

Markets

SFE 200 Futures (9.30am AEST)	7423	3	0.0
NZX 50	12771	17	0.1
DJIA Futures	34906	-37	-0.1
S&P 500 Futures	4418	-4	-0.1
NASDAQ Futures	15162	-6	0.0

Local Markets Commentary

The Australian market commences Friday trade with new domestic data in hand pre-trade, and commentary from the Reserve Bank of Australia (RBA) governor, plus a key report from the RBA due late morning, following overnight reports and outlooks from the Bank of England, European Central Bank and US Federal Reserve.

Overnight US equities trade sentiment proved positive.

Locally today, the RBA releases its **quarterly statement on monetary policy**, including any revised forecasts and outlooks, **11.30am AEST**.

RBA governor Philip Lowe, in the meantime, is meeting (from 9am) with the Australian parliament's House of Representatives economics committee, for a biannual delivery of the central bank's views.

Pre-trade the AiG has released a **51.7 July services sector activity index**, following **57.8** for June.

Also today, **JHG** is among stock trading **ex-dividend**. *Please see p3 for a detailed ex-dividend list.*

Further today, a national cabinet meeting focusing on Covid-19 containment will likely result in another press conference hosted by the PM and outlining any new plans or emphasis.

Regionally today, **Japan** is scheduled to release June household spending and average cash earnings pre-trade.

In mixed overnight commodities trade, **oil** turned higher.

US **gold** futures turned lower.

Qingdao (CFR China, 62% fines) iron ore dropped \$US12.14/t to \$US171.55/t.

LME **copper, nickel** and **aluminium** swung variously higher.

The **\$A** essentially trod water after trading at ~\$US74.00c early yesterday evening.

NB: Japan's markets will be closed Monday, due to a public holiday.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	35064	272	0.8
S&P 500	4429	26	0.6
NASDAQ	14895	115	0.8
FTSE 100	7120	-3	-0.1
DAX 30	15745	53	0.3

*** US-focused mineral exploration listing – midday AEST – G50 ***

Today's Stock Watch
ResMed Inc (RMD)

24% lower, \$US474.5M full year NPAT.

8% higher, \$US3.20B revenue.

8% higher, US42c June quarter dividend.

News Corporation (NWS)

\$US389M full year NPAT following a \$US1.55B net loss a year earlier. Revenue rose 4% to \$US9.36B.

REA Group (REA)

72c fully franked final dividend, from 55c a year ago.

178% higher, \$US312.98M full year NPAT.

13% higher, \$927.81M revenue.

84.3c NTA against \$1.626.

Crown Resorts (CWN)

Most Crown Melbourne services will close again due to the seven-day Covid-19 – related lockdown which commenced in Melbourne overnight.

Betmakers Technology Group (BET)

Set to benefit from New Jersey legalising fixed odds betting on horse racing.

BET holds an exclusive 10-year fixed odds agreement for thoroughbred horse racing in New Jersey.

EROAD Ltd (ERD)

ERD's \$NZ16.1M, \$NZ5.58-per-share (\$A5.30) SPP received applications totalling ~\$NZ43M, prompting ERD to increase the offer to \$NZ20M. ERD has traded on the ASX at \$A5.85 - \$A6.46 for the week to date.

Energy
BHP Group (BHP)

\$US544M capex approved for the Shenzi North oil project, US Gulf of Mexico.

In addition, the BHP board has approved \$US258M to progress the Mexico Trion oil project to FEED.

Ampol Ltd (ALD)

ALD has appointed Australian Energy Market Operator director Elizabeth Donaghey as an independent non-executive director, effective 1 September.

Ms Donaghey is a former energy sector executive.

Contact Energy (CEN)

CEN has appointed former Downer EDI (ASX: DOW) and Broadspectrum executive Sandra Dodds as an independent director, effective 1 September.

Dame Therese Walsh retires from the CEN board 31 August.



Shanghai Comp 3467 -11 -0.3

Overseas Markets Commentary

Vacillating sentiment was evident across major European and UK equities markets overnight, but not so in the US, amid a spate of economic data releases and material reports and commentary from major central banks, together with some resilient corporate results and outlooks.

The **Bank of England** convened a policy meeting, at which it maintained status quo for rates and asset purchases.

The bank also offered however, conditions for when asset purchases would be reduced.

For its part, the **European Central Bank** (ECB) published an economic bulletin which included a prediction of economic activity returning to pre – Covid-19 levels during the March quarter 2022, but also for lasting economic damage.

The ECB estimated 3.3M fewer people were employed across the bloc than before Covid-19.

A few hours later, **US Federal Reserve** governor Christopher Waller promoted US economic recovery, predicting monetary policy would begin to tighten sooner than previously anticipated.

Earlier this week the governor ventured asset purchases could be reduced rapidly from later this year, pending employment conditions.

In overnight **data** releases, **Germany's** June factory orders jumped 4.1% following a 3.2% May drop.

July domestic vehicle registrations were reported 24.9% lower than for July 2020, reflecting parts supply difficulties this year, including for computer chips. June's had been calculated 24.5% higher than for June 2020.

The nation's July construction PMI came in at a remaining contractionary 47.1 from 47, following expectations of 49.8.

The overall **euro zone** July construction PMI was estimated at 49.8 from June's expansionary 50.3, and against expectations of an improvement to 50.8.

In the **UK**, July new domestic vehicle sales tumbled 29.5% year-on-year. June's were reported 28% higher than for June 2020.

The UK's July construction PMI fell to 58.7 from 66.3, following forecasts of a more modest decline to 62.5.

In **France**, a 10-year bond auction produced a -0.23% yield from 0.13% previously.

A similar offer in **Spain** delivered a 0.20% yield from 0.354%.

In the **US**, June trade figures included a \$US 75.7B trade deficit from \$US71B for May.

The Challenger July job cuts report estimated 18,942 layoffs following forecasts of 35,000 after June's reported 20,476.

Weekly new unemployment claims came in at 385,000, against forecasts for 370,000 and after 399,000 the previous week.

Tonight in the US, July workforce statistics are keenly anticipated.

June wholesale inventories and consumer credit are also due.

Elsewhere, Germany reports June industrial production.

Companies scheduled to report earnings later today and tonight include: Allianz, AMC Networks, Asahi Kasei, Dominion Energy,

Pre-Open Announcements

BNK Banking Corporation (* BBC)

BNK and Goldman Sachs are establishing an alliance for a \$A500M residential mortgage warehouse program to be funded by Goldman Sachs.

Details, plus BBC June quarter trading statistics, lodged this morning.

Tinybeans Group (TNY)

\$US250,000 partnership extension agreement secured with Colgate-Palmolive subsidiary Hill's Pet Nutrition.

Details lodged pre-trade.

Dotz Nano (* DTZ)

Commencing an anticipated 9 – 12-month arbitration process following Breathe Medical Manufacturing's inability to resolve matters associated with a face mask authentication purchase agreement announced early September 2020.

Austal Ltd (ASB)

Sustainment execution contract secured with the US Navy, enabling ASB, as the prime contractor, to bid for Littoral combat ship maintenance, modernisation and repair work, for those vessels based in San Diego, California, US.

Resources

Pantera Minerals (* PFE)

Multi-mineral explorer completed a stellar ASX listing yesterday, following a \$7M IPO at 20c per share.

Opened at 26c and traded as high as 57.5c before settling for day one at 40.5c.

42.7M shares changed hands across 4432 transactions.

38.5M quoted shares.

Three projects – one each focused on iron ore, manganese and base metals - in the northern half of WA.

Metals X (* MLX)

CEO Michael Spreadborough is stepping down from this role Monday, in association with the company's copper and nickel assets divestments.

MLX is currently not planning to refill the position.

Castle Minerals (CDT)

Ghana Kambale graphite trench sample metallurgical testwork results are now anticipated by month's end.

Reasons for the longer wait for results include assay delays and specification modifications, CDT says.

Gold 50 (* G50)

US-focused exploration company scheduled to list on the ASX **midday** AEST, following a \$10M IPO at 25c per share.

~50.32M quoted shares.

Five exploration projects in Nevada and Arizona.



Goodyear, Korean Air Lines, Liberty Broadband, Mitsui Mining & Smelting, Petrobras and Rinnai.

In overnight corporate news, **Glencore** and **Petrobras** surprised on the upside with both quarterly results and promised returns to shareholders.

Adidas and **Siemens** also pleased with buoyant results and/or outlooks.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1808.9	oz	-5.6	-0.3
Silver (NY) (Sep)	25.291	oz	-0.17	-0.7
Gold (LON)	1829	oz		
Platinum	995	oz	-22	-2.2
WTI Crude (NYMEX Sep)	69.09	bbbl	0.94	1.4
Brent Crude (ICE EUR Oct)	71.29	bbbl	0.91	1.3
Iron Ore (NYMEX,CHN,62%) (4 Aug)	182.51	t		
Copper (LME Ind)	9500	t	32	0.3
Nickel	19480	t	237	1.2
Aluminium	2588	t	21	0.8
Lead	2366	t	-12	-0.5
Zinc	3028	t	53	1.8
Tin	34765	t	160	0.5

Commodities Commentary

Oil – overnight trade appeared influenced by Middle East tensions, including Israel-Lebanon cross-border attacks and at least two reported Gulf of Oman shipping incidents over the past week, plus ongoing reports of growing Covid-19 containment challenges from nations including China, Japan and the US.

Meanwhile, Asia's July crude imports were reported were reported at a 10-month low of 21.77MMbbl/d.

Data provider Refinitiv estimated China's (9.21MMbbl/d) at a seven-month low.

Reduced prices from the planned OPEC+ production curb relaxations are expected to boost China's purchases, however.

A weekly US petroleum drill rig count is due tonight.

Gold – fewer-than-the-previous-week US new unemployment claims and bullish commentary from a Federal Reserve official detracted from overnight gold interest.

Tonight's monthly US jobs figures are expected to influence at least some trade, in addition to any new geopolitical developments.

Base metals – prices swung through overnight trade amid mixed data releases, and policy comments from three major central banks.

In addition, among the forecasters, Capital Economics cited \$US strength, increased supply and slower economic growth in China when predicting lower 2022 industrial metals prices, including copper at \$US7500/t during the December quarter (2022).

China's June trade statistics, expected this weekend, and inflation figures, due Monday, will influence next week's early LME trade.

Energy

Norwest Energy (* NWE) / Mineral Resources (MIN)

Blowout preventer configuration and testing has not resolved issues to enable onshore northern Perth Basin Lockyer Deep-1 drilling to proceed.

Rig contractor Ensign has ordered replacement parts. MIN 80% and operator; NWE 20%.

Trading Halts

Company	Code	Resuming
Brookside Energy	BRK	6 Aug
Family Zone Cyber Safety	FZO	6 Aug
Peak Resources	PEK	6 Aug
Rewardle Holdings	RXH	6 Aug
Rex Minerals	RXM	6 Aug
Highfield Resources	HFR	9 Aug
Red Sky Energy	ROG	9 Aug

Suspensions (selected)

Company	Code	Since
Fargo Enterprises	FGO	26 Jul
Hot Chilli	HCH	4 Aug
Salt Lake Potash	SO4	29 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
BKI	Today	3	100	2.60
JHG	Today	38	0	3.45
OZG	Today	0.35	100	2.31
WIC	Today	3	100	4.74
FRI	Mon	2	100	3.49
WOT	Tue	3	0	5.15
AFI	Wed	14	100	2.81
RIO	Thu	~760	100	4.65

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	GXY	EGM
	REA	Full year (NB: with NWS last night in the US)
Mon	AZJ	Full year
	CLW	Full year
	GOR	Interim
	S2R	Full year
	TCL	Full year

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.7402	0.0007	0.10
EUR – USD	1.1832	-0.0004	-0.04

Australian Data Today

AiG	PSI	Jul
RBA	Statement of monetary policy (qtrly)	Aug

US Data Tonight

Workforce (incl jobs created, wages, unemployment)	Jul
Wholesale inventories	Jun
Consumer credit	Jun

Other Overseas Data Today & Tonight

Japan	Household spending	Jun
Japan	Cash earnings	Jun
Japan	Leading economic index (prelim, 3pm AEST)	Jun
Germany	Industrial production	Jun

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Tue	CGF	Full year
	CRN	Interim
	JHX	Jun Q (1Q FY22; 9am)
	MP1	Full year
Wed	CBA	Full year
	CPU	Full year
	IAG	Full year
Thu	AGL	Full year (w/cast tele 10.45am)
	AMP	Interim
	CQR	Full year
	DOW	Full year
	GMG	Full year
	MGR	Full year
	QBE	Interim
	TLS	Full year
	WPL	Interim
XRO	AGM	
Fri (13 Aug)	BBN	Full year
	BTI	Full year
	PXS	Full year

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