

Markets

SFE 200 Futures (9.30am AEST)	6012	42	0.7
NZX 50	11595	42	0.4
DJIA Futures	26615	-18	-0.1
S&P 500 Futures	3244	-2	-0.1
NASDAQ Futures	10950	-1	0.0

Local Markets Commentary

The Australian market opens today's trade ahead of further indications of Reserve Bank of Australia (RBA) views and outlooks today, with the \$A trading higher early, and earnings season warming further tonight in the US.

Regionally today, **Japan** was due to publish the June **inflation** rate at **9.30am** AEST.

Locally today, the **RBA** publishes the **minutes** of the 7 July **policy meeting** 11.30am AEST.

An hour later, RBA **governor** Philip Lowe is scheduled to deliver a **speech** to the Anika Foundation on the *The Labour Market & Public Sector Balance Sheets*.

In addition, a weekly consumer sentiment reading, due pre-trade, is keenly anticipated, due to the Covid-19 outbreak bumps in Victoria and New South Wales.

In overnight commodities trade, **oil** turned to settle higher.

US **gold** futures (August) extended Friday's gain.

Iron ore (Nymex CFR China, 62% Fe) slipped US4c/t, falling below \$US107.20/t.

LME **copper** and other key base metals traded variously higher.

The **\$A** fell to ~US69.85c after being propelled to US70.00c early yesterday evening.

Earlier this morning, the \$A approached US70.20c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26681	9	0.0
S&P 500	3252	27	0.8
NASDAQ	10767	264	2.5
FTSE 100	6262	-29	-0.5
DAX 30	13047	127	1.0
Shanghai Comp	3314	100	3.1

Overseas Markets Commentary

Major European and US equities markets traded markedly mixed overnight, pushed and pulled by: potential Covid-19 vaccine optimism; some better-than-anticipated earnings reports; additional Covid-19 spread reports out of Europe and the US in particular; the wait for news on progress regarding further proposed stimulus measure; and simmering geopolitical tensions.

Reserve Bank of Australia – Governor Philip Lowe speaks on The Labour Market & Public Sector Balance Sheets – 12.30pm AEST

Today's Stock Watch

Downer EDI (DOW)

Anticipating a \$150M - \$160M FY20 net loss.

Conducting a \$400M, \$3.75-per-share entitlement offer, in part to acquire the balance of Spotless.

Business update presentation lodged this morning.

DOW has traded at \$4.04 - \$4.33 over the past five trading sessions.

Kogan.com Ltd (KGN)

June quarter gross sales grew ~95% year-on-year. Gross profit rose ~115%. \$147M cash at 30 June

Resources

BHP Billiton (BHP)

Achieved record WA iron ore production during FY20, up 4% to 248Mt. Petroleum output fell 10% to 109MMboe. Copper output rose 2% to 1.72Mt. Coal and nickel production fell.

Detailed breakdown figures lodged this morning.

Silver Lake Resources (SLR)

Produced a record 71,291oz of gold and 494t of copper at a \$A1295/oz AISC during the June quarter.

Sold 64,593oz of gold and 416t of copper at \$A2300/oz.

Achieved record annual sales tallying 255,533oz of gold and 2175t of copper, at a \$A1295/oz AISC.

The average realised sale price came in at \$A2132/oz.

\$42M cash and bullion at 30 June. Nil debt.

Perseus Mining (PRU)

Produced 64,676oz of gold during the June quarter at a 14% lower AISC of \$US935/oz. Sold 78,027oz of gold at \$US1544/oz. \$US164M cash and bullion at 30 June.

Saracen Mineral Holdings (SAR)

Produced 145,830oz of gold at a \$A1152/oz AISC during the June quarter, boosting FY20 output to 520,414oz at a \$A1101/oz AISC. \$A321M debt. \$48M net cash.

Energy

Oil Search (OSH)

Produced 7.29MMboe during the June quarter, pushing January - June output to 14.66MMboe, 4% higher than for 1H 2019.

January - June sales volume rose 2% to 13.66MMboe.

1H 2020 revenue dropped 19% to \$US625.6M.

Santos Ltd (STO)

Anticipating \$US700M - \$US800M worth of pre-tax impairments to be included in interim results.

Planning to lodge half-year results 20 August.



Vaccine optimism, plus large-caps such as Amazon and Microsoft, supported the NASDAQ to another record high settlement.

One potential Covid-19 vaccine study, by AstraZeneca and Oxford university, had indicated a significant positive immune response without inhibitive side effects.

Further, phase-three trials were reported to be underway.

Positive safety and immune response indications out of another trial, this one by Pfizer and BioNTech, were reported in *The Lancet*.

Meanwhile, the UK announced it was suspending indefinitely its extradition treaty with China and extending a China arms embargo to include Hong Kong.

Also in the UK, the **Bank of England's** chief economist touted a V-shaped initial economic bounce, although tempered comments with a caution that this did not indicate that ongoing recovery would keep to this shape.

Also overnight, **EU** leaders worked through a fourth day of negotiations regarding a €750B regional **recovery plan**. A positive comment from the EU council president boosted expectations for near-term agreement, also supporting the euro to trade at four month peaks.

Key **US** parliamentarians confirmed the recommencement this week of deliberations regarding **further stimulus**, initially separately between Republicans and administrative representatives, and Democrats and White House personnel including the treasury secretary.

In scant overnight **data** releases, **Germany's** June producer prices remained flat for the month following a 0.4% May decline.

Against June 2019, prices were down 1.8%.

Tonight in the **US**, the June Chicago national activity index is due.

Companies scheduled to report earnings later today and tonight include: Coca-Cola, Fujitsu General, Lindt & Spruengli, Lockheed Martin, Novartis, Posco, Samsung C&T, Texas Instruments (post-trade), UBS and United Airlines (post-trade).

In overnight corporate news, **Chevron Corp** announced it would pay \$US5 billion in stock for **Noble Energy**.

Petroleum sector services specialist **Halliburton** reported a third consecutive quarterly loss, this one (-\$US1.7B) including \$US2.1B worth of impairments due to the oil price drop and subsequent reduced drilling activity.

Meanwhile, **Tesla** was pushed to a new record settlement.

IBM reported post-overnight US trade, the group's cloud business pushing quarterly revenue and profit beyond expectations, this propelling the stock 6% higher post-settlement.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1817.4	oz	7.40	0.4
Silver (NY) (Sep)	20.192	oz	0.43	2.2
Gold (LON) (17 Jul)	1807	oz		
Platinum	841	oz	10	1.2
WTI Crude (NYMEX Aug)	40.81	bbbl	0.22	0.5
Brent Crude (ICE EUR Sep)	43.28	bbbl	0.14	0.3
Iron Ore (NYMEX,CHN,62%)	107.18	t	-0.04	-0.0
Copper (LME,3mth Ind,PM)	6460	t	26	0.4
Nickel	13180	t	45	0.3

Pre-Open Announcements

Respiri Ltd (RSH) / Zip Co (Z1P)

RSH says yesterday's announcement regarding securing an agreement that will enable RSH wheezo customers to 'buy now pay later' is significant in that RSH expects higher uptake and hence a revenue boost.

RSH's agreement is with Z1P subsidiary Zip Money Payments.

NeuroScientific Biopharmaceuticals (NSB)

NSB will seek quotation of 19.349M shares due to be released from escrow 27 July (Monday next week).

Trading Halts

Company	Code	Resuming
Aurora Minerals	ARM	21 Jul
Canterbury Resources	CBY	21 Jul
Eagle Mountain Mining	EM2	21 Jul
Reward Minerals	RWD	21 Jul
Sportshero Ltd	SHO	21 Jul
Agrimin Ltd	AMN	22 Jul
Delecta Ltd	DLC	22 Jul
Perpetual Resources	PEC	22 Jul
Prescient Therapeutics	PTX	22 Jul
Reffind Ltd	RFN	22 Jul
Sayona Mining	SYA	22 Jul
Ultima United	UUL	22 Jul
Zelira Therapeutics	ZLD	22 Jul
Zenith Energy	ZEN	22 Jul
BPH Energy	BPH	23 Jul
Rhythm Biosciences	RHY	23 Jul
Impact Minerals	IPT	24 Jul
Kalina Power	KPO	24 Jul
Talon Petroleum	TPD	24 Jul
Stavelly Minerals	SVY	27 Jul

Suspensions (select)

Company	Code	Since
9 Spokes International	9SP	30 Jun
Blossomvale Holdings	BLV	7 Jul
Factor Therapeutics	FTT	17 Jul
Freedom Foods Group	FNP	26 Jun
HeraMED Ltd	HMD	20 Jul
Leaf Resources	LER	16 Jul



Aluminium	1664	t	0.5	0.0
Lead	1829	t	17	0.9
Zinc	2199	t	17	0.8
Tin	17360	t	100	0.6

Commodities Commentary

Oil – ultimate overnight gains were attributed to potential Covid-19 vaccine news having boosted crude demand optimism.

In addition, the chair of a European Union leaders summit expressed confidence regarding nearer-term agreement on a proposed regional economic recovery support plan.

In the meantime, major international oil exporter Saudi Arabia's king was reported as being admitted to hospital.

The August WTI futures contract is due to expire on tonight's settlement.

Gold – reports of likely progress towards stimulus measures for the European Union and US helped support overnight gold trade, with regards to anticipated debt levels.

Silver notably settled at its most (for a most-active contract) in almost four years.

Base metals – the \$US traded at six-week lows overnight, but this was not the only positive influence on trade sentiment.

Potential new near-term additional stimulus agreements for the US and Europe supported demand optimism.

China's one-year and five-year benchmark loan rates, announced yesterday, remained the same as they have since April, at 3.85% and 4.65% respectively.

Japan's June trade figures included an improvement in the trade deficit to ¥268.8B from ¥838.2B, but forecasters had anticipated a shortfall of just ¥40B. Exports dropped 26.2% year-on-year and imports by 14.4%.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7019	0.0002	0.03
EUR – USD	1.1453	0.0005	0.04

Australian Data Today

ANZ/RoyMorgan	Consumer sentiment	19 Jul
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US Data Tonight

Chicago Fed national activity index	Jun
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Other Overseas Data Today & Tonight

Japan	CPI	Jun
UK	Public sector finances	Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
EYE	Today	13.5	100	0.00
MIR	30 Jul	6.5	100	3.79
PMV	30 Jul	34	100	2.26

Reports & Events

(selected)

When	Company	Report/Event
Today	BHP	Jun Q; FY operations review
	OSH	Jun Q
	PRU	Jun Q
	SAR	Jun Q
	SLR	Jun Q
Tomorrow	LYC	Jun Q (teleconf 11am)
Thu	NST	Jun Q (teleconf 9.30am)



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