

**Markets**

<b>SFE 200 Futures</b> (9.30am AEST)	6528	35	0.5
<b>NZX 50</b>	11141	0.36	0.0
<b>DJIA Futures</b>	31040	27	0.1
<b>S&amp;P 500 Futures</b>	3852	3	0.1
<b>NASDAQ Futures</b>	11894	14	0.1

**Local Markets Commentary**

The Australian market commences today's trade with material domestic economic data due late morning and some already in hand pre-trade, following overnight high-profile commentary on inflation containment and the global economic outlook, and with G20 foreign ministers due to meet in Bali today and tomorrow, and the European Central Bank due to release policy meeting minutes tonight.

**Locally** today, the Australian Bureau of Statistics (ABS) publishes the June **trade balance** and associated statistics at **11.30am AEST**.

At the same time, the ABS releases a **jobs and wages** report for the week ending 11 June and the Reserve Bank of Australia (RBA) a May card transactions report.

Pre-trade, the AiG has reported a **48.8** June **services PMI** from 49.2 for May. The reading indicates the sector remains in contraction mode despite economists' predictions of an expansionary 50.6.

Post-ASX trade today, the RBA publishes June official reserve assets.

**Regionally**, **China's** June foreign reserves are anticipated by some, also post-ASX trade.

Earlier this afternoon, **Japan** is scheduled to conduct a 30-year government bond auction.

In overnight commodities trade, **oil** settled higher again, but more moderately than on Tuesday.

US **gold** futures continued to fall.

**Iron ore** (Nymex CFR China, 62% Fe) also fell further, trading below \$US112.5/t.

LME (3mth evening) **copper** was pushed yet lower. **Aluminium** turned higher. **Nickel** swung lower.

The **\$A** declined to ~US67.80c after falling below US67.95c early yesterday evening.

**Overseas Markets**

INDEX	CLOSE	+/-	%
<b>Dow Jones</b>	31038	70	0.2
<b>S&amp;P 500</b>	3845	14	0.4
<b>NASDAQ</b>	11362	40	0.4
<b>FTSE 100</b>	7108	82	1.2
<b>DAX 30</b>	12595	193	1.6
<b>Shanghai Comp</b>	3355	-49	-1.4

**Today's Stock Watch**
**Bendigo & Adelaide Bank (BEN) / Australia New Zealand Banking Group (ANZ)**

BEN is acquiring the ~\$715M ANZ investment lending portfolio for an 'immaterial' premium over book value.

**Kyckr Ltd (KYK)**

Resuming from a trading halt having agreed to a proposal for RealWise to acquire KYK under a scheme of arrangement at 8c cash per share.

RealWise is owned by WiseTech Global (ASX: WTC) CEO and founder Richard White.

KYK traded at 4.3c – 5.0c the five sessions prior to calling a trading halt.

**Kazia Therapeutics (KZA)**

The US FDA has awarded 'rare paediatric disease designation' to KZA's paxalisib for treating atypical rhabdoid/teratoid tumours which constitute a rare and aggressive childhood brain cancer.

**Eureka Group Holdings (EGH)**

Revising FY22 underlying EBITDA guidance to \$10.2M - \$10.4M from February's \$10.9M - \$11.1M, in part due to Lismore flooding. Details lodged post-trade yesterday.

**NRW Holdings (NWH)**

NWH's Golding Contractors has secured a mining services contract extension with Coronado Global Resources (ASX: CRN), this valued at ~\$1.2B.

**Damstra Holdings (DTC)**

Confirming, in response to media articles, that discussions regarding a potential Accel-KKR takeover have concluded.

**Resources**
**Capricorn Metals (CMM)**

Produced a record 32,108oz of Karlawinda project gold during the June quarter, pushing FY22 output to 118,432oz. CMM guidance had been for 110,000oz – 120,000oz. \$66M cash and bullion; \$1M net cash.

**Chalice Mining (CHN)**

WA Julimar Ni-Cu-PGE project Dampier target diamond drilling has delivered, on visual examination, a new nickel-copper-PGE sulphide zone. CHN says the find is located ~10km north of the Gonville deposit. Details lodged pre-trade. Four diamond drill rigs in operation.

**Energy**
**Energy Resources of Australia (ERA) / Rio Tinto (RIO)**

June quarter activity report anticipated.

## Overseas Markets Commentary

Major European and UK equities markets jumped on opening overnight, gains subsequently never appearing threatened. Sentiment vacillated during US equities trade however, but US Federal Reserve policy meeting minutes appeared to ultimately lift key indices.

Recession and inflation commentary featured, together with a surprise US-UK combined security warning.

The **US Federal Reserve** published June policy meeting minutes, these confirming key policy makers were concerned at the threat of high inflation levels becoming entrenched.

Meanwhile, **Bank of England** chief economist Huw Pill revealed he favoured an interest rate rise greater than the five consecutive 0.25% increases through to June, if needed, and that the central bank remained focused on reducing living costs.

For its part, the **International Monetary Fund (IMF)** warned of potential global recession, MD Kristalina Georgieva offering her view the international economic outlook had 'darkened significantly' since April.

Ms Georgieva revealed IMF economists were revising the current 3.6% global economic growth forecast for 2022 and would issue a lower prediction within weeks.

Also overnight, the chiefs of both the US and UK respective FBI and MI5 security services publicly described activities led by China's administrators as a substantial economic and security risk.

The heads warned, at a joint media conference in London, ahead of the G20 foreign ministers' meetings commencing in Bali today, that China remained interested in Taiwan control and that any moves would further disrupt global trade and supply chains.

Also in London, the **UK PM** refused senior government minister calls for him to resign, following the resignation of reportedly 40 government members, and more than 100 MPs stating they no longer supported the PM.

In overnight **data** releases, the **euro zone's** May retail sales pleased on the upside, rising 0.2% for the month after a 1.4% April fall and forecasts for a new 0.5% decline.

The bloc's June construction PMI fell to 47.0 from 49.2, following expectations for an improvement to 49.7.

**Germany's** May factory orders defied a forecast 5.1% tumble, rising by 0.1% after dropping 1.8% in April.

The nation's June construction PMI rose by 0.4 to 45.9, remaining firmly in contraction mode.

A 10-year bond auction in Germany, in the meantime, produced a 1.22% yield from 1.33%.

In the **UK**, the June construction PMI declined to 52.6 from 56.4.

In the **US**, in addition to the US Fed policy meeting minutes, the ISM June manufacturing index was calculated at 55.3 from 55.9 in May.

A May job opportunities report estimated 11.254M openings against 11.681M opportunities during April.

Weekly mortgage applications dropped 5.4% following a 0.7% increase the previous week.

The average 30-year mortgage rate was estimated at 5.74% from

## Pre-Open Announcements

### Infomedia Ltd (\* IFM)

Continuing discussions with, and granting further due diligence to, two of three groups which had presented indicative takeover proposals to IFM in May and June.

Details lodged this morning.

### ResApp Health (\* RAP)

12-month extension agreed for a ResApDx commercial licence agreement with Medgate.

Medgate's telehealth service uses ResApDx, an acute respiratory diagnostic test.

### Finbar Group (FRI)

Anticipating an \$11M full year NPAT, up 15% on FY21 net profit.

Sales tallied \$293.7M.

Proposing to pay a flat, 2c fully franked final dividend. \$32.9M cash.

### Acrow Formwork & Construction Services (ACF)

ACF's secured hire contract grew 28% to \$57.7M during FY22.

Planning to release full year results 24 August.

### MGC Pharmaceuticals (MXC)

Launching a real-time data collection application known as ZAM and designed for use within the pharmaceutical and health care sectors.

ZAM enables drug use and effects monitoring and allows users to contact a medical doctor and procure a prescription.

The first phase of the launch will collect data from 100 patients enrolled via MXC's Australian telehealth business MCC.

## Resources

### Ten Sixty Four (\* X64)

Produced 89,789oz of gold from the Philippines Co-O gold mine during FY22, against April guidance of 87,000oz – 90,000oz.

### Los Cerros (\* LCL)

Reporting positive metallurgical test results for Tesorito ore.

Details, including recoveries, lodged this morning.

### MetalsGrove Mining (\* MGA)

Multi-mineral explorer completed its ASX listing yesterday, following a \$6.4M IPO at 20c per share.

Opened at 14.5c, MGA's day one low, and traded as high as 16.5c before settling at 14.5c.

~1.7M shares changed hands across 133 transactions.

~36M quoted securities.

Richard Beazley non-executive chair.



5.84%.

**Tonight** in the US, weekly new unemployment claims, a June private sector jobs report and a June job cuts report are due ahead of national June employment statistics overnight tomorrow.

US May international trade figures are also expected tonight.

Elsewhere, the **European Central Bank** (ECB) is scheduled to release June policy meeting minutes.

### Commodities

COMMODITY	CLOSE	\$US/	+/-	%
<b>Gold (NY)</b> (Aug)	1736.5	oz	-27.4	-1.6
<b>Silver (NY)</b> (Sep)	19.16	oz	0.04	0.2
<b>Gold (LON)</b> (5 Jul)	1772	oz		
<b>Platinum</b>	856	oz	-10	-1.2
<b>WTI Crude</b> (NYMEX Aug)	98.53	bbbl	-0.97	-1.0
<b>Brent Crude</b> (ICE EUR Sep)	100.69	bbbl	-2.08	-2.0
<b>Iron Ore</b> (NYMEX CHN port;62%Fe)	112.38	t	-1.23	-1.1
<b>Copper (LME 3mth Evening)</b>	7520	t	-151	-2.0
<b>Nickel</b>	21859	t	-807	-3.6
<b>Aluminium</b>	2413	t	17	0.7
<b>Lead</b>	1967	t	31	1.6
<b>Zinc</b>	2993	t	6	0.2
<b>Tin</b>	24702	t	-1268	-4.9

### Commodities Commentary

**Oil** – OPEC confirmed overnight the death of secretary general Mohammad Barkindo in Nigeria, late-Tuesday Nigeria time.

Meanwhile, overnight oil trade proved volatile following the previous session's large drops for both Brent crude and WTI. Prices were pushed \$US2/bbl higher in early trade on ongoing supply issues, but then fell \$US4/bbl, due to \$US strength and fears China demand would fall on potential new Covid containment-related restrictions.

In addition, Norway's Equinor announced oil and gas field operations impacted by (curbed) industrial action earlier this week would be restored by week's end.

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

Overnight, the American Petroleum Institute (API) published a report which included a 3.825MMbbl climb for US crude stocks last week.

**Gold** – fell further overnight, ongoing \$US strength bruising interest amid a plethora of commentary regarding inflation levels and containment and a potential global economic recession.

US Federal Reserve June policy meeting minutes, released overnight, highlighted policy makers' intent on curbing inflation growth.

The European Central Bank (ECB) is due to release June policy meeting minutes tonight.

**Base metals** – LME copper traded overnight at lows not seen since November 2020, a strong \$US and Covid containment-related China economic fears damaging sentiment.

Other metals trade was also impacted by the \$US trading at multi-year highs against some currencies, but supply issues appeared to constrain select price falls.

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

Exploration company R8R is scheduled to list on the ASX midday AEST **tomorrow**, following a \$4.538M IPO at 20c per share

~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 holds 15.87% of R8R.

### Trading Halts

Company	Code	Resuming
CFOAM Ltd	CFO	8 Jul
Estrella Resources	ESR	8 Jul
Lumos Diagnostics Holdings	LDX	8 Jul
Pancontinental Energy	PCL	8 Jul
Podium Minerals	POD	11 Jul

### Suspensions (selected)

Company	Code	Since
Arrow Minerals	AMD	6 Jul
Collection House	CLH	1 Jul
Cyprium Metals	CYM	6 Jul
Firefinch Ltd	FFX	29 Jun
GBM Resources	GBZ	6 Jul
GWR Group	GWR	5 Jul
Neurotech International	NTI	6 Jul
Propell Holdings	PHL	6 Jul

### Ex-Dividends

Code	Ex-Div	Div @	Franking (%)	Yield (%)
CKF	Tomorrow	15	100	2.33
MTS	12 Jul	11	100	2.45
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

**Exchange Rates**

CURRENCIES	LAST	+/-	%
<b>AUD – USD</b>	0.6784	0.0002	0.03
<b>EUR – USD</b>	1.0187	-0.0060	-0.59

**Australian Data Today**

AiG	PSI (services PMI)	June
ABS	Trade balance	May
ABS	Payroll jobs & wages	11 Jun
RBA	Card transactions	May
RBA	Official reserve assets	Jun

**US Data Tonight**

ADP private sector jobs	Jun
Weekly new unemployment claims	2 Jul
Challenger job cuts	Jun
Trade balance	May

**Other Overseas Data Today & Tonight**

<b>Japan</b>	Leading economic index (prelim)	May
<b>UK</b>	BBA mortgage rate	Jun
<b>Germany</b>	Industrial production	May
<b>Euro zone</b>	ECB policy meeting minutes	Jun

**Need More Information?**

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