

Markets

SFE 200 Futures (9.30am AEST)	6073	-65	-1.1
NZX 50	11772	35	0.3
DJIA Futures	26774	48	0.2
S&P 500 Futures	3255	4	0.1
NASDAQ Futures	10875	24	0.2

Local Markets Commentary

The Australian market opens mid-week trade with additional detail in hand regarding proposed domestic JobSeeker and JobKeeper changes, a stimulus package agreed for the European Union's 27 member nations, renewed additional US fiscal support deliberations officially underway, and largely positive overnight key commodities sentiment.

Regionally today, July manufacturing and services PMIs are due for Japan 10.30am AEST.

Locally today, Westpac and the Melbourne Institute publish their monthly **leading index** report, also at 10.30am.

The Australian Bureau of Statistics (ABS) releases **preliminary retail trade** figures for June, 11.30am AEST.

In addition, plenty of additional commentary is anticipated ahead of **tomorrow's national budget update** from Australia's treasurer.

In overnight commodities trade, **oil** settled decisively higher, but have since retreated some.

US **gold** futures (August) and other precious metals were pushed sharply higher.

Iron ore (Nymex CFR China, 62% Fe) turned to record a moderate gain.

LME **copper** and other key base metals rallied.

The **\$A** retreated to ~US70.15c after being pushed to ~US70.60c early yesterday evening.

Earlier this morning, the \$A was propelled well beyond US71.30c.

NB: Japan's equities markets will be closed tomorrow and Friday due to public holidays.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26840	160	0.6
S&P 500	3257	5	0.2
NASDAQ	10680	-87	-0.8
FTSE 100	6270	8	0.1
DAX 30	13172	125	1.0
Shanghai Comp	3321	7	0.2

Today's Stock Watch
QBE Insurance Group (QBE)

Anticipating 10% growth in interim grow written premium (constant currency basis).

Expecting to book \$515M worth of adverse impacts, relating to Covid-19, fires, flooding and accident claims.

Planning to lodge half-year results 13 August.

Downer EDI (DOW)

Resuming trade having raised \$339M in a \$3.75-per-share institutional entitlement offer, in part to acquire the balance of Spotless.

When announcing the halt pre-trade yesterday, DOW also revealed the group was anticipating a \$150M - \$160M FY20 net loss.

DOW also lodged a business update presentation.

A \$61M retail offer is scheduled for 28 July – 14 August.

DOW traded at \$4.04 - \$4.33 over the five trading sessions immediately prior to calling the halt.

Damstra Holdings (DTC)

Anticipating \$22M FY20 revenue, representing 38% growth. Expecting \$5.6M EBITDA.

Clean TeQ Holdings (CLQ)

HoA secured for NSW Sunrise project scandium offtake, and separately, for the collaborative development of scandium-aluminium alloys designed for commercial orbital launcher 3D printing.

Resources
Lynas Corporation (LYC)

Teleconference scheduled to commence 11am AEST.

Produced 775t of NdPr and 2579t overall of REO during the June quarter, against 1369t and 4465t respectively for the March quarter.

Output was impacted by Covid-19 – related shutdowns.

Sold 1878t of REO for \$42M in receipts, against \$101M.

\$A101.7 M cash balance, against \$A124.6M.

OZ Minerals (OZL) / Investigator Resources (IVR)

OZL has lodged upgraded FY20 production guidance.

Produced 24,577t of copper and 68,740oz of gold during the June quarter, at a US50.5c/lb AISC.

110,901oz of gold hedged at \$A1762/oz.

\$15M net cash, including \$100M debt. \$480M revolving credit.

In addition, OZL has decided not to proceed to the second stage of an earn-in to IVR's Maslin IOCG project.

IVR will hence retain 100%.

**Overseas Markets Commentary**

Positive sentiment ultimately prevailed across most major European and US equities markets overnight, despite vacillations, the NASDAQ proving a significant exception.

Pre-trade, **EU** leaders announced agreement on a €750B economic **recovery plan** which will require significant European Commission (EC) borrowing on behalf to the 27 member states, the first time the EC has embarked on mass borrowing.

Key **US** parliamentarians commenced meetings with White House officials regarding **further stimulus**, the Senate majority leader promoting renewed direct payments to individuals.

The Senate minority leader in the meantime warned no new legislation was likely before August.

Meanwhile some senators bemoaned the size of the likely overall new spending, touted as up to \$US1 trillion.

In overnight **data** releases, a **UK** public sector finances release revealed the government needed to borrow a record £127.9B during the June quarter, against £55.4B in total for the financial year to 5 April, pushing the debt tally to a record £1.98 trillion.

June borrowing fell to £34.8B however, from £44.7B for May.

Meanwhile, a UK government 30-year bond auction delivered a 0.683% yield, from 0.668%.

In the **US**, the Chicago Fed June national activity index rose to 4.11, against expectations of 3.2 and following 3.5 for May.

Tonight in the **US**, a May house price index, June existing home sales and weekly mortgage applications are due.

A 20-year bond auction is also scheduled.

Elsewhere, Germany conducts a 30-year bond auction.

Companies scheduled to report earnings later today and tonight include: Akzo Nobel, Baker Hughes, Biogen, Canon, Chipotle (post-US trade), Christian Dior, CSX, LG Innotek, LVMH, Microsoft (post-US trade), Nasdaq, Tesla, Tokyo Steel Manufacturing and Whirlpool.

In overnight corporate news, California-headquartered **LinkedIn** revealed it would cut 960 employee positions, representing ~6% of the group's total workforce, due to reduced recruitment and hiring.

United Airlines and **Texas Instruments** reported post-US trade, each set of results appearing to exceed expectations.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1843.9	oz	26.5	1.5
Silver (NY) (Sep)	21.557	oz	1.37	6.8
Gold (LON) (20 Jul)	1816	oz		
Platinum	876	oz	35	4.2
WTI Crude (NYMEX Aug)	41.96	bbbl	1.15	2.8
Brent Crude (ICE EUR Sep)	44.32	bbbl	1.04	2.4
Iron Ore (NYMEX,CHN,62%)	107.58	t	0.40	0.4
Copper (LME,3mth Ind,PM)	6550	t	87	1.3
Nickel	13485	t	295	2.2
Aluminium	1698	t	34	2.0
Lead	1840	t	11	0.6
Zinc	2242	t	44	2.0

Pre-Open Announcements**Atlas Arteria (** ALX)**

June quarter (weighted average) traffic decreased by 51.2% year-on-year, pushing 1H 2020 traffic 30.9% lower.

Toll revenue dropped 44.2% during the June quarter and 26.1% for 1H 2020.

Breakdown statistics lodged pre-trade.

Immuron Ltd (IMC)**

Agreements in hand for ~1.07M IMC American depository shares (ADS) at \$US18.75 each.

Skyfii Ltd (SKF)**

FY20 operating revenue estimated 44% higher, at \$13.5M.

Additional statistics, including for the June quarter, lodged this morning.

Resources**De Grey Mining (DEG)**

Heralding Aquila project extensional drilling results.

Significant-width, high-grade assays lodged this morning.

Trading Halts

Company	Code	Resuming
Delecta Ltd	DLC	22 Jul
Perpetual Resources	PEC	22 Jul
Reffind Ltd	RFN	22 Jul
Sayona Mining	SYA	22 Jul
Ultima United	UUL	22 Jul
Zelira Therapeutics	ZLD	22 Jul
BPH Energy	BPH	23 Jul
Rhythm Biosciences	RHY	23 Jul
YPB Group	YPB	23 Jul
Impact Minerals	IPT	24 Jul
Kalina Power	KPO	24 Jul
Talon Petroleum	TPD	24 Jul
Peel Mining	PEX	27 Jul
Southern Hemisphere Mining	SUH	27 Jul
Stavely Minerals	SVY	27 Jul
Centaurus Metals	CTM	28 Jul

Suspensions (select)

Company	Code	Since
Aurora Minerals	ARM	21 Jul
Blossomvale Holdings	BLV	7 Jul
Factor Therapeutics	FTT	17 Jul
Freedom Foods Group	FNP	26 Jun
Leaf Resources	LER	16 Jul



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Commodities Commentary

Oil – overnight price gains were attributed to the European Union (EU) stimulus package agreement plus Covid-19 potential vaccine optimism.

A weekly US petroleum inventories report is due tonight from government agency EIA.

Overnight, an American Petroleum Institute weekly publication included a likely 7.544MMbbl rise in stored crude.

This has pushed crude futures lower in post-settlement trade.

August delivery WTI expired overnight, September WTI adding 2.4% (\$US1.04/bbl) for the session, to settle at \$US44.32/bbl.

Gold – Comex futures were supported overnight by the EU recovery plan agreement plus the confirmed commencement of talks between US officials and key parliamentarians regarding additional US stimulus.

Silver notably settled highest for a most-active contract since 2014, and 80% higher than this year's lowest price.

Base metals – the European Union's agreement on an unprecedented stimulus package, just hours before LME trade commenced, appeared to buoy early overnight sentiment.

In addition, Monday's positive Covid-19 potential vaccine news remained supportive.

Yesterday, **Japan** reported 0.1% June CPI growth following a flat result for May. Year-on-year, inflation was also just 0.1%.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7128	0.0000	0.00
EUR – USD	1.1530	0.0001	0.01

Australian Data Today

Westpac/MInst	Leading index	Jun
ABS	Retail trade (<i>prelim</i>)	Jun

US Data Tonight

FHFA house prices	May
Existing home sales	Jun
MBA mortgage applications	17 Jul

Other Overseas Data Today & Tonight

Japan	PMIs	Jul
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Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MIR	30 Jul	6.5	100	3.72
PMV	30 Jul	34	100	2.15

Reports & Events

(selected)

When	Company	Report/Event
Today	ALX	Jun Q
	LYC	Jun Q (teleconf 11am)
	OZL	Jun Q
	QBE	Updated guidance
	SKF	Jun Q
Tomorrow	NST	Jun Q (teleconf 9.30am)
	WGX	Jun Q (webcast & Q&A midday)
28 Jul	CCP	Full year
	DRO	AGM (2.30pm)
	GUD	Full year (audio webcast 11am)

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