

Markets

| | | | |
|--------------------------------------|-------|------|------------|
| SFE 200 Futures (9.30am AEST) | 6533 | 39 | 0.6 |
| NZX 50 | 10907 | 33 | 0.3 |
| DJIA Futures | 26242 | -123 | -0.5 |
| S&P 500 Futures | 2924 | -16 | -0.6 |
| NASDAQ Futures | 7685 | -51 | -0.7 |

Local Markets Commentary

The Australian market opens Friday trade ahead of material data out of China and Japan this morning, plus influential statements from the Reserve Bank of Australia (RBA), meaning the \$A is expected to be active.

Overnight international trade leads are positive, but US futures have fallen this morning.

China is scheduled to release July **CPI** and **producer prices 11.30am** AEST.

June quarter **GDP** is also due from **Japan, 9.50am** AEST.

Locally today, **RBA** governor Philip Lowe meets with a parliamentary committee.

In addition, the RBA publishes its **quarterly monetary policy** statement, including updated forecasts, **11.30am** AEST.

Stocks trading ex-dividend today include **JHG**. Please see p4 for a detailed list.

In overnight commodities trade, **oil** bounced and **iron ore** (Nymex CFR China, 62% Fe) turned **higher**.

US **gold** futures (December) were pushed lower, but settled above \$US1505/oz.

LME **copper, nickel** and other base metals **rallied**.

The \$A has traded beyond US68.00c this morning after appreciating to US67.90c early yesterday evening.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|-----|------------|
| Dow Jones | 26378 | 371 | 1.4 |
| S&P 500 | 2938 | 54 | 1.9 |
| NASDAQ | 8039 | 176 | 2.2 |
| FTSE 100 | 7286 | 87 | 1.2 |
| DAX 30 | 11845 | 195 | 1.7 |
| Shanghai Comp | 2795 | 26 | 0.9 |

Overseas Markets Commentary

Major European and US equities markets climbed to settle at or near session highs overnight, investors latching onto international relations appearing more positive than feared, rewarding a batch of high-profile corporate developments and results, and cheering new economic growth indicators, ahead of further material releases tonight.

Australia – RBA quarterly monetary policy statement & economic forecasts **11.30am** AEST; **governor** Philip Lowe also meets with the Australian Parliament's House of Representatives' Standing Committee on Economics, from **9.30am**.

China – CPI and PPI – 11.30am AEST

Japan – June Q GDP – 9.50am AEST

Today's Stock Watch

Crown Resorts (CWN)

The NSW Independent Liquor & Gaming Authority has announced an inquiry into CPH Crown Holdings' proposed CWN share sale to Melco Resorts & Entertainment, controlled by Lawrence Ho.

News Corporation (NWS)

\$US228M full year NPAT, against a \$US1.44B net loss a year ago. 12% higher, \$US10.07B revenue. US10c final dividend.

REA Group (REA)

58% lower, \$A105.28M full year NPAT.

8% higher, \$874.95M revenue.

63c fully franked final dividend, up 1c. 92.9c NTA.

Anticipating revenue growth, but mainly from 2H FY 2020, due to an expected year-on-year fall in 1H listings.

James Hardie Industries (JHX)

5% lower, \$US86.5M year-on-year June quarter NPAT.

1% higher, \$US656.8M net sales. \$US1.29 NTA, against \$US1.09.

Anticipating \$US325M - \$US365M FY 2020 adjusted net operating profit, against \$US300.5M for FY 2019.

AMP Ltd (AMP)

Resuming trade having completed the \$A650M institutional placement at a \$1.60 book-build price, against the \$1.50 floor price. AMP last traded at \$1.73.

This is the first time AMP has traded since releasing full year results pre-trade yesterday.

Impression Healthcare (IHL)

IHL has launched the Incannex Pharmaceuticals brand and secured Linnea as the supply partner for base cannabinoid materials for two of four IHL formulations under design.

IHL is resuming trade after last trading at 7.9c.

SkyCity Entertainment Group (SKC)

Previously-flagged SkyCity Malta offshore online gaming site launched.

MGC Pharmaceuticals (MXC)

Long-term lease agreement secured for a 6000sq m site in Malta for the construction of MXC's proposed production facility.



US trade proved more decisive than that across Europe, however, reflecting regional news and reports.

Yesterday, **China** had reported better-than-anticipated July trade figures, in particular for exports and the overall surplus.

Select international bond prices were subsequently pushed lower (and yields subsequently moved higher) a risk sentiment improved.

In currency moves, the People's Bank of China set the yuan at greater than seven yuan-to-one \$US (7.0039) yesterday. The offshore currency benefited from the trade statistics, rising ~0.2% against the \$US.

Also overnight, the British pound fell to its lowest against the euro in two years following talk of a possible **UK** November general election, should the PM lose a no-confidence vote following the UK's planned 31 October separation from the European Union.

In other China news, US data revealed companies from China had purchased additional US agricultural products between the trade talks in Beijing and the US president's announcement of additional tariffs.

The purchases were reported as relatively small-scale but included pork (1350t), sorghum (50,000t), soybeans (71,200t) and wheat (60,000t).

Greater quantities were actually shipped from the US to China last week but this was in part due to previous orders.

A further 325,000t of soybeans is expected to travel from the US to China in the near-term, again mostly due to earlier purchases.

China's July trade surplus with the US was notably calculated at \$US27.97B, from \$US29.92B at the end of June, exports to the US falling 6.5% year-on-year, against a 7.8% June drop and imports tumbling 19.1% year-on-year, following a 31% slump in June.

Meanwhile, the **European Central Bank's** economic bulletin contained forecasts of softening growth

In the **US**, June wholesale inventories were reported flat following a 0.4% May increase.

Weekly initial jobless claims fell by 8000.

Tonight in the US, July producer prices are due.

Elsewhere, material economic indicators are due for the UK and Germany, and could impact overall trade sentiment.

Companies scheduled to report earnings later today and tonight include: Korean Airlines, Lotte Shopping, William Hill and WPP.

In overnight corporate news, **Broadcom** was reported to still be talking with **Symantec**, regarding a partial Symantec business acquisition, rather than the defunct initially considered total merger.

This pushed Symantec stock more than 10% higher.

Viacom approached a 4% gain on quarterly profit that pleased, in particular from Paramount studios.

Uber (\$US5.24B quarterly loss) and **Yelp** (reportedly exceeded expectations) have reported post-US settlement and may influence relevant sentiment tonight.

Commodities

| COMMODITY | CLOSE | \$US/ | +/- | % |
|--------------------------|---------------|-------|-------|------|
| Gold (NY) (Dec) | 1509.5 | oz | -10.1 | -0.7 |
| Silver (NY) (Sep) | 16.936 | oz | -0.26 | -1.5 |

Pre-Open Announcements

CIMIC Group (CIM)

CIM'S UGL has secured new rail and mining services contracts worth a combined \$260M in revenue.

CIM has traded lower the past seven sessions, yesterday settling at \$32.96.

Sydney Airport (SYD)

Anticipated provisions update lodged this morning.

Monash Absolute Investment Company (* MA1)

MA1 is proposing to restructure to an exchange traded managed fund (ETMF).

Details lodged post-trade yesterday, ahead of a teleconference scheduled for 11am AEST Monday.

Conference access details also lodged.

CropLogic (* CLI)

\$US2M bridging finance loan secured with existing lender Atlas Capital Markets.

This, ahead of planned hemp trial farm processing and sales from November.

Creso Pharma (CPH)

CPH lodged additional information post-trade yesterday regarding the agreement with Medleaf Therapeutics for the exclusive distribution of CPH's cannaQIX50 and 10% CBD oil in New Zealand.

Resources

Resolute Mining (* RSG)

RSG has hedged a further 30,000oz of gold, at \$US1519/oz, ensuring some price surety for output from the Mali Syama operation and Senegal Mako project.

The gold will be delivered in 5000oz monthly instalments commencing January 2020.

Energy

Central Petroleum (** CTP) / Incitec Pivot (IPL)

Heralding (Project Range) Range 2 drilling results.

CTP says net coal thickness has been calculated ~30m across four exploration wells to date.

Anticipating reporting an initial 2C resource within weeks.

Norwest Energy (* NWE) / Mineral Resources (MIN)

The WA Perth Basin EP 368 JV has designated the Springy Creek oil prospect as a drilling candidate.

Rationale and conditions lodged this morning.

MIN subsidiary Energy Resources operator and 80%; NWE 20%.



| | | | | |
|--------------------------------|--------------|------|------|------|
| Gold (LON) | 1496 | oz | -10 | -0.7 |
| Platinum | 863 | oz | 1 | 0.1 |
| WTI Crude (Sep) | 52.54 | bbl | 1.45 | 2.8 |
| Brent Crude (Oct) | 57.38 | bbl | 1.15 | 2.0 |
| Iron Ore (CHN port 62%) | 97.37 | t | 0.81 | 0.8 |
| Copper (LME,3mth,PM) | 5785 | t | 58 | 1.0 |
| Nickel | 15880 | t | 580 | 3.8 |
| Aluminium | 1776 | t | 20 | 1.1 |
| Lead | 2070 | t | 54 | 2.7 |
| Zinc | 2306 | t | 36 | 1.6 |
| Tin | 16855 | t | 75 | 0.5 |
| CBT Wheat (Jul) | 4.98 | bshl | 0.1 | 2.0 |

Commodities Commentary

Oil – Saudi Arabia was reported overnight to be talking with other OPEC members re supporting crude prices. Typically, these discussions centre on production cuts.

Meanwhile, earlier yesterday, China fixed the onshore yuan at a higher level than generally anticipated and also delivered July trade figures that surprised on the upside.

In the US, Genscape data was cited during claims that Cushing, Oklahoma stockpiles had fallen by almost 3MMbbl during the week to Tuesday.

A weekly US petroleum drill rig count is due tonight.

Gold – a return to risk sentiment, in part due to China's July trade figures and the better-than-anticipated yuan fix, supported overnight equities trade, detracting from gold interest.

Prices hence fell, but maintained a level which supported views they can go yet higher.

Influential data due today and tonight, from China, Japan, Germany and the UK, could influence global economic growth sentiment, and hence currency and gold trade tonight.

Base metals – overnight trade largely reflected generally improved risk sentiment, not in a small part due to news out of China.

China's July trade figures, published yesterday, included a fall in the trade surplus to a better-than-expected \$US45.06B, from \$50.98B.

Exports rose 3.3% following a 1.3% June fall.

Imports dropped 5.6%, against a 7.3% tumble in June.

China's **producer prices** and **CPI** growth are anticipated today.

Renewed speculation regarding Indonesia's planned raw exports ban from 2022 was cited as the main support for overnight *nickel* trade.

An Indonesian official earlier this week would not comment on whether the ban could be brought forward.

Yesterday, following claims from a nickel miners' association, and one national official described the situation as 'uncertain'.

In addition, various stockpiles are being compared as at much lower than 2016 – 2018 levels.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|-------|
| AUD – USD | 0.6796 | -0.0005 | -0.07 |
| EUR – USD | 1.1187 | 0.0008 | 0.08 |

Reports & Events

(selected)

| When | Company | Report/Event |
|--------------|------------|--------------|
| Today | BBN | Full year |
| | JHX | Jun Q |
| | NWS | Full year |
| | REA | Full year |
| Mon | PPS | Full year |
| Tue | MFG | Full year |
| | OFX | AGM |
| Wed | HT1 | Interim |
| | LIC | Full year |
| | SKC | Full year |
| | VCX | Full year |
| Thu | BRG | Full year |
| | ORA | Full year |
| | SYD | Interim |
| | WPL | Interim |
| Fri | DHG | Full year |

Trading Halts

| Company | Code | Resuming |
|----------------|------|----------|
| BPH Energy | BPH | 9 Aug |
| MEC Resources | MMR | 9 Aug |
| Woomera Mining | WML | 12 Aug |

Suspensions (select)

| Company | Code | Since |
|-------------------------|------|--------|
| AuStar Gold | AUL | 31 Jul |
| CFOAM Ltd | CFO | 6 Aug |
| Freedom Oil & Gas | FDM | 8 Aug |
| Gooroo Investments | GOO | 1 Aug |
| High Grade Metals | HGM | 18 Jul |
| Keybridge Capital | KBC | 16 Jul |
| Mobecom Ltd | MBM | 29 Jul |
| Redbank Copper | RCP | 7 Aug |
| South Pacific Resources | SPB | 2 Aug |
| Sun Resources | SUR | 7 Aug |
| West Wits Mining | WWI | 26 Jul |

**Australian Data Today**

| | | |
|-----|--|-------|
| RBA | Monetary policy statement (incl forecasts) | Qtrly |
|-----|--|-------|

US Data Tonight

| | | |
|-----------------|--|-----|
| Producer prices | | Jul |
|-----------------|--|-----|

Other Overseas Data Today & Tonight

| | | |
|----------------|--------------------------------------|-------|
| China | CPI; PPI | Jul |
| <i>China</i> | <i>New lending</i> | Jul |
| Japan | GDP (prelim) | Jun Q |
| UK | GDP (prelim) | Jun Q |
| UK | Manufacturing, industrial production | Jun |
| UK | Trade balance | Jun |
| Germany | Trade balance | |

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Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------------|--------|--------------|--------------|-----------|
| BKI | Today | 4.7 | 100 | 4.33 |
| JHG | Today | 52.55 | 0 | 6.88 |
| OCA | Today | 2.12 | 0 | 3.81 |
| OZG | Today | 0.25 | 100 | 1.52 |
| WIC | Today | 3 | 100 | 2.78 |
| GMA | Tue | 30.9 | 29.13 | 5.25 |
| MRN | Tue | 2 | 100 | 4.01 |
| CBA | Wed | 231 | 100 | 5.46 |
| RMD | Wed | 3.92 | 0 | 0.76 |
| SUN | Wed | 44 | 100 | 4.97 |
| GUD | Thu | 31 | 100 | 5.76 |
| PL8 | Thu | 0.5 | 100 | 5.19 |

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