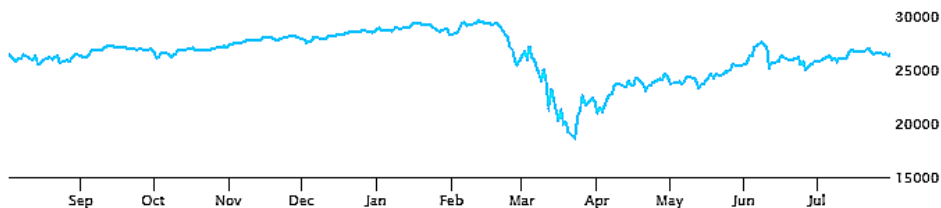


HEADLINES

US MARKETS

The S&P 500 and Dow fell for the first time in eight sessions on growing uncertainty on the fiscal stimulus deal. Sentiment improved following reports that the Russian President said the country had approved the world's first Covid-19 vaccine. However, shares turned lower after the US Senate Republican leader Mitch McConnell said on Tuesday that White House negotiators had not spoken with Democratic leaders in the Congress on aid legislation. The **S&P 500** shed 0.8% to 3,333.69 with only **financials** (1.3%) and **industrials** (0.5%) closing above the flatline, while **real estate** (-1.9%), **technology** (-1.8%), and **utilities** (-2.1%) weighed the most. The **Dow** dropped 0.38% to 27,686.91. The **Nasdaq** fell 1.69% to 10,782.82, dragged lower by the so-called **FAANG** stocks which tumbled between 1.1–3.4%, while **Microsoft** slipped 2.3%. In earnings news, **Simon Property Group** (2.6%) rose after it said it had collected 73% of its rents from retailers and that 91% of its tenants had reopened for business. The mall owner also reported weaker-than-expected results for the second quarter. Biotech firm **Novavax** plunged 16.3% despite posting a smaller than expected quarterly loss. The producer price index (PPI) rose 0.6% in July (*forecast: 0.3%*). In the 12 months through July, the PPI dropped 0.4% (*forecast: -0.7%*). The core PPI rose 0.5% in July (*forecast: 0.1%*) to be up 0.3% year-on year (*forecast: 0%*). The NFIB Small Business Optimism Index fell from 100.6 to 98.8 in July (*forecast: 100.5*).

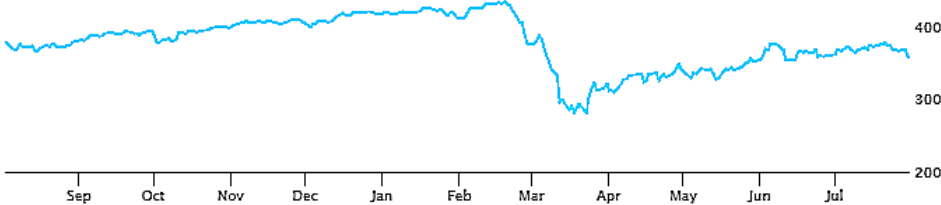
DOW JONES ONE-YEAR CHART



EUROPEAN MARKETS

European markets rose sharply on Tuesday. The pan-European **STOXX 600** rose 1.68% to 370.76 with the **banks**, **oil & gas**, and **travel & leisure** stocks among the best performing sectors, up between 3.7–4.5%. **Autos** stocks jumped 4.4% after China reported a 16.4% annual rise in vehicle sales for the month of July. The **DAX** gained 2.04% to 12,946.89, while the **FTSE 100** added 1.71% to 6,154.34. Looking at individual stock performances, **InterContinental Hotels** gained 4.8% even as it posted an 82% plunge in its first half profit but said it saw early signs of a recovery in demand. Meanwhile, **Vestas Wind Systems** climbed 9.5% after the Danish wind turbine company missed profit estimates but reinstated its full-year guidance. Online fashion retailer **Zalando** added nearly 2% after it reported that sales on its website had more than doubled. On to data, the ZEW economic survey of economic sentiment for Germany rose to 71.5 in August from 59.3 points (*forecast: 58*). The same survey for the euro area rose to 64 from 59.6. In the UK, the number of people in work fell by 220,000 between April and June. The unemployment rate held steady at 3.9% against a forecast of 4.2%.

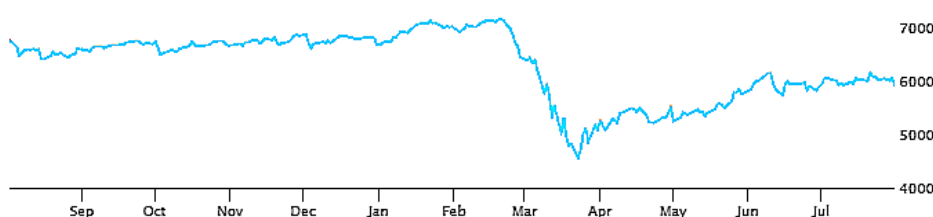
STOXX 600 ONE-YEAR CHART



AUSTRALIAN MARKET

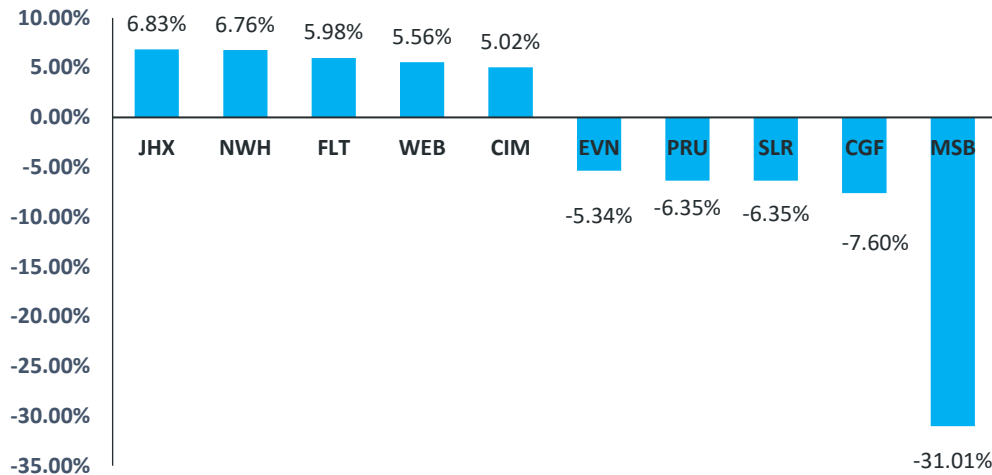
The **S&P/ASX 200** rose 28.5 points or 0.47% to close at 6,138.70. **Financial** (1.1%) and **real estate** (2.1%) stocks were the biggest percentage gainers on Tuesday. **ANZ** gained 1.8%, **NAB** and **Westpac** climbed 2.4% and 2.7% respectively, while **CBA** added 1% ahead of its annual results. The miners were flat with **BHP** and **Rio Tinto** adding around 0.8% each, while **Fortescue** slipped 0.6%. The gold miners traded sharply lower with **Northern Star** and **Evolution** off by more than 5% each. **IT** stocks (-2%) were the worst performers with **Afterpay** shares down 3.3%, while **NextDC** and **Wisetech** shed more than 2% each. On to corporate updates, **James Hardie Industries** (6.8%) improved after forecasting higher full-year earnings due to improvements in the US housing market. The building material company also reported an 89% drop in profit to US\$9.4 million (\$13.1 million) for the three months to June 30. Construction firm **Fletcher Building** added 1.2% as it announced it expects to report a net earnings loss of \$196 million for the year ended June 30 and warned of ongoing challenges across its supply chains in the year ahead. **SCA Property Group** rose 4.1% even as it reported a 22% slide in profit for the full year to \$85.5 million. **Challenger** tumbled 7.6% after it posted an annual loss of \$416 million due to the investment market volatility as a result of the impact of Covid-19. Elsewhere, **Mesoblast** shared slumped by 31% ahead of a meeting with the US Food and Drug Administration to discuss approval of its remestemcel-L product. **Sydney Airport** went into a trading halt as it looks to raise \$2 billion to reduce its net debt and strengthen its balance sheet. The airport also reported a loss after tax of \$53.6 million in the half-year to June 30 compared to a \$17.3 million profit it reported for the same period a year earlier. On the data front, the weekly ANZ-Roy Morgan consumer confidence index fell 2.4% last week to 86.5 and remains below the long-run average of 112.7. The NAB business confidence index has worsened to a reading of -14 in July from 0 the month before. Business

ASX 200 ONE-YEAR CHART



conditions improved from 0 to 8 points last month. The ABS reported that payroll jobs slipped 0.1% between July 11 and 25, weighed down by a 1.2% drop in Victoria.

## TOP 5 S&P/ASX200 MOVERS (PREVIOUS SESSION)



## MARKET DATA

INDICES	CLOSE	CHANGE	FX	CLOSE	CHANGE	COMMODITIES	PRICE (US\$)	CHANGE	BONDS	RATES
ASX 200	6,138.65	0.47%	AUD/USD	0.7143	0.03%	GOLD (OZ)	\$1,918.85	-5.44%	AU 2 YEAR	0.26
ASX FUTURES	6,103.00	0.15%	AUD/NZD	1.0880	0.19%	SILVER (OZ)	\$25.47	-12.58%	AU 5 YEAR	0.39
DOW JONES	27,686.91	-0.38%	AUD/EUR	0.6086	0.11%	PLATINUM (OZ)	\$946.93	-4.02%	AU 10 YEAR	0.89
S&P 500	3,333.69	-0.80%	AUD/GBP	0.5472	0.08%	BRENT CRUDE (BBL)	\$44.62	-0.82%	AU 15 YEAR	1.19
FTSE 100	6,154.34	1.71%	AUD/JPY	76.0890	0.04%	WTI CRUDE (BBL)	\$41.58	-0.07%	US 2 YEAR	0.15
NIKKEI 225	22,750.24	1.88%	EUR/USD	1.1735	-0.06%	NATURAL GAS (MMBtu)	\$2.15	-0.46%	US 5 YEAR	0.28
HANG SENG	24,890.68	2.11%	GBP/USD	1.3052	0.02%	COPPER (LB)	\$2.85	-0.49%	US 10 YEAR	0.64
VIX	24.03	8.59%	USD/JPY	106.5040	-0.01%	IRON ORE (MT)	\$121.09	1.60%	US 30 YEAR	1.33

as at approx. 9:32 am

## WEEKLY ECONOMIC CALENDAR

WED	12 <sup>TH</sup> AUG	THURS	13 <sup>TH</sup> AUG	FRI	14 <sup>TH</sup> AUG	MON	17 <sup>TH</sup> AUG	TUES	18 <sup>TH</sup> AUG
	Westpac Consumer Confidence Index (AUG)		Unemployment Rate (JUL)		Industrial Production YoY (JUL)		NY Empire State Manufacturing Index (AUG)		RBA Meeting Minutes
	Core Inflation Rate YoY (JUL)		Initial Jobless Claims (08/AUG)		Retail Sales MoM (JUL)		NAHB Housing Market Index (AUG)		Building Permits MoM (JUL)

# TODAY'S CORPORATE ACTIONS

<b>DUG</b>	<b>NEW LISTING: [DUG] DUG TECH FPO</b>
<b>GSIC22</b>	<b>QUOTED: Ex Interest</b>
<b>GSIC50</b>	<b>QUOTED: Ex Interest</b>
<b>GSIO35</b>	<b>QUOTED: Ex Interest</b>
<b>GSIO40</b>	<b>QUOTED: Ex Interest</b>
<b>GSIU27</b>	<b>QUOTED: Ex Interest</b>
<b>TAO</b>	<b>QUOTED: Ex Entitlement</b>
<b>TAOO</b>	<b>QUOTED: Protection Unavailable</b>

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