

Markets

SFE 200 Futures (9.30am AEST)	5972	84	1.4
NZX 50	11766	100	0.9
DJIA Futures	26577	19	0.1
S&P 500 Futures	3290	1	0.0
NASDAQ Futures	11041	-4	0.0

Local Markets Commentary

The Australian market commences today's trade with two influential domestic data releases due late morning, ahead of the outcomes statement from today's Reserve Bank of Australia (RBA) policy meeting this afternoon.

Overnight international equities and key commodities trade leads are positive.

Locally today, a weekly consumer sentiment reading is due pre-trade.

Also today, the Australian Bureau of Statistics reports June **trade balance** and June **retail sales**, each at **11.30am AEST**.

Further, the RBA's monetary policy meeting outcomes statement is scheduled for release at 2.30pm, ahead of a press conference by RBA governor Philip Lowe.

Regionally today, Japan hosts a 10-year bond auction.

In overnight commodities trade, **oil** continued higher.

US **gold** futures (December) closed with a slight gain.

Iron ore (Nymex CFR China, 62% Fe) jumped, settling above \$US114.20/t.

LME **copper, nickel** and **aluminium** each swung higher and rallied.

The **\$A** rose to ~US71.30c after falling to ~US71.10c early yesterday evening.

Earlier this morning, the **\$A** retreated beneath US71.20c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26664	236	0.9
S&P 500	3295	23	0.7
NASDAQ	10903	158	1.5
FTSE 100	6033	135	2.3
DAX 30	12647	334	2.7
Shanghai Comp	3368	58	1.8

Overseas Markets Commentary

US equities markets jumped on opening overnight, helping drag major European indices decidedly higher, following a batch of encouraging manufacturing PMI updates and evidence of growth-inducing corporate activity, amid positive additional fiscal support signals.

Australia – RBA policy meeting outcomes – 2.30pm AEST
Australia #2 – June trade balance & retail sales – 11.30am AEST

Today's Stock Watch
Wesfarmers Ltd (WES)

New Covid-19 containment retail trading restrictions imposed in metropolitan Melbourne mean WES retail in-store operations will be closed for six weeks from midnight Wednesday (tomorrow).

Wes's Bunnings operations will be able to serve trade specialists instore, however.

Online trade with home delivery will continue for all operations. Affected outlets list lodged pre-trade.

Baby Bunting (BBN)

BBN stores are allowed to remain open during Melbourne's new retail trade restrictions.

BWP Trust (BWP)

24.4% higher, \$210.64M full year NPAT. 0.3% lower, \$155.78M revenue. 9.27c final distribution, against 9.18c a year ago.

\$3.06 NTA, against \$2.92.

\$2.6B total assets, against \$2.4B; \$0.6B liabilities.

Teleconference scheduled to commence 10.30am AEST.

Pinnacle Investment Management Group (PNI)

5.4% higher, \$32.21M full year NPAT. 6.1% higher, \$22.41M revenue. 8.5c fully franked final dividend.

\$1.00 NTA, against 97c.

Volpara Health Technologies (VHT)

Chief commercial officer Mark Koeniguer is leaving VHT due to VHT's strategy change. VHT has appointed Katherine Singson as US subsidiary Volpara Solutions CEO.

Webinar scheduled for 10.30am AEST Thursday.

Openpay Group (OPY) / MSL Solutions (MSL)

MSL technology specialist MSL has secured a three-year revenue sharing merchant agreement with OPY, whereby MSL golf and membership clients can use OPY's 'buy now pay later' (BNPL) service.

Incitec Pivot (IPL)

This morning's investor briefing (10am AEST) lodged pre-trade.

Resources
Saracen Mineral Holdings (SAR)

Company gold reserves have been boosted 12% to 3.7Moz.

WA Carosue Dam reserves grew 85% to 750,000oz.

WA Thunderbox reserves rose 22% to 926,000oz.

Anticipating 380,000oz – 400,000oz production for FY21, at a \$A1200/oz - \$A1300/oz AISC.



Earlier yesterday, the People's Bank of China assured policy would remain flexible and prove even more supportive for the remainder of the year.

Key US parliamentarians and US administrative officials later claimed progress in discussions on potential legislation which would deliver additional support for businesses and individuals in managing Covid-19 impacts.

A batch of overnight **data** releases included the **euro zone's** final July manufacturing PMI, which came in at an expansionary 51.8 from June's contractionary 47.4.

Germany's manufacturing PMI improved for the month to 51.0 from 45.2.

In the **UK**, the July manufacturing PMI reached 53.3, from 50.1, but this slightly undershot expectations.

In the **US**, the Markit (final) and ISM July manufacturing PMIs came in at 50.9 and 54.2 respectively, against 49.8 and 52.6 for June.

June construction spending slipped 0.7% for the month following a 1.7% May fall, and against forecasts of a 1.0% rise.

Tonight in the **US**, June factory orders, the ISM's July New York activity index and an economic optimism index are due.

Companies scheduled to report earnings later today and tonight include: Activision Blizzard, Allergan, Baidu, Bayer, BP, Daikin Industries, Diageo, Fox Corp, Marubeni Corp, Mitsubishi UFJ Financial, Nippon Steel, Ricoh, SoftBank Corp, Sojitz Corp, Sony, Subaru Corp, Walt Disney and Yamaha Corp.

In overnight corporate news, **HSBC** revealed a 65% drop in interim pre-tax profit to \$US4.32Bm which included \$US3.8B worth of provisions. Asia-focused HSBC also disclosed it was anticipating \$US8B - \$US13B in bad debts for the year.

Microsoft rose ~5% after declaring it would still pursue talks to potentially purchase TikTok's US business. The US president in the meantime, suggested TikTok would no longer operate in the US from September 15 unless Microsoft or another company proved successful at purchasing US TikTok operations.

Apple continued to rally, on reports it might have outlaid \$US100M for a company (Mobeewave) that could help convert iPhones into payment terminals. This, after last week's (post-Thursday US trade) better-than-anticipated results.

Alphabet's Google was reported to have secured an agreement with security device, services and software specialist **ADT**.

In Germany, **Siemens Healthineers** revealed a \$US16B purchase of **Varian Medical Systems**.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1986.3	oz	0.40	0.1
Silver (NY) (Sep)	24.417	oz	0.201	1.0
Gold (LON) (31 Jul)	1965	oz		
Platinum	914	oz	14	1.6
WTI Crude (NYMEX Sep)	41.01	bbbl	0.74	1.8
Brent Crude (ICE EUR Oct)	44.15	bbbl	0.63	1.5
Iron Ore (NYMEX,CHN,62%)	114.21	t	5.31	4.9
Copper (LME,3mth Ind,PM)	6473	t	91	1.4
Nickel	13945	t	170	1.2
Aluminium	1746	t	39	2.3

Pre-Open Announcements

Reliance Worldwide Corporation (* RWC)

Assessing the impact of the new Covid-19 – related restrictions announced for business activities in Melbourne, Victoria yesterday.

RWC operates four manufacturing facilities in Melbourne, mostly for the Australian and Asia Pacific markets.

RWC dropped 3.36% yesterday, settling at \$2.59 after falling 2.55% Friday.

4DS Memory (4DS)

Three additional patents granted in the US, pushing the tally of 4DS-secured US patents to 26.

ResApp Health (RAP)

RAP's Sleep apnoea monitoring app SleepCheck is now available across 36 countries in iPhone app stores.

Resources

Pensana Rare Earths (* PM8)

Angola Longonjo NdPr project drilling results lodged this morning, these indicating both continuity of shallow high-grade mineralisation and additional potentially significant mineralisation.

Expecting to report outcome from the BFS mid-October.

An updated resource is anticipated by 30 September.

Mako Gold (MKG)

Côte d'Ivoire Napié gold project Tchaga prospect RC drilling results lodged this morning, including several high-grade and/or significant-width intersections.

Trading Halts

Company	Code	Resuming
Heron Resources	HRR	4 Aug
Indiana Resources	IDA	4 Aug
Roto-Gro International	RGI	4 Aug
Syntonic Ltd	SYT	4 Aug
Traka Resources	TKL	4 Aug
Ausgold Ltd	AUC	5 Aug
Dreadnought Resources	DRE	5 Aug
Empire Resources	ERL	5 Aug
Great Western Exploration	GTE	5 Aug
Splitit Payments	SPT	5 Aug
Zenith Minerals	ZNC	5 Aug
Elementos Ltd	ELT	6 Aug
Locality Planning Energy Holdings	LPE	6 Aug
Shree Minerals	SHH	6 Aug
Tubi Ltd	2BE	6 Aug
Alicanto Minerals	AQI	7 Aug
DroneShield Ltd	DRO	7 Aug



Lead	1867	t	0	0.0
Zinc	2307	t	-6	-0.3
Tin	17880	t	-17	-0.1

Commodities Commentary

Oil – supported overnight by improved international manufacturing PMI readings, pointing to increased demand.

In the meantime, OPEC+ member Russia was reported to have boosted oil and condensate production during the first two days of August to 9.8MMbbl/d from 9.37MMbbl/d during July, in line with the August commencement of a relaxation of output curbs.

Gold – prices swung overnight before settling slightly higher, capped by a better-than-anticipated ISM US manufacturing PMI and an ~0.3% rise in the ICE \$US index.

Any progress on a new Covid-19 – related support package in the US parliament this week, plus definitive commentary out of central bank meetings (in particular from the RBA today and/or BoE Thursday), and some key economic indicators (including US employment data Friday) are expected to keep gold sentiment fluid this week.

Base metals – overnight LME sentiment was supported by a new China PMI estimate and a string of improved international PMIs through yesterday and last night.

A July manufacturing PMI for **China**, calculated by Caixin and published yesterday, represented a 1.6-point rise for the month to 52.8.

PMIs published for Australia, Japan, South Korea, the euro zone and UK also improved, although Japan's (45.2) and South Korea's (46.9) indicated persisting contraction.

In industry news yesterday, China's HBIDS Group said it had agreed on Friday to work on establishing a JV with the licence-holder for the **Peru** Pampa de Pongo *iron ore* project, fellow Chinese group Zhongrong Xinda. The project also hosts *cobalt*, *copper*, and *gold*.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7118	-0.0006	-0.08
EUR – USD	1.1759	-0.0005	-0.04

Australian Data Today

RBA	Monetary policy	4 Aug
ABS	Trade balance	Jun
ABS	Retail sales	Jun
ANZ/RoyMgn	Consumer sentiment	2 Aug
RBA	Commodity prices (4.20pm AEST)	Jul

US Data Tonight

ISM New York	Jul
Factory orders	Jun
IBD/TIPP economic optimism	Aug

Global Oil & Gas	GLV	7 Aug
Nanoveu Ltd	NVU	7 Aug
New World Resources	NWC	7 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	Today	2.5	100	0.00
NBI	Today	0.7	0	5.86
DJW	Thu	5.25	100	7.18
RIO	Thu	216.47	100	5.52
BKI	Fri	3.32	100	5.12
JHG	Fri	50.24	0	7.33
OZG	Fri	0.3	100	2.97
WIC	Fri	3	100	6.03

Reports & Events

(selected)

When	Company	Report/Event
Today	BWP	Full year (tele & Q&A 10.30am AEST)
	IPL	Investor briefing (10am)
	PNI	Full year
Wed	LEP	Full year
Thu	NWS	Jun Q/Full year (US time; o/night Thurs AEST)
	RMD	Jun Q (pre-ASX trade; w/cast 6.30am AEST)
	VHT	Strategy briefing (webinar 10.30am)
Fri	AGG	Interim (post-ASX trade)
	ELO	Full year (10am)
	IAG	Full year
	JHX	AGM
	REA	Full year (w/cast 8.30am)



Other Overseas Data Today & Tonight

Euro zone	Producer prices	Jun
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