

Markets

SFE 200 Futures (9.30am AEST)	7316	-24	-0.3
NZX 50	12618	27	0.2
DJIA Futures	34918	-35	-0.1
S&P 500 Futures	4391	-4	-0.1
NASDAQ Futures	14921	-27	-0.2

Local Markets Commentary

The Australian market commences mid-week trade with influential domestic data due late morning following overnight falls across international equities markets, and ahead of a Federal Reserve post-policy meeting statement and further large-cap earnings results in the US tonight.

Locally today, the Australian Bureau of Statistics (ABS) publishes its **June quarter CPI estimate 11.30am AEST**.

Corporate updates and earnings from high-profile companies continue, with Rio Tinto (ASX: RIO) expected to lodge interim results post-ASX trade.

Meanwhile, Covid-19 containment and economic impacts remain in focus, with further national government support announcements anticipated.

Regionally today, the Bank of Japan is due to release a 'summary of opinions' from its latest policy meeting.

In overnight commodities trade, WTI **crude** recorded a moderate fall. Brent declined, but barely, by just US2c/bbl.

US **gold** futures settled just US60c/oz higher.

Iron ore prices declined slightly, Qingdao (CFR China, 62% fines) iron ore by US17c/t to \$US202.57/t and Nymex (CFR China, 62% fines) futures also by US17c/t, but to just beneath \$US215.00/t.

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

The **\$A** appeared relatively range bound after trading at ~US73.50c – ~US73.60c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35059	-86	-0.2
S&P 500	4401	-21	-0.5
NASDAQ	14661	-180	-1.2
FTSE 100	6996	-29	-0.4
DAX 30	15519	-100	-0.6
Shanghai Comp	3381	-86	-2.5

Overseas Markets Commentary

Major European, UK and US equities markets fell variously on opening overnight, sentiment never seriously recovering through to respective settlements.

In the US, Chinese stocks listed on the NASDAQ in particular

Today's Stock Watch
Virgin Money UK (VUK)

Deposits declined by 0.8% to £68.0B during the June quarter. Mortgages grew 0.7% to £58.7B. Business lending fell 2.4% to £8.7B. Personal lending rose 2.5% to £2.5B, boosted by credit card activity. 1.68% net interest margin from 1.60% for the March quarter. CET1 up 0.4% to 14.8%.

ALS Ltd (ALQ)

Outlaying €145M to acquire 49% of pharmaceutical testing specialist NUVISAN, plus an exclusive call option for the balance. Today's AGM materials also lodged.

Spark Infrastructure (SKI)

Further revised, \$A2.95-per-stapled security (pending distribution) in hand from the KKR and Ontario Teachers' Pension Plan Board consortium.

SKI has traded at \$2.52 - \$2.63 the past five trading sessions.

SkyCity Entertainment Group (SKC)

SkyCity Adelaide will reopen in stages from 10.30am AEST, in accordance with the overnight lifting of Adelaide's lockdown and ongoing physical distancing and hygiene requirements.

Aurora Labs (A3D)

BAE Systems Maritime Australia will print trial/investigative components for the commercial evaluation for the Hunter Class Frigate program, using A3D powder bed fusion technology, due to A3D being identified as a potential provider of this technology for the program.

Resources
Rio Tinto (RIO)

Interim results due later today. Meanwhile, the UK Financial Conduct Authority (FCA) is reportedly investigating allegations of disclosure breaches during 2018 and 2019 regarding the value of the Oyu Tolgoi project, Mongolia.

In other RIO news, RIO has committed \$2.4B for the development of the Jadar lithium-borates project, Serbia.

Gold Road Resources (GOR)

Produced 53,132oz of gold with a \$A1659/oz AISC during the June quarter. Sold 28,245oz at \$A2145/oz. \$128.6M cash and equivalents.

St Barbara (SBM)

Produced 82,698oz of gold with a \$A1623/oz AISC during the June quarter, pushing FY21 output to 327,662oz with a \$A1616/oz AISC.

Sold 333,000oz for the full year, at \$A2221/oz, including 96,000oz during the June quarter, at \$A2336/oz.

Anticipating producing 305,000oz – 355,000oz with a \$1710/oz - \$1860/oz AISC during FY22. \$A133M cash at bank.



continued to fall following recent regulatory moves from China and/or allegations of competition law breaches.

Covid19 diagnoses were again reported higher in Tokyo and the US, and deaths and hospitalisation numbers grew to four-month peaks in the UK. Meanwhile, cases throughout several Asian nations were reported to be continuing to surge.

Also overnight, the International Monetary Fund (IMF) issued a new set of international growth forecasts, retaining an overall 6% growth prediction for 2021 global growth, but significantly lifting and lowering projections for select nations and regions, including most of Asia.

The differences between the upgrades and downgrades were mostly attributed to Covid-19 vaccine access and fiscal and monetary policy support.

For the US, GDP growth was forecast to rise 7.0% in 2021 and 4.9% next year, up 0.6% and 1.4% respectively from the IMF's previous forecasts.

The UK's forecast 2021 GDP growth was also raised to 7.0% from 5.3%.

China's predicted 2021 growth was cut by 0.3% to 8.1%.

Meanwhile, yesterday afternoon, **Bank of Japan** (BoJ) governor Haruhiko Kuroda claimed the central bank's 2% inflation target policy had dragged the nation from deflation.

He also revealed the BoJ was prepared to monitor its climate change responses while assisting businesses and banks to address the issue, and asserted the central bank would not prioritise 'green' bonds above other asset purchases.

Among overnight **data** releases, lending to businesses and households in the **euro zone** rose by 1.9% and 4% respectively during June, year-on-year. Business lending exceeded forecasts by 0.3%

In the **UK**, the CBI distributive trades index fell to 23 from 25, but 21 – 22 had been anticipated.

In the **US**, June durable goods orders rose 0.8% for the month following a 3.2% May jump and forecasts of a 1.9% new increase.

The Conference Board July consumer confidence reading was calculated 0.2 higher than for June, at 129.1.

The Richmond Fed manufacturing index improved by one point to 27, defying forecasts of a drop to 21.

Meanwhile the FHFA May home price index rose 1.7% in May and 18% year-on-year.

Case-Shiller's May house prices were estimated 2.1% and 17% higher, respectively.

Tonight in the US, the Federal Reserve concludes a two-day policy meeting from which outcomes will be known early tomorrow morning (AEST).

Economic indicators due for release include: June wholesale inventories, together with weekly mortgage applications.

Companies scheduled to report earnings later today and tonight include: Automatic Data Processing, Barclays, Boeing, Bristol-Myers Squibb, Canon, Deutsche Bank, Doosan, Facebook, Ford Motor, GlaxoSmithKline, Humana, LG International, Lundin Mining, McDonald's, Nissan Motor, Novatek, PayPal Holdings, Pfizer, Qualcomm, Shopify, Rio Tinto, Samsung C&T, Santander, Softbank Technology and Vale.

Pre-Open Announcements

Audio Pixels Holdings (AKP)

Scheduling digital speaker systems in-person demonstrations in Israel during second-half August.

Aquirian Ltd (* AQN)

Mining services company completed a successful ASX listing yesterday, following an \$8M IPO at 20c per share.

Opened at 23.5c and traded at 22.5c – 25c before settling at 24c.

~2M shares changed hands across 215 transactions.

80M quoted shares.

Crown Resorts (* CWN)

CWN has repaid a total \$61M in formerly unpaid Crown Melbourne tax plus penalty interest.

CWN has traded lower the past nine sessions, settling at \$8.98 yesterday, after closing out 30 June at \$11.91.

Starpharma Holdings (* SPL)

SPL was scheduled to present an overview of the company's chemo and radio therapy DEP drug delivery to the Controlled Release Society's (25 – 29 July) annual meeting overnight.

SPL recouped 7.9% yesterday, settling at \$1.36, after delivering positive test results for the VIRALEZE SPL7013 nasal spray in reducing SARS-CoV-2 Delta variant infectivity.

East 33 (* ETT)

Sydney rock oyster producer and supplier scheduled to list on the ASX 12.30pm AEST **tomorrow**, following a \$32M IPO at 20c per share.

~222M quoted shares.

Resources

Mt Gibson Iron (* MGX)

Sold 500,000t of iron ore at \$82/t FOB during the June quarter, pushing the FY21 total to 3.0Mt at \$66/t FOB.

\$365M cash and investments. Nil borrowings.

Medusa Mining (* MML)

Produced 22,396oz of (unhedged) gold with a \$US1594/oz AISC during the June quarter.

Sold 21,457oz at \$US1836/oz.

FY21 output is estimated at 95,193oz with a \$US1231/oz AISC.

Sold 94,619oz at \$US1856/oz for FY21.

\$US72.2M cash and equivalents.

29Metals Ltd (29M)

3m lift of the Capricorn Copper project Esperanza tailings storage facility approved by the Queensland Department of Environment and Science.

Tribune Resources (TBR) / Northern Star Resources (NST) / Rand Resources (RND)

East Kalgoorlie JV (EKJV) June quarter exploration report lodged



In overnight corporate news, **Alphabet** (Google parent) and **Apple** have reported post-US trade, exceeding headline expectations, and will influence some of tonight's trade.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1799.8	oz	0.60	0.0
Silver (NY) (Sep)	24.65	oz	-0.67	-2.6
Gold (LON)	1800.2	oz		
Platinum	1045	oz	-14	-1.3
WTI Crude (NYMEX Sep)	71.65	bbbl	-0.26	-0.4
Brent Crude (ICE EUR Sep)	74.48	bbbl	-0.02	-0.0
Iron Ore (NYMEX,CHN,62%)	214.99	t	-0.17	-0.1
Copper (LME Ind)	9779	t	-33	-0.3
Nickel	19320	t	-399	-2.0
Aluminium	2488	t	-30	-1.2
Lead	2335	t	-40	-1.7
Zinc	2978	t	-33	-1.1
Tin	34390	t	-631	-1.8

Commodities Commentary

Oil – caution appeared to prevail overnight, with a \$US swing lower in late trade supporting WTI trade.

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

Overnight post-US trade, the API has published a weekly report which included an estimated 4.73MMbbl draw on US crude stocks last week.

Gold – caution appeared to constrain overnight gold interest, ahead of the US Federal Reserve's post-policy meeting statement, plus key economic indicators yet to be reported this week.

Tonight's US Fed policy statement and subsequent press conference are scheduled for post-Comex futures settlement.

Base metals – overnight trade was influenced by data, demand and supply views based on recent weather events and Covid-19 developments, industry news and price forecasts.

Rio Tinto warned of a 65% cut in output at a Kitimat, Canada aluminium smelter, due to industrial action.

MMG's Las Bambas copper project in Peru was reported to have been adversely impacted by road blockades lasting four days.

In the meantime, BHP was reported to have delivered a final offer to an Escondida copper project workers' union following two months of negotiations.

China's January - June industrial profits were reported yesterday to have grown 66.9% year-on-year, following expectations of a 65% increase. January – May profits had been calculated up 83.4%.

Among the forecasters, Goldman Sachs reset its 12-month copper price target higher, at \$US11.500/t.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7368	-0.0005	-0.07

post-trade yesterday.

NST 51%; TBR 36.75%; RND 12.5%.

M3 Mining (* M3M)

Gold and base metals explorer scheduled to list on the ASX 11.30am AEST **tomorrow**, following a \$4.6M IPO at 20c per share.

Energy

Stanmore Resources (SMR)

Isaac Downs mining leases have been granted by the Queensland government.

Produced 29% fewer tonnes of saleable coal during the June quarter than for a year earlier, output tallying 379,000t.

During the March quarter, SMR had produced 428,000t, 11% more than for the June quarter.

SMR sold 293,000t of coal during the June quarter, 35% fewer than for a year earlier and falling 44% short of March quarter sales volumes.

Trading Halts

Company	Code	Resuming
Caeneus Minerals	CAD	28 Jul
Capricorn Metals	CMM	28 Jul
Coda Minerals	COD	28 Jul
Industrial Minerals	IND	28 Jul
Jayex Technology	JTL	28 Jul
Simble Solutions	SIS	28 Jul
Theta Gold Mines	TGM	28 Jul
Torrens Mining	TRN	28 Jul
Aroa Biosurgery	ARX	29 Jul
BPM Minerals	BPM	29 Jul
Imugene Ltd	IMU	29 Jul
Jatcorp Ltd	JAT	29 Jul
Magnis Energy Technologies	MNS	29 Jul
Pilbara Minerals	PLS	29 Jul
Salt Lake Potash	SO4	29 Jul
Victory Mines	VIC	29 Jul

Suspensions (selected)

Company	Code	Since
8Common Ltd	8CO	26 Jul
Crater Gold Mining	CGN	9 Jul
Fargo Enterprises	FGO	26 Jul
Jervois Mining	JRV	21 Jul
Scorpion Minerals	SCN	27 Jul
Weststar Industrial	WSI	23 Jul



EUR – USD 1.1820 0.0018 0.16

Australian Data Today

ABS	CPI	Jun Q
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US Data Tonight

Wholesale inventories	Jun
MBA mortgage applications	23 Jul

Other Overseas Data Today & Tonight

Japan	BoJ summary of opinions	Jun
Japan	Leading economic index (final)	May
Germany	GfK consumer confidence	Aug
Germany	Import prices	Jun

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Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MIR	Today	8.5	100	2.57
MIRNA	Today	4.25	100	0.00
GCI	Tomorrow	0.77	0	4.47
PCI	Tomorrow	0.32	0	3.43
QRI	Tomorrow	0.7	0	6.04
TCF	Tomorrow	3	0	1.58
PGG	Fri	0.68	0	tbc
NBI	2 Aug	0.8	0	5.17

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	ALQ	AGM
	GOR	Jun Q
	MGX	Jun Q
	NIC	Jun Q (webcast 11am)
	RIO	Interim
	SBM	Jun Q
Tomorrow	AAC	AGM
	CCP	Full year
	FMG	Jun Q
	IPL	Operational update
	IGO	Jun Q
	IRE	Investor day
	JHG	Jun Q (NB : webcast tele 10pm)
	MQG	AGM
Fri	PLS	Jun Q (webcast tele 10am)
	PBH	Jun Q (webcast tele 10am)
	SPT	Jun Q (webinar, incl Q&A, 9am)
	FFG	AGM
	ICI	AGM
OGC	Jun Q	
ORG	Jun Q	