

Markets

SFE 200 Futures (9.30am AEST)	5983	-14	-0.2
NZX 50	11763	-8	-0.1
DJIA Futures	26735	18	0.1
S&P 500 Futures	3300	-0.25	0.0
NASDAQ Futures	11079	-7	-0.1

Local Markets Commentary

The Australian market opens mid-week trade following a report the US and China will officially resume trade talks this month, and with key data due for China late-morning, ahead of material international data tonight.

Overnight international commodities trade again largely positive for a second consecutive session.

Locally today, AiG has reported a 42.7 July **construction sector activity index** pre-trade. This, against 35.5 for June.

Also today, the Australian Bureau of Statistics (ABS) reports **June lending** figures **11.30am** AEST.

Regionally today, a July services PMI for **China**, as calculated by Caixin, is due **11.45am** AEST.

A July services PMI is expected for **Japan** at 10.30am.

In overnight commodities trade, **oil** continued to rise.

US gold futures (December) rallied to settle beyond \$US2020/oz.

Iron ore (Nymex CFR China, 62% Fe) also continued higher, trading beyond \$US115.5/t.

LME **copper** turned lower, but not so other key base metals, **aluminium** extending Monday's rally.

The **\$A** fell below US71.25c after trading at ~US71.40c early yesterday evening.

Earlier this morning, the \$A traded beyond US71.60c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26828	164	0.6
S&P 500	3307	12	0.4
NASDAQ	10941	38	0.4
FTSE 100	6036	3	0.1
DAX 30	12601	-46	-0.4
Shanghai Comp	3372	4	0.1

Overseas Markets Commentary

Marked vacillating sentiment featured across major European and US equities markets overnight.

There was plenty to consider in addition to international Covid-19 resurgent outbreak and shutdown reports, damaging weather conditions through the US east coast and ongoing reporting season on both sides of Atlantic.

Australia – 42.7 AiG July construction PMI in hand

China – Caixin July services PMI – 11.45am AEST

Today's Stock Watch

Woolworths Group (WOW)

Confirming the six-week closure of 22 Big W stores in metropolitan Melbourne, Victoria from midnight tonight, due to enhanced Covid-19 containment measures.

Online trade and home delivery will continue, in addition to pick-up services at all metropolitan Melbourne stores and drive-up at 15 of these.

Three ALH Hotels operations that had remained open since 8 July in regional Victoria will also close tonight.

Further, WOW is assessing how meat industry and supply chain restrictions, to come into effect from Friday night, might impact WOW supermarket operations in Victoria.

Promising an update with the scheduled 27 August release of full year results.

WOW has traded higher the past two sessions, yesterday reaching \$40.00 intra-session before settling at \$39.92.

Centuria Office REIT (COF)

56.97% drop in full year NPAT to \$23.05M. 34.08% higher, \$146.42M revenue. Flat, \$2.49 NTA.

Previously declared 4.45c June quarter dividend will be paid 10 August.

Telstra Corporation (TLS) / Centuria Industrial REIT (CIP)

TLS anticipates \$416.7M from the sale of the Clayton, Victoria data centre to CIP.

PointsBet Holdings (PBH)

The US NBA Indiana Pacers have agreed to PBH being an official sports gaming partner.

Resources

Rio Tinto (RIO)

RIO acknowledges, in a submission to an Australian Senate inquiry into the (blasting activity) destruction of Juukan Gorge rock shelters, the destruction should not have occurred.

RIO CEO J-S Jacques will give evidence to the inquiry committee Friday from 9am AEST.

A webcast link was lodged post-trade yesterday.

RIO has also lodged details regarding the lead-up to the incident. RIO trades ex-dividend (\$A2.1647) tomorrow.

Lynas Corporation (LYC)

Commentary lodged this morning on the proposed Malaysia permanent deposit facility for LYC's water leach purification residue. LYC is targeting the commencement of development by early 2021.



A media report claimed **China's** vice premier Liu He and **US** chief trade representative Robert Lighthizer would hold virtual **trade** talks 15 August.

In addition, a large blast in the port region of **Lebanon's** capital city Beirut, plus a significant shockwave, damaged the city well beyond the port, which is reported to host explosives stockpiles.

The incident warrants, and has garnered, international humanitarian support, even as nations grappled with Covid-19 health and budget crises.

Meanwhile, negotiations continued between leading **US** Democrat and Republican politicians and US administrative officials with the aim of achieving agreement as soon as possible on new Covid-19 **economic relief** measures for individuals and businesses.

Among overnight **data** releases, **euro zone** June producer prices were reported 0.7% higher for the month, but 3.7% lower against June 2019.

In the **US**, June factory orders rose 6.2% following a 7.7% May boost.

The ISM's July New York activity index came in at an expansionary 53.5 from a decidedly contractionary 39.5 for June.

The IBD/TIPP economic optimism index was estimated at 46.8, from 44 and against expectations of 42.

Tonight in the **US**, the ISM's influential services sector activity index is due, together with June trade figures, a July private sector employment report and weekly mortgage applications.

Elsewhere, the euro zone reports June retail sales and the UK hosts a 10-year government bond auction.

Companies scheduled to report earnings later today and tonight include: Allianz, Asahi, Autohome, BMW, Commerzbank, CVS Health, Honda Motor, Humana, Isuzu Motor, Itochu, Lion Corp, Kogas, Moderna, Noble Corp, Regeneron Pharmaceuticals, ResMed Inc, SKC, Toshiba, Wendy's and William Hill.

In overnight corporate news, **BP** reported a \$US67B June quarter loss, against a \$US2.8B profit a year earlier, and cut its quarterly dividend by 50% (from the March quarter) to US5.25c.

Post-US trade, **Walt Disney** revealed a \$US4.7B quarterly net loss, and 42% drop in revenue, to \$US11.78B.

Streaming service Disney+ business supported an adjusted profit which exceeded expectations however, pushing the stock ~5% in post-settlement trade.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Dec)	2021	oz	34.7	1.7
Silver (NY) (Sep)	26.028	oz	1.61	6.6
Gold (LON) (31 Jul)	1965	oz		
Platinum	935	oz	21	2.3
WTI Crude (NYMEX Sep)	41.70	bbl	0.69	1.7
Brent Crude (ICE EUR Oct)	44.43	bbl	0.28	0.6
Iron Ore (NYMEX,CHN,62%)	115.55	t	1.34	1.2
Copper (LME,3mth Ind,PM)	6451	t	-23	-0.8
Nickel	14015	t	70	0.5
Aluminium	1768	t	23	1.3
Lead	1884	t	19	1.0
Zinc	2330	t	25	1.1

Pre-Open Announcements

Virgin Australia Holdings (* VAH, in administration)

Post-administration plans, including further cost-cutting and ~3000 job losses, lodged this morning. Anticipating 6000-8000 jobs growth on market recovery. Tigerair to disappear.

SRG Global (* SRG)

SRG's New Zealand business has secured ~\$50M worth of work as operations ramp again. Details lodged this morning.

Helloworld Travel (* HLO)

Reporting 17.2% initial take-up for the group's fully underwritten retail entitlement offer.

A placement, plus institutional and retail entitlement offers have raised a collective \$50M.

AusCann Group Holdings (* AC8)

AC8 has appointed former Proteolytics CEO and previous Suda Pharmaceuticals (ASX: SUD) chief business officer Nick Woolf as CEO, effective immediately.

Novatti Group (NOV)

Director Brando Munro has resigned from the NOV board due to other business interests.

Smartpay Ltd (SMP)

MD and CEO Bradley Gerdis has resigned, effective 1 September.

SMP has subsequently appointed executive director and COO Marty Pomeroy to take over from Mr Gerdis.

Mr Gerdis will remain with SMP for three months after 1 September.

MCS Services (MSG)

Two Perth, WA suburban shopping centre security services contracts successfully renewed for two years, each with an option of two one-year extensions.

KNeoMedia Ltd (KNM)

KNM hosted a webcast presentation overnight (from 12.30am AEST).

Presentation lodged post-ASX trade yesterday.

Resources

De Grey Mining (* DEG)

WA Pilbara Hemi gold project Aquila zone aircore and RC drilling results lodged this morning.

DEG describes these as 'encouraging'.

Alderan Resources (* AL8) / Rio Tinto (RIO)

RIO's Kennecott Exploration has completed initial exploration within AL8's Frisco Cu-Au-Ag project, Utah, US.

Assays lodged this morning.

Perseus Mining (* PRU) / Exore Resources (* ERX)

The Australian Securities & Investments Commission (ASIC) has registered the scheme booklet, which includes the



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Commodities Commentary

Oil – encouraging data and US stimulus optimism supported oil ultimately higher again overnight.

A US weekly inventories report is due tonight from government agency the EIA. Overnight, an industry report included an estimated ~8.6MMbbl draw on crude stocks during last week.

Gold – anticipated new US fiscal stimulus, an associated lower \$US and bond yields and inflation considerations favoured gold interest overnight.

Comex October futures traded at a record intra-session peak for a second consecutive session.

Base metals – overnight LME trade was pushed and pulled by: a supportive US manufacturing PMI, published post-Monday LME trade; differences between Shanghai Futures and LME warehouse stockpile movements for key commodities; stimulus optimism; and geopolitical news, including a claim high-level US-China trade talks would resume mid-month.

Caixin is scheduled to report a July services PMI for **China** today.

A 10-year bond auction conducted in Japan yesterday produced a 0.018% yield, against 0.058% previously.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7161	-0.0001	-0.01
EUR – USD	1.1800	-0.0002	-0.02

Australian Data Today

AiG	Construction PMI	Jul
ABS	Household, personal, business lending	Jun

US Data Tonight

ISM non-manufacturing	Jul
Trade balance	Jun
ADP employment change	Jul
MBA mortgage applications	31 Jul

Other Overseas Data Today & Tonight

China	Caixin services PMI	Jul
Japan	Services PMI	Jul
UK	Services PMI	Jul
UK	New car sales	Jul
Germany	Services PMI (final)	Jul
Euro zone	Retail sales	Jun
Euro zone	Services PMI (final)	Jul

independent export's report, for PRU's planned acquisition of ERX.

Calidus Resources (* CAI)

Environmental permits in hand to commence early works for the WA Pilbara region Warrawoona gold project.

Castillo Copper (CCZ)

CCZ has completed its London Stock Exchange (LSE) listing and is trading on the LSE under the code CCZ.

Pantoro Ltd (PNR)

PNR has appointed Fiona Van Maanen as an independent non-executive director.

Former PNR chair Michael Jefferies retired from the PNR board yesterday.

Energy

Key Petroleum (* KEY) / Triangle Energy (Global) (* TEG)

A TEG subsidiary is disputing a cash call in relation to its JV interest in the L7 Mount Horner JV.

KEY and TEG separately lodged their positions on the issue post-trade yesterday.

Trading Halts

Company	Code	Resuming
Ausgold Ltd	AUC	5 Aug
Dreadnought Resources	DRE	5 Aug
Empire Resources	ERL	5 Aug
Splitit Payments	SPT	5 Aug
Caprice Resources	CRS	6 Aug
Elementos Ltd	ELT	6 Aug
IntelliHR Ltd	IHR	6 Aug
Locality Planning Energy Holdings	LPE	6 Aug
Shree Minerals	SHH	6 Aug
STEMify Ltd	SF1	6 Aug
Surefire Resources	SRN	6 Aug
Tubi Ltd	2BE	6 Aug
Alicanto Minerals	AQI	7 Aug
DroneShield Ltd	DRO	7 Aug
Global Oil & Gas	GLV	7 Aug
Nanoveu Ltd	NVU	7 Aug
New World Resources	NWC	7 Aug
Orion Minerals	ORN	10 Aug
Strandline Resources	STA	10 Aug

Suspensions (select)

Company	Code	Since
Acacia Coal	AJC	22 Jul
Aurora Minerals	ARM	21 Jul
eSense-Lab Ltd	ESE	27 Jul
Factor Therapeutics	FTT	17 Jul

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Heron Resources	HRR	4 Aug
Leaf Resources	LER	16 Jul
Stone Resources Australia	SHK	28 Jul
Syntonic Ltd	SYT	4 Aug
Ultima United	UUL	22 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
DJW	Tomorrow	5.25	100	7.10
RIO	Tomorrow	216.47	100	5.41
BKI	Fri	3.32	100	5.12
JHG	Fri	50.24	0	7.17
OZG	Fri	0.3	100	2.89
WIC	Fri	3	100	5.97
AFI	11 Aug	14	100	3.82
ZEN	11 Aug	14	100	0.00

Reports & Events

(selected)

When	Company	Report/Event
Today	COF	Full year
	LEP	Full year
Tomorrow	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)