

Markets

SFE 200 Futures (9.30am AEST)	6685	-12	-0.2
NZX 50	11279	16	0.1
DJIA Futures	31847	-12	0.0
S&P 500 Futures	3962	-1	0.0
NASDAQ Futures	12418	-11	-0.1

Local Markets Commentary

The Australian market commences the last trading week for July amid a swag of speculation regarding influential domestic and international data to come this week, which will also feature some high-profile corporate reporting, a budget and economic update from Australia's treasurer and a US Federal Reserve policy meeting.

US equities markets fell overnight Friday.

Since overnight Friday trade, the Russia-Ukraine grain shipment agreement from Ukraine ports was questioned when Russia attacked a vessel at the port of Odesa.

Russia claimed it had not targeted any port infrastructure or civilian vessels, as agreed in the grain deal, but rather, a missile had been aimed at a military vessel.

Locally today, no major economic indicators are due for release.

June quarter reports and full-year/interim guidance updates continue to flow however, with the flow expected to intensify through the week and to include initial half and full year reports.

Regionally today, attention is expected to remain on geopolitical relations.

In overnight Friday commodities trade, **oil** continued lower.

US **gold** futures extended Thursday's lift, trading above \$US1725/oz.

Iron ore (Nymex CFR China, 62% Fe) recorded a second consecutive gain, but slightly so, approaching \$US105.4/t.

Overnight LME (3mth evening) **copper**, **nickel** and **aluminium** were each pushed decisively higher.

The **\$A** declined to ~US69.30c after trading at ~US69.45c Friday evening.

This morning, the \$A has fallen beneath US69.25c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	31899	-138	-0.4
S&P 500	3962	-37	-0.9
NASDAQ	11834	-225	-1.9
FTSE 100	7276	6	0.1
DAX 30	13254	7	0.1
Shanghai Comp	3270	-2	-0.1

Today's Stock Watch

Flight Centre Travel Group (FLT)

Anticipating a \$180M - \$190M FY22 underlying EBITDA loss, against an initially expected \$195M - \$225M loss.

A break-even EBITDA result is expected for January – June.

Planning to lodge full year results 25 August.

Australian Foundation Investment Company (AFI)

Flat, 14c fully franked final dividend. 53.4% higher, \$360.6M full year NPAT. 49.7% higher, \$393.4M revenue.

AFI has scheduled a results webcast for 3.30pm AEST **tomorrow**.

Genex Power (GNX)

In receipt of an indicative A23c cash-per-share takeover proposal from Skip Essential Infrastructure Fund (SEIF) and Stonepeak Partners. SEIF already holds 19.99% of GNX.

GNX traded at 12.5c – 13.5c last week.

Nanosonics Ltd (NAN)

Anticipating 17% FY22 revenue growth to ~\$120.3M.

Sales model update and commentary also lodged.

Resources

OZ Minerals (OZL)

Production and cost guidance impacted by adverse weather and absenteeism attributed to Covid.

Produced 27,423t of copper and 51,184oz of gold during the June quarter with a \$US2.10/lb AISC.

\$909M January – June net revenue. \$82M cash.

Mincor Resources (MCR)

Kambalda LNO4a Surface initial resource estimated at 576,000t @ 3.9% NI, for 22,600t of nickel.

~16,000t qualify for indicated status.

MCR says LNO4a is located immediately along strike of the Long mine.

Iluka Resources (ILU)

ILU shareholders have approved the demerger of Sierra Rutile Holdings.

The merger becomes effective today and is expected to be implemented 4 August (Thursday next week), fewer than eight weeks after ILU announced plans for the demerger.

ILU anticipates independent Sierra Rutile ASX trade will commence Wednesday, on a deferred settlement and entitlement basis.

ILU settled at \$9.80 Friday after lodging the company's June quarter review mid-week and closing out the previous week at \$8.23.



Overseas Markets Commentary

Overnight Friday trade across major European, UK and US equities markets variously featured marked chop and swings and/or concerted downward trends.

Germany's central bank, the **Bundesbank**, warned of likely lower-than-expected September quarter growth and a potential inflation surge from uncertain gas supply, coupled with the scheduled 31 August expiry of some government subsidies.

Currently, the Bundesbank anticipates 1.9% overall 2022 national GDP growth.

Meanwhile, the **Central Bank of Russia** (CBR) lowered its key interest rate from 9.5% to 8.0%.

The CBR had also opted for a 1.5% cut in June and has now ventured a fall in the domestic inflation rate such that 2022 inflation will average 12% - 15%.

In the **US**, speculation continued ahead of the commencement of a two-day **Federal Reserve** policy meeting overnight tomorrow.

In overnight Friday **data** releases, the **UK's** June retail sales declined by 0.1% after a 0.8% May fall.

Economists had anticipated a new 0.2% fall for June.

Against June 2021, sales were down 5.8%.

Earlier Friday, the GfK July UK consumer sentiment index had been revealed at a steady -41, against expectations for a deterioration to -44.

The UK's initial July manufacturing and services PMIs indicated ongoing expansion, calculated respectively at 52.2 and 53.3, from June's 52.8 and 54.3.

In the euro zone, the initial July manufacturing PMI reading represented a drop to a contractionary mode 49.6 from the expansionary 52.1 final June reading.

The services PMI also fell, but continued to indicate expansion, coming in at 50.6 from 53.0.

Germany's initial manufacturing PMI and services sector readings were each reported at a contractionary 49.2, from 52.0 and 52.4 respectively.

In the **US**, S&P Global's initial July PMI readings suggested ongoing expansion, albeit at a slower pace for the manufacturing sector, but a decided surprise drop into contraction-mode for services industries.

The manufacturing PMI was estimated at 52.3 from 52.7, and the services PMI at 47.0 from 52.7 defying expectations of 52.3.

Tonight in the US, the Chicago June national activity index and Dallas Fed (Texas region) July manufacturing index are due.

Companies listed to report earnings include: Doosan, Koninklijke Philips, Newmont Goldcorp, NXP Semiconductors, Philips, POSCO, Ryanair Holdings, Southern Copper and Tata Motors.

In overnight Friday and weekend corporate news, **Volkswagen** CEO and electric vehicle spearhead Herbert Diess was reported to have been displaced, come September, by the CEO of Volkswagen subsidiary Porsche.

Pre-Open Announcements

Frontier Energy (FHE)

MD and CEO Mike Young has decided to step down from his FHE positions, effective immediately.

Mr Young remain with FHE for a transition period, however, and during this time complete a strategic review of FHE's 45%-held TSX_V-listed Metallum Resources.

In association with Mr Young's resignations, FHE non-executive chair Grant Davey is assuming an executive chair role.

FHE also plans to appoint a new independent director.

Microba Life Sciences (MAP)

AusIndustry approval in hand for two applications for 'advanced overseas findings' for up to \$13.4M R&D expenditure across MAP's inflammatory bowel disease (IBD) and autoimmune disease therapeutic programs.

Additional research program details lodged post-trade Friday.

MAP traded as high as 33.5c Friday before closing out the week at 28c, against the previous Friday's 22c settlement.

MAP lodged June quarter results during the week, gaining 11.46% on the day of lodgement and 15.89% the following session.

MGC Pharma (MXC)

FY22 cash receipts estimated at \$A6.1M, boosted by \$1.55M worth of June quarter cash receipts.

FBR Ltd (FBR)

FBR has completed a structure using Wienerberger porotherm clay blocks and the Hadrian X.

Details of the structure, in the Perth, WA suburb of Wellard, lodged pre-trade.

Korvest Ltd (KOV)

Paying a 35c fully franked final dividend, against 20c fully franked a year ago.

87.2% higher, \$A11.34M full year NPAT.

42.2% higher, \$A99.22M revenue, supported by large industrial project work.

Resources

Cosmo Metals (CMO)

Mt Venn copper-nickel-cobalt project RC drilling has delivered several significant-width, shallow-depth copper intersections.

Copper mineralisation has been determined over a 1.5km strike length, with a 250m depth and 400m width.

Assays lodged this morning.

Navarre Minerals (NML)

Mt Carlton United gold-silver-copper project diamond drilling has delivered additional high-grade results.

Also heralding regional mapping and rock chip sampling

**Commodities**

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1727.4	oz	14	0.8
Silver (NY) (Sep)	18.62	oz	-0.1	-0.5
Gold (LON)	1737	oz	32	1.9
Platinum	873	oz	-4	-0.5
WTI Crude (NYMEX Sep)	94.70	bbl	-1.65	-1.7
Brent Crude (ICE EUR Sep)	103.20	bbl	-0.66	-0.6
Iron Ore (NYMEX CHN port;62%Fe)	105.39	t	0.12	0.1
Copper (LME 3mth Evening)	7455	t	131	1.8
Nickel	22126	t	645	3.0
Aluminium	2487	t	59	2.4
Lead	2021	t	5	0.3
Zinc	2997	t	56	1.9
Tin	25016	t	105	0.4

Commodities Commentary

Oil – a slight easing of European Union sanctions on the delivery of Russian oil to select nations, together with new economic data releases supporting views of a looming international slowdown, ultimately pushed prices lower again overnight Friday.

WTI crude notable settled below \$US95/bbl for the first time in ~three months.

The EU move, effective from Friday, was attributed to an attempt to ensure global energy security.

Among other trading considerations overnight Friday, Iraq offered it had capacity to bolster output by 200,000bbl/d.

Further, Libya estimated national production to have been restored, following field and port operational shut-ins, to as much as 800,000bbl/d, venturing output could reach 1.2MMbbl/d in August.

A weekly US petroleum rig report, published overnight Friday, included a steady 599 tally for operational oil rigs.

Gold – market watchers attributed overnight Friday gold trade to both bargain buying and end-of-week positioning.

Although the \$US remained strong, there was no major push higher.

This week's trade activity is expected to be largely influenced by the outcomes of the Federal Reserve policy meeting, these due early Thursday (AEST).

Broad sentiment could also swing on a plethora of large corporates reporting in the US, UK and Europe, plus some material international economic data, including an initial June quarter GDP reading for the US.

Base metals – overnight Friday, supply concerns appeared to outweigh demand implications from economic data that further indicated slowing business activity.

Late-Thursday, Freeport McMoRan had warned current prices would not encourage new operations.

In addition, the MMG-operated Las Bambas *copper* operation in Peru remained under threat of new disruption due to local community disquiet.

indications combined with some follow-up drill testing. Assays lodged this morning.

Fenix Resources (FEX)

MD Rob Brierley has resigned.

Mr Brierley will remain with FEX for up to three months during a transition period.

American West Metals (AW1)

Heralding visual indications of significant copper intersections from initial diamond drilling within the Storm Copper project, Canada.

Toro Energy (TOE)

Dusty nickel project Jumping Jack sulphide discovery diamond drilling has determined additional semi-massive and massive nickel sulphides.

Details lodged pre-trade.

Copper Mountain Mining Corporation (C6C)

June quarter review anticipated post-ASX trade.

Okapi Resources (OKR)

OKR has granted would-be Lake Johnston project purchaser Nordau Pty Ltd a 30-day further extension to complete due diligence.

In association, the end date for satisfying conditions precedent for the proposed sale is now 31 August.

Ten Sixty Four (X64)

In receipt of a Section 203D and 249f notice.

One of those associated with the notice is X64 former MD Paul Welker, whose employment was terminated early July, within days of Mr Welker resigning with six months' notice.

Notice details lodged post-trade Friday.

Trading Halts

Company	Code	Resuming
Montem Resources	MR1	25 Jul
Morella Corporation	1MC	25 Jul
Tombola Gold	TBA	25 Jul
Australian Unity Office Fund	AOF	26 Jul
Galena Mining	G1A	26 Jul

Suspensions (selected)

Company	Code	Since
Ovato Ltd	OVT	21 Jul
Reward Minerals	RWD	21 Jul
Wiluna Mining Corporation	WMC	21 Jul

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PPS	Today	5	100	0.00

**Exchange Rates**

CURRENCIES	LAST	+/-	%
AUD – USD	0.6911	-0.0020	-0.29
EUR – USD	1.0203	0.0002	0.02

US Data Tonight

Chicago Fed national activity index	Jun
Dallas Fed manufacturing index	Jul

Other Overseas Data Today & Tonight

UK	CBI industrial trends orders	Jul
UK	CBI business optimism	Sep Q
Germany	IFO business climate	Jul

Need More Information?

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KPG	Wed	1.39	100	1.20
MIR	Wed	8.5	100	3.06
MIRNB	Wed	4.25	100	0.00
PSC	Wed	79	0	0.00
EZL	Thu	8.5	100	1.40
GCI	Thu	0.97	0	4.74
TCF	Thu	3	0	6.53

Reports & Events

(selected; all times AEST)

When	Company	Report/Event
Today	AFI	Full year (NB w/cast Tue 26 Jul 3.30pm)
	C6C	Jun Q (post-ASX trade)
	MXC	Jun Q
	OZL	Jun Q
Wed	ALC	Jun Q (w/cast & Q&A 11am)
	BET	Jun Q (webinar 4.30pm)
	IGO	Jun Q (w/cast 10am)
	RIO	Interim
Thu	AAC	AGM
	AMI	Jun Q
	ERA	Interim
	FMG	Jun Q
	JHG	Jun Q; interim
	MQG	AGM
	MMM	Jun Q (NB tele Fri 29 Jun 9am)
OGC	Jun Q (NB w/cast tele Fri 29 Jun 7.30am)	
URW	Interim	
Fri	PBH	Jun Q (w/cast tele 10am)