

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	5990	14	<b>0.2</b>
<b>NZX 50</b>	11534	29	<b>0.3</b>
<b>DJIA Futures</b>	26619	66	0.3
<b>S&amp;P 500 Futures</b>	3204	9	0.3
<b>NASDAQ Futures</b>	10563	51	0.5

**Local Markets Commentary**

The Australian market opens Friday trade with new data in hand from China, a record number of daily new Covid-19 diagnoses reported in the US, and no key domestic or regional data releases scheduled for today.

Post-ASX trade yesterday, **China** reported June foreign direct investment (FDI) had fallen by 1.3% against June 2019, following a 3.8% year-on-year drop for May.

Locally this morning, large-cap stocks including BSL, IRI and RIO have provided operational and/or guidance updates.

In overnight commodities trade, **oil** and **US gold** futures (August) seesawed lower.

**Iron ore** (Nymex CFR China, 62% Fe) also swung lower, but settled well above \$US107.0/t.

LME **copper** turned to settle modestly higher. **Nickel** and **aluminium** continued lower.

The **\$A** appreciated beyond US70.05c after falling to ~US69.80c early yesterday evening.

Earlier this morning, the \$A traded at ~US69.70c.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	26735	-135	<b>-0.5</b>
<b>S&amp;P 500</b>	3216	-11	<b>-0.3</b>
<b>NASDAQ</b>	10474	-77	<b>-0.7</b>
<b>FTSE 100</b>	6251	-42	<b>-0.7</b>
<b>DAX 30</b>	12875	-56	<b>-0.4</b>
<b>Shanghai Comp</b>	3210	-151	<b>-4.5</b>

**Overseas Markets Commentary**

Major European and US equities markets fell on opening overnight.

Trade then proved choppy throughout.

Earlier yesterday, **China** reported June quarter GDP together with June industrial production, January – June fixed asset investment June retail sales and June house prices.

These mostly proved in line with expectations, and GDP exceeded forecasts, but 1.3% lower year-on-year fixed asset investment concerned.

Overnight, the **European Central Bank's** (ECB) policy meeting

**Today's Stock Watch**
**Westpac Banking Corporation (WBC)**

Confirming a class action has been filed regarding commissions paid to auto dealers in relation to auto finance agreements.

**Integrated Research (IRI)**

Anticipating a record \$23.6M - \$24.2M FY20 PAT. Revenue is also expected to represent a record, at \$109.5M - \$111.0M.

**BWX Ltd (BWV)**

Resuming from a trading halt having completed a \$A40M, \$3.40-per-share fully underwritten institutional placement.

A \$10M SPP at the same price is scheduled for 23 July – 5 August. Funds will go in part to fund a new manufacturing facility and support office. Over the five sessions immediately prior to calling the halt, BWX had traded at \$3.51 - \$3.77.

When calling the halt, BWX also reported an unaudited 48% higher, \$14.1M FY20 NPAT. Revenue grew 25% to \$187.6M.

In addition, BWX has secured an agreement whereby no further Andalou Naturals – related payments will be payable, in consideration for \$US800,000.

**Helloworld Travel (HLO)**

Resuming trade having raised a combined \$41.6M in an institutional placement and entitlement offer, each at \$1.65 per share. A retail entitlement offer at the same price is scheduled for 23 July – 3 August.

HLO traded at ~\$1.75 - ~\$2.20 over the five sessions immediately prior to calling a trading halt.

**Imugene Ltd (IMU)**

Human ethics approval in hand for a second Australian hospital for a phase one clinical trial of PD1-VAXX as an immunotherapy treatment for cancer.

**Incannex Healthcare (IHL)**

A pre-clinical animal study has indicated IHL-675A can be effective against sepsis associated with acute respiratory distress syndrome (ARDS). ARDS has been deemed one cause of death for some Covid-19 sufferers.

**Resources**
**Rio Tinto (RIO)**

Shipped 86.7Mt of WA Pilbara iron ore during the June quarter, 19% more than for the March quarter and 1% more than a year earlier. January – June shipments rose 3% to 1.596Bt. The average realised price (dry tonnes) rose to \$85.4/t from \$85.3/t.

Additional operational statistics lodged pre-trade.

RIO hosted a teleconference commencing 8.30am AEST.

**BlueScope Steel (BSL)**

Anticipating \$560M FY20 underlying EBIT. ~\$100M net cash.

retained status quo, including for levels of emergency bond purchases.

The ECB post-meeting statement pointed to rates remaining low and even possibly moving yet lower.

ECB president Christine Lagarde acknowledged some evidence of regional economic recovery, however.

**Bank of England** (BoE) governor Andrew Bailey told a parliamentary committee rates would remain low for the foreseeable future and reassured that the bank could and would retain supportive policy for as long as needed.

Meanwhile, a **European Union** (EU) - **US** data sharing and protection agreement was effectively annulled by an EU court with judges citing US surveillance concerns.

Also overnight, **G20** assistant finance ministers and central bank deputies commenced a two-day virtual forum ahead of Saturday's scheduled meeting for finance and central bank heads.

In overnight **data** releases, **UK** May unemployment came in at 3.9%, following 4.2% at the end of April.

Average earnings (excluding bonuses) rose 0.7%. Including bonuses, earnings fell by 0.3%.

Unemployment claimant numbers fell by 28,100 during June after rising by 566,400 in May.

In the **euro zone**, May trade figures included a €9.4B trade surplus, following €2.6B at the end of April.

June new car registrations dropped 22.3% year-on-year.

In overnight **US** data, weekly new unemployment claims tallied 1.3M, against 1.31M the previous week.

June retail sales rose 7.5% for the month, after an 18.2% May jump. Further, June sales were 1.1% higher than for June 2019.

The Philadelphia Fed manufacturing index declined, however, to 24.1 from 27.5.

May business inventories were estimated 2.3% lower for the month, following a 1.4% April decline

A home builders' sentiment index notably appreciated, to 72 from 58.

**Tonight** in the **US**, June housing starts and building permits are due, together with an initial estimate for July consumer sentiment from the University of Michigan.

Elsewhere, **EU** leaders are scheduled to meet to debate a common **recovery plan**.

Companies listed to report earnings and or provide updates later today and tonight include: BlackRock, Ericsson, Honeywell, Samsung Electro-Mechanics, Reliance Industries, Swedbank and Volvo.

In overnight corporate news, **Netflix** reported an additional 10M subscribers during May – July, pushing the January – July new subscribers tally to 26M.

Netflix warned that subscriber growth was unlikely to continue at the same pace, and promoted the group's content head to be co-CEO.

## Commodities

## Pre-Open Announcements

### Respir Ltd (\* RSH)

Five-year exclusive sales, marketing, distribution and logistics agreement secured with Cipla Australia covering RSH's wheezo monitoring and management device for asthma.

Cipla has ordered an initial 2000 units for first delivery in October.

Promising revenue guidance in the near-term.

### Botanix Pharmaceuticals (\* BOT)

BOT is reporting a successful end-of-phase two meeting with the US FDA regarding trials of BTX 1503 as a potential acne treatment.

### AusNet Services (\* AST)

AST has appointed former Clayton Utz construction and major projects partner Naomi Kelly as executive GM governance and general counsel, plus company secretary, effective 29 July.

Results from yesterday afternoon's AGM also lodged post-trade yesterday.

### Openpay Group (OPY)

OPY lodged Wednesday's June quarter review conference call video post-trade yesterday.

OPY has closed lower the past two trading sessions, settling at \$3.40 yesterday, after trading as high as \$4.98 Wednesday.

### Tilt Renewables (\* TLT)

Overall June quarter production grew 22.6% year-on-year against the normalised June quarter 2019 result to 347GWh.

Output from fully-operational Australian assets dropped 12.6% year-on-year, to 119GWh.

### K&S Corporation (KSC)

Anticipating an \$11.7M - \$12.7M FY20 NPAT, against \$3.2M for FY19.

Underlying pre-tax profit is expected to come in at \$15.8M - \$16.8M, against \$3.2M.

KSC received \$12.4M (pre-tax) worth of JobKeeper subsidies during the June quarter.

Planning to report for the full year 28 August.

### 3P Learning (3PL)

3PL has appointed Jia Chen (Elizabeth) Wang as company secretary and legal counsel, effective yesterday.

Former company secretary Dimitri Aroney is retaining his CFO role and hence continuing with 3PL.

## Resources

### OceanaGold Corporation (\* OGC)

A teleconference regarding the New Zealand Waihi district preliminary economic assessment (PEA) commenced 7.30am AEST.

OGC lodged the PEA results, which include a 51% post-tax



COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Aug)	<b>1800.3</b>	oz	-13.5	<b>-0.7</b>
<b>Silver (NY)</b> (Sep)	<b>19.573</b>	oz	-0.19	<b>-1.0</b>
<b>Gold (LON)</b> (14 Jul)	<b>1802</b>	oz		
<b>Platinum</b>	<b>815</b>	oz	-11	<b>-1.3</b>
<b>WTI Crude</b> (NYMEX Aug)	<b>40.75</b>	bbl	-0.45	<b>-1.1</b>
<b>Brent Crude</b> (ICE EUR Sep)	<b>43.37</b>	bbl	-0.42	<b>-1.0</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>107.20</b>	t	-0.37	<b>-0.3</b>
<b>Copper</b> (LME,3mth Ind,PM)	<b>6422</b>	t	19	<b>0.3</b>
<b>Nickel</b>	<b>13440</b>	t	-95	<b>-0.7</b>
<b>Aluminium</b>	<b>1668</b>	t	-11	<b>-0.7</b>
<b>Lead</b>	<b>1840</b>	t	-12	<b>-0.7</b>
<b>Zinc</b>	<b>2220</b>	t	17	<b>0.8</b>
<b>Tin</b>	<b>17370</b>	t	90	<b>0.5</b>

### Commodities Commentary

**Oil** – a further surge in daily new Covid-19 diagnoses in both Europe and the US impacted demand expectations, a day after OPEC+ agreed to begin easing production curbs from next month.

A weekly US petroleum drill rig count is due tonight.

**Gold** – US futures turned lower overnight, some better-than-anticipated data releases and a stronger \$US sapping some interest, but not enough to push settlement prices beneath \$US1800.0/oz.

**Base metals** – data releases and geopolitics pushed and pulled overnight base metals trade, with the US reported to be considering scrapping visas for China Communist Party members.

**China's** June quarter GDP, plus June updates for industrial production, retail sales, fixed asset investment and house prices, reported yesterday, proved mixed against expectations.

**GDP** jumped 11.5% for the three months, following a 9.8% March quarter contraction, and easily exceeded expectations. Moreover, June quarter year-on-year GDP growth was estimated at 3.2%, against a 6.8% contraction for the June quarter 2019.

January – June **fixed asset investment** declined 3.1% year-on-year, however.

June **industrial production** was reported 4.8% higher than for June 2019, on par with expectations.

June **retail sales** came in 1.8% lower than for June 2019, however, following forecasts of and up to 0.5% improvement.

A June **house price index** rose 4.9% year-on-year, against expectations of 5.0% appreciation.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6973	0.0000	<b>0.01</b>
<b>EUR – USD</b>	1.1385	0.0003	<b>0.03</b>

### US Data Tonight

Housing starts	Jun
Building permits	Jun
Uni of Michigan consumer sentiment (initial)	Jul

initial IRR, post-trade yesterday.

### Horizon Minerals (\* HRZ)

First WA goldfields Boorara gold project ore processed. An initial gold pour is anticipated next week.

### King River Resources (KRR)

Firm commitments in hand for a \$2M placement at 3c per share.

Funds will support exploration within KRR's Mt Remarkable and Tennant Creek gold projects.

KRR recouped 10% yesterday, settling at 3.3c after trading as high as 3.6c intra-session.

### Hammer Metals (HMX)

Exercised options, including 5M by HMX chair Russell Davis, have delivered \$251,616.

### Energy

### Central Petroleum (\* CTP) / Santos Ltd (\* STO)

Northern Territory Amadeus Basin EP112 Dukas prospect JV plans have been agreed, with CTP to retain a 30% holding, pending a STO decision regarding Dukas-1 (re-entry, re-drill or near-drill) well costs.

Details, including associated holdings in EP82, lodged post-trade yesterday.

CTP plans to accelerate EP115 (CTP 100%) exploration.

### Woodside Petroleum (WPL)

WPL lodged a transcript of Wednesday morning's June quarter briefing past-trade yesterday.

### Yancoal Australia (\* YAL)

Produced 16.9Mt of ROM coal and 9.3Mt of attributable saleable coal during the June quarter, down 1% and up 3% respectively on June quarter 2019.

Mine production sales rose 13% year-on-year.

The average realised coal price dropped 25% year-on-year to \$A87/t.

For January – June, the average realised price came in at \$A94/t, against \$A124/t.

### Trading Halts

Company	Code	Resuming
Artemis Resources	ARV	17 Jul
Calidus Resources	CAI	17 Jul
Candy Club Holdings	CLB	17 Jul
Cann Group	CAN	17 Jul
Factor Therapeutics	FTT	17 Jul
Pursuit Minerals	PUR	17 Jul
Theta Gold Mines	TGM	17 Jul
Azure Minerals	AZS	20 Jul
Genetic Technologies	GTG	20 Jul
HeraMED Ltd	HMD	20 Jul
Jameson Resources	JAL	20 Jul

**Other Overseas Data Today & Tonight**

<b>Euro zone</b>	CPI (final)	Jun
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**Need More Information?**

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Metgasco Ltd	MEL	20 Jul
Resolution Minerals	RML	20 Jul
S2 Resources	S2R	20 Jul
Canterbury Resources	CBY	21 Jul
Sayona Mining	SYA	22 Jul

**Suspensions** *(select)*

Company	Code	Since
9 Spokes International	9SP	30 Jun
Blossomvale Holdings	BLV	7 Jul
Freedom Foods Group	FPN	26 Jun
Leaf Resources	LER	16 Jul

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>AIQ</b>	Today	<b>0.28</b>	0	0.00
<b>CVF</b>	Today	<b>0.5</b>	100	10.99
EZL	Mon	6	100	6.03
MIR	30 Jul	6.5	100	3.89
PMV	30 Jul	34	100	2.25

**Reports & Events***(selected)*

When	Company	Report/Event
<b>Today</b>	<b>ISX</b>	AGM (2.30pm)
	<b>OGC</b>	Waihi update (teleconf 7.30am)
	<b>RIO</b>	Jun Q (teleconf 8.30am)
<b>Tue</b>	BHP	Jun Q; FY operations review
<b>Wed</b>	LYC	Jun Q (teleconf 11am)
<b>Thu</b>	NST	Jun Q (teleconf 9.30am)