

Markets

| | | | |
|--------------------------------------|-------|-----|------|
| SFE 200 Futures (9.30am AEST) | 6892 | -39 | -0.6 |
| NZX 50 | 11720 | -33 | -0.3 |
| DJIA Futures | 32761 | 24 | 0.1 |
| S&P 500 Futures | 4128 | 3 | 0.1 |
| NASDAQ Futures | 13043 | 11 | 0.1 |

Local Markets Commentary

The Australian market commences mid-week trade with a major domestic bank having reported full year earnings pre-trade, ahead of several inflation updates, including regionally and for the US, today and tonight.

US equities markets settled lower overnight.

Locally today, no major economic reports are due for release.

Regionally, China is expected to report the July CPI, together with producer prices at 11.30am AEST.

Japan also publishes July producer prices this morning, just prior to the ASX open.

Japan's markets will be closed tomorrow due to a public holiday.

In overnight commodities trade, oil turned modestly lower.

US gold futures settled higher for a second consecutive session.

Iron ore (Nymex CFR China, 62% Fe) swung lower, settling below \$US110/t.

Overnight LME (3mth evening) copper swung to a slight decline. Nickel continued to fall. Aluminium continued to rally.

The \$A fell below US69.65c after trading at ~US69.70c - ~US69.80c early yesterday evening.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|------|------|
| Dow Jones | 32774 | -58 | -0.2 |
| S&P 500 | 4122 | -18 | -0.4 |
| NASDAQ | 12493 | -151 | -1.2 |
| FTSE 100 | 7488 | 6 | 0.1 |
| DAX 30 | 13535 | -153 | -1.1 |
| Shanghai Comp | 3247 | 10 | 0.3 |

Overseas Markets Commentary

Weakened sentiment was evident across major European, UK and US equities markets overnight.

Renewed fears for chip manufacturers in particular impacted NASDAQ trade from opening and restrained any S&P500 moves higher.

Inflation reports due from several nations today and tonight, including the US, kept cost-of-living pressures, recession warnings and central bank policy speculation also at the forefront of trader considerations.

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

\$2.10 fully franked final dividend from \$2.00 fully franked a year ago.

6% higher, \$10.771B full year NPAT.

3% higher, \$25.143B revenue.

11% higher, \$9.595B cash NPAT.

1.90% net interest margin (NIM), against 2.08%.

11.5% CET1 from 13.1%.

Computershare Ltd (CPU)

CPU has appointed CPU non-executive director Paul Reynolds to succeed Simon Jones as chair at the conclusion of the 10 November AGM.

Paying a 30c final dividend, from 23c, 60%-franked a year ago.

20.5% higher, \$227.659M full year NPAT.

1.3% higher, \$2.565B revenue.

Weaker transaction revenues but stronger client fee income.

Mr Jones flagged his retirement at the 2019 AGM.

Dexus Industria REIT (DXI)

42.1% higher, \$168.350M full year NPAT.

13.8% higher, \$74.689M revenue.

\$3.60 NTA from \$3.20.

Mayne Pharma Group (MYX)

Selling Metrics Contract Services for \$US475M cash.

Completion anticipated by 31 December.

GrainCorp Ltd (GNC)

Anticipating \$365M - \$400M FY22 underlying NPAT, from previous \$310M - \$370M guidance.

Underlying EBITDA is expected to come in at \$680M - \$730M from \$590M - \$670M previously forecast.

Australian Clinical Labs (ACL)

41c fully franked final dividend from nil dividend a year ago.

\$178.2M full year NPAT, from \$88.7M for FY21.

54% higher, \$995.6M revenue.

The a2 Milk Company (A2M) / Bubs Australia (BUB)

The US FDA is deferring consideration of enforcement discretion relating to importing infant milk formula products into the US.

Resources
Ausgold Ltd (AUC)

WA Katanning gold project RC drilling has delivered numerous significant-width and/or high-grade intersections.

Assays lodged pre-trade.



In addition, geopolitical issues remained in focus, China continuing menacing military manoeuvres about Taiwan, and Taiwan confirming it would also conduct military drills.

In Russia-Ukraine conflict developments, several blasts were reported on a military airbase in Crimea, annexed by Russia in 2014. Russia offered explosions of stored ammunition as the cause.

Among overnight **data** releases, the **(US)** IBD/TIPP economic optimism index declined to 38.1 from 38.5 August. Economists had opted for a slight improvement to 38.6.

The NFIB small business optimism index for July rose by 0.4 to 89.9 against expectations for a 1.5-point decline to 88.0.

June quarter productivity was calculated 4.6% lower for the three months following a 7.4% March quarter drop.

Earlier yesterday, the BRC (British Retail Consortium) retail sales monitor for July indicated 1.6% higher like-for-like sales than for July 2021 in the **UK**, defying forecasts for a 1.1% sales decline.

Meanwhile, a 30-year government bond auction in Japan early yesterday afternoon had delivered a 1.119% yield from 1.234%.

A 30-year UK treasury gilt offer yesterday evening resulted in a 2.360% yield from 2.531%.

Tonight in the US, the July **CPI** estimate is keenly anticipated, together with June wholesale inventories and the July Treasury budget statement.

Weekly mortgage applications are also due tonight.

In addition, the US conducts a 10-year Treasury note auction.

Elsewhere, Germany reports a final July CPI reading and also hosts a 30-year government bond auction.

Russia is also expected to release a July CPI estimate.

Companies scheduled to report earnings later today or tonight include: Aviva, Bridgestone, Fox Corporation, Honda Motor, JGC, Kogas, Shiseido, Toyo Tire & Rubber, TUI and Walt Disney.

In overnight corporate news, chip manufacturer **Micron** warned of softening demand and adverse impacts for both the current and December quarters. This was the second such warning in two sessions, the first coming from Nvidia.

In the meantime, **Meta Platforms** finalised a \$10B bond offer.

Coinbase reported a worse-than-anticipated quarterly loss.

Commodities

| COMMODITY | CLOSE | \$/US/ | +/- | % |
|--|--------|--------|-------|------|
| Gold (NY) (Dec) | 1812.3 | oz | 7.1 | 0.4 |
| Silver (NY) (Sep) | 20.48 | oz | -0.13 | -0.6 |
| Platinum | 932 | oz | -8 | -0.9 |
| WTI Crude (NYMEX Sep) | 90.50 | bbbl | -0.26 | -0.3 |
| Brent Crude (ICE EUR Oct) | 96.31 | bbbl | -0.34 | -0.4 |
| Iron Ore (NYMEX CHN port;62%Fe) | 109.85 | t | -0.53 | -0.5 |
| Copper (LME 3mth Evening) | 7982 | t | -4 | -0.1 |
| Nickel | 21570 | t | -125 | -0.6 |
| Aluminium | 2491 | t | 44 | 1.8 |
| Lead | 2165 | t | 2 | 0.1 |
| Zinc | 3530 | t | 91 | 2.7 |
| Tin | 24401 | t | 131 | 0.5 |

Pre-Open Announcements

Openpay Group (OPY)

OPY is considering increasing the maximum amount to be raised under the SPP which was due to close 5pm AEST yesterday, and has consequently conditionally extended the close until 5pm Thursday.

OPY will seek approval at today's EGM.

OPY added 5.26% yesterday, closing at 30c, after lodging a July update pre-trade and subsequently trading as high as 32c.

Resources

Reward Minerals (RWD)

Rehabilitating Officer Basin potash project areas disturbed by exploration.

Further, RWD is ceasing Officer Basin exploration, citing recent results, logistics challenges and Martu landholder considerations.

RWD settled at 10.5c yesterday after closing out last week at 9.1c.

Energy

88 Energy (88E)

Icewine East prospective resource independently estimated at 1.03 billion barrels.

88E has also lodged the company's half year report this morning.

Trading halt also called.

Trading Halts

| Company | Code | Resuming |
|-----------------------|------|----------|
| Conico Ltd | CNJ | 10 Aug |
| Odin Metals | ODM | 10 Aug |
| Po Valley Energy | PVE | 10 Aug |
| Auroch Minerals | AOU | 11 Aug |
| Kalium Lakes | KLL | 11 Aug |
| Singular Health Group | SHG | 11 Aug |
| Strickland Metals | STK | 11 Aug |
| TMK Energy | TMK | 11 Aug |
| West Wits Mining | WWI | 11 Aug |

Suspensions (selected)

| Company | Code | Since |
|------------------|------|--------|
| ColorTV Ltd | CTV | 8 Aug |
| Design Milk Co | DMC | 2 Aug |
| Fintech Chain | FTC | 1 Aug |
| Memphasys Ltd | MEM | 29 Jul |
| Montem Resources | MR1 | 25 Jul |



Commodities Commentary

Oil – prices again swung intra-session overnight, pushed and pulled by a \$US decline, reports of a suspension of oil flow through the southern portion of the Druzhba line connecting Russia to Europe via Ukraine, and ongoing recession talk impacting demand outlooks.

The oil flow suspension was later attributed to sanctions having stopped Russia transit fee payments to Ukraine.

A European Union move to progress talks towards the resolution of Iranian sanctions imposed due to non-compliance with a 2015 international nuclear accord, also influenced some trade.

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

Overnight post-US trade, the American Petroleum Institute (API) published a report which included an estimated 2.156MMbbl increase in US crude stocks last week.

Later tomorrow, both the **International Energy Agency (IEA)** and **OPEC** are expected to publish monthly oil market reports.

Gold – overnight price gains were again attributed to a weaker \$US and some safe-haven interest, subsequently fuelling some technical-base moves.

A US July CPI reading tonight is expected to swing broader trade sentiment including for equities and the \$US.

Base metals – inventories, supply warnings and a relatively weaker \$US supported select base metals trade overnight.

In production news, the owners of a 200-year-old aluminium foundry in Germany revealed they were cutting back production and even shutting down for a week in an attempt to reduce gas consumption.

China's July CPI and producer prices due today, could influence some LME trade tonight, together with a US CPI update which is due ~10.30pm AEST.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|--------------|
| AUD – USD | 0.6959 | -0.0015 | -0.22 |
| EUR – USD | 1.0209 | 0.0009 | 0.09 |

US Data Tonight

| | |
|---------------------------|-------|
| CPI | Jul |
| Wholesale inventories | Jun |
| MBA mortgage applications | 5 Aug |

Other Overseas Data Today & Tonight

| | | |
|----------------|-----------------|-----|
| China | CPI | Jul |
| China | Producer prices | Jul |
| Japan | Producer prices | Jul |
| Germany | CPI (final) | Jul |
| Russia | CPI | Jul |

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------------|----------|-----------|--------------|-----------|
| AFI | Today | 14 | 100 | 2.94 |
| FSI | Tomorrow | 4.75 | 100 | 2.66 |
| RIO | Tomorrow | 383.7 | 100 | 10.93 |
| SSR | Tomorrow | 7 | 0 | 1.07 |
| SUN | Fri | 17 | 100 | 5.53 |

Reports & Events

(selected; all times AEST)

| When | Company | Report/Event |
|-----------------|------------|--|
| Today | ACL | Full year |
| | CNI | Full year (w/cast tele 11am) |
| | CBA | Full year |
| | DXI | Full year |
| | GDA | Full year |
| Tomorrow | AMP | Interim |
| | CPU | Full year |
| | DOW | Full year |
| | MGR | Full year |
| | OFX | AGM |
| | QBE | Interim |
| | RMD | Jun Q (w/cast NB Fri 12 Aug 6.30am) |
| | TLS | Full year |
| | WDS | Interim |
| Fri | BBN | Full year |
| | BFG | Full year |
| | HCW | Full year |
| | IAG | Full year |



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