

Markets

SFE 200 Futures (9.30am AEST)	6515	-4	-0.1
NZX 50	11161	50	0.5
DJIA Futures	30619	-88	-0.3
S&P 500 Futures	3784	-12	-0.3
NASDAQ Futures	11690	-43	-0.4

Local Markets Commentary

The Australian market opens today's trade with material domestic economic reports due late morning and new influential data in hand from China since yesterday's ASX trade, amid a focus on inflation and central bank moves over the past 24 hours.

US equities markets settled lower again overnight.

Locally today, the Australian Bureau of Statistics (ABS) releases June **workforce statistics** at **11.30am** AEST.

At the same time the Reserve Bank of Australia (RBA) reports **May lending to business**.

The Melbourne Institute July **inflation expectations** report is anticipated at **11am**.

Regionally, China's June **trade** figures, reported post-ASX trade yesterday, included a \$US97.94B trade surplus, against expectations of \$US76B following a \$US78.76B surplus for May.

Imports rose 1% from 4.1% in May and following forecasts for a new 4.0% increase.

Exports increased 17.9% from 16.9%. Economists had expected a 15% rise in June exports. The 17.9% represented the steepest monthly increase since January.

Today, **Japan** is expected to publish final May industrial production figures.

Also today, Japan hosts a 20-year government bond auction.

Meanwhile, **G20** chief finance ministers and central bankers are preparing to meet in Bali, **Indonesia**.

In overnight commodities trade, Brent **crude** settled slightly higher, and WTI with a stronger, but relatively modest, gain.

US **gold** futures turned higher, closing above \$US1735.0/oz.

Iron ore (Nymex CFR China, 62% Fe) also swung to record a gain, trading above \$US111.00/t.

LME (3mth evening) **copper**, **nickel** and **aluminium** continued to trade variously lower.

The **\$A** fell below US67.60c after trading at US67.80c early yesterday evening. This morning, the \$A has traded at ~US67.40c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	30773	-209	-0.7
S&P 500	3802	-17	-0.5
NASDAQ	11248	-17	-0.2
FTSE 100	7156	-53	-0.7

* **Coal bed methane** listing – 2.30pm AEST – BTE *

Today's Stock Watch
Telstra Corporation (TLS)

The Australian Competition and Consumer Commission (ACCC) is not opposing TLS's proposed purchase of 51.4% of Media Innovations Holdings (Fetch TV).

Aurizon Holdings (AZJ)

The Australian Competition and Consumer Commission (ACCC) is not opposing AZJ's proposed acquisition of One Rail. This follows a court-enforceable undertaking by AZJ to sell One Rail's east coast Australia business.

Uniti Group (UWL)

The Foreign Investment Review Board (FIRB) will not oppose the proposed scheme of arrangement purchase of UWL by a consortium led by Morrison & Co Infrastructure Partnership. UWL shareholders will vote on the scheme tomorrow.

Bega Cheese (BGA)

Retaining the April forecast of \$175M - \$190M FY2022 normalised EBITDA.

Higher milk prices, in particular, are expected to result in a \$160M - \$190M FY 2023 normalised EBITDA, however.

BGA has traded lower the past four sessions, settling at \$3.55 yesterday after closing out last week at \$3.71.

Netwealth Ltd (NWL)

\$13.1B FUM at 30 June, following \$0.4B net inflows during the June quarter.

\$55.7B FUA at 30 June, representing an 18.1% increase for FY2022.

FUA fell by \$1.9B during the June quarter.

Resources
Galan Lithium (GLN)

Heralding initial results from Argentina Hombre Muerto West lithium project Pata Pila well tests.

These include brine sampling returning > 910mg/L Li. Additional figures lodged this morning.

Rana de Sal first well testing imminent.

Energy
Pilot Energy (PGY)

The offshore WA Perth Basin Cliff Head JV is exporting its first oil via the Port of Geraldton.

24,500bbl has been loaded onto a tanker which will await a further up to 30,000bbl of Cliff Head oil and then deliver this to Singapore.



DAX 30	12756	-149	-1.2
Shanghai Comp	3284	3	0.1

Overseas Markets Commentary

Major European, UK and US equities markets opened lower overnight, choppy trade ensuing with little recovery, the most intra-session improvement in sentiment demonstrated in NASDAQ and S&P 500 trade.

Global economic growth commentary and economic reports out of the US influenced, as did central bank decisions to further raise rates.

The International Monetary Fund (IMF) lowered its 2022 US economic growth forecast to 2.3% from June's prediction of 2.9%, citing an increased challenge to avoid recession.

Overnight, the **Bank of Canada** hiked its key overnight rate for a fourth consecutive month, but this time by 1.0%, to 2.5%. Economists had anticipated a 0.75% increase following a 0.5% June rise.

Earlier yesterday, the **Bank of Korea** raised its main rate from 1.75% to 2.25% and the **Reserve Bank of New Zealand** its cash rate from 2.0% to 2.5%.

The US June CPI reading, released prior to the Bank of Canada rates announcement, represented 1.3% inflation for the month and 9.1% on an annualised basis. Forecasters had expected respective 1.1% and 8.8% readings.

The \$US was pushed to 20-year peaks before pulling back some.

Also overnight in the US, the Federal Reserve released its periodic district-by-district economic summary, this one covering mid-May through 13 July and indicating modest overall activity.

However, several districts reported signs of slowing demand and most reported more moderate consumer spending. Five districts reported increased expectations of a US recession.

China's June trade statistics, reported yesterday afternoon (on the ASX close) included higher than expected exports.

Among other mixed data releases influencing overnight trade considerations, **Germany's** final June CPI was finalised, as expected, at 0.1% inflation for the month following 0.9% for May.

The annualised inflation rate for June remained the same as the first estimate, at 7.6%.

Euro zone May industrial production surpassed forecasts rising 0.9% for the month, against expectations for a flat result following April's 0.5% increase.

Against May 2021, output was up 1.6%.

In the **UK**, the May GDP reading surprised on the upside, representing 0.5% growth for the month following a 0.3% pullback for April and expectations for a new 0.1% decline.

Against May 2021, the UK's GDP was up 3.5%.

Three-month average GDP growth to the end of May came in at 0.4%.

The NIESR GDP tracker in the meantime indicated 0.2% growth for June against predictions of a 0.5% fall.

UK May trade figures included a £9.747B deficit, following a £9.811B shortfall for April and forecasts for a new £9.3B deficit.

May industrial production improved by 0.9% for the month and

Pre-Open Announcements

Ava Risk Group (AVA)

First contract in hand for the supply and installation of the Aura IQ conveyor system.

AVA estimates the work will deliver €0.2M.

Resources

Botala Energy (* BTE) / Pure Hydrogen Corporation (PH2)

CBM explorer BTE is scheduled to list on the ASX **2.30pm** AEST, following a \$5M IPO at 20c per share.

52.16M quoted shares.

BTE is acquiring a 70% holding in the Botswana Serowe CBM project, with PH2 retaining a 30% free-carried interest.

PH2 holds 20.00% of BTE.

BTE chair Wolf Martinick directly holds 23.08%.

BTE CEO Kris Martinick directly holds 8.54%.

Lake Resources (LKE)

Refuting information contained in a report published online by J Capital.

Details lodged pre-trade.

LKE is resuming from a trading halt having last traded at 67.5c.

Energy

Blue Energy (* BLU)

Reserves and resources update lodged pre-trade.

Trading Halts

Company	Code	Resuming
AML3D Ltd	AL3	14 Jul
Falcon Metals	FAL	14 Jul
Okapi Resources	OKR	14 Jul
Matador Mining	MZZ	15 Jul
Regional Express Holdings	REX	15 Jul

Suspensions (selected)

Company	Code	Since
Collection House	CLH	1 Jul
Firefinch Ltd	FFX	29 Jun
GWR Group	GWR	5 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
SEC	Today	2	100	6.49
TRA	Mon	6.35	85	6.38



1.4% year-on-year. Economists had forecast a much slighter 0.1% increase for May, following a 0.6% fall during April.

In the US, in addition to the June CPI estimate and the Federal Reserve report, the June budget statement revealed an \$US89B deficit from \$66B for May and forecasts for a new \$50B shortfall. This, against \$US174B for June 2021.

Weekly mortgage applications declined 1.7% following a 5.4% drop the previous week.

The average 30-year mortgage rate came in flat at 5.74%.

A \$US19B 30-year bond auction produced a 3.115% yield from 3.185%.

Earlier, a 30-year bond auction hosted by Germany resulted in a 1.41% yield from 1.16%.

Post-US trade, Chile's reserve bank was reported to have raised its main interest rate to 9.75% from 9.00%.

Tonight in the US, weekly new unemployment claims are due, together with June producer prices.

Companies listed to report earnings include ConAgra Brands, Ericsson, JPMorgan Chase, Morgan Stanley and Taiwan Semiconductor.

In overnight corporate news, **Twitter** recouped ~8% after announcing post-US trade Tuesday that it was launching legal action against Elon Musk for abandoning his offer for Twitter.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1735.5	oz	10.70	0.6
Silver (NY) (Sep)	19.19	oz	0.23	1.2
Gold (LON) (12 Jul)	1731	oz		
Platinum	856	oz	13	1.5
WTI Crude (NYMEX Aug)	96.30	bbbl	0.46	0.5
Brent Crude (ICE EUR Sep)	99.57	bbbl	0.08	0.1
Iron Ore (NYMEX CHN port;62%Fe)	111.05	t	1.37	1.2
Copper (LME 3mth Evening)	7324	t	-29	-0.4
Nickel	21155	t	-228	-1.1
Aluminium	2356	t	-4	-0.2
Lead	1952	t	15	0.8
Zinc	2943	t	-66	-2.2
Tin	25354	t	-220	-0.9

Commodities Commentary

Oil – post-ASX trade yesterday, China's June oil imports were reported 11% lower than for June 2021, this adding to the push and pull on trade from relative supply, inflation and recession talk.

The International Energy Agency's (IEA) monthly report, published overnight, estimated international oil supply at 99.5MMbbl/d in June, up 690,000bbl/d for the month.

The IEA forecast output to grow by 1.8MMbbl/d during the second half of 2022, to 101.3MMbbl/d.

A weekly US petroleum inventories report, also released overnight, included a further 3.25MMbbl increase in stored crude.

Petrol stocks rose by 5.825MMbbl, even though production fell by 1.425MMbbl/d.

Net crude imports declined by 576,000bbl/d.

Overnight Tuesday post-US trade, the American Petroleum

PSC	Thu (21 Jul)	77	0	0.00
UWL	22 Jul	10.5	100	0.00
PPS	25 Jul	5	100	0.00

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Tomorrow	RIO	Jun Q
Mon	LYC	Jun Q (tele 10am)
Tue	BHP	Jun Q; 12 mth review
Wed	AKE	Jun Q (w/cast 10am)
	MP1	Jun Q
Thu (21 Jul)	STO	Jun Q
	WDS	Jun Q



Institute (API) had released a weekly report which included a 4.76MMbbl rise for US crude stocks and ~3MMbbl increase in stored petrol last week.

Gold – prices traded at 11-month lows overnight before being pushed higher by some reported short-covering.

The move higher came after the US reported an annual inflation rate at the most in ~40.5 years and despite a remaining strong \$US.

Base metals – copper was pushed to new 20-month lows in early overnight LME trade, falling to \$US7202.50/t.

Import premiums for Yangshan port were reported at \$US64/t from \$US76.50 at the start of the month.

China's June trade figures, released yesterday, came in mixed against expectations, the trade surplus and exports increase both exceeding forecasts.

Copper imports were reported 15.5% higher than for June, at 537,698t.

January – June China *aluminium* output was calculated 0.47% higher than for January – June 2021, at 19.55t.

China's June quarter GDP, plus June updates for industrial production, fixed asset investment and retail sales, due tomorrow, could produce some caution tonight.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6741	-0.0024	-0.35
EUR – USD	1.0045	0.0007	0.07

Australian Data Today

ABS	Workforce (incl jobs, unemployt, wages)	Jun
RBA	Lending to business	May
Melb Institute	Inflation expectations	Jul

US Data Tonight

Initial jobless claims	9 Jul
Producer prices	Jun

Other Overseas Data Today & Tonight

Japan	Industrial production (final, 2.30pm AEST)	May
UK	BoE credit conditions	Jun

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