

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	6597	20	0.3
<b>NZX 50</b>	11171	2	0.0
<b>DJIA Futures</b>	31289	-21	-0.1
<b>S&amp;P 500 Futures</b>	3896	-6	-0.2
<b>NASDAQ Futures</b>	12115	-37	-0.3

**Local Markets Commentary**

The Australian market commences a new week's trade with key data in hand from China and domestic and international economic management plus geopolitical relations remaining in focus.

Since overnight Friday trade, China has announced the detection of a new Covid omicron sub-variant, Russia has continued to attack civilian infrastructure in southern and eastern Ukraine, and Japan's parliamentary upper house election has appeared to favour the coalition government perhaps bolstering a majority.

**Locally** today, the Australian Bureau of Statistics publishes a finalised building approvals report for May at 11.30am AEST.

**Regionally** over the weekend, **China** reported **nil** CPI growth for **June** following 0.2% deflation for May. Economists had anticipated 0.1% CPI monthly growth.

On an annualised basis, the CPI growth rate rose to 2.5% from 2.1%.

**Producer prices** grew by 6.1%, in line with expectations, and following a 6.4% May increase.

China's **June vehicle sales**, also reported over the weekend, represented a 20.9% increase on June 2021, far exceeding forecasts for a 5% increase. May vehicle sales had been recorded as 12.6% lower than for May 2021.

June lending figures for China are anticipated anytime from later today.

In overnight Friday commodities trade, **oil** ultimately extended Thursday's gains.

US **gold** futures again settled slightly higher.

**Iron ore** (Nymex CFR China, 62% Fe) seesawed lower following Thursday's gain, falling below \$US114/t.

LME (3mth evening) **copper** and **aluminium** turned to settle a little lower. **Nickel** swung to a small gain.

The **\$A** appreciated to US68.75c after trading at ~US68.15c early Friday evening, but has traded as low as US68.45c this morning.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	31338	-46	-0.2
<b>S&amp;P 500</b>	3899	-3	-0.1
<b>NASDAQ</b>	11635	14	0.1
<b>FTSE 100</b>	7196	7	0.1
<b>DAX 30</b>	13015	172	1.3

**Today's Stock Watch**
**MMA Offshore (MRM)**

Drilling support and vessel services contract secured with OMV New Zealand.

MRM estimates the value of the contract at \$A10M - \$A11M.

**Althea Group Holdings (AGH)**

FY2022 receipts tallied \$22M, representing 113% growth for the year. June quarter receipts totalled \$6.5M, 130% more than for the June quarter 2021. \$6.6M cash; nil debt.

**Dynamic Group Holdings (DDB)**

Planning to acquire WA-headquartered water well specialist Welldrill for an initial \$A14M cash plus \$A1M worth of DDB shares. DDB will also pay \$4M deferred cash by 31 March 2023. Associated capital costs post-completion are estimated at \$4M.

Welldrill clients include BHP Group (ASX: BHP), the WA Government and OZ Minerals (ASX: OZL).

**MACA Ltd (MLD)**

MD and CEO Mike Sutton is planning to retire effective 22 July (Friday week).

MLD chief development officer David Greig will be CEO from 22 July but Mr Sutton will remain with MLD for a transition period.

**Resources**
**BHP Group (BHP)**

Confirming the UK Court of Appeal has allowed an appeal to proceed against a 9 November 2020 High Court decision regarding the Brazil Samarco dam failure in November 2015.

The High Court had deemed a group action seeking compensation for businesses, individuals, local governments and other entities an 'abuse of process' in relation to the action continuing in the UK.

BHP considers the UK action duplicates matters covered by remediation work and legal proceedings in Brazil and intends to defend the action.

**Minerals 260 (MI6)**

WA Moora project Zest prospect RC drilling has delivered additional significant gold-copper mineralisation.

Assays included 13m @ 3.3g/t Au & 0.2% Cu from 127m.

Assays pending on nine holes.

Diamond core drilling underway.

**Aurumin Ltd (AUN)**

WA Central Sandstone gold project RC and diamond drilling has returned encouraging results, including an intersections of 344m @ 1.29g/t Au from a hanging wall zone.

Additional details lodged this morning.



Shanghai Comp 3356 -8 -0.3

### Overseas Markets Commentary

Choppy, swinging trade featured across most major European, UK and US equities markets for varying periods overnight Friday, underscoring uncertain sentiment.

US June employment figures included 372,000 new jobs against forecasts for a more substantial drop to 300,000 following May's 384,000 new jobs tally.

The unemployment rate remained steady at 3.6% and the participation rate slipped by 0.1% to 62.2%.

Average hourly earnings rose by 0.3% following May's 0.4% increase and expectations for another 0.4% rise.

The figures were considered heartening for US economic resilience but also confused views of what the Federal Reserve might do with rates at this month's policy meeting.

Speaking publicly overnight Friday, a Federal Reserve regional president, usually regarded as relatively conventionalist, revealed he supported a 0.75% interest rate push from the 26 - 27 July meeting.

In the **UK**, conjecture remained regarding the length of time the current PM would remain in a caretaker role as the list of potential contenders for his position lengthened.

Meanwhile, Russia warned of further 'disaster' for Ukraine and goaded western nations regarding potential broader international conflict.

In overnight Friday **data** releases, **Russia** reported 0.35% deflation for June and 15.9% annualised inflation.

In the **US**, in addition to the employment statistics, May wholesale inventories were finalised as having grown by 1.8% for the month following a 2.3% April increase.

A May consumer credit report included \$US22.35B credit growth, defying forecasts for \$US37.0B and against \$US36.76B for April.

**Tonight**, no major economic indicators are scheduled for release in the US, UK or euro zone.

During the week however, a plethora of material economic reports and data is due, ahead of the commencement of June quarter and half-year reporting season in earnest.

In overnight Friday and weekend corporate news, Elon Musk scrapped plans to purchase **Twitter**, citing insufficient and misleading information.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Aug)	1742.3	oz	2.60	0.1
<b>Silver (NY)</b> (Sep)	19.24	oz	0.05	0.3
<b>Gold (LON)</b>	1738	oz	-10	-0.6
<b>Platinum</b>	891	oz	16	1.8
<b>WTI Crude</b> (NYMEX Aug)	104.79	bbl	2.06	2.0
<b>Brent Crude</b> (ICE EUR Sep)	107.02	bbl	2.37	2.3
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	113.74	t	-1.4	-1.2
<b>Copper (LME 3mth Evening)</b>	7805	t	-17	-0.2
<b>Nickel</b>	21593	t	45	0.2
<b>Aluminium</b>	2439	t	-6	-0.2

## Pre-Open Announcements

### Telix Pharmaceuticals (\* TLX)

Recruitment has been completed and all 300 patients dosed in the ZIRCON phase 3 kidney cancer imaging study for TLX250-CDx.

### Tyro Payments (TYR)

July-to-date total transactional value estimated 39% higher than for the same period last year, at \$0.861B.

### Chorus Ltd (CNU)

June quarter update lodged this morning, including the addition of 20,000 fibre connections, to 959,000.

Total broadband connections fell by 1000 to 1.189M.

### Hexima Ltd (\* HXL)

Pezadeftide (HXP124) phase 2 clinical study results lodged pre-trade, ahead of a planned winding down of the development program for the treatment of onychomycosis.

### Meridian Energy (MEZ)

MEZ has appointed former finance and energy sector executive Graham Cockroft as a non-executive director, effective 26 July.

Mr Cockroft's professional experience includes executive positions with BG Group and Contact Energy (ASX: CEN) CFO and COO.

## Resources

### New World Resources (\* NWC)

Arizona, US Antler copper deposit independent scoping study results lodged pre-trade.

Pre-feasibility underway, with a Q1 2023 completion target date.

### Castle Minerals (CDT)

Positive Ghana Kambale graphite drilling update lodged this morning.

26 holes of a 46-hole RC campaign have been completed with encouraging observations across several holes.

Initial assays area anticipated mid-August.

### Regener8 Resources (\* R8R) / GTI Energy (GTR)

Exploration company R8R completed its ASX listing Friday, following a \$4.538M IPO at 20c per share.

Opened at 18c and traded at 17c – 19c before settling its day one high of 19c.

~1.18M shares changed hands across 102 transactions.

~24.4M quoted shares.

R8R purchased the Niagara (Kookynie) gold project from GTR for 5M shares (at 20c each), 1.5M performance rights and \$150,000 cash. GTR held 15.87% of R8R on listing.



Lead	1918	t	-54	-2.7
Zinc	3092	t	-11	-0.4
Tin	25359	t	-649	-2.5

### Commodities Commentary

**Oil** – overnight Friday trade again produced intra-session price swings, a weaker \$US, some variously interpreted economic data, supply updates and ongoing demand commentary, largely based on interest rates, China Covid management policy and recession prospects, featuring among trader considerations.

Despite the late-week price gains, Brent crude settled 4.1% lower for the week and WTI down 3.4%.

A weekly US petroleum drill rig report, released overnight Friday estimated two additional operational oil rigs, taking the (oil rig) tally to 597. No additional gas rigs were recorded in operation, with the overall petroleum drill rag count consequently coming in at 752.

**Gold** – prices received some support overnight Friday from a slightly softer \$US, but were constrained by varying views and conjecture on inflation levels, central bank policies, economic growth prospects and possible further change for geopolitical relations.

This week's trade is expected to be influenced by the same considerations, in part due to some material economic data releases, and also by corporate outlook statements.

**Base metals** – overnight Friday proved hesitant and cautious, international economic angst and geopolitical uncertainty appearing to outweigh the benefits of a slight \$US pullback.

China's June producer prices and CPI, released over the weekend, will be considered during tonight's trade, ahead of some influential June data releases to come this week from China.

### Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6849	-0.0026	-0.37
EUR – USD	1.0171	-0.0016	-0.15

### Australian Data Today

ABS	Building approvals (final)	May
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### Overseas Data Today & Tonight

Japan	Machinery orders	May
Japan	Machine tool orders	Jun

### Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, [advice@stateone.com.au](mailto:advice@stateone.com.au)

## Energy

### Regergen Ltd (\* RLT)

Gas-to-plant achieved at the Virginia gas project.  
Details lodged pre-trade.

### Trading Halts

Company	Code	Resuming
IPB Petroleum	IPB	11 Jul
Kingwest Resources	KWR	11 Jul
Pacific Nickel Mines	PNM	11 Jul
Pilot Energy	PGY	11 Jul
Podium Minerals	POD	11 Jul
Auric Mining	AWJ	12 Jul
Galileo Mining	GAL	12 Jul
Minbos Resources	MNB	12 Jul
Power Minerals	PNN	12 Jul

### Suspensions (selected)

Company	Code	Since
Arrow Minerals	AMD	6 Jul
Collection House	CLH	1 Jul
Cyprum Metals	CYM	6 Jul
Estrella Resources	ESR	8 Jul
Firefinch Ltd	FFX	29 Jun
GWR Group	GWR	5 Jul
Lumos Diagnostics Holdings	LDX	8 Jul
Propell Holdings	PHL	6 Jul

### Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MTS	Tomorrow	11	100	2.44
SDG	Tomorrow	30	100	5.57
TRA	18 Jul	6.35	85	6.38
PSC	21 Jul	77	0	0.00
UWL	22 Jul	10.5	100	0.00
PPS	25 Jul	5	100	0.00

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