

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	6594	16	<b>0.2</b>
<b>NZX 50</b>	10741	-0.4	<b>-0.0</b>
<b>DJIA Futures</b>	27254	53	0.2
<b>S&amp;P 500 Futures</b>	3000	2	0.1
<b>NASDAQ Futures</b>	7946	13	0.2

## Local Markets Commentary

The Australian market commences Friday trade following an overnight ratcheting of Middle East tensions and with Japan's June CPI update in hand.

Post-US trade, the **US** claimed a drone operated by **Iran** had threatened a US navy vessel in the Strait of Hormuz by coming too close, and that the US had subsequently destroyed the drone.

Earlier, Iran had responded to a few days' speculation, stating it had seized a foreign oil tanker in the Persian Gulf last Sunday, due to fuel smuggling suspicions.

**Japan** was scheduled to report June CPI 9.30am AEST.

In overnight commodities trade, **oil** ultimately dropped.

US **gold** futures (August) appreciated further, but modestly so, before jumping \$US20/oz in post-settlement trade.

**Iron ore** (China port, 62% Fe) continued to decline, this time settling below \$US121.0/t but above \$US120.85/t.

LME **copper** was pushed modestly lower.

**Nickel** extended this week's rally, at an even greater pace.

The **\$A** appreciated beyond US70.60c this morning after trading at ~US70.30c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	27223	3	<b>0.0</b>
<b>S&amp;P 500</b>	2995	11	<b>0.4</b>
<b>NASDAQ</b>	8207	22	<b>0.3</b>
<b>FTSE 100</b>	7493	-42	<b>-0.6</b>
<b>DAX 30</b>	12228	-113	<b>-0.9</b>
<b>Shanghai Comp</b>	2901	-31	<b>-1.0</b>

## Overseas Markets Commentary

Negative trade featured from the outset across major European and US equities markets overnight, but US indices recovered sufficiently to post positive settlements, with a lower rates promotion from a Federal Reserve district president and amid earnings reports from another set of high-profile stocks.

In addition, the US treasury secretary confirmed high-level US and China negotiators would talk again (overnight) despite some 'complicated issues'.

US data releases included the Philadelphia Fed's 21.8 July manufacturing index contrasted with the 0.3 June estimate.

## Today's Stock Watch

### National Australia Bank (NAB)

NAB has appointed Royal Bank of Scotland (RBS) CEO Ross McEwan as NAB CEO and MD.

Mr McEwan announced his RBS resignation in April.

Interim CEO Phil Chronican will become chairman mid-November, taking over from Ken Henry, who announced in February that he would resign his NAB board position.

### Village Roadshow (VRL)

VRL has appointed former News Corp Australia and Foxtel CEO Peter Tonagh as an independent non-executive director, effective yesterday.

VRL is still seeking to appoint an independent non-executive chair.

### Unibail-Rodamco-Westfield (URW)

Issuing £750M worth of seven-year, 1.642% bonds, essentially to refinance the 50% URW-held, and fully URW-managed, Westfield Stratford City.

URW says demand for the issue reached £2.3B.

### AuMake International (AU8)

Providing ANZ brands and additional products, including from AU8, to JD.com's 300M primary online site users.

### Sydney Airport (SYD)

June passenger numbers fell 0.5% year-on-year, the domestic tally dropping 1.6% but international passenger numbers rising 1.1%.

For the year-to-date, overall passenger numbers are 0.2% lower, the domestic tally down 1.5%, but with the international total having grown 1.9%.

Passenger numbers from the USA have risen by 11.2%, from India by 8.2% and from Indonesia by 7.4%.

### Telix Pharmaceuticals (TLX)

Anticipating being able to submit a clinical trial notification for TLX250-CDx (renal cancer imaging) in Japan by the end of the month, following final regulatory consultations.

### Zelda Therapeutics (ZLD)

Collaboration agreement secured with Australia-headquartered Emerald Clinics, enabling ZLD to access 'de-identified' data from patients suffering pain and insomnia who have subsequently been treated with medicinal cannabis.

## Resources

### Aurelia Metals (AMI)

Resources have grown 21% over the year to 30 June, to 17.72Mt. Reserves have increased 19%, to 4.4Mt. Details, including metal and project breakdowns, lodged this morning.



The Conference Board's June leading index fell 0.3% following a flat May reading.

Weekly new unemployment claims rose by 8000 to 216,000.

Earlier in the UK, June retail sales provided a little domestic relief, rising 1% for the month, following a 0.5% May pullback.

Compared with June 2018, sales were 3.8% higher.

**Tonight** in the US, an initial University of Michigan July consumer sentiment estimate is due.

Elsewhere, results of polling to determine the new leader of the UK's conservative political party, and hence the new PM, are anticipated anytime from Sunday, but considered most likely Monday.

Overnight, the UK parliament voted to stop a new PM suspending parliament in order to push through a UK separation from the European Union (EU) independent of parliament.

Companies scheduled to report earnings include American Express, BlackRock, eBay and Schlumberger.

In overnight corporate news, **Boeing** revealed the 737 Max turmoil will cost the company a post-tax \$US4.9B post tax for the June quarter alone.

**Netflix**, which had reported post-Wednesday US trade, dropped on falling subscriptions.

**Morgan Stanley** gained ~1.5% despite a 9% decline quarterly profit

**Microsoft** has reported post-US trade, figures appearing to have pleased.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1428.1</b>	oz	4.8	0.3
<b>Silver (NY) (Sep)</b>	16.198	oz	0.227	1.4
<b>Gold (LON)</b>	1417	oz	7	0.5
<b>Platinum</b>	851	oz	8	0.9
<b>WTI Crude (Aug)</b>	<b>55.30</b>	bbl	-1.48	-2.6
<b>Brent Crude (Sep)</b>	<b>61.93</b>	bbl	-1.73	-2.7
<b>Iron Ore (CHN port 62%)</b>	<b>120.87</b>	t	-0.27	-0.2
<b>Copper (LME,3mth,PM)</b>	<b>5966</b>	t	-19	-0.3
<b>Nickel</b>	14900	t	505	3.5
<b>Aluminium</b>	1849	t	4	0.2
<b>Lead</b>	2037	t	31	1.6
<b>Zinc</b>	2455	t	-19	-0.8
<b>Tin</b>	17845	t	-80	-0.5
<b>CBT Wheat (Jul)</b>	<b>4.94</b>	bshl	-0.12	-2.3

## Pre-Open Announcements

### Ellex Medical Lasers (ELX)

Anticipating a \$700,000 - \$800,000 FY 2019 underlying EBITDA loss, exclusive of ~\$300,000 worth of restructuring expenses.

FY 2019 sales are calculated 3% higher, at \$82M.

In addition, ELX has appointed ELX CFO and company secretary Maria Maieli as interim CEO, effective today, on the resignation of Ged Wallace.

ELX plans to lodge audited FY 2019 results 29 August.

### Milton Corporation (MLT)

Full year results lodged pre-trade.

### APN Property Group (APD)

Independent director Tony Young is planning to retire his APN board position 30 August.

### QMS Media (QMS)

QMS has appointed acting QMS CFO and previously QMS financial controller Kate Solomon as CFO.

## Resources

### Kalium Lakes (\* KLL)

\$A50M worth of project finance export cover in hand from a German Government export credit agency.

Details lodged this morning.

## Energy

### Paladin Energy (PDN)

June quarter report lodged post-trade yesterday, highlighting the expected completion of Langer Heinrich process optimisation pre-feasibility by March 2020.

\$US25.4M cash and equivalents as at 30 June.

### Trading Halts

Company	Code	Resuming
BOD Australia	BDA	19 Jul
Cynata Therapeutics	CYP	19 Jul
St George Mining	SGQ	19 Jul
Jiajiafu Modern Agriculture	JJF	22 Jul
Northern Minerals	NTU	22 Jul
ShareRoot Ltd	SRO	22 Jul
Volt Resources	VRC	22 Jul

### Suspensions (select)

Company	Code	Since
CCP Technologies	CT1	17 Jul
Golden Rim Resources	GMR	1 Jul
High Grade Metals	HGM	18 Jul
Keybridge Capital	KBC	16 Jul



## Commodities Commentary

**Oil** – early gains were attributed to **Iran** claiming it had indeed seized an oil tanker in the Persian Gulf last weekend, because it was allegedly smuggling one million litres of fuel.

However, oversupply concerns appeared to take hold again, in particular with reports that **Gulf of Mexico** production was recovering from last week's hurricane and that just 19% of output remained affected.

Prices were reportedly pushed sufficiently low to trigger 'stops' and hence spark a relative sell-off.

Meanwhile, **Russia** requested European Union (EU) nations attempting to establish the Instex payments system to enable trade with Iran, without incurring US sanctions, broaden this to cover oil trade.

This came ahead of Russia's potential participation in the system.

In addition, Russia's oil minister announced national output had recovered following a contaminated fuel pipeline outage.

**Post-US settlement**, the US administration announced it had shot down an Iranian drone considered too close to a US warship in the Strait of Hormuz.

A weekly US petroleum drill rig count is due tonight.

**Gold** – Comex futures have added \$US20/oz post-overnight settlement, this attributed to the US claim of shooting down one of Iran's drones in the Strait of Hormuz, and an easing \$US, in part due to a US Fed district president appearing to promote a further rate reduction later this month.

Comex silver continued to rally, September futures notably settling at almost \$US16.20/oz.

**Base metals** – data, mine developments, industry pricing and a weaker \$US influenced overnight LME trade.

Despite refusing to cancel a construction permit, Peru's president says the planned Tia Maria *copper* mine cannot go ahead without community consultation regarding ongoing environmental concern-based protests.

In the meantime, the Mirador copper operation in Ecuador was reported to have commenced production yesterday.

China Smelters Purchase Team, representing 10 processors, has meanwhile reportedly determined a \$US55/t treatment charge for September quarter delivery, against \$US73/t for the June quarter and \$US92/t for the March quarter.

The group's refining fee has been set at US5.5c/lb, against US7.3c/lb and US9.2c/lb respectively.

Among new economic data releases, **Japan's** June trade figures, published yesterday, included a ¥589.5B trade surplus, against ¥968.3B at the end of May.

Exports tumbled 6.7% year-on-year after sliding 7.8% in May. Imports dropped 5.2% after falling 1.5% in May.

The Tankan index fell to three from six.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7065	-0.0011	<b>-0.15</b>
<b>EUR – USD</b>	1.1259	-0.0018	<b>-0.16</b>

Mindax Ltd	MDX	26 Jun
Titan Minerals	TTM	28 Jun

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>EZL</b>	Today	<b>5</b>	100	9.17
MIR	25 Jul	6.5	100	3.89



**US Data Tonight**

Uni of Michigan consumer sentiment (prelim)	Jul
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**Other Overseas Data Today & Tonight**

<b>Japan</b>	CPI	Jun
<b>UK</b>	Public sector finances	Jun
<b>Germany</b>	PPI	Jun

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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)

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