

Markets

SFE 200 Futures (9.30am AEST)	6048	7	0.1
NZX 50	11730	7	0.1
DJIA Futures	26871	-13	-0.1
S&P 500 Futures	3265	-1	0.0
NASDAQ Futures	10835	30	0.3

Local Markets Commentary

The Australian market opens today's trade ahead of the national budget update for which briefing materials, and hence some details, have already been disclosed.

Regionally today, **South Korea's** keenly anticipated **June GDP** reading was scheduled for release pre-ASX trade.

In **Japan**, equities markets are closed today and tomorrow for public holidays.

Locally today, NAB releases the June quarter **business survey** report.

Treasurer Josh Frydenberg will provide a **national budget update**, including new economic forecasts.

In addition, the Australian Bureau of Statistics (ABS) releases additional details regarding the June labour market, 11.30am AEST.

In overnight commodities trade, **oil** turned to settle slightly lower.

US **gold** futures (August) rallied further.

Iron ore (Nymex CFR China, 62% Fe) posted a moderate gain for a second consecutive session.

LME **copper** and most key base metals swung lower and fell.

The **\$A** fell to ~US71.30c after trading beyond US71.55c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27006	165	0.6
S&P 500	3276	19	0.6
NASDAQ	10706	26	0.2
FTSE 100	6207	-63	-1.0
DAX 30	13104	-68	-0.5
Shanghai Comp	3333	12	0.4

Overseas Markets Commentary

Markedly choppy trade featured across major European and US equities markets overnight.

Earlier, the US administration had ordered the closure of China's consulate in Houston, Texas.

China quickly described the move as 'unprecedented'.

In overnight **data** releases, **US** June existing home sales were reported a record 20.7% higher for the month after falling 9.7% in May.

Australia – budget update
Today's Stock Watch
Coca-Cola Amatil (CCL)

Anticipating \$160M - \$190M worth of post-tax, pre-minorities impairments to be included in 1H FY20 results.

June quarter trading volumes fell ~23% year-on-year.

June sales volumes came in just 9% lower, however.

Westpac Banking Corporation (WBC)

WBC has appointed Deutsche Bank Australia and New Zealand CEO and Asia Pacific investment bank co-head Anthony Miller as chief executive of Westpac Institutional Bank.

Tabcorp Holdings (TAH)

TAH chair Paula Dwyer is proposing to retire from the TAH board 31 December.

Further, TAH MD and CEO David Attenborough is planning to retire these roles during first-half 2021.

TAH has nominated non-executive Steven Gregg to take over from Ms Dwyer.

AVA Risk Group (AVA)

Services division Ava Global June quarter revenue grew to \$9.7M from \$3.5M for the March quarter.

FY20 revenue is estimated \$9.2M higher than for FY19.

SRG Global (SRG)

Two specialist facades contracts valued at a combined \$40M secured in Sydney and Melbourne.

Pointerra Ltd (3DP)

June quarter cash receipts grew to \$820,000 from \$530,000 for the March quarter.

\$2.3M cash at 30 June. \$2.5M raised in July.

Resources
Northern Star Resources (NST)

Sold a record 900,388oz of gold at a \$A1496/oz AISC and \$A2208/oz average realised price during FY20.

June quarter sales were also a record, at 262,717oz, at a \$1475/oz ASIC.

\$A770M cash, bullion and investments at 30 June.

A webcast teleconference was scheduled to commence **9.30am** AEST.

Mount Gibson Iron (MGX)

Sold 4.9Mt (wet) of iron ore during FY20, boosted by 1.2Mt in the June quarter.

Revenue (FOB) tallied \$413M and \$103M respectively.

\$423M cash and liquid investments at 30 June.

Planning to lodge full year results 19 August.



Weekly mortgage applications grew by 4.1%, with average 30-year mortgage rates rising to 3.20% from 3.19%.

Meanwhile, an industry house price index declined 0.3% in May, against a 0.1% April rise.

Earlier, a 30-year **German** bond auction had delivered a -0.06% yield, against -0.13%.

Tonight in the **US**, weekly new unemployment claims are due, together with a regional manufacturing index and the Conference Board's June leading index.

Companies scheduled to report earnings later today and tonight include: Amazon, American Airlines, Daimler, Dow, E*Trade, Freeport-McMoRan, Hershey, Intel (post-US trade), Kimberly-Clark, Mattel, ResMed, Roche, Royal Caribbean, Twitter and Unilever.

In overnight corporate news, the US administration supported the ongoing development of a Covid-19 potential vaccine with \$US1.95B, in exchange for 100m doses and an option to purchase an additional 500m. The potential vaccine is being trialled by Germany-headquartered **BioNTech** and US-headquartered **Pfizer**.

Microsoft is likely to influence at least some of tonight's equities trade sentiment, having reported post-trade, prompting a price fall.

In the meantime, petroleum sector services specialist **Baker Hughes** announced a 21% quarterly revenue drop (to \$US2.41B) and a second consecutive quarterly loss (\$US201M).

Tesla reported a fourth consecutive quarterly profit.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1865.1	oz	21.2	1.2
Silver (NY) (Sep)	23.144	oz	1.59	7.4
Gold (LON) (17 Jul)	1816	oz		
Platinum	914	oz	38	4.3
WTI Crude (NYMEX Sep)	41.90	bbl	-0.02	-0.1
Brent Crude (ICE EUR Sep)	44.29	bbl	-0.03	-0.1
Iron Ore (NYMEX,CHN,62%)	108.04	t	0.46	0.4
Copper (LME,3mth Ind,PM)	6483	t	-69	-1.1
Nickel	13105	t	-355	-2.6
Aluminium	1690	t	-8	-0.4
Lead	1820	t	-19	-1.0
Zinc	2210	t	-33	-1.5
Tin	17590	t	20	0.1

Commodities Commentary

Oil – a weaker \$US was almost ignored overnight, amid further China-US wrangling, and with a US weekly petroleum inventories report revealing an unseasonal 4.89MMbbl rise in stored crude, during what would normally be the commencement of peak summer holiday season.

The report, published overnight by government agency the EIA, also included a 100,000bbl/d rise in daily output, to 11.1MMbbl/d. Petrol stocks fell by 1.8MMbbl/d.

Gold – a further \$US weakening and safe-haven buying on US – China relations, pushed prices higher overnight, also triggering some technical trade.

Pre-Open Announcements

Eden Innovations (* EDE)

Disappointed with the scale and timetables of likely international re-openings, given the Covid-19 outbreak slowed new customer growth from earlier this year.

June quarter product sales rose 68% year-on-year to \$A610,000.

Cedar Woods Properties (CWP)

CWP has promoted the group's digital and technology manager Jimmy Lee to the newly created CWP role of chief information officer.

Resources

Westgold Resources (** WGX)

June quarter webcast and Q&A scheduled to commence **midday** AEST.

Galaxy Resources (** GXY)

June quarter WA Mt Cattlin lithium project production tallied 30.942t at 5.93% Li₂O.

\$US108.6M cash and financial assets at 30 June.

Nil debt.

Piedmont Lithium (* PLL)

Heralding US lithium project drill core sample test work which has produced battery-quality lithium hydroxide monohydrate.

Champion Iron (CIA)

CIA has promoted the company's GM projects and innovation Alexandre Belleau to the role of chief operating officer.

Trading Halts

Company	Code	Resuming
BPH Energy	BPH	23 Jul
EMVision Medical Devices	EMV	24 Jul
Audinate Group	AD8	24 Jul
Invex Therapeutics	IXC	24 Jul
Kalina Power	KPO	24 Jul
MGC Pharmaceuticals	MGC	24 Jul
Talon Petroleum	TPD	24 Jul
Alloy Resources	AYR	27 Jul
Peel Mining	PEX	27 Jul
Southern Hemisphere Mining	SUH	27 Jul
Stavelly Minerals	SVY	27 Jul
Centaurus Metals	CTM	28 Jul
ECS Botanics Holdings	ECS	28 Jul



In addition, parliamentary and US administrative discussions regarding a new stimulus package, also lent support.

Silver continued to rally sharply, settling at the highest for a most-active contract in ~seven years.

Base metals – warehouse inventories, \$US weakness and worsening US-China relations, amid the commencement of a new round of PMI updates, pushed and pulled overnight base metals trade.

Yesterday, Japan's July PMIs revealed ongoing contraction within both the services and manufacturing sectors.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7142	0.0000	0.00
EUR – USD	1.1567	-0.0003	-0.03

Australian Data Today

NAB	Business survey (conditions & outlook)	Jun Q
ABS	Labour market (additional detail)	Jul

US Data Tonight

Initial jobless claims	18 Jul
Kansas City Fed manufacturing	Jul
Conference Board leading index	Jun

Other Overseas Data Today & Tonight

South Korea	GDP	Jun Q
UK	CBI industrial trends orders	Jul
Germany	Consumer confidence	Jul
Euro zone	Consumer confidence	Jul

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Suspensions *(select)*

Company	Code	Since
Acacia Coal	AJC	22 Jul
Aurora Minerals	ARM	21 Jul
Blossomvale Holdings	BLV	7 Jul
Factor Therapeutics	FTT	17 Jul
Freedom Foods Group	FNP	26 Jun
Leaf Resources	LER	16 Jul
Ultima United	UUL	22 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MIR	30 Jul	6.5	100	3.72
PMV	30 Jul	34	100	2.15

Reports & Events

(selected)

When	Company	Report/Event
Today	3DP	Jun Q
	GXY	Jun Q
	MGX	Jun Q
	NST	Jun Q (teleconf 9.30am)
	RMD	Jun Q (post-ASX trade)
	SYR	Jun Q
	WGX	Jun Q (webcast & Q&A midday)
Tue	CCP	Full year
	DRO	AGM (2.30pm)
	GUD	Full year (audio webcast 11am)

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