

Markets

SFE 200 Futures (9.30am AEST)	6103	9	0.2
NZX 50	11437	-209	-1.8
DJIA Futures	27680	66	0.2
S&P 500 Futures	3337	7	0.2
NASDAQ Futures	10933	55	0.5

Local Markets Commentary

The Australian market opens mid-week trade with:

- a swag of high-profile and large-cap domestic stocks, including a major bank, reporting earnings;
- new data in hand from China;
- an overnight precious metals price tumble;
- and a late drop in overnight US equities sentiment;
- ahead of key international data releases tonight.

Among post-US trade news, Joe Biden, the US Democrat candidate in this year's presidential election has announced Kamala Harris as his VP.

Post-ASX trade yesterday, **China** reported July new lending had fallen to 992.7B yuan from 1800B in June.

Also regionally, phase three Covid-19 containment restrictions will be reinstated in Auckland, **New Zealand** from 10am AEST, for a minimum three days, due to new diagnoses which appear to have come from community transmission.

Locally today, in addition to the influential earnings reports, the Australian Bureau of Statistics (ABS) releases a June quarter **wage cost index 11.30am AEST**.

Westpac and the Melbourne Institute publish their monthly **consumer confidence** report **10.30am AEST**.

In decidedly mixed overnight commodities trade, **oil** swung lower. US **gold** futures (December) dropped below \$US1950/oz.

Iron ore (Nymex CFR China, 62% Fe) picked up the pace of Monday's gain.

LME **copper** and **aluminium** continued to rise. **Nickel** turned higher.

The **\$A** fell to ~US71.50c, after appreciating to US71.80c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27686	-105	-0.4
S&P 500	3334	-27	-0.8
NASDAQ	10783	-186	-1.7
FTSE 100	6154	104	1.7
DAX 30	12947	259	2.0
Shanghai Comp	3340	-39	-1.2

* Scientific data analysis services listing **12.30pm AEST – DUG ***

Today's Stock Watch
Commonwealth Bank of Australia (CBA)

98c fully franked final dividend, against \$2.31 a year ago.
 12% higher, \$9.63B full year NPAT.
 11.3% lower, \$7.3B cash profit.
 2% higher, \$23.93B revenue.
 \$2.5B loan impairments, against \$1.2B.

Computershare Ltd (CPU)

44.0% lower, \$232.66M full year NPAT.
 2.9% lower, \$2.27B revenue.
 23c, 6.9c-franked final dividend.

Downer EDI (DOW)

Nil final dividend, against 14c a year ago.
 \$150.3M full year net loss, against a \$261.8M net profit.
 0.5% lower, \$12.74B income.
 0.2% lower, \$13.42B income including JVs.

Seek Ltd (SEK)

13c final dividend, against 22c a year ago.
 \$111.7M full year net loss, following a \$180.3M FY19 net profit.
 2% higher, \$1.595B revenue.

Transurban Ltd (TCL)

\$111M full year net loss. 13.2% lower, \$3.62B revenue.
 16c final distribution, against 30c fully franked a year ago.
 \$3.53 NTA, against \$3.05.

Magellan Financial Group (MFG)

5.1% higher, \$396.21M full year NPAT.
 12.4% higher, \$693.95M revenue.

SkyCity Entertainment Group (SKC)

All New Zealand operations will be variously impacted for at least three days by new Covid-19 containment restrictions reimposed from today.

Immutep Ltd (IMM)

'Combined Preparations for the Treatment of Cancer' patent in hand for preparations which include IMM's IMP321 in combination with a chemotherapy agent.

Resources
Lithium Australia (LIT)

Resuming from a trading halt with commitments in hand for a \$4M select placement at 5.3c per share.
 A \$2M SPP is also planned at the same price.
 LIT traded at 5.6c – 7.1c the five sessions immediately prior to calling the halt.



Overseas Markets Commentary

Major European and US equities markets mostly headed higher on opening overnight, but by late US trade, sentiment had waned.

Earlier, Russia had revealed approval had been granted for the mass production and immunisation of a Covid-19 vaccine 'within weeks', despite phase three trials not yet having been completed.

In late US trade, a key US politician indicated little or no progress for the week to date on Covid-19 – related monetary support negotiations.

Among overnight **data** releases, **UK** July unemployment claims grew by 94,400.

For June, the unemployment rate remained static, at 3.9%, but none of the figures included those workers on unpaid forced leave, those furloughed and those not being offered shifts.

June average earnings slipped 0.2% excluding bonuses, but 1.2% excluding these. In May, earnings excluding bonuses had risen 0.7%.

Meanwhile, the UK chancellor was reportedly considering pushing back the Autumn budget release, due to Covid-19 uncertainty.

Across the channel, the **euro zone** ZEW economic sentiment index was reported 4.4 points higher, at 64.0.

In **Germany**, the ZEW economic sentiment index jumped 12.2 points, to 71.5. The current conditions component declined to -81.3 however, from -80.9, against expectations of -70.

In the **US**, a business optimism index slipped by 1.2 to 98.8.

July producer prices were estimated 0.6% higher for the month, but 0.4% lower than for July 2019, exceeding expectations.

June prices had declined by 0.2% and 0.8% respectively.

Tonight in the **US**, July CPI and the July national budget statement are due, together with weekly mortgage applications.

Elsewhere, the **UK** reports a June quarter GDP estimate plus June trade figures and industrial production.

Germany conducts a 10-year bond auction.

Companies scheduled to report earnings later today and tonight include: Cisco Systems, Daewoo Shipbuilding, Dai-ichi Life, E.ON, JGC, Korea Semiconductor, Korea Zinc, Lotte, Lyft and Toshiba.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1946.30	oz	-93.40	-4.6
Silver (NY) (Sep)	26.049	oz	-3.21	-11.0
Gold (LON) (10 Aug)	2045	oz		
Platinum	915	oz	-67	-7.3
WTI Crude (NYMEX Sep)	41.61	bbbl	-0.33	-0.8
Brent Crude (ICE EUR Oct)	44.50	bbbl	-0.49	-1.1
Iron Ore (NYMEX,CHN,62%)	118.34	t	0.94	0.8
Copper (LME,3mth Ind,PM)	6414	t	28	0.4
Nickel	14350	t	110	0.8
Aluminium	1789	t	11	0.6
Lead	1957	t	54	2.8
Zinc	2418	t	34	1.4
Tin	17700	t	-16	-0.1

Pre-Open Announcements

DUG Technology (* DUG)

Scientific data analysis software and services specialist scheduled to list on the ASX **12.30pm** AEST following a \$34.775M IPO at \$1.35 per share.

~99.47M quoted shares.

Primewest Group (* PWG)

PWG is outlaying \$42M for a Mornington Peninsula, Victoria property.

The property, named Lamattina, is the second for PWG's recently created Primewest Agricultural Trust No 1.

PWG says Lamattina is responsible for ~50% of supply for Australia's celery market and boasts significant water licences.

Sky Network Television (SKT)

\$NZ118M cash after paying out all bank debt.

In addition, selling Outside Broadcast to NEP New Zealand, which will be SKT's New Zealand technical production partner for 10 years.

Planning to lodge full year results, in line with May guidance, 10 September.

Atomo Diagnostics (AT1)

Conference presentation lodged post-trade yesterday.

Resources

Greenvale Mining (* GRV)

Resuming from a trading halt with acquisition news, and additional funds raised, pending shareholder approvals.

GRV is exercising an option to acquire the balance 20% of Knox Resources which holds 4475sq km of IOCG-prospective territory in the Georgina Basin.

In addition, GRV is issuing a further ~\$661,000 worth of shares (at 9.1c each) in relation to the recent entitlement offer, following additional applications for \$841,000 worth.

Further Pilbara Minerals (ASX: PLS) cofounders Neil Biddle and Tony Leibowitz have applied to acquire \$450,000 worth of additional GRV shares, also at 1.9c each.

GRV traded at 3.4c – 5.3c, and settled at 4.3c, on Monday, immediately prior to calling the trading halt.

Energy

Berkeley Energia (* BKY)

'Urbanism license' in hand enabling land use for construction works at the Salamanca project, Spain.

Trading Halts

Company	Code	Resuming
Altura Mining	AJM	12 Aug
Argent Minerals	ARD	12 Aug

**Commodities Commentary**

Oil – overnight price falls were attributed to Covid-19 containment concerns, little clarity regarding implementation timing for any proposed new US monetary support measures, and also partly in association, to margin-covering in the wake of the precious metals price plunge.

WTI crude and Brent notably traded as high as \$US42.94/bbl and \$US45.79/bbl intra-session, however.

Tonight, **OPEC** is due to release the organisation's monthly oil market report.

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

Post-US settlement, an industry report has indicated a 4.4MMbbl draw on stored crude.

Overnight, the EIA forecast a 990,000bbl/d drop in USA crude output, to 11.26MMbbl/d. This against a previous prediction of a 600,000bbl daily fall.

The International Energy Agency's (IEA) monthly oil market report is keenly anticipated tomorrow night.

Gold – traders took profits and buoyed liquidity early overnight, pushing US futures well below \$US2000/t.

Russia's Covid-19 vaccine development news was cited as one reason, but US producer prices also surprised on the upside.

In \$US terms, the US futures price drop was reportedly the largest in one session in ~7.3 years.

Base metals – China's fourth consecutive monthly rise in vehicle sales, reported yesterday (+16.4% year-on-year) appeared to hold some sway on overnight trade, even though broader geopolitical and international economic concerns remaining in focus.

In addition, during LME trade, optimism regarding Russia's Covid-19 vaccine development seemed at its peak.

China's July industrial production, fixed asset investment and retail sales updates are scheduled for release Friday.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7148	0.0005	0.07
EUR – USD	1.1739	-0.0001	-0.01

Australian Data Today

Wstpc/Melbst	Consumer confidence	Aug
ABS	Wage cost index	Jun Q

US Data Tonight

CPI	Jul
Budget statement	Jul
MBA mortgage applications	7 Aug

Contango Income Generator	CIE	12 Aug
Golden Deeps	GED	12 Aug
Imdex Ltd	IMD	12 Aug
Rightcrowd Ltd	RCW	12 Aug
Vmoto Ltd	VMT	12 Aug
Australian Potash	APC	13 Aug
FINEOS Corporation Holdings	FCL	13 Aug
Macarthur Minerals	MIO	13 Aug
Cirralto Ltd	CRO	14 Aug
ClearVue Technologies	CPV	14 Aug
Sydney Airport	SYD	14 Aug
BMG Resources	BMG	17 Aug
FYI Resources	FYI	17 Aug
Horizon Minerals	HRZ	17 Aug
West Wits Mining	WWI	17 Aug

Suspensions (select)

Company	Code	Since
Acacia Coal	AJC	22 Jul
Aurora Minerals	ARM	21 Jul
eSense-Lab Ltd	ESE	27 Jul
Global Oil & Gas	GLV	7 Aug
Heron Resources	HRR	4 Aug
Nanoveu Ltd	NVU	7 Aug
Ragnar Metals	RAG	7 Aug
STEMify Ltd	SF1	6 Aug
Stone Resources Australia	SHK	28 Jul
Syntonic Ltd	SYT	4 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
GPT	Tomorrow	9.3	0	3.32
GUD	Tomorrow	12	100	4.84
MLT	Tomorrow	8.5	100	2.05
PL8	Fri	0.4	100	5.52
KOV	20 Aug	13	100	5.79
AZJ	24 Aug	13.7	70	5.70
PNI	24 Aug	8.5	100	3.03

Reports & Events

(selected)

When	Company	Report/Event
Today	BFG	Full year
	CBA	Full year
	CPU	Full year
	DOW	Full year
	MFG	Full year
	SEK	Full year

**Other Overseas Data Today & Tonight**

Japan	Machine tool orders (4pm AEST)	Jul
UK	GDP (prelim)	Jun Q
UK	GDP	Jun
UK	Trade balance	Jun
UK	Industrial production	Jun
Euro zone	Industrial production	Jun

Need More Information?

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	TCL	Full year
Tomorrow	AGL	Full year (9am & tele +Q&A 10.45am)
	AMP	Interim
	ARF	Full year
	BRG	Full year (tele 9am)
	CQR	Full year
	EVN	Full year
	GMG	Full year
	IAP	AGM (5pm)
	QBE	Interim (w/cast 9.30am)
	TLS	Full year
	TWE	Full year
	WPL	Interim
	XRO	AGM
Fri	3PL	Full year (tele 10.30am)
	BBN	Full year (tele 9.15am)
	ILU	Interim
	NAB	Q3 trading update
	NCM	Full year