

Markets

SFE 200 Futures (9.30am AEST)	6708	0	0.0
NZX 50	10847	-17	-0.2
DJIA Futures	26426	-23	-0.1
S&P 500 Futures	2930	-3	-0.1
NASDAQ Futures	7689	-14	-0.2

Local Markets Commentary

The Australian market opens a new week's trade amid news of a further Persian Gulf region oil tanker seizure, with new data out of China and key domestic reports due by the end of the morning, ahead of a Reserve Bank of Australia (RBA) policy meeting tomorrow.

Over the weekend, Iran has claimed it detained an alleged fuel-smuggling vessel last Wednesday and that it has offloaded the cargo.

Regionally today, Caixin is due to release its July **services PMI** for **China 11.45am AEST**.

Locally, AiG's July **services sector** activity index and a weekly **home price** report are due pre-trade.

ANZ is scheduled to publish its monthly **job advertisements** report **11.30am AEST**.

The monthly Melbourne Institute **inflation gauge** report is also expected this morning.

In addition, **DJW** trades ex-dividend today. *Please see p4 for details of stocks scheduled to trade ex-dividend.*

Also this week, domestic **corporate reporting** season commences in earnest.

In overnight Friday commodities trade, **oil** swung higher.

US **gold** futures (December) rallied beyond \$US1457.0/oz.

Iron ore (Nymex CFR China, 62% Fe) tumbled further.

LME **copper** dropped. **Nickel** and other base metals were also pushed decisively lower.

The **\$A** appreciated to US68.00c after trading at ~US67.90c early Friday evening, but has been pushed below US68.00c again this morning.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26485	-98	-0.4
S&P 500	2932	-22	-0.7
NASDAQ	8004	-107	-1.3
FTSE 100	7407	-178	-2.3
DAX 30	11872	-381	-3.1
Shanghai Comp	2868	-41	-1.4

Overseas Markets Commentary

China – Caixin services PMI – 11.45am AEST

Australia – Bank holidays (in parts of) the ACT and NSW; Public holiday Northern Territory

Today's Stock Watch

Credible Labs (CRD)

Consumer finance marketplace operator CRD has agreed to merge with Fox Corporation under a plan whereby CRD shareholders would receive \$A2.21 cash per CDI, pending various approvals.

CRD traded at \$1.635 - \$2.23 on the ASX last week.

Medlab Clinical (MDC)

HoA secured with American Nutritional Corp (ANC) for ANC to launch MDC existing nutraceuticals in the US, potentially by year's end.

Monadelphous Group (MND)

Heralding \$150M worth of new construction and maintenance contracts within the resources and energy sectors.

Details lodged this morning.

MND has settled lower the past six trading sessions, closing out last week at \$18.42.

APA Group (APA) / Comet Ridge (COI)

APA has secured a petroleum survey licence from the Queensland government for the proposed Galilee-Moranbah pipeline.

Resources

Mincor Resources (MCR) / BHP Billiton (BHP)

MCR has secured a binding ore tolling and concentrate purchase agreement with BHP's Nickel West.

Under the agreement the BHP Kambalda nickel concentrator will process up to 600tpa of MCR's nickel sulphide.

BHP will purchase the resulting concentrate for further processing at its Kalgoorlie nickel smelter and Kwinana nickel refinery.

Lithium Australia (LIT)

WA Youanmi maiden RC drilling has delivered significant-width, high-grade lithium intersections.

Strike length estimated at ~1200m. Assays lodged this morning.

Bellevue Gold (BGL)

Reporting a new high-grade find beneath the historic Bellevue gold mine, WA.

BGL is claiming 1000m of strike that is open in all directions.

Details, including assays lodged this morning.



Major European equities markets reacted for the first time overnight Friday to the new US tariffs announced on goods from China post-European trade Thursday.

Key US indices also opened lower and while chopping through the last trading session of the week, never looked like recovering losses.

Global economic fears appeared to remain forefront, ahead of growth and trade indicators from key nations in Asia and Europe this week, and amid material overnight Friday data from the US and broader European region.

US July employments statistics included the creation of 164,000 jobs and an on-par 0.3% rise in average earnings.

Year-on-year, earnings were up 3.2%.

Unemployment remained steady at 3.7%.

In other US data releases, the June trade deficit came in at \$US55.2B, against \$US55.3B for May.

June factory orders increased 0.6% after dropping 1.3% in May.

The ISM's New York business activity index dropped to a contractionary 43.5 from 50, the cut-off between expansion and contraction.

The University of Michigan finalised its July consumer confidence reading at 98.4, against 98.2 for June.

Earlier in the **euro zone**, June retail sales were considered encouraging, reported 1.1% higher for the month following a 0.6% May fall. Year-on—year, sales were 2.6% higher.

Producer prices declined 0.6% after slipping 0.1% in May. Year-on-year, prices were 0.7% higher.

In the **UK**, the July construction PMI remained in contraction territory but rose 2.2 points from a decade low to 45.3.

Meanwhile, the British pound stabilised but still languished against the \$US ahead of the planned 31 October UK-European Union (EU) separation

Tonight in the US, services sector activity indices are due from the ISM and Markit (final estimate).

In addition, speculation will continue regarding potential candidates to head the International Monetary Fund (IMF). Nominations will be received as late as 6 September ahead of a likely early-October decision. Over the weekend, the EU reportedly nominated Bulgarian World Bank chief executive Kristalina Georgieva as its preferred candidate.

Companies scheduled to report earnings later today and tonight include: BBA Aviation, cars.com, ERG, HSBC, LG, Lotte Chemical, Marriott, Softbank, Subaru and Suzuki.

In overnight Friday corporate news, **Exxon Mobil** reported a 21% quarterly profit drop to \$US3.13B, due mostly to a fall in gas prices and rise in maintenance costs.

Chevron boosted profit by 26.3% to \$US4.31B, supported by a 9% rise in overall oil and gas production.

Container shipping companies continued to suffer, **Moeller Maersk** trading ~4% lower than before the US had announced new import taxes on goods from China.

Over the weekend, **Berkshire Hathaway** has reported a \$US14B June quarter net profit, \$US2B higher than a year earlier. Operating profit slipped from ~\$US6.9B to \$US6.1B.

Pre-Open Announcements

Connexion Telematics (* CXZ)

CXZ has appointed former ASX-listed Spookfish founding director and Guy Perkins as MD, effective 2 September.

Murray Goulburn Co-operative Co (MGC)

A mediation session in relation to the Webster class action is scheduled for 8 November, following a case management hearing Friday.

The class action trial remains listed for commencement 5 February.

Another case management hearing is scheduled for 13 September, due to Webster requesting a stay against MGC former MD Gary Helou (but not other defendants).

Resources

Venus Metals (** VMC)

High-grade gold Currans Find North RC drilling intersections lodged this morning.

Australian Potash (* APC)

The WA Lake Wells sulphate of potash resource has grown to 18.1Mt.

APC settled at 11c Friday after closing out the previous week at 9.7c.

Independence Group (IGO) / AngloGold Ashanti (AGG)

IGO and AGG hosted a site visit to the WA Tropicana gold operation yesterday.

Site visit presentation lodged post-trade Friday.

Northern Star Resources (NST)

Strategy day presentation lodged post-trade Friday.

Sky Metals (SKY)

New South Wales Tallebung tin project initial drilling has intersected multiple mineralised zones

SKY settled at 6.3c Friday after closing out the previous week at 5.6c.

Breaker Resources (BRB)

Anticipating WA Lake Roe gold project PFS outcomes by the end of October. BRB says a resource update has almost been completed.

Energy

Coronado Global Resources (* CRN)

~500% higher, \$US214.3M interim NPAT.

54% higher, \$US1.23B revenue.

Paying a fully franked US11.2c (per CDI) interim dividend.

\$US1.80 NTA (per CDI); \$US11.80 NTA.

Rey Resources (REY) / Doriemus Plc (DOR)

REY has terminated an onshore northern WA EP 487 farmout agreement with DOR.

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1457.5	oz	25.10	1.8
Silver (NY) (Sep)	16.27	oz	0.09	0.6
Gold (LON)	1407	oz		
Platinum	843	oz	-8	-0.9
WTI Crude (Sep)	55.66	bbl	1.71	3.2
Brent Crude (Oct)	61.89	bbl	1.39	2.3
Iron Ore (CHN port 62%)	106.51	t	-5.51	-5.2
Copper (LME,3mth,PM)	5723	t	-196	-3.3
Nickel	14480	t	-240	-1.6
Aluminium	1773	t	-11	-0.6
Lead	1954	t	-33	-1.7
Zinc	2352	t	-54	-2.3
Tin	17105	t	-280	-1.6
CBT Wheat (Jul)	4.90	bshl	0.14	2.9

Commodities Commentary

Oil – yesterday, Iran reported having detained another oil tanker, north of the Strait of Hormuz, in the Persian Gulf, and further claimed that the vessel had been seized Wednesday last week.

Iran alleged the tanker was being used to smuggle 700,000L of fuel.

Overnight Friday, prices effectively bounced some from the plunge following the Thursday afternoon US announcement of proposed new import taxes on goods from China.

In the meantime, Bank of America Merrill Lynch has predicted China will cut back on US crude purchases in favour of imports from Iran, in retaliation. Further, Brent prices could fall by \$US20/bbl - \$US30/bbl as a result, combined with likely lower international demand.

Data from several regions will likely influence views of global economic progress this week.

A weekly US petroleum drill rig count, published overnight Friday, reduced the tally of operational oil rigs by a further six, to 770.

Gold – prices swung overnight Friday, heading higher initially on the US jobs report, but then retreating some.

US July employment statistics included 164,000 new jobs against a forecast of ~171,000.

An internationally broad smattering of trade, GDP and inflation figures this week is expected to influence global economic growth and central bank policy expectations, and hence prove ultimately material to gold price moves.

Base metals – overnight Friday LME trade reacted to the post-Thursday LME trade announcement of new US import taxes on goods from China, and also to early relative \$US strength.

Copper settled ~4% lower for the week, despite the \$US pulling back some following the jobs reports.

Meanwhile, Peru's government has ordered the military to secure the Matarani (copper export) port and regional areas following news of renewed protests scheduled for this week against the proposed Tia Maria copper mining operation.

China's Caixin-calculated July services PMI is due today.

July trade statistics are anticipated from China's NBS Thursday.

DOR was unable to raise sufficient funds by 31 July to complete agreed farm-in work.

REY consequently retains 100% of EP 487.

Reports & Events

(selected)

When	Company	Report/Event
Tomorrow	BWP	Full year
	PNI	Full year
	SCP	Full year
Wed	CBA	Full year
	JHX	AGM (Dublin)
	RKN	Interim
	SUN	Full year
	TCL	Full year
Thu	AGL	Full year
	AMP	Interim
	IAG	Full year
	NCK	Full year
	NGI	Full year
	MGR	Full year
Fri	BBN	Full year
	REA	Full year

Trading Halts

Company	Code	Resuming
Anglo Australian Resources	AAR	5 Aug
Big River Gold	BRV	5 Aug
Coziron Resources	CZR	5 Aug
Galan Lithium	GLN	5 Aug
Vango Mining	VAN	5 Aug
CropLogic Ltd	CLI	6 Aug
MGM Wireless	MWR	6 Aug
Oakdale Resources	OAR	6 Aug
Rumble Resources	RTR	6 Aug
S2 Resources	S2R	6 Aug
Venturex Resources	VXR	6 Aug

Suspensions (select)

Company	Code	Since
AuStar Gold	AUL	31 Jul
Genetic Technologies	GTG	2 Aug
Gooroo Investments	GOO	1 Aug
High Grade Metals	HGM	18 Jul
Keybridge Capital	KBC	16 Jul



China's Zhongwang Holdings announced in the meantime that it was seeking legal advice in regards to last week's US allegations of smuggling *aluminium* into the US.

In production news, BHP Billiton (ASX: BHP) confirmed new Australian *nickel* sulphate output was on target for commencement by 30 June 2020.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6794	-0.0002	-0.03
EUR – USD	1.1107	-0.0001	-0.01

Australian Data Today

CoreLogic	Capital city home prices	2 Aug
AiG	PSI	Jul
MelbInst/TD Sec	Inflation gauge	Jul

US Data Tonight

ISM non-manufacturing	Jul
Markit services PMI (final)	Jul

Other Overseas Data Today & Tonight

China	Caixin services PMI	Jul
Japan	Services PMI	Jul
UK	Services PMI	Jul
Germany	Services PMI (final)	Jul
Euro zone	Services PMI (final)	Jul
Euro zone	Sentix investor confidence	Aug

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Mobecom Ltd	MBM	29 Jul
South Pacific Resources	SPB	2 Aug
West Wits Mining	WWI	26 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
DJW	Today	10	100	5.63
WQG	Today	2	0	0.00
AFI	Tomorrow	14	100	3.70
CVC	Tomorrow	8	100	6.12
MLT	Thu	10.4	100	3.96
RIO	Thu	307.58	100	4.45
BKI	Fri	4.7	100	4.31
JHG	Fri	36	0	7.16
OCA	Fri	2.12	0	3.55
OZG	Fri	0.25	100	3.03
WIC	Fri	3	100	5.45

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