

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	6052	31	<b>0.5</b>
<b>NZX 50</b>	11894	221	<b>1.9</b>
<b>DJIA Futures</b>	27786	11	0.0
<b>S&amp;P 500 Futures</b>	3382	2	0.1
<b>NASDAQ Futures</b>	11296	9	0.1

**Local Markets Commentary**

The Australian market commences today's trade with another plethora of high-cap domestic company earnings and trading reports in hand, including from a major bank, and Reserve Bank of Australia (RBA) policy meeting minutes due late-morning, following mixed overnight international equities trade and gains for most key commodities.

Regionally today, monthly Tankan survey indices are due pre-trade for **Japan**.

In addition, Japan conducts a 30-year bond auction this afternoon.

**Locally** today, the **RBA** releases its 4 August **policy meeting minutes, 11.30am** AEST. No surprises are anticipated due to a quarterly policy update and parliamentary since this meeting.

A weekly consumer sentiment reading is also due today, pre-trade.

High-profile companies publishing **earnings reports** and outlooks today represent several key sectors and as such, could influence select across-the-board sentiment.

In addition, **CLF** and **CPU** trade **ex-dividend** today. *Please see p3 for details.*

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

US **gold** futures (December) bounced beyond \$US1998.5/oz.

**Iron ore** (Nymex CFR China, 62% Fe) continued to gain, approaching \$US120.50/t.

LME **copper** and **nickel** extended Friday's rallies. **Aluminium** swung higher.

The **\$A** was pushed back to ~US71.65c after appreciating to ~US71.85c early yesterday evening.

Earlier this morning, the \$A traded beyond US72.15c.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	27845	-86	<b>-0.3</b>
<b>S&amp;P 500</b>	3382	9	<b>0.3</b>
<b>NASDAQ</b>	11130	110	<b>1.0</b>
<b>FTSE 100</b>	6127	37	<b>0.6</b>
<b>DAX 30</b>	12921	19	<b>0.2</b>
<b>Shanghai Comp</b>	3439	79	<b>2.3</b>

**Today's Stock Watch**
**Westpac Banking Corporation (WBC)**

WBC will not pay an interim dividend.

\$1.12B (unaudited) June quarter NPAT. \$1.32B cash profit. Impairments tallied \$826M. 10.80% CET1.

**Coles Group (COL)**

27.5c final dividend, against 24c final plus 11.5c special dividends a year ago. 31.8% lower, \$978M full year NPAT. 1.8% lower, \$37.78M revenue.

**Cochlear Ltd (COH)**

\$A283.3M full year net loss. 6% lower, \$1.35B sales revenue.

In addition, 15-year COH non-executive director Donal O'Dwyer is retiring from the board at the 20 October AGM.

In association, COH has appointed Suncorp (ASX: SUN) chair Christine McLoughlin as a director, effective 1 November.

**Abacus Property Group (ABP)**

58% lower, \$84.7M full year NPAT. 27% lower, \$284.3M income. Previously declared 9.05c final distribution.

**Sims Ltd (SGM)**

Nil final dividend.

\$265.4M full year net loss, against a \$152.6M net profit a year ago. 26.1% lower, \$4.91B sales revenue.

\$9.56 NTA against \$10.38.

**Estia Health (EHE)**

Nil final dividend, against 7.8c fully franked a year ago.

\$116.61M full year net loss, against a \$41.29M net profit a year ago. 8.7% higher, \$637.12M revenue.

**Virtus Health (VRT)**

Nil final dividend. Interim dividend remains conditionally deferred until 30 November.

96.7% lower \$946M full year NPAT. 7.5% lower, \$258.93M revenue.

**Netwealth Group (NWL)**

7.8c fully franked final dividend against 6.6c a year ago.

27.3% higher, \$43.66M full year NPAT. 25.5% higher, \$123.91M revenue. 31.9c NTA against 26.7c.

**ARB Corporation (ARB)**

0.3% higher, \$57.295M full year NPAT. 4.6% higher, \$466.988M revenue. Flat, 21c fully franked final dividend.

**Resources**
**BHP Group (BHP)**

US55c final dividend against US78c a year ago.

4% lower, \$US7.956B full year NPAT. 3% lower, \$US42.931B revenue. \$US12B net debt. \$US10.21 NTA, against \$US10.11.

Risky commodities outlook. Outlook commentary lodged.



## Overseas Markets Commentary

Early volatility across several major European and US equities markets transformed into meandering trade for the majority of respective overnight sessions.

The NASDAQ traded decidedly higher from start through finish however, and notably attained a new record settlement.

Among trader considerations, the **US** president declared **China** effectively 'in compliance' with a trade accord signed earlier this year.

Relations were considered fluid however, following the US administration's approval Friday last week of the sale of military aircraft to Taiwan and the cancelling of US-China trade talks scheduled for Saturday.

Yesterday, the **People's Bank of China** effectively supported domestic financial system liquidity with an additional 700B yuan via a medium term lending facility, prompting speculation rates could soon be eased.

Meanwhile, a monthly report from **Germany's** central bank Bundesbank included a prediction of a broad-based and relatively rapid domestic economic recovery, with strong growth during the September quarter 2020.

The prediction came with warnings however, including of restrained industrial production and exports growth for as long as Covid-19 is not contained internationally.

In scant overnight **data** releases, the **New York Fed** August manufacturing index surprised on the downside, estimated at 3.7 from 17.2, following expectations of 15 - 16.

A US home builders' sentiment index rose six points to 78 however, following forecasts of a flat result.

**Tonight** in the **US**, July housing starts and building permits are due.

In addition, the US presidential election season warms with the commencement of the four-day Democrat national convention.

Elsewhere, the UK conducts a 30-year government bond auction.

Companies scheduled to report earnings later today and tonight include: Advanced Nano Products, Amcor, Home Depot, Kohl's, Pandora and Walmart.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Dec)	<b>1998.7</b>	oz	48.90	<b>2.5</b>
<b>Silver (NY)</b> (Sep)	<b>27.667</b>	oz	1.57	<b>6.0</b>
<b>Gold (LON)</b> (14 Aug)	<b>1945</b>	oz		
<b>Platinum</b>	<b>946</b>	oz	12	<b>1.3</b>
<b>WTI Crude</b> (NYMEX Sep)	<b>42.89</b>	bbl	0.88	<b>2.1</b>
<b>Brent Crude</b> (ICE EUR Oct)	<b>45.37</b>	bbl	0.57	<b>1.3</b>
<b>Iron Ore</b> (NYMEX,CHN,62%)	<b>120.46</b>	t	0.60	<b>0.5</b>
<b>Copper</b> (LME,3mth Ind,PM)	<b>6463</b>	t	95	<b>1.5</b>
<b>Nickel</b>	<b>14650</b>	t	270	<b>1.9</b>
<b>Aluminium</b>	<b>1760</b>	t	18	<b>1.0</b>
<b>Lead</b>	<b>1965</b>	t	14	<b>0.7</b>
<b>Zinc</b>	<b>2447</b>	t	75	<b>3.2</b>
<b>Tin</b>	<b>17470</b>	t	-130	<b>-0.7</b>

## Pre-Open Announcements

### Monadelphous Group (\* MND)

13c fully franked final dividend against 23c a year ago. 28% lower, \$36.48M full year NPAT. 1% higher, \$1.489B revenue. \$4.0243 NTA against \$4.1393.

### SG Fleet (\* SGF)

3.053c fully franked final dividend, against 9.52c a year ago. 39.2% lower, \$36.74M full year NPAT. 11.1% lower, \$452.896M revenue.

### Fisher & Paykel Healthcare (\* FPH)

Anticipating \$NZ365M - \$NZ385M FY21 NPAT and ~\$NZ1.61B operating revenue.

Commentary lodged this morning.

### Asaleo Care (\* AHY)

158.7% higher, \$18.85M interim NPAT. 9.6% higher, \$214.96M revenue. Nil interim dividend. 5.2c NTA against 2.4c.

### Insurance Australia Group (\* IAG)

Raising \$450M in the minimum-\$300M notes offer announced early Monday. The offer boosts AIG's Tier 2 capital.

### McMillan Shakespeare (\* MMS)

MMS has appointed former CSG Ltd CFO Ashley Conn as CFO and company secretary, effective 5 October.

Current MMS CFO Mark Blackburn will retire from MMS at the beginning of December.

### Megaport Ltd (MP1)

Heralding the pending release of a new product enabling businesses to host network functions on MP1's software defined network on demand.

Details lodged post-trade yesterday.

## Resources

### Saracen Mineral Holdings (\* SAR) / Northern Star Resources (\* NST)

KCGM resources and reserves update lodged this morning.

## Energy

### Woodside Petroleum (\* WPL) / FAR Ltd (\* FAR)

WPL is exercising a right to pre-empt the proposed sale by Cairn Energy of its 40% interest in the Rufisque offshore, Sangomar offshore and Sangomar deep offshore JV (RSSD).

WPL is JV operator, and if the proposed WPL purchase (\$US300M plus up to \$US100M contingencies, and working capital adjustments) completes, WPL will secure ~68% of the JV.

JV partner FAR also holds pre-emptive rights.

FAR holds varying 15% - 16.7% paying and beneficial interests in the JV exploitation and exploration areas.

**Commodities Commentary**

**Oil** – a US administrative claim that China was complying with a US-China trade accord signed earlier this year, plus a media report asserting OPEC+ members' compliance with production curbs in July had been estimated at 95% - 97%, helped ultimately push prices higher overnight.

An OPEC+ monitoring committee meeting is scheduled for Wednesday. In association, key members are expected to comment publicly this week on the current curb agreement and their views of oil market stability.

The latest agreement reduced daily cuts by 2MMbbl from the beginning of August.

Overnight, OPEC member Iran praised the organisation for lifting oil prices, at the same time awarding \$US1.8B worth of oil industry contract work locally.

Meanwhile, US government agency the EIA predicted US shale output would fall by a minimum 20,000bbl/d during September, to 7.56MMbbl/d, based on calculations from key formations.

**Gold** – a fall in US government 10-year bond yields, and a market lodging revealing Berkshire Hathaway had bought Barrick Gold stock during the past quarter helped support a robust bounce in gold interest overnight. In addition, the ICE \$US index traded ~0.3% lower.

Comex silver futures' marked volatility continued.

**Base metals** – overnight traders were presented with reports of reduced nickel output from the Philippines, some weaker-than-anticipated economic data out of the US and Japan, and a softer \$US.

**Japan's preliminary June quarter GDP** estimate, revealed yesterday, **plunged 27.8%** year-on-year, diving 7.8% for the quarter.

Japan reported June industrial output yesterday afternoon, this final reading representing an 18.2% drop from June 2019 but 1.9% improvement for the month.

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7216	0.0001	<b>0.01</b>
<b>EUR – USD</b>	1.1875	0.0003	<b>0.03</b>

**Australian Data Today**

ANZ/RoyMgn	Consumer sentiment	16 Aug
RBA	Policy meeting minutes	4 Aug

**US Data Tonight**

Housing starts	Jul
Building permits	Jul g

**Trading Halts**

Company	Code	Resuming
Alderan Resources	AL8	18 Aug
Conico Ltd	CNJ	18 Aug
Coronado Global Resources	CRN	18 Aug
Gladiator Resources	GLA	18 Aug
Ardiden Ltd	ADV	19 Aug
Auctus Investment Group	AVC	19 Aug
Black Dragon Gold Corp	BDG	19 Aug
Energex Ltd	ENX	19 Aug
FBR Ltd	FBR	19 Aug
Lynas Corporation	LYC	19 Aug
Revasum Inc	RVS	19 Aug
thedocyards Ltd	TDY	19 Aug
XTD Ltd	XTD	19 Aug
Cipherpoint Ltd	CPT	21 Aug
Talga Resources	TLG	21 Aug
Rafaella Resources	RFR	21 Aug

**Suspensions (select)**

Company	Code	Since
Altura Mining	AJM	12 Aug
eSense-Lab Ltd	ESE	27 Jul
Ragnar Metals	RAG	7 Aug
STEMify Ltd	SF1	6 Aug
Syntonic Ltd	SYT	4 Aug

**Ex-Dividends**

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>CLF</b>	Today	<b>17</b>	100	4.80
<b>CPU</b>	Today	<b>23</b>	30	3.34
<b>REF</b>	Today	<b>0.13</b>	100	0.00
BFG	Tomorrow	4	100	6.30
CBA	Tomorrow	98	100	2.83
NGI	Tomorrow	7.67	0	7.39
RMD	Tomorrow	3.8	0	0.50
RYD	Tomorrow	3	100	1.29
CL1	Thu	2.5	100	2.62
FSA	Thu	3	100	5.94
KOV	Thu	13	100	5.81
MAM	Thu	1	100	5.00
QBE	Thu	4	10	4.84
NCM	Fri	24.4	100	0.96
AZJ	24 Aug	13.7	70	5.81
EVN	24 Aug	9	100	2.13
PNI	24 Aug	8.5	100	2.93
WPL	24 Aug	36.53	100	6.69
RKN	25 Aug	3	100	6.58



## Other Overseas Data Today &amp; Tonight

Japan Tankan indices Aug

## 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)

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## Reports &amp; Events

(selected)

When	Company	Report/Event
Today	ABP	Full year
	AHY	Interim
	ARB	Full year
	BHP	Full year
	BLY	Interim
	COH	Full year
	COL	Full year
	EHE	Full year
	HPI	Full year
	INA	Full year
	MCY	Full year
	MND	Full year
	NWL	Full year (w/cast 9.30am)
	SGF	Full year (tele 10am)
SGM	Full year	
TYR	Full year (tele 11am)	
WBC	Q3 update	
Tomorrow	A2M	Full year
	ANZ	Q3 update
	BAP	Full year
	BLD	Full year
	BXB	Full year
	CAR	Full year
	CTD	Full year (w/cast 9am)
	CWN	Full year
	CSL	Full year (w/cast 11am)
	DXS	Full year
	DMP	Full year
	FBU	Full year (w/cast tele 9am AEST)
	IVC	Full year
	MMS	Full year
	MIN	Full year (tele midday AEST)
	MGX	Full year
	NEA	Full year (w/cast 9.30am)
	NST	Full year (tele 10.30am)
	OZL	Interim
	PGH	Full year
	SIQ	Interim (post-trade; audio w/cast 9am THU)
	TAH	Full year
	VCX	Full year
	VAH	Full year
	VHT	AGM (10am)
	VOC	Full year
	WEB	Full year (w/cast tele 5pm)
	WTC	Full year