

## Markets

<b>SFE 200 Futures</b> (9.30am AEST)	<b>6355</b>	<b>18</b>	<b>0.3</b>
<b>NZX 50</b>	9344	-19	-0.2
<b>DJIA Futures</b>	26149	2	0.0
<b>S&amp;P 500 Futures</b>	2915	0	0.0
<b>NASDAQ Futures</b>	7670	0	0.0

## Local Markets Commentary

The Australian market opens today's trade on positive US equities but mixed commodities leads, ahead of influential domestic data today and additional key US data tonight.

Locally, the Australian Bureau of Statistics (ABS) is due to report June quarter private capital expenditure, **11.30am** AEST.

The ABS is scheduled to publish July building approvals at the same time.

**BAP, BPT, HT1, ILU** and **PTM** are among numerous high-profile stocks trading ex-dividend today. *Details and additional stocks can be found on pp3-4.*

Regionally today, **Japan** is expected to report July retail sales **9.50am** AEST.

In overnight commodities trade, **oil** swung higher. US **gold** futures continued to fall.

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

LME **copper** and **nickel** trade lower.

**Aluminium** extended Tuesday's gain.

The **\$A** traded in a relatively narrow range after falling to US73.05c early yesterday evening.

## Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26125	61	<b>0.2</b>
<b>S&amp;P 500</b>	2914	17	<b>0.6</b>
<b>NASDAQ</b>	8110	80	<b>1.0</b>
<b>FTSE 100</b>	7563	-54	<b>-0.7</b>
<b>DAX 30</b>	12562	34	<b>0.3</b>
<b>Shanghai Comp</b>	2769	-9	<b>-0.3</b>

## Overseas Markets Commentary

US equities markets opened higher overnight and rallied further mid-morning (US ET time), retaining gains through to settlement.

Optimism was fuelled by new record peaks for the NASDAQ and S&P 500, some supportive domestic data and US progress with north American trade negotiations.

This, ahead of additional key data tonight, and end-of-month trade tomorrow night, at the commencement of a Monday public holiday weekend.

Major European equities indices diverged, however, the DAX vacillating markedly and the FTSE never looking like achieving a gain for the day.

In US goods trade news, Canada's willingness to attempt to reach agreement on a deal with Mexico and the US by week's end was lauded by some, but

Second last trading day of the month

\* WA mineral exploration listing **12.30pm** AEST – **CM1** \*

## Today's Stock Watch

### News Corporation (NWS) / REA Group (REA)

NWS subsidiary and realtor.com operator, Move, is proposing to outlay \$US210M for real estate information specialist Opcity. NWS's 61.6%-held REA operates realestate.com.au and holds 20% of Move.

### Transurban Group (TCL)

The Australia Competition & Consumer Commission (ACCC) will not oppose the proposed TCL-led consortium bid for a majority holding the WestConnex project.

### Qantas Airways (QAN)

QAN is planning to appoint former Cathay Pacific CEO Tony Tyler as a non-executive director, effective October, pending shareholder approval.

Mr Tyler is a BOC Aviation and Bombardier director.

### Ramsay Health Care (RHC)

20.6% lower, \$A388.35M full year NPAT. 5.5% higher, \$9.18B income. 86.5c fully franked final dividend, following 81.5c fully franked a year ago.

### Perpetual Ltd (PPT)

2% higher, \$140.23M full year NPAT. 4% higher, \$531.38M revenue. \$1.40 fully franked final dividend. \$6.68 NTA, following \$6.10 a year ago.

### Atlas Arteria (ALX)

\$A15.49M full year net loss, following a \$437.6M net profit a year ago. 85.4% lower, \$59.56M income. Nil final dividend, following 10c a year ago, and 12c for 1H FY 2018.

### Mesoblast Ltd (MSB)

\$US35.29M full year net loss, following a \$US76.82M loss a year ago. \$US17.34M revenue, against \$US2.41M. \$US37.76M cash and equivalents, against \$US45.76M.

### Austal Ltd (ASB)

154% higher, \$39.03M full year NPAT. 6.2% higher, \$1.39B revenue. 3c final dividend. \$1.52 NTA, against \$1.30 a year ago.

### Ainsworth Game Technology (AGI)

16% lower, \$A31.94M full year NPAT. 6% lower, \$265.58M operating revenue. 2.5c fully franked final dividend. 93c NTA. 27 November AGM.

### Wisetech Global (WTC)

Macquarie has re-rated WTC as underperform, from neutral.

## Resources

### Sandfire Resources (SFR)

59% higher, \$123.02M full year NPAT. 14% higher, \$606.71M revenue. 19c fully franked final dividend. \$3.36 NTA, against \$2.80 a year ago. Webcast teleconference scheduled to commence midday AEST. Access details lodged this morning.

### Galaxy Resources (GXY)

\$US11.495M interim NPAT, following a \$US4.97M net loss a year ago. 682% higher, \$US88.44M revenue. US37c NTA, against US22.8c.

also recognised by commentators and Canadian officials as a difficult task.

Among **US data** releases, June quarter GDP growth was estimated at 4.2% year-on-year in the second of three readings.

The initial calculation had come in at 4.1%. For the quarter, the newly estimated gain was 2.9%, against the initial 2.8%.

Further, the US Commerce Department reported 16.1% higher year-on-year June quarter corporate profits.

July pending home sales fell by 0.7%, following forecasts of a 0.3% rise, after an encouraging 1.0% June increase.

Weekly mortgage applications fell by 1.7%.

In other developments, the US president announced one of his legal team would be leaving.

Meanwhile, Turkey's lira and Argentina's peso continued to languish and the British pound remained at ~one-year lows against the euro.

**Tonight** in the US, personal income and spending, PCE inflation figures and weekly new jobless claims are due.

AirAsia, Air China, Campbell Soup, Dollar General, Dollar Tree, Lululemon Athletica, Metallurgical Corporation of China and ZTE are among companies scheduled to report earnings.

In overnight corporate news, a positive research report, which included a 35% target price boost, pushed **Amazon** to new intrasession highs, the stock settling 3.4% higher.

Salesforce.com reported post-US trade and is expected to influence some trade tonight.

**US markets will be closed Monday, due to a public holiday.**

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1213</b>	oz	-2	<b>-0.1</b>
<b>Silver (NY) (Sep)</b>	14.8	oz	-0.1	<b>-0.6</b>
<b>Gold (LON)</b>	1204	oz	-8	<b>-0.6</b>
<b>Platinum</b>	795	oz	7	<b>0.9</b>
<b>WTI Crude (Oct)</b>	<b>69.5</b>	bbl	1.0	<b>1.4</b>
<b>Brent Crude (Oct)</b>	<b>77.1</b>	bbl	1.2	<b>1.6</b>
<b>Iron Ore</b> (CHN port 62%)	67.4	t	1.5	<b>2.3</b>
<b>Copper</b> (LME, 3mth, PM)	<b>6086</b>	t	-61	<b>-1.0</b>
<b>Nickel</b>	13500	t	-175	<b>-1.3</b>
<b>Aluminium</b>	2172	t	39	<b>1.8</b>
<b>Lead</b>	2087	t	5	<b>0.2</b>
<b>Zinc</b>	2512	t	-28	<b>-1.1</b>
<b>Tin</b>	18940	t	-115	<b>-0.6</b>
<b>CBT Wheat (Sep)</b>	<b>5.41</b>	bshl	0.18	<b>3.4</b>

### Commodities Commentary

**Oil** – prices swung higher overnight, amid plenty of supply-demand commentary, following Tuesday's reports of significant declines in exports, already, from Iran.

An Iraqi state oil marketer said OPEC's December meeting agenda would need to include filling the supply gap caused by the US sanctions against Iran, scheduled to take effect in November, as demand would exceed supply.

In the meantime, Venezuela's PDVSA heralded a \$US430M investment deal designed to boost the company's daily production by 640,000bbl.

### Pre-Open Announcements

#### TPG Telecom (\*\* TPM) / Hutchison Telecommunications Australia (\*\* HTA)

TPM and HTA have this morning lodged the agreed scheme arrangement for the proposed merger of TPM with Vodafone Hutchison Australia (VHA).

VHA shareholders will hold 50.1% of the merged entity and TPG shareholders 49.9%.

VHA is held 50:50 by Vodafone Group (Plc) and HTA.

#### RCR Tomlinson († RCR)

Resuming from extended suspended trade this morning, following the completion of a \$70M, \$1.00-per-share institutional entitlement offer, on 88% (volume) take-up.

The retail offer is scheduled for 3 – 19 September.

RCR last traded at ~\$2.12.

#### Macquarie Telecom Group (\* MAQ)

19.7% higher, \$17.01M full year NPAT. 6.1% higher, \$233.59M income. 25c fully franked final dividend. \$30.30M cash and equivalents.

#### Clinovel Pharmaceuticals (\* CUV)

86% higher, \$13.22M full year NPAT. 52% higher, \$25.75M revenue. 2c final dividend. 82c NTA, against 53c a year ago.

#### GR Engineering Services (\* GNG)

\$23.9M EPC contract secured with the Bendigo, Victoria Fosterville gold project, for a paste backfill facility. Work commences immediately and is expected to conclude next year.

### Resources

#### Orocobre Ltd (ORE)

Macquarie has reassessed ORE as neutral, from outperform.

#### Coolgardie Minerals (\*\* CM1)

WA goldfields-focused explorer scheduled to list **12.30pm** AEST following an ~\$4.25M IPO at 20c per share. ~83.1M quoted securities. Neil Warburton non-executive chairman.

#### Beacon Minerals (BCN)

Jaurdi gold project pre-feasibility statistics, including \$A70.49M pre-tax NPV and 75% pre-tax IRR, lodged post-trade yesterday. Trading halt called this morning.

#### OceanaGold Corporation (OGC)

Haile project site tour presentation lodged post-trade yesterday. OGC has traded higher the past three sessions, settling at \$4.15 yesterday.

#### Black Dragon Gold Corp (BDG)

Project developer completed its ASX listing yesterday following a \$6M IPO at 20c per share/CDI.

Opened at 19c and slipped to 17c before settling on par, at 20c. 1.054M shares were sold across 51 transactions.

30.48M quoted securities.

Incorporated in British Columbia, Canada.

### Energy

#### Santos Ltd († STO)

Credit Suisse has re-rated STO as neutral, from outperform.

A weekly US petroleum inventories report from government agency the EIA estimated a 2.6MMbbl fall in stored crude, against expectations of a 686,000bbl decline.

Imports fell a daily 657,000bbl.

Petrol stockpiles fell by 1.6Mmbbl, not unusual for summer, but distillate stocks also fell, by 837,000bbl.

**Gold** – a revised US June quarter GDP growth estimate, released overnight, defied expectations of a 0.1% move lower to 4.0%, instead rising to 4.2%. The \$US subsequently headed higher, the NASDAQ and S&P 500 achieved new record peaks, and gold futures continued Tuesday's fall.

**Base metals** – China's National Development & Reform Commission yesterday warned of growing risks to the national economy during the second half of 2018.

This impacted LME *copper* trade sentiment.

In addition, the \$US vacillated during LME trade, and Freeport McMoran secured another special mining permit extension from Indonesian authorities.

In other reports out of China, alumina exports were reported to be rising notably, due to international demand from *aluminium* producers (in part attributed to industrial action at Alcoa's WA operations), but in the face of rising costs for China's alumina producers, coupled with tighter smelter regulations.

China's official August PMIs are expected **tomorrow**.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7312	0.0003	0.03
<b>EUR – USD</b>	1.1710	0.0004	0.03

### Australian Data Today

ABS	Private capital spending	Jun Q
ABS	Building approvals	Jul

### US Data Tonight

Personal income & spending	Jul
Personal consumption expenditure (CPE)	Jul
Initial jobless claims	25 Aug

### Other Overseas Data Today & Tonight

<b>Japan</b>	Retail sales	Jul
<b>UK</b>	BoE consumer credit	Jul
<b>Germany</b>	CPI (prelim)	Aug
Germany	Import & export prices	Jul
Germany	Unemployment	Aug
<b>Euro zone</b>	Business & consumer confidence	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).

## Reports & Events

(selected scheduled)

When	Company	Report/Event
<b>Today</b>	<b>AGI</b>	Teleconfnce
	<b>ASB</b>	Full year
	<b>FNP</b>	Full year
	<b>GXY</b>	Interim
	<b>KCN</b>	Full year
	<b>PPT</b>	Full year
	<b>RHC</b>	Full year
	<b>SFR</b>	Full year
<b>Tomorrow</b>	REG	Full year
	QMS	Full year

### Trading Halts

Company	Code	Resuming
Rumble Resources	RTR	30 Aug
9SP International	9SP	31 Aug
Raiden Resources	RDN	31 Aug
Wisr Ltd	WZR	31 Aug

### Suspensions (select)

Company	Code	Since
Antilles Oil & Gas	AVDDD	24 Aug
Challenger Energy	CEL	7 Aug
Resonance Health	RHT	29 Aug
Triton Minerals	TON	28 Aug

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>ALF</b>	Today	<b>2</b>	100	1.85
<b>AOD</b>	Today	<b>0.28</b>	0	6.58
<b>BAP</b>	Today	<b>8.5</b>	100	2.13
<b>BPT</b>	Today	<b>1</b>	100	1.07
<b>CD1</b>	Today	<b>14</b>	0	0.00
<b>D20</b>	Today	<b>2.5</b>	75	5.24
<b>GCI</b>	Today	<b>0.62</b>	100	0.79
<b>HT1</b>	Today	<b>3</b>	100	2.37
<b>IBC</b>	Today	<b>0.85</b>	100	3.75
<b>ILU</b>	Today	<b>10</b>	100	3.51
<b>JIN</b>	Today	<b>11</b>	100	2.83
<b>MRN</b>	Today	<b>4</b>	100	3.50
<b>MVP</b>	Today	<b>2</b>	100	0.89
<b>PTM</b>	Today	<b>16</b>	100	5.58
<b>RND</b>	Today	<b>10</b>	100	0.00
<b>SFC</b>	Today	<b>39.1</b>	100	2.61
<b>SKC</b>	Today	<b>9.1</b>	0	4.78
<b>TBR</b>	Today	<b>20</b>	100	0.00
<b>WLL</b>	Today	<b>11</b>	100	4.02
<b>WMK</b>	Today	<b>1.5</b>	100	2.92
AFG	Tomorrow	5.7	100	6.38
BST	Tomorrow	2	100	3.14
CDA	Tomorrow	8.5	100	2.72
CGF	Tomorrow	18	100	3.16
CIN	Tomorrow	70	100	3.46
CVF	Tomorrow	4.5	100	6.44
EAS	Tomorrow	2	100	1.82
FMG	Tomorrow	12	100	5.69

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HLO	Tomorrow	11	100	3.35
IDX	Tomorrow	4	100	2.86
LMW	Tomorrow	2	100	7.73
MIN	Tomorrow	40	100	3.94
MOC	Tomorrow	9	100	10.29
MXT	Tomorrow	0.96	0	4.33
NVT	Tomorrow	8	70	3.82
OZL	Tomorrow	8	100	2.34
RSG	Tomorrow	2	0	1.48
WGF	Tomorrow	0.75	50	0.86
ALU	Mon	14	0	0.97
APX	Mon	4	100	0.47
AUI	Mon	19	100	3.90
BEN	Mon	35	100	6.00
BVS	Mon	4.5	0	2.24
DUI	Mon	8.5	100	3.43
DWS	Mon	5	100	7.35
EBG	Mon	3.3	100	6.31
IRI	Mon	3.5	100	2.63
NAC	Mon	2.5	100	5.25
NSC	Mon	3	100	6.21
PPE	Mon	4	100	1.95
SRV	Mon	13	25	6.44
VLW	Mon	10.5	100	8.26