

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	7536	-9	-0.1
<b>NZX 50</b>	12785	21	0.2
<b>DJIA Futures</b>	35370	-50	-0.1
<b>S&amp;P 500 Futures</b>	4457	-5	-0.1
<b>NASDAQ Futures</b>	15116	-10	-0.1

**Local Markets Commentary**

The Australian market commences a new week's trade with influential data due out of China and Japan, new data in hand from China over the weekend, and several domestic large-cap stocks reporting earnings, amid heightened geopolitical uncertainty in relation to Afghanistan rule and alliances.

**Locally** today, Covid-19 containment will continue to be debated, with all of NSW in lockdown, and Melbourne and the ACT remaining so.

Some caution may be evident ahead of a plethora of earnings reports from major stocks this week.

**Regionally** today, **Japan** releases an initial **June quarter GDP** estimate just before the ASX open.

**China** is scheduled to report July **industrial production, fixed asset investment** and **retail sales** at **midday AEST**.

A **home price index** is expected late morning.

Post-ASX trade Friday, **China** reported a **25.5% year-on-year** increase in July **foreign direct investment**, in line with expectations.

In overnight Friday commodities trade, **oil** continued lower.

US **gold** futures swung higher, rallying towards \$US1780/oz.

**Iron ore** (Qingdao, CFR China, 62% fines) extended Thursday's fall.

LME **copper** and **aluminium** turned decisively higher. **Nickel** swung lower, but just slightly so, following a string of gains.

The **\$A** appreciated to ~US73.70c, after trading at ~US73.45c early Friday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	35515	16	0.0
<b>S&amp;P 500</b>	4468	7	0.2
<b>NASDAQ</b>	14823	7	0.0
<b>FTSE 100</b>	7219	25	0.4
<b>DAX 30</b>	15977	40	0.3
<b>Shanghai Comp</b>	3516	-8	-0.2

**Overseas Markets Commentary**

Choppy trade featured across major European, UK and US equities markets overnight Friday, indicating persisting caution heading into another summer holiday season weekend.

**Today's Stock Watch**
**Sydney Airport (SYD)**

Rejecting a revised, \$A8.45 cash-per-stapled security indicative takeover proposal from the Sydney Aviation Alliance. Prepared to discuss an improved plan.

**GPT Group (GPT)**

Confirming exclusive due diligence ahead of a potential \$800M acquisition of certain Ascot Capital logistics, industrial and office assets.

13.3c GPT interim distribution, from 9.3c a year ago.

246.1% higher, \$760.5M interim NPAT. 179.6% higher, \$989.1M income. \$5.86 NTA from \$5.57.

**GWA Group (GWA)**

6.5c fully franked final dividend, from 3.5c a year ago.

20.1% lower, \$35.06M full year NPAT.

1.8% higher \$405.74M revenue.

**Seven West Media (SWM)**

\$318.09M full year NPAT, from a \$163.27M net loss a year ago. 3.5% higher, \$1.27B income.

**Bendigo & Adelaide Bank (BEN)**

Acquiring fintech partner Ferocia for up to \$116M worth of BEN shares.

26.5c BEN fully franked final dividend from 4.5c a year ago.

171.8% higher, \$524M NPAT. 10.5% higher, \$1.81B income.

**JB Hi-Fi (JBH)**

\$1.07 fully franked final dividend, from 90c a year ago.

67.4% higher, \$506.1M full year NPAT.

12.6% higher, \$8.9B revenue. \$2.15 NTA from 45c.

1 July – 15 August comparable sales have dropped 14.9% year-on-year for JBH Australia, risen 8.4% for JBH New Zealand, and fallen 8.6% for The Good Guys.

**Lendlease Group (LLC)**

12c final dividend/distribution from 3.26c a year ago.

\$222M full year NPAT from a \$310M FY20 net loss.

23.3% lower, \$10.175B revenue.

**Resources**
**BlueScope Steel (BSL)**

25c final and 19c special dividends, from an 8c final dividend a year ago. \$1.19B full year NPAT from \$96.5M.

4% higher, \$12.87B sales revenue. \$11.89 NTA from \$8.88.

**Energy**
**Beach Energy (BPT)**

Flat 1c fully franked final dividend.

37c lower, \$316.5M full year NPAT.

10% lower, \$1.56B revenue. \$1.29 NTA from \$1.18.



In overnight Friday **data** releases, the **euro zone's** June trade surplus jumped to €18.1B from €12.3B.

**Germany's** July wholesale prices rose 1.1% for the month, following a 1.5% June increase.

Against July 2020, prices were up 11.3%.

Russia reported 10.3% higher year-on-year June quarter GDP growth in a preliminary reading, after a 0.7% March quarter decline.

Forecasters had anticipated 7.5% annual growth.

In the **US**, July import and export prices rose 0.3% and 1.3% respectively for the month, against forecasts of 0.7% and 0.9% and following respective 1.1% and 1.3% June increases.

Against July 2020, prices were respectively 10.2% and 17.2% higher.

The University of Michigan initial estimate of August national consumer sentiment surprised on the downside, dropping from 81.2 to 70.2, the lowest reading since April 2020.

The \$US subsequently fell ~0.6%.

Among the subcomponent overall sentiment indices, expectations tumbled from 79 to 65.2. The current conditions index fell to 77.9 from 84.5.

**Tonight** in the US, the New York Fed Empire State manufacturing index is due.

Tencent Music Entertainment Group is among companies scheduled to report earnings later today and tonight.

Commodities				
COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1778.2</b>	oz	26.4	<b>1.5</b>
<b>Silver (NY)</b> (Sep)	<b>23.78</b>	oz	0.66	<b>2.9</b>
<b>Gold (LON)</b>	<b>1774</b>	oz		
<b>Platinum</b>	<b>1024</b>	oz	10	<b>1.0</b>
<b>WTI Crude</b> (NYMEX Sep)	<b>68.44</b>	bbbl	-0.65	<b>-0.9</b>
<b>Brent Crude</b> (ICE EUR Oct)	<b>70.59</b>	bbbl	-0.72	<b>-1.0</b>
<b>Qingdao Iron Ore</b> (CHN;62%f)	<b>162.07</b>	t	-0.89	<b>-0.5</b>
<b>Nymex Iron Ore</b>	<b>167.95</b>	t	0.01	<b>0.0</b>
<b>Copper</b> (LME Ind)	<b>9569</b>	t	102	<b>1.1</b>
<b>Nickel</b>	<b>19655</b>	t	-20	<b>-0.1</b>
<b>Aluminium</b>	<b>2599</b>	t	16	<b>0.6</b>
<b>Lead</b>	<b>2333</b>	t	27	<b>1.2</b>
<b>Zinc</b>	<b>3034</b>	t	41	<b>1.4</b>
<b>Tin</b>	<b>35259</b>	t	3	<b>0.0</b>

### Commodities Commentary

**Oil** – overnight Friday trade appeared impacted by supply-demand concerns, mostly related to near-term Covid-19 containment concerns.

Among the forecasters, Goldman Sachs reduced a short-term international crude deficit from 2.3MMbbl/d to 1MMbbl/d.

For its part, JPMorgan ventured demand recovery could tread water during August, remaining at ~July's 98MMbbl/d mean average consumption.

Each forecast was put down to Covid-19 Delta variant spread.

A weekly US petroleum drill rig report, released overnight Friday,

## Pre-Open Announcements

### Regional Express Holdings (\* REX)

Temporarily standing down 500 staff due to Covid-19 – related lockdowns and border closures.

The changes commence today and will likely remain until at least 12 September.

### ECS Botanics Holdings (\* ECS) / Coles Group (COL)

COL supermarkets will stock ECS Tasmanian hemp seed (cooking) oil from October.

### carsales.com Ltd (\* CAR)

22.5c fully franked final dividend, against 25c a year ago.

13.98% higher, \$A130.7M full year NPAT.

8.39% higher \$427.16M revenue.

### Argo Investments (\* ARG)

Flat fully-franked 14c final dividend.

12.8% lower, \$A173.99M full year NPAT.

16.5% lower, \$187.98M income.

\$9.01 NTA from \$7.27.

### Steadfast Group (\* SDF)

7c fully franked final dividend, from 6c a year ago.

\$359% higher, \$143M full year NPAT. 11% higher, \$751.1M revenue.

### Contact Energy (\* CEN)

NZ35c final dividend, against NZ39c a year ago.

\$NZ187M full year profit, from \$NZ125M for FY20.

July operating statistics also lodged pre-trade.

### Imdex Ltd (\* IMD)

1.4c final, 0.6c-franked and 0.4c, 0.17c-franked special dividends, from a 0.7c fully-franked final dividend a year ago.

45.5% higher, \$31.67M full year NPAT.

11.2% higher, \$264.38M revenue. 40.39c from 35.57c.

### Huon Aquaculture Group (HUO)

JBS intends to offer \$A3.85 cash per share in a recommended takeover proposal for HUO, this being in parallel to the previously announced scheme of arrangement.

The HUO board prefers the scheme, but the new intended offer has been agreed should a scheme arrangement not be approved.

HUO added 39.78% Monday last week in response to the scheme announcement, settling at \$3.90.

HUO traded lower the subsequent four sessions and settled at \$3.68 Friday, after closing out the previous week at \$2.79.

### iCar Asia (ICQ) / carsales.com Ltd (CAR)

The Australian Securities and Investment Commission (ASIC) will not oppose Carsome Group's Catcha-related proposed 55c cash-per-share acquisition of the balance of ICQ that it does not already hold.

Meanwhile, Carsome is continuing due diligence and its bid remains conditional on finalising funding arrangements.



included 10 additional operational oil rigs, taking the tally to the highest since April 2020, to 397, and against 244 for the same week last year.

**Gold** – overnight Friday’s rise in prices was in part attributed to a surprise fall in a US consumer sentiment index, pushing the \$US lower.

In addition, US government bond yields were reported at 1.314% from 1.366% for Thursday.

Among data releases, US Federal Reserve policy meeting minutes, plus a smattering of GDP and CPI updates are expected to swing gold sentiment this week.

**Base metals** – a weaker \$US and supply-demand commentary appeared the greatest influences on overnight Friday trade.

In production news, Codelco’s Andina *copper* operation confirmed industrial action which commenced Thursday, when action was also decided for the JX Nippon Copper Caserones project.

**Industrial production, retail asset investment and retail sales** July updates due out of **China** today will influence at least some of **tonight’s** trade.

#### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7367	-0.0002	<b>-0.03</b>
<b>EUR – USD</b>	1.1797	0.0000	0.00

#### US Data Tonight

NY Fed Empire State manufacturing index	Aug
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#### Other Overseas Data Today & Tonight

<b>China</b>	Industrial production	Jul
China	Fixed asset investment	Jan - Jul
China	Retail sales	Jul
China	Residential property price index	Jul
<b>Japan</b>	GDP (prelim)	Jun Q
Japan	Industrial production (final 2.30pm AEST)	Jun

#### 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)

Catcha holds ~30% of ICQ. CAR holds ~11.4%.

#### Cromwell Property Group (CMW)

Following the late July announcement of Jonathan Callaghan as CMW’s next CEO, CMW has determined Mr Callaghan will commence in this position 5 October.

#### Resources

##### Australian Mines (\*\* AUZ)

North Queensland Sconi project nickel-cobalt off-take agreement secured with LG Chem subsidiary LG Energy Solution.

##### Strike Resources (\* STX)

Loading of an initial 35,000t of Apurimac lump iron ore is underway at the Port of Pisco, Peru.

\$US4.5M worth of pre-payments received from the customer in China, with the balance due when the ship departs, expected later this week.

##### Poseidon Nickel (\* POS)

Additional high-grade nickel results lodged this morning from Golden Swan diamond drilling.

##### Musgrave Minerals (\* MGV)

Heralding WA Cue gold project White Heat diamond drilling results. Assays lodged pre-trade.

##### Sunrise Energy Metals (SRL) / Lotus Resources (LOT)

SRL has completed its \$2.5M acquisition of the NSW Hylea nickel-cobalt-scandium project from LOT.

SRL paid LOT \$1M cash and \$1.5M worth of SRL shares. Hylea is located 50km north of SRL’s Sunrise project.

##### Australian Strategic Metals (ASM)

In response to an ASX price and volume query, ASM is pointing to due diligence by a consortium from South Korea, regarding a potential 20% holding in the ASM Dubbo project.

ASM traded as high as \$10.34 Friday, settling at \$10.22, up 18.01% for the session.

ASM had closed out the previous week at \$8.04.

#### Energy

##### 88 Energy (\* 88E)

Merlin-1 light oil confirmed within N20 and N18 targets. N19 geochemical analysis also indicating hydrocarbons.

41ft of net pay interpreted across three reservoir intervals.

##### Strike Energy (\* STX) / Talon Energy (TPD)

Selling the PEL96 interest to TPD-owned Greenflame Energy, pending various consents and approvals.

#### Trading Halts

Company	Code	Resuming
Creso Pharma	CPH	16 Aug
Dimerix Ltd	DXB	16 Aug
Duketon Mining	DKM	16 Aug



African Energy Resources	AFR	17 Aug
Alkane Resources	ALK	17 Aug
Dropsuite Ltd	DSE	17 Aug
Firefinch Ltd	FFX	17 Aug
Nuheara Ltd	NUH	17 Aug

**Suspensions** *(selected)*

Company	Code	Since
Fargo Enterprises	FGO	26 Jul
Roto-Gro International	RGI	11 Aug
Salt Lake Potash	SO4	29 Jul

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>KPG</b>	Today	<b>1.2</b>	100	1.47
<b>PL8</b>	Today	<b>0.45</b>	100	3.76
<b>QVE</b>	Today	<b>1.1</b>	100	5.56
ASW	Tomorrow	3	100	4.21
CBA	Tomorrow	200	100	2.38
CPU	Tomorrow	23	60	2.76
DDR	Tomorrow	9	100	2.33
FSA	Tomorrow	3	100	5.41
GMA	Tomorrow	5	0	0.00
IAG	Tomorrow	13	0	1.29
MIN	Tomorrow	175	100	2.88
BFG	Wed	4.5	100	5.88
RMD	Wed	3.98	0	0.39
GUD	Thu	32	100	3.27
KOV	Thu	20	100	4.37
QBE	Thu	11	10	0.32
ZIM	Thu	107.34	0	4.44
TWD	Fri	13	100	6.38

**Reports & Events***(selected; all times AEST)*

When	Company	Report/Event
<b>Today</b>	<b>ARG</b>	Full year
	<b>BPT</b>	Full year (w/cast tele 9.30am)
	<b>BEN</b>	Full year
	<b>BSL</b>	Full year
	<b>CAR</b>	Full year (tele 9.30am)
	<b>GPT</b>	Interim
	<b>GWA</b>	Full year
	<b>IMD</b>	Full year
	<b>JBH</b>	Full year
	<b>LLC</b>	Full year
	<b>SWM</b>	Full year (w/cast tele 10.30am)
	<b>SDF</b>	Full year

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<b>Tomorrow</b>	ABP	Full year
	ADA	Full year
	AMC	Full year
	ARB	Full year
	BHP	Full year
	BXB	Full year
	BRG	Full year
	DXS	Full year
	DHG	Full year
	MFG	Full year
	SCP	Full year
	SGM	Full year
	WBC	Qtrly update
<b>Wed</b>	A2M	Full year
	AX1	Full year
	ADI	Full year (tele 10.30am)
	BAP	Full year
	COL	Full year
	CTD	Full year
	CSL	Full year
	DMP	Full year
	DRR	Full year
	EBO	Full year (w/cast 9.30am)
	EHL	Full year
	EVS	Full year
	FPH	AGM (midday)
	INA	Full year
	MHJ	Full year
	MNY	Full year
	MGX	Full year
	NEA	Full year
	NWL	Full year (w/cast 9.30am)
	OZL	Interim
	PME	Full year
	RDC	Full year (audio w/cast 9.30am)
	STO	Interim
	SKO	AGM
	SXL	Full year
	SUL	Full year
	TAH	Full year
TGR	Full year	
VCX	Full year	
WPL	Interim	