

Markets

SFE 200 Futures (9.30am AEST)	6473	12	0.2
NZX 50	10863	-6	-0.1
DJIA Futures	30709	-72	-0.2
S&P 500 Futures	3782	-7	-0.2
NASDAQ Futures	11514	-15	-0.1

Local Markets Commentary

The Australian market commences a fresh financial year's trade on a Friday with a swag of material domestic and regional economic data due late morning through post-trade and some already in hand, ahead of a Reserve Bank of Australia (RBA) policy meeting Tuesday next week, and the US heading towards a Monday public holiday weekend.

US equities markets continued to fall overnight. Commodities trade also proved mostly negative.

Locally today, the AiG has estimated an expansion-mode **54** for the June **manufacturing** index. This from 52.4 for May and following forecasts for a slight decline to 52.0.

The Australian Bureau of Statistics (ABS) is due to release a monthly **business turnover** indicator report at 11.30am AEST.

Post-ASX trade, the RBA reveals June **commodity prices**.

The CoreLogic report on June **residential property prices** is also anticipated today.

Stocks trading ex-dividend today include **MGF**. Please see p3 for a detailed ex-dividends list.

Regionally today, Caixin is due to publish its June **manufacturing PMI** for China at 11.45am AEST.

The **Tankan indices** are due for **Japan** just prior to the ASX open.

South Korea is expected to release June **trade** statistics just as the ASX opens.

In overnight commodities trade, **oil** extended Wednesday's fall.

US **gold** futures also fell further.

Iron ore (Nymex CFR China, 62% Fe) declined to \$US130.0/t.

LME (3mth evening) **copper** and other key base metals were pushed decisively lower overnight.

The **\$A** traded at US69.05c after approaching US69.00c early yesterday evening.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	30775	-254	-0.8
S&P 500	3785	-33	-0.9
NASDAQ	11029	-149	-1.3
FTSE 100	7169	-143	-2.0
DAX 30	12784	-220	-1.7
Shanghai Comp	3399	37	1.1

* **Logistics** listing – 10.30am AEST – **MOV** *

* **Lithium exploration** listing – midday AEST – **OCN** *

Today's Stock Watch
Brambles Ltd (BxB)

BxB is citing cost considerations as the reason the group has decided to abandon plans to potentially transition to plastic pallets for Costco US supply.

BxB hosted a briefing yesterday evening.

Virgin Money UK (VUK)

Planning to buy back up to £75M shares and CDIs (targeting equal proportions) at 10p each from overnight (last night) though no later than 17 December.

Praemium Ltd (PPS)

PPS has received £35M in net proceeds on completing the sale of its international business to Morningstar. PPS plans to return ~\$50M to shareholders via an (~\$23.6M) on-market share buy-back and a 5c-per-share fully franked special dividend, equivalent to \$25.7M. PPS international business included operations in Dubai, Hong Kong, Jersey and the UK.

Austal Ltd (ASB)

Seeking to rectify faults determined in Guardian-class patrol boats manufactured by ABS and gifted by the Australian government to smaller Pacific nations.

Resources
Mt Gibson Iron (MGX)

Sold 0.71Mt of (wet) Koolan Island iron ore during the June quarter, against ~0.2Mt for the March quarter, pushing FY22 ores sales to 1.65Mt. Additional details available in the quarterly report to be released later this month.

Kalium Lakes (KLL)

KLL's Beyondie SOP project had produced 1000t of commercially saleable SOP by 29 June.

\$21.3M cash. \$A178.4M drawn on senior debt facilities.

Further funding discussions continuing.

Energy
Strike Energy (STX) / Warrego Energy (WGO)

Onshore Perth Basin EP 469 West Erregulla-3 logging and petrophysical interpretation has determined a 60m gross gas column. Additional details lodged this morning.

West Erregulla field reserves and resources will be reviewed.

STX 50% and operator; WGO 50%.

ReNu Energy (RNE)

Green hydrogen production and distribution term sheet agreed with Tas Gas Networks and Tas Gas Retail.



Overseas Markets Commentary

Major European, UK and US equities markets dropped on opening overnight, the US DJIA, S&P/500 and NASDAQ ultimately recording the steepest first-half-of-a-year respective drops in 40 years, 52 years and on record.

Considerations included a mass of commentary regarding central bank positions on rate increases versus economic slowdown risks.

Geopolitical relations also remained forefront.

The **NATO** leaders' summit in Madrid concluded with China declaring it had been insulted and Russia threatening against build-up of military capacity by select members.

Meanwhile, earlier yesterday, China's official June PMIs indicated a return to expansion for the manufacturing and services sectors.

Among overnight **data** releases, the **UK's** final March quarter GDP reading was confirmed at 0.8% growth for the three months and 8.7% on an annualised basis.

December quarter 2021 GDP had represented 6.6% year-on-year growth.

Earlier yesterday, May domestic vehicle production was reported 13.3% higher than for May 2021.

Germany's May retail sales rose 0.6% for the month after a 5.4% April drop. Forecasters had anticipated a 0.8% increase, however.

Against May 2021, sales were down 3.6%.

May import prices appreciated 0.9% for the month following a 1.8% April jump. Economists had anticipated a 1.4% rise for May.

Against May 2021, import prices were up 30.6%.

Germany's June unemployment rate came in at 5.3% from 5.0% for May.

The **euro zone's** May unemployment rate was calculated at 6.6% from 6.7% for April.

In the meantime, **Russia** reported a May GDP that was 4.3% lower than for May 2021.

In the **US**, May personal income and spending rose by 0.5% and 0.2% respectively, disappointing against respective forecasts for 0.3% and 0.8% increases.

Weekly new unemployment claims tallied 231,000 from 233,000 the previous week. Economists had forecast 218,000.

Meanwhile, the June Chicago PMI fell to 56 from 60.3 against predictions of a much slighter decline to 59.1.

Tonight in the **US**, the ISM June manufacturing index and May construction spending are due.

Elsewhere, the **euro zone's** June **CPI** reading is keenly anticipated.

US markets will be closed Monday due to Independence Day. US bond markets will close early tonight.

Commodities

COMMODITY	CLOSE	\$/US/	+/-	%
Gold (NY) (Aug)	1807.3	oz	-10.2	-0.6
Silver (NY) (Sep)	20.35	oz	-0.39	-1.9
Gold (LON) (29 Jun)	1818	oz		
Platinum	893	oz	-22	-2.5
WTI Crude (NYMEX Aug)	105.76	bbf	-4.02	-3.7

Pre-Open Announcements

The Star Entertainment Group (* SGR)

The independent external review of SGR's operations in Queensland will commence this month.

Endeavour Group (* EDV)

EDV has appointed EDV chief strategy officer Agnieszka Pfeiffer-Smith as Dan Murphy's MD.

ioneer Ltd (INR)

NASDAQ trade underway under an ADR (American Depositary Receipt) listing.

Paygroup Ltd (PYG)

Annual report lodged post-trade yesterday.

Wellnex Life (WNX)

FY22 (unaudited) revenue tallied \$19.5M, 7% lower than previous guidance, but representing a 6.6% year-on-year increase.

Anticipating \$29M revenue for FY23.

Trading commentary lodged this morning.

Laybuy Group Holdings (LBY)

45% higher, \$NZ47.1M full year revenue.

Additional statistics lodged post-trade yesterday.

Mighty Craft (MCL)

MCL executive director and co-founder Daniel Wales is to become an MCL non-executive director.

MOVE Logistics Group (* MOV)

Freight and international logistics company MOV is scheduled to list on the ASX at **10.30am** AEST as a foreign exempt listing.

116.385M quoted securities.

MOV's home exchange is the NZX.

Resources

Oceana Lithium (* OCN)

Explorer OCN is scheduled to list on the ASX at **midday** AEST, following a \$6M IPO at 20c per share.

33.525M quoted shares.

Holds two lithium projects, one each in Brazil and Northern Territory, Australia.

Jerome (Gino) Vitale non-executive chairman.

Predictive Discovery (PDI)

PDI received applications for ~\$2.89M worth of shares in the recent SPP, in support of the Bankan gold project, Guinea.

Lefroy Exploration (LEX) / Cazaly Resources (CAZ)

LEX has appointed CAZ MD Tara French as an independent non-executive director.

Magnetite Mines (MGT)

Webinar presentation lodged post-trade yesterday.



Brent Crude (ICE EUR Aug)	114.81	bbl	-1.45	-1.3
Iron Ore (NYMEX CHN port;62%Fe)	130.00	t	-0.46	-0.4
Copper (LME 3mth Evening)	8258	t	-146	-1.7
Nickel	22718	t	-1063	-4.5
Aluminium	2450	t	-21	-0.9
Lead	1908	t	-25	-1.3
Zinc	3151	t	-214	-6.3
Tin	26349	t	-501	-1.9

Commodities Commentary

Oil – overnight trade produced another lower settlement amid end-of-quarter positioning, potential recession commentary, currency swings and speculation regarding OPEC+ plans.

OPEC+ announced it would increase output by the previously agreed 648,000bbl/d during July and August, but did not offer information on any decision for September.

Meanwhile, potential industrial action in Norway from 5 July (Tuesday next week) threatens to cut national supply by ~4%.

The Brent crude August contract expired on settlement overnight. The September contract fell by \$US3.42/bbl (3%) to \$US109.03/bbl for the session.

Tonight, a US petroleum drill rig report is due.

Gold – prices continued lower overnight, liquidity and positioning considerations largely influencing trade.

Trade volumes are expected to be lower tonight, as the US heads into a Monday public holiday weekend.

Base metals – new data out of China, currency swings and end-of-quarter positioning pushed and pulled overnight prices, global economic and trade outlook views seeming to ultimately prevail.

China's official June PMIs, reported yesterday, indicated expansion for manufacturing (50.2 from 49.6) and also the services sector (54.7 from 47.8).

Also yesterday, Japan revealed a 7.2% drop industrial production during May, with output falling 2.8% against May 2021.

Meanwhile, major copper smelters in China were reported to be maintaining the same treatment charges (\$US80/t; US8c/lb) for the September quarter as they had levied during the June quarter. September quarter 2021 charges were recorded as \$US55/t and US5.5c/lb.

Reduced-volume trade is anticipated by some tonight ahead of a US Monday public holiday weekend.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6897	0.0008	0.12
EUR – USD	1.0476	0.0021	0.20

Australian Data Today

AiG	Manufacturing PMI	Jun
CoreLogic	Residential property prices	Jun
ABS	Business turnover indicator	May
RBA	Commodity prices	Jun

MGT is scheduled to present from **12.30pm** AEST today. Access link also lodged post-trade yesterday.

Energy

Yancoal Australia (YAL)

Planning to repay ~\$US801M of debt from available cash by month's end.

YAL anticipates this will reduced total current loan costs by ~\$US133M.

Trading Halts

Company	Code	Resuming
Sunvest Corporation	SVS	1 Jul
3D Oil	TDO	4 Jul
Aquis Entertainment	AQS	4 Jul
Australian Rare Earths	AR3	4 Jul
Balkan Mining & Minerals	BMM	4 Jul
Openn Negotiation	OPN	4 Jul

Suspensions (selected)

Company	Code	Since
Collection House	CLH	1 Jul
Firefinch Ltd	FFX	29 Jun
Nuheara Ltd	NUH	27 Jun
Orbital Corporation	OEC	24 Jun
Oventus Medical	OVN	8 Jun
Pure Hydrogen Corporation	PH2	27 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
MGF	Today	3.66	0	5.46
NBI	Today	1.03	0	8.15
PE1	Today	3.24	0	3.88
CAM	5 Jul	1.28	100	6.20
EDC	5 Jul	1.5	0	6.03
GNC	6 Jul	24	100	1.89
TGA	6 Jul	1	100	4.08
CKF	8 Jul	15	100	2.47

**US Data Tonight**

ISM manufacturing index	Jun
Construction spending	May
S&P Global manufacturing PMI (final)	Jun

Other Overseas Data Today & Tonight

China	Caixin manufacturing PMI	Jun
Japan	Tankan indices	Q2
Japan	Manufacturing PMI (final)	Jun
South Korea	Trade balance	Jun
UK	Net lending to individuals	May
UK	Manufacturing PMI (final)	Jun
Germany	Manufacturing PMI (final)	Jun
Euro zone	CPI	Jun
Euro zone	Manufacturing PMI (final)	Jun

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