

Markets

SFE 200 Futures (9.30am AEST)	6477	-64	-1.0
NZX 50	11011	46	0.4
DJIA Futures	30886	-50	-0.2
S&P 500 Futures	3827	-7	-0.2
NASDAQ Futures	11785	-24	-0.2

Local Markets Commentary

The Australian market opens mid-week trade with the \$A beneath US\$68.0c, the Reserve Bank of Australia's (RBA) monthly publication outlining the basis of its forecasts and overall outlook due late morning, ongoing flooding concerns for NSW, the UK PM's leadership under renewed threat, and US equities markets having traded for the first time this week, ahead of material reports and economic figures tonight.

Locally today, the Reserve Bank of Australia (RBA) releases a monthly 'chart pack' which outlines **economic trends** and projections in graphical format at **11.30am** AEST.

At the same time, the Australian Bureau of Statistics (ABS) publishes a March quarter building activity report.

CDD and **GNC** trade **ex-dividend** today. *Please see p2 for a detailed ex-dividends list.*

Regionally today, no major economic indicators are scheduled for release.

In overnight commodities trade, **oil** was propelled lower, WTI crude settling below \$US100/bbl.

US **gold** futures dropped below \$US1765/oz.

Iron ore (Nymex CFR China, 62% Fe) fell beneath \$US114/t.

LME (3mth evening) **copper** and **aluminium** were forced significantly lower. **Nickel** continued higher.

The \$A hovered around ~US\$68.00c after trading at ~US\$68.10c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	30968	-129	-0.4
S&P 500	3831	6	0.2
NASDAQ	11322	194	1.8
FTSE 100	7025	-207	-2.9
DAX 30	12401	-372	-2.9
Shanghai Comp	3404	-1	-0.0

Overseas Markets Commentary

Major European and UK equities markets fell early overnight and trended lower to settle at or near session lows, regional issues bruising sentiment.

Key US equities indices, trading for the first time this week, dropped on opening and trended higher to settle at or near

*** Multi-mineral exploration listing – 1pm AEST – MGA ***

Today's Stock Watch
ResApp Health (RAP)

US FDA clearance in hand for SleepCheckRx as prescription-only software-as-a-medical device.

Bubs Australia (BUB)

Anticipating ~\$100M FY22 gross revenue and ~\$2.4M underlying EBITDA.

Resuming from a trading halt having raised \$32.4M in an institutional placement and \$7.7M from an institutional entitlement offer, each at 52c per share, in support of growth opportunities.

The ~\$22.9M retail component of the entitlement offer is scheduled for 12 – 26 July.

BUB traded at ~59.02c – 64.92c the five sessions prior to calling the halt.

Fisher & Paykel Healthcare (FPH)

Independent FPH director Geraldine McBride is planning to retire from the FPH board at the close of the 24 August AGM.

Ms McBride was appointed to the FPH board in August 2013.

Synlait Milk (SM1)

Raising the forecast 2022-23 milk price to \$NZ9.50 per kilogram of milk solids.

The predicted 2021-22 price remains at \$NZ9.30/kgMS.

Sigma Healthcare (SIG) / Hotel Property Investments (HPI)

Mourning the passing of non-executive SIG and HPI chair and founding director Ray Gunston.

SIG is appointing Michael Sammells as interim chair.

Immutep Ltd (IMM)

Japanese patent in hand for IMP761 until 1 September 2036. Details lodged pre-trade.

Resources
Gold Road Resources (GOR)

June quarter Gruyere 50:50 JV gold production tallied 85,676oz.

GOR sold 44,526oz of gold at \$A2,496/oz.

\$161.3M cash and equivalents.

MetalsGrove Mining (* MGA)

Multi-mineral explorer scheduled to list on the ASX **1pm** AEST, following a \$6.4M IPO at 20c per share.

~36M quoted securities.

Richard Beazley non-executive chair.

session peaks, albeit mixed, however.

Yesterday, China announced three days of mass Covid testing in Shanghai, sparking fears of broader restrictions.

Yesterday afternoon (AEST), the **Reserve Bank of Australia** (RBA) had raised its cash rate by 0.5% to 1.35%, the second consecutive such increase.

This highlighted broader inflation and recession concerns.

Overnight, the **Bank of England** (BoE) published a financial stability review after which BoE governor Andrew Bailey spoke publicly.

The central bank confirmed the outlook for the UK has 'deteriorated materially' but assured UK banks could manage through a substantial downturn.

The BoE also acknowledged that 'households, businesses and governments in many countries' would struggle with debt.

Also overnight in the UK, the UK chancellor and health secretary each resigned, as the **Prime Minister** faced more controversy.

In other concerning news for the UK, Norway warned overnight that petroleum sector industrial action, which commenced overnight, and was reported to be broadening tonight, could mean Norway's gas exports to the UK could be impacted by the weekend.

Gas prices in Europe rose to four-month peaks after Norway's Equinor revealed it was suspending operations at three oil and gas fields due to the dispute.

All-in-all the British pound dropped to a two-year low, and the euro to a 20-year low, against the \$US.

Among overnight **data** releases, the **euro zone's** June services PMI was finalised at 53.0 from an initial estimate of 52.8 and following 56.1 for May.

Germany's June new domestic vehicle registrations came in 18.1% lower than for June 2021.

The nation's final June services PMI was confirmed at 52.4 from 55.0 for May.

In the **UK**, June new domestic vehicle sales were reported 24.3% lower than for June 2021.

The June services PMI was finalised at 54.3 from 53.4 for May.

Meanwhile, a 30-year UK treasury gilt auction delivered a 2.531% yield from 2.040%.

Yesterday afternoon (AEST), a 10-year bond auction in Japan resulted in a 0.248% yield from 0.239%.

In the **US**, May factory orders surprised on the upside, rising 1.6% for the month against expectations of 0.5% increase and following 0.7% April growth.

Tonight in the US, the Federal Reserve's June policy meeting minutes are keenly anticipated, together with the influential ISM June non-manufacturing index and a May job opportunities report.

A finalised S&P Global June services PMI is also due tonight, together with weekly mortgage applications.

Elsewhere, Germany hosts a 10-year bond auction.

Pre-Open Announcements

Paradigm Biopharma (* PAR)

Phase 3 PARA_OA_002 clinical trial regulatory and ethics approval in hand for the UK, in addition to regulatory approval by Health Canada.

Resources

Toro Energy (* TOE)

Reporting a third massive nickel sulphide find within the WA Yandal region Dusty nickel project.

The new discovery has been named Jumping Jack and the second find has been re-christened Houli Dooley.

Jumping Jack is reportedly 500m SSE of, and along strike of, Houli Dooley.

Trading Halts

Company	Code	Resuming
Arrow Minerals	AMD	6 Jul
Cyprium Metals	CYM	6 Jul
Galileo Mining	GAL	6 Jul
GBM Resources	GBZ	6 Jul
Neurotech International	NTI	6 Jul
Propell Holdings	PHL	6 Jul
Redcastle Resources	RC1	6 Jul
Black Dragon Gold Corp	BDG	7 Jul

Suspensions (selected)

Company	Code	Since
Aquis Entertainment	AQS	4 Jul
Collection House	CLH	1 Jul
Firefinch Ltd	FFX	29 Jun
GWR Group	GWR	5 Jul
Pure Hydrogen Corporation	PH2	27 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
CDD	Today	170	0	19.51
GNC	Today	24	100	1.97
TGA	Today	1	100	0.00
CKF	Fri	15	100	2.32
MTS	12 Jul	11	100	2.48

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1763.9	oz	-37.6	-2.1
Silver (NY) (Sep)	19.12	oz	-0.55	-2.9
Gold (LON) (4 Jul)	1808	oz		
Platinum	866	oz	-21	-2.4
WTI Crude (NYMEX Aug)	99.50	bbl	-8.93	-8.2
Brent Crude (ICE EUR Sep)	102.77	bbl	-10.73	-9.5
Iron Ore (NYMEX CHN port;62%Fe)	113.61	t	-0.84	-0.7
Copper (LME 3mth Evening)	7671	t	-335	-4.2
Nickel	22666	t	148	0.7
Aluminium	2397	t	-73	-3.0
Lead	1936	t	-19	-1.0
Zinc	2987	t	-125	-4.0
Tin	25970	t	-600	-2.3

Commodities Commentary

Oil – prices tumbled overnight, with new Covid management restrictions feared in China, this impacting demand, plus recession fears appearing to outweigh supply issues.

Russia's former president Dmitry Medvedev in the meantime ventured prices could reach \$US300/bbl - \$US400/bbl, after Japan proposed capping prices for oil from Russia to 50% of their current levels.

Brent crude for November through mid-2023 delivery traded beneath \$UA100/bbl overnight, however.

Gold – \$US strength damaged overnight gold interest.

Meanwhile, central banks were reported to have purchased 35t of gold during May, after buying 19.4t in April. Germany's Bundesbank however, sold 2t of gold during May.

RBA policy meeting outcomes, revealed yesterday afternoon (AEST), included a 0.5% rate increase to 1.35%.

US Federal Reserve June policy meeting minutes are keenly anticipated tonight.

The European Central Bank (ECB) is due to release June policy meeting minutes tomorrow night, although a plethora of policy-maker speeches and commentary since the meeting almost ensures little that might surprise.

Base metals – copper traded at 19-month lows overnight, despite reports of a proposed China state infrastructure investment fund of up to 500 billion yuan (~US74.5B), and new data out of China yesterday which exceeded expectations.

On the flip side, LME-registered warehouse copper stocks were calculated 20% higher than a week ago, at 136,950t, and select Covid management restrictions remained in China.

In the meantime, Chile's Cochilco had reported a 2.55% drop in May copper output, to 478,800t.

International copper smelting was reported lower for June, in part due to industrial action in Chile.

In other industrial metals news, September quarter aluminium shipments to customers in Japan were reported to have been agreed at \$148/t, 14% lower than for the June quarter. This was attributed to inventories and also automobile sector issues.

Meanwhile, China was reported to be considering exporting some of its zinc surplus to nations impacted by Russia-Ukraine



confliction sanctions.

Caixin's June **services PMI** for **China**, released yesterday, jumped to an expansionary 54.5 from the contractionary 41.4 estimated for June. Economists had anticipated an improvement to 49.1, but which would have meant remaining contraction.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6792	-0.0081	-1.17
EUR – USD	1.0263	-0.0180	-1.72

Australian Data Today

RBA	Chart pack	Jul
ABS	Building activity	Mar Q

US Data Tonight

Federal Reserve policy meeting minutes	Jun
ISM non-manufacturing	Jun
JOLTS job openings	May
S&P Global services PMI (final)	Jun
MBA mortgage applications	1 Jul

Other Overseas Data Today & Tonight

UK	Construction PMI	Jun
Germany	Factory orders	May
Germany	Construction PMI	Jun
Euro zone	Retail sales	May
Euro zone	Construction PMI	Jun

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