

Markets

SFE 200 Futures (9.30am AEST)	6200	-26	-0.4
NZX 50	8853	-7	-0.1
DJIA Futures	25314	25	0.1
S&P 500 Futures	2813	3	0.1
NASDAQ Futures	7286	9	0.1

Local Markets Commentary

The Australian market opens today's trade on largely negative overnight international equities and commodity trade leads, ahead of influential domestic data.

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

US **gold** futures also continued lower.

Iron ore (China port, 62% Fe) fell.

LME **copper** and **nickel** turned and dropped. **Aluminium** continued lower.

The **\$A** was pushed a little lower after falling to US74.10c early yesterday evening.

Locally today, the Australian Bureau of Statistics reports June trade balance **11.30am** AEST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25334	-18	-0.3
S&P 500	2813	-3	-0.1
NASDAQ	7707	36	0.5
FTSE 100	7653	-96	-1.2
DAX 30	12737	-68	-0.5
Shanghai Comp	2825	-52	-1.8

Overseas Markets Commentary

Vacillating trade featured across most major European and US equities markets overnight, with geopolitical relations in focus in the middle of a week featuring key central bank policy meetings, plus major corporate earnings and influential data releases on both sides of the Atlantic.

The FTSE 100 dropped decisively, however, in part due to losses in the resources sector.

US officials confirmed the previous day's reports of plans to raise the initially proposed 10% import tax on an additional \$US200B worth of goods from **China** to 25%. China, for its part, again flagged retaliatory action. The US public comment period on the tariff plans has been extended by six days to 5 September.

In addition, the US froze the assets of two government ministers in **Turkey**, in response to the Turkish detention of a US citizen. Turkey's lira subsequently traded at record lows against the \$US.

Bond prices continued to fall, the US 10-year treasury yield surpassing 3.0% in early trade, in part due to the US government's stated intent to borrow more (as in boosting bond issues) during the September quarter.

Earlier, 10-year government bonds in Japan had

Australia – June trade balance **11.30am** AEST

Today's Stock Watch

EML Payments (EML)

Former Herbert Smith Freehills partner Paul Wenk has been appointed EML general counsel.

EML has also appointed experienced HR executive Kristen Shaw to the newly created position of chief people officer.

In addition, EML has appointed former Netspend Corporation executive Jamison Jaworski as president North America.

ClearView Wealth (CVW)

Disclosing that CVW independent non-executive director David Brown has been arrested and charged following a fraud allegation in Papua New Guinea.

On information to hand, CVW continues to support Mr Brown's inclusion on the CVW board.

Creso Pharma (CPH)

SuperMedic will exclusively market and distribute CPH's hemp-based cannaQIX products across Israel and the Middle East, under agreed minimal targets.

ResMed Inc (RMD)

Reporting post-US trade tonight. A webcast teleconference is scheduled to commence 6.30am AEST tomorrow.

Resources

Rio Tinto (RIO)

33% higher, \$US4.38B interim NPAT. \$US19.9B sales revenue, against \$US19.3B a year ago.

Paying a record \$US1.27 interim dividend, up 15%.

Planning a \$US1B RIO Plc, 10p-per-share buy-back, to be completed by 27 February 2019.

\$US5.2B net debt, up 36%.

Assuring productivity is improving but warning costs are rising.

In addition, RIO has sold, for a total \$3.95B, the balance of its coal assets in Queensland. RIO expects to pay ~\$1B tax on the transactions.

Mt Gibson Iron (MGX)

Dewatering is underway at MGX's WA Koolan Island iron ore site. Main pit dewatering is expected to be completed by year's end.

Reserves measure 21Mt @ 65.5% Fe.

Volt Resources (VRC)

Off-take agreement in hand with Qingdao Tiangshengda Graphite, for 9000tpa of VRC's Tanzania Bunyu project graphite over an initial five years.

Gascoyne Resources (GCY)

Several significant-width and high-grade assays delivered by RC drilling within two prospects at GCY's WA Gascoyne region Glenburgh gold project.

Energy

Boss Resources (BOE)

Heralding South Australia Honeymoon uranium project infill drilling results.

Assays lodged this morning.

been pushed the most in a day in two years following the Bank of Japan's post-policy meeting statement.

As expected overnight, the **US Federal Reserve** maintained rates status quo, opting again to underscore economic strength and satisfactory inflation.

In mixed US data releases, a private sector jobs report estimated 219,000 jobs were created in July, following forecasts of 185,000.

ISM's July manufacturing index fell from 60.2 to a nonetheless robust 58.1.

June construction spending dropped 11.1%.

Weekly mortgage applications fell 2.6%.

In the **euro zone**, a 55.1 final July manufacturing PMI represented a 0.2 improvement on June.

Germany's rose to 56.9 from 55.9.

Across the way, the **UK's** slipped from 54.3 to 54.0.

Tonight in the US, weekly new unemployment claims and a jobs layoff are due, ahead of tomorrow night's July employment report.

June factory orders are also due and the ISM's New York business activity index.

Elsewhere, the **Bank of England** holds a keenly anticipated policy meeting. The bank will also release an inflation outlook report.

Companies due to report earnings or provide an update later today and tonight include: Activision Blizzard, Aetna, AIG, Aviva, Barclays, DBS Group, DowDuPont, Kellogg, Marubeni, Merlin Entertainments, Mitsubishi, Mitsui, Rolls-Royce, RSA Insurance, Serco, Siemens, Suzuki, Teva Pharmaceutical and Yum Brands.

Unilever trades ex-dividend on the FTSE 100.

In overnight corporate news, **Apple**, which reported post-Tuesday US trade, achieved record highs and settled 6% higher for the session, supporting sentiment in general across the NASDAQ.

China's **Baidu** dropped 8% following reports Google planned to step up competition.

US **shale** oil producers suffered after revealing quarterly earnings had been adversely impacted by increased costs and hedging which bit hard when prices rose.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1218	oz	-6	-0.5
Silver (NY) (Sep)	15.35	oz	-0.15	-1.0
Gold (LON)	1219	oz	-2	-0.2
Platinum	815	oz	-22	-2.6
WTI Crude (Sep)	67.7	bbbl	-1.1	-1.6
Brent Crude (Oct)	72.4	bbbl	-1.8	-2.5
Iron Ore (CHN port 62%)	66.6	t	-1.6	-2.4
Copper (LME, 3mth, PM)	6172	t	-128	-2.0
Nickel	13590	t	-440	-3.1
Aluminium	2052	t	-29	-1.4
Lead	2126	t	-29	-1.3
Zinc	2555	t	-70	-2.7
Tin	19825	t	-255	-1.3
CBT Wheat (Sep)	5.58	bshl	0.04	0.8

Commodities Commentary

Oil – geopolitical news featured overnight, this time **Israel** threatening military action should Iran block

Pre-Open Announcements

InvoCare Ltd (IVC)

Proposing to acquire two additional funeral businesses in Grafton, New South Wales.

CannPal Animal Therapeutics (CP1)

Ethics approval in hand for a Phase 1B study using CP1's proposed CPAT-01 pain control treatment for cats and dogs.

Vitalharvest Freehold Trust (VTH)

Real estate investment trust completed its ASX listing yesterday following a \$185M IPO at \$1.00 per unit.

Opened at 98c and traded at 95.5c – 98.5c before settling at 96.5c.

3.7M units changed hands across 636 transactions.

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

Resources

RTG Mining (* RTG)

Philippines regulators have lifted a moratorium on exploration licences.

Red 5 (* RED)

WA Goldfields reserves and resources upgrades lodged this morning.

Pantoro Ltd (PNT)

Nicolsons gold project resources and reserves update lodged this morning.

Energy

Oil Search (OSH)

July drilling report lodged this morning.

FAR Ltd (FAR)

Has traded lower the past three sessions, but continues to attract interest on offshore Gambia expectations and some positive analyst research.

FAR settled at 12c yesterday.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Tomorrow	RMD	Jun Q
Mon	CLW	AGM
Tue	IFL	Full year
	NVT	Full year
	OFX	AGM
	RKN	Interim
	SCP	Full year
Wed	CBA	Full year
	SKC	Full year
	TAH	Full year
	TCL	Full year

the Bab al-Mandeb strait (used to ship Middle East crude to Europe and beyond), and also suspending general fuel deliveries to the Gaza strip, from today, in response to months of tit-for-tat cross-border action and protests.

Iran has warned of potentially closing the Strait of Hormuz at the Gulf of Aden mouth, but had not publicly mentioned Bab al-Mandeb.

Russia revealed it had produced more oil in July than it had agreed in June, due to market stability concerns, and if needed, would lift output to a daily 200,000bbl.

A weekly **US** petroleum inventories report, published overnight, estimated a 3.8MMbbl rise in stockpiled crude.

Exports fell a daily 1.4MMbbl and refinery demand rose by 195,000bbl/d.

Petrol stocks fell by 2.5Mmbbl.

Gold – the **US Federal Reserve** post-policy meeting statement remained in line with expectations of a series of gradual rate rises, and supported anticipation of one as early as September.

Some economists anticipate the **Bank of England's** policy meeting tonight could deliver a rate move. Whatever, governor Mark Carney is sure to offer some definitive post-meeting commentary.

Base metals – data and ongoing international trade issues appeared to damage overnight base metals trade sentiment.

Caixin's July manufacturing PMI for **China**, reported yesterday, slipped 0.2 to 50.8, an eight-month low.

Other manufacturing PMIs also reported yesterday and overnight mostly underwhelmed, even while remaining in expansion mode. Australia (52, against 57.4), Japan (52.3; 53 rev), the euro zone (55.1; 54.9), UK (54.0; 54.3) and US (58.1; 60.2).

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7407	0.0003	0.04
EUR – USD	1.1666	0.0004	0.04

Australian Data Today

ABS	Trade balance	Jun
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US Data Tonight

Initial jobless claims	28 Jul
Challenger job cuts	Jul
Factory orders	Jun
ISM New York	Jul

Other Overseas Data Today & Tonight

UK	BoE policy statement	Aug
UK	BoE inflation outlook	Aug
UK	Construction PMI	Jul
Euro zone	PPI	Jun

Trading Halts

Company	Code	Resuming
Advanced Braking Technology	ABV	2 Aug
Athena Resources	AHN	2 Aug
AVZ Minerals	AVZ	2 Aug
Classic Minerals	CLZ	2 Aug
5G Networks	5GN	3 Aug
Adslot Ltd	ADJ	3 Aug
AirXpanders Inc	AXP	3 Aug
Bulletin Resources	BNR	3 Aug
Hastings Technology Metals	HAS	3 Aug
Inca Minerals	ICG	3 Aug
Lanka Graphite	LGR	3 Aug
Leaf Resources	LER	3 Aug
Silver Mines	SVL	3 Aug
Simple Solutions	SIS	3 Aug
Syntonic Ltd	SYT	3 Aug
Tech Mpire	TMP	3 Aug
Valor Resources	VAL	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
Queensland Bauxite	QBL	1 Aug
Questus Ltd	QSS	30 Jul
RCR Tomlinson	RCR	1 Aug
Roto-Gro International	RGI	31 Jul
Sumatra Copper & Gold	SUM	27 Jul
Tikforce Ltd	TKF	24 Jul
Velpic Ltd	VPC	24 Jul
Wolf Petroleum	WOF	1 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
ASH	Today	2.5	100	8.93
OZG	Tomorrow	0.25	100	2.56
WIC	Tomorrow	3	100	4.98
AMH	Mon	4.25	100	4.36
DJW	Tue	10	100	5.63
OPG	Tue	13	100	2.90
AFI	Wed	14	100	3.79
AYK	Wed	29	100	tbc
AYZ	Wed	76	100	tbc
FRI	Wed	3	100	6.09
MEC	Thu (9 Aug)	1	100	0.93
MLT	Thu	10.2	100	4.00
RIO	Thu	~1.71	100	tbc

**Need More Information?**

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