

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	6537	-15	<b>-0.2</b>
<b>NZX 50</b>	10819	19	<b>0.2</b>
<b>DJIA Futures</b>	26224	-182	-0.7
<b>S&amp;P 500 Futures</b>	2906	-19	-0.6
<b>NASDAQ Futures</b>	7635	-56	-0.7

## Local Markets Commentary

The Australian market commences today's trade with a Reserve Bank of Australia (RBA) monetary policy meeting culminating in a policy statement this afternoon, ahead of an expected volatile resumption of parliamentary sessions in the UK, with no US equities trade leads, due to an overnight public holiday, but with another drop in US equities futures.

The RBA releases the outcomes of its **monetary policy meeting 2.30pm AEST**.

Pre-trade, a weekly consumer confidence reading is due.

Also today, the Australian Bureau of Statistics (ABS) publishes **July retail sales, 11.30am AEST** and the RBA a monthly **commodity prices** report, 4.30pm.

June quarter balance of payments and international investment figures will also be released by the ABS, ahead of June quarter GDP tomorrow.

Stocks trading ex-dividend today include: **ALU, APX, DOW, OSH, RMS, SBM, SKI** and **WOW**. Please see p4 for a detailed list.

In overnight commodities trade, **Brent** crude continued to fall.

**Iron ore** (Nymex CFR China, 62% Fe) tumbled below \$US84.05/t.

LME **copper** fell further. **Nickel** continued higher, but at less than 10% the pace of Friday's surge.

The **\$A** fell below US67.20c after trading sub-US67.25c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26403	Public	Holiday
<b>S&amp;P 500</b>	2926		
<b>NASDAQ</b>	7963		
<b>FTSE 100</b>	7282	75	<b>1.0</b>
<b>DAX 30</b>	11954	15	<b>0.1</b>
<b>Shanghai Comp</b>	2924	38	<b>1.3</b>

## Overseas Markets Commentary

Trade across major European equities markets trade diverged overnight, mainland trade chopping notably, but the FTSE 100 trending higher throughout the session.

US equities markets were closed due to a public holiday.

Yesterday, **China** revealed it had lodged a complaint with the

**Australia – RBA monetary policy meeting outcomes – 2.30pm AEST**

## Today's Stock Watch

### IMF Bentham (IMF)

IMF is expecting the completion of a law firm portfolio investment (Fund I) in the US due to the conditional settlement of several cases.

IMF expects the investment to generate ~\$US4.7M.

IMF settled at \$3.01 yesterday, after closing the first day of August trade at \$3.37.

### Bailador Technology Investments (BTI)

San Francisco-headquartered Stackla, one of the companies in BTI's portfolio, has had its access to Facebook suspended.

Stackla believes this is the result of an error.

### Infratil Ltd (IFT) / AGL Energy (AGL)

IFT has received \$A53.3M cash from AGL for its 80% holding in Perth Energy.

A conditional \$A14.9M may be payable to IFT over three years.

### SRG Global (SRG)

\$44M façade design, supply and installation contract secured for the NSW Parramatta Square project.

### Moelis Australia (MOE)

Proposing to outlay \$27.2M to buy back 8M (5.1% of MOE) shares from NYSE-listed Moelis & Company at \$3.40 each, pending shareholder approval.

MOE has traded higher the past four sessions, yesterday settling at \$3.82 after trading as high as \$3.95.

### Thorn Group (TGA)

Pending court approval, TGA will settle a class action with a proposed payment of \$25M, and without admitting any liability.

In addition, regarding media speculation of an offer for part of TGA the company says it has made no decisions, further to the board appointments subsequent to disclosing an expression of interest in TGA.

### Telstra Corporation (TLS)

CEO and CFO presentations lodged pre-trade, ahead of today's virtual retail shareholder meeting.

The meeting is scheduled for one hour from 10.30am AEST.

Yesterday's NBN update conference call transcript also lodged.

## Energy

### Cooper Energy (COE) / BHP Petroleum (BHP)

COE (10%) and BHP will cease Minerva gas plant production today, triggering the planned acquisition by COE (50%) and Mitsui.



World Trade Organisation (WTO) against **US** import taxes on \$US 300B worth of goods from China.

The US stance remains that the tariffs issue should not be one to be considered by the WTO, citing alleged China behaviour in implementing ‘aggressive industrial policy measures to steal or otherwise unfairly acquire the technology of its trading partners’.

In the **UK**, parliamentarians were reported to be planning a vote tonight on taking control of the UK’s plans to leave the **European Union** (EU) out of the hands of the government.

Should such a vote be successful, a spokesperson offered that the UK PM would call an election for 14 October. This pushed the British pound lower, supporting major FTSE 100-listed exporters.

For his part, the PM maintained overnight that he could not counter requesting any delay from the 31 October UK-EU separation date, suggesting he would rather call a national election.

Among overnight data releases, the **euro zone**’s final August manufacturing PMI rose to 47.0 from 46.5.

**Germany**’s manufacturing PMI improved to 43.5 from 43.2.

In the **UK**, the August manufacturing PMI slipped 0.6, to 47.4.

**Tonight** in the US, the ISM’s August manufacturing index, July construction spending, an economic optimism index and Markit’s final July manufacturing PMI are expected.

Elsewhere, developments during the resumption of parliament in the UK, following the summer recess, will be keenly watched, in light of US-EU separation angst.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1529.4</b>	oz	Public	Holiday
<b>Silver (NY)</b> (Dec)	18.342	oz		
<b>Gold (LON)</b>	1526	oz	-2	<b>-0.2</b>
<b>Platinum</b>	931	oz		
<b>WTI Crude</b> (Oct)	<b>56.71</b>	bbbl	Public	Holiday
<b>Brent Crude</b> (Nov)	<b>58.66</b>	bbbl	-0.59	<b>-1.0</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>84.03</b>	t	-6.88	<b>-8.2</b>
<b>Copper</b> (LME,3mth,PM)	<b>5611</b>	t	-48	<b>-0.9</b>
<b>Nickel</b>	18030	t	120	<b>0.7</b>
<b>Aluminium</b>	1749	t	-4	<b>-0.31</b>
<b>Lead</b>	2026	t	0.5	<b>0.0</b>
<b>Zinc</b>	2241	t	20	<b>0.9</b>
<b>Tin</b>	16800	t	545	<b>3.4</b>

### Commodities Commentary

**Oil** – Brent crude traded as low as \$US58.10/bbl overnight, traders keeping in mind the weekend new tariff impositions resulting from the China-US trade dispute.

No WTI crude settlement was recorded, due to limited, truncated trade during the US public holiday.

In the meantime, **Iran** was reported to be selling \$US500/month worth of oil products, based on shipping records and media surveying. This, despite US sanctions on both crude and products trade.

Russia appeared keen to point out its August production came in

## Pre-Open Announcements

### Bod Australia (BDA)

95% growth in dispensed MediCabilis prescriptions achieved during August.

### MGC Pharma (MXC)

Human research ethics committee approval in hand for a collaborative clinical study using CannEpiL for the treatment of severe intractable epilepsy.

### Starpharma Ltd (SPL)

Further regulatory approval achieved for VivaGel in Asia. Details lodged this morning.

### Apium Animal Health (AHX)

AHX is proposing to acquire animal vaccines and diagnostic specialist ACE Laboratory Services for an initial \$12.375M plus a performance-dependent \$3.625M.

Targeting completion by month’s end.

### PYC Therapeutics (PYC)

PYC has demonstrated in an animal study that an anti-sense oligonucleotide delivered to the eye, to treat retinal conditions, using PYC’s delivery technology is more effective than without the technology.

### Bio-Gene Technology (BGT)

Heralding positive results from using flavicide to control pests in stored grain.

### Codan Ltd (CDA)

Strategy and results presentation lodged this morning.

### EMVision Medical Devices (EMV)

Targeting a December commencement of a pilot clinical trial of EMV’s brain scanner at the Princess Alexandra Hospital, Brisbane.

## Resources

### Lucapa Diamond Company (\* LOM)

Interim results, including a \$US1.1M NPAT, lodged this morning. A year ago, LOM recorded a \$US4.3M net loss.

### Catalyst Metals (CLY)

Four Eagles gold project Boye’s Dam diamond drilling has intersected high-grade gold. Details lodged this morning.

### Apollo Consolidated (AOP)

WA Lake Rebecca gold project Rebecca and Duchess prospect drilling has returned significant-width intersections. Assays lodged this morning.

### Musgrave Minerals (MGV)

WA Murchison region Cue gold project Break of Day deposit extension drilling has delivered further high-grade mineralisation.

Follow-up drilling planned as mineralisation remains open to the south and down plunge.



at a daily 143,000bbl fewer than for October 2018, despite not meeting the reduction target agreed to under the OPEC-led agreement. Russia's energy minister Alexander Novak also asserted Russia was aiming to comply with the target this month. Meanwhile in the US, slow-moving **Hurricane Dorian** was forecast to move along the coasts of Florida, Georgia and South and North Carolina, from anytime late Monday (US time), delivering flooding from heavy rains and a storm surge, rather than making landfall.

In other news, **Saudi Arabia** was reported to likely increase its prices for October light crude supply to Asia by US40c/bbl – US50c/bbl.

The kingdom also announced a new chairman for State oil company Saudi Aramco (replacing Energy Minister Khalid al-Falih) - sovereign wealth fund head Yasir al-Rummayan.

**Gold** – no Comex futures settlement was recorded overnight, due to limited, truncated trade during the US public holiday.

Key US data releases (including monthly employment statistics Friday), plus any material geopolitical developments from the UK resumption of parliament tonight, a speech by the US Federal Reserve chair later this week, and China-US trade commentary and/or moves, are expected to influence gold sentiment from tonight.

**Base metals** – Caixin's August manufacturing PMI for China, reported yesterday, was calculated at an expansionary 50.4, against the contractionary 49.9 estimated for July.

Japan's August manufacturing PMI was reported at 49.3, from 49.4 for July.

Also yesterday, Indonesia confirmed it would bring forward another ban on raw ore exports from January 2022 to 2020, pushing *nickel* prices yet higher following Friday's surge, and flushing out early price and deficit forecasters.

Meanwhile, reports emerged that a major *aluminium* producer had set prices 2% higher, at \$US110/t, for December quarter supply to Japan.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6714	-0.0003	<b>-0.04</b>
<b>EUR – USD</b>	1.0965	-0.0004	<b>-0.04</b>

### Australian Data Today

RBA	Monetary policy statement	3 Sep
ANZ/RoyMorgan	Consumer confidence	1 Sep
ABS	Retail sales	Jul
RBA	Commodity prices (4.30pm AEST)	Aug

### US Data Tonight

ISM manufacturing	Aug
Construction spending	Jul
IBD/TIPP economic optimism	Sep
Markit PMI manufacturing (final)	Aug

In addition, MGV is anticipating Lena prospect diamond drilling results mid-month.

### Metals X (MLX)

Director Milan Jerkovic has resigned his MLX board position in favour of other duties, including the chairmanship of Blackham Resources (ASX: BLK).

In association, the MLX board will restructure. This will include the stepping down of chairman Peter Newton at the AGM.

### Lepidico Ltd (LPD)

Namibia conference presentation lodged this morning.

### Cassini Resources (CZI)

West Musgrave project PFS update lodged this morning in presentation format.

CZI is presenting at a conference in Sydney on Thursday.

### Ardea Resources (ARL)

WA eastern goldfields Perrinvale nickel-copper sulphide project geophysical surveying is underway.

ARL appreciated 25.3% yesterday, settling at 57c.

## Energy

### Whitebark Energy (\* WBE)

Reporting 'encouraging' oil and gas rates during initial flow back of the Rex-2 well.

Unassisted rates are higher than for Rex-1.

### Trading Halts

Company	Code	Resuming
Rumble Resources	RTR	3 Sep
ADX Energy	ADX	4 Sep
Carnarvon Petroleum	CVN	4 Sep
Classic Minerals	CLZ	4 Sep
Environmental Clean Technologies	ECT	4 Sep
Maximus Resources	MXR	4 Sep
The Food Revolution	FOD	4 Sep
RBR Group	RBR	4 Sep
Trek Metals	TKM	4 Sep

### Suspensions (select)

Company	Code	Since
Golden Cross Resources	GCR	19 Aug
Gold Mountain	GMN	28 Aug
Greenpower Energy	GPP	2 Sep
Heron Resources	HRR	16 Aug
Homestay Care	HSC	20 Aug
Kollakorn Corporation	KKL	2 Sep
Koon Holdings	KNH	29 Aug
Lake Resources	LKE	2 Sep
Lustrum Metals	LRM	30 Aug
Millinium's Alternative Fund	MAX	30 Aug



Vehicle sales (5am AEST Wed) Aug

### Other Overseas Data Today & Tonight

**UK** Construction PMI Aug  
**Euro zone** Producer prices Jul

### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

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Pilbara Minerals	PLS	2 Sep
Pioneer Credit	PNC	28 Aug
Valor Resources	VAL	2 Sep

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AEF</b>	Today	<b>3</b>	100	2.00
<b>ALU</b>	Today	<b>18</b>	0	0.81
<b>APX</b>	Today	<b>4</b>	42.53	0.32
<b>BVS</b>	Today	<b>4.8</b>	0	2.05
<b>DOW</b>	Today	<b>14</b>	50	1.82
<b>DWS</b>	Today	<b>4</b>	100	7.96
<b>ECL</b>	Today	<b>3</b>	100	2.40
<b>HSN</b>	Today	<b>3</b>	86.66	1.83
<b>MGX</b>	Today	<b>4</b>	100	0.00
<b>MVP</b>	Today	<b>2</b>	100	0.42
<b>OSH</b>	Today	<b>7.37</b>	0	2.28
<b>PFP</b>	Today	<b>5.8</b>	100	3.84
<b>RMS</b>	Today	<b>1</b>	100	0.00
<b>SBM</b>	Today	<b>4</b>	100	3.64
<b>SHM</b>	Today	<b>4</b>	100	3.85
<b>SKI</b>	Today	<b>7.5</b>	0	6.90
<b>SLK</b>	Today	<b>8.5</b>	100	3.70
<b>WOW</b>	Today	<b>57</b>	100	2.55