

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	6466	27	<b>0.4</b>
<b>NZX 50</b>	10749	40	<b>0.4</b>
<b>DJIA Futures</b>	26294	68	0.3
<b>S&amp;P 500 Futures</b>	2937	7	0.3
<b>NASDAQ Futures</b>	7774	24	0.3

## Local Markets Commentary

The Australian market commences today's trade with a plethora of high-profile domestic earnings reports in hand, and optimistic overnight equities trade, ahead of key international events commencing tonight.

**Locally** today, further details regarding July employment statistics are due from the Australian Bureau of Statistics (ABS) 11.30am AEST.

Companies trading **ex-dividend** today include **JBH, NCM** and **QBE**.  
*Please see p4 for a detailed list.*

In overnight commodities trade, **WTI crude** pulled back but Brent rose moderately.

US **gold** futures (December) settled slightly lower.

**Iron ore** (Nymex CFR China, 62% Fe) continued its decline, at a quickened pace, and approached \$US92.00/t.

LME **copper** turned to settle modestly higher. **Nickel** closed slightly lower.

The **\$A** pulled back to ~US67.80c after approaching US67.90c early yesterday evening.

*Meanwhile, G7 leaders are preparing to meet in France over the weekend.*

*International central bankers are gathering for three days from tonight in Wyoming, US.*

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26203	240	<b>0.9</b>
<b>S&amp;P 500</b>	2924	24	<b>0.8</b>
<b>NASDAQ</b>	8020	72	<b>0.9</b>
<b>FTSE 100</b>	7204	79	<b>1.1</b>
<b>DAX 30</b>	11803	152	<b>1.3</b>
<b>Shanghai Comp</b>	2880	0.3	<b>0.0</b>

## Overseas Markets Commentary

Major European and US equities markets opened higher overnight, sentiment maintained throughout trade on potential stimulus and some pleasing corporate results, in particular in the US retail sector.

US yields for 10-year treasuries (government bonds) again briefly fell below those for two-year notes, but this seemed not to spook markets as it had a week earlier.

\* ICT infrastructure listing 11am AEST – OPC \*

## Today's Stock Watch

### ERM Power (EPW)

EPW has agreed to a Shell Energy Australia proposal for Shell to acquire EPW for \$2.465 cash per share.

EPW full year results also lodged this morning. EPW has traded at \$1.67 - \$1.7625 over the past five trading sessions.

### Coles Group (COL)

9.1% lower, \$1.43B full year NPAT. 1.7% lower \$38.46B revenue. 35.5c fully franked final dividend. \$1.362 NTA, against 96.3c.

### Qantas Airways (QAN)

6.5% lower, \$891M full year NPAT. 4.9% higher, \$17.97B revenue. 13c fully franked final dividend, up 3c. \$1.95 NTA, against \$2.23 a year ago. Planning to outlay up to ~\$400M to buy back up to 79.7M shares.

### Downer EDI (DOW)

266.7% higher, \$261.8M full year NPAT. 6.6% higher, \$13.45B income. Flat 14c, 50%-franked final dividend.

### Air New Zealand (AIZ)

31% lower, \$NZ270M full year NPAT. 5.3% higher, \$NZ5.8B operating revenue. NZ11c fully franked final dividend.

### Coca-Cola Amatil (CCL)

6.3% higher, \$168M interim NPAT. 5.0% higher, \$2.43B revenue. 21c interim and 4c special dividends, against 21c, 65%-franked a year ago. Teleconference 11.30am AEST.

### Nine Entertainment Co (NEC)

6% higher, \$221.23M full year NPAT. 40% higher, \$1.85B continuing operations revenue. 5c fully franked final dividend. In addition, NEC has appointed recent Aconex (acquired by Oracle) CFO Paul Koppelman as NEC CFO, effective 3 September.

### Medibank Private (MPL)

3.1% higher, \$458.7M full year NPAT. 2.9% higher, \$7.22B income. 7.4c final and 2.5c special dividends, each fully franked. 55.5c NTA, against 53.7c a year ago.

### Scentre Group (SCG)

49.4% lower, \$740.0M interim NPAT. 1.6% higher, \$1.30B revenue. 11.3c interim dividend/distributions.

## Resources

### South32 Ltd (S32)

71% lower, \$US389M full year NPAT. 4% lower, \$US7.27B revenue. US2.8c fully franked final dividend. \$US1.98 NTA, against \$US2.05 a year ago.



Neither did the US Federal Reserve's policy meeting minutes, which revealed outlook risks were forefront in some discussions and that the decision for a rates cut was not unanimous (8 v 2).

The US president in the meantime appeared keen to let it be known he had been considering payroll tax reductions, for some time, and that this was not related to any recession.

He again berated the Federal Reserve, while promoting US prowess in trade deals progress.

In the meantime in **Germany**, yields for a 30-year bond auction fell to -0.11% from 0.30%.

Among overnight data releases, **US**, July existing home sales rose 2.5% for the month, following a 1.3% June fall.

Weekly mortgage applications fell by 0.9%, following the previous week's 21.7% jump. 30-year mortgage rates averaged 3.9% against 3.93%.

**Tonight** in the US, the Federal Reserve-hosted three-day international **central bankers'** annual symposium commences in Jackson Hole, Wyoming.

Weekly new unemployment claims are also due, together with preliminary August PMI readings and a leading index report.

Elsewhere, **European Central Bank** (ECB) July policy meeting minutes are eagerly awaited, as are preliminary regional PMI readings for August.

Companies scheduled to report earnings and or provide trading updates later today and tonight include: Antofagasta, CRH, Gap, HP Inc, Intuit, Ross Stores and Salesforce.com.

In overnight corporate news, **Lowe's** and **Target** earnings reports pleased, boosting views that consumer sentiment remained sufficient to buoy the US economy.

*In the meantime, UK markets, including the London Metals Exchange (LME), are heading towards a Monday public holiday weekend.*

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1514.5</b>	oz	-1.20	<b>-0.1</b>
<b>Silver (NY)</b> (Sep)	17.115	oz	0.33	<b>-0.2</b>
<b>Gold (LON)</b>	1505	oz		
<b>Platinum</b>	851	oz	4	<b>0.5</b>
<b>WTI Crude</b> (Oct)	<b>55.68</b>	bbl	-0.45	<b>-0.8</b>
<b>Brent Crude</b> (Oct)	<b>60.30</b>	bbl	0.27	<b>0.5</b>
<b>Iron Ore</b> (CHN port 62%)	<b>92.01</b>	t	-2.01	<b>-2.2</b>
<b>Copper</b> (LME,3mth,PM)	<b>5732</b>	t	16	<b>0.3</b>
<b>Nickel</b>	15820	t	-10	<b>-0.1</b>
<b>Aluminium</b>	1779	t	-5	<b>-0.3</b>
<b>Lead</b>	2076	t	15	<b>0.7</b>
<b>Zinc</b>	2284	t	51	<b>2.3</b>
<b>Tin</b>	16200	t	-275	<b>-1.7</b>

### Commodities Commentary

**Oil** – prices swung overnight, falling following the release of a weekly US petroleum inventories report, which included a 2.73MMbbl fall in crude stocks, 312,000bbl rise in stored petrol, and 2.6MMbbl more distillate.

## Pre-Open Announcements

### OptiComm Ltd (\* OPC)

Network infrastructure operator and licensed carrier scheduled to list on the ASX 11am AEST following a \$42.35M IPO at \$2.00 per share.

104.07M quoted shares.

### Webjet Ltd (\*\* WEB)

45% higher, \$60.3M full year NPAT. 26% higher, \$367.4M revenue. 13.5c fully franked final dividend.

A webcast teleconference was scheduled to commence 9.30am AEST.

### IDP Education (IEL)

29.3% higher, \$66.6M full year NPAT. 22.8% higher, \$598.14M revenue. 7.5c, ~45%-franked final dividend, against 6.5c, 60%-franked a year ago. 6.5c NTA.

### Perpetual Ltd (PPT)

17% lower, \$115,93M full year NPAT.

4% lower, \$512.1M revenue (excluding structured investments income).

\$1.25 fully franked final dividend. \$6.47 NTA.

### IMF Bentham (IMF)

\$36.098M full year net loss. 87% higher, \$4.295M revenue.

43c NTA, against 27c a year ago.

## Resources

### Mineral Resources (\*\* MIN)

39% lower, \$165M full year NPAT.

7% lower, \$1.51B revenue.

31c fully franked final dividend.

## Energy

### Santos Ltd (\*\* STO)

273.1% higher, \$US388M interim NPAT.

17.5% higher, \$SU1.97B revenue.

US6c fully franked final dividend, up 71% (ie 2.5c).

Webcast teleconference scheduled to commence 11am AEST.

### Yancoal Australia (\* YAL)

\$564M full year net profit, following \$261M a year ago. \$2.350B revenue, against \$2.347B.

\$2.92B net debt, against \$3.09B.

10.35c interim dividend.

A teleconference was scheduled to commence 9.30am AEST.

### Stanmore Coal (\* SMR)

Coal resources totalled 1.7Bt as at 30 June.

Reserves tallied 169Mt, 16% more than a year earlier.

Total marketable SMR coal reserves are estimated 129Mt.

SMR has settled higher each session this week.



Iran's president warned international shipping lanes would be less secure should Iran's oil exports totally evaporate on US sanctions. The country's foreign minister warned of an 'unpredictable' response from Iran given US policy.

In the meantime, Australia pledged support to the US plan to use military presence to ensure safe Strait of Hormuz transport.

**Gold** – gold interest waned overnight with equities strongly in favour, supported by encouraging earnings reports from US retailers Home Depot, Lowe's and Target.

US Federal Reserve July policy meeting minutes, published post-Comex settlement, proved to hold little influence on gold sentiment.

The Federal Reserve's annual symposium for international central bankers commences tonight in Jackson Hole, Wyoming. Conference speeches and sideline commentary remain more keenly anticipated than normal.

US Fed chair Jerome Powell is speaking on the conference theme *Challenges for Monetary Policy* overnight tomorrow.

**Base metals** – a softer \$US helped support some overnight base metals sentiment.

In *copper* news, the International Copper Study Group estimated a 62,000t deficit for May, against a 124,000t April deficit.

In addition, Chile's Codelco revealed it had closed the Ventanas copper smelter on Monday, for maintenance, but did not offer any timetable or production impact details.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6786	0.0005	0.08
<b>EUR – USD</b>	1.1091	0.0007	0.06

#### Australian Data Today

ABS	Employment – further details	Jul
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#### US Data Tonight

Initial jobless claims	17 Aug
Markit PMIs (init)	Jul
Conference Board leading index	Aug
Kansas City Fed manufacturing	Aug

#### Other Overseas Data Today & Tonight

<b>Japan</b>	PMIs (init)	Aug
Japan	All industry activity index	Jun
<b>UK</b>	CBI distributive trades	Aug
<b>Germany</b>	PMIs (init)	Aug
<b>Euro zone</b>	ECB policy meeting minutes	Jul
Euro zone	PMIs (init)	Aug
Euro zone	Consumer confidence	Aug

## Reports & Events

(selected)

When	Company	Report/Event
<b>Today</b>	<b>AIZ</b>	Full year
	<b>AIA</b>	Full year
	<b>BIN</b>	Full year
	<b>CCL</b>	Interim
	<b>COL</b>	Full year
	<b>DOW</b>	Full year
	<b>EPW</b>	Full year
	<b>FLT</b>	Full year
	<b>GOZ</b>	Full year
	<b>IFT</b>	AGM
	<b>IRI</b>	Full year
	<b>LOV</b>	Full year
	<b>MIN</b>	Full year
	<b>MPL</b>	Full year
	<b>NEC</b>	Full year
	<b>ORG</b>	Full year
	<b>PPT</b>	Full year
	<b>QAN</b>	Full year
	<b>QUB</b>	Full year
	<b>S32</b>	Full year
<b>SCG</b>	Interim	
<b>SKT</b>	Full year	
<b>STO</b>	Interim	
<b>SXL</b>	Full year	
<b>VOC</b>	Full year	
<b>WEB</b>	Full year	
<b>Tomorrow</b>	AHG	Full year
	AWC	Interim
	ALG	Full year
	GMG	Full year
	QMS	Interim
	SGM	Full year

#### Trading Halts

Company	Code	Resuming
BlackEarth Minerals	BEM	22 Aug
Broken Hill Prospecting	BPL	22 Aug
Echo Resources	EAR	22 Aug
Kleos Space	KSS	22 Aug
Fraser Range Metals Group	FRN	23 Aug
Metalicity Ltd	MCT	23 Aug
Moreton Resources	MRV	23 Aug
Prodigy Gold	PRX	23 Aug
Ruralco Holdings	RHL	23 Aug

**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)

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Steadfast Group	SDF	23 Aug
Weebit Nano	WBT	23 Aug

**Suspensions** *(select)*

Company	Code	Since
Alita Resources	A40	14 Aug
Athena Resources	AHN	14 Aug
AuStar Gold	AUL	31 Jul
CFOAM Ltd	CFO	6 Aug
Freedom Oil & Gas	FDM	8 Aug
Golden Cross Resources	GCR	19 Aug
Gooroo Investments	GOO	1 Aug
Heron Resources	HRR	16 Aug
Homestay Care	HSC	20 Aug
Mobecom Ltd	MBM	29 Jul
Redbank Copper	RCP	7 Aug
South Pacific Resources	SPB	2 Aug
Tanga Resources	TRL	21 Aug

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>DHG</b>	Today	<b>4</b>	100	0.61
<b>HGH</b>	Today	<b>6.5</b>	0	2.10
<b>JBH</b>	Today	<b>51</b>	100	4.16
<b>KOV</b>	Today	<b>13</b>	100	4.29
<b>NCM</b>	Today	<b>21.38</b>	100	0.73
<b>QBE</b>	Today	<b>25</b>	60	4.02
ARG	Tomorrow	17	100	3.84
CGL	Tomorrow	6	100	3.75
CRN	Tomorrow	11.51	100	8.01
IFM	Tomorrow	2.15	0	1.58
INA	Tomorrow	5.8	0	3.07
IPH	Tomorrow	13	60	2.52
LLC	Tomorrow	30	0	2.94
SDF	Tomorrow	5.3	100	2.22
SUL	Tomorrow	28.5	100	5.00