

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	6460	-110	<b>-1.7</b>
<b>NZX 50</b>	10552	-214	<b>-2.0</b>
<b>DJIA Futures</b>	25170	-380	-1.5
<b>S&amp;P 500 Futures</b>	2790	-40	-1.4
<b>NASDAQ Futures</b>	7266	-119	-1.6

**Local Markets Commentary**

The Australian market commences today's trade following overnight tumbles for major international equities indices, with domestic trade figures due late morning, and the **Reserve Bank of Australia's** (RBA) post-policy meeting statement this afternoon.

Any additional **China-US** trade relations disclosures and developments will continue to influence markets today.

Since yesterday's ASX close, China's Commerce Ministry confirmed companies in China were no longer purchasing agricultural goods from the US and that the administrations could impose import taxes on any such products that were purchased since Saturday.

Regionally today, **Japan** reports June household spending this morning.

Locally, a weekly **consumer sentiment** reading is due pre-trade.

The Australian Bureau of Statistics publishes June **trade balance 11.30am** AEST.

ANZ's July job advertisements report is also scheduled for release at the same time.

**2.30pm**, the **RBA** will announce outcomes from today's **policy meeting**. Most speculation centres on any pointers to additional rate moves this year.

In addition, **AFI** trades ex-dividend today. *Please see p4 for a detailed list of stocks trading ex-dividend.*

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

**US gold** futures (December) extended Friday's rally.

**Iron ore** (Nymex CFR China, 62% Fe) continued to slump, but settled above \$US100.30/t.

LME **copper** fell further. **Nickel** turned and gained on Indonesian export licensing speculation.

The **\$A** ultimately remained within a relatively narrow range after trading at US67.55c early yesterday evening, but has appreciated beyond US67.60c this morning.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25718	-767	<b>-2.9</b>
<b>S&amp;P 500</b>	2845	-87	<b>-3.0</b>
<b>NASDAQ</b>	7726	-278	<b>-3.5</b>
<b>FTSE 100</b>	7224	-183	<b>-2.5</b>
<b>DAX 30</b>	11659	-214	<b>-1.8</b>
<b>Shanghai Comp</b>	2821	-46	<b>-1.6</b>

**Australia** – June **trade balance** – **11.30am** AEST;  
**RBA policy meeting statement** – **2.30pm**

**Today's Stock Watch**
**BWP Trust (BWP)**

7% lower, \$169,38M full year NPAT. 2% higher, \$156.26M revenue.

9.18c (against 9.03c) final and 1.56c special dividends.

Teleconference scheduled to commence 11am AEST.

**Shopping Centres Australasia Group (SCP)**

37.4% lower, \$109.6M full year NPAT.

25.3% higher, \$270.0M revenue.

7.45c final distribution. \$2.27 NTA.

Results largely influenced by acquisition costs and slower for investment property growth.

Negative Vicinity rent renewals expected to continue for a year.

Webcast briefing scheduled to commence 10am AEST.

**PainChek Ltd (PCK)**

Regulatory clearance in hand for PCK products to be used in Singapore.

Further, PCK has secured a two-year licence agreement with Singapore residential aged care specialist Allium Healthcare Holdings.

**MGM Wireless (MWR)**

Agreement secured for Sky to sell MWR's Spacetalk children's smartwatch phone in the UK. Sales are due to commence today. Resuming from a trading halt, having last traded at \$3.49.

**Southern Cross Media Group (SXL)**

Outsourcing TV and radio transmission services to BAI Communications' Broadcast Australia (BA).

SCA anticipates a \$9.2M loss from selling broadcast transmission assets to BA, but also expects to achieve reliable, standardised transmission.

**ASX Group (ASX)**

July operational statistics lodged this morning, including a 36% drop in total capital raised, to \$4.8B.

**Resources**
**Centaurus Metals (CTM)**

CTM has secured a binding call option with Vale over the Jaguar nickel sulphide project, Carajas province, Brazil.

**Millennium Minerals (MOY)**

Produced 1017oz of gold during July, against 6575oz in June, enabling \$A5M to be released from a debt facility.

**Ramelius Resources (RMS) / Rumble Resources (RTR)**

RTR has secured an option to acquire RMS's WA Yalgoo mineral field Western Queen gold project.



## Overseas Markets Commentary

Major European and US equities markets reacted overnight for the first time to China allowing its yuan to fall much further than usual yesterday, sentiment pierced well before openings and haemorrhaging in various degrees through to settlement.

Usually, China's authorities would support the yuan so that it did not fall below seven yuan-for-one \$US, but yesterday's drop, which breached this level for the first time in 11 years, suggested it was a move by China to mitigate additional US import taxes.

Other China-US relations analysts went further, suggesting China was signalling it was no longer anticipating any substantial trade deal with the US, and could well pull back on other co-operation.

Indeed, China's Commerce Ministry subsequently suggested additional import taxes could be levied against US agricultural products this week, and claimed companies in China have ceased purchasing agricultural products from the US.

Safe-haven currencies, such as Japan's yen and Switzerland's franc (two-year peak against the euro), benefited, but not so the more vulnerable currencies, including those of emerging market nations.

Select government bond prices also appreciated, hence pushing yields lower, particularly those for 10-year bonds in the UK and US (three-year lows).

Among overnight data releases, the **euro zone's** services PMI was finalised at 53.2, from 53.6 for June.

**Germany's** 54.5 represented a 1.3-point fall for the month.

In the **UK**, the July services PMI rose 0.8 to 51.4.

July new car sales dropped 4.1% year-on-year, following a 4.9% June tumble.

In the **US**, the ISM's July services sector activity index slipped 1.4 to 53.7, all major components, with employment the exception, declining.

Markit's less-influential final July services PMI represented a 1.5-point rise for the month to 53.

**Tonight** in the US, a June job openings report and economic optimism index are due.

In addition, a Federal Reserve regional president, previously on the record as in favour of a series of rates cut this year, is due to speak publicly on the domestic economy.

Companies scheduled to report earnings later today and tonight include: Daikin Industries, Intercontinental, Kirin Holdings, Pioneer Natural Resources, Rinnai, Rolls-Royce and Walt Disney.

In overnight corporate news, additional job cuts appeared to feature.

Up to 4000 at **HSBC**, which will also part on mutual terms with its CEO, suggested by some due at least in part to HSBC information leading to the US being able apply for the extradition of Huawei's CFO. HSBC also reported 15.8% higher, £10.2B pre-tax interim profit and plans for a buy-back.

Also in the UK, supermarket major **Tesco** announced it would restructure its business and in doing so would require 4500 fewer staff. Tesco reportedly employs 340,000 people across the Republic of Ireland and UK.

## Pre-Open Announcements

### Pinnacle Investment Management (\* PNI)

30.1% higher, \$30.55M full year NNPAT.

27.7% higher, \$21.12M revenue.

9.3c fully franked final dividend. 97c NTA.

### Eden Innovations (\* EDE)

Two EDE concrete products approved for use by the South Carolina Department of Transportation.

Details lodged this morning.

### Opthea Ltd (\* OPT)

OPT-302 Phase 2b clinical trial results teleconference scheduled to commence 9am AEST tomorrow.

Access details lodged post-trade yesterday.

OPT traded ~7.9% higher Thursday last week and 5.5% higher Friday, settling for the week at 86.5c before calling a trading halt.

### Kip McGrath Education Centres (KME)

Co-founder and chairman Kip McGrath has decided to retire from the KME board, effective immediately.

KME has consequently appointed deputy chair Ian Campbell as KME's new chairman.

In addition, KME has appointed Storm McGrath as a director.

Mr Campbell has been a KME director since 2009.

Further, KME plans to release full year results 23 August.

Expecting ~\$2.6M NPAT.

## Resources

### Lucapa Diamond Company (\* LOM)

LOM's Mothae diamond JV with the Kingdom of Lesotho government has delivered a 64-carat diamond.

LOM 70%.

### Aeon Minerals (AML)

High-grade Vardy area copper assays lodged this morning.

### Parkway Minerals (\* PWN) / Davenport Resources (DAV)

PWN is proposing to acquire unlisted Australian company Consolidated Potash Corporation.

Summary details and presentation lodged post-trade yesterday.

In association, PWN is conducting a \$450,000 capital raising at 0.5c per share.

PWN traded at 0.5c – 0.6c last week before calling a trading halt during ASX trade yesterday.

PWN holds 30.93% of DAV.

### Cardinal Resources (CDV)

Delivered a presentation to the Diggers & Dealers forum, Kalgoorlie-Boulder WA post-ASX trade yesterday.

Presentation also lodged-post-trade.

### Agua Resources (AGR)

Non-executive AGR chair Christine McGrath has resigned as company secretary, and MD Justin Reid and chief commercial officer Catherine Stretch have resigned their AGR roles.



Earlier, **Kobe Steel** reported a ¥1.2B June quarter net loss and revealed it anticipated a 72% plunge in full-year profit.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1464.6</b>	oz	19	<b>1.3</b>
<b>Silver (NY) (Sep)</b>	16.34	oz	0.12	<b>0.8</b>
<b>Gold (LON)</b>	1442	oz		
<b>Platinum</b>	853	oz	10	<b>1.2</b>
<b>WTI Crude (Sep)</b>	<b>54.69</b>	bbl	-0.97	<b>-1.7</b>
<b>Brent Crude (Oct)</b>	<b>59.81</b>	bbl	-2.08	<b>-3.4</b>
<b>Iron Ore (CHN port 62%)</b>	<b>100.34</b>	t	-6.17	<b>-6.2</b>
<b>Copper (LME,3mth,PM)</b>	<b>5679</b>	t	-48	<b>-0.8</b>
<b>Nickel</b>	14860	t	375	<b>2.6</b>
<b>Aluminium</b>	1762	t	-11	<b>-0.6</b>
<b>Lead</b>	1960	t	6	<b>0.3</b>
<b>Zinc</b>	2321	t	-31	<b>-1.3</b>
<b>Tin</b>	16965	t	-140	<b>-0.8</b>
<b>CBT Wheat (Jul)</b>	<b>4.92</b>	bshl	0.01	<b>0.2</b>

### Commodities Commentary

**Oil** – overnight, the **UK** announced it would join the **US** plan to provide safe passage through the Strait of Hormuz, even though the UK already had been accompanying its ships (a total 47) with a UK naval destroyer and frigate these past few weeks.

The UK has not joined in with the US sanctions against Iran, but itself seized a vessel in the Persian Gulf several weeks back, on allegations it was violating sanctions against Syria.

For its part yesterday, Iran reiterated it would no longer ignore Strait of Hormuz ‘maritime offences’.

Overnight crude prices turned and dropped on US-China trade relations angst, again due to view international demand will be adversely affected.

**Gold** – prices were supported further overnight by US-China relationship angst, pushing the \$US lower (ICE index -0.6%), and destroying equities appetite, hence pushing investors in traditional safe-haven assets.

Key relatively widespread international growth data, set to be released from mid-week, will likely influence how much gold moves in the short-term.

**Base metals** – mostly impacted overnight by soured sentiment following evidence of a greater breakdown in US-China trade relations, this in turn influencing expectations of China’s future demand for industrial metals.

**Nickel** benefited from speculation regarding raw ore exports policy in Indonesia, and for how much longer such exports would be enabled by licence renewals.

Caixin’s July services PMI for **China**, reported yesterday, fell 0.4 for the month to 51.6.

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

Other July services PMIs largely reflected regional-specific situations; Japan’s 51.8 against 51.9 in June; the euro zone’s and Germany’s falling, the UK’s rising, and the US ISM declining.

AGR has subsequently appointed AGR business analyst Michael Duligal as company secretary.

AGR has also appointed top AGR shareholder (4.24%) David Shearwood as an executive director.

### Reports & Events

(selected)

When	Company	Report/Event
<b>Today</b>	<b>BWP</b>	Full year
	<b>PNI</b>	Full year
	<b>SCP</b>	Full year
<b>Tomorrow</b>	CBA	Full year
	JHX	AGM (Dublin)
	RKN	Interim
	SUN	Full year
	TCL	Full year
<b>Thu</b>	AGL	Full year
	AMP	Interim
	IAG	Full year
	NCK	Full year
	NGI	Full year
	MGR	Full year
<b>Fri</b>	BBN	Full year
	NWS	Full year (o/night Thu US)
	REA	Full year

### Trading Halts

Company	Code	Resuming
CropLogic Ltd	CLI	6 Aug
Oakdale Resources	OAR	6 Aug
Rumble Resources	RTR	6 Aug
S2 Resources	S2R	6 Aug
Animoca Brands	AB1	7 Aug
Blackstone Minerals	BSX	7 Aug
MRG Metals	MRQ	7 Aug
Opthea Ltd	OPT	7 Aug
Parkway Minerals	PWN	7 Aug
Redbank Copper	RCP	7 Aug
Sequoia Financial Group	SEQ	7 Aug
Sun Resources	SUR	7 Aug
Winchester Energy	WEL	7 Aug

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6763	0.0006	<b>0.09</b>
<b>EUR – USD</b>	1.1237	0.0034	<b>0.30</b>

**Australian Data Today**

RBA	Post-policy meeting statement	Aug
ANZ/RoyMgn	Consumer sentiment	4 Aug
ABS	Trade balance	Jun
ANZ	Job advertisements	Jul

**US Data Tonight**

JOLTS job openings	Jun
IBD/TIPP economic optimism	Aug

**Other Overseas Data Today & Tonight**

<b>Japan</b>	Household spending	Jul
Japan	Leading economic index (3pm AEST)	Jun
<b>UK</b>	BRC retail sales monitor	Jul
<b>Germany</b>	Factory orders	Jun

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**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
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 (%)
<b>AFI</b>	Today	<b>14</b>	100	3.73
<b>CVC</b>	Today	<b>8</b>	100	6.28
MLT	Thu	10.4	100	4.01
RIO	Thu	307.58	100	4.61
BKI	Fri	4.7	100	4.37
JHG	Fri	52.55	0	7.09
OCA	Fri	2.12	0	3.55
OZG	Fri	0.25	100	1.52
WIC	Fri	3	100	2.78

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