

Markets

SFE 200 Futures (9.30am AEST)	6053	22	0.4
NZX 50	11667	57	0.5
DJIA Futures	26766	1	0.0
S&P 500 Futures	3218	-1	0.0
NASDAQ Futures	10642	-41	-0.4

Local Markets Commentary

The Australian market commences today's trade with material domestic data due late-morning, and a batch of influential data expected out of China around the middle of the day.

Optimism prevailed across US equities markets overnight.

China is scheduled to reveal June quarter GDP, June industrial production, January – June fixed asset investment and June retail sales midday AEST.

House prices are also scheduled for release, at ~11.30am.

Locally today, the Australian Bureau of Statistics (ABS) reports June employment statistics 11.30am AEST.

Also this morning, the Melbourne Institute releases its July inflation expectations report.

Overnight key commodities trade again proved mixed, oil extending Tuesday's gain with a rally.

US gold futures (August) settled essentially flat as they had on Tuesday.

Iron ore (Nymex CFR China, 62% Fe) approached \$US107.60/t.

LME copper, nickel and aluminium settled variably lower for a second consecutive session.

The \$A slipped to US69.75c after trading beyond US70.05c early yesterday evening.

The \$A appreciated again earlier this morning.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	26870	228	0.9
S&P 500	3227	29	0.9
NASDAQ	10550	62	0.6
FTSE 100	6293	113	1.8
DAX 30	12931	234	1.8
Shanghai Comp	3361	-53	-1.6

Overseas Markets Commentary

Major European and US equities markets opened higher overnight, and despite choppy trade, mostly ultimately maintained gains or rose further.

In addition to earnings reports from high-profile US stocks, Covid-19 developments, data releases, geopolitical wrangling and central bank statements provided plenty to consider.

Australia – June employment – 11.30am AEST

China – GDP, industrial production, fixed asset investment & retail sales – midday AEST

Today's Stock Watch

BWX Ltd (BWX)

Teleconference scheduled to commence **10.30am** AEST.

Unaudited 48% higher, \$14.1M FY20 NPAT.

Revenue grew 25% to \$187.6M.

In addition, an agreement has been reached whereby no further Andalou Naturals – related payments will be payable, in consideration for \$US800,000.

Further, BWX is conducting a \$A40M, \$3.40-per-share fully underwritten institutional placement, in part to fund a new manufacturing facility and support office.

A \$A10M SPP, also at \$3.40 per share, is scheduled for 23 July – 5 August. Trading halt called this morning after settling at \$3.66 yesterday. Planning to lodge full year results 21 August.

AnteoTech Ltd (ADO)

Reporting the successful development of a quantitative proof-of-concept Covid-19/influenza A&B multiplex testing platform covering separate rapid tests. Details lodged this morning.

PointsBet Holdings (PBH)

Temporary operating permit secured from the Illinois Gaming Board, enabling the commencement of retail and online sports betting in Illinois, US, pending a wagering licence being issued to PBH partner Hawthorne Race Course Inc.

Michael Hill International (MHJ)

MHJ has appointed former Just Group retail executive and executive director Jacquie Naylor as a non-executive director. Ms Naylor is also a director of Myer (ASX: MYR) and Cambridge Clothing. Janine Allis intends to retire from the MHJ board at the company's AGM.

Althea Group (AGH)

Record \$1.59M June quarter revenue, supporting a record, 547% higher FY20 (unaudited) \$4.97M revenue. \$10.4M cash on hand.

Resources

Alumina Ltd (AWC)

Alcoa June quarter results were lodged in the US overnight, including record quarterly daily alumina production for the AWC-Alcoa AWAC JV.

AWC received \$58.6M worth of net cash distributions during the June quarter, against \$31.3M for the March quarter. Alcoa report highlights lodged pre-trade.



Yesterday (late-Tuesday US time), Moderna and the US National Institutes of Health revealed positive immune system results from potential Covid-19 vaccine tests.

Also yesterday, but during ASX trade and following a **Bank of Japan** policy meeting at which status quo was maintained, governor Haruhiko Kuroda declared Japan's economy as remaining in 'an extremely severe situation', and warned recovery would be at no more than a moderate pace.

Meanwhile, China officially bemoaned sanctions introduced by new US legislation signed overnight Tuesday by the US president, describing US actions as 'gross interference' and foreshadowing tit-for-tat sanctions.

Further, China reacted angrily to the UK's banning of Huawei from UK 5G participation, suggesting the decision was designed to please the US.

Among overnight **data** releases, **UK** June inflation growth was calculated at 0.6% for the month and 0.1% year-on-year.

Core inflation rose by 1.4% and 0.2% respectively.

A 10-year bond auction in **Germany** delivered a -0.46% yield from -0.38%.

In overnight **US** data, the **Federal Reserve's** district by district economic update (beige book) concluded economic improvement across most districts during the period covered by Fed surveying.

Economic activity however, remained significantly lower than prior to the Covid-19 outbreak, and that businesses warned of likely further job cuts and wage freezing if not renewed reductions.

A New York region business activity index was earlier reported to have improved to 17.2 from -0.2 over the past month.

US June import and export prices were estimated to have each risen by 1.4% for the month, nonetheless coming in 3.8% and 4.4% respectively lower than for June 2019.

June industrial production improved by 5.4% for the month following a 1.4% May gain.

Year-on-year, however, output was down 10.8%.

Weekly mortgage applications rose 5.1%, this in part attributed to a 0.07% fall in the average 30-year mortgage rate to 3.19%.

In the meantime, following a policy meeting which effected no changes, the **Bank of Canada** warned an initial sharp economic bounce as Covid-19 restrictions were eased would be followed by a much slower, and uneven, recovery period.

Tonight in the **US**, June retail sales, May business inventories, a home builders' sentiment index and the Philadelphia Fed manufacturing index are due, together with weekly new jobless claims.

Elsewhere, the **European Central Bank** (ECB) convenes a policy meeting from which the outcomes statement is keenly anticipated.

The **euro zone** will report May trade figures and the **UK** May unemployment and wages.

In addition, **G20** finance ministers and central bank deputies meet together virtually at the commencement of a two-day forum.

Companies listed to report earnings and or provide updates later today and tonight include: Abbott Laboratories, Atlas Copco, Bank of America, Charles Schwab, Domino's Pizza, Hays, Johnson & Johnson, LG Chemicals, Microsoft, Morgan Stanley, Netflix, PPG Industries, Sandvik and Taiwan Semiconductor.

Pre-Open Announcements

G Medical Innovations Holdings (* GMV)

Four US university hospitals have signed on to use GMV's independent diagnostic testing facilities services.

Catapult Group International (CAT)

CAT has appointed former Amazon subsidiary Audible executive VP international operations and new business expansion Chris Cooper as COO.

Austal Ltd (* ASB)

The ASB - Guangdong Jianglong Shipbuilding Company 40:60 JV known as Aulong Shipbuilding has delivered a 70m catamaran passenger ferry to Beihai Ennova Cruise Co.

The ferry was constructed in China and boasts a maximum speed of 34 knots and 1200 passenger capacity.

Euroz Ltd (* EZL)

Reporting an unaudited \$1.4M FY20 net loss, overall results having been impacted by Prodigy business write-downs.

EZL's overall \$6.5M underlying profit was supported by Euroz Securities (25% higher brokerage revenue), Entrust Wealth Management (10% higher FUM) and Westoz Funds business.

EZL proposes to pay a 6c fully franked final dividend.

\$1.55B FUM, against \$1.58B at 30 June 2019.

\$46M cash. Nil debt.

Presentation lodged post-trade yesterday.

AusNet Services (* AST)

Industry update and commentary anticipated at this afternoon's AGM.

Bod Australia (BDA)

Conducting an open-label observational study into the effectiveness of the company's MediCabilis range.

Details lodged this morning.

Integrated Payment Technologies (IP1)

A successful shortfall placement has delivered IP1 the total targeted \$2.316M from the company's recent 1.5c-per-share entitlement offer.

Together with the earlier placement, IP1 raised ~\$3.47M and has achieved debt-free status.

Visioneering Technologies (VTI)

VTI has appointed Leanne Ralph as company secretary, taking over from Julian Rockett.

Resources

GTI Resources (GTR)

~\$1.81M raised in a 3c-per-share placement, in support of boosting ground holdings for the Jeffrey project, Utah, US and progressing exploration within Australia and the US.

GTR has traded at 2.5c – 3.2c over the past five trading sessions.



In overnight corporate news, **Apple** won a court appeal against a European Commission (EC) order to pay €13B worth of tax to Ireland.

The EC can appeal the decision, however.

Headline figures in **Goldman Sachs** and **United Healthcare** earnings reports exceeded expectations, bolstered respectively by bond trade and fewer medical procedures claims.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1813.8	oz	0.40	0.0
Silver (NY) (Sep)	19.76	oz	0.23	1.2
Gold (LON) (14 Jul)	1802	oz		
Platinum	826	oz	4	0.5
WTI Crude (NYMEX Aug)	41.20	bbl	0.91	2.3
Brent Crude (ICE EUR Sep)	43.79	bbl	0.89	2.1
Iron Ore (NYMEX,CHN,62%)	107.57	t		
Copper (LME,3mth Ind,PM)	6397	t	-99	-1.5
Nickel	13535	t	-50	-0.4
Aluminium	1680	t	-2	-0.1
Lead	1852	t	0	0.0
Zinc	2202	t	11	0.5
Tin	17280	t	-5	-0.0

Commodities Commentary

Oil – OPEC's monitoring committee conclusions prompted OPEC+ members to agree overnight to reducing the current 9.7MMbbl/d production curb to 7.7MMbbl/d by year's end, with output starting to increase from August.

Among other overnight considerations, a weekly US petroleum inventories report, published by government agency the EIA, included a 7.49MMbbl fall in stored crude and 3.15MMbbl draw on petrol stocks

Net crude imports fell by 1.983MMbbl/d, actual imports (5.57MMbbl/d) at their least in ~eight weeks.

Ultimately, both Brent and WTI front-month contracts settled at their highest in ~four months.

Gold – vacillating equities sentiment, better-than-anticipated overnight earnings reports and a relatively soft \$US were cited as major influences on overnight US gold futures trade.

Meanwhile, another US Fed district president promoted the idea of allowing inflation growth to rise beyond 2% pa.

Base metals – prices swung overnight, ahead of key data due out of China today and amid ongoing public China-US discord.

China is due to report June quarter **GDP** plus June updates for **industrial production**, **retail sales** and **fixed asset investment** well before tonight's LME trade commences.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.7008	0.0001	0.02
EUR – USD	1.1416	0.0004	0.03

Pacifico Minerals (PMY)

Retracting production targets contained in the company's June quarter report lodged Monday this week (13 July).

PMY lodged a consequently altered June quarter report post-trade yesterday.

Lake Resources (LKE)

Conference presentation lodged post-trade yesterday.

LKE presented yesterday.

Pure Minerals (PM1)

Non-executive director Andrew Matheson has resigned from the PM1 board, in favour of focusing on other business activities.

Trading Halts

Company	Code	Resuming
Leaf Resources	LER	16 Jul
Macarthur Minerals	MIO	16 Jul
Sabre Resources	SBR	16 Jul
Scout Security	SCT	16 Jul
Artemis Resources	ARV	17 Jul
Blue Sky Alternatives Access Fund	BAF	17 Jul
Calidus Resources	CAI	17 Jul
Candy Club Holdings	CLB	17 Jul
Cann Group	CAN	17 Jul
Challenger Exploration	CEL	17 Jul
Factor Therapeutics	FTT	17 Jul
Incannex Healthcare	IHL	17 Jul
Pursuit Minerals	PUR	17 Jul
Respiri Ltd	RSH	17 Jul
Theta Gold Mines	TGM	17 Jul
Toro Energy	TOE	17 Jul
Azure Minerals	AZS	20 Jul
SciDev Ltd	SDV	20 Jul
Canterbury Resources	CBY	21 Jul

Suspensions (select)

Company	Code	Since
9 Spokes International	9SP	30 Jun
Blossomvale Holdings	BLV	7 Jul
Bluechiip Ltd	BCT	14 Jul
Freedom Foods Group	FNP	26 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
PL8	Today	0.4	100	5.69
AIQ	Tomorrow	0.28	0	0.00
CVF	Tomorrow	0.5	100	10.99

**Australian Data Today**

ABS	Employment (incl wages, jobs, unemployment)	Jun
MelInst	Inflation expectations	Jul
RBA	Forex transactions; official reserve assets	Jun

US Data Tonight

Home builders' sentiment index	Jul
Retail sales	Jun
Philadelphia Fed manufacturing	Jul
Initial jobless claims	11 Jul
Wholesale inventories	May

Other Overseas Data Today & Tonight

China	GDP	Jun Q
China	Industrial production	Jun
China	Fixed asset investment	Jan-Jun
China	Retail sales	Jun
China	House price index	Jun
UK	Unemployment claims	Jun
UK	Unemployment rate	May
UK	Average earnings	May
Euro zone	ECB policy statement	16 Jul
Euro zone	Trade balance	May
Euro zone	New car registrations	Jun

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EZL	Mon	6	100	tbc
MIR	30 Jul	6.5	100	3.85
PMV	30 Jul	34	100	2.28

Reports & Events

(selected)

When	Company	Report/Event
Today	AST	AGM (2pm)
	S32	Jun Q
	TIE	Jun Q
Tomorrow	ISX	AGM (2.30pm)
	OGC	Waihi update (teleconf 7.30am)
	RIO	Jun Q (teleconf 8.30am)
Tue	BHP	Jun Q; FY operations review

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