

Markets

SFE 200 Futures (9.30am AEST)	6095	15	0.3
NZX 50	12053	22	0.2
DJIA Futures	28287	-25	-0.1
S&P 500 Futures	3476	-4	-0.1
NASDAQ Futures	11961	-30	-0.3

Local Markets Commentary

The Australian market opens today's trade with another extensive list of large-cap domestic stocks reporting earnings and several others trading ex-dividend.

In addition, material regional and domestic economic indicators are due late-morning, ahead of a key public address from the US Federal Reserve chair tonight.

Regionally today, **China** is expected to release **industrial profits** for January through July **11.30am AEST**.

The **Bank of Korea** convenes a **policy** meeting from which it is expected to announce outcomes **11am AEST**.

Locally today, the Australian Bureau of Statistics (ABS) releases June quarter **private capital spending**, **11.30am AEST**.

The ABS also publishes a report on the business impacts of Covid-19.

High-profile domestic stocks trading **ex-dividend** today include **COL, JBH** and **REA**. Please see p3 for details.

In overnight commodities trade, WTI **crude** settled just US4c higher while Brent turned lower.

US **gold** futures (December) ultimately swung higher.

Iron ore (Nymex CFR China, 62% Fe) turned slightly higher, to trade above \$US122.45/t.

LME **copper** and **nickel** rallied. **Aluminium** settled flat.

The **\$A** pulled back to ~US71.95 after trading at ~US72.05c early yesterday evening.

This morning, the **\$A** appreciated again, trading at ~US72.40c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	28332	83	0.3
S&P 500	3479	35	1.0
NASDAQ	11665	199	1.7
FTSE 100	6046	9	0.1
DAX 30	13190	129	1.0
Shanghai Comp	3330	-44	-1.3

Overseas Markets Commentary

Choppy trade featured across most major European and US equities markets overnight, amid positive clinical trial news from a Covid-19 potential vaccine developer, plus concerns for

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

The Australian Securities and Investments Commission (ASIC) has decided to not enforce any action after conducting an investigation into matters from which AUSTRAC commenced proceedings against CBA in August 2017.

Woolworths Group (WOW)

56.7% lower, \$1.165B full year NPAT. 6.2% higher, \$63.675B revenue.

48c fully franked final dividend. 81c NTA, against \$1.832.

Ramsay Health Care (RHC)

Nil final dividend, following 91.5c a year ago. 47.9% lower, \$284M full year NPAT. 7.3% higher, \$12.396B revenue.

Afterpay Touch (APT)

\$19.8M full year net loss, following a \$42.9M FY19 net loss. 97% higher, \$519.2M income.

Atlas Arteria (ALX)

\$A123.05M interim net loss. 33% lower, \$57.31M income.

Nine Entertainment Group (NEC)

\$508.78M full year net loss, following a \$216.57M FY19 NPAT. 17% higher, \$2.17B continuing operations revenue (excl spec items). 2c fully franked final dividend.

Flight Centre (FLT)

Nil final dividend following 98c a year ago. \$662.11M full year net loss, following a \$263.83M FY19 NPAT. 37.9% lower, \$1.898B revenue. \$202 NTA, against \$6.15.

Ardent Leisure (ALG)

\$A136.625M full year net loss, against a \$60.877M FY19 net loss. 17.6% lower, \$398.315M revenue.

Accent Group (AX1)

4c fully franked final dividend, up 0.25c. 3.45 higher, \$55.68M full year NPAT. 4.2% higher, \$829.81M revenue. Digital sales rose 69% with June quarter sales 142% higher year-on-year. \$31.2M net debt. \$152M available liquidity.

Reece Ltd (REH)

6c fully franked final dividend, against 14.25c a year ago. 13.3% higher, \$A229.0M full year NPAT. 10.0% higher \$6.0B revenue. ~\$1B cash and equivalents.

Resources

Independence Group (IGO)

5c final dividend, against 8c, 7.76c-franked a year ago. 104% higher, \$155.09M full year NPAT. 13% higher, \$888.93M revenue. \$3.26 NTA, against \$3.13.



international economic recovery from the Covid-19 outbreak and for US-China relations.

Key indices largely trended higher towards respective settlements, however, with some strong moves by select high-profile stocks including Amazon, Netflix and Tesla.

Tuesday evening US time, a Republican convention speech by the **US** secretary of state described Covid-19 as the '**China** virus', prompting China's media to again lambast the US and to associate this with accusations of US racism.

Yesterday, the Organisation for Economic Co-operation and Development (**OECD**) published a record 9.8% GDP drop for all member (37) nations combined, pointing out the UK economy suffered the most (-20.4%).

The overall GDP for the G7 tumbled 10.9%.

Bank of England chief economist Andy Haldane conceded the central bank was limited in how it could determine policy that would benefit those disadvantaged most by the Covid-19 outbreak, given that inequalities already existed.

The virus outbreak exacerbated the social differences, which Mr Haldane ventured could be lessened by government policies.

Meanwhile, a 10-year UK government bond auction notably delivered a 0.323% yield, from 0.138%.

In **Germany**, a day after revealing a finalised 9.7% shrinkage in national June quarter GDP, the nation's coalition government agreed to extend worker payment support through to the end of 2021, at a cost of ~€10B.

In scant overnight **data** releases, **US** July durable goods orders surprised on the upside, jumping 11.2% for the month, following a 7.7% June bounce and expectations of a 3.9% new gain.

Weekly mortgage applications fell for a second consecutive week, this time by 6.5% even though mean 30-year mortgage rates declined to 3.11% from 3.13%.

Tonight in the **US**, a speech by **US Federal Reserve** chair Jerome Powell is keenly anticipated as the Fed's annual economic policy forum commences, with Mr Powell's address focused on a policy framework review commenced two years ago.

In addition, a second of three June quarter **GDP** readings is due, together with weekly new unemployment claims, July pending home sales and the Kansas City Fed's business activity index.

The US Republican national convention continues from 9.30am AEST today with the current and renominated US vice president Mike Pence scheduled to speak, and the US president expected to appear again.

Companies scheduled to report earnings later today and tonight include COSCO Shipping, Dollar General, Dell Technologies, Dollar Tree, HP Inc and Lululemon Athletica.

In overnight corporate news, **Moderna** announced the company's potential Covid-19 vaccine, in Phase III trials, appeared to be developing an immune response in older adults not dissimilar to responses usually noted in younger people.

Tuesday, the UK's **AstraZeneca** had heralded the commencement of trials for a drug that is targeting both the prevention, and treatment, of Covid-19.

Meanwhile, UK markets, including the LME, are heading towards a Monday public holiday weekend.

Pre-Open Announcements

Platinum Asset Management (PTM)

1.7% lower, \$A155.6M full year NPAT.

0.2% lower, \$298.67M revenue.

11c fully franked final dividend.

Cedar Woods Properties (* CWP)

6.5c fully franked final dividend, against 13.5c a year ago.

57.0% lower, \$20.90M full year NPAT.

30.5% lower, \$260.66M revenue.

Cann Group (CAN)

Results webinar commencing 1pm AEST.

Hutchison Telecommunications (Australia) (HTA)

\$733.987M full year NPAT, against a \$157.09M FY19 net loss.

62% lower, \$1.21M revenue.

Integrated Payment Technologies (* IP1)

\$3.67M full year net loss, following a \$13.0M FY19 net loss.

16.8% lower, \$1.49M revenue.

Finbar Group (FRI)

37.85% lower, \$7.07M full year NPAT.

0.25% lower, \$154.31M revenue.

1c fully franked final dividend, against 3c a year ago.

\$30.6M cash.

Resources

Sandfire Resources (** SFR)

30% lower, \$74.05M full year NPAT.

11% higher, \$656.75M revenue.

14c fully franked final dividend, down 2c.

\$4.14 NTA, against \$3.78.

\$291.1M cash.

Lithium Australia (** LIT)

LIT's Envirostream Australia has secured two recycling agreements with additional batteries suppliers.

LIT expects to commence regular recycling of end-of-life batteries from electric vehicles (EOL EV) within weeks.

Resuming from suspended trade, having last traded at 5.4c.

Trading Halts

Company	Code	Resuming
3D Resources	DDD	28 Aug
Australian Dairy Nutritionals Group	AHF	28 Aug
Cohiba Minerals	CHK	28 Aug
De Grey Mining	DEG	28 Aug
Dotz Nano	DTZ	28 Aug
Flexigroup Ltd	FXL	28 Aug
Kore Potash	KP2	28 Aug
Nvoi Ltd	NVO	28 Aug



Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1952.5	oz	29.4	1.5
Silver (NY) (Sep)	27.449	oz	1.18	4.4
Gold (LON) (25 Aug)	1911	oz		
Platinum	926	oz	4	0.4
WTI Crude (NYMEX Oct)	43.39	bbl	0.04	0.1
Brent Crude (ICE EUR Oct)	45.64	bbl	-0.22	-0.5
Iron Ore (NYMEX,CHN,62%)	122.46	t	0.12	0.1
Copper (LME,3mth Ind,PM)	6595	t	64	1.0
Nickel	15185	t	185	1.2
Aluminium	1778	t	-1	-0.1
Lead	1983	t	-7	-0.4
Zinc	2472	t	-9	-0.4
Tin	17550	t	180	1.0

Commodities Commentary

Oil – growing warnings of the impacts of a hurricane barrelling through the Gulf of Mexico were among several trade considerations overnight.

Several oil refineries that use a total ~2.3MMbbl/d of crude were shut down ahead of the Texas-Louisiana approach of hurricane Laura, amid warnings of a robust storm surge.

The Gulf of Mexico coastline is estimated to host ~45% of US petroleum refining capacity.

A weekly US petroleum **inventories** report, published overnight by government agency the EIA, included a 4.69MMbbl draw in crude stocks and a 4.58MMbbl fall in stored petrol.

Net crude imports fell by 1.04MMbbl.

Gold – prices swung overnight on Covid-19 vaccine hopes, caution ahead of key speeches tonight, economic recovery commentary and support moves, a fluctuating \$US, and a 0.16% turn higher for US government bonds, to 0.698%.

US Federal Reserve chair Jerome Powell's speech scheduled for tonight, as the annual two-day Kansas City Fed-hosted economic forum begins, will focus on a policy review which commenced two years ago.

Base metals – a stronger \$US and Covid-19 potential vaccine optimism appeared key supports for early overnight LME trade.

In addition, LME-warehoused **copper** stocks were reported yet lower, at 92,025t, as protest action continued to disrupt the Grasberg, Indonesia copper-gold operation.

Meanwhile, Vale said it was now targeting 73,700t of nickel (matte) production in Indonesia this year, rather than 71,000t.

China's July industrial profits, anticipated today, and a **US** GDP update tonight could influence some of tonight's trade.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7241	0.0008	0.11
EUR – USD	1.1838	0.0008	0.07

YPB Group	YPB	28 Aug
Triangle Energy	TEG	28 Aug
Canyon Resources	CAY	31 Aug
9 Spokes International	9SP	1 Sep

Suspensions *(select)*

Company	Code	Since
Altura Mining	AJM	12 Aug
DomaCom Ltd	DCL	21 Aug
Ragnar Metals	RAG	7 Aug
thedocyrd Ltd	TDY	18 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
BBN	Today	6.4	100	2.01
CDA	Today	11	100	1.14
COL	Today	27.5	100	2.85
JBH	Today	90	100	1.89
PGH	Today	3	65	0.00
REA	Today	55	100	0.99
AEG	Tomorrow	2.6	100	3.94
ARG	Tomorrow	14	100	2.02
BAP	Tomorrow	9.5	100	2.49
BPT	Tomorrow	1	100	1.30
FID	Tomorrow	11.5	100	3.91
GCI	Tomorrow	0.72	0	4.51
HIT	Tomorrow	4	100	5.03
IDX	Tomorrow	4	100	2.45
IFM	Tomorrow	2.15	70	1.29
JLG	Tomorrow	2.2	100	1.78
PCI	Tomorrow	0.32	0	4.20
PFP	Tomorrow	6	100	3.44
QRI	Tomorrow	0.85	0	6.75
SNZ	Tomorrow	4.66	0	1.41
VEA	Tomorrow	0.8	100	2.72

Reports & Events

(selected)

When	Company	Report/Event
Today	APT	Full year
	AGI	Full year (post-ASX trade)
	AIZ	Interim
	APX	Full year
	ALG	Full year (w/cast 10am)
	ALX	Interim
	CKF	AGM (9.30am AEST)
	FLT	Full year (w/cast 9am)
	IGO	Full year (w/cast 10am AEST)

**Australian Data Today**

ABS	Private capital expenditure	Jun Q
ABS	Business impacts of Covid-19	Aug

US Data Tonight

GDP (2 nd reading of three)	Jun Q
Initial jobless claims	22 Aug
Pending home sales	Jul
Kansas City Fed manufacturing index	Aug

Other Overseas Data Today & Tonight

China	Industrial profits	Jan - Jul
Japan	All industry activity index (2.30pm AEST)	Jun
UK	Car production	Jul
Euro zone	Household lending	Jul

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LNK	Full year
MAD	Full year
MMM	Interim (tele 6pm AEST)
NEC	Full year
PRT	Full year (tele 9am)
RHC	Full year
SES	Full year
WOW	Full year
Z1P	Full year (tele 11am AEST)

Tomorrow	BLD	Full year
	CIA	AGM (8am AEST)
	CGC	Interim (tele 10am)
	HVN	Full year
	KSC	Full year
	POT	Full year
	VRL	Full year

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