

Markets

SFE 200 Futures (9.30am AEST)	6180	22	0.4
NZX 50	8972	-7	-0.1
DJIA Futures	25123	17	0.1
S&P 500 Futures	2814	3	0.1
NASDAQ Futures	7429	7	0.1

Local Markets Commentary

The Australian market commences mid-week trade on mostly negative commodities trade leads, but positive overnight international equities settlements, ahead of late-week influential domestic and international data releases.

In overnight commodities trade, **Brent crude** turned to settle modestly higher. WTI closed essentially flat.

US **gold** futures fell.

Iron ore (China port, 62% Fe) swung lower.

LME **copper** and **nickel** continued to decline. **Aluminium** swung and fell.

The **\$A** dropped below US73.90c after trading at US74.25c early yesterday evening.

Locally today, Westpac and the Melbourne Institute publish their monthly leading index report **10.30am** AEST.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25120	56	0.2
S&P 500	2810	11	0.4
NASDAQ	7855	49	0.6
FTSE 100	7626	26	0.3
DAX 30	12662	101	0.8
Shanghai Comp	2798	-16	-0.6

Overseas Markets Commentary

US equities markets generally trended higher from the outset overnight, ultimately dragging major European indices with them.

US Federal Reserve chair Jerome Powell essentially told a Senate banking committee he remained confident in the US economy, in particular with respect to employment and inflation levels, and that further, but gradual, rate rises were appropriate.

He acknowledged business concerns at the potential impacts of changing US trade relationships, however.

In the meantime, **Bank of England** governor Mark Carney had met with a committee of UK parliamentarians (at the Farnborough Airshow), warning of adverse economic consequences should the UK separate from the European Union (EU) without formal agreements.

Earlier, the EU and Japan announced a new trade agreement.

Among new data releases, **UK** wages grew 2.7% for the three months to 31 May after climbing 2.8% during the April quarter.

* Food manufacturing & export listing **midday** AEST – **KTD** *

Today's Stock Watch

Bega Cheese (BGA)

Outlaying \$250M for the Saputo Dairy Australia 300ML processing facility and inventory at Koroit, Victoria. The deal requires Australian Competition & Consumer Commission (ACCC) approval.

Fairfax Media (FXJ) / News Corporation (NWS)

FXJ and NWS have agreed to provide printing services to each other.

In association, FXJ will close printing operations in Beresfield, NSW and Ormiston, Queensland, but will print for NWS from the North Richmond facility.

Under the deals, FXJ expects to be \$15M better off on an annual basis, commencing in first-half FY 2019.

Automotive Holdings Group (AHG)

AHG business development manager Adam Irvin has been appointed CFO.

In addition, AHG has appointed former O'Brien Glass customer service and operations director Jo Cairns as chief human resources officer.

Ms Cairns takes over from Martin Wandmaker 13 August.

Mr Wandmaker flagged his resignation in June.

Growthpoint Properties (GOZ)

Anticipating a 3.6% rise in FY 2019 total distributions. Selling a West Perth property for \$91.3M, representing a 6.25% market yield.

Keytone Dairy Corporation (* KTD)

Nutrition and dairy foods manufacturer and exporter scheduled to list **midday** AEST, following a \$15M IPO at 20c per share. 75M quoted shares.

Resources

BHP Billiton (BHP)

Full year iron ore production rose 3% to 238Mt, copper output jumped 32% to 1.75Mt, petroleum fell 8% (192MMboe), metallurgical coal rose 7% (43Mt) and energy coal came in flat (29Mt).

June quarter iron ore, energy coal and metallurgical production rose respectively by 10% (to 64Mt), 48% (9Mt) and 16% (12Mt).

FY 2019 guidance figures also lodged this morning, including an up to 5% increase in iron ore output, and up to 8% rise for metallurgical coal.

Conventional petroleum production could fall as much as 6%.

Northern Star Resources (NST)

Produced a record 183,949oz of gold during the June quarter, at a \$A982/oz AISC. Sold a record 182,856oz, helping push cash and equivalents to \$A512M. Nil bank debt.

Teleconference scheduled to commence 11am AEST.

Lithium Australia (LIT)

Pilot production of lithium-iron-phosphate battery cathode material is underway in Brisbane, Queensland. LIT anticipates delivering samples to international battery manufacturers before year's end.

June new unemployment claims rose by 7800 after falling by 3000 in May.

US June US industrial production encouraged, rising 0.6% after falling 0.5% in May.

The overall figure was supported by a 0.8% gain for manufacturing output, following a 1.0% fall during May.

Year-on-year, June quarter production output came in 6.0% higher, against 2.4% for the March quarter.

A home builders' conditions report highlighted rising input costs but sentiment remained near historical highs.

Tonight in the US, the Federal Reserve's region-by-region economic summary is due, together with June housing starts and building permits and weekly mortgage applications.

The Federal Reserve's chair concludes his two-day testimony in parliament, this time with a financial services committee.

Companies due to report earnings include Abbott Labs, Alcoa, American Express, ASML, BHP Billiton (this morning), eBay, EasyJet, Electrolux, IBM, Kinder Morgan, Morgan Stanley, Novartis, Premier Foods and US Bancorp.

In overnight corporate news, **Goldman Sachs** reported a 44% higher quarterly net profit, and confirmed a change of CEO by year's end, but the stock settled lower.

UnitedHealth premiums appeared pale against expectations and the stock was pushed more than 2.5% lower.

Johnson & Johnson scored a 3.5% gain after surpassing anticipated earnings.

Thyssenkrupp supported DAX trade with a 9% gain on expansion expectations.

Amazon's 'Prime Day' of bargains across 36 hours (to 3am ET Wednesday) continued, but was interrupted by an early website outage. Nonetheless, the stock traded at new peaks, as did **Alphabet** and **Facebook**.

Meanwhile, **Walmart** secured **Microsoft** as its cloud provider for five years.

As anticipated, **Netflix** was pushed decidedly lower (~5% ultimately) following disappointing subscriber numbers reported post-Monday US trade, but notably almost halved intra-session losses.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1228	oz	-12	-1.0
Silver (NY) (Jul)	15.6	oz	-0.2	-1.4
Gold (LON)	1241	oz	-0.6	-0.1
Platinum	816	oz	-5	-0.6
WTI Crude (Aug)	68.1	bbbl	0.02	0.0
Brent Crude (Sep)	72.2	bbbl	0.32	0.4
Iron Ore (CHN port 62%)	64.1	t	0.5	-0.8
Copper (LME,3mth,PM)	6152	t	-40	-0.7
Nickel	13490	t	-180	-1.3
Aluminium	2032	t	-23	-1.1
Lead	2166	t	-9	-0.4
Zinc	2512	t	38	1.5
Tin	19515	t	15	0.1
CBT Wheat (Jul)	4.98	bshl	0.10	1.9

Commodities Commentary

Oil – reports major processing equipment in

Pre-Open Announcements

Z Energy (* ZEL)

Retail fuel prices and supply chain disruptions have forced ZEL to lower FY 2019 EBITDAF guidance from \$450M - \$485M to \$420M - \$455M. Still expecting to pay a 50c - 55c dividend.

Viva Energy REIT (* VVR)

Acquiring six properties for a total \$62.13M.

Using existing debt facilities to fund the purchases.

Following completion, \$120M will remain undrawn within the facilities.

Swick Mining Services (* SWK)

Unaudited 6% rise in full year revenue to \$137.83M. EBITDA has risen 41% to \$6.15M.

Resources

Azumah Resources (AZM)

Non-executive director Geoff Jones is retiring from the AZM board, due to other commitments.

AZM has appointed former Commonwealth Bank (ASX: CBA) manager Debra Bakker and mining consultant Linton Putland as directors.

Ms Bakker is a director of Independence Group (ASX: IGO) and Capricorn Metals (ASX: CAP).

Mr Putland is a director of Pacific Energy (ASX: PEA).

Lynas Corporation (LYC)

Planning to lodge the company's June quarter report pre-trade Friday and to host a teleconference commencing 10am AEST.

Access details lodged post-trade yesterday.

Cassini Resources (CZI)

Presented in Melbourne overnight and will do so again at a conference in Noosa tomorrow.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	BHP	Jun Q
	NST	Jun Q
Tomorrow	AST	AGM
	CIM	Interim
	EVN	Jun Q
	ORE	Jun Q
	STO	Jun Q
	S32	Jun Q
	WPL	Jun Q
Fri	LYC	Jun Q
	SYD	Jun
Tue (24 Jul)	ALX	Jun Q
	AIA	Jun
	ILU	Jun Q
	SXY	Jun Q



Venezuela is scheduled for near-term maintenance, plus estimates of by how much Iran's exports could drop by year's end, helped buoy overnight prices.

The EIA's weekly US petroleum inventories report is due tonight.

Gold – positive talk at a bi-annual meeting of the US Federal Reserve chair with a Senate banking committee bolstered the \$US, pushing gold prices to 12-month lows overnight.

The Fed chair meets with another parliamentary committee tonight, but nothing dramatically different is anticipated.

Base metals – \$US buoyancy appeared the major detractor in overnight trade.

Zinc benefited from an analyst's report which predicted an international shortfall to continue for some time, despite new operations.

China's June residential property prices, reported yesterday, rose 5% year-on-year following a 4.7% gain for May.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7381	-0.0007	-0.09
EUR – USD	1.1655	-0.0007	-0.06

Australian Data Today

Wstpc/MI	Leading index	Jun
DeptofJobs	Employment indicator	Jul

US Data Tonight

Fed beige book	Jul
Housing starts	Jun
Building permits	Jun
MBA mortgage applications	13 Jul

Other Overseas Data Today & Tonight

UK	CPI	Jun
UK	PPI	Jun
Euro zone	CPI (final)	Jun
Euro zone	Construction output	May

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Trading Halts

Company	Code	Resuming
American Patriot Oil & Gas	AOW	18 Jul
Carnarvon Petroleum	CVN	18 Jul
Race Oncology	RAC	18 Jul
Connected IO	CIO	19 Jul
Novita Healthcare	NHL	19 Jul
IPB Petroleum	IPB	20 Jul

Suspensions (select)

Company	Code	Since
Centennial Mining	CTL	25 Jun
Crowdspark Ltd	CSK	6 Jul
Genera Biosystems	GBI	4 Jul
Vector Resources	VEC	6 Jul
WPG Resources	WPG	27 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MIR	26 Jul	8.5	100	3.61

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