

Markets

SFE 200 Futures (9.30am AEST)	6592	-11	-0.2
NZX 50	10523	-9	-0.1
DJIA Futures	26796	-1	0.0
S&P 500 Futures	2979	0	0.0
NASDAQ Futures	7838	0	0.0

Local Markets Commentary

The Australian market opens mid-week trade following vacillating overnight international equities trade, ahead of key regional and domestic data today, and shortened trade in the US tonight on the eve of the 4 July Independence Day holiday.

Since overnight trade, European Union leaders have approved leadership appointments for the European Commission and European Central Bank.

IMF MD and former finance minister for France Christine Lagarde will take over as president of the European Central Bank when Mario Draghi's term expires, and Germany's defence minister Ursula von der Leyen will be European Commission president.

Ms von der Leyen takes over from Jean Claude Juncker.

Locally today, the Australian Bureau of Statistics publishes May trade balance and building approvals **11.30am AEST**.

Pre-trade, the AiG is due to release its June services sector activity index.

Regionally today, Caixin is expected to publish its June services sector activity index for **China 11.45am AEST**.

In overnight commodities trade, **oil** tumbled.

US **gold** futures (August) rallied.

Iron ore (China port, 62% Fe) recorded another strong gain, trading beyond \$US123.00/t.

LME **copper**, **nickel** and **aluminium** continued lower.

The **\$A** has traded at ~US69.95c this morning after swinging between ~US69.80c - ~\$US69.90c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26787	69	0.3
S&P 500	2973	9	0.3
NASDAQ	8109	18	0.2
FTSE 100	7559	62	0.8
DAX 30	12527	5	0.0
Shanghai Comp	3044	-1	-0.0

Overseas Markets Commentary

Choppy, swinging trade featured across most major European and US equities markets overnight, but most indices settled at or near

Australia – trade balance – 11.30am AEST

China – Caixin services PMI – 11.45am AEST

Today's Stock Watch
Woolworths Ltd (WOW)

Planning to create a single drinks and hospitality business from the WOW divisions Endeavour Drinks and ALH Group and to separate this business via a demerger or alternative transaction. The new entity will be known as Endeavour Group.

In association, WOW CFO David Marr will be appointed to the newly-created WOW position of COO.

WOW finance director Australia Food Stephen Harrison will be CFO, effective 1 August.

Presentation lodged this morning, ahead of a webcast teleconference scheduled to commence 10.30am AEST.

Vocus Communications (VOC)

Anticipating flat \$350M - \$370M FY 2020 underlying EBITDA. Three-year strategy plan lodged pre-trade.

Abacus Property Group (ABP) / Charter Hall Group (CHC) / Australian Unity Office Fund (AOF)

ABP and CHC have raised their ABP offer from \$2.95 cash-per-unit to \$3.04 cash-per-unit.

Pushpay Holdings (PPH)

Conducting a bookbuild for the fully underwritten sale of 12.24M PPH shares (4.45%) held by interests associated with PPH co-founder and non-executive director Chris Heaslip.

These shares represent 41.2% of PPH shares held by these interests.

PPH has consequently called a trading halt.

Unibail-Rodamco-Westfield (URW)

Trading ex-dividend (30.4c) today.

Energy
Beach Energy (BPT)

BPT and Mitsui E&P Australia have agreed to move from 67:33 ownership of the WA Perth Basin production licences L11 and L22, plus the pipeline licence PL 18 and exploration permit EP 320, to 50:50.

In addition, the JV has secured a 4.5-year gas supply contract with Alinta Energy for 20TJ/d from the (50:50) Waitsia Field, commencing 1 July 2020.

In association, the capacity of Xyris gas processing facility will be doubled to 20TJ/d.

Further, drilling of L11 Beharra Spring Deep-1 is expected to begin by 30 September.



session highs on what is likely the last full-strength trading session of the week in the US.

US trade closes early tonight ahead of the 4 July Independence holiday, and Friday trade is expected to be comparatively light despite the release of monthly national employment statistics.

Overnight, the US administration talked up its intent to secure a US-favourable trade agreement with China, and threatened new or increased import taxes on \$US4B worth of goods from the European Union.

Following Monday's largely disappointing international manufacturing activity indices, new data releases included a UK June construction PMI, which slid to 43.1 from 48.6.

Germany's May retail sales fell 0.6% for the month following a 1% April drop. Year-on-year, sales came in 4% higher, however.

Euro zone producer prices fell 0.1% during May after a 0.3% April decline. Year-on-year, prices were 1.6% higher.

In the US, ISM's June New York business activity index rose from a contractionary 48.6 to an expansion mode base of 50.

The IBD/TIPP July economic index also rose, by 3.4 points to 56.6.

Tonight in the US, May trade balance, ISM's June service sector activity index, June private sector employment and (separate) job cuts reports, May factory orders and weekly mortgage applications are due.

Kraft Heinz and UK supermarket chain J Sainsbury are scheduled to provide trading and/or earnings updates later today and tonight.

US equities markets will be closed tomorrow night, due to the Independence Day public holiday. Some trade (including NASDAQ and NYSE) will end early (1pm ET) tonight.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1408.0	oz	18.7	1.4
Silver (NY) (Sep)	15.238	oz	-0.045	0.3
Gold (LON)	1390	oz		
Platinum	830	oz	1	0.1
WTI Crude (Aug)	56.25	bbl	-2.84	-4.8
Brent Crude (Sep)	62.40	bbl	-2.66	-4.1
Iron Ore (CHN port 62%)	123.19	t	3.74	3.0
Copper (LME,3mth,PM)	5895	t	-48	-0.8
Nickel	12105	t	-220	-1.8
Aluminium	1782	t	-11	-0.6
Lead	1890	t	-21	-1.1
Zinc	2470	t	10	0.4
Tin	17670	t	-1230	-6.5
CBT Wheat (Jul)	5.04	bshl	-0.08	-1.6

Commodities Commentary

Oil – OPEC members and 10 other oil-producing nations, including Russia agreed, overnight to extend production cuts until 31 March 2020.

The agreement came in the face of lower international demand. 2019 demand growth is currently estimated at 1.14MMbbl/d against expectations non-OPEC producers will supply an additional 2.14MMbbl/d across the year.

Pre-Open Announcements

Aurora Labs (* A3D)

MoU secured with Sweden-headquartered Granges, covering potential 3D printer supply to Grange, Grange aluminium powder supply to A3D and R&D collaboration.

CIMIC Group (CIM)

CIM's UGL has secured a \$630M five-year extension to a maintenance and logistics services contract with Sydney Trains.

Mirvac Group (MGR)

\$A46.2M raised in the recent SPP at \$A2.90 per stapled security. This following an institutional placement at the same price, which raised \$A750M.

MGR has traded at \$3.11 - \$3.26 over the past five trading sessions.

A2B Australia (* A2B)

A2B has completed the \$2.5M acquisition of Gold Coast Cabs. A2B expects an additional \$5M annual revenue and \$1M annualised EBITDA growth from the purchase. A2B has settled higher or steady the past seven trading sessions.

BWX Ltd (* BWX)

BWX has appointed Alistair Grant as company secretary and chief legal officer, effective 30 September. Mr Grant has recently held the general counsel APAC position at NYSE-listed Spectrum Brands. BWX CFO Vinod Somani will continue company secretary duties until Mr Grant's appointment takes effect.

MMA Offshore (MRM)

MRM has confirmed the appointment of former deputy CEO David Ross as Singapore-based CEO, effective 1 July (Monday this week). Jeffrey Weber is remaining Australia CEO until the conclusion of MRM's 2019 AGM.

Resources

Galena Mining (G1A)

Construction, mining and production approvals in hand for the WA Abra base metals project.

Neometals Ltd (NMT)

NMT has appointed Matthew Read as lithium projects GM. Mr Read was most recently Tianqi Lithium Australia's head of projects.

Trading Halts

Company	Code	Resuming
Aguirra Resources	AGR	3 Jul
Apollo Minerals	AON	3 Jul
Capricorn Metals	CMM	3 Jul
Chalice Gold Mines	CHN	3 Jul



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

Post-US trade, industry group the API has estimated a 5MMbbl crude drawdown.

Gold – a \$US pullback (ICE index -0.2%) and wavering equities sentiment supported overnight gold interest.

Services sector activity indices due tonight in the US and UK, respectively historically accounting for ~67% and 75% of economic growth, could influence some of tonight's trade, together with other key US data reports and positioning ahead of the US Independence Day public holiday.

Base metals – LME overnight trade appeared impacted by a mix of manufacturing data from Monday and renewed pressure talk from the US administration regarding trade with the European Union and China.

Services sector figures due for the US, euro zone and UK, plus other key US data releases, due later today and tonight, could influence some sentiment tonight.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6994	0.0000	0.00
EUR – USD	1.1290	0.0004	0.04

Australian Data Today

AiG	PSI	Jun
ABS	Trade balance	May
ABS	Building approvals	May

US Data Tonight

ISM non-manufacturing	Jun
Trade balance	May
ADP private sector employment	Jun
Challenger job cuts	Jun
Markit services PMI (final)	Jun
Factory orders	May
MBA mortgage applications	28 Jun
Vehicle sales (5am AEST Thursday)	Jun

Other Overseas Data Today & Tonight

China	Caixin services PMI	Jun
Japan	Services PMI (10.30am AEST)	Jun
Japan	Bank lending	Jun
UK	Services PMI	Jun
Germany	Services PMI (final)	Jun
Euro zone	Services PMI (final)	Jun

GBST Holdings	GBT	3 Jul
Keybridge Capital	KBC	3 Jul
Mayur Resources	MRL	3 Jul
Nova Minerals	NVA	3 Jul
Oro Verde	OVL	3 Jul
Silver Chef	SIV	3 Jul
Wellard Ltd	WLD	3 Jul
IODM Ltd	IOD	4 Jul
Kalamazoo Resources	KZR	4 Jul
Titomic Ltd	TTT	4 Jul
Pushpay Holdings	PPH	5 Jul

Suspensions *(select)*

Company	Code	Since
Alice Queen	AQX	25 Jun
China Magnesium Corporation	CMC	1 Jul
Golden Rim Resources	GMR	1 Jul
GWR Group	GWR	13 Jun
Marenica Energy	MEY	2 Jul
Mindax Ltd	MDX	26 Jun
Pura Vida Energy	PVD	28 Jun
Titan Minerals	TTM	28 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
HNG	Today	0.75	100	7.69
URW	Today	30.4	0	2.75
CAM	Tomorrow	1.25	100	5.23
MEC	Tomorrow	1	100	2.26
TRA	Mon (8 Jul)	4.73	85	7.20
CKF	Tue	10.5	100	2.16
MTS	Tue	7	100	5.11



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