

Markets

SFE 200 Futures (9.30am AEST)	5950	23	0.4
NZX 50	11851	58	0.5
DJIA Futures	28661	39	0.1
S&P 500 Futures	3531	4	0.1
NASDAQ Futures	12339	26	0.2

Local Markets Commentary

The Australian market opens mid-week trade with influential domestic data due late morning, a sizeable group of large-cap and high-profile stocks trading ex-dividend, following positive overnight US equities leads, ahead of new material economic indicators tonight.

Locally today, the Australian Bureau of Statistics (ABS) publishes June quarter **GDP 11.30am AEST**.

Stocks trading **ex-dividend** today include: **AMC, IRE, MPL, SDG** and **TWE**. *Please see p3 for details.*

In overnight commodities trade, **crude oil** swung to gains for both WTI and Brent.

US **gold** futures (December) settled barely higher, below \$US1979/oz.

Iron ore (Nymex CFR China, 62% Fe) was pushed decisively higher, beyond \$US122.50/t.

LME **copper** closed modestly higher. **Nickel** and **aluminium** rallied.

The **\$A** dropped to ~US73.60c after trading at US74.05c early yesterday evening.

This morning, the \$A has traded at US73.75c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	28646	216	0.8
S&P 500	3527	26	0.8
NASDAQ	11940	164	1.4
FTSE 100	5862	-102	-1.7
DAX 30	12974	29	0.2
Shanghai Comp	3411	15	0.4

Overseas Markets Commentary

Major European and US equities markets diverged again overnight, European sentiment vacillating but key US indices heading higher from early trade and never looking headed.

The FTSE traded for the first time this week (with the British pound higher against the \$US), and the S&P 500 and NASDAQ were pushed to new closing highs.

Broad international Covid-19 economic recovery considerations were in focus.

Australia – June quarter GDP – 11.30am AEST
Today's Stock Watch
AMP Ltd (AMP)

Commencing a portfolio review following growing third-party inquiries regarding acquiring interests in AMP assets.

Nufarm Ltd (NUF)

Anticipating \$215M worth of pre-tax impairments for the year to 31 July.

Forex losses will likely total \$33M.

Continuing operations EBITDA is anticipated at \$230M - \$240M.

Virgin Money UK (VUK)

Conducting a tender offer to repurchase £475M worth of 5% fixed rate notes.

BrainChip Holdings (BRN)

BRN and Vorago Technologies will collaborate in the Phase one NASA program for a neuromorphic processor for space flights under the Akida early access program.

United Malt Group (UMG)

Planning to outlay \$27M to upgrade the Barrett Burston malting facility, suburban Perth, Western Australia. Production capacity from replacing a kiln is expected to rise to as much as 110,000mt from 50,000mt.

Work is expected to be completed by October 2021.

UMG has traded lower the past two sessions, settling at \$3.85 yesterday.

Resources
De Grey Mining (DEG)

Declaring a new gold find within the WA Pilbara Hemi project, flowing air core, RC and diamond drilling.

Assays lodged this morning.

Cardinal Resources (CDV)

Nord Gold has boosted its unconditional on-market cash offer for CDV from 66c to 90c per share.

Talisman Mining (TLM)

TLM has appointed former MD and recent CFO and company secretary Shaun Vokes as interim CEO, effective immediately.

TLM MD Dan Madden has resigned in favour of a new opportunity after 10 years with TLM. He will remain a TLM non-executive director until the November AGM.

Under recently appointed chair Kerry Harmanis, TLM is seeking to identify new potential projects, including within Australia's gold sector. TLM holds \$11M cash.



Overnight, the US treasury secretary said he would approach the Democrat parliamentary leader regarding resuming negotiations towards new Covid-19 support legislation.

Yesterday, the Reserve Bank of Australia (RBA) assured in a post-policy meeting statement that it continued to consider further policy measures in support of economic recovery, and warned no 'meaningful' employment market recovery is likely for 'some months'.

The RBA also extended a discounted line of credit (term funding facility) for banks by \$110B to \$200B.

Earlier, Caixin had published an August manufacturing PMI for China that easily exceeded forecasts and indicated further expansion.

In Japan, a 10-year bond auction delivered a 0.034% yield, from 0.018%.

In a batch of overnight **data** releases, final manufacturing PMIs for **Germany** and the **euro zone** as a whole confirmed expansion, but Germany's 52.2 undershot expectations and the euro zone's 51.7 was 0.1 lower than for July.

A preliminary August CPI estimate for the euro zone pointed to 0.4% deflation for the month and a 0.2% pull back from August 2019 prices.

July euro zone unemployment rose to 7.9% from 7.7% for June, in part bumped higher by **Italy's** jump to 9.7% from 9.3%.

Meanwhile, Germany's August unemployment rate was estimated flat for the month, at 6.4%.

In the **UK**, the 55.2 final August manufacturing PMI reading represented a 1.9-point monthly rise further into expansion.

The Bank of England calculated in the meantime that net lending to individuals grew to £3.9B in July from £2B reported for June.

In the **US**, the ISM's August manufacturing index rose to 56 from 54.2, easily exceeding forecasts which had included a potential slight decline.

The employment component notably remained in contractionary mode.

Markit's 53.1 final August manufacturing PMI estimate represented a 2.2-point rise for the month, but undershot forecasts by 0.5.

July US construction spending improved by 0.1% after falling 0.5% in June, but expectations had been as high as a 0.5% gain.

Tonight in the **US**, another batch of keenly anticipated reports is due, including the Federal Reserve's district-by-district economic summary known as the beige book, a private sector employment report, August July factory orders, and the ISM's August New York business activity index.

Weekly mortgage applications are also due.

Elsewhere, Germany's July retail sales could prove influential.

UK builder Barratt Developments, US retailer Macy's and Pernod Ricard are among companies scheduled to report earnings later today and tonight.

In overnight corporate news, **Zoom** Video Communications which had reported a strong July quarter, and raised full year guidance post-US trade Monday, buoyed tech sentiment with an ~40% gain.

Apple rallied ~4% on speculation 75M 5G iPhone would be

Pre-Open Announcements

Gentrack Ltd (* GTK)

GTK has appointed NASDAQ-listed Amdocs chief marketing officer Gary Miles as COE, effective 1 October.

Shareholders will be asked to approve his appointment as an executive director also.

Race Oncology (RAC)

RAC has appointed Phil Lynch as CEO and MD.

John Cullity is returning to his former role as non-executive chair.

Resources

FYI Resources (* FYI)

FYI has forwarded samples produced in the continuous trial production of high purity alumina (HPA) to EAG Laboratories, New York for glow discharge mass spectrometry analysis.

The samples came from FYI's pilot plant.

Energy

Whitebark Energy (* WBE)

Planning to farmout onshore WA Perth Basin Warro gas field assets, or potentially sell 100%, following increased interest.

Trading Halts

Company	Code	Resuming
Faster Enterprises	FE8	2 Sep
Jayex Healthcare	JHL	2 Sep
Taruga Minerals	TAR	2 Sep
(The) Environmental Group	EGL	3 Sep
IOOF Holdings	IFL	3 Sep
Magnetic Resources	MAU	3 Sep
Matsa Resources	MAT	3 Sep
Paygroup Ltd	PYG	3 Sep
Southern Gold	SAU	3 Sep
Bubs Australia	BUB	4 Sep
Magnetite Mines	MGT	4 Sep
Raiden Resources	RDN	4 Sep
Rex Minerals	RXM	4 Sep
Fiji Kava	FIJ	7 Sep
New Zealand Coastal Seafoods	NZS	7 Sep

Suspensions *(select)*

Company	Code	Since
Altura Mining	AJM	12 Aug
DomaCom Ltd	DCL	21 Aug
Intiger Group	IAM	1 Sep
thedocyard Ltd	TDY	18 Aug



available by the proposed December quarter launch.

NB: US markets are heading towards a Monday public holiday weekend.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1978.9	oz	0.3	0.0
Silver (NY) (Dec)	28.645	oz	0.05	0.2
Gold (LON) (28 Aug)	1957	oz		
Platinum	942	oz	16	1.7
WTI Crude (NYMEX Oct)	42.76	bbl	0.15	0.4
Brent Crude (ICE EUR Nov)	45.58	bbl	0.3	0.7
Iron Ore (NYMEX,CHN,62%)	122.53	t	1.15	0.9
Copper (LME,3mth Ind,PM)	6689	t	22	0.3
Nickel	15525	t	158	1.0
Aluminium	1818	t	18	1.0
Lead	1974	t	1	0.1
Zinc	2549	t	34	1.3
Tin	18186	t	336	1.9

Commodities Commentary

Oil – a batch of acceptable, even some robust, PMIs, helped push prices higher overnight.

In addition, the \$US weakened further in early trade.

A media report included an estimated 24.27MMbbl/d OPEC production for August, up 950,000bbl/d from July.

Elsewhere in production news, Gulf of Mexico hurricane Laura recovery included a return to activity, with just 28.4% of usual output estimated offline.

Weekly US petroleum inventories, as calculated by government group the EIA, are due tonight.

A weekly industry report, released overnight post-US trade, has indicated a 6.36MMbbl draw on crude stocks.

Gold – the ICE \$US index swung between losses and an ~0.2% rise overnight, contributing to relatively constrained gold trade.

One push delivered Comex futures as high as \$US2001.2/oz, nonetheless.

Material data releases, and Reserve Bank of Australia commentary following a policy meeting yesterday, pointed variously to challenges ahead and economic progress in the meantime.

Base metals – the LME traded for the first time this week overnight, an initially weaker \$US plus select data releases and inventory tallies supporting copper to two-year peaks.

China's official (NBS) August PMIs were reported Monday, and a Caixin-calculated manufacturing PMI for China, revealed yesterday.

NBS estimated 51.0 for the manufacturing sector and 55.2 for services sector activity, following the respective 51.1 and 54.2 reported for July.

Caixin's estimate came in at 53.1 from 52.8, following forecasts of a decline to 52.4. Notably the new export orders turned higher.

Meanwhile, copper stocks in LME warehouses were estimated at 88,250t, the least since December 2005.

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AMC	Today	16	0	4.66
AUI	Today	19	100	4.27
CGL	Today	6	100	1.07
DUI	Today	8.5	100	3.66
ECL	Today	2	100	3.27
FSI	Today	4.25	100	2.18
HSN	Today	7	10	1.47
IRE	Today	16	35	4.34
IRI	Today	3.75	100	1.70
KME	Today	2	100	4.04
MAD	Today	1.5	100	1.75
MAI	Today	1	50	0.00
MNY	Today	3	100	4.69
MOC	Today	3.5	100	6.90
MPL	Today	6.3	100	4.82
PGF	Today	2.5	100	3.96
QIP	Today	3.8	100	7.36
SDG	Today	10	100	2.68
TWE	Today	8	100	4.34
ABA	Tomorrow	10.75	100	6.77
ALU	Tomorrow	19	0	1.04
BHP	Tomorrow	76.57	100	5.68
BRI	Tomorrow	2.4	100	1.50
BWF	Tomorrow	2.1	100	8.29
BWR	Tomorrow	3.5	0	5.00
CI1	Tomorrow	0.05	0	1.67
CUV	Tomorrow	2.5	0	0.12
DWS	Tomorrow	3	100	7.37
ECP	Tomorrow	2.25	100	1.41
GAP	Tomorrow	1	0	4.17
GLB	Tomorrow	6	0	7.02
HMC	Tomorrow	7.5	100	1.41
LIC	Tomorrow	2.5	100	0.63
MLD	Tomorrow	2.5	100	4.98
NHF	Tomorrow	4	100	5.10
ONT	Tomorrow	12.5	100	4.12
PPT	Tomorrow	50	100	7.51
PTM	Tomorrow	11	100	3.53
SHM	Tomorrow	3	100	11.11
SKI	Tomorrow	7	0	6.79



Among production considerations, an offshore northern Chile earthquake initially drew damage speculation.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7373	-0.0002	-0.02
EUR – USD	1.1920	-0.0016	-0.14

Australian Data Today

ABS	GDP	Jun Q
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US Data Tonight

Fed beige book	Aug
Factory orders	Jul
ADP employment change	Aug
ISM New York	Aug
MBA mortgage applications	28 Aug
Vehicle sales (10am AEST today)	Aug

Other Overseas Data Today & Tonight

Germany	Retail sales	Jul
Euro zone	Producer prices	Jul

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