

Markets

SFE 200 Futures (9.30am AEST)	7475	30	0.4
NZX 50	12779	9	0.1
DJIA Futures	35032	-59	-0.2
S&P 500 Futures	4417	-12	-0.3
NASDAQ Futures	15024	-71	-0.5

Local Markets Commentary

The Australian market opens a new week's trade with material data due from China late morning following new data in hand from China over the weekend, and two Australian capital cities and select regions in lockdown, amid reports of increasing international Covid-19 daily diagnoses.

Since overnight Friday international trade, **China** has reported a larger-than-expected increase in the nation's July **trade** surplus, and lower than anticipated year-on-year exports and imports.

China is expected to report July **CPI** and **producer prices** today, at **11.30am AEST**.

Locally today, major **reporting season** warms considerably this week.

The Reserve Bank of Australia reports monthly official reserve assets post-trade.

In overnight Friday commodities trade, **oil** seesawed lower.

US **gold** futures fell decisively.

Qingdao (CFR China, 62% fines) **iron ore** turned US96/t higher, reaching \$US172.51/t.

LME **copper** and other key base metals also swung to settle variously lower.

The **\$A** depreciated to ~US73.55c after trading at ~US73.90c early Friday evening, and has fallen further this morning.

*NB: **Japan's** markets will remain **closed today**, due to a public holiday.*

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35209	144	0.4
S&P 500	4437	7	0.2
NASDAQ	14836	-59	-0.4
FTSE 100	7123	3	0.0
DAX 30	15761	17	0.1
Shanghai Comp	3458	-8	-0.2

Overseas Markets Commentary

Marked choppy trade featured across a majority of major European, UK and US equities markets overnight Friday, the DJIA appearing to be the only index reacting sustainably to positive US job figures.

Today's Stock Watch
Telstra Corporation (TLS)

Telstra Health is outlaying \$A350M for GP clinical and practice management software specialist MedicalDirector.

The acquisition is expected to complete by 30 December.

Suncorp Group (SUN)

40c final and 8c special dividends, each fully franked, from a 10c fully franked dividend a year ago.

13.14% higher, \$1.03B full year NPAT. 3.95% lower, \$14.19B ordinary activities revenue.

In addition, SUN has appointed former CGU Insurance and Vero Insurance CEO Duncan West as a non-executive director, effective at SUN's 23 September AGM.

Mr West is also a previous NAB Wealth and MLC executive GM of insurance, and a current Challenger (ASX: CGF) and Genworth Mortgage Insurance Australia (ASX: GMA) director.

He plans to retire as chair of both The Holland Insurance Company and Lawcover Insurance.

Aurizon Holdings (AZJ)

14.4c 70%-franked final dividend, from 13.7c for FY20. \$607M full year NPAT from \$605M. 2% lower, \$3.02B revenue.

Anticipating \$1.425B - \$1.5B FY22 EBITDA.

Charter Hall Long WALE REIT (CLW)

405.1% higher, \$618.31M full year NPAT.

22% higher, \$154.6M ordinary activities revenue.

Transurban Group (TCL)

21.5c, 5.724%-franked final distribution/dividend, from 16c unfranked a year ago. \$256M full year continuing operations net loss. 9% lower, \$2.89B revenue.

Noxopharm Ltd (NOX)

Co-operative R&D agreement secured with the US National Cancer Institute, to focus on the development of drugs to treat brain, pancreas and bile duct cancer.

Brickworks Ltd (BKW)

Revising FY21 EBIT guidance and curtailing operations at two of five brick kilns in NSW and at a roof tile facility in Brisbane.

Auckland Airport (AIA)

Planning to merge domestic travel into the international terminal and continuing the suspension of four projects until travel demand returns. Details and associated ongoing projects lodged this morning.

Huon Aquaculture Group (HUO)

HUO has agreed to a \$A3.85-per-share scheme of arrangement acquisition by JBS. In addition, HUO is planning to pay a A12.5c-per-share special dividend.

HUO traded at \$2.62 - \$2.89 last week.



US July workforce statistics included 943,000 new jobs, against a forecast 845,000, and 938,000 reported for June.

The unemployment rate dropped to 5.4% from 5.9%, following expectations of a 0.1% decline.

The participation rate rose 0.1% to 61.7%, against expectations of a fall to 61.5%.

Average hourly earnings rose 0.4% as they had in June, and were 4% higher than for July 2020.

Among other overnight Friday **data** releases, **Germany's** June industrial production fell 1.3% during June, defying forecasts for a 0.5% rise following a 0.8% May decline.

Russia's CPI was reported to have risen 0.3% during July, following 0.7% growth and expectations of a new 0.5% rise.

Against July 2020, Russia's CPI was up 6.5%.

In the **US**, in addition to the July employment report, June wholesale inventories grew by 1.1% after a 1.3% May climb and following forecasts of a 0.8% increase.

Consumer credit was calculated \$37.69B higher for June, after May's \$US36.69B May jump, against expectations of a \$US21.6B new rise.

Tonight in the US, a June job openings report and July consumer inflation expectations are due.

Elsewhere, Germany reports June trade figures.

Companies scheduled to report earnings later today and tonight include: AMC Entertainment, Barrick Gold, BioNTech (joint developer of the Pfizer Covid-19 vaccine) and Tyson Foods.

In weekend corporate news, **Berkshire Hathaway** sounded a warning on Covid-19 risks to future results while reporting (on Saturday) June quarter operating earnings tallying \$US6.69B, \$US28B overall earnings and \$US144.1B in cash holdings.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1763.1	oz	-45.8	-2.5
Silver (NY) (Sep)	24.326	oz	-0.96	-3.8
Gold (LON)	1829	oz		
Platinum	976	oz	-19	-1.9
WTI Crude (NYMEX Sep)	68.28	bbbl	-0.81	-1.2
Brent Crude (ICE EUR Oct)	70.70	bbbl	-0.59	-0.8
Iron Ore (NYMEX,CHN,62%)	172.01	t	0.1	0.1
Copper (LME Ind)	9466	t	-27	-0.3
Nickel	19190	t	-284	-1.5
Aluminium	2585	t	-3	-0.1
Lead	2271	t	-89	-3.8
Zinc	2984	t	-46	-1.5
Tin	34765	t	190	0.6

Commodities Commentary

Oil – overnight Friday trade appeared mostly impacted by international economic recovery concerns coupled with \$US strength, following reports Japan would broaden Covid-19 – related emergency restrictions this week and that China had implemented restrictions within additional cities and further curbed inter-regional travel.

Pre-Open Announcements

Insurance Australia Group (* IAG)

Chair Elizabeth Bryan is retiring from IAG at the 22 October AGM. IAG director Tom Pockett will take over as chair. Additional board changes lodged pre-trade.

Magellan Financial Group (MFG)

\$A117.03B FUM 30 July from \$A113.90B 30 June.

Credit Intelligence (CI1)

OneFlexi platform testing is expected to commence mid-month. Details lodged pre-trade.

Smart Parking (SPZ)

Acquiring UK-headquartered parking site management business Enterprise Parking Solutions for \$1.54M.

BluGlass Ltd (BLG)

BLG has demonstrated working tunnel junction laser diodes using the company's remote plasma chemical vapour deposition technology. Details lodged pre-trade.

ELMO Software (ELO)

\$37.63M full year net loss, from an \$18.62M loss a year ago. \$69.11M revenue, from \$50.05M.

Kelly Partners Group Holdings (KPG)

17.1% higher, \$4.625M full year NPAT.

7.5% higher, \$48.91M revenue.

Nick Scali (* NCK)

Labelling as 'incorrect' an analyst quote claiming an apparent 22% fall in NCK June quarter orders.

NCK maintains June quarter written sales order growth was 'positive'.

The quote appeared in a media article.

NCK traded as high as \$12.96 Thursday, after releasing full year results, but settled at \$12.20 Friday after closing out the previous week at \$12.27.

Serko Ltd (SKO)

SKO has appointed Westpac New Zealand chair and Air New Zealand deputy chair Jan Dawson as an independent director, from the conclusion of the 18 August AGM, when director Simon Botherway will stand down.

Spark New Zealand (SPK)

SPK has appointed former IBM Asia Pacific, Cable & Wireless and BT executive David Havercroft as a non-executive director, effective 1 October.

Pip Greenwood is retiring from the SPK board at the November AGM, due to her appointment as Westpac New Zealand chair.

DUG Technology (DUG)

Director Michael Malone has resigned from the DUG board, in favour of other business interests.

Mr Malone had been a DUG director from prior to DUG's 2020 ASX listing.



A weekly US petroleum drill rig report, published overnight Friday, included two additional operational oil rigs, taking the national tally to 387.

Gold – better-than-anticipated US July job numbers detracted from overnight Friday gold interest, pushing the \$US and US bond yields higher.

Comex futures settled ~3.0% lower for the week.

Among this week's data releases, US and China CPI plus UK GDP readings are expected to prove the most influential on gold sentiment.

Base metals – a \$US rise, surprise fall in Germany's June industrial production, and concerns at rising Covid-19 diagnoses in China proved negative influences on overnight Friday LME trade.

Copper had traded higher intra-session on news industrial action was likely anytime from later this week at the major Escondida copper operation, Chile.

In other project news overnight Friday, China Molybdenum revealed plans to outlay ~\$US2.5B to double cobalt and copper output from the Democratic Republic of Congo Tenke Fungurume operation.

China's July trade statistics, reported over the weekend, and inflation figures, due today, will influence tonight's LME trade.

China's July trade surplus was estimated at \$US56.58B from \$US51.53B for June, and against expectations for a smaller increase to \$US52B.

Exports were 19.3% higher than for July 2020, and imports up 28.1%, following respective forecasts for 31% and 33% growth.

China's producer prices and CPI, due today, are also expected to colour some of tonight's sentiment.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7333	-0.0023	-0.31
EUR – USD	1.1746	-0.0017	-0.14

Australian Data Today

RBA	Official reserve assets (4.30pm AEST)	Jul
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US Data Tonight

JOLTS job openings	Jun
Consumer inflation expectations	Jul

Other Overseas Data Today & Tonight

China	CPI	Jul
China	Producer prices	Jul
Germany	Trade balance	Jun
Euro zone	Sentix investor confidence	Aug

DUG has traded lower the past four sessions, settling at \$1.06 Friday after closing out the previous week at \$1.25.

Vecton Technologies (VR1)

FY22-to-date (1 July - 6 August) total contract value (TCV) has reached \$2.2M.

Resources

De Grey Mining (DEG)

Heralding RC drilling results from Hemi gold project Eagle drilling. Assays lodged pre-trade.

Vulcan Energy Resources (VUL)

Planning to seek a listing on the Prime Standard section of the Frankfurt Stock Exchange, while retaining the company's primary ASX listing.

BlackEarth Minerals (BEM)

Heralding the results of a large-scale pilot program, including 95.87% mean average fixed carbon for Maniry project graphite concentrate.

Aldoro Resources (ARN)

Expanding the Narndee drilling program to 10,000m.

In association, ARN will conduct a 6M share placement at 40c each, pending shareholder approval for part director participation.

ARN will pay a 6% + GST placement manager fee in ARN shares.

ARN traded at 45c – 67c last week.

Galaxy Resources (GXY) / Orocobre Ltd (ORE)

GXY shareholders voted overwhelmingly on Friday in favour of the proposed merger with ORE.

Argosy Minerals (AGY)

Nevada, US Tonopah lithium project field surveying update lodged post-trade Friday.

Valor Resources (VAL)

\$400,000 better off following the exercise of 50M options expiring 11 February 2024, at 0.8c each.

~59M shares changed hands Thursday and ~11.5M on Friday.

VAL traded at 0.8c – 1.1c last week.

Gold 50 (* G50)

US-focused exploration company completed its ASX Friday, following a \$10M IPO at 25c per share.

Opened at 22c and traded at 21.5c – 29c before settling at 26c.

2.726M shares were traded across 215 transactions.

~50.32M quoted shares.

Five exploration projects in Nevada and Arizona.

Energy

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

Exclusive mutual diligence underway following STO's revised 0.6275 STO shares for each OSH share merger proposal.

The due diligence period is expected to last ~four weeks.

Province Resources (* PRL) / Global Energy Ventures (* GEV)

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PRL and WA Gascoyne region HyEnergy project partner Total Eren have secured a non-binding MoU with GEV covering technical and commercial feasibility for exporting green hydrogen from the HyEnergy project to potential customers within the Asia-Pacific.

Trading Halts

Company	Code	Resuming
Highfield Resources	HFR	9 Aug
Red Sky Energy	ROG	9 Aug
Marvel Gold	MVL	10 Aug

Suspensions *(selected)*

Company	Code	Since
Family Zone Cyber Safety	FZO	6 Aug
Fargo Enterprises	FGO	26 Jul
Rewardle Holdings	RXH	6 Aug
Salt Lake Potash	SO4	29 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
FRI	Today	2	100	3.53
WOT	Tomorrow	3	0	4.96
AFI	Wed	14	100	2.80
NEW	Wed	3	0	3.53
RIO	Thu	~760	100	4.72
SSR	Fri	5.07	0	0.42

Reports & Events*(selected; all times AEST)*

When	Company	Report/Event
Today	AZJ	Full year
	CLW	Full year
	ELO	Full year
	GOR	Interim
	S2R	Full year
	SUN	Full year
	TCL	Full year
Tomorrow	CGF	Full year
	CRN	Interim
	JHX	Jun Q (1Q FY22; 9am)
	MP1	Full year
Wed	CBA	Full year
	CNI	Full year
	CPU	Full year



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	IAG	Full year
	MP1	Full year
	MIN	Full year
Thu	AGL	Full year (w/cast tele 10.45am)
	AMP	Interim
	CQR	Full year
	DOW	Full year
	GMG	Full year
	MGR	Full year
	NAB	Q3
	QBE	Interim
	TLS	Full year
	WPL	Interim
	XRO	AGM
Fri	BBN	Full year
	BTI	Full year
	PXS	Full year