b>RIO</b>	Interim
<b>Mon</b>	CLW	AGM
<b>7 Aug</b>	NVT	Full year
	OFX	AGM
	RKN	Interim
	SCP	Full year
<b>8 Aug</b>	CBA	Full year
	IFL	Full year
	SKC	Full year
	TAH	Full year
	TCL	Full year

A weekly US petroleum inventories report is due tonight.

An industry report pushed prices yet lower post-settlement, in part due to an estimated 5.6MMbbl increase in US stored crude.

**Gold** – positioning was cited as a major influence on overnight gold trade, but prices vacillated intra-session.

The **US Federal Reserve** is due to announce outcomes from its policy meeting tonight (4am tomorrow AEST).

The **Bank of England's** policy meeting tomorrow night is also keenly anticipated, due to recent increased controversy regarding the government's plans for the pending UK separation from the European Union, talk of a rate move, and the release tomorrow night also of an inflation report from the central bank.

**Base metals** – apart from reports China and the US were keen to revisit trade matters, plus end-of-month, there was plenty to consider overnight.

**China's** official July manufacturing and services **PMIs**, released yesterday, came in at 51.2 and 54 respectively following 51.5 and 55 in June.

**Japan's** June industrial production fell 2.1% for the month and 1.2% year-on-year.

Caixin's July manufacturing PMI for China is due today.

Manufacturing PMIs are also due for Australia, Japan, the euro zone, UK and US today and tonight.

Meanwhile, industrial action was confirmed underway at a Codelco *copper* operation (Chuquicamata) in Chile.

The likelihood of action at BHP Billiton's Escondida copper project, Chile is expected to be better known by end-of-week.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7418	-0.0011	<b>-0.14</b>
<b>EUR – USD</b>	1.1688	-0.0003	<b>-0.03</b>

### Australian Data Today

AiG	PMI	Jul
CLgc	Cap city rsdntl propty prices	Jul
TDSec/MInst	Inflation gauge	Jul
RBA	Commodity prices	Jul

### US Data Tonight

ISM manufacturing	Jul
Markit PMI manufacturing	Jul
ADP employment report	Jul
Construction spending	Jun
Vehicle sales	Jul
MBA mortgage applications	27Jul

### Other Overseas Data Today & Tonight

<b>China</b>	Caixin PMI manufacturing	Jul
<b>Japan</b>	PMI manufacturing (final)	Jul
<b>UK</b>	PMI manufacturing	Jul
<b>UK</b>	BRC shop price index	Jun

### Trading Halts

Company	Code	Resuming
American Pacific Borate & Lithium	ABR	1 Aug
Queensland Bauxite	QBL	1 Aug
RCR Tomlinson	RCR	1 Aug
Advanced Braking Technology	ABV	2 Aug
Athena Resources	AHN	2 Aug
AVZ Minerals	AVZ	2 Aug
Classic Minerals	CLZ	2 Aug
Hammer Metals	HMX	2 Aug
Otto Energy	OEL	2 Aug
TNG Ltd	TNG	2 Aug
Todd River Resources	TRT	2 Aug
Vonex Ltd	VN8	2 Aug
AirXpanders Inc	AXP	3 Aug
Inca Minerals	ICG	3 Aug

### Suspensions (select)

Company	Code	Since
Benjamin Hornigold	BHD	30 Jul
Cape Range	CAG	30 Jul
Connected IO	CIO	19 Jul
Eastern Goldfields	EGS	25 Jul
Indoor Skydive Australia	IDZ	23 Jul
JustKapital Ltd	JKL	19 Jul
Lindian Resources	LIN	31 Jul
Omni Market Tide	OMT	31 Jul
Questus Ltd	QSS	30 Jul
Roto-Gro International	RGI	31 Jul
Sumatra Copper & Gold	SUM	27 Jul
Tikforce Ltd	TKF	24 Jul
Velpic Ltd	VPC	24 Jul

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ASH	Tomorrow	2.5	100	8.93
OZG	Fri	0.25	100	2.56
WIC	Fri	3	100	5.00
AMH	6 Aug	4.25	100	4.36
DJW	7 Aug	10	100	5.60
OPG	7 Aug	13	100	2.96
AFI	8 Aug	14	100	3.79
FRI	8 Aug	3	100	6.09

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<b>Germany</b>	PMI manufacturing (final)	Jul
<b>Euro zone</b>	PMI manufacturing (final)	Jul

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