

Markets

SFE 200 Futures (9.30am AEST)	6400	-86	-1.3
NZX 50	10464	-159	-1.5
DJIA Futures	25407	-263	-1.0
S&P 500 Futures	2826	-30	-1.0
NASDAQ Futures	7412	-92	-1.2

Local Markets Commentary

The Australian market commences a new week's trade with:

- a weekend escalation of US-China trade argy-bargy;
- central bankers citing increased geopolitical burden in association with monetary policy formulation;
- acknowledged tensions at the ongoing G7 leaders' summit in France; and
- an \$A fall this morning.

G7 leaders began a summit in France late-weekend. This year's summit is scheduled to continue until mid-week, but prior to the official commencement of proceedings, European Union (EU) leaders expressed dismay at the likelihood of any agreed outcomes.

The UK PM described the prospects of a UK-EU separation without agreed arrangements in place as 'touch and go', but also labelled EU nations as 'friends and partners'.

Iran's foreign minister met with the French foreign minister on the sidelines of the summit, but reportedly did not hold any meetings with US officials.

Also over the weekend, **Reserve Bank of Australia** (RBA) governor Philip Lowe told an annual central bankers' symposium that 'political shocks are turning into economic shocks'.

This echoed the US Federal Reserve chair's comments post-ASX trade Friday that geopolitical events across several regions were proving a growing risk to international economic growth and were demanding increased attention from those considering optimal monetary policies.

Meanwhile, pro-democracy protests in Hong Kong attracted a stronger response from authorities over the weekend.

Locally today, the domestic corporate major 30 June reporting season enters its last week.

Several high-profile and large-cap stocks also trade **ex-dividend** today. *Please see pp3-4 for a detailed list.*

In overnight Friday commodities trade, **oil** fell.

US **gold** futures (December) turned and rallied.

Iron ore (Nymex CFR China, 62% Fe) settled slightly higher.

LME **copper** fell further. **Nickel** swung to close with a small gain.

The \$A remained within a relatively narrow range after trading at US\$67.60c early Friday evening, but this morning has traded below US\$67.00c.

Also this morning, **New Zealand** has reported a \$NZ685M July trade deficit, against expectations of \$NZ254M.

Last trading week for August

Today's Stock Watch

Boral Ltd (BLD)

38.2% lower, \$272.4M full year NPAT. 0.1% lower, \$5.86B revenue. 13.5c, 50%-franked final dividend, against 14c, 50%-franked a year ago.

Chorus Ltd (CNU)

\$NZ53M full year NPAT, against \$NZ85M a year ago. \$NZ970M revenue, following \$NZ990M.

FY 2020 guidance also lodged within a presentation this morning.

CEO Kate McKenzie is stepping down at the end of the year.

G8 Education (GEM)

20% lower, \$18.99M interim NPAT. 9% higher, \$429.88M revenue. 4.75c fully franked interim dividend.

Adairs Ltd (ADH)

3.0% lower, \$29.64M full year NPAT. 9.4% higher, \$344.43M revenue. 8c fully franked final dividend.

Japara Healthcare (JHC)

29.6% lower, \$16.43M full year NPAT. 7.1% higher, \$399.77M revenue. 3.35c, 50%-franked final dividend. 14c NTA, against 15.9c a year ago. \$179M net bank debt.

MACA Ltd (MLD)

13% lower, \$20.6M full year NPAT. 18% higher, \$665.7M revenue. 2.5c fully franked final dividend.

Macmahon Holdings (MAH)

Full year results anticipated, ahead of an 11am AEST teleconference. Trading halt called this morning.

Resources

Fortescue Metals Group (FMG)

263% higher, \$US3.19B full year NPAT. 45% higher, \$US9.97B revenue.

24c fully franked final dividend, against 12c a year ago. \$US3.44 NTA, against \$US3.12.

Rameli Resources (RMS)

29% lower, \$A21.83M full year NPAT. 3% higher, \$352.77M revenue. 1c fully franked final dividend, against no dividend a year ago. 42c NTA, against 38c.

Energy

Woodside Petroleum (WPL)

Greater Enfield project oil produced through the Ngujima-Yin FPSO for the first time yesterday.

WPL 60% and operator; Mitsui E&P 40%.



Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25629	-623	-2.4
S&P 500	2847	-76	-2.6
NASDAQ	7752	-240	-3.0
FTSE 100	7095	-33	-0.5
DAX 30	11612	-136	-1.2
Shanghai Comp	2897	14	0.5

Overseas Markets Commentary

Major European and US equities markets returned to no-risk trade overnight Friday, China-US trade developments and international monetary policy commentary unsettling investors.

US Federal Reserve chair Jerome Powell told the international **central bankers'** annual symposium that international trade battles were posing a new challenge to those determining monetary policy.

Earlier, **China** had revealed plans to introduce additional import taxes of 5% and 10% on \$US75B worth of goods from the US from September.

This drew the ire of the **US** president, preparing to influence the G7 leaders' summit hosted by France.

The president had again berated the US Federal Reserve, but now warned US companies to seek other nations to do business with, rather than China.

He subsequently (post-US trade) announced goods from China that were to attract a 10% US import tax from 1 September (Sunday next week) would now be taxed 15%, and that \$US250B worth of goods from China, already taxed at 25%, would attract a 30% tariff from 1 October.

In scant new data releases, **US July** new home sales tumbled 12.8% for the month, after jumping 20.9% in June, and came in 4.3% higher than a year earlier.

Tonight in the US, the Chicago Fed national activity index, a Texas region manufacturing index and July durable goods orders are due.

UK markets, including the London Metals Exchange (LME), will not trade tonight due to a public holiday.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1536.6	oz	29.10	1.9
Silver (NY) (Sep)	17.413	oz	0.0373	2.2
Gold (LON)	1504	oz	2	0.1
Platinum	855	oz	0	0.0
WTI Crude (Oct)	54.17	bbl	-1.18	-2.1
Brent Crude (Oct)	59.34	bbl	-0.58	-1.0
Iron Ore (CHN port 62%)	92.88	t	0.15	0.2
Copper (LME,3mth,PM)	5626	t	-65	-1.1
Nickel	15670	t	20	0.1
Aluminium	1768	t	-1	-0.1
Lead	2060	t	-5	-0.3
Zinc	2235	t	-10	-0.5
Tin	15880	t	-295	-1.8

Pre-Open Announcements

GDI Property Group (GDI)

9.55% higher, \$81.6M full year NPAT. 2.38% higher, \$77.8M revenue. 3.875c previously-declared final distribution. \$1.255 NTA, against \$1.184 a year ago.

Monash IVF (MVF)

7.0% lower, \$A19.85M full year NPAT. 0.9% higher, \$151.98M revenue. 3c fully franked final dividend.

Pushpay Holdings (* PPH)

PPH has appointed Spark New Zealand (ASX: SPK) chair Justine Smyth as an independent non-executive director as from today. Ms Smyth is also an Auckland International Airport (ASX: AIA) director.

Director Daniel Steinman is resigning from the PPH board, effective today.

Hearts & Minds Investments (HM1)

\$746,300 full year net loss.

\$4.12M revenue.

\$2.85 NTA.

Ridley Corporation (RIC)

35.4% higher, \$23.57M full year NPAT.

9.2% higher, \$1.0B revenue.

2.75c fully franked final dividend.

62c NTA, against 59c a year ago.

AppsVillage Australia (* APV)

Software specialist scheduled to list 10.30am AEST tomorrow following a \$5M IPO at 20c per share.

45.47M quoted shares.

Resources

A-Cap Energy (ACB) / Blackham Resources (BLK)

Heralding WA Wilconi nickel-cobalt project metallurgical testing results.

Reports & Events

(selected)

When	Company	Report/Event
Today	ADH	Full year
	BLD	Full year
	FMG	Full year
	GEM	Interim
	IFL	Full year
	JHC	Full year
	MAH	Full year
	MEZ	Full year
	RSG	Full year
	VAH	Full year



Commodities Commentary

Oil – China’s announcement that it would impose new import taxes on goods from the US included an additional 5% tariff on US crude, from September.

Thus damaged overnight Friday trade sentiment, due also to expectations the ongoing US-China argy-bargy could ultimately reduce international demand more than previously anticipated.

A weekly US petroleum drill rig count, published overnight Friday, included 16 fewer oil rigs, pushing the tally to 754.

Gold – tat-for-tat between China and the US Friday prompted investors to head for safe-havens, thus benefiting gold and other ‘safe-haven’ trade.

In addition, the US Federal Reserve’s speech at the Jackson Hole symposium underscored growing risks to determining optimal monetary policies.

Base metals – China’s announcement Friday of additional import taxes on some goods from the US included a 5% rise in tariffs for scrap copper and scrap aluminium from the US.

Last year’s tariffs produced an 80% year-on-year January-June drop in China imports of copper scrap from the US and a 16% fall in aluminium scrap.

Meanwhile, following Friday’s announcement, the yuan traded at new more-than-11-year lows against the \$US.

In aluminium news, China Hongqiao, reduced its 2019 output guidance by up to ~4.8%, or 300,000t.

Among data releases Friday, **Japan** reported 0.1% July inflation growth following a flat result for June. Year-on-year, July CPI was 0.5% higher.

The London Metals Exchange (LME) will not trade tonight, due to a public holiday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6710	-0.0030	-0.44
EUR – USD	1.1147	-0.0005	-0.04

US Data Tonight

Chicago Fed National Activity Index	Jul
Dallas Fed manufacturing	Aug
Durable goods orders	Jul

Other Overseas Data Today & Tonight

Japan	Leading economic index (final)	Jun
Germany	Ifo business climate	Aug

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	VEA	Full year
Tomorrow	AGI (post-trade)	Full year
	CTX	Interim
	HUB	Full year
	ING	Full year
	MNF	Full year
	NST	Full year
	RWC	Full year
	SFR	Full year
	SKI	Full year
	SDA	Interim
WES	Full year	

Trading Halts

Company	Code	Resuming
Byrah Resources	BYH	26 Aug
Davenport Resources	DAV	26 Aug
Gateway Mining	GML	26 Aug
G Medical Innovations Holdings	GMV	26 Aug
Great Boulder Resources	GBR	26 Aug
Saturn Metals	STN	26 Aug
American Pacific Borate & Lithium	ABR	27 Aug
Twenty Seven Co	TSC	27 Aug

Suspensions (select)

Company	Code	Since
Alita Resources	A40	14 Aug
Athena Resources	AHN	14 Aug
CFOAM Ltd	CFO	6 Aug
Echo Resources	EAR	22 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
Metalicity Ltd	MCT	23 Aug
Moreton Resources	MRV	23 Aug
Redbank Copper	RCP	7 Aug
South Pacific Resources	SPB	2 Aug
Tanga Resources	TRL	21 Aug
Weebit Nano	WBT	23 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AZJ	Today	12.4	70	4.11
BST	Today	2.25	100	3.76
EVN	Today	6	100	1.53



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GWA	Today	9.5	100	5.57
KGN	Today	8.2	100	2.13
NWL	Today	6.6	100	1.41
PMC	Today	4	100	5.71
SNZ	Today	5.19	0	1.86
WPL	Today	53.03	100	6.20