

Markets

| | | | |
|--------------------------------------|-------|-----|------|
| SFE 200 Futures (9.30am AEST) | 6521 | 18 | 0.3 |
| NZX 50 | 11092 | -15 | -0.1 |
| DJIA Futures | 31166 | -11 | 0.0 |
| S&P 500 Futures | 3860 | -2 | -0.1 |
| NASDAQ Futures | 11894 | -7 | -0.1 |

Local Markets Commentary

The Australian market opens today's trade with an overnight \$A depreciation, a batch of material domestic and regional economic reports due by late morning, new data already in hand from China, and domestic and international energy supply in focus.

US equities markets fell overnight.

Locally today, NAB publishes its monthly **business** survey report, which highlights **conditions and expectations**, at 11.30am AEST.

At the same time the Australian Bureau of Statistics (ABS) publishes a May **household spending** indicator report.

Westpac and the Melbourne Institute also release their monthly **consumer sentiment** report, this expected at 10.30am.

Also today, a two-day Indo-Pacific – focused **energy forum** commences in Sydney.

MTS and **SDG** trade ex-dividend today. *Please see p3 for a detailed ex-dividends list.*

Regionally, China reported June **new lending** post-ASX trade yesterday, this totalling 2801B yuan from 1890B during May and exceeding expectations of 2310B.

Japan was scheduled to report June **producer prices** just before today's ASX open.

In overnight commodities trade, Brent **crude** settled slightly higher, but WTI declined below \$US104.10/bbl.

US **gold** futures fell beneath \$US1735/oz.

Iron ore (Nymex CFR China, 62% Fe) dropped below \$US110/t.

LME (3mth evening) **copper** and **aluminium** were pushed decidedly lower. **Nickel** gained more than 1.0%.

The **\$A** tumbled to US67.35c after trading at ~US68.00c early yesterday evening.

Overseas Markets

| INDEX | CLOSE | +/- | % |
|----------------------|-------|------|------|
| Dow Jones | 31174 | -164 | -0.5 |
| S&P 500 | 3854 | -45 | -1.2 |
| NASDAQ | 11373 | -263 | -2.3 |
| FTSE 100 | 7197 | 0.35 | 0.0 |
| DAX 30 | 12382 | -183 | -1.3 |
| Shanghai Comp | 3314 | -42 | -1.3 |

Today's Stock Watch
Spark New Zealand (SPK)

Selling 70% of the TowerCo business to Ontario Teachers' Pension Plan Board for ~\$NZ900M net cash.

Completion is anticipated by year's end.

Spark remains the anchor tenant.

Additional details lodged this morning.

Rent.com.au Ltd (RNT) / Origin Energy (ORG)

Establishing a strategic partnership to jointly develop offers and services for renters.

Under the proposed plan, ORG will be the exclusive electricity and gas provider to the RNT group.

Little Green Pharma (LGP)

Two-year \$2M medicinal cannabis supply agreement secured with German company Ilios Santé.

LGP recouped 6.7% yesterday, settling at 32c.

Resources
Firefinch Ltd (FFX)

Executive chairman Alistair Cowden has resigned, effective 10 July.

FFX has appointed Brett Fraser to take over from Dr Cowden.

FFX trade remains suspended, pending new funding.

Last week, FFX sold Leo Lithium (ASX: LLL) shares to realise \$A12.9M cash.

Core Lithium (CXO)

Northern Territory Finiss lithium project resource boosted by 28% to 18.9Mt @ 1.32% Li₂O, extending expected life of mine to 12 years. The measured and indicated component has grown by 61% to 13.3Mt @ 1.40% Li₂O.

Reserves are estimated at 10.6Mt @ 1.3% Li₂O.

Element 25 (E25)

WA Butcherbird manganese project RC drilling has identified manganese mineralisation outside of the current resource.

Assays and commentary lodged pre-trade.

Belararox Ltd (BRX)

NSW Belara project RC resource drilling has confirmed high-grade zinc, copper and gold over a 150m strike.

Assays lodged this morning.

Energy
Viva Energy Group (VEA)

Expecting a 140% year-on-year increase to 1H 2022 underlying EBITDA, to ~\$614M.

Sales volumes grew by 5.2% to 6822ML.

June quarter statistics also lodged this morning.

Overseas Markets Commentary

Major European, UK and US equities markets mostly traded lower from opening overnight.

China's announcement over the weekend of the detection of a new Covid subvariant, plus further Covid management restrictions in China, including Macau, raised both domestic and international economic fears.

Yesterday, **Russia's** Gazprom cut Germany's gas supply, and reduced Italy's, for 10 days due to Nord Stream pipeline maintenance. Fears the gas supplies from the line might not be respectively restored, or fully so, further underscored potential recession angst, in particular for Germany.

As Russia continued its assaults in Ukraine, an extraordinary lower house parliamentary session was announced for Friday this week.

Meanwhile, the **European Commission** held a monthly euro zone finance ministers' meeting and announced the 2022 inflation forecast was being revised upwards (from 6.1%) and growth prospects downwards (from 2.7%), including for 2023 (from 2.3%).

In the **UK**, Bank of England governor Andrew Bailey told the UK parliament's treasury committee that currently, the central bank's inflation forecast (2022 ~11% peak) was unlikely to change when a new set of outlook statistics was released 4 August.

Mr Bailey ventured the UK inflation rate could fall back to ~2% within two years, pending Russia's moves and domestic scenarios.

UK parliamentarians in the meantime determined the announcement of a new prime minister would occur 5 September.

There were no major economic data releases overnight, but plenty are to come this week.

Tonight, in the US business and economic optimism indices are due, together with an inflation expectations report. A \$US33B 10-year note auction is also scheduled.

Elsewhere, the UK hosts a 10-year treasury gilt auction. Bank of England governor Andrew Bailey is scheduled to speak publicly again.

PepsiCo is among companies listed to report earnings.

Commodities

| COMMODITY | CLOSE | \$US/ | +/- | % |
|--|--------|-------|-------|------|
| Gold (NY) (Aug) | 1731.7 | oz | -10.6 | -0.6 |
| Silver (NY) (Sep) | 19.13 | oz | -0.11 | -0.6 |
| Gold (LON) (8 Jul) | 1738 | oz | | |
| Platinum | 868 | oz | -23 | -2.6 |
| WTI Crude (NYMEX Aug) | 104.09 | bbbl | -0.70 | -0.7 |
| Brent Crude (ICE EUR Sep) | 107.10 | bbbl | 0.08 | 0.1 |
| Iron Ore (NYMEX CHN port;62%Fe) | 109.97 | t | -3.77 | -3.4 |
| Copper (LME 3mth Evening) | 7584 | t | -221 | -2.8 |
| Nickel | 21851 | t | 259 | 1.2 |
| Aluminium | 2381 | t | -58 | -2.4 |
| Lead | 1941 | t | 23 | 1.2 |
| Zinc | 3034 | t | -57 | -1.9 |
| Tin | 26283 | t | 924 | 3.8 |

Pre-Open Announcements

Kelsian Group (KLS)

KLS confirms it has not reached any decisions regarding any intention to make a firm offer for The Go-Ahead Group.

Aquis Entertainment (AQS)

Accepting a revised \$A63M offer from Iris CC Holdings for Aquis Canberra.

AQS intends to terminate the share price agreement initially entered into with Capital Leisure & Entertainment.

FFI Holdings (FFI)

Planning to outlay \$9.9M for 4.5ha of vacant industrial land in suburban Perth.

Spheria Emerging Companies (SEC)

Paying a 2.2c June quarter fully franked dividend.

Electro Optic Systems Holdings (EOS)

EOS founder and CEO Ben Greene has resigned, effective on the appointment of a successor.

Dr Greene has accepted a new role with EOS, namely head of innovation.

In addition, EOS is reviewing board composition as part of a broader strategic review announced in March.

EOS has traded lower the past three sessions, settling at 96.5c yesterday, after closing out May at \$2.02 and June at \$1.04.

Wellfully Ltd (WFL)

In relation to the first draw down on a capital funding facility secured with GEM Global Yield, WFL is offering 5M WFL shares to GEM at a price yet to be determined.

WFL recouped 5.66% yesterday, settling at 5.6c.

Aerison Group (AE1)

~201M shares are due for release from escrow 19 July (Tuesday next week). ~305.94M shares on issue.

Spenda Ltd (SPX)

~49.99M shares are due for release from escrow 23 July (Saturday week). 3.18B shares on issue.

Resources

Bulletin Resources (BNR)

A review of historical geophysical and geochemical exploration has identified lithium and nickel targets across the recently-acquired 36sq km E74/680.

The tenement forms part of BNR's WA Ravensthorpe project and is located 7km west of a producing lithium operation.

Auric Mining (AWJ)

Resuming from a trading halt with scoping study results covering planned open pit mining and third party toll treatment for the WA The Jeffreys Find gold project Jeffreys Find deposit.

Associated production targets also lodged.



Commodities Commentary

Oil – \$US strength and demand fears constrained any overnight gains, following further Covid restrictions in China, including Macau, and reports reduced trade demand from Europe was impacting China manufacturing.

Industries in France were reported however, to be already converting to not only LNG, but oil use, rather than gas from Russia, due to growing warnings gas supply could be cut.

In the US, the March-announced regular sales of strategic petroleum reserves continued, with companies purchasing 39MMbbl of oil from up to 45MMbbl on offer for 16 August – 30 September delivery.

Gold – the \$US traded at 20-year highs again overnight, bruising gold interest.

Central bank meetings and key data releases are expected to keep sentiment fluid this week, however.

Base metals – global economic fear and the stronger \$US damaged select overnight trade, with more funds reported to be selling.

In addition, *copper* stocks were reported higher in LME-registered and Shanghai Futures Exchange warehouses.

China's June producer prices and CPI, released over the weekend, plus an increase in new lending, reported post-ASX trade yesterday, supported some ultimate China optimism, however.

Influential data is due out of China this week, from tomorrow.

Exchange Rates

| CURRENCIES | LAST | +/- | % |
|------------------|--------|---------|-------|
| AUD – USD | 0.6739 | -0.0072 | -1.06 |
| EUR – USD | 1.0043 | -0.0097 | -0.95 |

Australian Data Today

| | | |
|---------------|--|-----|
| NAB | Business survey (conditions, expectations) | Jun |
| Westpac/MInst | Consumer sentiment | Jul |
| ABS | Household spending indicator | May |

US Data Tonight

| | |
|---------------------------------|-----|
| NFIB business optimism | Jul |
| IBD/TIPP economic optimism | Jul |
| Consumer inflation expectations | Jun |

Other Overseas Data Today & Tonight

| | | |
|----------------|--------------------------------------|-----|
| Japan | Producer prices | Jun |
| UK | BRC retail sales monitor (~9am AEST) | Jun |
| Germany | ZEW conditions, expectations | Jul |
| Germany | ZEW economic sentiment | Jul |

Need More Information?

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AWJ last traded at 6.5c.

Energy

Boss Energy (* BOE)

Heralding the results of South Australia Honeymoon uranium project infill and resource extension drilling.

Assays lodged this morning.

Trading Halts

| Company | Code | Resuming |
|--------------------|------|----------|
| Minbos Resources | MNB | 12 Jul |
| Magnetic Resources | MAU | 13 Jul |
| Nagambie Resources | NAG | 13 Jul |
| Tombola Gold | TBA | 13 Jul |

Suspensions (selected)

| Company | Code | Since |
|------------------|------|--------|
| Arrow Minerals | AMD | 6 Jul |
| Collection House | CLH | 1 Jul |
| Firefinch Ltd | FFX | 29 Jun |
| GWR Group | GWR | 5 Jul |

Ex-Dividends

| Code | Ex-Div | Div (c) | Franking (%) | Yield (%) |
|------------|--------|-----------|--------------|-----------|
| MTS | Today | 11 | 100 | 2.43 |
| SDG | Today | 30 | 100 | 5.59 |
| SEC | 14 Jul | 2 | 100 | tbc |
| 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 |

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