

Markets

SFE 200 Futures (9.30am AEST)	6029	54	0.9
NZX 50	11643	44	0.4
DJIA Futures	26436	-4	0.0
S&P 500 Futures	3253	0	0.0
NASDAQ Futures	10683	9	0.1

Local Markets Commentary

The Australian market commences the second last trading day for July with material domestic data due by late-morning, influential data scheduled for release in the US and euro zone tonight, and another plethora of large-cap, high-profile stocks reporting internationally across several sectors today and tonight.

In addition, early this morning, the US Federal Reserve warned US economic recovery was under threat from Covid-19 resurgence.

Post-ASX trade yesterday, **Hong Kong's** June quarter GDP was reported 9% lower year-on-year, and down 0.1% for the three months, on initial estimates.

March quarter GDP had dropped 9.1% and 5.3% respectively.

Earlier yesterday, Hong Kong officials warned of a potential 'large-scale' Covid-19 resurgence.

Locally today, the Australian Bureau of Statistics (ABS) provides June **building approvals**, and June quarter **trade price indices**, each at **11.30am** AEST.

In addition, the ABS will release a report on the **Covid-19 impacts on business** during July.

Further, several stocks, including **PMV**, trade **ex-dividend** today. *Please see p3 for details.*

Being the second last trading day for July, a swag of June quarter reports is anticipated.

In overnight commodities trade, **oil** gained.

US **gold** futures (August) were pushed yet higher, above \$US1950/oz.

Meanwhile, **China** has urged caution regarding precious metals trade, the Industrial & Commercial Bank of China yesterday introducing new trade curb regulations to come into effect from Friday.

This followed an Agricultural Bank of China suspension of gold-related new businesses, and Bank of China halt on new platinum and palladium trading accounts.

Among the exchanges, the Shanghai Gold Exchange and Shanghai Futures Exchange both promoted caution and/or issued warnings.

Iron ore (Nymex CFR China, 62% Fe) rallied beyond \$US107.70/t.

LME **copper** and other key base metals largely settled higher, **nickel** returning to a rally-level close.

The **\$A** fell below US71.60c after trading beyond US71.85c early yesterday evening.

This morning, the \$A was pushed towards US71.90c.

Australia – June building approvals– 11.30am AEST

*** Mineral processing listing midday AEST – ASM ***

July - second last trading day

Today's Stock Watch

Genworth Mortgage Insurance Australia (GMA)

Nil interim dividend, against 9c a year ago.

\$90.02M interim net loss, following a \$88.11M 1H19 net profit. Revenue fell 20.8% to \$237.89M.

\$3.37 NTA, against \$4.14.

Gross written premium grew 30.0% to \$239.3M.

Janus Henderson Group (JHG)

\$US144.1M interim net loss (GAAP basis), against a \$US203.5M net profit a year earlier.

2% higher, \$US1.073B revenue.

\$US2.61 NTA, against \$US1.32.

AUM grew 14% during the June quarter, to \$US336.7B.

Paying a US36c quarterly dividend.

JHG hosted a webcast teleconference overnight.

Unibail Rodamco Westfield (URW)

27.2% lower, €667M interim net profit. €12.7B cash and undrawn credit.

Macquarie Group (MQG)

13.2% CET1 ratio at 30 June. Additional June quarter statistics lodged this morning. Today's AGM materials also lodged.

Resources

Fortescue Metals Group (FMG)

Shipped a record 47.3Mt of iron ore during the June quarter, pushing the FY20 tally to a record, 6% higher year-on-year 178.2Mt.

\$US4.9B cash on hand; \$US0.3B net debt.

Rio Tinto Group (RIO)

\$US1.55 RIO Group fully franked interim dividend, ~3% higher than \$US1.51 a year ago. Nil special dividend, against US60c a year ago. \$A2.1647 RIO Ltd fully franked interim dividend, against \$A2.1908. Nil special dividend, against A88.5c.

20% lower, \$US3.32B interim NPAT. 7% lower, \$US19.4B sales revenue. 12% lower, \$US5.63 net operating cash flow.

\$US4.83B net debt.

Reconfirming 2020 production and unit cost guidance.

Sandfire Resources (SFR)

\$657M FY20 revenue. \$291M cash. Produced 19,313t of copper and 13,541oz of gold in concentrate during the June quarter, pushing the FY20 tally to 72,238t and 42,263oz respectively. US51c/lb and US72c/lb respective C1 cost.

**Overseas Markets**

INDEX	CLOSE	+/-	%
Dow Jones	26539	160	0.6
S&P 500	3258	40	1.2
NASDAQ	10543	141	1.4
FTSE 100	6131	2	0.0
DAX 30	12822	-13	-0.1
Shanghai Comp	3295	67	2.1

Overseas Markets Commentary

Marked choppy, swinging trade featured across major European equities markets overnight, amid a plethora of earnings reports.

Despite some chop for key US indices, these trended higher from opening gains, buoyed by US Federal Reserve comments and some better-than anticipated earnings reports and/or outlooks.

The heads of Amazon, Apple, Facebook and Google met virtually with a US Congress committee, following an investigation which prompted parliamentarians to look further at alleged anti-competitive behaviour.

The US president in the meantime threatened to 'bring fairness to big tech' using executive orders, should Congress not act in a way he approved.

In the meantime, the **US Federal Reserve** revealed after its policy meeting that more would be done to address an ongoing shortage of \$US against demand.

Chairman Jerome Powell's direct comments also included a warning that the pace and vigour of the US economic recovery relied on Covid-19 containment.

He emphasised the Fed would continue to seek to 'provide some relief and stability' and to 'limit lasting damage'.

Earlier in the UK, **Bank of England** chief economist Andy Haldane concluded after a virtual tour assessing regional economics in collaboration with business and community representatives, that the outlook remained uncertain, and that individuals were struggling to feed themselves but that the majority view was relatively optimistic.

Among overnight **data** releases, **Germany's** June import prices rose 0.6% for the month, following a 0.3% May gain.

Year-on-year, import prices were down 5.1%.

In the **UK**, the Bank of England estimated individuals repaid just £860M worth of net debt during June against £4.54B in May.

In the **US**, June pending home sales jumped 16.6% for the month, following a 44.3% May surge.

Further, pending sales were 6.3% higher than for June 2019.

June wholesale inventories fell 2% after declining 1.2% in May.

Weekly mortgage applications came in 0.8% lower. Average 30-year mortgage rates remained flat, at 3.2%.

Tonight in the **US**, an initial June quarter GDP estimate is eagerly anticipated, as are weekly new unemployment claims.

Elsewhere, **Germany** is scheduled to release initial readings for June quarter GDP and July CPI.

Pre-Open Announcements**Osprey Medical (** OSP)**

Strategic alliance secured with GE Healthcare for GE Healthcare to exclusively distribute OSP products across Africa, Central Asia, Europe, the Middle East, Russia and Turkey.

Paradigm Pharmaceuticals (* PAR)

Positive Zilosul treatment results lodged this morning.

Regional Express (* REX) / Qantas Airways (* QAN) / Virgin Australia Holdings (* VAH)

The Australian Competition & Consumer Commission (ACCC) is allowing REX to continue co-ordinating flight services with QAN and VAH on 10 regional Australian routes, due to Covid-19 considerations.

IOOF Holdings (* IFL)

FUMA grew 3.4% during the June quarter, to \$202.3B. Additional statistics lodged this morning.

Marley Spoon (* MMM)

Raising expected FY revenue growth to a minimum 70% from ~30%.

June quarter revenue grew 129% year-on-year, to €73.3M.

Total orders rose 114% to 1.551M.

The active customers tally increased 104% to 350,000.

Regional breakdown statistics also lodged post-trade yesterday, together with last night's AGM speeches.

Splitit Payments (* SPT)

June quarter update lodged this morning in presentation format.

Cipherpoint Ltd (CPT)

June quarter statistics lodged post-trade yesterday.

Volatile trade has continued this week with CPT dropping 13.56% yesterday following a 25.53% jump Tuesday.

Resources**Orocobre Ltd (* ORE)**

Produced 2511t of Olaroz lithium carbonate, 27% fewer tonnes than for the June quarter 2019.

Sold 1601t (-53%) of lithium carbonate at \$US3913/t (-52%) FOB, for \$US6.3M sales revenue (-77%).

\$US154.9M cash; \$US44.6M proportional net cash.

Australian Strategic Materials (* ASM)

Mineral processing specialist scheduled to list on the ASX **midday** AEST.

~119M quoted shares.

Energy**Paladin Energy (* PDN)**

\$US34.2M cash and equivalents at 30 June.

Anticipating FY21 expenditure to drop 44%, to \$US9.5M.



In addition, major large-cap stocks are reporting, although arguably the most influential are likely to impact tomorrow night's trade rather than tonight's.

The companies scheduled to report earnings later today and tonight include: Airbus, Alphabet (Google parent; post-US trade), Amazon (post-US trade), Anglo American, Anheuser-Busch Inbev, Apple (post-US trade), AstraZeneca, BAE Systems, BNP Paribas, Comcast, ConocoPhillips, Diageo, Eli Lilly, Ford Motor, Fujitsu, Gilead Sciences (post-US trade), Hitachi, Intercontinental, Kellogg, Keurig Dr Pepper, Komatsu, Konica Minolta, Kraft Heinz, Linde, L'Oreal, Mastercard, Mitsubishi Electric, Nestle, Newmont Corp, Nokia, Northrop Grumman, Panasonic, Petrobras, Procter & Gamble, Renault, Royal Dutch Shell, Standard Chartered, TDK, TOTAL, Volkswagen and Yum! Brands.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1953.4	oz	8.8	0.5
Silver (NY) (Sep)	24.321	oz	0.02	0.1
Gold (LON) (28 Jul)	1941	oz		
Platinum	925	oz	-23	-2.4
WTI Crude (NYMEX Sep)	41.27	bbl	0.23	0.6
Brent Crude (ICE EUR Sep)	43.75	bbl	0.53	1.2
Iron Ore (NYMEX,CHN,62%)	107.72	t	0.16	1.5
Copper (LME,3mth Ind,PM)	6482	t	14	0.2
Nickel	13910	t	210	1.5
Aluminium	1727	t	0.5	0.0
Lead	1875	t	17	0.9
Zinc	2305	t	43	1.9
Tin	17930	t	-85	-0.5

Commodities Commentary

Oil – a weekly US petroleum inventories report, published overnight by government agency the EIA, included a 10.612MMbbl drop in stored crude, and 0.654MMbbl rise in petrol stocks. Net crude imports fell 1.013MMbbl/d, to 1.9MMbbl/d.

Gold – the \$US headed lower early ahead of the outcomes statement from the US Federal Reserve policy meeting.

US futures traded beyond \$US1958.00/oz post-settlement, following comments from Fed chair Jerome Powell.

Following the official Fed statement, the ICE \$US index traded 0.4% lower for the session.

Base metals – a weaker \$US helped support early overnight LME trade.

Post-ASX trade yesterday, Hong Kong announced a 9% year-on-year drop in June quarter GDP, following a 9.1% year-on-year contraction for the March quarter.

China releases official (NBS) July PMIs tomorrow, the last trading day for July.

Also tomorrow, Japan and South Korea report industrial production.

Trading Halts

Company	Code	Resuming
Investigator Resources	IVR	30 Jul
Breaker Resources	BRB	31 Jul
Carnavale Resources	CAV	31 Jul
Cobalt Blue Holdings	COB	31 Jul
Eastern Iron	EFE	31 Jul
Metal Bank	MBK	31 Jul
Nuchev Ltd	NUC	31 Jul
Predictive Discovery	PDI	31 Jul
Prominence Energy	PRM	31 Jul
Redflow Ltd	RFX	31 Jul
Aruma Resources	AAJ	3 Aug
Superior Lake Resources	SUP	3 Aug
Ventura Minerals	VMS	3 Aug
Zelira Therapeutics	ZLD	3 Aug

Suspensions (select)

Company	Code	Since
Acacia Coal	AJC	22 Jul
Aurora Minerals	ARM	21 Jul
Blossomvale Holdings	BLV	7 Jul
eSense-Lab Ltd	ESE	27 Jul
Factor Therapeutics	FTT	17 Jul
Leaf Resources	LER	16 Jul
Stone Resources Australia	SHK	28 Jul
Ultima United	UUL	22 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GCI	Today	0.72	0	4.66
MIR	Today	6.5	100	1.33
PCI	Today	0.32	0	4.56
PMV	Today	34	100	2.18
PTL	Today	0.7	100	4.91
QRI	Today	0.79	0	6.45
MOT	Tomorrow	1.03	0	8.53
MXT	Tomorrow	0.86	0	5.22
OCA	Tomorrow	0.95	0	4.21
PGG	Tomorrow	0.71	0	3.75

Reports & Events

(selected)

When	Company	Report/Event
Today	CIM	Interim
	DTS	AGM (4pm)
	FMG	Jun Q

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7180	-0.0007	-0.10
EUR – USD	1.1788	-0.0002	-0.02

Australian Data Today

ABS	Building approvals	Jun
ABS	Import & export prices	JunQ
ABS	Covid-19 business indicators	Jul

US Data Tonight

GDP	Jun Q
Initial jobless claims	25 Jul

Other Overseas Data Today & Tonight

Japan	Retail sales	Jun
UK	Vehicle production	Jun
Germany	CPI (preliminary)	Jul
Germany	GDP (initial)	Jun Q
Germany	Unemployment	Jun
Euro zone	Economic confidence	Jul
Euro zone	Unemployment	Jun

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GMA	Interim (10am)
HRL	Full year
KLA	Jun Q; interim (post-ASX trade)
LOM	AGM (1pm)
MQG	AGM (10.30am)
MRC	AGM (5pm AEST)
OGC	Jun Q (post-ASX trade; w/cast 7.30am Fri)
ORE	Jun Q (webcast 10am)
SFR	Jun Q (w/cast tele midday)
SUP	AGM (midday)
THC	AGM (11am)
XAM	AGM (10am)

Tomorrow	GGG	AGM (12.30pm)
	HCT	AGM (3pm)
	YAL	AGM (1pm)
Tue	PNI	Full year
Thu (6 Aug)	RMD	Jun Q (pre-ASX trade;w/cast 6.30am AEST)
Fri (7 Aug)	IAG	Full year