

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>6241</b>	<b>-53</b>	<b>-0.8</b>
<b>NZX 50</b>	8979	-9	-0.1
<b>DJIA Futures</b>	25187	0	0.0
<b>S&amp;P 500 Futures</b>	2822	0	0.0
<b>NASDAQ Futures</b>	7373	-2	0.0

## Local Markets Commentary

The Australian market commences today's trade following overnight price drops for major commodities, a turn lower for US equities.

This is not all to consider, however, with another plethora of large-cap domestic stocks reporting earnings, ahead of monthly jobs figures and key data out of Japan.

The Australian Bureau of Statistics (ABS) releases the July national **employment** statistics **11.30am** AEST.

Earlier, the Melbourne Institute publishes its monthly inflation expectations report.

Japan is scheduled to provide July trade figures **9.50am** AEST.

In overnight commodities trade, **oil**, **US gold** futures and **LME base metals** all fell decisively.

The **\$A** rose to ~US72.35c after trading at US72.25c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25162	-138	<b>-0.5</b>
<b>S&amp;P 500</b>	2818	-22	<b>-0.8</b>
<b>NASDAQ</b>	7774	-97	<b>-1.2</b>
<b>FTSE 100</b>	7498	-114	<b>-1.5</b>
<b>DAX 30</b>	12163	-196	<b>-1.6</b>
<b>Shanghai Comp</b>	2723	-58	<b>-2.1</b>

## Overseas Markets Commentary

Major European and US equities markets headed lower from the outset overnight, key European indices settling at or near session lows, as geopolitical issues weighed, commodities prices tumbled and some stocks reporting earnings dropped.

The \$US appreciated to a new more than 12-month peak, and the British pound traded at a new 13-month low.

Earlier, China's yuan had traded 0.8% lower against the \$US.

A Qatar promise of a \$US15B investment in Turkey, helped buoy the euro and euro zone banking sector sentiment.

Turkey announced a doubling of import taxes on some US goods, including a 140% tax on alcohol, 120% on vehicles and 60% on tobacco.

Turkey's lira subsequently traded 6% higher against the \$US.

Among a swag of **US** data releases, July retail sales rose 0.5% for the month and 6.4% year-on-year,

**Australia** – July employment **11.30am** AEST

**Japan** – July trade balance **9.50am** AEST

\* Mineral exploration listing **1pm** AEST – **SLZ** \*

## Today's Stock Watch

### Telstra Corporation (TLS)

7.5c final and 3.5c special dividends, each fully franked. 8.4% lower, \$3.56B full year NPAT. 3% higher, \$29.0B income. Live webcast briefings scheduled for 9.15am and 11am AEST.

### QBE Insurance Group (QBE)

4% higher, \$US370M interim NPAT. 6% lower, \$US7.35B revenue. Flat 22c, 30%-franked interim dividend.

### Downer EDI (DOW)

60.7% lower, \$71.4M full year NPAT. 61.5% higher \$12.62B revenue. 14c, 50%-franked final dividend, against 12c fully franked a year ago. 26c NTA.

### Sonic Healthcare (SHL)

11.2% higher, \$A475.61M full year NPAT. 8.2% higher, \$A5.54B revenue. 49c, 30%-franked final dividend, against 46c, 9.2c-franked a year ago.

### InvoCare Ltd (IVC)

50% lower, \$20.85M interim NPAT. 2.5% higher, \$223.79M sales revenue. 17.5c fully franked interim dividend. 43c NTA.

In addition, IVC is acquiring Auckland-headquartered William Morrison Funeral Director.

Further, as previously flagged, chairman Richard Fisher AM will retire from the IVC board, effective 30 September. Mr Fisher has been an IVC board member for ~16 years.

Non-executive IVC director Bart Vogel has been appointed IVC's new chair.

Former Deloitte Australia COO Keith Skinner has been appointed as an IVC non-executive director.

### Treasury Wine Estates (TWE)

17c fully franked final dividend, against 13c, 50% franked a year ago. 33.9% higher, \$360.3M full year NPAT. 1.5% lower, \$2.496B revenue. \$3.29 NTA. \$89.4M cash and equivalents.

### ASX Ltd (ASX)

2.5% higher, \$445.1M full year NPAT. 8.7% higher, \$1.0B revenue. \$1.091 fully franked final dividend. \$7.79 NTA.

### Breville Group (BRG)

8.7% higher, \$A58.52M full year NPAT. 7.7% higher, \$A652.35M revenue. 16.5c, 30%-franked final dividend, up 1c. \$1.312 NTA.

### GUD Holdings (GUD)

Trading ex-dividend (28c) today.

## Resources

### Iluka Resources (ILU)

\$A126.1M interim NPAT, following an \$81.5M net loss a year ago. 23.8% higher, \$A662.3M. 10c fully franked interim dividend. \$1.80 NTA. \$34.4M net debt, against \$304.6M.

### OZ Minerals (OZL)

58.6% higher, \$127.8M interim NPAT. 18.9% higher, \$530.3M revenue. 8c fully franked interim dividend, up 2c. \$8.94 NTA. \$493M cash. No debt.

following a 0.2% (revised from 0.5%) monthly gain in June.

Vehicle and clothing purchases supported the latest improvement.

July industrial production rose just 0.1% for the month, supported by 0.3% higher manufacturing output.

In June, industrial output had improved 1.0%.

June quarter productivity was reported at 2.9% growth, the highest rate since the March quarter 2015.

June business inventories were up 0.1% for the month, after a 0.3% rise in May.

Meanwhile, a New York region business conditions index rose by three to 25.6.

In the **UK**, July CPI came in flat for the month, but 2.5% higher year-on-year against 2.4% in June and representing the first annual increase in seven months.

The increase was mostly attributed to higher public transport fares and rising prices for computer games.

**Tonight** in the US, July housing starts and building permits are due, together with weekly new unemployment claims and a regional manufacturing index.

Elsewhere, the UK and European Union (EU) are scheduled to officially resume negotiations in Brussels regarding arrangements for the UK's proposed separation from the EU.

Companies due to report earnings include JC Penney, JD.com, Lenovo, Nvidia, Nordstrom and Walmart.

A plethora of stocks, including Anglo American, Aviva, HSBC, Lloyds Banking and Reckitt Benckiser, trades ex-dividend on the FTSE 100.

In overnight corporate news, US retailer **Macy's** was propelled 16% lower after reporting disappointing sales.

Earlier, China's **Tencent** had reported its first quarterly loss in more than a dozen years, hurt by reduced revenue from the gaming division. This, in turn, was attributed to domestic regulatory change.

**Nvidia**, which reports tonight, failed to benefit from a positive report from Wells Fargo.

## Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1182</b>	oz	-19	-1.6
<b>Silver (NY) (Sep)</b>	14.4	oz	-0.6	-4.2
<b>Gold (LON)</b>	1182	oz	-15	-1.3
<b>Platinum</b>	767	oz	-33	-4.1
<b>WTI Crude (Sep)</b>	<b>65.0</b>	bbl	-2	-3.0
<b>Brent Crude (Oct)</b>	<b>70.8</b>	bbl	-1.7	-2.4
<b>Iron Ore</b> <small>(CHN port 62%)</small>	68.5	t		
<b>Copper</b> <small>(LME,3mth,PM)</small>	<b>5801</b>	t	-243	-4.0
<b>Nickel</b>	12850	t	-575	-4.3
<b>Aluminium</b>	2025	t	-45	-2.2
<b>Lead</b>	1927	t	-147	-7.1
<b>Zinc</b>	2300	t	-154	-6.3
<b>Tin</b>	18405	t	-615	-3.2
<b>CBT Wheat (Sep)</b>	<b>5.52</b>	bshl	-0.08	-1.5

## Commodities Commentary

**Oil** – continuing \$US strength, US trade issues in particular with China, and US domestic demand

## Pre-Open Announcements

### Westpac Banking Corporation (\*\* WBC)

CIO Dave Curran is planning to retire from WBC 31 January 2019.

Citigroup Global Consumer Bank chief technology officer Craig Bright has been appointed to take over from Mr Curran.

### GWA Group (\*\* GWA)

1.1% higher, \$54.25M full year NPAT. 1.5% higher, \$453.17M revenue. 9.5c fully franked final dividend, up 0.5c. 17.7c NTA.

### Service Stream (\*\* SSM)

44.9% higher, \$41.1M full year NPAT. 26.1% higher, \$632.9M. 4.5c fully franked final dividend. \$73.0M net cash.

A live webcast briefing was scheduled to commence 9am AEST. Access details lodged post-trade yesterday.

SSM settled at \$1.61 yesterday, after closing out last week at \$1.49.

### IPH Ltd (\*\* IPH)

Due to report for the full year.

IPH subsidiary Practice Insight has sold the Filing Analytics and Citation Eagle products, for \$10M, to CPA Global.

IPH expects group FY 2019 accounts to include a \$2M accounting profit.

Proceeds have been earmarked for debt reduction.

Practice Insight intends to focus on its autonomous activity monitoring product WiseTime.

IPH has traded higher the past three sessions, settling at \$5.17 yesterday.

### Estia Health (\* EHE)

7.8c interim dividend, against no interim dividend a year ago. 1.1% higher, \$41.15M NPAT. 4.1% higher, \$547.42M revenue.

### VGI Partners (VG1)

Proposing to lodge full year results Monday and to host a teleconference commencing 10.30am AEST that day. Access details lodged post-trade yesterday.

In addition, VG1 will host a series of briefings in Adelaide, Brisbane, Melbourne, Perth and Sydney 18 October – 1 November. Details lodged post-trade yesterday.

Further, VG1 has scheduled its AGM for 19 November, Sydney.

### Shaver Shop (SSG)

Planning to lodge full year results 23 August (Thursday next week) and to host a teleconference commencing 11am AEST that day. Access details lodged post-trade yesterday.

## Resources

### Sultan Resources (\* SLZ)

Multi-minerals explorer scheduled to list **1pm** AEST following a \$4.8M IPO at 20c per share. 26M quoted securities.

### Resolute Mining (\*\* RSG)

Annual reserves and resources update lodged this morning.

### Gold Road Resources (\*\* GOR)

AngloGold Ashanti (ASX: AGG) Sunrise Dam gold project GM and former AGG Tropicana JV gold project GM Duncan Gibbs has been appointed to succeed Ian Murray as GOR MD and CEO. Mr Murray notified GOR early this year that he wished to retire from these positions and will do so 17 September.

Mr Murray will remain with GOR as a director until 31 December. He joined GOR as a director late-2007 and is a

combined to push prices yet lower for the week to date, and at their lowest in ~seven weeks.

A US weekly petroleum inventories report, published by the EIA overnight, confirmed indications from an industry report released late-Tuesday, that stockpiles had indeed grown, defying forecasts of another summer season draw down.

The EIA estimated crude inventories had grown by 6.8Mmmbbl.

Refinery processing was reported at ~18MMmmbbl/d however, a record high.

**Gold** – the precious metals sector, in general, suffered overnight, platinum trading at 14-year lows, palladium at the least in 13 months and gold prices at ~18 month lows.

**Base metals** – early further \$US appreciation and plenty of negative commentary regarding likely global economic growth produced across-the-board price plunges overnight.

Yesterday, China reported a 5.8% rise in July property prices, following 5% growth in June.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7235	-0.0005	<b>-0.07</b>
<b>EUR – USD</b>	1.1344	-0.0002	<b>-0.01</b>

### Australian Data Today

Melb Inst	Inflation expectations	Aug
ABS	Employment (incl wages, jobs)	Jul
RBA	Forex transactions (4.30pm)	Jul
RBA	Reserve assets (4.30pm)	Jul

### US Data Tonight

Housing starts	Jul
Building permits	Jul
Philadelphia Fe manufacturing	Aug
Initial jobless claims	11 Aug

### Other Overseas Data Today & Tonight

<b>Japan</b>	Trade balance	Jul
<b>UK</b>	Retail sales	Jul
<b>Euro zone</b>	Trade balance	Jun

### 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).

former GOR executive chairman.

GOR hosted a teleconference yesterday from 5pm AEST.

GOR has traded lower the past three sessions, settling at 65c yesterday.

### Tempus Resources (\* TMR)

Explorer completed a successful ASX listing yesterday following a \$5M IPO at 20c per share.

Opened at 27c and traded at 25c – 27.5c before settling at 25.5c. ~3.3M shares changed hands across 294 transactions.

Copper and IOCG assets in the Northern Territory and South Australia respectively. 27.35M quoted securities.

### Energy

#### Yancoal Australia (\* YAL)

\$361M interim NPAT. \$2.3B revenue. 12c NTA. Paying a maiden interim dividend.

YAL completed its acquisition of Rio Tinto's (ASX: RIO) Coal & Allied September 2017, and formed a Hunter Valley, NSW JV with Glencore.

A teleconference was scheduled to commence 9.30am AEST.

Access details lodged this morning.

#### Sundance Energy (\* SEA)

June quarter financial statistics lodged this morning.

#### Woodside Petroleum (WPL)

WPL's interim results briefing transcript lodged post-trade yesterday.

WPL slipped 0.5% yesterday, settling at \$36.09 after trading at \$35.23 – \$36.20 intra-session. Greater than 25,850 transactions were recorded.

### Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>ASX</b>	Full year
	<b>BCI</b>	Full year
	<b>BLX</b>	Full year
	<b>BRG</b>	Full year
	<b>DOW</b>	Full year
	<b>EHE</b>	Full year
	<b>GOZ</b>	Full year
	<b>GWA</b>	Full year
	<b>ILU</b>	Interim
	<b>IRI</b>	Full year
	<b>IVC</b>	Interim
	<b>IPH</b>	Full year
	<b>NCK</b>	Full year
	<b>ORG</b>	Full year
	<b>OZL</b>	Interim
	<b>QBE</b>	Interim
	<b>SHL</b>	Full year
<b>TLS</b>	Full year	
<b>TWE</b>	Full year	
<b>Tomorrow</b>	ABP	Full year
	GMG	Full year
	IFN	Full year
	PRY	Full year
<b>Mon</b>	ALU	Full year
	ANN	Full year



	BPT	Full year
	FMG	Full year
	GXL	Full year
	IMD	Full year
	NHF	Full year
	OML	Interim
	SYD	July
	WOW	Full year
<b>Tue</b>	AHY	Interim
	BHP	Full year
	EHL	Full year
	FXL	Full year
	HSO	Full year
	MND	Full year
	SXY	Full year
	SWM	Full year
<b>Wed</b>	APA	Full year
	ARB	Full year
	AAD	Full year
	BAP	Full year
	CAR	Full year
	CWY	Full year
	CCL	Interim
	CTD	Full year
	FBU	Full year
	ING	Full year
	LOV	Full year
	MMS	Full year
	NCM	Full year
	SBM	Full year
	SAR	Full year
	SIQ	Interim
	SPK	Full year
	SYD	Interim
	TME	Full year
	WTC	Full year
	WOR	Full year

**Trading Halts**

Company	Code	Resuming
Cirralto Ltd	CRO	16 Aug
Global Energy Ventures	GEV	16 Aug
Ausdrill Ltd	ASL	17 Aug
Calima Energy	CE1	17 Aug
Cassini Resources	CZI	17 Aug
Tap Oil	TAP	17 Aug

**Suspensions** *(select)*

Company	Code	Since
Admedus Ltd	AHZ	6 Aug
Arafura Resources	ARU	15 Aug
Challenger Energy	CEL	7 Aug
Benjamin Hornigold	BHD	30 Jul
Cape Range	CAG	30 Jul
Eastern Goldfields	EGS	25 Jul
Indoor Skydive Australia	IDZ	23 Jul
Lanka Graphite	LGR	3 Aug
Millennium Ltd	MHD	13 Aug

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Navarre Minerals	NML	15 Aug
Omni Market Tide	OMT	31 Jul
Queensland Bauxite	QBL	1 Aug
RCR Tomlinson	RCR	1 Aug
Sumatra Copper & Gold	SUM	27 Jul
Syntonic Ltd	SYT	3 Aug
Tikforce Ltd	TKF	24 Jul
Wolf Petroleum	WOF	1 Aug

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>BFG</b>	Today	<b>2.75</b>	100	7.16
<b>GUD</b>	Today	<b>28</b>	100	3.47
<b>NGI</b>	Today	<b>12.12</b>	0	3.41
<b>PL8</b>	Today	<b>0.5</b>	100	5.48
DDR	Tomorrow	4.4	100	5.66
DHG	Tomorrow	4	70	2.33
GCS	Tomorrow	2.5	100	6.38
SRG	Tomorrow	4.5	100	3.77
DMP	Mon	49.7	75	2.07
FSI	Mon	4	100	4.47
IFL	Mon	27	100	6.23
REA	Tue	62	100	1.21
AGL	Wed	63	80	5.40
AMP	Wed	10	50	7.14
BBN	Thu (23 Aug)	2.5	100	2.12
JBH	Thu	46	100	5.04
KOV	Thu	7	100	4.53
QBE	Thu	22	30	tbc
ARG	Fri	16	100	3.79