

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	6750	19	<b>0.3</b>
<b>NZX 50</b>	10805	-3	<b>-0.0</b>
<b>DJIA Futures</b>	27149	0	0.0
<b>S&amp;P 500 Futures</b>	3024	0	0.0
<b>NASDAQ Futures</b>	8019	-1	0.0

## Local Markets Commentary

The Australian market commences a new week's trade with fresh data from China, ahead of the resumption of **US-China** trade talks in Shanghai from later tomorrow, and key international earnings reports, economic data releases, and central bank policy meetings from tomorrow through the end of the week.

Since overnight Friday equities and commodities trade, customs data from China has revealed rare earth magnet exports to the US fell 3.9% (to ~414,000kg) during June, against May exports.

In addition, media reports out of China yesterday claimed the US has exported 'several million tonnes' of soybeans to China since the presidents of the US and China met, 28 June.

US records show 1.02Mt have been shipped since the meeting. Updated data is anticipated this week, however.

China's records show the republic imported 977,024t of US soybeans during May, and 614,805t in June.

On Saturday, **China** reported June industrial profits had dropped 3.1% year-on-year, to 601.9B yuan (\$US87.5B), following a 1.1% May rise.

Profits fell 2.4% year-on-year for January – June, to 2.93 trillion yuan, against a 2.3% January – May decline.

Profits for state-owned industrial companies tumbled 8.7% over the first six months of the year. Private sector companies' profits were calculated 6.0% higher, however.

**Locally** today, a weekly capital city residential property price report is due pre-trade.

The Australian Bureau of Statistics publishes a national motor vehicle census for 31 January, at 11.30am AEST.

Also today, CommSec is due to release a quarterly 'State of the States' report.

In addition, a barrage of June quarter corporate reports is expected through Wednesday, ahead of the end of the month.

In overnight Friday commodities trade, **oil** again settled modestly higher.

US **gold** futures (August) swung to a positive settlement.

**Iron ore** (Nymex CFR China, 62% Fe) added US2c/t, remaining a little above \$US120.00/t.

LME **copper** continued to decline. **Nickel** seesawed to rally mode again. **Aluminium** fell.

The **\$A** fell to US69.10c after trading at US69.30c early Friday evening.

## Today's Stock Watch

### Bubs Australia (BUB)

FY 2019 gross revenue totalled \$51.3M, 179% more than for FY 2018.

\$18.46M June quarter revenue, 108% higher than a year earlier, and 56% greater than for the March quarter 2019.

\$23.3M cash reserves.

### Bod Australia (BDA)

UK and Ireland BDA medicinal cannabis distribution agreement secured with PCCA.

June quarter activities report lodged post-trade Friday.

Holding ~\$10M cash.

### Steadfast International (SDF)

As flagged late June, SDF has secured a bid implementation agreement with IBNA, for SDF's launch of an off-market takeover bid.

SDF proposes to pay ~\$69M in the form of 21.1M SDF shares at \$3.28 each. SDF traded at \$3.58 - \$3.54 last week.

### PainChek Ltd (PCK)

\$586,767 annual recurring revenue (ARR) as at 30 June, against \$184,607 at the end of the March quarter.

Details lodged this morning.

### Village Roadshow (VRL)

VRL 24.4% investee company (NASDAQ-listed) iPic Entertainment Inc has missed a credit facility interest payment.

This may mean an iPic default leading to a restructure or bankruptcy. VRL implications lodged this morning.

## Resources

### Mineral Resources (MIN)

\$US608.95/t WA Mt Marion lithium project 6% spodumene concentrate sale price determined, against \$US682.38/t for the June quarter. MIN 50%; Ganfeng Lithium Co 50%.

### Lepidico Ltd (LPD)

L-Max pilot plant 10-day continuous trial completed with minimal downtime.

The plant continuously processed a close-to-design capacity 3t/d of leach liquor feed.

5000L of lithium sulphate was produced, with assays from ~500 samples expected mid-August.

LPD plans to commence lithium carbonate production from lithium sulphate intermediate from this week.

### Liontown Resources (LTR)

Significant-width and grade intersections lodged this morning from RC drilling within the WA eastern goldfields Buldania lithium project.



## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	27192	51	<b>0.2</b>
<b>S&amp;P 500</b>	3026	22	<b>0.7</b>
<b>NASDAQ</b>	8330	92	<b>1.1</b>
<b>FTSE 100</b>	7549	60	<b>0.8</b>
<b>DAX 30</b>	12420	58	<b>0.5</b>
<b>Shanghai Comp</b>	2945	7	<b>0.2</b>

## Overseas Markets Commentary

Major European and US equities markets ultimately bounced in varying fashion overnight Friday, the DJIA and DAX chopping markedly, the NASDAQ and S&P 500 positive and relatively stable from outset and the FTSE trending higher throughout.

In the **UK**, reactions from EU members regarding Irish border comments from the UK PM pointed to feverish negotiations ahead of late-October, despite traditional summer holiday breaks.

Among data releases, **Germany's** June import prices fell 1.4% for the month following a 0.1% May decline. Year-on-year prices dropped 2%.

In the **US**, an initial (of three) June quarter GDP growth estimate came in at 2.1% against a final 3.1% for the March quarter.

**Tonight** in the US, a Texas region manufacturing index is due.

Companies scheduled to report earnings later today and tonight include: Beyond Meat, Celgene, Fuji Corp, Heineken, Hitachi, Komatsu, NXP Semiconductors, Ryanair, Sanofi, SK Telecom, Stanley Electric and Transocean.

In overnight Friday corporate news, **T-Mobile** received final US Department of Justice approval to acquire **Sprint** for \$US59B.

Over the weekend, the **London Stock Exchange** confirmed Friday media reports that it was proposing to acquire data specialist **Refinitiv** in a deal worth a potential ~\$US27B.

## Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Aug)</b>	<b>1419.3</b>	oz	4.6	<b>0.3</b>
<b>Silver (NY) (Sep)</b>	16.397	oz	-0.014	<b>-0.1</b>
<b>Gold (LON)</b>	1420	oz	4	<b>0.3</b>
<b>Platinum</b>	863	oz	-3	<b>-0.3</b>
<b>WTI Crude (Sep)</b>	<b>56.20</b>	bbl	0.18	<b>0.3</b>
<b>Brent Crude (Sep)</b>	<b>63.37</b>	bbl	0.11	<b>0.2</b>
<b>Iron Ore (CHN port 62%)</b>	<b>120.11</b>	t	0.02	<b>0.0</b>
<b>Copper (LME,3mth,PM)</b>	<b>5958</b>	t	-23	<b>-0.4</b>
<b>Nickel</b>	14115	t	140	<b>1.0</b>
<b>Aluminium</b>	1806	t	-21	<b>-1.2</b>
<b>Lead</b>	2067	t	-29	<b>-1.4</b>
<b>Zinc</b>	2439	t	12	<b>0.5</b>
<b>Tin</b>	17650	t	-140	<b>-0.8</b>
<b>CBT Wheat (Jul)</b>	<b>4.97</b>	bshl	-0.02	<b>-0.5</b>

## Pre-Open Announcements

## Alliance Aviation Services (\* AQZ)

Air charter services agreement two-year extension secured with BHP Billiton (ASX BHP), specifically for BHP iron ore operations within WA.

## Resources

## Alkane Resources (\* ALK)

Heralding results from Proprietary deposit drilling, regional to the Tomingley gold project.

## Spectrum Metals (\* SPX)

Heralding high-grade assays from Penny North RC drilling. Settled at 6c Friday after trading as high as 6.4c intra-session, and closing out the previous week at 3.2c.

The week prior to that, SPX settled at 2.3c.

## Alt Resources (ARS)

Resuming from a trading halt with results from the WA eastern goldfields Mt Ida gold project scoping study.

ARS last traded at 2.9c.

## Reports &amp; Events

(selected)

When	Company	Report/Event
<b>Tomorrow</b>	AQG	Jun Q (post-ASX trade)
	NST	Jun Q
<b>Wed</b>	AAC	AGM
	FLN	Interim
	GMA	Interim
	IGO	Jun Q
<b>Thu</b>	CSC	Jun Q

## Trading Halts

Company	Code	Resuming
Classic Minerals	CLZ	29 Jul
Kingwest Resources	KWR	29 Jul
Moreton Resources	MRV	29 Jul
Respiri Ltd	RSH	29 Jul
Variscan Mines	VAR	29 Jul
Hammer Metals	HMX	30 Jul
GBST Holdings	GBT	30 Jul
Sun Resources	SUR	30 Jul
Podium Minerals	POD	31 Jul

**Commodities Commentary**

**Oil** – the US initial June quarter GDP growth report delivered more encouragement than anticipated by some.

This, in association with this week's scheduled US-China trade talks, produced an expectation of potential increase crude demand, helping support overnight Friday trade.

In the meantime, Iran continued to ignore demands for the release of a UK-marked tanker it had detained last week.

Over the weekend, China customs data revealed crude imports from Iran during June (208,205bbl/d; 855,638t) represented a 60% drop from June 2018.

In other news, the US administration has enabled Chevron to keep operating in Venezuela, albeit under a licence renewed for just three months, to 25 October.

A weekly US petroleum rig count estimated three fewer operational oil rigs.

**Gold** – three central bank policy meetings, high-profile corporate earnings and key economic (US, China, euro zone, UK) data are all expected to influence general sentiment, and hence gold trade, this coming week.

Any rate cut out of the US Federal Reserve early Thursday (AEST), and the magnitude, in addition to the official statement is currently considered the prime mover for this week's late-week trade.

US monthly jobs figures are due overnight Friday, however, and are traditionally influential.

Geopolitics will also play a role during the week, with high-level US-China trade talks scheduled to resume in Shanghai from later tomorrow and UK-European separation plans expected to develop further under the new UK leadership, even though the UK parliament is in recess.

Further, Iran, North Korea, Russia and Syria international relations all remain fluid.

Overnight Friday, the \$US gained, despite a relatively soft US initial GDP growth reading for the June quarter, as the estimate (2.1%) proved higher than some forecasts, some components, such as consumer spending also surprising on the upside.

Also Friday, the European Central Bank revealed a regional gold agreement from 1999, to co-ordinate gold sales, has been abandoned.

**Base metals** – economic data, a stronger \$US and corporate news influence overnight Friday trade.

In production news, Henan Yuguang Gold & Lead Co announced the resumption of output at a 400,000tpa *lead* smelter.

China's steel manufacturing industry was also reported to be ramping production again.

Rusal revealed it had sold 21% more *aluminium* during the June quarter than in the March quarter.

In Indonesia, tin-focused Timah said it planned to double refined *tin* output during 2019 to ~70,000t.

**China's** June industrial profits, reported on the weekend, represented a fall for State-owned enterprise, but gains for private firms, meaning interpretations will be key in any influence on tonight's LME trade, ahead of official PMI updates out of China Wednesday.

**Suspensions** *(select)*

Company	Code	Since
Golden Rim Resources	GMR	1 Jul
High Grade Metals	HGM	18 Jul
Jiajiafu Modern Agriculture	JJF	22 Jul
Keybridge Capital	KBC	16 Jul
West Wits Mining	WWI	26 Jul

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CD1	Tomorrow	25	0	0.00
CD2	Tomorrow	22	0	0.00
GCI	Tomorrow	0.84	0	4.66
QRI	Tomorrow	0.81	0	1.88
MXT	Wed	0.77	0	5.59
AMH	Thu	3.5	100	6.83
NBI	Thu	0.9	0	4.56
DJW	5 Aug	10	100	5.51
WQG	5 Aug	2	0	0.00
AFI	6 Aug	14	100	3.73
MLT	8 Aug	10.4	100	3.98

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6910	0.0003	0.05
<b>EUR – USD</b>	1.1132	0.0006	0.05

**Australian Data Today**

CoreLogic	Capital city home prices	26 Jul
CommSec	State of the States	Jun Q
ABS	Motor vehicle census	31 Jan

**US Data Tonight**

Dallas Fed manufacturing	Jul
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**Other Overseas Data Today & Tonight**

<b>Japan</b>	Retail sales	Jun
<b>UK</b>	BoE consumer credit (incl mortgages)	Jun

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