

Markets

SFE 200 Futures (9.30am AEST)	6130	42	0.7
NZX 50	11556	64	0.6
DJIA Futures	27879	13	0.1
S&P 500 Futures	3370	0	0.0
NASDAQ Futures	11128	2	0.0

Local Markets Commentary

The Australian market commences today's trade following positive overnight US equities trade, ahead of material domestic data late-morning and with a plethora of large-cap domestic stocks reporting earnings.

The Australian Bureau of Statistics (ABS) publishes **July employment** figures **11.30am** AEST.

The Reserve Bank of Australia's (RBA) monthly **business lending** figures are due at the same time, and the Melbourne Institute's **August inflation expectations** report at 11am.

In addition, **GPT, GUD** and **MLT** trade **ex-dividend** today. *Please see p3 for details.*

In overnight commodities trade, **oil** swung higher.

US **gold** futures (December) seesawed to a slight gain.

Iron ore (Nymex CFR China, 62% Fe) rallied further, approaching \$US120.20/t.

LME **copper** added a little to this week's gains. **Nickel** turned lower. **Aluminium** settled flat.

The **\$A** approached US71.45c, after trading at ~US71.25c early yesterday evening.

This morning, the \$A has appreciated to ~US71.65c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27977	290	1.1
S&P 500	3380	47	1.4
NASDAQ	11012	229	2.1
FTSE 100	6280	126	2.0
DAX 30	13059	112	0.9
Shanghai Comp	3319	-21	-0.6

Overseas Markets Commentary

US equities markets opened decisively higher overnight, dragging major European equities indices, initially constrained by dour data, also to rally-level settlements.

In overnight **data** releases, the **UK's** preliminary June quarter GDP reading dropped 20.2% for the quarter and 21.7% year-on-year.

March quarter GDP had been finalised at 2.2% and 1.7% respective declines, meaning the UK has technically plunged into recession.

Australia – July employment statistics – 11.30am AEST
Today's Stock Watch
Telstra Corporation (TLS)

14.4% lower, \$1.84B full year NPAT.

5.9% lower, \$28.16B income. 8c fully franked final dividend.

59.4c NTA against 57.5c.

QBE Insurance Group (QBE)

\$US712M interim net loss, against a \$US479M net profit a year ago. 10% higher, \$US7.985B revenue.

AMP Ltd (AMP)

10c fully franked special cash (part of a broader capital return including an up to \$200M share buy-back) dividend.

\$203M interim NPAT, against a \$2.29B net loss a year ago.

7% higher, \$1.98B continuing operations revenue.

Retained business underlying profit dropped 42% to \$149M.

\$1.26 NTA against \$1.15.

In addition, AMP is planning to buy back the Mitsubishi UFJ Trust and Banking Corporation's 15% AMP Capital holding for \$A460M cash.

Breville Group (BRG)

20.5c, 12.3c-franked final dividend, against 18.5c, 11.1c-franked a year ago. 1.8% lower, \$A66.20M full year NPAT.

25.3% higher, \$952.24M sales revenue.

\$1.95 NTA against \$1.437.

Goodman Group (GMG)

7.6% lower, \$1.50B full year NPAT. 13.0% lower, \$2.63B income. 15c final dividend.

In addition, GMG has appointed Tan Le and Eric Smith as non-executive directors. Details lodged this morning.

Treasury Wine Estates (TWE)

8c fully franked final dividend, against 20c a year ago.

36.2% lower, \$260.8M full year NPAT. 7.1% lower, \$2.68B revenue. \$3.18 NTA against \$3.24.

AGL Ltd (AGL)

12.2% higher, \$A1.015B full year NPAT. 8.2% lower, \$A12.16B revenue. 51c, 40.8c-franked final dividend. \$6.88 NTA against \$7.16.

Premier Investments (PMV)

Anticipating 9.7% - 11.7% 2H FY20 EBIT growth.

2H FY20 sales fell 18% to \$484.2M.

Online sales grew 70% for 2H however, and 48.8% for FY20.

Energy
Woodside Petroleum (WPL)

\$US4.067B interim net loss. 16% lower, \$US1.907B revenue.

US26c fully franked interim dividend.



The national trade balance fell to £5.3B during June, from £7.7B at the end of May, but exceeded expectations of just £2.8B.

Meanwhile, June industrial production improved 9.3% for the month, but represented a 12.5% decline from June 2019.

In the **euro zone**, June industrial output similarly climbed 9.1% for the month, but was 12.3% lower than for a year earlier.

A 10-year bond auction in Germany in the meantime delivered a flat -0.46% yield.

In the **US**, July CPI rose 0.6% for the month, double expectations. Against July 2019, the CPI came in 1% higher.

The national July budget statement revealed a \$US63B shortfall against \$US864B for June.

Weekly mortgage applications rose 6.8% after falling 5.1% the previous week. Average 30-year mortgage rates declined to 3.06% from 3.14%.

Meanwhile, key US politicians from both major parties claimed the US administration was effectively refusing to negotiate on the 'size and scope' of proposed legislation to support individuals and companies impacted by the Covid-19 outbreak and containment restrictions.

Tonight in the **US**, weekly new unemployment claims are due, together with July import and export prices.

Companies scheduled to report earnings later today and tonight include: Alibaba, Baidu, Brookfield Asset Management, China Mobile, Carlsberg, Deutsche Telekom, Kumho Tire, Mitsubishi Corp, Mitsui Chemicals, NetEase, Samsung Life, TUI and Zurich Insurance.

AstraZeneca, Aviva, BP, Diageo, GlaxoSmithKline and Royal Dutch Shell are among stocks listed to trade ex-dividend on the FTSE 100.

In overnight corporate news, a disappointing outlook issued by **Cisco Systems** post-US trade has pushed the stock 5% lower.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1949	oz	2.70	0.1
Silver (NY) (Sep)	25.979	oz	-0.07	-0.3
Gold (LON) (11 Aug)	1940	oz		
Platinum	915	oz	0	0.0
WTI Crude (NYMEX Sep)	42.67	bbbl	1.06	2.6
Brent Crude (ICE EUR Oct)	45.43	bbbl	0.93	2.1
Iron Ore (NYMEX,CHN,62%)	120.19	t	1.85	1.6
Copper (LME,3mth Ind,PM)	6430	t	19	0.3
Nickel	14235	t	-120	-0.8
Aluminium	1787	t	0	0.0
Lead	1954	t	-3	-0.2
Zinc	2393	t	-23	-1.0
Tin	17550	t	-140	-0.8

Commodities Commentary

Oil – **OPEC's** monthly oil market report, published overnight, included a 100,000bbbl/d greater 2020 global demand fall forecast than issued in July.

OPEC now expects 2020 demand to fall by 9.06MMbbbl/d, to a

Pre-Open Announcements

Flight Centre (* FLT)

Anticipating a \$825M - \$875M FY20 net loss.

\$1.9B cash balance, including \$1.15B liquidity at 30 June.

Planning to lodge full year results 27 August.

Charter Hall Retail Real Estate Investment Trust (* CQR)

10c final distribution, against 14.48c a year ago.

16.8% lower, \$44.2M full year NPAT.

2.0% higher, \$206.1M revenue.

Class Ltd (* CL1)

23.8% lower, \$6.84M full year NPAT.

14.0% higher, \$44.02M revenue.

Flat, 2.5c fully franked final dividend.

\$7.77 NTA against 19.18c.

Xero Ltd (* XRO)

Today's AGM materials lodged pre-trade.

Kleos Space (* KSS)

Resuming from a trading halt with plans to launch a second cluster of satellites on SpaceX Falcon 9 mid next year.

Details lodged this morning.

KSS last traded at 30.5c.

DUG Technology (DUG)

Scientific data analysis software and services specialist completed a successful ASX listing yesterday, following a \$34.775M IPO at \$1.35 per share.

Opened at \$1.50 and traded at \$1.395 - \$1.525 before settling at \$1.45.

~3.3M shares changed hands across 1002 transactions.

~99.47M quoted shares.

Catapult Group International (CAT)

Conference presentation lodged post-trade yesterday.

CAT has traded lower the past three sessions, settling at \$1.68 yesterday.

Resources

Evolution Mining (* EVN)

9c fully franked final dividend, 50% higher than a year ago.

38% higher, \$301.55M full year NPAT.

29% higher, \$1.94B revenue.

\$1.47 NTA against \$1.45. \$A197.4M net bank debt.

Northern Star Resources (* NST)

Resources and reserves update lodged this morning, together with FY21 production guidance.

Lynas Corporation (* LYC)

Japan Australia Rare Earths (JPARE) has agreed to support LYC further to fund the development of heavy rare earths separation activity.

Details lodged this morning.



daily 90.6MMbbl.

The organisation also lowered its forecast for demand for its own 2020 crude output, by a daily 400,000bbl from the July prediction, to 23.4MMbbl/d.

OPEC has predicted 2021 overall demand to pick up by a daily 7MMbbl.

A weekly US petroleum inventories report from government agency the EIA, also released overnight, estimated a third consecutive fall in crude stocks, this time by 4.5MMbbl.

This, partly attributed to demand rising to 19.37MMbbl/d, but despite 2.2MMbbl being transferred from the nation's 'strategic petroleum reserve' into commercial stockpiles.

In addition, stored petrol levels turned lower, by 722,000bbl.

US oil production was reported 300,000bbl/d lower for the week, and net crude imports down 713,000bbl.

The International Energy Agency's (IEA) monthly oil market report is expected tonight.

Gold – swinging prices featured in overnight trade, a \$US pullback (ICE \$US -0.3%) pushing prices higher in late trade.

Comex futures traded as low as \$US1874.2/oz intra-session.

Base metals – early LME trade sentiment was pushed and pulled by some sobering data, including a major UK GDP shrinkage and weak year-on-year UK and euro zone industrial production figures.

On ASX-close yesterday, Japan had also reported a 31.1% year-on-year tumble in July machine tool orders, following a 32% June dive and expectations of a 27% decline.

Meanwhile, cash trade indicated near-term copper supplies had grown.

China's July industrial production, fixed asset investment and retail sales updates are scheduled for release tomorrow. This could produce some caution during tonight's trade.

High-level officials from China and the US are scheduled to meet virtually, to discuss trade, Saturday.

Japan's July producer prices are due just prior to ASX open today, but in comparison with China considerations, will likely have little impact on LME sentiment.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7164	0.0002	0.03
EUR – USD	1.1793	0.0008	0.07

Australian Data Today

ABS	Employment (incl jobs, wages)	Jul
MelInst	Inflation expectations	Aug
RBA	Business lending	Jul

US Data Tonight

Initial jobless claims	8 Aug
Import & export prices	Jul

Australian Mines (* AUZ)

Heralding the commencement of bench-scale production of cathode precursor materials for Ni-Co-Mn batteries.

Trading Halts

Company	Code	Resuming
Cirralto Ltd	CRO	14 Aug
ClearVue Technologies	CPV	14 Aug
Enterprise Metals	ENT	14 Aug
Fenex Resources	FEX	14 Aug
Sydney Airport	SYD	14 Aug
BMG Resources	BMG	17 Aug
FYI Resources	FYI	17 Aug
Horizon Minerals	HRZ	17 Aug
West Wits Mining	WWI	17 Aug
Coronado Global Resources	CRN	18 Aug
Wingara AG	WNR	18 Aug

Suspensions (select)

Company	Code	Since
Acacia Coal	AJC	22 Jul
Altura Mining	AJM	12 Aug
eSense-Lab Ltd	ESE	27 Jul
Heron Resources	HRR	4 Aug
Nanoveu Ltd	NVU	7 Aug
Ragnar Metals	RAG	7 Aug
STEMify Ltd	SF1	6 Aug
Syntonic Ltd	SYT	4 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GPT	Today	9.3	0	3.31
GUD	Today	12	100	4.79
MLT	Today	8.5	100	2.056
DDR	Tomorrow	7.5	100	4.10
PL8	Tomorrow	0.4	100	5.52
ASW	Mon	2	100	5.47
CPU	Tue	23	30	3.48
RMD	Wed	3.8	0	0.66
KOV	20 Aug	13	100	5.71
AZJ	24 Aug	13.7	70	5.47
PNI	24 Aug	8.5	100	3.07

**Other Overseas Data Today & Tonight**

Japan	Producer prices	Jul
Germany	CPI (final)	Jul

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

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Reports & Events

(selected)

When	Company	Report/Event
Today	AGL	Full year (9am & tele +Q&A 10.45am)
	AMP	Interim
	ARF	Full year
	BRG	Full year (tele 9am)
	CQR	Full year
	CL1	Full year
	EVN	Full year
	GMG	Full year
	IAP	AGM (5pm)
	NGI	Full year
	QBE	Interim (w/cast 9.30am)
	SES	Full year
	TLS	Full year
TWE	Full year	
WPL	Interim	
XRO	AGM	
Tomorrow	3PL	Full year (tele 10.30am)
	BBN	Full year (tele 9.15am)
	ILU	Interim
	NAB	Q3 trading update
	NCM	Full year