

Markets

SFE 200 Futures (9.30am AEST)	6076	-9	-0.2
NZX 50	12055	1	0.0
DJIA Futures	28516	48	0.2
S&P 500 Futures	3491	6	0.2
NASDAQ Futures	11968	16	0.1

Local Markets Commentary

The Australian market commences the second last domestic trading day for August on a Friday, with overnight market traders digesting a shift in US Federal Reserve policy, plus a new US GDP estimate, ahead of the US president's final night speech at the Republican convention today (AEST) and a Monday public holiday weekend for UK markets, including the LME.

In addition, China has reportedly suspended beef imports from a fifth abattoir in Queensland.

Locally today, large-cap stocks continue to report earnings.

High-profile stocks trading **ex-dividend** include **ARG**, **BAP**, **BPT** and **JLG**. Please see pp3-4 for details.

In overnight commodities trade, **oil** and US **gold** futures (December) fell.

Iron ore (Nymex CFR China, 62% Fe) declined slightly to trade just below \$US122.40/t.

LME **copper** and **nickel** settled modestly higher and lower respectively. **Aluminium** again closed little changed.

The **\$A** declined to ~US72.35c after trading at ~US72.50c early yesterday evening.

Earlier this morning, the \$A was pushed beyond US72.60c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	28492	160	0.6
S&P 500	3485	6	0.2
NASDAQ	11625	-40	-0.3
FTSE 100	6000	-46	-0.8
DAX 30	13096	-94	-0.7
Shanghai Comp	3350	20	0.6

Overseas Markets Commentary

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

A key US Federal Reserve policy speech, material economic indicators, and confirmation US politicians were unlikely to agree sufficiently to achieve new Covid-19 fiscal support legislation by week's end, added to US east coast hurricane and racial unrest concerns, as voters also digested proceedings from the second last day of the Republican national convention.

Today's Stock Watch

Commonwealth Bank of Australia (CBA)

\$A450M worth of subordinated notes issued yesterday. Details lodged post-trade yesterday.

Boral Ltd (BLD)

Nil final dividend, following 13.5c, 50%-franked a year ago. \$1.14B full year net loss, against a \$251.0M FY19 net profit. 2.3% lower, \$5.73B revenue.

Costa Group Holdings (CGC)

6% higher, \$43.37M interim NPAT. 7% higher, \$612.36M revenue. 4c fully franked interim dividend, up 0.5c. \$1.00054 NTA, against 74.79c.

Harvey Norman (HVN)

19.4% higher, \$480.54M full year NPAT. \$499.45M income. \$15.35M net cash.

NEXTDC Ltd (NXT)

\$45.17M full year net loss, following a \$9.82M FY19 net loss. 14% higher, \$205.225M revenue. \$1.19B cash and undrawn debt (liquidity). Expecting FY21 data centre services revenue to grow to \$242M - \$250M, from \$200.8M.

Ainsworth Game Technology (AGI)

\$A43.43M full year net loss, following a \$10.895M FY19 NPAT. 36% lower, \$149.396M revenue. 72c NTA, against 98c. \$17.5M net debt. Nil final dividend.

Marley Spoon (MMM)

Anticipating 80% - 100% 2020 revenue growth after recording 89% higher year-on-year, €116.152M revenue for the six months to 30 June.

MMM also reported, post-trade yesterday, a €67.455M interim net loss, following a €21.604M net loss a year ago. MMM hosted a teleconference yesterday evening.

Flexigroup Ltd (FXL)

Resuming from a trading halt having raised \$79M in the institutional component of a \$1.14-per-share entitlement offer. The retail component of the entitlement offer, at the same price, is scheduled for 2 - 15 September.

FXL has also reported 65% lower, \$21.4M full year NPAT.

5% lower, \$450.4M revenue.

Nil final dividend against 3.85c a year ago.

Resources

Resolute Mining (RSG)

36% higher, \$US34.24M interim NPAT (incl discontinued ops). 33% higher, \$US305.29M revenue. US70c NTA, against US62c.



Geopolitical tensions rumbled in the background, a Russia-US armoured vehicle collision in north-east Syria sparking accusations and counter claims.

In addition, China confirmed several arrests last weekend after a vessel, reported to be carrying Hong Kong refugee seekers headed for Taiwan, was intercepted.

Overnight, **US Federal Reserve** chair Jerome Powell outlined a planned policy shift, essentially moving to an 'average' 2% inflation target, rather than a fixed 2%, and adding more weight to employment market composition and shortfall considerations.

In essence, with a relaxing of the inflation target, rates are anticipated lower-for-longer, which overnight pushed gold lower and US government bond yields higher.

Across the Atlantic, the European Union's (**EU**) **trade** commissioner resigned, sparking angst regarding trade talks with China, the UK and US.

Among overnight **data** releases, **UK** July domestic vehicle production dropped 20.8% year-on-year, following a 48.2% tumble for June and against expectations of a 16.8% decline.

The **euro zone's** July household and business lending came in 3% and 7% respectively higher than for July 2019.

In the **US**, a second of three June quarter **GDP** readings indicated a 31.7% dive for the three months, against forecasts of 32.9%.

Weekly new unemployment claims fell to ~1M from 1.1M the previous week.

July pending home sales rose 5.9% for the month following a 15.8% June jump and expectations of a 2% new gain.

The Kansas City Fed manufacturing index soared beyond expectations, coming in at 23, from seven, and following expectations of a drop to two.

Tonight in the **US**, July personal income and spending, a Chicago PMI update and the University of Michigan's final consumer confidence reading for August are due.

The Kansas City Fed-hosted (virtual, rather than in Wyoming) two-day economic forum concludes with several key speakers, including Bank of England governor Andrew Bailey.

The US Republican national convention commences its final session 9.30am AEST today with the US president scheduled to speak.

In overnight corporate news, **Walmart** revealed it planned to partner with Microsoft to bid for the US business of **Bytedance-owned TikTok**.

Meanwhile, TikTok's CEO, recruited from running Disney's streaming services just two months ago, resigned ahead of the November deadline for US TikTok ban unless it is sold to a US company.

US firms were instructed to stop doing business with Bytedance from mid-September.

Earlier, aircraft engine manufacturer **Rolls-Royce** revealed a £5.4B pre-tax interim loss.

UK markets, including the LME, will be closed Monday due to a public holiday. This means tonight is the last trading session in the UK for August.

Pre-Open Announcements

Pointsbet Holdings (** PBH)

Five-year media partnership secured with NBCUniversal Media.

In association, looking to raise \$A300M.

Full year results also lodged pre-trade.

A teleconference was scheduled to commence 9am AEST.

Buddy Technologies (** BUD)

Heralding an anti-bacterial smart light, LIFX Clean.

Details lodged this morning.

Prime Media Group (* PRT)

10% lower, \$6.61M full year NPAT.

14.7% lower, \$163.68M revenue.

13c NTA, against 11.4c.

\$17.1M net cash.

MotorCycle Holdings (* MTO)

\$9.3M full year net loss, following an ~\$8.4M net profit a year ago. 12.1% higher, \$369.7M revenue.

51c NTA, against 21c.

\$39.49M cash.

Shriro Holdings (* SHM)

74.1% higher, \$4.7M interim NPAT.

1.8% lower, \$78.6M revenue.

3c fully franked interim dividend.

Primewest Group (PWG)

Webcast scheduled to commence **11.30am** AEST.

34.9% higher, \$11.44M full year NPAT.

76.4% higher, \$32.18M revenue.

\$54M available cash.

Huon Aquaculture (HUO)

8% lower, \$4.54M full year NPAT.

20.54% higher, \$57.91M revenue.

\$3.48 NTA, against \$3.56.

Entered a trading halt during early trade yesterday, ahead of a fully underwritten \$64M, \$3.00-per-share institutional placement.

A SPP, at a price to be determined, is scheduled for 3 (Thursday next week) – 23 September.

HUO traded at \$3.01 - \$3.35 over the five sessions immediately prior to calling the halt.

Resources

Pilbara Minerals (PLS)

\$99.26M full year net loss, following a \$28.93M FY19 net loss.

96.7% higher, \$84.15M revenue. 17c NTA, against 20c.

Aeris Resources (AIS)

\$38.35M full year net loss, against a \$12.67M FY19 net loss.

2% lower, \$227.31M revenue.

Results include a \$23.127M mine properties impairment.

4.8c NTA, against 14c.



Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1932.6	oz	-19.9	-1.0
Silver (NY) (Sep)	27.025	oz	-0.42	-1.5
Gold (LON) (26 Aug)	1932	oz		
Platinum	918	oz	-8	-0.9
WTI Crude (NYMEX Oct)	43.04	bbl	0.35	-0.8
Brent Crude (ICE EUR Oct)	45.09	bbl	-0.55	-1.2
Iron Ore (NYMEX,CHN,62%)	122.39	t	-0.07	-0.1
Copper (LME,3mth Ind,PM)	6620	t	25	0.4
Nickel	15135	t	-50	-0.3
Aluminium	1778	t	-1	-0.1
Lead	1982	t	-1	-0.1
Zinc	2492	t	19	0.8
Tin	17710	t	160	0.9

Commodities Commentary

Oil – damage assessment is underway in the Gulf of Mexico, for both offshore facilities and onshore refineries and chemical plants, following hurricane Laura landfall across the Louisiana coast near the border with Texas.

An easterly swing avoided the extreme sea surges that had been forecast.

Ports have begun reopening, including for Houston and Galveston.

A weekly US petroleum drill rig report is due tonight.

Brent crude October futures expire on settlement tonight.

Gold – volatile trade featured overnight, futures prices reportedly pushed and pulled across an ~\$US55/oz range.

US Federal Reserve chair Jerome Powell's speech to the annual two-day Kansas City Fed-hosted economic forum ultimately pushed prices lower.

Base metals – traders largely weighed monetary policy and data overnight.

A Bank of England governor speech is keenly anticipated tonight, given the policy shift outlined by the US Federal Reserve chairman overnight.

China's January - July industrial profits, reported yesterday, dropped 8.1%, against predictions of a 6.2% fall, and following a 12.8% January – June tumble.

A **US** GDP update overnight proved bleak, but not as dour as anticipated.

Tonight is the last trading session for the LME for August, due to a UK public holiday Monday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7266	0.0007	0.10
EUR – USD	1.1820	-0.0002	-0.02

US Data Tonight

Personal income and spending	Jul
------------------------------	-----

Energy

BPH Energy (BPH)

\$3.74M better off following the recent rights issue.

Trading Halts

Company	Code	Resuming
Australian Dairy Nutritionals Group	AHF	28 Aug
Dotz Nano	DTZ	28 Aug
Canyon Resources	CAY	31 Aug
Emerald Clinics	EMD	31 Aug
Great Northern Minerals	GNM	31 Aug
Huon Aquaculture Group	HUO	31 Aug
IOOF Holdings	IFL	31 Aug
Omni Bridgeway	OBL	31 Aug
PS&C Ltd	PSZ	31 Aug
RBR Group	RBR	31 Aug
Thomson Resources	TMZ	31 Aug
9 Spokes International	9SP	1 Sep
Faster Enterprises	FE8	2 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 (%)
AEG	Today	2.6	100	3.88
ARG	Today	14	100	2.03
BAP	Today	9.5	100	2.48
BPT	Today	1	100	1.31
FID	Today	11.5	100	4.01
GCI	Today	0.72	0	4.53
HIT	Today	4	100	5.00
IDX	Today	4	100	2.48
IFM	Today	2.15	70	1.29
JLG	Today	2.2	100	1.80
PCI	Today	0.32	0	4.22
PFP	Today	6	100	3.44
QRI	Today	0.85	0	6.68
SNZ	Today	4.66	0	0.78
VEA	Today	0.8	100	2.76
ADA	Mon	1.5	0	1.34
ANN	Mon	39.36	0	0.81
AWC	Mon	3.9	100	7.32
BIN	Mon	1.5	100	1.83



Wholesale inventories	Jul
Chicago PMI	Aug
Uni of Michigan sentiment (final)	Aug

Other Overseas Data Today & Tonight

France	GDP (final)	Jun Q
Germany	GfK consumer confidence	Sep
Germany	Import prices	Jul
Euro zone	Economic sentiment	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

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This market opener and its contents always remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

EGH	Mon	0.55	0	3.97
FMG	Mon	100	100	5.18
MOT	Mon	0.85	0	8.67
MXT	Mon	0.88	0	5.22
NAC	Mon	1.2	100	5.59
NSC	Mon	1	100	6.03
PGG	Mon	0.71	0	4.12
PMC	Mon	3	100	2.24
VGI	Mon	5	100	4.26

Reports & Events

(selected)

When	Company	Report/Event
Today	BLD	Full year
	CIA	AGM (8am AEST)
	CGC	Interim (tele 10am)
	HVN	Full year
	KSC	Full year
	POT	Full year
	VRL	Full year
Mon	CUV	Full year
	COE	Full year
	NST	Full year
	PBH	Full year
	TGP	Full year
Tue	EVN	Investor day