

Markets

SFE 200 Futures (9.30am AEST)	5757	-91	-1.6
NZX 50	11166	37	0.3
DJIA Futures	24827	-123	-0.5
S&P 500 Futures	2995	-12	-0.4
NASDAQ Futures	9816	-50	-0.5

Local Markets Commentary

The Australian market opens a new week's trade, on the second last trading day of the financial year, with new data in hand from China over the weekend, and ongoing reports of broadening international Covid-19 clusters, at the commencement of a shortened trading week for the US.

Also since overnight Friday international trade, the US administration has announced it will restrict visas for select officials from China.

In addition, authorities in Hong Kong have refused permission for an annual event Wednesday to mark the anniversary of the UK's 1997 handover of Hong Kong, as a 'special administrative territory', to China.

In Europe, the EU Commission pledged €4.9B via the European Investment Bank during an international fundraiser for Covid-19 testing, treatments and vaccines.

Regionally yesterday, **China** reported January – May industrial profits had fallen 19.3%, following a 27.4% drop for January through April.

This morning, **Japan** is scheduled to report May retail sales just prior to the commencement of ASX trade.

Locally today, the Australian Bureau of Statistics (ABS) releases the results of its 10 – 15 June survey of the household impacts of Covid-19 at 11.30am AEST.

Also today, a plethora of **property sector** stocks trades **ex-dividend**.

In overnight Friday commodities trade, **oil** turned lower and US **gold** futures (August) higher.

Iron ore (Nymex CFR China, 62% Fe) swung to a slight gain, approaching \$US103.25/t.

LME **copper** continued higher. **Nickel** turned to rally. **Aluminium** also posted a decisive gain, following an essentially flat Thursday finish.

The **\$A** fell to ~US68.65c after trading at ~US68.85c early Friday evening.

Earlier this morning, the \$A was pushed to ~US68.50c.

Overseas Markets

INDEX	CLOSE	+/-	%
Dow Jones	25016	-730	-2.8
S&P 500	3009	-75	-2.4
NASDAQ	9757	-260	-2.6
FTSE 100	6159	12	0.2

Second last trading day of Australia's financial year
Today's Stock Watch
Fisher & Paykel Healthcare (FPH)

37% higher, \$NZ287.3M full year NPAT. 18% higher, \$NZ1.26B operating revenue. 15% higher, NZ15.5c final dividend. \$NZ1.41 NTA, against \$NZ1.46.

Planning to continue product range expansion.

Servcorp Ltd (SRV)

Closing 12 locations in the US. Retaining 10. Cash costs of the restructure are anticipated to tally \$US3.8M. An associated loss will be recognised in SRV's full year accounts. Looking to expand in early 2021. SRV has traded lower the past three sessions, settling at \$2.17 Friday.

McMillan Shakespeare Group (MMS)

Anticipating \$69M - \$72M FY20 underlying NPATA. Planning to restructure UK operations. Expecting £8M - £10M in UK write-down and restructuring costs. Also expecting a \$30M - \$35M retail financial services impairment. In addition, acquiring the balance 25% of Plan Partners for \$8M. Planning to lodge results 19 August.

SeaLink Travel Group (SLK)

SLK subsidiary RiverCity Ferries has won a competitive tender to secure the operator contract for the Brisbane City Council's CityCat, CityHopper and Cross River Ferry services.

The contract term is for an initial 10 years, and up to 15 years, from 4 November.

\$390M revenue is anticipated for the first 10 years.

Resources
Rio Tinto (RIO)

Agreement secured with Mongolia's government on the preferred long-term power supply for the Oyu Tolgoi project.

Element25 Ltd (E25) / OM Holdings (OMH)

E25 has secured a MoU with OMH, for OMH to take 50% - 100% of Butcherbird manganese project concentrate output.

Auteco Minerals (AUT)

Resuming from suspended trade with an initial 830,000oz @11.6g/t Au resource for the Pickle Crow gold project, Canada. The resource has been estimated from an existing data review. Anticipating the resource to grow at a 'rapid' pace, given assays lodged this morning from drilling outside the current resource area. Assays from maiden AUT drilling are pending.

Energy
Ampol Ltd (ALD)

ALD has appointed Matthew Halliday as permanent CEO and MD, effective today.



DAX 30	12089	-88	-0.7
Shanghai Comp	2980	Public	Holiday

Overseas Markets Commentary

Major European and US equities markets settled at or near session lows overnight Friday.

Optimism succumbed to a media report asserting **US** positions on **China** with respect to Hong Kong and Taiwan threatened China's US imports as agreed in a trade accord earlier this year, plus additional reports of spreading Covid-19 resurgences, and the reinstatement of some Covid-19 containment restrictions in select regions, including Florida and Texas in the US.

Trader considerations also included the **US Federal Reserve** (Fed) having announced banking sector stress testing results post-US trade overnight Thursday, these including an estimation that bank loan losses could reach as much as \$US700B.

In association, the Fed revealed large banks' dividends would be capped and that share buy-backs would be disallowed for 33 banks for at least three months.

Among overnight Friday **data** releases, **US** May personal spending rose by a record 8.2% for the month, against a 4.2% fall in personal income.

For April, spending had tumbled 12.6%, despite a 10.8% jump in income.

A final June consumer confidence reading, as calculated by the University of Michigan, came in at 78.1, against the initial 79.3 estimate. For May, the index had been estimated at 72.3.

Earlier, **Germany's** May import prices were reported 0.3% higher for the month, and 7.0% lower than for May 2019. Prices had dropped 1.8% during April.

A consumer confidence index for **France** rose by more than anticipated, from 94 to 97.

May car production in the **UK** was calculated 95.4% lower than for May 2019, following a 99.7% year-on-year April plunge.

Tonight in the **US**, a Texas region manufacturing activity index is due, together with May pending home sales.

Elsewhere, **Germany** releases an initial June CPI estimate.

In overnight Friday corporate news, UK retail centre specialist **Intu** announced it had appointed administrators.

NB: The US is commencing a shortened trading week, with markets closed Friday for an Independence Day holiday.

Commodities

COMMODITY	CLOSE	\$US/	+/-	%
Gold (NY) (Aug)	1780.3	oz	9.7	0.6
Silver (NY) (Jul)	18.035	oz	0.14	0.8
Gold (LON)	1748	oz		
Platinum	795	oz	2	0.3
WTI Crude (COMEX Aug)	38.49	bbbl	-0.23	-0.6
Brent Crude (ICE EUR Aug)	41.02	bbbl	-0.03	-0.1
Iron Ore (NYMEX,CHN,62%)	103.23	t	0.15	0.2
Copper (LME,3mth Ind,PM)	5952	t	18	0.3
Nickel	12685	t	190	1.5
Aluminium	1599	t	23	1.5

Pre-Open Announcements

Jumbo Interactive (** JIN) / Tabcorp Holdings (TAH)

Amendments and extensions to a TAH lottery products resale agreement negotiated, but not yet finalised into long-form agreements. Details lodged this morning.

Silex Systems (** SLX)

Heralding the successful completion of stage one of the Zero-Spin silicon project, with 99.95% isotopic purity demonstrated at lab-scale.

Eclix Group (** ECX)

April – June end-of-lease car sales have proved better than anticipated.

Director and employee compensation will be reinstated to pre-Covid-19 levels, effective Wednesday (1 July).

Neuren Pharmaceuticals (* NEU)

Resuming trade having raised \$20M in a \$1.40-per-share placement.

An SPP is scheduled for 9 – 31 July.

NEU last traded at \$1.64.

MG Unit Trust (* MGC)

Shareholders voted Friday to wind up Murray Goulburn Co-operative Co, and appointed liquidators.

Air New Zealand (* AIZ)

May passenger numbers came in 94.8% lower than for May 2019 and were down 19.0% for the financial year-to-date.

Revenue passenger kilometres dropped 97.1% and 16.8% respectively.

Breakdown statistics lodged pre-trade.

Immutep Ltd (* IMM)

IMM and Merck & Co have completed (non-small cell lung cancer) patient recruitment for Part A of the TACTI-002 Phase II study.

Austal Ltd (ASB)

ASB has delivered a 12th independence-class littoral combat ship (LCS) to the US Navy.

Five additional LCSs are under construction at ASB's Alabama, US ship building facility.

Another two have been contracted for construction.

Creso Pharma (CPH)

CPH has negotiated to pay a \$C800,000 Mernova milestone payment that became due 14 February by issuing ~15M CPH shares at 5c each.

CPH traded at 3.5c – 4.5c last week.

FINEOS Corporation (FCL)

Iowa, US-headquartered F&G has opted to use FCL's FINEOS AdminSuite Claims software and has signed a licence agreement.



Lead	1786	t	6	0.3
Zinc	2039	t	-8	-0.4
Tin	16815	t	170	1.0

Commodities Commentary

Oil – deteriorating demand expectations related to reports of broadening Covid-19 resurgences, including ongoing reports of containment struggles in China and 30% spikes in several US States including three traditionally boasting the highest petrol-consumption, appeared to ultimately outweigh other trade considerations overnight Friday.

In addition, the Federal Reserve's Dallas division determined ~50% of executives of petroleum companies which had pulled back on production earlier this year, were planning to re-ramp output by 31 July.

This, as Texas reinstated some community social restrictions.

A weekly US petroleum drill rig count, published overnight Friday, included one fewer operational oil rig, bringing the tally (188) to a new record low.

Gold – prices swung overnight Friday, Comex futures trading as low as \$US1754/oz, before recording a session gain for the first time since Tuesday.

On settlement, futures recorded a third consecutive weekly gain, this time of 1.6%.

In addition to geopolitics and Covid-19 news this week, at least some gold sentiment is expected to be influenced by key data out of the US and China, this respectively including national employment statistics and June PMIs.

Base metals – pushed and pulled overnight by a media survey which determined economists largely considered the international outlook had deteriorated during the past month, another demonstrating increased traffic in key international regions, and caution ahead of material releases.

China's official (NBS) June PMIs are due tomorrow and could produce some caution tonight.

In addition, respective end of month, June quarter and financial year considerations will be in play.

Over the weekend, China revealed industrial profits had fallen by 19.7% during January – May. Last month, China reported a 27.4% January – April drop.

Exchange Rates

CURRENCIES	LAST	+/-	%
AUD – USD	0.6856	-0.0002	-0.04
EUR – USD	1.1223	-0.0001	-0.01

Australian Data Today

ABS	Covid-19 household impacts	10 – 15 Jun
-----	----------------------------	-------------

US Data Tonight

Pending home sales	May
Dallas Fed manufacturing	Jun

FCL closed higher each session last week, settling for the week at \$3.75, after closing out the previous week at \$3.32.

Tyro Payments (TYR)

Weekly update lodged this morning, highlighting a 15% increase in June year-to-date total transaction value (TTV).

MyFiziq Ltd (MYQ)

Update lodged this morning, highlighting the receipt of an initial \$US225,000 from a \$US1.5M convertible note subscription in support of MYQ's NASDAQ listing.

Synlait Milk (SM1)

SM1 has been recognised for legal accountability, environmental and social performance and public transparency with B Corp certification.

Resources

Musgrave Minerals (* MGV)

Heralding a new WA Murchison district Break of Day gold lode, located 75m south of, and parallel to, the Starlight lode.

Bellevue Gold (* BGL)

Heralding recoveries achieved in metallurgical testing of WA Bellvue gold project ore from four lodes.

BGL closed out last week at \$1.07 after trading as high as \$1.225 Thursday.

BGL had settled at 97c the previous week.

Calidus Resources (* CAI)

WA Pilbara Warrawoona gold project updated pre-feasibility figures lodged this morning, including a 77% post-tax IRR, 13-month payback and \$303M NPV (8%).

Pacifico Minerals (PMY)

Sorby Hills lead-silver-zinc project development funding financial adviser appointed.

PMY gained 42.86% Friday, settling at 1c.

MetalsTech Ltd (MTC)

MTC has appointed former Perseus Mining (ASX: PRU) MD Mark Calderwood as technical advisor, ahead of the planned development of the Sturec gold project, Slovakia.

Kopore Metals (KMT)

Pleading ignorance in response to an ASX query.

KMT added 35.71% Friday after appreciating 40% Thursday.

KMT traded as high as 1c Friday, and settled for the week at 0.95c, after closing out the previous week at 0.5c.

Energy

Global Energy Ventures (* GEV)

Reporting positive initial feedback from an oil field (in-development) operator review of the proposed Brazil CNG project commercialisation plan

**Other Overseas Data Today & Tonight**

Japan	Retail sales	May
UK	Consumer credit	May
Germany	CPI (prelim)	Jun
Euro zone	Economic sentiment	Jun
Euro zone	Consumer confidence	Jun

Need More Information?

Contact your State One Stockbroking advisor on 08 9288 3388 or 1300 651 898, or by email, advice@stateone.com.au

Disclaimer / Disclosure / General Advice Warning / Confidentiality Notice

This market opener and its contents always remain the property of State One Stockbroking Ltd ("State One") and as such cannot be reprinted, distributed, copied, posted on the internet, in part or whole, without written prior approval from State One.

The contents of this document constitute General Advice and have been prepared without taking account of your investment objectives, financial situation or needs. Because of that you should, before taking any action to acquire or deal in, or follow a recommendation (if any) in respect of any of the financial products or information mentioned in this document, consult your own investment advisor to consider whether that is appropriate having regard to your own objectives, financial situation and needs.

While State One believes information contained in this document is based on information which is believed to be reliable, its accuracy and completeness are not guaranteed, and no warranty of accuracy or reliability is given or implied and no responsibility for any loss or damage arising in any way for any representation, act or omission is accepted by State One or any officer, agent or employee of State One. If applicable, you should obtain the Product Disclosure Statement relating to any relevant financial product mentioned in this document (which contains full details of the terms and conditions of the relevant financial product) and consider it before making any decision about whether to acquire the financial product.

The directors and associated persons of State One may have a long or short interest in the financial products discussed in this document and they may earn brokerage, commissions, fees and advantages, pecuniary or otherwise, in connection with the making of a recommendation or dealing by a client in such financial products. Additionally, State One may earn fees due to having been appointed advisors to, or may be undertaking or about to commence research relating to, any of the companies mentioned herein.

Trading Halts

Company	Code	Resuming
Centaurus Metals	CTM	29 Jun
IPB Petroleum	IPB	29 Jun
Novatti Group	NOV	29 Jun
Lotus Resources	LOT	30 Jun
Mincor Resources	MCR	30 Jun
Terrain Minerals	TMX	30 Jun
Whitebark Energy	WBE	30 Jun
Corazon Mining	CZN	1 Jul
Cygnus Gold	CY5	1 Jul
Hipo Resources	HIP	1 Jul

Suspensions (select)

Company	Code	Since
Freedom Foods Group	FNP	26 Jun
MG Unit Trust	MGC	29 Jun
Pioneer Credit	PNC	4 Jun

Ex-Dividends

Code	Ex-Div	Div (c)	Franking (%)	Yield (%)
Property Sector	Today	various	various	various
CLF	Tomorrow	1.5	100	4.23
LRT	Tomorrow	3.02	0	0.00
MOT	Tomorrow	2.15	0	8.62
MXT	Tomorrow	0.79	0	5.53
PGG	Tomorrow	1.29	0	2.83
TPM	Tomorrow	49	100	0.56
VTH	Tomorrow	1.5	0	6.16
NBI	Wed	0.9	0	7.63
RF1	Wed	20.79	0	1.73

Reports & Events

(selected)

When	Company	Report/Event
Today	ALQ	AGM
	FPH	Full year