

**Markets**

|                                      |       |     |      |
|--------------------------------------|-------|-----|------|
| <b>SFE 200 Futures</b> (9.30am AEST) | 7482  | 19  | 0.3  |
| <b>NZX 50</b>                        | 12773 | 9   | 0.1  |
| <b>DJIA Futures</b>                  | 35144 | -11 | 0.0  |
| <b>S&amp;P 500 Futures</b>           | 4428  | -2  | -0.1 |
| <b>NASDAQ Futures</b>                | 15035 | -10 | -0.1 |

**Local Markets Commentary**

The Australian market opens mid-week trade with a major domestic bank reporting full year results, and influential domestic economic data due late morning, following overnight price gains for most key commodities and mixed international equities trade.

Post-overnight international trade, hackers were reported to have seized ~\$US600M worth of cryptocurrency.

**Locally** today, Westpac and the Melbourne Institute publish their monthly consumer sentiment report, **10.30am** AEST.

In addition today, a batch of high-profile companies reports for the full year.

Stocks trading **ex-dividend** today include **AFI**. Please see p4 for a detailed ex-dividend list.

**Regionally** today, **Japan** hosts a **30-year** government **bond auction**, before releasing July machine tool orders as the ASX closes.

In overnight commodities trade, **oil** and US **gold** futures swung higher.

Qingdao (CFR China, 62% fines) **iron ore** tumbled \$US10.07/t to \$US162.44/t. Nymex (CFR China, 62% fines) iron ore also dropped, to beneath \$US170/t.

LME **copper** and other key base metals turned and rallied.

The **\$A** was pushed to ~US73.50c after trading at ~US73.35c early yesterday evening.

**Overseas Markets**

| INDEX                | CLOSE | +/- | %    |
|----------------------|-------|-----|------|
| <b>Dow Jones</b>     | 35265 | 163 | 0.5  |
| <b>S&amp;P 500</b>   | 4437  | 4   | 0.1  |
| <b>NASDAQ</b>        | 14788 | -72 | -0.5 |
| <b>FTSE 100</b>      | 7161  | 29  | 0.4  |
| <b>DAX 30</b>        | 15771 | 25  | 0.2  |
| <b>Shanghai Comp</b> | 3530  | 35  | 1.0  |

**Overseas Markets Commentary**

Trade diverged across major European, UK and US equities markets overnight, several key indices demonstrating vacillating sentiment, ahead of some key data releases from both sides of the Atlantic from tonight through Friday.

Other trader considerations included the US Senate having approved legislation underpinning ~\$US1 trillion of planned

**\* Olive farming and products retailing listing– 11am AEST – CBO \***

**Today's Stock Watch**
**Commonwealth Bank of Australia (CBA)**

6% higher, \$10.18B full year NPAT.

2% higher, \$24.41B revenue.

\$2.00 fully franked final dividend, from 98c a year ago.

In addition, CBA plans to conduct an up to \$6B off-market share buy-back, 30 August – 1 October.

Further this morning, CBA has lodged updates on the Prudential inquiry-related remedial action plan.

**Insurance Australia Group (IAG)**

13c final dividend, from 20c fully franked a year ago.

\$427M full year net loss, against a \$435M FY20 profit.

1.7% higher, \$18.895B revenue.

**Computershare Ltd (CPU)**

A23c, 60%-franked final dividend, following A23c, 30%-franked a year ago.

18.8% lower, \$US188.97M full year NPAT.

0.3% higher, \$US2.28B continuing operations revenue.

\$US816.8M cash and equivalents.

**IRESS Ltd (IRE)**

Further revised \$A15.75 cash-per-share, plus up to 16c dividend, indicative takeover proposal from EQT Fund Management.

IRE has granted EQT Fund Management 30 days' exclusive due diligence.

**Resources**
**Mineral Resources (MIN)**

\$1.75 fully franked final dividend, from 77c a year ago.

26.5% higher, \$1.27B full year NPAT.

75.7% higher, \$3.73B revenue.

16.55c NTA from 11.78c.

**Lake Resources (LKE)**

UK Export Finance has lodged a formal expression of interest to support LKE's Kachi lithium project by providing up to 70% of total finance.

**Neometals Ltd (NMT)**

Reporting >99.5% V<sub>2</sub>O<sub>5</sub> product purity and > 75% recoveries (steady state) from pilot plant trials using ~14t of vanadium-bearing steel by-product (slag) conducted over 24 days.

The slag was sourced from three steel mills in Scandinavia.

**Galileo Mining (GAL)**

WA Fraser Range Delta Blues prospect initial RC drilling has intersected semi-massive sulphides. Details lodged pre-trade.



infrastructure spending.

In Covid-19 developments, the UK government revealed 75% of UK adults had received two doses of a Covid-19 vaccine, as Germany warned of another likely increase in infections should vaccination rates not pick up.

Among overnight **data** releases, the **euro zone** ZEW economic sentiment index for August dropped to 42.7 from 61.2, but forecasters had anticipated a large decline, predicting 45.6.

ZEW's reading for **Germany** came in at 40.4 from 63.3, but the current conditions sub-component index rose to 29.3 from 21.9.

In the **UK**, a 10-year treasury gilt auction delivered a 0.664% yield from 0.819%.

Also in the **US**, a small business optimism index declined to 99.7 from 102.5, following forecasts for 101.9.

June quarter productivity growth was estimated 2.3%, against expectations of 3.2%. Unit labour costs rose 1.0%, forecasters having anticipated a 1.4% increase.

**Tonight** in the US, a July CPI reading is keenly anticipated. The July treasury budget statement is also due.

In addition, treasury is scheduled to host auctions of \$US41B worth of 10-year notes. The previous 10-year auction resulted in a 3.171% yield.

Elsewhere, Germany reports a final July CPI estimate.

Companies scheduled to report earnings later today and tonight include: ABN Amro, Deliveroo, eBay, EON, Foxconn Industrial, Franco-Nevada, Lenovo, NetEase, NIO Inc, Prudential, Vroom, Wix.com and Weibo.

In overnight corporate news, **AMC Entertainment** (Odeon cinemas owner) revealed it planned to enable ticket purchases using Bitcoin by year's end.

### Commodities

| COMMODITY                        | CLOSE         | \$US/ | +/-   | %    |
|----------------------------------|---------------|-------|-------|------|
| <b>Gold (NY) (Dec)</b>           | <b>1731.7</b> | oz    | 5.2   | 0.3  |
| <b>Silver (NY) (Sep)</b>         | <b>23.386</b> | oz    | 0.12  | 0.5  |
| <b>Gold (LON)</b>                | <b>1739</b>   | oz    |       |      |
| <b>Platinum</b>                  | <b>993</b>    | oz    | 18    | 1.9  |
| <b>WTI Crude (NYMEX Sep)</b>     | <b>69.29</b>  | bbbl  | 1.81  | 2.7  |
| <b>Brent Crude (ICE EUR Oct)</b> | <b>70.63</b>  | bbbl  | 1.59  | 2.3  |
| <b>Iron Ore (NYMEX,CHN,62%)</b>  | <b>168.59</b> | t     | -4.93 | -2.8 |
| <b>Copper (LME Ind)</b>          | <b>9522</b>   | t     | 152   | 1.6  |
| <b>Nickel</b>                    | <b>18935</b>  | t     | 315   | 1.7  |
| <b>Aluminium</b>                 | <b>2582</b>   | t     | 32    | 1.3  |
| <b>Lead</b>                      | <b>2292</b>   | t     | 35    | 1.6  |
| <b>Zinc</b>                      | <b>2999</b>   | t     | 46    | 1.6  |
| <b>Tin</b>                       | <b>35055</b>  | t     | 456   | 1.3  |

### Commodities Commentary

**Oil** – increased expectations of US demand helped support overnight prices, despite continuing relative US strength.

The US Senate approved a \$US1 trillion infrastructure spending bill. In addition, the US government agency the EIA released a monthly report predicting a 160,000bbbl/d fall in US crude output for 2021, against the previous forecast of 210,000bbbl/d, in part due to

## Pre-Open Announcements

### Cobram Estate Olives (\* CBO)

Olive farmer, and olive oil producer and retailer scheduled to list on the ASX **11am** AEST.  
387.44M quoted shares.

### Kangaroo Island Plantation Timbers (\* KPT)

The Smith Bay, Kangaroo Island seaport development has been knocked back by the South Australian government. Alternative KPT plans lodged this morning.

### Cadence Capital (\* CDM)

3c fully franked final dividend, from 2c a year ago.  
Record \$75.01M full year NPAT. \$122.56M revenue.  
\$1.20 NTA from 98c.

### Kelly Partners Group Holdings (KPG)

Paying 0.68c final and 0.52c special dividends, each fully franked.

### SelfWealth Ltd (SWF)

\$1.74M raised in the recent 35c-per-share SPP.  
The SPP followed a \$10M placement.  
SWF has traded at 35.5c – 38c over the past five trading sessions.

### Bigtincan Holdings (BTH)

Conference presentation lodged post-trade yesterday.

### Health House International (HHI)

HHI has completed its script acquisition of CanPharma GmbH, paying 18M HHI shares and 36M HHI performance shares. 62% of shares and 81% of performance shares went to CanPharma management.

In addition, CanPharma founder and executive Henrik Sprengel has been appointed as an HHI director.

Further, HHI has appointed Europe-based CanPharma CFO David Attwood as CEO, taking over from David Wheeler.

Mr Wheeler continues with HHI as non-executive chair.

HHI settled at 11.5c yesterday, after closing out last week at 13c.

### KNeoMedia Ltd (KNM)

Pleading ignorance in response to an ASX price and volume query.

KNM traded as high as 1c yesterday, settling 28.57% higher for the session, at 0.9c after closing out last week at 0.6c.

36.53M shares changed hands.

### Resources

### Core Lithium (\* CXO)

Resuming from a trading halt having completed a \$A91M fully underwritten 31c-per-share institutional placement, in support of the Northern Territory Finnis lithium project.

CXO will also conduct a \$15M capped SPP, at the same price, 13 August (Friday this week) – 2 September.

In addition, when calling the halt, CXO announced a \$34M, 33.8c-per-share investment from Ganfeng Lithium, plus a binding offtake agreement with Ganfeng for 75,000tpa of Finnis



greater fuel use following the easing of Covid-19 lockdown measures.

A weekly US petroleum inventories report is due from the EIA tonight.

Overnight, post-US trade, the American Petroleum Institute (API) released a weekly report, this including an estimated 816,000bbl draw on crude stocks last week.

**Gold** – some bargain hunting appeared to support overnight gold interest, in the wait for this week’s key data releases.

CPI (US, and Germany July final, tonight) and GDP readings (UK tomorrow night) are expected to influence some of second-half week gold sentiment.

**Base metals** – Comments out of Chile, the \$US at three-week peaks, and Tangshan (city) pollution control measures ahead of the Winter Olympics appeared to push and pull overnight LME trade, but positive sentiment prevailed.

Commodities used in *steel* production were constrained at times by China’s emissions-related reduced output orders.

**Copper** was supported by the Chile National Society of Mining anticipating elevated copper prices for two – three years.

In addition, industrial action at the Caserones copper project in Chile, exacerbated Chile supply fears, mostly related to potential industrial action at the Escondida operation. Escondida mediation has been extended by a day, however, raising hopes for some agreement by next week.

Meanwhile, LME cash copper cheaper than three-month contract, plus LME-registered copper warehouse inventories indicated immediate supply is viewed as plentiful.

**Tin** traded, in the meantime at a record high, beyond \$US35,000/t due to shortfall concerns.

#### Exchange Rates

| CURRENCIES       | LAST   | +/-     | %     |
|------------------|--------|---------|-------|
| <b>AUD – USD</b> | 0.7347 | 0.0017  | 0.24  |
| <b>EUR – USD</b> | 1.1722 | -0.0016 | -0.14 |

#### Australian Data Today

|                       |                    |     |
|-----------------------|--------------------|-----|
| Westpac/MelbInstitute | Consumer sentiment | Aug |
|-----------------------|--------------------|-----|

#### US Data Tonight

|                           |       |
|---------------------------|-------|
| CPI                       | Jul   |
| Budget statement          | Jul   |
| MBA mortgage applications | 6 Aug |

#### Other Overseas Data Today & Tonight

|                |                           |     |
|----------------|---------------------------|-----|
| <b>Japan</b>   | Machine orders (4pm AEST) | Jul |
| <b>Germany</b> | CPI (final)               | Jul |

spodumene concentrate over four years.

The Ganfeng investment is conditional on shareholder and Chinese regulatory approvals.

CXO has previously announced a 75,000tpa-over-four-years offtake agreement with Yuhua.

The two agreements account for 80% of anticipated Finniss production over the initial four years of mine life.

Anticipating first production by the end of 2022.

CXO traded at 27c – 36.5c last week.

#### Matador Mining (\* MZZ)

Heralding Cape Ray gold project geophysics preliminary analysis.

Auger drilling underway.

Two double-shift diamond drill and three power auger rigs on site and active.

#### Tesoro Resources (\* TSO)

Chile El Zorro gold project Ternera East target diamond drilling has confirmed significant mineralisation beyond the current resource estimate area. Assays lodged pre-trade.

#### Queensland Pacific Metals (QPM)

MoU signed between QPM, Energy Corporation and North Queensland Gas Pipeline for the supply and delivery of Bowen Basin natural gas to QPM’s TECH project, Townsville.

In association, QPM says TECH nickel output could be achieved with zero carbon emissions.

Details lodged pre-trade.

#### Arafura Resources (ARU)

Closing the \$5.5M, 12c-per-share SPP 10 days early, at 5pm AEST Friday, due to receiving a high level of interest and wanting to minimise a potential scale back.

The SPP, including a \$500,000 oversubscription allowance, follows a \$40M placement.

ARU has traded at 12.5c – 13.5c the past five trading sessions.

#### Fe Ltd (FEL)

The initial shipment of JWD iron ore project ore is anticipated next month.

Assays conducted on lump stock stored at port indicate a mean average exceeding 64% Fe.

FEL has an off-take agreement with Glencore and has commenced a hedging program, initially for a zero-cost delivery of ~150,000t to be delivered during the December quarter.

#### Strategic Elements (SOR)

Pleading ignorance in response to an ASX price and volume query.

SOR traded as high as 34c yesterday, settling 21.8% higher for the session, at 33.5c.

15.86M shares changed hands.

#### Cannon Resources (\* CNR) / Rox Resources (RXL)

RXL nickel-focused spinoff CNR is scheduled to list on the ASX midday AEST **tomorrow**, following a \$6M IPO at 20c per share.

~66.45M quoted shares.

RXL 11.40%.

**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)

**Tambourah Metals (\* TBM)**

Gold, nickel and PGE explorer scheduled to list on the ASX 1.30pm AEST **tomorrow**, following an \$8M IPO at 20c per share. 40.5M quoted shares.

**Trading Halts**

| Company                      | Code | Resuming |
|------------------------------|------|----------|
| African Gold                 | A1G  | 11 Aug   |
| Great Southern Mining        | GSN  | 11 Aug   |
| Gryphon Capital Income Trust | GCI  | 11 Aug   |
| Rhinomed Ltd                 | RNO  | 11 Aug   |
| Roto-Gro International       | RGI  | 11 Aug   |
| Tian Poh Resources           | TPO  | 11 Aug   |
| PARKD Ltd                    | PKD  | 12 Aug   |
| Vital Metals                 | VML  | 12 Aug   |
| WAM Leaders                  | WLE  | 12 Aug   |

**Suspensions (selected)**

| Company           | Code | Since  |
|-------------------|------|--------|
| Fargo Enterprises | FGO  | 26 Jul |
| Rewardle Holdings | RXH  | 6 Aug  |
| Salt Lake Potash  | SO4  | 29 Jul |

**Ex-Dividends**

| Code       | Ex-Div   | Div (c)   | Franking (%) | Yield (%) |
|------------|----------|-----------|--------------|-----------|
| <b>AFI</b> | Today    | <b>14</b> | 100          | 2.81      |
| <b>NEW</b> | Today    | <b>3</b>  | 0            | 3.41      |
| MFD        | Tomorrow | 2.47      | 100          | 1.75      |
| RIO        | Tomorrow | ~760      | 100          | 3.12      |
| SSR        | Fri      | 5.07      | 0            | 0.45      |
| SUN        | Fri      | 45.07     | 100          | 2.81      |

**Reports & Events**

(selected; all times AEST)

| When            | Company    | Report/Event                    |
|-----------------|------------|---------------------------------|
| <b>Today</b>    | <b>CBA</b> | Full year                       |
|                 | <b>CNI</b> | Full year                       |
|                 | <b>CPU</b> | Full year                       |
|                 | <b>IAG</b> | Full year                       |
|                 | <b>MIN</b> | Full year                       |
| <b>Tomorrow</b> | AGL        | Full year (w/cast tele 10.45am) |
|                 | AMP        | Interim                         |
|                 | CQR        | Full year                       |
|                 | DOW        | Full year                       |
|                 | GMG        | Full year                       |



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|            |     |           |
|------------|-----|-----------|
|            | MGR | Full year |
|            | NAB | Q3        |
|            | QBE | Interim   |
|            | TLS | Full year |
|            | WPL | Interim   |
|            | XRO | AGM       |
| <b>Fri</b> | BBN | Full year |
|            | BTI | Full year |
|            | PXS | Full year |