

Markets

SFE 200 Futures (9.30am AEST)	6190	-25	-0.4
NZX 50	9199	-29	-0.3
DJIA Futures	25968	-5	0.0
S&P 500 Futures	2887	-2	-0.1
NASDAQ Futures	7530	-2	0.0

Local Markets Commentary

The Australian market commences today's trade ahead of yet more key domestic data, as a plethora of high-profile stocks trades ex-dividend, amid speculation of the possible US implementation of new import taxes against China from as early as today.

Overnight international equities trade again offers scant positive support.

In mixed overnight commodities trade, **oil** turned and fell.

US **gold** futures swung modestly higher.

Iron ore (China port, 62% Fe) rose for a recently rare second consecutive session.

LME **copper** rallied, but **nickel** extended this week's fall a little. **Aluminium** was supported to a higher close.

The **\$A** appreciated beyond US71.90c after falling to ~ US71.55c early yesterday evening.

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

ASX, BHP, CTD, NHF and **TME** are among companies trading **ex-dividend** today. Please see pp2-3 for additional stocks and details.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25975	23	0.1
S&P 500	2889	-8	-0.3
NASDAQ	7995	-96	-1.2
FTSE 100	7383	-75	-1.0
DAX 30	12040	-170	-1.4
Shanghai Comp	2704	-46	-1.7

Overseas Markets Commentary

Choppy trade and opening falls featured across most major European and US equities markets overnight.

The tech sector proved particularly out of favour, amid international trade and US regulatory speculation.

Energy stocks also suffered as oil prices fell.

The \$US remained relatively strong in early European trade, but fell against the euro and British pound following a reported concessionary UK-EU separation statement from the leaders of Germany and the UK.

Germany subsequently seemed to indicate no definitive view on any likely ultimate deals.

In the **US**, parliamentary business featured, with national funding vote speculation and commentary

Australia – July trade balance 11.30am AEST

Today's Stock Watch

Telstra Corporation (TLS)

Anticipating \$A26.2B - \$A28.1B FY 2019 total income, mostly due to reduced expectations regarding TLS connections to the NBN. Previously, TLS had predicted \$26.5B - \$28.4B.

Sigma Healthcare (SIG)

50.6% drop in interim NPAT to \$13.77M. Sales revenue fell 2% to \$1.96B. 1.5c fully franked final dividend. 35.1c NTA. \$179.2M net debt.

Anticipating \$75M FY 2019 underlying EBIT.

SIG added 5.2% yesterday, settling at 60.5c after trading as high as 63c intra-day.

GrainCorp Ltd (GNC)

Raising full year (to 30 September) guidance, due to craft beer sector malt demand, and international grain business growth.

Underlying NPAT is now anticipated at \$60M - \$75M, and underlying EBITDA at \$255M - \$270M.

FY 2019 Australian grain production is expected to be adversely impacted by dry conditions in eastern Australia.

Elders Ltd (ELD) / Investa Office Fund (IOF)

ELD will not be added to the S&P/ASX 200, as planned, at the commencement of Monday's trade.

This is due to IOF's consideration of a proposal in competition to Blackstone Group's, and hence the postponement of a previously scheduled scheme meeting vote for the potential Blackstone acquisition of IOF.

Star Entertainment (SGR)

Credit Suisse has re-rated SGR as neutral, from outperform.

Resources

Syrah Resources (SYR)

Deutsche Bank has cancelled an SYR buy recommendation, in favour of hold advice.

Orocobre Ltd (ORE)

Macquarie has reassessed ORE as outperform, from neutral.

Lynas Corporation (LYC)

\$A53.12M full year NPAT, against a \$534,000 net loss a year ago.

45.6% higher \$374.11M revenue.

\$42.29M cash and equivalents.

\$US165.2M gross debt, from \$US425.0M.

Coolgardie Minerals (CM1) / Northern Star Resources (NST)

Recently listed CM1 has secured an agreement with NST to purchase the initial 100,000t of ore from the Geko gold mine, at \$A1650/oz.

Deliveries (2.75g/t minimum grade) are anticipated from 1 October 2018 through 31 March 2019.

CM1 says it is negotiating additional milling agreements.

Breaker Resources (* BRB)

Bombora gold resource upgraded to 1.084Mz @ 1.4g/t Au.

58% of the resource qualifies for indicated status.

from the president, an ongoing contentious Senate confirmation hearing for a Supreme Court nominee, and the questioning of social media officials by a Senate committee investigating alleged US election influence.

US data releases included the July trade deficit, which was reported 9.5% higher, at \$US50.1B, against forecasts of \$US50.3B.

Among component figures, the goods trade deficits with China, the European Union and Canada and respectively jumped 10% (to \$US36.8B), 50% (\$US17.6B) and 57.6% \$US3.1B).

The US goods trade deficit with Mexico fell 25.3% to \$US5.5B.

Higher oil prices impacted the overall US deficit, helping push the total imports bill to \$US261.1B.

An ISM New York business conditions index rose by 1.5 to 76.5.

Euro zone July retail sales pulled back 0.1% for the month, following a 0.3% increase in June. Year-on-year, sales were 1.1% higher.

The August services PMI remained static, at 54.4.

Germany's services PMI slipped by 0.2 to 55.0.

In the **UK**, the August services PMI encouraged, calculated 0.8 higher, at 54.3.

Tonight in the US, an August private sector jobs report, a job cuts report, weekly initial jobless claims are due ahead of tomorrow night's release of the August national employment report.

The ISM's August services sector activity index is also expected tonight, together with Markit's final August services PMI, and July factory orders.

A Federal Reserve official is scheduled to speak publicly.

Companies due to report earnings or provide updates include Broadcom, Dell Technologies and Dixons Carphone.

Stocks trading ex-dividend on the FTSE 100 include Antofagasta, BHP Billiton, CRH, RSA Insurance and Shire.

In overnight corporate news, specialist retailer **Vera Bradley** was carried 15% higher following the release of quarterly figures.

General Electric suffered an ~1% fall, likely from a negative analyst finding.

Revelations of a fire risk, prompting a substantial vehicle recall, drove **Toyota Motor** ~1.3% lower.

Sector regulation and international trade fretting pushed **Twitter** ~6% lower. **Facebook** and Google parent **Alphabet** fell ~1%.

Poor sentiment also hit **Netflix** and **Amazon**, Netflix shedding ~6%.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1202	oz	3	0.3
Silver (NY) (Sep)	14.2	oz	0.05	0.3
Gold (LON)	1197	oz	6	0.5
Platinum	784	oz	7	0.9
WTI Crude (Oct)	68.72	bbl	-1.15	-1.7
Brent Crude (Nov)	77.27	bbl	-0.9	-1.2
Iron Ore (CHN port 62%)	66.8	t	0.2	0.3
Copper (LME, 3mth, PM)	5871	t	56	1.0
Nickel	12440	t	-30	-0.2
Aluminium	2068	t	6	0.3
Lead	2049	t	-28	-1.4

Pre-Open Announcements

Nearmap Ltd (* NEA)

\$A70M fully-underwritten, \$1.60-per-share institutional placement underway, with a book build expected to be completed later today.

Associated presentation lodged, and trading halt called, this morning.

NEA has traded at \$1.60 - \$1.865 over the past five trading sessions.

Resources

Kalium Lakes (KLL)

Forced to clarify the Beyondie SOP project resource upgrade announcement of earlier this week.

Details lodged post-trade yesterday.

Nova Minerals (NVA)

Olaf Frederickson has resigned as an NVA non-executive director.

Mr Frederickson will continue to consult to NVA.

Trading Halts

Company	Code	Resuming
Pantoro Ltd	PNR	6 Sep
Trek Metals	TKM	6 Sep
Oceania Healthcare	OCA	7 Sep
Peel Mining	PEX	7 Sep
Alice Queen	AQX	10 Sep
Nearmap Ltd	NEA	10 Sep
Neuroscientific Biopharmaceuticals	NSB	10 Sep
Sundance Resources	SDL	10 Sep

Suspensions (select)

Company	Code	Since
Antilles Oil & Gas	AVD	24 Aug
AustSino Resources Group	ANS	6 Sep
Emmerson Resources	ERM	5 Sep
Raiden Resources	RDN	31 Aug
Silver Heritage Group	SVH	5 Sep
Syngas Ltd	SYS	6 Sep

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AEF	Today	235	100	2.42
AIZ	Today	10.02	0	6.67
ARA	Today	1	60	2.94
ARQ	Today	3.5	100	5.00
ASX	Today	109.1	100	3.25
BHP	Today	85.6	100	4.85
BLX	Today	2.5	100	3.24
CIE	Today	1.8	50	6.95
CTD	Today	21	50	1.08
CYA	Today	2	100	4.11
EGN	Today	1	100	1.72
EHE	Today	8	100	5.11
FXL	Today	3.85	100	3.62
GLB	Today	6	0	4.89
GTN	Today	11	100	5.57
HSO	Today	3.5	0	3.12



Zinc	2420	t	4	0.2
Tin	18825	t	0	0.0
CBT Wheat (Oct)	5.22	bshl	-9	-1.7

Commodities Commentary

Oil – a potential Gulf of Mexico hurricane remained at storm status, preventing any significant production loss and damage. ~9% of US production was estimated to have been impacted over two days' of temporary shutdown activity.

In addition, speculation continued as to whether the US would implement import taxes on another \$US200B worth of goods from China, as Thursday (US time) arrived.

The US president remained dismissive of Iran and said he was not yet ready to do any deals with China.

Reports emerged in the meantime, that Saudi Arabia favoured maintaining \$US70/bbl - \$US80/bbl crude prices.

A weekly US petroleum inventories report is due tonight.

Gold – a \$US index fall during US trade, supported overnight trade.

Industry insiders also cited some bargain interest on initial sub-\$US1200 prices, and some short-covering.

US employment data releases from tonight through tomorrow night are expected to attract usual interest, but any US trade move against China and negotiations with Canada are considered more likely to prove influential on late-week gold trade.

Base metals – 'overdone' views and South America output woes supported *copper* overnight.

A modest \$US pullback helped support sentiment amid international trade speculation.

Nickel traded at eight-month lows.

Aluminium regained some support, some attributing this to four weeks' industrial action at Alcoa operations in Western Australia.

Among economic indicator influences, Caixin's 51.5 final August services PMI for **China**, reported yesterday, proved 1.3 points lower than for July.

Japan's services PMI also came in at 51.5, from 51.3 for July.

China's August trade figures are anticipated Saturday, pointing to a degree of likely caution, pending US international trade negotiation announcements, during late-week trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7193	0.0006	0.08
EUR – USD	1.1633	0.0003	0.03

Australian Data Today

ABS	Trade balance	Jul
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US Data Tonight

ISM non-manufacturing	Aug
ADP private sector employment	Aug
Challenger job layoffs	Aug

IEL	Today	6.5	60	1.37
KME	Today	2	100	4.26
LIC	Today	2.5	100	0.75
MVF	Today	2.6	100	5.00
MWY	Today	9	100	5.70
NHF	Today	11	100	3.04
NST	Today	5	100	1.14
PAC	Today	22	100	3.17
PME	Today	3.5	100	0.57
PWH	Today	6.2	100	2.21
RDH	Today	2	100	1.10
SDI	Today	1.4	100	4.00
SEC	Today	4	100	2.05
SHJ	Today	2.25	40.85	3.78
SKT	Today	6.86	0	6.95
SST	Today	45	0	1.52
TGG	Today	8	100	2.94
TME	Today	29.68	0	3.71
VEE	Today	0.26	100	1.13
YAL	Today	0.3	0	2.37
ZIM	Today	60.39	0	13.79
ABC	Tomorrow	13	100	3.28
ALI	Tomorrow	2.5	100	1.96
AMC	Tomorrow	32.65	0	4.13
APD	Tomorrow	1	100	5.11
AUB	Tomorrow	32	100	3.17
BAF	Tomorrow	4	65	5.43
BSL	Tomorrow	8	0	0.82
CDM	Tomorrow	4	100	6.20
CYC	Tomorrow	0.5	0	1.11
MNF	Tomorrow	4.05	100	1.66
PTL	Tomorrow	0.9	100	4.62
SDA	Tomorrow	2.4	100	1.51
SHV	Tomorrow	7	100	2.16
SXL	Tomorrow	4	100	5.68

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Initial jobless claims	1 Sep
Factory orders	Jul
Markit services PMI (final)	Aug

Other Overseas Data Today & Tonight

Germany	Factory orders	Jul
Germany	Construction PMI	Aug

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