

Markets

SFE 200 Futures (9.30am AEST)	6640	10	0.2
NZX 50	10810	-15	-0.1
DJIA Futures	27178	2	0.0
S&P 500 Futures	2990	1	0.0
NASDAQ Futures	7929	4	0.1

Local Markets Commentary

The Australian market commences today's trade with a funding agreement between US parliamentarians and administrators, ahead of an anticipated announcement of the UK's next PM, and amid unresolved geopolitical trade and security stoushes.

Post-overnight US trade, the US administration, plus House of Representative and Senate leaders, have announced agreement regarding raising the nation's debt ceiling.

Locally today, a weekly **consumer sentiment** reading is due pre-trade.

Also this morning, **Reserve Bank of Australia** (RBA) assistant governor (financial markets) Christopher Kent has been speaking on 'The committed liquidity facility'.

In overnight commodities trade, **oil** picked up the pace of Friday's move higher.

US **gold** futures (August) again settled barely changed.

Iron ore (China port, 62% Fe) fell, approaching \$US120.00/t.

LME **copper**, **nickel** and **aluminium** fell.

The **\$A** fell to ~US 70.35c after trading at US70.50c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27172	18	0.1
S&P 500	2985	8	0.3
NASDAQ	8204	58	0.7
FTSE 100	7515	6	0.1
DAX 30	12289	29	0.2
Shanghai Comp	2887	-37	-1.3

Overseas Markets Commentary

Vacillating trade featured across most major European and US equities markets overnight, the NASDAQ proving the exception with positive trade that never seemed seriously threatened.

Traders were left largely waiting for more definitive statements regarding a range of geopolitical issues, ahead of a barrage of high-profile corporate reports and key economic indicators this week and a series of central bank meetings from late-week through next week.

Meanwhile, in a speech at an International Monetary Fund seminar in Washington Bank of Japan (BoJ) governor Haruhiko

RBA – assistant governor (financial markets) Christopher Kent speaks on 'The committed liquidity facility', 8.30am AEST, Sydney

Today's Stock Watch

Kogan.com Ltd (KGN)

Anticipating ~25% FY 2019 EBITDA growth and 12% higher gross profit. The gross transaction value rose ~9%. \$27.5M cash. Nil bank debt.

Alcidion Ltd (ALC)

Expecting \$16.5M - \$16.9M FY 2019 revenue.

Heralding \$11.7M in sold revenue already achieved towards FY 2020 and \$19.5M which will be accounted for through to 2024.

Resources

OZ Minerals (OZL)

Produced 28,525t of copper and 27,072oz of gold during the June quarter, at a US119.7c/lb AISC, against 27,442t and 34,648oz at US103.9c/lb for the March quarter.

\$187M cash balance.

Adriatic Metals (ADT)

Bosnia Rupice deposit initial resource estimated at 9.4Mt @ 5.1% Zn, 3.3% Pb, 183g/t Ag, 1.8g/t Au, 0.6% Cu and 31% BaSO₄. 80% of the resource qualifies for indicated status.

ADT has also lodged an updated Veovaca deposit resource this morning.

Blackham Resources (BLK)

Produced 65,406oz of gold at a \$A1760/oz AISC during FY 2019, against 66,000oz – 68,000oz at \$A1700/oz guidance.

June quarter output tallied 12,045oz @ \$A2376/oz, following 15,296oz @ \$A1757/oz for the March quarter.

Results were impacted by lower mined and milled grades and a higher strip ratio, together with Norther Star Resources (ASX: NST) ore toll treatment.

\$4.2M cash and bullion.

Energy

Caltex Ltd (CTX)

June quarter refiner margins lodged this morning, including a \$US7.45/bbl CRM against \$US7.53/bbl for the March quarter and \$US10.42/bbl for the June quarter 2018.

CRM sales from production came in at 1373ML, following 1487ML for the March quarter and 1578 for the June quarter 2018.

The CRM for the six months ending 30 June is \$US7.50/bbl, against \$US10.06/bbl. CRM sales from production totalled 2860ML, following 3156ML for January – June 2018.



Kuroda promoted careful central bank consideration of international markets and economic activity and a no-fear approach to a low-interest rate environment.

The BoJ will again consider domestic policy and rates 29 – 30 July, the US Federal Reserve holds a policy meeting 30 – 31 July, and Thursday this week, a policy meeting is scheduled for the European Central Bank.

The US president in the meantime, resumed his public criticism of the Federal Reserve.

The president also continued to repudiate Iran, denying Iran's claims that it had detained 17 US CIA operatives over the past two years.

In scant overnight releases, the Chicago Fed June national activity index came in at -0.02, following -0.03 in May.

Tonight in the US, the Richmond Fed manufacturing index, a May house price index and June existing home sales are due.

Elsewhere, the **International Monetary Fund (IMF)** releases its six-monthly 'World Economic Outlook' update, 9am (local time), Santiago, Chile.

In the **UK**, the new leader of the conservative party, and hence the next PM (to take over from Theresa May), is expected to be officially announced.

Companies scheduled to report earnings later today and tonight include: Banco Santander, Biogen, Chubb, Coca-Cola, Kimberly-Clark, Lockheed Martin, Tokyo Steel Manufacturing, UBS, United Technologies and Visa.

In overnight corporate news, **Halliburton** reported quarterly revenue pressures (down 3.5%) and significant impairments, but also better-than-anticipated adjusted profit, supported by its oil well services division and oil prices.

Apple benefited by a positive price assessment by Morgan Stanley analysts.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1426.9	oz	0.2	0.1
Silver (NY) (Sep)	16.411	oz	-0.216	1.3
Gold (LON)	1428	oz	-12	-0.8
Platinum	846	oz	2	0.2
WTI Crude (Aug)	56.22	bbl	0.59	1.1
Brent Crude (Sep)	63.26	bbl	0.79	1.3
Iron Ore (CHN port 62%)	120.01	t	-0.98	-0.8
Copper (LME,3mth,PM)	6017	t	-56	-0.9
Nickel	14215	t	-435	-3.0
Aluminium	1816	t	-30	-1.6
Lead	2008	t	-36	-1.8
Zinc	2420	t	-5	-0.2
Tin	17900	t	130	0.7
CBT Wheat (Jul)	4.89	bshl	-0.14	-2.7

Commodities Commentary

Oil – yesterday, the International Energy Agency (IEA) reacted to recent vessel attacks and seizures in the Strait of Hormuz,

Pre-Open Announcements

Phylogica Ltd (* PYC)

Reporting positive animal study results for the company's cell penetrating peptide technology for inserting drugs into the eye.

Family Zone Cyber Safety (* FZO)

US patent awarded for FZO's 'device management system'.

Bod Australia (BDA)

BDA has appointed Akash Bedi and Patrice Malard as non-executive directors in association with Health and Happiness Group's NewH2 \$5.5M investment in BDA at 37c per share. NewH2 now holds 17.64% of BDA.

Resources

Gold Road Resources (* GOR)

Revising expected calendar 2019 gold production to 75,000oz – 100,000oz.

June quarter report lodged post-trade yesterday, highlighting maiden gold production.

\$63M cash at bank.

\$65M debt drawn from \$150M worth of finance facilities.

Hawkestone Mining (HWK)

Arizona, US Big Sandy lithium project diamond drilling results lodged this morning, including several significant-width and grade intersections.

Maiden resource anticipated by 30 September.

De Grey Mining (DEG)

Directors Steve Morris and Brett Lambert have resigned, effective immediately, in association with the proposed acquisition of Indee Gold.

Reports & Events

(selected scheduled)

When	Company	Report/Event
Today	ALC	Jun Q
	AMH	Full year
	CGS	Jun Q
	OZL	Jun Q
Tomorrow	EVN	Jun Q
Thu	FMG	Jun Q
	MQG	AGM

Trading Halts

Company	Code	Resuming
Althea Group Holdings	AGH	23 Jul



declaring it was prepared 'to act quickly and decisively in the event of a disruption' to international oil deliveries.

In the meantime, a media report claimed China had taken delivery of millions of barrels of oil from Iran May through July to date.

August Nymex (WTI) futures expired on settlement overnight. September futures settled 0.8% higher for the session, also at \$US56.22/bbl.

Gold – a wait for geopolitical moves, central bank meetings, major corporate earnings reports and key economic indicators constrained overnight gold sentiment.

Comex silver futures resumed their recent rally, settling at a 13-month peak.

Base metals – overnight trade sentiment was pushed and pulled by economic and monetary policy considerations, a range of geopolitical issues, and corporate news and stockpile-boosting claims.

China representatives were reported overnight to have claimed administrators will further adjust economic policy to support the domestic economy during the protracted trade negotiations with the US.

Another media report attributed some of *nickel's* recent rally to LME buying by Tsingshan Holding Group.

In the meantime, others quoted an international nickel deficit of 12,500t at the end of May, from 7500t for April.

In production and development news, late-Friday Anglo American revealed it had submitted the EIS for supporting the continuation of the Los Bronces *copper* operation, Chile.

In Australia, plans to expand the Northern Territory Browns Range *rare earths* project expansion received a boost with a \$A30M shareholder fundraiser.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7034	-0.0001	-0.02
EUR – USD	1.1208	0.0000	0.00

Australian Data Today

ANZ/RoyMgn	Consumer sentiment	21 Jul
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US Data Tonight

Richmond Fed manufacturing	Jul
Existing home sales	Jun
FHFA house prices	May

Other Overseas Data Today & Tonight

Euro zone	Consumer confidence	Jul
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BBX Minerals	BBX	23 Jul
Canyon Resources	CAY	23 Jul
Dotz Nano	DTZ	23 Jul
(The) Agency Group	AU1	24 Jul
Altura Mining	AJM	24 Jul
Dreamscape Networks	DN8	24 Jul
Exopharm Ltd	EX1	24 Jul
Lindian Resources	LIN	24 Jul
Otto Energy	OEL	24 Jul
Simple Solutions	SIS	24 Jul

Suspensions (select)

Company	Code	Since
CCP Technologies	CT1	17 Jul
Golden Rim Resources	GMR	1 Jul
High Grade Metals	HGM	18 Jul
Jiajiafu Modern Agriculture	JJF	22 Jul
Keybridge Capital	KBC	16 Jul
Mindax Ltd	MDX	26 Jun
Titan Minerals	TTM	28 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
KAT	Thu	0.5	100	3.25
MIR	Thu	6.5	100	3.94
DJW	5 Aug	10	100	5.54
WQG	5 Aug	2	0	0.00

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