

Markets

SFE 200 Futures (9.30am AEST)	6082	10	0.2
NZX 50	11784	121	1.0
DJIA Futures	27726	57	0.2
S&P 500 Futures	3387	6	0.2
NASDAQ Futures	11494	17	0.2

Local Markets Commentary

The Australian market opens Friday trade ahead of some key regional and domestic economic figures this morning, and a batch of international PMI updates due today through tonight, with mixed overnight international equities and commodities sentiment.

Regionally today, July CPI (pre-trade) and preliminary August PMIs (10.30am AEST) are due for **Japan**.

Locally today, the Australian Bureau of Statistics (ABS) releases *preliminary July retail sales 11.30am* AEST.

In addition, four high-profile and large-cap stocks – **INA, KGN, LLC** and **NCM** - trade **ex-dividend** today. *Please see p3 for details.*

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

US **gold** futures (December) retreated further, below \$US1950/oz.

Iron ore (Nymex CFR China, 62% Fe) turned higher, trading beyond \$US123.70/t.

LME **copper** and other key base metals traded lower.

The **\$A** was pushed to US71.85c after trading at ~US71.50c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27740	47	0.2
S&P 500	3386	11	0.3
NASDAQ	11265	118	1.1
FTSE 100	6013	-99	-1.6
DAX 30	12830	-147	-1.1
Shanghai Comp	3364	-44	-1.3

Overseas Markets Commentary

Major European and US equities markets mostly headed lower on opening, but key US indices soon trended higher and closed at or near session highs, in part supported by positive tech stocks sentiment.

US Federal Reserve July policy meeting minutes, published post-European trade Wednesday had appeared to concern, geopolitical issues bubbled, and some economic data releases undershot expectations.

Today's Stock Watch
Mosaic Brands (MOZ) / Scentre Group (SCG)

MOZ says landlord SCG has temporarily closed 129 stores in Westfield centres nationally.

Coles Group (COL)

\$A450M notes offer, comprising \$A300M worth of 10-year fixed-rate notes and \$A100M worth of five-year floating rate notes.

Proceeds will replace existing bank debt facilities.

Additional details lodged post-trade yesterday.

Suncorp Group (SUN)

10c fully franked final dividend.

\$913M full year NPAT, against \$175M a year ago.

5.08% lower, \$14.77B revenue.

Healius Ltd (HLS)

Nil final dividend, against 3.4c year ago.

\$70.5M full year net loss, against a \$55.3M FY19 net profit.

1.4% higher, \$1.58B revenue.

TPG Telecom (TPM)

\$83M interim NPAT, against a \$153M net loss a year ago.

11% lower, \$1.54B revenue.

The a2 Milk Company (A2M) / Synlait Milk (SM1)

A2M is offering to outlay \$NZ270M to acquire a 75.1% holding in New Zealand-headquartered Matura Valley Milk (MVM).

A2M has also secured exclusive due diligence ahead of potentially manufacturing some products at the MVM facility in Southland, New Zealand.

MVM's 24.9% shareholder China Animal Husbandry Group (CAHG) is said to support the due diligence.

CAHG is owned by China National Agriculture Development Group, the parent of A2M's China strategic partner CSFA Holdings Shanghai (China State Farm).

SM1 is also an A2M partner.

Vita Group (VTG)

2.4c fully franked final dividend, against 4c a year ago. 7.7% lower, \$22.41M full year NPAT. 2.6% higher, \$773.1M revenue.

Mayne Pharma (MYX)

\$94.535M full year net loss, against a \$282.1M FY19 net loss.

13% lower, \$456.99M revenue. 5c NTA, from 15c.

Imugene Ltd (IMU)

Ethics approval in hand for Cabrini Hospital to participate in IMU's phase one human trial of the proposed anti-cancer immunotherapy PD1-Vaxx. This is the third hospital to secure such approval, with patient screening already underway at Macquarie University Hospital.



Overnight, the **European Central Bank's** (ECB) July policy meeting minutes underscored a common view to remain vigilant on policy due to fluid global economic recovery outlooks.

Some policy committee members however, appeared at odds on whether to boost emergency bond buying.

Earlier yesterday, the **People's Bank of China** had maintained rates for key one- and five-year loans.

In the meantime, China retaliated to the late-Wednesday US vow to suspend or end three bilateral agreements with China, with a suspension on an agreement that covered Hong Kong - US legal assistance.

Later among other geopolitical developments, Iran had exhibited two ballistic missiles named after military heads killed by a US attack earlier this year. Iran's president Hassan Rouhani described the two missiles as defensive, rather than offensive.

For its part, the US continued to promote the need for the UN security council renew the arms embargo on **Iran**, further requesting all sanctions to be reinstated.

Israel supported the US stance, but not so **Russia**, which wants the UN security council to again consider Iran's circumstances later today and tonight.

Among other news involving Russia, the opposition leader was reported to have been poisoned.

Meanwhile, the US president hosted **Iraq's** PM at the White House, discussions reportedly covering US troop withdrawals, oil and gas opportunities and **Turkey's** presence in northern Iraq.

In overnight **data** releases, **Germany's** July producer prices were estimated 0.2% higher for the month, after coming in flat for June, but 1.7% lower against those for July 2019.

The **euro zone's** June construction output PMI fell 5.9% year-on-year, following a 10.5% May drop.

In the **US**, weekly new unemployment claims rose to 1.106M from 971,000 the previous week.

The Philadelphia Fed manufacturing index also disappointed, falling to 17.2 from 24.1.

The Conference Board's July leading index also dropped, from 3% to 1.3%.

Tonight in the **US**, July existing home sales and Markit's initial August PMI readings are due.

In addition, the US Democrat national convention will come to a close with Joe Biden set to accept his party's endorsement to challenge the current US president at this November's presidential election.

Elsewhere, preliminary PMI readings are due for the euro zone and UK. The UK also reports July retail sales.

Deere & Co, Will Semiconductor and Zijin Mining are among companies scheduled to report earnings later today and tonight.

In overnight corporate news, **Alibaba** reported 34% higher year-on-year June quarter revenue.

A 39% jump in **Nvidia** revenue for the three months exceeded expectations.

Intel was included in the general boost for tech stock prices, after announcing a \$US10B buy-back.

Pre-Open Announcements

COSOL Ltd (* COS)

\$3.24M professional services contract secured with the Australian Department of Defence. Details lodged pre-trade.

Emerge Gaming (* EM1)

EM1's MTN Arena is being featured this week on a TV breakfast program broadcast across South Africa.

CIMIC Group (CIM)

Standard & Poor's has reaffirmed CIM's BBB/stable/A-2 issuer credit rating.

Telix Pharmaceuticals (TLX)

\$17.62M interim net loss, following a \$10.36M net loss a year ago.

12% lower, \$1.61M revenue.

4c NTA, against 3c.

Euroz Ltd (EZL)

\$1.35M full year net loss, following a \$107,685 net loss a year ago.

FY20 results were mostly impacted by Prodigy write-downs.

13% higher, \$67.55M revenue.

64c NTA, against 69c.

6c fully franked final dividend.

Cirralto Ltd (CRO)

In response to an ASX price query, CRO points out the interest in digital payment services and recent increase in cashless transactions.

CRO added 28.57% yesterday, attracting high-volume trade and settling at 2.7c, after trading as high as 3c intra-session, and closing out last week at 1.4c.

CRO had appreciated more than 20% also Monday and Wednesday this week.

Flexiroam Ltd (FRX)

Pleading ignorance in response to an ASX price-volume query. FRX traded as high as 5.8c yesterday, before settling 200% higher for the session at 4.5c.

Resources

Fortescue Metals Group (* FMG)

30 June resources estimated at 8.06Bt (in-situ) @ 57.1% Fe, against 7.91Bt a year earlier.

Breakdowns lodged this morning.

Australian Vanadium (AVL)

Retracting the iron-titanium co-product production target from yesterday's announcement.

Kalium Lakes (KLL)

Mal Randall has stepped down as chairman with plans to retire from the KLL board by the end of the November AGM.

KLL non-executive director Stephen Dennis has been appointed KLL's new chair.



Antofagasta confirmed the extent of Covid-19 outbreak and subsequent containment measures on interim results, maintaining a dividend, but reducing it by 42%.

A court in California in the meantime allowed **Lyft** and **Uber** to keep using casual drivers, pushing out a deadline to formally employ drivers within California.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1946.5	oz	-23.8	-1.2
Silver (NY) (Sep)	27.147	oz	-0.193	-0.7
Gold (LON) (19 Aug)	1981	oz		
Platinum	914	oz	-8	-0.9
WTI Crude (NYMEX Sep)	42.58	bbl	-0.35	-0.8
Brent Crude (ICE EUR Oct)	44.90	bbl	-0.47	-1.0
Iron Ore (NYMEX,CHN,62%)	122.47	t	1.27	0.6
Copper (LME,3mth Ind,PM)	6608	t	-74	-1.1
Nickel	14600	t	-55	-0.4
Aluminium	1787	t	-4	-0.3
Lead	1986	t	-15	-0.8
Zinc	2483	t	-14	-0.6
Tin	17570	t	-70	-0.4

Commodities Commentary

Oil – early weak global economic recovery sentiment, plus weekly US new unemployment claims back above 1M, produced sufficient concern for prices to be pushed lower overnight.

In addition, further details emerged overnight of OPEC+ members which had produced more than their agreed quotas May through July, a report outlining quantities and not just for four members OPEC+ had nominated after a compliance meeting overnight Wednesday.

Through August and September, members are expected to make compensatory reductions, in addition to the new cuts introduced from 1 August.

Another compliance review is scheduled for 17 September.

A US weekly petroleum drill rig report is due tonight.

WTI September futures expired overnight. The October delivery contract fell 0.7% to \$US42.82/bbl.

Gold – pushed and pulled overnight by a batch of commentary regarding central banks, policy moves and international economic recovery prospects.

Meanwhile, the ICE \$US index swung modestly each way.

European Central Bank minutes released overnight, debated some policy measures, but generally highlighted the need for ongoing support.

Base metals – overnight sentiment was attributed in part to central bank comments regarding the pace of economic recovery from the Covid-19 outbreak.

Meanwhile among the producers, Antofagasta slashed the group's interim dividend by 42% after outlining the impact of Covid-19 on operations and subsequently bottom line figures.

Yesterday, **China** retained 3.85% and 4.65% for one- and five-year loan prime rates.

Trading Halts

Company	Code	Resuming
DomaCom Ltd	DCL	21 Aug
Fe Ltd	FEL	21 Aug
Neurotech International	NTI	21 Aug
Osteopore Ltd	OSX	21 Aug
Rafaella Resources	RFR	21 Aug
RooLife Group	RLG	21 Aug
Flexiroam Ltd	FRX	24 Aug
Lithium Australia	LIT	24 Aug
Roots Sustainable Agricultural Technologies	ROO	24 Aug
Tabcorp Holdings	TAH	24 Aug
Tempus Resources	TMR	24 Aug
Mako Gold	MKG	25 Aug
Alice Queen	AQX	26 Aug
Kingwest Resources	KWR	26 Aug

Suspensions *(select)*

Company	Code	Since
Altura Mining	AJM	12 Aug
Ragnar Metals	RAG	7 Aug
STEMify Ltd	SF1	6 Aug
Syntonic Ltd	SYT	4 Aug
thedocyard Ltd	TDY	18 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
INA	Today	4.4	0	2.46
KGN	Today	13.5	100	0.71
LLC	Today	3.26	0	5.36
NCM	Today	24.4	100	0.99
AZJ	Mon	13.7	70	5.60
ANZ	Mon	25	100	4.33
EVN	Mon	9	100	2.22
PNI	Mon	8.5	100	2.84
VG1	Mon	1.5	100	0.52
WPL	Mon	36.53	100	6.82
DMP	Tue	52.6	100	1.40
IVC	Tue	5.5	100	4.19
MIN	Tue	77	100	1.92
NWL	Tue	7.8	100	0.95
RKN	Tue	3	100	6.25
AGL	Wed	51	80	7.19
CEN	Wed	20.18	0	6.13
PAI	Wed	3	100	3.51
QVE	Wed	2.2	100	5.24
TLS	Wed	8	100	3.30

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7201	0.0009	0.23
EUR – USD	1.1867	0.0005	0.04

Australian Data Today

ABS	Retail sales (preliminary)	Jul
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US Data Tonight

Existing home sales	Jul
Markit PMIs (prelim)	Aug

Other Overseas Data Today & Tonight

Japan	PMIs	Aug
Japan	CPI	Jul
UK	Retail sales	Jul
UK	PMIs (prelim)	Aug
UK	Public sector finances	Jul
Germany	PMIs (prelim)	Aug
Euro zone	Consumer confidence	Aug
Euro zone	PMIs (prelim)	Aug

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Reports & Events

(selected)

When	Company	Report/Event
Today	BWX	Full year
	CLQ	Full year
	DTL	Full year
	FPH	AGM (midday AEST)
	HLS	Full year
	ING	Full year
	MYX	Full year
	MYS	Full year
	NSR	Full year
	RBL	Full year
	SUN	Full year
	TPM	Interim
VTG	Full year	
Mon	AUB	Full year
	CNU	Full year
	FMG	Full year
	ISD	Full year (w/cast 10am)
	NHF	Full year (w/cast 10am)
	OML	Full year (w/cast 10am)
	RWC	Full year
	SBM	Full year
	SXY	Full year (tele 10am)
	SSG	Full year (tele 11am)
	SUL	Full year
	Tue	AWC
ALD		Full year
ANN		Full year
BIN		Full year
BKL		Full year
CPT		AGM (11am)
OSH		Interim
PRN		Full year (tele 9am AEST)
QUB		Full year
RHP		Full year (tele 9am)
SCG		Interim
SPK		Interim
SGP		Full year
SWM		Full year