

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>6220</b>	<b>-1</b>	<b>-0.0</b>
<b>NZX 50</b>	9174	14	0.2
<b>DJIA Futures</b>	25861	69	0.3
<b>S&amp;P 500 Futures</b>	2882	5	0.2
<b>NASDAQ Futures</b>	7518	22	0.3

## Local Markets Commentary

The Australian market opens a new week's trade on positive international commodities and US equities trade leads, amid a UK Monday public holiday weekend, and hence with the London Metals Exchange closed tonight.

In overnight Friday commodities trade, **oil** turned and rallied.

**Iron ore** (China port, 62% Fe) headed higher.

US **gold** futures also swung to settle sharply higher.

Earlier, LME **copper** and other base metals had recorded strong gains.

The **\$A** was propelled further, to ~US73.30c, after rising to ~US72.80c early Friday evening.

Regionally today, **China** is expected to publish July industrial profits **11.30am** AEST.

Locally today, a weekly capital city residential property price report is due.

In addition, analyst re-ratings continue during major reporting season.

High-profile stocks trading ex-dividend today include **AZJ**, **CCL**, **GWA** and **PRY**. Details can be found on pp3-4.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	25790	133	0.5
<b>S&amp;P 500</b>	2875	18	0.6
<b>NASDAQ</b>	7946	68	0.9
<b>FTSE 100</b>	7577	14	0.2
<b>DAX 30</b>	12395	29	0.2
<b>Shanghai Comp</b>	2729	5	0.2

## Overseas Markets Commentary

US equities markets rallied from the outset overnight Friday, the \$US and bond yields both down, and China's central bank reported to have supported domestic lending with a new \$US21.7B medium-term facility.

The S&P 500 attained a new recorded peak settlement and the NASDAQ a record intra-session high, which some commentators warned was a result, of record-contagion trade.

Major European indices chopped and swung again, however, despite key commodities price gains.

**US Federal Reserve** Jerome Powell underscored his view of a strong US economy at a key annual central bankers' conference.

He also maintained, that interest rates should increase at a measured pace.

In new data releases, **Germany's** final June quarter

**China – July industrial profits 11.30am AEST**

## Today's Stock Watch

### Aveo Group (AOG)

Reviewing six proposals received from investment banks and real estate advisors.

### Japara Healthcare (JHC)

21.5% lower, \$23.3M full year NPAT. 3.0% higher, \$373.2M revenue. 3.75c, 50%-franked final dividend, against 5.75c, 70%-franked a year ago. \$116.3M net bank debt.

Anticipating 5% - 10% FY 2019 EBITDA growth.

Teleconference scheduled for 10.30am AEST.

### Reliance Worldwide Corp (RWC)

0.6% higher, \$A65.991M full year NPAT. 27.9% higher, \$769.38M revenue. 3c fully franked final dividend. 13c NTA, against 9c a year ago.

### Spark Infrastructure (SKI)

18.9% higher, \$58.13M interim NPAT. 7.7% higher, \$161.77M income. Total NZ8c interim distributions. \$1.87 NTA.

### Amaysim Australia (AYS)

76.4% lower, \$2.72M full year NPAT. 76.8% higher, record \$577.83M revenue.

### MACA Ltd (MLD)

26% lower, \$23.6M full year NPAT. 13% higher, \$562.6M revenue. 3.5c fully franked final dividend.

### Netcomm Wireless (NTC)

\$A8M full year NPAT. 68.9% higher, \$181.69M revenue. Nil final dividend. 34.78c NTA.

In addition, NTC has appointed IBM Asia Pacific cognitive technologies VP Jackie Korhonen as a non-executive director, effective immediately.

### G8 Education (GEM)

22% lower, \$23.75M interim NPAT. 7% higher, \$393.06M revenue. Additional 4.5c fully franked dividend, following a 10c fully franked dividend paid in March.

### MMA Offshore (MRM)

\$27.9M full year net loss, following a \$354.3M loss a year ago. \$200.4M revenue, against \$221.8M.

### Chorus Ltd (CNU)

\$NZ85M full year NPAT, against \$NZ113M a year ago. \$NZ990M operating revenue, following \$NZ1.0B. NZ13c fully franked final dividend.

Anticipating \$NZ625M - \$NZ645M FY 2019 EBITDA, following \$NZ653M and \$NZ652M for FY 2018 and FY 2017 respectively.

A webcast teleconference was scheduled for 10am NZ time.

### Infigen Energy (IFN)

42% higher, \$A45.7M full year NPAT.

### Sims Metal Management (SGM)

UBS has cancelled SGM sell advice, in favour of a neutral rating. Credit Suisse has also assigned a neutral rating, in place of the previous underperform assessment.

### Stockland (SGP) / Sky Network Television (SKT)

Credit Suisse has re-rated SGP and SKT as neutral, each from outperform.

GDP reading came in at 0.5% growth (seasonally adjusted) for the three months and 2.0% year-on-year.

In the **US**, July durable goods orders were reported 1.7% lower, following forecasts of a 0.5% fall, and a 0.7% rise in June.

**Tonight** in the US, the Chicago Fed national activity index is due, together with a regional manufacturing index.

Angang Steel is among companies scheduled to report earnings.

In overnight Friday corporate news, **Gap** dropped almost 10% on disappointing same-store sales.

**Foot Locker** fell similarly, following a post-Thursday US trade quarterly report also featuring same-store sales that were considered below-par.

**HP Inc** suffered 2% on guidance that undershot expectations.

Over the weekend, **Tesla's** CEO and chairman Elon Musk revealed his revised view that the company should not go private.

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

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1213</b>	oz	19	1.6
<b>Silver (NY) (Sep)</b>	14.9	oz	0.3	1.8
<b>Gold (LON)</b>	1198	oz	5	0.5
<b>Platinum</b>	789	oz	14	1.8
<b>WTI Crude (Oct)</b>	<b>68.7</b>	bbl	0.89	1.3
<b>Brent Crude (Oct)</b>	<b>75.8</b>	bbl	1.09	1.5
<b>Iron Ore</b> (CHN port 62%)	67.0	t	0.83	1.3
<b>Copper</b> (LME,3mth,PM)	<b>6105</b>	t	119	2.0
<b>Nickel</b>	13415	t	140	1.1
<b>Aluminium</b>	2095	t	20	1.0
<b>Lead</b>	2085	t	30	1.5
<b>Zinc</b>	2534	t	66	2.7
<b>Tin</b>	19000	t	-100	-0.5
<b>CBT Wheat (Sep)</b>	<b>5.37</b>	bshl	-0.05	-1.0

### Commodities Commentary

**Oil** – China Petroleum & Chemical Corp (**Sinopec**) yesterday claimed an oversupply of refined fuels would likely keep refiner crude processing rates steady during the second half of 2018. For Sinopec, this means it expects to process 121Mt of crude.

During 1H 2018, the company sold 96.48Mt of fuels, but has estimated a fall to 90.5Mt for 2H 2018. The 1H total represented a 2.1% year-on-year fall.

In addition, Sinopec forecast it would produce 146MMbbl of crude during 2H 2018, against 143.6MMbbl for the first half of the year.

A weekly US petroleum drill rig count, released overnight Friday, estimated nine fewer oil rigs were in operation, the largest weekly drop since May 2016.

A lower \$US also supported overnight Friday prices, but, on the flip side, new industrial action in three North Sea fields remains on the cards.

**Gold** – a \$US fall appeared the major influence on overnight Friday gold trade.

US Federal Reserve chair Jerome Powell's remarks at the global central bankers' conference in Jackson Hole, Wyoming overnight Friday, confirmed his view

## Pre-Open Announcements

### Adairs Ltd (\*\* ADH)

45.4% higher, \$30.56M full year NPAT. 18.8% higher, \$314.77M revenue. 8c fully franked final dividend.

### Michael Hill International (\* MHJ)

85.9% plunge in full year NPAT to \$4.61M. 4.4% higher, \$575.55M revenue. 2.5c final dividend. 46c NTA, following 50c a year ago.

### GDI Property Group (\* GDI)

Selling an Ashfield, Sydney property from a GDI 43.68%-held trust for \$35M.

Proceeds will be used to repay \$23M of the trust's debt and to also fund an ~33c distribution to investors.

### 4DS Memory (\* 4DS)

\$5.21M full year net loss, following a \$2.58M net loss a year ago. 53% lower, \$32,468 revenue. 0.33c NTA.

### BWX Ltd (\* BWX)

The Bain Capital consortium which presented BWX with an unsolicited \$6.60-per-share indicative proposal in June has requested a due diligence extension to mid-September.

BWX is continuing with a strategic review and recommends shareholders take no action in relation to the potential bid.

### Kleos Space (KSS)

Satellite operator completed its ASX listing Friday following an \$11M IPO at 20c per share/CDI.

Opened at 14.5c and rose to 17c before settling at 16c. ~6.72M shares changed hands across 218 trades.

Incorporated in Luxembourg. 71.07M quoted securities.

## Resources

### Kingwest Resources (KWR)

Completed its ASX listing Friday following a \$5M IPO at 20c per share.

Opened at 19.5c and traded as low as 17.5c before settling at 18.5c.

1.536M shares were traded across 73 transactions.

31.455M quoted securities.

## Energy

### Helios Energy (\* HE8)

Flow and recovery indications, plus observations, indicate Quinn Creek 141 fracking has determined a new oil find within the Ojinaga shale formation. Details lodged this morning.

### Tap Oil (\* TAP)

\$3.51M full year net loss, following a \$6.63M loss a year ago. 29% lower, \$17.15M revenue. 7c NTA.

## Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>CNU</b>	Full year
	<b>GEM</b>	Interim
	<b>IFN</b>	Full year
	<b>JHC</b>	Full year
	<b>MHJ</b>	Full year
	<b>SHV</b>	Full year
	<b>SKI</b>	Interim



that interest rate rises ought continue in a measured fashion during the current period of domestic economic strength.

His data-based stance, and comments regarding no overheating risk, seemed less aggressive than some had anticipated, prompting plenty of commentary pointing to an overall benign trend emerging in economic indicators and forecasts of gold price appreciations of up to \$US50/oz.

**Base metals** – supported overnight Friday by a weakening \$US.

In addition, **China** described two days of trade talks in Washington as ‘constructive’.

China is due to report July industrial profits today.

Friday, **Japan** reported 0.3% CPI growth for July, 0.9% year-on-year, following respective 0.1% and 0.7% figures in June.

**The LME will not trade later today or tonight, due to a public holiday in the UK.**

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7334	0.0014	0.19
<b>EUR – USD</b>	1.1633	0.0016	0.14

### Australian Data Today

CLgc Cap city resdntl property prices 24 Aug

### US Data Tonight

Chicago Fed national activity index Jul  
Dallas Fed manufacturing index Aug

### Other Overseas Data Today & Tonight

**China** Industrial profits Jul  
**Germany** IFO business climate 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).

<b>Tomorrow</b>	APX	Interim
	BKL	Full year
	CTX	Interim
	ORE	Full year
	SHV	Teleconfnce
	SFH	Full year
<b>Wed</b>	SDA	Interim
	AGI	Full year
	BGA	Full year
	BAL	Full year
	BLD	Full year
	BWX	Full year
	DCG	Full year
	IGO	Full year
	MTS	AGM
	SRX	Full year
<b>Thu</b>	VAH	Full year
	AGI	Teleconfnce
	FNP	Full year
	GXY	Interim
	PPT	Full year
	RHC	Full year
<b>Fri</b>	SFR	Full year
	REG	Full year

### Trading Halts

Company	Code	Resuming
Alto Metals	AME	27 Aug
Buxton Resources	BUX	27 Aug
Magnis Resources	MNS	27 Aug
United Networks	UNL	27 Aug
Triton Minerals	TON	28 Aug
Ausmex Mining Group	AMG	29 Aug

### Suspensions (select)

Company	Code	Since
Admedus Ltd	AHZ	6 Aug
Antilles Oil & Gas	AVD	24 Aug
Challenger Energy	CEL	7 Aug
Lanka Graphite	LGR	3 Aug
Lucapa Diamond Company	LOM	24 Aug
Marindi Metals	MZN	23 Aug
Peninsula Mines	PSM	23 Aug
The BetMakers Holdings	TBH	22 Aug

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AZJ</b>	Today	<b>13.1</b>	60	6.19
<b>CCL</b>	Today	<b>21</b>	65	4.93
<b>GWA</b>	Today	<b>9.5</b>	100	5.45
<b>GXL</b>	Today	<b>5.5</b>	100	3.89
<b>HIT</b>	Today	<b>4</b>	100	7.55
<b>PRY</b>	Today	<b>5.5</b>	100	3.86
<b>SHM</b>	Today	<b>4</b>	100	9.91
<b>SNZ</b>	Today	<b>4.61</b>	0	1.50
ATL	Tomorrow	3	0	3.22

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AWC	Tomorrow	8.6	0	5.93
CMI	Tomorrow	3	100	3.99
EVN	Tomorrow	4	100	2.80
FID	Tomorrow	11	100	3.98
GC1	Tomorrow	3	100	3.59
LLC	Tomorrow	35	0	3.42
MAI	Tomorrow	1	100	2.00
MAM	Tomorrow	1	100	0.00
NCM	Tomorrow	11	100	1.08
STO	Tomorrow	3.5	100	0.00
WGN	Tomorrow	3.5	100	1.18
WOR	Tomorrow	15	0	1.25
CEN	Wed	17.1	0	5.51
DOW	Wed	14	50	3.45
SUL	Wed	27.5	100	5.08
TLS	Wed	11	100	4.67
BAP	Thu	8.5	100	2.19
BPT	Thu	1	100	1.11
HT1	Thu	3	100	2.34
IBC	Thu	0.85	100	3.79
ILU	Thu	10	100	3.70
JIN	Thu	11	100	2.96
MRN	Thu	4	100	3.23
MVP	Thu	2	100	1.05
PTM	Thu	16	100	5.76
RND	Thu	10	100	0.00
SFC	Thu	39.1	100	2.61
SKC	Thu	9.1	0	4.75
TBR	Thu	20	100	0.00
WLL	Thu	11	100	4.09