

Markets

SFE 200 Futures (9.30am AEST)	5972	-27	-0.5
NZX 50	11580	-56	-0.5
DJIA Futures	26279	-43	-0.2
S&P 500 Futures	3198	-7	-0.2
NASDAQ Futures	10435	-24	-0.2

Local Markets Commentary

The Australian market opens the last trading week for July with a Reserve Bank of Australia (RBA) assistant governor speaking publicly at market open, key data out of China by late morning, and a plethora of influential international economic data releases and high-profile corporate earnings reports due through the week.

Locally today, CommSec publishes a quarterly **State of the States** economic report.

In addition, the Australian Bureau of Statistics (ABS) releases a **Covid-19 household impacts** report covering 6 – 10 July, 11.30am AEST.

As the market opens, **RBA** assistant governor Christopher Kent speaks at a Kanga News **webinar** event.

Being the last trading week for July, a swag of June quarter reports is anticipated, together with further guidance updates ahead of full year and interim reporting.

Regionally today, **China** is scheduled to publish **July industrial profits 11.30am AEST**.

The **Bank of Japan** in the meantime publishes the 'summary of opinions' from this month's policy meeting.

Japan's equities markets resume trade for the first time since Wednesday last week.

In overnight Friday commodities trade, WTI and Brent **crude** swung variously higher.

US **gold** futures (August) added to the week's overall gains.

Iron ore (Nymex CFR China, 62% Fe) continued slightly lower.

LME **copper** and other key base metals turned and fell, **nickel** declining the least.

The **\$A** was pushed beyond US71.05c after trading at US70.80c early Friday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26470	-182	-0.7
S&P 500	3216	-20	-0.6
NASDAQ	10363	-98	-0.9
FTSE 100	6124	-88	-1.4
DAX 30	12838	-265	-2.0
Shanghai Comp	3197	-128	-3.9

Reserve Bank of Australia – assistant governor (financial markets)
 Christopher Kent speaks at a public online event – **10am AEST**

China – June industrial profits – **11.30am AEST**

Today's Stock Watch

Perpetual Ltd (PPT)

Teleconference scheduled to commence **10.30am AEST**.
 Planning to acquire 75% of US-headquartered Barrow Hanley for \$US319M.

In association, conducting a fully underwritten \$A225M, \$30.30-per-share institutional placement.

A \$A40M SPP, at a yet-to-be-determined price, is also scheduled, for 4 – 26 August.

In addition, PPT is negotiating a \$A225M new debt facility.

Trading halt called this morning. Presentation also lodged.
 PPT traded at \$31.84 - \$34.69 last week.

Alcidion Ltd (ALC)

An audio webcast was scheduled to commence **9am AEST**.

Anticipating \$18.4M - \$18.7M FY20 revenue.

June quarter contracted revenue more than doubled year-on-year, to \$3.7M.

Contracted revenue for FY21 has already reached \$12.8M.
 \$15.9M cash reserves at 30 June, the same as for 31 March.

Bubs Australia (BUB)

32% higher, (unaudited) \$62M FY20 gross revenue.

28% higher, \$33M 2H FY20 gross revenue.

June quarter infant formula sales rose 20% year-on-year, and represented more than 70% of the total \$13M June quarter gross revenue.

June quarter gross revenue was 5% lower than a year earlier, this attributed to March quarter 2020 international stockpiling activity.

Notably, non-China June quarter export sales rose 70% year-on-year, representing 8% of quarterly revenue.

\$26M cash reserves.

In addition, BUB has secured an agreement with Chemist Warehouse for the supply of the Vita Bubs supplements range. BUB expects the full range to be available across 400 stores by 31 October.

Further, BUB has secured Jennifer Hawkins as an exclusive international ambassador for three years.

Resources

St Barbara (SBM)

SBM is outlaying ~\$C60M for 100% of Moose River Resources Inc, hence delivering SBM full ownership of the Touquoy gold project, Nova Scotia, Canada.



Overseas Markets Commentary

Major European and US equities markets fell on opening overnight Friday, and never seriously looked like recovering, despite some encouraging economic data releases.

A further souring of China-US relations appeared to weigh, as did ongoing reports of resurgent numbers of Covid-19 diagnoses across several nations.

China proved true to a retaliatory threat, reacting to a China consulate closure in the US (Houston, Texas) by ordering a US consulate to close in Chengdu, China.

In overnight Friday **data** releases, the **UK's** June retail sales jumped 13.9% for the month, following a 12.3% rise in May.

Against June 2019, sales were down 1.6%.

Excluding fuel, year-on-year sales represented a 1.7% improvement, however.

Preliminary PMIs for the UK came in at 53.6 and 56.6 respectively for the manufacturing and services sectors.

These, against 50.1 and 47.1 for May, the services sector hence returning to expansion mode in June, and the manufacturing activity picking up further.

The **euro zone's** initial July manufacturing and services PMIs indicated a return to expansion mode for both sectors, with respective 51.1 and 55.1 estimates, against 47.4 and 48.3 for June.

Germany's manufacturing and services PMIs were estimated at 50.0 and 56.7, against 45.2 and 47.3.

In the **US** new June home sales rose 13.8% for the month following a 19.4% May jump.

Markit's initial July manufacturing PMI was calculated at an expansionary 51.3, from a contraction-mode 49.8 for June, but against expectations of 51.5.

The services sector activity index was estimated at 49.6, indicating an improvement but persisting contraction mode, following 47.9 for June, and against forecasts of an expansionary 50.4.

Tonight in the **US**, June durable goods orders and a Texas region manufacturing index are due.

Companies scheduled to report earnings later today and tonight include: Accor, Beyond Meat, Hasbro, Hitachi Construction, Industrial Bank of Korea, Louis Vuitton, Michelin, Mitsubishi Motors, Mylan, NXP Semiconductors, Ryanair, SAP and Stanley Electric.

In overnight Friday corporate news, **American Express**, **Honeywell**, and **Verizon Communications** delivered better-than-anticipated quarterly earnings reports, but some sales and revenue warnings appeared to concern.

Intel suffered from its post-US Thursday trade revelation that new chip development was ~six months behind the group's anticipated pace.

Goldman Sachs revealed a \$US3.9B settlement with Malaysia following an investigation into corruption allegations surrounding Malaysia's sovereign wealth fund.

Pre-Open Announcements

Emeco Holdings (* EHL)

94.6% higher, \$A66.1M full year NPAT.

16.3% higher, \$540.4M revenue.

94c NTA, against 58c.

Australian Foundation Investment Co (* AFI)

40.8% lower, \$240.4M full year NPAT.

40.1% lower, \$264.3M revenue.

Flat, 14c fully franked final dividend.

Pro Medicus (* PME)

PME has appointed former Telstra wholesale and corporate venture capital head Deena Shiff as a non-executive director, effective 1 August.

Ms Shiff is chair of Marley Spoon (ASX: MMM) and a non-executive director of Appen (ASX: APX).

Sezzle Inc (* SZL)

Reporting record June quarter growth in active consumers (up 325,990) and active merchants (up 3397).

\$US55.7M cash and equivalents at 30 June.

MGC Pharmaceuticals (* MXC)

Resuming from suspended trade with safety and toxicity results from a pre-clinical ArtemiC study.

Aroa Biosurgery (* ARX)

New Zealand-headquartered soft tissue regeneration product designer and retailer completed a stellar ASX listing Friday, following a \$45M IPO at 75c per share.

Opened at \$1.40 and traded at \$1.28 - \$1.56 before settling at \$1.35.

17.987M shares changed hands across 6122 transactions.

~300M quoted shares.

Respiri Ltd (RSH)

Anticipating \$6M - \$8M calendar year 2021 revenue.

Digital Wine Ventures (DW8)

\$271M WineDepot revenue achieved during the June quarter, up 50% for the three months.

WindDepot customer numbers rose 111%, newcomers including brewers and distillers.

DW8 closed out the week at 4c after settling the previous week at 2.8c.

QuickFee Ltd (QFE)

QFE is presenting at a virtual conference 3pm US Eastern time 3 August (5am AEST 4 August).

Webcast link lodged post-trade Friday.

Resources

TNG Ltd (* TNG)

Binding off-take agreement secured with India-headquartered Vinsom Group for up to 500,000tpa of 64% Fe iron ore from the

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1897.5	oz	7.5	0.4
Silver (NY) (Sep)	22.85	oz	-0.138	-0.6
Gold (LON)	1902	oz		
Platinum	909	oz	-4	-0.4
WTI Crude (NYMEX Sep)	41.29	bbl	0.22	0.5
Brent Crude (ICE EUR Sep)	43.34	bbl	0.03	0.1
Iron Ore (NYMEX,CHN,62%)	107.69	t	-0.09	-0.1
Copper (LME,3mth Ind,PM)	6407	t	-113	-1.7
Nickel	13635	t	-25	-0.2
Aluminium	1697	t	-9	-0.5
Lead	1811	t	-16	-0.9
Zinc	2210	t	-33	-1.5
Tin	17620	t	-193	-1.1

Commodities Commentary

Oil – ultimate overnight Friday gains were mostly attributed to some better-than-anticipated PMIs, reported for the euro zone, UK and US.

Gains appeared capped, however, with China reacting to one of its consulates being closed in the US with the ordered shutdown of a US consulate in China, further pushing back expectations of a sometime return to regular trade talks, just as market assessors were speculating on likely July China oil refinery demand.

In addition, more nations reported additional Covid-19 cluster outbreaks, with an increasing number of regions reimposing or supplementing containment measures, this extending likely oil demand pickup timelines.

Among the forecasters, Barclays reduced its forecast for a 2020 crude surplus from a daily 3.5MMbbl to 2.5MMbbl/d.

A weekly US petroleum drill rig count, also released overnight Friday, included the addition of one operational oil rig, marking the first week the active oil rig tally had grown (albeit to just 181) since the week ending 13 March.

Meanwhile, industry kept watch on three US Gulf Coast tropical storms.

One storm subsequently (Saturday afternoon US time) crossed the Texas coast as a hurricane.

Brent crude closed 0.5% higher for the week, and WTI up ~1.7%.

Gold – US futures broke an almost nine-year-old record settlement peak for a most-active contract overnight Friday, trading above \$US1900.00/oz intra-sessions, as high as \$US1904.60/oz.

Supporting considerations included international government and corporate debt levels, relative \$US weakness, negative bond yields, and geopolitical safe-haven interest.

Some profit-taking is anticipated this week.

With the same influences expected to remain for some time however, dip-buying is expected to keep swings in play.

Sentiment is also likely to remain fluid this week, due to the US Federal Reserve's policy meeting and subsequent statement and commentary, plus a string of GDP estimates, PMI updates for China, and high-profile stocks reporting across the tech, manufacturing and petroleum sectors.

Mount Peake vanadium-titanium-iron project, Northern Territory.

Alloy Resources (* AYR)

Commitments in hand to place \$A600,000 worth of shares at 3c each.

AYR is also planning a capped \$A1.4M SPP at the same price.

AYR traded at 2.6c – 3.5c the five trading sessions before calling a trading halt for the placement.

Energy**Karoon Energy (* KAR)**

Proposing to pay a 'firm' \$US380M consideration for 100% operatorship of the offshore Brazil, Santos Basin Bauna field acquisition, plus \$US285M 'contingent' consideration.

This, rather than the fixed \$665M initially agreed.

Details lodged this morning.

Trading Halts

Company	Code	Resuming
AppsVillage Australia	APV	27 Jul
Cardiex Ltd	CDX	27 Jul
eSense-Lab Ltd	ESE	27 Jul
Oklo Resources	OKU	27 Jul
Peel Mining	PEX	27 Jul
Southern Hemisphere Mining	SUH	27 Jul
Centaurus Metals	CTM	28 Jul
City Chic Collective	CCX	28 Jul
ECS Botanics Holdings	ECS	28 Jul
Metalsearch Ltd	MSE	28 Jul
Prescient Therapeutics	PTX	28 Jul
Redstone Resources	RDS	28 Jul
Stone Resources Australia	SHK	28 Jul
Triangle Energy (Global)	TEG	28 Jul

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
Leaf Resources	LER	16 Jul
Ultima United	UUL	22 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GCI	Thu	0.72	0	4.64
MIR	Thu	6.5	100	3.86
PMV	Thu	34	100	2.11
OCA	Fri	0.95	0	4.27



Base metals – continuing soured China-US relations appeared to impact overnight Friday LME sentiment, *copper* notably closing lower for the week for the first time in 11 weeks.

A string of better-than-anticipated international preliminary July PMIs, reported Friday, appeared to exert little influence, ahead of China's official July PMI readings later this week.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7104	0.0002	0.03
EUR – USD	1.1653	0.0008	0.07

Australian Data Today

CommSec	State of the States	JunQ
ABS	Covid-19 household impacts	6 - 10Jul

US Data Tonight

Durable goods orders	Jun
Dallas Fed manufacturing index	Jul

Other Overseas Data Today & Tonight

China	Industrial profits	Jul
Japan	BoJ summary of opinions	Jul
Japan	Leading economic index (final, 3pm AEST)	May
Germany	IFO business climate	Jul
Euro zone	Household & business lending	Jun

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Reports & Events

(selected)

When	Company	Report/Event
Today	AFI	Full year (webcast Wed 4pm)
	ALC	Jun Q
	BUB	Jun Q
	EHL	Full year
	SZL	Jun Q
Tue	CCP	Full year
	DRO	AGM (2.30pm)
	GUD	Full year (audio webcast 11am)
Wed	ALQ	AGM (10am)
	AAC	AGM (10am)
	APE	AGM (9am)
	IGO	Jun Q
	JHG	Interim, JunQ
	RIO	Interim (4.15pm AEST)
	Thu	CIM
DTS	AGM (4pm)	
GMA	Interim (10am)	
KLA	June Q; interim (post-ASX trade)	
LOM	AGM (1pm)	
MRC	AGM (5pm)	
SUP	AGM (midday)	
THC	AGM (11am)	
XAM	AGM (10am)	
Fri	GGG	AGM (12.30pm)
	HCT	AGM (3pm)
	MQG	AGM (10.30am)
	YAL	AGM (1pm)