

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	7337	37	0.5
<b>NZX 50</b>	12652	58	0.5
<b>DJIA Futures</b>	34944	112	0.3
<b>S&amp;P 500 Futures</b>	4405	16	0.4
<b>NASDAQ Futures</b>	15002	46	0.3

**Local Markets Commentary**

The Australian market commences a new month's trade on a Monday with new material data in hand from China and South Korea over the weekend, a swag of influential domestic data due - and some already reported - pre-trade and further data expected for China late-morning, amid heightened Middle East tensions.

Overnight Friday international equities and most key commodity trade leads are negative.

Since then, both the US and Israel have accused Iran of engineering a strike against an oil tanker off Oman's coast late Thursday. The tanker is reportedly operated by an Israeli company.

**Locally today, July job advertisements, a July home price index and monthly inflation gauge report are due by late morning, ahead of a Reserve Bank of Australia (RBA) policy meeting tomorrow.**

Pre-trade, the AiG July **manufacturing PMI** has been reported at 60.8 from 63.2 for June. 63 had been anticipated, but the reading remains nonetheless relatively robust.

In addition today, Covid-19 daily case numbers across at least two States are expected to spark further commentary regarding national economic recovery prospects and timelines.

Regionally **today, Caixin's July manufacturing PMI for China** is scheduled for release **11.45am AEST**.

A manufacturing PMI is due for **Japan** 10.30am AEST.

**China's NBS July PMIs**, reported over the weekend, slipped from June's estimates.

The manufacturing PMI came in 0.5 lower, at 50.4.

The services sector activity index was reported at 53.3, from 53.5.

Also over the weekend, **South Korea** released **July trade** figures, these including a \$US1.76B trade surplus, from \$US4.44B for June and following expectations of a rise to \$US5.0B.

In overnight Friday commodities trade, **oil** continued higher, but at a more moderate pace.

US **gold** futures swung lower.

**Iron ore** prices fell, Qingdao (CFR China, 62% fines) iron ore tumbling \$US14.49 to \$US181.57/t, and Nymex (CFR China, 62% fines) futures settling slightly below \$US212.00/t.

LME **copper** and **nickel** turned decidedly lower, and **aluminium** slightly so.

The **\$A** slipped further, to US73.45c, after falling to ~US73.75c early Friday evening.

**\* Tungsten exploration and mining listing – 1.30pm AEST – All \***

**Today's Stock Watch**
**Afterpay Ltd (APT)**

APT has agreed to an implied \$A126.21-per-share scheme of arrangement takeover offer from Square Inc. Square will also apply for a secondary listing on the ASX. Further details and presentation lodged pre-trade. In addition, APT has this morning reported unaudited 78% higher, \$925M FY21 revenue. APT traded at \$96.65 - \$107.80 last week.

Webcast teleconference scheduled for **10pm AEST**.

**Cirrus Networks Holdings (CNW) / Webcentral Group (WCG)**

8.86% CNW shareholder WCG is proposing to acquire the balance of CNW that it does not already hold for 3.2c cash-per-share on-market. CNW traded at 2.9c – 3.3c last week.

**Dicker Data (DDR)**

Proposing to outlay \$68M to acquire New Zealand-headquartered IT distributor Exceed Group, including Exceed's Australian business. DDR says a bank cash advance facility will support the purchase.

**GR Engineering Services (GNG) / Norther Star Resources (NST)**

GNG has secured a \$101M EPC contract with NST for the Thunderbox expansion project.

**Resources**
**Vulcan Energy Resources (VUL)**

Renault Group has agreed to take 6000t – 17,000t of battery grade lithium chemicals from VUL's Upper Rhine Valley project over five years.

**Red Hill Iron (RHI) / Mineral Resources (MIN)**

MIN is proposing to acquire RHI's 40% participating interest in the WA West Pilbara region Red Hill iron ore JV, pending RHI shareholder approval 2 September. MIN plans to pay an initial \$200M cash, plus a further \$200M on the first commercial shipment of Red Hill JV iron ore. MIN has agreed to also pay a 0.75% FOB revenue royalty, including for iron ore from MIN's Bungaroo South tenement should it be developed with the Red Hill JV tenements. Additional details of the JV ownership lodged post-trade Friday. RHI is resuming from a trading halt having last traded at \$1.10.

**Energy**
**Oil Search (OSH) / Santos Ltd (STO)**

OSH has agreed to a revised 0.6275 STO share-for-one OSH share merger proposal from STO, implying \$4.52-per-share for OSH shareholders. OSH traded at \$3.81 - \$4.04 last week.



*NB: A New South Wales bank holiday today impacts financial institutions in that State today. Today is not a public holiday for NSW, however.*

### Overseas Markets

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	34935	-149	-0.5
<b>S&amp;P 500</b>	4395	-24	-0.5
<b>NASDAQ</b>	14673	-106	-0.7
<b>FTSE 100</b>	7032	-46	-0.7
<b>DAX 30</b>	15544	-96	-0.6
<b>Shanghai Comp</b>	3397	-14	-0.4

### Overseas Markets Commentary

Choppy trade and opening falls featured across most major European, UK and US equities markets overnight Friday, those indices displaying some slight early positive sentiment or later improved risk appetite, nonetheless failing to produce any ultimate higher settlements.

Amazon's earnings results, released post-US trade Thursday, disappointed.

US Covid-19 developments were also in focus, with a warning released by the nation's Centres for Disease Control and Prevention (CDC).

In overnight Friday **data** releases, the **euro zone** initial June quarter GDP reading was reported at 2.2% growth for the three months, and a 13.7% year-on-year recovery, following a 1.3% year-on-year March quarter fall and December 2020 contraction.

The group's GDP remained ~3% lower than for the December quarter 2019, however.

The preliminary July CPI estimate represented 0.1% deflation for the month and 2.2% year-on-year inflation.

June unemployment for the euro zone fell 0.3% to 7.7%.

**Germany's** initial June quarter GDP estimate came in at 1.5% growth for the three months and 9.2% on an annualised basis, following a 2.1% year-on-year March quarter GDP drop.

**Italy's** respective equivalents were calculated at 2.7% and 17.3%, following a 0.7% March quarter decline.

In the **US**, June personal income and spending increased 0.1% and 1.0% respectively for the month, following 2.2% and 0.1% May drops.

The June personal consumption expenditure (PCE) price index rose 0.5% for the month and 4% year-on-year, as for May.

June quarter employment cost index was calculated 0.7% higher for the three months against 0.9% for the March quarter and following forecasts for a 1.1% increase.

The July Chicago PMI jumped 7.3 points to 73.4, defying expectations of a 2.1-point fall to 64.

The final July consumer confidence reading from the University of Michigan represented a 4.3-point decline to 81.2, following expectations of a larger drop to 80.8.

**Tonight** in the US, the ISM's July manufacturing index and June construction spending are due.

## Pre-Open Announcements

### Cedar Woods Properties (\* CWP)

Outlaying a combined \$63.5M for two properties in Melbourne's west. Details lodged pre-trade.

### Hydrix Ltd (\* HYD)

Angel Medical systems has completed the first commercial implantation in the US of the Guardian cardiac warning device. HYD is anticipating approval for Guardian use within Australia by mid-2022.

### Ovato Ltd (OVT)

OVT has completed the \$A10M cash sale of Ovato Retail Distribution (Australia) to Are Media.

The company has also completed the \$A9M sale of Marketing Services (Australia), comprising five entities, to Ballygriffin Holdings.

OVT is expecting the sale of Ovato Retail Distribution (New Zealand) to complete by month's end or soon after, pending regulatory approvals.

OVT will use the proceeds of the sales to focus on its printing business.

### Resources

#### Almonty Industries (\* All)

Tungsten exploration and mining company scheduled to list on the ASX **1.30pm** AEST, following an ~\$15.25M IPO at \$1.00 per share.

~15.25M quoted shares/CDIs.

#### Liontown Resources (\* LTR) / Ramelius Resources (\* RMS)

LTR is paying RMS \$A30.25M to terminate the WA Kathleen Valley lithium-tantalum project royalty.

Additional information lodged pre-trade.

#### Lefroy Exploration (\* LEX)

Gold Fields has elected to spend an additional \$15M to boost its earned 51% interest in the Lefroy gold project to 70%.

#### Lynas Rare Earths (\* LYC)

WA Mt Weld rare earths project deep core drilling initial indications and commentary lodged pre-trade.

Geochemical assays anticipated by November.

#### Rumble Resources (\* RTR)

WA Western Queen gold project resource upgraded to 2.1Mt @ 2.42g/t Au, for 163,268oz of gold.

The indicated component has grown by 145%, and overall ounces by 35%.

#### Hastings Technology Metals (\* HAS)

Conditional WA Government approval in hand to establish the Yangibana rare earth project's hydrometallurgical facility just outside the WA town of Onslow, in the Ashburton North strategic industrial area, and 430km (road distance) from



Elsewhere, retail sales for Germany and final July PMIs for the UK and euro zone could swing some trade.

Companies scheduled to report earnings later today and tonight include: AXA, HSBC, Ferrari, Global Payments, Hyundai Corp, Kia Motors, LG Household, Loews, Mitsubishi UFJ Financial, NXP Semiconductors, ON Semiconductor, Pioneer Natural Resources, Samsung SDI, Take-Two Interactive and ZoomInfo.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY) (Dec)</b>	<b>1817.2</b>	oz	-18.6	-1.0
<b>Silver (NY) (Sep)</b>	<b>25.55</b>	oz	-0.23	-0.9
<b>Gold (LON)</b>	<b>1829.3</b>	oz		
<b>Platinum</b>	<b>1043</b>	oz	-12	-1.2
<b>WTI Crude (NYMEX Sep)</b>	<b>73.95</b>	bbbl	0.33	0.5
<b>Brent Crude (ICE EUR Sep)</b>	<b>76.33</b>	bbbl	0.28	0.4
<b>Iron Ore (NYMEX,CHN,62%)</b>	<b>211.99</b>	t	-1.53	-0.7
<b>Copper (LME Ind)</b>	<b>9706</b>	t	-117	-1.2
<b>Nickel</b>	<b>19590</b>	t	-246	-1.2
<b>Aluminium</b>	<b>2594</b>	t	-4	-0.2
<b>Lead</b>	<b>2389</b>	t	21	0.9
<b>Zinc</b>	<b>3020</b>	t	22	0.7
<b>Tin</b>	<b>35248</b>	t	0	0.0

### Commodities Commentary

**Oil** – optimistic growing demand commentary supported overnight Friday trade, India's fuel consumption and industrial production pickups cited as positive examples.

In addition, Exxon Mobil and Chevron suggested in their overnight Friday earnings reports and outlooks that relatively tight energy markets were expected.

A late-Thursday attack on an Israeli company-operated oil tanker off Oman's coast raised Middle East tensions, resulting in weekend allegations from Israel's PM and the US Secretary of State that Iran was responsible for the strike.

A weekly US petroleum drill rig report, published overnight Friday, estimated two fewer operational oil rigs.

Both Brent and WTI crude ended ~2% higher for the week, but Brent 1.6% higher for the month with WTI essentially flat.

**Gold** – fragile risk sentiment appeared to impact overnight Friday end-of-month trade.

This week's trade will likely swing on commentary before and after new data for major trading nations, including monthly employment statistics for the US at the end of the week.

**Base metals** – supply and demand scenarios, coupled with end-of-month scenarios, produced mixed and swinging overnight Friday trade.

**Aluminium** traded at its most in three years, with continued Yunnan province power constraints in focus, before LME prices settled slightly lower for the session.

**Zinc** trade higher on the same grounds, but maintained a positive close.

**China's** official (NBS) July PMIs, reported over the weekend, will influence some of tonight's new-month trade.

The manufacturing PMI slipped to 50.4 from 50.9, and the services

Yangibana.

This eliminates the need to build a 114km gas pipeline to Yangibana.

### Mt Ridley Mines (MRD)

Heralding rare earths potential within the south east WA Mount Ridley project.

Sampling results from five prospects lodged this morning.

### Moho Resources (\* MOH)

\$200,000 Queensland Government 'collaborative exploration initiative' (CEI) grant in hand, in support of further Empress Springs exploration.

### Alto Metals (\* AME)

WA Sandstone gold project initial Lord Nelson diamond drilling has confirmed high-grade mineralisation continues at depth.

Assays, including also from Lord Henry RC drilling, lodged pre-trade.

### Jupiter Mines (\* JMS)

95.64% vote recorded against the JMS remuneration report at Friday's AGM.

The spill resolution attracted an 86.77% 'for' vote.

78.56% and 78.39% votes were recorded respectively against the re-elections of directors Paul Murray and Andrew Bell.

A spill meeting is planned for ~19 October.

### Westgold Resources (WGX)

As previously flagged, WGX founder, inaugural MD and current chair Peter Cook has moved from an executive chairman's role to be non-executive chair, effective 1 August.

In association WGX has appointed WGX non-executive director Wayne Bramwell as executive director.

Mr Bramwell has been acting in an executive role while Mr Cook has been on leave.

### Platina Resources (PGM)

PGM has raised MD Corey Nolan's annual salary, including superannuation, to \$310,000.

Last year Mr Nolan's remuneration was reduced from \$323,000pa to \$240,000, due to Covid-19.

### CountPlus Ltd (CUP)

CUP has finalised terms for the ~\$4.035M sale of its Bentleys WA audit and corporate finance business divisions to Hall Chadwick WA.

Bentleys will focus on SME accounting and advisory services and financial advice.

### Energy

### 88 Energy (\* 88E)

88E has appointed former BHP Petroleum (ASX: BHP) and Santos (ASX: STO) executive Philip Byrne as non-executive chairman.

In addition, 88E has appointed former Inpex, Maersk, Apache Corp and Schlumberger manager Robert Benkovic as COO.

Further, Joanne Kendrick has been appointed as an 88E non-executive director.



sector activity index by 0.2 to 53.3.

South Korea released July trade figures over the weekend, the trade surplus falling from \$US4.44B for June to \$US1.76B.

### Exchange Rates

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.7342	-0.0003	<b>-0.04</b>
<b>EUR – USD</b>	1.1863	-0.0005	<b>-0.04</b>

### Australian Data Today

AiG	Manufacturing PMI	Jul
CoreLogic	Home price index	Jul
MelbInst	Inflation gauge	Jul
ANZ	Job advertisements	Jul

### US Data Tonight

ISM manufacturing	Jul
Construction spending	Jun
Markit manufacturing PMI (final)	Jul

### Other Overseas Data Today & Tonight

<b>China</b>	Caixin manufacturing PMI	Jul
<b>Japan</b>	Manufacturing PMI	Jul
Japan	Consumer confidence (3pm AEST)	Jul
<b>UK</b>	Manufacturing PMI (final)	Jul
<b>Germany</b>	Retail sales	Jun
Germany	Manufacturing PMI (final)	Jul
<b>Euro zone</b>	Manufacturing PMI (final)	Jul

### 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)

All three appointees are petroleum engineers by training and professional experience.

Recent 88E chairman Michael Evans has retired from the 88E board, after seven years in the top role.

### Trading Halts

Company	Code	Resuming
Alderan Resources	AL8	2 Aug
Alligator Energy	AGE	2 Aug
Anteris Technologies	AVR	2 Aug
Canyon Resources	CAY	2 Aug
Cipherpoint Ltd	CPT	2 Aug
Epsilon Healthcare	EPN	2 Aug
Linus Technologies	LNU	2 Aug
Pearl Global	PG1	2 Aug
Poseidon Nickel	POS	2 Aug
Sensera Ltd	SE1	2 Aug
Torian Resources	TNR	2 Aug
Fiji Kava	FIJ	3 Aug
Frontier Resources	FNT	3 Aug
IODM Ltd	IOD	3 Aug
IPB Petroleum	IPB	3 Aug
Paradigm Pharmaceuticals	PAR	3 Aug
Strike Resources	SRK	3 Aug
Vulcan Energy Resources	VUL	3 Aug
West Wits Mining	WWI	3 Aug
PointsBet Holdings	PBH	4 Aug

### Suspensions (selected)

Company	Code	Since
Crater Gold Mining	CGN	9 Jul
Fargo Enterprises	FGO	26 Jul
Magnis Energy Technologies	MNS	29 Jul
Salt Lake Potash	SO4	29 Jul

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
<b>NBI</b>	Today	<b>0.8</b>	0	5.13
CVC	Tomorrow	5	100	1.43
KKC	Tomorrow	1	0	4.50
AMH	Wed	4.5	100	1.98
DJW	Thu	5.75	100	3.34
DJWN	Thu	2.88	100	0.00
BKI	Fri	3	100	2.63
JHG	Fri	38	0	3.35
OZG	Fri	0.35	100	2.35
WIC	Fri	3	100	4.88



**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.

**Reports & Events**

(selected; all times AEST)

When	Company	Report/Event
<b>Wed</b>	BWP	Full year (audio w/cast 11am)
	GMA	Interim
	GUD	Full year
<b>Thur</b>	PNI	Full year
	RMD	Jun Q
<b>Fri</b>	GXY	AGM
	JHX	AGM (Dublin)
	REA	Full year