

Markets

SFE 200 Futures (9.30am AEST)	5986	-15	-0.3
NZX 50	11774	9	0.1
DJIA Futures	27265	-20	-0.1
S&P 500 Futures	3342	-2	-0.1
NASDAQ Futures	11255	-7	-0.1

Local Markets Commentary

The Australian market opens Friday trade with an appreciating \$A, new material domestic data in hand, a Reserve Bank of Australia (RBA) policy report due late morning, and influential data due from China early afternoon, ahead of monthly US jobs figures tonight.

China is due to report **July trade** figures **1pm AEST**.

Also regionally today, **Japan** is expected to publish cash earnings and household spending pre-ASX trade, plus a leading economic index report 3pm AEST.

Locally today, AiG has revealed a **44.0 July services PMI**. This, against 31.5 for June.

The **RBA** publishes a **quarterly monetary policy update**, including forecasts commentary, **11.30am AEST**.

The RBA is also scheduled to report monthly card activity at 11.30am.

In addition today, RBA assistant governor (economic) Luci Ellis speaks at an Australian Business Economists webinar, **11.45am AEST**.

Meanwhile, **JHG** is among stocks trading ex-dividend today. *Please see p3 for additional details.*

In overnight commodities trade, **oil** swung lower.

US **gold** futures (December) rallied to another record close.

Iron ore (Nymex CFR China, 62% Fe) was propelled beyond \$US118.85/t.

LME **copper** settled little changed. **Nickel** continued higher.

Aluminium turned so.

The **\$A** effectively trod water after trading at US71.90c early yesterday evening.

This morning, the \$A has traded at ~US72.35c.

*Markets in **Japan** and **Singapore** will be closed Monday, due to public holidays.*

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27387	185	0.7
S&P 500	3349	21	0.6
NASDAQ	11108	110	1.0
FTSE 100	6027	-78	-1.3
DAX 30	12592	-69	-0.5
Shanghai Comp	3386	9	0.3

China – July trade balance – 1pm AEST

Australia – 44.0 AiG services PMI, against 31.5

Australia #2 – RBA monetary policy update – 11.30am AEST

* **Medical imaging listing 11am AEST – 4DX ***

Today's Stock Watch
Insurance Australia Group (IAG)

Nil final dividend. 59.6% lower, \$435M full year NPAT. 5.2% higher, \$18.58B revenue.

News Corporation (NWS)

\$US1.55B full year net loss, against a \$US228M net profit a year ago. 11% lower, \$US9.01B revenue.

\$US401M June quarter net loss, against a \$US42M net loss for the June quarter 2019. 22% lower, \$US1.92B revenue.

Advertising revenue dropped, but online subscriptions revenue grew.

REA Corporation (REA)

7% higher, \$A112.585M full year NPAT. 6% lower, \$A820.269M revenue. 55c fully franked final dividend, against 63c a year ago.

\$1.626 NTA, against 92.9c.

21% lower, \$US127M June quarter revenue.

Link Administration Holdings (LNK) / QBE Insurance Group (QBE)

MD John McMurtrie AM is planning to retire from LNK early 2021.

LNK has appointed QBE Australia Pacific CEO Vivek Bhatia to take over as LNK MD and CEO.

QBE has appointed Frank Costigan as interim Australia MD and co-AUSPAC interim head.

Myer Holdings (MYR)

Amending a syndicated bank facility from \$360M to \$340M, with changed covenants, and extending the facility to August 2022. Details lodged post-trade yesterday.

Confirming 2H FY20 trading was 'severely impacted by COVID-19', but nonetheless anticipating a 'small net cash positive position', against \$39M net debt at the end of FY 19.

Online sales continued to grow throughout 2H FY20.

Also confirming all metropolitan Melbourne stores have closed for six weeks from COB Wednesday, due to the new Covid-19 containment restrictions.

Some employees will not be required during this time.

Online trade will continue however, and 'click & collect' will remain available at five of the 11 metropolitan stores.

Magellan Financial Group (MFG)



Overseas Markets Commentary

Skittish sentiment across major European equities markets and through early US equities trade gave way to decisive positive persuasion in late US trade.

The NASDAQ notably settled definitively above 11,000.

Earlier, the **US** secretary of state had suggested US citizens not use Chinese companies such as Alibaba, Baidu, Huawei and Tencent.

The **Bank of England** (BoE) convened a policy meeting after which it revealed status quo policy, but warned recovery may not come in the second half of 2021 as the central bank had previously indicated, cutting its previous 15% growth prediction for 2021 to 9%.

Unemployment was expected to grow from 3.9% to 7.5% by year's end, the bank also forecast.

In mixed overnight **data** releases, the **euro zone** July construction PMI disappointed, remaining in contraction territory with a 0.6-point rise to 48.9 against expectations of 52.

For **Germany**, the July construction PMI was estimated at 47.1 from 41.2, following forecasts of 50.4

Also in Germany however, June factory orders surged 27.9% for the month, following a 10.4% May improvement.

The **UK's** July construction PMI indicated a further move into expansion mode with a 2.8-point rise to 58.1, against expectations of a decline to 54.2.

Among 10-year bond auctions, one in France delivered a -0.27% yield against -0.09%, while another in Spain produced a 0.263% yield following 0.451% previously.

In the **US**, a July job cuts report estimated 262,600 job losses against 170,219 for June.

Weekly new unemployment claims tallied 1.186M against 1.435M the previous week.

Tonight in the **US**, July employment statistics are keenly anticipated. A wholesale inventories update is also due.

Elsewhere, **Germany's** trade and industrial output figures could impact select sentiment.

Companies scheduled to report earnings later today and tonight include: Bridgestone, Fujitec, Kirin Holdings, Korean Air Lines, Lotte Chemical, Mitsui Mining & Smelting, Noble Energy, Posco Daewoo and SMC.

Berkshire Hathaway will report over the weekend.

In overnight corporate news, **News Corp** delivered better-than-feared June quarter revenue, which nonetheless declined 22% to \$US1.92B.

Glencore reported for the six months to 30 June, deciding not to pay in interim dividend, citing uncertainty and the need to cut debt.

COMMODITY	Commodities			
	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	2069.4	oz	20.1	1.0
Silver (NY) (Sep)	28.40	oz	1.51	5.6
Gold (LON) (5 Aug)	2048	oz		

\$A98.53B FUM at 31 July, against \$A97.18B at 30 June.

Pre-Open Announcements

Ardent Leisure Group (* ALG)

Three-year \$66.9M loan and \$3M grant received under a Queensland Government Covid-19 industry support program.

4DMedical Ltd (* 4DX)

Medical imaging software and hardware supplier scheduled to list on the ASX 11am AEST following a \$55.79M IPO at 73c per share.

~165.22M quoted shares.

Beacon Lighting (* BLX)

Confirming BLX's 28 metropolitan Melbourne stores closed down in-store retail customer trade for six weeks from overnight Wednesday, due to Covid-19 containment measures.

Tradespeople will be able to shop instore at 27 of the BLX metropolitan stores, however.

Online trade continues with home delivery and click & collect services.

Design consultations will be conducted via video calls.

Additional business activity details lodged post-trade yesterday.

Dynamic Drill & Blast Holdings (* DDB)

Drilling and blast services provider completed an enviable ASX listing yesterday, following a \$5M IPO at 20c per share.

Opened at 50c and traded at 41.5c – 54c before settling at 45c.

~3.9M shares changed hands across 538 transactions.

29.2M quoted shares.

Buderim Ginger (BUG)

Planning to sell all ginger and tourism business assets to the Himstedt family for ~\$13M.

Pending approvals, a 30 September completion is anticipated.

Resources

OceanaGold Corporation (OGC)

New Zealand Wharekurauponga mining permit in hand.

Castle Minerals (CTD)

Presentation lodged post-trade yesterday.

Trading Halts

Company	Code	Resuming
Alicanto Minerals	AQI	7 Aug
Global Oil & Gas	GLV	7 Aug
MGC Pharmaceuticals	MXC	7 Aug
New World Resources	NWC	7 Aug



Platinum	995	oz	33	3.4
WTI Crude (NYMEX Sep)	41.95	bbl	-0.24	-0.6
Brent Crude (ICE EUR Oct)	45.09	bbl	-0.08	-0.2
Iron Ore (NYMEX,CHN,62%)	118.89	t	2.62	2.3
Copper (LME,3mth Ind,PM)	6486	t	-3	-0.1
Nickel	14450	t	85	0.6
Aluminium	1777	t	16	0.9
Lead	1951	t	26	1.3
Zinc	2404	t	25	1.3
Tin	17840	t	-15	-0.1

Commodities Commentary

Oil – prices swung intra-session for a second consecutive overnight session, Iraq announcing it would reduce August output to make up for previous non-compliance with the OPEC+ production curb agreement.

Meanwhile, Saudi Arabia cut its September light crude prices for delivery to Asia and Europe by US30c/bbl.

Among the forecasters, JPMorgan offered the 2020 Brent price would come in at \$US42/bbl rather than the previously predicted \$US40/bbl.

JPMorgan also lowered its forecast for 2H 2020 international daily demand by 1.5MMbbl.

In the meantime, Russia was estimated to have exported 16% more fuel oil to the US in July than for June, this mostly attributed to the need for US refiners to replace crude supply from Venezuela. Russia's total fuel oil exports to the US for January – July were calculated at 6.4Mt.

A weekly US petroleum drill rig report is due tonight.

Gold – Comex futures recorded another record settlement overnight, despite the ICE \$US index flat - ~0.1% higher, but with US parliamentarians seemingly failing to make definitive progress towards agreed legislation for additional Covid-19 – related economic support for businesses and individuals.

Tonight's US monthly jobs figures could swing some sentiment.

Base metals – China research group Antaika has estimated the nation will import 3.5Mt of copper during 2020, from 3.55Mt last year.

Among the producers, yesterday Ok Tedi Mining revealed it had stopped work at the PNG Ok Tedi copper-gold operation for a minimum two weeks after several positive Covid-19 diagnoses among project workers.

Ok Tedi estimated this would reduce output by ~4000t for copper and 12,000oz for gold.

In the meantime, data out of Chile and Peru was reported to have shown copper production from those two nations had been boosted again following major Covid-19 – related disruptions mid-year.

China's July trade figures, due today, will influence at least some of tonight's trade.

China is also expected to report July foreign reserves post-ASX trade, and CPI and PPI Monday.

Pantoro Ltd	PNR	7 Aug
Ragnar Metals	RAG	7 Aug
Caeneus Minerals	CAD	10 Aug
Farm Pride Foods	FRM	10 Aug
Genex Power	GNX	10 Aug
Malachite Resources	MAR	10 Aug
Orion Minerals	ORN	10 Aug
Xanadu Mines	XAM	10 Aug
XTEK Ltd	XTE	10 Aug
G Medical Innovations	GMV	11 Aug
Salt Lake Potash	SO4	11 Aug
Great Boulder Resources	GBR	12 Aug

Suspensions (select)

Company	Code	Since
Acacia Coal	AJC	22 Jul
Aurora Minerals	ARM	21 Jul
eSense-Lab Ltd	ESE	27 Jul
Factor Therapeutics	FTT	17 Jul
Heron Resources	HRR	4 Aug
Nanoveu Ltd	NVU	7 Aug
STEMify Ltd	SF1	6 Aug
Stone Resources Australia	SHK	28 Jul
Syntonic Ltd	SYT	4 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
BKI	Today	3.32	100	5.05
JHG	Today	50.24	0	7.15
OZG	Today	0.3	100	2.89
WIC	Today	3	100	6.03
AFI	Tue	14	100	3.75
ZEN	Tue	14	100	0.00
GUD	Thu	12	100	4.79
MLT	Thu	8.5	100	4.54
PL8	Fri (14 Aug)	0.4	100	5.54

Reports & Events

(selected)

When	Company	Report/Event
Today	AGG	Interim (post-ASX trade)
	IAG	Full year
	JHX	AGM
	REA	Full year (w/cast 8.30am)
Mon	AZJ	Full year (w/cast 10.30am)
	CEN	Full year
	GPT	Interim (tele 10am)

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7235	-0.0001	-0.01
EUR – USD	1.1877	-0.0001	-0.01

Australian Data Today

AiG	PSI	Jul
RBA	Monetary policy statement	SepQ
RBA	Card transactions	Jul

US Data Tonight

Employment statistics (wages, jobs, unemployment rate)	Jul
Wholesale inventories	Jun
Consumer credit	Jun

Other Overseas Data Today & Tonight

China	Trade balance	Jul
China	Foreign reserves (5pm AEST)	Jul
Japan	Household spending	Jun
Japan	Average cash earnings	Jun
Japan	Leading economic index (3pm AEST)	Jun
Germany	Trade balance	Jun
Germany	Industrial production	Jul

Need More Information?

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Tue	CGF	Full year
	CQE	Full year (tele 11am)
	JHX	Jun Q (1Q FY21) (9am AEST)
	SCP	Full year
Wed	AFT	AGM (8.30am)
	BFG	Full year
	CBA	Full year
	CPU	Full year
	DOW	Full year
	MFG	Full year
	SEK	Full year
	TCL	Full year
Thu	AGL	Full year (9am & 10.45am)
	AMP	Interim
	ARF	Full year
	BRG	Full year
	CQR	Full year
	EVN	Full year
	GMG	Full year
	IAP	AGM (5pm)
	QBE	Interim (w/cast 9.30am)
	TLS	Full year
	TWE	Full year
	WPL	Interim
XRO	AGM	
Fri (14 Aug)	3PL	Full year (tele 10.30am)
	BBN	Full year (tele 9.15am)
	ILU	Interim
	NAB	Q3 trading update
	NCM	Full year