

Markets

SFE 200 Futures (9.30am AEST)	6102	-15	-0.3
NZX 50	11754	3	0.0
DJIA Futures	27567	-65	-0.2
S&P 500 Futures	3363	-10	-0.3
NASDAQ Futures	11295	-38	-0.3

Local Markets Commentary

The Australian market commences today's trade with another large group of high-cap domestic stocks having reported earnings pre-trade, a rates announcement due out of China late morning, and a late overnight drop in US equities sentiment.

Regionally today, the **People's Bank of China** is scheduled to convene a policy meeting. A one-year and five-year loan prime rates announcement is anticipated **11.30am** AEST.

Locally today, the Reserve Bank of Australia (RBA) publishes monthly foreign exchange transactions and official reserve assets, **11.30am** AEST.

The Australian Bureau of Statistics is due to reveal more details regarding the July employment figures, also at 11.30am.

Stocks trading **ex-dividend** today include **CL1** and **QBE**. *Please see p3 for details.*

In overnight commodities trade, WTI **crude** closed US4c higher and Brent US9c lower.

US **gold** futures (December) dropped well below \$US2000/oz.

Iron ore (Nymex CFR China, 62% Fe) fell a little, remaining above \$US122.45/t.

LME **copper** continued its current rally. **Nickel** settled slightly lower. **Aluminium** extended Tuesday's gain.

The **\$A** dropped below US71.85c after being propelled to ~US72.70c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	27693	-85	-0.3
S&P 500	3375	-15	-0.4
NASDAQ	11146	-64	-0.6
FTSE 100	6112	35	0.6
DAX 30	12977	96	0.7
Shanghai Comp	3408	-43	-1.2

Overseas Markets Commentary

Major European equities markets trended higher overnight, settling at or near session highs, in part supported by plans to try to cap quarantine time for travellers.

Not so key US indices however, which lost ground following the release of July Federal Reserve policy meeting minutes.

Today's Stock Watch

Wesfarmers Ltd (WES)

69.2% lower, \$1.697B full year NPAT. 10.5% higher, \$30.85B revenue. 77c fully franked final dividend, against 78c a year ago. \$4.89 NTA from \$5.21.

Qantas Airways (QAN)

\$1.96B full year net loss, against an \$840M net profit a year ago. 20.6% lower, \$14.26B income.

Medibank Private (MPL)

31.3% lower \$315.0M full year NPAT. 6.0% lower, \$6.785B income. 6.3c fully franked final dividend. 49.2c NTA, against 55.5c.

Coca-Cola Amatil (CCL)

9c interim dividend, against 21c a year ago. \$A8.7M interim net loss, against \$168.0M a year ago. 9.2% lower, \$2.185B trading revenue. \$1.73B net debt.

Sonic Healthcare (SHL)

4.0% lower, \$527.75M full year NPAT. 10.5% higher, \$6.83B revenue. Flat, 51c final dividend, against 15.3c fully-franked.

IRESS Ltd (IRE)

10% higher, \$A24.05M full year NPAT. 10% higher, \$110.91M revenue. Flat, 3.75c final dividend. 31.11c NTA, against 27.19c.

Orora Ltd (ORA)

76.3% lower, \$A116.5M full year NPAT. 5.2% higher, \$3.39B revenue. 5.5c final dividend, against 6.5c fully-franked.

Brambles Ltd (BXB)

US9c fully franked final dividend, against A14.5c a year ago. 68% lower, \$US448M full year NPAT. 6% higher, \$4.73B sales revenue.

The Star Entertainment Group (SGR)

\$94.6M full year net loss. 31% lower, \$1.487B revenue. \$1.71 NTA, against \$2.05.

Auckland International Airport (AIA)

63% lower, \$NZ193.9M full year NPAT. 23.7% lower, \$NZ567.0M revenue.

Resources

South32 Ltd (S32)

US1c fully franked final dividend. \$US65M full year net loss, against a \$US389M net profit a year ago. 16% lower, \$US6.075B revenue. \$US1.92 NTA, against \$US1.98.

Energy

Origin Energy (ORG)

15c final dividend, against 15c fully franked a year ago. 93% lower, \$83M full year NPAT. 11% lower, \$13.16M revenue. \$3.86 NTA, against \$4.41.



The release pushed the \$US and US bond yields higher.

The minutes revealed monetary policy committee members appeared not keen to cap yields as had been done previously, and concerned that domestic economic recovery from the Covid-19 outbreak had slowed.

Earlier, the US administration had maintained key US and China officials were still 'in touch' regarding an initial trade accord agreed earlier this year.

The US Democrat national convention in the meantime continued towards Friday's close with the formal endorsement of Joe Biden as the Democrat nominee to challenge the US president.

Among overnight **data** releases, **UK** July CPI was estimated at 0.4% growth for the month and 1.0% higher than for July 2019.

The higher-than-anticipated boosts were attributed to reduced and even MIA summer retail sales and price hikes by service industries needing to cover the cost of PPE.

In the **euro zone**, a final July CPI reading came in at 0.4% deflation for the month and 0.4% year-on-year growth.

Meanwhile, a 30-year government bond auction in Germany delivered a -0.05% yield from -0.06%.

In the **US**, weekly mortgage applications fell 3.3%. Average 30-year mortgage rates in the meantime had risen to 3.13% from 3.06%.

Tonight in the **US**, a Philadelphia Fed manufacturing reading and weekly new unemployment claims are anticipated.

The Conference Board's July leading index is also due.

Elsewhere, the **European Central Bank** (ECB) releases July policy meeting minutes.

Companies scheduled to report earnings later today and tonight include Alibaba, Antofagasta, CRH, Gazprom Neft, Estee Lauder and Ross Stores.

In overnight corporate news, Apple achieved further notoriety, its market capitalisation reaching \$US2 trillion.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	1970.3	oz	-42.8	-2.1
Silver (NY) (Sep)	27.34	oz	-0.735	-2.6
Gold (LON) (18 Aug)	2009	oz		
Platinum	922	oz	-30	-3.3
WTI Crude (NYMEX Sep)	42.93	bbbl	0.04	0.1
Brent Crude (ICE EUR Oct)	45.37	bbbl	-0.09	-0.2
Iron Ore (NYMEX,CHN,62%)	122.47	t	-0.28	-0.2
Copper (LME,3mth Ind,PM)	6683	t	87	1.3
Nickel	14665	t	-30	-0.2
Aluminium	1792	t	19	1.0
Lead	2002	t	8	0.4
Zinc	2496	t	31	1.2
Tin	17655	t	10	0.1

Pre-Open Announcements

SkyCity Entertainment Group (* SKC)

Lowering FY20 NPAT guidance to \$NZ234M - \$NZ236M, from \$NZ330M - \$NZ360M.

IDP Education (* IEL)

Nil final dividend, against 7.5c, 3.38c-franked a year ago.

1.9% higher, \$67.87M full year NPAT.

1.8% lower, \$587.11M revenue.

92.94c NTA, against 6.50c.

Webjet Ltd (* WEB)

Nil final dividend, following 13.5c fully franked a year ago.

\$143.5M full year net loss following a \$60.3M net profit a year ago.

27% lower, \$266.9M revenue.

Afterpay Ltd (* APT)

Anticipating a \$34M FY20 provision, and a 0.38% net transaction loss, against 0.5% guidance offered in July.

Smartgroup Corporation (* SIQ)

An audio webcast was scheduled to commence 9am AEST.

17c fully franked interim dividend, against 21.5c a year ago.

44% lower, \$17.38M interim NPAT.

11% lower, \$111.44M revenue.

OptiComm Ltd (* OPC)

10c fully franked final dividend against 3.6c a year ago.

7% higher, \$21.49M full year NPAT.

17% higher, \$73.04M revenue.

83c NTA.

Catapult Group International (* CAT)

\$5.598M full year net loss, following a \$7.878M net loss a year ago. 5.6% higher, \$100.73M revenue.

9.6c NTA, against 10.8c. \$27.5M cash.

Marley Spoon (* MMM)

CFO and executive director Julian Lange is planning to resign from his MMM positions 31 December.

Mr Lange will continue with MMM through September 2021 as a consultant.

Energy

Yancoal Australia (* YAL)

7% higher, \$605M interim NPAT.

16% lower, \$1.97B revenue.

\$4.82 NTA, against \$4.52.

**Commodities Commentary**

Oil – a four-week average of US fuel demand was reported 14% lower than a year earlier overnight, this helping push overnight trade sentiment lower.

An OPEC+ monitoring committee, convened overnight, was followed by a claim from Saudi Arabia's energy minister that by the end of the year, international oil demand will be at 97% of what it was before it dropped on Covid-19 containment restrictions.

A draft OPEC+ statement, however, was reported to include concerns at demand recovery risk.

The meeting confirmed that four nations for which output had exceeded production cut agreements in May-July would be required to reduce output accordingly during August – September, on top of the new cuts agreed by OPEC+ from 1 August.

Compliance will again be reviewed at a scheduled 17 September meeting.

A US weekly inventories report from government agency the EIA, published overnight, included an estimated 1.63MMbbl fall in stored crude and 3.32Mmbbl drop in petrol stocks.

Net crude imports rose by 1.115MMbbl/d.

Post-US trade Tuesday, a weekly industry report had estimated crude stocks had fallen by 4.3MMbbl.

Gold – sentiment dropped post-(Comex) settlement following the release of US Federal Reserve July policy meeting minutes.

Any significant outcomes from today's **People's Bank of China** policy meeting, for example changes to one- and five-year loan prime rates, could swing some of tonight's trade.

European Central Bank minutes are due tonight, and any hint of further stimulus would also prove influential.

Base metals – overnight trade was supported by a \$US fall to ~2.25-year lows, although post-LME trade, the \$US was pushed higher.

In addition, Rio Tinto reduced its 2020 guidance for refined *copper* production.

Meanwhile, LME-warehoused copper levels were reported at the least since 2007.

Yesterday, **Japan** reported an ¥11.6B July trade surplus following a ¥269.3B deficit for June. Exports fell 19.2% year-on-year, but imports dropped 22.3%.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7186	0.0002	0.03
EUR – USD	1.1846	0.0006	0.05

Australian Data Today

RBA	Forex transactions; official reserve assets	Jul
ABS	Workforce (additional details)	Jul

Trading Halts

Company	Code	Resuming
Flinders Mines	FMS	20 Aug
Mejority Capital	MJC	20 Aug
Metals Australia	MLS	20 Aug
Sihayo Gold	SIH	20 Aug
Spirit Telecom	ST1	20 Aug
DomaCom Ltd	DCL	21 Aug
Fe Ltd	FEL	21 Aug
MGC Pharmaceuticals	MXC	21 Aug
Neurotech International	NTI	21 Aug
Osteopore Ltd	OSX	21 Aug
Rafaella Resources	RFR	21 Aug
RooLife Group	RLG	21 Aug
Talga Resources	TLG	21 Aug
Roots Sustainable Agricultural Technologies	ROO	24 Aug
Tabcorp Holdings	TAH	24 Aug
Mako Gold	MKG	25 Aug

Suspensions (select)

Company	Code	Since
Altura Mining	AJM	12 Aug
Ragnar Metals	RAG	7 Aug
STEMify Ltd	SF1	6 Aug
Syntonic Ltd	SYT	4 Aug
thedocyard Ltd	TDY	18 Aug

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CL1	Today	2.5	100	2.59
FSA	Today	3	100	5.61
KOV	Today	13	100	5.80
MAM	Today	1	100	4.88
QBE	Today	4	10	4.81
INA	Tomorrow	4.4	0	2.37
KGN	Tomorrow	13.5	100	0.71
LLC	Tomorrow	3.26	0	5.31
NCM	Tomorrow	24.4	100	0.97
AZJ	Mon	13.7	70	5.66
ANZ	Mon	25	100	4.28
EVN	Mon	9	100	2.17
PNI	Mon	8.5	100	2.83
VG1	Mon	1.5	100	0.53
WPL	Mon	36.53	100	6.64
NWL	Tue	7.8	100	0.95
RKN	Tue	3	100	6.25

**US Data Tonight**

Philadelphia Fed manufacturing	Aug
Initial jobless claims	15 Aug
Conference Board leading index	Aug

Other Overseas Data Today & Tonight

China	People's Bank of China policy (incl rates)	Aug
UK	CBI industrial trends orders	Jul
Germany	PPI	Jul
Euro zone	ECB policy meeting minutes	Jul
Euro zone	Construction output	Jun

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Reports & Events

(selected)

When	Company	Report/Event
Today	AIA	Interim
	ASX	Full year
	CCL	Interim
	CHC	Full year
	DHG	Full year (tele 10.30am)
	EBO	Full year
	EVT	Full year
	GDF	Full year
	GNE	Full year
	IEL	Full year
	IRE	Full year
	MGR	Full year
	MPL	Full year
	ORA	Full year
	ORG	Full year
	PPT	Full year
	PME	Full year (w/cast 11am)
	QAN	Full year
	STO	Interim
	SHL	Full year
S32	Full year	
SXL	Full year	
SGR	Full year	
TGR	Full year	
VVR	Full year	
WES	Full year	
WPP	Interim (tele 10am)	
Tomorrow	BWX	Full year
	CLQ	Full year
	DTL	Full year
	FPH	AGM (midday AEST)
	FLT	Full year
	HLS	Full year
	ING	Full year
	MYX	Full year
	MOC	Full year
	MYS	Full year
	NSR	Full year
	RBL	Full year
	SUN	Full year
TPM	Full year	
VTG	Full year	