

Markets

SFE 200 Futures (9.30am AEST)	5877	-1	-0.0
NZX 50	11675	-53	-0.5
DJIA Futures	26280	-39	-0.2
S&P 500 Futures	3260	-4	-0.1
NASDAQ Futures	10896	6	0.1

Local Markets Commentary

The Australian market opens a new month's trade on a Monday, with a batch of material regional and domestic data releases due by late morning, followed by key data out of the euro zone, UK and US tonight, and with plenty to consider since the close of international trade overnight Friday.

Over the weekend, Fitch Ratings has revised the outlook on the group's **US AAA** credit rating from stable to negative.

Further, parliamentary talks have continued through the weekend regarding an emergency unemployment benefits support initiative, implemented in response to the initial Covid-19 outbreak but with a 31 July expiry date.

Also over the weekend, the US president declared he would ban TikTok from operating within the US, due to the results of a security investigation. This is expected to have ramped tensions with China.

In the meantime, a tropical storm downgraded from a hurricane is menacing the US Florida coast and is expected to remain damaging as it moves up the US east coast during the week.

Regionally today, Caixin publishes its July manufacturing PMI for China 11.45am AEST.

A manufacturing PMI is also expected for **Japan, 10.30am.**

A finalised **March quarter GDP** reading is also due, just prior to the ASX open.

Locally today, the AiG has released a 53.5 manufacturing index estimate for July. This, against 51.5 for June.

In addition, the ANZ monthly **job advertisements** report is anticipated **11.30am AEST.**

Also today, the Melbourne Institute publishes its July **inflation gauge** report (11am) and CoreLogic reveals July **residential property price** movements.

All reports will attract commentary particularly in light of the Reserve Bank of Australia's (RBA) monetary policy meeting tomorrow.

In overnight Friday commodities trade, **oil** swung higher.

US **gold** futures (August) bounced from Thursday's first-in-10-session turn lower.

Iron ore (Nymex CFR China, 62% Fe) rallied towards \$US109.00/t.

LME **copper, nickel** and **aluminium** variously extended Thursday's falls.

The **\$A** fell below US71.45c after trading at US71.90c early Friday evening.

China – Caixin manufacturing PMI – 11.45am AEST

Australia – expansionary 53.5 July manufacturing PMI in hand

NSW bank holiday and NT public holiday today

Today's Stock Watch

Seek Ltd (SEK)

Will not pay a final FY20 dividend.

Tabcorp Holdings (TAH)

Anticipating \$1B - \$1.1B worth of FY20 goodwill impairments, against a \$2.945B goodwill book value at 30 June 2019.

Pre-significant items NPAT is expected to come in at \$267M - \$23M.

Regis Healthcare (REG)

Confirming a third-party cyber attack from outside Australia, during which some personal data was copied.

Monadelphous Group (MND)

RIO has lodged a writ in the WA Supreme Court against MND. RIO is seeking compensation for a fire incident at the WA Cape Lambert iron ore processing facility.

Macmahon Holdings (MAH) / Strandline Resources (STA)

MAH has secured a \$23M access and earthworks contract with STA's Coburn mineral sands project, WA.

News Corporation (NWS)

James Murdoch's resignation notice from the NWS board lodged this morning with the ASX. James resigned on Friday.

Vmoto Ltd (VMT)

VMT's June quarter sales volume grew 55% for the three months, and 105% against the June quarter 2019, to a record 6389 units. At 30 June, orders in hand tallied 6353 units.

Resources

Sipa Resources (SRI) / Rio Tinto (RIO)

SRI has secured a farm-in by RIO to SRI's Paterson North copper-gold project, WA Paterson province.

RIO plans to spend in initial \$3M on the project and up to \$12M, to potentially earn 70% of the project, with additional conditions imposed for a possible 80% ownership.

In addition, RIO will subscribe for \$250,000 worth of SRI shares at 10c each. SRI traded at 8.5c – 9.4c last week.

New World Resources (NWC)

Heralding Arizona, US Antler copper deposit drilling results.

Anticipating a 'considerable' expansion to project resources.

Carnaby Resources (CNB)

Selling the Tick Hill gold tailings stockpiles for \$4M cash, in staged payments, plus a 5% NSR worth ~\$2M.



Earlier this morning, the \$A traded at ~US71.30c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26428	115	0.4
S&P 500	3271	25	0.8
NASDAQ	10745	157	1.5
FTSE 100	5898	-92	-1.5
DAX 30	12313	-66	-0.5
Shanghai Comp	3310	23	0.7

Overseas Markets Commentary

Vacillating sentiment featured across major European and US equities markets overnight Friday but key US indices settled at or near session highs.

Among overnight Friday **data** releases, the **euro zone's** initial June quarter GDP estimate came in 15% lower against the June quarter 2019 and 12.1% down for the three months.

A preliminary July CPI estimate represented 0.3% deflation for the month but a 0.4% increase on July 2019 CPI.

Germany's June retail sales were calculated 5.9% higher than for June 2019 but 1.6% lower for the month.

In the **US**, June personal spending grew 5.6% despite a 1.1% fall in personal income.

The Chicago PMI jumped to an expansionary 51.9 from the contractionary 36.6 June estimate.

A University of Michigan final consumer sentiment reading for July fell to 72.5 from 78.1.

Tonight in the **US**, July manufacturing PMIs are anticipated from both the ISM and Markit (final). June construction spending is also due.

Elsewhere, finalised July euro zone and UK manufacturing PMIs are expected.

Companies scheduled to report earnings later today and tonight include: AIG, Ferrari, Heineken, HSBC Holdings, Japan Airlines, Loews, Société Générale, Suzuki Motor and Tyson Foods.

In overnight Friday corporate news, **Chevron Corp** revealed an \$US8.3B June quarter loss, including \$US5.7B worth of write-downs.

Exxon Mobil reported a \$US1.1B record quarterly loss, following on from the March quarter loss.

Microsoft was confirmed as interested in purchasing **TikTok**, but following the US president's announcement that he would seek to ban the Chinese-owned social media app from operating in the US, reports emerged that Microsoft-TikTok talks were on hold.

Meanwhile, US chip manufacturer **Nvidia** was reported to be negotiating a potential >\$US30B purchase of SoftBank's UK chip specialist business **Arm**.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1985.9	oz	19.1	1.0

Pre-Open Announcements

Buddy Technologies (* BUD)

BUD has negotiated a debt maturity extension from 31 July to 30 October, in order to commence scaling LIFX smart lights manufacturing.

Meanwhile, June quarter customer revenues grew 25%, to \$A5.4M, during the three months, but were 23% lower than for the June quarter 2019.

Customer cash receipts fell 17% and 20% respectively, to \$A6.9M.

As at 30 June, \$2.5M cash on hand; \$A2.5M receivables; \$4.1M in inventories.

First Graphene (* FGR)

FGR's pureGRAPH has been successfully used in coatings for baskets used for aquaculture farms.

Details lodged this morning.

Clean Seas Tuna (* CSS)

June quarter cash receipts dropped 55% year-on-year, due to Covid-19 containment measures.

\$42.4M cash and undrawn credit at 30 June.

Infigen Energy (IFN)

TCI Funds' representative on the IFN board Philip Green has resigned from the board, due to TCI selling its IFN holdings.

iSentric Ltd (ICU)

Executive chairman Lee Chin Wee is taking over CEO responsibilities for Indonesia, Myanmar and Singapore on the termination (Friday) of Sean Tham's appointment as ICU CEO.

ICU has appointed Khong Kok Loong CEO Malaysia and Kenneth Kuan as CFO Malaysia.

June quarter update also lodged post-trade Friday.

Resources

Vulcan Energy (* VUL)

Heralding lithium extraction results from test work in Germany.

Details lodged this morning.

Testing is continuing.

Neometals Ltd (* NMT)

NMT is establishing a 50:50 JV with SMS Group, designed to commercialise NMT's lithium battery recycling process, pending validation by a demonstration plant to be constructed at SMS's manufacturing site in Germany.

Artemis Resources (ARV) / Platina Resources (PGM)

Heralding RC PGE drilling results for the 70:30 Munni Munni project JV, WA west Pilbara region.

Assays lodged this morning.

Element25 Ltd (E25)

Bore pump testing has confirmed adequate process water supply for E25's Butcherbird manganese project.



Silver (NY) (Sep)	24.216	oz	0.854	3.7
Gold (LON)	1965	oz		
Platinum	900	oz	1	0.1
WTI Crude (NYMEX Sep)	40.27	bbl	0.35	0.9
Brent Crude (ICE EUR Sep)	43.52	bbl	0.27	0.6
Iron Ore (NYMEX,CHN,62%)	108.90	t	1.18	1.1
Copper (LME,3mth Ind,PM)	6382	t	-88	-1.4
Nickel	13755	t	-55	-0.4
Aluminium	1707	t	-18	-1.1
Lead	1870	t	2	0.1
Zinc	2313	t	14	0.6
Tin	17897	t	117	0.7

Commodities Commentary

Oil – \$US swings, including the ICE index up 0.3%, and reported output figures versus expected demand, appeared to hold little influence over overnight Friday sentiment, end-of-month trade pushing Brent crude to an ~5% rise for July, and WTI to an ~2.6% monthly gain.

Saturday (1 August) marked the effective commencement of the new OPEC+ agreement to lift output by a daily 2MMbbl.

A weekly US petroleum drill rig count, published overnight Friday, included one fewer operational oil rig.

Gold – overnight Friday, end-of-month Comex futures trade indicated both dip-buying and international economic recovery apprehension, following two days of menacing preliminary June quarter GDP readings.

Among geopolitical and Covid-19 developments, the US (ISM) services sector activity index, US monthly employment figures and a Bank of England policy meeting Thursday are considered likely influential on currency moves, and hence gold sentiment, this week.

Base metals – overnight Friday trade was pushed and pulled by several influences, including a batch of material economic data releases, a soft \$US, and end-of-month positioning.

Copper notably ended the month higher, as it had for April through June, even though LME copper warehouse figures were calculated at a six-month low, 128,125t.

China's official (NBS) July manufacturing and services sector PMIs, published Friday, came in at 51.4 and 54.2 respectively, following 50.9 and 54.4 for June.

In addition, Japan's July industrial production was estimated 17.7% lower year-on-year but 2.7% higher for the month.

The euro zone's initial June quarter GDP estimate represented a 12.1% retreat from the end of March quarter, and 15% drop from June quarter 2019 GDP.

A July manufacturing PMI for **China**, calculated by Caixin, is due today, and expected to influence at least some of tonight's sentiment.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7144	0.0013	0.18
EUR – USD	1.1786	0.0012	0.10

Further, testing indicates E25 will need fewer and shallower bores than initially anticipated.

Statistics lodged this morning.

Antipa Minerals (AZY)

AZY has appointed Luke Watson as CFO and company secretary.

Former AZY company secretary Simon Robertson had been with AZY since 2014.

Metals X (MLX)

MLX non-executive directors have agreed to a \$10,000pa fees reduction, effective 1 August.

Trading Halts

Company	Code	Resuming
Estrella Resources	ESR	3 Aug
Tietto Minerals	TIE	3 Aug
Ventura Minerals	VMS	3 Aug
Zelira Therapeutics	ZLD	3 Aug
Aus Tin Mining	ANW	4 Aug
Heron Resources	HRR	4 Aug
Indiana Resources	IDA	4 Aug
Jadar Resources	JDR	4 Aug
Roto-Gro International	RGI	4 Aug
Syntonic Ltd	SYT	4 Aug
Traka Resources	TKL	4 Aug
Elementos Ltd	ELT	6 Aug
Locality Planning Energy Holdings	LPE	6 Aug
Tubi Ltd	2BE	6 Aug

Suspensions (select)

Company	Code	Since
Acacia Coal	AJC	22 Jul
Aurora Minerals	ARM	21 Jul
Carnavale Resources	CAV	31 Jul
eSense-Lab Ltd	ESE	27 Jul
Factor Therapeutics	FTT	17 Jul
Leaf Resources	LER	16 Jul
Stone Resources Australia	SHK	28 Jul
Ultima United	UUL	22 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
AMH	Tomorrow	2.5	100	3.70
NBI	Tomorrow	0.7	0	6.39
DJW	Thu	5.25	100	7.18
RIO	Thu	216.47	100	5.58
BKI	Fri	3.32	100	5.02

**Australian Data Today**

AiG	PMI	Jul
ANZ	Job advertisements	Jul
CLogic	Residential property prices	Jul
Melb Institute	Inflation gauge	Jul

US Data Tonight

ISM manufacturing	Jun
Markit manufacturing PMI	Jul
Construction spending	Jun

Other Overseas Data Today & Tonight

China	Caixin manufacturing PMI	Jul
Japan	Manufacturing PMI	Jul
Japan	GDP (final)	Mar Q
UK	Manufacturing PMI	Jul
Germany	Manufacturing PMI (final)	Jul
Euro zone	Manufacturing PMI (final)	Jul

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

JHG	Fri	36	0	7.36
OZG	Fri	0.3	100	2.97
WIC	Fri	3	100	6.06

Reports & Events

(selected)

When	Company	Report/Event
Tomorrow	BWP	Full year (tele & Q&A 10.30am AEST)
	PNI	Full year
Thu	RMD	Jun Q (pre-ASX trade;w/cast 6.30am AEST)
Fri	AGG	Interim (post-ASX trade)
	ELO	Full year (10am)
	IAG	Full year
	JHX	AGM
	REA	Full year (w/cast 8.30am)

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