

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	5830	-79	<b>-1.3</b>
<b>NZX 50</b>	11713	-98	<b>-0.8</b>
<b>DJIA Futures</b>	27649	104	0.4
<b>S&amp;P 500 Futures</b>	3352	12	0.3
<b>NASDAQ Futures</b>	11214	36	0.3

**Local Markets Commentary**

The Australian market opens Friday trade following largely negative overnight commodities and US equities trade, with new data in hand from China and amid early-morning reports of flaring Middle East tensions.

Post-ASX trade yesterday, **China** revealed August vehicle sales were 11.6% higher than for August 2019. This, against forecasts of 18% growth and 16.4% higher year-on-year sales for July.

**Locally today, no major data releases are due.**

Relations with China remain in focus however and any new developments are likely to swing some sentiment.

**Regionally** anytime from today, China is expected to reveal August new lending.

Pre-ASX trade, a **BSI large manufacturing index update** and August **producer prices** are due for **Japan**.

In overnight commodities trade, **oil** seesawed lower.

US **gold** futures (December) extended this week's gains.

**Iron ore** (Nymex CFR China, 62% Fe) slipped just US1c/t.

LME **copper** and **nickel** fell. **Aluminium** settled slightly lower.

The **\$A** fell to ~US72.15c after trading beyond US72.75c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	27535	-406	<b>-1.5</b>
<b>S&amp;P 500</b>	3339	-60	<b>-1.8</b>
<b>NASDAQ</b>	10920	-222	<b>-2.0</b>
<b>FTSE 100</b>	6003	-10	<b>-0.2</b>
<b>DAX 30</b>	13209	-28	<b>-0.2</b>
<b>Shanghai Comp</b>	3235	-20	<b>-0.6</b>

**Overseas Markets Commentary**

Major European and US equities markets mostly opened higher overnight, European indices mostly chopping and swinging throughout their sessions and key US indices trending lower from early trade.

The **European Union** (EU) threatened legal action over proposed **UK** trade legislation assessed as overriding part of the UK-EU withdrawal agreement governing UK-EU negotiations ahead of the 31 December expiry of a transition period.

**Today's Stock Watch**
**Retail Food Group (RFG) / Fonterra Shareholders Fund (FSF)**

RFG is planning to sell the Dairy Country business to Fonterra Brands (Australia) for \$19.23M.

Conditions include Foreign Investment Review Board approval.

**Nearmap Ltd (NEA)**

Resuming from a trading halt having completed a \$72.1M, \$2.77-per-share institutional placement.

In association, director Ross Norgard sold ~15.1% (~4.2M shares) of his NEA holding.

Mr Norgard retains 23.6M NEA shares.

A \$20M SPP, price to be determined, is scheduled for 17 September – 5 October.

NEA traded at \$2.86 - \$3.16 the five sessions immediately prior to calling the halt.

**Charter Hall Long WALE REIT (CLW)**

Resuming from a trading halt having completed a \$60M, \$4.87-per-security institutional placement. A \$10M, \$4.798-per-security SPP is also planned.

CLW traded at \$4.91 - \$5.07 the five sessions immediately prior to calling the halt.

**Kleos Space (KSS)**

Four KSS satellites, due to be launched on an Indian Space Research Organisation mission in March, are earmarked for a possible launch by mid-November.

**DroneShield Ltd (DRO)**

A western-allied South East Asian country's army has placed an ~\$1M order for a DroneSentry system.

DRO says this is the first such order from this nation.

**Suncorp Goup (SUN)**

Loan deferrals for June and July, as calculated by the Australian Prudential Regulation Authority (APRA), lodged post-trade yesterday, together with data reported by SUN with SUN's FY20 full year accounts.

SUN says values for deferred home loans are equal, but that categorisation of housing loans and business loans differs.

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

CEO Jean-Sébastien Jacques is stepping down, but will remain in his role until a successor is appointed or until 31 March 2021.

Iron ore CEO Chris Salisbury and corporate relations executive Simone Niven are also stepping down, effectively immediately, but will remain with RIO until 31 December.



The EU accused the UK of damaging trust and demanded the planned legislation be withdrawn by the end of September.

Following a policy meeting, the **European Central Bank** revealed policy would remain unchanged this month, but that while economic indicators suggest recovery, further growth is at risk, pending Covid-19 developments.

In overnight **data** releases, weekly **US** initial jobless claims came in at 884,000, the same as recorded for the previous week, and ~70,000 above forecasts.

US August producer prices rose 0.3% for the month, following forecasts of a 0.2% increase. Against August 2019, prices were 0.2% lower.

July wholesale inventories fell 0.3% following forecasts of a 0.1% decline and a 1.3% June drop.

Meanwhile a 30-year US bond offer produced a 1.73% yield, from 1.406%.

**Tonight** in the US, August CPI and national budget figures are due.

Elsewhere, the UK publishes July trade figures, a monthly GDP update and July industrial production.

In overnight corporate news, **Citigroup** appointed its president to take over as CEO in February.

**Oracle** reported post-US trade, headline statistics and a broad positive revenue outlook pushing the stock higher post-settlement.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1964.3</b>	oz	9.4	<b>0.5</b>
<b>Silver (NY)</b> (Dec)	<b>27.291</b>	oz	0.21	<b>0.8</b>
<b>Gold (LON)</b> (9 Sep)	<b>1947</b>	oz		
<b>Platinum</b>	<b>922</b>	oz	6	<b>0.7</b>
<b>WTI Crude</b> (NYMEX Oct)	<b>37.30</b>	bbbl	-0.75	<b>-2.0</b>
<b>Brent Crude</b> (ICE EUR Nov)	<b>40.06</b>	bbbl	-0.73	<b>-1.8</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>126.77</b>	t	-0.01	<b>-0.0</b>
<b>Copper</b> (LME,3mth Ind,PM)	<b>6654</b>	t	-108	<b>-1.6</b>
<b>Nickel</b>	<b>14810</b>	t	-140	<b>-0.9</b>
<b>Aluminium</b>	<b>1783</b>	t	-3	<b>-0.2</b>
<b>Lead</b>	<b>1886</b>	t	-11	<b>-0.6</b>
<b>Zinc</b>	<b>2408</b>	t	-17	<b>-0.7</b>
<b>Tin</b>	<b>18000</b>	t	-15	<b>-0.1</b>

### Commodities Commentary

**Oil** – A US weekly petroleum inventories report from US government agency the EIA, published overnight, included a 2.03MMbbl rise in stored crude, this largely attributed to reduced refinery activity due to hurricane Laura shutdowns and seasonal maintenance.

Petrol stocks fell by 2.95MMbbl.

Also yesterday, an analyst ventured China imports will likely decline due to independent refiners approaching quota caps.

A weekly US petroleum drill rig count is due tonight.

Thursday next week, OPEC+ is due to convene another market-monitoring meeting.

## Pre-Open Announcements

### Perenti Global (PRN)

Scrapping plans for a medium-term notes offer in Australia's bond market after determining the company was unlikely to be able to raise a targeted \$200M.

### Esports Mogul (ESH)

ESH has appointed Gernot Abl as non-executive chair.

Recent ESH chair Adam Jacoby will remain with ESH as a non-executive director until 31 October.

### Virtus Health (VRT)

~6.43M shares are due for release from escrow 17 September (Thursday next week).

### Resources

#### OceanaGold Corporation (OGC)

The New Zealand Macraes gold project mine life has been extended to 2028.

In addition, Golden Point underground initial reserves (proven and probable) have been estimated at 160,000oz.

Measured and indicated resources total 260,000oz of gold.

Inferred resources are calculated at 80,000oz.

#### Venus Metals (VMC) / Rox Resources (RXL)

Currans Find project Taylor's Reef prospect air core and RC drilling has returned high-grade intersections.

Assays lodged this morning.

#### Los Cerros (LCL)

LCL has lodged a presentation pre-trade in association with Colombia Quinchia project Tesorito prospect drilling results, announced pre-trade yesterday.

LCL settled at 17c yesterday, 126.7% higher for the session.

#### Mineral Commodities (MRC)

Mining is underway at the South Africa Inland Stand Western Strandline, adjacent to MRC's Tormin mineral sands mining operations.

MRC holds a JV over the project with empowerment partner Blue Bantry Investments 255.

#### Stone Resources (SHK)

Proposed board changes, in association with the debt equity compromise agreement, lodged post-trade yesterday.

In addition, an independent review has confirmed SHK resources at 445,000oz of gold.

### Energy

#### 88 Energy (88E)

Petrophysical interpretation has upgraded the net hydrocarbon pay for the Alaska North Slope Charlie-1 well.

Breakdown statistics lodged this morning.

#### Byron Energy (BYE)

Gulf of Mexico offshore Louisiana, US proved and probable reserves (2P) at 30 June estimated at 17.5MMbbl of oil and



**Gold** – the European Central Bank confirmed a close look at euro appreciation but warned policy did not hinge on forex rates.

Meanwhile the ICE \$US index declined ~0.2%. This, with US equities again out of favour, supported Comex futures to a further gain for the week.

**Base metals** – geopolitical tensions unsettling equities trade appeared to influence overnight LME trade, with the European Central Bank opting for status quo at a policy meeting but pointing out downside growth risk, and new data, including slower-than-anticipated growth for China's vehicle sales also in the mix.

LME warehoused *copper* rose a little, and *lead* inventories were reported 100% higher than for ~two months ago, at 131,750t.

Key economic indicators, including industrial production and fixed assets investment, are due out of China early next week.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7265	-0.0016	<b>-0.22</b>
<b>EUR – USD</b>	1.1827	0.0024	<b>0.20</b>

### US Data Tonight

CPI	Aug
Budget statement	Aug

### Other Overseas Data Today & Tonight

<b>Japan</b>	BSI large manufacturing	Q3
Japan	PPI	Aug
<b>UK</b>	GDP	Jul
UK	NIESR GDP tracker	Aug
UK	Trade balance	Jul
UK	Industrial production	Jul
<b>Germany</b>	CPI (final)	Aug

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105.3Bcf of gas.

Prospective resources calculated at 43.6MMbbl of oil and 617.3Bcf of gas.

### Trading Halts

Company	Code	Resuming
Paterson Resources	PSL	11 Sep
Shekel Brainweigh	SBW	11 Sep
Twenty Seven Co	TSC	11 Sep
archTIS Ltd	AR9	14 Sep
Change Financial	CCA	14 Sep
Dimerix Ltd	DXB	14 Sep
Holista CollTech	HCT	14 Sep
Jindalee Resources	JRL	14 Sep
Kina Securities	KSL	14 Sep
Middle Island Resources	MDI	14 Sep
Quantify Technology Holdings	QFY	14 Sep
Saturn Metals	STN	14 Sep
Stellar Resources	SRZ	14 Sep
Aurora Labs	A3D	15 Sep
Blackstone Minerals	BSX	15 Sep
De Grey Mining	DEG	15 Sep

### Suspensions (select)

Company	Code	Since
Ansila Energy	ANA	7 Sep
Faster Enterprises	FE8	2 Sep
Intiger Group	IAM	1 Sep
Local Planning Energy Holdings	LPE	8 Sep
Velocity Property Group	VP7	7 Sep

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>ALI</b>	Today	<b>4.5</b>	100	1.38
<b>CWY</b>	Today	<b>2.1</b>	100	0.79
<b>GRR</b>	Today	<b>1</b>	100	7.27
<b>SEQ</b>	Today	<b>0.4</b>	100	0.00
<b>VEE</b>	Today	<b>0.23</b>	0	1.23
BRG	Mon	20.5	60	1.42
CNU	Mon	12.71	0	2.68
FFI	Mon	13	100	4.30
HUB	Mon	3.5	100	0.35
MCY	Mon	8.52	0	3.21
OTW	Mon	2.25	100	0.37
SFR	Mon	14	100	4.41
SGF	Mon	3.05	100	10.98
TGR	Mon	9	25	5.07
WQG	Mon	2	50	1.53



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CGR	Tue	1.75	100	3.68
DTIL	Tue	8.8	100	2.14
ING	Tue	6.7	100	5.43
NWS	Tue	9.69	0	1.06
NWSLV	Tue	9.69	0	1.08
PL8	Tue	0.4	100	5.16
PPG	Tue	0.4	100	0.00
SSM	Tue	5	100	5.04